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SENATE—*Wednesday, January 31, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. WENDELL H. FORD, a Senator from the State of Kentucky.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Blessed are the pure in heart: for they shall see God.—Matthew 5: 8.

Almighty God, seen by the pure in heart, known by those who love Thee, and found by those who seek Thee, come to us in this quiet moment and shed Thy light upon the work of this day. Save us from the idolatry of the Nation, from destructive ego-drives, from self-worship and all false deities. Help us to worship Thee and Thee alone, to seek righteousness for the sake of righteousness alone, to cling to truth for the sake of truth, and in all our ways to acknowledge Thy Lordship. May we find Thee and have communion with Thee not only in the time of prayer but also in the broadening history of our age, not only in the sanctuary of the spirit but also at work in our common days, shaping the destiny of men and nations. So wilt Thou bless, guide, and keep all who serve in the Government of this Nation.

Through Him who is Lord of all history. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 31, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable WENDELL H. FORD, a Senator from the State of Kentucky, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. FORD thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, a parliamentary inquiry: Does Mr. PROXMIRE have an order for recognition?

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin is to be recognized for not to exceed 15 minutes.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the order for the recognition of Mr. PROXMIRE, there be a period for the transaction of routine morning business, for not to exceed 2 hours, with Senators permitted to speak during that period for not to exceed 15 minutes each; that no motion, no unanimous-consent request, no action whatsoever, be in order which would have the effect of jeopardizing or relating to Senate Resolution 9 and/or the motion which I have made and which is now pending thereto, during the remainder of this day.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, while we are awaiting the arrival of Mr. PROXMIRE, I ask unanimous consent that there be a period of 5 minutes for the transaction of routine morning business, with Senators permitted to speak for 1 minute therein, without prejudice to Mr. PROXMIRE.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE SUGAR ISSUE

Mr. McGOVERN. Mr. President, because of my concern over the administration's apparent preference for borrowing money to make payments as a means of reducing the price of sugar to sugar users, instead of achieving a fair price in the marketplace which Congress sought to provide for producers, I had asked the General Accounting Office to look into the operations of such payment programs in the hope of getting an unbiased appraisal of the pros and cons of such an approach.

As an interim report, Mr. President, the GAO has provided me with a copy of an audit report on the payment program for the 1977 crop of sugar beets and sugar cane made by the USDA's own Office of Inspector General.

Quite frankly, the Inspector General's report increases my deep concern, setting forth glaring weaknesses and abuses in trying to assist either growers or consumers by this payment approach.

It seems only prudent to carefully pursue this inquiry in view of indications that the administration is once again debating return to the processor payment program as the basis for a domestic sugar program.

Before Congress makes any such decision, however, I believe we should carefully review what has happened under the old payment program as at least partially indicated by this Inspector General's report.

We must determine who benefits from the cheap sugar sold into the market as a result of these payments and whether these buyers could in fact not afford to pay cost of production for their sugar requirement. And we should determine to what extent the treasury-financed dumping of sugar at less than cost of production caused other sugar inventory

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

to be turned over to the Government and stored indefinitely at taxpayers expense.

We must determine once and for all whether it is in fact in the public interest to borrow hundreds of millions of dollars at high interest rates, which result in our children and grandchildren paying, perhaps forever, for the cost of selling sugar below the cost of production. And we must determine at the same time the real inflationary effect of such payment programs at a time Government is borrowing the money.

Because of these concerns, I call the attention of my colleagues to the Inspector General's report and I serve notice of my intent to ask the Agricultural Committee to pursue in more depth a full inquiry into the sugar payment program.

Mr. President, I ask unanimous consent to have the USDA Inspector General's report printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

AUDIT REPORT, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE, PRICE SUPPORT PAYMENT PROGRAM FOR 1977 CROP SUGARBEETS AND SUGARCANE

I. INTRODUCTION

A. Scope

This report presents the results of a nationwide audit of the Price Support Payment Program for 1977 Crop Sugarbeets and Sugarcane. This program is administered by the Agricultural Stabilization and Conservation Service (ASCS) National Office in Washington, D.C. Our review was made to determine: (1) whether the ASCS National Office was administering the 1977 price support payment program in accordance with the laws and regulations; and (2) whether sugar processors were following the regulations in reporting 1977 crop year sugar sales for program payment purposes.

Program participation extended to 49 corporate and cooperative processors of domestic sugarbeets and sugarcane. These processors submitted program claims for a total of 62,412,809 hundredweight (cwt.) of raw weight equivalent sugar marketed through May 31, 1978. ASCS had authorized the Commodity Credit Corporation to disburse $179,185,422 on these claims as a 90 percent partial payment.

Our field work was conducted during the period April 1978 through August 1978 and included a representative sample of program claims submitted by 11 processors. The claims audited for program periods through May 31, 1978, included 43,477,729 cwt. (raw weight equivalent) upon which the Commodity Credit Corporation had paid processors about $130,566,050 as a 90 percent partial payment.

We interviewed ASCS National Office officials and Office of the General Counsel officials. We contacted officials of a 12th processor whose claim we did not audit, and we spoke with buyers of sugar reported under the program. We reviewed loans under the 1977 crop loan program at five processors to determine if conflicts with the 1977 crop payments program existed. We also reviewed all contracts and purchase orders submitted to the ASCS National Office by processors. We did not audit processor payments to sugarbeet and sugarcane growers because final payments had not been made.

During our audit we learned that the General Accounting Office (GAO) was also auditing the payment program. In order to coordinate our efforts with the GAO, we routinely kept each other informed of audit activities and results. To avoid a duplication of audit work and to reduce our own audit scope, we terminated coverage of the national average market price (NAMP) concepts employed by ASCS. However, we did review the preliminary calculations of the NAMP for the first two program periods for mathematical accuracy. Prior to our decision to terminate work in this area we had substantially developed one facet of the NAMP which is reported in Audit Results—3.

B. Background

The price support payment program for 1977 crop year sugar was implemented to support prices to domestic producers of 1977 crop sugarbeets and sugarcane. This support was to be accomplished through payments made by the Commodity Credit Corporation to sugar processors based on the 1977 crop sugar marketed. ASCS, which administers the program, determined the amount of payments by substracting from the 13.5 cents per pound support rate the average price of raw sugar or its equivalent received by processors. ASCS computed the average price on a national basis and made equal payments per pound to all processors. Processors were required to pay producers rates stipulated in the program regulations, which are equivalent to a price support of 52.5 percent of the parity prices for the commodities as of July 1977.

Originally, 1977 crop sugar marketed after September 14, 1977, was eligible for payment. Later, eligibility was extended to include all 1977 crop sugar marketed, until such time as the payment program was superseded by another support program. On November 7, 1977, the payment program was superseded by the price support loan program for 1977 crop sugar. Eligibility under the payment program was extended to cover sugar committed prior to November 8, 1977, for future delivery under contractual agreements. Audit Results 1 and 5 contain additional data concerning this extension.

ASCS authorized 90 percent partial payments to processors based on preliminary calculations of NAMP received by processors. For this report, we computed program overclaims based on 100 percent payments to processors.

II. HIGHLIGHTS

Based on our audit, we concluded ASCS did not adhere strictly to program regulations in its administration of the price support payment program for 1977 crop year sugarbeets and sugarcane. ASCS also did not adequately review claims and supporting documentation submitted by participants in the program, and participants themselves did not strictly adhere to the regulations. Several problem areas were not covered by the regulations, resulting in individual decisionmaking and lack of uniformity in program reporting.

The overall weaknesses in program control resulted in significant price support overclaims and unnecessary government expenditures.

Seven participants overclaimed at least $10.4 million in support payments on sugar marketed under contractual agreements and purchase orders which we concluded did not meet eligibility requirements.

We informed ASCS of this condition in an interim report, dated May 30, 1978, prior to the completion of our field work.

ASCS made an administrative decision which permitted program participants to claim support payments of $8.9 million on prior years' sugar. This decision was not documented in any written format but had been communicated to program participants verbally. Some participants were not aware of the ASCS decision, and implementation was not uniform among those who were. Program legislation and regulations extend eligibility only to 1977 crop sugar.

We reported these conditions to ASCS in an interim report, dated May 28, 1978. We have also referred this matter to the Office of the General Counsel for its opinion on the legality of the ASCS decision.

Because program regulations allowed a special deduction on the gross proceeds of one processor, support payments to all program participants were unjustifiably increased by over $9 million through December 31, 1977.

Program regulations allow cooperatively owned cane sugar refiners to deduct up to 8 percent from gross proceeds reported. During the 1977 program this rule applied only to processor E who, partly because of this deduction, consistently reported lower gross proceeds than other cane processors. This diluted the national average market price and therefore increased support rates. Processor E's deduction was excessive and equaled a 30 percent annual return on the owner-members' investment in the cooperative.

Four processors received $58.5 million in loans on ineligible prior years' sugar because the ASCS National Office did not provide its state and county offices with payment program data needed to correctly compute 1977 crop year sugar eligible for the loan program. We estimate that the Commodity Credit Corporation incurred interest losses of over $272,000 through June 30, 1978, on these loans.

We reported this matter to the Administrator of ASCS in a letter dated July 18, 1978, and corrective action was initiated.

A variety of program reporting errors resulted in over $430,000 in support payment overclaims. These errors included claiming the same quantity of sugar twice, and claiming quantities of sugar that had been purchased from other processors.

Other weaknesses in program control contributed to program problems. Program regulation amendments caused a lack of uniformity in reporting. This resulted in unequal support rates on sugar marketed during the same time period by different processors.

Some processors did not include in the gross proceeds of their reported sales the gains and losses they sustained from trading futures contracts as a pricing method. Withholding these gains and losses could cause the national average market price and program support rates to be incorrect.

We have noted in the General Comments Section two other areas to which ASCS should give consideration.

III. RECOMMENDATIONS AND DISCUSSION WITH MANAGEMENT

A. Recommendations for the Administrator, ASCS

1. Verify the data reported by participating processors not included in our field review. (See Audit Results—1 and 5)

2. Update and deduct from the final 10 percent program payment to processors the amounts of overclaims cited in this report and any overclaims subsequently found during ASCS reviews. If the final 10 percent payment is insufficient to cover any overclaim, bill the processor for the difference. (See Audit Results—1 and 5)

3. Withhold the final 10 percent program payment to processors until the OGC opinion is rendered. (See Audit Results—2)

4. Require that future instructions be communicated to processors in writing. (See Audit Results—2)

5. Eliminate or substantially reduce the 8 percent deduction from gross proceeds allowed to processor E before recalculating final support rates. (See Audit Results—3)

6. Adjust program reports of processor E to reflect gross proceeds from damaged sugar before recomputing final national average market prices (NAMP). (See Audit Results—5)

7. Clarify regulations pertaining to marketing periods and require participating processors to revise reports to permit recom-

putation of payments on a basis which will be equitable to all participants. (See Audit Results—6)

3. Instruct participating processors to submit amended reports to include gains and losses from trading in futures contracts before recomputing the NAMP and making final settlements. (See Audit Results—7)

B. Discussion with management

We discussed the audit results and recommendations on September 28, 1978, with the following ASCS National Office representatives:

Ray V. Fitzgerald, Administrator.

William Cherry, Executive Assistant to the Administrator.

Walter C. Ferguson, Assistant to the Administrator.

Grant Buntrock, Assistant Deputy Administrator, State and County Operations.

Robert Stansberry, Acting Director, Procurement and Sales Div. (PSD).

James Agnew, Acting Deputy Director, PSD.

George Rippel, Liaison Officer.

David W. Anderson, Program Specialist, PSD.

Fred Oxley, Systems Accountant, PSD.

John Gibbs, Consultant.

The Office of the General Counsel (OGC) was represented at the discussion by Thomas Conway and James Walczak.

ASCS officials agreed with our findings and recommendations, except in the following areas:

1. Ceiling Price Agreements (CAs)—ASCS requested that OGC be asked to determine whether CAs constitute a binding legal contract and meet program eligibility criteria. We agreed to request an OGC opinion on this matter. (See Audit Results—1)

2. Integrated Cane Sugar Refineries—ASCS requested that OGC be requested to determine the legality of allowing processors to report sugar as marketed when the raw sugar is delivered to the integrated refinery. We agreed to request an OGC opinion on this matter. (See Audit Results—1)

3. Prior Crop Years' Sugar Claims—ASCS's position, stated in Audit Results—2, remained unchanged pending on OGC opinion in this area.

4. Deduction for Return on Investment—ASCS's position, stated in Audit Results—3, remained unchanged.

The OGC requested that we provide them with additional information on the contract of processor F (Audit Results—1) which was negotiated after November 7, 1977, and subsequently amended several times. We will provide the additional information.

The following personnel represented the Office of the Inspector General, Office of Audit, at the discussion:

T. T. Osasa, Acting Director.

Joseph E. Fisch, Acting Director, Rural Development and Farm Programs Division.

James J. Scott, Acting Regional Director, Western Region.

Cletis L. Wills, Assistant Regional Director, Western Region.

Jesse H. Morris, Supervisory Auditor, Western Region.

Terry A. Cover, Auditor-in-Charge, Western Region.

IV. AUDIT RESULTS

1. Contractual agreements and purchase orders

Of the eleven processors audited, seven reported sales transactions under contractual agreements and purchase orders which we concluded did not meet program requirements for eligibility. Sales reported under these agreements resulted in support payment overclaims of $10.4 million on about 400 million raw value pounds of sugar reported as marketed. There will be additional claims under ineligible agreements since our audit includes only claims submitted to the time of our audit.

The 1977 crop sugar payments program was superseded by the price support loan program on November 7, 1977. November 7 thus became the end of the marketing period for sugar eligible for support payments. Only sales committed under contractual agreements made prior to November 8, 1977, were eligible for support payments after November 7, 1977.

Changes to the original program regulations extended program eligibility. The original regulation gave the following definition:

"Quantity of sugar marketed" means the pounds of refined beet sugar or cane sugar, raw value, marketed from the 1977 crop during the marketing period as provided herein. Refined beet sugar or raw cane sugar shall be deemed to have been marketed when delivered to the purchaser or to a carrier for delivery to the purchaser or when title otherwise passes to the purchaser or *when sugar has been contracted and committed for future delivery, but only to the extent that gross proceeds are accounted to the seller.* [Emphasis added—Part 1435.3(d)]

An amendment to the program regulations was later issued. The amendment states:

It was also brought to the Department's attention that *to deem all sugar contracted and committed for future delivery as being considered as "marketed" for the purpose of eligibility to receive payments under this program provided the opportunity for serious program abuse.* To eliminate this potential problem area, this amendment limits the future delivery period of such sugar. [Emphasis added—Supplementary Information]

The original definition was revised as follows:

"Quantity of sugar marketed" means the pounds of refined beet sugar or cane sugar, raw value . . . marketed from the 1977 crop during the marketing period as defined in paragraph (e) of this section. Refined beet sugar or raw cane sugar shall be deemed to have been marketed during the marketing period when (i) delivered to the purchaser, or (ii) delivered to a carrier for delivery to the purchaser, or (iii) *title otherwise passes to the purchaser and the sugar is committed for delivery within a period not to exceed 30 days following the end of the marketing period, under a written contract fixing both the quantity and price of sugar to be delivered within such 30-day period;* but, in each of the preceding cases, only to the extent that gross proceeds are accounted to the seller within the marketing period . . . [Emphasis added—Part 1435.3(d)]

A second amendment adds the following to the revised definition without deleting any of the revised wording:

"Quantity of sugar marketed" . . . Provided, however, that a quantity of sugar which does not meet the requirements of the foregoing provisions of this paragraph shall be considered as being marketed during the marketing period *i. such quantity of sugar has been committed by the processor under a contractural agreement entered into prior to the end of the marketing period which (1) requires delivery to the purchaser on a scheduled basis or at the option of the purchaser and (2) specifies the method of determining the price of such sugar.* [Emphasis added—Part 1435.3 (d)]

According to ASCS National Office officials, this last addition was the result of sugar industry and Congressional pressure. Some Louisiana processors had contracts which called for them to sell all sugar produced by one buyer. Since these processors were committed to sell all their sugar, they could not take advantage of the loan program, which provided support for unsold sugar. Once the loan program went into effect on November 7, 1977, these processors could only receive payments for those deliveries they would make within 30 days after November 7.

Revisions of the program regulations indicate that it was the intent of Congress to provide price support under the payment program only for that portion of the 1977 crop which could not be placed under the superseding loan program. The following excerpt from a conference report was cited in the amended regulation:

It was not intended by the amendment to create a hardship in any producing area. Consistent with existing law, the added language thus makes clear the Conferee's intent that fair and equal treatment be afforded all domestic producers by extending price support to that portion of the 1977 crop marketed before the new [loan] program could be made effective, it being a purpose of this section that a substantially equal level of price support be provided for all sugar cane and sugar beets of the 1977 crop.

Under the regulation processors had a choice either to place unmarketed sugar under the loan program or to market it outside the payments program. The final program revision extended eligibility to processors, like those in Louisiana, who had already marketed their sugar and, therefore, had no choice.

Ceiling Price Agreements

The second amendment to the program regulations eliminated the requirement that contracts (1) be in writing, (2) state specific price, and (3) state quantity. Our audit disclosed that the sugar industry commonly operates under certain informal agreements. Some of these are verbal agreements and some are what amount to ceiling price agreements.

Processors generally grant a ceiling price to buyers on a quarterly basis. Buyers agree to do business at market prices, not to exceed the ceiling price, but generally do not agree to purchase specific quantities until purchase orders are actually submitted.

Based on our review of program legislation and regulations, we concluded ceiling price agreements did not meet program requirements for contracts. The agreements did not commit processors or buyers to any sales. While the processor was committed to a ceiling price, neither the processor nor the buyer was committed to any quantity. Processor E revised its ceiling prices at the request of buyers. Processor E agreed to the revisions because had it not done so buyers would have purchased sugar elsewhere.

Purchase Orders

Purchase orders were considered to meet the program requirements as contracts. Many buyers did not enter into formal contracts, but simply issued purchase orders when they wished to buy. Purchase orders received after November 7, 1977, would not be eligible unless they were orders submitted as part of an otherwise eligible contract.

Audit exceptions regarding contracts and purchase orders are detailed below by processor.

a. Processor A

We reviewed all 118 contractual agreements in which processor A had reported sugar sales and claimed support payments. Twenty-seven of the agreements were ceiling price agreements and were not binding contracts; three were entered into or revised after November 7, 1977; and five involved computation errors. As a result, processor A overclaimed $2,911,494 on 130,656,844 raw value pounds of ineligible sugar.

Ceiling Price Agreements

Of the 118 agreements we reviewed, 27 were actually ceiling price agreements (CAs) and not binding contracts. CAs were generally used by the processor to compete with other sugar companies by setting a ceiling price for sugar to be sold in a future period. Buyers were not committed to purchase sugar from the processor at any time, and the agreements stated no quantities of sugar.

In fact, processor A had to estimate the quantity of sugar that probably would be sold under the CAs. From these conditions, we concluded that CAs are not contracts and that sugar sales made under CAs are not eligible for the payment program. The following table details the CA sales reported by processor A:

Program period ended	Raw value pounds reported	Support rate (cents)	Support overclaim
Dec. 31, 1977	17, 349, 515	2. 69	$466, 702
Jan. 31, 1978	21, 097, 404	2. 38	502, 118
Feb. 28, 1978	19, 157, 922	2. 11	404, 232
Mar. 31, 1978	25, 920, 643	2. 35	611, 727
Apr. 30, 1978	13, 320, 751	2. 14	285, 064
May 31, 1978 [1]	12, 088, 646	1. 73	209, 134
Overclaim	108, 934, 881		2, 478, 977

[1] Preliminary report.

The unsold quantity of sugar remaining to be reported under these agreements amounted to 44,408,745 raw value pounds.

CONTRACT QUANTITIES NEGOTIATED AFTER DEADLINE

One contract was negotiated after November 7, 1977, and two other contracts involved increases in quantities after November 7, 1977.

Ineligible sales under these three contracts are detailed below:

Program period ended	Raw value pounds reported	Support rate (cents)	Support overclaim
Nov. 7, 1977	95, 658	3. 98	$3, 807
Dec. 31, 1977	259, 047	2. 69	6, 968
Jan. 31, 1978	1, 048, 279	2. 38	24, 949
Feb. 28, 1978	585, 183	2. 11	12, 347
Mar. 31, 1978	1, 059, 300	2. 36	24, 999
Apr. 30, 1978	8, 872, 654	2. 14	189, 875
May 31, 1978 [1]	9, 103, 560	1. 73	157, 492
Overclaim	21, 023, 681		420, 437

[1] Preliminary report.

The unsold quantity of sugar remaining to be reported under these three contracts amounted to 32,755,919 raw value pounds.

Computation Errors

Processor A also made errors in computing the quantity of sugar remaining to be sold under five contracts. This resulted in processor A making an overclaim of $12,090 on $98,282 raw value pounds in the period ending May 31, 1978. Due to these errors, processor A's records also overstate remaining commitments by 5,430,678 raw value pounds.

b. Processor B

Processor B reported ineligible sugar sales made to three buyers. The following table details the ineligible sales reported and the reasons therefor:

Program period ended	Raw value pounds reported	Support rate (cents)	Support overclaim	Reason sales were ineligible
Dec. 31, 1977	39, 024	2. 69	$1, 050	Purchase order received after Nov. 7, 1977.
Feb. 28, 1978	107, 000	2. 11	2, 258	No contract.
May 31, 1978	113, 420	1. 73	1, 962	Clerical error.
June 30, 1978	115, 560	1. 89	2, 184	Quantities reported exceeded quantity shown on purchase order.
Overclaim	375, 004		7, 454	

There were 1,857,520 raw value pounds remaining unreported due to the clerical error and another 5,392,800 ineligible raw value pounds unreported under an amended contract, both of which represent potential overclaims. The contract amendments which increased the quantity occurred in January and March 1978. No sales had been reported under the amended contract at the time of our audit.

c. Processor C

Processor C overclaimed support payments of $86,486 on 2,424,267 raw value pounds of sugar on 41 purchase orders received after November 7, 1977. The processor claimed these sales on the report ending November 7. The processor also overclaimed a support payment of $2,547 on 107,000 raw value pounds claimed on the January 31 report for a contract which was not entered into until after November 7, 1977.

An official from this processor's office informed us that the company only had one or two days to collect the information and that it was not familiar with the program regulations when the claim was prepared.

d. Processor D

Our review of purchase orders received by processor D from 46 customers showed that nine purchase orders were received after the November 7, 1977, deadline. As a result the processor overclaimed support payments of $116,903 on 4,151,236 raw value pounds covered by these purchases orders.

The following schedule shows the periods in which the overclaims were made:

Program period ended	Raw value pounds reported	Support rate (cents)	Support overclaim
Nov. 7, 1977	1, 078, 688	3. 98	$42, 932
Dec. 31, 1977	1, 388, 560	2. 69	37, 352
Jan. 31, 1978	585, 269	2. 38	13, 929
Feb. 28, 1978	403, 476	2. 11	8, 513
Apr. 30, 1978	524, 407	2. 14	11, 222
May 31, 1978	170, 836	1. 73	2, 955
Overclaim	4, 151, 436		116, 903

e. Processor E

Our review of 149 contractual agreements and 39 purchase orders submitted by processor E showed that 104 agreements and 29 purchase orders did not meet program requirements. In addition, processor E reported sugar sales that had been sold at a discount under 11 promotional allowance bulletins. These bulletins did not meet the program requirements as being "contracts." Altogether, processor E overclaimed $6,004,272 on 206,642,856 raw value pounds of ineligible sugar.

Ceiling Price Agreements

Of the 149 agreements we reviewed, 104 were actually competitive activity ceiling price agreements (CAs) and not binding contracts. Like processor A's ceiling price agreements, processor E's agreements stated no quantities of sugar and committed neither the processor nor the buyer to a sale. In reporting the quantities "committed" under these agreements, processor E estimated the quantity of sugar that probably would be sold under the CAs.

Processor E's buyers had requested and received revised ceiling prices. Processor E agreed to these revisions; otherwise the buyers would have purchased sugar elsewhere. From these conditions, we concluded that CAs are not contracts and that sugar sales made under CAs are not eligible for the payment program. The following table details the CA sales reported by processor E:

Program period ended	Raw value pounds reported	Support rate (cents)	Support overclaim
Nov. 7, 1977	23, 821, 709	3. 98	$948, 104
Dec. 31, 1977	21, 037, 011	2. 69	565, 896
Jan. 31, 1978	23, 832, 786	2. 38	567, 220
Feb. 28, 1978	16, 063, 570	2. 11	338, 941
Mar. 31, 1978	25, 414, 640	2. 36	599, 786
Apr. 30, 1978	26, 366, 283	2, 14	564, 238
Overclaim	136, 535, 999		3, 584, 185

Purchase Orders Received After Deadline

Twenty-nine of 39 purchase orders were received after November 7, 1977. A total of 10,134,725 raw value pounds were reported in the first program period on these 29 purchase orders and resulted in an overclaim of $403,362.

An official of processor E informed us the processor's legal department had decided that because the company had not received notification of the November 7 payment program deadline until noon November 8 it was entitled to report sales through noon November 8. However, the regulations are specific—contractual agreements were required to be executed prior to November 8 for the sales to be eligible for the payment program.

Promotional Allowance Bulletins

Processor E reported sales transacted after November 7 under 11 promotional allowance bulletins. The bulletins which were dated prior to November 8, 1977, offered discounts on promotional display products for a stated time period, but were not contractual agreements. The bulletins did not show names of buyers, quantities of sugar to be purchased, or prices of products.

The following table details the ineligible bulletin sales reported by processor E.

Program period ended	Raw value pounds reported	Support rate (cents)	Support overclaim
Nov. 7, 1977	31, 335, 621	3. 98	$1, 247, 158
Dec. 31, 1977	28, 302, 023	2. 69	761, 324
Jan. 31, 1978	423, 349	2. 38	10, 076
Feb. 28, 1978 [1]	(230, 880)	2. 11	(4, 872)
Apr. 30, 1978	142, 019	2. 14	3, 039
Overclaim	59, 972, 132		2, 016, 725

[1] Adiustment credits. Amounts in this period appear in credit memoranda the processor issued to buyers who purchased sugar under bulletin sales during previous periods.

f. Processor F

Processor F claimed payments on quantities of sugar that exceeded quantities committed under 8 of its 20 contracts and/or purchase orders. This resulted in overclaims of $162,367 on 8,171,160 raw value pounds of sugar, with potential overclaims on another 21,992,908 raw value pounds in program periods subsequent to our audit.

Contract Revised After November 7, 1977

Processor F and one customer changed the quantity of sugar after November 7 on a previously negotiated contract. The following schedule gives details of the contract:

Date and explanation:

Sept. 6, 1977, Processor and buyer sign original contract for 50,000,000 refined pounds. Payment for this sugar is based on New York spot price.

Nov. 6, 1977, New York sugar and coffee exchange spot price is discontinued.

Nov. 7, 1977, Program deadline date for entering into contracts.

Dec. 6, 1977, Processor and buyer mutually agree to discontinue shipments.

Dec. 12, 1977, Processor and buyer renegotiate and sign a new contract for 30,000,000 refined pounds. Payment based on different pricing method from the one used in original contract.

Jan. 16, 1978, Processor and buyer cancel original contract. Pricing on 5,494,000 refined pounds already shipped is settled.

Jan. 23, 1978 and Mar. 16, 1978, Processor and buyer revise quantity on new contract to 75,000,000 refined pounds and change delivery schedule.

As of June 30, 1978, processor F had reported sales of 4,444,945 refined pounds (4,756,091 raw value pounds) over the 50,000,000 refined pounds stipulated in the original contract. Because the original contract had to be discontinued after the New York spot price was discontinued, it would be unfair to limit the eligible quantity to actual deliveries (5,494,000 refined pounds) under the original contract. However, increases in the original quantity cannot be considered eligible because they were committed after the November 7, 1977, deadline.

The processor has already overclaimed $87,036 on sales of 4,756,091 raw value pounds which are in excess of the quantity originally contracted. Processor F representatives informed us they will continue to report sales under the revised contract. The potential amount of raw value pounds that could be overclaimed is 21,992,908.

Shipments Exceed Contracted Amounts

Processor F reported sales in excess of quantities stipulated in two contracts and five purchase orders. These uncommitted quantities are ineligible and resulted in an overclaim of $75,331 on 3,415,069 raw value pounds. The following table details the periods and amounts involved:

Program period ended	Raw value pounds reported	Support rate (cents)	Support overclaim
Dec. 31, 1977	79,197	2.69	$2,130
Jan. 31, 1978	887,623	2.38	21,125
Mar. 31, 1978	1,543,136	2.36	36,418
May 31, 1978	905,113	1.73	15,658
Overclaim	3,415,069		75,331

g. Processor I

Processor I reported sales on seven contracts entered into after the November 7, 1977, deadline. (Five of these contracts were later withdrawn from program support.) The processor also included sales on 13 ceiling price agreements. The ineligible claims totaled $1,107,244 on 47,843,338 raw value pounds.

Contracts entered into after November 7, 1977

Processor I had claimed sales of 25,400,088 raw value pounds for a support overclaim of $560,262 on seven contracts entered after the November 7 deadline. During the course of our audit, the processor sent amended SU-1 reports to the ASCS National Office for five of the seven contracts, but did not amend the amounts for the other two ineligible contracts.

The periods and amounts overclaimed for these two contracts are shown below:

Program period ended	Raw value pounds reported	Support rate (cents)	Support overclaim
Jan. 31, 1978	2,459,930	2.38	$58,546
Feb. 28, 1978	2,240,473	2.11	47,274
Mar. 31, 1978	3,515,485	2.36	82,965
Apr. 30, 1978	663,079	2.14	14,190
May 31, 1978[1]	615,999	1.73	10,657
June 30, 1978[1]	3,095,082	1.89	58,497
Overclaim	12,590,048		272,129

[1] Processor I informed us of these quantities. We did not audit these periods.

Ceiling Price Agreements

Thirteen of processor I's contractual agreements were actually ceiling price agreements (CAs) and not binding contracts. Like processors A and E, processor I's ceiling price agreements stated no quantities of sugar and committed neither the processor nor the buyer to a sale. CAs were generally used by the processor to compete with other sugar companies by setting a ceiling price for sugar to be sold in a future period.

Six of the 13 agreements were entered into after the November 7, 1977 deadline and were determined ineligible also for that reason (see prior paragraph). On the seven remaining agreements the processor overclaimed support payments of $835,115 on 35,253,290 raw value pounds from November 8, 1977 to April 30, 1978.

Program period ended	Raw value pounds reported	Support rate (cents)	Support overclaim
Dec. 31, 1977	8,266,285	2.69	$222,363
Jan. 31, 1978	7,607,272	2.38	181,053
Feb. 28, 1978	7,063,498	2.11	149,040
Mar. 31, 1978	8,677,914	2.30	204,799
Apr. 30, 1978	3,638,321	2.14	77,860
Overclaim	35,253,290		835,115

h. Other sugar processors

We reviewed 120 contractual agreements and/or purchase orders which had been submitted to the ASCS National Office by 27 other processors. At least 31 agreements and/or purchase orders from eight processors did not appear eligible for support payments. Since we did not make field visits to these eight processors, we do not have adequate information regarding the quantities specified under each agreement and/or purchase order, and we cannot compute the ineligible quantities or program overclaims. Altogether the eight processors with ineligible agreements and/or purchase orders claimed $22,760,150 on 654,723,369 raw value pounds of sugar through April 30, 1978.

The 31 agreements and/or purchase orders indicated several problem areas. Eleven agreements and/or purchase orders were dated after the November 7, 1977 program deadline, and 25 of the agreements were actually ceiling price agreements which did not state the quantity of sugar to be purchased. We also found one processor who used a copy of a purchase order from one customer as an example of an agreement with another customer.

Two claims were based on agreements to transfer raw sugar to refineries owned by the processors. The two program claims were for the quantity of sugar transferred to the refinery, not for the quantity of sugar marketed. The regulations require that claims for support payments be based on the quantity of sugar marketed.

The following schedule shows these problem areas by processor:

Processor	Number and types of exceptions: Contract dated after Nov. 7, 1977	Number and types of exceptions: Ceiling prices (quantities not stated)	Number and types of exceptions: Other	Raw value pounds reported
L	1	9		[1] 96,341,158
M	1			18,206,060
N			[2] 1	7,332,327
O			[3] 1	140,911,107
Q	1			120,711,288
R			[3] 1	124,154,496
S		4		[1] 51,164,018
T	8	[4] 12		[1] 95,902,915
Total	11	25	3	654,723,369
Total support claimed, all periods				22,760,150

[1] Beet companies—pounds shown as refined value on SU-1 report but converted to raw value pounds here.

[2] Copy of another buyer's purchase order submitted to ASCS.

[3] Transfer and delivery of raw cane sugar to processor's own refinery.

[4] Duplicates 8 contracts dated after Nov. 7, 1977.

Conclusion

Based on our review and the cited deficiencies, we concluded that ASCS should (1) initiate verification of program claims submitted by all processors not included in our audit; (2) update and deduct the overclaims we have reported from the final 10 percent of payments which have not yet been paid; and (3) bill processors for excess if the 10 percent is insufficient to offset overclaims.

2. Prior crop years' sugar claims

The ASCS National Office made an administrative decision which permitted participants in the 1977 price support payment program to receive support payments on sales of sugar from prior crop years. Of the eleven processors audited, eight reported sales totaling 2.2 million cwt. (raw value) of prior crop years' sugar, for which the Commodity Credit Corporation has paid 90 percent of the $8.9 million program subsidy.

Program Requirements

The Food and Agricultural Act of 1977 (Public Law 95-113—September 29, 1977, Title IX—Soy Beans and Sugar) states in Section 902, Sugar Price Support, that the program is "effective only with respect to the 1977 and 1978 crops of sugarbeets and sugarcane." This act also amends the Agricultural Act of 1949, Section 201, by adding a new subsection (f) (1) which states, in part:

The price of the *1977 and 1978 crop* of sugar beets and sugar cane, respectively, shall be supported through loans or purchases. [Emphasis added]

Further, the Code of Federal Regulations (Part 1435—Sugar Payment Regulations) provides that:

Eligible processors will receive payments on the quantity of refined beet sugar or raw cane sugar *marketed from the 1977 crop.* [Emphasis added]

The Regulations also provide the following four definitions:

(1) "1977 crop" means domestic sugarbeets and sugarcane, the substantial portion of which is harvested in the areas indicated below during the following periods:

Sugar producing area and harvesting period:

Sugarbeets: All States, excluding California and Arizona, Sept.-Nov. 1977.

California, excluding southern area, July 1977-June 1978.

Southern California, Mar.-Sept. 1977.

Arizona, lowland area, Apr.-Aug. 1977.

Arizona, upland area, Sept. 1977-Jan. 1978.

Sugarcane:

Florida, Oct. 1977-May 1978.

Louisiana, Oct. 1977-Jan. 1978.

Texas, Oct. 1977-May 1978.

Hawaii, Calendar year 1977.

Puerto Rico, Calendar year 1977.

[Part 1435.3 (a)].

(2) "Quantity of sugar marketed" means the pounds of refined beet sugar or cane sugar . . . *marketed from the 1977 crop* during the marketing period. [Emphasis added—Part 1435.3 (d)]

(3) "Marketing period" means the period commencing when *1977 crop sugar was first marketed* and ending on November 7, 1977. [Emphasis added—Part 1435.3 (e)]

The Regulations (Part 1435.5 (d)) specifically define how processors may identify 1977 crop sugar:

(4) The processor may select either the "first-in-first-out" or "last-in-first-out" method of inventory accounting for the purpose of identifying sugar of the 1977 crop. Once a method of inventory accounting has been selected by the processor, no change may be made therein.

Inventory Accounting Method

The inventory accounting method selected by each processor serves to identify the 1977 crop. However, only sugarbeet processors who selected the last-in-first-out (LIFO) method of inventory accounting were affected by the ASCS decision. LIFO is an inventory valuation method used to determine the monetary value of inventories for financial statement purposes. LIFO assumes the last goods placed into inventory are the first goods sold. Under the 1977 crop sugar payment program, this inventory method allowed processors to report sales of 1977 sugar as it became available without first selling all the prior years' sugar in inventory. The ASCS administrative decision is inconsistent with this inventory method because it allows sales of prior years' sugar to be reported before any 1977 crop sugar has been produced.

Marketing Contract Years

ASCS allowed sugarbeet processors to report sales as of the first day of their marketing contract years. A marketing contract year is a one-year period used by processors to compute the average sales price for a quantity of sugar. Growers are paid a percentage of this average price for the sugar produced from their annual crop. The quantity of sugar sold during this one-year period will not be equal to the quantity of sugar produced from the 1977 crop, unless by coincidence, and could result in USDA subsidizing a quantity in excess of the 1977 crop. Furthermore, the USDA support payments cannot be matched to the sales the processor used to compute his average price because the payment program, which ended on November 7, 1977, did not cover the same period as the full marketing year.

Marketing contract years started from 8 to 51 days before the start of 1977 crop production. Sugar sold during these periods was prior years' sugar because it was the only sugar available. Large sugar processors complicate the situation because they have facilities in two or more regions of the United States and have two or more marketing contract years. Even after production starts in one area, that production may be less than the processors' total sales. We found two such multi-regional processors who for one or more months reported sales in excess of their 1977 production.

Limitation on Quantity Claimed

ASCS attempted in two ways to limit the quantity of sugar that could be claimed under its administrative decision. Both were ineffective. First, ASCS stipulated that sales reported through November 7, 1977, could not exceed 1977 production through the same date. However, sugarbeet processing is not a year-round activity. During periods of full production, inventories are accumulated for sale throughout the year. The reported sales of prior years' sugar were easily offset with 1977 crop production before November 7, 1977. Second, ASCS ruled that sugar committed for sale prior to November 8, 1977, would not be eligible for payment if marketed after the contract marketing year expired. During the 1977 program, November 8 passed well before most contract marketing years expired, and some processors placed sugar committed that far in advance under the 1977 crop loan program for the intervening months. (See Section V—General Comments.) Moreover, sugar sold after contract marketing years expire will be sold at a substantially higher price and receive a smaller subsidy than sugar sold earlier. The preliminary support rate for June 1978 was 1.89 cents per pound, while the support rate for the first program reporting period (through November 7, 1977) was 3.98 cents per pound. All prior years' sugar was reported in the first period at the highest support rate and, therefore, would not be fully offset by excluding an equal quantity in a later period.

The following table details prior years' sugar reported by processors affected by ASCS's decision:

Processor	Starting date of— Contract marketing years	1977 crop production	Sales reported	Prior years' sugar reported (hundredweight raw value)	Support on prior years' sugar
A[1]	July 1 Sept. 1	Aug. 19 Sept. 19	Aug. 19 Aug. 19	854,735	$3,401,966
B	Oct. 1	Oct. 19	Oct. 1	291,864	1,161,700
C[1]	July 1 Oct. 1	Aug. 20 Sept. 22	July 1 Oct. 1	490,306	1,951,418
D	Sept. 1	Sept. 12	Sept. 12	0	0
F	Oct. 1	Oct. 8	Oct. 1	84,747	337,293
G	Oct. 1	Oct. 15	Oct. 1	5,754	22,900
H	None	Oct. 14	Oct. 1	11,596	44,800
I	July 1	July 12	July 1	266,493	1,062,196
L	Aug. 1	Sept. 3	Aug. 1	235,768	937,598
Totals				2,241,263	8,920,231

[1] Processor had 2 separate marketing years for growers in different regions.

ASCS did not include in program regulations, correspondence, or any written document its decision to extend program eligibility to sales as of the start of marketing contract years. The decision was conveyed orally to the sugarbeet processors. (This decision only benefitted sugarbeet processors.) Consequently, processors affected by the decision reported sales under different understandings of program eligibility.

Processor A, with facilities on the west coast and in the midwest, was unaware of the ASCS decision to extend program eligibility and acted under its understanding of the original program tenets. It reported sales beginning on August 19, 1977, because production from the 1977 crop began at one of its west coast facilities on that date.

The sales it reported, however, were nationwide sales, even though its midwest facilities did not begin 1977 production until September 19, 1977. Consequently, the sales processor A reported exceeded its 1977 production until after September 19, when midwest production began. Sales of sugar delivered from the midwestern plants before September 19 should have been considered ineligible. Extending eligibility to these kinds of multi-regional sales gives an unfair advantage to large processors with processing facilities in different parts of the country.

Processors B, C, F, G and I were aware of ASCS's administrative decision and reported sales from the start of their contract marketing years. Because 1977 production did not start until 8 to 51 days after the start of contract marketing years, these five processors reported prior years' sugar for those first 8 to 51 days. Processor C, with facilities similar to those of processor A, reported the quantities sold and delivered only from its west coast plant from July 1, 1977, to October 1, 1977, the start of its second contract marketing year. On October 1, processor C began reporting nationwide sales. The prior years' sugar reported by processor C resulted from sales over the 51-day period prior to the actual start of 1977 crop production.

Processor D was unaware of the ASCS decision and reported sales starting on the day 1977 crop year production began. This was a proper application of LIPO and resulted in no prior years' sugar being reported.

Processor H learned of the ASCS decision from an unidentified sugar association. Processor H's contract with growers did not use the contract marketing year concept; instead, processor H based payments to growers on actual sales of the 1977 crop. Thus, ASCS's decision could not be applied directly to processor H's sales. In the absence of a contract marketing year, processor H applied LIPO on a monthly basis, reporting sales beginning October 1, 1977, the month in which its 1977 production started.

Processor L did not know about ASCS's administrative decision and initially reported sales starting on the date production began. However, processor L amended its program claim after OIG auditors interviewed the processor concerning the ASCS decision. We did not audit processor L's program claims. Processor L informed us of the additional sales reported under the ASCS decision.

From our review of the legislation and regulations governing this program, we concluded that only sugar produced from the 1977 crop is eligible for support payments. Under the LIFO method, sales became eligible when 1977 production began. Processors with production in two or more areas with different harvesting periods should be limited to reporting sales from the area where production had started (LIFO applied to each different harvest period area). Otherwise, large processors with production in two or more harvest period areas would receive an unfair advantage. The recent amendment to the Regulations which changed the harvesting period for southern California and lowland Arizona will increase this advantage for some processors.

This matter has been referred to the Office of the General Counsel for an opinion on the legality of ASCS's decision. Therefore, ASCS should withhold the final 10 percent of program payments until the OGC opinion is rendered. In the future, instructions should be communicated to processors in writing.

3. *Deduction for return on investment*

Excessive support payments estimated at over $9 million were made on sugar marketed through December 31, 1977, because program regulations permit an excessive deduction from reported gross proceeds.

Program regulations permit cooperatively owned cane sugar refiners to deduct up to 8 percent from the gross proceeds on refined cane sugar marketed. The intended effect of this deduction is to subtract from the gross proceeds on refined sugar sales that portion attributable to investments in the refinery. During the 1977 program this provision applied exclusively to one program participant (processor E) but resulted in increased program payments to all participants. Furthermore, the 8 percent deduction was equal to a 30 percent annual return on the investment (equity) of processor E's owner-members.

The Code of Federal Regulations (CFR) Title 7 states: "For the purposes of computing gross proceeds as used herein, a facility which refines raw cane sugar that is cooperatively owned by its raw cane sugar processors shall be allowed to deduct *up to* 8 percent from gross proceeds to the cooperative-member processors to reflect that portion of returns which can be attributed to their investment in the refining facility." [Emphasis added—Part 1435.7]

This regulation implies a relationship between gross proceeds and equity that does not exist. Moreover, since it permits an excessive deduction from gross proceeds, it disturbed the calculation of the national average market price (NAMP) for the 1977 program and altered the level of all support payments.

The ASCS National Office bases the NAMP per pound for sugar marketed on the gross proceeds reported by program participants. The NAMP, when subtracted from the 13.5 cent program support price, yields the program support rate which is payable on domestic sugar marketed during the program period. The NAMP and the support rate are recomputed for each program period.

During the 1977 program, the gross proceeds reported by participating cane sugar processors averaged from .75 of one cent to 1.77 cents per pound higher than the gross proceeds per pound reported by processor E. The consistently low gross proceeds reported by processor E is largely attributable to the special 8 percent deduction allowed by regulation. A recalculation of processor E's gross proceeds, substituting a deduction equal to 8 percent of the cooperative owner-member's equity, increased processor E's gross proceeds per pound by .42 of one cent and .65 of one cent for the first and second program periods, respectively.

Because processor E marketed over 38 percent of all sugar reported in the first two program periods, the excessive deduction substantially understated the NAMP.

The following table presents program overpayments attributable to processor E's excessive deductions in the first two program periods:

Program periods ended	In cents NAMP per ASCS	NAMP per audit	Reduction in NAMP	All sugar reported raw value (cwt)	Estimated overpayment
Nov. 7, 1977	9.52	9.7873	0.2673	29,837,083	$7,988,817
Dec. 31, 1977	10.81	10.9658	.1558	8,213,200	1,282,733
Totals				38,180,283	9,271,550

In our revision of the NAMP we reduced the 8 percent deduction to 1.964 percent of gross proceeds, a figure which approximates a deduction equal to 8 percent of the owner-member's equity in the cooperative during 1977. We also revised a factor ASCS used to convert refined beer sugar proceeds to a raw value equivalent. We made this revision to reflect the change in the average price for cane sugar which resulted from revising the 8 percent deduction. We also used additional decimal places in stating the NAMP because rounding to two decimals significantly affects program payments.

We reported the condition created by CFR, Title 7, to the ASCS National Office in an interim report on May 22, 1978. ASCS disagreed with our position and stated their position as follows (names omitted):

> [This cooperative's members] benefit considerably from their investment in the refining and marketing capacity of [processor E]. [Processor E] regularly measures the financial advantage of selling [its] sugar to refined sugar customers as compared to selling raw sugar to other cane sugar refiners. When members of our sugar staff visited [processor E] earlier this year, they were shown an analysis indicating that returns to [its members] were enhanced by millions of dollars because refined sugar rather than raw sugar was marketed. The gross proceeds reported by [processor E] for price support purposes were materially higher than they would have been had the raw sugar been sold to refiners on the Gulf and East coasts. It follows then that total program payments were probably reduced because of the existence of [processor E], made possible through the investment of [its members].

The analysis to which ASCS refers is prepared periodically by processor E for internal purposes and assumes a cost of raw sugar based upon domestic prices quoted by the New York Coffee and Sugar Clearing House Association. The actual raw sugar production costs incurred by processor E's members are higher than this quoted price. The purpose of the analysis is to demonstrate to cooperative members how much profit the refinery would realize if it were buying raw sugar outside the cooperative. While the analysis does show a theoretical profit on refining activities, processor E's normal practice is to refine and market its members' raw sugar.

The ultimate goal of the price support payment program was to support prices to growers, not returns on investments. Processor E is fully accountable to its members for the proceeds from sales of refined sugar, and ASCS should count those proceeds in measuring the payments to growers. Therefore, ASCS should eliminate or substantially reduce the 8 percent deduction on gross proceeds granted under CFR, Title 7. Having done so, ASCS should also recompute the NAMP for each program period before making final payments to processors. The NAMP and program conversion factors should be computed to four decimal places to avoid payment distortions (e.g., 2.3456 cents for the NAMP).

4. Prior crop years' sugar under loan

ASCS state and county offices did not deduct ineligible prior years' sugar from inventories on hand when making loans on 1977 crop sugar. We audited five processors who had received 1977 crop year sugar loans and who had prior years' sugar in inventory. Four of these five processors had received loans totaling $58.5 million on 3,762,105 cwt. of ineligible prior crop years' sugar. We estimate the Government incurred about $272,000 in excess interest charges on these ineligible loans through June 30, 1978.

Interest losses were computed using the difference between the 6 percent loan rates charged by the Commodity Credit Corporation (CCC) and the rates paid by CCC to the United States Treasury during the months of loan disbursement. The quantities reported below were as of the latest date for which adequate data were available and are subject to constant change as inventories increase and decrease.

The following table presents the quantity of ineligible prior crop years' sugar under loan:

Processor	Ineligible sugar under loan (hundredweight)	Loan value	Estimated interest loss through June 30, 1978
A	2, 563, 950	$39, 920, 701	$212, 734
B	1, 120, 110	17, 440, 112	54, 037
D	33, 652	523, 962	2, 159
H	44, 393	632, 156	3, 214
Total	3, 762, 105	58, 516, 931	272, 144

The ACSC National Office (NO) did not inform its state and county offices of inventory accounting methods selected by those processors participating in the 1977 crop payments program, nor did the NO inform its field offices of the prior years' sugar inventories reported by the processors. This information was essential in order to determine the quantity of 1977 sugar eligible for the 1977 crop loan program.

We informed ASCS of this condition during our audit. The ASCS NO agreed with our position and began taking corrective action. The NO issued to all sugar producing and storing states Wire Notice SU-6, dated August 2, 1978, which called for ASCS State Offices to determine, for each processor with loans, whether quantities of sugar currently under 1977 crop loan represent only 1977 crop sugar according to the inventory accounting method selected. Pending notification of the results of the reviews, we have no further recommendation for corrective action.

5. Reporting errors

Our audit revealed a number of processor reporting errors which resulted in payment program overclaims of $430,467 on about 16.9 million raw value pounds of sugar. The details of these audit exceptions are presented below for each processor audited.

a. Processor A

Four invoices for goods in transit on November 7, 1977, were inadvertently reported by processor A in the first program reporting period. Small quantities of brown sugar and corn syrup, processed by another company and purchased for resale by processor A, were also inadvertently reported. Also, one large shipment was reported in the first program period, returned by the customer, and deducted in a later program period when support rates were lower.

The following table details processor A's reporting errors:

Type of error	Raw value pounds reported	Support rate (cents)	Support overclaim
In-transit goods—Claimed twice	301, 345	3. 98	$11, 994
Sugar purchased from other processors:			
	4, 633	3. 98	184
	25, 252	2. 69	679
	11, 276	2. 11	238
Returned shipment	35, 417	3. 98	1, 410
Returned shipment—Adjustment	(35, 417)	2. 14	(758)
Overclaim	342, 506		13, 747

Processor A also made several errors in calculating the balance of undelivered sugar committed under contracts. These errors overstated the total quantity committed by 13,998 cwt. (refined weight), but had not resulted in any overclaims through May 31, 1978.

b. Processor B

Processor B inadvertently reported the sale of 107,273 raw value pounds of sugar purchased from another sugar processor. We concluded sugar purchased from another domestic processor is ineligible for the payment program because subsidizing sugar purchased for resale might result in two processors receiving a subsidy on the same sugar. This sale was reported in the second program period and resulted in an overclaim of $2,886.

c. Processor C

Processor C reported 1,037,558 pounds of raw sugar twice by including it in two different periods. This resulted in a program overclaim of $25,140.

Processor C's reporting error involved two sales. One sale of 749,000 pounds of raw sugar was reported in the first program reporting period ending November 7, 1977, and again in the second program period ending December 31, 1977. Another sale of 283,558 pounds of raw sugar was reported in April 1978 and again in May 1978. These sales should have been reported only in the November and April periods, respectively.

d. Processor D

Processor D purchased 45 carloads of sugar from another sugar processor and reported the resale of the sugar for program support payments. Processor D's purchased sugar, like processor B's, should be ineligible for support payments. The following table details the sugar purchased, resold and reported:

Program period ended	Raw value pounds reported	Support rate (cents)	Support overclaim
Mar. 31, 1978	4, 629, 505	2. 36	$109, 256
Apr. 30, 1978	4, 269, 214	2. 14	91, 361
May 31, 1978	3, 918, 533	1. 73	67, 791
Overclaim	12, 817, 252		268, 408

Processor D also overestimated sugar sales for one 30-day period. Under program regulations, sugar sold and delivered within 30 days after November 7, 1977, was to be reported in the program period ending November 7, 1977. For this 30-day period, processor D reported estimated sugar sales which exceeded actual sales by 1,566,287 raw value pounds and resulted in an overclaim of $62,338.

A clerical error and a returned shipment also resulted in overclaims. In the period ending December 31, 1977, processor D mistakenly reported 98,718 raw value pounds of sugar for a $2,655 overclaim, and in the period ending January 31, 1978, the processor reported a returned shipment of 160,414 raw value pounds for a $3,818 overclaim.

e. Processor E

Damaged sugar sales

Processor E reported some sales of damaged sugar twice and some adjustments on sales of damaged sugar at an incorrect price. Altogether, these sales amounted to an overclaim of $45,408 on 569,170 raw value pounds of sugar.

A quantity of processor E's sugar inventory was damaged on about July 1, 1977. At this time, processor E's insurer became liable for the damage. Processor E salvaged and sold the damaged sugar for the insurer. In the first two program periods, processor E reported damaged sugar sold from November 1, 1977, through December 31, 1977. These sales, however, were reported at the reduced price for damaged goods rather than at the insurance settlement price which should have been used.

Also in the second program period, processor E made an adjustment to add a large quantity of damaged sugar contracted for by one buyer. The adjustment included the quantity of damaged sugar previously reported and stated gross proceeds at the insurance settlement price, which was greater than the reduced damaged price. The adjustment in effect duplicated at a different price the quantities of damaged sugar previously reported.

In the fourth program period, processor E attempted to correct the duplication by deducting some of the reported sales. The processor, however, deducted the insurance settlement price rather than the reduced sales price, and eliminated duplication of sales only from November 8, 1977, through December 31, 1977.

The following table details the damaged goods reported:

Program period ended	Gross proceeds	Raw value pounds reported	Comments
Nov. 7, 1977	$32,028	1,485,649	Sales of damaged sugar from Nov. 1 through Dec. 7, 1977, at reduced price.
Dec. 31, 1977	17,485	968,363	Sales of damaged sugar from Dec. 8 through Dec. 31, 1977, at reduced price.
Do	3,208,413	32,966,812	Quantity of damaged sugar reported at insurance settlement price, includes and duplicates quantities reported above.
Feb. 28, 1978	(183,438)	(1,884,842)	Amount deducted this period to eliminate duplication of sales from Nov. 8 through Dec. 31, 1977, at insurance settlement price.

The February adjustment made by processor E was incorrect because it excluded the November 1 through 7 sales and because gross proceeds were adjusted at the insurance settlement price rather than the reduced "damaged" price as originally reported. Also, the damaged goods should have been reported in the second program period since that was when the insurance proceeds were settled. The quantities of sugar reported at reduced "damaged" prices should have been adjusted out of the periods in which they were reported (1) because they dilute the average price, and (2) because support rates vary from period to period.

The following table details (1) the adjustments needed to correct the program reports (Form SU-1) and (2) the amount of the support overclaim before adjustments:

Program period ended	Gross proceeds	Raw value pounds marketed	Support rate (cents)	Support overclaim
Nov. 7, 1977[1]	($32,028)	(1,485,649)	3.98	$59,129
Dec. 31, 1977[1]	(17,485)	(968,363)	2.69	26,049
Feb. 28, 1978	183,438	1,884,842	2.11	(39,770)
Overclaim		569,170		45,408

[1] Bracketed gross proceeds and pounds marketed should be subtracted from SU-1 reports. February amounts should be added.

Non-Sale Items

Under processor E's accounting system, certain dispositions of sugar were recorded in the sales account. Program claims through October 31, 1977, were taken directly from the books and included 65,610 raw value pounds of non-sales sugar. Non-sale items included inventory adjustments, free samples, and miscellaneous losses and damages. According to the program regulations, price support is provided for sugar marketed. These non-sale items are not marketing transactions; they are ordinary operating expenses and therefore ineligible for support payment. The support overclaim amounted to $2,611 (65,610 x .0398).

f. Processor G

Due to a clerical error in recording sugar sales, processor G overreported 19,902 raw value pounds in the program period ending January 31, 1978. This resulted in a support overclaim of $474.

g. Processor H

Processor H reported the sale of 74,900 raw value pounds of sugar in two reporting periods. This sale should have been reported in the second program period. The overclaim was $2,981 (74,900 x 3.98¢).

ASCS should make the appropriate reductions in quantities of sugar reported prior to paying the final 10 percent of program payments. The adjustments reported for processor E relating to damaged sugar should be made prior to computing the final national average market prices because the gross proceeds on damaged sugar were materially understated.

6. Marketing periods

Amendments to the payment program regulation concerning eligibility of sugar marketed after November 7, 1977, caused a lack of uniformity in processor reporting. As a result, some processors reporting sales of sugar over the same 30-day period will receive payment at different support rates.

While the program marketing period ended November 7, 1977, processors continued to report contract sales after that date on a monthly basis. Deadlines for the first and second reporting periods were November 7, 1977, and December 31, 1977, respectively.

The regulation amendments created one exception to the reporting schedule. According to ASCS regulations, sugar delivered within 30 days of November 7 under written contracts which specify fixed quantities and prices was to be reported in the period ending November 7. Thus, sales under written contracts that fixed quantities and prices and that scheduled deliveries between November 8 and December 7, 1977, should have been determined and reported in the first reporting period. Verbal contracts and written contracts not stating specific terms were excluded from this 30-day exception.

Processor responses to the 30-day exception period varied. To meet reporting timetables, two processors (A and D) reported estimated quantities and prices under written contract sales for this period. Processor C reported estimated sales under all contracts, both written and verbal, while processor E reported all actual contract sales, including verbal ones. Two processors, B and H, did not include any sales from the 30-day period in the first reporting period, but simply cut off sales as of November 7, 1977.

While these variations should not affect the total payments made by ASCS, they do affect the amounts payable to each processor. The preliminary payment rates in the first and second program periods were 3.98 and 2.69 cents per pound, respectively. Processors reporting excessive quantities in the first period will receive a greater payment, while processors reporting in the second rather than the first period will receive less.

ASCS should clarify and correct this problem to assure equitable treatment to all participants.

7. Hedging gains and losses

Of the 11 processors included in our audit, five were trading futures contracts on the commodity markets as a practicing method. Three of the five did not include gains and losses from such transactions in the gross proceeds reported under the payment program. While program regulations make no mention of reporting gains and losses from futures contracts, we believe they should be included in the gross proceeds reported to enable ASCS to compute a more accurate national average market price (NAMP). ASCS officials agreed.

Processors E and I had included gains and losses from futures contracts in their original program reports for the year ending June 30, 1977, and for each program reporting period. Processor A did not include the results of futures trading in its program reports. However, during our audit processor representatives stated they were aware of this deficiency and that they intended to amend their reports. Processor A's futures gains amounted to $171,701 for the year ending June 30, 1977, and $415,359 for the period September 1, 1977, through May 31, 1978.

Processor B included the results of futures transactions in its report for the base year ending June 30, 1977, but not in the program claim periods. However, prior to our audit processor B had amended its reports to include the results of futures transactions.

Processor C did not include futures results in its program reports. This data was not collected during our audit.

The effect of unreported futures gains and losses on the NAMP may or may not be significant. However, because of inconsistencies in reporting, ASCS should (1) issue written clarification instructing processors to include gains and losses from trading in futures contracts and (2) have processors amend reports for the year ending June 30, 1977, and for program reporting periods where necessary.

V. GENERAL COMMENTS

The objectives of the price support payment program for 1977 and the price support loan program for 1977 were the same—to support prices to producers at 52.5 percent of parity. Processors who participated in either program were required to pay producers no less than the applicable support price for unprocessed sugar commodities. We did not audit this area because final payments to producers had not been made. We did determine however that at least one group—cooperative sugarbeet refiners—will not pay their producer-members the support rate stated in the regulations because cooperatives must pass on operating losses to their members. We plan to perform a followup audit in this area after final payments to processors are made.

ASCS has informed processors that they may place sugar under the 1977 crop loan program, liquidate the loan, and then report the same sugar under the payment program. ASCS contends that (1) growers of other commodities are allowed to participate in two or more USDA programs using the same commodity, and (2) there is no prohibition against sugar processors doing the same.

We believe the legislative intent was clearly to supersede the payment program with the loan program. The extension provision of the payment program was intended to make quantities contracted for future delivery eligible for the payment program because they could not be placed under loan. The Code of Federal Regulations' definition of "Sugar Marketed" includes sugar committed under contractual agreements for delivery after November 7, 1977, and the loan program regulations exclude from eligibility sugar reported as marketed under the payment program.

Although this area was not developed during our audit, ASCS should review this matter further before making final payments to processors.

VITIATION OF ORDER FOR RECOGNITION OF SENATOR PROXMIRE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. PROXMIRE now be vitiated and that the period for the transaction of routine morning business continue.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Each Senator will have 15 minutes.

Is there morning business?

RURAL DOCTOR COMMENTS ON FEDERAL HELPS AND HINDRANCES

Mr. McGOVERN. Mr. President, a recent special edition of the magazine Channels concentrated on health care in the Midwest, and among the many perceptive articles was an excellent feature story on Dr. Roscoe Dean of Wessington Springs, S. Dak.

Dr. Dean has served the rural community of Wessington Springs and surrounding area for 30 years. He has had an opportunity to experience changes in medicine, but, more important to our task, he has worked with the adjustments made by the Federal Government. Some regulations have caused trouble, such as denying him the services of his anesthetist of 15 years, and other new laws have added much needed medical personnel to rural areas, such as the Rural Health Initiative National Service Corps.

The article is a tribute to the dedicated work of a very special person. I offer my personal thanks to Dr. Dean for his service to the people in his South Dakota community, and encourage my colleagues to review his comments on our work.

Mr. President, I ask unanimous consent that the article "Country Doctor" be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ROSCOE DEAN STILL MAKES HOUSE CALLS. BUT SMALL-TOWN MEDICINE WILL NEVER BE THE SAME

WESSINGTON SPRINGS, S.D.—The man in the boots, hat and leather string tie has been at this hospital since seven this morning and will probably be busy until 11 tonight. He works seven days a week, hardly ever goes on vacation and thank heavens, hardly ever gets sick—he wouldn't have time.

Everybody in town knows Roscoe Dean. At one point or another, he has probably helped them all. For the last 30 years, he has been their doctor. And unlike most physicians today, he still makes house calls.

A MAN OF THE TIMES

That's not to say Dean doesn't bend with the times. He is a product of change with the high frequency, two-way radio he keeps in his jeep and his heavy reliance on long distance calling.

More important, the country doctor is a man in transition. And he admits that at times, it's frustrating.

Dean was born and raised here, and left home in the late '30's to study medicine. Then in 1945—just as he was completing his residency—he contacted pulmonary TB. "I came home to rest," he recalls, "but never got a chance. The minute word got out there was a doctor in town, I had patients on my doorstep."

Dean recuperated, and for the next few months, he practiced out of his home. "Then one day, a boy came into our living room dripping blood all over the place. When my wife saw that, it was the last straw—she sent me looking for an office." Dean found one off mainstreet and has been there ever since. In the process, he has survived three partners and picked up a caseload of 8,000 patients—many of them from the nearby Ft. Thompson Indian Reservation and a Hutterite community.

There have been days when he felt like packing up and leaving, and he knows he would have made more money working in the city. "But I'm not sorry I stayed. There was a real need here."

Now suddenly, his mind is on the building he's in, the hospital he helped to start.

Before Wessington Springs had this place, he explains, folks either took the train to nearby Huron or Mitchell, or went by car over the old gravel roads. Originally a home, the building was converted into a hospital in the mid '40's. Since then, a wing has been added. Even at that, it only holds a couple dozen beds.

Dean admits the hospital isn't much by big-city standards, but it serves its purpose, he says. And over the years, that purpose has changed dramatically, just as the nature of small-town medicine has changed.

"I used to do everything except operate on a kitchen table," Dean says, "but not anymore. The specialists and big hospitals are better equipped than I am to handle the tougher cases. So I refer them out and concentrate on the primary level of medicine."

RULES AND MORE RULES

"Besides, there are too many restrictions these days," he adds. "For instance, I'm told a nurse anesthetist I've worked with for 15 years shouldn't be on the job because she lacks one certificate. I know she's qualified, but my hands are tied. So rather than have someone I'm not used to, I just don't perform surgery at all anymore."

Even at that, Dean is a busy man. He sees from 40 to 60 patients a day, and that sometimes involves making house calls miles away. Then there's the tremendous amount of long distance calling connected with referrals and other patient matters. If Dean and his staff aren't using the phone to line up ambulances or consult with lab technicians out of Sioux Falls, they're telephoning to make arrangements for patients to get into hospitals or to see specialists.

There's also the great amount of paperwork associated with Medicare and other publicly subsidized programs. Dean estimates about 60 percent of his people qualify for such programs. As a result, his hospital records are an easy target for government audits. "They have to be thorough—there's no doubt about that," he says. "But even with a records librarian and two typists, it's a lot of work for me."

Still, Dean has found ways to make life easier. Several years ago, for example, he became one of the first rural doctors in South Dakota to utilize a high frequency, two-way radio system in his work. It enables him to keep in touch with his hospital staff while he's in his jeep.

HELP ARRIVES

Dean has other help, too. Recently, Wessington Springs got another doctor—Dean's nephew—who's part of the Rural Health Initiative National Service Corps, a federal program for rural areas. He brought with him a nurse practitioner, who's qualified to perform many of the routine duties of a physician.

Dean hasn't seen the end of changes—there's one more coming up: a medical complex consisting of a clinic, a rest home and a hospital.

He is anxious to see the building completed; it has been a dream for over 25 years. That doesn't mean he won't be just a little sad when he moves out of the old hospital. "I have a lot of precious memories connected with this place—sure, I'm going to miss it," he says.

Dean pauses for a minute, then picks up his bag and heads for his jeep. He has an office full of patients waiting for him, including a young fellow who's running a fever and wants to be well for his wedding Saturday.

Today is Wednesday, which means he has a small miracle to perform. He has to get going.

MARTIN SORENSEN

Mr. McGOVERN. Mr. President, on Saturday, January 13, the State of South Dakota lost one of its most beloved and respected citizens. Martin Sorensen spent more than 30 years serving the State of South Dakota as an educator and food program administrator. He had served as superintendent of schools in Castlewood, Webster, and Lemmon before moving to Pierre where he served as the State's school food service director. After he left State service, he became the founder and director of the prairie mountain regional office of the children's foundation, a Washington-based child nutrition advocacy organization.

During his career, Martin never lost sight of the needs of the children of South Dakota. Both on the State and national level his opinions were sought out, and his counsel respected. We will miss Martin Sorensen.

POLITICAL ILLITERACY AND OUR SCHOOLS

Mr. McGOVERN. Mr. President, in recent months I have warned the Congress and the public of the serious threat to our Nation's social, economic and political well-being posed by more than a decade of declining achievement in our schools. Three articles recently published in the Washington Post and the Washington Star remind us of the result of educational deprivation among our youth, and the need to discover what can be done to restore educational achievement. Neal R. Peirce of the Washington Post catalogs the shocking degree of political illiteracy, while his colleague, William Raspberry reviews Paul Copperman's recent book on the cause of the achievement decline. The editors of the Washington Star, in their review of Mr. Copperman's book, call for an active and serious investigation.

Mr. President, I ask unanimous consent that these three articles be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 16, 1979]

POLITICAL ILLITERACY AMONG THE YOUNG

(By Neal R. Peirce)

LOUISVILLE KY.—Only 3 percent of the nation's 17- and 18-year olds can correctly identify Alaska and Hawaii as the last two states to join the Union. Only 38 percent realize a voter can split his party choice between president and other offices. A scant 4 percent can name the three men to serve as president immediately before Gerald Ford. A quarter don't realize that New Jersey is on the East Coast, Oregon on the West Coast. Only 44 percent know California is the most heavily populated state.

If such survey results raise your concerns about the young people coming of voting age, your fears are shared by the man who took the poll—George Gallup Sr. Gallup spoke of "tremendous political illiteracy" among the young as he presented the survey results to the poll's co-sponsor, the National Municipal League, at the league's conference on government in Louisville.

Other results of the survey, which the Gallup organization administered to one thousand 17- and 18-year olds across the country last year under a grant from the Scherman Foundation of New York:

Only 29 percent realize that conventions make the final choice of presidential nominees. A third don't know which party has a majority in Congress. Ninety-seven percent know they're eligible to vote at 18, but only 42 percent apparently had heard of absentee ballots and knew how they'd get their vote counted if they were away from their home district on election day.

The intent of this "citizenship test," Gallup said, was to see how young people could handle questions any reasonably well-informed voter should be able to answer. On American history, only 60 percent could name the war in which states' rights was an issue. Only 57 percent knew Russia fought on our side in World War II and only 55 percent knew Joseph Stalin's nationality.

On geography, 93 percent could name the capital of their state. But only 23 percent had any idea of the distance between New York and San Francisco. Only 28 percent guessed close to the U.S. population total. Forty-one percent didn't know China is the world's most heavily populated nation; 61 percent hadn't grasped the fact that Mexico has more people than Canada.

Gallup said he was particularly shocked by the young people's ignorance of basic geography. "In my day, 50 or 60 years ago, even though America was very isolated then, we had to draw maps of the world and show all the capitals." Now, Gallup noted, although transportation has made the world smaller and the United States' role is far more important, geography has dropped out of the curriculum of the schools and been folded into social studies—with the dreary results his poll indicated.

On foreign policy, the results were equally poor. Only 40 percent knew what NATO is; only 18 percent had any notion of what "détente" means; a scant 15 percent could identify Ottawa as the capital of Canada.

Civic illiteracy goes hand in hand with declines in national student performance on standard achievement tests, a concern in virtually every state and region. It's difficult not to place a major share of the burden at the doorstep of the country's schools and schoolteachers.

On the curriculum front, all states maintain a minimum teaching requirement in American history. But social studies as a whole—not just geography—have been seriously eclipsed. "Social studies are receiving very low priority in the curriculum and the attrition rate of these courses is very high. Electives are being substituted for hard-core government classes," says National Council for the Social Studies president Anna Achoa.

While we wring our collective hands and search for corrective steps, Dr. Gallup offers us the entertainment of some certified answers of young people who took his citizenship test:

Question: "Who was the Democratic candidate for President in 1972?" Answer: "Richard Ford."

Question: "In what year did Columbus discover America?" Answer: "1942."

Question: "Where is Angola?" Answers: "in Siberia," "in the Philippines."

Question: "If oil tankers cannot use the Suez Canal, by what route do they get from Saudi Arabia to the United States?" Answers: "the Panama Canal," "I-95."

Question: "Which were the last two states admitted to the United States?" Answers: "Florida," "Mexico," "Canada."

Question: "What nation in the world has the largest population?" Answer: "United Nations."

Question: "What language is most widely spoken in Latin American countries?" Answers: "French," "Latin."

Question: "Name two agencies through which the United Nations organization carries on its work throughout the world." Answer: "CIA and FBI."

One answer may have provided profound wisdom, however. Gallup's question: "The economy of Russia is described by economists as communistic; that of Sweden socialistic. How is ours described?" The student's answer: "Inflationary."

[From the Washington Star, Jan. 27, 1979]

"The Literacy Hoax"

It would be nice if we could definitively focus responsibility for one or another of our nagging national concerns: A blue-ribbon presidential commission would call a press conference and announce: "Low productivity rates during the past fiscal year are wholly due to Farley Fennell, 1089 E. Turnip Terrace, Apt. 301, Ottumwa, Iowa, who on Aug. 3, at 10:06 a.m. refused to . . ."

Nonsense, of course. From time to time, though, a problem is illuminated with wonderful clarity. A news item several days ago was one such rocket. Another is David Copperman's book, *The Literacy Hoax*.

The news squib reported that two professors at Eastern New Mexico University—whose names we omit, out of charity if the item was askew, out of malice if they were indulging in intellectual exhibitionism—are campaigning for what they call a grammarless English, without sentence structure or punctuation. The "whole cancerous structure of the English language" and its complicated rules are driving students away from reading and writing, the pair contended.

An appropriate reaction to that sort of absurdity is to pray that the two academicians are not tenured. But the brief story also said their notions are being put on film for public television. If that is so, absurdity becomes dangerous.

Mr. Copperman's *The Literacy Hoax* (William Morrow and Co.) drew attention when it was published late last year, but not in proportion to its merit and the subject: The frightful decline in the quality of the public schools and student achievement.

Mr. Copperman is young, in his early 30s, a Phi Beta Kappa graduate of the University of California at Berkeley, and the founder of the Institute for Reading Development. He began research for the book in 1974 after experiences at his reading school first astonished and then appalled him.

"The decline in basic academic skills is directly attributable to the curricular degeneration of the past dozen years (and) the curricular deterioration is a direct result of the degeneration of authority relations in education," he writes.

Mr. Copperman's analysis is as thorough as his indictments are broad. The federal government's involvement in education has been a "multi-billion-dollar source of fraud and political interference," with efforts at "compensatory education" among the most dismal. Institutional and personal authority have become anathema, parents have abnegated responsibility, teachers have not taught and are not supported when they attempt to; the educational bureaucracy, inside and outside government, has created a fortress increasingly manned by younger troops from the counter-culture '60s, bringing with them a spurious egalitarianism that disdains both traditional values and educational methods; innovations have been shoved into classrooms without adequate testing of their validity.

The result of this unholy pattern is that "young people have been given the freedom not to learn." And take full advantage of it.

All of which may be shrugged off by some as a case of premature old-fogeyism in Mr. Copperman. Except that the arguments and the data he marshals are persuasive unto despair.

We are seeing the growing dissatisfaction with the public school system being translated into action—competency testing, the return-to-basics movement. But it will be a long war against an entrenched opponent.

The subject requires urgent and informed national debate. *The Literacy Hoax*, and Mr. Copperman's prescriptions, would be one of the texts.

Who's in Charge at School?

(By William Raspberry)

Paul Copperman is the stern-faced Miss Grundy of "Archie" comics. He is the unbending law professor on "The Paper Chase." He is the humorless nun who taught you in parochial school, the mean science teacher who assigned homework as though science were your only subject.

He is all the teachers you hated until years later, when you discovered theirs were the only classes in which you learned anything.

At any rate, that is the composite that came to my mind as I read his new book, "The Literacy Hoax: The Decline of Reading, Writing, and Learning in the Public Schools and What We Can Do About It."

Consider his provocative chapter on "Authority."

He begins by reading the indictment against public education: its grade inflation, its faddism and confusion and, most of all, its abject failure in neglected inner-city and affluent suburb. Then:

"These symptoms of educational decay are manifestations of a deeper malady, the breakdown of authority relations in education.

"Virtually every significant educational problem of the past decade results directly from the abrogation or subversion of normal educational authority."

The very word "authority" has fallen into disfavor these days. It is startling to hear it proclaimed so fervently by a man who (notwithstanding my description of a moment ago) is not quite 32 years old, who is as casually handsome as television's "Kotter," and whose love for children and learning comes through in every chapter of his controversial book.

Authority, he believes, is essential to successful teaching, whether for Arctic wolves teaching their young how to spot caribou, Tasaday fathers teaching their children how to identify edible roots, or public schoolteachers instructing their children in the mysteries of U.S. history and decimals.

He is not opposed to patience and love and ego enhancement in the teaching process, but he is firmly convinced that we make a grievous mistake when we confuse those positive traits with lowered standards and overbroad choices.

"If it is not clear to a child why he must learn grammar or long division, educational authority should communicate its utility and the consequences of not acquiring it, *but above all insist it be learned,*" he asserts. "Educational authority abrogates its responsibility when it permits children to choose not to acquire the basic skills and knowledge necessary to survive and function in modern society."

Americans, having accepted democracy—

governance by the consent of the governed—as the overriding ideal, have mistakenly tried to extend the concept to education: "The consent of the governed becomes the consent of the children." The result: Our children are given more freedom, more veto power, more choice than they are equipped to handle.

Says Copperman, with characteristic starkness: "The only freedom for students that educators should be concerned about is the freedom to function in the world, which comes as the result of an adequate education. Upon graduation, how free is the young person who freely chose not to study any math, science, history or composition?"

The decline of authority, he says, manifests itself in two types of teachers: the young ones, who never were taught any differently, and the older ones, who have become demoralized.

And who is to blame? Administrators who sabotage teacher efforts at maintaining standards with the first hint of any significant student resistance; communities that are more concerned with peace and calm than with learning; and parents.

"In hundreds of conversations with teachers and school officials over the past several years," Copperman writes, "I have been told that parents are not backing up the schools the way they have in the past. They are not reinforcing the teacher by making sure their children do their schoolwork every day. They are not nearly as concerned about their children cutting classes or using drugs.

"Some parents actively subvert the teacher's authority by denigrating the teacher or the school to their children, or siding with a child in a dispute with the school."

I can see some of my dearest friends bristling at that last statement.

But a lot of parents who agree with him have already begun to move—either by reinforcing the authority of the schools where their children are, or by putting their children into schools where respect for authority is taken for granted.

There are such schools, and you could probably discover most of them merely by looking at their test scores.

HERITAGE AND VIRTUE IN THE MIDWEST

Mr. McGOVERN. Mr. President, the December 11, 1978, issue of U.S. News & World Report carries an interesting and thoughtful article exploring and explaining the stability and progressive growth of the Midwest, that stretch of America starting with Ohio and continuing westward to the Dakotas, Nebraska, and Kansas.

It is that vast area which produces 86 percent of the corn and 55 percent of the wheat grown in our country. Livestock is grown, fed, and slaughtered in greater abundance here than in any other area of the nation. In addition to agricultural production, much of the region's stability comes from its reliance on small- and medium-sized industry. In the last 3 years, 128 new plants have been established in South Dakota alone.

Most researchers and students on the subject attribute this solid economic growth to the productivity of American workers and farmers—especially the capability of American families who work the land. Most of the people who reside in the large, the medium sized, and small towns are only one or two generations removed from the early tillers of the soil. The farms themselves are oftentimes worked by third generation farm families. Hard work and self-reliance are the hallmarks of this proud region. There are seldom any great "booms," but on the other hand, there are few "busts."

Raven Industries of Sioux Falls, S. Dak., is cited as an example of the reliable and steady work force found in this area of our land. Its president, David Christensen, says the rural backgrounds of the work force in small towns make them ideal places to build plants.

Mr. President, I ask unanimous consent that the article to which I have referred, entitled "The Diversity," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

THE DIVERSITY OF THE NATION'S RICH HEARTLAND

Marshalltown, Iowa.—America's Midwestern heartland is demonstrating once again why many consider it the strong and solid backbone of the nation—a major producer of food, machines and leadership.

Bountiful harvests from the Midwest make the U.S. one of the world's best-fed nations. Its factories are shipping products as diverse as automobiles, artificial heart valves and computers.

And behind it all, hard-working citizens across the 12-state region are keeping alive traditional ideals: self-reliance, patriotism and grass-roots democracy.

Within this highly diverse region stretching from Ohio to the Dakotas and from Kansas to the Canadian border, visitors find large cities with ethnic and racial ghettos, factories and sprawling suburbs.

Yet they also learn that the Midwest's roots are deeply imbedded in its rural and small-town heritage, as well as the world's most productive farms from which the annual harvest is now heading for world markets.

In recent years, the importance of the Midwest has grown to international proportions. Its grain is helping many Third World nations feed their hungry and growing populations. Midwestern farm exports also are providing the U.S. itself with a prop for the beleaguered dollar by keeping the trade deficit with foreign countries from soaring even higher.

Midwestern farmers produce an estimated 86 percent of the nation's corn and about 55 percent of its wheat. When America sits down to breakfast, 7 out of every 10 bacon slices it consumes come from pork grown in this area. About half of the dinner beefsteak comes from Midwestern cattle—and most of the rest from beef that was fattened on grain that was grown here.

From Wisconsin comes 16 percent of the nation's milk. Iowa supplies the U.S. with 25 percent of its pork. Kansas is the leading wheat producer.

IT'LL BE HERE FOREVER

The Midwest was settled by the forefathers of these productive, modern-day farmers. Dozens of immigrant groups, pushing west, dared to challenge what was then a wilderness. They broke virgin prairie land and fought to make homes. The weak quickly dropped aside before the stresses of bitter weather, crop failures and constant, unrelenting work. Those who remained were the tough and the determined, and many of their descendants still live on farms and in small towns that are home to almost half of the Midwest's population.

"There's a feeling of tradition here, of pride," said an Iowa banker. "People have a personal strength, inherited from the stock that carved homes out of the wilderness."

Typical of these small Midwestern communities is Marshalltown, a city of 26,000 in the heart of Iowa s corn country. Marshalltown has a wide, well-kept street that's still the center of town—a place where people come to shop and talk on street corners. The public buildings are neat and well kept but certainly not fancy. Stephen Jonland, a Chamber of Commerce official, points out that there is not a single empty storefront on Main Street. There are 24 religious denominations and 45 churches in Marshalltown, and they exert a strong influence on life in the community.

"This town is solid," says a proud resident. "It may never get real big, but it'll be here forever."

Adds George E. Taylor, chairman of the Commercial State Bank: "Marshalltown has a steady, progressive growth. Some might call it slow, but this way your foundation is solid. There's no boom and bust."

THE WORK ETHIC

There are major factories in Marshalltown, such as Lennox Industries, Inc., and Fisher Controls Company, which were founded here and are now international corporations. Some old-timers still remember that "Dave Lennox was just an old boy off the farm who was handy with tools."

Townspeople have a deep respect for the free enterprise that built such businesses—and there's an almost evangelistic feeling toward the work ethic.

Says Mayor Howard Stegmann: "Work or starve—that's our attitude. If you want to work, you're welcome here. But if you don't want to work, then you're not welcome."

Such feelings are not confined to Marshalltown. Says George Kremer, publisher of Wisconsin's *River Falls Journal:* "The people here have vigor and determination. They keep their towns and their lives neat."

Many people in the small towns are just one or two generations off the farm, noted an Iowa editor, "and they know how to work. A lot of them were handing wrenches to their fathers before they could walk."

"People here are hard-working and self-reliant—and they don't understand people who aren't," says a Kansas man. And in South Dakota, David Christensen says his company has benefited greatly from that fact. He is president of Raven Industries, which makes such products as chemical storage tanks, hot-air balloons, electric equipment and ski clothes. Christensen says the rural background of the work force in small towns makes them ideal places to build plants—a theory Raven Industries has successfully followed.

Says Christensen: "It's very easy to go into a small town—and by that I mean 1,500 to 2,500 population—and hire 50 to 100 workers. You find a strong work ethic and a super talent available in those small towns. I'm amazed that big companies haven't recognized this sooner."

But the big companies *are* finding it out. Towns like Pratt, Kans., are attracting more and more small to medium-sized plants. In thinly populated South Dakota, for example, 128 new plants have been established in the last three years.

"Companies are seeking the rural environment often because of the labor available," says Joe McCarthy of the Indiana Industrial Development Bureau. "It's dependable and productive, and there's generally a low turnover."

The low turnover, most believe, comes from a tradition of stability that is rare in America's mobile population.

It is common in the small towns and on the farms of the Midwest to meet people whose families have lived in the same county for two, three and even four generations. Many say that they've found a contentment where they are and feel no urge to move.

Perhaps, suggests a Kansas farm wife, people in the rural-oriented Midwest are closer to the basics of life, more in tune with the pulse of nature.

"There's a place in our pasture where you can stand and not see anything but what God made," she says. "It's a nice feeling—real contentment."

A recent *Minneapolis Tribune* poll showed that 6 percent of the Minnesotans questioned considered themselves happy or very happy, an amazing figure in an era of national discontent.

THE MULTITUDINAL PEOPLE

Such attitudes give rise to the idea that Midwesterners are isolated provincialists. That's a myth, according to James Youngdale, a writer and former professor at the University of Minnesota. "We're a multidimensional people," he says. "We're not provincial—just the opposite is true. People here are aware of how we're caught up in the national and international life."

Often, he adds, people living in or near small towns are better able to learn how a society works than someone isolated in a single neighborhood of a big city.

"I grew up on a farm, and when you do, you know the local banker and the mayor and others of importance," he says. "You know what a total community is."

Adds a Kansan, "You grow up on a farm or in a small town, you learn responsibility early." It's not unusual, he says, to see a boy of 14 guiding a $20,000 combine through a field of wheat that represents the family income for the next year. "That's responsibility."

This background may have helped create some of the political leadership that shaped the nation's history. In the last half century, the Midwest has nurtured national leaders across a political spectrum ranging from Herbert Hoover (Iowa), Dwight Eisenhower (Kansas); Joe McCarthy (Wisconsin) and Gerald Ford (Nebraska and Michigan) to Harry Truman (Missouri) and Hubert Humphrey and Walter Mondale (Minnesota):

Midwesterners suffer the reputation of being staid and unimaginative—yet, beginning with Mark Twain, they have sent out such world-renowned writers as Ernest Hemingway, T. S. Eliot, Sinclair Lewis and Carl Sandburg.

There has been a long succession of Midwestern-born entertainers, from Buffalo Bill to Johnny Carson. Eminent actors of the modern era have included Clark Gable, Fred Astaire and Marlon Brando. And the first footprints on the moon were put there by a Midwesterner, Neil Armstrong, who grew up in Ohio.

Others attribute the success of Midwesterners to the stability of the lifestyle and the emphasis on moral values. "This is a conservative population," says a university professor. "They may accept new ideas or innovations in business, but they're slow to accept them in their personal lives."

AN OUTWARD THRUST

Whatever its cause, Midwesterners carry their vigor and spirit with them even when they leave the farm.

In the last centrury, the states clustered around the central Great Lakes and on the upper reaches of the Mississippi River have become the American Ruhr—producing most of the nation's steel, more than 65 percent of its cars and trucks and more than 70 percent of its iron ore.

Chicago, the nation's second-largest city, got its start more than 302 years ago as an Indian trading post on Lake Michigan. It has the world's tallest building, the 1,454-foot Sears Tower. O'Hare Airport is the world's busiest. The nation's biggest single steel plant is in East Chicago, Ind.

It was at the University of Chicago in 1942 that the world's first controlled nuclear reaction was set off. The "Windy City" also is the home of the world's largest retail catalog firms—Sears, Roebuck and Montgomery Ward—as well as Wrigley's chewing-gum empire and McDonald's hamburger chain.

The Twin Cities of Minneapolis-St. Paul are the home of the University of Minnesota Medical School, where researchers first defined cholesterol's role in heart disease, and where new techniques in open-heart surgery and kidney transplants were developed. Nearby, at Rochester, more than a quarter of a million patients annually seek the medical help of the famed Mayo Clinic—a name synonymous with excellence in medicine for more than 100 years.

Some Midwestern cities are forever identified with what they produce—Detroit for cars, Milwaukee for beer, Kansas City for sirloin steaks, Akron for auto tires and Battle Creek for breakfast cereal.

Many innovative ideas in government were first tried in the Midwest. Nebraska has the nation's only unicameral state legislature. Wisconsin pioneered social legislation with pensions for the blind in 1907, and later with old-age assistance and unemployment compensation.

North Dakota has the nation's only state-owned bank, flour mill and grain elevators—valuable marketing tools for its farmers. Minnesota has instituted a new concept of metropolitan government in the Minneapolis-St. Paul area. It collects individual communities under a single state-controlled umbrella for such things as taxation, transportation and sewage control.

Despite its world importance as a producer of industrial goods and the achievements of its people, however, the Midwest retains its rural heritage. "Scratch a Midwesterner and you'll find a farmer," claims a man in Nebraska. "It's what makes us the way we are."

INDOCHINESE REFUGEES

Mr. McGOVERN. Mr. President, in recent weeks we have heard heartbreaking accounts of the plight of the "boat people" and the thousands of other Indochinese refugees already in camps in Thailand and Malaysia. The United States is cooperating with the United Nations in its effort to elicit an international humanitarian response to this situation, and I believe there will be an attempt early in this session of Congress to reform our refugee laws so we will be able to respond quickly when faced with such a tragedy.

Richard F. Kneip, U.S. Ambassador to Singapore and former Governor of South Dakota, has visited the camps and spoken with the refugees. He has written an account of the situation for the Aberdeen (S.D.) American News which I believe will be of interest to my colleagues. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Aberdeen (S. Dak.) American News, Jan. 17, 1979]

THE FUTURE IS NOT BRIGHT FOR MILLIONS IN INDOCHINA

(By Richard Kneip)

(EDITOR'S NOTE.—The following is a response from former S.D. Gov. Richard F. Kneip to an editorial in the Nov. 29 edition of the American News. The editorial dealt with the plight of Indochinese refugees and suggested a report from the governor, who is now U.S. ambassador to Singapore, would be of interest to South Dakotans.)

Southeast Asian countries (Thailand and Malaysia in particular) have been overwhelmed in the past three and a half years by the number of refugees fleeing from Indochina (Vietnam, Laos, Cambodia). An estimated 140,000 Indochinese refugees remain in camps in Thailand as of December 1978, with an additional 50,000 refugees, largely Vietnamese "boat people" in camps in Malaysia. There are also another 150,000 Cambodian refugees in Vietnam. The United States since 1975 has admitted nearly 200,000 Indochinese refugees, and Australia, Canada and France have also taken sizable numbers.

In recent months the problem has become acute, and has attracted world attention, especially with the dramatic flights of "boat people" from Vietnam to Malaysia. The people escaping from the Indochinese countries are fleeing societies torn by years of warfare, disrupted by extensive and often brutally executed programs of economic and social restructuring, and damaged by natural disasters such as floods.

The countries of first asylum to which they come, notably Thailand and Malaysia, are themselves developing countries with their own problems of promoting economic development, providing adequate services and encouraging social justice for their own population.

The future is not bright for the many millions of people in Indochina, as the war continues to rage between Vietnam and Cambodia—and the Communist powers of Russia and China add fuel to the fire.

The Free World (especially the United States) through the United Nations is attempting to alleviate this misery inflicted on human beings, but much more needs to be done. It appears that many thousands have yet to leave Indochina (some guess as many as a million more), and a solution to this problem will require no less than international attention and action.

Singapore (as mentioned in your editorial), which has restricted the number and length of stay of refugees given temporary asylum, is a densely population city-state. It does not accept refugees for permanent resettlement because of that density.

Refugees rescued at sea by ships stopping at Singapore as their next port of call may be landed provided, however, that a guarantee of resettlement elsewhere is made.

Countries of ownership or registration of the vessel involved normally provide these guarantees through the local representative of the United Nations High Commissioner for Refugees, and a total of 1,842 such persons have been granted temporary asylum in Singapore in 1978. Refugees housed temporarily in Singapore are well cared for.

Those refugees approaching Singapore in small boats are not permitted to land, although their boats are repaired and reprovisioned if necessary before they are sent on their way.

Many people disagree with this decision of the Singaporean government, but it is firmly enforced. Singapore officials did, however, offer an island of temporary asylum more than a year ago, and they continue to press the point that Singapore views its policy of temporary, limited accommodation of refugees as one which will encourage speedy acceptance and movement of people by countries of permanent asylum, without further "encouraging" the outflow of discontented people from Indochina.

The problem of boat refugees in Malaysia was brought home to me personally in a visit to an island refugee camp on Pulau Tengah in Malaysia on Dec. 13 of this year.

The island is located off the Malaysian town of Mersing, a three-hour drive from Singapore, and a further one-and-a-half hour ride in a 30-foot fishing boat in the choppy South China Sea. The island is a rounded hill, about three quarters of a mile by half a mile in dimension. Previously uninhabited, and thus lacking infrastructure, the island now houses some 10,000 Vietnamese refugees, clustered in three camps near the shore.

The population had doubled in the month before my visit; this rate is typical of the increased flow of refugees to Malaysia which has overwhelmed facilities there.

Despite what might seem to be insurmountable problems, I found the camps to be well organized and the refugees in remarkably good spirits. The refugees have built a dock and huts with sleeping areas up off the wet ground, using lumber from the boats they came in.

They have one good well (out of several dug), and have about a two-week supply of food, primarily noodles and rice, on hand. They have organized kindergarten groups for the younger children, and I saw several English classes in progress.

The average length of stay on the island before resettlement is six months, although some people have been in the camp as long as 22 months. Those refugees with relatives abroad or with special skills are given preference by virtually all the countries of permanent resettlement, and these people are resettled more quickly.

On the day of my visit, interviewers from Canada and Australia as well as the United States were present. I was struck by the care with which the refugee family groups dressed for their interviews; somehow in these camps of makeshift thatched huts they managed to appear in clean, well-pressed clothes for the most important interview of their lives.

In talking with the refugees about their decision to leave their homes, it was clear that for most of them the principal reason was that they did not want to live under the new "reforms" put into effect by the Vietnamese government.

Some said that everything had been taken from them, and many, largely urban shopkeepers and professionals, said that the prospects of existence as subsistence farmers in the New Economic Zones were so bleak that they preferred to flee.

Knowing the hardships they faced on that flight, and the conditions in which they live in the refugee camps, I was truly impressed by what these people were prepared to go through to gain freedom from communist rule.

After interviewing many families over a period of six hours and listening to their stories of human misery and deprivation, I would only conclude by telling you how fortunate we are to be a part of the Free World. Simply put, it's great to be an American.

PUBLIC DIVIDED ON ABORTION ISSUE

Mr. McGOVERN. Mr. President, recently Washington has witnessed marches and countermarches concerning the sixth anniversary of the Supreme Court decision on abortion. Since this is considered a landmark decision, and since it has been the source of polarization on both sides of the issue, a polarization that threatens to disrupt families, political parties, churches, and the U.S. Constitution itself, I would like to submit to the Record three articles from the Washington Post covering the marches and the issue itself.

The first article, "Abortion Passions Rise on Both Sides," appearing in the January 23, 1979, issue of the Washington Post points out the emotional dedication by opponents of the Supreme Court decision. The article also notes the invitation extended by other women's groups, who support the Court's decision, to meet together and discuss the issue.

The second article in the same issue of the Washington Post deals with the demonstration directed by religious leaders who object to certain stands taken by opponents of the 1973 decision.

A third article by Kathleen Newland entitled "The Abortion Trend" which appeared in the Washington Post of January 25, 1979, brings out the international, as well as domestic, side of the controversy and presents the situation for women in restrictive and liberal cultures. Ms. Newland's recommendations regarding abortion as a symptom of other problems and the need to address those problems, is in agreement with what I believe we should be considering in Congress, in the churches, in our families, and as individuals.

Because this issue is so important, I would urge my colleagues to review these articles which underscore the complexity of the abortion issue.

Mr. President, I ask unanimous consent that the articles from the Washington Post be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, Jan. 23, 1979]

ABORTION PASSIONS RISE ON BOTH SIDES

(By B. D. Colen and Judy Mann)

Chanting "Life, Life," and "No Compromise," an estimated 60,000 people marched down Pennsylvania Avenue past the White House to the Capitol yesterday in the sixth annual protest against the Supreme Court's 1973 decision legalizing abortion.

Fresh from what they claim are "prolife" victories in unseating several congressmen who supported abortion, the marchers renewed their call for a constitutional amendment outlawing abortions under any circumstances and vowed to defeat other proabortion candidates at the polls.

Earlier in the day, the National Organization for Women held a press conference to announce it has invited some 40 antiabortion and "prochoice" organizations to a meeting in Washington on Feb. 15 in an attempt to establish a dialogue between the two sides in the increasingly bitter dispute.

The invitation was immediately rejected by March for Life President Nellie J. Gray, who, speaking from the steps of the Capitol, declared to cheering supporters, "I do not sit down and negotiate with baby killers."

The rhetoric and rancor resounded across the city throughout the day as various groups vied for center stage to be heard on the sensitive issue.

"We believe it is time for both sides of the abortion controversy to seek ways to lessen the need for abortion, to reduce the incidence of unwanted and troubled pregnancies, and to end the increasing polarization and violence that surrounds this issue," said NOW president Eleanor Smeal at her press conference.

"We are convinced that the leadership on both sides of the issue have a responsibility to meet and begin a dialogue, although we know our respective positions on abortion itself will not change," she said.

The NOW invitation was sent out by telegram to some 19 organizations, including the March For Life, sponsors of yesterday's rally at the Capitol, and about 5 other major antiabortion groups.

The spurning of the NOW offer by Gray of the March for Life was greeted with enthusiastic chants of "No Compromise" by the almost all-white crowd estimated by U.S. Capitol Police at 60,000. Their ranks included large numbers of school-age children, many bused from Catholic schools, according to march participants, as well as individuals and antiabortion groups from across the country.

As in past years, there were varying unofficial estimates on the number of marchers. It was clear this year that many people, particularly women with young children, dropped out of the march before it reached the Capitol, apparently as a result of the 36-degree temperatures and heavy winds.

About two dozen marchers who were interviewed at random said they were from out of town and were Roman Catholics. Religious banners identifying marchers as members of such Catholic societies as Knights of Columbus and as representatives of various Catholic dioceses and schools were visible throughout the crowd.

Some 150 people from the Pittsburgh area marched behind a huge banner that said "Stop the Murders, Catholics for Life Pittsburgh Archdiocese, Byzantine Rite." They were led by the Rev. Robert Bayusik who said the delegation was "traveling as family units" and that a third of the marchers were children. Many of them carried high in the air red and black pictures of an infant crucified on the cross. Asked about the possible effects of the pictures on the general public, Father Bayusik said, "As far as I'm concerned, it tells the message as it is."

"This is my sixth march," said Diane Trombley, a member of Michigan Citizens for Life, who said some 200 people came from that state by plane and bus for the march. "We're obviously becoming a political force."

Told of NOWs' overture, Trombley, who favors abortion only when the life of the mother is in danger, said she believes there are areas apart from the abortion question where the two sides could find common ground. "There are these collateral areas where I'm sure dialogue is possible. As far as (sex) education, I'm sure there's dialogue to be had there. As for artificial birth control, there's dialogue to be had there. There's always room for dialogue when you're not considering destruction of human life."

Lucille Canty, a Catholic mother of two from Worcester, Mass., disagreed. "Our basic values are in conflict," she said.

Like the marchers themselves, several members of Congress speaking at the rally all hit hard at abortion as the "killing of babies."

Some, like Rep. Robert K. Dornan (R-Calif.), laced their messages with sarcasm not lost on the enthusiastic crowd.

"Are we here to save the snail darter?" asked Dornan, referring to the congressional battle to save a tiny species of fish. "No!" roared the crowd.

"Are we here to speak out for those cute little seals who are killed in Canada! . . . We are here to stop the abuse of children," Dornan thundered, "an abuse that's always fatal. The official death toll that we are here to stop is 1,300,000 that are killed in their mothers' wombs.

"The unofficial total is closer to three million," said Dornan, "and that's a war! We are now asking for a moratorium on the death toll in that war raging across America before we will sit down at any peace table and negotiate the terms of what will be the parameters for the respect for life in our nation in its future."

"[Sen Richard] Dick Clark [D-Iowa], where are you now?" Rep. Robert E. Bauman (R-Md.) asked rhetorically to the delight of the crowd. "Where are you now, [Sen.] Ed[ward] Brooke [R-Mass.]?" The antiabortion movement is claiming credit for defeating both Clark and Brooke in last November's election and has publicly stated it has a "hit list" of six other senators and six representatives, including Sen. Frank Church (D-Idaho) and Rep. Morris Udall (D-Ariz.) whom it wants to defeat because of their pro-abortion voting records.

The antiabortion forces have also been instrumental in getting federal Medicaid funds for abortions cut off.

The National Abortion Rights Action League announced yesterday the formation of the Rosie Jimenez Fund to help impoverished women obtain legal abortions. The fund will start off helping 10 women in Texas, where Jimenez lived. "Prochoice" forces, who believe a woman is entitled to choose whether to terminate a pregnancy, claim that Jimenez was the first of several women to die following illegal abortions since Medicaid abortion funds were cut off.

Yesterdays' march ended on an emotional note as the crowd held hands and sang songs such as "Ave Maria." As marchers dispersed to go into the Capitol and lobby members of Congress, a group of several hundred people remained behind to say the rosary on the steps of the Capitol.

[From the Washington Post, Jan. 23, 1979]

CLERICS MARCH TO PROTEST CATHOLIC VIEW ON ABORTION

(By Lee Lescaze)

NEW YORK, January 22.—In counterpoint to the massive anti-abortion demonstration in Washington, D.C., a small group of Protestant and Jewish clergy marched on St. Patrick's Cathedral today to present a petition attacking Catholic leaders' anti-abortion stand.

The Rev. Howard Moody hung a declaration signed by 43 church figures on the upraised bronze hand of Mother Elizabeth Seton, one of the saints carved on the cathedral's seldom-used giant main door.

The declaration denounced "the level of unwillingness to compromise" of Roman Catholic leaders. The tactics and theology of the Catholic leaders, it said, "are a threat to the civil peace if pursued with the same clear disregard for others convictions."

"We cannot accept this," Msgr. Eugene Clark of the New York Archdiocese said later. "Of course we are absolutely unwilling to compromise on the destruction of human life." He compared abortion to the Nazi Holocaust and asked: "Considering what we consider the offense to be, how can our rhetoric be moderate?"

The declaration accused Catholic leaders of opting for demagoguery "that sows the seeds of bitter religious discord" by comparing hospitals and abortion clinics to Auschwitz and Buchenwald and calling advocates of freely available abortion murderers and Nazis.

In all the debate over when human life begins in the womb, Moody said from the pulpit of Central Presbyterian Church before leading the march, the important question "When is freedom of conscience threatened?" is not being addressed.

Moody and about 30 other church figures led the march out of the church as their noon service dedicated to support of freedom of choice on abortion ended with about 500 people singing "America."

On the steps of St. Patrick's a few picked up the song again, singing "Let freedom ring" as photographers crowded forward to shoot Moody placing his scroll's white ribbon on the hand of Mother Seton.

Moody, who earlier had stressed the significance of the large proportion of clergywomen taking part in the march, was asked if he chose the statue of Seton to receive the scroll because she was a woman or because she was the first American saint.

"I chose her because her hand was raised so I could hang this on it," he replied.

The church service before the march began with Eugenia Lee Hancock, a minister of the host church, saying: "We are here to raise a voice to the voiceless."

The Rev. Beatrice Blair of the Episcopalian Church of the Heavenly Rest reminded the congregation that the Hyde amendment barring federal payment for abortions went into effect Oct. 1, 1976 and said its legacy has been "disease, sterility, enormous physical and psychological damage—and death."

She cited six cases of women who have died or suffered, and added: "The list is a long and growing one."

Rabbi Sheldon Simmerman of Central Synagogue told the congregation that as a Jew and as a human being he takes offense at comparisons of arbortion to Nazi murder. "The right to choose is our basic human and religious right," he said.

One sign with the words Dachau and Buchenwald greeted the marchers as they left their church and there were two anti-abortion protesters waiting for them outside St. Patrick's "Here come the false prophets," one man remarked as they arrived in their varied church robes.

Their declaration hung on the door as Moody answered reporters' questions and was photographed. As the crowd began to thin out, the heavy door swung open slightly and a man took down the declaration and disappeared inside St. Patrick's.

[From the Washington Post, Jan. 25, 1979]

THE ABORTION TREND

(By Kathleen Newland)

The marchers who gathered in Washington on Monday for the annual protest of the Supreme Court's decision liberalizing abortion were part of a backlash movement that is making itself heard in several countries. Almost weekly, it seems, there is a new report about restrictions on the availability of abortion. Local jurisdictions in the United States have passed ordinances against it in defiance of the court's decision declaring abortion a private matter between a woman and her physician. Congress has virtually eliminated the use of federal funds for abortion. Many French hospitals still refuse to provide abortion services three years after the passage of France's liberal law. A section of Chile's new constitution purports to protect human life from the moment of conception, and the Swiss recently voted down a referendum that would have liberalized their abortion law.

Taken in isolation, these events give a misleading impression, for they have occurred against a background of steady liberalization of abortion laws. In fact, few legal changes have ever found such rapid and widespread acceptance in so many diverse societies. In the mid-1960s, only about one-third of the world's people lived in countries where legal abortion was liberally available. Today, that proportion has reached two-thirds, and several additional countries are contemplating legislation that would widen the grounds for legal abortion.

The four most populous countries in the world—China, India, the United States, and the U.S.S.R.—all have liberal laws. Italy, literally and metaphorically the bastion of Catholicism, passed in 1978 one of the world's most generous abortion laws. Other countries that recently have revised their abortion codes include Austria, France, Hong Kong, Iran, Israel, Tunisia, West Germany, and Zambia. The list runs the gamut of cultures, religions, ideologies and stages of development.

The list of countries that have moved the other way, toward a more restrictive abortion law, is short. It contains only one democratically governed country: New Zealand. In addition, four Eastern European states—Bulgaria, Czechoslovakia, Hungary and Romania—have recently narrowed the conditions under which women can obtain legal abortions (though by world standards, even the new conditions are fairly liberal). The Eastern Europeans acted for demographic reasons, fearing a damaging, long-term decline in their labor forces, rather than on medical, moral or juridical grounds. In contrast to those five, more than 40 countries have liberalized their laws since the late 1960s.

In legalizing abortion beyond the narrow grounds of preventing a woman's death or serious injury, governments are simply facing the reality of a major public-health problem. The international record shows that legal prohibition does not prevent abortion. Before France's liberal law was passed in 1975, officials there admitted that more abortions were taking place in France than in Britain, where a liberal abortion law has been in effect since 1967.

In any country, the issue is not whether or not abortions are performed but how and under what circumstances they occur. Faced with a restrictive law, the rich can usually flee to a country where abortion is readily available or pay a considerable sum of money for a medically safe, black-market abortion; the less privileged have little choice but to take the grave risk of an inexpert and unhygienic abortion.

There is ample evidence of the high social and human cost of illegal abortions. Bolivia, with one of the strictest abortion statutes in the world (only grave risk to a woman's life justifies abortion) finds that complications from illegal abortions account for more than 60 percent of obstetric and gynecologial hospital costs in the country according to the Bolivian Ministry of Social and Public Health. In El Salvador, access to abortion is also severely restricted. Yet a study done for the El Salvador Maternity Hospital showed that illegal abortion cases constituted almost one-quarter of the deaths in the hospital. The great majority of the abortion patients treated were married, Catholic, over 26 years old and had more than two children.

Another striking example of the consequences of illegality comes from a country with well-developed medical services. Before Romania tightened its abortion law in 1936, illegal abortions were extremely rare. Ten years after the restriction, in 1976, an estimated 100,000 Romanian women were hospitalized for complications from illegal abortions; nearly 400 of them died.

When abortion laws are liberalized, on the other hand, there is a measurable drop in injury and death in the United States, illegal abortions annually took about 100 women's lives up to 1970, before legal abortion was generally available anywhere in the country. Five years after nationwide liberalization in 1973, the number of such deaths dropped to five or six a year.

Widespread resort to abortion is itself a symptom of other problems: inadequate sex education, poor access to family-planning services, unsatisfactory contraceptive methods, weak social structures, and the like. Clearly, restricting access to abortion does not relieve these fundamental conditions, but only adds the risk of death and injury to their consequences. The record shows that this is no deterrent to the many women whose circumstances make them feel desperate enough to seek illegal abortions. As a matter of practicality as well as of principle, therefore, abortion belongs in the realm of private, individual choice.

EUPHORIA

Mr. DANFORTH. Mr. President, it was euphoria.

A packed house at Kennedy Center, Cabinet officers, Congressmen, and business magnates (having paid $2,500 a seat) stood and applauded. Vice Premier Teng Hsiao-ping handled the occasion and us with predictable skill. Before nationwide TV he kissed the little children who had sung for him and greeted the assorted entertainers assembled for his and our pleasure.

When had we last experienced such euphoria? I can recall the date and the place. It was September 18 in the House Chamber when President Carter, with Begin and Sadat looking on, proclaimed the new spirit of Camp David. What drama. What coverage. What euphoria.

A patient fears cancer, and is beside himself with joy when reassured that all is well. A nation fears the worst and is beside itself with joy when told, suddenly and dramatically—"We interrupt this program"—there will be a new era of peace—in the Middle East. No, forget that one, today it is Asia.

The patient, thought sick, is miraculously cured. But wait, was there not something about the treatment? Was there not something unpleasant, something we want to forget? Was there not some pain involved? Perhaps an amputation. Something about Israel being pressured—or Taiwan being cut off. And is the patient really cured, or is the sickness still there—in the Middle East? In Asia? In our own Government? Perhaps the patient has not been cured. Perhaps the euphoria is induced by drugs.

Jeremiah knew the difference between false and true prophets. False prophets tell the cheering crowds what they want to hear—that their problems are solved, that their deliverance is at hand, that there will be peace. True prophets annoy us by pointing out the defects in ourselves, our land, our world. False prophets have all the fun. They make the electrifying announcements. They win the standing ovations. They speak to the radiant faces at Kennedy Center—in the House Chamber. They wear tuxedos, not sackcloth.

It is not fun to hear from Jeremiah. He is not happy like the others. He speaks of purpose and responsibility, of Israel and Taiwan. He calls a people to see their problems and meet their destiny. His message is not euphoric.

But tell me, what should be the place of euphoria in the foreign policy of America?

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin.

A PROCLAMATION ON WINTER

Mr. PROXMIRE. Mr. President, all of us are well aware of what a very difficult and painful winter is being endured in the Middle West with the great amount of snow.

I call the attention of the Senate to what this means to the biggest city in my State, Milwaukee, by reading from a remarkable proclamation that was carried in the Milwaukee Sentinel just the other day. It is by a very gifted writer named William Janz. This is the proclamation:

Proclamation

Whereas, being buried is nothing to brag about;

Whereas, the healthy glow that winter leaves upon our cheeks has now become a permanent stain;

Whereas, God created snow but forgot to give us northerners shovels instead of arms;

Whereas, mailboxes, bushes, trees, Volkswagens, the village of Hales Corners, several schnauzers, a couple of joggers and the president of SPAM (Small People's Action Movement) have disappeared in the snow;

Whereas, we're apparently trying to surpass a memorable Wisconsin winter 8,000 years ago popularly known as the Ice Age that left a glacier a mile thick on freeways and completely ruined rush hour drive times;

Whereas, it seemed that every meeting in the world was cancelled Wednesday;

Whereas, some people dream of seeing Mars or Venus, but we'd like to see earth before we die;

Whereas, psychiatrists have discovered a dangerous new mental syndrome brought on by incessant falling snowflakes and people have been noted dreamily sitting in fishing boats in closed garages with outboards running . . . others have sudden urges to dig their way through 10 feet of snow to light outdoor barbecue grills . . . while some are simply starting lawn mowers in basements and listening to the sound as if it were music:

Whereas, there are visitors in town from California and their complexions are fading because it's hard to get a tan in a blizzard;

Whereas, this winter may be a three foot deep plot by skiers to take over the world;

Whereas, the midwinter conference of the local chapter of the Winter Is Wonderful Club was called off Wednesday when the only person able to get to the meeting was the guy who lived in the house where the meeting was scheduled;

Whereas, the weather has caused a change in the name of the Arena's principal winter production, which is now known as Holiday on Snow;

Whereas, the sun could be seen only in dime store paintings in the last few weeks and we trudged through the snow to take a peak at that beautiful ball of fire so we wouldn't forget what it looked like, only to find the dime store closed by the weather;

Whereas, if this keeps up, Winter Festival could be canceled by winter.

Whereas, so much snow has been dumped by city trucks into the Milwaukee River that the drain has been clogged and officials have decided to loosen it with a can of dynamite, Josephine's old standby drain opener;

Whereas, so many snowbound cars have been removed from city streets that there is no room to store them and to gain space, officials have decided to flatten a few junkers, which may make them a trifle difficult to drive when the owners show up;

Whereas, snowbanks on side streets have become so high that plows can no longer push snow on top of them and second banks are being created, narrowing streets so that only thin cars and bicycles with snow tires can get through;

Whereas, we looked out of the window a few minutes ago and several feet of winter were still there;

Whereas, we'd raise a white flag but no one would see it;

Now, therefore, be it resolved, that the County of Milwaukee, the City of Milwaukee, all of its suburbs, and any other communities in southeastern Wisconsin that want to affix signatures hereon, do, with snow shovels in hand, officially and unconditionally **SURRENDER** to the winter of '79, and proclaim and declare it upon this document, to be:

A cold hearted . . . back stabbing . . . lower than a snake's belly . . . kick its own mother in the face . . . pull the wings off flies . . . monster.

Respectfully submitted and dated this dreadfully miserable 24th day of January, in the first month of the new Ice Age, 33.7 inches higher above sea level than we want to be.

THE GENOCIDE CONVENTION PROVIDES US WITH A CLEAR INTERNATIONAL STANDARD FOR JUDGING ALLEGATIONS OF GENOCIDE

Mr. PROXMIRE. Mr. President, recent developments in Uganda and other countries demonstrate all too clearly that massive violations of human rights and indiscriminate political killings are not a pattern of the past. They remain a very real threat, and the cost in human terms is incalculable.

There have been numerous allegations in the media that the recent atrocities in Uganda constitute "genocide." In following news commentaries of the past few months I have become concerned that the term "genocide" has been used all too loosely in describing any and all violations of human rights.

As you know, Mr. President, there is a major human rights treaty pending before the Senate—the Genocide Convention—which sets forth a very clear definition of the acts which constitute genocide and provide us with criteria against which we can judge recent events. These criteria have been accepted by 82 other nations and represent a true international standard.

According to the Genocide Convention, the following acts constitute genocide when committed with the intent to destroy, in whole or in part, a national, ethical, racial, or religious group:

First. Killing members of the group;

Second. Causing serious bodily or mental harm to members of the group;

Third. Deliberately inflicting on the group conditions of life calculated to bring about its destruction in whole or in part;

Fourth. Imposing measures intended to prevent births within the group; and

Fifth. Forcibly transferring children of the group to another group.

Mr. President, it is important to emphasize that the definition of genocide provided by this treaty is a limited one. It is a treaty with a limited, narrow purpose.

It does not cover political harassment or events that are now termed "cultural genocide."

Against this background, Idi Amin's mass killings directed at such tribes as the Acholi and Langi appear to constitute a clear case of genocide.

These events are an all too brutal reminder that ratification of the Genocide Convention is still desperately needed.

As I pointed out before, this treaty is no panacea for human rights violations. Its scope is very, very limited.

But as the events in Uganda demonstrate, this convention would represent a very practical—as well as symbolic—first step toward meeting these threats to civilization.

Mr. President, the power to act rests here, in this body, and nowhere else.

We cannot afford to delay any longer.

I urge my colleagues to join me in seeking ratification of the Genocide Convention.

Mr. BENTSEN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mr. PROXMIRE. Mr. President, I have not yielded the floor. Is my time up?

The ACTING PRESIDENT pro tempore. No. I thought the Senator was through.

Mr. BENTSEN. I thought the Senator was through.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin will proceed and then the Senator from Texas.

Mr. PROXMIRE. I shall be through shortly.

THREE PERCENT NATO PLEDGE ILLUSORY

Mr. PROXMIRE. Mr. President, on January 26 the New York Times printed an editorial entitled "The Guns-or-Butter Trap." The thrust of this analysis was that U.S. vital interests in NATO demand that the U.S. defense budget rise by a constant 3 percent in real terms. The Times argued:

> What Congress must do first is decide whether it will support the President's pledge to NATO to increase overall defense spending by 3 percent. We think it should.

It is unfortunate that once having articulated the goal the editorial did not then explore how it could be met. Certainly the President's 3-percent pledge does not translate into a 3-percent increase of the U.S. contribution to NATO. Far from it. The 3-percent across-the-board increase includes such unrelated items as retired military pay, and civilian manpower. Neither contributes directly to the defense of Europe. And yet each is counted toward the NATO 3-percent goal.

Mr. President, I ask unanimous consent that the New York Times editorial and my response to the New York Times editorial, which was published in the letters to the editor section of the Times on January 30, be printed in the Record.

There being no objection, the editorial and response were ordered to be printed in the Record, as follows:

The "Guns-or-Butter" Trap

There is a temptation to portray the President's defense spending proposals as guns vs. butter—or "tanks vs. widows," as The Washington Star put it. Such a portrayal casts more heat than light on the real choices confronting the nation.

We need both guns and butter and will spend on both. The question is how much. True, at $122.7 billion, defense accounts for almost a quarter of all spending and the proposed increase would amount to about $11 billion. But most of that, it should be understood, is to offset inflation; what the shouting is about amounts to little more than $3 billion, an increase of 3 percent in constant dollars.

Even if that were to be reduced by $1 or $2 billion, it could not significantly alter the balance in a Federal budget of $530 billion. In any case, beyond defense there is another $400 billion in the budget that could be drawn on if Congress feels that Mr. Carter's proposals pinch the poor unduly.

Another way to look at the numbers is to note that defense, for the first time in nearly 30 years, will take less than 5 percent of the gross national product, as compared with, arguably at least, about 12 percent in the Soviet Union. The United States, which was spending 8.2 percent even before Vietnam, should be able next year to afford 4.9 percent of its total output on defense. That leaves 95 percent of national income spent for other purposes, which could, after all be taxed a bit more. The choice is not just tanks or widows.

Will every defense dollar be spent in the most effective way? Hardly. Congress undoubtedly will seek, this year as last, to alter in great detail the Administration's proposed allocations, spelled out by Defense Secretary Brown yesterday in his annual posture statement. We will examine these issues in the months ahead. But allocation of the defense dollar is not what the current debate is all about. What Congress must do first is decide whether it will support the President's pledge to NATO to increase overall defense spending by 3 percent. We think it should.

There is a consensus in NATO that annual 3 percent increases in defense spending by the Soviet Union over the past decade have so improved the Warsaw Pact forces in Central Europe that a dangerous disequilibrium is developing. The chief danger lies in an enhanced Soviet capability for surprise attack. The West has concluded that it must improve weapons, logistics, communications and, above all, the readiness of NATO forces to react quickly in a crisis.

With the United States taking the lead, the alliance decided that a 3 percent annual defense spending increase by its members would narrow the gap over a period of years—and, most important, persuade Moscow that any bid for supremacy in Europe is futile.

In proclaiming his budget, President Carter has insisted on holding the deficit below $30 billion—thus imposing a useful, indeed essential, discipline on the budget process. The 3 percent pledge to NATO imposes a similar discipline on the United States and on its allies: they have pledged to meet that goal.

If the United States backed away now, only months after reaffirming its commitment at a 15-nation summit conference, the whole effort would disintegrate. The United States has no more vital interest abroad than the freedom of Western Europe. The 3 percent budget pledge symbolizes American determination to defend that freedom. The debate over it should not be allowed to fall into the guns-or-butter trap.

Two "Myths" About 3 Percent for NATO

To the Editor:

Your Jan. 26 editorial "The 'Guns-or-Butter' Trap" would be more convincing if it did not rest on two obvious myths.

The first is that the Warsaw Pact forces in Central Europe have so improved "that a dangerous disequilibrium is developing."

Actually, the facts demonstrate the opposite. According to C.I.A. and D.I.A. testimony before the Joint Economic Committee, the significant Soviet buildup has been on the Chinese border rather than in Eastern Europe. Soviet troop strength on the eastern front has gone up sharply, from 400,000 in 1969 to 650,000 in 1978, or 63 percent, while Moscow added only 13 percent on the western front.

While it is true that the Soviet Union is strengthening its forces in Europe, so has the United States, and the relative improvement has favored the West, not the Warsaw Pact. Soviet tanks in Europe are more numerous, but NATO tanks are of superior quality, and we also lead in both quantity and quality of antitank weapons. Warsaw Pact nations enjoy a small advantage in numbers of tactical aircraft, but NATO aircraft are far superior in quality and numbers available for attack missions.

The second myth is that the 3 percent budget increase contributes to NATO defense and thus can be justified. Nothing could be further from the truth.

Consider that $1.2 billion of that so-called NATO 3 percent contribution represents an increase in retired military pay. How does that contribute to the defense of NATO? And yet it is part of the overall 3 percent increase. The same could be said of military manpower not associated with Europe. If NATO defense were a sound justification, then the budget should reflect increases in those areas dedicated to NATO—not an overall 3 percent in totally unrelated programs.

Finally, it should be noted that the 3 percent figure misrepresents the real increase in outlays since it compares fiscal year 1979 plus a $4.4 billion supplemental with the fiscal year 1980 totals. The $4.4 billion has not been approved by Congress. That means any comparison is artificially low. If we dismiss the supplemental, except for the planned pay increase, then the real increase in this budget is 4.4 percent—much higher than the Administration is claiming. The strength of this rationale becomes evident when it is understood that the $4.4 billion supplemental would break the Congressional budget ceiling set for last year.

ANDY BIEMILLER'S DESERVED HONOR

Mr. PROXMIRE. Mr. President, a distinguished former Wisconsin Congressman has retired as the principal lobbyist for the AFL–CIO.

Andy Biemiller did a magnificent job not only representing labor's interests, but representing the interests, in my judgment, of humanity in general.

He is a remarkable man, extraordinarily intelligent. He has a fine record in human rights, and he was selected as the recipient of the Leadership Conference on Civil Rights Hubert Humphrey Award.

I think that there is no person in the country who more earnestly deserves that award. He was the man who stood shoulder to shoulder with Hubert Humphrey in the 1948 convention in fighting for the strong civil rights plank which the convention adopted over the objection of the establishment.

Mr. President, I ask unanimous consent that an editorial entitled "Andy Biemiller's Deserved Honor" be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Andy Biemiller's Deserved Honor

The Leadership Conference on Civil Rights paid a well deserved tribute to Andrew Biemiller the other day. Biemiller, a former congressman from Milwaukee and, for many years, the top Washington lobbyist for the AFL–CIO, received the organization's Hubert H. Humphrey Civil Rights Award.

It's singularly appropriate that this honor to Biemiller should bear the name of Humphrey, the politician who in this century was identified perhaps more than any other with the effort to expand America's concept of "liberty and justice for all." Biemiller and Humphrey stood shoulder to shoulder in the struggle to secure a strong civil rights plank at the Democratic National Convention of 1948.

Later, lobbyist Biemiller worked with civil rights groups to get a fair employment practices section written into the Civil Rights Act of 1964. But his efforts as a lobbyist weren't just limited to legislation. He was a major force in helping the US Senate avoid two of former President Richard Nixon's biggest mistakes—the attempts to saddle the US Supreme Court with the likes of Clement F. Haynsworth and G. Harrold Carswell.

Biemiller has retired now. But he can look back with satisfaction on a career in which he made a contribution to the expansion of the democratic ideal. He deserves the honor paid to him.

COMMENDING THE PITTSBURGH STEELERS FOR WINNING THE SUPERBOWL FOR THE THIRD TIME

Mr. HEINZ. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 32) to congratulate the Pittsburgh Steelers for winning the Super bowl on January 21, 1979.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. ROBERT C. BYRD. Reserving the right to object, and I have no desire to suspend the completion of the resolution, but reserving the right to object to its immediate consideration, I ask unanimous consent that there be a 5-minute time limitation on the resolution.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Then I have no objection.

Mr. PROXMIRE. Mr. President, will the Senator yield? Will the Senator from Pennsylvania consider amending his resolution by commending the Green Bay Packers for having a winning season, having previously had a losing team the last 2 years, the only team that has? The Green Bay Packers were tied for the record before. Let us give Green Bay something; we need it.

Mr. HEINZ. You do. [Laughter.] But we expect that you will handle that very important situation on your own time.

Mr. PROXMIRE. I thank my generous friend. [Laughter.]

The ACTING PRESIDENT pro tempore. Without objection, the Senate will consider the resolution.

Mr. HEINZ. Mr. President, on January 21, the Pittsburgh Steelers performed an unprecedented achievement—they won the Superbowl for the third time. It was a proud day for everyone in my hometown of Pittsburgh and for Steeler fans everywhere. More than 140 million fans across the Nation watched two superb teams, Pittsburgh and the Dallas Cowboys, play the best and most exciting Superbowl yet. I know my colleagues in the Senate will want to join in congratulations for this great sporting accomplishment.

The ACTING PRESIDENT pro tempore. Without objection the resolution is agreed to and the preamble is agreed to.

The resolution (S. Res. 32), with its preamble, is as follows:

S. Res. 32

Whereas, the Super Bowl game is played each year to determine the world champion football team;

Whereas, not any team in the history of this event has won the championship three times until this year;

Whereas, in Super Bowl XIII, the Pittsburgh Steelers were victorious over the Dallas Cowboys, beating the Cowboys by a score of 35 to 31;

Whereas, in this game Quarterback Terry Bradshaw broke the records for total yards passed and number of touchdowns in any one Super Bowl game, and was chosen most valuable player; and

Whereas, the Pittsburgh Steelers have shown sportsmanship, team work, effort and dedication: Now, therefore, be it

Resolved, That the Senate of the United States commends the Pittsburgh Steelers for their Super Bowl victory and joins with Pittsburgh Steeler fans everywhere in congratulating the coaches and players.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONTINUED TREASURY INEPTITUDE IN TRADE LAW ENFORCEMENT

Mr. HEINZ. Mr. President, two recent articles by Seymour Hersh in the New York Times reveal the details of a scandal that many of us in the Congress have been complaining about for some time—the apparently deliberate failure of the Treasury Department to fully enforce our antidumping laws against the import of Japanese television sets. In brief, it is becoming apparent that the Treasury Department, in the face of growing suspicions of secret rebates by American retailers deliberately concealing the true price of the imported product, not only failed to collect the full amount of dumping duties due, but has since tried to sweep the entire matter under the rug by settling the whole case for a fraction of what should be paid.

For some years now, Mr. President, there has been considerable congressional concern about the mysterious failure of the Treasury Department to act aggressively or competently in the television case. Mr. Hersh is to be commended for his fine investigative work in bringing out the details of this shabby story and clarifying Treasury's role. These revelations only serve to reaffirm the need for major improvements in the Antidumping Act of 1921 and for legislation to remove from the Treasury Department the authority to administer that act. I am also introducing today the Fair Trade Act of 1979, which I first introduced in November 1977, as the Trade Procedures Reform Act, which meets the first objective, and I am once again pleased to be a cosponsor of Senator Roth's Department of International Trade and Investment legislation, which would meet the second objective.

Mr. President, I ask unanimous consent that both articles be printed at this point in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Testimony on Fraud in Importing TV Sets From Japan Is Studied

(By Seymour M. Hersh)

Washington, January 23.—A Federal grand jury investigation is hearing testimony that some of the nation's largest retailers and a group of Japanese electronics companies took part in a widespread customs fraud to conceal the true extent of the "dumping" of Japanese-made television sets in American markets, Government sources said.

Dumping is the selling of a foreign product in the United States at a price lower than the same product is sold at home. It is not illegal, but exposes the importer to penalty duties. The current inquiry concerns charges that the American companies made false reports and contrived arrangements that disguised how much dumping was going on.

The investigation, centered on Federal grand juries currently hearing testimony in Los Angeles, Chicago and Norfolk, Va., was described by Government officials as the largest fraud inquiry in the recent history of the Customs Service. As many as 80 American companies that import Japanese television sets are under investigation, the Government sources said, including such leading American retailers as Sears, Roebuck & Company, Montgomery Ward & Company and the J. C. Penney Company. The investigation is being conducted jointly by the Customs Service and the Justice Department.

Some of the retail companies acknowledged that the grand jury inquiry was under way but declined to comment further. Asked for comment, Patrick J. Head, general counsel of Montgomery Ward in Chicago, said: "We've been cooperating with the Government since last April. But since it is a criminal grand jury matter, we can't comment."

Similarly, Charles W. Harper, vice president for public relations of Sears, the nation's largest retailer, said in Chicago: "We've been asked to provide certain documents to a Federal grand jury in Los Angeles. We have no further information." Sears has previously said that it has not violated the law.

Duncan Muir, a spokesman for J. C. Penney, said in New York that Penney was aware of and had cooperated with Federal investigators in the customs fraud case. No Government charges have been made against the company, Mr. Muir added.

Customs Service officials contend that the total dumping duties owed by all the American importers since mid-1972 would come to more than $400 million if the Treasury Department had rigorously enforced the dumping penalties. In fact, Customs officials said, only $1 million in dumping duties was actually collected by the Treasury between 1971 and 1977; $46 million was assessed last March, but has not yet been fully collected.

CONTROVERSY FLARED IN 1971

The dumping controversy flared in 1971, when the United States Tariff Commission ruled that the Japanese had engaged in dumping to the detriment of the domestic television market.

Customs Service officials contend that some Japanese-made television sets were being sold for more than twice the amount in Japan than in the United States, and the "dumping margin"—the difference between the higher Japanese price and the lower American price, after certain adjustments—has been as high as $150 on each set imported into the United States. The importer may be assessed a penalty tariff equal to the dumping margin.

The dumping assessments grew out of the bitter competition between television manufacturers in this country and their Japanese rivals, which priced their sets well below what the American manufacturers could match.

The ability of the Japanese makers to do so at little profit or perhaps even a loss is believed to stem mainly from a desire to penetrate markets and to keep their production lines going. There have been some charges that such practices in various products have been subsidized by Japanese and other governments abroad to keep unemployment down.

American retailers of television sets, bent on keeping their consumer prices down, abandoned the United States industry for the Japanese suppliers. At least eight major American television set manufacturers have left the business since 1966, the American companies complain.

40 PERCENT OF AMERICAN MARKET

At present, Japanese sets take 40 percent of the American market, with half of the Japanese sales coming from wholly owned subsidiaries that leading Japanese manufacturers have established in this country in recent years.

According to the Government, during an inquiry into the extent of dumping violations, the Customs Service discovered that the Japanese manufacturers were providing some American importers of the television sets with secret rebates—that is, under-the-table payments—in part to conceal the full extent of the dumping. These rebates allegedly were not reported to the Customs Service in violation of the law, officials said.

Shortly before last Christmas, high-ranking officials of the Treasury Department, seeking to avert any possible international trade repercussions, privately sought Congressional approval of a proposed settlement of the dispute. The Treasury officials reportedly were fearful of touching off a trade war with the Japanese while the multilateral trade agreement negotiated in Geneva was nearing fruition.

According to first-hand Government sources, at least two senior Democratic members of the House Ways and Means Committee categorically rejected the Treasury Department's approach, which would have permitted the accused American importers to pay less than 10 percent of the pending dumping assessments as well as waiving civil penalties, if any, growing out of the current grand jury proceedings.

DIFFICULTY ON TRADE PACT CITED

The Congressmen, in rejecting the proposed settlement, told Treasury Department officials that any such solution in the television dumping case would make it more difficult for the Carter Administration to obtain Congressional approval of the Geneva trade pact, which is expected to be submitted to Congress later this winter.

Government sources said that Federal investigators had been given access to internal company documents laying out complicated schemes that some Japanese and American companies devised for the transfer of rebated funds, including in some cases the setting up of numbered Swiss bank accounts. In other cases, these sources said, rebates were made by reducing prices on other components or materials sold to some American retailers or by billing for warranty costs far above the standard costs.

In one internal Customs Service document, dated April 17, 1978, and made available to The New York Times, Lou Balaban, an investigator, reported that "the U.S. Customs Service has at present in its possession documented evidence that Japanese producers of television receivers, in concert with certain U.S. purchasers, have engaged in double invoicing to circumvent the provisions of the U.S. antidumping statutes."

Officials said that the Government investigators subsequently obtained evidence indicating that some Japanese and American companies purportedly involved in failing to report rebates to the Customs Service were aware of the illegality of that failure; various company executives repeatedly expressed concern in internal memorandums that the Customs Service would uncover the true level of dumping and thus raise the dumping duties. Many of the rebate schemes initially were set up in the late 1960's, the officials said.

In one case reported to be typical, involving the purchase of 15,000 black and white television sets from a Japanese manufacturer, a major American company reported the price to the Customs Service as $51 a set when the actual price was $46.50, or $4.50 lower.

Subsequently, in filling out Customs invoice forms that asked, among other things, whether there were "any rebates, drawbacks, bounties or other grants allowed upon the exportation of these goods," the American company answered, "no," or in some cases simply failed to answer. According to Government officials, the Japanese were dumping at the $51 price, and the additional $4.50 reduction was a concealed rebate.

In a later internal memorandum, a senior executive of the American company noted that, if the purchase order for a Japanese purchase were listed at a fictitious price, and if the company then secretly "accept[ed] rebates in any form (cash, yen, Swiss account, tooling, expenses, tooling allowances, etc.) then . . . our participation is [a] criminal offense."

Officials said that most of the major Japanese manufacturers of television sets, with the exception of the Sony Corporation, had been linked to the illegal rebate schemes, including such concerns as the Sanyo Electric Company, the Sharp Corporation, the Matushita Electric Industrial Company and the Toshiba Corporation.

JAPANESE DENY ANY WRONGDOING

A spokesman for the Japanese companies denied any wrongdoing on their part. The spokesman, an official of the Electronic Industries Association of Japan, the main trade group for Japanese television manufacturers in the United States, noted that the rebate practices of the Japanese companies were by themselves not illegal.

"The question," he said, "is whether or not the rebates have been disclosed." Such disclosure was the responsibility of the American importers and the Customs Service, he added, and not the Japanese manufacturers.

This official also complained that the Japanese companies were "being tarred by the same brush" in the case, contending that the American purchasers had demanded rebates. In addition, he said, the money involved in rebates was minute.

According to Customs Service officials, the most momentous aspect of the current grand jury investigation was the possibly enormous civil penalties facing the importing companies if they were convicted of customs fraud. Under the law, the civil penalties theoretically could equal the total value of the goods fraudulently imported—at least $1 billion, officials estimated.

SETTLEMENT POSSIBILITY RAISED

It was to erase that possibility, Customs officials said, that the Treasury Department sought out some leading members of Congress late in December and discussed the possibility of settling both the assessed dumping penalties and any civil fraud penalties that might result from the current grand jury investigations.

Knowledgeable sources explained that the proposed settlement, if accepted, called for the American importers facing customs fraud charges to plead nolo contendere to those charges, pay the resulting criminal penalties—far less than the potential civil liability—and thus avoid a public trial.

The initial Treasury Department suggestion, which called for a payment of at least $50 million to settle both the outstanding dumping penalties and any future civil fraud findings, was vetoed, officials disclosed. Some Congressional aides said in recent interviews that they expected the Treasury Department to return late with a more substantial settlement offer.

Representative Charles A. Vanik, in a telephone interview this week, sharply criticized the Treasury Department. "I certainly don't think we should compromise grand jury proceedings, and it would compromise them to try to dispose of this claim before the grand jury has settled the issue of fraud," the Ohio Democrat said.

Senior Treasury Department officials declined to discuss the issue for quotation. The officials did, however, acknowledge that the agency was considering various settlement proposals in the dumping case.

DUMPING VIGILANCE DEBATED

(By Seymour M. Hersh)

WASHINGTON, January 25.—A bitter dispute that could jeopardize the pending multilateral trade treaty has developed between some Customs Service analysts and their superiors in the Treasury Department over whether the Treasury has failed to enforce the nation's antidumping laws, Government officials say.

Dissidents in the Customs Service contend that Japanese manufacturers of television sets would owe more than $500 million in accumulated dumping penalties if they were rigorously assessed. But the Treasury Department has assessed only $46 million in penalties since 1971 and has collected less than $7 million.

Treasury officials concede that there have been delays. They add, however, that a new formula for imposing dumping duties is now in effect. It takes time, department officials have said in interviews and in Congressional testimony, to assure that the new procedures are fair.

COMMENT BY OFFICIALS

The situation was described by one senior Treasury Department official as a "mess" that began years ago. He declared that the issue of how to impose the dumping duties should have been resolved when it arose in the early 1970's. In dumping television sets, the Japanese sell them in this country for lower prices than they do in Japan.

Robert H. Mundhein, general counsel of the Treasury Department, said that he doubted that the dispute was significant. "The Commissioner of Customs and I have worked closely on all significant matters relating to the TV case," Mr. Mundheim said in an interview. "He and I are the people who make the decisions."

The debate has come to the attention of Congress. Representative Charles A. Vanik, the Ohio Democrat who is chairman of the House Ways and Means subcommittee on trade, has threatened to delay approval of the proposed trade treaty unless the Treasury Department accelerates the collection of dumping duties.

WORDING OF TRADE BILL

Robert S. Strauss, the President's special trade representative, acknowledged in an interview that he was aware of protests that antidumping enforcement had been lax. "Because of our concern about this situation, which was inherited by this Administration," Mr. Strauss said, "we will put language into the trade bill that will make the enforcement of the antidumping laws more certain and give the Treasury Department some additional tools it needs."

For the last 18 months, a group of senior lawyers and analysts in the Customs Service has been urging superiors to permit Customs agents to collect the duties from Japanese television manufacturers, whose sales now account for more than 40 percent of the market in the United States.

Since 1971, when the Treasury Department and the Tariff Commission ruled that the Japanese manufacturers had been dumping their products, an estimated $2 billion worth of sets have been sold here, officials said.

THREE GRAND JURY INQUIRIES

The Justice Department has three grand juries investigating the question of whether there has been a widespread scheme of customs fraud involving the major Japanese producers of television sets and many leading American retailers. The alleged scheme was said to involve the use of unreported cash rebates designed to shield the true price of each set imported into the United States, officials said.

Customs officials said that the discovery of the apparent rebate scheme was a major factor in the Custom Service's preparation early last year of more than $400 million in dumping assessments from 1972 through 1976. One day before the bills were to be sent to American importers, however, senior officials of the Treasury ordered that assessments of only $46 million for 1972 and part of 1973 be sent out. This action came after protests from the Japanese.

The dispute came to a head last summer, officials said, when Mr. Mundheim abolished the antidumping functions of the Office of Regulations and Rulings in the Customs Service and transferred those functions to his own office.

TERMED A ROUTINE MOVE

Asked about that decision, Mr. Mundheim called it a routine administrative switch. He also dismissed as not "significant" the complaints of lower-level people in the Customs Service about the television dumping case.

One of those with a complaint is Thomas L. Delaney, the senior Customs Service staff attorney working on the TV case. He was taken off that assignment two weeks ago. Mr. Delaney and some of his colleagues had become disenchanted with what they saw as the Treasury Department's reluctance to offend Japanese diplomats and manufacturers by enforcing this country's antidumping laws.

Mr. Delaney was the only senior Customs Service official to speak out sharply against a proposed Treasury Department settlement of the dumping case. It would have permitted the Japanese manufacturers to pay roughly $50 million, or less than 10 percent of the taxes customs officials insist are due.

MATTER OF ADJUSTMENTS

One of the major areas of dispute between the Customs Service and the Treasury Department involves the power of Mr. Mundheim to permit "adjustments" of pending dumping duties.

The law lets Japanese manufacturers present claims for the additional costs of doing business in Japan and to have those costs, if approved, deducted from the price of television sets in Japan. Since the difference between the cost of sets in Japan and in the United States is the margin of dumping, any adjustments reduce the dumping margin and hence the dumping penalty.

It was not until the rebate accusations became known in early 1977, officials said, that it was recognized that the documents supplied by Japanese companies to verify their adjustment claims might be inaccurate.

CHANGE RECOMMENDED

In October 1977, according to Treasury Department documents, Robert E Chasen, Commissioner of Customs, wrote to his superiors and recommended that the Customs Service drop its complicated mechanism for assessing penalties and instead simply determine the value of a Japanese-made TV set by using a formula based on the tax paid on each set by the manufacturer to the Japanese Government.

Treasury Department documents indicate that Mr. Chasen received preliminary approval from Mr. Mundheim to proceed with his revised assessment method. On March 31, 1978, notices of such duties—known in the Customs Service as liquidation notices—totaling more than $400 million for 1972 through 1976 were scheduled to be sent out.

Shortly before that, however, a number of Japanese manufacturers and Japanese Government officials met in Washington with Treasury Department officials. The Japanese heatedly complained that the new techniques for computing such taxes were inadequate, unfair and misleading.

On March 30, Government officials say, a formal protest came from the Government of Japan. Later that day, the documents show, Mr. Mundheim instructed the Customs Service to revise its liquidation schedules and instead post dumping assessment notices totaling $46 million for the years 1972 and 1973.

Only $5.5 million of those duties have been paid, Government officials said. There have been delays in collection while the Japanese claim further adjustments.

ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD

Several Senators addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, I notice that the Senator from Arkansas (Mr. BUMPERS) and the Senator from New Mexico (Mr. DOMENICI) seek recognition. I ask unanimous consent that when they have completed their statements in morning business, I be recognized.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from New Mexico.

PROPOSED RULES CHANGES

Mr. DOMENICI. Mr. President, I have reviewed many of the changes proposed by the distinguished majority leader and the counter proposals offered by the distinguished minority leader.

Without getting into the details of these proposals, let me make a few comments about the general premise behind Senator BYRD's actions.

I read in his letter to his colleagues that he is concerned because certain rules have been "abused" and delays in consideration of legislation by this body occur too frequently. His proposals would make abuse less likely to occur and make delays less frequent.

My experience here in the last three Congresses persuades me that in the post cloture area, especially, reform is needed. Once the Senate, through its established rules, has decided to limit debate, it seems to me that the body has fulfilled stringent enough requirements for full debate. My judgment is that the distinguished majority leader has been fair on this point in the past. Abuse of postcloture debate, using every twist and turn of the rules, seems calculated to do two things: lead ultimately to a weakening of precloture debate rules to the detriment of the minority and, more important perhaps, lead to reduced confidence in the Senate on the part of the American people.

However, I still have misgivings about the general tenor of some remarks made in support of wide ranging changes in the Senate rules.

Let me focus on two points, with all deference to the concern of my distinguished colleague from West Virginia, Senator BYRD, for keeping this Senate on a rational timetable.

First, this Nation's people, businesses, and Federal agencies suffer right now from past Congresses "rush to legislate." The executive branch now attempts to draw regulations on bills that were either unsound in concept or faulty in execution. We are besieged by legislative proposals. All Senators, and every one on staff, have great ideas; ideas that they believe should become law. This legislative activism, I believe, has not been without grave practical consequences. We have seen some laws passed, then amended in short order by their original authors, because in the real world the laws were simply unworkable. Worse, these laws have often harmed the very people they were intended to help.

It may be argued, in fact, that in an age of "recalls," when motor companies and other businesses are recalling their products in record numbers, that we really need another massive recall—a "statutory recall," during which Congress would recall some of the most egregiously unworkable laws and programs that it has created in its "rush to legislation." I look upon Senator MUSKIE's "sunset" provision as a type of legislative recall, but I wonder how well even this good idea will work in the chaotic world of this Senate, where we have little time for a good first view at programs, let alone effective "oversight."

Second, I would propose that rather than make it easier for laws to pass this body, we should make it more difficult. I only refer briefly to the Founding Fathers' notion that the Senate should be a deliberative body, reflecting adequately and thoroughly on those measures passed and proposed by our brothers and sisters in the House of Representatives. It was argued by some of this Nation's far-sighted citizens that the House would pass legislation in response to citizen demand, since House Members, with shorter terms and representing specific populations, would be closer to the people and more likely to succumb to less enduring passions of the people. The Senate, if I recall correctly, would be the body that would take the ideas that came from the intellectual ferment of the House, and impose some dispassionate deliberation on them.

Thus, it seems to me, that both as a theoretical matter—based upon the original conception of the Senate's proper role—and as a practical matter—with the evidence of badly drawn and hastily passed laws all around us—that measures to accelerate the number of laws passed through this body are pernicious.

I, too, am frustrated when bills that I propose, or upon which I have spent many, many hours of subcommittee, committee, floor, and then conference work, fail to pass. Indeed, I can recall my more than 2 years of almost nonstop activity with other Members of this body on the Clean Air Act Amendments of 1977. That act had first failed in the waning hours of the 94th Congress because of the proper use, in my judgment, of the rules of this body.

Yet, I am not willing to say that that delay was all bad. It may be that the amendments we originally passed were improved by a further delay. Certainly, I am not persuaded that the Nation's welfare was harmed in a substantial manner by the additional delay.

So in blunt terms, I hope we can impose more quality control on the legislation we produce here, not less quality control. I hope we give our fellow Americans fewer faulty products, fewer laws that deserve recall. And, I want more time, not less, in which to understand the legislation that comes to the Senate floor. I want a slower pace, not a quicker one. I believe we should strive for a Senate that does its work in a timely fashion, not merely a Senate that does its work "on time," regardless of the craftsmanship of the final product.

Thus, while I will listen carefully to the proposals and counter-proposals during this debate, I must admit that I come to this question with a bias against bad laws, anything that would facilitate a further rush to legislation, and favoring proposals that would maintain our reputation as "the world's greatest deliberative body."

I thank my colleagues.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas.

Mr. HART. Mr. President, will the Senator yield for the introduction of a resolution?

Mr. BUMPERS. I yield.

SENATE CONCURRENT RESOLUTION 3, COMMENDING THE AIR FORCE ACADEMY ON ITS 25TH ANNIVERSARY

Mr. HART. Mr. President, April 1 of this year is the 25th anniversary of the founding of the Air Force Academy located in Colorado Springs, Colo., an institution of which every American man and woman should be justifiably proud.

An institution whose pursuit of excellence should become a model in Government and in academia.

An institution which has built tradition while maintaining a leading position in technology.

An institution where rigorous standards have been set and maintained.

Where leadership is the central focus.

Where the security of our Nation is the primary underlying consideration.

I refer to the U.S. Air Force Academy at Colorado Springs, Colo.

When Generals Eisenhower and Vandenberg and their distinguished colleagues sat down to design an academy for the youngest and most modern of our military services, they emphasized five points.

First, they stressed the need for officers to possess a broad and general education.

Second, they emphasized the importance of initiative, inquiry, and analytical skills.

Third, they charged the Academy with conveying theory and practical experience leading to development of sound professional knowledge.

Fourth, they specified that all activities at the Academy foster the sense of duty and loyalty essential to military leaders.

Last, and most important, they directed continued emphasis on the critical role of personal integrity within the cadet wing and within the officer corps.

Every facet of activity at the Air Force Academy is designed to meet these challenges. The record shows they have been met. Through a balanced program of academics, military training and athletics, Academy graduates have developed a sense of dedication, leadership, moral character, and courage which provides the cornerstone for their later lives and careers.

As chairman of the USAF Academy Board of Visitors, I have witnessed the Academy's programs firsthand. Men and women of the cadet wing have proven their mettle not only in the extremely demanding scholarly program at the Academy, but also in intense competition for scholarships against graduates of other great colleges and universities. Since 1958, when the first class graduated, 20 Rhodes scholars have emerged. Cadets and alumni have captured more than 300 other scholarships and fellowships. Several hundred hold doctorates.

The Academy curriculum has grown from 50 to nearly 400 courses, and cadets may major in any one of 23 fields ranging from basic and engineering sciences to social sciences and humanities.

The Academy faculty is a distinguished group of young scholars who are not only teachers of the finest order, but also dedicated officers whose knowledge, skill, and behavior the cadets emulate.

The military accomplishments of graduates from the Academy prove these young people are being provided the training necessary to defend our Nation. There are 191 who have earned Silver Stars in action; 15 have been awarded the Air Force Cross; and 1, Capt. Lance P. Sijan, earned the Medal of Honor, awarded posthumously. He was among 143 graduates to die in combat. The 31 others were POW's and another 13 remain missing in action.

The careers of all these officers reflect well upon a code of honor they first accept when they arrive at the Academy. Adherence to this code is intended to provide a foundation for development of a broad sense of moral and ethical responsibility.

While more than 70 percent of Academy graduates are still on active duty, those who have chosen a civilian career also do honor to the Nation. Graduates can be found as leaders in business, medicine, law, and government. Two examples right here in Washington are the Honorable John A. Hewitt, Jr., Assistant Secretary of the Air Force for Financial Management, who is a 1965 graduate, and Dr. Edward R. Jayne II, Associate Director of the Office of Management and Budget, from the class of 1966.

In short, the men and women of the Academy, on the staff, in the faculty, and in the cadet wing constitute a uniquely valuable national resource. We owe our gratitude to all of them. They have met the challenge set for the Academy by its foresighted founders. The Academy's unrelenting pursuit of excellence guarantees preservation of the legacy of outstanding service established during its splendid first quarter century.

I salute the cadet wing and the faculty and staff of the U.S. Air Force Academy during this, the Academy's 25th year. And I am proud to introduce this concurrent resolution extending the appreciation of the Nation to the Air Force Academy, its staff, cadets, and graduates for the immense contributions they have made to the defense of the Nation in the 25 years of the Academy's existence.

I would like the majority leader's indulgence and advice this morning for the purpose of introducing a concurrent resolution calling the public's attention to this occasion, and commending the Academy on its anniversary, but I would like an understanding from the Chair and majority leader on calling the concurrent resolution itself up for action on April 1 of this year, if that is an appropriate procedure.

Mr. ROBERT C. BYRD. I beg the Senator's pardon; will he state that request again?

Mr. HART. Yes. The concurrent resolution commends the Air Force Academy on the occasion of its 25th anniversary. It would be my intention and purpose to disseminate the language of the resolution and have it printed, to introduce it today and seek the majority leader's consideration of having it acted upon on the specific date of the anniversary, April 1, 1979.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator be permitted to introduce his concurrent resolution today, and that it be held at the desk until April 1, at which time it be laid before the Senate in accordance with the request of the distinguished Senator from Colorado, and acted upon on that date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The concurrent resolution will be received and printed, and will be held at the desk.

The concurrent resolution (S. Con. Res. 3) is as follows:

S. CON. RES. 3

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States hereby extends to the Air Force Academy, its staff, cadets, and graduates on the occasion of the 25th anniversary of the founding of the Academy the appreciation of the Nation for the immense contributions they have made to the defense of the Nation in the 25 years of the Academy's existence.

SEC. 2. The Congress expresses its appreciation to the Academy staff for its commitment to the great goals of our Nation and to the values of scholarship, wisdom, and selfless patriotism, through which they have conveyed to cadets the spirit essential for the survival of our democracy.

SEC. 3. The Congress expresses its appreciation to the graduates of the Academy, who by their knowledge, spirit, and self-sacrifice have mirrored the values of the institution and have served the Nation valiantly.

SEC. 4. A copy of this concurrent resolution shall be promptly transmitted to the Superintendent of the Air Force Academy.

Mr. HART. I thank the majority leader, and I thank the Senator from Arkansas.

Mr. ROBERT C. BYRD subsequently said: Mr. President, referring to the concurrent resolution introduced earlier by the Senator from Colorado (Mr. HART), I ask unanimous consent that the earlier order be vitiated and in lieu thereof the following order be entered, to wit, that the resolution be printed; that it be placed on the General Orders Calendar; that it not be called up prior to April 1; that on April 1 the majority leader or Mr. Hart be authorized to call up the resolution, and that there be a 5-minute time limitation thereon at that time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HART. Mr. President, I thank the majority leader for his customary courtesy.

Mr. ROBERT C. BYRD. I thank the Senator from Colorado.

THE CRISIS IN COKE IMPORTATION

Mr. ROBERT C. BYRD. Mr. President, freer and fairer trade between nations can provide benefits both at home and abroad. However, unfair trade practices on the part of our trading partners might lead to the undermining of certain of our industries.

Reports have recently been issued by some representatives of the U.S. metallurgical coal industry indicating that the American coke industry may be confronting just such trade practices. Coke is a hot-burning, specially processed high-grade coal product, used by steelmakers here and abroad, and is essential in the manufacture of quality steel. The coal which yields the best coke is found in abundance in the mines of southern West Virginia and other coal-rich regions of the country.

Allegations have been made by industry leaders that foreign-produced coke is being dumped on the American market by overseas manufacturers at rates below the home-market price. If this is, indeed, the case, it is in violation of our domestic law—specifically the Antidumping Act of 1921 which prohibits a foreign manufacturer from selling an item at a lower price in the United States than it is sold in the manufacturer's home market.

For example, during calendar year 1977, U.S. imports of coke suitable for fuel were at a level of about 2.1 million tons. However, in calendar year 1978, such imports dramatically increased to nearly 6 million tons. By 1980, coke imports are expected to reach approximately 10 million tons.

According to current forecasts, the steel industry worldwide should recover from its current slump. Consequently, the demand for coke could grow stronger, and coke prices would probably rise sharply. Moreover, a large proportion of the U.S. coke-making facilities are 25 years old or older, which has caused many of them to close in recent years.

Ordinarily, the combination of rising demand for coke and the closing of older facilities would be expected to render investment opportunities in the construction of new coke plants extremely attractive. However, the alleged dumping of foreign coke on the U.S. market is one of the factors stifling the normal development, growth, and modernization of the U.S. coke industry.

According to available data, fully 72 percent of our coke imports from January to November 1978 came from the Federal Republic of West Germany. Apparently, Germany is not producing steel at its full capacity and, as a result, has coke surpluses and excess capacity in its coking industry.

Mr. President, in addition to threatening our domestic coke industry, the marked stepup in coke imports can cause other immediate and serious economic injury in this country. Preliminary reports from West Virginia indicate that they are having just such an effect on coal production and employment. And as the imports increase, as they are expected to, so will the extent of the injury.

The importation of coke has a serious depressing effect on our domestic coal industry. Since it takes between 1.45 and 1.7 tons of metallurgical grade coal to make a ton of coke, the importation of some 10 million tons of coke would displace—not taking into account shipping losses—domestic production of approximately 15 million tons of coking coal. This level of imports would represent about 19 percent or one-fifth of our domestic coking coal consumption.

The importation of coke has as great an impact on employment. According to the Bureau of Mines, the average underground miner produces 2,000 tons of saleable coal in 1 year. The importation of 10 million tons of coke—again, not taking into account shipping losses—would, therefore, be the equivalent of 7,500 man-years in U.S. coal mines. In short, rising coke imports mean layoffs in the coal fields.

The impact of increased imports does not stop here. Domestic industries that are tied to the coal industry are also affected. A prime example is the railroad industry. Those railroads that haul domestic metallurgical coal say that they are losing business and that their shipment reductions can be traced to the rise in coke imports.

There are still broader implications. Unfair trade practices undermine domestic support for measures that can broaden trade. Such measures are to the economic benefit of American citizens as well as citizens abroad. But freer trade cannot and should not be supported by unfair trade practices that mean the loss of American jobs and business.

Mr. President, it is ironic that our Nation—with coal resources measured in trillions of tons—is importing coke. If ever there were an area that should contribute to improving our overall trade picture and the strength of our dollar, is it in the sale of coal and the export of coal. These increased imports of coke do nothing, but exacerbate our balance-of-trade difficulties.

In addition, there is something seriously amiss in our energy policy if at the very time we should be dramatically stepping up coal production, we find ourselves doing the very opposite by displacing domestic production with high levels of coke imports. This suggests that we are veering from what should be the underlying tenet of our energy policy: Increased reliance on coal.

That is what we heard so much about last year, that this country is going to rely increasingly on this source which has been supplied to us by Providence in almost unlimited supply. Congress enacted legislation to encourage the conversion to coal. Apparently, the interest in reliance on coal and in converting to coal has waned somewhat in recent days and weeks. There were less than 1 dozen words in the President's state of the Union message about energy. Last year, the President referred to the energy problem and he used the words which the distinguished Senator from Kentucky (Mr. Ford) who is now presiding over the Senate, reminds me were included in the phrase, "The moral equivalent of war."

That war has not been won yet. Yet less than a dozen words were in the President's state of the Union address on the subject of energy, not one word on coal; not one word.

If the trend is not reversed, our steel industry is also headed for trouble. Once the expected boom in steel production gains momentum, a strong domestic coke industry will be domestic steel's only insurance of adequate coke supplies at reasonable prices. Should our dependence on foreign coke continue, today's "dumped" prices would be tomorrow's high prices. Finally, increased reliance on foreign sources for such an important material as coke may have serious implications for our national defense.

Mr. President, I strongly believe that a thorough investigation should be undertaken by the Department of the Treasury and the Special Office for Trade Negotiations. I have written Secretary Blumenthal and Ambassador Strauss, President Carter's special representative for trade negotiations, asking that the facts be ascertained and the actions to be taken be identified. I might add that, according to the Bureau of Mines, German coke comes from an industry that is subsidized by the German Government. This suggests that U.S. coke imports may be subject to the imposition of countervailing duties under the Tariff Act of 1930.

We need a thorough evaluation by the administration and the Congress, including but not limited to the impact of Federal regulations on the future viability of the domestic coke industry. Mr. President, the costs of inaction are high and the consequences of inaction may be serious, not only for the industries involved but for the economic health of the Nation.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATOR CHURCH: A RECORD OF DISTINCTION AS CHAIRMAN OF THE SENATE COMMITTEE ON AGING

Mr. ROBERT C. BYRD. Mr. President, Senator Church became chairman of the Committee on Aging in 1971 and has served in that capacity with distinction during the past 8 years.

Senator Church is, of course, the new chairman of the Foreign Relations Committee. He will have many weighty problems to consider in that position in the months ahead—several with far-reaching implications for peace in our troubled world. But he has also made it clear that he will continue to be an active member of the Committee on Aging.

That is good news for older Americans, because Senator Church is an effective and capable advocate.

Over the years, he has won the respect of his colleagues, people in the field of aging, and others because of his grasp of complex issues, his quiet leadership, and his overall fairness.

Really, I guess, Mr. President, every individual in life is aging, whether he be 5 years old or 10, 15, or 20. I do not know why we refer to older Americans, because when one thinks about the process of aging, it begins at the beginning of life. In any event, many notable advances have been made on behalf of older Americans since he became chairman. Today many more elderly persons live in dignity and self-respect than 8 years ago. Nearly 3.7 million more persons 65 years or older have incomes above the poverty line, compared with 1970. Much of this progress is directly attributable to legislation sponsored by Senator Church.

He has never lost a floor amendment for the elderly since becoming chairman of the Committee on Aging. And, most of his Senate-passed amendments have withstood the scrutiny of conference committees and have become law. His record of legislative achievements for older Americans is both lengthy and impressive, including:

A 20-percent social security increase in 1972;

A cost-of-living adjustment mechanism to make social security benefits inflation-proof;

A 2-step, 11-percent social security increase in 1974;

Improved social security protection for elderly widows;

Numerous improvements to the Older Americans Act;

Establishment of a community education program to provide recreational, educational, and other community services for the young and old alike;

Expansion of the senior community service jobs program for persons 55 years or older;

Reduced air fares on a space-available basis for older Americans;

Establishment of an older Americans tax counseling assistance program for persons 60 years or older;

Additional tax relief in taxable year 1976, averaging $182 for 165,000 aged taxpayers who would have been adversely affected, because the new tax credit for the elderly replaced the former retirement income credit; and

A one-time, up to $100,000 exclusion on profits from the sale of a personal residence by taxpayers 55 years or older.

A few months ago, Senator Church had an opportunity to reflect on these measures as well as other congressional actions during the 1970's, when he was interviewed by Elliot Carlson of Modern Maturity. In addition, he outlined some of his high priority goals for the elderly in the 1980's and beyond.

This conversation is described in detail in the December–January edition of Modern Maturity.

Mr. President, I commend this article—entitled "Wanted—New Aging Policies"—to Members of the Senate, and ask unanimous consent that it be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Wanted—New Aging Policies

(By Elliot Carlson)

Eight years ago, when he took over as chairman of the Senate Special Committee on Aging, Senator Frank Church knew what direction policy should take. More and more people were retiring at a younger age, and the job for lawmakers seemed primarily to build up retirement income so people leavin the work force—voluntarily or otherwise—wouldn't suffer in old age.

Moving to do just that, Congress put through huge Social Security increases and tied future payments to the Cost-of-Living Index. Supplemental Security Income (SSI) was expanded for those with earnings falling below a cetrain level. Still other laws increased health benefits and established nutrition programs; consequently, living standards for the nation's elderly vastly improved.

Presumably, what's needed is more of the same—more programs that will let people do what they obviously want to do; settle into long and comfortable retirement.

Not necessarily, says Senator Church. He still wants retirement to be comfortable, and he remains strongly committed to programs that will make life better for older Americans. But he is no longer convinced that retirement should be long.

In sum, Church believes that times have changed, and as a result he proposes that working Americans reexamine their retirement ideas. And he thinks the Federal Government should modify some of its rules, counterbalancing old policies that encourage retirement with new ones that promote a longer worklife.

For Senator Church this is a time of reappraisal. After eight years the Idaho Democrat is stepping down as chairman of the Committee on Aging to head the Foreign Relations Committee (although he will remain a member of the Special Committee). Not long ago, in one of his last interviews as chairman, he shared his parting thoughts on what direction United States aging policy should take.

The main thing right now, says the Senator, "is that we must rethink our traditional notions about education, work and retirement." The reason is a compelling one: what some people call the graying of America.

"While I have been in the Senate, the ratio of elderly persons to the rest of the population has gone from one in 10 to one in nine," Church tells a visitor to his private office in the Capitol building. "And in no time it will be one in eight."

Because of this population change he sees a worrisome problem down the road. Citing the latest Government projections, he notes that the ratio of retired citizens to active workers is expected to change from one in six at present to one in three by the year 2030—thus placing an enormous burden on young people to finance the retirement of a growing number of elderly.

Consequently, says Church, "it's clear we're going to have to make some adjustments"—adjustments aimed at boosting the number of older citizens in the work force.

Congress has already taken a vital first step, says the Senator, by raising the legal age for mandatory retirement from 65 to 70. "The change won't significantly affect the trend toward early retirement," he says. "But such impact as the law may have will be in the direction of keeping people in the work force."

To make a real impact, Church believes Congress will have to bolster the incentive to work. The problem now, he says, is that incentives work in the other direction, tempting people to retire early rather than at age 65 or some later age.

Church says he doesn't want to tamper with the current Social Security payout provision that lets an individual retire as early as 62 with 80 percent of his benefits. He believes early retirement should remain a basic right for those who want to exercise that option.

But he does want change—specifically, incentives that will materially reward people staying on the job past 65. There do exist delayed retirement credits through which people can earn 3 percent more in Social Security for every year worked past 65. Even though the amount is up from last year, when the credit was only 1 percent, Church says it's not enough. He says the amount should be at least 6⅔ percent per year to achieve the desired effect.

Even if larger credits suddenly are granted the problem won't automatically be solved. The reason is jobs. "Many older people in this country would like to work," says Church. "But there aren't sufficient opportunities for them. Once individuals reach a certain age they don't have many options. They don't have alternatives to retirement."

To provide such alternatives, the Sentor says, the country's institutions will have to change. Educational institutions, for example; Church points out that our education is heavily loaded at the front end, but provides "little opportunity in the middle years—and almost no opportunity in the later years—to upgrade old skills or learn new skills."

Corporations will also have to do things differently. For starters, says Church, "it would help if businesses felt some obligation to provide part-time work for older people, to help them supplement their retirement incomes."

Employers might learn how to make better use of older workers, says the Senator, by studying new work practices that will be tested by the Federal Government. The Government is changing into a kind of social laboratory because of the new law eliminating mandatory retirement for nearly all Federal employees. As a result, Uncle Sam will test not only the practicality of ending compulsory retirement altogther, but also the feasibility of programs intended to keep older persons on the job.

"The Government probably will experiment with flexible work schedules that are better adapted to the needs of older workers," says the Senator. "And it might inaugurate new retraining programs that improve the abilities of many elderly, and enable others to work at less strenuous jobs."

Church hopes such programs will serve as models for private industry, and thus lead the way to a far more flexible society. Instead of life patterns with a set beginning, middle and end, he believes our institutions will have to provide alternative arrangements; creative interludes, pauses for additional education, and the possibility for two or three careers.

With opportunities for work and education throughout the lifespan, Church thinks people will be too busy to consider early retirement.

ACTIVITIES OF SENATE GOVERNMENTAL AFFAIRS COMMITTEE

Mr. ROBERT C. BYRD. Mr. President, I want to take this opportunity to commend Chairman Abe Ribicoff and the Governmental Affairs Committee for the outstanding work of the committee during the 95th Congress

The activities of the Governmental Affairs Committee are indeed impressive. During this past Congress, the committee considered 51 bills which became public law—more than the total enacted by the committee for the three previous Congresses. In addition, the committee considered 6 reorganization plans, issued a total of 134 committee reports, reported favorably 18 nominations and held 278 days of hearings.

Of the 51 pieces of committee legislation which were enacted during the 95th Congress, among the most significant were the following:

Civil Service Reform Act of 1978 (P.L. 95-454).

This act is the most comprehensive reform of the Federal civil service system since its establishment more than 100 years ago. It abolished the Civil Service Commission, created new incentives for hiring and promotions, including a new Senior Executive Service, adopted streamlined disciplinary procedures and created a new Merit Protection Board to prevent abuses of the civil service merit system. It also establishes a new code of standards and disciplinary procedures to govern Federal employees.

Public Officials Integrity Act (P.L. 95-521).

The act is designed to promote the accountability and integrity of public officials. It establishes a mechanism for appointment of a special prosecutor for certain high-ranking executive branch officials, sets financial disclosure requirements for the executive, legislative, and judicial branches of the Federal Government, and restricts postemployment practices by former executive branch officials. The act also provides for creation of a new Office of Senate Legal Counsel to represent the institutional interests of the Congress and its Members in the Federal courts.

Department of Energy (P.L. 95-91).

The act created a new Department of Energy. It is the 12th Cabinet-level department, and the first since the Department of Transportation was created in 1966. The Department incorporates the functions of the Federal Energy Administration, the Energy Research and Development Administration, and various energy functions of the Departments of Interior, Housing and Urban Development, Commerce, Navy and the Interstate Commerce Commission. Its responsibilities include oil leasing policies, research and development, economic regulation. conservation, and overall energy planning It also has new authority for collecting energy information. The act thus ends the previous fragmentation of the Government's energy programs by transferring to the new Department energy functions previously exercised by eight existing departments or agencies.

The White House Personnel Authorization Act (P.L. 95-570).

The act for the first time provides specific authorization for White House personnel, including the White House office, executive residence, and the domestic council.

Establishment of Inspector General Offices (P.L. 95-482).

The act established an Inspector General in 12 executive departments and agencies. It consolidates existing auditing and investigative resources in order to combat fraud, abuse, and waste in Federal programs. The Inspectors General are charged with reporting and investigating problems, abuses, and inefficiencies in the administration of Federal programs and operations.

Nuclear Non-Proliferation Act of 1977 (P.L. 95-242).

The act establishes for the first time specific criteria to govern the Nation's nuclear exports. It also sets additional goals for international proliferation controls, reorganizes U.S. export control functions, and imposes new requirements for Presidential and congressional review. The act lays the basis for establishing an international authority for the handling of nuclear fuel.

Part-time and Flexi-time legislation (P.L. 95-437 and P.L. 95-390).

This legislation is a first step in establishing guidelines and promoting opportunities for flexible jobs and part-time career by experiments in the Federal Government. The legislation provides opportunities for the elderly, handicapped, women, and others who have responsibilities which preclude full-time or inflexible employment requirements.

Federal Banking Agency Audit Act (P.L. 95-320).

The act authorizes the Comptroller General to audit the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. Prior to this legislation, the Nation's bank regulatory agencies had been exempt from most Federal auditing requirements.

Reorganization Act of 1977 (P.L. 95-17).

The act provides authority for the President to submit reorganization plans to Congress proposing the reorganization of Federal agencies. This authority is limited to 3 years from the date of enactment.

The committee considered 6 reorganization plans during the 95th Congress. They are as follows:

Reorganization Plan No. 1 of 1977 restructured and streamlined the Executive Office of the President and reduced the size of the White House and EOP staffs.

Reorganization Plan No. 2 of 1977 consolidated responsibility for the international communications programs of the USIA, and the international educational and cultural exchange activities previously conducted by the State Department's Bureau of Educational and Cultural Affairs, into a new International Communication Agency.

Reorganization Plan No. 1 of 1978 streamlined civil rights enforcement functions and expanded the role of the Equal Employment Opportunity Commission.

Reorganization Plan No. 2 of 1978 established the organizational groundwork for the Civil Service Reform Act—the Office of Personnel Management, the Merit Systems Protection Board, the Office of Special Counsel, and the Federal Labor Relations Authority.

Reorganization Plan No. 3 of 1978 improved and reorganized Federal emergency management and assistance into a new Federal Emergency Management Agency.

Reorganization Plan No. 4 of 1978 simplified and improved administration requirements of the Employee Retirement Income Security Act (ERISA).

Two major pieces of legislation which passed the Senate last year but did not clear the House calendar were the Department of Education legislation and the sunset proposal.

The Department of Education would establish for the first time a high-level Cabinet spokesperson for education. It would establish accountability and improve manageability of existing Federal education programs. The bill passed the Senate on September 28, 1978, but then did not have an opportunity to be acted upon by the House prior to adjournment of the 95th Congress.

Sunset legislation would require periodic reauthorization of all Government programs and agencies subject to systematic congressional review. The legislation would provide for the first time a systematic comprehensive scheme for congressional oversight of Federal agencies. The bill passed the Senate on October 11, 1978, but could not be considered by the House in the closing days of the 95th Congress.

Regulatory Reform Study: The Senate directed the Committee on Governmental Affairs to conduct a comprehensive review of the regulatory agencies—the first comprehensive study of Federal regulation ever conducted by Congress. The study was in response to a growing feeling that a number of Federal regulatory programs were functioning inadequately, and that structural and procedural changes are needed. All six volumes of the study were published during the 95th Congress.

Volume I—The Quality of Regulatory Appointments: The study found there is a need to improve the appointments process for Federal regulatory agencies. In the years preceding the study, commission memberships had not been adequately balanced, with a high percentage drawn from the regulated industries. The study also found that very few appointments were women or minorities. With respect to conflict of interest, Federal regulatory agencies have done very little to insure that the statutory provisions are properly enforced and policed. The report recommended a new Government-wide statute on post-employment activities, which was enacted late last year (S. 555).

Volume II—Congressional Oversight of Regulatory Agencies: In the past, oversight of regulatory agencies has occurred on an ad hoc basis, with very few committees willing to systematically review agencies under their jurisdiction. The Governmental Affairs Committee recommended periodic and greater use of congressional resource agencies, such as GAO and CBO, in order to assure systematic oversight.

Volume III—Public Participation in the Regulatory Process: The study concluded that regulated industries often dominate the regulatory process. In over half of the Federal agency proceedings, reviewed by the study, there was no public participation at all. In the other agency proceedings, regulated industry participation outnumbered public participants by as much as 50 or 100 to 1. The volume recommended that Congress enact legislation authorizing agencies to provide compensation to eligible persons for costs incurred in agency proceedings.

Volume IV—Undue Delay in Regulatory Administration: The study concluded that regulatory proceedings take much too long. The average ratemaking case averages 21 months, the average licensing averages 19 months, and the average enforcement action averages 3 years. In order to reduce delay, the report recommended that agencies make increased use of informal rulemaking and use less formal procedures for actions that now utilize lengthy trial-type procedures. The committee also recommended that agencies be required to establish and adhere to published deadlines.

Volume V—Regulatory Organization: The study examined Federal regulation of food production, banking, transportation, energy, and health and safety. The recommendations included proposals to transfer the food regulatory functions of the Department of Agriculture to the Food and Drug Administration; to consolidate the functions of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Reserve Board into a single Federal Bank Commission; and to provide a certain focus for coordination of Government programs to control radiation levels. The study also endorsed the continued independence of these Federal regulatory programs.

Volume VI, just recently issued, called for a governmentwide statute requiring regulatory agencies to make economic impact analyses before proposed rules and regulations are issued in final form. It also questioned the effectiveness of Federal regulation of the trucking industry.

Other major reports issued by the committee covered U.S. participation in international organizations, computer security in Federal programs, Federal regulations of radiation health and safety, Federal advisory committee memberships, the accounting establishment, interlocking directorates among the major U.S. corporations, and publicly owned corporations and their auditors. The committee's investigations included Teamsters pension funds and prepaid health plans.

This has truly been an outstanding effort. I commend Senator RIBICOFF and Senator PERCY for their outstanding leadership on that committee. I look forward to an equally successful year for the Governmental Affairs Committee during this Congress.

AUTHORIZATION OF PAYMENT OF EXPENSES OF SENATORS ATTENDING MEMORIAL SERVICES FOR FORMER VICE PRESIDENT NELSON A. ROCKEFELLER

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution and ask that it be stated by the clerk.

The ACTING PRESIDENT pro tempore. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution S. Res. 33 authorizing the payment of expenses incurred by Senators and officers of the Senate in attending the memorial services for former Vice President Nelson A. Rockefeller.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of this resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that there be a time limitation of 30 seconds on the resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The question is on agreeing to the resolution.

The resolution (S. Res. 33) was agreed to as follows:

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by Members and officers of the Senate in attending the memorial services for former Vice President Nelson A. Rockefeller, on vouchers approved by the chairman of the Committee on Rules and Administration.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

THE IMPACT OF A STIFFENED FEDERAL ETHICS LAW

Mr. MOYNIHAN. Mr. President, I should like to take a moment of the Senator's time to draw attention to an article in this morning's Washington Post, the headline of which is "Stiffened Federal Ethics Law May Make Officials Quit."

Mr. President, the thrust of this article is that the provisions of the 1978 Ethics in Government Act require such detailed financial disclosure statements, and put such inordinate restraints on what Government officials may do after leaving Government, that we face an alarming prospect—that some of the most important officials of the present administration may have to resign their positions by the 1st of July, when these new regulations come into effect.

I have just had a conversation with the Under Secretary of Health, Education, and Welfare, Mr. Hale Champion, who is an old and dear friend of mine. Without him we would have a lot less health, education, and welfare in this country. He helps to run Health, Education, and Welfare.

He has been advised by his lawyer that if he does not quit by the 1st of July he will not be able to work again at any of the occupations he has pursued in his life.

He came to Washington after serving as a vice president of Harvard University. Here he is Under Secretary of Health, Education, and Welfare.

In that capacity, he signs off on medicaid and medicare regulations. Under the provisions of the act, he could not go back to his previous job at Harvard University because that institution benefits from medicare and medicaid regulations.

It is just that simple a matter.

The Commissioner of Education, Dr. Ernest Boyer, has arranged to succeed the very distinguished Clark Kerr as head of the Carnegie Commission on Higher Education 1 year from now, on January 1, 1980. He has been advised that he had better resign as Commissioner before July 1 because thereafter, for similar reasons, he would not be able to take the job.

Yesterday I received a letter from one of the most distinguished science administrators in America, and, it happens, an official of IBM—I need not bring his name into this—whom I had written to congratulate for having been appointed by the President to a position on a very important science advisory committee.

He enclosed with his note a copy of a 3-page letter in which he states, essentially, that he cannot now accept the appointment, since he would not care to reveal everything about his life—and let anybody have access to it—in order to advise the President.

I simply wish to state that I think we passed a law that had much more in it than we originally realized, and that in the name of ethics in Government we are making service to Government impossible for ethical people. I believe the administration was the originator of this effort. I think we had better pay attention to it before we look up and suddenly find that we have not only lost so many absolutely indispensable people, but that we cannot replace them.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 31, 1979]

STIFFENED FEDERAL ETHICS LAW MAY MAKE OFFICIALS QUIT

(By Joanne Omang)

Hundreds of government officials—scientists, educators and researchers—may resign this spring to avoid coming under a stringent new code of ethics aimed at curbing conflicts of interest.

The 1978 Ethics in Government Act requires detailed financial disclosure statements and puts stiff limits on what high-ranking officials may do in the private sector after they leave government.

Several affected officials say the limits in the law may leave them virtually unemployable outside the government after the act takes effect on July 1.

"Under this law, I couldn't go back and do most of the things I have spent a good part of my life doing," said Hale Champion, undersecretary of health, education and welfare. "I have to consider resigning if the implications are as grave as they look."

Others who said they could be similarly affected include Richard Atkinson, director of the National Science Foundation; William J. Perry, director of research and engineering in the Department of Defense, and Donald S. Frederickson, director of the National Institutes of Health.

They are typical of hundreds of executives, professors, scientists and others who join government for a few years, intending to return eventually to their old jobs or to others like them. Often these jobs are at nonprofit or academic institutions having extensive government research grants; others are at private companies with large federal contracts.

"The higher up in the decision-making you are, the more difficult it becomes," said Champion, who was formerly vice president for finance at Harvard University. "You then have official responsibility for lots of things you don't deal with personally . . . it could come down to meaning you can't participate in the governance of any institution that has anything to do with the government."

The new law covers all federal employes at grade GS16 or above or earning more than $42,500, which includes nearly everyone in a policy-making position. It also covers judges, members of Congress and senior congressional staff members, as well as political appointees; in all, about 15,000 persons.

Passed in the wake of the Korean influence-buying scandal, the measure requires listing outside income, gifts, debts, property transfers, spouse's income and holdings and other financial matters beginning May 15.

It also tightens existing lifetime bans on representing outsiders before the government on issues in which the official had "personal and substantial" dealings while in government. And it extends from one year to two the ban on acting for a private party in issues that were under the policymaker's "official responsibility" in the year before leaving public office.

These provisions, effective July 1, are not considered particularly troublesome to scientists and academics, although Atkinson criticized the requirement that even those who serve on advisory boards for as little as 20 days annually must file disclosure statements.

Far more troubling, according to those concerned, is the provision that says a former government official shall not "aid, assist, counsel, advise or assist in representing" before the government a private organization on any matter under the official's former jurisdiction. "He can't talk about anything he knows anything about," summed up an HEW official.

This could mean, said Frederickson of NIH, "that quite possibly I would be barred from my old job" as president of the National Academy of Sciences Institute of Medicine. It involved handling government contracts and studies which concerned NIH, he said.

Another 50 persons now at NIH—"the people who run the institute, the key administrators"—would be affected, he said. "The law might mean that our usual movement from medical schools and the academic world and back would be severely impaired."

Perry of the Defense Department was formerly president of an electronics firm in Sunnyvale, Calif. "I don't believe I could return to that job under this as I read it," he said, "and I would certainly like to have that option."

Perry added that many DOD engineers who oversee research and acquisition programs have told him they are considering resigning before July 1. "We may so completely limit the ability of a technical manager to return to industry that we may not be able to hire them away from industry in the future," he said.

At the National Science Foundation, Atkinson said that under the provisions of the law as outlined by a reporter, "I would probably never have come here in the first place" since he would probably be unable to return to Stanford University, where he is on a leave of absence. "If that is the case, I would think twice about whether I'd have to resign" from NSF, he said.

HEW Secretary Joseph A. Califano, Jr., said that he and Defense Secretary Harold Brown had "expressed serious concern" about the matter to President Carter. "We suggested that the thing to do is to postpone the effective date of the law and have some hearings on it," Califano said. "We would hope the law could be amended."

Carter, he said, had asked aide Jack Watson to look into the matter.

Jim Graham, staff counsel to the Senate Governmental Affairs Committee that drafted the new law, said there is "a severe lack of information" among those affected. "We do think the bill is reasonable. One of the ways scientists make a living is through consulting and there is at least the same potential for abuse as there is with lawyers," he said.

He and others suggested that an exception in the law permitting "scientific and technical communications" with the government might be adapted in forthcoming regulations to solve some of the problems, although new legislation might also be necessary.

At the moment, all eyes are on Bernard Wruble, 36, who is drafting those regulations in his first week on the job at the brand new Office of Government Ethics. The post was established by the act within the Office of Personnel Management (the old Civil Service Commission) to come up with rules on application and enforcement of Ethics in Government.

"We are aware of the scientists' problem," he said. "We feel we have an obligation to settle the problem well in advance of the time when people will have to act on it."

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. MOYNIHAN. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator for calling this matter to the attention of the Senate. I appreciate his observations. I think the matter may very well need some further study and consideration in the light of these developments.

Mr. MOYNIHAN. I appreciate that.

Mr. MATSUNAGA. Will my colleague yield?

Mr. MOYNIHAN. I am happy to yield to my senior deputy whip.

Mr. MATSUNAGA. Mr. President, I do wish to join the majority leader in commending the Senator from New York for bringing this matter to the attention of the Senate.

It has occurred to me, too, that of recent years we have been directing our attention so much toward preserving the institution that we are in many respects sacrificing the all-important individual liberties for which this Nation, above all countries in the world, stands.

Once again, I wish to commend the Senator from New York for bringing this matter to the attention of the Senate.

Mr. MOYNIHAN. I think few people could speak more directly to this point than the Senator from Hawaii, who fought for those liberties in the Armed Forces and has defended them in the House of Representatives and the Senate all these years.

We have at issue a measure which will raise the cost of participating in American Government to the point where it, in fact, becomes a privilege of the rich or simply an opportunity for the thoroughly unprincipled.

Mr. President, there is a limit to everything, and it appears we have gone beyond that limit in this case. I hope we will soon hear from the administration as to what it proposes to do.

I thank the Chair for its courtesy.

Mr. DURKIN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Hampshire.

Mr. ROBERT C. BYRD. Will the distinguished Senator from New Hampshire yield to me briefly?

Mr. DURKIN. I am happy to.

SENATE RESOLUTION 34—PROVIDING FOR SENATE MEMBERSHIP ON THE JOINT COMMITTEE ON PRINTING AND THE JOINT COMMITTEE OF CONGRESS ON THE LIBRARY

Mr. ROBERT C. BYRD. Mr. President, Senate Resolution 34, which is at the desk, has been cleared with the minority leader, and I ask unanimous consent that it be immediately considered with a time limitation of not to exceed 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution will be stated.

The assistant legislative clerk read as follows:

S. RES. 34

Resolved, That the following-named Members be, and they are hereby, elected members of the following joint committees of Congress:

Joint Committee on Printing: Mr. Pell of Rhode Island, Mr. Cannon of Nevada, and Mr. Hatfield of Oregon.

Joint Committee of Congress on the Library: Mr. Pell of Rhode Island, Mr. Cannon of Nevada, Mr. Williams of New Jersey, Mr. Baker of Tennessee, and Mr. Schweiker of Pennsylvania.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The resolution (S. Res. 34) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SERMON BY WILLIAM J. CARL III

Mr. BAKER. Mr. President, on the Sunday following the inauguration of Gov. Lamar Alexander, I had the opportunity to hear a most inspirational and enlightening sermon. It was delivered by

William J. Carl III, who is Governor Alexander's brother-in-law.

I asked Dr. Carl for a copy of his sermon so that I might share it with my colleagues in the Senate. I ask unanimous consent that Dr. Carl's sermon be printed in the RECORD at this point.

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

". . . SO HELP ME, GOD"

(Texts: I Kings 3:3–5; Jeremiah 17:5–8; Romans 14:7–9)

(Sermon delivered at Inaugural Worship Service for Lamar Alexander as Governor of the State of Tennessee, Westminster Presbyterian Church, Nashville, Tennessee, January 21, 1979; Dr. William J. Carl III, Assistant Professor of Homiletics, Union Theological Seminary in Virginia.)

Several years ago New Yorker magazine had a cartoon showing two ministers—one elderly, comfortable, a little plump; the other young, eager, earnest. The older man was depicted as saying to the younger: "Drawing upon my not inconsiderable experience, Andrews, my advice to a young man, ambitious of preferment in our calling, is to steer clear of two subjects—politics and religion." And here I am stuck with both. Especially in a family like ours. The marriage of the two came with my marriage to Jane Alexander—Lamar's sister. Politics and religion. Of course, we would have trouble finding complete agreement in the old clergyman's statement either among churchmen or politicians. Some think that religion should play a big role in politics; some don't. Andrew Jackson, whose own faith was a personal matter, stated bluntly in 1826, "When once more I am clear of politics I will join the church."[1] And yet, in one of the top ten religious news stories of 1978, the three heads of state cited religion as a factor in arriving at a preliminary accord on the Middle East at Camp David. Politics and religion. There's great discrepancy over how they should relate.

Not surprisingly, the two come together in the Bible as various leaders from Abraham to Moses and the judges and kings after them had to administrate in social and political arenas. On every turn God's chosen leaders are plagued with questions of economics, education, health care, food distribution, and military defense. Look at Joseph making big grain deals for the President Sadat of his day. Watch Moses lead a whole people out of Egypt, with no budget for provisions or arms for defense. It's little wonder he trusted in the Lord. Who else could he trust?

And look at Solomon. His greatness and power defy description. When Jesus, referring to the beauty of the lilies of the field, said "Even Solomon in all his glory was not arrayed like one of these," it was clear that Solomon had become the symbol of wealth, the trademark of worldly splendor. Even Washington's protocol experts would have difficulty offering a title appropriate enough to call him in his presence. But in our Scripture, he may still be a young man at the beginning of his administration. Already king upon his father David's death, in a dream or a vision, he prays to the Lord. And what does he ask? "Give therefore thy servant an understanding heart to judge thy people, that I may discern between good and evil." It may be remembered that when Franklin Roosevelt died, Harry Truman offered this prayer of Solomon as his own petition for guidance. (By the way, I will quote Democrats and Republicans alike, since God is really non-partisan. He makes his rain to fall on the just and the unjust. He loves both publicans and sinners. He finds good and bad leaders in both parties.)

"Give therefore they servant an understanding heart." What a prayer for a leader to make! Even God was astonished. He thought surely Solomon would ask for riches or honor or at least the life of his enemies.

Of course, Solomon had good reason to pray for wisdom and understanding. His responsibilities were great—as awesome and sobering as any leader's today. After praying for God's help, he did what any good leader do—he began making political appointments. He depended on a whole cadre of leaders to help him administer and rule his kingdom. And the first appointments he made were the members of his cabinet. In chapter 4 of I Kings we read of these appointments: the man in charge of the calendar, the adjutant general, the secretary of state, the commander of the army, the priests, the superintendent of regional governors the King's friend (now that would be a good appointment even today), the comptroller of the household, and the the superintendent of forced labor. (Here labor sounds more like management.)

Then we are told that Solomon appointed 12 regional governors each over a different district. The chief duty of these regional governors was to collect the King's taxes, which I'm sure made them very popular with the people. Solomon needed the tax money to support his own household, his commercial interest in horses and chariots, as well as a burgeoning metal industry, and to support the building of the temple, probably his greatest achievement.

Solomon's kingdom was large by any standards. In chapter 4, verse 21, we are told that "Solomon ruled over all the kingdoms from the Euphrates to the land of the Philistines and to the border of Egypt." In sheer miles this is almost exactly the distance from Bristol to Memphis. Even today, that would be a pretty good distance to walk! To get the idea of its dimensions, put Solomon's kingdom on its side and you could practically place it on a map of Tennessee.

Solomon's kingdom ranked in power with those around it. It was a power to be reckoned with in the Middle East, just as Israel is today. Solomon knew the problems of ruling over such a great kingdom. That's why he prayed to the Lord. He knew that evil was real and that to trust only in man would be the act of a fool. Long before Jeremiah said it, Solomon knew the meaning of the prophet's words, "Cursed is the man who trusts in man." Yes, Solomon had reason to pray.

And what did he pray for? "Give therefore thy servant an understanding heart to govern thy people, that I may discern between good and evil." What does he call himself? A servant. "Give thy servant." Solomon recognized that even as a king he was a servant—a servant of God and a servant of the people. Any leader who forgets that forfeits his right to lead. And what did he desire? An understanding heart—and here the Hebrew means almost literally a "hearing" heart—a receptive mind; one that listens and considers before it decides; one that can hear the voice of God and the voice of the people.

But Solomon also prays for the ability to discern between good and evil. How difficult that is to do even today; for in real life distinction between good and evil is never as clear cut as the good guys and the bad guys or the characters in "Star Wars." Every area of our lives, whether in politics, business, or the church, is fraught with compromise and gray-area decisions. Decisions about who to trust or who to believe in government are laden with ambiguity. As one of my colleagues at Union Seminary, John Leith, has said, ". . . we ought never to underestimate the residual powers of goodness in evil people nor should we ever underestimate the power of evil in good people. . . . The good are never as good as they think they are and the bad are never as bad as they are thought to be."[2] This is still true today, even in government. The prayer then for the ability to discern between good and evil should not be taken lightly. What Solomon prayed for essentially was that he be a good man—something all public officials should covet. Lamar's mother told me not long ago that all she has ever prayed for Lamar since he was a child was that he be a good man.

This was what Solomon sought. And of course, his prayer was answered a hundred times over. He was given a discerning heart and great wisdom. The Scriptures give account after account of his wise decisions. He served not only as ruler but as Supreme Court. And here wisdom does not mean the philosophical speculation of Greek wisdom, but the practical know-how to judge rightly in the very ordinary matters of everyday life.

Of course, with all these comparisons, we should remember that in many ways we are different from Solomon. Our world is different—more sophisticated, more technological, more efficient. And Solomon was king of God's chosen people, Israel. We need to be reminded of that, lest we fall into the kind of civil religion that Robert Bellah and others have cautioned against. In the same way, Solomon was a monarch, whereas we live in a democracy where we vote for our leaders and, with checks and balances, many lead us, not just one. And of course Solomon had 700 wives and 300 concubines. Even by today's standards that would be extravagant. So in many ways we are different from Solomon.

And yet our times are not different. Human sin is still very real. The malaise of human existence has turned many to despair. There is a disease in our land, a sense that something has gone wrong somewhere. Trust in our elected officials has declined. Trust in each other is frayed and frazzled. The tragedy of human history played over and over again is that we have lost trust in our God. "Cursed be the man that trusts only in man" is Jeremiah's message to us. And Reinhold Niebuhr's paraphrase offers a significant caution to governors and governed alike: "Cursed be the man who trusteth in collective man and imagines that the immortality of his nation compensates for the insecurity of his own life. Nations are also mortal."[3]

We live in a time when hardly anything lasts. Our money seems gone before we get it. Our children are grown up and gone before we know them. Our spouses die and leave us alone. To the tick-tock of our rockers we play only yesterday. Sooner or later, we all realize—hardly anything lasts; not nations, not even us. To trust only in each other is a fatal mistake. History books are littered with examples of leaders who trusted only in their own power and ability and both they and their people suffered for it. But who needs to read history when it happens in our own time? Leaders ousted from office or taken out before their term has expired. It's the mark of our decade. Our text comes to us as a warning, for Solomon the great king transgressed. He trusted in the gods of his foreign wives. He taxed his people heavily and forced them into slave labor. He heard neither the cries of his people nor the cry of his God. A reign begun with great promise ended in tragic failure. And the message is clear. We may ask for gifts of wisdom and understanding and God may give, but if the gifts are not put to proper use, God will take them away. Not only that, he will take away your reign and the trust of your people. You see, trust in government begins with trust in God. For God by his providence rules over all.

Of course, those of us who claim to be Christian know that Christ lived in our world.

Footnotes at end of article.

He knew its sin, the power of its political and economic systems. He knew the kind of world we live in. He suffered and died at its hands—but rose above it. And so to trust in him is to understand the meaning of Paul's words, "None of us lives to himself and none of us dies to himself. If we live, we live to the Lord. If we die, we die to the Lord. So then, whether we live or whether we die, we are the Lord's." That kind of trust can turn cynicism into promise and despair into hope.

But trusting in the Lord should never be done with unreasonable expectations. I think Lamar understands that. Trust in the Lord never means instant miracles, instant solutions to all public problems. We pray not for instant solutions but for the wisdom and understanding to do what is right. Teddy Roosevelt understood this when he stated, "One verse in Micah * * * I am very fond of—'to do justly and to love mercy and to walk humbly with thy God'—that to me is the essence of religion." [4]

As leaders trust in the Lord, so should we, the people. We should pray for those who govern us. Yesterday Lamar asked for our prayers. Whether Democrat or Republican, shall we let him down when he asks so openly?

Not long ago, James Michener, who is not known for brevity in his books, was interviewed before the National Press Club in Washington. He was asked how he got his ideas for his books. He said, "I usually have lots of ideas rattling around in my head at one time; and I whittle them down and whittle them down until I get one good idea. You take that one good idea and devote the next four years of your life to it. Once you're in, there's no turning back." Michener concludes, "Now that takes a lot of dedication." One idea for the next four years * * * well, my friends, what will it be for us? For Lamar, for the state of Tennessee, for the people of this country? It's very simple—that we "balance the powers in our hands with God in our hearts." [5]

FOOTNOTES

[1] Caroline Tomas Harnsberger, ed., Treasury of Presidential Quotations (Chicago: Follett Publishing Co., 1964), p. 29.

[2] John Haddon Leith, Sermon Delivered at Myers Park Presbyterian Church, Charlotte, N.C., June 6, 1978, pp. 2, 4.

[3] Reinhold Niebuhr, *Beyond Tragedy* (New York: Charles Scribner's Sons, 1965), p. 18.

[4] Harnsberger, *op. cit.*, p. 293.

[5] Lyndon B. Johnson, in Harnsberger, *op. cit.*, p. 294.

PRESIDENT CARTER'S TOOTH FAIRY

Mr. HARRY F. BYRD, JR. Mr. President, the millennium has arrived.

The Associated Press reports today that President Carter has tentatively decided to propose a national health insurance program that, over a period of time, would guarantee to every American the same benefits, with no individuals being billed for any service covered.

The benefit package would pay for hospital bills; physician fees; prescription drugs; out-patient, laboratory, and X-ray services; and for alcoholics, drug addicts. and the mentally ill. And no one will have to pay a cent.

Any individual who believes that all hospital bills, a doctor's bills, anything connected with health, will be paid entirely by the Federal Government, with no one paying a cent, must believe strongly in Alice in Wonderland.

The proposed program also would protect everyone from being bankrupt by catastrophic illness or accident. I favor a catastrophic illness or accident bill and have supported one. I want to see protection against catastrophic illness.

But when you talk about bankruptcy, if you want to bankrupt our Nation, just follow the program which the Associated Press says the President will send to Congress. Of course, Mr. Carter may take the view that the Government is already bankrupt, so why worry.

I think it is totally ridiculous to talk about a program whereby the Federal Government would pay for hospital bills; physicians' fees; prescription drugs; outpatient, laboratory, and X-ray services; and help for alcoholics, drug addicts, and the mentally ill, and no one would have to pay the bill.

Anyone who believes that, must believe in the tooth fairy.

Mr. President, the American people are smarter than many. The American people know who pays for the cost of Government.

The cost of Government must be paid for either by direct taxes—direct taxes are high now, and wait until you put in a program such as this—or they must be paid for through inflation, already soaring.

In my judgment, inflation is the cruelest tax of all, because it hits hardest those on fixed income, and those in the lower economic groups.

However, as I say, perhaps the millennium has come. Perhaps a program such as envisioned to be presented to Congress at an early date can be accomplished without anyone paying for it; perhaps, indeed, there is a tooth fairy. But I doubt it very seriously.

ROUTINE MORNING BUSINESS

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE OFFICE OF ALIEN PROPERTY, DEPARTMENT OF JUSTICE—MESSAGE FROM THE PRESIDENT—PM 21

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on the Judiciary:

To the Congress of the United States:

I herewith transmit the Annual Report of the Office of Alien Property, Department of Justice, for the transition period July 1, 1976, to September 30, 1976, and for the fiscal year ended September 30, 1977, in accordance with section 6 of the Trading With the Enemy Act.

JIMMY CARTER.

THE WHITE HOUSE, *January 31, 1979.*

SPECIAL MESSAGE ON RESCISSIONS AND DEFERRALS OF BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 22

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, together with an accompanying document, which was referred to the Committee on Appropriations, the Committee on the Budget, the Committee on Energy and Natural Resources, the Committee on Human Resources, the Committee on Banking, Housing, and Urban Affairs, the Committee on Commerce, Science, and Transportation, the Select Committee on Small Business, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Armed Services, the Committee on the Judiciary, the Committee on Finance, the Committee on Environment and Public Works, and the Committee on Foreign Relations, jointly, pursuant to order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report ten proposals to rescind a total of $914.6 million in budget authority previously provided by the Congress. In addition, I am reporting six new deferrals of budget authority totalling $1,169.8 million and six revisions to previously transmitted deferrals increasing the amount deferred by $28.8 million.

The rescission proposals affect programs in the Department of Energy, Health, Education and Welfare, Housing and Urban Development, the Interior, and several independent agencies.

The new deferrals and revisions to existing deferrals involve programs of the Departments of Agriculture, Commerce, Defense, Energy, the Interior, Justice, Labor, Transportation, the Treasury, and the Tennessee Valley Authority.

The details of each rescission proposal and deferral are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *January 31, 1979.*

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Rules and Administration, without amendment:

S. Res. 34. An original resolution providing for members on the part of the Senate of the Joint Committee on Printing and the Joint Committee of Congress on the Library. Considered and agreed to.

S. Res. 35. An original resolution authorizing the reprinting of House Document Numbered 504, Eighty-ninth Congress, second session, entitled "Washington's Farewell Address", as a Senate document (Rept. No. 96–2).

S. Res. 36. An original resolution authorizing additional expenditures by the Committee on Rules and Administration for inquiries and investigation (Rept. No. 96-3).

S. Res. 37. An original resolution to pay a gratuity to Sibyl M. Brown.

S. Res. 38. An original resolution to pay a gratuity to Charles F. Clark, Sr.

S. Res. 39. An original resolution to pay a gratuity to Guy D. Hunter and Bonnie G. Hunter.

S. Res. 40. An original resolution to pay a gratuity to Allie M. McAdams.

S. Res. 41. An original resolution to pay a gratuity to Carl W. Sours.

By Mr. McGOVERN (for Mr. Talmadge), from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. Res. 42. An original resolution authorizing additional expenditures by the Committee on Agriculture, Nutrition, and Forestry for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. RANDOLPH, from the Committee on Environment and Public Works, without amendment:

S. Res. 43. An original resolution authorizing additional expenditures by the Committee on Environment and Public Works for inquiries and investigations. Referred to the Committee on Rules and Administration.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and the second time by unanimous consent, and referred as indicated:

By Mr. McGOVERN:

S. 261. A bill to amend the Consolidated Farm and Rural Development Act to authorize loans for the construction and improvement of subterminal storage and transportation facilities for certain types of agricultural commodities, to provide for the development of State plans to improve such facilities within the States or within a group of States acting together on a regional basis, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. RIBICOFF (for himself, Mr. Percy, Mr. Kennedy, Mr. Cohen, Mr. Eagleton, Mr. Baker, Mr. Glenn, Mr. Javits, Mr. Leahy, Mr. Levin, Mr. Long, Mr. Mathias, Mr. Metzenbaum, Mr. Nunn, Mr. Proxmire, Mr. Pryor, Mr. Roth, and Mr. Talmadge):

S. 262. A bill to provide for the regulatory analysis of proposed rules and the review of existing rules by the agencies, to make other improvements in regulatory procedures, to establish the Administrative Conference of the United States, and for other purposes; to the Committee on Governmental Affairs and the Committee on the Judiciary, jointly, by unanimous consent, and if one committee orders reported, the other committee has 45 days.)

By Mr. BENTSEN (for himself and Mr. Proxmire):

S. 263. A bill to amend the State and Local Fiscal Assistance Act of 1972 to terminate the State government share of funds allocated to the States beginning with fiscal year 1980; to the Committee on Finance.

By Mr. HEINZ (for himself, Mr. Randolph, Mr. Bayh, and Mr. Glenn):

S. 264. A bill to amend the Antidumping Act of 1921, the Trade Act of 1974, and the Tariff Act of 1938 to improve procedures relating to the determination of certain unfair foreign trade practices; to the Committee on Finance.

By Mr. DOMENICI (for himself, Mr. Nelson, and Mr. DeConcini):

S. 265. A bill entitled the "Equal Access to Justice Act"; to the Committee on the Judiciary.

By Mr. MOYNIHAN (for himself and Mr. Harry F. Byrd, Jr.):

S. 266. A bill to amend the Social Security Act with respect to the issuance of social security cards; to the Committee on Finance.

S. 267. A bill to amend title 18, United States Code, to prohibit the counterfeiting and forgery of social security cards, and the sale of such forged or counterfeited social security cards; to the Committee on the Judiciary.

By Mr. DURKIN (for himself, Mr. Bumpers, Mr. Eagleton, Mr. Chiles, Mr. Cranston, Mr. Ford, Mr. Hollings, Mr. Huddleston, Mr. McClure, and Mr. McGovern):

S. 268. A bill to amend the Federal Trade Commission Act to provide that under certain circumstances exclusive territorial arrangements relating to the manufacture, sale, or distribution of soft drink products are not unlawful; to the Committee on the Judiciary.

By Mr. BUMPERS (for himself and Mr. Pryor):

S. 269. A bill to amend the Tennessee Valley Authority Act; to the Committee on Environment and Public Works.

By Mr. BUMPERS (for himself and Mr. Ford):

S. 270. A bill to amend the Occupational Safety and Health Act of 1970 to insure equal protection of the laws for small business and to provide that any employer who successfully contests a citation or penalty shall be awarded a reasonable attorney's fee and other reasonable litigation costs; to the Committee on Human Resources.

By Mr. GRAVEL:

S. 271. A bill for the relief of Clifford Gibbons; to the Committee on the Judiciary.

S. 272. A bill for the relief of Carlos C. Montanes; to the Committee on the Judiciary.

By Mr. HEINZ:

S. 273. A bill for the relief of Maxine Ann Fricioni; to the Committee on the Judiciary.

S. 274. A bill for the relief of Sang Sun Russo; to the Committee on the Judiciary.

S. 275. A bill for the relief of Mr. and Mrs. Edward Cohen and their adopted daughter, Leah Mi Cohen; to the Committee on the Judicirary.

S. 276. A bill for the relief of Steve Wing-On Yan; to the Committee on the Judiciary.

By Mr. STEVENS:

S. 277. A bill for the relief of Margaret Duff; to the Committee on the Judiciary.

By Mr. TOWER:

S. 278. A bill for the relief of Enrique Dagoberto Macher and Maria Del Rocio Garrido-Macher, husband and wife; to the Committee on the Judiciary.

S. 279. A bill for the relief of Tadeusz Darocha, M.D., and Halina Darocha, husband and wife; to the Committee on the Judiciary.

S. 280. A bill for the relief of Virgilio C. Carandang, M.D., and Cecilia Tanedo Carandang, husband and wife; to the Committee on the Judiciary.

By Mr. CRANSTON:

S. 281. A bill for the relief of Doris Mauri Coonrad; to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 282. A bill for the relief of Hsiu-Yin Ma; to the Committee on the Judiciary.

S. 283. A bill for the relief of Eurith Lloyd; to the Committee on the Judiciary.

S. 284. A bill for the relief of Romulo Cayetano and Erlinda Cayetano, husband and wife; to the Committee on the Judiciary.

S. 285. A bill for the relief of Mrs. Kae Soon Sin; to the Committee on the Judiciary.

By Mr. COCHRAN:

S. 286. A bill for the relief of Jin Suk Park; to the Committee on the Judiciary.

S. 287. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

By Mrs. KASSEBAUM:

S. 288. A bill for the relief of Robinson J. Munoz; doctor of medicine; to the Committee on the Judiciary.

S. 289. A bill for the relief of Belino D. Iway, doctor of medicine, his wife, Olivia Nunez Iway, and his children, Yvonne Iway, Christine Iway, and Edsel Francis Iway; to the Committee on the Judiciary.

By Mr. HART (for himself and Mr. Thurmond):

S. 290. A bill to revise the Strategic and Critical Materials Stock Piling Act, to require that appropriations for acquisition of strategic and critical materials be authorized by law, to establish a National Defense Stockpile Transition Fund, and for other purposes; to the Committee on Armed Services.

By Mr. RIBICOFF:

S. 291. A bill to provide for posting information in post offices with respect to registration, voting, and communicating with lawmakers; to the Committee on Governmental Affairs.

By Mr. McGOVERN (for himself, Mr. Talmadge, and Mr. Dole):

S. 292. A bill to reduce the fiscal year 1980 authorization for appropriations for the Special Supplemental Food Program; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DOMENICI:

S. 293. A bill for the relief of Julio Antonio Morales-Flores; to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 294. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Finance.

By Mr. NUNN (for himself and Mr. DeConcini):

S. 295. A bill to establish a procedure in addition to impeachment for the retirement of disabled members of the Judiciary of the United States and the removal of those whose conduct is or has been inconsistent with the good behavior required by article III, section 1 of the Constitution, and for other purposes; to the Committee on the Judiciary.

By Mr. CULVER (for himself, Mr. Proxmire, Mr. McGovern, Mr. Eagleton, and Mr. Pell):

S. 296. A bill to prohibit the appointment of any person as Director or Deputy Director of the Arms Control and Disarmament Agency who has been relieved from active duty as a commissioned officer in a regular component of an armed force within a ten-year period prior to the proposed appointment; to the Committee on Foreign Relations.

By Mr. KENNEDY:

S. 297. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. SASSER:

S. 298. A bill to amend the Endangered Species Act of 1973 to eliminate the Endangered Species Committee and provide for certain exemptions from the provisions of the Act; to the Committee on Environment and Public Works.

By Mr. CULVER (for himself, Mr. Nelson, Mr. Thurmond, Mr. Wallop, Mr. Baucus, Mr. Nunn, Mr. Tower, Mr. Pressler, and Mr. Leahy):

S. 299. A bill to amend sections 551 and 553 of title 5, United States Code, to improve

Federal rulemaking by creating procedures for regulatory issuance in two or more parts, and for other purposes; to the Committee on the Judiciary.

By Mr. KENNEDY (for himself, Mr. Metzenbaum, Mr. Morgan, Mr. Bayh, Mr. Culver, Mr. Domenici, Mr. Durkin, Mr. Exon, Mr. Gravel, Mr. Hart, Mr. Leahy, Mr. Levin, Mr. Matsunaga, Mr. Moynihan, Mr. Nelson, Mr. Pell, Mr. Proxmire, Mr. Ribicoff, Mr. Riegle, Mr. Stafford, Mr. Tsongas, and Mr. Williams):

S. 300. A bill to restore fair and effective enforcement of the antitrust laws; to the Committee on the Judiciary.

By Mr. TOWER:

S. 301. A bill to amend laws relating to housing and community development with respect to labor standards; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DOLE:

S. 302. A bill for the relief of Vincente Alvarez; to the Committee on the Judiciary.

S. 303. A bill for the relief of William Armstrong and Rita Armstrong; to the Committee on the Judiciary.

S. 304. A bill for the relief of Roman Enriquez, Andrieta Enriquez, and their son Sol Allan Enriquez; to the Committee on the Judiciary.

S. 305. A bill for the relief of Carlo Lim, M.D., his wife Cecilia Lim, and his son Ronald Christopher Lim; to the Committee on the Judiciary.

S. 306. A bill for the relief of Reginald Carlson Lim; to the Committee on the Judiciary.

By Mr. DANFORTH:

S. 307. A bill for the relief of Alexis Maria Davaraj; to the Committee on the Judiciary.

By Mr. SASSER:

S. 308. A bill for the relief of Rosita N. Pacto; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McGOVERN:

S. 261. A bill to amend the Consolidated Farm and Rural Development Act to authorize loans for the construction and improvement of subterminal storage and transportation facilities for certain types of agricultural commodities, to provide for the development of State plans to improve such facilities within the States or within a group of States acting together on a regional basis, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURAL SUBTERMINAL FACILITIES ACT OF 1979

Mr. McGOVERN. Mr. President, today I am pleased to introduce the Agricultural Subterminal Facilities Act of 1979.

The family farm system, so vital to the future of our Nation remains in serious economic trouble. While farm prices overall edged the parity index up to 72 percent last year, wheat prices remain critically low at 55 percent with corn still lower at 54 percent. With such low farm income, recent record harvests mean little if anything to our Nation's farmers.

In conjunction with this obvious need to improve farm income levels through Department of Agriculture commodity programs, we must also look to improving the farmer's control over prices through more efficient commodity storage and movement systems. Presently, due to inefficient systems we consistently experience at harvest an enormous shortfall in storage and movement capacity. Farmers and elevator operators in South Dakota constantly call my office, particularly during harvest, in need of assistance to move and store their products. And there is no effective and comprehensive program of assistance available.

It is an immense and tragic paradox that while we possess the technology to be the most efficient producers of food and fiber worldwide, we stand behind an economic eightball when it comes to movement and storage of agricultural products.

As a result, economic benefits made possible by increasingly efficient production are to a significant degree, lost to both farmer and consumer, because of storage and shipping problems particularly in the grain producing States. In point of fact, potential farm income lost as a result of the inability to efficiently store and ship farm products may be millions of dollars annually.

To date, the Nation's storage and farm to market system consists largely of limited on-farm storage, small capacity elevator operations, unreliable and insufficient rail service and increasing reliance on expensive truck operations.

Historically, Federal programs and policies designed to assist agricultural producers have considered commodity movement and storage as separate and distinct issues. Unfortunately, the two are inseparable, and past policies based on this error may have hurt rather than helped our Nation's producers.

Our current system, consequently, is largely based on small scattered storage facilities located at points not easily served by any transportation system. The inadequacy in size and location as well as the inability to utilize more than one transportation mode is a primary contributor to our perennial and worsening grain car shortages.

Most railroads own the necessary power and equipment to transport the Nation's agricultural commodities. The current shipping patterns for grain, however, are substantially different from other industries which have the advantage of centralized points of production and subsequently, centralized points of shipping. Agricultural commodities by their nature of production seemingly defy the ease of movement to market available to other industries.

Railroads have never been able to efficiently or economically move farm products when their equipment must be simultaneously distributed across a vast trackage system to thousands of small collection points. However this is precisely what happens at harvest.

And the dilemma worsens as the health of the rail industry declines and its track system deteriorates. Prior to the construction of our massive highway system, this vast rail network was our sole means of transport for bulk commodities. Much of that system, although in disrepair, remains essential today.

However, with the advent of our highway system, the growth of the trucking industry, and the decline of our railroads, the ability and the economics of serving thousands of individual elevators has declined rapidly. We can no longer demand that the rail industry serve the farm industry in a manner that became outdated and inefficient decades ago.

Rail transport, however, continues to be the most efficient and economical means of transporting bulk commodities over long distances. In addition, the small country elevator continues to be essential to the economic health of small communities throughout the Nation.

Consequently, I am not advocating the demise of rail branchlines or of the small elevator system.

I am stating the need to bring both systems into the 20th century in order that each industry may maximize its benefits.

I am proposing a mechanism whereby local producers and existing elevator operators may enhance and improve their commodity storage and market delivery systems which would in turn greatly improve the ability of all modes of transportation to provide efficient and reliable service to our Nation's farmers.

LEGISLATIVE RESPONSE

Mr. President, in response to these circumstances, I have today introduced the Agricultural Subterminal Facilities Act of 1979. Above everything else, this bill is designed to help eliminate crippling inadequacies in agriculture transportation. It will go a long way toward giving farmers the storage and delivery system they must have to match and fully realize the great efficiencies achieved in the production of grain and other bulk commodities. The savings thus made possible can flow to both farmers, in terms of increased income, and to consumers through lower prices.

MODERN STORAGE AND DELIVERY SYSTEM

The Agriculture Subterminal Storage Facilities Act is predicated on a successful pilot program that has been in operation for several years in Iowa. The legislation provides the means by which modern, adequate bulk commodity and intermodal shipping facilities can be located as close as possible to sources of production within a given State, or within a group of States acting together on a regional basis. For the most part this means positioning these facilities at points on a State's core railroad system. to take advantage of the best elements of railroad, highway, and waterway transportation.

Subterminals would include rail sidings and loading facilities capable of making up 40- to 100-unit covered hopper car trains, the most efficient means of shipping dry agriculture bulk commodities over land as well as facilities to efficiently load and receive goods from trucking operations. To maximize the potential economies of these installations, subterminal facilities would also have the capacity to unload and store bulk commodities used in agriculture production, such as fertilizer, propane gas, and diesel fuel.

ELEMENTS OF THE PROBLEM

Once in place and operating, subterminals would eliminate the major elements, which when combined, constitute a recurring crisis in the storage and shipping of bulk agriculture commodities.

Producers and shippers would no longer have to rely solely on poorly maintained, light density unviable branchlines capable of carrying only 40 foot boxcars.

Nor would they be dependent on 40 foot boxcars themselves which are often delivered late and in inadequate numbers. These cars have become obsolete within the rail industry as a whole and are no longer being replaced. Large numbers of them have been and are being retired from service in a state of disrepair. Their use as components of a freight train carrying an assortment of items to various destinations assures slow delivery and even slower return for reloading.

In essence, the Agriculture Subterminal Facilities Act has three main features. The first would provide funds to finance efforts to determine location of subterminals. The second furnishes a means to assure adequate financing of construction and start up operations at reasonable cost. And perhaps more importantly, this proposal contains provisions to assure continued local control over the movement and storage of farm products.

LOCATING SUBTERMINALS

The Secretary of Agriculture would be authorized to make planning grants available to a State or group of States acting together on a regional basis, to develop a bulk agricultural commodities storage and shipping plan. These funds would be made available upon application by the Governor or appropriate State agency from a $30 million appropriation authorized by the act.

Subterminal State/regional plans would include:

(a) an analysis of the short and long range marketing, shipping, storage and production trends regarding bulk agriculture commodities in question;

(b) a determination as to the need for subterminal facilities and their most efficient location;

(c) a program for continued use of existing on-farm storage facilities and the delivery of bulk commodities from farms to subterminals or directly to market and export points;

(d) a program for the continued use of existing small country storage facilities on the basis of subterminal ownership, as separately owned operations with the option of utilizing subterminal storage and shipping facilities, or as separately owned and operating entities independent of subterminals;

(e) an evaluation of the various types of possible subterminal non-profit and for profit ownership arrangements which will provide maximum benefits to producers and improve their control over the marketing of commodities while minimizing any adverse impacts on existing small storage facilities;

(f) an evaluation of potential benefits of subterminal ownership or lease of railroad rolling stock, trucks, barges and other bulk agriculture commodity transportation equipment;

(g) findings as to the potential benefits and possible cost and methods of financing state or regional offices to coordinate the use of freight transport equipment owned or leased by subterminals; and

(h) plans for constructing and improving subterminal facilities.

ORCHESTRATING SYSTEMS

Mr. President, the description I have thus far given of this legislation makes it clear that subterminal locations are to be planned on a statewide or regional basis. This is essential to assure maximum benefits and efficiencies are derived from minimum investments. To plan the location of such facilities on a random, individual basis, is to run the risk of locating them too close or too far apart with resulting waste or inadequate capacity. In point of fact, the central thrust of this program is to establish a system of subterminals covering large areas and, insofar as possible, to orchestrate their operations to complement and strengthen each other.

This need not only extend to subterminal storage and loading facilities but to the use of rail, truck, and other types of transportation equipment as well. For the sake of self-reliance and operational flexibility, many subterminals, either individually or jointly, may wish to lease or purchase trucks and covered hopper cars to deliver grain to railside storage facilities and to make up unit trains for long-haul transportation. Under these circumstances it may be desirable to establish regional coordinating offices covering two or more States to direct the use of transportation equipment in order to achieve maximum utilization for subterminals and to assign such equipment to other transportation uses when it is not needed by subterminals so that it will continue to earn income to defray purchase or lease costs.

ESTABLISHMENT OF CRITERIA

The proposed State subterminal storage facility plans must be made subject to public hearings and must be approved by the Secretary of Agriculture in order to qualify for Federal assistance.

The Secretary of Agriculture would be authorized to establish criteria, based on the production of bulk agricultural commodities, to determine which States qualify for Federal funding assistance for planning and construction.

Governors of such States must certify to the Secretary that producers of bulk agriculture commodities have experienced serious storage and shipping problems during the 3-year period preceding application for assistance.

Funding assistance will be provided only to those States designated by the Secretary of Agriculture which have rail plans approved by the Department of Transportation under provisions of the Railroad Rehabilitation and Regulatory Reform Act of 1976 which requires development of core system plans to qualify for branchline subsidies.

CONSTRUCTION FUNDING

The Consolidated Farm and Rural Development Act would be amended to specify that loans for subterminal construction would qualify for assistance under this legislation. This means that loans for approved subterminal projects could be made directly by the Secretary of Agriculture or could qualify for Federal loan guarantees when adequate credit at reasonable cost is not otherwise available.

The total amount of loan authority for this purpose is to be allocated by the Secretary of Agriculture among qualifying States on the basis of a formula established by the Secretary. The formula shall include the total railroad mileage in each State, annual bulk agriculture commodity production, and the existing storage capacity for such commodities in each State. A loan allocation not used by one State shall be reallocated among other States.

PROTECTION OF SMALL ELEVATORS

I wish to emphasize that the importance of existing country grain elevators must be recognized and their interests protected. For decades these businesses have been the focal point of agriculture communities throughout agricultural-producing States. Their services have been and will continue to be absolutely vital. Under this legislation, small elevators would be provided with the first opportunity to participate in the ownership and operation of subterminals, or to share in the facilities of subterminals to satisfy their own shipping needs. Accordingly, the Agricultural Subterminal Facilities Act would amend the Internal Revenue Code to allow existing elevator operators to sell their holdings and invest in subterminals or other enterprises without being subject to a capital gains tax. Although such new enterprise investments may be made anywhere, it is my expectation that in most cases they would be made in or near the same communities where the small elevators are located. Thus those elevator owners who have played a vital role in the economic activity of these areas will be given incentive to further expand the industrial and commercial base of their communities.

MAXIMIZING POTENTIAL BENEFITS

Mr. President, I believe the Agricultural Subterminal Facilities Act of 1979 provides a tested and successful answer to the critical storage and transportation needs of a vast segment of the Nation's farm industry.

Beyond this, it establishes a program that helps to assure that the Nation's surface transportation system will provide maixmum benefits to a large part of our agriculture industry and to rural America. It does this largely on a self-help basis. Aside from the relatively small sums that are needed for subterminal planning purposes, funds for this program would come from the private sector. When necessary, Federal loan guarantees, as they have been for many other successful agriculture credit programs, would be available to assure adequate credit at reasonable cost.

This is not a Federal handout; nor is it in any way inflationary. Rather, it provides basic incentives for the agricultural sector of our Nation's economy to become more efficient in its storage and delivery systems as well as providing a system that may be efficiently and economically served by all transportation modes.

It offers local producers independence, increased command of essential markets. Under this proposal they may respond quickly to market conditions without being dependent on a boxcar that may never arrive or arrive too late. And it offers a program that is consistent with current State transportation plans and conforms to the freight transportation needs of rural America to the mutual benefit of local producers, transportation industries, and consumers.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 261

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Subterminal Facilities Act of 1979".

FINDINGS

SEC. 2. The Congress finds and declares—

(1) that an adequate system for the efficient transient storage and movement of bulk agricultural commodities is essential to the overall success of the agricultural industry of the Nation, the development of rural areas of the Nation, and the economic stability of the Nation;

(2) that the movement and storage of bulk agricultural commodities has been seriously and repeatedly impeded by shortages of transient storage facilities, adequate rail rolling stock, and the deterioration of many railroad track beds and rural highways throughout the United States;

(3) that the efficient movement and storage of bulk agricultural commodities may be achieved and facilitated by the joint location at strategic points throughout the United States of transient storage facilities and multimodal terminal facilities constructed especially for the efficient shipment and receipt of agricultural commodities; and

(4) that the location of such facilities must be carefully planned to assure maximum benefits to producers of agricultural commodities and to assure the most efficient means of transporting bulk agricultural commodities to domestic and export markets.

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "Secretary" means the Secretary of Agriculture.

(2) The term "subterminal facility" means any facility—

(A) which is used for the transient storage of bulk agricultural commodities or for the transporting, upgrading, receiving, drying, or loading out of such commodities;

(B) which is used for the transient storage of any commodity or product that is used by producers in the production of agricultural commodities and that can be stored or shipped in bulk, such as fertilizer and fuel;

(C) which is located in the area of production of agricultural commodities and any major storage or major export point for such commodities; and

(D) which is located (or after construction, will be located) at a place that conveniently serves the needs of producers and purchasers of such commodities.

Such term also means any rail siding, loading, or unloading facility which can accommodate unit railroad trains or multiple car trains of 20 cars or more and other appropriate transportation modes designed for the transport and storage of bulk agricultural commodities and production materials.

(3) The term "bulk agricultural commodity" means any agricultural commodity that can be transported in bulk from the farm where produced and can be temporarily stored in bulk quantities without undergoing processing or packaging. Such term also includes any commodity or product that is used by producers in the production of agricultural commodities and that can be stored or shipped in bulk.

STATE AND REGIONAL PLANS; PLANNING GRANTS

SEC. 4. (a) (1) The Secretary shall, beginning not more than 180 days after the date of enactment of this Act, make financial assistance available to States which make application therefore, and which otherwise meet the requirements of this section and further requirements developed by the Secretary for the purpose of assisting such State in the development of a subterminal facilities plan (hereinafter in this Act referred to as the "State plan") for such State. Assistance under this section shall be made available in the form of a grant. No grant may be made to any State unless the Governor of such State or the appropriate agency of such State makes an application therefor as provided in this section.

(2) The Secretary may also make such grants available to two or more States acting together to develop a coordinated regional subterminal facilities plan (hereinafter in this Act referred to as the regional plan") for such region.

(3) The amount of the grant made under this section to any State, or to any two or more States acting together (as provided in paragraph (2)), shall be proportionate to the amount to which such State, or States acting together, would be entitled for the purpose of implementing an approved State plan or an approved regional plan (as defined in subsection (d)) under the provisions of section 310B (e) (2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e) (2)), except that in no case may the amount of the grant exceed an amount equal to 80 percent of the cost of preparing the State plan or regional plan, as the case may be.

(4) The State or regional plan shall prescribe in detail the actions such State or group of States proposes to take in order (A) to facilitate the efficient movement of bulk agricultural commodities from the points of production within such State or region to major market or export points, (B) to provide adequate storage facilities for such commodities between points of production and market, and (C) to provide adequate receiving, storage and loading facilities for any commodity or product used in the production of agricultural commodities and that can be stored or shipped in bulk.

(5) The State plan of any State or regional plan of any group of States shall include the following:

(A) an analysis of the trends in the marketing, shipping, storage, and production of bulk agricultural commodities produced in such State or region and the short and long range projections with respect to the marketing, shipping, storage, and production of such commodities in such State or region.

(B) A determination, on the basis of the analysis and projections described in clause (A), of the needs of the State or region for subterminal facilities and a determination of the most efficient locations for and the handling capacity of such facilities.

(C) A program for the continued use of existing on-farm storage facilities located within the State or region and for facilitating the transport of bulk agricultural commodities stored on the farm, either to subterminal facilities or directly to market or export points.

(D) An assessment of the impact of subterminal facilities on small rural storage facilities within the State or region and a program for the continued use of such small storage facilities under arrangements which make subterminal facilities available to them on an equitable and fair basis.

(E) An evaluation of the various types of nonprofit and for profit ownership arrangements available with respect to subterminal facilities that will provide maximum benefits for producers of agricultural commodities within the State or region, that will enhance such producers' control over the marketing of commodities produced by them, that will provide reasonable ownership participation opportunities of subterminal facilities by the owners and/or operators of small rural storage facilities, and that will otherwise minimize any adverse impact on existing small rural storage facilities within the State or region.

(F) An evaluation of the potential benefits of subterminal ownership and leasing arrangements for rail rolling stock (including locomotives), motor trucks, barges and other bulk agricultural commodity transport equipment that will help achieve maximum benefits from the operation of subterminal facilities within the State or region.

(G) Findings regarding the need for, the potential benefits of, the estimated cost of, and the possible methods of financing a State or regional office which would (i) coordinate the use of freight transportation equipment with subterminal shipping requirements, and (ii) be owned and operated by the subterminal facility developed in such State or region with assistance under this Act.

(H) Specific plans for constructing and improving subterminal facilities wthin such State or region, including features of such facilities that will facilitate the efficient movement of bulk agricultural commodities from points of production to market or export points.

(b) Any funds made available to a State or region for the purpose of assisting such State or region to develop a State or regional plan shall be made available on condition that the appropriate State agency (1) hold public hearings in connection with the development of such plan, and (2) upon completion of such plan submit a copy thereof to the Secretary.

(c) No State or region shall be eligible for a grant under this section unless—

(1) the average annual production of bulk agricultural commodities by such State or region meets minimum levels established by the Secretary for a period the Secretary considers appropriate preceding the year in which application for such grant is made;

(2) the Governor of such State or the Governors of such States acting together on a regional basis certifies to the Secretary that producers of agricultural commodities have experienced serious storage and transportation problems within such State or region during the three years preceding that year in which application for such grant is made; and

(3) such State or group of States acting together on a regional basis has established an adequate plan, as described in section 5(j) of the Department of Transportation Act (49 U.S.C. 1654), for rail service in such State or States.

(d) Whenever any State or group of States acting together on a regional basis has submitted a State or regional plan under this section, the Secretary shall approve such plan if it meets the conditions specified in this Act and those prescribed in regulations of the Secretary to carry out this Act. Such a plan when approved by the Secretary shall be known as an "approved State plan" or an "approved regional plan", as appropriate.

(e) To carry out the purposes of this section, there are authorized to be appropriated not to exceed $5,000,000 for the fiscal year 1980 and for each of the three succeeding fiscal years.

LOANS UNDER THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

SEC. 5. Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1930) is amended by adding at the end thereof a new subsection as follows:

"(e) (1) The Secretary may also make and insure loans under this section to public, private, or cooperative organizations organized for profit or nonprofit, or to individuals for the purpose of constructing or improving a subterminal facility in any State if the construction or improvement of such facility is consistent with the approved State plan or approved regional plan of such State or region. Such loans may also be made to purchase rolling stock (including locomotives), motor trucks, barges, and other bulk agricultural commodity transport equipment to be used in conjunction with the operation of subterminal facilities.

"(2) (A) The total amount of loan authority made available for the purposes of this subsection for any fiscal year shall be allocated by the Secretary among those States that have approved State plans or approved regional plans. Such allocation shall be made among such States on the basis of such formula as the Secretary shall prescribe by regulation, except that any such formula shall include the following factors: the total railroad mileage in each such State, the annual production of bulk agricultural commodities in each such State, and the existing storage capacity for bulk agricultural commodities within each State. In no event may the amount of loan authority allocated to any such State in any fiscal year be less than an amount equal to one percent of the total loan authority available for allocation in such fiscal year.

"(B) Any loan authority available for use in any State in any fiscal year that is not utilized by such State shall be reallocated, to the extent practicable, among other States eligible for the assistance provided under this section, in accordance with the same formula developed by the Secretary for the initial allocation of loan authority under this subsection.

"(C) The total railroad mileage, bulk agricultural commodity production, and storage capacity within any State shall be determined by the Secretary in consultation with the Interstate Commerce Commission.

"(3) As used in this subsection, the terms 'subterminal facility', 'approved State plan', or 'approved regional plan' shall have the same meanings as provided in the Agricultural Subterminal Storage Facilities Act of 1979.

"(4) Within 180 days after the date of enactment of the Agricultural Subterminal Storage Facilities Act of 1979, the Secretary shall establish such rules and regulations as may be necessary to implement the provisions of and to carry out the purposes of this subsection.".

NONRECOGNITION OF GAIN FROM SALE OF FACILITY IF PROCEEDS ARE REINVESTED IN ANY TRADE OR BUSINESS PROPERTY

SEC. 6 (a) Section 1033 of the Internal Revenue Code of 1954 (relating to involuntary conversions) is amended by redesignating subsections (g) and (h) as (h) and (i), respectively, and by inserting after subsection (f) the following new subsection:

"(g) Certain Agricultural Storage Facilities Adversely Impacted Under the Agricultural Subterminal Storage Facilities Act of 1979.—If the taxpayer sells or exchanges a single purpose agricultural structure (within the meaning of section 48 (a) (1) (D)) used by the taxpayer during a preceding taxable year ending 24 months or less before the date of sale or exchange by the taxpayer in his trade or business for the storage of agricultural commodities, and such sale or exchange is due to the construction of a subterminal facility (as defined in paragraph (2) of section 3 of the Agricultural Subterminal Storage Facilities Act of 1979) which serves the area previously served by the taxpayer's structure, then—

"(1) the sale or exchange shall be treated as an involuntary conversion for purposes of this section,

"(2) the sale or exchange shall not be considered a disposition of, or cessation of being section 38 property for, such property for purposes of section 47, and

"(3) any other property (including real property) used by the taxpayer in a trade or business, including farming, shall be treated as property similar or related in service or use to the property converted.

For purposes of this subsection, the gain, if any, properly allocable to the sale or exchange of any building or structure used in connection with such an agricultural structure, or to any land on which such structure (and building and other structure) is located used in connection with the operation of the agricultural structure, shall be treated the same as gain from the sale or exchange of the agricultural structure if such building, structure, or land is sold at the same time as the agricultural structures.".

(b) The amendments made by this section shall apply to taxable years beginning after December 31, 1979.

By Mr. RIBICOFF (for himself, Mr. PERCY, Mr. KENNEDY, Mr. COHEN, Mr. EAGLETON, Mr. BAKER, Mr. GLENN, Mr. JAVITS, Mr. LEAHY, Mr. LEVIN, Mr. LONG, Mr. MATHIAS, Mr. METZENBAUM, Mr. NUNN, Mr. PROXMIRE, Mr. PRYOR, Mr. ROTH, and Mr. TALMADGE):

S. 262. A bill to provide for the regulatory analysis of proposed rules and the review of existing rules by the agencies, to make other improvements in regulatory procedures, to establish the Administrative Conference of the United States, and for other purposes; to the Committee on Governmental Affairs and the Committee on the Judiciary, jointly, by unanimous consent, and if one committee orders reported, the other committee has 45 days.

REFORM OF FEDERAL REGULATION ACT OF 1979

Mr. RIBICOFF. Mr. President, today I am introducing a bill which will provide comprehensive far-reaching reform of the process of Federal regulation. The bill is entitled, "The Reform of Federal Regulation Act of 1979."

This measure is cosponsored by Mr. PERCY, Mr. KENNEDY, Mr. COHEN, Mr. EAGLETON, Mr. GLENN, Mr. JAVITS, Mr. LEVIN, Mr. LONG, Mr. MATHIAS, Mr. NUNN, Mr. PROXMIRE, Mr. PRYOR, Mr. ROTH, and Mr. TALMADGE.

I am particularly pleased to have, as cosponsors of this legislation, four distinguished chairmen of Senate committees: Mr. KENNEDY, chairman of the Judiciary Committee; Mr. PROXMIRE, chairman of the Banking, Housing, and Urban Affairs Committee; Mr. LONG, chairman of the Finance Committee; and Mr. TALMADGE, chairman of the Agriculture, Nutrition, and Forestry Committee.

The legislation we introduce addresses many fundamental problems of Federal regulation. The Reform of Federal Regulation Act of 1979 will provide for—

A regulatory analysis for proposed rules to reduce the burden of regulation. All Federal agencies will be required to estimate and publish the projected costs, benefits, and other impacts of proposed major regulations before they are adopted. That will include consideration of practical alternatives.

Periodic review of existing regulations to insure that Federal resources are committed wisely. All agencies will be required to systematically review the need, objectives, achievements, consequences, and alternatives of existing regulations to determine whether they are justified and effective.

Deadlines to be set by agencies on proposed actions. In order to encourage expeditious action, agencies will be required to set and publish deadlines.

An improved agency decision-making process. The bill will require the use of more informal, less time-consuming procedures to decide cases; and will provide financial assistance to groups who could not otherwise afford to participate in agency proceedings.

Standards for appointment for high level agency officials to improve the quality of regulators. This includes reform of the process by which administrative law judges are selected and evaluated, as well as qualification requirements for regulatory commissioners.

A restructuring of the Administrative Conference to insure better regulatory coordination and planning. The conference, which will be headed by a single administrator, will be given guidance authority for certain Government-wide statutes. The restructured conference will thus act as a monitor for the regulatory process.

The recommendations contained in this bill have been carefully studied by the Committee on Governmental Affairs. The bill incorporates many of the recommendations made in the committee's "Study on Federal Regulation" which was authorized by the Senate pursuant to Senate Resolution 71. During the 95th Congress, all six volumes of that study were published. Together, the six volumes are the most comprehensive review of Federal regulation ever conducted by Congress.

THE NEED FOR ACTION

Government regulation has grown dramatically—and it has sometimes grown haphazardly. Government intervention has become almost a reflex response to social and economic problems. But these regulations present their own set of social and economic problems. Today people are questioning what Government can and should do. This question combined with persistent high inflation has increased our awareness of the extent of Government regulation.

In my opinion, the extent of Federal regulation is a serious matter of concern.

For example, in 1975, the Federal Government proposed or adopted nearly 500 new regulations and over 9,000 amendments to existing regulations. Some were but a paragraph, others several hundred pages in length—and all were printed in the Federal Register, the official daily record of Federal administrative actions.

Agency regulations are also gathered and published in the Code of Federal Regulations, which now runs over 130 volumes in length. To cite one example, the rules of a single regulatory agency, Federal Trade Commission, consumes two 500-page volumes of the Code. As a recent FTC action indicates, some of the Code's provisions are clearly unnecessary. The FTC cut its share of the Code by 10 percent through the repeal of about 80 trade practice rules, concerning such items as corsets, brassieres, steel bobby pins, milk bottle caps, and sunglasses. Everyone (including the industries involved) agreed that the rules were toothless, inactive, and redundant.

Clearly compliance with Government regulations costs money. The costs of complying with these regulations is added to the cost of producing a good or service and thus is passed on to the consumer· We know regulation is not free—but we are not sure just how expensive it really is. Estimates of the total cost of Government regulation range from a low of $20 to $130 billion. Anytime a cost estimate is that broad you can be sure we do not really know how much something costs.

But certainly there are benefits from those efforts, particularly in the health, safety, and environmental areas.

Many of the protections instituted by these programs have been so successful that the security they provide is taken for granted: Pasteurization, meat and poultry inspection, control of patent medicines are among the classical examples of success. Also, we rarely acknowledge the excellent Federal performance in such areas as aviation safety or drug testing requirements or highway safety. CPSC Commissioner Pittle has recently outlined some of the benefits from those and similar programs which include: A 40-percent reduction in ingestions of poisons by children over a 4-year period, due to safety packaging requirements; a decrease of 45 percent in the number of crib deaths, since the safety standards for cribs became effective in 1974; the saving of some 28,000 lives between 1966 and 1974 as well as a substantial reduction in serious injuries, because of Federal motor vehicle safety regulation; and what appears to be a complete elimination of flame-burn injuries involved in children's sleepwear, as a result of Government standards for that clothing.

Those accomplishments are of real value, a fact that is not diminished by an inability to reduce them into statistics in an economic equation. Thus, public discussion of the need for careful appraisal of the projected impact of proposed regulations should not lose sight of the major advantages and compeling needs for effective health, safety, and environmental protection.

At this time, I would like to briefly describe the major provisions of the bill.

REGULATORY ANALYSIS

One important provision in this bill is the requirement that all Federal agencies conduct a regulatory analysis before issuing regulations.

The bill provides a two-step process: When a regulation is first proposed, an initial regulatory analysis must be prepared and published along with the proposed rule. No less than 60 days is then allowed for public comment. When a regulation is promulgated, a final regulatory analysis must be provided to the public at the same time. A regulatory analysis is required to contain a discussion of the need and objectives of the proposed rule, as well as a description of practical alternatives which could nearly accomplish those objectives. In addition, for the proposed rule, and for each of the alternatives, the analysis shall contain a preliminary description of projected economic, and projected health, safety, and other noneconomic effects which the agency is permitted by law to take into account, and an appraisal of the effectiveness of each approach in meeting the stated objectives of the rule. In addition to those items, the final regulatory analysis shall contain a discussion of the public comments received on the initial regulatory analysis. The Congressional Budget Office will be charged with the responsibility of periodically reviewing regulatory analysis to make certain that there is compliance with these provisions.

Thus agencies would systematically consider and evaluate the projected consequences, anticipated achievements and practical options of proposed agency action. A comparable procedure is required for executive branch agencies, by an Executive order issued in March 1978 by President Carter. However, when that order was announced, President Carter indicated that it would not apply to the independent regulatory commissions. At that time, the President stated that regulatory independence should be "preserved." I agreed with that action, because only Congress has the authority to establish the regulatory analysis requirement for these commissions. Extending the requirement to the independent commissions is one important purpose of the bill we introduce today.

Moreover the regulatory analysis provision will insure a rational and systematic process of agency consideration before the issuance of regulation. Careful analysis of the known aspects of a proposed action is an obviously sensible course. It is logical and reasonable to estimate costs, project benefits, and consider alternatives before making any significant decision. In addition, I believe such analysis can make a significant contribution to determining whether the conditions perceived as justifying intervention presently exist, and how they are likely to change in the future. Also economic evaluations can help Congress, the President, and the public assess the strategies adopted by regulators. Finally, impact analysis could produce reliable information on the burdens imposed by regulation.

It is necessary in looking at this to distinguish between two different classes of regulation: Regulation for the protection of health, safety, and the environment, and economic regulation. These two classes of regulation sometimes present different cost and measurement problems, and may require differences in approach. In broad terms, that distinction is clearly illustrated by recent Federal legislation to deregulate the airline industry. While the Civil Aeronautics Board, the regulatory body for airlines, is now scheduled to go out of existence by 1985, no one has seriously questioned the continued need for Federal oversight of air safety. The Federal Aviation Administration will retain its important responsibility for the safe operation of air traffic.

Therefore the appropriate way to cut the costs of economic regulations may well be to eliminate it entirely. We cannot take this approach to health, safety, and environmental regulations.

Certainly health, safety, and environmental regulations impose costs—sometimes very substantial costs. However, unlike some economic regulations, they also provide broad public benefits. Often it is easy to measure the costs of compliance with these regulations—the capital cost of new equipment, the number of forms to fill out, and so forth. Benefits, however, may be harder to measure. We can measure the reduction in contaminants in the air and the improved cleanliness in our water, but we do not yet know how to give these things precise monetary values. For years clean air was viewed as a free resource. The cost of using it up was not included in the cost of goods. Now we recognize that air is not a free resource and we count the cost of preserving it. It is, therefore, difficult to compare costs.

Many of the benefits of this kind of noneconomic or social regulation are long-term and cumulative. How do we value in dollar terms preventing asbestos from slowly killing workers in our shipyards? Or keeping an unsafe drug off the market. And it may be even harder to place a value on the benefits of pension regulation or antidiscrimination regulation.

Reducing the cost of regulation in these areas presents us with something more difficult than simple deregulation or simple economic impact analyses. This is not to say that we should ignore the costs of health, safety, and environmental regulations. We should be looking for the most efficient and least costly means to achieve our goals in these areas. Clearly we should move to eliminate duplication and costly delay. There is no reason to waste resources in steps which do not move us closer to our goals. Moreover we do need more and better information on the anticipated consequences and achievements of regulatory action. We do need to insure careful considerations of practical alternatives, including the option of no action at all, before regulations are issued in final form. All of which suggests the need for a governmentwide statute containing a regulatory analysis requirement.

The legislation we introduce today attempts to balance those various, sometimes competing, considerations. In short, what we seek is more effective and efficient decisionmaking, but without crippling the ability of agencies to discharge their statutory duties. Thus, in drafting this legislation, we have been guided by the following general considerations.

First, results of a regulatory analysis can only be one part of any decision about a regulation. Thus even if the benefits you can quantify are less than the costs, the regulation may still be valid.

Second, we do not want to add another costly step to the regulatory process. Nor do we want agency actions delayed for years by litigation over the adequacy of economic evaluations.

Third, it is important that appropriate expertise go into this analysis. Therefore, the analysis should first be conducted within the department or agency considering action. Oversight of these analyses will be necessary, and should be achieved by Congress and by periodic review outside the agency. It should also be noted that the executive branch, under this legislation. would still be able to conduct its own review and monitoring, such as that presently mandated under Executive Order 12044.

REVIEW OF EXISTING REGULATIONS

In addition to making certain that new major regulations are the least costly and most effective, the bill also addresses the need to review existing regulations. Periodic reappraisal is essential to determine whether the original reasons for a regulation have continuing vitality. We need to know that existing rules and regulations are working. Otherwise regulation tends to develop a life of its own, sometimes imposing burdens without commensurate benefits.

Under this legislation, all Federal agencies are required to evaluate those rules that are on the books to make certain that they are both effective and efficient.

This review will occur in two stages. Agencies must first review existing rules in order to determine which ones should be singled out for intensive reexamination. Thereafter agencies shall publish a general plan for review of selected regulations over a 5-year period. In deciding what rules should be reviewed, agencies shall consider—

First, the extent to which the rule has significant economic, or health, safety, or other noneconomic consequences;

Second, the length of time since the rule was issued;

Third, the nature of any technological, economic, social, or other changes which have taken place in the area affected by the rule since the rule was issued;

Fourth, the extent of compliance with the requirements of the rule; and

Fifth, any comments made by members of the public concerning the effects of the rule, as implemented by the agency.

We intend that the rules selected for review will be subjected to a close scrutiny, involving opportunity for vigorous public comment and appraisal. Selected rules will be reviewed in light of the following considerations:

First, the need for and the objectives of the rule at the time the regulation was issued;

Second, whether there is a continuing need for the rule;

Third, the extent to which the rule achieves its objectives;

Fourth, the economic, health, safety, and other noneconomic consequences of the rule;

Fifth, the paperwork, recordkeeping, or other similar burdens imposed by the rule;

Sixth, the cost and nature of any problems encountered by the agency in obtaining compliance with the rule;

Seventh, whether the objectives of the rule may be met through a less burdensome alternative;

Eighth, the extent to which the rule overlaps or duplicates other rules; and

Ninth, whether the rule should be rescinded, expanded, or continued without change.

Agencies will be required to report annually to Congress on the reviews conducted pursuant to these provisions. And the Congressional Budget Office will periodically monitor agency efforts in this regard to insure compliance.

BETTER PLANNING AND REFORMING REGULATORY PROCEDURES

The Reform of Federal Regulation Act of 1979 also seeks to remedy the serious delay that now plagues the regulatory process. These provisions, like others in the bill, implement the recommendations of the committee's Study on Federal Regulation.

The committee study found that delay occurs at many stages of the agency process, and for many different reasons. It also found, however, that undue delay is not inevitable. Agencies can take practical steps to make the regulatory process more efficient.

The data presented in volume IV of the study indicates that the regulatory process is anything but swift in its operation. From start to finish, the proceedings averaged more than 19 months for licensing, 21 months for ratemaking, and over 3 years for enforcement actions. Each stage of the three types of proceedings was very time consuming. In licensing and ratemaking proceedings, it took about 160 days for matters to even reach the hearing stage; for enforcement actions, it averaged well over a year before a hearing was convened. Protracted hearings also characterized the proceedings, and once again enforcement was the lengthiest of the three—just under 18 months devoted to hearings, which was nearly double the time spent for ratemaking and licensing hearings. Finally, the time necessary for agency review and decisionmaking accounted for about 25 to 30 percent of the total agency time on the case. For licensing the agency review took more time than either of the two preceding stages individually.

The committee study identified the following agency practices as among the most serious causes of needless delay:

Planning, priority setting, and leadership by top agency management is often inadequate.

Widespread failure of agencies to set and enforce deadlines and follow other good management practices results in needless delays. The committee study found that many agencies do not set timetables for completing action on proceedings.

Excessive reliance on formal, trial-type hearings is one of the most important causes of delay. Among proceedings which travel the full route of hearing and agency review, informal rulemaking is at least 1½ to 3 times faster than adjudicative proceedings featuring full trial-type proceedings.

Cumbersome review provisions are another major cause of unnecessary delay. They add extra and unnecessary layers of review before agency actions become final.

Substantial delay also occurs at the prehearing stage.

The bill carries out the specific proposals the committee study makes for reducing delay at each stage in the process. At the same time, the bill respects the principles of due process. It preserves for all parties to a proceeding a full opportunity to be heard before the agency acts.

Specifically, the bill seeks to reduce delay by encouraging better agency planning and management. Each year the agency will have to establish specific regulatory priorities and describe them in an annual report to Congress. Also the bill requires an agency to adopt, at the start of each proceeding, deadlines for completing the proceedings. Each agency will report annually to Congress on how well it has met its deadlines. It will have to describe what it is doing to complete action on the proceedings that have been delayed the longest. Any agency that does not already have an office to oversee the planning and management of its regulatory activities will have to assign this function to an office.

The bill also addresses procedural reforms, by amending portions of the Administrative Procedure Act, to reduce the delays that plague all stages of regulatory proceedings.

The Administrative Procedure Act now requires the use of trial-type proceedings in all formal proceedings. The bill would change this for all formal rulemaking, including ratemaking, all initial licensing proceedings, and all subsidy proceedings where any of these proceedings must now be decided in trial-type proceedings. The bill requires the use of less formal procedures to decide these cases. In other kinds of formal proceedings the agency could, at its discretion, use the new procedures instead of holding trial-type proceedings. Under the new procedures the agency must give persons a chance to submit briefs and present oral arguments on the relevant facts and law. There would be no formal witnesses at the hearing to present evidence, however, and no cross-examination.

Formal trial-type hearings could subsequently be held only if the initial proceedings highlight the need to resolve specific factual disputes.

The bill specifically charges the administrative law judge with general responsibility for controlling the course of the hearing so it is completed expeditiously. It authorizes him to set deadlines for the completion of the hearing. It encourages him to rule on questions before the conclusion of the hearing when additional, evidentiary hearings would be pointless.

To speed the agency review process,

the bill allows each agency to establish review panels to review administrative law judges' decisions in place of review by the agency heads. It authorizes the agency to place final authority for a proceeding in these boards, or in the employee who presides over the initial hearing. The bill also gives agencies and courts the authority to impose sanctions on a party who unreasonably delays or obstructs a proceeding.

In order to improve the quality of regulatory officials, the bill contains procedures for the selection and evaluation of administrative law judges, and standards of qualifications for regulatory commissioners.

Administrative law judges are a critical element of the regulatory process. The quality, and, indeed, the pace, of regulatory decisionmaking depends in significant part on the ability of these officials. Although the vast majority of administrative law judges are doubtless able and conscientious, there is not at present any process by which administrative law judges' performance is periodically reviewed and evaluated. That observation was made in a recent report by the Comptroller General as well as in our committee Study on Federal Regulation. Administrative law judges appointed after this act takes effect will, after a 10-year term, be subject to review and reappointment by the Administrative Conference, as restructure in this bill. In addition, the bill authorizes the Conference to take appropriate action in the case of administrative law judges who are not performing adequately in that position. We believe the review role proposed for the Administrative Conference will have positive effects on the quality of these important officials.

REVITALIZATION OF THE ADMINISTRATIVE CONFERENCE

The final major component of the Reform of Federal Regulation Act of 1979 concerns a major restructuring of the Administrative Conference, in order to provide better coordination for the regulatory process.

At present, the Administrative Conference is a small, independent Federal agency created in 1964, and activated in 1968. Its function is to study and make recommendations and to exchange information concerning administrative proceedings. It has no ongoing operating program other than to "study the efficiency, adequacy, and fairness of the administrative procedure used by administrative agencies in carrying out administrative programs."

The conference is presently headed by a chairman, who is nominated by the President and confirmed by the Senate. However, the conference itself is composed of as many as 92 members, most of whom come from either the academic community or the Federal agencies. Reduced to essentials, the conference has acted as a research body in its more than 10 years of existence. The background and responsibility of the conference is discussed in volume VI of the committee study.

In this legislation, we propose that the administrative conference be restructured to enable it to assume a major role in dealing with problems of regulatory inefficiency, delay, and complexity.

Such an agency must necessarily have a structure more suited to solving problems instead of the present conference organization which is designed for studying and recommending. The existing structure is more appropriate for a research organization than a body charged with important oversight or monitoring functions.

We believe a leadership role for the administrative conference is not assisted by a governing board composed of at least 75 members, many of whom are officials of the regulatory agencies. The bill we introduce today provides that the conference be headed by a single administrator, nominated by the President and confirmed by the Senate. On the issues of appointment, tenure, and removal of the administrator, the bill guarantees sufficient independence to enable the conference to provide guidance to the independent regulatory commission. The membership body itself is reduced in size and reconstituted as an advisory committee to the administrator. Thus streamlined, and with appropriate additional resources, the administrative conference will be equipped to assume major responsibilities for improving the regulatory process.

The bill provides that the conference would continue to exercise its present research, advisory, statistical, educational, and coordinative responsibilities. But more than that, it will actively monitor the way agencies plan and manage their regulatory responsibilities, and will propose procedures to improve the effectiveness of agency operations.

The Administrative Conference will have, under this legislation, the responsibility to issue advisory guidelines for laws of general application which comprise the framework of Federal administrative, open government and access to information laws. These laws have common goals and objectives—fairness in administrative practice and insuring open government and availability of Government information. They also impact on management of agency procedures and on reducing paperwork. Interpretations and definitions under one law often affect other laws in this group and coordination among them is necessary. For these reasons, the bill provides that the conference have the responsibility for all Federal regulatory agencies and programs.

As proposed in this legislation, the statutes for which the conference will have advisory guidance responsibilities include the Administrative Procedures Act, the Freedom of Information Act, the Privacy Act of 1974, the Government in the Sunshine Act, the Federal Advisory Committee Act, and the Act to Establish a Commission on Federal Paperwork. The Administrative Conference will also issue guidelines for procedures for the regulatory analysis requirement proposed in this bill.

In addition, it will be the responsibility of the conference to provide, to the extent that funds are made available, financial assistance to qualified intervenors in regulatory agency proceedings. Applicants for those awards must meet specific standards contained in this legislation. Centering this responsibility in the conference will, in my opinion, result in a fair and impartial management of this program. It should be noted that this provision does not in any way alter the existing requirements for standing to intervene in agency proceedings. Indeed, an eligibility requirement for an award is that the applicant have standing to intervene under existing law or practice.

As previously mentioned, the conference will also have a role in the evaluation process of administrative law judges.

In summary, I am pleased to introduce what I believe is a comprehensive legislative measure, designed to address many pressing and basic issues of Federal regulation. Without doubt, there will be changes and modifications as the bill is considered and debated. It is particularly gratifying to begin the process with what are the results of deliberate and detailed study by our committee. The recommendations incorporated in the Reform of Federal Regulation Act represent, in my opinion, careful review of the best thinking available on the problems of the regulatory process. Thus it is evidence of our commitment that the results of the committee study will not rest on library shelves, but will instead be the basis for active congressional consideration of needed changes in Federal regulation. The promise of this legislation is an efficient and effective regulatory process.

Mr. President, I ask unanimous consent that the Reform of Federal Regulation Act of 1979 be referred jointly to the Committee on Governmental Affairs and to the Committee on Judiciary, and after one committee orders the bill reported, the other shall have 45 days to consider it or be automatically discharged. It is my understanding that this referral has been cleared by the minority.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I also ask unanimous consent that the text of the bill and a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 262

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Reform of Federal Regulation Act of 1979".

TITLE I—THE ANALYSIS, PLANNING AND MANAGEMENT OF REGULATORY FUNCTIONS

FINDINGS AND PURPOSES

SEC. 101. The Congress finds and declares that—

(1) the agency decisionmaking process should be rational and systematic, and should examine the need for proposed action as well as practical alternatives, projected consequences, anticipated achievements, and other impacts of such action;

(2) to assure effective regulatory decisions, consideration of the justifications for, consequences of, and alternatives to proposed agency action should occur at an early stage in the decisionmaking process;

(3) to ensure a full and balanced discus-

sion of the desirability of proposed agency action and its alternatives, each agency should maximize the opportunity for timely and meaningful public comment in the decisionmaking process;

(4) good planning and management procedures, including the establishment and observance by the agency of deadlines for completing action on proposed regulations, should be adopted to help each agency avoid unnecessary delay and make the regulatory process as efficient as possible; and

(5) the head of each agency should be responsible for assuring full and effective achievement of the purposes of this Act.

IMPROVING THE REGULATORY PROCESS

SEC. 102. Title 5, United States Code, is amended by adding immediately after chapter 5 the following new chapter:

"Chapter 6—THE ANALYSIS, PLANNING AND MANAGEMENT OF REGULATORY FUNCTIONS

"Subchapter I—Analysis of Regulatory Proposals

"601. Definitions.
"602. Initial regulatory analysis.
"603. Final regulatory analysis.
"604. Elimination of duplicative analyses.
"605. Conditions for waiver.
"606. Review by the Congressional Budget Office.
"607. Judicial review.

"Subchapter II—Establishing Regulatory Priorities and Schedules for Completing Proceedings

"621. Definition of regulatory functions.
"622. Agenda of regulatory priorities.
"623. Establishment of deadlines.
"624. Annual report on regulatory activities.
"625. Offices for regulatory planning and management.

"Subchapter I—Analysis of Regulatory Proposals

"§ 601. Definitions

"For purposes of this chapter—

"(1) the term 'agency' means an agency as defined in setcion 552(e) of this title;

"(2) the term 'rule' has the same meaning as in section 551(4) of this title, except the term 'rule' does not include a rule issued with respect to (A) a military or foreign affairs function of the United States, (B) agency management or personnel, or (C) agency organization, procedure, or practice; and

"(3) the term 'major rule' means any rule which in the judgment of the agency is likely to result in an effect on the economy in any one year of $100,000,000 or more, or any other rule which the agency determines is likely to have an equally significant effect on the national economy.

"§ 602. Initial regulatory analysis

"(a)(1) Prior to publishing notice of any proposed rule for public comment, each agency shall determine whether the rule is a major rule in accordance with section 601(3). If an agency determines that a rule is not a major rule for purposes of this chapter., the agency shall publish, at the time of publication of the proposed rule, a statement explaining the reasons for such determination.

"(2) Whenever an agency is required by section 553(b) of this title, or by any other law, to publish notice of any proposed rule which the agency determines is a major rule in accordance with section 601(3) of this title, the agency shall publish an initial regulatory analysis in the Federal Register with such notice.

"(b) Each initial regulatory analysis shall contain—

"(1) a description of the reason why agency action is required;

"(2) a succinct statement of the need for, and objectives of, the rule, and the statutory authority on which the rule is based;

"(3) wherever feasible, a description of no fewer than two available alternative approaches which could most nearly accomplish the stated objectives of the rule; and

"(4) for the rule, and for each of the alternatives required by paragraph (3), a preliminary description of projected economic, and projected health, safety and other noneconomic effects which the agency is permitted by law to take into account, and an appraisal of the effectiveness of each approach in meeting the stated objectives of the rule.

"(c) Following the publication of the initial regulatory analysis in the Federal Register, the agency shall allow a period of not less than 60 days for public comment on the initial regulatory analysis prior to the adoption of the final rule. In addition to publication of the initial regulatory analysis in the Federal Register, the agency shall take whatever additional steps it deems appropriate to ensure that interested members of the public receive notice of the initial regulatory analysis.

"§ 603. Final regulatory analysis

"(a) Whenever an agency—

"(1) prepared an initial regulatory analysis of a major rule under section 602 of this title; or

"(2) determines, on the basis of comments received concerning a proposed rule, or the changes made in the rule, that such rule is a major rule in accordance with section 601(3) of this title for which an initial regulatory analysis should have been prepared under section 602 of this title;

the agency shall prepare and make available to the public, upon adoption of the rule a final regulatory analysis. Such final regulatory analysis, or a summary of such analysis, shall be published in the Federal Register with the publication of the final rule.

"(b) Each final regulatory analysis shall contain—

"(1) a succinct statement of the need for, and the objectives of, the rule;

"(2) a description of each of the alternatives to the rule which were considered by the agency, and a statement of the reasons why each one of the alternatives was rejected;

"(3) a detailed analysis of projected economic, and projected health, safety and other noneconomic effects which may result from the rule, and which the agency is permitted by law to take into account; and

"(4) a summary of the comments made by the public in response to the initial regulatory analysis, and a summary of the assessment by the agency of such comment.

The requirements of this section, or of section 602 of this title, shall not alter in any manner the substantive or procedural standards otherwise applicable to the agency action.

"§ 604. Elimination of duplicative analyses

"In order to avoid duplicative action or the waste of resources, an agency may—

"(1) consider a series of closely related rules as one rule for the purposes of sections 602 and 603 of this title; and

"(2) whenever appropriate, incorporate any data or analysis contained in a regulatory analysis in any other impact statement or analysis required by law, or in any part of the record of the rulemaking proceeding for purposes of judicial review.

"§ 605. Conditions for waiver

"The head of an agency may waive the requirements of sections 602 or 603 of this title by certifying in writing that the action of the agency is being taken in response to an emergency situation or is governed by short term statutory or judicial deadlines which make compliance with the provisions of such sections impracticable. The agency shall, within a reasonable time, but in no event later than the publication of the final rule, publish the certification of waiver in the Federal Register, along with a statement of the reasons justifying the waiver of such provisions.

"§ 606. Review by the Congressional Budget Office

"(a)(1) The Director of the Congressional Budget Office shall, through periodic review of selected agency actions, in accordance with paragraph (2) of this subsection, monitor agency compliance with the requirements of this subchapter, and shall keep Congress fully informed of any failure by an agency to comply with this subchapter, or of any problems arising in the implementation by an agency of the requirements of this subchapter.

"(2) The Director of the Congressional Budget Office shall review a selected number of rulemaking proceedings that have been completed by agencies in order to determine the extent of agency compliance with the requirements of this subchapter applicable to the issuance of such rules. In conducting such review, the Director shall consider, whenever appropriate, statements containing—

"(A) the decision by the agencies that a rule is not a major rule under section 602 of this title;

"(B) the initial regulatory analysis prepared by the agencies under section 602 of this title;

"(C) the final regulatory analysis prepared by the agencies under section 603 of this title; and

"(D) certifications of waiver made under section 605 of this title.

"(b) The Director of the Congressional Budget Office shall select for review statements described in subsection (a) on the basis that—

"(1) the economic, and health, safety or other noneconomic effects of the rule with which the statement is concerned are particularly significant;

"(2) the rule with which the statement is concerned may overlap or be inconsistent with other rules or policies of the Federal Government;

"(3) the statement raises other policy issues of broad interest to Federal agencies, Congress, or the public; or

"(4) review will help assure full and effective implementation of the provisions of this subchapter.

"(c) In reviewing a statement under this section, the Director of the Congressional Budget Office shall consider—

"(1) the methodology used in preparing the statement;

"(2) the thoroughness and adequacy of the statement;

"(3) the usefulness of the statement to the agency, Congress, and the public; and

"(4) such other factors as the Director finds appropriate.

"§ 607. Judicial review

"Any regulatory analysis prepared or issued under section 602 or section 603 of this title, including any procedure involved therein, and any determination by an agency concerning the applicability of this subchapter to any action of the agency, including any determination that a rule is not a major rule under section 602(a)(1) of this title, or that the requirements of this subchapter are otherwise inapplicable to any rule, shall not be subject to any judicial review in any court. Nothing in this section shall bar judicial review of any other impact statement or similar analysis required by any other law in any case in which judicial review of such statements is otherwise available under law.

"Subchapter II—Establishing Regulatory Priorities and Schedules for Completing Proceedings

"§ 621. Definition of regulatory function

For purposes of this subchapter, the term "regulatory function" includes any agency function which involves the protection of the public interest or the determination of the rights, privileges, benefits, and obligations of private persons through the issuance or enforcement of rules or licenses, or the conduct of adjudications, except that the term "regulatory function" does not include a military or foreign affairs function of the United States.

"§ 622. Agenda of regulator priorities

(a) Each agency responsible for a regulatory function shall, on at least an annual basis, determine its regulatory priorities.

(b) Between October 1 and December 31 of each year any agency subject to the provisions of subsection (a) shall report to Congress and the public on its regulatory priorities and agenda for the fiscal year in which the report is made. The report shall describe with specificity—

(1) the regulatory priorities and goals of the agency for the fiscal year in which the report is made, including the specific areas where substantive regulations, generic standards, or enforcement policies should be developed, the specific areas where other action is needed, and the steps the agency has taken or intends to take, or the procedures the agency has adopted or intends to adopt, to assure that the agency achieves such priorities and goals in a timely manner; and

(2) the extent to which the regulatory activities of the agency in the fiscal year prior to the fiscal year in which the report is made conformed with the previously announced priorities and goals of the agency; and

(3) for each item listed on the agenda in accordance with clauses (1) and (2), the name and telephone number of an agency official knowledgeable about such item.

(c) Each agency shall, whenever it deems it appropriate, amend the report required by subsection (b) by issuing a supplement to such report on July 1 of any year.

(d) Each agency shall carry out the requirements of this section with the assistance of the unit established or designated pursuant to section 625 of this title, and with the further assistance of any other units in the agency which the agency deems appropriate. Agencies shall prepare and announce regulatory priorities and agendas under this subchapter solely for the information and guidance of Congress and the public. Nothing in this section shall preclude an agency from considering or acting on any matter not included in the agenda, or any supplement to the agenda, nor require an agency to consider or act on any matter listed in such agenda or supplement, nor require the agency to consider or act on any matter in the manner, or in the order described in such agenda or supplement. No court shall review agency compliance with the requirements of this section.

"§ 623. Establishment of deadlines

"(a)(1) Whenever any agency responsible for a regulatory function provides notice of a proposed action pursuant to section 553(b) or 554(b) of this title, or other similar requirement of law, the agency shall include in such notice an announcement of the date by which it intends to complete final agency action on the matter.

"(2) If any agency announcement under this section indicates that the proceeding relating to such matter will require more than one year to complete, the agency shall also indicate the date by which it intends to complete each major portion of that proceeding. In carrying out the requirements of this subsection, the agency shall select dates for completing agency action which will assure the most expeditious consideration of the matter possible, consistent with the interests of fairness and other agency priorities.

"(3) The requirements of this subsection shall not apply to any matter in which the agency intends to complete action within 120 days of providing notice of the proposed action.

"(b) If an agency fails to complete action in a proceeding, or a major portion of the proceeding, by the date announced, or, in the case of a proceeding described in subsection (a)(3) of this section, if an agency fails to complete action within 120 days of providing notice of such proposed action, and the expected delay in completing action will exceed 30 days, the agency shall promptly announce the new date by which the agency intends to complete action in such proceeding, including each major portion of the proceeding.

"(c) Each agency responsible for a regulatory function shall by rule indicate any other category of significant agency action which the agency determines should be subject to the provisions of this section in whole or in part.

"§ 624. Annual report on regulatory activities

"(a) Between October 1 and October 31 of each year, each agency responsible for a regulatory function shall prepare and transmit to the Congress, and the Administrative Conference of the United States, and make available to the public, an annual report on the regulatory activities of the agency in the fiscal year prior to the fiscal year in which the report is made. The report shall include the information required by sections 622 and 644 of this title, subsection (b) of this section, and such other information as the agency deems appropriate.

"(b) The report required by subsection (a) shall include for any proceeding subject to the requirements of section 623 of this title, including actions exempted from the provisions of such section by subsection (a)(3) of such section—

"(1) the number of such proceedings initiated by the agency during the prior year;

"(2) the number of such proceedings concluded by the agency during the prior year;

"(3) the number of such proceedings concluded by the agency during the prior year in which the agency failed to conclude a proceeding by the date originally announced for the completion of such proceeding, and an explanation of the reasons therefor, and the general extent to which the agency complied with any guidelines for completing such proceedings established in accordance with section 625(b) of this title;

"(4) an analysis of the 10 percent of all pending proceedings which have been under consideration by the agency for the longest period of time, including—

"(A) an identification of each such proceeding, and the subject matter involved;

"(B) the reason for the length of the proceedings; and

"(C) the steps the agency has taken to expedite a conclusion of the proceedings.

"(5) any changes the agency has made in the prior year in its organization, management, or procedures to expedite its regulatory actions, to improve the nature of participation by members of the public in all appropriate stages of the decision-making process, or otherwise improve the effectiveness of the regulatory process; and

"(6) any recommendations the agency has for legislative changes to improve the ability of the agency to act in regulatory matters in an expeditious and efficient manner.

"(c) Each agency shall arrange the information required by paragraphs (1) through (4) of subsection (b) by categories according to the type of procedures involved. Each agency shall adopt only such categories as are approved by the Administrative Conference of the United States.

"(d) In order to avoid duplicative or unnecessary reports, an agency may satisfy any other provision of law requiring the agency to report annually to Congress, by including such material in the report required by this section.

"§ 625. Offices for regulatory planning and management

"(a) Each agency responsible for one or more regulatory functions shall establish a single office or other organizational unit, or shall designate an existing office or other unit within the agency, as the unit which shall exercise, as one of its principal functions, primary responsibility for the planning and management of the regulatory activities of the agency. Such unit shall carry out this responsibility under the direct guidance and supervision of the head of the agency. If an agency is composed of one or more component agencies, the head of the agency shall require each component agency to establish or designate a unit in accordance with the provisions of this section, or the head of the agency shall establish or designate a single unit with primary responsibility for the planning and management of the regulatory activities of the entire agency.

"(b) Each agency shall act, through the unit established or designated pursuant to subsection (a) of this section, to—

"(1) develop the necessary criteria, methods, and procedures for determining which rules require the issuance of regulatory analyses pursuant to subchapter II of this chapter and for preparing such analyses in full compliance with the requirements of such subchapter;

"(2) develop, where feasible, guidelines for completing action on each category of proceedings subject to section 623 of this title, and establish and publish the specific deadlines required by such section 623, prepare the information on deadlines required by section 624, of this title, and track on a regular basis the progress of agency proceedings at each stage of the proceeding to assure compliance with such deadlines;

"(3) review, in accordance with subchapter III of this chapter, rules of the agency in order to eliminate or amend any regulations which are conflicting, inconsistent, redundant or obsolete;

"(4) monitor the regulatory functions of the agency to assure that the agency employs, to the greatest extent possible, administrative procedures, including the procedures added to chapter 5 of this title by the Reform of Federal Regulation Act of 1979, which will enable the agency to achieve its goals in the most efficient and expeditious manner possible;

"(5) promote the use of any other appropriate means, including the provision of appropriate incentives to all participants, which will help avoid unnecessary delay in the regulatory process;

"(6) monitor the activities of the agency to assure prompt action on all regulatory matters;

"(7) monitor the regulatory functions of the agency to assure the fullest and most efficient use of agency resources possible consistent with the priorities of the agency; and

"(8) assure compliance by the agency with the provisions of this chapter.

"(c) Before acting to carry out the provisions of subsection (b), the agency, or the unit established or designated pursuant to subsection (a), shall consult with any other employees of such agency that the agency deems appropriate."

CONCURRENT SUBMISSION OF BUDGET AND LEGISLATIVE RECOMMENDATIONS

Sec. 103. (a) Notwithstanding any other provision of law, whenever an independent regulatory commission submits any budget estimate, request, or information to the President or the Office of Management and Budget, it shall concurrently transmit a copy of such budget estimate, request, or information to the Congress. The original budget requests of the commissions shall be set forth in the budget recommendations submitted to Congress by the President.

(b) Notwithstanding any other provision of law, no officer or agency of the United States shall have any authority to require an independent regulatory commission, or any member thereof, to submit any legislative recommendations, or testimony, or comments on legislation, to that officer or agency or any other officer or agency of the United States for approval, comments, or review, prior to submission of such recommendations, testimony, or comments to the Congress. Whenever an independent regulatory commission, or any member thereof, submits any written legislative recommendations, or testimony, or comments on legislation, intended for Congress, to an office or official of the executive branch, a copy thereof shall be concurrently transmitted to the Congress, on the initiative of the commission or member as the case may be or on the request of any Member of Congress.

EFFECTIVE DATE

Sec. 104. The provisions of the amendment made by sections 102 and 103 of this Act shall take effect 180 days after the date of enactment of this Act, except that section 624 of such title, as added by section 102, shall apply to any fiscal year beginning after the date of enactment of this Act.

TITLE II—IMPROVING THE EFFICIENCY OF ADMINISTRATIVE PROCEEDINGS

FINDINGS AND PURPOSES

Sec. 201. The Congress finds and declares that—

(1) administrative procedures too often unreasonably delay the agency decisionmaking process;

(2) the agency decisionmaking process is frequently overly judicialized;

(3) in a significant number of cases, the adoption of adjudicative proceedings that more closely resemble legislative hearings would increase the ability of decisionmakers to analyze the policy issues involved; increase the ability of members of the public to contribute to the record of the proceedings; and reduce the length of time required to decide such matters;

(4) agencies, including administrative law judges, should take action and adopt procedures, consistent with the requirements of due process, that will prevent parties from unduly or intentionally delaying any stage of the proceeding;

(5) in order to improve the efficiency of the decisionmaking process, agencies should be given additional authority, and encouraged, to delegate to administrative law judges and employee appeals boards, the responsibility for making the final decision in matters which do not involve significant policy decisions; and

(6) since administrative law judges will be required to play an increasingly important role in determining the speed and quality of the administrative process, changes should be made in the personnel laws governing the selection and evaluation of administrative law judges to assure the highest quality work by the administrative law judges.

PART A—ADMINISTRATIVE PROCEDURES

FORMAL HEARINGS

Sec. 202. (a)(1) Section 554(b) of title 5, United States Code, is amended by inserting after the subsection designation the following: "Notification; Initial Submissions—".

(2) Such section 554(b) is further amended by inserting after the second sentence the following new sentence: "In the case of any proceeding required by this section or by general agency rule to be conducted pursuant to subsection (e), each agency shall require the moving party, including the agency, to submit in written form at the time the proceeding is initiated all the facts and arguments upon which the moving party proposes to rely that are known at such time to that party.".

(b) Section 554(c) of title 5, United States Code, is redesignated section 554(f).

(c) Section 554 of title 5, United States Code, is amended by inserting immediately after subsection (b) the following:

"(c) AUTHORITY OF PRESIDING EMPLOYEE.—(1) A presiding employee shall preside at hearings conducted pursuant to this section. For purposes of this section, and of sections 556 and 557 of this title, the presiding employee may be—

"(A) the agency;

"(B) one or more members of the body which comprises the agency; or

"(C) one or more administrative law judges appointed under section 3105 of this title;

except that nothing in this paragraph shall supersede the manner in which specified classes of proceedings are conducted, in whole or in part, by or before boards or other employees specifically provided by, or designated under, statute. The employee who presides over a hearing held pursuant to this section shall comply with the requirements of section 557 unless he becomes unavailable to the agency, in which case another employee qualified to preside at the hearings pursuant to this subsection shall preside. The functions of presiding employees, and of employees participating in decisions in accordance with section 557 of this title, shall be conducted in an impartial manner. A presiding or participating employee may at any time disqualify himself. On the filing in good faith of a timely and sufficient affidavit of personal bias or other disqualification of a presiding or participating employee, the agency shall determine the matter as a part of the record and decision in the case.

"(2) Subject to published rules of the agency and within its powers, employees presiding at hearings conducted pursuant to this section may—

"(A) administer oaths and affirmations;

"(B) issue subpenas;

"(C) take depositions or have depositions taken when the ends of justice would be served;

"(D) regulate the course of the hearing;

"(E) hold conferences for the settlement or simplification of the issues upon the initiative of the presiding employee or at the request of the parties;

"(F) dispose of procedural requests or similar matters;

"(G) ask such questions, or conduct such cross-examination, as the presiding employee believes are appropriate;

"(H) make or recommend decisions or findings in accordance with section 557 of this title;

"(I) request the agency to consider and act on interlocutory appeals when agency action on such appeals would help expedite final agency action; and

"(J) take other action authorized by agency rule consistent with this subchapter.

"(3) In a hearing pursuant to this section the presiding employee shall act to—

"(A) assure that discovery, and all other prehearing and hearing stages of the proceeding, are completed in an expeditious manner;

"(B) provide a record of the proceeding that contains in a concise form only matters that are relevant and material to a decision in the case, and not unduly repetitious;

"(C) establish, whenever appropriate, deadlines for the completion of the hearing, or any other portion of the proceeding, except that any such deadline shall be consistent with the deadlines established by the agency pursuant to section 623 of this title;

"(D) rule on questions of fact or law in such a manner as to define the issue in as narrow and specific a manner as possible; and

"(E) take any other appropriate action authorized by this subchapter or any other applicable law designed to assure prompt disposition of the matter.".

(d)(1) Section 554(d) of title 5, United States Code, is amended by redesignating paragraphs (1) and (2) of such section as subparagraphs (A) and (B), respectively.

(2) The matter preceding subparagraph (A) of such section 554(d) (as redesignated by paragraph (1) of this subsection) is amended to read as follows:

"(d) SEPARATION OF FUNCTIONS.—(1) Except to the extent required for the disposition of ex parte matters as authorized by law, neither the employee who presides over a proceeding conducted in accordance with this section, nor any person participating or advising in any decision or review of a decision pursuant to sections 554 or 557 of this title, including any member of an employee board, or any other responsible employee, may—".

(3) Subparagraph (B) of such section 554(d) (as redesignated by paragraph (1) of this subsection) is amended by striking out "prosecuting" and inserting in lieu thereof "litigating".

(4) Such section 554(d) is amended by striking out the last sentence and inserting in lieu thereof the following:

"(2) An employee or agent engaged in the performance of investigative or litigating functions for an agency in a case may not, in that case or in a factually related case, participate or advise in making or reviewing any agency decision pursuant to sections 554 or 557 of this title, except as a participant or counsel in public proceedings.

"(3) For purpose of this subsection, the term 'litigation function' does not include participation in a judicial proceeding concerning such agency action.

"(4) Nothing in paragraph (1) of this subsection shall prohibit members of an employee board from consulting among each other, or prohibit employees advising the presiding employee pursuant to section 554(e) from consulting with each other or with the presiding employee. Nothing in paragraph (2) of this subsection shall apply to the agency or any member of the body comprising the agency.".

(e) Section 554(e) of title 5, United States Code, is amended to read as follows:

"(e) GENERAL HEARING PROCESS.—(1) This subsection shall apply to—

"(A) any rulemaking or licensing proceeding subject to subsection (a) of this section, other than a proceeding to withdraw, suspend, revoke, or annul a license;

"(B) any proceeding subject to subsection (a) of this section to determine initial claims for subsidies or other benefits; and

"(C) any other agency proceeding subject to subsection (a) of this section which the agency determines should be conducted in accordance with the provisions of this subsection after considering such factors as the extent to which the decision is likely to depend on the resolution of genuine and substantial disputes of facts, the number of persons interested in participating in the proceedings, and whether the conduct of the proceeding solely in accordance with subsection (f) of this section is essential to a full and fair disclosure of all material facts.

"(2) In any proceeding subject to this subsection, the agency shall conduct a hearing to afford parties an opportunity to submit for the record such written data, views, or arguments and such responses to the data, views, or arguments submitted by other parties, as the agency or the presiding employee may specify. At the request of any party in the proceeding, the hearing shall include an opportunity for oral argument with respect to such written submissions. To the extent authorized by section 555 of this title or other law, the hearing shall be preceded by such discovery procedures as the agency or presiding employee determines appropriate.

"(3) At the conclusion of any hearing held pursuant to paragraph (2) of this subsection, the presiding employee shall designate any disputed question for resolution in a formal hearing conducted in accordance with subsection (f) of this section, only if he determines—

"(A) there is a genuine and substantial dispute of fact, including a dispute involving factual assumptions or methodology upon which expert opinion is based, which can only be resolved with sufficient accuracy by the introduction of reliable evidence in a formal hearing; and

"(B) the decision of the agency in the case is likely to depend in whole or in part on the resolution of such dispute.

In making a determination under this paragraph, the presiding employee shall designate in writing the specific facts which are in genuine and substantial dispute, and the reason why the decision of the agency is likely to depend on the resolution of such facts. Upon review no court shall hold unlawful or set aside any agency action, finding, or conclusion on the basis of the choice of procedures made by the agency under this subsection, unless such choice was a clear abuse of discretion which substantially prejudiced the rights of the parties.

"(4) For the purposes of any proceeding conducted pursuant to the procedures of this subsection, the agency may designate one or more employees to assist the presiding employee by questioning parties at an oral hearing, or otherwise advising the presiding employee. No employee designated under this subsection shall have any authority to issue any findings, decisions, or other orders in the proceedings."

(f)(1) The section heading of section 554 is amended to read as follows:

"§ 554. Proceedings on the record"

(2) The item relating to section 554 in the analysis of subchapter II of chapter 5 of title 5, United States Code, is amended to read as follows:

"554. Proceedings on the record.".

SUBPENA POWER AND OTHER ANCILLARY POWERS

SEC. 203. (a) Section 555(b) of title 5, United States Code, is amended by inserting immediately after the third sentence the following: "In addition to any other remedy available under law each agency may prohibit any individual from appearing before the agency or its responsible employees whenever such individual refuses to adhere to reasonable standards of orderly and ethical conduct or continues, despite agency requests to the contrary, to engage in the deliberate use of dilatory tactics, such as the repeated filing of frivolous motions, repeated efforts to engage in repetitive or irrelevant cross-examination, or the repeated failure of the individual to be in attendance, or to make witnesses available, when the presence of such individual or witnesses is necessary to the orderly progress of the proceeding.".

(b)(1) Section 555(d) of title 5, United States Code, is amended by inserting immediately after the subsection designation the following: "In any proceeding subject to section 554 of this title, the agency is authorized to require by subpena any person to appear and testify or to appear and produce books, papers documents, or tangible things, or both, at a hearing or deposition at any designated place.".

(2) The last sentence of such section 555(d) is amended to read as follows: "Each agency shall designate by rule the officers, who shall include the presiding employee in all proceedings subject to section 554 of this title, authorized to sign and issue subpenas or similar processes.".

(c) Subsection (e) of section 555 of title 5, United States Code, is redesignated as subsection (g).

(d)(1) Section 555 of title 5, United States Code, is amended by inserting immediately after subsection (d) the following new subsections:

"(e)(1) In case of failure or refusal of any person to obey a subpena or similar process, the agency may invoke the aid of the district court of the United States for any district in which such person is found, resides, or transacts business, or in which the inquiry is carried on, to enforce the subpena or similar process. In a proceeding for enforcement of a subpena or similar process found to be in accordance with law, the court shall issue an order requiring the appearance of the witness or the production of the evidence or data within a reasonable time under penalty of punishment for contempt for failure to comply.

"(2) Except as provided in paragraph (3), if any person fails to comply with any subpena or similar lawful process issued by the agency, and if such failure continues for 30 days after service by the agency on such person of a notice of such default, such person shall be liable to the United States for a civil penalty of not more than $5,000, as the court may determine, for each day that such failure continues after such 30th day. The civil penalty shall be recoverable in a civil suit brought in the district court of the United States for any district in which person is found, resides, or transacts business, or in which the inquiry is carried on. In determining the amount of such a civil penalty, the court shall take into account the reasonableness and good faith of any action or inaction of such person with respect to which the penalty is being assessed, and such other matters as justice may require. The amount of such civil penalty shall be payable into the Treasury of the United States.

"(3) Any person who has been served with a notice of default issued by the agency with respect to any subpena or similar process referred to in paragraph (2) may apply to an appropriate district court of the United States requesting a stay of the accumulation of penalties under such paragraph for the default with respect to which such notice was served. A court may, in accordance with applicable law, stay the accumulation of penalties for failure to comply with any part of the subpena or similar process.

"(4) No court shall have jurisdiction over any action or claim seeking—

"(A) to stay the accumulation of any penalties authorized in paragraph (2) for failure to comply with any subpena or similar process referred to in such subsection; or

"(B) to challenge the validity of, or enjoin the enforcement of, any subpena or similar process;

unless the action is brought by a person upon whom a notice of default respecting such subpena or similar process has been served, or by a person expressly authorized by other law to bring such action. Any such action shall, at the request of the agency, be transferred to a court in which there is pending an action or proceeding for enforcement or civil penalties based on the same or a substantially similar subpena or other similar process.

"(5) In lieu of any action brought pursuant to any other paragraph of this subsection, or in addition to any such action, the employee presiding at a hearing conducted pursuant to section 554 of this title may issue an order whenever a person fails to comply with an agency subpena or similar process—

"(A) refusing to allow such person to support or oppose designated claims or defenses, or prohibiting him from introducing designated matters into the record;

"(B) inferring that the testimony, documents, or evidence concerning which the order was issued would have been adverse to such person; or

"(C) striking out pleadings or motions or parts thereof, or staying further proceedings until the order is obeyed, or dismissing the action or any part thereof, or rendering a decision by default against such person.

"(f) The authority granted by subsections (d) and (e) of this section is in addition to, and not in limitation of, any other authority for the issuance of agency subpenas or the enforcement thereof.".

(2) Such section 555 is amended by adding after subsection (g) (as redesignated by subsection (c) of this section) the following new subsections:

"(h) The agency, with like effect as in the case of other orders, and in its sound discretion, may issue a declaratory order to terminate a controversy or remove uncertainty.

"(i) Each agency shall compile and maintain in a file significant material from the record of proceedings conducted pursuant to section 554 of this title which are likely to be of particular interest to the agency or other persons participating in subsequent agency proceedings, together with a detailed subject matter index to such file. The agency shall include in such file motions, briefs, and other legal arguments or pleadings relating to each such action filed with the agency by any party, and any action issued by the agency in connection with such filings. The agency shall make the file and index required by this subsection readily accessible to the public, and shall take any additional steps the agency deems appropriate to provide for the dissemination of such material to interested members of the public.".

THE CONDUCT OF TRIAL-TYPE PROCEEDINGS

SEC. 204. (a) Section 556(a) of title 5, United States Code, is amended by inserting "formal" before "hearings" and by striking out "section 553 or 554" and inserting in lieu thereof "section 554(f)".

(b) Sections 556 (b), (c), and (e) of title 5, United States Code, are repealed.

(c)(1) Section 556(d) of title 5, United States Code, is redesignated section 556(b) of such title.

(2) The fourth sentence of such section 556(b) (as redesignated by paragraph (1) of this subsection) is repealed.

(3) The last sentence of such section 556 (b) (as redesignated by paragraph (1) of this subsection) is amended to read as follows: "Subject to published rules of the agency and within its powers, employees presiding at formal hearings may rule on offers of proof and receive relevant evidence. The presiding employee may require the submission of evidence in written form, or the conduct of cross-examination in written form, if oral presentation of testimony or oral cross-examination is not required for a full and true disclosure of relevant evidentiary facts and a denial of such opportunity for oral proceedings would not materially prejudice such party. Upon the motion of any party, the presiding employee may, prior to the completion of the hearing, issue a decision in the case when there is no genuine and substantial dispute as to any material fact and the moving party is entitled to a judgment as a matter of law.".

(d)(1) The section heading of section 556 of title 5, United States Code is amended to read as follows:

"§ 556. Formal hearings; powers and duties of presiding employees; burden of proof; evidence".

(2) The item relating to section 556 in the analysis of subchapter II of chapter 5 of title 5, United States Code, is amended to read as follows:

"556. Formal hearings; presiding employees; powers and duties; burden of proof; evidence.".

AGENCY REVIEW OF DECISIONS

SEC. 205. (a) Section 557(a) of title 5, United States Code, is amended by striking out "section 556" and inserting in lieu thereof "section 554".

(b) (1) The first sentence of section 557(b) of title 5, United States Code, is amended to read as follows: "(1) If the agency did not preside at the hearing, the presiding employee shall initially decide the case unless the agency requires, either in specific cases or by general rule, the entire record to be certified to it for decision, in accordance with paragraph (2) of this subsection.".

(2) The last sentence of such section 557 (b) is amended to read as follows:

"(2) If the agency makes the decison without having presided at the hearing, the agency may require the entire record to be certified to it for decision without an initial decision by the presiding employee. In any such case, the presiding employee shall first recommend a decision, or the agency may, except for any portion of a case conducted pursuant to section 554(f) of this title, require the employee to submit the record without a recommended decision, but with such analysis of the record as the agency may specify. Whenever the presiding employee submits the record without an initial or recommended decision, the agency shall issue a tentative decision or the agency shall designate one of its responsible employees to recommend a decision, except that such tentative or recommended decision may be omitted in a case in which the agency finds on the record that due and timely execution of its functions imperatively and unavoidably so requires.".

(c) Section 557 of title 5, United States Code, is amended by redesignating subsection (d) of such section as subsection (e), and by inserting immediately after subsection (c) the following new subsection:

(d) (1) Each agency may establish by rule one or more employee boards to review decisions of presiding employees in accordance with the provisions of this section, except that no agency may subject any decision of the presiding employee to more than two different levels of review, including any review conducted by the agency itself. Each board authorized by this subsection shall be composed of one or more members of the body comprising the agency, or three or more agency employees of any type, including any member of the body comprising the agency, any administrative law judge, or any other appropriate agency employee, except that such board may not include the presiding employee in the proceeding on appeal, or any employee who advised the presiding employee pursuant to section 554(e) (5) of this title. Subject to paragraph (2) of this subsection, any agency may provide by rule—

"(A) any decision or any category of decisions by the presiding employee shall become final unless reviewed by an employee board or by the agency; and

"(B) any decision or any category of decisions made by an employee board on review shall become final unless reviewed by the agency.

Each agency shall specify by rule the circumstances and conditions, if any, under which the agency will entertain and consider appeals from the decision of the employee board or presiding employee. Such rule shall also specify the circumstances and conditions under which the agency shall exclude from the jurisdiction of the employee board responsibility for reviewing a decision or category of decisions.

"(2) The agency may exercise its discretionary right to review a decision pursuant to paragraph (1) of this subsection only after determining that—

"(A) a finding or conclusion of material fact appears clearly unsupported by the evidence;

"(B) the proceeding involves novel or important issues of law or policy;

"(C) a necessary legal conclusion appears to be clearly erroneous; or

"(D) a clearly prejudicial error of procedure was committed.

"(3) Nothing in this subsection shall be construed to supersede—

"(A) any provision of law specifically governing in a particular agency the composition and organization of any employee board or the right of any agency members to direct review of decisions, or

"(B) any authority otherwise possessed by an agency to delegate the final decision to any agency members or other employees.".

(d) Section 557(e) of title 5, United States Code (as redesignated by subsection (c) of this section), is amended by redesignating paragraph (2) of such section as paragraph (3) and by inserting immediately after paragraph (1) the following new paragraph:

"(2) The agency may, to the extent consistent with the interests of justice and the policy of the underlying statutes administered by the agency, consider a violation of this subsection sufficient grounds for a decision adverse to a party who has knowingly committed such violation or knowingly caused such violation to occur.".

SCOPE OF JUDICIAL REVIEW

SEC. 206. Section 706 of title 5, United States Code, is amended by inserting "(a)" immediately before "To" and by adding at the end thereof the following new subsection:

"(b) In determining whether to compel agency action unreasonably delayed pursuant to subsection (a) (1) of this section, the reviewing court shall consider, in addition to any other relevant factors, the extent to which the agency has failed to complete the action or a portion of the action by any date announced by the agency for completion of such action in accordance with section 623 of this title.".

CONFORMING AMENDMENTS

SEC. 207. (a) The last sentence of section 553(c) of title 5, United States Code, is amended to read as follows: "When rules are required by statute to be made on the record after opportunity for an agency hearing, section 554 of this title applies instead of this subsection.".

(b) (1) Section 554(a) of title 5, United States Code, is amended by inserting after the subsection designation the following: "APPLICABILITY.—".

(2) The first sentence of such section 554(b) is amended by striking "every case of adjudication" and inserting in lieu thereof "all adjudication and rulemaking.".

(c) The matter in section 554(f) of title 5, United States Code (as redesignated by section 202(b) of this Act) is redesignated as paragraph (2).

(2) Paragraphs (1) and (2) of such subsection (f) (2) are redesignated subparagraphs (A) and (B);

(3) Such section 554(f) is amended by inserting immediately before the matter redesignated by this subsection as paragraph (2) the following new paragraph:

"(f) FORMAL HEARINGS.—(1) This subsection shall apply to all proceedings subject to this section except proceedings or portions of such proceedings conducted pursuant to subsection (e) of this section.".

(d) (1) Section 556(e) of title 5, United States Code, is redesignated section 554(g).

(2) Section 554(g) of title 5, United States Code (as redesignated by this subsection), is amended to read as follows:

"(g) RECORD AS BASIS OF DECISIONS.—The transcript of testimony and exhibits, together with all papers and requests filed in the proceeding conducted pursuant to this section, constitutes the exclusive record for decision in accordance with section 557 of this title and, on payment of lawfully prescribed costs, shall be made available to the parties. When an agency decision rests on official notice of a material fact not appearing in the record, a party is entitled, on timely request, to an opportunity to show the contrary.".

(e) The first sentence of section 556(b) of this title (as redesignated by section 304 (b) (2)) is amended by striking out "a rule or order" and inserting in lieu thereof "an order".

(f) The first sentence of section 558(c) of such title is amended by striking out "sections 556 and 557" and inserting in lieu thereof "section 554".

(g) Section 706(a) (2) (E) of such title (as redesignated by section 205), is amended by striking out "sections 556 and 557" and inserting in lieu thereof "section 554".

PART B—SELECTION OF RESPONSIBLE OFFICIALS

APPOINTMENT OF ADMINISTRATIVE LAW JUDGES

SEC. 208. (a) (1) Section 3105 of title 5, United States Code, is amended—

(A) by striking out "Each" and inserting "(a) Subject to the provisions of this section, each";

(B) by striking out "sections 556 and 557" and inserting" section 554"; and

(C) by adding at the end thereof the following:

"(b) Subject to the provisions of subsections (c), (d), and (e) of this section, each agency is authorized, without regard to any provision of this title governing appointments or promotions in the competitive service, to appoint as an administrative law judge any individual certified to the agency by the Office of Personnel Management.

"(c) (1) The Office shall conduct appropriate examinations for the position of administrative law judge, and shall establish minimum scores for such examinations. The Office shall prepare a register of eligibles containing the names of applicants for the position of administrative law judge who have qualified on such examinations.

"(2) If an appointing agency requests from the Office a certificate of eligibles for the position of administrative law judge, the Office shall certify the register of eligibles for the position of administrative law judge the names of the 10 eligibles with the highest scores.

"(d) For appointment to each vacancy as an administrative law judge, the appointing agency shall select from the highest 10 eligibles available for appointment on the certificate furnished under subsection (c) (2) of this section.

"(e) Each administrative law judge appointed pursuant to the provisions of this section shall be appointed for a term of 10 years.".

(2) The amendments made by paragraph (1) shall apply to administrative law judges appointed on or after the effective date of this title.

(b) (1) Chapter 43 of title 5, United States Code, is amended by adding at the end thereof the following new subchapter:

"Subchapter III—Evaluation of Administrative Law Judges

"§ 4321. Definitions

"For the purpose of this subchapter—

"(1) 'administrative law judge' means an individual appointed under section 3105 of this title; and

"(2) 'Administrator' means the Administrator of the Administrative Conference of the United States appointed under section 592 of this title.

"§ 4322. Performance and qualification appraisal system

"(a) The Administrator, after consultation with one or more of the review boards established under subsection (b), shall establish a performance appraisal system for administrative law judges which provides for an evaluation of the performance and qualifications of every administrative law judge at least once every 10 years, and which provides for evaluations of the performance and qualification of administrative law judges at such other times as the Administrator determines appropriate. The findings of any evaluation conducted under this subsection shall be contained in a written report which shall be provided to the administrative law judge and, whenever applicable, to the chief administrative law judge for the agency in which such administrative law judge is employed.

"(b) The Administrator shall establish performance and qualification review boards, more than one-half of the members of which shall be administrative law judges, to assist the Administrator in establishing the performance appraisal system or in conducting the evaluations described in subsection (a), and to make recommendations to the Administrator relating to the performance and qualification of administrative law judges.

"§ 4323. Performance and qualification reviews

"(a) Before the expiration of the term of an administrative law judge, a performance review and qualification review board shall—

"(1) conduct an evaluation of the performance and qualification of the administrative law judge under the procedures set forth under section 4322 of this title to determine whether the administrative law judge is affirmatively qualified to be reappointed, and

"(2) make recommendations to the Administrator with respect to such reappointment.

"(b) The Administrator shall review any recommendation received under subsection (a) of this section and shall make a determination as to whether the administrative law judge is affirmatively qualified to be reappointed.

"(c) An agency—

"(1) shall reappoint to a 10-year term any administrative law judge the Administrator determined affirmatively qualified for reappointment; and

"(2) may not reappoint any administrative law judge determined not so qualified.

"(d) The determination of the Administrator under subsection (b) is final and may not be appealed to the Merit Systems Protection Board or any court of the United States.

"(e)(1) Any individual serving as an administrative law judge who is not reappointed under this section shall be entitled to be placed in a civil service position in any agency. Any such individual—

"(A) shall be placed in a position at a level in the General Schedule equivalent to or above the highest level of the position in which he served as administrative law judge;

"(B) shall be entitled to receive basic pay at the higher of—

"(i) the rate of basic pay in effect for the position in which he is placed; or

"(ii) the rate of basic pay in effect for the individual as an administrative law judge immediately before being appointed to the civil service; and

"(C) the placement of any such individual under this paragraph may not be made to a position which would cause the separation or reduction in grade of any other employee.

"(2) An employee who is receiving basic pay under paragraph (1)(B)(ii) of this subsection is entitled to have the basic pay rate of the employee increased by 50 percent of the amount of each increase in the maximum rate of basic pay for the grade of the position in which the employee is placed under paragraph (1) of this subsection until the rate is equal to the rate in effect under paragraph (1)(B)(i) of this subsection for the position in which the employee is placed.

"§ 4324. Actions involving unacceptable performance

"(a) Whenever the Administrator finds, on the basis of an evaluation conducted in accordance with section 4322 of this title (other than an evaluation on which a determination is made under section 4323 of this title), that the performance of an administrative law judge appointed under section 3105 of this title was unacceptable, the Administrator may file a complaint with the Board requesting that the administrative law judge be reduced in grade or removed. The Merit Systems Protection Board shall reduce in grade or remove an administrative law judge under this section if the Board finds on the record, after a hearing before the Board, that the performance of the administrative law judge was unacceptable.

(b) The Board may direct any agency to place an administrative law judge removed under subsection (a) in a position in the same manner and at the same rate of basic pay as prescribed in section 4223(e) of this title.

(2) The table of sections for chapter 43 of title 5, United States Code, is amended by adding at the end thereof the following:

"Subchapter III—Evaluation of Administrative Law Judges
"4321. Definitions.
"4322. Performance and qualification appraisal system.
"4323. Performance and qualification reviews.
"4324. Actions involving unacceptable performance."

(3) The amendments made by this subsection shall take effect on the effective date of this title, except that the provisions of section 4323 of title 5, United States Code, as added by paragraph (1), shall not apply with respect to administrative law judges serving before such effective date.

(c) Section 7521 of title 5, United States Code, is amended to read as follows:

"§ 7521. Actions against administrative law judges

"(a) If, after investigation, the Administrator finds that an action should be taken against an administrative law judge appointed under section 3105 of this title for good cause shown, the Administrator may file a complaint with the Merit Systems Protection Board seeking such action. The Merit Systems Protection Board shall order such action if the Board finds on the record, after a hearing before the Board, that such action would promote the efficiency of the service.

"(b) The actions covered by this section are a removal, a suspension, a reduction in grade, a reduction in pay, and a furlough of 30 days or less, but do not include—

"(1) a suspension or removal under section 7532 of this title;

"(2) a reduction-in-force action under section 3052 of this title;

"(3) any action initiated under section 1206 of this title; or

"(4) any action under sections 4323 or 4324 of this title."

(d) So much of section 3344 of title 5, United States Code, as follows the heading thereof is amended to read as follows:

"The Administrator of the Administrative Conference of the United States shall select administrative law judges appointed under section 3105 of this title to be detailed from any agency (as defined in section 551 of this title) to any other agency which occasionally or temporarily is insufficiently staffed with administrative law judges, and such administrative law judges shall be detailed if the agency from which they are to be transferred consents to the transfer.".

(e)(1) Subchapter IV of chapter 33 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 3352. Reassignment of administrative law judge positions

"The Administrator of the Administrative Conference of the United States may make recommendations with respect to the reassignment of administrative law judge positions from one agency (as defined in section 551 of this title) to other agencies.".

(2) The table of sections for subchapter IV of chapter 33 of such title is amended by adding at the end thereof the following new item:

"3352. Reassignment of administrative law judge positions.".

(f) Section 7701(b) of title 5 is amended by inserting ", and in any case involving an administrative law judge, the case shall be heard by the Board."

COMMISSION APPOINTMENTS

SEC. 209. (a) The President shall nominate for membership on an independent regulatory commission individuals who by reasons of training, education, or experience are qualified to carry out the functions of such commission pursuant to law. In nominating individuals for membership on an independent regulatory commission, the President shall insure that commission membership is well balanced with a broad representation of various talents, backgrounds, occupations, and experience appropriate to the functions of such commission.

(b) The chairman of an independent regulatory commission shall be appointed by the President, by and with the advice and consent of the Senate. An individual may be appointed a member of an independent regulatory commission at the same time as he is appointed as chairman.

EFFECTIVE DATE

SEC. 210. (a) Except as provided in subsection (b) or (c) of this section, the provisions of this title shall become effective one hundred eighty days after the date of its enactment.

(b) Each agency subject to the provisions of this title shall, within one hundred fifty days after the date of enactment of this title, issue such agency rules as are required to conform the procedures and organizations of the agency to the requirements of this title.

(c) Section 209 of this Act shall apply to any nomination of a commission member or appointment of a chairman made after the date of enactment of this Act.

TITLE III—AGENCY REVIEW OF RULES

STATEMENT OF FINDINGS

SEC. 301. The Congress finds and declares that—

(1) the economic, and the health, safety or other noneconomic effects of regulations may not always be fully apparent at the time rules are issued;

(2) technological, economic, and social changes may require modifications in rules;

(3) each agency should systematically review its rules to determine whether the need for the rules still exist, and whether the rules of the agency use the least burdensome and most effective approach for accomplishing the objectives of the rules; and

(4) a regular procedure should be established by law to assure that each agency periodically reviews its rules to determine whether such rules should be rescinded, amended, or continued without change.

REGULATORY REVIEW

SEC. 302. (a) Chapter 6 of title 5, United States Code (as added by section 102(a) of this Act), is amended by adding at the end thereof the following new subchapter:

"Subchapter III—Agency Review of Rules

"§ 641. Requirement for review of agency rules

"(a) Each agency shall annually review one or more of its rules in order to determine whether continuation or amendment of the rule is in the public interest.

"(b) Between October 1 and December 31 of each year, each agency subject to the provisions of subsection (a) shall (1) examine all the rules of the agency to determine which rules should be reviewed under this section and (2) establish and make public a general plan and set of procedures for reviewing one or more rules of the agency during each of the next five years. The plan shall specify which rules will be reviewed during each of the five years succeeding the year in which the report is made. Each agency shall publish a description of the plan in the Federal Register and include the plan in the annual report required by section 624 of this title.

"(c) In deciding which rules to review under this section, the agency shall consider—

"(1) the extent to which the rule has significant economic, or health, safety or other noneconomic effects;

"(2) the length of time since the rule was issued;

"(3) the nature of any technological, economic, social, or other changes which have taken place in the area affected by the rule since the rule was issued;

"(4) the extent of compliance with the requirements of the rule; and

"(5) any comments made by members of the public concerning the effects of the rule, as implemented by the agency.

"§ 642. Nature of agency review

"(a) In reviewing a rule, an agency shall consider—

"(1) the need for and the objectives of the rule at the time the rule was issued;

"(2) whether there is a continuing need for the rule;

"(3) the extent to which the rule achieves its objectives;

"(4) the economic, and health, safety or other noneconomic effects of the rule;

"(5) the paperwork, recordkeeping, or other similar burdens imposed by the rule on the public;

"(6) the cost and nature of any problems encountered by the agency in obtaining compliance with the rule;

"(7) whether the objectives of the rule may be met through a less burdensome alternative;

"(8) the extent to which the rule overlaps or duplicates other rules; and

"(9) whether the rule should be rescinded, amended, or continued without change.

"(b) The agency may consider a series of closely-related rules as one rule in carrying out this section.

"§ 643. Public comment on rules under review

"Each agency shall provide an opportunity for public comment on any rule under review pursuant to sections 641 and 642 of this title.

"§ 644. Report to the Congress

"(a) Each agency shall, in accordance with subsection (b) of this section, prepare and transmit to the Congress, and make available to the public, a report on each review of a rule conducted pursuant to sections 641 and 642 of this title. The report shall specify whether a proceeding will be initiated by the agency under chapter 5 of this title, or other applicable law, to rescind or amend the rule, or whether the rule will be continued without any change in its content or status. The report shall also include any recommendations of the agency for legislative action relating to the rule.

"(b) Each report required by subsection (a) shall be made available to the public upon its completion and shall be included in the annual report required under section 624 of this title.

"§ 645. Review by the Congressional Budget Office

"(a)(1) The Director of the Congressional Budget Office shall periodically monitor agency compliance with the requirements of this subchapter and shall keep Congress fully informed of any failure by an agency to comply with this subchapter, or of any problem arising in the implementation of this subchapter by an agency.

"(2) In carrying out the provisions of this section, the Director of the Congressional Budget Office shall review a selected number of reports made to Congress under section 644 of this title.

"(b) The Director of the Congressional Budget Office shall select reports for review on the basis that—

"(1) the economic, and health, safety or other noneconomic effects of the rule with which the report is concerned are particularly significant;

"(2) the rule with which the report is concerned may overlap or be inconsistent with other rules or policies of the Federal Government;

"(3) the report raises other policy issues of broad interest to Federal agencies, Congress, or the public; or

"(4) a review of the report will help to assure full and effective implementation of the provisions of this subchapter.

"(c) In reviewing a report under this section, the Director of the Congressional Budget Office shall consider—

"(1) the methodology used in preparing the report;

"(2) the thoroughness and adequacy of the report;

"(3) the usefulness of the report to the agency, Congress, and the public; and

"(4) such other factors as the Director finds appropriate.".

(b) The amendments made by subsection (a) of this section shall apply to any fiscal year beginning after the date of enactment of this Act, except that the provisions of section 641(b) of title 5, United States Code, as added by subsection (a), shall take effect immediately upon enactment of this Act.

(c) The analysis of chapter 6 of such title (as added by section 102(a) of this Act) is amended by adding at the end thereof the following:

"Subchapter III—Agency Review of Existing Rules

"641. Requirement for review of agency rules.
"642. Nature of agency review.
"643. Public comment on rules under review.
"644. Report to the Congress.
"645. Review by the Congressional Budget Office.".

TITLE IV—ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

STATEMENT OF PURPOSE

SEC. 401. It is the purpose of this title to—

(1) reorganize the Administrative Conference by providing that the Conference shall be directed by a single Administrator who shall have responsibility for carrying out the functions of the Conference;

(2) change the basic nature of the functions of the Administrative Conference by specifically charging the Conference with responsibility for issuing guidelines and actively monitoring the administrative procedures of the Federal agencies to assure that such procedures are as effective and efficient as possible;

(3) require the Administrator of the Administrative Conference to evaluate the performance of the administrative law judges and to take appropriate action based on such evaluations;

(4) improve the quality of agency decisions by compensating persons for the cost of participating in agency proceedings in cases in which persons who could not otherwise afford to participate in the proceeding contribute substantially to the ability of the agency to make the best possible decision based on the most complete and balanced record possible; and

(5) place responsibility for compensating persons who participate in agency proceedings with the Administrator of the Administrative Conference to assure that such program is administered consistently, and to avoid any problems that might arise if the agency responsible for deciding a matter is also responsible for compensating persons for the cost of participation in the proceeding involving such matter.

REPEAL

SEC. 402. (a) Sections 571 through 576 of title 5, United States Code, are repealed.

(b) The items of the analysis of chapter 5 of title 5, United States Code, which relate to subchapter 3 of such title, including items 571 through 576, are repealed.

ESTABLISHMENT OF CONFERENCE

SEC. 403. (a) Chapter 5 of title 5, United States Code, is amended by adding at the end thereof the following new subchapter:

"Subchapter IV—Administrative Conference of the United States

"§ 591. Definitions

"For purposes of this subchapter—

"(1) The term 'agency' means an agency as defined in section 552(e) of this title;

"(2) The term "regulatory function" means a function as defined in section 621 of this title; and

"(3) 'administrative procedure' shall be broadly construed to mean any procedure used by an agency in carrying out a regulatory function, including any aspect of agency organization, procedure, or management which may affect the equitable consideration of public and private interests, the fairness of agency decisions, the speed of agency action, and the relationship of operating methods to later judicial review, but does not include the scope of agency responsibility as established by law or matters of substantive policy committed by law to agency discretion.

"§ 592. Establishment of the Conference

"(a) There is established the Administrative Conference of the United States (hereinafter referred to as the 'Conference').

"(b)(1) The Conference shall be headed by an Administrator appointed by the President, by and with the advice and consent of the Senate and by a Deputy Administrator appointed by the President, by and with the advice and consent of the Senate. In the absence of the Administrator, the Deputy Administrator shall act in the place of the Administrator. The President shall appoint persons to the office of Administrator and Deputy Administrator who are by reason of training, education, or experience qualified to carry out the functions of that position in accordance with the provisions of this title.

"(2) The Administrator and Deputy Administrator shall be appointed for a term of four years which shall be coterminous with the term of the President. The Administrator or Deputy Administrator may be removed from office by the President only for inefficiency, neglect of duty, or malfeasance in office. An Administrator or Deputy Administrator appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. An Administrator or Deputy Administrator may continue to serve after the expiration of his term until his successor has been nominated and confirmed, except that he may not so continue to serve for more than one year after the date on which his term would otherwise expire.

"(c) The Administrator shall be responsible for the executive and administrative operation of the Conference. The Administrator shall have the authority to appoint, subject to the provisions of this title, such officers and employees as may be necessary to administer the provisions of this subchapter, and to prescribe the powers, duties, and responsibilities of all officers and employees engaged in the administration of this subchapter.

"§ 593. Functions of the Conference

"In order to carry out the provisions of this subchapter, the Conference shall—

"(1) study the efficiency, adequacy, and fairness of the administrative procedures used by administrative agencies in carrying out regulatory functions, including the extent to which agencies provide for meaningful participation by members of the public in all appropriate stages of the decisionmaking process, and make recommendations to agencies, collectively or individually, to the President, the Congress, or the Judicial Conference of the United States, in connection with any such study as the Conference deems appropriate;

"(2) issue advisory guidelines, and otherwise provide guidance and assistance to any agency which is subject to subchapter II of this chapter (commonly known as the Administrative Procedure Act, the Freedom of Information Act, the Privacy Act of 1974, and Government in the Sunshine Act), or which is subject to the Federal Advisory Committee Act, chapter 6 of this title, chapter 15 of title 44, United States Code, or any other law governing the administrative procedures of agencies;

"(3) monitor the compliance by agencies with the laws described in paragraph (2) in order to assure effective and consistent implementation of such laws;

"(4) issue guidelines with respect to reducing paperwork and monitor compliance with such guidelines, consistent with the objectives of the Act entitled 'An Act to work' (88 Stat. 1789; 44 U.S.C. 3501 note), approved December 27, 1974;

"(5) provide financial assistance, including advance payments, to persons for the costs of participation, including the cost of attorneys, transcripts, and experts, in any agency proceeding or analysis involving a regulatory function, when—

"(A) the person is an effective representative of an interest the representation of which could reasonably be expected to contribute substantially to a fair disposition of the proceeding, taking into account the need for representation of a fair balance of interests, and the complexity and relative importance of the issue involved;

"(B) the economic interest of the person, or the individual economic interests of a majority of the members of such persons, in the disposition of the proceeding is small in comparison to the costs of effective participation in the proceeding, or the person does not have sufficient resources available to participate effectively in the proceeding in the absence of financial assistance; and

"(C) participation by such person in the proceeding is otherwise authorized by statute, regulation, agency practice, or the exercise of agency discretion;

"(6) comment with respect to and testify on aspects of proposed legislation affecting administrative procedure, without the prior approval or review of any executive branch official;

"(7) monitor, and participate as amicus curiae, in court cases which involve significant issues relating to administrative procedure;

"(8) arrange for interchange among agencies of information potentially useful in improving administrative procedure, and approve the categories used by administrative agencies in collecting statistics on their proceedings pursuant to section 624(c) of this title; and

"(9) evaluate the performance of administrative law judges and take actions in accordance with sections 3344, 3352, 4322, 4323, 4324 and 7521 of this title.

"§ 594. Reports to the Congress

"(a) The Conference shall review the annual reports submitted to the Congress pursuant to section 624 of this title, and shall, not later than June 1 of each year, prepare and submit to the Congress an analysis of such reports together with any recommendations the Conference deems appropriate.

"(b) The Conference shall study possible means for providing additional incentives to participants in proceedings involving a regulatory function in order to expedite the conduct of such proceedings. Within one year after the date of the enactment of this title, and at such subsequent times as the Conference determines appropriate, the Conference shall report to the Congress on the findings and conclusions of such study, together with such recommendations that the Conference may have for legislation or amendments in agency procedures or practices.

"(c) The Conference shall from time to time prepare and transmit to the President and to the Congress, and make available to the public, reports on the effectiveness of the laws specified in section 593(2) of this title, and the extent of agency compliance with such laws. To the extent the Conference deems it appropriate, such reports shall include recommendations for legislation or for changes in the practices and procedures followed by agencies.

"§ 595. Administrative provisions

"(a) In carrying out any of its functions, the Conference shall have the power to issue guidelines and other interpretative rules and general statements of policy, to conduct any hearing or other inquiry, and to establish such administrative and procedural rules, as necessary or appropriate to its functions. In order to carry out the provisions of section 593(5) of this title, the Conference shall issue rules in accordance with the procedures described in section 553(c) of this title.

"(b) The Conference is authorized to collect such information and statistics from agencies, examine such records in the possession of agencies, and require agencies to provide the Conference with such records and information as the Conference deems necessary to carry out its functions under this subchapter. The Conference is authorized to make such grants and enter into such contracts and cooperative agreements as may be necessary to carry out the provisions of this subchapter. Any restrictions on public disclosure of information, and any penalties for unlawful disclosure of information, shall apply to the officers and employees of the Administrative Conference to the same extent, and in the same manner, as such restrictions or penalties apply to the officers and employees of the agency which supplied the information to the Administrative Conference.

"(c) The principal office of the Conference shall be in or near the District of Columbia.

"§ 596. Advisory commission

"(a) There is established within the Conference an Advisory Commission. The Administrator shall consult with and receive the advice of the Advisory Commission regarding decisions of the Conference.

"(b)(1) The Advisory Commission shall be composed of nine members appointed by the President. Not more than five members of the Advisory Commission may be adherents of the same political party. In appointing members for the Advisory Commission, the President shall insure that the membership of the Advisory Commission is balanced with a broad representation of various talents, backgrounds, occupations, and experience appropriate to the functions of the Advisory Commission.

"(2) Members of the Advisory Commission shall serve for a term of three years. Any member of the Advisory Commission appointed to fill a vacancy before the expiration of the term for which his predecessor was appointed shall serve for the remainder of such term.

"(3) The Advisory Commission shall elect a chairman from among its members.

"(c) Each member of the Advisory Commission who is not otherwise employed by the United States Government shall receive compensation at a rate equal to the daily rate prescribed for level V of the Executive Schedule contained in section 5316 of this title, including traveltime, for each day he is engaged in the actual performance of his duties as a member of the Advisory Commission. A member of the Advisory Commission who is an officer or employee of the United States Government shall serve without additional compensation. All members of the Advisory Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.".

(b) The analysis of chapter 5 of such title is amended by adding at the end thereof the following:

"Subchapter IV—Administrative Conference of the United States

"591. Definitions.
"592. Establishment of the Conference.
"593. Functions of the Conference.
"594. Reports to the Congress.
"595. Administrative provisions.
"596. Advisory Commission.".

(c)(1) The term of the person first appointed to the Office of Administrator or Deputy Administrator of the Administrative Conference of the United States under section 592(b)(1) of title 5, United States Code, as added by this section, shall expire on January 20, 1981.

(2) The terms of the first members appointed to the Advisory Commission of the Administrative Conference of the United States under section 596(b)(2) of such title, as added by this section, shall expire, as designated by the President at the time of appointment, three at the end of one year, three at the end of two years, and three at the end of three years.

(d) To carry out the provisions of subchapter IV of title 5, United States Code, as added by this section, there are authorized to be appropriated $——— for the fiscal year ending September 30, 1980, and $——— for the fiscal year ending September 30, 1981.

CONFORMING AMENDMENTS

SEC. 404. (a) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"(69) Administrator, Administrative Conference of the United States.".

(b) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following:

"(157) Deputy Administrator, Administrative Conference of the United States.".

SECTION-BY-SECTION ANALYSIS

TITLE I—THE ANALYSIS, PLANNING AND MANAGEMENT OF REGULATORY FUNCTIONS

Sec. 101. Findings and Purposes. This section expresses Congress' view that agency decisionmaking processes should be rational and systematic and should take full account of the consequences of agency action. Agencies should consider, at an early stage in the decisionmaking process, the justifications for, consequences of, and alternatives to major actions. In order to ensure a balanced and careful decision concerning the desirability of proposed agency action and its alternatives, each agency should maximize the opportunity for timely and meaningful public comment. This section also declares that good management procedures, including the use of deadlines, should be adopted by each agency to reduce delay and make the regulatory process as efficient as possible. Finally, the section declares that the head of each agency should be responsible for assuring that the purposes of the act are achieved.

Improving the regulatory process

Sec. *102.* This section of the bill establishes a new chapter 6 in title 5 of the United States Code. Chapter 6 would have the following new provisions:

Subchapter I—Analysis of Regulatory Proposals

Sec. 601. Definitions. This section defines an agency by referring to the definition contained in section 552(a) of title 5, United States Code. That definition includes any executive department, government corporation, government-controlled corporation, or other establishment in the executive branch of the government (including the Executive Office of the President). It also includes any independent regulatory agency.

The term "rule" is given the same meaning as in section 551(4) of title 5, United States Code. The term excludes a rule issued with respect to (A) a military or foreign affairs function, (B) agency management or personnel, or (C) agency organization, procedure, or practice.

A "major rule" is one which, in the judgment of the agency, is likely to result in an annual effect on the economy of $100,000,000 or more, or any other rule which the agency determines is likely to have an equally significant effect on the economy of the country.

Sec. 602. Initial Regulatory Analysis. The bill requires that before an agency publishes a proposed rule for public comment, it must determine whether the rule is major, as defined by section 601. If an agency determines that a proposed rule is not major, it must publish, along with the proposed rule, a statement explaining the reasons for its determination.

For those rules that are major, an initial regulatory analysis must be prepared and published along with the proposed rule in the Federal Register. The initial analysis must contain a description of the reason why the agency action is required. It must state the need for and objectives of the rule, as well as the statutory authority on which the rule is based. In addition, the analysis must, wherever feasible, describe two alternative approaches to the rule which could most nearly accomplish the stated objectives. An estimate of the projected economic and projected health, safety and other noneconomic effects which the agency is permitted by law to take into account must be made for the rule and each of the alternatives. It is expected that an agency will attempt to weigh the anticipated consequences of its actions without necessarily reducing all of its analysis to dollar-and-cents terms. The public will be given at least sixty days to comment on the initial regulatory analysis. In addition to publication in the Federal Register, the agency must take other appropriate steps to ensure that interested members of the public receive notice of the initial regulatory analysis.

Sec. 603. Final Regulatory Analysis. When the agency adopts a major rule, the bill would require publication of a final regulatory analysis. The final regulatory analysis would be required for those proposed rules which were the subject of an initial regulatory analysis and for proposed rules which the agency determines, based on public comments or changes made in the rule, are major. Since one of the problems of regulation is that agencies often neglect to consider alternative methods of regulation to address a perceived need, the bill would require the final analysis to describe, among other things, practical alternatives to the rule adopted by the agency. It must also explain why the agency selected one alternative over the others. In addition, the bill requires a detailed analysis of the projected economic and projected health, safety and other noneconomic effects that may result from the rule, and which the agency is permitted by law to take into account. Finally, the analysis must include a summary of the comments made by the public in response to the initial analysis, and a summary of the assessment by the agency of such comments.

The bill makes clear that the requirements of this section, or of section 602, do not change the substantive or procedural standards applicable to agency action. For example, if a statute requires an agency head to consider one item, e.g.. the public health, and no other, the bill would not change that decisionmaking standard.

Sec. 604. Elimination of duplicative analyses. Various statutes and regulations require impact analysis of one kind or another. In order to reduce paperwork and delay, this section allows an agency to incorporate any data or analysis contained in a regulatory analysis in any other impact statement or analysis, which is required by law, or in any part of the record of a rulemaking proceeding for purposes of judicial review.

Sec. 605. Conditions for waiver. The section allows the head of an agency to waive preparation of a regulatory analysis if he certifies that the agency's action is in response to an emergency situation or is governed by short-term statutory or judicial deadlines which makes compliance with the regulatory analysis requirements impracticable The agency head must state the reasons justifying the waiver no later than the publication of the final rule.

Sec. 606. Review by the Congressional Budget Office. The bill authorizes the Congressional Budget Office to monitor compliance with the regulatory analysis requirements outlined above. The Director of CBO is authorized to review a selected number of completed rulemaking proceedings to determine how agencies are complying with the regulatory analysis provisions. The criteria for selection of an analysis for review are set forth in subsection (b). Subsection (c) requires the Director to consider, when reviewing a completed regulatory analysis, the methodology used in preparing the statement and the thoroughness of the statement. The Director must also consider the usefulness of the statement to the agency, Congress, and the public.

Sec. 607. Judicial Review. The rigorous and systematic analysis required by this subchapter should improve the agency decisionmaking process and lead to better agency decisions. Impact statement requirements imposed by other laws, however, have frequently resulted in lengthy litigation and needless delay. In order to avoid these problems, the bill specifies that there be no judicial review of an agency's compliance with this subchapter. Adherence to the requirements of the subchapter will be ensured through the efforts of the Congressional Budget Office and by congressional oversight generally. It should also be noted that the executive branch, under this legislation, would still be able to conduct its own review and monitoring, such as presently mandated under Executive Order 12044.

Subchapter II—Establishing Regulatory Priorities and Schedules for Completing Proceedings

The study of the Senate Governmental Affairs Committee found that much of the present delay in the regulatory process could be reduced by careful management and adequate planning. Subchapter III of the bill is designed to encourage each agency to adopt management and planning procedures that effectively eliminate regulatory delay wherever possible. Consistent with Executive Order 12044, it requires agencies to establish an agenda of regulatory priorities. It also provides for periodic reports to Congress by each regulatory agency and the Administrative Conference on the agency's planning and management efforts.

Sec. 621. Definition of regulatory function. The bill defines regulatory function broadly to include any function which involves protecting the public interest or determining the rights, privileges and obligations of private persons by issuing or enforcing rules or licenses or conducting adjudications. Military or foreign affairs functions are not included within the term.

Sec. 622. Agenda of regulatory priorities. This section requires each agency responsible for a regulatory function to determine its regulatory priorities. At least once a year the agency would report to Congress on those priorities.

The report would describe, with specificity, the priorities and goals of the agency for the fiscal year in which the report was made. The report must include an indication of the specific areas where substantive regulations or generic standards should be developed and where other action should be taken. For example, the report would indicate whether the agency intends to rely on informal rulemaking or more formal adjudications, and the relative priority such efforts will receive. The report would also indicate the steps the agency has taken or intends to take and the procedures the agency has adopted or will adopt to assure that the agency reaches its goals and adheres to its priorities in a timely manner. Included in the report would be an analysis of the extent to which the regulatory activities of the agency conformed with the previously announced goals and priorities of the agency. In order to improve public access to and understanding of agency proceedings, each item listed in the agenda must include the name and phone of an agency official knowledgeable about that item.

Subsection (c) authorizes a semi-annual update of the report to keep the information timely.

Subsection (d) specifically gives responsibility to the office for planning and management for assisting in the preparation of the agency's regulatory agenda. The agency may, of course, be assisted in that effort by any other appropriate unit in the agency. Preparation of the report should serve as a useful planning tool for the agencies. The subsection also makes clear that agency preparation of regulatory agendas is for the information and guidance of the public and Congress; no court may review the extent to which any agency succeeds in carrying out its stated priorities and goals. The agenda required by this section is to be used as a guide for both the agency and the public. It is unrealistic, though, to expect an agency to predict precisely every issue it may act on or consider months in advance. Subsection (d) thus makes clear than agency would not be precluded from acting upon or considering an item that was not listed in the agenda or supplement to the agenda. Nor would the agency be required to adhere to the specific order of items listed in the agenda.

Sec. 623. Establishment of deadlines. This section requires the agency to announce the date when it expects to complete action on particular agency proceedings. In those cases where the proceeding is expected to take more than one year to complete, the notice will also indicate the date the agency intends to complete each major portion of the proceeding.

Section 623 applies to any informal rulemaking or formal on the record proceedings where the agency must already provide notice of the proceeding under the provisions of section 553(b) or section 554(b) of the Administrative Procedure Act. Other statutes may impose on particular agencies further, more detailed notice requirements in addition to those in sections 553 or 554. Or statutes may follow section 553(b) or section 554(b), but require particular agencies to conduct other aspects of the proceedings in a way that is not entirely consistent with sections 553 or 554. Nevertheless, the requirement in section 623 that the agency establish a date for completing the proceeding would still apply in each of these instances.

Where an agency proceeding is exempt from the notice requirement of section 553 of the Administrative Procedure Act because it involves, for example, the issuance of rules of agency organization, procedure, or practice, or matters relating to loans, grants, or contracts, the requirements of this subsection would not apply.

The agency will have to adopt a specific deadline for each proceeding. In many cases, however, the agency will find it useful to adopt general guidelines establishing how long each type of proceeding should take on the basis of its past experience. With these guidelines to assist it, the agency can with relative ease and consistency adopt deadlines for the completion of each individual proceeding. In any event, the bill specifies that the schedule adopted in any particular proceeding should be designed to assure the most expeditious conclusion to the proceeding possible, consistent with other requirements.

The schedule must, of course, still make it possible for all due process requirements to be met and for full disclosure of all relevant facts. The schedule should also reflect the relative priority of the proceeding, and the extent that agency resources can be devoted to the proceeding consistent with the overall priorities of the agency.

The bill requires that the deadlines be announced whenever an agency provides notice of a proposed action pursuant to section 553 (b) or 554(b) of title 5, United States Code.

The section does not apply to agency proceedings that will take less than 120 days to complete. Proceedings of this type are sufficiently short to make the establishment of precise deadlines unnecessary.

Deadlines should help avoid unnecessary delays. Deadlines will alert the agency to the need to take corrective action when a proceeding is unduly delayed. In any particular proceeding, deadlines will inform participants in advance when they must be ready to meet filing dates, participate in hearings, or the like. This should help prevent delays due to scheduling problems. Deadlines will make agency officials more accountable to agency heads and to the public for their record of success or failure in completing proceedings in an expeditious manner. They will provide further incentives for agency officials to complete on time the stage of the proceeding for which they are directly responsible. Finally, deadlines will enable agencies to follow schedules which reflect their priorities.

The Civil Aeronautics Board announces a target date for the completion of each of the hundreds of items that come before it. The National Labor Relations Board has a highly successful system of fixed deadlines. Tracking systems keep management informed about missed deadlines, and efforts are made to expedite those cases that are identified as being behind schedule. The Committee Study reports that one aspect of the NLRB system of deadlines that contributes to its success is that the time limits for each stage of agency action are well known to its practitioners. Being candid about its scheduling efforts puts the agency in a stronger position to insist that lawyers adjust their own timing to the agency's needs.

Section 623(b) requires the agency, if it fails to complete final action within 30 days of its original estimate, to announce publicly a new target date for completion. This includes a proceeding for which no date was originally announced because the agency expected to complete it in less than 120 days. When such a proceeding becomes so delayed that it will still not be completed after 150 days of consideration, the agency will have to adopt a schedule and announce it.

Subsection (c) provides that the agency may, in its discretion, adopt rules requiring the use of deadlines for other kinds of agency actions, such as policy statements or investigations that are not subject to the mandatory requirements of this section.

Section 624. Annual Report on Regulatory Activities. This section requires each agency responsible for regulatory functions to report to Congress and the Administrative Conference of the United States between October 1 and December 31 of each year. The report is also to be made available to the public. Subsection (a) requires statistical information about agency proceedings. It applies to each informal rulemaking or formal adjudicative proceeding subject to the notice provisions of the Administrative Procedure Act. The agency is required to provide the information according to procedural categories so that separate statistics are available for each kind of agency proceeding.

The bill specifically requires the following information: the number of proceedings initiated in the prior year; the number of proceedings concluded in the prior year; the number of times when the agency failed to meet one of the deadlines established pursuant to section 623; and an explanation why the agency failed to meet its deadline in a particular instance or in a general category of cases.

The section also requires the agency each year to examine the 10 percent of all its pending informal rulemaking and formal adjudicative cases combined that have been under consideration for the longest period of time. The agency must identify the proceedings singled out in this fashion, specify the reason for the length of the proceedings, and indicate to Congress what it intends to do to expedite a conclusion to them.

It is essential, for comparative purposes, that each agency provide its statistical information according to categories that are as comparable as possible. To assure this comparability subsection (c) requires the Administrative Conference of the United States to approve the categories each agency adopts.

The annual report will also provide each agency an opportunity to report on what steps it has taken to expedite its regulatory actions by changing its organization, management, or administrative procedures. It will be expected to inform Congress of any legislation which it believes would be helpful in increasing the efficiency of the agency's regulatory process.

In 1969, the Administrative Conference recommended that each agency compile statistics on their current load and the length of time proceedings take to complete. Yet in 1974 the Conference concluded that only five agencies were collecting such statistics on a regular basis. This subsection will assure that in the future each agency collects and reports the necessary data. This will allow Congress to exercise its oversight responsibilities in the area. It will also provide additional assurance that each agency has management procedures which adequately track, on a regular basis, the progress of proceedings under consideration in the agency.

Section 625. Offices for regulatory planning and management. This section requires each Federal regulatory agency to charge a single high-level office with primary responsibility for the planning and management of the agency's regulatory activities. An agency would not be required to create a new office; it could designate an existing office to carry out the functions outlined in this section. If an agency is composed of one or more component agencies, the agency head may designate a planning and management office for each of the component agencies or designate a single planning and management unit for the entire agency. The agency heads should be responsible for proper management of the agency. Establishment or designation of a planning and management office is not meant to diminish this responsibility; on the contrary, these offices should aid agency heads in carrying out their roles as managers.

Acting under the direct guidance and supervision of the agency heads, the office would be responsible for implementing those planning and management procedures which can help reduce delay and improve the quality of decisions by the agency. This will include the following:

(1) Developing the necessary criteria, methods, and procedures for determining which rules require the regulatory analyses mandated by this title of the bill and for preparing those analyses. Although another unit of the agency may actually prepare a regulatory analysis, the planning and management office is charged with responsibility for seeing that the analysis complies with the requirements of the bill. Formulation of guidelines and criteria by the office will be especially important if more than one operating unit in an agency actually prepares regulatory analyses.

(2) Adopting deadlines and tracking the progress of proceedings. The office is charged with responsibility for seeing that each agency fulfills the requirement, established in section 623 of this title, to announce deadlines for the completion of agency actions. The office will work with the operational divisions of the agency to establish general criteria for determining deadlines for each type of proceeding. It will assure that reasonable deadlines are adopted in the case of particular proceedings. The office will be responsible for tracking the course of each proceeding through appropriate management techniques to make sure that the proceeding complies with the announced deadlines. This may require, in some agencies with a heavy workload, a sophisticated computer tracking system. In other agencies less elaborate systems may be necessary. Where proceedings fall behind schedule, the office can work with the heads of the agency to assign extra resources, implement new procedures, or take whatever action is necessary to eliminate the delay. In addition, the agency will have general responsibility for monitoring the activities of the agency to assure prompt action on all regulatory matters.

(3) Review of regulations. Another responsibility of the office will be to assist in the review, in accordance with title III of this bill, of selected rules and regulations of the agency on a periodic basis. It will be expected to draw to the attention of the agency heads those rules and regulations which are inconsistent, ineffective, or no longer necessary. The elimination of inconsistent, ineffective, or unnecessary rules will

allow the agency to devote its resources to implementing other regulations, or drafting regulations that are needed. It will protect the public from the burden of having to comply with unnecessary regulations.

(4) Improving administrative procedures. The office will also be responsible for assuring that the agency employs, to the greatest extent possible, the kind of procedures that are likely to enable the agency to complete action as quickly as possible consistent with the requirements of due process.

(5) It will also be the responsibility of the office to see to it that the agency does whatever else it can to assure expeditious agency action. In fulfilling this function each office can work closely with the Administrative Conference as it studies procedural reforms pursuant to their responsibilities under title IV of this bill.

(6) Monitoring the activities of the agency to assure prompt action on all regulatory matters. The Office should serve as the agency's principal watchdog on regulatory delay.

(7) Establishing priorities. It will be the responsibility of the office to assist the agency heads in establishing regulatory priorities for the agency and then in assuring that the agency's resources are committed in a way that is consistent with these priorities. By establishing and following priorities, an agency should be able to expedite agency actions by avoiding instances where the agency initiates a large number of proceedings without the resources necessary to complete all of them in an expeditious manner. And it can avoid instances where an agency commits a large proportion of its resources to a proceeding which is of relatively low importance, while ignoring a number of other long-delayed proceedings of greater importance.

The office will also have the responsibility to assure compliance with the provisions of this chapter. In addition to these functions, the office will carry out such related functions as the agency assigns.

To be effective, the office will have to be in frequent and direct contact with the agency heads. It will also have to have good working relationships with other units within the agency. Indeed, if the office lacks either direct access to the agency heads or integration of its activities with agency operating units, it will not succeed in its mission. In order to foster coordination and cooperation, the bill requires that the agency or the office of planning and management consult with any other agency officials that agency deems appropriate.

TITLE II—IMPROVING THE EFFICIENCY OF ADMINISTRATIVE PROCEEDINGS

Title II amends the Administrative Procedure Act to encourage the use of a variety of procedures best designed to assure expeditious agency action consistent with the requirements of due process. This is achieved by a number of important, but limited amendments to the Administrative Procedure Act. Most of the proposed amendments are to the provisions in sections 554 through 557 of the current Act which primarily deal with the more formal kinds of agency proceedings. The general effect of many of the amendments is to make these procedures more closely resemble the procedures that govern informal rulemaking and to give the agency greater flexibility in conducting such proceedings. Since informal rulemaking generally takes less time than formal proceedings, this change should help expedite the regulatory process. The changes will also allow agencies to use procedures that are best suited to resolve the issues before them. Other amendments are designed to avoid unnecessary delay at the discovery and review stages of a proceeding.

In his recently updated treatise on administrative law, the expert Professor Kenneth Culp Davis endorsed the Governmental Affairs Committee recommendation upon which these amendments are based. In addition to reducing delay, Professor Davis thought the recommendation was a good one because (1) nonparties should have a chance to submit written comments on policymaking that affects them, and (2) policymaking based on a factual foundation is best from the standpoint of both fairness and effectiveness.

Title II does not amend in any significant way the current provisions in section 553 of the Administrative Procedure Act which govern informal rulemaking. One of the major recommendations of the Committee study was that agencies should make greater use of section 553 of the Administrative Procedure Act. Section 553 already provides agencies, however, with great flexibility in adopting procedures best calculated to assure speedy agency action. Major amendments to this section are therefore unnecessary in order to make possible expeditious agency consideration of proposed rules.

Concurrent Submission of Budget and Legislative Recommendations

Sec. 103. This section provides that independent regulatory commissions shall concurrently transmit to Congress any budget request, testimony, or comment, intended for the legislative branch, at the same time it is submitted to an official or agency of the executive department. In addition legislative messages originating with independent regulatory commissions and intended for submission to Congress would be exempted from prior clearance by any official or agency of the executive branch.

The justification for these provisions is discussed in detail in volume V of the Committee's study. Briefly, the purpose of this section is to exempt the independent regulatory commissions from oversight of budget and legislative recommendations, intended for Congress by the eexcutive branch—specifically the Office of Management and Budget. At present one form or another of this exception is accorded several of the independent commissions, including the CPSC, CFTC, ICC, FERC, SEC and the Board of Governors of the Federal Reserve System. In the 95th Congress, the Senate passed legislation extending the exemption to the Federal Communications Commission, the Federal Maritime Commission, and the Federal Trade Commission.

In advancing this proposal, we do not dispute the benefits to be gained from coordination and executive branch expertise. Indeed arguments for a certain measure of integration have been found to be persuasive. We do not propose excluding OMB from the budget process for the independent commissions; nor has any serious consideration been given to precluding OMB consideration of legislative recommendations made by those agencies. What we propose detracts neither from a unified budget approach or a coordinated legislative program for the executive branch.

What is desired is direct access to information from the independent commission on funding and legislation, unfiltered by OMB processes. That is not to say that OMB opinions on those matters would go unconsidered. What it does mean is that OMB should not be permitted to cloud or unduly influence the independent judgment of those agencies.

Section 201. Findings and Purposes. This section sets forth Congress' findings that administrative procedures too often delay the regulatory process and that the agency adjudicatory process is frequently overly judicialized. The section also finds that in many cases adoption of legislative-type hearings in proceedings that now use more formal procedures would aid decisionmakers in analyzing the policy issues involved. Adoption of these procedures would also increase the ability of members of the public to contribute to the record of the proceedings as well as reduce the time required to decide many matters.

The section also declares that officials of agencies, including administrative law judges, should take action and adopt procedures to prevent parties from unduly or intentionally delaying any stage of the proceeding. Any action taken or procedure adopted by the agency of administrative law judge should be in accordance with due process.

The bill finds that in order to improve the efficiency of the administrative process, agencies should be given additional authority, and encouraged, to delegate to administrative law judges and employee appeal boards the responsibility for making final decisions in matters which do not involve significant policy decisions. The bill gives administrative law judges a greater role in determining the speed and quality of the administrative process. Changes are, therefore, needed in laws governing the selection and evaluation of administrative law judges to assure that the best possible people are employed in that position and that the judge's work is of the highest quality.

Part A—Administrative Procedures

Formal hearings

Section 202. This section amends section 554 of the Administrative Procedure Act which governs proceedings now conducted as formal, on the record proceedings.

The amendments require the use of an expedited procedure in all formal rulemakings (including ratemaking), all initial licensing proceedings, and all proceedings involving the initial grant of a subsidy or other benefit wherever the law now requires that proceedings of these kinds be conducted as formal, trial-type proceedings. The bill requires the agency in such cases to substitute procedures more like those used in informal rulemaking proceedings. Formal trial-type hearings may only be conducted after more informal hearings are first conducted, and then only if a participant can convince the presiding employee that there remains a factual dispute on which a decision in the proceeding is likely to depend.

Some agencies on their own have begun to use such hybrid procedures, especially in the many economic and technical areas that are often involved in licensing and ratemaking.

The Food and Drug Administration enacted rules of procedures in 1977 adopting this basic approach. Similarly, several recent statutes have required an agency to combine informal rulemaking with limited use of other procedures, such as cross-examination, more typical of formal adjudication. Examples include the Magnuson-Moss Warranty-Federal Trade Commission Improvement Act (P.L. 93–637), and section 6 of the Toxic Substance Act administered by the Environmental Protection Agency. (P.L. 94–469). The 1975 amendments to the laws administered by the Securities and Exchange Commission provide another example (P.L. 94–29).

The thrust of this bill is different, however, from acts which force informal rulemaking into a more formal mold. This amendment converts proceedings which are now considered formal trial-type proceedings into largely informal rulemaking proceedings. Furthermore, under the Magnuson-Moss Act, the presiding employee designates at the beginning of the proceeding which facts must be decided in a trial-type proceeding. Issues are therefore designated for a full trial before any record is made showing which questions are key to a decision, and which of these really involve disputes of fact. The procedures proposed by section 202 reserve the designation of certain factual disputes until after a more informal hearing has demonstrated the need of resolving a particular question in a trial-type hearing.

The amendment is also consistent with a growing number of statements by courts and commentators endorsing agency procedures which seek to combine features of both formal and informal proceedings in a way that functionally makes the most sense in each case. Commenting on the best procedural means for establishing rates for natural gas before the Federal Power Commission, the Court of Appeals for the District of Columbia noted:

"As we stated in *Mobil*, 483 F.2d at 1251, the informal procedures of section 553 of the APA and the more formal requirements of §§ 556 and 557, are not mutually exclusive. Moreover, they are not pre-emptive of available procedures. There may be occasions when rulemaking by notice, comment and reply, essentially as now before us, is all that is required insofar as the proceedings as a whole are concerned but in particular parts a more formal procedure should be followed. As an example, the unsatisfactory state of the evidence on productivity could no doubt have been clarified one way or the other had the Commission subjected the submissions on reserves and reserve additions, so vital in arriving at the important productivity factor, to some method of testing their reliability and adequacy." *Second Natural Gas Rate Case*, D.C. Cir. No. 76-2000 et al. (June 16, 1977).

The respective subsections of section 202 amend particular portions of section 554 of the Administrative Procedure Act. The changes to each subsection of section 554 are described below.

Initial submissions

Section 554(b). Section 202(a) of the bill makes one addition to section 554(b) of the current Administrative Procedure Act. The new sentence makes it clear that the agency may require the party that initiates a proceeding to submit, as the proceeding is initiated, all the facts and arguments on which it proposes to rely that are known at that time to the moving party. This requirement applies only to proceedings involving initial licensing, rulemaking and subsidies that *must* be conducted pursuant to the new subsection (e). If a private party requests a license from an agency, the requirement could apply to the private party when the license application is filed. When an agency is the one that initiates the action, the procedure could apply equally to it. By requiring that the moving party disclose all his facts and arguments at the outset of the proceeding, other interested persons can more quickly discover the nature of the moving party's case. The procedure will also allow the other interested parties to prepare their own case more rapidly, and to decide whether there is any reason to contest the proposed action.

Application of this provision to the agency, however, is in no way intended to reinstitute the *All-States* doctrine which required the Federal Trade Commission staff to have all of its evidence in hand prior to the issuance of a complaint by the Commission. *All-States Industries of North Carolina, Inc.*, 72 F.T.C. 1020 (1967); 74 F.T.C. 1591 (1968). The FTC abandoned the *All-States* doctrine because it resulted in an excessively lengthy pre-complaint process and it was inefficient to prepare every case for trial when many would be settled before that point. Unlike the *All-States* requirement, though, this bill would not require that a moving party prepare its entire case prior to initiating a proceeding. Nor is there any intent to inhibit discovery after the initial filing. Rather, the bill would require inclusion only of those facts and arguments that are known to the moving party at the time the proceeding is initiated; development of additional facts and arguments would not be precluded.

Selection of presiding employee

Section 554(c). Provisions now in subsections 556(b), 556(c), and 556(d) of the current Act, specifying who should preside over a hearing conducted pursuant to this section, and the general procedures applicable to the hearing, will continue to apply to all proceedings conducted under section 554. The bill transfers most of this wording from section 556 to section 554(c)(1) and (2), or a new section 554(g).

Section 554(d) of the current Act contains the requirement that the employee who presides at the reception of evidence should make the recommended or initial decision required by section 557 of this title, unless he becomes unavailable to the agency. For purposes of clarity, this sentence has been moved to this subsection. The bill amends current wording in one respect. It states that if the presiding employee becomes unavailable to the agency, another employee qualified pursuant to this section may be appointed to take his place and conclude the proceeding. The current Act fails to specify what happens when the presiding employee becomes no longer available.

The proposed change, recommended by the Administrative Law Conference, eliminates this oversight. The amendment should help assure that most proceedings will not have to be begun all over again if the presiding employee becomes unavailable in the middle of the proceeding. Current case law, however, that requires a new hearing where the credibility of witnesses is a key to the outcome of the case would not be changed by this amendment.

The present section 554(c) describes some of the trial-type procedures that must be provided in all cases subject to this section. Under the procedures proposed by this bill, such formal trial-type procedures will only be applicable in some cases, and for limited purposes. This wording has been separated, therefore, from the remainder of the section and placed in a new subsection (f).

Authority of presiding employee

Section 554(c)(2) authorizes a presiding employee to ask questions or conduct cross-examination as he or she deems appropriate. The bill also allows the presiding employee to request the agency to consider and act on interlocutory appeals when agency action on such appeals would help expedite final agency action. It will remain up to the agency, as it is now, to decide whether to entertain interlocutory appeals and under what circumstances. These provisions make explicit the now implicit authority of presiding employees to perform these functions.

Section 554(c)(3). Paragraph (3) of section 554(c) of the Act as amended by the bill would contain new provisions not found in the current Act. This new wording will require the presiding employee to take an active part in shaping the nature and extent of the record. It will be his affirmative duty to see that both the prehearing stage and the hearing itself is completed in an expeditious manner. It will be his affirmative duty to see that the record is a concise one that contains only those matters that are relevant and material to a decision. It will be his affirmative duty to exclude repetitious material from the record. The employee is authorized to establish deadlines for the completion of the hearing, or any other portion of the proceeding, in accordance with overall deadlines established by the agency pursuant to title I of this bill. The presiding employee is encouraged to rule on any questions of law or fact where by doing so, the official can help narrow and define the issues, and thus control the scope and length of the proceeding. The presiding employee will also be authorized to take any other appropriate action authorized by this subchapter, or any other applicable law, to assure prompt agency disposition of the matter.

Separation of functions

Subsection 554(d). This subsection of the current Act limits whom the presiding employee and other agency decisionmakers may consult during the course of formal adjudicative proceedings. It prohibits, in general terms, agency employees engaged in the decision-making process from consulting off the record with those engaged in an investigative or prosecuting function in the same or factually related case.

Section 201 of the bill broadens the present provision in the following ways:

(1) The current subsection does not apply to formal rulemaking, including ratemaking, and requests for initial licenses which must be decided in formal on the record proceedings. The bill makes these provisions applicable to all formal on the record proceedings.

As a practical matter, agencies have in most cases voluntarily applied the rules on separation of functions to formal licensing and ratemaking procedures without unduly restricting their flexibility. Both the Administrative Conference and the American Bar Association have studied this matter for a number of years. They both support the general principle that these procedural protections should apply in some form to all formal on the record proceedings. A similar provision in somewhat different form was passed by the Senate in 1976 as section 1 of S. 798.

(2) A portion of the current wording applies only to the employee who presides at the reception of evidence. The bill amends this portion of the subsection to specifically extend to an employee board created pursuant to this bill. The kinds of employees covered by the prohibitions of the subsection is further broadened to include any other employee, except an agency head, who participates or advises in any decision or review of a decision whether or not the individual has presided over the original decision. The current Act exempts agency heads from the prohibitions of this subsection, and the bill does not amend this exemption. The bill makes clear that members of an employee board would be allowed to consult with each other.

(3) The current Act prohibits the presiding employee from consulting with any other employee who is engaged in prosecuting, as well as investigative functions. Since the term prosecuting fails to accurately describe all the kinds of formal proceedings which may now be subject to the prohibition of this subsection, the term litigating has been substituted for the term prosecuting. Similarly, the exemption for a witness in public proceedings has been amended to refer to a participant in proceedings since, under the new procedures, on the record comments may come in a number of different forms in addition to the testimony of a witness. The wording of the bill specifically provides that the term litigating does not include participation in a judicial proceeding concerning the agency action. For example, an agency official involved in a court appeal case would not be barred from subsequent agency consideration of the matter if the court remanded the proceeding to the agency with instructions to reconsider the matter.

These wording changes are not intended to change the substantive nature of the prohibition. As now, an agency employee who acts as an investigator, or who participates as an advocate, in connection with any formal on the record proceeding should not be able to turn around and, off the record, act as a decision-maker in the same matter. The wording does not affect an agency employee whose only involvement with a case is to act as a confidential adviser to a decision-maker, such as a law clerk to any administrative law judge or an expert adviser to a commissioner.

General hearing process

Section 554(e). Section 201 adds a new subsection (e) to section 554 of the Administrative Procedure Act. It provides for more informal hearings in proceedings that currently must be conducted in their entirety as formal trial-type hearings.

Paragraph (1) specifies which kinds of proceedings must be conducted in accordance with this new subsection. Any rulemaking, including ratemaking, and most licensing now required by law to be conducted as a formal on the record proceeding must be conducted in accordance with the procedures of this subsection. Licensing proceedings to withdraw, suspend, revoke or annul a license are exempted from the otherwise mandatory application of the subsection to formal licensing proceedings. The procedures of this new subsection must also be followed in the case of any matter involving an initial grant of a subsidy or other benefit which must by law be conducted as a formal on the record proceeding. For example, the Civil Aeronautics Board or Maritime Administration may, on occasion, conduct such proceedings.

In additin to those rulemaking, licensing, or other proceedings that must follow the procedures of this subsection, an agency may utilize these new procedures in any other matter which must be considered in a formal on the record proceeding. It is expected the agency would choose to follow these more informal procedures where questons of policy or law predomnate over specific factual disputes of the knd most approprately resolved by a more formal trial-type proceeding. Another factor an agency should consider is whether the large number of participants make it unduly cumbersome and unnecessary to consider the entire matter in a formal, trial-type proceeding. In each case the agency should consider whether a full trial-type hearing is essential to a full and fair disclosure of all material facts.

Paragraph (2) describes the procedures applicable to all hearings conducted under this subsection. The paragraph requires the presiding employee to first conduct a general hearing that addresses all questions of law and fact the agency or a participant believes relevant. Prior to the hearing, there would be whatever discovery the presiding employee determines appropriate.

The hearing will provide an opportunity for persons participating to submit any data, views, or arguments on the facts and law relevant to the case as it wishes. This may include affidavits, interrogatories or other written material. An opportunity to present responses to the data, views, or arguments submitted by other parties would also be permitted. Whenever a participant in the proceeding requests, the hearing will include an opportunity for participants to argue their views orally in a manner similar to the opportunity the agencies may provide in informal rulemaking procedures for the oral presentation of views. The presiding employee could ask questions of any person appearing before it. Participants in the oral hearing could not call witnesses to testify, however, or cross-examine other participants.

Paragraph (3) specifies when a particular issue may be designated for a trial-type hearing. The standards are intended to limit trial-type hearings to only those questions where a hearing of this kind is really essential. The presiding employee must find there is "a genuine and substantial dispute of fact, including a dispute involving factual assumptions or methodology upon which expert opinion is based, which can only be resolved with sufficient accuracy by the introduction of reliable evidence in a formal hearing." In addition, the issue in dispute must be one on which the resolution of the case is likely to depend in whole or in part.

When the presiding employee designates a dispute for a trial-type hearing, the official must specifically state which factual disputes will be the subject of the hearing, and why the decision of the agency is likely to depend on the resolution of such facts. The hearing will be limited to only those factual disputes specified by the presiding employee and any questions of law which depend for their resolution on an unresolved question of fact.

Courts should only reverse the agency's exercise of discretion under this paragraph in rare instances. Unless an agency's action is a clearly arbitrary or capricious one which materially prejudices the rights of participants, the agency's choice of procedures should not be disturbed. Otherwise the value of the new procedures will be undermined, and the experience and judgment of the agency concerning the conduct of its own proceedings ignored.

The Governmental Affairs study concluded that use of this hybrid procedure would contribute in a significant way to more expeditious proceedings. Many issues which arise in licensing, ratemaking, and other, often technically oriented proceedings are more appropriately resolved by an informal hearing. Often these proceedings feature a battle between experts on technical, scientific, or economic matters. The decision may rest in large measure on policy choices, on weighing acknowledged costs versus acknowledged benefits. The litigious atmosphere of a full trial-type proceeding is often not the best atmosphere in which to explore and weigh, in light of agency policy, differing interpretations of scientific, technical, or economic data.

In these kinds of situations the views and arguments may be presented more quickly, and the disagreement highlighted more easily, in a less formal hearing. Where the hearing does serve to isolate and sharpen a genuine issue of fact, trial-type proceedings are always available to resolve them.

Subsection (4) authorizes the agency to designate one or more employees to assist the presiding employee by questioning parties at an oral hearing, or otherwise advise the presiding employee. Under the bill, the general hearings will become less legalistic and adversarial, and more focused on the policy issues involved. The presiding officer may well benefit by the assistance of scientists, doctors, economists, or other experts in developing the complex issues that often underlie the policy choices involved.

The procedures described in subsection (e) will thus save time by reducing or eliminating the need for oral, trial-type hearings. It will also assure the existence on review of a clear record which highlights the issues and the positions which each participant takes on these issues. The record would thus be clearer and shorter, which should result in time savings at the review stage of the proceeding.

Subpena authority and other ancillary powers

Section 203. Section 555(d) of the current Act governs agency use of subpenas where such use is authorized by other statutes.

The amendment authorizes the agency to take a number of steps to encourage prompt compliance with any agency subpena. The delays that now occur in proceedings while the agency obtains compliance with the subpena will be reduced by these provisions. This section of the bill also adds for the first time a general grant of subpena authority to the Administrative Procedure Act. Finally, it increases an agency's ancillary power in other ways to make it easier for the agency to avoid unnecessary delay.

Regulating the conduct of individuals before the agency

Section 555(b). The bill adds to this subsection of the Administrative Procedure Act a new sentence specifically authorizing the agency to bar individuals from appearing before the agency. This authority is in addition to any other remedy available under law. The amendment provides that an attorney representing a party to a proceeding, or any other individual, may be barred from appearing "where such individual refuses to adhere to reasonable standards of orderly and ethical conduct or continues, despite agency requests to the contrary, to engage in the deliberate use of dilatory tactics." Examples of dilatory tactics as set forth in the bill include the repeated filing of frivious motions, repeated efforts to engage in repetitious or irrelevant cross-examination, or the repeated failure of the individual to be in attendance or make witnesses available when the individual or witness is necessary to the orderly progress of the proceeding.

This provision would apply to the attorney or other individual who delays or obstructs a proceeding. The sanctions would not apply to the party represented by the contumacious attorney.

Individuals who continually seek to obstruct the course of proceedings should be held personally responsible for their conduct. Agencies probably have this inherent authority now. Specific reference to it in the Administrative Procedure Act should make it easier for agencies to act in those relatively rare cases when it is necessary.

Grant of subpena authority

Section 555(d) and section 555(e). The bill adds to section 555 a general grant of authority to all agencies to issue subpenas. The subpena authority conferred by this bill is in addition to, rather than in place of, the preexisting authority most agencies have under other statutes to issue subpenas.

The provision auhorizes the grant of subpena authority by an agency only in connection with proceedings that are required by law to be conducted in accordance with the proceedings of section 554. The authority to issue subpenas under this general authority will be available to agencies only after the initiation of formal proceedings. An agency may not invoke this new authority during the preliminary investigative stage. These limitations on the use of the subpena contained in this subsection will not apply, of course, to the agency's use of subpenas under its preexisting authority.

The Administrative Procedure Act does not now grant agencies any subpena authority. While most agencies operate under statutes which give the agency this authority, there are a few instances where this authority is lacking or the grant of authority is inadequate. This includes the Food and Drug Administration, the Postal Service, and the Department of the Interior. The Administrative Conference favors including a general grant of subpena authority in the Administrative Procedure Act. The amendment will eliminate any possibility that the discovery stage is slowed because the agency lacks adequate subpena authority. It will help eliminate the possibility that parties to a proceeding before an agency lacking subpena authority will slow the actual hearing by engaging in extensive cross-examination, and by otherwise using the hearing process itself, to accomplish the discovery it was unable to obtain before the hearing.

The amendment to section 555(d) also adds to the end of the subsection a new sentence specifying that the agency shall authorize the presiding employee, as well as any other official the agency may wish to designate, to issue subpenas or similar process. Although section 556 of the present Act implies such an automatic delegation of authority to the presiding employee, nowhere in the Act is the delegation specifically required. Obvious savings in time occur when requests for subpenas may be acted upon by the presiding employee without requiring the action of agency heads.

The bill also amends subsection (e) of section 555 by adding at the beginning of the subsection a sentence specifically authorizing agencies to obtain enforcement of any subpenas or similar process issued by it through actions brought in the District Court of the United States for any district in which the person is found, resides, or transacts business or in which the inquiry is carried on. The action would be brought by either agency lawyers or the Department of Justice, in accordance with current law.

Imposition of civil penalties for noncompliance with subpena

Section 555(e). Section 555(e), as amended by the bill, provides that an agency may obtain from the United States District Court the imposition of a penalty upon any person who violates any subpena issued by the agency. Enforcement suits would be brought either by the agency through its own attorneys, or by the Department of Justice, depending upon what current law provides.

Any person in violation of an agency subpena or other lawful process would accrue penalties for each day that he continues to refuse to comply with it after the agency has notified him of his default and provided him thirty days to comply. This thirty-day period also gives a person time to seek an injunction from a court staying the imposition of a penalty, but to do so he will have to convince the court of the likelihood that the court will sustain his objections to the subpena. The bill specifically authorizes an appropriate district court to stay the accumulation of penalties.

The civil penalty shall not exceed more than $5,000 for each day the violation continues. The court will be able to fashion the exact size of the penalty after review of all the circumstances. The bill provides that in determining the amount of the civil penalty, a court should take into account the reasonableness and good faith of the person who is being penalized, and such other matters as justice may require. Where any person's refusal to obey a subpena is frivolous, the penalty can be accordingly high.

Paragraph (4) provides that a court may not take jurisdiction over an action or claim (A) seeking to stay the accumulation of penalties for failure to comply with a subpena, or (B) to challenge the validity of, or enjoin the enforcement of, a subpena unless the action has been brought by a person upon whom a notice of default respecting the subpena has been served, or by a person expressly authorized by other law to bring such action (e.g., the Bank Records Privacy Act, P.L. 95-630). An action challenging an agency's compulsory process is premature if there is no present risk of accrual of penalties because no notice of default has been issued. Until the service of a notice of default—which causes civil penalties to begin accruing 30 days thereafter—no real harm flows from requiring a party subject to a subpena or similar process to wait until the agency brings an enforcement action. Preenforcement challenges to agencies' compulsory process have increased in recent years and have resulted in unnecessary delay. By prohibiting actions to stay the accumulation of penalties or challenge the validity of a subpena prior to the issuance of a notice of default, the bill would preserve an agency's option of seeking enforcement without resort to penalties, and would eliminate premature and duplicative actions. Agencies and the courts would thus be spared needless waste of time and resources.

In order to reduce the problems which result when a number of different parties challenge essentially identical subpenas in different courts, the bill provides that any action to stay the accumulation of penalties or challenge a subpena be transferred to a court in which a similar action is pending. The transfer of the action would be made at the agency's request.

Agency rulings against persons in noncompliance with discovery order

Section 555(e)(5). The bill provides an additional means to avoid delay that may otherwise result from any person's failure to cooperate in a discovery request; paragraph (5) provides that the presiding employee may make certain rulings against a party who fails to cooperate. The presiding employee may refuse to allow a person to support or oppose designated claims or defenses, or prohibit him from introducing designated matters into the record. He may infer that the testimony, documents, or evidence concerning which the subpoena was issued would have been adverse to the person refusing to comply with the subpoena. He may strike out pleadings or motions, or dismiss the action, or render a decision by default, against any person who declines to comply with an agency subpoena.

The presiding employee may instead stay further proceedings until the order is obeyed. This final option would be particularly appropriate where the noncompliance is by the moving party in the proceeding.

These provisions are analogous to Rule 37(b) of the Federal Rules of Civil Procedure and provisions in the current procedural rules of the Federal Trade Commission.

Section 555(f). The bill also adds a new section 555(f) to the Administrative Procedure Act. It specifically provides that the authority provided an agency pursuant to this bill to issue subpenas and to take certain actions when the subpenas are not complied with are in addition to, and not in limitation of, any other statutory authority for the issuance of subpenas or their enforcement.

Section 555(h). The Administrative Procedure Act, in section 554(e), currently authorizes the agency to issue a declaratory order to terminate a controversy or remove uncertainty. This could be an important device to expedite agency action, and end uncertainty in the private sector about agency intentions. However, the wording appears in section 554, which governs procedures for the conduct of formal, on-the-record proceedings only. In order to make it clear that the agency should be able to employ this procedure, whether or not a formal on-the-record proceeding is involved, the provision has been moved to section 555. The actual wording of the provision has not been changed.

Other conforming changes to section 555 rearrange the order of some of the provisions governing the enforcement of subpenas.

Maintenance of public files

Section 555(i). Finally, section 203 of the bill adds a new section 555(i) to the Administrative Procedure Act. The purpose of the new subsection is to require each agency to maintain a public file of significant material from the record of proceedings conducted pursuant to section 554 as well as an index to the file. The agency must include in its files those motions, briefs, and other legal arguments or pleadings, and any action issued by the agency on such filings, that the agency considers of significance and which it thinks could be of particular interest to the agency or other persons participating in subsequent agency proceedings. The agency would be expected to make it possible for the public to have ready access to the file and to copy material from it. Each agency is also encouraged to consider other ways to make the material available to the public. This could include, for example, cooperating with any company that wished to publish it in a series of volumes, opinions or other material from the file.

Some agencies do not now have a public file to assist agency staff or outside parties in preparing arguments or motions. The purpose of this section is not to require disclosure of internal agency memoranda or confidential information; rather, the file will enable agency attorneys and participants to readily determine how agency officials have ruled on similar issues in the past, and why. This should in turn help reduce the length of time proceedings are slowed while participants research and prepare anew legal arguments. It will provide a repository of practical experience which all presiding employees may readily consult when considering what practices and procedures may appropriately be used to assure the most expeditious conduct of the proceedings.

The conduct of trial-type proceedings

Section 204 amends provisions in section 556 of the Administrative Procedure Act further governing the conduct of formal trial-type hearings. As a result of the bill's amendments to section 554, only hearings conducted under section 554(f) will be subject to these procedures. The purpose of the amendments is to provide the agency with greater flexibility to conduct the proceedings in the most expeditious manner possible.

Procedures generally

Section 556(b). The bill transfers to section 554(c)(2) most of the procedures that now appear in section 556(b) since they are procedures applicable to all kinds of proceedings conducted under section 554. The bill does retain in section 556 the provisions governing offers of proof and receipt of evidence, since they are uniquely applicable to trial-type hearings.

The use of written testimony and summary judgment to expedite hearings

Section 556(b). The bill restates the authority, currently provided in 556(c), of the presiding officer to rule on offers of proof and receive relevant evidence. The bill's major amendment to this subsection is intended to encourage reliance on written material rather than oral hearings. It authorizes the presiding employee to require the introduction of evidence in written form and the use of written interrogatories if an oral presentation of testimony, or oral cross-examination, is not necessary for a full and true disclosure of relevant evidentiary facts, and denial of such opportunity would not materially prejudice a party. The amendment removes any present uncertainty about the authority of an agency to require the submission of evidence in written form regardless of the kind of formal proceeding involved.

The last sentence of section 556(d) of the current Act already authorizes an agency to rely on written presentations in considering initial licensing, rulemaking, or claims for money or benefits. The amendment simply makes this option available in all formal proceedings. It is consistent with recent court decisions upholding the agency's reliance on written procedures. The case of *Shell Oil Co.* v. *FPC* (520 F.2d 1061, 5th Cir. 1975), for example, upheld a denial of oral cross-examination where such oral cross-examination was not necessary for a full and true disclosure of the facts, and the party's rights were not prejudiced by having to rely on written procedures. The bill adopts a similar standard.

The reliance on written material will reduce the length of the oral hearing. It eliminates the time at the oral hearing that must be devoted to receiving direct testimony orally or to conducting oral cross-examination. It also saves time in other ways. Even if oral cross-examination follows the submission of direct testimony in written form, the cross-examination will be better organized and more precise because the parties have had ample time to study the direct testimony. Since scheduling problems can often be the cause of delays in completing oral trials, greater reliance on written testimony also avoids instances where an oral hearing has to be postponed until the presiding employee, all the attorneys, and the witnesses can be available. At the Interstate Commerce Commission, for example, a case scheduled for an oral hearing must wait an average of 207 days before it is heard. A proceeding conducted solely in written form is subject to a wait that is only about one-half as long before an agency official can begin to consider the testimony.

Material submitted in written form is likely to be more concise and relevant, and better organized than evidence submitted orally. Greater use of written evidence should therefore reduce the time it takes during each subsequent step to analyze the record.

An analogous provision was recently adopted by the Food and Drug Administration. These rules specify, for example, that oral direct testimony and cross-examination shall be permitted only where other means are insufficient for a full and true disclosure of all relevant facts. The Interstate Commerce Commission and the Civil Aeronautics Board have also enjoyed considerable success reducing the length of proceedings by requiring proceedings to be conducted in written form.

The bill's amendment to section 556(b) also specifies that the presiding employee may issue a decision prior to the completion of the evidentiary portion of the hearing if the official believes that the facts and law in the case require a decision for one party or the other. This may occur, for example, after the prehearing conference, or after one side has submitted its case. In such instance, the development of a further evidentiary record only delays the final agency disposition in the matter. The agency, through its presiding employee, should be free to conclude the evidentiary stage of the hearing at that point, just as a court may issue a summary judgment to avoid further unnecessary proceedings.

Agency review of decisions

Section 205. This section contains amendments to section 557 of the Administrative Procedure Act governing procedures for making initial decisions and for agency review of initial decisions in formal proceedings governed by section 554. By authorizing agencies to reduce the number of steps in the agency decision-making process, it will help eliminate unnecessary delay.

Authorizing the issuance of recommended decisions by employees who have not presided at the hearings

Section 557(b). The Administrative Procedure Act provides that an agency may request the presiding employee to make an initial decision. This initial decision then becomes the agency's final decision if the agency heads do not review it. On the agency may have the presiding employee simply recommend a decision to the agency heads who then must make the actual decision.

Section 557(b) of the current Act further provides that in the case of rulemaking or initial licensing the agency may elect to eliminate the formality of an initial or recommended decision altogether. Instead the agency may have someone other than the presiding employee recommend a decision, or it may issue a tentative decision of its own.

The bill amends section 557(b) to conform these provisions to the changes made in section 554. The amendment allows the agency to use some agency official other than the presiding employee to prepare a recommended decision, or issue a tentative decision of its own, in any proceeding or portion of a proceeding considered under the more informal procedures established by the new section 554(e). The matter would not have to involve rulemaking or initial licensing. The amendments in section 202 of this bill, enlarging the scope of the Act's separation of function provisions, will mean, of course, that whoever does prepare the recommended decision will not be able to confer with agency employees who advocated the agency position at the hearing.

The amendment retains the provisions in the present law permitting the agency to omit entirely either an initial, tentative or recommended decision where the agency finds that "due and timely execution of its functions imperatively and unavoidably so requires." The current law permits this exception in the case of rulemaking or initial licensing. Consistent with the bill's other changes, the amendment has the effect of making this exception available in any matter heard pursuant to section 554(e). The exception would not apply as to any matter that became the subject of a formal trial-type hearing under section 554(f).

Where the agency heads intend to review the record thoroughly, reach their own decision, and prepare their own opinion, it may be faster for the agency heads to have an employee familiar with their thinking and policies, rather than have the presiding employee recommend a decision or draft a tentative decision, and then work with the agency heads in issuing the final decision. The recommended or tentative decision in such circumstances would be of more use to the agency heads, and be less likely to require substantial revision before a final decision. It also gives interested persons more accurate indication of the tentative thinking of the agency heads themselves.

Such expedited procedures will not reduce the quality of the decision. In any matter subject just to the informal procedures of section 554(e) policy questions will more likely prevail over factual questions. Any factual findings will not rest on the demeanor or credibility of witnesses as they may in a trial-type proceeding under section 554(f). Consequently it will not be essential in these cases to have the official who presided over the hearing make an initial or recommended decision.

Furthermore, section 557(c) of the current Act requires the agency to give parties an opportunity to file exceptions to tentative or recommended agency decisions where the agency does not have the presiding employee issue the initial or recommended decision. The bill retains this provision. Consequently, parties are still assured the opportunity to learn the agency's tentative thinking. They will still have the opportunity to file comments on such thinking.

Finally, the amendment adds a new provision specifying that when the presiding employee does not issue a recommended or initial decision, the agency may require the presiding employee to submit, along with the record, such analysis of the record (and such findings) as the agency may require. Requiring the presiding employee to provide such analysis of the record may be another way to obtain the insights and conclusions of the presiding employee while at the same time expediting the time it takes to reach a final decision.

Vesting final authority in presiding employees or employee boards

Section 557(d). Section 205 adds a new section 557(d) to the Administrative Procedure Act authorizing agencies to establish employee boards to review initial or recommended decisions by the presiding employee. At the same time, the subsection authorizes the agency to rest final agency decision-making authority either in the employee who presides over the hearing, or in the employee board. When the agency delegates authority under this subsection to the presiding employee or the employee board, review by the agency heads would be at the discretion of the agency, and for limited kinds of cases.

Currently there is uncertainty whether under section 557 agency heads can refuse to review an initial decision by lower level agency officials where review is requested by one of the participants. A report of the Administrative Conference has concluded that amendments to the Administrative Procedure Act are also required for some agencies to establish employee review boards. Both the American Bar Association and the Administrative Conference have recommended authorizing each agency to establish employee boards and to vest final authority for final decisions in such boards or in the official who presides over the hearing.

Delegating final decision-making authority to the presiding employee will only expedite proceedings if the agency exercises its discretionary right of review in those few cases where further review is clearly necessary. The bill therefore sets forth the specific grounds upon which the agency may grant review.

In some cases the importance or complexity of the issues will make review by the agency itself inevitable. In those cases the agency should directly review the decision without waiting for an employee board to review it first. Otherwise, the matter will be subjected to an unnecessary layer of agency review, and inevitable delay. The provision therefore requires each agency to specify the conditions, and circumstances under which it will act to take immediate jurisdiction over the review of an initial decision. The rule should indicate the category of decisions, if any, which will be subject to agency review without any intermediate review by an employee board. It should also indicate what procedures the agency will follow, on a case by case basis, to remove from board jurisdiction cases that would otherwise be subject to board review.

If an employee board is to reduce the number of decisions the agency heads review, review board members must be in tune with the thinking of the agency leadership, and be trusted by them. To assure this, the amendment gives the agency broad discretion in specifying the manner of selection and removal of the members of employee boards, and in selecting the type of employees chosen to serve on the board. A review board may be composed of one or more members of the body comprising the agency or three or more employees. The employee board may not include the presiding employee in the proceeding which is on appeal or any employee who advised the presiding employee in the action. In order to avoid unnecessary layers of review, the bill limits the levels of review by the agency to two. Thus a presiding employee's decision could, at the most, be reviewed by one employee board and the body comprising the agency. Normally, though, there would be no more than one level of review within the agency.

Finally, the amendment specifies that it does not supersede any preexisting provision of law governing a particular agency's ability to create review boards or to delegate a final decision to one or more of its members or other employees. For example, several agencies such as the Interstate Commerce Commission, the Federal Communications Commission, and the Nuclear Regulatory Commission already have specific authority to create such boards. The Federal Mine Safety and Health Amendments Act of 1977 provided that review by the Federal Mine Safety and Health Review Commission of decisions by the Administrative Law Judge would be entirely at the discretion of the Commission. Similarly, some departments already have the authority to delegate final decision-making authority to a board or judicial officers. This saving provision is intended to preserve any such existing authority.

Reliance on employee boards should help reduce the delay now commonly experienced when action on the appeal of a large number of initial decisions is deferred until agency heads and their staff have time to review each one. The amendment will give agency heads more time to concentrate on establishing general policies and reviewing cases of special importance. Residing greater authority in the presiding employee to make the final decision in the case will also have the effect of increasing his authority and stature generally. This should make it easier for him to control and direct the course of the proceeding.

Technical amendments

Section 557(e). Additional amendments to section 557 have been made to conform the section to the amendments in prior sections, and to further clarify the procedures available to the agency. The bill renumbers as subsection (e) the current subsection (d) prohibiting ex parte contacts during the course of the proceeding. It includes in the subsection the provision now in section 556 which authorizes an agency to consider a violation of the ex parte prohibitions when ruling on the merits of the case. The amendment is necessary as a technical matter since section 556, as amended, will not include all the kinds of formal proceedings to which these ex parte prohibitions apply under present law.

Scope of judicial review

Section 206. This section contains an amendment to the provisions in section 706 of the Administrative Procedure Act governing the review of agency action by a court. Section 706 of the current law authorizes the court to compel agency action unreasonably delayed. It complements the provision in section 555(b) directing the agencies to conclude each matter presented to it within a reasonable time. The amendment specifies that in considering whether agency action has been unreasonably delayed, the court should consider the extent to which the agency has failed to meet any date announced for the completion of agency action pursuant to the requirements established in title I of this bill. Failure of an agency to meet its announced deadline will not be conclusive evidence that it has delayed action unreasonably. It will be one significant piece of evidence which the court shall consider, however, in considering a request to compel agency action.

Conforming amendments

Section 207 makes technical conforming amendments in sections 553, 554, 558 and 706 of the Administrative Procedure Act to conform provisions in those sections with the changes made in the remainder of the bill. This action makes no new substantive changes to the Administrative Procedure Act.

Part B—Selection of Responsible Officials—Appointment of Administrative Law Judges

Section 208. This section alters the provisions in section 3105 of title V of the United States Code governing the appointment of administrative law judges. The bill anticipates that administrative law judges will play an increasingly important role in agency proceedings. For example, section 554, as amended by this bill, will require administrative law judges to play an active leadership role in shaping the record of the hearing, clarifying the issues, and bringing the hearing to a speedy conclusion. The bill's amendment to section 557 encourages the agency to rest final decision-making authority in the presiding employees. It is therefore very important that agencies have the authority to select individuals most able to fulfill this role anticipated for administrative law judges.

The Governmental Affairs Committee study found that under the present selection procedure an agency's choice of individuals to serve as administrative law judges is often restricted to the three people who have been ranked the highest on a list compiled by the Civil Service Commission (now the Office of Personnel Management). Selection of these three candidates is based on examinations, work experience, education, interviews, and preferences based on length of service with the government, status as a veteran, and other factors.

In order to increase the range of candidates from which it may choose, an agency often requests the Civil Service Commission to find that a particular administrative law judge position requires special experience in the regulatory field of concern to the agency. This permits an agency to select individuals on the list of qualified candidates even if they are not at the top of the list. It often results, however, in the agency selecting individuals who already work for the agency as attorneys, because they are most apt to possess the special expertise indicated. For example, a study by the Administrative Conference of the United States reported that between 1964 and 1969, 52 of 66 administrative law judges appointed by this method had been previously employed on the staffs of the selecting agency. The selection of agency employees does not encourage public acceptance of the administrative law judges as impartial, independent decision-makers.

The Administrative Conference has recommended that the agency be allowed greater flexibility in selecting individuals to serve as administrative law judges.

Section 208 requires the Office of Personnel Management to continue to maintain a list of eligible candidates. The OPM would continue to have responsibility for administering an appropriate examination which an individual would have to pass in order to have his name appear on the list of eligible candidates. Any individual who achieves a minimum score established by the Office of Personnel Management on the examination, and who meets the minimum experience requirements, would be placed on the list of eligible candidates without having to meet additional qualifications. An agency would be allowed to choose from a list of persons with the ten highest scores. Selective certification would not be permitted.

Evaluation of administrative law judges

Under current law once an administrative law judge is appointed he or she may only be removed for such cause as will promote the efficiency of the service. Since only two administrative law judges have been removed for cause since 1946 (in both instances for taking bribes), an administrative law judge enjoys what amounts to lifetime tenure. Agencies, concerned about the "independent" status of ALJs, do not evaluate or supervise administrative law judges. Although some chief administrative law judges play a supervisory role, there is no formal and systematic evaluation of the performance of administrative law judges.

The bill would change not only the selection, but evaluation, of administrative law judges. First, under new subsection 3105(e), an individual appointed, on or after the date of enactment of the Act, to an administrative law judge position would serve a ten-year term. In addition, the bill adds a new section 4322 to title 5, U.S. Code, which would require the Administrator of a restructured Administrative Conference to establish a performance and qualification appraisal system for administrative law judges. The system must provide for the evaluation of the performance and qualification of every administrative law judge at least once every ten years. The system must also provide for evaluations at other times as the Administrator deems appropriate.

Subsection (b) of 4322 requires the Administrator to establish performance and qualification review boards to assist the Administrative Conference in establishing a performance appraisal system and in conducting the evaluations of administrative law judges. The boards would, based on their evaluations, make recommendations to the Administrator relating to the performance and qualifications of administrative law judges. At least one-half of the members of the review boards must be administrative law judges. The findings of any evaluation must be contained in a written report which would be transmitted to the administrative law judge who is the subject of the evaluation. Where applicable, the chief administrative law judge at the agency in which the ALJ who is the subject of the evaluation must also receive a copy of the report.

Section 4323 requires that an evaluation of the performance and qualifications must be made of an administrative law judge before the expiration of his or her 10 year term. The Administrator must review any recommendation based on an evaluation and determine whether the administrative law judge is affirmatively qualified to be reappointed. If the Administrator determines that the administrative law judge is affirmatively qualified for reappointment, the agency must reappoint the ALJ to another ten-year term. An agency may not reappoint an administrative law judge who is not found by the Administrator to be affirmatively qualified. The decision concerning the qualifications and reappointment of an administrative law judge is not appealable.

If an administrative law judge is not reappointed, he or she may obtain another position in the civil service at a level equivalent to or above the highest level of the position in which he or she served as an administrative law judge. Subsection (e) provides that an employee would not suffer a reduction in grade level or salary as a result of his or her failure to be reappointed.

Section 4324. Actions involving unacceptable performance. This section provides that where the Administrator of the Administrative Conference of the United States finds, on the basis of an evaluation conducted under section 4322, that the performance of an administrative law judge is unacceptable, the Administrator may file a complaint with the Merit Systems Protection Board requesting that the ALJ be reduced in grade or removed. If the Board finds, on the record, after a hearing before the board, that the performance of the administrative law judge is unacceptable, the board shall reduce in grade or remove the ALJ. Subsection (b) authorizes the Board to direct an agency to place an ALJ who is removed from his position in another position without a loss of grade or salary.

Section 208(b)(2) of the bill makes clear that the provision requiring an administrative law judge to be reappointed every 10 years applies only to ALJs appointed after the date of the law's enactment; the ten-year term provision in section 4323 would not apply to ALJs serving before the Act's effective date. All administrative law judges, however, would be subject to sections 4322 and 4324. All ALJs would likewise be covered by the pay and grade retention provisions of these sections.

The bill also amends section 7521 of the U.S. Code to authorize the Administrator of the U.S. Administrative Conference to initiate disciplinary proceedings against an ALJ for good cause shown.

This provision is consistent with the recently enacted Civil Service Reform Act of 1978 in which Congress made a distinction between removal of an employee for "cause" and removal for "unacceptable performance." "Good cause" is the same as "misconduct": engaging in illegal conduct, such as taking a bribe. Unacceptable performance involves failure to perform competently.

One important difference between the Civil Service Reform Act and this bill is that under this bill only the Administrator of ALJs could bring an action against an administrative law judge for cause. Only the independent Merit Systems Protection Board could remove an administrative law judge. It could do so only if it decides, on the basis of the Administrator's complaint, that disciplinary action is warranted.

Reassignment of administrative law judge

Subsection—(d) of the bill amends section 3344 of title 5, United States Code, so that the Administrator of ALJs may detail an administrative law judge to an agency which is temporarily or occasionally insufficiently staffed if the agency from which the ALJ is to be transferred consents to the transfer. This provision essentially restates the authority which now resides in the Office of Planning and Management, and transfers that authority to the Administrator of ALJs.

Subsection (e)(1) adds a new section 3352 to the Code governing reassignment of administrative law judge positions. The bill authorizes the Administrator of ALJs to make recommendations to the Office of Personnel Management and the Office of Management and Budget concerning the reassignment of ALJ positions. Unlike section 3344 above, which deals with the temporary assignment of individual employees, this section is concerned with how many permanent ALJ positions agencies should have. In performing his other duties under the Act, the Administrator will obtain valuable information on the needs of agencies for permanent ALJ positions. This section allows him to make recommendations based on that information.

Commission appointments

Sec. 209. This section provides that the President shall, in making appointments to independent regulatory commissions, nominate those people, who by reasons of training, education, or experience, are qualified to carry out the functions of such commissions pursuant to law. The President is also mandated by this section to use his nominating authority to insure that the commission membership is well balanced with a broad representation of various talents, backgrounds, occupations, and experience appropriate to the functions of the commission In addition, the bill provides for Senate confirmation of commission chairmen, when those individuals are designated by the President from the membership of the commission.

The Governmental Affairs Committee study recommended that certain general guidelines be established to encourage the selection of qualified appointees of diverse backgrounds, and to emphasize the importance that Congress attaches to those matters. Appointees without relevant experience of any kind are a problem for some agencies and some statutory background qualifications—even if general in nature—would be of positive benefit. Also the goal of a balanced commission is very desirable. But, as a general proposition, we do not favor amending the statutes to divide commission seats among various groups or professions. The requirements in this section, although admittedly general in nature, will provide emphasis that the commissions should be representative of various backgrounds and occupations; it may also prove helpful to the Senate in its exercise of its confirmation responsibility.

On the issue of confirmation of commission chairmen, the present situation is that the President designates the chairman, often without any opportunity for public appraisal through the confirmation process. When an individual is nominated to the commission, and it is known that he will also be designated chairman, the Senate of course is free to consider that fact in confirmation proceedings and there is some opportunity for public comment. However, in a significant number of cases, agency chairmen are selected from commission membership, which means that the Senate has no formal role in the process and the public is not given an opportunity for review. For example, a recent study of FCC and FTC appointments found that from 1950 to 1974, FCC or FTC chairmen were designated in seventeen instances, and nine were sitting members and therefore did not require any confirmation action. The situation is of particular concern with those agencies where the Chairman, once designated, holds the office for the duration of the term as a commissioner. For example, a CPSC member could be designated Chairman and be entitled to hold that office for something less than seven years—all without Senate approval public comment or the ability of the President to require the Chairman to step aside. As such, designation of this important official solely by the President constitutes an unusual and unwise exception to the general principle that top government office holders be subject to advice and consent of the Senate.

TITLE III—AGENCY REVIEW OF EXISTING RULES

Section 301. Findings and Purposes. Once regulations are issued, they are rarely reexamined. Even if an agency can accurately predict all of the immediate consequences of a regulation at the time it is issued, technological, economic and social changes may require modifications in existing rules. Yet regulations may continue in force for years even though the original conditions justifying the regulations may have changed.

Section 301 of the bill recognizes this problem and declares that the agencies should systematically review their rules to determine whether the need for the rules still exists as well as whether the rules use the least burdensome and most effective approach for accomplishing the objectives of the rules. The section also declares that a regular procedure should be established by law to assure that agencies periodically review existing rules.

Regulatory review

Section 302 of the bill adds a new subchapter to the U.S. Code. The subchapter has the following new sections.

Section 641. Requirement for review of agency rules. This section requires regulatory agencies to annually review one or more of its existing rules in order to determine whether continuation or amendment of the rule is in the public interest.

Subsection (b) requires that each agency examine its existing rules to determine which rules should be reviewed under this section. The agency must also establish and make public a general plan and set of procedures for reviewing one or more rules during each of the next five years. The plan must specify which rules will be reviewed during each of the next five years. The agency must publish a description of the plan in the Federal Register and include the plan in the annual report required by section 624.

The bill grants a great deal of flexibility to an agency by allowing it to review a minimum of one, or as many rules as it wants to, in a given year. This flexibility is necessary because engaging in an intensive, thorough review of an important rule can require devotion of significant agency resources; rules that took years to formulate may have consequences that cannot be hastily assessed. An agency may review just a few of its more important rules in a given year or reevaluate a larger number of less complex rules.

In order to assure that agencies concentrate on rules that need review, however, subsection (c) specifies criteria for an agency to use in deciding which rule or rules to review. Generally, the more significant the economic and other consequences, the longer the length of time since the rule was issued, and the greater technological, economic, social or other changes which have taken place in the area affected by the rule, the more likely the rule should be reviewed. Another element to consider in deciding whether or not to review a rule is the extent of compliance with the requirements of the rule. In addition, the agency must consider any comments made by the public about the implemented rule in deciding whether review is proper.

Section 642. Nature of agency review. Subsection (a) lists the issues an agency must consider in reviewing a rule. Among the factors to be considered are: the need for and the objectives of the rule at the time it was issued, whether there is a continuing need for the rule; the extent to which the rule achieves its objectives; and the health, safety or other noneconomic effects of the rule; the paperwork, recordkeeping, or other similar burdens imposed by the rule on the public; and the cost and nature of any enforcement problems associated with implementation of the rule. The agency must also consider whether the objectives of the rule may be met through a less burdensome alternative and the extent to which the rule overlaps or duplicates other rules. Ultimately, the agency must decide what changes, if any, should be made in the rule. The proposed changes are not limited to rescinding or weakening the rule; a rule may need strengthening as well.

Subsection (b) provides that in conducting its review an agency may consider a series of closely related rules as one rule.

Section 643. Public comment on rules under review. The bill requires that reviews conducted under this subchapter should involve the public as much as possible. Section 643 specifically provides that agencies must provide an opportunity for public comment on the rule under review.

Section 644. Report to Congress. This section requires each agency to prepare and transmit to the Congress, and make available to the public, a report on each review of a rule it conducts under sections 641 and 642 of title 5, U.S. Code. The report must specify whether a proceeding should be initiated to rescind, amend, or continue the rule without change. An agency recommendation for changes in a rule would not be self-executing; a rule promulgated under section 553 of title 5, U.S. Code, would presumably have to be rescinded or modified by following the procedures set forth in that section. The report must include any recommendations for legislative action relating to the rule.

The report would be included in the annual report required by section 624. It must also be made available to the public upon its completion.

Section 645. Review by the Congressional Budget Office. The bill assigns the Congressional Budget Office the duty to monitor agency compliance with the subchapter's review requirements. The standards to be used by CBO in fulfilling its duties under this section are similar to those listed in title I of the bill (new section 625).

TITLE IV—ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

Section 401 outlines the purposes of the new subchapter created by this title. The subchapter reorganizes the Administrative Conference of the United States (ACUS).

At present, the Administrative Conference is a small, independent Federal agency created in 1964, and activated in 1968. Its function is to study and make recommendations and to exchange information concerning administrative proceedings. It has no ongoing operating program other than to "study the efficiency, adequacy, and fairness of the administrative procedure used by administrative agencies in carrying out administrative programs."

The Conference is presently headed by a Chairman, who is nominated by the President and confirmed by the Senate. However, the Conference itself is composed of as many as 92 members, most of whom come from either the academic community or the Federal agencies. Reduced to essentials, the Conference has acted as a research body in its more than ten years of existence. The background and responsibility of the Conference is discussed in volume VI of the Committee study.

One of the purposes of the bill is to restructure the Conference to enable it to assume a major role in dealing with problems of regulatory inefficiency, delay and complexity.

Such an agency must necessarily have a structure more suited to solving problems instead of the present structure of ACUS, which is designed for studying and recommending. The present structure of the Administrative Conference is more appropriate for a research organization than a body charged with important oversight or monitoring functions.

Section 401 thus specifies that one of the purposes of the title is to restructure the Conference so that it will be directed by a single administrator who will be charged with carrying out the functions of the agency.

Among the new functions of the Conference are the duty to evaluate the performance of administrative law judges and to take appropriate action based on such evaluations. In order to improve the quality of agency decisions, the Administrative Conference would be authorized to compensate persons who could not otherwise afford to participate in the proceedings and who contribute substantially to the compilation of the most complete and balanced record possible.

Establishment of conference

Section 402 abolishes the existing Administrative Conference of the United States. In its place subchapter IV establishes a new Administrative Conference, the major provisions of which are described below.

Section 591. The definitions section is based largely on the current definitions contained in present section 572.

Section 592. Establishment of the Conference. This section establishes a Conference to be headed by an Administrator appointed by the President and confirmed by the Senate. The person appointed Administrator must be qualified by his or her training, education, or experience to carry out the functions outlined in the bill.

Because of the new important functions assigned to ACUS, and its relationship to the independent agencies, the bill grants the Administrator and Deputy Administrator a measure of independence. The Administrator and Deputy Administrator would be appointed to a four-year term coterminous with that of the President and be removable only for inefficiency, neglect of duty, or malfeasance in office.

The Administrator would be responsible for the executive and administrative operation of the Conference. The Deputy Administrator would act in the Administrator's place during the latter's absence.

Section 593. Functions of the Conference. This section restates the present function of the Conference to study the efficiency, adequacy, and fairness of the administrative procedures used by administrative agencies. As part of this duty, the Conference should pay particular attention to the extent to which agencies provide for meaningful participation by members of the public in all appropriate stages of the decisionmaking process.

The bill thus provides that ACUS would continue to exercise its present research, advisory, statistical, education, and coordinative responsibilities. But more than that, it will actively monitor the way agencies plan and manage their regulatory responsibilities, and will propose procedures to improve the effectiveness of agency operations.

For the first time ACUS will have, under this legislation, the responsibility to issue advisory guidelines for laws of general application which comprise the framework of Federal administrative, open government and access to information laws. These laws have common goals and objectives—fairness in administrative practice and ensuring open government and availability of government information. They also impact on management of agency procedures and on reducing paperwork. Interpretations and definitions under one law often affect other laws in this group and coordination among them is necessary. For these reasons, the bill provides that ACUS have the responsibility for all Federal regulatory agencies and programs.

As proposed in this legislation, the statutes for which ACUS will have advisory guidance responsibility include the Administrative Procedure Act, the Freedom of Information Act, the Privacy Act of 1974, the Government in the Sunshine Act, the Federal Advisory Committee Act, and the Act to Establish a Commission on Federal Paperwork. ACUS will also issue guidelines for the regulatory analysis requirement proposed in this bill.

In addition, ACUS would be authorized to comment and testify on legislation as well as participate, as amicus curiae, in court cases which involve significant issues relating to administrative procedure.

The bill also states that the Administrative Conference shall provide financial assistance, to the extent that funds are made available, to eligible persons to cover the costs of participation in regulatory proceedings. Under certain circumstances, financial assistance would be provided to cover the cost of attorneys, transcripts and experts. In order to receive an award under this provision, each of the following criteria must be met:

(A) the applicant must be an effective representative of an interest, the representation of which could reasonably be expected to contribute to a fair disposition of the proceeding. In that determination, the Conference shall take into account the need for representation of a fair balance of interests, and the complexity and relative importance of the issues involved.

(B) the economic interest of the applicant must be small in comparison to the cost of effective participation, or it must be found that the applicant does not have sufficient resources to participate effectively.

(C) participation by the applicant in the proceeding must otherwise be authorized by statute, regulation, agency practice, or the exercise of agency discretion. It should be noted that the provision does not in any way modify the present rules on who is permitted to participate in regulatory agency proceedings. Indeed, meeting those standards is a prerequisite for an award under this provision.

The justification for this provision was discussed in volume III of the Committee's *Study on Federal Regulation*. In that study, we found that proper functioning of the administrative process requires that all affected interests be heard. That policy is reflective of a series of court decisions, expanding the rights of citizens to participate in regulatory proceedings. See *Office of the Communications of the United Church of Christ* v. *FTC*, 359 F.2d 994 (D.C. Cir. 1966). It is also a recognition that the "public interest" is in fact a variegated concept. Public involvement in determining the "public interest" in a particular matter was found to be positively beneficial to the work of the agencies. However, the extent of participation very often turns on financial ability, thus excluding what otherwise would be useful contributions to decisionmaking.

Volume III of the Committee's study clearly demonstrated that participation by public or non-regulated interests is generally far less than the involvement of the regulated interests. The data also suggests that in all type of proceedings, regulated interests commit much greater resources than their public interest counterparts. In short, the study found a serious imbalance in this regard, all of which has, in our opinion, a harmful impact on the quality of regulatory decisionmaking.

This provision on intervenor funding is intended to address that imbalance. The primary goal is to assist agencies to reach well-reasoned decisions based on a balanced record.

By granting these responsibilities to ACUS, rather than individual agencies, the bill differs from prior proposals for intervenor funding. Vesting the Administrative Conference with decisionmaking authority concerning intervenor funding would eliminate the suspicion of bias raised by the ability of an agency to fund intervenors of its own choosing. In addition, since the Conference will distribute funds from a common pool, it will have flexibility to earmark funds where they are most needed at a particular time.

Some agencies already have the authority to fund qualified intervenors. The experience of these agencies indicates that intervenor funding can help improve public participation in the regulatory process. The Administrative Conference would be responsible for establishing equitable procedures for implemention of this program on a wider basis.

Section 594. Reports to the Congress. The section authorizes the Conference to analyze the agency's annual reports required by section 624 of this title and by June 1 of each year provide Congress with an analysis of those reports. In its annual report the Administrative Conference will provide any recommendations it determines appropriate for additional legislation, for changes in agency practices and procedures that may be implemented without legislation, or any other steps it thinks Congress or the agencies should take to carry out the purposes of this bill.

The bill also charges the Administrative Conference with specific responsibility for studying ways to increase the incentives that all participants in a proceeding have to complete the proceeding in an expeditious way. This could include, for example, increasing the benefits accruing to parties that complete a proceeding quickly, as well as imposing costs of various kinds on participants that delay proceedings. While the bill contains a number of changes to increase the speed of agency proceedings, further experience under the new proceedings and further study should provide suggestions for additional ways to improve the process through the greater use of incentives. The Administrative Conference will submit its first report within one year of enactment of the bill, and additional reports from time to time as it determines appropriate.

Finally, the bill requires the Administrative Conference to submit reports on the effectiveness of the laws specified in section 592(2) of this title (e.g., Privacy Act, Administrative Procedure Act) and the extent of agency compliance with such laws. The Conference would include appropriate recommendations for legislation or for changes in the practices and procedures followed by the agencies.

Section 595. Administrative provisions. This section gives to the Conference necessary powers that will enable it to effectively carry out its functions. Specifically, the Conference may issue guidelines and other interpretative rules and general statements of policy. It may also conduct hearings and inquiries. It is also authorized to establish necessary administrative or procedural rules.

It would also issue substantive rules in accordance with section 593(5) concerning intervenor funding. For example, it could bar funding to any person who has improperly harassed any participant in an agency proceeding, acted in bad faith, or sought to participate primarily for the purpose of delaying or obstructing the proceeding.

Subsection (b) authorizes the Administrative Conference to gain access to such records and information and analysis that the Conference requires to carry ou its functions under this Act. Currently, the Administrative Conference does not possess such specific statutory authority. In order to assure the confidentiality of that information which should remain confidential, the bill applies to the officers and employees of ACUS the same restrictions on public disclosure of information that apply to the agency which supplied the information to ACUS.

Section 596. Advisory commission. Although the membership of the present Conference may be too large and unwieldy, there is a continuing need for a body of knowledgeable persons with an interest in the Conference's work. There is also a continuing need to have experts with varied perspectives advise the Conference in its work. For this reason, the bill establishes a nine-member Advisory Commission within the Administrative Conference. The Advisory Commission would be a bipartisan group composed of members with a broad representation of talents, backgrounds, and experience.

Section 402(d) of the bill specifies a two-year authorization for the Administrative Conference.

Section 404 contains conforming amendments which place the Administrator of the Administrative Conference at level III of the Executive Schedule and the Deputy Administrator at level V.

Mr. PERCY. Mr. President, I am delighted to join with my distinguished colleagues in introducing the Reform of Regulation Act of 1979. This legislation is the culmination of a 3-year, six-volume study on Federal regulation conducted by the Senate Committee on Governmental Affairs under the mandate of Senate Resolution 71.

Reforming the Federal regulatory structure will be a top priority in the Governmental Affairs Committee in 1979. The legislation we are introducing today will go a long way toward improving the quality of regulation, minimizing its burdens, and reducing delay, In addition, the committee will be considering the Regulatory Reform Act, which I drafted and introduced last year along with Senator ROBERT C. BYRD, Senator RIBICOFF, and 43 other Senators. The Regulatory Reform Act requires a comprehensive congressional evaluation of regulatory agencies under an 8-year sunset process. Every 2 years a group of related agencies would be reviewed, and unless each agency is reauthorized with or without change it would automatically cease to function under a phased procedure which insures adequate time for congressional action.

The Senate adopted this bill as an amendment to S. 2, the Sunset Act, last fall. Although the House of Representatives was unable to consider the bill before adjournment, I will work with our House sponsor, Representative JOHN ANDERSON, to bring the Regulatory Reform Act to vote in the House this year.

Federal regulations currently fill tens of thousands of pages of the Code of Federal Regulations, covering an enormous range of issues such as market entry and rates in various industries, health and safety of citizens, and protection of the environment. The net cost of regulation was between $113 and $135 billion in 1975, according to estiates of the Office of Management and Budget. Others have estimated an even larger cost.

The administrative costs of regulatory proceedings, staff, and enforcement are reflected in annual budgets and paid through tax receipts. These are easily identified. But costs imposed on consumers and industry are not always so clear. For instance, the Council on Environmnetal Quality recently estimated a $3 billion price tag for Federal environmental cleanup requirements, $3 billion which not only cannot be used for productive investment and plant modernization, but is also passed on to the consumer. While environmental protection and similar activities are clearly vital, regulatory side effects cannot be ignored if we are to make responsible decisions.

Another major regulatory cost is the delay which stems from overly rigid procedures and backlogs. According to the Governmental Affairs Committee's study on Federal regulation, time consumed in regulatory proceedings averages 19 months for licensing, 21 months for ratemaking, and over 3 years for enforcement actions. Although exacting procedures may be a necessary attribute of "due process of law" under our constitutional system, the adage of "justice delayed is justice denied" should be remembered.

Reforming the regulatory process to insure adequate attention to costs need not conflict with the goals of regulation. One of the clearest examples of this is the airline industry, which had been under strict Federal control almost from birth. Although reluctant to give up CAB protection at first, this industry has benefited immensely from Congress recent decision to dismantle the CAB. Stock prices and profits have increased dramatically. One major airline's net profits rose from $91 million in the first 9 months of 1977 to $286 million for the comparable period of 1978. But perhaps the biggest beneficiary of this new competition has been the consumer, as air fares nationwide have fallen even as inflation increased.

Thus, while regulation has played an important role in improving the lives of Americans, the accumulated number and complexity of rules enacted over a period of decades has also resulted in a drag on the economy through significant costs and red tape. It is time Congress addressed these issues.

The Reform of Regulation Act will be a major contribution to responsible reform of the regulatory process. The bill will require that every significant new Federal regulation be accompanied by a detailed analysis of the need for Federal action and the costs and benefits of the specific approach involved.

This proposal stems directly from the Governmental Affairs Committee's study, and will force agencies to consider the wide range of potential economic and other impacts before proceeding with regulatory initiatives. It will also insure that an informed public can raise pertinent questions concerning new rules.

In addition, the legislation will require rudimentary self-discipline by the agencies themselves, including deadlines for the completion of regulatory proceedings, setting agency priorities and agendas, and annually reviewing existing regulations to see if they are still necessary and effective.

Finally, in an effort to reduce delay in the regulatory process, the legislation will amend portions of the 30-year-old Administrative Procedures Act to eliminate excessive trial-type hearings and relieve logjams in the decisionmaking process.

I do have reservations about one provision which would authorize Federal funding to enable certain interests to participate in Federal regulatory proceedings. I could not support such a proposal if it would significantly delay the regulatory process. I also am troubled by the possibility that funds would be made available to groups which are not truly in need or which would not make a substantial contribution. I will reserve judgment on this provision until I have had the opportunity for careful study.

The enactment of regulatory reform legislation will be a long and complex process. The Governmental Affairs Committee will receive testimony representing wide ranging viewpoints to help us refine our proposals. Certainly, we will appreciate constructive suggestions and recommendations as we consider this legislation. We will also give serious consideration to complementary proposals such as the Regulatory Reform Act which I will soon reintroduce. I am confident that meaningful and comprehensive reform legislation will be enacted into law in the 96th Congress.

Mr. JAVITS. Mr. President, I am pleased to join as a cosponsor the Regulatory Improvements Act of 1979. It is clear that the subject addressed by this bill—regulatory reform—is one of the most important issues that the Congress will have to face in the coming session. During the last 40 years, Federal regulation of the private sector has grown tremendously, until now nearly every major activity is subject to some Government control. There is a widespread feeling that much of this regulation is unnecessary, and that regulatory procedures have become so time-consuming, expensive, and unwieldy that they are stifling private initiative. The American people are demanding that something be done about these concerns, and I believe that we in Congress must respond and act to rationalize our regulatory system.

For balance, however, I think that we must recognize that much that is good has come out of Government regulation, too. The great progress we have made in cleaning up our environment, in making our factories and mines safer places to work, and in protecting the U.S. consumer from fraudulent practices and unsafe products would not have been accomplished without Government intervention.

It is, therefore, important that efforts to reform our system of regulation be done in a responsible manner, so that the regulatory system can be made to work better, without jeopardizing needed public safeguards. I believe that this legislation introduced which grows out of the excellent and comprehensive study of Federal regulation just completed by the Senate's Governmental Affairs Committee, goes a long way toward that goal.

In my view, the bill makes a number of improvements in current law:

First, it requires agencies to plan and set priorities for their major regulatory activities. These plans would be subject to congressional oversight, and would help to reduce misallocation of resources.

Second, the bill would require agencies to engage in a cost-benefit analysis of significant proposed rules, where the underlying law permits such a review. Too often, rules are promulgated without adequate consideration of their impact on the total national economy or on the regulated industry. In conducting this analysis, agencies would have to look at feasible alternatives to their proposals, and measure the economic and social effects of each such alternative. Cost-benefit analysis remains an inexact science, because although costs are easy to measure, it is often very difficult to place quantitative value on benefits. How, for example, does one measure the economic value of reduced exposure to disease in the workplace?

For this reason, it would be wrong to require proposed rules to pass some sort of mechanical cost-benefit test before they can be implemented. Nonetheless, despite the difficulty in measuring benefits, we cannot afford to simply ignore costs. The bill requires agencies to begin to focus on these concerns, and the economic impact analyses prepared pursuant to the legislation will provide another mechanism for meaningful Congressional oversight.

Third, a major purpose of the bill is to reduce the delays inherent in administrative hearing procedures. The bill encourages the resolution of most issues through the submission of written testimony and documentary evidence rather than through lengthy adjudicative proceedings; only when substantial issues of fact remain would the agency hold a trial-type hearing. Importantly, the bill also upgrades the method of selection and the status of the administrative law judges who would conduct such hearings.

Fourth, the bill would require regulatory agencies to review at least some of their major rules each year to determine whether they should be modified or are necessary at all. It is often the case, now, that a rule, once promulgated, is forgotten and expensive compliance required long after the rule has served its purpose. The bill does not, however, require that all rules expire automatically unless the agency can justify their continuation; that approach would bog down agencies in the review process to such an extent that their primary missions would suffer greatly.

Fifth, the bill strengthens the Administrative Conference of the United States, and provides it with the authority to fund intervenors in agency proceedings.

I know that there are those who will believe that this bill does not go far enough. It does not, for example, include provisions for a legislative veto of agency rules. But I believe that one of the strengths of this bill is that Congress is acting in its proper role, providing overall direction and oversight, without getting involved in the day-to-day management of the regulator agencies.

I look forward to hearings on this and similar legislation in the near future, and believe that we will see the enactment of serious and responsible reform this session.

By Mr. BENTSEN (for himself and Mr. PROXMIRE):

S. 263. A bill to amend the State and Local Fiscal Assistance Act of 1972 to terminate the State government share of funds allocated to the States beginning with fiscal year 1980; to the Committee on Finance.

Mr. BENTSEN. Mr. President, the American people have made it quite clear that they are fed up with the rapidly growing costs and enormous deficits of an ever-expanding Federal Government. They want the Federal Government to begin to operate in a rational fashion by eliminating programs that are no longer necessary and serve no useful purpose.

As a step in this direction, I am introducing, today, legislation which would prohibit State governments from receiving Federal revenue sharing funds. At this point in time, State participation in the Federal revenue sharing program simply make no sense.

According to the most recent figures compiled by the Center for Policy Research of the National Governors' Association, the 48 States for which figures are available had an aggregate surplus of $8.9 billion at the end of fiscal year 1978. These 48 States are projected to have a surplus of $4.3 billion for fiscal 1979. The Federal deficit for fiscal year 1978 was $48.8 billion and the projected deficit for fiscal year 1979 is $37 billion. It makes no sense for the Federal Government to continue to send revenue sharing funds to State governments when they are in far better financial condition than the Federal Government and when huge Federal deficits are contributing to inflation at home and a declining dollar abroad.

There are those who may suggest that it is unfair to eliminate all State governments from the Federal revenue-sharing programs because this action treats all States alike. While the financial condition of State governments varies from State to State, however, the figures compiled by the National Governors' Association demonstrate that all State governments are alike in one important respect—each one is in a better financial condition than the Federal Government. Not one single State is projected to have a deficit for fiscal year 1979.

Mr. President, the American people are correctly demanding that the Federal Government put its financial house in order. They want Federal spending cut and Federal deficits reduced. The bill which I am introducing today would cut $2.28 billion from the Federal budget in fiscal year 1980.

The legislation I am introducing today would not reduce the level of revenue-sharing funding which goes to city and county governments. These local units of government have real needs which must be met. But it is illogical for the Federal Government to increase the size of its deficits in order to provide money which contributes to surpluses accumulated by State governments. I feel it is about time that Federal programs like revenue sharing are streamlined to eliminate waste and meet legitimate needs.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 263

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (a) of section 107 of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1226; relating to division of entitlements between State and local governments) is amended to read as follows:

"(a) DIVISION BETWEEN STATE AND LOCAL GOVERNMENTS—

"(1) STATE GOVERNMENT SHARE.—The state government shall be entitled to receive—

"(A) one-third of the amount allocated to that State for each entitlement period ending before October 1, 1979, and

"(B) no part of such amount for any entitlement period beginning after September 30, 1979.

"(2) LOCAL GOVERNMENT SHARE.—Two-thirds of the amount allocated to a State for an entitlement period shall be allocated, as provided in section 108, among the units of local government of that state.".

(b) (1) Subsection (c) of section 105 of such Act (31 U.S.C. 1224; relating to authorization of appropriations for entitlements) is amended—

(1) by striking out "$6,650,000,000" in paragraph (1) and inserting in lieu thereof "$4,428,900,000",

(2) by striking out "$6,850,000,000" in such paragraph and inserting in lieu thereof "$4,566,662,100",

(3) by striking out "$4,780,000" in paragraph (2) and inserting in lieu thereof "$3,186,663", and

(4) by striking out "$4,923,759" in such paragraph and inserting in lieu thereof "$3,282,473".

SEC. 2. The amendments made by section 1 of this Act apply with respect to entitlement periods beginning after September 30, 1979.

Mr. BENTSEN. Mr. President, I hope my colleagues will take a look at it and give it serious consideration. I would welcome cosponsors to it.

Mr. PROXMIRE. Mr. President, if the Senator will yield, I ask unanimous consent that I be listed as a cosponsor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I think the program has become ridiculous. The Governors of New York, California, New Mexico, and Arizona, if you read their inaugural speeches, what do they say? They say the Federal Government is spending too much money and to stop it; that it is engendering inflation.

Here is one way to stop it. The League of Women Voters made a study of revenue sharing, a 2-year study, and they found a very large proportion of the Governors, State legislators, reporters who covered the legislatures, had no idea where the money went, had no idea where it had gone, completely unaccountable.

If there is a program that ought to be arrested, it is this program, and I am delighted that the Senator from Texas, who is a member of the Committee on Finance, which has jurisdiction, as I understand it, over revenue sharing, is introducing this legislation. In fact, I would go further and abolish the entire program. But he is talking about the program as it applies to the States.

Mr. BENTSEN. Some jurisdictions have very serious problems and substantial deficits, but I am talking specifically about the States. I am delighted to have the Senator as a cosponsor. There is still time to go on the bill.

Mr. PROXMIRE. I thank the Senator.

Mr. HART. Mr. President, if the Senator will yield, I congratulate the Senator from Texas for the action he is taking on one of the most popular programs in the country, based on what I hear from the local officials in Colorado and other parts of the country.

The fact of the matter is that the Senator from Texas is absolutely right, and the Senator from Wisconsin is absolutely right. Over half the States in the Union or more than half are calling for the passage of resolutions providing for a constitutional convention to change the Constitution so as to mandate a balanced budget, where every one of them got hundreds of millions, if not billions, of dollars from the Government the last year.

The Governor of the largest State in the Union, it is reported, is running for President on the platform of supporting that constitutional convention and balancing the Federal budget. The State of California got $6.8 billion from the Federal Treasury this year. Every one of these States that is passing these resolutions to balance the Federal budget is taking a ton of money from the Federal Government every year, $82 billion all told this year.

There is a great deal of political hypocrisy in this country, and I think it is time we ended it. If it takes a measure such as this to strike the most popular program of Federal support for State and local governments, then let us do it, and people like myself may end up supporting this even though every one of the county commissioners in Colorado wants it.

Mr. BENTSEN. I appreciate the Senator's comments very much.

Mr. BUMPERS. Mr. President, the Senator from Texas, the Senator from Colorado, and the Senator from Wisconsin have raised some important points.

I am for balancing the budget. I have been talking about the budget deficit since I arrived in Washington. Suddenly it has become very trendy around the country to talk about it, but the comments the Senator from Texas, the Senator from Wisconsin, and the Senator from Colorado have made are right on target.

Total Federal aid to State and local government will approximate $85 billion in 1979, or nearly twice as much as the estimated Federal budget deficit for fiscal year 1979 of $48.5 billion.

If you want to excuse some of the deficit spending say that the budget is really not out of balance, it should be pointed out that approximately $67 billion of the Federal budget is in loans which will ultimately be repaid to the Treasury. The American people never hear these facts because the people who talk about Federal spending are only interested in the political mileage they get out of it.

The Senator from Texas has taken a very courageous stand. He understands the impact of inflation. Inflation is universal. Everyone suffers from it. We talk about the poverty programs, but the poor, the people on fixed incomes are the ones who suffer most from inflation. You can talk about cutting back poverty and social programs and ohw the poor are going to suffer. These people suffer because of the most insidious theif in the country—inflation.

I commend the Senator from Texas for his courage.

Mr. BENTSEN. I thank the distinguished Senator from Arkansas and the distinguished Senator from Colorado. I appreciate their comments very much.

If anyone would like to contribute on the other side of the aisle in support of this measure we will be pleased to have them do so. I say this knowing of their sincere and deep interest in fiscal responsibility in trying to achieve a balanced budget.

By Mr. HEINZ (for himself, Mr. RANDOLPH, Mr. BAYH, and Mr. GLENN):

S. 264. A bill to amend the Antidumping Act of 1921, the Trade Act of 1974, and the Tariff Act of 1938 to improve procedures relating to the determination of certain unfair foreign trade practices; to the Committee on Finance.

TRADE PROCEDURES REFORM ACT

Mr. HEINZ. Mr. President, on September 28, 1977 Senators convened in the Capitol at the invitation of Senators RANDOLPH, GLENN, METZENBAUM and myself to form the Senate Steel Caucus. Our motivation at the time was the unprecedented crisis in the steel industry which was causing massive layoffs (some 20,000 at that point), large losses and plant shutdowns. At the meeting we resolved to take action to deal with the serious problems confronting the industry and to make sure they were brought to the President's attention.

Soon afterward we clearly had results with the latter, as the President met first with the organizers of the House and Senate Steel Caucuses, along with industry and labor leaders, and subsequently with a larger group of Senators and Congressmen, to learn about steel problems and discuss different solutions.

These meetings resulted in the appointment of Treasury Undersecretary Tony Solomon to head a task force to develop a plan for the steel industry. That report was issued later in 1977 and included a number of positive recommendations, among them the trigger price mechanism.

The TPM was ostensibly designed to improve the operation of the Antidumping Act of 1921, which presumably would lead to a reduction in steel imports due to the elimination of predatory pricing practices by our trading partners. The steel industry had by that point made a convincing case that the upsurge in imports was in large part due to those same unfair trade practices.

The experience of the past year, however, has proved the failure of TPM, as steel imports reached the record level of some 22 million tons. At first delays in implementing TPM produced large increases in shipments by importers trying to beat the deadline. Subsequently, imports have still exceeded expectations, with European and lesser developed country imports more than making up for Japanese reductions.

Although TPM has had some benefits, notably the effective creation of a price floor which has allowed the domestic industry to raise its prices and increase its earnings, it has clearly failed in its primary objective of controlling imports, and it has, by its use of Japanese production costs in its calculations, effectively permitted European manufacturers to dump their product in the U.S. legally—by selling below their costs but above Japanese costs.

This failure reaffirms the importance of the legislation caucus members introduced late in 1977—the Trade Procedures Reform Act. That bill was designed to deal with the problem that TPM fails to conquer—the continued influx of subsidized and dumped steel sold in this country. The Trade Procedures Reform Act (S. 2317 in the 95th Congress) was intended to help cope with trade and import problems by streamlining investigatory procedures and making the imposition of penalties swifter and surer. The bill did not expand the scope of existing trade statutes; if anything it simplified those laws and strengthened them to make sure they, in fact, achieve the originally intended impact.

Today I am introducing, along with the other leaders of the Senate Steel Caucus a somewhat revised version of the Trade Procedures Reform Act—the Fair Trade Act of 1979. Although there have been a number of drafting changes in the language of the bill, its basic thrust remains the same—to make the Antidumping Act of 1921 a more effective deterrent by speeding up the investigatory process and by requiring the full payment of dumping duties at an earlier point in the process, thus imposing a significant financial liability on the importer or foreign manufacturer.

At present a normal antidumping investigation takes 13 months—an initial 1-month period for Treasury to accept the petition, a 6-month investigation prior to a tentative finding of sales at less than fair value, a 3-month period for finalizing the finding and a 3-month period for the International Trade Commission to determine injury. The bill we are introducing today reduces that period to 8 months and requires the impositions of duties (assuming a finding of dumping) after 7 months. Under our bill the procedure would begin with a 2-month period for Treasury to decide whether to accept the petition and launch an investigation. Also during that time the petition is referred to the ITC for a preliminary injury investigation. (This coincidentally coincides with the GATT, which urges an early injury determination.) If both preliminary inquiries indicate a full investigation is needed, a 5-month investigatory period begins, which culminates in both a Treasury tentative determination of sales at less than fair value and a final ITC finding of injury. At that point—the end of the seventh month—full estimated dumping duties are assessed. Finally, there follows a 1-month period for Treasury to review its decision and adjust dumping margins if further evidence warrants before the finding becomes final. Through these changes the period from beginning to end is substantially shortened, and the "up front" payment of duties instead of the assessment of a bond costing only a fraction of its value makes the Anti-Dumping Act a notably stronger deterrent to sales at less than fair value in this country, while at the same time providing greater speed and certainty in the adjudication process, which will be of interest to importers.

Another important change in the Fair Trade Act from the bill we introduced in the last Congress relates to section 301 trade discrimination cases. In the original bill, prompted by a 301 case filed by the steel industry which was not acted on for some 18 months, we imposed certain time limits on 301 investigations by the Office of the Special Trade Representative, although we did not impose restraints on the President's latitude in acting pursuant to an investigation by STR. In this revised version we have expanded the changes somewhat to require that STR, upon receipt of a petition alleging a violation of section 301, either undertake an investigation or state to the petitioning party its refusal to do so, with an explanation; that such investigation include an open hearing process; and that such investigation take only 5 months, rather than the 12 months in the earlier version of the bill.

Other sections of the bill relating, among other things, to section 303 countervailing duty cases and section 337 unfair trade practice cases remain the same, although I plan shortly to introduce a separate bill dealing more comprehensively with countervailing duty problems.

Mr. President this revised bill represents a renewed effort by the steel caucus to deal with dumped steel—an important part of the industry's problems which administration action has not fully solved. The upcoming submission of a multilateral trade agreement and the opportunity for Congress to act on implementing legislation for that agreement provides an opportunity to obtain enactment of substantive trade law reform.

In addition to this bill, Senator DANFORTH has also introduced legislation dealing with some of these same issues and others not touched by our Fair Trade Act. I am pleased to sponsor that bill as well, as it clearly moves in the same direction as the steel caucus' bill. Hopefully, with all interested parties working closely together we can make these bills a reality.

I would also remind Senators, Mr. President, that the steel caucus is inaugurating the 96th Congress with two meeting. On February 6 at 3 p.m. the caucus will meet with Treasury Under Secretary Solomon to discuss what actions have been taken on his proposals of 14 months ago. A day later, on February 7, also at 3 p.m., the caucus will meet with executive officers of a number of major steel companies to hear their views on the industry's current situation and the outlook for the year ahead. I invite all Senators, old and new, to attend these meeting and join with the steel caucus in its efforts to restore the steel industry to economic health.

Mr. President, I ask unanimous consent that the text of the bill I am introducing today, along with a section-by-section summary be printed at this point in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 264

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Trade Procedures Reform Act".

SEC. 2. AMENDMENT OF ANTIDUMPING ACT OF 1921.

(a) Conditional Payment of Special Antidumping Duty.—Section 208 of the Antidumping Act, 1921 (19 U.S.C. 167) is amended to read as follows:

"ENTRY OR WITHDRAWAL OF MERCHANDISE

"SEC. 208. (a) If—

"(1) the Secretary has made public a finding under section 201(a) with respect to a class or kind of merchandise, or

"(2) appraisement has been withheld with respect to a class or kind of merchandise under section 201(b)(1)(B).

a customs officer may not deliver merchandise of that class or kind to the person by whom or for whose account it was imported unless that person complies with the requirements of subsection (c) and deposits with the customs officer an estimated special dumping duty determined under subsection (c).

"(b)(1) For purposes of this section, the term 'estimated special dumping duty' means the excess of—

"(A) the foreign market value (or, in the absence of that value, the constructed value), over

"(B) the purchase price or exporter's sale price,

as determined by the Secretary under section 201(b)(3), or section 201(b)(1), as the case may be, without any allowance for differences in circumstances of sale.

"(2) In the case of merchandise described in paragraph (2) of subsection (a), the estimated special dumping duty shall be such excess determined by the Secretary on the basis of amounts he has reason to believe or suspect to be correct at the time he makes his determination under section 201(b).

"(c) In order to comply with the requirements of this subsection, a person shall—

"(1) furnish, or arrange to have furnished, to the customs officer such information as the Secretary deems necessary for determining the foreign market value (or, in the absence of such value, the constructed value) of the merchandise imported by or for the account of that person, and such other information as the Secretary deems necessary for ascertaining any special dumping duty to be imposed under this title;

"(2) maintain and furnish to the customs officer such records concerning the sale of the merchandise as the Secretary, by regulation, prescribes;

"(3) if he does not state under oath before the customs officer that he is not an exporter, or if he does not declare under oath at the time of entry the exporter's sales price of the merchandise, agree to report the exporter's sales price of the merchandise to the customs officer within 30 days after the merchandise has been sold, or has been made the subject of an agreement to be sold in the United States; and

"(4) pay, or agree to pay on demand, to the customs officer the amount of any increased or additional special dumping duty imposed under this title on the merchandise.

"(d) If, upon liquidation or reliquidation, the amount of estimated special dumping duty deposited for merchandise imported by or for the account of a person exceeds the amount of the special dumping duty finally determined to be payable for that merchandise, then the Secretary shall refund the excess to that person.".

(b) INITIAL ASSESSMENT DATA.—Section 202 of such Act (19 U.S.C. 161) is amended by adding at the end thereof the following new subsection:

"(d) In determining the amount of the special dumping duty which may be levied under subsection (a), the Secretary may use figures, amounts, and other data developed by the investigation under section 201 if such figures, amounts, and other relevant data are revised not less frequently than annually.".

(c) SIMULTANEOUS INVESTIGATION BY SECRETARY AND INTERNATIONAL TRADE COMMISSION.—Section 201 of such Act (19 U.S.C. 160) is amended by striking out subsections (a), (b), and (c) and inserting in lieu thereof the following new subsections:

"SEC. 201. (a)(1) Whenever the Secretary of the Treasury (hereinafter referred to as the 'Secretary') receives information alleging that a particular class or kind of merchandise is being or is likely to be sold in the United States or elsewhere at less than its fair value and that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States, the Secretary—

"(A) shall immediately notify the United States International Trade Commission (hereinafter referred to as the 'Commission') and furnish copies of that information, and such additional information as he considers pertinent, to the Commission, and

"(B) shall, within 60 days after receiving the information, determine whether to initiate an investigation into the question of whether such merchandise is being or is likely to be sold in the United States or elsewhere at less than its fair value.

"(2) Upon receipt of notice and information from the Secretary, the Commission shall proceed to inquire into the question of whether there is a reasonable indication that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

"(3) If the Secretary's determination under paragraph (1)(B) is affirmative, he shall publish notice of the initiation of an investigation in the Federal Register. If the determination is negative, the inquiry shall be closed.

"(b)(1) If an investigation is initiated by the Secretary under subsection (a)(3), then—

"(A) within 120 days after the date of publication of the notice of investigation, the Commission shall determine whether an industry in the United States is being or is likely to be injured, or is being prevented from being established, by reason of the importation of the merchandise into the United States, and shall notify the Secretary of its determination, and

"(B) within 150 days after the date of publication of the notice of investigation, and after receving the determination of the Commission, the Secretary shall determine whether the class or kind of foreign merchandise is being or is likely to be, sold in the United States or elsewhere at less than its fair value.

"(2) If the determination of the Commission and of the Secretary are in the affirmative, then the Secretary shall make public a notice (hereinafter referred to as a 'finding') of the determinations, including a description of the class or kind of merchandise to which it applies in such detail as the Secretary deems necessary for the guidance of customs officers.

"(3) For the purposes of paragraph (1)(A), the Commission shall be deemed to have made an affirmative determination if the Commissioners of the Commission voting are evenly divided as to whether its determination should be in the affirmative or in the negative.

"(c)(1) In the case of any imported merchandise of a class or kind as to which the Secretary has not so made public a finding, he shall within 5 months after the publication under subsection (a)(3) of a notice of initiation of an investigation—

"(A) determine whether there is reason to believe or suspect, from the invoice or other papers or from information presented to him or to any other person to whom authority under this section has been delegated, that the purchase price is less, or that the exporter's sales price is less or likely to be less, than the foreign market value (or, in the absence of such value, than the constructed value); and

"(B) if his determination is affirmative, publish a notice of that fact in the Federal Register, and require, under such regulations as he may prescribe, the withholding of appraisement as to such merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of that notice in the Federal Register (or such earlier date, not more than 120 days before the date of publication under subsection (c)(1) of notice of initiation of the investigation, as the Secretary may prescribe), until the further order of the Secretary, or until the Secretary has made public a finding as provided for in subsection (a) in regard to such merchandise; or

"(C) if his determination is negative (or if he tentatively determines that the investigation should be discontinued), publish notice of that fact in the Federal Register.

"(2) If in the course of an investigation under this subsection the Secretary concludes that the determination provided for in paragraph (1) cannot reasonably be made within 5 months, he shall publish notice of this in the Federal Register, together with a statement of reasons therefor, in which case the determinatiton shall be made within 7 months after the publication in the Federal Register of the notice of initiation of the investigation.

"(3) Within 1 month after publication in the Federal Register of a determination under paragraph (1), the Secretary shall make a final determination whether the foreign merchandise in question is being or is likely to be sold in the United States at less than its fair value.

(d) ANNUAL REPORT.—Title II of such Act (19 U.S.C. 160 et seq.) is amended by redesignating section 213 as 214, and by inserting after section 212 the following new section:

"ANNUAL REPORT

"SEC. 213. The Secretary of the Treasury shall report to the Congress annually with respect to enforcement actions undertaken under the provisions of this title for the preceding year, including, but not limited to, the amount of special dumping duties collected and not refunded, the average length of time required for an investigation, the number of cases considered, the disposition of cases considered, the number of followup investigations conducted, and the status of such investigations.".

SEC. 3. CONGRESSIONAL REVIEW OF IMPORT RELIEF REDUCTION OR TERMINATION DECISIONS.

Paragraph (4) of section 203(h) of the Trade Act of 1974 (19 U.S.C. 2253 (h)(4)) is amended to read as follows:

"(4) The President may reduce or terminate any import relief provided pursuant to this section if—

"(A) the President determines, after taking into account the advice received from the Commission under subsection (i)(2) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such reduction or termination is in the national interest;

"(B) within 30 days after the receipt of all of the advice specified in subparagraph (A), the President transmits to the Congress a document setting forth his intention to reduce or terminate such import relief and the reasons for such proposed action, as well as the advice received from the Commission, the Secretary of Commerce, and the Secretary of Labor, and

"(C) both Houses of Congress (within the 30-day period following the date on which the document referred to in subparagraph (B) is transmitted to the Congress) have not adopted, by an affirmative vote of a majority of the Members of each House present and voting, a concurrent resolution disapproving the action proposed by the President in such document.

The President may not request a review of a particular section 201 decision more than once during any twelve-month period.".

SEC. 4. CONGRESSIONAL PROCEDURES.

(a) DISAPPROVAL RESOLUTIONS.—Paragraph (2) of section 152(a) of the Trade Act of 1974 (19 U.S.C. 2192 (a)(2)) is amended—

(1) by striking out "and" in subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subpargraph (A) the following new subparagraph:

"(B) in the case of a resolution referred to in section 203 (h)(4), with the phrase 'the action proposed by the President under section 203 (h)(4) of the Trade Act of 1974'; and".

(b) SPECIAL RULES.—Section 154 of the Trade Act of 1974 (19 U.S.C. 2194) is amended—

(1) by inserting "203 (h)(4)(B)," after "203 (b)," in subsection (a); and

(2) by inserting "203(h)(4)(C)," after "203(c)," in subsection (b).

SEC. 5. UNFAIR TRADE PRACTICE DETERMINATIONS.

(a) DETERMINATIONS BY SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS.—Subsection (d) of section 301 of the Trade Act of 1974 (19 U.S.C. 2411) is amended to read as follows:

"(d)(1) Whenever the Special Representative for Trade Negotiations receives information which he has reason to believe is reliable and accurate that a foreign country or instrumentality is engaging in an unfair trade practice described in paragraph (1), (2), (3), or (4) of subsection (a) with respect to a class or kind of merchandise, he shall conduct an inquiry into the unfair trade practice with respect to that class or kind of merchandise and, within 30 days after receiving the information, determine whether to conduct an investigation into the matter. For the purpose of making his inquiry, the Special Representative may request the assistance of an industry affected by the unfair trade practice which is the subject of the inquiry, but may not require the production of more information than is reasonably available to that industry.

"(2) If the Special Representative determines that an investigation into the unfair trade practice which was the subject of the inquiry conducted under paragraph (1) is warranted, the Special Representative shall publish notice of the investigation in the Federal Register, and shall include in that notice an estimate of possible monetary losses which the affected industry might reasonably be expected to suffer as a result of such an unfair trade practice. If the inquiry was commenced pursuant to a complaint or petition and he determines that an investigation is not warranted, he shall notify the complaining or petitioning party of his determination in writing, set forth the reasons for his determination in the notice, and publish the notice and reasons for the determination in the Federal Register.

"(3) If the Special Representative determines that an investigation is warranted, then he shall conduct an investigation to determine whether a foreign country or instrumentality has engaged in an unfair trade practice described in paragraph (1), (2), (3), or (4) of subsection (a) which has the effect described in that paragraph. In conducting the investigation under this paragraph, the Special Representative shall, under regulations prescribed by him, conduct public hearings on the subject matter of the investigation, furnishing an opportunity for the presentation of the views of all parties concerned.

"(4) The Special Representative shall publish his findings and determination in the Federal Register not more than 5 months after publication of the notice of investigation, and—

"(A) if he determines that a foreign country or instrumentality has engaged in an unfair trade practice described in paragraph (1), (2), (3), or (4) of subsection (a) with the effect described in that subparagraph, he shall also publish, with his findings and determination, his recommendations to the President with respect to action the President may take under subparagraphs (A) and (B) of such subsection, or

"(B) if he does not make that determination, he shall publish in the Federal Register the specific reasons for not making the determination.".

(b) CONFORMING AMENDMENTS.—

(1) Subsection (a) of such section is amended by inserting after "the President determines" the following: ", through the Special Representative for Trade Negotiations,".

(2) Subsection (c) of such section is amended by striking out so much of the subsection as precedes paragraph (1) and inserting in lieu thereof the following:

"(c) Whenever the Special Representative makes a determination under subsection (a)(3), the President may take action with respect to the exports of a product to the United States by a foreign country or instrumentality if—".

(3) Subsection (d) of such section is amended—

(A) by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) the Special Representative shall provide for appropriate public hearings concerning the taking of action with respect to such product or service, including an opportunity for the presentation of views through testimony and written submissions,

"(2) the Special Representative shall publish in the Federal Register, within 30 days after the conclusion of such hearings, his final recommendations to the President on such action, and",

(B) by striking out "he may" in paragraph (3) and inserting in lieu thereof "the President may",

(C) by striking out "thereafter promptly provide an opportunity" in the second sentence and inserting in lieu thereof "thereafter promptly direct the Special Representative to provide an early opportunity", and

(D) by striking out "The President" in the last sentence and inserting in lieu thereof "The Special Representative".

SEC. 6. TIME LIMITS FOR INITIATING INVESTIGATION OF CERTAIN TARIFF ACT VIOLATIONS.

Paragraph (3) of section 303(a) of the Tariff Act of 1930 (19 U.S.C. 1303) is amended to read as follows:

"(3) In the case of any imported article or merchandise as to which the Secretary of the Treasury (hereafter in this section referred to as the 'Secretary') has not determined whether or not any bounty or grant is being paid or bestowed—

"(A) within 30 days after the filing of a petition by any person setting forth his belief that a bounty or grant is being paid or bestowed, or

"(B) within 30 days after the receipt of information presented to the Secretary or to any person to whom authority under this section has been delegated which warrants a formal investigation into the question of whether a bounty or grant is being paid or bestowed,

the Secretary shall initiate a formal investigation to determine whether or not any bounty or grant is being paid or bestowed and shall publish in the Federal Register notice of the initiation of such investigation.".

SEC. 7. TIME LIMIT FOR INITIATING CERTAIN INTERNATIONAL TRADE COMMISSION INVESTIGATIONS.

The first sentence of paragraph (1) of section 337(b) of the Tariff Act of 1930 (19 U.S.C. 1337) is amended—

(1) by striking out "shall investigate" and inserting in lieu thereof "shall commence an investigation", and

(2) by striking out "on" and inserting in lieu thereof "within 30 days after the receipt of a".

FAIR TRADE ACT OF 1979

Amendments to the Antidumping Act of 1921:

Sec. 2 (a, b). Payments of duties. Requires full payment of estimated dumping duties from the time of tentative determination (end of 7th month). Ultimate liquidation of entries after the final finding would require a refund of any excess paid or a further payment on any balance due.

Sec. 2 (a). Time periods for investigation. Under present law a normal investigation runs 13 months: 1 month to accept the petition, a 6 month investigation culminating in tentative determination, 3 additional months for final determination, followed by 3 months at the ITC for an injury finding. This section would shorten this normal period to 8 months: 2 months for Treasury and ITC to examine petition and tentatively decide that injury has occurred, 5 months for investigation culminating in tentative finding of dumping and finding of injury by ITC, followed by 1 month period for final finding. Language permitting Treasury an additional three months for particularly complicated investigations is retained.

Sec. 2 (d). Report. Requires annual Treasury report of its action to enforce the Act.

Amendments to other Trade Statutes:

Sec. 3, 4. Although section 201 of the Trade Act of 1974 (escape clause section) provides for a two-House Congressional override of a Presidential decision, section 203, which permits the President to revise or revoke his earlier decision, has no override provision. This section creates such a procedure similar to that in section 201 of existing law, and in addition, a) permits the President to make such a redetermination only once every 12 months, and b) provides that the Presidential determination must be made within 30 days of receiving the required advice from the International Trade Commission (ITC) and Departments of Labor and Commerce. This section grew out of the Administration's handling of the specialty steel case in 1977.

Sec. 5. Section 301 of the Trade Act of 1974 relating to trade discrimination and unfair trade practices by foreign nations is amended by 1) requiring the Special Trade Representative (STR) to either undertake an investigation within 30 days of receiving a complaint or state publicly the reasons for his refusal to do so; 2) shortening the peroid of such an investigation to 5 months; 3) including public hearings as part of an investigation; 4) requiring the publication of the STR recommendation (or the reasons for the lack of one) pursuant to the investigation.

Sec. 6. Section 303 of the Tariff Act of 1930, relating to countervailing duties, is amended by requiring that a Treasury investigation must begin within 30 days of receipt of a complaint or petition.

Sec. 7. Section 337 of the Tariff Act of 1930, relating to unfair methods of competition, is amended by requiring that any investigation begin within 30 days of receipt of a complaint.

● Mr. GLENN. Mr. President, I join my colleagues, Senators RANDOLPH, BAYH, and HEINZ in introducing the Fair Trade Act. The purpose of this act is to render our trade procedures consistent with the intent of our trade laws, and to make them responsive to the pressing problems of U.S. industry in the face of unfair foreign competition. The bill consists of procedural reforms that streamline the processes whereby certain trade complaints are considered, and provides for more effective penalties when violations are found.

The bill introduces badly needed reforms that will strengthen Federal procedures governing the investigation and prosecution of trade violations. It preserves the President's power to negotiate complex international trade problems and strengthens congressional overview of the enforcement of our trade statutes. It clarifies and, where possible, reduces the time guidelines for the initiation, administration, and conclusion of trade procedures. In addition to providing for more responsive and vigorous enforcement of existing legislation, this bill changes the timing and amount of penalties applied to trade violations to enhance the effectiveness of these penalties as deterrents to unfair foreign competition.

In the course of our deliberations on this bill we consulted with representatives of the administration and with professional and legal representatives of industry. We found widespread agreement that our trade procedures are in need of reform and that a more aggressive approach to unfair trade practices is in order. Let me briefly outline my reasons for supporting the changes in existing trade procedures that are contained in this bill.

The Fair Trade Act amends the Anti-Dumping Act of 1921 to require that after a tentative finding of dumping the full amount of estimated dumping duties will be held in escrow pending final determination. This requirement differs from existing procedures whereby a tentative finding of dumping requires the posting of a bond to cover prospective duties. This change in procedures establishes a deterrent to dumping that is more effective than that posed by current procedures.

This bill also insures that our antidumping procedures operate in a timely fashion. Under current practices the full amount of dumping duties is not collected until after: First, the conclusion of Treasury's final determination of dumping; second, FTC's determination of injury to American industry as a consequence of dumping; and third, the Customs Service's calculation of duties to be assessed. The latter procedure requires an analysis of all import transactions involving the goods in question on a current price comparison basis. Thus, following the investigations and determinations by Treasury and the ITC, the Customs Service must gather new figures that take into account variations and/or changes in the costs of merchandising, advertising, and other factors of production that have arisen since the Treasury's tentative determination that dumping has occurred. These item-by-item price comparisons and adjustments slow down the duties assessment process and frequently result in the lowering or dissolution of dumping margins.

The Fair Trade Act addresses the problems of the timeliness and accuracy of our current procedures by requiring that the assessment of duties on the data compiled during the tentative determination of dumping. It further accelerates the administration of antidumping procedures by requiring that the International Trade Commission and the U.S. Treasury Department conduct their investigations of alleged trade act violations and their injury to American manufacturers concurrently rather than consecutively. Under present law a normal investigation runs 13 months; 1 month to accept the petition, a 6-month investigation culminating in tentative determination, 3 additional months for final determination, followed by 3 months at the ITC for an injury finding.

This section would shorten this normal period to 8 months; 2 months for Treasury and ITC to examine the petition and tentatively decide that injury has occurred, 5 months for investigation culminating in tentative finding of dumping and finding of injury by ITC, followed by 1 month period for final finding. Language permitting Treasury an additional 3 months for particularly complicated investigations is retained.

The bill also renders our trade procedures more responsive to legislative intent by authorizing congressional override of Presidential decisions to lift or alter import guotas—section 203 of the Trade Act of 1974. This is consistent with the existing authority Congress has to override certain Presidential decisions relating to the imposition of those quotas in the first instance. The theory underlying this portion of the bill is that if Congress has power to act with regard to the initial imposition of quotas, it should also have power to act with respect to subsequent modifications of them. The bill also requires the various agencies dealing with trade matters to report to Congress their actions in the enforcement of our trade laws.

The bill streamlines other trade complaint procedures by establishing statutory time guidelines for the initiation of investigations relating to countervailing duties (section 303 of the Tariff Act of 1930) and unfair methods of competition (section 337 of the Tariff Act of 1930). The institution of such guidelines accords with the President's mandate that the various agencies handling trade complaints do so in an expedient manner. Moreover, it responds to the needs of American manufacturers for quick and fair relief from unfair trade practices.

In addition, the bill establishes time guidelines for the administration of trade complaints by the President's Special Trade Representative. Our amendments to the procedures administered by the Special Trade Representative recognize the special needs of this office. As a negotiating agency involved in sensitive international trade negotiations, the Special Trade Representative needs flexibility with regard to time guidelines and external pressures. We do not believe that this need is incompatible with the imposition of time guidelines on its investigations. Our proposed legislation leaves intact the President's and the Special Trade Representative's latitude for actions, and their timing, after any determination of unfair trade practices by the Special Trade Representative. It does prevent the Special Trade Representative from "burying" complaints and requires the Office of the Special Trade Representative to conclude its investigations within 5 months after their initiation. This insures that all valid complaints will receive a fair hearing and that such hearings will be concluded within a reasonable period of time.

Mr. President, the trade problems confronting us are among the most sensitive and critical problems we face. In recent years, American industries and American workers have been swamped by a flood of imported goods into our domestic markets at artifically low prices. Such prices are the product of unfair trade practices that enable our trading partners to "dump" foreign products into our markets. These practices violate U.S. trade laws, threaten the vitality of our domestic industries and rob American workers of employment opportunities.

Since World War II the United States had led the world in the liberalization of international trade. To advance the prospects for free and healthy markets we have worked to become efficient producers. By opening our borders to imports, we have endeavored to be good customers. Following World War II, the United States took the lead, by way of the Marshall Plan and the Truman Doctrine, in developing and redeveloping industrial economies throughout the free world. Through these policies we sought to establish a system of global economic cooperation that would provide nations with fuel for their factories and markets for their goods.

In the wake of OPEC oil embargo and price escalation, however, the United States alone has been both willing and able to act as a good customer. America's strength as a customer of foreign industries has provided energy-hungry nations with the foreign exchange they need to purchase their fuel supplies. In addition, by purchasing the products of government-subsidized industries, we have provided the capital foreign governments require to finance their industrial modernization and employment programs.

American industries can no longer afford to pay the costs of our trading partners' energy demands and employment programs. We can no longer allow our foreign trade policy to perform the functions of foreign air. We can no longer afford to pursue the ideal of free trade when our trading partners do not reciprocate. Nor can we afford to sit idly by while our trading partners' practices disrupt the efficient allocation of global resources.

The peaceful realization of the world's material ambitions demands the establishment and timely enforcement of rules of fair dealing. This bill brings us closer to the realization of that goal.●

By Mr. DOMENICI (for himself, Mr. NELSON, and Mr. DECONCINI):

S. 265. A bill entitled "The Equal Access to Justice Act"; to the Committee on the Judiciary.

EQUAL ACCESS TO JUSTICE ACT

Mr. DOMENICI. Mr. President, in the last Congress I introduced legislation which would provide that when a small business or individual citizen prevails in litigation with the Federal Government, then that individual would be reimbursed his attorney fees and costs, if the Government could not justify its position.

Mr. President, that measure was adopted as an amendment here. It did not clear the House; it was deleted in conference as being nongermane. We have made some changes to accommodate the views of others.

Mr. President, much time, energy, and cooperative effort has been expended on my original concept since it was accepted by this body. Our colleague from Wisconsin (Mr. NELSON), who was manager of the Legal Services Corporation legislation, has seen the bill's potential for small business, and has kindly offered his expertise in that area. My friend from Arizona (Mr. DECONCINI), after his subcommittee held extensive hearings on the bill, offered his advice in refining the language of the original bill.

Therefore, I am happy today to reintroduce the Equal Access to Justice Act for myself and Senators NELSON and DECONCINI, whose contributions have enhanced and added precision to this legislation.

Mr. President, in 1916, Elihu Root in an address as president of the American Bar Association, made a statement that can hardly be improved upon even with the hindsight of more than half a century:

> There is one special field of law development which has manifestly become inevitable. We are entering upon the creation of a body of administrative law quite different in its machinery, its remedies and its necessary safeguards from the old methods of regulation by specific statutes enforced by the courts. . .
>
> . . . The necessities of our situation have already led to an extensive employment of the method.
>
> . . . Before these agencies the old doctrine prohibiting the delegation of legislative power has virtually retired from the field and given up the fight. There will be no withdrawal from these experiments. We shall go on; we shall expand them, whether we approve theoretically or not, because such agencies furnish protection to rights and obstacles to wrong doing which under our new social and industrial conditions cannot be practically accomplished by the old and simple procedure of legislatures and courts as in the last generation. 41 A.B. A.R. 355, 368, 369 (1916)

At the same time he uttered important words of caution:

> If we are to continue a government of limited power, these agencies of regulation must themselves be regulated. . . . The rights of the citizen against them must be made plain.

Today the volume of regulation of Federal agencies far exceeds the volume of the legislative output of Congress. For example, the accumulation of agency legislation by regulation in the Federal Register since 1934 fills far more shelf space than the accumulation of congressional legislation since 1789.

The Comptroller General of the United States in a report issued on March 16, 1978, identified 120 Federal agencies with regulatory impact on the private sector.

Consequently, the average American is much more directly and more frequently affected by the administrative process than by the legislative or judicial process. The original tenent for administrative proceeding was the need of modern governments for the reasonable exercise of discretionary power and the public's demand for speedy, inexpensive, and procedurally simple adjudication.

As President Roosevelt stated in 1940:

> The administrative tribunal or agency has been evolved in order to handle controversies arising under particular statutes. It is characteristic of these tribunals that simple and non-technical hearings take the place of court trials and informal proceeding supersede rigid and formal pleadings and processes. A commonsense resort to usual and practical sources of information takes the place of archaic and technical application of rules of evidence and an informed and expert tribunal renders its decision with an eye that looks forward to results rather than backward to precedent and to the leading case.

However, this has not been the case. In 1955, the President's conference on administrative procedure was called to consider the problem of "unnecessary delay, expense and volume of records in some adjudicatory and rulemaking proceedings in the executive department and administrative agencies."

In 1971, a report on the President's advisory council on executive organization entitled, "Report in Selected Independent Regulatory Agencies," concluded:

> The judicial cast of agency review proceedings places too great an emphasis on legal perspectives to the detriment of economic, financial, technical and social perspectives. One result is a high level of legal skill among agency professionals and commissioners but generally insufficient capability in other disciplines. Over-judicialization encumbers the time and energies of commissioners and staff, causes undue case backlogs, imposes high costs upon litigants, prevents anticipatory action through rulemaking, deters informal settlements.

American administrative law has gone through three stages of development. First, the first focus was on constitutional underpinnings of the administrative process, with a good deal of emphasis on separation and delegation of powers; second, the next focus was on judicial review and the relationship between the agencies and the judicial branch of Government; third, the last major stage was formalization of procedures for adjudication and for rulemaking.

And now we have entered the age of pervasive Federal regulation and there are few elements of life, commercial or otherwise, where the Federal Government does not have some role to play.

In fact, pollsters have indicated that the American people consider one of the major domestic problems to be the size and unresponsiveness of the Federal bureaucracy.

This bill would combat this growing tendency of escalating legal and related costs deterring Americans from enforcing and defending their legal rights against the Federal Government in its regulatory capacity.

The basic problem this bill seeks to overcome is the inability of many Americans to combat the vast resources of the Government in administrative adjudication. In the usual case, a party has to weigh the high cost of litigation or agency proceedings against the value of the rights to be asserted. Individuals and small businesses are in far too many cases forced to knuckle under to regulations even though they have a direct and substantial impact because they cannot afford the adjudication process. In many cases the Government can proceed in expectation of outlasting its adversary. The purpose of the bill is to redress the balance between the Government acting in its discretionary capacity and the individual.

Today, the average American must be made to feel that he can question the exercise of the Government's discretionary power as to its reasonableness—without incurring large costs if he prevails.

Providing for award of legal fees to prevailing private litigants. except where the governmental action was substantially justified, will not deter the Government from pursuing meritorious governmental action. The purpose is to readjust the tension between the Government acting in its regulatory capacity and individual rights. It is to insure against capricious and arbitrary Federal regulation.

There have been numerous documented cases of conflicting regulations in areas of overlapping jurisdiction of various agencies. Regulations have proliferated as agencies have expanded their jurisdiction, unchallenged, through regulatory fiat.

This bill will, as Elihu Root said, allow the agencies of regulation to be regulated by those affected by their regulation. Those who are affected by regulations will be given the incentive to challenge such regulations. Today, the prevailing attitude is, "if I win in court, I still lose because of the cost." And when Americans give in, the arbitrary exercise of power by administrative agencies will continue to grow larger and stronger.

This bill, by requiring litigants who prevail to be entitled to fees, will prevent spurious suits and insures the contesting of meritorious disputes with a fairer presentation of the issues.

I ask unanimous consent to have printed in the Record and article entitled "Rage Over Rising Regulation," published in the Nation, an article entitled "New Study Finds Chaotic Use of Federal Lawyers," written by Stuart Auerbach and published in the Washington Post, and the results of an inquiry on the subject by the National Federation of Independent Business.

There being no objection, the material was ordered to be printed in the Record, as follows:

Rage Over Rising Regulation

Joe Pinga could scarcely believe his eyes when he opened the innocent-looking letter from the Occupational Safety and Health Administration. It charged him with twelve federal violations in his bakery in West Warwick, R.I., including electric plugs with two prongs instead of three and a safety railing four inches too low. Deeply hurt, Pinga asked himself: "My God, how can I be guilty? I haven't even had a trial." So he challenged the charges in court and spent $1,500 in legal fees to beat a $90 fine. His heart went out to the young OSHA inspector who broke down on the witness stand and admitted that her only qualification was a 40-hour series of OSHA seminars. But Pinga is convinced that his fight was worthwhile. Thumping a thick tome of OSHA regulations, he declares: "If this book existed when my dad came to this country in 1906, this nation would still be a prairie. Now it's bureaucracy on top of bureaucracy. That's not America."

John Loughlin, assistant superintendent of schools in Portsmouth, N.H., is worried, as are most other U.S. education officials, about the U.S. Civil Rights Commission's Forms 101 and 102. They demand that he list the number of black, Hispanic, female and handicapped pupils in each class in the city's schools. Loughlin notes that the federal rules require gathering "a lot of data that we don't keep and that is illegal for us to find out." How does Loughlin cope? "Some of the answers we just make up," he confesses.

Irving S. Shapiro, chairman of E.I. Du Pont de Nemours & Co. (annual sales: more than $8 billion), says, "It costs the company a lot of time and money to comply with Government reporting requirements." Du Pont has to spend $5 million and 180 man-years of work annually to file 15,000 reports to the Federal Government. Among many other things, the company is held accountable not only for its own programs for hiring and promoting minorities and women, but also for the affirmative action programs of every supplier that sells it more than $2,500 worth of goods a year. As a Government contractor, it is required to provide such information and thus sends out 28,000 letters a year to these suppliers. Shapiro contends that the regulations are so excessive that if Du Pont were starting out today, "perhaps the company wouldn't make it. Even in the best of times, there is a high infant mortality rate for business. Today we compound the risk with so much Government intervention that it's a wonder that anyone survives."

Like Pinga, Loughlin and Shapiro, entrepreneurs, executives and local officials throughout the land are bewildered and outraged by the growing number of federal rules and regulations. They seem to float out from Washington as casually as children blow soap bubbles, and all too often contain about as much substance. No one can possibly keep up with all the pronouncements affecting him and his business or profession, and many people have given up trying. Each national Administration has promised to cut the paper burden, only to end up adding to it. The Commission on Federal Paperwork, created in 1974 to figure out how to control red tape, estimates that the Government cranks out enough documents every year to fill 51 major league baseball stadiums or eleven new Washington Monuments. "It's unbelievable," says a former commission member. "Washington is the source of so much red tape that you'd think it was working on a landfill somewhere. Like the Grand Canyon."

The paper is backed up by the stern might of the law; it can be followed by fines, loss of federal aid, harassment and obloquy. The regulations are impeding and inhibiting Americans in almost all areas of endeavor and transforming the society in ways that nobody can quite foresee. Writing in a new bimonthly magazine, *Regulation*, published by the conservative American Enterprise Institute in an effort to keep track of federal rulings, Social Critic Irving Kristol argues that many of the zealous regulators have an "ideological animus against the private economic sector. They are inclined to believe that a planned economic system would create a superior way of life for all Americans. They detest the individualism so characteristic of a free society."

Eighty-seven federal agencies and offices with 100,000 workers keep the private sector behaving as Big Brother sees fit. The most important 30 of these outfits have combined operating expenses of $2.9 billion a year. The older agencies—including the Interstate Commerce Commission (founded in 1887), the Federal Trade Commission (1914), the Food and Drug Administration (1931), the Civil Aeronautics Board (1938)—impose limitations on particular industries. The newer agencies—the Equal Employment Opportunity Commission (1964), the Environmental Protection Agency (1970), OSHA (1970,) the Consumer Product Safety Commission (1972)—issue orders to institutions across the board. Their potential for change, and for damage, is far greater than their more circumscribed predecessors. Says Kristol: "This creates a lot of questions about who is running the country."

Most of the agencies were created to meet a legitimate need. The question is how they are administered. Wisely or foolishly, punitively or conciliatorily, arrogantly or sensitively? Above all, regulations must be considered within the broader context of the whole society, hidden costs must be calculated. There is little effort made to determine trade-offs. To what extent, for example, should environmental restrictions be imposed if the consequence is the loss of jobs? The problem is to find the happy medium, with which, of course, nobody will be all that happy. Says Harrison Wellford, the White House aide in charge of Government reorganization: "You have four or five agencies impinging on a particular industry. No one is considering the cumulative impact or the contradictions."

The contradictions can be incredible and infuriating, as shown by just two conflicts between OSHA and the Department of Agriculture. OSHA demands grated floors in butcher shops to reduce the risk of employees' slipping. The Department of Agriculture declares that the same floors must be smooth because grates increase the hazards of contamination. Last year OSHA also directed that the Made-Rite Sausage Co. of Sacramento, Calif., place protective guards on its meat-blending machine to keep employees' hands out of it, even though the machine is too high for workers to reach. But such a guard would have violated Agriculture Department regulations because it would have made the machine too difficult to clean. The company did the only sensible thing: nothing.

Some of the most hard-pressed industries are the ones most penalized by overregulation. Already threatened by low-cost imports, the steel industry has been forced to spend $3 billion to control air and water pollution; industry leaders estimate that they will have to come up with another $5.5 billion in the next six to eight years to comply with EPA directives. These costs are eating up a high percentage of capital expenditures at a time when the industry desperately needs to invest in new plant and equipment in order to ease unemployment and become competitive in world markets. The low-profit textile industry estimates it will have to spend $6 billion over the next five years to comply with just two OSHA regulations intended to reduce noise and dust in the mills.

It is not only businesses that are under increasing pressure from Washington. The University of Pennsylvania found that the cost of complying with twelve federal programs jumped from $350,000 in 1972 to $3.2 million in 1977. Now the university is being forced to spend an estimated $2.5 million to make changes to meet new regulations aiding the handicapped. The Department of Health, Education, and Welfare insists that the university install an elevator in College Hall, which would cost $100,000. Catch-22 is that if the university makes any change in the 100-year-old building, it must bring the entire hall up to standards set out in the local building code. Cost: $1 million. Says Donald Murray, professor of statistics at the university: "No institution has traditionally done more than higher education for the handicapped. We have educated the lame and the blind since we have been in existence. Now, to try to comply with the letter of the law, all the institutions would go broke."

Everybody foots the bill. Bigger educational expenses push up tuitions; higher business costs are passed along to the consumer. Barry Bosworth, director of the President's Council on Wage and Price Stability, feels that excessive regulation is a primary reason why the average annual increase in U.S. productivity slowed from 3% between 1948 and 1966 to 2% since then. Gerald Ford's White House figured that the price of regulation—the cost of bureaucracy along with declining productivity—takes $2,000 out of the pocket of the typical American family each year, a larger sum than is collected in federal income taxes.

Robert S. Smith, professor of industrial and labor relations at Cornell, condemns the common assumption that "when you're dealing with business, you are only hurting a small and very wealthy group of citizens. That is fallacious." Adds J. Peter Grace, president of W. R. Grace & Co.: "The consumer is caught in a double squeeze. He pays the taxes that support the bureaucrats in Washington, and he pays higher prices for amost everything he buys, from automobiles to aspirin."

NEW STUDY FINDS CHAOTIC USE OF FEDERAL LAWYERS

(By Stuart Auerbach)

New York environmentalists found an unexpected ally in January when they took the Federal Power Commission to the Supreme Court. The Justice Department, representing seven other federal agencies, took their side.

That example was used in a presidential reorganization paper to illustrate the chaotic and uncoordinated state of the government's legal representation, where its almost 20,000 lawyers often take positions that hurt other agencies by running contrary to government-wide policy.

"That happens all the time; it's not unusual," said one high official of the Justice Department, which is fighting to keep its turf as the prime legal authority of the government against an assault by other agencies—especially independent regulatory bodies—who want to handle their legal matters.

The study on government lawyers finished Friday and to be received today, by cabinet members and heads of independent agencies, is part of President Carter's efforts to streamline the federal bureaucracy. The study was made available to The Washington Post.

It is the first look at the federal legal establishment since the 1955 Hoover Commission report on government organization.

Until now no one knew how many lawyers were employed by the government. Today's study found there are 19,479—with a little more than 10,000 working here and the rest scattered across the country.

That doesn't include lawyers who hold nonlegal government jobs, such as, for example, Secretary of State Cyrus R. Vance, a New York lawyer; Joseph A. Califano, Jr., a Washington lawyer who is secretary of Health, Education and Welfare, or Simon Lazarus, who left the Washington firm of Arnold & Porter to become associate director of President Carter's domestic policy staff.

NATIONAL FEDERATION OF INDEPENDENT BUSINESS—NATIONAL RESULTS OF MANDATE 390 BY STATE

QUESTION 4: RECOVERY OF COURT COST—ARE YOU FOR OR AGAINST ALLOWING SUCCESSFUL RECOVERY OF REASONABLE ATTORNEY FEES AND COURT COSTS IN CIVIL ACTIONS BROUGHT BY THE FEDERAL GOVERNMENT?

State	Total votes	In percent		
		Pro	Con	No opinion
Arkansas	461	88	9	3
Louisiana	540	89	8	3
Oklahoma	1,108	85	11	4
Texas	4,730	85	12	3
Total, West South Central	6,839	86	11	3
Montana	697	84	12	4
Idaho	625	89	7	4
Wyoming	393	88	9	3
Colorado	1,662	88	8	4
New Mexico	583	86	11	3
Arizona	655	89	9	2
Utah	568	89	9	2
Nevada	275	92	5	3
Total, Mountain	5,458	88	9	3
Washington	2,118	89	7	4
Oregon	1,419	89	7	4
California	6,953	86	10	4
Alaska	174	86	10	4
Hawaii	343	89	7	4
Total, Pacific	11,007	87	9	4
Maine	359	86	9	5
New Hampshire	287	84	13	3
Vermont	178	80	12	8
Massachusetts	1,046	86	9	5
Rhode Island	78	85	10	5
Connecticut	282	84	10	6
Total, New England	2,230	85	10	5
New York	1,963	85	11	4
New Jersey	634	83	14	3
Pennsylvania	1,402	83	13	4
Total, Middle Atlantic	3,999	84	12	4
Ohio	2,481	84	12	4
Indiana	1,463	85	11	4
Illinois	1,835	85	11	4
Michigan	2,164	84	12	4
Wisconsin	1,651	86	11	3
Total, East North Central	9,594	85	11	4
Minnesota	2,105	83	12	5
Iowa	1,390	83	13	4
Missouri	1,253	86	10	4
North Dakota	419	85	11	4
South Dakota	526	81	15	4
Nebraska	988	85	11	4
Kansas	1,177	84	12	4
Total, West North Central	7,858	84	12	4
Delaware	103	82	13	5
Maryland	460	83	11	6
Washington, D.C.	14	71	21	8
Virginia	576	85	10	5
West Virginia	163	82	10	8
North Carolina	824	84	12	4
South Carolina	348	88	8	4
Georgia	776	87	10	3
Florida	1,464	86	12	2
Total, South Atlantic	4,728	85	11	4
Kentucky	477	86	11	3
Tennessee	976	86	9	5
Alabama	351	87	10	3
Mississippi	470	81	14	5
Total, East South Central	2,274	85	11	4
National ratios	53,987	85	11	4

● Mr. **DeCONCINI**. Mr. President, I am pleased to join today with Senators **Domenici** and **Nelson** in introducing the Equal Access to Justice Act. This legislation which is the product of several years of effort and analysis reflects the deepest concern of all of us that the bureaucracy needs to be tamed.

As Americans we are proud of the fact that we are a nation governed by laws. And we are equally proud that we are able to resort to our courts to challenge those laws as well as to vindicate our rights under them. Unfortunately, however, the system today is out of balance. Regulation is excessive. The laws have grown into a pernicious web of rules, regulations, responsibilities, and rights—complex, confusing, and sometimes conflicting. At the same time, justice has simply become too expensive for the average American, particularly when he must litigate against the seemingly unlimited resources and legal expertise of the government.

Because of these economic deterrents, many citizens today have no effective remedy against unreasonable government regulation. When the cost of contesting a government order exceeds the amount at stake, a citizen or small business has no realistic choice, even if he believes the government action is unwarranted or unfair. Under these circumstances, it is obviously more practical to pay a fine than to contest it.

The danger here, however, extends beyond the individual case. When citizens cannot afford to challenge unreasonable regulations, the result is a type of coerced compliance which undermines the integrity of the entire decisionmaking process. Administrative decisions should reflect informed deliberations. But where citizens are forced to comply with regulations simply because it is too costly to fight them, precedent is established on the basis of an uncontested order rather than the thoughtful presentation of opposing views. And this precedent then can be applied industry-wide.

In fact, there is evidence that small businesses bear the brunt of administrative regulation and enforcement precisely because they do not have the resources to fully litigate the issues. They are, in short, the easiest targets.

The time has come to take hold of our laws and the labyrinth of administrative regulations. We must give the individual and small business at least a fighting chance to challenge the unreasonable exercise of governmental power. I believe that the legislation we introduce today can be an effective instrument toward this end. By allowing an award of reasonable fees and expenses against the Government when its action is not substantially justified, this legislation provides an effective legal or administrative remedy where none now exists. By allowing a decision to contest Government action to be based on the merits of the case rather than the cost of litigation, this legislation promotes informed administrative decisionmaking. And even more important, I think, is that by taking these fee award from the budgets of the offending agencies, we will provide a quantitative measure of whether an agency is engaging in excessive unreasonable regulation.

I recognize, of course, that this bill represents a significant change in the general American rule that each party must bear his own costs. A change of this magnitude must be carefully studied and evaluated. We began this process last Congress when S. 2354, the predecessor to the bill we introduce today, was referred to the Subcommittee on Improvements in Judicial Machinery which I chair. The subcommittee held one day of hearings during which administration witnesses objected to its potential costs and its inclusion of actions arising under the internal revenue laws. We worked on the bill, refined it, and we reported to the full Judiciary Committee a revised bill which I believe served to improve citizen access but at the same time did not unduly burden the taxpayer. The bill we introduce today is based on this revised bill.

This legislation deserves full and serious consideration by the Congress. I commend Senators DOMENICI and NELSON for their fine work in developing and promoting this legislation. I look forward to holding additional hearings on the bill, some of which I hope will be in conjunction with the Small Business Committee which Senator NELSON chairs. Although we can no doubt make further improvements in the bill, I am convinced its basic concept is sound.

Mr. President, in closing I would like to emphasize again that the imbalance between the power of the bureaucracy and the power of the American citizen must be redressed. Congressional oversight alone will never be a sufficient safeguard against regulatory abuse. Individual citizens and small businesses, the persons who bear the brunt of administrative regulation, must be able to check arbitrary agency actions by contesting them. Through the device of fee shifting, this legislation will improve our citizens' access to courts and administrative proceedings. It will encourage them to vindicate their rights and not to acquiesce in a ruling or sanction which they believe arbitrary, misguided or unfair. And it will, I hope, make the Government more accountable in the exercise of its regulatory powers and more responsive to its citizens' needs.●

Mr. DOMENICI. I ask unanimous consent that a section-by-section analysis and the bill as now introduced, cosponsored by Senators NELSON and DECONCINI, be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follow:

S. 265

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Equal Access to Justice Act."

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that certain individuals, partnerships, corporations, labor, and other organizations may be deterred from seeking review of, or defending against, unreasonable governmental action because of the expense involved in securing the vindication of their rights in civil actions and in administrative proceedings.

(b) The Congress further finds that because of the greater resources and expertise of the Federal Government, the standard for an award of fees against the United States should be different from the standard governing an award against a private litigant, in certain situations.

(c) It is the purpose of this Act—

(1) to diminish the deterrent effect of seeking review of, or defending against, governmental action by providing in specified situations an award of attorney fees, expert witness fees, and other costs, against the United States unless the governmental action was substantially justified; and

(2) to insure the applicability in actions by or against the United States of the common law exceptions to the "American rule" respecting the award of attorney fees.

AWARD OF ATTORNEY FEES AND OTHER EXPENSES IN CERTAIN AGENCY ACTIONS

SEC. 3. (a) Subchapter I of chapter 5, title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 504. COSTS AND FEES OF PARTIES

"(a) An agency that conducts an adjudication subject to section 554 of this title shall award, to a prevailing party other than the United States, fees and other expenses incurred by that party in connection with that proceeding, unless the agency finds that the position of the agency as a party to the proceedings was substantially justified or that special circumstances make an award unjust. The agency may reduce the amount to be awarded, or deny an award, to the extent that the prevailing party during the course of the proceedings engaged in conduct which unduly and unreasonably protracted the final resolution of the matter in controversy. The decision of the agency under this section shall be made a part of the record and shall include written findings and conclusions and the reason or basis therefor.

"(b) (1) For the purposes of this section—

"(A) 'fees and other expenses' includes the reasonable expenses of expert witnesses, the reasonable cost of any study, analysis, engineering report, test, or project which is found by the agency to be necessary for the preparation of the party's case, and reasonable attorney or agent fees. The amount of fees awarded under this section shall be based upon prevailing market rates for the kind and quality of the services furnished, except that (i) no expert shall be compensated at a rate in excess of the highest rate of compensation for experts paid by the agency involved; and (ii) attorney fees shall not be awarded in excess of $75 per hour unless the agency determines by regulation that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for the proceedings involved, justifies a higher fee; and

"(B) 'party' means a 'person' as defined in section 551 of this title, but excludes any individual who had, at the time the adjudication was initiated, net assets in excess of $1,000,000 and any partnership, corporation, association, or organization that had, at the time the adjudication was initiated, net assets in excess of $5,000,000.

"(2) Except as otherwise provided in paragraph (1), the definitions provided in section 551 of this title apply to this section.

"(c) (1) Each agency shall by rule establish procedures for the submission and consideration of applications for an award of fees and other expenses. If a court reviews the underlying decision of the agency adjudication, an award for fees and other expenses may be made only pursuant to section 2412(d) (3) of title 28.

"(2) A party dissatisfied with an award for fees and other expenses as determined by the agency may petition for leave to appeal to the court of the United States having jurisdiction to review the merits of the underlying decision of the agency adjudication. If the court denies the petition for leave to appeal, no appeal may be taken from the denial. If the court grants the petition, it may modify the determination of the agency only if it finds that the failure to make an award, or the calculation of the amount of the award, was an abuse of discretion.

"(d) Fees and other expenses awarded under this section shall be paid by the General Accounting Office out of the general fund.

"(e) The Office of the chairman of the Administrative Conference of the United States shall report annually to the Congress on the amount of fees and other expenses awarded during the preceding fiscal year pursuant to this section. The report shall describe the number, nature, and amount of the awards, the claims involved in the controversy and any other relevant information which may aid the Congress in evaluating the scope and impact of such awards. Each agency shall provide the Conference with such information as is necessary for the Chairman to comply with the requirements of this subsection.".

(b) The table of sections of subchapter I of chapter 5, title 5, United States Code, is amended by adding at the end thereof the following new item:

"§ 504. Costs and fees of parties.".

(c) Effective three years after the date of enactment of this Act, section 504 of title 5, United States Code, as added by subsection (a) of this section, is repealed.

AWARD OF ATTORNEY FEES AND OTHER EXPENSES IN CERTAIN JUDICIAL PROCEEDINGS

SEC. 4. (a) Section 2412 of title 28, United States Code, is amended to read as follows:

"§ 2412. Costs and fees

"(a) Except as otherwise specifically provided by statute, a judgment for costs, as enumerated in section 1920 of this title, but not including fees and other expenses of attorneys, may be awarded to the prevailing party in any civil action brought by or against the United States in any court having jurisdiction of such action. A judgment for costs when taxed against the Government shall, in an amount established by statute, court rule, or order, be limited to reimbursing in whole or in part the prevailing party for the costs incurred by him in the litigation.

"(b) In addition to the costs which may be awarded pursuant to subsection (a) and except as otherwise specifically provided by statute, a court may award reasonable attorney fees to the prevailing party in a civil action brought by or against the United States, in those circumstances in which the court may award such fees in such suits involving private parties.

"(c)(1) Any judgment against the United States for costs pursuant to subsection (a) shall be paid as provided in sections 2414 and 2517 of this title and shall be in addition to the compensation, if any, awarded in the judgment.

"(2) Any judgment against the United States for fees and other expenses pursuant to subsections (b) and (d) shall be paid as provided in sections 2414 and 2517 of this title unless the basis for the award is a finding that the United States acted in bad faith, in which case the award shall be paid by the agency found to have acted in bad faith and shall be in addition to the compensation, if any, awarded in the judgment.

"(d)(1) In addition to the costs which may be awarded pursuant to subsection (a) and except as otherwise specifically provided by statute, a court shall award fees and other expenses to any party other than the United States which prevails in any civil action (other than cases sounding in tort or cases arising under the internal revenue laws of the United States) brought by or against the United States in any court having jurisdiction of that action, unless the court finds that the position of the United States was substantially justified or that special circumstances make an award unjust. A party seeking an award of fees and other expenses shall, within thirty days of final judgment in the action, submit to the court an application which provides evidence of such party's eligibility for the award and the amount sought, including an itemized statement from attorneys and experts stating the actual time expended in representing such party and the rate at which fees were computed.

"(2) For the purposes of this subsection—

"(A) 'fees and other expenses' includes the reasonable expenses of expert witnesses, the reasonable cost of any study, analysis, engineering report, test, or project which is found by the court to be necessary for the preparation of the party's case, and reasonable attorney fees. The amount of fees awarded under this subsection shall be based upon prevailing market rates for the kind and quality of the services furnished, except that (i) no expert shall be compensated at a rate in excess of the highest rate of compensation for experts paid by the United States; and (ii) attorney fees shall not be awarded in excess of $75 per hour unless the court determines that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for the proceedings involved, justifies a higher fee;

"(B) 'party' means any individual who had at the time the civil action was filed, net assets less than $1,000,000, and any partnership, corporation, association, or organization that had, at the time the civil action was filed, net assets less than $5,000,000; and

"(C) 'United States' includes any agency, and any official of the United States acting in his official capacity.

"(3) In awarding fees and other expenses under this subsection to a prevailing party in any action for judicial review of an agency adjudication conducted pursuant to section 554 of title 5, the court shall include in that award, the fees and other expenses for services performed during that agency adjudication unless the court finds that during such adjudication the position of the United States was substantially justified, or that special circumstances make an award unjust.

"(4) The court, in its discretion, may reduce the amount to be awarded pursuant to this subsection, or deny an award, to the extent that the prevailing party, during the course of the civil action or the agency adjudication, engaged in conduct which unduly and unreasonably protracted the final resolution of the matter in controversy.

"(5) The Director of the Administrative Office of the United States Courts shall include in its annual report prepared pursuant to section 604 of this title, the amount of fees and other expenses awarded during the preceding fiscal year pursuant to this subsection. The report shall describe the number, nature, and amount of the awards, the claims involved in the controversy and any other relevant information which may aid the Congress in evaluating the scope and impact of such awards.".

(b) The item relating to section 2412 in the table of sections for chapter 161 of title 28, United States Code, is amended to read as follows:

"2412. Costs and Fees.".

(c) Effective three years after the date of enactment of this Act, subsection (d) of section 2412, as added by subsection (a) of this section, is repealed.

Sec. 5. (a) Subdivision (f) of Rule 37 of the Federal Rules of Civil Procedure is repealed.

(b) The Table of Rules of the Federal Rules of Civil Procedure is amended by deleting the item relating to subdivision (f) of Rule 37.

Section-by-Section Analysis

Section 1. Section 1 provides that the bill may be cited as the "Equal Access to Justice Act."

Section 2. Section 2 contains a statement of the Congressional findings on which the bill is based and the purposes for which it is intended.

Section 3. Section 3(a) amends chapter 5 of title 5, United States Code, by adding a new section, § 504, which provides for an award of reasonable fees and expenses to prevailing parties in agency adjudications under section 554 of title 5.

Under section 504(a), a party other than the United States who prevails in an agency adjudication is entitled to reasonable fees and other expenses unless the agency finds the position of the agency as a party to the proceedings was substantially justified or that special circumstances make an award unjust. The language used in this section creates a presumption in favor of an award of fees to a prevailing party and is identical to language presently found in Rule 37, Federal Rules of Civil Procedure. This standard requires that to defeat an award, the government must make a positive showing that its position and actions during the course of the proceedings were substantially justified or that some other circumstance makes an award unjust. The section identifies one circumstance which may defeat or reduce an award—the actions of the prevailing party in unreasonably protracting the resolution of the controversy. The section further requires that the fee determination include specific written findings and conclusions which will be made a part of the record and which may be subject to judicial review under section 504(c).

The presumption of an award of fees replaces a mandatory award in S. 2354 as originally drafted. The mandatory award was rejected because it did not account for the reasonable and legitimate exercise of governmental functions. On the other hand, a purely discretionary award would not account for the natural reluctance of agencies to award fees against themselves. If a prevailing party had the burden of showing that the agency action was unreasonable, it is clear that an agency would make few awards and the bill would not fulfill its purpose of lessening the economic deterrents to contesting unreasonable government action. The presumption in favor of an award of fees, however, presses the agency to address the problems of abusive and harassing regulatory practices. It is intended to caution agencies to carefully evaluate their cases and not to pursue those which are weak or tenuous. At the same time, the language of the section protects the government when its case, though not prevailing, has a reasonable basis in law and fact. It also provides a safety valve where unusual circumstances dictate that the government should not be held liable.

The section covers only adjudications under 554 of title 5 and not rulemaking or other administrative proceedings. In part, the decision to award fees only in agency adjudications reflects a desire to narrow the scope of the bill in order to make its costs acceptable. It also reflects a desire to limit the award of fees to situations where participants have a concrete interest at stake but nevertheless may be deterred from asserting or defending that interest because of the time and expense involved in pursuing administrative remedies. In these situations, in order to insure that individuals will actively seek to protect their rights vis-a-vis the government, they must have the opportunity to recover the costs of litigating. An administrative remedy in these circumstances cannot be truly effective unless a prevailing party is made whole.

Section 504(b) defines terms used in the section. The "fees and other expenses" which may be recovered under this section include the reasonable fees of attorneys and expert witnesses as well as the reasonable cost of any report, study or test which is necessary to the party's case. The definition establishes that fees are to be based on the prevailing market rate but that expert fees may not exceed the highest rate paid by the agency and attorney fees may not exceed $75 unless special circumstances dictate otherwise. The definition of "party" in this subsection identifies those individuals, businesses and organizations which may recover fees and expenses under this section. Those persons eligible to recover fees include individuals with net assets less than one million dollars and partnerships, corporations and associations or public or private organizations with net assets less than five million dollars. The definition thus establishes financial criteria which limit the bill's applications to those persons and small business whom costs may deter from vindicating their rights.

Section 504(c)(1) directs each agency to establish rules governing the procedure for awarding fees. It is the Committee's intention that the rules specify that an award will be made unless the government comes forward with a showing that its case was substantially justified. Thus, if no opposing petition is filed, an award should be made. Subsection (c)(1) further specifies that where the underlying adjudication is reviewed by a court, an award shall be made under 28 U.S.C. 2412(e)(3), a new section added by this bill. Under that section, an award by a court may cover the fees and expenses of the administrative adjudication as well as the civil action upon review.

Section 504(c)(2) provides that a party

who is dissatisfied with an agency decision regarding attorneys fees (either the failure to award or the amount of the award) may petition for leave to appeal to the United States court which would have jurisdiction to review the merits of the underlying decision of the agency adjudication. Review was made discretionary in order to prevent the federal courts from being inundated with routine appeals from fee determinations in agency adjudications. For similar reasons, the denial of a petition for leave to appeal is not reviewable. If a petition is granted, the court may reverse or modify the fee determination if it finds that the agency abused its discretion.

Section 504(d) establishes that awards will be paid out of the budget of the agency involved in the adjudication, thus making each agency accountable for its actions. The impact of awards on the agency's budget will provide a quantitative measure of agency error which should encourage review of its practices and its regulations.

Section 504(e) directs the Administrative Conference of the United States to report annually regarding the number and amount of fee awards under this section. The report will allow Congress to evaluate the legislation's cost and impact on the regulatory process at the end of three years when it expires. The report may also stimulate Congressional oversight of those agencies which appear to be engaging in unreasonable regulatory activity.

Section 3(b) amends the table of chapters to reflect the addition of section 504.

Section 3(c) is a sunset provision, repealing section 504 of title 5 at the end of three years. The bill is intended to be a limited experiment which will be reviewed and reevaluated at the end of three years.

SECTION 4

Section 4(a) amends section 2412 of title 28, United States Code, by adding new provisions regarding the award of attorney fees and other expenses in certain judicial proceedings.

Section 2412(a) preserves the law of the existing section 2412 which provides for a discretionary award of costs in any civil action brought by or against the United States. The costs which may be awarded are enumerated in section 1920 of title 28. They include the various fees payable to the court and its officals but they do not include the expense of legal counsel. Certain technical changes are necessitated by the addition of the subsections which follow.

Section 2412(b) permits a court in its discretion to award attorney fees and other expenses to prevailing parties in civil litigation involving the United States to the same extent it may award fees in cases involving private parties. Thus, under this section, cases involving the United States would be subject to the "bad faith", "common fund", and "common benefit" exceptions to the American rule against fee-shifting.

It has been generally held that existing section 2412 prevents an award of attorney fees against the United States, even under the common law exceptions, in the absence of express statutory authority. The issue, however, continues to be the subject of litigation. See, e.g., Pealo v. Farmers Home Administration of the United States, 562 F.2d. 744 (D.C. Cir. 1977) (reversing lower court's application of "common benefit" exception); Rhode Island Committee on Energy v. General Services Administration, 561 F.2d. 397 (1st Cir. 1977) (refusing to apply "bad faith" exceptions). This subsection reflects the belief that at a minimum, the United States should be held to the same standard in litigating as private parties and that no justification exists for exempting the United States from fee awards in these limited situations.

Section 2412(c)(1) incorporates language found in existing section 2412 which establishes that judgments for costs are to be paid as provided for in sections 2414 and 2517 of title 28. Section 2412(c)(2) establishes that fees and expenses under either subsection (b) or (e) are to be paid in the same manner as costs unless the award is based upon a finding that the United States acted in bad faith. In those circumstances, the award is to be paid by the governmental entity found to have acted in bad faith. This fiscal responsibility is intended to make the individual agencies and departments accountable for actions pursued in bad faith. The awards and resulting impact on the budget will provide a concrete basis for evaluating agency error.

Section 2412(d) incorporates the definition of "United States" found in the existing section 2412 and applies it to all the provisions added to the section by this bill. Under this definition, the "United States" includes any agency, and any official of the United States acting in his official capacity.

Section 2412(e) authorizes an award of reasonable fees and expenses in judicial proceedings analogous to the awards authorized in agency adjudications under section 3 of this bill.

Under subsection 2412(e)(1), a party other than the United States who prevails in certain civil actions brought by or against the United States is entitled to reasonable fees and other expenses unless the government action was substantially justified or other circumstances make an award unjust. The subsection applies to all civil actions except those based in tort, those arising under the internal revenue laws, and those already covered by existing fee-shifting statutes. Tort cases were excluded from S. 2354 as originally drafted because the bill's sponsors considered the legal remedies adequate and equitable in those cases. Tax cases were excluded after testimony by the Department of Treasury that the unique problems of tax collection dictate separate treatment for those cases. Moreover, this section is intended to supplement, and not supplant, existing fee-shifting statutes such as the Freedom of Information and Civil Rights Acts.

The same presumption which is applied in agency adjudications under section 3(a) of this bill is also applied to fee awards in civil actions under this subsection. Courts are often reluctant to award fees because they have operated so long under the American rule prohibiting fee-shifting. In fact, the reluctance of the courts to award fees prompted the adoption of the language in Rule 37 on which this standard is based.

Under Section 2412(e)(1) a party seeking an award of fees must apply to the court within 30 days of final judgment. As in the case of agency adjudications, it is the intent of the Committee that if the government does not oppose an application for fees, the award should be granted.

Subsection 2412(e)(2) defines terms which apply to this subsection. The definition of "fees and expenses" and "party" is explained under section 3(a) of this bill. (New section 504(e) of title 5).

Section 2414(e)(3) provides that a court may award fees to a party who prevails upon judicial review of an agency adjudication. The presumption in favor of an award of fees should be particularly strong in cases where a party has had to engage in lengthy administrative proceedings before final vindication of his rights in the courts.

Subsection 2412(e)(4) allows a court to reduce or deny an award to the extent that the prevailing party protracted litigation during the administrative or judicial proceedings.

Subsection 2412(e)(5) directs the Administrative Office of the United States Courts to report annually regarding the number and amount of fee awards under this subsection. The report will allow Congress to evaluate the legislation's cost and impact on agency litigation when it expires at the end of three years. The report may also stimulate Congressional oversight of those agencies or departments which appear to be engaging in unreasonable litigation.

Section 4(b) of the bill conforms the item relating to section 2412 in the table of sections for chapter 161 of title 28.

Subsection 4(c) is a sunset provision, repealing subsection (e) of section 2412 of title 28 at the end of three years. Subsection (e) which parellels the authorization of awards in agency proceedings is likewise intended to be a limited experiment which will be reviewed and re-evaluated at the end of three years.

SECTION 5

Section 5(a) deletes subdivision (f) of Rule 37, of the Federal Rules of Civil Procedure which states: "Except to the extent permitted by statute, expenses and fees may not be awarded against the United States under this rule." This change reflects the belief that the United States should be liable for fees the same as private parties where its opposition to a motion compelling discovery is not substantially justified.

Section 5(b) conforms the Table of Rules of the Federal Rules of Civil Procedure by deleting the item relating to subdivision (f) of Rule 37.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. DOMENICI. I will be pleased to.

Mr. PROXMIRE. Does that bill provide that if a citizen brings suit against the Government and he wins, his attorneys' fees would be paid by the Government?

Mr. DOMENICI. If the Government could not substantiate the position that it has taken, that the citizen seeks to have overturned. Basically, there will be more times than not when a citizen is a defendant or has been cited and then seeks to set aside an arbitrary ruling or the like, takes it up administratively in due course, and wins. What I am seeking to have redressed is the situation where, with the growing mass of rules and regualtions in the bureaucracy, little people pay rather than challenge, because to challenge is to lose, because it costs too much.

This bill seeks to reimburse the citizen in that kind of situation, to push federalism a little bit harder against the tendency to make more and more rules affecting citizens.

Mr. PROXMIRE. Has the Senator considered another change that would be very helpful along the same kind of lines? As the Senator knows, in this country, if one is sued and the suer loses, you still have to pay your attorneys' fees maybe $50,000 or $100,000, and you may be ruined. You may be right, but if you are sued, you are in that difficulty.

As we all know, suits against lawyers, doctors, manufacturers, and so forth, have proliferated; they have become a real scandal in this country. In England, if a suit is brought and the person who brings the suit loses, they have to pay the attorneys' fees of the person who defends himself, which I think makes sense, and it would greatly reduce the amount of litigation in this country, which is harassment, which is terribly destructive, and which results in a real injustice: If a completely innocent person is sued, defends himself, and wins, he is ruined.

Mr. DOMENICI. Yes. Let me say to my

good friend that I do not seek to change that part of the American jurisprudence system which he has described. We inherited that from England, as a part of the common law. I do not seek to change that. This is an attack on over-regulation. Let me say here it is difficult enough to get it changed, because of the precedent——

Mr. PROXMIRE. I hope the Domenici initiative here will serve as a precedent for reconsideration of the other provision. Although, as the Senator points out, we took our common law from England, we do that differently from England, because England does provide that those who sue and lose have to pay the attorneys' fees on the other side.

Mr. DOMENICI. Yes, but they have changed that since we adopted their common law, and we are stuck with it. They have changed their old approach.

By Mr. MOYNIHAN (for himself and Mr. HARRY F. BYRD, JR.):

S. 266. A bill to amend the Social Security Act with respect to the issuance of social security cards; to the Committee on Finance.

S. 267. A bill to amend title 18, United States Code, to prohibit the counterfeiting and forgery of social security cards, and the sale of such forged or counterfeited social security cards; to the Committee on the Judiciary.

Mr. MOYNIHAN. Mr. President, today I am introducing two bills to correct a serious problem: The counterfeiting and sale of social security cards. I believe our Government has a duty to assure employers and employees alike that every social security card, the document always a prerequisite to work, is genuine.

The two bills are utterly simple. The first instructs the Secretary of Health, Education, and Welfare to begin issuing social security cards that are as counterfeit-proof as possible. The second makes it a crime, and thereby corrects a curious omission in our Criminal Code, to counterfeit, alter, sell, or trade social security cards.

Let me strongly emphasize what I am not doing. I am not supporting the creation of a national identity card—I recoil at the thought—and dissociate myself from the bills introduced in previous Congresses with that ultimate end in mind. My bill does not in the least specify what information should be on a new tamper-proof card. Above all, I desire no photo, I envision no central computer that contains personal information on all Americans, and intend that no one be given the right to demand the showing of the card. My goal is to stop the easy commerce in false cards, cards that now present no obstacle to duplicating even to a clever child. Let the Senate decide, or let Secretary Califano decide, what is printed on the cards, but let us at least agree on stopping the unauthorized production and sale of them.

I have suggested in this legislation that the new cards be made of banknote paper, in the belief that the Social Security Administration is already moving in that direction. The bill directs the Secretary to report back to the Congress within 90 days with plans both to begin issuing the new card and to replace existing cards. The replacement of existing cards will no doubt take years to accomplish, but it can and should be done.

In the bill which amends the Criminal Code I have suggested a maximum imprisonment of 5 years and fine of $5,000 as punishment for counterfeiting or selling the cards. Let the Judiciary Committee consider this and change it if they see fit. Again, my interest lies in making such counterfeiting or sale a crime, not in the severity of the punishment.

Within the space of a few days earlier this month, three distinguished national leaders expressed to me their support for this legislation: Attorney General Bell, Labor Secretary Marshall, and Secretary-Treasurer Lane Kirkland of the AFL–CIO. The interests of these men are by no means uniform, and I believe their support evidences that to be found in Congress.

Perhaps the most powerful argument for a tamper-proof social security card is the increase in illegal immigration and in the employment of illegal aliens in the United States. Illegal immigration is an especial difficulty at a time when considerable unemployment exists in groups competing with illegal aliens for scarce jobs. It is estimated, for example, that 3 to 4 million illegal aliens are now in the labor force. With the national unemployment rate for 1978 at 6 percent and the New York rate an even higher 8.2 percent, we cannot afford to give over more jobs to the illegal immigrant.

Furthermore, because legal and illegal immigrants come from the same countries, there is too often a presumption by prospective employers that certain job applicants are here illegally when they are not. This presumption puts an unfair burden on such legal workers, and our Government ought to protect them by destroying any presumption of illegality.

Now in all of this a further note of caution must be sounded, for as I wrote in Commentary in 1974:

> The United States is . . . resuming its role as a nation of first- and second-generation immigrants, almost the only one of its kind in the world, incomparably the largest, and for the first time in our history or any other, a nation drawn from the entire world.

Men and women the world over flee oppression and poverty for America's freedom and prosperity. The continuing ethnic character of American life, a puzzle needing explanation, as Nathan Glazer and I tried to emphasize in our book, "Beyond the Melting Pot," is a source of America's greatness. This legislation treating social security cards is not framed to encourage even a half step backwards into the lamentable disease of know-nothingism—far from it. I embrace and applaud the robust desire on the part of so many men and women to come to the soil of the United States. Indeed, I would argue that therein lies a great lesson for Americans about the quality of our way of life.

This legislation is meant to aid the orderly entrance of legal immigrants into our national labor force. Above all, it is meant to assure the unemployed of our Nation that our Government is doing everything it can to protect for them new jobs that become available.

I fully expect to see these two bills altered to fit the sense of the Senate on this matter; they represent but the beginning. I welcome the coming debate on this issue and invite my colleagues to join in the effort.

By Mr. DURKIN (for himself, Mr. BUMPERS, Mr. EAGLETON, Mr. CHILES, Mr. CRANSTON, Mr. FORD, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. MCCLURE, and Mr. MCGOVERN):

S. 268. A bill to amend the Federal Trade Commission Act to provide that under certain circumstances exclusive territorial arrangements relating to the manufacture, sale, or distribution of soft drink products are not unlawful; to the Committee on the Judiciary.

SOFT DRINK BOTTLERS' PROTECTION ACT OF 1979

Mr. DURKIN. Mr. President, I am today introducing the Soft Drink Bottlers' Protection Act of 1979, a bill to protect hundreds of small bottlers from the harmful effects of a recent Federal Trade Commission ruling which would force the end of the industry as it now exists.

I am pleased that this legislation is being cosponsored by Senators BUMPERS, EAGLETON, CHILES, CRANSTON, FORD, HOLLINGS, HUDDLESTON, MCCLURE, and MCGOVERN.

Small soft drink bottlers, who would be protected by this legislation, are one of the last remaining bastions of small business left in the country. The soft drink industry is at the same time fiercely competitive and still relatively free from the overconcentration and overlapping ownership that have ruined so many small businesses in this country.

I am proud to say that this is a small business bill. I believe that it is a consumers' bill. In the long run the only people who would stand to gain by this bill's defeat are the large corporations and the regulatory bureaucrats who depend on them.

In New Hampshire there are 11 small soft drink bottlers who are in direct jeopardy from the FTC ruling. These bottlers employ several hundred people. If the FTC's peculiar interpretation of the antitrust laws stands, these bottlers and hundreds like them in other States are living on borrowed time.

For the past 75 years the structure of the soft drink industry has been stable. Local bottling plants in each area are franchised by syrup manufacturers to sell a line of soft drinks in a specific geographic area. Within its territory, of course, each bottler competes with a multitude of other soft drink bottlers dealing in other brands.

The FTC would demolish this time-tested approach by holding that any territorially-based franchise is anticompetitive on its face. This ruling would apply regardless of the actual competitive situation, regardless of the circumstances, and regardless of commonsense.

It is time that the bureaucrats in Washington used commonsense—and helped some small businesses instead of destroying them.

Unless corrected by legislation, the FTC's ruling would effectively destroy the marketing structure of the soft drink industry and put many small bottlers out of business. Most of these small businesses do not have the resources to defend themselves against cut-throat competition and predatory practices on the part of larger firms. Their defenses are few, late and expensive.

Furthermore, Mr. President, the FTC ruling flies in the face of reality. With well over a hundred brands on the market, the industry is one of the most price- and product-competitive in the economy. It is one of the few in the country that has not been taken over by the giant corporations that are aggressively trying to make small businesses an endangered species. Today a large number of these independent bottlers still dot our small towns and rural areas, providing local employment and much needed tax dollars for many communities.

Mr. President, the legislation that I am sponsoring would not give blanket approval to all exclusive territory arrangements. It would not bar the FTC from upholding the law. It would merely make it clear that such franchise arrangements in the soft drink industry are not illegal per se. The FTC could still undertake case-by-case investigations. It could still examine regional or area patterns. If, under the language of this legislation, it found a lack of substantial and effective competition it could still act. But first it would have to get the facts on its side.

If the current ruling stands, it will cause chaos.

It will not protect consumers. It will expose them to monopoly pricing.

It will not protect free enterprise. It will destroy a number of flourishing small businesses.

It will not stimulate competition. It will open the road to predatory pricing.

Mr. President, we must act to ward off these problems. I urge the adoption of this bill and ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 268

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Soft Drink Bottlers' Protection Act of 1979".

Sec. 2. Section 5(a) of the Federal Trade Commission Act (15 U.S.C. 45) is amended by adding at the end thereof the following new paragraph:

"(3) Nothing contained in this Act, or in any of the antitrust Acts, prohibits the inclusion and enforcement in any trademark licensing contract or agreement, pursuant to which the licensee engaged in the manufacture (including manufacture by a sublicensee, agent, or subcontractor), distribution, or sale of a trademarked soft drink product, of any provision granting the licensee the sole and exclusive right to manufacture, distribute, or sell such product within a defined geographic area or limiting the licensee, directly or indirectly, to the manufacture, distribution, or sale of such product only for ultimate resale to consumers within a defined geographic area, if in such defined geographic area—

"(A) such product is in substantial and effective competition with products of the same general class manufactured, distributed, or sold by others;

"(B) the licensee is in substantial and effective competition with vendors of other products of the same general class; and

"(C) the licensor retains control over the nature and quality of such product in accordance with the provisions of the Trademark Act of 1946 (15 U.S.C. 1051).".

Mr. DURKIN. Mr. President, this is a very competitive industry. It is primarily made up of small businessmen.

Once again, the heavy hand of the downtown bureaucrats is reaching into hamlets all across the country, without any real appreciation of the actual situation and any real appreciation or concern for the very competitive structure they are supposed to be trying to maintain and protect.

● Mr. EAGLETON. Mr. President, I am pleased to join with my colleague, the distinguished Senator from New Hampshire (Mr. Durkin), in offering a bill to reverse a very heavy handed Federal Trade Commission ruling against the soft drink bottling industry.

In a recent case involving the Coca-Cola and Pepsi-Cola companies, the FTC ruled that territorial soft drink bottling franchises constitute per se anticompetitive practices. The territorial franchise is the accepted device for bottling and marketing soft drinks. The FTC ruling thus strikes at the very foundation of the industry's marketing structure.

The effect of the FTC ruling can most easily be illustrated by example. Under the ruling, the man who owns the rights to bottle and sell Pepsi-Cola in Brookfield, Mo., automatically is considered a monopolist, even though he is competing with the man who bottles Coca-Cola, the man who bottles Royal Crown, the man who bottles Dr. Pepper, and those who bottle dozens of local and regional brands.

FTC maintains that this grant of exclusive rights to one particular brand of a product stifles competition. They want the small business which bottles Pepsi-Cola in Brookfield to be forced into competition with the big business which bottles and sells Pepsi-Cola in Kansas City. I do not think that would promote competition; I think it would stifle competition, after the big company swallows the little company up.

The FTC action could destroy the marketing structure of the soft drink industry and give large bottlers an opportunity to engage in predatory pricing and marketing practices. Within a few years, the small businessmen who are so important to the industry could be wiped out. In the long run, this would mean higher consumer prices dictated by fewer and larger bottling companies.

The FTC ruling flies in the face of the historical fact that the soft drink industry is one of the most price-competitive and product-competitive businesses. In 1977, Missouri had 51 soft drink bottling plants, 44 of which were owned by Missourians; 35 of these plants employed fewer than 50 employees each, and only 6 of the plants employed more than 100 employees apiece. There were 34-single plant bottling firms; 1977 soft drink sales in Missouri totalled $304.6 million.

Clearly, in some instances, a small bottler can be guilty of anticompetitive or monopolistic practices. Our bill would not prevent FTC from taking action in such instances on a case-by-case basis. By establishing that territorial franchises are not per se anticompetitive practices, our bill simply would make sure that the FTC looks at the facts in each case. The bill would prevent the FTC from making blanket judgments condemning the entire soft drink bottling industry.●

By Mr. BUMPERS (for himself and Mr. Pryor):

S. 269. A bill to amend the Tennessee Valley Authority Act; to the Committee on Environment and Public Works.

Mr. BUMPERS. Mr. President, the bill I am introducing today, as the first of two, is designed the cover an oversight made 20 years ago. In 1959 the Tennessee Valley Authority Act was amended to allow the Tennessee Valley Authority to issue its own bonds. Because there was a feeling at the time that such authority would enable TVA to freely expand its service area to the detriment of private utilities, the act was amended to restrict TVA's service area. The restrictions were left somewhat flexible, however, in order to allow TVA to make adjustments to serve areas contiguous with its service area as it stood when the restriction was imposed. The single rigid restriction is that TVA is not allowed to sell power in a State which it was not serving on July 1, 1957. Apparently to avoid unduly harsh results to certain cities in Kentucky, Georgia, and Tennessee, those cities were specifically exempted from the restriction.

This bill merely adds the city of West Memphis, Ark., to the list of exempted cities, and it does so without violating the purposes and principles of the overall restriction. West Memphis is contiguous with Memphis, which is within TVA's service area. Statistically, West Memphis is considered a part of Memphis, as defined by the Bureau of Census' standard metropolitan statistical area, and, as such, West Memphis is counted as part of Memphis for purposes of receiving some Federal aid. Moreover, electricity generated by TVA may well be sold in West Memphis at this time, as a result of power exchange agreements with other suppliers.

I want to emphasize the limited nature of this amendment, because it does not reopen the debate over public power versus private power, and the citizens of West Memphis should not become hostage to that argument. The amendment does not require TVA to sell power to West Memphis; nor does it require West Memphis to buy TVA's power. It gives each party freedom of choice rather than imposing a barrier, which in this particular case is purely artificial and, for that matter, contrary to the purpose of the territorial restriction which was intended to allow extensions of TVA service to contiguous areas, such as West Memphis. Indeed, West Memphis would qualify for TVA service, even under the present restrictions, except for the statute's use of State boundaries as a barrier to the flow of TVA power. Such a barrier is purely arbitrary, as West Memphis' case demonstrates, since it is united economically with Memphis by the very boundary between Arkansas and Tennessee, the Mississippi River, which solely as a result of the statute bars West Memphis from sharing in TVA power. It is especially ironic that this arbitrary barrier should exist under Federal law when it would most likely be unconstitutional if Tennessee had imposed it upon a private utility. I am not proposing to eliminate that barrier in toto, even though it would be justified. I only propose that it be removed to the extent that it artificially walls off West Memphis from participation in TVA's power. Thus, the amendment merely puts West Memphis within the wall.

Mr. President, the 31,000 people in West Memphis are victims of a rank injustice. They cannot compete for industry, because of the tremendous disparity in electricity rates, even though they have every other asset necessary to attract industry, including industrious hard-working people.

I have some rate comparisons which I would like you to consider and then tell me whether you would like to live in West Memphis and try to entice into your community an industry that uses even small amounts of power when that industry can go right across the Mississippi River Bridge and get power at rates which are 30 to 50 percent cheaper. For example, 1,000 kilowatt hours to a residential customer in West Memphis is now $37.08. If you live in Memphis you can get that amount for $29. For a commercial enterprise, 3,000 kilowatt-hours in West Memphis now costs $167, but if you go 3 miles across that bridge, it costs $111; 100,000 kilowatts for an industry under the industrial rate base costs $3,413 in West Memphis, and across the river in Memphis it costs $2,830.

Mr. President, I ask unanimous consent that a chart entitled "Comparison of Rates of West Memphis and Memphis Light, Gas & Water—1969, 1974 and 1979," be printed in the Record.

There being no objection, the chart was ordered to be printed in the Record, as follows:

Comparison of rates of West Memphis and Memphis Light, Gas & Water—1969, 1974, and 1979

	1969	1974	1979
Residential (1,000 KWH):			
West Memphis__	17.28	28.36	37.08
Memphis LG&W ______	10.71	14.97	29.30
Commercial (3,000 KWH):			
West Memphis__	92.50	145.98	167.76
Memphis LG&W ______	38.28	53.82	111.90
Industrial (100,000 KWH):			
West Memphis__	1340.00	2384.40	3413.10
Memphis LG&W ______	621.00	1043.00	2830.00

Mr. BUMPERS. Mr. President, we are not talking about a construction project. We are not talking about any cost to the Federal Government. We are talking about simple justice. We are talking about this law and the pushing of a button rectifying that injustice.

We have all become acutely aware of the necessity for minimizing the cost of energy, not only by conserving but by seeking less expensive sources of energy. This bill would simply allow West Memphis a fully justified opportunity to do so.

Mr. President, I ask unanimous consent that the bill amending the Tennessee Valley Authority Act be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 269

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 15d(a) of the Tennessee Valley Authority Act is amended by inserting the words "West Memphis, Arkansas;" following the words "South Fulton, Tennessee."

By Mr. BUMPERS (for himself and Mr. Ford):

S. 270. A bill to amend the Occupational Safety and Health Act of 1970 to insure equal protection of the laws for small business and to provide that any employer who successfully contests a citation or penalty shall be awarded a reasonable attorney's fee and other reasonable litigation costs; to the Committee on Human Resources.

Mr. BUMPERS. Mr. President, today I am introducing a bill that is similar to the bill that was just introduced by the Senator from New Mexico (Mr. Domenici) dealing with attorney fees.

As I understood Senator Domenici's explanation, his bill would allow attorney's fees to be awarded to any citizen who prevails in a suit brought by the U.S. Government.

I have a series of bills on this subject. I am attacking this problem selectively because a bill that allows attorneys' fees in every instance may not be enacted into law.

This morning I am introducing a bill that would require OSHA the Occupational Safety and Health Administration to pay all attorneys' fees and other reasonable litigation costs when it loses a case against an employer. At the present time, as the Senator from New Mexico has pointed out, there is no incentive for a taxpayer to have a stiff enough spine to challenge OSHA.

OSHA has the U.S. Treasury, the U.S. Mint, and the Government printing presses to use against any citizen who may rightly or wrongly believe he has been persecuted unjustly.

If I may digress for a moment, the following could take place if an inspector from the Wage and Hour Division comes into your office and says you have not been paying a minimum wage. You may have thought you had an exemption. Regardless of your reason, let us assume that the inspector says, "You lack $10,000 having paid the minimum wage for the past year. Therefore, we are assessing you $10,000. Pay up."

The taxpayer says, "I don't believe I violated the law. I am in compliance with the wage and hour law. I will let you take me into court."

Then the Federal inspector says, "If you do that, instead of your fine being $10,000 it will be $20,000 if you lose, plus costs and attorney fees."

I have heard a lot of arguments from labor lawyers to justify that law, but none have ever been compelling to me. I do not know where the equity and the fairness is in a law that operates in this manner.

However, that is another bill, Mr. President. I will introduce that bill early next week.

I have another bill, called the "taxpayer's bill of rights," that provides for the Internal Revenue Service to pay your attorney's fees and costs if the IRS sues you and loses.

However, the bill I am introducing today is one of the best ways we can bring to bay some of the arrogance of Federal people who inspect businesses and the citizens of this country. These inspectors will be aware when they go into a plant or business that the taxpayer may just stiffen his spine if he knows that a successful court challenge is going to cost the Federal Government attorney's fees and court costs.

I am not condemning OSHA. Arkansas once had the highest rate of industrial accidents of any State in the Union. I would have been completely insensitive to have been against the Occupational Safety and Health Act. But I can tell you that the mail in my office is too consistent. It comes from sensible, thoughtful small businessmen across this country. They tell me of the rudeness and contempt with which they are treated by some inspectors who come into their plants and levy a $50 fine because OSHA detected a toilet seat that did not comply with OSHA regulations.

Mr. President, last year Secretary of Labor, Ray Marshall, announced that the Occupational Safety and Health Administration (OSHA) was proposing to eliminate nearly 1,100 of its regulations. After a lengthy comment and evaluation period, 928 were finally wiped off the books last fall. This was, in the words of Secretary Marshall and OSHA Administrator Eula Bingham, the first in a series of steps designed to bring a little "commonsense" into OSHA's regulation of worksites.

I must say that if any announcement received more praise since I have been in Washington, I have not heard of it. But why did the public embrace the policy change with such enthusiasm? I think it is clear that they viewed this as an indication that OSHA was finally trying to "clean up its act," finally going to settle down and work with business, not against business, toward the goal of worker safety.

The question remains—where do we go from here? How do we transform OSHA from the all-intrusive, nitpicking, big brother role it has played in the past, into a constructive agency that employers will respect and welcome into their workplaces?

Today I am proposing a second step in the "commonsense" campaign. My bill would require OSHA to pay all attorneys fees and other reasonable litigation costs when it loses a case against an employer. Pure and simply, it represents commonsense.

Needless to say, this bill will not require OSHA to pay attorneys' fees where the defendant does not prevail. However, where the defendant is exonerated, it is only fair that he should not bear the burden of the costs he incurred while defending his position.

In looking at existing law, it is evident that where an employer chooses to contest a decision of OSHA, he is at a decided disadvantage. Even if he thinks he is innocent of any wrongdoing, an employer is forced to decide between acquiescing to OSHA's ruling on the one hand and contesting the ruling with the possibility of losing the case on the other. It is important to note that if he picks the latter alternative, he is saddled with the costs of preparing a defense—regardless of the case's outcome. Thus, whenever OSHA brings suit against an employer, the employer loses one of three ways:

First. He can agree to comply with OSHA's ruling from the start; or second, he can contest and lose, thus incurring both legal expenses, as well as compliance costs; or third, he can contest and win, yet still be forced to pay his own legal costs.

In theory, our court procedure is supposed to be impartial. This is one blatant example where it is not. Fortunately, this is one case where the solution is clear cut and easy to achieve. We must simply give an employer the chance to win his case. This is what my bill is designed to do.

One additional point that should be made is this: The small businessman really needs and deserves the relief this bill provides. Although as a matter of principle, the right to recoup attorney's fees should exist for large, as well as small businesses, the detriment to the small businessman is more acute and graphic.

Obviously, there are not many small businessmen who can afford to hire a topnotch lawyer to defend themselves against a battery of attorneys from OSHA's Solicitor's Office. The poor small businessman knows OSHA's legal defense team will be awesome. He knows that if he hires an expensive lawyer to counteract the legal talent of OSHA, he is going to be faced with a large bill whether he wins or loses the case. Many small businessmen simply cannot afford this.

The few that can often find that attorneys' fees exceed the cost of complying with OSHA's decree. Thus, regardless of whether the small businessman acquiesces to OSHA in the first place, loses the case, or even wins the case, he ends up being penalized.

What we are then doing to our small businesses is forcing them to capitulate to OSHA's rulings without a fight. We are effectively denying them their day in court because it just is not worth it for them to contest OSHA's rulings. We boast that we give employers a fair shake, but we stack the cards so heavily against them that they lose any way they turn.

Mr. President, there can be no better way for OSHA to foster the growth of ill will toward the Government than to force a man to admit to something he feels he did not do. At the same time, there can be no better way to rectify this condition than to give the innocent employer a chance to win his case with no hidden penalties and costs. My bill will afford every employer this opportunity.

Let us be tough on employers who endanger the safety of our workers. Let us take these violators to court if we have to. But let us be fair to those whom we find innocent of wrongdoing.

I sincerely hope that my colleagues will cosponsor this bill.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 270

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 10(c) of the Occupational Safety and Health Act of 1970 is amended by inserting immediately after the second sentence thereof the following new sentence: "In any case where the Secretary's citation or proposed penalty is vacated, such order shall include an assessment against the United States of a reasonable attorney's fee and other reasonable litigation costs in connection with contesting the citation or proposed penalty, which shall be paid to the employer contesting the citation or proposed penalty.".

(b) The first sentence of section 11(a) of such Act is amended by inserting immediately after "section 10" the following: ", or any employer seeking enforcement of an order of the Commission issued under such subsection for assessment against the United States of attorney's fees and other litigation costs,", by inserting "or enforcement, as the case may be," immediately after "review", and by inserting immediately before the period "or enforced".

(c) Section 11(a) of such Act is amended by inserting immediately after the third sentence the following: "In any case in which an order affirming or modifying a citation or proposed penalty is set aside by the court, such decree shall include an assessment against the United States of a reasonable attorney's fee and other reasonable litigation costs in connection with contesting the citation or proposed penalty and seeking review of such order, which shall be paid to the employer contesting the citation or proposed penalty and seeking review of such order.".

(d) Section 11 of such Act is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding section 2408 of title 28, United States Code, costs assessed against the United States under subsection (a) or under section 10(c) shall be paid from funds appropriated under section 33.".

By Mr. HART (for himself and Mr. Thurmond):

S. 290. A bill to revise the Strategic and Critical Materials Stock Piling Act, to require that appropriations for acquisition of strategic and critical materials be authorized by law, to establish a national defense stockpile transition fund, and for other purposes; to the Committee on Armed Services.

STRATEGIC AND CRITICAL MATERIALS STOCK PILING REVISION ACT OF 1972

● Mr. HART. Mr. President, today I am introducing a bill which is a complete revision of the outdated Strategic and Critical Materials Stock Piling Act of 1939. My colleague, Senator Thurmond, who worked with me during the last session of Congress on strategic stockpile matters, is a cosponsor of the bill.

This bill is in essence the same stockpile policy bill which was reported by the Senate Armed Services Committee during the 95th Congress. The bill has been slightly revised in concert with Representative Bennett of Florida and he has introduced a similar bill in the House—H.R. 22.

Mr. President, I want to reiterate and reinforce a position I took during the 95th Congress on the strategic stockpile issue. Before any action is taken that would involve the buying or selling of strategic and critical materials, I believe the Congress must first address the question of stockpile policy. My intention in introducing this stockpile policy bill at this early date is to provide the opportunity for that bill to be acted upon by the Senate before we address the highly controversial issues of buying and selling commodities such as: tin, copper, silver, diamonds, and other commodities.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 290

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Strategic and Critical Materials Stock Piling Revision Act of 1979".

Sec. 2. The Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98—98h-1) is amended to read as follows:

"SHORT TITLE

"Section 1. This Act may be cited as the 'Strategic and Critical Materials Stock Piling Act'.

"FINDINGS AND PURPOSE

"Sec. 2. (a) The Congress finds that the natural resources of the United States in certain strategic and critical materials are deficient or insufficiently developed to supply the military, industrial, and essential civilian needs of the United States for national defense.

"(b) It is the purpose of this Act to provide for the acquisition and retention of stocks of certain strategic and critical materials and to encourage the conservation and development of sources of such materials within the United States and thereby to decrease and to preclude, when possible, a dangerous and costly dependence by the United States upon foreign sources for supplies of such materials in times of national emergency.

"MATERIALS TO BE ACQUIRED: PRESIDENTIAL AUTHORITY AND GUIDELINES

"Sec. 3. (a) The President shall determine from time to time (1) which materials are strategic and critical materials for the purposes of this Act, and (2) the quality and quantity of each such material to be acquired for the purposes of this Act and the form in which each such material shall be acquired and stored. Such materials when acquired, together with the other materials described in section 4 of this Act, shall constitute and be collectively known as the National Defense Stockpile (hereinafter in this Act referred to as the 'stockpile').

"(b) The President shall make the determinations required to be made under subsection (a) on the basis of the following principles:

"(1) The purpose of the stockpile is to serve the interest of national defense only and is not to be used for economic or budgetary purposes.

"(2) The quantities of the materials stockpiled should be sufficient to sustain the United States during a national emergency of up to three years in duration.

"(c) The quantity of any material to be stockpiled under this Act, as determined under subsection (a), may not be revised unless the Committees on Armed Services of the Senate and House of Representatives are notified in writing of the proposed revision and the reasons for such revision at least thirty days before the effective date of such revision.

"MATERIALS CONSTITUTING THE NATIONAL DEFENSE STOCKPILE

"SEC. 4. (a) The stockpile shall consist of the following materials:

"(1) Materials acquired under this Act and contained in the national stockpile on the day before the date of the enactment of the Strategic and Critical Materials Stock Piling Revision Act of 1979.

"(2) Materials acquired under this Act on or after the date of the enactment of the Strategic and Critical Materials Stock Piling Revision Act of 1979.

"(3) Materials in the supplemental stockpile established by section 104(b) of the Agricultural Trade Development and Assistance Act of 1954 (as in effect from September 21, 1959, through December 31, 1966) on the day before the date of the enactment of the Strategic and Critical Materials Stock Piling Revision Act of 1979.

"(4) Materials acquired by the United States under the provisions of section 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2093) and transferred to the stockpile by the President pursuant to subsection (f) of such section.

"(5) Materials transferred to the United States under section 663 of the Foreign Assistance Act of 1961 (22 U.S.C. 2423) and allocated by the President under subsection (b) of such section to the General Services Administration for stockpiling in the stockpile.

"(6) Materials acquired by the Commodity Credit Corporation and transferred to the stockpile under section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)).

"(7) Materials acquired by the Commodity Credit Corporation under paragraph (2) of section 103(a) of the Act entitled 'An Act to provide for greater stability in agriculture; to augment the marketing and disposal of agricultural products; and for other purposes', approved August 28, 1954 (7 U.S.C. 1743(a)), and transferred to the stockpile under the third sentence of such section.

"(8) Commodities transferred to the stockpile by the President under paragraph (4) of section 103(a) of such Act of August 28, 1954.

"(b) Notwithstanding any other provision of law, any material that (1) is under the control of any department or agency of the United States, (2) is determined by the head of such department or agency to be excess to its needs and responsibilities, and (3) is required for the stockpile shall be transferred to the stockpile. Any such transfer shall be made without reimbursement to such department or agency, but all costs required to effect such transfer shall be paid or reimbursed from funds appropriated carry out this Act.

"AUTHORITY FOR STOCKPILE OPERATIONS

"SEC. 5. (a) Except for acquisitions made under the authority of paragraph (3) or (4) of section 6(a), no funds may be obligated or appropriated for acquisition of any material under this Act unless funds for such acquisition have been authorized by law. Funds appropriated for such acquisition shall remain available for a period of two fiscal years, if so provided in appropriation Acts.

"(b) Except for disposals made under the authority of paragraph (4) or (5) of section 6(a) or under section 7(a), no disposal may be made from the stockpile unless such disposal of, has been specifically authorized by law.

"(c) There is authorized to be appropriated such sums as may be necessary to provide for the transportation, processing, refining, storage, security, maintenance, rotation, and disposal of materials contained in or acquired for the stockpile. Funds appropriated for such purposes shall remain available to carry out the purposes for which appropriated for a period of two fiscal years, if so provided in appropriation Acts.

"STOCKPILE MANAGEMENT

"SEC. 6. (a) The President shall—

"(1) acquire the materials determined under section 3(a) to be strategic and critical materials;

"(2) provide for the proper storage, security, and maintenance of materials in the stockpile;

"(3) provide for the refining or processing of any material in the stockpile when necessary to convert such material into the form most suitable for storage and subsequent disposition;

"(4) provide for the rotation of any material in the stockpile when necessary to prevent deterioration of such material by replacement of such material with an equivalent quantity of substantially the same material;

"(5) subject to the notification required by subsection (d)(2), provide for the timely disposal of materials in the stockpile that (A) are excess to stockpile requirements, and (B) may cause a loss to the Government if allowed to deteriorate; and

"(6) dispose of materials in the stockpile the disposal of which is specifically authorized by law.

"(b) Except as provided in subsections (c) and (d), acquisition of strategic and critical materials under this Act shall be made in accordance with established Federal procurement practices, and, except as provided in subsections (c) and (d) and in section 7(a), disposal of materials from the stockpile shall be made by formal advertising or competitive negotiation procedures. To the maximum extent feasible—

"(1) formal advertising procedures shall be used in the acquisition and disposal of such materials;

"(2) efforts shall be made in the acquisition and disposal of such materials to avoid undue disruption of the usual makets of producers, processors, and consumers of such materials and to protect the United States against avoidable loss; and

"(3) disposal of such materials shall be made for domestic consumption.

"(c)(1) The President shall encourage the use of barter in the acquisition of strategic and critical materials for, and the disposal of materials from, the stockpile when acquisition or disposal by barter is authorized by law and is practical and in the best interest of the United States.

"(2) Materials in the stockpile, the disposition of which is authorized by law, shall be available for transfer at fair market value as payment for expenses (including transportation and other incidental expenses) of acquisition of materials, or of refining, processing, or rotating materials, under this Act.

"(3) To the extent otherwise authorized by law, property owned by the United States may be bartered for materials needed for the stockpile.

"(d)(1) The President may waive the applicability of any provision of the first sentence of subsection (b) to any acquisition of material for, or disposal of material from, the stockpile. Whenever the President waives any such provision with respect to any such acquisition or disposal, or whenever the President determines that the application of paragraph (1), (2), or (3) of such subsection to a particular acquisition or disposal is not feasible, the President shall notify the Committees on Armed Services of the Senate and House of Representatives in writing of the proposed acquisition or disposal at least thirty days before any obligation of the United States is incurred in connection with such acquisition or disposal and shall include in such notification the reasons for not complying with any provision of such subsection.

"(2) Materials in stockpile may be disposed of under subsection (a)(5) only if the Committees on Armed Services of the Senate and House of Representatives are notified in writing of the proposed disposal at least thirty days before any obligation of the United States is incurred in connection with such disposal.

"SPECIAL DISPOSAL AUTHORITY OF THE PRESIDENT

"SEC. 7. (a) Materials in the stockpile may be released for use, sale, or other disposition—

"(1) on the order of the President, at any time the President determines the release of such materials is required for purposes of the national defense; and

"(2) in time of war declared by the Congress or during a national emergency, on the order of any officer or employee of the United States designated by the President to have authority to issue disposal orders under this subsection, if such officer or employee determines that the release of such materials is required for purposes of the national defense.

"(b) Any order issued under subsection (a) shall be promptly reported by the President, or by the officer or employee issuing such order, in writing, to the Committees on Armed Services of the Senate and House of Representatives.

"MATERIALS DEVELOPMENT AND RESEARCH

"SEC. 8. (a)(1) The President shall make scientific, technologic, and economic investigations concerning the development, mining, preparation, treatment, and utilization of ores and other mineral substances that (A) are found in the United States, or in its territories or possessions, (B) are essential to the national defense, industrial, and essential civilian needs of the United States, and (C) are found in known domestic sources in inadequate quantities or grades.

"(2) Such investigations shall be carried out in order to—

"(A) determine and develop new domestic sources of supply of such ores and mineral substances;

"(B) devise new methods for the treatment and utilization of lower grade reserves of such ores and mineral substances; and

"(C) develop substitutes for such essential ores and mineral products.

"(3) Investigations under paragraph (1) may be carried out on public lands and, with the consent of the owner, on privately owned lands for the purpose of exploring and determining the extent and quality of deposits of such minerals, the most suitable methods of mining and beneficiating such minerals, and the cost at which the minerals or metals may be produced.

"(b) The President shall make scientific, technologic, and economic investigations of the feasibility of developing domestic sources of supplies of any agricultural material or for using agricultural commodities for the manufacture of any material determined pursuant to section 3(a) of this Act to be a strategic and critical material or substitutes therefor.

"NATIONAL DEFENSE STOCKPILE TRANSACTION FUND

"SEC. 9. (a) There is established in the Treasury of the United States a separate fund to be known as the National Defense Stockpile Transaction Fund (hereinafter in this section referred to as the 'fund').

"(b)(1) All moneys received from the sale of materials in the stockpile under paragraphs (5) and (6) of section 6(a) shall be covered into the fund. Such moneys shall remain in the fund until appropriated or until the end of the third fiscal year following the fiscal year in which they are received. Any such moneys remaining in the fund after the end of such third fiscal year that have not been appropriated shall be transferred to miscellaneous receipts of the Treasury. Any of such moneys that are appropriated shall be disbursed from the fund in the order in which they were covered into the fund.

"(2) Moneys covered into the fund under paragraph (1) shall be available, when appropriated therefor, only for the acquisition of strategic and critical materials under section 6(a)(1) of this Act.

"(c) All moneys received from the sale of materials being rotated under the provisions of section 6(a)(4) or disposed of under section 7(a) shall be covered into the fund and shall be available only for the acquisition of replacement materials.

"ADVISORY COMMITTEES

"SEC. 10. (a) The President may appoint advisory committees composed of individuals representing industries concerned with specified stockpile materials to advise the President with respect to the acquisition, transportation, processing, refining, storage, security, maintenance, rotation, and disposal of such materials under this Act.

"(b) Each member of an advisory committee established under subsection (a) while serving on the business of the advisory committee away from such member's home or regular place of business shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons intermittently employed in the Government service.

"REPORTS TO CONGRESS

"SEC. 11. The President shall submit to the Congress every six months a written report detailing operations under this Act. Each such report shall include—

"(1) information with respect to foreign and domestic purchases of materials during the preceding six-month period;

"(2) information with respect to the acquisition and disposal of materials under this Act by barter, as provided for in section 6(c) of this Act, during such period;

"(3) a statement and explanation of the financial status of the National Defense Stockpile Transaction Fund and the anticipated appropriations to be made from the fund during the next fiscal year; and

"(4) such other pertinent information on the administration of this Act as will enable the Congress to evaluate the effectiveness of the program provided for under this Act and to determine the need for additional legislation.

"IMPORTATION OF STOCKPILE MATERIALS

"SEC. 12. Notwithstanding any other provision of law, the President may not prohibit or regulate the importation into the United States of any material determined to be strategic and critical pursuant to the provisions of this Act, if such material is the product of any foreign country or area not listed as a Communist-dominated country or area in general headnote 3(d) of the Tariff Schedules of the United States (19 U.S.C. 1202), for so long as the importation into the United States of material of that kind which is the product of such Communist-dominated countries or areas is not prohibited by any provision of law.

"DEFINITIONS

"SEC. 13. For the purposes of this Act:

"(1) The term 'strategic and critical materials' means materials that (A) would be needed to supply the military, industrial, and essential civilian needs of the United States during a national emergency, and (B) are not found or produced in the United States in sufficient quantities to meet such need.

"(2) The term 'national emergency' means a general declaration of emergency made by the President or by the Congress."

SEC. 3. Nothing contained in this Act shall be construed as amending, repealing, replacing, or otherwise affecting the authority contained in any Act, including the Act entitled "An Act to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome", approved March 18, 1977 (91 Stat. 22), other than the Strategic and Critical Materials Stock Piling Act, as in effect on the day before the date of the enactment of this Act, regarding the acquisition or disposal of strategic and critical materials for the United States.

SEC. 4. (a)(1) Section 103(a) of the Act entitled "An Act to provide for greater stability in agriculture; to augment the marketing and disposal of agricultural products; and for other purposes", approved August 28, 1954 (7 U.S.C. 1743(a)), is amended—

(A) by striking out "the national stockpile established pursuant to the Act of June 7, 1939, as amended (50 U.S.C. 98–98h)" in paragraph (4) and inserting in lieu thereof "the National Defense Stockpile established by the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.)";

(B) by striking out "the national stockpile established pursuant to the Act of June 7, 1939, as amended" in the third sentence and inserting in lieu thereof "the National Defense Stockpile established by the Strategic and Critical Materials Stock Piling Act"; and

(C) by striking out "funds appropriated pursuant to section 8 of such Act of June 7, 1939" in the third sentence and inserting in lieu thereof "funds appropriated for the purposes of that Act".

(2) Section 105 of such Act (7 U.S.C. 1745) is amended by striking out "the national stockpile established pursuant to the Act of June 7, 1939, as amended (50 U.S.C. 98–98h)" and inserting in lieu thereof "the National Defense Stockpile established by the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.)".

(b) Section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)) is amended by striking out "section 2 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596)" and inserting in lieu thereof "section 3 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98a)".

(c) Section 303(f) of the Defense Production Act of 1950 (50 U.S.C. App. 2093(f)) is amended—

(1) by striking out "the national stockpile established pursuant to the Act of June 7, 1939, as amended," in the first sentence and inserting in lieu thereof "the National Defense Stockpile established by the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.)"; and

(2) by striking out "from funds available under such Act of June 7, 1939, as amended" and inserting in lieu thereof "from funds appropriated for the purposes of such Act".

By Mr. RIBICOFF:

S. 291. A bill to provide for posting information in post offices with respect to registration, voting, and communicating with lawmakers; to the Committee on Governmental Affairs.

VOTERS INFORMATION ACT OF 1979

● Mr. RIBICOFF. Mr. President, I introduce for appropriate reference the Voters Information Act of 1979.

This legislation would require that certain information which every citizen of our country needs to have would be posted in each post office. This information would include the qualifications for registration and voting, and the places, dates, and times for registration and voting at elections in the areas served by the post office. The posting would also include the names and office addresses of the Members of Congress and of the State legislature serving the area in which the post office is located. Finally, the posting would include information on the availability and cost of public opinion messages which can be sent to the President, Vice President, or Members of the Congress.

In recent polls taken by both the Gallup and Harris organizations, it has been found that over 50 percent of the American people cannot name their lawmakers at the State or national level. If these people do not even know who their elected representatives are, how can they participate in the democratic process by communicating with their elected representatives and judging the conduct of their elected representatives in the next election.

This act would provide the most basic information about our form of government to the citizen in a location which is easily accessible. The posting of such information would not cost much money and would not in any way involve the postal service in any political matter. Rather, the legislation would provide American citizens with the basic information which they need in order to register and vote and to contact and judge their elected representatives.

Mr. President, I urge the adoption of this bill and ask unanimous consent that it be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 291

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Voters Information Act of 1979."

SEC. 2. (a) There shall be posted in a prominent place in each post office, information with respect to the qualifications for registration and voting, the places, dates, and times for registration and voting at elections in the area served by such post office.

(b) There shall likewise be posted in each post office the names and office addresses of the United States Senators from the State and the Representative in Congress from the congressional district in which such post office is situated.

(c) There shall likewise be posted in each post office the names and office addresses of the representatives to the State legislature from the area in which the post office is situated.

(d) There shall likewise be posted in each post office information on the availability and cost of public opinion messages to the President, Vice-President and members of Congress.

SEC. 3. The Postmaster General shall prescribe such regulations as may be necessary to carry out the provisions of this Act.●

By Mr. McGOVERN (for himself, Mr. TALMADGE, and Mr. DOLE):

S. 292. A bill to reduce the fiscal year 1980 authorization for appropriations for the special supplemental food program; to the Committee on Agriculture, Nutrition, and Forestry.

WIC FUNDING LEVEL

● Mr. McGOVERN. Mr. President, the bill I am introducing today will reduce by $50 million the 1980 funding level for the special supplemental food (WIC) program. The Child Nutrition Amendments of 1978, Public Law 95-627, approved by the President on November 10, 1978, provides an entitlement level of $800 million for fiscal year 1980. This amendment would lower that level to $750 million.

The amendment does not in any way indicate a lessening of my support for the WIC program.

Evidence continues to mount that the WIC program is one of the most effective and successful health and nutrition programs operated by the Federal Government. Continuation and expansion of the program are crucial in the fight to reduce the high infant mortality rate in the United States. The following table shows the current national infant mortality rate in comparison to other countries:

Infant mortality rates around the world

[Deaths per thousand live births]

1. Sweden	9.2
2. Norway	10.5
3. Denmark	10.7
4. Japan	10.8
5. Finland	11.0
6. Holland	11.0
7. France	12.1
8. Switzerland	12.5
9. Spain	13.7
10. Canada	15.0
11. New Zealand	15.6
12. England and Wales	15.9
13. West Germany	15.9
14. Belgium	16.2
15. Australia	16.4
16. United States	16.7
17. Hong Kong	16.8
18. Ireland	17.1
19. Czechoslovakia	20.4
20. East Germany	21.1
21. Italy	22.6
22. Austria	23.4
23. Israel	23.5
24. Poland	23.5
25. Greece	24.0

Source—National Center for Health Statistics, Rockville, Md. Demographic yearbook of the U.N.—1974 data.

Data collected independently by State WIC programs in Arizona, Oregon, and Louisiana during 1974 and 1977 show that WIC participants demonstrated a substantial reduction in anemia, a reduced incidence of low-birthweight infants, and improvement in achieving proper weight in participants who were underweight or overweight when entering the program.

A recent Center for Disease Control study documents that children entering the WIC program have a high prevalence of anemia. After 1 year on the program, the children experienced dramatic improvement in their hemoglobin and hematrocrit values; 94 percent had been raised to satisfactory levels by the second WIC followup visit. The improvements were most dramatic for those children who had the lowest values prior to entering the WIC program. This study indicates that the WIC program also results in a considerable reduction in the number of low-birthweight infants.

When the child nutrition amendments reached the President's desk, I was informed by the White House that the $800 million funding level for 1980 was unacceptably high and that a commitment to reduce that figure by $50 million was crucial to the President's decision of whether or not to sign the bill. As the child nutrition amendments was one of the last bills taken up by the 95th Congress, there was not time for a conference between the House and Senate during which we could have taken into consideration the position of the President. We, therefore, agreed upon this procedure.

Rather than possibly jeopardizing the implementation of many of the meaningful reforms contained in the 1978 act, an agreement was reached under which the sponsors of the legislation agreed to support a $50 million decrease in 1980 WIC funding.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 292

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 17(g) of the Child Nutrition Act of 1966 is amended by striking out "$800,000,000" and inserting in lieu thereof "$750,000,000".

SEC. 2. The provisions of this Act shall become effective October 1, 1979.●

By Mr. DOMENICI:

S. 293. A bill for the relief of Julio Antonio Morales-Flores; to the Committee on the Judiciary.

● Mr. DOMENICI. Mr. President, the private bill I introduce on behalf of Julio Antonio Morales-Flores is at the suggestion of an Assistant U.S. Attorney and a Federal Public Defender.

Mr. Morales lawfully resided in this country from 1954 until 1967, was married to an American citizen and fathered a son who is an American citizen.

For 3½ years he has been in Federal prison at the Government's expense, serving sentences imposed for immigration violations. Yet, had he been more knowledgeable about immigration laws, or had he been informed about the INS laws, he would not have suffered the deportations upon which the subsequent criminal convictions were premised.

This legislation is, therefore, meant to equitably clarify Mr. Morales' status and allow him to lawfully remain in this country with his son.●

By Mr. MATHIAS:

S. 294. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Finance.

Mr. MATHIAS. Congress must again address the issue of social security reform. The Social Security Amendments of 1977 creates a serious inequity. If all Americans are to receive a fair return on their investment in the social security system, the 1977 amendments must be revised.

Under the 1977 amendments, men who retire on a civil service pension cannot, in addition, collect benefits as a survivor or dependent of a spouse who has qualified for social security coverage, unless the social security benefit is greater than the amount he receives under his civil service pension. In that case, he can collect the difference between his pension and social security benefits.

The same offset provision will apply, in 1983, to women who retire on a civil service pension and whose husbands are under the social security system.

This is a gross injustice. Earning a pension through contributions to a civil service system should not make an individual ineligible for benefits as a survivor or dependent of a husband or wife who has fully qualified by their contributions, for social security benefits. While I realize that the civil service pensioner himself has not paid into the social security system, neither have many other dependents who continue to receive social security benefits.

Hundreds of thousands of Federal, State, and local government employees have counted on these benefits as part of their retirement income, especially in this period of intense inflation. The provision clouds the economic future for these citizens. Congress has the responsibility to eliminate a major inequity in the social security system. My bill S. 294 would give Congress the opportunity to do so. It is imperative that we meet this challenge.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

The bill follows:

S. 294

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 334 of the Social Security Amendments of 1977 is amended—

(1) by striking out subsections (a), (b) (3), (c), (d) (3), (e), and (g); and

(2) by striking out "is amended to read" and all that follows in subsections (b)(2) and (d)(2) and inserting in lieu thereof in each instance "is repealed.".

(b) Subsections (a)(1) and (b)(1) of section 336 of such amendments are each amended by striking out all that follows "Act" where it first appears and inserting in lieu thereof "is amended by striking out all that follows 'subsection (q)' and precedes 'and subparagraph (B)'.".

SEC. 2. Subsection (a) of the first section of this Act shall be effective with respect to benefits payable for months beginning with the month in which the Social Security Amendments of 1977 were enacted, in accordance with section 334(f) thereof (as though the amendments made by such subsection (a) had been incorporated in section 334 of such amendments upon its enactment); and the amendments made by subsections (a), (b)(2), (3), (c), (d)(2), (d) (3), and (e) of such section 334 as in effect without regard to this Act shall be deemed never to have become effective. The amendments made by subsection (b) of the first section of this Act shall become effective (as though they had been included upon the enactment of such amendments) as provided in sections 336(c)(1) thereof.

Mr. President, I ask unanimous consent that an article which appeared in the Washington Post, written by Mike Causey, entitled "Pension Offset Plan Is Set," be printed in the RECORD.

There being no objection, the article

was ordered to be printed in the RECORD, as follows:

PENSION OFFSET PLAN IS SET

Federal and postal workers retiring after September of this year stand to lose at least $80 million a year in benefits if they are eligible for both civil service annuities and social security. That is the proposal under a complicated pension offset plan President Carter will send Congress shortly.

The number of future federal retirees that would be hit by the partial pension offset is impossible to predict. But federal officials estimate that nearly 50 percent of the government work force now has some social security entitlement, or will have after they leave government.

The legislation is aimed at cutting back on "double dipper" benefits by future federal retirees who also qualify for social security payments based on service in the private sector. President Carter announced the plan in his new budget, but did not spell out details. Insiders say it would work like this:

The idea is to reduce $1 in benefits from social security for every $3 the retiree receives from his or her federal pension "to the extent that the federal pension exceeds the mean (average) social security worker's benefit." That mean, or average, social security benefit as of now is $279 a month. It changes—usually going up—each year based on the cost of living.

Here is a purely hypothetical example: Suppose that a future retiree leaves government and is entitled to a civil service pension of $500. Because he or she also worked under social security, that individual would also—for sake of the example—get $200 monthly from social security. Under the present system the retiree would get two monthly checks from the government, one for the $500 federal pension (which is taxable) and $200 (nontaxable) from social security.

Under the Carter offset plan, the pension offset would be made on that portion of the federal annuity that exceeded the current social security average payment. For the moment, that figure would be $279. So the $3 for $1 offset in this case would reduce the retiree's social security check by $73 a month.

There is a guarantee in the proposed legislation that would protect retirees entitled to civil service and social security benefits from losing all social security money. It would come into play where the civil service pension was very high, and the social security payment very low. In that case the retiree would be guaranteed social security benefits based on 32 percent of his or her lifetime indexed wages under social security.

Carter's plan, if Congress approves it, would not affect anyone now retired and drawing both civil service retirement and social security. It would go into effect only for persons retiring after September of this year, and only for benefits commencing after that date.

Nevertheless, the offset plan will be a big jolt to everybody now in government. It will mean a minimum annual reduction in their social security benefits of between $77 million and $80 million when fully effective. And that amount of loss will increase as pensions and social security benefits rise.

Pay Protest: Federal workers and a coalition of employe unions are planning a noontime protest march today, blasting President Carter's plan to hold their October pay rise to 5.5 percent. Preliminary data indicates federal workers will be due a 10.25 percent increase to keep pace with inflation, and with industry wages.

The march will start at HEW. Demonstration leaders say the parade route will go to the Housing and Urban Development building, then back to HEW. Union officials and Washington area politicians will be on hand.

National Treasury Employees Union continues its winning ways outside the Treasury Department. Last week it won exclusive bargaining right to represent Department of Energy's 3,600 headquarters workers. NTEU got 601 votes to 286 for the American Federation of Government Employees. One hundred Energy workers voted "no union."

Since last June, the NTEU (once composed exclusively of Internal Revenue Service workers has won representation elections at the Nuclear Regulatory Commission (field and headquarters), Federal Elections Commission, Federal Communications Commission and Pension Benefit Guarantee Corporation.●

By Mr. NUNN (for himself and Mr. DECONCINI):

S. 295. A bill to establish a procedure in addition to impeachment for the retirement of disabled members of the Judiciary of the United States and the removal of those whose conduct is or has been inconsistent with the good behavior required by article III, section 1 of the Constitution, and for other purposes; to the Committee on the Judiciary.

JUDICIAL TENURE ACT

● Mr. NUNN. Mr. President, I rise today to reintroduce legislation which I believe to be one of the most important judicial reforms considered by the Congress in recent years. I first introduced the Judicial Tenure Act in the 93d Congress. It has since progressed through the hearing and committee approval process in the 93d and 94th Congresses, culminating in Senate passage of the bill in the 95th Congress. The bill which I am introducing today, on behalf of myself and Senator DECONCINI, is identical to the one which the Senate passed in September of last year.

The purpose of the Judicial Tenure Act is to provide a means, as an alternative to impeachment, for the disciplining of a Federal judge who is not conforming to the constitutional standard of "good behavior." Examination of our history reveals that impeachment is a ponderous and little used process which, in fact, has resulted in a Federal judiciary which is virtually unchecked and accountable to no one. This realization is particularly disturbing at a time when the other branches of Government are recognizing that it is imperative that the public trust in governmental officials be restored through meaningful standards of conduct and disciplinary mechanisms.

Furthermore, even if impeachment were a more effective means of enforcing the constitutional tenure standard, it is unreasonable to expect the legislative business of this country to come to a halt while the House impeaches and the Senate tries some obscure yet misbehaving judge. Commonsense requires that a logical balance be struck between the gravity of the situation and the interruption of congressional activity.

Mr. President, the facts bear out these assumptions. Over the course of our 200 years as a Nation, only 54 judges and 1 Justice have been officially investigated. Of these, only eight judges and one Justice have been impeached by the House, resulting in the conviction and removal of a mere four judges in two centuries. The last impeachment of a Federal judge was 40 years ago. It is unreasonable to assert that a mere four Federal judges have misbehaved or been disabled in our history.

The Judicial Tenure Act is intended to make available, pursuant to constitutional authority, a more workable and realistic disciplinary mechanism. Detailed examination of existing statutory provisions in this area has revealed that, while administrative authority has been provided to various entities within the Federal court system, no specific statutory language exists which would authorize disciplinary action in the case of a misbehaving judge.

The principles embodied in this bill are not new ones and the procedures proposed have been thought through and refined over a period of more than 40 years. Constitutional amendments on the subject of judicial discipline and tenure were proposed in the early 1800's, and legislation contemplating statutory authority has been considered periodically since 1936.

This legislation has been carefully drafted so as to create a procedure, appropriately circumscribed by due process protections, which would ultimately authorize the censure, removal or involuntary retirement of a judge or Justice determined to be in derogation of the constitutional standard of "good behavior." Hearings have been held on various aspects of this proposal over the years and changes have been made in the legislation to reflect the constructive suggestions developed in those forums.

Some have asserted that this proposal may present constitutional problems. I believe that these concerns are unfounded and that the weight of credible authority not only supports its constitutionality but indicates that the procedure, based upon common law precedent, is contemplated by the applicable provisions of the Constitution.

The Judicial Tenure Act has been endorsed in total or in principle by the American Bar Association, the American Judicature Society, the American Association of Attorneys General, and the Judicial Conference of the United States. As I mentioned, it was passed by the Senate last year.

Mr. President, a great deal of the credit for the progress of this legislation in the 95th Congress must be accorded to Senator DECONCINI, who is the principal cosponsor of the bill. In his role as chairman of the Subcommittee on Improvements in Judicial Machinery, he did yeoman-like work in conducting hearings on this issue, developing constructive additions to the bill and shepherding the legislation through the Judiciary Committee. I would like to thank him for those efforts and I look forward to working with him in the same fashion this year.

I will not take up any more time at this point. In closing, I would like to express my belief that the Judicial Tenure Act represents a principle whose time has come and my hope that the Judiciary Committee and the full Senate will act expeditiously to confirm that fact.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 295

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Judicial Tenure Act".

PROCEDURES FOR INVOLUNTARY RETIREMENT, REMOVAL, OR CENSURE

SEC. 2. (a) Title 28, United States Code, is amended by adding immediately after chapter 17 the following new chapter:

"Chapter 18.—PROCEDURES FOR INVOLUNTARY RETIREMENT, REMOVAL, OR CENSURE

"Sec.
"381. Judicial Conduct and Disability Commission; establishment.
"382. Committees; selection of members; receipt of complaints.
"383. Complaint concerning the condition or conduct of judges; filing and processing.
"384. Procedure before the Judicial Conduct and Disability Commission.
"385. Court on Judicial Conduct and Disability; duties of the Judicial Conference of the United States relating to proceedings with respect to involuntary retirement, removal, and censure.
"386. Disqualification of judges.
"387. Confidentiality of proceedings.
"388. Removal or censure of judges.
"389. Justices of the Supreme Court; report of impeachment or censure.
"390. Claims of involuntarily retired judges relating to judicial duties.
"391. Rules of procedure; Court on Judicial Conduct and Disability, Judicial Conduct and Disability Commission, and committees; attorney's fees.
"392. Intervention; amicus curiae; mandamus.

"§ 381. Judicial Conduct and Disability Commission; establishment

"(a) There is established in the judicial branch of the Government a body which shall be known as the Judicial Conduct and Disability Commission. The mandate of the commission shall be to further the honest, impartial, and efficient administration of justice in the courts of the United States in accordance with the duties imposed upon it by law. The Judicial Conference of the United States is authorized and directed to appoint an executive director, whom it may remove for cause shown. The Judicial Conference shall fix the compensation of the executive director at a rate not to exceed the lowest annual rate of pay payable for grade 16 of the General Schedule (GS–16) prescribed under section 5332 of title 5. The executive director shall be eligible for increases in pay corresponding with those provided for by section 5335 of title 5. The executive director with the approval of the commission, may appoint necessary employees of the commission in such number as may be approved by the Director of the Administrative Office of the United States Courts.

"(b) (1) The commission shall be composed of one member from each judicial circuit, and one member selected colletively by the judges of the Court of Claims, the Court of Customs and Patent Appeals, and the Customs Court. Each member shall be a judge of the United States in regular active service or senior status. Each member from a circuit shall be elected by the circuit and district judges of the circuit who are in regular active service or senior status, at a judicial conference of the circuit held pursuant to section 333 of this title. The one member representing the Court of Claims, the Court of Customs and Patent Appeals, and the Customs Court shall be elected by the judges of those courts who are in regular active service or senior status. A judge of any court created by an Act of Congress in a terriory which is invested with jurisdiction of a district court of the United States may not take part in any election or be elected as a member of the commission. A judge who is a member of the Judicial Conference may not serve simultaneously as a member of the commission. The members of the commission shall elect one of its members as chairman of the commission.

"(2) The chairman may appoint, pursuant to rules promulgated under section 391 of this title, a panel of seven members of the commission to carry out the duties of the commission under this chapter and to consider any complaint not dismissed under section 383(a) of this title. The panel is authorized to act on behalf of the commission upon the concurrence of four of the members of the panel.

"(c) (1) The term of each member of the commission shall be three years except that when the commission is initially selected four of the members shall serve two-year terms and four of the members shall serve one-year terms. The chairman shall decide who shall serve each of the initial terms. The term of any member shall automatically be extended until his successor has qualified. A member selected to fill a vacancy shall commence a full three-year term. A judge may serve on the commission any number of terms but may not serve consecutive terms.

"(2) The term of a member of the commission shall automatically expire when that member resigns as a judicial officer, is involuntarily retired under section 372(c) of this title, or is removed or censured under section 388 of this title.

"(d) For the purposes of section 456 of this title, the performance of duties as a member of the commission shall constitute the transaction of official business.

"§ 382. Committees; selection of members; receipt of complaints

"Each circuit, the Court of Claims, the Court of Customs and Patent Appeals, and the Customs Court shall have a committee of judges who are in regular active service or senior status to receive, process, and review any complaints against judges of their respective circuits or courts transmitted from the Judicial Conduct and Disability Commission under section 383(a) of this title. The chief judge of the circuits, the Court of Claims, the Court of Customs and Patent Appeals, and the Customs Court, shall sit as the presiding officer of the respective committee. The other members shall be selected in accordance with the rules promulgated under section 391 of this title. Judges of the district court and court of appeals must be represented in the case of a circuit committee. During consideration of a complaint filed by or against a chief judge, the next most senior member of the circuit, or of the Court of Claims, the Court of Customs and Patent Appeals, or the Customs Court, shall sit as presiding officer of the committee and select the other members of the committee. Upon receipt of a complaint transmitted from the commission, the committee shall convene and conduct its proceedings in accordance with the rules promulgated under section 391 of this title.

"§ 383. Complaint concerning condition or conduct of judges; filing and processing

"(a) Any person may file a complaint with the Judicial Conduct and Disability Commission setting forth the condition or conduct of a judge of the United States, alleging that such condition or conduct violates the good behavior standard required by article III, section 1 of the Constitution. All complaints shall be in writing and certified or subscribed in the manner set forth in section 1746 of this title. The commission, acting through its executive director, shall dismiss by written order, without prejudice, any complaint found to be improperly verified or subscribed, or, after preliminary inquiry, with prejudice, any complaint which is frivolous or outside the jurisdiction of the commission. Complaints which are outside the jurisdiction of the commission include, but are not limited to, complaints relating to the merits of any decision or procedural ruling of a judge, and complaints relating to the condition or conduct of a judge which is not connected with his judicial office or which does not prejudice the administration of justice by bringing the judicial office into disrepute. Any complaint not initially dismissed by the commission, acting through its executive director, shall be transmitted within seven days of the filing of the complaint to the presiding officer of the committee of the respective circuit or court. A judge whose condition or conduct is the subject of a complaint transmitted to a committee shall receive a copy of such complaint and shall be notified in writing by the commission of his right to submit to the committee within ten days a written statement in his own behalf and of other rights under rules promulgated under section 391 of this title.

"(b) Upon receipt of the complaint from the commission, the committee shall conduct a preliminary investigation to determine the nature and existence of any of the grounds specified in section 372(c) of this title for the involuntary retirement of a judge, or in section 388 of this title for the removal or censure of a judge.

"(c) (1) Each committee, after completion of its investigation and on the basis of the grounds specified in section 372(c) or 388 of this title, shall, by majority vote, recommend to the commission—

"(A) dismissal of any complaint which it finds to be frivolous, insufficient in law or fact, or outside the jurisdiction of the commission; or

"(B) further investigation by the commission of any complaint for which the committee finds sufficient cause to believe that the condition or conduct of the judge may be inconsistent with the good behavior required by article III, section 1 of the Constitution; or

"(C) that there be a reasonable period of time in which the committee be authorized to attempt to address the specified matter raised in such complaint.

"(2) A copy of the recommendation of the committee under this subsection, accompanied by a written explanation, shall be forwarded to the commission and the judge under inquiry.

"(d) The committee shall have no longer than thirty days from the receipt of the complaint from the commission in which to make a recommendation under subsection (c) of this section, except that the commission, in the interest of justice and for cause shown, may grant a reasonable extension upon application made by the committee.

"(e) The committee may utilize existing staff employed by the circuit or court, or employees of other circuits or courts, or may request the Director of the Administrative Office of the United States Courts to procure personal services of experts and consultants, as authorized by section 3109 of title 5, as may be necessary to carry out the duties of the committee in any particular case under this chapter.

"§ 384. Procedure before the Judicial Conduct and Disability Commission

"(a) Upon receipt of the recommendation of a committee as provided in section 383 of this title, the Judicial Conduct and Disability Commission, pursuant to rules promulgated under section 391 of this title, shall either dismiss the complaint, initiate an investigation of its own to determine the nature and existence of any of the grounds specified in section 372(c) of this title for the involuntary retirement of a judge or in section 388 of this title for the removal or censure of a judge, or if necessary, authorize a reasonable period of time for the committee to attempt to address the specified matter raised in such complaint. Upon the conclusion of the time period, the committee shall either recommend that the case be dismissed or that the commission conduct a further investigation. Any judge whose condition or conduct is the subject of an investigation under this subsection shall be notified in writing of the pending investigation, and of his right to submit a written statement in his own behalf and of other rights under rules promulgated under section 391 of this title.

"(b)(1) The commission is authorized to administer oaths, order and otherwise provide for the inspection of books and records, and issue subpenas for the attendance of witnesses and the production of papers, books, accounts, documents, and testimony relevant to the conduct of any investigation under this chapter. Such attendance of witnesses and the production of such evidence may be required from any place within the United States and its territories at any designated place of hearing within the United States upon payment of fees and expenses as prescribed by law.

"(2) If a person who is the subject of a subpena issued under paragraph (1) of this subsection refuses to obey such subpena, the commission may invoke the aid of the district court of the district in which the subpenaed party either resides or may be found. The district court may issue an order requiring such person to produce evidence or to give testimony relating to the matter under investigation. Any failure to obey such order of the district court may be punished by such court as contempt thereof.

"(c) The commission, or a panel acting on behalf of the commission, after completion of its investigation and on the basis of the grounds specified in section 372(c) or 388 of this title, shall, by majority vote—

"(1) dismiss any complaint which it finds to be frivolous, insufficient in law or fact, or outside the jurisdiction of the commission; or

"(2) recommend to the Court on Judicial Conduct and Disability that it hold a hearing on any complaint for which the commission finds sufficient cause to believe that the condition or conduct of the judge may be inconsistent with the good behavior required by article III, section 1 of the Constitution.

"(d) Whenever the commission dismisses a complaint under subsection (c)(1) of this section, section 383(a), or 384(a), the judge against whom the complaint was filed and the complainant shall be notified in writing of the action taken and the reason for the order of dismissal. Within ten days after such notification, the complainant may petition the Court on Judicial Conduct and Disability to issue a writ of certiorari to review an order of dismissal. If certiorari is granted, the court may summarily affirm, or, if it determines that the dismissal was arbitrary or capricious, reverse with directions for further investigation by the commission.

"(e) Whenever the commission recommends under subsection (c)(2) of this section that a hearing be held in the court, it shall make and file a report with the court which includes the complaint made against the judge, the recommendation of the committee, the recommendation of the commission, and a summary of the factual evidence which its investigation has disclosed. Such report shall be entered on the records of the court. A copy of the report shall be forwarded to the judge under inquiry and to the complainant.

"(f) The commission shall have no longer than ninety days from receipt of the recommendation of a committee in which to prepare and forward any report to the court, except that the court, in the interest of justice and for cause shown, may grant a reasonable extension upon application made by the commission.

"(g) The commission may utilize its own staff or other employees of a circuit or court, or the executive director, with the approval of the commission, may request the Director of the Administrative Office of the United States Courts to procure personal services of experts and consultants, as authorized by section 3109 of title 5, as may be necessary to carry out the duties of the commission in any particular case under this chapter.

"(h) The commission shall prepare an annual report to the Congress showing the number of complaints and the action taken on each complaint.

"§ 385. Court on Judicial Conduct and Disabilities; duties of the Judicial Conference of the United States relating to proceedings with respect to involuntary retirement, removal, and censure

"(a)(1) The Judicial Conference of the United States shall elect annually one member of the conference to be presiding officer of the Court on Judicial Conduct and Disability to hear matters concerning the involuntary retirement, removal, or censure of a judge of the United States. A member of any committee established under section 382 of this title who was a member of the committee which conducted the preliminary investigation relating to the condition or conduct of a judge shall not sit as a member of the court in a matter concerning the same judge. The chief justice shall neither participate in the election of the presiding officer nor be the presiding officer of the court.

"(2) The presiding officer shall select six members of the conference to serve on the court with the presiding officer each for a one-year term pursuant to rules promulated under section 391 of this title. Any temporary or permanent vacancy in a term of a member of the court shall be filled by the presiding officer. The court is established under article III of the Constitution of the United States as a court of record and may exercise all appropriate judicial powers incident or necessary to the jurisdiction conferred upon it by this title. Appropriate judicial powers include, but are not limited to, administering oaths, ordering and otherwise providing for the inspection of books and records, and issuing subpenas for the attendance of witnesses and the production of papers, books, accounts, documents, and testimony relevant to the conduct of a proceeding of the court. Such attendance of witnesses and the production of such evidence may be required from any place in the United States and its territories at any place designated for holding court within the United States. The clerk and marshal of the district court of the District of Columbia shall be the clerk and marshal of the court and shall be responsible for the maintenance of all records of the court and the service of process and execution of all orders of the court. When the court is sitting outside the District of Columbia, the clerk and marshal of another district court, with the approval of the court, may act as the clerk and marshal of the court. The court may hold court at the District of Columbia and at such other places within the United States and at such times as the court may designate by rule or order.

"(b) Upon receipt of a report from the commission under section 384(e) of this title, the presiding officer shall convene the court at the earliest practical date to hear and decide the merits of the written complaint made against the judge. The commission, or its representative, shall appear, offer evidence in support of the report of the commission, and shall have the burden of proving its report before the court by clear and convincing evidence. Any judge whose condition or conduct is the subject of a hearing shall be given no less than ten days' notice of such hearing, shall be admitted to the hearing, may be represented by counsel, offer evidence in his own behalf, confront and cross-examine any witness against him, and have the right to compulsory process to obtain evidence or witnesses.

"(c)(1) The commission shall on its own motion or upon the filing of a complaint pursuant to section 383 of this title compile information and maintain current records of all cases in which a judge has pleaded guilty, nolo contendere or has been found guilty in a court of competent jurisdiction of a crime punishable as a felony under State or Federal law or of any crime State or Federal law which involved moral turpitude.

"(2) The commission shall file a report directly with the court whenever it has determined pursuant to rules promulgated under section 391 of this title that a judge has pleaded guilty, nolo contendere, or has been found guilty in a court of competent jurisdiction of a crime punishable as a felony under State or Federal law or of any crime under State or Federal law which involved moral turpitude. The court may suspend such judge of the United States from the exercise of any judicial powers or prerogatives pending final disposition of the complaint against him. If the conviction of the judge is reversed, the suspension shall automatically terminate. If such reversal is subsequently overturned, the suspension shall be automatically reinstated. In either case the clerk shall confirm the automatic termination or reinstatement by entering the appropriate order. Whenever the conviction of the judge becomes final, the court may, pursuant to rules promulgated under section 391 of this title, order his removal or censure from office under section 388 of this title.

"(3) In all other cases, the court may suspend a judge who is the subject of an inquiry from the exercise of any judicial powers or prerogatives only upon the holding of the hearing as specified in subsection (b) of this section. The entry of an order specified in subsection (d)(1) (A) or (B) of this section may include an order of suspension.

"(4) An order of suspension shall be issued upon a majority vote of the members of the court. During the period of suspension, the judge shall continue to receive the salary of his office. The court shall send a copy of the suspension order to the suspended judge, to the commission, and to the authority responsible for the assignment of business to judges within the court of the judge affected by the order. Upon receiving notification of a suspension order, the authority responsible for the assignment of business shall refer the assignment of business pending before the suspended judge to other judges as it may deem appropriate.

"(d)(1) The court shall, in each case brought before it, order one of the following:

"(A) involuntary retirement of the judge under section 372(c) of this title;

"(B) removal from office of the judge under section 388 of this title;

"(C) censure of the judge under section 388 of this title; or

"(D) dismissal of the case.

"(2) Each order under paragraph (1) of this subsection shall be made by a majority of the members of the court and shall be supported by clear and convincing evidence on the record.

"(3) Each order of the court shall be in writing and the commission, the complainant, and any judge affected by such order shall receive a copy. Within ten days after such notification of an order under subsection (d), only the commission or the judge may file a petition for writ of certiorari to the Supreme Court under section 1259 of this title.

"(e)(1) An order of the court directing involuntary retirement, removal or censure of a judge shall become final upon either the denial of a petition for writ of certiorari to the Supreme Court under section 1259 of this title, affirmance of the order by the Supreme Court, or expiration of the time for filing the petition. Upon filing the petition with the Supreme Court the order of involuntary retirement, removal, or censure shall be automatically stayed and the clerk of the court shall prepare an order to confirm the stay.

"(2) In any case in which a judge is involuntarily retired or removed under this chapter, the court shall, at the time its order becomes final, certify to the President that a vacancy exists in the office from which the judge has been involuntarily retired or removed. The President shall appoint, by and with the advice and consent of the Senate, a successor to fill any vacancy caused by the involuntary retirement or removal of a judge under this section.

"(f) Whenever a person, other than the judge who is the subject of an inquiry, refuses to give or produce evidence on the basis of his privilege against self-incrimination, the court may issue an order requiring that person to testify or produce evidence. The testimony given or evidence produced in compliance with that order, and any information directly or indirectly derived from that testimony or evidence, may not be used against the person so ordered in any criminal case, except a prosecution for perjury, giving a false statement, or for otherwise failing to comply with that order. The court shall not issue an order compelling a person to testify or produce evidence under this subsection until thirty days after notification of the Attorney General of the United States of its intention to do so.

"(g) All proceedings had in open court shall be recorded verbatim by shorthand, by mechanical means, or by electronic sound recording by an official court reporter. The court report shall transcribe and cetify the record of proceedings and shall deliver the original records and transcript to the clerk of court. Notwithstanding the provisions of section 753 of this title, if the proceedings are reported and transcribed by the reporter appointed by the district court under that section, the Director of the Administrative Office of the United States Courts shall pay the court reporter a fee for the transcript at the rates established under section 753(f) of this title.

"(h) The court may utilize existing staff employed by a circuit or court or may request the Director of the Administrative Office of the United States Courts to procure personal services of experts or consultants as authorized by section 3109 of title 5, as may be necessary to carry out the duties of the court in any particular case under this chapter. The court may arrange for the attendance of witnesses, including witnesses not subject to subpena. Each witness, other than an officer or employee of the United States, shall receive the same attendance fees and other amounts allowed by law to a witness in a civil case as provided in section 1821 of this title. The amount shall be paid by the United States marshal for all witnesses for the court upon certification of the clerk of court.

"(i) The Federal Rules of Evidence shall apply to all proceedings before the court.

"(j) The court shall act upon the concurrence of any four of its members.

"§ 386. Disqualification of judges

"A judge who is a member of a committee established under section 382 of this title, of the Judicial Conduct and Disability Commission, or of the Court on Judicial Conduct and Disability shall not sit in any proceeding of that body when it inquires into his own condition or conduct, or when it inquires into a complaint filed by him against another judge.

"§ 387. Confidentiality of proceedings

"Unless authorized in writing by the judge whose condition or conduct is the subject of an inquiry under this chapter or otherwise authorized by this section, all matters filed with, all testimony or evidence given before, and all deliberations of a committee or the Judicial Conduct and Disabling Commission in connection with the involuntary retirement of a judge under section 372(c) of this title or the removal or censure of a judge under section 388 of this title shall be confidential. Upon the filing of a report under section 384(e) of this title with the Court on Judicial Conduct and Disability, the contents of the written complaint, the recommendation of the committee, the report of the commission, and all documents and proceedings before the court shall be made public. Any participant in the proceedings who violates the provisions of this section shall be in contempt of court and may be fined not more than $5,000 or imprisoned not more than one year, or both.

"§ 388. Removal of censure of judges

"(a) A judge of the United States may be removed from office or censured in accordance with the procedures established in this title only upon a finding by the Court on Judicial Conduct and Disability that the conduct of such judge is or has been inconsistent with the good behavior required by article III, section 1 of the Constitution.

"(b) Conduct which shall be inconsistent with good behavior includes, but is not limited to, willful misconduct in office, willful and persistent failure to perform duties of the office, habitual intemperance, or other conduct prejudicial to the administration of justice that brings the judicial office into disrepute.

"(c) Upon a final order of removal, the office of the judge shall become vacant and the entitlement to the salary of the office shall terminate. For the purposes of section 376(g) of this title, a judge removed from office shall be deemed to be a judge who resigned from office without entitlement to retirement salary.

"§ 389. Justices of the Supreme Court; report of impeachment or censure

"(a) Any person may file a complaint with the Judicial Conduct and Disability Commission setting forth the conduct of a Justice of the United States, alleging that such conduct violates the good behavior standard required by article III, section 1 of the Constitution. All complaints shall be in writing and verified or subscribed in the manner set forth in section 1746 of this title. The commission, acting through its executive director, shall dismiss by written order, without prejudice, any complaint found to be improperly verified or subscribed, or, after preliminary inquiry, with prejudice, any complaint which is frivolous, or outside the jurisdiction of the commission. Complaints which are outside the jurisdiction of the commission include, but are not limited to, complaints relating to the merits of any decision or procedural ruling of a Justice and complaints relating to the conduct of a Justice which is not connected with his judicial office or which does not prejudice the administration of justice by bringing the judicial office into disrepute.

"(b)(1) Any complaint not dismissed by the commission, acting through its executive director, pursuant to subsection (a) of this section, shall be investigated by the commission, or a panel acting on behalf of the commission under section 381(b)(2) of this title, to determine whether there is sufficient cause to believe that the conduct of the Justice may be inconsistent with the good behavior required by article III, section 1 of the Constitution. A Justice whose conduct is the subject of an investigation under this section shall receive a copy of the complaint and shall be notified in writing of the pending investigation, of his right to submit a written statement in his own behalf, and of other rights under rules promulgated under section 391 of this title.

"(2) The commission, or a panel acting on behalf of the commission, after completion of its investigation, shall by majority vote—

"(A) dismiss any complaint which it finds frivolous, insufficient in law or fact, or outside the jurisdiction of the commission; or

"(B) recommend to the Court on Judicial Conduct and Disability that it hold a hearing on any complaint for which the commission finds sufficient cause to believe that the conduct of the Justice may be inconsistent with the good behavior required by article III, section 1 of the Constitution.

"(3) Whenever the commission dismisses a complaint under subsection (a) of this section or under paragraph (2)(A) of this subsection, the Justice against whom the complaint was filed and the complainant shall be notified of the action taken and the reason for the dismissal. Within ten days after such notification the complainant may petition the Court on Judicial Conduct and Disability to issue a writ of certiorari to review an order of dismissal. If certiorari is granted, the court may summarily affirm, or if it determines that the dismissal was arbitrary or capricious, reverse with directions for further investigation by the commission.

"(4) Whenever the commission recommends under paragraph (2)(B) of this subsection that a hearing be held in the court, it shall make and file a written report with the court which includes the complaint made against the Justice, the recommendation of the commission, and a summary of the factual evidence which its investigation has disclosed. Such report shall be entered on the records of the court. A copy of the report shall be forwarded to the Justice under inquiry and to the complainant.

"(5) The commission shall have no longer than one hundred and twenty days from the initial filing of a complaint in which to prepare and forward a report to the court, except that the court, in the interest of justice and for cause shown, may grant a reasonable extension upon application made by the commission.

"(c)(1) Upon receipt of a report from the commission under subsection (b)(4) of this section, the presiding officer of the court shall convene the court at the earliest practical date to hear and decide the merits of the written complaint made against the Justice. The hearing shall be conducted under subsections (a), (b), (f), (g), (h), (i), and (j) of section 385 of this title.

"(2) The court shall, in each case brought before it—

"(A) recommend to the House of Representatives the impeachment of any Justice whose conduct is found to be an impeachable offense as defined in article II, section 4 of the Constitution; or

"(B) recommend to the House of Representatives the censure of any Justice whose conduct is found to be inconsistent with the good behavior required by article III, section 1 of the Constitution and whose conduct is not found to be an impeachable offense as defined in article II, section 4 of the Constitution; or

"(C) order the dismissal of the case.

"(3) Each determination of the court under paragraph 2 of this subsection shall be made by a majority of the members of the court and shall be supported by clear and convincing evidence on the record.

"(4) Conduct which shall be deemed to be inconsistent with good behavior includes, but is not limited to, willful misconduct in office, willful and persistent failure to perform duties of the office, habitual intemperance, or other conduct prejudicial to the administration of justice that brings the judicial office into disrepute.

"(5) Whenever the court recommends to the House of Representatives the impeachment or censure of any Justice under paragraph (2) (A) or (B) of this subsection, it shall prepare a written report which includes the complaint made against the Justice, the recommendation of the court, the recommendation of the commission, a copy of the transcript of the hearing, and specific findings made by the court. Such report shall be submitted to the House of Representatives for appropriate action. A copy of the report shall be forwarded to the Justice under inquiry and to the complainant. There shall be no judicial review of a recommendation for the impeachment or censure of a Justice.

"(6) Whenever the court orders a complaint dismissed under paragraph (2) (C) of this subsection, the Justice against whom the complaint was filed and the complainant shall be notified in writing of the action taken and the reason for the dismissal. There shall be no judicial review of an order of dismissal.

"(d) Unless authorized in writing by the Justice whose conduct is the subject of inquiry under this chapter or otherwise authorized by this subsection, all matters filed with, all testimony or evidence given before, and the deliberations of the commission in connection with a recommendation for the impeachment or censure of a Justice under this section, shall be confidential. Upon the filing of a report under section 389(b) (4) of this title, the contents of the written complaint, the report of the commission, and all documents and proceedings before the court shall be made public. Any participant in the proceedings who violates the provisions of this section shall be in contempt of court and may be fined not more than $5,000 or imprisoned not more than one year, or both.

"§ 390. Claims of involuntary retired judges relating to judicial duties

"(a) The Court on Judicial Conduct and Disability shall hear and determine any claim for assignment as authorized under section 294 of this title by a judge retired under section 372(c) of this title who alleges that his mental or physical disability has improved to the extent that he is able to efficiently perform the duties of the judicial office from which he was retired.

"(b) The court may prescribe by rule such procedures as may be appropriate to the consideration and disposition of these claims. The court shall, by majority vote, issue an appropriate order with respect to such claim and shall transmit such order to the authority responsible for the assignment of judicial duties to retired judges within the circuit or court of the judge affected by such order.

"§ 391. Rules of procedures; Court on Judicial Conduct and Disability, Judicial Conduct and Disability Commission, and committees; attorneys' fees

"(a) The Judicial Conference of the United States shall promulgate rules of procedure for the Court on Judicial Conduct and Disability and the Judicial Conduct and Disability Commission.

"(b) The Judicial Conference of the United States shall promulgate rules of procedure for the committees established under section 382 of this title, or authorize the judicial council of each circuit, the Court of Claims, the Court of Customs and Patent Appeals, and the Customs Court to promulgate rules of procedure for their respective committees. Such rules shall be consistent with the rules promulgated for the court and the commission under subsection (a).

"(c) All rules promulgated under this section may be modified at any time by the Judicial Conference of the United States and shall be a matter of public record.

"(d) A judge or Justice whose condition or conduct is the subject of a complaint shall be reimbursed for a reasonable attorney's fee and for other costs reasonably incurred in proceedings before the commission, the Court on Judicial Conduct and Disability, and the Supreme Court from funds appropriated to the Judicial Conference of the United States if such complaint is finally dismissed.

"§ 392. Intervention; amicus curiae; mandamus

"(a) No person shall be granted the right to intervene or appear as amicus curiae in any proceeding before a committee established under section 382 of this title, the Judicial Conduct and Disability Commission, or the Court on Judicial Conduct and Disability.

"(b) Notwithstanding any other provision of law, the Court on Judicial Conduct and Disability shall have exclusive original jurisdiction to hear any action in the nature of mandamus directed against a committee established under section 382 of this title or the commission.".

(b) The table of chapters for title 28, United States Code and for part I of title 28, United States Code, are each amended by inserting immediately after the item relating to chapter 17 the following:

"Procedures for involuntary retirement, removal, or censure.......... 381".

INVOLUNTARY RETIREMENT

SEC. 3. Section 372 of title 28, United States Code, is amended by adding at the end of the following new subsection:

"(c) (1) Whenever any judge of the United States appointed to hold office during good behavior is eligible to retire and does not so retire, and a majority of the Court on Judicial Conduct and Disability finds, pursuant to a complaint filed under section 383 of this title, that the judge is unable to discharge efficiently the duties of his office by reason of a permanent mental or physical disability, the court shall order the involuntary retirement of the judge. Habitual intemperance shall constitute a disability for the purposes of this subsection. Such judge shall be entitled to salary as specified in subsection (a) of this section. An involuntarily retired judge shall be deprived of all powers of the office except that an involuntarily retired judge who has been determined again able to undertake judicial duties under section 390 of this title may be designated and assigned under section 294 of this title.

"(2) The President shall, by and with the advice and consent of the Senate, appoint a successor to any judge retired involuntarily under the provisions of this subsection. After the successor has been appointed, the vacancy subsequently caused by the death or resignation of the judge involuntarily retired shall not be filled.".

SUPREME COURT REVIEW

SEC. 4. (a) Chapter 81 of title 28, United States Code, is amended by adding at the end the following new section:

"§ 1259. Court on Judicial Conduct and Disability; appeal of order

"(a) Upon the petition of an aggrieved judge, the Supreme Court may review by writ of certiorari an order of the Court on Judicial Conduct and Disability under chapter 18 of this title that such judge be involuntarily retired, removed, or censured for a condition or conduct inconsistent with the good behavior required by article III, section 1 of the Constitution.

"(b) Upon the petition of the Judicial Conduct and Disability Commission, the Supreme Court may review by writ of certiorari, an order of the court under chapter 18 of this title that a complaint against a judge be dismissed.

"(c) Each petition shall be filed within ten days after receipt of the written notice of the order of the Court on Judicial Conduct and Disability.".

(b) The analysis of chapter 81 of title 28, United States Code, is amended by adding at the end the following new item:

"1259. Court on Judicial Conduct and Disability; appeal of order.".

ASSIGNMENT OF RETIRED JUDGES

SEC. 5. (a) Section 294(c) of title 28, United States Code, is amended to read as follows:

"(c) Any voluntarily retired circuit, district, or any other judge of the United States, or any involuntarily retired judge who is determined again able under section 390 of this title to undertake judicial duties, may be designated and assigned by the chief judge or judicial council of his circuit, or the chief judge of his court, to perform such judicial duties within the circuit or in such court as he is willing and able to undertake.".

(b) Section 294(e) of title 28, United States Code is amended to read as follows:

"(e) Neither a Justice or judge who has voluntarily retired nor a judge who was involuntarily retired but has been determined again able under section 390 of this title to undertake judicial duties shall perform judicial duties except when designated and assigned.".

MISCELLANEOUS

SEC. 6. (a) Section 569(b) of title 28, United States Code, is amended by inserting "and of the Court on Judicial Conduct and Disability and the Judicial Conduct and Disability Commission under chapter 18 of this title" immediately after "Canal Zone,".

(b) Section 604 of title 28, United States Code, is amended by adding at the end the following new subsection:

"(f) The Director shall provide facilities and pay necessary expenses incurred by the Judicial Conduct and Disability Commission under chapter 18 of this title, including mileage allowance and witness fees, at the same rate as provided in section 1821 of this title, and fix the compensation not otherwise fixed by law of employees, experts, and consultants of the commission.".

(c) Section 610 of title 28, United States Code, is amended by striking "the Customs Court." and inserting "the Customs Court, and the Court on Judicial Conduct and Disability.".

SEPARABILITY

SEC. 7. If any provision of this Act or any amendment made by this Act, or the application of such provision or amendment to any person or circumstances, shall be held invalid, the remainder of this Act or such amendment or the application of such provision or amendment to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated such sums as may be necessary to carry out this Act.●

● Mr. DECONCINI. Mr. President, I am cosponsoring today, together with my distinguished colleague from Georgia, Senator SAM NUNN, a bill which would create machinery within the judiciary to deal with judges who, through their actions, have failed to meet the standard of "good behavior" required by article III of the Constitution, or who are unable to perform their judicial duties because of disabling mental or physical infirmities. On September 7, 1978, after full hearings and almost unanimous approval by the Senate Judiciary Committee, this body approved the Judicial Tenure Act after an extensive 6 hour floor debate. Today's introduced proposal is identical to that approved last year.

Legislation of this type is not new to the Senate. Similar bills were introduced in the 90th and 91st Congresses by Senator Joseph Tydings, while Senator NUNN renewed these efforts in the 93d, 94th, and 95th Congresses. Since 1965, the Subcommittee on Improvements in Judicial Machinery has heard from 50 witnesses in approximately 20 days of comprehensive hearings. Seldom has any proposal received such lengthy and focused attention. In my capacity as chairman of the Subcommittee on Improvements in Judicial Machinery, I assisted in moving this legislation to a vote on the floor last year. Unfortunately, the House of Representatives did not initiate any processing of the act. This year I am more optimistic that early Senate consideration and approval will provide ample opportunity for a full and comprehensive consideration by the House of Representatives.

This bill is demanded by a public who is increasingly skeptical of our political institutions. All branches of Government must account for their actions, but it is especially critical that our Nation's courts be beyond any doubt. Although most Americans have a high regard for the overall integrity of the Federal judiciary, the publicity surrounding the activities of a few U.S. judges has provided ample opportunity for questions to arise. We owe constituents an accessible means of protesting judicial conduct that is inconsistent with the behavior required by the Constitution. Conversely, we owe Federal judges an alternative to the stigma attached to impeachment proceedings, in those cases where aberrant behavior is the innocent product of a poor mental or physical condition.

Historically, Congress has been reluctant to use the drastic measure of impeachment. Only eight Federal judges and one Supreme Court Justice have been impeached by the House of Representatives. Of those, only four judges were convicted by the Senate and removed from office. The last conviction took place in 1936. One reason for this reluctance is the fact that impeachment is a complex, slow, and cumbersome process that absorbs an incredible amount of time in both Houses of Congress. The average Senate impeachment trial lasts 16 days while several have continued for as long as 6 weeks. For many years, lawmakers have been unable to divert their time and attention from legislative work that grows with each session, and the impeachment process has fallen into disuse. Because it is not used, impeachment has ceased to be a real deterrent to misconduct on the bench.

These developments come at a time when the total number of Federal judges is increasing rapidly. Present law authorizes 673 active judges and justices. Further, a significant number of judges have taken senior status while continuing to serve in a judicial capacity. Thus, approximately 750 judges now serve in the judicial system. The Federal Judicial Center has predicted a need for 1,000 district judges and 250 circuit judges by 1990. Clearly, we face a judicial body that will continue to expand beyond its present size. Future reliance on a presently inadequate impeachment process as the only viable procedure for inquiry into alleged misconduct is unrealistic.

Under the proposal, any person can file a complaint alleging judicial misconduct or a permanent mental or physical disability. The filed complaint, if not found to be frivolous, wil be transmitted to a committee in each circuit or each of the special national courts. Upon completion of its preliminary investigation, the committee will prepare a recommendation to a newly created Commission which is known as the Judicial Conduct and Disability Commission. Depending on the nature of the recommendations, the Commission will either dismiss the case, or, upon its investigation, file a report with a newly created Court on Judicial Conduct and Disability.

The Court on Judicial Conduct and Disability will hold a hearing which conforms to specified due process requirements and either order the removal, censure, involuntary retirement, or dismissal of the case. Due to the uniqueness of the Supreme Court, the Court on Judicial Conduct and Disability will either prepare a report to the House of Representatives recommending that the Justice be impeached or censured or dismiss the case. I believe these procedures will allow a growing judicial branch to better cope with increasing demands of the future.

There has been concern over the constitutionality of this legislation. There are those who argue that the Constitution expressly authorizes the impeachment process as the only available method of investigating and remedying judicial conduct. The argument is based on a very literal reading of the Constitution and claims support from the Federalist papers, as well as the well-established principle of the independence of the judiciary. After weighing the constitutional arguments, both for and against the bill, however, I have come to the conclusion that the language of the Constitution ultimately lends support to this proposal. The need for the Judicial Tenure Act is reflected in the framer's sanction that Federal judges "shall hold their offices during good behavior." This is the only explicit reference to any standard of conduct expected of Federal judges. I believe the words "good behavior" were not intended to mean simply the absence of impeachable conduct. The "good behavior" requirement describes a condition which must prevail if a judge is to retain his office. That a significant gap exists between the impeachment power as presently exercised and the constitutional prescription for judicial conduct becomes increasingly evident. A truly viable mechanism must be developed for removing judges who have not committed impeachable offenses, but have, nevertheless, substantially departed from good behavior. I believe the framers knew what they wanted and said it. This legislation is in full accord with that view.

In order to insure that we not only implement the apparent wishes of the framers, but also do not impinge upon judicial independence or any other constitutional imperative, such as separation of powers, the Judicial Tenure Act provides that the Federal judiciary itself will be responsible for examining and acting upon filed complaints. Of course, impeachment should remain as an available alternative. However, a reasonable reading of the Constitution does not lead to the conclusion that impeachment is the exclusive means of removing a Federal judge. We should not require that a judge commit "high crimes or misdemeanors" before he or she will be subject to a removal procedure. A Federal judge occupies too important a position of public trust to allow "bad behavior" to go unnoticed. In my view, "high crimes and misdemeanors" represent one special category of "bad behavior." The "good behavior" standard is the criterion by which judges must finally be evaluated.

The doctrine of separation of powers implies the plenary power of each branch of Government to implement its own functions. Only where the Constitution specifically provides otherwise is there an exception to the general principle. Inherent in this doctrine is the power of each branch to remove unfit members of that branch. The framers provided for impeachment of Federal judges as one of the limited checks and balances of one branch upon another. Impeachment was not intended to preclude the judiciary from disciplining itself. I recognize that the opponents of this view suggest that if the framers had wished to give each branch power over its members, they would have said so.

The theme of judicial independence really comes in two forms. One is the matter of judicial independence from interference from the other two branches. The other, however, is a broader question and seems to be one raised by most laymen.

Independence in the traditional sense is a corporate concept that involves the judiciary as a branch and its relations with the other branches. Prof. Rauol Berger has noted that:

> All remarks in the several conventions that bear on judicial independence, as far as I could find, referred to freedom from legislative and executive encroachments. No one suggested that judges must be immune from traditional judicial conduct.

I might add that Professor Berger supports the legislation and finds nothing in it antithetical to any provision of our Constitution.

Our legislation clearly preserves judicial independence in this traditional sense. Since the mechanism we have created lies entirely within the judicial branch itself, there is no reasonable way to argue that it weakens the corporate independence of the judiciary vis-a-vis the legislative or executive branches.

In all fairness, however, I believe that our critics are more concerned with a far broader question—that is, the independence of an individual judge from any pressure whatsoever, be it from his or her peers or anyone else. They argue that judicial independence can only be preserved by condoning all sorts of activities that may bring the bench into disrepute, and tell us that this license and ultimate irresponsibility is the price we must pay to maintain independence. This is a viewpoint that I heartily reject as inconsistent not only with the Constitution, but with the prevailing values of our society.

The only way in which this argument can be made against the Judicial Tenure Act is to assert that the independence of individual judges will be threatened by other judges. In our bill, judges sit in judgment of other judges in much the same way as they do in the appeals process. Of course, in a proceeding under our act, the final outcome can be removal from office, not merely reversal. However, such a decision can only be reached if it is demonstrated by "clear and convincing" evidence that a judge committed a major breach of "good behavior." Ultimately, any order issued against a judge by the Court on Judicial Conduct and Disability is reviewable by the Supreme Court. Throughout the procedure, the greatest care is taken to insure that, even under the "worst case" scenario, there is no chance for abuse. The proposal provides, for example, that "complaints relating to the merits of any decision or procedural ruling of a judge are outside the jurisdiction of the Commission."

Logically, the only fears that these critics could have is that judges might wish to influence one of their number who espouses views contrary to their own. How this might be accomplished in the context of the bill is unclear. First, complaints are lodged by individual citizens. Second, they undergo a a careful screening process to insure that they fall within the scope of the legislation. A decision must be made to pursue the matter before the Court on Judicial Conduct and Disability by the Commission set up for that purpose and composed of judges representing the 11 circuits and 3 national courts.

The Court on Judicial Conduct and Disability, also composed of judges, can remove a judge if the complaint is deemed valid in a proceeding where the accused judge is represented by counsel. We were particularly sensitive at every juncture to create a bill that would be above criticism. For example, we specifically did not give the judicial council of each circuit a broader role because of the possibility that we might be criticized for allowing judges who work reasonably closely with one another to adjudicate each other's behavior.

In conclusion, I am proud of the proposed Judicial Tenure Act, and I believe it will in all respects enhance the Federal judiciary and make a positive contribution to the quality of American justice. I am convinced that there is a need for this legislation and that it is long, long overdue. I have examined all the possible constitutional arguments and am totally convinced that this legislation is totally within the letter and spirit of the Constitution. Others, including the American Bar Association, the Judicial Conference of the United States, the Department of Justice, the American Judicature Society and many individual judges and lawyers throughout the country endorse this legislation.

The proposed Judicial Tenure Act has had a long history. It is a product of a great deal of work and thought on the part of many people. It represents an idea whose time has come and as previously stated, I am optimistic that both the Senate and House of Representatives will have ample opportunity to consider and approve the Judicial Tenure Act early in the 96th Congress.●

By Mr. CULVER (for himself, Mr. PROXMIRE, Mr. MCGOVERN, Mr. EAGLETON, and Mr. PELL):

S. 296. A bill to prohibit the appointment of any person as Director or Deputy Director of the Arms Control and Disarmament Agency who has been relieved from active duty as a commissioned officer in a regular component of an armed force within a 10-year period prior to the proposed appointment; to the Committee on Foreign Relations.

CIVILIAN CONTROL FOR ACDA

● Mr. CULVER. Mr. President, I am today introducing legislation to bar recently retired military officers from appointment to the positions of Director or Deputy Director of the Arms Control and Disarmament Agency (ACDA). Senators PROXMIRE, MCGOVERN, EAGLETON, and PELL have joined me in cosponsoring this important and timely legislation.

ACDA was created in 1961 in order to provide a strong, institutional voice for arms control in the policymaking process. Since no one apparently envisioned that a military officer would ever be named director, the basic law fails to provide the guarantees of civilian control which had earlier been enacted for the Department of Defense and the Central Intelligence Agency. My proposed legislation would repeat the restrictions now governing the top positions in the Defense Department by providing:

> A person may not be appointed as Director (or Deputy Director) within 10 years after relief from active duty as a commissioned officer of a regular component of an armed force.

Regardless of how the Senate acts on the proposed nomination of Gen. George M. Seignious as ACDA Director, I believe that it is important to enact this principle for the future.

The compelling reasons for this provision, in my judgment, are not simply to insure civilian control, nor to suggest that military officers cannot be trusted to perform the duties for which Congress specially created ACDA. The objectives of arms control are entirely consistent with a strong national defense.

However, as in the case of conflict of interest legislation, it is important to shield appointees from the crossfire of conflicting loyalties and tensions. Habits and perspectives built up through the years of a military career conceivably could make it difficult to adjust to new responsibilities in arms control that frequently put ACDA in an adversary role to the Pentagon.

Mr. President, the importance of assuring civilian control at ACDA has been widely recognized and endorsed. The Federation of American Scientists has supported this legislation and has obtained and released the names of several notable Americans who also favor it. These include:

William Attwood, publisher and former Ambassador.

Alain Enthoven, former Assistant Secretary of Defense.

Joseph H. Filner, businessman.

William C. Foster, former ACDA Director.

John Kenneth Galbraith, Harvard economist.

James P. Grant, President, Overseas Development Council.

Theodore M. Hesburg, President, Notre Dame.

Carl Kaysen, former Deputy National Security Adviser to President Kennedy.

George F. Kennan, historian and former Ambassador to the Soviet Union.

George B. Kistiakowsky, former Presidential Science Adviser.

Franklin A. Long, former Assistant Director of ACDA.

Leonard C. Meeker, former Ambassador to Romania.

George W. Rathjens, Chairman, Federation of American Scientists.

Charles W. Whalen, Jr., President, New Directions.

Jerome B. Wiesner, President, MIT.

In addition, the FAS listed 14 groups whose operating officers, speaking either for the group or for themselves, endorsed the legislation:

American Friends Service Committee.
Americans for Democratic Action.
Board of Church and Society, United Methodist Church.
Center for National Security Studies.
Council for a Livable World.
Council on Economic Priorities.
Friends Committee on National Legislation.
Fund for Constitutional Government.
Mennonite Central Committee.
New Directions.
Unitarian Universalist Association, Washington Office.
Women's Division, Board of Global Ministries, United Methodist Church.
Women's International League for Peace and Freedom.
World Federalist Association.

Mr. President, I hope that this legislation will be carefully considered and supported by the Foreign Relations Committee and the Senate.●

By Mr. KENNEDY:

S. 297. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

WAR ON PAPERWORK: IMMIGRATION REPORTS

● Mr. KENNEDY. Mr. President, we are all concerned over the mountain of unnecessary paperwork clogging Government, and many of us have strongly supported the President's war on redtape. Obviously, there is much more that the President can and must do within the executive branch to reduce this paper burden—but there is also a great deal that we in Congress can do to eliminate unnecessary paperwork caused by antiquated laws requiring useless reports to Congress.

Since becoming chairman of the Judiciary Committee, I have found a number of statutory reporting requirements in the Immigration and Nationality Act that create tens of thousands of pages of useless reports, at great cost to the taxpayer. On just a preliminary examination I have found that more than $100,000 could be saved every year if we were to repeal three small reporting requirements contained in the Immigration Act. In addition, we on the Judiciary Committee would be spared receiving and handling a mountain of useless paper.

The bill I am introducing today will accomplish this modest objective by repealing several technical and unnecessary reporting sections of the Immigration and Nationality Act of 1952, as amended. For example, one section to be repealed is 204(d) of the act, which now requires that approval of all visa petitions under the third or sixth preference be reported to Congress twice a month. In practice, this has meant that the Immigration Service sends to the Judiciary Committees of both Houses nearly 40,000 useless forms, at an estimated cost of $65,000 each year. In two decades, Congress has made no use of these reports. They are no longer needed, if they ever were, yet they have cost the taxpayer some $1.2 million over the years.

Another section of the law, section 212(d)(6) of the act, requires that a report be made on the temporary admission of nonimmigrants who are excludable under section 212(a) (9), (10), and (28) of the act. Another requires reports to Congress in all cases where aliens are determined to be defectors from a Communist or other totalitarian party. Neither of these reports to Congress are necessary on a routine basis; if the information is needed, it is always available from the Immigration Service. Eliminating this paperwork would save another $13,000 each year, as well as the additional amount the Congress must spend handling them on our end.

Mr. President, I shall work closely with the Commissioner of Immigration in reducing other examples of waste and unnecessary paperwork in the Immigration Service—to allow him and the Service to use their time to compile the statistics that we really need for wise legislation and effective oversight.●

By Mr. SASSER:

S. 298. A bill to amend the Endangered Species Act of 1973 to eliminate the Endangered Species Committee and provide for certain exemptions from the provisions of the act; to the Committee on Environment and Public Works.

● Mr. SASSER. Mr. President, today I am introducing two pieces of legislation of great interest to the people of my State, and, indeed, of great interest to all Americans.

This bill and resolution (S. Res. 46) are designed to end the impasse which exists between the Endangered Species Act and water resource projects. All of us are familiar with the celebrated Tellico Dam in Tennessee. But there is another project in Tennessee which is also being delayed because the Endangered Species Act has, in my judgment, been misinterpreted and abused. As a result, work on the Columbia Dam in middle Tennessee has come to a halt.

I am advised that the administration is sending to the Congress a deferral message outlining the President's decision to withhold $15 million which had been appropriated for the project. Of the $26 million approved for this project by the Congress, and signed into law by the President, we are told that only $11 million—less than half—will be spent in the current year.

The deferral message indicates that these funds should not be spent because of the uncertainty surrounding the application of the Endangered Species Act to the project.

Mr. President, the bill and resolution I introduce today will end that uncertainty and will permit the Columbia Dam as well as the Tellico Dam to proceed to completion. I think the time has come that the Congress must clarify the intended purpose of the Endangered Species Act.

First, I am introducing a deferral resolution which would deny the administration the opportunity to defer these funds. If my resolution passes, the entire $26 million can be spent as originally intended.

Second, I am introducing a bill which would legislatively exempt the Columbia Dam and the Tellico Dam from the provisions of the Endangered Species Act.

Late last year the Congress approved amendments to the Endangered Species Act drafted by the able senior Senator from Tennessee, Senator BAKER, which established an Endangered Species Committee to review projects such as Tellico and Columbia and exempt them from the act. In recent days we have seen the inflexibility of that committee which ruled against continued development of the Tellico project.

I want to commend Senator BAKER for introducing legislation earlier this week to abolish the Endangered Species Committee and exempt the Tellico Dam project from the act. My bill seeks to achieve the same goal, except I have included the Columbia Dam in the list of projects to be exempted.

I believe the time has come for the Congress to meet this issue head on. Several years ago an earlier Congress passed the Endangered Species Act which was broadly written and has been broadly interpreted to halt the construction of public works projects which were already underway before the Endangered Species Act became law. That same Congress and each succeeding Congress since have passed appropriations bills which provided funding to continue and complete the projects.

I did not serve in the Congress that approved the Endangered Species Act. But I do not believe that most Members who voted for that bill ever intended it to be used to halt water resource development. In fact, many Members who were in Congress then and who voted for the act have told me they had no idea that the act would be used to halt congressionally mandated projects.

Mr. President, I have been a Member of the Senate for the past 2 years. I have supported appropriations for both the Tellico and Columbia projects, even though these projects had come in conflict with interpretations of the Endangered Species Act. These appropriations bills are as much the law of the land as the Endangered Species Act.

I ask my colleagues to join me in accepting the project that the great majority of the people in Tennessee want completed. Today only Tellico and Columbia are affected to this extreme; tomorrow it could be projects in your State, dams could be halted, road construction stopped, the application of this law would never end.

My colleagues should be aware that the Tellico Dam was begun in 1967, 6 years before the Endangered Species Act became law. The famous endangered snail darter was not even found in the Little Tennessee River until 1975.

This project is 95 percent complete. More than $111 million of the public's money has been spent on this project. Now we are told that expenditure of funds was wasted, that the Endangered Species Act will not permit the project to be completed.

The Columbia Dam is part of the Duck River project which was begun several years ago, before the Endangered Species Act was passed. This project is 29 percent completed. More than $44 million has already been spent. But the threat of the Endangered Species Act has delayed this project and today it threatens to kill the project. The people of the area have already agreed to pay $16 million toward the cost of this project. The people want it completed.

Now I can understand the concern of many Members. None of us want to be considered antienvironment. Each of us wants a clean and natural environment. Therefore, some of us may be reluctant to speak up. So I say to my colleagues that we should not destroy the Endangered Species Act. We must preserve that act so it can protect the truly endangered species.

But we should allow flexibility in the act to permit certain exemptions to be made on a case-by-case basis by the Congress.

My bill and resolution would establish a new and more reasonable procedure. I think the Congress must face the responsibility of sorting out the conflicting laws which have created the situation we face today.

I urge my colleagues to support this bill and resolution and provide clear congressional intent that the Columbia and Tellico Dams should be completed. For 10 years my constituents have been told that these projects would be built. One is substantially completed and one is well underway—their completion is in the public interest.●

By Mr. CULVER (for himself, Mr. NELSON, Mr. THURMOND, Mr. WALLOP, Mr. BAUCUS, Mr. NUNN, Mr. TOWER, Mr. PRESSLER, and Mr. LEAHY):

S. 299. A bill to amend sections 551 and 553 of title 5, United States Code, to improve Federal rulemaking by creating procedures for regulatory issuance in two or more parts, and for other purposes; to the Committee on the Judiciary.

REGULATORY FLEXIBILITY ACT

● Mr. CULVER. Mr. President, the bill that I am introducing today, the Regulatory Flexibility Act, addresses one of the most pressing problems faced by many small businesses, organizations, local governments, and individuals in dealing with the Federal Government—the problem of complying with a never-ending stream of complex and expensive regulations.

While this legislation does not attempt to stop the issuance of rules and regulations, it would reduce the flow significantly and simplify rules for many individuals, businesses, organizations, and units of government with limited resources who have been increasingly overburdened by regulatory requirements.

The Regulatory Flexibility Act has two main objectives. First, it would increase the sensitivity of those writing regulations to the needs and capabilities of those who will have to comply. Second, it would establish a principle that regulatory requirements should fit the scale and abilities of those being regulated.

To accomplish these objectives, this bill will require agencies, when new rules are proposed, to invite public comment on ways to reduce the burden on individuals, small businesses, small organizations, and small government units. Agencies will also have to justify the final form of new regulations in light of the comments and alternative proposals submitted by the public. Finally, they must periodically review the appropriateness and effectiveness of all existing rules and regulations, with a particular eye toward eliminating unnecessary burdens they may be creating for individuals and small entities.

Perhaps the most important feature of the Regulatory Flexibility Act is the authority it gives Federal agencies to issue different regulations and reporting and recordkeeping requirements for different-sized businesses, organizations and Government units. This will enable agencies to tailor their requirements to fit, more realistically, the abilities of those who may be affected. All too often small businesses, towns, and organizations are saddled with regulations and reporting requirements designed to get at problems of big business and large cities and organizations. The result is that these smaller units are forced to waste an enormous amount of time, money, and energy on an unnecessary burden that does absolutely nothing to advance the general health, safety, or welfare.

Under the provisions of the Regulatory Flexibility Act, agencies will be able to target more effectively their efforts to correct serious abuses of the competitive process and critical threats to health or safety without overburdening small businesses, for instance, with requirements that simply increase costs but produce no benefits.

The bill I am introducing today is a slightly modified version of the legislation Senator Nelson and I introduced in the 95th Congress and which passed the Senate unanimously. The changes we have made will apply the legislation's protections to a somewhat broader range of individuals and will require most federally generated paperwork to be subjected to public scrutiny and comment before being imposed on the public.

I would like to stress, Mr. President, that this legislation is designed to improve, not undermine, worthwhile Federal regulatory efforts. Much Federal regulation and information-gathering requirements are necessary to protect American workers, consumers, the environment, and even business. In the long run, many Federal rules make a positive contribution to the quality of life in our society.

It is not the aim of this bill to allow the continuation of practices that are dangerous to workers, consumers, or the environment. But the agencies promulgating regulations must be required to recognize the wide diversity in our economic and governmental system and the broad range of needs and abilities that exists within this diversity.

Indeed, if we can accomplish this, the Federal regulatory process can be made more meaningful and more effective. The time that is now spent on meeting complex and inappropriate requirements can be focused on real and productive improvements in our quality of life.

As chairman of the Administrative Practice and Procedure Subcommittee, which will have jurisdiction over this measure, I intend to begin action on the bill in the near future. I urge my colleagues to support this much-needed regulatory reform and ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 299

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Regulatory Flexibility Act".

FINDINGS AND PURPOSES

Sec. 2. (a) The Congress finds that—

(1) in numerous instances compliance with Federal regulatory and reporting requirements imposes inequitable demands and burdens on individuals, small businesses, small organizations, and small governmental jurisdictions;

(2) regulatory efforts to protect the health, safety, and economic welfare of the Nation have in many instances imposed unnecessary and burdensome legal, accounting, and consulting costs upon individuals, small businesses, small organizations, and small governmental jurisdictions and are adversely affecting competition in the marketplace;

(3) the scope and volume of rules or regulations have created high entry barriers in many industries and have discouraged potential entrepreneurs from introducing beneficial products and processes;

(4) the practice of treating all regulated individuals, businesses, organizations, and governmental jurisdictions as equivalent has led to inefficient use of regulatory agency resources, enormous enforcement problems, and, in some cases, actions inconsistent with the legislative intent of health, safety, environmental, and economic welfare legislation;

(5) in many instances reasonable alternative rules or regulations could be adopted to minimize adverse economic effects on individuals, businesses, organizations, and governmental jurisdictions subject to regulation without significant loss of regulatory efficiency;

(6) Government information collection has not adequately weighed the privacy rights of individuals and enterprises against the need of the Government for information because the design of the regulatory process has encouraged regulators to treat information as a free good; and

(7) deep public dissatisfaction with the regulatory process has stemmed in large part from a public perception that burdensome rules or regulations fail to correct key national problems.

(b) It is the purpose of this Act to establish as a principle of regulatory issuance that regulatory and informational requirements fit the scale of the individuals, businesses, organizations, and governmental jurisdictions subject to a rule and that fewer and simpler requirements be made of individuals, small organizations, small businesses, and small governmental jurisdictions. To achieve such principle, agencies are empowered and encouraged to issue rules or regulations which apply differently to different segments of the regulated population and are required to solicit and consider alternative regulatory proposals from the public prior to the adoption of final rules.

AGENCY RULEMAKING REQUIREMENTS

Sec. 3. (a) Section 553(b) of title 5, United States Code, is amended—

(1) by striking out the word "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting a semicolon; and

(3) by adding immediately after paragraph (3) the following:

"(4) the goals and purpose of the proposed rule;

"(5) the estimated number of individuals, businesses, organizations, and governmental jurisdictions to which the proposed rule would apply;

"(6) a statement that the agency seeks and shall consider alternative proposals to the proposed rule which would accomplish the goals and purposes of the proposed rule while substantially reducing the adverse economic impact of the rule on individuals, small businesses, small organizations, and small governmental jurisdictions affected by the rule through—

"(A) the establishment of differing compliance or reporting requirements that take into account the amount of resources available to individuals, businesses, organizations, and governmental jurisdictions;

"(B) an exemption from coverage of the proposed rule, or any part thereof, for such individuals, businesses, organizations, and governmental jurisdictions whose activities are of a nature which makes the inclusion of such individuals, businesses, organizations, and governmental jurisdictions of minimal value to the realization of the goals and purposes of the proposed rule;

"(C) the clarification, consolidation, or simplification of requirements of the proposed rule; or

"(D) other suitable means, including performance standards and differing timetables for compliance for such individuals, businesses, organizations, and governmental jurisdictions; and

"(7) with regard to any reporting or recordkeeping requirement which the agency anticipates requiring of 10 or more members of the public pursuant to the proposed rule—

"(A) a statement of the purpose of the requirement, its form, its length, and the type of professional skills necessary for its completion;

"(B) an estimate of the number of persons who would be required to submit or maintain reports of records;

"(C) a statement of each proposed use of the information required to be recorded;

"(D) a statement of the method to be used to store such information, the length of time such information would be maintained, and the identity of the persons who would have access to such information; and

"(E) an estimate of the average amount of time necessary for each person to comply with the requirement.".

(b) Section 553(c) of such title is amended to read as follows:

"(c) After notice required by this section, the agency shall give interested persons an opportunity to participate in rulemaking through submission of alternative proposals, written data, views, or arguments with or without opportunity for oral presentation. After consideration of all relevant matter presented, the agency shall incorporate in the rule adopted a concise general statement of its basis and purpose. In addition, the agency shall publish a description of any alternate proposals to the proposed rule which were considered and a statement of the reasons for adopting the final rule rather than any alternative proposals which would have had a lesser adverse economic impact on individuals, small businesses, small organizations, or small governmental jurisdictions. When rules are required by statute to be made on the record after opportunity for an agency hearing, sections 556 and 557 of this title apply instead of this subsection.".

(c) Section 553 of such title is amended by adding at the end thereof the following new subsection:

"(f) For the purposes of this section, the term—

"(1) 'individual' does not include any individual who is affected by a rule primarily in his capacity as an officer or employee of a business, organization, or governmental jurisdiction;

"(2) 'small business' has the same meaning as the term 'small business concern' in section 3 of the Small Business Act (15 U.S.C. 632), and includes such additional businesses as the agency shall establish by rule;

"(3) 'small organization' includes unincorporated businesses, sheltered workshops, not-for-profit enterprises which are not dominant in their fields, and such other groups or enterprises as the agency shall establish by rule;

"(4) 'small governmental jurisdiction' includes—

"(A) governments of cities, counties, towns, villages, school districts, water districts, or special assessment districts, with a population of less than 100,000; and

"(B) other governmental jurisdictions which the agency shall establish by rule to be of limited means or resources based on factors such as location in rural or sparsely populated areas or limited revenues due to the population of such jurisdiction.".

DEFINITIONS

SEC. 4. Section 551(4) of title 5, United States Code, is amended by inserting "recordkeeping or reporting requirements estimated to apply to ten or more persons in any calendar year, and" immediately after "includes".

REVIEW OF REGULATIONS

SEC. 5. (a) Within 180 days after enactment of this Act, each agency shall publish a plan for the review of the rules or regulations of that agency. The purpose of such review shall be to determine whether the rules or regulations of the agency are achieving, in an efficient and equitable manner, the goals of the legislation under which such rules or regulations were promulgated. Each plan for the review of agency rules or regulations shall include a statement of the criteria the agency will employ to select which rules or regulations shall be reviewed in accordance with the provisions of this section. Each agency shall periodically review its rules and regulations in accordance with the schedule and criteria set forth in its published plan.

(b) In selecting and evaluating rules or regulations, the agency shall consider factors such as—

(1) the continued need for the rule or regulation:

(2) the type and number of complaints or suggestions received concerning the rule or regulation;

(3) the burdens imposed on persons directly or indirectly affected by the rule or regulation, especially the burdens placed on individuals, small businesses, small organizations, and small governmental jurisdictions;

(4) the need to simplify or clarify language of the rule or regulation;

(5) the need to eliminate overlapping and duplicative rules or regulations;

(6) the need to resolve conflicts between the rules or regulations of the agency and the rules, regulations, or laws administered by other agencies; and

(7) the length of time since the rule or regulation has been evaluated or the degree to which technology, economic conditions or other factors have changed in the area affected by the rule or regulation.

(c) Each year, each agency shall publish in the Federal Register a list of rules or regulations which it expects to issue during the following twelve months and a list of rules or regulations to be reviewed during the following twelve months. Such publication shall be accompanied by a brief description of the rule or regulation, the need for such rule or regulation, and the legal basis for such rule or regulation.●

● Mr. THURMOND. Mr. President, I rise in support of the bill offered by my distinguished colleague, Senator CULVER. I commend the effort and spirit embodied in this bill. It is time we relieved small businesses and communities of some of the burden of regulation. This bill will require Federal agencies to take into account, in their rulemaking process, the scale of those being regulated. Wherever possible, the agencies must tailor the rules and regulations to the smaller regulated units.

Mr. President, the problem addressed in the Regulatory Flexibility Act, that of overregulation, has political and economic consequences for a substantial portion of our population. It breeds cynicism and distrust and fuels the fires of inflation.

Therefore, Mr. President, I urge speedy action on this bill. It is unfortunate and more than a little ironic, that the Government which has for so long been the champion of small business and has drawn so much of its vitality from small communities, should come so close to crushing them with the weight of regulatory burdens. It is not too late to hope that regulatory agencies will be required to consider more realistically the nature and size of the regulated units.●

● Mr. BAUCUS. Mr. President, the Regulatory Flexibility Act, which today I am joining several of my colleagues in sponsoring, offers the promise of correcting many of the problems which have engendered a national surge of dissatisfaction with Government regulations. It will enable regulation writers to match regulations to the real tasks at hand, to cut back on redtape and paperwork, and to assess the differing burdens which regulations can impose on diverse segments of our country.

As everyone here is well aware, one of the most heated, and repeated, criticisms of the Federal Government and its bureaucracy is its tendency to overlook the natural diversity within our Nation. The reach of the Federal arm is not only long, but too often it is indiscriminate, almost unthinking.

The Regulatory Flexibility Act gives agencies the responsibility of recognizing the effects of regulations on those who must live by them, and then requires regulation writers to act positively to find out the most efficient and effective ways of accomplishing a particular regulatory job.

In short, regulation writers would be required to seek out and listen to the opinions of people who would be affected by the regulations—to see if there may be better ways of doing a job—before a regulation goes into effect.

If there are better ways of doing a regulatory job, this act empowers and requires the regulation writer to change regulations and paperwork requirements in order to reflect the different needs and problems of differently sized businesses, Government entities and organizations. A State such as Montana, which according to the 1970 census has a population density of 4.8 people per square mile, would no longer have to be saddled with a regulation meant for a nation whose population density is 57.5 people per square mile.

In other words, what is good for New York may not necessarily be good for Montana, and under this act, regulation writers at last will be able to recognize this, and they will be required to act accordingly.

Identical logic would govern regulations which, for example, might be written with giant agribusiness concerns in mind but which now would be applied indiscriminately to family farmers and ranchers. Every individual who would be affected by a regulation would have the right to ask the Government to listen to his problems. Under this act, the Government not only would be required to listen to the problems of the individual, of the small businessman, of the small town, of the rural area, and of geographically diverse sections of our Nation, but the Federal Government would have to make reasonable efforts to tailor its regulations to meet the problems and objections of the many individual parts which comprise the whole of this country.

This act seeks to accomplish within the regulatory process what, in effect, Congress regularly accomplishes within the legislative process. The entire hearings process of Congress, combined with the constituent services which are offered by each Member of the House and the Senate, have been constructed in order that individual people and groups of people are able to have an impact on the laws which govern them. Despite all of the criticisms of our legislative process, one of the stronger points of our representative democracy is the way in which it maximizes the voices of those who will likely be most keenly affected by pending legislation.

Perhaps the single most powerful force behind the general disgruntlement with Federal regulations is the strong feeling by many who are most affected by particular regulations that their individual problems have not been addressed, that their voices have not been heard, and that the bureaucracy has no desire or power to consider their viewpoints. The Regulatory Flexibility Act will go a long, sensible way toward correcting this problem.●

By Mr. KENNEDY (for himself, Mr. Metzenbaum, Mr. Morgan, Mr. Bayh, Mr. Culver, Mr. Domenici, Mr. Durkin, Mr. Exon, Mr. Gravel, Mr. Hart, Mr. Leahy, Mr. Levin, Mr. Matsunaga, Mr. Moynihan, Mr. Nelson, Mr. Pell, Mr. Proxmire, Mr. Ribicoff, Mr. Riegle, Mr. Stafford, Mr. Tsongas, and Mr. Williams):

S. 300. A bill to restore fair and effective enforcement of the antitrust laws; to the Committee on the Judiciary.

ANTITRUST ENFORCEMENT ACT OF 1979

● Mr. KENNEDY. Mr. President, during the 95th Congress both the House and Senate Judiciary Committees reported favorably legislation to establish the right of those injured by illegal price-fixing to recover damages measured by the extent of such injury, whether or not in privity of contract with those who violate the antitrust laws. That legislation, which would overrule the Supreme Court's decision of June 9, 1977, in Illinois Brick Co. against Illinois, was a product of 12 days of hearings by the House and Senate committees, involving 55 witnesses in the Senate hearings alone. Their testimony, as well as other evidence, makes clear the overriding mandate for the legislation which we reintroduce today: To compensate those who are actually injured as a consequence of antitrust violations; and to structure our laws to deter such violations to the greatest extent possible.

Without question, those twin goals comprise the central purpose of our antitrust laws, expressed by Congress in passage of the Sherman Act in 1890, the Clayton Act in 1914, and the recent Hart-Scott-Rodino Act adopted by the 94th Congress. As early as 1890, Senator George described the sense of Congress that:

> The right of action against the persons in the combination is given to the party damnified.
>
> The consumer, therefore, paying all the increased price advanced by the middlemen and profits on the same is the party necessarily damnified or injured.

That central purpose had been reaffirmed in all the years since. None was more important to Senator Hart, who sought to fulfill it through the Antitrust Improvements Act by allowing State attorneys general to commence actions on behalf of consumers under the theory of parens patriae. Yet that important tool was rendered hollow when the Supreme Court drastically constricted the underlying rights of consumers by its decision in Illinois Brick.

Despite a clear and consistent legislative history, recognized by five of six Federal courts of appeals to address the question, the Supreme Court held in Illinois Brick that only "the overcharged direct purchaser, and not others in the chain of manufacture or distribution, is the party 'injured in his business or property' within the meaning of section 4 of the Clayton Act." Since most individuals and organizations purchase goods through retailers and other middlemen, that decision effectively precludes consumers, small businesses, farmers, State governments, many Federal agencies, and other indirect purchasers from seeking redress for antitrust violations. In the process, it denies compensation to those who are injured, and undermines deterrence of the overwhelming force of illegal price-fixing in the United States today.

Conservative estimates place the cost of antitrust violations at $150 billion yearly. Over 25 percent of private damage actions brought since 1960 under section 4 of the Clayton Act involved only indirect purchasers. Those actions are lost to Illinois Brick. And fully two-thirds of all such private actions involved at least some indirect purchasers. Many would not have been filed without their involvement. Illinois Brick itself is an example, since all direct purchasers who were parties to that action settled very early on terms highly favorable to the defendant. The recent tetracycline litigation is another example, brought initially by indirect purchasers, and joined by direct purchasers only very late in the process, after a settlement had been proposed. These drug cases alone brought settlements of over $250 million.

California's former attorney general told our committee that claims of well over $100 million in pending cases just in that State were seriously jeopardized by the Illinois Brick ruling. Our colleague, Senator Danforth, testified that virtually all of $2.5 million collected on behalf of governmental and individual purchasers during his two terms as attorney general of Missouri, would not have been collected under Illinois Brick. And evidence presented to our committee set the loss in uncompensated overcharges just to indirect State and Federal governmental purchasers at almost $1 billion a year.

The Illinois Brick decision strips from indirect purchasers, and from Government lawyers acting on their behalf, the power to challenge conduct which harms them more than anyone else in our society. And we cannot be confident that those enforcement mechanisms left untouched by Illinois Brick—the private actions of direct purchasers, and the power of criminal prosecution by the Justice Department—will significantly prevent such harm to the indirect purchasers now powerless to help themselves. Most direct purchasers are middleman. Most middlemen are not harmed by illegally exacted overcharges, because they pass them on to their own purchasers. All middlemen confront the costs and dangers both of extensive pretrial discovery, and of courting the disfavor of their immediate suppliers. And all suppliers who engage in antitrust violations enjoy the power to select direct purchasers mindful of such costs and dangers.

Exclusive reliance upon criminal enforcement by the Department of Justice would be equally misplaced. Despite the training and talent of Department litigators, the resources of the Antitrust Division are necessarily limited, as Assistant Attorney General John Shenefield told our committee. It is not surprising, therefore, that private damage actions exceeded governmental enforcement actions by more than tenfold before Illinois Brick. Moreover, the threat of private action is far more likely to deter misconduct. The stricter burden of proof in criminal prosecution, the necessarily superior knowledge of those who participate directly in the distribution chain of a product, and the far more threatening prospect of treble damages instead of criminal fines, all operate to make private actions an indispensable tool of enforcement. One businessman observed that "most of us" would risk a $30,000 fine, or even 30 days in jail, to yield a profit of $30 million in fixed prices. Only a real threat of civil penalty—here of $90 million—would change that calculation.

The Supreme Court reached its judgment in Illinois Brick despite the obvious costs to consumers and other indirect purchasers, and the obvious inability of criminal prosecution or direct-purchaser suits to prevent them. It did so in reliance upon the Court's earlier decision in Hanover Shoe, Inc. against United Shoe Machinery Corp., which held in 1968 that antitrust defendants cannot escape liability by proving that a plaintiff had passed on illegal overcharges to its customers and thus had not been injured in its business or property. In light of that ruling, the Court reasoned in Illinois Brick that permitting suits by indirect purchasers would subject a defendant to the obvious unfairness of multiple liability for the same offense. Middlemen could collect the full amount of an overcharge even if they had passed it on to consumers, and consumers could then collect again.

But the ruling in Illinois Brick creates a situation equally or even more unfair. It permits the middleman to collect twice—to reap the profits of overcharges from the consumer, and then to charge the manufacturer for the illegality. And it leaves the one party injured in fact—the consumer—wholly uncompensated.

That outcome would be unacceptable even if there were no alternative to subjecting a defendant to multiple liability. But it is especially unacceptable because there is an obvious alternative: Overruling Hanover Shoe in part, and allowing the apportionment of damages according to the actual injury suffered by the parties to an action. That alternative was rejected by the Supreme Court in Illinois Brick, on the ground that apportionment of damages is a complex and time-consuming judicial task. Thus, the Court found more important the swift and efficient disposition of antitrust cases, and the most wooden application of precedent, than the rights of consumers and the principles of fairness in our society. And despite the legislative record, the Court was confident of its power to make that judgment, absent "clear directions * * * to the contrary" by Congress.

Now is the time for Congress to provide that direction, clearly and unequivocally. This legislation will permit consumers and other indirect purchasers in a chain of product distribution to recover damages measured by the extent to which they are injured. But it will not alter traditional rules of standing, remoteness, and proximate causation which serve to limit the number of parties who can seek recovery.

This legislation subjects a defendant to liability to multiple claimants. But by apportioning damages according to actual injury, it will not permit multiple liability. The number of separate suits for a single offense can be minimized by existing principles of joinder, statutory interpleader, and informal coordination. The complexities of apportionment will be no more difficult than those in a variety of other judicial undertakings—in patent litigation, securities fraud, bankruptcy, and admiralty cases. In the 9-year period between Hanover Shoe and Illinois Brick, Federal courts handled effectively cases brought by both direct and indirect purchasers. They capably apportioned damages, and they can do so again.

This legislation will permit defendants to restrict claimants to damages reflecting the actual losses which they suffer. But it will not permit defendants to engage in a judicial shell game, shifting their identification of the truly injured party according to the plaintiff seeking redress. Existing principles of collateral estoppel and res judicata will operate to prevent that. And the bill permits apportionment of damages only for the purpose of preventing multiple liability. The pass-on defense cannot be used when the overcharge was exacted from persons too remote to recover under rules of standing, or those barred from recovery by the applicable statute of limitations of other rules.

At a time of serious and rising inflation, this legislation provides a weapon against prices illegally exacted from consumers, but it will not increase the costs of Government, and it will not create new regulations.

Most important, this legislation will return to our antitrust laws the opportunity for enforcement consistent with its fundamental purposes: To deter violations and to compensate victims. The importance of those objectives is undeniable and support for this bill comes from every sector of our society. From President Carter; from Vice President Mondale, once attorney general of Minnesota; from the Justice Department, the Federal Trade Commission and other executive agencies; from all 50 Governors last year, and all 50 State attorneys general; from the National League of Cities, the 7,600 members of the National Conference of State Legislatures, and the National Association of Counties. And business entities, as well as labor, rancher, farmer, and consumer groups have all offered strong support. The 100,000-member National Association of Home Builders, the Independent Bankers Association, the Consumer Federation of America, the National Council of Senior Citizens, United Mineworkers of America, and dozens of other groups. All of them recognize the strong and compelling mandate for this bill. And I introduce it today with great confidence that the Congress will do so as well.

Mr. President, I ask unanimous consent to have printed in the RECORD some of the many letters and other indications of support which we have received on this bill. To these supporters, and many others, I can promise our vigorous effort to assure the swiftest possible passage of this important legislation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., January 29, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing to express my strong support for the proposed "Antitrust Enforcement Act of 1979." This bill would amend the Clayton Act to permit indirect purchasers—consumers, businesses, farmers, government agencies, and others—to recover damages whenever they pay inflated prices because of price-fixing or other antitrust violations.

Competition is one vital safeguard against the kind of inflation we have been experiencing; and vigorous enforcement of the antitrust laws is an essential plank in any anti-inflation program. And damage suits by purchasers—direct or indirect—who have paid unlawfully inflated prices are enormously important in enforcing the antitrust laws, both in deterring anti-competitive practices and in providing redress when they have taken place.

Before the Supreme Court's decision in the *Illinois Brick* case, it was widely assumed that indirect purchasers, no less than direct, could recover antitrust damages under existing laws. It is often—perhaps typically—they who bear the full cost of illegally inflated prices, since direct purchasers are frequently middlemen who simply pass the charges on to their customers. It is important to assure indirect purchasers the right to recover damages also because the direct purchasers often have little incentive to enforce the antitrust laws by suing their own suppliers.

The proposed "Antitrust Enforcement Act of 1979" would correct the imbalance created by Illinois Brick. It would help assure competitive prices in our economy by permitting indirect purchasers to take part in enforcing the antitrust laws; at the same time it would avoid unfairness by authorizing the courts to prevent overlapping recoveries by successive purchasers.

This is sound legislation that will be of significant help in the anti-inflation effort; I urge its adoption.

Sincerely,

ALFRED E. KAHN,
Advisor to the President on Inflation.

NATIONAL GOVERNOR'S ASSOCIATION,
January 29, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Committee on the Judiciary,
Dirksen Senate Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is the policy position adopted by the National Governors' Association last August which calls upon Congress to pass, and the President to sign "legislation amending the antitrust laws (to) overrule the Supreme Court's decision in Illinois Brick . . ." NGA urges speedy passage of such legislation by the 96th Congress.

Sincerely,

JOHN P. LAGOMARCINO,
General Counsel
and Legislative Director.

ANTITRUST ENFORCEMENT

As major consumers, states spend billions of dollars each year on the procurement of goods and services. As one means of ensuring that taxpayers receive a fair return on the use of their taxes, states have actively used antitrust laws to recover damages for the violation of those laws by suppliers of goods and services needed by states.

Recently, the Supreme Court of the United States decided in Illinois Brick Company v. Illinois that in most cases state and local governments may recover for injuries sustained as a result of antitrust violators only if they deal directly with violators of the law, that is, if a state purchases goods or services directly from a manufacturer rather than through a wholesaler. The decision bars states from recovering tax dollars from violators with whom they have dealt indirectly, thus hindering efforts to hold down the cost of government.

The judiciary committees of the Senate and the House of Representatives have approved legislation that would amend the antitrust laws and effectively overrule Illinois Brick by allowing states to recover damages for injuries sustained as a result of antitrust violators of indirect as well as direct suppliers of goods and services.

The National Governors' Association strongly recommends that Congress enact and the President sign legislation amending the antitrust laws that would overrule the Supreme Court's decision in Illinois Brick and enable states and other antitrust plaintiffs to maintain suits against antitrust violators from whom they have purchased goods or services either directly or indirectly.

Adopted August 1978.

WASHINGTON, D.C.,
January 29, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Senate Judiciary Committee, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR KENNEDY: On behalf of the Association, I am writing to express our appreciation for your prompt legislative response to remove the barriers to effective antitrust enforcement which the Supreme Court established in its Illinois Brick decision. We are grateful for your commitment to reverse Illinois Brick as your highest antitrust priority this session and for the time which you and your staff devoted to this task in the last Congress.

The state Attorneys General share your commitment to restore effective antitrust enforcement. At our winter meeting, the Association reaffirmed by the enclosed resolution its support for reversal of the Illinois Brick case. The impact of the ruling on the states is disastrous. As you know, state governments rarely purchase goods directly from the manufacturer and under Illinois Brick they are virtually foreclosed from suing for overcharges from price-fixers and other violators of the antitrust law. In the broad commercial experience of the states, it is not common that the bids are rigged, or the prices jacked-up by an agreement. But it does happen, and when it does and when we can prove it with evidence, we believe that the state governments should be permitted to present their cases in the courts of this land. It is that which your bill seeks to set right and we will help you to get it to the Senate floor.

Our sense of urgency in this matter derives from the fact that throughout the nation, the states have pending cases valued at at least $200–$300 million, all jeopardized by Illinois Brick. Unless the Congress acts to reverse this ruling, this money will be lost forever from state and local government treasuries.

Effective enforcement of the antitrust laws is one of the best tools we have to fight inflation. Every President in recent history, of either party, has agreed as does President Carter. But, Illinois Brick weakens this tool and opens a gap for price-fixers, bid-riggers and other violators of the antitrust laws to continue their illegal practices undeterred; the price for this gap will be paid for by the citizen-taxpayer in higher prices. For these reasons we support you and your bipartisan groups' efforts and will help you in any way possible.

With sincere thanks for your efforts, and

Respectfully yours,

C. RAYMOND MARVIN.

RESOLUTION ON ILLINOIS BRICK

Resolution as adopted by the National Association of Attorneys General, 1978 Mid-Winter Meeting, November 30–December 3, 1978, Dorado, P.R.

Whereas, the United States Supreme Court held in June 1977 in Illinois Brick Co. v. Illinois that only direct purchasers of price-fixed items may sue the antitrust violator and that all who purchased on an indirect basis through a middleman are precluded from recovering damages; and

Whereas, the states purchase billions of dollars each year in the procurement of goods and services for state and local government on an indirect basis; and

Whereas, under Illinois Brick the states are unable to recover tax dollars from price-fixers and other antitrust violators from whom they have purchased indirectly; and

Whereas, the effectiveness of the parens patriae provision of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 may be severely diminished by Illinois Brick and at the least, casts the Act's effectiveness in grave doubt; and

Whereas, the 96th Congress will consider legislation which would overrule this Supreme Court decision;

Therefore, be it resolved that:

(1) This Association urges the Congress of the United States to adopt legislation to reverse the Illinois Brick decision so that all purchasers, whether direct or indirect, whether governments, businesses, or citizens, may have an opportunity to prove injury by price-fixers and other antitrust violators; and

(2) The Association's Washington Counsel is authorized and directed to take all reasonable and appropriate steps to communicate the Association's position to the United States Congress and to the Administration; and

(3) A special Illinois Brick subcommittee appointed by the Chairman of the Antitrust Committee will manage the Association's efforts on behalf of this legislation in conjunction with the Washington Counsel; and

(4) The Chairman of the Senate Judiciary Committee, Senator James O. Eastland, the Chairman of the Senate Antitrust Subcommittee, Senator Edward M. Kennedy and the Chairman of the House Judiciary Committee and Monopolies Subcommittee, Mr. Peter W. Rodino, Jr. be commended for their assistance in developing the legislative record and gaining committee approval of the bills considered by the 95th Congress.

JANUARY 24, 1979.

Hon. EDWARD M. KENNEDY,
Washington, D.C.

DEAR SENATOR KENNEDY: On behalf of over a million members of the American Federation of State, County and Municipal Employees, I commend you for your continued support and leadership for the legislation to amend the antitrust laws reversing the Illinois Brick Supreme Court decision.

Without such legislation, effective antitrust enforcement for all purchasers will not be possible. Taxpayers and their governments will pay more for goods as price-fixers and antitrust violators reap the profits.

This unfair situation must be reversed. In the interest of fairness to all American consumers, I hope the Congress will grant prompt and favorable consideration to this critical matter.

Sincerely,

ANTHONY CARNEVALE,
Director of Legislation.

DES MOINES, IOWA,
January 25, 1979.

Hon. EDWARD M. KENNEDY,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: First, I would like to take this opportunity to thank you and your staff for the great amount of effort which you have put forth to remedy the problem which we as cattlemen face today.

Because of the decision handed down in the *Illinois Brick* case, we as cattlemen now have no place in which we can seek recovery for the great amount of damages which were incurred by us in the past. The sad part of this matter is that we have the evidence in our possession which would prove our charges.

Over 50,000 cattlemen who are independent businessmen face a very bleak future if Congress fails to overrule the *Illinois Brick* decision. I know that you are very concerned by the inflation which we face in America. Unless we have the right to enforce anticompetitive laws in the courts of our land, we will never conquer the evil of inflation.

We greatly appreciate your leadership to restore effective antitrust enforcement.

Thank you,

GLENN FREIE,
Chairman, Meat Price Investigators Association.

JANUARY 25, 1979.

Senator EDWARD KENNEDY,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: I am writing to express the strong support of the Disability Rights Center for the legislation which you have introduced to overrule the Supreme Court decision in the *Illinois Brick* case. The Disability Rights Center is a non-profit public interest group concerned with issues involving the civil rights and consumer protection rights of persons with disabilities. The Center's interest in this issue stems from our involvement in an antitrust action that is currently pending against the major U.S. manufacturer of wheelchairs. Since almost all wheelchair consumers do not purchase wheelchairs directly from the manufacturer, they cannot use the Federal Courts to seek redress for anti-trust violations.

We commend you for your prompt scheduling of hearings on *Illinois Brick* and hope that the Congress will reverse the ruling as soon as possible. If *Illinois Brick* is allowed to stand, individual citizens as well as states and businesses will be denied access to the courts. We believe that all who have been injured by illegal antitrust practices, including citizens, governments and businesses should be able to recover damages.

Your leadership in restoring effective antitrust enforcement is much appreciated.

Sincerely,

DEBORAH KAPLAN,
Director.

JANUARY 24, 1979.

Hon. EDWARD M. KENNEDY,
Senate Judiciary Committee,
Washington, D.C.

DEAR SENATOR KENNEDY: The Retail Bakers of America, founded in 1918, is the national trade association for the nation's retail baking industry, which comprises in excess of 20,000 retail bakeries according to U.S. Census figures.

I am writing on behalf of the association to express our support for S. 1874 (H.R. 11942), as it was styled in the last Congress, the Clayton Act Amendments of 1978, otherwise known as the Illinois Brick bill.

We support such legislation because if the Supreme Court's decision in the Illinois Brick case is allowed to stand. It will deprive many of our members, all of whom are small businessmen, of a cause of action they otherwise would have had. Most retail bakers buy the materials they use as ingredients in the many varieties of freshly baked foods they make on a daily basis and sell directly to the ultimate consumer indirectly from wholesalers, middlemen, suppliers and others. In the event a group of sellers were alleged or found to have violated the antitrust laws, our members would be prevented from recovering damages under the Supreme Court's decision because they were indirect purchasers.

As a specific example of this, I cite the Eastern and Western Sugar Anti-trust litigations. In the Western case, the percentage of the settlement fund available for distribution to the industrial-user class (the class into which our members and other retail bakers would fit) has been reduced as a direct result of the decision in Illinois v. Illinois Brick. Similarly, in a letter addressed to me from counsel for the Wholesaler Class in the Eastern Sugar Anti-trust litigation, I was informed:

"Since your membership undoubtedly consists of a number of firms which were indirect purchasers only, under the present status of the law they would have no claim in the above pending litigation."

The reference to the "present status of the law" of course was to Illinois Brick.

For these reasons, then, the Retail Bakers of America supports your efforts to enact legislation which will overrule the Supreme Court's decision in Illinois v. Illinois Brick and restore the right of indirect purchasers, such as retail bakers, to sue or share in damages awarded for cases in which sellers further up the distributive chain are alleged or found to have violated the antitrust laws.

Sincerely,

GERARD PAUL PANARO,
Associate General Counsel.

JANUARY 26, 1979.

Hon. EDWARD M. KENNEDY,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: I am writing on behalf of the 180,000 members of the Oil, Chemical and Atomic Workers International Union to express our support for legislation which would reverse the disastrous impact of the *Illinois Brick* decision. Effective antitrust enforcement has always been a major concern of OCAW and we are pleased that you are introducing corrective legislation early in the 96th Congress.

We believe that the *Illinois Brick* ruling is a serious obstacle to effective antitrust enforcement in this nation. We urge the Congress to act as soon as possible to reverse this ruling so that all citizens as well as business may avail themselves of the benefits that the antitrust laws were designed to provide. Competition is a basic element in our national economy and every step must be taken to ensure its preservation. Reversal of *Illinois Brick* is a step in the right direction.

Your leadership on this issue is much appreciated.

Sincerely yours,

A. F. GROSPIRON,
President.

JANUARY 26, 1979.

Senator EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: The Cooperative League which is the United States member of the International Cooperative Alliance, represents both urban and rural cooperatives and has a long history of support for vigorous enforcement of the antitrust laws. We are pleased that reversal of the *Illinois Brick* decision is a priority issue on your legislative agenda this year, and commend you for your leadership in this matter.

That decision which barred indirect purchases from recovering damages from price-fixers and other violators of the antitrust laws is a step backwards from effective antitrust enforcement. The Cooperative League joins with a broad coalition of consumer, business, labor, farm and state government organizations in urging that Congress act as soon as possible to overturn this ruling and restore effective antitrust enforcement in this nation.

Sincerely,

SHELBY E. SOUTHARD,
Legislative Director.

JANUARY 26, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The UAW worked in coalition with many groups in the 95th Congress for legislation to overturn the Supreme Court decision in the Illinois Brick case. As you know, this is vitally needed consumer legislation to permit indirect purchasers of items sold in restraint of trade to undertake legal action for redress. We understand that it is your intention to renew the effort for legislation to overturn the Illinois Brick decision. I am writing at this time to thank you for taking the initiative in this area and to assure you of our continued active support for such legislation.

Thank you very much.

Sincerely,

HOWARD G. PASTER,
Legislative Director.

JANUARY 29, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Senate Judiciary Committee, Washington, D.C.

DEAR SENATOR KENNEDY: The National Retired Teachers Association and the American Association of Retired Persons, representing more than 12 million older Americans, are glad to have this opportunity to reaffirm our strong support for legislation which will overturn the Supreme Court's ruling in Illinois Brick Co. v. Illinois, 431 U.S. 720 (1977).

Our Associations have constantly supported strengthened antitrust legislation which would deter antitrust violations in the first place, which would insulate marketplace mechanisms from the artificial maneuvering of price fixing and other antitrust activity, and which would provide consumers with adequate recourse once victimized by an antitrust violator.

The Court's decision in the Illinois Brick case seriously undermines antitrust enforcement activities. To remove the ability of indirect purchasers to regain losses suffered through price fixing violations is a great disservice to the American public. It eliminates any opportunity for those who must pay the full cost of the violation to regain their losses and it removes a substantial deterrent against violation of antitrust statutes.

Americans, particularly older Americans and others who are living on extremely small, fixed incomes, should not and cannot be asked to bear the costs of illegal excesses in business and industry. If the law is not strong enough to prevent such abuses, certainly the Congress must recognize its responsibility to provide citizens with appropriate rights to protect themselves. We believe that all purchasers who have been injured by antitrust violators, whether directly or indirectly, should be able to recover damages; this includes individuals as well as states, federal government, businesses and producers.

In an era of "Proposition 13 fever," allowing the Illinois Brick decision to stand will only mean that taxpayers at both the federal and state levels will be asked to bear the higher prices charged to government as indirect purchasers of illegally priced goods. The California experience clearly illustrates that Americans do not want to continue shouldering this burden.

NRTA/AARP offer their support of the Antitrust Enforcement Act of 1979 as the means of achieving the reversal of the Illinois Brick decision. We pledge to work singly and with other organizations and groups to win passage of this significant antitrust legislation.

Sincerely,

PETER W. HUGHES,
Legislative Counsel.

JANUARY 26, 1979.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: The Paralyzed Veterans of America support your efforts in overturning the June 9, 1977, Supreme Court ruling in *Illinois Brick Company* v. *Illinois*. PVA encourages you to again introduce legislation in the 96th Congress that would make violators of the antitrust bills subject to court review.

PVA, along with many other organizations and consumers, believes that injured consumers, whether government, businesses or individuals, should have access to the court. The courts should have the flexibility to determine on a case-by-case basis whether the suit has merit and is to be pursued. Furthermore, we believe that *all* purchasers who have been injured by antitrust violations, whether direct or indirect, including the federal government, states, businesses and consumers should be able to recover damages.

In addition to reviewing cases of price-fixing, the courts should have the power to rule on cases where monopolistic manufacturers of specialty items injure their often small but dependent market.

Thank you for your consideration of our views.

Sincerely,

GERALD JONES,
Legislative Director.

WASHINGTON, D.C.,
January 25, 1979.

Senator EDWARD M. KENNEDY,
Chairman, Senate Judiciary Committee,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: The nation's county officials would like to extend our warmest congratulations and best wishes to you on becoming Chairman of the Senate Judiciary Committee. This committee will be the forum for the development of some of the nation's most important legislation and we look forward to a hard working and productive congressional session.

County officials strongly endorse legislation to broaden the ability of consumers to recover damages resulting from violations of the antitrust laws. The nation's 3,600 counties are responsible for a wide variety of public services. In performing these services, counties are continually purchasing a multitude of products, making us a large, albeit vulnerable, consumer.

In protecting the rights of consumers to receive products at the lowest price possible, it is essential that ultimate purchasers be able to recover damages for antitrust violations whether or not they have dealt directly with an antitrust violator.

Counties and other units of government purchase extensive amounts of materials and supplies. As the ultimate purchaser, counties must often absorb the entire cost of overcharges that result from antitrust practices. While these overcharges are "passed on" through the chain of manufacture, production and distribution, it is the final purchaser who is the one bearing the burden.

When county governments are forced to incur higher prices due to such practices, it adversely affects county finances and budgeting. In the final analysis, it is the individual taxpayer, the ordinary citizen, who is affected by seeing his tax dollars absorbed by illegal private sector practices without having any recourse. Therefore, units of government injured by antitrust violations should have the right and ability to recover damages whether or not they have dealt directly with the actual antitrust violator.

To accomplish this, NACo strongly endorses legislation that would overturn the "Illinois Brick" decision of the Supreme Court. This legislation would enable the ultimate consumer to recover damages for antitrust violations.

We once again support your efforts in sponsoring this legislation and congratulate your leadership in this field. We hope to work closely with you on this and related matters. Thank you.

Sincerely,

ELLIOTT A. ALMAN,
Legislative Representative.

WASHINGTON, D.C.,
January 20, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Committee on the Judiciary,
Washington, D.C.

DEAR MR. CHAIRMAN: On behalf of the 113,000 members of the National Association of Home Builders, I would like to thank you for your efforts in support of legislation to overrule the effects of the Supreme Court's *Illinois Brick* decision.

As you are aware, the National Association of Home Builders strongly supported such legislation in the last session of Congress. We believe it is essential for Congress to amend Section 4 of the Clayton Act to once again allow indirect purchasers the standing to sue for injuries they sustain as a result of antitrust violations. The vast majority of NAHB's members are in the class of indirect purchasers because they purchase building materials from supplier-middlemen rather than directly from manufacturers. Thus, unless Congress passes legislation to overrule the decision in *Illinois Brick*, most, if not all of NAHB's members have no standing to be plaintiffs or class members in such litigation. As indirect purchasers, they could not recover damages against the manufacturers of building materials, despite the fact that the illegal overcharges had been passed on to them.

NAHB will continue its support for legislation to reverse the *Illinois Brick* decision and appreciates your prompt scheduling of the bill for hearings early in the new Congress.

Sincerely,

VONDAL S. GRAVLEE,
President.

WASHINGTON, D.C.,
January 29, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Senate Judiciary Committee, Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: The American Association of State Highway and Transportation Officials (AASHTO) would like to express our appreciation for your early introduction of a bill which would reverse the disastrous effects on States of the United States Supreme Court ruling in *Illinois Brick* v. *Illi-*

nois which held that indirect purchasers of a price-fixed item cannot bring suit against an antitrust violator.

AASHTO is an organization of the departments of highways or transportation of each of the fifty States, the District of Columbia, Puerto Rico, and the U.S. Department of Transportation. The Association was created in 1914.

A minimum two-thirds approval of the States is required before positions involving questions of policy are taken as an Association.

AASHTO supports legislation which would reverse the Supreme Court decision in *Illinois Brick*. Without corrective legislation State transportation departments would have no recourse in cases of price fixing by materials suppliers on contracted transportation construction projects.

We hope these comments will be helpful as the Judiciary Committee proceeds in the legislative process.

Respectfully submitted,

HENRIK E. STAFSETH,
Executive Director.

JANUARY 30, 1979.

Hon. EDWARD KENNEDY,
Chairman, Judiciary Committee,
U.S. Senate,
Washington, D.C.
Hon. PETER RODINO,
Chairman, Judiciary Committee,
U.S. House of Representatives,
Washington, D.C.

DEAR CHAIRMAN KENNEDY AND CHAIRMAN RODINO: The National Conference of State Legislatures is pleased to join with other groups in supporting legislation which would overturn the Supreme Court's Illinois Brick v. Illinois decision. We believe this decision violates the spirit of the anti-trust statutes adopted by the state and federal governments and weakens a state's ability to protect its own and its citizen's rights as consumers.

Your legislation is a positive step toward resolving this continuing controversy, and you have the full support of our organization.

Sincerely,

JASON BOE,
President, NCSL, President, Oregon Senate.

JOHN BRAGG,
Chairman, State-Federal Assembly of NCSL, Chairman, Tennessee House Finance, Ways and Means Committee.

JANUARY 30, 1979.

Attention: Joel Perwin.
Senator EDWARD KENNEDY,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: The principal goals of the National Institute of Law and Economics, a division of the Public Interest Economics-Foundation, are to foster free and open competition and to decrease the concentration of economic and political power by encouraging effective enforcement of laws to curb monopolistic and unfair business practices.

In light of our aims as stated above, we express our appreciation of, and support for your efforts to strengthen and expand the anti-trust laws; and to provide the necessary legal tools to effectively enforce those laws.

Sincerely,

ALLEN R. FERGUSON,
President.

JANUARY 26, 1979.

Hon. EDWARD KENNEDY,
U.S. Senate,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: I urge you to oppose the legislation soon to be introduced to overrule Illinois Brick Co. v. Illinois, 431 U.S. 720 (1977). We believe the Supreme Court was correct when it decided in that case that indirect purchasers should not be able to sue for antitrust violations.

Overturning Illinois Brick will fuel inflation by increasing enormously the cost and complexity of antitrust litigation. Furthermore, as Professor Milton Handler and others have said, the Illinois Brick legislation would weaken antitrust enforcement, because the direct purchasers, who have historically prosecuted the bulk of private antitrust cases, would no longer enjoy the incentive of full treble damages unless they could win a costly battle against the indirect purchasers over the pass-on issue.

The Illinois Brick legislation in my opinion is not advisable even from the point of view of indirect purchasers. The few dollars each indirect purchaser might recover after years of legislation would neither offset his loss from the market-wide inflationary impact of high litigation costs nor provide an incentive for him to help enforce the antitrust laws. I fear that any increased benefits and incentives flowing from overturning Illinois Brick would accrue instead to a segment of the citizenry not deserving of special favor under the antitrust laws: plaintiffs' lawyers.

While I would be happy to provide further information or testify in support of the Illinois Brick decision, I believe the testimony already heard by the Committee clearly favors letting the decision stand.

Very truly yours,

J. E. CLUTE.●

● Mr. METZENBAUM. Mr. President, I am pleased to join with Senator KENNEDY and 20 of my colleagues in introducing legislation to reverse the Supreme Court's decision in Illinois Brick.

That decision, which bars indirect purchasers from bringing private damage actions against antitrust violators, has set antitrust law on its head. It bars those truly injured by antitrust violations from seeking relief in the courts while providing windfall profits to those who suffer no injury. And in the process, it threatens to undermine our national commitment to promote competition in the marketplace through effective enforcement of the antitrust laws.

Mr. President, the antitrust laws were enacted for the ultimate benefit of the consumer.

The reason we strive through our antitrust laws to promote competition in the marketplace is to insure individual consumers the highest quality products at the lowest prices possible. But under Illinois Brick these ultimate consumers are left remediless. Let me illustrate.

Assume for a minute that manufacturers of drugs, hardware products, household appliances—to take just a few examples—agree among themselves to fix the prices of their products at levels higher than those products could command in the competitive market. Their customers, the wholesalers and retailers, purchase these products at the inflated prices and mark them up for resale to the consumer.

In this manner, all or most of the illegal overcharges are passed on to the ultimate consumer. But under Illinois Brick these consumers are barred from recovering because they are not "direct" purchasers. The middlemen, on the other hand, can collect treble damages from the antitrust violator even though they have suffered no injury.

Who are these ultimate consumers left remedies under Illinois brick? They are average citizens—small businessmen, individual consumers, and taxpayers whose tax dollars are wasted on illegal overcharges paid by State and Federal agencies for goods they consume. Testimony last year before the Judiciary Committee revealed for example, that 90 percent of State government purchases were made through middlemen. Over the last 15 years, States have recovered hundreds of millions of dollars in antitrust suits, most of which would have been barred had the ruling in Illinois Brick been applied. Fundamental fairness requires that average citizens not bear the costs of antitrust violations while middlemen are permitted to reap the benefits of treble damage antitrust awards.

Mr. President, this bill we are introducing today is of critical importance. It is imperative that we reassert in no uncertain terms our commitment to use the antitrust laws to protect the average citizen—the consumer and the taxpayer.

Up until Illinois Brick, the notion that our goal was to protect individual consumers was not seriously challenged. Now, we find some courts holding that the Clayton Act was only designed to protect injury to business property. Prior to Illinois Brick, I do not think such a notion could possibly have been taken seriously. But that decision so undermined the principle of protection of individual consumers that I suppose anything is possible now.

Mr. President, we must put a stop to this disturbing trend. We must reaffirm our long-standing commitment to use the antitrust laws to protect the rights of individual citizens.

Not only is the result reached in Illinois Brick fundamentally unfair, it runs counter to long-established judicial precedents and defeats Congress intent in enacting the antitrust laws. In Illinois Brick the majority of the Court held, over vigorous dissent by three Justices, that only overcharged direct purchasers and not other purchasers farther down the distribution chain were "injured in [their] business or property" under section 4 of the Clayton Act and therefore entitled to recover treble damages under that act from the antitrust violator.

But if one reads the debate at the time the Sherman Act was passed in 1890, it is evident that the legislators at that time believed they were according all individual consumers the right to seek damages from antitrust violations. In fact, Senator George addressed the question of "indirect purchasers" specifically during the debate, concluding that "the consumer * * * paying all the increased price advanced by the middlemen and profits on the same, is the party necessarily damnified or injured." [21 CONGRESSIONAL RECORD 767 (1890).] And if such remarks were not sufficient to clarify Congress intent, surely enactment of the Hart-Scott-Rodino Parens Patriae Act in 1976 removed any misunderstanding. This act afforded States the opportunity to bring damage suits against antitrust violators on behalf of all individual consumers in that State illegally overcharged as the result of an antitrust violation. The legislative history of this act is replete with criticisms of the recent judicial decisions banning suits by indirect purchasers. And both the House and Senate committee reports accompanying the bill specifically interpreted section 4 of the Clayton Act to permit suits by indirect purchasers.

Up until Illinois Brick, virtually every Federal court addressing the issue was of the view that indirect purchasers had a right to sue for damages under the Clayton Act. The Supreme Court itself, as recently as 6 months before Illinois Brick, reaffirmed the notion that treble damage antitrust actions were intended to protect individual citizens, particularly individual consumers. In fact, the case relied on by the Court to reach its result in Illinois Brick was a strong proenforcement decision entirely consistent with permitting damage suits by indirect purchasers. In summary, neither the legislative history of the antitrust laws nor judicial interpretations of the laws prior to Illinois Brick supports the results reached in that case.

Finally, Mr. President, the Illinois Brick decision troubles me because I fear it will undermine enforcement of our antitrust laws. Private treble damage actions are critical to an effective antitrust enforcement effort. We need the deterrent effect that the threat of treble damages can create above and beyond the threat of fines or imprisonment. And we need private suits to supplement the limited Government resources available to investigate and prosecute antitrust violators. Before the Illinois Brick decision came down, there were 10 times as many private antitrust damage actions as there were suits by the Government.

However, it is far from clear that we can depend on direct purchasers to bring such private suits. Fear of retaliation by their supplier or the burden and expense of complex litigation may discourage direct purchasers from bringing suit. Or the fact that they themselves are not injured, because they have passed on to the consumer all of the illegal over charges, may deter them.

It is apparent that suits by those parties actually injured as a result of antitrust violations—parties not in a position to fear the threat of retaliatory actions—are essential to effective enforcement of the antitrust laws through treble damage actions.

Mr. President, the result reached in Illinois Brick is intolerable and cannot be permitted to stand. It is fundamentally unfair to the consumer and taxpayer; it runs counter to long-established judicial precedent and Congress's intent in setting up the statutory antitrust framework; and it threatens to undermine our antitrust enforcement effort. We urgently need this legislation to restore fairness and effectiveness to our antitrust laws.

Mr. President, as you no doubt know, Senator KENNEDY toiled ceaselessly on this bill last session. Extensive hearings were held and a comprehensive record was compiled. The bill commanded broad support from all of the Nation's Governors, the National League of Cities, the National Council of Senior Citizens, the Disabled American Veterans, the Consumer Federation of America, to name just a few. But despite all this, we were unable to get serious consideration of the measure on the Senate floor last year.

This bill is too important to be consigned to a similar fate in this Congress. I sincerely hope we will see a full debate and expeditious passage of this measure during the coming year.●

By Mr. TOWER:

S. 301. A bill to amend laws relating to housing and community development with respect to labor standards; to the Committee on Banking, Housing, and Urban Affairs.

● Mr. TOWER. Mr. President, I am introducing legislation today that would repeal the Davis-Bacon Act as it applies to our Nation's housing and community development programs. The Davis-Bacon Act is an outdated Federal law that is clearly out of place in an economy wracked by inflation, mounting construction costs, and unnecessary regulation, and it should be repealed. As a member of the Committee on Banking, Housing, and Urban Affairs. I am very aware of the inflationary impact and the disruptive effect which the Davis-Bacon Act has on housing and community development efforts. For that reason, I am particularly interested in removing the requirements of the Davis-Bacon Act from the housing and community development laws.

The Davis-Bacon Act is an economic dinosaur. It was adopted during the 1930's when there were concerns over the effect which falling wage rates would have on the incomes of American workers. The Davis-Bacon Act was designed to shore up the wage rates of construction workers, particularly those working under negotiated wage rate schedules. It was the first Federal law designed to regulate the wage rates of workers on nongovernmental payrolls.

Whatever justification there may have been for this law at the time, there is no justification for it now. Declining wage rates are not a major threat to the incomes of American workers today. Indeed, the problem is just the opposite. Wage rates are increasing more rapidly than productivity. As a result, unit labor costs are rising dramatically, which in turn is putting upward pressure on prices.

The hourly wage rates of contract construction workers have risen steadily since the end of World War II and they are relatively high compared with the wage rates of workers in other major industries. According to a survey conducted regularly in 20 selected cities, the average hourly wage rate of skilled construction workers is approaching $14 an hour, and common workers in construction earn an average hourly wage rate in excess of $10 an hour. This compares with an average hourly wage rate of roughly $6 for all workers in the private nonagricultural sector.

The economy has changed a great deal since the 1930's, and it makes little sense to maintain a law designed to bolster wage rates when the threat of declining wage rates is no longer a real one. And it makes little sense to keep such an inflationary law on the books when the cost of housing is rising so rapidly that many American families are finding it difficult to afford decent housing. The costs involved in running our Nation's housing and community development programs are extremely high, and they should not be inflated by the requirements imposed under the Davis-Bacon Act.

The Davis-Bacon Act requires construction contractors engaged in federally assisted projects over $2,000 to pay their workers at wage rates determined by the Secretary of Labor. Those wage rates are supposed to reflect the wage rates prevailing for similar types of workers in the community where the project is located. The purpose of this act was to prevent contractors from using so-called "itinerant" workers from outside the local community to work on federally assisted projects at lower wage rates than prevail in the community. The concern was that this would undercut the wage rates of local construction workers. The problem is that this has inflated the wage rates which contractors must pay their workers on federally assisted projects. As a result, the American taxpayer has had to foot the bill for the higher costs of federally assisted construction. Moreover, the Davis-Bacon Act is disruptive to the private wage scales of many contractors, and has discouraged many of those contractors from bidding on Federal projects.

The reason for this was clearly stated by Armand J. Thiebolt, Jr., in his study entitled "The Davis-Bacon Act," published by the Wharton School of The University of Pennsylvania:

> [I]f . . . Davis-Bacon prevailing rates are set at the union scale or somewhere in between the open-shop scale and the union scale, then open-shop contractors will have to raise pay rates in order for their workmen to be employed on the project. Although this situation should create, for the open-shop firm, no problem with the immediate job involved (the government picks up the additional tab), it might well cause disruptions in the firm's relations with its employees—particularly if not all of them are assigned to the Davis-Bacon job—and affect its future work patterns. In addition, the competitive situation would be altered to the relative disadvantage of the open-shop firm.

The costs involved with the Davis-Bacon Act are enormous. They have been estimated at $2.7 billion annually. Of this, $1.8 billion is estimated to result from the effect which the act has on inflating construction wage rates in the case of private construction contracts. The price tag on new home construction alone is estimated at $430 billion.

Repealing the Davis-Bacon Act would not only reduce the direct costs which the taxpayer is asked to bear as a result of inflated wage rates on federally sponsored construction projects, but it would eliminate the added costs which spillover into private construction projects as a result of the higher wage rates which the Davis-Bacon Act encourages workers to seek.

As everyone knows, inflation is our Nation's No. 1 economic problem. And, as the President said in his economic report to the Nation:

> It is now more essential than ever that our government, in both its budgetary and regu-

latory programs, make the best use of the resources at its disposal and seek better, less costly means to achieve our national objectives.

If we are really serious about dealing with inflation, there is no better place to begin than by repealing the Davis-Bacon Act. The bill I am introducing today would repeal the application of that act on all housing and community development programs. These programs are under the jurisdiction of the Committee on Banking, Housing, and Urban Affairs, and as a member of that committee I intend to pursue this matter vigorously during the 96th Congress.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 301

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Section 110 of the Housing and Community Development Act of 1974 is repealed.

(b) Section 802(g) of such Act is repealed.

SEC. 2. Section 707 of the Housing and Urban Development Act of 1965 is repealed.

SEC. 3. Section 202(c)(3) of the Housing Act of 1959 is repealed.

SEC. 4. (a) Section 212 of the National Housing Act is repealed.

(b) Section 803(k) of such Act is repealed.

(c) Section 903(c) of such Act is amended by striking out all that follows the last semicolon down to the colon which precedes the proviso.

SEC. 5. (a) Section 410 of the Housing and Urban Development Act of 1968 is repealed.

(b) Section 906(d) of such Act is repealed.

SEC. 6. Section 110 of the Demonstration Cities and Metropolitan Development Act of 1966 is repealed.

SEC. 7. Section 727 of the Housing and Urban Development Act of 1970 is repealed.

SEC. 8. (a) Section 109 of the Housing Act of 1949 is repealed.

(b) Section 516(f) of such Act is repealed.

SEC. 9. Section 12 of the United States Housing Act of 1937 is repealed.

SEC. 10. Section 310 of the Defense Housing and Community Facilities and Services Act of 1951 is repealed.

SEC. 11. Section 707 of the Housing and Urban Development Act of 1961 is repealed.

SEC. 12. Section 402(f) of the Housing Act of 1950 is repealed.●

By Mr. DOLE:

S. 302. A bill for the relief of Vincente Alvarez; to the Committee on the Judiciary.

● Mr. DOLE. Mr. President, today I am introducing a private relief measure which is unlike any other private relief measure which I, or that of my colleagues, have introduced during this session of Congress.

Mr. President, this measure grants permanent residency to Mr. Vincente Alvarez of Mulvane, Kans. It is of crucial importance, not only to Mr. Alvarez and his family, but also to the Senator from Kansas, that this bill pass quickly through the legislative process. The reason for this request is that Mr. Alvarez has terminal cancer and it has been his request, joined by his family and many friends in the area, that he become a U.S. citizen before his death.

Mr. President, we all know too well the unpredictability of cancer. And all of us, have in some way, suffered losses due to the disease of cancer. Time is of the essence. And I ask that the committees in both Houses weigh this factor heavily during consideration of this measure.

Mr. President, the Senator from Kansas is quite aware of this uncommon request, but due to the nature of this situation, I see no objection as to the speedy passage of this bill.

In the 1920's thousands of people immigrated to the United States in hopes of a new future and Mr. Alvarez was one of those in coming with little family and few papers. Because there were no living relatives in 1967 to attest to the immigration of Mr. Alvarez, he was denied application for naturalization. Administratively, it would now take months to complete application, but for Mr. Alvarez and his family there is no time to spare.

Mr. President, I ask unanimous consent that a letter written to me by the Alvarez family in making this request be printed in the RECORD. I am hopeful that my colleagues will join me in seeing this measure through as quickly as possible.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 3, 1979.

Senator ROBERT DOLE,
Washington, D.C.

DEAR SIR: This letter is a request from our family for any assistance you and your office may give us in our endeavor to help our father and husband become a United States citizen. He is terminally ill with cancer and is not expected to live through the month of February, thus prompting us to obtain a solution to his problem of citizenship outside the usual procedures provided by the Immigration Service. We are requesting your help for special legislation or a private bill in order to speed the process in hopes of our father and husband receiving his citizenship before his death.

His problem with the Immigration Service is briefly as follows. He left Spain as an infant at a time when it was illegal for males to leave the country due to the demand for military service. He arrived in this country in the early 20's with little family and few papers. It is because of this that in 1967 the Immigration Service rejected his application for citizenship since he could not answer such basic questions such as when and where he arrived (see enclosures). The fact remains that he has been in this country for over fifty years, evidenced by employment records etc., and as succinctly put, lead a life as an American.

This family, until recently, had neither the education nor the resources to deal effectively with the Immigration Service and now we do not have the time. It has been our father's and husband's dream all his life to become an American citizen and we now ask that you please help him.

All the documents we have concerning this situation are inclosed. Any additional information that you might need will be provided upon request. Thank you.

Very truly yours,
Mrs. VINCE ALVAREZ.
Mr. and Mrs. DENNIS ALVAREZ.
TIMOTHY M. ALVAREZ.
DEBRA ALVAREZ.
Family of Vince L. Alvarez.●

By Mr. DOLE:

S. 303. A bill for the relief of William Armstrong and Rita Armstrong; to the Committee on the Judiciary.

S. 304. A bill for the relief of Roman Enriquez, Andrietta Enriquez, and their son Sol Allan Enriquez; to the Committee on the Judiciary.

S. 305. A bill for the relief of Carlo Lim, M.D., his wife Cecilia Lim, and his son Ronald Christopher Lim; to the Committee on the Judiciary.

S. 306. A bill for the relief of Reginald Carlson Lim; to the Committee on the Judiciary.

● Mr. DOLE. Mr. President, today I am introducing several private relief measures for individuals who have become great assets to the communities in Kansas they have found as a home.

Without these individuals, two communities in Kansas would be without medical services which is sorely needed in the rural areas of the United States due to the physician shortage in another area, the need for a language interpreter has benefited the industry's operation and well-being of the community.

Mr. President, I am hopeful that during the 96th Congress these measures will receive affirmative action by the Judiciary Committees in both the House and Senate and that permanent residency will be accorded to those designated in the measures.●

ADDITIONAL COSPONSORS

S. 37

At the request of Mr. PROXMIRE, the Senator from Pennsylvania (Mr. HEINZ), the Senator from Texas (Mr. TOWER), the Senator from North Carolina (Mr. MORGAN), and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 37, to amend the Right to Financial Privacy Act of 1978.

S. 55

At the request of Mr. BENTSEN, the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Missouri (Mr. DANFORTH), and the Senator from Nevada (Mr. LAXALT) were added as cosponsors of S. 55, the Meat Import Act of 1979.

S. 79

At the request of Mr. HELMS, the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 79, to reinstate the gasoline tax deduction.

S. 111

At the request of Mr. BUMPERS, the Senator from Montana (Mr. MELCHER) and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 111, to improve the administrative process by making the Federal agencies more responsive to the will of the people as expressed by their elected representatives in Congress.

S. 190

At the request of Mr. KENNEDY, the Senator from Michigan (Mr. LEVIN) and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 190, the Victims of Crime Act of 1979.

S. 192

At the request of Mr. BUMPERS, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 192, to amend the Internal Revenue Code of 1954 to equalize the tax treatment of domestic and foreign investors.

S. 195

At the request of Mr. BUMPERS, the Senator from Texas (Mr. BENTSEN), the Senators from Maryland (Mr. MATHIAS and Mr. SARBANES), the Senator from West Virginia (Mr. RANDOLPH), the Senator from North Dakota (Mr. BURDICK), the Senator from Kentucky (Mr. FORD), the Senator from Ohio (Mr. GLENN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Montana (Mr. MELCHER), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 195, to extend through October 1, 1979, the provisions which expired on October 1, 1978, relating to payment under the Social Security Act for services of physicians rendered in a teaching hospital.

S. 200

At the request of Mr. DANFORTH, the Senator from Maine (Mr. MUSKIE) was added as a cosponsor of S. 200, the Intergovernmental Antirecession and Supplementary Fiscal Assistance Amendments of 1979.

S. 210

At the request of Mr. RIBICOFF, the Senator from Missouri (Mr. EAGLETON) and the Senator from Indiana (Mr. BAYH) were added as cosponsors of S. 210, the Department of Education Organization Act of 1979.

SENATE RESOLUTION 35—ORIGINAL RESOLUTION REPORTED AUTHORIZING REPRINTING OF "WASHINGTON'S FAREWELL ADDRESS" (H. DOC. 89-504)

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution, which was placed on the calendar:

S. RES. 35

Resolved, That House Document Numbered 504, Eighty-ninth Congress, second session, entitled "Washington's Farewell Address to the People of the United States", be reprinted as a Senate document; and that there be printed five thousand five hundred additional copies of such document for the use of the Joint Committee on Printing.

SENATE RESOLUTION 36—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON RULES AND ADMINISTRATION

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution, which was placed on the calendar:

S. RES. 36

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Rules and Administration is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $695,000, of which amount not to exceed $35,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 37—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution, which was placed on the calendar:

S. RES. 37

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Sibyl M. Brown, mother of James R. Brown, an employee of the Senate at the time of his death, a sum equal to three months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 38—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution, which was placed on the calendar:

S. RES. 38

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Charles F. Clark, Sr., widower of Lucille B. Clark, an employee of the Senate at the time of her death, a sum equal to one year's compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 39—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution, which was placed on the calendar:

S. RES. 39

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate to Guy D. Hunter, father of Gary D. Hunter, and Bonnie G. Hunter, mother of Gary D. Hunter, an employee of the Senate at the time of his death, a sum to each equal to one month's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 40—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution, which was placed on the calendar:

S. RES. 40

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate to Allie M. McAdams, sister of Jesse James, an employee of the Senate Restaurant at the time of his death, a sum equal to four months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 41—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution, which was placed on the calendar:

S. RES. 41

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate to Carl W. Sours, father of Ray W. Sours, an employee of the Architect of the Capitol assigned to study on the Senate side of the Capitol grounds at the time of his death, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 42—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. McGOVERN (for Mr. TALMADGE), from the Committee on Agriculture, Nutrition, and Forestry, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 42

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Agriculture, Nutrition, and Forestry is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $766,000, of which amount not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the

Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 43—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. RANDOLPH, from the Committee on Environment and Public Works, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 43

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Environment and Public Works is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,429,200, of which amount (1) not to exceed $17,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $500 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practical date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 44—SUBMISSION OF A RESOLUTION AUTHORIZING THE PRINTING OF "STUDY ON FEDERAL REGULATION, FRAMEWORK FOR REGULATION, APPENDIX TO VOLUME VI"

Mr. RIBICOFF submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 44

Resolved, That the committee print of the Committee on Governmental Affairs entitled "Study on Federal Regulation, Framework for Regulation, Appendix to Volume VI" be printed as a Senate Document, and that there be printed four hundred and fifty additional copies of such document for the use of that committee.

SENATE RESOLUTION 45—SUBMISSION OF A RESOLUTION AUTHORIZING THE PRINTING OF "STUDY ON FEDERAL REGULATION, VOLUME VI, FRAMEWORK FOR REGULATION"

Mr. RIBICOFF submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 45

Resolved, That the committee print of the Committee on Governmental Affairs entitled "Study on Federal Regulation, Volume VI, Framework for Regulation," be printed as a Senate Document, and that there be printed one thousand additional copies of such document for the use of that committee.

SENATE RESOLUTION 46—SUBMISSION OF A RESOLUTION OF DISAPPROVAL OF PROPOSED BUDGET AUTHORITY FOR THE COLUMBIA DAM AND RESERVOIR

Mr. SASSER submitted the following resolution, which was referred to the Committee on Appropriations, the Committee on the Budget, and the Committee on Environment and Public Works, jointly, pursuant to order of January 30, 1975:

S. RES. 46

Resolved, That the Senate disapproves the proposed deferral of budget authority (Deferral No. D 79–52) for payment to the Tennessee Valley Authority Fund of $15,000,000 for the Columbia Dam and Reservoir set forth in the special message transmitted by the President to the Congress on January 31, 1979, under section 1013 of the Impoundment Control Act of 1974.

SENATE RESOLUTION 47—SUBMISSION OF A RESOLUTION RELATING TO THE FIRST CONCURRENT RESOLUTION ON THE BUDGET FOR 1980

Mr. ROTH (for himself, Mr. DANFORTH, Mr. LUGAR, Mr. PROXMIRE, and Mr. STONE) submitted the following resolution, which was referred to the Committee on the Budget:

S. RES. 47

Resolved, That it is the sense of the Senate, that the first concurrent resolution on the budget for fiscal year 1980 reported by the Committee on the Budget of the Senate should set forth—

(1) an appropriate level of total budget outlays which is at least $10,000,000,000 less than the total budget outlays proposed in the Budget submitted by the President for such fiscal year, and an appropriate level of total new budget authority necessary, together with other action recommended by the Committee, to achieve such reduction in total budget outlays.

● Mr. ROTH. Mr. President, on behalf of the Save Our Bucks (SOB) Task Force, I am submitting a Senate resolution calling on the Senate Budget Committee to establish in the first concurrent resolution on the budget that the appropriate level of total budget outlays be $10 billion less than in the President's budget. This proposal calls for a 2-percent reduction in the President's budget for fiscal year 1980.

When I entered Government service in 1967, the Federal outlays were $158.2 billion. This year's proposed outlays of $532 billion indicate the runaway growth in the size and cost of the Government. Since 1967, Federal budget outlays have increased by an astonishing 237 percent.

Largely as a result of this increased spending, we now find ourselves faced with the difficult problem of inflation.

The budget approved last year was the highest in our Nation's history—$494 billion. This year, the President's budget will set a new record—it calls for an increase to $532 billion. This is an increase of 7.7 percent.

Last October, the President told the American people something they have known for a long time. The Government is a major cause of inflation. The President promised that the Government would "take the lead in fiscal restraint."

Now it is time for the President to practice what he preaches. It is time for the President to enforce his anti-inflationary measures on the Federal Government. If the President can tell the American people how much money they can earn, then the American people can tell the President how much of their hard-earned money the Government can spend.

The President was correct in saying that Government spending sets an example. I think a 7.7-percent increase in 1 year is the worst example we could have. It is an insult to the American people to demand in one breath that wages increase by less than 7 percent, and in another breath announce that the budget will increase by over 7 percent.

That is why I am proposing that the President's budget be reduced by an additional $10 billion. In so doing, the budget would total $522 billion, an increase of only 5.6 percent. If the President is serious about the Government setting an example, and I hope he is, then the best example I know of would be for the President's budget to be significantly below the 7-percent limit on wages the President has demanded of the American people.

For those who would criticize this reduction as being overly excessive, I would like to point out that it represents a 2-percent reduction from the President's proposed budget. I find it hard to believe that we cannot cut the President's budget by at least 2 percent. I am afraid to think of the consequences if we do not cut the President's budget.

Another advantage to my proposal is its relationship to the GNP. The President has set an ultimate goal that Federal outlays will not exceed 21 percent of the GNP. However, the President's budget would exceed the GNP by 21.2 percent. This proposed budget would be below the 21-percent goal, with budget outlays being 20.8 percent of the GNP.

For years the Government has been throwing money at our Nation's problems, and when that did not work the solution was to throw more money at our problems. In doing so, we have contributed to the biggest problem in this country—inflation.

I believe Government must begin to clean up its own house before it has any right to look the American people in the eye and demand that they cut back. Cutting the President's budget by $10 billion is an important step in that direction.●

NOTICES OF HEARINGS

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing, and Urban Affairs will hold hearings on February 8 and 9, 1979 to consider legislation on the extension of the Council on Wage and Price Stability and an increase in authorization for the current year and the next 2 years. The hearings will be held in room 5302 of the Dirksen Senate Office Building.

That is a critical hearing and I am sure Members of the Senate will be interested in it, whether they are on the committee or not.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, on Thursday, February 8, 1979, the committee shall hold hearings at 10 a.m. and shall hear the testimony of three witnesses: The Honorable Henry C. Wallich, member, Board of Governors of the Federal Reserve System; Dr. Jack Carlson, chief economist, Chamber of Commerce of the United States; and Dr. Rudy Oswald, director, department of research, AFL–CIO.

On Friday, February 9, 1979, the committee shall hold hearings in both the morning and the afternoon. At 10 a.m., the committee shall hear the testimony of two witnesses: The Honorable Alfred Kahn, Chairman, Council on Wage and Price Stability; and Dr. Barry Bosworth, Director, Council on Wage and Price Stability. On Friday afternoon beginning at 3 p.m. the committee shall hear the testimony of three witnesses: Mr. Donald V. Seibert, representative, the Business Roundtable; Mr. William J. Brodbeck, representative, National Association of Retail Grocers of the United States; and Mr. Boris H. Block, secretary/treasurer, United Electrical Workers.

Anyone interested in obtaining additional information about the committee's hearings should contact Steven M. Roberts, chief economist for the committee, at 224–7391.

SUBCOMMITTEE ON CHILD AND HUMAN DEVELOPMENT

● Mr. CRANSTON. Mr. President, the hearings before the Subcommittee on Child and Human Development, which I announced on January 23 will be held on child care (S. 4) on February 6 and 21, and on the ACTION Agency reauthorization (S. 239) on February 8, will begin on those dates at 9 a.m. and not at 9:30 a.m. as previously announced.●

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, the Subcommittee on Taxation and Debt Management of the Senate Committee on Finance will hold a hearing on February 5, 1979, on the status of foreign debts owed to the United States.

The hearings will begin at 10 a.m. in room 2221 of the Dirksen Senate Office Building. Witnesses to testify are Mr. C. Fred Bergsten, Assistant Secretary of the Treasury for International Affairs, and Mr. Julius Katz, Assistant Secretary of State for Economic and Business Affairs.

In January 1977, similar subcommittee hearings were conducted and, at that time, foreign debt owed the United States was over $60 billion.

The subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length and mailed with five copies by March 9, 1979, to Michael Stern, Staff Director, Committee on Finance, room 227 of the Dirksen Senate Office Building, Washington, D.C. 20510.●

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, the Subcommittee on Taxation and Debt Management of the Senate Committee on Finance will hold a hearing on the administration's request to increase the statutory debt ceiling.

The Honorable W. Michael Blumenthal, Secretary of the Treasury, and Mr. James T. McIntyre, Director of the Office of Management and Budget, will testify on the public debt at 9:30 a.m., Tuesday, February 6, 1979, in room 2221, Dirksen Senate Office Building.

The permanent debt limitation under present law is set at $400 billion, with a temporary additional limit of $398 billion. The debt limit of $798 billion is due to expire March 31, 1979.

The subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length and mailed with five copies by March 1, 1979, to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce that the oversight hearing scheduled before the Committee on Energy and Natural Resources for Monday, February 5, 1979, at 10 a.m., on surface mining regulations, issued by the Department of the Interior, has been canceled.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce that the Committee on Energy and Natural Resources has scheduled hearings to evaluate the impact of the President's proposed budget for fiscal year 1980 on Federal programs and activities under the jurisdiction of the committee.

On February 7, 1979, Secretary of Energy James Schlesinger will appear before the committee to discuss the impact of the proposed budget on Federal programs of the Department of Energy.

On February 8, 1979, Secretary of the Interior Cecil D. Andrus and Assistant Secretary of Agriculture Malcolm Cutler will appear to discuss the proposed budget impact on the programs and activities of the Departments of the Interior and Agriculture.

Each of these meetings will take place in room 3110 of the Dirksen Senate Office Building, at 9:30 a.m.

Anyone wishing information about these hearings should contact Richard Grundy, senior professional staff member for energy at 202–224–9894.●

SUBCOMMITTEE ON ENERGY CONSERVATION AND REGULATION

● Mr. JOHNSTON. Mr. President, on Monday, February 5, 1979, the Subcommittee on Energy Conservation and Regulation of the Committee on Energy and Natural Resources will hold a hearing on the Department of Energy's plans for emergency energy conservation and gasoline rationing. The hearing will commence at 10 a.m. in room 3110, Dirksen Senate Office Building.

There is a clear danger that the current situation in the Middle East could worsen, and, if it does, the United States will suffer petroleum shortages. The Secretary of Energy has discussed this situation in a general way in hearings before the Committee on Energy and Natural Resources on January 17, 1979. At these hearings, the Secretary alluded to various energy demand restraint measures which could be imposed to reduce domestic petroleum consumption in the event of a supply shortage. These measures included service station closings and, ultimately, gasoline rationing.

In my opinion, it is time that the Congress focused its attention on these measures. Emergency conservation plans were published in the Federal Register by the Ford administration on May 28, 1976. We have heard nothing more about them since. The Carter administration rewrote the gasoline rationing plan last year and published their proposed plan on June 28, 1978. Any of these plans, if implemented, would have a traumatic impact on the everyday lives of millions of Americans. It is, therefore, essential that we realize that, first, these plans may be imposed and second, that we have a responsibility to examine them very carefully. This is the purpose of the hearing on February 5. It will initiate a process which I hope will lead to a recognition of the seriousness of our energy situation and of the need for creative attention to devising reasonable solutions to our vulnerability to energy shortages.

Questions about this hearing should be addressed to Benjamin S. Cooper or James T. Bruce of the subcommittee staff at 224–9894.●

ADDITIONAL STATEMENTS

SENATE JOINT RESOLUTION 10—CONSTITUTIONAL AMENDMENT TO BALANCE THE BUDGET

● Mr. ROTH. Mr. President, I am proud to once again sponsor legislation calling upon the Congress to initiate a constitutional amendment to balance the budget, specifically Senate Joint Resolution 10 introduced by Senator McClure.

In the 94th and 95th Congresses, when I first supported a constitutional amendment to balance the budget, the issue was not very popular. During the past 4 years, however, State legislatures have supported the movement to urge the Congress to pass a constitutional amendment to balance the Federal budget. Twenty-four States have passed legislation calling for such a plan, with more State legislatures considering the question. I am proud to say that my own State of Delaware endorsed the plan in February 1976. It is reinforcing to see that a balanced budget amendment has been growing in popular appeal to such an extent that it is now embraced by a "born again" Gov. Jerry Brown.

Twenty-four States have sent a message to the Congress—the American people are fed up with runaway inflation and the Government's response: "Spend now and the people will pay later." The legislation I am sponsoring gives the Congress an opportunity to affirmatively respond to this message.

It has been 11 years since we have seen a budget surplus. It is even more frightening to look at the figures for the last 50 years—42 deficits, only 8 surpluses.

An impartial observer would be hard pressed to find evidence in such a sad record indicating a Government concerned about excessive spending and doing something constructive about it.

Every year, the President and the Congress lose more control over ever-increasing budgets which result in an ever-increasing Federal debt. The budget approved last year was the highest in our Nation's history—$494 billion. This year, the President's budget set a new record—it calls for an increase to $532 billion.

Even more astonishing, the President's budget increases the national debt to almost $900 billion—a $900 billion debt which the American taxpayer is carrying on his shoulders. When I entered Government service in 1967, the American people were paying $12.5 billion in interest alone on the Federal debt. By 1975, they were spending $30 billion. We have now reached the sad state where the American people will be paying $57 billion for the interest alone if the President's fiscal year 1980 budget is adopted. Even more outrageous, this $57 billion ranks as the third highest spending program in the country. We only spend more on income security and national defense.

Whenever one talks of cutting back on Government spending, the critics inevitably start protesting that such measures are reckless, irresponsible, and a blow to representative government. Upon closer inspection, I find that those yelling the loudest have been receiving the most money from the Government.

We must ask ourselves when and where it will stop. It should have stopped long ago, but it did not. I am convinced that without the proper discipline, without a constitutional amendment calling for a balanced budget, it will not stop now. I am convinced that if the Congress and the President are compelled to face the issue, are compelled to balance the budget, then and only then will we have a balanced budget.●

THE DEATH OF NELSON A. ROCKEFELLER

● Mr. MUSKIE. Mr. President, I want to say a few words today about my friend Nelson A. Rockefeller. Nelson Rockefeller and I shared as many common experiences as we had differences. We were both in the State of Maine. We both were elected Governor. And we both aspired to the Presidency of the United States.

Nelson was born of great wealth. It bought him time. He devoted that time to the public service. He was, as much as any man I know, absolutely dedicated to the public service. He genuinely cared about the quality of our Government, the services Government provides and the opportunities available to the American people.

I knew Nelson best in the years in which we served together on the National Commission on Water Quality. That service began when he was Governor of New York and ended during his Vice Presidency. We disagreed from time to time but never with each others' motivation. Nelson brought the same enthusiasm and ardor to the efforts of that Commission as he did to everything else. He expected that the sheer force of his effort and his personality would shape the outcome of the Commission, and to a large extent, it did.

He brought that same degree of commitment to the State of New York and to his national political effort. Nelson Rockefeller was a progressive in a party which vigorously promotes the status quo. As such, he was denied the chance to serve his country from the position in which he would have felt most effective.

As a Democrat I took some comfort, at the time, in the fact that he was denied the opportunity to create what surely would have been another great American political dynasty. As a friend and an admirer I feel a sense of sadness that this man did not have his chance at the helm.

Mr. President, I ask that two articles by the Associated Press in Maine, and an editorial in the Portland Press Herald of Tuesday, January 30, 1979, be printed in the Record.

The material follows:

ROCKEFELLER LOSS AFFECTS MAINE TOWN

(By John Halvorsen)

Seal Harbor.—The death of Nelson Rockefeller was felt especially keenly in this tiny community on Mt. Desert Island where he was born, later built a magnificent home and returned each summer.

Three generations of Rockefellers have had ties to Maine, and the year-round residents of the area, many of them employees or former employees of the family, knew Nelson Rockefeller as a friendly, open man.

He was "an awful nice fella—everybody spoke well of him. He should have been president," said Harry Fernald, 77, who retired as Rockefeller's gardener seven years ago.

"Wonderful. The whole family was wonderful," said Robert F. DeRevere, 89, who worked for the Rockefeller family for 56 years, both at Tarrytown, N.Y., and Seal Harbor.

DeRevere's son, Robert E. DeRevere, who runs a garage in Seal Harbor, said townsfolk "regard the whole Rockefeller family as being a pretty model family . . . They did supply a good amount of work here on the island, kept the economy well-bolstered here for years."

Rockefeller's death "is going to be a real blow to this town," said Christia L. Skillin, who runs the only restaurant, which Rockefeller often visited in the last 20 years.

"He was a very nice man. We thought very much of him," Mrs. Skillin added. "He didn't make you feel as if he thought he was any better than you were."

His father, John D., Jr., had built a 99-room house long before, "The Eyrie," but it was torn down in the 1960s. The elder Rockefeller also donated 7,000 acres of land to create nearby Acadia National Park.

When Rockefeller built his own house, known as "The Anchorage," he is said to have stood on a point and told the architect, "I want this view and this one and this one."

The 21-room stone and glass house, viewed as ultramodern at the time, includes a doublelevel living room, a banquetsized dining room, a balcony jutted out over the ocean, and a master bedroom with a ship ladder down to the heated ocean-water swimming pool.

Besides sailing and relaxing at his summer home, Rockefeller used it to host several fundraising events for the Maine GOP. In 1967 he put his private art collection, housed in a converted coal wharf at Seal Harbor, on public display for the first time.

He was vacationing here in August 1974 when he learned President Gerald R. Ford wanted him to be vice president.

Last spring, Rockefeller put the house up for sale. It was offered through Sotheby Parke Bernet Galleries of New York for "around $1 million." But several local residents said they heard it had later been taken off the market.

Rockefeller's brother David, president of the Chase Manhattan Bank, and other relatives still have houses here.

Some of those who knew Rockefeller best still guard his privacy in death as they did when he was alive. One caretaker at his estate declined comment, and a man at the Seal Harbor General Store, who talked with Rockefeller "for sure last August," offered an explanation:

"Seal Harbor's a very private residential community, and we guard each other's privacy very jealously."

But others were less reticent. Nelson Leland, a retired school guidance counselor who is five years younger than Rockefeller, recalled playing with him on the town beach as youngsters. "You always felt special to be with a millionaire."

Leland's mother, now 86, was executive housekeeper for John D. Jr., "and when he died, she stayed there with Nelson and Happy." And when she retired, the Rockefeller family "gave her a new car and a year's salary. Anybody who worked for the Rockefeller's got a fine pension."

Leland recalls that Rockefeller "donated generously to the hospital fund, the library fund—anything that came up, he was right there. * * *"

Rockefeller's fellow politicians remembered him, too. To former Maine Republican chairman John R. Linnell of Auburn, Rockefeller was "a very vibrant person to be around. He was full of enthusiasm" and "he could transmit his enthusiasm to other people."

Robert A. G. Monks of Cape Elizabeth, also a former state GOP chairman, was struck by

Rockefeller's "sheer energy and gusto. Just extraordinary.

"I couldn't believe it when I read in the paper (of his death)," Monks added. "It's almost as if, with Rocky's energy, if he were going to die, he'd decide when and let us all know . . . He seemed to have a capacity to create his own reality."

Monks praised Rockefeller as a man "who was very committed to trying to make things work in America."

Gov. Joseph E. Brennan said Rockefeller "will be remembered for his life-long commitment to strengthening America's stature in the world community, a goal he pursued as both a public servant and a private citizen.

"He was a man of great wealth and privilege who chose to offer himself for public service when he could have followed more comfortable and less frustrating pursuits. He'll be remembered as a statesman and a patron of the arts. We of his native state join the rest of the nation in mourning his loss."

Islanders Remember Rocky's Generosity

Seal Harbor, Maine.—Nelson Leland remembers the two dozen roses Nelson Rockefeller gave Leland's mother one Christmas, and the big donations he made to the local hospital and library funds.

Robert E. DeRevere, who runs a garage in Seal Harbor, recalls how the Rockefeller clan helped "supply a good amount of work here on the island" by hiring dozens of people like his own father, who worked for the Rockefellers for more than 50 years.

And Christia Skillin remembers simply that Nelson Rockefeller, in numerous visits to her restaurant—the only one in town—"didn't make you feel as if he thought he was any better than you were."

Three generations of Rockefellers have had ties to this tiny community on Mount Desert Island, touching the lives of dozens of local residents. The death of Nelson Rockefeller, whom they knew as a friendly, open man, had a particular impact on them.

He was "an awful nice fella—everybody spoke well of him. He should have been president," said Harry Fernald, 77, who worked as a gardener for Rockefeller.

Leland, a retired school guidance counselor, five years younger than Rockefeller, recalled playing with the future vice president on the town beach as boys. Despite the Rockefellers wealth, I don't think we ever felt resentful."

Leland's great-aunt worked as executive housekeeper for about 40 years for Nelson's father, John D. Rockefeller, Jr. When she died, Leland's mother took over as executive housekeeper for John D. Jr. and his new wife. When he died, my mother stayed with Nelson and Happy."

When his mother, now 86, retired, the Rockefellers "gave her a new car and a year's salary," Leland said.

Rockefeller was born on Mount Desert Island in 1908 on his family's first visit to Maine. He built his own home in Seal Harbor in 1939, and returned to it every summer.

[From the Portland Press Herald, Jan. 30, 1979]

Death of a Mainer

There is a story, perhaps apocryphal, that they tell about one of the Rockefeller brothers, perhaps Nelson, growing up on Mount Desert.

A local companion asked the youngster why he didn't have an automobile, and the Rockefeller boy replied indignantly, "Who do you think we are, Vanderbilts?"

Throughout his life Nelson Rockefeller wore his immense wealth easily and unostentatiously. It is not stretching matters greatly to suggest that those boyhood summers on Mount Desert may have nurtured and matured this special aspect of his character.

He was an engaging combination of the practical and the poetic, as evidenced by the twin passions of his life—politics and art collecting. His taste in both ran to the progressive, which served him well in the art world but frequently caused him grief in the political.

Three times he sought the presidency but each time he was denied the Republican nomination by the more conservative elements in his party. No one knows how well he would have done as president, but he would have brought to that office outstanding qualities of energy, imagination and leadership.

He was always graceful in victory and—like his nickname and his native state—rock-like in defeat.

We tend naturally to view momentous events in a parochial context, so while the rest of the world this week remembers Nelson Rockefeller as a New Yorker and a man of fabulous wealth, we prefer to recall him as a native Mainer and an admirable neighbor.

Rich as they come, of course, but no damn Vanderbilt.●

THE NIMBUS OF MYTHS ABOUT DEFENSE

● **Mr. STEVENS.** Mr. President, during the next several months as Congress considers the President's proposed Department of Defense budget for fiscal year 1980, we are certain to again debate the old argument of guns versus butter. In anticipation of this controversy, I would like to share with my colleagues a timely article by Robert Debs Heinl, Jr., entitled "The Nimbus of Myths About Defense" in Sunday's, January 28 Washington Post.

The author carefully states and refutes some of the more common misconceptions about military spending. In an appropriate conclusion, Mr. Heinl quotes Britain's Marshal of the Royal Air Force, Sir John Slessor, "The most important social service a government can render its people is to keep them alive and free." I ask that the article be printed in its entirety in the Record.

The article follows:

The Nimbus of Myths About Defense

While he was at the Pentagon, James Schlesinger had a favorite saying: "Each of us is entitled to his own opinion, but not to his own facts."

The vortex of the federal budget where facts and opinions become inextricably mixed is, as usual, the debate over how much we should spend for defense.

This should be no surprise: In a budget that approximates $500 billion a year, a defense share in excess of $120 billion, though less than one-quarter of the grand total, represents about two-thirds of the disposable money that budgeteers, Congress and competing constituencies can maneuver to suit particular objectives. The rest of the budget, over $300 billion, amounts to fixed charges—debt service, Social Security, pensions, etc.—which are largely immune to the tugging and hauling that goes into a defense budget.

Thus, as in the defense debate, when opinions and facts get squashed together, the fusion process produces heat but not much light. The charged particles that fly in all directions are a series of myths about defense that have orbits and half-lives of their own.

Myth: The defense budget is "spiralling."

This assertion would be true if a downward spiral were intended, but in this context it never is. In 1957, for example, we allocated 56 percent of the federal budget to defense; in this budget, the percentage is 23.1. In 1957, defense consumed 10 percent of the GNP; now it amounts to half that. Comparable declines over the past two decades can be measured in the defense share of all public spending, in the proportion of national labor force devoted to defense and in virtually any other indicator that can be marshaled.

But there is an upward spiral we need to notice. In the decade from 1967 to 1977, annual Russian expenditures for strategic nuclear forces rose from double what we spent to triple that amount today. We now spend about five percent of GNP for defense; the Soviet Union allocates 11 percent to 13 percent. In estimated dollar costs, Soviet defense outlays now exceed ours by 45 percent and the margin is widening or, perhaps, "spiralling."

Myth: The defense budget goes mainly for weapons.

A corollary myth is that alleged Pentagon "indulgence" in expensive weapons is a give-away of taxpayers' money to what, in his farewell address, President Eisenhower—at a speechwriter's suggestion—called the "military-industrial complex."

In last year's budget, 52 percent went for people; this year, according to Defense spokesmen, it is slightly down, to 50. Thirty-five percent, roughly one-third, paid for weapons and materiel and research and development. This proportion, another downward spiral, has declined by 25 percent since 1964 when we put 44 percent of the defense budget into arms and related research. This decline obviously means that the "arms merchants" of the military-industrial stereotype are hardly fattening off the Pentagon. In fact, they are now getting 25 percent less government business, in constant dollars, than they were 15 years ago.

Myth: A strategic nuclear "arms race" drives U.S. defense spending.

Less than eight percent of the defense budget goes for U.S. strategic weapons and forces. The highest proportion in any budget for nuclear weapons was President Kennedy's in 1961, when we devoted 27 percent for that purpose. The proposed Fiscal Year 1980 budget calls for spending 38 percent of our defense money for general-purpose conventional forces—nearly five times as much as we spend for strategic arms.

In any case, there is no "race" with Russia. The Soviet Union now puts three percent of GNP into strategic nuclear forces. We allocate less than one-half of one percent.

Myth: "Nonproductive" defense spending causes inflation.

U.S. inflation has become progressively more severe since 1968, throughout a decade in which defense programs have been massively cut back. Moreover, inflation has been most severe in sectors whose defense input is smallest. To cite only one example, the greatest inflation over this period has been in the construction industry, where defense accounts for less than one percent of total business.

As for the alleged "nonproductivity" of defense expenditures, compared to social services, Britain's Marshal of the Royal Air Force Sir John Slessor made a telling comment: "The most important social service a government can render its people is to keep them alive and free."

Myth: We must reorder our priorities.

This Vietnam-era slogan has been overtaken by events. We have already rendered priorities to a dramatic extent. As shown by the figure cited, the implicit priority accorded to defense—measured by all financial and statistical indicators—has declined during the past two decades to about half what it was in the 1950s.

Behind the nimbus of myths about defense lies a generalized set of feelings—particularly dear to people who pride themselves as enlightened—to the effect that military spending is regressive, uneconomic, socially unproductive and, above all, out of control.

The facts, as we have seen, are otherwise.

Defense is an insurance premium whose costs are going up in a dangerous world.

When Isaiah talked about beating swords into plowshares (or, as we would say, reordering priorities), he added that this could only come about "when nation shall not lift up sword against nation," a reservation that hardly describes the late 20th century.●

THE PLIGHT OF THE VIETNAM VETERAN

● Mr. CANNON. Mr. President, the plight of the Vietnam veteran has been given considerable attention in the Nation's media. Unfortunately, much of what has been written has concentrated on the problems of a few rather than the success of many.

I do not mean to disparage the real struggles that have faced our Vietnam vets. As participants in an unpopular war, they have too often borne the brunt of public wrath or negligence.

But instead of recognizing only the negative, instead of endlessly criticizing the Veterans' Administration or whatever Presidential administration happens to be in office, I have often wished the media would try to project a more balanced picture.

That is why I was particularly pleased to read a recent article on the Vietnam veteran in Nation's Business magazine. It points out that the overwhelming majority of Vietnam vets have adjusted well to their postwar lives, are happily married, and are leading productive lives.

Because I feel this side of the story should be told, I have asked that the article be printed in full immediately following my remarks. I might add that the author, William Kroger, is a former member of my staff and I am pleased to see him making a valuable contribution to the national debate over this problem.

The article follows:

WHATEVER HAPPENED TO THE VIETNAM VETERAN?

(By William Kroger)

He is 32 years old and has taken advantage of federal education programs. He is married, has a good job, and makes more money than many in his age group.

Who is he? The average Vietnam veteran today.

There are 8.5 million veterans who served in America's armed forces between 1964 and 1975—the Vietnam era. While 2.6 million actually served in Vietnam, all 8.5 million are considered Vietnam veterans, just as those who did not go overseas or serve in combat zones during World War II or Korea are veterans of those wars.

When the 8.5 million Vietnam veterans left the service, about 80 percent had completed high school, making them the best educated veterans in the history of the nation.

About 63 percent of their counterparts from the Korean conflict and only 45 percent from World War II had completed high school by the time they left the service.

Since separation from the military, 64.6 percent of the Vietnam veterans have used the educational portion of the GI Bill to some extent. This figure compares with 50.7 percent of Korean conflict veterans and 28.6 percent of World War II veterans.

PUTTING DOWN ROOTS

The median income for a Vietnam veteran and his family, according to the Veterans Administration, was $15,790 in 1976, the year of the latest survey. Families headed by comparable male nonveterans earned a median income of $14,620 in 1976.

The Vietnam veteran is establishing roots. The VA reports that through August just under 1.8 million guaranteed or insured loans had been made to such veterans, mostly for the purchase of homes. The total amount guaranteed was more than $44 billion.

Today's Vietnam veteran is also beginning to join organizations, a further indication that he is settling down. The American Legion, the largest veterans organization, has a membership of 2.65 million; about 500,000 are Vietnam veterans.

The Veterans of Foreign Wars, which requires members to have served overseas in a combat zone, has a total membership of 1.85 million, of whom 560,000 are Vietnam veterans. Some veterans may belong to both groups.

The Disabled American Veterans has a membership of 575,000. That organization says 143,000 members—25 percent—are Vietnam veterans.

Statistics support the image of the Vietnam veteran as an involved and productive member of society. But many Americans have a negative perception of him. They think that:

He's poor, addicted to drugs, and has few, if any marketable skills.

He hangs around on street corners, or drifts aimlessly.

He has been in trouble with the law and has deep-rooted psychological problems.

He's a walking time bomb, a potential psychopathic killer.

How did the Vietnam veteran acquire this reputation?

"The media—primarily television and movies—have damaged the image of the Vietnam veteran," says William E. Lawson, founder of the American Association of Minority Veterans Program Administrators. "You look at programs, and the Vietnam veteran in them is usually on the bad side of the law."

There is a basis for this perception, however.

The Vietnam war, through the media, continuously bombarded the American consciousness in great detail. And what was seen, heard, and read was mostly accurate.

For example, a 1973 study conducted by Dr. Lee N. Robins of Washington University Medical School, St. Louis, showed that usage of hard drugs by military personnel in Vietnam was very high.

SO-CALLED HEROIN EPIDEMIC

Dr. Robins surveyed 900 Army Vietnam veterans after their return to the U.S. The study, funded by the government, pointed out that nearly 35 percent of those sampled tried heroin in some form at least once during their one-year tours in Vietnam.

Media coverage of the so-called heroin epidemic among American military personnel in Southeast Asia during 1970–72 was factual, widespread, and left an indelible impression that was reinforced by popular opinion.

Also covered by the media, but not as extensively, were these statistics: Of those surveyed in the 1973 study, only 9.5 percent used narcotics in the eight to 12 months following their return to the U.S., only two percent were using narcotics at the time of the interview, and only 1.3 percent felt they were dependent on narcotics at any time in the year after their return.

The Defense Department, when releasing the study, reported that narcotics dependence among those who had served in Southeast Asia during 1970–72 was no higher than for nonveterans of the same age group.

This statement never registered in the minds of most Americans, and the image of the drug-addicted Vietnam veteran lingers today.

Dr. Charles A. Stenger, chief psychologist for the Veterans Administration, says one of five Vietnam veterans could be helped with some counseling or psychological therapy.

MENTAL DISTURBANCE

A widely-cited study says that one in ten Americans could benefit from the same type of therapy. The statistics seem to show that the incidence of mental disturbance is twice as great among Vietnam veterans as nonveterans.

However, says a spokesman for the American Psychiatric Association, the one-in-ten statistic comes from a study conducted in the 1920s.

More recent information, from a report submitted to the President earlier this year by the Commission on Mental Health, shows that possibly 15 percent of the U.S. population could benefit from some psychological therapy. That's only five percent lower than the Vietnam-veteran statistic.

Further, Dr. Stenger says, as many as one out of five young Americans—the same ratio as for Vietnam veterans—could benefit from psychological therapy. He adds that the need for readjustment counseling among returning World War II veterans probably was as great as it was for Vietnam veterans. But there was practically no recognition of the problem then.

Another myth about the Vietnam veteran is that he is or has been in trouble with the law.

LACK OF INFORMATION

In 1974, a General Accounting Office study estimated that a quarter of the prison inmates in the U.S. were Vietnam veterans. Another study by the Law Enforcement Assistance Administration in the same year estimated that 20 percent of those in state prisons were Vietnam veterans.

There is a real lack of information about veterans, and Vietnam veterans especially, in prisons and jails, says an official of the federal Bureau of Prisons. Much of what is available, such as the GAO and LEAA studies, involves estimates. "Once you're dealing with estimated statistics, you're in a very gray area," the official says.

The total federal prison population was about 24,000 in 1973, the only year the Bureau of Prisons has made a study involving Vietnam veterans. Of that number, 11 percent were Vietnam veterans.

A 1975 Massachusetts survey found that 11 percent of the inmates were Vietnam veterans. In Pennsylvania that year, the figure was 13 percent.

The total federal and state prison population last January was 292,000. Even if GAO's and LEAA's estimates are correct, the total number of jailed Vietnam veterans is small compared to the 8.5 million Americans who served during the 11-year period.

If most Vietnam veterans are mentally stable, have good jobs, make good money, and are productive members of society, why all the fuss about them?

One big reason is that America has a long tradition of taking care of its veterans.

"For him who shall have borne the battle, and for his widow and his orphan" is the slogan that adorns the entrance to the Veterans Administration headquarters in Washington, D.C. Those are the words of Abraham Lincoln, taken from his second inaugural address.

THE VA IS VAST

The VA became a part of the federal government in 1930. Today, it is the third largest federal agency, with an annual budget of more than $19 billion and a work force of 224,000.

The agency oversees federal programs for about 30 million veterans, including the GI Bill, pensions, loan guarantees, and medical services.

The VA operates 172 hospitals. On any given day, those hospitals will have 80,000 patients; 12 percent of them will be Vietnam veterans.

The VA is also helping 20,000 veterans—90 percent whom are Vietnam veterans—through outpatient rehabilitation training. The largest single group of disabled veterans is physically disabled.

At the head of this vast organization is a Vietnam veteran, Max Cleland. When he became administrator last year at the age of 35, he was the youngest in the VA's history.

GRENADE EXPLOSION

Mr. Cleland is no stranger to the system he is running. He lost both legs and his right arm in a grenade explosion in Vietnam in 1968 and spent the next 18 months in military and VA hospitals.

"I think the VA, like all large government agencies, can slip into bureaucratic behavior that fails to provide service to our clientele. We have had our problems.

"Since I've become administrator, we have attempted to focus on those veterans who have the most serious problems, and you can certainly count some of our Vietnam veterans among that number."

Mr. Cleland says that "if the VA is bureaucratic and unresponsive, it is only because we allow it to be. I do not intend to sit idly by and see this agency, which is supposed to do its best for those who have given their best, be unresponsive and bureaucratic."

He has instituted several programs to reach veterans who have not contacted the VA for benefits to which they are entitled.

The Vietnam war coincided with a period of great change in America. It began during the civil rights movement and continued through the hippie phenomenon and on into a time of increasing unemployment and slow economic growth.

The war itself was provocative. "Are you for it or against it" was the argumentative question of the late 1960s and early 1970s.

It was an issue that divided families, shut down college campuses, and inspired demonstrations of every description. Americans—regardless of which side they supported—were bitter.

"It was an unpopular war," says Ralph Hall, a specialist in the Labor Department's Veterans Employment Service in Washington, with more than 20 years' experience in veterans affairs.

FEELINGS OF FRUSTRATION

"When we came back from World War II, it was a war that had been supported by the nation. The economy needed the labor force.

"When the Vietnam war ended, the economy wasn't booming. There were no jobs, and many veterans didn't have job skills."

The VA's Dr. Stenger adds: "The Vietnam war was an extra burden on those who served in the armed forces. It came at a very complex time.

"Those who were in combat, especially those who had killed someone, had trouble making the transition back to civilian life. They felt they had risked their lives. Why? What did the U.S. give them in return? People were against them, there were no jobs, no help.

"People wanted to forget Vietnam. They wanted Vietnam veterans to go away. They felt: 'I don't want to remember that war—or you.' "

In April, 1969, more than 540,000 American military people were in Vietnam. By February, 1973, U.S. military strength had fallen to a mere 10,200. Many of those individuals were discharged in the following months. Along with the returning military personnel who had served elsewhere, millions of other young Americans were being forced into the U.S. economy in a short period of time.

ONE MILLION JOBS

Something had to be done to help them.

One answer came from business. In tandem with government agencies, private businessmen hired thousands of Vietnam veterans. The National Alliance of Businessmen's Jobs for Veterans alone is responsible for finding more than one million jobs for Vietnam veterans since its inception.

Veterans organizations also helped, conducting job-finding programs in various communities around the country.

The GI Bill was another answer. In 1974, it was upgraded by Congress. Today, a qualified veteran with two dependents can receive as much as $422 a month to go to school.

MASSIVE PROGRAM

Yet an additional avenue of help involved government-subsidized jobs.

In 1973, Congress passed the Comprehensive Employment and Training Act, a massive public service job and training program through which many Vietnam veterans found jobs. Last year, President Carter announced a three-part, one-shot program aimed at helping younger Vietnam veterans.

One part involved continued preference hiring for Vietnam veterans under CETA. Another part centered on the private sector with a program called HIRE—Help Through Industry Retraining and Employment. This subsidized private employers who placed veterans, primarily Vietnam veterans, in permanent full-time jobs. The program's goal was 100,000 jobs, but it ran into problems.

Sen. Alan Cranston (D-Calif.), majority whip and chairman of the Senate Veterans' Affairs Committee, says: "The original HIRE program was not a success, unfortunately, and very few veterans were placed in jobs."

Labor Department officials admit that the HIRE program had problems. Only employers who would place 100 individuals were considered, and the program was operated from Washington, often many miles from the scene of employment.

HIRE was amended and is now called HIRE II. It began this past summer, and it permits any employer to participate. It is operated through CETA prime sponsor offices across the country.

The third part of the President's program involves disabled veterans. Its goal was to place 40,000 disabled veterans in jobs. Initially, 2,000 disabled veterans were hired at local and state employment offices to find jobs for the other 38,000 disabled veterans.

Wesley W. Caison, Jr. is manager of the Alexandria office of the Virginia Employment Commission. He told Nation's Business that the disabled veteran program "is the best program I've ever seen. It had a specific priority, and it worked."

The Disabled Veteran Outreach Program will be continued by the Labor Department at a reduced rate through 1981.

With all these programs, the previous high unemployment rate among Vietnam veterans, especially among younger ones, began to decrease. But still the rate for this group remains higher than that for nonveterans of the same age.

For example, in late summer the unemployment rate for male Vietnam veterans aged 20 to 34 was 6.3 percent. The rate for nonveterans of the same age was 5.8 percent.

The biggest target for help in recent months has been the younger veteran, aged 20 to 24. The unemployment rate in this group has fallen nearly four percentage points in the past year but remains high. In late summer, it was nearly 14 percent, compared to about six percent for the overall population.

BIGGEST CONTRIBUTION

"Business can do a great deal to help the Vietnam veteran," says Sen. Cranston. "It will only be through the joint efforts of private industry and the agencies involved in vocational rehabilitation that we will make needed progress in providing employment opportunities for the disabled."

Mr. Cleland of the VA says: "The single biggest contribution American business can make in terms of the Vietnam veteran is not to treat him as a stereotype. I think each business that is considering hiring a Vietnam veteran should deal with that veteran as an individual.

"The Vietnam veteran probably has more personal qualifications," he says, "because of the experience of being under stress. We recognize that the veteran of World War II was a more mature and better motivated student, and eventually employee, because of his experiences. I think we can make the same assumption about the Vietnam veteran."

"Vietnam veterans feel betrayed," says Dr. Peter E. M. Beach, director of veterans affairs for the Department of Health Education, and Welfare.

UNDER THE RUG

One of their biggest problems, he adds, is their image of themselves. "Society as a whole is to blame for how it has treated the Vietnam veteran. Society wants to sweep that whole era under the rug. It cannot look objectively at Vietnam, and it will be many more years before it can."

The whole question of the Vietnam veteran is complex; even the experts cannot agree on the psychological consequences of that controversial era.

But one thing is certain. Most Vietnam veterans have made good readjustments to to civilian life. They are not drug-crazed killers, or dopers, or prison inmates. They have families, buy homes, and conduct their lives just like the fellow who lives next door.●

INAUGURAL ADDRESS OF GOV. WILLIAM P. CLEMENTS OF TEXAS

● Mr. TOWER. Mr. President, on January 16, 1979, an outstanding American was inaugurated Governor of the State of Texas. The Honorable William P. Clements, Jr. had previously served his State and his country as Deputy Secretary of Defense during a trying period in this Nation's history.

His concern for Texas and the United States was eloquently expressed in his inaugural address delivered in the State Capital at Austin. I feel that his assessment of the role of the Federal Government in the lives of the citizens of Texas is of particular importance and equal application to all Americans. I, therefore, submit for printing in the Record Governor Clement's remarks on the occasion of his inauguration:

The Inaugural Address of the Honorable William P. Clements, Jr.

Lieutenant Governor Hobby, Mr. Speaker, members of the Sixty-Sixth Texas Legislature, distinguished officials and guests, my fellow Texans:

An inauguration traditionally marks the beginning of a new administration, and any beginning requires an awareness and an understanding of the past.

So, an Inauguration is a time when we must pause to reflect on our past before embarking on the future.

An Inauguration also is a time to offer thanks and I would like to begin by thanking our Divine Leader who is the fountainhead of our very existence.

The first Governor of the State of Texas, the Honorable J. Pinckney Henderson, said in his Inaugural Address of 1846:

"Who can look back upon our history, and not be fully and deeply impressed with the consideration that the arm of Deity has shielded our nation, and His justice and wisdom guided us in our path? It is therefore our duty, in deep humility, to make our acknowledgements for his many favors."

As your public servant, I want to thank you for the trust you have placed in me and for the opportunity you have given me to represent you.

This being the first time I have ever taken the oath of public office as an elected official, I take it with extreme seriousness and with a keen awareness of its meaning and obligations.

To take this oath is an honor because to be your Governor is to be the leader of the most exceptional state in the union, a state made great by its people.

This Inauguration would be incomplete if we do not stop to publicly thank our outgoing elected leaders for their contributions to this state.

As a citizen, I want to thank Governor Dolph Briscoe for his six years of distinguished and unselfish service to this state.

He will be remembered as the Governor who successfully fought the creation of any new state taxes.

And, he will be remembered as the Governor who took the first steps toward returning the tax-generated surplus in our state treasury back to its rightful owners.

This is Governor Briscoe's legacy to Texas, and it's one he can be proud of and one this state will always appreciate.

As your Governor, I too have goals for Texas and I am committed to making our state government accountable to the taxpayers.

I want to conduct government in a business-like manner, with elected officials and government leaders responsible to the taxpayers just as a board of directors and company officials are responsible to the stockholders.

You will hear voices during my administration expressing doubts about some of my proposals. But, I will persist, we will prevail.

I will persist because I believe that you, the people have made clear your desire for better government and for less government.

I will persist with my plans to return to you, the taxpayers; one billion dollars of the state's surplus. I will persist with my plans to give you longterm, constitutional safeguards—including the right of initiative and referendum—to protect against excessive taxation and wasteful government spending.

I will persist with my plans to reduce the size of our state bureaucracy.

And, I will persist with my plans to improve the quality of our education system so that we can give our children the basic building blocks they need to develop meaningful careers.

I will persist with these and many other priorities because I believe you have clearly stated that we must persist, together.

I believe we will be successful because these are issues and concerns that cut across partisan lines. These are not just Republican issues or Democrat issues. These are Texas issues and the people of Texas are the ultimate beneficiaries.

I believe we will be successful because Texans have elected a unique leadership team to address these issues and concerns.

This Inauguration, where a Republican governor takes office with a Democratic lieutenant governor, stands as living proof of the independent thinking of the people of this state.

I am uplifted and encouraged by that kind of spirit, and in that expression from the people of Texas, I see the clear message that I must be a governor who puts quality, excellence, achievement, and the best interests of this state, above partisan loyalties.

We have a healthy blend of leaders, who like myself, are assuming the responsibilities and challenges of elective office for the first time; and, we have leaders like Lieutenant Governor Bill Hobby and House Speaker Bill Clayton who have dedicated many years of their lives to public service.

This leadership team is one of enthusiasm and experience, but foremost, it is one of dedication and unity of purpose.

As public servants, we all were elected by the people of Texas and we must be responsive to the needs and concerns of the same electorate.

The challenge to government is to help people deal with their needs and concerns. I believe our founding fathers provided us with the framework for doing this.

I believe this framework is often overlooked and that we often forget the words upon which our state and our nation were founded.

These are not the words of demagogues for demagogues are quickly forgotten. History has proven the value and meaning of these words and they bear repeating.

For Texans, these words are found in the first three sections of Article One, the Bill of Rights, in the State Constitution.

The first section states: "Texas is a free and independent state, subject only to the Constitution of the United States, and the maintenance of our free institutions and the perpetuity of the union depends upon the preservation of the right of local self-government, unimpaired to all the states."

This Bill of Rights is saying that while we must work with other states and with the federal government for the betterment of the entire nation, we must be vigilant and protect our independence as a sovereign state.

For when the federal government weakens the power and independence of the states, the union itself is weakened.

In recent years, we have seen a disturbing trend toward the creation of a new branch of the federal government, the regulatory branch, a branch that doesn't include you and me among its constituency.

It is not elected by anyone and, in fact is accountable to no one.

By an excessive and improper transfer of authority to these regulatory agencies, the congress and the president have further removed government from the reach of the people and further weakened the power of the states.

This must not be condoned by Texans. We must assert our rights and our spirit at every opportunity.

And, at the same time, we must take steps to ensure that our state government does not usurp the rights of individuals or of local governments within our boundaries.

The best government is that government which is closest to the people. The second section of the Bill of Rights in our state constitution speaks to that relationship between the people and their government.

It states, "All political power is inherent in the people and all free governments are founded on their authority, and instituted for their benefit, the faith of the people of Texas stands pledged to the preservation of a Republican form of government, and, subject to this limitation only. They have at all times the inalienable right to alter, reform or abolish their government in such manner as they think expedient."

Those are potent words and they create a straightforward message. That message is this: Power in this state and in this nation rests not with political parties, not with governmental institutions, not with elected leaders, but with the people.

Like many other citizens, I have seen the governmental bureaucracy and some politicians trying to infringe on our rights as individuals.

We have seen the consequences of such infringement by government in other parts of the United States. When excessive intrusion by government into the lives of individuals is permitted, government becomes an economic master and the people become its slaves.

Texas, though, has had the benefit of more enlightened leaders through the years. We are still in the position of being able to control our state government, but warning signs are present and we must be aware of them.

Now is the time for us to set firm limits on our government. Now is the time for us to emphatically state that we want our government to serve us, not to dominate us.

In controlling government, in making it our servant, we must proceed without diminishing the rights of any citizen.

Section three of the Bill of Rights in our state constitution says: "All free men, when they form a social compact, have equal rights, and no man, or set of men, is entitled to exclusive separate emoluments, or privileges, but in consideration of public services."

That same section also says: "Equality under the law shall not be denied or abridged because of sex, race, color, creed or national origin."

The greatest strength of Texas long has been the vitality and diversity of its people. They came to this land as Indians, as Spaniards, as Frenchmen, as Englishmen, as Germans, as blacks, as browns, as whites, as people from many different backgrounds. And, they are still coming.

Yet when they arrive, they become Texans, people bound together by a common quest for a better life for themselves and for their children and grandchildren.

We must respect the rights of all Texans. Regardless of their cultural background. And, we must continually work to safeguard those rights. We must see that equal opportunity is a reality for all of our citizens.

People came here because this was the land of opportunity. It still is today.

Texas was a frontier then and it is today. It is a frontier in the sense of unparalleled economic opportunity. It is a place where people can realize their dreams and aspirations—and a place where free enterprise can flourish—without laboring under the yoke of a burdensome government.

It's not difficult to explain these vast opportunities, but it is becoming increasingly difficult to protect them and extend them to all Texans.

By being ever mindful of these three sections in the Bill of Rights—by stepping back to that firm foundation of government outlined in our state constitution—our steps forward in the future will be steadier and longer.

These three sections in our state constitution help form what will be a guiding philosophy of my administration.

Condensed to its most basic form, my philosophy is this: The proper function of government is not to guarantee prosperity for its citizens; rather, it is to guarantee them the opportunity to achieve prosperity.

Putting our government into its proper perspective is a job too large for me, or Lieutenant Governor Hobby, or Speaker Clayton, or the members of the legislature, or for any public official, without the direct involvement of the citizens of Texas.

You, too, have a responsibility to help achieve good government, and that responsibility goes beyond voting on election day.

When we as individuals, and as a state are silent—when we let others make decisions for us without stating our beliefs—we forfeit some of our freedom.

When we stand up and speak out, when we express our desires and concerns, then and only then, will we have effective government.

I am confident we can achieve that kind of effective government because the people of Texas are the state's most outstanding natural resource.

I am confident, too, that we can achieve the abundant potential with which our state has been endowed.

Now is the time for us to begin. I ask all of you to join with me, to put the best interests of Texas at the forefront of your thoughts.

We must be diligent, we must be bold, we must be energetic.

All of us, all Texans, must lock arms and work together. We must shape a new alliance of greatness, an alliance that will perpetuate and enhance the blessings our Almighty God has bestowed on our state.●

INDOCHINESE REFUGEES

● Mr. PELL. Mr. President, this past December I was a Senate adviser to the U.S. delegation to a conference on Indochinese refugees held under the auspices of the U.N. High Commissioner for Refugees. The conference was called to explore ways to relieve the burden being borne by non-Communist Asian countries that have been deluged by Cambodian and Vietnamese refugees.

Little was accomplished at that conference, however; and on January 17, the Citizens Commission on Indochinese Refugees, headed by Mr. Leo Cherne, met with Secretary of State Vance and urged that the United States take a lead in seeking a solution to the Indochinese refugee problem.

The Commission requested that the President call an emergency White House conference of national leaders to mobilize Americans to participate in a resettlement program, with the conference to be followed by similar action on an international scale. The Commission also presented a list of 10 recommendations for specific action by the United States.

These recommendations deserve serious and sympathetic attention by all Members of the Senate. I ask that the full text of the Commission's recommendations and an accompanying description of the refugee problems be printed in the RECORD.

RECOMMENDATIONS OF THE CITIZENS COMMISSION ON INDOCHINESE REFUGEES

(The Citizens Commission in Indochinese Refugees was formed in late 1977. It visited Southeast Asia in February 1978, and submitted its first series of recommendations upon the conclusion of its mission. It returned to Southeast Asia in December 1978. On January 10, 1979, it adopted the following recommendations. An amplifying statement of the Commission follows the recommendations set forth.)

Recommendation 1: The United States should declare its readiness to extend its resettlement program for Indochinese refugees beyond the present target date of April 10, 1979. We must move toward a continuous program that will go on as long as refugees are being created by the policies of the governments of Vietnam, Cambodia and Laos. United States acceptance of refugees must be doubled to 100,000 for the year 1979 to assure countries of first asylum that they will be relieved of their burden. This resettlement program must be directed equally to the refugees escaping by land as well as by boat.

Recommendation 2: More countries will have to accept a fair share of the Indochinese refugee population, and those that have been generous will have to increase their participation. It will not do to expect the United Nations High Commissioner for Refugees to achieve these results. A governmental initiative at the highest level is called for, and the cause must be carried to the churches, civic bodies, trade unions, political parties, indeed the people of the Free World.

Recommendation 3: The funds provided to the United Nations High Commissioner for Refugees must be increased immediately to a level which will enable him to improve the living conditions in those refugee camps which lack a minimum of shelter and hygiene. At the same time the financial support to the Voluntary Agencies in the United States must be substantially augmented if they are to cope successfully with the resettlement of refugees coming to this country whose numbers have tripled.

Recommendation 4: While urging the nations of first asylum to remain open to both the boat people and land refugees—a necessity dramatized by the spectacle of disintegrating ships off Asian ports unable to discharge their human cargoes and by the appearance of a new wave of Cambodian refugees at the borders of Thailand—we must implement measures to assure them that they will not be penalized for their humanitarian actions.

Recommendation 5: Toward this end we recommend consideration of a U.S. transit center or centers at appropriate locations to permit the rapid movement from countries of first asylum of refugees approved for resettlement in the United States.

Recommendation 6: We further propose that the United States establish, in consultation and cooperation with other governments, an international holding center or centers, reasonably close to the areas of refugee flow. We are persuaded that no other step or combination of steps will do to avert tragedy, sustain the patience of the countries of first asylum, and provide the time required for the international community to mount a resettlement effort adequate to the exodus which now exists and which may grow even larger.

Recommendation 7: Beyond these interim measures, the Commission endorses the concept of territories which, with massive international financial support, could be converted into permanent homes for all those for whom resettlement in industrialized countries is neither feasible nor desirable.

Recommendation 8: Continuing non-compliance of vessels of many registries with the "law of the seas" requiring captains to come to the rescue of disabled vessels, commands an effort by governments and trade unions to impose compliance by persuasion and, if necessary, sanctions.

Recommendation 9: We recommend that the United States request the Human Rights Commission of the United Nations to conduct an investigation into actions directed against the Hmong hilltribe minority of Laos. There is substantial evidence of attempts to obliterate the hill people by Laotian and Vietnamese ground and air forces. Interviews with recent arrivals lend credence to these charges with such consistency as to make it impossible for the Commission to disregard them.

Recommendation 10: We urge the President of the United States to take the lead in a nationwide effort to increase public awareness of the plight of the Indochinese refugees, and the need to respond quickly and generously to this fundamental human rights emergency.

STATEMENT BY THE CITIZENS COMMISSION ON INDOCHINESE REFUGEES

1. The exodus from Indochina by land and sea continues unabated, and so do its attendant horrors and human tragedies. People killed while trying to cross the Mekong river from Laos and the Cambodian border. Vietnamese boat people pushed back into the open seas, drowning when boats capsize, sometimes close to land or to indifferent ships. Boats pillaged, women and young girls raped by pirates. Camps unfit for human existence. Women and children sleeping on beaches under torrential rains. Polluted drinking water and abhorrent sanitary conditions, meager medical and food supplies, infectious diseases spreading rapidly. Major epidemics a constant threat.

While all this is happening, and even growing worse, the countries of first asylum have not been assured that the free nations of the world are ready to accept the fact that responsibility for the fate of the refugees does not rest with the countries adjacent to Indochina. Nor the fact that this is a worldwide human rights issue. Affluent nations argue endlessly about the problems of finding homes for the most ardent seekers of freedom.

2. The circumstances in which the refugees live—and die—compels priority action, including immediate steps by the United Nations High Commissioner for Refugees to meet at least the minimal needs of all refugees in countries of first asylum with speed, confidence and decisiveness. We must in particular point to the disaster of Pulau Bidong, the island off Malaysia, where 26,000 boat people live on 85 inhabitable acres. In spite of valiant efforts by the refugees to help themselves, they live in subhuman conditions: shortage of food, water, medicines, and medical care, rampant sickness and disease, unimaginable sanitation facilities, with 16 toilets for 26,000 people. Yet there seems to be no bottom to this human disaster, as new refugees keep arriving.

3. The more than tenfold increase in the numbers fleeing Vietnam by boat during the last 11 months, and the more than doubling of those fleeing from Laos and Cambodia during the same interval, has placed an onerous burden on Asian countries of first asylum, particularly Malaysia, Thailand, and Hong Kong. It is clear that interim measures as well as permanent resettlement assurances on an international scale are vital if these countries are to keep their shores and borders open to refugees, thus averting the broader tragedy of tens of thousands forced back into the hands of governments from whose oppression they fled. There is no margin of uncertainty in this conclusion: the denial of first asylum rights—unless their countries and people were relieved of their burden—was made clear during full, frank discussions with the Prime Ministers and Foreign Ministers of Malaysia and Thailand.

4. The additional fact of the large numbers now fleeing, and those still to come, makes it obvious that resettlement efforts must be shared more generously by the few countries, including the United States, which have already provided the overwhelming number of resettlement opportunities. Of equal importance is the direct involvement or additional countries which have thus far not taken part in the final asylum process.

The Consultation held in Geneva on December 11 and 12 under the auspices of the United Nations High Commissioner for Refugees was intended as a step toward the internationalization of the issue. It brought the severity of the problem before the governments that had sent representatives to Geneva. The presentation of the U.S. delegation was forceful and constructive. The United States has increased its quota to about 50,000 through the end of April 1979. But except for France, none of Europe's democratic countries has thus far gone beyond a token reaction to the tragedy that has overtaken Southeast Asia. Japan, a country that has always encouraged its citizens to seek opportunities in other lands, has remained closed to the exiles from Indochina. And Latin America, where there is space and a tradition of openness, has remained unresponsive.

5. The figures have an eloquence of their own. There are now 145,000 "first asylum" refugees in the camps of Thailand; 45,000 on the islands, beaches, and inland camps of Malaysia; 6,000 in Hong Kong, Macau, and Taiwan; others in the Philippines, Indonesia, and Singapore. These exclude the 160,000 Sino-Vietnamese reported to be in the People's Republic of China, and 150,000 Cambodians in Vietnam.

While more than 3,000 Hmong, Laotian and

Cambodian refugees enter Thailand each month overland, in December alone almost 20,000 Vietnamese refugees made it across the South China Sea. At this moment, countless thousands are in boats seeking asylum anywhere. There is no end in sight. At the same time, the total acceptance by countries of resettlement does not exceed 10,000 a month for both land and boat cases.

6. A frequent excuse offered by governments that prefer to look the other way is that boat people who "bought" their way out of Vietnam, or left with the connivance and extortion of Vietnamese officials, are migrants who do not deserve the compassion of their fellow men. This position flies in the face of the accepted definition of a refugee, and is not consonant with historical precedents.

In the thirties, Jews were allowed to leave Nazi Germany with outrageously priced passports, exorbitant fees for ship passage and, of course, the seizure of all their possessions. It was indifference and lack of comprehension on the part of free countries that prevented more from leaving, and thus from being condemned to die in the Nazi concentration camps. More recently, Cuban refugees were permitted to leave Cuba if they bought their way out by surrendering all their belongings.

There are Indochinese refugees who flee in the dark of night, through minefields and closely guarded borders. Many are captured or shot. And there are Indochinese refugees whose escapes seem to be less dramatic even though their losses are no less severe. Yet all are refugees leaving homelands where they were persecuted for reasons of religion, nationality, ethnic origin, membership in a particular social or economic group. If returned to their countries, harsh punishment, even death, would be decreed. They are all, beyond question, refugees.

7. A particular refugee group among the many suffering in primitive camps is deserving of special attention—the hill people of Laos, the Hmongs. They are the survivors of the undeclared war against the Hmong community being waged by Laotian and Vietnamese troops who have been reported to use lethal chemicals and gasses. The Hmongs' homes are being destroyed and their families decimated. These people were our allies during the years of the ambiguous conflict in Laos up to the very end in 1975. Hmongs from different areas of Laos told identical stories of efforts to destroy their ethnic identity, their culture, their livelihood and even their lives.

8. The Indochinese refugees are a resilient and resourceful group. Their presence provides us with a body of people who deeply value freedom, and a culture with an intense work ethic. The refugees make a positive economic contribution. It was the understanding of this reality, in addition to humanitarian concerns, that last March led to the endorsement of a wide resettlement program for Indochinese refugees by the Executive Council of the AFL–CIO and by over 100 of the nation's most distinguished black and hispanic leaders, and by a number of civic groups. No country has ever bled because it has been moved by the suffering of refugees; indeed, nations have benefited by not growing callouses on their hearts.

9. But resettlement and integration cannot be achieved at bargain rates. In the United States, resettlement is the responsibility of voluntary agencies. Several represent the major religious denominations, the others are nonsectarian, among them the International Rescue Committee which assisted in the organization of the Citizens' Commission. These organizations have for more than a generation cooperated in the resettlement of uprooted victims of tyranny and terror.

Inflation has greatly added to the cost of the operations, even as governmental assistance to their functioning has declined. Finding and assisting sponsors—or directly sponsoring refugees in the accelerated numbers now required—is a vast and costly undertaking. It is incumbent upon the federal government and the Congress to enable the agencies to perform so major a task.

10. The numbers of refugees involved necessitate an active campaign of conscience and concern to generate public awareness within and without the borders of the United States. The magnitude of the task justifies a call to action by the White House, supported by the leaders of the major faiths, business and labor, as well as an international initiative spearheaded by the United States, France and Australia. To an Administration that deserves credit for making human rights its continuing preoccupation, helping these victims who have been denied their basic rights must be a high priority and continuous job.

11. The Citizens Commission on Indochinese Refugees submits its recommendations sensitive to the fact that the United States is confronted with serious inflation, and consequent austerity and budget-cutting programs. The time is an awkward and difficult one. Nevertheless, this a refugee crisis of such compelling humanitarian urgency, a matter of life-or-death for so many thousands of Indochinese, and a human rights issue of such overriding importance, that the Commission must urge the adoption of its recommendations. All the measures recommended are essential lest the dismal history of the 1930's repeat itself.●

S. 222—ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

● Mr. ROTH. Mr. President, I am proud to be a cosponsor of the Alaska National Interest Lands Conservation Act of 1979 and delighted to join with my colleagues in its active support. As the first and principal Republican sponsor of this bill in the 96th Congress, I want to point out that Delaware—"The First State"—has a long and proud history of commitment to preservation of our natural resources.

This is truly the conservation bill of the century. It is a balance between the legitimate development needs and desires of the great State of Alaska and the national wilderness treasures which belong to all Americans. The forests, the fowl, and the fjords are irreplaceable, and this bill will protect them for our future generations.

Conservation has never been the exclusive province of one or the other political party in this country. On the contrary, our impressive history of conservation achievements shows that each step has been built upon the previous step, regardless of which party controlled the Congress or held the White House. Teddy Roosevelt built much of the great foundation for our conservation policies during his Presidency. On these foundations later Presidents and later Congresses have built, without regard to partisan differences, the policies which now protect our clean air, our wildlife, and the migratory waterfowl so important to my own fellow Delawareans, the waters of our streams and rivers and shorelines, and our matchless forest and alpine wilderness.

Prior to 1971, the Federal Government owned 95 percent of Alaska's total area of 375 million acres. The Alaska Statehood Act of 1958 provided for the eventual transfer of 104 million acres, about 30 percent of the 375 million, from Federal ownership to State ownership.

The Alaska Native Claims Settlement Act of 1971 granted 44 million acres of Federal lands to Alaska's Native people. Section 17(d)2 of the Native Claims Act authorized the Secretary of the Interior to withdraw from development 80 million acres for consideration by Congress as additions to National Park, Wildlife Refuge, Wild and Scenic River, and National Forest Systems. Congress was given 5 years, from December 17, 1973 until December 17, 1978, to act on the withdrawals.

The House passed Alaska Lands legislation, H.R. 39, on May 19, 1978 by a vote of 277 to 31. The Senate Energy and Natural Resources Committee worked all last summer on an Alaska bill. After reviewing the actions of the committee and the views of hundreds of Delawareans who took stands and expressed their positions to me on the d–2 issue, I decided to fully support Senator DURKIN's amendment to the late Senator Metcalf's bill and legislation similar to H.R. 39. I also supported floor amendments to strengthen the Senate committee bill, including the Durkin-Roth national parks integrity amendment. But lack of time and a threatened filibuster by opponents of Alaska lands legislation prevented final passage, and my hopes for a strong bill in the 95th Congress for our Alaskan wilderness were disappointed.

When it became clear we in Congress would not enact an Alaska lands bill before the December 17, 1978 expiration of the d–2 withdrawals, I wrote the President as well as Secretary of the Interior Andrus urging them to provide interim protection to Alaska lands pending congressional action in the 96th Congress. On November 16, 1978, Secretary Andrus withdrew 10 million acres from development under his statutory authority, and on December 1, 1978, President Carter designated 56 million acres as national monuments under the Antiquities Act of 1906. This was intended to be an interim measure until Congress could exercise its prerogative on the issue this year.

This bill we have introduced in the 96th Congress is very important to the Delawareans I represent. Our bill will double the amount of national conservation lands in America. These are not lands owned individually by private landowners—these are public lands held in common by all of us and dedicated to future generations of Alaskans, Delawareans, Americans.

Under our bill, we seek simply to identify and protect those areas of richest wildlife value, of greatest scenic splendor, of unique and nationally important value—and especially of foremost ecological value to future generations of Americans. Forty-three million acres will be added to our National Park System and 68 million acres set aside as wildlife refuges. In addition, over 1 million acres are designated as wild and scenic rivers and 9 million acres of national forest lands are given wilderness protection. Of these new Park, Refuge and Forest Lands and Scenic River Systems, a total of 86 million acres will be designated as wilderness and preserved from destructive development. Even with this bill, there will remain many millions of acres of other Federal lands in Alaska not in these conservation systems units, left available for development.

This bill contains provisions for access, guaranteeing that rights of access through or across these conservation system units will be provided to those needing access to their own lands. This bill contains careful provision for mineral assessment, on a continuing basis, across the length and breadth of these conservation units. We will have information on mineral potential, should we ever use up every other source and must then make the decision for development. This bill provides that, with careful exceptions, the President may propose specific mining activity within these areas and a procedure is assured for expedited congressional consideration of any such Presidential proposal. In title X of our bill, in the event of a national military or economic emergency, the President and Congress can act to allow rapid resource development where it is prohibited by existing law. Nothing in this bill will in any way endanger our Nation's well-being.

Under our bill, out of the total 375 million acres in Alaska, 40 percent (149 million acres) will be State-, native-, or privately-owned; 21 percent (80 million acres) will be Federal land open to mineral entry, logging, and multiple uses; 61 percent (229 million acres, the total of the last two) will be open to a wide variety of uses, unaffected by our bill; 36 percent (137 million acres) will be in existing or new conservation system units; 70 percent of metallic mineral lands will be outside conservation units; 87 percent of all Alaska lands will be open to sport hunting; 95 percent of all high potential oil and gas lands will be open to possible development; and 100 percent of all Federal lands in Alaska will be open to mineral assessment and geological survey by the Department of the Interior.

In short, this is not only the conservation bill of the century, it is a fair and balanced bill for all Americans. Time is short, Mr. President, and our future generations are watching us. I urge my colleagues to join us in swiftly enacting this truly historic Alaska lands bill.

I submit for the RECORD a summary of the major provisions of S. 222 and a comparison of it with H.R. 39, the 1978 House-passed Alaska lands bill.

The material follows:

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

TITLE-BY-TITLE SUMMARY

Title I—Findings, Policy, and definitions: Sets forth the Congressional findings and policies which underlie the entire bill and defines terms used in the bill.

Title II—National Park System: Designates thirteen acres, totaling 45.23 million acres, as National Park System units (parks and preserves). Appropriate portions of these areas and existing national parks in Alaska, totaling 42.21 million acres, are designated as wilderness. Sets forth administrative provisions for national parks in Alaska.

Title III—National Wildlife Refuges: The Yukon Flats and Becharof National Monuments, totalling 11.8 million acres which President Carter designated for U.S. Fish and Wildlife Service administration, are confirmed and redesignated as National Wildlife Monuments. Twelve new units are designated and four existing units of the National Wildlife Refuge System are enlarged. Boundaries of these new units conform closely to the lands withdrawn by Secretary of the Interior Cecil Andrus on November 16, 1978, utilizing the emergency withdrawal authorities of the Federal Land Management and Policy Act. Appropriate portions of the National Wildlife Refuge Units, totalling 35 million acres, are designated as wilderness.

There are also provisions for two special studies, one concerning the barren-ground caribou and the other concerning a unique concentration of bald eagles in the Chilkat River area of Southeastern Alaska. The studies are to find out whether additional measures should be taken for proper protection of these populations.

Title IV—National Forest System: Section 401 adds 1.45 million acres of public lands to the Tongass National Forest and adds 1.29 million acres to the Chugach National Forest. Section 402 designates appropriate areas in the Tongass and Chugach National Forests as wilderness, 6.7 million acres in the former and 2.12 million acres in the latter.

The bill also contains provisions for a National Forest timber improvement program. This directs the Secretary of Agriculture to improve timber production from high-quality timber areas of the Tongass National Forest through a program of pre-commercial thinning, at an annual rate of $2,000,000. It also directs the establishment of a $5,000,000 program of guaranteed or insured loans to acquire new technology for more efficient harvesting and utilization of wood products, and calls for a study of ways to increase timber yields and reduce inefficiencies in timber harvest and transport in the National Forests.

Title V—National Wild and Scenic Rivers System: Designates 13 rivers outside other protected areas for immediate inclusion as new units of the National Wild and Scenic Rivers System, and 10 others for study as possible future additions to the system. Other rivers inside the park and refuge boundaries are specified as wild or scenic rivers.

Title VI—Federal-State coordination: This title creates an Alaska Advisory Coordinating Council to facilitate coordination and cooperation among Federal, State, and Private land-owners and land managers in Alaska, and for creation of an Alaska Land Bank for similar purposes.

Title VII—Subsistence: This title is based on S. 1500/amendment 2176 and the House-passed bill of 1978, with some refinements drawn from corresponding sections of last year's Senate Energy and Natural Resources Committee bill. In general, it would supplement existing law by explicitly providing for a mechanism whereby the State of Alaska would be able to regulate the taking of fish and game on the public lands in Alaska so that persons who are dependent upon subsistence resources would have a priority for the taking of fish, wildlife, and plant resources. As with last year's bill, there are provisions for appropriate federal oversight of this state game management responsibility, insofar as the public lands and their resources are concerned.

Title VIII—Administrative and Miscellaneous Provisions: This title contains a number of provisions for administering the lands dealt with in the bill, technical amendments to related statutes, and similar provisions. Two important parts of the title deal with access and mineral rights and assessments.

The bill applies existing laws governing access to or on national parks, wildlife refuges, wild and scenic rivers, and national forests. As did last year's bill, it specifically provides a guarantee of access for holders of valid mineral rights or other inholdings within conservation system units and guarantees traditional means of access across conservation system units.

This title also directs the Secretary of the Interior to assess, on an ongoing basis, the mineral potential of all public lands in Alaska. In an addition to last year's bill, this title also guarantees access for mineral assessment purposes.

Title IX—Improvements in Administration of the Alaska Native Claims Settlement Act: This title contains numerous provisions, mostly amendments to the Alaska Native Claims Settlement Act, to improve the administration of that Act. These provisions are based on similar recommendations in S. 1500/amendment 2176, last year's Senate Energy and Natural Resources Committee bill, and the House-passed bill.

Title X—National Need Mineral Activity Recommendation Process: This title is adopted from last year's Energy and Natural Resources Committee bill. If there is a demonstrated national need for future mineral extraction in areas where it would otherwise be prohibited under existing law, this title establishes a procedure which allows the President, with Congressional approval, to permit such development.

Alaska National Interest Lands Conservation Act of 1979 compared to H.R. 39

ACREAGE TOTALS

[Figures in millions of acres]

S. 222

National Park System, total, 42.79.

Acreage within 1978 monuments, 40.78.

Preserve and park additions to 1978 monuments, 2.01.

H.R. 39

Total, 42.72.

S. 222

National Wildlife Refuge System total, 68.23.

Acreage within 1978 monuments, 11.80.

New refuges and additions to existing refuges from unreserved Federal land, 48.73.

New refuges redesignated from already reserved Federal land, 7.70.

H.R. 39

Total, 76.84.

National Wild and Scenic River System: The bill designates 13 wild and scenic rivers and 10 study rivers for potential wild and scenic river status outside the boundaries of parks and refuges. There is no set acreage for these river units, but the total acreage is approximately 1–2 million acres. H.R. 39 added 1.69 million acres to the Wild and Scenic River System.

Additions to the Tongass and Chugach National Forests: S. 222, 2.74; H.R. 39, 2.74.

S. 222

Wilderness designations, total, 86.21.

Park System wilderness, 42.21.

Forest System Wilderness (includes 3.3 million acres of national monuments), 8.82 (6.70, Tongass; 2.12, Chugach).

H.R. 39

Total, 65.54.

National Park and National Wildlife Refuge totals.—

S. 222

Acreage within 1978 National Monument proclamations, 52.58.

Refuge and Park System additions on presently unreserved Federal land, 50.73.

Refuges redesignated from presently reserved Federal lands, 7.70.

Total park system and refuge system acreage, 111.01.

H.R. 39

Total park system and refuge system acreage, 119.56.●

JAMES D. RIELLY—A TRULY REMARKABLE "SANTA CLAUS" FROM RHODE ISLAND

● Mr. PELL. Mr. President, before the pleasures and memories of the recent holiday season slip from our minds completely, I would like to share with my colleagues a tribute to a truly remarkable "Santa Claus" from the State of Rhode Island.

I am referring to Mr. James D. Rielly of Bristol, R.I. This past holiday period marks the 51st year in which Jim Rielly has donned red suit and white whiskers and with a large bag of goodies has visited hospitals, senior citizen centers, and children's centers throughout the East Bay area of Rhode Island.

His is a particularly effective and welcome presentation of Saint Nichols because Jim Rielly is himself the personification of the spirit of cheerful, selfless giving of oneself for the benefit of others.

I am proud to be among the many thousands of Rhode Islanders who claim to be good friends of Jim Rielly, and I join all of those friends in the mutual hope that Jim will be bringing his special brand of seasonal joy to Rhode Island for many more years.●

DEPARTMENT OF EDUCATION

● Mr. RIBICOFF. Mr. President, the Committee on Governmental Affairs will begin consideration next week of S. 210, the Department of Education Organization Act of 1979.

The creation of an Education Department separate from HEW is long overdue. It will be the first order of business for the committee this year. I was pleased to see that, in the President's state of the Union message, the administration has designated the Department of Education "a very high priority." Together with the administration, I hope we can create the new Department this year.

Mr. President, there have been two recent statements which cogently and eloquently present the case for a separate Department of Education. The first is a letter to the editor of the New York Times which appeared in the Saturday, January 27, 1979 edition, and was written by James Farmer, now director of the Coalition of American Public Employees. The letter is entitled, "Fresh Hope for our Schools." The second is a statement by Samuel Halperin, a respected authority and leader in education, given at a debate held on this issue at the Brookings Institution, entitled, "The Case for a Department of Education." I submit both statements for printing in the RECORD.

The statements follow:

[From the New York Times, Jan. 27, 1979]

FRESH HOPE FOR OUR SCHOOLS

To the Editor:

Your Jan. 16 editorial opposing a Cabinet-level Department of Education was narrow and disappointing. It falls far short of the kind of leadership which we have grown to expect from a great newspaper noted for its social concern.

As a black American and a father, I am deeply concerned about quality and equality of education in this nation. Millions of children, particularly minorities, are being deprived of their birthright because there is no coordinated national focus on the myriad problems facing public education. The creation of a separate Department of Education can provide the leadership and direction necessary to provide that focus.

Your allegation that President Carter supported a Department of Education only to fulfill a campaign pledge to the National Education Association belies all the facts in the case for the new education department. The President made his commitment not to N.E.A. alone but to the nation as a whole.

After all, education is the nation's largest enterprise, with more than 65 million Americans, young and old, involved as students, teachers, college and university professors and administrators. In the past two years I have been associated with more than 100 national organizations—in civil rights, government, labor and education—all of which support the Federal education department legislation. It is a disservice to President Carter to suggest that his commitment to education and support of this legislation are as shallow as a mere campaign promise.

Further, your assertion that "N.E.A. is committed to a much larger Federal role in school financing than is compatible with the tradition of state and local responsibility" flies in the face of the crucial fact that the inability of states and municipalities to finance public education adequately is the single biggest problem crippling our schools.

Local school systems, including New York City's, are in deep financial trouble. While there is no need, nor any reason, for Federal control over local school systems, there most certainly is urgent need for financial assistance, particularly in our urban schools. Immediate need is seen by even casual observers for a redistribution of resources and for responsible and effective management if the public schools are to meet the challenge of quality and equality for all the nation's 60 million elementary, secondary, college and university students.

The bedrock purpose of education is to prepare our nation's children for useful lives and sound citizenship—prerequisite for a nation that is stronger, wiser and, we hope, a bit more civil.

Finally, I have no illusion that a Federal Department of Education will be a panacea, but it is a good first step toward providing us with a new perspective on the many complex problems confronting American education. It can replace despair with fresh hope that those problems can be tackled effectively by a nation committed to all its citizens wherever they live. I think that is what the President is attempting to do by establishing a Cabinet-level Department of Education, responsible to the President, the Congress and the American people. We can do no less than give him our full support for this most worthwhile endeavor.

THE CASE FOR A DEPARTMENT OF EDUCATION

(By Samuel Halperin)

When I listen to all of the predictions of dire consequences to come from the creation of a cabinet-level Department of Education, I think I am reading a Jewish telegram. A Jewish telegram, as you may know, is one that reads: "Start worrying. Letter follows." The truth of the matter is that things seldom go as bad as we fear they may—even when we want them to. The truth of the matter is also that things seldom work out as well as we hope they will. Much of the rhetoric for and against the department of education is hopelessly overblown.

Felix Frankfurter, the late Supreme Court Justice, once said that "Americans have never learned the art of reforming by littles." In this, he was mirroring Ralph Waldo Emerson who had a similar thought: "we Americans have only one defect—a passion for sudden achievement." If we have a department of education, many of our problems will obviously remain. They will have to be worked at for many years and there is no guarantee of ultimate success.

Yet, I support the department of education because there are at least six good reasons for thinking that such a change will make a modest and useful improvement in our present unsatisfactory situation:

First of all, education, I submit, is too important to be left to part-timers. No one disputes the ability of the management team that Secretary Califano has gathered around him. But many knowledgeable people at HEW will tell you of the enormous difficulties in getting the attention of the Secretary and the Under Secretary to important educational issues. These are harried men, rushing from welfare reform to hospital costs to drug abuse, and so on. They simply do not have the time to give their all to education. They must share education with many, many other constituencies and problems. Therefore, a full-time staff, dealing solely with educational issues, is something that we can all aspire to, a full-time, highly competent staff addressing important questions of educational policy and implementation.

Secondly, education is too important to be sandbagged by what former Commissioner of Educatiuon Ted Bell called "CLAP trap." One consequence of HEW's vast size is the removal of the top education official from the final decisions affecting NIE, ASE, and USOE. Education is layered in and isolated from decision by Assistant Secretaries: C(Comptroller), L(Legislation), A(Administration), P(Planning and Evaluation); CLAP-TRAP for short. And education is layered by a whole host of faceless special assistants to the Secretary. These real policymakers, unlike the titular top education officials, are neither particularly visible nor are they accountable to the Congress, the education community, and the public at large. This situation is destructive to education's long-term interests. It does not permit building the institutions that we need in order to make an effective use of federal resources in the field of education. If we mean to recruit truly top flight people into the federal education service, we must create positions that have genuine decisionmaking responsibility and not see those positions vitiated by layering and smothering at the sub-Cabinet level.

No. 3. Revitalization of morale and the effectiveness of the public service has to be a top priority of this Administration. Launching a new Department of Education is a good time and a good way to undertake that priority. Few Americans are very happy with the current state of the federal role in education or with the morale or effectiveness of the federal service delivering education programs. We must do better. And one way to do it is to create positions of leadership that will resist the kind of instability we have had in Washington for 15 years. A new Commissioner of Education every 18 months or so! Incidentally, I don't believe that the first Secretary of Education, the second Secretary of Education or maybe even the third has to be an educator. I don't think we should settle for less than the very best leadership talent in the country. I think we can find persons with broad managerial experience to lead the new department. I think it's fair to say that we would not get people of Secretary Califano's abilities, Secretary

Andrus' abilities, Secretary Brown's abilities for such a low-level protocol position as the Commissionership of Education. If we want good people, we have to offer them a job where they can make a difference. That is not the case in federal education posts today.

No. 4. A cabinet department provides better opportunities to advocate education's needs with the President and the staff of the Office of Management and Budget. Currently, we are all aware, trade-offs affecting education have to compete with welfare, with rehabilitation, with the aging, etc. When H.E.W. appeals to the White House, it has to present a balanced slate; Education versus this or that. I would like the trade-offs to be made at the White House level, at the OMB level.

Some of my friends head very small federal agencies with budgets of under $200 million. They can and do go directly to OMB Director McIntyre; they can and do go directly to Eizenstat; and they get results. Education, on the other hand, has to wait at the end of the table of H.E.W. If H.E.W. is well disposed, if H.E.W. is well led, if H.E.W.'s priorities are in the correct place, education makes out all right. But that is not usually the case. This situation is intolerable, I submit, if you believe that education is important enough to the nation to be able to make its case to the top Executive officers of the land.

No. 5. A cabinet-level Department of Education could assist in the improvement of educational performance throughout the federal government. All of us recognize that most education programs will not be in the new department. Just as two-thirds of the housing support of the federal government is outside of HUD and much of transportation is out of Transportation, and much of energy policy is out of the Department of Energy, much of education will be out of the Department of Education. But a Cabinet post, a powerful Cabinet post backed by a President who cares, can give education a spokesman, an ombudsman, a rallying point, a coordinating point to worry about the health of educational programs regardless of where they are lodged in the federal government. I'm not talking about a warmed over Federal Interagency Committee on Education; I'm talking about a post that makes a difference. A Cabinet-level officer can be mandated by legislation and by the President to worry about the health of education, regardless of where those programs are lodged.

Finally, we have to recognize that, in the American system, for better or for worse, the Presidential level is where our people voice their most important concerns. Education remains important despite much self-defeating talk to the contrary in the media and in the academic community. Despite declining enrollments in traditional schooling, education and the knowledge industry are high growth areas. But there are serious problems, and if we want to address those problems effectively, we address them at the top. To quote Charles Schultze, a former OMB director when he testified 12 years ago on the creation of the Department of Transportation: "Departmental status in our form of government has been given to those agencies which (1) administer a wide range of programs directed toward a common purpose of national importance, and (2) are concerned with policies and programs requiring frequent and positive presidential direction and representation at the highest levels of government." I think education today, with an ASE budget of $14 billion, meets those criteria. It's about time we got on with the job of improvement both in personnel and in organization.●

AVIATION SAFETY AND NOISE REDUCTION LEGISLATION

● Mr. CANNON. Mr. President, during the 95th Congress, a great deal of work was done on the problem of aircraft noise. Both Houses had their own pieces of legislation shaped by extensive hearing records and developed in committees, but both aimed at helping the airport operator reduce the number of land uses which are noncompatible with noise and helping the aircraft operator meet the deadlines established by the FAA for making their fleets compliant with the noise standards. Unfortunately, a compromise could not be worked out between the two bills before the session ended.

Next week I will introduce a bill very similar to the one passed by the Senate last year together with additional provisions aimed at improving aviation safety. I feel that it is vital to show the nearly 7 million people impacted by aircraft noise that we have not forgotten our commitment to them. While I do not share the view held by some that the noise standards, once met, will solve the noise problem, I do believe that if we are to make some progress toward reducing aircraft noise and if we are going to require the airlines to modify their equipment to meet the standards, then we must give them a mechanism whereby those equipment modifications are financially realistic. It is true that airline profits soared last year, but it is also true that the airline industry is the first to feel the effect of a recession or a downturn in the economy. That is why the bill I will introduce contains guidelines for the Secretary and the Civil Aeronautics Board to follow in order to provide moneys to the airlines to meet the noise rules, but only if such funds are necessary in the future.

As part of my commitment to achieving the greatest noise reduction possible, the bill will also contain an extension beyond the deadlines for compliance with the noise regulations on an individual basis if the operator has a signed contract for a replacement aircraft that meets at a minimum the stage 3 levels of FAR 36. Stage 3 aircraft are those in the new generation of aircraft which are significantly quieter and more fuel efficient than those operated today. This double-edged benefit to the aircraft operator will also benefit those in the noise-impacted areas as well as the consumer and makes abundant sense in this day and age when fuel prices are soaring faster as sources of fuels become more scarce. As my commitment to the airline deregulation bill proved last year, I am not supportive of Government regulation for regulation's sake but only when those regulations carry with them a real and measured benefit to the public. That is why I believe we can get more from the noise regulations by offering this new-technology aircraft incentive, for even though it extends the use of older aircraft, it promises more in the way of noise reduction through accelerating the introduction of the quieter, new-generation aircraft.

Of greatest importance were the title II provisions of last year's bill. Title II consisted of a number of amendments to the Airport and Airway Development Act which would increase the amount of moneys spent from the aviation trust fund for the purpose of improving safety at our Nation's airports. The tragic crash last year in San Diego involving a PSA jet and Cessna was an accident which served as a warning to us to redouble our efforts toward improving the quality of air traffic control facilities and equipment to decrease the likelihood that similar accidents will occur.

The bill I will introduce next week, will contain increases in the amount available to both air carrier and general aviation airport construction and development, an increase in the amount made available for facilities and equipment and an increase in the amount available for development of reliever airports. Improvements in reliever airport facilities may be the biggest single factor in reducing the mix of general aviation traffic using air carrier airports. And the increase in the facilities and equipment fund may be used in many instances for more TCA's, that is, terminal control areas, which require all aircraft utilizing an airport be equipped with a transponder which will show the air traffic controller the altitude and location of all aircraft in the vicinity.

As a final part of the legislation, we will ask the Secretary to continuously study and report to Congress on the development and scheduled timetable for implementation of a nationwide collision avoidance system.

I will also introduce a separate bill, for the Finance Committee to consider, containing a two percent reduction in the taxes on the passenger ticket and freight weighbill and a reduction in the international departure tax. These taxes will continue to supply revenue for the aviation trust fund, only at a lower rate. That fund, which is now running a surplus of $2 billion, was established by ADAP which will come before the Congress for reauthorization for the post-1980 period.

I have a very strong commitment to these legislative proposals and I hope that many of my colleagues will join with me in supporting them.●

A BUREAUCRAT WHO WORKED

● Mr. CRANSTON. Mr. President, recently, Robert "Bat" Batinovich stepped down as Chairman of the California Public Utilities Commission to return to his business in San Mateo. The Los Angeles Herald Examiner noted the occasion with an editorial praising "Bat" as a bureaucrat who worked. Friends of "Bat" expected nothing less for he is a man of intelligence and boundless energy with an enthusiasm for ideas and action.

I ask that the Herald Examiner editorial of January 17, "A Bureaucrat Who Worked," be printed in the RECORD.

A BUREAUCRAT WHO WORKED

It's not often we use this space to heap praise on a bureaucrat. Especially a bureaucrat involved in stage managing the mess we call the "energy crisis." But there are, particularly in California, exceptions to every rule. And the state's Public Utilities Commission—

only recently a monument to the kind of unresponsive regulation we abhor—has, over the last few years, become such an exception.

That transition is largely due to the efforts of Robert Batinovich, who today steps down as chairman of the commission. Under his leadership the PUC initiated the kind of exciting and innovative change we always hope for—but rarely get—from regulatory agencies.

When Batinovich took over the PUC in 1975 things were a mess. The utilities were in sad financial shape because the PUC took two and a half years to turn out rate decisions which needed to be decided in a year in order to be relevant. And its decisions often were so shoddy they begged to be challenged in court. And many of them were, at which point the legal process took up where the PUC left off. The added delays denied both consumers and utilities the benefit of timely rate decisions.

As a result, much of the business community was reluctant to invest in California. After all, dire predictions of imminent energy shortages were then circulating, utilities continued to offer "declining block" rates to large industrial and commercial energy users.

The declining block rate structure gave energy buyers a price discount on volume consumption. The more energy used, in other words, the cheaper the unit price. As such, it was a disincentive to conservation, and an incentive to production capacity expansion. These were incentives which made no sense in 1975, an era of wildly fluctuating and ever-increasing energy prices. But the alternative was to tackle the rate structure system, a labyrinth regulators had always been reluctant to enter.

Batinovich and the PUC changed all that. They redesigned the rate structure, introducing industry to flat, or "inverted", rates. The new rates ended volume discounts, thereby discouraging wasteful consumption. Large users were not penalized for needing energy to do business, but, by the same token, the rate structure no longer smokescreened the true cost efficiency of incremental consumption.

Concurrently, the PUC rationalized residential rates by instituting the "lifeline" program. Lifeline rates are not a welfare measure, as some have charged. They are a conservation incentive, designed to allow everyone to meet basic energy needs at the lowest possible cost. Once consumption rises above necessary levels, however, rates rise sharply.

The point is, the consumer gets to make his own decision. And it is the same decision we all make when we decide whether to buy a car which gets 10, or 25, miles per gallon of gas.

This sort of approach is resource allocation at its best—and it is working. In the three years since rates were redesigned, California's economy has boomed. Simultaneously, the electricity growth rate has been cut to a third of what it was prior to 1975; and, gas consumption has seen a 10 percent growth saving.

In the meantime, the PUC has trimmed its case-decision timetable to a year. The result is healthier utilities, low energy rates, and good service for all Californians. The regulatory process has been simplified, and California is experiencing a net conservation of energy—a change in the growth pattern for which the utilities are not being penalized.

And the utilities, so long a matter of concern to investors, are emerging from the transition with flying colors. In the words of Vernon Sturgeon, a Reagan appointee who recently retired from the PUC after 10 years of service, California's utilities "are now in better shape than they've ever been since I've been around."

In short, the PUC under Robert Batinovich has done a nearly impossible job unexpectedly well. This is a remarkable and significant achievement. The best we can hope for is that Governor Brown's new PUC chairman is able to meet the high standards set by the retiring commissioner.●

JOSEPH M. KANE

● Mr. PELL. Mr. President, shortly after the adjournment of the 95th Congress last year, my State of Rhode Island suffered the loss, through retirement, of one of the most distinguished and able labor leaders in the history of the State.

Joseph M. Kane, who served for 32 years as an officer in Rhode Island of the International Association of Machinists and Aerospace Workers, and for 26 years as the directing business manager of the union in Rhode Island, retired in late October of 1978, after a career that won him respect and admiration from businessmen, workers, and indeed all segments of Rhode Island economic life.

Joe Kane's career is an inspiring example of what a man can accomplish through sheer ability, hard work, and dedication to the well-being of his fellow man and fellow workers.

Joe Kane was forced to leave college in the midst of the depression for economic reasons and worked as a construction laborer and as a chauffeur before finding a job as an assembler at Brown & Sharpe Manufacturing Co., one of the Nation's leading producers of machine tools.

It was at Brown & Sharpe that Joe Kane's abilities as a spokesman, a negotiator, and an organizer on behalf of his fellow workers won quick recognition and led to his rapid rise to the State leadership of the machinists union.

His leadership played a major role in the development of the machinists union as one of the largest and strongest in the State of Rhode Island with nearly 8,000 members working at major manufacturing plants throughout the State.

Mr. President, I join with Joe Kane's legion of friends through the State of Rhode Island in extending to him and his wife, Eileen, warmest wishes for many richly enjoyable years in retirement.

I ask that an article from the Providence Journal of October 29, 1978, entitled "Champion of Unions Steps Down," be printed in the RECORD.

The article follows:

CHAMPION OF UNIONS STEPS DOWN

(By Dave Reid)

CRANSTON.—As hundreds of workers from the Brown & Sharpe Mfg. Co. milled in the yard of St. Patrick's Church on Smith Street in Providence to consider going on strike back in 1951, their union president got up on a platform to explain their alternatives.

"Which are we going to use," Joseph M. Kane shouted to the crowd, "this (he held up a gavel) or this (he held up a feather duster)?"

The ensuing bitter strike lasted 13 weeks.

As he stood there, a Journal-Bulletin photographer snapped a picture of the scene and that night's newspaper identified Kane, holding the gavel, as the man "with club."

Kane chuckled Friday as he looked at the yellowed clipping—for a man whose career focused on the nuts and bolts of labor relations, the role of union rabble-rouser seemed absurd in retrospect.

It was far more appropriate that the last 32 years of his life—26 as the top executive of the machinists' union in Rhode Island until he retired last week—were set in motion by something as mundane as a union grievance.

The grievance came when Kane was working as an assembler in the sewing machine department at Brown & Sharpe back in 1945 and a study was carried out to determine piecework rates. Under those rates, "You just couldn't make any money," Kane recalled.

Impressed with the way the union stuck up for his interests, Kane got involved and was elected treasurer of Lodge 1142 of the International Association of Machinists and Aerospace Workers only six months later. The Presidency came only six months after that.

Shortly after he led the Brown & Sharpe union lodge (local) through the 1951 strike, Kane became directing business manager for the union in Rhode Island.

It now has about 8,000 members covered by 95 contracts at such major plants as Brown & Sharpe, Leesons, the Raytheon Corporation's submarine signal division, Sheldahl and Fram.

There were some major events during Kane's tenure—strikes and a huge layoff at Brown & Sharpe in 1970 have obviously left scarred memories.

But he remembers most the smaller milestones—the satisfaction of arbitrations he won and the depression of losing others.

He also never lost his interest in time studies and other employee-rating systems and was a guest speaker on the subject at Columbia University for several years.

As leader of one of the state's largest unions, he was a member of the executive board of the American Federation of Labor. He was on the committee that negotiated the local merger of the AFL and the Congress of Industrial Organizations and he has been on the State AFL-CIO executive board ever since.

Kane's path into Brown & Sharpe and then the machinists' union was less than direct.

A La Salle Academy graduate (he was a star baseball pitcher for four years), Kane went to the college in pharmacy for a year, but his scholarship wasn't renewed and in the midst of the Depression (1934), there was no other way to support his education.

So, for several years, he wielded a pick and shovel—first in the Providence city highway department and then for the A. C. Beals Co., building the Point Street viaduct.

After a year as a chauffeur for a wealthy, Blackstone Boulevard family in Providence, Kane next found his job at Brown & Sharpe.

Other than spending more time with his wife, Eileen, at their Warwick home, Kane has few plans for retirement. He turned 65 yesterday and will probably be honing his golf game, he said.

He will be succeeded as directing business manager by Daniel Chapman. Robert T. Thayer, president of the Brown & Sharpe lodge, will be added to the machinists' full-time staff in Rhode Island.●

TESTIMONY ON PRESIDENT CARTERS' FISCAL 1980 BUDGET

● Mr. BENTSEN. Mr. President, last Thursday, January 25, 1979, I testified in my capacity as chairman of the Joint Economic Committee before the House Budget Committee concerning the economic implications of President Carter's fiscal 1980 budget proposal. In my statement, I addressed a number of issues, including:

The state of the economy in 1978 and the outlook for 1979;

The economic restraint resulting from rising tax burdens;

The appropriate mix of monetary and fiscal policy;

The President's forecast for lower interest rates in 1980;

The 5-year projections for unexpended budget authority; and

The need for a regulatory budget.

I submit my testimony for printing in the Record.

The material follows:

Statement by Senator Lloyd Bentsen

Mr. Chairman and members of the Committee, it gives me great pleasure to be with you this morning in my new capacity as the Chairman of the Joint Economic Committee However, I must remind you that the Committee is in the process of its annual economic review and will not make its policy recommendations until that review has been completed in March. Therefore, the views which I express this morning are my own. At this point, my own views are somewhat tentative, but by the time the Joint Economic Committee submits its March report, I expect that we will have some firm policy recommendations to consider.

I would like to begin this morning by complimenting President Carter on his budget proposal for fiscal year 1980. Despite the fact that this budget was put together under a very difficult set of economic circumstances, it seems to be relatively free of many of the gimmicks that have been used in earlier years to distort the deficit estimates. The President has presented us an honest economic document as well as a clear statement of his own budget priorities.

Let me review, briefly, some of the major economic developments which lie behind this budget. As 1978 neared its end, industrial production was continuing to hold up well after a year of steady advance. Measures of capacity utilization, were reflecting a general tightness in the manufacturing sector. The unemployment rate stabilized in early 1978 at about 6 percent. Employment, however, continued to grow throughout the year at a much more rapid pace than most analysts had expected. Inflation was running at a 5 percent annual rate at the end of 1977, but at the end of 1978 prices were advancing almost twice that fast, about 10 percent per year. The Government's estimates of productivity have bounced around erratically throughout the economic recovery, but by late 1978 it was clear that the year as a whole would slow little, if any, advance. This is at least partly explained by the strong gains in employment, in contrast with the moderate gains in output.

Interest rates rose steadily throughout most of 1978, jumped sharply in November due to policy moves, and by the end of the year stood near the record peaks reached in 1974. In summary, the Gross National Product expanded almost 5 percent in 1977 and 4 percent in 1978.

Clearly the economy had deteriorated with respect to inflation in 1978. In addition, the growth rate slowed, and there was unanimous agreement that a further decline could be expected. The only question was whether the decline could be limited to a mild slowdown or whether there would be an actual recession.

The economic forecast underlying the Administration's budget projects a decline in growth from 4 percent during 1978 to 2.2 percent during 1979. While the Administration's forecast shows an improvement in the rate of inflation, the estimate of 7.4 percent is certainly worse than the Administration was hoping for just a few weeks ago. During 1980 the Administration's forecast shows an improvement in real growth—GNP growing at 3.2 percent—and an improvement in inflation—with the GNP deflator growing 6.4 percent.

The key question is whether the deficit that is being projected for 1979—$37.4 billion—and the deficit being projected for 1980—$29 billion—is consistent with these growth and inflation targets. I do not have a firm answer to this question today, but the Joint Economic Committee will be considering it very carefully during our annual review. Let me just point out that there may be some problems associated with these economic forecasts and budget projections.

First, President Carter has characterized this budget as "lean and austere." He says it represents a "policy of restraint." I personally find it difficult to characterize a $30 billion deficit at this point in the business cycle as restrictive. However, when you look at this more carefully, I think the President is correct. However, President Carter seems to indicate that restriction is focused on the spending side of the Federal budget. My own preliminary evaluation indicates that while there is restraint in spending growth, there is even more restriction on the tax side. Attached to my testimony is a table which shows Federal receipts and expenditures after they have been adjusted for inflation. This table was prepared by the Joint Economic Committee staff, using the Administration's estimates of inflation, tax receipts, and expenditures. This table shows that for fiscal year 1979 real Federal purchases are expected to be about $102 billion; for fiscal year 1980 they are expected to be about $103 billion—very little increase. On the tax side, however, real tax receipts total $289 billion in fiscal year 1979 and about $297 billion in fiscal 1980. As the table shows, the receipts are estimated to grow steadily over this two-year period in real terms. Therefore, I must conclude that if we are interested in examining the potential impact of this budget proposal on the economy, the behavior of taxes is likely to be more restraining than the behavior of expenditures. As we consider the budget for 1980, we must continually ask ourselves whether this is the most desirable policy mix for reducing inflation while sustaining economic growth.

A second problem I find somewhat disturbing, and one which is, again, related to the policy mix issue, is the degree of restriction planned for both fiscal and monetary policy. The Joint Economic Committee urged for many years better coordination between fiscal and monetary policy, and a method of achieving this has now been incorporated into the Humphrey-Hawkins Act. Recently, some witnesses have advised us that it is preferable to focus the restriction on fiscal policy and ease up on monetary policy. Hopefully, this policy mix would stimulate investment and thus improve our long-term growth prospects. As you know, the JEC is required under the Humphrey-Hawkins Act to review fiscal and monetary policy coordination and report back to you prior to development of the First Concurrent Resolution.

A different group of issues relates to some of the more technical aspects of the budget. I raise these because they represent significant changes. For example, you know that in past years the Office of Management and Budget (OMB) and the Treasury Department have always stoutly defended the position that they do not forecast interest rates. I realize that there were both advantages and disadvantages to this approach, but it did guarantee that Administrations would not be accused of manipulating the numbers or trying to commit the Federal Reserve Board to some specific monetary policy.

The 1980 budget changes this long-standing policy by forecasting lower interest rates. The budget argues that this change is necessary in order to make the interest rate figures consistent with the inflation projection. While this may be true, it is also true that lowering the interest rate projection will reduce the estimate of budget outlays by reducing interest paid on the national debt. I do not know whether this forecast should be taken as an Administration recommendation to the Federal Reserve Board, a commitment of a policy target by the Administration and the Fed, or something else. But I believe this forecast should be used with caution, and I plan to discuss with with Chairman Miller.

Another aspect of the budget which we always examine carefully are any assumptions about policy change. I know that you will examine all of the proposed policy changes carefully, so I just want to single out one for your special attention. This concerns the Administration's plan to accelerate State and local government deposits of social security taxes. This is a regulatory change which does not require legislation, but it will be very controversial. I raise the issue because the proposal will reduce Federal revenues if it does not become effective.

One final point in these technical issues concerns the relationship between budget outlays and budget authority. This gets back to the degree of restriction recommended in this budget. When you look beyond 1980 and examine the five-year projections in this budget, you will find that budget authority is estimated to grow substantialy faster than budget outlays. My staff estimates that while outlays are projected to grow less than 40 percent over the next five years, unexpended balances of budget authority are projected to grow roughly 60 percent. Since unexpended balances of budget authority often foreshadow future increases in spending over which Congress may have little control, it is crucial that we get a better grip on this aspect of the budget. This may be the key to controlling expenditures over the long run and regaining a position where a balanced budget is a realistic possibility.

Now, Mr. Chairman, I would like to turn to some longer-range issues which will occupy the attention of the Joint Economic Committee under my leadership. As you know, the Joint Economic Committee has often been an innovator in Congress, trying to stimulate improvements in our government institutions. The Committee and its individual members were active participants in drafting the Budget Act of 1974, and we have strongly supported the congressional budget process.

The Joint Economic Committee staff took the lead in preparing the first current service estimates, and these formed a model for the estimates which are now included as a regular part of the President's budget submission. I expect the Joint Economic Committee to continue to be a strong supporter of the budget process, and I look forward to working with you. I also hope that we can continue to provide leadership in instituting further improvements in the congressional process.

One important long-run issue currently being studied by the Committee is the need for a regulatory budget. When I use this term, I do not mean to imply that we should do away with all Federal regulations. I mean that we need to find ways to use regulations more efficiently.

Until recently, the fiscal budget provided an adequate accounting of the Federal Government's use of resources, since almost all Federal activity was carried out through spending programs. But during the past decade and a half, the Government has greatly enlarged its ability to command the use of private resources for public purposes through regulatory programs in such areas as health, safety, environmental protection, equal employment opportunity, and energy conservation. The private sector costs of complying with these regulatory programs do not appear in the Federal budget. Therefore, the Federal budget understates the use of resources for public purposes; in respect to regulatory programs, we are today in the same place we were in the 1920s with respect to the Federal budget, with no overall view.

Because of this lack of information, there are a number of important questions we simply cannot answer today:

1. To what extent have Federal regulatory programs contributed to the extraordinary inflation of the past decade?

2. How much of our Nation's scarce resources are being devoted to regulatory programs?

3. Would additional resources for public purposes be better used in spending or regulatory programs?

4. What is the overall level of Federal command over resources?

We must have a document that can provide us with a comprehensive accounting of the Federal Government's use of resources for public purposes. The current budget is only part of the picture. Filling the gap is one current area of long-run concern for the Joint Economic Committee.

Another long-run interest of the Joint Economic Committee is productivity growth. The *Economic Report of the President* projects that productivity will increase less than ½ percent during 1979. This is far too low. For the average working American man and woman, an improved standard of living depends on the productivity of the economy, and we must make productivity a major focus of economic policy in the years ahead.

One action we could take now is to liberalize depreciation allowances. In the *Review of the Economy, October 1978*, the Joint Economic Committee points out that per dollar of budget cost the best result can be obtained by liberalizing investment tax credits or depreciation allowances. Next in order of effectiveness is reduction in the corporate income tax rate. . . . The rationale for the hierarchy is easily explained by noting that the benefits from liberalization of investment tax credits and depreciation allowances are directly tied to additional spending on plant and equipment. The other measures provide investment incentives only indirectly.

Tax policy changes may not be the total answer to our productivity problems, but they certainly form an important part of it. The Joint Economic Committee will continue to examine ways of improving our productivity and will be glad to share our findings with you. Of course, any changes we might propose will have some budget impact, and we will want to discuss that with you.

RECEIPTS AND EXPENDITURES—NIA BASIS

[Billions of 1972 dollars, annual rates]

	1978:4	1979:1	1979:2	1979:3	Average, fiscal year 1979	1979:4	1980:1	1980:2	1980:3	Average, fiscal year 1980
Personal income taxes	133.8	125.2	125.9	127.5	128.1	129.7	135.5	137.2	139.1	135.4
Total tax receipts	295.2	285.7	286.3	289.0	293.1	289.9	296.7	298.6	300.6	296.5
Federal purchases	104.7	102.9	100.7	102.1	102.6	104.5	103.9	102.9	101.5	103.2
Total Federal expenditures	307.8	304.5	303.3	310.1	306.4	313.0	313.4	311.2	310.1	311.9

Source. Joint Economic Committee Staff. Based on assumptions and projections contained in the Budget and Special Analyses for fiscal year 1980.●

ANDREW P. PALMER—THE BRIDGE BUILDER

● Mr. PELL. Mr. President, Andrew P. Palmer, editor-publisher of the Woonsocket Call, has been an extraordinary influence for progress in northern Rhode Island's Greater Woonsocket area.

A remarkable 70-year-old newsman, Mr. Palmer has used his daily newspaper to advocate and improve the Greater Woonsocket area. Despite his influence and accomplishments, he is a modest man who insists on sharing honors with "the Call family."

A few months ago, he was honored with the dedication of a minipark and carillon in a busy shopping area and last month he was honored as 1978 Kiwanis Club "Citizen of the Year" in Woonsocket.

During the Kiwanis Club presentation a poem, submitted by Leo Bernier of Union St. Jean Baptiste, was read. Titled "The Bridge Builder," the poem described an elderly man who has crossed a chasm. Once on the other side, the man stops to build a bridge to make it easier for the young to follow.

I would like to share with my colleagues the story of this presentation and of Mr. Palmer's remarkable "bridge building," and I ask that a report of his most recent award from the Woonsocket Call of December 28, 1978, be printed in the RECORD.

The material follows:

A. P. PALMER, PUBLISHER, ACCEPTS "CITIZEN" AWARD

(By Tim Manigan)

True to a style that has become his hallmark, Andrew P. Palmer, editor-publisher of The Woonsocket Call, accepted the honor of being named 1978 Kiwanis Club "Citizen of the Year" this afternoon with the hope that the news media can become an even stronger force in making Greater Woonsocket a better place to live.

In a voice choked with emotion, the 70-year-old newsman said the honor is not his alone, but represents the entire effort of his newspaper staff.

"I have a pet saying," Palmer said. "I'm only as good as those around me."

The publisher, who was honored for his devoted work toward the betterment of Greater Woonsocket, uged the gathering of 230 well-wishers in the Cercle Laurier's new hall to continue to cooperate with The Call in helping this area.

Palmer is the 29th recipient of the distinguished award, long regarded as the highest honor paid to a citizen of this area.

State Rep. Roger N. Begin, Kiwanian chairman of the event, noted in presenting Palmer with a huge plaque, that the honoree, when told he had been chosen for the honor, said he would only accept it on behalf of the city and his "Call family."

Palmer, who has been ill, looked fit for today's occasion but was overcome with emotion as the audience rose to provide him with a standing ovation and after Begin told the crowd that Palmer's "allegiance" to Greater Woonsocket is "unquestioned and unparalleled."

Begin described the publisher as a man who has used his newspaper in a continuous fight to "promote" this area and make it a better place to live. He said Palmer did so "beyond the ordinary performance of duty."

In a touching moment, Begin recited a poem submitted by Leo Bernier of Union St. Jean Baptiste, and entitled "The Bridge Builder." The poem describes an elderly man who has crossed a chasm, but once on the other side, stops to build a bridge to make it easier for the young to follow.

As Begin described Palmer as the "epitome of a good citizen," many eyes in the audience watered and a silence gripped the gathering.

Begin presented the award by noting that the publisher "can't understand why he is being honored for doing what comes so naturally."

Palmer, noting that he was honored only two months ago with the dedication of a mini-park and carillon in the Mill River Square shopping district, said simply: "I stand here very proud."

The publisher said he is honored to join a group of previous recipients, who he said comprise "the greatest cross-section of persons from this area."

"As you know, I'm a dreamer," he continued, and expressed the hope that The Call can stand as the battler against the evils that continue to bother Greater Woonsocket. He promised the newspaper would continue to wage the struggle, and suggested that all recipients of the "Citizen of the Year" honor gather more frequently and form an ad hoc committee "to try to make this an even better city and area."●

WILL CHINA INVADE VIETNAM? A WARNING

● Mr. McGOVERN. Mr. President, as we mark the normalization of relations with the People's Republic of China through Vice Premier Teng's visit, it is essential that we underscore the limited nature of this step. Recognition is just that. It is not endorsement, alliance, or support. It gives us a better chance to address our differences; it cannot be an excuse to ignore them. Nor should we leave any misimpression about our intention to pursue our own national interests, even when they may be in conflict with what Chinese leaders perceive to be theirs.

It is not in our interest, for example, to set aside the process of détente through which we hope to reduce the tensions and dangers inherent in our relationship with the Soviet Union. The bitter rivalry between China and the Soviet Union is a conflict between two branches of the same ideology, and both variations are in conflict with our view of the world. I subscribe fully to President Carter's determination to hold the United States clear of that fight. Vice Premier Teng's exhortations on the subject have been, in my view, an unfortunate detraction from his visit.

By the same token, I have been deeply disturbed by reports of Chinese preparation for major military action against Vietnam. On the basis of these reports, as many of my colleagues know, I told

Vice Premier Teng during yesterday's luncheon that I thought it would be a tragic mistake for China to intervene militarily in Vietnam, just as I had thought it was a tragic mistake for us to do so some years ago. I asked him if there was any danger of that happening.

The Vice Premier gave what to me was a very discouraging response. He said, in essence, that on the basis of what he called "provocative acts against our borders," and also the overthrow of the Government of Cambodia "with the support of the Soviet Union," Vietnam may "force us against our will to take action against them to preserve our own security and in the interests of world peace." Combined with the accumulating buildup along the border, these words constitute a clear threat of war.

No one disputes the right of the People's Republic of China to defend its own territory. But I have every confidence that China has the resources and capacity to do that without plunging Southeast Asia back into a major military conflict. Such a struggle can only inflict needless suffering on the Chinese and Vietnamese people, and risk a wider conflict that would bring destruction and sorrow to China, the Soviet Union, and Southeast Asia.

On this basis I want to reinforce what I said to Vice Premier Teng yesterday. I join in enthusiastically welcoming him and his party to the United States, and in celebrating the normalization of relations after 30 unfortunate years of mutual suspicion. But at the same time, I can only abhor reckless words and preparations for war.●

THE FRAUD HOTLINE

● Mr. SASSER. Mr. President, I wish to take the opportunity to report to the Members on progress of the recently established fraud hotline.

ESTABLISHMENT OF FRAUD HOTLINE

The hotline was established at my request and with the strong support of the ranking minority member of our Appropriations Subcommittee, Senator SCHWEIKER.

The hotline was installed at the General Accounting Office with the cooperation of Comptroller General Elmer Staats.

Senator SCHWEIKER and I first made the suggestion for the hotline at a December 4, 1978, hearing which we conducted on the newly established GAO Special Task Force for the Prevention of Fraud.

The hotline will allow any concerned citizen with knowledge of fraud and abuse in any Federal program to report that knowledge to the GAO Fraud Task Force. The anonymity of any caller will be respected—the name of the caller need not be given to the task force.

The national toll-free fraud hotline is 800–424–5454. In the Washington, D.C., metropolitan area the number is 633–6987.

FIRST WEEK PROGRESS

Mr. President, during the first week of operation—the period of January 18 to January 25—some 3,011 calls were received, of which 1,224 were recorded by task force personnel for further evaluation. The remainder of the calls were received and recorded on tape at the General Accounting Office after business hours. Task force personnel are in the process of contacting the parties in the latter group who left call-back telephone numbers. In addition, numerous calls are being received in GAO regional offices.

UNANIMOUS-CONSENT REQUEST

Mr. President, I ask unanimous consent that a description of the GAO fraud hotline procedures be placed in the RECORD at this point along with a list of the 15 GAO regional offices, the names of managers and their local telephone numbers.

The information follows:

GAO TASK FORCE HOTLINE PROCEDURES

Each caller on the GAO "Fraud Hotline" is interviewed following the general format of a data collection form, with a separate control number assigned to each call. This will be used to track those allegations which appear substantive through later verification of facts and investigation if warranted. The type of information GAO is attempting to record is:

Federal agency or source of Federal funds/material involved in the allegation.

Specific locations where the action is alleged to be taking place.

Recurring or one time?

Length of time activity has been going on.

Extent of activity (some idea of number of people involved).

Estimate of dollar value involved.

The GAO Task Force will provide an initial screening of the calls to eliminate those which are obviously non-substantive. Those which appear to be substantive but relate to program effectiveness and efficiency rather than fraud will be referred to the operating divisions of GAO for consideration in their audit work. Those which appear to be allegations of fraud will be coordinated with the appropriate agency Inspector General for investigation. In the event the agency Inspector General is unable to respond in a timely manner because of manpower limitations or priority of on-going work, GAO will perform a verification of facts relative to the allegation utilizing regional offices. This data will be evaluated by GAO and a decision made relative to referral to the Department of Justice for possible prosecution.

Atlanta, Manager Marvin Colbs, 221 Courtland Street NE, Atlanta, GA 30303,(404) 221–4616.

Boston, Manager Fred D. Layton, Suite 1907, Blue Cross-Blue Shield Building, 100 Summer Street, Boston, MA 02110, (617) 223–6536.

Chicago, Manager Joseph W. Kegel, Federal Building-16th Fl. West, 230 South Dearborn Street, Chicago, IL 60604, (312) 353–0514.

Cincinnati, Manager Robert W. Hanlon, 8112 Federal Office Building, 5th & Main Streets, Cincinnati, OH 45202, (513) 684–2107.

Dallas, Manager Irwin M. D'Addario, Suite 800, 1200 Main Tower, Dallas, TX 75202, (214) 767–2020.

Denver, Manager William D. Martin, Jr., Suite 300-D, 2420 W 26th Avenue, Denver, CO 80211, (303) 837–4621.

Detroit, Manager Walter C. Hermann, Jr., Room 865, Patrick V. McNamara Federal Building, 477 Michigan Avenue, Detroit, MI 48226, (313) 226–6044.

Kansas City, Manager David A. Hanna, Room 717 Gateway II Building, 4th and State, Kansas City, KS 66101, (816) 374–4641.

Los Angeles, Manager James T. Hall, Jr., Los Angeles World Trade Center, Suite 1010, 350 South Figueroa Street, Los Angeles, CA 90017, (213) 688–3813.

New York, Manager Francis X. Fee, Room 4112, 26 Federal Plaza, New York, NY 10007, (212) 264–0730.

Norfolk, Manager Alfonso J. Strazzullo, 5705 Thurston Avenue, Virginia Beach, VA 23455, (804) 441–6621.

Philadelphia, Manager Ralph V. Carlone, 434 Walnut Street, 11th Floor, Philadelphia, PA 19106, (215) 597–4330.

San Francisco, Manager William N. Conrardy, Suite 900, State Fund Building, 1275 Market Street, San Francisco, CA 94103, (415) 556–6200.

Seattle, Manager John P. Carroll, Room 201, 415 First Avenue North, Seattle, WA 98109, (206) 442–5356.

Washington, Manager David P. Sorando, 441 G Street, NW, Washington, DC 20548, (202) 633–0120.●

THE FISCAL YEAR 1980 DEFENSE DEPARTMENT BUDGET

● Mr. KENNEDY. Mr. President, one of the most important issues in the administration's 1980 budget is the level of spending proposed for national defense. The President's proposed anti-inflation budget is tight. Only defense receives a real increase in funding, up to $122.7 billion in outlays, with budget authority climbing to $135.2 billion.

The issue is complicated not only by the number of controversial items in the defense portion of the budget itself, but also by the misleading way in which the defense budget is presented.

For weeks, the priorities debate has centered on whether a real increase of 3 percent can be justified for defense spending in light of the austerity imposed on other areas of the budget and the urgent need to bring inflation under control.

First, we were led to believe that there would be a 3-percent increase for NATO-related programs, an increase which I believe is justified.

Then we learned that the increase would be 3.1 percent not only for NATO but for the defense budget as a whole.

Now, it turns out that the administration is proposing not just a 3.1-percent increase for the defense budget, but an increase of over 4 percent above spending for fiscal year 1979.

The administration's figure assumes approval of its supplemental request for fiscal year 1979, which the Congress has not granted. In order to bring the sizable increases in defense spending proposed for 1980 within the 3-percent target, the budget submitted to Congress pads the 1979 spending level, thereby yielding a misleadingly low figure for the increased spending requested for 1980.

We must give this one-quarter of our budget the same close scrutiny as we give to nondefense programs. Three major issues stand out:

First, in the strategic field, we should not reorient our defense posture more to fight a nuclear war than to prevent it. We should not develop weapons systems that increase the threat of nuclear war. We should not buy weapons to appease the opponents of SALT.

Here our No. 1 concern ought to be the MX missile and its basing system. The administration plans to spend nearly $1 billion in the fiscal year 1979 supplemental and the fiscal year 1980 budget. This billion is but a foot in the door for many additional billions. Even without cost overruns, the system will cost us at least $30 billion to build and deploy.

The MX missile is highly accurate and devastating. It is so threatening to Soviet nuclear forces that it could tempt Soviet leaders to strike us first in a crisis. The result will be unparalleled destruction to both societies.

The Defense Department has labored over at least three new ICBM basing concepts, but still has not reached a decision. All are very expensive, and all present profound technical difficulties. One basing concept—the so-called multiple aim point—would make adequate verification of similar Soviet systems impossible.

Above all, we should resist any premature decisions on MX. It may prove to be the wrong system for the wrong reasons in the wrong place, at the wrong time. Racing into this program—or any other—to feed the appetites of SALT critics is not rational, responsible defense planning.

The Congress must also examine carefully the hundreds of millions of dollars allocated to counterforce strategic warfare—such as command and control, civil defense, and revised targeting doctrines.

Second, in the general purpose field, conventional forces and operations and maintenance costs consume the lion's share of the defense budget. I will be looking for ways to make our defense force more capable and efficient.

The President has rejected—and he deserves our support—the nuclear aircraft carrier. His reasoning applies just as strongly to the latest carrier (the CVV) proposed by the Defense Department. This new ship, just by itself, will cost $1.6 billion. This heavy price excludes billions of dollars for the carrier's aircraft and the fleet of surface and subsurface ships needed to protect it—not to mention cost overruns and the millions of dollars needed each year for operating and maintaining the carrier.

Given its exorbitant cost, its questionable mission and its vulnerability to attack, this proposed aircraft carrier should be struck from the budget.

Third, is it, fair to the American people—in this year of financial sacrifice—to accept highly questionable military increases in such areas as:

The $5.1 billion increase in military procurement over fiscal year 1979 appropriations, resulting in a disproportionate 10 percent real growth in military purchases; and

The $2.2 billion weapons supplemental for fiscal year 1979, when no emergency exists and when each weapon should be debated in the context of the fiscal year 1980 budget.

In each of these areas—strategic, conventional, and budget management—the American people have a right to expect the Congress to scrutinize proposed defense spending just as closely as the remainder of the budget. As we make our crucial defense budget decisions, we should seek to reduce the strategic arms competition with the Soviet Union, to strengthen NATO capabilities consistent with our commitment, and to help eliminate waste in military spending.●

CBS NEWS ENVIRONMENTAL SERIES

● Mr. MUSKIE. Mr. President, for 5 nights during the first week of this year, CBS News presented a series entitled, "The Earth Revisited." The series was an update of a series that the network aired in 1970—when environmental consciousness originally emerged.

The theme of the series was that the earth remains extremely fragile and sensitive to man's activities. The possibility of substantial manmade destruction, CBS concluded, is not merely science fiction to be tossed off lightly. The environmental laws enacted in this decade are attempts to prevent such ecological damage.

The five segments, narrated by Walter Cronkite, center around four crises which drew our attention in 1970 and still do so today: Population growth, pollution, the depletion of our natural resources, and the threat of nuclear war.

Mr. President, I ask that the transcript of this fine series be printed in the Record for the benefit of those who may have missed it.

The transcript follows:

CBS Evening News With Walter Cronkite

Cronkite. There are places out here that look like doomsday has come and gone. This is the White Sands Missile Range in southern New Mexico, 6,000 square miles of greasewood and range grass. A few herds of wild horses live on this land, but mostly this land is empty. So it was here we came to test the weapons of modern war, and it was here we learned that there could be a man-made doomsday.

We're not, of course, the first people to think about the end of the world. Christians eighteen centuries ago watched for the "Four Horsemen", who would signal the coming of Apocalypse. And it seemed in 1970 four great crises were riding down on us like the horses we saw in the New Mexico desert, or like the "Four Horsemen" of the Book of Revelations. The experts we interviewed told us population was the fundamental crisis. And indeed, since the start of this decade we've added 700-million people to the world; in nine years the equivalent of 93 New York Cities.

The second crisis was pollution. And today you can find great clouds of poison hanging over our great cities. Not even the past is safe. In Rome, Venice and Athens a heritage is being eaten away by polluted air.

If we were to pick a third Horseman today it would be depletion of our natural resources, and this desert would be a perfect example. Barely a hundred years ago this was grassland, until the cattle barons of the last century destroyed the ecosystem here. Overgrazing turned this into a desert and a symbol of ignorance and greed.

A fourth great danger of biblical times was war, and so it is today. But even doomsday isn't what it used to be. On this windswept desert in New Mexico, July 16th, 1945—a Monday—was a day with two dawns. First light was a sun that man had built. This is the same spot 34 years later. A simple rock monument marks "ground zero", and a cement stump all that is left of the concrete and steel structure that held the first atomic bomb.

We've built and tested bigger bombs since then, but somehow doomsday has stayed away. Yet even when we got used to living with the bomb, there was the thought, the nagging thought, that we could end our world.

[Feb. 23, 1970]. We're going to report regularly here the greatest battle man has ever waged, a true battle for survival—the battle, to put it crudely but accurately, to keep our heads above the rising tide of our own garbage. The stakes in this battle are far greater than any other we have ever fought. To lose this one is to lose the planet earth.

Many of the specialists we interviewed in our environment series nine years ago thought mankind's prospects were bleak. We asked some of them if they had changed their mind.

Paul Ehrlich [biologist; 1970]. Sometime in the next 15 years the end will come. And by the end, I mean an utter breakdown of the capacity of the planet to support humanity.

[1978]. The world is older and going downhill fast. The only thing that's healthier is a lot more people are aware of the essential problems in the world. In other words, there is—we do have a—an Environmental Protection Agency. Environmental problems are considered at least newsworthy enough to go onto the Cronkite show.

Barry Commoner [biologist; 1969]. In 1970, this country and a large part of the world faces the crisis of survival.

[1978]. Since then we've done a great deal to incorporate that concern into the ordinary operations of our political life. And I think that in that sense the movement—if you want to call it that—is a smashing success.

Denis Hayes [activist; 1970]. And if this does prove to be a fad, it's going to be a very costly one, definitely costing hundreds of millions of deaths, very possibly costing the death of the species.

[1978]. Since then I think we've bought ourselves some time. We've solved some of the really easily solved issues. We're still facing a variety of very-difficult-to-solve ones. And if we don't resolve them expeditiously in the next decade or two, then I think that that prophecy might well still hold—hold true.

Cronkite. It is difficult to say whether we're any closer to saving the world than we were in 1970. Our intention is to use some of the resources of CBS News over this next year to examine our progress and explore our prospects. But one thing is worth noting: I'm standing on the spot where an atomic bomb was exploded. The very grains of sand on this desert floor were fused into something like green glass by that awesome heat. You can find shards of it in the weeds here. But there are weeds here. The birds have come back, and the spiders and the tough range grass; "ground zero" is coming back to life. And maybe that's the lesson we're learning. The earth will save itself if we just give it a chance.

When we offered a series of reports on the environment back in 1970, it seemed one crisis was fundamental, and in the second installment in our update of those reports we looked at the response to the challenge of that crisis in the decade of the environment. There are 4,300,000,000 human beings on this planet, but you can't tell that from this view. To see the works of man, you have to move around to the night side of the Earth. There in the dark satellites can see constellations of sparks. The East Coast of the United States is rimmed with foxfire. Those lights are our cities and our homes. At the beginning of this decade, it seemed that lights were going on all over the world. The experts we interviewed offered the prospect of an urban, overcrowded world, a world just too small for our numbers.

[February 24, 1970.] In preparing this report, we asked a number of those population experts in and out of government where in all the world we could take our cameras to study an effective, broad-scale program of population control. The answer—there is no such place. And that's the way it is Tuesday, February 24th, 1970. This is Walter Cronkite. Good night.

That's the way it *was*, not the way it *is*. We have found an effective, broad-scale program of population control here on the other side of the world. This is the city and the nation of Singapore. And this is the prime minister of Singapore, Lee Kuan Yew.

Prime Minister LEE KUAN YEW. Well, we decided that unless we could check the population explosion, then all our efforts—health, education, economic development—would all come to naught, because you are—each time you are climbing up the tree, you reach a greasy patch, and you slip down again.

CRONKITE. Slipping down again is what was happening in 1966 in Singapore. A mother could expect to have four or five children. Today, the two-child family is the average. Of Singapore's married women, one in seven has had an abortion; one in five has been sterilized. In just ten years Singapore achieved one of the lowest population growth rates in Asia. It was done through disincentives—a package of laws urged onto the books by Prime Minister Lee.

Prime Minister LEE. If you decide to have seven in the family or ten in the family, nobody can stop you. It's just that you will carry—beyond the third child you carry the full social and medical costs.

CRONKITE. The law says that hospital delivery fees go up with the number of children. The birth of a third child can cost twice as much as the first. The law says no income tax deductions for a fourth child. The law says no paid maternity leave after the second child. The law says that only the first two children will have priority at nearby schools; the third child may be bused. The law says abortion must be available on demand for five Singapore dollars. And they backed up their disincentives with a campaign to win the hearts and minds of the people of this small island. While it may not be up to the state of Madison Avenue art, the campaign was straightforward, direct to the point.

And the message is everywhere—on posters, on key chains, on tea coasters, on school supplies. The message shows up in movie theaters, and is projected on buildings at night. The message is on Singapore television.

[Excerpt from TV commercial on family planning.]

A recent survey of the women of Singapore showed that 93% knew the message of the government family planning and population board.

TEACHER [in classroom]. What is the message?

CRONKITE. The word waits for the children in school.

TEACHER [in classroom]. Two is enough. Good!

CRONKITE. This is a sixth-grade class.

NURSE. Are you interested in family planning?

MOTHER. Yes.

NURSE. This was your second child, isn't this one?

MOTHER. Yes.

CRONKITE. And the word is waiting for the parents at the child health clinics.

Criticism of the measures has been muted, perhaps because the Chinese, who make up 75 percent of the population here, are pragmatic, shrewd, and fairly adaptable to new ideas. Church leaders of the 75.000 Catholics here refuse to comment on the laws, but some expressed the feeling that eventually the Church will have to take a stand.

Singapore is small—an island 15 miles across. The population, which 200 years ago was about 150 fishermen, is now 2.300.000. Almost nothing is left of the original plant and animal life on the island. Instead, there are flocks of people, rivers of cars, forests of apartment buildings. And in that, the story of Singapore could well be a parable for the rest of the world.

Population growth had to be brought under control here. There was simply nowhere to go. The methods might be called repressive, Orwellian. It might be said that 1984 came early to Singapore. But it also can be said that in Singapore can be seen the future, and it can be made to work.

This is Walter Cronkite, CBS News. Good night.

ANNOUNCER. This has been the CBS Evening News with Walter Cronkite.

CRONKITE. This is Old Stockholm nine o'clock of a Sunday morning. The sun rises late here in the winter and can't do much to warm up the cold gray days. The weatherman tells us in degree days Sweden has about the same weather as North Dakota. The economist tells us the standard of living in the United States and Sweden is about the same. Swedes have more second homes, Americans more second cars. Americans have more television sets, Swedes have more vacuum cleaners. But it's engineers who tell us the principal difference between the two nations. The Swedes in this cold climate maintain their standard of living by using just two-thirds of the energy of the Americans.

It may seem strange for us in a land where even toothbrushes are electric that the good life is not strictly dependent on using energy, but that seems to be the lesson of Sweden. If you could convert all the different kinds of energy each country uses into coal, you would find that the average Swede at mid-decade was consuming seven tons of coal a year, while each American was using up the equivalent of twelve tons.

Transportation makes up a good part of the difference. Cars in Sweden and the United States are driven about the same number of miles a year—about 10.000. But the Swede's car is smaller and lighter and gets more miles per gallon. In the United States, smaller cars now make up about half of all new cars sold, but sales of gas-guzzling motor homes also are way up. The second car in Sweden is more likely to be a bus or a train. Almost half of a Swede's travels are on some form of public transportation. Just ten percent of an American's travels are on mass transit.

Another major difference in energy use is space heating. Buildings in Sweden are planned with the high cost of energy in mind. Windows are smaller, and may have two or three panes of glass. Homes in Sweden are likely to leak half as much heat as an American home. While new homes in the United States contain twice as much insulation as they used to contain, experts estimate there are 15-million homes without adequate, easily installed attic floor insulation.

The difference is regulation. Here a law says that you must have an exhaust fan for your stove. It says how much heat can leak through your roof. Another law says how large your windows can be. Building a new home? The government tells you what sort of heat you may have. A new housing development is built around a mass transit stop. Everything here according to plan—a government plan.

And the plan calls for recycling in Sweden. Paper is separated from the other garbage, and ends up back at the paper mill. Heat left over from making electricity is sold to apartment buildings as steam. A deposit paid to the government when a car is purchased is returned when the car goes to the junkyard. Almost five percent of all steel used in Swedish industry is recycled steel. Swedish industry, experts conclude, is ten to fifteen years ahead of U.S. industry in energy efficiency.

Sweden's energy use is growing, but only eight-tenths of one percent a year. U.S. energy use is growing three times as fast.

What Sweden can do with a national plan and regulation, we try to do through individual initiative and the marketplace. The process is slower; the scale is smaller. Consider the "Golden Goat" of Scottsdale, Arizona. It's the brainchild of Tike Miller, a former toy manufacturer. His "Goat" eats aluminum cans, crushes them, weighs them, and pays twelve cents a pound for them. Miller says this machine takes in two tons of cans a week, which he resells to manufacturers.

TIKE MILLER. Oh, this is a profitable operation for the public and for the country and for the operator of the machine. It requires only five percent of the energy to recycle this aluminum in the cans again, as opposed to doing it with bauxite ore.

CRONKITE. The "Goat's" innards are complex, and its durability is still to be proved in service. For examples, vandals might be attracted by the silver in the "Golden Goat". But it does seem to be a way to put capitalism in service to the environment.

Compared to the energy conservation and recycling efforts we saw in Sweden, the "Golden Goat" at Smitty's Big Town shopping center in Scottsdale, Arizona, may not look like much. But compared with conservation efforts experts say will be needed, our efforts so far are pretty small change.

MAN. Twenty-four cents.

WOMAN. Well, that's not bad. [Laughter]

CRONKITE. This is Walter Cronkite, CBS News. Good night.

ANNOUNCER. This has been the CBS Evening News with Walter Cronkite.

CRONKITE. Even if you've never been here, this in a sense is your home town. This is the Acropolis in the center of Athens in the Republic of Greece. Twenty-three centuries ago it was the center of a government, of a faith, of a great civilization, a civilization that gave us Plato and Socrates and Aristotle, a civilization that gave us the very words democracy and politics, ethics and ecology, a civilization that gave us an architecture that has been duplicated in thousands of government buildings.

The man in charge of building this place was a statesman named Pericles. He said it would bring glory to Athens for all time. But the glory of Athens is being threatened by the city of Athens. The architecture may be timeless; it turns out the stone is not.

Athenians live in the shadow of the Acropolis. It rises from the center of town on a huge flat-topped rock. Fifty years ago, 500,000 people lived among the relics of Greece's golden age, but Athens has grown and grown. Athens has added apartment blocks, office buildings, industries, three million people and their cars. The famous crystal clear air of Attica has become the now familiar alphabet soup of pollution: CO, CO_2, SO_2, NO. The gases mix with fog and make an acid mist. The smog turns the hard, translucent marble into gypsum, a soft, crumbly, plaster-like substance. The work of artisans 23 centuries ago washes away with the rain or disappears beneath a layer of gypsum and soot. This maiden has escaped the ravages of the acid bath because she's a concrete copy made in the last century. Her five sisters on the Acropolis are marble. They show what modern civilization has done to the wellsprings of modern civilization.

Government officials in Greece say frankly that industrial development is more important to them than the pollution that comes with industrial development. They say Greece cannot yet afford stringent environmental laws, so sewers reach only 60 percent of Athens' population, so their are no enforced auto emission laws, so a thousand industries discharge smoke into the air and liquid waste into Homer's wine-dark seas.

ALEXANDER GILAD [Athens Pollution Project]. Our primary concern was human life, and it also happened to be very good for the Acropolis.

CRONKITE. Gilad heads a five-year, six-million-dollar study of sources of pollution in Athens. His report, a cooperative effort between the Greek government and the U.N., led to a ban on high-sulphur fuel oil in the

Acropolis area. The air is now easier on the marble, easier on human beings.

Gilad. I always think that more should be done and quicker, but one has to be realistic. These things do not happen overnight. It takes time, and it takes work, and it takes a lot of money. Therefore, one must have patience.

Cronkite. Is there anything more pragmatic or realistic than saving human life, or preserving civilization, for that matter?

Gilad. No, I think this is [indistinct] one of the most important goals that we have, and we're trying to do it in a way which is feasible, in a pragmatic way. Because if we demand too much, we will get nothing perhaps.

Cronkite. The director of antiquities on the Acropolis says he is encouraged by the progress that has been made and the attention that is being paid, but he would like to see more done.

George Dontas [Acropolis director]. There are other measures to be taken which would be of a more drastic language. One of them would be perhaps—perhaps to have—to change altogether the heating system in the neighborhood of the Acropolis. For instance, a change from gasoline to gas.

Cronkite. On that subject too a study is underway. The machinery of pragmatic politics turns, and the marble decays. The experts now think the best hope here will be a kind of transparent plastic coating painted on the marble. And the maidens who have patiently supported the temple roof for all those centuries will finally get a rest. They'll be moved to an air-conditioned museum, replaced by skillful, pollution-proof copies.

Thucydides left us the words of the man who built this Acropolis 2300 years ago, and they're well worth re-reading:

"Fix your eyes on the greatness of Athens as you have it before you day by day. Fall in love with her, and when you feel that she is great, remember that this greatness was won by men with courage, with knowledge of their duty, and with a sense of honor in the things they do. Their story is not graven only on stone over their native earth, but lives on far away, without visible symbol, woven into the stuff of other men's lives."

Whether the harmony and grace of the Acropolis will be woven into the stuff of our children's lives is an unanswered question of the decade of the environment.

This is Walter Cronkite, CBS News. Good night.

Announcer. This has been the CBS Evening News with Walter Cronkite.

Cronkite. Nuclear proliferation, one of the modern Four Horsemen threatening our environment, indeed our lives and our civilization. It's the subject of today's update on the decade of the environment.

They come here from all over the world—to see some shreds of clothing, a scorched toy horse, a watch stopped at 8:16. They come here to see shadows that never go away. They come here to stand before this unlikely shrine to peace: a burned-out industrial exhibit hall. They come here to pause a moment, and to ring the bell.

[Man ringing bell.]

On August 6th, 1945, two thousand feet above this very spot, the atomic bomb exploded. For a brief moment the Japanese city of Hiroshima was bathed in light, and then it was blown away. Thus began the modern age, a third of a century ago. And then there was just one nuclear power.

Now there are six nuclear powers in the world. The United States, Russia, Great Britain, France and China have both atomic and hydrogen bombs. India has the A-bomb. Experts say Israel either has the bomb or could have it within hours. South Africa was reported ready to test a weapon in 1977, until diplomatic pressure was brought to bear. Some Carter Administration officials think Pakistan may be next to get the bomb. And as nuclear knowledge spread around the world in this past decade, the number of weapons in the arsenals of the nuclear powers has grown. Theoretically, the United States alone could deliver the nuclear explosive power of six and a half billion tons of dynamite.

Sweden has some war memorials—not many, because the country hasn't been officially at war in 165 years. And it has a peace memorial. In this office building is the Stockholm International Peace Research Institute. It was set up by the Swedish parliament to keep tabs on the arms race. Frank Barnaby is the director of the Institute, and he is worried.

Frank Barnaby [SIPRI]. The—the major thing that's happened in the last ten years is a move from strategies and policies based on counter-city, mutual assured destruction, or whatever you call it—nuclear deterrence.

Cronkite. Balance of terror.

Barnaby. Balance of terror, nuclear deterrence. We're moving away from that now into a counter-force strategy which is based on the philosophy that you can fight a nuclear war and win it. I just can't believe that one side or the other would surrender while they have within their arsenals a significant amount of weapons that they regard to be usable. So, I believe that one—the use of one nuclear weapon will escalate to the use of the nearly 100,000 we have in the arsenals, which—which have an explosive power equivalent to a million and a quarter Hiroshima bombs. So I think that one nuclear weapon will lead to a million and a quarter Hiroshimas.

Cronkite. It's hard to imagine even one Hiroshima. There are hints of the horror in the museum on the site. But we have to rely on government training films made during test explosions to tell us how much like hell is war.

[Excerpts from U.S. Atomic Energy Commission film "Operation Greenhouse" showing buildings blowing away during A-bomb tests].

There is something fascinating about the red tornado at the heart of the blast, and something beautiful about the cloud that has become the symbol of our age. It's easy to forget that these weapons are designed to kill.

It's not forgotten here. In that stone is a scroll with 94,000 names—the names of those who were killed here. And the Japanese inscription on the front says: "The evil shall not be repeated."

Still, we have stockpiled the explosive power of three tons of dynamite for every man, woman and child on this planet. Still we are spending a million dollars a minute on weapons of war. In the years since the Hiroshima bomb, we've invented apparently unstoppable means of delivering bombs to their targets. What we haven't invented is a way to deliver on the promise on that stone: "Let all the souls here rest in peace, for we shall not repeat the evil."

This is Walter Cronkite, CBS News. Good night.

Announcer. This has been the CBS Evening News with Walter Cronkite.●

ORDER FOR RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore of the Senate, pursuant to Public Law 95–599, appoints the following Senators to the National Alcohol Fuels Commission: The Senator from Idaho (Mr. Church), from the Committee on Energy and Natural Resources; the Senator from South Dakota (Mr. McGovern), from the Committee on Agriculture, Nutrition, and Forestry; the Senator from Oregon (Mr. Hatfield), from the Committee on Energy and Natural Resources; the Senator from Kansas (Mr. Dole), from the Committee on Agriculture, Nutrition, and Forestry; and the Senator from Oklahoma (Mr. Bellmon), from the Committee on Appropriations.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Executive order signed by the President on December 14, 1978, appoints the following Senators to serve on the President's Commission on the Coal Industry: The Senator from West Virginia (Mr. Randolph), the Senator from Kentucky (Mr. Huddleston), and the Senator from Illinois (Mr. Percy).

ORDER FOR RECORD TO REMAIN OPEN TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the record may remain open today until 3 p.m. for the introduction of bills and resolutions, petitions and memorials, and until 5 o'clock for the introduction of statements.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSED RULES CHANGE

Mr. ROBERT C. BYRD. Mr. President, the deliberations and discussions with respect to the rules change are continuing. I am encouraged thus far by the discussions. I believe that if Senators have completed their statements for today, I will shortly move to recess the Senate, so as to allow those discussions to continue without interruption.

SPECIAL ORDERS FOR TUESDAY, FEBRUARY 6, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Tuesday, February 6, I may be recognized for not to exceed 5 minutes following the prayer; that Mr. Javits be recognized for not to exceed 15 minutes following my recognition.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SPECIAL ORDERS FOR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow I be recognized for not to exceed 3 minutes, following which Mr. Cranston, Mr. KENNEDY, Mr. BRADLEY be recognized for not to exceed 15 minutes; that they be followed by Mr. CHILES, Mr. BENTSEN, Mr. PROXMIRE, and Mr. BAKER for not to exceed 15 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS

Mr. ROBERT C. BYRD. Mr. President, I move, in accordance with order previously entered, that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and at 1:17 p.m., the Senate recessed until tomorrow, Thursday, February 1, 1979, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 31, 1979:

DEPARTMENT OF AGRICULTURE

Dale Ernest Hathaway, of the District of Columbia, to be Under Secretary of Agriculture for International Affairs and Commodity Programs (new position).

DEPARTMENT OF COMMERCE

Sidney A. Diamond, of Arizona, to be an Assistant Commissioner of Patents and Trademarks, vice Bernard A. Meany, resigned.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

The following-named persons to be members of the National Commission on Libraries and Information Science for terms expiring July 19, 1983:

Francis Keppel, of Massachusetts, vice Daniel William Casey, Sr., term expired.

Bessie Boehm Moore, of Arkansas (reappointment).

Philip A. Sprague, of Indiana, vice Julia Li Wu, term expired.

NATIONAL SCIENCE FOUNDATION

Michael Kasha, of Florida, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1984, vice Anna J. Harrison, term expired.

IN THE NAVY

The following-named captains of the Reserve of the U.S. Navy for temporary promotion to the grade of rear admiral, in the line and staff corps, as indicated, pursuant to the provisions of title 10, United States Code, sections 5910 and 5912:

LINE

Nelson Otto Heyer
Robert Louis Zralek
William Henry Langenberg
Clarence Arthur Edward Johnson, Jr.

MEDICAL CORPS

Henry Turner Edmondson, Jr.

SUPPLY CORPS

Alexander Jackson, III

CIVIL ENGINEER CORPS

Roy "L" Dunlap

DENTAL CORPS

Charles Frederick Schreier, Jr.

IN THE NAVY

The following-named lieutenant commanders of the U.S. Navy and Naval Reserve for temporary promotion to the grade of commander in the line and various staff corps, as indicated, pursuant to title 10, United States Code ,sections 5769 (line), 5773 (staff corps), 5791, and 5793 (Medical and Dental Corps), subject to qualification therefor as provided by law:

LINE

Abbate, Robert P.
Abbott, Richard L.*
Aeschleman, Vance E., Jr.
Albers, Steven C.
Alexander, Marion R., Jr.
Allen, Glenn R.*
Allen, Harry B.
Amos, Robert E.*
Amundsen, Rickard O., Jr.
Anastasi, George M.
Andersen, Robert V.
Anderson, Harold M.
Anderson, Richard G.*
Anderson, Russell F.
Apple, Lester A.
Argubright, Stephen F., Jr.
Arny, Louis W., III
Arrison, James M., III
Ashburn, Erich H.
Atchison, Thomas L.
Axtman, Darold S.*
Ayers, Daniel O.
Bacon, Robert P.
Bailey, James W.
Bailey, Jerry R.
Baker, Robert W.
Baker, Ronald B.
Baldock, Frederick C.*
Ballard, Michael H.
Ballback, Leonard J., Jr.
Bankson, Rodney A.
Barker, Kenneth D.
Barnes, James C., Jr.*
Barnett, Thomas J.
Bartol, John H., Jr.*
Barton, William B.*
Bates, Billy G.
Baumstark, James S.
Baxter, Peter C.
Beall, James M., Jr.
Beam, David M.
Beard, Garnet C., Jr.
Beardsley, John W.
Beck, Melvin D.
Beckett, Robert S.
Bell, Corwin A.*
Bell, Duncan W. J., Jr.*
Bell, John M.*
Bell, Robert A.
Bell, Robert S.
Bell, Russell A.
Bell, William F.
Bennett, David C.*
Beougher, Rolland B.
Berkebile, Donald F.
Best, John A.
Bilbrey, Harlan K.*
Blades, Peter D.
Blakely, Frederick M., Jr.
Blinn, Norman R.
Bliss, Larry D.
Bloomer, John G.
Blount, Thomas E., Jr.
Bobo, Wilton C., Jr.
Bolger, Robert K.
Bond, Rogers A.
Bontrop, Paul N., Jr.
Bookhultz, John W.*
Boone, George J.*
Borchers, Carl B.
Borchers, Doyle J., II
Borcik, Paul R.
Bowman, Gene M.
Bozzelli, Philip A.
Bracht, Steven E.*
Brackx, Omer M.*
Bradbury, Donald T.
Brady, Timothy S.
Brewer, Joe R.*
Brannon, Michael L.*
Brennan, Wiilliam J.*
Bright, Charles N.
Brittain, Albert R., Jr.
Brown, Charles J., III.
Brown, David M.
Brown, Jeffrey L.
Bryan, Herbert F.
Buckley, Russell H., Jr.
Bunting, Daniel C.
Burck, Clarence W.
Burgess, Clifford T., Jr.
Burke, James L.
Burlingame, Anson H., Jr.
Burman, George A.
Burnett, Robert V.
Burns, Richard J.
Burrows, John S., III*
Burton, Hurshel B., Jr.
Busch, John R.
Bush, Gary A.
Bush, Harold S.
Buttram, Robert H.
Cain, William M.
Callahan, Gary W.*
Cameron, John F.
Cannon, Olin C., Jr.*
Caplinger, Royce L.
Carey, Albert D., Jr.
Carey, David J.
Carey, James R.
Carlin, Daniel S.
Carlton, Raymond M., Jr.*
Carolan, James C.
Carpenter, Robert A.*
Carroll, David L.
Carson, William H., II
Caseman, Jerry B.
Cashman, David M.
Castro, Alexander, Jr.*
Catlin, Carl V.
Cavaluchi, Robert A.
Cebrowski, Arthur K.
Cepek, Robert J.
Chalkey, Henry G.
Chander, James F.*
Charles, James R., Jr.
Chenault, David W., II
Chernesky, John J., Jr.
Chotvacs, Charles J.
Christensen, Ernest E., Jr.
Christie, Warren B., Jr.
Clark, Dale V.*
Clark, James W.
Clark, Robert H., Jr.
Clark, Terrell I.
Clark, William H.
Clemins, Archie R.
Clime, Robert H.
Cloward, Richard S.
Cobb, Robert M.
Coburn, Clarence D., Jr.
Coker, George T.
Colburn, Herbert T.
Cole, Ronald A.
Collier, Arthur H.
Collins, James A.*
Colthurst, Wallace R.*
Combe, Andrew J.
Conant, Edward H.
Connor, James V.
Cook, Gary N.
Cook, James R.*
Coonan, John J., Jr.
Costello, Terence W., III
Coyle, Michael T.
Craig, Norman L.
Cramer, Charles R.
Crane, Stephen H.
Crawford, Frederick R.
Creager, Hugh G.
Creely, Allan J.
Crump, David A.
Cumbie, James B.
Curley, Richard C.
Dadant, Dennis J.*
Dahlvig, Alan L.*
Daly, Thomas M.
Darsey, Edgar B.*
Davies, William E., Jr.
Davis, Aubrey, Jr.*
Davis, Dean D.
Davis, George H., Jr.
Davis, James W., Jr.
Davis, John E., Jr.
Davis, Lee A.*
Davis, Norman E.
Davis, Stephen B., Jr.*
Davis, Walter B.
Day, Charles J.
Day, James R., Jr.
Dell, Julius B., Jr.
Deroco, Alan P.
Diaz, Donald G.*
Dickson, James W.*
Dietz, Gary C.*
Dirkx, Peter C.
Dirren, Frank M., Jr.
Dobbins, William P., Jr
Donahue, John C., III*
Donnelly, Ambrose T.
Donnelly, John T., Jr.
Donnelly, Michael P.
Dopson, Michael I.*
Dorsey, Medford D.*
Dow, Paul R.
Doyle, Dennis M.
Doyle, Michael W.
Drake, Keland L., Jr.
Drennan, Arthur P.
Dubois, Vern A.
Dunlap, David B.
Durham, Andrew C.*
Dwyer, David S.*
Dyches, Fred D.*
Dyer, Donald A.
Dyer, Robert D.
Dykeman, Paul R.
Eckhoff, Clarence J., Jr.
Ehlers, Theodore J.
Elder, Philip R.
Ericson, Walter A.
Erskine, Donald A.
Erwin, Arthur R.
Evans, John M.
Everette, Oliver G.*
Fantin, Jonnie R.*
Faricy, John J., Jr.
Farris, Robert O., Jr.
Fee, James W.
Feeback, Ralph S.
Feeser, Henry R.
Fenton, Paul H.
Ferguson, James B., III
Ferguson, Lawrence L.*
Ferguson, Robert L.*
Feuerbacher, Dennis G.
Fickenscher, Edward R., III
Field, John B.*
Fike, Burtis P.*
Finney, James H.
Fladd, Wirt R.
Fletcher, Paul R.
Flint, Lewis W.*
Flynn, James M.
Flynn, John P.
Foltzer, Louis L.
Foust, James E., III*
Fox, Arthur D.
Foy, Basil W., Jr.*
France, Frederick M.*
French, Gary L.
Frenzel, Joseph W., Jr.
Fricke, Harold J., Jr.
Friel, David J.
Fuetsch, Carl T.
Fuge, Douglas P.
Fulkerson, Grant D.
Gaither, Ralph E., Jr.
Galkin, Kenneth E.
Gallagher, Tilden M., Jr.*
Gamrath, James C.
Garrett Philip T.*
Gastar, Stanley D.
Geddie, John M., Jr.
Gehman, Harold W., Jr.
George, Paul, J.*
Gerard, Walter J.
Gifford, Corydon R.*
Gladin, Bennie R.
Glaes, Roger B.*
Glaeser, Frederick J.
Gnilka, Charles W.
Goesling, William H.*
Goodwin, James H.*
Goodwin, Michael R.
Goolsby, Richard E.
Gordon, Kenneth E., Jr.
Gottlieb, William A.
Grant, Richard F.
Grasser, Philip F.
Greeson, Bernard D.
Griggs, Carlton A.
Grillo, Pat L.*
Grosser, Harold J., Jr.
Grostick, John L.
Hack, David F.
Haines, William R.
Haley, Willard J.
Hall, John P., Jr.
Halyburton, Porter A.
Hamilton, Gerald K.
Hamma, John F.*
Hanke, Robert R.
Hannam, Donald C.
Hanson, Dale E.
Harder, Ronald E.
Hardy, Richard W.
Harlan, Richard L.
Harley, James H.*
Harris, Michael J.*
Harris, William R.
Hart, Bruce H.
Hartkopf, Kenneth W.
Hassell, Benny K.*
Hastings, Steven C.
Hawley, John A., III
Hawver, Jack H., Jr.
Hayden, William B.
Hefty, William A.
Heid, Billy L.
Heinecke, Walter R.*
Hekel, Ulis D.
Henderson, Harry G.
Hendon, Jerry E.*
Herrmann, Robert H.
Hershey, David G.*
Hess, Gerald R.
Hewitt, George M.*
Hickey, Robert P., Jr.
Hickman, Donald P.
Higgins, Edward P.*
Hildebrandt, John L., III
Hill, Theodore D., Jr.
Hiss, Roger A.
Hitchcock, Terrence W.
Hoepfner, Karl T.
Hoferkamp, Richard A., Sr.
Hofstetter, Lawrence L.
Holbert, William H.
Hollinger, Merlin B.
Hontz, Edward B.
Hood, William T. T., Jr.*

Hoover, Charles B., Jr.
Hope, Robert E.
Horn, Maurice D., Jr.
Hornick, James F.*
Horst, Rudolph A.*
Horton, Forrest A.
Hotalen, Robert J.
Howell, Stephen H.
Hubble, Hilbert R.
Hudson, Charles E.
Hughes, Gary M.
Humphreys, Wayne I.
Hunter, Robert S.*
Hutmaker, Matthew A., Jr.
Hynes, Robert F.
Irvine, Pickens W.
Jacobi, Leslie M.
Jacobs, Brent W.
Jeffers, Barry N.
Jenkins, Alan K.*
Jensen, Michael G.
Jessup, Frederick D.*
Joa, William R.
Johns, Ernest H.*
Johnson, Douglas J.
Johnson, Golden H.
Johnson, John D.*
Johnson, Kenneth G.
Johnson, Kenneth H.
Johnson, William L., Jr.*
Jolley, Ronald S.
Jones, Dennis A.
Jones, Robert D.
Jones, Stephen H.
Joplin, James E., Jr.*
Jordan, David L.
Joyce, Robert H.
Kahrs, J. Henry, III*
Kalyn, Richard A.
Kamrath, Robert A.
Karl, George J., III*
Kastel, Bruce A.
Katz, Richard G.
Keenan, Richard C., Jr.
Kellner, Gary E.
Kelsey, John P.
Kemple, Morris M., Jr.
Kenneally, Thomas D.
Kenslow, Michael J.
Kenton, Bruce H.
Kight, Ben*
Killam, Kent H.
King, Carl
King, John D.
Kipp, John L.
Kirk, Kerry E.
Klein, Karl M., Jr.
Klemm, Richard E.
Knight, Ralph W., Jr.*
Kolata, John D.
Konetzni, Albert H., Jr.
Kott, James R.
Krieger, Dennis H.
Krieger, Eric W.*
Kristensen, Edward K.
Krohne, Theodore K.*
Krueger, Roger W.*
Krueger, Rudolph V.*
Kruse, Harry R.
Kyzar, Sammy B.*
Lacher, Richard G.
Laible, Norman W.
Lamb, James B., Jr.
Landon, John L.*
Lapierre, Terrence P.
Larguier, Isidore, Jr.
Larsen, Donald M.*
Larson, Gary L.
Lashley, Lewis*
Lassen, Clyde E.
Latendresse, Thomas B.
Lauer, John N.*
Lavarre, Claude A., Jr.
Law, James W.
Lee, Howard F.
Lefavour, David A.
Leon, Kenneth F.*
Levien, Henry A.
Levin, Kenneth
Lewis, Earl G., Jr.
Lherault, David J.
Libbey, Miles A. III
Linz, Edwin R.
Linzay, Herman A.
Lischke, Erwin J., Jr.
Litrenta, Peter L.
Lockard, John A.
Lockhart, Albert L.*
Long, Edward C., III
Lonsdale, Paul T.*
Losure, Edward R., Jr.
Luck, David L.*
Ludlow, Ronald G.
Lyford, George Jr.
Lyman, Melville H., III
Maddén, Lynn M.*
Maixner, Harold V., Jr.
Marchetti, Michael J.*
Marciniak, Walter Jr.
Marcinko, Richard
Marsden, Richard A.
Martin, Jerome L.*
Martin, Kenneth M.
Martin, Ronald E.
Matson, Howard L.
Matthews, John E.
Mattson, James L.
Mauney, Louie A.
May, Douglas E.
Mayfield, George A.
Mazach, John J.
McCallum, James A.*
McCarthy, Richard J.
McClellan, William D.*
McConagha, David L.
McDanel, Brinley K.*
McDaniel, Howard R.
McDermaid, Steven W.
McDevitt, James J., Jr.
McFeely, Thomas E.
McGaraghan, Michael J.
McKay, Dennis A.*
McKinley, David H.
McMahon, Thomas W.
McMillen, Robert H.*
McMullin, Lynn D.*
McMunn, David J., Jr.
McRae, Charles R.
Melanson, Alfred J., Jr.*
Mellin, William F., Jr.
Meneeley, William T.
Merchant, Michael G.*
Merritts, Michael H.
Messman, Harold E.
Metzger, William J., Jr.
Meyer, Herman J.
Meyer, John F.
Michelini, Raymond T.
Milam, Lonzo O.
Milioti, Louis D., Jr.
Millard, August V., Jr.
Miller, Calvin O.*
Miller, Harry J., Jr.
Millis, Archibald E., Jr.
Mills, Michael J.
Milner, Scott F.
Mitchell, Charles S., IV
Mitchell John T., Jr.
Moffat, John W.
Montgomery, David J.
Moore, David B. A.*
Moore, John A.
Moore, John C.*
Moore, Robert B., II*
Morgan, Thomas E.
Morris, Ricky K.
Morrison, Virgil E.
Morrissey, Thomas K.
Morrow, Emil D.
Mosley, Thomas J., Jr.*
Mosher, Richard L.
Moyer, Clyde T., III
Mumford, Thomas F.
Murkland, Richard G.
Murphy, Andrew J.
Murphy, Charles R., Jr.
Murphy, Richard L.
Murphy, Thomas E.
Murray, Robert L.*
Myron, Terry J.
Nakayama, Homer S.*
Negin, Jerrold J.
Nelsen, Lynn H.*
Nelson, Barron C.
Nelson, Thomas S.
Nester, Cletis M.*
Newell, Robert B., Jr.
Newlon, Arthur W., Jr.
Newman, Martin H.
Newton, William J.
Nichols, Aubrey A.
Nicholson, Edwin P.
Nickel, Hilary J.
Nickelsburg, Michael
Norton, James L.
Norwood, Richard L.
Nuernberger, John A.
Nute, Charles C.*
Nutwell, Robert M.
O'Brien, John L.
O'Brien, Robert J.*
O'Connor, Paul P.
O'Connor, Peter E.
O'Donnell, Robert*
Ohlander, Ronald B.
Olen, Harley M.
Oliver, Daniel T.
Oliver, Michael F.
Olsen, Dieter H.*
Olson, Harold M., Jr.
Olwin, James L.*
Onorato, James R.
Orr, William S., Jr.
Owen, Harry C., III
Owen, Harry C. III
Pagano, Frank P.*
Paige, Gordon C.
Pannunzio, Thomas W.
Parish, Roger D.
Parker, Brance J.
Parker, Charles D.*
Parnell, Allan D.*
Paron, John R.
Parry, Thomas L., Jr.
Patten, Freddie J.
Paulsen, William G.
Pearsall, Richard E.*
Perine, Philip C.
Perkins, Henry G., Jr.
Perkins, James B., III
Pernini, James K.
Perron, Robert A.
Perry, Rightly R.
Petersen, Richard J.
Peterson, Eric L.
Peterson, Brent L.*
Peterson, John C.*
Peterson, Lawrence L.
Peterson, Richard S.
Pewett, Robert H.
Pfeiffer, John J.*
Phelan, Richard H.
Picotte, Leonard F.*
Pierce, David I.*
Pierce, Peter W.
Pignotti, Dennis A.
Pivonka, Leo M.*
Plis, Kenneth J.
Plott, Barry M.
Plunkett, Garry R.
Pollock, John C., III
Popp, Robert L.*
Powers, Robert L.
Powell, Robert R.
Price, Joseph M.
Probst, Lawrence E.
Prueher, Joseph W.
Puccini, Donald E.
Purdy, Robert F., Jr.
Furrington, Frederick R.
Quinn, Jeffrey*
Radigan, Matthew J.*
Ralston, Gene D.
Reaves, Curtis F.*
Redd, John S.
Reddoch, Russell
Reighley, Robert W.
Reser, Gerald H., Jr.
Reuthinger, Richard C,. Jr.*
Rhode, John R.*
Rhodes, Gerry B.
Raddick, George T., Jr.
Riley, Robert H.
Riordan, Francis P.
Risseeuw, Hugh J.
Ritchey, Glenn W., Jr.
Ritzman, William F.
Robbins, Richard J.
Roberts, William A.
Robertson, Charles L.
Roffey, Robert C.
Rogers, Clyde W.*
Rogers, Howard W.
Rogers, Will C., III
Rosselle, William T.
Roy, James C.
Russell, David L.
Russell, Jay B.
Ryland, Robert B.*
Ryman, Garry J.
Rypka, Allan E.
Saenz, Roland A.
Sager, Harold E.
Sapp, Charles N., Jr.
Sargent, William P.
Saul, Joe M.
Savage, Eugene M.
Scearce, George E.*
Schlichter, Ralph
Schmidt, Clifford B.
Schmidt, Richard H.
Schmitt, Stuart O.
Schnier, Keith L.
Schram, Richard W.
Schultz, James S.
Schwendinger, Ronald G.
Scott, Norman S.
Scott, William R.
Scully, Michael C.
Seay, Marvin E., Jr.*
Selfridge, Harry E.
Seligson, Harold E.
Senappe, John Jr.*
Seymour, Harry A., Jr.
Shaffer, Leslie V., II *
Shanahan, James F.
Shaw, Michael G.
Shepherd, Patrick M.
Shields, Charles D., Jr.
Shiffer, William T., Jr.
Shipway, John F.
Shumway, Geoffrey R.
Shurts, Richard L.*
Sidney, Richard W.
Siebert, Harro H.
Signorelli, Ignatius A.
Silver, Lawrence M.
Simkins, Kenneth R.
Simpson, John P., III*
Sjuggerud, David M.
Smalling, John A.*
Smallwood, Frederick K.
Smith, Bradley E.*
Smith, Esmond D., Jr.
Smith, Gerald C.*
Smith, Gordon L.
Smith, Herbert C. L.
Smith, Ralph F.
Smith, William S., Jr.
Snodgrass, Donald J.
Snyder, Gerald W.
Snyder, Keith R.
Sokol, David
Soucek, Philip M.
Sowa, Walter, Jr.
Spencer, James L., III
Spencer, Robert C.*
Spigai, Joseph J.*
Springer, Robert W.
Sprowls, George F.
Spruitenburg, Fredrik H. M.
Stair, Sammy D.
Staley, Richard J.*
Stamps, David W.
Stankowski, Robert J., Jr.
Staplin, Ralph A.*
Stark, James R.
Starnes, Phillip V.
Stauffer, Barry C.*
Steele, Jon A.*
Stephan, Charles R.
Stevens, Thomas F.
Stewart, Robert P.
Stier, Theodore G.
St. Martin, Ronald C.
Stone, John F.
Stranick, Francis J.*
Stratton, Phil Z.
Strickland, Henry W.
Stromberg, David L.*
Strong, Barton D.
Strong, Walter G., Jr.
Stull, David A.
Suarez, Ralph*
Sullivan, David C.
Sussilleaux, John F.
Sutton, Robert
Swinger, Alan W.
Switzer, William H., III
Taday, Alexander A.
Tangeman, Richard G.
Taylor, Billy G.
Taylor, John M., IV
Taylor, Kermit A.
Teague, Reginald B.*
Telquist, Lee M.
Thompson, Bryce A.
Thompson, Joseph C.*
Thompson, Melvin E., Jr.
Thurman, Ronald J.
Tinston, William J., Jr.
Tipper, Ronald C.
Tisaranni, James
Tobias, Walter A., II
Todd, John H.
Tolbert, James K.
Tolley, Richard L.
Tonti, Louis G.*
Tow, James D.
Tracy, Robert N., Jr.
Trahan, Edwin C.*
Trapnell, Robert G.*
Trieber, Gale E.
Triebel, Theodore W.
Tsukalas, Denis N.
Tucker, Albert L.*
Tucker, Douglas*
Tucker, Gary L.*
Tuma, David F.
Turner, Laurence H., Jr.
Ulrich, William S.
Unrau, Jerry L.
Usborne, Roger W.*
Vacin, Edward M.
Vajda, Thomas C.
Vanderschroeff, Coenraad
Vanderwier, Gerald M.
Vandyke, John C.
Vanheertum, Bruce
Vanlue, Kenton W.
Vanwinkle, Pieter K.
Viafore, Kenneth M.
Vinroot, Charles A.
Vogt, Frederick H.
Vollmer, Ernest P.
Vroom, James E., II
Wagner, Tod W.
Walden, Kenneth A.*
Walker, Jerry D.*
Walker, Joseph S., IV
Wall, James H.
Ward, Robert F.*
Warren, Ferrell D.*
Watkins, John R.
Watson, Richard G., IV
Webb, Hugh L.
Weed, Wilson G.
Weerts, Gary L.
Weiss, John N.
Welborn, Paul B., Jr.
Welsh, Richard G. T.
Welsh, Walter L.
Wertzberger, Charles R.
Wheat, David R.
Whiffen, Calvin U., III
Whitaker, Roger B.*
White, Raymond M.*
Whitehead, Albert E.
Whitten, Audrey B., Jr.*
Wicker, Charles L.
Wilkinson, Jay H.
Willan, Robert F.
Williams, Donald E.
Wilson, Thomas B.*
Winter, Albert W.
Wise, Aubrey L.*
Witter, Ray C.
Wixom, Robert F.
Wojcik, Raymond T.
Wojtkowski, William S., Jr.
Wolter, Richard C.
Womble, George C., Jr.*
Wright, Daniel A.*
Wright, James R.*
Wright, William H., IV
Zohlen, John T.
Zuberbuhler, William J.
Zwirschitz, Gary W.

MEDICAL CORPS

Albert, Philip R.
Alvarez, Rosa M.
Anderson, Daniel S.
Aronen, John C.
Ashe, Walter D., Jr.
Auman, James R.
Baggett, James C., Jr.
Barber, Martin S.
Beamis, John F. Jr.,
Beaty, Forrest O.
Beier, James J.
Bell, Robert B.
Berdecio, Eduardo T.
Berg, Samuel W., II
Bigbec, John A.
Booher, Kermit R., Jr.
Braga, Djalma A.
Brown, Fred C.
Bumagat, Ferdinand M.
Burson, Freddy E.
Byrd, John W.
Callaway, Robert A.
Campana, Gerald J.
Ceriani, Philip D.
Chambers, James R.
Chestnut, Julian S.
Coale, Thomas W.
Coleman, Robert M. J.
Danier, Michael J.
Dalton, Conrad I.
Danziger, Richard E.

Dewell, Larry M.
Dysart, Noel K., Jr.
Fabry, Gerald R.
Fetter, Theodore W.
Fischbach, Howard P.
Florio, Richard L.
Fowler, James T., II
Frost, David S.
Gamza, Francis C.
Gardner, James S.
Gay, Thomas A.
Gibbons, Gary R.
Gilbert, Walter L.
Golden, Stephen M.
Gorman, John R.
Groves, Robert M.
Hambidge, William R.
Handy, Richard D.
Hanlon, Jon J.
Harley, Earl H.
Hengerer, James R.
Heye, George H.
Hire, Delroy
Ho, Ben T.
Hooper, Richard R.
Hopewell, William J.
Hutchins, Richard K.
Johnson, Dennis L.
Johnson, Dennis L.
Kerr, James H.*
Kilpatrick, Michael E.
Kingsbury, William S.*
Kirkman, Robert L.
Klayton, Ronald J.
Larsen, Loren G.
Larson, Susan G.
Lee, Chuck W.
Lee, Jong K.
Leyva, Justiniano C.*
Liston, Steven E.
Llibre, Jose D.
Long, Harry J.
Luttenegger, Thomas J.
Lynch, Donald F. J.
Mack, Gregory R.
Magnuson, Robert L.
Marshall, Paul C.
Marusov, Paul N.
Mason, Dan E.
Massey, Edward W.
Mayhew, James F.
Mazur, David O.
Mazzeo, John T.
McCarroll, John R.
McCole, James R.
McCreary, Maurice L.*
McElreath, Ricky L.
McIntosh, Bruce J.
McLaughlin, Charles R.
McPhail, Ronald C.
Menasha, Moussa Y.
Mewha, Malcolm K.
Meyer, John G.
Miller, George D.
Miller, William M.
Morris, Thomas O., III
Morrison, John C., Jr.
Murphy, James G.
Nolte, James E.*
Obedoza, Segundino O.
O'Neill, Thomas J.
Othman, Ghalib L.
Otten, Richard H.
Packard, Russell C.
Parker, Robert C.
Parlette, Harry L., III
Pellegrini, Arthur E.
Posner, Mark A.
Powell, Randall W.
Rabalais, Robert R., Jr.
Richmond, David S.
Ritcher, George A.
Roberts, John C.
Robey, Dennison B.
Robinson, Lawrence H.
Rockel, Thomas H.
Ronlov, Carsten S.
Rosenblatt, Elias S.
Ross, Cecily D. G.
Ross, William B.
Rowley, William R.
Ruiz, Hernan G.
Saltzman, Stephen L.
Sauer, Curtis M.*
Savides, George
Sbaschnig, Robert J.
Schneider, James R.*
Schultz, Thomas A.
Schwartz, Judy E.
Sherman, Maurice P.
Simmons, Leo B., Jr.
Skipworth, Robert D.
Smith, Joseph J.
Soballe, Peter W.
Sohn, Hong
Solares, Arturo H.
Spencer, Jerry D.
Spielman, Charles C.
Stafford, Sam III
Stass, Sanford A.
Stoianoff, John R.
Taub, Martin
Tepas, Joseph J. III
Thalmann, Edward D.
Thompson, Eric N.
Timmons, Robert W.
Tormes, Felix R.
Travers, Henry
Varley, Liwayway M.
Veach, Stephen R.
Vecchione, John J.
Velasquez, Augusto C.
Volpe, Rocco J.
Wagner, Kenneth F.
Ward, Harold W., Jr.
Webster, John S.
White, Thomas E.
Willgress, Edwin R.
Williams, Terry J.
Wimmer, John E., Jr.
Winkler, Christie W.
Wolski, Eugene J.
Wyre, Harry W., Jr.

SUPPLY CORPS

Anderson, John F.
Armstrong, George R.
Bishop, Henry H. II
Bishop Phillip E.
Black, John F., Jr.
Blaylock, James S.*
Bosworth, Paul R.*
Brighton, Edward E., Jr.
Burgess, Edward L.*
Campisi, Ronald A.
Canale, Vincent T.
Caplan, David A.
Carter, W. J., Jr.
Certain, James D.
Christopher, Donald D.
Cicio, John D.
Cook, Frank C., III
Cook, Herman T.
Cribbin, Thomas M.
Daniels, John G.*
Deane, Thomas J., Jr.
DeJanovich, James P.
Deloach, Stephen J.
Deruiter, Kenneth
Doran, William E.*
Downer, Glenn I.
Drucis, Timothy J.
Dunkle, Charles T.*
Dunkle, James A.
Earlston, Robert P.
Ebbers, Richard E.
Ebbesen, Preben E.
Evans, Neale W.
Fahrenthold, Harvey K.*
Figueroa, Ernest L.
Gabor, Johs B., Jr.
Gavin, Victor M.*
Gayton, Lewie E.
Giffin, Donald H.*
Gonzalez, Virgilio G.
Graeter, William F., II
Green, William T.*
Griffin, Leonard C., Jr.
Gross, Royce A.
Hamilton, Howard H.
Hamilton, James B.*
Heeb, Benny J.
Henderson, Andy L.*
Hephner, Patrick J.
Hoffler, Robert E.
Hopkins, Bruce A.
Hoyt, Michael C.*
Hunter, Don L.
Jaffin, Frederick T., Jr.
Johnson, Paul N.*
Jones, Allan H.
Jones, Eric B.*
Ketcham, Richard D.
Kieckhefer, Edward H.*
Kingston, David T.
Kowalski, Karl A., Jr.*
Less, Joseph G., Jr.
Lord, Clifford C.
Lovett, Heyward M., Jr.*
Martin, Patrick E.
Mate, Gerald E.
Mayer, Carl M.
McCook, Kevin W.
McCormack, Robert S.
McDonald, John F.*
McGavran, Samuel B.
Mesterhazy, Andrew P.
Meyer, Fred L.
Mizer, Robert J.
Modrowski, Richard W.
Monteith, Gary H.*
Mullen, John D.
Norton, Ronald W.
Patterson, Kenneth L.
Payne, David A.
Pittman, Harold S.*
Privateer, Charles R.*
Rapp, Carl A.
Reagan, Joseph E.
Rebarick, William P.
Rutherford, David O.*
Santucci, David M.
Scroggs, Clifton R., Jr.*
Simpson, Steven E.
Spradlin, Willie L.
Thompson, Ronald H.
Torrey, Tracy E.*
Tucker, James T.
Tuggle, Richard C.
Tyson, George J., Jr.
Vigrass, David H.
Walker, Francis D., III
Walsh, Martin J.*
Webb, James M.
Weekes, James E.
Wilde, Charles L.
Wilkinson, Ronald C.
Yeatts, Ralph L.

CHAPLAIN CORPS

Baldwin, John F.*
Bevins, John J.
Billings, Bennie I.*
Blackburn, Warner P.
Boerger, Antonine
Bond, Thomas D.*
Bouck, Wayne L.
Briske, Larry F.*
Carson, Bobby C.
Crowe, Richard R.
Day, Richard T.
Depascale, Daniel F.*
Dike, William L.*
Dressler, Raymond H., Jr.
Eckles, James W.*
Essex, Otis D., Jr.
Ethridge, William M.
Everts, Paul J.*
Fiol, John R.*
Forrester, Oscar B.*
Ganaway, Samuel
Greco, Robert J.
Hannigan, Richard F.
Hettish, Richard C.
Holderby, Anderson B., Jr.
Huebschman, Merlin E.
Hummer, George B.*
Kelley, Edward J., Jr.
Klapps, William J.*
Lesher, John Q.*
Macho, George S.
Martin, Henry I.*
O'Connor, R. Conway
Olander, Edward A.*
Parker, Charles R.*
Pocock, Thomas R.*
Rothermel, Fred A.
Rutherford, James H.*
Sestito, Joseph N.
Slattery, Maurice C.
Spreier, John E.*
Starling, Ira C., Jr.
Swift, Roy O., III*
Thompson, Irvin H.
Turner, Jerome R.
Whitsell, John L.*
Williams, Paul H.*
Wright, John M.

CIVIL ENGINEER CORPS

Ahl, John S.
Baratta, Mario A.
Bare, James C.*
Bersani, Robert R.*
Bilden, Richard P.*
Bohning, Lee R.
Bonderman, Warner E.*
Clayton, James B.
Connelie, Thomas P.*
Coston, Oscar L., Jr.
Donnelly, William P.
Estes, George B.*
Fusch, Kenneth E.
Gagen, Robert E.
Gallen, Robert M.
Green, Joseph B., Jr.
Gunn, Alexander C.
Hall, Frederick S., Jr.
Hartman, Franklyn J.
Herrell, Orval G.
Hilderbrand, William C.
Hopper, Mark A.
Jokela, Carl R.*
Kelley, Timothy C.
Long, Thomas A., Jr.
McTommey, William P.
Milkintas, John C.
Mitchum, William R., III
Olsen, Ole L.
O'Neill, Charles P., Jr.
Rein, David A.
Riggin, Donald C., Jr.
Runberg, Bruce L.
Schlesinger, Francis D.
Simon, Charles R.*
Stark, James R.*
Stevens, Joseph M., Jr.*
Valenti, Alan C.
Watson, Francis X.

DENTAL CORPS

Acquavella, Richard F.*
Altaras, David E.*
Ancowitz, Stephen J.
Backlund, Gary A.
Barco, Martin T., Jr.*
Beastall, Raymond H.*
Bilger, Kenneth B.*
Brandt, Alfred E.*
Brian, John D., Jr.*
Brown, James K.
Budnikas, Peter K.
Carlberg, Terry L.
Carlson, Robert B.
Chang, Ronald S. N.*
Crowley, Leo V., Jr.
Cunningham, Walter T.*
Curry, Robert L.
Daley, Arthur S., Jr.*
Davies, Jonathan F.*
Davis, Kenneth J.*
Doblecki, Walter
Durso, Peter J.
Eakin, Donald R.*
Eschete, Earl F.
Escude, Leon R.
Farace, Anthony J.
Garrett, William R.
Gher, Marlin E., Jr.
Hanst, Michael T.*
Hargrave, John W.*
Herrman, Larry G.
Innes, Joseph C.*
Isaacson, James H.
Johnson, Peter F.
Kielt, Raymond J.
Kriz, John F., Jr.
Kuhl, Larry V.
Kurtz, Glenn A.*
Lange, Walter M., Jr.*
Leff, Eldon R.*
Lewis, Doyle M.
Lynde, Thomas A.*
Malin, David M.*
Marchelya, Lawrence S.
McKinley, Lawrence D.
Moore, James D., Jr.*
Mudler, James T., Jr.*
Owens, Gayle A.
Patterson, Michael W.
Pentecost, Robert L.
Ponsler, James R.
Post, Robert M.*
Quine, Gary D.*
Rapps, Daniel M.
Rathbun, Walton A.
Richards, Mark W.*
Riemann, Richard A.*
Rippert, Eric T.
Rog, Richard P.*
Romine, Gilbert F.*
Rothermel, Richard A.
Schroeder, John D.*
Schroer, John C.
Scott, Steven H.*
Silverthorn, Thomas L.
Smyth, Robert N.*
Stevens, Randolph M.
Sweet, Phillip M.*
Taybos, George M.*
Terezhalmy, Geza T.
Vinton, Jeffrey R.
Walker, William A.*
Warnock, Gary R.
Wattenbarger, Clyde K.*
Werrell, Joseph M.*
Wilson, William H.*

MEDICAL SERVICE CORPS

Anderson, Dennis G.
Ashburn, James H.
Bates, James F.
Berghage, Thomas E.
Beuchler, Lamarr G.*
Bienkowski, Faustyn J.*
Biersner, Robert J.
Bondi, Kenneth R.
Briand, Frederick F.*
Collings, Donald E.
Connors, Francis S.
Cook, Elvis D., Jr.*
Cunningham, William F.
Dalton, James T.
Dekrey, Charles R.
Denison, Neslund E.*
Devault, Richard L.*
Duley, John W., Jr.
Eklund, Paul G.
Evans, Delbert E.
Fisher, Frank D. R.
Fisher, Stephen T.
Gaugler, Robert W.
Johnson, Larry W.*
Lewis, Larry A.
Loar, Charles R.
Maynard, William S., Jr.
McCullah, Robert D.
McManaman, Vincent L.
Oglesby, Norman G.
Ozment, Bob L.*
Parsons, William M.
Riley, Phillip T.
Schinski, Vernon D.
Schubert, Deane E.
Shaver, Roger G.
Sholdt, Lester L.
Sippel, John E.
Smith, Lamar R.*
Spillman Graham B., Jr.
Stant, George M., Jr.*
Stefanakos, Thomas K.
Thomas, Thomas E.*
Truman, Patrick A.
Uddin, David E.
Veckarelli, Donald T.
Vickermana, Raymond H.
Windholz, Francis L.
Wood, Duell E.*
Woodman, Daniel R.
Young, John W.

JUDGE ADVOCATE GENERAL'S CORPS

Baker, James N.
Coyle, Robert E.*
Ellis, Charles E., Jr.*
Garrett, Henry L., III
Gordon, John E.
McMahon, Dennis C.
Miller, John R.
Pinnell, James E.
Ratzlaff, Richard R.
Rogers, James N.
Rohner, Richard A.*
Schachte, William L., Jr.
Strow, Peter H.
Weigle, Gerald F.*
Willever, Kent A.

NURSE CORPS

Betsch, Janice R.*
Bronokoskie, Ann M.*
Coltharp, Dove A.*
Dlouhy, Elaine J.
Grace, Roberta J.
Grigg, Peggy J.
Hicks, Shirlee C.*
Hildebrand, Patricia A.
Hill, Shirley A.*
Holmes, Sandra A.
Iwata, Miki
Lee, Annelle K.*
Linehan, Patricia A.
Lufkin, Janice M.
McClelland, Jerry W.*
McCumber, Susan A.
Miesko, Judith A.
Murphy, Rosemary E.
Pike, Helen J.
Smith, Ruth H.
Stoll, Caroline J.
Tate, Catharine*
Ulschmid, Margaret M.
Whalen, Delores M.*
White, Patricia M.*
Wright, Dolores A.
Yates, Minnie S.*

The following-named women lieutenant commanders of the U.S. Navy for permanent promotion to the grade of commander in the line, pursuant to title 10, United States Code, sections 5771 and 5791, subject to qualification therefor as provided by law:

Beil, Barbara F.
Cook, Dixie C.
Hansen, Kathleen
Holmes, Gloria A.
Motz, Ingrid M. I.*
Tracy, Barbara O.
Turner, Bonnie L.
Turner, Margie L.
Ward, Gail M.
Wilmot, Louise C.

IN THE NAVY

The following-named lieutenants of the U.S. Navy for temporary promotion to the grade of lieutenant commander in the line and various staff corps, as indicated, pursuant to title 10, United States Code, sections 5769 (line), 5773 (staff corps), 5791, and 5793 (Medical and Dental Corps), subject to qualification therefor as provided by law:

LINE

Aasen, Roy V.
Able, Guy H., III*
Achille, Franklin S.
Acre, Clifton H.*
Adams, Roger C.
Adcock, Fred E., Jr.
Aiken, Joel W.*
Akin, Lawrence E.
Akins, Olen C.
Alexander, David J.*
Alfieri, Paul A.*
Alford, Ralph M., Jr.
Allen, Barry R.
Allphin, James A.
Alm, Steven W.
Altizer, Robert D.
Altmann, Raphael J., III
Ambersley, Robert T.
Ammons, Richard P.
Andersen, Richard F.*
Anderson, Don R.
Anderson, Kenneth N.*
Anderson, Marc E.*
Anderson, Merlin F.*
Anderson, Russell L.
Anderson, Samuel K.*
Anderson, Terence L.*
Anglim, Edward P.*
Antrim, Stanley R., Jr.*
Archambo, Hubert E., Jr.*
Archer, Dennis L.
Arfman, John F., Jr.
Armstrong, William E.*
Arnold, Michael J.*
Arthur, Marvin L., Jr.
Arthur, William C.
Ashlock, Edward L.*
Ashmore, George W.*
Ashworth, Robert A.
Auckland, John S.
Augustus, James R.
Austin, John D., Jr.
Avila, Richard F.*
Aycock, Joe E.*
Ayers, Douglas P.*
Ayers, James L.
Baber, Dennis R.*
Backes, Douglas A.
Backlund, Bruce E.
Baeder, Robert A.
Bailey, Bernis H.
Baker, Mark C.
Baker, Stephen H.
Balisle, Phillip M.
Balke, Phillip L.
Ballew, William T.*
Bankart, William D.*
Barasha, Lewis M., Jr.*
Barber, Charles H., III
Barbero, Mark *
Barbour, Richard E., Jr.
Barclay, Robert D.
Bardal, David L.*
Barnes Thomas D., II
Barnett, James H.*
Barratt, James T.
Barrow, Ronnie L.*
Barrowman, Glenn J.
Batteen, Earl R., Jr.*
Baucom, Larry C.
Bauer, Louis W.
Baumgartner, William E.
Baxter, Robert M.
Baylis, Robert O.*
Beach, Don F.
Beatty, Larry V.
Beck, Allen E.*
Bell, Edison L.
Bell, Howard F.
Bellamy, Malcolm E., Jr.
Bellamy, Robert R.
Bender, Gene P.
Bender, John F.
Bengtson, Loren D.
Benjes, Christopher
Benko, Michael J.
Benning, Vale J.
Benson, Rodney L.
Bepko, John J., III
Bermudes, Eulogio C.
Bernsen, Thomas J., Jr.
Berree, Norman G.
Berthiaume, William F. H.
Bertsche, Roger B.
Bethke, Gary W.
Beuerlein, Alan F.
Biernesser, James C., Jr.
Biggers, Edward M.
Bingay, Charles P.
Birch, Howard L., Jr.*
Bisgrove, Michael E.
Bishop, Robert A.*
Bissell, Robert E.
Black, Terrence W.*
Blackburn, Gregory R.
Blackwood, Peter S.
Blake, Clifford D.
Blank, David A.
Bloom, Wade D.
Blount, Wilburn M.
Bobo, Billy J.
Bobo, Jerry L.
Bock, Jim B., Jr.
Bogosian, David E.*
Bohman, Richard B.
Bolin, Phil W.
Bollenbacher, Robert A.
Bonacquisti, Frank Jr.*
Bond, King C. P., Jr.*
Bone, John F.*
Bonnett, John W.*
Boor, Leo J.*
Borgmann, Frederick W.
Boucree, Raymond J.
Boudreaux, Joseph C., III*
Boughton, Phillip G.
Bovey, Robert D., Jr.
Bowler, Daniel R.
Boyle, David J.
Bozin, William G.
Bradley, Howard A.
Bradshaw, Michael J.*
Brady, James R.
Brands, Robert K.
Branum, Jerome S.*
Brasil, Robert F.*
Brawn, Michael D.
Breese, Jack R.
Brennan, David M.
Brenner, Robert C.
Brevig, Leroy D.*
Brietigam, Charles T.
Brookbank, Michael A.
Brooks, Wayne G.
Brown, James M.
Brown, Paul M.*
Brown, William H., Jr.*
Browning, Jonathan E.
Bruninga, Robert E.
Bryan, John R.*
Bunnell, David L.
Burbrink, Roger R.*
Burgess, David R.
Burgess, Ross W.
Burlin, David S.*
Burtchell, Steven G.
Bush, Frank J., Jr.
Bushore, Robin P.
Butler, Charles L.*
Butler, Lonnie D.
Butorac, George E.
Buzzell, Brian V.
Byers, Bernarr M., Jr.
Byrd, Carroll D.*
Byrne, Neil F.
Byrne, Thomas M.*
Cahill, Edward A., III
Cahill, Philip T.
Cain, William A.
Cairnes, George W., III*
Callahan, Dan L.
Callahan, Roy H.
Cameron, Kerry D.
Campbell, Cager W.*
Campbell, Robert B.*
Campbell, William R.
Capps, Charles J., Jr.*
Carey, Geoffrey M.
Carey, John D.
Carlson, David R.
Carrier, John X., II*
Carroll, Charles R.*
Carroll, David A.*
Carroll, Gerald J., Jr.
Carroll, James W.*
Carroll, Kenneth W.*
Carter, James B., Jr.
Carver, Bobby W.*
Casey, Rodney L.
Cash, Paul D.
Cassedy, William A., IV
Cassidy, Richard M., Jr.
Cast, Frederick A., Jr.
Castro, Ignacio, Jr.*
Caswell, Gary J.
Cataldi, Richard A.
Catania, John J.*
Caton, Robert N.
Chambless, James E.*
Champney, Robert K.
Chance, Thomas H.*
Chandler, Frank L.
Chase, Andrew B.
Chatham, Ralph E.
Chenevey, John V.
Chewning, Warren C.
Chisholm, Leonard M.*
Chitwood, Orvis H., Jr.
Chopp, Daniel M.
Christian, Roy C.*
Christiansen, Carl S.*
Christianson, David L.
Churins, Peter R.*
Cipriani, Alfred L.
Claggett Ronald L.*
Clark, Allan F.*
Clark, Garnett Y., III
Clark, Richard E.
Clark, William L., III*
Clayton, Richard E.
Cleland, Todd
Clement, Orrin P.
Clifford, William F.*
Clifton, Lowell D.
Cocolin, David P.
Cohen, Joseph J.
Colantoni Anthony V.*
Coll, William F.
Collins, Neil J.
Colucci, Robert J.
Colvin, Joe F., II*
Comeau, Thomas A.*
Compton, James L., Jr.
Compton, James R., III
Conallen, Michael J.*
Conatser, Charlie C.
Conaway, Richard E.*
Conley, William E.
Connell, John C., Jr.
Connor, Thomas E.
Conrad, John W.*
Corbin, Ridgeway W., II*
Corbitt, James A., Jr.
Corcoran, Thomas J.*
Cordes, Donald L.
Corey, Robert O., Jr.*
Corley, Gwinn E.*
Cosgriff Robert W.*
Cox, Earl F.
Coxe, William K., Jr.*
Coyle, Barry J.*
Craddock, David G.*
Crain, Robert L., Jr.
Crandall, Charles K., Jr.
Crandall, Scott M.*
Crawford, Keith E.
Crecelius, Frederick E.
Crellin, Bruce E.*
Crenshaw, Keith V.
Critser, Arthur E.
Crotts, Raymond B.
Crouch, Christopher
Croucher, Barry L.*
Cruser, Thomas P.*
Cuccias Robert F., Jr.*
Cudia, David T.*
Culmer, Bruce B.
Cummings, Kevin P.
Curley, William H.
Curry, Samuel G., II*
Curtis, John M.
Curtis, Keith P.
Cutcher, John M.
Cutler. Thomas J.
Cyboron, Robert E.
Czech, Gregory J.
Dady, Mark W.
Dailey, Eugene T.
Dallman, Roger A., Sr.*
Dame, Roderick W.
Dampier, Craig R.
Daniels, James N., Jr.
Dannecker, Ronald H.
Darling, Larry W.
Darnell, Thomas R.
Davis, Charles C.*
Davis, Dean O., Jr.*
Davis, Earl R., Jr.
Davis, Kenneth D.*
Davis, Neil C.*
Davis, Noble S.
Davis, Roderick F.*
Davis, William O.
Davison, Henry G.*
Dawes, Larry E.
Dawson, Donald R.
Day, Robert S.*
Dean, Thomas E.
Deantonio, Robert F.*
Deaver, William N., Jr.
Deeter, Michael L.
Dejaegher, Richard H.
Dempsey, Francis B.
Dempsey, Peter M.
Detwiler, Donald V.*
Deutsch, Joseph K.
Devries, Peter J., Jr.*
Dewey, Roger S.
Dickey, James A.
Diddlemeyer, Lawrence F.*
Digennaro, Timothy J.
Dimuzio, Robert G.
Dixon, Lewis R.
Dobbins, Dennis G.
Dobrydney, Frank J.
Dobson, Anthony L.
Dodd, Jack D.
Dodd, Richard P.
Dodge, Frederick J.
Doehring, Robert F.
Doempke, Gerald T.*
Doherty, Hugh F.
Dominique, Leo G.
Dorsey, Edward B.
Doud, William E., Jr.
Dougherty, Thomas J.*
Dranchak, John C.*
Dreesen, Robert W., Jr.
Drew, David O.*
Drier, Melvin F.
Driscoll, William P.
Driver, John E.
Dubeau, Robert W.
Duckworth, Eddie L.*
Dudley, Harrison G., Jr.*
Dueringer, Richard L.
Duignan, Michael J.
Duke, Arnold L.*
Duma, David W.
Duncan, Lynwood H.
Dunn, Carl B.*
Dunn, Franklin T.
Dunn, Michael O.
Dunn, Vance G.
Dunning, James L.*
Dunning, Kenneth G.*
Durham, James L.
Duval, David A.
Duvall, George E.
Dyer, Joseph W., Jr.
Eason, John W.
Eason, Richard A.
Eby, Ronald G.*
Eckes, George H.*
Edgington, Bobbie G.
Edmonds, Carl H.*
Edwards, Raymond L.
Egan, Dennis J.
Ege, Robert F.
Ehemann, David A.*
Eick, Ira J.
Ekl, John C.
Elfelt, James M.
Elfers, Glen E., Jr.
Elias, William T.*
Elleson, Stephen D.
Elliott, Robert H.
Elliott, Thomas J., Jr.
Ellison, Curtis J.
Ellison, David R.
Enevoldsen, Jack
Epley, Clinton E.
Erickson, Donald P.
Erickson, Sidney L.
Ertel, Gregory W.
Ertl, Charles C.
Ertlschweiger, John T., II
Estabrooks, Joseph O.
Etheridge, Melvin R., Jr.*
Evans, Robert B., Jr.
Evans, Robert S.*
Evans, Steven R.*
Evermann, George S.
Fahrenkrog, Steven L
Faneuf, Leo J., III*
Fargo, Thomas B.
Farley, James M.
Farrell, Gerard M.
Farrington, Robert P.
Faulkner, George P., Jr.
Featherstone, John V.
Feierabend, Richard C.
Felgate, George
Fellows, Mark D.
Felton, Bobby J.
Fenn, Marshall R.
Fenton, John W.*
Ferber, Allen A.
Fergione, John A., Jr.
Ferguson, Jeffrey E.
Ferguson, Paul F.*
Ferretti, Edwin D.*
Ferriman, Robert L.*
Ferris, Richard L.*
Ferver, Robert G.
Fessenden, Richard R.
Fike, Raymond F.
Finan, Kevin P.
Findrick, Edward J.
Finfrock, Patrick*
Finley, Jeffrey A.
Fiser, Larry D.
Fisher, Glen A.
Fisher, Jack A.
Fiske, Richard P.
Fitten, John A.
Fitzgerald, Dennis J.*
Fitzgerald, Lynd L.
Flanagan, Thomas J.
Flood, Stephen M.
Ford, Jerry W.
Forness, William L.
Forsyth, William M.
Fowler, Paul L. Jr.
Fowler, Thomas V.*
Francisco, Larry J.*
Franklin, Gary W.

Franzoni, John C., Jr.*
Frasher, Steven J.
Fraunfelder, Maurice F., Jr.
Frawley, James R.
Fredricksen, Robert A.
Freybe, Harald
Fry, Scott A.
Frysinger, James R.
Fuellenbach, Joseph C.
Funke, Richard H. III
Gagliardi, Dennis L.
Gaillard, Franklin D.*
Gana, John C.
Gannon, Harvey J., Jr.
Ganthner, Raymond W.
Gantley, John E.*
Garavito, Donald E.*
Gardner, Dale A.
Gardner, Daniel E.
Garrahan, Richard*
Garrett, Spencer L.*
Garrett, William S., Jr.
Gastrell, Philip C.
Gates, Richard W.
Gatewood, John L., Jr.
Gatewood, Joel W., Jr.
Gauss, John A.
Gauthier, Maurice A.*
Gepford, Richard D.
Germany, Charles J.
Getsinger, Clarence L.
Giannaris, Robert J.
Gibbens, Richard J.*
Gibbs, Thomas R.*
Giesemann, Frank T.
Gillespie, Thomas R. II*
Gillies, Dugald L. M.
Giraldi, Walter R.*
Gist, Walter J.
Glover, Thomas J.*
Goehring, Clayton A.
Goldberg, Allan T.
Gongaware, William R.*
Goninan, Harvey G.*
Goode, Thomas G.
Goodmundson, Gary C.*
Goodnight, Lyman E., III
Goodrum, Daniel J.*
Goodwin, Hugh G.*
Gordon, Alan L.
Gordon, Edward F.
Gordon, George M.*
Gorman, Paul R.
Gorthy, Alan R., Jr.
Gospodarec, Donald S.
Goss, Marlin E.
Gourley, James E., II
Gradisnik, Gary A.
Gragg, William L.
Graham, David L.
Graham, Dennis L.*
Graner, William R.
Grant, Frederick I.
Grauert, Christopher M.
Graves, David H.
Gray, Craig A.*
Gray, Robert J.
Green, Leon C., Jr.
Greene, Joseph M., Jr.*
Greene, Justin N. D.
Greer, Richard E.*
Gregory, Thomas
Grehawick, Gregory D.
Griffin, James C.
Griffin, Mallie A., III
Griffith, Curtis B., II
Gritzen, Edward F., II*
Grove, Dale M.
Guardiano, Jerry J.
Guilford, Walter B.
Gunter, Clarence E., Jr.
Guppy, Gerald F.
Gutridge, Wallace G.
Hackenburg, John R.
Haddock, Joseph W., III
Hagee, Edmon D.
Hager, Alan R.*
Hagood, James T.
Hahnfeldt, Don V.
Haight, Richard W.
Haigis, John
Hall, Richard W.*
Hall, Stephen J.
Hallenbeck, David L.
Haller, Bernard J.*
Halliday, Alvin L.
Halwachs, Thomas E.*
Hambley, James G.
Hambrecht, Robert M.
Hamilton, Baker Robert
Hamilton, Leon B., Jr.
Hammes, Richard K.*
Handlers, Robert G.
Hanna, Norman W. III
Hansell, William R., Jr.
Hanson, Gary A.
Hanson, Kenneth W., Jr.
Hanson, Terris L.*
Harbison, Donald S., Jr.
Harold, Thomas L.
Harris, James L.*
Harris, Robert C.*
Harry, David A.
Harry, Robert M.
Hart, George L.*
Hart, Terry C.
Hartman, Charles R.*
Hartmann, Bruce M.
Hartzell, Gerry R.
Hash, Steven P.
Hastings, James J.
Havel, Richard W.*
Havlik, Charles E.
Hawkins, John B., Jr.*
Hayball, Robert M.
Hazelrigg, Steven A.
Healy, Donald J.*
Healy, Robert J.
Heath, Terrill S.
Heilman, Stephen C.
Held, Rene*
Helfen, William
Helin, William C.
Helsley, Ronald E.
Henke, Milton F., Jr.
Hennegan, Dennis S.*
Henning, Peter J.
Henry, Joseph G.
Hensch, Richard L.
Herbert, Robert S.
Herrman, Larry V.
Hester, William L., Jr.*
Heuchert, Richard H.
Hewett, Michel E.
Hickey, William A., III
Hichman, William F.
Higdon, Ronald G.
Higgins, Edward J.
Hilburn, John E.*
Hildebrandt, Thomas G., Jr.
Hill, Michael L.
Hill, Robert W.
Hill, Roger D.
Hillmann, Leo C.*
Hills, Ronald E.*
Hillyer, Richard S.*
Hilton, Hugh A.
Hobbs, Harold T.*
Hobbs, Hurshel B., Jr.
Hobgood, William H.
Hodges, Dean C.
Hohn, Joseph P.
Hoff, Norman L., Jr.
Hogan, Daniel T.
Hoge, Donald C.*
Hognander, Orville C., Jr.*
Holbrook, Wade D.
Holden, Harvey G.*
Holder, Paul B.
Holiway, Weldon Y.*
Holland, Daryl T.*
Hollerbach, Robert J.*
Hollinger, Wayne M.
Holloway, Wyman L., Jr.
Hornberger, William B.
Horton, John V.
Horton, Ronnie R.
Howard, Donald R.
Howard, Philip G.
Howarth, Gary L.*
Howell, Robert D., Sr.*
Hughes, John G.
Huiatt, Keith W., Jr.
Humberd, Calvin C., Jr.
Hume, Robert L.
Hunt, Lawrence B.*
Hunter, David T.
Hunter, Edward E.
Hunter, Harry S.
Hunter, Peter G.
Husted, George G.
Ihrig, Clyde J.
Ikuma, Gary K.
Ingram, Carl E.*
Isele, Charles P.
Issi, Dominick F., III*
Jackson, Lavern A.
Jacobs, John W.*
Jacobsen, Lloyd S.
Jacobson, John F.
Jacques, Harry A., Jr.
Jadryev, James M.*
Jahn, Theodore B., II
James, Bobby C.
James, Gary B.
Jamison, Michael E.
Jaques, James A., III*
Jarina, Michael P.*
Jarman, Roger C.
Jarrell, James R., IV
Jeffries, Charles L.
Jennings, David B.*
Jewett, Eric L.*
Jinks, John B.
John, Paul M.
Johnson, Charles M.
Johnson, Christopher H.
Johnson, Don M.
Johnson, Robin R.
Johnston, James E.
Johnston, Wilford P.
Jones, Earl R.
Jones, Fred C.
Jones, Harland W., Jr.*
Jones, James S.
Jones, Michael O.*
Jones, Talmadge C., II
Jorgensen, Alfred C., III
Joyce, James M.
Judd, William H., III
Justiss, Ronnie L.
Karcher, James N.
Kearley, John J.*
Keen, James D.
Keenan, Michael F.
Kellar, Richard A.
Kellner, Harry H., Jr.
Kellum, William C., Jr.
Kelly, Robert J.
Kendrick, James L.
Kennedy, Kenneth L.*
Kennedy, Kraig M.*
Kennedy, Reginald R.
Kenney, Daniel F., III
Kern, Robert D.*
Key, Kenneth W.
Kidder, John L.
Kidder, Paul A.
Kimble, Gerald A., Jr.
Kirby, James D.*
Kissell, Peter B.
Kistler, Jay R., Jr.
Klassen, Kenneth W.
Klemm, William R.
Klich, David J.
Kline, Howard K.*
Kline, James G., Jr.
Klinger, James E.*
Klocek, Thomas E.*
Knecht, Jacob F., Jr.
Knieriem, Guy R.
Knutson, Andrew C.
Kockler, Frank R.*
Koller, John*
Koning, Jack A.
Korinis, Peter W.
Kratt, Clifford L.*
Krupp, Thomas M.
Krygier, Thomas J.*
Kutys, John V., Jr.
Kyle, William C.
Lagrone, James M.
Lahren, Jack W.*
Lakser, Lawrence J.
Lale, Tully S.
LaMartin, Douglass H.
Lame, Philip C.*
Lancaster, Emmett J., II
Lance, Peter M.
Landers, Jerome C.
Landry, James R.
Lanoux, Steven M.
Lansing, William E.
Larcck, Robert E.
Larsen, Larry M.
Larson, David A.
Larson, David R.
Larson, James R., Jr.*
Larson, William D.
Latham, Rodney G., III
Laturno, Raymond J., III
Lusten, Eric R.*
Lautenschlager, Jack A.
Lawing, Charles W.
Lawless, Patrick H.
Lawrence, James R.
Leake, Laurence W.*
Lear, Richard B.
Leath, Dudley W.
Lechtenberg, Richard C.
Leeder, Frederic G.
Lekberg, Eric L.
Lemke, Robert J.*
Lentner, Russell W., Jr.
Lentz, Joe B.
Leonidoff, Leon J.
Lerseth, Roger G.*
Lewis, Billy L.*
Lewis, Kirk T.
Liebschner, Douglas V.
Liles, John U., Jr.
Lind, Stephen M.*
Lindner, William G.
Lineman, John J.
Lingan, James N.
Lippincott, Lincoln H., III
Little, Robert E.
Liuzzi, Donato A.
Locke, Gary W., Jr.
Locke, John S., Jr.*
Lohmeyer, Lonnie F.
Londot, Jack L.*
Longaker, Chester C.
Looft, Vincent F.
Lopez, Clyde C.
Lord, Francis B.
Losh, Dennis M.
Loturco, James S.
Lovejoy, Jay E.
Lover, Kevin F.
Lowe, Douglas T.
Lucero, Seferino*
Luck, Eugene W.
Ludwig, Arthur W.
Luebbecke, Donald S.
Lund, Robert M.
Lunney, Francis M.
Lunsford, Hollis E.
Lyda, William W.
Lyman, Richard L.
Maas, Edwin Jr.*
Mabry, Robert C., Jr.
MacDonald, Joseph M.
MacDougall, Joseph S.*
Mace, Frederick E., Jr.
Mack, Lawrence J., Jr.
MacKenzie, Gordon A.*
MacLaren, William F.
Macy, Earl E.*
Mader, Thomas W.
Madren, Amos B.
Mady, Clemens J., Jr.
Magnan, William J.
Mahoney, Leon F.
Majchrowicz, Edward J.
Malone, Laurence J.
Malone, Michael D.
Maloney, Patrick J.
Mancini, Anthony J.
Mann, David R.
Marco, Phillip C.
Marits, Edward G., Jr.
Marsh, Michael T.
Marsh, Robert D.
Marshall, Steven A.
Martin, David F.
Martin, Peter W.
Martin, Richard F.
Martin, Robert S.
Martinez, Luis C.
Martino, Michael F.
Massetti, Ennio*
Masica, John M.*
Mast, Raymond L.
Matthes, Gregory W.
Matthews, Tim W.
Maurer, Heinz G.*
Mautner, Donald A.
Maxwell, George G.*
Maxwell, Gregory L.
May, Albert L.
Mayhew, Lance H.
Maynard, Teddy R.
Mayo, Robert E.*
Mazzafro, Joseph M., Jr.
McAfee, John D.
McCabe, William C.
McCain, John L.
McCain, William T.*
McCamish, Michael J.
McCleer, James L.
McClellan, Malcolm W., Jr.*
McCully, Michael J.
McCullough, David G.
McDevitt, Robert J.*
McDonald, James M.
McElwee, Charles G.
McFillin, James F., Jr.*
McGahan, Michael P.
McGee, Thomas E.*
McGrath, Joseph W.*
McGuire, Edward P.
McHenry, Stephen W.*
McInchok, George S., Jr.*
McInnis, Richard D.
McIntosh, Richard C.
McIntyre, Lewis F.
McKaige, George T., Jr
McKay, Russell L.
McKee, Thomas E.
McKeldin, Charles E., Jr.*
McKenzie, James R.
McKeown, James B.*
McKim, John H., Jr.
McKinney, Douglas L.
McLain, John H.
McLean, Angus L., Jr.*
McLean, Owen D.*
McNamee, John R., Jr.
McNeil, Maurice M., Jr.*
McNulty, Patrick L.
McPheeters, James H., Jr.
McPherson. David A.*
McSorley, William J., III
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Melchioris, Charles J., Jr.
Melton, James D., Jr.
Merrick, Walter F., II.
Merrill, Dean R., Jr.
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Messing, James A.*
Messman, George R.
Meteer, Thomas D.*
Metzger, James W.
Metzger, Paul C.
Meyertholen, Joseph A., Jr.
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Mickett, Thomas G.
Middleton, Michael E.
Mihalak, Edward
Miller, David D.
Miller, Gary A.*
Miller, Michael L.
Miller, Steven W.*
Miller, Thomas P.
Miller, William R.*
Milner, Daniel D.
Mixter, Henry F., Jr.*
Mock, Jesse I., Jr.
Moffit, James W. Jr.*
Mohn, John G.*
Molloy, James W.*
Moneymaker, Patrick D.
Monroe, John F.*
Moon, Ronald R.
Moore, Eric C.
Moore, George M.*
Moore, Harry R., II.*
Moore, Keith T.
Moore, Ronald B.
Moore, Stephen R.
Moore, Wesley H.
Morales, Vicente*
Moran, Gary W.*
Morgan, Michael C.*
Morgan, Newton H., Jr.
Morin, Paul R.
Morrell, Michael F.
Morris, Ralph L.
Morse, John P.
Mosby, David C.
Moseley, Ronald P.*
Moser, Thomas G.
Moussette, David K.*
Mrowczynski, Ronalld M.
Mueller, Robert A.*
Mugg, William A.
Mullaly, Lawrence A.*
Mullen, George A.
Mullen, Michael C.
Muller, David G., Jr.
Mullins, William P.
Mulroy, Charles E.
Munninghoff, Jay M.*

Murphy, Dennis G.
Murray, Marshall R.
Murray, Michael A.*
Muth, Michael A.
Myers, Albert C.
Myers, Terry R.
Naeve, Jerry M.
Napior, Dennis A.
Nash, Donald H.*
Nash, Edward S., III
Nassar, Albert N.
Nation, Charles W., Jr.*
Neal, Teddy M.*
Nechvatal, Charles J.
Neighbors, Earnest L., III.*
Nelson, Gary S.
Nelson, James M.
Nelson, Kenneth L.
Netzorg, Gregory B.
New, Melvin R.*
New, Millard W., Jr.
Newman, Michael S.*
Newsome, Larry D.
Nichols, David F.
Nichols, Paul M.
Nickels, Lowell H.*
Nie, John C.
Nieuwsma, John E.
Ningen, Russell K., Jr.
Noble, Jerry R.
Nolan, Terry R.*
Noland, David J.
Noonan, Thomas F.
Norton, John A.
Nunn, Ronald G.
Nurthen, William A.
Nusom, Frank A., Jr.
Oakes, John R.
O'Brien, Leslie J., III
Ochs, John L.
O'Connell, Brian J.
O'Connell, John T., Jr.
O'Connor, Theodore J.*
O'Dell, Charles F.*
O'Donnell, Robert B.*
Oehler, James C.*
Oehler, Michael W.
Ogden, Frank E., II
O'Hara, Stephen P.
Ohlinger, John F.*
O'Keefe, Michael J.
Olsen, Charles C., Jr.
Olson, David R.*
Olson, James A.*
Olson, John T., Jr.
Olson, John S.
Olson, Wayne R.
O'Malley, Barry P.
O'Neal, Richard E.
O'Neill, Bruce M.
O'Neill, John, Jr.
Onyon, Dale E.
O'Rourke, Ernest R.
Orr, George H.
Osborn, Lawrence E.
Otjen, Fred M.
Otterbein, Thomas G.
Otterman, Terry R.*
Owens, Roger L.*
Paine, William G., Jr.*
Palkie, Thomas G.*
Palmer, Charles F.*
Panico, John R.
Papineau, Paul W.
Pardee, William M., Jr.
Park, David V.
Parker, Daniel M.
Parker, James A.*
Parker, Travis W., Jr.
Parsons, Clarence L.
Partesius, John S.*
Patteson, Walter R., Jr
Pattison, James W.*
Patton, Dennis D.
Paugh, David L.
Peach, Ellis E.
Pearson, Robert T.
Peck, Michael L.*
Pellegrino, Richard L.
Pelt, Chester H., Jr.
Pentimonti, Richard J.*
Perch, Robert L.
Perkins, Richard K.*
Perkins, Thomas A., III
Perry, Comadore A. J.
Peterson, Charles C.
Pettitt, John A.
Pettus, Richard A.
Petty, John C.
Petze, Charles L., III*
Phillips, Thomas L.*
Phillips, William J., Jr.
Philpot, Carlton G.
Piazza, Frank
Pierno, Ralph
Piland, Richard A.
Pillittere, Robert G.
Pinkard, Dennis M.
Pinnell, Robert B.*
Pinney, John H.
Piotrowski, James M.
Pittet, Leroy T.
Pitts, John L., IV
Plank, Dennis W.*
Plant, Joseph M., III
Plett, John R.*
Ploss, Richard S.
Plutt, Richard S.
Poh, Lawrence C. J., Jr.*
Pohl, Matthew John
Polorny, John L., Jr.
Poliakon, Joseph A., Jr.
Ponton, Robert G.
Ponzo, James F.
Pope, Edmond D.
Porter, Franz H.
Potter, Richard W.
Powell, George A.
Pratt, James W.
Prescott, Jesse A., III
Prescott, Leonard F., III
Preston, John W.
Prestridge, Robert J.
Prince, Michael D.*
Pritchard, Kenneth W.
Proes, Roger E.
Provencal, John E.
Prucha, Robert S.
Psimas, George N., Jr.
Pudas, Terry J.
Purcell, Richard L.
Purkat, John R.
Purves, William
Quinn, Donald L.
Quinn, Richard A.
Randle, Grover C., Jr.
Rawls, Robert S.
Reagan, Martin W.
Reager, William R.
Reaghard, James A.*
Reaves, Keith C.
Reddinger, John W., Jr
Reed, William C.*
Reed, William K.
Reed, William S., Jr.
Regula, Stanley J., Jr.*
Reichert, Timothy M.
Reid, John D.
Reifsnyder, Frank W. Jr.
Reigner, Charles B.
Reinoehl, Phillip W.
Renwick, David*
Reusche, Robert L., II*
Reuter, Kenneth E.*
Reynolds, Rickie G.
Rice, Charles O.*
Rice, Donald S., Jr.
Richards, Thomas R.*
Richardson, Billy E.
Richardson, James J., III*
Richey, Stephen T.
Ridener, Linville L.*
Rieth, Joseph C., Jr.*
Rigg, Gary L.
Rishel, Michael P.*
Rist, Donald F.
Rizzi, Robert A.
Roberts, Francis A.*
Roberts, Gary R.
Robinson, Alan R.
Robinson, Frank J.
Rockwood, Donald J., Jr.*
Rockwood, Sidney R.
Roe, John A.
Roeber, Dennis K.
Roed, Carl J.
Rogge, John A.
Roggow, Ralph R.
Roman, Donald A.
Rome, Gary B.
Romito, Vincent A.*
Ronnie, Scott C.
Root, Barth J.
Root, George R., Jr.
Root, Stephen L.
Rose, David O.*
Rose, Raymond P.
Rosecrans, Douglas J.
Ross, Albert J. Jr.
Ross, Richard B.
Rowley, Arthur N. III
Ruddock, David H.*
Runnerstrom, Eric
Rush, James C., Jr.
Russack, John A.
Russell, David E.
Russell, Perry B.*
Russell, Thomas G.
Rutherford, David L.*
Ryan, Franklin T.
Ryan, Larry W.
Ryan, Michael K.
Saccio, Edward A.
Sadler, William H. III
Sadowski, Dennis R.
Salkeld, Stephen C.
Sallee, Fred M.*
Salter, Jesse E.*
Samuels, Arthur M.
Sanderson, Gilles C.
Sanderson, Robert J.*
Sandin, Terry L.
Sanford, George S., Jr.
Satak, William R.
Satoris, Frank K.
Savage, Carter D.
Schaefer, Edward M.
Schaffer, Lawrence C., Jr.
Scharnus, Robert M.*
Schatti, Charles H.
Schaum, Robert T.
Schellhaas, Richard B., Jr.*
Schlichting, Helmuth C., Jr.
Schmidt, Alden D.
Schmidt, Hubert F.
Schneider, Anthony J.
Schnurrpusch, Gary W.
Schoonderwoerd, Martin G.*
Schrock, Joseph A.*
Schroeder, Rodney C.
Schwartz, Albert Z.
Schwoerer, Barry F.
Scofield, Roger L.*
Scott, Gary H.
Scott, George W., Jr.
Scott, Gregory J.
Scrapper, John C.*
Scruggs, Thomas D., Jr.
Scull, John C.
Scurria, James F.
Sears, James A.*
Sedgwick, Gordon L.
Sedun, Peter J.
Selby, Michael R.*
Semko, Paul S.
Serafine, Gene C.
Serwich, Thomas G., II
Seymour, Hubert E., III
Shackelford, Edward A.
Shake, Douglas W.
Shannon, Frank X., III*
Shea, Joseph E., Jr.
Shelton, Lynn D.*
Shelby, Stephen L.
Shelton, Lynn D.*
Sheppard, Dennis D.
Sheridan, John J.
Shickle, David L.
Shields, John T., III
Shreve, Julius G.*
Shultz, Martin A.
Shumpert, Harold C.*
Shutt, Michael D.
Sidor, Theodore L.
Siedschlag, Daniel D.
Sigler, William A.
Silverman, George M.
Sims, Gary M.
Singleton, Jerry B.
Sink, Francis L.*
Sinz, James P.
Sitz, William W.
Skaw, Larry R.*
Skolds, Charles R.
Slaight, James B., IV*
Sledge, Loyd D.
Sloan, Patrick B.
Slover, William S.
Smart, Jonathan*
Smiley, Michael C.*
Smiley, Philip T.
Smith, Burton D.
Smith, Dallas T.
Smith, Daniel E.*
Smith, Earl R.
Smith, Kenneth F.
Smith, Kenton L.
Smith, Larry C.*
Smith, Michael J.*
Smith, Milton W.
Smith, Peter B.
Smith, Richard A.
Smith, Robert N.*
Smith, Robert W., Jr.
Smith, Roger W.
Smith, Stanley H.
Smith, Stephen C.
Smith, Thomas W.
Smith, Tracy R.
Smith, William G.*
Sniffin, Edward M.
Snyder, Neil F.
Snyder, Thomas F.
Snyman, Vern M.
Sokolo, William K.*
South, Michael L.
Sparks, Howard F.
Speer, James W.*
Spencer, Robert H., Jr.
Spotts, William W.
Sprigg, Robert G.*
Springer, Gregory V.*
Spruiel, Jerry W.
Sronce, Frank T.
Stafford, Robert H.
Stanbridge, Harold G.
Stanek, David M.
Stanfield, Wesley C.*
Stanford, Michael L.
Stanton, Bruce W.
Stanton, Richard W.
Stanton, Thomas P.
Starnes, Charles N., Jr.
Steele, Dean L.*
Steffens, Thomas W.*
Stenstrom, Frank E.*
Stentz, Robert G.
Stephan, Herbert A.
Stephens, Grant S.
Stephenson, James M.
Stepien, John Z.*
Stevens, Jack M., Jr.*
Stevens, Robert F.
Stewart, Hamilton M
Stockho, William L.
Stone, Daniel J.
Stone, John L.*
Stonesifer, Frederic S
Stratton, James W.
Stratton, Larry R.
Stromquist, David W.
Stroop, Patrick A.
Stuart, Michael F.
Stuck, James R.
Suggs, Ralph E.
Sujdak, Edward J., Jr.
Sullivan, Larry M.
Sullivan, Patrick D.*
Sullivan, Paul F.
Sullivan, Timothy T.*
Sutliff, Richard W.*
Svec, James H.
Swah, Samuel R.
Swain, Philip F.
Swanson, Eldon C., Jr.
Swartz, Edward L.
Sweet, James F.
Sweetman, James M.*
Tait, William A.*
Talbot, Ronald E.
Tankersley, Carl M.*
Tanner, William E.*
Tarantino, Paul S.*
Tarter, Arlan G.*
Taylor, Ronald M.
Tettelbach, Gary J.
Teves, Arthur G.*
Thacker, Reginald A.*
Therrell, Thomas S.
Thies, Denzil D.
Thomas, David W.
Thomas, James B., III
Thomas, Robert M.
Thomas, Robert J., Jr.
Thomas, Scott S.*
Thomas, William C.
Thomason, William R.
Thompson, Douglas S.
Thompson, John A.
Thompson, Robert M.
Thompson, Thomas L., Jr.
Thorgerson, Arne R.
Tiedeman, George R.*
Tinsley, Steven G.*
Tomanelli, James R.*
Tower, Dennis R.
Treadway, Alton G.
Trevett, Robert E.
Trower, James D
Tucker, Richard S.*
Turk, Joseph*
Turley, Brian D.*
Turner, Elder D.
Turner, Jack E.*
Turner, Ronald D.
Tyler, Robert J.
Underwood, Van D.
Vanbrocklin, Stephen T.
Vanbrunt, Tommy H.*
Vanbuskirk, Dennis J.
Vance, Thomas C.
Vance, William D.
Vanderbosch, Steven W.
Vandyne, Leroy T.*
Vanhoose, Ronald*
Vantassel, Paul F.
Vanwie, Steven L.
Vaughan, Steven A.
Vaurio, David G.
Vehorn, Roger P.*
Veltman, Richard J.*
Vershish, Robert J.*
Vettese, Anthony
Vine, Gary L.
Visco, Dominick W.
Vittum, David A.
Voss, Philip D.
Waddell, James B.
Waddell, John W.
Wagner, David J.
Wagoner, Robert C.
Waite, Lynn L.
Waite, Michael P.
Waits, Merrill A.
Wall, Laurence L.*
Wallfred, James G.*
Walling, Kenneth E.*
Walsh, John P., Jr.*
Walsh, Michael J.
Walsh, Myles E.*
Walsh, Robert W.
Walsh, Thomas M.
Walters, Gary A.*
Ward, James G.*
Warner, Thomas G.*
Washer, William L.*
Waterman, Ralph J.*
Watkins, John B.
Watkins, William A.
Watson, Donald R., Jr.
Watson, Michael J.*
Watson, Thomas R.*
Weaver, Sterrie L., Jr.
Webb, Chauncey F.
Weber, Robin Y.
Weborg, Gene M.
Weeks, Stanley B.
Weik, Thomas A.
Wein, Michael C.*
Weir, Michael W.
Weiscopf, Carl E.
Weldon, William A.
Wells, John T.
Welsh, Patrick T.*
Wengierski, Irwin T., Jr.
Werling, Robert*
Wertz, Bruce N.
Westcott, Richard E.
Whall, David G.*
Wheeler, William J.
Whitaker, Dwight V, III
White, John S.*
White, Nestor D.*
Whitelatch, Robert C.
Whitford, Daniel L.
Whitten, George B., III
Widhalm, Kenneth C.
Wiens, Leonard A.
Wilbricht, Thomas E.
Wild, William J., Jr.
Wilkins, Thomas W.
Willey, James F.
Williams, Harold A.*
Williams, James S.
Williams, James M.
Williams, Thomas C., Jr.
Williams, Thomas Y.*
Williams, Wallace B., Jr.
Wilson, Charles H.
Wilson, Jerrold B.*
Wilson, Philip B.*
Wilt, Donald A.
Winkler, Michael F.
Winters, Keith A.*
Witherspoon, Lewis J.
Witkowski, Christopher J.
Witowski, Gerald T.*
Woltman, Ronald R.
Womack, Lee T., Jr.
Wood, Larry R.*
Wood, William B., Jr.*
Woods, Gerald B.
Woodworth, Richard A.*
Wootton, Ronald E.
Word, Ross A.
Worley, Michael J.*
Wright, Herbert R., III
Wrobel, Richard A.*
Wurtzbacher, Henry T.
Wyld, Thomas C.
Xefteris, Constantine L.

Yesensky, Douglas A.
Yetsko, Joseph F.
Young, Charles B.
Young, Richard A.*
Young, Richard A.
Young, William D.
Yunker, John M.
Zackary, Fort A., Jr.
Zavadil, Stephen W.
Zerbian, David A.
Zia, Ralph K.
Zimman, Robert
Zullinger, Charles E., III

MEDICAL CORPS

Brown, Mark V.
Davis, Mark S.
Gilmore, Dennis M.
Gipson, Bernard F., Jr.
Hastay, Peter C.
Johnson, Larry H.
Larocque, James C.
Ramos, Huberto I.
Rorick, Jay T., Jr.
Salaysay, Michael R.
Zaide, Amanda C.

SUPPLY CORPS

Achenbaugh, Dennis A.
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Anastasi, Richard
Archer, Raymond A., III
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Arllen, Eric A.*
Asselin, Andre S.*
Avery, James A.
Barnes, Jerry D.
Bassi, Felix J.*
Beaty, Richard M.
Benefiel, William P.
Bennett, Robert D.*
Blood, Roger J.
Bollman, Terry L.
Boyarski, John R.
Brooks, Ted E.
Buchleiter, Charles R.
Burgess, Roy H.
Carl, David E.
Carney, David G.
Casey, Michael W.
Chandler, Brian J.
Cogswell, Peter M. L.
Compton, David D.
Conner, Terrence A.
Cook, David M.
Cormier, Edward N., Jr.*
Cote, James R.
Cummings, Donald L.*
Daniels, David L.
Dase, James R.
Dawson, Howard W., Jr.
Dickey, Donald W.*
Difranco, Steven J.
Dolan, Kevin C.*
Doyle, Joseph D.
Easton, Frederick B.
Engelmann, Robert A.
Fantroy, Ward K.
Faucher, David P.
Felts, Warren T.
Finefrock, Carl G.*
Flahiff, Daniel E.
Flanagan, John E., Jr.
Foley, Robert P.*
Frial, Ernesto F.*
Gavin, Joseph W.
Gianfagna, William L.
Gibbons, Lawrence B.
Gibbs, David M.
Gorman, Howard P., Jr.*
Goss, Ardin F.*
Grasham, Michael W.
Gulliford, Steven R.
Hall, Richard P.*
Hankins, Stanley E.
Harder, Larry D.
Hargrove, James W., Jr
Harris, Craig S.
Hartman, John M.*
Haskett, William B., III
Hastings, Richard G., III
Hawkins, Paul R.
Hawxhurst, Jack M.
Heikkila, James L.*
Hein, Jonathan J.
Hempson, Donald A., Jr.
Higgins, Thomas P., Jr.
Hinson, Kenneth E.
Hodges, James V.
Holbach, James H.
Holcombe, James O.
Hornyak, Edward J.
Howdyshell, Robert J.
Hrabosky, Bryan, Jr.*
Hudock, Steven A.*
Ishman, Michael D.
Ison, George S.*
Jenkins, Michael L.
Johnson, Jay C.
Johnson, Mark R.*
June, Michael A.*
Keeton, Ronald J.
Keith, William B., Jr.
Kelley, Kevin P.*
Kennedy, Harvey L.
Ketts, Robert L.*
Kiefer, Roy W.
Kline, Richard W.
Kramer, Keith S.*
Lengkeek, Dale R.
Lewis, Richard E.
Lindsey, Larry A.
Low, David H. J.
Machado, Bruce M.
Madaio, Paul F.
Malcolm, Nathaniel D., Jr.
Mansfield, David K.*
Marchetti, Ronald A.
Marquez, Ernest B., II
McAllister, John J., Jr.
McCarthy, Justin D.
McCulloch, John W.
McDowell, Tommy G.
McQueen, Thomas W.*
Miller, Thomas G.
Mitchell, Colonus, Jr.
Moore, James B.
Murff, Bruce W.
Nichols, James S., Jr.*
O'Reilly, Patrick J.
Parham, James L.
Parker, Kenneth L.*
Payne, David D.
Payne, Harold R.
Pearrell, Larry W.
Pendarvis, Daniel, III
Perkins, James M.*
Perry, Keith M.*
Pettersen, Alan J.
Pointer, Billy R.
Purdy, Kenneth C.
Reed, Ronald P.
Reese, James M.
Renard, Geoffrey K.*
Rich, Bruce B.
Riege, Duane J.
Rinaldo, John C.
Ritzel, Charles J.
Robertson, Jimmy W.
Rogers, Robert W.
Ross, Charles A.
Rossi, Philip R.
Ryan, Robert J.
Sanford, Robert M.*
Schimpf, Barry J.
Sellers, Benjamin R.*
Shapack, Arnold R.*
Shubert, Tommy L.*
Siemers, Uwe
Smith, Emmett W.
Soderberg, Paul O.
Stanger, Thomas J.
Stephens, Edward N.
Stokes, David V.
Tarver, James E.
Tissier, Robert J.
Turpie, James A. G.
Vanderslice, Wayne J.*
Vanhorn, Roy D.
Verbic, Alan R.*
Walsh, Robert A. II
Wenchel, Geroge F.*
White, Richard S.
Wieczorek, Richard J.
Wilund, William P.*
Younker, Michael E.*
Young, Charles K.
Zurinski, Donald J.*
Zychowski, Thaddeus F.

CHAPLAIN CORPS

Brogan, Leo T.
Burnett, Ivan B., Jr.
Colton, Alan F.
Gibson, William H.
Ha, Young, C.
Heslop, Thomas C.
Kimokeo, Samuel A.
Kincl, Robert L.
Passero, Ernest F.
Shirley, Jerry W.

CIVIL ENGINEER CORPS

Armstrong, Glenn M.
Beattie, Steven R.
Becker, Raymond H.
Brandenburg, Tim R.
Broaddus, James A.
Bromilow, Neil F.
Brubeck, Gregory W.*
Bussey, Dennis R.*
Buttolph, Leslie W.
Carl, James W.
Carpenter, Ronald G.
Ching, Clayton Y. K.
Cordes, Edward J., Jr.*
Davis, William L.*
Deluca, John, Jr.
Dillon, Terry M.
Ealy, James E.
Erickson, Stephen F.
Fehlig, Charles J.
Foster, Michael E.
Gibb, Thomas W., Jr.
Goltz, Kenneth E.
Hadbavny, Michael T.
Hart, Stephen L.
Haydon, Donald M., Jr.
Horne, Dennis E.
Hudson, Ronald R.*
Johnson, Michael R.
Jones, John E.
Kiesling, Robert F.
King, Claude V., III
Knowlton, Robert D.*
Koiro, Frank J., Jr.*
Lewis, Ronald C.
Martin, Norman R.
Miller, Paul J.
Morrison, William J.
Newton, Willis G.
Palomaki, Donald W.*
Parker, Robert V.
Rosenbaum, David E.
Roussos, George J.
Rushing, Ernest C., Jr.
Sabbatini, Julian
Scarborough, William L.
Schottler, David A.
Shepard, David B.
Shepard, Scott H.
Sherbak, Patrick M.*
Smith, Earl L., Jr.
St. Peter, Harold B.
Vanable, Joseph B.
Vogt, John F.
Walley, James M., Jr.
Walsh, David F.
Williams, James R.
Wray, Terry L.
Wright, James C.

DENTAL CORPS

Albright, Robert L.
Devin, Robert F.
Dollard, Wayne J.
Elvers, Ronald D.
Hickey, Martin D.
Hickson, Harry T.
Keeney, Bradford L.
Klein, Kenneth M.
Loar, Robertson D.
Milinichuk, Walter M.
Montgomery, Alan B.
Prendergast, Richard O.*
Reavis, Ralph M.
Rivera, Napoleon D.
Sandifer, Johnny B.
Starck, Thomas F.

MEDICAL SERVICE CORPS

Anderson, Richard L.
Arnold, Anthony R.
Auld, John N.
Banellis, Georgiana M.
Bason, Robert
Bawden, Monte P.
Betts, Lawrence S.
Blanks, James A.
Bryan, Clark L.
Carroll, Norman E.
Chalstrom, William J.
Clair, James E.
Coleman, William M., III
Converse, James D.
Cooper, James M.
Cox, Peter T.
Crigler, Patricia W.
Criscitiello, Joseph J.
Daddario, Anthony P.
Decicco, Joseph E.
Decker, David L.
Depolo, Dominick, Jr.
Donohue, Edwin A.
Dumais, Gary W.
Dunaway, Floyd J.
Eckstein, Michael D.
English, Jerry W.
Faherty, Stephen A.
Ferda, Robert
Figura, Richard T.
Fogelsonger, Jack L.
Fowler, David W.
Gerlach, Herman
Glover, Wayne P.
Hand, Brian C.
Hanrahan, James E.
Hardy, Frederick C.
Harrington, Gary R.
Hora, Charles D.
Hosszu, Joseph L.
Humphrey, Charles R.
Irving, John
Jackson, Robert W.
Jackson, Thomas C.
Jamison, Hubert M.
Janoski, Thomas J.
Jemionek, John F.
Johnson, John L., Jr.
Johnson, Wesley J.
Kayler, Robert S.
Knight, Paul L.
Kraft, John E.
Kretchmer, Robert S.
Lissner, Christopher R.
Lobaugh, Larry G.
Longacre, Don T.
Macys, David A.
Makris, Kenneth A.
Malone, John J.
Marolf, Walter K.
Meegan, James M.
Mendenhall, Karl G.
Mitchell, Michael L.
Montgomery, John E.
Mumford, William M.
Nelson, Lee D.
Oals, Wendell M., Jr.
Otterman, Glenn E., Jr
Perryman, Roy E.
Peterman, Eugene A.
Peterson, Franz R.
Petroski, Joseph W.
Powers, James M.
Prodanovich, Milo J.
Reichman, David A.
Reinhart, David F.
Renish, John F.
Rinard, Lanny A.
Roach, William L., Jr.
Rosen, Howard S.
Saleker, Albert D.
Scaramozzino, James A.
Schlagel, Charles J.
Schoeneck, Harry J., Jr.
Ssciarrini, Dominic E.
Sengbusch, Craig H.
Shockley, Richard S.*
Smith, James T.
Snook, Darrell F.
Snyder, Stephen L.
Storment, John H.
Strnad, William R.
Surratt, Colonel O.
Suttle, Douglas
Swales, George A.
Terry, Lynn M.
Vonminden, David L.
Vonstuck, Murlowe L.
Wayland, Marshall W., Jr.
Weathersby, Paul K.
Weeks, William E., Jr.
Wiggins, Michael C.
Williams, Ralph T.
Wolf, Richard

JUDGE ADVOCATE GENERAL'S CORPS

Barnett, Eric J.
Bingman, Terrence L.*
Bloxom, Richard R.
Bozeman, William S.
Cox, Joseph B., Jr.
Gottry, Brian M.
Hewson, William C.
Hutson, John D.
Kelly, David L.
Leclere, Dennis E.
Mattson, Michael V.
McAuley, David
McKenna, Lawrence F.
Osborne, Thomas W.
Owens, Michael R.
Pinkelmann, Eugene M., Jr.
Pointer, Homer S., III
Prentace, Charles S.
Pries, William E.
Principi, Elizabeth A.
Randall, Thomas E.
Reeve, Thomas B., Jr.*
Reynolds, Albert A., Jr.
Rose, Stephen A.
Sabot, David A.
Smith, Harmon B.
Stewart, Richard G., Jr.
Williams, Jeffry A.
Wright, Steven E.
Zoellner, David H.

NURSE CORPS

Beaton, Meredith I.*
Beeby, Barabara J.
Bingham, Marilyn K.
Bohn, James D.
Boyle, Mary E.
Brown, Donald W.
Burns, Jesse P., Jr.
Caffrey, John F.
Campbell, David A.
Carlton, Carolyn Z.
Carter, Eileen
Caton, Mary L. D.
Cole, Stephanie A.
Davidson, William M., IV *
Depoix, Suzanne G.*
Devney, Anne M.
Dinubila, Jacqueline L.
Doyle, Wanda
Emanuel, Anne M.
Evans, Carole C.
Fay, Doris A.
Ferguson, Raymond A.
Foore, Karen I.
Gardner, Mary A.
Gray, Pamela
Gump, Margaret E. L.
Guy, Bruce D.
Hayes, Linda A.
Heydon, Mary M.
Houser, Mary L.
Hultsch, Maureen C.
Johnson, Donna L.
Labelle, Carson V.
Laberis, Arthur H.
Lahren, Kathy S.
Laursen, Lawrence E.
Law, Easty A.
Lefort, David M.
Leppanen, Margaret
Malone, Diane
Marsh, Sharon J.
Matula, David L.
McBurney, Richard E.
McKinzie, Dorothy A.
McMillin, John M.
McPherson, Robert C.
Minzes, David H.
Moore, Louise F.
Moses, Melanie L.
Mullinix, Margaret B.
Murray, Judith L.
Muse, Thomas Michael
Oberbeck, Jacqueline I.
Perry, Eleanor E.
Pickens, Connie L.
Pickens, Nancy A.
Poland, Edith A.
Probst, Louise G. A.
Protsman, Nancy L.
Ramsey, Barbara L.
Reiter, Larry L.
Richardson, James L.
Riess, Marymartha
Riordan, Patricia T.
Robson, John E.
Rossi, Maria V.
Rucker, Meriel T.
Sant, Jeanne P.
Savige, Elaine C.
Scarborough, Claudette
Scollins, Catherine E.
Sheehan, Renee G.
Snyder, Barbara J.
Soppe, Wilfred E., Jr.
Squires, Jerry J.
Staiger, Donna D.
Taylor, Ruth A.
Thorr, Faye A.
Truhe, Jean A.
Tynan, James F., Jr.

Vickers, Joyce M.
Wallace, Blair H.
Zettler, Marcella R.

The following-named women lieutenants of the U.S. Navy for permanent promotion to the grade of lieutenant commander in the line, pursuant to title 10, United States Code, sections 5771 and 5791, subject to qualification therefor as provided by law:

Alberts, Christopher*
Barkell, Marcia M.
Becker, Catherine Z.
Borst, Sharolyn B.
Boynton, Johnnie M.
Brown, Judy L.
Bruner, Judith N.
Burson, Jacquelyn M.
Crounse, Carole J.
Curtin, Cara A.
Dersch, Lynnette R.
Dowd, Peggy R.
Downing, Gayle M.
Dugan, Kathleen M.
Gaskin, Ann J. M.
Groves, Linda K.
Hughes, Michele M.
Hull, Lee B.*
Humphreys, Mary M.
Kohlmeyer, Jean L.
Lucie, Janice M.
McClellan, Sheryl L.
McGann, Barbara E.
Moczygemba, Elaine D.
Mohr, April D.
Moran, Marlene L.*
Moyher, Linda L.
Mullin, Linn A.*
Newill, Patricia E.
O'Malley, Margaret M.
Oskam, Margaretha I.
Overstreet, Joanne K.
Pullen, Lynn D.
Rawlinson, Linda C.
Regan, Sandra J.*
Reynolds, Sharon A.
Roach, Leslie M.
Roberts, Elaine N.
Roberts, Karyl K.
Rodes, Joann
Romero, Eleanor C.
Rudd, Pamela S.
Rutherford, Louise M.
Sanders, Jo Ann
Schaefer, Linda K.
Scott, Bonnie M.
Shie, Barbara F.*
Skaling, Kathleen D.
Smith, Helen E.*
Stagg, Frances L.
Stankowski, Barbara J.
Stephens, Susan H.
Thornton, Sydney D.*
Tracey, Patricia A.
Vinson, Rebecca G.
Weavil, Mary A.*
Weinewuth, Mary A.*
Weishaar, Pamela J.
Wheaton, Martha J.
Whitehead, Martha L.
Zielinski, Margaret M.

IN THE NAVY

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the line, pursuant to title 10, United States Code, sections 5769 and 5791, subject to qualification therefor as provided by law:

Aardahl, Lyle N.
Aaseng, Gordon B.*
Abbitt, John D., III
Abbott, Thomas R.
Absher, William C.
Adams, Christopher T.
Adams, James J.
Adams, Orland I.
Adamson, Robert E., III
Adcock, Daniel W.
Addison, Leroy E., II
Adkins, Edward J.
Adolphe, Robert G.
Aguilera, Marino
Albert, Paul W., Jr.
Aldon, James A.*
Alexander, Joseph L.
Alexander, Robert C.
Alfred, Michael A.
Alger, Daniel F.
Allbee, Gary T.*
Allen, Charles T.
Allen, Damon E., Jr.
Allen, James P.
Allen, William H.
Alston, Moses D.
Alvarez, Don J.
Alvarez, Michael P.
Ambrose, Steven P.
Amelon, Richard R.*
Ament, Joseph W.*
Amundson, Glenn M.
Andersen, Terry L.
Anderson, Alan D.
Anderson, James S.
Anderson, Lee F.
Anderson, Paul A., Jr.
Anderson, Scott P.
Anderson, Stephen D.
Andrews, Vincent J.*
Angel, Russell B.
Annunziata, Michael J.
Anthes, Ernest S.*
Archer, Paul L.*
Areizaga, Charles
Arildsen, Jesse A.
Armstrong, David T., Jr.
Armstrong, Lorain B. Jr.*
Army, Denis V.
Arnold, Richard R.
Askins, Larry E.
Assel, Michael D.
Atkins, Thomas B.*
Atkins, William C.
Atkinson, Thomas P.
Atkisson, Fred G.
Atwood, Daniel L.*
Atwood, Jack D.
Austell, Theodore, Jr.
Austin, George B.
Avers, Randall J.
Averyt, Dennis E.
Ayala, Richard J.
Ayars, Arthur D., Jr.
Ayers, Lew L.
Azzole, Peter J.
Baar, Eric C.
Babbitt, Homer A.
Bacin, Mark S.
Baila, Dorel L.
Bailey, Arthur E.
Bailey, Dallam
Bailey, Joseph L., Jr.
Bailey, Roger L.
Bain, Edward D.
Baker, Francis E.
Baker, James M.*
Baker, Jeffrey W.
Baker, Joe F.
Baker, John V.
Baker, Keith D.
Baker, Robert D.
Baker, Robert D.
Baker, Troy G.
Baldwin, Henry S.
Baldwin, James P.
Balko, Brian L.
Bampfield, James R.
Bange, Jeffrey D.
Bannon, Michael C.
Baptista, Armand L., Jr.
Barba, Robert E., Jr.
Barber, Nelson W.*
Barbieri, Anthony A.
Barclay, Bruce M.
Barger, Edward B., Jr.
Barner, Mark E.
Barnett, George A.*
Barns, William F.
Barreto, Paul K.
Barrie, Robert W.
Barringer, Robert M.
Barry, Michael J.*
Bartlett, David F.
Bass, Luncford L.
Bateman, Dale D.
Batze, Donald R.
Bauer, Geoffrey L.
Bauer, Michael E.
Bauer, Russell A., Jr.
Bauer, Scott A.
Baum, Gordon E.
Baumgaertel, James L.
Bayer, Michael J.
Bayma, Benjamin A., Jr.*
Bayne, Edward M
Beall, Joseph S., III
Beatty, Thomas P.*
Beavers, James E.
Beck, Charles E.
Beck, David W.
Beck, Reece, N.
Becker, William J.
Beebe, James E.
Beeler, Dale E.
Beemer, Bruce A.
Beersdorf, Jerry W.*
Begley, Grant A., Jr.
Bell, Fredrick A.
Bell, Mark T.
Bell, Steven D.
Bellard, James A.
Bellinger, Gene R.
Bello, Joseph V.
Benavage, Peter*
Benavidez, Ralph L., Jr.*
Bender, Gregory L.*
Bender, James C.
Benfield, Paul K.
Benigno, John C.
Benkert, Francis M.
Bennett, Gary D.
Bennette, Donald D.
Berberlich, Larry R.
Beres, Dennis P.*
Bergman, Fred W.
Bernas, Barry L.
Berner, Mark D.
Bernhard, David L.
Bernier, Brett B.
Bernier, Carroll D.
Berry, Wendell S.
Bertalan, Frank J.
Berthrong, Williams E.
Bertsche, Mark S.
Best, Thomas H., Sr.
Beth, Daniel R.
Bettisworth, Allen K.
Beuchel, Bruce E.
Bigelow, Jerry B.
Bigham, Harry R.
Billingsly, David E.
Black, Michael T.*
Blackmore, Thomas O.
Blair, Brian E.
Blair, Richard
Blake, John T.
Blanchard, Eldon D.
Blauser, David J.*
Blausey, Arthur E.
Bleeker, Hans J.
Blevins, Jerry L.*
Blind, Edward W., Jr.*
Blitz, Victor E., Jr.
Bloomberg, William R.
Bloomer, James W., II*
Bloomquist, Mark P.
Bloss, Walter J.
Blume, Frederick L.
Blummer, Roger G.
Bobb, Kenneth A.
Bobenage, James M.
Bocchino, Alfred J.
Bock, Wolf H.
Bodin, Kenneth C.
Boehm, Lee I.
Boggio, Joseph H.*
Boggs, Howard D.
Bohn, John L., II
Bolger, Randall C.
Bollenbacher, Thomas M.
Bolyard, John W.
Bonanno, Samuel J.
Bond, David L.
Bonner, Robert B.
Bonnette, John E.
Bookert, Reubin B.
Boon, Gene R.
Booth, Grady L.*
Bordelon, Richard S.
Borovicka, Stephen J.
Borries, Robert B.
Borruso, Vincent J.*
Boschert, Gregory H.*
Boswell, James H.*
Boswell, Mark M.*
Bottorff, Jerry L.
Boucon, Daniel L.
Bourgeois, Neil C.
Bourgeois, Karl F.
Bourne, Carlton M.
Bowen, Michael M.
Bowers, Steven G.
Bowles, Paul R.
Bowling, Raymond B.
Bowser, Glenn L.
Boyce, Robert L.
Boyd, Edwin E., II
Boyd, Lloyd R., Jr.
Boyd, Thomas E.
Boyer, James
Boyle, John J.
Boyle, Robert J.
Bozin, Stanley D.*
Brackett, Robert C.
Bradford, Charles P.
Bradley, Kenneth D.
Brammer, Harry M., III
Bramsen, Jeffrey
Brands, Michael B.
Brandt, Donald E., Jr.
Brannon, Robert B.
Brannon, Todd C.
Brasco, Thomas C.
Brasel, Thomas M.
Breland, Don
Brewer, Robert G., Jr.
Briant, Charles C.
Briley, Jo*
Brink, John H.
Britt, John A.
Brinkley, George W.
Brissette, Richard J., Jr.
Broadway, Michael W.*
Brockhoff, Charles S., Jr.
Brody, Robert A.
Broughton, Hubert L., II
Brown, Budd C.
Brown, Chalker W., III
Brown, Christopher M.
Brown, Gary L.
Brown, Gerald R.
Brown, Kevin M.
Brown, Robert C.*
Brown, Robert D.
Brown, Steven W.
Brown, William H.
Brownlee, Robert E., III
Bruce, Richard V.
Bruce, Robert L., Jr.
Brueckbauer, Roger I., II*
Bruno, Paul N.
Bruski, Terrance J.
Bryan, Dewey G.
Bryan, James J.
Bryant, Richard A.
Bryce, Francis P.
Bryce, James H.
Bryce, Thomas D.
Bryndal, Gerard L.
Bryson, George Y.*
Buchanan, Peter W.
Buddington, George R.
Budin, Patrick A.
Budway, Edward J.
Buescher, Stephen A.
Buhrlage, Charles A.
Buker, Jeffrey A.
Bullock, Robert A.
Bultemeier, Craig W.
Bumgardner, Mark L.
Bundy, William F.
Burch, Carl D.
Burd, James E.
Burger, Gerald A., Jr.
Burger, Rolf J.*
Burgess, Richard R.
Burkhart, Grey E.
Burks, Donald M.
Burlingame, Neil C.
Burns, John W.
Burns, Robert F.
Burtis, Thomas C.
Burton, Eugene R.
Bush, John R.
Bush, Richard A.
Bush, Richard L.
Bush, Robert B.
Bushong, Gregory B.
Bussey, Michael D.
Bust, Jeffry D.
Bustamante, Robert P.
Butcher, Marvin E., Jr.
Butler, Brian F.
Butler, John D.*
Butler, Richard M.
Butler, Stephen C.
Butts, Jeffrey M.
Buzby, Robert E.
Buzek, Mark C.
Byrd, William J.
Byrne, Charles M.
Byrne, John W., IV
Cable, Larrie G.*
Cabrian, Stephen L.
Caddell, Marvin R.*
Cadwell, Charles A., Jr.
Cady, David W.
Cage, Benjamin L.
Cain, Dannie L.*
Calfior, Fred J.
Calhoun, John D.
Calland, Wynn E.
Callaway, James R.
Callejas, Ruben
Callier, Robert D.*
Callinan, Maurice M.
Cameron, Wallace R., Jr.*
Camp, Neil W.*
Campagna, Mark S.
Campagna, Michael S.
Campbell, William B.
Campobasso, Thomas D.
Caracci, Vincent E.
Caramello, Joseph J.
Caramia, Lawrence
Carey, Leslie F.
Carey, Richard P.
Carl, Keith P.
Carlisle, Garold E., Jr.
Carlson, Carl G.
Carlson, Jay A.
Carlson, Morris E.
Carlson, Phillip D.
Carlson, Robert J.
Carlson, Thomas A.
Carman, John W.
Carmichael, David L.
Carnes, David F.
Carpenter, Edward J.*
Carpenter, Jeffery R.
Carpenter, Stephen E.
Carrizales, G. Javier
Cart, Harold E.
Carter, Gregory L.
Carter, James C.
Carter, Steven M.
Casey, Edward J., III
Casey, Kevin D.
Casey, Patrick J.
Casey, Ronald L.
Cashbaugh, David M.
Cassias, Jeffrey B.*
Cassin, Stephen J.
Cassoutt, James M.
Catchpole, Frederick R.
Cattolico, Michael A.*
Cauley, Bruce A.
Cavalieri, Ralph P.
Cavalli, Joseph P.
Cavanagh, Jeffrey D.
Cavanaugh, Thomas A., III
Cecere, Michael L., III
Cenci, Anthony W.
Centeio, Anthony F., Jr.
Cerino, Michael N.
Cetel, Alan J.
Chamberlain, Robert M.*
Chapman, David B.
Charlsen, Randolph A.
Chase, Richard E.
Chatlos, David J.
Chavis, Francis D.
Cheeseman, Edward W., Jr.
Chegin, George M.
Cheney, David M.
Cherney, James R.
Chesla, Frank J.
Chesson, Roy W.
Childress, G. H.
Chilton, Michael A.
Chimiak, William J.
Chomas, Edward J.
Christensen, Nyles L.
Church, Richard C.
Cihlar, Thomas J.
Cikanovich, Christopher J.
Ciola, Joseph P.
Clark, Brozia H., III
Clark, David R.
Clark, Frank N.*
Clark, Michael D.
Clark, Michael L.
Clark, Miles I., II
Clark, Randall
Clark, Robert L.
Clary, Michael D.*
Clark, Robert L.
Clausen, George E., III
Clausen, Scott A.
Clayborne, Earl K.
Cleary, William W.
Clements, Michael R.
Cloud, Thomas A.*
Clough, Karl E. R., Jr.
Cluster, Chris J.
Coad, William D.
Coady, Jerry J.*
Cobb, David L.
Cockrel, Robert G.
Coday, Harold G.

Cole, Stephen D.
Cole, Walter B.*
Colegate, Gregory A.
Coles, Bryan D.*
Coley, Anthony A.
Collier, Clifford L.
Collier, James R., Jr.
Collins, Patrick A.*
Collins, Ronald E.
Collins, Steven P.
Collis, Jerry C.
Comer, Kenneth W.*
Comi, Patrick M.*
Conklin, Kenneth J.*
Conley, Jeffrey M.
Conn, Stephen A.
Connal, Edson N., Jr.
Connell, James M.
Connell, Roger J., Jr.
Connor, Emil K.
Connors, Michael P.
Conrad, Lawrence J.
Conrad, Robert D.
Conroy, Philip L.*
Conte, Donald V.
Conway, Daniel R.
Cook, Frederick C.
Cooke, Terrence A*
Cooper, Wade T., Jr.
Cope, James O.
Coppins, Stephen B.
Corbett, Bruce B.
Cordes, George A.
Cordray, David R.
Corley, Robert D.
Cornwell, Paul G.
Corrigan, Patrick J.
Corrigan, Robert D.
Costa, Joseph R.
Couch, Jay R.
Coulter, John S.
Courtney, John D.
Covington, Benjamin B.
Cowell, Harry T.
Cowen, Sherry T., III
Cowley, Kevin J.*
Cox, Carson D.*
Cox, Charles D.
Cox, Charles R.
Cox, David C.
Cox, Vincent H.
Cox, William E., Jr.
Coy, Curtis L.
Coy, John H.
Crager, Scott R.
Cramer, Michael L.
Crandall, James W., Jr.
Cranford, James W.
Crawford, Robert D.
Crawford, Tom H., III
Crawford, Thomas A.
Crissinger, Michael A.
Critz, Michael R.
Crocker, Michael D.*
Crook, Sean P.
Crooks, John S.
Crosby, Paul J.
Crow, David L.*
Crowe, Curtis W.
Crowe, Dennis *
Crowe, Richard C.*
Crowley, James A.
Cudd, Robert J.
Culbertson, Arthur L.
Cullen, Michael J.
Culver, David R.*
Culver, Walter C.*
Cummings, William R.
Cunningham, James R.
Cunningham, Robert L., Jr.
Cuppett, Bruce J.
Curlee, Steven D.
Curry, Kenneth W.*
Curry, Patrick F. D.
Curtis, Harold R.
Curtis, Lebbeus
Cutter, Arthur E., Jr.
Dabrowski, Jerome A.
Dahlmeier, Michael C.
Daley, William H., III
Dalrymple, John E.
Dalton, Jerry W.*
Daly, Terrence F.
Dames, Anthony E.
Damisch, Peter W.
Damm, Peter S.
Dandeneau, Allan H.
Dandrea, Joseph W.
Daniels, Hoyle H., III
Daniels, Kirk J.
Danko, Lawrence W.
Dann, Geoffrey
Darland, Dallas M.
Darrow, Mark F.
Daugherty, David W.
Daugherty, Charles E.*
Daum, Michael G.
Davidson, Gary R.*
Davidson, James E.
Davila, Frank D.
Davilli, Thomas B.
Davis, Alfred R.
Davis, Billy G.
Davis, Clayton R.
Davis, Francis P.
Davis, Lee S.
Davis, Robert H.
Davis, William T., Jr.*
Davison, Jimmy L.
Dawson, Lawrence
Dazelle, Kirk W.
Dealy, David M.
Dearth, Randolph S.
Deas, Roseman L.*
Debs, Brian T.*
Dedels, Ronald A.
Dehoff, George R.
Delaney, Robert P.*
Delbando, John T.
Delery, Thomas A.
Delpino, Joseph M.
Demeranville, Stephen G.
Deming, Christopher L.
Deml, Robert J.
Dempsey, James R.
Dempsey, John M., II
Denham, Keith N.
Denis, David A.*
Dennis, Samuel E.
Dennis, Timothy J.
Derrick, Michael B.
Despain, James E.
Deutsch, Bruce R.
Devane, Benjamin L.*
Devlin, Donald F.
Dewey, Brian E.*
Diantonio, Dennis J.
Diantonio, Brian A.
Dick, Richard
Dickason, Clarence W., Jr.*
Dillingham, John M.
Dillon, Steven F.
Dillon, Thomas C.
Dilmore, William D., Jr.*
Dimaio, Ralph S.
Dinunzio, Joseph A.
Disney, Mark S.
Ditewig, William T.*
Dixon, Richard P.
Dobry, Thaddeus P.
Dodge, Ryland T., III
Doehnert, Mark P.
Doherty, John T., Jr.
Dolan, Thomas P.
Dolat, Stephen W.
Domoslay, Steven D.*
Donald, Kirkland H.
Donaldson, Thomas Q. V.
Donnelly, John J.
Donnelly, John P.
Donnelly, William J.*
Dorman, Robert A.*
Dorrance, William H., VI
Doughty, Michael H.
Douglas, Michael L.
Douglas, Rex R.*
Dove, Thomas E.
Downs, Joseph O.
Doyle, David M.
Doyle, John R.
Doyle, Michael T.
Drake, Wesley C.
Draughon, Clarence G.
Drennan, Bruce C.*
Drew, Bryan C.
Driver, Robert K.
Droddy, James E.
Ducharme, James E.
Dudley, Noel F.
Duffie, David A.
Duisik, Jeffrey G.
Duke, Paul S.
Dumont, Sidney P., III
Dunaway, Frank R., III
Duncan, David L.*
Duncan, James L.*
Duncan, Marshall B.
Duncan, Ralph E.*
Duncan, Robert B.
Dundics, Desi G.
Dungca, Patricio P.
Dunlap, Donald K.
Dunlap, James C.
Dunne, Michael J.
Dunn, Robert K.
Dupaul, Gilbert A.*
Durmick, John R.
Durnan, Jaymie A.
Durr, Richard D.*
Durst, Robert G.
Dutton, Terence L.
Duym, Wade D.*
Dwyer, Richard M.
Dyer, Lawrence C.*
Eaton, Albert L., Jr.
Edgar, Leslie I.
Edwards, David G.*
Edwards, Gary A.*
Edwards, Jeffrey L.*
Edwards, John A.
Edwards, John W.
Eggebroten, James K.
Eggleston, Dennis C.
Eichelberger, Robert M.
Eichstedt, James R.
Elins, Daniel J.
Elliott, Boyce W.
Ellis, Gary J.
Ellis, James M.
Ellis, Robert S.
Ellison, Stephen K.
Elmer, Joseph S., Jr.*
Elrod, Herman C.
Emery, James W., Jr.
Emley, James E.
Endrikat, Hansjoachim
Engelman, Peter B.
Engler, James H.
English, Charles P.
Enlow, George W.
Ennis, John F.
Enzenauer, Raymond J.
Ephraim, Richard
Erickson, Steven G.
Ervin, Franklin A.
Eshleman, Joe K.
Estes, Steven C.
Evans, Richard L.
Evans, Ross, M., III
Evans, Thomas L.
Everest, Gary L.*
Ewers, Barton A., Jr.
Ewing, Ronald J.*
Eyman, Roy L.
Eyre, Michael E.
Ezzard, Henry S., Jr.
Fackrell, Michael A.
Fair, Christopher K.
Falby, John S.
Fandey, Dennis F.*
Farber, Martin J.
Faria, Richard D.
Faries, William R.
Faris, John M.*
Farley, John P.
Farmer, David H., Jr.
Farr, Craig L.
Farrell, Paul F.
Fasano, Michael A.
Fay, James E.
Feeley, Stephen L.
Feeney, Michael L.
Feinberg, Roy H.
Feldman, David S.
Fellows, Larry A.*
Ferguson, Charles D.
Ferguson, Julian A., III
Ferguson, Stephen W.
Ferris, William F.
Feuillerat, Robert A.
Fickling, Philip J.
Field, John G.*
Finnegan, Raymond W.
Firth, Edwin G.
Fitzpatrick, Ulysses
Fitzpatrick, Walter F., III
Fitzsimons, John V.
Fitzsimmons, William M., Jr.
Flammang, Harold J., Jr.*
Flannery, Brian E.
Flick, Robert M.
Flint, Thomas P.
Flippin, Walter N., III
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Floyd, Charles A.
Flynn, John E.*
Foerster, Bernd A.
Foerster, John C.
Fogelsanger, Robert W.
Foley, Christopher P.
Foley, Lee M.
Foley, Patrick J.*
Folly, Frank E.*
Fonnesbeck, Robert W.*
Ford, Richard K.
Ford, William A., III*
Foreman, David E.*
Forsley, Richard T.
Forsmark, William T.
Fosberg, Barry L.
Foster, John I., III*
Foster, Leslie
Fowler, Gene G.
Fowler, Harold E., Jr.*
Fowler, John D. M.
Fowler, William S.
Fox, Dana L.
Fox, Leonard A.
Fraser, Donald B., Jr.
Frederick, Randal S.
Frederick, Robert E.
Frederickson, James T.
Freeman, Richard W.*
Freeny, Charles L., Jr.
French, Richard D., II
Frese, Robert M.
Freund, Jack L., Jr.
Frey, Thomas W.
Frigo, Ronald J.
Frost, David E.
Frye, Wilson E.
Fuhrman, Robert E.
Fuhrmeister, Roy L.
Fulca, Michael J.
Fuller, James T.
Fuller, William J.
Funk, Dan R.
Fuqua, Michael T.*
Fursman, Thomas M.*
Fusco, Louis L., Jr.
Gabor, James R.
Gabriele, John*
Gade, Richard E.
Gadzala, Thomas J.
Gagliardi, Michael J.
Gahran, Brian H.*
Gaines, Eugene
Galicki, Dennis M.
Gallaher, Robert D.
Galle, John L., Jr.
Galloway, Craig E.
Gann, Timothy J.
Gantt, Robert M.
Ganze, Robert H.
Garbolevsky, Alexander F., Jr.
Garmer, Stanley A.
Garnett, Lloyd M.
Garrett, Gene W.
Garrett, William L.
Garwood, Bruce W.
Gascho, Gerald G.
Gates, Franklin C.
Gates, Gregory F.*
Gentile, Joseph P.
Gentry, Guy M.
Gentry, Ronald E.
Gerding, Gregory S.
Geyer, Charles E., Jr.
Gheesling, Joe B., Jr.
Gibbons, Matthew J.
Gibson, James H.
Gibson, Robert D.
Gibson, Steven B.
Giesey, William C.*
Gilbert, Jon C.*
Gilbreath, James V., Jr.
Giles, Robert T.
Gill, James J.
Gillcrist, Mark C.
Gillespie, Richard D.*
Gilliam, Brent G.
Gilliam, Charles D.
Gilliland, Manuel A.*
Gilmore, James R.*
Gimbrone, Carl J.
Gimma, Joseph A., Jr.*
Ginn, John D.
Gladden, Riley J.*
Glendinning, Robert E.
Glenn, Theodore L., III
Glenn, William J.*
Glover, Michael D.
Godbold, William F.
Goepfert, Douglas A.
Goforth, Hunter B.
Gold, Robert J.
Good, Steve H.
Goodman, James B.
Goodwin, Frederick L., Jr.
Goodwin, James D., Jr.
Goodwin, John W.
Gooley, William P.
Gorby, Craig C.
Gordon, Jonathan R.
Gordon, Royal P., III
Gore, William P., III*
Gossett, William D.*
Gothard, David L.
Gottschalk, Patrick O.
Gough, David B.
Goughan, Lawrence D.
Gould, Thomas E.
Gove, David A.
Graf, Gary A.
Graf, Joseph G.*
Graff, Frederick W., Jr.
Graham, Jerry L.
Graham, Michael G.
Granger, Douglas S.
Grant, Patrick W.
Grant, Stephen R.
Grause, Jerome E., Jr.*
Graves, Robert G.
Graves, Ronald L.
Gray, David P.
Gray, Thomas B.
Green, Norman K., Jr.*
Greenawalt, Stanton C.*
Greenberg, Allan J.
Greenberg, Donald M.*
Greenert, Jonathan W.
Gregait, Robert E.
Gregor, Kevin M.
Gregory, Paul G.
Gregory, Thomas J.
Grella, William A.
Gribble, Richard E., Jr.
Grice, Gary G.
Griffin, Gerald B.
Griffin, James P.
Griggs, Michael S.
Grisham, Jimmy D.
Groothousen, Michael R.
Gross, Donald E., Jr.
Grover, Ronald O.
Gucwa, Terence J.
Guenther, Siegfried
Guernsey, Charles L.*
Guernsey, Neal F.
Guerrazzi, Eric L.
Guidry, Dell J., Jr.
Gullick, Jerry W.*
Gustafson, Timothy M.
Gustafson, Victor G.
Guth, James D.*
Gutzman, Howard W.
Haage, George W.
Haas, James E.*
Haas, Jon M.
Hack, Harold R., Jr.
Hadel, Paul J., Jr.
Haefner, Gregory G.*
Hagin, James M.*
Hale, Dudley R.
Hale, Patrick C.
Hall, Charles F.
Hall, Christopher J.
Hall, Douglas A.
Hall, Gerald S.*
Hall, Graham T.
Hall, Russell E.
Hall, Steven C.
Hall, William A.
Hallman, Lyston L.
Halter, Stanley F.
Hamel, David A.
Hammer, David A.
Hammitt, Frank D.
Hammond, Richard S.
Hampey, John M.
Hampton, Gary
Hancock, Dennis D.
Hancock, Frederick J., Jr.
Hankins, Henry D.
Hankins, Robert D.
Hanley, Robert I.
Hanna, James S.
Hannah, Phillip J., Jr.
Hanrahan, John M., Jr.*
Hansen, Bertel J., Jr.
Hansen, Kurt F.
Hansen, Wilhelm A., Jr.
Hanson, Alvin C., Jr.
Hanson, Paul G., III
Harar, Paul W.
Harden, Timothy S.
Harding, Warren A.
Hardy, Thomas E.*

Hargrove, Charles D.
Harmon, Benjamin F., IV
Harmon, James L.
Harmon, Mitchell T.
Harmon, Steven A.
Harper, Mark J.
Harrington, James T.
Harris, Andrew V. V., Jr.
Harris, Glover L.
Harris, Lary E.
Harris, Robert R.
Harrod, Robert L.
Hart, Kenneth R.
Hart, Robert H.
Hartman, Thomas T.
Hartmann, Francis X., Jr.
Harvey, Gaylord L.*
Harvey, Kenneth D.
Harvey, Terrence D.
Harwell, Rickey D.
Hasselfeldt, John K.
Hasslinger, Karl M.
Hatstat, Gregory D.
Haug, William C.
Haupt, Francis J.
Hawkens, Edward R.
Hawkins, David A.
Hawver, Lee A.
Hayden, Ernest N.*
Hayes, Edwin J.*
Hayes, Fred E.
Hayes, Thomas D.
Hayes, William R.
Haynes, Curtis J.
Hays, Charles E.*
Hayward, Robert M.
Hazeltine, Joseph T.
Headley, Robert B.
Heard, Maurice E., III*
Heath, Ronald Y.
Heath, Timothy J.*
Hedelund, Richard D.
Hedgpeth, Lewis F., Jr.
Heely, Timothy L.
Heffley, John M.*
Heine, David G.
Heinzer, Michael E.
Heisler, David E.*
Heitfield, Richard V.
Helsell, Peter F.*
Hempel, James P.*
Henderson, William J.
Henderson, James W.
Herbein, David S.
Herbert, Maurice M.*
Herman, Robert S.
Hermann, Edward P.
Hernandez, Anthony *
Hess, Richard W.
Hessey, John H. V.*
Hetzel, Gary P.
Hewitt, Allan B.*
Hicks, Lawrence F., III
Hicks, William M.
Hill, Charles A.
Hill, George C.
Hill, John D.
Hill, Stephen A.
Hill, Thomas B.
Hilliard, Chris A.
Himel, Craig A.
Hinnefeld, Garrett J.*
Hire, Claude W.*
Hirsch, Thomas J.
Hite, Kent H.
Hixson, Ralph S.
Hodun, Anthony L.
Hoefer, Ronald K.
Hoffman, Gregory W.
Hoffman, Richard G., Jr.
Hofheimer, Norman A.
Hogan, Gary P.
Hoggatt, Frederick A.
Hoke, Richard T.
Holkum, John V.
Holmes, Douglass M.*
Holmgren, David W.
Holthus, Gregg B.
Hood, James B., Jr.
Hood, Robin L.
Hoover, Todd J.
Hoppock, Ronald E.
Horne, Martin W.
Horsman, John P., Jr.*
Horton, Stephen S.
Housley, Michael J.
Houtman, Bauke H.
Howard, Andrew C.
Howard, Andrew J.*
Howard, Keith C.*
Howard, William J.
Howe, Charles M., Jr.
Howe, William S., III
Howse, William S.
Hubbard, Stephen D.
Huchowski, John A.
Huebner, William E.
Huetter, Patrick B.
Hufty, Lawrence M.
Hughes, Stephen M.
Hugo, Robert J.
Hunnicuit, Thomas G.
Hunsucker, Charles R., Jr.
Hunt, Roy L.
Hunton, Lynn M.
Hurst, Richard E.
Huston, James W.
Hutcheson, Chester J., III*
Hutchins, Robert E.
Hutchison, Ernest L., III*
Hyde, Milo W., III
Hyer, Robert E., Jr.
Iles, Douglas M.
Ingold, Gary C.
Ingram, Richard C.
Ingram, Ronald W.
Isaacson, Leroy D.
Iverson, Robert G.
Jaap, Joseph B.*
Jablonski, Edward R.
Jackson, Andrew E.*
Jackson, James T., Jr.
Jackson, Lesley J., Jr.
Jackson, Michael W.*
Jagoe, Donald A.*
Jahnke, Larry D.*
James, Donald L.
James, Edwin M., III
Janning, Michael M.
Jaramillo, Bernardino J.
Jarecki, John F., Jr.
Jarrett, Dale L.
Jarvis, Jan Philip*
Jaskot, Richard D.
Jaynes, Donn E., Jr.*
Jefferson, James R.
Jelinek, Michael L.
Jenkins, Charles C.
Jenkins, James L.
Jenkins, Marion R.
Jenkins, Robert E.*
Jennett, Gaston P., III
Jeschke, Francis N.
Jesson, Andrew R.
Jewell, Edwin D.
Joerger, David H.
Johns, Eric R.
Johnson, Aaron B.
Johnson, Allen K.
Johnson, Darrell J.*
Johnson, Douglas A.*
Johnson, Edward G., Jr.
Johnson, John R.
Johnson, Johnny L.
Johnson, Kirk E.*
Johnson, Michael D.
Johnson, Ralph B.*
Johnson, Richard A.*
Johnson, Ronald P.
Johnson, Scott T.*
Johnson, Steven W.
Johnson, Steve A.
Johnson, Thomas E.
Johnson, Warren H.*
Johnson, Warren P.
Johnson, Wayne D.
Johnson, William S.
Johnson, William W.*
Johnsrud, Roger F.
Johnston, Sydney L.
Joller, Walter C., Jr.
Jonas, Jon B.
Jones, Buck P.
Jones, Daron B.
Jones, Edgar J.
Jones, Gary R.
Jones, James O.*
Jones, John C.
Jones, John L.
Jones, Patrick W.
Jones, Richard L.*
Jones, Richard L.
Jones, Robert G.
Jones, Ronald E.*
Jones, Steven A.*
Jones, Thomas D.*
Jones, William J.*
Jordan, Edgar A.
Jordan, Will H.
Joseph, Marc W.
Joyce, Maurice S.*
Judd, Curtis D.
Jump, Donald H.
June, Carl H.
Junk, Kevin R.
Jurewicz, Thomas A.
Kaeser, Dana S.*
Kagey, Leslie O., III
Kammier, Richard W.
Kane, Michael B.*
Kanewske, Robert H.
Kangalos, Angelo J.*
Karl, Michael L.
Karnesky, David A.
Karstens, Michael G.
Kasten, George D., III
Kaul, Charles E.
Kawamoto, Worth M.
Kearney, Francis J., Jr.
Kearney, James P.
Kearns, John R.*
Keckler, Michael A.
Kee, Scott C.
Keeler, Donald L., Jr.
Keeley, James J.*
Keene, Charles R.
Keene, Donald L.*
Keifrider, William F.
Keith, Julian F., III
Kell, George R.
Keller, Douglas J.
Kelley, Thomas C.
Kelly, Douglas B.
Kelly, Scott H.*
Kelly, William A., Jr.
Kemhus, Jeffrey W.
Kendall, Walter A.*
Kendrick, James A.
Kennard, Charles W., Jr.
Kennedy, Claybourne, A.
Kennedy, John H., Jr.
Kent, Steven
Kent, Tycho L.*
Kepferle, Michael R.
Kercz, Richard J.*
Kern, Ludwig A., III
Kern, Robert L.
Kersey, John K. J.
Kersch, Kurt W.*
Kessling, Phillip F., III
Ketchum, Timothy G.
Ketterer, Barry L
Keydash, John M., Jr.
Kiessling, Kristin P.
Killen, Jeffrey L.
Kilpatrick, William J., III
King, Richard N.
King, William H., IV
Kinney, Paul C.
Kirshhoff, Stephen A.
Kirk, Michael W.
Kirst, Alfred O.
Kirtley, John D., Jr.
Kisslinger, John L., Jr.
Kittler, John L.
Klaren, Charles W., Jr.
Klauss, Mark F.
Klee, Carl R.
Kleinholz, Adam F.
Klett, Mark N.
Kline, Kim F.
Klinehoffer, Larry B.
Kloth, Lawrence G.
Klugh, David C.
Knapp, David A.*
Knapper, Robert A.
Knieriem, Kenan J.
Knight, Darrell E.
Knight, James T.
Knight, John R.
Kochanik, Randall W.
Komzelman, Edward E.
Kondrack, Charles J.
Konrad, William H.,
Koppin, Larry E.
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Kosloske, Douglas L.
Koven, Steve
Kozik, Douglas W.
Krech, Kenneth G.
Kriel, Ronald J.
Kroshl, William M.
Kruer, Dennis A.
Kruger, Frederick L., II
Kruger, Wayne K.
Krull, James C.
Krull, Rodger P.
Kruschke, Dale E.*
Kucinski, John M.
Kuehl, Russell O.
Kuhse, Bruce E.
Kulick, Francis J. J.
Kunz, Gary M.
Kuppers, Robert H., Jr.
Kurdys, Martin P.
Kusuda, Robert A.*
Laabs, Steven R.
Labaw, Richard A., Jr.*
Lafrenz, Paul T.
Lahren, Dean B.
Lair, Thomas W.
Laird, William R., Jr.
Lake, James R.
Lam, Daniel T.
Lamb, Charles L.
Lamb, William G., Jr.
Lambarth, Stephen P.*
Lambert, Richard A.
Lamboni, Mark W.
Lambright, Joseph M.
Landis, Kerry D.*
Landmann, Michael A.
Lane, Benjamin C.
Lane, Rodney L.
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Lang, Robert H., Jr.
Langan, John R.
Langdell, John M.*
Langford, Leonardo D.*
Langley, Frank M.
Lanini, Earnest D.
Lanzer, Glenn A., Jr.
Larger, Christopher J.
Larned, Robert T.
Larsen, Dennis G.
Larson, Jerome G.
Larson, Keith R., Jr.
Larue, James W.*
Lathrop, Jonathan E.
Latshaw, Todd E.*
Laughinghouse, Vernon P.
Laughlin, John M.
Lavassaur, Gregory J.
Lavigne, Barry A.*
Law, Donald R.
Lawler, Glenn H.
Lawlor, John J.
Lawrence, Mark S.*
Lawson, Jeffrey P.
Layton, Robert F., Jr.
Leach, Brian S.
Leasure, Rodger M.
Leaverton, Thomas H.*
Lebeaux, Keith G.
Lecky, Richard L.
Ledyard, John C.
Lee, Jeffery S.
Lee, Richard H.
Leghart, Martin J., Sr.*
Leininger, Matthew J.
Lenci, Mark R.
Lennon, David D.
Lennon, Gary R.
Leonard, Ellis A.
Leopold, Gary R.
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Lester, Deloss M.
Lester, Timothy W.*
Letscher, James W., Jr.
Levedahl, William K.*
Levens, Robert F.*
Levin, William B., Jr.
Lewis, John R.*
Licata, Lee A.
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Lilek, Michael R.
Lillis, James J., III
Lilly, Norvell L.
Lind, James J.
Lindamood, Edgar V.*
Lindgren, Mark P.
Lindner, Hutson H.
Lindsay, Richard H.
Lindsey, Mark R.
Lingerfelt, Michael L.
Lipari, Michael S.
Lippert, Rollin G.
Lisak, Keith S.*
Lisota, Gary*
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Liss, Stanley M.*
Little, Thomas M.
Livingston, Craig B.
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Livingstone, David D.*
Llewellyn, Ronald A.
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Lockwood, Alan W.
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Lofaso, Joseph M.
Lohoski, Edward F., Jr.
Loll, Kim R.
Longshore, William L., III
Loranger, Steven R.
Lord, James M.
Lorhammer, Donn N.
Loucks, Michael J.
Louie, Chuck L.
Louzek, David M.
Lovell, Laverne R.
Lowell, Richard W.
Luce, Loran L.
Ludwig, James L.
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Luebke, William H.
Lueker, Randal E.
Luke, Richard T.
Lundell, Glenn W.*
Lunny, Mark C.
Lupinos, Gerald *
Lutes, Frank A.*
Luti, William J.
Lutz, Hirlye R., Jr.
Lutz, Philip E.
Lyman, Michael F.
Lyons, William M., Jr.
Lytle, Richard A.
Mac Donald, Gregory A.
Machala, Robert P.
Mac Intyre, John M.
Mac Leod, Scott C.
Mac Lin, James S.
Macris, John J.
Mader, John F.
Madigan, Thomas J.
Madre, Thomas E., II
Madsen, Gil J.
Madson, Richard O., Jr.
Magill, David S.
Magnant, Michael F.
Mahon, Charles R.
Maloney, John K.
Mandigo, Alan M.*
Manfredi, Michael J.
Mangan, Patrick C.
Manion, Mark M.*
Mann, Charles H., Jr.
Mann, Rick W.*
Manthei, Jerry L.
Marano, Frank B.
Marchi, Joseph A.
Mardik, Walter E.
Marks, Harry E.*
Markulis, George J.
Marlowe, Robert L.
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Marsh, Bert
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Marsh, Robert W.
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Martin, Clifton C., Jr.*
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Martin, Gregory
Martin, John C.
Martin, Lance S.
Martin, Philip L.
Martin, Raymond F., Jr.
Martin, Richard E.
Martin, Richard L., Jr.*
Martin, William E., II
Masley, Michael C., Jr.
Maslow, David L.
Masoero, Robert E.
Mason, Leo
Mason, Martin W.
Massicotte, Thomas E., Jr.
Matasic, Charles S.
Matheny, Leonard R.*
Mathews, Michael J.
Mathews, Richard T.*
Mathison, Robert C.*
Matson, Keith J.
Matthews, Darrell L.
Maughan, Richard V.
Mauney, Carl V.
Mauthe, John M.
Maxwell, Michael D.
May, Zachary P.
Mayer George E.
Mayhue, Frank M., II*
Maynard, John P.
Maynard, Michael J.
Mayo, David L.
Mayoral, Leopoldo M.*
McAlexander, Robert K.
McAllister, Archibald A.
McCabe, Walter S.
McCain, Charles M.

McCall, David M.
McCaman, Brock G.
McCamy, John D.
McCannel, Gregory J.*
McCarstle, Richard W.
McCauley, Jeffrey F.
McCauley, John J.
McClellan, Craig S.
McClellan, Gene E.
McClellnad, Roger C.*
McClure, Charles G., Jr.
McClure, John R.
McCole, William E., III
McCollum, Edward M.
McConville, Brian S.
McCorkle, Jack W., Jr.
McCormick, Landy L.
McCracken, Larry M.
McCrillis, Richard T.
McCullough, Bernard J., III
McDermaid, Joseph D.
McDermott, Michael J.
McDonagh, Daniel
McDonough, William J., Jr.
McDonough, Martin B.
McEwan, Llewellyn P.*
McFee, John K.
McGee, David L.
McGhee, Daniel K.
McGinnis, Daniel C.
McGlashan, Douglas R.
McGloon, James W., Jr.
McGowen, Thomas L.
McHale, Phillip M.
McHugh, Robert J.*
McInnis, Marcus A.
McInvale, Thomas R.
McIsaac, William A.
McKannon, Thomas M.
McKee, William L.
McKernan, Patrick P.
McKnight, John H. III*
McLaughlin, Don O.
McLeish, Michael J.
McLeod, Ronald C.
McMahan, Gerald T.
McManus, Robert T.
McManus, Roger T.
McMicken, Steven M.
McMurdy, Ronald E.
McNair, Tommy H.
McNally, Mark T.
McNally, Michael T.
McNamara, Brian S.
McNamara, Christopher P.
McNeil, Dane W.
McNeil, James J.
McNeill, Alexander. III
McSwain, Donald W.
McTighe, John A., III
Mead, Thomas
Meaker, Michael J.
Mears, David W.
Meissner, Robert M.
Melnychenko, George. A
Menocal, Antonio G.
Menocal, Serafin G.*
Mentas, Michael W.
Menz, Robert C.
Mergele, Edwin W., III
Merrill, Roy A., III*
Merritt, Cyrus M.
Merwin, John D., II
Messick, Charles M.
Metz, Thomas L.
Meyer, Kenneth W.
Meyer, Peter C.
Meyers, Michael J.*
Meyers, Michael J.*
Michalke, Douglas W.
Milan, Frederick T.
Miller, Albert A.
Miller, Bruce E.
Miller, Cecil D., Jr.
Miller, Charles R.
Miller, David B.
Miller, Donald R., Jr.*
Miller Edward M.
Miller, Frank B.
Miller, Harold A.
Miller, James R.*
Miller, James R.
Miller, Kerwin E.
Miller, Paul E.
Miller, Richard E.
Miller, Robert K.
Miller, Robert L.
Miller, William E.
Milliken, Mark R.
Mills, Gary B.
Mills, James G.*
Mills, Lester D., Jr.
Mills, Lowell C.
Mills, Mark A.
Minges, William T., III
Mingle Leo L.*
Minnifield, Warren A.*
Misch, Gary L.
Mitchell, Michael P.*
Mitchell, Thomas P.*
Mixon, James F.
Moffatt, Michael M.
Mogish, Nicholas M.
Monger, Albert J., Jr.
Monk, Robert L.
Moody, John F.
Moody, Keith W.
Moody, Martin L.
Moore, Milton E., Jr.
Moore, Paul A., Jr.
Moore, William E.
Moore, William F.
Moorehead Donald F., Jr.
Moorman, Timmons P.
Moormann, Eric R.*
Moran, Douglas B.
Moran, John F.
Moran, Thomas J., Jr.
Morck, Richard H.
Morgan, James M.
Morgan, Ralph A.
Morgan, Richard W.
Morgan, Robert G.
Morgenstern, Roger W
Moriki, Richard G.
Morison, Mark A.
Moritz, David J.
Morris, Barry S.
Morris, Bruce H.
Morris, Leland
Morrison John W.
Morrison, Ronald G.
Morrow, Charles J.
Morse, David M.
Morse, Ronal B.*
Morton, George H.
Morton, George W.
Mortonson, Christopher A.
Moschella, Christopher
Moseley, Ben P. P., III
Mosher, Robert D.*
Mosley, Harold Jr.*
Moss, William L., Jr.
Mott, Charles P.
Mott, Rex M.
Moyseowicz, Thaddeus J.
Mozick, Donald R.
Mueller, Leonard, IV*
Mueller, Robert D.*
Mueller, Ronald
Mulholland, David J.
Mullan, John G.
Mullen, Alan L.
Mullins, Bruce D.*
Mundy, James F.
Murphy, Brian R. A.
Murphy, Daniel R.
Murphy, Raymond E.
Murphy, Vincent L., Jr.*
Murray, Raymond J., Jr.
Muschara, Tony M.
Myatt, Gregory A.
Myers, Eric M.
Myers, Timothy R.
Nagle, Raymond M.*
Nakazawa, Shin
Naple, Timothy M.
Napoli, Lane E.
Narcum, John A.
Nash, Allan H.
Nash, Ray C.
Nash, Robert J.
Natale, Joseph J.
Naumann, James W.*
Nawrocki, John T.
Naylor, James G.
Neal, Harold L., III
Neal, Laurence W.
Neal, Richard S.
Neal, Thomas S.*
Nehring, Daniel F.
Neill, William R.
Nelms, Dovard W.
Nelson, Daniel A.
Nelson, Gregory F.
Nemechek, Michael M.
Netusil, Paul E.
Neumann, Donald E., Jr.
Newberry, Stephen G.
Newell, William M.
Newman, James S.
Newman, Lawrence G.
Newton, James A.
Nicholson, Scott L.
Nicol, Ronald L.
Nicol, William J.
Niedermaier, David G.
Nielsen, Christian R.
Nietmann, Kevin J.
Nishimura, Rodney
Noe, Curtis H.
Nollie, Thomas C., Jr.
Norcross, John P.
Norcross, Paul D.
Nordstrom, Daniel L.
Norland, Eric R.
Norris, John C.
Norte, Joseph L.
Northam, Donald R., Jr.
Northup, Donn R.
Norton, Carlton P.
Norton, William L., III
Nothom, Charles T.*
Nowakowski, Michael P.*
Nuss, Jimmie L.
Oberst, Alan P.
O'Brien, James D.
O'Brien, John F., Jr.
O'Brien, Stephen A.
Obryant, Milton H., Jr.
Ochenkoski, James
O'Connell, Robert K.
O'Connor, Thomas J. Jr.
Ogden, James S., Jr.
O'Hare, Hugh A.
Oker, William R.*
Okrepkie, William S.
Olcovich, George E.
Oldemeyer, Keith W.
O'Leary, James J., Jr.
Olender, Kurt M.
Olexik, Carl S., Jr.
Oliver, Randall G.
Oliveria, David K.
Olson, Carl D.*
Olson, Warren H.
O'Neal, Michael A.
O'Neill, Gary S.
Onken, Charles R.
Orlandi, Daniel J.
Orlandi, Ronald J.
O'Rourke, James J.
O'Rourke, John T.*
Orski, Gary A.
Orski, Mark A.
O'Shaughnessy, John L.*
Oskielunas, Lawrence A.
Oster, Lynn F.
Overturf, Richard W.
Owen, Charles W.
Owen, Kaye K.
Owen, Richard P.
Owen, William G.
Owens, Christopher D.
Owens, John R.
Owens, Raymond P.
Packer, Vernon E.
Page, Marshall T.
Page, Mitchell B.
Paha, Edmund J.*
Painter, Donald J.
Pannell, Thomas B.*
Pappas, Drew A.
Pappenfus, Patrick A.*
Parico, Robert F.
Park, Alan M.
Park, John S., Jr.
Park, Stephen J.
Park, Steven A.
Parker, Daniel A.
Parker, Edward C.
Parker, Frederick H.
Parker, John S.
Parks, Robin L.
Partain, Joe B.*
Pascarell, Carl S.
Patchin, Alan E.
Patrick, Larry A.
Patterson, Louis W.
Patterson, Malcolm D.
Patterson, Robert F.*
Pattoon, Daniel C.
Paulewicz, Frank W., Jr.*
Paulikonis, John F.
Paulis, Joseph J., III
Pay, Alec A.
Payne, David C.
Payne, Leonard K., III
Pearl, David R.
Pearson, Richard A.
Pearson, Steven C.
Pedersen, Earl J.
Peifer, Mark A.
Peitzmeyer, Kenneth D.
Pekarek, Edward W.
Percich, Mark E.
Perez, Oscar
Perkins, Lenard
Perkins, Richard C.
Perks, Thomas W.
Perriman, Ronald O.*
Perry, John A.
Person, John L.
Pesses, Thomas M.
Peters, Lyman, Jr.
Petersen, Paul D.
Peterson, Douglas, J.*
Peterson, Gary A.
Peterson, Robert C.
Peterson, Robert R.
Peterson, Scott C.
Peterson, Wayne
Petito, Michael D.
Petska, Lylo R.
Pealtzgraff, James R.
Pfeifer, John T.
Phillip, Douglas T.
Phillips, Duane J.
Phillips, Daniel E.
Phillips, Edward A.
Phillips, Earl W., Jr.
Phillips, Stephen W.*
Phillipson, Richard W., Jr.
Pierce, Burt W.*
Pierce, Stephen E.
Pierson, William E.
Pinney, Thomas E.
Pistol, Jordan D.
Pittman, Ray C., Jr.
Pitzer, Paul D.
Place, William D.
Planck, Charles W.
Plouse, Henry S.*
Poage, David R.
Polizzi, Vincent J.
Polley, David P.
Pollock, Louis W.
Pope, Larry G.
Porras, Oscar J.
Porter, Donald L.
Porter, Julius K.
Potter, Don H., Jr.
Poulos, Terrence P.*
Powell, Leland C.
Powell, Thomas B.
Powell, Thomas D.
Powers, Denis F.
Powers, Gary D.
Powers, Trent R., Jr.
Prahl, Harry W., III
Pratt, David L.*
Prescott, Ernest A., Jr.
Pribesh, John W.
Prikazsky, Cyril H.
Pritchard, Nolie D., Jr.*
Pro, Carl W.
Proctor, Walter N.
Provenzano, Joseph G.*
Pruett, David D.
Pruitt, James D.
Pruitt, Ted E.
Pruszenski, Keat D.
Pryjmak, Peter G.*
Pryor, Monte E.
Pudsey, William E.
Puksta, Charles P., Jr.
Purcell, Marc L.
Querry, Calvin H.
Quigley, Allen L., III
Quigley, Craig R.
Quigley, Michael E.
Quinn, Christopher D.
Quinn, Timothy P.
Quirk, Edward J.
Rabideau, Michael B.
Raley, James R.
Ramey, Robert F.
Randall, Charles R.
Randich, Kevin T.
Ranelli, Peter H.
Rankin, Craig A.
Rantanen, Robert W.*
Rapin, Jerome P.
Rarig, Scott L.
Rasmussen, Lloyd J.
Ratcliffe, Robert E.
Ratte, Richard A.
Ray, David C.
Ray, Philip D.
Rayback, Terrence L.
Razalan, Patrick G.
Rea, James R.
Rea, Jerry F.
Reardon, Paul J.
Redmon, Danny R.*
Reed, Gary E.
Reed, Robert E.
Reel, George W.
Reglin, Gary L.
Regn, Mark W.
Reid, William R.
Reilley, Miles L.
Reilly, Robert D., Jr.
Reilly, Thomas J.
Repka, Rodney P.
Reskusich, John
Reust, Gerald M.
Reynolds, Charles P.
Reynolds, Rondel G.*
Reynolds, William W.
Rhinesmith, Gary R.*
Rice, Edwin D., III
Richards, Robert E.
Richards, Stuart A.
Richason, Steve K.
Riche, Robert S.
Richey, Truman A., Jr.
Rickert, Dale R.
Ricketts, Steven D.*
Rickner, Darryl A.
Riconscente, Paul P.
Rider, Daniel E.
Rider, James W.*
Ridgeway, George A.
Ridley, John D.
Rieger, Richard A.
Riel, Robert G.
Ries, Daniel E.
Rikard, Ralph M., Jr.
Riley, David L.
Rives, James D., III
Rix, William H.*
Robbins, Alan M.*
Roberts, Alvin N., Jr.
Roberts, David N.
Roberts, Donald R.
Roberts, Roger W.
Robertson, O. Zeller, III
Robinson, Christopher B.
Robinson, Gerald L.
Robinson, Henry E., Jr.
Robinson, William R.*
Robison, Michael W.
Robison, Russell H.
Roche, Harold E., Jr.
Rodgers, Stephen J.
Roesler, Gordon M., Jr.
Rogers, David W.
Rogers, Edward J., III*
Rogness, Steven L.
Rohda, Charles M., III
Rohling, Henry J.
Roles, James R.
Rolfe, Richard B.
Rolle, Andreas D.
Rollins, Richard L.
Rollow, Thomas A., Jr.
Romano, Steven
Ronacher, Andrew J., Jr.
Rose, Jimmy V., Jr.
Rosemond, Julian B., Jr.
Ross, John L., Jr.
Ross, Steven S.
Rossi, Thomas J.*
Rosynek, Dennis J.*
Roth, Glynn E.
Rothchild, Randall L.
Roumaya, Louis T.
Rouse, Alfred C.
Rousseaugeraldos, Marcel C.
Rowan, James S.
Rowell, William H.
Rudin, William E.
Ruggiero, Robert W.
Rundgren, Conrad L.
Ruoti, Anthony J., Jr.
Ruscitto, David G.
Rush, Richard C.
Russell, Darrell A.
Russell, James R., Jr.
Russell, Joseph M.
Russell, Robert D.
Ryan, David M.
Ryan, Lester E.
Ryan, Paul J.
Ryan, Robert C., Jr.
Sabel, Joseph M.
Sabin, Burritt H.
Sabol, Alexander J.
Sagen, Michael E.
Saig, Stewart F.
Sales, Christopher A.*
Salley, Robert J.
Salter, Larry G.*
Sammons, Donald S., Jr.

Sampson, John R.
Santangelo, Peter C.
Santowski, Richard D.
Satorius, Mark A.
Satterfield, George C.
Saunders, Charles C.*
Savonarola, Dennis P.
Sawyer, Thomas E.
Sayers, Clay S., II
Saylor, Bev L.
Sayre, Roscoe R.
Scalia, August
Scarbrough, Travis E.
Schacherer, Timothy G.
Schachtman, Jack G.
Schaefer, Michael R.
Schapper, Gary E.
Schemel, Craig A.
Schenk, Richard S.
Schenzel, William P.
Scherer, Robert J., Jr.
Schires, Brian G.
Schlaefer, Douglas C.
Schmidt, Dennis A.
Schoenbauer, Martin J.
Schoeneman, David D.
Scholes, Michael L.*
Schoultz, Robert P.*
Schratz, Paul R., Jr.
Schreiber, Robert C.
Schrinar, Samuel R.*
Schropp, John T.
Schueneman, Fredrick W.*
Schuler, Richard J.
Schultz, Dale E.
Schultz, John J., Jr.
Schutzenhofer, Robert R.
Schwarting, Richard A.
Schweiger, Jeffrey M.
Scott, Bill R.*
Scott, Charles T.
Scott, Dale R.
Scott, Daniel D.
Scott, David A.*
Seaward, Randall A.
Sechrist, John D.
Sell, Robert D.
Sellers, Charles E.
Selsor, Harry D.
Severs, Gary L.*
Seymour, Lane L.*
Shafer, Michael K.
Shannon, William E., III
Sharp, Michael A.*
Sharpe, Daniel A.*
Sharrett, Patrick J.
Shaw, Brian D.
Shaw, Richard S.
Shegrud, Steven K.
Shelley, Kenneth L.
Shelor, James L.
Shelton, James M.
Shepard, John A.
Sheridan, Glenn W.
Sherrill, John B.
Shick, Harold D.
Shippee, Randall C.
Short, Keith E.
Shriver, Timothy D.
Shroyer, Timothy M.
Shughart, Robert C.*
Shutters, William D., II
Siedband, Marc A.
Siedsma, Paul R.
Sill, John A.
Silvast, Stevan D.
Simmonds, Jonathan R.
Simmons, George W.
Simmons, Larry R.
Simonson, Steven C.
Singer, Donald R.*
Singer, Larry
Single, John M.*
Sipe, Alan M.*
Siragusa, George A.
Sisk, Charles E., Jr.
Sisterhen, Gerge W.
Sizemore, Jack*
Skinner, Thomas B., Jr.
Skotty, Donald R.
Skrincosky, Dennis A.
Skura, Gary M.
Skurla, Dale G.*
Slack, Randall J.
Slaughter, Charles J.
Slight, Stephen I.
Sloan, Patrick F.
Sloss, Daniel D.
Smart, James S.
Smart, Scott W.
Smart, William A.
Smedberg, Richard A.*
Smith, Alfred E., Jr.
Smith, Billie L.*
Smith, Byron V., III*
Smith, Daniel B.
Smith, David H.
Smith, David A.
Smith, George W.
Smith, Norman K., II*
Smith, Peter G.
Smith, Raymond L.
Smith, Richard L.
Smith, Richard E.
Smith, Robert F.
Smith, Robert D., II
Smith, Steven S.
Smock, Jackson D.
Smolski, Stefan L.
Smouse, William M.
Snead, Hugh D.
Sneed, Brandon M.*
Snyder, Richard L.
Sokolowski, John A.*
Solem, Craig R.
Somogyi, Michael R., III
Soto, Ralph M.
Souder, Charles C.
Souders, Alan R.
Spagna, William S., Jr.
Spear, Gary L.
Speer, William W.
Spencer, Douglas G.
Sperlich, James L.
Spilman, Theodore L., III
Spinnato, Joseph C., III
Spoto, Russell A.
Sprague, Thomas L.
Spunar, Vincent P.
Spurr, Joseph J.
Squicciarini, Peter D.
Squires, William D., Jr.
Staeb, Roland W., II
Stafford, David S.
Stagl, Frank P., Jr.
Stair, Gerald K., Jr.
Stanko, Frank J.
Stanley, Paul S.
Stanley, Rolland V.
Stanley, William B.*
Stanton, Paul E.*
Steel, George D.
Steele, Robert D., Jr.
Steen, Allen R.*
Stefanik, Edmund J.
Steger, James M.
Steiner, Michael B.
Stelten, James Robert
Stemp, Roger
Stengle, Barry J.
Stephenson, George M.
Stephenson, Luther G., Jr.
Stephenson, Michael P.
Stephenson, Richard D.*
Stetson, William S., Jr.
Stevens, Martin M.
Stevens, Richard A.
Stevens, Richard E., Jr.
Stevens, Thomas J.
Stevenson, Billy W.
Stewart, John M., Jr.
Stewart, John W., III
Stewart, Robert B.
Stewman, John H.
Stich, Andrew T.
Stichter, Michael C.
Stiles, Kenneth R.
Still, Roger C.
Stine, Danny A.
Stinson, Ralf H., II
St. John, Charles W.
Stokoe, Grant S.
Stone, Dennis D.
Stott, Kermit P.
Stout, Chester H.*
Strandquist, John H., III
Streeter, Paul J.*
Stribling, Charles S., Jr.
Stringer, Gary L.
Strott, John B.
Strul, Gary R.
Stuart, Wayne S.*
Stufflebeem, John D.
Stumpf, Michael E.
Sturgis, Gregory T.
Sturm, John R.
Sudweeks, Verl B.
Suhr, Thomas W.
Sullivan, Daniel D.
Sullivan, Dennis M.
Sullivan, Mark P.*
Sullivan, Martin D.
Sullivan, Mark D.
Sullivan, William R., Jr.
Sunderland, Paul R.
Sussdorff, Thomas E.
Suttinger, Michael E.
Sutton, Donald R.
Swartz, Melvin C., Jr.
Sweeney, Francis M.
Sweeney, Joseph W., III
Sweeney, Kelvin J.
Sweeney, Randal C.
Sweeney, Robert L., III
Sweeney, Robert B.*
Sweet, Robert B., Jr.
Swepston, Carl E.
Swift, Thomas O.
Swiontek, Richard L., Jr.
Sycuro, Frederick A.
Szepe, Victor H.
Szymanski, John R.
Tabb, Henry J.
Taggart, David B.*
Tague, Charles L.
Takahata, Richard H.
Talcott, Michael A.
Tarbet, Gary L.
Tarkington, Larry G.
Taskoski, Joseph L.
Taylor, Allen D.
Taylor, Arthur L.
Taylor, Ross M.
Tenga, Richard
Tenuto, James E.
Terrell, James M.
Tesch, Thomas G.*
Tharp, Mark E.
Theobald, Robert L.
Thomas, David L.
Thomas, Eugene L.
Thomas, Glenn A.
Thomas, John A.
Thomas, Richard J.
Thomas, Richard C.
Thomas, Richard L.
Thomas, Robert B.
Thompson, David C.
Thompson, David D.
Thompson, Daniel P.
Thompson, Richard H.
Thoms, James M.
Thorn, David J.*
Thornburg, Donald W.
Thorne, Stephen D.
Thorne, William R.
Thrift, Henry S., Jr.
Tierney, Michael J.
Tillotson, Robert N.*
Timm, Rodney D.
Tindall, John M.*
Tippett, Leo P.
Todd, Gregory B.
Todd, James A.*
Toll, Harry V.
Tollefsrud, Neil E.
Tomaszewski, Daniel J.
Tomkins, Philip A.
Tooley, Norman E., Jr.
Torgersen, Richard C.
Torsney, George P.
Town, John W., Jr.
Towne, James B.*
Towner, Richard L.
Tozer, Michael M.
Tracy, Michael C.
Tracy, Robert E., Jr.*
Trimmer, Thomas A.
Tritchler, Wayne K.
Troske, Paul S.
Troy, Philip E.
Tucker, Jack W.
Tufte, Duane M.
Tull, John T., Jr.
Tully, Brian E.
Tunstall, Thomas N.
Tuohy, Matthew W.
Turnbull, Thomas
Turner, Arden C.
Turner, Dick W.*
Tusing, George M., III
Tye, Charles R.
Tyson, David S.
Udicious, Richard A.
Udick, Steven J.
Uhal, Howard T.*
Uhl, Thomas W.
Ulmer, Edward W.
Undersander, Robert L.
Urban, Clement D.
Urban, Russell T.
Ursery, Ronald M.
Vagts, Wayne F.
Valvo, Gary M.
Vanbladeren, Ronald W.
Vandermeer, Raymond R.
Vandoren, Wayne R.
Vanduyne, George S., Jr.*
Vandyke, Mark A.
Vanhook, Keith C.
Vann, Jarvis W.
Vannatter, Richard P.*
Vanosdol, Donald W.
Vardell, Donald K.
Vasquez, Alberto E., Jr.
Vasquez, Harry W.
Vaughn, Thomas N.*
Vehslage, Louis M.
Velasquez, David M.
Veley, Richard K.
Vendeland, Ralph P.
Vereb, Guy L.
Verhofstadt, Francis A.
Verschure, Robert M.*
Verseckes, Michael S.
Viar, Lawrence F.
Vick, Roger L.
Vickers, Charles T.
Vilotti, Daniel T.
Vineyard, Michael H.
Violette, Thomas F.
Viscovich, Paul W., Jr.
Volk, Ralph L., III
Vollmer, Leo W., Jr.*
Vonchristierson, Steven
Vonk, Martin J.*
Waechter, Thomas M.
Walden, Kim C.
Walker, Farley L.
Walker, John M.
Walker, Kenneth D.
Walker, Lambert R., III
Walker, Samuel D.
Wall, John G.
Wallace, David B.
Wallace, Justin L.*
Wallace, Kevin E.
Wallace, Lawrence K.
Wallace, Philip B.*
Walls, Keith A.
Walpole, Archie F., Jr.
Walsh, Stephen W.
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Walter, Ainslie B.*
Walters, Clyde T.
Walthers, Phillip A.*
Ward, David T.
Ward, Larry W.
Ware, William G.
Warmbrunn, Robert J.
Warner, John R.
Warren, Darrell W.
Warren, Gordon H.*
Warren, Jay K.
Warren, Timothy R.
Warrenfeltz, Larry L.
Washington, Michael B.
Washington, Leroy L., Jr.
Wassel, Raymond P., Jr.
Wasson, Warren J.
Waterfield, Michael G.
Waters, Neil R., Jr.*
Watkins, Gary N.
Watkins, Thomas V., III
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Watson, Michael G.
Wawrzyniak, James S.
Weaver, Brian R.
Webb, Lawrence L.
Weber, Bruce A.
Weber, Frederick W.
Weber, Paul D.
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Webster, William E., Jr.
Weckbaugh, Larry L.
Weckerle, Richard S.
Wedoff, Steven D.*
Wegner, Brian J.
Wehle, John K.*
Weidetz, Alvin L., Jr.
Weidman, Robert P.*
Weimer, John C.*
Weinhardt, Stephen A.
Weinstein, Frank D.
Welch, Lawrence N.
Wellok, Stephen M.
Wells, Roderick A.
Wells, William A.*
Welsh, Kenneth H.
Wentzel, Philip E., Jr.
Wernli, Daniel E.
Weronko, William A.
Wessel, Kirk D.
West, David D., Jr.
West, Jeffrey A.
West, Robert T.*
West, Spencer T., Jr.
Weyand, William G., II
Whalen, Harold G.
Wham, Norman B.
Whatley, Joseph W.
Whealton, Richard W.
Wheeler, Daniel A.
Wheeler, Dennis R.
Wheeler, Steven R.
Whipple, David E.
White, Allen E.
White, Gregory J.
White, James F., III
White, Jerry S.
White, Norman L.
White, Scott R.
White, Stephen F.
White, Stephen R.
White, Stuart T.
Whiteside, Richard E., Jr.
Whitmer, Lynden D.
Whitted, George W.
Whyms, Michael L.*
Wick, Daniel B.
Wickersham, Francis M.
Wicks, James H., Jr.*
Widman, Stephen C.
Widmann, Jeffrey B.
Wiebe, John M.
Wiener, Gregory P.
Wierenga, Michael A.
Wiggers, Raymond P., Jr.*
Wildemann, Leonard W., III
Wildey, Gary R.
Wildfong, Daniel J
Wilholt, George Z.
Wilken, Dennis R.*
Wilkerson, Gordon M.
Wilkerson, Lonnie O. III
Willett, Kenneth L.
Williams, Craig L.
Williams, Charles M.
Williams, Dale J.
Williams, Daniel R.
Williams, Danny B.
Williams, Darrell W.
Williams, James H.
Williams, Nathaniel Jr.
Williams, Raymond B.
Williams, Richard B.
Williams, Robert G.
Williams, Robert P.
Williams, Russel T.
Williams, Thomas D., IV
Williams, William H., Jr.
Williams, Thomas J.
Willis, Carl J.
Willis, Joseph W., Jr.
Willis, Montgomery P.

Willson, John L.
Wilson, Harold K.
Wilson, Joseph D.*
Wilson, Peter C.
Wilson, Steele D.
Windsor, George B.
Winslow, Robert S.
Winston, Jeffrey N.
Wischerath, Lambert J.
Wiseman, Fred E., Jr.
Withrow, John F.*
Wittenberg, Charles F.*
Wolfe, Christian E.
Wolfe, Rex R.
Wolff, William S.
Wood, Michael P.
Woodall, James W.
Woodard, Trygve M.
Woodcock, David A.
Woods, James A., Jr.
Woods, John E., Jr.
Woods, Ronald W.
Woods, Wayne A.
Woolley, James R.
Wooster, Michael H.
Wooten, Hubbard S., III
Work, Edward P.
Worst, Terry J.*
Wren, William C.
Wright, Riley L.
Wrightson, David J.
Wrobleski, John J., Jr.
Wrona, Kenneth W.*
Wunderlich, Erwin J.
Wurzel, Donald J.
Wurzel, James D.
Wyatt, Charles A.*
Wydra, Mark J.
Wykowski, Henry S., Jr.
Yasger, Richard K.
Yasment, Frank P.
Yates, John M., Jr.
Yates, William R.
Yeager, Francis J., Jr.
Yeatman, Richard W.
Yeung, Bradley W.
Yost, Charles P.
Yost, Jerald E.
Young, David R.
Young, Gregory D.
Young, John H.
Young, Leroy
Young, Robert V.
Yumen, David Y.
Yungk, George L.
Zakrajsek, Michael J.
Zambrano, Steven P.*
Zapolski, Edward S.
Zazworsky, Daniel S.
Zebrowski, Jeffery L.
Zeiders, Michael D.
Zeller, Randel L.
Ziebelman, Michael S.
Zimmerman, James H.
Zoepfl, Frederick J.
Zurbrick, William W.

The following-named women lieutenants (junior grade) of the U.S. Navy for permanent promotion to the grade of lieutenant in the line, pursuant to title 10, United States Code, Sections 5771 and 5791, subject to qualification therefor as provided by law:

Adams, Louisa D.
Adams, Susan M. B.*
Allen, Lois E.*
Ament, Marion D.*
Aubel, Pamela J.*
Baivier, Anita G.*
Barrie, Virginia D.*
Bary, Charlene G.*
Beatty, Florence E.*
Black, Margaret A.*
Blaha, Milady A.
Bolter, Dee A. R.
Bond, Margaret H.*
Bracken, Dody
Brehm, Barbara L.
Brennan, Ainslie S.
Brown, Elena W.
Brown, Lane
Bruner, Bettyjo D.
Burgess, Leslie A.*
Burgess, Stella B.
Bushong, Anne L.*
Chaloupka, Joy L.*
Cottey, Susan A.
Coullard, Mary V.*
Coulter, Stephanie L.*
Crawford, Billie E.*
Crisp, Donna L.*
Crognale, Katherine E.
Defrank, Deborah E.*
Diekman, Diane J.
Dixon, Deirdre E.
Downing, Julie A.*
Eason, Virginia L.*
Egbert, Jean L.*
Eliason, Susan A.*
Elston, Sheryll L.*
Ferris, Joyce M.*
Fleming, Martha M.*
Foureman, Ariadna R.*
Fulham, Marcia L.
Gabus, Cynthia L.
Galinger, Kathy A.
Gandl, Cheryl R.
Gilchrist, Lorri P.*
Gleason, Mary F.*
Gomez, Norma E.*
Graham, Sheila A.*
Grill, Cecelia A.
Hagin, Patricia A.*
Hansen, Cindy A.*
Hayes, Onedia J.*
Hill, Cheryl A.
Hirabayashi, Donna M.*
Honda, Frances T.
Horley, Susan L.*
Houck, Rebecca E.
Huebscher, Mary
Humeweinkam, Christina*
Illig, Christina F.
Iverson, Mildred N.
Jagger, Sandra J.
Jamieson, Margaret D.*
Jennings, Kathleen R.
Johnson, Roxanne T.*
Johnstone, Claudette G.
Jorgensen, Janis M.
Jori, Carol D.
Kelso, Nancy E.
Kozakiewicz, Kathryn G.*
Kreitman, Gayle
Kruse, Marcia A.*
Kuhn, Pamala A.
Langford, Mary E.*
Larson, Kathleen E.*
Leder, Kris A.
Leighty, Melinda J.*
Lenhardt, Julie A.
Levin, Canice K.*
Long, Linda D.
Lynch, Anne*
Mac Donald, Marcia M.
Mangham, Cheri J.
Maybaum, Susan C.*
McCauley, Karen L.*
McCoy, Sheila K.
McKenzie, Colleen J.*
Miller, Cathleen A.
Miller, Janet B.
Morgan, Jean P.
Muller, Pamela C.
Myers, Linda M.*
Nash, Betty Jo
Nadeau, Lynda I.*
Nelson, Betty A.
Nelson, Cynthia A.
Neshiem, Paulette R.
Nichols, Dorothy K.
Noonan, Ruth S.*
Oakleaf, Ann C.*
Oday, Dale K.*
Orr, Bonnie A.
Parker, Desley S.
Pearson, Vicki S.
Perry, Mary F.*
Peyronel, Sharon A.*
Plato, Gayle J.*
Price, Rebecca J.
Purdy, Mary C. H.*
Reily, Patricia J.
Rider, Maradee*
Rios, Patricia B.
Rocheleau, Karen D.*
Rogerslayton, Valerie
Rosenberg, Joan R.*
Rosenthal, Ellen S.
Rubinkowski, Adrienne L.
Scarbro, Pamela J.
Schiele, Elaine O.
Scott, Gloria J.*
Sharp, Jane K.
Shea, Betty J.
Sherfy, Patricia A.*
Smith, Pamela A.*
Starzy, Virginia L.*
Stephenson, Donja K.*
Swales, Gail A.
Thompson, Anne K.
Tompkins, Jennifer L.
Tournier, Johanne L.*
Trimble, Rosalind
Ulrich, Margaret A. K.
Vaughn, Holly A.
Vaught, Linda E.*
Vermilyea, Sharon L.
Waters, Jaime
Weinert, Mollie M.
West, Carol
Whitehead, Cornelia D. G.*
Whitehouse, Colette I.*
Wyler, Nancy K.*
Yantis, Kathleen M.*
Youree, Linda M.
Zebrowski, Christine A.*

*Ad Interim.

Recess 16 October 1978 thru 15 January 1979.

IN THE NAVY

The following-named midshipmen (Naval Academy) to be a permanent ensign in the line of the Navy, subject to the qualifications therefor as provided by law:

*Barry R. Smith

The following-named (Naval Reserve Officers Training Corps candidates) to be appointed ensigns in the line or staff corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Larry D. Aasheim
Jamie M. Acker
James M. Adams
William W. Adams
Robert A. Adamski
Danny R. Adamson
Jeffrey J. Ahern
Ronald F. Aiello
Timothy A. Aines
Eugene K. Aiu
Tony L. Albano
Lance R. Alderman
Kelly R. Alexander
Thomas P. Allan
Charles R. Allen, Jr.
David G. Allen
Thomas G. Allen
Anthony R. Allmon
Anthony I. Ames
Kenneth J. Amos
Gilbert C. Andersen
Timothy M. Andersen
Frederick C. Anderson
Peter C. Anderson
Ronald E. Anderson
William L. Andring
Edward L. Arcand
David G. Archambault
Lawrence E. Archer
Timothy A. Armstrong
Norman C. Arnberg
Peter A. Arndt
James R. Arnett II
Jeffrey M. Ashby
Joseph P. Aucoin
Rickey L. Auman
William C. Austin
Landrya N. Babin
David A. Baciocco
Jeffrey L. Bacon
David T. Bailey
Albert P. Baione
George K. Baird
*Adrienne M. Baker
Jeffrey T. Baker
Kirk D. Baldwin
Stanford K. Baldwin
William R. Ball, Jr.
Robert J. Ballard
Douglas R. Ballou
Thomas P. Baltazar
Stephen R. Banham
David Baranek
Diane J. Barber
Robert C. Barber
James E. Barger
Donald W. Barnard, Jr.
Douglas M. Barnard
Stuart M. Barnes
Charles L. Barnett, Jr.
David E. Barnett III
Thomas W. Bartro
Craig A. Bateman
James W. Bauer
Jeff N. Baughman
Mark E. Bauman
*Charles R. Baumgardner
Michael S. Baxley
Kevin H. Baxter
Howard H. Bayless
Robert L. Beattie
James M. Beck
David R. Becker
Joseph D. Becker
Jeffrey S. Beeby
Larry R. Behm
Anthony T. Bell
Kenneth L. Bell
Raymond E. Bellant, Jr.
Brian E. Bennett
Robert M. Bennett
John D. Berard
Lorne E. Bergeron III
Clyde W. Best
David C. Best
Kenneth R. Beyer
Debra M. Biely
Bruce C. Binney
James J. Bird
John L. Biskaduros
Steven T. Bissell
William H. Blackburn
William S. Blair, III
Keith W. Blohm
Jeffrey A. Bloom
Malcom J. Blundell
Ronald E. Boerger
Robert L. Boggs, Jr.
Charles M. Boh
Robert T. Bohannon, Jr.
Dave C. Bohanon
Robert I. Boland, III
Michael J. Bond
Peter B. Bonem
James A. Boney, III
Joseph Bonsignore, Jr.
Barbara G. Booth
Gregory A. Booth
Francis C. Borik
Edward G. Born, Jr.
Robert J. Borowski
Paul Bosco
Thomas E. Bougan
Stephen W. Bourgeois
Charles P. Bourne
Dennis L. Bowles
Gary C. Bowser
Matthew J. Bracken
Kent W. Bradford
Steven C. Bradford
Jeffrey D. Bradley
Harvey J. Brau, II
Ricky A. Braun
Richard E. Braunig
Benjamin F. Breaux
Scott M. Breeding
Michael C. Brennan
William J. Brennan
Edward Breslauer
Lynette M. Brickey
Carol E. Briggs
Paul A. Briggs
Raymond T. Bright
Michael L. Brissette
James D. Brooks, III
Kittredge D. Broussard
David Lawrence Brown
David Lynn Brown
James W. Brown
John A. Brown, Jr.
Kenneth D. Brown
Kevin D. Brown
Matthew D. Brown
Paul R. Brown
Peter A. Brown
Ronald F. Brown
Stephen B. Brown
Willie Brown, Jr.
Bruce C. Browne
Mark K. Broyles
Michael C. Bruner
Gregory L. Brunet, Jr.
Barry G. Bruster
Robert G. Brynildson
Jeffrey L. Buchanan
Terrence S. Buchert
Charles E. Buchter
Robert L. Buckley
Robert D. Buddin, Jr.
Michael J. Budler
James K. Buell
Wayne L. Bung
Mathew M. Burke II
Kerry L. Burkholder
*David A. Burnell
Mark H. Burnick
George H. Burns III
James W. Burns
Joel S. Burrill
Charles W. Burrows
Jeffrey M. Burrows
Keith E. Burtner
Mark J. Busch
Michael L. Buse
Kevin M. Bush
Bradley R. Busler
Kenneth P. Butrym
John S. Butsch
Albert J. Butterer
William H. Butterworth, Jr.
Kendall Wayne Byrd
Richard A. Cahela
Vivian E. Caine
Lester A. Calhoun
Hipolito L. Camacho
Bryce K. Cameron
Bradley E. Canaday
Glenn E. Cann
Bradley E. Cantrell
Gary A. Capkovic
James R. Cardinale
Welton Carey, Jr.
Russell A. Carmichael
William Carney
Daniel K. Carpenter
Colin J. Carroll
Walter J. Carston
David E. Carter
John K. Carter, Jr.
Joseph M. Casey
John T. Casler
Jeffrey L. Caspers
Ian S. Cath
David D. Catherman
Randolph E. Causey
Albert N. Cavagnaro
Wylie D. Cavin, III
Robert J. Cerwonka
Stephen P. Chambers
Charles S. Chappell
Henri G. Chase
Richard M. Chenoweth
John J. Chester
David O. Childers, Jr.
Leslie B. Chipman
Michael J. Chismark
John H. Christensen
John A. Christian, Jr.
Marc S. Christianson
Martin E. Church
Thomas J. Cianciolo
Melvin Clack, Jr.
Leon J. Clark, Jr.
Mark A. Clark
Michael K. Clark
Michael A. Claudio
Allan W. Clayborn
Perrk G. Clinkscales
Dale R. Clock
Logan V. Cockrum, Jr.
Marc R. Cohen
Robert S. Cohen
David J. Coisson
Anthony T. Coleman
King J. Coleman
Thomas M. Coless
James J. Colgary
Paul B. Connor
William G. Connors
James J. Convery
Jeffrey S. Cook
Richard W. Cooke
Stephen D. Coolbaugh
David M. Cooney, Jr.
Alvin Cooper
Benedict I. Cooper
Barry B. Copeland
Christopher S. Corbat
Deane A. Corbett
Lawrence P. Corbett
David J. Cornman
Matthew J. Corry
John P. Costello, Jr.
Walter B. Coumbe
Roberta L. Couver
Brian J. Cowan
Ronald R. Cox
Stephen D. Cox
Carrie L. Crall
Darrell L. Cravy
Steven S. Crider
Scott E. Crossley
Robert D. Crouse
William B. Crownover
Paul M. Culbertson

David W. Cully
Barbara A. Cunningham
Charles W. Cunningham
Christopher L. Curtis
David O. Cutchins
Jonathan P. Cutting
Mark J. Cyr
Cynthia A. Czepyha
Michael W. Dabose
Michael P. Daft
Rivet J. Daigre
Steven W. Dailey
Richard A. Dale
David S. Dallago
Jack F. Dalrymple, Jr.
Thomas P. Darcy
Steven B. Darling
David F. Darnell
Thomas E. Davin
Carl E. Davis
Craig M. Davis
James F. Davis
James F. Davis
Keith L. Davis
James F. Dawley, Jr.
Peter W. Dawson
David J. Deakyne
George V. Deboever
Louis N. Decuir, III
Dewey F. Deeds
Edward H. Deets, III
Kent A. Defebaugh
Stanley V. Degeus
Randall L. Degroot
John P. Dehart
Alejandro R. Delacruz
David A. Delgrosso
Michael C. Deluca
Gregory K. Denardo
Jeffrey L. Denherder
Margaret S. Deniston
David T. Dennis
Peter N. Desalva
Philip J. Desipio
Rex E. Detling
John D. Dickinson
Valor N. Diers
Jack C. Dillich
Terrance A. Dilling
Ira C. Dillinger
Daniel C. Disbrow
Steven J. Ditullio
James E. Dixon
Norval E. Doddridge, Jr.
Brian G. Doering
Douglas R. Doerr
James S. Dominick
William D. Doner
John C. Dorrance, Jr.
Kenneth L. Dorrell
William C. Doskocil
Joe D. Dowdy
Robert C. Dowling, Jr.
James W. Downey
Jan S. Downing
Roland O. Downing, Jr.
Lawrence G. Downs, Jr.
Lafe A. Dozier
Fred P. Drake, Jr.
Michael J. Drake
William R. Drake
Christopher P. Drance
Kenneth W. Dressel
John A. Dreswick
Douglas J. Dreyer
Gregory B. Duck
Steven A. Dudley
James G. Dulke
Pamela I. Dullum
Jeffry L. Duncan
Leslie H. Dunlap
Brian J. Durham
Richard W. Turham
William H. Duxbury
Anthony J. Dzielski
James K. Easton, II
James H. Eaton, Jr.
Theodorus J. Ebbink
Dana E. Eberlin
Joseph J. Eble
Edward D. Edmonds
Jeffrey E. Edwards
Richard W. Ekvall
David M. Ellich
James A. Elliott
John S. Elliott
Larry W. Elliott
Robert M. Ellis
John W. England
Erwin L. Epple
David M. Epstein
William P. Erdman
John F. Erickson
Theodore S. Eschholz, Jr.
Paul D. Eubanks
Aaron A. Evans
Jennifer L. Evans
Thomas W. Evans
Paul A. Ewing
David W. Faasse
L. Martin Fagan
Stephan A. Fagerquist
Anthony B. Farmer
Charles A. Farrell
Maureen A. Farren
James A. Fasciano
Charles D. Fasnacht, III
Bruce K. Fasterling
Robert A. Fay
Daniel P. Fehrenbacher
Bert H. Fell, Jr.
Thomas J. Felts
*David W. Fergus
*Isaac L. Ferguson, Jr.
Marcus J. Ferguson
Grant L. Fern
Joseph Ferrara, III
Mark S. Ferris
David D. Ferrucci
Robert C. Fey
Acension D. Fierro
Brian G. Finch
Paul W. Fineran
Matthew A. Finlon
Michael S. Fischbein
William L. Fiser
Craig S. Fisher
David M. Fitzgerald
Patrick J. Fitzmaurice, Jr.
David K. Flagg
Daniel T. Fooks
John J. Foran, Jr.
David W. Ford
Dawn R. Fordham
Douglas G. Fortier
Robert L. Foster, Jr.
Gregory A. Fowler
Dennis A. Frainier
Steven G. Franck
Jeffrey W. Franklin
Stephen M. Franzone
John T. Fraser
Mary S. Freeman
R. Lee Freitag
Karl G. Fremd
Michael S. French
William D. French
Gregory J. Frey
Richard E. Fridley
Donald W. Friend
Richard D. Fritzley
Daniel J. Fronczek
Mark T. Fryauf
Glenn M. Fukushima
Mark W. Fulenwider
Steven P. Fulton
Timothy V. Fulton
Maurice C. Furlong
Theodore L. Fuss II
Gail V. Gabrielli
Anthony M. Gadaleta
Jack Gadzala
John T. Gaffney
Casey A. Gagan
Norman S. Gagnon
Daniel R. Gahagan
Steven A. Gaioni
Rich M. Gallagher
Stephen P. Gallagher
William J. Galloway
James S. Gamble
Max E. Gamble, Jr.
David E. Gangwer
David A. Gannon
Kevin P. Gannon
James M. Gant
Daniel R. Garcia
Frank W. Garcia, Jr.
Phillip J. Gardner
Brian K. Garvey
David D. Gaskin
Jerry S. Gauthier
Michael A. Gay
Edwin S. Gaynor
Mark E. Geary
Edward R. Gebhart
George Gedney III
David C. Geer
Michael R. Gennette
Gregory L. George
Russell E. George
Brian M. Geren
John C. Gernand
Michael C. Geron
Gregory S. Gerson
Patrick W. Gherrity
Jeffrey A. Ghizzoni
Charles S. Gifford
Jeffrey R. Gigler
Mark A. Gilbert
Richard M. Gin
Allen M. Gladding
Stuart D. Glass
Elliott H. Glazer
Austin W. Gleason, Jr.
Ann C. Glover
Vincent J. Godinich
Leonard J. Goettl
Volker E. Goins
Joseph Golebiowski
Vincent C. Gomes
Daniel A. Gomrick
Edward R. Goodman
Jeffrey A. Gorham
Robert G. Gorman
Angel R. Gotay
William S. Gould
Reed H. Grabowski
Joseph F. Gradisher
James D. Grady
James M. Graham
Robert W. Graham
Robert T. Grant
John M. Grasmeder, Jr.
John W. Graveen
Michael J. Grebe
Peter D. Green
Linden M. Griesbach
Randy L. Griffin
Peter T. Griffith
Roderick J. Griggs
Jeffrey N. Grisewood
James E. Griswold
Thomas C. Gross
Richard Grosse
Kim R. Groves
Thomas A. Grubic
Clarence D. Guenther
Norman R. Guivens, Jr.
Kenneth Gurvin
Matthew E. Gustaff
Norman W. Gustafson
Arne G. Gustavson
James P. Guzy
Paul F. Hackmann
Elbert A. Haeffner
Wayne R. Hagen
Michael J. Hallahan
John D. Hallaron, Jr.
Ludwig C. Haller
Timothy J. Hambidge
Ronald V. Hamill
Douglas G. Hancher
James R. Hanley III
Lance A. Hansen
Michael J. Hansen
Neil E. Hansen
William F. Harbison
Diane L. Hardison
Don L. Hargrove
Richard R. Hargrove
Corey J. Harman
Timothy A. Harper
John H. Harrington III
Anthony D. Harrison
Steven F. Harvey
Christopher A. Hase
Douglas W. Hase
Kevork A. Hashas
Steven D. Hatter
*Michael J. Haungs
Ronald G. Havlick
Edwin R. Havrilla, Jr.
James D. Haw
Randall E. Hawkins
Brian E. Hawn
Jeffrey L. Hayes
Roger A. Hayes
Thomas C. Hayford
Leslie E. D. Haynes
Loren V. Heckelman
Steven D. Hedrick
Tyler D. Heerwagen
Mark A. Hegeberg
John L. Heibel, III
Bruce R. Heim
*Steven E. Heldreth
William M. Hellemn
Kurt D. Hellweg
Brian J. Henderson
Thomas L. Hendricks
Thomas J. Hennessy
James W. Henry
Christopher J. Hero
Brian M. Herrick
Joseph D. Herringer
Christopher J. Herron
Mark A. Hersh
Thomas G. Hertig
Murray A. Hess
William M. Hessenius, Jr.
Rustie L. Hibbard
Calvin C. Hicks
Raymond F. Higgins, III
Rebecca S. Highfield
Lenza F. Hill
Robert A. Hill
James T. Hilton
James S. Hinkle
*Dana E. Hinton
Amy L. Hizenski
Robert W. Hobgood
Thomas D. Hobson
Stanley M. Hodges, Jr.
Kenneth A. Hodipa
Craig A. Hoelting
Brian D. Hoerning
Robert L. Hogg, Jr.
Kenneth T. Holder
Lee B. Holmes, Jr.
Mark W. K. Holmes
Rodney W. Holmes
William W. Holmes
James H. Holt
David W. Hoover
Timothy A. Hope
Paul K. Hopper
John M. Houghton
Rickey L. Howard
James R. Howcroft
James E. Howe
Lester D. Howell
Robert D. Howell, Jr.
Wilmer F. Huber, III
Henry A. Hudson
James R. Huff
Laura G. Huffstetler
William G. Hughen
David J. Hughes
Scott R. Hummer
Kevin A. Humphrey
Michael J. Humphrey
Christopher J. Hunsaker
Daniel P. Hunt
Gordon S. Hunt
Betty J. Hunter
Charles W. Hunter, Jr.
Robert C. Hurley
Carl P. Hurst
Charles W. Hurt, Jr.
Paul D. Huscher
John E. Hutsebaut
Charles M. Iaquinto
Alfred E. Ikeler, Jr.
Joseph L. Ilk
John D. Ingram, Jr.
John E. Inman
David A. Insardi
Charles P. Irwin
Robert D. Isacson
Warren J. Iseke
Bernard L. Jackson
Darrell K. Jackson
Henry C. Jackson, II
Ray H. Jackson
Richard B. Jacobs
Michael L. James
Donald S. Jarnberg
Robert P. Jarvis
Roger D. Jaskot
Mark T. Jaszkowski
Neal B. Jefferis
Vincent D. Jeffries
George W. Jenista
Elizabeth R. Jenkins
Joseph E. Jenkins, Jr.
Randall K. Jenkins
Mark D. Jensen
Paul A. Johnescu
Bennett H. Johnson
Billy J. Johnson
Craig C. Johnson
Edward A. Johnson, Jr.
James T. Johnson
Mark K. Johnson
Patrick D. Johnson
Scott L. Johnson
Stephen J. Johnson
Steven J. Johnson
David T. Johnston
Channing R. Jones
David W. Jones
Steven L. Jones
Steven M. Jones
James T. Jordan
Kurt A. Jordan
Thomas Jorjorian
Carl June
Lloyd D. Justice
Michael A. Kahrl
John A. Kailey, III
Craig S. Kain
Mark A. Kaish
Robert L. Kalis, Jr.
Mark A. Kaltenborn
Robert J. Kamensky
Christopher J. Kane
Kevin H. Kasberg
Donald J. Kassilke
Andrew C. Katerman, Jr.
William M. Keating
Brian D. Keefer
Craig M. Keefer
Mark F. Keehne
Michael E. Kegley
Jack D. Keidel
Charles H. Keilers, Jr.
Michael A. Keller
Russell A. Keller
Richard H. Kelley, III
John S. Kelly
Bruce C. Kennedy
Craig M. Kennedy
Michael J. Kennedy, Jr.
Mark F. Kershner
Keith A. Kibbey
Lawrence M. King, Jr.
Raymond E. King, III
Kurt K. Kinlund
Frederick H. Kinney
Armand D. Kinslow
Mark J. Kirchberg
Peter J. Kirchoffer
William L. Kirk, Jr.
Timothy W. Kirtley
Dean M. Kiyohara
William T. Klein
Donna E. Kline
Jeffrey E. Kline
Richard V. Kmiec
Daniel L. Knight
Ellen E. Knott
Todd W. Knowles
David B. Knox
David E. Koch
John G. Koelbel
John T. Kolasinski
Joseph C. Kolshak
Steven M. Koppel
John G. Koran III
Thomas R. Kovach
Elaine P. Krause
Thomas H. Krause
Curt W. Kronberg
Harold T. Krumm, Jr.
James P. Kryst
John J. Kuenzle
Leo F. Kuffel
Ronald R. Kuhlman
Scott G. Kuhn
Parker C. Kuldau II
Paul M. Kuzio
Christian L. Kyrios
David R. Laib
William D. Lamb
Frederick S. Lancaster
John M. Landon II
Albert G. Lang, Jr.
James C. Lang
Edward J. Lanigan
James M. Lariviere
Ernest E. Lashua, Jr.
Michael D. Lauzen
Howard G. Layne
Timothy G. Learn
James E. C. Leavitt III
Brian E. Lecrone
William C. Leddy
Charles C. Lee, Jr.
Jerry D. Lee
Daniel A. Leininger
Anthony Leonard
Jerry W. Leugers
Jennifer A. Lewis
Leviticus A. Lewis
Timothy Lewis
Timothy W. Lewis
Chad Lienau
Kenneth L. Lighthizer
Floyd L. Likins III
Brian B. Linde
Mark L. Linver
Mark S. Lipovsik
Eric T. Litaker
Bruce J. Litchfield
Randall P. Little II
David M. Livingston
Gregory P. Lockett
Charles D. Logue
Joseph M. Londino, Jr.
Anne L. Long
Robert G. Longino
Mark W. Loper
Bradley S. Lorenzen
Paul V. Losinski
Richard Loth

John E. Lotshaw
Robert M. Lottie
Edward M. Lovell, Jr.
Malorie A. Lowell
Daniel J. Lowen
James K. Luchs, Jr.
Russell J. Lucia
Keith W. Ludwig
David J. Lueder
John D. Lueders
Paul C. Luhring
Gail M. Lusk
Edward G. McAnaney
James P. McCabe
Mary P. McCaffrey
Thomas E. McCaffrey
William B. McCandless
David H. McCarren
James F. McCarthy
Michael R. McCarthy
Patrick J. McCarthy, Jr.
Thomas R. McCarthy
Douglas L. McClain
Thomas K. McClellan
William S. McClendon
Scott H. McClung
Bruce E. McCombie
William T. McCoy
Michael G. McCrave
Kirk McCrimmon
Stephen C. McCulley
Robert B. McFarland
Glenn E. McGlaun
Bernard W. McGowan, Jr.
Edward G. McGrath
Glenn R. McIntyre
Brain G. McKeever
Kenneth F. McKenzie, Jr.
Richard H. McKenzie, Jr.
William C. McKerall
Ceil C. McKinney
Stephen W. McKinster
Janice G. McKnight
Gary M. McLamb
James D. McLaren
Kathleen M. McLaughlin
Timothy A. McLees
Michael E. McMahon
Thomas M. McManus
Michael T. McMaster
Michael H. McMillan
Timothy C. McMillian
John J. McNamara
Kevin K. McNees
William M. McNichols
Brian McQuiston
William T. McWhirt
Thomas J. MacKay
Ron J. MacLaren
Michael T. Madden
Thomas D. Madison
Curt M. Maier
Robert E. Maier
Thomas G. Malanowsk
Raemon P. Mallin
Jean T. Malone
Thomas C. Manheim
Budd L. Manias
Thomas F. Manley, II
John L. Manuel
George A. Marentic
Angel J. Mariano, Jr.
John J. Marino
Jennifer L. Marker
Paul C. Marley, II
Richard C. Marsh
David K. Marshall
Edwin W. Marshall, Jr.
Dana K. Martin
James R. Martin
Roland T. V. Martin
William C. Martin
Paul J. Martineau, Jr.
Bradford Marvin
Richard D. Marvin, Jr.
Ralph A. Mason III
Gerard Mathis
Edward P. Matricia
Michael J. Mattimoe
Ronald F. Mayhew
James S. Maynard
Erik R. Meade
Michael V. Meed
Walter A. Meeks
Gregory F. Megan
Andrew G. Meldrum
Andrew W. Melton
Michael Melvin
Leo A. Mercado, Jr.
Edward T. Meree
Stephen R. Merrill
Ervin A. Merritt, Jr.
Timothy S. Meryweather
Jeffrey K. Mess
Charles G. Metz
Dean W. Meyer
Norman Michielini
John C. Mickey
Michael Warren Miller
Michael Wayne Miller
Stephen K. Miller
Thomas M. Miller
Timothy R. Miller
Walter L. Miller, Jr.
Andrew W. Millon
Gregory L. Milne
Gary M. Mineart
Mark A. Minor
Oscar R. Minter
Keith H. Mitchell
Paul F. Mitchell
Robert L. Mitchell
Ronald A. Moeller, Jr.
Thomas D. Moeller
Mark D. Mohan
Agustin Monroig
Edward C. Montgomery
Robert G. Montgomery
Alan R. Moore
Corey S. Moore
Douglas E. Moore
Robert D. Moran
Randall W. Morehead
Bruce A. Morgan
Charles R. Morgan
Michael D. Morgan
Stephen L. Morgan
Thomas K. Morgan
Ronald S. Mosley
Guy E. Mossman
Edward R. Mroczynski
Lance E. Murakami
Anthony A. Murphy
George F. Murphy
Michael P. Murphy
Shaun M. Murphy
Michael W. Murray
Connie L. Myers
John M. Myrah
Cornel G. Navori
William G. Nees
Henry O. Nellums, III
Erik S. Nelson
James E. Nelson, Jr.
Mark L. Nestle
Dennis C. Newkirk
Glen A. Niederhauser
Paul A. Nitkowski
Mitchell W. Normand, Jr.
Thomas L. Northam
Eric F. Nost
Herbert A. Oakes, Jr.
Seamus M. O'Boyle
Christopher E. O'Connor
Stephen J. O'Dell
Michael J. Oenbrink
John K. Oertling
Michael S. Ogden
James L. O'Keefe III
Dennis J. O'Keeffe
William D. Oldfield
Peter J. Olson
Peter A. Olynick
Danny T. O'Neil
Andrew J. O'Neill
Philip A. Opsal
John H. Orem
*Catherine H. Osman
Michael E. Ostapiej
James P. Osterman
Orlan W. Ott, II
Jeffrey P. Owen
Charles E. Owens
Ruth E. Owens
Keith R. Pagel
Anthony B. Pais
John A. Palmer
Robert J. Palmquist
Stephen E. Paluszek
Ruben C. Pandes
Joseph C. Papalski
Raymond Para
Christopher L. Parente
Andrew A. Parker
Gary D. Parker
John M. Parker
Kenneth W. Parker
Michael L. Parrott
Gerald H. Parshall, Jr.
William W. Parsons, Jr.
Laurence S. Patzman
David K. Paul
Timothy J. Pavelle
Mark J. Pawlak
Ted D. Payne
Lewis N. Payton
William H. Peacock
Michael F. Pearson
William H. Peck
Dean M. Pedersen
Randall J. Pekarik
James H. Pelc
Vincent F. Pelliccione
Todd J. Peltzer
Kevin L. Petersen
Hironori Peterson
Daniel V. Philpot
Charles G. Pierce
Daniel L. Pierce
Thomas C. Pihl
Michael E. Pinho
John C. Piper
Martin V. Pitchford
William J. Platt
Jean P. Pie
Donald A. Plows
Michael J. Plunkett
Michael Pluto
Scott D. Poelker
James D. Poetsch
James D. Pollard
Joseph E. Pollard, Jr.
Mark R. Polnaszek
Richard M. Poole
Robyn R. Poole
John M. Popek
Woodrow M. Poplin
William L. Porter
Edward F. Poss, III
Jerry L. Poteat
Frederick E. Powell, II
Benjamin W. Powers, III
Joseph P. Pozen
John J. Prendergast, III
Paul R. Prentiss
Richard C. Price
Brian C. Prindle
Paul B. Pruitt
Chester A. Ptak
Walter S. Pullar, III
Michael J. Purvis
Sean A. Pybus
Miles C. Quigley, III
Stone W. Quillian, II
Michael V. Rabens
Robert W. Radloff
Todd W. Rahmes
Robert B. Raines
Robert W. Rall
Timothy S. Ramsey
David M. Ranalli
Gregory P. Rand
Keith A. Ranker
Daniel L. Rath
Clifford H. Ratte, III
Robert A. Rauss
John F. Reardon, Jr.
Martin D. Reardon
Frank W. Reed, III
Kevin J. Regan
Henry C. Regis
John A. Reid
Robert D. Reilly
Bruce E. Reinard
Richard C. Reinecke
Christopher P. Reisch
Teresa A. Reisinger
William F. Reiske
Frederick P. Remelius
Ricardo J. Rendon
Kenneth M. Reynolds
Bryan M. Rhoades
William B. Rhue
Russell J. Rice
Adrian K. Richardson
Randolph A. Riedel
Harry J. Ries, Jr.
Michael K. Riley
William E. Riley, III
Mark J. Ringlein
Timothy E. Ritzert
Jose E. Rivera
William E. Rizzio, Jr.
Thomas E. Robb
Bruce V. Roberts
Jon J. Roberts
Allen J. Robertson
James S. Robertson
James W. Robertson, Jr.
Samuel A. Robertson
Steven M. Robertson
Ronald J. Robinson
Brian D. Rodeck
David A. T. Rodgers
David B. Rogers
Morgan M. Rogers
Theodore E. Rogers
Susan M. Rokee
Peter C. Romaneski
Kenneth M. Rome
Terry L. Rooker
Steven M. Roper
Vernon B. Rose
Gary W. Rosholt
Michael A. Ross
Sarah L. Ross
Christopher J. Roth
Brian J. Rothwell
Roger E. Rouleau
Lawrence A. Rowe, Jr.
James R. Roys
Jonathan C. Rucker
Meade H. Rudasill, Jr.
Germaine M. Ruddell
Mark A. Ruebens
Thornwell F. Rush, Jr
James F. Rushton
Angela G. Russell
John M. Russell
Robert M. Russell
Walter R. Russell
James A. Rutherford, Jr.
James R. Ryan
Joann L. Saalfield
Robert P. Sabo
Roy D. Sadler
Gabriel R. Salazar
Peter Salerno
Robert R. Saltsman
Marc J. Salvatori
Keith M. Sampey
Paul M. Sampson
David F. Samson
Benjamin W. Sanchez
Jean M. Sando
Benjamin F. Sands, III
William R. Sanford, Jr.
Stephen Santa Ana
David T. Sapone
Mark V. Sarles
Sam M. Savas, III
Steven J. Schad
John N. Schaffner, Jr.
Jon A. Schauber
Mark E. Scheitlin
Henry R. Scheller, Jr.
Alan T. Scherer
John D. Schmid
Marybeth Schnabel
James K. Scholl
Richard A. Schollmann
Stephen J. Schrader
Paul F. Schuler
Charles S. Schuster
Michael A. Schwarzkopf
Jay P. Schwermer
Brian C. Scott
Gary W. Scott
George R. Scott
Gregor G. Scott
Kathleen M. Scott
Michael Seay, II
Edward A. Sechrest
Mark K. Seglem
Stephen W. Seim
Joey L. Selzler
Harry E. Semler, III
Neil A. Sendler
Robert C. Sermon
Tero T. Sevon
Mark S. Shafer
Douglas F. Shaffer
Paul T. Shaffer
John M. Sharry
Kevin J. Shaughnessy
Trenton D. Shaver
David R. Sheehan
Terence R. Shelton
Theodore H. Shepard, III
Jeffrey R. Sherwood
David G. Shields
Richard J. Shields
Robert E. Shields, III
Kon Y. Shin
David W. Sholler
James D. Shore
Paul G. Shotsberger
Lee T. Shrader
Mark S. Shumaker
Scott R. Shuman
Kimberly Shunk
Paul A. Sicard
Rolf A. Siegel
Joseph P. Sienicki
Douglas P. Sifford
Vincent J. Silvester, Jr.
William J. Simmons
Peter S. Simon
David L. Singer
Dana C. Sjogren
Carol A. Skiber
David O. Skinner
Mark A. Slawson
Timothy J. Sloan
Michael E. Slomke
Anthony T. Sly
Allan E. Smith
Blake H. Smith
Bret W. Smith
Charles E. Smith
David C. Smith
Douglas Smith
Galen L. Smith
James D. Smith II
Jamie L. Smith
John H. Smith
Richard B. Smith
Robert J. Smith
Roy M. Smith
John W. Snedeker, Jr.
Jeffrey C. Snyder
Mark C. Snyder
Matthew R. Snyder
Walter C. Sorenson
James R. Soriano III
Rory L. Souther
Harvey D. Speer III
Brian E. Spellissy
Ronald W. Spiker
Ricky C. Spillman
Cosmas R. Spofford
Phillip B. Spotts
Michael K. Stacey
Frank J. Stadius
Russell E. Stalters
Paul C. Stanfield
Kevin C. Stangl
Robert W. Stansbury
Kenneth A. Stansell
William G. Stark
Mark B. Steelman
Fredrick A. Steiner
James M. Stephen
Carl W. Stephens
Clark D. Stevens
James G. Stevens
Mark D. Stevens
Gregory A. Stevenson
John R. Stevenson IV
Lance J. Stewart
Donn O. Stiner
Richard V. Stockton
Howard L. Stone III
Mark G. Storch
Martin D. Stowe
Jeffrey P. Stratton
Edward Straub
Robert T. Strickland
Victor B. Stuckey
Christopher J. Sullivan
Michael P. Sullivan
Robert J. Sullivan
William J. Sullivan
Christopher L. Summers
Marc A. Summers
James F. Sumner III
Mark L. Suycott
Gary F. Svatek
Geoffrey S. Swanson
Ernest V. Swauger, Jr.
Gary L. Swearingen
Gary V. Szalucka
Michael L. Szymanski
Charles A. Szypszak
Thomas D. Towle
Bradley K. Toy
Timothy J. Tracy
William L. Trager
William T. Trainer
James M. Trees
James E. Trimmer
Rocco L. Tripepi
Bruce A. Troutman
Jerry R. Trudell
Alan A. Tucker
Richard J. Tucker
James S. Tully
*David W. Tungett
Timothy D. Turner
*Arthur E. Turriff
David R. Twardosky
Timothy N. Udell
Mark J. Uhar
Kevin K. Uhrich
Keith A. Ullman
Peter T. Underwood
Frank D. Unetic, Jr.
Darrell G. Ussery
Eric T. Vanderslice
Steven C. Vanhorn
Robert A. Vanmeter
Marjorie L. Vann

David D. Vanwagoner
Guy L. Varland
Harley E. Vasper
Byron K. Veasey
Michael G. Veringa
Matthew R. Verrando
John A. Verstegen
Michael L. Vick
James M. Victorine
David L. Vinci
Donald W. Vinci
John H. Vivadelli
Emanuel Vlastaras
Paul A. Voelker
Richard A. Vogels
David M. Volonino
Carl E. Vonbuelow
Gerald J. Voorhies
Thomas B. Vosloh
Mark A. Wagner
Victor E. Wagoner
Stephen G. Waite
Joseph A. Walbert
Michael R. Walsh
Susan J. Walsh
David L. Walter
James R. Walter
Peter J. Walter
Glenn M. Walters
Linwood G.Walton, Jr.
David A. Waran
Robert G. Ward
*Carey R. Warren
Patricia F. Warren
Ronny D. Washington
Michael J. Wassik
David J. Wassink
David A. Watson
Donald D. Watson
Philip P. Watson
Walter B. Watson, Jr.
William J. Watters
David J. Watts
Michael Watts
Clifford D. Weber
Juergen Weber
Kenneth B. Weber
Leonard E. Weddle
John W. Weeks
Robert C. Wein
Thaddeus B. Welch, III
Christopher B. Welsh
James L. Welsh
Juanita F. Wendland
Gary R. Wentz
Leonard D. Wert, Jr.
Patrick H. West
Randall T. Westhaus
Roland Weyman
Gary S. Wheeler
Kenneth Wheeler
Stephen C. Whipple
Jeffrey B. Whitacre
Joseph M. White
Margaret L. White
Peter C. White
Tolor E. White
Mark E. Whited
Joseph A. Whiting
Mark E. Whitson
Sam E. Whittle, Jr.
John W. Wickel
Frank P. Wieder
Robert A. Wiedower
Robert D. Wiemann
Dennis M. Wierzbicki
Brian C. Wild
Gerald R. Wild
Wendell S. Wiley
Paul S. Wilhelm
Scott A. Wilkening
Paul S. Wilkerson, Jr.
Jackie L. Wilkes
Jay C. Wilkinson
Brian J. Williams
John C. Williams
Morris E. Williams
Norris O. Williams
Stanley Williams
Timothy B. Williams
Larry D. Williamson
Charles B. Wilson
Douglas M. Wilson
Gregory J. Wilson
Herbert M. Wilson
Kenneth D. Wilson
Thomas A. Wilson
Richard L. Wingfield, Jr.
Bruce E. Winter
James M. Winterroth
Frank C. Wise
Jeffrey R. Wisnom
Randall J. Wittry
Markus A. Woehler
Jean M. Wolk
David E. Wood
David R. Wood
John S. Wood
John T. Wood
Richard D. Wood
Steven W. Woodson
Craig G. Wooldridge
Mark A. Wootten
Thomas V. Works
James M. Wright
James R. Wylly
Kevin A. Yancy
Dean H. Yarborough
Ralph H. Yarwood
Derwin G. Yee
Bruce W. Yep
Hershel C. Young
Jeffrey C. Young
Randolph K. Young
Thomas B. Young
Thomas A. Zackary
Michael S. Zarzycki
Brett N. Zeitz
Peter M. Zelechoski
Gary R. Zeller
William F. Zeller, III
Michael A. Ziegler
Michael P. Zmijewski

The following-named Navy enlisted scientific education program candidate to be a permanent ensign in the line of the U.S. Navy, subject to the qualifications therefor as provided by law:

Patrick E. Vezetinski

The following-named (U.S. Naval Reserve officers) to be appointed permanent commanders in the Medical Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

*Bernard J. Bortz
*John A. Hansen
*Lombardo M. Santiago

The following-named (U.S. Naval Reserve officers) to be appointed permanent lieutenant commanders in the Medical Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

*James R. Auman
*Thomas W. Coale
*William A. Herndon
*Jong K. Lee
*Robert W. Lukens, Jr.
*Lloyd B. Mandel
*Rafael A. Pagan-Pagan
*Charles D. Saul, III
*Marion H. Tanksley
*Bernard S. Thomas, Jr.
*James W. Thorp

The following-named (U.S. Navy officers) to be appointed permanent lieutenants in the Medical Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

*Harry M. Brammer, III
*Julian F. Keith, III

The following-named (U.S. Naval Reserve officer) to be appointed a permanent lieutenant in the Medical Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

*John W. Murray

The following-named (U.S. Naval Reserve officer) to be appointed a permanent lieutenant commander in the Dental Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

*Earl F. Fisher

The following-named (U.S. Naval Reserve officers) to be appointed permanent lieutenants in the Dental Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

*Eugene R. Pankey
*Richard J. Wilkinson

The following-named temporary chief warrant officers to be appointed permanent chief warrant officers, in the U.S. Navy, subject to the qualifications therefor as provided by law:

Jose A. Alexander
Milburn M. Anderson
William G. Anderson, Jr.
Edward R. Appleby
Roland M. Bagley, Jr.
James M. Boley
Raymond C. Bucheister
Elmo L. Bumgarner
Edward J. Bunker
Larry D. Burke
Michael L. Burke
John J. Campbell
John D. Casteen, Jr.
Stephen M. Casto
Linwood C. Claytor
James D. Cope
Gary L. Crawford
Adelbert Cruz, Jr.
Richard C. Cullison
Charles C. Curtis
Richard F. Doolittle
Michael E. Drain
Fred A. Drajna
Craig A. Engdahl
Edward F. Fahey
John Fairbanks
Harold Farley, Jr.
Francis C. Fenwick, Jr.
Clayton A. Francis
Gerald J. Franzen
John W. Garrison
Benjamin A. Gearo
Milton Goldin, Jr.
Richard J. Grass
Robert L. Graves
Robert H. Gross, III
James R. Guss
William P. Guy
Jesse J. Hall
Ellis Hamilton
Jonathan C. Harrison
John H. Hayes
John W. Hays
Wayne Hendrickson
Billy J. Hildreth
David C. Hobart
Robert H. Hoffer
Billy D. Hollaway
William D. Howard
Carleton T. Howell, Jr.
Michael T. Hutson
Kenneth I. Jelley
Hubert S. Jones
Thomas G. Kahler
Johnnie N. Kantirakis
Jerry L. Keast
George E. Kell, Jr.
Wayne J. Kislingbury
William D. Knight
Eugene L. Knutson
Charles "C" Koon
George W. Lanman, Jr.
Gary L. Laun
Dudley B. Locke, Jr.
Thomas T. Logue, Jr.
Paul F. Loveless, Jr.
Arthur R. McAvoy
James P. Mackie
Marvin D. Metheny II
Bryan T. Moody, Jr.
Robert L. Morgan
Richard B. Morse
Robert D. Nielsen
James L. Norton
Charles T. Ogden
William R. Palmer
Allen H. Patterson
Thomas E. Pauls
Thomas R. Poland
Richard H. Quijada
Ray Ramirez
George H. Randolph
Jerry D. Risk
Johnny G. Robbins
David A. Roby
Ronald J. Rodger
Roger D. Rosenboom
David C. Schmitz
Gary N. Schorr
George L. Scott
Terance R. Scribner
Robert E. Seater
Alan R. Simons
Randall C. Smith
Harrison H. Solt III
Larry O. Sparks
James E. Stein
John P. Sudik
Roger A. Summey
Connie G. Taylor
Paul L. Temer
Larry E. Thompson
Marvin F. Tyrrell
Clyde Q. Webb
Ronald W. Whitener
Harold J. Woodburn
Hubert F. Woods, Jr.
Harry A. Wright
Adrian C. Youngblood, Jr.

The following-named Navy enlisted candidates to be appointed permanent chief warrant officers, W–2, in the U.S. Navy, subject to the qualifications therefor as provided by law:

Donald R. Absher
Carl T. Alexander
Dannie K. Almond
Carlos D. Andaya
Robert B. Andies
Dennis L. Arens
John D. Argilan
Kenny E. Armstrong
Charles G. August
Durward C. Ayre
Charles R. Aydelott
Joseph S. Badnek
Don F. Bailey
William W. Baker
Patrick L. Baldwin
Gerald W. Ball
Maurice E. Ball
John M. Banks
Charles B. Barber
William R. Barbra
Billy L. Barker
Charles Barreras
Jack D. Bartlow
Richard L. Bate
Rodolfo R. Bautista
Teddy O. Baylen
Paul H. Bayne
Bryan A. Becken
Robert J. Benfer
Ronald N. Besser
Melvin C. Bird, Jr.
Henry "A" Bishop
Hubert W. Bishop, Jr.
Raymond L. Bishop
Robert E. Blake
Karl S. Blount
Rudy Q. Bojo
James R. Braccio
Edwin D. Brack
William W. Braxton
Albert M. Bredemeyer
Charles J. Breslin, Jr.
James A. Briggs
Joseph R. Briglin
Michael D. Bright
Roy E. Brinkley
Robert G. Bristol
Dale R. Britt
James R. Brooks
Mark N. Brown
Glenn R. Browning
Wardee R. Bruce, Jr.
Kenneth C. Buck
Roger A. Burkhart
James P. Bush
Ronald G. Bush
Ronald L. Buttrum
Harold D. Byers
Edward M. Cadorette
Frederick N. Callahan
Donald L. Camacho
Richard D. Cannon
Sandra Cantu
Nelson R. Carter
William M. Carter
George S. Case
Andres P. Celi
James T. Chambers
Harry W. Chesnut
David P. Childers
Percy H. Chinery III
Mel D. Chiong
Doyle R. Church
Jimmy C. Clark
Robert B. Clark
Philip L. Clemente
Clifford Clouser
Jimmy R. Cochran
Raymond A. Cochran
Danny D. Cole
Reuben W. Collier, Jr.
Daniel J. Collins
Clifford T. Cook
George T. Copes
Robert C. Cote
Earl "W" Craig, Jr.
Bonnie S. Creamer
David L. Creed
Roger W. Cross
Jerry Crownover
James L. Cunningham
Harry A. Curtis, Jr.
Sheldon "G" Curry
Larry Ray Daugherty
James E. Davis
John W. Davis
Robert "B" Debona
John W. Dickenson
William G. Dickson
Frederick R. Dixon
John W. Dobbins
Douglas A. Doemel
Benjamin A. Domondo
Douglas W. Donnelly
Ronnie B. Dooley
Thomas R. Dunn
Robert J. Dupalo
James E. Dye, Jr.
Leonard J. Edgar
Ralph D. Edwards
William N. Edwards
John F. Eget, Jr.
William W. Eggleton
Cheyenne Eichelberger
Beaudwyn P. Eichlepp
Roger A. Ellis
Donald M. Epperson
George W. Estes
Harry W. Falco
Harold L. Fales
Robert D. Faloon
Virgil C. Fegarido
Gaylord R. Finch
William F. Finch
Douglas W. Fleischer
William E. Flood
Gary E. Flynn
Myrle C. Foraker
Joseph C. Ford
Ralph E. Ford
Ronald L. Fowler
Claude I. Franklin
James H. Fritz
Sergio M. Frost
Jerry M. Fugich
Jeffrey L. Funk
George E. Gabaldon
Antonio M. Galanides
Patrick Garcia, Jr.
Talmadge C. Garrett
Charles R. George
David R. Getty
Wesley R. Gibson
Phillip G. Gilbert
William R. Gilchrist
Leonard F.Gilles
Freddie H. Gilliland
Raymond R. Gillip
Aaron C. Ginn
Francis H. Girouard
Bedford D. Glenn
William J. Gork
Charles D. Grady
Alfred L. Graham
John I. Grant, Jr.
Donn E. Green

Robert L. Gregory
Michael L. Greiner
Clyde C. Griffin
Francis M. Groff, Jr.
Farrell J. Grogg
Lloyd L. Guffey
John N. Gullett
Paul D. Hacker
Douglas J. Hall
Charles F. Hammer
Rudolph M. Hanna
Robert F. Hand, Jr.
Lawrence E. Harden
Joseph P. Harmon
Franklyn K. Harper
Randolph A. Harper
Robert P. Hayes
Robert M. Heath
Charles E. Heiney
Jack L. Helm, Sr.
Frank E. Helms
Thomas R. Henderson
Charles N. Herman
Edgar B. Hestand
Jimmy R. Hickey
George C. Hill
Richard A. Hill
William J. Hinds
Edward L. Hinton
Manning A. Hooker
James F. Houlette
Robert E. Houston
Albert J. Huffman
Merrill W. Inglis
James R. Ingram
Andrew Isola
Auston M. Jackson
Gaile B. Jennings
John S. Jennings
Larry D. Johnson
Lawrence J. Johnson
Bobby L. Jones
Ronny G. Jones
James J. Jordan, Jr.
Bruce D. Kehr
James H. Keiser
Barry Kennedy
Royd Keys
Raymond J. Kimball
Franklin D. Kimes, Jr.
George H. Kinshofer
John B. Kite
William E. Koester
James L. Kohlbeck
Paul H. Korntop
Arno A. Kretzschmar
Thomas H. Krohn
Lawrence L. Kurtz
Albert H. Lachance
John D. Lacko
Louis P. Ladow
Robert C. Laduke
Donald W. Lane
Gary L. Lang
Kevin J. Laplante
Eugene R. Lasater
Carol L. Lawrence
Charles E. Lawson
James C. Lawson
Shirley W. Lawson
Donald A. L. Leatherwood
Richard D. Lee
John E. Leindecker
Francis A. Leong
John T. Lloyd
John A. Lomenick
Cecil J. Long
Lawrence H. E. Long
Thomas J. Long
Jay W. Lunsford
William M. Lyman
James J. Lynch
Raymond R. Lynch
Paul D. Lyon
Preston O. Lytle
Arthur L. McCauley, Jr.
Ronald E. McBee
Charles F. McCowan
Harold D. McCurdy
Bruce McDonald
Albert F. McGurr
Keith A. McKee
John M. McNealy, Jr.
Larry A. McNulty
George J. McQuade
Gilbert J. McWane
Edward L. Mangel
John L. Martin
Lawrence E. Martin
Frank O. Marzette
Anthony H. Massey, Jr.
Tim I. Mathisen
Bruce Maxaner
Donald R. Mayberry
Genelito V. Medina
Nicholas S. Medved
Richard L. Micklich
Richard J. Mihok
Charles K. Miller
Hershel M. Miller
Merle J. Miller
Ralph F. Miller
Charles R. Milton
Ronald Mobley
Martin C. Moffett
George V. Mohan
James J. Montgomery, Jr.
Joseph M. Moore
Paul A. Moore
Robert W. Moore
William V. Moore
Daniel Moran, III
Terry L. Morris
Lawrence W. Morrison
Leroy R. Moser
George K. Mulder
Noah T. Mullins
Max E. Murray
Raleigh J. Nauta
Francis E. O'Halloran
Glen S. Olsen
Mark H. Otto
Raymond W. Owens
Gerald J. Padula
Robert D. Palmer
George D. Paul
Francis H. Payne, Jr.
James E. Pearsall, Jr.
Sherman J. Pearson
Thomas F. Pelis
Lawrence A. Pemberton
John E. Penner
Dieter Peplinski
Philip T. Peterson
William R. Pincek
Robert L. Pittman
William F. Ponder
Donald R. Posey
Elwood S. Pratt
Charles R. Pressley
Robert G. Provost
Glenn K. Pryor
Wade T. Pryor
Hans L. Putz
David L. Quaschnick
Charles W. Rambo
Raymond N. Rapalee
Ponciano L. Reyes
John S. Rial
Gary L. Richardson
Jerry A. Riddle
Dean P. Ringressy
Kenneth J. Ritter
Rickie L. Robinson
Tommy L. Robinson
Alberto T. Rodriguez
Ronald R. Roe
Walter S. Rogalski, Jr.
James F. Romig
Gerald R. Rominger
Marcelino E. Ronquillo
John Rossetti
Anice J. Rougeau
Cipriano C. Salonga
John W. Sanders
Thomas L. Sappington
Oronzo J. Savino
Edward G. Schell
Franz C. Schneider
Ray Schultz
Frederick A. Schwab
Edward C. Scott
Ronald A. Sewell
Gerald T. Shafer
Terry W. Shanklin
Floyd G. Sharp
Larry W. Sharp
Harvey J. Shaw, Sr.
Rodney A. Shawn
Cornelius A. Sherman, II
Joseph N. Shields, II
Leroy K. Shinkle
Gerald "D" Shotts, Jr.
Larry D. Shoultz
David W. Sieruta
Donald B. Simmons, Jr.
Frank L. Simpson
Leonard W. Simpson
Jerry K. Sipes
Austin L. Sizemore
John S. Skinder
David Sloan
Edward L. Slupski
James L. Smith
Richard E. Smith
Samuel B. Snodgrass, Jr.
Robert J. Sommer, Jr.
Paulino Soto, Jr.
Henry W. Spath
Clyde R. Stanfield
Dennis B. St. Clair
Bruce A. Steeves
Richard J. Stephens
Jack D. Strange
James M. Stribling
McCoy O. Strickland
Jerry R. Sully
Arthur H. Swift
Joe T. Sykes
George E. Taglioli
Juan M. Taijito
Billy A. Tankersley
Maligi F. Tato
Aureo S. Tayag
Glenn E. Taylor
Walter F. Tennis
Wayne G. Terry
David R. Thomas
Juan A. Thomas
Thomas Thompson
Raymond E. Thorn
Donald M. Thorp
John H. Tines
Daniel Tom, Jr.
James W. Treme
Robert J. Udell
William R. Vanausdal
Clifford E. Van Nostrand, Jr.
Jose Veliz
John G. Vigil, Jr.
Francis J. Vogan
Kenneth R. Waddell
Thoms G. Wagner
Robert A. Waite
James E. Walden
Charles Walker
Charles A. Walker
Ramon G. Wallen
Rex E. Walls
Lawrence P. Wandel
James W. Ward
Edward J. Westermeyer
Larry H. Whitaker
William C. Whitney
James D. Whittingham
James H. Williams
Luther O. Williams
Edward L. Wilson, Jr.
Wayne A. Wilson
Buddy V. Wilson
Orville G. Wise, Jr.
Victor L. Witek, Jr.
Thoms L. Worthen
Harvey L. Yeager
Dennis C. Young

The following-named (U.S. Navy Reserve officer) to be appointed a temporary commander in the Medical Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

*Lloyd B. Mandel

The following-named temporary chief warrant officers to be appointed lieutenants (junior grade) in the U.S. Navy, for limited duty, for temporary service, subject to the qualifications therefor as provided by law:

Jose A. Alexander
Milburn M. Anderson
William G. Anderson, Jr.
Edward R. Appleby
Roland M. Bagley, Jr.
Kenneth R. Bassett
James M. Boley
Raymond C. Bucheister
Elmo L. Bumgarner
Edward J. Bunker
Larry D. Burke
Michael L. Burke
Ralph F. Callaway
John J. Campbell
John D. Casteen, Jr.
Stephen M. Casto
Linwood C. Claytor
Gregorio A. Contreras
James D. Cope
Gary L. Crawford
Adelbert Cruz, Jr.
Richard C. Cullison
Charles C. Curtis
Harold W. Dew
Richard F. Doolittle
Michael E. Drain
Fred A. Drajna
Dennis E. Ekardt
Craig A. Engdahl
Edward F. Fahey
John Fairbanks
Harold Farley, Jr.
Francis C. Fenwick, Jr.
Clayton A. Francis
Gerald J. Franzen
John W. Garrison
Benjamin A. Gearo
William M. Glidden
Richard V. Golden
Milton Goldin, Jr.
Sammie Goodlet
Richard J. Grass
Robert L. Graves
Roy D. Griffin
Robert H. Gross, III
James R. Guss
William P. Guy
Gareth R. Habel
Jesse J. Hall
Ellis Hamilton
Jonathan C. Harrison
John H. Hayes
John W. Hays
Wayne Hendrickson
Billy J. Hildreth
David C. Hobart
Robert H. Hoffer
Billy D. Hollaway
Norman C. Horn
William D. Howard
Carleton T. Howell, Jr.
Michael T. Hutson
Kenneth I. Jelley
Charles L. Johann
Hubert S. Jones
Thomas G. Kahler
Johnnie N. Kantirakis
Jerry L. Keast
George E. Kell, Jr.
Peter J. Kelly
Wayne J. Kislingbury
William D. Knight
Eugene L. Knutson
Charles "C" Koon
George W. Lanman, Jr.
Gary L. Laun
Dudley B. Locke, Jr.
Thomas T. Logue, Jr.
Paul F. Loveless, Jr.
Arthur R. McAvoy
James P. Mackie
Allen T. Merideth
Thomas E. Metcalf
Marvin D. Metheny, II
Bryan T. Moody, Jr.
Robert L. Morgan
Richard B. Morse
Robert D. Nielsen
James L. Norton
Charles T. Ogden
William R. Palmer
Allen H. Patterson
Thomas E. Pauls
Thomas R. Poland
Gilbert C. Poppe
Richard H. Quijada
Ray Ramirez
George H. Randolph
Randall M. Richardson
Jerry D. Risk
Johnny G. Robbins
David A. Roby
Ronald J. Rodger
Roger D. Rosenbloom
David C. Schmitz
Gary N. Schorr
George L. Scott
Terance R. Scribner
Robert E. Seater
James A. Sheldon
Alan R. Simons
Randall C. Smith
Richard C. Snow
Harrison H. Solt, III
Larry O. Sparks
James E. Stein
John P. Sudik
Roger A. Summey
John F. Szakas
Connie G. Taylor
Paul L. Temmer
Larry E. Thompson
Marvin F. Tyrrell
Raymond A. Viau
Richard H. Vredenburgh
Clyde Q. Webb
Ronald W. Whitener
Harold J. Woodburn
Hubert F. Woods, Jr.
Harry A. Wright
Adrian C. Youngblood, Jr.

The following-named Navy enlisted candidates to be appointed ensigns in the U.S. Navy, for limited duty, for temporary service, subject to the qualifications therefor as provided by law:

Michael J. Abbott
Orencio D. Albano
James R. Albright
Ronald D. Anderson
Jon J. Andreasen
Leslie E. Andrus
David C. Ankrom
Alfred J. Ashton, Jr.
Larry R. Aten
Donald R. Aumont
Kenneth R. Avery
Michael D. Axline
Kenneth M. Badget
William G. Bailey
Robert E. Barnes
Tedd L. Barnett
Ramon M. Barredo, III
Albert R. Barton
Anthony C. Bascianelli
Richard H. Berardi
David R. Berry
Richard A. Bilskis
Moses L. Bing
Donald E. Bishop
Roy K. Bixby
George P. Bluntschly
Russell L. Boggess
Richard A. Bolin
Michael J. Boling
Jeffrey E. Bonner
William J. Bosma
Craig D. Bowles
Arthur C. Bradford
William D. Bradford
Charles E. Brannan
Larry G. Brantley
John E. Brooks, Jr.
Daniel G. Brown
Danny R. Brown
Dewayne C. Brown
Patrick N. Brown
William G. Brown
Michael J. Browning
Harry D. Bryant
James D. Buchan
Roland R. Buis, Jr.
Gary W. Bumgarner
Gary L. Burgart
William C. Burke, Jr.
John A. Butler
Ronald D. Cagle
Carl T. Callender
Gary R. Campbell
Roland L. Cantin
Norman M. Capati
Jose A. Cardenas
Victor L. Carella
Alfredo P. Carmona
James F. Cavin
James A. Channell
Donald L. Chaput
Philip C. Chasse, Jr.
James L. Clark
Joseph R. Cloutier
Charles A. Cole
Benny D. Conine
Arthur R. Cook
John A. Copes
Gary W. Cosper
Robert H. Cowles
Harold E. Craig
Clifford W. Cress
Lloyd E. Crimmins, Jr.
Roy L. Cripps
Robert B. Crisler
Donald R. Cronin
Harry A. Crutchfield
Nicanor F. Cruzata
Charles L. Dale
Garrett "H" Dalton, Jr.
Edgar L. Dameron, II
Joseph C. Daniel
Stephen J. Daniel
Michael L. Davidson
Michael A. Davis
Thomas M. Deam
Ernesto M. De Castro

Joseph T. Deger
Roy J. Deitz, Jr.
James P. Delaney
Joseph A. Delre
Jay Derrick
John Deyoung, Jr.
Robert Diamond
Clarence L. Diaz
Harold F. Dicer
George E. Diehl
Veon R. Dillon
Reynaldo D. Domingo
Robert L. Doney
John J. Donohue
John R. Donzella
Joseph A. Doyle, Jr.
John V. Drinan, Jr.
Ernest Driscoll
James M. Duke, Jr.
Donald G. Dunbar
Edward P. Dunn
Charles E. Eberhardt
James C. Elder
Kenneth D. Ellis
Randall G. Emmons
Harry E. Ennis, Jr.
William A. Ewing, Jr.
Karl M. Feller
Brent A. Fernald
Jesse J. Fleury
Douglas M. Ferrell, Jr.
James N. Flowers
Rodolfo E. Fontilla
Dale A. Ford
Stephen G. Ford
Don H. Foster
Larry F. Fraczak
James D. Gallagher, Jr.
Eddie J. Gardiner, Jr.
Ellsworth M. Garrity III
John R. Gemmell
Charles M. Georgi
Alan P. Goldstein
Timothy E. Goodbred
Edward J. Gradwell
Richard T. Graves
Stephen J. Grisell
Ronald L. Grochow
Ronald H. Grunstra
Leif G. Grytebust
Redgie L. Gutshall
Kendall R. Hall
Richard T. Hall
Walter I. Hall
David D. Hallock
Robert L. Hampton
James V. Hand
Harold W. Hannah, Jr.
Frank L. Harer
"I" "W" Harper
Larry Harper
Lemual R. Harris
Verle L. Hartley
Terrell L. Hass
Daniel "A" Hassell, Sr.
William E. Havens
Roger L. Hedrick
Richard W. Herman
James R. Higgins
Richard L. Higgins, Jr.
Gregory Hlinka
Thomas K. Hohl
Lewis N. Homan
Gary L. Holtz
Robert C. Houghton
Joseph C. Howard III
Stephen L. Huffer
Robert J. Huffman
Ross M. Hufford, Jr.
Earl R. Hunt
Stephen G. Hyman
Michael R. Hyytinen
Ronald F. Jarabak
David L. Jenkins
Ronnie B. Jenkins
Spike R. Jenkins
Richard G. Johnson
Robert J. Johnson
William R. Johnston
Lloyd L. Jones
Rick M. Jones
Joseph B. Jordan
Rodante R. Joves
John J. Joyce, III
Kenneth R. Kalbach
Keith L. Kaldenberg
Kenneth E. Karr
David W. Kelch
William D. Kerr
Pat R. Kervin
Gerald J. Kiehne
Phillip G. Kimbro
William D. King
Gregory D. Kinneman
Robert B. Kirtley
Andrew M. Kociban
Richard G. Lacey
Paul A. Lafleur
Dwight E. Lamont
Henry G. Landry
Aubrey E. Lane
Danny A. Larmon
Robert L. Laser
Lyle G. Leader
Arthur E. Legare, Jr.
Lawrence L. Lehman
Daniel J. Lejman
Jay A. Leonard, Jr.
Sterling L. Leonard
Donald J. Leroi
Bentley C. Leware
Harborough I. Lill, III
Barry M. Loonam
Dale K. Lueck
Michael A. Lyon
Robert H. McArthur
William D. McCabe
Patrick M. McCarthy
Michael C. S. McCartney
Daniel H. McCready
William F. McCullough, Jr.
Gordon J. McElhatten
George G. McElveen, Jr.
Michael W. McFadden
David R. MacDougall
Kenneth MacDowell
Brian F. Maguire
Steve A. Manning
George W. Markert, IV
James O. Marshall
John L. Martin
Timothy V. Martin
Donald W. Massey
Samuel A. Matthews
Loreto L. Mauricio
Richard J. Meador
Gerald D. Medders
Vernon C. Meierotto
Jerry J. Miller
Ronald A. Miller
Neal J. Mills
Sean M. Model
Donald J. Moody
David R. Moran
Robert E. Morrison
Clyde D. Moses
Bobby F. Moulden
Thomas S. Mumpower
Ignacio A. Munar
Richard H. Murphy
James P. Neary
Robert L. Nelson
Robert W. Nevin
Michael L. Nigro
Harold G. Noel
Donald E. Norton
Daniel A. Noyes
Thomas C. O'Connor
Billy L. Owens
Renato M. Paco
Romeo M. Pagdanganan
Ernesto E. Panado
Bary L. Parker
John R. Parrish
Rodney K. Pauls, Jr.
Edward Payne
Charles D. Pennington
Rolando S. Perez
William E. Pertle
Martin T. Pestcoe
Larry N. Peters
Merle N. Peterson
George M. Phillips
Harry L. Pieper
Thurman R. Plumlee
Lester C. Poehler
William E. Powell
Peter W. Powers
Lawrence J. Prnzel, Jr.
Donald L. Pritchard
Theodore J. Quale, Jr.
Kelvin D. Ralston
Robert S. Rawlins
Philip K. Reily, III
Kenneth L. Reuer
Theodore A. Reynolds
Guy R. Riddle
Louis F. Rill
Robert H. Rivers
Gene A. Roberts
James F. Roberts
Gilberto Rosado
Jerald A. Rosenberg
Lester G. Rousseau
James D. Rowen
George H. Sanderson, Jr.
Dioscoro C. Santos
Bundy C. Sarmiento
Arthur R. Sauer
Danny R. Sawyer
Keith B. Schukraft
Raymond Scott
Michael S. Scranton
John Sepulveda
Joseph D. Sheehan
Glen E. Sheets
Wayne E. Shepard
Kelly F. Sherbanee
Richard A. Sherley
Terry L. Shreiner
Donald A. Silva
William A. Simmons
Thomas P. Simons
Richard L. Simpson, Sr.
Gerry L. Slain
Thomas G. Slippy
Robert S. Sluter, Jr.
Stephen T. Smietana
Clifford A. Smith
Danny G. Smith
John H. Smith
John M. Smith
James O. Sokolik
Robert T. Soper
Richard D. Spigler
Charles K. Spruill
Clifford E. Squires
Richard A. Stewart
Roger F. Stewart
Douglas C. Stidham
Richard C. Stone, Jr.
Michael F. Stout
David P. Sulkowski
James R. Swayze
William C. Sweeney
Gary J. Tate
Larry E. Tatman
Raymond W. Tees
Charles D. Thomas
Thomas C. Thompson
Thomas N. Tichy
Gerald E. Tomlinson
John W. Towery
James E. Tozier
Shelby J. Turner
Odeen L. Tyre
Donald G. Tyson
Jon H. Underwood
Paul D. Vawter
Paul M. Vermette
Raymond L. Vess
Richard H. Watkins
Philip H. West, Jr.
Richard A. Wilkins
Jackie E. Williams
Lawrence J. Williams
Robert A. Williams
James J. Wilson
Harrell G. Wippel
Gary W. Wood
Howard L. Wortham
Michael A. Worthington
Andrew N. Wright
Bill V. Wright
John H. Wright
Barry J. Wrynn
John W. Yeomans
Thomas G. Yingling
Peter P. Zaleski
Robert L. Zimmerman II
William J. Zuchero, Jr.

The following-named Navy enlisted candidates to be appointed temporary chief warrant officers, W-2, in the U.S. Navy, subject to the qualifications therefor as provided by law:

Donald R. Absher
Carl T. Alexander
Dannie K. Almond
Carlos D. Andaya
Robert B. Andies
Dennis L. Arens
John D. Arligan
Kenny E. Armstrong
Charles G. August
Durward C. Ayre
Charles R. Aydelott
Joseph S. Badnek
Don F. Bailey
William W. Baker
Patrick L. Baldwin
Gerald W. Ball
Maurice E. Ball
John M. Banks
Charles B. Barber
William R. Barbra
Billy L. Barker
Charles Barreras
Jack D. Bartlow
Richard L. Bate
Rodolfo R. Bautista
Teddy O. Baylen
Paul H. Bayne
Bryan A. Becken
Robert J. Benfer
Ronald N. Besser
Melvin C. Bird, Jr.
Henry "A" Bishop
Hubert W. Bishop, Jr.
Raymond L. Bishop
Robert E. Blake
Karl S. Blount
Rudy Q. Bojo
James R. Braccio
Edwin D. Brack
William W. Braxton
Albert M. Bredemeyer
Charles J. Breslin, Jr.
James A. Briggs
Joseph R. Briglin
Michael D. Bright
Roy E. Brinkley
Robert G. Bristol
Dale R. Britt
James R. Brooks
Mark N. Brown
Glenn R. Browning
Wardee R. Bruce, Jr.
Kenneth C. Buck
Roger A. Burkhart
James P. Bush
Ronald G. Bush
Ronald L. Buttrum
Harold D. Byers
Edward M. Cadorette, Jr.
Fredrick N. Callahan
Donald L. Camacho
Richard D. Cannon
Nelson R. Carter
William M. Carter
George S. Case
Andres P. Celi
James T. Chambers
Harry W. Chesnut
David P. Childers
Percy H. Chinery, III
Mel D. Chiong
Doyle R. Church
Jimmy C. Clark
Robert B. Clark
Philip L. Clemente
Clifford Clouser
Jimmy R. Cochran
Raymond A. Cochran
Danny D. Cole
Reuben W. Collier, Jr.
Daniel J. Collins
Clifford T. Cook
George T. Copes
Robert C. Cote
Earl "W" Craig, Jr.
David L. Creed
Roger W. Cross
Jerry Crownover
James L. Cunningham
Harry A. Curtis, Jr.
Sheldon "G" Curry
Larry R. Daugherty
James E. Davis
John W. Davis
Robert "B" Debona
John W. Dickenson
William G. Dickson
Frederick R. Dixon
John W. Dobbins
Douglas A. Doemel
Benjamin A. Domondon
Douglas W. Donnelly
Ronnie B. Dooley
Thomas R. Dunn
Robert J. Dupalo
James E. Dye, Jr.
Leonard J. Edgar
Ralph D. Edwards
William N. Edwards
John F. Eget, Jr.
William W. Eggleton
Cheyenne Eichelberger
Beaudwyn P. Eichlepp
Roger A. Ellis
Donald M. Epperson
George W. Estes
Harry W. Falco
Harold L. Fales
Robert D. Faloon
Virgin C. Fegarido
Gaylord R. Finch
William F. Finch
Douglas W. Fleischer
William E. Flood
Gary E. Flynn
Myrle C. Foraker
Joseph C. Ford
Ralph E. Ford
Ronald L. Fowler
Claude I. Franklin
James H. Fritz
Sergio F. Frost
Jerry M. Fugich
Jeffrey L. Funk
George E. Gabaldon
Antonio M. Galanides
Patrick Garcia, Jr.
Talmadge C. Garrett
Charles R. George
David R. Getty
Wesley A. Gibson
Phillip G. Gilbert
William R. Gilchrist
Leonard F. Gilles
Freddie H. Gilliland
Raymond R. Gillip
Aaron C. Ginn
Francis H. Girouard
Bedford D. Glenn
William J. Gork
Charles D. Grady
Alfred L. Graham
John I. Grant, Jr.
Donn E. Green
Robert L. Gregory
Michael L. Greiner
Clyde C. Griffin
Francis M. Groff, Jr.
Farrell J. Grogg
Lloyd L. Guffey
John N. Gullett
Paul D. Hacker
Douglas J. Hall
Charles F. Hammer
Rudolph M. Hanna
Robert F. Hard, Jr.
Lawrence E. Harden
Joseph P. Harmon
Franklyn K. Harper
Randolph A. Harper
Robert P. Hayes
Robert M. Heath
Charles E. Heiney
Jack L. Helm, Sr.
Frank E. Helms
Thomas R. Henderson
Charles N. Herman
Edgar B. Hestand
Jimmy R. Hickey
George C. Hill
Richard A. Hill
William J. Hinds
Edward L. Hinton
Manning A. Hooker
James F. Houlette
Robert E. Houston
Albert J. Huffman
Merrill W. Inglis
James R. Ingram
Andrew Isola
Auston M. Jackson
Gaile B. Jennings
John S. Jennings
Larry D. Johnson
Lawrence J. Johnson
Bobby L. Jones
Ronny G. Jones
James J. Jordan, Jr.
Bruce D. Kehr
James H. Keiser
Barry Kennedy
Royd Keys
Raymond J. Kimball
Franklin D. Kimes, Jr.
George H. Kinshofer
John B. Kite
William E. Koester
James L. Kohlbeck
Paul H. Korntop
Arno A. Kretzschmar
Thomas H. Krohn
Lawrence L. Kurtz
Albert H. Lachance
John D. Lacko
Louis P. Ladow
Robert C. Laduke
Donald W. Lane
Gary L. Lang
Kevin J. Laplante
Eugene R. Lasater
Carol L. Lawrence
Charles E. Lawson
James C. Lawson

Shirley W. Lawson
Donald A. L. Leatherwood
Richard D. Lee
John E. Leindecker
Francis A. Leong
John T. Lloyd
John A. Lomenick
Cecil J. Long
Lawrence H. E. Long
Thomas J. Long
Jay W. Lunsford
William M. Lyman
James J. Lynch
Raymond R. Lynch
Paul D. Lyon
Preston O. Lytle
Ronald E. McBee
Arthur L. McCauley, Jr.
Charles F. McCowan
Harold D. McCurdy
Bruce McDonald
Albert F. McGurr
Keith A. McKee
John M. McNealy, Jr.
Larry A. McNulty
George J. McQuade
Gilbert J. McWane
Edward L. Mangel
John L. Martin
Lawrence E. Martin
Frank O. Marzette
Anthony H. Massey, Jr.
Tim I. Mathisen
Bruce Maxaner
Donald R. Mayberry
Genelito V. Medina
Nicholas S. Medved
Richard L. Michklich
Richard J. Mihok
Charles K. Miller
Hershel M. Miller
Merle J. Miller
Ralph F. Miller
Charles R. Milton
Ronald Mobley
Martin C. Moffett
George V. Mohan
James J. Montgomery, Jr.
Joseph M. Moore
Paul A. Moore
Robert W. Moore
William V. Moore
Daniel Moran, III
Terry L. Morris
Lawrence W. Morrison
Leroy R. Moser
George K. Mulder
Noah T. Mullins
Max E. Murray
Raleigh J. Nauta
Francis E. O'Halloran
Glen S. Olsen
Mark H. Otto
Raymond W. Owens
Gerald J. Padula
Robert D. Palmer
George D. Paul
Francis H. Payne, Jr.
James E. Pearsall, Jr.
Sherman J. Pearson
Thomas F. Pelis
Lawrence A. Pemberton
John E. Penner
Dieter Peplinski
Philip T. Peterson
William R. Pincek
Robert L. Pittman
William F. Ponder
Donald R. Posey
Elwood S. Pratt
Charles R. Pressley
Robert G. Provost
Glenn K. Pryor
Wade T. Pryor
Hans L. Putz
David L. Quaschnick
Charles W. Rambo
Raymond N. Rapalee
Ponciano L. Reyes
John S. Rial
Gary L. Richardson
Jerry A. Riddle
Dean P. Ringressy
Kenneth J. Ritter
Rickie L. Robinson
Tommy L. Robinson
Alberto T. Rodriguez
Ronald R. Roe
Walter S. Rogalski, Jr.
James F. Romig
Gerald R. Rominger
Marcelino E. Ronquillo
John Rossetti
Anice J. Rougeau
Cipriano C. Salonga
John W. Sanders
Thomas L. Sappington
Oronzo J. Savino
Edward G. Schell
Franz C. Schneider
Ray Schultz
Frederick A. Schwab
Edward C. Scott
Ronald A. Sewell
Gerald T. Shafer
Terry W. Shanklin
Floyd G. Sharp
Larry W. Sharp
Harvey J. Shaw, Sr.
Rodney A. Shawn
Cornelius A. Sherman II
Joseph N. Shields II
Leroy K. Shinkle
Gerald "D" Shotts, Jr.
Larry D. Shoultz
David W. Sieruta
Donald B. Simmons, Jr.
Frank L. Simpson
Leonard W. Simpson
Jerry K. Sipes
Austin L. Sizemore
John S. Skinder
David Sloan
Edward L. Slupski
James L. Smith
Richard E. Smith
Samuel B. Snodgrass, Jr.
Robert J. Sommer, Jr.
Paulino Soto, Jr.
Henry W. Spath
Clyde R. Stanfield
Dennis B. St. Clair
Bruce A. Steeves
Richard J. Stephens
Jack D. Strange
James M. Stribling
McCoy O. Strickland
Jerry R. Sully
Arthur H. Swift
Joe T. Sykes
George E. Taglioli
Juan M. Taijito
Billy A. Tankersley
Maligi F. Tato
Aureo S. Tayag
Glenn E. Taylor
Walter F. Tennis
Wayne G. Terry
David R. Thomas
Juan A. Thomas
Thomas Thompson
Raymond E. Thorn
Donald M. Thorp
John H. Tines
Daniel Tom, Jr.
James W. Treme
Robert J. Udell
William R. Vanausdal
Clifford E. Van Nostrand, Jr.
Jose Veliz
John G. Vigil, Jr.
Francis J. Vogan
Kenneth R. Waddell
Thomas G. Wagner
Robert A. Waite
James E. Walden
Charles Walker
Charles A. Walker
Ramon G. Wallen
Rex E. Walls
Lawrence P. Wandel
James W. Ward
Edward J. Westermeyer
Larry H. Whitaker
William C. Whitney
James D. Whittingham
James H. Williams
Luther O. Williams
Edward L. Wilson, Jr.
Wayne A. Wilson
Buddy V. Winslow
Orville G. Wise, Jr.
Victor L. Witek, Jr.
Thomas L. Worthen
Harvey L. Yeager
Dennis C. Younger

The following-named (U.S. Navy officers) to be appointed permanent commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Wayne O. Buck
*Janet R. K. Hutcheson

The following-named (U.S. Navy officers) to be appointed temporary captains in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Wayne O. Buck
*Janet R. K. Hutcheson

The following-named (U.S. Navy officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Gary D. Graham
*Cyril Newman

The following-named (ex-U.S. Naval Reserve officer) to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Douglas R. Elliott

The following-named (ex-Army officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Herbert E. Cohn
*Ariel J. Thomann

The following-named (civilian college graduates) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Eli Breger
*Clifford L. Tartalia

The following-named (U.S.P.H.S. officer) to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Umbert Hart

The following-named (U.S. Navy officers) to be appointed temporary commanders in the line in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Robert J. Kennelly
*Hansel T. Wood, Jr.
*Kenneth A. Schroeder, Jr.

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*Appointment sent out Ad Interim (during the recess of the Senate). Senate recessed on 16 October 1978.

HOUSE OF REPRESENTATIVES—*Wednesday, January 31, 1979*

The House met at 3 p.m.

Chaplain James David Ford, B.D., offered the following prayer:

Heavenly Father, Creator of all the world, give us the awareness that under Your providence we are one people. We give You praise that, with Your guidance we may overcome estrangement and hostility toward others, that we may reach out in love and reconciliation. Strengthened by Your divine power, we pray always for peace on Earth, good will to all in the name of the Lord, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a resolution of the following title:

S. RES. 28

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of the Honorable Nelson A. Rockefeller, a former Vice President of the United States.

Resolved, That in recognition of his illustrious statesmanship, his leadership in national and world affairs, his distinguished public service to his State and his Nation, and as a mark of respect to one who has held such eminent public station in life, the Presiding Officer of the Senate appoints a committee to attend the memorial service for the former Vice President.

Resolved, That the Senate hereby tender its deep sympathy to the members of the family of the former Vice President.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased.

The message also announced that the President pro tempore, pursuant to Public Law 95-599, appointed the following Senators to the National Alcohol Fuels Commission: Mr. CHURCH, from the Committee on Energy and Natural Resources; Mr. MCGOVERN, from the Committee on Agriculture, Nutrition, and Forestry; Mr. HATFIELD, from the Committee on Energy and Natural Resources; Mr. DOLE, from the Committee on Agriculture, Nutrition, and Forestry; and Mr. BELLMON, from the Committee on Appropriations.

TRIBUTE TO RETIRED CHIEF GRADY COCHRAN OF FORT VALLEY, GA., POLICE FORCE

(Mr. BRINKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. BRINKLEY. Mr. Speaker, Chief Grady Cochran retired from the Fort Valley, Ga., police force in 1970, after completing 35 years of outstanding service. As chief of police, Grady Cochran earned the respect and trust of every citizen he served, and he has continued to maintain a vital role in the life of the community.

Good commonsense and humor were Chief Cochran's secret weapons. Three examples come to mind illustrating his skills as a juvenile psychologist and marital counselor, as well as a public safety officer.

One Christmas a trio of young boys threw firecrackers from a rooftop at a passing policeman. When their ammunition was spent, Chief Cochran strolled around to the back of the buildings and calmly removed their ladder to freedom. After being stranded 2 hours on the roof that cold December night, their lesson was learned.

A second episode involved four rowdy youngsters, whose favorite pastime was chopping down shrubbery. After nabbing the culprits, Chief Cochran locked them up. Soon, he began to worry that once released, they would again be bent on destruction that same night. Applying his favorite commonsense approach, he hit upon the idea of releasing them one at a time, at 10-minute intervals, and saw to it that they were escorted home, and kept apart.

Chief Cochran's junior police force helped to establish his reputation as a skilled marriage counselor. A young boy on the force had made three reports to him outlining the dates and exact times of one couple's marital fights. The couple's fourth fight prompted a neighbor's formal complaint, citing disturbance of the peace. Catching the couple in their fight, Chief Cochran reeled off the exact details of all their previous bouts. Stunned into silence and fearing that their minds were being read, the baffled couple agreed on the spot to settle their differences and never fight again.

I submit for the RECORD and commend to the attention of my colleagues the following Macon Telegraph and News article by George Landry, saluting Chief Cochran's splendid example and distinguished career:

[From the Macon Telegraph and News, July 26, 1970]

A CITATION TO A CHIEF

(By George Landry)

Grady W. Cochran has been much, much more than just a police chief at Ft. Valley, as if that hasn't been a full-time job and more than he could say "Grace" over.

He's also had to be:

A psychiatrist, a diplomat, an ambassador-of-good-will, a marriage counselor and advisor in other people's marital difficulties.

An expert on race-relations, an idol of youth, an example, to fellow-enforcement officers, a traffic expert, a genius with those who stray on the wrong side of the law.

All these, of course, among many other things.

Grady Cochran's heart and hand reaching out to help others have been as big as the great grin that is such a familiar trademark of his.

He's like an old shoe, to use the phrase with utmost respect—it's a sheer comfort and pleasure to be around him, to see him and talk with him in the neat little office he has in back of City Hall.

Chief Cochran just can't be around you for more than a minute before breaking slap out in a hearty laugh, the kind of laugh that is contagious and makes you enjoy laughing with him.

He is as good-natured as he is efficient and perhaps it is that he is so efficient because he is so good-natured.

Being a police officer has been his life—a life of constant, potential risk and dangers, yet a good and full life of being guardian and watching over one of the prettiest little towns in Middle Georgia.

If ever there was a contest to name the dean of Middle Georgia police officers, Grady Cochran sure would get this corner's vote. Chief Cochran's retiring soon and all of us who know him will miss him. All the many years he's been my friend, it's been good to be running with him, and not from him.

COMMEMORATING 30TH ANNIVERSARY OF NATO ALLIANCE

(Mr. CHARLES H. WILSON of California, asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHARLES H. WILSON of California. Mr. Speaker, on August 24 of this year, the NATO alliance will be 30 years of age. Thus, the alliance was formed when most Members of the U.S. Congress were young people in high school. The alliance, in fact, is older than several Members of the House of Representatives.

The alliance has survived for 30 years, and has deterred war in the North Atlantic region, for three reasons:

The alliance has been cohesive;

The alliance has demonstrated a collective will to defend itself; and

The alliance has maintained the means of defense through constant modernization.

I need not dwell on the well-recognized fact that NATO now faces the greatest military threat in its history. The threat is real and is expanding in both conventional and nuclear terms, as well as in strategic and theater terms.

At this point, I should explain that the Armed Services Committee is aware that there is no clearly defined dividing line between theater nuclear weapons and strategic nuclear weapons where Western Europe is concerned. With the introduction of new Soviet aircraft, such as the Backfire and new missiles such as the SS–20, the dividing line is becoming blurred even in the case of the continental United States.

The addition of long-range Backfire bombers and SS–20 missiles greatly expands the threat to NATO and is in addition to SS–4 and SS–5 ballistic missiles and other nuclear-capable aircraft.

The situation is one in which the nuclear balance has rapidly turned against NATO, and which will become worse in the near future unless NATO is provided with a variety of modernized nuclear deterrent forces which truly respond to the threat.

In spite of Soviet statements about "balanced forces" and good intentions, it is not likely that the Soviet Union would welcome the modernization of NATO's nuclear forces. In fact, the persistent Soviet propaganda campaign against "neutron" weapons presents ample evidence that such NATO improvements would be subjected to similar propaganda. Yet, unless new systems are developed and deployed, improvements to short-range artillery, the Lance, and Pershing, will have little impact.

NATO strategy includes the first use of nuclear weapons if necessary. We must also assume that Warsaw Pact strategy would include a preemptive attack. For this reason, it is necessary that NATO's future systems include long-range, survivable systems providing an optimum flexibility in deployment and in command and control.

There are two obvious options which are suggested. One is the highly mobile ground-launched cruise missile, or GLCM. The other is a mobile intermediate-range ballistic missile or IRBM. Either of these systems, or a mix of both, would provide a highly survivable deterrent. Flexibility would be enhanced, since these systems could be used to strike targets inside the Soviet Union or for use against shorter-range targets. Together with other theater and tactical nuclear weapons, these systems would provide an impressive deterrent to a possible Soviet preemptive strike.

There is, I believe, substantial agreement in both the United States and in other NATO countries that NATO's forces must be modernized. However, there is a distinct lack of frank discussion about NATO's weaknesses and vulnerabilities, or how one is to go about a remedy. It seems clear, however, that these pressing issues, and the risks which they represent, are being submerged in the interest of a SALT II agreement.

In fact, the energies of the United States Department of Defense, the State Department, the Arms Control and Disarmament Agency, and the National Security Council are being spent almost exclusively toward obtaining the approval of SALT II and a nuclear test ban. There is little if any appreciation for the risks to NATO involved in SALT.

While the GLCM and IRBM systems are reasonable future options for NATO and the United Kingdom, it would appear that U.S. assistance in developing or providing the necessary technology and hardware might be circumscribed by SALT II. Two provisions of SALT II would apply.

First, the U.S. and U.S.S.R. have agreed that neither side will deploy sea-based or land-based cruise missiles with a range in excess of 600 kilometers for the duration of a protocol period.

Second, both parties have agreed not to undertake initiatives, either directly or through third countries which would circumvent or undermine the viability of the agreement.

The deployment in Europe of ground-launched cruise missiles limited to ranges of 600 kilometers or less would be of little strategic value to NATO since no targets within the Soviet Union could be threatened. If the GLCM were to be used as a theater weapon, forward basing would expose the GLCM to the risk of enemy overrun.

While the proponents of SALT minimize the effects of a range limitation on the ability to exercise a real GLCM option, pointing out that the United States will be free to develop and test a longer range system, tremendous political pressures against production and deployment of a longer range system may well prevent any deployment of GLCM's if a SALT II treaty is signed. The Soviets were insistent upon the inclusion of cruise missile range limitations for obvious reasons and could well insist on the continuation of these limitations as a prerequisite for any SALT III negotiations.

Notwithstanding the fact that the SS-20 mobile missile and the Backfire bomber are in fact intercontinental systems, and are unrestrained by SALT, the Soviets can be expected to strenuously oppose both GLCM and NATO IRBM systems originating in the United States under the vague "noncircumvention" provision now incorporated in SALT.

It could be argued with some logic that the transfer by the United States of weapons which are of strategic value when located in Europe circumvents and undermines the purpose of SALT II; that is, to control the numbers of nuclear weapons of the U.S. and U.S.S.R. capable of striking the territory of the other country.

The Soviets could logically claim that the United States, through initiatives taken with its allies, had undermined the treaty, while protecting themselves with the fact that SALT II was negotiated with the SS-20 and Backfire clearly in mind. These are aspects of SALT II which the United Kingdom and other NATO allies should clearly have in mind, and the expected Soviet reaction is no less logical than the worldwide propaganda against neutron weapons fomented by the Soviets.

It should be clear that SALT II would do nothing to keep the nuclear strategic balance in Europe from swinging further toward the Warsaw Pact. To the contrary, SALT II may place serious impediments in the way of options to restore the balance.

By limiting NATO's self-defense options in partnership with the United States, the Soviets hope to prevent the modernization of Western European forces and to sow a spirit of disunity within the alliance. They may be willing to gamble that the West will not choose to "go it alone" with their own independent nuclear forces and to accept permanent Soviet strategic superiority in the area.

Should this occur, the Soviets will have accomplished diplomatically what they could not accomplish with arms for three decades—the destruction of the alliance and the power to militarily dominate Western Europe. This would be a very high price to pay for an arms control agreement which only theoretically limits Soviet intercontinental strategic systems.

□ 1505

GRANTING AN EXTENSION OF TIME FOR JOINT ECONOMIC COMMITTEE TO FILE REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Joint Economic Committee be granted an extension of time from March 1, 1979, to March 30, 1979, to file a report of its findings and recommendations with respect to the Economic Report of the President, as required by section 5(b)(3) of the Employment Act of 1946 (15 U.S.C. 1024(b)(3)); and further, that the Joint Committee be granted an extension of time from March 1, 1979, to March 30, 1979, to file the report of its findings and recommendations required under section 5(c) of the Comprehensive Employment and Training Act Amendments of 1979 (Public Law 95-524).

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

RENAMING CHICAGO AS HARTKE, ILL.

(Mr. QUAYLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. QUAYLE. Mr. Speaker, once again a bill has been introduced in the House by the gentleman from Illinois (Mr. YATES) which would rename the Indiana Dunes National Lakeshore in memory of the late Paul Douglas, a Senator from Illinois. I must say that I admire the gentleman's persistence in what I hope will be a continued dead issue.

I certainly do not intend to degrade the memory of the distinguished late Senator from Illinois. Last year, despite the objections of a number of my fellow Hoosiers here in the House, an amendment was passed designating the "Paul H. Douglas Indiana Dunes Lake Shore." Fortunately, it died in the Senate.

There surely is a more appropriate memorial to Senator Douglas—perhaps in his own beloved State of Illinois.

I am confident that my colleagues from Indiana here in the House as well as in the other body will work in concert to oppose this Illinois intrusion on the work of hundreds of Indiana Hoosiers who labored long and hard to establish the dunes.

In the event this bill should surface, Indiana will seek reciprocity from the Illinois gang. I would offer a resolution renaming the windy city of Chicago in honor of one of Indiana's famed Senators. Under this proposed resolution Chicago would become Hartke, Ill., in honor of Senator Vance Hartke who served the people of Indiana in the other body for 18 years.

Surely renaming the Indiana Dunes has nothing to do with building President Carter's New Foundation. Therefore, I would expect him to veto it should it reach his desk. Failing this, we would launch our effort to rename Chicago.

A CONSTITUTIONAL AMENDMENT TO REQUIRE A BALANCED FEDERAL BUDGET

(Mr. KRAMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KRAMER. Mr. Speaker, today many Americans are worried—and rightfully so—about the cost of living. They are concerned whether they will have enough money to buy groceries, whether they can afford a decent home and, after a lifetime of saving, whether they can even afford to retire.

I think most of us would agree that bringing inflation under control is one of the top priorities facing the 96th Congress. However, I would submit that anything short of decisive action on our part will fail to accomplish this goal.

Today, I am introducing a constitutional amendment which would require a balanced Federal budget. My amendment would phase in a balanced budget over 3 years by setting the maximum deficit at $15 billion the first year, at $10 billion the second year, and at $5 billion the third year. Any subsequent deficit could only occur in times of war or national emergency—and then only with a two-thirds vote of both the House and Senate for each and every deficit year.

Even though recent polls show that an overwhelming majority of those surveyed favor a balanced budget, many State legislatures, with an eye toward the fate of similar balanced budget proposals in the past, are skeptical about the willingness of Congress to live within its means. To date, 24 States have joined in calling for a constitutional convention to draft such an amendment and submit it to the States for ratification. Although I was instrumental in getting a resolution of this nature through the Colorado Legislature last year, clearly the better route would be for Congress to draft and pass a constitutional amendment mandating a balanced Federal budget.

I hope that you and my other colleagues agree with me that inflation is public enemy No. 1 and, therefore, support this amendment.

A CONSTITUTIONAL AMENDMENT TO LIMIT CONGRESSIONAL TERMS OF OFFICE

(Mr. SHUMWAY asked and was given permission to address the House for 1 minute and to revise and extend his remark.)

Mr. SHUMWAY. Mr. Speaker, today I am introducing a joint resolution proposing a constitutional amendment providing for the limitation of congressional terms of office, and for the lengthening from 2 to 4 years of the terms of Members of Congress. My proposal would limit Senators to two terms of 6 years each; Representatives to three terms of 4 years each.

The fact that a great number of similar proposals have been introduced in recent years, particularly during the 94th and 95th Congresses, and that many will undoubtedly be offered during the 96th Congress, is indicative of the increasing recognition by those of us in the Congress that, more and more, our constituents feel their interests could be more effectively and responsively represented if the terms of their officials in Washington were limited. In 1977, the Gallup poll showed that fully 60 percent of the American people supported such a measure. During my campaign for Congress this past year, I asked the people of California's 14th District for their views on this question; 67.5 percent responded that all Congressmen should be limited to 12 years in office. Even more conclusively, 73.2 percent asserted that most Congressmen have lost touch with the people back home.

Throughout the 19th century, it was quite uncommon for a Member of the House to serve for more than two terms. It was not until 1901 that, for the first time, less than 30 percent of the incoming Congress were not freshmen. In the years since, the average length of service has increased to the point where, today, the mean length of service is about five terms. While there may be some justification for the longer periods of service in this century because of the rise of the committee system and the increasing variety and complexity of the legislative issues taken up by Congress, it is also true that the perception of Congress as a desirable and attractive permanent career has grown dramatically. And it is for many of the same reasons that service in Congress has become so attractive that the American people have, to a large degree, lost faith in the ability and willingness of Congress to truly represent their best interests.

The demise of the committed citizen legislator is a serious threat to our tradition of representative democracy. Our Founding Fathers viewed the Congress as a body in which citizen legislators established the laws by which they and their fellow citizens chose to abide. It was not expected that individuals elected to Congress would remain in Washington for years on end; rather, it was felt that service in the Congress would be the same as a duty—not necessarily a pleasant one, but important if the experiment in democracy were to succeed.

We have strayed from this concept. Life as a Congressman has become so attractive that it has become increasingly difficult for us to remember just why we are here. Longevity in Washington has, in many instances, become an end in itself. My suggestion that the length of service be limited by law would, I believe, contribute to a revitalization of the Congress—a revitalization which is crucial given the problems and issues with which we are confronted today—while, at the same time, insuring that Members are closely attuned to the needs of our constituents.

Twelve years is time enough for any one of us to make our mark in Washington, to make the kind of contribution to the course of our Nation's affairs that our forefathers intended. While it can be argued with some justification that such a limitation would prematurely end the contributions of a few exceptional legislators—and the roll of those who have been outstanding Members of Congress for 12, 30, and even 40 years includes many of the leading figures in the history of our Nation—I nevertheless would argue that my proposal would provide an opportunity for many more outstanding Americans to apply their energy and talents for the benefit of their country than would otherwise be the case.

The most important reason for limiting the congressional term of office is, of course, to restore the confidence of the American people in Government. By providing for the regular turnover of congressional membership, we can make a lasting contribution in this area. Members of Congress would be chosen by their fellow citizens to represent them on a temporary basis—and would then return home to pursue their various chosen careers. We are American citizens first, Congressmen second—and the American people have every right to expect that we understand this basic fact.

We in Washington are not here to accumulate personal power. Nevertheless, given the nature of our responsibilities, our influence can be great. Unfortunately, such power and influence has, in recent years, all too often been abused. I can make no greater argument for urging my colleagues to support my resolution than to recall the words of James Madison who wrote in the Federalist Papers:

> It is a received and well-founded maxim, that where no other circumstances affect the case, the greater the power is, the shorter ought to be its duration.

In conjunction with limiting the length of service in both the House and Senate, I am proposing that the congressional term of office be increased from 2 to 4 years. My resolution provides that the House be divided into two classes, each to be elected alternately.

The requirement that we run for reelection every 2 years means most of us must begin campaigning almost immediately upon our initial elections. Given the burden of the legislative workload, as well as the many other demands on our time, such a requirement can only detract from the quality of service we are able to offer our constituents. Further, the congressional process is increasingly intricate and requires that a great deal of time be devoted to attaining a sufficient familiarity with it. A 4-year term, I believe, can satisfy these requirements; the 2-year term is, in most cases, just too short. In order to most effectively represent our constituents, we must have adequate opportunity to consider closely, evaluate, and then proceed—all with due caution and reflection.

The American people have demanded, and certainly deserve, an improvement in the quality of the work of Congress. They demand reform and, according to all the surveys of public opinion with which I am familiar, overwhelmingly support the 4-year term. My proposal is an attempt to meet this demand.

Mr. Speaker, recently I was honored for the first time with election to Congress. Throughout my campaign, the message I received most consistently and clearly from the people of the 14th Congressional District of California was that Congress was "out of touch," was "not in tune" with their problems and concerns. They believe their representatives should serve in Washington for a period long enough to make a contribution, but not for so long that they are forgotten. They also ask that, having invested their trust in us, that it not be abused—but, rather that they receive a fair return on their investment. The 4-year term would enhance this return.

Mr. Speaker, I would urge my colleagues to heed the voice of the people, and work to make Congress more responsive to it. The American people deserve no less. I believe my resolution is a needed step in this direction.

RESIGNATION AS MEMBER OF COMMITTEE ON SCIENCE AND TECHNOLOGY

The SPEAKER laid before the House the following resignation from the Committee on Science and Technology:

WASHINGTON, D.C.,
January 29, 1979.

Hon. THOMAS P. O'NEILL,
Speaker, House of Representatives,
The Capitol, Washington, D.C.

DEAR MR. SPEAKER: Since there has been some confusion regarding my committee assignments, I am enclosing copies of correspondence in which I indicated my preferences. Please see especially my letter dated December 7, 1978, in which I stated my desire to serve only on the Committee on Banking.

Therefore, I wish to resign as a member of the Committee on Science and Technology for the 96th Congress. I know that as a result of my resignation, I will forfeit my seniority on the Science and Technology Committee.

Thank you very much for your help with this matter.

Best wishes,

STEPHEN L. NEAL,
U.S. Congressman.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

□ 1510

RESIGNATION AS MEMBER OF COMMITTEE ON THE DISTRICT OF COLUMBIA

The SPEAKER laid before the House the following resignation as a member of the Committee on the District of Columbia:

WASHINGTON, D.C.,
January 30, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Because of the extremely heavy demand on my time as Chairman of the NATO Subcommittee, and my other committee and legislative responsibilities, I will appreciate your accepting my resignation from the District of Columbia Committee.

I feel that it would be unfair to the other members, as well as the people of the District of Columbia, for me to continue to serve on the D.C. Committee.

It has been a pleasure for me to work with the members of that committee, and with the staff.

With kind regards,
Very sincerely,

DAN DANIEL.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

RESIGNATION AS MEMBER OF COMMITTEE ON VETERANS' AFFAIRS

The SPEAKER laid before the House the following resignation as a member of the Committee on Veterans' Affairs:

Washington, D.C.,
January 30, 1979.

Hon. Thomas P. O'Neill, Jr.,
Speaker of the House of Representatives,
The Capitol.

Dear Mr. Speaker: As you no doubt are aware, earlier today the Democratic Policy and Steering Committee nominated me to fill the 25th vacancy on the Small Business Committee. As I had indicated to you, this assignment was my first preference for a secondary committee assignment. Therefore, I am delighted!

It is my understanding that I must submit to you my letter of resignation from the Veterans' Affairs Committee for transmittal to the House leadership and to Chairman Roberts. I have already personally discussed with Chairman Roberts the reasons for my leaving his committee, and while I never served as a standing member of the committee I was honored to have been chosen as a member of that body. Nevertheless, I feel that I will be much more effective to both my constituents and our country as a member of the Small Business Committee. I hope you will consider this resignation.

Should you need any further information or documentation from me to finalize resignation from the Veterans' Affairs Committee, please do not hesitate to advise me immediately.

Again, thank you for your assistance in helping me to obtain this assignment.

With warmest regards,

Sincerely,

Tony P. Hall,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

DESIGNATING MEMBERSHIP ON CERTAIN STANDING COMMITTEES

Mr. FOLEY. Mr. Speaker, as chairman of the Democratic Caucus and by the authority of the Democratic Caucus, I send to the desk a privileged resolution (H. Res. 78) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 78

Resolution designating membership on certain standing committees of the House

Resolved, That the following named Members be, and they are hereby, elected to the following standing committees of the House of Representatives:

Committee on the District of Columbia: George Thomas (Mickey) Leland, Texas.

Committee on Education and Labor: Don Bailey, Pennsylvania.

Committee on International Relations: David R. Bowen, Mississippi; Floyd J. Fithian, Indiana.

Committee on Judiciary: Abner J. Mikva, Illinois; Michael D. Barnes, Maryland; Richard C. Shelby, Alabama.

Committee on Post Office and Civil Service: Donald Joseph Albosta, Michigan.

Committee on Science and Technology: Stanley Lundine, New York; Allen E. Ertel, Pennsylvania; Kent Hance, Texas.

Committee on Small Business: Tony P. Hall, Ohio.

Committee on Standards of Official Conduct: Charles E. Bennett (chairman), Florida; Lee H. Hamilton, Indiana; Richardson Preyer, North Carolina; John M. Slack, West Virginia; Morgan F. Murphy, Illinois; John P. Murtha, Pennsylvania.

Mr. FOLEY (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with, and that it be printed in the Record.

The SPEAKER pro tempore (Mr. Studds). Is there objection to the gentleman from Washington?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RESIGNATION AS MEMBER OF COMMITTEE ON THE BUDGET

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on the Budget:

Washington, D.C.,
January 31, 1979.

Hon. Thomas P. O'Neill, Jr.,
The Speaker, House of Representatives,
U.S. Capitol, Washington, D.C.

Dear Mr. Speaker: This is to advise you that I wish to resign from my assignment on the Committee on the Budget.

Sincerely yours,

John J. Duncan,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

ELECTION AS MEMBER OF COMMITTEE ON THE BUDGET

Mr. MICHEL. Mr. Speaker, I offer a privileged resolution (H. Res. 79) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 79

Resolved, That Bill Frenzel, of Minnesota, be and he is hereby elected a member of the Committee on the Budget.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION AS A MEMBER OF COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. MICHEL. Mr. Speaker, I offer a privileged resolution (H. Res. 80) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 80

Resolved, That Richard B. Cheney, of Wyoming, be and he is hereby elected a member of the Committee on Standards of Official Conduct.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE WACKY WIT OF WEST VIRGINIA

(Mr. STAGGERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. STAGGERS. Mr. Speaker, in my native State of West Virginia, there is a famous weekly newspaper, the West Virginia Hillbilly, which is published in Richwood and edited by a very good friend of mine, Jim Comstock.

He has been described by Coronet as "the wacky wit of West Virginia," by Pearl Buck as, "my idea of what the best editor of a best country newspaper should be," and by Nation's Business as a man whose writing is "as pungent and incisive as anything being written about politics and today's society."

He probably knows more than any man alive about the yesterdays and todays of Appalachia and how it got that way.

Recently Jim Comstock was the subject of an article by Norman Corwin in Westways magazine. I would like to share his thoughts and article with my colleagues at this time.

Hillbilly?

(By Norman Corwin)

Newspapers have been described as great engines that never sleep, with ambassadors in every quarter of the world and couriers upon every road, whose officers march along with armies and whose envoys walk into statesmen's cabinets. The description is Thackeray's and is a good one, but it applies only to behemoths, those tremendous organs whose presses roar at the pitch of a hurricane, whose Sunday edition comes in twenty sections and weighs enough to hazard a hernia if you try to pick it up off a doorstoop with one hand, and whose classified ads, if pasted end to end in a continuous strip, would, in a year's time, reach the moon and climb over a rill.

But there are other, lesser newspapers whose engines may only purr, which sleep on weekends and holidays, and whose only ambassadors may be the mailmen who deliver copies to subscribers once a week. Nevertheless they may be formidable and famous, sometimes more so than middling giant newspapers of middling cities. Three such, to name only a few weeklies in recent annals, come immediately to mind: Harry Golden's *Carolina Israelite*, Wilson Minor's *Capital Reporter* and Jim Comstock's *The West Virginia Hillbilly*.

Golden is known nationally for his books, and was even the subject of a Broadway play by Lawrence & Lee; Minor is known to Mississippi because his little paper (circulation 6,000) makes a big noise in that state's politics, and is known to Southern California because of a fine story in the *Los Angeles Times* ("Editor Rakes Mississippi Political Muck"); but Jim Comstock is better known in Appalachia, Washington, D.C., and in New York City than he is in the West, and I think that should be corrected.

In fact, next Thanksgiving I intend to thank the Editor in Chief up there for Comstock, and suggest the creation of more editors and publishers like him. Then I will follow up with a letter to the Pulitzer Prize Committee (a big step down), asking it not again to overlook an award in journalism to the man who, I regret, was once described by Pearl Buck as "my idea of what the best editor of a best country newspaper would be." My regret is that I did not say it about him first.

Jim calls himself "editor emeritus" of *The Hillbilly,* whose masthead describes it as a "Weakly Publication" put out in Richwood, West Virginia. The "weakly" is not a misprint, but a token of Comstock's inability to take himself seriously for very long at a time. However, the emeritus is entirely misleading because it means retired, as for age, whereas there is nothing retiring about him. He is as active as a cat high on nep, chasing a Ping-Pong ball. In Jim's case the ball is our life and times. Each week he writes a full page of pieces of assorted lengths and subjects, under the heading of "The Comstock Load," which is to Appalachia what "Talk of the Town" is to *The New Yorker*. He also writes feature stories and whatever else comes into his marvelously maverick head.

There is an earthiness to *The Hillbilly* that honors its name—an occasional outcropping of humor that might be called rustic by the prim or near-prim. Example:

TOO LATE

The old farmer was standing by the woman's car over on Leaping Branch, telling her how to get to Hell's Half-Acre, when this bird flew over and let him have it on the shoulder. They were both embarrassed, the old farmer and the nice city woman. And she *was* nice, because she asked him did he want a tissue. He said no, he reckoned not, because as fast as that damn bird was flying, it'd be to Charleston by now.

Ornithological scatology? For the birds? No matter. Similar jokes are scattered throughout *Hillbilly*, saucy but never prurient, caricatures more than ribaldry, shards of country comedy. Take the story of old Doc Hyer, who every day for a month had been delivering babies all over Nicholas and Webster counties. "Every time he asked the poor girl who it was it turned out to be Morty Martin. It made old Doc Hyer mad. And then when the Widow Wilson had triplets and her daughter had twins, Doc hunted Morty down to have it out with him. He cussed him out for a while and then he said, 'Great balls of fire, man, how could you do such a thing?' Morty said shucks, it wasn't nothing, he just got a bicycle."

If that is all there were to *Hillbilly*, Comstock would not have been Pearl Buck's nomination for best editor of best country newspaper. But *Hillbilly* fights just as hard and eloquently as any newspaper anywhere, including Minor's *Capitol Reporter* and *The Washington Post*, for what it believes, and what it believes is usually on the side of decency and dignity and justice and compassion and those old, embattled, scarred angels, the freedoms. Comstock's weakly is an extension of his extraordinary self, which means that he is long on local history and short with nay-sayers, doom-criers, hucksters, shysters, exploiters, and people who push other people around; strong for West Virginia writers and artists, especially living ones, who would like to make a living; scornful of the pompous, the poohbahs; drawn as by irresistible magnet to good yarns and colorful characters and the ways, the wisdom, the passions and peccadillos of mountain folk.

Ten years ago an anthology of Comstockana was compiled and edited by Otto Whittaker, a Chicago advertising man and inveterate Comstock buff, who wrote in his introduction an appreciation that appreciates every time you read a new issue of the weekly. "Scratch his mountain hide and you open a bonanza of humility and love of God and fellow man, and see into a heart that is continually tugged-at by the mountain sorrows that mushroom all around him. He's a sparrow-watcher—a man who can't pass up a hitch-hiker, a man who persuades his readers to build a house for one whose arms are burned off, a man who goes into personal hock to build a hospital, starts a college fund for two tykes whose widowed mother lives in a wheelchair, creates an annual 'Past 80 Party' to make the aged feel once again a part of the world they helped to make, and mourns a poor, sick, skinny, bewildered and be-wretched little woman who died with her babies huddled about the bed while her husband went down the railroad track with a bottle of Sweet Lucy."

Yet through all this, Whittaker adds, there runs a delightful and indelible streak of Peck's Bad Boy. He takes delight in nagging the *Charleston Gazette*, which he suspects of looking down the left side of its nose at him. "Their photographer always takes two pictures of me in case one's good," says Jim. When the *Saturday Review* referred to *Hillbilly* as "sophisticated"—which it is—Comstock asked for a retraction. "I occasionally send something to the *Saturday Review*," he told Whittaker, "because if they publish it, it adds a little dab of intellectualism. And a little dab'll do when you live where I live and put out a paper called what this one's called."

It's a kidding depreciation, of course. Intellectuals are attracted to Comstock's writing because it has style, verve, clarity, point and wit. He has Lincoln's gift and Sandburg's ear for a good story; his pungency is wrapped in drollness as Italians wrap melon in ham; there is often a kind of Will Rogers offhandedness that is almost sleight of hand; and he has Mark Twain's radar fix on the absurdities. If this sounds like too broad a range of claims, then I propose that you see for yourself. *The Best of Hillbilly*, published by Droke, will back me up. In it, for example, you will find just ahead of the story about the bird, and following a genial joke about a hillbilly soldier, a very moving piece on his first encounter, as a boy, with death.

Love of man and dog mingles easily with love of language. Of his boxer: "As long as we have been publishing, Bounce is the only living creature that has come to us and loved us for ourselves alone. I rise early and Bounce does too, and he is invariably waiting for me at the shop. As I approach, his entire nether half shakes with enormous violence. He makes a whimpering noise as if to say that if I had been with him during the night, things wouldn't be so bad. He attempts a smile and I open the door, and he lies down and remains there until I leave."

Of himself: "I know of no member of a race, nationality or religion different than mine that I wouldn't sit down and have a meal with, except maybe cannibals."

As for language, it would be hard to find a more ingratiating excursion on a single word than this: "I don't know how long it has been since I have seen a list of favorite beautiful words. . . . Cellar-door was one. You can see that it does have liquidity of sound, a nice, rolling utterance. . . . My idea of a beautiful word would be one that is aesthetically compounded, and at the same time functionally beautiful. Recently I thought of such a word. It is short and pretty, and is perhaps the only word in the English language which immediately lifts one out of the depths of despair to the keenest joy. You don't say it trippingly like Lo-li-ta, but short and sweet and quick as if you don't want to prolong by one syllable the agony that it will immediately stop. The word is received by any ear, but only one kind of person says it. That's a fellow in a white coat with a mirror on his forehead. And the word doesn't mean a thing, isn't beautiful at all, unless it is said to you about somebody you love. The word is *benign*."

"The Comstock Load" is always on the back page of *Hillbilly*, but every now and then Jim runs a feature article starting on the front page. Recently he wrote at length about the delivery, by himself, of a bust of the poet Dylan Thomas, bought by the citizens of Richwood for presentation to the president, because Mr. Carter had let it be known that Thomas was his favorite poet. Comstock, who had been invited to the White House for a meeting at which 20 media men were to be "briefed," decided to carry the plaster cast with him. "I didn't want to chance mailing it because in one shipment from the moulders, one arrived smashed and poor old Dylan had been enough of that when he was living."

Jim had written in advance to Jody Powell, to ask if he could hand the bust personally to the President, and "Mr. Powell had his press relations person write right back that the President was a terribly busy man and hoped I would understand which I did, being busy myself."

In Washington, Jim dined at a restaurant "which lets you look down on Washington, certainly a pleasant thought." Once in the White House, the bust was taken by a guard to be x-rayed, and the briefees were conducted to the cabinet room. "We were told each member (of the cabinet) was invited to take his (name-plated) chair with him upon leaving his post if he pays the government for it. I wonder if Bert Lance took his, and if he did, did he pay for it by check."

The briefing over, Jim started for home. The bust of Dylan Thomas had by now been cleared through x-ray, and was sitting on a desk in a hall. "I bade him goodbye and he implored me not to go gentle into the dark night and leave him there all alone. I said he would be with one who loved him, rather doubting that the President ever sees him at all."

Comstock had wangled the round trip by road, from Bernie Hanna, whom he met on the street in Richwood, "and knowing that he was retired from his life of truck driving, I put it to him, and he said he would be glad to go along." So they started back for the long drive home to West Virginia, Hanna at the wheel. "I worked in the back seat while there was daylight, and up front by the light under the glove compartment writing this and other things. We arrived in Richwood at 1:30 a.m."

It was just another day in the life of Jim Comstock. The following week he received, and printed, a letter from President Carter thanking the citizens of Richwood for the bust and adding that if a Presidential library is built in the future, the sculpture will be placed there. So, I hope, will be a copy of Comstock's account of the presentation. It would be the more valuable of the two items, by far.

WILL THE NEXT AGREEMENT BE ENFORCED?

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ALEXANDER. Mr. Speaker, yesterday I met with China's Vice Premier Deng Xiaoping during which I had the opportunity to ask a question that is on the minds of many Americans as evidenced by its wide discussion in the news media. The question I asked of the Vice Premier was as follows:

Mr. Vice Premier, when I visited your country last November I met with Third Vice Premier Li Hsien-Nien in Peking who said that the only deterrent to the goal of Soviet hegemony (world domination) is the strategic power of the United States. From your experience, what changes in Soviet policy do you foresee if the United States and the Soviet Union enter into a Strategic Arms Limitation Treaty?

The Vice Premier responded as follows:

We are not opposed to negotiations. We are not opposed to U.S.-U.S.S.R. agreements. But, we note that if an agreement is reached it should be one that is enforced.

I recall that you first began discussing arms limitations with the Soviets in 1963 (Limited Test Ban Treaty). At that time there were very great differences in the strategic power of the United States and the Soviet Union.

Nine years later you entered into a second agreement with the Soviet Union (SALT I). The U.S.S.R. used the time between the first and second agreements to catch up in military power, so that the strategic strength of the Soviet Union came very close to that of the United States.

But, two years later by 1974, the year in which an agreement was executed at Vladivostok (protocol to ABM Treaty of SALT I) even U.S. public opinion recognized that the strength of the Soviet Union was equal to that of the United States.

Now, you are about to reach a fourth agreement (SALT II).

We are not opposed to negotiation. We are negotiating ourselves with the Soviets. The problem in agreements with the Soviets can be illustrated by the agreement that was reached between Mr. Kosygin and former Vice Premier Chou En-lai at the airport. This was a valid agreement when it was reached. The trouble with it was that when the agreement reached Moscow, the agreement was scrapped.

Nevertheless, we are still engaged in talks with the Soviet Union, but during these years we have not advanced one inch toward an agreement.

In a nut shell, we approve of negotiation, but in accordance with our own experiences with the Soviet Union, such agreements cannot restrain the hegemonist' goal (of world domination).

If we are really to work for a long term peace and stability in the world we need to carry out some down to earth work.

In a recent Newsweek editorial, January 22, 1979, columnist George F. Will postulated that the American people appear to have convinced themselves that there need be no concern for the Soviets; that Americans are not in the mood to listen to the facts about defense needs. Mr. Speaker, maybe the Chinese Vice Premier is trying to tell us something we need to know.

□ 1515

INTRODUCTION OF DISASTER RELIEF ACT OF 1979

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute.)

Mr. O'BRIEN. Mr. Speaker, on Monday, I introduced H.R. 1604, a bill to amend the Disaster Relief Act of 1974, along with 13 cosponsors in the Illinois delegation. My bill, which would provide assistance to areas of the country declared by the President to be experiencing an emergency or major disaster, would make governmental bodies eligible for this assistance from the day the emergency or disaster commences.

While it has been 15 days since the President declared 24 counties in Illinois in a state of emergency, the situation has not improved. Chicago and parts of my district have measured record snowfalls. Local governments have exhausted their snow removal budgets. Major interstate highways are closed in the rural areas. Many parents are keeping their children out of school because the children cannot safely arrive at school buildings because funds are not available to adequately clear city streets and roadways.

I respectfully urge my colleagues on the House Public Works and Transportation Committee to schedule hearings on my bill and similar legislation as soon as possible so that meaningful assistance can be provided.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 31, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:50 a.m., Wednesday, January 31, 1979, and said to contain a message from the President wherein he transmits the Fifth Special Message for Fiscal Year 1979 under the Impoundment Control Act of 1974.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

FIFTH SPECIAL MESSAGE FOR FISCAL YEAR 1979 UNDER THE IMPOUNDMENT CONTROL ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-46)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report ten proposals to rescind a total of $914.6 million in budget authority previously provided by the Congress. In addition, I am reporting six new deferrals of budget authority totalling $1,169.8 million and six revisions to previously transmitted deferrals increasing the amount deferred by $28.8 million.

The rescission proposals affect programs in the Departments of Energy, Health, Education, and Welfare, Housing and Urban Development, the Interior, and several independent agencies.

The new deferrals and revisions to existing deferrals involve programs of the Departments of Agriculture, Commerce, Defense, Energy, the Interior, Justice, Labor, Transportation, the Treasury, and the Tennessee Valley Authority.

The details of each rescission proposal and deferral are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *January 31, 1979.*

JEWISH COMMUNITY RELATIONS COUNCIL OF NEW YORK, INC., RESOLUTION URGING MOBILIZATION TO HELP "BOAT PEOPLE"

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WEISS. Mr. Speaker, the plight of a large group of Southeast Asians, known as the "boat people," is parallel to the plight experienced by many Jews prior to World War II.

Recognizing that the United States must take leadership in aiding these brave Asian individuals, the Jewish Community Relations Council of New York, has adopted a very timely resolution urging that the United States mobilize all of its available resources to rescue and assist these refugees.

Already the United States and Israel have initiated efforts to come to the rescue of these refugees. I believe it is time for us to examine our current efforts on behalf of the "boat people" in order to determine how we can expand the ongoing international outreach program to encompass all remaining refugees.

I commend the council for their action and would like to share a copy of the resolution with my colleagues.

RESOLUTION ON VIETNAMESE BOAT PEOPLE

The Jewish Community Relations Council of New York is deeply concerned with the plight of thousands of Southeast Asian refugees who have been forced to flee their homelands. We note with particular dismay the group of more than 2500 people plying the Pacific Ocean in search of a safe haven. Reports of their tragic situation and the refusals of so many countries to allow them refuge recalls the desperate voyage in 1939 of the "St. Louis". With over 900 Jewish refugees on board, the boat was denied entry to many countries, including the United States. The soul-searching memory of hundreds of thousands of our brethren who could have been saved prior to World War II and the many boats of Jewish survivors who were turned away from Palestine after the war, compels us to speak out strongly at this time.

We appreciate the efforts of our government in the past and are mindful of the hardships that accompany an influx or refugees. However, we feel that special efforts must be undertaken immediately under the leadership of the United States to ensure that history does not repeat itself.

We applaud the government of Israel for their efforts in granting asylum to a group of "boat people" plucked from Asian waters by an Israeli freighter last year and their recent decision to grant asylum to more refugees. We hope that other countries will emulate this example.

This country has a deep-rooted tradition of support for victims of political oppression and has, in recent years, resettled large numbers of Hungarians, Cubans and Vietnamese.

We believe it is now time to mobilize all available resources, public and private, for a comprehensive international humanitarian rescue program.

□ 1520

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 31, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:50 a.m., Wednesday, January 31, 1979, and said to contain a message from the President wherein he transmits the Annual Report of the Office of Alien Property for the transition quarter (7/1/76 through 9/30/76) and the 1977 Fiscal Year.

With kind regards, I am,

Sincerely,
Edmund L. Henshaw, Jr.,
Clerk, House of Representatives.

ANNUAL REPORT OF THE OFFICE OF ALIEN PROPERTY, DEPARTMENT OF JUSTICE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations:

To the Congress of the United States:

I herewith transmit the Annual Report of the Office of Alien Property, Department of Justice, for the transition period July 1, 1976 to September 30, 1976, and for the fiscal year ended September 30, 1977, in accordance with Section 6 of the Trading with the Enemy Act.

Jimmy Carter.

The White House, *January 31, 1979.*

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. COAST GUARD ACADEMY

The SPEAKER pro tempore. Pursuant to the provisions of section 194(a), title 14 of the United States Code, the Chair announces, without objection, that the Speaker appoints as members of the Board of Visitors to the U.S. Coast Guard Academy the following Members on the part of the House: Mr. Dodd of Connecticut and Mr. McKinney of Connecticut.

There was no objection.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. MERCHANT MARINE ACADEMY

The SPEAKER pro tempore. Pursuant to provisions of the 46 U.S.C. 1126c, the Chair announces, without objection, that the Speaker appoints as members of the Board of Visitors to the U.S. Merchant Marine Academy the following Members on the part of the House: Mr. Wolff of New York and Mr .Wydler of New York.

There was no objection.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. MILITARY ACADEMY

The SPEAKER pro tempore. Pursuant to the provisions of 10 U.S.C. 4355(a), the Chair announces, without objection, that the Speaker appoints as members of the Board of Visitors to the U.S. Military Academy the following Members on the part of the House: Mr. Murphy of New York; Mr. Long of Maryland; Mr. Conte of Massachusetts; and Mr. Gilman of New York.

There was no objection.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. NAVAL ACADEMY

The SPEAKER pro tempore. Pursuant to the provisions of 10 U.S.C. 6968(a), the Chair announces, without objection, that the Speaker appoints as members of the Board of Visitors to the U.S. Naval Academy the following Members on the part of the House: Mr. McKay of Utah; Mrs. Spellman of Maryland; Mr. Kemp of New York; and Mrs. Holt of Maryland.

There was no objection.

□ 1525

LATE HONORABLE LEO J. RYAN

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. Johnson) is recognized for 20 minutes.

Mr. JOHNSON of California. Mr. Speaker, I have asked for this special order so that all Members would have an opportunity to participate in the eulogies and memories and tributes to the late Leo Ryan of the 11th District of California.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the life, character, and public service of the late Honorable Leo Ryan, of South San Francisco.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHNSON of California. Mr. Speaker, I yield such time as he may consume to the distinguished majority leader, the Honorable Jim Wright of Texas.

Mr. WRIGHT. Mr. Speaker, in the Congressional Directory, where Members of Congress are permitted to edit or even to compose their own biographies, Leo Ryan's is one of the briefest. Only seven lines recite the barest facts of his remarkably eventful 53 years.

This reveals one facet of the character of Congressman Leo J. Ryan. He was not given to extensive self-advertisement, nor to the superficial trappings and social floss of political life.

He was his own man, at times introspective and never fully predictable. There was nothing stale or stereotyped or unoriginal in Leo's makeup. He defied the confinement of glib political labels.

Leo Ryan was a brave and compassionate man who thought his own thoughts, fought his own fights, and followed his own convictions. Yet what is "integrity" but that?

> This above all. To thine own self be true;
> And it follows as the night the day
> Thou Canst not then be false to any man.

In local, State, and Federal office, Leo was a friend of the disadvantaged, the disenchanted and the dispossessed—those who most need a friend in high places. He took on their habiliments, tasted their anguish with them, and in their service he went literally to the ends of the Earth.

In the 1960's, after the Watts riots spread shockwaves of fear throughout the land, Leo Ryan's insatiable curiosity and his innate sympathy would not let him rest. Then a member of the California legislature, he concealed his identity moved in with a black family and took a job as a substitute teacher in the ghetto, there to learn as well as teach—and to serve where the need was greatest.

In 1970, to learn the real truth which no outsider can ever truly know about our prison system and prison life, Assemblyman Ryan assumed the identity of a prisoner and lived for 8 days as an inmate at Folsom Prison.

Repelled by reports of the cruel wholesale slaughter of seal puppies, Congressman Ryan went to Newfoundland to see for himself.

Perhaps it is not an irreverence to suggest that Leo Ryan's ever willing readiness to go where there is suffering is in some ways akin to the response of Isaiah who said "Here am I, Lord. Send me."

And last fall when friends and constituents came to Leo with alarming horror stories about human captivity and bizarre inhumanities carried on against loved ones in a remote jungle colony in faraway Guyana, Leo went to see and to serve.

It was there, while helping to free captives, that he met his death.

> Greater love hath no man than this, that a
> man lay down his life for his friends.
> So he died for his faith? (wrote Crosby) That
> is fine, more than most of us do;
> But, say, can you add to that line
> That he lived for it, too?

It seems to me that in only slightly less dramtic ways, Leo Ryan throughout his life has been giving his life to people.

As a volunteer in the U.S. Navy during World War II at the age of only 18, he offered his life to our country.

As a teacher, Leo's first occupation, he gave his life to youngsters.

As a mayor of his community, as State assemblyman and as a Member of the U.S. Congress, he has given the greater part of his life to the public.

There must be in this a consolation for Leo's loved ones—for it is in giving that we receive and in dying that we are born to eternal life.

> And the King shall say to those on his right hand, Come ye blessed of my Father and enter into the kingdom prepared for you from the foundation of the world, for I was an hungered and ye gave me to eat; I was thirsty and ye gave me drink; I was naked and ye clothed me; I was sick and in prison and ye came unto me . . . for inasmuch as ye have done it unto one of the least of these, my brethren, you have done it unto me.

And that is the legacy into which our brave and generous friend, Leo Ryan, is now embraced.

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman from Texas, our majority leader, for his participation.

Mr. Speaker, I yield to the gentleman from Missouri, the chairman of the Rules Committee (Mr. Bolling).

Mr. BOLLING. Mr. Speaker, I thank the gentleman from California. I would like to associate myself with the remarks already made.

Leo Ryan was a good friend of mine. We talked together a lot. I found him thoroughly consistent in one thing: He was a completely dedicated public servant. He cared about the people that he represented, and he was absolutely fearless—as his death demonstrates—in his efforts to serve them.

Some of the things that he did may have appeared to some to be Quixotic. They were not. He moved in to try to help people when nobody else would. He was a man of great courage, great character, and a very, very fine representative of the people. I will miss him, as will we all.

I thank the gentleman from California.

Mr. JOHNSON of California. I thank the gentleman from Missouri for his participation.

Mr. Speaker, I would like at this time to yield to the chairman of the Government Operations Committee, the Honorable Jack Brooks of Texas. Leo Ryan was a member of his committee.

Mr. BROOKS. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, we have taken up our duties in the Government Operations Committee this year saddened by the loss of our colleague, Leo Ryan. Leo headed the Subcommittee on Environment, Energy, and Natural Resources for 4 years, and did so in the vigorous, full-spirited manner that characterized his approach to his responsibilities as a Member of Congress.

Under his leadership, the subcommittee made significant contributions with its investigations of dam safety, nuclear power costs, aircraft noise, and the need to protect California's redwood forests. He did not swerve from the course he thought was right because of opposition or because of controversy. He followed where the facts led him. It was in this spirit he undertook his fateful journey to Guyana, with the tragic results that still shock the World.

His career here was all too brief. He had much to contribute; much to accomplish. Besides the sense of personal loss I feel, I mourn the loss the Congress and the Nation have suffered by his death.

☐ 1530

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman from Texas (Mr. Brooks), the chairman of the Government Operations Committee, for his participation.

I yield now to the dean of the California delegation, the Honorable Bob Wilson of San Diego.

Mr. BOB WILSON. Mr. Speaker, I thank the gentleman from California (Mr. Johnson).

Mr. Speaker, Leo Ryan is gone, a victim of a tragedy that staggers the imagination, and we are all the poorer for his passing.

Leo Ryan was first of all a teacher, and in his all-too-brief time as a Member of this body, he taught us new meanings to the words "involvement" and "responsibility," and he set an example for the thousands whose lives he touched.

Leo was a man possessed of a keen sense of adventure, and of living life to its fullest. It was typical of him to travel to a virtually unknown part of the globe because he felt that there were those there who needed his help.

Leo Ryan was always a people-oriented man who consistently came down on the side of the human being as opposed to the bureaucracy. One of the finest examples of his caring attitude was his outspoken advocacy of the pardon of Patricia Hearst, an effort in which I was proud to join. And I could not be happier that the matter has just been brought to a successful conclusion. This was Leo Ryan at his best.

His spirit affected us all, and as dean of the California delegation, I know I express the sentiments of all of us from California, including many of his colleagues who have retired in recent years, when I say that Leo Ryan was a friend of mankind and will be sorely missed.

Mr. JOHNSON of California. Mr. Speaker, I thank the dean of the California delegation for his participation.

I yield now to the gentleman from California, the Honorable George Danielson.

Mr. DANIELSON. Mr. Speaker, I thank the gentleman from California (Mr. Johnson) for yielding.

Mr. Speaker, my friendship with Leo Ryan dates back to 1962, when we both were elected to the California State Assembly. Leo and I served together in the assembly for 4 years, and our friendship continued after I was elected to the State senate, and we continued to work together in the legislature on an almost daily basis during the 4 years I served in the senate. I was indeed pleased when I was able to welcome Leo, in 1972, to join us in the 93d Congress.

I knew Leo, not only as a close friend, but also as a dedicated, hard worker in both the California Assembly and the U.S. Congress. Although Leo's work with the International Relations Committee consumed more and more of his time during his last years in Congress, his many interests went far beyond the area of foreign affairs. I served with Leo on the International Relations Committee for 2 years.

Having been a teacher before his election to the California Assembly, Leo maintained a firm commitment to the improvement of our public education system, and strongly believed that the education of our Nation's youth must be one of our greatest priorities. Leo often remarked to me that too much emphasis was placed upon satisfying the demands of school officials, without focusing enough attention upon the needs of the students in our public school system. In this area, as in everything he worked for throughout his life, Leo Ryan demonstrated his great concern for his fellow human beings. It was this great concern for others which brought about the tragic end to his life.

I join my colleagues in mourning the loss of my good friend Leo Ryan, and know that he will be missed, not only by his friends, but by all those who benefitted from his dedication to public service.

☐ 1535

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman from California (Mr. Danielson) for his participation.

I now yield to the gentleman from California (Mr. John L. Burton) such time as he may consume.

Mr. JOHN L. BURTON. Mr. Speaker, I thank the gentleman for yielding.

I have known Leo Ryan since 1958 when he was on the city council of South City. The first time he ran for the State assembly and lost, many of us from San Francisco were as disappointed as our Democratic brethren in South City over this loss.

Leo—or, as many of us who served with him in the State legislature called him—Reo, was urged to run again in 1960. For someone who was really not a politician but an educator, he was, as has been said before, one who had a very astute political sense and he decided to sit out that year and wait until 1962. In 1962 he ran and was elected to the State assembly. There he became a member of the committee on education. The educational establishment in the State of California was never the same as a result of Leo, who was a true maverick on any and every issue. He was a person who in every instance marched to the beat of his own drum. And when people in this Congress sometimes would come up to me and said, "What's with Leo? Why is he voting that way?" the only answer anyone could give, who knew Leo as I did, was, "That's Leo Ryan, and that's how it is, and that's how he is going to do it. And there is no sense in trying to talk to him, because when he makes up his mind, he does it with full knowledge of every issue involved, and you are not going to talk him out of the position he has taken."

He was always in political trouble in his district if you could believe some of the political activists. The one instance in which he was in "great political trouble" was the year that he ended up winning the Republican nomination in the primary on a write-in vote. That is what kind of trouble he was in.

Then he was in big trouble in the Congress one year if anyone listened to the activists' reports, and if anyone had listened to Secretary Simon, but Leo won by a margin bigger than he did the previous election.

I am going to miss Leo a great deal because we served in the State legislature, and we were on the rules committee of the California Assembly for several years. For four of those years I had the privilege of being chairman when Leo was a member of that committee. He was the one who encouraged me back in 1967 to go on that committee on rules in the California State Assembly because he said it was more important than any chairmanship in the State legislature. I could not believe it at that time; but after lunch was over, Leo convinced me and I did pursue my interest on rules, which leads me to this point in time when I have a special interest in the

House Committee on House Administration.

It was a very weird fact that when I returned from a recess, in my office was a letter from Leo asking me to accompany him on his trip to Guyana. I will never be able to answer the question throughout the rest of my life of what would have happened, and what I would have done had I gotten this letter before they had left, and what my response to him would have been.

Again, we are all going to miss Leo Ryan. I am even going to miss him to the extent that I will miss people coming up to me and asking me, "What's with Leo? Why did he do that?" The answer will always be: "Leo did it because that is the way Leo was."

Mr. Speaker, I extend condolences at this time to his mother Autumn, to his children and to their mother, and especially to Flo Stevens who was his second wife and a very close personal friend of mine because she had worked with Leo and me in the State legislature, and so I would add special condolences to Flo.

Mr. Speaker, I thank the gentleman, my colleague from California (Bizz Johnson) for yielding me this time.

☐ 1340

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman from California (Mr. John L. Burton) for his dissertation.

Mr. Speaker, I now yield such time as he may consume to the Honorable Speaker of the House of Representatives, the gentleman from Massachusetts (Mr. O'Neill).

Mr. O'NEILL. Mr. Speaker, I want to thank the dean of the California delegation for affording me the opportunity to participate in this special tribute to Leo Ryan, a dear friend and colleague.

It is with a deep sense of loss that I rise to join my colleagues in paying tribute to the late Leo Ryan, whose tragic and premature death has saddened all of us who serve in this House of Representatives.

We are truly saddened, because Leo Ryan passed away in the prime of his life, long before the completion of his noble life objectives; we are also saddened because Leo Ryan died in a far away place, on a foreign soil, rather than among his close friends and loved ones. We are further saddened because a Member of Congress died while investigating allegations of injustice to American citizens in response to urgent pleas for help from his own constituents.

Those of us who knew Leo knew him to be a very dedicated and compassionate man, a champion of causes which enhanced the plight of the less fortunate of our society. Leo Ryan was a public servant of the finest caliber. He was a doer, a willing participant in the heroic causes of mankind. In addition, Leo was an active and enthusiastic legislator who always had his feet planted firmly in the soil of his beloved State of California.

My own personal friendship with Leo really developed from the fact that he had spent his boyhood days in Massachusetts and that his dad was the editor of one of the former Boston newspapers. Leo knew so much about the area from which I come, about the beauty of our fall and our autumn foliage, and how he loved to reminisce about those days in Andover, Mass., where he lived during his adolescent years.

Consequently, because of the fact that we both spent our youth in the same region, we became extremely friendly.

I had the pleasure of going to California 3 years ago to campaign for Leo. It was a typical Democratic fund-raising dinner. Leo's friends were all gathered together here. I remember so well how eloquently he spoke that night. He told his many friends that he was expecting a heated re-election contest. He gave to them the credo and the motto by which he lived: "I am my brother's keeper. I believe in truth and veracity."

Leo Ryan tackled many of the problems of the day and gave his viewpoints to his friends, even though those viewpoints were not in agreement with many of those who were present that night at the fundraiser.

One would have to have had the utmost respect for a man like Leo. I will never forget that night. Leo was so outspoken, so clear in setting down a pattern with respect to what he truly believed about public service.

The 96th Congress will miss the wise counsel of Leo Ryan, and I know the House Committee on International Relations will particularly miss this genuine crusader on behalf of human rights, human dignity, and human justice. Once Leo Ryan believed in the righteousness of the cause, there was no turning back.

He was, indeed, a beautiful individual. My wife Millie and our family join in expressing the deepest of sorrow to his mother and to his family. May God always hold him in the palm of His hand.

Mr. JOHNSON of California. Mr. Speaker, I thank the beloved Speaker for his participation here today.

I now yield such time as he may consume to the gentleman from Ohio (Mr. Seiberling).

Mr. SEIBERLING. Mr. Speaker, I thank the distinguished gentleman from California (Mr. Johnson), the dean of the California delegation. I want to commend him for holding this special order in tribute to our beloved late colleague, Leo Ryan.

☐ 1545

If the Members remember the Federalist Papers, they will recall that Alexander Hamilton, one of the authors of the Constitution, and his colleagues were concerned about what they believed were the propensities of legislative bodies to venality and demagoguery. In one of the Federalist Papers he said that the reputation of the British Parliament of those days for corruption and venality was well known, but, he said, there are always some men of character and independence who were able to provide the standards by which the level of the whole body was raised.

I think our House of Representatives, of course, has demonstrated that those same Founding Fathers structured our Government in a way that overcame some of the weaknesses of the body he referred to. Nevertheless, Leo Ryan was an example of the kind of person Alexander Hamilton was referring to—a man of character, integrity, and upright qualities who helped elevate the level of thought, integrity and humanity in our institution.

Leo Ryan was a man of independence and a man of compassion, a person who believed that it was not enough to talk or even to vote to help his fellow human beings. He believed in direct action and personal involvement.

Some of the letters that were written to the Washington Post and to my hometown papers after the terrible events in British Guyana were very revealing.

I would like to read one excerpt from one of those letters to the Washington Post and then I will include the two of them following my remarks. I quote now from a letter by a person named Joseph Webb from Washington, D.C.:

> My whole heart goes out to the innocents who were slain. Representative Leo Ryan was on a mission of mercy. He was responding to anguished cries for help that were being screamed by people whose blinded eyes were opened.

Leo felt sorrow and compassion for people who had been trapped by their own dependence and by the kind of demagoguery that is always present in every generation. We do not have to go back very far to recall what happened to mankind when an entire nation was trapped by a charismatic psychopath, Adolf Hitler. If there had been more men like Leo Ryan in the right places at the right time, the horror of nazism might have been exposed and blocked before it had reached such enormous proportions.

In any case, we can honor and admire Leo for his humanity and his willingness to help his fellow man. I am proud to join with other Members in paying tribute to him.

The letters referred to are as follows:

> November 26, 1978.
>
> The catastrophe in Guyana throws a chilling light on a question that has been asked by historians and social scientists about a recent period in European history. Were Adolf Hitler and the Nazi experience really unique to one time and place—a "German sickness" that even to Germany was an aberration?
>
> There are the clearest of parallels in the early nature and methods of the Nazi movement and the more lately deceased Peoples Temple: the special feeling of closeness and mutual affinity within the group while the outer world is faced with a siege mentality; the thin veneer of community-service projects approved by "businessmen, civic leaders and politicians" masking the ugly reality of the group; the turning of child against parent. Deplorably noteworthy as well was the posture of lethargic indifference by authority in the face of continued and documented abuse to human beings until a violent and irreversible tragedy took place.
>
> Whether it be called "Nazism" or "Peoples Temple," or by any other name, what we confront in essence is a dangerous and ominous flaw in the psychology of humanity: the apparently inherent predisposition to be mobilized, directed and dominated in the mass by the force of a single psychopathic personality possessing extraordinary oratorical power and representing a transcendent father or security figure.
>
> If a severe deterioration in social conditions ever permitted the emergence of somethink like the Peoples Temple on a large

scale in human society in a nuclear age, it could mean the end of mankind.

MILNER BENEDICT.

CHEVERLY.

NOVEMBER 26, 1978.

The situation in Guyana is an extreme example of the ritualism that permeates all of the world's formal religions. Blind belief in anything—even a concept of God—can result in the same horrifying spectacle right here at home. After all, was not the Rev. Jim Jones' cult founded on American soil?

My whole heart goes out to the innocents who were slain. Rep. Leo Ryan (D-Calif.) was on a mission of mercy. He was responding to anguished cries for help that were being screamed by people whose blinded eyes were opened. He went to Guyana as a liberator, and he returned to America as a martyr.

I can only feel sorrow and compassion for those who committed this atrocity. In reality, they had died long before they drank that deadly, poisonous concoction.

Within a world where humans have forgotten how to be human, I have seen the depths to which my fellow man can stoop. Perhaps, one day, humankind will fully extend its arms, then I shall see the heights we can reach.

JOSEPH WEBB.

WASHINGTON.

Mr. JOHNSON of California. I thank the gentleman for his contribution and for his kind words.

Mr. Speaker, I now yield such time as he may consume to the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. I thank the gentleman for yielding.

Mr. Speaker, LEO RYAN was a curious combination of daredevil, investigative reporter, and public official.

Most of us are content to have our staff study reports of conditions which may need legislative correcting, discuss the matter amongst ourselves in this Chamber, then issue press releases on our carefully considered positions. LEO was not that kind of legislator. His previous forays into dangerous situations have been well-documented. His trip to Guyana was not his first to look, firsthand, at a problem.

LEO RYAN charted his own course, figuratively and literally. When LEO came to a decision, we listened to his reasoning carefully, knowing that it was not reached cursorily, but after a great deal of thought.

Most of us, Mr. Speaker, do not possess LEO's nerve, stamina, mettle, or valor. That is our failing. LEO RYAN set a standard that will be difficult for those of us remaining to meet.

Mr. JOHNSON of California. I thank the gentleman from Illinois for his remarks and for his participation.

Mr. Speaker, I now yield such time as he may consume to the gentleman from North Carolina (Mr. FOUNTAIN).

Mr. FOUNTAIN. I thank the gentleman for yielding. I want to join my colleagues in paying tribute to LEO RYAN. Mr. Speaker, countless questions have been asked about the November tragedy in Guyana. Yet, there have thus far been few solid answers as to how and why this horrible and unbelievable event occurred.

Doubtless few single incidents in our lifetimes have caused more words to be written or provoked more searching for elusive reasons to help in explaining just what happened.

However, today we temporarily lay aside those concerns in order to pay homage and tribute to our fallen colleague LEO RYAN. At the same time, let us honor the memory of the journalists who lost their lives on that forsaken jungle airstrip far from home. Let us also remember the special needs of the wounded whose physical and emotional scars may not have healed over.

Mr. Speaker, LEO RYAN served three terms in this House. But in that short span of 6 years, he established a deserved reputation as a tireless worker who never shied away from tackling any problem or any issue with determination and perseverance, even when he found himself almost alone in his thinking.

LEO and I sat together on two committees—International Relations and Government Operations. He chaired the Government Operations Subcommittee on Environment, Energy, and Natural Resources, upon which I served in the 95th Congress as ranking majority member.

Largely as a result of our committee work, I knew LEO RYAN as a dedicated and conscientious member who possessed a certain streak of independence. It was in the end that quality which led him to go to Guyana on behalf of his California constituents to view the situation firsthand, based on his own private investigation.

Regrettably, LEO and some in his party were unable to escape the terrible consequences of what they learned. They paid a precious price which set off a chain of inhuman events rarely before witnessed by a civilized society.

Mr. Speaker, I hope that one meaning we extract from the tragedy in Guyana will be the dangers—potential and real—of misuse and abuse of the freedoms we proudly use and defend, such as the constitutional guarantee of freedom of religion.

For instance, we ought to examine what consequences might ensue when freedom loses its intended purpose and becomes instead a menace to other rights and to other citizens. In so doing, we should be guided by the ancient maxim of law and logic which states that while a man has a right to swing his fist, that right ends where another man's nose begins. The Guyana tragedy should remind us that even our most basic freedoms are not absolute—they are in fact subject to the bounds of law, of rationality, of commonsense, and of respect for the equally valid rights of others.

Hopefully, a realistic and responsible examination of the tragedy in Guyana, keeping in mind the dangers of extremism, will enable us to give greater meaning to LEO RYAN's life and to his untimely death.

I join with my colleagues in extending heartfelt sympathy to the Ryan family.

☐ 1550

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman from North Carolina for his participation.

Mr. Speaker, I yield to the gentleman from California (Mr. MOORHEAD).

Mr. MOORHEAD of California. Mr. Speaker, I wish to thank the chairman of the California delegation for holding this special order for our friend, LEO RYAN.

The tragic circumstances under which Leo died have been so tremendous that few of us have been able really to understand the full extent of them; but that cannot obscure the great loss that each one of us feels in the death of our friend and colleague. We cannot lose a capable, productive Member of the House like LEO RYAN without being the poorer for it.

LEO RYAN and I were Members of the class of 1973. Prior to that, we spent 6 years together in the California Assembly, although he was 4 years my senior in that body.

During that dozen years of association, LEO always showed great independence. He was careful to examine issues in great detail and to come to his own conclusions, some times divergent from the majority of the House, whether the assembly or the Congress; but he would always have sound logic and reasons for his conclusions and usually he would be able to take many others along with him in his position.

He was a hard worker, a good friend of California, especially California education, out of which community he himself came before he became a part of the political community.

During his brief stay in Washington he made a real impact on the national political scene. He will be missed for a long time. I think each one of us misses him as a friend.

☐ 1555

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman from California (Mr. MOORHEAD) for his participation.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. BADHAM).

Mr. BADHAM. Mr. Speaker, I, too, take this time today to honor the memory of LEO RYAN of the 11th District of the State of California whose home was in south San Francisco.

LEO and I were alumni of the lower house of the California legislature, the assembly, and we were classmates of the 1962 class. I became close to LEO because one could tell immediately upon meeting LEO that here was a man who had something to offer. It was my pleasure to know LEO well over the years, and when I joined him in the Congress, our friendship became even closer. I had the opportunity to know LEO as an author, as a sailor, as a legislator, and as an advocate—and a strong one—for those things in which he most strongly believed.

There are, of course, all kinds of people in this world and all kinds of legislators. We see cause-oriented people, issue-oriented people, party-oriented people, bureaucrat-oriented people, and so on. I would classify LEO as a people-oriented legislator.

LEO was one of those legislators whose strongest advocacy was in behalf of people for whom he felt, and felt strongly, were not being heard or who were being heard incorrectly.

This legislative body will sincerely and sorely miss the LEO RYAN's. This body should pay homage to the Leo Ryan's, in the hope that we can have more Leo Ryan's to take over where one left off through most tragic and unfortunate circumstances.

Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman from California (Mr. Badham) for his contribution.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. Lewis).

● Mr. LEWIS. Mr. Speaker, in the California Legislature we have at least made efforts to see that new members did not spend a lot of time early in their service speaking on the floor, but since it was my privilege to be one of Leo Ryan's close friends in the legislature, I very much appreciate the dean of this delegation yielding this time to me today to express a few of my feelings about my colleague, Leo Ryan.

Leo was many things to those of us who worked with him in California. He was, first and foremost, a teacher and a friend. Beyond that, he was, for me, one of the toughest men I ever met in my life. Leo was also a very passionate man, a man who loved very deeply.

It was in his capacity as a teacher and a friend that many of us involved in education grew to watch him closely very early in our services because Leo was a fellow who, a teacher himself, insisted that we ought to look at the educational establishment in a little different manner. Many of the Members will be interested to know that in his home district, right in the heart of his district, was the home of the powerful California Teachers Association, and yet Leo Ryan found it within himself to praise his peers and at the same time fight them intensely when he thought they were wrong.

I would guess that that association worked no harder against any other Member of the House than Leo Ryan, because he had the guts to stand up and talk about the fact that too often they were wrong in dealing with the children of California.

I never will forget that Leo first described to me what he considered to be the most reactionary of all establishments, and that, as he described it, was the educational establishment in our society. He did not just talk about organized teachers; he talked about organized school boards, organized administrators, and third level bureaucrats in the Department of Education, and his concern was that kids were missed because of their concern about their own individual bailiwicks.

Leo Ryan was a friend. I spent hours with him listening to him discuss his philosophy about mankind, about politics, about life. I am afraid that many of my colleagues missed that in Leo because often we do not have the time to listen. He was a man who we found, if we were willing to listen, had an awful lot to say that would change one's own view of things, and particularly the way one ought to handle himself in public affairs.

Leo was a man who loved passionately. He loved his family. He talked about his children often in our after-hour sessions. He loved his colleagues and was often frustrated about the fact that many did not understand him and did not understand his indirect and unusual way of handling problems.

He would never walk away from a fight. He was always ready to express his views regardless of what the establishment might think.

Mr. Speaker, in closing, I would like to add to my remarks to the House a message received from Leo Ryan's family. It is as follows:

> We would like to express our appreciation to the members of the House of Representatives for taking this time to remember our father, Leo Ryan, and to acknowledge the contributions he made to his constituents and to all the people of this country.
>
> The fact that our father was in Guyana at all illustrates his unique political philosophy. He had just come through an exhausting campaign and had been reelected to his fourth term in Congress by a comfortable margin. By all rights he should have taken some time off to rest and relax. Instead, he traveled to an obscure little country in South America, deep in the heart of a tropical jungle, to get answers to questions asked by his constituents that he could not get elsewhere.
>
> It was this need to get information first hand that characterized our father's career. Everyone has by now heard of the trips to Folsom prison, to Watts during the riots of the 1960's, and to the ice floes in Newfoundland to investigate the seal hunts, but these are just the most publicized examples of his work. He was often accused of seeking publicity on an issue to further his own political ambitions, but anyone who knew him would know that this was not the case. The publicity he sought was to focus attention on an issue or to help solve a problem. He was a politician who cared more for the people he served than for the office he held. The tragedy of the situation is not just that we have lost our father, but that his district and indeed the whole country have lost an exceptional leader.
>
> We hope that the Congress of the United State will see fit to continue on in his spirit, to complete the investigation he started. It is the unfortunate truth that there still exist in this country many organizations (or sects or cults) that regularly engage in the repression of human rights in the name of religion. We believe that there is still the definite possibility of another Jonestown happening in this country at any time. We hope that the Congress will carry the investigation through to its logical conclusion, to find a solution to this immediate problem so that our father's life will not have been lost in vain.

Mr. Speaker, it is my privilege to extend this message from his family to the House.

I thank the gentleman from California (Mr. Johnson) for allowing me to participate today in this special order.●

Mr. JOHNSON of California. I thank the gentleman from California very much for his very fine remarks and for the statement from the family.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from New York.

Mr. WEISS. Mr. Speaker, I thank the gentleman for yielding, and I appreciate his requesting this special order so that we may pay homage to the memory of Leo Ryan.

Mr. Speaker, it is never easy to accept the death of a friend and colleague, particularly when his passing is completely unexpected and when it comes, like a cruel intruder, at the very prime of his life.

Leo Ryan's murder shocked all of us who worked with him and it horrified every American.

Here was a man who was not content to let assertions and ideas go unexamined. He refused to live vicariously, choosing instead to participate fully and to meet challenges directly.

This course inevitably involved risks at times. Leo Ryan knew that he had not taken a safe or easy route, but he knew, too, that it was the only one with which he could be satisfied.

This was the outlook that led him to live for a time in the Watts section of Los Angeles immediately following the disturbances there. It was the philosophy that motivated him to pose as a prisoner so he could have an unvarnished understanding of conditions in penal institutions. And it was this sense of direct involvement that led him finally to Guyana.

There is a certain tragic symmetry in the fact that Leo Ryan was killed in the course of action, in the pursuit of his duties and ideals.

Mr. Speaker, it is fitting, too, that tomorrow marks the successful culmination of one of his last great causes—the commutation of Patricia Hearst's sentence by the President and her release from jail.

I know from my work with him on the Government Information and Individual Rights Subcommittee of the Government Operations Committee and on the floor of the House that Leo Ryan was a most conscientious and able Congressman. He had enormous talents and he did not squander them. He always sought to do his best to fulfill his own demanding concept of the type of legislator and the type of man he ought to be.

It is a privilege to have known Leo Ryan. I will miss him greatly as will the entire House.

Mr. JOHNSON of California. I thank the gentleman from New York for his very kind remarks.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of California. I yield such time as he may consume to the gentleman from Wisconsin, the chairman of the International Relations Committee, the Honorable Clement J. Zablocki.

Mr. ZABLOCKI. Mr. Speaker, I commend our colleague, Congressman Bizz Johnson, chairman of the Public Works Commission, for arranging time to pay tribute today to a man of great courage and dedication—our late and valued colleague, Leo J. Ryan of California. Those of us who served with Leo Ryan on the Committee on International Relations were keenly aware of his fiercely independent spirit. He was a big man, with a strong personality and a missionary zeal for the helpless and those in need.

In addition to courage, Leo also had

great compassion, and it was this quality which, more than anything else, led him to the jungles of Guyana in an attempt to assist the relatives of the Jonestown inhabitants. It was his decision, and a courageous one, to make a personal visit to the People's Temple commune and investigate the charges that people were being held against their will and were being otherwise mistreated. Although he was aware of some of the risks involved in such an undertaking, it is clear that no one really anticipated the extreme level of violence which Leo was to encounter there.

By all accounts, Leo conducted himself, during his visit to Jonestown with great bravery and concern for others. To the very end, his first concern was for those in greatest need, in greatest danger. He initially decided to stay behind in Jonestown, after sending out those defectors who wished to leave under his protection. Finally, after a knife attack, the Deputy Chief of Mission of the American Embassy, who was also present, had to order the Congressman to leave with the others. Upon reaching the airstrip, like a good captain, he ordered those fleeing Jonestown to board the airplane first while he waited on the airstrip to insure that everyone was taken care of. Those who boarded the plane were able to shut the door after the attack began and save themselves. Leo Ryan was gunned down helplessly outside.

Leo Ryan was a member of the Committee on International Relations for all of his 6 years in the House and participated actively in the work of the committee during that period. He was a member of the Subcommittee on International Operations which oversees Department of State operations, including the protection of American citizens abroad—the focus of Leo's fatal study mission to Guyana. He was also a member of the Subcommittee on International Organizations dealing with the United Nations, human rights, and during the last Congress, with an investigation of Korean-American relations. He also served with distinction on behalf of the committee as chairman of the U.S. congressional delegation at its 13th meeting with a delegation of the European Parliament.

In legislation before our committee, Leo was a vigorous advocate of human rights, intelligence reform, and the protection of harp seals and whales.

Mr. Speaker, Leo Ryan was an activist in the best sense of that term—that he could make a difference. He frequently did so and he will be missed.

Today at the organizational meeting of the International Relations Committee a resolution was adopted to rename the Committee to Foreign Affairs. Two years ago Leo sponsored such a change. Today's Committee action is in no small measure a tribute to him.

□ 1605

Mr. JOHNSON of California. I thank the gentleman from Wisconsin, the chairman of the International Relations Committee, for his very fine tribute to one of his members.

Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. Kindness).

Mr. KINDNESS. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, it is always sad to learn of the untimely passing of a fellow Member of the House. It was particularly shocking to learn of the bizarre and brutal murder of our colleague from California, Leo J. Ryan.

I had the opportunity to serve with Leo on the Government Operations Committee, and the Subcommittee on Environment, Energy, and Natural Resources, which he chaired. Although we differed greatly at times and on a number of issues, I can say that Leo made the work of the subcommittee interesting and challenging. I shall never know whether his pleasure in the contest was as great as mine, but there was no question that he always met in the contest the views with which he was confronted and with which he may have disagreed.

His devotion to solar energy development, dam safety, radiation protection, and other energy and environmental issues will be sorely missed.

In Leo's work with the subcommittee, I was always impressed with his dogged determination and persistence to learn about an issue under investigation. Much has been said and written about his desire to see things first hand. For example, once while a State legislator, he had himself taken to Folsom Prison in shackles and handcuffs so he could observe prison conditions there without being detected. This instance and others exemplify his drive to fully understand the facts of a situation.

It was this personal involvement in the issues he pursued that took Leo to Guyana last November. Several of his constituents had asked him to help them learn about a cult known as the People's Temple, because their relatives had gone to the small Latin American nation and had become virtual captives of the group.

Leo was aware of the possibility of danger in Jonestown, yet be believed it was his duty to pursue the matter personally. I think all of us admire the dedication and bravery Leo displayed by refusing to be satisfied with a bland State Department inquiry, and ignoring the risk, to go size up the cult group for himself.

It is fitting that this tribute to Leo Ryan comes just before the completion of another matter he cared deeply about. Tomorrow Patricia Hearst will be released from prison, her sentence for bank robbery having been commuted by the President earlier this month. Leo was concerned about Ms. Hearst's safety in prison and he felt she had been punished enough. I am sure his interest in the Hearst situation helped encourage the Justice Department to consider the question of commuting her prison sentence. Leo would be pleased that his efforts in her behalf have been successful.

Leo's 22 years of public service are a legacy of which his family can be justifiably proud. Today's tribute is well deserved.

I wish to join Leo's mother, sisters, and children in mourning his death and extend to them my sincere sympathy.

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman from the State of Ohio (Mr. Kindness) for his very kind words. He was a member of the same committee Leo served on in the Government Operations Committee.

Mr. Speaker, I yield now to the gentleman from California (Mr. Lagomarsino) such time as he may consume.

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman for yielding to me. I commend the gentleman from California (Mr. Johnson) for taking the time for this special order so that we might pay tribute to our departed comrade, Leo Ryan.

I had the privilege, as several of us in this Congress did, of serving with Leo Ryan not only here in the Congress, but in the California State Legislature. As my colleague from California (Mr. Lewis) pointed out a few minutes ago, Leo Ryan's courage, bravery, and ability to buck great odds, and his willingness to do so, did not start when he arrived here in Washington. It was carried on with the same zeal and ardor in Sacramento.

Very often Leo was one of only a handful, or in some cases the only one, who would start a movement, start a program, introduce an idea into the legislature. He did not always win, but he had a pretty good batting average considering the fact that on many of these issues he represented a very, very small minority on that issue.

I will never forget the evening that I heard of Leo's death.

My wife and I were at a party and we had just heard a discussion on the car radio about Leo's mission to Jonestown. It was not over 15 or 20 minutes after we had turned the radio off and gone into this party that someone came in and said he had heard that a congressman had been killed in a foreign country. He did not have to say who it was. I knew immediately it was Leo, because of his brave attitude in going down there on behalf of his constituents. It really struck home to me because just before he had left on that trip he had asked me to go with him, and due to a number of circumstances I was unable to do so.

The year 1978 was a very sad year for the California congressional delegation. We lost two very outstanding Members, Bill Ketchum and Leo Ryan. It occurred to me even as I heard of Leo's death, that in many ways Leo Ryan and Bill Ketchum were very much alike. They were both bulls in a china shop, so to speak, and they both had great courage, and neither one lacked the will to speak up on the interests they were so very much involved in. They both had the interests of the common folks at heart.

I well remember also that at Bill Ketchum's funeral the officiating minister, who had known him for many years, recounted that he had been in the hospital some time before that and he had received a get well card which said:

> Don't just lie there. Bitch a little bit.

He said that described Bill Ketchum very well; and I think that described Leo Ryan also.

We should take a lesson from Leo's life and public service: We should be involved more heavily than we are at times and fight harder for what we believe in.

I know his family misses him, and the State of California and the entire Nation will miss him as well.

Mr. JOHNSON of California. I thank the gentleman from California (Mr. Lagomarsino) for his very fine remarks and tribute to a great Congressman from California.

I yield now to the gentleman from Vermont (Mr. Jeffords) such time as he may consume.

Mr. JEFFORDS. Mr. Speaker, I thank the gentleman from California for yielding.

Mr. Speaker, I rise also to commemorate Leo Ryan.

I had the opportunity and good fortune to go with Leo Ryan on one of his missions. It dealt with a wrong that Leo felt strongly about. I had the opportunity to travel with him off the coast of Labrador to protest the killing of the baby harp seals. That was an experience which I, of course, will never forget. It was one which made me feel very close to Leo in the short time that I did have an opportunity to work with him. He demonstrated to me what could be accomplished if someone was willing to go out and not be afraid to confront the problems head on. We had experiences there which required a considerable amount of courage. Leo rose to the challenge. He was not afraid to confront the Canadian Government. He was not daunted by the emotional reactions of local officials. He acted with forcefulness and a zeal to accomplish the goal for which we were there. Yet at the same time he acted with the kind of responsible conduct which would result in finding answers without unduly antagonizing those he confronted.

On that trip I grew to admire Leo. He taught me much. Leo had a long history of going to the scene—he used every weapon at his command—including the press—to maximize information and exposure regarding the issue of concern. He had a real knack for getting at the truth.

I also had the opportunity to work with him on the resolution which made Sun Day a national day. It was his resolution which did that. I served on the board of directors of the Sun Day organization. Leo and I traveled together down to the Mall on Sun Day to talk to the thousands of young people who had gathered there to express their desire to do something about solar energy. I was amazed at and admired the way Leo was able to stand in front of that group and turn them on and get an enthusiastic response from them.

Both of these issues reflect Leo's character—in supporting something, he gave 150 percent.

He was a man of causes. They were generally the right kind of causes. Where he saw the need to protect something that was being violated—be they young animals, or a fragile and developing technology. In Guyana, of course, it was more than that, the lives of his constituents and their relatives.

But most of all I think I will remember Leo Ryan for what he accomplished in enhancing the diminished image of this body. That terrible day in Guyana occurred at a time in our history when we have many problems with some Members of Congress that embarrass and taint us all. To me he demonstrated to this body, to the Nation, and to the World, another side, a noble side, and I believe a more representative side.

☐ 1615

Leo is not alone in this kind of representation—many other Congressmen also are activists like he was—but in an era where public opinion of Congress is low and where the trials of some hog the front pages, it is a reminder of what Congress can be when we look at Leo's example.

Certainly he was an example of greatness in his ability to go out and confront people and to seek out and try to solve those problems of concern of his constituents. But he also demonstrated to the American people that there are a number of Congressmen who were willing to go so far as to risk their own life in the pursuance of the goals of their jobs. Hopefully, his sacrifice will, at least momentarily, take the public's mind off some of the other less noble problems that this body has faced with its Members. I believe that he did a great service to Congress, to us, in demonstrating to the American people that there are many Members willing to sacrifice not only their time, effort, and money but their very lives for the cause of their constituents.

What I have just said about Members of Congress is also true of faithful dedicated staff who work the same long hours, and take the same risks. It would not be proper for me to end without mentioning Jackie Speier. As you know Jackie suffered a double tragedy. She lost a man she admired, and who admired her. She also suffered violent physical harm because of her willingness to assist Leo in his mission.

Jackie Speier traveled with us on to the ice flows of Labrador. I noted with admiration her ability to negotiate difficult issues under pressure and trying circumstances. I noted her courage in facing the emotional confrontations that we encountered. It did not surprise me to find that she was at Leo's side when he died.

I would like to include at this time some reflections that I had about that adventure on the ice with Leo and Jackie. This article appeared in the May 1978 issue of New England Outdoors magazine:

> In the early morning hours of March 11th, 3 small helicopters lifted off a pad near St. Anthony's, Newfoundland, and began a spectacular 200-mile flight north over pristine frozen wilderness. The choppers carried myself, Congressman Leo Ryan of California, several members of the internationally-based Greenpeace Environmental Foundation, Congressional aides, and Canadian press and officials on the way to view first hand the killing of young Harp Seal pups on the thick ice off the east coast of Labrador.
>
> "First-hand observation" is a many-edged instrument. The edges are multiplied when American Congressmen visit abroad to view an event over which emotions have run high recently. The activist Greenpeace organization has successfully focused the world's attention on the annual Harp Seal "hunt," "slaughter," "harvest," or "assassination," depending on which term fits *your* perception of the rationale for the destruction of these young mammals (i.e., is it for "economic," "luxury," "subsistence" or "traditional" reasons).
>
> As a hunter myself, I can assure sportsmen that this is no "hunt." Whereas, traditionally, sealers braved ice and storm in small boats to locate the seals to take a few pelts, today modern craft and spotting techniques have taken all the risk out of it. There is no element of surprise, and no contest.
>
> Last year both Houses of the Congress passed a resolution asking the Canadian government to reassess its policy of permitting the kill. This year the first Congressional visit again drew the attention of the world's media. Why was I there? What are my reactions?
>
> First, the Canadian press took us to task last year for legislating without sufficient information. We'd never been up there. Who were we to talk? Were the Yanks so damn perfect? Second, we've got a fast-growing organization in the Congress called the Environmental Study Conference, now numbering 270 House Members and 70 Senators, of which I am the House Chairman. The ESC membership, I think, would benefit from whatever facts I could gather. Lastly, we were invited both by Greenpeace and the Canadian Ministry of Fisheries to be their guests.
>
> Although we were, then, invited guests, we discovered a remarkable degree of both private and official paranoia over the visit. We were, it seemed, rather in the genre of skunks at a lawn party. What kind of irrational blokes were we to traipse around a sub-freezing ice flow observing a practice which civilization, these many eons, has not made much improvement upon.
>
> Our emotions and sympathies fluctuated rapidly; it is admittedly difficult to sort out the balance of benefits and detriments, rights and wrongs, essentials from nonessentials, particularly on the spot on a blood-stained remoteness. No one can come away from the destruction of pups still in the process of nursing from their mothers without being affected. It was difficult to watch the reaction of the mothers without feeling a sense of general shame. Yet, too, suppose the pups were completely protected, would the herd grow too large, unbalanced due to the absence of the seal's traditional predator, the polar bear? What also of the economic benefit accruing to that minority of Newfoundlanders whose income is substantially improved by the proceeds from the pelts?
>
> The crucial perspective is ecological balance. What is the proper level of herd management? What is "optimum" size given the ecology of the area? Indeed, do we understand well enough the "workings" of this "ecological balance?" Opinions on such basic questions as the growth of the herd vary widely, in large part because, as the Canandian Department of Fisheries and Environment admits, "population assessment is extremely difficult." Aerial census techniques using ultraviolet film have been developed,

and this and other methods have led the Canadian government to set annual "sustainable yield" figures, i.e., catch ceilings which would still maintain population size. A ceiling of 180,000 was thus established for 1978 (this includes adults, but most of the take will be pups). Other, highly reputable organizations such as the International Union for the Conservation of Nature, have disputed Canadian estimates, even to the point of officially calling for a moratorium on the killing. They claim the herd is being depleted.

With reputable scientists on both sides, it is clear that new analysis is in order to determine what the size of the herd should be, and what the level of kill should be to sustain that size. It is not enough, certainly, to be content with the comments of one TV commentator who maintained that unrestricted killing would be all right since it looked to him as if the seals were "thick as fleas down there."

Other, more regrettable, events occurred on the ice, illustrating how easily the emotions of the issues can overtake us as individuals and, yes, as governments too. When we landed on the ice a Newfoundland government Minister, dressed as a sealer, provoked arguments with the visitors. We were not, of course, aware of his official position, but when we were informed later that it was in fact a government Minister who told us to "go back to the U.S. and mind your own business," we were certain he did not speak for the central government which had invited us. He shortly thereafter resigned his post.

Likewise, it was bizarre when, in an incident which occurred after I left the ice, Canadian Fisheries officials arrested the President of Greenpeace, Dr. Pat Moore, for, as the charge read, "sitting on a seal." Since Pat had not interfered with anyone nearby hunting that seal, and since traditional property law invests ownership in one who catches the quarry, it is strange legal regime which arrests a person for catching his own seal.

Further, there seemed to be unnecessary local official harassment of all the visitors by denying or making very difficult access to the ice, and by threatening Canadian helicopter crews with being "accessories" to unstated offenses if they transported individuals anywhere in the direction of a seal without a government permit to be in the sealing "area." "Area" was conveniently never defined or delineated, despite repeated inquiries by a respected Canadian lawyer accompanying the group. Overreaction can be understandable, but it always is regrettable.

Other than tightening up methods for identifying proper herd management, I will be recommending to the ESC several other matters for its consideration. Although the method of killing may be humane to the pups, I am concerned that it has an unnecessarily terrifying and shocking impact on the mothers. Perhaps ways may be devised to remove the pups (they can be easily picked up) from the scene before their destruction. Or, herd management principles may allow destruction of only young adults rather than pups.

Second, I would like to ask for a thorough review of American protection of marine mammals, including the fur seals in Alaskan waters, various species of whales including particularly the Bowhead, and the porpoise. Perhaps it is time to enlist the support of other nations in more rational protection of marine mammals, through using various international forums and educational and study programs.

Lastly, we should be making very certain that Americans as individuals or officials are never guilty of restricting access to anyone who desires to observe what we are doing in our "outdoors." First-hand observation" has its very good points, on balance. It changes your perspective on things.

☐ 1620

Mr. Speaker, I now yield such time as he may consume to the gentleman from California (Mr. Patterson).

Mr. PATTERSON. Mr. Speaker, I thank the dean of the California delegation for yielding, and I wish to associate myself with his remarks.

Mr. Speaker, it was a great shock to all of us last November when we received the tragic news from Guyana about Congressman Leo Ryan's death. Leo's death left a void within the forces of those visionaries who dare labor for a world where equality, justice and love are more honored in practice than in rhetoric.

During the 4 years that I knew Leo, I respected and admired his dedication to those whose voices and concerns were seldom heard and often ignored by persons in positions of power and influence. Indeed, throughout his public career Leo was the representative of the powerless and a voice for the less fortunate in our society—even when they were not his immediate constituents.

Those of us who remain in this Chamber will miss his insight and direction for the complex difficulties which plague our society. For idealists and visionaries like Leo Ryan, foolish enough to throw caution to the winds and express their ardor and faith in some supreme deed, have advanced mankind and have enriched the world.

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman from California (Mr. Patterson) for his participation.

I yield such time as he may consume to the gentleman from Texas (Mr. Hightower).

Mr. HIGHTOWER. Mr. Speaker, it was my pleasure to serve on the Environment, Energy, and Natural Resources Subcommittee of the House Committee on Government Operations during the 95th Congress under the chairmanship of Leo J. Ryan of California.

This committee put in many hours of hearings on very crucial questions of nuclear energy waste and other issues of vital concern to the preservation of our environment.

The chairman was hardworking and hardhitting in his approach to every issue. He was not reluctant to describe things as he saw them, and to put difficult questions to the witnesses in order to get the very necessary information that Congress must have if it is to effectively deal with its many problems.

Leo Ryan was conscientious in carrying out his committee and congressional responsibilities.

The fact that Leo Ryan never hesitated to take up a difficult task was another example of the strength of his character and his bravery. The way he moved ahead with assignments or responsibilities that might well have been postponed or assigned to others was evidence of his dogged determination to see a job well done. I do not think that he could be characterized as "fearless" because the term "fearless" could imply an absence of knowledge or reason for concern. "Brave" is the better word which implies a knowledge of danger overcome by a personal strength of character.

Leo Ryan knew that political opposition could be real and formidable yet he did not hesitate and would apparently even court it by his approach to some difficult problems.

In his final mission there were certainly enough reasons for a more cautious or less brave spirit to stand aside and let others investigate the tragedies that were taking place in South America. In his own way he assumed the responsibility that he knew was his, and became one of the few Members of Congress assassinated while in the course of carrying out a difficult congressional responsibility. His name will be honored and his memory must be preserved. In his life and service he demonstrated qualities of character that must be emulated in the years ahead if our Nation is to have the type of brave men and women who will recognize the cost of freedom and be willing to pay that price in meeting the challenge of those who would destroy the Nation itself.

Leo Ryan was a brave man.

I share in a special way the loss of our colleague because he was also a friend.

☐ 1625

Mr. JOHNSON of California. I thank the gentleman for his comments.

I now yield such time as he may consume to the gentleman from California (Mr. Panetta).

Mr. PANETTA. I thank the gentleman for yielding, and I thank him for allowing the Members of this body to have the opportunity to recall the memory of Leo Ryan.

Mr. Speaker, it is with great sadness that I rise to join my colleagues in memorializing our friend, Leo Ryan.

Leo Ryan, during the several years he served in Congress, was always a great credit to this Chamber. The work he accomplished on behalf of his district, our State, and the Nation was formidable, and he earned the everlasting respect of everyone who knew and worked with him.

We will remember Leo best, though, for his great courage—the kind of courage that led him to risk, and tragically give, his own life to save the lives of others, caught in the grasp of an evil, powerful force. This dedication to helping others, the willingness to put others ahead of himself, should serve as an example for all who strive to work in the public interest. I believe this will be the most important legacy of Leo Ryan.

I would like to express my deepest sympathy to Leo's family. They, of course, will miss him more than anyone. But it is a credit to his life that Leo Ryan will also be remembered by the people of California, and by this entire Nation for his great ability, his courage, and his integrity of purpose. Let us hope that by alerting the world to a horrible situation, by exposing this evil to the light of day, Leo did not die in vain.

● **Mr. REUSS. Mr. Speaker, it was typical of Leo Ryan to take political and physical risk to get to the bottom of a problem. It was also typical of him not to be satisfied with Government assur-**

ances without checking out the situation for himself.

His colleagues knew Leo Ryan as a legislator with an inquiring mind and a passionate commitment to what was right. He knew his district intimately, and no legislation or administrative action which affected that district got by without his discerning scrutiny.

Leo Ryan understood that his duty to his constituents could take him beyond Washington, beyond the borders of his district, and out of the country. He died in the line of that duty.

We will miss Leo Ryan. But he left behind him an example of public service which will sustain and inspire us.●

● Mr. LLOYD. Mr. Speaker, I am grateful for the months which have passed since Guyana and now, since I can sift the morbidity and desperation of the place and its people from Leo Ryan's life, which was hopeful, independent, and always straightforward. Those qualities were evident to me from the beginning when Leo and I, as fellow Democrats and Californians, became co-workers. As news of his committee work, particularly in those areas regarding individuals and their rights and responsibilities in a democratic society, came back to me, I understood that those qualities were only chapter headings to a personality open to the potential of the poorest citizen.

When Leo Ryan died, the resulting publicity painted a black picture for those who like to participate personally in helping others and see things for themselves, as Leo did. The stories also cast clouds on entire agencies, professions, and philosophies which, in less tragic times, generally are considered helpmates and guides for the troubled. None of this is a fitting memorial to Leo Ryan, who thought that the hands-on approach was not only preferable, but also necessary to getting the full picture. As an educator, city and State official, Member of Congress and humanist, he gave those organizations, jobs, and philosophy a life which no Guyana can take away.

The winter of Leo Ryan's death should be allowed to break up. His life is most important and his deeds held before us as true representation.●

● Mrs. SPELLMAN. Mr. Speaker, France's Gen. Charles de Gaulle would have had us believe that "every man of action has a strong dose of . . . hardness and cunning." He was willing that those traits be regarded as high qualities indeed if the man could "make of them the means to achieve great ends."

I cannot help but think of my disagreement with his evaluation, Mr. Speaker, as we pause today to eulogize one of this Chamber's own great "men of action," the late Representative Leo J. Ryan.

I am proud to say that Leo Ryan was my friend. I had the distinct honor of serving with this dedicated Californian on the Post Office and Civil Service Committee and I can speak firsthand of his total lack of "hardness," of his complete lack of "cunning." Rather he was known for his honesty, his inquisitiveness, his zest for life, and his steady impartiality in matters of all kinds. In Leo Ryan, we knew a man of compassion, a man of candor.

We all witnessed his compassion for the wronged and oppressed and his desire, always, to see justice done. And most of all, Mr. Speaker, we know how Leo Ryan blended these qualities to achieve the "great ends."

As with other such "men of action," Leo was never one to be satisfied with secondhand reports or hearsay evidence. When a problem arose, he wanted to see things for himself—to go to the source, the scene of the controversy.

It was this quality that led Leo Ryan to don prison denims for a firsthand look at conditions in California's correctional system and to brave Arctic winds to investigate the senseless slaughter of hundreds of baby seals.

And, ultimately, it was this desire to witness things firsthand that led Leo Ryan to the remote South American airstrip where he, too, was senselessly killed in an outbreak of carnage that rivals any our Nation has seen.

His death was tragic in many respects. Leo Ryan was a true friend who will be sorely missed in this body as well as in his city and his home State. His passing not only deprived us of a source of sound counsel and sage advice but it served to cut short an ever-brightening political career.

Amid our sadness over Leo's death, however, we can all take refuge in the realization that the Nation is better off today because this "man of action" lived.

He spent his last few hours as he had spent his life, seeking truth and justice—firsthand—regardless of the personal consequences. His mission to Guyana, while ending in tragedy, served to insure that others would not suffer even worse fates at the hands of a depraved man and his unseeing followers.

I think, Mr. Speaker, this is how Leo Ryan would want us to remember him on this special day. I feel certain he would want us to recall him as the "man of action" he truly was. I know, Mr. Speaker, all my colleagues will join me in expressing the profound sense of sadness and loss we feel at his untimely passing.●

● Mr. JONES of North Carolina. Mr. Speaker, one of the advantages of being a Member of the U.S. Congress is the opportunity to create friendships which are sincere and lasting. I am referring to the relationship between the late Leo Ryan and myself.

Although with varying backgrounds between the two of us, to say nothing of the geographical difference between North Carolina and the State of California, this did not prevent us from enjoying one another's presence from time to time. One thing I admired about Leo in addition to his dedication to his job, was his fine sense of humor. Quite often on rollcall votes, when we had voted the same way, one of us would say to the other," one of us has voted wrong, I don't know which one it might be!"

Certainly his untimely death was indicative of his life's work in that, as we all know, he gave his life as a personal sacrifice while trying to help others. To his family I again extend condolences, and to some degree share with them a sense of loss, for I feel I have lost a true friend.●

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, it was with great shock and sadness that I learned of the death of my friend and colleague, Leo J. Ryan, and I am honored to join in paying a well deserved tribute to his service in the House.

His untimely death cut short a career of exemplary public service. Before entering Congress he had already distinguished himself as a teacher, school administrator, author, city councilman, and mayor in the State of California. During his three terms in Congress he demonstrated an intelligence and competence which won him the respect of all of us.

I had the honor of working with Leo Ryan when we served together on the Environment, Energy and Natural Resources Subcommittee of the Committee on Government Operations. He succeeded me as chairman of that subcommittee, of which I remained a member; so I had the opportunity to observe first hand the outstanding contributions he made in these areas. He was also well known for his keen interest in the concerns of his constituents, and for his insistence on investigating first hand matters within his legislative responsibility. That he died in the performance of his duties as a Congressman exemplifies his extraordinary dedication to public service.

A man of indefatigable energy and courage, both physical and moral, his absence in the Congress will be keenly felt.●

● Mr. HORTON. Mr. Speaker, the violent and untimely death of Leo Ryan was a shock to us all. The circumstances of his passing will long be remembered as among the most tragic and bizarre. Leo's unexpected death is a loss to the House and to those of us who worked with him on the Committee on Government Operations.

Leo brought to the Congress and the committee a background of experience as an educator, school administrator, city councilman, mayor, and State legislator. This experience helped him to quickly grasp the crux of an issue and pursue it vigorously.

The members of the Committee on Government Operations will remember him for his commitment to protection of our environment, development of alternate energy sources, and concern for strong autonomous, local control of public schools. He was an active and effective committee member.

I add my voice to those who today pay their respects to Leo J. Ryan and join in this tribute to his memory.●

● Mr. BINGHAM. Mr. Speaker, it is highly appropriate that we take the time today to pay tribute to our friend and colleague, the late Leo J. Ryan.

I do not wish at this time to discuss the question of whether the State Department and its representatives were in any way at fault in connection with Mr. Ryan's visit to Jonestown which ended so tragically. But I would like to say that Leo Ryan obviously felt that he should visit Jonestown in the line of duty and that, as a man of great courage, it was in character for him to do so whether or not he felt he would be in any danger.

I had the privilege of serving with Leo Ryan on the International Relations Committee. His comments were always thoughtful and well expressed, and his participation was constructive. It is interesting to note that 2 years ago Mr. Ryan actively supported the idea of changing the committee's name back to "Foreign Affairs." His view did not prevail then, but its wisdom was recognized earlier today when the committee decided thus to reassume its traditional name.

I do not mean to suggest that Leo Ryan and I were always in agreement on the issues. Indeed we had our differences. But I always found that Leo was an honorable, as well as a formidable, opponent in debate.

Leo Ryan's qualities as a legislator, as an investigator, and as a human being became very clear to me on a fact-finding trip we took together to the Middle East in January 1974. The questions he asked were penetrating and revealed a remarkably wide knowledge of the countries we visited, and his friendly nature and sense of humor made him an excellent traveling companion.

We shall miss Leo Ryan very much in the House and on the Foreign Affairs Committee. I join with my colleagues in extending to Leo's family our deepest sympathy. ●

● Mr. DERWINSKI. Mr. Speaker, we were all shocked to learn of the tragic death of our gallant colleague, Leo Ryan. Today, we pay tribute to a fine man, outstanding legislator, and a dedicated public official whose death was a result of his desire to effectively serve his constituents.

Leo will certainly be remembered as a man of the highest ideals, and it was more than a great tragedy that his career was cut short before he had the opportunity to accomplish all the things he was capable of and wanted to do. His investigative qualities and appetite for information and truth were insatiable.

Leo was wholeheartedly responsive to the needs of our Nation and of his district. He displayed courage and determination in serving the inquiries of his constituents by taking his fateful trip to Guyana. He had all the qualities and talent that are essential to the makeup of an effective legislator.

We served together on the International Relations Committee, where I found Leo to be tirelessly dedicated, conscientious, and always constructive. Leo set an example of hard work and outstanding leadership.

I had hoped to join Leo in Guyana, but it was the fortunes of fate that intervened. Hopefully, this tragic turn of events will give rise to our need to fully look into the circumstances that surrounded the Jonestown community.

In the death of Leo Ryan, we have lost a great man, a great leader, and a great statesman. The country has lost a man of great stature, and we have lost a good friend and a good human being.

Mrs. Derwinski joins with me in extendin our heartfelt sympathy to the entire Ryan family.●

● Mrs. HOLT. Mr. Speaker, on November 18 last year, the world was shocked by the senseless killing in Guyana that took the life of Leo J. Ryan, our colleague representing the 11th District in San Mateo County, Calif. At a time when our country is at peace with other countries in the world, it does not seem so obvious that we are indeed quite involved in wars against extremism, in wars against bigotry, and in wars against ignorance. Leo Ryan was one of those warriors who chose to go on one of those battlefields. It was a dangerous undertaking. He was a sincere and dedicated Member of Congress who was deeply concerned about his constituents held hostage by the Jones cult. He went beyond the call of normal duty and paid dearly for it.

Leo Ryan was a teacher by training and he was always trying to understand his charges—his students. He was compassionate and was always concerned about their problems. He was sensitive to the educational needs of the deaf. This was manifest in his service as a member of the board of governors of Gallaudet College, the National College for the Deaf, in Washington, D.C. He was a decent human being.

Mr. Speaker, Leo Ryan is and will be missed in this Chamber.●

● Mr. NATCHER. Mr. Speaker, I was deeply saddened and shocked to receive word of the passing of our beloved and esteemed colleague, Leo J. Ryan.

He was one of the truly great humanitarians in the House. I know of no Member who was more interested in the welfare of the people of this country and especially of those who needed help than our friend, Representative Ryan. He was a man of courage and he always believed that in order to ascertain the truth you must at first hand, know all of the facts. He exemplified the best qualities of a public servant and he was unswervingly loyal to our country. It was a privilege to know Leo J. Ryan and to work with him as a Member of the House of Representatives. He will long be remembered as a dedicated and conscientious legislator whose interest in the health and welfare of the people throughout the Nation was translated into action.

He was a patriotic citizen, a devout Democrat and a man of reason and integrity.

Mr. Speaker, our departed friend and colleague enjoyed the friendship and the respect of his colleagues throughout the Congress and while we shall greatly miss his presence, the results of his work in terms of a richer and better life for countless people will stand as a monument to him in his district, State, and the Nation.

His fine family has every right to be proud of his distinguished record and my heartfelt sympathy is with the Ryan family. It is my prayer that they will be comforted in the knowledge that Leo J. Ryan deserves the highest tribute of all—that of a just and honorable man.●

● Mr. YATRON. Mr. Speaker, I am deeply saddened to speak today of the violent death of my good friend and colleague, the Honorable Leo J. Ryan, who gave his life while attempting to help his constituents and the American people.

Leo Ryan's untimely death has cut short a career of public service which exemplified the best in American politics. Before entering the Congress he had already achieved a record of distinction as city councilman and mayor of South San Francisco and as a State assemblyman. During his almost three terms in the House he quickly demonstrated an intelligence and competence which won him the respect of all his colleagues.

I had the privilege and honor to serve on the House International Relations Committee with Congressman Ryan and through my many discussions and meetings with him I came to know him as a man of indefatigable energy and courage, both physical and moral.

Congressman Leo J. Ryan dedicated his public life to preserving the rights of the people of the 11th District of California and the American people he loved so dearly.

I deeply enjoyed my years working with him and I consider it a deep personal privilege to have known him. His absence in the Congress will be keenly felt.●

● Mr. RHODES. Mr. Speaker, the untimely death of Leo Ryan has left everyone of us saddened. He died as he lived, in service to his constituents. Congressman Ryan was a hard-working, dedicated public servant who was held in genuine affection by all who knew him, regardless of their political persuasion.

His concern for the well-being of his people exemplifies the highest tradition of service, and I know I speak for all of my colleagues on my side of the aisle when I say that we shall miss him.●

● Mr. WOLFF. Mr. Speaker, I rise to join my colleagues in memorializing our late friend and colleague, Leo Ryan. This distinguished body has had in its midst many people of courage, many Members whose public service has aided not only their constituents, but the entire Nation.

Leo Ryan epitomized these traits. He approached his role of serving his constituency with a sense of mission. He was of the people and never far from their concerns. Where others have come to Washington to represent their constituents, and have soon become removed from them, Leo Ryan remained in touch and involved.

What is most extraordinary about Leo Ryan is the compassion he displayed for his constituents and his determination in getting the facts about the People's Temple. On the face of it, it seems incredible that he persisted in investigating the People's Temple. Jim Jones was hailed from all sides as a religious sociologist, a civil rights worker whose inspiration uplifted the hopeless poor. Jones had friends among the powerful, and had held public office in San Francisco. The few dissenting voices about his character and his mission were often and easily discounted in the face of the intense support from his followers and friends. When reports of mistreatment and involuntary residence at Jonestown came to Ryan through his constituents, he at first employed the normal channels of investigation, the proper Federal agencies. Most people would have quit when positive reports of the Jonestown commune came back from the State Department. Few would have checked further after the State Department reported that they had interviewed many members of the cult in privacy. But Ryan knew his constituents well enough to be skeptical of such reports, and he cared enough about them to do more than his duty.

Ryan was the kind of investigative Congressman that this Nation needs and values. His courage in getting to the bottom of the People's Temple situation was unparalleled. He was undaunted by warnings of personal danger in his mission to Guyana. His trip was not a "media event" or a publicity stunt to get himself in the news.

Leo Ryan's compassion and perseverance can be a lesson to us all. His tragic death and the ghastly events which followed horrified the Nation and the world. The entire situation has sparked a national debate concerning the nature of cults and the role of the Federal Goverment in investigating them. Long-avoided questions concerning religious freedom versus the phenonmenon of cults are being addressed head-on. In-depth discussion of these questions is long overdue.

We in the Congress can say that we respect the ideal that Leo Ryan represented, and will hold him as a example of a public servant who envisioned his role as one of unqualified pursuit and promotion of America's most cherished values.●

● Mr. GORE. Mr. Speaker, I want to add my own comments to this tribute that we are paying today to Leo Ryan.

As a new Member of the 95th Congress, I had the privilege of serving with Leo Ryan for only 2 years. During that short time, I came to know him as a friend and to respect him as a colleague. He was a man of great ability and dedication. He worked hard and cared deeply about the issues he worked on, especially issues affecting human rights in this country and throughout the world.

The incredible series of events which followed Leo Ryan's death has left all of us, I am sure, with unanswered questions about how such a grotesque tragedy could occur. But for those of us in this House, the tragedy is keenly felt. We have lost a friend, and this House has lost a valued Member. We will miss Leo Ryan very much.●

● Mr. RANGEL. Mr. Speaker, it was with great sorrow that I learned of the death of my friend and colleague Leo Ryan.

Leo's compassion for the poor and disadvantaged, a compassion which set the tone of his long and distinguished career of public service, finally led him to his death in Guyana. The motives that guided him to that strange country could not have been better; in Leo we find the rare quality of true and pure altruism. If one must die so young it is best to die for a cause so just.

From serviceman to schoolteacher, from schoolteacher to elected official, Leo Ryan led a life of unceasing service. Time and again, he put the causes of others above his own safety. No more can be asked of any public servant, and the people of California have lost a dedicated and irreplacable representative. Likewise, we in Congress have lost a dedicated and irreplacable friend and colleague.

We must long remember the fearlessness with which Leo championed the cause of the poor and underprivileged. His compassionate crusades for the championless will serve as an inspiration for us all.●

● Mr. MILLER of Ohio. Mr. Speaker, I too at this time wish to pay tribute to our departed colleague, Leo J. Ryan.

His tragic and untimely death shocked the Nation and took from this body one of its most vigorous and dedicated Members.

The fervent commitment be made to public service never waned. He was independent of mind and intense in spirit. Leo Ryan's dogged determination and persistence in seeking out the truth will long be remembered by those of us who served with him and those citizens of California's 11th Congressional District who he so ably served.●

● Mr. GOLDWATER. Mr. Speaker, I join my colleagues in expressing my sorrow at the tragic death of Leo Ryan, Democrat, conservationist, political activist, concerned citizen—whatever label could be applied to this man—Leo Ryan was above all a leader of uncommon courage and a gentleman of the first order. He was my friend, and his loss will be felt by this Congress.

Throughout his years in this Chamber, Leo Ryan consistently demonstrated the kind of interest and concern for people which should be the motivating force behind the career of any politician. I looked to him as a man who truly cared about his constituents, and about injustice wherever he sensed it might exist.

Despite the known danger, this great concern for others led Leo Ryan to his fate in Guyana. He lost his life seeking to expose inequity, and in so doing revealed the monstrous injustice taking place in that little-known corner of the world.

It may be that Leo's need to know and his spirit of overcoming obstacles to that knowledge will outlast any lesser achievements that the rest of us claim. That was Leo Ryan's true spirit and his enduring legacy.●

● Mr. RODINO. Mr. Speaker, I want to join my colleagues in commemorating the life and work of Leo Ryan. As a Congressman from California, he served his constituents and his Nation with intelligence, determination, and integrity. Leo Ryan knew his own mind and followed his conscience on the issues. He was forthright with his colleagues and true to his word.

Mr. Speaker, Leo Ryan's tragic death in the South American jungle will not easily slip from our memories. His was a lifetime of concern for individuals. His instincts always were to try to understand what troubled people and to get at the cause of the problem. He travelled to Guyana because of his pursuit of truth and social justice. In his life as in his death Leo Ryan showed tremendous courage.

We have lost a proud American and a good human being.●

● Mr. EDWARDS of California. Mr. Speaker, I am honored to join with my fellow colleagues to eulogize and commemorate the outstanding work of our late friend and colleague, Leo J. Ryan. A truly unique individual, Leo's tragic and untimely death signals a tremendous loss to this congressional body, as well as to others who knew and depended upon him.

A congenial activist with whom I had the pleasure of serving the people of the San Francisco Bay Area for over 6 years, Leo exhibited a special interest in understanding the concerns of his constituents. This interest ran especially deep for the oppressed and helpless. Leo demonstrated his concern in the way he committed himself to problem-solving. In an effort to better grasp the issue, it was typical of Leo to personally undertake the fact-finding mission. During his 10 years in the California Assembly, Leo once spent 8 days as an inmate in the Folsom Prison to understand prison conditions. Following the Watts riots in Los Angeles, Calif., Leo took an assumed name, moved in with a black family, and became a substitute teacher in the area, hoping to discover the reasons for the unrest.

A determined and persistent spirit, gifted with a probing mind, Leo tackled issues with a zeal worthy of the attention and respect of his constituents and colleagues alike. It was this same sense of mission and gusto which characterized Leo's life that brought him to his senseless death while investigating constituent concerns surrounding the mysteries of Guyana. Regrettably, his spirit no longer graces us.

I would like to take a final moment to express my deepest felt sympathies to the Ryan family and loved ones. Your loss is a great one. Leo was a fine man and an accomplished Congressman. His contributions to the welfare of the people of the San Francisco Bay Area and the people of this country are great ones. We are immensely proud of Leo and he shall be fondly remembered, I am sure, by us all.●

● Mr. ROYBAL. Mr. Speaker, I join with my colleagues in paying tribute to the memory of the late Congressman Leo Ryan of California's 11th District. His many friends here in Congress will certainly miss this hard and dedicated worker who will be remembered for his willingness to set aside his own safety in order to better serve his constituents.

He was a man of action and of principle who was unafraid to tackle any issue. And his quest for solutions to difficult human problems led him to live as an inmate at Folsom Prison and to substitute teach in Watts long before his fateful trip to Guyana.

Leo served his constituents faithfully and well during his 6 years in Congress and had been easily reelected to serve in the 96th Congress just prior to embarking on his fact-finding trip to Guyana. It is, indeed, regrettable that Leo was not given the opportunity to follow through on the many issues and causes he felt so strongly about.

We are all deeply saddened by the senseless death of this able and dedicated public servant.●

● Mr. FORD of Michigan. Mr. Speaker, the tragic death last month of LEO RYAN took from us a respected colleague, a good friend and a dedicated public servant. His death has created a void that will be difficult to fill.

I had the privilege of serving with LEO RYAN on the Post Office and Civil Service Committee. He was a conscientious, hard-working member of the committee, whose enthusiasm was an inspiration to all of us.

LEO was the kind of legislator who worked at his job 24 hours a day, 7 days a week. He was a Congressman in the very finest sense of the word. He was also an extremely fine human being, and was respected by every Member of this House.

My wife, Martha, and I extend our heartfelt condolences to LEO's family and loved ones.●

● Mr. SHUMWAY. Mr. Speaker, like most Americans, I was not only saddened to learn of the tragic death of LEO RYAN—I was appalled. When the Federal flags are lowered to half mast across our Nation to mark the loss of one of our Members, it is seldom from so violent a cause.

As a Member newly elected to the 96th Congress, I did not have the privilege of working with LEO RYAN, nor can I claim as many of my colleagues can to have known him personally over the years. However that does not lessen the level of my respect for him as a legislator, and as a man.

As a legislator myself, I admired his dedicated efforts on behalf of California's 11th Congressional District.

As a man who believes in the value of truth, I admired his determination to ferret out the truth in every situation, no matter what dangers his search might incur.

Finally, as a fellow human being, I lament the bizarre and vicious forces which robbed LEO RYAN of his life, and I deplore the fact that the contributions of so fine a man were clouded amid the lurid coverage which chose to lionize his enemies rather than to eulogize his memory.

My wife and family join with me in extending sincere condolences to those whom LEO RYAN left behind.●

● Mr. BAFALIS. Mr. Speaker, it is with a great deal of sorrow that I rise to join my colleagues in paying tribute to the late LEO RYAN, who died so tragically in Guyana.

LEO RYAN came to the Congress the same year I did, as a Member of the 93d Congress. But it was obvious from the start he was not to be a run-of-the-mill Member of Congress.

All of us believe in service to our constituents. After all, that is why we are here. But LEO RYAN was willing to take that extra step, make the extra effort to assist those who needed—or thought they needed—his help.

That is why he was in Guyana. The reports of individuals held against their will in Jonestown were too persistent, too damning to be ignored by LEO RYAN. It was a matter which cried for examination, even though an examination meant he had to go to Guyana.

We all know what happened when LEO RYAN arrived in the People's Temple commune and the terrible aftermath so there is no need for us to recount that here.

But, what we must do is remember the example LEO RYAN set, remember that the people's problems are our problems and be willing to take the extra step, ask the extra question and give that extra effort to help them.

That is what LEO RYAN did. And it was in the highest traditions of the House of Representatives.●

● Mr. MURTHA. Mr. Speaker, shortly before Congress adjourned last fall, I sat in the House of Representatives with LEO RYAN and talked about the session that was about to conclude. During the discussion, we talked about his concerns about the Peoples Temple cult and the research he had done into the possible damage this group was doing to the individuals who had joined it. At that time I knew virtually nothing about the group, but listened with great interest as he talked about possibly going to visit the cult in Guyana, and the dangers of such a mission.

While I knew little about the cult or their operation, I did know LEO RYAN's concern for the people he represented and the people of this country. That had become personally clear to me in 1977 when the Johnstown area—which I represent—suffered a disastrous flood. LEO RYAN sent his committee staff out to investigate the situation and offered me the complete assistance of himself and his staff as the community struggled to recover from the terrible flood. After the work was done and the community beginning to get back on its feet, he talked to me about the Federal laws on dam safety, water runoff, and weather forecasting to see what could be done to prevent such tragedies from occurring elsewhere.

Thus, I well knew of LEO RYAN's concern for people and his efforts to improve their lives through his Government service. Therefore, I was not surprised he went to Guyana, desipte the risks involved. That kind of concern is in the highest tradition of the U.S. Congress.

We all learned from LEO RYAN's dedication and concern, and we will all miss him.●

● Mr. BRINKLEY. Mr. Speaker, I wish to pay tribute to LEO RYAN, whose legacy as a courageous champion of human rights is an example for us all.

We remember LEO as a leader who never hesitated to take a stand and make a mark. We remember both his serious commitment to the highest standards of public service and the lighthearted sparkle of his Irish wit.

Characteristically, LEO's last mission demonstrated his determination to investigate widespread reports of human abuse, even in the face of great personal risk.

In defining moral courage, John Kennedy once said:

> A man does what he must—in spite of personal consequences, in spite of obstacles and dangers and pressures—and that is the basis of all human morality.

LEO RYAN was such a man, and I shall miss him.●

● Mr. CORMAN. Mr. Speaker, the shocking and ruthless slaughter of LEO RYAN remains vivid in the minds of all Americans. For those of us who served with him, the horrors of paranoia and senseless brutality leave a numb and hollow feeling. LEO was by far one of the most conscientious and responsible men ever to serve in Congress. He will be remembered for many reasons, but his total commitment to the people of the 11th District of California can never be denied.

While our service together in Congress was brief, and our areas of concentration different, I was afforded the opportunity to travel abroad with LEO, and experience firsthand his keen ability to perceive critical international issues and immediately act to bring some degree of resolution to conflicts and problems. He was an outstanding representative of the United States wherever he traveled.

LEO's inquiring mind and commitment to his constituents won their trust and confidence in his leadership and concern for their needs and problems. It was this dedication to those people which resulted in his untimely death.

LEO's zest for life and unquenchable thirst for truth, fairness, and freedom will long be remembered by all who worked with him, and especially, those people he devoted each day to helping. His work will continue, but his determination and selfless dedication to public service will be hard to equal. His presence and achievements as a member of this body will be sorely missed.●

● Mr. RICHMOND. Mr. Speaker, today we honor the memory of our colleague, and our friend, LEO RYAN, as decent, dedicated, and good-natured a man as anyone could ever hope to meet. While maintaining his infectious good humor, he nevertheless carried out his responsibility to his constituents and to his fellow citizens with the utmost seriousness.

Throughout his career in public service, LEO RYAN believed it was his duty as an elected official to experience firsthand the problems his constituents faced as the best means of resolving those problems. He defied the risk of danger in his quest for the truth, wherever that quest led him. It was on just such a mission, in a faraway jungle—on yet another personal effort to find the facts he needed to help his fellow Americans—that he gave his life.

We will all miss this warm, sensitive, and compassionate man whose exemplary sense of duty guided his every action in public life.●

● Mr. WHITTEN. Mr. Speaker, I would like to join the many friends and associates who today rise to pay tribute to our colleague, Congressman LEO RYAN.

It was saddening to all of us to learn of Congressman RYAN's tragic death, but it was not surprising to those who knew him to hear that he was busy in what he conceived to be service to his district, State, and country when he met his untimely end.

Leo Ryan's contributions will be long remembered.

To his bereaved family we extend our deepest sympathy.●

● Mr. DELLUMS. Mr. Speaker, it is with great sadness that I recall today the image of Leo J. Ryan, the man and the Representative.

The dramatic events surrounding Leo's tragic death are of a dimension that is difficult to ponder. Words cannot describe, nor thoughts conceive, the horror that occurred at Jonestown. Leo knew that there might be trouble, yet went forth courageously because he knew that concerned relatives of the People's Temple members were depending on him.

Throughout his career, Leo Ryan was a man who cared about people's welfare, who cared about the impact of laws upon society, and who took up the cudgel himself when it came time to take a stand on controversial issues. His eagerness to do all he could for the 11th District of California, and for the Nation as a whole, was exemplary.

Of course, he will be missed by all of us, but it goes deeper than that. Leo stood for something that we all cherish more highly than even life itself—that is, dedication to the cause of humanity and justice. The manner of Leo's death speaks for the nature of his dedication to that cause. It is with humble admiration that I reflect upon his courage, vision, and compassion in having been willing to die for the sake of rescuing American citizens trapped in a situation that was threatening their most basic freedoms. I can think of no more noble purpose than that. ●

● Mr. CHARLES H. WILSON of California. Mr. Speaker, in paying tribute to my friend and colleague, Leo Ryan, I am reminded of the words by John Donne:

> No man is an island, entire of itself; every man is a piece of the continent, a part of the main; if a clod be washed away by the sea, Europe is the less, as well as if a promontory were, as well as if a manner of thy friends or thine own were; any man's death diminishes me because I am involved in mankind; and therefore, never send to know for whom the bell tolls, it tolls for thee.

I had the privilege and distinct honor of knowing Leo since he first came to the Congress in 1973. As members of the California delegation, we worked together on a variety of projects beneficial to the State and also served together on the Post Office and Civil Service Committee.

Public services meant a great deal to Leo Ryan—it meant a personal commitment and involvement in any matter that came to his attention. When I reread the words of John Donne, I was particularly struck by the phrase, "any man's death diminishes me because I am involved in mankind." Leo Ryan could have said those words. It was not in his nature to work solely for himself, but for the good of everyone. No problem in society was too complicated or sensitive for his interest.

In the past several years, we have been hearing a great deal about "investigative journalism." For Leo Ryan, "investigative representation" was his trademark and his contribution to the people of this country.

Receiving reports from various Government agencies was just not enough for him. And, unfortunately, his commitment to "seeing something for himself" not only proved there is a need for such involvement, but also tragically resulted in his untimely death.

We who served with him in the Congress know how hard he worked on legislative and constituent matters. His priorities were people and their problems.

In a much larger sense, we in the Congress not only owe him our gratitude, but society as a whole should also be thankful there was a Leo Ryan. If it is possible to the public's conscience, then Leo Ryan fit the bill. He raised the level of public awareness on so many different issues, it would be impossible to reiterate them all at this time. That awareness has had a profound effect on many, many people so that in solving one problem for a person or a group of people, he managed to benefit larger segments of society. Suffice to say, Leo Ryan believed in solving problems and placing himself and his reputation on the line to figure out solutions.

His motto was—you cannot solve a problem unless you personally know the facts. That meant employing all the tools open to a Representative—committee meetings, briefings, information from colleagues and constituents, and of course, seeing something firsthand. To illustrate just one way person involvement is a must is to consider the amount of money the Federal Government spends. When you authorize billions of dollars, it makes sense to see precisely how that money is being spent.

He was thorough, dedicated and extremely hardworking. He was widely respected by both his peers and the people he represented. It is my hope that the legacy Leo Ryan left us will continue on.●

● Mr. DERRICK. Mr. Speaker, there is no way for any of us to address the death of Congressman Leo Ryan. For this senseless tragedy, away from our shores and in harm's way, has numbed us all. Yet in its aftermath what still remains is the legacy and testament of a man who was willing to serve those whom he represented regardless of cost or danger.

It is compelling to hold up such a life as the pinnacle of public service. Certainly, Leo Ryan's achievements warrant such an accolade. I know I need not tell my colleagues in the Congress or the people of California's 11th District that he cannot be replaced. As this historic and important 96th Congress begins, we shall all miss Leo Ryan very much.●

● Mr. FUQUA. Mr. Speaker, no doubt we were all equally shocked and dismayed by the tragic death last year in Guyana of our former colleague, Leo J. Ryan. As one who served with him on the Committee on Government Operations from the time he was first elected to Congress, I can attest to the fact that his trip to that foreign land was not an uncommon act when one considers the uncommon nature of Leo Ryan.

He always showed great courage and remained true to his convictions. As chairman of the Environment, Energy and Natural Resources Subcommittee, he led the fight for what he believed to be best for the future of our Nation and, although he and I often disagreed with one another during committee debates on important issues, I like to believe that our disagreements were always expressed in the best tradition of congressional debates and we certainly never let our disagreements interfere with our friendship. He always proved a worthy adversary in any debate and never backed off or retreated from what he felt was right.

Leo always sought the truth and was committed to diligent research, even if it meant long hours reading through volumes of reports or traveling to foreign countries to discern the relevant facts.

He knew there were risks in the course he charted but he could live no other way. His entire career of public service documents the fact that he was willing to take whatever personal risks were essential to his quest for answers to questions many believed could not be answered. He never considered any problem insurmountable and continued his search for ways to make ours a better society in which to live.

He was indeed an uncommon man, one we will all miss deeply. Too few in any generation are willing to take up the challenges Leo assumed as normal tasks to undertake and it is a sad occasion, not only for his family, but for the entire Nation when we lose such an individual.●

● Mr. BROWN of California. Mr. Speaker, I would like to pay tribute to the passing of Leo J. Ryan. As a fellow Californian and as a man who shared many of the same concerns, I will truly sense the loss of this man.

Leo Ryan was a Member of Congress who practiced an active style of leadership. Not content with reports of vital issues and events, he sought first hand information and experience of those things with which he was concerned. He pursued environmental issues with equal enthusiasm, especially in the areas of dam and nuclear safety.

As we enter the 96th Congress, Leo J. Ryan will be missed. He was a respected leader and an effective lawmaker.●

● Mr. MINETA. Mr. Speaker, much has been said and written about the bizarre events in Guyana last November, when the entire world was shocked by the cult which Leo Ryan was investigating. Let me say, simply, that Leo Ryan will be missed here in the Congress.

In recent years, we have seen many Members of Congress decide to call it quits because they tired of living in the public eye, they tired of the 80-hour work-week, and they tired of the constant pressure. Leo Ryan did not tire. He recognized that serving in Washington as a Representative is not a privilege, it is a duty. He accepted the workload and the pressure, and he learned to focus that public eye on injustice. To Leo Ryan, investigating and exposing the intimidation and oppression of the helpless was simply a part of his job as Congressman. Whether it concerned disaffected cultists, or harp seals, or citizens having problems with a government agency, Leo felt an obligation to help and to use his power on their behalf.

Leo Ryan will also be sorely missed in California, in the bay area, and in the communities comprising the 11th Congressional District which he served. He became a familiar figure to all of us in the bay area as a State legislator during the 1960's, and he has been elected to Congress by resounding majorities since he first ran in 1972.

Mr. Speaker, Leo Ryan's energy, his commitment, and his sense of responsibility were an inspiration, and those qualities will remain as his legacy to Congress and to public servants everywhere.●

● Mr. GREEN. Mr. Speaker, The word "Jonestown" stirs outrage in all of us since the tragic events of last November. Much of that outrage comes from the senselessness of what happened. The circumstances behind the loss of life were so bizarre as to be almost unbelievable. Even as the stories of the strange occurrences at the People's Temple continue to unfold, they still seem to be unreal.

At a time when many claim that their Representatives are unresponsive to the needs of the people, Leo Ryan stood ready to investigate their concerns. Whether that involved becoming a prison inmate in California to see firsthand correctional facility conditions or trekking to Newfoundland to witness the slaughter of baby seals, that firsthand look at the issues of importance to his constituents was what made him an outstanding Member of Congress.

Congressman Leo Ryan would not ignore the concerns of his constituents. He was always available, always accessible. As the media have continued to note since the tragedy in Guyana, he took the time and trouble to find things out for himself. It was such concern that brought him to Guyana to look into charges and accounts about the practices at Jonestown.

We should not let Leo Ryan's tragic death deter us from continuing his method of obtaining information firsthand, or exposing ourselves to the problems and issues for which our constituents look to us for answers, and of displaying visible concern and sensitivity to the needs of the people we represent. This is the legacy of Leo J. Ryan.●

● Mr. LONG of Maryland. Mr. Speaker, with the death of Leo Ryan, the U.S. House of Representatives lost one of the most honest individuals ever to grace its Chambers. I personally lost a close friend for whom I had tremendous respect. The underprivileged have lost a friend who defended human rights in every sense.

Leo was a man of courage. He would not retreat from a sound position, even if it proved to be unpopular.

Leo was a leader. The record is full of examples where he was among the first to champion a position that later, sometimes much later, became the prevailing point of view.

He was one of the few who had a total commitment to the right of every human being to live in a free, safe, and peaceful world. His efforts for a sane policy of nuclear energy, withholding economic and military support from countries who are gross violators of human rights, and a responsive and effective federal system should be remembered long after the horror of Jonestown has dimmed.

Leo died as he lived—looking for the truth and unafraid of it when he found it. I am proud that he counted me among his friends in Congress.●

● Mr. MONTGOMERY. Mr. Speaker, I join with my colleagues today in paying tribute to the life and good works of the late Leo Ryan, of California. His tragic and untimely death was a shock to all of us and resulted in a great loss to this Chamber.

Leo was known, well known, for his dedication and tenacity. Once he tackled a problem, he tackled it with all his human capabilities. He was never one to shirk his responsibilities.

That Leo lost his life "on the job" is indicative of the type of public servant he was. He was never satisfied to let others investigate problems. He had a deep and abiding interest his entire life in learning from personal experience the problems facing his fellow Americans. He rightfully felt that only through personal experience could he offer workable solutions.

I join with my colleagues in offering deep-felt condolences to Leo's family and our thanks for having had the privilege to serve with him.●

● Mr. LENT. Mr. Speaker, it is a privilege to join in this tribute to our courageous friend and colleague Leo Ryan. His untimely death dealt all of us a stunning jolt.

We who worked with Leo in the House of Representatives knew well of his intense dedication to the interests of his constituents, and his determination to personally attend to investigating and remedying their problems and difficulties wherever possible .

We were not surprised, therefore, when Leo journeyed thousands of miles from the United States deep into the South American jungle on the mission which claimed his life. This determination to get the facts at firsthand was Leo's method of dealing with problems troubling his constituents.

I well remember Leo Ryan's strenuous efforts against the attempts of the United States to allow the Concorde SST to land in the United States bringing its added burden of noise to those living near its base of operations. His work assembled voluminous scientific evidence to support his case.

Mr. Speaker, our Nation sorely needs legislators with Leo Ryan's ability and dedication in searching out the truth on matters of concern to constituents. His death is a great loss, not only to the 11th Congressional District of California, but to our entire Nation.

We in the House of Representatives shall miss Leo's informed guidance on legislative matters, the inspiration of his dedicated search for the truth, and his personal friendship.●

● Mr. BROOMFIELD. Mr. Speaker, I will always remember Leo Ryan—the gallant leader of that fateful mission to Jonestown—as a dedicated public servant and a true profile in courage. His forceful presence in the Congress will be missed by us all.

To be sure, Leo was a dedicated Congressman who tried very hard to keep his pledges to his constituents. In attempting to serve his constituents—by examining threats to their lives and their loved ones, by investigating reports of mistreatment to American citizens, Leo Ryan was tragically killed.

For several years, I had the good fortune to serve with Leo on the House International Relations Committee. In both our committee work and on our trips abroad, including a study mission to the Middle East a year ago this month, I found him to be a creative and dedicated public servant. Moreover, in serving the public, Leo had a tremendous thirst for the truth. It was this sense of public mission, as well as Leo's quest for the truth, which was so constant and so admirable and which, in the end, led to the Saturday nightmare of November 18, 1978.

Courageous and dedicated—persistent and forceful—these were the virtues so well understood and admired in the gentleman from California—the gentleman who died in a faraway jungle in service to his people and to his country.●

● Mr. UDALL. Mr. Speaker, this remarkable man, Leo Ryan, was my friend. I grieve for him and for his family, as well as for the California people that he loved and served so well.

It was Leo's courage and compassion—two of his exceptional qualities—that led to his tragic and untimely death.

We had a close and very satisfying relationship. In the fall and summer of 1978, Leo was a pillar of strength on the Post Office and Civil Service Committee, as we wrestled to complete civil service reform. He was fiercely independent of pressures and could be counted on to do the right thing.

Leo offered to come to Arizona and campaign for me last year, at his own expense. That was the kind of guy he was.

I shall miss him. He was truly a good man.●

● Mr. MURPHY of Illinois. Mr. Speaker, the shocking death of Congressman Leo J. Ryan of California, resulting from the tragedy in Guyana, brought grief to this House and Nation. So it is fitting that we take this opportunity today to pay tribute to our late friend and colleague.

The way that Leo Ryan met his death revealed much about the way he lived his life. He was a dedicated public servant, unafraid to go where his convictions and interests might take him. And that he did, as is evidenced by his fateful mission to Jonestown. With the advantages of hindsight, we all wish that Leo had never gone to Guyana; nevertheless, by doing so, Leo acted on the dictates of his conscience and in the best interests of his constituents.

Thucydides, who wrote this history of the war between the Peloponnesians and the Athenians, once wrote:

> But the bravest are surely those who have the clearest vision of what is before them,

glory and danger alike, and yet notwithstanding go out and meet it.

I know of no more appropriate words to describe the life and actions of Leo Ryan.●

● Mr. FASCELL. Mr. Speaker, I had the privilege of working with Leo Ryan on the Government Operations and the International Relations Committees. He was an earnest, warm, and down-to-earth person who had a keen sensitivity to the problems of his fellow man. He believed deeply in the people of this country, and his years in public service were dedicated to better understanding the problems of every individual.

Leo Ryan was a very determined go-getter. He was not content to sit back and wait for the pieces of a puzzle to fall into place. Rather, he went firsthand behind the scenes of every issue, probing and questioning until he was certain that he had the facts. This search for the facts led him to take a teaching position in riot-torn Watts in order to learn about the problems of education there. It led him to spend a week as an inmate at Folsom Prison to learn about the difficulties of prison life. And finally, it led him to Jonestown.

The shadow of the Guyana tragedy is still upon us as we remember the persistence and courage of our colleague from California, Leo Ryan. We pay tribute to a man who believed that every person was worth helping, and that every problem could, and should, be confronted. His untimely death robbed the House of Representatives of one of its most dedicated Members, but his enthusiasm and his concern stand as a tribute to this great body. Let us not quickly forget Leo Ryan's zeal for truth as we continually seek better ways in which to serve those who have placed their trust in us.

We shall all miss Leo Ryan. I extend my deepest sympathy to his mother and other members of his family.●

● Mr. MAZZOLI. Mr. Speaker, Leo Ryan was a Congressman in the best sense of the word. Respected by his colleagues, he was a man who always wanted to see how things worked—or failed to work—firsthand.

He always wanted to act as his own interpreter of life and people. There was no room for a middleman in Leo Ryan's life.

Although we deplore the tragic end to his life, we recognize that in dying, Leo opened an international inquiry into the very roots and causes of life and people. In a way, such a global debate would have appealed to Leo and is a testimonial to a full life of public service.

I will miss Leo Ryan in the House of Representatives as a friend and as a legislator. And, I extend sympathy and condolences to his family.●

● Mr. GIBBONS. Mr. Speaker, Leo Ryan was a fine man. Mrs. Gibbons and I first learned to know him during our work with Leo and the Members of the European Parliament.

Leo was courageous and brave. He was a man of principle and could state his principles with clarity and vigor. He was also a very friendly person and during our long plane trips and sometimes exhausting conferences we got to know Leo very well. We loved him and we will miss him, and we extend our good wishes and prayers to his family. ●

● Mr. DRINAN. Mr. Speaker, it was with profound sorrow that I learned last November of the death of my friend and colleague, Congressman Leo J. Ryan.

Leo and I served side by side for 2 years on the Government Operations Subcommittee on Environment, Energy, and Natural Resources. Under his chairmanship, no issue was too controversial for consideration by the subcommittee, and no issues of special interest to individual subcommittee members were too unimportant for Leo's personal attention. Leo distinguished himself during the 95th Congress through the subcommittee's work on airport noise control, oilspill prevention, the economics of nuclear power, and oversight of Federal solar energy, radioactive waste disposal, and radiation protection programs.

Even when Leo and I found ourselves on opposing sides of an issue—as was the case when we debated the merits of holding the 1980 summer Olympics in Moscow—I found him to be an able, articulate, and honorable spokesman for the views he represented.

Leo was a Member with unique style, whose personal commitment to his job and to his constituents was unsurpassed. His presence will be missed in this Chamber.●

● Mr. PREYER. Mr. Speaker, Leo Ryan was an aggressive and creative legislator whose dedication to his constituents and sense of duty eventually took him to a tragic death on a jungle airstrip in Guyana.

Leo served on my Government Operations Subcommittee and I served on his Subcommittee on Environment, Energy, and Natural Resources. It was through our work together that I learned to appreciate the vigor and enthusiasm he brought to his work in the House. I remember going out to Dulles Airport with Leo to measure the noise levels of the first Concorde landing. We stood in the woods far from the terminal with a couple of scientists to record the engine roar of the landings. Leo was all enthusiasm and excitement which demonstrated his real interest in insuring compliance with the law. He really wanted to get the facts firsthand. Most Members would have been content to read in the newspaper what the noise readings were; not Leo.

Only time will temper the tragedy and horror of the events in Guyana, but I hope the knowledge of how highly regarded and respected Leo was will ease some of the sorrow felt by his loved ones.●

● Mr. McCLORY. Mr. Speaker, when recollecting those who have served above and beyond the call of duty, we cannot fail to include our beloved and martyred colleague, Congressman Leo Ryan of California. The human concerns and dedication to constituent service exemplified in the public career of Leo Ryan are unsurpassed.

My personal experiences with Leo were related more particularly to a joint concern that he and I shared for the welfare of those who live in the hazardous areas adjoining or below private and public dams—dams which might fail and bring death and tragedy to those who lie in the path of a wall of uncontrolled water. Leo Ryan's concern in the case of such a catastrophe is comparable to the concerns which he expressed for constituents who became victims of a distorted program and actions of some misguided leaders of the Peoples Temple.

Mr. Speaker, Congressman Leo Ryan was a courageous, forthright, and determined individual who expressed himself fearlessly on the floor of this House of Representatives on more than one occasion—and who evidenced this lack of fear in facing the ordeals and ultimately the unprovoked and vicious armed attack which took his life as well as the lives of San Francisco Examiner photographer Greg Robinson and NBC News reporter Don Harris and cameraman Bob Brown in Guyana on November 15, 1978.

Mr. Speaker, I cannot help but honor Leo Ryan for his courage and for his determined actions in behalf of justice and decency. He deserves to be honored by all of us in this body and by all Americans who respect human life and the right and privilege of making individual human decisions. In the absence of Leo Ryan's visit to Guyana, the tragedy of ruined lives might have been far greater. It is my hope and prayer that through his life and his death the malpractice of would-be religionists or cult leaders shall be brought to the surface and after being identified may be handled appropriately.

Mr. Speaker, it is most fitting that we pause at this time to pay tribute to our beloved and highly respected friend and colleague, Congressman Leo Ryan, and that we extend to his children and to all members of his family our respect and deepest sympathy.●

● Mr. MOTTL. Mr. Speaker, we have congregated today to pay homage to the Honorable Leo J. Ryan whose tragic death deeply grieved us all.

To his constituents, he was an accessible and responsive public official dedicated to meeting the needs and fulfilling the wishes of his electorate.

To the American people, he was known as a friend of the oppressed, committed to their liberation from subjugation and servitude.

And to us, he was a model of excellence—a truly dedicated public servant who kept the public trust.

Leo Ryan was known as a maverick in the House. He acted in the manner his conscience dictated—doing what he felt he had to do. He maintained the highest standards of conduct and he worked with unsuppressable and enviable vitality.

His sojourn to Guyana exemplified his dedication to admirable causes. Leo repeatedly asked the State Department officials to investigate reports of mistreatment of American citizens who settled Jonestown. Yet, having found embassy officials evasive, their efforts to monitor the group's operations unsatisfactory, and their reports, at best, cursory, he set out to investigate himself.

Leo knew what a grave risk he was taking, but he felt it was necessary to answer the questions posed by his constituents and other Californians as well as address the legitimate concerns of the broader American public.

Regrettably, the affair ended as it did. Leo died in the midst of a promising and immensely gratifying career in public service. So that his death will not be in vain, we must carry on his work. We must investigate all aspects of this tragedy. So too, we must take a careful and complete look into all of the more controversial "religious" groups so that such an unfortunate and distressing event will never occur again.●

● Mr. EVANS of Indiana. Mr. Speaker, the book of Ecclesiastes says, "Mourn but a little for the dead for they are at rest." It is truly those who Leo Ryan left behind who suffer most, for we had the privilege of knowing and working with this courageous man; we suffer his loss.

How can one day pay tribute to such a man as he? Eloquent praise and heartfelt words are hardly adequate. His loyalty to his family, to his colleagues, to his constituents, was outstanding. His memory will be with me for many years because it was a symbol of love for country and mankind. He gave them his boundless energy, his sharp legislative mind, and his determination to make nothing unattainable.

But from the tragedy of my friend's death I must ask that we remember the warning of what can transpire when men yield to the powers of hatred, prejudice, fear, and all that tends to dehumanize, for "those who do not remember the past are condemned to repeat it."●

● Mr. ANDERSON of California. Mr. Speaker, last November, our country and the world was stunned and horrified by the events which took place in Jonestown, Guyana. Included among the nearly 1,000 lives which were lost was our colleague and good friend, Congressman Leo Ryan. Not only the constituents of California's 11th District, but this body and the Nation as a whole mourn the tragic, senseless loss of this extremely able Representative.

As we are all aware, Leo was unquestionably a man of action, one who feared neither the responsibility of decisionmaking nor the execution of those decisions. He was not content to remain cloistered within the walls of the Capitol, gathering information only through those political tentacles with which every Member is familiar. His entire career reflected his philosophy that knowledge is best attained through firsthand experience.

My wife, Lee, and I have known Leo for over 20 years and are well acquainted with the valuable qualities this man displayed in his years of public service. During that period, Leo and I served in Sacramento together where he exhibited the strong yet progressive character which would eventually send him to Washington.

The people of California's 11th District will feel a special loss, for Leo Ryan was a dedicated, diligent man, truly concerned for the well-being of his district, which he so capably represented. I know that all of us in Washington miss him as the 96th Congress gets under way. Lee and I would like to extend our deepest sympathies to Leo's family, and most especially to his children, Shannon, Patricia, Chris, Kevin, and Erin. While Leo's life was cut tragically short, it is my hope that we his colleagues, and the members of his family will take comfort in the memory of Leo's life as one of active concern and love for his country. There can be no higher honor.●

● Mr. VAN DEERLIN. Mr. Speaker, our late colleague, Leo Ryan, followed his instincts to the end. He was never one to rely solely on staff reports or other secondhand intelligence in assembling the information he needed to do his work—first as a city official in the San Francisco area, then in the California Legislature and, for his final 6 years, here in the House.

He often found what he was seeking, as evidenced by his successes in furthering such causes as solar energy development, expansion of the Redwoods National Park and—belatedly—clemency for Patricia Hearst.

A born investigator, Leo had much empathy for the news media. As a former newsman, I can applaud these traits in Leo which helped to sharpen public awareness on a number of important matters—jet engine noise problems, nuclear waste disposal, and the unnecessary killing of Arctic seals.

Our late colleague knew how to get a headline, but in the process he served the public interest by shedding new light on complex issue.

He was very much his own man, going his own way whether voting in the House or endorsing candidates for President. He was first in the California delegation to support Jimmy Carter's candidacy, at a time when Mr. Carter was still something of an outsider to most establishment politicians.

In the way he died, as throughout his public life, Leo was personally involved. He was a truth seeker, for he realized perhaps to a greater extent than most of us that enlightenment usually follows, once all the facts are in hand.

He was described rather poetically by one publication, the California Journal, as "a hunch player in search of hell." In the end, in truth, he uncovered a sort of hell on earth. But the meaning of Leo Ryan's life is, or should be, much more than that: In taking us where we otherwise would be reluctant to go, he opened our eyes not only to the despair but also to the promise around us.●

● Ms. OAKAR. Mr. Speaker, today, in this great House of liberty and law, we pause in our deliberations to remember and reflect on the life of a former colleague, Leo J. Ryan, whose tragic and untimely death last year in the jungle of Guyana touched us all with horror and anguish. Leo J. Ryan died as he lived, a man of basic courage and compassion, who preferred to act publicly on the often uncertain outcome of principle and conviction, rather than hide behind the private pretense of glib verbal commitment to abstract causes.

Leo J. Ryan embodied activism and despised indifference, practiced personal involvement, and warned of the silent danger of social and political apathy. Leo Ryan cared enough about people to do something whenever a problem or injustice distressed him and demanded his complete attention and dedication.

As a teacher in Watts, in Los Angeles, Leo Ryan observed firsthand the cultural and psychological damage done to ghetto children by centuries of deprivation and discrimination—and so worked toward making equality of opportunity a living reality for all Americans.

As a member of the city council of south San Francisco, Leo Ryan did much more than just sit in a comfortable chair at chamber meetings and routinely vote: He walked the streets of his city and met with the people whose views and needs and aspirations he wanted to know and understand.

As a member of the State legislature in California, Leo Ryan acquired a larger personal knowledge of the responsibility a legislator has in representing the interests of his constituents—and so he traveled between Sacramento and his district and listened to the people and learned that government, in a democracy, exists only with the consent of the governed and that elected public servants have a sacred trust to do for the people what the people cannot always do for themselves.

As a Member of this Congress, Leo Ryan served his constituents and country with a high sense of personal commitment and political responsibility, guided in his decisions and actions by the lessons he had learned about service to the people in San Francisco and Sacramento. His philosophy of involvement—inspired by his sensitivity to injustice, motivated by a sense of public morality, and vindicated by his vision of truth in government and trust among men—shone like a bright light in this Chamber and showed us the difference that courage, conscience, and compassion can make in improving the lives of ordinary people. Let all of us, on both sides of the aisle, be faithful to, and remindful of, the beliefs that Leo Ryan lived and ultimately died for. As we mourn and remember Leo Ryan today, let us reaffirm our commitment to work always for the good of everyone, because the life of man is brief, our words but sounds that die on the wind, our deeds the only real legacy we leave to unborn generations. Only God, in His infinite yet mysterious wisdom, knows the time, and place, and manner, and reason for our death. Today, it is fitting to recall the words of John Donne, who wrote:

> (A)ny man's death diminishes me, because I am involved in mankind; and therefore, never send to know for whom the bell tolls; it tolls for thee.●

● Mr. ADDABBO. Mr. Speaker, I join with my colleagues in paying tribute to the memory of our friend and colleague Leo Ryan whose life was taken away so needlessly last November.

Leo's tragic death came because he could not ignore the pleadings that had come his way; as always, he went to look for himself so that he could do whatever possible to alleviate injustice and suffering. The good die young, the old saying goes, and it was certainly true in this case. He died simply because he was a good man whose desire to help others led him to that nest of unbelievable horrors in Guyana.

But the measure of any man is his desire to help others, and Leo scored high under any means of measurement you can name. Even before he entered Congress in 1973 Leo's style of helping people through firsthand investigation was well established. In 1970 he spent 8 days at Folsom Prison in California to learn about conditions facing inmates. Even further back during 1966, he taught in a neighborhood high school following the Watts riots and visited Newfoundland to investigate the hunting of harp seal pups. For this latter effort he received a well earned "Man of the Year" award from the International Wildlife Foundation. Suffering and injustice, these were his only enemies.

Aside from these more dramatic efforts, and long before the tragedy of November, Leo Ryan's congressional efforts were also geared to helping resolve problems that plague everyday life for people. When I went to him for help in resolving the nagging problems of jet noise in my own district, he stirred for action as though the planes were flying right over his own home.

He wrote letters, sent investigators out, held hearings with the Federal Aviation Administration and in the end, came to the District himself to see and hear for himself the disruption of family life that jet noise causes. He held that hearing on a Saturday morning and my constituents poured out their frustrations to Leo and his subcommittee members.

He kept his pledges and promises, personally following every trail that would lead him to the very heart of each problem he probed. His spirit and dedication will be sorely missed.●

● Mr. JONES of Oklahoma. Mr. Speaker, courage and dedication are like diamonds, things of sparkling beauty—and rarity.

Congressman Leo Ryan of California possessed these qualities. Leo was a man of energy and vision, a troubleshooter, who spent 22 of his 53 years in public service. He voluntarily lived behind bars to learn about prison conditions. He flew to Newfoundland to witness the killing of baby seals. And, finally, he went to an obscure region in South America by the name of Guyana to investigate reports of suspicious doings. Always, Leo was ready to do whatever was necessary to look the problem in the eye, to get involved, to help the suffering, to right the wrong.

It is with a bittersweet feeling of grief and pride that I pay my respects to the great memory of my dear colleague, Leo Ryan. Leo and I came to Congress in January of 1973. While I never had the opportunity to serve on a committee with him, I did work with him on various pieces of legislation and developed a deep respect for him as a Congressman and as a human being.

Leo approached his job with an enthusiasm and innovation that few could match. He tackled tough issues—such as the collapse of the Teton Dam in eastern Ohio and corruption in the Immigration and Naturalization Service—with an intellectual curiosity, an investigative eye and a tenacious zest for reform.

Leo will be sorely missed. But we must remember that the greatest tribute we can give to him, to his memory, to his family and friends, are not tears or eulogies, heartfelt though they be, but a vow to rededicate ourselves to the goals he had. What were his goals? Leo had many, to be sure. But foremost among them was a very simple aim: to serve the people. Let us, his fellow Members of Congress, strive toward that goal in memory of Leo Ryan, who died as he lived, serving his country.●

● Mr. SENSENBRENNER. Mr. Speaker, today we have the sad task of commemorating the passing of a colleague whose exemplary career in the House was tragically cut short by a gunman's bullet last November 18.

Unfortunately I never had the pleasure or honor of serving with Leo Ryan. But in the short time I have been a part of this body, I have learned much about the many contributions he made to the House and to the people of the 11th District of California he served so well.

During his tenure Mr. Ryan developed a reputation for being a conscientious, hard-working Congressman who always did his homework. Whether it was on the floor, in committee, or in his district, Leo Ryan was always persistent in seeking solutions to the problems he faced. These are qualities every one of us should always aspire to.

Mr. Ryan devoted his lifetime to public service—as a school principal, a school superintendent, a submarine service veteran in World War II, a State assemblyman, and finally as a Congressman. His career was the embodiment of the ideal of being a public servant.

Ironically, it was his courage that led to his death. During his legislative career both here and in California, Leo Ryan frequently showed great courage as he sought to satisfy his intense curiosity and interest in problems he personally investigated. He once was confined to a California prison so he could experience the troubles it was having first-hand, something very few would attempt. In Guyana he again placed his duty above his personal safety in investigating the bizarre Peoples Temple which had victimized many of his constituents. The courage cost him his life.

At a time when most people do not commit themselves to anything, the death of a truly committed person like Leo Ryan is especially tragic.

The people of the 11th District of California were fortunate in having a dedicated public servant like Leo Ryan represent them. Whoever they now elect to succeed him has a hard act to follow.●

● Mr. HEFTEL. Mr. Speaker, as I join with you today in trying, and inevitably failing, to find words sufficient to express the grief I feel at the loss of Leo Ryan, this question forces itself to the center of my thoughts:

Leo's memory is redeemed, but is it not our obligation to redeem his mission as well?

Leo Ryan was murdered by people who had rejected the institutions with which our colleague had associated himself and on behalf of which he was acting in his final hours. His murderers preferred instead the dissolution of all impersonal institutions of government in favor of an overruling, unmediated, so-called personal relationship with their governing leader. Thus freed from institutional restraint, with no codified check upon his personal powers of manipulation, this hoisted demigod absorbed their individual personalities into himself, and so rendered himself helpless to prevent his own self destruction, with all it portended. That should give pause to those who arrogantly dismiss government institutions as destroyers of individuality. To take even the most extreme example, a Solzhenitsyn could survive for years in the institutional horror of the Gulag, but he would not have survived for very long in institutionless Jonestown.

If we could enter into communion with Leo long enough to hear his final testament, I think he would tell us:

Restore the faith of all the American people in their institutions of government, work ceaselessly to make those institutions so strong and decent and secure and respected that anyone challenging them will be speaking to an empty room.

To the extent we accomplish that, Leo Ryan's tragic mission will have been redeemed.●

● Mr. BIAGGI. Mr. Speaker, the passage of time has not diminished the shock which this House and this Nation incurred over the murder of our beloved colleague and friend Leo J. Ryan. Leo Ryan was a martyr to this system—to this body—to this Nation—a man who pursued what he considered to be an unjust situation—only to die at the hands of those who he had revealed to be people of evil.

Leo Ryan in life was a dedicated public servant—with a sense of compassion for his fellow man that never seemed to waver. He approached life as an activist not an observer. He did not wait for someone else to correct a problem he found—he did it himself—it was this type of behavior that led Leo to his death.

Members in this body have taken risky trips. Just prior to Leo's ill fated trip I traveled to Belfast Northern Ireland and while there the single largest wave of bombing—in the past decade took place. Yet should we be deterred from seeking the answers to problems? What will Leo Ryan's death do to this House—will it make us crawl into a shell and shy away from controversy. Leo Ryan would not want us to, I assure you.

I considered Leo a real friend. We worked together on various projects and I was always impressed with his depth of knowledge of issues—his relentless drive to complete what he started.

We are here paying tribute to a man whose presence we all miss so much. We offer our prayers to his family—his friends—his staff. We implore that justice be rendered against those responsible for his murder. But above all, we pray that Leo Ryan is in peace away from the world of violence which took him away from us.●

Mr. JOHNSON of California. Mr. Speaker, let me say that I had the opportunity to talk with Leo just before the elections. He called me at my Roosevelt office and we discussed the 96th Congress and the elections. He was not concerned with the elections, but he was concerned with some of the committee assignments that were going to be forthcoming if certain things happened.

I asked him at that time if he was satisfied with the committees that he was serving on because he had worked up seniority and was entitled to consideration for many committee vacancies that would be coming up. He said that no, he was satisfied and that he was doing just what he would like to do. He served on the Committee on Government Operations and also served on the Committee on International Relations. He had made many trips into various parts of the United States and the world. He did not mention this trip to Guyana in that telephone conversation.

Mr. Speaker, it was with shock and profound sadness that we heard the reports of the death of our friend and colleague Leo Ryan in Guyana.

The events there have shocked the world and continue to puzzle all of us.

I admired Leo's determination and his foresight in investigating the problems there.

He quite obviously found a serious problem and it was most unfortunate that events turned as they did.

In his 53 years, Leo Ryan distinguished himself in many fields of endeavor.

When World War II came upon us, Leo proudly accepted his call to duty and enlisted in the U.S. Navy.

Even at that early age, he was not satisfied to do just what was expected of him.

He joined the submarine forces and demonstrated his ability to take on any challenge and master it.

Leo's understanding of people and his ability to communicate with them led him naturally to a career in education.

He served not only as a teacher, but also as a school administrator.

This experience helped to kindle his interest in public service, and Leo sought and won election to the South San Francisco City Council, and later he served as that city's mayor.

He brought to the Nation's Capital a reputation for hard work and dedication which he deservedly earned in the Assembly of the State of California, where he served for 10 years.

It was my privilege to serve with Leo in the House of Representatives throughout his career in this Chamber.

His prior legislative experience served him well, and he was quickly respected for those same qualities here.

Leo Ryan's sense of caring and devotion to duty were well known to the people he represented.

He was tireless in his efforts in their behalf and no problem was too large or too small for him to take an interest in.

He gave it all his full measure.

Leo not only listened to the problems of his constituents, he also acted on them.

To understand the problems in our prisons, he spent 8 days imprisoned in a correctional facility.

To more fully understand the consequences of killing baby seals, Leo Ryan went to Newfoundland.

So, when a constituent of his alerted him to possible problems in Jonestown, Leo Ryan went personally to find out what was going on.

Leo died doing what he liked best and what he did best—representing the people who sent him to Washington to the fullest.

He was a complete public servant.

We in the House of Representatives will certainly miss him.

He has set an example for forthrightness and determination which will be hard to match.

His beloved mother and family can take comfort, however, in knowing that Leo has made his mark on the country, and his legislative efforts will not soon be forgotten.

They can be proud of him, as indeed, all of us from California are.

My wife, Albra, and I want to extend our deepest sympathies to his mother, Autumn, and to his family.

Mr. Speaker, I want to thank all of those who participated today in paying tribute with their remarks and eulogies in relation to a great Member of this House who is not with us. I can look out and see where he used to sit, where he used to stand, where he spoke from. He always had a very fine presentation and message.

Mr. Speaker, I yield back the remainder of my time.

● Mr. STOKES. Mr. Speaker, I would like to commend my distinguished colleague, Mr. Harold T. Johnson of California for having this special order to memorialize Congressman Ryan. By doing so he has given many of us, who could not attend services in California, the opportunity to express our sympathy to the family and to commend this great man.

It is my honor to participate in a special order honoring the late Congressman Leo Joseph Ryan who represented the 11th District of California. Mr. Ryan was a distinguished man who held my respect and esteem. He will be missed, not only by his constituents but also by the Members of Congress.

Mr. Ryan was elected to the Congress in 1972 when I was entering my third term. As a Member of the Congress, he proved his capabilities in many ways, but particularly as chairman of the Environment, Energy and Natural Resources Subcommittee of the House Government Operations Committee. This committee has the responsibility to investigate how sufficiently and properly legislation passed by Congress is being carried out by the executive branch of Government and the various Government agencies. In light of the environmental energy problems that now confront our country this was a huge responsibility since the subcommittee has direct oversight for the Department of the Interior and the Department of Energy.

In addition to his career in the House of Representatives, Congressman Ryan served his country with honor in the submarine service of the U.S. Navy. A former teacher and school administrator, Leo Ryan has served as an elected public official since 1956 in the roles of city councilman, mayor of South San Francisco, and California State assemblyman. He also served his community through various appointments including his appointment to the South San Francisco Recreation Commission.

As an author, Congressman Ryan has been recognized for his book entitled, "Understanding California Government and Politics" which has been lauded as one of the best presentations of California politics in print and for editing "The U.S.A.: From Where We Stand," a collection of articles concerned with the current state of American society.

Congressman Leo J. Ryan has been an asset to this country. He has contributed a great deal to our society. I personally will miss Leo as a friend and always remember the goodness he has shared with us.●

● Mr. HARKIN. Mr. Speaker, while it was a great shock to me to learn of the death of my good friend, Leo Ryan, it was not a shock to learn that he was murdered while on a personal mission to investigate abuses of human rights. During the 4 short years that I was privileged to know and associate with Leo Ryan, I came to know him as a dedicated and absolutely fearless champion of individual human rights. He had a rare blend of sensitivity and hardheadedness which served him well in his fight for human rights. He was sensitive to the needs of the poor, the underprivileged, the powerless, and he was hardheaded enough to pursue, both legislatively and personally, the protection of basic human rights for these groups. When it came to the deprivation of the most fundamental of human rights, there was no compromise suitable for Leo Ryan. People were not to be deprived of their basic human rights because of who they were or what they were or whatever regime happened to be in power, and whether or not they were friendly or not friendly to the United States. To Leo, every human being had an inherent right to be treated decently and fairly by his or her government.

I will miss Leo Ryan because of the kind of person he was and the ideals for which he stood and fought. I will miss him because in fighting for human rights he was a skilled debater on the floor of the House and in committee. I will miss him because no institution to Leo Ryan was so big or so important or so powerful that it could escape public accountability for any actions taken by that institution which led to violations of human rights. He has left a definite void here in the House of Representatives and it would be a great tribute to him and a great step forward for this institution if every Member tried to fill that void.●

● Mr. CARR. Mr. Speaker, it is with a tragic sense of loss that I join my colleagues in mourning the death of the Honorable LEO RYAN of California.

LEO RYAN set an example for us throughout his career. He was an activist Member of Congress who exemplified the belief that Government's purpose is to respond to the needs of the people.

LEO RYAN was also a man of courage. When he was blocked in his attempts to get the facts surrounding the situation in Guyana, he was brave enough to go to the source and try to get the information he needed. It is particularly tragic that this act of individual courage ended in his death.

I know we will all miss LEO RYAN, and I know our memory of his efforts and his leadership will remain strong.●

● Mr. DUNCAN of Oregon. Mr. Speaker, I take this opportunity to join with many of our colleagues in the Congress in a special tribute to our late friend and colleague, the Honorable LEO RYAN. While his tragic and senseless death will certainly dwell in our memories, we must not let that event overshadow his distinguished record of service to his constituents, his State, and the Nation.

LEO was a tireless worker, a man of strong convictions, and a fighter who championed causes which too often went unrepresented in the past. Mr. Speaker, we will miss his abilities in the House of Representatives for he was greatly admired by virtually every Member of this body.●

● Mr. HANLEY. Mr. Speaker, I know all of us were shocked when we heard of the untimely death of our colleague, LEO RYAN. In fact, in the more than 2 months since that day, the shock of the Guyana tragedy still has not worn off.

While the facts of this story are still emerging, one thing we do know for certain is that LEO RYAN lost his life in the line of duty—the duty of a U.S. Representative to serve his constituents. LEO RYAN was in Guyana, because his constituents went to him to express fear for the safety of their loved ones.

As was his style, LEO did not send an emissary to check out the facts for him. He felt compelled to learn the situation firsthand. His personal safety and comfort were clearly secondary concerns. In the words of LEO's administrative assistant, Joe Holsinger:

> He knew there was a danger down there, but he went anyhow. He felt that his job was to inspect things personally.

The Guyana trip was not the first time that LEO RYAN wanted to get the facts firsthand. In 1966, following the riots in the Watts area of Los Angeles, he worked as a high school teacher in the neighborhood. That same year, he made a trip to Newfoundland to investigate the hunting of harp seal pups. His opposition to the hunting earned him the International Wildlife Foundation's Man of the Year award. In 1970, he spent 8 days living as an inmate of Folsom Prison to learn about conditions there.

LEO RYAN was a man of action and a man of deeds, one who put a premium on personal experience to guide him during his service to the people. His passing is a great loss to us all.●

● Mr. WON PAT. Mr. Speaker, I am honored to have this opportunity to join my colleagues as we gather to eulogize our late friend and colleague, LEO J. RYAN.

Congressman RYAN, who met a most tragic death in Guyana last year, left behind a legacy of outstanding public service to the Nation. Even in his final moments, he cared only for those whom he sought to serve. His last efforts revolved around his heroic attempts to save a few persons from the horrors of Jonestown. The price he paid was his life, but in the process he left behind a tradition of dedicated service that few have ever matched.

To his family and staff, I offer my greatest sympathy. Although they, and LEO's many friends, will deeply mourn his loss, we can carry on in the knowledge that he would wish us to carry on his own efforts to play an active role in ending human suffering wherever it may occur.

LEO RYAN was a public servant in the truest sense of the meaning. He gave totally of himself, regardless of the problems he may have faced. This is equally true of his brave and loyal staff.

I am confident that our colleagues will not permit the tragedy that befell LEO RYAN to go unpunished. Hopefully, we will also learn to deal with such events in a manner that can prevent future tragedies of this kind.

Thank you.●

● Mrs. COLLINS of Illinois. Mr. Speaker, it is a sad fact of life, to which I return time and again, that words can only serve as an empty promise in comparison to the realities of a human life and its accomplishments. Not only was U.S. Representative LEO J. RYAN a man of action who placed a high value on acquiring knowledge from first-hand experience, he was a tireless worker and protector of the interests of the so-called "common" man—if there is such a person. Representative RYAN's murder in Guyana last November, at the hands of a fanatical band of American expatriots, occurred as the result of his undertaking a congressional mission to investigate the reports he received from anguished family and friends of commune members who feared their loved ones had been enslaved and tortured by its leaders and were being prevented from returning to the United States.

During his 22 years in public office, LEO RYAN developed a reputation as an independent-minded reformer. It was my pleasure to serve with LEO on both the House Government Operations Committee and on the House International Relations Committee. As chairman of the Government Operations Subcommittee on Environment, Energy and Natural Resources, he was particularly active in releasing reports which warned of the dangers of abuse of nuclear power and the lack of adequate safeguards for the storage of radioactive waste. Today, the Washington Post carried a front-page article revealing that Government officials ignored warnings from experts that a major nuclear safety study had serious flaws and that low-level radiation is related to an increased incidence of leukemia. It is a source of satisfaction to me, to see those warnings of danger that LEO brought to our attention so persistently, finally gain widespread acceptance in the executive branch.

As representative of the 11th Congressional District in California, LEO investigated the collapse of the Teton Dam in eastern Idaho and corruption in the Immigration and Naturalization Service. He also campaigned for more openness in the Central Intelligence Agency and stood against allowing the Concorde jetliner to land in the United States.

Representative RYAN was a man who believed in dedicating his life to the goal of truly bringing Government to the people. He will live in the hearts of his family and friends and in the hearts of those of us in Congress who found him a man of enormous practical wisdom and tenderness.●

● Mr. CONTE. Mr. Speaker, we salute today the memory of a man of uncommon courage. A man who dared, in the words of a great American poet and esteemed former resident of my district, to take the "road less traveled" to find the truth, no matter where that road led.

To our great sorrow, the last road our friend and colleague LEO RYAN took led to his tragic death and set off a chain of events that shocked the world with its horror. I do not want to dwell on that tragedy, only to say that his persistence and insistence upon taking personal action where his constituents were concerned was typical of the man.

LEO RYAN and I shared no committee assignments, but I would like to take my time during this special order to share one personal remembrance. I recall just months before his death another courageous stand LEO RYAN took. It, again, was on behalf of a constituent, a young man who was being unfairly discriminated against by the U.S. Army. This young man, an Army officer from LEO's district in California, had had the audacity to fall in love with an enlisted woman and married her, a course of natural events that had caused him to be relieved of his command and led to his and his wife's eventual resignation from the Armed services after being charged with fraternization.

LEO and I joined our colleagues, the gentleman from California, Mr. MCCLOSKEY; the gentlewoman from Colorado, Mrs. SCHROEDER; and the gentleman from Texas, Mr. WHITE, at a press conference here in Washington on October 13 to express our support for the young couple and to express our dissatisfaction with the actions taken by the Department of Defense.

LEO stood up and made a strong statement in support of his constituent and then pledged to pursue the case further and to a conclusion during the recess period, the time in which he died.

I, therefore, join you today to honor the memory of a man who stood with me 3 months ago and bucked the Pentagon, and whose articulate voice and strong convictions are sorely missed in this House this afternoon.

I want to take this opportunity to express my deepest sympathy to the Ryan family.●

● Mr. MIKVA. Mr. Speaker, the recent tragedy in Guyana shocked all Americans. It is difficult for many to conceive of the reasons which would drive so many to such wasteful self-abuse.

But, for those of us who knew Leo Ryan, Guyana is both a personal and an ironic tragedy. The obituaries and histories of the victims of the Peoples Temple reveal a group of people alienated and isolated from the mainstream of American life. The Temple catered to people who feared and mistrusted institutions, but felt powerless to change those institutions. Leo Ryan, in the mainstream of American political affairs, knew exactly where the levers of change existed.

The Guyana victims were, in fact, the kinds of people to whom Leo Ryan had dedicated a lifetime of public service. When stories circulated about the poor quality of education in public schools, or the mistreatment of inmates in a prison, Leo Ryan did more than condemn the injustice from his Washington office. He visited the school or the prison and talked to the people there. For many of the most disadvantaged and most powerless in society, Leo Ryan served as a spokesman, not in an abstract way, but as the actual communicator of their fears and hopes, and the catalyst for change.

Leo Ryan was performing this same role for the members of the Peoples Temple when he was killed. As usual he insisted on a personal visit to talk to people directly. As usual, he was not deterred by physical dangers. For Leo Ryan the issue was simple: People were being abused and threatened and they deserved protection.

The sad irony is that his death deprived this lonely outpost of Americans with precisely the kind of influential voice which they so desperately wanted.

Leo Ryan will be sorely missed. Committed and compassionate public servants are in short supply, and his death has reduced the number by one.●

● Mr. SOLARZ. Mr. Speaker, I want to join my colleagues today in paying tribute to the memory of an esteemed and respected Member of this Chamber, Leo Ryan. Sitting next to Leo on the International Relations Committee, I got to know him rather well. He was a determined and decent Congressman who took seriously his responsibilities to his country and constituents.

It is Leo's dedication that tragically cost him his life, but it is a tribute to his sense of commitment that he lost his life in the line of duty, while trying to help people who felt they had nowhere else to turn for assistance. Leo preferred to see for himself what was going on in the world, instead of relying for his information on State Department bureaucrats, especially when important interests, issues and even lives were at stake. It is a great loss for us all that he was struck down in his prime as an effective and able legislator.

Leo's assassination leaves many questions unanswered and I believe that it is the responsibility of this Congress to fully investigate the circumstances of his death. This is the least we can do in the wake of this loss of a fine gentleman and respected colleague.

Leo leaves behind not only family and friends, but a legacy of compassion and concern which should serve as an example to all of us. His career embodied the very resurgence of this House as a dynamic and vital institution. He was the kind of Congressman that makes me proud to have served with him in the U.S. Congress.●

● Mr. PEPPER. Mr. Speaker, it is with much sadness that I make the following remarks about a man who these hallowed halls will miss though had only begun to see and feel his tremendous potential.

Leo Ryan was a man of great courage and character. Many people talk about their dedication to duty, Leo showed that dedication. If something needed to be done he would do it himself even a hazardous mission such as the one in which he lost his life.

We as Members of Congress and the Nation as a whole has lost an individual of outstanding integrity and great moral dedication. Though we will no longer have him here in person he will always serve as an inspiration to all who enter here.●

● Mr. PASHAYAN. Mr. Speaker, the assassination of Leo Ryan at the infamous Jonestown Commune in Guayana deeply shook this Nation just several months ago. Like an inquisitive cub reporter, Leo Ryan felt obligated to investigate first hand the allegations that the followers of the Reverend Jim Jones were being denied their basic human rights: Many were his constituents; almost all were despondent Americans.

The concern that Leo Ryan showed for the well-being of these people was typical of his great conscientiousness as the elected representative of the people. No challenge was too great; no detail too small.

As a fellow Californian and a newly elected Member of Congress, I truly regret that I was not able to serve beside Leo Ryan. This House has truly lost a dedicated public servant. ●

● Mr. WYDLER. Mr. Speaker, the violent, tragic death of our colleague, Leo Ryan, shocked us all. I received the news while on a congressional trip in the Philippine Islands. It was simply hard to believe.

As one who worked with and against Leo on various proposals, I realized he was a man of convictions and he served this House and our Nation well.

I only wish that he were with us as this new Congress gets underway.●

● Mr. de la GARZA. Mr. Speaker, I am still in a state of shock over the bizarre and tragic news which has come from the jungles of Guyana. The senseless and brutal deaths of the People's Temple members cannot be understood—they defy reason.

But the loss of my friend and colleague Leo Ryan makes the tragedy immediate to me and all the Congress.

Leo's accomplishments on behalf of the weak and oppressed all over the globe will live on as a warm and glowing testimonial to his energy and vision. Our mere words can do little to add or detract from his legacy. Leo Ryan died as he lived—in service to the country he loved.●

● Mr. STARK. Mr. Speaker, it is my privilege to submit, for the Record, the attached newspaper articles and editorials regarding our late colleague, Congressman Leo Ryan. These articles were selected by Congressman Ryan's children. I agree with the Ryan family that these words speak to the deep concern and persistent questioning that characterized our colleague throughout his life.

Leo J. Ryan 1925–1978

(By Rex Weyler)

A Buddhist historian once told me to never write about anything I didn't know. I don't know who killed Leo Ryan, or why, or what the circumstances were. Rather foggy news reports from Guyana say he was gunned down by assassins in a panel truck who belonged to a religious sect living in the remote South American jungle. I don't know; I wasn't there. It doesn't sound to me like a very religious thing to do. But you can read about that in your weekly news magazine. I'm sure there will be lots of Mansonesque trailers to go with it.

I first met Leo Ryan in July, 1977 at the Old Waldorf in San Francisco where a local rock band was doing a benefit to help get a Greenpeace boat out into the Pacific. Congressman Ryan showed up with a mutual friend, Robert Taunt who introduced us. When he took the stage between sets, I listened with a skepticism nurtured by experiences with politicians and popular causes.

Ryan got right to the point: "I know of no braver, more committed, or more intelligent action than for people to put their lives on the line to help stem the tide of environmental degradation of our planet. Our seas, our land, without a reversal of the present momentum will die." The urgency of the environmental, global, holistic position could not have been more succinctly stated. "The man's a believer," I thought to myself.

Ryan was more than a believer; he was a diligent and thorough environmentalist. He played a major role in saving thousands of acres of giant redwood trees in California, and in passing the marine mammal protection act in the U.S. Congress. As chairman of the House subcommittee on the environment he monitored countless ecological issues from cruelly trapped fur-bearing animals to giant nuclear reactors.

I met Leo Ryan a second time in the spring of 1978 during an expedition to New Foundland to protest the annual slaughter of harp seal pups. Ryan, a vocal opponent of the hunt, had come along for a first-hand look. At an Ottawa press conference, when it was suggested to him that he go back to America and mind his own business, he said: "Environmental questions don't follow the same boundaries as political states."

After persevering an inhospitable gauntlet of federal fisheries officers from Romeo LeBlanc on down, Ryan gained a permit to go out to the ice. He was accompanied by Dr. Patrick Moore, Congressman James Jeffords, Pamela Sue Martin and a contingent of newsmen. Leo Ryan, 53, was a tall, stately, strong man, but on the evening of March 12, 1978, after returning from a day of bearing witness to the seal slaughter, he walked back into Decker's Boarding House in St. Anthony looking like a ghost.

An impromptu press conference had converged around the supper table, cameras whirring and lights glaring. Ryan, a man who had weathered hundred of such scenes, glared at the eye of the global media network in a state of self-proclaimed shock: "After what I have just seen," he said, "I don't want to hear the reasons. I don't want to argue the pros and cons with you any more. I just want to say, enough! Enough! just quit."

He was a reasoned man who was not ruled by reason, a sensitive man who was not ruled by motion, but most important of all, he was a powerful man who was not ruled by power.

I last saw Congressman Ryan on October 7th of this year when he spoke at the Critical Mass conference in Washington D.C. He had recently completed an exhaustive study of nuclear power costs, for the U.S. congress, in which he specifically indicted the nuclear industry for misleading the public about the actual costs involved in producing nuclear energy. His study stands as a definitive work, citing everything from the mining and milling of uranium, to environmental and health dangers, the decommissioning of power plants and the burial of nuclear wastes.

He told a story of how, as a child, his parents made him take out the garbage, a job which he disliked, and always put off as long as he could. "But I realized," he said, "a long time ago, that you can't let your house fill up with garbage, and that is exactly what we are doing in America: nuclear garbage, consumer garbage, toxic wastes of all kinds. And, my firends, we are all one family, and we can't just walk out and lock up the house when all the rooms are full of our trash."

The accomplishments of his life are far more important than the macabre details of his murder. The planet lost a Rainbow Warrior, and those left are going to have to take on a bit more of the load.

Questions About Guyana

(By William Randolph Hearst, Jr.)

Could the tragic murders and suicides in Guyana have been averted?

This question is still being asked by millions of Americans, three weeks after the horrible deaths occured. We wish there were easy answers, as with ordinary crimes, so we could say an assassin has been arrested, a murderer nabbed, or an arsonist apprehended, and the case is about to be concluded. But nothing about the gory Guyana story can be that neatly summarized.

When nearly 1,000 Americans kill themselves, or are killed, under bizarre circumstances in a foreign country, their fellow Americans have a right to ask what went awry. Was some person or some group of people responsible, or is it impossible to assess responsibility for a death scene of such monstrous proportions?

In the Guyana case, explanations have been slow in coming. One's first tendency is to blame anyone connected with American security, to shout at the State Department, to pin the button of guilt on the first federal lapel we can find. Scapegoats are a great solace. But grabbing the first scapegoat in sight is just as cowardly and unproductive as not asking any questions at all.

So we must continue to ask questions, of the president, of the State Department, of all who are willing and patriotic enough to respond. We must determine whether the Federal Bureau of Investigation, the Central Intelligence Agency and the Internal Revenue Service have been able to do their job of protecting American citizens from injustice.

The questions I would ask are not prompted by any routine act of criminality. They are prompted, rather, by the most horrible and traumatic event in recent American history. How else can you describe the shock of the deaths of 917 men, women and children in a land few people were previously acquainted with? How else can you describe the first murder of a United States congressman while performing his duty?

Smothered by the noise of other comments about the brutal death of California Representative Leo Ryan were the pleas of his mother. She resented, and rightfully so, President Jimmy Carter's admonition that "we should not overreact" to the Guyana deaths, but should remember that the "Constitution protects religion."

The late Mr. Ryan's sorrowing mother, Autumn Mead Ryan, was not being unkind to the president, but merely reminding him that he, too, might be overreacting, by forgetting the protection due citizens of the United States.

The 80-year-old woman sought to address her countrymen, as well as her government, in saying:

"When close to a thousand people die by murder and forced suicide in a pseudo-religious entrapment, can this cult be regarded as 'constitutionally protected'?"

The question Mrs. Ryan raised was one of basic freedoms. Of course we have freedom of religion, but does that freedom extend to religious cultists who murder human beings, or order them to kill themselves?

Mrs. Ryan wrote a letter to the nation's newspapers last week, in which she asked, pointedly: "When did we lose our capacity for rational thought?" She was blunt in her criticism of church leaders, who in her opinion reacted rather callously to news about the People's Temple and its leader, Jim Jones, and the killing of her son. She wondered why she had seen "no public expression of mourning, no note of alarm about the perversion of Christ's teaching."

What especially concerned Mrs. Ryan was that her dead son had received no cooperation from the U.S. State Department in response to requests for information about the reception he might receive in Guyana. Rep. Ryan asked for counsel and guidance from the State Department, his mother said, but the replies were marked by "ineptness, indifference, bureaucratic inertia and outright incompetence."

Mrs. Ryan also spoke her mind about religious cults. She wrote: "We have not yet begun to attack this newest form of totalitarianism, perhaps because we have saddled ourselves with an obsession about the separation of church and state which leaves us impotent before the clear spectacle of crime and intimidation masquerading as religion."

Mrs. Ryan's questioning was seconded by the late congressman's legislative counsel. She is Jacqueline Speier, a 28-year-old lawyer who was seriously wounded in the Guyana shooting.

"The State Department," she said, "at no time made it even remotely clear to the congressman or myself that there would be danger encountered of the nature that we found." She added that "they just hadn't done enough investigating" into the People's Temple community.

In other words, if the State Department isn't responsible for protecting the lives of Americans abroad, who is? I submit that the questions raised by Mrs. Ryan and Miss Speier should be taken seriously, and answered respectfully. The State Department should be made to answer for its "incompetence."

Other questions concern the role of the FBI, which had its wings clipped recently when it was discovered some of its agents had overreached their authority. Congress imposed severe limitations on the agency's capacity to infiltrate suspicious organizations and inform appropriate authorities before it is too late.

It may profit us little to talk about "what might have been," but I can't help but think that the Guyana story wouldn't have been as bloody if the FBI had been allowed to protect Americans in the great FBI tradition.

What role should the CIA have been playing in this situation? Politicians and pundits alike have given this agency the image of a villian, when actually it was created and has performed nobly as a bulwark of defense against dangerous people and policies. To what extent it could have defended the Americans in the Guyana tragedy, we may never know.

The CIA, like the FBI, has had its effectiveness reduced by overreactions to a few cases of alleged wrongdoing. This is partly due to the mentality of those who call policemen "pigs" and throw bottles, rather than treating them as an essential force in the protection of human rights.

The Internal Revenue Service owes America an explanation in the Guyana case. For instance, did the IRS, which grants tax exemptions to religious organizations, determine that the money collected by Jim Jones' People's Temple was used for the purposes intended? Did the IRS know much about the leadership and conduct of the cult it was treating so charitably with tax exemptions?

I am not one who believes the whole country is sick just because something sickening has happened. I do believe, however, that if we can find out the truth, the whole truth, concerning lapses in security measures to protect Americans abroad, we can better defend ourselves against another tragedy.

That is all Rep. Ryan's mother is asking. She noted in an exclusive interview with Tom Eastham of The Hearst Newspapers that neither the executive, legislative nor judicial branches of our government had given satisfactory or sympathetic answers to questions about Guyana.

Mrs. Ryan stressed that, in view of the fact her son was the first congressman murdered in line of professional duty, the House of Representatives "can do no less than" launch a full-scale investigation. "The investigation," this mother respectfully requests, "should fully inform the public of its findings, shirking no avenue of inquiry, however uncomfortable."

Pursuit of this mission would be the finest tribute America could pay to the late Rep. Ryan, to his brave and bereaved mother, and to the spirit of American justice.

Text of Statement by Slain Cong. Leo J. Ryan's Mother

The Progress publishes below the complete text of the Dec. 4 statement by Autumn Mead Ryan, mother of slain San Mateo Congressman Leo J. Ryan, in which she discussed the circumstances preceding and following the Congressman's Nov. 18 murder.

The Progress reported sections and excerpts from Mrs. Ryan's lengthy public statement Wednesday, Dec. 5.

Mrs. Ryan's statement both relates the emotional attitude of the surviving Ryan family members and presents questions and issues future Congressional investigations of the deaths of Ryan and four others in his party and of the mass suicide-murder of 900 People's Temple members will address.

The text follows:

The President's remarks as reported on the TV news last week compel reply. He said we should not "overreact" to the Guyana tragedy but should remember that the "Constitution protects religion." Surely, he did not mean to make such a callous and cruel observation which ignores the primary purpose of our government, the protection of people and their personal liberty in an ordered society.

To date, I have seen no public expression of mourning from our churches, no note of alarm about the perversion of Christ's teaching. Has the President added the capstone to our loss of Christian concern?

Or does the statement reflect his uneasiness about any investigation of how the disaster came about with its inevitable questions concerning the role of the State Department in this tragedy? When close to a thousand people die by murder and forced suicide in a pseudo-religious entrapment, can this cult be regarded as "constitutionally protected"? When did we lose our capacity for rational thought?

This indifference reflects a dismaying cynicism. So too did a radio broadcast which suggested that the Guyana murders "likely could be a set-up of our government," designed to destroy a successful on-going commune which had found a happy solution in Guyana to the evils of capitism in the United States. And so, to, did a TV pundit who initimated that my son's trip was publicity-motivated.

It was not. Leo Ryan was a man who marched to his own tune. His entire public career has demonstrably been one of trying to help and if possible to improve in some small way the world about him.

Early on, he learned that only by marshalling public interest and concern can things really get done and he sought ways to reach the public through the media whenever possible. He was a pragmatic and intelligent man. He did no breast-beating, no public strutting to promote himself. Those who know anything about his work know there are uncounted activities which never reached the press. I am amazed by the enormous number of messages his family has received from home and abroad, from the ordinary and extraordinary, the meek, the humble, the literate, the semi-literate, telling us of his help, of activities which produced the results he sought and were never mentioned again, offering solace, wanting to ease the pain. We who shared Leo's life have been deeply moved by their understanding and appreciation of his efforts and their sympathy for his tragically unnecessary death.

I will not here recite again the growing evidences of ineptness, indifference, bureaucratic inertia and outright incompetence which characterized the responses of federal departments and agencies to Leo's requests for investigation of the appeals for help which came to him, of documented charges, eyewitness accounts, serious allegations which clearly merited immediate action. Evidence mounted about enslavement, brutality, vicious forms of brainwashing including endless labor and slow starvation. Large sums of money were reported to be moving into and out of the commune, reports that, had they involved the ordinary citizen, would have had the IRS moving with alacrity to hunt down its share.

Why, then, was there no serious, effective effort to even begin to look into these significant and unanswered questions, either by our government or by Guyanese authorities?

Why did Congressman Leo Ryan himself have to go at the end of a grueling Congressional session and immediately after a successful election campaign, accompanied only by loyal aides, concerned relatives and intrepid journalists, to a small and obscure country to try to get to the truth of a situation of surpassing evil that our own embassy had failed to identify? That he knew it was going to be dangerous was evident by the sober, thoughtful manner in which he bade me goodbye at his home when he left for the plane and for what rapidly became a rescue mission. His sense of the extreme danger of the situation came through clearly in the strategically soothing speech made to the colony the night before his death and filmed by the TV cameras as he tried to keep open the avenue of escape for his party and those cultists seeking to flee their nightmare under his protection.

We now know that my son's information about the number of Americans incarcerated in Jonestown and the magnitude of the cult's criminality was correct and that the denials of Mark Lane and Charles Garry were both worthless and venal. Had the appropriate government officers responded responsibly (rather than by asinine interrogations "in the middle of a field," for example) to Leo's legitimate request for help in verifying charges of serious crimes against our citizens, he would be alive today, as would so many others.

What can we salvage from this dreadful wreckage? At the very least, we should as a nation now show concern in an effective way about these proliferating, money-making cults, skillfully using the now-familiar "brainwashing" techniques to ensnare the most vulnerable in our society, from the impressionable, young to the lonely aged, using religion as a sanctimonious and legally unassailable cover to systematically deprive them of their rights, their assets and their freedom.

We have not yet begun to attack seriously these newest form of totalitarianism, perhaps because we have saddled ourselves with an obsession about "the separation of church and state" which leaves us impotent before the clear spectacle of crime and intimidation masquerading as "religion." Neither the legislative nor the executive nor the judicial branches of government have so far been able to find a way back to rational solutions although heaven is witness to our facile ability to use all three branches of government more simplistically.

I am told that Leo Ryan was the first member of Congress to be assassinated in the performance of his duties. Surely the House of Representatives can do no less than create a joint bipartisan committee to fully investigate not only the murders and mass suicides, the wholesale destruction of human life, but also the failures of the State and Justice Departments to protect, aid and rescue our citizens, as they have at other times all over the world.

The investigation should fully inform the public of its findings, shirking no avenue of inquiry, however uncomfortable. Much depends on whether it is vigorously and honestly pursued or concludes as an indifferent whitewash, a suppression of embarrassing evidence.

The enormity of the evil event also deserves the full attention of the press in examining in depth the growth of this particular cult, how it accumulated and used money and its accompanying power; how money was moved about with seeming ease and with nary a tax glove laid on it, despite our vaunted tight tax controls over our citizens; how the cult was able to function in a small underdeveloped country by using indentured American labor under inhuman conditions; how the cult was able to separate children from parents, to operate a tight blackmail scheme to hold its prisoner-laborers while nationally known American attorneys smoothly represented its nefarious interests; how a man, on whom some American politicians danced attendance in return for his political favors, was able to imprison a thousand Americans and ultimately shepherd most of them to their deaths in a distant jungle.

The investigation can, if it is in earnest, expose the roots of a profoundly serious social aberration in our civilization. Indeed, we might even learn something meaningful about ourselves.

My son, in his will, expressed a wistful envy of those who will live "to see whether or not we win the race in saving the human race from its own greed" and urged that we "love one another."

I can not speak a better epitaph.

AUTUMN MEAD RYAN.

[From the San Francisco Progress, Dec. 6, 1978]

A CONGRESSMAN'S BLOOD ON BARE HANDS

(By Les Kinsolving)

WASHINGTON.—California Congressman Leo Ryan, NBC newsmen Bob Brown and Don Harris and San Francisco Examiner photographer Greg Robinson were unarmed and on a mission of mercy when they were murdered in a massacre conducted by members of the People's Temple in Guyana, near the Venezuelan border.

The People's Temple and its pastor, the Rev. James Jones, belong to the 1.3 million-member Disciples of Christ (Christian) Church, headquartered in Indianapolis and a member of the National Council of Churches.

For at least six years this denomination has been aware and frequently informed:

That Jones has been regarded by some of his 20,000-member flock as a reincarnation of Jesus Christ—a belief which he has cultivated through faith healing, and claims that "more than 40 people have been literally brought back from the dead" (attested to in writing by Timothy Stoen, Assistant District Attorney of Mendocino and San Francisco counties).

That Jones is guarded by men carrying .357 Magnums, who police his six- and seven-hour worship services, which have featured beating of children as well as compulsory public confessions, often of nonexistent sins.

That Jones controls his congregation and almost all of the income of individual parishoners with an iron hand—while keeping some of the younger members in dawn-to-midnight servitude.

That the Disciples of Christ National Headquarters did nothing about the Rev. Mr. Jones—except to bank the substantial amounts of money he had sent to them.

If the Disciples of Christ had investigated, exposed and unfrocked Jones, Congressman Leo Ryan and three newsmen might be alive today.

Six years ago, the San Francisco Examiner, in cooperation with the Indianapolis Star, published on page 1, a series of exposes of Jones, whose faith healing methods had been the subject of investigation by authorities in Indianapolis (from whence he went west to Ukiah, Calif., along with part of his Indiana congregation, more than a decade ago).

Jones' reaction to the Examiner was to order 150 Temple members to picket the newspaper for nine hours daily—while three lawyers went upstairs to threaten publisher Charles Gould and President Randolph Hearst with a lawsuit. The Examiner promptly stopped examining. It killed the remaining stories in the series and substituted a story about Jones which was adulatory.

If the Examiner had done its duty, its photographer and Greg Robinson might be alive today.

Even this Examiner capitulation could not match the loathsome conduct of San Francisco's other daily, the Chronicle, and its city editors. The Chronicle not only accepted money from the People's Temple (as an "award" for the devotion to the "freedom of the press") but it opted for laudatory stories about Jones—aided and abetted by its TV station, KRON. Chronicle reporter Marshall Kilduff wrote an extensive expose of Jones—but not for the Chronicle, rather for New West magazine.

The Chronicle management did send Jones' "award" to Sigma Delta Chi, the journalism fraternity which fancies itself as an arbiter of the fourth estate ethics. When asked how in good conscience they could accept money from the People's Temple, Ralph Otwell, editor of the Chicago Sun Times, replied, "That Sigma Delta Chi is not the CIA." So the Disciples of Christ and Sigma Delta Chi banked the money from the People's Temple.

If the Disciples and the San Francisco dailies and Sigma Delta Chi have blood on their hands for not opposing—exposing—this ecclesiastical mania, so by God does the Democratic Party. The Rev. Mr. Jones, who could produce a crowd of 500–1,000 with one hour's notice, along with two or three thousand hand-written letters per night, was found to be an invaluable political asset.

Governor Jerry Brown has, dutifully, been a guest at the People's Temple. So has Los Angeles Mayor Tom Bradley and former Lieut. Gov. Mervyn Dymally—who also visited the 27,000-acre People's Temple commune in Guyana. Dymally returned singing the praises of this installation.

When Walter Mondale campaigned in 1976 he invited Jones aboard his chartered jet. And Jones also shared a speakers' platform with Mrs. Jimmy Carter. (Jones got more applause, since 500 of the crowd of 750 were his parishioners.)

It could be concluded that Mondale and Rosalynn didn't know any better. But surely local politicals should have. And so should the dailies' city editors and so should the Disciples of Christ.

May the souls of Leo Ryan, Bob Brown, Don Harris and Greg Robinson find infinitely more rest than the consciences of those who closed their eyes to the true nature of the Rev. Mr. Jones and used his ability to draw people for political purposes.

Editor's Note: Les Kinsolving wrote the original stories about the unusual nature of People's Temple and Rev. James Jones. More than six years ago Kinsolving started investigating People's Temple because of rumors of unusual conduct in worship services and claims that Jones raised the dead.

[From the San Francisco Examiner, Dec. 6, 1978]

JONESTOWN AND CONGRESS' DUTY

How do we work to prevent another Jonestown? This is the question to which the country should address itself, now that the shock of the event itself has begun to subside, just a bit, into the great cushion of history.

Indeed, is there anything the nation can do to help prevent a recurrence of this kind of horror, or some bizarre new manifestation of violence which might arise from some other aberrant cult that has spiraled away into malevolent delusion? Some of our leaders, including the president, seem to be saying no, there isn't anything we can do legally, because of the constitutional prohibition against government interference with religion.

This is, we think, escapist malarkey—a dodging of unpleasant responsibility.

The government of this country has a mandate in the First Amendment to keep its hands off the exercise of religion, and to protect the right of religious belief. But it also has a firm responsibility to protect other rights—most notably, the right of the individual to life itself. There is a right not to be killed, and not to be kept in captivity, or otherwise to be preyed upon illegally, and harmed grievously thereby.

When a "religion" has gone over the brink of fanaticism to endanger life, or into the depths of avarice, or into the massive exploitation of mind control, to work great harm or even death upon people, then the First Amendment protection recedes. Its blanket cannot be pulled over demonstrable crimes to safeguard them in the name of religion.

Certainly, the Constitution is a stringent shield over the practice of religion. But 60 years ago Justice Oliver Wendell Holmes, an eloquent champion of First Amendment rights, had this to say in a famous decision on the freedom of speech aspect of the amendment: "The most stringent protection of free speech would not protect a man in falsely shouting fire in a theater and causing a panic." It follows then, quite plainly, that no one is protected by the amendment in killing citizens in a theater or any place else, or robbing them, or beating them, or holding them captive, under the shield of the First Amendment.

It's natural that officials and politicians shy away from any investigation of a religious activity that they fear a collision with both law and the loud activists who never would countenance such a thing, no matter what the provocation. Not even the provocation of more than 900 bodies sprawled on the ground at Jonestown is enough to make some of them re-examine their inflexibility. But it's enough to make one gentle lady, Mrs. Autumn Ryan, explore the question with a clear and searching eye.

Her son, Rep. Leo Ryan, was one of those bodies, and she says that if the State and Justice Departments had done what they should have, beforehand—had investigated properly all the warnings and cries for investigation and help for that tragic congregation of the Peoples Temple in Jonestown—then her son would not have died trying to do it himself, without protection.

She spoke of President Carter's statement last week that there should not be "an overreaction" to the tragedy, that the "Constitution protects religion." And she commented, incisively: "When close to 1,000 people die by murder and forced suicide in a pseudo-religious entrapment, can this cult be regarded as 'constitutionally protected'?"

Her son told her, she said, that "if anyone else had been willing to pick up the ball and go down there, he would not have wanted to go. He was not anxious to go." So it's time now for the whole country to pick up the ball and try to fashion some defense against this sort of mad occurrence, for assuredly there are still cults in business from which disturbing indications emanate, evoking no official response.

Whether any response to possible danger will come from President Carter is unclear, but all the signs are discouraging. Certainly he has not overreacted—essentially he hasn't reacted *at all*. He said the Guyana slaughter was not typical of America and it ought not to provoke the government "into trying to control people's religious beliefs . . ."

No, it isn't typical, but cults that entrap people by one means or another certainly are a strain in American life of a size worthy to be acknowledged by the president.

And no one is talking about "trying to control people's religious beliefs"—far from it. The Constitution protects anyone's right to believe anything, no matter how wild it may be. That is a settled matter. But there is a sharp demarcation between beliefs and actions. The latter are not protected, if they are criminal. And we've seen one secretive, rapacious cult, whose leaders prated about harassment for their beliefs, wipe out lives as with a scythe. If only the government had bothered to learn more—had responded to some of the cries for help more effectively.

The first step toward some kind of remedy has to be a vigorous and thorough congressional investigation, not limited by time or lack of resources, into Jonestown and all that went before it, and into other cults from which disturbing reports have issued.

Painful though it may be, and loud though the howls may be from people unable to separate the issues of crime and religious freedom, we have to see these questions illuminated. And Congress has to do it because the executive branch shows no readiness to do so.

And then, if the investigations reveal a need for it, we may have to have some new law to deal with this problem, to protect citizens from actions, not beliefs. Otherwise, even more shock and sadness may lie before us.

[From the San Francisco Examiner, Jan. 4, 1979]

THE LOST CHILDREN OF GUYANA

(By Kenneth Wooden)

"The only banner that flies over the graves of the dead is silence . . ."—Sean O'Casey.

It is understandable that most Americans have found it hard to express anything but bewilderment and disbelief for the macabre "suicides" in Guyana. What is difficult to comprehend, however, is the silence and indifference to the news that over 100 of the children who were forced to drink the cyanide mixture were foster-care children—public wards of the state. More than 100 of our youth murdered, yet our nation is silent.

On April 14, 1978, by Executive Order 12053, President Carter established the U.S. Commission on the International Year of the Child for 1979:

"We shall foster within the United States a better understanding of the special needs of children in particular . . . special attention to the health, education, social environment, physical and emotional development and legal rights and needs of children that are unique to them as children."

And yet, to date, there has been no official White House reaction to this tragedy, which occurred virtually on the eve of the International Year of the Child—1979. Only silence.

Newspapers and magazines, saturated with stories and pictures on the Peoples Temple, have either lost interest or are ignorant of the mass murder of those foster kids. There exists much interest in where the temple's money came from and where it went.

Why is there no interest in where the children came from and to whom they went? Editorial writers who have consistently raged against youthful violence have said nothing about foster-care youths who perished in the jungle. Only silence.

Where are our religious leaders, whose preaching fills evangelists' tents, cathedrals and airwaves with the horrors of sin? We hear no words of comfort or supplication for those foster-care children who perished in the Guyana massacre. Only silence.

Nor have the national children's organizations spoken out, either to condemn or comment or investigate. Only silence.

National figures who rush to be quoted on everything from gay rights to commercial endorsements of toys, liquor, and beauty creams have joined the chorus of silence.

California politicians, including Gov. Brown, were gulled into unqualified support of the Peoples Temple, hence their silence. But is Brown's silence conscionable when, in fact, he was the legal parent of the children in question—the legal "parens patriae" father of his dead wards?

Should there not be a review of the California Mental Health Department, which granted a license to Happy Acres, a facility for retarded boys privately owned and run by the Peoples Temple near Ukiah—as well as other care homes run by temple members? The Happy Acres lease arrangement called for remittance of all profits from the operation of the institution to the Peoples Temple. Would it not also be in order to look into the work files of the Rev. Jones' wife, Marceline, who worked in the Santa Rosa Health Department's facility licensing section, which licensed community care facilities such as

Happy Acres, and who was listed in the 1977 State of California telephone directory under JONES, Marceline M., health, 542-6813.

Most pathetic of all is the slience of placement workers for California state, county and city agencies who are now confiding to close friends, "We knew it was bad, but Jim Jones had powerful political friends."

It was federal money, under Child Protective Services, that gave Jones the AFDC, BHI, SSI funds for his care homes (six children to a home and $1,000 per month average). These little streams of U.S. Health, Education and Welfare dollars fed into a river of millions of dollars hidden in personal reservoirs of foreign bank accounts, safes and suitcases.

When legislation that would have provided due process and mandatory six-month review of all foster-care placements (the 1978 Foster Care Reform Act, H.R. 7200) was killed in the U.S. Senate, national opinion makers said nothing about millions of children who would continue to pass in and out of foster care like driftwood washed up on the shores of indifference.

Thousands of foster parents who wanted reform were no match for the Washington-based wealthy self-interest groups such as the Child Welfare League that effectively lobbied against the bill. Except for those economy-minded souls who complained that public money would be used to bury the Guyana dead, Congress and governors from across the country have been silent.

It is strange for a society to be chilled by the mass death storm that was Guyana. But stranger still is that the death of all the children, especially the foster-care children, hasn't been acknowledged with any form of a religious service or even a public sadness. Do we bury these children, like the senate subcommittee on juvenile delinquency, in silent shame?

Why the national silence? The question begs an answer. Is it a silence based on our ignorance of foster-care children and its programs? Is it a silence based on dislike for children or basic lack of sensitivity to their needs? Or worse, is it a silence because those children are a faceless, powerless, minority—cast aside, forgotten in death as in life?●

A NEW YEAR FOR CONGRESS

The SPEAKER pro tempore (Mr. SEIBERLING). Under a previous order of the House, the gentleman from West Virginia (Mr. STAGGERS) is recognized for 10 minutes.

● Mr. STAGGERS. Mr. Speaker, we are here to bring into being the 96th session of the Congress of the United States of America. And, as with all new life, one wonders what will be written thereon. Invariably, one hopes for the best.

As a returning Member, I am pleased to renew old friendships. I am delighted to note the energetic new faces in our midst, and to those joining this body for the first time, I offer my warm welcome. To all, I extend best wishes for the New Year from the people of West Virginia's Second District, which I am honored to represent. And, I would share with you the thought that among my New Year's resolutions, perhaps the most important pledge I make is to earn this honor by serving each day to the best of my ability.

This is a new year. It will close a decade. It has not been an easy decade, and this is not an easy period in our history. The average citizen is frustrated and angry with all the institutions he perceives as controlling the destiny of the Nation, and his own destiny. The average citizen sees with trepidation signs that can be interpreted as the relinquishment of America's position of primary influence in the world.

We are battered by inflation, bullied by high interest rates, beset by energy shortages, and badgered by trouble in Iran, Cambodia, Rhodesia, the Middle East, Nicaragua, and many other volatile places around the World.

What an incredible change? Twenty years ago the United States stood alone and unchallenged as the richest and most powerful nation on Earth. The average citizen of this country was the envy of the World, with more personal freedom and more material possessions than had ever been dreamed possible. Indeed, a standard of living and way of life for large numbers of people heretofore unknown in the history of the World. Little wonder that the average citizen today feels threatened and distressed. Little wonder that he seeks a villain. But, we must do more than identify the villain. We must—and without time to waste—seek and find solutions.

Slightly more than 200 years ago, the British historian, Prof. Alexander Tyler wrote as follows:

> A democracy cannot exist as a permanent form of government. It can only exist until the voters discover that they can vote themselves largess from the public treasury. From that moment on, the majority always votes for the candidates promising the most benefits from the public treasury with the result that a democracy always collapses over loose fiscal policy, always followed by a dictatorship. The average age of the world's greatest civilizations has been 200 years.

I need hardly remind you that America is in its 202d year. I think it is appropriate to reflect on Professor's Tyler's statement. Is it an epitaph? Or can an educated, sophisticated, and dedicated American people turn America into the exception to this historical rule? Can we, in this Government, and in this Congress, provide the kind of leadership that Americans seek? I submit that we must, and if we do our work well, America will enter the 1980's sturdier than ever.

Apathy is a villain to be banished. In the off-year election of 1978, fewer than 36.1 percent of all voting age Americans went to the polls. Typical of their reasoning: "It does not matter who is elected because things never seem to work right."

A columnist who is probably in as close touch with the man in the street as any writer assesses the general public attitude somewhat as follows:

> For the first time since pollsters started asking, most Americans are pessimistic. No longer do we believe that our country is moving ahead. No longer are we sure that tomorrow will be better than today. This is an alarming development. For two centuries, the buoyancy of America has been our distinguishing national stamp. Confidence is what has made us tick. If a vast, tumultous democracy like ours is to work, there must be a fundamental optimism in the land, an undergirding belief in this nations' purpose and direction.

Yet, this same columnist is himself essentially an optimist. He goes on to argue:

> If there is a temporary exhaustion of the national spirit, as the polls indicate, it is time to shake ourselves out of our melancholy . . . We must continue to dream the dream of 200 years. We have overwhelming evidence that the spirit is still alive . . . The great mass of Americans are committed to the idea that our country represents something vitally important to the world . . . It is time for individuals to reduce needless energy consumption, to increase personal production, to join in fighting crime, to bend effort to guide our youth, and, above all, to accept the public and private austerities that the times require.

The Congress—no less than the American people—must be committed to the belief that our country represents something vitally important to the world. The times demand vision and statecraft. Historian James McGregor Burns calls "followership" as indispensable as leadership in rebuilding a national consensus and renewing national momentum.

I think that President Carter has proposed a fair, evenhanded framework for bringing down the wage-price spiral. We can do no less than give our active support to this effort to combat the inflationary time bomb that threatens all of us, and wreaks particular hardship on the old, the poor, and the needy. Leadership can no longer afford the luxury of what has been called, "immobilization by demands for more programs and services with, ironically, demands for lessened government interference and lower taxes." Indeed, political scientist, Seymour M. Lipset, contends that "individual woes, such as losing jobs, going backrupt, aging, getting an education, and falling ill are now considered to be problems of the government."

I do not hold that there is no responsibility of government for the welfare of its citizens. To the contrary, the citizen is what government exists to serve. But leadership, worthy of its salt, is compelled to the long and broad view, to assess what best serves most citizens, to establish and adhere to imperative priorities, and—yes—to urge the understanding and support of the American people for that which preserves and protects the very life of their homeland.

The good life—as we have come to know it—does not have to be synonymous with lavish, extravagant, or careless handling of the blessings with which Americans have been so richly endowed. We have let ourselves become a "throwaway" society of conspicuous and wasteful consumption. Dr. Michael Rosenzweig of the University of New Mexico has said that the United States, with only 6 percent of the world's population, consumes 35 percent of its food. We overeat. Yet it is claimed that 75 percent of our population would like to lose weight. Our trash disposal areas, which constitute a significant ecological headache, are the largest in the world, and rubbish disposal is a multibillion-dollar business. At the rate we consume and throw away, Dr. Glenn Seaborg, former Chairman of the Atomic Energy Commission and a Nobel Prize winner, foresees sufficient exhaustion of natural resources to force us to become a "recycle" society.

But, we do not have to wait until drastic conditions force Americans to accept drastic and disruptive measures and change. We can act responsibly now and avert crisis. Most reasonable persons will agree that we have a form of government that has served us well for over 200 years, that our technology remains the best in the world, and that our free enterprise system has provided us with an enviable material standard of living. We have but to renew American determination and resolve, the climate of opportunity in which ambition and competition can thrive and be rewarded, the pioneer spirit of self-reliance and mutual helpfulness.

It was over 200 years ago—1776—when Thomas Payne wrote:

> These are the times that try men's souls.

So we know that the problems in the beginning were vexatious to our forefathers. Were he with us today, I am sure he would write the same words—although in recognition that citizenship is not a male prerogative, he might recast his words to "men and women." The point of looking back at his words is to know that the times moved forward, and that America has persisted.

My colleagues, there is a little church in the hill country where I come from. When the first pioneers came to America, many drifted back into the Appalachian highlands, and there they settled to remain generation after generation. Affirming their allegiance to their new home, they built small churches—even before schools or courthouses were established numbers of such churches in my native West Virginia count their age by centuries. And many of those early pioneers, who believed in America, rest in eternal sleep in the rustic churchyard cemeteries. Such a church is my own church, supported and loved by my ancestors as I do today. When I visit my church, and stand in the shadow of their strength, my spirit is at peace and my confidence in this Nation's destiny is renewed.

My good friend, the late, great, Hubert Humphrey, God rest his soul, enriched this Nation with his presence. His words can guide us today. He said:

> The biggest mistake people make is giving up. Adversity is an experience—not a final act. Some people look upon any setback as the end, they are always looking for the benediction rather than the invocation.

So, I want this to be my invocation for the new year and the new 96th Congress rather than the benediction.

Carl Sandburg, the great American poet once wrote:

> I see America, not in the setting sun of a black night of despair ahead of us. I see America in the crimson light of a rising sun, fresh from the burning, creative hand of God. I see great days ahead, great days possible to men and women of will and vision.

I am confident of America's future. I believe the people of this great country will experience adversity with courage and America will triumph and endure.

Thank you very much.●

IRS GOING TOO FAR IN TAXING PRIVATE SCHOOLS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, I won't stand for it. The people in my district won't stand for it. Families with children attending private schools in this country won't stand for it. The Internal Revenue Service is on the verge of promulgating a revenue procedure which would deny the tax exempt status of private schools across the land, and put an end to tax deductable contributions to these schools. The IRS is doing this despite the criticism voiced by many of us in Congress, and notwithstanding a grassroots protest unprecedented in the history of the IRS.

Last October I wrote IRS officials to make known my serious objection to this proposal. I told them that their action impinged on our right to pursue private education. The growth of private school enrollments is as much the result of declining standards in our public school system as it is an inference—a mere presumption—of circumventing mandatory busing plans.

In December I testified before the IRS at their hearings on this proposal. I spoke for the large number of my constituents who value their private education. They do not want this bureaucracy in Washington pushing affirmative action on them, simply because the schools they attend do not meet the statistical criteria the IRS would like to see.

Commissioner Kurtz was notified by me, and a number of my colleagues, that he would do well to postpone implementation of his regulations until oversight hearings were conducted by our Ways and Means Committee. I am a sponsor of, and will lend my active support to, legislative measures which will block this ruling from becoming law. The IRS is venturing into an area where it has no jurisdiction, and I do not intend to stand idly by.

No fewer than 125,000 letters of protest have been received by Internal Revenue on this issue. The agency is obviously insensitive to these views. In no way is it appropriate, or even legal, for the IRS to mandate social policy. It is not their mission.

The light of this pending action, Mr. Speaker, is it not our responsibility, as representatives of the people who sent us to this House, to impose our will? Chairman ULLMAN will be notified shortly of sentiment in Congress for committee hearings on this matter. I call on the leadership to lend their support to this request. It is imperative that we have our say in the exercise of power by Federal agencies. In this case, the Internal Revenue Service is going too far.●

LEGISLATION TO AMEND CONSTITUTION TO PROVIDE FOR BALANCED BUDGETS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

● Mr. FINDLEY. Mr. Speaker, today I am introducing a resolution to amend the Constitution of the United States to require that each year the Congress balance the Federal budget unless three-fourths of both Houses declare a national emergency. For the last 4 years Congress has been using a new budgeting procedure that many hoped would bring Federal spending and revenues into closer balance. So far the results have been spotty.

I introduced the first bill to establish a congressional budget process in 1972 to give Congress an overview of Federal spending and taxing and their impact on the economy. Congress approved a similar bill in 1974. Prior to that, Congress had never had an overall budget for the Government.

Instead, Congress made individual appropriations whenever money was needed. Inevitably, more money was spent than taxes brought in, and each year huge deficits resulted.

The new budget system, unfortunately has not changed that. In each of the first 3 years, Congress actually increased the Federal deficit even more than proposed by the President in his budget recommendation. In 1976, for example, Congress called for a deficit of $67 billion—$15 billion more than requested by President Ford. The deficits for 1977 and 1978 were also increased by a total of $4 billion over Presidential recommendations.

Finally, last year Congress cut President Carter's debt figure from $61 billion to $37 billion, thus beginning to get a handle on the situation. That $24 billion cut seems large, but the Federal debt is still too high.

In fact, this year President Carter proposed a deficit of $29 billion. Unless Congress cuts it to almost nothing, Federal spending will continue to feed the inflationary spiral that threatens not only the poor and those living on fixed incomes but also the economic future of the Nation's vast middle class.

One effect of deficit spending is an enormous expenditure each year just to pay the interest on the national debt. Interest costs will top $60 billion in 1979. $850 for the average American family.

This is why I am introducing a constitutional amendment to control inflation by requiring a balanced budget each year except during a national emergency. Now it is up to Congress to pass an amendment and to make the hard decisions that it and the budgeting procedure requires.

Americans can and should hold Congress responsible for deficit spending and the inflation it spawns. They should insist that the flow of Federal red ink stop.

Mr. Speaker, I include the text of my proposed constitutional amendment to be printed in the Congressional Record:

Joint resolution to amend the Constitution of the United States to provide for balanced budgets

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within three years after its submission to the States for ratification:

"Article —

"Section 1. During the fiscal year beginning after the ratification of this article, total outlays of the Government shall not exceed total estimated receipts by more than 50 per centum of any excess of outlays over receipts in the preceding fiscal year. For each succeeding year, total outlays of the Government shall not exceed total receipts.

"Sec. 2. In the case of a national emergency, Congress may determine by a concurrent resolution agreed to by a roll-call vote of three-fourths of all the Members of each House of Congress, that total outlays may exceed total receipts.

"Sec. 3. The Congress shall have power to enforce this article by appropriate legislation."●

WHEN THE PRESIDENT TRIES TO REGULATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. Broyhill) is recognized for 5 minutes.

● Mr. BROYHILL. Mr. Speaker, how refreshing it has been in recent weeks to read the numerous Dear Colleague letters proposing various types of regulatory reform legislation. As a long-time advocate of regulatory reform, I am pleased to see such a consensus among my colleagues over the critical need to provide greater accountability by the regulatory bodies in carrying out congressional mandates. As a result, I am hopeful that the 96th Congress will go on record and enact meaningful regulatory reform legislation.

In this context, I would like to bring to the attention of my colleagues an article by Timothy B. Clark of the National Journal which appeared recently in the Washington Post. I think this article clearly points out the need for Congress to do a better and more thorough job of oversight of these regulatory actions. As my colleagues will learn from the article, the American people cannot depend on the office of the Presidency to "save them" from "regulatory-itis."

I trust my colleagues will find the following comments by Mr. Clark of interest:

When the President Tries to Regulate

(By Timothy B. Clark)

Is the man who occupies the most powerful office in the world powerless to control the federal agencies that regulate the country—even those directly responsible to him?

Experts disagree, but the federal courts will provide an answer before long. The question is one of the hottest items of debate among regulatory specialists in Washington today, though the debate has just begun to surface in public.

The answer will determine whether President Carter is able to deliver on his repeated promise to get a better grip on federal regulation and to reduce its costs to the private sector.

It may seem strange to suggest that the president cannot order the administrator of the Environmental Protection Agency (EPA) or the Occupational Safety and Health Administration (OSHA) to delay or modify proposals for new regulations. But that very suggestion is being made loudly by environmental groups, labor unions and others with concerns at stake in major regulatory debates.

A confrontation seems inevitable. Carter is clearly committed to increasing White House control over the regulators. And in exercising that control, he will, as he said Oct. 31, be "deeply committed to seeing that the regulatory agencies" avoid "imposing unnecessary costs." The regulators and their constituencies, however, are deeply committed to achieving goals almost regardless of costs, whether it be the cleanest air or the safest workplace possible.

The huge sums of money involved can be illustrated by citing just three regulations now being developed; an EPA proposal to limit pollution from new power plants, expected to cost $44 billion to $90 billion in capital investment over 40 years; an EPA regulation to reduce auto emissions that increase ozone levels, at a cost of $7 billion to $19 billion a year; and a Transportation Department rule to make public transit systems accessible to wheelchair users, with a price tag between $2 billion and $8 billion.

The confrontation has been building for at least a year. Last December, Carter appointed a Regulatory Analysis Review Group, directed by his economic and budget aides, to analyze the cost and inflationary implications of new regulations. Last March, he issued an executive order requiring better economic-impact analysis by executive-branch regulatory agencies. And in October, he gave his blessing to the establishment of a new U.S. Regulatory Council, which is supposed to achieve better coordination among the regulator.

Carter and his economic aides have already had some impact on individual regulations. Last summer, an OSHA regulation protecting textiles workers from cotton dust provoked a dispute over costs between Labor Secretary Ray Marshall and Council of Economic Advisers Chairman Charles L. Schultze. The issue went to the Oval Office, where some cost reductions were ordered.

The cotton-dust standard is being challenged in court as too expensive by the textile manufacturers and as too weak by the textile workers' union. In preparing its case, the union considered trying to invalidate the rule on the grounds that the president acted illegally when he engaged in "ex parte" contacts with the regulators after the close of the public comment period.

The union decided not to raise the issue in its Dec. 15 opening brief, but the first test of presidential authority to intervene in regulatory decisions will come soon. Groups representing the handicapped have threatened to sue if the White House exerts undue pressure on regulators drafting the transit-accessibility rule, for which the public comment period closed on Oct. 20. In fact, White House aides called a private meeting in late November with officials responsible for writing the regulation. They say the purpose was to keep informed of progress, but the Council of Economic Advisers is known to favor major cost-cutting changes in the Transportation Department's proposed rule.

Similarly, the Environmental Defense Fund Inc. is worried that Carter might intervene to weaken proposed standards for controlling ozone levels and emissions from new power plants. Schultze's review group already has recommended a major dilution of EPA's ozone standard, and cost-cutting steps are certain to be proposed over power plant emissions.

Today, it seems, environmentalists and others are ready to sue at the drop of an impact statement, and in this case the environmentalists are particularly well prepared. The Environmental Defense Fund has completed, and sent to various White House officials, a 40-page legal memorandum, arguing that the president has no more authority to intervene in regulatory proceedings after the public comment period has closed than anyone else—unless that authority is explicitly granted him by the statute under which the rule is being written. The brief even suggests that Carter may not be able to fire the EPA administrator should he disagree with his decisions.

Judicial rulings on the extent of presidential power over the regulators soon will decide what Lloyd N. Cutler, a prominent Washington attorney, has called "one of the most important constitutional questions of modern times." Cutler is a member of the American Bar Association's Commission on Law and the Economy, which said in a recent report that presidential authority in the area was ambiguous. The commission recommended legislation to strengthen the president's power over the regulators, saying that the agencies "enjoy an independence from the political process—and from one another—that weakens the national ability to make balancing choices, or to hold anyone politically accountable when choices are made badly or not at all."

White House officials say that such legislation will be among a number of options for strengthening executive control over regulatory decisions that will be put before the president soon. But proposals of this kind would be fiercely resisted in Congress and by the agencies themselves.

And so, for all of Carter's determination to rationalize the growth industry of federal regulation, the dozens of regulatory agencies under his command may well continue to resemble their independent counterparts, which were characterized in a 1937 study as a "headless fourth branch of government."●

SOCIAL SERVICES ENTITLEMENT AMENDMENTS OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Green) is recognized for 5 minutes.

● Mr. GREEN. Mr. Speaker, today I am introducing the Social Services Entitlement Amendments of 1979. This bill amends title XX of the Social Security Act to increase the social services entitlement ceiling and to provide for the reallocation of unused funds from a State's allotment to other States which need additional funds.

Title XX of the Social Security Act provides block grants of funding from the Federal Government to the States at a 75–25 matching rate. It is a general revenue sharing type program that enables the States to determine their own needs and to structure their social service programs accordingly.

The general emphasis of these programs has been to improve the self-sufficiency of low-income people. Except for protective services, information and referral services, and family planning services, no person with a gross family income higher than 115 percent of a State's median income may receive title XX services.

Among the services States provided with title XX funding are: child day care services; counseling, education and training services aimed at increasing employment of welfare recipients; senior citizen activity centers; homemaker services to enable senior citizens to remain in their own residences; community services for the mentally and physically handicapped; protective services; and family planning services.

In 1975, when the title XX social services program went into effect, the 1972 ceiling of $2.5 billion was maintained for Federal funding. The ceiling was increased by $200 million in 1976 to provide special Federal support for child day care services.

During the 95th Congress, the Fraser-Keys bill, H.R. 10833, was introduced to raise the permanent Federal ceiling on title XX expenditures. I was among the cosponsors of this legislation, which provided for an increase in the entitlement ceiling to $2.9 billion in fiscal 1979, $3.15 billion in fiscal 1980, and $3.45 billion in fiscal 1981 and in each succeeding fiscal year.

The ceiling increases provided in H.R. 10833 were incorporated in H.R. 12973, the Social Services Amendments of 1978. The Social Services Amendments of 1978 passed the House under suspension on July 25, 1978, by a vote of 346 to 54.

Notwithstanding this vote, a multi-year entitlement ceiling increase was not enacted by the 95th Congress. Instead, a 1-year increase was included in the Revenue Act of 1978 (Public Law 95-600). The ceiling for fiscal 1979 was set at $2.9 billion; that is, $2.7 billion for the permanent ceiling plus $200 million for day care services. The administration expects the total Federal share for title XX social services to reach $2.818 billion in fiscal 1979.

Unless Congress acts, the Federal title XX ceiling will revert back to the $2.5 billion level for fiscal year 1980. The administration is assuming in its budget projections that the ceiling will be maintained at an overall level of $2.9 billion for fiscal 1980. This is noted in the appendix to the budget for fiscal year 1980 at page 480:

> In 1980, an authorization is requested which would raise the ceiling to $2.9 billion.

The appendix also presents the administration's assumption that the Federal share of social services costs will be $2.850 billion in fiscal 1980.

The bill I am introducing today provides for a higher Federal ceiling than that sought by the administration. While I share the administration's concern that the ceiling should not be permitted to return to the $2.5 billion level, I believe that maintaining funding at the $2.9 billion level fails to account for inflation. It would prevent expansion of programs and would require existing programs to be cut back in the face of rising costs.

My bill would restore the Federal ceiling increases scheduled under the Social Services Amendments of 1978. For fiscal 1980, the ceiling would be $3.15 billion, rather than $2.9 billion—or $2.5 billion, if Congress fails to act. The ceiling would rise to $3.45 billion in fiscal 1981. The $3.45 billion level would be preserved for fiscal years after 1981, unless Congress decided to increase it.

While it is fortunate that a 1-year increased extension was enacted last year, multi-year increased funding should be a priority in this year's legislation. Such an approach to title XX expenditures will permit States and local governments to plan more effectively and to budget with confidence of Federal support.

The Social Services Entitlement Amendments of 1979 also provides for the reallocation of title XX funds not expended by States out of their allotment. Unspent funds would be reallotted among States which reach their ceiling.

The bill I am introducing is unlikely to fund a host of new social services programs. However, the entitlement increases it provides could help to restore some of the purchasing power which social services programs have lost as a result of rising costs hitting the title XX ceiling. As the Ways and Means Committee's report to accompany the Social Services Amendments of 1978 pointed out, title XX funds today can only purchase three-fourths of what they bought in 1972 when the $2.5 billion ceiling on Federal funds was established.

Quite simply, the purpose of the Social Services Entitlement Amendments of 1979 is to enable successful locally oriented programs for senior citizens and lower-income individuals to continue their essential contributions to improve the quality of life in this country. I urge my colleagues to help make an increase in the social services entitlement ceiling an early priority for the 96th Congress.

The bill follows:

H.R. —

A bill to amend title XX of the Social Security Act to increase the entitlement ceiling under the social services program, and to provide for the reallocation of unused funds from a State's allotment to other States which need additional funds

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Social Services Entitlement Amendments of 1979".

SEC. 2. Section 2002(a)(2)(A)(ii) of the Social Security Act is amended by striking out "and $2,500,000,000 for fiscal years after fiscal year 1979" and inserting in lieu thereof "$3,150,000,000 for fiscal year 1980, and $3,450,000,000 for fiscal years after fiscal year 1980".

SEC. 3. (a) Section 2002(a)(2)(B) of the Social Security Act is amended—

(1) by inserting "(i)" after "(B)";

(2) by striking out "at the earliest practicable date after the commencement of such fiscal year" and inserting in lieu thereof "prior to the commencement of such fiscal year";

(3) by striking out "is greater or less than" each place it appears and inserting in lieu thereof "exceeds or is less than"; and

(4) by adding at the end thereof the following new subdivision:

"(ii) If—

"(I) any State which certified under subdivision (i) that its limitation for any fiscal year is equal to or less than the amount needed by the State (for uses to which the limitation applies) subsequently determines that the amount of such limitation exceeds the amount so needed, or

"(II) any State which certified under subdivision (i) that its limitation for any fiscal year exceeds the amount needed by the State (for such uses) subsequently determines that the amount of such limitation exceeds the amount so needed by more than the amount of the excess so certified,

such State shall certify to the Secretary the amount, or the additional amount, by which the limitation exceeds such need.".

(b) Section 2002(a)(2)(C) of such Act is amended to read as follows:

"(C) If any State certifies—

"(i) in accordance with subparagraph (B)(i) that the amount of its limitation for any fiscal year as promulgated under subparagraph (A) exceeds its needs for such year, or

"(ii) in accordance with subparagraph (B)(i) that the amount of its limitation for such fiscal year as so promulgated exceeds its need for such year or exceeds such need by an additional amount,

then such limitation shall be reduced by the amount of such excess or such additional excess; and the amount of the reduction shall be available for allotment as provided in subparagraph (D), and for reallotment as provided in subparagraph (E).".

(c) The proviso in section 2002(a)(2)(D) of such Act is amended—

(1) by striking out "the amounts made available" and inserting in lieu thereof "the amounts which have been made available as of any time during the fiscal year"; and

(2) by striking out "such amounts as are available" and inserting in lieu thereof "such amounts as have theretofore been made available".

(d) Section 2002(a)(2) of such Act is further amended by adding at the end thereof the following new subparagraph:

"(E) Of the amounts made available pursuant to subparagraph (C)(i) or (C)(ii) for any fiscal year, the Secretary, after making the allotments provided for in subparagraph (D), shall reallot the balance (if any) among the States which certified (pursuant to subparagraph (B)(i)) that the amounts of their limitations as promulgated under subparagraph (A) were less than the amount of their need for such fiscal year. The amount reallotted to any such State for any fiscal year shall bear the same ratio to the total amount available for reallotment under this subparagraph for such year as the amount of such State's allotment (as determined without regard to this subparagraph) bore to the total amount allotted to all States which so certified for such fiscal year (as so determined); except that there shall not their limitations as promulgated under subparagraph an amount which exceeds the difference between such State's allotment (as so determined) and the amount such State certified it would need for such year pursuant to subparagraph (B). Any amount reallotted to a State under this subparagraph for any fiscal year shall, for purposes of this title, be added to and deemed a part of such State's allotment for such year (as determined without regard to this subparagraph)."

(e) The amendments made by this section shall apply with respect to fiscal years beginning after the date of the enactment of this Act.●

USE MORE CASH TO CURB INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, America is evolving into a Nation of "credit card junkies" hooked on the miracles which their all-purpose cards perform. Just as laboratory animals are trained to respond to the sound of a bell, consumers have learned to grab their favorite piece of plastic when asked that often heard question, "cash or charge?" Currently, there is an average of approximately three credit cards in circulation for every American man, woman, and child. That question, "cash or charge?" is rapidly being replaced by a new inquiry: "which credit card do you wish to use?" What often goes unrecognized is that this obsolescence of cash has had an important impact on the rise in the prices of goods and services.

Inflation has become synonymous with excessive Government spending in the political lexicon, but this has blinded us to other causes of, and possible cures for, the upward spiral of prices. The use of credit cards is one such factor generating inflation. Businesses which accept credit cards are required to pay a certain percentage of each sale to their bank for the privilege of offering instant credit services. So far, merchants have gladly paid his "discount fee" because accepting credit cards has dramatically boosted sales. But this charge has been passed on to consumers in the form of higher prices. Consumers hold a key to curbing these price increases, but until they break the credit card habit, they will be chained to these unnecessarily high charges.

Since 1975, merchants who accept credit cards have been permitted, under the Fair Credit Billing Act, to offer discounts of up to 5 percent to customers paying with cash or checks. Although some highly successful experiments with this discount program have been conducted throughout the Nation, the lack of awareness by consumers and merchants' fears of losing profits have prevented these cash discounts from catching on. If American consumers encouraged the use of cash discounts, it could have the effect of slowing inflation by lowering costs, while simultaneously stimulating the economy by increasing sales.

A significant number of credit card holders use their cards as a convenience, not as a means of borrowing money they do not have. According to a study by the Federal Reserve Board, in 1977, 50 percent of credit card holders were "convenience users," that is, they paid their bills in full at the end of each billing cycle. Sales to these individuals totaled $69 billion, equaling 60 percent of all credit card sales.

In this age of skyrocketing prices, these customers would think twice before using their card if they could realize savings by paying with cash. The explosion of check guarantee cards into the marketplace should also serve to make merchants more comfortable about accepting checks, which are also eligible for discount prices. By offering cash discounts, the costs to businesses go down, and the price of goods follows, thus dampening the fires of inflation. But this will not happen unless consumers, individually and in groups, encourage merchants to offer the discounts. Once a few stores begin to advertise these discounts and attract new customers, their competition will be quick to follow. Cash discounts also allow merchants to develop friendly relations with new and old customers alike, and reduce the burdensome paperwork associated with credit cards.

Consumers need not sit back and look to Washington to slow inflation. Through aggressive, concerted action, they can lower prices by kicking the credit card habit. Next time they shop they should leave their plastic cards at home and use the real thing—cash—once again.●

LEGISLATION TO AMEND HIGHER EDUCATION ACT OF 1965

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 15 minutes.

● Mr. BINGHAM. Mr. Speaker, today I am introducing a bill to amend the Higher Education Act of 1965 as it applies to the national direct student loan program and the federally insured State loan program. This bill would allow for deferral of repayment on insured and direct student loans during temporary total disability of a borrower or spouse.

The need for this legislation was brought to my attention by two of my constituents. One was a dental student who, during the summer between his third and fourth years of dental school, was diagnosed as having cancer. The treatments which he required made it impossible for him to return to school in September. These treatments also made it impossible for him to work at any job. In order to finance his first 3 years of dental school he had taken out several student loans through the New York Higher Education Service Corp., a State agency which administered the FISL program in New York. Under the terms of his agreement with the Higher Education Service Corp., terms dictated by the Higher Education Act of 1965, repayment of the principal came due 9 months after the student ceased attending an approved educational facility. Sure enough, 9 months after the last class he was able to attend he was informed that payments in the amount of $82 per month were due. His savings long gone, as a result of the expensive treatments, the still convalescing student was unable to pay the amount due and was left with no choice but to default. The default meant not only that the Federal Government would have to repay the lending institution, but that the following September, when the student was well enough to resume his education, he would be unable to borrow the money to finance his educational expenses.

The second case was one in which the spouse of a cancer patient had to temporarily suspend her work and education in order to care for her ailing husband who, because of the harsh nature of his treatment, was left too weak to care for himself. Finally, the wife received a notice to begin repaying the loans she took to finance her education. However, at that point even the required $42.62 per month payment would have caused a hardship for this couple, which was then living on social security disability payments.

The legislation I am introducing today would help people who find themselves in the same circumstances as did my constituents. This bill would require that all federally insured student loans include the 3-year deferment when the student is able to document that due to personal illness or injury, or illness or injury of a spouse, he or she is unable to attend an approved educational institution or to seek employment, but does expect to be able to do so in the future. There are already provisions in the act to forgive a loan in case of permanent disability. It should, therefore, be stressed that these amendments would not forgive the loans but merely defer their repayment so that the students in these circumstances would not be forced to default and eventually could repay the full loan. The bill would allow the Government to continue to subsidize any interest due on the loans if it was subsidizing the interest while the students was in school. The bill would also make similar changes in the loan agreements made pursuant to the national direct student loan program where a similar set of events could just as easily occur.

As we are all aware, there has been much criticism of these low-interest student loan programs because of reports of widespread student defaults. This bill would reduce the number of defaults and for that reason would actually be less costly for the Government. This bill would protect those students who are unable to work or attend classes, through no fault of their own, from the stigmatizing effect which defaulting on a loan could have on their ability to continue their education after they or their spouse have recovered.

This bill would benefit both the public pocketbook and the unfortunate student. It would help insure eventual repayment of the loan by the student, and it would be a demonstration that the Federal Government can and will respond to the particular needs of individuals. It is a reasonable, fair, and humane bill. I urge its swift passage.●

ANIMAL POPULATION CONTROL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

● Mr. ST GERMAIN. Mr. Speaker, today I am introducing legislation that will alleviate one of our country's most serious urban problems by providing loans to cities for the construction and initial operation of low-cost spay and neuter clinics.

The problems affiliated with animal population control are steadily increasing in magnitude. Each hour, over 2,000 dogs and cats are born into our country; these animals produce 3,500 tons and 36 million liters of waste daily. Under optimal conditions, one female dog and her offspring can produce 4,400 additional offspring in just 7 years. Of our total dog and cat population, nearly 40 percent are unowned and roam the streets hungry and diseased until they are committed to shelters. The shelters have become inefficient and ineffective, and they are operating at great expense to the taxpayer. The United States spends over $100 million a year destroying unwanted animals.

It is imperative that something be done to stop this unwarranted growth of our pet population, and spaying and neutering are currently the only available methods of decreasing the birth rate of animals. Because of the difficulties in enforcing mandatory sterilization, the only sensible solution is to encourage the operations by lowering the cost.

My bill would provide Federal loans to cities and counties throughout the United States with populations of at least 200,000 persons, to establish and operate low-cost nonprofit clinics for the spaying and neutering of dogs and cats. The maximum loan per city would be $200,000 through a 4-year loan fund of $4 million per year. An education fund of $1 million will be allocated to the training of paraprofessionals to aid veteranarians in clinics. The use of these paraprofessionals will help keep down the overall cost of operating the clinics.

Public spay and neuter clinics have already proven themselves to be successful. Since 1971, the city of Los Angeles has operated a clinic where the service can be obtained for less than $20. Studies of Los Angeles and similar clinics have shown that the long-term savings in the cost of animal control has more than offset the initial cost of establishing the clinic. It has been estimated that after 10 years of operation, the clinics return $6.50 in reduced animal control costs for each dollar invested.

There has been overwhelming public support for this legislation. When I introduced this same bill in the last Congress, I received thousands of letters from citizens and organizations across the country expressing strong support for my efforts. In 1978, the Committee for Humane Legislation conducted a poll of humane organizations throughout the Nation. Of those responding, an overwhelming 81 percent favored loans for the establishment of spay and neuter clinics.

Therefore, I strongly urge my colleagues to support this vital piece of legislation, and to work with me in promoting its prompt consideration and passage in the 96th Congress.●

PRODUCT LIABILITY INSURANCE: IT IS TIME FOR CONGRESS TO ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 5 minutes.

● Mr. LAFALCE. Mr. Speaker, I am pleased to introduce today four bills to alleviate product liability problems experienced by businesses across the Nation. In the course of hearings held during the last 2 years by the Subcommittee on Capital, Investment and Business Opportunities, it has become clear that thousands of small businesses nationwide have seen their product liability insurance premiums increase exponentially. Yet, in many cases, these rate increases have been shouldered by firms who have experienced no product liability claims whatsoever.

Last Congress, the subcommittee held 15 days of hearings, and pored over voluminous studies, reports, and position papers. It was assisted in its efforts by the Interagency Task Force on Product Liability, chaired by the Department of Commerce, which provided valuable input in our deliberations. Both the subcommittee and the Interagency Task Force found problems with both the insurance pricing mechanisms and uncertainty in the present status of product liability tort law. Further, since remedies addressed to these difficulties would not impact the problem of excessive rates in the immediate future, both the subcommittee and the task force recommended tax assistance to each businesses' burdens immediately.

Two of the bills being introduced today—the Standards for State Product Liability Tort Litigation Act and the Uniform Product Liability Act—represent the recommendations of the subcommittee and the Interagency Task Force respectively. Both proposals will add greater certainty to tort litigation by harmonizing disparate State product liability laws.

While I do not agree with all the provisions in the Uniform Product Liability Act, it is nevertheless a most thoughtful and carefully drawn proposal. This, together with the Standards for State Product Liability Tort Litigation Act, will provide an excellent vehicle for focusing congressional attention on the formulation of appropriate tort standards.

I am also introducing the Product Liability Tax Assistance Act and the Product Liability Partial Self-Insurance Act. Both of these will permit businesses to deduct amounts set aside, in trust, to pay product liability claims and expenses. Similarly, the first of these follows the subcommittee recommendations, with the latter being a proposal by the Interagency Task Force on Product Liability. While not identical, both bills embody the "product liability trust" approach, which last Congress had the support of over 120 Members. These proposals are being made despite the Revenue Act of 1978 which extends the period for the loss carryback from 3 to 10 years. This extended carryback provision will have virtually no impact whatsoever on alleviating product liability difficulties.

I urge support and early consideration of these proposals by the Commerce Committee and Ways and Means Committee (which has jurisdiction over them).

For further information about the Product Liability Partial Self-Insurance Act, please refer to a section-by-section analysis of this bill in the Federal Register of April 6, 1978, at page 14612 (the bill introduced today contains some minor technical changes from the bill found there, but they are essentially identical). A comparable analysis of the Uniform Product Liability Act can be found in the January 12, 1979, Federal Register beginning at page 2996.

Additional details about the Standards for State Product Liability Tort Litigation Act and the Product Liability Tax Assistance Act follow:

STANDARDS FOR STATE PRODUCT LIABILITY TORT LITIGATION ACT

Subtitle A. These provisions provide that the title may be cited as "Standards for State Product Liability Tort Litigation Act", and set forth Congressional findings.

Subtitle B. These provisions set forth standards for state product liability tort laws. Essentially, each state is required to adopt them within two years; otherwise, the standards shall become law of that particular state.

These standards include the creation of a single product liability cause of action for bodily injuries which distinguishes among liability arising out of a defect in construction (i.e., where a product is not manufactured in accordance with the manufacturer's own specifications), and liability arising out of other unsafe conditions or situations where appropriate warnings or instructions were allegedly not given for defects in construction, liability shall result if the defect proximity causes the injury. In the latter two cases, however, the trier of fact shall be required to balance the foreseeability and seriousness of the injurys proximately caused, with the utility of the product to society, and the cost to have avoided the risk.

The standards also include a statute of limitations which expires three years after the date of the incident; however, ten years after the product have been in use, the burden of proving liability shall be exclusively upon the plaintiff without benefit of any presumptions.

Further, the standards clarify that the state of the art at the time of manufacture is relevant to the unsafe condition of the product. Moreover, the standards clarify that the court in which a product liability action is pending has the power to appoint its own expert witnesses.

Moreover, the standards provide for pure comparative responsibility. Responsibility is to be apportioned among plaintiff and all defendants.

Work place injuries are treated separately. In the event of a work place injury, the injured employee can continue to sue the manufacturer; however, the recovery in a product liability action shall be reduced by the amount of workers compensation benefits the employee has previously received. Moreover, the workers compensation insurer will no longer be able to recoup from the manufacturer the amount of benefits it paid the injured employee.

Subtitle C. These provisions provide for the review state adopted standards to assure compliance with the federal standards.

Subtitle D. These provisions provide for definitions, and jurisdiction over product liability actions.

PRODUCT LIABILITY TAX ASSISTANCE ACT

These provisions permit a taxpayer engaged in trade or business to deduct cash contributions made to "product liability trust." There is a limitation to the amount of any such deduction to the "fair market value" of product liability insurance for such a taxpayer. The Secretary of Treasury is charged with promulgating regulations to determine fair market value which shall take into account rates charged and quoted by insurers to the taxpayer and comparable firms, as well as a coverage customarily maintained and claims experience of the taxpayer and such firms.

The product liability trust shall be a tax-exempt trust, the corpus and income of which must be used to satisfy product liability claims. The contributors to such a trust are prohibited from using the money for a purpose other than the satisfaction of product liability claims and expenses unless the trade or business ceases and all known product liability claims are satisfied.

Further, the title provides that if the funds ever do revert to the contributor, they shall be taxable at such time. Additionally, the entire scheme is safeguarded by a series of excise taxes. These provisions are similar to those used to insure arms length transactions in the case of employee benefit trust, and provide for taxes on self-dealing, on uses of the funds for other than product liability claims, and on excess contributions.●

PROTECTING THE VICTIMS OF PROPERTY INSURANCE REDLINING

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 60 minutes.

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill to help combat the effects of property insurance redlining. This bill would require that State FAIR plans—insurance pools which provide property insurance to victims of redlining—must provide full homeowners coverage in addition to basic fire insurance. I am hopeful that passage of this bill, together with the 1978 law I wrote which requires that FAIR plan rates be no higher than those in the private market, will help stop the widespread building abandonment and neighborhood deterioration which are plaguing our urban areas.

Insurance companies, like banks, practice "redlining"; they refuse to write insurance on properties in particular areas that they consider to be "high risk," even if the properties themselves are in good condition. Such determinations about risk are often arbitrary; they may be based on the racial composition of the neighborhood, the deterioration of some buildings, the economic class of residents, or mere location in the inner city. Redlining may occur in rural areas as well, because many times insurance companies will simply refuse to write policies on homes with low market values.

In 1968, following the urban riots, Congress attempted to address the redlining and insurance availability problems through the Urban Property Protection and Reinsurance Act. This legislation made Federal reinsurance benefits available to insurance companies doing business in States which set up FAIR plans in accordance with Federal guidelines. Twenty-eight jurisdictions subsequently established such plans.

FAIR plans are like assigned risk pools for auto insurance; they provide coverage to property owners who are denied insurance in the private market. Insurance companies contribute to the plans according to the share of property insurance they write in the State. In a FAIR plan, property owners have a right to have their properties inspected and to obtain insurance if their property meets normal safety standards for insurability.

Unfortunately, FAIR plan coverages are almost universally more limited than those offered in the voluntary market. As a rule, the broadest plan coverage provides insurance for losses caused by fire, vandalism, and malicious mischief, and hazards listed under so-called extended coverage—windstorm, hail, explosion, riot and civil commotion, falling aircraft, damage by vehicle, and smoke. However, traditionally the FAIR plan does not offer liability insurance or theft coverage, both of which are obviously critical to homeowners, landlords, and business people. Only Illinois, Massachusetts, Rhode Island, and Wisconsin currently provide for such coverage in their FAIR plans.

Passage of the legislation I am introducing today which requires that all FAIR plans offer a complete homeowners package—including liability and theft protection—will go far toward changing the second-class protection currently available to those who are redlined and forced into the plans. It also should help to save money for consumers in the plans since they will be able to purchase full coverage in package form. Presently, those who are redlined must buy fire insurance separately through the FAIR plan, and then look elsewhere for crime and liability policies. They thereby lose the substantial discount—which can be as high as 20 to 40 percent—available when these coverages are purchased together in package form. In short, plan participants now pay far more for inferior coverage.

Mr. Speaker, the legislation I am introducing today will do much to remedy the abuses suffered by the innocent victims of insurance company redlining. Together with the 1978 law I authored to limit exorbitant FAIR plan rates, this bill would allow those unfortunate enough to be redlined to purchase full insurance coverage at reasonable rates. I urge this legislation's prompt passage.

The text follows:

H.R. —

A bill to amend title XII of the National Housing Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1203 (a)(5) of the National Housing Act is amended to read as follows:

"(5) 'essential property insurance' means insurance against direct loss to property as defined and limited in standard fire policies and extended coverage endorsement thereon, as approved by the State insurance authority, and insurance for such types, classes, and locations of property against the perils of vandalism, malicious mischief, burglary, or theft, as the Secretary shall designate, by rule. Such insurance shall include forms of insurance which are determined by the Secretary, by rule, to be property insurance primarily (notwithstanding that they contain an element of liability or other casualty insurance), such as, but not limited to, homeowners insurance. Such insurance shall not include automobile insurance on such types of manufacturing risks as may be excluded by the State insurance authority;".●

TVA POWER FOR CRITTENDEN COUNTY, ARK.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 15 minutes.

● Mr. ALEXANDER. Mr. Speaker, I am introducing legislation today similar to that being introduced by my colleague in the Senate, DALE BUMPERS, to remedy an omission in the service area that the Tennessee Valley Authority was mandated to serve in 1959 amendments to the Tennessee Valley Authority Act.

Service area restrictions in that law were made flexible, except that TVA was prohibited from providing service to an area in a State which was not being served on July 1, 1957. Exemptions were given, however, from this provision to some cities in Kentucky, Georgia, and Tennessee.

My bill adds Crittenden County, Ark., a part of the Memphis standard metropolitan statistical area (SMSA), to the list of exempted areas. It does so, I believe, without overturning the purposes for which restrictions were made in 1959, those being to insure that TVA would not expand its service area to the detriment of private utility companies in the area.

At this time electricity could be generated by TVA into West Memphis through existing power exchange agreements. This legislation will facilitate TVA selling its power without intervening parties.

West Memphis would, indeed, be eligible now for TVA power, except for the State boundaries provision of the 1959 amendments. TVA now can provide service to continguous areas of those already being served.

Mr. Speaker, inasmuch as Crittenden County is considered a part of the Memphis SMSA and is called upon to compete with the metropolitan area in securing industry, so essential to growth, I believe it is nothing less than fair to allow the citizens of this county the same choice in securing utility power at the most reasonable rate.●

BEDELL INTRODUCES LEGISLATION TO ROLL BACK SOCIAL SECURITY TAXES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, the social security tax increases has now gone into effect, and the Congress should do something about it.

According to the Congressional Budget Office, the new tax rates are expected to have the following consequences:

First. A dampening effect on real economic activity over the next 3 years. Real GNP is expected to be two-tenths percent below estimates for 1979, five-tenths percent below for 1980, and as much as nine-tenths percent below for 1982.

Second. An increase in unemployment. The number of jobs to be lost in 1979 is estimated at 100,000, rising to 500,000 in 1982.

Third. An increase in prices. Higher payroll taxes may be expected to add five-tenths percent to the inflation rate this year, and an additional five-tenths percent in 1981.

That is not all. It has also been estimated that 47 percent of the taxpayers making $10,000–$15,000 will experience a net tax increase this year, despite the fact that a tax cut bill was passed in 1978.

Clearly, we ought to rescind this increase in the payroll tax if we can do so without jeopardizing the self-financing base of the social security system. I believe we can. For this reason, I have introduced legislation to roll back the mandated tax increase to the pre-1977 level and keep it there for 7 years so that comprehensive reform of the social security financing system may be devised.

My proposal would accomplish this by removing the disability insurance portion of OASDHI from payroll financing and shifting it temporarily to general revenue funding. Specifically, it would hold the tax rate for employers and employees to 5.85 percent through 1985, after which it would be allowed to rise at a rate lower than that scheduled under the new law. This tactic would preserve the solvency of the old-age and medicare portions of social security for a period of several years, long enough to enable the Congress to institute permanent reform of the social security financing mechanism.

The rate structure of my bill is as follows:

Years	Current law		Bedell bill	
	Employer/employee	Self-employed	Employer/employee	Self-employed
1979	6.05	8.10	5.85	7.90
1980	6.05	8.10	5.85	7.90
1981	6.30	9.30	5.85	7.90
1982–4	6.30	9.35	5.85	7.90
1985	6.30	9.90	5.85	7.90
1986–9	6.45	10.00	6.20	8.58
1990–2010	6.45	10.75	6.55	9.10
2011–	7.45	10.75	6.55	9.10

Although we should theoretically be able to predict how much a disability program will cost, our past experience has been one of large and unexpected increases in the number of beneficiaries. The reason for this is the difficulty encountered in determining what constitutes a disabling impairment for the purpose of establishing eligibility. Whether a given impairment prevents employment depends on characteristics that are specific to each individual situation. As a result, unpredictable program costs such as we have experienced are a constant threat. As a way of dealing with this problem until a permanent solution can be found, we should take advantage of the flexibility afforded by general revenue financing.

The current administration of the disability program, moreover, is badly in need of reform. The State officials responsible for making determinations of disability have never had training that would enable them to evaluate applications in accordance with any standard criteria. The result is that it is easier to qualify for disability in some States than in others. My bill would improve this situation by requiring all State officials to undergo a standard national training program before being allowed to make determinations of disability.

Another problem with current administration of the program is that it encourages prolonged appeal of adverse determinations, because an applicant's chances of ultimately receiving benefits improves significantly if they go through the first few appeal levels. This clogs an already overburdened process and prolongs the period a claimant must wait for a determination of disability. My bill would provide claimants with a personal interview at the first appeal level. This change would provide the official making the determination with more information at an earlier stage, thereby reducing the need for multiple appeals. In addition, my proposal would require HEW to develop updated criteria for identifying disabling characteristics. They should also facilitate the determination process.

Finally, my bill would place an unearned income limitation on disability benefits, which would help insure families having outside income do not receive unneeded assistance. Specifically, disability benefits would be reduced by $1 for every $2 of unearned income a family receives in excess of $6,960. Additional income earned by a member of the disabled person's family would have no effect on benefits.

It should be noted that my bill does not provide for the general revenue financing of the medicare component of OASDHI. Before we could seriously contemplate such an alternative, we must devise an effective way of controlling the spiraling increases in health care costs. I believe that financing the program exclusively through general revenues would greatly reduce the institutional constraints on costs.

I recognize that shifting responsibility for disability insurance to general revenue funding creates its own difficulties. Most importantly, it runs head on into the need to hold down Federal spending. Additionally, general revenue financing weakens the link in the taxpayer's mind between increasing benefits and how to pay for them. While my bill would fund the DI program in this manner, it would impose a measure of financial discipline through the requirement of an unearned income limitation. Additionally, I believe that the Federal income tax is preferable to a payroll tax for raising revenue. It is less regressive than a payroll tax, and has considerably less adverse impact on the ability of employers, particularly small firms, to retain and hire extra employees. What we need is a short-term guarantee of solvency for the existing disability program, and an alternative to the increased payroll tax. In my opinion, the answer is temporary general revenue funding.

Mr. Speaker, there is widespread sentiment that the 1977 social security tax increase was excessive. While there are compelling reasons for rolling back that increase, we should not lose sight of the long-term need for placing the financing of the social security system on a sound basis. In the meantime, however, we can roll back the tax increase responsibly, and thereby enable ourselves to address the basic issue of permanent reform. I urge my colleagues to give my proposal their consideration and support.●

LEGISLATION TO REDUCE THE HEALTH HAZARDS OF CIGARETTE SMOKING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, in 1964 Surgeon General Luther Terry released the historic report of his advisory committee on health and smoking, which warned that cigarette smoking caused lung cancer, chronic bronchitis, and other diseases. That report concluded that "cigarette smoking is a health hazard of sufficient importance to warrant appropriate remedial action."

After the publication of this recommendation, Congress acted to require a cigarette health warning label, and to end all broadcast advertising of cigarettes. However, it is clear that these actions have not been sufficient to reduce the problem of cigarette smoking—54 million Americans continue to smoke 615 billion cigarettes annually, and smoking related illness will kill almost 350,000 Americans this year. In addition, smoking costs the Government $5 to $8 billion each year in health care expenses, and accounts for $12 to $18 billion economic losses through absenteeism and lost productivity and wages.

In the 15 years since the release of the first report on smoking and health, the evidence that cigarette smoking is dangerous has grown from compelling to overwhelming, but Congress has done nothing in over 8 years to limit smoking—the largest single preventable cause of death in the United States.

Congress has a clear responsibility to address this tremendous public health problem by enacting legislation to further discourage cigarette smoking, to protect the rights of nonsmokers, and to reduce as much as possible the danger to those who continue to smoke. In the 95th Congress a number of Members joined me in sponsoring the bills that are described below; I hope that these bills will receive the prompt and thorough consideration they deserve in the 96th:

THE PUBLIC HEALTH CIGARETTE ACT OF 1979

H.R. 281, the Public Health Cigarette Act of 1979, would improve and strengthen the Cigarette Labeling and Advertising Act of 1965 in several key respects.

First, it would strengthen the cigarette warning label in accordance with a recommendation of the Federal Trade Commission (FTC) and in keeping with the latest medical evidence. The new warning would read:

> Warning: Cigarette Smoking is Dangerous to Health, and May Cause Death from Cancer, Coronary Heart Disease, Chronic Bronchitis, Pulmonary Emphysema, and Other Diseases.

Second, the bill would require that cigarette tar and nicotine content be printed on every package in both absolute and relative terms. This would enable smokers to shop comparatively for the least noxious product.

Third, the bill would require that all cigarette advertisements carry both the strengthened warning label and information on tar and nicotine content. This provision also follows a recommendation made by the FTC.

Fourth, the present preemption of State action to control cigarette advertising labeling would be repealed. There is no reason why States desiring to enact stringent antismoking laws should not be permitted to do so.

Fifth, the bill would require that cigarettes manufactured in the United States and subsequently exported carry a warning label in the predominant language of the recipient country. At the present time, exported cigarettes need not carry any warning at all. The cigarette industry has a responsibility to warn every smoker, whether American or foreign, of the proven health hazards of smoking.

FEDERAL NONSMOKERS PROTECTION ACT OF 1979

The issue of nonsmokers' rights has gained increasing prominence during the past few years as numerous localities and more than 30 States have enacted laws to protect the nonsmoking majority against air contaminated by tobacco smoke in confined public places.

There are more than 160 million nonsmoking Americans who find themselves breathing the smoke emitted by others in elevators, offices, conference rooms, restaurants, and nearly everywhere else that people congregate. Most Americans who do not smoke consider such involuntary smoking an unpleasant nuisance.

To 30 million Americans with heart conditions, lung disease, allergies, or other particular susceptibility to tobacco smoke, involuntary smoking is not merely annoying; it is dangerous to their health. According to the U.S. Public Health Service:

> People with certain heart and lung diseases may suffer exacerbations of their symptoms as a result of exposure to tobacco smoke-filled environments.

Scientific research indicates that sidestream smoke, which is released into the air by a burning cigarette, contains up to 3 times the carbon monoxide, 2½ times the nicotine, and more than 200 times the ammonia of the mainstream smoke which goes into the smoker's own lungs. Scientists have measured carbon monoxide in the air of a smoke-filled room which exceeds the maximum permissible standards set by OSHA for the safety of employees. To again quote the U.S. Public Health Service:

> Carbon monoxide generated in a confined area by the smoking of tobacco products reaches excessive, irritating, and potentially hazardous levels.

This is particularly significant because it is difficult to remove carbon monoxide from indoor air. In addition, carbon monoxide at levels occasionally found in smoke-filled environments has been shown to slightly reduce attentiveness and cognitive function.

H.R. 300, the Federal Nonsmokers Protection Act of 1979, would require all Federal agencies to prohibit smoking in their elevators, hallways, conference rooms, reception areas, and areas serving the general public in which the effective separation of smokers from nonsmokers would not be practical. Separate smoking sections would be established in cafeterias, recreation areas, and lounges of Federal buildings.

The most serious difficulty in protecting the rights of nonsmokers is how to deal with smoking on the job. A nonsmoker whose desk assignment is next to that of a smoker is virtually a captive to involuntary smoking. If the nonsmoker is one of the 30 million Americans with particular susceptibility to tobacco smoke, he or she may find the predicament intolerable. This situation exists in thousands of Federal facilities throughout the Nation. Disgruntled employees can ask to be transferred to a different office, but there is no assurance that they will be listened to. I have received numerous complaints from Federal employees who have been forced to resign to protect their health due to involuntary smoking.

H.R. 300 would require Federal agencies to permit nonsmokers to have separate work areas or offices wherever such separation would be practical. A worker submitting medical documentation of particular susceptibility to tobacco smoke would be assigned a separate work area in any event. Moreover, in planning, purchasing, or leasing future workplaces, Federal agencies would have to take into account the need for effective separation of smoking from nonsmoking employees. This provision would serve to protect the health of Federal employees who do not smoke without infringing upon the rights of smokers or placing a large financial burden upon all Federal agencies.

In addition to protecting nonsmokers in Federal facilities, this bill would prohibit smoking in waiting lines, lobbies, and boarding areas of airports, train stations, airport buildings, and bus terminals involved in interstate commerce. Separate smoking sections would be established in the cafeterias and lounges of such facilities. At the present time, Federal regulations limit smoking on airplanes, trains, and buses, but the regulations do not apply to the corresponding station facilities covered by this bill.

H.R. 279

H.R. 279 would enable the Food and Drug Administration to regulate tobacco products under the Food, Drug, and Cosmetic Act of 1938. Specifically, this legislation would allow FDA to promulgate standards for cigarette manufacturing, and establish tolerance levels for toxic substances in cigarette smoke. Enactment of H.R. 279 would insure, at the very least, that safer tobacco products would be available for those who choose to smoke.

Mr. Speaker, over 1 million people have died of smoking-related illness in the 4 years since my no-smoking legislation was first introduced. We should ask ourselves why, over this period, not a single public hearing was held on smoking-related legislation.

The evidence that smoking is the largest preventable cause of death in the United States is incontrovertable. In the coming months, the House must decide whether to continue to ignore this massive public health problem, or to begin to fulfill our public trust. It is my hope that legislation to discourage smoking and protect the rights of nonsmokers will be a high priority of the 96th Congress.●

DANIEL KELLY BEGINS A NEW LIFE IN THE UNITED STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. EVANS) is recognized for 5 minutes.

● Mr. EVANS of Indiana. Mr. Speaker, I would like to take this opportunity to recognize a very special American citizen and current resident of Indiana's Sixth Congressional District. Daniel Kelly arrived in the United States recently after spending many years hoping for the day he would set foot in his native land. The son of a Presbyterian missionary doctor, Mr. Kelly was born in China and has spent 17 of his 38 years in a Chinese labor camp because he refused to renounce his U.S. citizenship. The recent change in diplomatic relations with China made Mr. Kelly's release possible. But without knowing what the future held in store, Mr. Kelly lived on hope for 17 years that he would one day enjoy freedom in his homeland. He has now been reunited with his family and looks forward to beginning a new life in the United States. Mr. Kelly's faith, determination, and love of country has culminated in a dream come true. I and, I know, the entire House of Representatives extend our heartfelt welcome to him and wish him the best of success as he begins his new life of freedom.●

PRESERVATION OF AMERICA'S HERITAGE ABROAD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. RICHMOND) is recognized for 5 minutes.

● Mr. RICHMOND. Mr. Speaker, the fabric of our society is strengthened by visible reminders of the historical roots of that society. Among the visible reminders of America's past are the cemeteries, monuments, and historic buildings located in other nations which are associated with the foreign heritage of American citizens.

Many of the cemeteries, monuments, and historic buildings which visibly represent the foreign heritage of present-day Americans are threatened and are in need of protection. These landmarks are in danger of deterioration or destruction, because there are no longer descendants or compatriots in the communities where these landmarks are located, or because of neglect or deliberate actions by the governments of the countries in which the landmarks are located.

I am sure my colleagues have heard the tragic stories of the destruction or neglect of several of these landmarks:

The last remaining wall of the Warsaw ghetto was torn down by the Polish Government in the mid-1970's. The remains of the ghetto lie underneath modern apartment buildings, and all that remains of the wall is a pile of rubble and a shattered monument.

The Soviet monument at Babi Yar in Kiev, where more than 100,000 people, one-half of whom were Jews, were murdered by the Nazis, was not built until the 1970's, and then only because of worldwide public opinion, aroused by the moving verse of the poet, Yevgeny Yevtushenko. A combination of Soviet anti-Semitism and actions by Ukranian officials had previously converted the area into the site for apartment houses and a television transmitter.

Many of Czechoslavkia's Jewish cemeteries have been designated for other uses. The Slovakian Jewish community's 3,500 remaining members were unable to save them. In 1976, six cemeteries were officially listed for demolition, and descendents in the West and in Israel claimed they were given insufficient notice to arrange for reburial of their relatives.

In a November 22, 1977, article in the Washington Post, Richard Cohen wrote of his search for firsthand information about his grandparents in Ostroleka, Poland. He closed his article on a poignant note:

> Now the old man is saying that the construction that has taken the cemetery is also going to take his house. He worries about what kind of apartment he will be given and then he returns to the topic of the cemetery. He said a woman complained about conditions there. She was an old woman and she had gone to Communist Party headquarters in the town and she said that something should be done about the cemetery that bones were turning up and the children were playing with them. Something was done and for a while the place was cleaned up.
>
> Outside it was raining and outside it had turned windy and cold. It was dark and unlighted out by the cemetery and so we stepped in puddles and slipped in the mud and finally made it back to the town. Now we had a person to look for—the woman who had complained about the cemetery. She must be very old and she must know things about the town and about the square where my grandparents once lived and maybe something about them. We went off looking for her. The old man had been very specific.
>
> She was the last Jew in the town.

Mr. Speaker, the graves and monuments of our ancestors in foreign lands are worthy of great reverence and respect, for they serve as a reminder of the contributions of those men and women, not only to their own country, but to the foreign heritage of the United States as well.

When these visible reminders of our foreign past are destroyed or allowed to deteriorate, it is a cause for profound sadness among the descendants and compatriots in America whose roots are obliterated.

I have introduced legislation, H.R. 657, to establish a commission for the preservation of America's heritage abroad. This Presidential Commission will be responsible for identifying threatened cemeteries, monuments, and historic buildings located abroad which are associated with the foreign heritage of U.S. citizens. In addition, the Commission will publicize the names and locations of these landmarks. Most importantly, the Commission, in cooperation with the State Department, will obtain assurances from the involved foreign governments that the cemeteries, monuments, and historic buildings will be preserved and protected.

I urge my colleagues to join me in support for this measure which will help preserve America's heritage in foreign nations. The text of the bill follows:

H.R. 657

To establish a commission to identify, designate, preserve, and protect cemeteries, monuments, and historic buildings which are located abroad and which are associated with the foreign heritage of United States citizens.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That because the fabric of a society is strengthened by visible reminders of the historical roots of the society, it is in the national interest of the United States to preserve and protect the cemeteries, monuments, and historic buildings associated with the foreign heritage of United States citizens.

SEC. 2. There is established a commission to be known as the Commission for the Preservation of America's Heritage Abroad (hereafter" in this Act referred to as the "Commission").

SEC. 3. The Commission shall—

(1) identify cemeteries, monuments, and historic buildings which are located abroad and which are associated with the foreign heritage of United States citizens, particularly those cemeteries, monuments, and buildings which are in danger of deterioration or destruction;

(2) designate such cemeteries, monuments, and historic buildings which are associated with the foreign heritage of United States citizens by such means as publishing a list of the cemeteries, monuments, and buildings;

(3) encourage the preservation and protection of such cemeteries, monuments, and historic buildings by such means as, in cooperation with the Department of State, obtaining assurances from foreign governments that the cemeteries, monuments, and buildings will be preserved and protected;

(4) sponsor or otherwise support demonstration projects to help preserve and pro-

tect such cemeteries, monuments, and historic buildings; and

(5) prepare and disseminate reports on the condition of and the progress toward preserving and protecting such cemeteries, monuments, and historic buildings.

Sec. 4. (a) The Commission shall consist of five members appointed by the President.

(b) Members shall be appointed for terms of three years except that—

(1) a member appointed to fill a vacancy on the Commission shall serve for the remainder of the term for which the member's predecessor was appointed; and

(2) a member may retain membership on the Commission until the member's successor has been appointed.

(c) The President shall designate the Chairman of the Commission from among its members.

(d) The Commission shall meet at least once every three months.

Sec. 5. (a) Members of the Commission shall receive no pay on account of their service on the Commission.

(b) Subject to the availability of appropriations, while away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

Sec. 6. (a) The Commission may appoint such personnel (subject to the provisions of title 5 of the United States Code which govern appointments in the competitive service) and may fix the pay of such personnel (subject to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates) as the Commission deems desirable.

(b) Subject to the availability of appropriations, the Commission may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay then in effect for grade GS–15 of the General Schedule (5 U.S.C. 5332(a)).

(c) Upon request of the Commission, the head of any Federal department or agency, including the Secretary of State, is authorized to detail, on a reimbursable basis, any of the personnel of such department or agency to the Commission to assist it in carrying out its duties under this Act.

Sec. 7. (a) The Commission may secure directly from any department or agency of the United States, including the Department of State, any information necessary to enable it to carry out this Act. Upon the request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(b) The Commission may accept, use, and dispose of gifts or donations of money or property.

(c) The Commission may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(d) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

Sec. 8. The Commission shall transmit an annual report to the President and to each House of Congress as soon as practicable after the end of each fiscal year. Each report shall include a detailed statement of the activities and accomplishments of the Commission during the preceding fiscal year and any recommendations by the Commission for legislation and administrative actions.

Sec. 9. This Act shall take effect on October 1, 1979.●

□ 1505

WEBER CASE MAY ALTER JOB AFFIRMATIVE ACTION

(Mr. CONYERS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. CONYERS. Mr. Speaker, on December 11, 1978, the U.S. Supreme Court agreed to review the case of Kaiser Aluminum and Chemical Corp., et al. against Weber. Although ostensibly an employment case, Weber involves discrimination questions similar to those addressed in the Bakke case. In fact, most legal opinions hold that this case may have potentially a far more sweeping impact than Bakke.

The key question, once more, is the appropriate use of race/ethnicity in voluntary affirmative action efforts. Unlike Bakke, Weber directly addresses voluntary affirmative action efforts.

In 1974, the United Steelworkers of America (USWA) voluntarily initiated a national program to mitigate the effects of historic racial discrimination within selected industries. The program sought to negotiate collective bargaining agreements which would offer minority workers, mainly in the steel, aluminum, and can industries, the opportunity to fill half of all vacancies in craft-training programs via affirmative action efforts. Program implementation was predicated on an agreement that it would continue until disproportional underrepresentation of minorities within these industries was dissolved.

The Weber litigation arises from an employment dispute within the Kaiser Aluminum Plants in Gramercy, La. In 1974, Gramercy, La., had a population of 46 percent black; its work force was 39 percent black. However, the Kaiser Plant in Gramercy had a work force 15 percent black. Only 5 of the 290 skilled jobs were filled with blacks.

Pursuant to a nationwide agreement between Kaiser and the USWA, Kaiser's Gramercy Plant implemented the affirmative action agreement by setting aside 50 percent of the openings in three craft-training programs for bidding among blacks. The program selection was determined on the basis of plant seniority. Thirteen craft-training positions were created at the Kaiser, Gramercy Plant; seven blacks and six whites filled the available slots.

Brian Weber, who is white, applied for one of the openings; he was denied a position and sued on behalf of himself and other white workers on the grounds that two of the blacks accepted had less seniority at the plant. Weber prevailed in the U.S. district court and was upheld on appeal in the Fifth Circuit Court of Appeals. The case is now before the Supreme Court.

The pursuit of racial equality in this country is at a crossroads; and it is up to the Supreme Court to chart the future course. Either the Court will reverse the majority decision—as amici in the brief that follows strongly urge—and allow this country to move forward toward racial equality, or the Court will affirm that lower court's decision and permit backsliding to an earlier era.

The brief follows:

[In the Supreme Court of the United States, October term, 1978, Nos. 78–432, 78–435. and 78–436]

Brief Amici Curiae of the Affirmative Action Coordinating Center; the Congressional Black Caucus; the National Conference of Black Lawyers; the National Lawyers Guild; the Center for Constitutional Rights; the Center for Urban Law, et al.

(United Steelworkers of America, AFL–CIO–CLC, *Petitioners*, v. Brian F. Weber, et al., *Respondents*. Kaiser Aluminum & Chemical Corporation, *Petitioner*, v. Brian F. Weber, *Respondent*. United States of America and Equal Employment Opportunity Commission, *Petitioner*, v. Brian F. Weber, et al., *Respondents*.)

INTEREST OF AMICI CURIAE

The 63 national and local organizations which have joined as *amici curiae* in this brief represent many sectors of American society—civil rights groups, church groups, bar associations, rank and file labor groups, labor unions, political groups, women's organizations, community groups, and other organizations concerned with the public interest. They have done so from a mutual deep concern that the reversal of the *Weber* case is of vital importance to all affirmative action programs across the country.

These groups share a belief that over 200 years of discrimination on the basis of race, sex and national origin has resulted in freezing non-whites and women out of jobs, skills training, and promotional opportunities. Affirmative action has proven to be in many instances the only effective tool towards alleviating the still pervasive badges and incidents of slavery in American society. Any cut-backs in affirmative action programs and the underlying commitment which they represent will result in continuing the injustices described in this brief.

INTRODUCTION AND SUMMARY OF ARGUMENT

The pursuit of racial equality in this country is at a crossroads. It is the pivotal function of this Court to chart the proper course. Either this Court will reverse the majority decision (as *Amici* will strongly urge herein) and allow this country to move forward toward racial equality, or this Court will affirm the lower court's decision and precipitate a return to an earlier era.[1]

This case has striking parallels to the *Civil Rights Cases* of 1883, 109 U.S. 3 (1883). Speaking for the majority in the *Civil Rights Cases, supra,* Justice Bradley stated that there must come a time when the newly freed slave "takes the rank of mere citizen and ceases to be the special favorite of the laws." 109 U.S. at 25. Given the oppressive conditions facing the newly freed slaves, this transformation of civil inequality into formal legal equality is a remarkable example of judicial legerdemain. It contributed to what, in *Bakke,* Justice Powell called the virtual strangulation of the Equal Protection Clause in its infancy by "post-war judicial reactionism." *Regents of the University of California* v. *Bakke,* —— U.S. ——, 98 S. Ct. 2733, 2749 (1978). It also led to the relegation of the freedmen into "second class citizenship," as Justice Harlan prophesied in his dissent in the *Civil Rights Cases.*[2] The social and political consequences of that abandonment cast a well-documented shadow that is still lengthening over this nation's history.

Footnotes at end of article.

In a very real sense, this Court is challenged to meet its historic responsibilities to enforce the written Constitution. The Bradley Court rewrote history and ignored social reality. This Court must not repeat the same tragic errors.

This Court must not construct a judicial rationale for the abandonment of affirmative action by pretending that equality for racial minority has been achieved. The Court must grasp the mettle",[3] and acknowledge the truth of what Justice Marshall said in *Bakke:*

"The position of the Negro today in America is the tragic but inevitable consequence of centuries of unequal treatment. Measured by any benchmark of comfort or achievement, meaningful equality remains a distant dream for the Negro. . . ." 98 S. Ct. at 2802.

Affirmative action programs for Blacks and other racial minorities are not preferential treatment or "reverse discrimination", but rather a step toward the reversal of discrimination.

The majority ruling in the *Civil Rights Cases* is explicable only in view of the hostility of most whites toward the newly freed slaves. *Amici* fear that such conditions as inflation, unemployment, and a contracting economy, could serve as a politically expedient excuse for the betrayal of the constitutional promise of equality for racial minorities. That promise was renewed after the angry outbursts of Watts, Newark, and Detroit, which marked to date has been known as the "Second Reconstruction." It may be politically expedient for the government and the courts to refuse to face the qualitatively different and harsher realities of institutionalized racism still facing Blacks and other racial minorities.[4]

In this historically significant case, which may have an adverse impact on millions of minorities and women, the issues go beyond the mechanical interpretations of the antidiscrimination principle within Title VII and Executive Order 11246. Neither of these was promulgated in a vacuum. Both were born out of the great social upheavals of the late fifties and early sixties that followed the Court's historic decision in *Brown* v. *Board of Education,* 347 U.S. 483 (1954).

In a very real sense, Title VII and the Executive Order were passed and promulgated to fulfill the broken promises of the Civil War Amendments, in particular, the Thirteenth and Fourteenth Amendments.[5] The rights created by Title VII and the Executive Order for minority and white citizens must be interpreted in this context.

Only by acknowledging the national commitment to racial equality created by the Wartime Amendments, particularly the Thirteenth Amendment, can this Court put into the proper perspective the personal and class rights that Respondents assert were violated. Since this case involves actions of private parties in private employment decisions, of necessity it involves a reexamination of the Thirteenth Amendment, which the total Court in the *Civil Rights Cases, supra,* recognized as giving Congress and all the coordinate branches of government the power to directly and primarily enforce.

Amici contend that the actions taken by Kaiser and the United Steelworkers were fully protected by the Thirteenth Amendment, and that Respondents have no rights which contravene the rights of minorities protected by the Thirteenth Amendment.[6]

ARGUMENT

I. The thirteenth amendment protects efforts to overcome badges and incidents of slavery.

By 1883, the implementation of the Thirteenth and Fourteenth Amendments had come full circle. The Reconstruction Congress, which passed these amendments and the sweeping legislation designed to protect the civil and political rights of freedmen, had been decimated by the elections of 1876 and the Compromise of 1877. The newly freed slaves enjoyed few, if any, of the rights allegedly guaranteed to them. Indeed, they faced conditions similar to those they had suffered in slavery.

In 1883, several constitutional challenges to the Civil Rights Act of 1875, which prohibited discrimination in public accommodations or public places of amusement came before the Supreme Court. In the *Civil Rights Cases* of 1833, *supra,* the Court had to answer a fundamental question: Did Congress have the power to pass legislation to enforce all of the substantive rights mandated by either or both the Thirteenth and Fourteenth Amendments?

The Court's answer reflected the times. Chief Justice Bradley, writing for the majority, created the "state action" doctrine and disposed of the Fourteenth Amendment as a meaningful provision to vindicate the rights of the newly freed slaves. He wrote that the Fourteenth Amendment's enforcement powers only allowed congressional action that was secondary and corrective of discriminatory state actions. By implication, substantive rights, guaranteed by the Fourteenth Amendment, could not be protected unless affected by state action.

A. In the *Civil Rights Cases* of 1883, the Entire Court Agreed That The Thirteenth Amendment Was Designed To Abolish Slavery as well as its Badges and Incidents. The Bradley Majority Disagreed With Harlan On The Nature of Such Badges and Incidents.

Justice Bradley found that the Thirteenth Amendment was not restricted to the mere prohibition of discriminatory action:

"By its own unaided force and effect it abolished slavery, and established universal freedom. Still, legislation may be necessary and proper to meet all the various cases and circumstances to be affected by it, and to prescribe proper modes of redress for its violation in letter or spirit. And such legislation may be primary and direct in its character; for the amendment is not a mere prohibition of state laws establishing or upholding slavery, but an absolute declaration that slavery or involuntary servitude shall not exist in any part of the United States. *Civil Rights Cases, supra,*" 109 U.S. at 20.

In addition, Justice Bradley held the Thirteenth Amendment to have a "reflex character, establishing and declaring civil and political freedom throughout the United States." *Id.* He assumed that Congress was clothed with "the power to pass all laws necessary and proper for abolishing all badges and incidents of slavery in the United States." *Id.*

Justice Harlan fully agreed with this characterization. His vehement dispute was with how to define and what constituted the badges and incidents of slavery. For Justice Bradley, the badges and incidents of slavery were limited to those legal disabilities imposed on slaves—such as not having the right to sign and enforce a contract, or purchase and inherit property—the literal trappings of human bondage.

Justice Harlan understood "badges and incidents" to refer to all discrimination on account of race. He believed that the Thirteenth Amendment gave Congress the power to legislate against those discriminations—

"I do hold that since slavery, as the court has repeatedly declared, was the moving or principal cause of the adoption of that amendment and since that institution rested wholly upon the inferiority, as a race, of those held in bondage, their freedom necessarily involved immunity from, and protection against, all discrimination against them, because of their race, in respect of such civil rights as belong to free men of other races. Congress, therefore, under its express power to enforce that amendment, by appropriate legislation, may enact laws to protect that people against the deprivation, *on account of their race,* of any civil rights enjoyed by other free men in the same state." 109 U.S. at 36.

Justice Harlan further reminded the Court of its position nine years earlier in the *Slaughter House Cases,* 109 U.S. at 36–37. The Court had disapprovingly characterized certain state laws restricting the right to contract of people of African descent. These laws excluded them from many "occupations of gain" and prevented them from freely traveling. The Court said that this: "imposed upon the colored race onerous disabilities and burdens; curtailed their rights in the pursuit of life, liberty, and property to such an extent that their freedom was of little value." *Id.* at 37.

There was no doubt that such laws contravened the Fourteenth Amendment. As to the Thirteenth Amendment, Justice Harlan rhetorically asked:

"Can there be any doubt that all such legislation might have been reached by . . . [direct] power to enforce the thirteenth amendment? Would any court have hesitated to declare that such legislation imposed badges of servitude in conflict with the civil freedom ordained by that amendment?" *Id.*

Only Justice Harlan gave a meaning to the concept of badges and incidents of slavery that gave substance to the Thirteenth Amendment as a charter "declaring civil and political freedom throughout the United States." 109 U.S. at 20.

B. Justice Harlan's Broad Understanding of What Were Badges and Incidents of Slavery Was Based On His Belief That the Thirteenth Amendment Overruled the Theory of Racial Inferiority Enunciated in the *Dred Scott* Opinion.

Justice Harlan had understood from "repeated declarations" by the Court that the Thirteenth Amendment was enacted to abolish an institution that *"rested wholly upon the inferiority as a race, of those held in bondage".* From this he concluded that discrimination based on theories of racial inferiority was a substitute for slavery and as such, a badge and incident of slavery. 109 U.S. at 39.

Central to this conclusion was his view that the passage of the Thirteenth Amendment completely overruled the infamous opinion in *Dred Scott* v. *Sanford,*[7] 60 U.S. 393 (1856).

Thirty years later, Justice Harlan paraphrased Chief Justice Taney's odious characterization of the Negro race in that case:

". . . '[T]hey had for more than a century before been regarded as beings of an inferior race, and altogether unfit to associate with the white race, either in social or political relations and so far inferior that they had no rights which the white man was bound to respect, and that the negro might justly and lawfully be reduced to slavery for this benefit;' That he was 'bought and sold, and treated as an ordinary article of merchandise and traffic, whenever a profit could be made by it;' and that 'this opinion was at that time fixed and universal in the civilized portion of the white race. It was regarded as an axiom in morals as well as in politics which no one thought of disputing, or supposed to be open to dispute; and men in every grade and position in society daily and habitually acted upon it in their private pursuits, as well as in matters of public concern, without for a moment doubting the correctness of this opinion." 109 U.S. at 31.

For Justice Harlan, the Thirteenth Amendment outlawed all the badges and incidents

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Footnotes at end of article.

of slavery that were based on the racial inferiority and white supremacy theories enunciated in *Dred Scott, supra*. The Bradley opinion failed to even mention or acknowledge this fact.

C. A Majority of the Supreme Court Adopted Justice Harlan's Formulation of the Badges and Incidents of Slavery in *Jones* v. *Alfred H. Mayer Co.* and *Runyon* v. *McCrary*.

In *Jones* v. *Alfred H. Mayer Co.*, 392 U.S. 409, 438 (1968), a majority of the Supreme Court reminded the nation that "'[b]y its own unaided force and effect', the Thirteenth Amendment 'abolished slavery and established universal freedom.'"[8]

Writing for the majority, Justice Stewart ruled that "racial discrimination which herds men into ghettos" is a "relic of slavery" prohibited by legislation passed pursuant to Section 2 of the Thirteenth Amendment, 392 U.S. at 442–3.

The Court did more than say that the Thirteenth Amendment protected Blacks and other racial minorities[9] from purely private racial discrimination in the sale of property. To a large degree, the Court embraced the broad Harlan analysis of the rights created and protected by the Thirteenth Amendment. In the courageous language of Justice Stewart, the Court pointed out:

"Just as the Black Codes, enacted after the Civil War to restrict the free exercise of those rights, were substitutes for the slave system, so the exclusion of Negroes from white communities became a substitute for the Black Codes. And when racial discrimination herds men into ghettos and makes their ability to buy property turn on the color of their skin, then it too is a relic of slavery. Negro citizens, North and South, who saw in the Thirteenth Amendment a promise of freedom—freedom to 'go and come at pleasure' and to 'buy and sell when they please'—would be left with 'a mere paper guarantee' if Congress were powerless to assure that a dollar in the hands of a Negro will purchase the same thing as a dollar in the hands of a white man. At the very least, the freedom that Congress is empowered to secure under the Thirteenth Amendment includes the freedom to buy whatever a white man can buy, the right to live wherever a white man can live. If Congress cannot say that being a free man means at least this much, then the Thirteenth Amendment made a promise the Nation cannot keep." 392 U.S. at 441–443.

These words are remarkably similar to those of Justice Harlan in his dissent in *Plessy* v. *Ferguson*, 163 U.S. 537 (1896). Much of the argument in *Jones* was reinforced by the majority in *Runyon* v. *McCrary*, 427 U.S. 160 (1976):

"The statutory holding in *Jones* was that the '[1886] Act was designed to do just what its terms suggest: to prohibit all racial discrimination, whether or not under color of law, with respect to the rights enumerated therein—including the right to purchase or lease property,' 392 U.S. at 436, 88 S. Ct., at 2201. One of the 'rights enumerated' in § 1 is 'the same right . . . to make and enforce contracts . . . as is enjoyed by white citizens. . . .' 14 Stat. 27. Just as in *Jones* a Negro's § 1 right to purchase property on equal terms with whites was violated when a private person refused to sell to the prospective purchaser solely because he was a Negro, so also a Negro's § 1 right to 'make and enforce contracts' is violated if a private offeror refuses to extend to a Negro, solely because he is a Negro, the same opportunity to enter into contracts as he extends to white offerees." 427 U.S. at 170.

Both *Jones, supra* and *Runyon, supra* reestablished the proper role of the Thirteenth Amendment in helping this nation overcome its legacy of slavery and racism. In much the same way that the racial exclusion of Blacks from white neighborhoods is a relic of slavery, so is the virtual exclusion of Blacks and other non-white minorities from the skilled trades a badge and incident of slavery. Just as in *Jones, supra,* where the Court found that 42 U.S.C. § 1982 protects Blacks and minorities from racial discrimination in the sale or lease of private housing, so does the Thirteenth Amendment protect efforts by parties that are designed to overcome and abolish the badge of slavery manifested by the current underrepresentation of minorities in the skilled trades.

II. Institutional discrimination against racial minorities as currently manifested in their disproportionate underrepresentation in the skilled trades is a badge and incident of slavery.

A. Institutional Discrimination Against Racial Minorities In The Skilled Trades Continues Through The Present.

Amici use the phrase "institutional discrimination"[10] against racial minorities to refer to the phenomenon whereby this nation's institutions almost reflexively grant advantages to whites and impose disadvantages upon Blacks and other racial minorities. Institutional discrimination against racial minorities continues to flourish in the "skilled trades," even though some progress has been made as a result of Executive Order 11246 and Title VII. In May, 1976, the United States Commission on Civil Rights (hereinafter Civil Rights Commission) issued a report entitled *The Challenge Ahead: Equal Opportunities in Referral Unions*. This report (hereinafter referred to as the Report) is of particular relevance in this case because it is the referral unions, particularly the building trades unions, which have historically provided training for trade craftsmen. Further, it was these referral unions that Kaiser apparently relied on to refer trained craftsmen to them in Gramercy prior to the institution in 1974 of the training program at issue in this case.

The Civil Rights Commission found in its examination of the statistics in the 1974 EEO–3 reports of 15 major building trades unions that, at most, minorities constituted 6.2% of the journeymen working in the construction industry in 1972, and more likely only 5.5%.[11] In view of the time required to complete an apprenticeship program, usually two to four years (Report at 53), it is unlikely that these statistics had changed significantly by 1974, when Petitioners, Kaiser Aluminum and the United Steelworkers, negotiated the contract provision challenged herein. It is also safe to state, as did the Civil Rights Commission in 1976, that:

"[T]he percentages of minorities . . . among journeymen in the construction industry are extremely low, whether compared with population or relevant labor force statistics." Report at 52.

The Civil Rights Commission concluded that the "extremely low" percentages of minorities within the construction inustry resulted from two sources: (1) overt discrimination and (2) institutional discrimination. Such overt discriminatory practices included, among other things, "white only" clauses in many union constitutions until the mid-1960's and exclusion of minorities from participation in apprenticeship examinations. The Report recognized that while overt discrimination is not as "widespread as it once was, it is far from uncommon" (Report at 92) and that although a few "progressive locals" have made the entry of racial minorities a "relatively routine matter" *id.*, the most common form of discrimination which accounts for the continued exclusion of racial minorities is the use of seemingly neutral practices that disproportionately exclude them.

As for institutional discrimination, the Report states:

"Institutional discrimination occurs when policies and practices used in selecting apprentices and applicants for membership and employment have an adverse impact on minorities and women, even when these policies and practices are not intentionally applied in a discriminatory manner. The adverse effect these policies and practices have on minority groups may have been caused by the past intentional discriminatory policies of a union or by economic, educational, and social disparities in the society. Whatever the cause, the effect is exclusion from employment." Report at 64.

The Report identified, and discussed at length, four common institutional practices within building trades unions which have caused the virtual exclusion of significant numbers of racial minorities: (1) membership selection practices; (2) restrictions on the size of membership; (3) methods of recruitment; and, (4) examinations. Report at 65–92.

In summary, the Civil Rights Commission concluded:

"The effect of intentional and direct employment discrimination in the building trades continues to be severe. The proportion of unions that neither discriminate directly nor intentionally or that do not continue to use widely practiced institutional mechanisms that adversely affect the employment opportunities of minorities and women is unfortunately quite small." Report at 94.

B. The Current Disproportionate Underrepresentation of Minorities in the Skilled Trades Reveals Past and Continuing Legal Disabilities on the Rights of Minorities to Contract in Violation of 42 U.S.C. § 1981.

If today, minorities make up close to 20% of the nation's population, but make up only 5.5% of the journeymen in the skilled building trades, it is only logical to state that some mechanism has been operating to cause and perpetuate this disproportionate underrepresentation.

Amici will not repeat here the history of the exclusion of minorities from the skilled trades.[12] *Amici* would point out that such disabilities as "white only" clauses in skilled trade unions' constitutions, the exclusion of minorities from taking journeymen's exams, or the exclusion of minorities from hiring halls[13] severely impaired minorities' rights to contract for jobs in the skilled trades.

Even Justice Bradley, in the *Civil Rights Cases, supra,* conceded that placing burdens on the making of contracts was an "incident of the institution" of salvery that Congress identified and outlawed by passing the Civil Rights Act of 1866 (42 U.S.C. § 1981). Although after 1883, this Act was no longer used by the courts to vindicate the rights of minorities (thus discouraging actions to enforce it), there can be no doubt that massive and unanswered violations of its provisions occur daily. If the 1866 Civil Rights Act, which was not "rediscovered" as a basis of jurisdiction for employment discrimination until *Johnson* v. *Railway Express Agency*, 421 U.S. 454 (1975), had been consistently enforced over the years so as to invalidate racially motivated refusals to contract for skilled trades jobs, or enforced so as to have fought craft unions that placed obstacles in the way of minorities' rights to join the unions, the current underrepresentation would most likely not be as extreme as it is today and affirmative action would not be necessary. This identifiable incident of slavery still perpetuates the underrepresentation of minorities in the skilled trades.

III. The constitutional context in which title VII and Executive Order 11246 must be interpreted is one which effectuates the mandate of the thirteenth amendment to eradicate the badges and incidents of slavery.

A. Executive Order 11246 and Title VII

Footnotes at end of article.

Cannot Be Read to Contravene the Dictates of the Thirteenth Amendment.

Although Title VII was not passed pursuant to the Thirteenth Amendment, the time-honored principles of this country's constitutional government require the courts to interpret all statutes and executive orders consistently with the provisions of the Constitution. If a statute or executive order is inconsistent with any portion of the Constitution, or if it is applied in such a manner as to be inconsistent with the Constitution, then it cannot stand. *Marbury* v. *Madison*, 5 U.S. 103 (1803).

Title VII, therefore, cannot be constitutionally interpreted by this Court unless the interpretation is consistent with every asaspect of the Constitution, which involves the mandates of the Thirteenth Amendment. Similarly, under Executive Order 11246, the Presidential power to further federal interests in the procurement of goods or services also must be consistent with the Constitution, including the mandates of the Thirteenth Amendment.

Furthermore, the Thirteenth Amendment is self-executing. It requires no implementing legislation for its enforcement.

"By its own unaided force and effect, the Thirteenth Amendment abolished slavery, and established universal freedom." *Civil Rights Cases, supra, Jones* v. *Alfred H. Mayer Co., supra* at 438.

Because the Thirteenth Amendment is self executing, it becomes automatically the context within which civil rights legislation must be interpreted.[14]

Because the interpretation of Title VII and Executive Order 11246 advanced by the courts below hinders the achievement of the Thirteenth Amendment objective to eliminate the badges and incidents of slavery, it cannot be sanctioned by this Court. That interpretation must be rejected.

B. When Read Consistent With the Thirteenth Amendment, Title VII and Executive Order 11246 Encourage Efforts to Overcome the Badges and Incidents of Slavery.

Title VII creates rights for all persons to be free of employment discrimination based on race, color, religion, sex, or national origin. This principle, and its parallel in other civil rights laws, did not emerge on the legal landscape merely because of abstract notions of natural justice. Title VII was passed against a factual backdrop of an aroused citizenry no longer tolerant of systematic, pervasive, and unabashed discrimination against the descendants of this nation's slaves. Although the race relations of this country have undergone some positive changes in response to the great push for civil rights in the 1960's, overt racism still persists; covert racism is still widely practiced; and relatively pervasive basic ignorance of the realities of racism still flourishes. The effects of continuing white supremacist attitudes and practices are all too apparent in any review of the social and economic indicators of equality.[15]

The concept of affirmative action has developed as a critical theory for moving the nation beyond a mere commitment to nondiscrimination to a means for remedying the many current expressions of this nation's history of slavery, white supremacy, and racial discrimination. Affirmative action programs are remedial tools responding directly to this historic, negative, and stigmatic use of race.

The ruling of the court below denies this history. Its premise is that all discrimination is the same, despite the historical reality to the contrary. All discrimination is not the same. White people simply have not, do not, and will not suffer from the affirmative use of race in ways which should cause this Court to restrict racial affirmative action programs.

Amici contend that while Respondents have rights under Title VII and Executive Order 11246,[16] Respondents' rights do not outweigh the constitutional protection afforded the Petitioners pursuant to the Thirteenth Amendment to implement the affirmative action plan challenged herein. Contrary to the demands of the Thirteenth Amendment, the court below would interpret Title VII to forbid voluntary effective measures aimed at eliminating the "badges and incidents of slavery." It would make voluntary race conscious devices designed to end the overrepresentation of whites in preferred areas of employment unlawful. It would make the voluntary efforts to build a new system free of the institutional racial discrimination which today dominates employment relations in this nation illegal.

It is the need to undo the badges and incidents of slavery which provide the basis and justification for reconciling the competing principles argued by the parties in this case. On the one hand, all people have the right not to be discriminated against on the basis of race; on the other hand, this nation is constitutionally committed to eliminating the still pervasive effects of slavery. To achieve this end, Petitioners must be permitted to use race in affirmative ways to effectuate the goal of the Thirteenth Amendment.

C. The Interpretation of Title VII and Executive Order 11246 by the Court Below Defeats Rather Than Effectuates the Mandate of the Thirteenth Amendment.

(1) The court improperly searched for villians and victims.

The trial court below erred in making two assessments: (1) that those who would participate in the benefits of affirmative action programs must show that they have been victims of past discriminatory conduct by the proponents of the affirmative action plan, and (2) that the proponent of an affirmative action plan using race as a criterion must reveal itself as a "villian" in the past by demonstrating evidence of its prior practice of racial discrimination. These conclusions of the court below evade the purposes of the Thirteenth Amendment.

This Court has properly identified two different but interrelated purposes of Title VII. *Albemarle Paper Co.* v. *Moody, supra,* 422 U.S. at 417–18, 421; *Franks* v. *Bowman,* 424 U.S. 747, 767, n. 27, 771 (1976). The first and primary purpose is "prophylactic," designed to encourage employers and unions to change any and all of their employment practices that create barriers to equal opportunity. The second purpose is compensatory, and allows individuals to be "made whole" for specific violations of the law.

The prophylactic purpose emphasizes the eradication of *conditions* caused by barriers to equal opportunity. The "make whole" purpose stresses the rights of identified *victims.*

As Justice Stewart recognized in *Albemarle, supra,* the threat of "make whole" remedies provides a spur or catalyst to the achievement of the prophylactic objective of Title VII. Conversely, if prophylactic measures are taken, discriminatory conditions will have been eliminated so that fewer individuals will need to be made whole. This case involves voluntary action, spurred by the threat of "make whole" remedies, pursuant to the prophylactic purposes of Title VII.

Title VII of the 1964 Civil Rights Act promotes the adoption of voluntary remedial affirmative training hiring and promotional schemes. Courts have ordered affirmative action under Title VII, including race conscious temporary remedies, such as preferences, goals and timetables in hiring and promotion.[17] Consent decrees approved by the courts have also included such provisions.[18] Further, the determination that affirmative action is also required under Executive Order 11246 and conciliation agreements under Title VII of the Civil Rights Act has been given the approval of the courts.[19] And, in applying the intent and purposes of Title VII and Executive Order 11246, recognition has been given to the appropriateness of a group remedy. The validity of a group remedy, in contrast to a requirement that a prospective beneficiary of an affirmative action program establish that he has been the victim of past racial discrimination at the hands of the sponsor of the program is not without justification.[20]

Indeed, the Wartime Amendments, including the Thirteenth, have been construed to transcend the limitations of race.[21] It is virtually undeniable that race and the concommitant notions of inferiority—with regard to Blacks—was a vital underpinning of the institution of slavery. The effects of racial discrimination were imposed upon the injured parties as a group. Race was the sole determining factor. It was race and race alone that was responsible for the underrepresentation of Blacks and other racial minority groups in the specialized crafts.[22] Therefore, if the effects of such racial discrimination as reflected in craft membership is ever to be eliminated, then we need not identify individual "victims" or "villains". It should be sufficient to recognize that a class of people has been systematically ostracized on the basis of race and if their current underrepresentation is to be remedied, then race alone is necessary to identify the target population for purposes of remediation.

The standard for an employer seeking to bring his work force in compliance with Executive Order 11246 [23] and Title VII [24] is not "proof of past discrimination." To require that an employer prove intentional discrimination against himself *completely subverts* the congressional intent of Title VII, and the underlying intent of the Executive Order. The Equal Employment Opportunity Commission seeks compliance with Title VII under a reasonable belief standard, and §§ 703(a) and 703(d) are not prohibitions to affirmative, remedial, preferential remedies.

(2) The court inaccurately characterized the facts in this matter as an employment seniority case.

The majority opinion of the court below characterized the issues raised by this litigation as impacting upon seniority rights. The court focused upon the standards for altering seniority rights as a consequence of remedying past discrimination under the "rightful place" theory articulated by the Supreme Court in *Franks* v. *Bowman, supra,* and then determined that absent a finding of past discrimination, all employees at the Kaiser Plant were in their "rightful place," "since none [had] obtained any unfair seniority advantage at the expense of any other." *Weber* v. *Kaiser Aluminum & Chemical Corp.*, 563 F.2d 216, 266 (5th Cir. 1977). The court below concluded:

"Where admissions to the craft on-the-job training programs are admittedly and purely functions of seniority and that seniority is untainted by prior discriminatory acts, the one-for-one ratio, whether designed by agreement between Kaiser and the USWA, or by order of court, has no foundation in restorative justice, and its preference for training minority workers thus, violates Title VII." 563 F.2d 216 at 226.

Amici contend that seniority exists as a byproduct of collective bargaining. It carries with it certain agreed to rights and privileges as determined between management and the collective bargaining agent which are protected by the Constitutional right to contract and the public policy favoring collective bargaining agreements.

The Court in *Franks* rejected the argument that the granting of seniority relief deprived other employees of "vested rights":

"This Court has long held that employee expectations arising from a seniority system agreement may be modified by statutes fur-

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thering a strong public policy interest. [Citations omitted] The Court has also held that a collective bargaining agreement *may go further, enhancing the seniority status of certain employees for the purposes* of furthering public policy interests *beyond what is required by statute* . . . even though this will to some extent be detrimental] to the expectations acquired by other employees under the previous seniority agreement." 424 U.S. at 778, 779.

The Court continued.

"The ability of the union and employer voluntarily to modify the seniority system to the end of ameliorating the effects of past racial discrimination, a national policy objective of the 'highest priority,' is certainly no less than in other areas of public policy interests." *Id.*, at 779.

One of the most significant aspects of seniority is that it provides the means of determining the order by which both promotions and lay-offs may take place when all other factors appear to be equal. This case addresses neither the issues of promotion nor lay-off, but, instead, addresses those factors *other than seniority* which establish qualifications for advancement within the company.

The affirmative action program under review here must be seen as a training program, and, in that sense, educational. The Kaiser plan was designed to develop, within certain employees, skills which would permit them, as successful participants in the training program, to become eligible for advancement to job status as craftsmen, as opposed to that of lesser-skilled production workers. The means of selection for the affirmative action training program were tied to seniority only because of its convenience and availability as a selection criterion.

This is not a case in which a promotion roster was being altered, although courts have condoned the alteration of promotion rosters based upon race.[28] This is not a case in which hiring policies have been altered to accommodate racial minority groups; nor is this a case where selection on the basis of race precludes non-participants in the program from ever achieving the goals and purposes of the program, that is, participation in the crafts. Access to the crafts has long been accomplished without the benefit of company-sponsored training programs. Indeed, this on-the-job training program was created only because of the underrepresentation of Blacks and other racial minorities in the crafts. The traditional methods for entrance into the crafts did not produce significant numbers of Blacks and other racial minority group members. In the face of this certainty, the company took it upon itself to train significant numbers of racial minorities for participation within the crafts.

No duty existed by virtue of seniority rights to train members of the class which predominated within the crafts. But where an employer determines upon analysis of his work force that he is potentially liable for unlawful discrimination under Title VII, it is his duty to correct the discriminatory situation voluntarily.

Both Executive Order 11246 and Title VII (706(b)) envision voluntary compliance in the enforcement scheme which the Supreme Court endorsed in *Albemarle Paper Co.* v. *Moody* (quoting from *U.S.* v. *N.L. Industries, Inc.*, 479 F.2d 354, 379 (8th Cir. 1973). Consent decrees have also been sanctioned by the Court.

The specific language of 703(j) was emphasized by the court in *Contractor's Assoc., supra*:

"Possibly an employer could not be compelled, under the authority of Title VII, to embrace such a program, although 703(j) refers to percentages of minorities in an area work force, rather than percentages of minority tradesmen in an available trade work force. We do not meet that issue here, however, for the source of the required contract provision is Executive Order 11246. Section 703(j) is a limitation only upon Title VII, not upon any other remedies, state or federal. 442 F.2d at 172.

Assuming, but not admitting, that 703(j) in any way limits remedies under Title VII, the limitation is perhaps in the context of hiring, probably not promotion, and certainly not training programs. A careful reading of 703(j) suggests the only practice not required of employers is "hiring" in order to balance the "total number of percentages, of persons of any race, color, religion, sex or national origin employed by an employer in comparison with their representation in the work force." Training programs such as are at issue in the instant case, that are intended to alter the available work pool to include qualified Blacks, are not addressed by 703(j) of Title VII. And, more importantly, attempts to alter the work pool from which an employer obtains his personnel to overcome underrepresentation of Blacks and other racial minority group members are protected by the Thirteenth Amendment and cannot be thwarted by misplaced notions of seniority rights which ignore the strnegth of constitutional protection.

IV. Guidelines on affirmative action recently promulgated by the Equal Employment Opportunity Commission enunciate for the executive branch comprehensive and proper standards governing Federal civil rights law which are in accordance with the mandates of the 13th amendment.

A. EEOC's Affirmative Action Guidelines **Are Based Upon the Commission's Reading of** the Legislative Purpose of Title VII.

EEOC's newly enacted affirmative action guidelines (44 Fed. Reg. 4422 (Jan. 19, 1979) are explicit in their reading of the legislative history of Title VII:

Congress enacted Title VII in order to improve the economic and social conditions of minorities and women by providing equality of opportunity in the workplace. These conditions were part of a larger pattern of restriction, exclusion, discrimination, segregation and inferior treatment of minorities and women in many areas of life. Section 1608.1(b).

If the end of Title VII is to "improve the economic and social conditions of minorities and women" by overcoming widespread and diverse patterns of discrimination, the preferred means to achieve this objective is "voluntary action."

". . . Congress strongly encouraged . . . persons subject to Title VII . . . to act on a voluntary basis to modify employment practices which constituted barriers to equal opportunity, without awaiting litigation or formal governmental action." *Id.*

Based on this understanding of the purposes of Title VII, Section 1608.1(c) of the guidelines declares its interpretation in furtherance of this legislative purpose:

"The principle of nondiscrimination in employment because of race, color, religion, sex, or national origin, and the principle that each person subect to Title VII should take voluntary action to correct the effects of past discrimination and to prevent present and future discrimination without awaiting litigation, are mutually consistent and interdependent methods of addressing social and economic conditions which precipitated the enactment of Title VII. Voluntary affirmative action to improve opportunities for minorities and women must be encouraged and protected in order to carry out the Congressional intent embodied in Title VII."

The seeming inconsistency created by the affirmative use of race, sex, or national origin necessitated the guidelines:

"Many decisions taken pursuant to affirmative action plans or programs have been race, sex, or national origin conscious in order to achieve the Congressional purpose of providing equal employment opportunity. Occasionally, these actions have been challenged as inconsistent with Title VII, because they took into account race, sex, or national origin. This is the so-called "reverse discrimination" claim. In such a situation, both the affirmative action undertaken to improve the conditions of minorities and women, and the objection to that action, are based upon the principles of Title VII." Section 1608.1(a)

The Guidelines dispel any possible contradiction, not only by reference to the legislative purpose of the Act, but also by drawing upon knowledge that a failure to reconcile the competing principles would cause serious difficulties:

"The Commission believes that by the enactment of Title VII Congress did not intend to expose those who comply with the Act to charges that they are violating the very statute they are seeking to implement. Such a result would immobilize or reduce the efforts of many who would otherwise take action to improve the opportunities of minorities and women without litigation, thus frustrating the Congressional intent to encourage voluntary action and increasing the prospect of Title VII litigation." *Id.*

As noted in the joint opinion of Justices Brennan, White, Marshall, and Blackmun in *Regents of the University of California* v. *Bakke, supra*, in the context of Title VI:

"We have recently held that '[w]hen aid to construction of the meaning of words, as used in the statute, is available, there certainly can be no "rule of law" which forbids its use, however clear the words may appear on "superficial examination."' (Citations omitted). This is especially so when, as is the case here, the literal application of what is believed to be the plain language of the statute, assuming that it is so plain, would lead to results in direct conflict with Congress' unequivocally expressed legislative purpose." 98 S. Ct. at 2774.

The interpretation advanced by EEOC's affirmative action guidelines properly "clarify and harmonize the principles of Title VII . . ." Section 1608.1(a). This statement by the executive branch should be given great deference. Not only because it is the view of the executive branch of a congressional act, and thus of at least co-equal weight with that of the judiciary (*see* part D of this argument), but also because it is amply supported by congressional debates.

Amici share EEOC's understanding of the legislative history of Title VII, as it is wholly consistent with this Court's ruling in *Griggs*, 401 U.S. 424, *Albemarle*, and *Franks*. *See* Section III, *supra*. EEOC's finding of the congruency of Title VII with Executive Order 11246 is also correct.

"The legislative history of the Equal Employment Opportunity Act of 1972 shows that Congress repeatedly rejected limitations on affirmative action under the Executive Order, including the goals and timetables approach that had become by that time a central feature of the implementation of the Order. . . . The Congress which acted to allow the Executive Order program to continue would not, in the same measure, invalidate it under Title VII. The statute should be construed to avoid such a contradictory conclusion, especially where such a conclusion would undermine the expressed Congressional purpose of opening employment opportunities to minorities and women who had in the past been denied such opportunities." 44 C.F.R. at 4423.

For a more detailed analysis of the 1972 Title VII debates, *amici* refer the Court to the *amicus curiae* brief submitted in this

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case by the NAACP Legal Defense and Education Fund, Inc.

Assuming for the purposes of argument that there are other possible readings of the legislative intent behind Title VII, *amici* contend that at best, those readings would lead to an ambiguous or ambivalent intent upon the part of Congress. As *amici* argued in Section I of this brief, in such circumstances the Court must interpret that ambiguity or ambivalence in accordance with the mandates of the Thirteenth Amendment so as not to erect barriers to the elimination of vestigal badges and incidents of slavery. EEOC's interpretation of the legislative history is consistent with the Thirteenth Amendment and should be embraced by this Court for this reason as well.

B. The Standards of Reasonableness Contained in EEOC's Affirmative Action Guidelines Give Employers, Unions, and Others Subject to Title VII the Legal Latitude and Protection Required to Encourage Voluntary Affirmative Action.

The standards spelled out by the guidelines reveal a practical understanding of the interests of those subject to Title VII's commands and of the existence of institutional discrimination.

The core of the guidelines is their "three A's" concept: reasonable self-analysis, a reasonable basis for concluding that action is appropriate, and reasonable action. Section 1608.4.

If the self-analysis (Section 1608.b(4)) discloses any one of the conditions described as a "reasonable basis for concluding that action is appropriate" (Section 1608.4(b)), voluntary action which is "reasonable in relation to the problems dislcosed by the self-analysis" (Section 1608.4(c)) may be taken. These "reasonable actions" include "appropriate employment tools which recognize the race, sex or national origin of applicants or employees" and "may include . . . practices which will eliminate" the conditions revealed by the self analysis. *Id.*

The circumstances under which one can conclude that voluntary affirmative action is appropriate are explained in Section 1608.3. Of particular relevance to this case is Section 1608.3(c) which explains that "historic restrictions" by other than the party taking affirmative action may cause the "available pool . . . of qualified minorities and women" to be "artificially limited." The section goes on to encourage voluntary action to overcome such circumstances, including training programs such as the one at issue in this case.

These standards do not in any way make the lawfulness of affirmative action hinge on the lawfulness of the prior conduct of the party taking affirmative action. (Section 1608.4(b); Section 1608.3.) Evidence of past discrimination of any kind by that party—even the existence of a "prima facie" case—is not a pre-condition for taking affirmative action.

C. EEOC's Affirmative Action Guidelines Do Not Condition Affirmative Action on the Existence of Evidence that the Law May Have Been Violated; They Recognize That the Interest of Parties Who Implement Affirmative Action Plans Is to Suppress and not to Produce Evidence of Their Own Discriminatory Actions and to Portray Themselves as Remedying "Societal Discrimination."

This case convincingly demonstrates and simple logic confirms that it is unrealistic to expect those who can be held liable for violating Title VII and the civil rights of minorities and women to come forth with evidence exposing themselves to such liabilities. It is far more likely that employers and unions will attribute existing segregated areas to discrimination by others or to acts which, though discriminatory in result, nonetheless were legal. Furthermore, in many cases, such attribution will be entirely accurate.

There is a "smoking gun" in this case: the clear evidence of past discrimination alleged by a government agency. Petitioners, the United States of America, have filed with this Court findings made in 1971 by federal compliance officers, acting pursuant to Executive Order 11246, that craft employment practices at Kaiser's Gramercy plant did not conform with the O.F.C.C.'s antidiscrimination requirements. (Brief of the United States of America on *Petition for Writ of Certiorari* at 18.) Additional findings by federal compliance officers in 1973 state that Kaiser had waived its prior experience requirements for whites, but not for Blacks who had applied for craft positions. *Id.* Furthermore, those experience requirements had not been validated. (1973 findings filed with this Court by the United States of America, at 1-2.) Were it not for the petition for *certiorari* to this Court, and the government's resulting decision to file these critical documents with the Court, this case might have proceeded under the illusion that there had been no past discriminatory acts by the Petitioners.

Although the "smoking gun" was not presented to the district court, there was overwhelming evidence of its existence: the repeated testimony that Kaiser and the Union were acting to conform to the requirements of Executive Order 11246 and Title VII (Jt. Ex. No. 2, p. 13, Tr. 41, 100, 104, 106, 108, 110), the glaring statistical disparity between Blacks in the skilled jobs (2%) and Blacks in the area's labor force (39%), and the absence of evidence validating the skill experience requirements.

Despite all of this evidence and the undoubted awareness of the existence of the "smoking gun," Kaiser has insisted throughout this litigation that it was completely innocent of any wrongdoing. It has consistently attributed the statistical disparities in its craft jobs to the discriminatory acts of others, labeling such conditions "societal discrimination." Only the Union has pressed some of these arguments of possible past violations, which it now has chosen to abandon.[26]

Amici believe that both the union and the employer have a substantial interest by their affirmative action programs to curtail liability for past discrimination and to eliminate the badges of slavery. Nonetheless,

"... [N]o litigant wanted to see past discrimination found. The plaintiffs knew it would weaken their case. Kaiser and the Union could only admit past discrimination by strongly inviting private suits by blacks. Although the trial below was in no way collusive, the defendants could well have realized that a victory at the cost of admitting past discrimination would be a Pyrrhic victory at best. In the district court no one represented the separate interests of the minority employees of Kaiser, the only people potentially interested in showing past discrimination. It is not surprising, therefore, that no party fully analyzed the facts within the context of Title VII." 563 F.2d at 231 (Wisdom, J., dissenting opinion).

Reliance on employers and unions to marshal any evidence of their own misconduct, much less convincing evidence, which may give rise to massive civil liability and warranted public criticism is wholly misplaced.

The revelation of past discrimination in this particular case should not cloud the fact that parties are more apt to do as Kaiser has done—proclaim their innocence and blame their sorry statistical patterns on discriminatory conduct of others. However, as argued in Section II, *amici* fully agree that "societal discrimination" (a concept included in the term "institutional discrimination" used by *amici*) occurs and undoubtedly contributed to Kaiser's segregated work force. Kaiser's position may in fact be accurate with respect to other Kaiser operations or similar industrial employers. The consequences of a position which prevents voluntary action to overcome societal discrimination were well-stated by Judge Wisdom:

"In the present case the problem is clear. The history of discrimination in the trades is a sorry record of continual exclusion of women and minorities. Yet how many of the excluded workers could prove that they had applied for and been refused crafts jobs or training? How many have been deterred by the knowledge of their exclusion from even attempting to find crafts jobs? In some circumstances it is possible to determine whether a particular person has been harmed by discrimination, and to provide relief to that person. Here we know the discrimination existed, statistics show that it was effective, but it is difficult to identify individual victims. That situation would prevail against Title VII suits directly against the discriminating unions or in situations similar to the one this case presents, where third parties seek to compensate for the discrimination. *The result would be a wrong without a remedy.*" 563 F. 2d at 235-236 (emphasis added).

The concept of societal discrimination is useful to describe the phenomenon whereby discrimination in one economic sector affects outcomes in another sector. It also encompasses the fact that present discrimination and the effects of past discrimination in employment, education, housing, and other areas of private and public life interact with one another. *See, e.g.*, U.S. Commission on Civil Rights, *Equal Opportunity in Suburbia* (1974). Its emphasis is on systems of discrimination and their resulting conditions, not on any need to identify individual entities which may legally be held responsible for causing those conditions.

When used in this sense, societal discrimination describes that kind of institutional discrimination which is not subject to judicially compelled remedies—in Justice Wisdom's words, where "[t]he result would be a wrong without a remedy," 563 F.2d at 236. If this Court requires that some evidence of a legal violation be acknowledged to exist as a pre-condition for affirmative action, it would limit affirmative action to the scope of legal obligations: conditions that the law did not arguably *require* an employer to remedy, the law would not *permit* the employer to remedy voluntarily. The result would be to freeze societal discrimination into the social and economic order. The EEOC's guidelines, by eschewing any such limits on voluntary action, properly avoid erecting such barriers to the full implementation of the national commitment embodied in the Thirteenth Amendment.

D. EEOC's Guidelines on Affirmative Action, Issued Pursuant to Reorganization Plan No. 1 of 1978 and Executive Order 12067, Express the Interpretation of a Congressional Act by the Executive Branch and Should Be Accorded Great Judicial Deference.

As a result of the President's Reorganization Plan No. 1 of 1978 (43 Fed. Reg. 19807 (May 9, 1978)), reorganizing federal fair employment enforcement efforts, the EEOC has gained several new responsibilities and added authority, including replacing the Equal Employment Opportunity Coordinating Council (EEOCC).[27] EEOC's Affirmative Action Guidelines are the first action by the EEOC pursuant to its new powers.

In his message transmitting the reorganization plan to the Congress,[28] the President summarized its intent as follows:

> This plan makes the EEOC *the principal Federal agency* in fair employment enforcement. . . . It gives the Equal Employment Opportunity Commission—an agency dedicated solely to this purpose—*the primary Federal responsibility* in the area of job discrimination. . . . *Weekly Compilation of Presidential Documents* at 400, 404 (February 27, 1978)" (emphasis added).

Footnotes at end of article.

With respect to the abolition of the EEOCC and the transfer of its functions to the EEOC, the President stated:

"... [T]his plan places the [Equal Employment Opportunity] Commission at the center of equal employment opportunity enforcement. With these new responsibilities, the EEOC can give coherence and direction to the government's [fair employment] efforts. . . . Such direction has been absent in the Equal Employment Opportunity Coordinating Council." *Id.* at 402–403.

The absence of such leadership by the EEOCC on both substantive and procedural civil rights matters had caused the U.S. Commission on Civil Rights to call for the elimination of the EEOCC and the creation of a new body with the needed overall authority. United States Commission on Civil Rights, *The Federal Civil Rights Enforcement Effort—1974; Volume V, To Eliminate Employment Discrimination.* 617, 647–649.

The reorganization plan makes the EEOC the leader in setting and coordinating federal job discrimination laws. Its authority to do more than coordinate the federal fair employment effort is manifest in Executive Order 12067 (43 Fed. Reg. 28967 (July 30, 1978)), the Presidential decree implementing Reorganization Plan No. 1. Section 1–201 of this Order states that the EEOC "shall provide leadership . . . to the efforts of Federal departments and agencies" having equal employment opportunity enforcement responsibilities. Section 1–303 instructs these departments and agencies to "comply with all final rules, regulations, policies, procedures and orders of the EEOC." These formal grants of power are reinforced by Section 1–306, which empowers the EEOC to make budgetary recommendations to the Office of Management and Budget regarding "staff size and resource needs" of covered agencies. Consolidating EEOC's authority and providing for orderly decision-making in the event federal fair employment departments or agencies may disagree, Section 1–307 of the Executive Order creates a "dispute resolution mechanism" for taking disagreements to the Executive Office of the President. Section 1–307(a) stresses that this dispute mechanism "should be resorted to only in *extraordinary circumstances*" (emphasis added).

Pursuant to Executive Order 12067, drafts of the now final affirmative action guidelines were repeatedly circulated among and reviewed by government civil rights agencies before being adopted by the EEOC. *BNA Daily Labor Report,* September 19, 1978, at A–7; October 20, 1978, at A–6; December 11, 1978 at AA–1. Pursuant to Section 1–303 of Executive Order 12067, all federal departments and agencies must comply with its requirements.

These guidelines therefore, are not only the administrative ruling of the agency charged with enforcing Title VII. They also declare fair employment law for the entire executive branch; they embody congressionally approved policy reasons demanding a coordinated and consistent executive fair employment enforcement effort; and they state the executive branch's considered determination of the legislative history of Title VII and of its long practical administrative experience with enforcing fair employment laws.

Amici submit that the understanding of the amount of deference owed EEOC's judgments explained in *Gilbert* v. *General Electric Co.,* 429 U.S. 125 (1976), should be reexamined in light of the recent reorganization. Congress and the President gave EEOC civil rights leadership authority. That decision and EEOC's actions pursuant to it should be given "great deference". *Griggs* v. *Duke Power Co., supra,* at 433–434; *Espinoza* v. *Farah Mfg. Co.,* 414 U.S. 86, 94 (1973); *Albemarle Paper Co.* v. *Moody, supra,* at 430–431. However, judged under even the restrictive (and as *amici* believe, outdated) standards in *Gilbert, supra* at 141–142, much less the more deferential (and now correct) standards in prior cases, the guidelines should get "high marks" (*Gilbert, supra* at 143).

Obviously, the guidelines are not "a contemporaneous interpretation of Title VII." *Gilbert, supra,* at 142. There was no need for affirmative action guidelines until those subject to Title VII began to realize in recent years that if they did not voluntarily act to correct conditions attributable to discrimination, they would be forced, potentially at great expense,[29] to take such corrective action in any event. The issuance of guidelines was appropriate only after the EEOC and the executive branch had acquired some experience in dealing with charges that those seeking to comply with Title VII were allegedly violating the very Act they were seeking to implement. The Guidelines were issued as soon as the need became apparent and the executive branch could decide upon a comprehensive approach.[30]

Unlike other EEOC interpretations struck down by this Court in *Espinoza* and *Gilbert,* the affirmative action guidelines are consistent with—indeed, they even incorporate—the only pre-existing document which stated the position of the key civil rights enforcement agencies on affirmative action. Section 1608.4(c) (1) quotes the most important sections of the Equal Employment Opportunity Coordinating Council's "Policy Statement on Affirmative Action Programs for State and Local Government Agencies." 41 Fed. Reg. 38814 (September 24, 1976). There may exist other pronouncements issued by individual agencies stating views on the legality of affirmative action plants. To *amici's* knowledge, however, no other pronouncements express the position of the principal civil rights enforcement agencies (the EEOC, the Department of Labor, the Civil Service Commission and the Department of Justice). While the 1976 policy statement is not nearly as comprehensive or specific as the 1979 guidelines, it is wholly consistent with the more definitive standards set forth in the guidelines.

The critical question with respect to the guidelines is their reading of the legislative purposes behind Title VII. Notably, these guidelines once again differ from other EEOC interpretations struck down by this Court. The affirmative action guidelines contain a reasoned and explicit statement of the fundamental purposes underlying Title VII. The administrative interpretations in *Espinoza* or *Gilbert* addressed discrete, limited areas. The guidelines at issue herein go to the very heart of the meaning of Title VII. This Court cannot equate the *Espinoza* and *Gilbert* situations of specific provisions having little legislative history with the definitive expression by the executive branch of its position on the overall purposes of Title VII.

The President, and by their consent to the reorganization, the Congress, have vested considerable new power in the EEOC. Their confidence in that agency and the real need for confidence in its judgments by the American public should be reflected in the great weight this Court should accord its guidelines promulgated pursuant to its Federal fair employment leadership authority.

V. CONCLUSION

For the foregoing reasons, *Amici* respectfully urge the Court to reverse the judgment of the court of appeals with instructions to the district court to dismiss the case.

Respectfully submitted,

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FOOTNOTES

[1] *Amici* firmly believe that the loss of voluntary affirmative action as a remedial tool will most definitely mean reversal of progress already made. *Amici* would point out only that a recent Association of American Medical Colleges report stated that the proportion of first year Black medical students is the lowest it has been since 1970. The report said that Black students make up 6.4% of the first year class in the 124 medical schools in the country, as against 6.7% last year. This drop occurred despite the fact that most admission decisions in this year's class were made prior to the Court's ruling in *Regents of the University of California* v. *Bakke,* —— U.S. ——, 98 S. Ct. 2733 (1978).

[2] 109 U.S. at 26, *United States* v. *Jefferson County School Board of Education,* 372 F.2d 836, 873 (5th Cir. 1966).

[3] See opinion of Justice Wisdom in *Singleton* v. *Jackson Municipal Separate School District,* 348 F.2d 729, 730 (5th Cir. 1965).

[4] Similarly, women coming into the work force are often the victims of institutional sexism and blamed for "taking men's jobs." Indeed, the outcome of this case may well have an adverse impact on affirmative action for women also. A portion of Kaiser's affirmative action plan not challenged by Respondents contains a 5% goal for women.

[5] The fact that the original Title VII in 1964 was passed pursuant to the commerce clause alone, and not pursuant to the commerce clause and Section 5 of the Fourteenth Amendment or Section 2 of the Thirteenth Amendment, does not mean that Title VII was not intended to enforce the mandates of those amendments. The 1963 Congress inherited the "state action" doctrine of the *Civil Rights Cases* of 1883, as well as Justice Bradley's evisceration of both the Thirteenth and Fourteenth Amendments. The Representatives and Senators who debated the Civil Rights Act of 1964 were clearly mindful of these legacies. Some wanted to accommodate them and some desired to challenge them. *See, e.g.,* the discussion on this point in Senate hearings on Title II, the public accommodations section of the Act. Then Attorney General Robert Kennedy presented the Administration's position supporting the use of the commerce clause to circumvent the Bradley rationale:

"We base this on the Commerce Clause which I think makes it clearly constitutional. In my personal judgment, basing it on the 14th Amendment would also be constitutional. . . .

". . . I think that there is argument about the 14th Amendment basis—going back to the 1883 Supreme Court decision [Civil Rights Cases], and the fact that there is not state action—that therefore Congress would not have the right under the 14th Amendment to pass any legislation dealing with it. . . . I think that there is an injustice that needs to be remedied. We have to find the tools with which to remedy that injustice. . . .

"There cannot be any legitimate question about the Commerce Clause. That is clearly constitutional. We need to obtain a remedy. The Commerce Clause will obtain a remedy and there won't be a problem about the constitutionality. . . . Hearings before the Senate Committee on Commerce on S. 1732, 88th Cong., 1st Sess., parts 1 and 2."

[6] Because of the extraordinary interest in

the issues presented in this case, a large number of *amicus* briefs have been filed. The following statement of principles will apprise the Court of the mutual support of many *amici* for a number of basic positions in defense of the affirmative action program in controversy in the present case.

1. This country cannot attain true equality of opportunity without affirmative action.

2. Title VII and the anti-discrimination principle must be understood in the context of our nation's history of discrimination against non-white people and women and its resulting national patterns of underrepresentation and inequality in the workforce.

3. As explained by the Equal Employment Opportunities Commission in its "Guidelines on Affirmative Action," which, as a result of Executive Order 12067, states the position of the executive branch: "Congress enacted Title VII in order to improve the economic and social conditions of minorities and women by providing equality of opportunity in the workplace . . . . Voluntary affirmative action to improve opportunities for minorities and women must be encouraged and protected in order to carry out the Congressional intent embodied in Title VII."

4. Title VII and the anti-discrimination principle should not be a search exclusively for villains and villainous acts. On the contrary, the focus should be on current unequal conditions and providing mechanisms for their elimination.

5. The remedies for discrimination against minorities and discrimination against women are inextricably linked.

6. Voluntary action on the part of employers and unions is instrumental in redressing the pervasive patterns of discrimination addressed by Title VII and Executive Order 11246, but this objective cannot be achieved if employers and unions must first expose themselves to charges that they are violating the very laws they are seeking to implement.

7. Long experience shows that, in many instances, appropriate "employment tools which recognize the race, sex, or national origin of applicants and employees" (EEOC's Affirmative Action Guidelines), such as those at issue in this care, are presently the only means by which true equal opportunity can be achieved.

8. Endorsement of voluntary affirmative action in no way diminishes the need for judicially mandated or administratively required affirmative measures which provide the necessary incentive for voluntary action.

[7] See Kinoy, The Constitutional Right of Negro Freedom. 21 *Rutgers Law Review* 387 (1967).

[8] In *Jones,* the Court upheld an effort by black citizens to invoke federal equity power to restrain racial discrimination by private individuals in the sale of real estate. The Court found statutory authority for this exercise of federal judicial power in one of the original Reconstruction Statutes, the Civil Rights Act of 1866. Section one of this Act provided that "citizens of every race and color . . . shall have the same right . . . to inherit, purchase, lease, sell, hold, and convey real and personal property . . . as is enjoyed by white citizens. . . ." In resting judicial action upon this statutory basis the Court was forced to face the ultimate question of the source for Congressional legislation in the area of Negro rights in the power created by the Thirteenth Amendment "to *pass all laws necessary and proper* for abolishing all badges and incidents of slavery in the United States.'" Arthur Kinoy, "The Constitutional Rights of Negro Freedom Revisited: Some First Thoughts on *Jones* v. *Alfred H. Mayer Company,*" 22 Rutgers L. Rev. 537, 538–539 (1968) (footnotes omitted).

[9] *Amici* believe that other racial minorities of color suffer from the badges and indicia of slavery imposed on Blacks. *Amici* agree with the views propounded by *Amici* Rutgers University, Rutgers Alumni Association, and the Student Bar Association of the Rutgers Law School in their brief in *Bakke, supra,* where it is stated: "American Indians, Hispano-Americans, and Asian-Americans are also persons of color belonging to racial classes whose position makes them subject to the badges and incidents of servitude. Social scientists have defined minorities as groups of people 'who, because of their physical or cultural characteristics, are singled out from the others in the society in which they live for differential and *unequal treatment,* and who therefore regard themselves as objects of collective discrimination. The existence of a minority in a society implies the existence of a corresponding dominant group with higher social status and greater privileges. Minority status carries with it the exclusion from full participation in the life of society.' G. Simpson & J. Yinger, *Racial and Cultural Minorities; An Analysis of Prejudice and Discrimination II* (4th ed. 1972) (emphasis added). Pursuant to Title VII of the Civil Rights Act of 1964, the United States Equal Employment Opportunity Commission requires reporting firms to provide periodic employment statistics on blacks, orientals, American Indians, and Spanish surnamed Americans. Employer Information Report Form EEO–1. These groups fit the social science definition, as the EEOC has recognized. Although in this brief *Amici* emphasize the excluded condition of black Americans, the situation of these other racial minorities replicates in varying degrees the situation of blacks." (p. 7)

[10] *See* J. Feagin and C. Feagin, *Discrimination American Style: Institutional Racism ad Sexism,* Chs. 1–3, 6 (1978); U.S. Commission on Civil Rights, *Racism in America: How to Combat It* (1970).

[11] The difference in percentages reflects irregularities in data provided by the unions on the EEO–3 forms, including: failure to report; overestimation of minority membership; categorical combining of non-construction and semi-skilled workers with construction journeymen; combining apprentices with journeymen; and failure to report actual referral opportunities. Report at 38.

[12] *See* Brief *Amicus Curiae* of the NAACP Legal Defense and Education Fund, Inc., submitted in this case.

[13] *See* part A of this section of the argument.

[14] The Thirteenth Amendment reaches private employment contracts and justifies prohibitions against racial discrimination in that context. *Johnson* v. *Railway Express Agency,* 421 U.S. 454, 459–60 (1975); *Jones* v. *Alfred H. Mayer Co., supra* at 441 n.78. While these cases upheld Congressional legislation that may be appropriate under the Thirteenth Amendment, both cases indicated that the Thirteenth Amendment does not require implementing legislation. The Thirteenth Amendment is "an absolute declaration that slavery shall not exist in any part of the United States." *Civil Rights Cases, supra* at 28. *See* section I, *supra.*

[15] See, *e.g.,* United States Commission on Civil Rights, *Social Indicators of Equality for Minorities and Women* (August, 1978).

[16] See *McDonald* v. *Santa Fe Transportation Co.,* 427 U.S. 273 (1976).

[17] *Commonwealth of Pennsylvania* v. *O'Neill,* 473 F.2d 1029 (3d Cir. 1973); *Southern Illinois Builder's Assoc.* v. *Oglivie,* 471 F.2d 680 (7th Cir. 1972); *Assoc. General Contractors of Mass. Inc.* v. *Altshuler,* 490 F.2d 9 (1st Cir. 1973), *cert. denied,* 416 U.S. 957 (1974); *Crater* v. *Gallagher,* 452 F.2d 315 (8th Cir. 1972), *cert. denied,* 406 U.S. 950 (1972); *Occidental Life Insurance Co. of California* v. *EEOC,* 432 U.S. 355 (1977).

[18] *United States* v. *Allegheny Ludlum Industries, et al.,* 517 F.2d 826 (5th Cir. 1975), *cert. denied,* 425 U.S. 944 (1976).

[19] *Contractors Assoc. of Eastern Pennsylvania* v. *Secretary of Labor,* 442 F.2d 159 (3d Cir. 1971).

[20] *See* generally, Askin, F. *Eliminating Racial Inequality in a Racial World,* 2 Civil Liberties L. Rev. (1975).

[21] *Yick Wo* v. *Hopkins,* 118 U.S. 356 (1886).

[22] Although the concept of racial inferiority is a "badge and incident of slavery", it is anomolous to state that Blacks were not denied the opportunity for skill development during slavery, but as a facet of the "peculiar institution" were required to serve as skilled craftsmen to maintain the plantation as an ongoing, viable economic entity. Only as freed slaves did craft participation on the part of Blacks become an issue. In the marketplace of skilled labor, Blacks were not allowed to compete, thus preventing them from continuing as skilled craftsmen although as slaves, skilled services were required. Exclusion of freed slaves from skilled trades was justified on the basis of Black inferiority, a "badge and incident" of slavery.

[23] In speaking to his amendment to strike a provision transferring Executive Order enforcement to E.E.O.C., Senator Saxbe stated:

"The Executive Order should not be confused with the judicial remedies for proven discrimination which unfold on a limited and expensive case-by-case basis. Rather, affirmative action means that all Government contractors must develop programs to insure that all share equally in the jobs generated by the Federal Government's spending. Proof of overt discrimination is not required. 118 Cong. Rec. 1385. *See also, Contractors Assoc. of Eastern Pennsylvania* v. *Secretary of Labor, supra.*"

[24] *Albemarle Paper Co.* v. *Moody, supra,* citing *United States* v. *N. L. Industries, Inc.,* 479 F.2d 354, 379 (8th Cir. 1973); Title VII, Civil Rights Act, 1964, 2000 *et seq.*

[25] *Porcelli* v. *Titus,* 302 F. Supp. 726 (D.C. N.J. 1966) aff'd, 401 F.2d 1254 (3rd Cir. 1970).

[26] The Union argued in the court below that the statistics created a *prima facie* case of discrimination against Kaiser. (Brief of United Steelworkers of America on *Petition for Writ of Certiorari,* at 3, n. 2.)

[27] *Id.,* Reorganization Plan No. 1 of 1978, Section 6. The EEOCC, composed of the Department of Justice, Department of Labor, Civil Service Commission, Commission on Civil Rights and the EEOC, had been charged with responsibility for "developing and implementing agreements, policies and practices designed to maximize effort, promote efficiency and eliminate conflict, duplication inconsistency and competition," thereby improving the federal civil rights enforcement effort. 42 U.S.C. § 2000e–14.

[28] 5 U.S.C. § 906 provides that a reorganization plan goes into effect 90 days after its transmittal to Congress unless vetoed by either House of Congress.

[29] *Albemarle Paper Co.* v. *Moody, supra,* establishing the right to back pay even in the absence of bad faith, was decided only three and one half years ago, in June, 1975.

[30] A draft of the guidelines on this controversial issue was first released to the public in 42 Fed. Reg. 64826 (December 28, 1977) and subjected to extensive public comment.

APPENDIX

The *Affirmative Action Coordinating Center (AACC)* is an organization created by the National Conference of Black Lawyers (NCBL), the Center for Constitutional Rights (CCR) and the National Lawyers Guild (NLG), with the participation of a cooperating network of civil rights, civil liberties, and other organizations. Many network organizations as well as other groups have joined as *amici* in this brief.

The AACC was formed in response to the proliferation of attacks on affirmative action programs. Its purposes are to stimulate and coordinate resources and legal strategies for the defense and expansion of affirmative action programs. The AACC has convened roundtables of civil rights, labor and women's rights attorneys to discuss the *Weber* and *Bakke* cases.

AACC publishes an informational newsletter entitled *AACC News*. It has installed a national telephone "hotline" to receive and dispense information on affirmative action developments. It is preparing several educational publications on affirmative action in education and employment. The AACC has conducted and is planning other activities designed to increase communication and enhance joint efforts by all groups and individuals interested in strengthening effective affirmative action programs.

The *National Conference of Black Lawyers* (NCBL) is an activist legal organization of Black Lawyers, law professors, judges and law students dedicated to serving as the legal arm of the Black community. Since its inception in 1968, NCBL has been actively involved in the continuing struggle for equal employment opportunity. Over the past five years, NCBL has been a leader in the battle against the growing concept of "reverse discrimination." NCBL strongly believes that the adoption of the principle of reverse discrimination by the courts and the continued attacks on voluntary affirmative action plans, as in *Bakke* and *Weber*, represent a rejection of the nation's professed commitment to equality of opportunity. Without the right to initiate voluntary affirmative action plans to redress the effects of 400 years of racial discrimination, the goal of equal employment will continue to be a commitment with form but no substance.

The *National Lawyers Guild* was founded in 1937 as a multi-racial and progressive alternative to the racially restrictive and conservative American Bar Association. Its commitment to civil rights dates back to efforts to eliminate the poll tax and white primaries. In 1962, the Guild dedicated its full resources to the legal support of the civil rights movement. In support of affirmative action, the Guild filed briefs as *amicus curiae* throughout the course of the *Bakke* litigation and in 1977, joined with the NCBL to cosponsor a *Bakke amici* roundtable attended by forty organizations.

The *Center for Constitutional Rights* (CCR) was born of the civil rights movement and the struggles of Black people in the United States for true equality. CCR attorneys have been active in cases involving voting rights, jury composition, community control of schools, fair housing and employment discrimination. Through litigation and public education, they have worked to protect and make meaningful the constitutional and statutory rights of women, Blacks, Puerto Ricans, Native Americans and Chicanos.

The *Center for Urban Law, Wayne County Neighborhood Legal Services*, represents persons in the Detroit metropolitan area. Its client population is composed of numerous racial and ethnic minorities unable to afford the price of conventional legal services. Many of its clients are non-white and the historical victims of societal and institutional racism. A large percentage of them are unemployed, underemployed, and frustrated by the employment market. Voluntary affirmative action programs of the nature instituted by the appellants have aided this client population by opening a small avenue to secure employment and other benefits. To withdraw the benefits of these affirmative action plans just as small yet significant gains are occurring will have a devastating effect on them.

The *Affirmative Action Coalition of Chicago* is a coalition of minority and non-minority workers, students, professionals and community people. Its goal is to build a broad affirmative action coalition within Chicago to educate and organize people to fight for equal rights in employment, education and community services. The *Weber* case has particular significance to Chicago since it has the largest concentration of steelworkers in the country and the largest percentage of minorities of any union district in the United Steelworkers of America. The Affirmative Action Coalition of Chicago sees the importance of extensive legal, as well as general political work in the fight around the issues in the *Weber* case. It firmly supports the belief that all forms of racial discrimination must be eradicated as remnants of slavery.

The *Affirmative Action Coalition of San Diego (AAC)* is a group of individuals and organizations that evolved out of the anti-Bakke movement. It has been involved in educating the community and the labor force about the *Bakke* decision and pending *Weber* case. The AAC of San Diego's position is that affirmative action in employment and education is legal and must be defended and expanded. It is administering a survey to over 60 organizations and institutions to determine the effect in San Diego of the *Bakke* decision.

The *American Association for Affirmative Action*, a non-profit organization, was founded in 1974. Men and women from protected and unprotected classes, corporations and educational institutions, representing both the public and private sector, work together through the Association for effective affirmative action/equal opportunity in employment and education nationwide. As a national organization of professionals in the field of affirmative action/equal opportunity, the Association strongly endorses and supports the concept of voluntary affirmative action It recognizes this vehicle as an essential tool in overcoming the effect of systematic discrimination and exclusion.

The *Black American Law Students Association* (BALSA) is the representative organization of Black law students in the nation.

The purpose for which BALSA was formed is to articulate and promote the professional needs and goals of Black American Law Students: to influence American law schools, legal fraternities and associations to use their expertise and prestige to bring about change within the legal system in order to make it responsive to the needs of the Black community. In keeping with this purpose, BALSA supports the maintenance of affirmative action programs within education and employment. Recognizing the reality that most Black Law Students are the products of affirmative action admissions programs, BALSA actively endorses programs that insure their employment. It is with this interest that BALSA has chosen to participate in an Amicus Brief that argues the legality of the voluntary affirmative action employment program as exemplified in the *Weber* case.

Black Economic Survival (BES) is a community-based organization that seeks jobs for minorities in the construction industry in the New York metropolitan area. BES joins this brief because it is acutely aware of the exclusion of Black and other minority workers from skilled jobs in the construction industry and elsewhere and from access to the training necessary to obtain such jobs. BES believes that affirmative action training programs such as that instituted at the Kaiser Gramercy plant are essential if Blacks and other minority workers are ever to obtain access to skilled craft jobs. Without such programs, Blacks and other minority workers, who have for 200 years been the victims of a racist society, will continue to be excluded from a large segment of employment opportunities and from obtaining necessary skills.

The *Center for United Labor Action (CULA)* is a national organization devoted to the furtherance of unity and solidarity in the labor movement. Its members are trade union officials, rank and file workers, unemployed persons and activists in the community. The CULA, through its individual members and as an organization, has participated in fighting for affirmative action programs throughout industry. In 1972, the CULA was named a Party of Interest in one of the first major affirmative action battles in industry. In proceedings before the Federal Communications Commission on behalf of many telephone workers and the public, AT&T was charged with race and sex discrimination. The CULA strongly objects to the dangerous interference of the lower courts into the collective brgaining process of the United Steel Workers with Kaiser Aluminum. The *Weber* decision below infringes upon the right of a union to enter into negotiated agreements that are fully consistent with the spirit and needs of the union movement and its members. In defending the Gramercy program the United Steel Workers of America is upholding its own constitution and its obligation to represent all of its members. The present decision clearly endangers the right of the union to carry out the mandate of its constitution.

The *Charles Houston Bar Association of Oakland, California*, is a bar association of Black attorneys in Northern California which promotes the interests of justice and equality for all people. The Association joins this brief in order to express its interest in ensuring that voluntary affirmative action programs are upheld throughout the country.

The *Christian Church* (*Disciples of Christ*) is a protestant denomination of some 1.2 million members. Through the resolutions of its General Assembly and the work of the Department of Church in Society, it has long been involved in social ministries in the fields of human relations and civil rights. On a number of occasions it has joined with others in filing *amicus curiae* briefs arguing for the rights of all persons before the law.

The *Church and Society Network, Inc.* is an independent society of Episcopalians and other Christians involved in carrying out the Church's social mission in over 20 metropolitan areas in the United States. Church and Society Network joins as an *amicus* because its daily contact with ghetto neighborhoods makes it acutely aware of the physical and emotional devastation caused by the lack of employment opportunities for non-whites and women in this country, pointing to the urgent need to support all voluntary affirmative action efforts.

Church Women United (*CWU*) is an ecumenial movement of Protestant, Roman Catholic and Orthodox women seeking to witness for Christ in the church and in the world. CWU's support for affirmative action in order to achieve equal employment opportunity is validated not only by the United States Constitution, but by its commitment to justice as religious women of faith.

The *Coalition of Black Trade Unionists* (*CBTU*) is an organization consisting of representatives from 57 international and national unions with 27 chapters located across the country. CBTU filed an *amicus curiae* brief with this Court in the *Bakke* case. CBTU joins as an *amicus* in this brief because it considers that the *Weber* case has a tremendous potential adverse impact on affirmative action employment programs established for Blacks, other minority workers, and women across the country. CBTU especially supports the Thirteenth Amendment analysis taken in this brief because of its knowledge of the daily experience of its members, who suffer the impact of this country's two hundred years of racial discrimination.

The *Delta Ministry*, which functions in Mississippi, is a related movement to the National Council of Churches and is affiliated with the Division of Church and Society. The Delta Ministry is involved in community development efforts, human rights, and educational and economic justice issues with the poor and Black communities in the state of Mississippi. The Delta Ministry joins as an *amicus* because its 15 years of involvement in economic justice issues, particularly in the struggle for equal employment rights for all Americans and especialy those in the State of Mississippi, has demonstrated that affirmative action programs are essential if the badges and indicia of slavery are to be overcome in the area of employment.

Equal Opportunity Forum is a national equal rights publication reporting on classes protected by federal and state anti-discrimination laws. *Equal Opportunity Forum* joins as an *amicus* because of its understanding of the necessity for affirmative action programs including those of a voluntary nature, such as the one at issue in the *Weber* case. It considers these programs to be essential vehicles for the implementation of equal employment opportunities.

The *Farm Labor Organizing Committee (FLOC)* is a farm worker's union and community organization dealing primarily with Chicanos in northwestern Ohio, eastern Indiana, and southern Michigan. It is FLOC's experience that Chicanos and other minorities suffer from staggering rates of unemployment and underemployment. FLOC joins as an *amicus* because it believes that an elimination or weakening of affirmative action programs would increase the suffering of Chicanos and other minorities who have extreme difficulty meeting the basics of life. FLOC is especially concerned about the thousands of farmworkers displaced by mechanization. Without affirmative action programs to increase the number of minorities employed generally, even fewer jobs would be available to these workers.

Filipinos for Affirmative Action, Inc. is an Oakland, California, based organization which seeks to accomplish the following goals and objectives: 1) to promote and project Filipino interests on all aspects of life that affect the general well-being of Filipinos; 2) to identify and evaluate the educational social and economic problems of Filipinos with the view to helping find appropriate relief and solutions; 3) to provide information and referral services to new immigrants, unemployed Filipinos, youth, and other segments of the Filipino community; 4) to encourage and assist in developing and implementing, in cooperation with appropriate agencies, affirmative action programs, and other such programs as well and better equip themselves toward attaining self-sufficiency; 5) to encourage and facilitate the greater exchange, compilation, and distribution of information concerning Filipinos on local, state, and national levels.

The *Health Coalition for Affirmative Action* is a New York based group of health professionals and health and civil rights organizations working to preserve and enlarge affirmative action programs in medical and nursing schools. The Health Coalition for Affirmative Action joins as an *amicus* in this brief recognizing the interdependence of affirmative action programs in employment and in education.

The *Indian Law Resource Center* is an educational and charitable organization based in Washington, D.C., devoted principally to the protection and enhancement of the legal rights of American Indians. One of the purposes of the Center is to seek the elimination of racial discrimination through education and legal efforts. Essential to this effort is the concept of "special measures" and affirmative action. For many years the federal government has established and implemented, albeit imperfectly, the policy of "Indian preference" regarding employment of Indian persons by various federal agencies. The Center is vitally interested in the protection and continuing affirmation of the Indian preference policy and other measures, such as affirmative action, designed to overcome the continuing social and economic discrimination experienced by American Indians and other nonwhite people.

The *Interreligious Foundation for Community Organization (IFCO)* is a public, charitable foundation whose 37 member board represents a cross-section of religious, educational and grass roots organizations. From its inception twelve years ago, its purpose has been to support programs to alleviate discrimination and to empower the poor. Recognizing that underrepresentation of minorities and women has a two hundred year history, a major focus of IFCO has been the implementation of strategies to combat institutional racism. The Board has consistently supported efforts to this end, including filing an *amicus curiae* brief in *Bakke*. It urges the Court to uphold all voluntary programs of affirmative action.

La Raza Legal Alliance (LRLA), is a national organization composed of Latino lawyers, law students and legal workers dedicated to the realization of social, economic, and political equality for all Latinos. Its goal is to promote and to protect the rights of Latino people and thereby, all peoples, to a decent standard of living, a high quality of education, decent housing and equal employment opportunities.

Labor Research Association, Inc., was formed in 1927. The purposes of the organization are to conduct investigations and studies of social and economic questions. It publishes its findings in the form of reports, articles, pamphlets and books. Labor Research Association joins as *amicus* in this brief because of its belief that the *Weber* case represents a significant challenge to affirmative action programs so necessary to achieve equality for all Americans.

Law Students Civil Rights Research Council (LSCRRC), is a law student organization which seeks to respond to the needs of minority and poor people in all areas of the United States. Since its inception in 1963, it has assisted the efforts of every major civil rights, civil liberties, and public interest law organization. In 1976, the LSCRRC Board of Directors mandated a sharper organizational focus on the problems surrounding affirmative action/minority admissions. The theme for its National Convention in October 1978, was the "Crisis in Minority Admissions." It has also co-sponsored two regional minority admissions conferences during the 1976–77 year, and has sponsored several LSCRRC interns working on projects concerning affirmative action in the last two summers.

The *Legal Services Staff Association (LSSA)* is a labor organization that represents all non-managerial employees of Community Action for Legal Services in New York City. It understands the need for affirmative action because in their work its members daily witness the devastating effects on human beings of sexism and racism in our society. LSSA has a long held commitment to support affirmative action programs and policies. LSSA joins as an *amicus* because of its deep concern about the adverse repercussions that would result from a decision by this Court which does not fully support and encourage voluntary as well as court-ordered affirmative action programs.

Movimiento de Izquierda Nacional Puertorriqueño (M.I.N.P.-El Comite) is an organization composed predominantly of Puerto Ricans and other Latins dedicated to social change for the achievement of equality and full democratic rights. Affirmative action for minorities and women is one means, but a vital one, for overcoming the effects of centuries of discrimination and prejudice in this country. El Comite views the action brought by Weber as a serious threat to these efforts, having repercussions in the area of employment as well as housing, education, health care, and other vital areas of concern to the community that it serves.

The *National Ad Hoc Committee of Black Steelworkers (Ad Hoc)*, a national organization, has been deeply involved in fighting discrimination in both the steel industry and its own union, the United Steelworkers.

Ad Hoc has been an integral part of this struggle, leading to most of the key federal court decisions involving discrimination in the steel industry. Ad Hoc has filed hundreds of discrimination charges against steel companies which led to a consent decree in their industry. Ad Hoc commends all parties who are struggling in support of affirmative action. It joins as *amicus* in the hope that this brief will help the Court understand the necessity of speaking out in support of the affirmative action program under attack and lend its support in eradicating the badges and indicia of slavery.

Ad Hoc, an organization shaped, formed and grounded in the struggle of Black steelworkers, urges the Court not to stop the programs of social and economic reconstruction. They know from bitter experience that without the support of the courts, promises are made only to be a force for fundamental change in the system of all patterns in our free society which oppress or which give rise to the oppression of Blacks, minorities and women. Oppression refers not only to the economic, social and political disenfranchisement. It is a disenfranchisement of the mind, the spiritual and moral values that hold together the fabric of a nation. By emancipating Blacks, women and other minorities from the effects of white racism, the Court thus provides authentic freedom for both white and Black people. The Court must not once again move through history ignoring the realities, and hiding these painful truths behind a facade of myths and real and imagined anxieties. Ad Hoc believes the task of the Court is to analyze the nature of this enormous problem in the light of the oppressed people in our free society.

The *National Alliance Against Racist and Political Repression (NAARPR)* is a broad based coalition of Church, civic, community, student and professional groups formed in 1973 to fight against repression, in its myriad forms. The NAARPR appears here because of its conviction that should the case of *Weber* v. *Kaiser Aluminum* be upheld, private programs across the U.S., designed to equalize the employment of Blacks, Native American, Asian American, Hispanic American and other minorities, will be virtually eliminated. Further, NAARPR believes that the immediate result of upholding *Weber* would be increased unemployment and further victimization of minority people. Current patterns and practices of police conduct will result in increased arrest of these unemployed citizens and further swell this nation's jails and prisons with numbers all out of proportion to minority representation in the population.

The *National Association of Social Workers* is a nonprofit, national organization of professional social workers. It is devoted to the advancement of sound public policy for social work consumers as well as its 80,000 professional members. It joins as an amicus because it has voluntarily adopted an association-wide affirmative action program for women and minorities which would be threatened by any adverse holding in the *Weber* case.

The *National Bar Association (NBA)*, 1900 L Street, N.W., Washington, D.C. 20036, is a professional membership organization representing more than 7,000 Black attorneys, judges and law students in the United States. The NBA was founded to achieve equalization of opportunities for minorities in the legal profession and to further the goal of equal justice for all.

Thus far, affirmative action has proven to be the most effective method for ameliorating the gross underrepresentation of minorities in the legal and other professions, and certainly has been the most critical factor in doubling the number of Black attorneys in America in the past decade. The NBA believes that this country cannot achieve true equality of opportunity without affirmative action to correct past societal discrimination. The NBA interprets affirmative action to mean those programatic efforts designed to fully integrate minorities and women in this country into employment, entrepreneurship and education. With the advent of the "reverse discrimination" principle, Blacks and other minorities stand to lose the gains that have been made through the use of affirmative action.

Legal actions, such as *Weber* and other cases, have dampened the efforts of employers and unions who are attempting to redress a national pattern of discrimination as mandated in Title VII and Executive Order 11246. Further approval of the reverse discrimination principle by the United States Supreme Court will not only impede, but will totally destroy the gains accomplished to date.

The *National Black Political Assembly* (*NBPA*) is a national, independent, Black political organization with chapters in 20 states. It is devoted to voter registration, political education campaigns, and the formulation of resolutions and positions on issues which affect the national Black community. It provides skill development training in various areas of electoral politics and community struggles, education, economics and other categories of knowledge and work as may be required to fulfill the goals of the NBPA. The NBPA believes that affirmative action is essential to guarantee access to skilled jobs for those minorities who have traditionally been denied access to equal opportunity within American society, especially in the skilled crafts. The failure to maintain vigorous affirmative action programs in the skilled crafts would not only stymie progress in this area, but would offer an opportunity for those who are opposed to the entry of minorities into the skilled crafts on an equal basis to maintain and increase barriers which have been used traditionally to discriminate.

The *National Black United Fund* (*NBUF*) is a non-profit, tax-exempt organization founded to increase the amount of charitable contributions targeted for organizations serving the black community. The local affiliates of NBUF raise funds through payroll deductions and will be adversely affected if there is any reduction in voluntary affirmative action plans which will produce a significant decline in black employment in predominantly white industry.

The *National Committee to Overturn the Bakke Decision* is a multi-racial organization, formed in April, 1977, to publicize the issues presented by racism and the *Bakke* decision. The NCOBD is comprised of community agencies, church groups, students, women's organizations and working people who organized to demand the reversal of the *Bakke* decision. Educational brochures, pamphlets, and leaflets were written to press the need for affirmative action and the need for people actively to take up the struggle against racism. In the aftermath of the *Bakke* decision, the NCOBD is continuing the struggle against racism and resolutely supports affirmative action plans in employment.

The *National Council of Churches of Christ* in the United States of America (*NCC*) is the cooperative agency of thirty national Protestant and Eastern Orthodox religious denominations with an aggregate membership of over forty million people. It is organized exclusively for religious purposes and is committed to promoting the application of the law of Christ in every sphere of human relations.

The Council has been active in the civil rights effort since its inception in 1950 and has filed briefs *amicus curiae* with this Court in several historic cases, including *Jones* v. *Mayer* (1968) and *Regents* v. *Bakke* (1977). Because its Governing Board has repeatedly supported affirmative action to eliminate the disadvantage engendered by discrimination, the Council joins this brief to urge the Court to uphold voluntary programs of affirmative action in employment.

The *National Emergency Civil Liberties Committee* (*NECLC*) was founded in 1951 for the purpose of reestablishing the constitutional freedoms then under severe attack. For 27 years, NECLC has pursued this goal through numerous test cases to vindicate the civil liberties and civil rights of citizens, including many such cases before this Court. It has also engaged in extensive educational activities in support of the constitutional rights of citizens.

The *National Employment Law Project, Inc.* (*"The Project"*) is a legal services organization which provides backup assistance to local legal services offices in all areas of employment law. In conjunction with these local offices, and in some instances on its own, the Project represents a number of individual clients in employment discrimination litigation brought under Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e, as well as constitutional and other statutory provisions.

Since its inception in 1969, the Project has been involved in efforts to combat the effects of racial discrimination in employment. It believes that progress in civil rights depends primarily upon the voluntary efforts of public and private organizations to rectify the widespread effects of racial discrimination. Societal discrimination is so pervasive that litigation alone cannot be relied upon to protect the rights of racial and ethnic minorities. The Project has been involved in the creation of numerous affirmative action programs voluntarily and involuntarily adopted by private employers and public agencies that use racial classifications to remedy racial discrimination. Affirmance in this case would seriously jeopardize, if not destroy, these and future programs, to the severe detriment of the Project's minority clients.

The *National Organization of Legal Service Workers* (*NOLSW*) is a national organization open to all nonmanagerial employees of the Legal Services Corporation. NOLSW supports affirmative action within Legal Services offices, in employment generally, and in all other areas. NOLSW joins as an *amicus* because it believes that all affirmative action programs including voluntary ones are legal when designed to overcome the long history of discrimination against minorities and women in this country.

The *National Puerto Rican Law Students Association* (*National PRLSA*) is the organization established by Puerto Rican and other Latino Law students to represent the concerns and needs of their people before the national legal and educational communities. National PRLSA is specifically committed to the increased recruitment and admission of Puerto Ricans and other Latinos into law schools, the strengthening of its local organizations at all law schools, and the development of positive working relationships with Latino lawyers, legal workers, community organizations and undergraduate groups across the nation. National PRLSA's specific concerns emanate from its solidarity with the struggles of all minority, poor and underrepresented people of the United States to attain and preserve full socio-economic and political equality.

The *New American Movement* is a nationwide democratic socialist organization which sees the struggle for socialism integrally linked to the struggle for democracy and to the struggle for the special needs of women and minorities. It sees equality for women and minorities as essential to democracy and to the making of any progress in the lives of the American people as a whole. It joins as *amicus* in this *brief* because of its understanding of the importance of voluntary affirmative action as a step in gaining needed equality to provide better working and living conditions for all people.

The *New Jersey Association for Affirmative Action in Higher Education*, through its executive committee, confirms its interest in affirmative action by joining as an *amicus* in this brief (*Weber* v. *Kaiser Aluminum*) and encourages the United States Supreme Court to overturn both lower courts' decisions in order to allow voluntary affirmative action programs, including quotas without the necessity of an admission of past employment discrimination practices, a consent decree worked out through a government agency and/or a court finding of past employment discrimination.

The *New Jersey Association of Black Educators* (*NJABE*) has existed since 1973 and includes in its membership Black educators, students, and parents from throughout New Jersey. The NJABE is committed to developing and maintaining involvement in educational policymaking and implementation so that Blacks may enjoy greater educational and employment opportunities. The NJABE's interest in the *Weber* case is great because educational opportunity is rendered void without accompanying opportunities for employment in every facet of American society.

The *People's Alliance* is a national network of groups and individuals working to defend the achievements reached in struggles by working people and to build towards a society based on justice and full equality. Many of the people in this network are working women or minority people, some of whom got their current jobs because of affirmative action programs. In addition, all members and member organizations of the People's Alliance believe that an upholding of the claims of Brian Weber would serve the interests of the racist, sexist, right-wing forces which are working to roll back the gains of the civil rights, women's, and labor movements—gains which are just the first small steps in what should be a process of bringing justice and equality to all people in this land.

Philadelphia Area Project on Occupational Safety and Health (*PHILAPOSH*) is a non-profit corporation which unites labor, health, and legal workers to act for improvements in health, safety and environmental conditions for all workers in the Delaware Valley. It has traditionally supported affirmative action programs to overcome the effects of past discrimination against minority workers. Employment discrimination not only concentrates minority workers in the most hazardous and dangerous jobs, it is also a source of intense stress affecting all workers both on and off the job. Such stress is known to be a direct cause of illness and an indirect cause of occupational injuries. The elimination of employment discrimination, therefore, not only contributes to the achievement of a more democratic society, but also contributes toward the goal of improving the health and safety of workers on and off the job. For these reasons, PHILAPOSH has a special interest in joining with others to present an *amicus* brief to the Supreme Court in support of voluntary affirmative action employment plans.

The *Puerto Rican Socialist Party* (*PSP*) is a registered political party in Puerto Rico with active chapters in all major cities of the United States where there is a substantial Puerto Rican population. The United States Branch of the PSP seeks to organize Puerto Rican workers in the United States with the principal objective of obtaining the liberation of Puerto Rico and the establishment of a socialist republic. Additionally, the PSP supports and participates in all those economic, social and political struggles in the United States which may contribute to the achievement of full democratic rights and the establishment of a Socialist form of government in the United States. In this context, the PSP views affirmative action as a modest victory of the working class, women, and racial and other minorities in their struggle toward total liberation. The PSP is vehemently opposed to any action such as the *Weber* case which might jeopardize these hard won rights.

Southerners for Economic Justice (SEJ) is an organization of prominent public citizens living throughout the South. It has offices in Knoxville, Tennessee, and Greenville, South Carolina.

SEJ was formed because of a conviction that economic rights can only be insured by extending the protection of our civil rights to the work place. In the South, SEJ has been active in community education, advocacy, and in monitoring race and sex discrimination on the job.

The *Southern Regional Council* is a nonpartisan, privately funded research and action organization founded in 1944. Composed of a 120 member bi-racial governing board drawn from eleven states, the council is working to eliminate institutional racism and poverty by making the region's own institutions more accountable to all the people they are supposed to serve. The Council accomplishes its work through a small core staff and special project staffs that analyze issues, monitor government responses to these issues, and document and publicize their findings in order to increase citizen awareness of any influence on public policy at the national, state, and local levels.

Teamsters for a Democratic Union (TDU) is a national rank and file group of Teamster Union members and their spouses. TDU's purposes are to strengthen and democratize the ineffectual and corruption-ridden International Brotherhood of Teamsters. Consisting of some 3100 members nationwide, TDU has chapters or members in 45 Teamster locals. At its founding convention in 1976, TDU adopted resolutions strongly favoring affirmative action for both women and blacks in the trucking industry. As in the skilled trades, with union acquiescence, the trucking industry has long excluded women and minorities from the most favored jobs. TDU believes that past and present discrimination must be remedied at the employer's expense. It is employers in general who have been responsible for and have benefitted from discrimination. The affirmative action plan adopted by Kaiser in this case implements that position. At the 1978 national TDU convention, attended by 500 Teamsters, a resolution was unanimously passed on the floor mandating TDU to join in this proceeding as *amicus,* and to generally publicize the issues of this case.

The *Texas Farm Workers Union (TFU)* is an independent, unaffiliated union of farm workers in the Rio Grande Valley of south Texas, primarily composed of Mexican farm workers. It is currently attempting to secure the passage of legislation in the state of Texas which would allow farm workers to bargain collectively. The Union is vitally interested in the outcome of the *Weber* case because its members are victims of discrimination as were the minority workers in the Gramercy, Louisiana area. Furthermore, most of the working population of the Rio Grande Valley are Mexicans. They, like the members of TFW, are discriminated against in all areas of their lives.

The *Transit Workers in Coalition, Inc., The Committee, the Revenue Collector's Benevolent Association,* the *Coalition of Concerned Transit Workers,* the *Coalition of Signal Maintainers* and *The Committee of Concerned Transit Workers* are the major rank-and-file groups within *Local 100 of the Transport Workers Union of America, AFL–CIO.* Our local, which is multinational, has 33,000 members of whom 27,000 are employed by the New York City Transit Authority. We are united in our support of the affirmative action plan at stake here and the many similar plans which will be affected by this Court's ruling.

The Kaiser plan is but a small step toward remedying the discrimination to which minority workers have historically and currently been subjected. Our groups believe in justice for all workers and in the unity of all workers fighting for better conditions for all. Voluntary affirmative action plans are a concrete step toward equality between workers of different nationalities. It is this equality which lays the basis for the unity of workers of different nationalities. Thus affirmative action programs, far from discriminating against white workers, in the long run help white as well as minority workers.

The *United Church of Christ Commission for Racial Justice* has been actively involved in this struggle for civil and human rights since the 1960s. It has been actively involved in such cases as the Wilmington 10 and the Charlotte 3. It vigorously opposes this Court's decision in the *Bakke* case, a ruling which is producing devasting effects in the minority community. As the Commission has analyzed the present pending *Weber* v. *Kaiser Aluminum* case, it is convinced that this is simply another effort to set back the gains made in the civil rights area, with the focus now on employment.

The Commission joins in the filing of this *amicus* in the hope that this Court will have a sense of justice and foresight found lacking in the *Bakke* decision. We are firm in the belief that there are strong Thirteenth Amendment arguments in favor of the reversal and dismissal of this case.

The *United Coalition* is an organization of members of Local 51 of the United Auto Workers (UAW) committed to building more aggressive representation and equality for all in the union and work force. The struggle for equality is a prime interest of the United Coalition. The group has struggled in local level contract negotiations for strong affirmative action programs for entrance to the skilled trades for women, Blacks, and Arab workers. The Coalition has called for strict enforcement of existing affirmative action programs. It has advocated strict enforcement of transfer rights which gives priority to inplant workers over new hirees resulting in improved jobs and advancement potential for women and minorities. United Coalition feels the *Weber* case poses a threat to all existing affirmative action programs.

The *United Construction Workers Association (UCWA)* is a rank and file workers' organization based in Seattle, Washington, representing Black and other minority workers in the building trades. The UCWA seeks out minority workers with potential employment discrimination problems, educates them about their rights under federal and state civil rights and labor laws, and, where necessary, initiates and sponsors law suits on behalf of its members to remedy discriminatory employment patterns. UCWA has always supported affirmative action in all forms as necessary to get rid of the badges and indicia of slavery.

Western Center on Law and Poverty is a public interest law firm representing low income clients throughout California. One of the highest priorities established for the Center by its client community during the past several years has been in the area of employment and affirmative action. In meeting that priority, the Center has litigated many cases which have resulted in the establishment of affirmative action programs for women and minorities, programs that will now be directly affected by the decision in *Weber*. The Center also filed two briefs as *amicus curiae* in the *Bakke* case, reviewed and decided by the Supreme Court during its last term.

The *Women's Division of the Board of Global Ministries of the United Methodist Church (Women's Division)* is the national expression and policy making body of United Methodist Women. It is a mission organization formed more than 100 years ago to offer women opportunities for service from which they were excluded by the prevailing custom and official policy of the Church at that time. It has a long tradition of concern for the interests of women and children and especially of minority groups, and supports programs throughout the world. It has always supported the effort to extend full civil rights to all United States citizens. The Women's Division joins as an *amicus* because its program and policy supports and is consistent with the position taken in this brief.

Women for Racial and Economic Equality (WREE) is a multi-racial and multi-national organization with chapters in 25 cities. Its membership is mainly working class and low income women. It is concerned with those necessary actions and legislation that will enable women to achieve economic equality as the foundation for true social and political equality. The elimination of racism is basic to this effort since it is used to prevent unity among women who have the same needs, aspirations, and goals. Affirmative action is the operational base for any attempt to achieve economic parity for women and minorities. WREE believes that affirmative action must be expanded to include laws and regulations that enable women to get and *keep* jobs. This would mean day care, pregnancy and maternity benefits, health protection, etc. Minimum quota guidelines for hiring must be protected to make affirmative action meaningful.

The *Women's Law Project* is a non-profit, feminist, legal organization in Philadelphia, Pennsylvania. It is working for the legal equality of men and women through litigation, public education, research and the representation of organized women's groups. Since its inception in 1974, the Project has been concerned with the implementation of constitutional principles of equality and of civil rights statutes. Its goal is to use these laws to effectuate a just transaction to a system in which the legal rights and obligations of both sexes are fully and equally recognized in all areas of life. Within these purposes, it has been particularly concerned about advancing opportunities for women in employment. The Project has been involved as counsel or *amicus* in a number of lawsuits aimed at opening up equal opportunities and benefits for women workers. Through this work, it has become aware of the critical role that voluntary affirmative action efforts in the workplace must play if women and minorities are to achieve their rightful place within the labor market.●

THE EXECUTIVE'S PROPOSAL TO IMPLEMENT THE PANAMA CANAL TREATY

● (Mr. MURPHY of New York asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MURPHY of New York. Mr. Speaker, even though the new Panama Canal Treaty arrangement has been approved by the United States and Panama, and instruments of treaty ratification have been exchanged, no clear picture of the new canal regime can emerge until the terms of the legislation to implement the treaties have been approved. The importance of the implementing legislation to the new regime for operation of the canal was made clear during the treaty debates in 1978. The U.S. Senate, during the treaty debates, was insistent that the terms of the implementing legislation be made known and, in accordance with that desire, the executive dispatched a draft of its legislative proposal to implement the treaties

The final version of the executive branch proposal for treaty implementation has recently been forwarded to Congress. Today I and the other chairmen whose committees will be dealing with the implementing legislation are introducing this proposal.

The treaty implementing is one part, but it is the key part, to a whole series of actions that must be undertaken to fill out the rights and responsibilities accorded to the United States under the new canal treaties.

Since the exchange of instruments of ratification on June 16, an intensive effort has been made to reach more precise understandings on many matters that were generally treated in the Panama Canal Treaty and related agreements. Twenty-four binational committees have been organized to provide for the joint planning that is needed to transfer governmental and commercial functions, modify the provision of services, and change jurisdictional arrangements.

While planning is being done for the major changes now scheduled for October 1, 1979, the canal organization cannot, through the binational committees or otherwise, do that which is not authorized by law. To provide for the relocation of resources and the changes in personnel that must be accomplished before October 1, 1979, some supplemental appropriations will have to be made and the treaty implementing package of legislation must be enacted.

Three recently concluded agreements illustrate some of the work that has been done to supplement the terms of the treaty arrangement and clarify U.S. rights.

Pursuant to paragraph 11 of article IX of the Panama Canal Treaty, the United States and Panama have signed an agreement which authorizes a prisoner exchange whereby nationals of one country who are convicted in the courts of the other country may serve their sentences in their own country. The transfer of canal employees or dependents convicted of crimes in Panama would be automatic. This arrangement will do much to relieve the anxieties of those U.S. citizens who serve with the canal organization and whose terms of employment are being changed significantly by being placed under non-U.S. jurisdiction. As the members of this body will recall, the protection of the human and civil rights of canal employees, particularly U.S. citizen employees, was a major issue in the debate on the treaty arrangement.

A second agreement recently negotiated provides that the U.S. Battle Monuments Commission would continue (until the year 2000) to operate a portion of Corozal Cemetery, now in the Canal Zone, as a suitable resting place for deceased U.S. citizens who have worked in the canal area. A later agreement will provide for the burial of eligible U.S. citizens and the care of the cemetery after the year 2000. This agreement, too, is an attempt to insure that the best conditions of employment and life for U.S. citizens are maintained.

A third agreement, initiated January 8 of this month, provides for an orderly turnover of air traffic control systems to Panama. It is crucial for the United States and Panama that the air traffic control on the isthmus be technically proficient because of the strategic position of that area.

As I have said before, Mr. Speaker, it is the responsibility of the Congress to enact legislation to fill out the terms of the new treaty relationship. We ought to act to preserve U.S. interests within the framework of the new treaty relationship. The proposal of the executive branch, derived after many long hours of research and review, deserves serious consideration. It is my understanding, based on the proposals I intend to submit to the committee which I chair, and based on discussion with other committee chairmen, that such consideration will be given to this proposal early in this Congress.

For the benefit of my colleagues and the public, and because of the limited time available for the consideration of the implementing legislation, I set forth for the RECORD a copy of the executive proposal and the accompanying section-by-section analysis.

H.R. —

A bill to implement the Panama Canal Treaty of 1977 and related agreements, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the purpose of this Act to provide legislation necessary to or desirable for the implementation of the Panama Canal Treaty of 1977 between the United States of America and the Republic of Panama and of the related agreements accompanying that Treaty.

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DEFINITIONS AND GENERAL PROVISIONS

SEC. 2. (a) As used in this Act, references to the Panama Canal Treaty of 1977 and related agreements mean the Panama Canal Treaty between the United States of America and the Republic of Panama signed September 7, 1977, the agreements relating to and implementing that Treaty signed on the same date, and any agreement concluded pursuant to the Exchange of Notes relating to Air Traffic Control Services signed September 7, 1977.

(b) The Canal Zone Code is hereby redesignated the Panama Canal Code.

(c) Except as otherwise provided in, or where inconsistent with, the provisions of this Act, the following words and phrases are amended as follows wherever they appear in the Panama Canal Code and other laws of the United States, unless in context the changes are clearly not intended, or unless such words and phrases refer to a time prior to the effective date of this Act, as defined in section 503 (herein called "the effective date"):

(1) "Panama Canal Company" to read "Panama Canal Commission".

(2) "Company" to read "Commission" wherever the word "Company" has reference to the Panama Canal Company.

(3) "Canal Zone Government" to read "Panama Canal Commission".

(4) "Governor" or "Governor of the Canal Zone" to read "Panama Canal Commission" wherever the reference is to the Governor of the Canal Zone.

(5) "President" to read "Administrator" wherever the word "President" has reference to the president of the Panama Canal Company.

(6) "Government of the Canal Zone", or "Government", wherever the reference is to the Government of the Canal Zone, to read "United States of America".

(7) "Canal Zone waters" and "waters of the Canal Zone" to read "Panama Canal waters" and "waters of the Panama Canal", respectively.

(8) "Canal Zone Merit System" to read "Panama Canal Employment System".

(9) "Canal Zone Board of Appeals" to read "Panama Canal Board of Appeals".

(d) Reference to the Canal Zone in provisions of the Panama Canal Code or other laws of the United States which apply to transactions, occurrences, or status after (treaty effective date) shall be deemed to be to areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements.

(e) The President shall, within two years after the Panama Canal Treaty of 1977 enters into force, submit to the Congress proposed legislation which would—

(1) amend or repeal provisions of law which in their present form are applicable only during the transition period prescribed in Article XI of that Treaty, and

(2) incorporate the remaining provisions of the Panama Canal Code into the United States Code, proposing any changes thereto considered advisable in light of the experience as of that time under that Treaty.

TITLE I—PANAMANIAN RELATIONS AND SECURITY MATTERS

UNITED STATES-PANAMA JOINT COMMITTEE

SEC. 101. (a) The President shall appoint the representatives of the United States to the Joint Commission on the Environment to be established under paragraph 2 of Article VI of the Panama Canal Treaty of 1977.

(b) The President shall designate and the Secretary of State shall coordinate the participation of the representatives of the United States to the Consultative Committee between the United States and the Republic of Panama to be established under paragraph 7 of Article III of the Panama Canal Treaty of 1977.

AUTHORITY OF THE AMBASSADOR

SEC. 102. (a) The Ambassador to the Republic of Panama shall have full responsibility for the coordination of the transfer to the Republic of Panama of those functions that are to be assumed by the Republic of Panama pursuant to the Panama Canal Treaty of 1977 and related agreements.

(b) The Administrator of the Panama Canal Commission and personnel under his supervision shall not be subject to the direction or supervision of the United States Chief of Mission in the Republic of Panama with respect to the responsibilities of the Commission for the operation, management or maintenance of the Panama Canal as established in this or other acts, and the Panama Canal Treaty of 1977 and its related agreements; in other respects, 22 U.S.C. § 2680a shall be applicable.

SECURITY LEGISLATION

SEC. 103. (a) Sections 34 and 35 of title 2 of the Panama Canal Code are repealed.

(b) Section 1 of title II of the Act of June 15, 1917, (50 U.S.C. § 191) is amended by (1) striking the second paragraph of that section, and by (2) striking the term "the Canal Zone,".

(c) Section 2 of the Act of November 15, 1941, (50 U.S.C. § 191b) is repealed.

(d) Section 1 of title XIII of the Act of June 15, 1917, (50 U.S.C. § 195) is amended by striking the term "the Canal Zone and".

(e) Section 1 of the Act of August 9, 1954, (50 U.S.C. § 196) is amended by striking the term "including the Canal Zone,".

ARMS EXPORT CONTROL

SEC. 104. Section 38 of the Arms Export Control Act (22 U.S.C. § 2778) is amended by striking out subsection (d) thereof.

PRIVILEGES AND IMMUNITIES

SEC. 105. The Secretary of State shall from among persons recommended by the Panama Canal Commission determine, and shall maintain and from time to time furnish to the Government of the Republic of Panama, the list of those officials and other persons who shall enjoy the privileges and immunities accorded under Article VIII of the Panama Canal Treaty of 1977.

TERMINATION OF CANAL ZONE GOVERNMENT; TRANSFER OF RECORDS

SEC. 106. (a) Sections 1, 2, 3, 31, 32, 33, 333, and 334 of title 2 and sections 5081–5092 of title 6 of the Panama Canal Code are repealed.

(b) The Panama Canal Commission, other agencies or departments, and United States courts in the Republic of Panama are authorized to transfer any of their records, or copies thereof, including records acquired from the Canal Zone Government or Panama Canal Company such as vital statistics records, to other agencies, departments or courts of the United States and, if determined by the head of the agency or department concerned to be in the interest of the United States, to the Government of the Republic of Panama. Transfer of records or copies thereof under this section to the Government of the Republic of Panama shall be accomplished under the coordination and with the approval of the Ambassador.

PAYMENT TO PANAMA; REPEALER

SEC. 107. Title I of the Act of November 27, 1973, (87 Stat. 636) is amended by striking out the heading "Payment to the Republic of Panama" and all that follows under that heading.

TITLE II—PANAMA CANAL COMMISSION

Chapter 1.—COMMISSION: FISCAL MATTERS

SEC. 201. (a) Section 61 of title 2 of the Panama Canal Code is amended to read as follows:

"CONTINUATION, PURPOSES, OFFICES AND RESIDENCE OF THE COMMISSION

"SEC. 61. (a) For the purposes of managing, operating and maintaining the Panama Canal and its complementary works, installations and equipment, and of conducting operations incident thereto, in accordance with the Panama Canal Treaty of 1977 and related agreements, the Panama Canal Commission is established as a body corporate and as an agency and instrumentality of the United States, and is declared to be the successor to the Panama Canal Company.

"(b) The principal office of the Commission shall be located in the Republic of Panama in one of the areas made available for the use of the United States under the Panama Canal Treaty of 1977 and related agreements, but the Commission may establish agencies or branch offices in such other places as it deems necessary or appropriate in the conduct of its business. Within the meaning of the laws of the United States relating to jurisdiction or venue in civil actions, the Commission is an inhabitant and resident of the District of Columbia, and of the eastern judicial district of Louisiana."

(b) Subsection (a) of section 62 of title 2 of the Panama Canal Code is amended by substituting the words "Panama Canal Company" for "Company" and the words "Panama Canal Commission" for "Panama Canal Company".

SEC. 202. (a) Subsection (e) of section 62 of title 2 of the Panama Canal Code is repealed.

(b) Subsection (f) of section 62 of title 2 of the Panama Canal Code is amended by substituting the words "compute its capital surplus account" for "account for its surplus", and by deleting the words "in determining the base for the interest payments required by subsection (e) of this section".

(c) Section 70 of title 2 of the Panama Canal Code is amended by deleting the words "in determining the base for interest payments required by section 62(e) of this title", and by inserting the term "including operating expenses and payments required by paragraph 5 of Article III and paragraphs 4 (a), (b), and (c) of Article XIII of the Panama Canal Treaty of 1977," after the term "working capital requirements,".

(d) Section 72 of title 2 of the Panama Canal Code is amended by deleting the words "pursuant to section 62(e) of this title".

SEC. 203. Subsection (g) of section 62 of title 2 of the Panama Canal Code is amended to read as follows:

"(g) The Panama Canal Commission shall pay directly from Canal operating revenues to the Republic of Panama those payments required under paragraph 4 of Article XIII of the Panama Canal Treaty of 1977. In determining the adequacy of operating revenues for the purpose of payments to Panama under paragraph 4(c) of that Article, such operating revenues of a given fiscal period shall be reduced by (1) all costs attributable to the operation, maintenance and improvement of the Canal of that period including (i) operating expenses determined in accordance with generally accepted accounting principles, (ii) payments to Panama under paragraphs 4(a) and 4(b) of that Article and under paragraph 5 of Article III of the Treaty, and (iii) amounts in excess of depreciation and amortization programmed to fund requirements for plant replacement, expansion and improvements; (2) amounts allocated prior to the effective date of an increase in toll rates for the purpose of matching revenues with expenses during the period projected for the increase to remain in effect; (3) the accumulated sum from prior years (beginning with the year in which the Panama Canal Treaty of 1977 enters into force) of any excess of such cost requirements of the Commission over operating revenues; and (4) working capital requirements of the Commission as approved annually by its Board of Directors."

SEC. 204. Section 62 of title 2 of the Panama Canal Code is amended by adding a new subsection (h) to read as follows:

"(h) Payments by the Commission to the Republic of Panama for providing public services in accordance with paragraph 5 of Article III of the Panama Canal Treaty of 1977 shall be treated for all purposes as an operating cost of the Commission."

SEC. 205. Subsection (a) of section 63 of title 2 of the Panama Canal Code is amended to read as follows:

"(a) A board of directors shall manage the affairs of the Panama Canal Commission. The President of the United States shall appoint the members of the board in accordance with paragraph 3 of Article III of the Panama Canal Treaty of 1977, and neither this chapter nor any other law prevents the appointment and service as a director, or as an officer of the Commission, of an officer or employee of the United States, or of a person who is not a national of the United States. Each director so appointed shall, subject to paragraph 3 of Article III of the Panama Canal Treaty of 1977, hold office at the pleasure of the President, and, before entering upon his duties, shall take an oath faithfully to discharge the duties of his office."

SEC. 206. Subsection (c) of section 63 of title 2 of the Panama Canal Code is amended to read as follows:

"(c) The directors shall hold meetings as provided by the bylaws of the Panama Canal Commission. A quorum for the transaction of business shall consist of a majority of the directors of which a majority of those present are nationals of the United States."

SEC. 207. Section 64 of title 2 of the Panama Canal Code is amended to read as follows:

ADMINISTRATOR AND DEPUTY

"SEC. 64. The President of the United States shall appoint the Administrator and Deputy Administrator of the Panama Canal Commission. The Administrator shall, subject to the direction and under the supervision of the Board, be the chief executive officer of the Commission. The Administrator and Deputy Administrator shall hold office at the pleasure of the President."

SEC. 208. Paragraph (3) of subsection (a) of section 65 of title 2 of the Panama Canal Code is amended to read as follows:

"(3) Sue and be sued in its corporate name, except that—

"(A) its amenability to suit is limited by the immunities provided by Article VIII of the Panama Canal Treaty of 1977, and otherwise by law;

"(B) salaries or other moneys owed by the Commission to its employees shall not be subject to attachment, garnishment or similar process, except as otherwise expressly provided by the laws of the United States; and

"(C) it is exempt from any liability for prejudgment interest."

SEC. 209. The opening clause of subsection (a) of section 66 of title 2 of the Panama Canal Code is amended to read as follows:

"(a) Subject to the Government Corporation Control Act (31 U.S.C. §§ 841 *et seq.*), and to the Panama Canal Treaty of 1977 and related agreements, the Panama Canal Commission may:".

SEC. 210. Sections 67 and 73 of title 2 of the Panama Canal Code are repealed. Section 68 of that title is amended to read as follows:

"ASSETS AND LIABILITIES

"SEC. 68. (a) Property and other assets of the Panama Canal Company and of the Canal Zone Government which are not transferred to other United States Government agencies or to the Republic of Panama, or otherwise disposed of, shall, notwithstanding section 5 of the Act of July 16, 1914, as amended (31 U.S.C. § 638(a)), be the property and assets of the Panama Canal Commission from and after the effective date, and except as otherwise provided by law, the Commission shall assume the liabilities of the Panama Canal Company and Canal Zone Government then outstanding.

"(b) The Commission may depreciate the Panama Canal, its complementary works, installations and equipment, and all other property and assets of the Commission, and may amortize over the life of the Panama Canal Treaty of 1977 the right to use certain assets such as housing made available to the United States under that Treaty and related agreements. The value of these use rights, as determined by the Commission, shall be established as an asset on the books of the Commission and amortized over the period of use.

"(c) The assets and liabilities referred to in this section shall be deemed to have been accepted and assumed by the Commission without the necessity of any act on the part of the Commission except as otherwise stipulated by section 62 of this title."

SEC. 211. (a) The introductory phrase to Section 1331 of title 2 of the Panama Canal Code is amended by striking out the word "President" and by inserting in lieu thereof the word "Commission".

(b) Paragraph (1) of section 1331 of title 2 of the Panama Canal Code is amended by striking out the words "harbors and other waters of the Canal Zone" and by inserting in lieu thereof the words "waters of the Panama Canal and areas adjacent thereto including the ports of Balboa and Cristobal".

(c) Paragraph (4) of section 1331 of title 2 of the Panama Canal Code is amended by striking out the words "waters of the Canal Zone" and by inserting in lieu thereof the words "waters of the Panama Canal and areas adjacent thereto including the ports of Balboa and Cristobal".

FUNDS AND ACCOUNTS

SEC. 212. (a) Section 231 of title 2 of the Panama Canal Code is repealed.

(b) Section 232 of title 2 of the Panama Canal Code is amended to read as follows:

FURNISHING OF SERVICES; REIMBURSEMENTS

"SEC. 232. (a) The Department of Defense shall reimburse the Panama Canal Commission for amounts expended by the Commission in maintaining defense facilities in standby condition for the Department of Defense.

"(b) Such agency as the President may designate is authorized to provide educational and health care services to persons eligible to receive such services under the Panama Canal Treaty of 1977 and related agreements. Notwithstanding any other law, the appropriations of such agency are made available for conducting educational and health care activities, including kindergartens and college, formerly carried out by the Canal Zone Government, and for providing the services related thereto.

"(c) Amounts so expended for furnishing services to persons eligible to receive them under the Panama Canal Treaty of 1977 and related agreements, less amounts payable by such persons, shall be fully reimbursable to the agency furnishing the services, except to the extent that such expenditures are the responsibility of that agency. The appropriations or funds of the Panama Canal Commission are made available for such reimbursements on behalf of employees of the Commission and other persons authorized to receive such services and eligible under the Panama Canal Treaty and related agreements. The appropriations or funds of other agencies conducting operations in the Republic of Panama, including the Smithsonian Institution, are made available for reimbursements on behalf of employees of such agencies and their dependents.

"(d) The appropriations or funds of United States agencies conducting operations in the Republic of Panama are made available to defray the cost of (i) health care services to elderly or disabled persons who were eligible to receive such services prior to the effective date, less amounts payable by such persons, and (ii) educational services provided by schools in the Republic of Panama which are not operated by the United States to persons who were receiving such services at the expense of the Canal Zone Government prior to the effective date."

(c) Section 233 of title 2 of the Panama Canal Code is amended by striking the terms "Canal Zone Government or the Panama Canal Company" and by inserting in lieu thereof the term "Panama Canal Commission".

(d) Section 234 of title 2 of the Panama Canal Code is amended by striking the term "Canal Zone" and by inserting in lieu thereof the term "Panama Canal Commission".

(e) Section 235 of title 2 of the Panama Canal Code is amended by striking the term "Canal Zone Government and the Panama Canal Company" and by inserting in lieu thereof the term "Panama Canal Commission".

PUBLIC PROPERTY AND PROCUREMENT

SEC. 213. (a) Section 371 of title 2 of the Panama Canal Code is repealed.

(b) Section 372 of title 2 of the Panama Canal Code is amended to read as follows:

TRANSFERS AND CROSS-SERVICING BETWEEN AGENCIES

"SEC. 372. (a) In the interest of economy and maximum efficiency in the utilization of Government property and facilities, there are authorized to be transferred, notwithstanding section 5 of the Act of July 16, 1914, as amended (31 U.S.C. § 638(a)), between departments and agencies, with or without exchange of funds, all or so much of the facilities, buildings, structures, improvements, stock and equipment of their activities located in the Republic of Panama as may be mutually agreed upon by the departments and agencies involved and approved by the President of the United States or his designee. With respect to transfers without exchange of funds, transfers to or from the Panama Canal Commission are subject to section 62 of this title, as amended.

"(b) The Panama Canal Commission and other agencies of the United States may enter into cross-servicing agreements for the use of facilities, furnishing of services, or performance of functions.

"(c) The provisions of subsections (a) and (b) above shall be applicable to the Smithsonian Institution."

Chapter 2.—TOLLS

SEC. 230. Section 411 of title 2 of the Panama Canal Code is amended to read as follows:

PRESCRIPTION OF MEASUREMENT RULES AND TOLLS

"SEC. 411. (a) The Panama Canal Commission may prescribe, and from time to time change:

"(1) the rules for the measurement of vessels for the Panama Canal; and

"(2) subject to section 412 of this title, the tolls that shall be levied for the use of the Canal.

"(b) The Commission shall give three months' notice, by publication in the Federal Register, of proposed changes in basic rules of measurement or in rates of tolls, during which period a public hearing shall be conducted. Changes in basic rules of measurement and changes in rates of tolls shall be subject to and shall take effect upon the approval of the President of the United States, whose action in such matters shall be final.

SEC. 231. In order to insure that the rates of tolls in effect on the effective date are adequate to meet the requirements of section 412 of title 2 of the Panama Canal Code, as amended by section 232 of this Act, the Panama Canal Company is authorized, in advance of that date, to change the rates, effective on the effective date, such change to be subject to the approval of the President whose action in the matter shall be final. If and to the extent that time permits, the Company shall give three months' notice, by publication in the Federal Register, of such proposed changes in rates of tolls, during which period a public hearing shall be conducted.

BASES OF TOLLS

SEC. 232. (a) Subsection (b) of section 412 of title 2 of the Panama Canal Code is amended to read as follows:

"(b) Tolls shall be prescribed at rates calculated to cover as nearly as practicable all anticipated costs of maintaining and operating the Panama Canal, together with the facilities and appurtenances related thereto, including depreciation of assets, amortization of use rights, and the payments to Panama pursuant to paragraph 5 of Article III and paragraphs 4(a) and 4(b) of Article XIII of the Panama Canal Treaty of 1977. In determining the rates of tolls, there may also be taken into account unrecovered past costs, funding required to establish or maintain a capital reserve account programmed to fund requirements for plant replacement, expansion, and improvements, and the necessity of establishing reserves for the purpose of matching revenues with expenses during the period projected for a given toll rate to remain in effect."

(b) Subsection (c) of section 412 of title 2 of the Panama Canal Code is amended to read as follows:

"(c) Vessels operated by the United States, including vessels of war and auxiliary vessels, and ocean-going training ships owned by the United States and operated by State nautical schools, shall pay tolls."

(c) Subsection (d) of section 412 of title 2 of the Panama Canal Code is amended by deleting the words "of articles XVIII and XIX of the convention between the United States and Panama concluded on November 18, 1903, and", by inserting a comma in place of the period at the end of the subsection, and by adding thereafter "and of Articles II, III, and VI of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, between the United States of America and the Republic of Panama, signed September 7, 1977."

Chapter 3.—CLAIMS

SEC. 260. Chapter 11 of title 2 of the Panama Canal Code is amended as follows:

(a) The title of the chapter is amended to read "Claims Arising from Operation of Canal."

(b) Section 271 of title 2 of the Panama Canal Code is repealed.

(c) The headings of subchapters I and II are deleted.

(d) Section 291 of title 2 of the Panama Canal Code is amended as follows:

(1) The period at the end of the first sentence is changed to a comma, and the following language is added: "unless it is established that the injury was not proximately caused by the negligence or fault of any of its officers or employees acting within the scope of his employment and in the line of his duties in connection with the operation of the Canal."

(2) In the fourth sentence, the words "the side" are amended to read "any portion of the hull".

(e) Section 293 of title 2 of the Panama Canal Code is amended to read as follows:

MEASURE OF DAMAGES

"SEC. 293. (a) In determining the amount of the award of damages for injuries to a vessel for which the Panama Canal Commission is determined to be liable, there may be included:

"(1) actual or estimated cost of repairs;

"(2) charter hire actually lost by the owners, or charter hire actually paid, depending upon the terms of the charter party, for only the time the vessel is actually undergoing repairs, on drydock or otherwise;

"(3) maintenance of the vessel and wages of the crew, if they are found to be actual additional expenses or losses incurred outside of the charter hire, for only the time the vessel is actually undergoing repairs, on drydock or otherwise; and

"(4) except as prohibited by subsection (b) of this section, or by any other provision of law, other expenses which are definitely and accurately shown to have been incurred necessarily and by reason of the accident or injuries.

"(b) Agent's fees or commissions, general average expenses, attorney's fees, bank commissions, port charges or other incidental expenses of similar character, or any items which are indefinite, indeterminable, speculative, or conjectural shall not be allowed.

"(c) The Commission shall be furnished such vouchers, receipts, or other evidence as may be necessary in support of any item of a claim. If a vessel is not operated under charter but by the owner directly, evidence shall be secured if available as to the sum for which vessels of the same size and class can be chartered in the market. If the charter value cannot be determined, the value of the use of the vessel to its owners in the business in which it was engaged at the time of the injuries shall be used as a basis for estimating the damages for the vessel's detention; and the books of the owners showing the vessel's earnings about the time of the accident or injuries shall be considered as evidence of probable earnings during the time of detention. If the books are unavailable, such other evidence shall be furnished as may be necessary."

(f) Section 294 of title 2 of the Panama Canal Code is amended by deleting the word "or" in paragraph (5), by renumbering the present paragraph (6) as paragraph (7), and by inserting a new paragraph (6) to read as follows: "(6) time necessary for investigation of marine accidents; or".

(g) Section 296 of title 2 of the Panama Canal Code is amended by deleting the words "United States District Court for the District of the Canal Zone" in the first sentence and inserting in lieu thereof the words "United States District Court for the Eastern District of Louisiana".

(h) The present section 297 of title 2 of the Panama Canal Code is designated as subsection (a), and a new subsection (b) is added to read as follows:

"(b) Lack of knowledge on the part of the master, officers, crew or passengers that an accident giving rise to a claim under this chapter has occurred does not excuse noncompliance with the requirements of this section."

(i) A new section 298 of title 2 of the Panama Canal Code is added, to read as follows:

"TIME FOR PRESENTING CLAIM AND COMMENCING ACTION

"SEC. 298. A claim against the Commission under this chapter shall be forever barred unless it is presented in writing to that agency within two years after such claim accrues or unless action is begun within one year after the date of mailing of notice of final decision on the claim by the Commission."

(j) A new section 299 of title 2 of the Panama Canal Code is added to read as follows:

"BOARD OF LOCAL INSPECTORS

"SEC. 299. (a) There is established a Board of Local Inspectors of the Panama Canal Commission which shall perform, in accordance with regulations prescribed by the Commission—

"(1) the investigations called for by section 297 of this chapter; and

"(2) such other duties in matters of a marine character as it may be assigned by the Commission.

"(b) The Commission shall, by regulation designate the members of the Board and establish procedures by which the Board carries out its functions.

"(c) In conducting the investigations provided for by subsection (a) of this section, members of the Board may summon witnesses, administer oaths, and require the production of books and papers necessary thereto."

Chapter 4.—SEA LEVEL CANAL STUDY

SEC. 270. (a) The President shall appoint the representatives of the United States to any joint committee or body with the Republic of Panama to study the possibility of a sea level canal in the Republic of Panama pursuant to Article XII of the Panama Canal Treaty of 1977.

(b) Upon the completion of any joint study between the United States and the Republic of Panama concerning the feasibility of a sea level canal in the Republic of Panama pursuant to paragraph 1 of Article XII of the Panama Canal Treaty of 1977, the text of the study shall be transmitted by the President to the President of the Senate and to the Speaker of the House of Representatives.

(c) No construction of a sea level canal by the United States in the Republic of Panama shall be undertaken except with express Congressional authorization after submission of the study by the President as provided in subsection (b).

TITLE III—EMPLOYEES AND POSTAL MATTERS

Chapter 1.—EMPLOYMENT SYSTEM

SEC. 301. (a) Sections 101, 102, 122, 123, 147 and 154 of title 2 of the Panama Canal Code are repealed.

(b) Section 103 of title 2 of the Panama Canal Code is amended by striking the terms "Canal Zone Government, Panama Canal Company" and inserting in lieu thereof the term "Panama Canal Commission", and by redesignating that section as section 122 of that title and Code.

SEC. 302. Section 141 of title 2 of the Panama Canal Code is amended as follows:

(a) The definition of the word "department" is amended to read as follows:

"'department' means (i) the Panama Canal Commission, and (ii) an executive agency (within the meaning of section 105 of title 5 of the United States Code) which makes an election under section 142(b) of this chapter;".

(b) The definition of the word "position" is amended to read as follows:

"'position' means those duties and responsibilities of a civilian nature under the jurisdiction of a department which are performed in the Republic of Panama."

SEC. 303. Section 142 of title 2 of the Panama Canal Code is amended by redesignating subsection (b) thereof as subsection (d), and by striking the caption and subsection (a) thereof and inserting in lieu thereof the following:

PANAMA CANAL EMPLOYMENT SYSTEM

"SEC. 142. (a) The Panama Canal Commission shall conduct its wage and employment practices in accordance with a Panama Canal Employment System which shall be established in accordance with—

"(1) the principles established in the Panama Canal Treaty of 1977 and related agreements, and with the provisions of this chapter and other applicable law; and

"(2) regulations promulgated by, or under the authority of, the President in accordance with this chapter and taking into account any recommendation of the Panama Canal Commission.

"(b) The head of an executive agency other than the Panama Canal Commission may elect to have the Panama Canal Employment System made applicable in whole or in part to personnel of his agency in the Republic of Panama.

"(c) The provisions of chapter 71 of title 5 of the United States Code shall not apply to the Panama Canal Commission or to its personnel. In lieu thereof, the President shall establish a form of collective bargaining, applicable to the Commission's employees; into which is incorporated the substance of sections 7102, 7106, 7116, 7120, and 7131. The form of collective bargaining so established shall contain such other necessary provisions, and shall be administered, so as to provide the Commission's employees with the right to bargain collectively under the same conditions and with respect to the same subject matter that obtains where that right is exercised generally in the Federal service within the continental United States."

SEC. 304. Notwithstanding other provisions of this chapter, the provisions of subchapter III of chapter 7 of title 2, of the Panama Canal Code establishing the Canal Zone Merit System, and the administrative regulations promulgated thereunder, shall continue in effect until such time as the Panama Canal Employment System has been established pursuant to section 303 of this Act.

SEC. 305. Section 144 of title 2 of the Panama Canal Code is amended by deleting subsection (d) thereof. Section 146 is amended to read as follows:

"RECRUITMENT AND RETENTION REMUNERATION

"SEC. 146. (a) In addition to basic compensation, additional remuneration in such amounts as the head of the department concerned determines, may be paid as overseas recruitment and retention differentials to the following categories of individuals if, in the judgment of the head of the department concerned, the recruitment and retention of such employees is essential—

"(1) persons employed by the Panama Canal Company, Canal Zone Government or a department in the Canal Zone prior to the effective date;

"(2) persons thereafter recruited outside of Panama for a position in the Republic of Panama; and

"(3) Medical doctors employed by the Department of Defense or Panama Canal Commission.

"(b) Employees who fall into more than one of the three categories described in subsection (a) of this section may qualify for additional remuneration under only one of those categories.

(c) Additional remuneration prescribed under this section may not exceed 25 percent of the rate of basic compensation for the same or similar work performed in the continental United States by employees of the Government of the United States."

SEC. 306. (a) Title 2 of the Panama Canal Code is amended by adding a new section 147 to read as follows:

TRANSFER OF FEDERAL EMPLOYEES TO PANAMA CANAL COMMISSION

"SEC. 147. The head of any Federal agency, including the United States Postal Service, is authorized to enter into agreements for the transfer or detail of that agency's employees, serving under permanent appointment, to the Panama Canal Commission. Under regulations prescribed by the Office of Personnel Management, any employee so transferred or detailed shall, upon completion of his tour of duty with the Commission, be entitled to reemployment with the agency from which he was transferred or detailed without loss of pay, seniority or other rights or benefits to which he would have been entitled had he remained on the rolls of that agency."

(b) Section 148 of title 2 of the Panama Canal Code is amended by—

(1) changing the parenthetical citation "(5 U.S.C., sec. 2091 et seq.)" in paragraph (1) to read "(5 U.S.C. §§ 8701 et seq.)";

(2) changing the parenthetical citation "(5 U.S.C., sec. 751 et seq.)" in paragraph (2) to read "(5 U.S.C. §§ 8101 et seq.)";

(3) changing the parenthetical citation "(5 U.S.C., sec. 2251 et seq.)" in paragraph (4) to read "(5 U.S.C. §§ 8331 et seq.)"; and

(4) revising the unindented portion of the section following paragraph (6) to read as follows:

". . . the basic compensation of each employee shall include the rate of basic compensation established for his position, and, where appropriate, the amount of overseas recruitment and retention differentials, determined in the manner respectively provided by sections 144 and 146 of this title."

SEC. 307. Section 149 of title 2 of the Panama Canal Code is amended to read as follows:

"MERIT AND OTHER EMPLOYMENT REQUIREMENTS

"SEC. 149. (a) Subject to this subchapter, the President may, from time to time and taking into account any recommendation of the Panama Canal Commission, amend or modify provisions of the Panama Canal Employment System, including provisions relating to selection for appointment, reappointment, reinstatement, reemployment, and retention, with respect to positions, employees, and individuals under consideration for appointment to positions, established by regulations under section 142 of this chapter.

"(b) The Panama Canal Employment System shall:

"(1) subject to and as limited by the Panama Canal Treaty of 1977 and related agreements, be based on the merit of the employee or individual and upon his qualifications and fitness to hold the position concerned;

"(2) conform generally to policies, principles, and standards for the competitive civil service of the Government of the United States; and

"(3) include provision for appropriate interchange, between the Panama Canal Employment System and the competitive civil service of the Government of the United States, of citizens of the United States employed by the Government of the United States.

SEC. 308. Section 155 of title 2 of the Panama Canal Code is amended by redesignating subsection (b) thereof as subsection (c) and by inserting in lieu of subsection (a) thereof the following:

"(a) The President shall issue regulations necessary and appropriate to carry out the provisions and accomplish the purposes of this subchapter and, in the event of any election under section 142(b), coordinate the policies and activities under this subchapter of the departments involved.

"(b) In order to assist in carrying out his coordination responsibility under subsection (a) and in implementing the provisions of the Panama Canal Treaty of 1977 and related agreements relating to recruitment, examination, determination of qualification standards and similar matters, the President may establish, as the successor to the Canal Zone Central Examining Office, an office which shall be an entity within the Panama Canal Commission."

SEC. 309. Subsection (a) of section 201 of title 2 of the Panama Canal Code is amended by deleting the words "Governor of the Canal Zone and President of the Panama Canal Company, or as Lieutenant Governor of the Canal Zone and Vice President of the Panama Canal Company," and inserting in lieu thereof the words "Administrator or Deputy Administrator of the Panama Canal Commission."

SEC. 310. The provisions of this chapter shall be applicable to federal employees of the Smithsonian Institution.

Chapter 2.—CONDITIONS OF EMPLOYMENT, PLACEMENT, AND RETIREMENT

SEC. 321. Title 2 of the Panama Canal Code is amended by adding a new section 202 to read as follows:

TRANSFERRED EMPLOYEES

SEC. 202. With respect to employees of the Panama Canal Company or Canal Zone Government who are transferred to employment with the Panama Canal Commission or other United States Government agencies in the Republic of Panama, the following terms and conditions of employment shall be generally no less favorable, from and after the entry into force of the Panama Canal Treaty of 1977, than the terms and conditions of employment with the Panama Canal Company and Canal Zone Government immediately prior to that date:

Wage rates; tropical differential; premium pay and night differential; reinstatement and restoration rights; injury and death compensation benefits; leave and travel, except as modified to provide equity with other employees within the agency to which the employee is transferred; transportation and repatriation benefits; group health and life insurance; reduction-in-force rights; an employee grievance system, and the right to appeal adverse and disciplinary actions as well as position classification actions; veteran's preference eligibility; holidays; saved pay provisions; and severance pay benefits."

SEC. 322. Title 2 of the Panama Canal Code is amended by adding a new section 203 to read as follows:

"PLACEMENT

"SEC. 203. (a) A United States citizen who, immediately preceding the effective date of exchange of instruments of ratification of the Panama Canal Treaty of 1977, was an employee of the Panama Canal Company or Canal Zone Government, who separates or is scheduled to separate on that date or thereafter in accordance with the program established under subsection (c) of this section for any reason other than misconduct or delinquency, and who is not placed in another appropriate position with the United States Government in the Republic of Panama shall, upon the employee's request, be accorded appropriate placement assistance to vacancies with the United States Government in the United States.

"(b) A United States citizen who, immediately preceding the effective date of exchange of instruments of ratification of the Panama Canal Treaty of 1977, was an employee of an agency of the United States Government, or a Federal employee of the Smithsonian Institution, in the Canal Zone other than the Panama Canal Company or Canal Zone Government, whose position is eliminated as the result of implementing the Panama Canal Treaty of 1977 or related agreements, and who is not placed in another appropriate position with the United States Government in the Republic of Panama shall, upon the employee's request, be accorded the placement assistance provided for in subsection (a).

"(c) The Office of Personnel Management shall develop and administer a Federal Governmentwide placement program for all eligible employees who request placement assistance under this section."

SEC. 323. Title 2 of the Panama Canal Code is amended by adding a new section 204 to read as follows:

"EDUCATION TRAVEL BENEFITS

"SEC. 204. Dependents of United States citizen employees of the Panama Canal Commission who are eligible for educational travel benefits under regulations issued by the Commission shall be entitled to one round trip per year for undergraduate studies in the United States until they reach their 23rd birthday."

ADJUSTMENT OF COMPENSATION

SEC. 324. United States citizen employees of the Panama Canal Commission shall be paid an allowance to offset the increased cost of living that may result from the withdrawal of the eligibility of such employees and their dependents to use military postal services, sales stores and exchanges five years after the date of entry into force of the Panama Canal Treaty of 1977. The amount of the additional compensation shall be determined by the Panama Canal Commission.

EARLY RETIREMENT ELIGIBILITY

SEC. 325. Section 8336 of title 5 of the United States Code is amended:

(1) by redesignating subsection (c) as subsection (c)(1) and adding a new paragraph (2) to read as follows:

"(2) A law enforcement officer or firefighter employed by the Panama Canal Company or the Canal Zone Government immediately prior to the effective date of exchange of instruments of ratification or entry into force of the Panama Canal Treaty of 1977, who is separated from the service prior to January 1, 2000, and, upon separation, meets the age and service requirements in paragraph (1), or who is separated within 2 years prior to meeting the age and service requirements in paragraph (1) is entitled to an annuity."

(2) by redesignating subsection (h) as subsection (k) and inserting new subsections (h), (i), and (j) to read as follows:

"(h) An employee of the Panama Canal Commission or of an Executive agency conducting operations in the Canal Zone or Republic of Panama, who is separated from the service prior to January 1, 2000—

"(1) involuntarily, as a result of the implementation of the Panama Canal Treaty of 1977 or related agreements, except by removal for cause on charges of misconduct or delinquency, after completing 20 years of service;

(2) voluntarily, after completing 25 years of service or after becoming age 50 and completing 20 years of service; or

(3) involuntarily, as a result of the implementation of the Panama Canal Treaty of 1977 or related agreements, except by removal for cause on charges of misconduct or delinquency, or voluntarily within 2 years prior to meeting the age and/or service requirements in paragraph (2) is entitled to an annuity if he—

(A) was employed by the Canal Zone Government or the Panama Canal Company immediately prior to the effective date of exchange of instruments of ratification or entry into force of the Panama Canal Treaty of 1977; and

(B) has been continuously employed by the Panama Canal Commission or by an Executive agency conducting operations in the Canal Zone or the Republic of Panama since the effective date of exhange of instruments of ratifiation of the Panama Canal Treaty of 1977 or its entry into force.'

"(i) An employee of the Panama Canal Commission or of an Executive agency conducting operations in the Canal Zone or Republic of Panama, who is separated from the service as a result of the implementation of the Panama Canal Treaty of 1977 or related agreements, prior to January 1, 2000, involuntarily, except by removal for cause on charges of misconduct or delinquency—

(1) after completing 20 years of service; or

(2) within 2 years prior to meeting the age and/or service requirements in paragraph (2) of subsection (h) of this section is entitled to an annuity if he—

(A) was employed in the Canal Zone by an Executive agency other than the Panama Canal Company or the Canal Zone Government immediately prior to the effective date of exchange of instruments of ratification or entry into force of the Panama Canal Treaty of 1977; and

(B) has been continuously employed by the Panama Canal Commission or an Executive agency conducting operations in the Canal Zone or the Republic of Panama since the effective date of exchange of instruments of ratification of the Panama Canal Treaty of 1977 or its entry into force."

"(j) For the purpose of subsections (h) and (i) of this section, Federal employment by or under the United States District Court for the District of the Canal Zone and by the Smithsonian Institution shall be treated as employment by an 'Executive agency.' "

EARLY RETIREMENT COMPUTATION

SEC. 326. Section 8339 of title 5 of the United States Code is amended—

(1) by inserting in subsection (f), immediately after "subsection (a)-(e)", the following: "and (n)";

(2) by inserting in subsection (i), immediately after "subsections (a)-(h)", the following: "and (n)";

(3) by inserting in subsections (j) and (k)(1), immediately after "subsections (a)-(i)" each time it appears, the following: "and (n)";

(4) by inserting in subsection (l), immediately after "subsections (a)-(k)", the following: "and (n)";

(5) by inserting in subsection (m), immediately after "subsections (a)-(e)", the following: "and (n)"; and

(6) by adding at the end thereof new subsections (n), (o), and (p) to read as follows:

"(n) The annuity of an employee retiring under this subchapter who was employed by the Panama Canal Company or Canal Zone Government immediately prior to the entry into force of the Panama Canal Treaty of 1977, who continues in employment with the Panama Canal Commission, or with another Executive agency or the Smithsonian Institution, in the Republic of Panama is computed with respect to the period of that service performed on a continuous basis after the entry into force of the Panama Canal Treaty of 1977 by multiplying—

(A) 2½ percent of the employee's average pay by so much of such service as does not exceed 20 years; plus

(B) 2 percent of the employee's average pay multiplied by so much of such service as exceeds 20 years."

"(o) The annuity computed under subsection (n) of this section for an employee who was employed as a law enforcement officer or firefighter shall be increased by $8 for each full month of such service in the Republic of Panama after the entry into force of the Panama Canal Treaty of 1977. This increase in annuity shall not be paid with respect to service performed after completion of 20 years as a law enforcement officer or firefighter."

"(p) The annuity computed under this subchapter for an employee who was employed as a law enforcement officer or firefighter by the Panama Canal Company or the Canal Zone Government immediately prior to the effective date of exchange of instruments of ratification or entry into force of the Panama Canal Treaty of 1977, who does not qualify for retirement under section 8336(c) of this title, shall be increased by $12 for each full month of such service prior to the entry into force of the Panama Canal Treaty of 1977. This increase in annuity shall not be paid with respect to service performed after completion of 20 years as a law enforcement officer or firefighter.

LAW ENFORCEMENT, CANAL ZONE CIVILIAN PERSONNEL POLICY COORDINATING BOARD, AND RELATED EMPLOYEES

SEC. 327. (a) For the purposes of sections 202, 203, and 204 of title 2 of the Panama Canal Code, as amended by sections 321, 322, and 323 of this Act, and sections 325-326 of this Act, the United States Attorney for the District of the Canal Zone and the Assistant United States Attorneys and their clerical assistants, and the United States Marshal for the District of the Canal Zone and his deputies and clerical assistants, shall be treated the same as employees of the Panama Canal Commission.

(b) For the purposes of this Act, the Executive Director of the Canal Zone Civilian Personnel Policy Coordinating Board, the Manager, Central Examining Office, and their staffs shall be considered employees of the Panama Canal Company for service prior to the entry into force of the Panama Canal Treaty of 1977 and as employees of the Panama Canal Commission for service on or after that date.

SEC. 328. (a) Chapters 81 (Compensation for Work Injuries), 83 (Retirement), 87 (Life Insurance), and 89 (Health Insurance) of title 5 of the United States Code are inapplicable to persons who are not citizens of the United States, who are hired by the Panama Canal Commission after the effective date and who are covered by the Social Security System of the Republic of Panama pursuant to the Panama Canal Treaty of 1977 and related agreements.

(b) In section 8701 of title 5 of the United States Code, the definition of "employee" in subsection (a) is amended by revising paragraph (B) to read as follows:

"(B) an employee who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless such person was an employee for the purpose of this chapter on the day before the effective date by virtue of service with a Federal agency in the Canal Zone, or the Smithsonian Institution."

(c) In section 8901 of title 5 of the United States Code, the definition of employee in subsection (1) is amended by revising paragraph (ii) to read as follows:

"(ii) an employee who is not a citizen or national of the United States and whose permanent duty station is outside the United States unless such person was an employee for the purpose of this chapter on the day before the effective date by virtue of service with a Federal agency in the Canal Zone, or the Smithsonian Institution."

NON-U.S. CITIZEN RETIREMENT UNDER SPECIAL TREATY PROVISIONS

SEC. 329. (a) Under such regulations as the President may prescribe, there shall be paid to the Social Security System of the Republic of Panama, out of funds deposited in the Treasury of the United States to the credit of the Civil Service Retirement Fund under section 8334(a)(2) of title 5 of the United States Code, such sums of money as may be necessary to aid in the purchase of a retirement equity in that System for each person who is separated from employment with the Panama Canal Company, the Canal Zone Government, or the Panama Canal Commission, as the result of the implementation of the Panama Canal Treaty of 1977 or related agreements, and becomes employed under the Social Security System of the Republic of Panama through the transfer of a function or activity to the Republic of Panama from the United States or through a job placement assistance program, provided such person—

(1) has been credited with at least five years of Federal service under the United States Civil Service Retirement System;

(2) is not eligible for an immediate retirement annuity, and does not elect a deferred annuity under the United States Civil Service Retirement System; and

(3) elects to withdraw the entire amount of his contributions to the United States Civil Service Retirement System and transfer it to the Social Security System of the Republic of Panama pursuant to the special regime referred to in paragraph 3 of Article VIII of the Agreement in Implementation of Article III of the Panama Canal Treaty of 1977.

(b) The sums of money made available under subsection (a) shall not exceed, in any case, the amount of the employee contribution withdrawn from the fund and paid over to the Panamanian Social Security System.

(c)(1) Pursuant to paragraph 2(b) of Annex C to the Agreement in Implementation of Article IV of the Panama Canal Treaty of 1977, there are authorized to be appropriated such sums of money as may be necessary to purchase a nontransferable deferred annuity for the benefit of each employee of the United States Forces, including employees of all nonappropriated fund activities of the Department of Defense, in the Republic of Panama—

(A) who is not a citizen of the United States of America;

(B) who was employed prior to and is employed upon the effective date by an instrumentality of the United States Government in the Republic of Panama (including, in the case of employment prior to such date, the former Canal Zone);

(C) who, for any period of his or her employment with that instrumentality of the United States Government prior to the effective date was not covered by a retirement program for the full period of employment;

(D) who, on the effective date is under a retirement system provided by the United States or an instrumentality of the United States Government, or would have been eligible to be under a retirement system of such instrumentality had one been available during previous creditable service; and

(E) who, on the effective date has at least five years of creditable service.

(2) The President of the United States, or his designee, shall pay out of the general funds of the United States Treasury such sums as are appropriated pursuant to subsection (c)(1) of this section in accordance with such regulations as the President or his designee may prescribe.

(3) The annuity referred to in subparagraph (c)(1) above will cover retroactively, from the effective date, all periods of creditable service of such persons with United States Government instrumentalities in the Republic of Panama (including the former Canal Zone) during which such persons were not covered by an appropriate retirement program.

(4) Neither the United States Government nor its instrumentalities is required to furnish or to pay for retirement coverage for the individuals referred to in subparagraph (c)(1) above in the Social Security System of the Republic of Panama for periods of employment with the United States Government or its instrumentalities prior to the effective date.

Sec. 330. (a) Section 5316(87) of title 5 of the United States Code is amended by striking out "Governor of the Canal Zone" and substituting in lieu thereof "Administrator of the Panama Canal Commission."

(b) Section 6322(a) of title 5 of the United States Code is amended by deleting the words "the Canal Zone, or", by inserting a comma in place of the period after "the Trust Territory of the Pacific Islands" at the end of the same sentence, and by adding thereafter "or the Republic of Panama."

(c) Subchapter III of Chapter 59 of title 5 of the United States Code, pertaining to Overseas Differentials and Allowances, is inapplicable to employees assigned to work in the Republic of Panama for the Panama Canal Commission or an executive agency which makes an election under section 142 (b) of title 2 of the Panama Canal Code.

(d) References to the Canal Zone in the following sections of title 5 of the United States Code shall be deemed to refer to areas in the Republic of Panama used or regulated by the United States pursuant to the Panama Canal Treaty of 1977 and related agreements:

(1) section 5595(a)(2)(iii);

(2) section 5724a(a); and

(3) section 8102(b).

(e) Section 1(b) of the Act of April 14, 1966, (20 U.S.C. § 903(c)) and section 6(a) of the Act of July 17, 1959, (20 U.S.C. § 904 (a)(2)) are inapplicable to teachers who are employed by the Canal Zone Government school system immediately prior to the effective date and are transferred to the Department of Defense Overseas Dependent School System.

(f) Section 5102(c)(12) of title 5 of the United States Code is amended to read as follows: "federal employees whose pay is fixed under authority and regulations of the Panama Canal Employment System."

Chapter 3.—POSTAL MATTERS

POSTAL SERVICE

Sec. 341. (a) The postal service established and governed by chapter 73 of title 2 of the Panama Canal Code shall be discontinued upon the effective date.

(b) The provisions of chapter 73 relating to postal-savings deposits, postal-savings certificates, postal money orders, and the accounting for funds shall continue to apply for the purpose of meeting the obligations of the United States concerning outstanding postal savings and money orders and disposition of funds.

(c) The Panama Canal Commission shall take possession of and administer the funds of the postal service and shall assume its obligations. The Commission and the United States Postal Service are authorized to enter into agreements for the transfer of funds or property and the assumption of administrative rights or responsibilities, with respect to the outstanding obligations of the postal service.

(d) Mail addressed to the Canal Zone from or through the continental United States may be routed by the United States Postal Service to the military post offices of the United States Forces in the Republic of Panama. Such military post offices shall provide the required directory services and shall accept such mail to the extent permitted under the Panama Canal Treaty of 1977 and related agreements. The Panama Canal Commission is authorized and directed to furnish personnel, records and other services to said military post offices to assure wherever appropriate the proper distribution, rerouting, or return of said mail.

(e)(1) The words "Except as provided in the Canal Zone Code, the", in the second sentence of section 403(a) of title 39 of the United States Code are revised to read "The";

(2) The words "each post office in the Canal Zone postal service," in section 3402 (a) of title 39 of the United States Code are revised to read "each military post office of the United States Forces in the Republic of Panama" and section 3402(b) of title 39 of the United States Code is deleted;

(3) Section 3682(b)(5) of title 39 of the United States Code is amended by striking the words "the Canal Zone and"; and

(4) Section 3401(b) of title 39 of the United States Code is amended by inserting the word "or" before the words "the Virgin Islands" and by striking the words "or the Canal Zone."

TITLE IV.—COURTS AND RELATED FUNCTIONS

CONTINUATION OF CODE AND OTHER LAWS

Sec. 401. (a) Except as otherwise provided in this Act, the provisions of the Panama Canal Code, as amended, and other laws applicable in the Canal Zone prior to the entry into force of the Panama Canal Treaty of 1977 by virtue of the territorial jurisdiction of the United States in the Canal Zone shall continue in force only for the purpose of the exercise of the authority vested in the United States by that Treaty and related agreements.

(b) None of the provisions or laws referred to in subsection (a) shall be construed as regulating, or providing authority to regulate, any matter as to which the United States may not exercise jurisdiction under the Panama Canal Treaty of 1977 and related agreements.

JURISDICTION DURING TREATY TRANSITION PERIOD

Sec. 402. (a) The Congress of the United States finds that article XI of the Panama Canal Treaty of 1977 prescribes certain special provisions governing the jurisdiction of the United States in the Republic of Panama during a transition period of thirty months beginning upon the date the Panama Canal Treaty of 1977 enters into force.

(b) Notwithstanding inconsistent provisions of the Panama Canal Code or any other law, the jurisdiction of the district court and magistrates' courts established pursuant to title 3 of the Panama Canal Code shall be limited as provided by article XI of the Panama Canal Treaty of 1977.

(c) For the purposes of the exercise of the jurisdiction described in subsection (b), the terms "United States citizen employees," "members of the United States Forces," "civilian component," and "dependents" shall be construed as they are defined in the Panama Canal Treaty of 1977 and related agreements. Similarly, the term "areas and installations made available for the use of the United States" shall be construed to mean (1) the canal operating areas and housing areas described in annex A to the agreement in implementation of article III of that treaty, (2) the ports of Balboa and Cristobal described in annex B to that agreement, and (3) the defense sites and areas of military coordination described in annex A to the agreement in implementation of article IV of that treaty.

DIVISIONS AND TERMS OF DISTRICT COURT

Sec. 403. The United States District Court for the District of the Canal Zone is authorized to conduct its affairs at such places within the areas made available for the use of the United States under the Panama Canal Treaty of 1977 and related agreements, and at such times, as the district judge may designate by rule or order.

(b) Sections 2 and 3 of title 3 of the Panama Canal Code are repealed.

TERM OF CERTAIN OFFICES

Sec. 404. Notwithstanding the provisions of sections 5, 41, 45, and 82 of title 3 of the Panama Canal Code, the term of office of a district judge, magistrate, United States attorney or United States marshal appointed after the date of enactment of this Act shall extend for a period of 30 months beyond the date the Panama Canal Treaty of 1977 enters into force, and be subject to such extension of time as may be provided for disposition of pending cases by agreement between the United States and the Republic of Panama pursuant to the last sentence of paragraph 7 of article XI of the Panama Canal Treaty of 1977.

RESIDENCE REQUIREMENTS

Sec. 405. Sections 5(d), 7(d), 41(d), and 45(d) of title 3 of the Panama Canal Code, the second sentence of section 42 of that title, and the second sentence of setcion 82(c) of that title, which require that certain court officials reside in the Canal Zone, are repealed.

Sec. 406. (a) Section 6 of title 3 of the Panama Canal Code is amended to read as follows:

SPECIAL DISTRICT JUDGE

"Sec. 6. The chief judge of the judicial circuit of which the district court is a part may designate and assign a special district judge to act when necessary:

(1) during the absence of the district judge;

(2) during the district judge's disability or disqualification, because of sickness or otherwise, to discharge his duties; or

(3) when the office of district judge is vacant.

(b) Each such designation and assignment by the chief judge shall be made in accordance with chapter 13 of title 28 of the United States Code, which shall be deemed to apply for such purposes.

MAGISTRATES' COURT

Sec. 407. (a) The two magistrates' courts established pursuant to section 81 of title 3 of the Panama Canal Code and existing immediately preceding the date upon which the Panama Canal Treaty of 1977 enters into force shall continue in operation for 30 months from that date unless discontinued during that period as otherwise provided by this section.

(b) During the period referred to in subsection (a), one or both magistrates' courts, together with the positions of magistrate and constable corresponding thereto, may be abolished by the President or his designee if in his judgment the workload is insufficient to warrant continuance of either or both courts. If one of the courts is so abolished, the remaining magistrate's court shall exercise the jurisdiction that otherwise would have been exercised by the abolished court and shall take custody of and administer all its records.

(c) If both magistrates' courts are abolished pursuant to subsection (b), the following provisions shall thereafter apply:

(1) The district court shall exercise the jurisdiction of the magistrates' courts.

(2) All records of the magistrates' courts shall be deemed records of the district court.

(3) A criminal action that otherwise would have come within the original jurisdiction of the magistrates' courts shall be instituted in the district court by a complaint executed pursuant to section 3701 of title 6 of the Panama Canal Code, and the law and rules applicable in the district court shall thereafter apply. All other criminal actions shall be instituted in the district court by the filing in each case of an information pursuant to chapter 213 of title 6 of the Panama Canal Code.

(4) The requirement of and procedures for preliminary examinations under section 172 of title 3 and section 3801–3806 of title 6 of the Panama Canal Code shall not apply.

SEC. 408. Section 543 of title 3 of the Panama Canal Code is amended to read as follows:

OATH

"SEC. 543. Before receiving a certificate the applicant shall take and subscribe in court an appropriate oath prescribed by the district judge."

TRANSITION AUTHORITY

SEC. 409. Except as expressly provided to the contrary in this Act, in any other statute, in the Pamana Canal Treaty of 1977 and related agreements, or by executive order, any authority necessary to the exercise during the transition period of the rights and responsibilities of the United States specified in Article XI of the Panama Canal Treaty of 1977 shall be vested in the Panama Canal Commission.

SPECIAL IMMIGRANTS

SEC. 410. (a) Section 101(a)(27) of the Immigration and Nationality Act (8 U.S.C. § 1101(a)(27) relating to the definition of special immigrant, is amended—

(1) by striking out "or" at the end of subparagraph (C);

(2) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof a semicolon; and

(3) by inserting after subparagraph (D) new subparagraphs (E) and (F) to read as follows:

"(E) an immigrant who is an employee of the Panama Canal Company or Canal Zone Government, who is resident in the Canal Zone on the effective date of the exchange of instruments of ratification of the Panama Canal Treaty of 1977, and who has performed faithful service for one year, or more, and his spouse and children who accompany or follow to join him; or

"(F) an immigrant, and his spouse and children who accompany or follow to join him, who is a Panamanian national and (i) who, prior to the date of entry into force of the Panama Canal Treaty of 1977, has been honorably retired from United States Government employment in the Canal Zone (or former Canal Zone) with a total of fifteen years, or more, of faithful service or (ii) who, on the date of entry into force of the Panama Canal Treaty of 1977, has been a faithful employee of the United States Government in the Canal Zone (or former Canal Zone) for fifteen years or more and who subsequently is honorably retired from such employment."

(b) Section 212(d) of such Act (8 U.S.C. § 1182(d)), relating to waivers of conditions of inadmissability to the United States, is amended by adding after paragraph (8) new paragraphs (9) and (10) to read as follows:

"(9) The provisions of paragraph (7) of subsection (a) shall not be applicable to any alien who is seeking to enter the United States as a special immigrant under subparagraphs (E) or (F) of section 101(a)(27).

"(10) The provisions of paragraph (15) of subsection (a) shall not be applicable to any alien who is seeking to enter the United States as a special immigrant under subparagraphs (E) or (F) of section 101(a)(27) and who applies for immigration no later than thirty calendar months after the date the Panama Canal Treaty of 1977 enters into force."

PRISONS; PAROLE; PARDON

SEC. 411. (a) Subsection (c) of section 6503 of title 6 of the Panama Canal Code is amended to read as follows:

"(c) Pursuant to the provisions of section 5003 of title 18 of the United States Code, the Governor shall contract with the Attorney General for the transfer to the custody of the Attorney General of prisoners sentenced by the United States District Court for the District of the Canal Zone to terms of imprisonment in excess of one year."

(b) Upon entry into force of the Panama Canal Treaty of 1977—

(1) all prisoners then imprisoned in United States prisons pursuant to contracts entered into under subsection (c) of section 6503 of title 6 of the Panama Canal Code shall be committed to the custody of the Attorney General as if committed in accordance with Part III of title 18 of the United States Code;

(2) all persons convicted of offenses in the United States District Court for the District of the Canal Zone, and sentenced to terms of imprisonment of one year or less, shall be committed to the custody of the Panama Canal Commission;

(3) the Panama Canal Commission shall prescribe, and from time to time may amend, regulations providing for the management of prisoners in the jails located in the areas and installations made available for the use of the United States pursuant to that Treaty, including provisions for work, discipline, and welfare;

(4) sections 6501 through 6505 of title 6 of the Panama Canal Code are repealed; and

(5) chapter 355 of title 6 of the Panama Canal Code is repealed.

(c) After entry into force of the Panama Canal Treaty of 1977, all persons convicted of offenses in the United States District Court for the District of the Canal Zone, and sentenced to terms of imprisonment in excess of one year, shall be committed to the custody of the Attorney General pursuant to Parts III and IV of title 18 of the United States Code.

TITLE V.—MISCELLANEOUS PROVISIONS

HEALTH DIRECTOR; HOSPITALS

SEC. 501. (a) In chapter 57 of title 5 of the Panama Canal Code, references to "hospitals", to the "Health Bureau", and to the "health director", shall be deemed to be, respectively, to the hospitals operated by the United States in the Republic of Panama after the effective date, to the organizational unit operating such hospitals, and to the senior official in charge of such hospitals.

(b) In section 4784 of title 6, section 2 of title 7, and sections 32, 35–38 of title 8 of the Panama Canal Code, references to the health director shall be deemed to be to the senior official in charge of the hospitals operated by the United States in the Republic of Panama after the effective date.

DISINTERMENT, TRANSPORTATION, AND REINTERMENT OF REMAINS

SEC. 502. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes and provisions of reservation 3 to the Resolution of Ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, adopted by the United States Senate on March 16, 1978, said sums to be made available to those agencies that are directed and empowered by the President of the United States to carry out such purposes and provisions.

(b) With regard to remains that are to be reinterred in the United States, the United States will not bear the cost of funeral home services, vaults, plots, or crypts unless otherwise provided for by law.

EFFECTIVE DATE

SEC. 503. (a) Except as otherwise provided in subsection (b) of this section, the provisions of this Act shall take effect on the effective date of the Panama Canal Treaty of 1977.

(b) Sections 231, 321, 322, 325, 326, 404, 410, 411 and 502 of this Act shall become effective upon the date of enactment of this Act.

SECTION-BY-SECTION ANALYSIS

A bill to implement the Panama Canal Treaty of 1977 and related agreements, and for other purposes.

INTRODUCTION

This draft legislation would implement several aspects of the responsibilities and role of the United States under the Panama Canal Treaty of 1977 and related agreements. It includes the establishment of the Panama Canal Commission as a corporate agency of the United States to operate the Canal as a self-sustaining entity. It would provide regimes for the Commission's tolls, employees and fiscal management, modify existing law to comport wtih the jurisdiction of the United States during the 30-month transition period under Article XI of the Treaty, and cover other matters relating to implementation of the new relationship between the United States and the Republic of Panama.

Section 2. Definitions and General Provisions.

The bill would amend or repeal various provisions of the Canal Zone Code (redesignated as the "Panama Canal Code") and other laws necessary or desirable to implement the new treaty and related agreements. However, most of the Canal Zone Code, consisting of eight titles published in three volumes, would remain in force for purposes of the jurisdiction of the United States during the 30-month transition period following the entry into force of the Treaty six months after the effective date of the exchange of instruments of ratification (Article XI of the Treaty). It is provided, in section 2 of the bill, that, before the end of the transition period, other follow-up legislation would continue or amend provisions needed for the rest of the Treaty period taking into account experience during the transition period, would repeal provisions applicable only during the transition period, and would incorporate the remainder of the Canal Zone Code into the United States Code.

Section 2 also provides definitions which would amend certain proper names appearing in the Canal Zone Code and other laws of the United States. The term "Panama Canal Commission" is substituted for the terms

"Panama Canal Company", "Canal Zone Government", and "Governor of the Canal Zone" for purposes of applying existing law after the Treaty enters into force, unless other parts of this bill provide otherwise. This will permit the Panama Canal Commission to assume those existing authorities (1) of the Panama Canal Company and (2) of the Canal Zone Government which the United States will exercise under the Treaty.

The term "Government of the Canal Zone", however, would be replaced by the term "United States of America". Unlike "Canal Zone Government" which is the name of a governmental unit, "Government of the Canal Zone" is the generic term for the local governmental authority in the present Canal Zone. To the extent that this authority could be exercised under the Treaty, it will inhere in the United States. Finally, insofar as laws of the United States which refer to the Canal Zone apply to events occurring after the effective date of the new Treaty, the phrase "Canal Zone" is redefined to refer to areas and installations used or regulated by the United States pursuant to the Treaty.

Notwithstanding section 2(d) of the bill, which establishes the general rule that laws of the United States presently applicable in the Canal Zone will continue to apply in areas and installations made available to the United States pursuant to the Panama Canal Treaty, laws which are presently applied to the Canal Zone on the basis of the territorial jurisdiction of the United States over the Zone will continue to apply in these areas and installations only for the purpose of exercising authority vested in the United States by the Treaty and related agreements. This limited application of United States law is necessitated by the termination of United States territorial jurisdiction effected by the Treaty. Section 401 of the bill reflects this principle.

TITLE I—PANAMANIAN RELATIONS AND SECURITY MATTERS

Section 101. United States-Panama Joint Committees.

Subsection (a) provides that the President shall appoint the United States representatives to the Joint Commission on the Environment.

Subsection (b) would require the President to designate and the Secretary of State to coordinate the participation of the United States representatives to the Consultative Committee to be established under paragraph 7 of Article III of the Panama Canal Treaty. As provided in the Treaty, this Committee would provide a diplomatic forum for discussion and advice on issues of primary importance; general tolls policy, policies to increase Panamanian participation in the Canal's operation, and international policies on matters concerning the Canal. It is contemplated that other affected Federal agencies will participate in this consultative process under the coordination of the Secretary of State.

Section 102. Authority of the Ambassador.

Section 102 provides that the United States Ambassador to the Republic of Panama has full responsibility for coordinating the transfer of functions which are assumed by the Republic of Panama under the Treaty. The Administrator of the Panama Canal Commission and personnel under his supervision are exempted from the direction and supervision of the Chief of Mission concerning Commission responsibilities for the operation, management or maintenance of the Canal; in other respects 22 U.S.C. § 2680a applies.

Section 103. Security Legislation.

Sections 34 and 35 of title 2 of the Canal Zone Code which deal, respectively, with the authority of the President and of the Governor of the Canal Zone over certain military activities within the Canal Zone, would be repealed by Section 103(a) of the bill to reflect the termination of the Canal Zone and of the office of the Governor. After the effective date of the Treaty, authority over the United States forces in Panama will be exercised in accordance with the constitutional authority of the Commander-in-Chief and with the normal chain of command.

Subsections (b) through (e) would make inapplicable, as no longer appropriate after the loss of territorial jurisdiction, certain provisions of title 50 of the United States Code concerning the regulation or seizure of foreign vessels in time of national emergency. Repeal of these provisions reflects the termination of the Canal Zone. Provisions governing United States protection and defense of the Canal are set out in Article IV of the Treaty and the agreement implementing that Article.

Section 104. Arms Export Control.

This section would repeal section 38(d) of the Arms Export Control Act which makes the licensing requirements of that Act applicable in the Canal Zone. This licensing authority would no longer be within United States jurisdiction under the Treaty.

Section 105. Privileges and Immunities.

Article VIII of the new Treaty authorizes the United States to designate up to twenty officials of the Panama Canal Commission who, with their dependents, shall enjoy the privileges and immunities accorded to diplomatic agents and their dependents under international law and practice. This section would vest in the Secretary of State the authority to make such designation from among persons recommended by the Panama Canal Commission and to furnish a list to Panama as required by the Treaty.

Section 106. Termination of Canal Zone Government; Transfer of Records.

The provisions that would be repealed by this section would be inappropriate under the new Treaty arrangements. Sections 1, 2, and 3 of title 2 of the Canal Zone Code concern the designation of the Canal Zone, the acquisition of land to be made part of the Canal Zone in addition to the 1903 grant, and the creation of towns and subdivisions in the Canal Zone. Section 31 establishes the Canal Zone Government and states its functions; section 32 provides for the appointment of the Governor; and section 33 states his powers and duties. Sections 333 and 334 authorize the Governor of the Canal Zone to issue and revoke property licenses within and without Canal Zone town sites.

Sections 5081 through 5092 of title 6 of the Canal Zone Code provide authority to the Canal Zone Government to extradite persons to the Republic of Panama. With the termination of the Canal Zone Government, these sections would be repealed.

Subsection (b) authorizes the transfer of records, or their copies, including those of the Canal Zone Government, Canal Zone courts and Panama Canal Company, to other United States agencies and courts. Under the coordination and with the approval of the United States Ambassador to Panama, needed records or copies could also be transferred to the Republic of Panama for the purpose of carrying out their jurisdiction or functions under the Treaty.

Section 107. Payment to Panama; Repealer.

At present, annuity payments to Panama are made through a special State Department appropriation. (The Panama Canal Company reimburses the United States Treasury for $519,000 of the total annuity of $2.3 million paid by the Department of State.) This appropriation would be repealed because the Panama Canal Commission would make the payments required by the Treaty (see analysis to section 203).

TITLE II—PANAMA CANAL COMMISSION AND OTHER AGENCIES

CHAPTER 1—COMMISSION; FISCAL MATTERS

This chapter relates principally to the organization of the Panama Canal Commission, its financial management, and its functions and authorities. The Commission would be established as the successor to the Panama Canal Company, would assume the assets and liabilities of the Company and the Canal Zone Government which are not transferred under the Treaty or otherwise disposed of, and would be subject to most of the statutory provisions which now govern the Company, including its powers as a government corporation and its authority to borrow funds up to a fixed ceiling from the Treasury. In addition to the provisions of this chapter, the transition is effected to a large extent by the definitions in section 2 of the bill, which provide that references in the Canal Zone Code (redesignated as the "Panama Canal Code") to the "Panama Canal Company" would be amended to read the "Panama Canal Commission".

Section 201. Establishment; Purposes; Location of Offices.

Subsection (a) of this section would amend section 61 of title 2 of the Canal Zone Code which presently states the purposes, and establishes the offices and residence of the Panama Canal Company. As revised by this section, the Panama Canal Commission is established and declared to be the successor to the Panama Canal Company. References to the civil government of the Canal Zone are deleted, as are references to the Canal Zone as a geographical area. The Commission would be a resident of the eastern judicial district of Louisiana rather than the Canal Zone, as well as the District of Columbia, for the purpose of federal laws relating to jurisdiction or venue in civil actions. Subsection (b) provides a conforming amendment to section 62(a) of title 2 of the Canal Zone Code, which would have tht effect of continuing the United States direct investment in the present Panama Canal Company on the books of the Commission.

Section 202. Payment of Interest to United States Treasury; Repeal of Requirement.

Subsection (e) of section 62 of title 2 of the Canal Zone Code, which requires the present Panama Canal Company to pay into the United States Treasury interest on the net direct investment of the United States in the Panama Canal Company, would be repealed by section 202(a) of this bill. The elimination of the interest obligation has been recommended in order to balance the policy objectives of keeping the Commission self-sustaining and avoiding an uneconomic increase in tolls. The conforming amendments in subsections (b), (c), and (d) of section 202 delete other references to the payment of interest. Subsection (b) also clarifies that the surplus referred to in section 62(f) is a capital surplus account, a means for accounting for undistributed earnings accumulated to date, and not the type of annual operating surplus from which Panama would receive an additional payment under paragraph 4(c) of Article XIII of the Treaty.

Dividends to United States Treasury. Subsection (c) of section 202 would amend section 70 of title 2 of the Canal Zone Code, which requires the present Panama Canal Company to pay any operating surplus into the United States Treasury, by indicating that the phrase "working capital requirements" includes operating expenses and payments to Panama under the Treaty. This amendment will require the Commission to pay as dividends to the Treasury any surplus not required to be paid to Panama under paragraph 4(c) of Article XIII of the Treaty.

Section 203. Expenditures and Payments to Panama.

Subsection (g) of section 62 of title 2 of the Canal Zone Code would be amended to authorize and direct the Commission to pay, directly to Panama from Canal operating revenues, the payments required under paragraph 4 of Article XIII of the Treaty.

The amended subsection (g) would also provide a method for determining whether the Canal operating revenues in any year produce a surplus sufficient to pay all or part of the contingent $10 million, payable under paragraph 4(c) of Article XIII of the Treaty from any excess of Canal operating revenues over costs of the Commission. Revenues of a given fiscal period would be reduced by: (1) all costs of that period attributable to Canal operation, maintenance, and improvement including (i) operating expenses, (ii) payments to Panama under paragraphs 4(a) and 4(b) of Article XIII and paragraph 5 of Article III, (iii) amounts in excess of depreciation and amortization necessary to fund plant replacement, expansion, and improvements; (2) amounts allocated in order to match revenues and expenses during the projected period for an increase in toll rates; (3) the accumulated sum from prior years of any excess of these costs over operating revenues; and (4) working capital requirements.

This formula is intended to insure that the contingent payment to Panama will be made only after all costs of operating the Canal have been met.

Section 204. Public Service Payments to Panama.

At present, the Panama Canal Company is required to treat as an operating cost the net costs of operation of the Canal Zone Government. A new subsection (h) added to section 62 of title 2 of the Canal Zone Code would similarly require the Panama Canal Commission to treat as an operating cost payments to Panama for providing certain public services in the Canal operating areas and housing areas (police, fire protection, street maintenance, street lighting, street cleaning, traffic management and garbage collection) as required by paragraph 5 of Article III of the Treaty. The Treaty fixes the amount of this payment at $10 million annually, and provides that every three years the costs involved in furnishing the services are to be re-examined to determine whether adjustment of the annual payment should be made because of inflation and other relevant factors affecting the cost of such services.

Section 205. Board of Directors of Commission.

Subsection (a) of section 63 of title 2 of the Canal Zone Code, concerning the Board of Directors of the Panama Canal Commission, would be amended to conform to the new Treaty provisions. Article III of the Treaty provides that the Board will have nine members, four of whom are Panamanians and five of whom are nationals of the United States. Under this revised subsection, all members of the Board would be appointed by the President of the United States and hold office at his pleasure, except as limited by paragraph 3(b) of Article III of the Treaty.

Section 206. Quorum of Board of Directors.

Subsection (c) of section 63 of title 2 of the Canal Zone Code would be amended to provide that a quorum for transaction of business of the Board of Directors of the Commission shall consist of a majority of the directors of which a majority of those present are nationals of the United States. The present provision states that a majority constitutes a quorum. The proposed new statement of a quorum would assure that for the transaction of business the United States members would retain their majority.

Section 207. Administrator and Deputy.

Section 64 of title 2 of the Canal Zone Code, which provides that the Governor of the Canal Zone, shall serve, *ex officio*, as president of the Panama Canal Company, would be amended to reflect the fact that the office of the Governor would be discontinued by section 105 of the bill. The amended section provides that the Administrator and the Deputy Administrator will be appointed by the President of the United States. The new Treaty provides that the Administrator be a United States national until 1990 and that he be a Panamanian national thereafter. The Deputy would be a Panamanian national until 1990 and a United States national thereafter.

Section 208. Suits against Commission.

Section 65 of title 2 of the Canal Zone Code states the general powers of the Panama Canal Company, and this amendment to paragraph (3) of subsection (a) restates the sue-and-be-sued clause so as to provide that the amendability of the Commission to suit is limited by the immunities provided by Article VIII of the Treaty or otherwise by law. Article VIII of the Treaty provides that the Commission as an agency of the United States government is immune from the jurisdiction of the Republic of Panama. The suability of the Commission would also be limited by a provision that the Commission, under the general rule applicable to judgments against the United States Government, is exempt from any liability for prejudgment interest. Monies owed by the Commission to its employees are protected against attachment or garnishment except at otherwise provided by law.

Section 209. Applicability of Government Corporation Control Act.

Section 66 of title 2 of the Canal Zone Code, which states the specific powers of the Panama Canal Company, would be amended to provide that the exercise of such powers would be subject to the new Treaty and related agreements, which limit activities and functions of the Panama Canal Commission. Thus, the enumerated powers in the present section 66 may be exercised only to the extent permitted under the Treaty.

Section 210. Commission Property and Assets; Depreciation and Amortization.

This section would repeal sections 67, 68, and 73 of the Canal Zone Code which reflect the transfer of assets and functions from the former Panama Railroad Company to the Panama Canal Company. These provisions would have no further relevance under the Treaty.

A new section 68 would be added to the Canal Zone Code, providing that the Commission, as successor to the Canal agencies, would take over those assets and liabilities of the Panama Canal Company and the Canal Zone Government that have not been transferred to other United States agencies or to Panama or otherwise disposed of. The assets and liabilities would be deemed to have been accepted and assumed by the Commission under subsection (c) without the necessity of any act on its part. Subsection (b) of the new section 68 would permit the Commission to depreciate the assets to which it would succeed, in particular the Canal and its complementary works, installations, and equipment. The Commission could also amortize its right to use certain assets made available under the Treaty, in particular the employee housing that Panama will make available for use by the Commission under the Treaty.

Borrowing Authority. No special provision is needed to continue with the Commission the present borrowing authority of the Panama Canal Company under section 71 of title 2 of the Canal Zone Code. This is accomplished by section 2 of the bill which amends the term "Panama Canal Company" to read "Panama Canal Commission".

Section 211. Regulations Regarding Navigation, Passage and Pilotage.

Section 1331 of title 2 of the Canal Zone Code would be amended to preserve the basic authority of the United States to prescribe regulations governing the navigation of the waters of the Panama Canal and areas adjacent thereto including the ports of Balboa and Cristobal, the passage and control of vessels through the Panama Canal or any part thereof including the locks and approaches thereto, and pilotage in the Canal or the approaches thereto through adjacent waters. Under this restatement of present law, the United States would exercise its regulatory authority in accordance with provisions of the new Treaty and related agreements.

Section 212. Furnishing of Services; Reimbursement.

Section 231 of title 2 of the Canal Zone Code would be repealed because it refers to funds of the Canal Zone Government, which is being discontinued. Section 232 would be amended to continue the arrangement under which the Panama Canal Commission would be reimbursed for amounts expended by the Commission in maintaining defense facilities in stand-by condition for the Department of Defense.

The Panama Canal Commission is not authorized by the new Treaty to continue operating schools and health care facilities. Under section 232, as amended, the President will designate an agency to provide educational and health care services to those individuals who are authorized under the Treaty and related agreements to receive such services. The agency designated would be authorized to utilize its appropriations to conduct educational and health care services. The amounts expended by this agency for furnishing services to employees of other agencies and their dependents, less amounts payable by such persons, would be fully reimbursable, as at present. The funds of other agencies of the United States in Panama would be made available for such reimbursements related to their employees and dependents. These agencies also would be authorized to pay for educational services for such other eligible persons as the heads of those agencies determined and for health care services provided to certain elderly or disabled persons, primarily disability relief recipients, Civil Service annuitants who retired prior to 1970, and a relatively few elderly persons receiving domiciliary care at Corozal Hospital. This provision would recognize the moral responsibility of the United States to continue past practices in this regard. Payments by the Panama Canal Commission under this section would be treated as operating costs of that agency.

Section 213. Public Property and Procurement; Transfers and Cross Servicing.

This section would repeal section 371 of title 2 of the Canal Zone Code which refers to the acquisition of equipment, buildings, and structures by the Canal Zone Government, which is being discontinued under the new Treaty. This section would also amend section 372 of title 2 of the Canal Zone Code, by deleting material concerning the Canal Zone Government and continuing existing provisions for transfers of property and facilities between departments and agencies that would be located in Panama. The Panama Canal Commission and other agencies would also be expressly authorized to enter into cross-servicing agreements for the use of facilities, furnishing of services, or performance of functions.

CHAPTER 2—TOLLS

This chapter amends the present provisions applicable to the determination of tolls charged for vessels transiting the Panama

Canal, in order to conform to the requirements under the new Treaty.

Section 230. Measurement Rules; Changes in Rates.

This section would amend section 411 of title 2 of the Canal Zone Code concerning the prescription of measurement rules and tolls. The present provisions would remain the same except that, in order to provide a more timely response to changing economic conditions, the required period for notice of proposed changes would be reduced from six months to three months.

Section 231. Setting of Rates Under New Treaty.

This section would recognize the fact that the increased financial obligations of the Commission imposed by the annuity provisions of the new Treaty would begin on the effective date of the Treaty and that increased rates of tolls should be put into effect on that same date so that revenues will be sufficient to meet these obligations. This section would take effect on the date of enactment of this legislation and would authorize the present Panama Canal Company to review and change the rates of tolls, as necessary, effective on the Treaty effective date. The changes would be subject to the approval of the President. The section would require that, if and to the extent that time permits, the Panama Canal Company would give three months' notice and conduct a public hearing in the usual manner.

Section 232. Bases of Tolls.

This section would amend the tolls formula in subsection (b) of section 412 of title 2 of the Canal Zone Code. Section 232 is intended to assure that tolls will be set at a level sufficient to provide for the operation of the Canal on a self-sustaining basis.

Tolls would continue to be prescribed at rates calculated to cover, as nearly as practicable, all anticipated costs of maintaining and operating the Canal, together with the facilities and appurtenances related thereto, including depreciation of assets, amortization of use rights, and payments to Panama pursuant to paragraphs 4(a) and 4(b) of Article XIII and paragraph 5 of Article III of the new Treaty. Paragraph 4(a) provides for payment to Panama of 30 cents per Panama Canal net ton for each vessel transiting the Canal for which tolls are charged, with a periodic adjustment for inflation (based on changes in the United States Wholesale prince index for total manufactured goods during biennial periods). Paragraph 4(b) provides a fixed annuity of $10 million to be paid to Panama out of Canal operating revenues. Paragraph 4(c) of Article XIII requires an additional annual amount of up to $10 million to be paid out of Canal operating revenues to the extent that such revenues exceed expenditures of the Panama Canal Commission, including the amounts paid to Panama pursuant to paragraphs 4(a) and 4(b). The payment under paragraph 4(c), to be made only if earned, is not included in the tolls formula. Under paragraph 5 of Article III, the Commission would pay Panama for certain public services rendered in specified areas.

In determining the rate of tolls, the Commission may also take into account unrecovered past costs, capital requirements, and the necessity of matching revenues with expenses during the projected period of a given toll rate.

Subsection (c) of section 412 of title 2 would be amended to require vessels operated by the United States, including warships and other military vessels, to pay direct tolls for transiting the Canal. The present law provides that if the President does not require such vessels to pay tolls (and he has not so required), the tolls shall nevertheless be computed and the amounts thereof offset against the obligations of the Panama Canal Company to the United States Treasury. This, in effect, has resulted in the indirect payment of tolls for United States vessels by the Treasury. The proposed legislation would convert the present system of computing toll credits and offsetting them against payments to the Treasury to a system of direct payment of tolls by United States vessels.

Subsection (d) of section 412 of title 2 of the Canal Zone Code which provides that the levy of tolls is subject to the provision of certain treaties, would be amended to delete the reference to the 1903 Treaty with Panama, which is abrogated by the new Treaty, and to include appropriate references to the new Neutrality Treaty. The provision implementing the 1914 treaty with Colombia prescribing free passage of the Canal for Colombian troops, materials of war, and war ships would be continued.

CHAPTER 3—CLAIMS

Section 260. Measure of Damages; Time for Filing; Board of Local Inspectors.

This section would make a number of changes in chapter 11 of title 2 of the Canal Zone Code dealing with claims for injuries to persons or property. Section 271 of title 2 of the Canal Zone Code would be repealed because it deals with the authority of the Governor in claims arising from civil government. The civil government functions would terminate on the Treaty effective date. The Panama Canal Commission would have its own authority to settle claims after that date.

Section 291 of title 2 of the Canal Zone Code, relating to claims for injuries to vessels in the locks of the Canal, would be amended to include the element of negligence as a condition of the liability of the Commission, as is the case in section 292 concerning injuries outside the locks. In cases under section 291, as revised, the Commission would have the burden of showing its freedom from negligence. A clarifying amendment to section 291 would also be made by substituting the words "any portion of the hull" for the words "the side."

Section 293 of title 2 of the Canal Zone Code, dealing with the types of damages recoverable from the Commission in vessel accident claims, would be revised to confirm the long-standing administrative construction of those damage provisions, that was affected by a court decision in 1973 concerning liability for charter hire, expenses for maintenance of the vessel, and wages of the crew, for the time the vessel is undergoing repairs. Subsection (b) would be amended specifically to cover other questions that have arisen with reference to general average expenses, attorneys' fees, bank commissions and port charges.

Section 294 of title 2 of the Canal Zone Code, specifying delays for which the Panama Canal Commission would not be responsible, would be amended by the addition of a new item, time necessary for investigation of marine accidents, which was previously covered by administrative regulation.

Section 296 of title 2 of the Canal Zone Code would be amended by providing that actions on vessel accident claims against the Commission would be brought in the United States District Court for the Eastern District of Louisiana rather than the court in the Canal Zone, since on the Treaty effective date the local court would lose jurisdiction over new civil cases.

Section 297 of title 2 of the Canal Zone Code requires that, prior to the departure of a vessel involved in an accident or injury giving rise to claim, an investigation by the competent authorities has been completed and the basis for the claim has been laid before the Panama Canal Company. This section would be amended to state expressly that lack of knowledge that an accident giving rise to a claim has occurred does not excuse noncompliance with the requirements.

A new section 298 would be added to title 2 of the Canal Zone Code establishing a statute of limitations, patterned after that contained in the Federal Tort Claims Act, for vessel accident suits against the Panama Canal Commission. A claim would be required to be presented in writing within two years and action brought within one year after notice of final decision on the claim by the Commission. This new provision would probably reduce the number of actions that have to be filed on claims under negotiation, and should be beneficial in terms of time and expense both to the Commission and to claimants in view of the distance between the Canal and the court in Louisiana.

A new section 299 would be added to title 2 of the Canal Zone Code establishing a board of local inspectors, comprised of officials of the Panama Canal Commission, which would conduct the investigation of vessel accidents. At the present time the board is part of the Canal Zone Government, which would be discontinued on the effective date of the Treaty.

CHAPTER 4—SEA-LEVEL CANAL STUDY

Section 270. United States-Panama Joint Committee; Study.

Subsection (a) provides that the President shall appoint the United States representative to any joint committee subsequently designated to study the possibility of a sea-level canal in Panama.

With respect to such a sea-level canal study, subsection (b) requires that the study be transmitted to the Congress, and subsection (c) precludes construction of a sea-level canal by the United States in Panama unless expressly authorized by Congress after submission of such a study.

TITLE III—EMPLOYEES AND POSTAL MATTERS

CHAPTER 1—EMPLOYMENT SYSTEM

This chapter would redesignate the present Canal Zone Merit System as the Panama Canal Employment System and provide for a number of changes consistent with the requirements and purposes of the Panama Canal Treaty of 1977. Many existing provisions would be continued through the definitional changes in sections 2 and 302 of the bill.

Section 301. Repealers and Changes in Canal Zone Code.

This section would repeal sections 101, 102, 122, 123, 147 and 154 of title 2 of the Canal Zone Code, and redesignate section 103 as section 122. Section 101 concerns appointment and compensation of employees of the Canal Zone Government, which is being discontinued pursuant to the Treaty. Section 102 provides an exemption from certain laws relating to dual compensation for "teachers in the public schools of the Canal Zone" who are also employed in night schools or vocational schools or programs. The provisions are not considered applicable to the circumstances that would obtain under the new Treaty. Section 103, concerning deduction from compensation of amounts due from employees for supplies or services, would be redesignated as section 122. Section 123, concerning hours of work for telegraph operators and train dispatchers, is inconsistent with other law and in any event would no longer be needed because under the new Treaty Panama would undertake operation of the railroad. Section 14 authorizes designation of positions which for security reasons must be occupied by a citizen of the United States. Under the new Treaty arrangements this provision would no longer be appropriate. Section 154, requiring training programs to be applied uniformly to employees regardless of citizenship, would be inconsistent with the provisions of the Treaty concerning increased employment and training of Panamanians.

Section 302. Definitions.

Section 141 of title 2 of the Canal Zone Code defines terms for the purpose of the wage and employment practices provisions of the Code. The definitions of "department" and "position" are revised to delete references to the Canal Zone. The term "department" is also redefined to mean (1) the Panama Canal Commission and (2) an executive agency which makes an election under the revised section 142(b) (see analysis to section 303). The term "executive agency" has the same meaning as in 5 U.S.C. § 105.

Section 303. Panama Canal Employment System.

Section 142(a) of title 2 of the Canal Zone Code prescribes the general standards governing the system of wage and employment practices of the Panama Canal Company, the Canal Zone Government and all other United States agencies in the present Canal Zone. In place of this general Canal Zone system, section 142(a) would be revised and divided into three parts. Subsection (a) would require the Panama Canal Commission to conduct its wage and employment practices in accordance with the Panama Canal Employment System. The latter system, like the present Canal Zone Merit System, would be established in accordance with applicable Treaty requirements, provisions of law, including in particular section 149 of title 2 of the Canal Zone Code (see analysis to section 307), and regulations promulgated by or under the authority of the President. The views and recommendations of the Panama Canal Commission with respect to any proposed regulation would have to be sought and taken into account. This would give the Commission a voice in the formulation of applicable employment standards, particularly those affected by the Panama Canal Treaty of 1977.

Subsection (b) would give other executive agencies (as defined in 5 U.S.C. § 105) in Panama, which have their present employment practices governed by the Canal Zone Merit System, the option of electing either to continue in whole or in part under the Panama Canal Employment System, or to adopt their own employment system, e.g., the system otherwise applicable to the agency's employees worldwide.

Subsection (c) would exempt the Panama Canal Commission and its United States citizen employees from Title VII of the Civil Service Reform Act of 1978. In its place, the President would be required to establish a system of collective bargaining, applicable to the Commission's employees, into which is incorporated the substance of certain sections of the statutory scheme and the same collective-bargaining rights as are exercised generally by employees in the Federal service in the United States.

Section 304. Continuation of Canal Zone Merit System.

This section would continue the Canal Zone Merit System beyond the Treaty effective date if necessary and until such time as the Panama Canal Employment System is established under section 303 of this bill. This will permit both continuity and an orderly transition in employment practices.

Section 305. Overseas Recruitment and Retention.

Section 144 of title 2 of the Canal Zone Code, concerning compensation, is amended by deletion of subsection (d) which establishes a ceiling of 25 percent on the additional compensation authorized by section 146. Section 146 is then revised to conform to the new Treaty provisions concerning additional remuneration that may be paid as overseas recruitment and retention differentials (a) to persons employed prior to the Treaty effective date and (b) to persons thereafter recruited outside of Panama for a position in Panama. Section 146 is also revised to provide for the possibility of granting additional remuneration in the form of an overseas recruitment and retention differential to medical doctors employed by the Department of Defense and Panama Canal Commission. The present section authorizes a tax allowance intended to equalize the take-home basic compensation of United States citizens and non-United States citizens and an overseas "tropical" differential, with an overall ceiling of 25 percent. The proposed revision would allow payment in such amounts (not to exceed 25% of the prevailing United States wage rate) as the head of the agency concerned determines should be paid as overseas recruitment and retention differentials. Without this authority to pay incentive differentials, the Panama Canal Commission, as well as other United States Government agencies in the Republic of Panama, might have difficulty in recruiting and retaining both United States and non-United States citizens, particularly in certain critical skills, which are necessary for the continued effective operation of the Canal and essential support activities.

Section 306. Transfer of Federal Employees to Commission.

Subsection (a) of this section would authorize heads of federal agencies to enter into agreements to transfer or detail their employees to the Panama Canal Commission. Affected employees would be entitled to reemployment with their original agencies without loss of those pay, seniority or rights or benefits to which they would have been entitled had they remained with such agencies. This provision would help implement paragraph 5 of Article X of the Treaty, which requires the United States to rotate, with certain exceptions, at a maximum of five-year periods, United States citizens and other non-Panamanians hired after the Treaty effective date.

Subsection (b) of this section would update several citations contained in section 148 of title 2 of the Canal Zone Code, and would revise the language of that section to reflect changes made to section 146 by section 305 of the bill.

Section 307. Merit and Other Employment Requirements.

This would amend section 149 of title 2 of the Canal Zone Code, relating to the merit standard and other employment system requirements. Subsection (a) would authorize the President by regulation to amend or modify the Panama Canal Employment System consistent with section 142(a) as amended by section 303 of this bill. As in the latter section, the views and recommendations of the Panama Canal Commission would have to be sought and taken into account.

Subsection (b) combines the subsections (b) and (c) of the present section 149, and makes revisions required by the Treaty. In particular, the merit standard for personnel decisions would be limited by the requirements in Article X of the Treaty establishing certain preferences for Panamanians. Apart from such limitations, however, the merit standard would continue to apply. As with the present Canal Zone Merit System, the Panama Canal Employment System would be required to conform generally to policies, principles and standards established under the Civil Service Act, and could provide for interchange of United States citizen employees between this employment system and the competitive civil service.

Section 308. Regulations; Examining Office.

This section would amend section 155 of title 2 of the Canal Zone Code, which now authorizes the President to coordinate and promulgate regulations concerning the employment practices of departments and agencies in the Canal Zone. As amended, the section would require interagency coordination only in the event that an executive agency other than the Panama Canal Commission elected to participate in the Panama Canal Employment System under section 142(b) as revised by section 303 of this bill.

Subsection (b) as amended would authorize the President to establish, in conjunction with the Panama Canal Employment System, a central examining office like the one presently in the Canal Zone. However, such an office would be required to be a part of the Panama Canal Commission and to perform functions relating to recruitment, examination and determination of qualification standards in accordance with the Panama Canal Treaty and related agreements, particularly Article X of the Treaty.

Section 309. Compensation of Military, Naval or Public Health Service Personnel Serving Commission.

Section 201 of title 2 of the Canal Zone Code concerns the compensation of persons in the military, naval or public health services who serve with the Canal Zone Government or Panama Canal Company. The proposed amendment would delete references to the Governor of the Canal Zone and President of the Panama Canal Company and to the Lieutenant Governor of the Canal Zone and Vice President of the Panama Canal Company and substitute therefor references to the Administrator and Deputy Administrator of the Panama Canal Commission.

Section 310. Applicability to Smithsonian Institution.

This section applies the provisions of title III, chapter 1, to federal employees of the Smithsonian Institution.

Chapter 2—Conditions of Employment, Placement, and Retirement

This chapter prescribes special provisions relating to present employees of the Panama Canal Company, Canal Zone Government and other agencies in the Canal Zone, and relating to employees who, under the Treaty and related agreements, are to receive rights or benefits under the Social Security System of the Republic of Panama.

Section 321. Transferred Employees.

This section would add a new section 202 to title 2 of the Canal Zone Code, requiring that, pursuant to paragraph 2(b) of Article X of the Treaty, specified terms and conditions of employment applicable to employees of the Canal Zone Government and the Panama Canal Company who are transferred to employment with the Panama Canal Commission be generally no less favorable than those applied to them prior to the Treaty. This protection would also be extended to employees transferred to other United States agencies in Panama. This section would take effect on the date of enactment of this legislation.

Section 322. Placement.

This section would add a new section 203 to title 2 of the Canal Zone Code, according appropriate placement assistance to vacancies with the United States Government in the United States, for United States citizen employees of the Canal Zone Government and Panama Canal Company who separate or are scheduled to separate from employment for any reason other than misconduct or delinquency, and who are not placed in other appropriate positions with the United States Government in Panama. Subsection (b) extends the placement assistance contained in subsection (a) to employees of other United States agencies in Panama whose positions are eliminated as a result of implementation of the Treaty. Subsection (c) directs the Office of Personnel Management to develop and administer a placement program for all eligible employees who request assistance. This section would take effect on the date of enactment of this legislation.

Section 323. Educational Travel Benefits.

This section would add a new section 204 to title 2 of the Canal Zone Code, which would entitle dependents of United States citizen employees of the Panama Canal Commission, who are eligible for educational travel benefits, to one round trip each year for undergraduate studies in the United States until they reach their 23rd birthday. This benefit to employees is fair and is important to Canal management because it provides incentives for employees to stay in their jobs under the new Treaty arrangements.

Section 324. Adjustment of Compensation for Loss of Benefits.

The privileges granted by the Treaty to United States citizen employees of the Panama Canal Commission to use the military postal services, sales stores, and exchanges will terminate in five years. Because the loss of these privileges is expected to result in an increased cost of living for the employees, this section would provide that they shall be paid offsetting additional compensation when that occurs.

Sections 325 and 326. Early Retirement Eligibility; Computation.

Employees of the Panama Canal Company, Canal Zone Government, Panama Canal Commission and any Executive agency in the Canal Zone, who are involuntarily separated or scheduled to be separated as a result of implementation of the Treaty will be eligible to retire if they have 20 years of Federal service or if they have 18 years service and are 48 years old. Persons employed by the Panama Canal Company or the Canal Zone Government prior to the effective date of exchange of instruments of ratification of the Treaty or prior to its effective date, including such employees who are transferred to the Panama Canal Commission or an Executive agency in the Republic of Panama, and who have at least 18 years of service and are 48 years old or who have 23 years of service at any age may elect to retire voluntarily if they do not wish to continue Federal employment in the Republic of Panama. There will be no reduction in the computation of the annuity because of the age at which an employee retires.

Employees of the Panama Canal Company or Canal Zone Government who continue employment with the new Panama Canal Commission or other Executive agency in the Republic of Panama will have their annuity computed at 2½ percent for each full year they continue in such employment after the effective date of the Treaty up to a maximum of 20 years.

Law enforcement officers and firefighters with at least 18 years of service as law enforcement officers or firefighters and who are at least 48 years of age when separated will have their annuities computed at 2½ percent for each year of such service (up to 20 years). Employees who separate prior to completing 18 years of law enforcement or fire service and reaching 48 years of age will have their annuities increased by $12 for each month of law enforcement or fire service (not to exceed 20 years) prior to the effective date of the Treaty. Law enforcement officers and firefighters will receive an additional annuity of $8 for each month of such service after the entry into force of the Treaty until they have served a total of 20 years as law enforcement officers or firefighters.

These sections would take effect on the date of enactment of this legislation.

Section 327. Employees of Related Organizations.

This section is necessary to extend to employees mentioned in this section the same benefits that the preceding sections would provide for Panama Canal Commission employees. These employees have always been so treated in matters such as these, and the policy should continue.

Section 328. Applicability of Benefits to Non-United States Citizens.

This section would effect technical amendments to conform certain provisions of personnel law to the new Treaty provisions concerning non-United States citizen employees of the Panama Canal Commission hired after the Treaty effective date who would be covered by the Social Security System of the Republic of Panama (see Article VIII of the Agreement in Implementation of Article III of the Panama Canal Treaty of 1977). The amendments would make inapplicable to such persons the provisions of title 5 of the United States Code dealing with compensation for work injuries, retirement, life insurance, and health insurance. Covering under such provisions would continue for non-United States citizen federal employees who had such coverage immediately prior to Treaty effective date.

Section 329. Non-United States Citizen Retirement.

Subsections (a) and (b) relate to persons separated from employment with the present Canal agencies or the Panama Canal Commission, as a result of the implementation of the new Treaty and related agreements, who become employed under the Social Security System of the Republic of Panama through the transfer of a function or activity or through a job placement assistance program. These provisions would implement paragraph 3 of Article VIII of the Agreement in Implementation of Article III of the Panama Canal Treaty and would apply regardless of the employee's nationality. In the cases specified in this section, the United States would pay matching funds to the Social Security System of Panama to aid in the purchase of a retirement equity in that System. The matching funds would come from the United States Civil Service Retirement Fund.

Subsection (c) would implement the requirements of paragraph 2 to Annex C of the Agreement in Implementation of Article IV of the Panama Canal Treaty. That provision requires that non-United States citizen employees, not covered by the Civil Service Retirement System, and employees paid by nonappropriated fund instrumentalities, be covered by the Panamanian Social Security System with contributions from United States employer agencies. It also requires the United States to request legislation to pay each such employee a retirement similar to that of the Panamanian Social Security System. Subsection (c) implements these requirements by authorizing the purchase or supplementation of a nontransferable deferred annuity for such employees. The provision will serve to provide retirements to nonappropriated fund employees (e.g., cafeteria and exchange workers), working at Department of Defense installations pursuant to the Treaty. As understood during the Treaty negotiations, the provisions would apply retroactively to cover service prior to the Treaty effective date.

Section 330. Technical Amendments.

This section would make technical amendments necessary to substitute the Administrator of the Panama Canal Commission for the Governor of the Canal Zone in the applicable statute establishing level of compensation, and to continue the present applicability of provisions concerning leave for jury service, severence pay, relocation expenses and injury compensation for federal employees, and to continue the inapplicability of the general law pertaining to overseas differentials and allowances and compensation.

CHAPTER 3—POSTAL MATTERS

Section 341. Postal Service.

This section would provide for the discontinuance of the Canal Zone postal service, as required by the Treaty, but would authorize the Panama Canal Commission to pay outstanding postal savings and money orders and otherwise to handle the liquidation of the service. Since it can be anticipated that mail from the United States and elsewhere will continue to be addressed to the Canal Zone for an indefinite period until the military postal services and the Panama postal service become fully used by senders of mail, the section would provide a procedure intended to assist, to the extent practicable, in the proper routing and distribution of such mail through the military post offices. Subsection (e) contains technical amendments necessary to reflect the discontinuance of the Canal Zone postal service.

TITLE IV—COURTS AND RELATED FUNCTIONS

Section 401. Continuation of Code and Other Laws.

This general provision would expressly continue existing law, including large portions of the Canal Zone Code, for the purpose of preserving the authority that is to be retained by the United States during the 30-month transition period provided for in Article XI of the Treaty. However, this continuation of laws could not be construed as regulating, or providing authority to regulate, matters as to which the United States may not exercise jurisdiction under the Treaty.

Laws presently applicable in the Canal Zone by virtue of the territorial jurisdiction of the United States over the Zone would be inapplicable inasmuch as the "Canal Zone" would no longer be territory under the jurisdiction of the United States. In such cases, references to the Canal Zone would not be construed as references to areas and installations in Panama made available to the United States pursuant to the Treaty, contrary to the general rule established by section 2(d) of the bill. Therefore, provisions such as the minimum wage and maximum hours requirements of the Fair Labor Standards Act would be inapplicable to any employee working in the Republic of Panama after the effective date of the Treaty, including employees of a United States Government agency. As a result of Treaty and other guarantees, the wages of United States Government employees already employed prior to the effective date of the Treaty would not be reduced.

Section 402. Jurisdiction during Transition Period.

This section, after stating a finding that the Treaty prescribes special provisions governing the jurisdiction of the United States during a 30-month transition period, would limit the jurisdiction of the United States courts in Panama as provided by Article XI of the Treaty. Subsection (c) incorporates Treaty definitions of certain terms used in Article XI relating to the jurisdiction of the United States during the transition period.

Section 403. Division and Terms of District Court.

This section would recognize changed circumstances under the Treaty by repealing provisions establishing geographical subdivisions of the district court within which the court must hold terms. The court would be authorized to designate its places and times for holding terms.

Section 404. Term of Certain Offices.

This section would reduce the term of office of the district judge (eight years), United States Attorney (eight years), United States Marshal (eight years), and magistrate (four years), to the period ending thirty-six months after the effective date of exchange of instruments of ratification, in the case of any appointment made after enactment of this bill. The courts and court personnel would no longer function after the 30-month transition period. This section would take effect on the date of enactment of this legislation.

Section 405. Residence Requirements.

This section would repeal present requirements that a district judge, clerk of the court, United States Attorney, Assistant United States Attorney, United States Marshal, magistrate and constable reside in the Canal Zone.

Section 406. Special District Judge.

This section would authorize the chief judge of the appropriate judicial circuit to designate and assign a special district judge to act during the absence, disability or disqualification of the district judge, or when the office of district judge is vacant. At present the President is authorized to appoint a special district judge under similar circumstances, but not in the case where there is merely a vacancy. Experience has shown the need for provision for designation of a special judge whenever the position is vacant, and vesting this authority in the chief judge of the judicial circut would conform to present practice both in the Canal Zone and in the United States.

Section 407. Magistrate's Courts.

At the present time there are two magistrates' courts and a district court in the Canal Zone. Under the new Treaty, the courts will continue for only a 30-month transition period, and their jurisdiction will be greatly limited by Article XI of the Treaty. All civil jurisdiction would be gone except for cases pending on the Treaty effective date. Criminal jurisdiction would be reduced to pending cases and to certain offenses committed by United States citizen personnel. Because it may develop that the workload may be reduced to such a point that it would be feasible to discontinue one or both magistrates' courts, this section would authorize the President or his designee to do so, leaving the district court to exercise all jurisdiction if both magistrates' courts were abolished.

Section 408. Oath.

This section would supersede a provision of the Canal Zone Code prescribing the text of the oath to be taken by an applicant to the bar of the district court. The prescribed text would no longer be appropriate in some respects, and the revised section would authorize the district judge to prescribe an appropriate oath.

Section 409. Transition Authority.

For the purpose of exercising the authority of the United States under Article XI of the Panama Canal Treaty of 1977 during the transition period, this section provides that such authority, except as provided in this bill, other laws, the Treaty or by executive order, shall be vested in the Panama Canal Commission.

Section 410. Special Immigrants.

This section would permit the immigration into the United States of certain non-United States citizen employees of the United States Government in the Canal Zone and their spouses and children. Section 410 would extend special immigrant status to Panama Canal Company and Canal Zone Government employees residing in the Canal Zone on the effective date of exchange of instruments of ratification of the Panama Canal Treaty of 1977 who have performed faithful service for one year or more, and to Panamanian employees of the United States Government in the Canal Zone who have 15 years or more of faithful service and are honorably retired prior to the date of entry into force of the Treaty, or who have been faithful employees for 15 years or more on that date and who subsequently retire honorably. Subsection (b) would exempt special immigrants admitted under this section from certain requirements of present law relating to physical health and proof that the immigrant would not become a public charge.

This proposal arises from a desire to provide retired employees and employees presently living under United States jurisdiction in the Canal Zone with an opportunity to immigrate to the United States if they so choose. Many of these persons have been historically affiliated with the United States presence and have not become fully assimilated into Panamanian society. The bulk of those eligible for immigration will be persons retired from their employment with the United States Government.

This section would take effect on the date of enactment of this legislation.

Section 411. Prisons; Parole; Pardon.

The general purpose of this section is to transfer the present responsibility of the Canal Zone Government over the custody of persons convicted of felonies by the District Court for the District of the Canal Zone to the Department of Justice, Bureau of Prisons.

Subsection (a) provides that, upon the date of enactment of this legislation, the Governor of the Canal Zone is required to contract for the transfer to the Attorney General of prisoners in his custody. Such contracts are permitted, but not required, under the present section 6503 (c) of the Canal Zone Code with regard to citizens of the United States.

Subsection (b)(1) provides that, upon entry into force of the Panama Canal Treaty, the cost of maintaining those prisoners transferred pursuant to contracts entered into under section 6503 of the Panama Canal Code would be borne by the United States. These costs are presently borne by the Canal Zone Government.

Subsections (b) (2), (3), and (4) grant to the Panama Canal Commission authority to operate jails for the confinement of persons sentenced during the transition period to terms of one year or less. It would be impracticable to confine these persons in the United States under the custody of the Attorney General. Subsection (b)(5) would terminate the existing pardon authority of the Governor of the Canal Zone upon the entry into force of the Panama Canal Treaty.

Subsection (c) provides that, after entry into force of the Panama Canal Treaty, prisoners convicted by the District Court in the former Canal Zone and sentenced to terms of more than one year will be committed directly to the custody of the Attorney General.

It is expected that, prior to the date of enactment of this legislation, the United States will have entered into a treaty with Panama providing for the transfer of prisoners as contemplated by paragraph 11 of Article IX of the Panama Canal Treaty. This treaty will afford Panamanian nationals convicted by United States courts an opportunity to serve their sentences in Panama. No Panamanian national will be moved from the former Canal Zone to the United States until he has an opportunity to exercise rights he may have under this treaty.

TITLE V—MISCELLANEOUS PROVISIONS

Section 501. Health Director; Hospitals.

This section would make technical amendments to various provisions of the Canal Zone Code which now make references to the hospitals, health bureau, and health director of the Canal Zone Government. Since the Canal Zone Government would be discontinued and the health care facilities would be operated by an agency other than the Panama Canal Commission, the references are clarified to fit the new situation. The various provisions concern hospitalization of the mentally ill, autopsies, disposition of bodies, and litigation involving pre-marital examinations. There would probably be little application of these provisions after the Treaty effective date, but there is a potential application in connection with pending cases during the transition period.

Section 502. Disinterment, Transportation, and Reinterment of Remains.

The purpose of this section is to implement Reservation (3) to the Resolution of Ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal which authorizes the expenditure of funds for the removal, transportation, and reinterment of the remains of United States citizens.

This section would authorize to be appropriated to designated United States Government agencies such sums as are necessary to fund the costs incurred for the disinterment from Corozal Cemetery and transportation to the United States for reinterment there of the remains of United States citizens and of members of their immediate family buried with them.

It is anticipated that, prior to entry into force of the Neutrality Treaty, the remains of most of the United States citizens and of members of their immediate family buried with them will be disinterred from Mount Hope cemetery and reinterred in Corozal Cemetery.

This section would take effect on the date of enactment of this legislation.

Section 503. Effective Date.

Section 231 concerning the advance establishment of new rates of tolls; sections 321, 322, 325 and 326 concerning rights to benefits, priority placement and retirement annuities of present employees of the Panama Canal Company and Canal Zone Government; section 404 concerning the terms of offices of certain court personnel appointed after the date of enactment of this bill; section 410 concerning special immigrants; section 411 concerning prisons, parole, and pardon; and section 502 concerning the disinterment, transportation, and reinterment of the remains of United States citizens become effective on the date of enactment of the bill.

All other provisions of the bill take effect on the date the Panama Canal Treaty of 1977 enters into force.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BEREUTER) to revise and extend their remarks and include extraneous material:)

Mr. BOB WILSON, for 60 minutes, today.

Mr. GOLDWATER, for 5 minutes, today.

Mr. FINDLEY, for 5 minutes, today.

Mr. BROYHILL, for 5 minutes, today.

Mr. GREEN, for 5 minutes, today.

Mr. STAGGERS, for 10 minutes, today.

(The following Members (at the request of Ms. FERRARO) and to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. BINGHAM, for 15 minutes, today.

Mr. HEFTEL, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. ST GERMAIN, for 5 minutes, today.

Mr. LAFALCE, for 5 minutes, today.

Ms. HOLTZMAN, for 60 minutes, today.

Mr. ALEXANDER, for 15 minutes, today.

Mr. BEDELL, for 5 minutes, today.

Mr. DRINAN, for 5 minutes, today.

Mr. EVANS of Indiana, for 5 minutes, today.

Mr. BOLLING, for 60 minutes, on February 1.

Mr. ANNUNZIO, for 60 minutes, on February 14.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MURPHY of New York, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $5,211.

Mr. CONYERS, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $4,632.

(The following Members (at the request of Mr. BEREUTER), and to include extraneous matter:)

Mr. MARTIN in two instances.

Mr. DANNEMEYER in three instances.

Mr. COURTER.

Mr. RINALDO.

Mr. MCCLORY in two instances.

Mr. SENSENBRENNER.

Mr. CONABLE.

Mr. ROTH in two instances.

Mr. WYDLER.

Mr. MICHEL in two instances.

Mr. RUDD.

Mr. HAMMERSCHMIDT.

Mr. SYMMS in three instances.

Mr. WHITEHURST.

Mr. CARTER in three instances.

Mr. SAWYER in two instances.

Mr. DERWINSKI in two instances.

Mr. LAGOMARSINO in five instances.

Mr. GILMAN in two instances.

Mr. QUAYLE.

Mr. BEARD of Tennessee.

Mr. LOTT.

Mr. PHILIP M. CRANE.

(The following Members (at the request of Ms. FERRARO) and to include extraneous matter:)

Mr. MCDONALD in four instances.

Mr. HOWARD.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. HAMILTON in two instances.

Mr. MOAKLEY.

Mr. LaFALCE.

Mr. BONKER.

Mr. DRINAN.

Mr. CHARLES H. WILSON of California.

Mr. MAVROULES.

Mr. IRELAND.

Mr. YATRON.

Mr. GEPHARDT.

Mr. MINETA.

Mr. BLANCHARD.

Mr. GINN.

Mr. OBEY in six instances.

Mr. VENTO.

Mr. ALEXANDER in three instances.

Mr. JOHN L. BURTON.

Mr. MILLER of California in three instances.

Mr. STAGGERS in two instances.

Mr. PREYER.

Mr. EVANS of Indiana in two instances.

Mr. DANIELSON.

Mr. BIAGGI.

Mr. PANETTA.

Ms. HOLTZMAN in two instances.

Mr. STARK.

Mr. ZABLOCKI in two instances.

Mr. EARLY.

Mr. ROBERTS.

Mr. FOUNTAIN.

ADJOURNMENT

Mr. PATTERSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 33 minutes p.m.), the House adjourned until Thursday, February 1, 1979, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

500. A letter from the Secretary of Agriculture, transmitting a report covering fiscal year 1978 on the location of new Federal offices and other facilities in rural areas, pursuant to section 901(b) of the Agricultural Act of 1970. as amended; to the Committee on Agriculture.

501. A letter from the Secretary of Defense, transmitting the annual report of the Department of Defense for fiscal year 1980; to the Committee on Armed Services.

502. A letter from the Secretary of Defense, transmitting the fifth annual report on rationalization/standardization within NATO, pursuant to section 302(c) of Public Law 93-365, as amended, and section 814(b) of Public Law 94-106, as amended; to the Committee on Armed Services.

503. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of the omission of clauses authorizing the examination of records by the Comptroller General in two contracts with Marine Cement Limited, Zurich, Switzerland, and the United Kingdom Government, pursuant to 10 USC 2313(c); to the Committee on Armed Services.

504. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notice of the omission of a clause authorizing the examination of records by the Comptroller General in a contract with the European Space Agency, pursuant to 10 U.S.C. 2313(c); to the Committee on Armed Services.

505. A letter from the Secretary of Labor, transmitting a report on the number of cases reviewed and the number of exemplary rehabilitation certificates issued during calendar year 1978, pursuant to section 6(f) of Public Law 89-690; to the Committee on Armed Services.

506. A letter from the Director, Congressional Budget Office, transmitting the annual report of the Office, pursuant to section 202(f) of Public Law 93-344; to the Committee on the Budget.

507. A letter from the senior vice president, Finance, Potomac Electric Power Co., transmitting a balance sheet of the company as of December 31, 1978, pursuant to section 8 of the act of March 4, 1913; to the Committee on the District of Columbia.

508. A letter from the Assistant Secretary of Health, Education, and Welfare for Education, transmitting a report prepared by the National Center for Education Statistics on teacher and school administrator supply and demand, pursuant to section 406(d)(1)(D) of the General Education Provisions Act, as amended (90 Stat. 2226); to the Committee on Education and Labor.

509. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

510. A letter from the Chairman, U.S. Water Resources Council, transmitting a draft of proposed legislation to amend the Water Resources Planning Act; to the Committee on Interior and Insular Affairs.

511. A letter from the Assistant Secretary of the Interior, transmitting an announcement of water resources research and development areas of interest for fiscal year 1979, pursuant to section 411 of Public Law 95-467; to the Committee on Interior and Insular Affairs.

512. A communication from the President of the United States, transmitting a report on progress toward conclusion of a negotiated solution of the Cyprus problem, pursuant to section 620C(c) of the Foreign Assistance Act of 1961, as amended (92 Stat. 739) (H. Doc. No. 96-47); to the Committee on International Relations and ordered to be printed.

513. A letter from the Secretary of State, transmitting a report on efforts undertaken to comply with the provisions of law regarding the use of herbicides in the Mexican marihuana eradication program, pursuant to section 481(d)(3) of the Foreign Assistance Act of 1961, as amended (92 Stat. 730); to the Committee on International Relations.

514. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on the review of arms sales controls on non-lethal items, pursuant to section 25 of Public Law 95-384; to the Committee on International Relations.

515. A letter from the Administrator, Agency for International Development, Department of State, transmitting the fiscal year 1978 report of the Agency's Auditor General, pursuant to section 624 of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

516. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report on contracts awarded in excess of $100,000 without competitive selection procedures during the period April 1 to September 30, 1978, pursuant to section 601(e)(2)(A) of the Foreign Assistance Act of 1961, as amended (92 Stat. 956); to the Committee on International Relations.

517. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment to the Netherlands (transmittal No. 79-6), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

518. A letter from the Director, U.S. Arms Control and Disarmament Agency, transmitting a report on arms control education and academic study centers, pursuant to section 2 of Public Law 95-338; to the Committee on International Relations.

519. A letter from the Chairman, Board for International Broadcasting, transmitting the fifth annual report of the Board and its review and evaluation of the operation and mission of Radio Free Europe/Radio Liberty, covering fiscal year 1978, pursuant to section 4(a)(8) of Public Law 93-129, as amended; to the Committee on International Relations.

520. A letter from the Secretary of Transportation, transmitting his final recommendations for a restructured intercity rail passenger system to be operated by the National Railroad Passenger Corporation, pursuant to section 4(e)(1) of Public Law 95-421; to the Committee on Interstate and Foreign Commerce.

521. A letter from the Secretary of Energy, transmitting DOE Energy Action No. 3, to exempt aviation gasoline and kerosene-base jet fuel from the Mandatory Petroleum Allocation Regulations, and DOE Energy Action No. 4, to exempt aviation gasoline and kerosene-base jet fuel from the Mandatory Petroleum Price Regulations, pursuant to section 12 of the Emergency Petroleum Allocation Act of 1973, as amended (H. Doc. No. 96-48); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

522. A letter from the Secretary, Interstate Commerce Commission, transmitting notice of the Commission's inability to render a final decision within the statutory 7-month period in docket No. 36966, Perishable Protective Tariffs, NPFC, TCFB, and CRB, and docket No. 37023, Train Schedules for Handling Perishables, Official Territory, pursuant to 49 USC 10707(b)(1); to the Committee on Interstate and Foreign Commerce.

523. A letter from the president, U.S. Railway Association, transmitting a draft of proposed legislation to amend section 214(c) of the Regional Rail Reorganization Act of 1973 to authorize appropriations for fiscal year 1980; to the Committee on Interstate and Foreign Commerce.

524. A letter from the president, U.S. Railway Association, transmitting a report on the methodology for monitoring the Consolidated Rail Corporation, pursuant to section 307 (c)(2) of Public Law 93-236, as amended (92 Stat. 2400); to the Committee on Interstate and Foreign Commerce.

525. A letter from the Deputy Comptroller General of the United States, transmitting a report covering calendar year 1978 on positions in the General Accounting Office in grades GS-16, 17, and 18, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

526. A letter from the Chairman, Board of Governors, U.S. Postal Service, transmitting the annual report of the Postmaster General for fiscal year 1980, pursuant to 39 U.S.C. 2402; to the Committee on Post Office and Civil Service.

527. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on North Beach, town of Hampton and Foss Beach, and town of Rye, N.H., in response to resolutions of the Senate and House Committees on Public Works adopted December 8, 1969, and December 2, 1970, respectively; to the Committee on Public Works and Transportation.

528. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Technology.

529. A letter from the Comptroller General of the United States, transmitting a report on the AV-8B Advanced Harrier aircraft program (PSAD-79-22, January 30, 1978); jointly, to the Committees on Government Operations and Armed Services.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 1639. A bill to amend the Tennessee Valley Authority Act; to the Committee on Public Works and Transportation.

By Mr. ANDERSON of Illinois:

H.R. 1640. A bill to amend the Disaster Relief Act of 1974; to the Committee on Public Works and Transportation.

By Mr. ANDREWS of North Dakota:

H.R. 1641. A bill to authorize the Secretary of the Interior to defer payment of municipal and industrial water supply costs of the Dickinson unit; to the Committee on Interior and Insular Affairs.

By Mr. BEARD of Tennessee:

H.R. 1642. A bill to amend title 5, United States Code, to provide that legal public holidays established in the future occur on a Saturday or Sunday; to the Committee on Post Office and Civil Service.

By Mr. BEDELL:

H.R. 1643. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that disability insurance benefits shall be financed from general revenues rather than through the imposition of employment and self-employment taxes as at present, to adjust the rates of such taxes for old-age and survivors insurance and hospital insurance purposes, to provide for reductions in the amount of such disability benefits to take account of the recipient's need as determined on the basis of his family income, to improve disability determination procedures, and for other purposes; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. Rangel, Mr. Jones of Oklahoma, Mr. Mikva, Mr. Ford of Tennessee, Mr. Brodhead, Mr. Downey, Mr. Bafalis, Mr. Addabbo, Mr. Akaka, Mr. Anderson of California, Mr. Applegate, Mr. Bedell, Mr. Bevill, Mr. Bingham, Mr. Burlison, Mr. Bonior of Michigan, Mr. Carr, Mr. Cleveland, Mrs. Collins of Illinois, Mr. Conte, Mr. Corcoran, Mr. D'Amours, Mr. Danielson, Mr. de la Garza, Mr. Dellums, Mr. Dixon, Mr. Drinan, Mr. Evans of Indiana, Mr. Fascell, Mr. Florio, Mr. Forsythe, Mr. Gudger, Mr. Guyer, Mr. Hamilton, Mr. Hubbard, Mr. Hughes, Mr. Johnson of California, Mr. Kildee, Mr. LaFalce, Mr. Lagomarsino, Mr. Lee, Mr. Long of Louisiana, Mr. McHugh, Mr. Marlenee, Mr. Mathis, Ms. Mikulski, Mr. Miller of California, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Mitchell of New York, Mr. Moakley, Mr. Nolan, Mr. Ottinger, Mr. Patten, Mr. Patterson, Mr. Pepper, Mr. Pritchard, Mr. Rahall, Mr. Richmond, Mr. Rinaldo, Mr. Rodino, Mr. Stangeland, Mr. Van Deerlin, Mr. Vento, Mr. Volkmer, Mr. Weiss, Mr. Charles Wilson of Texas, Mr. Young of Missouri, and Mr. Zeferetti):

H.R. 1644. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

Mr. BIAGGI:

H.R. 1645. A bill to authorize the Secretary of the department in which the Coast Guard is operating to prescribe manning requirements for certain small vessels carrying freight or passengers for hire, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BINGHAM:

H.R. 1646. A bill to amend parts B and E of title IV of the Higher Education Act of 1965 to provide for deferral of repayment on insured and direct student loans during temporary total disability of a borrower or spouse; to the Committee on Education and Labor.

By Mr. BRINKLEY (for himself, Mr. Nichols, and Mr. Gingrich):

H.R. 1647. A bill to amend the Federal Civil Defense Act of 1950 to allow Federal civil defense funds to be used by local civil defense agencies for natural disaster relief, and for other purposes; to the Committee on Armed Services.

H.R. 1648. A bill to amend title 10, United States Code, to allow supplies under the control of departments and agencies within the Department of Defense to be transferred to the Federal Emergency Management Agency as if it were within the Department of Defense and to amend the Federal Civil Defense Act of 1950 to authorize the Federal Emergency Management Agency to loan to State and local government property transferred to such agency from other Federal agencies as excess property; jointly, to the Committees on Government Operations and Armed Services.

By Mr. PHILLIP BURTON:

H.R. 1649. A bill to amend the Immigration and Nationality Act to permit more persons to immigrate from colonies of foreign states; to the Committee on the Judiciary.

By Mr. CARTER:

H.R. 1650. A bill to amend the Public Health Service Act to establish a clearinghouse for information respecting digestive diseases, to authorize grants to strengthen educational programs in digestive diseases in medical schools, and to establish the National Digestive Diseases Advisory Board; to the Committee on Interstate and Foreign Commerce.

H.R. 1651. A bill to amend title VIII of the Public Health Service Act to extend for 2 fiscal years the program of assistance for nurse training, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CORMAN:

H.R. 1652. A bill to amend title XVI of the Social Security Act to remove certain work disincentives for the disabled under the supplemental security income benefits program; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. Bafalis, and Mr. Moore):

H.R. 1653. A bill to amend the Unemployment Compensation Amendments of 1976 with respect to the National Commission on Unemployment Compensation, and for other purposes; to the Committee on Ways and Means.

By Mr. CORRADA:

H.R. 1654. A bill to amend title 13, United States Code, to require that the Secretary of Commerce treat the Commonwealth of Puerto Rico as a State for the purpose of making surveys to furnish interim current data on subjects covered by censuses; to the Committee on Post Office and Civil Service.

H.R. 1655. A bill to amend tilte II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954 to provide social security coverage for work performed in prison industries and other services performed for remuneration by inmates of penal institutions; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE:

H.R. 1656. A bill to amend the Disaster Relief Act of 1974; to the Committee on Public Works and Transportation.

By Mr. DICKINSON:

H.R. 1657. A bill to amend the Food Stamp Act of 1964, to exclude from coverage under the act households which have members who are on strike, and for other purposes; to the Committee on Agriculture.

H.R. 1658. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis; to the Committee on Ways and Means.

By Mr. DONNELLY:

H.R. 1659. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the old-age, survivors, and disability insurance program and the medicare program, with appropriate reductions in social security taxes to reflect such participation, and with a substantial increase in the amount of an individual's annual earnings which may be counted for benefit and tax purposes; to the Committee on Ways and Means.

By Mr. DUNCAN of Tennessee:

H.R. 1660. A bill to continue until the close of June 30, 1981, the existing suspension of duties on certain forms of zinc; to the Committee on Ways and Means.

By Mr. EVANS of Delaware:

H.R. 1661. A bill to insure equal protection of the laws as guaranteed by the 5th or 14th amendments to the Constitution of the United States; to the Committee on the Judiciary.

H.R. 1662. A bill to amend section 144 of title 23 of the United States Code, relating to the special bridge replacement program, in order to make highway bridge projects costing more than $1 million in those States receiving minimum apportionments of Federal funds under such program eligible for Federal aid under the discretionary part of the program; to the Committee on Public Works and Transportation.

By Mr. FLOOD:

H.R. 1663. A bill for the relief of the Shippensburg Public Library, the Osterhout Library, the West Pittston Library, the West Shore Public Library, the Milton Public Library, and the Himmelreich Library; to the Committee on the Judiciary.

By Mr. FOUNTAIN (for himself, Mr. Jones of North Carolina, Mr. Whitley, and Mr. Hefner):

H.R. 1664. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislature of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

By Mr. GILMAN (for himself, Mr. Addabbo, Mr. Anderson of Illinois, Mr. Bedell, Mr. Buchanan, Mr. Burgener, Mr. Cleveland, Mr. Conte, Mr. Dornan, Mr. Duncan of Tennessee, Mr. Gephardt, Mr. Gibbons, Mr. Grisham, Mr. Guyer, Mr. Hollenbeck, Mr. Hughes, Mr. Ichord, Mr. Lagomarsino, Mr. Long of Maryland, Mr. Lott, Mr. Miller of Ohio, Mr. Nolan, Mr. Pritchard, Mr. Scheuer, Mrs. Spellman, Mr. Walker, Mr. Whitehurst, and Mr. Yatron):

H.R. 1665. A bill to amend the Legislative Reorganization Act of 1946 to improve the oversight capabilities of the standing committees of the House of Representatives and of the Senate; to the Committee on Rules.

By Mr. GREEN:

H.R. 1666. A bill to amend title XX of the Social Security Act to increase the entitlement ceiling under the social services program, and to provide for the reallocation of unused funds from a State's allotment to other States which need additional funds; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 1667. A bill to provide for the establishment of a National Agricultural Cost of Production Board; to the Committee on Agriculture.

H.R. 1668. A bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to stone mining operations or to sand and gravel mining operations; to the Committee on Education and Labor.

H.R. 1669. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust law; to the Committee on the Judiciary.

H.R. 1670. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies; to the Committee on Ways and Means.

By Ms. HOLTZMAN:

H.R. 1671. A bill to amend title XII of the National Housing Act; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1672. A bill to restore citizenship to persons who renounced or otherwise lost American nationality because of opposition to American military action in Indochina, and for other purposes; to the Committee on the Judiciary.

H.R. 1673. A bill to establish an additional procedure for the reacquisition of U.S. citizenship by former U.S. citizens; to the Committee on the Judiciary.

By Mr. KINDNESS:

H.R. 1674. A bill to amend the Small Business Act to establish a regulatory clearinghouse in the branch and regional offices of the Small Business Administration in order to provide information and technical assistance with respect to Federal regulations having a significant impact on small business; to the Committee on Small Business.

By Mr. LaFALCE:

H.R. 1675. A bill to establish Federal product liability tort law standards; to the Committee on Interstate and Foreign Commerce.

H.R. 1676. A bill to provide uniform standards for state product liability tort laws; to the Committee on Interstate and Foreign Commerce.

H.R. 1677. A bill to amend the Internal Revenue Code of 1954 to provide that trusts established for the payment of product liability claims and related expenses shall be exempt from income tax, that a deduction shall be allowed for contributions to such trusts, and for other purposes; to the Committee on Ways and Means.

H.R. 1678. A bill to amend the Internal Revenue Code of 1954 to provide for a deduction for certain amounts paid into a reserve for product liability losses and expenses, to provide a deduction for certain amounts paid to captive insurers, and for other purposes; to the Committee on Ways and Means.

H.R. 1679. A bill to amend the Right to Financial Privacy Act of 1978; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LAGOMARSINO:

H.R. 1680. A bill to provide survivors' annuities under chapter 83 of title 5, United States Code, to certain widows and widowers; to the Committee on Post Office and Civil Service.

By Mr. LEHMAN:

H.R. 1681. A bill to provide energy conservation by alleviating current and continuing fuel waste, to reduce empty vehicle movements, and to increase efficiency in transporting goods by motor carriers which will ultimately benefit consumers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1682. A bill to amend title 18 of the United States Code to provide penalties for obtaining or attempting to obtain controlled substances from pharmacies by force or by breaking and entering, and for other purposes; to the Committee on the Judiciary.

H.R. 1683. A bill to prohibit the pretrial release of any person charged with an act of aggravated terrorism; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 1684. A bill to amend the Internal Revenue Code of 1954 to provide for the payment of interest at a rate of 5 percent on excess amounts withheld from individuals' wages; to the Committee on Ways and Means.

By Mr. LUJAN:

H.R. 1685. A bill to amend title 10, United States Code, to raise the mandatory retirement age for members of the Army, Navy, Air Force, and Marine Corps to age 65; to the Committee on Armed Services.

H.R. 1686. A bill to amend title 10, United States Code, to eliminate mandatory retirement for age for members of the Army, Navy, Air Force, and Marine Corps; to the Committee on Armed Services.

H.R. 1687. A bill to authorize the President of the United States to present, on behalf of the Congress, a specially struck gold medal to Ben Abruzzo, Maxie Anderson, and Larry Newman; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1688. A bill to authorize the Secretary of the Interior to construct hydroelectric powerplants and various existing water projects, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1689. A bill to increase the amount of privately owned land eligible to receive irrigation water under the Federal reclamation laws, and remove Federal subsidies from water delivered to excess lands, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1690. A bill to amend the Railroad Retirement Act of 1974 with respect to benefits payable to certain individuals who on December 31, 1974, had at least 10 years of railroad service and also were fully insured under the Social Security Act; to the Committee on Interstate and Foreign Commerce.

H.R. 1691. A bill for the relief of the Vermejo Conservancy District; to the Committee on the Judiciary.

H.R. 1692. A bill to incorporate the American Ex-Prisoners of War, Inc.; to the Committee on the Judiciary.

H.R. 1693. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

H.R. 1694. A bill to amend title 5 of the United States Code to extend to 60 days the number of days of annual leave which may be accumulated by employees who have completed 25 years or more of service; to the Committee on Post Office and Civil Service.

H.R. 1695. A bill to provide that members of all commissions, councils, and similar bodies in the executive branch of the Government appointed from private life shall serve without any remuneration for their services other than travel, subsistence, and other necessary expenses; to the Committee on Post Office and Civil Service.

H.R. 1696. A bill to amend the Congressional Budget Act of 1974 to establish in the Congress a zero-base budgeting process, with full congressional review of each Federal program at least once every 6 years; to the Committee on Rules.

H.R. 1697. A bill to reduce unemployment by providing that unemployment insurance funds may be used pursuant to State laws establishing programs for payments to employers who hire the unemployed; to the Committee on Ways and Means.

H.R. 1698. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

H.R. 1699. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain social security taxes; to the Committee on Ways and Means.

By Mr. BLANCHARD (for himself, Mr. Mineta, Mr. Gephardt, and Mr. Gradison):

H.R. 1700. A bill to require authorizations of new budget authority for Government programs at least every 10 years, to provide for review of Government programs every 10 years, and for other purposes; jointly, to the Committees on Government Operations and Rules.

By Mr. LUJAN:

H.R. 1701. A bill to amend the Internal Revenue Code of 1954 to allow individuals certain credits against income tax for certain expenses for education and a deduction from gross income for certain contributions to qualified higher education funds, and for other purposes; to the Committee on Ways and Means.

H.R. 1702. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R 1703. A bill to amend the Internal Revenue Code of 1954 to repeal the estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Ways and Means.

H.R. 1704. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to claim a credit for amounts paid as tuition to provide education for himself, for his spouse, or for his dependents, and to provide that such credit is refundable; to the Committee on Ways and Means.

H.R. 1705. A bill to amend the Internal Revenue Code of 1954 to disregard, in the valuation for estate tax purposes of certain items created by the decedent during his life, any amount which would not have been capital gain if such item had been sold by the decedent at its fair market value; to the Committee on Ways and Means.

H.R. 1706. A bill to amend the act of October 31, 1949 (63 Stat. 1049), to change the authority of the Surgeon General to make certain payments to Bernalillo County, N. Mex., for furnishing hospital care to certain Indians; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

H.R. 1707. A bill to encourage the use of alcohol in motor vehicle fuels by requiring certain retailers to make alcohol-blended fuels available for sale, by allowing the rapid amortization of facilities producing alcohol for use in motor vehicle fuels, and by exempting alcohol-blended fuels from certain requirements of the Clean Air Act; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

H.R. 1708. A bill to amend part B of title XI of the Social Security Act to assure appropriate participation by optometrists in the peer review and related activities authorized under such part; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. LUJAN (for himself and Mr. Runnels):

H.R. 1709. A bill to prohibit the excessing of cabin sites and removal of cabins located at Conchas Lake, N. Mex., prior to 1996 without State approval; to the Committee on Public Works and Transportation.

By Mr. MARTIN:

H.R. 1710. A bill to amend the Internal Revenue Code of 1954 relative to educational activities and advertising income of nonprofit organizations; to the Committee on Ways and Means.

By Mr. MILLER of California (for himself, Ms. Mikulski, Mrs. Boggs, Mr. Lehman, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Howard, Mr. Solarz, Mr. Vento, and Mr. Studds):

H.R. 1711. A bill to amend title XX of the Social Security Act to authorize payments thereunder for the cost of emergency shelter or services furnished to individuals (whether adults or children) because of the danger of abuse or injury; to the Committee on Ways and Means.

By Mr. MITCHELL of New York:

H.R. 1712. A bill to amend the Department of Defense Appropriation Act, 1979, to allow up to 10 percent of the funds appropriated in that act for payments under contracts to be used for payments under contracts made for the purpose of relieving economic dislocations; to the Committee on Appropriations.

H.R. 1713. A bill to provide for the recycling of used oil, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, Ways and Means, Government Operations, and Science and Technology.

By Mr. MOTTL:

H.R. 1714. A bill to amend the Public Utility Regulatory Policies Act of 1978 to prohibit the use of fuel adjustment clauses by retail gas and electric utilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MURPHY of New York:

H.R. 1715. A bill to amend the Shipping Act to vest jurisdiction in the Federal Maritime Commission over complaints against shippers, consignors, and consignees, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MURPHY of New York (for himself, Mr. Zablocki, Mr. Rodino, and Mr. Price) (by request):

H.R. 1716. A bill to implement the Panama Canal Treaty of 1977 and related agreements, and for other purposes; divided and referred for a period ending not later than April 10, 1979 as follows: Sections 101 through 105 and section 107 to the Committee on International Relations; title II and section 106 to the Committee on Merchant Marine and Fisheries; title III to the Committee on Post Office and Civil Service; title IV to the Committee on the Judiciary; and title V and section 2 concurrently to the Committees on International Relations, the Judiciary, Merchant Marine and Fisheries, and Post Office and Civil Service.

By Mr. NICHOLS (for himself and Mr. Mitchell of New York):

H.R. 1717. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professionals in the uniformed services; to the Committee on Armed Services.

By Mr. PERKINS:

H.R. 1718. A bill to amend the Railroad Retirement Act of 1974 to provide that certain additional military service shall be deemed part of the years of service of an individual for the computation of certain annuities; to the Committee on Interstate and Foreign Commerce.

By Mr. QUILLEN:

H.R. 1719. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies; to the Committee on Ways and Means.

By Mr. RICHMOND:

H.R. 1720. A bill to amend the Internal Revenue Code of 1954 to provide that the executor may elect to disregard, in the valuation for estate tax purposes of certain items created by the decedent during his life, any amount which would not have been capital gain if such item had been sold by the decedent at its fair market value; to the Committee on Ways and Means.

By Mr. RANGEL:

H.R. 1721. A bill to amend the Internal Revenue Code of 1954 to allow elderly individuals a deduction for one-half of the amounts paid or incurred by them for electricity used in their residences; to the Committee on Ways and Means.

H.R. 1722. A bill to amend title IV of the Social Security Act to stabilize State welfare costs by providing full Federal reimbursement for any increases in a State's aid to families with dependent children payments which reflect rises in the cost of living since 1973 or are due to increased caseload, if the State agrees to make provision for cost-of-living adjustments in such payments, to implement a program of aid to dependent children of unemployed fathers, and not to impose any new restrictive requirements under its approved State plan; to the Committee on Ways and Means.

H.R. 1723. A bill to amend the Internal Revenue Code of 1954 to deny the foreign tax credit for any tax paid or accrued to the Republic of South Africa; to the Committee on Ways and Means.

H.R. 1724. A bill to amend the Internal Revenue Code of 1954 to reduce the foreign tax credit for taxpayers found to be in violation of certain principles of fair employment in the Republic of South Africa, and for other purposes; to the Committee on Ways and Means.

H.R. 1725. A bill to amend the Social Security Act to make certain that recipients of aid or assistance under the various Federal-State public assistance and medicaid programs (and recipients of assistance under the veterans' pension and compensation programs or any other Federal or federally assisted program) will not have the amount of such aid or assistance reduced because of increases in monthly social security benefits; to the Committee on Ways and Means.

H.R. 1726. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income amounts received as prizes in connection with the New York State Olympic lottery; to the Committee on Ways and Means.

H.R. 1727. A bill to amend title XVI of the Social Security Act to provide that support and maintenance furnished in kind shall not be counted as income in determining the eligibility of any individual for supplementary security income benefits or the amount of such benefits, whether such individual is living in another person's household or otherwise; to the Committee on Ways and Means.

H.R. 1728. A bill to amend the Internal Revenue Code of 1954 to permit the full deduction of medical expenses incurred for the care of individuals of 65 years of age and over, without regard to the 3-percent and 1-percent floors; to the Committee on Ways and Means.

H.R. 1729. A bill to allow a credit against Federal income taxes or payments from the U.S. Treasury for State and local real property taxes or an equivalent portion of rent paid on their residences by individuals who have attained age 65 to the Committee on Ways and Means.

H.R. 1730. A bill to amend title II of the Social Security Act to provide that the marriage or remarriage of a beneficiary shall not terminate his or her entitlement to benefits or reduce the amount thereof; to the Committee on Ways and Means.

H.R. 1731. A bill to amend title XVI of the Social Security Act to authorize the prompt issuance of duplicate supplemental security income benefit checks to individuals whose original benefit checks are lost or delayed and who are faced with financial hardship as a result; to the Committee on Ways and Means.

H.R. 1732. A bill to establish the Food Research Corporation to support efforts to eliminate malnutrition and starvation throughout the world, and to amend the Internal Revenue Code of 1945 to allow the designation of certain Federal income tax liability for use by such Corporation; jointly, to the Committees on Agriculture and Ways and Means.

By Mr. ST GERMAIN:

H.R. 1733. A bill to amend the Home Owners' Loan Act of 1933 to authorize Federal Savings and Loan Associations to offer certain alternative mortgage instruments and to require certain consumer protections for such mortgage instruments; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1734. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the disposal of surplus real property to States and their political subdivisions, agencies, and instrumentalities for economic development purposes; to the Committee on Government Operations.

H.R. 1735. A bill to provide for loans for the establishment and/or instruction of municipal, low-cost, nonprofit clinics for the spaying and neutering of dogs and cats, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1736. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies; to the Committee on Ways and Means.

By Mr. SOLARZ:

H.R. 1737. A bill to amend title 39 of the United States Code to reduce postal rates for small magazines, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1738. A bill to amend the Internal Revenue Code of 1954 to provide individuals a credit against income tax for amounts paid or incurred for certain State and local individual income taxes and to repeal the deduction for such taxes, State and local general sales taxes, and State and local taxes on gasoline and other motor fuels; to the Committee on Ways and Means.

By Mr. STENHOLM:

H.R. 1739. A bill to require authorizations of new budget authority for Government programs at least every 10 years, to provide for review of Government programs every 10 years, and for other purposes; jointly, to the Committees on Government Operations and Rules.

By Mr. STUDDS:

H.R. 1740. A bill to authorize payment of costs incurred in the alteration or replacement of certain municipal waste incinerators for the purpose of controlling air pollution; to the Committee on Interstate and Foreign Commerce.

H.R. 1741. A bill to amend the Tank Vessel Act in order to establish certain minimum construction safety standards for tank barges; to the Committee on Merchant Marine and Fisheries.

By Mr. TAUKE:

H.R. 1742. A bill to amend the Small Business Act to reduce the rate of interest on certain disaster loans under such act; to the Committee on Small Business.

H.R. 1743. A bill to provide mandatory social security coverage for Members of Congress and the Vice President; to the Committee on Ways and Means.

By Mr. WOLFF:

H.R. 1744. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 for the purpose of authorizing the Secretary of Transportation, under certain circumstances, to require manufacturers of tires to provide public notice of tire defects; to the Committee on Interstate and Foreign Commerce.

By Mr. IRELAND (for himself, Mr. Akaka, Mr. Ertel, Mr. Guyer, Mrs. Heckler, Mr. Dicks, Mr. Edgar, Mr. Duncan of Tennessee, Mr. Fountain, Mr. Rahall, Mr. Natcher, Mrs. Bouquard, Mr. Addabbo, Mr. D'Amours, Mr. Dornan, Mr. Whitehurst, Mrs. Spellman, Mr. Lee, Mr. Solarz, Mr. McKay, Mr. Traxler, Mr. Weaver, Mr. Biaggi, Mr. Pickle, Mr. Frenzel, Mr. Wyatt, Mr. Mathis, Mr. Johnson of California, Mr. Winn, Mr. Mineta, Mr. Neal, Mr. Holland, Mr. Skelton, Mr. Charles Wilson of Texas, Mr. Forsythe, Mr. Dougherty, Mr. Heftel, Mr. Jeffords, Mr. Ginn, Mr. Panetta, Mr. Hanley, Mr. Badham, Mr. Pease, Mr. Cavanaugh, Mr. Yatron, Mr. Conte, Mr. Stump, Mr. Nolan, Mr. Murphy of Pennsylvania, Mr. Lott, Mr. Flippo, Mr. Rinaldo, Mr. Volkmer, Mr. Bevill, Mr. Evans of Georgia, Mr. Lagomarsino, Mr. Luken, Mr. Marriott, Ms. Mikulski, Mr. Miller of Ohio, Mr. Andrews of North Dakota, Mr. LaFalce, Mr. Hughes, Mr. Murphy of Illinois, Mr. Gephardt, Mr. Hutto, Mr. Whittaker, Mr. Robinson, Mr. Erdahl, Mr. McHugh, Mr. Hollenbeck, Mr. Grisham, Mr. Hagedorn, Mr. Bafalis, Mr. Harsha, Mr. Abdnor, Mr. Chappell, Mr. Clinger, Mr. Glickman, Mr. Mavroules, Mr. Price, Mr. Dan Daniel, Mr. Madigan, Mr. Ford of Michigan, and Mr. Wolff):

H.R. 1745. A bill to amend the Small Business Act to provide regulatory flexibility for small business in certain instances so that the effect of regulation matches the size of business regulated; to the Committee on Small Business.

By Mr. DICKINSON:

H.J. Res. 171. Joint resolution proposing an amendment to the Constitution requiring that Federal judges be reconfirmed by the Senate every 6 years; to the Committee on the Judiciary.

By Mr. FINDLEY:

H.J. Res. 172. Joint resolution to amend the Constitution of the United States to provide for balanced budgets; to the Committee on the Judiciary.

By Mr. HAMMERSCHMIDT:

H.J. Res. 173. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling the attendance of a student in a public school other than the public school nearest the residence of such student; to the Committee on the Judiciary.

H.J. Res. 174. Joint resolution designating July 15, 1979, as "National Child's Day"; to the Committee on Post Office and Civil Service.

By Mr. KRAMER (for himself, Mr. Anderson of California, Mr. Buchanan, Mr. Dannemeyer, Mr. Dornan, and Mr. Kindness):

H.J. Res. 175. Joint resolution proposing an amendment to the Constitution of the United States which requires (subject to suspension during a time of war or national emergency) that the annual deficit of United States be gradually reduced over a 3-year period and thereafter be eliminated; to the Committee on the Judiciary.

By Mr. LUJAN:

H.J. Res. 176. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. QUAYLE:

H.J. Res. 177. Joint resolution proposing an amendment to the Constitution of the United States which establishes an index to measure increases in consumer prices and which requires (subject to suspension during a time of war or national emergency) that the annual deficit of the United States during any fiscal year not exceed 80 percent of any increase in that index; to the Committee on the Judiciary.

By Mr. ROSE:

H.J. Res. 178. Joint resolution proposing an amendment to the Constitution of the United States to provide that the level of total outlays of the United States for any fiscal year shall not exceed the level of total receipts of the United States for such fiscal year and for the disposition of unanticipated deficits; to the Committee on the Judiciary.

By Mr. SHUMWAY (for himself and Mr. Burgener):

H.J. Res. 179. Joint resolution proposing an amendment to the Constitution of the United States providing for staggered 4-year terms for Representatives, for a limitation on the number of terms a person may serve in the House of Representatives or the Senate, and for other purposes; to the Committee on the Judiciary.

By Mr. HAMMERSCHMIDT:

H. Con. Res. 40. Concurrent resolution relating to withdrawing the new guidelines proposed by the Secretary of Labor with respect to the health and safety training of miners; to the Committee on Education and Labor.

By Mr. BEARD of Tennessee (for himself, Mr. Badham, Mr. Bafalis, Mrs. Bouquard, Mr. Burgener, Mr. Collins of Texas, Mr. Coughlin, Mr. Philip M. Crane, Mr. Derwinski, Mr. Gudger, Mr. Hagedorn, Mr. Ichord, Mr. Kelly, Mr. Lagomarsino, Mr. Livingston, Mr. Lloyd, Mr. Lott, Mr. McDonald, Mr. Martin, Mr. Miller of Ohio, Mr. Montgomery, Mr. Sebelius, Mr. Skelton, Mr. Solomon, Mr. Stangeland, Mr. White, Mr. Whitehurst, Mr. Bob Wilson, Mr. Winn, Mr. Hyde, and Mr. Goodling):

H. Res. 81. Resolution requesting that the Secretary of Defense should rescind that portion of the Department of Defense directive which permits deserters from military service to receive in absentia discharges; to the Committee on Armed Services.

By Mr. BEARD of Tennessee (for himself and Mr. Gingrich):

H. Res. 82. Resolution pertaining to the retention of Jay Solomon as the Administrator of General Services; to the Committee on Government Operations.

By Mrs. COLLINS of Illinois:

H. Res. 83. Resolution to express the intent of Congress to restore funds for certain youth programs and countercyclical public service employment programs under the Comprehensive Employment and Training Act which would be cut by the President's budget; to the Committee on Education and Labor.

By Mr. MILLER of California (for himself, Mr. Weiss, Mr. Corrada, Mr. Pepper, and Mr. Ottinger):

H. Res. 84. Resolution amending rule XXXII of the Rules of the House; to the Committee on Rules.

By Mr. REUSS:

H. Res. 85. Resolution to provide for the expenses of the investigations and studies to be conducted by the Committee on Banking, Finance and Urban Affairs; to the Committee on House Administration.

By Mr. RODINO:

H. Res. 86. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on the Judiciary; to the Committee on House Administration.

By Mr. THOMPSON:

H. Res. 87. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on House Administration; to the Committee on House Administration.

By Mr. ULLMAN (for himself and Mr. Conable):

H. Res. 88. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Ways and Means; to the Committee on Ways and Means.

By Mr. ZABLOCKI (for himself, Mr. Fountain, Mr. Fascell, Mr. Diggs, Mr. Rosenthal, Mr. Wolff, Mr. Bingham, Mr. Yatron, Mr. Solarz, Mr. Bonker, Mr. Ireland, Mr. Mica, Mr. Barnes, Mr. Gray, Mr. Hall of Ohio, Mr. Wolpe, Mr. Bowen, Mr. Fithian, Mr. Broomfield, Mr. Derwinski, Mr. Findley, Mr. Buchanan, Mr. Winn, Mr. Gilman, Mr. Guyer, Mr. Lagomarsino, Mr. Goodling, Mr. Pritchard, Mrs. Fenwick, and Mr. Quayle):

H. Res. 89. Resolution to amend the Rules of the House of Representatives to change the name of the Committee on International Relations to the Committee on Foreign Affairs; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

21. By the SPEAKER: Memorial of the Legislature of the State of Washington, relative to price supports for the sugar beet industry; to the Committee on Agriculture.

22. Also, memorial of the Legislature of the Territory of Guam, relative to the funding of programs for the education of the handicapped; to the Committee on Education and Labor.

23. Also, memorial of the Legislature of the Territory of Guam, relative to exempting Guam from the provisions of the Clean Air Act; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASPIN:

H.R. 1746. A bill for the relief of Mr. and Mrs. Joseph S. Fok; to the Committee on the Judiciary.

By Mr. BONKER:

H.R. 1747. A bill for the relief of Chitra Schlotterbeck; to the Committee on the Judiciary.

By Mr. D'AMOURS:

H.R. 1748. A bill for the relief of Vera Lucia Carvalho and Marcos Vinecius Carvalho; to the Committee on the Judiciary.

By Mr. DAN DANIEL:

H.R. 1749. A bill for the relief of Dr. Mario Y. Dimacali; to the Committee on the Judiciary.

By Mr. DICKINSON:

H.R. 1750. A bill for the relief of John A. Peterson Charitable Trust; to the Committee on the Judiciary.

By Mr. DODD:

H.R. 1751. A bill for the relief of Daniel Tang; to the Committee on the Judiciary.

By Mr. DONNELLY:

H.R. 1752. A bill for the relief of Pius Joseph Lund; to the Committee on the Judiciary.

By Mr. ERLENBORN:

H.R. 1753. A bill for the relief of Sergio and Javier Arredondo; to the Committee on the Judiciary.

By Mr. GINN:

H.R. 1754. A bill for the relief of Julious Killingsworth; to the Committee on the Judiciary.

By Mr. HAMMERSCHMIDT:

H.R. 1755. A bill for the relief of Raul Arriaza, his wife, Maria Marquart Schubert Arriaza, and their children, Andres Arriaza and Daniel Aivouich Arriaza; to the Committee on the Judiciary.

By Mrs. HECKLER:

H.R. 1756. A bill for the relief of Melba Robateau; to the Committee on the Judiciary.

By Mr. HEFTEL:

H.R. 1757. A bill for the relief of Judge Louis Le Baron; to the Committee on the Judiciary.

H.R. 1758. A bill for the relief of George K. Oga; to the Committee on the Judiciary.

By Mr. LEVITAS:

H.R. 1759. A bill for the relief of Carlo Avino; to the Committee on the Judiciary.

H.R. 1760. A bill for the relief of Maj. Ralph Edwards, U.S. Air Forces, retired; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 1761. A bill for the relief of Dr. John C. Hume; to the Committee on the Judiciary.

By Mr. LUJAN:

H.R. 1762. A bill to convey all interests of the United States in certain real property in Sandoval County, N. Mex., to Walter Hernandez; to the Committee on Interior and Insular Affairs.

H.R. 1763. A bill for the relief of Los Alamos Developers, Inc.; to the Committee on the Judiciary.

H.R. 1764. A bill for the relief of the heirs of Demetrio Madrid; to the Committee on the Judiciary.

H.R. 1765. A bill for the relief of Sammy H. Marr; to the Committee on the Judiciary.

By Mr. MIKVA:

H.R. 1766. A bill for the relief of Soon Hee Han; to the Committee on the Judiciary.

By Mr. PATTERSON:

H.R. 1767. A bill for the relief of Seoung Ja Kim and Lada Kim; to the Committee on the Judiciary.

By Mr. RANGEL:

H.R. 1768. A bill for the relief of Antoinette Slovik; to the Committee on the Judiciary.

By Mr. STENHOLM:

H.R. 1769. A bill for the relief of Virgilio C. Carandang, M.D. and Cecilia Tanedo Carandang; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. Anthony, Mr. Boner of Tennessee, Mr. Cavanaugh, Mr. Coelho, Mr. Corcoran, Mr. Dan Daniel, Mr. Donnelly, Mr. Dougherty, Mr. Downey, Mr. Edgar, Mr. Edwards of Alabama, Mr. Fazio, Mr. Gibbons, Mr. Ginn, Mr. Guarini, Mr. Hagedorn, Mr. Hall of Ohio, Mr. Jones of Oklahoma, Mr. Kastenmeier, Mr. Kindness, Mr. Leach of Iowa, Mr. Lederer, Mr. Lee, Mr. Lehman, Mr. Marlenee, Mr. Mavroules, Mr. Mica, Ms. Mikulski, Mr. Mikva, Mr. Miller of Ohio, Mr. Mollohan, Mr. Nelson, Mr. Patten, Mr. Quillen, Mr. Richmond, Mr. Seiberling, Mr. Sharp, Mrs. Spellman, Mr. Stangeland, Mr. Swift, Mr. Synar, Mr. Walgren, Mr. Charles Wilson of Texas, Mr. Wolpe, Mr. Wyatt, Mr. Young of Alaska, and Mr. Young of Missouri.

H.R. 15: Mr. Weiss, Mr. Evans of Georgia, Mrs. Fenwick, Mr. Gramm, Mr. Stratton, Ms. Holtzman, Mr. Biaggi, Mr. Waxman, Mr. Vento, Mr. Long of Louisiana, Mr. Kostmayer, Mr. Cavanaugh, Mr. Downey, Mr. Frost, Mr. Mikva, Mr. Sharp, Mr. Marks, Mr. Nowak, Mr. Rahall, Mr. Yates, Mr. Preyer, Mr. Lundine, Mr. Ashley, Mr. Bonior of Michigan, Mr. Rose, Mr. Hughes, Mr. Scheuer, Mr. Patterson, and Mr. Corrada.

H.R. 21: Mr. Ford of Michigan, Mr. Murphy of New York, Mr. Roe, Mr. St Germain, Mr. Solarz, and Mr. Vento.

H.R. 29: Mr. Bonior of Michigan, Mr. Dicks, Mr. Drinan, Mr. Pepper, Mr. Boland, Mr. Emery, Mr. Luken, Mr. Bingham, Mr. Edwards of California, Mr. Moakley, Mr. Mitchell of Maryland, Mr. Rodino, Mr. Lehman, Ms. Holtzman, Mr. Weiss, Mr. Weaver, Mr. Solarz, Mr. Long of Maryland, Mr. Young of Missouri, Mr. McHugh, Mr. Kildee, Mr. Ottinger, Ms. Spellman, Mr. Stokes, Mr. Edgar, Mr. Wolpe, Mr. Downey, Mr. Bedell, Mr. St Germain, Mr. Dodd, Mr. Carr, and Mr. Jenrette.

H.R. 39: Mr. Wylie, Mr. Anderson of Illinois, Mr. Flood, Mr. Gibbons, Mr. Mavroules, Mr. Leach of Iowa, Mr. Evans of Delaware, Mr. Dodd, and Mr. Neal.

H.R. 65: Mr. Addabbo, Mr. Anthony, Mr. Bedell, Mr. Benjamin, Mrs. Bouquard, Mr. Campbell, Mr. Coleman, Mr. Corcoran, Mr. Dornan, Mr. Downey, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Erdahl, Mr. Fountain, Mr. Gaydos, Mr. Glickman, Mr. Hollenbeck, Ms. Holtzman, Mr. LaFalce, Mr. Lehman, Mr. Lott, Mr. Lundine, Mr. McEwen, Mr. Mikva, Mr. Moffett, Mr. Panetta, Mr. Preyer, Mr. Price, Mr. Rahall, Mr. Robinson, Mr. Runnels, Mr. Scheuer, Mr. Simon, Mrs. Spellman, Mr. Stangeland, Mr. Wirth, Mr. Wyatt, Mr. Yatron, and Mr. Young of Missouri.

H.R. 80: Mr. Zablocki.

H.R. 118: Mr. Pease, Mr. Kindness, Mr. Madigan, Mr. Steed, Mr. Myers of Indiana, Mr. Pickle, Mr. Neal, Mr. Kastenmeier, Mr. English, Mr. Daschle, Mr. Andrews of North Dakota, Mr. Hagedorn, Mr. Stangeland, Mr. Evans of Georgia, Mr. Ichord, Mr. Leach of Iowa, Mr. Vento, and Mr. Skelton.

H.R. 120: Mr. Mathis, Mr. Harkin, Mr. Kastenmeier, Mr. English, Mr. Andrews of North Dakota, and Mr. Daschle.

H.R. 365: Mr. Devine, Mr. Coleman, Mr. Winn, Mr. Pashayan, Mr. Rousselot, Mr. Williams of Ohio, Mr. Jones of North Carolina, Mr. Coelho, Mr. Loeffler, Mr. Pritchard, Mr. Hinson, Mr. Archer, Mr. Bafalis, and Mr. Edgar.

H.R. 366: Mr. Stangeland, Mr. Leach of Iowa, and Mr. Pashayan.

H.R. 628: Mr. Thomas, Mr. Marlenee, Mr. Luken, Mr. Van Deerlin, Mr. Maguire, Mr. Blanchard, and Mr. McDade.

H.R. 769: Mr. Harris, Mr. Drinan, Mr. Pepper, Mr. Conyers, Mr. Moakley, Mr. Vento, Mr. Seiberling, Mr. Addabbo, Mr. Dellums, Ms. Holtzman, Mr. Weiss, Mrs. Collins of Illinois, Mr. Solarz, Mr. Hughes, Mr. Stokes, Mr. Lederer, Mr. Edgar, Mr. Downey, Mr. Sabo, and Mr. Maguire.

H.R. 1149: Mr. Corcoran, Mr. Edgar, Mr. Hyde, Mr. Clinger, Mr. Robinson, Mr. Roth, Mr. Solomon, and Mrs. Spellman.

H.R. 1320: Mr. Tauke, Mr. Hyde, Mr. Rostenkowski, Mr. Derwinski, Mr. Murphy of Illinois, Mr. Moakley, Mr. Natcher, Mr. Murphy of Pennsylvania, Mr. Beard of Rhode Island, Mr. Hall of Texas, Mr. Rahall, Mr. Kindness, Mr. Forsythe, Mr. Solarz, Mr. Hamilton, Mr. Corrada, Mr. Leach of Iowa, Mr. Bevill, Mr. Akaka, Mr. Mavroules, Mr. Ertel, Mr. Stangeland, Mr. Marlenee, Mr. Vento, Mr. Young of Missouri, and Mr. Dellums.

H.R. 1603: Mr. Gudger, Mr. Ertel, Mr. Erdahl, Mr. Ashbrook, Mr. Symms, Mr. Dan Daniel, and Mr. Lewis.

H.J. Res. 2: Mr. Burgener, Mr. Duncan of Tennessee, Mr. Simon, Mr. Roth, Mr. Nichols, Mr. Emery, Mr. Jeffries, Mr. Long of Maryland, Mr. Evans of Georgia, Mr. Gingrich, Mr. Lewis, and Mr. Symms.

H.J. Res. 73: Mr. Hyde, Mr. Butler, Mr. Brown of Ohio, Mr. Robinson, Mrs. Holt, Mr. Kindness, Mr. Badham, Mr. Dornan, Mr. Collins of Texas, Mr. Whitehurst, Mr. Snyder, Mr. Rousselot, Mr. Bafalis, Mr. Symms, Mr. Rudd, Mr. Gingrich, Mr. Lee, and Mr. Buchanan.

H. Con. Res. 5: Mr. Mitchell of Maryland, Mr. Ottinger, Mr. Beilenson, Mr. Downey, Mr. Harkin, Mr. Dodd, Mr. Moffett, Mr. Vento, Mr. Edgar, and Mr. Bonker.

H. Res. 54: Mr. Edwards of Alabama.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

49. By the SPEAKER: Petition of the city council, New York, N.Y., relative to services to older Americans under the Older Americans Act; to the Committee on Appropriations.

50. Also, petition of the board of commissioners, Escambia County, Fla., relative to a resource conservation and development program; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

PUBLISH OR PERISH

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. MARTIN. Mr. Speaker, I am today introducing legislation to cure a problem which has arisen, because of overly zealous action by the Internal Revenue Service against the learned societies of this country. Far back into the mists of antiquity, learned societies have published bulletins and magazines, charging lower prices to the membership than to nonmembers and supporting part of the cost of publication through advertising revenues. The IRS is threatening to revoke the tax-exempt status of these groups.

We have all heard the refrain from academe: "Publish or perish." The journals in question, for our colleagues unfamiliar with the matter, are those in which the academic must publish, lest he perish. These journals are far more than vehicles for academic and professional advancement. They are the essential medium for the dissemination of scientific and technical knowledge. As a former professor and as an organic chemist in real life, I can personally attest to the national importance of these journals. As you represent Harvard and MIT, Mr. Speaker, you and your constituents know their value and, in many cases, their tenuous financial situations.

It borders on silly that legislation is actually needed. The IRS should back off. But, at this stage, legislation actually is needed. I will press in committee for prompt action.

Mr. Speaker, for our colleagues' reference. I am submitting herewith two editorials on the subject, the first from the Washington Post and the second from the New York Times. as reprinted in the San Francisco Chronicle:

A THREAT TO SCIENTIFIC COMMUNICATION

Before the Internal Revenue Service induces any more upset in the professional societies that publish many of this nation's, and the world's, foremost scientific journals, it might be desirable for the revenuers to grasp a few obscure, though simple, realities of scientific publishing. By doing so, we hope, the IRS might be led to reconsider a reportedly impending ruling that would bring little gain to the Treasury and much harm to scientific communication.

Reflecting the specialization of contemporary research, most scientific journals have relatively small circulations—often just a few thousand. Small, however, does not mean unimportant; on the contrary, the flow of information that is essential to the conduct of science is routinely channeled through many of these small-circulation journals.

The limited circulations do, however, create a revenue problem, especially since many of these journals are expensive to produce. Some of them run to hundreds of pages and are crammed with detailed charts, tables and footnotes that absorb a great deal of editorial labor.

To meet these costs, many of the societies that publish the journals employ a two-tier price system—a low price for members, usually included with their dues, and a higher price for non-members who, for whatever reasons, want the journal. In one such typical arrangement, the Journal of Bacteriology, published by the American Society for Microbiology, is available to ASM members for $22 per year for personal subscriptions; libraries and other institutions pay $115 per year. And, since some 40 percent of the journal's circulation of approximately 10,000 goes to the higher-paying non-members, the ASM is able to get along with the relatively low price for individual scientists who need the journal.

IRS has indicated, however, that it considers that the two-price system amounts to a subsidy for the members and is incompatible with the preferential tax status that non-profit professional societies enjoy. While a formal ruling is yet to be issued, at least one major scientific society has been notified that it is on the way.

It is clear, however, that no good purpose will be achieved by following an ambiguous tax-collecting principle out the window. The professional scientific press, which is indispensible to the conduct and progress of research, does indeed have very peculiar economics. But that's the way it is. And good sense calls for preserving the conditions in which these organizations can continue to publish—rather than have them slowly perish.

NO REASON GIVEN—IRS RULES THREATEN SCIENTIFIC JOURNALS

NEW YORK.—Some scientific and medical journals may be forced to stop publishing due to Internal Revenue Service rulings and other federal actions, according to an editorial published today in the Journal of the American Medical Association.

If the journals are forced out of business, "effective communication between scientists will be jeopardized, and scientific development will suffer," said Dr. William R. Barclay, the AMA journal editor. "Discovery benefits no one unless it is communicated."

The federal actions, for which no reason has been given, jeopardizes publications in medicine, biology, chemistry, physics and other fields. Robert A. Day of the Council of Biology Editors in Washington, who has characterized the scientific journal as "an endangered species." said recently that such "journals could well move from the 'endangered' list to the 'extinct' list; and Uncle Sam, as well as scientists everywhere, will be left empty-handed."

The AMA editorial said. "The Internal Revenue Service has told the publishers of 90 percent of the chemistry and physics journals in the United States that it plans to revoke their tax-exempt status and has notified the American Chemical Society and the American Institute of Physics that they are no longer to be treated as tax exempt organizations."

Others in the scientific community have said the IRS was taking similar action against other scientific and engineering societies. Loss of tax-exempt status means higher postal rates, as well as taxing of advertising revenues and other income of the journals and societies.

The IRS has already taxed the advertising revenues of the AMA journal. The association has paid $9 million in back taxes on advertising revenues from the ten journals it publishes and expects to pay the IRS about $1.5 million each year for the next several years, Barclay said in an interview.

The journals are considered indispensable to science because they are the scientists' traditional means of communication. Scientists publish the results of their experiments and theories as open communication for the benefit of society. The aim is to allow their colleagues to try to duplicate the results, criticize the findings and make further scientific advances without duplication of efforts. Some scientists pay fees to journals with small circulations to publish the results of their experiments.

The AMA editorial said that in addition to the rising costs of printing, paper and other standard expenses, "the Postal Service is proposing a new rate structure that will be prohibitively expensive for many scientific societies and may result in sharp curtailment of their publications."

Barclay said the medical association is "walking a tightrope" in its publications budget. He said he has "contingency plans" that call for the AMA to stop publishing some journals if costs rise further because of federal action and other factors.●

RENAMING PARKS

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. QUAYLE. Mr. Speaker, the citizens of Indiana are proud of the Indiana Dunes National Lakeshore, and many of them worked hard in behalf of the project. Congress seems to have a tendency to want to put its own stamp on such projects by naming them for Senators and Congressmen. For example, legislation has again been introduced to rename the Indiana Dunes in memory of the late Senator Paul Douglas of Illinois.

The Fort Wayne News-Sentinel recently commented on this matter of renaming parks, and the Indiana Dunes National Lakeshore, in particular. I bring this editorial to the attention of our friends from Illinois and place them on notice that those of us from the Hoosier State are on guard against such intrusion.

The editorial follows:

[Fort Wayne (Ind.) News-Sentinel, Jan. 24, 1979]

RENAMING PARKS

Sidney Yates, a Democratic congressman from Illinois, has a great admiration for a one-time Senator from Illinois whose name was Paul Douglas. And since Yates has an admiration for the late and not especially well remembered Douglas, he is apparently dedicating his life to naming parks in Indiana after his hero.

For the third time in recent years Yates has introduced a bill in Congress to rename the Indiana Dunes National Lakeshore. He wants it called the Paul Douglas National Lakeshore. Twice before the move has been defeated in Congress, most recently earlier this year.

There is something spiritually consistent about this inclination of Yates. Paul Douglas was a great spender of other people's money. That was one of the reasons the voters in Illinois replaced him by electing Charles Percy to the Senate. Yates believes he can revive the Douglas name by renaming other people's parks after him.

That Congress should be wasting time and money dealing with these oft-repeated, ill-fated and unwanted wishes to rename a park in Indiana becomes annoying. Before the latest bill goes any further, perhaps somebody in Indiana could introduce bills to change the names of parks in Illinois. One possibility would be the renaming of the Great Lakes Naval Base as Harold Handley Station. Harold Handley was a governor of Indiana along about the time Douglas was an Illinois senator. We don't know if Handley had much of a hand in the Great Lakes Base affairs, but he might have visited the place. Likely, he paid taxes of which a small portion went to its support. He also had a few things in common with Douglas. They called him Hightax Harold.●

LEGISLATION RESTORING CITIZENSHIP TO PERSONS WHO RENOUNCED NATIONALITY

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Ms. HOLTZMAN. Mr. Speaker, today I have reintroduced a bill which I first submitted during the 95th Congress, to permit Americans who renounced their citizenship because of their opposition to the Vietnam war to regain their citizenship.

President Carter, soon after taking office, pardoned certain Vietnam-era draft resisters. Nearly 5,000 Americans who fled during the period of Vietnam, however, will not be able to come home despite that pardon program. These are people who gave up their citizenship after leaving the United States.

Under current law, none of these persons may return to this country; none can regain American citizenship; and the President's pardon program will not remedy their plight.

Most Americans now recognize that our involvement in Vietnam was a tragic and costly mistake. This country should not compound and perpetuate this mistake by continuing to penalize those Americans who, in a painful act of conscience, left the United States and renounced their citizenship because of American involvement in the Vietnam war.

The text of my bill follows:

H.R. —

A bill to restore citizenship to persons who renounced or otherwise lost American nationality because of opposition to American military action in Indochina, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) any person formerly a citizen of the United States who lost his nationality through any action taken by such person solely or partially because of disapproval of or opposition to the involvement of the United States in military action in Indochina shall, upon petition, to any district court of the United States by such person or a legal representative, in accordance with subsection (b), be fully and unconditionally restored to United States citizenship.

(b) Any petition submitted pursuant to subsection (a) shall include a statement sworn to or affirmed by the petitioner stating that the loss of nationality of such petitioner resulted from action taken by such petitioner solely or partially because of disapproval of or opposition to the involvement of the United States in military action in Indochina. Such oath or affirmation shall be conclusive evidence of such fact in case of any person who—

(1) is male and reached the age of eighteen years during the period beginning May 13, 1961, and ending April 29, 1975, or

(2) took such action during such period.

Sec. 2. The Commissioner of Immigration and Naturalization shall, upon the receipt of a sworn written statement from any former citizen of the United States stating that such person lost his nationality through action taken solely or partially because of disapproval of or opposition to the involvement of the United States in military action in Indochina, exempt such person from the provisions of section 212(a)(22), of the Immigration and Nationality Act.●

A BUSINESS FIGHTS BACK

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. MICHEL. Mr. Speaker, Sears, Roebuck & Co. has filed suit against the Federal Government. This action was necessary, Sears executives believe, because the quota-affirmative action goals-and-timetables programs of the Government are contradictory, arbitrary, mixed up, often incomprehensible, and unjust.

I want to praise the executives in Sears who had the intestinal fortitude to do what should have been done a long time ago. Bullied by bureaucrats, afraid of its own shadow, eager to please every political demagog who raises his voice, cowering beneath the lash of regulations, playing scapegoat for the sins of society, American business has been the whipping boy of the quota bureaucracy. Now, at last, a business has turned on its tormentors and is willing to fight.

Sears may be right or it may be wrong on the merits of the specific case they have brought against the Government. I cannot judge. But I do know I admire anyone who turns and confronts the quota bureaucracy in the Federal Government which has the soul of a schoolyard bully and, considering the fact that even Government affirmative action programs are not perfect, employs the hypocritical rhetoric of Uriah Heep.

At this point I wish to insert in the Record "Sears Strikes Back" from the Wall Street Journal, January 26, 1979, and "Sears Goes to Court," January 26, 1979.

[From the Wall Street Journal, Jan. 26, 1979]

Sears Strikes Back

For more than a few years now, businessmen have complained of the rising burdens of government, aggravated by bureaucrats who treat business with maddening contempt and regulations that are sometimes unintelligible.

But corporations, particularly the largest ones, have tended to go along, churning out the required paperwork and passing costs to their customers. This week, we are happy to see, one of the largest, Sears, Roebuck & Co., has rebelled. It has filed suit against just about the whole U.S. government for the mess that goes by the name of affirmative action hiring. The noted civil liberties lawyer Charles Morgan Jr. has prepared Sears' complaint.

Sears has a deserved reputation for progressive and generous employment practices and, as its complaint notes, also has tried to cooperate with government goals and standards. It followed the lead of Washington in giving hiring preference to veterans after World War II, just as it answered a more recent congressional call to hire Vietnam veterans. It has tried to follow the federal policy of encouraging part-time work and flexible work schedules. It has responded to the government's call to hire the handicapped, and answered national laws and concerns about discrimination against the elderly by removing mandatory retirement rules. The company also has pursued affirmative action for women and minorities.

Sears says that all these decades of cheerful compliance with shifting goals have on balance cut into the number of women and minorities who might otherwise be in the company. But the current affirmative action establishment in Washington has looked at the numbers and, not caring how they came about, moved to make Sears adopt yet another set of hiring policies. These new standards directly conflict with the older goals to which we are presumably still committed as a nation, and they are filled with internal and interagency contradictions. The upshot is that it is literally impossible for Sears to comply with all the rules.

Apart from this charge of willful and childlike absurdity, Sears says the government has prevented it from fulfilling its affirmative action obligations in other ways. The government's failure in fields such as integrated housing and education have hindered the development of a qualified work force; the inadequacies of federal statistics have prevented an accurate reading of how far Sears' affirmative action attempts have succeeded and how much further the company may reasonably be expected to go; the government's lack of coordination has made compliance an administrative nightmare. All in all, the federal efforts have added up to a rather massive denial to Sears of due process of law.

It's a breath of fresh air to see the Sears suit—in the same way that it was nice to see not long ago that when the National Highway Traffic Safety Administration came up with yet another regulatory horror, the idea of setting different fuel economy standards for different auto manufacturers. Ford Motor Co. responded with an unapologetic attack on NHTSA's policy and the whole view of American society that it revealed. The Department of Transportation has now backed down on the differential standards. Perhaps Sears will get simillar satisfaction from the courts. In any event, it's good to see the battle joined; certainly such efforts can't make things much worse than they are.

[From the Washington Star, Jan. 26, 1979]

Sears Goes to Court

The Sears suit against ten federal agencies and officials, ranging from the attorney general to the Census Bureau, is another dramatic commentary on government overregulation. "Let's reduce government interference and give (the economic system) a chance to work," said President Carter the other evening. Well, here's a chance.

The main problem is that Sears needs to know how to comply with federal equal employment standards—without needless delay, legal liability and expense. But that isn't easy to find out. Sears, we are told, has spent well over $100 million in the past 13 years seeking to comply with U.S. anti-discrimination laws—especially those pertaining to equal employment opportunity, which are of obvious importance for a company employing some 417,000 Americans nationwide. Sears, mind you, hasn't exactly dragged its feet on affirmative action. Black employment by Sears, at 13.5 per cent, exceeds the 1970 census figure for blacks. Sears is also the nation's largest employer of women. Yet the company continues to be the target of Equal Employment Opportunity Commission (EEOC) harassment.

The Sears suit is immensely complex, as one might imagine, since the vexations faced by Sears are not limited to EEOC requirements. They stem from every quarter of the bureaucratic compass. Yet the problem may be broadly summarized.

For many years, Sears contends, and especially since World War II, all sorts of preferences were extended to war veterans, overwhelmingly white and male. Unsurprisingly, they are now the bulk of the premium national work force. Until the 1950s as a matter of law, and the 1960s as a matter of practice, federal policy in effect helped stack the employment deck against women and minorities. Then the signals suddenly changed. It became federal policy—a policy with which, incidentally, Sears has no quarrel—to enlarge employment opportunities for minorities and women. The EEOC, created by Title VII of the 1964 civil rights act, began applying statistical tests of compliance in minority and female hiring. Yet, since past policies had lodged a white male bias into the workforce, not even diligent and aggressive "affirmative action" efforts fully satisfy the new standards—if you can discover what they are.

For further complication, Congress last year raised the legal mandatory retirement age to 70; and since an unanticipated 60 to 70 per cent of Sears employees wished to work beyond the company's past retirement ages, there is now far less flexibility in promotion opportunities for minority and women employees and fewer new jobs for the same applicants.

It's one of Sears' major contentions, amply documented, that the government has placed it and similar companies in a double bind. It may be reasonable that employees be allowed to work to age 70. It may be equally reasonable for EEOC to insist that a work force achieve statistical parities with the available minority labor pool (if reliable statistics are available, which is another problem). But jointly pursued, the two policies clash. To put the matter in a nutshell, it isn't good law to penalize or harass business for conditions for which the government itself is partially responsible.

Sears contends, and the company's affirmative action efforts bear this out, that it is in no sense attacking the equal opportunity principle, coherently enforced. The problem is policies that are arbitrary, capricious, expensive, dilatory and above all contradictory.

The federal regulatory apparatus has recoiled in indignation at this court challenge by the nation's largest retailer. But the private sector, we suspect, will applaud—and it should. It is too complacently accepted, nowadays, that when the intent is benevolent, government requirements (not only in business but in education and other vital sectors) should be suffered to be clumsy, confusing, contradictory, and costly. But the public's patience with this assumption is wearing thin.

We do not expect a single law suit—even of this scale—to restore co-ordination to the confusing morass of "affirmative action" rules to which business is exposed. Only a determined Congress, led by an administration cognizant of the problem and ready to knock heads together, can ultimately make sense of the regulatory snakepit. But a Sears victory, which we would enthusiastically welcome, would add judicial pressure for a regulatory cleanup now long overdue.●

THE THREAT TO TAIWAN IS MOSTLY ECONOMIC

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the following by Nick Thimmesch summarizes what I believe to be the most significant implication of President Carter's decision to recognize the People's Republic of China. As Thimmesch concisely states, the greatest impact of normalization will be upon the economic vitality of Taiwan's prosperous business community. It is unfortunate, but increasingly apparent, that the United States ignores those countries who have been long-term friends, while courting those nations whose policies are contrary to U.S. interests.

The article follows:

THE THREAT TO TAIWAN IS MOSTLY ECONOMIC

(By Nick Thimmesch)

Eventually, that vast cloud of dust born of President Carter's detonating announcement on Communist China will settle. Realizing this, those genuinely concerned about Taiwan must know that the danger is not an invasion, but threats to Taiwan's economic future.

The Peking regime would be mad to invade Taiwan. Superpowers don't fight wars these days; they aren't supposed to act in such unseemly fashion. And Communist China rates as a superpower, not because of its economic or military strength, but for its sheer size, population and nuclear weaponry. The nasty fights today are between smaller nations—the Vietnamese and Cambodians, Rhodesia and guerrilla forces, Israel and the neighboring Arab states. Besides, a China-Taiwan war would be long, bloody and a disgrace to the Communists.

In the real world, the big powers are in economic, not military, combat. In Peking, Teng Hsiao-ping is trying to push Communist China into this fierce, but bloodless, fray.

Indeed, Communist China has missed the great economic boom in Asia because of its ideological parochialism. Because Vietnam turned our heads away from Asia, we Americans are only aware of the Japanese part of this boom.

The reality is that two billion people live east of Iran, that Asia contains 60 percent of the world's teen-agers and children and thus, in the years immediately ahead, will have a work force capable of making that region economically powerful and a huge consumer market as well.

Even while absorbed in ideological disputations, Peking sampled and enjoyed Western prosperity by raking off some $2 billion a year from its sales of goods, food, water and banking services to Hong Kong.

Those Peking puritans run 40 department stores in the British Crown Colony (which they could conquer in 30 minutes), use ad agencies and radio commercials to peddle their wares, and indulge in capitalistic relations with evil Western banks.

Given the U.S. pledge to continue selling weapons to Taiwan after "normalization" with Peking, the Carter administration could still make Taiwan vulnerable to economic harm if it allows Peking to take advantage of the new ball game. That's why Sen. Richard Stone (D. Fla.) and other friends of Taiwan are insisting there be stronger guarantees from the United States to Taiwan.

In 1978, there has been $7 billion in trade between the two nations, with Taiwan enjoying a $2 billion surplus. There is also $4.5 billion in U.S. investment and loans in Taiwan, and hundreds of excellent relationships between Taiwanese and American private firms.

Anyone who has visited Taiwan comes away praising the hard work, enterprise and dedication of the Taiwanese people in building a nation on a mountainous island nearly devoid of resources. Morever, Taiwan is a world leader in spreading the wealth among its people.

For the United States to allow Peking to demand that U.S. firms route all Taiwanese trade through Communist China would be a betrayal of moral principle—if we, indeed, have any left. The worst scenario would be a communist blockade of Taiwan, with the United States helpless to act because that would amount to interfering—by Peking's logic—with the internal affairs of China.

Taiwan, like Japan, needs access to Persian Gulf oil, European and American credit and markets, and to the raw materials of the world. Teng Hsiao-ping recently remarked that Communist China would permit Taiwan to keep its economic independence. But while Teng is a liberalizing influence, he is an old man. Younger Chinese officials coming up are more purist and less likely to go for Western "contamination."

For the moment, however, Communist China—a nation poorer than India—seems to be rushing into a market-oriented, rather than a centrally planned, economy. In the past year, Peking signed over $60 billion in contracts to import, contrasted with its $9 billion annual export total. Sooner or later, the Chinese communists will have to export $60 billion in goods or services to make this up.

Peking is pressed to quickly improve its economy. If it plans to exploit Taiwan to help reach this goal, then President Carter has blundered. If he made a deal with Peking allowing Taiwan to keep its economic independence, then the passage of time might smooth what now seems a jagged situation indeed.

By the way, wasn't it candidate Carter who railed against secrecy in diplomacy and a president's making momentous foreign-policy decisions without adequately consulting Congress? Oh well.●

THE CARNEGIE HERO FUND COMMISSION AWARDS

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. MAVROULES. Mr. Speaker, the Carnegie Hero Fund Commission has posthumously awarded the bronze medal for heroism to five men who drowned off the coast of Gloucester, Mass., last winter.

I, too, would like to take this opportunity to commend these brave men and to offer my sincere condolences to their widows, their parents and their families.

On February 6, 1978, during the great blizzard, a foreign oil tanker, the *Global Hope*, found itself in distress in the waters off Gloucester, Mass. Frank E. Quirk, Jr., of Peabody, Mass., set out in his 45-foot craft, the *Can Do*, to assist the crew of the disabled tanker. Quirk was accompanied by four men—Donald R. Wilkinson and P. Kenneth Fuller, Jr. both of Rockport, Mass., and Charles F. Bucko of New London, Conn., and N. David Curley of Norfolk, Mass.

While attempting to reach the *Global Hope*, Quirk and his crew confronted 80-mile-per-hour winds and swells in excess of 30 feet.

All five men were drowned.

In memory of their courage, their valor and their self-sacrificing determination to assist others in need, I hereby commemorate the actions of these great men.●

WILDERNESS AREAS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. SYMMS. Mr. Speaker, one of the serious controversies in this country regards our wilderness areas and multiuse propositions for these areas. The ultra-environmentalists would attempt to lock up this land and thereby deny the people of this Nation the invaluable timber and mineral deposits located therein. With the current discussion of RARE–II and the extreme provisions for wilderness contained therein it is refreshing to discover a voice of reason.

Mr. Douglas Murray Murphy of Ririe, Idaho, is such a voice and a recent letter to the editor that he wrote for the Post-Register succinctly contains such a viewpoint. I ask permission to insert this retired mining engineer's letter in the Congressional Record that my fellow members may be enlightened by such wisdom for so young a thinker.

Lack of Resource Uses Lamented

To leave to posterity an America developed for any emergency becomes essentially impossible, with wilderness cultists Andrus, Carter, Church and our land management agencies actively discouraging advance development.

Our lands, resources, rivers, our best geothermal resources in Yellowstone Park become environmentalist-trampled, defiled by the tinsel trapping of aesthetics, recreation and wilderness. The utter, deliberate wilderness waste of America's resources and initiative equates with destruction by armies of free-roaming saboteurs, steadily adding to trade deficits, national debt, inflation, unemployment, loss of tax base and a dangerous dependence upon fragile foreign supplies. Meanwhile America becomes discouraged, poorer and lazier. Our money, such as it is, becomes inordinately concentrated in foreign hands—enabling them to buy up much of our best lands, businesses and resources, the equivalent of sabotage and collapse from within?

Each of the preservationists' protected predators and raptors can be more destructive of beneficial bird and animal life than the guns of a thousand poachers. For 10 years, $38,400,000 might be the "aesthetics" cost of each major predator, with its protected, pyramiding increase and consonant, pyramiding decimation of gentler animals and their never-to-be-born offspring (Harvey Shelley). Similarly, all present and future costs of wilderness wastes might truly approach infinity.

Hydropower and geothermal power wasting in wilderness and Yellowstone Park are replaced (in Idaho) by inflationary, polluting, imported power costing double or more! Logical travel routes are blocked by wilderness areas. On public lands, minerals and fuels development is as actively blocked as by an army of saboteurs.

A measure of the typical wilderness-cult mentality is their often proffered theory of keeping our minerals and fuels in their wilderness "banks," with their proprietary offer to "let us have" our resources if emergency need arises . . . too late by some 5–15 years of required development time!

The best we can do for America is to reestablish the values of work and preparedness over play and aesthetics. Our fathers' and grandfathers' foresight, initiative and work left to us a powerful nation with onstream mines, mills, fuels, power, transportation and backup resources developed in advance, for any emergency. Regardless of whose aesthetics, anti-development programs or wilderness cults are trampled, we owe no less to coming generations.●

LATIN AMERICA ARMS SALES POLICY SHOULD BE CHANGED

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. DERWINSKI. Mr. Speaker, I rise in support of the views of my distinguished colleague from Pennsylvania, the Honorable Gus Yatron, who recently questioned the validity of U.S. policy in restricting our arms sales to Latin America. I agree with Mr. Yatron that our policy is simply not working.

In mid-1978 the Honorable Joseph E. Karth, president and general manager of the American League for International Security Assistance, a labor-management organization, testified before Mr. Yatron's subcommittee. Many of you will remember Joe Karth as a former Democratic colleague who served in this House for more than 18 years. Mr. Karth spoke of the "loss of jobs," "loss of prestige" and "loss of influence" of the United States in Latin America as a result of our foreign military policy in that region in the last 10 to 15 years.

Among the many points Mr. Karth made was the following: In the last decade, the United States supplied less than 30 percent of Latin America's defense imports. According to a Department of Defense witness, he pointed out, that figure is now less than 20 percent. The value of lost sales was more than $2.4 billion in that period. With the cooperation of European nations, Argentina and Brazil have developed their own arms industries. According to one Brazilian official, by 1980 Brazil will be exporting a billion dollars worth of arms a year.

Customers tend to make other major purchases from countries that supply them arms. As a consequence we have also lost nonmilitary sales following on our rejection of military sales.

The countries of this hemisphere have bought the arms they wanted elsewhere, in many cases getting more costly weapons from their new suppliers than we ourselves would have sold them.

Basically, as a nonsupplier, we lose a certain amount of diplomatic and political leverage. We have not ended the arms race in Latin America, we have actually escalated it. In the process, we have permitted the Soviets to dabble in the market and permitted other strains to develop in regards to Latin American security.

Lost sales mean lost profits, an adverse effect on our balance of payments, and a loss of American jobs.

The President should be reacquainted with American history. A legitimate reaffirmation of the Monroe Doctrine would logically call for practical U.S. cooperation with most of the countries of Latin America in meeting their legitimate defense needs. Keeping Western and especially Eastern European armaments from gaining ascendancy in Latin America is a logical goal.

In sum, this policy of ours in restraining our arms sales to Latin America has affected hemispheric security, our balance of payments and the American job market—all adversely. It should be changed.●

DR. FRANKENSTEIN, CALL YOUR OFFICE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. MICHEL. Mr. Speaker, when we were children and a course known as "civics" was still taught in the schools we learned that there are three branches of Government: Executive, legislative, and judicial. We were taught about the fourth and perhaps most powerful branch: The bureaucracy.

The Washington Post recently spoke of the power of the bureaucracy in an editorial. I want to insert that editorial in the Record, but before I do, I want to first point out that it is not the specific subject matter of the editorial that is important—it is its general theme. The Congress has created a kind of Frankenstein's monster in the executive branch, accountable not to the President, but to itself. As I recall the old movie, Dr. Frankenstein paid dearly for dabbling with things he did not understand. Let the Congress profit from his example.

At this point I wish to insert into the Record, "Who Runs the Government" from the Washington Post, January 22, 1979:

Who Runs the Government?

Since the Interior Department is in charge of writing the new strip-mining rules and the president is in charge of the Interior Department, it would seem to follow that the president could have a role, if he wanted it, in what those rules say when they are issued. But life is not that simple anymore, and the White House has gotten itself into a lawsuit by trying to influence the formulation of those rules. This is the first public round in what is likely to be a major quarrel among the White House, Congress and the bureaucracy over who gets to run the government.

The immediate issue in the strip-mining controversy—whether the rules should be modified or delayed because they are inflationary—is far less important than the principle involved. At least 50 agencies inside the executive branch have been given authority by Congress in recent years to issue regulations on particular subjects, such as strip mines, air and water pollution and industrial safety. The question is whether they are free to use that authority on their own or whether they are usbject to presidential influence and guidance.

One school of thought contends that these agencies—and the individuals specifically authorized to issue the rules, who are often Cabinet officers—are required to do their jobs without accepting presidential direction. They can receive whatever information the White House wants to offer during public hearings, the argument goes, but in deciding what rules to write they are independent, like the regulatory commissions. That's what Congress is said to have intended when it passed legislation outlining broad principles and delegating the power to fill in the details to specific executive-branch agencies, ranging from OSHA to EPA to HEW.

That argument is being pushed by some members of Congress and many special-interest groups—in particular environmental groups—that lobbied hard to get legislation of this kind passed. They fear they may lose inside the executive branch some of the battles they thought they had won on Capitol Hill—unless the agencies write the rules without reference to anything but the authorizing law. That's because larger concerns, such as the battle against inflation, could persuade a rule-maker who is subject to presidential direction not to go as fast as he otherwise might in requiring new and costly equipment to limit, say, air pollution.

The other school holds that the Constitution makes the president the government's chief executive officer and that Congress cannot diminish his power by giving part of it to his subordinates. It is fundamentally wrong, this argument goes, to cast the White House as an adversary or an outsider in rule-making proceedings that occur inside the administration over which it presides. Congress, it is said, never intended to do that or, if it did, it violated the Constitution as well as good management principles through its own thoughtlessness.

This position seems to us to be the far stronger in practical and, probably, constitutional terms. The last thing the government needs is an expansion of the bureaucracy that makes rules and policy without being politically responsible for its actions. The president is held accountable for what his subordinates do, and he should not be in the position of having no control over their actions. Regardless of what the courts do with the case challenging the president's right to intervene in these rule-making proceedings, Congress should act to end the controversy and make it clear that the president does. in fact, run the executive branch.●

A PRICE FOR TAIWAN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to present for the consideration of my colleagues the following George Will column, which concerns "normalization" of relations with the People's Republic of China. The article underscores the problems created by President Carter's action relative to the credibility of American commitments throughout the world.

The article follows:

A Price for Taiwan

(By George F. Will)

At issue in the dispute about President Carter's China transaction is not whether the United States should have a wide range of relations with China. It should, and does. Indeed, relations have been expanding so fast that defenders of the transaction are hard put to explain why it was necessary. Neither is the issue whether full diplomatic relations are desirable. They are.

Rather, the issue is the price Carter paid. The price makes the transaction seem dictated more by the administration's political needs, and the ideology of the State Department's seventh floor, than by any larger imperatives.

Administration foreign policy is long on TV, weak on strategy. The OPEC decision on oil prices underscores the crumbling of the U.S. position in the Middle East. The subversion of Iran eclipses the Camp David achievement (whatever it turns out to have been). Understandably, the administration, having dined out on Camp David excessively, wanted a transaction it could call a triumph.

The China transaction played to the news industry's bias, which is theatrical, not political: Journalists enjoy big, splashy political strokes, and joy colors the reporting of them. But now that such fun has been had, there is this question: What did Carter get that Richard Nixon and Gerald Ford could not have got on essentially the same terms?

If today's leaders of China (no one knows who tomorrow's leaders will be) are indeed pragmatic, the administration paid too high a price. Pragmatic leaders would not allow the Taiwan question to impede cooperation important to China's development and defense. If China's leaders are not pragmatic, then it is to dangerous men that the United States has consigned Taiwan.

But if you liked the China transaction, you will love the SALT agreement. Both are cut from the same cloth of concessions.

Carter acceded to three demands: severance of diplomatic relations with Taiwan, unilateral termination of the defense treaty and removal of U.S. forces. In return, the United States is allowed: to delay for one year termination of the treaty; to say that it wants the Taiwan question resolved peacefully; and to sell arms to Taiwan. The first "right" is trivial, the second vacuous, the third nugatory.

The "Taiwan question" is like the *Judenfrage* (Jewish question) in the 1930s. It is one of those antiseptic abstractions by which politicians disguise (sometimes from themselves) the nature of what they are doing. The "Taiwan question," like the *Judenfrage,* is only a "question" for one side. Just as European Jews had no "question" (they only wanted to be left alone), the "Taiwan question" is not Taiwan's. Plainly put, the "question" is: How shall Taiwan's liberty be extinguished.

On "Meet the Press," Cyrus Vance, the secretary of state, said that China had not "contradicted" the United States when the United States expressed its "expectations" that the question would be answered peacefully. Asked if the United States had even asked for a Chinese commitment, he said: "The Chinese have made it very clear all along that they will not state that the resolution of this problem is a problem for anybody else to determine, other than them." In other words: No. As in SALT, the adversary's intransigence determined the scope and thus shaped the result of negotiations.

Regarding arms sales to Taiwan, the administration's eagerness to comply with Peking's wishes means that there probably will not be sales that might offend Peking.

In an unintended way, Carter's China transaction was timely. The administration has become Egypt's partner in pressuring Israel to rest its security on a treaty that is increasingly honeycombed with problems. But Taiwan's fate reminds Israel that parchment is a thin shield for a small nation. Furthermore, as often occurs when Israel's security anxieties become inconvenient for an American administration, there is talk of assuaging those anxieties with a U.S.-Israel defense treaty. Surely this administration will not have the impendence to suggest such a thing.

In his broadcast announcement on China, Carter did not see fit to mention to Americans that what he was doing involved disavowing a treaty obligation. He left that troubling detail to television commentators. Why? Having recently made a speech reminding Americans that, at last, they have a president virtuous enough to care about human rights, perhaps he did not want to dwell on the fact that he was doing more to jeopardize the rights of the Taiwanese than he has done to enhance the rights of any other people.●

FEAR OF FACING THE TRUTH

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. SYMMS. Mr. Speaker, I recommend that my colleagues read this well-thought analysis written by George Will on the failure of the United States to deal with the Soviet Union in a realistic manner. This article appeared in Newsweek on January 22, 1979.

The Congress comes now to considering one of the most important treaties that has ever been presented to it. I refer to the SALT treaty, an agreement which will lock this country's defense policy into a reliance on minimum deterrence and a naive faith in the Soviet Union to comply with the terms of the treaty.

Mr. Will makes the point that the American political class is afraid of facing reality and dealing honestly with Soviet actions and intents.

His article reads as follows:

[From Newsweek, Jan. 22, 1979]

Fear of Facing the Truth

(By George F. Will)

When, as lately, America's decline accelerates, it is useful to look back along the downward, crumbling path. Eugene Rostow has done so in The Washington Quarterly, recalling the 1968 Soviet invasion of Czechoslovakia. He was Under Secretary of State and was struck, then as now, by the attitude prevalent within government that "Soviet action must always be given the benefit of the doubt." That summer, officials resisted the idea that Soviet military maneuvers presaged an invasion. When senior Soviet officials interrupted their August vacations to convene in Moscow, President Johnson assumed they were preparing not an invasion but an invitation (for him to visit Moscow to begin strategic arms limitation talks). Significantly, they were preparing both. They wrongly assumed what they reasonably assume today, that the U.S. Administration would mute its reaction to Soviet conduct, however aggressive, rather than jeopardize SALT negotiations. (Johnson immediately canceled the trip.)

With today's satellites, U.S. officials would have seen unusual markings on tanks and other vehicles in the Soviet maneuvers. Evidence that these were about to go into action against identical tanks and vehicles—those of the Soviet-supplied Czech Army. But many officials would have resisted any upsetting evidence about the Soviets. Rostow recalls this from the preceding summer:

". . . The first time 'Egyptian' MiG fighters appeared over our Sixth Fleet shortly after the 1967 Six Day War, our monitoring sources reported that the pilots of these 'Egyptian' planes were talking Russian . . . Well, for two weeks our Soviet experts were explaining this away . . . [They said] that these were training flights, that the pilots were Egyptians who had been instructed in Russian by Russian personnel . . . and so on. Of course it soon transpired that the pilots were Russian and those arguments collapsed. But for two weeks they were stubbornly held . . ."

STABILITY IN IRAN

Today, the pattern of strikes and unrest in Iran strongly suggests Soviet fingerprints, but while the Soviets broadcast instructions for manufacturing grenades and bombs, U.S. "experts" suggest that the Soviets are primarily interested in "stability" in Iran. How does Rostow explain such willful imperviousness?

"The answer is: fear. The American political class is afraid of living with the evidence of reality, because if you accept that the Russians are embarked on an imperialist course for the indefinite future, if you accept that their military, economic, educational and cultural policies are all geared to the reduction . . . of the ability of the United States and its allies to resist, then you have to do something about it."

What the United States has done since the mid-1960s is invest its hopes in arms control. It has based arms-control policy on the hope that the Soviet buildup is merely a reaction to U.S. arms, and can be restrained by unilateral U.S. restraint. So U.S. arms-limitation efforts have limited . . . U.S. arms. Now The Economist of London warns that the SALT II treaty, designed to run through 1985, "could be the beginning of seven singularly dangerous years."

A HALF-HOUR CATACLYSM

The cosmetic equality in permitted totals of launchers conceals, The Economist says, "a large imbalance in Russia's favor." Given existing U.S. arsenals and procurement plans, "by 1985 the United States will be behind Russia both in the over-all total and in some of the most important sub-categories," including "modern large" missiles: the Soviets will be permitted 308 (a force that can carry 3,000 warheads), the U.S. will be permitted none. And SALT II "may leave the United States itself vulnerable to a surprise Russian attack.

"By the early 1980s, the growing number of increasingly accurate warheads Russia can pack into its huge missiles will put it in a position of being able to destroy virtually all of America's land-based missiles in a single half-hour cataclysm, while still keeping quite a lot of its own missiles in reserve, ready for a second blow . . . [A] counterattack against the Soviet missile system would have to depend mainly on the aircraft-carried Cruise missiles permitted under SALT II, which would take ten hours to trundle toward their targets—and even then would destroy not much more than half of the Soviet launching silos."

To say that the Russians would probably not push the button "misses the point of nuclear mathematics:

"The point is that the Russians would not have to. If they know that [an] exchange of Soviet first strike and American counterstrike would leave them with more surviving missiles, which would then hold America's cities hostage, they would know that the American President would know it too; and that he would be paralyzed by his knowledge . . . This is the political reality behind the apparently abstract calculations of who-would-have-more-missiles-left."

On the crucial question of how the United States sank to this danger. The Economist is too charitable: "Americans were so mesmerized by Vietnam and Watergate that they failed to spot the danger." Not true. The political class had sufficient evidence all along. It also had a desire to disbelieve, and with a few exceptions (such as Sen. Henry Jackson) has shrunk from leadership.

Fred Ikle, former director of the Arms Control and Disarmament Agency, writes that we are in a third postwar phase. From 1945 through 1950, the period of "nuclear monopoly," the U.S. actually had few ready nuclear weapons and was substantially weaker than the Soviet Union in terms of ready land-based power. After North Korea attacked, the U.S. immediately tripled its defense budget, building up air and naval capabilities. After the Cuban missile crisis, the Soviets began a sustained buildup, while Vietnam sapped America's material and moral resources.

IGNORANCE AS A STRATEGY

The Soviet Union has doubled its military budget, in real terms, in the last fifteen years. The U.S. budget in constant dollars is less than it was in 1961. And as Ikle says, this "third-phase shift in the Soviet Union's favor is still under way." In 1965, Defense Secretary McNamara said that "the Soviets have decided that they have lost the quantitative race . . . there is no indication the Soviets are seeking to develop a strategic nuclear force as large as ours." Ikle blames a huge "intelligence failure" in the 1960s for such thinking and for "our harmful persistence in unilateral restraint as a policy for inducing Soviet restraint. For eleven years in a row, the annual U.S. intelligence forecasts underestimated the number of missiles Russia would deploy."

But Ikle, like The Economist, is too charitable. When people are so wrong for so long on the same subject, in the same direction, the failure is not of intelligence but of will. For such people, ignorance is a strategy. Their problem is not in finding the truth, but in facing it.●

HENRY C. CLAUSEN HONORED BY LINCOLN MEMORIAL UNIVERSITY

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. CARTER. Mr. Speaker, I wish to share with my colleagues the following article from the Masonic Home Journal and extend my congratulations to Henry C. Clausen, the sovereign grand commander of the southern jurisdiction of the Scottish Rite, who was awarded an honorary doctorate of laws by Lincoln Memorial University recently. I was similarly honored by that fine university in 1973.

Since its founding in 1898, Lincoln Memorial University has been an outstanding educational institution, and its Lincoln Museum has one of the country's finest collections of Lincoln memorabilia.

The article follows:

SOVEREIGN GRAND COMMANDER, HENRY C. CLAUSEN HONORED BY LINCOLN MEMORIAL UNIVERSITY

On Sunday afternoon, October 1st, one of Masonry's most outstanding figures, the Sovereign Grand Commander of the Southern Jurisdiction of the Scottish Rite, Judge Henry C. Clausen, 33°, was honored by Lincoln Memorial University with an Honorary Doctorate of Laws. Conferred on him in appreciation of his exemplary humanitarianism and his leadership in the support of our free public schools, Judge Clausen delivered a ringing address on our country's patriots and educational challenges. A large audience of Virginia, Tennessee and Kentucky Masons and their wives came together at the Harrogate, Tennessee Campus, to honor the Sovereign Grand Commander. Flanked by Grand Masters Tom Roberts, K.C.C.H. of Kentucky, G. Edwards Rothrock, 33°, of Tennessee and Charles E. Webber, 33°, S.G.I.G. of Virginia representing its Grand Master, Judge Clausen was invested with the Doctoral hood and the silver medallion of the University. Also in attendance were George R. Effinger, 33°, S.G.I.G. of Kentucky, Andrew Benedict, 33°, S.G.I.G. of Tennessee and Grand Secretary General C. Fred Kleinknecht of Washington, D.C. President Frank W. Welch, President of the University presided.

Grand Treasurer of the Grand Lodge of Kentucky, also National Commanding General of the Honorable Order of Kentucky Colonels, Joe L. Hamilton, read a message from Governor Julian M. Carroll commissioning Judge Clausen a Colonel on his staff. The Honorable Chester Wolfe of Middlesboro hosted the Grand Commander at a dinner in his honor.

Immediately following the ceremony, a reception in honor of the Grand Commander was held in the Abraham Lincoln Museum, presided over by Colonel Harland Sanders, 33°, and Mrs. Sanders, prime benefactors of the Museum. A grand tour of the Museum for Judge Clausen was led by Frank G. Rankin, 33°, Chairman of the Board and Colonel Sanders. The Museum collection represents one of the three largest collections of Lincolniana in the world.

Lincoln Memorial University was founded as a request by President Abraham Lincoln in 1863 to General Oliver Howard, that when the War was over to go down and do something for those good people of Appalachia. Founded in 1898, dedicated to the educational needs of Appalachia it numbers over 1,000 students, drawn mostly from Kentucky, Tennessee and Virginia. No qualified student is ever turned away because of financial lack. It is rated as one of the most outstanding of the small Southeastern Universities. The educational philosophy of the University stresses the work ethic.●

CONGRESSIONAL OVERSIGHT IMPROVEMENT ACT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. GILMAN. Mr. Speaker, today I am reintroducing the Congressional Oversight Improvement Act, a measure I initially introduced for study purposes during the closing days of the 95th Congress. This legislation is designed to enable Congress to more effectively fulfill its "total" legislative responsibility: Not only making our Nation's laws, but assuring also that the implementation of these laws is undertaken in accordance with the congressional intent in authorizing such laws.

The urgent need for an overhaul of our congressional oversight machinery is obvious. With Congress experiencing a serious problem in monitoring the administration of programs it has authorized, there is an increasing number of programs not fulfilling their objectives, with the concomitants of people going unserved and taxpayers' dollars being wasted. Coupled with an alarmingly precarious economy, these factors indicate how imperative it is that we have cost-effective programs to deal with the critical problems now facing our Nation.

Indeed, last month, our distinguished Speaker, distinguished majority and minority leaders of the House, and other congressional leaders, outlined, before a congressional research service workshop on oversight, the explicit need to place increased emphasis on strengthening congressional oversight capabilities.

The legislation I am reintroducing today would significantly enhance congressional oversight capabilities by providing for a more formalized and effective utilization by congressional committees of the substantial resources of the congressional research support groups—the General Accounting Office, the Congressional Research Service, the Congressional Budget Office, and the Office of Technology Assessment.

More specifically, this legislation calls for the following:

I

A congressional oversight statement—contained in the report accompanying legislation approved by a committee, and prepared by the committee with the assistance of the above support groups—outlining criteria, reporting requirements, and agencies involved in providing information for oversight of those programs mandated by the legislation involved.

Mr. Speaker, a February 1977 report of the Senate Committee on Government Operation concluded:

> Congressional committees should take increased advantage of GAO's expertise by . . . requesting GAO's assistance in drafting a statement of goals and objectives in new legislation, so that evaluation of agency activity might be easier.

As Congress most valuable oversight support agency, charged with analyzing and auditing the programs, activities, and financial operations of Federal departments and agencies, GAO is in an especially key position to define ways to measure to what degree programs are achieving their goals and objectives. However, the Senate report points out: "To date, committees have not been clamoring for that type of GAO help."

The report also charged that GAO's current efforts are often out of touch with those areas of specific and topical interest to congressional committees, and that GAO reports often suffer from an inordinate production time. Indeed, as an Assistant GAO Director recently stated, vital to GAO's ability to increase the effectiveness of its oversight services to Congress, is the agency's need "to discern congressional needs and priorities early and quickly."

However, as a House Select Committee on Congressional Operations report of June 22, 1978, observed:

> Although GAO officials are encouraged to consult congressional sources in planning the agency's self-initiated work, no systematic or formal procedure has been developed to solicit the views of committees, Members, or staffs for this purpose, a situation which tends to limit GAO's responsiveness to congressional needs and may reduce the ultimate usefulness of some of its self-initiated studies.

I am confident that my proposal requiring committees to enlist the assistance of congressional support agencies, such as GAO, in preparing an oversight statement identifying particular aspects of an authorized program which the committee should evaluate, will produce a systematic, formal procedure whereby energies of congressional support agencies can be better attuned to the oversight responsibilities of the congressional committee.

II

Regulation impact report in which executive departments apprise the committee from which legislation originated, of regulations necessary to implement the legislation and the impact of such regulations, and how such regulations fulfill the law's objectives (a recent edition of Time magazine editorialized that Federal regulations cost approximately $4.8 billion to administer in fiscal year 1978, with compliance costs in 1976, for example, estimated at $63 billion).

Federal regulations written in incomprehensible jargon, affecting those to whom they apply in ways never envisioned by Congress, pose a serious threat to the integrity of congressional legislative power. By requiring Executive departments and agencies to report back to the committee from which the legislation originated, what the impact of these regulations is and how it squares with the law's objectives, we will allow Congress to regain legislative authority now lost to Executive departments and agencies.

III

Authority for establishing GAO strike forces to investigate incidents of agency noncompliance with the above reporting requirements of this bill.

Mr. Speaker, passage of this measure will put Congress squarely on record as recognizing that congressional oversight capabilities must be substantially strengthened. This legislation provides us the means to assure that those programs Congress authorizes are administered in a cost-effective manner which most efficiently utilizes our hard-earned tax dollars.

Accordingly, I urge my colleagues to support this timely legislation, and I request that the full text of this bill be inserted at this point in the RECORD:

H.R. —

A bill to amend the Legislative Reorganization Act of 1946 to improve the oversight capabilities of the standing committees of the House of Representatives and of the Senate

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Congressional Oversight Improvement Act".

SEC. 2. The Congress finds that—

(1) it is the responsibility of the Congress to evaluate the implementation of those programs which have been legislatively authorized and those programs which have been developed as a result of legislative authorization;

(2) it is imperative that the Congress be able to effectively evaluate the implementation of the programs if they are to fulfill the intent of the legislation by which they were established or from which they originated; and

(3) the ability of the Congress to expeditiously and prudently fulfill its responsibility to evaluate the implementation of the programs will be improved by requiring that Federal agencies and certain of the Congressional support offices provide greater assistance to the standing committees as they perform their oversight functions.

SEC. 3. Section 136 of the Legislative Reorganization Act of 1946 (2 U.S.C. 190d) is amended by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and by inserting after subsection (a) the folowing new subsection:

"(b)(1)(A) Except as provided in subparagraph (B), each report accompanying any measure reported by a standing committee or any amendment agreed to by a committee of conference with respect to such a measure shall include a statement entitled 'Congressional Oversight Statement', which shall contain the items described in subparagraph (B). Such statement shall be prepared after consultation with the Comptroller General, the Director of the Congressional Budget Office, the Director of the Congressional Research Service, and the Director of the Office of Technology Assessment. Nothing in this subparagraph shall be construed to alter the responsibility of any standing committee to include in each report accompanying any measure reported by the standing committee any oversight findings and recommendations required to be included under the Rules of the Senate or of the House of Representatives.

"(B) The items referred to in subparagraph (A) are—

"(i) a list of the names of each Government agency which shall administer each law affected by the measure or amendment which the report accompanies,

"(ii) in the case of a report by a standing committee, a list of the ways in which that Government agency can assist the standing committee to fulfill its oversight responsibilities under this section with respect to that law, and

"(iii) in the case of a report by a committee of conference, a list of the ways in which that Government agency can assist each standing committee which will have oversight responsibilities under this section with respect to that law to fulfill those responsibilities.

"(C) The requirements of subparagraph (A) shall not apply to any report by a standing committee or committee of conference if the standing committee or committee of conference (whichever is appropriate) determines under criteria established under subparagraph (D) that compliance with those requirements is impracticable with respect to that report and includes in that report a statement of why compliance with respect to that report is impracticable.

"(D) The Committee on Rules and Administration of the Senate shall establish the criteria which each standing committee of the Senate shall use to determine whether compliance with the requirements of subparagraph (A) is impracticable. The Committee on Rules of the House of Representatives shall establish the criteria which each standing committee of the House shall use to determine whether compliance with those requirements is impracticable. The Committees shall jointly establish the criteria to be used by each committee of conference to determine whether compliance with those requirements is impracticable.

"(2) (A) Whenever it is requested to do so by a standing committee, any Government agency responsible for administering a law the subject matter of which is within the jurisdiction of the standing committee shall prepare for and send to the standing committee a report setting forth—

"(i) a list of citations to all adopted and proposed rules issued by the Government agency in administering that law, together with a summary of those rules,

"(ii) an assessment of the impact of those rules, and

"(iii) recommendations, if any, for modifying that law to more effectively carry out the underlying legislative intent.

"(B) Each assessment of the impact of adopted and proposed rules which is set forth in a report pursuant to subparagraph (A) (ii) shall include an estimate of the number of persons (classified according to occupation, income, or other relevant criteria) who are (or in the case of proposed rules, who will be) regulated or otherwise affected by those rules and an estimate of their economic impact on those persons, including an estimate of any additional cost of compliance with each recordkeeping requirement provided in those rules.

"(C) A copy of each report prepared and sent under subparagraph (A) shall be sent at the same time to the Comptroller General, the Director of the Congressional Budget Office, the Director of the Congressional Research Service, and the Director of the Office of Technology Assessment. The Comptroller General and each Director shall prepare an evaluation of the law to which that report relates, based on that report, and shall furnish the evaluation to the standing committee. The evaluation may be prepared separately by each Officer or in combination with any one or more of such Officers. After reviewing the evaluation, the standing committee shall determine what modifications of that law, if any, would be appropriate to more effectively carry out the underlying legislative intent.

"(D) Whenever any standing committee determines that any Government agency has failed to submit a report to the standing committee in accordance with the requirements of subparagraph (A), the chairman of the standing committee shall notify the President of the Senate (if the standing committee is a committee of the Senate) or the Speaker of the House of Representatives (if the standing committee is a committee of the House of Representatives). On receiving notification under this subparagraph of that failure, the President of the Senate or the Speaker of the House of Representatives (whichever is appropriate) shall direct the Comptroller General to investigate that failure. The Comptroller General shall establish a strike force, composed of employees of the General Accounting Office, to carry out any such investigation. On the conclusion of any such investigation, the Comptroller General shall report the results of the investigation to the President of the Senate or to the Speaker of the House of Representatives (whichever is appropriate) who shall report those results to the chairman of the standing committee.

"(3) Whenever any Government agency has reason to believe that a law as administered or as proposed to be administered by such Government agency may be inconsistent with the legislative intent underlying such law, the Government agency shall request each standing committee of the Senate and of the House of Representatives having jurisdiction over that law to review with the Government agency each reason for that belief.

"(4) For purposes of this subsection—

"(A) the term "standing committee" means a standing committee of the Senate or of the House of Representatives,

"(B) the term "committee of conference" means a committee of conference between the Senate and the House of Representatives,

"(C) the term 'Government agency' means an Executive department, a Government corporation, and an independent establishment, and

"(D) the term 'rule' has the meaning given that term in section 551(4) of title 5, United States Code.".

Sec. 4. (a) Paragraphs (1) (A), (B), and (C) of section 136(b) of the Legislative Reorganization Act of 1946 (2 U.S.C. 190d), as added by section 3 of this Act, shall take effect 180 days after the date of the enactment of this Act.

(b) Paragraph (1) (D) of such section 136 (b) shall take effect 90 days after the date of the enactment of this Act.

(c) Paragraphs (2), (3), and (4) of such section 136(b) shall take effect on the date of the enactment of this Act.●

THE "COMMON DEFENSE" COMES FIRST

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. GINN. Mr. Speaker, I would like to commend to the immediate attention of the Congress a very important analysis of our national defense priorities which has been prepared by the distinguished Representative of the Fourth Congressional District of Georgia, the Honorable Elliott H. Levitas.

Mr. Levitas recently attended a meeting of the North Atlantic Assembly, and he has had an opportunity to review our defense posture in general and the status of our standing against the Warsaw Pact nations in particular.

As we all know, a strong national defense is the foundation of our democracy and the pillar that supports the freedom of our people and of people throughout the world. The Congress is now beginning the review of the defense budget, and so it is vitally important that we do so with the greatest of care.

Mr. Levitas shares the view that an efficient and cost-effective defense system is absolutely essential, and a summary of some of his observations recently appeared as a column in the Atlanta Constitution on January 25, 1979. I insert this outstanding article at this point in the Record:

THE "COMMON DEFENSE" COMES FIRST

(By Elliott Levitas)

I recently attended a meeting in Lisbon of the North Atlantic Assembly, the parliamentary arm of NATO (North American Treaty Alliance). While there, I served with Sen. Henry "Scoop" Jackson and others on the military committee. This was one of the most important meetings I have ever attended because it focused on the direction in which the United States and our Western European allies must begin to move—and that is in bolstering our credibility and our defenses in Western Europe.

Much of the discussion centered on the agreement among NATO countries, including the U.S., to increase defense spending during the next several years by 3 percent in terms of real dollars. This is a mutual promise previously made by President Carter and our Western allies, and one that I feel is vital, both to our defense capability and, more importantly, to our national credibility, our ability to be relied upon to do what we commit ourselves to do.

Over the past several years, the Warsaw Pact nations have built a strong military threat, capable of launching an offensive attack on Western Europe. Even the doves in military discussions have recognized that the trend in force levels between the East and the West in Europe have not been in NATO's favor. If we do not continue to support a strong and credible defense posture in Western Europe, which can deter any aggressive moves on the part of the Soviet Union and Warsaw Pact nations, then we are soon going to be faced with an adverse imbalance that could bring about substantial political changes in the face of a Soviet military threat which cannot be convincingly resisted.

Let me give some examples: the Soviet Union has us outgunned in terms of artillery almost 10 to one. They have us outnumbered in tanks by between seven or eight to one. We have approximately 790,000 soldiers spread all over the world; the Soviets have about 2½ million men under arms . . . only about a quarter of whom face China.

Once we had unchallenged supremacy of the seas, particularly the Mediterrean and the North Atlantic. Today we are being challenged there by the Soviet Union, as well as in the Persian Gulf, the coasts of Africa, and in the Indian Ocean. . . .

During the meeting the North Atlantic Assembly, I had the opportunity to speak with officials from the various NATO countries. I came away with the knowledge that they are looking to the U.S. for leadership and that they are prepared to follow our leadership when we exercise it. I think that President Carter's commitment to increase the defense budget and to make a major commitment to NATO did a great deal to strengthen their belief—and that of the Warsaw Pact countries—in our determination to defend Western Europe.

With regard to the increase in spending for defense, I must at the same time point out that there is a serious problem of waste within the defense budget which must be eliminated. The proposed military budget of $122.7 billion is a lot of money. Too much of the tax dollars has been unwisely spent or wasted. Those of us who advocate a strong defense need to recognize this and not merely assume that defense dollars are always well spent any more so than in other areas of government. . . .

One question arises during any discussion of raising the defense budget, and that is whether we can afford the increase given our domestic needs. I should like to point out that in the 1979 budget, 24 cents of each "budget dollar" went for national defense, while 37 cents of each of those dollars went for direct payments to individuals through various social service programs. We are currently spending more for social programs than we are for defense and have been for several years, at a time when the Soviets' expenditures for defense have been increasing year by year. . . .

The first obligation of a government is "to provide for the common defense," to protect its citizens from foreign attack. If we cannot preserve our own freedom, our own independence as a sovereign state, then the questions of our beneficent domestic priorities do not even arise. We have the ability and productivity to establish our priorities; to meet our essential human needs and to preserve our freedom. It is not an "either/

or" choice. But defense of nation must not be considered the secondary option.

We can't talk about maintaining the freedom of others unless we're willing to defend defense. But, if we are not willing to pay the price of defense for peace, we will surely pay the cost of war.●

H.R. 39 AND THE LEGISLATIVE PROCESS

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. VENTO. Mr. Speaker, during the initial days of this session, much of the discussion on H.R. 39, the Alaska National Interest Lands Conservation Act of 1979, has centered on an alleged "compromise" reached during the final hours of the 95th Congress. This "compromise," supposedly the result of negotiations between representatives of the House, Senate, and administration, has been trumpeted by some as the logical starting point of any future considerations of the Alaska lands issue.

As a member of the Interior Subcommittee on General Oversight and Alaska Lands, these comments greatly disturb me. While I am aware of the unique factors that precipitated last session's negotiations, I strongly believe that any "compromise" that resulted from these informal meetings should not be accepted as a starting point for this Congress nor even as a desirable final solution. Neither the House nor the Senate had an opportunity to act on this "compromise" and to assume that the "compromise" would have been meekly accepted ignores the national significance of this issue and the sentiment of the Members of Congress. The House's approval of H.R. 39 last session demonstrated that Congress overwhelmingly supported a much stronger and more balanced bill than this "compromise."

The version of H.R. 39 accepted by the full House last session was a sound bill which balanced the need to protect the Alaskan wilderness with the future economic development of that State. The vote for final House passage (277 to 31) confirmed the overwhelming support for the balanced approach of H.R. 39.

The current version of H.R. 39 is an excellent legislative vehicle to resolve the Alaska lands issue. It incorporates the best features of last session's House-passed bill—features which were the result of a lengthy and comprehensive legislative process—with some needed improvements. The use of the so-called "compromise" bill as the legislative vehicle would be a disservice to the legislative process and would not result in a satisfactory solution to this most important national issue.

In an effort to clarify the status of the Alaska lands issue and to end any misunderstandings regarding the actions of last year, I wrote to two of our colleagues who participated in the last minute negotiations, Interior Committee Chairman UDALL and the chairman of the then Interior Subcommittee on General Oversight and Alaska Lands, Congressman SEIBERLING. Their responses clearly dispell any notion of a compromise agreement and the use of any such "compromise" as the legislative vehicle for this session. At this time I would like to share with my colleagues the relevant correspondence:

WASHINGTON, D.C.,
January 22, 1979.

Hon. MORRIS K. UDALL,
Chairman, Committee on Interior and Insular Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: Based on my initial review of H.R. 39, I am glad to see that you have incorporated many of the concepts that were in last year's House-passed version. I want to thank and commend you and your staff for the excellent work that you have done in the preparation of this bill and for your continuing dedication to this most important issue.

As a member of the Interior Subcommittee on General Oversight and Alaska Lands, I am well aware of the countless hours spent in the development of the bill that passed the House in the 95th Congress and feel that in most aspects, we had produced a balanced solution to the question of the use of Alaskan lands. It was a bill that did allow for the economic development of Alaska, while protecting much of the state's unique and irreplaceable wilderness. Indeed, one of the few major criticisms of the bill was that it did not provide adequate protection for some of the most spectacular regions of Alaska, e.g., Misty Fjords. I am pleased to see that the current H.R. 39 rectifies many of these unfortunate oversights.

During the last days of the 95th Congress, you, along with representatives from the Senate and Administration, conducted discussions in an effort to reach some agreement on this issue. Recent comments on these discussions and the "compromise" that they spawned greatly concern me. This so-called "compromise" is now being portrayed by some as the logical starting point of any considerations by the 95th Congress. It is claimed that the passage of this "compromise" failed only because of a threatened filibuster by one Senator. Such claims completely disregard the reality of the situation. Neither the House nor the Senate had an opportunity to consider this agreeemnt at any level. Indeed, the full Senate was not given an opportunity to consider any Alaska lands legislation. Thus, the many supporters in that body for stronger legislation never had a chance to voice their support. To assume that both bodies would routinely accept this proposal ignores the national significance of the Alaska lands issue and is a disservice to our legislative process. While I recognize the unique situation of those last days and commend you for your sincere effort to resolve this issue, I question the prospects of acceptance of this "compromise." I, for one, would have been hard put to support the "compromise." The lack of adequate time to review the proposal and the apparent insufficient protection for Alaskan wilderness made final passage a tenuous prospect at best.

I strongly urge you to put to rest publicly this notion of a "spirit of compromise which prevailed last October." The bill that the House passed last Session by a vote of 277 to 31 was a sincere effort to achieve a compromise—an attempt that was summarily rebuffed by the opponents of the bill. The continued discussion of some October "compromise" can only create confusion on this issue and will serve to frustrate our efforts to achieve sound legislation. For this reason, every effort must be made to refute the claim that the House accepted this "compromise."

It is also my hope that you will reject most forcefully the exhortations of some to resume considerations of the Alaska lands issue with the "compromise" as the starting point. We are operating in a new Congress with a much different time factor. To rush headlong into accepting this questionable "compromise" would needlessly weaken our position, particularly facing the prospects of further attempts to weaken the proposal via amendments or Conference Committee.

Mr. Chairman, Alaska still remains a national issue of the utmost importance. I look forward to working with you closely again on this issue. The impacts of the decisions that we will be making will affect present and future generations of Americans. The vehicle for our decisions, H.R. 39, is a sound proposal based on the solid foundations of the hearings, data and considerations of the 95th Congress. We must move forward and build upon this foundation. To resume consideration from the "compromise" would circumvent all our efforts during the last Congress and would offer inadequate protection for the Alaskan wilderness.

I am most anxious to hear your views on this matter.

Warm regards,
Sincerely,

BRUCE F. VENTO,
Member of Congress.

WASHINGTON, D.C.,
January 25, 1979.

Hon. BRUCE F. VENTO,
U.S. House of Representatives,
Washington, D.C.

DEAR BRUCE: Thank you for your thoughtful and well-reasoned letter of January 22, concerning H.R. 39, the Alaska National Interest Lands Conservation Act, and the events of the final days of the last Session, when Senate action on the House-passed bill was finally blocked by the delaying tactics that opponents of the bill had been employing throughout the 95th Congress.

The failure of the Senate to act on this matter was undeniably one of the greatest disappointments of the last Congress, and that failure was clearly the direct result of obstructions calculated to force proponents of sound legislation to accept changes that would skew the bill away from adequate protection of many of the irreplaceable wilderness values of the public lands in Alaska.

Faced with these obstructions, and with time running out, Chairman Jackson did initiate meetings among a number of Senators, Members of the House, and Administration officials, as your letter correctly notes. The discussion was wide-ranging, but inconclusive: when it ended abruptly on October 14, a number of items (such as the Senate Committee's recommendations for amendments to the Alaska Native Claims Settlement Act or for specific land-exchanges among a variety of Alaskan entities) had never been dealt with—and even on some aspects of the legislative proposals which had been discussed, no agreements had been reached.

Thus, there never was a comprehensive "compromise bill." (In this regard, it should be noted that the material which Senator Stevens and others have published is nothing more than an incomplete work product of House and Senate staff, who had been attempting to put into legislative language the matters on which some preliminary agreements had been reached, so far as staff could determine the nature of those agreements. This never received any final review and certainly did not constitute a bill which could be presented to either the House or Senate.) One compromise of a sort was brought forward—an extension of interim protection which would have maintained the status quo on the relevant public lands pending action of the 96th Congress. As you know, this deadline-extension bill was passed by the House but was blocked in the Senate by the filibuster threat of one Senator.

Those of us who met with the Senators to negotiate a possible last minute agreement on Alaska did so in the belief that it was in the interests of all concerned to settle this matter before the December 18, 1978 expiration of the withdrawals of Alaska lands that were made under Section 17(d)(2) of the Alaska Native Claims Settlement Act. These efforts were made under extreme pressures of time as well as threats of filibuster and can hardly be viewed as having produced a satisfactory legislative proposal for consideration under normal conditions instead of conditions of duress. Moreover, the frustration of such efforts by the obstructionist tactics of one Senator rendered moot all proposals tentatively offered in those negotiations.

Now, after the vigorous, determined, and historic actions of President Carter and Secretaries Andrus and Bergland, the overall situation regarding the public lands in Alaska has been considerably altered, and a new foundation has been laid upon which Congress (acting, as your letter notes, under different time factors) can erect a balanced structure of decisions regarding these lands which are the property of all the American people. I believe that the revised bill (again numbered H.R. 39) which so many of us have joined in sponsoring is the proper starting point for such Congressional action, and indeed is a bill which merits support of our Committee and the House of Representatives.

I also look forward to working with you, with our other colleagues who devoted so much time, effort, and care to this matter in the last Congress, and with all Members of our Committee when we again take up this most important conservation proposal.

With best personal regards,

Sincerely,

JOHN F. SEIBERLING,
Chairman, Subcommittee on General Oversight and Alaska Lands.

WASHINGTON, D.C.,
January 29, 1979.

Hon. BRUCE VENTO
Washington, D.C.

DEAR BRUCE: Thank you for your letter concerning the Alaska Lands bill.

I do not intend to confuse anybody about my intentions with the Alaska Lands bill this Congress. I introduced this year's version of H.R. 39, which incorporates much of the Committee's bill of last Congress, with you and 130 of our House colleagues so that this bill will be the vehicle for Committee and full House consideration. My intentions are to hold a limited set of hearings before the full Committee to ascertain the views of appropriate officials of the Administration, the state of Alaska, and other interested parties on this year's legislation. Since so much work has been done on this issue in the last Congress, I am hopeful that the testimony at this year's hearings will be geared towards updating our extensive data base. After the hearings have been completed, I intend to press for full Committee mark-up as soon as possible. The Committee has a deadline, imposed by the House Parliamentarian, to report the bill from Committee no later than March 19, 1979.

I intend to do everything in my power to meet that deadline. I also hope to bring H.R. 39 to the full House for consideration as soon as practicable after our reporting deadline. After the House has considered and acted on H.R. 39, I intend to wait until the Senate has completed its consideration of an Alaska Lands bill and promptly request a conference with the Senate on this issue. If Members of the other body wish to attempt to delay the Senate's consideration of this matter, that's their privilege and right. I, however, will not consent to any informal, ad hoc negotiations between the two Houses. The rightful arena to iron out differences between the House-passed version and a Senate-passed version is a Committee of Conference, open to the public, with full participation by both Senate and House conferees. This is the normal procedure; a procedure that has served this nation well for nearly 200 years, and one that I will strictly adhere to.

Bruce, I value the leadership role you have taken on this, and other important national issues before our Committee. I pledge to continue to work in close consultation with you and other members of the Committee to further our effectiveness in meeting our responsibilities as elected representatives of the people.

Sincerely,

MORRIS K. UDALL,
Chairman.●

WASHINGTON STATE CONTROLS HOSPITAL COSTS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. BONKER. Mr. Speaker, in light of growing concern over escalating hospital costs and the President's commitment to hospital cost containment, a refreshing example of achieving the goal without Government action can be found in Washington State where the hospital commission has succeeded in keeping the increase rate down to 9 percent. These adjustments are below both the recently stated target of 9.7 percent set by HEW Secretary Califano and the voluntary effort program of the American Hospital Association, American Medical Association, and Federation of American Hospitals.

The Washington State Hospital Commission based its report on the approved budgets of 52 percent (60) hospitals in the State. In total, the commission approved average increases of 6.4 percent in total costs per patient per day; for the 60 hospitals approved rates will average $260.03 per patient day, up $15.74 from the 1978 average of $244.29. With an average hospital stay of 5.4 days, total costs per stay will average $1,404, an increase of $85 over the 1978 average of $1,319 per hospital stay.

Residents in Washington State in 1978 paid about $99 less than the national average for the average stay in a hospital and in 1979, they will pay $170 less than the national average. This effort is a tribute to the effectiveness of a voluntary, State-regulated system of controls and certainly to the individual hospitals across the State. While Washington State has displayed leadership and restraint in controlling rapidly rising hospital costs, most other States are still struggling in this area. They would do well to heed the example of the Washington State Hospital Commission and the Washington State Hospital Association, thus precluding the necessity for Federal intervention in this area. I salute their major efforts and success in controlling hospital costs.●

REACQUISITION OF CITIZENSHIP

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Ms. HOLTZMAN. Mr. Speaker, today I am reintroducing a bill introduced during the 95th Congress to simplify the procedure by which U.S. citizens who lose their U.S. citizenship may regain it.

At present, there is no special procedure for such persons. Instead, former U.S. citizens must go through the same immigration and naturalization process as all other aliens. They first have to secure an immigrant visa and then wait 5 years before citizenship is restored.

Approximately 15,000 persons lost their citizenship between 1966 and 1977; about one-third of these did so in connection with the Vietnam war. Since most Americans now recognize that the nature of our involvement in Indochina was a mistake, we should no longer penalize those who renounced their citizenship in a painful act of conscience because of their opposition to the war.

Other former citizens who often wish to return to the United States are those who gave up their citizenship to marry a native of another country, and later find their circumstances changed because of divorce or death of their spouse.

Many other countries place former citizens in a different category from those who are seeking citizenship for the first time. Several countries, including Ireland, require only an application to the appropriate ministry for full reinstatement of citizenship. Scandinavia and several Latin American nations require an application and 2 years' residence.

The benefits of this bill and this procedure would not, however, be available to persons who lost their citizenship through denaturalization.

The text of the bill follows:

H.R. —

A bill to establish an additional procedure for the reacquisition of United States citizenship by former United States citizens

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 324 of the Immigration and Nationality Act (8 U.S.C. 1435) is amended by adding at the end thereof the following new subsection:

"(d)(1) Notwithstanding any other provision of law, any individual who is not less than 18 years of age, who is certified by the Secretary of State as a former citizen of the United States, and who renounced or otherwise lost his or her United States citizenship (other than pursuant to any proceeding under section 340 of this Act) may reacquire such citizenship—

"(A) by submitting an application to reacquire such citizenship—

"(i) if such individual is abroad, to a diplomatic or consular officer of the United States, or

"(ii) if such individual is in the United States, to a judge or clerk of a naturalization court;

"(B) by submitting with such application an affidavit declaring allegiance to the United States and, if such individual is abroad, the intent to begin residency in the United States within 6 months after such citizenship is reacquired; and

"(C) by paying a reasonable fee to cover the administrative expenses of carrying out this subsection with respect to such individual.

The Secretary of State shall, within the 6-month period beginning on the date such application is submitted under subparagraph (A), certify whether such individual was at any time a citizen of the United States.

"(2) Beginning on the date an individual reacquires United States citizenship under this subsection, such individual shall have the status of a native-born or naturalized citizen of the United States, whichever status such individual had before renouncing or otherwise losing such citizenship. Such status shall not apply retroactively to any period during which such individual was not a citizen of the United States." ●

CHINA TIES: WHAT ABOUT HUMAN RIGHTS?

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following article by John Lofton, Jr., which concerns President Carter's decision to recognize the People's Republic of China. I share Mr. Lofton's conclusion that the recognition of China is another in a series of actions which undermines the President's oft-repeated goal to forge a foreign policy around a "human rights" doctrine. The recognition of a regime which has, as Mr. Lofton reports, killed between 34 to 64 million of its own citizens has serious implications for the credibility of this country's efforts to encourage respect for human rights around the world.

The article follows:

CHINA TIES: WHAT ABOUT HUMAN RIGHTS?

(By John Lofton, Jr.)

A week before he "normalized" relations with Communist China, President Carter told a group of religious and civil rights leaders that "human rights is the soul of our foreign policy." Speaking at the White House in a ceremony marking the 30th anniversary of the passage of the U.N. Declaration of Human Rights, Carter vowed:

"Our human rights policy is not a decoration. It is not something we have adopted to polish up our image abroad, or to put a fresh coat or moral paint on the discredited policies of the past. Toward regimes which persist in the wholesale violations of human rights, we will not hesitate to convey our outrage—nor will we pretend that our relations are unaffected."

Now, if ever there was a nation where it could fairly be said that human rights have been violated on a wholesale basis, it is Communist China.

According to Richard L. Walker, professor of international relations at the University of South Carolina, the government of Communist China has killed anywhere from 34 million to 64 million human beings. This total is arrived at by adding together the number of individuals who died during China's first civil war (1927–36); the Sino-Japanese War (1937–45); the second civil war (1945–49); land reform prior to "liberation"; various political liquidation campaigns (1949–53); the Korean War; the "Great Leap Forward" and the Communes; struggles with minority nationalities, including Tibet; the "Great Proletarian Cultural Revolution" and its aftermath; and in forced labor camps and frontier development.

In a 1971 study for the Senate subcommittee on internal security, Walker wrote:

"The Communist movement in China, despite its proclaimed high ideals, must be judged on performance, and, as regards the human equation, there is little to commend it. Those who wish to rationalize public assassinations, purges of classes and groups or slave labor as a necessary expedient for China's progress are resorting to the same logic which justified a Hitler and his methods for dealing with economic depression in the Third Reich. . . .

"It is my considered judgment, after following Communist China closely for more than two decades, that the cost of progress achieved under Communist rule is too high for the conscience of the world to absolve its perpetrators. In terms of human life and human suffering and in terms of destruction of moral and cultural values, this cost cannot be condoned by any rationalization. The high Chinese Communist Party leaders who sit down at convivial banquets with visiting Americans may be guilty of as great crimes against humanity and their own people as were Hitler and Stalin and their followers."

Just last month, Amnesty International issued a 176-page report that documents Communist China's constitutional, legal and penal systems under which suspected political dissenters are detained, interrogated, tried and punished without access to fair trials and without safeguards against maltreatment during detention.

The report criticized the Chinese legal system, under which certain categories of people, defined as "class enemies," can be deprived of political and civil rights solely on the basis of "class origin" or political background. AI notes:

"The continuous 'mass mobilization campaigns' since the early 1950s have been used to identify people dissenting from official policy. These campaigns have broadened the range of political offenses to the extent that each of them has defined new types of offenders according to the politics of the period."

AI also voices concern that under Chinese Communist law pretrial detention is unlimited and a trial does not normally begin until the accused has "confessed" in writing. The accused is usually tried in secret or by "mass public trials" where no defense is possible, AI says, with the trial being "a mere formality; rather than 'trials,' they are, in fact, meetings to announce the sentence." Punishment ranges from imprisonment to execution.

So, with that clear record, the question naturally arises: Was human rights one of the things upon which President Carter made his "normalization" of relations with Communist China contingent? The answer is no. In fact, during these particular negotiations, the Carter administration did not mention human rights at all. In an interview, Jack Gordon, public affairs director of the State Department's Bureau of East Asian and Pacific Affairs, told me:

"No, human rights was not a focus of these particular negotiations. Human rights was not a cornerstone of these negotiations." When I asked, Was it any of the stones at all? Gordon replied: "No, no, no," observing: "We're hopeful however that they will cut down on human rights abuses in their country. Human rights is a deep and fundamental aspect of our foreign policy."

AFL–CIO President George Meany has sharply criticized the way in which Jimmy Carter has chosen to recognize Red China, noting: "What we cannot understand is how this president, who made human rights a world issue, could so suddenly and callously reject the human rights concerns of both those enslaved in mainland China and those on Taiwan who fear such enslavement."

A good question.●

NURSE TRAINING AMENDMENTS OF 1979

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. CARTER. Mr. Speaker, today I am introducing legislation to extend Federal support for nurse training programs for 2 fiscal years. In addition, this bill would require a study of our Nation's nursing needs, authorize funds for the training of nurse anesthetists, and make minor amendments to health manpower legislation. Except for the slightly reduced authorization levels in this bill, its provisions are essentially the same as those in the Nurse Training Amendments of 1978. As you know, that measure was passed overwhelmingly by the House and Senate last year, and was later pocket-vetoed by the President on November 10, 1978. As a result, nurse training programs are now being funded through fiscal year 1979 under a continuing resolution adopted at the end of the 95th Congress.

Mr. Speaker, as ranking minority member of the Health and Environment Subcommittee which wrote the original Nurse Training Act and recently reviewed its authorities, I believe that continued Federal support for nursing education programs is necessary. Any substantial reduction in Federal funding would have a severe, adverse effect on the quality and availability of nurse training programs. Moreover, without adequate student financial assistance through nursing scholarships, traineeships, and loans, many students—particularly those from disadvantaged backgrounds—would find it very difficult to enter nurse training programs.

Recently, there has been a great deal of debate regarding the Nation's supply of nurses both now and in the future. Personally, I have never found there to be a surplus of nurses, especially not in rural areas such as the district I represent in Kentucky. Yet, even in certain large urban areas demand for nurses frequently exceeds supply, as in the Chicago area where 2,000 unfilled nursing positions were reported last year, according to testimony before our subcommittee. Moreover, according to a May 1978 Congressional Budget Office report "[t]he geographic distribution of nurses remains uneven." In addition to the geographic maldistribution of nurses, other surveys report a lack of nurses with advanced training to fill administrative, clinical, and faculty positions. Nevertheless, a clear consensus about our Nation's nursing needs has not emerged.

I believe the study required by this legislation will provide a definitive assessment of the need for continued Federal financial support for nursing education, and will be of great value to the Congress in making decisions about the future role of Federal support in this area.

Mr. Speaker, in drawing up this legislation, I have kept in mind the budgetary concerns of the administration and the Congress; and after consultation with nursing representatives, I have reduced the authorizations as far as practicable. The total authorization for 2 fiscal years in this new proposal is $364 million in contrast to $417 million in last year's nurse training legislation which was overwhelmingly approved by the Congress. A breakdown of the specific authorizations in my bill appears below. If, after reviewing the legislation, my colleagues would like to join in cosponsoring this proposal, I would welcome their support. I look forward to working closely with Chairman Waxman and the other members of our panel to report nurse training legislation as soon as possible.

Nurse training amendments of 1979

[In millions]

	1980	1981
Capitation	$45	$45
Advanced nurse training	21	21
Nurse practitioner training	20	20
Special projects	20	20
Financial distress	0	0
Construction	20	20
Interest subsidies	1	1
Loans	30	30
Loan repayment[1]		
Scholarships[1]		
Traineeships	23	23
Nurse anesthetists traineeships	2	2
Total	182	182

[1] No line item.

Total 2-year authorization: $364,000,000.

Vetoed 1978 Nurse Training Amendments: $417,000,000.

Continuing resolution for fiscal year 1979: $119,500,000.

Fiscal year 1980 budget: $14,700,000.●

OUTSTANDING YOUNG PEOPLE

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. LOTT. Mr. Speaker, I would like to take this opportunity to recognize several outstanding young people from the Fifth Congressional District of Mississippi, Rebecca Bea Dana and Robert Lamarr Mangum of Biloxi, Cheshire E. I'Anson and William S. Wedgeworth of Long Beach, Candance Ivy McCoy and Kim Marie Frierson of Vancleave, and Thomas Weaver Griffin of Hattiesburg, who are here in Washington this week to participate in the 1979 Presidential Classroom for Young Americans.

I always enjoy discussing the operations of our Federal Government with the Presidential Classroom students and commend these young Americans for their interest and attitude toward our Nation's destiny.●

DAVID AND JOYCE SOUTH: LAWNDALE MAN AND WOMAN OF THE YEAR

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. CHARLES H. WILSON of California. Mr. Speaker, Anthony and Cleopatra, Bogart and Bacall, Eleanor and Franklin—each of these three couples had one thing in common—they were all—for various reasons—famous husband and wife teams.

I would like to take just a few minutes to bring to my colleagues' attention, another husband and wife team who although, not as famous, certainly typify all that is best about community life in the United States.

David and Joyce South have been selected as the Man and Woman of the Year for the city of Lawndale, Calif., which I represent. For the past 6 or 7 years, Lawndale has chosen two people who have devoted a great deal of their personal time and effort to various community projects. It may come as a surprise to the more cynical in our society—but the city of Lawndale is fortunate since they have quite a few people who are willing to volunteer. So, the competition for this award is stiff and being selected as a recipient is definitely an honor.

When I received the list of accomplishments for David and Joyce South from the Lawndale Awards Committee, I was frankly surprised to read the lists were only highlights of some of the things they have done for the community. The list is very extensive and it is amazing that two people could find so much time.

Mrs. South has been very involved in community drives including the American Cancer Society, March of Dimes, and Muscular Dystrophy. Mr. South has served as vice-chairman for the Lawndale cleanup week, and as a member of the South Bay react radio emergency team.

Both have been extremely active in programs for young people. Each have been active on the special Youth Day Parade Committee with Joyce serving as both a cochairman and chairman.

David and Joyce have both been members of the local PTA's since 1963; board members and presidents of the Lawndale Little League; and scout leaders. And, if present organizations were not enough, Joyce South organized the Lawndale Athletic Association in 1969, an organization that both she and her husband served as president. In addition, she organized the Lawndale All City Band and the Stan Nichol Golf Tournament.

Even though David and Joyce have three children of their own, they also hosted a Japanese exchange student during the 1975 school year, and for 2 years, David South had a group of underprivileged children in his home for the Christmas season.

One program that would not be the same without them is the Santa's Sleigh sponsored each year by the Lawndale Chamber of Commerce and the South Bay 25 Club. Without even stopping to eat their own dinner, both go straight from work to make sure that children in Lawndale and in two areas of Los Angeles get to meet Santa Claus. The scope of the project is even greater when you realize that approximately 7,000 suckers get distributed. I would suggest that if anyone does not know the true meaning of Christmas, they should contact David and Joyce.

Any child who has come in contact with the two of them could certainly attest to what outstanding community servants they are and how much they have helped so many lives. Working with youth is an investment in the future and I am sure that the investment from David and Joyce South has been more than worthwhile.

It is always a privilege for me to recognize the recipients of the Lawndale Man and Woman of the Year Awards and bring some of their accomplishments to the attention of the Congress. The contributions made by Mr. and Mrs. South deserve more than just recognition, however; they deserve a heartfelt thanks. The city of Lawndale is a better place to live because people like David and Joyce live there and work hard to make it that way.

As the U.S. Representative for the city of Lawndale, I would like to add my own congratulations to this fine couple and wish them continued success and good fortune in the future.●

LIAISON OFFICE FOR THE REPUBLIC OF CHINA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. DERWINSKI. Mr. Speaker, I wish to insert a letter that all Members of the House and Senate have received. The purpose of placing it into the Record is to emphasize my support for the establishment of a U.S. Government liaison office for the Republic of China, and so that readers of the Record across the country will become aware of the view expressed by missionaries working on the island of Taiwan. The letter follows:

Maryknoll Fathers,
Taichung, Taiwan, January 22, 1979.

Dear Sir: I am writing on behalf of the Maryknoll, Taiwan Region (Catholic Foreign Mission Society of America) that consists of 45 Priests and Brothers living in Taiwan.

We are writing to urge your support in Congress for establishing an official government agency as the vehicle for future relations between America and Taiwan, and to urge that you oppose the creation of a nongovernmental institution for this purpose. In particular, we urge your strong support for an official U.S. government liaison in Taiwan, similar to the one which existed in Peking prior to January 1, 1979. The fact that such government-to-government contact existed with Peking while America had full diplomatic relations with Taiwan is ample precedent for establishing such an office in Taiwan, now that we have full diplomatic relations with Peking.

Since America has no reason for not having a liaison office in Taiwan except that the Peking Government would "prefer" something of less stature, it becomes a matter of honor and international prestige for America to have one. The level of America's credibility in many parts of the world will be affected by her final decision on this matter.

Only a government liaison office can give credibility to the administration's claims that America intends to continue, as before, all relationships with the 17 million people of Taiwan, except that of full diplomatic recognition.

We urge during these coming weeks, that you strongly support such a liaison office and that you adamantly oppose the administration's proposal of a private institution becoming the symbol of America's interest in, and relationship with, the 17 million people of Taiwan.

We extend our sincere personal regards and our prayers and wishes for your important work in Congress.

Sincerely yours,

JOHN F. KENNEDY, M.M.,
Regional Superior.●

PERSPECTIVES ON AMERICAN-CHINESE RELATIONS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. LaFALCE. Mr. Speaker, as the Congress begins the difficult tasks of assessing the impact of normalization of relations with the People's Republic of China and charting a path that will provide increased trade and friendship between our Nation and China, we would be wise to reflect on the history of this major diplomatic measure.

Certain basic principles must guide the ship of state as it travels the uncertain waters of international relations. Chief among those principles are the concerns for improved security and more prosperous trade.

The People's Republic of China is the world's most populous country. Its armies and armaments are massive, yet it is a nation that now seeks much outside assistance in major modernization efforts. As we welcome Vice Premier Teng to our country and begin to fully understand the meaning of normalization, it is not too much to ask that we remember the basic principles of diplomacy and how they apply to our relations with the People's Republic of China.

A recent editorial in the Brockport, N.Y. Post succinctly outlined those principles and their application to this complex and most important situation. I offer it to my colleagues in response to their growing interest in American-Chinese relations:

TAIWAN

How to gauge the "rightness" or "wrongness" of President Carter's decision to grant diplomatic recognition to the People's Republic of China and to drop official ties with Taiwan?

The articles by Charles L. Rumrill which will run on this page for the next few weeks will give the insights of a perceptive local observer who has spent considerable time in Taiwan.

As he says, the situation is more complicated than it might seem to a casual observer.

No one can pretend to any great insights (least of all a small town editor), yet it should be obvious that Taiwan itself, possibly unfortunately, can be only a small factor in American foreign policy.

Let's go back a little.

What should be the goals of American foreign policy and what should motivate it?

Stating the obvious—

1. America's security should be protected, and Americans should have reasonable right to travel, study, do business or whatever in most of the world without undue hindrance—so long as they do not injure host countries.

2. The United States should try to insure that major power blocs are not created in the Western Hemisphere which could injure our nation.

3. To the extent possible and recognizing our limitations, we would like to help insure decent, democratic governments and adequate economies throughout the world. There is perhaps a measure of self-protection and self-interest in this.

4. Special links of our peoples to other nations and regions (Europe, Israel, and latterly parts of Africa) are recognized, and draw our sympathies and aid.

Not much mention of ideology in such a listing.

To go on.

For much of this century, the United States felt that goals such as the above could be attained through Western democratic alliances.

This policy was most visible in World War 1, World War 2, and in the effort to contain the expansive Russian Communists after World War 2.

All this came to disaster in Vietnam. An isolated America, more or less deserted by its Western democratic allies, found itself trying to contain what many viewed as additional Communist expansionism.

And as the "containment" policy was proving militarily unworkable, it became apparent to many policy planners that Western democratic alliances were of limited value.

All this coincided with the rise of the Chinese republic.

Both Russia and China, actually or potentially, had the masses and ability to control the Eurasian land mass—the world's principal island.

Americans, through the oil crisis and many other factors, were coming to realize that they could not flatly dominate world policy. They also live on a much smaller "island."

The proper route, many now began to think, was to develop a balance of power role, playing Russians against Chinese.

Richard Nixon saw this, and used it to end the Vietnam fiasco.

To make the policy fully operative, however, the United States had to develop closer relations with China. This meant diplomatic recognition, and that, in turn, meant lessening the tiesto Taiwan.

Not a very palatable decision to many, but who has a better world strategy for our country?●

THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. ST GERMAIN. Mr. Speaker, since 1973 when the Navy left Newport, the economy of Rhode Island has been struggling. The bill which I am introducing today would assist States and communities in a similar situation to avoid the economic turmoil which Rhode Island has experienced.

When the Federal Government closes facilities upon which the economy of an area is dependent, it has an obligation to do whatever possible to assure that the area finds some other economic base. One way in which this can be achieved is to make surplus Federal property available to the State or some agent of the State at less than fair market value, in order that this property can be used for economic development purposes.

It is crucial that such a transfer take place as expeditiously as possible, in order to minimize the deleterious effects of the removal of Federal facilities. The bill I am introducing requires that the prospective purchaser submit an economic development plan subject to the approval of the Secretary of Commerce and provides that if, over a period of at least 20 years, the property is not used for the purposes it was conveyed, the property will revert to the United States.

This legislation addresses an urgent need for many parts of the country which have already been harmed by a pullout of Federal facilities and will provide a cushion for other areas which may experience a similar event in the future.●

SOME REFLECTIONS ON AMERICAN POLITICS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for January 31, 1979, into the CONGRESSIONAL RECORD:

SOME REFLECTIONS ON AMERICAN POLITICS

The period from the inauguration of President Kennedy to the present has been a turbulent one in American politics. It has seen one President assassinated, another driven from office, riots in the cities, unrest on the campuses, the Vietnam War, the Great Society, the ups and downs of the economy, the civil rights, women's, and environmental movements, and a host of foreign policy problems from the Cuban missile crisis to the recognition of China. These events and others have had a profound impact on the American political system. After such momentous years it might be helpful to identify the circumstances which are shaping American politics today. Among these circumstances I would emphasize several.

First, the authority of the Presidency has eroded. Most of us today look upon the Presidency with more doubt than trust. We once believed that if a President wanted something, he ought to have it. He was, after all, the President. Nowadays our attitude seems to be that if a President wants something, we had better examine it very closely. The result of this erosion of authority is that any President is handicapped, if not incapacitated, in his efforts to fulfill the expectations of the American people. I myself think that we have carried our skepticism of the

Presidency too far, and that we must reestablish a strong Presidency as the best means of pulling together the diverse strands of our national life.

Second, the Congress has reasserted its constitutional prerogatives and has become more independent of the Presidency. The Congress is now a force to be reckoned with (especially when it is intent on frustrating a President's legislative program), but it is still not the dominant branch of government. There is no "imperial Congress" to replace the "imperial Presidency" of the past decade. The reason is that members of Congress are individualistic in outlook and responsive to their own constituencies. Recent congressional reforms have disbursed legislative power widely among members. The diversity and independence of matters and the fragmentation of power make party leaders strain to form even the most uneasy consensus. The Congress is, in short, a remarkably representative and democratic institution.

Third, the influence of political parties has declined, especially in connection with the nomination and election of Presidents. The parties have not disappeared altogether, but despite major reforms they command less loyalty from the voters. There is much less voting of straight party tickets. Although the parties may still give guidance to a large number of voters, the average voter is only loosely affiliated with a party when he identifies himself with one.

Fourth, the private special interest group, long a feature on the American scene, has gained a new voice in politics. There are currently 1,100 such groups registered with the Congress. In addition, many highly knowledgeable people in the federal bureaucracy, on congressional staffs, and under contract to the government are in a position to make their mark on policy. The problem with special interest groups and government experts is their frequent reluctance to compromise on their issue even when the common good would be served by compromise.

Fifth, several views prevalent among Americans today are changing the course of politics. One is the view that the level of taxation is high enough, perhaps too high, and that additional taxation is simply unacceptable. Another view is that the government does not have solutions to all the problems on the national agenda, that there are limits to what the government can do, and that more government is not necessarily better. Yet another view is that the government does not work well, and that there is too much bureaucracy, too much regulation, too much paperwork, and too few incentives for good performance.

One final circumstance is having a far-reaching effect on American politics today: inflation. Inflation has been assigned the highest priority among problems on the national agenda, and the people have made their feelings about it very clear. They know that inflation must be controlled before other worthy goals can be reached.

These are the central realities of American politics, at least as I see them. They will put their stamp on our political system and its products for years to come. They show us that it is time for the government to pause and set aside its old habit of throwing money at problems. They show us that it is time for consolidation and restraint, not innovation and experiment.

(This newsletter was prompted by a book entitled *The New American Political System*, published by the American Enterprise Institute, and a recent speech by Mr. Stuart Eizenstat, the Assistant to the President for Domestic Affairs and Policy.) ●

NATIONAL DIGESTIVE DISEASES PREVENTION, CURE, AND CONTROL ACT

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. CARTER. Mr. Speaker, today the National Commission on Digestive Diseases presented Congress with a long-range plan to organize and strengthen our national resources to improve the diagnosis, treatment, and prevention of disorders of the digestive tract. These diseases, known collectively as digestive diseases affect 20 million Americans and represent the third largest component of the total economic burden of illness in the United States. As for incidence, more Americans are hospitalized because of diseases of the stomach, intestines, liver, pancreas, and other parts of the gastrointestinal tract than because of any other group of disorders. Moreover, it is estimated that 190,000 Americans die each year from digestive diseases ranging from gallstones to cirrhosis of the liver.

Today I am introducing legislation to carry out three key recommendations of the National Commission on Digestive Diseases which was created by Congress in 1976 under Public Law 94-562. The other major recommendations can be implemented through appropriation and executive actions. More specifically, my bill would:

First. Establish a National Digestive Diseases Education and Information Clearinghouse to serve as an information resource for the public as well as health professionals with respect to these diseases;

Second. Establish a National Digestive Diseases Advisory Board to oversee implementation of the Commission's long-range plan; and

Third. Authorize a grant program through the National Institute for Arthritis, Metabolism, and Digestive Diseases to strengthen medical education in digestive diseases.

Total 3-year authorization: $5.665 million.

Mr. Speaker, enactment of this new legislation would fulfill the national commitment Congress made to combat these diseases when it enacted Public Law 94-562 in 1976. I hope that the 96th Congress will support this bill with the funding necessary to carry out that commitment. To do so would improve the health of millions of Americans, help moderate our rising health-care costs, and most important, lead to significant advances in preventing these afflictions.

I am enclosing the text of the legislation for consideration by my distinguished colleagues:

H.R. —

A bill to amend the Public Health Service Act to establish a clearinghouse for information respecting digestive diseases, to authorize grants to strengthen educational programs in digestive diseases in medical schools, and to establish the National Digestive Diseases Advisory Board

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Digestive Diseases Prevention, Cure and Control Act".

SEC. 2. The Congress finds and declares that:

(1) digestive diseases (A) are an extremely serious and important category of illness in the United States, (B) are the major reason for and the leading cause of major surgery in the United States, (C) are the cause of chronic illness in 20 million Americans, 14 million of whom have episodes of acute illness annually, (D) are the cause of almost 20,000 deaths each year in the United States, and (E) are the second most common reason for disability in American workers;

(2) digestive diseases are the cause of one-tenth of the total economic burden of illness in our country;

(3) inadequate levels of public awareness of the importance of digestive diseases to our society are coupled with inadequate efforts and expenditures on public information and a low level of support for research in digestive diseases; and

(4) a major improvement in the health of persons with digestive diseases, and important advances in the prevention of such diseases, could occur through intensified and improved efforts in the education of the public and professionals about digestive diseases, through better use of current resources and procedures involved in the diagnosis of those illnesses, through translating existing medical information into more effective treatment, through greater support of ongoing clinical programs in federally-supported hospitals, through the augmentation of current research efforts including both basic and applied clinical investigations, and through expanded research, education, and more intense study of currently neglected areas such as epidemiology and the exploration of the environmental, emotional, and nutritional causes of digestive diseases.

SEC. 3. Part D of title IV of the Public Health Service Act is amended by adding at the end the following new sections:

"NATIONAL DIGESTIVE DISEASES EDUCATION AND INFORMATION CLEARINGHOUSE

"SEC. 440B. The Secretary shall establish a National Digestive Diseases Education and Information Clearinghouse to identify, collect, analyse, and disseminate information respecting digestive diseases and to serve as a national educational resource for patients with digestive diseases and their families, physicians, and allied health professionals. For the establishment and operation of the Clearinghouse there are authorized to be appropriated $1,000,000 for the fiscal year ending September 30, 1979, $1,150,000 for the fiscal year ending September 30, 1980, and $1,250,000 for the fiscal year ending September 30, 1981.

"EDUCATION AND TRAINING PROGRAMS IN DIGESTIVE DISEASES

"SEC. 440C. The Secretary, acting through the Institute and after consultation with the National Arthritis, Metabolism, and Digestive Diseases Advisory Council, shall make grants to schools of medicine to strengthen their education and training programs in the diagnosis, prevention, and treatment of digestive diseases. For grants under this section there are authorized to be appropriated $360,000 for the fiscal year ending September 30, 1979, $450,000 for the fiscal year ending September 30, 1980, and $555,000 for the fiscal year ending September 30, 1981."

SEC. 4. Part D of title IV of the Public Health Service Act is amended by adding after the section added by section 3 of this Act the following new section:

"NATIONAL DIGESTIVE DISEASES ADVISORY BOARD

"SEC. 440D. (a) The Secretary shall establish a National Digestive Diseases Advisory Board (hereinafter referred to as the 'Board') to be composed of 24 members as follows:

"(1) Eight members shall be appointed by the Secretary from individuals who are scientists, physicians, and other health professionals, who are not employed by the Federal Government, and who represent the specialties and disciplines relevant to digestive diseases.

"(2) Two members shall be appointed by the Secretary from individuals with an interest in digestive diseases and who, as a group, have knowledge and experience in the fields of medical education, health education, and public information and who are not employed by the Federal Government.

"(3) One member shall be appointed by the Secretary from individuals who are members of the National Arthritis, Metabolism, and Digestive Diseases Advisory Council and who are experts in the field of digestive diseases.

"(4) Five members shall be appointed by the Secretary from the general public. At least three of such members shall be persons who have experienced significant personal or family involvement with digestive diseases.

"(5) The following shall be ex officio members: The Assistant Secretary for Health or his designee, the Director of the National Institutes of Health or his designee, the Director of the National Institute of Arthritis, Metabolism, and Digestive Diseases, the Director of the Division of Digestive Diseases of the National Institute of Arthritis, Metabolism, and Digestive Diseases, the Director of the National Cancer Institute or his designee, the Director of the National Institute of Allergy and Infectious Diseases or his designee, the Director of the National Institute on Alcohol Abuse and Alcoholism or his designee, and the Chief Medical Director of the Veterans' Administration or his designee.

"(b) The members of the Board shall select a chairperson from among the appointed members.

"(c) The Secretary shall, after consultation with and consideration of the recommendations of the Board, provide the Board with (1) an Executive Secretary and two clerical staff members and (2) such administrative support services and facilities, such information, and such services of consultants, as the Secretary determines are necessary for the Board to carry out its functions.

"(d) Members of the Board who are not employees of the Federal Government shall receive compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule for each day including traveltime they are engaged in the performance of their duties as members of the Board. While away from their homes or regular places of business in the performance of services for the Board, members shall be allowed travel expenses including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

"(e) The appointed members of the Board shall be appointed to serve until the expiration of the Board (as provided in subsection (h)).

"(f) The Board shall:

"(1) review, evaluate, and advise on the coordination of Federal agencies' efforts in digestive diseases in the implementation of the long-range plan of the National Commission on Digestive Diseases under section 301(g)(2) of the Arthritis, Diabetes, and Digestive Disease Amendments of 1976 (42 U.S.C. 289a note);

"(2) maintain liaison with other advisory bodies related to Federal agencies, involved in the implementation of such long-range plan, the Coordinating Committee for Digestive Diseases, and with key non-Federal bodies involved in activities affecting the control of digestive diseases;

"(3) develop recommendations for the implementation of such long-range plan;

"(4) hold regular quarterly meetings and provide an annual report to the Secretary and to the Congress dealing with the progress of such long-range plan, including a summary and analysis of expenditures and implementation by the Federal Government of such plan.

In carrying out its duties the Board may appoint subcommittees, appoint consultants, convene workshops and conferences, and collect data.

"(g) There are authorized to be appropriated to carry out the purposes of this section $300,000 for the fiscal year ending September 30, 1979, $300,000 for the fiscal year ending September 30, 1980, and $300,000 for the fiscal year ending September 30, 1981.

"(h) The Board shall expire on September 30, 1982." ●

ERNEST C. WULLBRANDT NAMED "1978 CARPINTERIAN OF THE YEAR"

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. LAGOMARSINO. Mr. Speaker, it is with great pleasure that I submit to you the name of Ernest C. Wullbrandt who was recently selected "1978 Carpinterian of the Year" by the Carpinteria Valley Chamber of Commerce.

Ernie Wullbrandt has earned this honored title by serving his community over a span of many years. His is an impressive record of public service, from the local community as mayor, to the national community as a member of the U.S. Navy. A city councilman since the formation of the city, he has twice been chosen as mayor, the office he currently holds. A volunteer fireman, boys club director, Explorer Scout leader, VFW and GI forum, and special deputy sheriff are other community offices held by Ernie.

He further served the County of Santa Barbara on the local agency formation commission, the area planning council, the Carpinteria-Summerland General Plan Advisory Committee, the SCOTS Advisory Committee, and the air quality advisory board. On the tri-county level Ernie served as a member of the regional coastal commission, having served as chairman. Further, he has presided over the California League of Cities as president of the organization.

Ernie recognizes the special needs of senior citizens and has worked toward the betterment of their welfare. He can always be seen on official holidays putting out the American flag on the city streets. Ernie is a regular contributor to the blood bank. He gives of his time and support to the Carpinteria High School football team by filming the games at his own expense.

Ernie Wullbrandt's total commitment to his country by personal dedication to his own community is worthy of the special recognition bestowed upon him by the city of Carpinteria.●

NATIONAL ZOOLOGICAL FOUNDATION

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. WHITEHURST. Mr. Speaker, on January 15, 1979, I introduced H.R. 806, to establish a National Zoological Foundation. This is the same bill which I introduced on March 3, 1978, as H.R. 11295. The National Zoological Foundation would be empowered, among other things, to: Award scholarships and fellowships for the training of professional and paraprofessional staff for zoos and aquariums; initiate and support programs to promote the developments of methods to improve the welfare of animals at zoos and aquariums; establish recommended standards of accreditation; make grants for pilot projects to serve as models for zoos or aquariums; make grants for the purpose of establishing survival centers for the captive breeding and preservation of endangered species; and support new programs to enhance the educational and scientific value of zoos and aquariums.

There is a precedent for providing such funds for zoos and aquariums, since the recently established Institute of Museum Services, operating within the Department of Health, Education, and Welfare, has a limited amount of money for this purpose. However, the maximum grant available from the Institute would be $25,000, and it would be for operating expenses only; this is completely inadequate for the kinds of programs that zoos and aquariums need to develop. It seems to me that zoos and aquariums should be funded under a separate program entirely, and this is one of the reasons for my introducing H.R. 806.

In the 91st Congress, we passed the Animal Welfare Act of 1970, which gives the Department of Agriculture the responsibility for insuring that at least minimum standards of housing, feeding, and care are met by zoos. This is fine as far as it goes. However, zoos and aquariums are, or should be, far more than simply places where animals are housed and fed.

As our society becomes ever more urbanized and crowded, zoos and aquariums will provide the only available exposure to the world of nature for increasing numbers of children and their parents. The hundreds of thousands of citizens who visit these facilities every day across the country make it clear that people enjoy being able to see a wide range af animals. However, while one function of zoos and aquariums is of course to provide visitors with a means of enjoyment and recreation, their major purpose is conservation and education. Thus zoos should be much more than prisons of concrete and steel that most have been in the past and some still are; they must attempt to provide facilities that are appropriately similar to the natural habitats of the animals. The sad thing is that while many other cultural, scientific, and educational facilities are able to obtain considerable Federal assistance in recognition of their value to the people, zoos and aquariums must in large measure continue to struggle to meet their conservation and education responsibilities entirely on their own. This is an uphill battle indeed.

There are many people who feel that zoos should be phased out, that television can somehow replace them, and that all the animals should be set free. I would like to call the attention of my colleagues to a number of articles on this subject that have appeared over the years. Space does not permit them to be reprinted here, copies can be obtained from the Library of Congress for anyone who wishes to read them. One, entitled "Why Zoos?" was written by Emily Hahn and appeared in the February 25, 1975, issue of the New York Times magazine. Another appeared in the April 17, 1975, edition of the Washington Post. Entitled "National Zoo Has a Farm Club," it was written by Robert Barkdoll; it was reprinted in the RECORD on page E1834 in the April 18, 1975, issue. Many of the animals now found in zoos either no longer exist at all in the wild or will be gone within the next generation, and thus the zoos are their last, and indeed only, refuge. On page 17096 of the May 30, 1974, RECORD, I included a fine article from the Christian Science Monitor by Frederic Hunter which further reinforces my contention that zoos and aquariums must be upgraded. Another of my RECORD statements, on page E1848 of the April 12, 1978, issue, provides additional information in this regard.

One of the finest books on the subject of zoos in recent years is "Lifeboats to Ararat," by Sheldon Campbell. It was published by Times Books in 1978, and I commend it enthusiastically to the attention of my colleagues. Sometimes deeply serious, sometimes hilariously funny, it is a book that I hope will receive a wide reading. Permit me to insert Mr. Campbell's preface at this point:

> Zoos are among mankind's oldest institutions, dating back at least 4,500 years, and probably more. Across the world they have brought together and displayed live wild animals for people to look at and over the years hundreds of millions have. Any institution with so long a history and so universally attended must reach something in people deeper than idle curiosity. Since it is fashionable to speak of roots today, it might be suggested that zoos allow us to stay in touch with our most primitive roots in a primeval world where human survival depended on knowing the shapes and habits of wild animals. So important were wild creatures to our distant ancestors that they were the most frequent subjects of paintings on cave walls, formed the basis for virtually all early religions, and were in numerous instances worshiped as gods.
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> Now our survival is threatened more by what we ourselves have wrought, and by the stresses of living among these creations, than it is by wild animals to whom we relegate less and less living space with each passing year. In this world the need for good zoological gardens is urgent. The exponential growth of human population and the ever-increasing sprawl of cities does more than rob land from wildlife: it pushes the animals farther away from city dwellers. People live in brick, concrete, and glass environments where they lose all touch with wilderness; children grow up who have never tried to catch a frog, never seen a hawk soar or a deer step daintily into a forest clearing—let alone watched a herd of elephants amble across the savannah or a pride of lions stalk prey.
>
> People who have the time and money can take an occasional trip to the remaining wilderness and find, in places where wild animals still live, the renewal of spirit that comes from prolonged visits to wild country. For millions of others who are unable to leave the cities or can't afford to, good zoos laid out among plants and trees can bring what conservationist Ian Player calls "a taste of wilderness." Perhaps more important in the long run, zoos can help give deprived people an awareness that we share the world with many other animals and should have a decent regard for their worth and right to live. If zoos did no more than accomplish these two ends, they would serve a noble purpose.
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> As it happens, however, today's zoos can do far more. They can become breeding centers for those wild species whose continued existence has become precarious. The term "captive breeding" has been used to describe this new role of zoos, and this book describes the effort—the most important task that zoos have yet undertaken.
>
> Behind the stories of zoos and captive breeding lies the assumption that we who are lords of the earth and challenge the heavens must do all in our power to keep our fellow creatures alive on this planet—for it may be our last chance. Arguments for saving wild animals from extinction can be set forth at great length. In short, they go something like this: First, whenever we humans cause a sharp decline in any wild animal population, we may be doing something to the environment that also threatens us. Second, life on a barren planet largely denuded of wildlife would be worse than dreadful; it would very likely cause irreparable damage to the human psyche. Third, our willful destruction of animal species is immoral—unless we accept the Hobbesian notion that the true state of nature is one of general war in which the possession of power, and that alone, determines what is right or wrong. Finally, though, the arguments vanish and we are left with intuition. In the words of Henry David Thoreau, "Every creature is better alive than dead, men and moose and pine trees, and he who understands it aright will rather preserve its life than destroy it."
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> All this may sound quite stuffy and serious, or even worse, philosophical. Fortunately, much of what goes on in zoos is funny, at least in retrospect, and for those who feel as I do that the world has enough sadness, any vein of humor is worth mining. I have, I hope, mined a rich lode here.
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> One should always write about what one knows best; so much of the material in this book is drawn from my forty-three years of intimate experience with the San Diego Zoo and later, the San Diego Wild Animal Park. Because these two institutions get frequent mention I should differentiate them. Both are managed by the nonprofit Zoological Society of San Diego (of which I am one of twelve trustees). The zoo, set on nearly 100 wooded acres of Balboa Park in the heart of San Diego, was founded in 1916. The Wild Animal Park, opened in 1972, is a breeding reserve open to the public that is situated on 1,800 acres of foothills along the San Pasqual Valley some thirty miles north of San Diego. The zoo's exhibits are built on traditional lines, with extensive use of open moated enclosures. The Park on the other hand emphasizes open space, with enclosures that average 80 acres each where animals live in mixed groups as they would in the wild (except for their natural predators). Visitors walk or ride buses around the zoo, but see the Park from a ground monorail that travels for five miles among the exhibits.
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> There are many fine zoos in the world, and a few other wild animal parks. Each has as much to offer in the way of anecdotes and stories as the ones I know best. Some (and I could wish more) that appear in this book I gathered in trips to many of the world's zoos, quite a few of which are moving seriously into the exciting realm of captive breeding.
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> Let no one think this book is an apology for zoos. For every good zoo in the world there are bad ones that no defense can justify, and they get none here. With proper care and good environments wild animals thrive in captivity. Improperly kept under poor conditions they languish in misery and boredom. This situation should never be, and any zoo or parts of zoos where animals are impoverished should be changed or abolished. The zoo of the future, to borrow a phrase from Dr. Heinrich Dathe, director of the Tierpark in Berlin, should be a paradise for animals.
>
> SHELDON CAMPBELL.
>
> SAN DIEGO, CALIF., *March 20, 1978.*

Mr. Campbell's book goes into particular detail on the subject of captive breeding, a project which deserves to be better known and understood, and he underscores the need for the kind of provision which I have included in H.R. 806, although his book does not deal with my legislation in any way.

As what we like to call civilization continues to encroach upon the natural habitats of many animals, more and more will be driven over the brink to extinction. It seems to me that since zoos and aquariums are in effect today's Arks, it is incumbent upon us to make them the best possible refuges for the few members of these endangered species that are left, so that future generations may have at least a small sample of the magnificent creatures that we have been able to take for granted. Making this a reality with the best possible facilities and care is the purpose of H.R. 806.●

OUR DEAL WITH PEKING: ALL COST, NO BENEFIT

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the President's recent decision to recognize the People's Republic of China and abandon Taiwan diplomatically and politically has, quite correctly, raised a number of questions about the credibility of American commitments around the world. The following article by George Bush investigates the possible reprecussions of the decision to abrogate the 1954 defense treaty with Taiwan.

OUR DEAL WITH PEKING: ALL COST, NO BENEFIT

(By George Bush)

The airwaves are filled now with glad tidings from the White House, proclaiming that President Carter's China initiative has brought us much closer to peace on earth, good will to man.

How joyous it would be if that were true, but, unfortunately, nearly every Christmas story has its grinch—and this one is no exception.

The tragic fact is that the price our government has paid in recognizing the People's Republic of China has not only diminished American credibility in the world but has also darkened the prospects for peace. And I would venture that in the privacy of the Great Hall, the Chinese are acutely aware of that.

Let me explain by first introducing a bit of history. When I arrived in Peking in 1974 as the U.S. representative there, the Nixon and Kissinger trips and the Shanghai Communique were already on record. The United States was committed to eventual recognition of the People's Republic.

Moreover, ordinary Chinese citizens were intensely emotional in their desire for reunification with Taiwan. I remember in the early days how Chinese workmen refused to hang a map of Asia on my office wall because it showed Taiwan in a different color from the mainland. Not long thereafter, at sporting games that drew provincial teams from all over the mainland, the stands exploded with cheers when the announcer identified one squad as "our brothers from Taiwan." Government propaganda reflected much the same sentiment.

Yet, in private conversations the rulers of the People's Republic took a very different view. They were committed, of course, to the "liberation" of Taiwan, but that was always a distinctly secondary issue. "You have time; there is no hurry," they said over and over again.

When President Ford, Secretary Kissinger and I met with chairman Mao Tse-tung in October 1975, he repeated that settlement of the Taiwan question might take the United States and China "one year, ten years, or even a hundred years" to achieve. He clearly expected to die before it happened, and he was equally clear that if the United States wanted more time to modify opinion at home, that was readily acceptable.

What concerned Mao far more than the Taiwan question—and has since preoccupied his successors—was the gathering strength of the Soviet Union. The leaders in Peking are terrified that one day they may be encircled by a Soviet empire, eager to gobble them up. Forty-five Russian divisions are already poised on their northern border, and in recent months their security has deteriorated along their southern rim as well.

To the Chinese, the key to peace is for the United States and its western allies to act as a firm, reliable counterweight to Soviet pressures. Only if the United States remains a credible world power—one that honors its commitments and lives up to its responsibilities—are they themselves secure.

BREAKING A TREATY WITHOUT CAUSE

Here, then, is the situation that Jimmy Carter found when he entered the Oval Office:

On one hand, Peking was transfixed with the idea that the Soviet Union sought "hegemony" in many parts of the globe and was already convinced that the West was growing "soft."

On the other hand, while continuing to pay lip service to "normalization" of relations with the United States, the Chinese quietly accepted the fact that the two sides were deadlocked on that issue. For several years, Peking had insisted on three preconditions before there could be "normalization": The United States had to abrogate its mutual defense treaty with Taiwan, had to withdraw troops there, and had to withdraw recognition from Taiwan, acknowledging Peking as the sole, legitimate government of China. The United States had consistently balked at those terms, insisting that it would not formally recognize Peking until there was a firm, explicit commitment to settle the Taiwanese issue peacefully. And there the negotiations were stuck.

Because of the importance of the Russian threat, however, the questions of full "normalization" and of Taiwan were never a major barrier to progress on commercial and strategic issues. China and the United States had entered a de facto political relationship that had two great virtues: It permitted both sides to begin working harmoniously together, and it also allowed the United States to maintain the integrity of its commitment to Taiwan. In an imperfect world, that was a major accomplishment.

It was in this context that President Carter's Dec. 15 announcement was such a bombshell.

The immediate question was not whether we should recognize Peking. Many Americans now agree that a close, working relationship between Washington and Peking should advance the cause of peace and world trade. Personally, I have long felt that in spite of the totalitarian nature of the Chinese government, it was in our own national interest to improve relations with Peking.

But the critical question was the terms on which the recognition was negotiated. Incredibly, it turns out that the United States has now accepted all three of Peking's original demands—and has capitulated on its own demand for a guarantee on Taiwan, abandoning a faithful friend in the process. For the first time in our history, a peacetime American government has renounced a treaty with an ally without cause or benefit.

A FIGLEAF FOR RETREAT

By the administration's own admission, it never received—or even asked for—specific assurances from Peking about a peaceful solution to the Taiwanese question. In Peking's eyes, the Taiwanese matter continues to be strictly an internal issue, and in its constitution the "liberation" of Taiwan remains an unchallenged goal.

In response, the administration argues that the mainland will wink at future U.S. arms sales to the Taiwanese. But in the same breath, administration officials say *sotto voce* that those sales will be "restrained."

The administration also argues that Peking has neither the capability nor the incentive to conquer Taiwan. But any student of Chinese history—remembering that during the Cultural Revolution, only 10 years ago, some of today's Chinese leaders were driven down Peking streets with sticks—can properly ask: Who knows with certainty what lies ahead? It is true that armed conquest by the mainland does not seem imminent, but because of unilateral action by the United States, the 17 million people on Taiwan are now hostage to the changing whims of the Peking leadership.

The terms that the Carter administration has accepted, and even trumpeted, are the same terms that have been available for the past seven years. But they were always refused before because we knew—just as the Chinese knew—that in the absence of sufficient guarantees, they were but a figleaf for an abject American retreat.

The terrible truth is that the United States now stands exposed to the world as a nation willing to betray a friend—even when there is no apparent gain.

There is, of course, room for reasonable men to disagree about the benefits that might now accrue to China and the United States in trade and investment. Contrary to administration claims, however, I believe the gains that are likely to occur undoubtedly would have occurred anyway under our existing relationship.

Over the past year and a half, before these negotiations had even begun, the Chinese were ardently seeking western technology and our sales to China were rising dramatically. Over the past four months the commercial pace has accelerated, and many American companies have begun making serious plans for trading with the mainland and investing there. But it has always been apparent in the commercial field that China needs us more than we need them. Indeed, it was precisely China's growing eagerness for trade that gave the United States greater leverage in our diplomatic bargaining than we had ever had before—leverage that we carelessly tossed aside.

MORALITY AND STRATEGY

At its heart, however, the China question is not one of trade and technology but of fundamental morality and international strategy.

As sociologist Peter Berger wrote earlier this year, "If there is one universal, indeed primeval principle of morality, it is that one must not deliver one's friends to their enemies." Berger was writing of refugees fleeing from Vietnam in their small, makeshift dinghies. "These boats," he said, "bear a message. It is a simple and ugly message. *Here is what happens to those who put their trust in the United States of America.*"

For President Carter, who professes a strong belief in Christian ethics, it should be a tormenting thought that by his hand, the United States has put an entire people adrift in a cruel, hostile sea—and for scarcely any purpose.

The moral question is closely linked to the strategic issue that is causing perhaps even greater consternation in many chanceries of the world.

Throughout the postwar period, America's credibility—joined with America's military might—has been the glue that has held together the non-communist world. Justifiably, both friend and foe alike are now asking, however, whether the United States can still be counted on to keep its word. Increasingly in recent years the United States has staked out a clear, unequivocal position, has invited others to join us, and then, as counterpressures have built up, has suddenly, inexplicably buckled.

In Africa, we committed ourselves to support the forces of moderation. But when black moderates in Rhodesia arranged with Prime Minister Ian Smith for the transfer of power and free elections, we threw in our lot with Marxist radicals.

In recent negotiations in the Middle East, the Israelis announced that they were prepared to accept a final plan drafted with American help. But when Egypt raised the ante, we modified our position to accept the new Egyptian proposals, and when the Israelis refused to go along, we publicly kicked them in the shins.

In Europe, President Carter convinced our German and French allies that we would build a neutron bomb, and Helmut Schmidt courageously supported him. But then, in the face of a Soviet propaganda campaign, the administration knuckled under and shelved the project. Even now, as contradictory signals emanate from Washington, our NATO allies wonder whether the United States will honor its pledge to raise defense expenditures by about 3 percent a year.

In Iran, the Carter administration placed considerable pressure on the shah to accelerate his liberalization program—sometimes, according to reports, against his better judgment. But when trouble broke out, our government disappeared over the hill. The world recognizes, even if we do not, that the United States could have been demonstrative in its support for the shah, issuing firmer statements, engaging in naval deployments, and responding with something more than timidity when the Russians warned us to stay out of it.

To friends of the United States, who have been chilled by these recent events and by our posture on SALT, the mindless abandonment of Taiwan thus comes at a particularly inopportune time. Why now? And why would the president act so unilaterally, without consulting with the Congress, especially after the Senate had insisted by a unanimous 94-to-0 vote upon such consultations? Unfortunately, there are no easy answers.

Understandably, Peking has been prominent among those worried about America's deteriorating position in the world. It has been particularly dismayed about Cuban intervention in Ethiopia, the major Soviet role in Afghanistan (a neighbor to both China and Iran), the pro-Soviet coup in South Yemen, as well as the hesitant U.S. response to Soviet claims with regard to a role in Iran. Indeed, this area of the world—including Southern Asia, the Persian Gulf and the Indian Ocean—is just as important strategically to the Chinese as to the United States.

The ultimate irony, then, of this "normalization" is that China, whose primary interest lies in a strong, steadfast American presence in the world, has now seen just how easily we can be pushed around. The Chinese realize that we have given all and gained nothing, and while they engage in self-congratulations, they know in their hearts that by our actions, we have also made the world a more dangerous place than it was only a few weeks ago.●

SMALL BUSINESS REGULATORY RELIEF ACT

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. IRELAND. Mr. Speaker, today, along with 76 cosponsors, I am introducing legislation entitled the Small Business Regulatory Relief Act. This bill provides regulatory flexibility for small business in certain instances so that the effects of the regulation match the size of the business regulated.

Small businesses, by their very nature, are less capable than larger firms of discovering, understanding and complying with what Government regulators expect. When regulations are the same for large and small business, the effect may be disproportionate and unfair.

My bill would make Government agencies analyze the impact of any proposed rule or regulation on small firms. If the agencies find that their action would be harmful to small businesses, they would be required to find some way to ease this impact either by exempting small businesses completely or by setting different, less burdensome standards for them.

I introduced this bill last year, with over 84 cosponsors, and the Subcommittee on Special Small Business Problems, of which I am a member, held a number of hearings and heard from dozens of witnesses. Additional hearings are scheduled for early this session, and I am confident that we will have positive action in the full committee shortly thereafter.

A similar measure was adopted by the Senate last session, and Senator NELSON, chairman of the Senate Small Business Committee, is optimistic about passage again this session.

I plan to reintroduce the Small Business Regulatory Relief Act with additional cosponsors in the next few weeks, and would be pleased to have many more of our colleagues join with me at that time.

A copy of the bill, and testimony I gave last year explaining the legislation are included here for your information.

Thank you Mr. Speaker.

The material follows:

H.R. 10632

A bill to amend the Small Business Act to provide regulatory flexibility for small business in certain instances so that the effect of regulation matches the size of business regulated

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Regulatory Relief Act."

FINDINGS AND PURPOSES

SEC. 2. Section 2 of the Small Business Act (15 U.S.C. 631) is amended by adding at the end thereof the following:

"(e) Further, it is the declared policy of the Congress that the scope and volume of Federal regulations causes disproportionate and often unnecessary impact on small businesses and the Government should make a concerted effort to reduce such impact.".

DUTIES OF THE OFFICE OF ADVOCACY

SEC. 3. Section 634c of title 15, United States Code, is amended by adding the following new subsection and renumbering accordingly:

"(4) consult with the agencies of the Federal Government prior to issuance of proposed regulations that substantially impact small business, for the purpose of minimizing such impact.".

ASSISTANCE OF GOVERNMENT AGENCIES

SEC. 4. Section 634e of title 15, United States Code, is amended by adding the following new section and renumbering accordingly:

"SEC. 206. Prior to the issuance of a rule by any department, agency, or instrumentality of the Federal Government, such department, agency, or instrumentality of the Federal Government shall incorporate, as a part of the general statement of the basis and purpose of the rule required to be published in the Federal Register, a written analysis of whether it is lawful, feasible, and desirable for the agency to exempt small businesses or small organizations, or a class of small businesses or small organizations from the effect of the rule or whether the agency may and should promulgate a rule which sets lesser standards for compliance by small businesses.

"(a) The analysis required by this section shall include the following factors:

"(1) the nature of any reports and the estimated cost of their preparation by small businesses or small organizations which would be required to comply with the new rule:

"(2) the nature and estimated costs of other measures or investments that would be required by small businesses or small organizations in complying with this rule;

"(3) the nature and estimated cost of any legal, consulting and accounting services which small businesses or small organizations would incur in complying with the rule;

"(4) the ability of small businesses or small organizations to absorb the costs estimated under (1), (2), and (3) without suffering economic harm and without adversely affecting competition in the marketplace;

"(5) the additional cost, if any, to the agency of administering or enforcing a rule which exempts or sets lesser standards for compliance by small businesses or small organizations; and

"(6) the impact on the public interest of exempting or setting lesser standards of compliance for small businesses or small organizations.

"(b) The agency prescribing such rule shall—

"(1) transmit such rule to and obtain the comments, if any, of the Office of Advocacy of the Small Business Administration with respect to the impact on small businesses or small organizations resulting from implementation of such rule;

"(2) include such comments of the Office of Advocacy in the record made in connection with consideration of such rule;

"(3) make such comments of the Office of Advocacy available to each officer or employee of the United States who, after such date, reviews such rule; and

"(4) incorporate a summary of such comments of the Office of Advocacy with the general statement of the basis and purpose of the rule.

"(c) Subsections (a) and (b) of this section shall not apply to any rule if such agency, after consultation with the Office of Advocacy of the Small Business Administration, determines that such rule will not, if implemented, have a substantial effect on any significant number of small businesses or small organizations. Notice of such determination shall be incorporated in the general statement of the basis and purpose of the rule.

"(d) Whenever the results of such analysis by an agency indicate that it is lawful, desirable, and feasible to exempt small businesses or small organizations, or to set lesser standards of compliance by small businesses or small organizations, the agency shall issue a rule containing an appropriate exemption for such small businesses or small organizations, or setting lesser standards for compliance by small businesses or small organizations.

"(e) Whenever an agency establishes by regulation the meaning of small business or small organizations, such regulation may apply to either a single rule or regulation, a set of rules and regulations, or every rule and regulation issued by the agency: *Provided,* That the regulation establishing the meaning of small business or small organization shall have been transmitted to the Office of Advocacy of the Small Business Administration in accordance with subsection (b) of this section: *And provided further,* That the size, industrial classification, or performance standard established by such regulation shall consist of objective measurement and to the extent consistent with the purposes of this Act, uniform with standards previously established by regulation.

"(f) In any action to review the compliance of an agency with subsections (a) through (e), no order shall be entered by a court to enjoin enforcement of such rule with respect to anyone or any concern that is not a small business or small organization. No one other than a small business or small organization shall have standing to review the compliance of an agency with subsections (a) through (e).

"(g) Each agency shall, during the five-year period beginning with the date of enactment of this subsection, review agency rules which were published for comment, issued, or in effect prior to such date and make the determinations referred to in subsections (a) through (e) with respect to each rule.

"(h) The Program Analysis Division of the General Accounting Office is authorized to furnish, upon request, advice and assistance to agencies making determinations under this section.

"(i) Except as otherwise provided by statute, no agency may issue a rule or regulation, however denominated or described, which does not comply with the provisions of this section.

"(j) For the purposes of this section, the term 'small business' includes those businesses as defined under the provisions of section 632 of title 15, United States Code, and the term 'small organization' includes unincorporated businesses, sheltered workshops, not-for-profit enterprises which are not dominant in their fields, and such other groups and enterprises as the agency shall establish by regulation."

Remarks of the Honorable Andy Ireland

Mr. Chairman, it is a pleasure to be here today to have the opportunity to discuss the impact of federal regulations on the small business community with you and my colleagues on the subcommittee.

Small businesses have several unique characteristics which make them especially important to our economy and our nation. For one thing, small businesses tend to react to changes in the market place more rapidly than larger businesses, and are thus in a better position to develop and exploit new ideas. Secondly, they are 'labor intensive," that is to say, more of their dollars tend to go to hire people rather than to purchase machinery. Thirdly, they are often the initial point of entry for people who are entering the job market for the first time. Finally, as small businesses succeed and expand, they broaden the tax base and benefit society by carrying a larger share of the tax burden. So, in a very real sense, small business is the ideal "threshold" for people building a better life and a more productive society.

In addition, small business constitutes a much larger role proportionally in our economy than most Americans realize. For example, according to the most recent statistics, small businesses constitute 48 percent of the nation's G.N.P., employ 58 percent of the private, nonagricultural work force, generate 73 percent of the total dollar volume in retailing, and comprise 97 percent of the country's business community.

Quite clearly then, any action by the federal government which impacts substantially on small business will likely have enormous ramifications for all segments of our economy. And from the testimony that this committee and others have heard, it seems clear that very few things have had or are likely to have as big an impact upon small business as government regulation and overregulation.

Since the early 1970's, the federal government has created seven new regulatory agencies, including the Environmental Protection Agency, O.S.H.A. and the Consumer Product Safety Commission. Between 1970 and 1976, the number of pages in the Federal Register has tripled, from 20,000 per year in 1970 to 60,000 per year in 1976, reflecting the enormous increase in rulemaking and regulation by the federal government. The best available figures indicate that there are more than 65,000 federal employees involved in regulatory activities, at a total cost of about $130 billion annually.

As severe as the impact of government regulation is, it affects small business much more adversely than larger concerns.

Small business, by its very nature, is less capable than larger firms of discovering which government regulations affect its operation, and less able to respond to these rulings. In most cases, small businesses are simply not equipped, either in terms of personnel or expertise, to keep up with the proliferation of federal regulation.

One particularly painful illustration of this fact is the plight of a small retailer who learned in September of 1977 that the F.C.C. had issued a ruling months earlier which prohibited the sale of twenty-three channel C–B radios after December 31, 1977. Unfortunately, this individual had many thousands of dollars worth of twenty-three channel radios which he could not possibly sell by the deadline. When his case was brought to the attention of the F.C.C. by the National Federation of Independent Business, the F.C.C. held that the retailer had no recourse since the rule was promulgated and printed in the Federal Register well in advance of the deadline.

Obviously, the F.C.C. assumed that the retailer read the Federal Register regularly, and that if he did, he was able to interpret the rules and assess its impact on his operation. Unhappily, however, experience has shown us that in the case of many small businesses, neither assumption is warranted.

Regulatory difficulties of this nature do not necessarily mean that all government regulation is unnecessary or counterproductive, or that small business should be exempted from regulation simply because they *are* small. There is a fundamental assumption peculiar to a democratic society that all groups in society ought to be treated equally by their government, and that no single group ought to be granted special preferences without first establishing the existence of extenuating circumstances.

However, as Senator Culver noted during hearings on this question last year, "Uniform treatment under regulation does not always result in . . . equal treatment."

For example, if a regulation imposes the same cost of compliance across the board, the larger firms, with their greater operating budgets and specialized personnel are often able to absorb these costs, while most small firms cannot. Thus, while the intent of the regulation is uniform, the effect is quite disproportionate, resulting in a reduction of the ability of the smaller firm to compete effectively in the market place.

It is my firm belief that regulations can and should be tailored to the size and the resources of those being regulated. That is why I introduced H.R. 10632, and that is why I am here today. My legislation would require government agencies to analyze the impact of any proposed rule or regulation on small firms likely to be affected by that regulation.

If the agencies find that their action would be harmful to small businesses, they would be required to find some way to ease this impact, either by exempting small businesses completely or by setting different, less burdensome standards for them.

The concept of flexible or "tiered" regulations is not new—Congress has long exempted certain small firms from minimum wage and some of the paperwork required by other laws. Even O.S.H.A. treats large and small firms differently. The purpose of my bill is to require all federal agencies to exercise this type of flexibility.

Mr. Chairman, that concludes my prepared statement.

Thank you.●

NURSE TRAINING AMENDMENTS OF 1979

HON. HARLEY O. STAGGERS

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. STAGGERS. Mr. Speaker, on Thursday, January 18, 1979, I introduced H.R. 1143, the Nurse Training Amendments of 1979. This legislation is virtually identical to the conference report (H. Rept. 95–1785) to accompany S. 2416, the Nurse Training Amendments of 1978, which passed the House in the closing hours of the 95th Congress but was pocket-vetoed by the President after the Congress had adjourned.

The Nurse Training Amendments of 1979 represent a simple extension of existing authorities supporting schools and students of nursing through fiscal year 1980 at the fiscal year 1978 authorization level of $206 million. It woud require the Secretary of HEW to arrange for a study of the need to continue a specific program of Federal financial support of nursing education so that the Congress will be better able to determine the appropriate Federal response to the training of professional nurses. It includes one new authority which would authorize $5 million over the next 2 fiscal years to assist in the training of nurse anesthetists. Finally, it contains minor, yet important, amendments to existing health manpower authorities respecting area health education centers.

Mr. Speaker, I am well aware of the President's commitment to fight inflation, and I share that commitment. I have introduced this legislation as a simple extension of existing law, not in an attempt to initiate confrontation but to initiate what I am sure will be an effort to effect a compromise between the Congress and the administration. I assure my colleagues that the Committee on Interstate and Foreign Commerce will carefully consider every aspect of this legislation in a manner which will lead to an appropriate response to the concerns of the administration, the Congress, and the needs of the American people.

Many of my colleagues have already expressed interest in cosponsoring this legislative proposal. In view of the caveats outlined above, other Members who may wish to cosponsor this legislation should notify Mrs. Jordan in the committee's professional staff office at extension 53147.●

CLASSIFIED HEROES

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. STARK. Mr. Speaker, in the grand old secretive tradition of the Central Intelligence Agency, one Leslie C. Dirks, rumored to be the CIA's deputy director for Science and Technology, was recently awarded a National Security Medal by President Carter for an undisclosed reason.

This has led me to speculate as to the cause for this mysterious action. Did Leslie Dirks, if that be his (or her) real name, draft the recently passed CIA appropriations bill which contain a classified dollar amount? Or Leslie Dirks actually an alias for John Paisley, the CIA agent who supposedly died while on his boat in the Chesapeake and whose death is surrounded by intrigue? If so, where has he been for the last couple of months and why has he now surfaced? If, for instance, he has arranged for the Skylab to fall on the Kremlin, Congress has the right to know. (This latter explanation would account for the awards ceremony being kept off-limits to reporters and photographers. While the White House did release a photograph of a person supposed to be Mr. Dirks, it has been noted by several persons that the White House has previously distributed that photograph with other names.)

The truth about this event must be

made known. For, in this period of open Government and sunshine, it seems curious that we would now begin classifying heroes.●

NATIONAL COMMISSION ON DIGESTIVE DISEASES

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. PREYER. Mr. Speaker, the National Commission on Digestive Diseases has just made its report to the Congress, which was mandated by legislation passed in 1976. I want to commend those men and women who served for nearly 2 years. They held hearings in many parts of the Nation to determine how to develop a plan for the prevention, control, and cure of digestive diseases. These diseases afflict 20 million of our citizens.

Today, the Commissioners reported to us on their findings and recommendations. In order that my colleagues may have the opportunity to study them, I include their executive findings and recommendations below. I also include a summary list of the recommendations with the Commission's estimates of the required appropriations to carry them out.

Today I cosponsored, with my colleague Dr. TIM LEE CARTER, a bill which would make law the three recommendations which need authorizing legislation. It is my understanding that the other recommendations can be effected by administrative action, by appropriations alone, or by other legislation more properly tied to a national health insurance program.

I hope that the Subcommittee on Health and the Environment will consider this bill, so that funds can be appropriated as soon as possible to carry out those recommendations.

The material follows:

SUMMARY REPORT TO THE CONGRESS OF THE UNITED STATES OF THE NATIONAL COMMISSION ON DIGESTIVE DISEASES

The National Commission on Digestive Diseases was established by Congress in 1976, by P.L. 94-562, to accomplish three major tasks:

Study the medical, social, and economic problems attributable to digestive diseases.

Evaluate the present use of resources to control the problems identified.

Develop a long-range national plan for the organization and effective use of national resources to deal with digestive diseases.

In the course of its work, the Commission found that digestive diseases account for a major—and largely unrecognized—cost to the nation's health and economy. Moreover, the Commission's findings show that the impact of these diseases, both in terms of health and economics, on individuals and on the nation as a whole, can be reduced in the foreseeable future.

The long-range national plan to combat digestive diseases must include the immediate expansion of the basic and applied research programs directed at the underlying causes of digestive diseases and the development of new and effective measures for prevention and treatment. The Commission recommends a concurrent program of education and translational research which offers realistic promise of an early and substantial improvement in the control of digestive diseases.

FINDINGS OF THE COMMISSION

While digestive diseases vary in severity from brief, self-limited illnesses to chronic, disabling, and some universally fatal conditions, their total social and economic impact is enormous. Measured in terms of morbidity, mortality, and cost, they constitute *the third largest component of the total economic burden of illness in the United States,* being outranked only by circulatory diseases and by the combined category of accidents, poisonings, and violence.

Digestive diseases collectively represent:

10 percent of the total economic burden of illness in the United States, as defined by the National Center for Health Statistics.

The primary reason for major surgery.

The leading cause of hospitalization.

15 percent of all hospital utilization (43.4 million hospital days each year)

The second most prevalent cause of disability among the employed.

20 million chronically ill individuals.

14 million persons who suffer acute episodes of illness each year.

190,000 deaths each year (counting only those for which digestive diseases are identified as the *immediate* cause of death).

$17 billion in direct health care costs.

$35 billion in total annual economic loss, or approximately 1.5 percent of the gross national product (1978 projection).

Digestive diseases are highly detrimental to Americans in their peak years of productivity and responsibility. Seventeen of every 100 individuals between the ages of 45 and 64, most of whom sustain family income in whole or in part, have some form of diagnosed digestive disease. At the same time, the absolute importance of digestive diseases as causes of serious illness, hospitalization, and death is highest among the aged.

Digestive diseases abound in all strata of our society and in all parts of the United States. Their diagnosis and treatment often depend upon the ready availability of sophisticated instruments and highly trained personnel. Thus, the burden of digestive diseases can be expected to fall more heavily on our rural population, where the low population density cannot support expensive equipment and specialists, and where physical distances between physician and patients are often great.

The figures cited above, however, fail to convey the social and financial devastation experienced by people afflicted with the most severe and chronic forms of digestive diseases. For these people, frequent consequences may be prolonged debility, malnutrition, unemployment, denial of insurance protection, and lifetime medical expenses as high as $500,000 for an individual patient.

In contrast to the magnitude of these problems, *efforts to control digestive diseases have been tragically inadequate* and needlessly fragmented. This is due in part to public attitudes and to minimum public awareness of preventive measures and the consequences of neglect. The disgestive tract and its functions are viewed through veils of ignorance, embarrassment, taboo, and inappropriate humor.

Efforts of concerned voluntary organizations which have worked hard and long to increase patient and public understanding of digestive diseases are noteworthy. They have demonstrated over the years that changes in public attitudes through education are both possible and vitally necessary.

As a subject of academic concern, digestive diseases are underrepresented on the faculties of medical and other professional schools, and the number of active researchers in the field is not only relatively small, but is also declining. The decline is related to current limitations on the level and the stability of support for digestive disease research, which has discouraged talented young physicians and scientists from pursuing research careers in this field. Meanwhile, established investigators have left research in the digestive diseases and are not being replaced.

Despite the relatively low level of research support, significant advancements have been made in the state of knowledge about a number of common digestive diseases, their treatment, and their prevention. Major benefits have been achieved for patients with hepatitis, peptic ulcers, gallstones, infectious diarrhea, diseases of absorption, reflux esophagitis, gastrointestinal bleeding, aspirin-induced stomach injury, and colonic polyps, as well as for patients requiring parenteral nutrition and major surgical intervention. Much work remains to be done, however, in terms of both prevention and treatment of these disorders, and there are still many diseases for which effective modes of diagnosis and treatment are entirely lacking.

THE NATIONAL PLAN

The National Commission on Digestive Diseases strongly believes it is time for the nation to mount a vigorous and well-coordinated attack on digestive diseases. The national plan presented in Volume I of the report of the National Commission on Digestive Diseases includes a series of interrelated goals and strategies. They incorporate the most promising leads in research and needed new directions in health care delivery and education. All components of the plan can and should be implemented without delay, with the expectation that benefits to the public will be evident and measurable in varying stages in one to 10 or more years.

Since so much remains unknown about the causes, mechanisms, and factors influencing digestive diseases, the essential foundation of the long-range plan is a well-coordinated, expanded research endeavor. Research offers the surest and most cost-effective means of substantially reducing the suffering and the economic burdens resulting from digestive diseases. In the meantime, as research progresses, the immediate needs of patients with digestive diseases must not be overlooked; these needs are addressed directly in the long-range plan.

The Commission has developed the long-range plan to achieve two major goals:

Reduce the suffering of all Americans afflicted with digestive diseases.

Reduce the costs associated with digestive diseases.

In an era of escalating health care needs and limited resources, only a well-organized, detailed, cost-effective program directed at a clearly identified social goal an justify sustained public support. The long-range plan developed by the Commission, we believe, is such a program. Minimum budget increments to implement these programs are proposed.

The recommendations listed below have been carefully considered for their feasibility, cost, and expected benefits. They represent, in essence, the Commission's conclusions in terms of: (1) immediate action that promises early and lasting benefits, (2) programs that are imperative for the public good in the long-range effort to combat digestive diseases, (3) proposals that are aimed solely at problems related to digestive diseases but are inclusive of other major national health needs, and (4) steps essential to the coordination and organization of the long-range plan.

THE SCOPE OF DIGESTIVE DISEASES

The digestive tract, which includes the esophagus, stomach, intestines, gallbladder, liver, and pancreas, is affected by a wide range of acute and chronic diseases, including infections, cancers, intoxications, and diseases of unknown origin. Digestive diseases are disorders of any of these organs. Some of them are commonly known, such as ulcers, hepatitis, and gastro-intestinal cancers; others, such as biliary atresia, cystic fibrosis, inflammatory bowel diseases, and pancreatitis, occur less frequently but with devastating long-term effects.

RECOMMENDATIONS OF THE COMMISSION

The National Commission on Digestive Diseases recommends that Congress and concerned agencies, public and private, take the following actions immediately to provide early and continued benefits in the national effort to combat digestive diseases.

Measures to improve the provision of information and training to patients, health care personnel, and the public:

1. Establish and fund a National Digestive Diseases Education and Information Clearinghouse to improve wide distribution of available knowledge in prevention and control of digestive diseases.

2. Promote the establishment of standards for the education and training of specialists in digestive diseases.

3. Strengthen and, where necessary for this purpose, fund educational programs in digestive diseases in American medical schools.

Measures to improve medical care of patients with digestive diseases:

4. Standardize the nomenclature, diagnostic criteria and methodology, and guidelines for measuring disability caused by digestive diseases.

5. Develop guidelines for the sequence of performing diagnostic tests in the digestive diseases.

6. Increase funding for the study of risk-benefits and cost-benefits related to health care services for patients with digestive diseases, and for translational research—the translation of known medical knowledge into effective treatment.

7. Expand programs in digestive diseases in the Department of Defense.

8. Expand clinical research in the digestive diseases and programs for the treatment of these diseases in the Veterans Administration.

Measures to promote research in needed and promising areas:

9. Enlarge and strengthen Federal training programs in research on digestive diseases to increase the number of teacher-researchers and to encourage the interest of larger numbers of young scientists in this vital area of research.

10. Increase funding for applied (clinical) research on such topics as adverse drug reactions, alcoholic liver disease, cirrhosis, colonic disorders, functional gastrointestinal diseases, gallstones, gastrointestinal bleeding and vascular disorders, gastrointestinal surgery, hepatitis, infectious diarrheas, inflammatory bowel diseases, maldigestion and malabsorption, malignancies (cancer) of the digestive organs, pancreatitis, pediatric digestive diseases, peptic ulcer, reflux esophagitis and esophageal motility disorders.

The Commission recommends that simultaneously with the actions in Recommendations 1 through 10, Congress and the respective concerned agencies take the following specific actions to ease the national burden caused by digestive diseases in the foreseeable future and to establish a long-range, national program of continuing and coordinated research in digestive diseases:

11. Increase funding for basic research in digestive diseases to lay firmer foundations for their prevention, diagnosis, and treatment.

12. Fund cooperative research in digestive diseases when scientifically necessary and cost-effective.

13. Expand the intramural digestive disease research programs at the National Institutes of Health.

14. Determine epidemiological patterns of digestive diseases to formulate a comprehensive understanding of their impact on the population's physical, emotional, and financial well-being.

15. Study the effects of environmental and industrial pollutants on organs of the digestive system.

16. Fund research on the critical role of diet as a cause of digestive diseases.

The Commission recommends that the Congress or appropriate agencies undertake the following steps with regard to diseases in general, but with specific emphasis on digestive diseases:

17. Survey manpower requirements for the prevention and treatment of digestive and related diseases and study the cost-effectiveness of various forms of professional training.

18. Assure that the cost of educating patients about their digestive diseases is a direct reimbursable expense by Federal and private insurance programs.

19. Enact legislation to provide catastrophic health insurance coverage for all citizens.

20. Exempt from the Office of Management and Budget clearance procedures those medical and behavioral research projects which are conducted in accordance with specified protocols which are approved under DHEW regulations for the protection of human subjects, and which call only for voluntary participation; and exempt the digestive diseases workshops recommended in this report from the DHEW policy which reduces the number of conferences.

The Commission recommends that the Congress and/or appropriate Federal agencies, in order to organize and coordinate the long-range plan outlined in this report, take the following actions:

21. Establish a National Digestive Diseases Advisory Board responsible to the Congress and the Secretary of Health, Education, and Welfare.

22. Appoint knowledgeable representatives concerned about the problems associated with digestive diseases and the implementation of solutions to those problems to the Advisory Councils of the National Cancer Institute, the National Institute of Allergy and Infectious Diseases, and the National Institute of Alcohol Abuse and Alcoholism.

23. Enhance the status of digestive diseases within the National Institutes of Health by forming a Division of Digestive Diseases within the National Institute of Arthritis, Metabolism, and Digestive Diseases.

For further information, write to: NIAMDD Information Office, Building 31, Room 9A04, National Institutes of Health, Bethesda, Md. 20014.●

ENERGY AND INFLATION

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. MOAKLEY. Mr. Speaker, inflation has become the major enemy of the American public. President Carter clearly stated that inflation must be brought under control. Yet, as long as our National Energy Policy allows OPEC to influence domestic crude oil prices, no war against inflation will be won.

Current inflationary pressures combined with OPEC's 14.5 percent price increase and Iran's internal strife continue to force oil prices up. This year, in New England alone, price increases will amount to at least $350 million, bringing New England's oil bill to over $8 billion. This increase is small when compared to the catastrophic increases in oil prices that will occur if domestic crude oil price controls are allowed to expire on May 31, 1979. Domestic oil prices now set at an average of $9.12 a barrel will rise to approximately $16 a barrel, if deregulated, equaling the price of OPEC oil. Present attempts at controlling inflation will be rendered useless if deregulation takes place.

For these reasons, I have joined my colleagues Mr. HARRIS and Mr. MAGUIRE in writing the President, urging him to hold the line on domestic crude oil.

In addition, I have joined Mr. STUDDS in cosponsoring legislation which will continue domestic crude oil price controls for 24 months beyond their May 1979 expiration date. The price controls remain flexible enough to encourage new domestic oil exploration. They are not aimed at penalizing the oil industry but instead, as a way of protecting consumers from the ravages of inflation.

This legislative body must work closely with the President to bring inflation under control. A sound national energy policy fair to all sectors of the economy must be a part of the plan. Continued domestic crude oil price controls will provide additional time needed to meet our pressing energy problems without fueling inflation.●

TEN WAYS TO BREAK OPEC

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. DRINAN. Mr. Speaker, since the oil embargo of 1973, our Nation's reliance on energy from the Organization of Petroleum Exporting Countries (OPEC) has steadily increased, now constituting almost 50 percent of U.S. crude oil requirements. Clearly, the United States has demonstrated no sense of national resolve on the energy issue, and is more vulnerable to the whims of foreign governments than at any other point in recent history.

If anything, the United States has aided and abetted the economic interests of OPEC over the last 5 years. We have legitimized the artificially high world price of oil through domestic energy price decontrol; we have rejected policies which would require our Government to bargain down OPEC prices as the sole importer of petroleum to the United States; and we have moved only glacially in completing a Strategic Petroleum Reserve—containing both crude and residual oil—which is the Nation's primary insurance against a repeat of the 1973 embargo.

In this regard, I highly commend the following article by Craig S. Karpel, executive director of the Council on Energy Policy, which appears in the January issue of Harpers:

TEN WAYS TO BREAK OPEC

One evening last spring I dined with an assistant to the President of the United States, who, like so many of my fellow victims of the foreign oil cartel, did not know that OPEC can be broken. Toward the end of the meal I explained to him that over the past two years, unremarked by the press and ignored by the Administration, the country's most eminent petroleum experts had testified before Sen. Edward Kennedy's Subcommittee on Energy to the effect that the Organization of Petroluem Exporting Countries is exceedingly fragile, that it could not exist without the aid and comfort of a complex of American financial and export interests, and that there are any number of ways that the U.S. government could act to dismantle its monopoly. I noted that according to a study published by the M.I.T. Energy Laboratory, the cartel's price per barrel has been fixed at $7 to $10 more than the price that would prevail in a competitive market. The foreign oil cartel, I observed, sells for $13 a barrel oil that costs less than 25 cents a barrel to produce. I suggested that at a time when the dollar would appear to be going the way of the Hungarian pengo, it is arguably improvident to remit a subvention to the Saudi royal family amounting to $8,000 per annum for each of its subjects.

I had taken my dinner companion by surprise. Between courses he had felt called upon to defend his employer, but now, over coffee, he could not bring himself to defend the indefensible. With evident dismay, he agreed that the cartel's leeching on the American economy constitutes the most critical problem confronting the country, and that it compromises the nation's capacity to make good its commitments in the world. "Why," he said, palpably anguished by the inaction of the Administration of which he is a part, but sufficiently in command of himself to return the ball to my court, "hasn't a constituency assembled to insist that we do something about OPEC?"

The answer to his question is that the unassembled constituency slumbers at the center of a thorn forest of myths about energy that has been raised up around us by the wizardry of those who profit from OPEC's make-believe omnipotence. It cost this writer the better part of two years of his life to get out of the woods. By night, I puzzled over abstruse monographs and $650-a-year newsletters. By day I corresponded with distant institutes and ministries of foreign powers. I shuttled to and from Cambridge, New York, and Washington. I journeyed to London, to Rotterdam, to Tel Aviv. I sat across the desk from a distinguished professor of the economics of petroleum who, with avuncular patience, explained to me the innermost meaning of the phrase, "nominations in excess of prorated equity share." In the dining room of a great Wall Street bank, I digested hearts-of-palm vinaigrette and charts showing that over the next five years new non-OPEC oil production will increase by 8.5 million barrels a day, while global consumption will rise by only 5.5. Sunk into the burnished-leather sofa of a senior Senator, I learned how American corporations that benefit from high oil prices overseas pressure their suppliers to join them in lobbying against policies that would break OPEC. I brunched at a mountain resort with an authority on the oil-bearing formations of the Yucatan. I revolved atop a Hyatt House with a value-free-resource econometrician. I lunched at the Harvard Club with a wildcatter from Namibia. Ever so gradually the darkness lifted, the mists parted, and Mobil Corporation's op-ed barrage thawed, melted, and resolved itself into a dew.

While the less well-informed among our nation's bartenders, and the Secretary of Energy, may continue to tell us that a physical shortage of oil impends, no reputable petroleum economist does so. Though latter-day votaries of T. E. Lawrence, campaigning for Arab consultancies upon their departure from the State Department, may wish us to believe that the Persian Gulf is the only major repository of oil, I found no independent petroleum geologist who agrees. If Sheikh Yamani would have us imagine that the lines at gas stations in the winter of 1973–74 were the result of an effective and reproducible oil embargo against the U.S., all those who have studied the matter conclude that the queuing was caused by a combination of federal bungling and media-induced consumer panic.

The notion that there is an energy shortage that requires us to salaam before OPEC, I discovered, is a canard promulgated by the cartel, its domestic claque, and a credulous press. Bernardo F. Grossling, a geophysicist with the U.S. Geological Survey, has performed a study for the World Bank that estimates total global petroleum reserves as high as 6,000 billion barrels—ten times the figure for proven reserves lugubriously cited by James R. Schlesinger and his retinue. This is 281.6 years' supply at the current rate of consumption, and does not include the prospect of enhanced recovery from conventional fields, heavy crudes such as those from Venezuela's huge Orinoco Belt, and oil from Antarctica, the continental slopes and rises, and the ocean floor, the latter three exceptions comprising 74.7 percent of the earth's surface. "It also appears likely," Grossling has said, "that the real costs of the new oil to be found will be significantly smaller than the price set by OPEC or the marginal cost in the U.S."

OPEC is not, then, the only prospective source of foreign oil. Huge untapped structures exist in such areas as La Brea-Pariñas, Peru; northwestern Argentina; the Paleozoic play of northwestern Brazil; the Chad Basin; the Congo Basin; the Etosha Basin in Namibia; the Paris Basin; northern Italy; the Thrace Basin; the Baluchistan folds of Pakistan; Bangladesh; Burma; South Australia; Bonaparte Gulf, Australia; the Arctic Islands; the Mackenzie Delta in Canada; the Yukon subsalt play, and so forth and so on. OPEC has been able to force a suspension of the law of nations, but not of the law of supply and demand. Quadrupled oil prices have stimulated exploration and resulted in startling discoveries. When OPEC seized power in 1973, Mexico's proven oil reserves were considered to amount to no more than 2.8 billion barrels. In September, 1978, Petroleos Mexicanos announced proven reserves of 20 billion barrels. Industry sources say this figure is "very conservative" and tally proven reserves at 30 to 50 billion barrels. Dr. Sevinc Carlson, of Georgetown's Center for Strategic and International Studies, now indicates that "Mexico's reserves might be second only to those of Saudi Arabia," which now stand at 151.4 billion proven barrels. Grossling places total Mexican reserves at 160 billion barrels or more. Other estimates run twice that high. The Abu Dhabi daily *Al-Ittihad* describes Mexican oil as "a real threat and a dangerous competitor."

OPEC knows that we quake in unreasoning terror at the merest threat of a second oil embargo. Lately the cartel has begun intimating that it will cut us off if we do not eliminate quotas and tariffs on imports of petroleum products, impediments that discourage OPEC from moving downstream into the refining, marketing, and manufacture of petrochemicals. "It may not be long," Ali Khalifa al-Sabah, oil minister of Kuwait and chairman of OPEC, said in October, 1978, "before the removal of such practices becomes a condition of supply of crude oil." This is an implicit demand that we shut down an appreciable portion of two American industries. Were we to accede to such bluster, one wonders how long it would be before OPEC was requiring that it be allowed to manufacture penicillin for the U.S. as a precondition for supplying us with gasoline.

For there to be a second embargo, however, there would have to have been a first. What we experienced in the winter of 1973–74 was a psuedo-embargo. The flow of non-Arab OPEC oil to Western countries continued as usual. The flow of Arab OPEC oil did not continue as usual: it increased. According to *British Petroleum Statistical Review of the World Oil Industry 1975* and the International Monetary Fund's *International Financial Statistics*, November, 1975 Arab oil exports in 1973 increased by 12.6 percent—twice the growth rate in each of the previous two years. Saudi production rose by 26 percent in 1973. During the last quarter of 1973 Saudi petroleum exports were 3 percent higher than during the same trimester of the previous year, while during the first three months of 1974 they were 9 percent higher. According to Prof. Robert S. Pindyck of M.I.T., "an oil embargo cannot really be directed against the U.S. or any single country. Oil-producing countries can dictate the quantity of oil to be produced, but they cannot dictate where that oil will ultimately be shipped. For this reason, the announced Arab oil embargo against the U.S. and the Netherlands in the fall of 1973 had little impact upon those countries' imports. Gasoline lines in the U.S. were really caused by price controls and the misallocation of regional supplies by the FEA [Federal Energy Administration]." During a Saudi trade mission to the U.S. in 1975, Farouk Akhdar, director of the technical affairs office of the kingdom's central planning agency, told a Los Angeles audience that the announced embargo was "psychological" and "a paper tiger."

An embargo is even less likely today. It is often noted that Saudi Arabia, without whose participation even another pseudo-embargo would be impossible, could afford a substantial cutback in its annual oil sales of $37.8 billion because it has $55 billion in cash reserves. But the Saudi regime has yet to receive the bills for most of the $142-billion Second Five Year Plan for national development that ends in 1980, after which it has bought its subjects' tenuous loyalty and with the promise of an even more costly program. The Saudis can no more withstand a drastic reduction in income than could an executive with $55,000 in the bank who makes $37,800 a year, is building a $142,000 house that must be paid for in cash by 1980, and has promised a wife with whom he is on precarious terms then to begin building an even more expensive vacation home. The oil-sharing plan of the industrial countries administered by the International Energy Agency, and OPEC's fear that the monetary reserves its members have deposited in New York and Euromarket banks since 1974 would be frozen if an embargo were declared, combine further to dampen the power of the oil weapon.

Perhaps the most paralyzing myth is that, aside from attempting to conserve energy and switch to alternatives, the U.S. is helpless before OPEC's shakedown of the industrial economies. Quite to the contrary, so many techniques are available to diminish OPEC's monopoly control that the cartel's elite must consider us to be a nation of fools and weaklings for not having implemented them.

1. ADOPT A STRATEGY OF OIL PROLIFERATION

The approach that enjoys the most enthusiastic following on Capitol Hill among those who appreciate the need for—and relative technical ease of—disengaging from our waltz with OPEC is what William C. Lane, Jr., formerly on the staff of Sen. Frank Church's Subcommittee on Foreign Economic Policy, has called "a strategy of oil proliferation." Lane points out in a privately circulated paper that there are twice as many oil wells in Kansas as in all of South America, three times as many in Arkansas as in all of Africa. He urges more exploration and development of oil and gas outside of OPEC.

The world "overhang" of oil—the difference between what can be produced and what actually is produced—is currently 20 percent of world production, or about 11 million barrels a day. According to S. Fred Singer, professor of environmental sciences at the University of Virginia, "an increase of overhang of only 4–5 million barrels a day may be enough to influence the cartel price. (Once certain cartel members find that they must cut back on their production [to maintain OPEC's posted price], they may be anxious to sell under the table at a reduced price.) The overhang can be raised by increased oil production anywhere in the world, and by greater conservation measures including also switching to other energy sources."

Several encouraging initiatives are already being pursued in the area of oil proliferation. Last year the World Bank, which previously had a policy against lending to less-developed countries [LDCs] for oil drilling, made a modest loan to India to finance wells in the Bombay High field. The World Bank is also now considering the possibility of encouraging legislation within LDCs that would be favorable to oil exploration; financing the assembly of additional information on potential oil resources in such countries; funding geological studies for foreign national oil companies to determine whether formations merit exploration; and financing additional study of untapped discoveries.

Sen. Daniel P. Moynihan intends to press for legislation that would direct the government to use all available tools, including the creation of special foreign-aid programs and the use of its dominant influence in the World Bank and regional banks, to expand world oil production. The bill would require the U.S. to diversify its sources of foreign oil by limiting the percentage of imports that could come from any one country.

There are many additional measures the U.S. could take to promote the proliferation of non-OPEC oil supplies, including:

Revoking all IRS rulings allowing foreign tax credits for OPEC oil. The U.S. Treasury continues to wink at what oil insiders call "the golden gimmick," a system of creative accounting under which OPEC governments dub the bulk of the price they charge for oil "income taxes." American oil companies are thus permitted not merely to deduct their payments for OPEC oil purchases from the total income on which U.S. taxes are levied, but to credit such payments dollar-for-dollar against their U.S. tax liability. These rulings were originally granted in the 1950s at the behest of the State Department as a means of channeling funds to bolster the Iranian and Saudi regimes without the need for Congressionally appropriated foreign aid. They force taxpayers to subsidize OPEC to the tune of $1 billion a year. Rep. Benjamin S. Rosenthal, Democrat of New York, has fought successfully for revocation of the tax credits for oil purchases from Saudi Arabia and Libya, only to find that the Treasury intends to allow the companies to apply enormous past credits against future purchases from those countries. Petroleum economist Paul Davidson, of Rutgers University, would go beyond rescinding the tax creditability of OPEC oil. He proposes that oil companies not even be allowed to deduct from their taxabe income "any payments to any members of a cartel who are deliberately using economic power and threats of embargo to extort income or wealth" from the U.S. He points out that to deny either tax credit or deduction treatment for bogus income tax payments to OPEC would induce the companies either to bargain for better terms from OPEC, or to reduce their purchases from cartel members and increase production elsewhere.

Expanding U.S. Export-Import Bank financing for exploration in non-OPEC countries. The bank now guarantees loans for the purchases of drilling equipment and pipe, but not for the payment of labor at the drilling site or other expenses.

Augmenting the U.S. Overseas Private Investment Corporation's program of insuring American oil exploration and development investments in non-OPEC countries against expropriation, now at a token level, while pressing non-OPEC governments to honor contracts with U.S. oil companies on which the security of their investments depends.

Reversing the U.S. Agency for International Development's policy against loans or grants for wildcat oil exploration.

Creating a special U.S. fund to finance non-OPEC oil exploration and development where economic and political risks are too high for private capital to assume.

Supporting the creation of a new international agency to provide technical and financial assistance to non-OPEC countries in developing their oil and gas resources, as has been advocated by Prof. Peter R. Odell of Erasmus University, the Netherlands.

Purchasing oil for U.S. military and other governmental needs through long-term contracts with non-OPEC suppliers, to encourage development efforts in those countries by guaranteeing a market for their oil.

Filling our anti-embargo Strategic Petroleum Reserve exclusively from non-OPEC sources submitting sealed bids. A spokesman for the Department of Energy told me that that agency has "no policy as to the countries from which the oil for the reserve is to be acquired." So far, under this policy of having no policy, much of the stockpile has come from such OPEC members as Venezuela, Saudi Arabia, and Iran.

Imposing a quota on oil imports, but exempting Mexico and Canada by creating a "North American free-trade zone" for hydrocarbons, as has been proposed by Dr. Arnold E. Safer, vice president for economic research and planning of New York's Irving Trust Company and one of the world's leading petroleum authorities.

2. SUPPORT A FUTURES MARKET IN PETROLEUM PRODUCTS

Trading in futures contracts for heating and fuel oil has been initiated by the New York Mercantile Exchange. If contracts for future delivery of oil products come to be traded actively, prices of gasoline and fuel oil will fall in a slack market. As the major oil companies saw the prices of their refining divisions' products declining, they would have no choice but to press OPEC to cut crude oil prices. There has been some question in the trade as to whether existing storage facilities are ample enough to meet the futures market's needs. The ftderal government could remove this reservation by building storage facilities for the exchange as part of the Strategic Petroleum Reserve, which traders would fill with oil products at no cost to the taxpayer. To prime the exchange's pump, all government procurement of oil products could be channeled through the market.

3. IMPLEMENT AN OIL IMPORT QUOTA AUCTION SYSTEM

M.I.T.'s M. A. Adelman, generally considered the foremost petroleum economist, regards breaking OPEC as both necessary and possible. He has proposed that the federal government estimate the number of barrels of imported oil needed each month, and print that number of import authorization tickets. "No barrel could be imported without a ticket," Professor Adelman explained to me. "The tickets would be sold at monthly auctions by sealed bids. If our import needs for the current month were under- or overestimated, the next month's printing of tickets could be adjusted accordingly.

"The tickets would have no scarcity value—only a small convenience value, since importers and exporters would need them to bring oil into the U.S.

"Secrecy would be achieved by letting anybody bid for the tickets, with no requirement except a certified check for the deposit. A lawyer or broker deposits a check for several dozen million dollars, without revealing whom he's acting for. There would be a second barrier to knowing who the real bidders are because there would be a resale market for the tickets. A given shipload of oil arriving here could be covered by tickets issued to various people at various times.

"Once even one government began paying more than a few cents for tickets bought covertly, every other OPEC member would be under the gun: either buy tickets or lose your whole market in the U.S. For instance, Libya, Indonesia, Venezuela, Algeria, and Nigeria sell us, respectively, 31, 36, 45, 72, and 49 percent of their production. They'd have to bid for tickets or face drastic sudden losses in income. If they tried to sell their oil elsewhere in the midst of the current world glut, the OPEC price would crumble.

"Also, cheating on price to get a bigger slice of the U.S. market would be very tempting to any OPEC country wanting extra revenue. To do this, they'd need to buy more tickets, and the competition among the OPEC cheaters and the OPEC countries struggling to maintain their U.S. market share would drive the price of tickets higher and higher.

"The revenues from the auctions would amount to rebates to the U.S. Treasury by OPEC countries for the privilege of access to the American market. The official price of OPEC oil might remain the same, but the real price paid by the U.S. economy would be reduced by the proceeds of ticket sales. These revenues could be refunded to all consumers, or used to subsidize low-income consumers, public transportation, or energy research and development."

4. ANNOUNCE A CONTINGENCY PLAN FOR SUPPLY DISRUPTION

As proposed by Arthur W. Wright, of the University of Massachusetts, this could include a commitment to allow oil prices to rise temporarily if necessary to clear the market, and a standby excess-profits levy, refundable to consumers, to tax away from oil companies any windfall profit received from a sudden temporary price rise. Announcement of such a plan, by making it known to OPEC that there will be no repeat of the 1973–74 consumer panic, would deter another pseudo-embargo.

5. INCREASE THE SIZE OF THE U.S. STOCKPILE

Prof. Robert S. Pindyck has pointed out that the planned one-billion-barrel Strategic Petroleum Reserve will hold only three months' supply of imported oil. A year's supply would be the best deterrent. The stockpile goal should be expanded to at least four billion barrels.

6. ACCELERATE THE CREATION OF THE STOCKPILE

The one-billion-barrel level is not scheduled to be reached until 1983. "They should fill that stockpile as fast as physically possible," Professor Adelman says, "and hang the expense."

LICENSE EXPORTS TO OPEC COUNTRIES

The federal government has statutory authority to license exports of U.S. goods when necessary for the national security. One way of strengthening our bargaining position with OPEC—as well as reducing the vested interest of exporters of heavy machinery, transport equipment, and construction services and high oil prices overseas—would be to require licenses for exports to oil-producing countries, as was recommended by the General Accounting Office in January, 1978. Fees for such licenses could vary from nominal to prohibitive according to the responsiveness of each country to U.S. energy needs.

The issue of *Business Week* dated August 28, 1978, featured a colloquy with Arthur Burns that has added to speculation as to the reason for his departure from the Federal Reserve chairmanship. "You would favor an effort to try to break the OPEC price?" he was asked. "Why, of course I would," Burns replied. "I was in favor of that in November, 1973, and urged that on Mr. Kissinger and later on Mr. Ford. I got a little group started working, but in the end nothing came of the effort, I'm sorry to say. . . . You can exert economic pressure by restricting certain exports that are essential to the economies of those countries. I felt that by holding up certain exports of machinery, planes, and military equipment something significant could be achieved."

8. DENY ARMS TO COUNTRIES THAT RAISE PRICES OR CUT PRODUCTION

John C. West, the U.S. Ambassador to Arabia, said that as a result of supplying the Saudis with our most sophisticated war planes "two things will follow automatically. We will keep an oil-price freeze through 1978, and Saudi Arabia will [remain] on the dollar basis indefinitely." It is astounding that all we could wring from the Saudis in exchange for supplying them with warplanes in the 1980s was a promise to hold the line on price for seven-and-a-half months in 1978. U.S. weapons are the most advanced in the world and OPEC countries covet them, blather about their taking their custom elsewhere notwithstanding. Arms sales to oil-producing countries should be contingent on their long-term performance in meeting U.S. energy needs.

9. LIMIT THE PRICE OF FOREIGN CRUDE OIL IN THE UNITED STATES

Under an ingenious plan proposed by Dr. Arnold E. Safer, the price at which oil could be imported into the U.S. would be set at an amount somewhat lower than the world price—say, $10. An "import price differential payment" representing the approximate difference between the set figure and the OPEC price of about $13 would be negotiated directly between the U.S. government and the individual oil-producing governments. The oil companies are now incapable of bargaining OPEC down because they compete with one another in appeasing its members in the hope of maintaining "preferred access" to each country's oil. If this plan were adopted, the companies would be removed from negotiations with producing countries over prices and be replaced by the U.S. government, which would be susceptible to voter pressure to keep the differentials the Treasury would pay as low as possibe. Such payments could be used further to dilute the cartel's cohesiveness by making them higher for those countries that agree to increase their oil production and lower for those that restrict it in an attempt to maintain OPEC's artificially high price.

10. RECTIFY DOMESTIC POLICIES

The mismatched mélange of domestic energy policies now in place amounts to a sort of Project Dependence, including a moronic "entitlements" program that pays refiners an incentive to import OPEC oil. An official from the Department of Energy, devoted more to the well-being of the country than to that of his agency, suggested to me, not altogether facetiously, that the most effective way of breaking OPEC would be to eliminate the Department of Energy. "Aside from OPEC there's no real energy problem," he said. "If OPEC were out of the picture there'd be no need for an energy department. We manage to get along without a steel department, after all. The existence of the DOE means that 17,000 hungry, cunning people in this town depend directly on OPEC for their livelihood."

This survey by no means exhausts the possible components of an international energy policy designed to diminish OPEC's power. The current Administration, however, consciously rejects any such strategies. In a recent article in *Bankers Monthly*, George W. McKinney, Jr., senior vice-president of Irving Trust Company, accuses the Carter Administration of "continued support of OPEC obligopoly pricing capabilities." Carter's transition economic task force specifically recommended the Adelman plan, noting that "a trial period is practically costless, and anything that would contribute to the permanent lowering of oil prices is to be welcomed." The plan was conspicuously absent from Carter's energy program.

The dramatic upward revision of estimates of Mexican reserves in 1978 would lead one to hope that the Administration would respond by using every economic and diplomatic lever at hand to encourage Mexico to become a major hydrocarbon supplier to its most natural customer. Instead, the Administration has refused to pay $2.60 per thousand-cubic-feet for Mexican natural gas, while agreeing to purchase liquefied natural gas from Algeria at $4.50. An article in the *Wall Street Journal* of July 5, 1978, by Lawrence Goldmuntz, president of Economics and Science Planning, Inc., formerly assistant director of civil technology in the Executive Office of the President, and an authority on Mexican oil, created widespread interest in Mexico's energy potential. The following month an Administration source was cited in another article in that newspaper as comparing Mexico's "breakneck expansion of oil sales to a derelict selling his blood in the morning to buy an afternoon bottle of wine," no doubt an example of the delicacy with which the Administration intends to cater to Mexico's sense of national pride in future energy negotiations. For the tone of Administration policy, hear Harry E. Bergold, Jr., Assistant Secretary of Energy for international affairs: "To the extent that the things we did in 1973 or 1974 aimed at attacking or breaking up the cartel, we have changed our policy. We're trying to let the key producers know we're prepared to work with them."

The Administration has been influenced to stay away from Mexico, Adelman, et al., by the State Department, whose old Arab hands fret that were we to put OPEC out of business, the result could be "destabilization" in the Persian Gulf—revolutionary takeover or invasion by neighbors. The countervailing view, that in the first place OPEC is destabilizing *our* societies (e.g., Italy), and in the second, escalating revenues are turning narrowly based oil-producing regimes into ever greater prizes for overthrow from within and incursion from without, is rejected out of hand, as is the fact that such ultraradical regimes as Libya and Iraq remain exceedingly anxious to sell their oil to us. Great weight is accorded the notion that Saudi Arabia, whose most recent change of government was effected by the assassination of the head of state while sitting on his throne and which feels compelled to maintain two separate armies—the mission of one of which is to guard the regime against the other—is a paragon of stability. The Arabists have the last word at State, and State has the last word on U.S. international energy policy.

The political support for the State Department's position comes from a coalition within the U.S. that benefits from high oil prices overseas: manufacturers of heavy machinery and transport equipment, who last year exported nearly $13 billion worth of goods to OPEC countries, five times as much as before the price rise in 1973 but less than half what we pay out for OPEC oil; international construction companies engaged by OPEC governments, which are undertaking projects like the petrochemical complex at Jubail, Saudi Arabia, the most expensive single building project in the history of civilization; banks that serve as depositories for more than $50 billion in OPEC surpluses and that have loaned OPEC governments more than $12 billion that can be repaid only if oil revenues remain high; oil companies, which see each OPEC price escalation as increasing the eventual value of their domestic reserves; weapons manufacturers that are selling to OPEC amounts of military matériel unprecedented in the annals of the arms trade; and a caravan of lawyers (e.g., Clark Clifford, J. William Fulbright) and publicists hired by OPEC governments to look after their interests at the petrodollar wellhead.

Outside of this coterie of direct beneficiaries of OPEC, there is no one among us whose life is not diminished by the economic, political, social, and moral dislocations caused by the foreign oil monopoly. That our institutions have failed to come to grips with this epochal issue is a challenge to those who recall that the founding of this nation was instigated by an unconscionable tax on a commodity not nearly so basic as petroleum is today. The time for rallying the constituency whose quiescence up till now so perplexed and disturbed my White House friend is ripe. There are men and women among our nation's energy policy makers who perceive that OPEC's monopoly exaction is a global tea tax, eroding the economic underpinnings of liberty worldwide. They can only move if the most far-seeing of their countrymen make it known that they are with them. To dump a shipload of Libyan oil in Boston Harbor would make the point nicely but the environmental impact would be lamentable. More circumspect avenues of expression must be pursued if the industrial and developing worlds are not to languish, needlessly, in subjection to petrocratic tyranny.●

SOME IMPRESSIONS OF THE 95TH CONGRESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● **Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report from November 1, 1978, into the CONGRESSIONAL RECORD:**

SOME IMPRESSIONS OF THE 95TH CONGRESS

The 95th Congress has come to an end, but several impressions of it will remain strong in my mind.

The strongest impression (which I may have because I write these lines after 31 hours of continuous floor action) is that the 95th Congress worked at a frantic pace, particularly in the last few months of the session. As the moment of adjournment approached, weary Congressmen voted on scores of major bills within a few hours. The House finished up with a record of 834 roll call votes, more than in any previous session. Some turmoil at the end of the session is unavoidable, but it is not good legislative practice to schedule a "log jam" of bills just before Congress goes out. It is apparent to me that the volume of business in Congress has simply become too great. There are too many agencies to oversee, too many programs to reauthorize, too many projects to study, and too many proposals to consider. In the years ahead Congress is going to have to learn the lesson of restraint when it debates proposed legislation.

My second impression is that the President finished the session with a much better record of congressional support than I had thought possible just a few months ago. The President had his notable failures, but his overall score card was good. One thing of interest to me was the support the President received from the Republican minority in Congress. On several occasions the Republicans conspicuously stepped forward to help him, especially when it came to foreign policy. During the year the President and his aides learned a great deal about Congress and the methods to be used to win over skeptical legislators.

The President took firm stands in foreign affairs and defense policy and pushed his views very hard on Capitol Hill. The Senate ratified the Panama Canal treaties and the Congress approved the proposed sale of airplanes to Egypt, Israel, and Saudi Arabia. In other developments, the arms embargo against Turkey was lifted and the veto of the nuclear-powered aircraft carrier was upheld. The President suffered scarcely a single major setback in these important legislative areas.

On the domestic side, the President's record was mixed. He secured passage of civil service reform, airline deregulation, and much of his economic program. He won approval for social security reform, a college student aid package, and a wide-ranging farm bill. Virtually all of his executive reorganization plans were accepted and his veto of inflationary water projects was sustained. With respect to the two most critical bills of the session—energy and taxes—the final products were adequate for him even though they differed substantially from his initial recommendations. His taxes on crude oil and on business use of natural gas and oil were dropped from the energy bill, but the other parts of the proposal survived. His tax reform measures and his attempt to maintain the capital gains tax rate were voted down, but the size of the final tax cut ($20 billion) was satisfactory to him. However, the President failed to convince Congress to follow his lead on hospital cost control, welfare reform, a new Department of Education, a new agency for consumer protection, and various election reforms.

The 95th Congress has already been dubbed the "middle-class Congress" by the press. This, too, was my impression. The problems of the middle class clearly overshadowed the social issues that have dominated the congressional agenda for so many years. For example, the tax bill departed from recent tradition by giving most of the benefits to middle and upper income taxpayers. Congress also reined in government spending, slashed the federal deficit, and supported large outlays for defense. A conscientious attempt to respond to the tax revolt, rising inflation, and the new wave of fiscal restraint lay behind much of the activity of the 95th Congress.

In the constant give-and-take between labor and business, labor came in second. Labor lost not only on its top priority—the labor law reform bill—but also on a common situs picketing bill, a cargo preference bill to help the maritime unions, and a bill to permit government workers to participate in partisan politics. Labor did get a minimum wage increase, but the increase was not as large as labor wanted. Business, on the other hand, succeeded more often. It won new tax incentives to encourage investment, postponed stricter automobile emission standards, slowed the onslaught of government regulations, and helped bring about a reduction in the number of public service jobs.

Environmentalists were generally pleased with the work of the 95th Congress. They favored the strip mining law, the expansion of national parks, and the elimination of unnecessary water projects. However, they were deeply disappointed in the failure of Congress to set aside 100 million acres of parkland in Alaska.●

INTELLIGENCE FAILURE—S. 2525

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. McCLORY. Mr. Speaker, in the proposed legislation to establish charters for the various intelligence agencies of our Nation, and particularly in the measure titled "The Intelligence Reorganization and Reform Act" (S. 2525) the potential for further damage to our intelligence capabilities should not be minimized.

A recent editorial in the Wall Street Journal issue of January 18, 1979, criticized the performance of the so-called Pike and Church committees of the last Congress. As the ranking minority member of the Pike committee, I agree that this criticism is fully justified. However, the time for inflicting damage on our intelligence agencies by legislation or hearings must come to a halt as we work to rebuild confidence in the support for these vital agencies of our Nation which are so essential to our national security.

Mr. Speaker, I am attaching hereto the Wall Street Journal editorial for the further enlightenment of my colleagues.

INTELLIGENCE FAILURE S. 2525

It sometimes happens that events bypass proposed legislation before it can be enacted into law. Something like this seems to have happened to S. 2525, the Intelligence Reorganization and Reform Act reported out of the Senate Select Committee on Intelligence, a new committee created in 1977. This bill, designed to protect our civil liberties against the "invisible empire" of an omniscient CIA, is the committee's response to public fears and images of wrong-doing created back in 1976 by the accusatory hearings of the Church committee, the Select Committee's predecessor.

The committee has been busy these years fine-tuning the bill in search of an appropriate mix between civil liberties and the Attorney General's prerogatives on "intelligence intrusion." And now Vice President Mondale and the American Civil Liberties Union are completing their negotiations over which circumstances permit what information to be collected in which way on which individuals, thus permitting the committee to mark up the bill for presentation to the Senate.

In the meanwhile the public has been learning of a long string of intelligence failures, of which the unanticipated collapse of the shah's position in Iran is the latest, and is wondering why the CIA's intelligence is so far off the mark. The public's concern has shifted from fear that the agency's activities will pre-empt civil liberties to fear that the agency lacks competence.

The time spent fine-tuning the bill has served a purpose. It has permitted more important facts about the nation's intelligence capabilities, or lack thereof, to come out before Congress could pass a bill and claim to have disposed of the intelligence problem.

That an analysis of Soviet open-source material by a single outside researcher could force the CIA to double its estimate of Soviet military spending; that the CIA could grossly underestimate the size, scope and purpose of the Soviet strategic buildup; that the CIA could not perceive the brewing instability in Iran—these enormous intelligence failures are what concern the American public today. The Intelligence Committee's bill does not address this concern. Indeed, to this day the committee has never held hearings on the fundamental issues of what intelligence does the U.S. need and how is the U.S. to acquire it.

The hearings sponsored by the Pike and Church committees were themselves intelligence failures. These circus-like performances bequeathed a one-sided concern to their successor committees, a concern that has prohibited them from dealing with the real intelligence problem.

Today the credibility of the U.S. is strained, both with its allies and its enemies. We cannot afford any more extravagant misperceptions. There will always be intelligence failures, but the goal should be to minimize them. Before the Senate passes a bill reflecting outmoded concerns, it ought to investigate the requirements of an effective intelligence service. Perhaps some hearings in this direction would be an appropriate new venture for the Select Committee on Intelligence.●

TOP NAVY RECRUITERS HOSTED ON CAPITOL HILL

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. PRICE. Mr. Speaker, it was indeed a pleasure for me to co-host with the Non Commissioned Officers Association of the USA (NCOA) a tour of the Capitol and a reception and luncheon on January 24, for the Navy's top recruiters of 1978.

The reception and luncheon were held in the Rayburn House Office Building with 59 guests present. Attending were Senators Strom Thurmond and John Warner, and Congressman Bill Frenzel.

Sending representatives were Senators Robert Morgan and Harrison Williams, and Congressmen William Chappell, Mendel Davis, David E. Satterfield, and Bob Wilson.

Other guests were: Rear Adm. Thomas Kilcline, the Navy's Chief of Legislative Affairs, representing the Chief of Naval Operations; Rear Adm. E. S. Briggs, Commander, Navy Recruiting Command; Master Chief Petty Officer of the Navy Robert Walker; Master Chief Petty Officer of the Navy Recruiting Command Charles Jackson; Fred Schwengel, former Member of Congress from Iowa and now president, U.S. Capitol Historical Society; Mr. Robert W. Nolan, Executive Secretary, Fleet Reserve Association; and representatives of the Navy League of U.S., Naval Reserve Association, Navy Office of Legislative Affairs, and Navy Recruiting Command.

NCOA's executive vice president Normand M. Gonsauls presented specially prepared certificates of achievement to the recruiters honored. He thanked each for their contribution to the Navy's effort in attracting qualified men and women to the U.S. Navy. Assisting Mr.

Gonsauls were Admiral Briggs and Master Chief Jackson.

Receiving certificates were: SMC Paul P. Covington, top enlisted recruiter from the Newark, N.J. recruiting district who was meritoriously promoted on Monday, January 22, to his present grade; BM1 Rufus L. Gibbs from Columbia, S.C. district; AG1 Michael J. Nelson, Minneapolis, Minn., district; TM1 Walter D. Trahan, Houston, Tex. district, NC1 James M. Eller, II, Pittsburgh, Pa. district, and RM1 Darrell R. Lanterman, Los Angeles, Calif. district.

Top recruiting officers, also receiving NCOA certificates, were: Lt. Cmdr. William H. Starnes, Raleigh, N.C. district, holding first place title in the officer category; Lt. Cmdr. Matthew D. Larson, Minneapolis, Minn. district; Lt. Charles J. Benway, New York, N.Y.; Lt. Thomas D. Snyder, Richmond, Va.; Lt. John E. Chalker, San Diego, Calif.; and Lt. John Robert Purket, New Orleans, La.

Honorary Navy Recruiter certificates were presented by Admiral Briggs to Messrs. Schwengel and Gonsauls. Gonsauls in turn gave "top recruiter" certificates to Briggs and Master Chief Jackson.

Also recognized were the wives of the top recruiters and the attending officers and enlisted men of the first place and runner-up recruiting districts for 1978. The Washington, D.C., area won first honors with San Diego and Jacksonville, Fla., as first and second runners-up respectively.

Earlier in the day, recruiters and their wives were treated to a tour of the U.S. Capitol. Acting as guide was our former colleague, Fred Schwengel, probably the most knowledgeable person today familiar with the building's history.

Acting as special hosts for the reception and luncheon were: "Mack" McKinney, master of ceremonies; R. W. (Dick) Johnson, Jr.; and John R. Butz; of the National Capitol Office; and Lt. Cmdr. Cecilia Brown USN and Lt. Andrea Nelson USN of the Navy's Congressional Liaison and Recruiting Command respectively.●

THE PHIL PORTNOY ASSOCIATION

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. RINALDO. Mr. Speaker, I wish to bring to the attention of the Members of this House the important public services performed by the private sector. The citizens of the United States are the backbone of our communities and of the many nonprofit, voluntary organizations that provide needed assistance in many different ways.

In my hometown of Union, N.J., the Phil Portnoy Association annually recognizes an outstanding member of the community for the public services he or she has performed. The association's humanitarian award and dinner this year also will assist a hospitalized veteran, Mr. Bob Baxter, a much admired and highly respected member of the community. For many years, until a tragic accident, Mr. Baxter was a photographer for the Union Leader, the community newspaper.

The Phil Portnoy Association's award this year will honor Mrs. Genevieve Pascale DiVenuto of Union, whose personal contributions to the community have been carried out over a period of 37 years, beginning with her volunteer service to the Nation in the World War II bond drive. The war bond sales played a significant role in helping the United States sustain our troops in Europe and the Pacific.

During that same wartime period, Mrs. DiVenuto joined many other young women as a staff worker for the USO, where she helped to rehabilitate our servicemen injured in combat.

In the postwar years, she became active in a day nursery program and in serving as the Union County, N.J., chairman of the March of Dimes. She also found time to serve as chairwoman of the Union Community Bloodmobile for the American Red Cross, and has been a leader in the Red Cross for many years.

Those of us who recall the scourge of polio during those years recognize that the work of volunteers like Mrs. DiVenuto helped to raise the funds to conquer polio.

Even after the breakthrough in the Salk vaccine had been achieved, Mrs. DiVenuto continued to direct the March of Dimes drive in Union County to help the victims of polio and to sustain the research into other childhood diseases that the March of Dimes took an interest in.

During the period of the sixties, Mrs. DiVenuto also became involved in promoting the cultural and historic aspects of community life through the Union Township Historical Society and the Union Township Symphony Concert Association.

These efforts also led Mrs. DiVenuto into new challenges in the business world. She was the charter president of the Women's Division of the Chamber of Commerce of Eastern Union County. The Union Township Chamber of Commerce selected her as Citizen of the Year in 1970, and she was the first woman to become the chairman of the Eastern Union County Chapter of the American Red Cross.

In the next few years, her many endeavors were further recognized by the Union Chapter of UNICO, which selected her as "Citizen of the Year."

Mrs. DiVenuto's compassion and sensitivity to the needs of the poor brought about her appointment to the Local Assistance Board of Union Township, and in 1978 she was appointed charter member of the Board of Directors of the Alcohol Intervention of Union County.

Mr. Speaker, this is an individual who has given her all to help the victims of accidents, injury, and other medical necessities.

She is truly a remarkable and outstanding woman whose service to the community and to our Nation is being recognized by the Phil Portnoy Association. I join the members of the association and the citizens of Union County, N.J., in paying tribute to this outstanding American woman.●

WILLIAM YANDELL ELLIOTT

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. ZABLOCKI. Mr. Speaker, a distinguished former member of the Committee on Foreign Affairs, Ambassador John Davis Lodge, has written me about the recent death of Prof. William Yandell Elliott of Harvard. Aside from his academic attainments, Professor Elliott also served as Chief of Staff of the Foreign Affairs Committee in 1947–48.

While I did not know Mr. Elliott well, I am aware of his reputation as a scholar, a teacher, and an outstanding public servant. On behalf of all of the members of the Committee on International Relations, I wish to take this opportunity to extend my deepest sympathy to members of Mr. Elliott's family.

Mr. Speaker, I include in the RECORD at this point a eulogy about the life and career of William Yandell Elliott, which was composed by his close friend and admirer, Ambassador Lodge. The statement follows:

WILLIAM YANDELL ELLIOTT

The departure from our earthly scene of William Yandell Elliott removes a brilliant, constructive patriotic American at a time when his remarkable intellect, his alert understanding of the world scene and his irrepressible courage are sorely needed.

I knew him well, for he directed the staff of the Foreign Affairs Committee of the House of Representatives when I was a member. We had an excellent staff, small and of top calibre. It was a luxury to have as the chief of staff a professor of such recognized distinction as Bill Elliott. His credentials were such that he was able year after year to ride out the criticism for his vigorously anti-communist stance which he received at Harvard.

His assistance and wise counsel were greatly appreciated by the members of the Foreign Affairs Committee and in particular by me, for we had a stimulating meeting of minds which is rare in this turbulent world of dissension and strife.

He influenced many students, some of whom afterwards reached high positions. He prodded and provoked even those who disagreed with him to greater effort and superior accomplishment. He did not, as some do, confuse breadth of mind with a failure to hold convictions. He thought of the University not so much as an opportunity for the faculty to search for the truth, but rather as an institution for the development of the minds and the formation of the characters of the students.

He held to his beliefs, not out of a stubborn inability to face the facts, but rather because having faced the facts, he fell inexorably upon the truth.

He will be missed. Today, in 1979, with the cold war an almost nostalgic memory, as the world is put to the fire and the sword, it is sad that Bill Elliott is not here to help us. He knew the enemy, his methods and his goals. He understood in all its terrible significance the dreadful challenge of our time.●

DECLINE IN FOREIGN LANGUAGE STUDY

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. PANETTA. Mr. Speaker, I call to the serious attention of my colleagues the following editorial which appeared in the Los Angeles Times on January 18, 1979. The editorial addresses a very significant issue in American education: The continuing decline of foreign language study at all levels in our school system.

As a member of the President's Commission on Foreign Language and International Studies, I have become increasingly concerned about the trend away from foreign language study in the United States. And because the study of a foreign language should properly be viewed as a tool toward better understanding of other cultures, the concern I have goes well beyond foreign language study itself. The main issue is not really whether Americans have the technical ability to communicate effectively in another language (right now, of course, far too many do not); the main issue in my mind concerns a more fundamental question: To what extent are Americans today able to understand the world in which we live?

Recent events in Iran, to take an obvious example, suggest to me a number of propositions: First, that events in far away countries have a profound effect on our own society; second, that Americans, both within and outside the Government, were totally unprepared to appreciate the compelling attraction which tradition and religion can have in societies which move too rapidly toward modernization; third, that we are far too often culture-bound in our assessment of world events; fourth, that this ignorance (almost a blindness, really) points up dramatically and frighteningly our present shortcomings in dealing effectively with a changing world.

America today faces difficult decisions in a world environment which essentially invalidates the crusty and simplistic assumptions which were so popular only a few short years ago. America today must learn to meet the challenge of a world in which there are few, if any, verities remaining, a world facing a population crunch, an energy shortfall, a food crisis, and a major military and political competition between two rival social orders. In this context, it is absolutely inexcusable for America to fail to educate its population, especially its youth, about the complexities of this world environment. Our survival demands a concerted effort on the part of every American to learn about the world, and Government has the responsibility to give every American an incentive to do so.

Before reading the editorial, let me leave you with the following thought: Given the inadequacy of present programs in foreign language and international studies, will it be possible for our Nation to discover and follow a path which best meets the needs of our Nation in a world which will be dominated by the debate between the North and the South over a world economic order which is not working well for either party. Because policy decisions in democratic society are inextricably linked to domestic political considerations, is not it then in the national interest to insure that our population, the electorate and the future leaders of our society, are sensitized to the problems of the world? Absent this sensitivity, finding the proper course for our Nation will become a very difficult matter indeed.

The editorial from the Los Angeles Times follows:

ETUDIEZ, S'IL VOUS PLAIT

Next to Mandarin, English is the single most widely spoken language in the world. It is the primary tongue of more than 370 million people, the second language of millions more. English has long since supplanted French as the international language of travel, commerce and diplomacy. That's an honor of sorts, we suppose, but it is one not without cost.

Our guess is that the fairly large numbers of English speakers in the world, combined with the immense international importance of our own country, is one reason for the sad state of foreign-langauge studies in the schools. A sort of unconscious linguistic imperialism seems to be at work. Why bother learning foreign languages when so many foreigners already speak ours? And, if they don't speak ours, then they damn well better learn to do so, or we'll take our tourism and our business elsewhere.

The larger and more demonstrable reasons for the decline in foreign-language studies are also the more obvious ones: the lack of student interest in them; the all-too-eager willingness of school boards to reduce or drop language requirements as an economy measure; the general softening of college admission and graduation standards so that a certain number of years of language study no longer are demanded.

Today, only 15 percent of all high-school students study a modern language. Fewer than 2 percent of that minority ever carry their studies to the third year. Only 1 percent of high-school students make any effort to learn Latin, a useful if not essential aid in learning modern languages. By contrast about 36 percent of secondary-school students were enrolled in foreign-language study programs in 1940.

Learning a language—any language—is hard. The limited proficiency with which so many "educated" Americans speak and write their own language helps illustrate the point. Yet we know of no credible evidence suggesting that Americans are inherently any more stupid than anyone else, at least when it comes to learning languages. People who have to learn a new language—in the military or government or private business—often are remarkably successful at doing so. One big reason, of course, is motivation. A second reason is that, under the spur of necessity, virtually full time can be devoted to foreign-language study. Such immersion is not practical in the normal schooling process.

Yet, if motivation cannot be assured among students, or lengthy time spared from other educational needs in the schools, at least some degree of exposure to foreign-language study can be required, and the earlier the age for beginning that the better.

A decade or so ago, the impression gained ground that foreign-language study isn't "relevant," which among other things meant that it isn't easy. True. But easy or not, it is rewarding, useful and, increasingly in a shrinking world, necessary, and the nation's schools and colleges would be better serving their educational purposes if they once again began insisting that students spend some time studying the languages that most of the rest of the world gets by in.●

THE CIVIL DEFENSE SHELL GAME

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. McDONALD. Mr. Speaker, up until very recently civil defense was not considered to be important in the scheme of things. Over the years, the U.S.S.R., increment by increment, has built up its civil defense system, until it is a huge effort. Arguments rage about its effectiveness, but its effectiveness will only be known after a war starts. What is important is how the Soviet rulers perceive the effectiveness of their system in the overall strategic equation. If the Soviet rulers feel that their present system will enable the Soviet Union to absorb a nuclear exchange with the United States and be able to go on fighting, then, obviously, strategic planning in the U.S.S.R. will take this factor into account. The Soviet system is designed to have people and factories survive. American planning is simply based upon the thought that "nuclear war is unthinkable" and if it occurs no one can win it. However, if our planners are wrong, there will be no loving cup for second place.

Leon Goure, a long-time authority on Soviet civil defense efforts, wrote an editorial that appeared in Strategic Review for Winter 1979 entitled: "The Civil Defense Shell Game," which I think addresses the problem we face in a succinct manner. I commend it to the attention of my colleagues:

THE CIVIL DEFENSE SHELL GAME

On November 13, White House Press Secretary Jody Powell announced that the President had decided to strengthen the U.S. civil defense program by developing plans over the next five years for the "relocation of population during time of crisis." This decision was said to be the result of a year-long interagency study, directed by the National Security Council, of U.S. civil defense policies and programs. The study also took into account the "civil defense efforts of the Soviet Union, among other factors."

On the basis of the recommendations of this study, Powell said, the President had decided upon a civil defense program "which basically states that civil defense is an element of the strategic balance in conjunction with our offensive and defensive forces and can serve to enhance deterrence and stability." On the surface, this decision appears to reverse earlier reported views of Secretary of Defense Harold Brown and the then Director of the Arms Control and Disarmament Agency (ACDA), Paul Warnke, who had argued that the Soviet civil defense capabilities—and consequently also U.S. civil defense—did not affect the U.S.-Soviet strategic balance and the effectiveness and credibility of the U.S. deterrence posture.

Indeed, the Presidential decision, as reflected by Powell, seemed to hark back to the warnings that former Secretary of Defense Donald Rumsfeld sounded in the *Defense Department Annual Report*, published on January 17, 1977. In it Rumsfeld took note of the "magnitude of Soviet civil defense efforts" and warned that this capability, when "coupled with high accuracy and more reliable missiles, could adversely affect our ability to implement the U.S. deterrence strategy." Rumsfeld foresaw the possibility that a Soviet first strike "could conceivably eliminate most of the fixed U.S. ICBM forces, all the non-alert bombers (and perhaps even some on the alert), and all of the SLBMs in port" so that the "U.S. second-strike retaliatory forces would have a much lower damage expectancy," while "Soviet damage expectancy against the U.S., by contrast, would remain almost constant."

An implication of such an asymmetry was cited in a letter, also in January 1977, from the Chairman of the Joint Chiefs of Staff, General George S. Brown, to Senator William Proxmire, in which he noted that in a "worst case scenario a fatality ratio of 10 to 1 [U.S. as against Soviet fatalities] might occur." At the present time, it is estimated that a massive Soviet first strike could inflict on the unprotected American populace something on the order of 140 million fatalities. With the continuing build-up of Soviet strategic capabilities, this number may climb to 160 million by 1985. Meanwhile, Secretary Brown has acknowledged the existence of a growing threat to the survival of U.S. ICBMs.

The timing of the Administration's announcement of an enhanced civil defense program, which Powell described as providing for "an increase in the number of surviving members of the population and for greater continuity of government, should deterrence fail," inevitably led to speculation that it is primarily intended to influence Congressional attitudes toward the ratification of a soon-to-be-concluded SALT II Agreement. The Administration has denied these allegations. Yet, if the Administration is as serious about launching a new long-term civil defense program as it claims to be, it has been remarkably inept in making a case for the plan.

First of all, the Administration had weakened its arguments in favor of the program by publishing in July a CIA report on Soviet civil defense, which purported to represent the findings and conclusions of a crash effort by the intelligence community to assess the scope and implications of the Soviet civil defense program. Actually the study was based on a small sample of Soviet cities. Moreover, because of bureaucratic in-fighting, the intelligence analysts were forced to make use of a mere portion of the available evidence and to agree to a report which was intended to preclude "alarmist" findings. As a result, the report makes sweeping but unsubstantiated conclusions which were favored by the ACDA and State Department representatives on the Drafting Committee.

As published, the report not only seriously underestimates Soviet civil defense capabilities, but is rife with obvious contradictions and inconsistencies. Thus, the report found that "the Soviets almost certainly believe their present civil defense would improve their ability to conduct military operations and would enhance the U.S.S.R.'s chances for survival following a nuclear exchange," as well as "speed recovery from the effects of a nuclear war," and that given time to implement its civil defense measures in a crisis, the Soviet Union "could reduce casualties to the low tens of millions, about half of which would be fatalities." At the same time, however, the report concludes that the Soviet leadership "cannot have confidence" in the degree of protection provided by civil defense and therefore would not be emboldened by it "deliberately" to risk a nuclear war. Various critics of a stronger U.S. defense posture have been quick to cite these conclusions in support of their arguments that the United States does not need to improve its civil defense capability.

The way in which the Administration's announcement was presented also fueled skepticism—as well as suspicions that the proposed program may represent more a palliative intended to dispose of the civil defense issue than a real effort to develop a meaningful capability. While announcing that the program would emphasize crisis relocation of the urban population, the Administration appeared unprepared to describe the elements and basic requirements to be included in the program and the levels of expenditures that were being contemplated. In the absence of such information, the proposed program lacks credibility and, as could be expected, led many commentators to express doubts about the feasibility of implementing the plan in a crisis. For example, Mr. Warnke immediately added expertise in traffic control to his law and arms control credentials by claiming that the proposed plan would merely result in an insoluble traffic jam.

In fact, the Administration, having embraced crisis relocation as a civil defense program, has a choice between a mere planning exercise, which at best might reduce U.S. fatalities by some 40 per cent in the event of a war, and a more comprehensive program that would include preparations for fallout protection for the evacuated population and other important survival measures to hold out a reasonable hope for the survival of 80 per cent or more of the American people in the event of a nuclear attack. The crisis relocation program which had been prepared for consideration by the Secretary of Defense envisaged such measures at an approximate total expenditure over five years of a little under $2 billion in current dollars, or at an average annual cost of some $1.70 per capita.

In his November 30 press conference, however, President Carter said that "press reports about a $2 billion civil defense program have been completely erroneous," and asserted that "no proposal has ever been made to me for a civil defense program of that magnitude." One may wonder what sort of program had been proposed to the President that would meet the strategic objectives cited by Powell. Apparently, having announced the new civil defense program, the Administration has yet to decide what sort of program it is willing to buy. According to Powell, the Administration is thinking about a "moderate increase" in the civil defense budget, which in the past year amounted to some $92 million, of which 70 per cent went for salaries. "We are talking about a plan here" said Powell on November 13 and "final decisions will have to be made in the budget-making process each year." Such an approach does not augur well for a sustained five-year effort, during which the Office of Management and Budget will decide in large measure how much to spend on war survival insurance for the American people.

Given the President's reaction to press reports of a $2 billion five-year program (the CIA report estimated that it would cost the United States $2 billion *per year* to duplicate the annual Soviet level of effort in civil defense), one is led to suspect that the Administration has in mind a "paper" program for crisis relocation rather than the development of a real capability to ensure the survival of the largest possible number of American citizens. Should this be the case, the proposed program will not make an effective contribution to the maintenance of the strategic balance, nor will it "enhance deterrence and stability." Rather, it will merely perpetuate the existing and still growing asymmetry between the United States and the Soviet Union in war survival capabilities.—Leon Gouré.●

MOST VIETNAM VETERANS HAVE MADE SUCCESSFUL TRANSITION TO CIVILIAN LIFE

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. ROBERTS. Mr. Speaker, a veteran of the Vietnam era is entitled to the same veteran's rights and benefits as veterans of all wars. Many have complained that Vietnam-era veterans are not receiving adequate educational benefits and assistance as compared to veterans of previous wars. This statement does not stand up under close scrutiny. To the contrary, it is generally agreed that veterans of the Vietnam-era conflict are receiving comparable assistance under the present GI bill as was provided veterans of previous wars.

It is pleasing to note that there are more and more news stories appearing in the press which recognize that the majority of Vietnam-era veterans have taken advantage of the benefits Congress has made available for them and have made a successful transition from military to civil life. In this regard, I call to your attention an article entitled "Vietnam Veterans," dated January 10, 1979, which appeared in the Brainerd Daily Dispatch, Brainerd, Minn.

Vietnam Vets

Vietnam era veterans, who participated in an unpopular war, may feel betrayed, but they don't fit the negative perception many people have of them. The average Vietnam veteran has taken advantage of federal education, is married and has a better income than many in his age group.

Many Americans who have wanted to forget Vietnam and the veterans of that period are still inclined to lump them as drug-crazed killers, dopers or prison inmates. William Kroger, writing in the December Nation's Business, however, gives a different picture entirely. Most Vietnam veterans have made a successful transition to civilian life.

There are 8,734,000 living veterans from the Vietnam era and 2.6 million actually served in Vietnam. About 80 percent of them had completed high school, making them the best educated veterans in history. And 64 percent of them have used the GI Bill for further education since they left the service.

The Veterans Administration reports the median income for a Vietnam veteran and his family in 1976 was $15,790 compared to $14,620 for comparable nonveterans. Loans for the purchase of homes have been made to 1.8 million veterans. Other statistics show they are productive and involved in society.

The Vietnam era also was a time of the civil rights movement, hippies, increasing unemployment and slow economic growth. The war divided families and inspired all kinds of demonstrations, particularly on college campuses.

Television and movies helped depict the Vietnam veteran as addicted to drugs and with deep psychological problems. Studies show that dependence on narcotics among men who served in Southeast Asia from 1970 to 1972 was no greater than for nonveterans in the same age group. A White House study estimates 20 percent of the Vietnam veterans still face readjustment problems. Alcohol abuse is a greater problem than drug abuse.

Society as a whole is to blame for how it has treated the Vietnam veteran, says Dr. Peter E. M. Beach, director of veterans affairs for the Department of Health, Education and Welfare. "Society wants to sweep that whole era under the rug. It cannot look objectively at Vietnam and it will be many more years before it can."●

H.R. 80—FAIR TREATMENT FOR DAIRY FARMERS

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. OBEY. Mr. Speaker, the first bill I have introduced in the 96th Congress is H.R. 80, a bill to extend the 80 percent minimum price support level for milk for 2 more years and continue the semiannual adjustments for inflation through September 30, 1981.

Under current law, the minimum support price for milk is scheduled to drop from 80 percent of parity to 75 percent on October 1, 1979. The milk price support level is set annually by the Secretary of Agriculture to assure an adequate supply of milk for consumers and an income level for dairy farmers that will allow them to continue to produce sufficient quantities of milk to meet anticipated demand. Although there is no indication at this time what Secretary Bergland will decide to do this year, it is clear that unless Congress acts to extend the existing provision for 80 percent of parity as the lowest support level the Secretary may set, there will be pressure on him to drop the support price to 75 percent. And that would be not only unfair to dairy farmers, but also potentially disastrous for the Nation's dairy industry.

The most practical policy goal for the dairy industry at this time should be to prevent a return of the "boom-bust" cycle that could wipe out recent modest gains dairy farmers have made and cripple efforts to stabilize the farm economy in States like Wisconsin as well as other rural areas throughout the country. For the past 2 years, the dairy price support program has been working to improve the income level for dairy farmers at the same time it has provided an adequate supply of milk at reasonable prices for consumers. The most encouraging aspect of this situation has been that the fears of those who were opposed to a higher support price for milk have not been realized. Dairy farmers did not glut the market with huge increases in milk production. The Federal Government did not have to continue to buy up and store enormous amounts of surplus dairy products at a heavy cost to taxpayers.

In fact, milk production has actually declined slightly as a result of the improved price support program and other factors. In fact, Government purchases of butter and cheese actually ceased last summer and small amounts were sold back to the industry in the fall at a price 10 percent above the original cost to the Federal Treasury. During the milk marketing year ending September 30, 1978, dairy surplus purchases were 54 percent less than the amounts brought up the previous year.

In fact, since last summer, favorable market conditions have boosted milk prices to about 5 percent above the support price, making it unnecessary for the Government to purchase manufactured dairy products in order to maintain an adequate market for milk.

But forecasters predict at least a seasonal decline in milk prices in early 1979, and of course, inflation may continue to erode whatever small gains dairy farmers have made recently.

The legislation I have introduced will have no appreciable effect on the price consumers now pay for their dairy products, since milk prices are above the support level. But it will serve as a badly needed insurance policy for dairy farmers so they can plan to meet future needs without worrying that they will have the rug pulled out from under them just because they are a political minority in this country.

The milk price support program does not guarantee a dairy farmer any more profit for his efforts. But it can work to insure that a farmer will not lose everything if the market drops sharply.

Mr. Speaker, I am very pleased that Congressmen AL BALDUS, ROBERT KASTENMEIER, LES ASPIN, CLEM ZABLOCKI, and JIM JEFFORDS joined me in cosponsoring H.R. 80. We want to continue to hold the bottom line on milk price supports at a decent level and urge other Members of the House to join us in this effort.●

QUIET EVOLUTION OF SRI LANKA

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. YATRON. Mr. Speaker, in a day when we are constantly bombarded with news of international rivalries, tensions and violence, economic hardships and social conflict, peace, relative prosperity and harmony easily can escape our notice. Disorder seems to be the order of the day in many countries around the world and commands public attention.

One exception which I would like to bring to the attention of our colleagues today is the country of Sri Lanka. The fact that many people still know Sri Lanka as Ceylon is convincing testimony to that nation's quiet evolution as the gemstone of the Indian Ocean.

On February 4, Sri Lanka will mark the 31st anniversary of its independence from Great Britain. That same day will conclude the first year in office of His Excellency J. R. Jayewardene, the country's first Executive President.

The people of Sri Lanka will have good reason to celebrate. Their country is a stable, functioning democracy, a rarity in today's world in which we can all take heart. Because of that stability and dedication to representative government, the Sri Lankan experience has received little attention in the American national media.

Their economy continues to gain strength and the government is taking steps to further liberalize the economic system.

Respect for human freedom is a fundamental and practical commitment in Sri Lanka.

In the international system, Sri Lanka has provided positive leadership as a member of the movement of nonalined nations. The country often has been the voice of moderation, seeking compromise rather than confrontation in promoting nonalined interests.

Mr. Speaker, I am pleased to commend to the attention of our colleagues the example of Sri Lanka, whose people will celebrate their independence on February 4. They deserve the recognition, not only of this great body, but of the entire international community as well.●

CIVIL LIBERTIES IN LITHUANIA

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. DONNELLY. Mr. Speaker, 6 months have passed since the trial, conviction, and sentencing the Lithuanian dissident Viktoras Petkus, and nearly a year has gone by since fellow Lithuanian, Balas Gajauskas' arrest and sentencing.

Under the illusion of an open trial these brave men were sentenced to terms of 15 and 10 years, respectively. Mr. Petkus was called to task for his involvement with the Lithuanian group to monitor the Helsinki accords. Mr. Gajauskas' sentence centered on the charge that he had managed funds for Alexandr Solzhenitsyn for the support of Soviet dissident activities. Such flagrant exhibitions of callous disregard for both the judicial process and human rights have even incurred the condemnation of the Communist Parties of Italy and France.

Soviet repression extends not only to the individual right to dissent but also to the squelching of all religious influence in a state which professes unfettered freedom of religion. The vast majority of the Lithuanian people have fiercely clung to their Catholic faith and traditions for nearly a millenium. Even though subjected to a course of continual harassment, the Catholic Church survives and is said to even flourish in Soviet Lithuania, particularly among the youth.

Pope John Paul II, in his recent discussions with Soviet Foreign Minister Gromyko is said to have broached the subject of relaxing restrictions against Catholics' profession of faith as well as the Church establishment. The Pope, a strong supporter of renewed human rights issues, is seeking to restore the five ancient Lithuanian dioceses with bishops and increased numbers of clergy to administer the faithful. We can only hope that his good offices and his familiarity with Communist suppression of religion help alleviate the tremendous burden carried by these proud people.

The sorry state of civil liberties in Lithuania serves as a living reminder to the Western World of the great open society we enjoy; one in which our freedom to worship or express our dissent with official policy remains unabridged. I ask my colleagues to join with me in expressing their support for the heroic struggle of the Lithuanian people.●

ELI ISENBERG—COMMUNITY LEADER

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. DANIELSON. Mr. Speaker, I call to the attention of my colleagues a man who has been, throughout his remarkable career as a newspaper reporter, editor, and publisher, an exemplary citizen of the community of Monetery Park and the congressional district which I represent. Eli Isenberg's life typifies the great American success story, marked by numerous achievements throughout his climb from small town newspaper reporter in Lynn, Mass., to editor and publisher of a chain of newspapers in southern California, and president of the parent company of the newspapers, San Gabriel Valley Publications.

In 1947, the year following Eli and Josephine Isenberg's arrival in Monterey Park, Calif., Eli acquired the Monterey Park Progress, serving as its editor and publisher until October 1978. As president of San Gabriel Valley Publications, Mr. Isenberg was also responsible for the publication of the South San Gabriel-Rosemead Progress and the East Los Angeles-Montebello Progress.

During the years when Eli was publisher of the Progress, the newspaper received numerous awards for editorial excellence, including awards from the California Newspaper Publishers Association for best special issue (weeklies) in 1974 and best editorial page (weeklies) in 1957, several awards from the Pacific Coast Press Club and awards from the national Suburban Press Foundation and California Press Women. Mr. Isenberg was honored personnally by the Pacific Coast Press Club for meritorious service with the Arnold J. McCourtney Memorial Award.

Not content to rest on the acclaim which had been showered upon him by other members of his profession, Eli Isenberg continued to strive for excellence and greater achievement in his field. Thus, in 1975, San Gabriel Publications acquired title to the Alhambra Post-Advocate, and succeeded in turning a failing publication, strapped by financial problems, into a thriving, highly respected newspaper.

As evidence of Eli Isenberg's ability to develop a newspaper business which meets the industry's highest standards, the San Gabriel Valley Publications company was recently purchased by Scripps-Howard Newspapers, one of the largest and most widely acclaimed newspaper empires in the country.

Remarkable and commendable as Eli Isenberg's newspaper career has been, it is his contributions to the community for which we are thankful and for which he will be best remembered. Throughout his 32 years of residence in the area, all during Mr. Isenberg's successful climb to the top of his profession, Eli never lost sight of the needs of his fellow citizens and neighbors in Monterey Park, and has contributed greatly to improving the quality of life in his community.

Despite the many obligations involved in running a newspaper business, which demanded most of his attention, Eli Isenberg always found time to help the community in every way possible. Because of his dedication to helping those around him, Eli Isenberg was honored in 1961 as the man of the year by the Alhambra area B'nai B'rith lodge, and in 1967 as Monterey Park's most valuable citizen by the Monterey Park American Legion Post. In addition, Mr. Isenberg has been awarded a Paul Harris fellowship by the Monterey Park Rotary Club. He is currently the senior member of the Presidential Advisory Board of California State University, Los Angeles, and has served on the Monterey Park Chamber of Commerce Board of Directors. Mr. Isenberg served as president of the chamber in 1956. Eli Isenberg is a founding member of City Beautiful in Monterey Park, and has contributed greatly to the community in this capacity. In all of these activities he has had the priceless support and help of his wife, Jo.

On February 9, 1979, the citizens of Monterey Park will once again pay tribute to Eli Isenberg, at a testimonial dinner given by his many friends. While the newspapers formerly owned by San Gabriel Valley Publications will miss Eli Isenberg as head of the company, they will continue to benefit from his talents in the field, as Scripps-Howard has appointed him to serve as general manager of the papers. In this capacity, Eli will remain in the Monterey Park area, and will continue to serve the entire community. I share the pleasure of the citizens of Monterey Park in knowing that Eli and Jo Isenberg will remain with us, and am pleased to have this opportunity to salute Eli's many contributions to the community.●

TRIBUTE TO CARL A. JOHNSON

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. MOAKLEY. Mr. Speaker, this past November, one of the finest civic leaders in the Town of Norwood, Mass., passed away. Carl A. Johnson was a self-made man who built his automobile showroom to be one of the best in the State. At 82 it was not uncommon for Mr. Johnson to work 10- and 12-hour days at his business.

Although he worked very hard on his own business, he took the time to get involved in civic activities. Among his numerous town and State activities, he helped establish Norwood Airport as a community run venture instead of a business venture. Mr. Johnson also served as a vice president of the Boston Metropolitan Airport Corporation.

As a veteran of World War I, Mr. Johnson was very involved with the American Legion. He also helped establish the Norwood Rotary Club. As a member of the business community, he belonged to the 100 Club of Boston, the Automobile Organization Team and the Swedish Square and Compass Club of Boston.

The passing away of Mr. Johnson will be felt by both the town and his friends. In his honor, an annual scholarship has been set up at Norwood High School to begin with the graduating class of 1979.●

SMALL VESSEL MANNING

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. BIAGGI. Mr. Speaker, I am introducing today a bill to provide the Coast Guard increased flexibility in prescribing manning requirements for small vessels.

During the 95th Congress, the Subcommittee on Coast Guard and Navigation held extensive oversight hearings on the Coast Guard's marine safety program. This comprehensive review, which evaluated the implementation and effectiveness of the navigation and vessel safety laws, highlighted some problem areas that require legislative remedies. One of these is the need to revise the antiquated and unclear manning requirements for small vessels carrying freight and passengers for hire, which have been codified at sections 224, 390, and 404 of title 46, United States Code.

The specific problem that the bill I am introducing today addresses involves the application of section 404. This section provides that no vessel of above 15 gross tons and in excess of 65 feet in length carrying passengers for hire may be navigated without a licensed engineer and a licensed pilot. The Coast Guard has, however, for some time allowed those vessels in this category that are not above 100 gross tons to navigate without a licensed engineer and a licensed pilot, regardless of their length.

They have done this on the authority of section 222 of title 46, which is a general statute authorizing the Coast Guard to prescribe such manning requirements as the Coast Guard finds necessary for safe navigation of the particular vessel.

Instead of a licensed engineer and a licensed pilot, the Coast Guard allows these vessels to operate as if they were subject to the so-called "Small Passenger-Carrying Vessel Act" in section 390 of title 46. In effect, that act—which applies to vessels that are over 15 and under 100 gross tons and not over 65 feet in length—is being applied to vessels of under 100 gross tons that are over 65 feet in length.

I believe that this interpretation and application of the law is erroneous, and a recent court decision—*M.E.B.A.* v. *Brock Adams,* Civil No. C–77–370 (D.C.N.D. Oh. 1977)—supports my belief. In that case, the court agreed that the Coast Guard was not enforcing the so-called 8-hour or 3-watch system law, and enjoined administration officials to perform their statutory duty and enforce congressional mandates.

The court held that the specific requirement of a 3-watch system in section 673 of title 46 limited the application of section 222. I believe that the specific requirement of section 404 likewise limits the Coast Guard's use of section 222 in waiving licensed pilot and licensed engineer requirements on passenger vessels over 65 feet in length and between 15 and 100 gross tons.

While the Coast Guard's actions with regard to these small vessels may be appropriate and practical from the standpoint of safety and imposing minimum necessary manning requirements, they are not consistent with my view of the law. Neither the Coast Guard nor the Department of Transportation can ignore the law. The administration has recognized the confusion inherent in these antiquated laws, but it has not initiated legislation to clarify them. I am, therefore, introducing this amendatory legislation to accomplish that purpose.

The proposed bill will simplify existing law and give the Coast Guard more flexible authority to prescribe manning requirements for passenger-carrying vessels. It does this by removing passenger vessels of 15 to 100 gross tons and over 65 feet from section 404 and subjecting them to section 390 instead. It also deletes the specific requirement for licensed engineers and pilots in section 404 and, in lieu thereof, provides the Coast Guard with authority to prescribe by regulation for the manning of small vessels and for the duties and qualifications of their personnel. Other proposed changes are consistent with these.

It is my hope that enactment of this bill will be another step on the path of clarifying and updating our maritime safety laws.●

LEGISLATION FOR FUTURE LEGAL HOLIDAYS

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. BEARD of Tennessee. Mr. Speaker, I am introducing legislation today to require that all future legal public holidays fall on either Saturday or Sunday. This proposal will not affect the celebrations of existing national holidays.

According to the Office of Personnel Management, the personnel cost of a holiday to the Federal Government alone is estimated to be $194,500,000. While the Federal Government has no jurisdiction to propose national holidays for other than the District of Columbia and Federal employees, individual States usually follow its lead. The added personnel costs of such action, could result in 10 or 20 times the $195 million estimate for the Federal Government. The cost is staggering.

In the 95th Congress, many bills were introduced to commemorate a famous person's birthday or eventful day as a legal public holiday. These included the birthdays of Susan B. Anthony, Franklin Delano Roosevelt, and Martin Luther King, Jr.; other proposed legal holidays were Flag Day, American Business Day, Election Day, and Inauguration Day.

I think we all will agree every one of these proposals deserves full and serious consideration by the Congress. My bill does not detract in any way from the merits of any of these proposed national holidays. It merely requires that they be celebrated on a Saturday or Sunday to avoid the terrific costs to our Nation.

Mr. Speaker, at a time in our history when we are facing grim projections on the economic health of our country, and a large Federal deficit, it would be unwise for us to exacerbate this problem.

A great Nation respects its institutions and honors its leaders in special and appropriate ways. One of these forms of recognition is legal public holidays. This time honored practice should be continued. My bill does not alter this process.

[1] COST OF LEGAL PUBLIC HOLIDAYS

Cost of 1 work day (2.4 million employees)	$173,000,000
Premium holiday pay	21,500,000
Identified personnel costs	194,500,000

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SENIOR CITIZENS HEALTH INSURANCE

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. MOAKLEY. Mr. Speaker, today I rise in support of Mr. Brodhead's legislation concerning senior citizen health insurance. As we all know the cost of medical care is very expensive. The people that are hardest hit in this country are our senior citizens.

With inflation on the rise and senior citizens on a fixed income, protection should be provided for our elderly in the area of insurance abuses. Medicare, today, pays only a small part of senior citizens health care cost. This forces many of our elderly to buy supplementary insurance policies.

When presented with the problems of buying supplementary insurance policies, the senior citizen must be allowed every chance to buy a policy at the least cost. The Senior Citizens Health Insurance Standards Act of 1979 provides this opportunity. It would prohibit insurance companies from selling overlapping and confusing language. It also prohibits an insurance agent from using harsh tactics with our elderly.

I speak for the senior citizens of the Ninth Congressional District of Massachusetts, and for those of the Nation, when I say that it is high time that we stop these abuses. I want to urge all my colleagues to press forward on this most urgent issue:

JANUARY 17, 1979.

SENIOR CITIZEN'S HEALTH INSURANCE STANDARDS ACT OF 1979

DEAR COLLEAGUE: I invite you to cosponsor The Senior Health Insurance Standards Act of 1979, a bill to outlaw gross abuses in the marketing of so-called "medi-gap" insurance to senior citizens. Medi-gap is a term applied to private insurance which provides more than the minimal coverage provided to senior citizens under Medicare.

Recent hearings before the House Select Committee on Aging, chaired by Representative Claude Pepper, and hearings before the Senate Special Committee on Aging, chaired by Senator Lawton Chiles, have documented gross abuses in the marketing of supplemental health insurance to the elderly. Among them were the selling of duplicative and over-lapping policies, the sale of policies with misleading conditions and language (for example, policies which claim to cover nursing home expenses but neglect to inform purchasers that the type of care offered by three-quarters of the nation's nursing homes was exempt), sale of policies with clauses disqualifying beneficiaries who have a disease or condition within a specified period ("pre-existing conditions"), the use of scare tactics by agents to sell policies, and failure to disclose in clear understandable language the contents of policies sold.

The House Committee has estimated that senior citizens are being bilked to the tune of $1 billion every year by unscrupulous companies and their agents. I believe this is a national disgrace and the federal government which helped create the problem through the gaps and limitations in Medicare has a clear responsibility to act. Some 15 million Americans over 65 purchase supplementary health insurance. Medicare covers only about 38 percent of the health care costs of senior citizens. It does not pay the difference between what Medicare calls "reasonable and necessary" costs and what the physician actually charges.

One of the best indications of whether an insurance company is taking unfair advantage of its clients is the company's loss ratio, i.e., the percentage of health insurance premium dollars a company pays out in claims. Blue Cross-Blue Shield and the best private companies return about 90 percent of premiums to the insured in claims. However, companies which have a clear track record of abusing the elderly have shockingly low loss ratios . . . some as low as 20 to 40 percent.

The bill which I have introduced today mandates federal minimum standards which companies selling medi-gap insurance to the elderly must meet. It also directs the Secretary of Health, Education and Welfare to make a comprehensive study of methods to assure that good quality health insurance is available to the elderly at a reasonable price.

Each state must submit a minimum standards plan to the HEW Secretary which will accomplish the following objectives:

1. insurance companies must return at least 75 percent of premiums in the form of benefits.

2. prohibition of the sale of insurance which duplicates Medicare coverage.

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[1] Figure obtained from the Office of Personnel Management.

3. drastic limitation on pre-existing conditions.

4. requirement of full disclosure of all policy provisions to purchaser.

5. requirement that policies be written in plain and simple language.

The bill utilizes the existing state regulatory mechanisms by requiring each state to change its law and/or regulations to meet at least the minimum standards set up by the bill. If the states do not elect to regulate the insurance companies themselves, then the Secretary of H.E.W. shall enforce the minimum standards in that state. Except for some minimal administrative expenses, these vital reforms could be accomplished at no additional cost to the taxpayer.

Despite the widespread evidence of abuse, it would be erroneous to conclude that all insurance companies are guilty of these abuses. In fact, most of the nation's insurance companies are reputable and market fair health policies.

I wish to extend my highest praise to Representative Claude Pepper (D-Fla.), Chairman of the House Select Committee on Aging, and Senator Lawton Chiles (D-Fla.), who conducted the Senate hearings, for the excellent work they did in uncovering these abuses.

If you have any questions or would like to cosponsor, please call Jim Boxall at x54961.

Sincerely,

WILLIAM M. BRODHEAD,
Representative in Congress.●

U.S. RELATIONSHIP WITH TAIWAN

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. ROTH. Mr. Speaker, many excellent editorials have been written regarding the pros and cons of U.S. recognition of the People's Republic of China and the visit of Vice Premier Teng Hsiao-ping,

All of us have read a great deal about this major shift in U.S. foreign policy. I want to share with you and my colleagues, as well as the nation, an outstanding editorial from the Marinette Eagle-Star.

It strikes me that this commentary is fair to all viewpoints; it is a balanced analysis of an issue that requires thoughtful consideration.

I am pleased to submit it to my colleagues and opinion leaders across America for their consideration:

WHITE HOUSE DEFENDS TAIWAN DECISION

The challenge in the courts and opposition in Congress to the new U.S. policy toward the People's Republic of China and Taiwan appear to have been compounded by the administration failure to consult with congressional leadership or the foreign relations committees about the negotiations that led to the momentous diplomatic change. Establishment of full diplomatic relations with China and announced coming termination of Mutual Defense Treaty with Taiwan was legal in the view of the president. Whether or not the Carter view prevails in court, reaction by members of the newly convened 96th Congress suggests that the decision to exclude it from the diplomatic process may have been unwise.

The termination of official relations with Taiwan has become a particular target. The court action filed by Sen. Barry Goldwater and others challenges the president's authority to terminate a treaty without the prior advice and consent of the Senate. The fact that China gained diplomatic recognition at the expense of an old ally has become a primary issue among opponents in the Congress.

President Carter made his momentous announcement of the new China policy on Dec. 15. That the administration would be forced to defend that decision became apparent immediately. No doubt in response to the court challenge and in anticipation of mounting animosity in Congress, early in January the White House circulated to the nation's press a background report entitled "China" and a fact sheet which it labeled "Taiwan—The Mutual Defense Treaty."

The latter document deals not with the terms of the treaty nor the consequences of its termination. It is devoted instead to a response to the court challenge of the administration's action without prior advice and consent of the Senate or other congressional action. It begins with a quotation by the president from a Dec. 19 interview in which he declared: "My constitutional authority in establishing relationships with foreign countries is clear and cannot be successfully challenged in court."

To support that firm opinion, the White House quotes from Article 10 of the Taiwan treaty which provides that: "Either party may terminate it one year after notice has been given to the other party." The president's announcement on Dec. 15 constituted that notice, the administration says, adding that the treaty makes no reference to the Senate or Congress or the need for approval of the Legislative branch in order for notice to be given of termination of the treaty. The administration adds its belief that the power of the Senate to advise and consent to a treaty is fulfilled when the treaty is made. It sees nothing in the treaty to indicate that the Senate anticipated prior consultation or approval before the termination clause could be exercised by the president.

The White House document cites a number of scholars and legal authorities to support its position. It also notes that while Article 2, Section 2, of the Constitution provides that the president "shall have the power, by and with the advice and consent of the senate, to make treaties, provided two thirds of the senators present concur" . . . it does not specifically address the question of treaty termination. If the pending challenge in the courts is carried to a conclusion, whatever decision is reached will be the first concerning the issue.

The White House background report on the recognition of China tends to lean on previous actions by others as justification for the president's decision to grant full diplomatic recognition to China. "The president's announcement was not an overnight development" it declares, but the result of a process of normalization of relations that has occurred over a period of years. It describes the Carter decision as the achievement of "a goal which had been sought with increasing intensity since President Nixon visited that nation in February 1972," and an effort continued by the Ford Administration.

The China policy is not the first touchy diplomatic issue faced by President Carter because it became his lot to terminate initiatives undertaken by his predecessors. The first was the controversial Panama Canal treaties which triggered bitter debate before ratification was achieved. That situation differed from the present, of course, in that there was no question that the advice and consent of the Senate was required.

There is little likelihood that the president will not have his way in implementation of diplomatic recognition of China, although confirmation of Leonard Woodcock as ambassador probably will be delayed. Opponents of the policy are expected to utilize the confirmation hearings as an opportunity for public discussion of the administration decision. Given the manner in which they were ignored in the negotiating phase, it would not be surprising if members of Congress distrust White House assurances that it intends to establish a corporate organization in Taiwan to maintain full commercial, cultural, trade and other relations with that country. One would expect to see legislation to specify what the future U.S.-Taiwan relationship should be.●

SALT VERIFICATION ISSUES CONNECTED WITH MAP AND MOBILE ICBM SYSTEMS

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. BEARD of Tennessee. Mr. Speaker, in an excellent and concisely written paper Mr. Roland F. Herbst discusses the strategic and SALT implications of the U.S. deployment of a so-called multiple aim point (MAP) ICBM system. The MAP system, more recently designated the multiple protective system (MPS), would consist of a proliferation of shelters within which our ICBM's and their launchers would be accommodated. The ICBM's and their launchers would be randomly moved between the different shelters. For the Soviets to successfully attack an MPS system they would have to expend many more weapons than they would destroy—thus diminishing any incentive to initiate any attack in the first place. By contrast, if we fail to proceed with the full-scale development of a different basing system for our ICBM's the Soviets by the early 1980's would have to expend less than a third of their ICBM's to destroy our entire ICBM force, and they could also destroy many of our bombers and submarines in the process. The emergence of such a predicament is contrary to the very essence of our deterrence and defense policy. For this reason finding a solution to the vulnerability of our ICBM force is considered the most important strategic modernization objective facing our Nation today by our defense community.

The proposed MPS basing system is the technically preferred solution to our ICBM vulnerability problem, and it is the most cost-effective. Critics, however, claim it poses SALT verification problems and the possibility of a breakout threat, were the Soviets to deploy a similar system.

Mr. Roland Herbst, an eminent and distinguished scientist in the U.S. defense community, in a logical and coherent manner, puts this issue in perspective.

The paper follows:

SAL VERIFICATION ISSUES CONNECTED WITH MAP AND MOBILE ICBM SYSTEMS

(By R. F. Herbst)

How serious is the effect of a MAP system upon the issues of SAL verification? From the very nature of a multiple aimpoint system, it is obvious that there is a problem with respect to counting ICBM launchers. However, is this a serious problem relative to national security? The answer to this question depends upon the nature of the overall SAL agreement.

In view of the agreements presently being considered, agreements in which ICBM launchers are limited but stored ICBMs are not limited, the effect upon U.S. national security may not be very significant. Considering the possibility that the Soviets may wish to increase the total numbers of ICBMs available to attack the United States, it would appear that they would have at least two choices: the first, to illegally hide a number of ICBMs upon launchers, either in a MAP system or otherwise; or second, to legally store ICBMs, delaying the final preparations for launching until a time of crisis. This process is obviously feasible. ICBMs designed for silos are often tested from "pads"; modern technology makes the launch equipment relatively small and simple to operate and encapsulated missiles seem to make the process simpler.

If the Soviets were to store missiles in a number of warehouses at or near potential launch pads, some care with the transportation of the missiles can probably assure that the United States would not locate most of these sites. These missiles could be used in a first strike or for a reserve force. They could also be used for coercion if a few were "tested" from several areas not known to have ICBM launchers.

The Soviets can then probably by "legal" means achieve essentially the same advantages that they could by "illegal" deployment in a MAP system. Since in almost all circumstances one would expect national leadership to prefer legal routes to given ends, verification problems of MAP systems do not seem to have large implications to national security—given no limit on stored ICBMs.

One then might consider three levels of constraints upon missile storage and "balanced" constraints upon MAP systems.

(1) Unlimited legal storage—no constraints (or only cosmetic constraints) upon MAP.

(2) Limitation on the number of stored ICBMs with "collateral," nonintrusive constraints on that storage—modest limitations upon MAP (and other mobile) systems, the limitations with the purpose of roughly balancing the MAP risk with the overall risk.

(3) Intrusive limitations upon ICBM production and storage—similarly severe constraints upon MAP.

The second possibility appears to be more desirable than the first and more likely of accomplishment than the third. It will be emphasized below.

Without on-site inspection of production facilities, it would be difficult to have high confidence in the verification of a production or storage limitation; however, it might be possible to define storage procedures which would increase the chance of catching a violation.

A possible procedure would be to limit ICBM storage to say 15 percent or 30 percent of the number allowed on launchers. The fraction would be chosen by a trade-off between the strategic desirability of keeping the number low and the managerial and production inconvenience of keeping few spares. The agreement might further ask that the stored missiles be kept at a few small declared storage sites with only direct transportation links used between production, storage deployment and test areas. These limitations will not give high confidence in verification, but they are likely to increase the U.S. ability to recognize a violation if there is some HUMINT or COMINT data indicating stored missiles in violation of the agreement. While this situation is not a happy one, it appears better than a situation in which the Soviets can freely store as many missiles as they can afford.

Since such an agreement offers some deterrent to violation of the limitations, a MAP system may offer some advantages to a cheater for hidden "storage." Hence, some similar constraints relative to the MAP system seem reasonable. These constraints might involve some mode of inspection of aimpoints, some limitation of the process of insertion of the missiles (and decoys) into the deception process, or some monitoring of the missile production process or combinations of these.

Should the limitation on MAP be designed to be the same for the U.S. and the U.S.S.R.? While it is obvious that the U.S. should be prepared to consider as acceptable a Soviet mirror image of any U.S. proposal for control of a U.S. system, it is not at all clear that the most appropriate constraints for a U.S. system are the most appropriate for a Soviet system. The nature of likely Soviet systems, Soviet societal constraints and Soviet geography are quite different from those of the United States.

For this reason it would appear most reasonable for a U.S. MAP system to define procedures which are convenient for us and which would both be fair to the Soviet Union and appear fair to the public rather than attempt to find a symmetrical situation. The constraints upon a Soviet system can only be determined after understanding the Soviet system and after a negotiation which determines what is acceptable to both the U.S. and the U.S.S.R. If then we are going to consider special constraints on new basing modes, each system is likely to be negotiated separately; the U.S. MAP system should be negotiated before a treaty is completed.

With this point of view it would appear reasonable to use on-site inspection with Soviet inspectors of a U.S. system, even if on-site inspection of a Soviet system with U.S. inspectors cannot be expected. For this reason this paper will suggest on-site inspection of U.S. systems when that procedure seems more convenient than dependence upon "overhead" means.

U.S. DECOYED VERTICAL SILO SYSTEM

The first system we will examine for reasonable SAL constraints is the M–X system with vertical silos and decoy canisters.

Aimpoint inspection

One might wish to verify the deployment level in a MAP system by inspection of the contents of the aimpoints; the inspection being performed by "overhead national means" or by on-site inspections. The silos (and decoys) would be opened by the operators of the system for inspection by personnel or sensors of the other side.

Because of the large number of aimpoints needed in this system and the low ratio of missiles to silos (several percent), random sampling gives useful results only after a large number of inspections. Various special inspection procedures have been designed which are intended to mitigate the problem, and a discussion of the statistical issues is given in the appendix to this paper. Here two conclusions should be stated. First, over time many fewer inspections are required if one is only attempting to deter a slow build-up of illegal missiles than if the purpose is to deter a surge build-up. In a circumstance in which storage is illegal, a slow build-up in the MAP field may be desirable. It would avoid a large illegal external storage. This circumstance appears to be the one to design for—consistent with our "balanced approach." If the cheater was willing to store a large number of illegal missiles, then he could find a way to launch them independent of MAP.

The second conclusion is that problems will arise if an inspection is not completed during a continuous viewing by the inspectors. Since low-altitude observation satellites only have a short viewing time, on-site inspections are more easily performed than overhead observations. If one were to require that silos and decoy canisters are opened promptly and reliable shortly after they are chosen for inspection, then significant costs are likely to be added to the system.

Insertion controls

Rather than attempt to examine aimpoints, one might attempt to control the insertion process, the process by which a missile is delivered to the field and "lost" in the multiple aimpoint array. The aim of this control would be to attempt to assure that extra missiles are not deployed in the field. The start of the process, and delivery of the missile and its preparation for deployment should be made very deliberate so that any deviation would be noticed by a large fraction of the personnel, thus introducing the possibility of defector information. The decoy canisters should be stored open so that they obviously do not contain a missile. When the "mixing" process is started, only one missile should be present, and when it is moved into the closed "mixing" facilities the decoy canisters should enter that facility open. It would be preferred that full-time observers from the other side be on-site to observe the process. However one could design the scheduling of this process and the canister storage so that they would be visible to overhead systems.

These measures probably limit straightforward entry into the system sufficiently that entry by the "back door" is more probable. Limitation upon the movement of large vehicles which could carry missiles is desirable. If some of the fields can be isolated from highways, border barriers such as ditches and plowed breaks could be useful. If, however, public highways run through a field, checkpoints for observers from the other side may be desirable.

These measures seem to yield a significant deterrent to introducing illegal missiles into a MAP field, although it probably could be done. However, it is difficult to believe that the control is poorer than that suggested for the stored missiles.

Combinations

Combinations of both deployment controls and aimpoint inspections give an opportunity for further reducing the risk.

Production controls

Rather than attempt to determine the number of missiles which are in a MAP system or the number brought into the system, one might attempt to monitor the production process. Full-time observers at missile production facilities should be able to keep good controls upon the number produced and if spot checks are made at the storage area of all missiles which could be useful in the MAP system, very good verification of the agreement should be possible. This proposal is only likely to apply to U.S. systems, but if it were used for the U.S. it might establish a good precedent for future agreements.

POSSIBLE SOVIET SYSTEMS

Mobile systems not normally deployed in the field

The Soviets have deployed some mobile missile systems which are normally kept at support facilities, only going to the field for practice exercises. If they should deploy ICBM's with this characteristic, then if the support facilities are either open or openable to overhead observations and if the times and areas of practice operations are limited to preannounced times and small areas, the problems for verification should be no greater than those connected with the basic storage problem.

Deployed, unsheltered mobile systems

For survivability, soft mobile systems must be deployed over large areas and must use local cover to hide. Any such system is bound to be difficult to count accurately.

Support area sizing can give some idea of the number of operational missiles; optical and radar satellites can locate an object in the field; and restrictions on covered storage and "out of area" operations can be of help. But in any case, the noise level is likely to be high.

The most helpful restriction on such a system would probably be to limit the total allowed payload to a modest amount and the size of the missiles to that of a small payload. For a system using missiles with Minuteman III payloads, it would take more than 3,000 missiles to double the Soviet ICBM payload.

Soviet MAP system

It seems unlikely that the Soviets would believe that they would require decoys in any MAP system. Under this circumstance, verification might be obtained by overhead observations of shelters which could be opened upon demand.

GENERAL COMMENTS

To the degree that verification of the level of deployment in a mobile ICBM system is of concern from a military point of view, a limitation of the amount of payload to be deployed in the system could probably help solve the problem. The ratio of the cheating level to the allowed level is likely to be one measure of the risks of cheating. Since most plans for the U.S. M–X system indicate deployments of less than or about one-fifth of the apparently intended Soviet ICBM payload, it would seem in the U.S. interest to limit Soviet mobile deployments to similar or at least not much greater amounts.

APPENDIX—AIMPOINT INSPECTION STATISTICS

In this appendix examples will be illustrated for a MAP system with 200 missiles and 10,000 aimpoints. The most straightforward sampling technique is random sampling of the field; for a case in which 400 samples were taken, the expected number of missiles to be found is 8. For a case with *no cheating* the probability of finding 12 or more is about 6 percent. A 6 percent false alarm probability does not seem unreasonable; and hence, for 400 samples, an apparent cheating fraction of 50 percent may be a reasonable threshold. With this threshold, there is about a 50–50 chance of recognizing a 50 percent cheating factor and a 90 percent probability of recognizing a 100 percent factor.

H. Cooper has suggested a two-step procedure which can give a more positive indication of cheating than the above and which gives higher probability of catching cheating. This scheme would have the authorities of the nation whose system was to be inspected give to the inspecting side groups of aimpoints (200 groups of 50 aimpoints each for our example). It would be stipulated that each group contained only one real missile and 49 decoy aimpoints. The inspecting side would be allowed to select one aimpoint per group for all of the groups or for some fraction of the groups. If a missile were found in any group, all the aimpoints of that group would be opened and if a second missile were found there would be a definite proof of a false stipulation on the part of the owing side.

In the case in which all groups had an inspection in the first move, 200 silos would have been opened. The expected number of missiles found should be four; hence the total number of inspected aimpoints would be 396—about the same as above. However in the case of cheating, this scheme has a 90 percent probability of catching cheating if the cheating were at the 50 percent level and a 90 percent probability at the 100 percent level.

There appear to be disadvantages to the MAP system connected with these two inspection methods. Both involved showing the other side the location of real missiles. If the other side had some covert method of breaking the deception scheme, this procedure would allow him to check the validity of that procedure.

The two-step scheme has a second disadvantage; it identifies a missile with a set of decoys. This is an advantage to a potential attacker if he has some way to identify some of the aimpoints as containing real missiles. To give an example, if an attacker knew where 50 percent of the missiles were and that their decoy silos did not contain other missiles, then he could ignore all of those decoys, attacking only decoys connected with undiscovered missiles but if decoys were not connected with missiles they would all have to be taken into account.*

Both of these disadvantages only seem important at the margin; they both assume the deception process is failing but only partially. On the other hand, deception is the key to a MAP system—it should be given all possible advantages and one should be reluctant to give away any advantages in this matter.

An example of an inspection scheme follows which degrades the inspection but seems to eliminate one of these problems and reduces the second. The MAP system would be divided into four parts. The observing side would be allowed to pick one of these four parts for inspection during one period of time comparable to the rotation time of the missiles, possibly six months. He would be given the missile-decoy grouping for only that group, thereby only gaining the grouping advantage for one-fourth of the system, not all of it. He then can choose a number of groups to inspect, but all aimpoints would be inspected in these groups. The inspection will be done by removing all the decoys and missiles from their shelters and by showing the inspectors that only a legal number of missiles are present, but the canisters will be mixed up before opening so that there is no connection between missiles and aimpoints.

This system is very inefficient. If 10 groups were chosen from the 50 groups in one of the four fields for our example system, there would be 50 aimpoints opened up. The probability of catching a 100 percent cheating case would only be about 15 percent, and it would take two years (4 inspection periods) to raise that probability to near 50 percent.

This process might still be useful if used in connection with "insertion" process controls.●

HOPE HOUSE

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. COURTER. Mr. Speaker, I would like to take this opportunity to recognize the invaluable work done by Hope House located in the 13th Congressional District of New Jersey. Hope House is a professional treatment center offering marriage and family counseling, alcohol and drug therapy, group therapy, and psychological testing. It also provides special services to senior citizens and the Hispanic community.

Too often the people most in need of professional help are those who can least afford it. Hope House works to solve this unfortunate circumstance.

The unique aspect of Hope House is its family orientation. Under the direction of Father John O'Brien, Hope House helps to restore harmony in the family by recognizing that the extreme distress of one member of the family puts heavy stress on all family members.

In this time when so much is being written and discussed about the fragmentation of the American family structure, it is truly heartwarming to know that a center like Hope House is working to resolve common but serious problems of the individual with the help of the individual's family. I applaud the good work done by Hope House. ●

TOMORROW'S LEADERS SERVICE ACADEMY NOMINEES

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. PATTERSON. Mr. Speaker, one of the most rewarding annual events which I enjoy is nominating students from my congressional district to our Nation's armed service academies.

I make it a practice not to nominate en masse, but rather to make the selection process as deserving as possible for the nominee. The criterion set down by my reviewing committee is rigid and demanding. This insures that the best and brightest will represent my district and its schools and communities at the service academies.

This year I have nominated 19 outstanding young men and women from my district for appointments to the service academies. I am sure that my constituents join their families and me in wishing them well. Whether they attend a service academy or not, these young people are a credit to their community and their country.

My nominees to the Military Academy at West Point are: Jacki L. Wray, Valley Christian High School; and Robert L. Richardson, Santa Ana High School.

My nominees to the Naval Academy at Annapolis are: Craig B. Malloy, Santa Ana High School: Thomas K. Brown, Sunny Hills High School: Steven J. Robinson, Bolsa Grande High School: Craig N. Connors, Garden Grove High School; Edward J. Lauth, Servite High School; Zoe Ann Kearney, Santa Ana Valley High School; Paul E. Johndrow, Jr., Westminster High School; and Richard G. Whitehurst, III, Western High School.

My nominees to the Air Force Academy at Colorado Springs are: Suzy R. Hithe, Westminster High School: Christopher T. Gate, Buena Park High School; Jonalyn M. White, La Quinta High School; Christine L. Blalock, Kennedy High School; David A. Hykes, Cypress

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*Similar problems arise in a "slow war"; if many of the missiles of the MAP system are fired early but a number are held in reserve, the survivability of the reserve missiles may be jeopardized by the grouping process.

High School; Joseph V. Jendrasiak, Magnolia High School; Kim M. Dee, Kennedy High School; Michael A. Perez, Los Amigos High School; and Paul D. Carrubba, Santa Ana College.●

RECOGNIZING REALITIES: THE 17 MILLION PEOPLE OF THE REPUBLIC OF CHINA

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. DANNEMEYER. Mr. Speaker, how would you like it if you lived on a 100′ x 100′ lot next door to a neighbor who owned an estate of 10 square miles with whom you had been feuding for years and suddenly the local police department came around and said, "Folks, you've done nothing wrong but we are no longer going to patrol this area and incidentally the fence around your property must come down." You are further told that the owner of the 10-mile estate hopefully is dropping his desire to take over your property. If you get a little nervous, you are no different than the 17 million people of Taiwan who comprise the Republic of China.

In 1949, under the leadership of Patrick Hurley and George Marshall, American aid for the support of Chiang Kai-shek and the Republic of China was phased out. Our leadership at the time failed to understand the nature of communism and that in fact Mao tse Tung was a Communist who was determined to rule China. He and his ruthless revolutionaries, thought at the time to be agrarian reformers, soon thereafter succeeded in defeating the Nationalist Chinese and took over all of mainland China. Chiang Kai-shek removed to Taiwan, an island 100 miles off the Chinese coast. Since then the Republic of China on Taiwan has dreamed of returning to the mainland and resuming political control of the country.

In 1954, the United States adopted a mutual defense treaty with the Republic of China. It was ratified by the U.S. Senate. It pledged each nation to preserve the island of Taiwan as the home of the Republic of China.

On December 15, 1978, President Carter, acting with no prior consultation with Congress, unilaterally gave notice that the mutual defense treaty would come to an end on December 31, 1979. He did so at the insistence of Red China that such was a condition of the United States establishing diplomatic relations with Red China. Great uncertainty has developed since this precipitous action by President Carter.

When the Chinese nationalists came to Taiwan in 1949, the per capita income of the Chinese people was about $150, but today for the people of the Republic of China on Taiwan it has risen to about $1,300. There is no mystery as to why this happened. Communism as an economic system does very little for the common man in the sense of raising his standard of living. Accordingly on the mainland, economic stagnation is the result. Taiwan has followed the free market system, and has prospered bountifully. The U.S. has invested $5–6 billion on Taiwan. Fifty to sixty U.S. banks do business there, having extended loans of $2½ billion. The United States has sold two nuclear plants to Taiwan, with four more on order. The United States has contractual commitments to supply the fuel for these plants.

In 1978, Taiwan and the United States engaged in mutual trade of $7.3 billion. In fact, the U.S. trade with Taiwan was greater than our trade with all the other Communist nations of the world combined. (We recognized the Soviet Union in 1933 and in 1978 our trade with Russian was around $2.5 billion.) Since 1973 and before December of 1978, the United States had a liaison office in Peking—that is government to government relations while we were maintaining diplomatic relations with the Republic of China. Now Red China is telling the United States, and President Carter has agreed, that since we now have diplomatic relations with Red China, the United States can no longer have government to government relations with Taiwan.

What happens to the U.S. investment in Taiwan? What happens to our mutual trade with Taiwan?

The Taiwanese are very uneasy about these questions and American businessmen are likewise deeply concerned. President Carter has proposed that the United States establish a private nonprofit corporation to represent U.S. interests in Taiwan so that we would not offend the Red Chinese. The Taiwanese reject this as unworkable because they feel as the years go on that eventually Red China will establish conditions of trade and investment, and also tax it, which will slowly strangle the economy of the Republic of China and force Taiwan to come under the political domination of Red China.

Taiwan has an army of about 500,000. Red China has about 4 million in its regular army. The Air Force of Taiwan and Red China is similarly out of balance, heavily favoring Red China. Taiwan wants to buy at market value the F16 fighter to increase its ability to defend itself. So far President Carter has refused to sell them these aircraft.

The Republic of China has been a staunch ally of the United States in Asia. The frontier of the battle between the free world and the Communist world is the 100 mile strait separating the island of Taiwan from the mainland. Freedom of religion, a free economy, property rights, cultural diversity, exist in Taiwan. The economy is booming. There is no unemployment. All that the Taiwanese ask for is to be able to defend themselves for the sake of preserving their freedom.

In my judgment, President Carter committed a very serious error in judgment in December 1978, when he in effect told Taiwan that even though you are a freedom loving nation and have a good record of basic human rights for your citizens, we are breaking diplomatic relations with you in order to establish diplomatic relations with a ruthless communist regime that denies all basic human rights to its citizens. It is another tragic example of failing to recognize what the true interests of the United States are.

Fortunately for all of us we do not have a dictatorship in this country. The President conducts foreign policy but Congress must pass legislation to implement our foreign policy. The wise course for our country at this point is for Congress to:

(1) Assure a continued government to government relationship between the United States and Taiwan in order to protect American investment and trade relations with Taiwan. Congress can achieve this result by appropriate amendments to legislation requested by President Carter.

(2) Sell to the Republic of China such military equipment as will give them a reasonable assurance of being able to defend themselves from attack.

Only in so doing will we give assurance to the uncommitted people of the world that the United States believes and practices a policy of helping to secure the blessings of liberty to any people who strive to achieve it. If we abandon a friend in the name of trying to reduce tension with an enemy, we run the severe risk of doing neither. In my judgment if the Congress does not achieve the foregoing this year, the attainment of these conditions will and should become a major issue in the Presidential election of 1980.●

UKRAINE'S INDEPENDENCE ANNIVERSARY CAUSES US TO STOP AND REFLECT

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. DONNELLY. Mr. Speaker, once again the commemoration of the anniversary of the Ukraine's independence causes us to stop and reflect upon the sad state of human freedoms inside the Soviet Union and throughout Eastern Europe. Sixty-one years ago an independent Ukraine briefly existed as a sovereign state before it was crushed by the Red army.

Unfortunately, only the memory of that independence rests in the hearts and minds of some 50 million Ukrainians. I rise now if only to remind them that we have not forgotten.

The President has found a salient issue with a worldwide audience in his human rights campaign. Even in Soviet-dominated Europe many ardent believers such as Mykola Rudenko, Oleksei Tykhy, Myroslav Mirynovych, and Mykola Matusevych in Kiev have organized ad hoc review groups to monitor violations of the Helsinki accords in Moscow, Leningrad, Vilnius, and other major Soviet cities.

Constant intimidation and a policy of public harassment have not deterred these Ukrainian dissidents from insisting on greater human rights in connection with Basket Three of the Helsinki Final Act. The recent show trials of these courageous men and women only reinforce, in the eyes of the world, the stark image of a totalitarian state. I wish now to publicly register my own support for the vigorous efforts of these people.●

RECOGNIZING GSA'S JAY SOLOMON

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. JOHN L. BURTON. Mr. Speaker, there are few jobs in town as tough as being head of the General Services Administration. The Administrator is landlord, builder, purchasing agent, transportation agent, deliverer of utility and communications services, information processor, property custodian and disposer, records manager, and archivist. All are major functions. None is a sideline task—not that the Administrator doesn't have some of those, too.

But the Administrator doesn't just furnish services. He must also guide and regulate. On top of all that, he has to administer and control the entire GSA complex, which has over 37,000 employees within its Central office and 10 regions.

The GSA has a select and demanding clientele: They are, for the most part, the departments and agencies of the Federal Government. Keeping them properly serviced is not easy. Keeping them happy or at least satisfied is even harder.

To take over this task, President Carter put a businessman and civic leader from Chattanooga, Tenn., in command back in April 1977. That man, Jay Solomon, started looking over his ship. He found it was basically a serviceable vessel as Congress had designed it.

But he also found it needed cleaning, overhauling, and modernizing. At the same time, he had to keep the ship operating on course and schedule.

He began to act with courage, conscience, and high purpose. He has taken firm charge. He has asked questions, ordered reviews, intensified inspections, and changed people and procedures. He has done everything he can to expose wrongdoing and waste, to correct these things, and to prevent their recurrence.

The Administrator is one who will question old bureaucratic ways and forms, and break with them if necessary. He does not hesitate to challenge doctrinaire or timid thinking. He doesn't suppress outrage at dishonesty and waste in GSA, and he has pointed the finger for past deficiencies where it belongs: At the top.

The Administrator has been open and above-board about his actions. For him, public business is the public's business. His cooperation with me as chairman of the Government Activities and Transportation Subcommittee of the Committee on Government Operations has been as full as it has been excellent.

The President has given the present Administrator personal assurances of support for cleaning out dishonesty and waste. I understand that recruiting of additional audit and investigation forces is beginning and that funds for 100 more positions for the Office of Inspector General are being sought in the pending supplemental appropriation legislation for fiscal year 1979. I hope that whatever positions are needed can soon be filled.

Jay Solomon is a good thing for GSA. New vigor, responsibility, and effectiveness are coming into that agency.

Last October 15, the Administrator talked to a TV audience about the relatively short incumbent life of Administrators of General Services. According to a story told at GSA, he said, the life of an Administrator there is 2¼ years. Then he remarked, and I quote:

> I'll be here two years in April 1979, so I'm almost coming to my normal life there. Maybe it will be my life. Maybe it will take someone else to come in behind me to put in all the systems and things that need to be done. But we're going to try.

That is just what the Administrator is doing.

Now, it seems that the White House is looking for a replacement for Jay Solomon. By specific provision of law, the Administrator functions subject to the direction and control of the President. And the President, by another provision of law, may prescribe overall policies and directives governing the Administrator. We must look to the President to carry out his own responsibilities here in a strong, affirmative, effective way.

Whatever change might be coming in GSA, I hope it would be at a time and in a mannner that won't weaken or deflect Jay Solomon's present program of investigations, audits, and reform.

What he has started is already showing good results. When, on June 30, 1979, the General Services Administration celebrates its 30th birthday as an agency, I am sure we will all see it as a proud and taut ship, doing a more efficient and economical job than ever before to deliver its heavy general cargo of Government and public services. We—the Congress and the public—will owe Jay Solomon a special "Thank you" on that day.●

DOMESTIC VIOLENCE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. MILLER of California. Mr. Speaker, I am introducing today legislation which would amend title XX of the Social Security Act in order to permit the expenditure of Federal funds for emergency shelters for adults, including victims of domestic violence.

Last year, I chaired very informative hearings on the problem of domestic violence. We heard the testimony of experts who reported that domestic violence, and especially wife beating, is one of the most overlooked crimes in our Nation. A recent study by the Washington Star indicated that one-half of the country's married women are, at some point in their marriages, subjected to physical abuse by their husbands, and that at least 10 percent receive severe injuries as a result.

Domestic abuse does not refer to simply slapping or other minor forms of assault. In California, it has been shown, almost one-third of all victims were murdered by their husbands. Nationally, one-fifth of all police killed on duty in 1974 were intervening in domestic disputes at the time of their deaths.

In preparation for the hearings by the Subcommittee on Select Education, I spent several evenings visiting homes for battered women, discussing the programs and the problems with shelter organizers and with victims, too. I also spent an evening riding in a police car with officers experienced in intervening in domestic violence situations. As a result of these experiences, I have learned the value police themselves place in having a shelter available in their communities. Police are generally grateful to have such a facility, because it provides them with a valuable resource to which they can direct victims. Victims of domestic violence have confided in me that, in many cases, they endured years of abuse, because they had no alternative living option to turn to on an emergency basis.

Within the last several years, a nationwide network of shelters has appeared, offering havens to thousands of previously victimized women. Often with no resources except those of volunteers and donations from the community, these shelters have been established and maintained for the victims of abuse. No one who has discussed the benefits of these shelters with the women who have come to them, as I have done, could doubt the great benefits they provide and the need for more such facilities.

It seems to me that, when we consider the role of the Federal Government in dealing with the subject of domestic violence, we must be extremely careful not to encumber existing community-based programs with bureaucratic redtape and regulations which will do far more harm than good. We in Government did not discover the problem of domestic violence, and we will not invent the solutions. Our role should be one of aiding the community people who have exposed the epidemic, and who have developed their own shelters in response. One of the ways to do this is by eliminating those barriers which exist in Federal programs to the funding and support of shelters and related service programs for the victims of domestic violence. Witnesses at our hearings last year testified, for example, that facilities providing emergency shelter for adult victims of domestic violence may not receive title XX funds under the Social Security Act.

The legislation I am introducing today would remove that unreasonable restriction, permitting these shelters to receive such funds. Payments to any one shelter would be limited to $25,000 in any one year. At last year's hearings, we heard that women who flee battering husbands frequently arrive at shelters entirely without resources, even though they technically may come from affluent homes. The family's finances frequently are controlled by the very spouse from whom the shelter resident is seeking refuge. Therefore, it seems reasonable to me to impose no income eligibility test on victims utilizing title XX funded shelters.

I am hopeful that this legislation will be considered quickly, as similar language passed both Houses of Congress last year as part of the tax bill, but was dropped out of the final bill together with most other amendments to the title XX program. I invite my colleagues to join me in sponsoring this bill which will make substantial funds available to community people who have taken it upon themselves to meet a serious problem which exists throughout our country in very alarming numbers.●

LEGISLATION TO PERMIT ALL TAXPAYERS TO TAKE A DEDUCTION FOR CHARITABLE CONTRIBUTIONS

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. CONABLE. Mr. Speaker, I am joining with my colleague, JOSEPH L. FISHER, today in introducing the bill we introduced in the 95th Congress to permit all taxpayers to deduct gifts to charity on their individual income tax returns. In my opinion, this is an area which continues to require our attention.

In the interest of tax simplification and reform, we have unwittingly been reducing the tax incentives to charitable giving over the years until we have reached the point where soon only the very wealthy will receive any tax benefit from charitable giving. It is an easy step from that condition to the assumption that deductions for charitable contributions are only loopholes and that we would be better off letting the Government do the work of charities so that everyone can participate again in the good work of the world through his involuntarily donated tax payment. However, I for one do not want the Government running the Boy Scouts, or the churches, or all the universities, any more than I want only wealthy people to support them. As we see at every turn, Government control accompanies Government financing.

Let us look at some of the pertinent facts: In 1970, approximately 50 percent of all American taxpayers used the standard deduction, and in 1977, approximately 75 percent of all American taxpayers used the standard deduction. Charitable organizations estimate that during that 7-year period they received about $5 billion less as a result of the increased use of the standard deduction. In 1977 alone, the loss to the charitable organizations was approximately $1.4 billion—$615 million of that amount is attributable to the standard deduction changes enacted by the Tax Reduction and Simplification Act of 1977 (Public Law 95-30).

The pluralism which the private charities provide is a great strength in our society, and we should all be concerned about protecting and enhancing that diversity and strength. Certainly the major share of charitable giving is done for altruistic purposes, but the additional tax incentives are extremely helpful and appropriate, as well.

The expanded use of the standard deduction could be devastating to the voluntary sector. Contributions to public charities are certain to decrease, making it more difficult to meet the increasing demand for social services. The time has come to make a change that will offset the depressing impact of our recent tax decisions on the charities. Public policy should encourage and support the work of charitable organizations, not diminish it.

In my opinion, the only way to reverse this recent trend is to amend the Internal Revenue Code to permit all taxpayers to take a deduction for their charitable gifts, whether they itemize their deductions or not. For each dollar lost to the Treasury as a result of this deduction, estimates are that charitable organizations would receive between $1.15 and $1.30.

Furthermore, these increased gifts to charities would have a multiplier effect—they would bring an additional amount in volunteer efforts. Recent studies indicate a strong correlation between giving and active participation in charitable endeavors. For each dollar donated to public charities, there is an equivalent dollar's worth of volunteer effort. Conversely, if charitable giving continues to decline, there will not only be a loss in the financial base of the voluntary organizations, but there will also be a significant loss in volunteer effort.

I do not believe that the enactment of this legislation would be a step backward in our efforts toward tax simplification. It would require only a simple computation on the front of the tax form, much like the personal exemption. There is ample precedent for this treatment. Child care expenses, political expenses, and alimony now receive above the line treatment without protest from taxpayers utilizing those provisions.

I am hopeful that my colleagues in Congress will recognize the uniqueness of the charitable contribution deduction and support this legislation to make it available to all American taxpayers.●

TAIWAN: CARTER'S TREATMENT OF AN ALLY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. PHILIP M. CRANE. Mr. Speaker, the Carter decision to derecognize Taipei in favor of Peking fails every test of an effective and positive foreign policy. It alienates our friends. It violates the administration's own principles and the Constitution of the United States. And, most importantly, it is harmful to the best interests of the United States.

The President's hasty and unilateral action has further weakened what little semblance of a foreign policy he has. All nations of the world appraise Mr. Carter's derecognition of the Republic of China on Taiwan in terms of an indicator of U.S. resolve. That the administration has treated a country with unquestioned allegiance to the very principles we champion in such a cavalier manner calls into question our dependability with the rest of our allies.

Friendly nations, especially those in Asia, are shaken by Mr. Carter's actions and are reevaluating their policy options with the concern that American support in time of need may not be available.

Any nation either with treaties in force with the United States or contemplating them, looks at this administration's foreign policy record and views future relations with trepidation. If you betray your friends, you earn the contempt of friend and foe alike.

President Nixon's policy with regard to Taiwan was decidely more cautious and careful. He sought a more plausible substitute for the Mutual Defense Treaty and preserving Taiwan's security. He planned to issue a joint Presidential/congressional statement after normalization with the People's Republic of China (PRC) was achieved to the effect that use of force by anyone in the Taiwan Straits would cause the United States to consider whatever military actions necessary to preserve peace. Further, the United States would continue to insure freedom of navigation in the straits, and that we would continue to sell defensive military equipment to Taiwan.

It seems clear to me that it is the government of the People's Republic of China which needs the formalized relations with America more than we with them. But the current People's Republic leadership is shrewd. They noted the Carter administration's foreign policy and international negotiating record. They perceived a weakness and increased the ante over the three original conditions (end diplomatic recognition of the Republic of China (ROC), terminate United States-Republic of China Mutual Defense Treaty, withdraw the remaining U.S. troops on Taiwan). They added two more. The People's Republic of China would not accept a unilateral U.S. declaration concerning Taiwan's security, and that continued arms sales to Taiwan after normalization would not be allowed.

The administration, preoccupied with the vision of the media catching the colorful broadstroke of its foreign policy pronouncement to counter recent criticisms, forgot that the circumstances surrounding the United States-People's Republic of China discussions would allow them to improve relations with the People's Republic of China and obtain the kind of agreement necessary to preserve Taiwan's security. Mr. Carter could have obtained the terms which the overwhelming majority of Americans want, namely recognition of both Peking and Taipei as sovereign governments in their own territories (which they both obviously are) and guarantee that Peking will not use force against Taiwan (as manifested in a Louis Harris-ABC News survey of 1,500 adults nationwide, and American Conservative Union polls of the U.S. Senate and House of Representatives, which is reflective of the country).

Instead, the President announced that the People's Republic of China had made a great concession, forgetting, again, that Peking had added obstacles to protect the three original demands. Despite the fact that the United States enjoys more leverage over the Hua Ku-feng/Teng Hsaio-ping government in 1978 than President Nixon commanded in 1972, still President Carter was unable to obtain concessions reflective of long-term U.S. foreign policy goals. To say that the People's Republic of China is allowing America to terminate the United States-Taiwan Mutual Defense Treaty with a years notice was a concession on the part of the Chinese Communists is pure folly. The terms of that treaty provided for termination by either party with 1 year's notice. To have acted otherwise would have violated both the spirit and the letter of the treaty and made our other allies even more cautious about our reliability.

That the administration would construe events in that light is indicative of their concern for Taiwan as an entity. By their own admission, specific assurances from Peking that the security of Taiwan would be preserved were never even requested by the Administration. They readily accepted the Peking argument that the Taiwanese matter was an internal issue—period. Can the resolution of the two Koreans and two Germanys situation be considered strictly an internal issue? I fear that the international community must believe that America is willing to betray a friend, and do so cheaply, for negligible cosmetic gain.

The decision also violates the administration's claim of conducting an open foreign policy. Throughout his campaign and his tenure in the White House, Mr. Carter has reassured the American people that foreign policy decisions would be arrived at openly and in consultation with the American people and Congress. Yet his total consultation with the Congress was to advise a few Members after the decision was reached and without their advice being sought.

This clearly violates the law. The Stone-Dole amendment to the International Security Assistance Act of 1978 (Section 26(A)(4)) instructs the President to consult with Congress before taking action to terminate the treaty. That amendment passed the Senate by a 94-to-0 rollcall vote, was subsequently passed by the House of Representatives, and was agreed to by Joint Senate-House Conference Committee. Senator RICHARD STONE, a Democratic Member of the Foreign Relations Committee and the coauthor of this amendment, has stated that he was not consulted but only advised after the decision was made.

Thus the open foreign policy we expected was not present in one of the most important policy decisions of this generation.

Mr. Carter has oft stated the value of human rights as a key element in formulating his foreign policy. Shortly before his announcement concerning the two Chinas, he again reiterated that the principle of human rights was the cornerstone of his foreign policy. Yet he extended recognition, without preconditions, to a government that is universally recognized as disregarding human rights for its citizens. This is one more example that his policy is selective and capricious policy. The policy seems to apply only in those circumstances where the nation and government in question are completely dominated by the United States and are unable to bring effective counterpressure to bear. Once again, the credibility of American foreign policy is harmed by a hasty decision without the benefit of insight as to possible debilitating results.

In foreign affairs no activity takes place in a vacuum. We can only speculate on the effect the President's decision will have on the Soviet leadership. The possible strategic implications are staggering. It is easy to say that this action is not directed against anyone. But how it will be perceived in other capitals like Moscow, and how their leaders will react, is an additional uncertainty which we do not need. The decision does not seem to have been made with those thoughts in mind. It was neither cautious nor careful.

If the People's Republic of China is a military power capable of acerbating existing Soviet paranoia to station on the Soviet-People's Republic of China border approximately 45 divisions and support units (roughly 1 million troops) heavily equipped with armor, tactical air support, nuclear and offensive chemical weapons, how will the U.S. actions affect the situation? Further, how will our action influence Soviet-American arms control discussions?

Since the conclusion of the Second World War the United States has been the force which rallied and held together the noncommunist world. But the manner and tone of recent American foreign policy acts has led much of the free world to question the value of our word. When a nation says one thing, then suddenly and inexplicably buckles under to counterpressure, the reaction is predictable. In recent years this course of action has been the hallmark of our foreign policies. In Europe it was the enhanced-radiation warhead or neutron weapon. In the Middle East it was the delicate Egyptian-Israeli negotiations and now the Iranian situation. In Southern Africa it was the issue of political principle. Now we have repudiated the defense of an ally.

In summation, the President's hasty and poorly prepared decision will be harmful to both the interests of the United States and the interests of our allies, and to stability in Asia and the world as a whole.

Rather this action signals yet another facet of the gimmicky foreign policy which has become the hallmark of the Carter administration and which has been implemented at the expense of the long-term relationship with our loyal allies. By taking this step, the Administration has laid all our cards on the table and sacrificed our last bargaining chip; it has consciously chosen to undermine one of the last bastions of anticommunism in Asia.

The U.S. Government has shown itself incapable of obtaining fair and equitable guarantees for a loyal ally (namely recognition as a sovereign state and protection against invasion). This is the guarantee which Congress and the American people have repeatedly insisted upon. The President by his unilateral action has ignored the long-held and often expressed views the great majority of Americans hold.●

OPPOSES TENG VISIT

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. SYMMS. Mr. Speaker, I made remarks on January 29, 1979, to openly oppose the state visit of Teng Hsiao-ping to these United States. At that time, I pointed out that Mr. Teng had been a part and parcel of the Communist regime responsible for at least 45 million Chinese persons. I do not wish to modify that opinion, but rather to point out a few of the interesting comments that the Communist Chinese Vice-Premier noted in an interview in the current issue of Time magazine.

While the Carter administration is cuddling up to the Chinese Communists it is also attempting to keep the Russian Communists from misrepresenting the White House foreign policy role. The Carter administration is continuing on its misguided hope for a SALT–II agreement and for a continuation of the catastrophic policy of détente. Teng has long been a fellow Communist with the Russian leaders and is not fooled by their apparent friendship. He knows that the Soviet Union stands as the major obstacle to world peace. He also knows that détente is merely a Communist method of lulling the West into security while the Russian Communists arm for full scale war.

Teng correctly stated in the Time interview that—

> We (the Chinese Communists) consider that the true hotbed of war is the Soviet Union.

He went on to relate—

> At present the U.S. has no reason and no need to want to launch a war.

Such clear and precise logic is interesting considering the source. I wonder why some of our elected representatives have yet to recognize the truth of the Soviet menace.

The role of U.S. foreign policy should be to be on guard against foreign aggression from whatever source. At present, the Soviet Union stands as the greatest threat to peace and the Chinese Communists while attempting to catch up with the Soviets have yet to master the technology. In regard to capturing the needed technology for war, Teng stated in his Time interview that—

> I have said this to a number of foreign friends: the nuclear arsenal of the Soviet Union and the constant development of their strategic weapons means that we can say that the Soviet Union is already on a par with the U.S. The Soviet military budget takes up around 20% of the gross national budget.

As Alexandr Solzhenitsyn has recalled in his "Warning to the West" Lenin once told the Communists in Moscow:

> Comrades, don't panic, when things get very tough for us, we will give the bourgeoisie a rope, and the bourgeoisie will hang itself.

Then Karl Radek, who was a very resourceful wit, said:

> Vladimir Ilyich (Lenin), but where are we going to get enough rope to hang the whole bourgeoisie?

Lenin effortlessly replied—

> They will sell it to us themselves.

Mr. Chairman, the decision of the Carter administration to sell out the free Chinese on Taiwan will stand as a monument to short-run diplomacy and the visit of Mr. Teng raises questions of competence at the White House. Still, one Communist is often able to capture the essence of the politics of another and I believe that Teng is obviously correct in his assessment of the Soviets.●

AMBASSADOR GARDNER EXPLAINS U.S. POLICY TOWARD ITALY

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. ZABLOCKI. Mr. Speaker, the U.S. Ambassador to Italy, the Honorable Richard Gardner, recently was interviewed by Famiglia Cristiana, Italy's largest circulation magazine and made a clear, and I think, persuasive exposition of U.S. policy toward that country.

At a time when much press attention is focused on other areas of the world, the complexities of Italian politics are not always easily understood on this side of the Atlantic. There has also been some confusion over specific U.S. positions on a number of issues affecting our relationship with this important NATO ally.

Ambassador Gardner's comments, I believe, go a long way toward dispelling such misunderstandings and in articulating what the U.S. role vis-a-vis Italy actually is and what U.S. policy is designed to accomplish.

For this reason, I am including in the RECORD at this time the full text of the Famiglia Cristiana interview which I commend to the attention of my colleagues. I believe that the substantive portion of the article is a significant policy document. The interview follows:

WHY I ADMIRE THE ITALIANS

(By Franca Zambonini)

"I have come to know you and to appreciate your knowing how to live amid the terrible things that are going on."

The problem of the Communists:

"We grant entry visas to everybody, because we are sure of the quality of our system."

Carter's fight for human rights, in Communist countries and in other countries.

Two years ago three friends met to have dinner together and wait for the returns of the Presidential election. They were Professor Richard Gardner, Professor Zbigniew Brzezinski and lawyer Cyrus Vance. All three of them were members of the Trilateral Commission and of the Task Force which supported Jimmy Carter's candidacy.

For that special dinner, Danielle Gardner had prepared ordinary dishes but had made them sound important by giving them auspicious names: "Tagliatelle Trilateral," "Cutlets Secretary of State," "Diplomat au Chocolat". When, at three o'clock in the morning, television announced Carter's victory, the menu proved to be prophetic: today Vance is Secretary of State, Brzezinski National Security Adviser and Gardner Ambassador to Rome.

With the arrival of Gardner, the style at Villa Taverna, the official residence, has changed. "I wanted it to be less pompous," Gardner says, amiably polemical with the eight ambassadors who preceded him as tenants of the villa. Danielle Luzzatto, the Ambassador's wife of Venetian origin, has eliminated official luncheons and dinners with eight courses, replacing them with quick buffet luncheons and dinners. Their children (who are now studying in America: Nina, 18, is a first year student at Harvard University and Tony, 15, is in high school) give parties with dancing for their friends. And parties are given not only for politicians but also for celebrities passing through Rome, like actor Kirk Douglas, jazz player Gerry Mulligan or the Harlem Globe Trotters.

The Renaissance furnishings of the villa are supplemented by the presence of contemporary American art. There is a portrait of President Carter signed by Andy Warhol, an American flag painted by Jasper Johns; these two artists are known for being disrespectful: Carter's portrait is just a photo with contours roughly touched up and the flag is definitely a "non-regulation" one, it has fourteen stripes and one hundred stars.

Lying about are ceramic ashtrays painted in blue, with a funny inscription that has a story. When he first met the Italian press Gardner avoided a tricky question by quoting a Venetian adage: "Prima de parlar, tasi" (before you talk, be quiet). His Venetian relatives had this adage painted on ashtrays and sent him a dozen. One of them is on the table in front of us. For those who are always looking, as we do, for auspicious signs, this is certainly not encouraging . . .

Q. Mr. Gardner, silence is the rule in your job?

A. No. "Prima de parlar, tasi" only means that, before you talk, you should pause and think. This is an old and wise Venetian saying that I learned from my wife. In my job I only speak in accordance with official policy. I don't make policy by myself.

Q. What instructions have you received recently?

A. There is nothing new. The policy of the Carter Administration remains today what it has been from the beginning: to do everything within our power to help Italy deal with its problems such as inflation and unemployment—which are problems we also have—and to work with our Italian friends and express solidarity with them.

FEW NATIONS ARE TRULY FREE

Q. Has Carter changed his mind with regard to the participation of the Communists in the Italian government?

A. Our policy is the same as it always was, as the President expressed it on May 2, 1977 during an interview granted to four European television journalists. I quote the text: "In the first place, it is not up to us to tell other nations how to vote or how to choose their leaders or who these leaders should be. In the second place, we favor the election of leaders who are committed to freedom and democracy and who are free from communist philosophy, which has quite often been dominated from the Soviet Union or other nations." These are two fundamental points, non-interference and preference, but at the beginning the press focused on the first one only. It is not for me to say why it did this. In any event, the position of my Government was enunciated by the Department of State on January 12, 1978; there has been no change in the policy described in that statement.

Q. On December 10 the 30th anniversary of the Universal Declaration of Human Rights passed by the United Nations will be celebrated. In your opinion, in which countries are human rights not yet respected?

A. I used to be a member of the board of directors of Freedom House, the most important private group in America concerned with human rights. Freedom House has issued a world survey of freedom. It shows that out of 150 countries, only 40 are free and democratic. 50 are totalitarian dictatorships and 60 have some democratic aspects and some totalitarian aspects. We obviously can't impose our commitment to human rights on other countries by military force and we can't cut off relations with them. That would not serve any purpose. What we can do, and what we are doing, is to use our political, economic and moral influence to encourage improvements in the lot of the average man.

Q. Who gives America the right to impose its morality?

A. The desire for freedom is not an American invention. It is something men fundamentally need, it is the only great revolutionary cause. We can use our economic influence to protect human rights: in fact, the Carter Administration has decided not to grant economic aid to certain countries where there are severe violations of human rights.

Q. Between an out-and-out commitment to human rights and a breakdown in the process of detente, what would you choose?

A. President Carter has always insisted that raising the question of human rights is not inconsistent with detente. We are working with the Soviet Union on the SALT negotiations and I hope we shall reach agreement. The same goes for the ban on nuclear testing and I think we shall succeed. We are cooperating with the Soviet Union in solving some of the world's problems. We continue to sell wheat to Russia and to export technology . . . But there is another point: human rights and detente are mutually reinforcing, one helps the other. As we pursue detente, we create a climate of relaxation in which it is easier for the Soviet Union to grant rights to its citizens. If we were in a state of tension, in a cold war climate, it would give the Soviet Union a good excuse to oppress the population. Moreover, ignorance, fear, ideological ghettos are things that work against detente. No one expressed this better than Pope John Paul II when he said: "Open the frontiers, don't be afraid . . ."

Q. Ambassador Gardner, what was your relationship with President Moro? In the so-called Moro Memorial, he talks about you at length.

A. The section of the Moro Memorial that refers to me is authentic. There are details that concern me that only he could have known: for example, the fact that, while talking with him, I took out of my pocket a paper on which I had noted down some important points, since I didn't trust my Italian sufficiently. I was moved by the fact that, despite the terrible pressures that were operating on Moro during his confinement, he was sufficiently serene to provide an exact evaluation of our personal relationship. We had common interests: for example, combating inflation and unemployment and other areas in which Italy and the United States can cooperate. He wanted to encourage, as I do, the flow of students, of young leaders between Italy and the United States, to help us to know each other better. These are not the things that make headlines, but I can assure you that they will give a new meaning to the relationship between Italy and the U.S. a generation from now. Moro understood this very well.

Q. The number of communist leaders who visit the United States has also increased. What do you think of this? Do they go there to explain Eurocommunism to the Americans or to win their favor?

A. President Carter has been the one who removed the ideological bloc on the granting of visas. It doesn't mean that he has changed his views about Communism, but it means that today we are so secure about the superiority of our free system that we invite everyone to come and look. Our basic idea is that those who come will perhaps change their views once they are exposed to our system.

Q. As far as you know, are there communist leaders who changed their mind after having visited America?

A. You should ask them, not me. But we know, for example, that Khrushchev came to the United States with many misconceptions and that when he left, he didn't have them anymore. I go so far as to say that if Mussolini or Hitler had come to the U.S., history would have been different. Obviously, I can't prove that, because history does not disclose its alternatives. But, in order to better answer your question, there is no doubt that the PCI is anxious to make these visits and this is perfectly all right with us, though we would like to balance the presense of leaders of the PCI by visits of leaders belonging to other parties.

Q. When Berlinguer will apply for a visa, you will immediately say yes?

A. I would prefer not to answer about a particular case. It might seem that I am inviting Berlinguer to visit the United States, which is certainly not my intention. I will answer in a general way, saying once again that we grant visas to everybody, without any political discrimination.

Q. Talking about changing one's mind: about what things have you changed your mind since you arrived in Italy?

A. I have never felt a stranger here because, ever since Danielle and I were married in 1956, we have been coming here every summer. But then we stayed mainly in the large cities. Now I travel a lot, I think I am the most traveling Ambassador that has ever been in Italy. And I have discovered an Italy that is not known by the world's press and by the diplomats: an Italy of the common people, with their traditional Italian virtues, their good sense, their commitment to religious values, their love of family and work. I discovered another thing I didn't know: the Italians really know how to take life in the right way. The basic strength of Italy is its capability to survive in spite of the terrible things that are going on.

Q. Did you tell President Carter about these things so as to convince him to visit Italy?

A. Of course. And President Carter wants to come soon.

Q. What does soon mean? For Christmas? In spring?

A. It means soon. I cannot tell you exactly when, but he wants to come to Italy soon.

Q. There is another anniversary in addition to the one of the declaration of human rights: thirty years ago NATO was founded. How is NATO affected by domestic developments in member countries?

A. One always talks of what would happen to NATO should the communists come into the government in Italy. For once, let's see things from the American side. Imagine that someone were running for President in the 1980 elections with the following program: withdraw all our troops from Europe, stop all imports from Europe, cut our share of international military expense, eliminate foreign aid . . . Obviously that will not happen, but if it did I believe such a man would be seen as prejudicial to the interests of NATO members and the European Community, and you would consider his candidacy a reasonable subject of discussion.

Q. Is NATO different today from what it used to be thirty years ago?

A. Undoubtedly. The Soviet Union is much stronger. Thirty years ago, the USSR didn't have any missiles, and now it has them in abundance and many of them are targeted on Europe. It has built up its conventional arms far beyond its defensive needs: for example, it has 16,000 tanks facing 7,000 tanks of NATO in Central Europe. So there is need to strengthen NATO, which has been a major priority of Carter's foreign policy; we have reached agreements on this at the last two NATO summits.

Q. Mr. Gardner, we have talked a lot about human rights. How can the support given by Carter to the Shah, pretending not to see the Teheran massacres, be in keeping with the defense of human rights?

A. As I said earlier, we have to deal with a variety of countries and use our influence to encourage improvement in respect for human rights. Now the Shah is trying to bring his country from the feudal era into the modern era; normally, it takes many generations to achieve this goal. He is trying to do it in one generation. When he imposed martial law, he promised to hold free elections as soon as possible. We must encourage governments to move in the right direction and this is what we are doing with Iran.

Q. Would this encouragement be the same if the Shah didn't have his throne established on oil wells?

A. The only honest answer I can give you is that one has to be an idealist and a realist at the same time. Iran is a country of enormous strategic importance because of its geographic position and of enormous economic importance because it is a major supplier of oil to us and to Europe and Japan, which depend more heavily on Iranian oil than we Americans. It would not serve the interests of freedom in the world to have the oil of Iran fall under the control of the Soviet Union.

THE TRUTH ON THE N-BOMB

Q. One has the impression that President Carter works with one hand for peace (his mediation for peace in the Middle East) and with the other hand for war (the recent decision to build the main components for the neutron bomb). Is this so?

A. No. The so-called N-bomb is not a new weapon, it is an improvement of existing tactical nuclear weapons. There are thousands of them in Europe, on both sides, the Warsaw Pact side and the NATO side, ready for use in case of war in Central Europe. The so-called N-bomb differs from the existing weapons in Europe because it is more precise, it can destroy an invading army without destroying the civilian population around it. In short, it is a more rational weapon.

Q. Ambassador, do you really believe that there are "rational" weapons and "irrarational" weapons?

A. I believe in complete disarmament, I worked for this as far back as the Kennedy Administration, participating in negotiations with the Soviet Union on the banning of nuclear weapons. I think war is obscene, that all weapons are obscene. But let's be logical: the Russians have the SS 16, SS 18 and SS 20 missiles (the latter is now being built) that are twenty thousand times more destructive than the N-bomb. Why are those who complain about the N-bomb totally silent about Soviet missiles which are twenty thousand times as destructive? Isn't this silence strange?

Q. You mentioned the Kennedy Administration. President Kennedy died fifteen years ago, his brother Bob ten years ago. What did we miss in connection with them?

A. The great hope that everything is possible, typical of the Kennedy years. I was thirty-three years old when I was invited to join the Kennedy Administration as Deputy Assistant Secretary of State for United Nations. We all had the sense that one could re-make the world for peace and justice. Today we don't have that sense any more. Today I am older and perhaps wiser, but I miss that unique spirit.

Q. How do you define your political position?

A. One day the Italian press says that I'm too much to the left and the next they say that I'm too much to the right. I am a moderate progressive. We of the Carter Administration are part of a great tradition that extends from Franklin Roosevelt through Harry Truman and John Kennedy to Jimmy Carter. We are reformers. We believe in the renovation of society through non-violence, through law and through the democratic process. In my contacts with Italian politicians I prefer those who share these ideas. Of course, I also see members of the Communist Party. But since President Carter has clearly indicated what our preference is, I don't invite them to official functions at the Embassy. I see them outside, at dinner parties organized by others which I attend.

Q. One more question, Mr. Ambassador: Being used to making political analyses in a simple country like America, how do you deal with Italy's complexity?

A. It is not true that America is simple and Italy complicated. They are both complicated countries. To understand America requires an effort which sometimes you Europeans are not prepared to make. The same thing happens to us with regard to Italy. We must practice a little reciprocal humility. I am trying to approach Italy with humility. I have never said, and I will never say, that I am an expert on Italian affairs.●

INDEED, WHAT KIND OF PEOPLE ARE WE?

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. FOUNTAIN. Mr. Speaker, in the February 5 issue of U.S. News & World Report, editor Marvin Stone has written an excellent commentary on the present and future course of our Nation, salted with a few lessons from history. While we may not agree with every facet of Stone's analysis, I found the editorial to be extremely thought provoking, and I commend it to the attention of my colleagues.

The article follows:

WHAT KIND OF PEOPLE ARE WE?

(By Marvin Stone)

What has happened to the America we knew?

That plaintive cry is sounded time and again in letters from our readers, by people we meet on our trips, by those close to home.

What kind of people have we become?

One description was offered in the recent farewell issue of *New Times* magazine:

"Come July it will be 10 years since Neil Armstrong stepped on the moon—and 10 years since Teddy Kennedy and Mary Jo Kopechne rode off Dike Bridge. Of the two events, Chappaquiddick far better presaged the decade ahead. It was so callous, so sloppy.

"We shrug off almost everything now, moving on—with a lot of help from the omnivorous media—to the next fleeting titillation. Fur ads in *Vogue* feature women being attacked by Dobermans. Shrug. Bianca Jagger, Billy Carter, Gary Gilmore—all hype, show, diversion. There's a new rock group called the Dead Kennedys. Shrug.

"It's as if we're beyond making distinctions, beyond caring. . . . Third graders are selling dope, White House aides are buying it. Our appetite for violence is insatiable. Sid Vicious is just a mixed-up kid.

"Exhausted from our exertions of the '60s, all we ask for now is relief. Six hours of TV helps to get us through the day—life once removed is close enough, thanks. The impetus to rethink-reform-transform has long since slid into the ennui.

"After two centuries, we have reached a consensus of indifference."

So we ask: If we have really come to that, is there any turning back?

The answer has to come from intangibles not readily calibrated. But the answer is crucial, because our future will surely be endangered if we continue aimlessly to drift.

Americans have not, indeed, put on an impressive show of unity in recent years. We can't even get together on saving gasoline and oil in the face of costly imports that are damaging the economy, or on controlling the inflation that threatens disaster.

What's wrong? There are clues.

The ennui of affluence can overwhelm a nation. In this condition, nothing seems to call for striving, or to demand common effort.

Lacking is the challenge that can be the basis of a strong civilization. Those Americans who do not have much are looking around them at the almost universal abundance and expecting to receive—or wangle—their share. The ripoff society.

A retreat from dominance, a softening of the martial spirit have also affected a mature and bountiful society. Along with the urge to relax and enjoy has come the false conviction that protecting national interests, a principal means by which big powers survive, is not worth personal sacrifice.

In the midst of plenty, the small symptoms of economic disorder depress and alienate the individual. The cartwheel dollar is only a collector's item, and quarters don't ring. A cup of coffee at 50 cents and up is a knife to the wallet. When Europeans turn up their noses at the dollar, when a drink costs $8 in a Swiss bar, you don't feel welcome any more. And so Americanism, too, is devalued.

A person deals today with huge companies, not with people. It is hard to make friends with a computer or to cooperate beyond obeying its commands. Big government, faceless and remote, reaches out with incomprehensible forms and rules. How can one feel part of anything? Thieves and embezzlers can operate without the embarrassing thought that they are cheating someone they know, or will be arrested by a policeman who lives down the street.

Respect for government is further diminished by endless exposures of misfeasance. Until reforms are confirmed and confidence is restored, the weak-minded may conclude, "We might as well get ours too," and the honest may turn their backs in disgust.

This and the awful complexity of issues and political campaigning today have generated in people a feeling that they cannot better their condition by going to the polls. A television personality explains why he has no faith in politics:

"It's pretty much the same man, asking the same questions, and we're still stuck." Only about a third of eligible voters cast their ballots. People just don't care.

During a period of recent years, history and writing skills were neglected in school curricula. So we have a generation cut adrift without a compass or the means of communication. Respect for education sank to an all-time low. Teachers were attacked. Buildings paid for with people's tax money were vandalized. Other institutions regarded as foundations of society went down in the avalanche of change. The family suffered. The churches, long a rallying point for humane action, lost influence.

Meanwhile, huge new groups of immigrants arrived, different from former waves of newcomers: In many cases, they wished to maintain their transplanted culture and did not yearn to be "Americanized." Millions of illegal aliens, unable to acknowledge their existence, live outside the system.

Foreign-oriented lobbies have grown up to badger Congress on behalf of Greece, Israel, black Africa, Korea or what have you. These, alongside the domestic lobbies already operating for business, unions, lawyers, doctors, oilmen, dairymen and a host of others, serve to split the country into factions and hamper legislators trying to work for the national good.

Those are a few of the forces working against cohesion and concerted effort. It would be fatuous to suggest that anyone has a remedy. There is no single medicine.

Some of the trends may be irreversible. Some others, happily, are showing signs of improvement. Organizations have grown up to defend the family. Trashing of schools and attacks against teachers are abating in some places. Colleges are restoring requirements for the study of history, government and language. Outwardly, at least, the dissidence of young people has calmed.

Yet Felix Rohatyn, the financier who helped to win time for New York City in its struggle for solvency, issues a warning: "Can a Western democracy only find leadership, nobility of purpose and sacrifice in a time of crisis, at the brink of disaster? . . . [If not] it could be the end of a form of government which, since the days of the French Revolution, has done more for more people than any other system ever invented."

Are we doomed, then? Surely we have endured social revolution before. The nation was born in it, and lived its first 50 years in so unruly a fashion that the strongest memory for Frances Trollope, the English visitor, was of men "incessantly" spitting in living rooms, dining rooms, theaters, the halls of Congress.

After the smashed china of Andrew Jackson's regime, we restored some decorum to the White House, and we eventually restrained his spoils system, at least for a while.

A hard lesson was learned from the bloody stupidity of the Civil War, but we were able, in its uneasy aftermath, to become a nation able to function together as never before.

As World War I drew near its close, suffragettes marched on the White House. During the Roaring Twenties, gin mills sprang up in massive, illegal protests, college students carried hip flasks, and flappers in knee-length skirts rode to perdition in rumble seats. Some thought society had collapsed. But prohibition was repealed, women got the vote, and young people went to work. Out of the travail we became more mature.

The Great Depression of the '30s shook every American. No sooner had the specter of starvation been exorcised than we began to worry about the way Franklin Roosevelt did it. Some groaned, "Socialism!" Others, "Communist!" What really happened was that we found ways to save ourselves from an upheaval like the French and Russian revolutions.

Troubles, then, do not necessarily destroy a nation. Arnold Toynbee, if we read him right, thought of troubles as the challenge necessary to maintain the vitality of a society.

Certainly we have the intelligence to understand that we are going through one more social revolution in this country, and the challenge is to preserve the best of the past and embrace the good in the new. But it will take leadership to define and inspire a common purpose, and desire by the rest of us to pursue it.●

ASBESTOS SCHOOL HAZARD DETECTION AND CONTROL ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. MILLER of California. Mr. Speaker, on Thursday I introduced H.R. 1524, the Asbestos School Hazard Detection and Control Act of 1979, a bill which deserves the immediate attention of the Congress. Over the past several months, I have held several days of hearings, in two subcommittees of the Committee on Education and Labor, on the broad subject of health hazards associated with exposure to asbestos. Expert testimony at these hearings established the fact that asbestos exposure greatly increases the likelihood of contracting lung cancer, mesothelioma and asbestosis, all fatal diseases. In conjunction with smoking, the chances of contracting lung cancer tremendously increases.

One of the most serious problems which was brought to the attention of the subcommittee earlier this month was that asbestosis materials were widely used in the construction of schools during the period 1946–72. One recent survey found asbestos materials in one-sixth of all schools surveyed. In some, the asbestos level in the air was 100 times the normal ambient level. Asbestos was used for fireproofing, insulation, and soundproofing, and was mixed in cement and tiles, used as pipe insulation, and sprayed on walls and ceilings.

Over time, some of this asbestos material has deteriorated and found its way into the air, where it can be inhaled by students and school employees. Especially when the asbestos materials have become friable, or are within easy reach of students, the likelihood of the release of asbestos fibers is very great. Additional problems are caused by broken insulation around pipes and water and air damage.

The problem in our schools is particularly severe because children, according to leading medical experts, may be especially susceptible to environmentally caused cancers. Asbestos related cancers also take as long as 30 years or more to develop. If a young child is exposed, therefore, his or her likelihood of surviving well into the post-latency period, when the cancer becomes manifest, is far greater than in the case of an older worker.

There are very inadequate controls governing asbestos in the school environment. There is currently no safety standard applicable to schools. Although the use of sprayed asbestos was banned by the Environmental Protection Agency in 1973, there is no program to survey schools and remove hazardous asbestos, except on a voluntary basis. Local school boards do not have the technical expertise to test their schools, nor the financial resources to pay for the containment or removal of hazardous substances. Although administrative relief is being sought under the Toxic Substances Control Act, resolution of the current petition may require years, and we cannot afford to wait. Doctors told our committee that there is no safe level of exposure to asbestos; cancers have appeared in people who were exposed for only a few weeks several decades in the past. I believe that my bill is a reasonable, fair, and effective way to responsibly provide Federal leadership in the resolution of a very grave danger.

The Asbestos School Hazard Detection and Control Act builds on the voluntary efforts begun by the National Cancer Institute, HEW, the Department of Labor and several States to reduce the asbestos hazard to millions of schoolchildren. This bill would create an interagency Task Force to conduct information, education, and technical assistance programs for States and local units of government, including school boards, concerning the hazards of asbestos exposure, the means of detection and containment or removal. The bill also requires States to file a plan which details the means which they will use to conduct a thorough survey of all schools for the purpose of detecting the presence of hazardous asbestos substances.

If a hazardous situation is found, the local board could apply to HEW for a 50-percent reimbursement of the approved costs of a survey, detection, and testing of suspected materials. The reimbursement would be paid from a fund composed of contributions from those companies which manufactured asbestos during the years the substance was being installed in schools. Throughout all of the testimony at various hearings, I think a very strong case has been made to the effect that asbestos manufacturers did not exercise prudence or caution for many years regarding their product. Letters which were made available to the Subcommittee on Compensation, Health and Safety indicate that these companies were aware of the severe health hazards associated with asbestos exposure as early as 1933 or 1934. There was an enormous literature developed on the subject during the 1930's, 1940's, 1950's, and 1960's. At hearings 2 weeks ago, the attorney for Johns-Mansville told the subcommittee members that his company knew "decades ago" that exposure to asbestos in the workplace caused severe illness. Yet what did the company do? We also heard from a man who lost a lung, and now has other severe asbestos-related illnesses, who had worked in a plant in the late 1960's, and was never warned that his health was at risk.

Despite company protestations, there is very little evidence that asbestos manufacturers exercised diligence with regard to their workers' health. Nor did they adequately investigate the possible effects of exposure in nonindustrial settings. Knowing as much as they did 40 years ago, one would have hoped to see far more in the way of corporate responsibility than they have yet revealed.

Detecting and cleaning up asbestos hazards is not going to be cheap. I, for one, do not believe that the Federal Government ought to pick up the tab alone. This is a problem for which responsibility must be shared, and I firmly believe that the people who manufactured and promoted the use of asbestos for decades, and who made very profitable businesses out of that activity, should also contribute to the solution of a very serious problem.

The issues raised in the asbestos problem, and in the legislative response, are very far reaching. I believe that corporate responsibility simply cannot end with the sale of a product into the marketplace. I think there is a choice to be made. Perhaps we will have massive Federal regulation in the future to prevent forever the introduction of any potentially hazardous substance, because if a danger does become known, the responsibility for picking up the bill for the corrective action always seems to be sent to the Government. Or, perhaps corporations will choose to exercise diligence and assume the responsibility for their products, even if hazards become known years after their introduction.

But that is not the kind of responsibility we have seen in the case of Tris, or Firestone tires, of Pintos, or now asbestos. Business wants no regulations, they oppose Toxic Substances Acts and other laws, and then they run to the Congress to pick up the multimillion dollar bills due to their errors and negligence. Well, I favor cutting back on wasteful Government spending, too, and I think a very good place to start is by ending the periodic bailing out of corporations which find that their products have not only produced profits, but also life threatening hazards for millions of Americans.

If hazardous situations are found, they should be mitigated, either by containment or removal. My bill would provide school districts with long term, no interest loans, but only for the mitigation of situations which pose an imminent danger to the health of students and school employees. I do not believe that we should hyperbolize this issue; we should not create the impression that every school in America is filled with asbestos. We should not create a loan program which will be used to refurbish every school building in the country. That is why loans, under this bill, will be for the mitigation of serious problems where the asbestos is friable, damaged, or within easy reach of students or employees.

There are several other provisions in this bill which are very important. All parties would reserve the right to take legal or administrative actions to recover losses. Employees would be protected from disciplinary action because of their activities regarding asbestos safety. All testing and mitigation efforts would have to be conducted in strict accordance with worker safety rules.

Mr. Speaker, I am hopeful that this legislation receives swift consideration by the Congress. The asbestos problem in our schools affects every State in our Nation, and probably every congressional district. This legislation establishes a reasonable, cautious and fair approach to ridding our schools of a potentially severe health hazard.●

REPRESENTATIVE MINETA ON SUNSET

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. BLANCHARD. Mr. Speaker, during last week's Democratic Caucus, Mr. GEPHARDT, Mr. MINETA, and I offered a resolution urging the Rules Committee and the Ways and Means Committee to give full and serious consideration to sunset legislation. Our resolution was adopted, and I want to thank Congressman MINETA for his tireless efforts on sunset.

Time did not permit Mr. MINETA to offer his prepared remarks, so I would like to take this opportunity to bring them to my colleagues' attention. Mr. MINETA's statement shows very clearly the long legislative record and extent of the effort that has gone into the preparation of this important piece of legislation over the past 4 years.

The statement follows:

MINETA STATEMENT ON SUNSET RESOLUTION

This Resolution deserves the strong support of all the Members of this body. It is directed towards achieving a goal we can all agree on—improving the effectiveness of Federal spending. Passing this Resolution will not force anyone to do anything they do not want to do. It merely urges the Rules Committee to consider legislation to require review and reauthorization of spending programs on a systematic basis. Further, it asks the Ways and Means Committee to do the same thing with tax expenditures.

I want to point out to my colleagues that the sunset plan we are proposing is not a mere political gimmick cooked up to convince voters that we "got the message of Prop. 13." The five elements we have listed in our resolution which should make up the basis of a comprehensive review system are the result of four years of legislative study and refinement. A brief chronology of the legislative history of this idea will indicate that it is, indeed, a serious idea.

The bill embodying the sunset principle was originally introduced in July, 1975 by Jim Blanchard and myself. Subsequently, various similar bills were introduced in the House and Senate during the 94th and 95th Congresses. During that time the bill was the subject of numerous hearings in both the House and Senate:

In March and April, 1976, 7 days of hearings were held by the Senate Intergovernmental Relations Subcommittee.

In June, 1976, hearings were held by the House Rules Committee.

In June and July, 1976, hearings were held by the Budget Process Task Force of the House Budget Committee.

In September 1977, Senate Rules Committee held hearings.

In March, 1977, 7 days of hearings were held by the Senate Intergovernmental Relations Subcommittee.

September, 1977, hearings were held by the Senate Rules Committee.

October, 1977, hearings were held by the House Government Operations Committee Subcommittee on Legislation and National Security.

In the course of the last four years, that's a total of 24 days of hearings held by five committees.

By the end of the 95th Congress, various sunset bills which Mr. Blanchard and I introduced had over 180 co-sponsors in the House. Last October, the Senate passed their companion measure, 87–1.

Thus, the bill we are talking about is already in a refined form. It is possible to achieve a firm, yet flexible schedule with the approach we are suggesting. It is our hope that passing this resolution will convince the Rules Committee to put together a workable bill along the lines in this resolution. With the able leadership and extensive expertise of the Rules Committee, a truly landmark piece of legislation will be possible.

I urge you all to support this resolution.●

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. ROTH. Mr. Speaker, we live in an era of unprecedented inflation. Rapidly rising prices affect our senior citizens even more than other Americans.

Because our older citizens generally live on fixed incomes, it is very important that they take advantage of every allowable tax deduction, exemption and credit available.

Today I am submitting a revised Checklist of itemized Deductions for use in preparing 1978 Federal income tax returns. The checklist, prepared by the Senate Special Committee on Aging, is designed to cover many typical situations. It is not intended to be comprehensive for every conceivable tax situation.

Several new tax relief measures became law in 1978. Persons 55 years of age or older may now exclude up to $100,000 from capital gains tax when they sell their home.

In addition, there is a new 15 percent tax credit of up to $2,000 for energy conserving devices.

The checklist will be helpful in determining whether to itemize deductible expenses or claim the standard deduction. It can provide guidance in planning personal and tax affairs. The checklist may even be helpful for taxpayers who have already filed a tax return but overlooked allowable deductions, such as sales tax on an automobile or transportation for medical expenses exceeding three percent of adjusted gross income. These persons may still claim these items by completing an amended return, Form 1040X.

I hope our senior citizens will find this information interesting and useful:

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3% of your adjusted gross income (line 31, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 31, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expenses (subject to 3% limitation):

Abdominal supports (prescribed by a doctor).

Acupuncture services.

Ambulance hire.

Anesthetist.

Arch supports (prescribed by a doctor).

Artificial limbs and teeth.

Back supports (prescribed by a doctor).

Braces.

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs.

Chiropodist.

Chiropractor.

Christian Science practitioner, authorized.

Convalescent home (for medical treatment only).

Crutches.

Dental services (e g., cleaning, X-ray, filling teeth).

Dentures.

Dermatologist.

Eyeglasses.

Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).

Gynecologist.

Hearing aids and batteries.

Home health services.

Hospital expenses.

Insulin treatment.

Invalid chair.

Lab tests.

Lipreading lessons (designed to overcome a handicap).

Neurologist.

Nursing services (for medical care, including nurse's board paid by you).

Occupational therapist.

Ophthalmologist.

Optician.

Optometrist.

Oral surgery.

Osteopath, licensed.

Pediatrician.

Physical examinations.

Physical therapist.

Physician.

Podiatrist.

Psychiatrist.

Psychoanalyst.

Psychologist.

Psychotherapy.

Radium therapy.

Sacroiliac belt (prescribed by a doctor).

Seeing-eye dog and maintenance.

Speech therapist.

Splints.

Supplementary medical insurance (Part B) under Medicare.

Surgeon.

Telephone/teletype special communications equipment for the deaf.

Transportation expenses for medical purposes (7c per mile plus parking and tolls or actual fares for taxi, buses, etc.).

Vaccines.

Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).

Wheelchairs.

Whirlpool baths for medical purposes.

X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

TAXES

Real estate.
State and local gasoline.
General sales.
State and local income.
Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, truck, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20% of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7¢ per miles plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable orgainizations (excess of amounts paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

INTEREST

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Point—deductible as interest by buyer where financing agreements provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

MISCELLANEOUS

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment(deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—You may claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

PRESIDENTIAL ELECTION CAMPAIGN FUND

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the President Election Campaign Fund.

ADDITIONAL INFORMATION

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

OTHER TAX RELIEF MEASURES

Filing status:	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Exemption for Age.—Beside the regular $750 exemption, you are allowed an additional exemption of $750 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1979, you will be entitled to the additional $750 exemption because of age for your 1978 Federal income tax return.

"Zero Bracket Amount."—The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rates schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10% of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written

statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20% credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

ENERGY TAX ACT

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditure in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

PUGNACIOUS "TWIG" NOW A TOP LAWYER

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. ALEXANDER. Mr. Speaker, one of Arkansas' top lawyers, Oscar Fendler, of Blytheville, Ark., in my district, was paid tribute in the Arkansas Gazette last December. An article written by Doug Smith traced Oscar's colorful legal career. As the pugnacious "Twig" is well known in American Bar Association circles for his contribution to the legal profession, I wanted to share with my colleagues this article:

PUGNACIOUS "TWIG" NOW A TOP LAWYER

(By Doug Smith)

BLYTHEVILLE.—In his youth, Oscar Fendler was pugnacious, partly because of temperament, partly because of maternal pressure.

"I used to have a vicious temper," Fendler said. "It got me in a lot of fights—and I didn't win many of them. But I kept on fighting. If I told my mother I'd gotten whipped, she'd make me go back and fight him again. She was a fighter."

As the twig is bent, they say. Fendler grew into a pugnacious man, although his adult fighting has been of the legal sort, rather than hand to hand. Such as, the time he went into action against the Mississippi County Penal Farm, a frightening institution where —Fendler said—misdemeanants were routinely brutalized. Before the County officials finally gave up and closed the Penal Farm, Fendler had reversed the normal pattern of activities at the Farm. According to County officials, at least, who contended that Fendler had the deputies carrying wood and building fires for the inmates.

A Little Rock reporter remembers seeing Fendler do battle with Arkansas Louisiana Gas Company, and Ark La's crew of high-priced lawyers, in a rate hearing before the state Public Service Commission. At one point, Fendler demanded that Ark La produce every record, every scrap of paper, it had kept for the last 10 years. At another point, he asked the PSC to take judicial notice of the fact that one of Ark La's expensive expert witnesses was a fool. He also made some implications about Ark La's legal counsel that weren't taken kindly. Before the hearing was over, the Ark La people were almost as concerned about protecting themselves from Oscar Fendler as they were about the rate increase.

Fendler, 69, of Blytheville is one of the state's foremost lawyers, and one of the most colorful—the kind that other lawyers tell stories about. (Like the one about the Blytheville barber who made a practice of quizzing his lawyer-customers about his legal problems. When that happened to Fendler one day, he went back to his office, drew up a bill for 30 minutes of legal consultation, and mailed it to the barber.) He also is one of the most honored within the profession, which is a little unusual. Generally, the lawyers who gain the highest offices within the bar are conservative, board-room types. Fendler, despite his flamboyance, is a former president of the Arkansas Bar Association, and he is, or has been, a fellow in the American College of Probate Counsel; a fellow of the American Bar Foundation; chairman of the General Practice Section of the American Bar Association; a member of the House of Delegates of the American Bar Association, the ABA's governing body, and a member of the American Judicature Society, among other honors.

This is not to say that Fendler is universally loved within the profession. He is respected, but not loved. It is said that he doesn't always observe legal etiquette. A lawyer who has practiced in Northeast Arkansas described the pretrial conferences that are held between the judge and all the lawyers who have cases scheduled for trial. "Everybody else shows up on time and waits his turn, like you're supposed to. Fendler's always late. He comes in with half the cases, calls the judge by his first name, spreads out his stuff on the table and starts talking. Everybody else has to wait until he's through."

But all the lawyers admit that Fendler is a formidable adversary. They don't enjoy trying cases against him. "He's very aggressive," a lawyer said. "He'll plead you to death. He makes you want to settle just to get him off your back."

Fendler was born at Blytheville and reared at nearby Manila. His parents were Polish immigrants—from Cracow, the hometown of Pope John Paul II. They were dirt-poor at first, but his father opened a tailor's shop at Manila and eventually prospered and expanded, going into the grocery business and then the dry-goods business. The elder Fendler sent Oscar and his two brothers to college (one of the brothers became a lawyer and the other a doctor), but not their sister. He saw no point in sending a girl to college, Fendler said.

Cracow belonged to Austria at the time Fendler's parents had lived there. At Manila, the family spoke a combination of German and Yiddish at home. The elder Fendler considered himself a German and was proud of it—his nickname was "Germany"—and he passed that on to his family. When the kids at Manila played soldiers, Fendler always took the German side. "I thought the Germans could beat anybody," he said. "Deutschland Uber Alles." When America entered World War I, pro-German sentiment became decidedly unfashionable, and that led to a frightening episode in Fendler's life.

"One night in 1918, some drunks wanted to lynch us," Fendler said. "Some good friends hid us that night. It's a hell of a feeling, I can tell you. I've had a terrible hatred of mobs ever since. I'm sure that's one thing that prompted me to be a lawyer."

Fendler remembers another time when a mob walked the streets of Manila. That was in 1933, during the Depression, when people were hungry, and angry. "Every merchant in town [including Fendler's father] had to close his store that day," Fendler said. The 1933 group had more justification for their actions than the one in 1918. "Their families were starving," Fendler said. "It was hard to blame them."

Being Jewish, Fendler also had difficulties—though not as serious—with members of the Ku Klux Klan. "I used to catch flak from the KKK," he said. "I went around telling them what a bunch of low-life * * * they were."

After graduating from Blytheville High School, Fendler went to the University of Arkansas. For two years, he was the chief editorial writer for the *Arkansas Traveler*, the student newspaper. He spent most of that time trying to get Fred Thomsen, the U of A football coach, fired. "I didn't care for him," Fendler said. He also found time to win a letter in tennis.

Then it was off to Harvard Law, where one of his professors was Felix Frankfurter and where Fendler distinguished himself, he said, as "the best home-brew maker that was ever up there." There were several Arkansans among his fellow law students—E. J. Butler of Forrest City, Richard L. Arnold of Texarkana, Albert Graves of Hope, Cooper Jacoway and E. L. (Buddy) McHaney of Little Rock. In fact, Fendler said, the member of his class who achieved the greatest fame in later life was an Arkansan—Wilbur D. Mills of Kensett.

Fendler maintained his interest in journalism, and put it to use during the summer of 1932, when he and some of his Harvard friends went to Los Angeles for the Olympic Games. Fendler paid for the trip by working as a free-lance reporter, selling articles to the Hearst papers and the St. Louis *Post-Dispatch*, among others. One of the athletes he wrote about was Bill Carr of Pine Bluff, who won the gold medal in the 400 meters.

While he was at Harvard, Fendler made speeches in New England for Al Smith, who had been the Democratic presidential nominee in 1928 and sought the nomination again in 1932. Fendler said that United States Senator Joe T. Robinson of Arkansas, who had been the Democratic vice presidential candidate in 1928, convinced Fendler and some of his classmates that Smith was to be preferred over Franklin D. Roosevelt. (Neither the Democratic Party nor the people shared that opinion.)

After graduating from Law School, Fendler returned to Blytheville to practice law in 1933. He has been here ever since, except for service with the Navy in World War II.

As with other small-town lawyers, Fendler's is a very general practice—probate, criminal, whatever is needed. And, another characteristic of small towns, he keeps crossing paths with the same people. As a young man, Fendler led a Boy Scout troop, once taking it on a trip to Hardy. Later, the man who drove the bus on that trip got in serious trouble with the law and Fendler defended him. Still later, he defended one of his former Scouts.

Fendler has filed a number of civil rights lawsuits; some are pending now. "It's just been sort of my hobby to help the guy who can't help himself," he said. That tendency led him, in 1971, to file a federal lawsuit to close the Mississippi County Penal Farm, after a teen-aged black prisoner drowned on a work detail. The Mississippi County suit was part of a broader effort against all the county prison farm in the state. Several lawyers were associated with Fendler in the effort. One of them was Richard S. Arnold of Texarkana, the son of Richard L. Arnold, whom Fendler had known in Law School. Richard S. Arnold recently was appointed a federal judge.

(Fendler first heard of Richard S. Arnold when Arnold took the Arkansas bar examination. Fendler was a member of the Bar Examiners Board that year. The examinations were identified only by number, so that the examiners wouldn't know whose paper they were grading. Fendler said that there was one paper that was brilliant. "He answered questions that I hadn't even known were in there—and I wrote the questions. I gave him 117 out of a possible 100." Later, he learned the paper was Arnold's.)

The Mississippi County Penal Farm was closed, after federal Judge G. Thomas Eisele imposed requirements that the Farm couldn't meet. The closing worked out well for everyone, Fendler said. He said Mississippi County now made money by leasing the farmland. The buildings are used for a work-release program in co-operation with the state Correction Department.

When Fendler first filed the suit, some Mississippi County residents were angry with him, especially some of the elected County officials, Fendler said. But much of that sentiment changed after Fendler discussed the Penal Farm with Mississippi County leaders, including the biggest landowners and taxpayers in the County. "They generally agreed that the County couldn't tolerate something as vicious as that," he said.

In connection with the Mississippi County lawsuit, Fendler had a hand in getting the West Memphis Jail "pretty well straightened up" and the Phillips County Penal Farm closed, he said.

Fendler and Richard S. Arnold worked together also as the attorneys for a group of taxpayers who alleged that Sheriff Marlin Hawkins of Conway County had converted County funds to his own use. Hawkins, a devoted Democrat, charged that the suit was simply Republican harassment. Both Fendler and Arnold are Democrats; Fendler has been a member of the Mississippi County Democratic Committee since 1948. Fendler said it was true that Governor Winthrop Rockefeller, who was the leading Arkansas Republican, financed the suit. But Fendler said he and Arnold were nonpartisan in the matter.

They took the case, he said, "because Rockefeller paid us money. We're lawyers." (The suit alleged that Hawkins had misappropriated more than $200,000 in county money. The trial judge ordered Hawkins to pay $10,082 to the county treasury, but the judge said he believed there had been no willful wrong doing by Hawkins. Friends of Hawkins raised the money.)

Despite his Party affiliation, Fendler has refused to support Democratic nominees on a couple of occasions. In 1966, he was chairman of the Mississippi County Democratic Committee. He sent a telegram to the Democratic State Committee that year saying that he couldn't vote for the Party's gubernatorial nominee, Jim Johnson, because Johnson campaigned "on a platform of hate and bigotry." The Party took no disciplinary action against him, Fendler said. "They didn't like it, but what could they do about it? They'd have to kick thousands of people out of the Party."

FENDLER MOTIVE

That was the year that Rockefeller was elected to his first term as governor, but Fendler said his motive at the time was anti-Johnson, not pro-Rockefeller. Later, he became an admirer of Rockefeller. "Rockfeller was one of the nicest guys I think I've ever known," Fendler said. "The state of Arkansas pulled a boner when they didn't take more advantage of what he wanted to do."

Rockefeller appointed Fendler to the state Pardons and Paroles Board. Predictably, the two men then found cause to disagree. Fendler thought the whole parole system stank, and said so in his forthright manner, The Board granted and refused paroles without sufficient information to make intelligent decisions, he said. Rockefeller thought his appointee should have been more circumspect in his criticism. Fendler, no longer a member of the Parole Board, says that the parole system still needs reform. A committee appointed by Governor Pryor did a good job of recommending changes, he said, but "I think he (Mr. Pryor) filed the report where Pryor files all his reports—File X. Nothing's been done."

The present chairman of the Parole Board is James M. Gardner, another Blytheville lawyer, Fendler said that Gardner disagreed with him about the parole system. Fendler is accustomed to disagreement.

Fendler deserted a Democratic nominee again in 1972, when Senator George McGovern of South Dakota was the Party's presidential candidate. Fendler isn't the doctrinaire liberal that some think. Even when he denounced Johnson in 1966, he proclaimed himself a segregationist. (He's beyond that now, he says. He said he was a segregationist in those days for the same reason that most people were segregationists—because it was the custom.) "I don't go along with ideological trends," he said. He said he served gladly on the American Bar Association's Committee for Education Against Communism, and "that's about as reactionary a bunch of * * * as you can find."

Fendler said that he'd tried a couple of times to be appointed to the federal bench. Once, he worked through the late United States Senator John L. McClellan, a political friend, but the appointment went to someone else. The other vacancy occurred during the Republican administration of President Richard M. Nixon. Fendler was interviewed at the Justice Department, but he said he was told that as a Democrat who hadn't supported Nixon, his chance of appointment was slim. The appointment went to Eisele.

All for the best, Fendler said. "It would have been a bad thing for me to be a federal judge," he said. "I'm not temperamentally suited for it. I don't think I would have been happy."

Furthermore, Judge Eisele has been a good judge, Fendler said. Now that Judge Eisele has been joined on the federal bench by Arnold and by Judge Elsijane Trimble Roy, the federal bar at Little Rock is exceptional, Fendler said. He said that if Little Rock lawyer William R. Overton was appointed—as Overton is expected to be—"that'll really be a strong group."

AS JUSTICE

Fendler has served as a special justice of the Arkansas Supreme Court on occasion, by appointment when one of the justices disqualified himself. Usually, serving as a special justice is a fairly routine chore. Not for Fendler. The case he drew was one of the most sensational murder cases of recent Central Arkansas history—the conviction of James Dean Walker for the shooting of a North Little Rock policeman. "I didn't know anything about the case until I got down there [to Little Rock]," Fendler said. "Lightning always finds me."

Of course, when Fendler read the transcript of the trial, he was outraged. "What a lynch trial," he said. He wrote an opinion that blasted the trial judge so strongly the justices wouldn't let him publish it. However, they agreed with his conclusion that the conviction had to be reversed.

Walker was retried and convicted again. The Supreme Court upheld the second conviction. Fendler wasn't on the Court then, but he was on the Pardons and Paroles Board while Walker was an inmate seeking clemency. Fendler thought he should have it, but the other Board members didn't; there was strong opposition from law enforcement officers. Walker finally took matters into his own hands, by escaping. He is still at large.

Fendler is married to the former Patricia Shane of Blytheville. He has a stepson, Tilden P. Wright III of Fayetteville, also a lawyer, and a daughter, Frances Fendler of Little Rock.

"I don't think I'd change anything in my life," Fendler said. "Not even feeling fear from a mob. I think it served a good purpose."●

AN UNREPAYABLE DEBT

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. SAWYER. Mr. Speaker, I would like to give recognition to three individuals who gave unselfish and courageous service in risking their own lives to help save another person from being burned alive in a vehicle accident.

Jean Powell, Jessie Quintanilla, and Greg Longcore were not afraid to get involved and each stopped at the scene of the accident to rescue a truck driver who was trapped unconscious in his burning vehicle.

Oftentimes today we say people do not care anymore. But that is not always true, and the Grand Rapids Press of October 12, 1978, reports on the three unselfish rescuers. I include the article in the RECORD at this point:

RESCUERS IGNORED FLAMES TO DRAG DRIVER FROM BURNING TRUCK

(By Steve Grinczel)

Lawrence Hoover was alive Thursday thanks to three persons who dragged him from his truck, burning as the result of a head-on collision that cost the other driver his life.

Hoover, 32, of 525 Shirley St. NE, was listed in satisfactory condition Thursday at St. Mary's Hospital with multiple injuries, including a fractured pelvis.

Funeral services for the other driver, Arley M. Silsby, 22, of Sparta, will be at 2 p.m. Saturday at the Hessel-Cheslek Funeral Home. Burial will be in Blythefield Memory Gardens.

Hoover, driving a Frost-Pack Distributing Co. truck, was northbound on M37 to deliver food items to the Fremont and Newaygo areas. Silsby, who worked for Engineered Protection Systems as a guard at Steelcase, Inc., 1120 36th St. SW, was southbound on M37.

For some reason still unknown to Kent County Sheriff's Deputy Jim Duvall, Silsby's car drifted acrcss the centerline and hit the truck head-on about 6:30 a.m. Wednesday.

The truck spun into a ditch, toppled on its side and, with the dazed Hoover trapped in the cab, the engine caught on fire.

But fortunately for Hoover along came Jean Powell, 33, from the Casnovia area, Jessie Quintanilla of Grant and Greg Longcore, 23, of Kent City.

Powell was on her way to work at the Sparta Foundry Co. when she saw the fire.

"I was the first one there," said Powell. "I stopped the car, saw fire and looked around, but it was so dark. I knew there had to be someone inside.

"The front end was on fire and the guy started to move around," said Powell, a press operator for nine years. "I hollered to two other guys who stopped and hollered that we've got to get a man out of the truck."

Powell, Quintanilla and Longcore pulled Hoover through the shattered windshield and dragged him across the street.

"Just then, the truck exploded," said Powell. "The whole front end was on fire. He was hurt too bad to get out himself."

Powell said she made it to work late, but her boss understood. "It went easy," she said. "But my nerves were kind of shot."

Powell said she really didn't think about her own safety when she was helping pull Hoover from the truck, but after the explosion, "I got scared."

Quintanilla, 23, a grinder at Sparta Foundry Co., said he left for work 25 minutes early for a change. Taking the headstart put him in the position of risking his own life for another man.

"I'm just glad it didn't blow up where we were getting him out," said Quintanilla. "I stopped and thought about it and said 'well, it's either take him out or see him burn.'

"I couldn't live with that," he said.

Longcore was on his way to work at Oliver Machinery Co., 1025 Clancy St. NE.

"I was scared," he said. "The truck was burning and after we got him across the street there was a big bang. Then the fire picked up faster."

Longcore said the truck exploded about a minute after they pulled Hoover from the wreckage.

"I'm glad I did it," said Longcore. "I'd want help if I needed it." ●

RAVENDEN SPRINGS: 187 STRONG

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. ALEXANDER. Mr. Speaker, this Member of Congress has always believed that it is the small town that is the bedrock of our democracy. One such small town in my congressional district, Ravenden Springs, has a colorful past. In the January edition of Rural Arkansas, an article citing some of the particulars of Ravenden Springs' past gives some insight as to how the 187 strong who live here view their hometown. I would like to share this article with my colleagues:

RAVENDEN SPRINGS

Edgar Allen Poe (1809–1849), an American short story writer, poet and journalist, worte "The Raven." Many of you may remember this poem from early English Literature classes and probably remember the quote "Nevermore, Nevermore—" even better than his other writing efforts.

You may think Mr. Poe's writing had something to do with the name of the little village of Ravenden Springs. It didn't, but the ravens and some unusual springs did play a part in the name.

John Janes, originally from Virginia, settled in the western part of what is now Randolph County in 1809 near a small creek that still bears his name. "Janes' Store" became the center of the community of newly-arriving settlers and with two other small settlements—Kingsville and Walnut Hill—merged into the present location of Ravenden Springs in an unusual manner.

Hall's Creek winds in a serpentine fashion through a bluff-lined canyon with springs flowing from the rock walls in numerous places into the creek.

At a location northwest of the present town, a large opening in the bluff may be seen about 75 ft. above the creek bed. Ravens used this den as a nesting area from 1820 until 1861, when they left and never returned.

Shortly afterward, Rev. William W. Bailey, a Methodist minister, had a dream. He had suffered from dyspepsia, a stomach ailment, for years. In his dream he went down in the canyon of Hall's Creek, drank from a spring several times, and was cured.

The next day, he went to the location and drank the spring water. After a few days of drinking the water, he had complete relief of his stomach problem. His account of the "miracle" traveled like wildfire.

Millard Bailey, former principal of the Ravenden Springs High School and a descendant of Rev. Bailey, said, "In hearing this story, one must realize that in those days, they just didn't have the 'drop-drop-fizz-fizz' we hear so much about now for upset stomach.

"I checked the analysis of the water of the spring and found the alkaline content to be such that it could be a factor in giving relief. One must also remember that the Indians all over America had discovered that certain springs gave relief for many problems. Even the animals know which springs contained salt.

"People in those days went to the springs in increasing numbers, hoping to find a cure by either drinking the water or bathing in it. Eureka Springs and Hot Springs are good examples, and that is what happened here."

Rev. Bailey obtained his miracle spring and land around it in 1879 from the government. The land and spring are now within city limits.

In 1880, Capt. R. D. Walsh, a conductor on the Iron Mountain Railroad, obtained the land and spring from Rev. Bailey and laid out the plan for the present town of Ravenden Springs. It had already become well known, had a stage line, mail route, and the Kansas City, Ft. Scott and Memphis (now the Frisco). Ravenden Junction was only six miles away. He named it for the raven's den and the springs, because two more springs had been discovered that were said to be helpful for other maladies.

The town had now grown to about 1,500 citizens and a stock company was formed to finance a 40-room hotel called "The Southern." It was dismantled in 1942 and never rebuilt.

The first high school was built in 1906 and the Lone Rock Bank, named for a large rock formation in the Hall Creek Canyon, was established in 1907. The bank became a victim of the 1930 depression. Another hotel, the Davis, was built in 1910. It also failed to survive the depression.

The little village continued to hang on, however, and the first bonded road improvement in Randolph County financed a graded and gravel road over the six miles to Ravenden Junction. It was taken over by thte state highway department in 1940 and became designated Highway 90, which runs from U.S. 63 at Ravenden to Pocahontas.

According to Millard Bailey, three schools have been built on the site where the old abandoned high school now stands. Students from near Dalton areas now attend a new school near Dalton on the Nubbin Ridge Road. Mr. Bailey also said the town has hopes of placing some sort of industry in the old school building since it is still in fine shape, is large and has adjacent storage facilities.

Although there are only 187 residents now living in Ravenden Springs, and employment necessitates driving to Pocahontas or Walnut Ridge, a modern water system has been installed: and according to Mayor George Stephens, "everything is definitely looking up."

A Baptist encampment is located near the largest spring and is used extensively during the summer. Many new residents have moved into the area recently and the raising of cattle and hogs has increased.

Many towns and small villages throughout Arkansas have colorful and unusual names and the background of those names usually has some interesting facts.

So the ravens left for no apparent reason, but Ravenden Springs proudly carries on. Perhaps when the town is bustling with people and business again—the ravens may return. Who knows? ●

SOME OF US MAY NEVER DIE

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. HAMMERSCHMIDT. Mr. Speaker, under the able direction of Congressman BIAGGI and my former House colleague, Congressman Sarasin, the Select Committee on Aging's Subcommittee on Human Services has been exploring the future needs of our increasing elderly population. One facet of the subcommittee's look at the future of aging is the new frontier of life extension. The first edition of Omni magazine (October 1978) contains an article entitled "Some of Us May Never Die," which is timely to the subcommittee's exploration and introduces to many of us some concepts and theories which may stretch our minds. I commend this excellent article to the attention of my colleagues.

SOME OF US MAY NEVER DIE

In October, 1976, Luna, the 16-year-old daughter of science writer Robert Anton Wilson, was brutally beaten and killed in a grocery store robbery. Helpless in the face of death, Wilson took the only action he could. He had the child's brain set immediately in cryonic suspension, frozen in liquid nitrogen at 320 degrees below zero (Fahrenheit). From this brain a part of Luna's identity may someday be reconstructed, or, from one of her stem cells, a new body cloned. Hers was the first brain to be frozen in this manner. Now, however, a special cryonic cylinder for the brain has been made available for the purpose of future cloning or identity reconstruction of some other kind.

Cryonic preservation is undertaken on the premise that the infinitely more advanced medical scientists of the future might be able to revive the dead and repair whatever killed them. It's a long shot, to say the least, but the odds are still better with freezing than they are with cremation or burial. Some cryobiologists estimate that certain bodies could be preserved for several hundred thousand years without any deterioration.

However desperate, bizarre, or macabre an effort it may seem, cryobiological interest is growing and profit-making organizations such as Trans Time in Berkeley, Bay Area Cryonics, and the Cryonics Society of Michigan are forming around the country. Adherents of the practice include people such as Woody Allen and Columbia University physicist Gerald Feinberg, who conceived the hypothetical faster-than-light particle, the tachyon. It is rumored, although without confirmation, that Walt Disney is among those whose animation is cooling off until a better day.

Unlike Luna Wilson's body, most of the souls resting in cryonic suspension are intact. Immediately after death each body is packed in dry ice, drained of blood and filled with glycerol and DMSO (dimethyl-sulfoxide) an antifreezing agent, to prevent ice crystals from forming in the living tissue. The frozen body is then wrapped in aluminum foil and stored in a thermos-like insulated double-walled polished steel "cryonic storage capsule" until the millenium. The body is "buried" in a cryonic cemetery which uses auxiliary power sources to keep it frozen even in the event of a power shortage.

To keep the immortal fire burning, however, is no minor financial undertaking. For most people, the initial cost of interment amounts to about $15,000 with a maintenance charge of $1800 a year. At Bay Area Cryonics a $50,000 insurance policy is said to cover the whole thing. And you have to plan ahead!

DEATH VS. THE PEOPLE

The obvious drawback to cryonic suspension is that you have to die in order to enjoy an extended life. But movements such as cryobiology point to the growing rebellion against aging and death. People simply want to live longer, better, and are less and less willing to "go gentle into that good night." And the cryonic refrigeration revolution with its "freeze . . . wait . . . reanimate" is not the only front on which death and aging are being attacked.

In Robert Anton Wilson's *Cosmic Trigger*, Paul Segall, Ph. D., a researcher in the department of physiology at the University of California, Berkeley, offers several approaches to longevity, which include:

Transplantation, which might allow us to continue replacing organs "until the point where 'we' are still there, but our entire bodies are new."

Prosthetics and *cyborgs*, machine-human combinations of which the Bionic Woman is a none-too-fanciful projection.

Identity reconstruction through cloning.

Regeneration, a process by which repressed genes are switched back on to renew cell tissue.

And at the heart of the matter is *gerontology*. This science investigates not only the chemical and biological processes of aging, but also the possibilities for extended healthy life. If gerontology research proves as promising as it looks, drastic measures such as freezing, cloning, and mechanizing humans in order to preserve your vital personality may not be necessary. Most efforts in the gerontological field are concerned with postponing senescence.

As early as 1962, Dr. Bernard Strehler, professor of biology at the University of Southern California, and one of the indefatigable warriors of the seige on death, announced that before long science will have understood aging's sources and that "toothless, wrinkled, mindless incontinent wrecks with Dorian Gray-like [sic] bodies—they will not exist!" In the absence of aging, Strehler said, the longevity of a healthy 21 year old could exceed 2000 years.

Following the startling hypothesis that aging could be curable, gerontologists have been piecing the puzzle together, moving closer to pinpointing the causes of aging, the sources of longevity.

Right now it seems quite possible that the underlying cause of aging may not be impossibly complex, but singular, primary. It may be that senescence is not a natural phenomenon, but a byproduct of social conditions. There may be, in fact, no biological limit to a healthy vigorous lifespan. To extend the accepted lifespan potential from 70–100 years to 120, 200, 400, 1000 and on up, may be part of *Homo sapiens* on-going evolutionary destiny.

With the tremendous explosion of knowledge of basic molecular biology and genetics, we are learning the secrets of life and in doing so, we're learning how to control aging, to extend life.

Data now are beginning to indicate that life-extension is inevitable. We may have some way of lengthening our lives before the year 2000. Some of us may never die.

An array of potentially useful drugs are in various stages of testing, drugs which may not extend the lifespan significantly, but which will stave off bodily wear and tear, perhaps rejuvenate the body and preserve energy and youthfulness past middle age. These drugs might contribute to a "synergistic effect" whereby one advance buys a person enough time to live well until the subsequent discovery prolongs his health even more.

Anti-aging therapies are being tested that combat free radicals, for example, those fragments of molecules which break off, careen about the body tissue wreaking havoc and contributing to the build-up of cellular garbage such as lipofuscins. Dr. Denham Harman, an internist-chemist at the University of Nebraska school of medicine is working on a series of antioxidants, which react with free radicals and minimize their effects.

Dr. Harman developed a number of compounds that increase life expectancy as much as 50 percent in mice. These include: Vitamin E; 2-MEA (mercaptoethylemine), a compound first used for radiation detection; BHT and Santoquin, commonly used as food preservatives; as well as sodium hypophosphite, an old drug used for the treatment of tuberculosis around 1900. These drugs all have extended life expectancy in mice, and Harmon hopes this testing will now extend to larger mammals.

Another compound, DMAE (dimethylaiminoethanol), is showing promising results, reports Albert Rosenfield in his important book, *Pro-Longevity*. DMAE is a lysosome membrane stabilizer, and as such it strengthens cells against damage caused by lipofuscin accumulations. When lysosome membranes are damaged, harmful substances leak out and may be responsible for aging symptoms.

Dr. Richard Hochschild of the Microwave Instrument Company of Del Mar, California, found that by adding DMAE to the water of mice he increased their lifespans significantly. Other investigators have successfully employed centrophenoxine, a synthetic compound derived in part from DMAE, to delay lipofuscion build-up in the brain of guinea pigs. Centrolphenoxine, which has almost no toxic side effects, is already used experimentally with apparent success in France to improve the mental abilities of senile patients.

The first drug likely to pass through the FDA's interminable bureaucratic maze, however, is the well-publized Gerovital, developed in 1945 by Dr. Ana Aslan of the Bucharest Geriatric Institute. In Romania it is possible to get "youth shots" of Gerovital's 2 percent procaine hydrochloride and hematoporphyrin solution from government doctors.

Over the last 25 years, Dr. Aslan has claimed to have cured people of everything from heart disease and arthritis to impotence and gray hair. But few scientists are prepared to sing the drug's praises. Says Dr. Ruth Weg, of Andrus Gerontology Center of the University of Southern California: "We just don't know."

The list of potentially effective drugs, then, is growing geometrically, and the catalogue of agents that offer some chance of alleviating or postponing some debilitating symptoms are imminently testable. In the future, moreover, enzyme cocktails and genetic manipulation in pill form might be as commonplace as valium and birth control pills.

EAT LESS, LIVE LONGER

Since the 1930s, classic laboratory studies show that restricting an animal's diet in the first half of its life can double its lifespan—to the point where a 1000-day-old rat can be compared to a 90-year-old human with the body of John Travolta. These experiments have been conducted on everything from one-celled *Tokophrya*, to rotifers, worms, insects, mice, hamsters, and rats with similar results. This is a key concept in the theory of life-expansion. Restricting diet delays maturity and increases longevity.

Dr. Roy Walford, a pathologist at the UCLA school of medicine, a man with a reputation among his colleagues for meticulous research, recently has extended his nutritional study to include the testing of mental function. He will find out whether dietary restriction produces long-lived idiots or long-lived supermice. "It may well be the supermice," he says.

In a new development, Walford and his associate Dr. Richard Weindruck have discovered that when dietary restriction is begun in mid-life mice, the animals' immune systems seem to be rejuvenated. A chief researcher in immunological systems, and the author of the *The Immunologic Theory of Aging*, Walford has found that in aging not only do the immune cells lose their ability to fight off the body's enemies, but they actually go berserk and turn against the very tissue they are supposed to protect. There is increasing evidence that this autoimmune response is a fundamental symptom of aging, which involves certain self-destructive acts: "like an art performance," Walford laughs.

Two years ago, Walford traveled extensively throughout India to measure body temperature regulation among the yogis. He found that through their yogic practices some could lower their body temperature one-half to one-degree Centigrade.

Why lower body temperature? Walford and others have found that reducing body temperature of humans a few degrees could greatly extend lifespan. "A very minor reduction, about three degrees Fahrenheit," says Bernard Strehler, "could well add as much as 30 years to human life."

Neither Walford nor anyone else, however, has succeeded in lowering temperature in "warm-blooded (homeothermic) animals, although Walford has experimented with diverse substances, including marijuana, to determine to what extent they could do the job. Marijuana is the best substance for lowering body temperature," he says. Yet his mice developed a tolerance to the drug, and, after a few weeks of injections it had no effect on their temperatures. "There might be an analogue or chemically similar substitute that could do it," he speculates.

Richard Cutler of the National Institute of Aging's Gerontology Research Center offers the bizarre, but workable, scheme of actually inserting a tiny ceramic device into the blood vessel preceding the hypothalamus (where temperature is controlled). A microwave unit also might be placed in the bedroom. At night during sleep, when the body's metabolic rate is slower, the microwave unit would beam on and the embedded device would, in turn, trick the hypothalamus into thinking the body was in a fever of one or two degrees. The hypothalamus consequently would lower the temperature a degree or so. In the early morning, before awakening, the microwave unit would switch off and the body temperature would be restored to 98.6° F. The user would not be bothered, but might live twice as long.

DEATH CLOCK?

As more is known about the genetic structure of life, biologists are coming to the conclusion that aging is not the result of slow "trashing" of all parts, but may be the result of a genetic program, coded along with the other instructions for the functioning of the cells in its DNA. The big question remains: Are we programmed to die? Is there a "death clock" that turns off the genes one by one? Or is nature simply indifferent to our fate we've played our part in perpetuating the species? Or does the program for growth and sexual maturity contain within it what Dr. Richard Cutler of the National Institute on Aging calls "pleiotropic processes"—necessary functions which have by-products which in the long run are harmful to your health?

Many investigators on the case are now "pro-clock." Opinions vary drastically and vehemently, however, as to where the timepiece is located. One group theorizes that the aging mechanism occurs at the cellular level. Molecular biologist Dr. Leonard Hayflick discovered evidence that there are only so many times (±50) a cell can divide in vitro before its descendants age and die. Thus, Hayflick concluded, the cell has a built-in genetic limit. And ever since the revolutionary "Hayflick Limit" was announced, it has been the target of continuous speculation. Critics scour the territory for evidence to refute it.

Dr. V. J. Cristofalo of Philadelphia's Wistar Institute for instance has prolonged cellular life by adding the hormones cortisone and hydrocortisone to culture solutions, thus suggesting that it is hormonal balance that signals the termination of cell division, not tiny clocks.

Dr. David Harrison of Jackson Laboratory, Bar Harbor, Maine, believes certain cells may indeed be immortal (as they were thought to be prior to Hayflick's results). When he transplanted stem cells, which have a large prolificacy capacity, from old animals into young, the old cells functioned as well as the young cells did when both were transplanted into young recipients.

Walford's rejuvenation of middle-aged mice's immunological response, as well as work he has done with congenic mice strains, leads him to believe that control of the entire immune system is located within a small region of genetic material—corresponding to the sixth chromosome in humans. He suspects that this control center is fundamentally involved in the aging process as a whole—that it may be "the man pulling the strings behind the scenes." These strings may involve only a few genes.

THE BRAIN, HORMONES & DECO

Many other scientists now think the program for aging is encoded in the hypothalamus-pituitary system. The hypothalamus, that tiny pea-sized node at the base of the brain, is the master regulator of hormone distribution, and, along with the pituitary and endocrine system, it comprises the regulation network affecting virtually all homeostatic systems as well as growth and sexual development.

The body flashes an uninterrupted series of response and feedback signals between the individual glands and the brain. Aging may disrupt the hypothalamus's ability to run the show. Years of evidence more than suggests that the hypothalamic control of hormonal release goes haywire with aging.

By stimulating the hypothalamus of aged female rats with electric impulses, Dr. Joseph Meites of Michigan State, has successfully reactivated their estrus cycles—put them back in heat. He also has reactivated the ovarian cycles of the old females by feeding them L-Dopa (a dopamine stimulator also used in the treatment of Parkinson's disease), and hormones such as progesterone, epinephrine, and iproniazid.

The exciting thing about this evidence is that the old ovaries still work and can be started up again when the "clock" in the hypothalamus is turned back. The implications for women past the menopause are astounding.

Dr. W. Donner Denckla, Associate Professor of Medicine at Harvard's Thorndike Laboratories, thinks he's close enough to hear the death clock ticking. An intense youngish man with collegiate horn rims and a wry sense of humor, Denckla explained recently to the large audience at a life-extension conference in St. Paul sponsored by the University of Minnesota, that he has "one very strong candidate for the demise of mammals."

Denckla's rather spectacular theory is based on the idea that humans have a built-in mechanism, not for aging, but for death itself. He believes the process of dying is built into our childhood; it starts around age ten.

Denckla proposes that at puberty the pituitary starts releasing an exceedingly powerful hormone, which he calls by the artful acronym DECO (for decreasing O_2 consumption). "This lovely little molecule," he says, "wanders out and progressively throws a block between the body's cells and its circulating thyroxin," the thyroid hormone vital to normal metabolism. Death comes as it does to the Pacific Salmon—by flooding the body with the "death hormone"—only more slowly; so insidiously as to seem not the cause.

In his super-realistic laboratories, Denckla removes the pituitaries (from whence, presumably, issues the DECO) of older rats. And, after adding hormone supplements to their diets, in a matter of months the old animals regain much of their pubescent glory.

One big hitch in the Denckla plan is that, although the pituitary-less rats are rejuvenated to adolescent physiological status, their lifespan does not seem to be prolonged. They die on schedule. It is possible, then, that DECO may serve an important life function.

THE LONGEVITY CLOCK

Richard Cutler is a man with a big plan, which, if it does not embrace all of the manifold theories of aging, is at least compatible with most of them. Cutler is looking, not so much for the causes of aging, as for reasons for the evolution of longevity.

There is no genetic program for death, he thinks, but an open-ended potential for unlimited lifespan.

In charge of the Program on Comparative Biochemistry of Mammalian Aging, Cutler constructs his architectonic ideas from sources as eclectic as his background. Cutler personally evolved from a Colorado farmboy into a helicopter designer to a copter company owner at age 18. He discovered college a few years later and proceeded to get degrees in aeronautical and electrical engineering, in physics, and biophysics.

According to Cutler, the rate of aging might very well be regulated by relatively few genes, which we can discover and eventually control. He has reached this conclusion after carefully studying the evolution of long lifespan in humans. It seems that our lifespan increased so rapidly compared to our apelike ancestors that no more than a few genes could have changed during such a brief evolutionary period. Hence, Cutler concludes that only a few genes may control the rate of aging.

Slowing down the aging process doesn't have to be a formidable task. We already know much about what genetic controls are involved. The deceleration is likely to be achieved first by biochemical manipulation of the neuroendocrine system via the hypothalamus-pituitary controls and, later, when more is known, by genetic engineering. "The 'scenario', as they say," remarked Cutler, "is that you'd take a child when he's young, administer hormones to slow down his development and give him an analogue in his food to stimulate anti-aging processes." A person might become sexually mature by 28, full grown at 45, and middle aged by 120.

"I think within ten years, depending on how much we concentrate on learning to manipulate the controls of development, the slowdown might be accomplished," he predicts.

A trickier problem than slowing growth is maintaining the body's level of intrinsic wear and tear fighters, what Cutler calls "continuously acting antibiosenescent processes." These include free-radical scavengers, antioxidants, DNA repair and so forth. Genetic engineering of the regulatory genes is too complex at the present time, so Cutler found a short cut: trick the cells with something like an anti-aging vaccine. One could inject a bit of "fake aging" and the body would alter its level of protective enzymes to combat this fake aging antibody. It works on a similar principle as the smallpox vaccine.

One could pop a pill that would diffuse into the cells and fool them into thinking "Hey, we've got a lot of DNA damage." The cells, consequently, might raise the level of DNA repair enzyme to match the needs of a longer-lived organism. "We might be able to stimulate a whole battery of repair processes," Cutler speculates, "by inserting a highly damaged piece of DNA, with everything imaginable wrong with it. And all the repair mechanisms would be stimulated by the artifact. You don't even have to know how it works to use it."

LOOK OF THE FUTURE

Cutler, unlike many gerontologists, has been willing to speculate a bit on the nature of *Homo longevus*. He says: "My guess is that it would be best, not only to double man's maximum lifespan potential, but also to double his brain size. Although doubling size is not likely to improve the quality of the brain, it might provide a greater redundant capacity for neurons and their supporting cells, thereby, perhaps, delaying the onset of senility even further."

By reducing a person's growth rate by one-half and doubling the time for the brain's development and maturation (it's growth rate would remain the same as now, and only one extra division of cells is needed to double its size), one might grow up to be an adult who looked much like a 12-year-old of today in terms of body and brain-size proportion.

When will it happen? Science writer and author of the soon to be published *Life-Extension Handbook*, Saul Kent, believes predictions are irrelevant. "It's inevitable, but the timing depends completely on the effort. I could give you a sliding scale in years before the breakthrough, depending on the effort put into it."

"If life-extension becomes a national priority like the space program," says Paul Segall, "if the Americans, the Russians, and the Japanese join hands, if there were a $200 billion assault on aging and death, this could produce dramatic results in five years. Just $200 billion, involving tens of hundreds of scientists, hundreds of thousands of technicians—in five years we'd have a program that would put such a dent in death we might wipe it off the face of the Earth. And a program such as this would cost no more than these countries are now spending on the maintenance of old age homes."

At present, however, there is no clear cut directive for life-extension research. The House Select Committee on Aging is holding hearings on the advisability of funding life-extension research. But as one committee member admitted privately, "we really don't know what we're doing. We don't know who to listen to."

Although NIA Director, Dr. Robert Butler, has officially stated that life-extension research is a "priority of the NIA," this priority is not reflected in the Gerontology Research Center's $7-million share of the total 1978 NIA budget of $37.3 million. And the entire NIA budget, moreover, pales beside the National Institute on Cancer's $872 million for 1978. The irony is profound, especially as evidence mounts that cancer is predominantly an age-related disease. There may be no way to cure cancer without curing aging.

"A lot of resistance to life-extension comes in the form of questions about overcrowding the planet, population explosions, social security, jobs, etc.," explains F. M. Esfandiary, a normative philosopher who teaches courses at New York's New School for Social Research. "At its base the question is pathological. After eons of programming to accept death, we suddenly find we can conquer death. As we're getting closer to vanquishing it, people are getting up-tight—Elizabeth Kübler-Ross is a case in point. They are afraid to face the idea they can beat death. They are afraid to be disappointed. We still don't have the infrastructure for life, but in the demise of religion, guilt-orientation, and orthodoxy, we're moving toward a life-orientation."

So prolonged lifespan is inevitable. But is it advisable? "It is impossible to foresee what it will do to society," says Roy Walford. "I think it will be highly destabilizing, and I'm in favor of that."

Lots of senile tricentenarians? Not so, says Rolf Martin, biochemist from the City University of New York. Martin designed a "survival curve" projecting that the proportion of nonproductive oldsters actually will be reduced by two-thirds if lifespan is doubled. People would die of other things before they got senile.

The biggest argument for life-extension, in some minds, is that the actual "advancement of civilization"—that sacred cow of the Western world—is imperiled by the exponential rise in knowledge.

The solution so far has been specialization. But as we become more and more specialized, our ability to communicate to people outside our field diminishes. Our awareness narrows. Fewer people are gifted with the ability to put it all together. We may simply require more time to learn.

"We need to investigate why man's lifespan evolved in the first place," Cutler says. "Because that is what made man what he is today. A longer lifespan allowed man to make use of a larger brain, become more self-conscious, see the world and learn. It is difficult for me to see why a continuation along the same lines wouldn't result in more of the benefits that accrued in the first place.

"In reality, the slowing down and cessation of the evolution of a longer lifespan might have been an artifact, a negative byproduct of increasing civilization, and was, in a sense, *abnormal*. Continued self-evolution of extended lifespan and intelligence is getting back to the biological norm—getting back on the road again."

Says Cutler: "If you ask me about the ethics of extending our lifespan along evolutionary lines, I must say that, if we do not evolve a longer lifespan—that is unethical."●

JUVENILE CRIME FLOURISHES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. BIAGGI. Mr. Speaker, last week I introduced two bills, which represent a much needed and new Federal approach for dealing with juvenile felony offenders. The first bill would lower to 15 the age under which juveniles can be prosecuted as adults for felony offenses. The second measure would provide for the fingerprinting of juveniles convicted of felony offenses and would prohibit the withholding of previous juvenile records to courts. These bills are identical to legislation I introduced during the 95th Congress, H.R. 1461 and H.R. 1462, which failed to receive full House consideration.

Evidence clearly indicates a substantial increase in juvenile crime. The arrests of persons under 18 years of age for the seven index crimes, including homicide, forcible rape, robbery, aggravated assault, burglary, larceny-theft, and motor vehicle theft, soared from 6,333 in 1957 to 62,427 in 1975. Homicides increased from 57 to 589 during this same period, and rapes went from 331 to 1,635. In 1977, when considering these same index crimes, 16 percent of all persons arrested in the Nation were under the age of 15, and 41 percent were under 18 years of age. Further, in 1977, the 13 to 18 age group comprised 27 percent of our Nation's total arrests, while this same age group made up only 12 percent of our Nation's population.

Much of the blame for this alarming rate of juvenile crime must be placed on our lenient criminal justice system. In 1975, only 2 percent of the 11,000 persons under 16 arrested for felony type crimes were placed in State institutions. These figures indicate the crucial need to strengthen our juvenile justice system, and I believe that my bills would effectively help to achieve this goal. Since many of those arrested were multiple offenders, it appears obvious that young criminals in this Nation have no real fear of punishment, no matter how serious their offense or the number of times they commit them.

As a member of the House Select Committee on Aging, I am especially concerned about the increase in juvenile crime against the elderly. In New York City alone, there were 64,728 reported crimes against persons over 65 years of age in 1977. Of these, 9,970 were robberies. The average victim was female and over 70, and shockingly, the average attacker was male and 16 years old. While these numbers are very alarming, the major problem confronting the elderly today is the fear of being victimized by crime. In a 1974 Louis Harris survey, the elderly ranked fear of crime as a greater social problem than health, money, and loneliness. As a result of this fear, an estimated 100,000 elderly citizens have become prisoners in their own homes. Prompt action must be taken to improve this situation, and I support the passage of my legislation as an effective measure in this regard.

By placing cases of juvenile criminals aged 15 and older within the criminal court system and by fingerprinting those convicted of serious crimes, we would make juveniles more accountable for the crimes they commit, as well as cut down on juvenile recidivism. In order to protect the reformed juvenile criminal, my legislation does provide that fingerprint records may be expunged after a 2-year period following release from confinement, if there is no further criminal activity.

Mr. Speaker, our Nation must begin to effectively deal with the increasing juvenile crime problem. As a 23-year veteran of the New York City Police Department, I maintain that coddling criminals—young or old—is not right. A weak criminal justice system has allowed juvenile criminals to act with increasing impunity. In the past 15 years, juvenile crime has increased 10 times faster than the corresponding growth in population. If left unattended, this crime problem will flourish to the point where it will become uncontrollable. The time to act is now, and in this regard, I urge that my legislation be given prompt and favorable consideration.●

RECOMBINANT DNA RESEARCH

HON. HARLEY O. STAGGERS

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

• Mr. STAGGERS. Mr. Speaker, Members of the 96th Congress have already begun to review many of those important issues with which we must deal in the weeks and months ahead. In addition, to whatever agenda each Member may now have, I trust that all of my colleagues will also want to consider the critical importance of the studies and advances in the area of recombinant DNA research which are being made by American scientists.

The last several years have seen a dramatic explosion in fundamental knowledge gained through recombinant DNA research. This research holds our best hope for understanding those principles regulating genetic expression in man and in understanding abnormal growth such as cancer. Longstanding hopes for producing important biologically active materials such as hormones and insulin are now being realized. Less publicly recognized has been the application of recombinant DNA research to new diagnostic procedures. For example, it is now possible to diagnose certain hemoglobin deficiencies at an early stage of life and from that knowledge to devise appropriate treatment measures. As the technique is refined and developed, and, as our knowledge of the fundamental mechanisms of gene expression increases, further important discoveries and applications may be confidently expected in the immediate future.

The technique of combining in the laboratory genetic elements from different species was first developed in the United States, and, of course, because of its vast potential, was soon extensively practiced worldwide. The principal American scientists who developed these new recombinant DNA methods, however, called for caution in plunging into an area of research which might pose hazards to mankind and the environment before these potential risks were adequately assessed. This initial questioning of the safety of using recombinant DNA techniques led to the development of safety guidelines by the National Institutes of Health (NIH) which were imposed on all federally supported research in July 1976.

Some scientists, however, felt that the NIH guidelines were too restrictive, or too inflexible to permit the use of innovative systems without long administrative delays. Thus, many went abroad to conduct their research in countries, such as Switzerland, where the rules were less restrictive. Other scientists contended that the guidelines were so restrictive as to demoralize young investigators and discourage them from pursuing careers in science. Similarly, uncertainties over the protection of confidentiality in legislative proposals to extend the scope of the NIH guidelines to private industry, or fears that the Federal Government would prohibit any large-scale recombinant DNA activities in the United States, led several companies to pursue their industrial applications in their subsidiaries in Europe and Japan, to the disadvantage of the American economy.

It is time to reverse this unfortunate situation so that such extreme measures are no longer necessary. The potential good to come from recombinant DNA research in such diverse areas as diabetes and cancer control cannot be overstated. These advances can and should be made by the American scientific community. Should we fail to develop a climate in which these vitally important research procedures can be conducted, we will find the research void we create rapidly filled by the scientists of Russia, Germany, Japan, and other world nations.

Since the first set of guidelines were issued, much information has been accumulated concerning the potential hazards of several aspects of recombinant DNA research, which, in the judgment and collective experience of scientists in fields such as epidemiology and infectious diseases, allow the original safety standards to be relaxed in many areas, and other recombinant DNA systems to be exempted from the guidelines altogether. This view has been subjected to intense and repeated scrutiny on the part of scientists, Government officials and the general public during the development of the revised recombinant DNA research guidelines, signed last December by the Secretary of the Department of Health, Education, and Welfare, and put into effect on January 2, 1979.

These new guidelines impose reasonable safety standards on research and require effective oversight of such research by representatives of local lay and scientific communities. They also have removed or greatly reduced the impediments, administrative delays and lack of flexibility which, in the old guidelines, frustrated so many scientists. I hope that those individuals who felt that they had to leave the country to conduct their research properly will now be eager to return home.

In other action, DHEW has proposed that regulations be written by the Food and Drug Administration and the Environmental Protection Agency to bring private industry under the new guidelines. If successful, this action will make specific recombinant DNA legislation unnecessary.

The Committee on Interstate and Foreign Commerce will continue to monitor the implementation of those guidelines with care. The committee must be assured that the implementation of these new guidelines does indeed protect the public's health and safety. In addition, the committee will be particularly alert to the establishment of any unnecessarily restrictive State or local requirements that could result in costly and pointless movement of research efforts away from the United States.

Finally, the committee will be watching anxiously for clear indications that under these revised guidelines American science will continue its original scientific preeminence, both in basic research and in the application of that research to human needs.●

U.S. AMBASSADOR WILLIAM V. SHANNON'S SPEECH AT THE ROBERT EMMET MONUMENT DEDICATION CEREMONY IN DUBLIN, IRELAND

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. EARLY. Mr. Speaker, last December 29, 1978, the Lord Mayor of Dublin and our own distinguished Ambassador to Ireland, William V. Shannon, joined together in dedicating a monument to the great Irish hero, Robert Emmet, who gave up his life in the effort to achieve Ireland's independence and to propel her to her rightful place among the free nations of the world.

As most Members are aware, Ambassador William V. Shannon is an internationally known author, a former New York Times editorial writer and onetime Washington journalist. I am sure that Ambassador Shannon's speech on this eventful occasion will be of particular interest to a great many Americans and I am pleased to include it in the RECORD.

The speech follows:

DEDICATION OF A MONUMENT TO ROBERT EMMET AT ST. CATHERINE'S CHURCH, DUBLIN

It is one hundred seventy-five years since Robert Emmet, a youth of 25, led an unsuccessful rebellion to achieve Irish independence and paid for his failure with his life. He was hanged and his body beheaded on a makeshift gallows erected on the street in front of this church on September 20, 1803. His statement in the courtroom the preceding day was an appeal not to the judges but to history. His words have become part of the glory of the English language and are known wherever liberty is cherished.

"The grave opens to receive me, and I sink into its bosom. I have but one request to make at my departure from this world, it is—the charity of its silence. Let no man write my epitaph; for as no man, who knows my motives, dare now vindicate them, let not prejudice or ignorance asperse them. Let them rest in obscurity and peace! Let my memory be left in oblivion, and my tomb remain uninscribed, until other times and other men can do justice to my character. When my country takes her place among the nations of the earth, then, and not till then, let my epitaph be written."

In 1803, Emmet's cause seemed doomed. But, it has been well said, "his cause, Ireland's cause, was never doomed. Darkness obscured it, doubt assailed it, traitors took a price for it; but it moved on inevitably, sacrificially, towards its own goal."

Emmet died young, but his memory lived on. He was celebrated in song, "BRAVE ROBERT EMMET." The poet Thomas Moore immortalized his love for Sarah Curran: "She is far from the land where her young hero sleeps."

His legend crossed the sea to America. His brother, Thomas Addis Emmet, one of the leaders of the rebellion of 1798, emigrated to the United States and had a distinguished career as a lawyer in New York. Irish emigrants named streets and towns for Robert Emmet from one end of America to the other. Thus, there is an Emmet, Idaho, an Emmet, Arizona, an Emmet, Nebraska, and an Emmet, North Dakota. When 200 Dubliners visited the state of Iowa last year as part of the Friendship Force exchange of visits, they nowhere received a warmer welcome than in Emmetsburg, Iowa.

On behalf of President Jimmy Carter and the American people, therefore, I am happy and honored to take part in this ceremony in honor of Robert Emmet. I bring special greetings from Mr. A. W. B. Vincent, president of the American Irish Foundation, and my other colleagues in the Foundation whose financial contribution, together with that of the Dublin Corporation, has made possible the erection of this monument. The "other times" that Emmet foresaw have arrived and those of us gathered here today are a few of the "other men" he dreamed of who can do justice to his character and attest that he was noble, fearless and far-seeing.

With young men both Protestant and Catholic being killed every week in Northern Ireland, Emmet's life still speaks to us today. He was a Protestant as were so many of Ireland's past heroes and spokesmen—Jonathan Swift, Henry Grattan, John Philpot Curran, Richard Brinsley Sheridan, Wolfe Tone, Lord Edward Fitzgerald, Charles Stewart Parnell, Erskine Childers, and Douglas Hyde. It is in the reconciliation of Catholic and Protestant and in the coming together of Ireland's many creeds and ethnic traditions that the fulfillment of Ireland's true destiny must lie in our own time as in that of Emmet.

Moreover, the dream for which Emmet sacrificed himself has been achieved. Ireland has now taken her place among the nations of the earth. Ireland has problems as do all nations, but the resolution of those problems does not require the further shedding of blood. Ireland can speak for her interests at the negotiating table and in the European Court. She does not need the whine of bullets and the roar of bombs to make her voice heard. Emmet if he had lived would have become one of the great orators and statesmen of the nineteenth century. The young men and women of Ireland today should look for their inspiration not to the example of his death—brave and moving though it was—but to the promise of his talents, brilliant and unfulfilled as they were. Too many men have already died over the centuries for Ireland. Too many young lives have been blighted by the shadows of prison. What is needed are young men prepared to live for Ireland and to work patiently and peacefully for their ideals. There could be no better way to honor Robert Emmet.●

OFFICE OF MANAGEMENT AND BUDGET CUTS IN FOREST SERVICE BUDGET

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. AuCOIN. Mr. Speaker, the Office of Management and Budget presented a budget a week ago that is austere, and on the whole, fiscally sound. It is a conservative spending program that is badly needed in our war on inflation. Now that the initial cries of anguish about certain program cuts have begun to subside, it is time to reflect calmly on the handiwork of OMB in designing our inflation fighting strategy for the next fiscal year.

On the whole, the budget clearly meets some important tests for today's fight: Austere, lean, conservative yet sensitive to social needs. But what of tomorrow? Will this budget stand the test of our future needs? In one very important area, the answer is, unfortunately, no.

In proposing to cut the expenditures for the U.S. Forest Service by 15 percent, OMB has adopted a shortsighted and irresponsible strategy. In its rush to marshal our weapons against inflation, it in effect has said:

> We'll use any weapon, even though it will cause us problems tomorrow.

The proposed cut in the Forest Service budget means reductions in its programs for reforestation and timber stand improvement, reductions that in practice will amount to between a quarter and a third over last year alone. This is a sizable and indefensible cut.

In its haste to slash the budget, OMB has forgotten a simple truth: Trees take time to grow.

From planting to harvest, the average Douglas fir takes from 30 to 40 years to grow to maturity before it can be cut. Science has done much to reduce the growth time and product an exceptional quality of timber. Despite our best efforts, trees simply do not grow overnight.

The Resources Planning Act of 1974 recognizes this simple truth. A plan to fully use our national forest lands and provide a plentiful supply of timber for the forest products and homebuilding industries, the Resources Planning Act sets forth certain spending targets needed to meet this goal. The amount in the proposed budget for reforestation is fully 59 percent below the amount called for in the act.

This is money for planting trees, for research and fire suppression, for preparation of timber sales. This is not money spent with no eye to the future; it is an investment to guarantee a plentiful supply of timber in years to come.

In Oregon, there is currently a backlog of 177,119 acres of national forest land in need of replanting. The $21.7 million cut in reforestation funds will mean reducing by half the number of acres that could be planted next year and adding another 25,000 to the existing backlog.

Two years ago, I led a delegation to OMB consisting of representatives from the forest products industry and organized labor to plead the cause that planting trees was not an expenditure, but a good investment. Evidently, we have got to make the same case again. We have got to make the point that reforestation is an investment that pays dividends to taxpayers, stimulates productivity, and holds down inflation.

The proposed cuts in reforestation and timber stand improvement will, I predict, ripple through the forest products industry and in the long run help to push home prices higher than they are today.

For the last year, I chaired an 11-member task force investigating the home price problem. We learned that one cause of higher home prices is poor management of our timber base. The recommended cuts do not give us much cause for optimism that our economic strategists have recognized this problem.

I remind my colleagues again of the simple truth: Trees take time to grow. We cannot, 5 or 10 years down the road, present a full budget to the Forest Service, expect it to replant cutover acreage and have the trees ready for harvest on schedule. It simply cannot be done. Every year lost in reforestation is a year's delay, and a shorter supply, in harvestable timber 30 years hence.

Timber from each acre of national forest land can build two average size houses. With a national backlog of more than 1 million acres in need of replanting, we are jeopardizing the building of more than 2 million homes down the road.

I commend the President and the OMB for holding down the deficit to no more than $29 billion, but it must be done with an eye toward winning the war against inflation, not just one battle.

The cuts in the Forest Service budget are a short-term strategy to win a battle; but they sow the seeds for long term problems and will contribute to our eventual defeat in this fight.●

COUPLE LEARNS ITALIAN CATTLE DO NOT GRAZE

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

• Mr. ALEXANDER. Mr. Speaker, last summer J. W. "Soapy" and Jean Thompson from Rector, Ark., in my congressional district, toured five European countries with People-to-People International, a nonprofit, private organization funded in 1956 by President Eisenhower to promote world peace.

While abroad they visited typical agricultural operations in Switzerland, Italy, the Soviet Union, Finland, and France to compare methods with those in the United States. In October the Paragould (Ark.) Daily Press carried an article sharing the Thompsons' experiences.

I would like to share this article with my colleagues as I think they will find it of great interest:

Cattle Do Not Graze

J. W. (Soapy) Thompson and his wife Jean learned a lot about agriculture around the world this summer.

For example, they found out that farming is a whopping investment in Switzerland. The average cow there is worth about $6,000, and the acre of ground it stands on costs $20,000. The country also cannot afford to lose a single farmer.

In Italy, cattle do not graze; rather, most farmers cut grass and take it to the animals to save their energy. Producers think it is a better way to utilize the grass, too, as the animals do not tramp it down.

The Thompsons, who raise cotton, soybeans and wheat and operate the Mounds-Neighbors Corner Gin, were part of a 26-member delegation of southern agriculture leaders who made a three-week goodwill tour in five European countries in August. The annual mission is sponsored by People-to-People International, a non-profit, private organization founded in 1956 by President Dwight D. Eisenhower to promote world peace through international understanding.

The purpose was to give the delegation an opportunity to visit typical agricultural operations in Switzerland, Italy, the Soviet Union, Finland and France and to compare methods and procedures with those in the U.S. This group also met various local agricultural representatives.

This was not the Thompsons' first agricultural-related trip to Europe. They visited Germany, Czechoslovakia and Austria two years ago as part of a cotton ginners group.

During this trip, the couple noted that Switzerland and Finland are most similar to the U.S. in agricultural production freedoms.

They saw a dairy farm in Switzerland, a progressive rice farm in Italy, an apple orchard and cotton farm in Russia, a small grains and livestock farm, cheese factory and trout farm in Finland and a grain farm in France. All five countries raised small grains, but none raise soybeans, a major source of protein, Mrs. Thompson said.

Switzerland, the first stop in the visit, is unique in several ways, she pointed out. One is that all meat eaten there comes from dairy herds. Male dairy offspring are slaughtered for consumption and females are saved for milk production. Wheat for feed costs about $12 a bushel.

The government supports the farmer financially in order to keep him on the farm, Mrs. Thompson observed. Agriculture is the country's main source of income and it cannot afford to lose any farmers. Switzerland wants to stay independent and its people want to support themselves, without the threat of takeover by another country, she said. The average size of farms is 22 acres.

Farm living is unique, too, she continued. On one farm they found that a barn containing livestock was attached to the home. The smell was atrocious, but they assumed the house's occupants were accustomed to it, she said.

Switzerland is also undergoing experiments with rockets used to disperse hail, a weather phenomenon which causes about $40 million in crop damage each year, Thompson noted. Russian-built rockets are set up at different locations throughout the country, which is about the size of Arkansas. The rockets are monitored during the summer hail season when corn, wheat, small grains, hay and vegetables are growing.

Observing rice production in the Poe River Valley near Milan, Italy, was the group's next venture. They toured a 300-acre corporation farm owned by 12 people, reportedly the most progressive rice farm in the area.

Irrigation practices, using the Poe River as a source, were similar to those in the U.S., Thompson said. They grew a variety which is sticky to eat.

The farm had a "mixed" look. There were German-, Russian- and American-made tractors on the farm, and some buildings were new while others were old and in need of repair, Mrs. Thompson recalled, leafing through her travel diary.

Russia was an experience all its own—a disappointing one, the couple agreed. A detailed itinerary listing stops at cotton gins, a mill and experiment stations was changed when the group arrived. "It seemed as though when they found out you knew about a certain agricultural operation, they put the clamp on information about it," Mrs. Thompson remarked.

But they got to see a few things. In Odessa, a resort city on the Black Sea, the group toured farm-related museums, viewing photographs and displays of Russian farm operations. They were shown an apple orchard on an experiment station, but were not allowed to see small grains and other horticulture crops grown on the station.

They also visited Moscow. Corn is grown near the city, but due to cold weather, it will not mature. Therefore, it is used for fodder—dried stalks which cattle eat during the winter.

Farm land reaches to the edges of Moscow, unlike in the U.S. where cities are the core in a hub of suburban homes which are then surrounded by farms.

Russian farms are either collective or state operated. Both are owned by the government, but collective farms are operated by a board of governors and state farms, solely by the government.

After Moscow, the group flew to Tashkent, the major cotton-producing area and the most interesting part of the trip to the Thompsons.

Cotton is irrigated with water from snow and rain which runs from nearby hills and is ditched to the desert-like growing area.

Both spindle and stripper cotton was grown on one 7,500-acre farm, along with long- and short-staple varieties.

Over 1,300 people were employed on that particular farm, the couple recalled. Each family works for the state but is also allowed a plot of land to grow whatever they wish to sell at a local market.

Gins in Russia run eight months out of the year, the Thompsons were told, while in the U.S. they only run about 10 weeks. Russian gins are not started until all the cotton is picked, and during harvest, cotton is piled on the ground.

Several sights were cancelled. "We were scheduled to see a cotton gin and textile mill but we were told when we got there that foreigners couldn't see the gins. We didn't even see one (gin), not in the distance, and we were flat looking," Mrs. Thompson said, smiling.

Agriculture in the Soviet Union is unusual in other ways, she pointed out, because farmers buy from the state and sell to the state. Therefore, they have no idea how much cotton costs on the world market or how much a cotton picker is worth.

Finland and France were more lenient in showing the group farming operations.

Mrs. Thompson said she was overwhelmed at how "sparkling clean" Finland was. Tour members visited Finland's largest small grains and livestock farm which covered 10,000 acres. An experiment station was located on the farm.

Finnish farmers belong to government-supported cooperatives similar to U.S. cooperatives. Trout fish farms are scattered throughout the country's hilly terrain.

A tour through the Emmental cheese dairy was a highlight of the trip. This type of cheese is similar to Swiss cheese but is light yellow and not as sharp, she said.

By the time the participants got to France they were "really tired," Mrs. Thompson asserted. Farms there were privately run and "looked productive," she said.

The Thompsons learned about the trip through Dr. George Burger, dean of Arkansas State University's College of Agriculture. People from Alabama, Tennessee, Illinois, Missouri, Kentucky and Arkansas traveled with them.•

THE FOSTER CARE AND ADOPTION REFORM ACT OF 1979

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

• Mr. MILLER of California. Mr. Speaker, last week I introduced H.R. 1523 the Foster Care and Adoption Reform Act of 1979. The enactment of this comprehensive piece of legislation at the earliest possible date will have the effect of drastically reducing both the number of children in foster care, and the growing costs of this largely uncontrolled system. Two years ago I introduced another form of this bill, and this body reported it in very diligent fashion. In particular, I want to commend Chairman Jim Corman of the Subcommittee on Public Assistance and Unemployment Compensation, and the members of the subcommittee, who committed themselves to this program early in the 95th Congress, and became some of its strongest and most effective advocates.

Unfortunately, the bill was not enacted in the 95th Congress, despite its quick passage by the House. For months it languished in the Senate Finance Committee and then awaited action on the Senate floor. It finally did pass the Senate in a different form than the House version, but it was too late in the session to resolve the differences. Hopefully, all of the work of the 95th Congress, both in the House and in the Senate, was not in vain. I believe that we served to educate Members of the Congress, as well as State and local officials, national foster parent organizations and other advocacy groups, and the Carter administration about the severe continuing crisis in our foster care system.

When I originally introduced this bill in 1977, I pointed out that it was the product of countless hours of discussion, debate, and negotiation with dozens of expert and concerned people from throughout the United States. Its contents are based upon the conclusive findings of respected studies of many States, by the Congress, the General Accounting Office, the Department of HEW, the Congressional Research Service, the New York City Comptroller, private research organizations and others. All of these studies concluded that as many as two-thirds of the children in foster care were placed inappropriately, mostly in overly restrictive settings. The costs of this inappropriate placement in New York City alone were estimated to be in excess of a quarter of a billion dollars. But there is nothing unique about the New York example. In each State studied, the same problems have been found over and over again.

We found that large numbers of children enter foster care before any types of preventive services have been offered to them and to their parents. In fact, in 90 percent of placements the problem is not with the child but with the parents. Yet the penalty for the breakdown of the family is paid by the child, who often enters indeterminate foster care. Studies have shown that once in care for 18 months, a child has better than an 80-percent chance of remaining in care until he or she reaches the age of 18.

Federal funding practices actually encourage this breakup of the American family by providing unlimited funds for maintenance payments, but strictly limiting the amount available for preventive and reunification services or for adoption subsidy payments. Yet each of these alternatives has been shown to be workable and highly cost effective. In Nashville, Portland, New York, and elsewhere, preventive programs have cut the rate of placement by as much as half, reduced recidivism by as much as 80 percent, and virtually eliminated costly institutionalization. Similarly, adoption subsidies have been shown to cost far less than maintaining a child in foster care, even if the payment is equivalent to a maintenance payment, because you almost entirely eliminate administrative costs. Such financial considerations make the reforms in my bill attractive enough; in addition, we must consider the very great emotional and developmental benefits to the child which come with living in a stable and permanent family setting as opposed to the continuing trauma of placement and removal in the foster care system.

This legislation has three major features, and they are all tied firmly together. We would provide greater funds for cost-effective preventive service programs; we would mandate that States institute accountability and due process procedures, which have been shown, by the National Council on Juvenile Court Judges, to substantially reduce the number and duration of placements, at tremendous cost savings; and we would authorize the payment of adoption subsidies to adoptive parents of eligible children, subsidies which would include both maintenance and medical components.

Since this legislation was proposed 2 years ago, there has been a great deal of acceptance of the basic provisions of this bill. Several States have begun to amend their laws to stress preventive and reunification services and periodic reviews. The Children's Bureau at HEW similarly has promulgated draft regulations concerning title IV–B (Child Welfare Service) which go part of the way toward implementing the provisions of this bill. Many States have enacted adoption subsidy laws, but few children have been adopted under these laws because of the very limited funds. Most recently, President Carter has included in the 1980 budget a substantial increase in funds for title IV–B.

All of these efforts prove that the fundamental thrust of the reforms contained in this legislation were sound when I introduced H.R. 5893, 2 years ago, and were sound when the House passed those provisions as H.R. 7200 a little over 2 years ago. The only real difference is that, by failing to enact the law expeditiously, thousands of children have been forced into, or remained in a foster care system who should not be there. Because of our failure to enact this law 2 years ago, thousands of children will spend years in costly, inappropriate foster placements. We cannot again allow so vital a piece of legislation, affecting hundreds of thousands of children across our country, to languish or to be purposefully delayed for political reasons. This legislation transcends party and ideological boundaries. H.R. 7200 enjoyed the strong political support of both liberals and conservatives who recognized that its enactment would lead to a more cost-effective and more humane foster care system.

Over the past 3 years, I have placed articles and reports in the Record documenting the continuing crisis in foster care and the proven effectiveness of the approach contained in the bill I am reintroducing today. It is my hope that the House will again act swiftly to pass this bill and move it to the Senate so that we will not have to face again months of waiting for the enactment of a largely noncontroversial and thoroughly reasonable reform program.●

BILL TO AMEND THE SHIPPING ACT, 1916

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. MURPHY of New York. Mr. Speaker, I am introducing today a bill to amend the Shipping Act, 1916, to vest jurisdiction in the Federal Maritime Commission over complaints against shippers, consignors, and cosignees and for other purposes.

The Shipping Act, 1916, as amended, was enacted to insure that American foreign commerce would proceed in an orderly and nondiscriminatory manner without undue advantage to carriers, shippers, cosignors or consignees. It is this element of fair business practices that has long distinguished the competitive nature of our ocean shipping industry.

During the 95th Congress, I introduced H.R. 9518, a bill which was designed to strengthen the provisions of the Shipping Act, 1916, in combating and inhibiting use of illegal kickbacks or rebates by ocean steamship carriers. Although this bill was enacted by the Congress, it was pocket vetoed by the President.

The bill I am introducing today attempts for the first time to put the shippers of goods as well as the ocean carriers on the same footing, as far as responsibilities and obligations of the Shipping Act, 1916, are concerned. Fundamental notions of fairness would certainly require parity of treatment for these two vital parties in our ocean commerce.

Under existing law, the Federal Maritime Commission (FMC) has no jurisdiction over complaints filed by carriers or other persons against shippers for alleged violations of the Shipping Act of 1916, even though the FMC does have jurisdiction in the reverse situation where complaints are filed by shippers against carriers. (See 46 U.S.C. 821.) Thus, if a shipper, by misdeclaration of the weight or density of the commodity shipped or of the commodity itself, should pay less than the applicable charges contained in a carrier's tariff, the carrier must file a complaint against the shipper, not before the FMC, but before whatever local, State or Federal court which may possess personal jurisdiction over the shipper.

The requirement that these complaints against shippers which frequently involve complex issues of maritime policy, be litigated in forums all over the country, rather than before the expert agency entrusted with enforcement of the act, clearly prevents a coordinated formulation of such policy and needlessly ignores the accumulated expertise of the FMC. In addition, such requirement has imposed undue hardships on carriers and their neutral enforcement bodies, including: First, inability to secure local counsel to prosecute the complaint; second, inordinate delays in securing the filing of claims and decisions from the courts, and third, the raising of technical and frivolous defenses which solely impede the progress of the litigation.

It is therefore proposed to amend section 22 of the act to confer primary jurisdiction in the FMC to hear complaints against shippers. The procedure for judicial enforcement of an FMC order entered pursuant to the amended section 22 would be the same as that now contained in existing law. In addition, since it is important to the administration of the shipping laws that carriers' tariffs be strictly enforced according to their terms, irrespective of whether any deviations therefrom are knowing or willful, it is also proposed that section 18(b) of the act be amended, by addition of a new paragraph (4), to make it unlawful for a shipper, consignor, or consignee to receive transportation at less than the applicable rates therefor, whether or not such receipt is knowing or willful.

This bill simply requires that shippers as well as carriers must abide by, and be responsible for, similar obligations and duties under the Shipping Act, 1916. The result of an ocean transportation system where both shippers and carriers must deal in a fair and competitive manner will be that American consumers will benefit from lower ocean freight rates and a more stable and strengthened American Merchant Marine.●

AMERICA'S HERITAGE AND FREEDOM AWARD

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. FORD of Tennessee. Mr. Speaker, it is my pleasure to announce the February 4 presentation of the 36th annual America's Heritage and Freedom Award, to 15 outstanding black women in the Nation. This award is sponsored in conjunction with Black History Month 1979, by the Elmer L. Fowler's Historic Gallery of Chicago, Ill., the first picture gallery of honored black Americans in the country. It has resulted in the State of Illinois' declaration of February 4 as Black Women's Day in America, a novel and important concept.

Among the outstanding American women chosen to receive this award is my friend and colleague Congresswoman CARDISS COLLINS of Illinois, the newly elected chairwoman of the Congressional Black Caucus. Cardiss, beyond a doubt, deserves this meritorious award for her performance as an excellent politician, a fine mother, and a great humanitarian.

The 14 other distinguished women chosen to receive the award are:

Dr. Geraldine P. Woods, chairman of the board, Howard University.

Attorney Margaret Bush Wilson, chairman of the board of the National NAACP.

Dr. Dorothy I. Height, president of the National Council of Women.

Dr. Dorothy L. Brown, the first black woman surgeon in the South.

Mrs. Coretta Scott King, wife of the late Dr. Martin Luther King, Jr., and president of the Martin Luther King, Jr., Center for Social Change.

Mrs. C. Delores Tucker, former secretary of the State of Commonwealth of Pennsylvania.

Mrs. Vivian Carter Mason, outstanding human rights activist and club woman, Norfolk, Va.

Mrs. Alberta King, late mother of the late Dr. Martin Luther King, Jr. (awarded posthumously).

Attorney Frances Hooks, wife of Ben Hooks, executive director of NAACP.

Attorney Jewel LaFontant, Chicago, Ill.

Mrs. CARDIS COLLINS, Illinois, Member of Congress.

Ms. Lu Willard, the only Black woman diamond cutter and jeweler of New York City.

Mrs. Rosa Parks, precipitor of the Montgomery, Ala., bus protest.

Mrs. Clarice Collins Harvey, social, educational, and civil rights worker.

Dr. Ruth Love, superintendent of public schools, Oakland, Calif., and Assistant Director to Mrs. Carter on National Mental Health.

Throughout the history of the United States of America, black women have led the country in stamina, strength, and dedication. This country can never forget the Harriet Tubmans, the Sojournes Truths, the Barbara Jordans; the contributions of black women, in general, who have formed a strong coalition to push black Americans to excellence.

Mr. Speaker, I know that each Member of the U.S. House of Representatives will join me today in acknowledging this timely tribute to outstanding black women of America.●

MOSCOW'S HAND IN THE IRANIAN CIVIL STRIFE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. McDONALD. Mr. Speaker, there is a move on by some of the administration's "new foreign policy" advocates to pressure the troubled government of Iranian Prime Minister Shahpour Bakhtiar toward concessions that are in fact a capitulation to the extremist and Marxist revolutionary forces that have coalesced around Ruhollah Khomeini, the 78-year-old Shiite Moslem leader who has been trying to organize the overthrow of the Iranian Government for the past 16 years. The mere fact that at the moment Khomeini, obviously believing that he will soon return to Iran in triumph to set up a revolutionary council to rule Iran, has remained intransigently and uncompromisingly hostile toward Bakhtiar does not mean that the "new foreign policy" activists in the administration, on Capitol Hill and outside Government will not intensify their efforts to sell Iran down the river.

Those who are arguing that the Iranian civil turmoil is merely "nationalist" or "religious" in character are deliberately ignoring the available public information about the role of the Soviet Union and its battery of agents and propagandists in these events. The prime apologists for Khomeini who have been coordinating support efforts both in Western Europe and in this country are the Institute for Policy Studies (IPS) and its Transnational Institute (TNI). IPS and its TNI project have compiled extensive records of activity on behalf of Soviet and Cuban supported terrorist groups and of ties to the Cuban and Soviet intelligence agencies. The staff of IPS/TNI has included leading members of the Weather Underground Organization. the Algerian FLN, the Trotskyite Terrorist Fourth International, and the so-called "Patriotic Front" of Rhodesia for which the Cubans and Soviets are training an invasion army in southern Angola.

As I pointed out to my colleagues 2 years ago, IPS is a consortium of Marxists organizing for a "new economic and political world order" and an America neutralized as a world power through a variety of tactics. Among those tactics have been an organized attempt to dismantle and cripple the U.S. foreign and domestic intelligence capability; organizing violent street demonstrations such as the 1971 May-day riots in Washington, D.C., that were supposed to "shut down the Government" in support of the Vietnamese Communists; organizing an "alternative public policies" program for State and local public officials which places them in contact with their counterparts in foreign Communist governments and parties; and a sort of subversion from the top in which IPS attempts to gain influence in Congress and the administration through "seminars" for staff members and middle level bureaucrats and cultivating direct contacts with officials and lawmakers.

Over the past year, IPS/TNI has coordinated meetings of activists, members of Western European Communist parties and assorted Marxist activists to set up a unified campaign to deny military equipment to the Iranian army and to coordinate publicity campaigns attacking the Iranian Government. In the United States, IPS has played a leading role in the U.S. People's Committee on Iran which I will discuss in more detail later in this report.

Iran is of vital strategic importance to the free world both for its geographical position on the southern border of the Soviet Union, as the eastern gateway to the Middle East, and as the major source for the oil imported by Western Europe, Japan, Israel, and South Africa, and as a significant source for U.S. oil imports.

During the past year, virtually all the natural gas produced in Iran has been sold to the U.S.S.R. The Soviets use the Iranian natural gas in their central Asian and Caucusus regions so that the natural gas supplies from those areas can be used elsewhere to power the U.S.S.R.'s heavy industrial and military production centers. Those who suggest that Iran's status as a trading partner with the U.S.S.R. somehow makes it "immune" from Soviet intervention and subversion are ignoring the Soviet Union's consistent pattern. More particularly, they are refusing to consider the successful Soviet-backed coups in the People's Democratic Republic of Yemen (Aden), in Afghanistan, the attempted coup in Iraq and other recent Soviet moves in the Middle East.

Iran occupies a strategic location, controlling with Oman, the entrance to the Persian Gulf through which passes 70 percent of the oil that powers the economies of Western Europe (and thus NATO), 90 percent of Japan's oil imports, and increasingly significant amounts of U.S. oil imports.

A destablished Iran also poses a direct threat to Oman which borders on the Soviet Union's new Red Sea satellite, the People's Democratic Republic of Yemen (PDRY). Since the pro-Soviet coup headed by Abdul Fatal Ismail took over Aden last June, approximately 7,000 Cuban troops have been transferred there from Ethiophia. The Cubans have joined 2,000 East Germans in the PDRY and have a divided responsibility. The East Germans train and command the local secret police, intelligence, and police forces while the Cubans drill, train, and control the "people's militia." The PDRY has made the island of Socotra available as a ballistic missile base to the Soviets who have used the island to install missiles removed from Somalia.

The PDRY provides terrorist training bases for the Palestine Liberation Organization (PLO) Rejectionist Front faction headed by George Habash's Popular Front for the Liberation of Palestine (PFLP), and for related terrorist organizations such as the "Carlos group." Members of the two chief Iranian revolutionary terrorist organizations, the Organization of Iranian People's Fedayee Guerrillas (OIPFG) and the Organization of Mujahedin of the People of Iran (OMPI), have received training in these and other PLO terrorist centers in Iraq, Lebanon, and Libya, as well as Cuba.

The PDRY also provides a land base and haven for the Marxist terrorist Popular Front for the Liberation of Oman (PFLO) which originally called itself the Popular Front for the Liberation of Oman and the Arab Gulf (PFLOAG). The name change was made because the United Arab Emirates, which provides generous funding for the PLO, raised strong objections to their being included as an open target of the PFLOAG revolutionaries. The PLO prevailed upon the PDRY to alter the group's name. This in no way has curtailed the PFLO's strategy to seize control of Oman and the UAE and set up a Marxist regime. Iranian Student Association (ISA) marches in this country have frequently contained small groups of Omani militants carrying PFLO placards. These student militants and PFLO literature and position papers candidly admitted that before the PFLO could claim victory, the destabilization and overthrow of the Shah's government and removal of Iranian counter-insurgency troops would be necessary.

Clearly, with either a Quaddafi-style Islamic fundamentalist or an openly pro-Soviet Government in Iran, the lightly armed, feudal governments on the Persian Gulf are up for grabs, and the stability of Saudi Arabia threatened.

Over the past year, factions of the Iranian Students Association (ISA) and several of their U.S. support groups, have been using the slogan, "Don't let Iran become another Vietnam," by which they mean the United States should not send military assistance to the Iranian Government. It is scarcely a coincidence that this was the theme of a November 19, 1978, interview in Pravda given by Leonid Brezhnev when he said that any foreign involvement in any country on the U.S.S.R.'s southern border—obviously Iran—would be considered as a "security matter." This veiled threat followed a long series of stories in Tass and other Communist bloc media that the United States was planning to "interfere militarily in the internal affairs of Iran."

The administration has demonstrated a chaotic lack of a coherent policy toward Iran to such an extent that even the U.S. carrier task force initially ordered to sail for the Persian Gulf, where among other things, it could have been useful in evacuating U.S. dependents and civilians caught by the closing of the Iranian airports, was ordered almost immediately to remain in the South China Sea, a week's sail from the place where it would demonstrate legitimate U.S. concern with the events in Iran.

Whether or not the carrier task force was ordered back because of Soviet pressure on the Carter administration or because of chaotic, indecisive administration policies toward Iran, the effect was to demonstrate American weakness in the face of Soviet supported aggression.

In a recent study by Robert Moss, "The Campaign to Destabilize Iran," published by the prestigious Institute for the Study of Conflict in London, Soviet efforts to destabilize Iran and undermine its military were detailed. Two particularly notorious cases were revealed a year ago that involved an Iranian general whose responsibilities included supervising all of the Iranian army's planning and logistical services, and a top level civil servant. The general and the civil servant had sophisticated espionage devices including a false pocket calculator that received transmissions in code from a Soviet satellite and a "burst" transmitter that broadcast a half-hour recorded message in thirty seconds to a receiver in a Soviet Embassy vehicle cruising in the neighborhood. The technological sophistication and effort put into that operation by the U.S.S.R. indicates the importance of Iran as a Soviet target.

As this study indicates, the KGB and GRU not only use as spies Soviet citizens who use as their "cover." positions in the Embassy, in the consulates in Isfahan, Tabriz, and Mashad, the Soviet trade mission or their positions as technicians and engineers at such installations as the Aryamehr steel mill; but also infiltrate as deep cover "illegals" Parsi-speaking Soviets from Azerbaijan who are indistinguishable from northern Iranians, and Afghans.

The KGB has taken over the Afghanistan secret intelligence service, and has set up training camps for Iranian revolutionaries in that country. Furthermore, Iranian Foreign Minister addressed Iranians who were receiving training in terrorism in Cuba during his recent visit.

The Soviet KGB also makes use of a number of other agencies as cover for its spies and recruiters including the Soviet press agency Novosti, a Soviet-owned transport company, the Soviet hospital in Teheran and the Irano-Soviet Cultural Society. In the long established tradition of Lenin's stricture to reject no tactic, no matter how "immoral" or degrading, the KGB has blackmailed Iranians who have relatives living in the U.S.S.R. into acting as their agents.

It should not be forgotten that a Soviet army occupied northern Iran during the Second World War and that that army was withdrawn only after considerable British and U.S. pressure on Stalin. A Communist-run regime that was set up in Iranian Azerbaijan was deposed only with difficulty and the 1946 Iranian Government had three Communist ministers.

During 1978, the official Soviet Media (rather than clandestine radio stations) generally repeated attacks on the Shah and his government and calls for its overthrow made by leaders of the Tudeh ("masses") party, as the Moscow-line Communist party in Iran is called, only after they had first been published in the Western Communist press. In June 1978, for example, a pamphlet published by Navid, the organ of the Tudeh Party, entitled "The Tudeh Party and the Muslin Movement," was distributed in Teheran which repeated the Tudeh Party call for formation of an "antidictatorial broad front" with the Islamic mullahs playing a "vanguard role" in the struggle to overthrow the Shah's government. Navid, which is believed to be produced on a printing press inside the Soviet Embassy in Teheran, said that the Tudeh party was prepared to put at the disposal of "our friends from other political groups," all of its propaganda, political and technical resources in the campaign to overthrow the Iranian Government. This call from a "broad front" became the theme for repeated Moscow broadcasts.

The Soviet-line Tudeh Communists have been trying to form a coalition of Muslim, Communist, and liberal forces in opposition to the Iranian Government at least since 1973. The combination of Marxism with Islam is also the goal of the OMPI terrorists who are known to have ties with Moscow, Libya, and the PRDY. As far as can be determined, it was the OMPI terrorists who number an estimated 4,000 in Iran, who first began calling themselves "Islamic Marxists," a phrase often dismissed by media commentators in this country as an invention of the Shah. The Marxists have developed a "liberation theology" for Christians that has involved priests and nuns joining terrorist revolutionary groups, particularly in Latin America. Why should anyone be surprised that a "liberation theology" should not also be developed for Moslems?

The Tudeh party leaders spelled out their support for the Ayatollah Ruhollah Khomeini in an article that appeared in December 1978. The article, signed by Tudeh head Iraj Eskandari and published in World Marxist Review, also known as Problems of Peace and Socialism, the "theoretical journal of Communist and Workers' Parties" published in Prague, claimed that Tudeh "has always respected the religious beliefs that are solidly rooted in the vast majority of the Persian population." The article spelled out support for Khomeini in these terms:

> When Moslem leaders like Ayatollah Khomeini oppose imperialism, declare that the

> Shah's regime is anti-popular and anti-Islamic, and say that it must be overthrown, then we consider this a positive occurrence.

In other words, as long as it weakens the West, the Communists will support it, try to direct it, and eventually try to take it over.

As for Ruhollah Khomeini, he has expressed his anti-Western, pro-Communist sentiments on a number of occasions. As long ago as December 1968, in the magazine, The Middle East, Khomeini affirmed that the purpose of an "Islamic republic" of the sort he envisages for Iran, would be to completely eliminate Western influence. During the past year he has repeatedly said that in his "Islamic republic," the Communists will be considered as a legitimate Iranian political force so long as they do not represent "foreign interests." But since the interests of the U.S.S.R. and the goals of Khomeini in abolishing all Western influence and interests in Iran coincide, one may expect that the Tudeh Communists and the Soviet Union's covert agents in Iran would take pains not to alienate the Khomeini group until they had consolidated their power.

On January 21, the Communist Party of the Soviet Union newspaper, Pravda, directly endorsed Khomeini and his Islamic revolutionaries because they have "a long established reputation as opponents of tyranny" and because they appeared to be riding "on the crest of the wave of events."

Pravda coupled its favorable comments on the Islamic revolutionaries in Iran with a report of an interview Khomeini gave to the Beirut newspaper As-Safir, that was broadcast from Moscow on January 20. In part, Khomeini said:

> The present struggle in Iran against the Shah's regime is being conducted in the interests of broad sections of the Iranian people," Khomeini went on. "And though it is headed by religious leaders, they do not seek to form of them political cadres for governing the country. But this does not mean, however, that we shall leave room for pro-American leaders."
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> "Iran will not play the role of a policeman in the region," the opposition's leader said. "The forces that plundered our oil wealth, that made us buy armaments from them, and that set up their military bases in our lands turned Iran into the gendarme of the region in their own self-seeking interests. We hold that 'security' American-style was ensured by the Shah to the detriment of the interests of the Iranian people. We are able to protect ourselves. We believe that the questions of security of the Persian Gulf must be decided by the peoples of the region." * * *
>
> Khomeini said that Iran will not participate in any military blocs since they contradict the interests of peoples. "We shall be conducting the policy of non-alignment and friendship with other peoples, of non-interference in their internal affairs. * * * We shall not side with one power against another."
>
> Touching upon the relations with Israel, he said, "Israel is our enemy not only for the reason that it seized Palestinian lands and tramples underfoot the rights of our Arab friends, but also for the reason that it committed a number of grave crimes against the Iranian people. The torture that was practiced by the secret political police SAVAK was made with the use of Israeli torture implements. Israeli 'experts' and 'instructors' trained the Shah's supporters in methods of the struggle against Iranian patriots, participated directly in violence and brutalities. * * * Therefore, it is our sacred duty to conduct the struggle against [Egyptian President] Sadat and his flunkeys and against Israel."

The official Soviet news agency Tass carried also on January 20 an account of a New York City demonstration by the Iranian Students Association who were supported by members of a variety of U.S. Marxist-Leninist sects, parties, and support groups for a range of terrorist groups including the Palestine Liberation Organization. As Tass reported, chanting "Victory to the Iranian People," and "U.S. Out of Iran," the demonstrators protested "U.S. interference in Iran's home affairs."

In the United States, both the Moscow-line Communist Party, U.S.A. (CPUSA) and the U.S. section of the Trotskyite Fourth International have endorsed Khomeini's revolutionary effort in Iran, as have a number of activist groups whose leaders were previously known for their efforts in organizing support for the Communist aggression in Southeast Asia. Chief among these is the U.S. People's Committee on Iran (USPCI), headquartered at P.O. Box 7782, Philadelphia, Pa. 19101, but in which associates of the Institute for Policy Studies and its Transnational Institute play leading roles.

The USPCI was formed on November 14, 1977, at the commencement of Iranian Student Association riots in Washington, D.C., at the start of an official visit by the Shah of Iran. The USPCI was an outgrowth of the ad hoc support committee to send a team of legal-medical international observers to Iran, organized earlier in 1977.

The chairman of the USPCI is Richard Falk, who teaches international law at Princeton. Falk will be remembered as having been a member of the national council of the (National) Emergency Civil Liberties Committee, a well-known Communist Party front, and for playing a leading role with his long-time collaborator, Richard Barnet, cofounder and director of IPS, in the Lawyers Committee on American Policy Toward Vietnam set up by some of the "Old Left" lawyers in the NECLC which aided in the kangaroo-court "Commission of Enquiry" on alleged U.S. war crimes in Vietnam that was run by the North Vietnamese and two international Soviet fronts, the World Peace Council (WPC) and the International Association of Democratic Lawyers (IADL). Following his 1968 and 1971 trips to Hanoi and Paris to meet with North Vietnamese and Vietcong officials, Falk returned to publicize the "need" for concessions to North Vietnam. In 1969 Falk was among the U.S. delegates to the World Peace Council's Stockholm Conference on Vietnam, and became an endorser of the so-called "people's peace treaty" with the Vietcong.

With this public record for support for the Vietnamese Communists it was not surprising, though morally shocking, that Falk, Barnet and Don Luce of Clergy and Laity Concerned were among the handful of signers of an advertisement in the New York Times on January 30, 1977, that congratulated the Vietnamese Communist conquerors of South Vietnam for holding 40,000 political prisoners—incidentally a far smaller figure than the estimated 300,000 political prisoners in forced labor camps in the "new economic areas" as well as in jails. According to Falk, Barnet, Luce, and company "such a number is surprisingly small considering the several million Vietnamese involved in Saigon's war effort." In other words, every Vietnamese who opposed Communist aggression, who worked in the South Vietnamese civil service or served in the ARVN could justifiably be imprisoned as, in their words, "Saigon collaborationists."

The members of the USPCI policy and advisory committees include two leading members of the IADL's U.S. affiliate, the National Lawyers Guild, Jack Levine of Philadelphia and John Thorn of San Jose; Linus Pauling and Noam Chomsky whose activities in sponsoring Communist causes are too numerous to detail here; Dr. Pierre Noyes of the Stanford Linear Accelerator Center; J. Pirnazer of the University of California at Berkeley; Margaret McQuade, a registered nurse; and Michael Klare, a fellow of the IPS Transnational Institute.

Michael Klare is the head of the of IPS and of the Disarmament and Arms Sales task force of the Mobilization for Project on Militarism and Disarmament Survival (MFS). a coalition collaborating with the World Peace Council in promoting Western disarmament and nonintervention against Communist aggression. Klare was a founding member of the North American Congress on Latin America (NACLA), set up following the tricontinental conference in Havana as the "intelligence-gathering arm" of the U.S. revolutionary left. Havana apparently thinks so highly of Mike Klare that the Tricontinental magazine published by OSPAAL has published his material and he regularly travels to Havana to lecture on U.S. arms sales policies.

The USPCI's goals include to "support Iranian resistance to repression;" "to bring international public pressure to bear on Iran;" and "to oppose American military aid and intervention in Iran."

How the USPCI puts those goals into practice is indicated in their newsletter. The premier edition for the spring of 1978 featured emotional tributes to members of the OIPFG terrorists and to the small, virtually extinct Maoist Communist terrorist organization, the revolutionary organization of Tudeh (ROT) which split away from the Soviet-line Tudeh in the late 1960's. The OIPFG, as I have documented in previous reports (See CONGRESSIONAL RECORD, November 18, 1977, pp. 37800 ff; and September 23, 1978, pp. 31179 ff), is a Marxist-Leninist group whose principal tactic is terrorist "armed struggle." OMPI, which is the outgrowth of the armed gangs organized by the Iranian National Front party during the 1963–64 civil turmoil, has also announced that it has "joined the Marxist-Leninist struggle."

Tudeh Party militants have been working in both terrorist groups, but have been concentrating on the OMPI because it is the larger armed group and because of Tudeh's efforts to cement another alliance with the National Front forces. Tudeh collaborated closely with the anti-Western, pro-Soviet government headed by Prime Minister Muhammad Mossadeq who was deposed by the Shah, with U.S. support, in 1953. Before it was outlawed in 1953, Tudeh and its controlled labor fronts had an estimated 400,000 members. Thus the 1973 State Department estimate of 500 Tudeh members and current U.S. press reports citing "intelligence source" estimates of 1,000 Tudeh members are clearly unrealistic. Intelligence analysts knowledgeable on Iran now believe that many Tudeh members "went underground" and that despite the problems of age, with their younger associates are returning to active roles in the Iranian revolutionary disorders on behalf of the Soviet Union.

USPCI leader Richard Falk; Don Luce, director of the "anti-imperialist" Clergy and Laity Concerned (CALC); and former U.S. Attorney General Ramsey Clark held a press conference in New York on January 23d at which they discussed their 8-day tour of Iran and their meeting with Khomeini near Paris, France. Clark asserted that "99 percent" of Iranians opposed the Bakhtiar government—but gave no indication of how he took his "poll"—and expressed hope that the United States would take no action regarding Iran so that Iran could "determine its own fate."

It is remarkable that Mr. Clark, the USPCI, the various U.S. Communist groups, the Tudeh party and the Communist Party of the Soviet Union are all very much concerned that the United States might "interstate" or "intervene" in the Iranian turmoil, but that they are uniformly unconcerned about the Soviet Union and its agents interfering in that nation.

Let us consider one of the examples of such interference: The terrorist arson at the Abadan movie theater in which several hundred men were killed.

ABADAN THEATER TERROR ATTACK

Following the burning of the Abadan theater, the Tudeh publication Navid immediately appeared with the charge that the men had been murdered by agents provocateur from the Iranian intelligence service, SAVAK. Within days, the Iranian Students Association (ISA) in this country was on the streets with violent demonstrations to publicize the allegation. The speed of transmission of the charge to the ISA groups here is not surprising considering the fact that several colleges have been expelling ISA members for running up hundreds of dollars in telephone calls to Iran and Western Europe charged on college telephones.

Suspects in the arson fled to Iraq where they were apprehended by Iraqi authorities. Since the Soviet-supported attempted coup by Iraqi Communists a year ago and the expulsion of Soviet diplomats, Iraq has been less hostile toward its traditional rival, Iran. As a result, a 19-year-old construction worker named Hashem Menyshedpur was returned to Iran on August 31, 1978. Menyshedpur confessed that he had been a member of a sabotage team led by Abrahim Nazarian Lodricheh who worked for the Abadan mosquito eradication department. Prior to his job as an exterminator of mosquitos, he had been a guard at the Aryamehr steel mill in Isfahan where 1,000 Soviet technical experts and engineers, including a number of identified KGB and GRU agents, work.

Using the alias "Jamshid," Lodricheh assembled a sabotage group whose members received cash bonuses averaging about $750 per person. Just who gave "Jamshid" this money has not been positively determined, but the Soviet secret agents at Aryamehr steel mill are strong suspects. Incidentally, this single small sabotage group carried out arson and fire bombings of small shops, gas stations, banks, and other targets.

One might hope that Ramsey Clark might have some concern for the human rights forever denied the charred corpses at Abadan, men who were burned alive to serve the purposes of the Soviet Union and its KGB.

With sensible support from this country and the Western powers, Iran can still find an equilibrium and encourage formation of a coalition of Iranian moderates from the small farmer and middle classes who will take from the West what their country needs, without undermining their social and religious traditions of society. It is up to us as Americans not to abandon the Iranian people; for whose distress we bear at least moral responsibility. Without question the Soviet Union will continue its efforts to destabilize Iran and other Free World nations, and therefore a firm U.S. policy must form the basis for the resistance to Soviet aggression.●

ELDERLY CRIME VICTIMS MAY FACE IMPRISONMENT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. BIAGGI. Mr. Speaker, I would like to bring to the attention of my colleagues the first in a three-part series of articles written by Michael Daly of the New York Daily News, documenting one of the most serious problems currently facing our Nation—the severe psychological hardships experienced by elderly crime victims.

While the numbers are shocking enough—in New York City alone, there were 64,728 reported crimes against persons over 65 in 1977—the major problem confronting the elderly today is the fear of being victimized by crime. As a result of this fear, an estimated 100,000 elderly citizens have placed themselves under a self-imposed house arrest.

As a member of the House Select Committee on Aging, I have conducted several hearings in New York City on this issue, and have helped to prepare a comprehensive report on this issue, entitled "In Search of Security: A National Perspective on Elderly Crime Victimization." My extensive investigation into this matter makes me realize, all too clearly, that the life of Jennie Kelly, as described in Mr. Daly's article, is lived by a very substantial portion of our Nation's elderly population.

Perhaps the best evidence of this tragic situation is revealed in a 1974 Louis Harris survey. When asked for their perception of various social problems, the elderly ranked fear of crime as the most serious problem they experience; more serious even than health, money, and loneliness.

In an attempt to help correct this problem, I have reintroduced two bills to provide a much needed and new Federal approach for dealing with juvenile criminals, who are responsible for a large percentage of all crimes against the elderly. The first bill would lower to 15 the age under which juveniles can be prosecuted as adults for felony offenses. The second measure would provide for the fingerprinting of juveniles convicted of felony offenses and would prohibit the withholding of previous juvenile records to courts.

I have also reintroduced H.R. 957, legislation to provide Federal assistance to States for compensating victims of crime. My bill gives special consideration to the needs of elderly crime victims, who are very vulnerable to serious financial injury. I welcome your cosponsorship of these measures.

I believe that my colleagues and other readers of the RECORD will be able to more fully appreciate the severity of this problem and the need for prompt corrective measures after reading Mr. Daly's article:

JENNIE HIDES BEHIND HER DOORS

(By Michael Daly)

"More than 18% of the people living in this city are over 65. In 1977, there were 64,728 reported crimes against these 1.5 million older citizens. Of these, 9,970 were robberies. The average victim was female and over 70. The average attacker was male and 16.

"Although police say that they have cut the number of attacks on the elderly by almost 25% since 1976, the fear of being robbed, raped or murdered keeps an estimated 100,000 older persons virtual prisoners in their homes.

"Newsman Michael Daly spent three days recently with one of those prisoners in her Coney Island apartment. The last name has been changed, but the events and emotions recorded in her diary of fear are painfully real."

Her flannel robe drawn tight at the waist Jennie Kelly pads into the kitchen and takes down the 24 Budweiser cans stacked in front of the window.

"They're my burglar alarm," the 83-year-old widow tells you as she parts the blue cotton curtains, letting the early morning light creep into the room. Three inches of snow have fallen during the night, and a white shroud covers the vacant lot that sprawls below Jennie's window.

"Children," Jennie says, her breath clouding the glass. Two children, a girl in a blue parka and a boy wearing red rubber boots, dash into the lot. The boy scoops up two handfuls of snow as the girl ducks behind a pile of rubble and timber.

"Look out," Jennie says, laughing. For 20 minutes, she stands motionless by the window. This 2-by-3-foot sheet of glass is the closest Jennie Kelly gets to the world outside her apartment. It is 7:29 a.m., Saturday, Jan. 6, and Jennie Kelly is beginning the 119th day of her incarceration in a third-floor cell comprised of two rooms, each measuring 18 feet by 20 feet.

Unlike Rikers Island, there are no cellmates or exercise periods in Jennie's $98-a-month prison. There is only a radio, a window, and a nephew who visits once a week for 10 minutes, leaving five tins of condensed milk, a box of tea, four cans of tuna, six carrots, five pounds of potatoes, two loaves of bread, a quart of tomato juice, and a jar of raspberry jelly.

There are no bars on the window of the rooms in which Jennie serves a life sentence. The three locks on the door open from the inside. The walls that hold Jennie Kelly captive are made of fear—terror as real as brick and mortar.

"Hey, lady," a young voice shouted. As Jennie turned, a fist caught her in the stomach.

"I'M GOING TO DIE"

"I'm going to die," Jennie remembers thinking as she pitched forward onto the sidewalk. A boy who looked no more than 13 snatched her purse. Grabbing $11 from the change pocket, the boy tossed the pocketbook into the air. Gasping for breath, Jennie crawled across the wet concrete, feeling in the darkness for her personal papers, her makeup, and a roll of stamps. Jennie Kelly no longer went out after sundown.

Then, two months later, another boy, this one about 17, knocked her to the sidewalk on Surf Ave. After taking her money, the boy squeezed both of Jennie's breasts, hard, his lips rolling back from his gritted teeth. Jennie Kelly was now cut off from her morning walk on the boardwalk.

Last September, the terror struck in Jennie's building. She heard the footsteps behind her just as she turned the key in the lock. A hand snaked around her neck and clamped over her mouth, the thumb digging into her right eye. A second hand pushed open the door. Slipping his left leg in front of her, the attacker hit her once, square in the back.

"The money," the attacker said. "Where is it?" Her cheek pressed against the floor, Jennie Kelly stared at the pair of blue sneakers. The right shoe went back, and Jennie closed her eyes, waiting for the blow she knew would crush her face. Instead, the toe dug in between the carpet and her nose, lifting her face.

"The money," the attacker said again.

"In the napkins," Jennie said, her hand raising from the floor and pointing toward the kitchen counter.

Folding her arms over her head, Jennie listened to the attacker tear through the apartment. Coat hangers scraped in the closet. Drawers tumbled to the floor. Clothing tore. A bottle of tranquilizers rattled in the bathroom. Finally, the door slammed, and Jennie Kelly heard feet pounding down the stairs.

"I had wet myself," Jennie now tells you as she stands by the kitchen window looking out at the snow. "I sat there wet and looked at the door and know I would never go outside again. I knew I would not be brave enough to ever stand in that hallway alone again."

"Did you call the police?" you ask Jennie.

"No," Jennie says, "I was afraid. I have to live here after the police are gone."

"Why don't you move?" you ask her. Jennie walks to the bathroom door and points to the deep cast iron tub.

"After working, my husband soaked and smoked cigars and we talked." Jennie says, her fingers rubbing the edge of the tub. "That table you're sitting at is where we ate. I laugh sometimes when my nephew tells me I should move to a home, like this isn't my home. He means an old folks home. What does your real home die before you do?" The home he wants me to go to. I would wake up in the morning and know that after 84 years on this earth, all I had was what was hanging in the closet. That would kill me."

"What do you do for money?" Jennie is asked.

"I don't like to talk about my money," Jennie says. "It's private. I get my Social Security and the pension from my husband mailed right to the bank. My nephew uses it to pay rent and utilities. He doesn't charge me for the magazines he brings sometimes. It doesn't cost much to keep an old lady alive, and my husband when he died had worked all his life as a plumber and it worked out."

Walking into the kitchen, Jennie strikes a safety match and lights a stove burner. The spigot coughs and sputters as she fills the aluminum kettle.

"IT SOUNDS LIKE ME"

"It sounds like me on a bad morning," Jennie says.

Like a priest preparing for Mass, carefully Jennie lines up a cup, a box of black tea, and a tin of Carnation milk. When the kettle whistles, she washes out the pot with the boiling water and measures out three even tablespoons of tea.

Dripping the milk slowly into the cup, Jennie watches the swirls of white mix with the tea. She brushes her hair back and holds her head an inch over the cup so the steam can roll up her cheeks.

"I do this sometimes and dream," Jennie says.

"What do you dream of?" Jennie is asked.

"People I knew, things I've done," Jennie says. "More memories I guess than dreams. Dreams are when you're young. Who dreams past 60? At 60, you have memories, at 60 you're old. And I've been old since 1955." Tipping the cup, Jennie let a puddle of tea dribble into the saucer. Holding the cup in one hand, she blows on the saucer to cool the tea and lifts the plate to her lips.

"Delicious," she says. "I make delicious tea." Reaching across the white enameled table, Jennie flicks on the radio. A maintenance man, the newscaster said, had been stabbed to death in front of St. John's University in Queens. The Vietnamese were pressing on to Phom Penh. Mayor Koch defended a $12 million raise for managerial staff.

"Things go on," Jennie says. Pouring a second cup of tea, Jennie recalls a hot afternoon on the beach at Coney Island in August 1951. Struck by a stomach cramp, a boy in the water called for help. Half the men on the beach dived into the surf. A man in blue and white trunks dragged the boy onto the sand and pumped his chest.

"Sometimes I feel like I'm drowning," Jennie says, moving to the window.

"What do you think would happen if you leaned out the window and shouted help? she is asked.

"Nothing," Jennie says. There was nothing done, Jennie tells you, when landlords started packing year-round welfare families into the summer bungalows. There was nothing done when the fire started. There was nothing done when neighbors fled one after the other. There was nothing done when all but three of the 31 buildings on her block stood empty. For 33 of her 48 years in this apartment, Kelly tells you, Coney Island was "a working man's paradise." In the past 15 years, she says, parts of Coney Island has become a poor man's hell, where children prey on elderly women.

"Everybody knows about ladies like me," Jennie says. "Everybody knows and they just accept it. It is a jungle down here and I'm the weakest animal in the jungle. What can I do but hide?"●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, February 1, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 2

10:00 a.m.

Armed Services

To hold closed hearings on proposed military procurement authorizations for fiscal year 1980 for the Department of Defense, with testimony on funds for Air Force programs.

212 Russell Building

Banking, Housing, and Urban Affairs

To hold hearings on S. 108, to simplify the truth-in-lending laws, and on S. 37, proposing repeal of the section relative to financial privacy of P.L. 95-630, to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions.

5302 Dirksen Building

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To hold hearings on S. 233, to extend programs administered by the U.S. Travel Service through fiscal year 1980.

235 Russell Building

Joint Economic

To receive testimony on the employment-unemployment situation for January.

1202 Dirksen Building

FEBRUARY 5

9:30 a.m.

Environment and Public Works

To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.

4200 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold oversight hearings on U.S. export policies.

5302 Dirksen Building

Energy and Natural Resources

Energy Conservation and Regulation Subcommittee

To hold hearings on the plans of the Department of Energy for emergency energy conservation and gas regulation.

3110 Dirksen Building

Finance

Taxation and Debt Management Subcommittee

To hold hearings on the status of foreign debts owned to the United States.
2221 Dirksen Building

Foreign Relations
To hold hearings on proposed legislation to continue current trade and economic relations with Taiwan.
4221 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To hold hearings to examine the effect of pension fund investment policies on individual contributors.
2228 Dirksen Building

Joint Economic
To receive testimony from Director of the Office of Management and Budget McIntyre on the state of the U.S. economy.
1202 Dirksen Building

Select Small Business
To resume hearings on the issues of the safety, effects, and medical use of Darvon.
5110 Dirksen Building

FEBRUARY 6

9:00 a.m.
*Human Resources
Child and Human Development Subcommittee
To hold hearings on S. 4, proposed Child Care Act.
6226 Dirksen Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Environment, Soil Conservation, and Forestry Subcommittee
To hold hearings on the economic implications of the Department of Agriculture's RARE II wilderness proposals, and on the Nation's outlook for timber and lumber supplies.
322 Russell Building

Finance
Taxation and Debt Management Subcommittee
To hold hearings on extending and possibly increasing the temporary limit on the public debt.
2221 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on U.S. export policies.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Foreign Relations
To continue hearings on proposed legislation to continue current trade and economic relations with Taiwan.
4221 Dirksen Building

*Government Affairs
Federal Spending Practices and Open Government Subcommittee
To hold hearings on GSA's methods of procuring contracts.
1114 Dirksen Building

Joint Economic
To continue hearings to examine the President's economic report.
357 Russell Building

10:30 a.m.
Human Resources
To hold hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.
4332 Dirksen Building

FEBRUARY 7

9:30 a.m.
Budget
To resume consideration of committee rules and budget requests.
6202 Dirksen Building

*Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation by the ICC of provisions of the Railroad Revitalization and Regulatory Refrom Act (P.L. 94-210).
235 Russell Building

Energy and Natural Resources
To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
3110 Dirksen Building

Human Resources
To continue hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.
4232 Dirksen Building

Environment and Public Works
To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the budget Committee.
4200 Dirksen Building

Veterans' Affairs
To resume hearings on S. 7, proposed Veterans' Health Care Amendments.
412 Russel Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings to receive testimony from N.Y. State officials on the progress being made by N.Y. City toward balancing its budget and regaining access to the credit markets.
5302 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Foreign Relations
To mark up proposed legislation to continue current trade and economic relations with Taiwan.
4221 Dirksen Building

Joint Economic
To continue hearings to examine the President's economic report.
6226 Dirksen Building

3:00 p.m.
Banking, Housing, and Urban Affairs
To continue hearings to receive testimony from N.Y. State officials on the progress being made by N.Y. City toward balancing its budget and regaining access to the credit markets.
5302 Dirksen Building

FEBRUARY 8

9:00 a.m.
*Human Resources
Child and Human Development Subcommittee
To hold hearings on S. 239 proposed authorizations for FY 1979 for ACTION.
6226 Dirksen Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Environmental Soil Conservation, and Forestry Subcommittee
To resume hearings on the economic implications of the Department of Agriculture's "RARE II" wilderness proposals, and on the Nation's outlook for timber and lumber supplies.
322 Russell Building

Energy and Natural Resources
To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior.
3110 Dirksen Building

Environment and Public Works
To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
4200 Dirksen Building

Human Resources
To hold hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation to extend for two years through 1981, the Council on Wage and Price Stability.
5302 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Foreign Relations
To hold hearings on the nomination of Leonard Woodcock, of Michigan, to be Ambassador to the People's Republic of China.
4221 Dirksen Building

11:00 a.m.
Commerce, Science, and Transportation
To hold hearings to examine safety problems in the transportation and storage of liquified energy gases.
235 Russell Building

FEBRUARY 9

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.
5302 Dirksen Building

3:00 p.m.
Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.
5302 Dirksen Building

FEBRUARY 19

9:30 a.m.
Environment and Public Works
To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
4200 Dirksen Building

FEBRUARY 20

9:30 a.m.
Environment and Public Works
To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
4200 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on present U.S. monetary policies.
5302 Dirksen Building

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from Disabled American Veterans.
318 Russell Building

FEBRUARY 21

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed fiscal year 1980 authorization for NASA.
5110 Dirksen Building

*Human Resources

Child and Human Development Subcommittee

To resume hearings on S. 4, proposed Child Care Act.

4232 Dirksen Building

10:00 a.m.

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

FEBRUARY 22

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on proposed fiscal year 1980 authorization for NASA.

5110 Dirksen Building

9:30 a.m.

Veterans' Affairs

To hold hearings on proposed legislation to provide for a judicial review of decisions made by the Veterans' Administration in matters involving claims for veterans.

318 Russell Building

10:00 a.m.

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold hearings on proposed fiscal year 1980 authorizations for the U.S. Railway Association and the Office of Rail Public Counsel.

235 Russell Building

FEBRUARY 23

10:00 a.m.

Banking, Housing, and Urban Affairs

To resume oversight hearings on present U.S. monetary policies.

5302 Dirksen Building

Joint Economic

To receive testimony from Advisor to the President on Inflation Kahn on the state of the U.S. economy.

1202 Dirksen Building

FEBRUARY 26

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on S. 85, proposed Monetary Policy Improvement Act.

5302 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on the objectives that a national policy on tourism should seek to achieve.

235 Russell Building

FEBRUARY 27

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.

235 Russell Building

Human Resources

Child and Human Development Subcommittee

To resume hearings on proposed authorizations for FY 1979 for ACTION.

4232 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To mark up S. 108, proposing simplification of the truth-in-lending laws, and on proposed legislation to extend for two years, through 1981, the Council on Wage-Price Stability.

5302 Dirksen Building

FEBRUARY 28

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on proposed FY 1980 authorizations for NASA.

235 Russell Building

10:00 a.m.

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

Commerce, Science, and Transportation

To resume hearings on the objectives that a national policy on tourism should seek to achieve.

5110 Dirksen Building

MARCH 1

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.

235 Russell Building

10:00 a.m.

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

MARCH 2

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on proposed FY 1980 authorizations for NASA.

235 Russell Building

10:00 a.m.

Commerce, Science, and Transportation

To resume hearings on the objectives that a national policy on tourism should seek to achieve.

5110 Dirksen Building

MARCH 5

10:00 a.m.

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

MARCH 6

11:30 a.m.

Veterans' Affairs

To hold hearings to receive legislative recommendations for fiscal year 1980 from Veterans of Foreign Wars.

318 Russell Building

MARCH 7

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee.

To hold oversight hearings on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.

2355 Russell Building

9:30 a.m.

Human Resources

Child and Human Development Subcom-

To hold hearings on proposed legislation to coordinate programs designed to prevent domestic violence.

4232 Dirksen Building

10:00 a.m.

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

MARCH 8

9:30 a.m.

Veterans' Affairs

To consider recommendations which it will make to the Budget Committee in accordance with the Congressional Budget Act.

412 Russell Building

MARCH 12

10:00 a.m.

Commerce, Science and Transportation

Surface Transportation Subcommittee

To hold hearings on proposed fiscal year 1980 authorizations for the National Rail Passenger Corporation (AMTRAK), and on proposed route restructuring of AMTRAK.

235 Russell Building

MARCH 14

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on proposed FY 1980 authorizations for NASA.

235 Russell Building

10:00 a.m.

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

MARCH 15

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on proposed FY 1980 authorizations for NASA.

235 Russell Building

10:00 a.m.

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

MARCH 16

10:00 a.m.

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold hearings on the Northeast corridor improvement project.

235 Russell Building

MARCH 20

9:30 a.m.

Human Resources

Child and Human Development Subcommittee

To mark up S. 4, proposed Child Care Act, and proposed legislation to coordinate programs designed to prevent domestic violence.

4232 Dirksen Building

MARCH 21

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume oversight hearing on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.

235 Russell Building

MARCH 29

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.

235 Russell Building

9:30 a.m.

Veterans' Affairs

To hold hearings to receive legislative recommendations for fiscal year 1980 from AMVETS, paralyzed Veterans of America, Veterans of World War I, and blinded veterans.

6226 Dirksen Building

MARCH 30

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.

235 Russell Building

APRIL 10

9:30 a.m.

Veterans' Affairs

To hold oversight hearings on the role of the Federal government in providing educational, employment, and counseling benefits to incarcerated veterans.

6226 Dirksen Building

MAY 1

9:30 a.m.

Human Resources

Child and Human Development Subcommittee

To hold oversight hearings on the implementation of the Older American Volunteer Program Act (P.L. 93-113).

4232 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, February 1, 1979*

The House met at 11 a.m.

Chaplain James David Ford, B.D., offered the following prayer:

O God, give us always the spirit of humility, both in our prayers, and in our lives.

Grant that no one be captured by his sense of position or place, but that each person be aware of dependence upon Your power and providence and upon the need for forgiveness.

Give us renewed understanding that through service to others will come true fulfillment in life. Grant us respect for all people, whatever station or position, that we may truly serve You each day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on January 22, 1979, the President approved and signed a joint resolution of the House of the following title:

H.J. Res. 1. Joint resolution to extend the time for filing the Economic Report.

MODIFICATION OF EXECUTIVE AND CONGRESSIONAL TERMS OF OFFICE

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, I am today introducing a very important piece of legislation which would amend the Constitution of the United States. Passage of this resolution would result in five significant changes. These changes would: First, limit the number of consecutive terms Representatives may serve; second, provide for 3-year terms for Representatives to the Congress; third, limit to three 6-year terms for Members of the Senate; fourth, establish a single 6-year term for the Presidency; and fifth, provide an age limit for elected officials.

While the Constitution as it was originally written did not specify a maximum length of service for Members of Congress or the President, there is a definite need to insure that all Americans are represented equally and fairly in our Republic.

Many Pennsylvanians have expressed to me the feeling that those elected to participate in the Federal Government have lost touch with their constituencies. They believe Members of this institution no longer view themselves as citizens temporarily on leave to the Government but as permanent legislators living in the city of Washington.

I must say, however, that I do not take lightly any attempt to amend our Constitution. I do feel, however, that we must establish constitutional limits on both number of terms and the age of our elected officials.

My resolution amends the Constitution to provide that no elected official can serve indefinitely and that within a specified time frame every elected person will again become a private citizen regardless of his or her political skills. This would continue the process initiated with the 22d amendment to the Constitution which limited the President's tenure in office. This amendment was widely received and was based on the premise that a term limitation would allow a President to concentrate less on the politics of being reelected and more on important questions of national policy.

I urge my colleagues to support this legislation and to initiate some meaningful public debate on the role of elected officials and their relationship to the American people.

Thank you, Mr. Speaker.

☐ 1105

U.S. CREDIBILITY RESTS ON ACTION TO HONOR DEFENSE COMMITMENTS TO THE REPUBLIC OF CHINA

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, I have just returned from a 5-day visit to the Republic of China, where I participated with elected representatives from many other nations in commemorating the 25th anniversary of "World Freedom Day."

While the administration is this week celebrating the new relationship with Communist China, I must report to my colleagues that I encountered unanimous strong resentment—and even hostility toward the United States—from our elected counterparts throughout the free world.

The President's egregiously wrong precipitous unilateral abrogation of our treaty with the Republic of China has destroyed our credibility with every nation.

It has made the United States a tool of Chinese and international communism's intended march to enslaving the nations of the world.

If Taiwan falls, you will once again see the slaughter of every responsible free Chinese citizen.

Is this the human rights doctrine the President projects?

World Freedom Day was a solemn but joyous anniversary—a time for remembering that 25 years ago this month more than 14,000 Communist Chinese soldiers fighting with the North Korean armies, who had been taken prisoner of war in South Korea, chose freedom on Taiwan and refused to return to the Communist slave camp of mainland China.

During my visit, I was able to meet and talk with many Republic of China officials, including Premier Sun Yun-suan, Minister of Foreign Affairs Tsiang Yen-si, Vice Minister of Foreign Affairs Frederick F. Chien, Vice Minister of Defense Gen. Cheng Wei-yuan, Marine Corps Deputy Commandant Lt. Gen. Tu, and others.

I also met and talked with a number of prominent elected representatives from national assemblies and Parliaments of Australia, Japan, New Zealand, France, Canada, the Netherlands, India, Brazil, Portugal, the Philippines, South

Korea, African nations of Upper Volta and Lesotho, the Republic of China, and other free world countries.

While the administration is this week celebrating the new relationship with Communist China, I must report to my colleagues that I encountered unanimous strong resentment—and even hostility toward the United States—from these, our elected counterparts throughout the free world.

They told me that the President's precipitous abandonment of our diplomatic and defense commitments to the Republic of China, our longtime valued friend and ally, has seriously lessened our credibility among people of every nation—possibly permanently undermining trust in the United States among friendly as well as hostile governments and world leaders.

After personally receiving this view from respected foreign elected representatives, it is clear that the decision to unilaterally abrogate the mutual defense treaty between the United States and the Government of Taiwan—as a quid pro quo for diplomatic recognition of Communist Mainland China—was a tragic error in judgment.

This decision by our President has understandably shocked world leaders, as it has shocked and grieved millions of Americans. In the frontier West of my youth, we placed great confidence and great reliance on a handshake agreement. We viewed written contracts as somewhat unnecessary between men and women of honor. That honor has been brought into question by the President's action, and must now be restored.

I am proud to have joined with Senator BARRY GOLDWATER in a lawsuit to challenge the President's authority to unilaterally abrogate our defense treaty with the people of Taiwan. I hope this action will prevail. I hope the American courts will recognize the sanctity of promises made.

Whatever the courts decide, let the world take notice there is a higher authority. Let the voice of all free humanity declare this hasty action, even if it has been determined to be legally right, to be morally wrong.

CONGRESS MUST ACT

Mr. Speaker, we should be acutely aware of the disquieting effect of the President's action on a host of other small, freedom-loving nations that have relied on the promises of the United States.

The President's action has created dangerous indecision among our valued allies, thus opening the way for totalitarian Communist nations to widen their military adventurism and control throughout the world.

The reason for this situation is apparent. The mutual defense treaty signed by the United States and the Republic of China in 1954 is the same basic treaty signed by the United States with the Philippines, Australia, New Zealand, and other countries. If our President would take such action to repudiate Taiwan, in order to meet the demands of the Communist mainland regime, they fear that similar repudiation of our agreements and promises to other nations dependent upon our support will be forthcoming in future negotiations involving the Soviet Union, Communist China, and other totalitarian governments.

In light of this situation, Congress has a major historic responsibility, this year, to help restore our Nation's honor and credibility, as well as to reassure our valued friends and allies throughout the world.

Confidence in the United States and its commitment to world freedom will be restored only if Congress takes sure legislative action to continue needed U.S. military and economic support for the Republic of China.

This must be done in our own strategic interests, as well as to keep faith with valued allies to protect Taiwan's continued freedom, security, and independence.

THE STRATEGIC IMPORTANCE OF TAIWAN

Taiwan is a vital link in the strategic island chain—including Japan, Ryukyu, and the Philippines—that hems in the Asiatic rimlands.

It is essential to the entire free world that Taiwan continue to be denied to any enemy or potential enemy, particularly any Communist regime. For Taiwan, under the domination of Communist China or any other hostile power, would mean a break in the island chain that would threaten the Ryukyus to the north and the Philippines to the south.

Taiwan's loss would have a profound political influence over the rest of Asia far more damaging to free world interests than any possible gains in our relations with Communist mainland China. Compared with the nebulous gains of better relations with Peking, the strategic, moral, economic, and political costs of losing Taiwan to totalitarian communism would be disastrous.

The respected Pulitzer prize-winning former military editor of the New York Times, Hanson W. Baldwin, has clearly stated this strategic importance of Taiwan—

> . . . Taiwan represents an important flanking threat to the Communist Chinese mainland positions. Taiwan and the Nationalist-held offshore islands of Quemoy and Matsu dominate the Chinese coast from Swatow through Amoy to Foochow and control the hundred-mile, wind-swept Taiwan Strait, which links the East China and South China seas. Because of its geographic position, the Nationalists' wishful but avowed intent to "return to the mainland" and the considerable strength of the Nationalist forces, Peking's military freedom of action has been considerably limited, even during the Korean and Vietnam wars. A very sizable part of the Chinese Communist Army—totaling probably 600,000 to 800,000 men out of a total ground strength of more than [3,600,000]—has been constantly deployed opposite Taiwan. Recently, when the Sino-Soviet split led to shooting affrays with the Russians on the Manchurian and Sinkiang frontiers, it was the Chinese concentrations near North Vietnam that were thinned out and shifted northward, not those opposite Taiwan. To Peking, Taiwan represents, strategically, a deadly potential peril—a small but definite psychological and political peril to the facade of monolithic communism on the mainland, but a major military threat.

THE COMMUNIST CHINA THREAT IS REAL

Mr. Speaker, Communist China poses a real and continuing threat to the freedom and independence of the Republic of China.

Since the first days of Mao Tse-tung's Communist tyranny on the mainland, it has been Peking's stated objective to impose communism on the people of Taiwan, through force if necessary, in order to create "one Communist China."

This objective of the Peking regime is written into its Constitution, and was reaffirmed here only yesterday by visiting Communist Chinese Vice Premier Teng Hsiao-ping, who told members of the Senate Foreign Relations Committee:

> We say that so long as Taiwan is returned to the motherland, and there is only one China, we will fully respect the realities on Taiwan.

At no time has the President ever elicited from the Communist Chinese a solemn promise that they will not achieve this "return to the motherland" of Taiwan through force.

It would have to be through force or subversion and Communist takeover of the Taiwan Government, since the people of Taiwan will fight to the death to avoid the imposition of a Communist regime. They know that their political, business, and public opinion leaders will be slaughtered by the Communists if they are ever "returned to the motherland" under Communist rule.

The circumstances on Taiwan and on mainland China depict perhaps the best picture of the irreconcilable differences between freedom and slavery.

Nowhere in all of history can I find a more dramatic, persuasive example of the productivity of the talents of men who are blessed with freedom, than I witnessed this month in Taiwan.

The island of Taiwan occupies only 13,500 square miles, while the mainland now known as the People's Republic of China covers an area almost 3.7 million square miles. Taiwan's population is only about 17 million, while that of the mainland numbers perhaps 900 million. No one really knows, because there are no adequate census figures of the mainland's huge population.

Despite the disproportionate differences in land area and population, in favor of the mainland Communists, Taiwan's per capita income is several times the per capita income on the mainland. The workers of Taiwan outproduce their cousins on the mainland on a ratio of 5 to 1. With 270 times the land area and 53 times the population, the gross national product of the mainland is only 10 times the GNP of Taiwan.

How can this be? The people on Taiwan are not physically stronger than their cousins on the mainland. This island does not have more abundant natural resources, superior to those found on the mainland. Taiwan is no closer to its trading partners than is the mainland. The difference—the remarkable difference between the two Chinas the world sees today is to be found in the fact that the people of Taiwan are free, while the people of the mainland are enslaved.

The economic comparison, the material abundance of Taiwan versus the poverty and comparative lack of productivity or ingenuity on the mainland, is only an illustration of the remarkable differences between the People's Republic of China and the free Government of Taiwan. The true difference is spirit—the human condition, the absence of compulsion and regimentation, the presence of individual opportunity in Taiwan that is totally lacking on the mainland.

On Taiwan, sovereignty has been exercised by the Republic of China for 30 years. In that 30-year period, freedom has been extended. The population has been a welcome participant in every political decision. This cannot be said about the population of Communist mainland China.

Is there any wonder why the people of Taiwan will fight and to the death to retain their freedom, and to stop a Communist takeover?

With the existence of Taiwan next door as a glistening showcase of the happiness, plenty, and individual incentive and opportunity that only human freedom can provide, is there any wonder why the iron forces of totalitarian communism on the mainland feel compelled to stamp out that shining light in order to maintain domination over their own people?

This is why Congress must act to guarantee continued U.S. military support and economic and cultural relations with the Republic of China on Taiwan. We must reaffirm for the world community that the United States will not, on the excuse of expediency, betray free people of any nation and discard honor for what appeared to be a momentary advantage.

TAIWAN MUST HAVE CONTINUED U.S. SUPPORT

The Republic of China must have continued U.S. military support. The armed forces of Taiwan are almost 100 percent equipped with U.S. weaponry, which has been purchased by the Republic of China under the military sales program ever since U.S. grant aid came to an end in fiscal year 1974.

U.S. foreign military sales credit to Taiwan from fiscal year 1966 to fiscal year 1978 totaled $547 million. The Republic of China has never defaulted on repayment with interest. Yet, the President has announced plans for an immediate end to all military support for Taiwan. upon the insistence of the Communist Chinese regime.

In light of Communist China's growing strategic threat to Taiwan, and the obsolescence of much of Taiwan's military equipment along with their need for replacements parts, it is imperative that the United States continue to provide the Republic of China with adequate arms and equipment with which to defend itself.

The Chinese Communist regime has nuclear missiles. It has about 70 World War II Soviet submarines, at least 1 nuclear submarine, and numerous major combat ships and gunboats in its navy. Peking is acquiring advanced fighter aircraft from Great Britain and France.

The Communist Chinese already have about 5,700 combat aircraft, including 4,500 MIG–17's and MIG–19's, about 500 MIG–15's and F–9's, 80 MIG–21's, and others with missile and torpedo-carrying capability.

By comparison, the Republic of China's inventory is very small and obsolete, including only 2 Guppy–II ex-U.S. submarines, 33 ex-U.S. World War II-vintage destroyers and frigates, and only 316 combat aircraft, most of which are old F–100's, F–104's, and F–5's.

With the President's recent actions to recognize Communist China, and repudiate our defense commitments to Taiwan, there is no guarantee now that an active attack against Taiwan by the Communist Chinese—including even a nuclear attack—would instantly invoke even the threat of U.S. retaliation in behalf of the Republic of China.

Taiwan has been guaranteed through the years of such U.S. support and protection, which is a major reason why its armed forces are so meagerly equipped with virtually obsolescent U.S. military equipment.

Actions by our Government demand that we now furnish Taiwan with at least 200 to 300 F–16 or F–18 advanced fighter aircraft, which the Republic of China must have and I was told by its officials is willing to purchase under a continued military sales program cash arrangement.

In addition, Congress should authorize the sale of a sufficient number of other modern weapons and replacement parts to put them on an equal or superior footing to the Communist Chinese, in order to deter aggression.

The United States has a moral obligation to continue supplying the Republic of China with military arms and equipment, and to help its Government to implement a reasoned program of arms modernization in order to continue the political stability and economic prosperity that the people of Taiwan have enjoyed.

Only a clear manifestation by Congress this year of support for Taiwan will provide the psychological, military, and political requirements to prevent the loss of another key position in this vital Asiatic island chain.

I will be introducing and supporting the necessary legislation to accomplish this objective.

Mr. Speaker, I would like to include in the RECORD at this point a partial listing of Republic of China officials and business leaders with whom I visited in Taiwan this month, as well as a partial list of free world elected representatives who attended the "World Freedom Day" anniversary celebrations in Taipei.

I would also like to include a fact sheet concerning U.S. arms sales to the Republic of China:

FOLLOWING IS A PARTIAL LISTING OF REPUBLIC OF CHINA GOVERNMENT, CIVIC, AND BUSINESS LEADERS WITH WHOM CONGRESSMAN ELDON RUDD MET DURING HIS VISIT

Sun Yun Suan, Premier, Republic of China.

Tsiang Yen-si, Minister, Foreign Affairs, Republic of China.

Fredrick F. Chien, Vice Minister, Foreign Affairs, Republic of China.

Gen. Cheng Wei-yuan, Vice Minister, Defense, Republic of China.

Wanlian Tsai, Department of North American Affairs, Ministry of Foreign Affairs, Republic of China.

Lin Ki-tseng, Deputy Director, Central and South American Affairs, Ministry of Foreign Affairs, Republic of China.

Tsai Hung-wen, Speaker, Taiwan Provincial Assembly.

Lo Weng-tang, Member, National Assembly, Republic of China.

Lo Tien-fu, Member, National Assembly, Republic of China.

Wang Tao, Member, National Assembly, Republic of China.

T. S. Lin, Speaker, Taipei City Council.

Chen Ching-yuh, Vice Speaker, Kaohsiung City Council.

Jeffrey L. S. Koo, President, China Investment and Trust Company.

Chen Tien-mao, Managing Director, First Commercial Bank.

Hsu Fu-teh, Secretary-General, Sino-Australian-New Zealand Cultural and Economic Association.

Tsai Ven-chin, Senior Vice President, International Commercial Bank of China.

T. Y. Chao, Chairman, Vocational Assistance Commission for Retired Servicemen.

Deng Chang-kuo, Vice President, China Television Company.

Joseph Wu, Former Ambassador to Edcuador, Editorial Writer, China Post, Editor-in-Chief, Asian Outlook Magazine.

Tan Ying, Secretary General, World Anti-Communist League.

Tao Yung, President, China-India-Burma-Sri Lanka Cultural and Economic Association.

PARTIAL LISTING OF ELECTED REPRESENTATIVES WITH WHOM CONGRESSMAN RUDD MET

Muzuki Kato, Japan House of Representatives.

Georges Mesmin, French National Assembly.

Mohammed Omar Tawfig, Saudi Arabia.

Daso Do Oliveira Coinbra, Brazil National Assembly.

Frederic Gurima, Upper Volta.

Robert Brisco, Canadian Parliament.

Peter Rae, Australian Senate.

J. T. Kolane, Speaker, Lesotho National Assembly.

A. Ploeg, Netherlands.

Kevin Cairns, Australian Parliament.

Myong Whai Kim, National Assembly, Republic of Korea.

H. Darussamin, Indonesia Parliament.

Marcial Pimentel, National Assembly, Republic of the Philippines.

FACT SHEET CONCERNING U.S. ARMS SALES TO THE REPUBLIC OF CHINA

BACKGROUND

The United States began to provide grant military aid to the Chinese Armed Forces with the activation of the Military Assistance Advisory Group (MAAG) in 1951.

This group had 360 military personnel in 1951, reached its strength of 2,347 in 1956 and was reduced to 6 officers and men in 1978.

U.S. grants aid to the Republic of China was gradually decreased in the 1960's and officially came to an end in FY 1974. From FY 1966–FY 1971 direct foreign Military Credit totalling $168 million was provided. From FY 1972–FY 1974 a combination of direct and commercial credits totalled $148 million. From FY 1975–FY 1978, Foreign Military Sales credit arranged by the Federal Financing Bank totalled $231 million. Foreign Military Sales credit from FY 1966 to FY 1978 totalled $547 million. The Republic of China has never defaulted on the repayment with interest.

Foreign Military Sales credit in FY 1976 was $93 million, FY 1977 $35 million, FY 1978 $23.5 million. The planning figure for FY 1979 is $10 million or even less. The trend is such that Foreign Military Sales credit for the Republic of China will soon come to an end. In fact, the Republic of China has, in recent years, funded more and more of its military procurement from its own resources.

FACTUAL SITUATION

The Republic of China Armed Forces is almost 100 percent equipped with U.S. weaponry. It must therefore be supplied with adequate spare parts and follow-on support.

The strategic significance of Taiwan must be taken into consideration when military operations in that part of the world are undertaken.

In light of the intended termination of the Mutual Defense Treaty on December 31, 1979, it is highly significant that the Republic of China be provided with adequate military equipment to defend itself. High on the requirement list are such items as high-performance F-16 or F-18L aircraft, Harpoon Missiles, ship-to-ship missiles.

The one-year "Moratorium" on new arms sales to the Republic of China will have an adverse effect on the combat effectiveness of the Republic of China armed forces, since it will mean an additional year of delay on the equipment urgently needed by the Republic of China.

The Chinese Communist Regime has about 70 WWII Soviet Submarines and at least one nuclear submarine and numerous gun boats in its navy. It is acquiring advanced military aircraft from Britain and France.

INTRODUCING RESOLUTION TO AMEND CONSTITUTION TO PROVIDE FOR ABOLISHMENT OF ELECTORAL COLLEGE

(Mr. ERDAHL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ERDAHL. Mr. Speaker, the time seems long overdue that we allow the people of this country to directly elect our President and Vice President. For that reason, today I am introducing a resolution to amend the Constitution to provide for the abolishment of the electoral college, the creation of a National Canvassing Board and the opportunity for the people of this Nation to elect our President by a direct popular vote.

It is hard to defend the present winner-take-all concept in the electoral college where in effect the votes of millions of Americans do not count at all in a Presidential election. Also, the frightening possibility exists where a person could be elected President of the United States—the most powerful political office in the world—and still have less votes from the people than his opponent.

In the early days of our Republic the electoral college provided safeguards and perhaps served us well. Now with instant electronic communication the proper opportunity is here for the vote of each citizen to be counted and to have the same weight.

Under my proposal each State canvassing board would submit the results of their State to the National Canvassing Board, which would then certify the winner as the candidate receiving the most popular votes. No runoff election would be necessary.

The time to submit this resolution to the several States is now. It would be unwise to wait until a President with less votes than his opponent is selected by the 538 Presidential electors—who are not even bound to vote for the winner in their State.

The present electoral college system allows for a disproportionate share of electoral strength. We need a system where people, not States, elect our President. The citizens of this country do not need middlemen to cast their votes for them.

BIASED TV AND A DOCILE CONGRESS MAKE ONE WONDER AFTER TENG VISIT

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, I want to make one thing very clear for the record. I was not here on Tuesday afternoon and Wednesday when many in the 96th Congress fell all over themselves fawning over the networks' new Communist hero. I have developed a rather strong stomach for what I might euphemistically call political realities—the public might call it something different, associated with the oldest profession in the world—but the craven and supine groveling before Red China's most current despot was the most sickening experience in my 18 years in this House. The laughter at Blair House on Monday and Tuesday nights must have been earth shaking.

I did not expect much. Most of the legislators like hands across the caviar with our enemies anyway. But I did not think it would be quite so bad and I want to totally disassociate myself with this venerable institution on those 2 days. Do not blame me—I was hardly the type of Congressman who would be invited anyway.

In all of my days of TV viewing, I have never seen any presentation as biased and propaganda oriented as John Chancellor's NBC wrap-up, documentary, or whatever you want to call it which was presented following the NBC evening news on Tuesday night. It was not even faintly objective and in no way presented the Red Chinese in honest fashion. Chancellor's piece passed itself off as a documentary quickie with past clips of Korea, "Vinegar Joe" Stilwell, Joe McCarthy, and President Chiang.

It came to the conclusion that Chiang was corrupt, we had erred in not listening to pro-Red China advice in the fifties, and that everything is rosy. Not one honest, critical word was spoken about Mao or his henchmen who have systematically oppressed the Chinese people, conducted the greatest mass executions in history, and in no way have recanted.

Not one ill word of the Communists. The poorest traditions of news reporting were shown. No effort to be objective or balance the record. Chancellor must rate a goose egg for his efforts to be fair, hopefully that bad in the minds of Americans who viewed his propaganda piece. It could have been produced in Peking.

I also watched a CBS roundup with Walter Cronkite. While not overly fair, at least it did not pass itself off as a semidocumentary. No old clips, or quote—quickie—unquote course on 1949–78 history. At least Cronkite does not make your blood boil and you do not get the impression he is biased or afraid to ask difficult questions. The NBC presentation was, to repeat, the most biased, propagandistic, pro-Communist piece of reporting I have ever seen on the networks and I thought I had seen some bad ones over the years.

The people back home are not fooled if my experience in talking to Americans on Tuesday and Wednesday is any example. They think that the networks and the Congress are drunk on Chinese Communist champagne. Comes the hangover, comrades.

ADJOURNMENT TO MONDAY, FEBRUARY 5, 1979, AT 12 O'CLOCK NOON, AND ADJOURNMENT FROM MONDAY, FEBRUARY 5, 1979, TO THURSDAY, FEBRUARY 8, 1979, AT 11 A.M.

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday, February 5, 1979, and that when the House adjourns on Monday, it adjourn to meet at 11 a.m. on Thursday, February 8, 1979.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. AIR FORCE ACADEMY

The SPEAKER. Pursuant to the provisions of 10 United States Code 9355 (a), the Chair appoints as members of the Board of Visitors to the U.S. Air Force Academy the following Members of the House: Mr. BURLISON, of Missouri; Mr. WIRTH, of Colorado; Mr. ROBINSON, of Virginia; and Mr. KRAMER, of Colorado.

APPOINTMENT AS MEMBERS OF JAPAN-UNITED STATES FRIENDSHIP COMMISSION

The SPEAKER. Pursuant to the provisions of section 4(a), Public Law 94–118, the Chair appoints as members of the Japan-United States Friendship Commission the following Members on the part of the House: Mr. ZABLOCKI, of Wisconsin, and Mr. ANDERSON, of Illinois.

□ 1110

APPOINTMENT AS MEMBERS OF JAMES MADISON MEMORIAL COMMISSION

The SPEAKER. Pursuant to the provisions of section 1, Public Law 86–417, the Chair appoints as members of the James Madison Memorial Commission the following members on the part of the House: Mr. SLACK, of West Virginia; Mr. YATRON, of Pennsylvania; Mr. WAMPLER, of Virginia; and Mr. ROBERT W. DANIEL, of Virginia.

DISTRICT OF COLUMBIA BUDGET FOR FISCAL YEAR 1980—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-49)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the District of Columbia Self-Government and Governmental Reorganization Act, I am transmitting for your consideration the budget of the District of Columbia for fiscal year 1980.

JIMMY CARTER.

THE WHITE HOUSE, *February 1, 1979.*

APPOINTMENT AS MEMBERS OF COMMITTEE TO ATTEND THE MEMORIAL SERVICE OF THE LATE HONORABLE NELSON A. ROCKEFELLER

The SPEAKER. Pursuant to House Resolution 74, the Chair appoints as members of a committee to attend the memorial service of the late Honorable Nelson A. Rockefeller the following Members on the part of the House:

Mr. RHODES of Arizona;
Mr. BRADEMAS of Indiana;
Mr. STRATTON of New York;
Mr. ADDABBO of New York;
Mr. ROSENTHAL of New York;
Mr. HORTON of New York;
Mr. MURPHY of New York;
Mr. WYDLER of New York;
Mr. BINGHAM of New York;
Mr. CONABLE of New York;
Mr. HANLEY of New York;
Mr. MCEWEN of New York;
Mr. WOLFF of New York;
Mr. BIAGGI of New York;
Mrs. CHISHOLM of New York;
Mr. FISH of New York;
Mr. KEMP of New York;
Mr. LENT of New York;
Mr. RANGEL of New York;
Mr. GILMAN of New York;
Ms. HOLTZMAN of New York;
Mr. MITCHELL of New York;
Mr. SCHEUER of New York;
Mr. OTTINGER of New York;
Mr. AMBRO of New York;
Mr. DOWNEY of New York;
Mr. LAFALCE of New York;
Mr. MCHUGH of New York;
Mr. NOWAK of New York;
Mr. RICHMOND of New York;
Mr. SOLARZ of New York;
Mr. ZEFERETTI of New York;
Mr. LUNDINE of New York;
Mr. WEISS of New York;
Mr. GARCIA of New York;
Mr. GREEN of New York;
Mr. PEYSER of New York;
Mr. CARNEY of New York;
Ms. FERRARO of New York;
Mr. LEE of New York;
Mr. SOLOMON of New York;
Mr. JOHNSON of California;
Mr. ANDERSON of Illinois;
Mr. MCCLORY of Illinois;
Mr. VANDER JAGT of Michigan;
Mr. DAN DANIEL of Virginia;
Mr. FORSYTHE of New Jersey;
Mr. LOTT of Mississippi; and
Mr. SHUSTER of Pennsylvania.

BILL TO AMEND SOCIAL SECURITY ACT INTRODUCED

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, the bill that I am introducing today would amend the Social Security Act to extend to 1982 the waiver of the 24-hour nursing service requirement permitted for certain rural hospitals. The necessity for this extension arises because of a severe shortage of registered nurses in rural communities. Some of the small hospitals in my district say that there simply are no registered nurses available in the community and there is simply no way that they can meet the requirements to have a registered nurse on duty at all times. This problem was addressed by Congress before, and my bill would simply extend this waiver until 1982. By that time I would hope that our schools of nursing would have been able to supply us with the necessary nurses so that these hospitals can be fully staffed.

THE LATE HONORABLE NELSON A. ROCKEFELLER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PEYSER) is recognized for 60 minutes.

Mr. PEYSER. Mr. Speaker, as has been previously announced, the purpose of this special order is for Members of Congress to pay tribute to our late Vice President, Nelson Rockefeller.

☐ 1115

Mr. Speaker, before I make my own comments concerning the Vice President, I would like to make reference to and then have inserted in the RECORD the full statement I have received today from our former colleague in the House and the former President of the United States, Gerald R. Ford, a communique concerning this tribute and the words that President Ford had to say concerning Nelson Rockefeller.

The statement of former President Gerald R. Ford is as follows:

> Nelson Rockefeller's death has saddened and shocked his countless friends who knew him as one of this era's most unselfish and finest public servants. His dimension of influence in the last forty years was undoubtedly broader and deeper than any person in that time span. During World War II he was an advisor to President Roosevelt. He had an abiding interest and concern with our relations in Latin America and United States foreign policy worldwide. President Eisenhower used and respected his talents. The voters in his home state of New York elected him four times as Governor and he served them with distinction. In my Presidency I selected him as Vice President because he was the most qualified person to serve in that office and more importantly had every capability to be an outstanding President if that duty fell on his shoulders. I can say with emphasis that Vice President Rockefeller handled every assignment with skill, wisdom, and total integrity. Our nation was fortunate to have a person available with his talent, experience, and dedication at a crucial point in our nation's history. Typically, after leaving government Nelson devoted his tremendous abilities to his long-held interest in the world of art.
>
> As one views the breadth of his career, it is clear Nelson Rockefeller has written an indelible page of history of magnificent achievements. With his untimely passing the Nation has lost a remarkable statesman who still had much to give to his country and its people.
>
> Nelson Rockefeller was loved by his friends especially by those who worked intimately with him. He always gave more of himself than he asked of others. A man of loyalty, integrity, and dedication to the highest principles. He stood tall and strong in the face of challenge and adversity. His associates and adversaries respected him for his wide-ranging abilities, firmness, and unquestioned honesty.
>
> My life has been better because I knew and worked with Nelson Rockefeller. I truly loved him and will miss him as a friend in the finest sense.

Another communique that I have received, Mr. Speaker, is from Henry Kissinger, the former Secretary of State. In his brief statement he says:

> FEBRUARY 1, 1979.
>
> Nelson Rockefeller was the greatest American I have ever known. The public admired him for his courage and his vision. His friends will miss him for his sensibility, insight and loyalty. His family will mourn his infinite capacity for love. The world will be without his faith and compassion. He lived for service to his country and mankind. He died with confidence in freedom and the human spirit. We shall miss him greatly.
>
> HENRY A. KISSINGER.

Also, Mr. Speaker, our former colleague in the House and now Governor of the State of New York, Governor Carey has sent a message as follows:

> Nelson A. Rockefeller was a singular man, unique in his ability to provoke critical statements about him, yet four times was elected to the governorship of the greatest state in the nation and sought as a Vice President in one of the nation's times of greatest need.
>
> For those who did not know him, he must have represented one of the greatest paradoxes of this century.
>
> But I knew the former Vice President and Governor from my earliest days in Congress, when he and I together fought and won the battles to bring federal aid to New York State.
>
> His was a boundless energy and contagious enthusiasm.
>
> He had a combative spirit, a steeled determination, a futuristic vision, and a "Rocky" courage.
>
> He dedicated his adult life to public service, placing the public good he hoped to achieve ahead of private pursuits, a path he followed until called to a new service beyond that of this world.
>
> Somehow he imparted this image to the people he met, to the New Yorkers he loved, so that his enormous achievements became their own.
>
> He led a life to emulate, a life that is perhaps best expressed in words he used, a life that "expresses our faith in ourselves and our belief in the future."
>
> It is that kind of thinking that is needed today, and if it were adopted, it would be one of his greatest legacies.
>
> For Nelson A. Rockefeller was born to wealth and power, and he aspired to the Presidency. He often said that with his birthright, to what other goal could he aspire?
>
> But others have had similar birthrights.

> How many of them gave to their country what Nelson Rockefeller was willing to give?
>
> As an inspiration to his fellow men, Nelson Rockefeller reached a goal higher even than the office to which he aspired.
>
> That he was not President was not his loss alone, but the nation's as well.

One other communique I have also, Mr. Speaker, from our former colleague and now the mayor of New York City, Ed Koch. He has written to me today and he says:

> On behalf of all New Yorkers, for whom Nelson Rockefeller was a symbol of the energy and style that is uniquely associated with people who accomplish great things in our great City, I would like to pay this tribute.
>
> As a Congressman, I was pleased to vote for Nelson Rockefeller's confirmation as Vice President of the United States. This was a vote I cast untroubled by indecision, a vote I cast as an act of faith in, and support for, a fellow New Yorker I knew to be of great talent and ability.
>
> He served us well.
>
> We New Yorkers live amid some timeless monuments which were built by the Rockefellers: Rockefeller Center—a stunning and ever-fresh landmark in urban design—and the Riverside Church, to name just two. There are the contributions to our City's skyline which were made during his years as New York's Governor: the twin towers of the World Trade Center, Harlem's State Office Building. There are other monuments, less visible but perhaps even more enduring. He enhanced the systems and facilities of the State University of New York. His philanthropies were innumerable. The meaning and the results of his largesse, and that of his family, in support of civic, cultural and humanitarian causes may not be tabulated and evaluated for generations to come.
>
> But the epitaph which I feel to be most fitting, as a former colleague and an admirer of many of his qualities, is this:
>
> Nelson Rockefeller spent his time and his talents generously and unstintingly. He gave of himself lavishly and openly. These inner qualities were, in the final analysis, what made him truly "as rich as Rockefeller."
>
> All New Yorkers were—and are—the beneficiaries of his legacy, and for this we are grateful.

Those are the statements from some of the former Members and colleagues, Mr. Speaker.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I am pleased to yield to the Speaker.

Mr. O'NEILL. Mr. Speaker, I am highly honored to join my distinguished colleague, the gentleman from New York (Mr. PEYSER) in paying tribute to one of the most outstanding public servants of my lifetime, the Honorable Nelson Rockefeller.

Four terms as Governor of New York, the 41st Vice President of the United States and three times a Presidential candidate, Nelson Rockefeller's career as a distinguished public servant has had an indelible mark on the political, economic, and social life of this Nation for the past three decades.

No one else in public life has brought more enthusiasm and energy to his duties than Nelson Rockefeller. Nelson was one who truly loved politics. It was in his blood. He could never retire from being an active participant in helping to shape and to fashion the economic goals of our Nation.

□ 1120

I had the good fortune to become well acquainted with Nelson Rockefeller during our leadership meetings at the White House when he was Vice President.

Nelson Rockefeller was one of the most outgoing and personable politicians I have ever known. His public personality demonstrated a genuine enjoyment of people and his career was a total commitment to public service.

Nelson Rockefeller was a politician and a statesman of the highest caliber, and a real progressive within the traditions of the Republican party.

During my lifetime in politics I have had the opportunity of knowing the great of this Nation. By "the great" I mean those in the field of public life. And, truly, I have only met three people who had a flair, who had charisma, who had an attractiveness that was exceptionally outstanding, so that people, wherever they went, would throng about them and literally blossom, and I would have to say that those three people were President Franklin D. Roosevelt, President John F. Kennedy, and Nelson Rockefeller.

I can recall the first time I ever met Nelson Rockefeller. It was when I was flying to Boston and he was in the same plane sitting next to me. This was about 1953. He was on his way to his summer home in northeast Maine. I was reading the CONGRESSIONAL RECORD. He noticed that I was reading the CONGRESSIONAL RECORD and asked me if I were a Congressman. We had a long discussion.

It was during the Truman administration, and Nelson Rockefeller had just came from a meeting with President Truman about conditions in Argentina.

Also, Senator Saltonstall walked up, and I introduced him to Nelson Rockefeller—and, incidentally, that was the first time that he had ever met Senator Leverett Saltonstall—and the three of us chatted for a while in the plane. I think it was 6 or 8 years later before I met Rocky again, and he picked out that incident when we had met on the plane and remembered in detail the conversation we had had.

Nelson Rockefeller truly loved this Nation and lived serving its people. Perhaps his credo can be exemplified by the statement he made when he was sworn in as Vice President in 1974:

> I feel a great sense of gratitude for the privilege of serving the country I love.

Millie joins me in expressing our sympathies and condolences to Happy Rockefeller and the Rockefeller family.

America truly misses this great public figure.

Mr. PEYSER. Mr. Speaker, I thank our distinguished Speaker, the gentleman from Massachusetts (Mr. O'NEILL) for the remarks he has made.

I would also ask permission at this time to submit a number of statements that I have received from Members and also from those Members that are here, as well, so that they may be submitted in their entirety.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I am happy to yield to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

It is for me a sad moment as I join in today's special order memorializing one of our Nation's leading statesmen, Nelson A. Rockefeller.

His death is not only a loss for our State and Nation, but for the entire world. While Nelson Rockefeller came into the world blessed with material wealth, he left us blessed with a wealth of accomplishments for humanity.

During my earlier work in the New York State Legislature and more recently in Congress, I had many occasions to call upon Nelson Rockefeller for guidance and assistance and always found him ready and willing to help resolve problems confronting our people and our Government.

James Reston, in writing of Nelson's inner strength, said our former Vice President was "a rich man with a sense of pity for the poor—always worrying about his 'image' as a fabulously wealthy 'outsider.' He had an almost childlike faith in democracy and a yearning to prove that, despite his wealth, he was 'one of the boys.'"

As Governor of New York, as our Nation's Vice President, and as a world statesman, philanthropist and humanitarian, Nelson Rockefeller stood tall for good government, for better education, for fostering civil rights, for fighting crime, for expanding health care, and for a responsible American role in the community of nations.

The Washington Post, in commenting on Nelson Rockefeller's demise, said:

> Whether it was a passionate concern with American foreign and defense affairs or with the economic health of New York State, or with the lifting of the heavily repressive laws and customs that had permanently punished the racial minorities in America—Nelson Rockefeller always had a personal impulse for involvement and engagement and for making things better than he had found them. . . .

Nelson Rockefeller was not just "a big man"—he was a giant in our times and in our Nation's record of accomplishments for mankind.

I join with my colleagues and my constituents in the 26th Congressional District in New York, in offering condolences to his wife, Happy, to their children, and to the entire family of Nelson Rockefeller. We will sorely miss him.

□ 1125

Mr. PEYSER. Mr. Speaker, I thank the gentleman from New York (Mr. GILMAN) for his comments.

GENERAL LEAVE

Mr. PEYSER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, character, and public service of the late Nelson A. Rockefeller.

The SPEAKER pro tempore (Mr. MOAKLEY). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, before the gentleman from New York (Mr. PEYSER) concludes his special order, I would like to commend him for taking this special order so that we can all join in paying tribute to the former Governor of our State and to the distinguished former Vice President of the United States.

I made some comments the other day when the resolution was adopted expressing the condolences of the House over the passing of Nelson Rockefeller. I just want to add now one additional comment, because in the last couple of years, the New York State congressional delegation has made a number of efforts, and we are still making those efforts, to consolidate our position in the House, to try to work together in the interests of our State, and to try to use the numbers which we have, although we are only the second in the Nation now rather than the first, to get legislation which is beneficial to our State.

I think that this recent effort, however, should not prevent an appreciation of the fact that the one person who probably did more to try to get the New York congressional delegation to move together as a unit in behalf of New York State was Governor Rockefeller from the time he first became Governor. At that time Manny Celler, the distinguished long-time dean of the House, was the chairman of our delegation; and Governor Rockefeller, although of the other party, just having been elected Governor, went out of his way to cultivate Manny Celler. He invited the Members of our New York delegation to dinner a couple of times in Washington, I remember, and also back in New York City in an effort to try to make sure that the actions of the New York congressional delegation and of the Governor were coordinated in behalf of the interests of our State. He did it, I judge, probably very largely, as he did with respect to so many other things, out of his own pocket.

In any event, the Governor did achieve a great deal in terms of cooperation as a result of these efforts. That aspect of his leadership, I think, has perhaps not been adequately recognized here in the House during these tributes, and I wanted to comment on it.

Nelson Rockefeller's charisma and his enthusiasm are something which we all recognized, and certainly we are going to miss him as a great public figure.

Mr. Speaker, my wife Joan and I join in extending our deepest sympathy to Mrs. Rockefeller and the whole family.

Mr. PEYSER. Mr. Speaker, I thank the gentleman from New York (Mr. STRATTON) for his thoughtful comments.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Speaker, I, too, want to commend the gentleman in the well for taking this special order so that we may pay tribute to this great American, Nelson Rockefeller.

Mr. Speaker, Nelson Rockefeller was one of my favorite people. Oh, we did not always see eye to eye on our political views, but I nonetheless regard Nelson Rockefeller as a great man with many accomplishments in the public weal as Vice President of the United States and as the four-times elected Governor of the State of New York.

Nelson Rockefeller was a very interesting person because he did not fit the norm in the sense that he was a most superior person who sought both to be and to lead the common man. I admired him greatly for his ability. I admired him because he was not willing to sit on the sidelines, which he could easily have done with his great wealth. He could have withdrawn from politics and the many disappointments and insults he had to endure.

To me, he was a man of great principle. Probably, he would have had a far better chance of receiving the nomination of the Republican Party for the Presidency if he had been willing to relax those principles. But, I admire him for sticking to his principles.

He gave unselfishly of his many talents and time in the Nation's cause and in the vineyards of the Republican Party. Nelson Rockefeller died as he had lived—at work. He had undertaken a new project to make available to the public reproductions of his remarkable collection of works of art which he had assembled over his lifetime.

I remember him best as a person who was always nice to me on the few occasions I had to go to his office when he presided over the Senate. He was never too busy to pause and make me feel welcome.

He has left an indelible mark on our Nation, and he will be missed.

Marjorie and I wish to express our deepest sympathy to his wife, Happy, and his family.

□ 1130

Mr. PEYSER. Mr. Speaker, I thank the gentleman from Ohio.

Mr. Speaker, I would like to take this opportunity to make one or two personal comments concerning Nelson Rockefeller as I knew him. I had the privilege of representing him nearly 7 years in this Congress as one of my constituents. More important to me in many ways was my relationship with him over the years and during his early life in 1964 and 1968 when he was interested in achieving the presidency of the United States. I regret more than ever as time has gone by that I and other people who were working with Nelson at that time were not successful in helping him achieve that goal, because there is no question in my mind but that he would have been one of the outstanding presidents of our country.

However, Nelson also had a quality about him that we have heard referred to by several Members today that was a very human personal quality—the ability to talk with anyone. I think that anyone who has followed New York politics remembers the scenes of Nelson Rockefeller on the beach at Coney Island eating hot dogs and knishes and being with the people, and making the people feel, as he felt, that he really was enjoying being with them and taking part in their activities.

It was just a very few years ago on one of those trips when he was running for office and he was out on Coney Island on a very hot August day with millions of people, and he had been handshaking and working his way through, that he suddenly decided it was so hot he was going in for a swim, whereupon he promptly took off his clothes except for his shorts and went in the water for a dip and then came out. Of course, the crowd loved it, and Nelson loved it also.

He was also this kind of a person. I recall a meeting we had in his home here in Washington just a couple of years ago where we were sitting around in the dining room, and he picked up a pot of coffee to pour it, and he found out there was no coffee in it, so even though there were all sorts of servants around, Nelson got up and took the coffee pot, went out in the kitchen, got the coffee and came back. It was just a touch of the kind of thing that he did.

He was also—and I would lay emphasis to this because I know he would—a very strong man physically. He was a very physical person, and his background and activity and his strength in his campaigning really came from this strength that he had. I recall back in 1974 he and I were attending a labor convention together in upstate New York, and when we arrived, his wife, Happy, was with him, and we were walking toward the hotel. There were a couple of thousand members of the labor union outside to greet him, and in their enthusiasm they sort of closed in on us and were, frankly, crushing us. Nelson turned to me and said, "Peter, you hold onto Happy and just follow me." He put his shoulder down, and he plowed a line right through that group like a blocking back going through, and we got safely into the hotel. But I just mention this for an insight into a figure that to some may be remote as one of the richest men in America, and a Vice President and a Governor, but who in reality was a wonderful person, a tremendously decent person, and one who always would give everyone a chance to do his thing, if you will. Whether he agreed or disagreed with them, he was willing to fight for their right of expressing their own points of view.

I think finally, Mr. Speaker, the tribute—and it is not a tribute that I can make, but it is a tribute—that his son Nelson, Junior, who is 15 years old, stated just a few days ago at the family funeral, the private funeral, in the words that were said, I think expresses a side of Nelson Rockefeller that many have not seen, and gives an insight into this man. I am quoting from what his son Nelson said. He said:

> Dad, we know how much you love us, and we want you to know how much we love you and how much we are going to miss you. Your spirit will live with us forever.

There is little else that, frankly, a man can ask for in his lifetime than to know that his children have that kind of a feeling and that deep a concern and love as his own family has had for him.

● Mr. PRICE. Mr. Speaker, I want to join my colleagues today in paying tribute to a great public servant, Nelson Rockefeller.

With all the wealth to which he was born, Nelson Rockefeller could have led a carefree life of leisure. Instead, he chose to serve his State and his country. He unselfishly dedicated himself to public service and for that we all owe him a great deal.

When Nelson Rockefeller became Vice President of the United States, he did so at great personal sacrifice. But he knew that the country needed a leader with his integrity. He came to Washington and helped guide his country through a difficult period and it was his honesty and his candor that characterized him then and throughout his years in public life.

His oft-imitated voice and his boundless energies on behalf of the public good will be missed by us all.●

● Mr. YATRON. Mr. Speaker, last week this country lost a great man, a contemporary man—so much a part of our times—so sensitive to the challenges facing our great Nation—so much a participant in the monumental decisions and events of our day, that he exemplified the very essence of the vitality and exhuberance that is America.

The Honorable Nelson A. Rockefeller was a man who saw through the confusion of the moment to the heart of the moral issue involved; he was a man who steadfastly adhered to a firm sense of justice; he was, indeed, a great American.

Nelson Rockefeller's absence from our lives will be greatly felt, but the legacy of outstanding public service he has left behind will inspire generations to come.●

● Mr. McHUGH. Mr. Speaker, I am privileged to join with my colleagues in honoring the memory of Nelson Aldrich Rockefeller.

He was a man who throughout his life served his State, his country, and the whole human family with rare dedication and with great love.

Most people knew him as a rich man. He used his wealth, however, not so much to make life easier as to make it better. And he did so not only for himself but for others, and for generations to come. He enriched us all.

He valued things of the spirit, and made it possible for other to share his love of great artistic symbols of human achievement. He enhanced our lives, by expanding our understanding of our world and its lasting legacies.

He loved the human family and especially his own country. A man of global vision, he helped us to see how patriotic love for ones own country could serve the world, how the public interest of one nation is best served by the common welfare of all nations. He enobled our vision not only of national but of global politics.

His greatest joys came from service to others. His career as a public servant spanned many years of our Nation's history, and it was characterized by his courage, his honor, his compassion, his persuasiveness, his energy, and his dignity. A newspaper which serves my congressional district, the Middletown Times-Herald Record, admirably summarized his illustrious career in an editorial comment:

This one-of-a-kind man served every president from Franklin Delano Roosevelt on. Not only conversant with but an expert on Latin American affairs, he also had wide knowledge of global matters as well. He had the knack of gathering around him the most accomplished and experienced persons. A thirst for quality was his hallmark.

When we contemplate such a rich and full life, Mr. Speaker, and rejoice at the many ways in which Nelson Rockefeller blessed our lives, it is ironic that many will remember him as a man who sought but did not attain the American Presidency. For my own part, I prefer in thinking of his greatness to remember the kind of judgment suggested in the words of Horace Mann:

> Be ashamed to die until you have won some victory for humanity.

In that sense, Mr. Speaker, I have no doubt what the judgment of history will be: Nelson Rockefeller was a winner.●

● Mr. WILLIAMS of Ohio. Mr. Speaker, on the night of January 26, 1979, the United States and the world was shocked by the death of Vice President Rockefeller.

Nelson Rockefeller was an extremely wealthy man who could afford to do anything he wanted—and he chose a life of public service and politics.

He had served seven Presidents in his lifetime in various positions involving both foreign and domestic policy.

While he was denied the position to which he aspired the most—the Presidency—he was a man who left his mark in both his State and Nation.

His death leaves us a little bit poorer. We will miss him.●

● Mr. AMBRO. Mr. Speaker, I had the opportunity of serving as first an appointed official and then as the elected supervisor, or chief administrative officer, of the town of Huntington on Long Island during our late Vice President Nelson Rockefeller's 14 of his 16 years as Governor of New York State. In that capacity, I had the good fortune to watch and to work closely with one of the finest public servants the Empire State, and the Nation, ever produced.

Nelson Rockefeller was throughout his long and fruitful life a "public man" in every sense of that word. Born to affluence and power that most of us in this Chamber have difficulty ever comprehending, the source of Nelson Rockefeller's appeal first as Governor and later as Vice President of this great Republic was his understanding of, and his feel for, the problems and the needs of the common man, for the poor, and for the destitute. That he was in a very real sense, able to see beyond the blinding wealth that surrounded him and bring into focus the faces and the very emotions of those who looked to him for compassion and understanding and who came to love him deeply is testimony to his vision and his wisdom.

For more than half a century, this great American gave new meaning to the old concept of noblesse oblige. He gave not merely of his great personal fortune and his financial resources, but of his spirit, his intellect, and all of his strength.

He was taken from us while he still had a great deal more to give and in that we all lament. But lest we dwell too long on what we have lost, let us reflect instead on how very much he gave and how much all America gained from his giving. I was honored to have served with Nelson Rockefeller both in New York State and later in the Nation's Capital, and honored to have known this great, dedicated human being.●

● Mr. BOLAND. Mr. Speaker, I join with my colleagues in mourning the death of Nelson Rockefeller.

In over 30 years of public service, both at the Federal and the State level, Nelson Rockefeller compiled a distinguished record of achievement. He loved the challenge of the problems with which a public official is faced. He brought to these problems a spirit of exuberance and confidence thereby infecting those around him with enthusiasm for the task at hand. He sought to stimulate an exchange of ideas about the problems of the future while working to implement solutions to the problems of the present.

The programs Nelson Rockefeller advocated during his 15 years as Governor markedly influenced the lives of the people of the State of New York. Through his leadership, substantial advances in education, health care, and housing were achieved. His reputation as a bold, imaginative executive was well deserved.

That Nelson Rockefeller aspired to the Presidency is well known. That he never achieved that goal is of little consequence. The disappointments which he experienced did not dim his enthusiasm for public service. When asked by President Ford to serve as Vice President, an office he had never sought, he willingly agreed. In accepting that appointment, he said:

> I feel a great sense of gratitude for the privilege of serving the country I love.

That is the spirit in which he lived and that is how he should be remembered.●

● Mr. MAZZOLI. Mr. Speaker, with the death of former Vice President Nelson A. Rockefeller, the Nation has lost a truly great leader and statesman.

It is a rare individual who combines a commitment to public service with the personal appeal and sensitivity to the problems of the needy in the way Nelson Rockefeller did. His dedication to improving the quality of life, first as Governor of New York and then as Vice President, was steadfast and exemplary.

The Nation will miss Nelson Rockefeller's presence on the American political scene.●

● Ms. FERRARO. Mr. Speaker, today I join my colleagues in paying tribute to Nelson Aldrich Rockefeller. The loss this man, who devoted 30 years of his life to public service, will be deeply felt by all Americans who cherish that which is good about this country.

Born to privilege, Nelson Rockefeller felt compassion for the underprivileged. A powerful man, he turned his attention to the powerless. Under his stewardship, New York State's educational, cultural, and economic development was unparalleled. His energy, enthusiasm, and compassion compelled him to develop forward-thinking programs which have served as models for other States, and the Federal Government as well. His efforts resulted in this Nation's most outstanding State university system. He presided over the construction of 100 new hospitals and nursing homes, and made New York's mental health facilities more progressive. In a period of social unrest, he responded by improving public housing programs and encouraging urban redevelopment. His personal dedication to the arts contributed to New York's stature as the cultural center of the Nation.

As Vice President, Nelson Rockefeller restored his people's faith in the integrity of this Government. His National Commission on Critical Choices broke new ground in the effort to improve decisionmakers' ability to look ahead into our Nation's future.

It is fitting that this man, who throughout his life gave of himself for others, died while at work late one evening. All civil servants can take a lesson from the determination Nelson Rockefeller brought to his work right to the end.

Mr. Speaker, the accomplishments of Nelson Rockefeller cannot be summed up by me or the rest of my colleagues in 1 short day. However, we can all join in the joy of his accomplishments and in the heartfelt sympathy which all Americans extend to his family.●

● Mrs. CHISHOLM. Mr. Speaker, it is a great honor to be able to join in this tribute to my dear friend, Nelson A. Rockefeller. I believe that Nelson will be remembered for the political leadership which he gave to the State of New York and the Nation, as well as his compassion for the cause of the underprivileged, and his down to Earth nature.

For nearly a generation, Nelson Rockefeller held the reins of power within the State of New York, and under his direction we saw a dramatic expansion of our State university system, the construction of over 30,000 units of new housing through the Urban Development Corporation, and the expansion of our municipal hospital system. Without question, Nelson's achievements are unrivaled in the history of the State of New York.

I will always remember the warmth and friendship which Nelson extended to me when I arrived in Albany to serve in the State legislature in 1965. I was always able to count upon his support for programs to expand educational opportunities to minority youth and other issues not readily supported at that time.

In a career in the political spectrum, it is expected that one must accept the bitter with the sweet. Although he enjoyed an extremely successful career, we all know that Nelson often had to accept defeat in his quest for national political office. I believe that it is a tribute to his character that defeat never signaled a retreat from public service, and that he continued to "fight the good fight" till his untimely death.

It was my privilege to testify before the Senate's confirmation hearings on his appointment to the Vice Presidency, and he was honored to be able to serve our country in the second highest office. It is unfortunate that the nature of this office prevented him from giving this country the type of imaginative leadership which he was so capable of offering.

Of all of the individuals that I have worked with in public life, I will always hold Nelson Rockefeller in the highest regard. History will measure the fantastic contributions which he has made to our society, and his accomplishments will be remembered by us all.●

● Mr. WILLIAMS of Montana. Mr. Speaker, I met Nelson Rockefeller once, over a decade ago. He was in Montana to speak at a Governor's prayer breakfast.

At the time, I was on Hubert Humphrey's Presidential campaign staff. Despite the fact that Mr. Rockefeller was also a candidate, and from the other party, I was drawn to the breakfast, because Mr. Rockefeller was a strong voice for America. He represented his party well. He understood that to be respected abroad we must build a society which is respected here at home; a society in which every citizen, every small businessman, every farmer, and every laborer has the opportunity to develop, to earn, and to serve.

I had then, and have today, high regard for Nelson Rockefeller. He met the political challenges from our party and from his own with grace, charm, and good humor.●

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I rise to join my colleagues in commemorating the life of Nelson Rockefeller. His death Friday night was a shock to all and a loss to the Nation.

It is hard to believe that the energy, vigor, and unbridled enthusiasm of this man has been quieted. He was a man whose verve for living was only matched by his determination for doing. For some 35 years he was in the forefront of American politics. One could list the many offices he held—Governor, Vice President, Assistant Secretary of State, et cetera—but whether a public official or a private citizen, he worked continuously to further what he believed to be the best interest of America.

Nelson Rockefeller gave of himself totally and without reserve. He has added a still further dimension to the name of "Rockefeller," already so much a part of American history.

We can all learn from his example of service and energy. The Nation and the world will miss this strong, youthful, 70-year-old man.●

● Mr. HORTON. Mr. Speaker, the United States has lost one of its most outstanding leaders. Nelson A. Rockefeller, four-term Governor of the State of New York, 41st Vice President, and a man of unparalleled energy and activism, contributed immensely to the political, cultural, and economic life of this Nation. His many gifts to America in the 1940's, 1950's, 1960's, and 1970's cannot adequately be judged. It is fair to say, however, that few Americans will endow so many as Nelson Rockefeller did.

Rockefeller began his Government service in 1940 when he became coordinator of inter-American affairs under Franklin Roosevelt. Following the war, he went on to serve under President Truman where he was instrumental in formulating the Point Four program of foreign aid to underdeveloped countries. Under the Eisenhower administration, Rockefeller was an Undersecretary in the then newly created Department of Health, Education, and Welfare. And in 1958, Nelson Rockefeller left the Federal Government to run for Governor in New York State. He was reelected to three succeeding terms.

During the 16 years that he was Governor, between 1958 and 1974, I had the honor of working with Nelson on a number of issues. During the long, and often difficult struggle to gain congressional approval of general revenue sharing, Nelson's advocacy proved of immeasurable assistance. Nelson and I also campaigned together extensively throughout the State. The last time, while he was Governor, was in 1972. Nelson was also on hand, at my request, for the dedication of a new building at Highland Hospital, in Rochester, while he was Vice President. These are just a few of the issues on which we worked together.

Although he was never successful, in his quest for the Presidency, Nelson Rockefeller used his considerable private advantage to help solve many of the problems of the Nation. One of his notable projects was the creation of the Commission on Critical Choices, which brought together experts and scholars from a variety of fields to examine long-range problem areas such as energy, food, world population, and quality of life.

In the final analysis, Nelson Rockefeller will be regarded by his fellow Americans as a man of extraordinary courage, determination, and an abiding concern about the future. America was richer for Nelson Rockefeller's service to his country. His death is, therefore, not only a personal loss, but a national one as well.●

● Mr. RAHALL. Mr. Speaker, in the week since his untimely death, Nelson A. Rockefeller has been called, philosophical, an activist, fascinating, charming, complex, and sometimes confounding.

As a politician, Nelson Rockefeller served his Nation and State as a Governor and Vice President.

I personally believe, Mr. Speaker, that the highest compliment that can be paid Nelson A. Rockefeller, is the fact that he was a true human being.

Politicians come and politicans go. Some are special and some less so. As a man, Nelson Rockefeller will be remembered.●

● Mr. ANNUNZIO. Mr. Speaker, I rise in tribute to the Honorable Nelson A. Rockefeller, the late Vice President and former Governor of the State of New York. The death of Vice President Rockefeller has left a void in the public life and leadership of our Nation. He was a remarkable man, a man both very brave in public life and very strong in the causes for which he fought, and he served the American people with devotion and dedication.

Nelson Rockefeller began his career of leadership in 1940, when he joined the State Department as Coordinator for Inter-American Affairs, and assisted in the creation of President Roosevelt's "Good Neighbor" policy toward Latin America. In 1944–45, he was Assistant

Secretary of State for the American Republics. During the late 1940's he became active in the founding of the American International Association for Economic and Social Development, a private, nonprofit group working with Latin American governments on agriculture, development, and nutritional research, and also assisted in the organization of the International Basic Economy Corporation, designed to encourage investments in Latin America.

President Truman appointed Mr. Rockefeller to the chairmanship of the International Development Advisory Board in 1950, where he worked for a year on the Point Four technical aid program. Under President Eisenhower, he served as Undersecretary of Health, Education, and Welfare from 1953–55, and then was made a special assistant to the President for foreign affairs. Elected to New York State's most important political office in 1958, Governor Rockefeller served the people of New York beginning January 1, 1959, and remained in office until 1973. His distinguished and creative record won the hearts of New Yorkers, and he will always be remembered by his fellow citizens of that State with affection and gratitude.

In 1973, Governor Rockefeller resigned and the next year President Ford appointed him Vice President, where he served with integrity and wisdom. Nelson A. Rockefeller was a man of deep conviction, independent in thought and action, and was willing to challenge any person or institution in the pursuit of his high ideals. His character and career alike were a vindication of democracy in a era marked by new forms of tyranny, political disillusion, and small-minded partisanship. America has lost a great man.

Mr. Speaker, I extend on behalf of Mrs. Annunzio and myself our deepest sympathy to his devoted wife and members of their family.●

● Mr. WRIGHT. Mr. Speaker, the passing of Nelson Rockefeller is indeed a loss to the Nation. He was one of the vibrant forces in national affairs. He always had ideas to contribute and energy to give toward making this a better country and better world.

It was only a few short years ago that he was nominated for the office of Vice President. I was one of those who supported his confirmation under that new procedure established by the 25th amendment to the Constitution. At the time the only grounds anyone could conceive upon which to oppose his confirmation were that he was too wealthy or that he had contributed too much money to various public causes. Well, of course, wealth or the lack of it should not be a disqualifying factor, any more than it was in the case of John F. Kennedy, and one's philanthropies have never been regarded as either sinister or unworthy.

Hearing the news of his death last weekend brought back the personal recollections I have of my various associations with him.

For approximately 10 years, in the consideration of legislation involving such matters as water pollution abatement, economic development, highway and port improvements, I heard testimony from Gov. Nelson Rockefeller as he appeared before the House Committee on Public Works, on which I served.

At these hearings, typically, a Governor will have a prepared statement and will be accompanied by staff personnel to assist in the factual answering of specific questions posed by members of the committee.

In the case of Governor Rockefeller this cautious procedure was abandoned, and he testified openly and candidly. In all of his appearances before that committee, I was deeply impressed by his unique skills, broad knowledge, and total dedication to the solution of his State's and the Nation's problems.

Consistently Nelson Rockefeller displayed a profound depth of knowledge and a truly surprising capacity for detailed information. While accompanied by a battery of experts, he hardly ever had to call upon them for a complete and factual answer to specific and sometimes difficult questions posed by committee members. In almost every instance he had the information we desired at his very fingertips and replied lucidly, responsibly, and informatively to an almost infinite variety of questions.

More than once he volunteered suggestions which were innovative and creative.

Subsequently I had the privilege of serving with him as a member of the National Commission on Water Quality, of which he was chairman. Here his decisive leadership and great executive ability became known to me. He had the ability to assimilate enormous volumes of information, to sift through the outer froth and burn quickly to the center core of each issue. His ability to organize professional staff and consultants was unrivaled in my experience.

All of this I recall with some sadness now, knowing he no longer will be a part of our national life. But his contributions, in many forms, will live on.

Nelson Rockefeller was a great American, and he will be missed.●

● Mr. RUSSO. Mr. Speaker, I consider it a high privilege to join my colleagues in this bipartisan tribute to one of our Nation's most respected statesmen.

I was impressed by Nelson Rockefeller's warmth and cordiality when I first met him at a White House function in 1975. He had that unique capacity when speaking directly to a person, of conveying a feeling that you were already friends and that he was truly interested in what you were saying. Nothing could have impressed a brandnew freshman Congressman more than the attitude of acceptance which Mr. Rockefeller displayed toward us younger Members of Congress.

In spite of, or some might say because of, his background and the fact that he was a member of one of the most outstanding financial families in these United States, Nelson Rockefeller was a regular guy. I mean nothing belittling or derogatory by that term. In my book, a regular guy is someone who as a friend can be depended upon, who is courteous and respective to others and yet is not beyond showing a little emotion when riled.

Mr. Speaker, Nelson Rocekfeller's attitude toward others and the recognition of his role as an elected official was shared by his wife, Happy, and I would like to take the liberty of sharing a small anecdote which exemplifies this.

During the summer of 1975, the sister and brother-in-law of one of my staff members was visiting from California. A tour of Mount Vernon was on the itinerary and while down at the Mount Vernon boat dock, the staff member noticed an inboard motor boat moored to the dock. Commenting to her relatives that the boat must belong to someone important, because of the obvious Secret Service men on board, they decided to wait around and see who it was.

It was not long before a small group of people came down the path with Happy Rockefeller in the lead. To make a long story short, Mrs. Rockefeller was most gracious to everyone on the dock, putting her arm around the youngsters for a picture taking session and shaking hands with the nervous, but obviously delighted adults. A small event, to be sure, but one that is always recalled with warmth and affection.

Mr. Speaker, I can speak only for myself, but it is for approachability like this that the Rockfellers deserve a place in our memory and I, for one, will long remember Nelson A. Rockefeller with sincere reverance, deep regard, and great respect.●

● Mr. SENSENBRENNER. Mr. Speaker, today we honor the memory of one of the most talented and dedicated public servants this country has ever known—Nelson A. Rockefeller.

He certainly did not have to serve us in the many capacities that he did. His family and personal wealth could have easily enabled him to sit back and do nothing, comfortably. But he took a rarer, more admirable view that his wealth could be used as a tool to accomplish great good for his fellow man, by freeing him to channel his dynamic energy into public service.

Rockefeller's public service was a record few, if any could match—U.S. Coordinator of Inter-American Relations, Assistant Secretary of State, four terms as Governor of New York, and finally as Vice President of the United States. He never refused an opportunity to serve the country he loved so well.

But unfortunately he never achieved his life's ambition—to be President of the United States. Despite his years of public service, his influence in world affairs, the prestige and power of his family, and his unparalleled determination, the Republican Party he was so loyal to always turned aside his bids for its Presidential nomination.

One could speculate that Nelson Rockefeller might have achieved his lifelong goal if he had done things differently. But that course would not have been Nelson Rockefeller's way of doing things. Instead of compromising himself on what he believed in, he fearlessly took sometimes unpopular stands and forged ahead to seek solutions to problems most politicians would have sidestepped. Perhaps because of that quality he is better remembered as being a statesman rather than a politician.

The United States and the Republican Party owe Nelson Rockefeller a great debt, for he contributed a vitality to our Government and politics too rarely seen. He was a genuine leader who. by the force of his personality and ideas left our country a better place.●

● Mr. CORMAN. Mr. Speaker, shock and a deep sense of sorrow followed the news of former Vice President Nelson Rockefeller's death. He is eulogized as a man of wealth and dedication whose greatest ambition was to be President of the United States—a dream he never realized.

For four decades Nelson Rockefeller committed himself to public service—a 20-year veteran as an appointee of three Presidents, a four-term Governor of the State of New York, and the 41st Vice President of the United States. This Nation has lost a rare man whose qualities as a statesman and party leader will be hard to equal. He was truly a dedicated public servant.

Nelson Rockefeller shouldered his greatest burden as Vice President. He was only the second man to reach that office without the vote of the American people. He took on the onerous task of restoring public trust and confidence in the highest elective offices of this Nation. His success reestablished faith in our system of Government and helped heal divisions within the country.

Nelson Rockefeller knew defeat and disappointment well, whether at the hand of fate or destiny. He fought hard for his convictions and ambitions to be President. He sparked lively debate and provocative discussions. When he won he won with dignity and robust enthusiasm. Yet, when defeated, he accepted it without bitterness and lost with grace.

In 1977, Nelson Rockefeller bowed out of the political arena, and turned to his greatest avocation—his art collection. Rockefeller said that art was a major factor in his life, his joy, his distraction, and his balance under the pressures of politics. At the time of his death, Nelson Rockefeller was working to make his collection more accessible to the public. He left us not only with a legacy of a lengthy and productive political career, but with a renewed interest in making art and the humanities a greater part of life. In his last actions, he shared not only his exquisite collection of modern art, but also some of his own personal reflections on the subject.

Nelson Rockefeller will be missed by all whom he served in public life and all who followed nearly four decades of political history in the making.

My wife, Nancy, joins me in extending our deepest sympathy to the Rockefeller family in this tragic hour of grief and sorrow.●

● Mr. ROSENTHAL. Mr. Speaker, the loss of a man like Nelson Rockefeller is felt by all Americans.

Nelson Rockefeller was a friend to all people. Instead of leading a life of leisure, which he could easily have done, he dedicated his life to serve the betterment of this Nation.

He entered politics with mind and body, but more importantly, with his heart. He did this gladly and unselfishly, giving all he could possibly give. He understood and cared for the working people and their problems. His efforts and enthusiasm were contagious to all who worked for him, with him, and even to those who elected him. He was able to reach out and touch all Americans with his love and wisdom.

Mr. Rockefeller was devoted to New York State. He implemented his policies with courage and determination. There may have been disagreement over policy or procedure, but there was no question of his sincerity or integrity. As Governor he stood by his convictions and all New Yorkers knew they had a friend and ally in Mr. Rockefeller. He will truly be missed.

During his political life, he encountered both victory and defeat. He faced these with his head high and his eyes ahead with grace and dignity. These qualities cannot be found in many, but they were always evident in him.

There is a saying that with every goodby you learn. So as we say farewell to Nelson Rockefeller, we can learn from him by remembering the qualities and virtues he possessed. For he was a man with true strength, courage, and dignity. His love and dedication to America should serve as an example to all.●

● Mr. MONTGOMERY. Mr. Speaker, we and our fellow Americans lost a true leader with the passing of former Governor and former Vice President Nelson A. Rockefeller. It is reported that he had told his sons he would live to be 100 in keeping with the long lives of his father and grandfather. I cannot help but realize that our Nation would have been greatly blessed had Nelson Rockefeller been able to live for another 30 years and we had had the benefit of his knowledge and experience.

Through the years he used his God-given talents, and used them well, on behalf of the people of his home State of New York and his fellow Americans. He never attempted to evade his responsibilities or to run from a job that had to be done. I believe that history will record that the tough decisions he was forced to make during his public service career were the correct decisions based on the facts he had available to him at the time.

Although we were of different political parties, I shall always have a great deal of respect for Nelson Rockefeller and his honesty and sincerity. He was always a man of his word and a man who would stick by his friends through thick and thin and at the same time respect the right of others to hold differing opinions.

It is true that he was a man of wealth, but he used that wealth for philanthropic causes to enrich the lives of his fellow Americans. And it was true he was a "street-wise politician," but more importantly he was a statesman. We are a better nation, because Nelson Rockefeller chose to serve his fellow man.●

● Mr. COUGHLIN. Mr. Speaker, it has been widely reported that Nelson Rockefeller fully intended to live to at least 100. It was a promise made to his family—a promise to which his country would gladly have held him. It is, then, in every sense of the word, tragic that this should be a promise he was unable to keep.

No one can say that Nelson Rockefeller was an average man. His talents, his great wealth, and his tireless enthusiasm deny that title. Yet, despite his enormous wealth and unique talents—or perhaps because of them—he was just as comfortable meeting with union officials in a labor hall as entertaining the art world in Manhattan.

His career in public life, as Governor of New York, as Presidential candidate, and as Vice President of the United States, has been well documented. His contributions will be long remembered. But it is Nelson Rockefeller, the man, who most will be missed.

He provided his political colleagues with sound career advice and close personal friendship. He provided his party direction and its members an appreciation of our duties as public servants. His contagious enthusiasm, unflagging patriotism and intense joy in service were a model to many of us. Even his political adversaries came to respect his abilities—to respect this man of foresight and courage.

His sense of duty and responsibility to his country and to his people was unwavering. He was truly the personification of noblesse oblige. He accomplished more in 70 years than most of us could hope for in 100. It is no less unfortunate for that fact, no less a great loss, that he could not have lived those promised 100 years.●

● Mrs. SPELLMAN. Mr. Speaker, in the last few days, hundreds of thousands of words have been written and spoken about former Vice President Nelson A. Rockefeller, who died last weekend in New York City. Writers and commentators have chronicled how he "rose above" his wealthy position to devote much of his life to public service. They have detailed how he strove mightily for the White House, ultimately never achieving that lifelong goal. They have described how, in the end, in the aftermath of Watergate, Nelson Rockefeller dutifully accepted a position he never really wanted—the Vice Presidency—because he thought it best for the country that he accept it.

Mr. Speaker, I can sum up my deep, personal feeling for this most remarkable man with considerably less verbiage—18 words to be exact. Simply put, Mr. Speaker, it is hard for me to imagine the American system of government and politics without Nelson A. Rockefeller's being part of it.

Nelson Rockefeller cast such an imposing shadow across the American political landscape for so long a period that he forever changed its horizon. His passing last Friday night leaves the national skyline somehow incomplete, like our own Capitol building minus its dome or one of its other key elements. And since he was my friend, his death created a void for me, personally.

Mr. Speaker, I first came to know Nelson Rockefeller in 1967, when then President Lyndon Johnson appointed me to the Advisory Commission on Intergovernmental Relations. Governor

Rockefeller, of course, had already been a national figure for several decades, having served in key appointive posts under three Presidents and having been elected Governor of one of the Nation's largest States, not once but several times.

In the years we served together on the Intergovernmental Relations Commission, we became fast friends. Although of different political parties, we found we had much in common and I often sought his wise counsel.

Together with other Commission members, Nelson Rockefeller and I helped design the revenue sharing program and we stood together in Philadelphia the day former President Nixon signed the first revenue sharing bill.

In the years after we both left the Intergovernmental Relations Commission, I am honored to say I continued to benefit from Nelson Rockefeller's friendship and I would like to think he benefited from mine. My service in this Chamber began while Nelson was Vice President and our friendship continued until his last days. If there is one thing I will always cherish, it is a handwritten note I received from him just a little more than a month ago, updating me on his activities and inquiring as to mine.

Perhaps, Mr. Speaker, that note typifies Nelson Rockefeller and explains why he dominated our political skyline the way he did. No matter what heights he reached—be it wealth, influence or public office—Nelson Rockefeller always had time to remember a friend, to hug an old acquaintance, to stop to plant a kiss on my cheek, and to sit down with me to discuss how he had overcome the handicap of dyslexia and to give me advice on how to assist my grandson in coping with it.

I am reminded, Mr. Speaker, of a statement made by one of the Chief Executives Nelson Rockefeller served so well, the late President Harry S Truman. "Do your duty," President Truman advised, "and history will do you justice."

Nelson Rockefeller did his duty in service to the American people for more decades than some of us standing here today can recall. In return, history by and large has already done well by him.

And while historians have been known to change their opinions of this President or that great American, I have no such worries for Nelson Rockefeller. I am confident his honored place in the history books is secured forever. The shadow he cast and the mark he made are too well established to be reversed or altered now. I am sure my colleagues will agree that, as long as there is a United States, the works and achievements of Nelson A. Rockefeller will forever be remembered and revered by the American people.●

● Mr. ADDABBO. Mr. Speaker, the Nation has lost one of the most dedicated of public servants with the death of former Vice President Nelson Rockefeller who died last weekend at the age of 70.

To those of us from New York, Mr. Rockefeller served with distinction for 16 years as Governor of our State. It is a measure of the esteem felt for him that to those of us who served with him—and to the man on the street—he was simply known as "Rocky."

Born to enormous wealth, fascinated by art and cultural activities, Rocky nevertheless felt right at home on the streets of Brooklyn and Queens, shaking hands, eating blintzes, making famous his usual greeting, "Hi ya, fella," and demonstrating that basic involvement with his fellow citizens that carried him so overwhelmingly to four gubernatorial successes.

The Governor was no mild-mannered fellow; he stated his likes and dislikes plainly and simply. And often. And he had fun doing his job as well as campaigning for reelection. And let me add that he did his job as well or better than most of the Governors who have served our State.

The part of Nelson Rockefeller that most of America knows and remembers, however, is the series of unsuccessful attempts to gain the Republican Presidential nomination. Nevertheless, despite those frustrations, when called upon by President Ford to serve as Vice President during a bleak period in this Nation, he did so with honor and distinction. The New York Times noted this morning that his last recorded statement on politics was—as usual for Rocky—full of optimism on what a Vice President can do for an administration if he is willing to subdue his own ambitions for the benefit of the Nation.

That one observation probably sums up Rocky as well as anything else that could be said about him. He was devoted to this Nation and to its people, and having been given almost everything possible to possess at birth, spent his adult life devoting his time and his talent to improving life for everyone else.

He was a good friend of mine, and I will miss him, as will the people of America.●

● Mr. ANDERSON of California. Mr. Speaker, how does one adequately pay tribute to the passing of a man who was almost a national institution? How are we to reconcile the absence of a figure whose name is a household word?

Such a man was Nelson Rockefeller. To those acquainted with Mr. Rockefeller, it is not at all surprising that he was stricken while doing exactly what he had been doing for the vast majority of his life: working. Despite great family wealth, which would have enabled him to lead a far more indolent lifestyle, he chose to work, thus fulfilling the ethic which has so strongly influenced American society since its inception.

As is the case with all great leaders, Mr. Rockefeller was a very controversial man. There can be no denying that at various periods in his life, his decisions were strongly opposed by numerous groups and individuals. Yet despite vociferous opposition he was able—and unafraid—to make difficult decisions in times of crisis and to stand firmly by those decisions. Truly this is the vital essence of leadership.

There were many disappointments for Nelson Rockefeller, but he did not succumb to any sort of defeatist outlook. Instead, he overcame nearly every obstacle, devoting his life to active, concerned public service. In this respect he is an excellent example for all of us to follow.

My wife, Lee, and I extend our deepest sympathies to his wife, Happy and their children. All of us mourn the passing of this great American; but I hope that at the same time we will rejoice in the tremendous dynamism of his life.●

● Mr. UDALL. Mr. Speaker, Nelson Rockefeller cut a giant swath through the political life of his country through three turbulent decades. His legacy is a good one. Independence, optimism, integrity—these were his outstanding traits.

This was a man born to privilege, yet he knew disappointment and adversity. A measure of the man was how he met both with dignity and grace.

He was a man who never became President, but he may have had as much impact on his times as the men who did sit in the White House.

I was glad to be among his friends.●

● Mr. LEE. Mr. Speaker, I join today with my colleagues in this House who serve the State of New York in expressing our shock and sorrow at the passing of former Governor and Vice President Nelson A. Rockefeller. The weekend's news of his death saddened all of us who knew him, who admired him, and who respected him as a truly great American.

I campaigned for Nelson Rockefeller in 1966 and 1970, and I developed a great respect for him as a person, as well as a leader. As Governor and Vice President, he served the people of New York and the United States with grace, with honor, and with distinction. Throughout a career spanning many varied moods of America and during which many of the most difficult questions of public service were challenged, Nelson Rockefeller's prestige never dimmed.

Mr. Rockefeller was a beacon for progress in America. He will be missed by each of us in memories unique to each of us, but as a community of Americans there is unanimous agreement that we have lost a valued son.●

● Mr. ZEFERETTI. Mr. Speaker, I join my colleagues in eulogizing the loss of our former Vice President and fellow New Yorker, Nelson A. Rockefeller.

The people of America have lost a dedicated public servant who willingly undertook the many tasks asked of him with boundless energy and enthusiasm. As a four-time Governor of our great State of New York, his administration set a standard of achievement for others to follow. As a public official in a number of Government posts, he brought a "common sense" approach to attacking the problems facing the Nation. And as Vice President, Rocky's back-slapping, hand-grabbing style helped restore confidence in our Government at a time when our citizens viewed public officials with a sense of apathy and distrust.

Although born into wealth, "the Governor" did not permit his finances to blind him to the wants and needs of less fortunate Americans, and he maintained this special concern for the needy throughout his career. He was a man of compassion for all citizens, rich or poor, with an understanding of the problems of the common working man.

The work of Nelson Rockefeller, statesman, humanitarian, man of the arts, will be as sorely missed as his personal friendship. His long and constructive leadership—particularly in the State of New York—will long remain etched in our memories.●

● Mr. WHITTEN. Mr. Speaker, it was my privilege to have a long and friendly association with the late Nelson Rockefeller. On many occasions, Mr. Rockefeller appeared before the Appropriations Committee on which I have long served. Each time, he made a fine impression as a man with an understanding of practical affairs, with more than his share of patience. He was always ready and willing to share his fine personality with everyone.

Nelson Rockefeller was a good public servant, as his longtime service as Governor of the State of New York and more recently, as Vice President of the United States so well indicate. While our personal views differed on some issues, his integrity was unquestioned and his devotion to the preservation of the American way of life was always present.

I know that Americans everywhere share my personal grief at the sudden passing of this distinguished citizen. Nelson Rockefeller will be sorely missed. I extend my sincerest sympathy to Mrs. Rockefeller, the immediate family and the American community in this great loss.●

● Mr. BRINKLEY. Mr. Speaker, a giant among men, Nelson Rockefeller was born to wealth and could easily have chosen a life of secluded luxury. Instead, he rolled up his sleeves, and with his shoulder to the grindstone of public service, became a driving force for good. His limitless energy was legendary, and the variety of his pursuits—from throwing his hat into the political ring to insuring preservation of some of the world's greatest art treasures—demonstrates his unrelenting commitment to a life of action and accomplishment.

Nelson Rockefeller's vitality, unquenchable enthusiasm, and boundless curiosity evoke comparison with another great American statesman, Theodore Roosevelt. Rockefeller lived life with verve and refused to let even major political defeats crush his spirit. His life calls to mind these words of Theodore Roosevelt:

> Far better it is to dare mighty things, to win glorious triumphs—even though checkered by defeat—than to take rank with those poor individuals who neither enjoy much nor suffer much, for they live in a gray twilight that knows neither victory nor defeat.

The country is poorer for his death, but richer for the lasting contributions he made to our Nation and to all nations as Governor of New York, Vice President of the United States, and humanitarian to the world.

Nelson Rockefeller is gone, and we shall miss him. But his zest for life and devoted service to his country remain as examples for us all.●

● Mr. VAN DEERLIN. Mr. Speaker, I join millions throughout the world in mourning the passing of Nelson Rockefeller, one of the giants of our time.

Mr. Rockefeller and another great American with whom he had much in common, the late Senator Hubert Humphrey, may have been the members of their generation best qualified for the Presidency who failed to attain that office. But the achievements of each man were awesome nevertheless.

Born to great wealth and bearing one of our Nation's most illustrious names, Mr. Rockefeller and his brothers might well have frittered away their good fortune in meaningless pursuits.

The opposite was true, of course, as each brother went on to a life of solid accomplishment. It was Nelson Rockefeller's ambition to pursue a life of public service. With his wealth, optimism, self-confidence and boundless energy, he succeeded in contributing greatly to the country and the world.

Politically, he was a smash; only the top prize eluded him. We in California must marvel at a Governor who can win election four times in a State as populated and variegated as New York—it's never happened in our State.

Nelson Rockefeller also held a series of high appointive posts, dating from 1940, when he helped President Franklin Delano Roosevelt establish the good neighbor policy, and culminating in the 1970's in his service as Vice President under Gerald Ford.

He was the product of a family background that combined great wealth with a strong sense of social responsibility. He approached all tasks with a spirit of cheerful exuberance. With all his assets and attributes, he seemed larger than life; we are all diminished by his death.●

● Mr. PATTEN. Mr. Speaker, the recent passing of Nelson A. Rockefeller has left all of us stunned and saddened. Few men have devoted themselves to public service in the manner in which he did.

I long ago felt that he had that special ability to move the people he came in contact with. His list of accomplishments as Governor of New York is a long one, and the work he did as Governor has benefited millions of people. His expansion of the New York education system increased, many times over, the opportunities for people seeking an education.

As Vice President, he worked closely with the Congress on many important issues, including the efforts to pass the Water Quality Act.

He was a credit to all of us in public life, and I think that he was one of the greatest living Americans of my time.●

● Mr. CLINGER. Mr. Speaker, I would like to take this opportunity to commemorate a distinguished statesman, an exemplary Governor and Vice President, and a great American, the late Nelson Aldrich Rockefeller.

For over four decades, Nelson Rockefeller served this Nation with courage and distinction. In World War II, at a time when Latin America seemed ripe for Nazi exploitation and expansion, he magnanimously agreed to serve as America's special liaison to that part of the world. As long time Governor of the State of New York he was a capable and compassionate administrator. Mr. Rockefeller capped off his public career by assuming the Vice Presidency at a time when this country was wracked with ill-will and dissention. Vice President Rockefeller did an extraordinary job of helping America heal its wounds after the divisive Watergate scandals.

I had the honor of meeting Mr. Rockefeller on several occasions. In 1968 I served as the northwest Pennsylvania coordinator of the Rockefeller for President Committee. Mr. Rockefeller's statewide Pennsylvania chairman in that Presidential campaign was Richard Thornburgh, now Governor of the Commonwealth of Pennsylvania. The force of Mr. Rockefeller's personality and his unswerving commitment to public service made a profound impression on Dick Thornburgh and me.

I shall always cherish the memory of Nelson A. Rockefeller.●

● Mr. HANLEY. Mr. Speaker, we pay tribute today to a man of great vision, of great accomplishment, of great enthusiasm, of great integrity, of great generosity. Nelson Rockefeller was heir to one of America's great fortunes, and yet, was one of the great street campaigners of American politics.

Nelson Rockefeller was born to privilege, and he accepted that privilege as an obligation to serve his State and his Nation. His indomitable spirit, great sense of humor, deep concern for his fellow man and refreshing candor made him a giant in the history of New York State and, indeed, of this country.

His personal warmth and friendship to me transcended any political differences we might have had, and although we sometimes differed philosophically, there never was any question in my mind that Nelson Rockefeller's number one priority was a better quality of life for all New Yorkers and for all Americans.

When we remember Nelson Rockefeller, we will remember his boundless energy and determination. I think all of us will recall the scene at the 1964 Republican National Convention, when on national television, Rocky faced the shouting and booing delegates, and told them that however long it took and however much they hated his guts for saying it, he was going to speak for the civil rights plank that represented to him and his family the heart of their personal and political commitment.

Although he never realized his ultimate goal of the Presidency, Nelson Rockefeller never stopped devoting himself to the task of solving our social and economic problems. After 15 years as Governor of New York and 2 years as Vice President, he focused his attention on another great love, the world of art. It was his stated goal to bring great art within reach of all the people, not just the rich. That typified his attitude throughout his life of public service.

Nelson Rockefeller was a truly great American. We will miss him.●

● Mr. RODINO. Mr. Speaker, to those whose lives he touched, Nelson Rockefeller was a very special man.

His death last week represents to the Nation and to the world a tremendous loss of energy, of ability and of almost unlimited vitality. His contributions to government, to New York and to the American spirit will remain as lasting reminders of a good life and a good man.

Mr. Speaker, Nelson Rockefeller was

three times denied the one political office he sought the most fervently—the American Presidency. But through 40 years of service—in government at local, State, Federal and indeed at international levels; in business and in finance; in cultural activities and in philanthropy—he left a record equal to or greater than that of many Presidents.

For 15 years he had the privilege of serving 18 million people as Governor of New York. He served with distinction in the administrations of five Presidents—one as Assistant Secretary of State, another as Under Secretary of HEW, still another as Vice President.

And more important, he had not only a spoken commitment to human rights, he had a long record of demonstrated caring for people.

In 1974, I had the privilege of chairing the committee that was called upon to consider President Ford's nomination of Governor Rockefeller to be Vice President. Only once before had such a nomination been sent to the Congress under the 25th amendment. And never before had such a nomination been made by a President himself appointed rather than elected.

So the circumstances under which Nelson Rockefeller presented himself for confirmation to the Congress were singularly difficult and extraordinary. And his nomination came at a time barely less than 1 month after the Nation had endured as severe a constitutional trauma as any that has confronted it. But the Governor conducted himself with grace and forthrightness. In the face of valid, critical, probing inquiries regarding the consequences of joining an enormous private fortune to immense political power in a free society Nelson Rockfeller was honest, direct, sincere and never wavering in his cooperation with the committee or in his devotion to the country. It was an experience I shall never forget.

Mr. Speaker, to the Governor's fine family and to his gallant and beloved wife Happy I know go the best wishes of this House and of the Nation. But on a personal level, I hope the Governor's family can know that from me personally, and from my wife and family to whom the Rockefellers showed so many kindnesses, go our sincerest feelings of sympathy and loss.●

● Mr. BROOKS. Mr. Speaker, it was with great sadness that I learned of the death of our former Vice President, Nelson A. Rockefeller.

Vice President Rockefeller, born of considerable wealth and with the opportunity to choose whatever career he desired, elected to give most of his life to service to the people of our Nation. In the Roosevelt administration he served as coordinator of inter-American affairs. He then held positions in the Truman and Eisenhower administrations and eventually was elected to four terms as Governor of New York. In 1976, he completed his public service as Vice President of the United States in the Ford administration.

Nelson Rockefeller was my friend, an association I was fortunate to enjoy for many years. He left behind a legacy to which we may all aspire and I truly believe that America is a better Nation because of his dedication and hard work.

My wife Charlotte and I extend our sincerest condolences to his wife, Happy, and his children and I know they can take comfort in knowing that he lived a full, active, and rewarding life.●

● Mr. CORRADA. Mr. Speaker, I want to join my colleagues in expressing my deepest sympathy and heartfelt condolences to Mrs. Rockefeller and the family on the death of former Vice President and long-time former Governor of New York, Nelson A. Rockefeller. His death deprived the Nation and the world of a great statesman.

As he often stated, his greatest interest was the power of ideas; the realization that through discourse and debate, humankind would be able to determine the best ways through which we can address the different and conflicting problems which plague our Nation and the world.

The Nation owes a great debt of gratitude to Vice President Rockefeller's parents which instilled in young Nelson and other members of the family, a profound sense of obligation and duty to the country which had given them so much. Born to wealth and privilege, Vice President Rockefeller dedicated his life to our Nation's public service. As Governor of New York, he represented thousands of my fellow Puerto Ricans living there and, as such, was sensitive to the problems faced by minorities living in big cities.

As a frequent visitor to his estate in Puerto Rico, Vice President Rockefeller came to know the Puerto Rican people and he was a supporter of the island's pro-statehood movement.

His zest for life and tireless energy sometimes gave the impression of a restless man; but he was also able to appreciate the tranquil beauty of art. His knowledge and collection of modern paintings and sculptures serve as testimony to this love of the arts. In an interview with Walter Cronkite, Vice President Rockefeller once explained his preference for modern art by saying that its beauty rests in the viewer's ability to see the same work innumerable times and yet continue to discover new facets of it. The eye serves as a prism through which the viewer projects his mood and receives a new impression of a familiar sight.

In many ways, Vice President Rockefeller also captured many of the best qualities of our people and reflected them in his work; dedication, energy, pride, and the courage of his beliefs. For all this, and for his unquestioned "joie de Vivre," Nelson Rockefeller will be sorely missed by the entire Nation.●

● Mr. EVANS of Indiana. Mr. Speaker, I wish to join my colleagues in expressing our deep sense of loss at the death of Nelson Rockefeller. Few Americans have contributed so much to the public good as this great man.

Born into a life that offered comfort and security, he chose to direct his life both in private and public pursuits to making our lives fuller and richer. We are indeed fortunate to have had the benefit of his mind, his heart, his spirit, and the selflessness of his commitment. I think it is especially poignant that his life ended while working on a book about his art collection. This is reflective of his devotion in his private life to enriching our lives with beauty and knowledge.

His long career of public service to our Nation in some of the most demanding roles in American politics was indeed illustrious. But his contribution went far beyond serving in these great' public posts. His career was marked by a remarkable sense of vision, compassion, objectivity, and total dedication to America that we have seldom seen before and may scarcely see again. I am hopeful that as we focus on his contributions we can renew our commitment to the ideals of America that were reflected in his exemplary life.●

● Mr. NATCHER. Mr. Speaker, I join with the many friends of Nelson A. Rockefeller in expressing my sorrow at his untimely passing.

With the highest level of ability and integrity, our former Vice President Nelson A. Rockefeller zealously defended the ideas and principles he believed in and upon which this Nation was built. He gave of himself fully and unselfishly. No one could question his loyal and dedicated service to the people of the State of New York and to the people of the United States.

The loss of our former Vice President will be felt down through the years and will be mourned by all of those who had the honor to have worked with him in seeking to build a better country.

He was a long-time public servant, having served with every President since Franklin Delano Roosevelt in various appointive posts. He was one of five sons of John D. Rockefeller, Jr. and the grandson of John D. Rockefeller, Sr. He and Gerald Ford became the first two men to be installed under the Constitution's 25th amendment ratified in 1967. This amendment provides for filling Vice Presidential vacancies with nomination by the President and confirmation by the Congress.

Mr. Speaker, it was a distinct privilege and an honor for me to preside over the House of Representatives when the nomination of Nelson A. Rockefeller was confirmed by the House.

Nelson A. Rockefeller believed in a strong national defense and because of his name, this made him a historic figure in the pageant of American democracy.

Mr. Speaker, I would like to extend my deepest sympathies to Mrs. Rockefeller and to the family of our former Vice President Nelson A. Rockefeller.●

● Mr. BINGHAM. Mr. Speaker, I welcome the opportunity to join in paying tribute to the late Nelson A. Rockefeller, former Vice President of the United States and for many years Governor of the State of New York.

A measure of Governor Rockefeller's stature was suggested by the extraordinary outpouring of tributes from all over the country—and indeed from all over the world—when news of his sudden death was received.

One of the extraordinary qualities of this extraordinary man was the wide range of his interests. One such interest, which was not especially apparent in recent years, was international technical cooperation to aid in the progress of developing countries. Even before President Truman announced his famous "bold new program" for sharing American technology and expertise with the less developed world, Nelson Rockefeller was engaged in just such work through the Institute for Inter-American Affairs. Later, he became chairman of the Board for International Development which produced one of the pioneer books in the field: "Partners in Progress." I first had the privilege of working with this enthusiastic and energetic man when he occupied that position, and I had just been appointed Deputy Administrator of the Technical Cooperation Administration.

A few years later, I had the opportunity of again working with Mr. Rockefeller when he was appointed chairman of the 1956 Constitutional Commission in the State of New York, an appointment which had been made by Governor Harriman and the then legislative leaders in the New York State Legislature.

Still, later, after Mr. Rockefeller had been elected Governor, I had the privilege of many contacts with him. I was always impressed by his friendliness and his cheerful and up-beat approach to whatever task or responsibility confronted him.

As a Democrat, it is not for me to comment on the history of Nelson Rockefeller's efforts to obtain the support of his party for national office. But it does seem appropriate to say that President Ford made a splendid choice when he appointed this most distinguished leader to the office of Vice President of the United States.

My wife and I join in extending our deep sympathy to his family.●

☐ 1135

Mr. PEYSER. Mr. Speaker, that on my part of it concludes the special order for Nelson Rockefeller.

I would like to mention that my colleague and friend, the gentleman from New York (Mr. Wydler) has also requested time on February 6 for any other Members that would like to comment on Nelson and that he will have a special order at that time.

Mr. Speaker, I yield back the balance of my time.

GENERAL LEAVE

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on Andy Biemiller, a former Member of the House, on his retirement as legislative director of the AFL–CIO Union.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

HON. ANDREW J. BIEMILLER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. Bolling) is recognized for 60 minutes.

Mr. BOLLING. Mr. Speaker, I rise to draw attention to the retirement of Andrew J. Biemiller, a distinguished former member of this body and, since 1956, the legislative director of the AFL–CIO and, therefore, the chief lobbyist of America's organized workers.

As one who had the honor to serve with Andy Biemiller in the 81st Congress, I can bear personal witness to the energy and wisdom with which he represented the citizens of Wisconsin and to the respect in which he was held by his colleagues on both sides of the aisle.

Those of us who shared his views looked up to him as the author of the minority civil rights report on which our dear friend, Hubert H. Humphrey spoke so eloquently at the 1948 convention of the Democratic party. Because of their foresight my party became and has remained committed to the struggle for civil rights, voting rights, equal education and equal opportunity which culminated in the landmark legislation of the 1960's and to the struggle for human rights, at home and abroad.

Few Members of this 96th Congress were present to see Congressman Biemiller in action on this floor. But I doubt that there has been any Member of the last 15 Congresses who has not been very much aware of Lobbyist Biemiller as a central figure in countless legislative battles of the last 30 years.

The word "lobbyist" means many things. To readers of a certain type of fiction, the word may conjure up an image of a shadowy figure dispensing favors and applying pressure to hapless legislators on behalf of questionable goals.

To those thousands of elected Senators and Representatives who have benefited from Andy Biemiller's deep knowledge of history, his wise and constructive counsel and his accurate, informative, expert testimony on matters of deep concern to his constituents and all the American people, the word "lobbyist" means something much better, something truly indispensable to the shaping of responsible legislation.

In success and failure, through all his years as labor's ambassador to Capitol Hill, Andy Biemiller never lost his deep respect for the American legislative system and his confidence that justice can be achieved through that system for all Americans.

On my own behalf, and on behalf of all those who value his contribution to our deliberations and who will sorely miss him, I want to extend to Andy Biemiller our best wishes for good health, good luck, and a long and happy retirement.

☐ 1140

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I will be glad to yield to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, I want to join with the gentleman from Missouri (Mr. Bolling) in paying tribute to Andy Biemiller for his long service as a very outstanding, effective and certainly constructive lobbyist, as the gentleman has indicated, for the AFL–CIO. He was most effective in a quiet way, and he did his job by explaining the intricacies of legislation rather than by using any of the pressure methods to which the gentleman from Missouri has referred, and which occur more often in fictional writings than in actual fact.

I also would like to underscore something that the gentleman from Missouri (Mr. Bolling) mentioned a moment ago, and that is that not many people realize that although Hubert Humphrey has been frequently honored as the man who put a strong civil rights plank in the Democratic platform at the Democratic Convention in 1948 in Philadelphia, it was actually Andy Biemiller, a Congressman from Wisconsin at the time, who drafted that plank originally and who shared the podium with then Mayor Humphrey, defending the point of view that Andy Biemiller and Hubert Humphrey together were involved in promoting. Certainly Andy deserves every bit as much credit for those dramatic results.

I say this with assurance because I was sitting in the gallery at Philadelphia at that convention and watched not only as the ringing voice of Hubert Humphrey called the attention of the convention to our higher responsibilities, but also as the Georgia delegation, I believe it was, walked out of that convention. But Hubert Humphrey and Andy Biemiller eventually won that tremendous fight, and Andy Biemiller will always be remembered for his part in that historic effort.

Mr. BOLLING. Mr. Speaker, I thank the gentleman from New York (Mr. Stratton) for his contribution.

Mr. CARR. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Speaker, Andy Biemiller is to be commended on his long years of dedicated service to the American worker and the American people.

As a Member of Congress and as the legislative director of the AFL–CIO, Andy Biemiller represented the great American tradition of industrial democracy. He served notice that the working man and woman deserve a fair shake.

On this occasion of his retirement, I commend Andy Biemiller for his past work and I hope he enjoys the years ahead.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Speaker, I congratulate the gentleman from Missouri (Mr. Bolling) for calling this event, the retirement of Andy Biemiller, to the attention of the House.

I have served in this body now for nearly 18 years, and I guess, with the turnover we have had, I have perhaps served with a thousand different Members of the House of Representatives. I would say, without derogation to any of them, that Andy Biemiller, who was only a Member here for a short time, probably had more impact on the direction this country took and on the flow of successful legislation than most of the Members with whom I have served. Although he was not a Member of the House or the Senate over this entire period of time we are talking about, he was one of the most influential people in the legislative process during that period.

The trade union movement has always been an honorable part of the American political scene. From the first its primary and rightful goal was improving the wages and working conditions and general welfare of its members. But the trade union movement envisioned by Andy Biemiller and people of his stature went beyond that. Because it was the AFL–CIO, with Andy Biemiller in charge of its legislative office, that was involved in the betterment of life for all Americans. I think of the great struggle for civil rights. And as has been mentioned, it was trade union people like Andy Biemiller who cared about the environment and public education and who were concerned about the health of all the American people. So we owe a great debt to Andy Biemiller in these broader respects as well.

Andy was a shrewd student of the Congress. I doubt if there are many people alive today who, with the exception perhaps of the gentleman in the well, the gentleman from Missouri (Mr. Bolling), know more about how this institution functions, what makes it tick, and how results can be achieved.

Andy Biemiller did not operate, as the gentleman from Missouri (Mr. Bolling) said, on the basis of threats and promises. He operated on the basis of trust and friendship and by furnishing factual information to the Members of Congress. He was not one who would come to your office and demand something; he would tell you his position and give you his arguments, and then leave it to the Member to make the final decision. So Andy Biemiller, in retiring from this vitally important position, leaves a legacy of honor and a legacy of effectiveness.

Mr. Speaker, I join with the gentleman from Missouri (Mr. Bolling) and Andy Biemiller's many friends here in wishing him well, and I hope he has many years of happy retirement. I thank the gentleman for yielding.

Mr. BOLLING. Mr. Speaker, I thank the gentleman from Arizona (Mr. Udall).

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, I thank the gentleman for yielding.

I, too, want to congratulate the gentleman from Missouri (Mr. Bolling) for arranging this special order. I have not known Andy Biemiller as long as has the gentleman from Missouri, of course, but I have known him for 25 years. I do not know of anybody I ever met who had a greater capacity, with the possible exception of the gentleman from Missouri (Mr. Bolling), for knowing the status of every bill that is before the House at any given time and knowing all the details of the legislation.

When I have talked to Andy Biemiller, it was evident to me that no one ever catches him short. He can anticipate when a problem is about to occur and prepare to meet it.

So, Mr. Speaker, I also join with the gentleman from Arizona (Mr. Udall) in saying that Andy Biemiller has had a great deal of impact and a great deal of influence, all for the good of the people he represented in the labor movement, and I think that it will be very hard for them to replace him. I thank the gentleman for yielding.

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Mr. BOLLING. I thank the gentleman from Iowa for his contribution.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

Mr. Speaker, let me say that I appreciate the opportunity to participate in this special order for Andy Biemiller for two reasons: First, because I have such a great deal of personal affection for him; and, second, because he is an example of the finest that Wisconsin can produce.

Andy Biemiller is really part and parcel of the progressive tradition in the State of Wisconsin, even though he was not born there. He spent a great deal of time working in thee old Socialist movement in Wisconsin and other places. I do not know if many people realize that Milwaukee is probably the last major city in the United States to have a socialist mayor. His term extended into the 1950's. That party and the old Progressive Party brought the tradition of clean government to Wisconsin. Andy Biemiller helped to keep it that way. He was a key Progressive Party leader in the Wisconsin Legislature between the years 1937 and 1942. As has already been indicated, he served twice in this House and I daresay that in that time he picked up enough knowledge not only of the rules but of the precedents of the House, that today I do not know of three people who know more about either the rules or the precedents of the House than does Andy Biemiller.

Also, as has been indicated, while Hubert Humphrey has always gotten the lion's share of the attention of that civil rights plank of the 1948 convention, Andy Biemiller was right there with him as the author of that proposal and was one of the driving forces behind it. I might also add—I think my understanding is correct—that, along with the gentleman in the well, he was one of the original authors of national health insurance in this House 30 years ago.

I think Andy Biemiller also understood that organized labor had an obligation to be involved in the broader questions facing our society and our economy. Labor is a special interest, and Andy Biemiller represented a special interest; but Andy Biemiller's special interest was working people, his special interest was old people, his special interest was sick people, his special interest was people who belonged to racial minorities who, for no other reason than color of their skin, were being discriminated against economically, socially, and culturally in this country. He did as much as any man I know to help change for the better the facts of life as they related to those kinds of people in this country. He has been a civilizing influence in this country for which all of us owe him a special debt.

Mr. BOLLING. I thank the gentleman for his remarks.

Mr. PEYSER. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding and also for having this tribute to Andy Biemiller.

I think the only thing I can add, perhaps, to the comments that have been made by my colleagues, which I heartily endorse and agree with, is the fact that, not having known Andy for the length of years that some of my colleagues have, I did serve in three terms of the Congress as a Republican. I mention this because Andy was not Republican or Democrat in his working at all. He was involved in the issues having nothing to do with the parties. He certainly contributed a substantial amount of knowledge to me and worked very closely with me and with his colleagues on the Hill in understanding this Congress and also in learning more about the issues.

Mr. Speaker, I have spoken on many occasions in front of corporate groups and banking groups about the capability of Andy Biemiller and the men and women he worked with and how they worked to inform the Members with factual information and also with the concerns expressed that were other than labor concerns.

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They were concerns dealing with educations, and as the Members heard, with health and other issues. He was just as knowledgeable on those subjects, and fought just as hard for those issues, whether it was senior citizens or the very young, as he was on the issues that immediately affected labor, whether it was minimum wage or labor-management or whatever the issue may be. So, I think that he is very much entitled to tribute and deserves this tribute. I appreciate the gentleman from Missouri taking this time and yielding to me. I thank the gentleman.

Mr. BOLLING. I thank the gentleman from New York for his contribution.

Mr. Speaker, I yield to the gentleman from Washington (Mr. Swift).

Mr. SWIFT. Mr. Speaker, for me perhaps the most impressive aspect of the work that Andy Biemiller did with the AFL–CIO in his many years as legislative director was in the field of civil rights.

I recall when I first came to this city as administrative assistant with a freshman congressman, that my first contact with a labor lobbiest had nothing to do with hardcore labor legislation at all, but with civil rights legislation, particularly voting rights, which is the cornerstone of civil rights in any democratic society.

Too frequently lobbying organizations are narrow in their focus and concerned only with the specific issues that bear directly on the positions of their special interest and its constituencies. Under the leadership of Andy Biemiller, the AFL–CIO legislative effort has had a broad scope and concern for all of the people of this Nation.

Because of that leadership, the Congress would find Andy testifying and working on behalf of so-called minor bills such as the Library Services and Construction Act, which comes to mind; a wide variety of education legislation, health legislation, measures that dealt with the problems of the poor and questions of fundamental rights for all of our citizens.

This aspect of Andy's work is not well known outside of this capital city. The public image of the labor movement has suffered, along with other major institutions in this society, in recent years. If we could spread the word of Mr. Biemiller's dedication and the dedication of the organization whose legislative program he directed for 23 years, I am sure that public image would improve.

All of labor should take great credit for what it accomplished in the civil rights movement, and take great pride in being able to contribute the talent and wisdom and ability of a man like Andy Biemiller to that cause.

Mr. BOLLING. Mr. Speaker, I thank the gentleman from Washington for his contribution.

Mr. Speaker, I now yield to the distinguished Speaker, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am delighted to join my colleague, DICK BOLLING of Missouri, in taking this opportunity to say a few words about an old colleague and a personal friend, the Honorable Andrew Biemiller, whom I met for the first time the day I arrived in Washington in 1952.

Andy hails from a distinguished progressive tradition of Wisconsin politics. I believe Andy told me, in my many discussions with him, he started off as a Socialist in his early career, moved quickly into the progressive movement and was then elected as a member of the Wisconsin Legislature. He then came to the House and served in 1945 and 1946, and again in 1949 and 1950. The first great civil rights movement of this country in 1948 has been mentioned, and we have always looked at Hubert Humphrey as its father. But, the real voice behind Hubert, the one who inspired him along the line, the true father, as history says, was Andy Biemiller.

Andy has been the voice of labor in the Congress and has spoken personally to every Member of the House.

When Andy spoke, we listened, and when Andy gave his word, we could rely on it. He was loved by those who knew him. He truly believed in the adage of the Golden Rule, "I am my brother's keeper."

Andy has worked his whole life for social and economic benefits for the working men and women of America and has bitterly opposed social, racial and economic injustices. In many of these efforts, he has been successful; others will come to fruition as the years pass. Throughout his public life Andy Biemiller has been far ahead of the thinking of his day.

He is an honorable, independent, tough, knowledgeable, and loveable individual. I hate to see him leave his position in the AFL–CIO, but he feels the time has come for him to move on. Andy may move on, but his mind and his thoughts and his ideas will always be for the betterment of the downtrodden and less fortunate of America.

I am sure I will be getting calls from him from time to time to give me his sage advice, and once in a while to give me a little roughing up because he probably will not agree with the manner in which I acted. We have always parted as friends whenever he left my office, and I want Andy to know that in the future, my door is always open to him.

Andy Biemiller is just a beautiful human being, and America is a real democracy in deed as well as in word because of Andy Biemiller.

I thank the gentleman for yielding.

Mr. BOLLING. I thank the Speaker for his particularly beautiful tribute.

● Mr. PRICE. Mr. Speaker, it is a privilege for me to join my colleagues today in honoring an old friend of mine, Andy Biemiller.

Andy and I came to the Congress together in 1945. He was leaving the War Production Board at that time, and I was just getting out of the Army. I ended up staying in the Congress, and he went on to become the legislative director of the AFL–CIO and one of the best-known lobbyists around.

Through the years, Andy and I were on the same side of almost every issue, and I am proud to be able to say that because I think that on nearly every issue, Andy was truly on the side of the workingman.

Andy is a fixture in his city and around the House. We are going to miss him and the job he always did for the working man for the last 25 years.●

● Mr. GOODLING. Mr. Speaker, the 96th Congress will begin without one of the most influential lobbyists in Washington, D.C. I am referring to the retirement of Andrew J. Biemiller who represented the AFL–CIO as the director of the legislative department since 1956.

I am a relative newcomer to the Federal legislative policymaking arena, but as a member of the House Committee on Education and Labor I have observed Mr. Biemiller's skill as a labor lobbyist and believe he reserves praise for his outstanding ability.

He is of the old school of lobbying which included loyalties between the lawmakers and the lobbyist, face-to-face meetings, as well as telephone techniques. Even though we were many times on opposite sides of issues, I always admired Mr. Biemiller for his knowledge and expertise on labor issues.

I wish him a happy retirement although I am sure someone as disiciplined in the work ethic as Andy Biemiller will have a hard time truly being retired.●

● Ms. MIKULSKI. Mr. Speaker, I am pleased to take this opportunity to pay tribute to Andy Biemiller.

I came to Congress to represent the working class men and women of my district. I always found Andy to be a valuable ally and experienced guide.

His retirement is preceded by 25 years of dedication and service to the workers of America. Through his influence, a vast array of social legislation has been considered over the past four decades.

He was a principle force in the AFL–CIO's support of civil rights legislation, fair employment practices, and national health insurance proposals.

Even after his retirement, the goals which Andy Biemiller sought to attain will serve as an inspiration in the years to come.

I am pleased to have had a brief opportunity to work with him in the 96th Congress.●

● Mr. BOLAND. Mr. Speaker, I join with my colleagues under this special order to honor Andrew Biemiller. With his retirement as the legislative director for the AFL–CIO, labor is losing a valuable spokesman.

Andy Biemiller has been labor's advocate here on Capitol Hill for nearly all of my years in Congress. His presentation of labor's arguments for and against various measures over the years has been consistently excellent. It has been easy to feel the personal commitment of Andy Biemiller in all of his work. He has never lost sight of the working people who most need progressive legislation. His two terms in the House gave him a keen sense of congressional procedure. Andy has always been in the right place at the right time with his labor support.

Perhaps above all of his many accomplishments, Andy Biemiller should be honored for his key role in civil rights legislation. As author of the civil rights plank in the 1948 Democratic Party platform, Andy Biemiller can proudly take his place among the leaders of the fight for equality. He was recently awarded the Hubert H. Humphrey Civil Rights Award for his efforts over the years on behalf of minorities. Andy Biemiller considers his civil rights work to be the highlight of his career. Minority workers everywhere can be thankful for his dedication to this cause.

Mr. Speaker, the AFL–CIO is losing one of its finest laborers and we here in Congress are losing a friend. I congratulate Andy Biemiller on his distinguished career and wish him the best of luck in all future endeavors.●

● Mr. CLAY. Mr. Speaker, it has been a distinct honor and a pleasure to have known and worked with the distinguished Andy Biemiller, legislative director of the AFL–CIO.

In the years that Andy served in the U.S. Congress he earned the trust and highest respect of his colleagues in Congress and later, as legislative director of the AFL–CIO, a similar honor was earned.

I have known Andy Biemiller as a fighter and a man of principle. His devotion to his people and his country are a matter of record. I only hope that when he leaves his present position he will turn his great talents, in the years that follow, to some endeavor which benefits our Nation as much as his service in the U.S. Congress and the AFL–CIO.●

● Mr. REUSS. Mr. Speaker, it is a special privilege and honor for me to have this occasion to pay tribute to Andy Biemiller.

When I was first elected to this body, 4 years after Andy Biemiller left it, and to the seat which Andy held, his record had set a high standard for representation of the people of Milwaukee.

I have been fortunate to have had Andy Biemiller's example before me since then. I have been even more fortunate to have had Andy himself on call as counselor and conscience.

In a time when it is fashionable to decry the influence of interest groups, Andy Biemiller and the AFL–CIO are persuasive evidence that that influence can be exercised responsibly and to the benefit of those with few other effective champions.

Members of this country's black, brown, yellow, and red minorities who owe the passage of civil rights laws to labor's long and often lonely fight, owe much to Andy Biemiller.

The millions of Americans who look to medicare and medicaid to pay for health care owe much to Andy Biemiller for his leadership of the two-decade fight for that legislation.

In fact there is scarcely a brick in the edifice of our country's structure of social legislation which does not bear the imprint of the labor movement and its tribune Andy Biemiller.

Early in this, our first session in many years without Andy Biemiller, it is evident that his spirit lives on. When some would abrogate a compact with our Nation's disadvantaged which was established under the New Deal, Labor's voice is still raised on behalf of its commitment to the less fortunate.

The voice is no longer Andy's, but there is no mistaking the commitment. It bears the unmistakable signature of Andy Biemiller.●

● Mr. RODINO. Mr. Speaker, I am very pleased to have this opportunity to recognize an old friend and former colleague, Andy Biemiller. Not only have I had the honor of serving in this House with such a fine public servant as Andy, but I have also been fortunate to receive his advice and assistance for the past 23 years during which he has been legislative director of the AFL–CIO.

Andy's role in national affairs has gone far beyond what most people call labor issues. I have known Andy to be an important leader for progressive causes for three decades. In the issues of voting rights, equal employment, education, health care, all areas of civil rights and many other matters of social justice, Andy Biemiller has shown his overwhelming concern for the poor, the disadvantaged and the working people of America. Millions of Americans have benefited from his efforts.

Mr. Speaker, to hundreds of Congressmen and Senators over the years, Andy has been a trusted ally and most respected professional. He and I have fought many battles together and have won quite a few because of Andy's skill and determination.

As he leaves office, he should be very proud of his accomplishments, just as his friends are very proud of him.●

● Mrs. SPELLMAN. Mr. Speaker, the working men and women of America have lost a very good friend. Andrew J. Biemiller has retired. For 25 years, Andy supported, upheld, encouraged, and guided a movement to improve the quality of life for our working citizens. He believed that the core of our country's strength is a productive, healthy and cohesive working force, and that unemployment is a nation's shame.

Andy, a bond salesman's son from Sandusky, Ohio, graduated from Cornell University, later became a history professor, specialized in newspaper work and labor education, and was a member of the executive board of the Milwaukee Federated Trades Council.

In 1945 and again in 1949, Andy was a Member of this House of Representatives. As a Congressman representing his Wisconsin constituency so well, he was an early advocate of social reform.

The American Federation of Labor tapped Andy in 1953 to become a member of the national legislative committee. He became the director of the Department of Legislation of the merged AFL–CIO labor federation in 1956.

His tireless efforts both as a legislator and later as a lobbyist were instrumental in promoting, successfully, many civil rights measures. His commitment to achieving a healthy America through a national health insurance policy continued for over four decades, and although there were many advances in health benefits, his biggest goal—national health insurance—eluded him.

Mr. Speaker, Andy Biemiller has been called the lobbyist's lobbyist, and in the very best sense of that word, it is so. As chief lobbyist for AFL–CIO, he is a superb educator, an advocate of equality, a champion of the working men and women of this country. He is a friend of all of us who believe in improving the fabric of our American standard of life for all of our citizens.

Mr. Speaker, upon the occasion of Andrew Biemiller's decision to spend his hours in more relaxed ways, I know my colleagues will join me in wishing him well and suggesting that this earnest, dedicated man will soon find other causes to shoulder; other problems to solve; other lives to enrich.●

● Mr. ADDABBO. Mr. Speaker, I do not know of many people who have graced the Halls of Congress and its office buildings longer than Andy Biemiller. A two-term Congressman himself, Andy has been best known as the AFL–CIO's legislative director since 1956.

A man who firmly believes in the importance of making contacts and keeping them, of the traditional give and take of politics, there is not a piece of labor or social legislation that Andy has not been involved with since the end of World War II. That is quite a history for one man.

Aside from the many great strides he made for the workingman, this man's vision included a national health insurance way back in 1937 before most of us had ever even heard of the concept. Following this strong interest, in the 1960's Andy was vital to the success of the medicare campaign.

But as I look back, the contribution I most admire Biemiller for is his strengthening of the alliance between labor and civil rights forces. He played a key role in placing an equal employment provision in the Civil Rights Act of 1964, following the strong stand he took as the prime architect of the landmark 1948 civil rights plank that was introduced by the late Hubert Humphrey at the Democratic National Convention that same year.

Andy did not win every fight he joined, but he never gave up on a good battle. Congress has changed many times over since Andy's first days in the Capitol. Faces, lobbying techniques, and so forth, all come and go, but Biemiller's commitment never wavered. Now this long familiar and welcome fixture is retiring. The absence of his clipped moustache and lapel rose will likely signal the end of yet another era in Washington politics.

I know that all my colleagues will join me in wishing Andy the very best in the days ahead, even though we all really know that it just won't be the same without him.●

● Mr. WILLIAMS of Montana. Mr. Speaker, we Montanans like Andy Biemiller and we want the kind of America for which he has worked and fought.

Andy Biemiller has always understood the drive and optimism which has characterized this Nation since its birth. And he has understood that as long as we are dreamers, striving to change our dreams to reality, America will prosper. He never let the doubters get him down, and he stayed in the saddle when the going got roughest. We Montanans like that, and we like Andy Biemiller.●

● Mr. DRINAN. Mr. Speaker, the recent retirement of Andy Biemiller, following two decades of distinguished service as legislative director of the AFL–CIO, calls to mind Mr. Biemiller's central role in some of the crucial legislative battles of the past 22 years.

It is especially useful now, at a time when the labor movement is under severe and unfair attack from many quarters, to reflect upon Andy Biemiller's unusual achievements on behalf of American working men and women.

Nor can we forget Andy Biemiller's dedication to the cause of civil rights, his commitment to a civil rights plank in the 1948 Democratic Party platform, his long and successful work for the landmark 1964 Civil Rights Act.

We can also be grateful for the pivotal role Andy Biemiller played in defeating the Supreme Court nominations of G. Harrold Carswell and Clement F. Haynsworth.

And we can hope that in the years ahead Congress will move forward on a critical issue where the voice of Andy Biemiller has been heard for 40 years—national health insurance.

History professor, labor organizer, State legislator, Congressman, Andy Biemiller has exerted a profound impact upon American life. An unparalleled fighter for social and economic justice, he will be sorely missed on Capitol Hill.●

● Mr. DERWINSKI. Mr. Speaker, it is a pleasure for me to join in honoring one of our former colleagues, but best known to all of us as the legislative director of the AFL–CIO.

In his capacity as legislative director, Andy has served with great dedication, ability, and inspiring diligence. His efforts have proved instrumental in many legislative proposals which are of interest to the labor organization.

Andy complied an outstanding record over the past 22 years, always actively and conscientiously representing the principles and interests of the labor force. Although we did not always agree, I found Andy to be a most effective spokesman and a man of unwavering dedication.

Andy always displayed an earnest concern to provide information to all the Members. The success of much of the legislation dealing with the labor interests can be traced to the efforts of Andy Biemiller.

I wish Andy the very best in the years ahead. I suspect that his experiences and expertise will continue to be called upon as a valuable source of counsel.●

● Mr. HORTON. Mr. Speaker, for more than 20 years, my good friend Andy Biemiller served as Director of the Department of Legislation at the AFL–CIO office in Washington. Before that, he served in the 79th and 81st Congresses, from Wisconsin.

Although I did not have the privilege of serving with him in either of those Congresses, he and I did work together during the 1960's and 1970's. His 22 years as head of the legislative department brought him to the Hill as an advocate of labor legislation important not only to the labor movement in this country, but to all Americans. His advocacy, however, was almost always objective and reasonable and gave his colleagues on the Hill a perspective on legislation often not available elsewhere.

I wish Andy the very best as he begins his retirement. While I think Andy deserves this retirement, I hope he will stay in touch with his friends and former colleagues on the Hill.●

● Mr. MIKVA. Mr. Speaker, I am most pleased to participate today in honoring a good friend and one who has helped to shape some of the some most progressive legislation for the last three decades, Andy Biemiller.

I suspect that I knew of Andy Biemiller before most of Washington did. I grew up in Milwaukee, and Andy was my first Congressman. It is quite an advantage to have in one's formative years a role model like Andy Biemiller. Sometimes I think that all of the really useful things I learned about Congress and the legislative process I learned by listening and watching Andy Biemiller in those Milwaukee and Wisconsin days.

Many of us who were products of the old progressive tradition of Wisconsin politics retain a special pride in having been part of that experience. The values of public service and work on behalf of the general welfare, and a faith in the wisdom of the democratic process were more than slogans or cliches. They were practiced and believed. That is what made political life in my early days in Wisconsin so special—and that is why I think Andy Biemiller is so special, too. He genuinely believes in the notion of a community of interests and in promoting the general welfare—and that is what he has practiced with extraordinary skill for more than 30 years.

The post-war years in this country were filled with landmark legislation—in health care, in education, in civil rights. These were all measures to help all of our citizens realize their full human potential. And these were all measures which reflected both the humanism and the political and legislative skills of Andy Biemiller.

At a time when it is fashionable to criticize the failings of Government, it is suitable to remember that this is a better and stronger country because of those programs. Americans are living longer, better, and more together than in the past, because of those measures which so changed the social fabric of America. Andy can be proud of all those Government successes.

For more than 20 years, Andy has been the legislative director of the AFL–CIO. He has served the labor movement with great distinction. But he has also served the whole country with equal distinction. He has shown that often against stiff odds the legislative process can be made to respond in the public interest if one devotes the necessary energy and makes the effort to learn how the process works.

Mr. Speaker, it is a privilege for me to be part of this tribute, and it has been a privilege to have known Andy Biemiller from those early days in Milwaukee all those years ago.●

● Mr. ROYBAL. Mr. Speaker, it is a distinct pleasure to add my words of tribute for Andy Biemiller, a former Member of this House.

While I did not have the privilege to serve with Andy during his tenure as a Member of the House of Representatives, I enjoyed the opportunity to know and work with him in his capacity as the legislative director of the AFL–CIO. Having served in this capacity for over 20 years, Andy has become a dynamic force within the labor movement.

His retirement now should come with a sense of pride and accomplishment, knowing that he has contributed greatly to the all-important effort to improve the quality of life for the working American.

My best wishes are now extended to Andy Biemiller as he prepares to reap the fruits of his labor in a well-deserved retirement. I would like to congratulate Andy on his distinguished career and wish him a long and enjoyable retirement—filled with good health and happiness.●

● Mr. HEFTEL. Mr. Speaker, the imprint left by Andy Biemiller after devoting over 25 years on Capitol Hill advancing the cause of labor is not likely to be washed away.

For over 40 years, Andy has been totally dedicated to the evolution of civil rights and has unflaggingly advocated social legislation. In victory and in defeat, Andy has always responded to the challenge of fighting for legislation that would benefit millions of people. He has been regarded, and not unjustly, as the single most effective legislative advocate in Washington.

We will miss Andy and his almost lost art of traditional lobbying, but the even greater loss will be to the AFL-CIO. We owe a unique debt of gratitude to this energetic man and hope that he enjoys his well-earned retirement.●

● Mr. DERRICK. Mr. Speaker, it is my pleasure to participate in this special order for the Honorable Andrew J. Biemiller, a distinguished former Member of this body, on the occasion of his retirement as legislative director of the AFL–CIO.

I know I need not tell those of my colleagues who were privileged to serve with Andy Biemiller of his outstanding abilities or the scope of his accomplishments. I am equally sure that it is not necessary to relate his achievements to the people of the Sixth District of Wisconsin, whom he so ably served. I know that they all join me in wishing Andy Biemiller a well deserved and rewarding retirement.●

● Mr. SEIBERLING. Mr. Speaker, I am happy to join in paying tribute to a man who has been one of the most effective advocates for the American worker that the past two decades have seen—Andrew Biemiller. On January 5, Andy retired after 22 years as the legislative director of the AFL–CIO, and I am just one of very many who would like to let him know that he will be remembered and appreciated for a very long time to come.

Perhaps to many of the Nation's rank-and-file workers, whose interests Andy worked so hard for, the significance of his role was unheralded. But to those of us here in Congress, Andy Biemiller was a persuasive force whose hard work and contributions to the labor movement never went unnoticed. And I have a feeling that his retirement is not going to keep him away from Capitol Hill for good. I hope we can continue to draw on his wisdom and insights.

Although employed by the AFL–CIO, Andy ably served the entire labor community. He devoted all of his talent, energy and resourcefulness to every issue he ever worked on. He was indefatigable. Even when the labor movement met with a setback in Congress, Andy just became all the more determined to fight for the principles to which he had devoted his life, and in the end he and those principles have usually prevailed.

I am glad I have come to know Andy Biemiller over these past few years. I have a tremendous amount of respect and admiration for him and I wish him success in all his future endeavors.●

● Mr. LONG of Louisiana. Mr. Speaker, it is hard to imagine a session of Congress without seeing Andy Biemiller in committee rooms and Members' offices.

A man of endless political courage and stamina, Andy Biemiller has been inextricably involved in almost every significant political issue in this half of the 20th century, from the passage of medicare and equal employment to the fight for health care for all Americans. While a Congressman from Wisconsin, Andy Biemiller was amongst the earliest proponents of civil rights legislation.

I met Andy Biemiller when I first came

to Congress in 1963. I quickly developed a great respect for his political savvy, parliamentary skills and ability to see through to the essential issues at hand. Few individuals have been a more persuasive voice or better ally. Andy seems to thrive on political challenges, and his many legislative victories attest to his effectiveness. I'm not saying he always won, but he never accepted or admitted defeat.

Andy Biemiller once said of Harry Truman, "He had more guts and was more down to earth than any guy I knew." The same could be said of Andy. It is with the greatest pleasure that I join with my colleagues in congratulating Andy on his outstanding career with the AFL–CIO. We will all miss him.●

● Mr. GIAIMO. Mr. Speaker, almost everyone who has been in and around the Congress for a year or more knows things simply are not the same today as they used to be. Sometimes that is good; sometimes not. But, in any event, they are vastly different.

Now, one more fixture is gone. And I, for one, do not like it one bit. I am going to miss Andy Biemiller. Even when I do not agree with him, I like to know what Andy Biemiller has to say about a subject because he is so dedicated and so knowledgeable.

Andy has been a part of the Washington scene for a third of a century, having served two terms as a Member of this body as Representative of the Fifth District of Wisconsin and a labor lobbyist for the rest of those years. Since 1956, he has been director of the legislation department of the AFL–CIO, a role in which most of us have known him.

He is more than a labor lobbyist and former Congressman, however. He has been a college professor, newspaperman, State legislator, and Presidential appointee.

As a member of the Wisconsin Legislature, Andy was fighting for better health care for everyone in the country in the middle 1930's. As a Congressman, he allied himself with the late Hubert Humphrey to press for a civil rights plank in the Democratic platform of 1948. As a lobbyist, he insisted on a fair employment practices section in the Civil Rights Act of 1964.

Thus, he was on the cutting edge of ideas to make the American dream come true for all Americans. He fought for things when they were unpopular.

It may be beyond the comprehension of some of us today that there ever should have been a question about a civil rights plank.

We all can understand the philosophy that Andy passed on in a recent interview. He said it comes from his friend and boss, George Meany, and he supports it fully and has lived by it:

"Don't beg, don't threaten, and don't assume that you're always 100 percent right."

One thing is 100 percent. That is, we all miss Andy Biemiller around here.●

● Mr. JOHNSON of California. Mr. Speaker, it is with great pleasure that I join with my colleagues in honoring a great man, a former colleague, and a personal friend, Andrew Biemiller. It is most fitting that we take time from our busy schedules to take note of the many accomplishments and achievements of this great American.

Although Andy is most widely known for his outstanding efforts as legislative director of the American Federation of Labor-Congress of Industrial Organizations, he had a very diversified career before taking over this important post. One of his first careers was in education. As a professor of history, Andy learned important skills which were to serve him well in the future. Little did he know at that time that he would help to write many pages of modern history in the years to come.

His political experience came first as a State assemblyman in Wisconsin and subsequently as a Representative from Wisconsin to the House of Representatives in Washington, D.C. Andy serve admirably as a Member of the 79th and 81st Congresses. He has been a long and loyal member and supporter of the Democratic Party and we trust that he will continue this association.

In addition to elective office, Andy also served in the executive branch first as the Vice Chairman to labor production under the War Production Board and later as a special assistant to the Secretary of the Interior.

This wealth of experience in addition to his natural intellect and and warm personality made him a most appropriate choice as the new legislative director of the AFL–CIO in 1956. Andy in partnership with George Meany and Lane Kirkland has molded that organization into a very effective and important influence on this Nation. The legislative accomplishments of the American Labor Movement are very much a product of the hard work and determination of one man—Andy Biemiller.

We here in the Congress who have worked with Andy over the years are sincerely going to miss him. We take this opportunity to honor him and pay tribute to all that he has done in behalf of the working man and woman. I want to wish him the very best for the future as he takes a very well deserved rest. I hope that he will continue to share his wisdom with those of us in the Congress as he undertakes new activities and responsibilities.●

● Mr. CORMAN. Mr. Speaker, Andy Biemiller has passed the torch and closed the door on a quarter of a century's public service to the labor force. His retirement brings to an end a distinguished career as labor's closest ally in Washington and most dynamic and effective representative of labor's commitment to a broad array of social legislation.

Andy's career covers a wide range of interests. He started as a university history professor who moved to Wisconsin and became a labor organizer. He later served in the Wisconsin State Assembly rising to a leadership position, and finally came to Washington first as an assistant to the vice chairman for labor production of the War Production Board and then as a Member of the 79th and 81st Congresses. In 1956, Andy assumed the responsibility of the chief labor representative for the AFL–CIO. By that time, he had made a firm commitment to the city of Washington, and I am pleased to know he plans to remain here and enjoy his retirement.

While Andy can be remembered for many major legislative triumphs during his service to labor, I will best recall his total dedication to the civil rights movement. Before I had the pleasure to know Andy, he was already a true friend of the civil rights cause. He was the principal architect, along with the late Senator Hubert Humphrey, in pushing through the civil rights plank at the 1948 Democratic Convention. He took a stand at a time when it was considered a liability to be counted on the side of civil rights leaders.

In 1964, I had the privilege to watch and work with Andy as he fought to have a fair employment provision written into the 1964 Civil Rights Act. His unrelenting determination paid off and his efforts rewarded with a law requiring fair employment for men and women of all races. There is no question that Andy was a prime force in labor's involvement in civil rights issues.

His presence will be missed by all who had the honor and personal privilege to work with him over the years. It is my hope that he will enjoy good health, happiness, and contentment in the years ahead.●

● Mr. PERKINS. Mr. Speaker, the AFL–CIO has announced the retirement of its vice president and legislative director, Andrew J. Biemiller.

Obviously the announcement was premature, for Andy Biemiller is very much alive—and he is the kind of fellow who does not retire.

As long as Andy has a conscious moment, I know he is going to be thinking about what can be done to improve the lot of America's working men and women.

He is going to be fuming about the high cost of health care for the ordinary people of the country. He is going to be looking at 6-percent unemployment and reminding anybody who will listen that the figure is too high.

He is going to keep telling us that we are not doing enough to stimulate the creation of new jobs, or to spur economic growth.

He is going to be telling us that programs for the poor and the elderly and the disadvantaged do not measure up to the standards of decency and compassion he believes reside in the hearts of the American people.

In this, I think we and the country are very fortunate. For we need a voice of his authority, and a man of his stature and credentials to remind us of who we are and of what this country is.

I consider myself privileged to have known Andy Biemiller and to have worked with him for 30 years.

Back in 1950, I thought it was something of a calamity when he was defeated for reelection to the House. But in hindsight, I wonder if it was not an opportunity for him to broaden his sights and his scope of influence.

In the years that followed, he served a constituency that was much larger than his Wisconsin district. He was no longer hemmed in by district lines and State boundaries, but was free to fight for the things he believed in on a national and international scale.

As chief legislative spokesman for one of the great labor organizations of the world, he was able to bring the influence of the AFL–CIO to bear in any number of areas in which the needs of people could be met.

He has the wisdom to see that "labor" is not a water-tight compartment, isolated from all others in American society. "Labor" is people—people who need fair wages, decent working conditions, good medical care, good educational opportunitie, the safeguarding of their basic human rights. And at the same time, he recognized that "labor" is people who pay the taxes and pick up much of the tab.

So, in a real sense, Andy Biemiller has not been so much a "labor" man as a "peoples" man.

We can measure his effectiveness these last three decades by cataloging all the major pieces of legislation that have sought to bring some measure of financial security and economic opportunity to a great majority of our citizens.

Andy Biemiller is an intellectual who has not disdained the rough and tumble of the political process as a means of advancing social progress.

He is shrewd, he is persuasive, and he is tough. At the same time, he is decent, he is fair, and he is ever the gentleman.

Over the years, I have valued his wise counsel on many matters, including those beyond the strict "labor" field. Never once did he ever suggest any course that was anything but the most honorable, and never once did he ever press for any action that would not in some way promote the general welfare and the common good.

If now, at the age of threescore and twelve, he has decided to step aside and be a little less visible, I know that Andy has not abandoned one iota of interest in what happens to the working people of America, or in the poor or the elderly or the jobless, or the children. It is good that we will still have his counsel to call upon.

Mr. Speaker, years ago Thomas Riley Marshall delivered a line that went, "What this country needs is a good 5-cent cigar." Today, I want to update that and say, "What this country needs is a permanent Andy Biemiller."●

● Mr. DICKS. Mr. Speaker, I want to take this opportunity to add my deep appreciation for the long and dedicated career in public service which Andy Biemiller has given to this Nation and its workers.

First, as a member of this body, and for 23 years as the legislative director of the AFL–CIO, Andy Biemiller has worked for improvement in the conditions faced by the working person. Over the last quarter of a century we have seen great strides in the treatment of our most essential resource, the labor of our people.

The Congress has enacted legislation improving the safety of working conditions which have resulted in thousands of lives saved and disabilities avoided. We have continued to provide a minimum wage that helps insure that those on the lowest end of the income scale will have a better chance to meet life's necessities through productive labor instead of through welfare dependence.

All of our efforts have not been successful. Some have run into the harsh realities of limited resources. But while there have been many able champions of the interests of the average American worker in the Congress, there has been no more effective advocate than Andy Biemiller. While I only served in the Congress during the last 2 years of his tenure as legislative director, the legacy he has built will make his influence felt far beyond the time that I will leave this body.

I know Andy will continue in retirement to fight for the rights of the American worker. I wish him Godspeed.●

● Mr. DANIELSON. Mr. Speaker, I rise to express my admiration and best wishes to Andy Biemiller on this occasion of his retirement after more than 20 years as legislative director for the AFL–CIO.

Andy, of course, had a distinguished career for many years before going to work for the AFL–CIO—as a teacher, a union organizer, State legislator, Member of Congress, Federal official, and public relations counselor.

From my own vantage point, I know that Andy Biemiller will be sorely missed as a friend, and as an effective and valuable advocate of labor's point of view. He has always been extremely helpful and well informed when issues of importance both to labor unions and to his fellow man are before the Congress.

Andy Biemiller is a compassionate, understanding, and purposeful champion of those who need help the most. I wish him long health and happiness in whatever endeavors he chooses to undertake in the future.●

● Mr. RANGEL. Mr. Speaker, with the coming of the new Congress, labor has lost its most effective voice to Congress, and Congress has lost a valuable source of information and support. Andy Biemiller has been a help to us all. Always a champion of the poor and the minorities, Andy combined his experience as a legislator, his knowledge of his area, and his special capacity to work with people to make himself one of the most respected and most effective lobbyists on Capitol Hill.

Andy has been fighting for the wage earners in the country for as long as anyone can remember. In the 1930's he was fighting in the South to organize labor. In 1948 he was fighting alongside the late Hubert Humphrey to include a landmark civil rights plank in the Democratic platform. Since then, he has fought countless other battles for the working poor. Those battles will not be forgotten.

The legislative process will be that much harder for the want of Andy's experience and expertise. I join my colleagues in wishing him the best in his retirement, and success in whatever endeavors he chooses to apply himself.●

● Mr. MAZZOLI. Mr. Speaker, with the retirement of Andrew J. Biemiller, America's working men and women have lost a strong advocate and a dedicated spokesman. And, Capitol Hill has lost one of its most tireless and energetic lobbyists.

Andy Biemiller's service spans some 34 years. He first came to the Hill as an elected Member from Wisconsin in 1944. After some ups and downs at the ballot box, Andy left electoral politics but stayed in Washington and became legislative director for the AFL–CIO in 1956.

Not only has he worked hard to protect the rights of America's working men and women, but he has fought long and hard for the rights of all Americans.

His leadership and knowledge of the issues will be missed.

Best wishes to you, Andy, for a healthy, happy, and prosperous retirement.●

● Mr. ANNUNZIO. Mr. Speaker, I rise in tribute to the Honorable Andrew J. Biemiller, former Member of Congress from the State of Wisconsin, who has retired as the legislative director of the AFL–CIO. I am proud to call him my friend. His respect for and understanding of the needs of working Americans and those disadvantaged by fate are reflected by his splendid record of accomplishment during his long and distinguished career.

Andy Biemiller began his life of exemplary leadership as a delegate to the Philadelphia Central Labor Union in 1929, and beginning in 1932, as a labor-relations counselor, organizer, and executive board member of the Milwaukee Federation of Trade Councils and the Wisconsin State Federal of Labor. He was a member of the Wisconsin State Assembly from 1937 to 1942, and was a floor leader from 1939–1941.

In 1941, Andy was appointed special assistant to the vice-chairman for labor production of the War Production Board, where he remained until 1944. He was then elected to a seat in the House of Representatives, and served in both the 79th and 81st Congresses. From 1951 to 1952, he was a special assistant to the Secretary of the Interior, and then went on to serve as a member of the legislative committee of the American Federation of Labor. It was in 1956 that he was elected the Director of the AFL–CIO legislative department.

Andy has also served as a member of the Citizens Advisory Committee of the Outdoor Recreation Resources Review Committee, a member of the National Petroleum Council, a Labor Adviser to the U.S. delegation to the General Agreements on Tariffs and Trade Conference, and a member of the Labor-Management Advisory Committee for the Atomic Energy Commission.

Andrew J. Biemiller has dedicated his life to the betterment of his fellow citizens and compiled an outstanding record on civil rights and health care legislation for all Americans during his distinguished career. His diligent efforts have been both fruitful and beneficial to the citizens of this Nation, and indeed, these successful efforts have made America a more prosperous and productive country.

I extend to Andy my warmest best wishes for a long, healthy and well-deserved retirement.●

● Mr. BROOKS. Mr. Speaker, our former colleague Andy Biemiller retired from the Congress in 1951. Although he moved onto other duties, he never really left the Congress.

In the intervening years he has been virtually a fixture in the Capitol, the buildings and the individual offices of the Congress as he put his formidable knowledge and ability to work for the Workers of America.

Andy's advocacy for the interests of the working men and women of this country and of the unions in the AFL–CIO is exemplary. Even as a strong advocate for a special interest group, Andy Biemiller never forgot the realities that we work with here in Congress. He was able to blend those realities with the goals of his organization to achieve workable solutions and programs. He also has never forgotten the needs we have as Members of Congress for accurate and reliable information. In my many dealings with him he has always been candid and forthcoming.

If an individual were to come to me who has just become a lobbyist and ask me how he can best perform that function I would recommend he emulate Andy Biemiller. If he did he would know that honesty and integrity are equally as important as the merits of the programs or legislation being promoted. He also would learn that to be a successful lobbyist, or advocate, one must know the limitations imposed on an individual legislator by his district and his constituency.

Andrew Biemiller has always been a realist. He has managed to keep an awareness of the intricacies of the Congress and the problems its members face. He also has been blessed with the enviable situation that he represents a constituency he understands, respects and loves—the working people of our Nation.

I wish him well as he embarks on a new career, for I am sure he is not going to just sit back and enjoy the leisure he has so justly earned. Whatever he does we can be sure that all Americans will benefit from those efforts.●

● Mr. LELAND. Mr. Speaker, I am pleased to join in this special order honoring such a fine distinguished gentleman as Andy Biemiller.

Mr. Biemiller has achieved a record of high esteem both as a legislator and a legislative adviser. His persuasive abilities are respected by all Members of the Congress.

He has been actively involved in the enactment of civil rights legislation through the AFL–CIO and in the entire area of Socio-economic reform. Biemiller also fought for the national health insurance plan as early as 1937 and is still actively involved in that struggle.

Mr. Biemiller will be missed on the Hill as one with a reputation for not accepting "No" as an answer. Andy is a great inspiration to me and I am sure the AFL–CIO will suffer a great loss by not having his day-to-day advice.●

● Mr. ZABLOCKI. Mr. Speaker, my friend and our former colleague from Milwaukee, Mr. Andy Biemiller, recently announced his retirement as legislative director of the AFL–CIO.

I had the privilege of serving with Andy Biemiller in the 81st Congress when he represented the Fifth Congressional District of Wisconsin, which is adjacent to my own Fourth District of Wisconsin. At that time we were the only Democrats in this House from the State of Wisconsin. I remember an interest of Andy's which later paid off in his work in the Congress as well as in future accomplishments with the Democratic conventions and with the AFL–CIO. Andy was an ardent student of parliamentary procedure, and he used his expertise in this field to steer his programs to adoption.

Andy was and still is well informed not only with respect to his own position, but with respect to his opponents. He is persuasive and demanding and rarely gives up. As a matter of fact, I have heard Andy assert, rather proudly, that because of his "tutelage" I have the best labor voting record in the Midwest! I won't quarrel with Andy in this assertion, but I will point out that we have had no major differences on primary legislative issues over the years.

Mr. Speaker, I recently had the privilege of attending a dinner organized by the Leadership Conference on Civil Rights in which the organization's Hubert H. Humphrey Civil Rights Award was bestowed upon Andy Biemiller. Andy fought long and hard for liberty and justice for all. He also dedicated his life toward the betterment of the working man, and few would agrue that he is to be commended for a job well done.

I might add that Andy and I long ago discovered that we have a common hobby—gardening. However, Andy's speciality is roses and mine is vegetables. When he would proudly display his roses I would remind him that he had more time to tend to his roses. And naturally I have found occasion to advise him that he cannot eat his roses but I can eat my lettuce!

On a more serious note, I can attest that Andy Biemiller will be missed in the Halls of Congress, and by the millions of members of the AFL–CIO. I extend my personal and sincere best wishes to Andy and his lovely wife Hannah. May they have a happy retirement and enjoy many years with their children and grandchildren.●

FEDERAL REIMBURSEMENT TO CITIES FOR FOREIGN MISSION PROTECTION EXPENSES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 10 minutes.

● Mr. GREEN. Mr. Speaker, today I am introducing a bill to direct the Secretary of the Treasury to reimburse State and local governments for providing police protection with respect to foreign diplomatic missions and certain foreign officials. This bill is similar to H.R. 14261, which I introduced in the 95th Congress.

In December 1975, Congress enacted the Foreign Missions Protection Act, Public Law 94–196. Public Law 94–196 amended section 202 of title 3 of the United States Code to add foreign diplomatic missions outside of the District of Columbia to the protective responsibilities of the Executive Protective Service, which now is called the U.S. Secret Service Uniformed Division.

In the report to accompany S. 2796, which became Public Law 94–196, the Senate Committee on Public Works made the following observation:

> A strong national interest exists in assur- the safety of foreign officials visiting the United States, whether those visits are to Washington, D.C., or other areas of the United States. Developments since the passage of P.L. 91–217 demonstrate the need for protective services wherever a substantial number of foreign missions exist. As this need has increased—and it could increase still further—local communities should no longer be forced to bear the full cost of what is essentially a national obligation.

To help local communities with the expenses of this "national obligation," Public Law 94–196 included a provision for Federal reimbursement of State and local services, personnel, equipment, and facilities for "extraordinary" protective functions.

The key to the 1975 law is the word "extraordinary." The law does not reimburse State and local law enforcement agencies for routine protection of diplomatic missions. Reimbursement under Public Law 94–196 is subject to three criteria: First, there is an extraordinary protective need; second, the affected metropolitan area requests reimbursement; and third, the extraordinary protective need arises in association with a visit to or occurs at a permanent mission to an international organization of which the United States is a member or an observer mission invited to participate in the work of such organization.

The Foreign Missions Protection Act of 1975 also established an authorization limit for reimbursement of $3.5 million for any fiscal year. In addition, only cities with 20 or more foreign missions are eligible. Cities meeting this requirement include: Chicago, Houston, Los Angeles, Miami, New Orleans, New York, and San Francisco.

In an effort to learn how Public Law 94–196 has been implemented, I wrote the following letter in June 1978 to Richard J. Davis, the Assistant Secretary for Enforcement and Operations of the Department of the Treasury:

> HOUSE OF REPRESENTATIVES,
> *Washington, D.C., June 12, 1978.*
>
> Hon. RICHARD J. DAVIS,
> *Assistant Secretary, Enforcement and Operations, Department of the Treasury, Washington, D.C.*
>
> DEAR MR. DAVIS: I am the Representative for the 18th Congressional District in New York. This district in New York City includes the United Nations and a number of foreign diplomatic missions.
>
> In February, 1978, you testified before the House Appropriations Subcommittee on the Treasury, Postal Service, and General Government Appropriations. At page 298 of the Subcommittee's hearings on the FY 1979 budget request for the Department of the Treasury, Chairman Steed asked about the extent of payments to local governments for their help in guarding foreign nationals. He was referring to implementation of Public Law 94–196.
>
> Mr. H. Stuart Knight, Director of the Secret Service, responded that one request under P.L. 94–196 had been received from New York City and that it had been reviewed and favorably recommended. You then added

to his comments: "That has been received by my office, and I think we are just checking a couple of points. It should be processed within the next several days."

This testimony gives rise to three questions I would like to have answered: (1) What were the facts surrounding the request from New York City referenced in the hearing, and what is the present status of that request? (2) Since the enactment of P.L. 94–196, how many requests have been made by New York City, and what has been their disposition? (3) Since the enactment of P.L. 94–196, what States and local governments have made requests, and what has been their disposition?

Thank you for your considerate attention.

Sincerely,

S. WILLIAM GREEN,
Member of Congress.

Assistant Secretary Davis responded with the following information:

DEPARTMENT OF THE TREASURY,
Washington, D.C., July 12, 1978.

Hon. WILLIAM GREEN,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. GREEN: This responds to your letter of June 12, seeking information concerning the implementation of Public Law 94–196 which provides for the reimbursement to State and local governments of certain expenditures in cases of extraordinary protective need involving foreign diplomatic missions. You posed two questions concern-the implementation of P.L. 94–196 with regard to New York City and one question concerning requests from other State and local governments.

The Treasury Department has received two submissions under P.L. 94–196 requesting reimbursement for protective assistance rendered by the City of New York. The disposition of these requests is discussed below.

The initial submission of New York City was made on September 29, 1976, for extraordinary protective needs existing from July, 1974, to September, 1976. The total amount requested for reimbursement was $1,289,921. On January 10, 1977, a revised request for reimbursement was submitted. The total amount of this first request was raised to $2,451,358.78, which included the cost of protection at locations other than foreign missions or temporary domiciles and the cost of protection during travel between locations.

On January 24, 1977, Mayor Beame was informed that both of the requests from the City of New York had been received, but further detail was needed before a determination regarding reimbursement could be made. It was also explained that reimbursement could only be made if the extraordinary protective need arose in association with a visit to or occurred at a permanent mission to an international organization of which the United States is a member, an observer mission invited to participate in the work of such an international organization, or a place of temporary domicile in connection with such a visit. Therefore, the cost of protection at any other locations or during travel between locations was not reimbursable.

On April 6, 1977, New York City submitted a further updated and revised request for reimbursement. As a result of eliminating the cost of protection at locations not covered by the provisions of the law and the cost of protection during travel between locations, the amount of this request for reimbursement was reduced to $1,220,302.71. In addition, it was determined that $1,536.55 for escort services had also been included. Since escort services are not covered by the provisions of the law, that amount could not be reimbursed. The adjusted total reimbursed was $1,218,739.16.

The greater part of the submission from New York City, which was pending at the time of our appropriations hearing, was approved on March 15; and we advised Congressman Steed, Chairman of our Appropriations Subcommittee, of that action. New York City had made the request, its second since enactment of the law, on December 29, 1977, seeking reimbursement for the cost of extraordinary protective needs incurred during the visits of three different foreign Heads of State to the United Nations during the period April through July, 1977. The request was for $80,569.62, and we authorized reimbursement of $65,366.31.

Most of the reduction, $13,694.12, was caused by New York's combining of possible reimbursable costs with others which are not reimbursable, thus, making it impossible for us to distinguish between the two and authorize a larger payment. I advised Mayor Koch that further reimbursement may be made if New York City makes the appropriate distinctions between the cost of protective assistance for the United Nations complex (not reimbursable) and that for United Nations missions or temporary domiciles. We have not yet received any additional, distinguishing information.

Other reductions, involving several mathematical errors in the computation schedules, necessitated a reduction of $699.17 from the total.

As in the first request in 1976, another problem arose from the eligibility provisions of Public Law 94–196, requiring that the extraordinary protective need arises in association with a visit to or occurs at a permanent mission to an international organization of which the United States is a member or an observer mission invited to participate in the work of such an international organization. This would not include reimbursement for protection rendered at the international organization itself, i.e., the United Nations. Therefore, $810.02 for assistance provided at the United Nations was deducted from the total submitted.

You should also note that an additional amount, $36,813.49, was claimed separately for escort services provided by the N.Y.P.D.; but it was found not to be payable under Public Law 94–196.

We have not yet received any additional requests for reimbursement from New York City, but we anticipate receiving one shortly. Furthermore, I have recently discussed the matter of reimbursements with Commissioner McGuire of the New York Police Department; and Treasury is carefully reviewing the statute and the implementing regulations to ensure that New York City is receiving fair and equitable treatment within the requirements of the statute.

The City of New York has been the only jurisdiction to request assistance under Public Law 94–196. Other metropolitan areas have requested information concerning the reimbursement provisions, but no submissions have ever been received. The Secret Service has also received requests from State and local governments for reimbursement for assistance rendered under circumstances other than those covered under P.L. 94–196. However, no such reimbursements have been made since there is no authority to do so.

I hope this information is of assistance to you. If you have any further questions, please contact me.

Sincerely,

RICHARD J. DAVIS,
Assistant Secretary,
(Enforcement and Operations).

This response from Assistant Secretary Davis underscores the Treasury Department's narrow interpretation of Public Law 94–196. Indeed, Mayor Koch's office points out that the Secretary of the Treasury disallowed $1.3 million in claims submitted by New York City last year for police protection related to the visit of a foreign dignitary. Further, the mayor's office anticipates that an additional $1 million will be disallowed.

The Treasury Department's reluctance to approve claims filed under the "extraordinary" protection provisions of Public Law 94–196 is at odds with the broader view of implementation of this legislation enunciated in the Senate Public Works Committee's report on the original measure (S. Rept. 94–573):

> Whenever possible the Executive Protective Service should utilize local police agencies in fulfilling the duties outlined in this bill. Local police are more knowledgeable about local conditions than officers sent from Washington. And the cost savings from the use of local officers could prove substantial. The cost in salary, transportation, and benefits of sending one Executive Protective Service officer to New York City for one week is estimated by the Treasury Department at $700, or an annual rate of about $35,000. That is approximately twice the cost, in salary and benefits, of using one New York City policeman. The cost savings would be proportionally greater at locations more distant from Washington.

As I noted earlier, that same committee report emphasized that "local communities should no longer be forced to bear the full cost of what is essentially a national obligation." New York and the other six cities that provide police protection to 20 or more foreign missions are performing a national service that otherwise would be the responsibility of the Federal Government. In effect, local law enforcement personnel are "filling in" for Federal authorities.

Each year, New York City spends approximately $7.9 million providing normal daily police protection to foreign missions, consulates, residences, and private properties, as well as intracity travel coverage for visiting foreign dignitaries. I believe that New York City and the other cities providing such protection should be reimbursed by the Federal Government for the expenses they incur in furnishing regular police coverage. The bill I am introducing would authorize Federal reimbursement to States and local governments for this daily police protection. However, reimbursement would not be available for services provided with respect to a foreign diplomatic mission if the local government routinely provides the same or similar services with respect to other buildings or facilities which are located in the area near the foreign mission. Thus, if a local law enforcement official stands guard in front of a foreign mission, the local government could be reimbursed for this service. In contrast, if the local law enforcement official patrols a neighborhood routinely where there happens to be a foreign mission, the local government could not be reimbursed for this activity.

My bill would remove what I consider a Federal financial responsibility from the budgets of seven major cities. This would free funds to be used for other necessary local law enforcement expenses or other budgetary priorities.

For the benefit of my colleagues, the text of the bill follows:

H.R. 1789

A bill to direct the Secretary of the Treasury to reimburse State and local governments for providing certain protection with respect to certain foreign diplomatic missions located in the United States and with respect to certain foreign officials

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) except as provided in subsection (b), the Secretary of the Treasury shall reimburse State and local governments—

(1) for providing protection on a regular basis with respect to foreign diplomatic missions located in metropolitan areas (other than the District of Columbia) in the United States where there are located twenty or more such missions headed by full-time officers; and

(2) for providing protection with respect to any foreign official during any period—

(A) when such an official is conducting business or other activities associated with a foreign diplomatic mission referred to in paragraph (1) in a metropolitan area referred to in such paragraph; or

(B) when such an official is conducting business or other activities at a permanent mission to an international organization of which the United States is a member or an observer mission invited to participate in the work of such organization and which is located in a metropolitan area referred to in paragraph (1).

(b) No reimbursement shall be made under subsection (a)(1) for services provided by a State or local government with respect to a foreign diplomatic mission if such government routinely provides the same or similar services with respect to other buildings or facilities which are located in the area near such mission and which are not used as foreign diplomatic missions.

(c) The amount of reimbursement to be made to any State or local government during any fiscal year under subsection (a) shall equal the aggregate of all costs incurred by such government during such fiscal year in providing protection referred to in subsection (a).

SEC. 2. The Secretary of the Treasury may issue such regulations as he deems appropriate to carry out the purposes of this Act.

SEC. 3. There is authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act for the fiscal year ending on September 30, 1979, and for each succeeding fiscal year.●

GOLDA MEIR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 10 minutes.

● Mr. HARRIS. Mr. Speaker, Golda Meir died shortly after Congress adjourned, but I wanted to speak briefly to my colleagues about this rare national leader who concerned herself with the fate of all Jews the world over.

Although Zionism was her core thought, her hopes reached far beyond. She left America to help create a homeland for all Jewish people. She thrust herself into the work of the kibbutz, showing no fear of getting her hands dirty.

This extraordinary woman, throughout her life of leadership, sought mutually beneficial Middle East relationships. As peace hovers on the horizon today, we can gain satisfaction in knowing that Golda Meir will be listed in history as its primary architect.●

JOINT RESOLUTION ON TAIWAN DEFENSE

The SPEAKER pro tempore. Under a previous order of the House the gentleman from New York (Mr. WOLFF) is recognized for 30 minutes.

GENERAL LEAVE

Mr. WOLFF. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOLFF. Recently, Mr. Speaker, I introduced legislation in the House regarding the joint resolution on Taiwan. This is similar to the resolution that was introduced by both Senator KENNEDY and Senator CRANSTON in the other body. Today we have more than 80 Members of this House who have joined in this resolution.

The language of the joint resolution clearly expresses what I feel is the concern of the great majority of the American people over the administration of this Congress, namely that the future peace and prosperity of Taiwan is and will remain a legitimate concern of the United States.

The importance of the joint resolution thus is correspondingly clear: It gives the force of law to our concerns for Taiwan and is an important step in reassuring the people on Taiwan of our serious intentions in their regard. The fact that we are moving to meet realities in Asia does not mean that we are moving away from the people of Taiwan but, rather, the opposite—that in moving to meet the realities in the region we are also moving to safeguard the continued peace and prosperity of the people of Taiwan. Without formal recognition of the People's Republic of China, achievement of this goal had to remain in doubt. Now, with a new realism in both Washington and Peking, the interests of the entire region cannot but be better addressed.

On missions to Asia in the past 2 years, in my capacity as chairman of the Subcommittee on Asian and Pacific Affairs, the leaders of nations counted on as our friends, allies and trading partners have repeatedly stressed that they too look to a peaceful solution to the future of Taiwan. This is an important point and one which I feel the leaders in Peking clearly recognize and have responded to.

On our mission to Peking last July we met for nearly 2 hours with Senior Vice Premier Teng Hsiao-ping, who is in the United States this week. In our conversations with the Vice Premier in Peking and subsequently in the United States, the interests of the United States regarding the future peace and prosperity of Taiwan and the need for continued stability in the region were fully discussed.

Our delegation was encouraged by the Premier's words at that time and the words subsequently which he has repeated, and which I have been told by Secretary of State Vance and Assistant Secretary Holbrooke aided greatly in moving forward the important and historical process of the normalization announced September 15 by President Carter. Speaking to our delegation last July, the Vice Premier repeatedly said that in seeking a peaceful solution to the future of Taiwan, Peking would recognize what he termed the "realities" of U.S. interests on Taiwan. He specifically endorsed continued U.S. trade and social relations with the people of Taiwan along the lines which had been pursued since 1972 by Japan, a major trade partner of Taiwan. Since then, the Vice Premier has stated that the people of Taiwan should continue their own self government, maintain their own self defense, and continue their own economic system.

Thus I think it is clear that the leadership of the People's Republic of China is well aware of the united interest of their Asian neighbors, and of Taiwan's western trading partners, in a peaceful settlement to Taiwan's future.

□ 1200

It is true that while Chinese leaders have steadfastly refused to rule out the use of force on Taiwan, they have always accompanied such statements with expressions of a desire to create peaceful conditions. Indeed, it was within the context of peaceful conditions that the Vice Premier commented on the intention of the United States to continue to sell defense equipment to Taiwan once the Mutual Defense Treaty has expired. This is a legitimate concern and one which the President has addressed in his decision to continue to supply Taiwan with defensive weapons, and his equally evenhanded determination not to sell offensive weapons to the People's Republic of China.

Mr. Speaker, at this point, I should like to include in the RECORD the contents of the joint resolution.

H.J. RES. —

Joint resolution regarding the peace, prosperity, and welfare of the people on Taiwan, and the Pescadores, and for other purposes

Whereas the governments of the United States and the People's Republic of China on January 1, 1979, recognized each other and establish diplomatic relations;

Whereas the President on January 1, 1979, terminated diplomatic relations with the Republic of China and gave notice that on December 31, 1979, the United States will terminate the Mutual Defense Treaty between the United States of America and the Republic of China, pursuant to Article X thereof;

Whereas the American people have had and desire to continue to have extensive, close and friendly relations with the people on Taiwan and the Pescadores (hereinafter "Taiwan");

Whereas the United States has a continuing interest in the peaceful resolution of the Taiwan issue and expects that the Taiwan issue will be settled peacefully by the Chinese themselves;

Whereas in pursuance of its interests in the stability and peace of the area, the United States will continue to provide Taiwan with arms of a defensive character;

Whereas the United States recognizes that an armed attack directed against Taiwan would represent a danger to the stability and peace of the area;

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. The President is directed to inform the Congress promptly of any danger to the interests, concerns, and expectations of the United States in the peace, prosperity, and welfare of Taiwan.

SECTION 2. The Congress finds and declares that it is the policy of the United States to act in accordance with constitutional processes and procedures established by law to meet any danger described under section 1, and otherwise to safeguard the interests, concerns and expectations of the United States.

Mr. Speaker, actually what I would like to do is to reiterate the determination of the United States to find a peaceful solution to this vexing problem.

Recently, Mr. Speaker, one of the Members of this body sent a letter around to the Members of the House stating opposition to the resolution, and that was the gentleman from Illinois (Mr. FINDLEY).

One objection the gentleman from Illinois (Mr. FINDLEY) apparently has raised with the so-called Kennedy-Wolff resolution on Taiwan is that the resolution contains "no effective congressional safeguards." Although he allows as how Kennedy-Wolff requires that action must be "in accordance with constitutional processes and procedures established by law," he points out that this resolution "will not require the President to come to Congress before sending U.S. forces to Taiwan."

What, exactly, are these "procedures established by law"? And, if that is true, as the gentleman from Illinois (Mr. FINDLEY) says, that Kennedy-Wolff "will not require the President to come to Congress before sending U.S. forces to Taiwan," why is this?

Mr. Speaker, in 1973 the Congress passed House Joint Resolution 542, the so-called war powers resolution. I am proud to say that I supported the war powers resolution at that time. It is also interesting to note that one of the principal cosponsors of this resolution was the gentleman from Illinois (Mr. FINDLEY). And, not only was he a cosponsor, but he argued eloquently and effectively for its passage on the floor of the House; and when it became time to resolve the differences between the House version and the version passed by the other body, the gentleman from Illinois (Mr. FINDLEY) was, indeed, a conferee. The passage of this important resolution was due in large part to the efforts of my distinguished colleague, the gentleman from Illinois (Mr. FINDLEY).

So he was an architect of the war powers resolution. Yet, today, he would have us believe that House Joint Resolution 542 is somehow inadequate. He would have us believe that this "procedure established by law" which he said would serve this Nation so well in time of national emergency, is, somehow, inapplicable to the Kennedy-Wolff resolution on Taiwan.

It is true that Kennedy-Wolff does not require the President to come before this Congress before committing troops to the defense of our interests on Taiwan. But why is this? It is so because the provisions of the war powers resolution, cosponsored by the gentleman from Illinois (Mr. FINDLEY) do not require that the President do this. But if this is a reason for opposing Kennedy-Wolff, then it is a reason for also repealing the war powers resolution. Yet I do not think that this Congress, nor indeed the gentleman from Illinois (Mr. FINDLEY) would advocate this.

But is it correct to state that the gentleman from Illinois (Mr. FINDLEY) has now switched his allegiance from war powers? I think not, if we review just briefly what he himself has said about this monumental legislation.

During general debate on the passage of the war powers resolution, the gentleman from Illinois (Mr. FINDLEY) stated:

> I think this bill approaches the problem in a very rational manner, recognizing that there will be certain circumstances in which future Presidents will act without getting advance authority from the Congress in committing forces beyond our borders, but it provides a couple of, I think, very reasonable and very rational safeguards.

That is from the CONGRESSIONAL RECORD of June 25, 1973, at page 21218.

He goes on to state, on that same page:

> The war powers resolution of 1973 contains the machinery to assure more effective participation by Congress in future national decisions involving war and peace. [P. 21218]

□ 1205

Furthermore, the gentleman from Illinois (Mr. FINDLEY) argued for the passage of the war powers resolution because, and again I quote the gentleman from Illinois (Mr. FINDLEY):

> You can establish rules which will enhance the likelihood that in . . . future circumstances . . . before fighting breaks out—Congress will receive promptly a formal written report from the President . . .

Mr. Speaker, I interject by stating that is exactly what this resolution proposes to do, and we will require a formal report from the President.

I continue to quote the gentleman from Illinois (Mr. FINDLEY). He went on to say the following:

> . . . detailing and justifying the steps he has ordered. Upon such a report hearings could be expected. Congress, if it deemed such advisable, could pass judgment on the wisdom, propriety, constitutionality, and necessity of the action reported.

That is from page 21219 of the CONGRESSIONAL RECORD.

Mr. Speaker, I submit that nothing in the Kennedy-Wolff resolution contravenes any of this, the assertions which the gentleman from Illinois now makes to the contrary notwithstanding.

Perhaps the gentleman from Illinois (Mr. FINDLEY) has changed his mind in the 6 years since the passage of the bill for which he labored so diligently. But how do we account for this passage after debate? The gentleman from Illinois was quoted at that time as saying the following:

> . . . the war powers resolution provides a means of preserving congressional authority and augmenting congressional control in an area that presently is not subject to effective control through Congress' traditional oversight powers. It strengthens the checks and balances which the Founding Fathers put at the base of our political system.

That is from page 21221 of the CONGRESSIONAL RECORD.

Mr. Speaker, the gentleman from Illinois (Mr. FINDLEY) supported this resolution at the time of its passage; and I submit that circumstances have not changed in the intervening years.

Far from legislating a vague U.S. defense obligation into the indefinite future, as the gentleman from Illinois would have us believe from his communication, Kennedy-Wolff is consistent with war powers, is consistent with our national interest, is consistent with constitutional doctrine, and is a reasoned, well-balanced approach which safeguards the interests, concerns, and expectations of the United States.

Mr. Speaker, the gentleman from Illinois (Mr. FINDLEY) is implying that he does not like the discretionary authority given to the President under war powers. His argument is not with Kennedy-Wolff, for under war powers, the President could act first and then consult Congress, whereas under Kennedy-Wolff he is required to inform the Congress of dangers to Taiwan.

Mr. Speaker, I suggest that the gentleman from Illinois reread sections 1 and 2 of Kennedy-Wolff if he still has a problem. If he now has abandoned the bill which he worked so hard to pass, then he should move to amend the war powers resolution.

In sum, then, it is clear that the long-range interests of all nations is in a peaceful settlement of Taiwan's future. From our mission to Peking in July, and from our recent mission to Taipei, from which I just returned, following the President's normalization announcement, I feel that leaders on both sides of the Taiwan Straits want and desire a peaceful future for their people, a future which will safeguard economic and social development, and will also safeguard the interests of the United States which are prime in this concern.

Mr. Speaker, it is within this context that I have offered this joint resolution to the House today, so that the continued determination of the people of the United States is clearly stated, not to be misunderstood by any of the parties concerned, and that any atmosphere of uncertainty regarding U.S. intentions can be alleviated insofar as possible, and appropriate, by the Congress.

● Mr. SOLARZ. Mr. Speaker, I would like to take this opportunity to share my views with my fellow colleagues on the subject of Taiwan.

As you all know, the United States has undertaken a major revision in policy toward the Republic of China, as a result of the resumption of diplomatic relations with the People's Republic of China by

President Carter. In light of our historic as well as current relationship with Taiwan, I urge that the Congress join with me in supporting the joint resolution sponsored by Congressman WOLFF in the House, and Senators CRANSTON and KENNEDY in the Senate, expressing the sense of the Congress that it is within the interest of the United States to remain pledged to safeguard the interests, concerns and welfare of Taiwan and to work to maintain peace and security in all of Southeast Asia.

It is to our benefit that the United States not forsake Taiwan, its ally of 30 years duration. Strategically, continued participation in Taiwan's security maintains and demonstrates American interests in the area. In addition, Taiwan represents one of the most advanced economies in Asia with a real growth rate of more than 5 percent. In fact, Taiwan is our eight largest trading partner. Furthermore, Taiwan has also made some positive response to the Indochina refugee problem, and has ordered all its naval and merchant ships to pick up Indochinese "boat people" in distress on the high seas, and bring them back to Taiwan. Hopefully Taiwan will eventually provide even more humanitarian assistance to this beleaguered group, many of whom are ethnic Chinese.

Politically, it is in the continued interest of the United States to demonstrate, to our allies and associates, that the U.S. Congress, as a coequal branch in the formulation of American foreign policy, does not lightly view the long tradition of trust and friendship that has existed between the peoples of Taiwan and the United States. In the months ahead, the Congress will be carefully examining the proposed changes in our relationship with Taiwan and the People's Republic of China and just what changes it views as being within our best mutual interests. Therefore, I once again urge that you join with us in supporting this resolution pledging continued support for Taiwan.●

Mr. WOLFF. Mr. Speaker, I yield back the balance of my time.

EXTEND TO INDIVIDUALS CERTAIN PROTECTION AGAINST THE UNWARRANTED INVASION OF THEIR PRIVACY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. CAVANAUGH) is recognized for 5 minutes.

● Mr. CAVANAUGH. Mr. Speaker, one of the final actions of the 95th Congress was to extend to individuals certain protection against the unwarranted invasion of their privacy by the Federal Government when the Government wishes to obtain their financial records from a bank. Section 1104(d) of the Right to Financial Privacy Act requires that "financial institutions shall promptly notify all of their customers of their rights under the act." In the same subsection the Federal Reserve Board is instructed to develop a statement of an individual's rights and any bank using that statement to notify its customers will be in compliance. Some have construed the language to mean that a financial institution is required to notify all of its customers, past and present, of their rights in order to comply with the requirements of section 1104(d). In January the chairman of the House Banking, Finance and Urban Affairs Committee, HENRY REUSS, and the chairman of that committee's Subcommittee on Financial Institutions, the Honorable FERNAND ST GERMAIN, and I sent a letter to G. William Miller, Chairman of the Federal Reserve Board, clarifying "that the intent of the Congress in including section 1104(d) was to insure that only current customers of any institution receive notification of their rights under the act." A copy of that letter follows.

In responding to our letter, the Chairman of the Federal Reserve Board on January 17 informed us that requiring notification of current customers of financial institutions is "a sensible approach to informing individuals of their privacy rights, and would eliminate unnecessary costs and burden to financial institutions." His letter goes on to suggest that financial institutions should notify customers of their rights at the time that Government requests access, but notice is already provided for in other sections of the act and requires that the Government not the financial institution be responsible for notifying a customer of his rights at the time of access. The approach of the Board's Consumer Advisory Council would merely duplicate this requirement and place an added, unnecessary burden on the financial institution. A copy of Mr. Miller's January 17 letter also follows.

In order to remedy the situation, I am, along with cosponsors, today introducing legislation which will clarify that section 1104(d) of Public Law 95-630, was intended to achieve notification of an institution's active customers only. By using the term "active" we wish to minimize the paperwork burden on financial institutions, and the cost, while at the same time fulfilling the purposes of the act. We do not intend to require that any financial institutions make any special mailing to comply with this notice requirement. Instead, an institution that chooses to notify via mail may notify its customers when it has a routine contact with them. For example, institutions that mail their customers' monthly, quarterly or yearly statements could include the notice in their statement and be in compliance. Institutions which do not have regular mailings to each of their customers, such as credit card issuers that bill only when a customer incurs charges, could select a month in which to mail notices to those customers that receive a bill in that month. This would be sufficient. Institutions, such as consumer finance companies, which do not have contact with some of their customers by mail could comply by providing the notice when a customer next visits the company's office. Credit unions operating at a plant location might choose to hand out a flier or post a notice on the bulletin board. Institutions with regular, in person, contact with customers might put a placard in the office and make notices available at their offices.

This list is not meant to be exhaustive; it is designed to illustrate ways institutions may comply with the notice provisions by making good faith efforts to notify their active customers. Of course, new customers should be provided with the notice when their account is opened.

After extensive consultation with industry representatives during the development of the Right to Financial Privacy Act, language was developed that allowed maximum flexibility to financial institutions in devising methods of notifying their customers of the existence of new privacy rights. We hope that such a notification will go forward to the institution's active customers.

The referenced letters and a copy of the bill follow:

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 11, 1979.

Hon. G. WILLIAM MILLER,
Chairman, Federal Reserve Board,
Washington, D.C.

DEAR MR. CHAIRMAN: Sec. 1104(d) of Public Law 95-630 requires that all "financial institutions," as defined in Sec. 1101(1), promptly notify all of their customers of their rights under Title XI, Right to Financial Privacy. While necessary to insure the effectiveness and implementation of all other sections of Title XI, the definitions of "customer" in Sec. 1101(5) when applied to Sec. 1104(d) seems to expand the notification of customer requirement beyond the intention of the Congress. Should a strict constructionist view of the law prevail, the cost, paperwork and time necessary for compliance would be unjustified.

During hearings conducted by the Subcommittee on Financial Institutions, Supervision and Regulations on September 22, 1977, Congressman Cavanaugh made clear by inference that the intent of the Congress in including Sec. 1104(d) was to insure that only *current customers* of any institution receive notification of their rights under the Act. Clearly the Congress had no desire to place excessive requirements on the financial institutions and no such burden should now be imposed upon them.

It is our hope that you will consider the intention of the Congress regarding notification in developing your response and responding to industry questions on how they should proceed.

Sincerely,

HENRY S. REUSS.
FERNAND ST GERMAIN.
JOHN CAVANAUGH.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
Washington, D.C., January 17, 1979.

Hon. JOHN J. CAVANAUGH,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. CAVANAUGH: Thank you for your letter of January 11 with respect to the notice required under Section 1104(d) of the Right to Financial Privacy Act. I appreciate having your views that Congress intended that the notice should go only to current customers of financial institutions. Certainly this is a sensible approach to informing individuals of their privacy rights, and would eliminate unnecessary costs and burden to financial institutions. In considering this matter, the Board's Consumer Advisory Council recommended that the notice be required only when a Federal agency is seeking access to a customer's record. This has the advantage of notifying the customer at the very time when his rights are relevant, while reducing the notification burden even further.

In calling attention to this issue, you have expressed the hope that the Board will consider the intention of Congress regarding notification in responding to industry questions on how to proceed in this matter. Of course, financial institutions will continue to be uncertain about the legal requirement since the Board does not have any rulemaking or interpretive authority under the Act.

Under the circumstances, it would seem appropriate for Congress to clarify Section 1104(d) through an amendment. It might best serve the purpose of Congress to have such an amendment require the notice at the time that access to records is being sought by the Federal government.

The Board of Governors is most appreciative of your initiative to clarify this matter.

Sincerely,

Bill.

H.R. 1777

A bill to provide that financial institutions shall be required to notify only their active customers regarding the rights of such customers under the Right to Financial Privacy Act of 1978.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1104(d) of the Right to Financial Privacy Act of 1978 is amended—

(1) in the first sentence, by inserting "active" after "notify all of their"; and

(2) in the third sentence, by inserting "active" after "provides its".●

ARCHEOLOGICAL RESOURCES PROTECTION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. Udall) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, today I am introducing the Archeological Resources Protection Act of 1979. Mr. Rhodes and Mr. Rudd, of my home State of Arizona, and Mr. Lujan, Mr. Runnels, Mr. Marriott, Mr. Seiberling, and a number of other Members are cosponsoring this bill in the House. I am pleased to note two other fellow Arizonans, Mr. Goldwater and Mr. DeConcini, are cosponsoring a companion measure in the Senate to be introduced by Mr. Domenici of New Mexico.

Mr. Speaker, the purpose of this bill is to put a stop to what has become a tragic crime—the theft of irreplaceable Indian relics and artifacts from the public lands, particularly those in the Southwest.

This bill provides improved protection for important archeological resources and sites on federally owned public lands. The reasons why new legislation is needed are twofold: First, recent court rulings in the Ninth Circuit Court of Appeals (covering Arizona, California, Idaho, Montana, Nevada, Oregon, Washington, Alaska, Hawaii, and Guam) have held that the existing law protecting archeological artifacts is unconstitutionally vague. Second, even if the existing act were to be eventually upheld in the courts, the outdated penalties of a $500 fine and/or 90 days in jail are no deterrents to unscrupulous looters removing literally thousands of dollars worth of artifacts from public lands. In effect, this means that we have no way to prosecute and punish artifact thieves even if they are caught. Such a case happened in Phoenix a year ago, and caused some understandable outrage in the local press in that city.

The bill simply provides that no archeological resources may be disturbed or removed from public lands without first receiving a permit from the Secretary of the agency whose lands are involved. In order to receive a permit from the affected Secretary, an individual or organization must be deemed qualified to carry out the activity, and all archeological resources removed must be preserved for a satisfactory period of time in a suitable location, such as a museum or university.

The legislation also imposes stiff, but fair, penalties for all those convicted hereafter of removing or damaging archeological resources on public lands without a permit. Trafficking in illegally obtained artifacts is prohibited also. Civil penalties are provided for occasional violators; (that is, an unwary tourist) and criminal penalties are provided for more serious violations, with maximum penalties set at $100,000 and/or 5 years in prison. Individuals providing information leading to conviction of violators may receive rewards up to $2,500. These rewards should act as incentives to ranchers and other citizens assisting in the enforcement of the act. This reward system is needed because of the remoteness of many of the archeological sites and the lack of adequate Federal enforcement personnel to police them.

This legislation is not intended to interfere in any way with legitimate "rockhounding" or mining activities, and no permit is required under this act for those activities.

We are after those people who literally are stealing our national heritage, in pieces. Unless we act now, a large part of these priceless relics will be gone forever, not to wind up in museums for the education and enjoyment of all, but on the private mantels of the wealthy, many of them in other countries.

These thieves are now operating with impunity throughout the Southwest. They are brazen enough to use bulldozers and backhoes to destroy huge prehistoric sites for quick profit.

Yet this need not be the case. If we move now, we can pass this tough, new law and save this important part of our past. To do otherwise would amount to surrender to a pack of vandals of history—and we shall all be the losers.●

□ 1210

DESIGNATION OF MEMBERS OF COMMITTEE ON WAYS AND MEANS AS MEMBERS OF JOINT COMMITTEE ON TAXATION

The SPEAKER pro tempore laid before the House the following communication from the Chairman of the Committee on Ways and Means:

Committee on Ways and Means,
Washington, D.C., January 31, 1979.

Hon. Thomas P. O'Neill, Jr.,
The Speaker,
House of Representatives.

Dear Mr. Speaker: Pursuant to section 8002 of the Internal Revenue Code of 1954, the following Members of the Committee on Ways and Means have been designated as Members of the Joint Committee on Taxation:

The Honorable Al Ullman.
The Honorable Dan Rostenkowski.
The Honorable Charles A. Vanik.
The Honorable Barber B. Conable, Jr.
The Honorable John J. Duncan.

Sincerely,

Al Ullman, *Chairman.*

THE HONORABLE JAMES A. BURKE

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOAKLEY. Mr. Speaker, when I first came to Congress 6 years ago, I quickly came to rely on my friend and colleague Jim Burke who retired after 20 years of distinguished service at the end of the last session.

Jim Burke was one of the finest men I have ever known, or ever hope to know, and I will always treasure our friendship. Recently, Jim Burke's hometown paper, the Patriot-Ledger ran an outstanding feature on his service and it is a distinct honor for me to insert this article in the Record:

Jimmy Burke—Bitten by Politics Bug Early, He Never Lost It

(By Jack Keough)

"Politics," says James Aloysius Burke as he sits back in his chair and chomps on his ever-present cigar, "is like having a continual virus. Once it's in your system, it stays."

For most of Burke's 68 feisty years that virus has infected him—the last 20 while serving as congressman from Massachusetts' 11th District.

The virus has been thwarted now and it is time for Burke to call it quits from the profession he so dearly loves.

James Burke was born in South Boston in 1910—"once you're from South Boston, you're always from there"—the youngest in a family of 10.

"They were always picking on me because I was the youngest," he says with a laugh. "As a matter of fact, they still do."

In 1917, the Burke family moved to Mattapan and Burke graduated from Boston English High School. A year later he became involved in the rough and tumble world of Boston politics at the ward level.

Several years later he was elected to the state legislature as a representative and soon afterwards became one of the few Boston representatives supporting Maurice Tobin for mayor of Boston.

Tobin won, and Burke later became registrar of the Bureau of Vital Statistics for the city.

In 1940, at the age of 30, Burke resigned his position and challenged John McCormack for a congressional seat.

Burke lost—badly.

"John McCormack ran a decent campaign. The people made the right decision in voting him into office. He was the man for the job."

An ironic turn of events 20 years later would show House Speaker McCormack using his influence in getting Burke, only in his second term in Congress, named to the prestigious and powerful Ways and Means Committee.

Only three others have been elected to Ways and Means that early in his career. Burke would serve on that committee for the next 18 years, rising to become its ranking member.

During World War II, Rep. Burke was a special agent with Military Intelligence and was attached to the 77th Infantry Division in the South Pacific, serving a total of 45 months. He also won four battle stars and several other decorations.

He says that military intelligence helped in the 11th District.

"I guess you could say I had my own intelligence network," he says, "I think I knew enough people so that I was aware of everything happening in the district."

Burke served 10 years in the Massachusetts legislature, four as assistant majority leader.

He says the legislature is a great training ground for any congressman.

"You can't buy the experience you get," he says. "I really enjoyed the legislative work." He adds that a man who is elected to Congress and has not served in state, county or local government would be "lost in Washington."

Former House Speaker McCormack served many years in the state legislature with Burke. "He is one of the finest and most dedicated legislators I have ever served with."

Burke was also involved in the real estate business. He was a success, colleagues note, and had at one time 30 employees.

In 1954, Burke barely lost the Democratic nomination for lieutenant governor to Sumner Whittier. "It was a fortuitous defeat," friends recall, and set the stage for Burke's run for Congress four years later.

In 1958, Burke remembers he was completing a real estate transaction in his Mattapan office when he received a telephone call from a reporter saying that veteran Rep. Richard Wigglesworth was retiring and was Burke going to be a candidate.

"I just said sure. Why not? I really hadn't even thought a great deal about it."

It was a multi-candidate race and Burke says he won by 11,000 votes. Some say Burke is getting old, but he can remember how many votes he won by in almost all his elections. In four of those 10 elections he received the highest vote in any congressional race in the country.

He quickly developed a reputation for rarely missing roll calls, often achieving a 100 percent attendance call record. He was said to be a good legislator, although some critics said his focus was limited to his district.

Burke denies those charges.

"I always felt that the nation came first, the district second and covering my political hide came third."

Some also mention his strong belief in the seniority system which is imposed in Burke's own office staff.

"Yes, I've always been a firm believer in the seniority system," he says. "Of course, that's once I had the seniority."

He also recalls the tumultuous times in Washington during the Vietnam War. "No one ever knew the magnitude of the war once we were first involved. Many members of Congress accepted the word of the defense department and the administration. Very clearly it was a different situation."

Some Burke critics mention Burke's early support of the Vietnam War under President Johnson and only switching over during the tenure of President Nixon.

Burke recalls in 1967 speaking to a group at Faneuil Hall saying that Vietnam was a "bottomless pit, and we had to get out."

Burke also took flak for voting present on a House resolution to reprimand Rep. Robert L. Sikes, D-Fla., on two counts of financial misconduct. He was one of five congressman to take that approach.

"I don't believe Congress is the arena for bringing in questions of that type. I believe if a man has broken the law his place is in the court. A legislative body is not a place for enforcing the law. There are three branches of government—executive, legislative and judicial. Some of these things belong in the judicial."

He also says that a lengthy report concerning Sikes was given to him only minutes before the vote. "How can anyone digest that information in that amount of time. It would take weeks to look over that report."

Burke acquired the recognition of aiding the "little man" while he served in Congress. He had an efficient staff that followed up problems sent in by constituents and had a genuine concern for those persons needing federal help.

"I think a congressman's staff has to be interested in people. You have to really care about them. A woman who's awaiting a Social Security check or a man waiting for his veteran's pension. These are real everyday problems that a congressman has to work to solve."

He mentions how his office sometimes received a 1,000 letters a day. "We followed up on all the letters, but we took a special interest in those that were handwritten. These are the people who took so much time—they always seemed to have a genuine problem. We helped the best we could."

Burke was known for the "bread and butter theme" he espoused for so many years. His campaigns were always based on "jobs, jobs and more jobs."

He was applauded by local officials for his early fighting for restrictions on imported shoes and assisting the General Dynamics shipyard in obtaining contracts for LNG tankers.

Burke always said that General Dynamics was a barometer of the economy of the South Shore. He took a special interest in the yard and won the respect of both management and union officials.

He was praised for putting language in a bill which will enable a new Fore River Bridge to be built so that General Dynamics will be able to compete with other shipyards in making larger vessels.

The action can mean thousands of more jobs for South Shore residents.

Last week Sen. Allen D. McKinnon filed legislation for the proposed new bridge to be named the James Burke Bridge—an action already advocated by Congressman-elect Brian J. Donnelly of Dorchester, Burke's successor.

"If it should be named after anybody it should be named after Jim Burke," Donnelly said, adding that Burke's greatest trademark was his constituency-oriented administration.

"He fought like hell for us," one union official said. "We're going to miss him."

It wasn't surprising for a reporter covering the General Dynamics strike in 1977 to receive a phone call from Burke asking the status of mediation efforts.

What was surprising was Burke making the call from his hospital bed where he was being fitted for an artificial foot, his leg having been removed due to diabetes.

Despite that, his spirits were still high and he told the reporter he was feeling well, but "wouldn't be kicking field goals for the Patriots."

He fought the Postal Service which wants to put an incoming mail distribution center in the Five Corners section of Braintree. The action would mean the closing of some local post offices.

"I can tell you this," Burke promises. "They're sure not going to put that center in while I'm in office."

He won the praise of postal unions for his work. "Jim Burke's always been our friend," a union postal official said.

Burke was widely known for his work in attempting to change the Social Security system.

Burke advocated one-third of Social Security be paid by the general revenue, one-third by the worker and one-third by the employer.

His efforts failed.

"I can't understand why they (Congress) opposed this. It would have helped the average worker a great deal."

He served as chairman of the House Ways and Means Subcommittee on Social Security and filed legislation which would have increased the amount an individual could earn while still receiving Social Security.

He also filed a package of proposed amendments to the Social Security Act aimed at averting the fiscal crisis facing the disability insurance program.

Burke is also the ranking member of the unemployment compensation subcommittee and sits on the Joint Committee on Internal Revenue.

Those who work with Burke have nothing but respect for the veteran congressman.

"He's thorough, very thorough," one aide says, mentioning that Burke rarely had to be brought up to date on committee matters because he is seldom absent from meetings.

Burke's only notable absences came in his last term in office because of his illness. But that still didn't stop him from getting around in his motorized wheelchair, attending meetings and at one point berating his colleagues on the Social Security vote.

He and his wife, Aileen, live a relatively simplistic life in their apartment in the Cathedral Heights section of the nation's capital.

He says he was never one for attending large parties or functions, preferring instead to go out to the theater with his wife.

He is an avid reader—especially of history. He was a heavy smoker at one time cut back and tried a pipe—"I hated it"—and instead likes to chomp on his cigar.

"I used to think you needed at least one vice before you left this world," he says.

He jokes about politics never having made him a rich man and notes the mortgage still exists on his Milton home.

Burke says that he never had a great deal of formal education, but tried to use common sense looking for loopholes or improper language in bills.

A number of changes have occurred in Washington during his 20-year tenure. He has served under six presidents, and four speakers of the House and many of his colleagues have come and gone.

"The burden on a congressman just keeps increasing the longer you're here."

For the most part, he respects those fellow congressmen.

"The great majority of them work hard—very hard. You know it's not an easy thing to go to Congress in that you often lose contact with your family. You're tied to your job."

He says that in his long political career he has made mistakes.

"You always regret some things that you've done. But I'm human. And humans make mistakes. I've just tried to do the best job that I could and vote the way I believed in."

He quickly ticks off the towns and cities he has represented in those 20 years. In addition to his present district at one time or another he has represented Dedham, Canton, Norwood, Westwood, Needham and Sharon.

There is little sadness as Burke says his plans now call for him just being active working for the elderly diabetic groups and doing volunteer work.

He wants to have some repair work done at his Brush Hill Road home in Milton—"We just haven't spent enough time there," he says.

He also wants to work in his garden—"there's 18 inches of rich, dark soil there"—and hopefully to get the type of beautiful garden his brother has in Boston.

Burke has always had a close affinity for the soil.

A few years ago, he filed a bill to distribute seeds and plants to the American public and he once described himself as the founder of a new "return to the soil movement."

He said the public was tired of being "gouged in the marketplace. The world food shortages and spiraling food prices necessitate action by Congress to encourage private production of food."

He is 68 now and 42 years of public service are behind him. The loss of his foot forces him to get around in a walker and he is said to be blind in one eye.

It was not another candidate who forced Jim Burke to leave office but the worst opponent of all—illness.

When he announced he would not seek re-election—despite a poll showing an easy victory—Burke noted that "with the exception of periods of hospitalization or deaths in my family I have not absented myself from committee or House floor. I believe this is the caliber of service my constituency is entitled to. Of recent date, some problems have arisen. They place doubt in my mind that I can render this type of service. Therefore I announce I will not seek re-election."

When Jim Burke talks politics, the twinkle returns to his eyes and the vibrancy which colleagues on the House floor have seen so often returns.

"I have no real regrets," he says. "I enjoyed all of it. I always said I wanted to leave while the music's playing and I can still smell the roses. That's what I'm doing.

"And I'll tell you something," he said, as he leans forward as though confiding a secret. "I'd darn well do it all again."

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Bethune) to revise and extend their remarks and include extraneous matter:)

Mr. Green, for 10 minutes, today.

Mr. Ashbrook, for 15 minutes, today.

(The following Members (at the request of Mr. Peyser) to revise and extend their remarks and include extraneous matter:)

Mr. Harris, for 10 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Wolff, for 30 minutes, today.

Mr. Drinan, for 5 minutes, today.

(The following Members (at the request of Mr. Bolling) to revise and extend their remarks and include extraneous material:)

Mr. Cavanaugh, for 5 minutes, today.

Mr. Duncan of Oregon, for 5 minutes, today.

Mr. Udall, for 5 minutes, today.

Mrs. Chisholm, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Bethune) and to include extraneous matter:)

Mr. Clinger.
Mr. Moorhead of California.
Mr. Michel in two instances.
Mr. Gingrich.
Mr. Ashbrook in four instances.
Mr. Lagomarsino in two instances.
Mr. Kindness.
Mr. Gilman in two instances.
Mr. Wydler.

(The following Members (at the request of Mr. Peyser) and to include extraneous matter:)

Mr. Roberts.
Mr. Fountain.
Mr. Rangel.
Mr. Fisher in 10 instances.
Mr. Reuss.
Mr. Richmond in two instances.
Mr. Biaggi in 10 instances.
Mr. Anderson of California in three instances.
Mr. Gonzalez in three instances.
Mr. Murphy of New York.
Ms. Byron in 10 instances.
Mr. Rosenthal in 10 instances.
Mrs. Bouquard in five instances.
Mr. Hamilton in 10 instances.
Mr. McDonald in 10 instances.
Mr. Van Deerlin.
Mr. Minish.
Mr. Luken.
Mr. Dellums in two instances.

(The following Members (at the request of Mr. Bolling) and to include extraneous matter:)

Mr. Zeferetti.
Mr. Johnson of California.
Mr. Harris.
Mr. Udall.
Mr. Natcher.
Mr. LaFalce.
Mr. Mathis.
Mr. Levitas.
Mr. Smith of Iowa.
Mr. Conyers.
Mr. Boland in two instances.

ADJOURNMENT

Mr. BOLLING. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 11 minutes p.m.), under its previous order, the House adjourned until Monday, February 5, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

530. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting the first annual report on applications for conditional registrations under sections 3(c)(7)(B) and (C) of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, pursuant to section 29 of the act (92 Stat. 838); to the Committee on Agriculture.

531. A letter from the president and chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during December 1978 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

532. A letter from the Acting Assistant Secretary of the Interior for Land and Water Resources, transmitting notice of a deferral of payment of construction charges for the Webster Irrigation District No. 4, Pick-Sloan Missouri Basin program, Kansas, pursuant to section 17(b) of the Reclamation Project Act of 1939, as amended; to the Committee on Interior and Insular Affairs.

533. A letter from the Acting Assistant Secretary of the Interior for Land and Water Resources, transmitting a draft of proposed legislation to increase the appropriations ceiling for title I of the Colorado River Basin Salinity Control Act (the Act of June 24, 1974; 88 Stat. 266) and for other purposes; to the Committee on Interior and Insular Affairs.

534. A letter from the Secretary of State, transmitting a report on discriminatory trade practices affecting U.S. foreign relations, pursuant to section 606(b) of Public Law 95–426; to the Committee on International Relations.

535. A letter from the Assistant Secretary of State for Congressional Relations, transmitting 115 country reports on human rights practices for 1978, pursuant to sections 116(d)(1) and 502B(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

536. A letter from the Chairman, National Advisory Committee on Oceans and Atmosphere, transmitting a special report on the committee's review of the implementation of the Coastal Zone Management Act, pursuant to section 4(a) of Public Law 95–63; to the Committee on Merchant Marine and Fisheries.

537. A letter from the Assistant Attorney General for Administration, transmitting a report on positions in the Justice Department, the Law Enforcement Assistance Administration, the Immigration and Naturalization Service, and the Bureau of Prisons during calendar year 1978 in grades GS–16, 17, and 18, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARR:

H.R. 1770. A bill to increase deposit insurance from $40,000 to $100,000 for accounts which qualify as individual retirement accounts and accounts established under qualified (Keogh) plans for the self-employed; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1771. A bill to amend the State and Local Fiscal Assistance Act of 1972 to provide incentives for the funding of education by means other than property taxes; to the Committee on Government Operations.

H.R. 1772. A bill to require Federal agencies to report to Congress certain expenditures made for or on behalf of Members of Congress or employees of Congress and to provide for the reimbursement of such expenditures; to the Committee on House Administration.

H.R. 1773. A bill to amend the Federal Aviation Act of 1958 to provide for criteria for the provision of air navigation and traffic control facilities and services, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 1774. A bill to provide for payment of National Service Life Insurance benefits with respect to members of the Armed Force who were killed in action during 1942 without having life insurance in effect and after the expiration of the period provided for gratuitous life insurance benefits for members of the Armed Forces; to the Committee on Veterans' Affairs.

H.R. 1775. A bill to amend titles II and XVI of the Social Security Act to provide that an individual receiving child's insurance benefits on the basis of blindness or other disability shall not lose his or her entitlement to such benefits by reason of marriage, if such marriage is to a recipient or supplemental security income benefits; to the Committee on Ways and Means.

Mr. LEVITAS (for himself, Mr. Pepper, Mrs. Collins of Illinois, Mr. Hamilton, Mr. Broyhill, Mr. Mazzoli, Mr. Derwinski, Mr. Blanchard, Mr

Mineta, Mr. Price, Mr. Alexander, Mr. Zeferetti, Mr. Carr, Mr. AuCoin, Mr. Hughes, Mr. Ratchford, Mr. Benjamin, Mr. Gephardt, Mr. Panetta, Mr. Kemp, Mr. Daschle, Mr. Jacobs, Mr. Ginn, Mr. Mathis, Mr. Brinkley, Mr. Fowler, Mr. Gingrich, Mr. McDonald, Mr. Evans of Georgia, Mr. Jenkins, Mr. Barnard, Mr. Charles Wilson of Texas, Mr. Long of Maryland, Mr. Moore, Mr. Andrews of North Dakota, Mr. Duncan of Tennessee, Mr. Gradison, Mr. Gudger, Mr. Whitley, Mr. Fountain, Mr. Holland, Mr. Lott, Mr. Anderson of California, Mr. Madigan, Mr. D'Amours, Mr. Kindness, Mr. McKay, Mr. Sensenbrenner, Mr. Pritchard, Mr. Hubbard, Mr. Spence, Mr. Bevill, Mr. Butler, Mr. Huckaby, Mr. Volkmer, Mr. Neal, Mr. Stockman, Mr. Corcoran, Mr. Yatron, Mr. Lloyd, Mr. Kildee, Mr. Winn, Mr. Chappell, Mr. Bafalis, Mr. Kramer, Mr. Guyer, Mr. Nowak, Mr. Lagomarsino, Mr. Santini, Mr. Cleveland, Mr. Lent, Mr. Whitehurst, Mrs. Holt, Mr. Montgomery, Mr. Snyder, Mr. Brown of Ohio, Mr. Coelho, Mr. Runnels, Mrs. Bouquard, Mr. English, Mr. Dornan, Mr. Burgener, Mr. Myers of Indiana, Mr. Edwards of Oklahoma, Mr. Robert W. Daniel, Jr., Mr. Buchanan, Mr. Hinson, Mr. Lee, Mrs. Snowe, Mr. Dougherty, Mr. Ichord, Mr. Coughlin, Mr. Duncan of Oregon, Mr. Martin, Mr. Badham, Mr. Young of Missouri, Mr. Davis of South Carolina, Mr. Gaydos, Mrs. Spellman, Mr. Roth, Mr. Wyatt, Mr. Hollenbeck, Mr. Campbell, Mr. Leach of Iowa, Mr. Hagedorn, Mr. Gramm, Mr. Donnelly, Mr. Mavroules, Mr. Luken, Mr. Abdnor, Mr. Hefner, Mr. Nichols, Mr. Pashayan, Mr. Roberts, Mr. Coleman, Mr. Forsythe, Mr. Boner, Mr. Hyde, and Mr. Roe):

H.R. 1776. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and by expanding judicial review, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. CAVANAUGH (for himself, Mr. Goldwater, Ms. Oakar, and Mr. Mitchell of Maryland):

H.R. 1777. A bill to provide that financial institutions shall be required to notify only their active customers regarding the rights of such customers under the Right to Financial Privacy Act of 1978; to the Committee on Banking, Finance and Urban Affairs.

By Mr. COLEMAN:

H.R. 1778. A bill to amend the Disaster Relief Act of 1974; to the Committee on Public Works and Transportation.

By Mr. DANIEL B. CRANE:

H.R. 1779. A bill to provide for a 5-percent salary reduction for Members of Congress; to the Committee on Post Office and Civil Service.

By Mr. PHILIP M. CRANE:

H.R. 1780. A bill to provide for the recovery by a prevailing defendant in Federal criminal cases of a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

By Mr. DICKINSON:

H.R. 1781. A bill to amend title 5, United States Code, to provide that civilian air traffic controllers of the Department of Defense shall be treated the same as air traffic controllers of the Department of Transportation for purposes of retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DICKS:

H.R. 1782. A bill to amend the Internal Revenue Code of 1954 with respect to the period for including in gross income certain advance payments accrued by life care communities; to the Committee on Ways and Means.

By Mr. ERDAHL:

H.R. 1783. A bill to amend section 304 of the Federal Election Campaign Act of 1971 with respect to waiver of certain quarterly reports filed with the Federal Election Commission; to the Committee on House Administration.

By Mr. CONYERS:

H.R. 1784. A bill to revise the overtime compensation requirements of the Fair Labor Standards Act of 1938 to provide that effective January 1, 1983, employees who work more than 35 hours in any workweek shall receive overtime compensation for such work at twice their regular rate of pay, and for other purposes; to the Committee on Education and Labor.

By Mr. FISHER (for himself, Mr. Conable, and Mr. Gradison):

H.R. 1785. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

By Mr. FUQUA (by request):

H.R. 1786. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Technology.

H.R. 1787. A bill to authorize a supplemental appropriation to the National Aeronautics and Space Administration for Research and Development; to the Committee on Science and Technology.

By Mr. GIBBONS:

H.R. 1788. A bill to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone, for 2 years, the date on which the Pension Benefit Guaranty Corporation is required to pay benefits under terminated multiemployer plans; to the Committee on Education and Labor.

By Mr. GREEN:

H.R. 1789. A bill to direct the Secretary of the Treasury to reimburse State and local governments for providing certain protection with respect to certain foreign diplomatic missions located in the United States and with respect to certain foreign officials; to the Committee on International Relations.

By Mr. HANLEY:

H.R. 1790. A bill to amend title 39, United States Code, to provide that certain property held by the U.S. Postal Service shall be subject to certain provisions of the Federal Property and Administrative Services Act of 1949 relating to surplus and excess property; to the Committee on Post Office and Civil Service.

H.R. 1791. A bill to amend section 107 of the Energy Reorganization Act of 1974 (42 U.S.C. 5817) to provide that any site within a State selected by the Department of Energy for radioactive waste storage shall be subject to review and disapproval by the legislature of such State; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

By Mr. HARRIS (for himself, Mr. Diggs, Mr. Fauntroy, Mr. Fisher, Mrs. Spellman, and Mr. Barnes):

H.R. 1792. A bill to amend the National Capital Transportation Act of 1969 to authorize additional Federal contributions for the cost of construction of the rapid transit system of the National Capital Region, to provide an orderly method for the retirement of bonds issued by the Washington Metropolitan Area Transit Authority, and to provide an authorization for an annual Federal payment to such Authority to provide assistance in meeting expenses of operation and maintenance of such system to reflect the special Federal relationship to such system; to the Committee on the District of Columbia.

By Ms. HOLTZMAN:

H.R. 1793. A bill to amend the McCarran-Ferguson Act to provide for a civil remedy in the U.S. district courts for sex discrimination in insurance policies; to the Committee on Interstate and Foreign Commerce.

H.R. 1794. A bill to provide a civil remedy in the U.S. district courts for sex discrimination in insurance policies; to the Committee on Interstate and Foreign Commerce.

By Mr. LEHMAN:

H.R. 1795. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disabilty insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. LUKEN:

H.R. 1796. A bill to amend the Internal Revenue Code of 1954 to provide reductions in individual tax rates which are conditioned on reductions in the levels of Federal expenditures; to the Committee on Ways and Means.

By Mr. MATTOX (for himself, Mr. Albosta, Mr. Buchanan, Mr. Carr, Mr. Corrada, Mr. D'Amours, Mr. Hughes, Mr. LaFalce, Mr. Murphy of Pennsylvania, and Mr. Panetta):

H.R. 1797. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide (in two steps) for the financing of the hospital insurance program from general revenues rather than through the imposition of medicare taxes as at present, and to eliminate the special statutory increases in the earnings base which are presently scheduled for 1980 and 1981; to the Committee on Ways and Means.

By Mr. MURPHY of New York (for himself, Mr. Breaux, Mr. Forsythe, Mr. Studds, Mr. Bowen, Mr. Young of Alaska, Mr. Bonker, Mr. D'Amours, Mr. Lent, Ms. Mikulski, Mr. Akaka, Mr. Emery, and Mr. Trible):

H.R. 1798. A bill to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982; to the Committee on Merchant Marine and Fisheries.

By Mr. PICKLE:

H.R. 1799. A bill to amend the Internal Revenue Code of 1954 to provide that the adjusted gross income limitation will apply to all taxpayers eligible for the credit for the elderly and increase the amount of such limitation; to the Committee on Ways and Means.

H.R. 1800. A bill to amend section 1861(e)(5) of the Social Security Act to extend to 1982 the waiver of the 24-hour nursing service requirement permitted for certain rural hospitals; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ROBERTS:

H.R. 1801. A bill to amend the Civil Rights Act of 1964 to provide for freedom of choice in student assignments in public schools; to the Committee on the Judiciary.

H.R. 1802. A bill to strengthen the penalty provisions of the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 1803. A bill to create a public works program for the purpose of reducing unemployment; to the Committee on Public Works and Transportation.

H.R. 1804. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide a comprehensive program of health care by strengthening the organization and delivery of health care nationwide and by making comprehensive health care insurance (including coverage for medical catastrophes) available to all Americans, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ROBERTS (by request):

H.R. 1805. A bill to amend title 38, United States Code, to prescribe certain definitions to be used by the Secretary of Labor for purposes of the program established by chapter 41 of such title with respect to job counseling, training, and placement services for veterans; to the Committee on Veterans' Affairs.

H.R. 1806. A bill to amend title 38, United States Code, to allow the 10-year period during which the spouse of a veteran with a permanent and total service-connected disability may receive educational assistance from the Veterans' Administration to be computed from the date of marriage of such spouse and veteran; to the Committee on Veterans' Affairs.

H.R. 1807. A bill to amend title 38, United States Code, to provide educational benefits, on a prorated basis, to children and spouses of veterans having permanent service-connected disabilities rated at not less than 80 percent, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 1808. A bill to amend title 38, United States Code, to provide certain National Service Life Insurance policyholders an opportunity to double their National Life Insurance coverage; to the Committee on Veterans' Affairs.

By Mr. ROBERTS (for himself and Mr. Hammerschmidt) (by request):

H.R. 1809. A bill to amend title 38, United States Code, to provide that when referring individuals for employment with Federal contractors and subcontractors local employment service officers of the Department of Labor shall refer disabled veterans and veterans of the Vietnam era before referring any individual who is not such a veteran; to the Committee on Veterans' Affairs.

H.R. 1810. A bill to amend title 38, United States Code, to decrease from 250,000 to 150,000 the number of veterans and other eligible persons in a State for which the Secretary of Labor assigns an assistant veterans' employment representative too such State; to the Committee on Veterans' Affairs.

H.R. 1811. A bill to amend title 38, United States Code, to increase the specially adapted housing assistance grant for certain disabled veterans from $30,000 to $35,000; to the Committee on Veterans' Affairs.

H.R. 1812. A bill to amend title 38, United States Code, to liberalize the provisions for special emphasis in employment of disabled veterans; to the Committee on Veterans' Affairs.

H.R. 1813. A bill to amend title 38, United States Code, to establish a Court of Veterans' Appeals and to prescribe its jurisdiction and functions; to the Committee on Veterans' Affairs.

H.R. 1814. A bill to amend title 38, United States Code, to transfer the functions of the Secretary of Labor under chapters 41, 42, and 43 (relating to job counseling, training, placement, and reemployment of veterans) to the Administrator of Veterans' Affairs, to create the office of Associate Deputy Administrator for Veterans' Employment, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 1815. A bill to amend title 38, United States Code, to provide special housing assistance to certain veterans with permanent and total service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 1816. A bill to amend chapter 41 of title 38, United States Code, to authorize the appointment of an Assistant Secretary of Labor for Veterans' Employment, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. RODINO (for himself, Mr Duncan of Oregon, Mr. Gray, Mr. Lederer, Mr. Mitchell of New York, Mr. Murphy of New York, and Mr. Oberstar):

H.R. 1817. A bill to amend title II of the Public Works Employment Act of 1976 to extend the antirecession provisions of that act, and to establish a supplementary antirecession fiscal assistance program for local governments suffering severe unemployment; to the Committee on Government Operations.

By Mr. SATTERFIELD:

H.R. 1818. A bill to delay any action which may be taken by the Secretary of Agriculture respecting nitrites used as a food preservative on the basis of any carcinogenic effect nitrites may be represented to have; to the Committee on Agriculture.

H.R. 1819. A bill to amend the Federal Food, Drug, and Cosmetic Act to broaden the discretion of the Secretary of Health, Education, and Welfare respecting certain food additives found to induce cancer in animals; to the Committee on Interstate and Foreign Commerce.

H.R. 1820. A bill to amend title VIII of the Public Health Service Act to extend for 2 fiscal years the program of assistance for nurse training; to the Committee on Interstate and Foreign Commerce.

H.R. 1821. A bill to amend title XVIII of the Social Security Act with respect to reimbursement of physicians' services in teaching hospitals; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. SLACK:

H.R. 1822. A bill to amend the Clean Air Act to postpone for 1 year the application of certain restrictions to areas which have failed to attain national ambient air quality standards and to delay for 1 year the date required for adoption and submission of State implementation plans applicable to these areas, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1823. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. TRIBLE:

H.R. 1824. A bill to amend title 5 of the United States Code to correct inequities in the determination of rates of basic pay in conversions to the General Schedule of employees and positions subject to prevailing rate pay schedules; to the Committee on Post Office and Civil Service.

By Mr. UDALL (for himself, Mr. Rhodes, Mr. Seiberling, Mr. Clausen, Mr. Lujan, Mr. Runnels, Mr. Rudd, and Mr. Marriott):

H.R. 1825. A bill to protect archaeological resources owned by the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ZEFERETTI:

H.R. 1826. A bill to amend the Tariff Schedules of the United States to repeal the special tariff treatment accorded to articles assembled abroad with components produced in the United States; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE:

H.J. Res. 180. Joint resolution designating the week of October 7, 1979, through October 13, 1979, as "National Respect Life Week"; to the Committee on Post Office and Civil Service.

By Mr. ERDAHL:

H.J. Res. 181. Joint resolution proposing an amendment to the Constitution to alter the manner in which candidates are elected President and Vice President of the United States and creating a National Canvassing Board; to the Committee on the Judiciary.

H.J. Res. 182. Joint resolution proposing an amendment to the Constitution changing the term of office of President and Vice President and Members of the U.S. House of Representatives, and amending the length of time a person may serve as President, Vice President, U.S. Senator, or U.S. Representative; to the Committee on the Judiciary.

By Mr. NOLAN (for himself, Mr. Wolff, Mr. Traxler, Mr. Burlison, Mr. Hance, Mr. Williams of Montana, Mr. Hightower, and Mr. Stangeland):

H.J. Res. 183. Joint resolution raising the price support levels for milk, wheat, corn, soybeans, and cotton to 90 percent of the respective parity prices therefor, and for other purposes; to the Committee on Agriculture.

By Mr. NOWAK:

H.J. Res. 184. Joint resolution designating the first Sunday of October in every year as "National Choir Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. ROBERTS:

H.J. Res. 185. Joint resolution proposing an amendment to the Constitution of the United States which, except in times of war or national emergency, prohibits the Congress from making appropriations for a fiscal year in excess of the amount of estimated revenue during that year, and requires that the amount of the debt of the United States not exceed the amount of that debt on the date of the adoption of the amendment; to the Committee on the Judiciary.

By Mr. SCHULZE:

H.J. Res. 186. Joint resolution proposing an amendment to the Constitution of the United States to provide for a 6-year term for the President and Vice President, to limit the number of terms the President and the Vice President may serve, to provide for 3-year terms for Representatives, to limit the number of consecutive terms Senators and Representatives may serve, and to provide a maximum age for persons serving as President, Vice President, Senator, or Representative; to the Committee on the Judiciary.

By Mr. MATTOX (for himself, Mr. Frost, Mr. Gramm, Mr. Leath of Texas, Mr. Hubbard, Mr. Walker, Mr. Robert W. Daniel, Jr., Mr. McDonald, Mr. Goldwater, Mr. Lagomarsino, Mr. Young of Alaska, Mr. Lott, Mr. Kramer, Mr. Kindness, Mr. Leland, and Mr. Nichols):

H. Con. Res. 41. Concurrent resolution expressing the sense of the Congress that the United States should recognize the Republic of China as the sovereign Government of Taiwan and the other areas under its control and should establish full diplomatic relations with the Republic of China; to the Committee on International Relations.

By Mr. COTTER:

H. Res. 90. Resolution requesting the President not to propose to the Congress the exemption of motor gasoline from petroleum price control regulations; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of California (for himself and Mr. Harsha):

H. Res. 91. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Public Works and Transporation; to the Committee on House Administration.

By Mr. PERKINS (for himself and Mr. Ashbrook):

H. Res. 92. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Education and Labor; to the Committee on House Administration.

By Mr. RAHALL:

H. Res. 93. Resolution disapproving the final recommendations for the basic route system of Amtrak submitted by the Secretary of Transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. SATTERFIELD:

H. Res. 94. Resolution requesting that the Secretary of Defense should rescind that portion of the Department of Defense directive which permits deserters from military service to receive in absentia discharges; to the Committee on Armed Services.

By Mrs. SPELLMAN:

H. Res. 95. Resolution establishing an ad hoc Committee on Federal Retirement Systems; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HUGHES:

H.R. 1827. A bill for the relief of Emiko Okuma Colona; to the Committee on the Judiciary.

By Mr. REUSS:

H.R. 1828. A bill for the relief of Margaret Dolinger Baloun; to the Committee on the Judiciary.

By Mr. RODINO:

H.R 1829. A bill for the relief of Loraine Smart and Robert Clarke; to the Committee on the Judiciary.

By Mr. RODINO (by request):

H.R. 1830. A bill for the relief of Lucia Jurkauskas; to the Committee on the Judiciary.

By Mr. BOB WILSON:

H.R. 1831. A bill for the relief of James D. Belknap; to the Committee on the Judiciary.

H.R. 1832. A bill for the relief of Mrs. Adeline O. Smith; to the Committee on the Judiciary.

By Mr. WYATT:

H.R. 1833. A bill for the relief of Henry J. Lopez-Roman, M.D.; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 30: Mr. Symms, Mr. Dornan, Mr. Collins of Texas, and Mr. Goodling.

H.R. 90: Mr. Abdnor, Mr. Addabbo, Mr. Akaka, Mr. Anderson of Illinois, Mr. Andrews of North Dakota, Mr. Bafalis, Mr. Bevill, Mr. Boland, Mrs. Bouquard, Mr. Brodhead, Mr. Burgener, Mr. Cavanaugh, Mr. Clausen, Mr. Corman, Mr. de la Garza, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Ertel, Mr. Evans of Georgia, Mr. Findley, Mr. Forsythe, Mr. Frenzel, Mr. Frost, Mr. Fuqua, Mr. Ginn, Mr. Gonzalez, Mr. Goodling, Mr. Grisham, Mr. Hagedorn, Mr. Hall of Texas, Mr. Hollenbeck, Mr. Hughes, Mr. Ichord, Mr. Johnson of California, Mr. Jones of Oklahoma, Mr. Kindness, Mr. LaFalce, Mr. Leach of Louisiana, Mr. Lederer, Mr. Lee, Mr. Long of Maryland, Mr. Lott, Mr. Luken, Mr. McEwen, Mr. McKay, Mr. Markey, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Murphy of Illinois, Mr. Natcher, Mr. Nichols, Mr. Ottinger, Mr. Pepper, Mr. Perkins, Mr. Price, Mr. Pritchard, Mr. Rahall, Mr. Reuss, Mr. Roberts, Mr. Russo, Mr. St Germain, Mr. Sebelius, Mr. Sensenbrenner, Mr. Simon, Mr. Slack, Mr. Staggers, Mr. Stangeland, Mr. Steed, Mr. Thomas, Mr. Whitehurst, Mr. Williams of Montana, Mr. Charles H. Wilson of California, Mr. Winn, Mr. Won Pat, Mr. Young of Missouri, Mr. Zeferetti, Mr. Ford of Tennessee, Mr. Richmond, Mr. Nolan, Mr. Hanley, Mr. Yatron, Mr. Baldus, and Mr. Mitchell of New York.

H.R. 596: Mr. Abdnor, Mr. Blanchard, Mr. Bonior of Michigan, Mr. Buchanan, Mr. Cheney, Mr. de le Garza, Mr. Emery, Mr. Ertel, Mr. Evans of Delaware, Mr. Flippo, Mr. Fowler, Mr. Fuqua, Mr. Gephardt, Mr. Glickman, Mr. Goodling, Mr. Harkin, Mr. Jenrette, Mr. Jones of North Carolina, Mr. Kramer, Mr. McEwen, Mr. Mavroules, Mr. Murphy of Pennsylvania, Mr. Sebelius, Mr. Shuster, Mr. Symms, Mr. Volkmer, Mr. Young of Missouri, Mr. Mitchell of Maryland, and Mr. Murphy of Illinois.

H.R. 1071: Mr. Rosenthal, Mr. Mitchell of Maryland, Mr. Marlenee, Mr. Daschle, Mr. Weiss, Mr. Hughes, Mr. Wolpe, Mr. Huckaby, Mr. Runnels, Ms. Mikulski, Mr. Bonker, Mr. Albosta, Mr. Marriott, Mr. Hinson, Mr. Williams of Montana, Mr. Van Deerlin, and Mr. Goodling.

H.R. 1141: Mr. Murphy of Pennsylvania, Mr. Benjamin, Mr. Lederer, Mr. Neal, Mr. Derwinski, Mr. Hughes, Mr. Evans of Georgia, Mr. Kindness, Mr. Bafalis, Mr. Lee, Mr. Lott, Mr. Duncan of Tennessee, Mr. Luken, Mr. Ertel, Mr. Conte, Mr. Edgar, Mr. Clinger, Mr. Symms, Mr. Walker, and Mr. Goodling.

H.R. 1439: Mr. Winn, Mr. Whitehurst, Mr. Murphy of Pennsylvania, Mr. Akaka, Mr. Luken, Mr. Young of Missouri, Mr. Flood, and Mr. Studds.

H.R. 1481: Mr. Vento, Mr. Conte, Mr. Bonior of Michigan, and Mr. Drinan.

H.R. 1500: Mr. Young of Florida, Mr. Gephardt, and Mr. Gradison.

H.R. 1605: Mr. Dornan, Mr. Murphy of Pennsylvania, Mr. Corrada, Mr. Lagomarsino, Mr. Lehman, Mr. Bevill, Mr. Bedell, Mr. Stangeland, and Mr. Mitchell of Maryland.

H.R. 1643: Mr. Goldwater, Mr. Panetta, Mr. Young of Alaska, Mr. Gephardt, Mr. Evans of Georgia, Mr. Coelho, Mr. LaFalce, Mr. Dornan, and Mr. Bonker.

SENATE—*Thursday, February 1, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. Paul E. Tsongas, a Senator from the State of Massachusetts.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Our Father, God, Thou art our refuge and our strength. Our deepest needs and our hidden longings drive us to the altar of prayer. Mid the busy pace of hurried and harried lives we pause in this hushed moment to declare that we lean on Thee, trust Thee, and hope in Thee.

Lift our view to distant horizons that we may be given a glimpse of the better world that is yet to come. Raise our sight above all that is base or ugly that there may come to us vistas of splendor and windows of insight that the inner eyes of the soul may see what must be done. May we be reborn in spirit, mind, and heart "to serve the present age, our calling to fulfill". Breathe through the things that are seen, the peace of the unseen, and eternal.

We pray in the Redeemer's name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Magnuson).

The legislative clerk read the following letter:

> U.S. Senate,
> President pro tempore,
> *Washington, D.C., February 1, 1979.*
>
> *To the Senate:*
>
> Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Paul E. Tsongas, a Senator from the State of Massachusetts, to perform the duties of the Chair.
>
> Warren G. Magnuson,
> *President pro tempore.*

Mr. TSONGAS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from West Virginia (Mr. Robert C. Byrd) is recognized for not to exceed 3 minutes.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF THE STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I am hopeful that the Senate can enter into a time agreement on the proposed rules changes.

I have been discussing the substance of rules changes with the distinguished acting Republican leader, Mr. Stevens, who chairs the ad hoc committee that was appointed on the other side of the aisle for that purpose. I think that progress has been made, discussions have been going on and sincere and dedicated efforts have been put forth on both sides of the aisle to be able to present some recommendations to the Senate as a working piece.

I talked with the distinguished minority leader on yesterday, Mr. Baker, with respect to a possible time agreement during which the Senate could debate the matter and reach a conclusion. I discussed this possibility just briefly now with the distinguished acting Republican leader. I am hopeful that before the day is over a time agreement can be worked out.

For the moment, I simply ask unanimous consent that, barring that kind of unanimous-consent request, no other unanimous-consent request or motion or action relating to, affecting, or being prejudicial to Senate Resolution 9 or the pending motion of mine thereto be in order during the remainder of this day.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, do I have time remaining in my 3 minutes?

The ACTING PRESIDENT pro tempore. Yes.

AMBASSADOR MIKE MANSFIELD

Mr. ROBERT C. BYRD. Mr. President, our former colleague and my predecessor as majority leader of the Senate, Mike Mansfield, is currently serving as U.S. Ambassador to Japan.

This is one of the most significant positions in our diplomatic service. U.S. relations with Japan are a matter of prime importance, particularly in the area of trade and economic affairs.

Not surprisingly, Mike Mansfield is receiving very high marks for his work in this key post. A recent Associated Press article by John Roderick noted that many Japanese describe him as the best—the best—U.S. Ambassador ever sent to Japan.

That is not unexpected among his colleagues, but I am glad that he is receiving that kind of recognition.

Also, Mr. President, many knowledgeable Americans speak very highly of Ambassador Mansfield's efforts.

Mr. President, I ask unanimous consent to have the article entitled "Mansfield a Big Hit in Japan," which appeared in the Sunday, January 28, 1979, edition of the Austin American-Statesman, printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

MANSFIELD A BIG HIT IN JAPAN

(By John Roderick)

TOKYO.—Mike Mansfield is as plain and American as apple pie, a man with no pretensions. Many Japanese describe him as the best U.S. ambassador ever sent to Japan.

When he meets you in his embassy office he brews you a cup of coffee. After you are gone he washes the cups and saucers himself.

Copies of a Montana weekly, The Hungry Horse News, are on the coffee table. Statues and paintings of the wild West give the room a distinctly western American touch.

Eighteen months after taking over America's biggest embassy—it has 800 staffers—the former Senate majority leader, now 76, is enjoying himself hugely and has no thought of stepping down until President Jimmy Carter asks him to.

He has brought an almost undiplomatic style of candor to his assignment. Unlike previous ambassadors, he speaks only for the record. And he says frankly what he thinks, even if it doesn't always coincide with the truth disclosed from Washington.

"I figure Jimmy Carter didn't send me out here to be a yes man," Mansfield says laconically.

What the Japanese like about him is his "elder statesman" age, his openness, his longtime political stature and his direct links to President Carter.

"My relations with Carter couldn't be better," Mansfield says. "He has been most receptive to my suggestions and proposals."

Almost as important as being liked by the Japanese is to have the affection and confidence of the Americans, many of them career officers, of his staff.

One of them said: "I don't know of anyone in the embassy who doesn't like him. There's not an ounce of pretension in that man."

"I think he is the most effective ambassador we have had in Japan," said another. "He is not by nature a warm, friendly person. He is withdrawn, shy and sees himself as doing his duty. He is humble."

Mansfield's petite, white-haired wife Maureen is a major asset.

"Everybody likes her," an embassy staffer says. "She is much more realistic than he is. Don't forget, she ran most of his campaigns for the Senate."

Used to the excitement of Washington, Mrs. Mansfield found retirement something of a bore, he said. Mansfield accepted the ambassadorship partly because of her.

He confessed he hasn't found much time to pick up Japanese but "I've dug up a few words like o-hio, arigato and sayonara"—good morning, thanks and good-bye.

Asked to identify the three major problems between the United States and Japan, he replied: "Trade, trade, trade."

U.S.-Japanese trade is at once the cement and the sand in the relationship. Topping $31 billion both ways, it is a historic phenomenon. But, after decades of being on the short end of the stick, the Japanese have in recent years come out billions of dollars ahead. That disgruntles American government and business.

Thanks to pressure all around, much of it from the embassy, Japan has tried to at least even the scales, but a sagging dollar has meant that though the volume of Japanese exports has dropped, the value has increased.

His embassy's accomplishments, he says, include:

Drastically reduced exports of Japanese color TV sets;

Fewer complaints of Japanese steel flooding the U.S. market;

What could have been the most serious issue: U.S. objections to the Tokai Mura nuclear reprocessing plant, capable of producing nuclear weapons material. The issue was defused through negotiations which will permit peaceful uses of nuclear energy.

ORDER OF BUSINESS

Mr. STEVENS addressed the Chair.

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from California is recognized for not to exceed 15 minutes.

Mr. CRANSTON. Mr. President, I am glad to yield to my good friend from Alaska.

Mr. STEVENS. That is all right. I will make the statement later. I thought we had time under the agreement. I am sorry.

I thank the Senator very much.

Mr. ROBERT C. BYRD and Mr. CRANSTON addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I have a 15-minute order later for myself. If the distinguished Senator from California will allow me, I ask unanimous consent that I may yield to the distinguished Republican whip such time as he may desire from my 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I thank the distinguished majority leader, and I apologize to my good friend. I did not mean to cause a problem.

Mr. CRANSTON. That is quite all right.

ENERGY

Mr. STEVENS. Mr. President, I am astounded at statements which have appeared in the news recently relating to America's energy supply system. With the loss of oil and gas shipments from Iran to the United States and the rest of the Western World, we are now being told by representatives of the administration that it is not in our national interest to obtain information about potential reserves on Federal lands.

Just yesterday, Secretary of Interior Cecil Andrus testified before the House Interior Committee that a program to gather information on the National Strategic Petroleum Reserve should be terminated. To quote the Secretary he stated:

> My personal recommendation is that we put it (the information gathering program) on the shelf and wait to see if it is needed.

I am forced to ask how can he possibly be talking about the situation in the United States? We have just lost, possibly forever, the second largest supplier of oil to the Western World. Secretary of Energy Schlesinger has stated that we will have to stop selling gasoline on Sundays in the United States because we do not have enough future supplies to continue selling gasoline on weekends, yet the Secretary of the Interior states that there is no need for information at this time concerning the Nation's petroleum reserves.

It appears that the Secretary of the Interior either does not understand the situation or that the only person downtown in the administration who understands at all what is going on is the Secretary of Energy.

We have also been told in a recent report that Alaska gas, which represents 10 percent of the known supply of natural gas in the United States, is now considered not worth producing. We are told we should instead substitute gas brought to our shores from a foreign source. No matter how reliable that source may be, it must be remembered that depending upon foreign sources for energy is a grave mistake. Nothing brings this fact home more than the situation with which we are faced today.

A year ago at this time, nobody worried about Iran's stability as a supplier of energy to the West. I feel that in light of these developments, that it is imperative that we do all we can to insure that our Nation's energy sources are located, thoroughly evaluated and to the maximum extent possible in keeping with sound environmental policies, developed.

It is impossible for me to understand how the Nation can sacrifice the reserves that exist in my State of Alaska. We are only talking about evaluating possible oil and gas reserves in the National Petroleum Reserve and possible oil and gas reserves that we believe exist beneath the Arctic wildlife range.

What we are dealing with is a country which is now forced to depend heavily upon foreign imports for energy.

The Northeastern States, for instance, must import well over 50 percent of their oil and gas from places such as Venezuela, Algeria, and Canada. The country as a whole imported on the order of 3 billion barrels of oil last year at a cost of more than $42 billion, and I think it is high time we ask the administation why they feel they can afford—how the Nation can afford—to put off exploration for energy supplies on the Federal lands in our Nation. Over half of those lands are in Alaska. It is estimated that more than 50 million acres of that land currently withdrawn by the administration contains geology favorable to oil exploration. I tell the Senators that, in my opinion, we cannot afford to so casually ignore the wealth of energy resources in Alaska.

Mr. President, I ask unanimous consent that the articles concerning Secretary Schlesinger's statement and Secretary Andrus' statement be placed in the RECORD.

I thank the majority leader.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post]

SCHLESINGER SAYS IRAN CUTOFF COULD FORCE FUEL CURBS

(By J. P. Smith)

Energy Secretary James R. Schlesinger said yesterday the Carter administration may ban Sunday gasoline sales and force other mandatory conservation measures if Iran does not begin exporting oil by April 1.

While comparing the Iranian oil shutdown with the 1973 Arab oil embargo, Schlesinger cautioned that mandatory cutbacks in oil supplies would not be necessary if the public responds to conservation appeals.

So far, Schlesinger told reporters yesterday, "The position of the U.S. has not been dramatically affected" by Iran's virtual cutoff of oil exports.

Schlesinger said the drop in Iranian oil sales "is just beginning to bind now," and that some domestic refiners will begin to face shortages of crude oil. The administration will determine by April 1 whether to impose mandatory conservation measures.

Energy Department planners are weighing various conservation measures that could be submitted to Congress for approval, including: banning Sunday gasoline sales, which might save 150,000 to 300,000 barrels of oil a day; imposing restrictions on commuter parking which could save 100,000 to 175,000 barrels of oil a day, and imposing emergency heating and cooling restrictions on temperatures, which could save 200,000 to 350,000 barrels of oil a day. These actions, department officials stress, are still in the planning stage, with the estimated oil savings representing "an illustrative range."

Together, they would save less than 10 percent of total U.S. daily oil imports.

Schlesinger described rationing as much more of "an ideological issue" and said it probably would not be needed to manage an oil shortage.

Much of the oil production from Iran, once the world's second leading oil exporter, has been made up by other oil producers, most notably Saudi Arabia. Iran was producing up to 6.5 million barrels a day before the political upheaval that forced the shah from power. Schlesinger has continued to say that as a result, world supplies are short about 2 million barrels a day.

The United States is less dependent on Iranian oil than most other industrial countries, such as Japan.

Schlesinger and State Department officials said yesterday that members of the 19-nation International Energy Agency, based in Paris, have yet to call for triggering of a plan to force the United States to share its oil supplies with the other industrial countries.

Under an IEA agreement negotiated after the Arab oil embargo, member countries can trigger the sharing agreement when their supplies are 7 percent less than normal consumption.

Under the 1975 Sinai accords, the United States guaranteed Israel's oil supply in the event of an emergency. Until the cutback, Iran provided Israel with 70 percent of its oil.

Schlesinger said that there have been discussions with senior Israeli officials in recent weeks over how the United States would fulfill that agreement. Israel has not asked for U.S. supplies, but Schlesinger said the Israelis should expect 60 to 90 days' lead time. "One of the best systems would be to allow exports from the North Slope" of Alaska, the secretary said. This would require congressional approval.

Middle East Economic Survey, an authoritative trade journal, reported this week that Saudi Arabia would limit its production during the first quarter of this year to 9.5 million barrels a day—down from nearly 10.5 million barrels now.

This report, which has been confirmed by informed sources, originated at a Jan. 15 meeting that Saudi Oil Minister Zaki Yamani had with the members of the Arabian American Oil Co.—Texaco, Exxon, Mobil and Standard Oil of California. The same information, sources say, has been transmitted from the U.S. embassy in Jiddah to Washington.

Asked about whether the critical Saudi production level had been unequivocally limited to 9.5 million barrels a day for the first quarter, Schlesinger said yesterday, "I think not. There is some question whether that will be the case."

The Aramco companies have all declined to comment publicly.

In some industry circles there has been speculation that the Saudis' announcement could be tied to dissatisfaction over U.S. handling of the Middle East peace talks, as well as an effort to respond to conservation pressures within the kingdom. This is denied by administration officials.

"It is a most delicate issue," said one senior administration official, corroborating Schlesinger's comments, and at the same time confirming that the U.S. embassy had reported the 9.5-million-barrel ceiling to the State Department.

The official said that the United States is awaiting further confirmation from the Saudis, adding that it is still possible they would go above 9.5 million barrels of oil during the first quarter.

Administration officials privately express concern over the impact a cut in Saudi production could have on exchange rates and oil prices, and say they expect the Saudis to clarify their position soon.

On other questions, Schlesinger said:

DOE is prepared to allocate oil supplies, and is circulating regulations to allow oil industry companies to update their positions under DOE regulations to reflect changes in the market since 1973.

Gasoline prices are likely to go up 12.2 cents in the next two years.

The Central Intelligence Agency knew Mexico had 140 billion barrels of estimated recoverable oil before the Carter administration unveiled its energy plan in 1977, but he thought that Mexico would probably adopt a moderate oil development plan.

There is uncertainty about the size of China's oil reserves, but it is likely they could have 50 billion barrels onshore and 50 billion barrels offshore.

ANDRUS REQUESTS RESERVES SHELVED

(By Betty Mills)

WASHINGTON.—Interior Secretary Cecil D. Andrus told the House Interior Committee today he strongly favors the termination of drilling in the 23-million acre National Petroleum Reserve Alaska.

"My personal recommendation is that we put it on the shelf and wait to see if it is needed," Andrus said in his first Capitol Hill appearance of the new Congress.

The department has proposed a termination of the drilling program in the reserve, known as Pet 4, in fiscal 1980, slashing funding by more than $200 million.

"If in 1979 we find an incentive to continue, we will come back and ask for more money," Andrus said. "Those wells are expensive, take two years to complete, and we have a transportation problem up there."

Andrus did not rule out the possibility of private exploration in the huge North Slope reserve once the government drilling is completed.

Andrus presented the committee with a broad outline of his department's goals in the new Congress and endured three hours of questioning by members.

He referred to enactment of an Alaska D2 land bill as the department's first priority. Andrus will return to the Interior Committee Thursday as the panel kicks off its hearings on the D2 issue.

The decision to conclude the government's exploratory drilling in Pet 4 was criticized by Rep. Don Young, R-Alaska, and Rep. Steve Symms, R-Idaho.

Young appealed to Andrus to release the data compiled by Husky Oil Co., the private contractor that has conducted the drilling.

"This committee has the decision to make about whether to go forward in Pet 4. I want to see recommendations from the geologists," Young said.

Young, who will serve as the ranking member, on the mines and mining subcommittee, said he intends to hire a geologist to advise him on the Pet 4 issue.

Andrus said complete reports on the Pet 4 drilling program will be submitted to Congress later this year.

Symms said, "This points out the weakness of a government exploration program. It concerns me to say we don't need it when we really don't know what's there."

On other topics, Andrus said the federal government has issued all the necessary permits for the construction of the Sohio pipeline to bring excess Alaska oil from Long Beach, Calif., to Midland, Texas.

"That project is being held up by actions of the state of California. All the federal permits have been issued," Andrus said.

He said the department will issue an environmental impact statement in May on the proposal for a Northern Tier pipeline to transport Alaska oil to the Midwest.

Andrus said proposals to export Alaska oil are being considered by the administration, but he said he is not involved in that issue.

"That is the responsibility of the Department of Energy. I cannot say whether there is a high probability or a low probability (that oil will be exported)," he said.

Andrus was questioned closely about the planned reorganization of the Interior Department, which is being considered by the White House.

Andrus said he supports the proposal to consolidate the U.S. Forest Service with the Interior Department into a new Department of Natural Resources. The proposal has been strongly criticized by the chairman of the House and Senate agriculture committees. The Forest Service now is under the Agriculture Department.

"I think this would be an improvement, bringing all the people who manage federal lands into one agency," Andrus said.

He said a decision is due from the White House on the reorganization plan next month.

"I don't think anyone is picking on the Forest Service. This is intended to end the duplication of efforts. The Forest Service is professionally run, but in my personal opinion, perhaps the Forest Service could be more productive in the management of federal lands," he added.

ORDER TRANSFERRING ALLOTTED TIME

Mr. ROBERT C. BYRD. Mr. President, I was not aware that I had been allotted time. I ask unanimous consent that the orders allotted to Mr. Bentsen and Mr. Chiles be transferred to me today.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I want to yield to the distinguished majority whip such time out of the 30 minutes that I now have as he may need.

Mr. CRANSTON. I thank the Senator very much.

(The remarks of Mr. Cranston and other Senators who participated in the colloquy in connection with the introduction of a joint resolution are printed under statements on introduced bills and joint resolutions.)

RULES OF THE COMMITTEE ON THE JUDICIARY

Mr. KENNEDY. Mr. President, the Committee on the Judiciary, at a meeting held on January 30, 1979, adopted the procedural rules for the committee. In accordance with the requirement to publish the rules of each Senate committee in the Congressional Record not later than March 1 of each year, I ask unanimous consent that the rules be printed in the Record.

There being no objection, the committee rules were ordered to be printed in the Record, as follows:

Rules of the Committee on the Judiciary

I. Meetings of the Committee:

1. Meetings may be called by the Chairman as he may deem necessary on three days notice or in the alternative with the consent of the Ranking Minority Member or pursuant to the provision of Sec. 133(a) of the Legislative Reorganization Act of 1946, as amended.

2. Each witness who is to appear before the Committee or any subcommittee shall file with the Committee, at least 48 hours in advance of the hearing, a written statement of his testimony in as many copies as the Chairman of the Committee or subcommittee prescribes.

3. On the request of any member, a nomination or bill on the agenda of the Committee will be held over until the next meeting of the Committee or for one week, whichever occurs later.

II. Quorums:

1. Nine members shall constitute a quorum of the Committee when reporting a bill or nomination; provided that proxies shall not be counted in making a quorum.

2. For the purpose of taking sworn testimony, a quorum of the Committee and each subcommittee thereof, now or hereafter appointed, shall consist of one Senator.

III. Proxies:

When a record vote is taken in the Committee on any bill, resolution, amendment, or any other question, a quorum being present, a member who is unable to attend the meeting may submit his vote by proxy, in writing or by telephone, or through personal instructions. A proxy must be specific with respect to the matters it addresses.

IV. Bringing a Matter to a Vote:

The Chairman shall entertain a non-debatable motion to bring a matter before the Committee to a vote. If there is objection to bringing the matter to a vote without further debate, a rollcall vote of the Committee shall be taken, and debate shall be terminated if the motion to bring the matter to a vote without further debate passes with ten votes in the affirmative, one of which must be cast by the Minority.

V. Subcommittees:

1. Any member of the Committee may sit with any subcommittee during its hearings or any other meeting, but shall not have the authority to vote on any matter before the subcommittee unless he is a member of such subcommittee.

2. Subcommittees shall be considered de novo whenever there is a change in the subcommittee chairmanship, and seniority on the particular subcommittee shall not necessarily apply.

3. Except for matters retained at the full Committee, matters shall be referred to the appropriate subcommittee or subcommittees by the Chairman, except as agreed by a majority vote of the Committee or by the agreement of the Chairman and the Ranking Minority Member.

ORDER OF PROCEDURE

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may proceed without consideration against those whose time precedes mine. I have discussed this with the majority leader, and he suggested that I do this, so that if other Senators are not now on the floor and want to take their time, they can take it.

The ACTING PESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

STATISTICAL GAMES WITH THE DEFENSE BUDGET

Mr. PROXMIRE. Mr. President, the administration has played statistical games with the defense budget to understate its real growth and misrepresent its contribution to NATO.

The most obvious manipulation has been the attempt to understate the percentage of real growth in this year's budget. The budget documents indicate that overall the defense budget will go up by 3 percent in real terms in outlays and 1.7 percent in budget authority.

That figure is phony. The 3-percent figure was reached by comparing the fiscal year 1980 budget with the fiscal year 1979 budget after adding in a $4.4 billion supplement appropriations bill. The supplement bill was sent to the Congress along with the fiscal year 1980 request. It has not passed.

Furthermore it is not likely to pass in its entirety. The Congress has expected and counted on $1.8 billion for pay increases. Much of the remaining $2.2 billion was rejected last year during the aircraft carrier veto debate. If passed, the $2.2 billion would break the fiscal year 1979 congressional budget outlay ceiling of $112.4 billion.

So that is another reason why it is unlikely to pass. No. 1, it is rejected, and No. 2, it would break the ceiling and, therefore, we would not do so. But that has given the Department of Defense and the administration a higher base than they should have, so that the 3-percent growth figure compares an unrealistically high fiscal year 1979 budget with the current year. If the fiscal year 1979 budget is considered to include the $1.8 billion pay increase (rather than the entire $4.4 billion supplemental), then the real growth in this budget is 4.4 percent not 3 percent.

Even if the 3-percent figure were fixed and real, it would not mean that our NATO contribution would be increased by 3 percent. To the contrary, since the 3 percent applies to the entire defense budget, many non-NATO related items are included.

Consider that retired military pay outlays increase $1.1 billion. Thus the 3-percent growth goal includes a retired pay increase component totally unrelated to any real military capability in NATO or otherwise. Similarly the increase in military pay, figured as part of the 3-percent contribution, has no specific application to NATO defenses except in the most ephemeral sense.

If the Defense Department were serious about increasing our NATO force structure and preparedness, it would have targeted any real increases to specific NATO related expenditures. Counting retired military pay as NATO contribution really makes no sense.

Targeting the 3-percent increase just to the broad categories of research and development, procurement and military construction (leaving aside manpower, retired pay, and operation and maintenance) would permit a $2.2 billion savings in the fiscal year 1980 budget without in anyway diminishing our NATO 3-percent pledge.

I will press for this reduction and more in the fiscal year 1980 budget.

HEARINGS ON EXPORT CONTROL POLICY

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing, and Urban Affairs will hold hearings on U.S. export control policy and proposals to extend and revise the Export Administration Act Monday, March 5, and Tuesday, March 6, for the purpose of receiving testimony from Government witnesses. The Subcommittee on International Finance, chaired by the able junior Senator from Illinois, Senator STEVENSON, will hold hearings on the same subjects on Monday, March 12, and Tuesday, March 13, to receive testimony from private witnesses.

The Export Administration Act, which is our Nation's basic export control statute, will expire on September 30 unless renewed. Authorization of the Commerce Department's expenses for administering the act in fiscal year 1980 is also required; thus, the Budget Act requires the Banking Committee to make every effort to report this essential legislation prior to May 15.

Among the issues to be addressed in the hearings on March 5, 6, 12, and 13 are the following:

What controls should be applied to the transfer of U.S. technology abroad? Should technology transfer be limited when it appears likely to increase imports to the United States or enhance the competitive position of foreign producers relative to American producers in world markets? Should controls on technology transfer for strategic purposes be confined to militarily "critical technologies," as suggested by the Department of Defense? Did the Dresser case involve the export of goods or technology which would make a significant contribution to the military potential of the Soviet Union?

What controls should be applied to the sale to foreign countries of equipment and technology for use in energy exploration and production? In particular, why are controls currently applied to such sales to the U.S.S.R., but not to the People's Republic of China and other countries?

How are export controls being used to "further significantly the foreign policy of the United States and to fulfill its international responsibilities"? In particular, what role should export controls play in promoting observance of human rights in foreign countries? Should trade be banned with countries with records of gross violations of human rights? Should exports be permitted to the People's Republic of China which are denied to the U.S.S.R.?

Should exports of commercial goods and technology which can readily be converted to military use be controlled in the same manner and degree as weapons?

What contribution have exports of U.S. goods and technology made to Soviet military capability and to that of other Communist states during the past 30 years?

What controls exist on the export of banned or hazardous materials, goods, and substances?

What effect have the antiboycott provisions of the Export Administration Act and the Tax Reform Act of 1976 had on boycott practices and on U.S. trade and foreign relations? What antiboycott policies are being followed by other countries?

How do the export control policies and practices of our COCOM allies differ from our own? How can greater uniformity be achieved? Should the "short supply" provisions of the act be changed?

Should controls on the export of Alaskan oil be lifted?

What steps have been taken to implement President Carter's directive of September 26, 1978, to "take export consequences fully into account when considering the use of export controls for foreign policy purposes"? How is "foreign availability" of comparable goods and technology assessed? Who makes such assessments? What weight is given to foreign availability in export licensing decisions?

How can the processing of export license applications be expedited? What agencies should be involved in reviewing export licenses, with what responsibilities? Should interagency review be limited by time deadlines which force decisions on applications or review at higher levels? What changes in export control policy or the administration of export controls have been made pursuant to Presidential Review Memorandum 31?

Witnesses scheduled to appear at the hearings on March 5 and 6 include Secretary of Commerce Juanita M. Kreps, Secretary of State Cyrus R. Vance, Under Secretary of Defense William Perry, Comptroller General Elmer B. Staats, and representatives from the Departments of Energy and Treasury. Hearings will be held at 10 a.m. and 3 p.m. on Monday, March 5, and 10 a.m. and 2 p.m. on Tuesday, March 6. All hearings will be held in room 5302 of the Dirksen Senate Office Building.

Persons interested in submitting testimony at the hearings on March 12 or 13 or desiring additional information may contact Robert W. Russell, counsel to the Subcommittee on International Finance, at (202) 224-0819.

JANUARY GOLDEN FLEECE RUNNERUP AWARD GOES TO NATIONAL ENDOWMENT FOR THE ARTS

Mr. PROXMIRE. Mr. President, the "runnerup" January Golden Fleece of the Month Award went to the National Endowment for the Arts for supporting a "Hanauma Bay (Hawaii)-Colored Headcovers Happening," which involved 400 people being filmed from a rented helicopter as they walked along an Oahu beach wearing shiny paper party hats color coded to the wearer's sex and race. Because of the relatively small amount of Federal funds involved, this project lost out in the competition for the January Fleece of the Month, which went to a $140,000 Department of Labor grant to Orange County, Calif., to pay for a yet uncompleted census of the Samoan population living there.

The Hawaiian State Foundation on Culture and the Arts, as part of a $20 million NEA Federal-State matching funds program, spent $1,000 on this work of "contemporary environmental conceptual art." The happening was dreamed up by a group of art students and professors at the University of Hawaii. One professor explained the project:

> Contemporary art, and this is contemporary art, is conceptual. Meanings are layered, referring to things and ideas that are not there.

HANAUMA BAY-COLORED HEADCOVERS HAPPENING

The "Hanauma Bay-Colored Headcovers Happening" happened last December. While the artists sent out more than 2,000 invitations and hoped to hat attire at least 1,500 beachcombers, only 400 people turned out to wear the shiny paper party hats. Those who did found themselves holding hands and strolling along the beach and in the surf as their ambulatory art experiment was being preserved for posterity from a helicopter hovering overhead.

The distribution of hats was supposed to be based strictly on the sex and race of the wearer. For example, blue hats were handed out to Caucasian males while Caucasian females got green ones. Oriental males were assigned purple hats, and the distaff members of the oriental race were given red ones. According to the grant application, the reason for this ethnic and sexual designation was to allow for "post project analysis of racial integration." Unfortunately, the sociological aspect of this contemporary environmental conceptual art happening was confounded by the voluntary exchange of hats among the sexes and races.

In addition, one of the artists has already envisioned a followup project with—

> Five thousand people in orange day-glo shirts simulating an eruption in Diamond Head. See we'll start with everybody inside the crater, then we'll have some people from hiking clubs climbing up the inside and spilling down the outside like hot lava.

When asked about the colorful but dubious happening, a National Endowment for the Arts spokesman pointed out that this type of minigrant does not legally require prior approval by Washington. As the National Endowment for the Arts conveniently interprets its legislation, only the individual State art councils can determine how the 20 percent of the endowment funds which go directly to the State shall be spent.

SUPPORT FREE EXPRESSION

While I strongly support free expression by creative artists and believe that the Hanauma Happening artists sincerely believe in the importance of their work, I see no reason why the Federal Government should spend hard-pressed taxpayers' money to support such activities. If the artists want to do it, let them pay for it themselves or with private contributions.

While the amount of money involved in this project is relatively small and, therefore, worthy of only a runnerup Fleece Award, a significant portion of Federal funds is spent without any Federal oversight. This mindless method of spending is exactly why there is so much waste and so little accountability in Government spending.

THE GENOCIDE CONVENTION: AN INEXPENSIVE BOOST TO OUR MORALE

Mr. PROXMIRE. Mr. President, now that President Carter has submitted his budget to Congress we see that billions of dollars will be spent in 1979 in maintaining the strongest military force in the world, that of the United States.

But the question is, "What can we do to strengthen our position in the world, that does not require spending billions of dollars?" I believe that a strong military is essential to a strong nation, but I also believe that a nation should be morally strong.

There is one step that we can take right now.

I am referring specifically to ratification of the Genocide Convention.

For 30 years, Mr. President, the U.S. Senate has not been able to ratify this essential human rights treaty. Consider that for a moment. A treaty—that was designed to protect the right to live—has been ignored for 30 years.

Now, why?

Is that not what we are spending billions of dollars a year to insure—the right to live?

How can we justify on the one hand spending billions of dollars each year on military protection, and on the other, ignore a treaty that would provide one small step toward improving the basic protections for existence?

The lack of consistency is appalling. But the situation has persisted for the last 30 years. It is time to become consistent. We cannot endorse military security and refute national morality.

ORDER TO VITIATE REMAINING SPECIAL ORDERS FOR TODAY

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, what other special orders are pending?

The ACTING PRESIDENT pro tempore. The special orders for the Senator from New Jersey, the Senator from Texas, the Senator from Tennessee, and the Senator from California.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all of the remaining special orders be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with Senators permitted to speak for not to exceed 15 minutes therein.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business last until not later than 5 p.m. today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THOMAS J. McINTYRE

Mr. ROBERT C. BYRD. Mr. President, Thomas J. McIntyre was elected to the Senate in 1963—the first New Hampshire Democrat in 30 years to attain a Senate seat. During his 16 years of service, Senator McIntyre accomplished much that will benefit New Hampshire and the Nation for years to come. His presence in this Chamber is sorely missed and will continue to be sorely missed, but he will be remembered in many ways: for his personal integrity, his sense of fair play and justice, and his ability to work effectively with Senators from both sides of the aisle.

As a member of the Senate Armed Services Committee, Senator McIntyre stood out as a skillful legislator in the area of national defense. His reputation as a knowledgeable spokesman on the subject of military research and development is widely known and respected. He spent many, many hours reviewing thousands of research and development programs in his careful and thorough fashion, working closely with the committee chairman, Senator STENNIS, and other members of the committee to reach agreement on the issues. On numerous occasions, it was his recommendation which provided the common denominator for reaching an agreement. And on the Senate floor, Mr. McIntyre was often relied upon by Democrats and Republicans to clarify an issue or to help achieve a consensus among his colleagues.

Senator McIntyre's Senate career is filled with accomplishments that speak for the consumer—in New Hampshire and the Nation. As a member of the Small Business Committee, he was instrumental in the creation of the Commission on Federal Paperwork. As the Commission's cochairman, he worked toward reducing the time-consuming and often frustrating burden on the private sector of Government redtape and excessive paperwork.

He also spent considerable effort reforming the banking system—again, for the benefit of consumers. As a member of the Banking Committee, one of his most notable achievements was the NOW account—a new checking/savings innovation for banking customers.

In other areas as well, he was an accomplished legislator. Senator McIntyre is widely recognized for his knowledge of and interest in alternative energy sources. He has long been a leading advocate for the development of solar and other forms of alternative energy sources. He was the chief Senate sponsor of the Small Business Energy Loan Act, which will provide loans or loan guarantees to small businesses to assist them in developing renewable energy products and services, such as solar energy equipment.

In the area of health, Mr. McIntyre proposed his own program for national health insurance. His efforts in this field clearly demonstrate his commitment to the concept of providing basic health care to all Americans at reasonable cost. Some of his initiatives for improving health care services and upgrading the health care industry were adopted.

Trade issues also received close scrutiny by Senator McIntyre. He was concerned with the threat of import competition to American jobs and argued that due consideration be given American workers in the discussion of trade agreements with other countries. This was of particular importance to his constituents in New Hampshire, where textile and footwear industries are located. His sound judgment and balanced opinions will, I am sure, be remembered by his former colleagues as we continue our review of numerous trade issues this year and next.

Mr. President, I think what we remember best about Thomas J. McIntyre is his remarkable forthrightness and courage. His commitment to represent the best interests of his constituents and his country was unequivocal, even if it risked drawing fatal fire from his political adversaries. This is best exemplified by his support for ratification of the Panama Canal treaties. One of the most memorable events for me, not only during the debates but also during my years in the Senate, was the moving address he made in support of ratification.

After considerable review and evaluation of the pros and cons of ratification, Senator McIntyre came out in favor of the treaties. His decision was made difficult by public opinion in his State against the treaties. But this distinguished Senator from New Hampshire, Mr. McIntyre, did not waver. He stood firm in the knowledge that his decision was based upon many weeks of careful study of the treaties themselves, and in the final analysis, he was willing to put aside self-interests and take a stand for what he believed was the right thing and the best thing for our country. As he said during the debate, "I will go home to Laconia content in my heart that I voted in what I truly believed were the best interests of my country."

The principles Tom McIntyre demonstrated, Mr. President—intellectual integrity and intellectual independence—are qualities which, in my judgment, make this Congress work not only in the interest of each Member's constituency but also in the interest of the Nation.

I compliment him and commend him. I know his absence will be felt by most of us.

Erma and I join in wishing to Tom and Myrtle every good thing and our prayers for their future happiness and good health.

THE SEATTLE-DENVER EXPERIMENT

Mr. MOYNIHAN. Mr. President, last November, the Subcommittee on Public Assistance held hearings on the findings of research efforts in the area of poverty, dependency, and welfare. Of particular interest were results of the major income maintenance experiments that the Federal Government has conducted in the past decade. The largest of these, the Seattle-Denver experiment, was conducted by SRI International for the Department of HEW.

Some of the principal findings of this experiment were presented by Dr. Robert G. Spiegelman, director of SRI's center for the study of welfare policy. Among the questions that arose during our discussion was the very important one of the ethics of conducting social experiments of this sort. I recalled a paragraph I had written in Maximum Feasible Misunderstanding in 1968:

> (T) here is an issue beyond objectivity. The 'movement of the social system into self-consciousness' has been accompanied by increasingly sophisticated efforts to shape and direct that system. . . . There arises then a range of questions of ethical behavior that correspond to the canons of professional practice with respect to individual clients. Social workers have developed, and some cases borrowed from other professions, a quite extensive set of rules governing and protecting professional conduct. They can, for example, purchase insurance for suits against malpractice. But what is malpractice with respect to a community? At what points are risks taken that are not justified?

I asked Dr. Spiegelman to reflect on these issues in relation to large-scale experiments such as the one he so ably directed, and to share his reflections with me. He has now done so, and his thoughtful, careful and sensitive observations deserve a wider audience. I therefore ask unanimous consent that his letter to me of January 12, 1979, be printed in full in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 12, 1979.

Senator DANIEL PATRICK MOYNIHAN,
U.S. Senate,
Committee on Finance,
Washington, D.C.

DEAR SENATOR MOYNIHAN: In my testimony on November 15, 1978, you requested that I prepare a statement as to my views of the ethics of conducting a social experiment under conditions in which some persons in the experiment can suffer harm. Specifically, you were concerned with the ethics of conducting the income maintenance experiments, which appear to increase the rate of marital separation and thus cause some children to live in single-parent homes who otherwise would have lived in two-parent homes.

In discussing the ethics of conducting social experiments, there would seem to be three considerations: (1) Are the participants at risk of suffering harm? (2) Is there informed consent by the participants? and (3) Does society and/or the participants stand to gain from the results of the experiment? I will not attempt to deal generally with the ethics of social experiments, but rather to confine my observations to the specific concerns regarding the NIT experiments. Defining "harm" is not simple in a social experiment. In a medical experiment all may agree that an illness induced by the experimental treatment is harmful. Since the treatment in the NIT is essentially the provision of additional income, the treatment itself cannot be judged to be harmful. Rather, it is the participant's response to the treatment that may cause harm. But harm in whose terms? If the individual knowingly chooses a response, then presumably he is better off making that response. For example, a response to the NIT treatment can be to reduce hours of work or to get a divorce. Since these responses are voluntary, harm is only a relevant consideration if the responses are not based on reasonable information provided the participants, and that participation in the experiment is not volnutary. In other words, is there "informed consent?"

In the NIT experiments, consent is obtained by requiring an enrollment agreement to be signed by the agents of the experiment and the family. This agreement explains the rights and obligations of the family members. The family may accept or reject membership. Furthermore, each family member has the ability to wtlhdraw from the experiment at any time without penalty. Those families who were previously on welfare (AFDC), were guaranteed the ability to return to that program.

With regard to consent being informed, it is necessary that the individual has an ability to decide what is in his own best interest. As pointed out by Peter Brown, the two issues of information and risk of harm are highly related.[1] The higher the risks involved in the experiment, the greater the need that information about the experiment be imparted. Thus, in experiments in which the individual or family could suffer harm, the risks should be spelled out clearly and completely. This does not mean that it is necessary to inform the family of the overall purposes of the experiments. Thus, the fact that the income maintenance experiments are interested in measuring the effects on work effort does not have to be conveyed to the recipients. Conveying such information could change family behavior and nullify the experiments. What is necessary is that the family know how it will be directly affected by the experiment. The family should know what it is giving up in order to take part in the experiment (i.e., other welfare benefits) and how its behavior will determine the payments to the family. This creates no difficulty because complete information about how family behavior affects payments is essential not only for the ethical concerns but also for the success of the experiment. Furthermore, the income maintenance experiments have no "hidden" treatment as may exist, for example, in a birth control experiment in which some people are given placebos when they think they have been given birth control pills. This would be a violation of the informed consent provisions, and no such violation occurs in the income maintenance experiments.

The issue is complicated by the fact that the decision to participate in the experiment is that of the adult parent and not that of the child and it is potential harm to the child that is of concern here. This concern, however, is more a reflection on the parent-child relationship than on the relationship of the experiment to the child. It is well recognized that parents have a wide latitude within both the law and social custom regarding decisions that affect the child. A parent is not supposed to make decisions that are directly adverse to the child's well-being. As stated by Paul Ramsey, "The parent has a sacred obligation to protect the child's interest."[2] However, society does not require that a parent obtain the consent of the child to make decisions that affect the child's well-being. We cannot impose upon the participants in an experiment a set of consensual standards that differ from those imposed by society apart from the experiment. To do so would be an unnecessary infringement upon the rights of the participants. It would also compromise the experiment by introducing an artificial difference between the experimental situation and the real world. Parental decisions to divorce, remarry, quit work, or move to another town affect children both within and outside the experiment. The experiment does not (and should not) alter this parent-child relationship.

The last issue is benefits. These are twofold. There is potential benefit to both the individual and society as a whole from the conduct of the experiment. The main justification for conducting a social experiment is to gain information to improve the efficiency and effectiveness of social policy. There may be unanticipated side effects, however. If indeed as a result of the experiment harm is caused to participants, for example, an increase in the marital dissolution rate (if it is regarded as a harmful outcome), then it follows that the information in this case may be the most valuable of all. These unintended harms befell a very small number of individuals, whereas if the program had been harmed without the experiment, the number harmed may be far greater. Thus, societal benefits from a social experiment are particularly high if that experiment uncovers a harmful effect of a policy that has a high probability of being implemented.

There should also be benefits to the individuals taking part in these experiments. One form of benefit may be the satisfaction gained from accepting risk of harm by an altruistic individual who wishes to aid society. In the case of income maintenance, however, no such altruism was required as the individual families could be expected to participate only if they received direct and immediate benefits. These benefits came in the form of increased cash incomes. One may argue that individuals could only perceive correctly their short-run benefits and may badly misjudge their long-term benefits which might not have been as positive. This is true, but irrelevant. Individuals make decisions for both short- and long-term gains. Long-term effects are always seen with much less certainty that short-term effects. If the individual was fully informed with regard to issues that influence longer term effects, such as the date the experiment would terminate, and the conditions that would be provided to him at the point of termination there is no special problem. Whether an individual sees the long-term effects of divorce or quitting a job is really not relevant to the informed consent doctrine for an experiment. This is part of a normal behavior process and the individual must evaluate the pros and cons of taking those actions as well as he can. Similarly, he must make such an evaluation when he decides to join the experiment.

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[1] See P. Brown, "Informed Consent in Social Experimentation: Some Cautionary Notes," In Rivlin, A.M. and P.M. Timpane, eds., *Ethical and Legal Issues of Social Experiments*, Brookings Institution, 1975.

[2] See Rivlin and Timpane, p. 42.

We hold that the income maintenance experiments are on firm ethical grounds in that the members of the experiment are well-informed as to the benefits and costs of participation, that their voluntary consent is obtained and can be rescinded at any time, and that essentially participation is only made on the basis of an individual's benefit/cost calculation.

Sincerely,

Robert G. Spiegelman,
Director, Center for the Study of Welfare Policy.

RECESS FOR 1 HOUR

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess for 1 hour.

The motion was agreed to and at 12:41 p.m., the Senate recessed for 1 hour; whereupon, at 1:41 p.m., the Senate reassembled when called to order by the Presiding Officer (Mr. Levin).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I withdraw my motion on Senate Resolution 9 and I ask for a ruling.

The PRESIDING OFFICER. The motion is withdrawn.

UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a final vote on Senate Resolution 9, as amended, if amended, no later than 3 o'clock p.m. on Tuesday, March 6, 1979, with the understanding that the details as to time on amendments, the time allotted for debate and the control thereof, the time on motions, points of order, et cetera, may be placed later. At this time, we will only agree to a final vote to occur not later than the aforementioned date.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Reserving the right to object, Mr. President, the Senator from North Carolina asked to be present for this agreement. He is on his way to the Chamber now.

I would like to make sure we understand what the procedure will be. The majority leader has withdrawn his motion and Senate Resolution 9 is still pending, however.

Mr. ROBERT C. BYRD. I have just offered it.

Mr. STEVENS. The Senator has offered it?

Mr. ROBERT C. BYRD. I have offered it. So there is no motion pending.

Mr. STEVENS. There is no motion pending before the Senate at this time.

Mr. STENNIS. Mr. President, may we have conditions where we can hear? This is an important matter.

The PRESIDING OFFICER. The Senate will be in order.

Mr. STEVENS. I am grateful to my good friend.

Mr. President, it is our intention to proceed, as I understand it, following the agreement, assuming we enter into it, into a period whereby the majority leader would adjourn the Senate and we would then enter the second legislative day.

Mr. ROBERT C. BYRD. That is correct.

Mr. STEVENS. The effect of that, as I understand it, would be that having entered the second legislative day, if the distinguished majority leader renews his motion, then the Senate having proceeded through one legislative day, under the existing rules would then require a two-thirds vote of the Senators voting to change the Senate rules.

Mr. ROBERT C. BYRD. No, it only requires a majority at any time under the present rules. But if we get an agreement as to a final vote, then there would be no need for a motion to invoke cloture on a filibuster because we would have already agreed to vote no later than a certain date on the measure itself. But by going into the second day, I could not then renew the motion which I had withdrawn.

Mr. STEVENS. Is it the distinguished majority leader's intention that it would be possible to proceed with his motion on the basis of a majority vote?

Mr. ROBERT C. BYRD. No, not the motion that I had entered and have withdrawn. I have withdrawn that. If we now agree that we will have a vote up or down on the resolution, as amended, if amended, no later than March 6, there would be no reason to renew that motion because I would have obtained consent on the resolution as to the final vote.

Mr. STEVENS. May I inquire, what is the majority leader's understanding of the number of Senators who would be required to carry the Senator's motion as it is presented the second time? Would that be two-thirds?

Mr. ROBERT C. BYRD. I will not present the motion the second time. If we get the agreement that we may proceed to debate this resolution and amend it, if need be, with a final vote to occur no later than March 6, this would simply be a unanimous-consent agreement.

Mr. STEVENS. How many Senators would be required to adopt the Senator's resolution amending the rules?

Mr. ROBERT C. BYRD. That would be a majority, but that is true any time during the year. A majority of the Senators may amend the rules at any time during the year. The two-thirds comes in by virtue of the requirement of two-thirds to invoke cloture on a filibuster in a change in the rules. But the change itself never requires more than a majority vote under any circumstance, under the present rules.

Mr. STEVENS. I might say to my good friend I think I am going to have to confer with the Members on my side on this matter. It was our understanding, and my instructions were, that we were at liberty to enter into a time agreement on the basis that it would require a two-thirds vote to amend the rules.

Mr. ROBERT C. BYRD. That would be an entirely new rule in the Senate. The Senate has never operated under that rule. The two-thirds question always comes in with respect to invoking cloture on a change in the rules. It has never required more than a majority vote to change the rules. I would be very happy to have the Chair state whether or not I am correct.

The PRESIDING OFFICER. The Chair agrees with the majority leader. A majority vote is required to change a rule or to amend a rule.

Mr. HARRY F. BYRD, JR. I came in late and I may not fully understand the proposal. As I understand it, if the proposal, the unanimous-consent request, is agreed to, the Senate then would be giving up the right to a cloture vote, which would take two-thirds to cut off cloture—is that right?

Mr. ROBERT C. BYRD. As in any unanimous-consent agreement, that is correct.

Mr. HARRY F. BYRD, JR. What the Senate would be giving up is the opportunity to require a two-thirds vote before cloture could be invoked——

Mr. ROBERT C. BYRD. To invoke cloture, yes.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. ROBERT C. BYRD. The Senate would not be giving up that right. If there were a unanimous-consent agreement, there would be no cloture involved.

Mr. HARRY F. BYRD, JR. But the unanimous-consent request, if agreed to, would make it impossible, then, for the Senate to continue to debate unless two-thirds of the Senators present and voting voted for cloture.

Mr. ROBERT C. BYRD. It would preclude a filibuster on the rules change.

Mr. HATFIELD. Will the Senator yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. HATFIELD. I inquire of the majority leader as to the impact of his withdrawing Senate Resolution 9 prior to entering into a unanimous-consent agreement. What is the relationship of that particular——

Mr. ROBERT C. BYRD. I did not withdraw Senate Resolution 9. I merely withdrew the motion that I had offered to proceed immediately, without debate, to consideration.

Mr. HATFIELD. What is the purpose of withdrawing that motion?

Mr. ROBERT C. BYRD. The purpose of withdrawing that motion is that the motion does not exist at the moment. In essence, I have just offered the resolution and I have asked unanimous consent that the Senate proceed to consideration thereof and vote no later than March 6 on the adoption of the resolution as amended. So there is no such motion at the moment pending. If we get the agreement, that relieves all this business about the possibility of forcing the Senate to a vote by a majority at the beginning of a new Congress to change the rules. That eliminates that, because we will simply enter into an agreement that on March 6, no later than that date, we will vote on this resolution.

Mr. HATFIELD. The majority leader, I am sure, will be interested in knowing that—if I could have the majority leader's attention.

Mr. ROBERT C. BYRD. Yes.

Mr. HATFIELD. The instructions that were given by the ad hoc committee functioning on the majority side to our party whip (Mr. STEVENS) was that we would agree to a time certain for the vote on whatever package we had put together in the meantime; but that was coupled, that was contingent upon an agreement's being reached that the two-thirds majority issue not be raised or not be a part of that agreement.

In other words, we wanted to make certain that we preserve for our side, at least, the constitutional issue of the two-thirds vote to make actual amendments or changes in the rules at the beginning of the session.

Mr. ROBERT C. BYRD. Even at the beginning of a new session, or midway in a session or at the end of a session, or at the beginning of the second session of Congress or midway in the second session of Congress, the Senate may change its rules by majority vote. The question about the two-thirds only arises if there is a filibuster on the change of the rules. It takes two-thirds to shut off a filibuster. For me to agree that it would take two-thirds to adopt my resolution on March 6 would be for me to enter into a new rule that simply has never existed, and does not exist today; to wit, that it requires two-thirds of the Senate to change the rules. That is not the case.

Mr. HATFIELD. I do not think the Senator—we did not apply, with respect to the majority leader, to change the rules on the basis of some kind of unanimous-consent agreement. By the same token, we want to preserve our right to at least lay down a cloture, if necessary, in order to preserve the two-thirds roll vote there in reference to amendments or changes in the rules at the beginning of the session.

Mr. ROBERT C. BYRD. Well, I have withdrawn my motion. If we enter into the unanimous-consent agreement, it seems to me that that leaves that entirely aside; we would not be put to that test at all. We would simply have entered into a unanimous-consent agreement, as the Senate often does, to debate a given measure. We would flesh in the details as to debate on amendments, motions, appeals or points of order later and the Senate would vote up or down on the measure at a given date.

Mr. HATFIELD. May I ask one more question?

Mr. ROBERT C. BYRD. Yes.

Mr. HATFIELD. I would like to ask the majority leader why we have been proceeding since the 18th of January under the procedure that we have been.

Mr. ROBERT C. BYRD. Simply because I was giving the Senate time, hoping that the two ad hoc committees could work out an approach which would obviate the possibility of my pressing my motion. We are still in the first legislative day of the new Congress. I had a motion to proceed without debate to take up the resolution. I have not wanted to press that and, therefore, trigger the previous rulings by vice presidents of both parties. I had wanted to avoid that, hoping we could work out a time agreement on the resolution which would permit us to take it up in an orderly fashion, debate it and amend it and vote on it at a certain date. That puts aside all of these other questions that we have been fearful of. That is what I thought we were about to achieve.

Mr. McCLURE. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield for the purpose only of his asking a question.

Mr. McCLURE. I thank the distinguished majority leader. It seems to me that the situation is this: That the rulings have been as the majority leader states, that the Senate can, at the beginning of a session, adopt rules by majority vote. On the question of whether or not there can be extended debate upon those rules, there is precedent on both sides, the most recent of which is that the matter can be submitted to the Senate without debate. That question has not been fully settled in the minds of some Members of the Senate and there are some who wish to consider that at some length. I think the effort has been made to avoid the debate upon that issue and to focus our consideration upon the rules rather than that issue. Committees have been meeting on both sides of the aisle, trying to come to an accommodation and an agreement with respect to what ought to be in proposed rules changes to deal with the question of the postcloture filibuster as it has evolved in recent years. I think substantial progress is being made in those negotiations and I think it may be that we are very close to coming to some agreement.

It has been stated that to ask that the rule change be by a two-thirds majority would be to adopt a new rule. I think, in effect, it would be, and the majority leader has indicated that that is asking him to concede too much. The other side of that is the question, if resolved by the Senate, that indeed debate cannot be cut off by a simple majority, even at the beginning. That is a debate we have all wanted to avoid if we could. Yet if we agreed to a simple majority vote at a time certain, those who wish to debate that issue will have conceded everything. It seems to me that is asking those of us on our side to concede too much.

Mr. ROBERT C. BYRD. Well, Mr. President, it is not conceding anything, because I would immediately adjourn and put us into a second day. So this argument about the first day of a new Congress would have evaporated, because we would then be in the second day.

Mr. McCLURE. Will the Senator yield further?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. But in effect, those who are concerned about what might be in the rules change would have given up any opportunity to raise any question as to whether or not it required more than a majority vote to either cut off debate or adopt rules.

Mr. ROBERT C. BYRD. Why have we not taken these days? We have been meeting now for 2 weeks and I have offered Senators plenty of time to debate. We have had morning business and they could have gotten up and debated that question. Now, after 2 weeks, when we had hoped to reach an agreement—the ad hoc committees have been meeting, trying to work out some proposed changes in Senate Resolution 9, and I think there have been some good suggestions and some progress made—I thought it was about time that we tried to reach an agreement on debate and the final vote on that resolution.

Now, I do not want to debate the 51 question. I do not want to debate the matter of the rulings that have been made previously by various Vice Presidents in both parties. That would become a moot question if the Senate would agree to vote on this resolution up or down.

(Mr. EXON assumed the chair.)

Mr. McCLURE. Will the Senator yield.

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. The situation, as I see it, though, is that the question of whether or not it requires 51, to terminate the debate, is interrelated with the question of whether or not those who are opposed to the rule change might wish to influence the direction of the rules change, are limited and ruled by a vote of a majority of a quorum being present. To agree to a time certain and at the same time agree to a simple majority of a quorum present, those who may wish to debate the rules change from the standpoint of resisting changes they think go too far will have conceded whatever opportunity they may have to raise the other question.

Mr. ROBERT C. BYRD. I do not agree with that at all. I do not agree with that at all.

Mr. McCLURE. The point I was trying to make with the distinguished majority leader is that it seems to me that the people who have been negotiating in good faith and were very much concerned about the direction of the rules change——

Mr. ROBERT C. BYRD. And I am included in that.

Mr. McCLURE. Yes, I understand that. I do not exclude the Senator from that.

They will have given up any attempt or any opportunity to prolong the discussion beyond a fixed date.

It seems to me if all Members are willing to do that in terms of a unanimous-consent agreement to come to a vote, that they ought not to be also asked to give up the opportunity to raise the question of whether or not that can be limited by a simple majority vote. I think the two-thirds request for adoption of the rules might be tempered by a consent agreement, or unanimous agreement, on all sides, that it takes the same majority to adopt the proposed rules change under the unanimous-consent agreement that it would for the cloture, if, as a matter of fact, cloture were required to be invoked to cut off debate.

Mr. ROBERT C. BYRD. Mr. President, if I may say so, most respectfully, that is one of the most specious arguments I have ever heard made in this Chamber.

Here we are asked to enter into a time agreement on a rules change and to include in that time agreement the understanding that any changes in the rules that would be voted would have to be voted by two-thirds.

Now, that is entirely unheard of. Where this idea ever germinated that it takes two-thirds of the Senate to change the rules, I have been unable to research and find. It is not anywhere in the rules.

It only takes a majority of the Senate, a majority of those present and voting, at any time, to change the rules of the Senate, whether it is January, February, March, April, May, June, July, August or December, whether it is the first session or the second session. It only requires a majority of those present and voting to change the rules.

Now, I am being asked to agree, to enter into an agreement that we will vote finally on March 6, no later than then but that it will take two-thirds of the Senate to change the rules.

Now, Mr. President, I am not about to enter into that kind of an agreement. I think I am being imposed upon, even to suggest that I enter into that kind of agreement.

Mr. STEVENS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield to the Senator.

Mr. STEVENS. I hope my good friend will not indicate I have imposed on him.

Mr. ROBERT C. BYRD. No.

Mr. STEVENS. We were trying to find a way around the problem of whether or not, at the beginning of the session——

Mr. ROBERT C. BYRD. Let me change that.

I am not being imposed upon, it is the Senate that is being imposed upon, to be asked to change its rules by a two-thirds vote, and I am not saying that anybody, the Senator from Alaska or the Senator from Idaho, means to do that.

But I am simply saying that has never been heard of, and, as majority leader, I will not stultify the rules of the Senate by agreeing to enter into any agreement that it will take two-thirds of the Senate to change the Senate rules.

That is not in the rules now and I am not going to make it a precedent.

Mr. STEVENS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. It was not a desire to change the rules as much as it was the desire to avoid the question of whether the rules pertaining to a two-thirds vote, or really 60 Senators, could terminate debate, rather than 51, on the initiation of the proceedings of the Senate in a new session. We have suggested that as a compromise, instead of the 60 of the Members duly chosen and sworn that in this instance two-thirds of the Members of those present and voting, be required to approve Senate Resolution 9, so we could move beyond the question of whether there is a cloture process that applies to changing the rules during the initiation of a new session. We sought to avoid the question of whether 51 could do it without regard to rule XXII. We sought to establish a procedure for this instance only. I say to my good friend, if we can do that then I can assure him he will have the support of the Members. As he knows, we are so close now in terms of the rules change, I expect to get 100 Senators to vote for it.

We were trying to assure that the record shows we did not yield on the principle that it would require 60 Senators to terminate the debate at the initiation of a new session of the Congress.

So I have to apologize to the distinguished Senator if I did not convey the instructions I received correctly. But it was my intention that we would have in the agreement a provision that in this instance, in order to avoid that knotty issue of whether the dictum of the late Vice President Rockefeller was correct or not, that we would have this unique agreement which does not change the rules, but for the purpose of this resolution would mean it would require two-thirds of those present and voting to pass that change of the rules.

Mr. ROBERT C. BYRD addressed the Chair.

Mr. STEVENS. I am advised by my good friends in the parliamentary business around here that by unanimous consent that could be done, although it is not changing the rules by unanimous consent.

Mr. ROBERT C. BYRD. By unanimous consent we could require three-fifths, or we could require four-fifths. We could require 99 out of 100, or require all 100 Senators elected and sworn be required to adopt the resolution.

Under the rules and the precedents by which we have been guided for decades, it only requires a majority of Senators to change the rules.

It only requires a majority vote to change the rules. The question of two-thirds comes in on invoking cloture on the rules, but three-fifths are required on other matters.

But I want to say to my good friend that I have eliminated that question, the question he and his colleagues are concerned about. I will have eliminated that question by having withdrawn the motion.

If we can get a unanimous-consent request, that puts that matter entirely aside. We would simply agree to debate that resolution on the rules change, flesh in the details as to time on amendments, motions, points of order, and so on, and no later than March 6 we will vote on that resolution up or down.

The Senate may want to vote it down. The Senate may want to change it in innumerable ways. But it would simply be a time agreement which will preclude and set aside the question which the Senator and his colleagues were so concerned about, to wit, whether or not the Senate may at the beginning of a new Congress change its rules and invoke cloture—invoke cloture; strike change of the rules; we can do that at any time—but invoke cloture by majority vote.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. BAKER. Mr. President, I am sorry I was not on the floor at the time the unanimous-consent request was propounded. I was not in a position to hear the exchange and I was in another part of the building.

Mr. President, I think we have gone a long way from the first calendar day. I think the distinguished Senator from Alaska has rendered yeoman service in trying to bring us a package that will be acceptable not only to the majority leader but to two-thirds, and, I hope, to the entire Senate.

It has been a long, laborious task, as he has headed up the ad hoc committee on our side to consider this matter. The distinguished majority leader, I am sure, would underscore that the ad hoc committee on his side has worked as well.

I thought for a moment today that we had an agreement, and it is clear to me now that we do not. I do not think that is anybody's fault. I think it is purely a misunderstanding and one of those things that can occur in a fever-filled subject and a complex issue such as this.

I hope we will persevere in our efforts to find a solution. My own view is that if we set a time certain, that would be greatly facilitated, or the likelihood of obtaining unanimous consent would be greatly enhanced, if we had a general understanding of what it was we were going to deal with—that is, if we could go a little further with our two ad hoc committees yet today, to outline the general subject matter with which we would deal. I think there is some chance that we could arrive at a time certain.

I would like the record to show that I am sure my colleagues on this side of the aisle know that I think we should try to get this issue resolved and get on with the business of the Senate. But it requires careful, cautious consideration; and I hope the majority leader might permit us a little more time to see if we could reconstitute some sort of agreement that would be suitable.

Mr. ROBERT C. BYRD. I would be glad to do that.

I share what the distinguished minority leader has said with respect to the efforts of our distinguished Republican whip. Mr. STEVENS and his ad hoc committee have worked laboriously. They have been very dedicated and very resourceful in their approach. I have worked with them to some extent and with our own ad hoc committee to some extent. I think a good approach has been reached, so far as I can see, at this point.

I would not say that it should not be changed in some slight details. Perhaps the Senate should take a look at it and make some changes as from time to time appear to be advisable. But it is a good working piece. It would be in lieu of two of the sections of my resolution, and it would give the Senate something to work on.

However, I think we need a time agreement so that we can put at rest the idea that I might press the approach which I see as a constitutional one at the beginning of a new Congress. I want to avoid that, and many Senators on my side want to avoid that, as do many Senators on the Senator's side. If we could get a time agreement on my resolution, that would be put aside; we would forget about that.

Mr. STEVENS. Would the Senator wish to renew his motion and allow the distinguished Senator from Mississippi to continue now, to make a statement? I have to have time to work out the agreement. I thought we had an understanding of shifting the concept in terms of just this one vote to an increased requirement for the adoption of these rules changes, and there is a misunderstanding.

Mr. ROBERT C. BYRD. There is a misunderstanding. If I have contributed to it, I apologize. I hope we can reach a time agreement.

Therefore, Mr. President, I renew my motion at this time.

The PRESIDING OFFICER. Does the Senator withdraw his unanimous-consent request?

Mr. ROBERT C. BYRD. I withdraw the unanimous-consent request for the time being.

I now renew my motion; and I ask the Chair to protect the motion and the resolution in accordance with the orders entered into earlier today, which meant that only a unanimous-consent request in relation to a time agreement would be offered today, and I would reserve my normal rights of being able to withdraw the motion or to modify it, in any case.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi.

Mr. STENNIS. Mr. President as I understood, consent was given that I be recognized, and I yielded to the Senator from West Virginia on that important matter.

Mr. President, I shall not detain the Senate very long, but I do have some thoughts that I believe are worthwhile and should be expressed now.

FEDERAL REGULATION: A LEADING GROWTH INDUSTRY

Mr. STENNIS. Mr. President, the court action known as a class action which Sears, Roebuck & Co. has filed against 10 Federal agencies is additional evidence, if any be needed, of the confused, contradictory and conflicting state of Federal regulations and the entire regulatory process. In this suit, which involves equal opportunity policies and affirmative action programs, Sears alleges that it has spent $100 million trying to comply with Federal antidiscrimination laws but has been unable to do so because the rules and regulations issued by the several agencies are conflicting and contradictory. My remarks, of course, go to the whole process of excessive rules and regulations, whatever the subject matter may be.

I know nothing of the merits of this suit, of course, and express no position concerning it. I mention it because it confirms the fact that, among the public in general and business and industry in particular, concern, confusion, and alarm over the cost and burden of Federal regulations and paperwork is at an all-time high. Worse than this, it is still growing. The reason is clear. Federal regulatory activity is one of our leading "growth industries" and the regulations which result are among our foremost "growth products." This is particularly true in such fields as job safety and health, energy, environment, equal opportunity programs, and consumer safety and health.

American business and industry, Mr. President, are literally staggering under the ever-increasing burden of Federal regulations. I have some figures of the costs of regulatory compliance that establish this as a fact. There seems to be a general perception that those who exercise the regulatory functions in the executive department are almost literally running out of control. This perception has a solid base and foundation. I am persuaded that this Nation's industry and business are becoming increasingly entangled and ensnarled in such a web of regulation and bureaucratic requirements that they are no longer able to function at maximum efficiency. This comes at a time when we are suffering from a lack of growth in productivity.

The extent of this burden is illustrated by the fact that there are 44 major departments and agencies at the Federal level with regulatory powers, and over 1,200 other boards, commissions, and agencies with the power to issue rules and regulations. The Federal organizations employ over 80,000 individuals in permanent, full-time regulatory functions. The direct cost to the taxpayer to finance these regulatory activities has risen from about $2.3 billion in fiscal year 1974 to an estimated $4.8 billion in fiscal year 1979.

The impact of this rapid expansion of Federal involvement in and interference with the affairs of the industries and businesses of the United States is hard to overestimate. Although Congress is not entirely without fault in this field, this greater involvement and interference has been expressed primarily through the regulatory process.

Let us take a quick look at how regulatory activities have grown and expanded. According to a study, which is believed to be reliable, made by the Center for the Study of American Business, a private organization in St. Louis, Mo., overall Federal regulatory expenditures are currently about 6 times the level of 1970. Over the same period, expenditures for regulatory activities have increased by a factor of 5.8 in the field of consumer health and safety, by a factor of 10 in job safety and working conditions, and by a factor of 11.8 in the field of environment and energy. Current staffing levels in the regulatory agencies are about 3 times the 1970 level. There can be small wonder that the cost and difficulties of complying with Federal regulatory and paperwork requirements have literally skyrocketed.

Mr. President, I am not concerned about this merely because of some statistics I read or because of a complaint by some large, influential business organization or industry. I am concerned primarily because of those with whom I have had contact—the small business people, the small industries, the small enterprises—who want their enterprises to earn a living for themselves and their families. There is hardly enough profit for them under the best of circumstances, and the situation is worsened because of the excessive and overextensive paperwork required of them, plus the time required to be interviewed by dozens and dozens of inspectors, investigators and followup people, and the time and cost of getting out the required reports.

I mentioned paperwork and this is an item which should not be overlooked. One of the primary reasons why Federal regulations increase the overhead cost of producing goods and services is that they impose a rising burden of paperwork. As of November 30, 1976, there were 4,418 different types of approved Federal forms, excluding tax and banking forms.

Individuals and business firms spent over 143 million man-hours a year in filling them out, according to the Office of Manpower and Budget. Remember that this was back in 1976. Certainly the paperwork burden has increased substantially since then.

There is some difficulty in arriving at precise figures of the cost of complying with Federal regulation. However, estimates have been made which certainly give at least "ball park" figures, some of which I will mention later. It is generally agreed that, whatever the precise figure, the cost of regulatory compliance is immense. This staggering cost falls first upon the affected industry or business and its direct customers and then later the impact is felt by the public at large in the form of general price increases, slower economic growth and fewer jobs. There is a real and present danger, as regulatory agencies and functions grow, that regulations will continue to feed upon regulations and will become not so much a means to an end as an end itself.

As I have said, no one can be certain just how much compliance with Federal regulation costs American business and industry. I have already mentioned that, in taxes alone, Americans are paying about $4.8 billion in fiscal year 1979 to support all the Federal regulatory agencies and activities. One estimate of the annual compliance cost for American businesses and industry is $120 billion, or $2,000 for every American family.

The economists at Chase Manhattan Bank, in New York, came up with an analysis that, in 1977 alone, Government regulation cost us more than $100 billion. This equals $470 for each person living in the United States. It also equals 5 percent of the gross national product and 25 percent of the entire Federal budget in 1977.

Mr. Williard C. Butcher, president of Chase Manhattan, in discussing this analysis in an article in Business Week, stated:

> All this boils down to a tremendous and tragic loss of jobs for our citizens. Opportunity costs alone in 1977 represented a potential loss of 200,000 American jobs. Indeed, if we took half the $100 billion regulation bill and invested it in productive projects, we could have created just about 1 million new jobs.

To repeat, there is no method for a precise and accurate calculation of the cost of Federal regulation. However, the figures which I have given are not out of line with other estimates.

Mr. President, I have other figures here that tend to prove this case.

In 1974, the Office of Management and Budget estimated that the cost was $130 billion. In April, 1978, Warren Buhler, former Director of the Commission on Federal Paperwork, estimated that private and public expenditures for Federal regulation for fiscal year 1979 would be in the neighborhood of $200 billion. Murray L. Weidenbaum and his associates at the Center for the Study of American Business projected that 1979 costs of regulation would be $103 billion. Finally, the July 8, 1978, issue of the magazine Purchasing Agent estimates the cost of Government regulation of business to be $121.5 billion in fiscal year 1978 and $134.8 billion in fiscal year 1979.

Government regulation imposes a disproportionate burden on small business. Unfortunately, the regulations typically do not distinguish between companies of different sizes. In actual practice, however, forcing a small firm to fill out the same specialized form as the giants of industry, which have staffs of lawyers and highly trained technical people at their command, places a much greater burden on the smaller enterprises. The Commission on Federal Paperwork estimates that 5 million small businesses annually spend from $15 to $20 billion, or an average of over $3,000 each, on Federal regulatory compliance and paperwork.

I have quoted a lot of figures because they come from so many different sources, both public and private, but there is no great variation for a given period of 12 months between the figures from these official sources and the private sources.

Regulatory requirements also have a significant impact on inflation. Federal regulation and Federal paperwork result in higher overhead costs which result in higher prices for the end product or service involved.

Those costs land just like other costs on the doorstep of the consumer. The public certainly does not escape paying these costs in the form of higher prices. These higher prices represent the "hidden tax" of regulation, and this is a tax which the consumer ultimately bears.

At times, however, the impact of regulation on the prices consumers pay is direct and visible. The Federal Government has required automobile producers to incorporate a wide array of specified safety and environmental features. The Bureau of Labor Statistics has estimated that, through 1976, the cumulative cost increase per vehicle of these mandated features comes to $557, or $3.7 billion for all vehicles. This cost has certainly increased significantly since that time. Let me make it clear that I am talking only about the added cost without being critical of all safety and environmental requirements. Some are certainly necessary and desirable.

But certainly the people are entitled to the benefits that come from reasonable regulations, avoiding the repetition from agency to agency, and enjoy the benefits of these regulations that are necessary and not have to pay this stupendous cost, money cost, time cost, and otherwise.

All signs suggest that the business community and public in general are becoming increasingly aware of the cost, burden and danger of Federal regulation. Perhaps what is needed is a regulation revolt similar to the proposition 13 tax revolt. I am certainly not suggesting that anyone violate the law. I have reference to a revolt that takes the form of effective legal expressions and actions that will get results. The key to any such revolution will be the reaction of the business community and the public at large.

I know how it is. We come in here and we vote for or against certain bills on the merits as we see them. We do not notice closely enough or are not close enough to the vast regulatory authorities that issue the regulations in fine print. We do not have time here, with all of our duties and the multitude of matters that we attend to, to try to undertake to write those regulations or to consider and pass on them after they have been written. We certainly do not have the capability with our investigative arm to follow them up and ascertain how they impact on and burden business, industry, and private enterprise or private family business, and just what mischief and problems result.

There are some hopeful signs, however, that the tide may be turning. The President is clearly concerned about the cost and burdens of governmental redtape. He has established a Regulatory Council composed of representatives of executive branch regulatory agencies and departments. This Council has the power to review proposed regulations and identify and attempt to eliminate areas of duplication, overlap, or inconsistency. The President has also suggested other reforms, not only in cutting regulatory redtape, but in changing the basic way rules may be applied.

I am gratified that in the Congress there is an increasing recognition and awareness of the existence and extent of the basic problem. A number of bills have been introduced seeking to ease the regulatory burden upon business and industry. These proposals range from requiring economic impact statements to the tailoring of regulations to the size and resources of the business, requiring that there be a periodic review of existing regulations, and establishing new proceedings to govern the imposition of recordkeeping and reporting requirements on the public.

Last year there was a strong movement to require that certain Federal regulations upon initial promulgation should be submitted to the Congress and its committees before going into effect. I cannot and do not support such a proposal. If we start requiring that regulations be submitted to us it will not be long before we will drown in a sea of rules and regulations and will be unable to perform our constitutional duty of legislating.

We have about reached the saturation point now. I believe I am competent to pass on that and to make that statement. There is literally not time enough in the day if we worked 16 hours a day, every single Member of this Senate, to cover and consider fully and properly the great multitude of issues that are presented in these vast numbers of complex and lengthy bills that are introduced, and go on to the committees for hearing and earnest consideration, and then are reported to the floor.

This body is being substantially affected by the tremendous volume of legitimate and necessary matters that come before the Senate in the form of proposed legislation. Let us not delude ourselves into thinking that regulatory supervision by the Congress, unless it is greatly limited in extent, is the solution to the regulatory problem. We are going to solve it if we can do so in the manner the President has proposed, through a commission.

The President does not have the power to legislate. We are the ones who have the power to initiate legislation in this field, and we must face up to it.

It was never intended that the Congress should become intimately and directly involved in the detailed, every day approval of rules and regulations being formulated by Federal agencies and I hope we will resist the temptation to do so.

I know how easy it is sometimes after you have exhausted 5 days and most of the nights trying to get some agreement in a conference committee, perhaps, to seize upon the idea that things have got to be submitted back to the Congress before they can become effective, whether they are regulations or other kinds of actions by the executive.

I do not think we have any constitutional power to invest committees with the power to negate laws we passed ourselves and actions under those laws that have been taken by the other agencies of the Government.

We act largely through legislation. The legislative power is not vested in committees, it is not vested in the House of Representatives, it is not vested in the U.S. Senate; it is vested in the Congress of the United States and the exercise of that power requires action by both the Senate and the House. I think we have to stand up for that principle more and more as time goes by.

However, I do welcome the very real interest in and concern over the working of the regulatory process which has been evinced and the willingness and desire of both the executive and the legislative branches to consider new approaches and search for answers to the very real problem. We can and must work together to find a sensible and reasonable solution. While this will not be easy, I am gratified that a start has been made, and I want to pledge and repledge my efforts to work in support of those movements.

We hear a lot of talk about the public complaining about taxes, and complaining about other fiscal matters. I believe the public really is more concerned about the waste they see and know about and can feel, and the cost of compliance than any other item in the regulatory field. The way they see it, and they see it this way because it is the truth, is that the excessive demand made on them for reports and reports, with 16 or more copies in some of them, and then come back and rereport and rereport, all takes up their time, costs them their money, and requires the hiring of extra help. Those are the things they know that are waste because it wastes their time and wastes their money. It is something they know about from firsthand and unhappy experience.

This is a major matter, a major subject, of the gravest concern. It is helping to create inflation, helping to run up taxes, helping to keep the budget unbalanced, and we have a special duty to do something about it.

I found out to what extent this matter has really traveled and been going, and I am very much interested, and I know many others are, in seeking an effective remedy. I will do my part.

(Later the following occurred:)

The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan.

Mr. LEVIN. Mr. President, before I make the statement I was planning to make, I would like to make a comment on the remarks of the Senator from Mississippi (Mr. STENNIS).

Those of us in the Senate bring to our service here a background of many diverse experiences, but I think a common experience we all share is experience with regulatory agencies, and I think there is almost universally a feeling of disgust with the excesses, the cost, and the usurpations of the regulatory agencies in this country. I told Senator STENNIS that, and thought I might add that remark to the tenor of his remarks relative to the regulatory process.

I have been honored to be appointed the chairman of a new subcommittee of the Governmental Affairs Committee, an oversight subcommittee dealing with this subject, and we appreciate the Senator's remarks.

Mr. STENNIS. Mr. President, if the Senator will yield. I thank him for what he has said, and express my pleasure to him. He is already in a position to try to do something about it. He has gathered his information from the people, and that is where the sting is. I want to help him in every way I can.

Mr. LEVIN. I thank the Senator.

Mr. STENNIS. Mr. President, I thank the Chair and I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska.

PATHETIC REORGANIZATION PROPOSALS

Mr. ZORINSKY. Mr. President, in addition to the transfer of the Economic Development Administration, there are proposals to destroy the Farmers Home Administration; eliminate the Soil Conservation Service; and transfer the Forest Service to the Interior Department.

These are foolish and destructive proposals which I believe the Congress will reject. The Committee on Agriculture, Nutrition, and Forestry has repeatedly and unanimously voiced its objection to any dismantling of the Department of Agriculture.

The President's reorganization project has cost this Government over $6.5 million and more than 1,000 man-years of work. It is a sad commentary that the proposals which they have adopted are the same proposals which the Nixon administration sent us in 1971—proposals which we rejected.

THE U.S. DEPARTMENT OF AGRICULTURE

The USDA was founded by Abraham Lincoln as "the peoples' Department." Since its inception, USDA has become the representative of about 30 percent of the people, rural Americans, including farmers, the rural poor, small businesses, and all of the other diverse elements of the countryside.

However, USDA is more than a rural department. It is more than an agency to protect and enhance America's vital agriculture. Through its wide array of programs it—

Protects consumers through its food safety and quality educational programs and many other devices;

Provides nutritionally sound meals to school children; to the infants and children of the inner-city; and insures that no American need go hungry;

Working with America's 2.7 million farmers and their families, it protects America's food supply, insuring abundant food at the lowest prices in the world. This is done, not only through commodity programs, but in conjunction with a sophisticated research and extension program that quickly transfers technology developed through research to the dinner tables of the people;

Promotes the sale of U.S. agricultural products overseas. The sale of food produced by American farmers is the largest single factor in improving the Nation's balance of trade;

Protects the economic viability of rural America by providing housing to poor- and moderate-income families; and by providing community facilities and alternative economic development so that our small towns may have balanced economic growth. It also provides at reasonable cost, telephone and electric service to rural residents who might not be served otherwise;

Through its programs on both public and private lands, the Department, by itself, and with cooperators of all kinds protects and enhances the resource base that makes possible the abundance of food and fiber that the Nation is able to produce;

These conservation programs also protect wildlife habitat; protect water supplies; provide dispersed recreation to millions of people; provide hundreds of thousands of acres of rangeland; and provide hundred of thousands of jobs for the unemployed through young people's conservation job programs.

As the number of farmers declined through the past several decades, there have been many attempts to break up the

Department of Agriculture, but all of them have failed. The reason they have failed is because of the diverse nature of the Department. USDA is a vital Department for farmers, but it also provides economic, social, and environmental functions in rural America, while enhancing the nutrition and providing consumer protection to all Americans. The U.S. Department of Agriculture remains the people's department.

THE FARMERS HOME ADMINISTRATION'S ROLE IN COMMUNITY AND ECONOMIC DEVELOPMENT

Section 603 of the Rural Development Act of 1972 gives the U.S. Department of Agriculture the leadership and coordination responsibilities for rural development. USDA through the Farmers Home Administration, currently administers the most comprehensive array of rural economic and community development resources available at the Federal level. For over 40 years, Farmers Home Administration has been working with rural people and communities to assist them in meeting their financial and development needs. Of all the Federal agencies, USDA has been most sensitive to rural problems and has directed its resources to rural areas. As a consequence, Farmers Home Administration has given increasing responsibilities over the years to meet rural development needs, while other agencies have exhibited an antirural basis.

Farmers Home Administration has an extensive and effective field delivery network that reaches over 2,000 rural counties. Farmers Home Administration has a strong client, and site-specific, orientation that allows for greater flexibility and responsiveness to local needs. The agency has focused its resources on needy communities and people.

In addition to delivering programs, its field personnel provide invaluable technical and professional resources that provide a wide range of advice and assistance to rural people. The Farmers Home Administration brings Government directly to the people. This day-to-day contact has been a contributing factor to the high integrity of the agency.

Farmers Home Administration has taken a number of steps to expand the scope and level of its services to meet the growing development needs of rural America. Field operations have been restructured to improve the delivery of programs; to achieve greater efficiencies in personnel use; and to establish closer working relationships with State, substate, and local governments. Through these efforts, Farmers Home is being looked to by rural people and communities as the advocate and spokesman for their interests at the Federal level.

Community and economic development as practiced by Farmers Home Administration keeps rural development policy and program administration closely alined and coordinated with food and fiber policies and programs. Agricultural production is the single most important industry in rural America, and it would be a mistake to isolate these two interdependent initiatives.

The establishment of a Department of Development Assistance or a Department of Community and Economic Development will not result in a structure able to meet the unique development needs of rural America. But under either option Farmers Home loses.

Experience gained from Federal development assistance efforts over the past 42 years clearly established the close ties between economic and community development. This is particularly true in rural areas. In rural America economic and community development problems, issues, and strategies are so interdependent that they are indistinguishable. The reorganization options fail to recognize this basic development principle and would make closer coordination between economic and community development programs impossible to achieve.

Since the mid-1960's, Congress has become increasingly aware of the importance of linking economic and community development. This enabling legislation for the Economic Development Administration (1965), the Rural Development Act of 1972, and the Housing and Community Development Act of 1974 and 1977 have clearly emphasized this point.

A significant weakness of the Department of Commerce and Economic Development's option, as well as the Department of Development Assistance's option promoted by the administration, is that it ignores the importance of delivery systems. This is particularly critical in rural areas where more direct and decentralized delivery systems are necessary. Most rural communities do not have full time and highly professiosal staffs to secure and manage complex development assistance programs. Farmers Home Administration has developed a very extensive and effective rural delivery system. This personal and direct assistance has been a hallmark of the Agency and has contributed to the overall success that the Farmers Home Administration has enjoyed. As a result of its excellent experience, Farmers Home's mandate and responsibilities have been significantly expanded in recent years.

The dismemberment of Farmers Home Administration would seriously weaken the Government's capability to provide comprehensive development assistance to distressed rural areas. Greater administrative efficiencies would not be achieved under the reorganization proposals, and it is quite likely that overall program performance will suffer. In short, Farmers Home has worked well. Rural communities have benefited. Why change it?

THE U.S. DEPARTMENT OF AGRICULTURE AND NATURAL RESOURCES

When land and related water resource management is viewed as the shared responsibility of Government and private owner-managers, the Department of Agriculture is centrally involved far beyond the functions of the Forest Service and Soil Conservation Service. Department of Agriculture programs and policies affect the conservation and use of farmland, rangeland, woodland, and forests comprising about 90 percent of the land area of the United States.

Major functions of the Department of Agriculture which affect soil and water resource management on private lands include:

Technical assistance for soil and water conservation.

Federal cost-sharing and credit assistance to agricultural producers for soil and water conservation.

Research and extension programs to develop and encourage use by private landowners of new technologies for production of food and fiber consistent with soil and water conservation.

Research activities in natural resources economics.

Federal-State-private cooperative programs in the conservation and use of forestry resources.

Surveys and classifications of land for agricultural uses, and for the preservation of prime agricultural lands.

Assistance to landowners for control of nonpoint sources of pollution.

Policies to divert land temporarily from intensive agricultural use which is particularly susceptible to soil erosion.

These functions cut across the Department of Agriculture and involve the areas of jurisdiction of three Assistant Secretaries and the Director of Economics, Policy Analysis, and Budget. They are also linked with the basic economic stabilization policies for the agricultural sector which are administered by the Agricultural Stabilization and Conservation Service, and with the natural risk protection programs of the Department of Agriculture.

FORESTRY

Forest Service cooperative forestry programs are aimed at the upgrading of protection and management of private forest lands so that they can make their vital contribution to a national forestry effort. These programs are blended with the forestry assistance provided by the other USDA agencies, which, in turn, make 40 percent of the total departmental expenditures for private forestry. The cooperative forestry job of the Forest Service also ties closely with Forest Service and USDA research programs which are developing new approaches to capture the forestry potential on private holdings.

Thus with forestry, as with other agricultural programs, private owners will make the basic decisions affecting the Nation's natural resources situation. The historic success, know how, and leadership in encouraging wise private land use decisions, are in agriculture.

In relation to the possible retirement of croplands, forestry offers one of the biggest potentials and should continue to be a function of USDA.

The thrust and responsibility of USDA in the field of rural development requires full attention to the one-third of America that is forested. Forested areas and economically distressed rural areas tend to coincide. In some areas the national forests are the prime sources of economic strength. The decentralized widespread Forest Service organization, including close ties to State and local organizations is a necessary part of USDA efforts in rural development—including land management planning coordination with units of State and local government.

Healthy competition among agencies and departments has proven to be effective in advancing forestry and related programs. Coordinating mechanisms are as effective as placing agencies "under one roof" in terms of promoting cooperation.

Management by separate functions; that is, timber, recreation, livestock, grazing, watershed, wildlife, and so forth, instead of by areas or units of land results in chaos and conflict on the ground where resource management actions must be integrated to be effective. One of the strengths of the Forest Service/USDA approach is interdisciplinary, teamwork, and multipurpose management.

The combination of research, public land forest management, and cooperative State and private forestry has proven to be remarkably successful. The quality of national forestry planning is high, because these elements are interwoven and coordinated within a single agency. It also provides a solid platform to meet the emerging issues of the next decade.

Chairman Talmadge and Congressman Tom Foley, the chairman of the House Agriculture Committee, have written to the President three times requesting that the administration not create a Department of Natural Resources. These letters have been ignored.

I ask unanimous consent to have printed in the Record communications to the President from the present chairmen of the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry, from six former Secretaries of Agriculture representing both political parties, and from Representative Bill Alexander in behalf of the Congressional Rural Caucus.

There being no objection, the communications were ordered to be printed in the Record, as follows:

Washington, D.C.,
December 28, 1978.

The President,
The White House,
Washington, D.C.

Dear Mr. President: We are writing to you once again to discuss our views on Federal reorganization as it might affect the U.S. Department of Agriculture.

As we understand from various sources, you will shortly be considering three or four reorganization proposals prepared by the staff of the President's Reorganization Project. This letter concerns itself with two of those proposals—natural resources and economic development.

As we indicated previously, we oppose the transfer of the U.S. Forest Service to a Department of Resources and Conservation. We also oppose the transfer of elements of the Soil Conservation Service to this Department. Further, we believe that the transfer of major elements of the Farmers Home Administration to a re-named Department of Housing and Urban Development would be detrimental to the cause of rural development.

In terms of natural resources, the President's Reorganization Project staff has centered its concern on management of public lands and, in particular, with the role of the Forest Service in the Department of Agriculture and the Bureau of Land Management in the Department of the Interior.

The Department of Agriculture has managed and protected the National Forests in the national interest and, with the direction provided by the Forest and Rangeland Renewable Resources Planning Act and National Forest Management Act, it has shown a willingness and ability to meet resource management and environmental protection challenges of the future. It has provided a proper means for encouraging and facilitating the interaction of various segments of the affected public at local and national levels, and facilitated equitable distribution of costs and benefits among constituents and geographic areas. It has an ongoing program for forestry research in cooperation with universities throughout the country. As the costs for fossil fuels increase, renewable resources will rise in importance, along with the complexities of securing their benefits in an energy dependent society. We believe that the Department of Agriculture is best able to meet this challenge.

Further, the reorganization of Federal efforts in renewable resource management must be based on the need to manage our vast complex of crop, forest, and grass lands to produce the food and fiber that the nation will increasingly need. With two-thirds of our Nation's land in private ownership, a strengthened Department of Agriculture is a necessity.

On January 6 of this year, the world renowned oceanographer, Jacques-Yves Cousteau, wrote the following to the President's Reorganization Project in response to options offered in the area of natural resources:

"We do not believe that the best solution is necessarily to concentrate the responsibility of solving problems with far-reaching consequences for the daily life of our citizens under the umbrella of one single organization. . . . It is often constructive for one such organization to present policies which are substantially different from those of the others. Healthy conflicts can be fruitful. In other words, over-centralization presents the danger that a proposed policy which might appear logical from the point of view of one agency might be harmful because the decision lacks input from another."

The Forest Service and the Park Service play different roles because of the nature of their missions. It has been valuable that these two agencies have had two different Cabinet officers to represent them.

Mr. Cousteau's point of view represented the comments of more than 80 percent of those who responded to the natural resources option paper. Most of the replies indicated no need for reorganization of the natural resource functions of the government.

While there will be strong opposition to the transfer of the Soil Conservation Service and the Forest Service from Agriculture to Interior, we cannot locate strong support for the transfer. In meetings that Secretary Andrus has had recently with timber industry and environmental organizations, he has not come away with significant pledges of support for what the reorganization staff has proposed. On the contrary, the timber industry, much of the environmental movement, and virtually every agricultural organization will oppose the transfer.

Carl Reidel, the president of the American Forestry Association, has said:

"If reorganization is needed at all, it is needed within existing agencies, within existing programs. If the Administration must reorganize, USDA ought to be the core of any new natural resources department. Nor can forestry programs be pursued in isolation. They must be integrated into overall rural land policies."

We must agree with Mr. Reidel. The Department of Agriculture oversees the protection of virtually all the public and private resource base necessary for the production of food and fiber. It provides needed assistance of many kinds to those who live in rural America.

Insofar as the Farmers Home Administration is concerned, the reorganization staff disregarded the outstanding performance of this agency, and current attempts by its administrator, Mr. Cavanaugh, to reorganize internally to better serve the people of rural America. The Associated Press reported the other day that one proposal being considered is to close the 1,800 county offices of Farmers Home Administration. Such a move would be fiscally disastrous. The Farmers Home Administration's office structure now protects and serves $30 billion in outstanding debt to farmers and other rural residents. These are relatively high risk loans, since Farmers Home is a lender of last resort. To place the responsibility for collecting this debt in state offices of a new agency could invite massive defaults.

But whether or not these offices are closed, the Farmers Home Administration has been given its $12 billion farm, housing, and rural development mission because of the urban bias of other Federal agencies charged with carrying out these duties. In an evolutionary way, Congress has been transferring housing, community facility, and economic development programs for rural areas into the Department of Agriculture because the Department of Housing and Urban Development and other agencies have not been responsive to the needs of rural America. We would strongly urge that if a transfer of these rural programs to a re-named HUD is under consideration, that it be rejected.

For over a year, the reorganization staff has been telling our staffs that the purpose of reorganization is not to move organizational boxes around, but to make the government better. As we indicated previously, we wish to cooperate with you in every way to make government better, but those reorganization plans which we have discussed in this letter, only accomplish a moving of organizational boxes. They will not save money. They will not improve service. They will not be acceptable to rural America. We respectfully urge, in the strongest terms, that you decide to reject these proposals.

With every good wish, we are,
Sincerely,

Herman E. Talmadge,
Chairman, Senate Committee on Agriculture, Nutrition, and Forestry.
Thomas S. Foley,
Chairman, House Committee on Agriculture.

The President,
The White House,
Washington, D.C.

Dear Mr. President: It is our understanding that you will be making a decision in the next few days on a proposal to reorganize the natural resource functions of the federal government. We strongly support your objective of improving the effectiveness and efficiency of federal programs. We represent 30 years of experience as Secretary of Agriculture responsible for both the protection and production of natural resources in this nation. And we maintain a vital interest in the future success and improvement of those programs which touch the lives of every citizen of this nation, and indeed, every nation of the world. We wish to offer our views for your consideration as you make a most difficult decision.

This nation is increasingly dependent on its natural resources. Wise management of those resources depends on a sound scientific base. USDA has the dominant role in the federal system for the conduct of research in renewable resources through in-house research by its agencies or through cooperative efforts with the land grant institutions. The management of renewable natural resources, whether of agricultural crops, or production from forests and grasslands, or enhancement of wildlife habitat, is dependent on close association with the body of scientific investigation and accumulated experience found in USDA.

The Secretary of Agriculture has responsibility for the programs affecting the economic and social well-being of rural America. Those complex objectives are dependent in good measure on the coordination of programs applicable to both public and private lands, and to both agricultural and nonagricultural lands. To organize departments or programs on the basis of federal ownership of land instead of the programs and services affecting all lands would be, in our view, most unwise and ineffective.

The delivery system of agencies must be designed so that decisions can be made quickly and soundly at the ground level where the people and the resources are located. USDA has, since its creation by President Lincoln in 1862, been a people's department. It has operated in a decentralized manner, and we believe in a very effective manner. We urge that nothing be done to shift toward centralization or greater control of programs at the national level or to segregate programs on the basis of land ownership.

We are proud of the fact that a Secretary of Agriculture initiated the wilderness system in 1924, 40 years before the National Wilderness Preservation Act was passed. The USDA has established an enviable record of attention to, and improvement in, environmental protection of both agricultural and wild lands and has long demonstrated a balanced approach to protection and production.

Mr. President, we are deeply concerned with the recommendation of the natural resource reorganization study team. We have consistently opposed during our tenure efforts to remove the Forest Service and portions of the Soil Conservation Service from USDA. This kind of proposal has been rejected time and again for very sound reasons. We believe it would again encounter intense opposition and probable defeat. We also understand that there are other proposals under consideration to reassign various functions of USDA to other departments which would weaken the Department of Agriculture. USDA's strength has evolved over the decades as a result of the diversity of its programs and the broad base of public support that such diversity engenders. We encourage you to consider using USDA as the nucleus around which all natural resource programs are clustered. To this end we offer our support.

Sincerely yours,

CHARLES BRANNON,
EZRA TAFT BENSON,
EARL L. BUTZ,
ORVILLE L. FREEMAN,
CLIFFORD HARDIN,
JOHN A. KNEBEL.

JANUARY 18, 1979.

Hon. JIMMY CARTER,
President of the United States of America,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: It is our understanding that you are on the brink of making a decision on proposals for reorganizing the federal economic development programs. This letter is intended to address this issue and to express our position on this matter.

As we understand it, the Presidential Review Memorandum, which has been presented to you for consideration, takes the position that economic development, community service and housing programs are interdependent and therefore should be administered by a single department. We do not agree with that position.

Success in achieving economic development goals of saving or stimulating the creation of private sector jobs is increasingly closely tied to broad economic issues. These include the productivity of commerce and industry and the Nation's position in foreign trade. Committed and intense involvement of the private sector is necessary. We would point out that both the Department of Commerce, where the Economic Development Administration is located and the Department of Agriculture, where the Farmers Home Administration is located, have direct ties in both the foreign trade and national productivity areas. The Department of Housing and Urban Development does not have these broad ties. Neither would the Department of Development Assistance nor the Department of Community and Economic Development Assistance as we understand them to be proposed.

It has been argued that the Department of Housing and Urban Development spends more on economic development than either the Farmers Home Administration or the Economic Development Administration; primarily as a result of the creation, less than two years ago, of the Urban Development Action Grant Program. This is unfortunate, as many of us stated at the time the UDAG program was being created. Both FmHA and EDA are far better equipped by experience and expertise to deliver these programs.

Few of us concerned with the present and future prospects of potential of places with populations of less than 50,000 have forgotten that it was only after a determined fight that any of the HUD community development block grants and the UDAG funding was assured of going to these less densely-populated areas, even though 66 percent of the Nation's population make their homes in such areas.

Further, few of us have forgotten that HUD's proposals for the modification of the CDBG program and the creation of the UDAG program in 1977 were deliberately designed to favor some regions of the Nation over others.

At the same time, we are well aware of the fact that EDA has been, since its inception, both by law and by practice, an agency dedicated to balanced national growth and service to development needs of distressed areas wherever they may be located. The same is true in the case of FmHA with regard to the areas its rural and community development program operations are concerned.

We would like to bring to your attention that since the 1972 passage of the Rural Development Act, the United States Department of Agriculture has been charged by law specifically with responsibility for rural development matters.

We strongly favor improved linkages between the existing federal activities directed at economic development and at community development. We are of the opinion that these linkages can more effectively be created through modifications of existing law and through a thorough revision of program practices to improve and mandate coordination and cooperation, as well as to eliminate conflicts, over-laps and response gaps in program operations. It is our belief that reorganization as it has been proposed to you in an unnecessarily drastic action that will traumatize program operations, build in delays and inevitably reduce service to the people of the Nation at a time when both the employment and economic situation demands no lessening in the level of service now available.

In addition, it is reasonable to expect that the reorganization proposal now before you would exacerbate the destructive regional tension already troubling the Nation.

We believe that the reorganization options that you have been presented with have not thoroughly considered the need to generate a critical mass of resources that will advocate for rural priorities and rural equity within a new federal department. The options of strengthening Farmers Home Administration and creating a separate department for rural development have not been thoroughly studied. Communities between 10,000 and 50,000 population could very easily make their own selection between rural development and urban development programs with minor modifications of existing law. We believe your effort would be well served by a thorough debate in Congress and by direct consultation between you as President and concerned Members of Congress before a formal reorganization proposal is presented.

For these reasons, we must strongly and urgently oppose shifting the EDA and FmHA programs to a new department or to HUD at this time. We as strongly and urgently propose that you direct your staff to move promptly to bring about the creation of linkage mechanisms that will improve program operations without the disruptive effects of reorganization.

With kindest regards, we are,

Sincerely,

BILL ALEXANDER,
Executive Committee, Congressional Rural Caucus, Deputy Majority Whip, Member, Subcommittee on HUD and Independent Agencies, Subcommittee on State, Justice.

THE GENOCIDE CONVENTION

Mr. LEVIN. Mr. President, over a 5-year period the United Nations Subcommission on the Prevention of Discrimination and Protection of Minorities, with the United States abstaining, has continually voted to eliminate from its report on genocide any reference to what was the first genocide of the 20th century—the massacre of approximately 1,500,000 Armenians between 1915 and 1918.

There was no reason, Mr. President, for the United States to sanction the obliteration of these deaths from a historical record. Acts of destruction can only be redeemed if they are recognized; they can only be memorialized if they are mentioned; they can only be prevented in the future if they are remembered.

If our Nation is to be true to its heritage and to its concern for human rights, we need to take an active role in making sure that history is not rewritten to whitewash genocides. For that reason I urge that when the report on genocide comes before the United Nations' Human Rights Commission we support the reinsertion of the deleted reference to the Armenian genocide so that it can be recognized for what it was—a historical reality which can never, and should never, be blotted from the conscience of mankind.

And our concern needs to transcend this specific tragedy. We must take steps now to make sure that the entire record of genocide is made clear to all peoples—because only by being fully informed about the past can we promote a saner and safer future.

We have taken some steps in this regard. On November 1, 1978, President Carter created, through an Executive order, a Presidential Commission on the Holocaust and charged them with the responsibility of recommending ways for the Nation to commemorate April 28 and 29, 1979 as "Days of Remembrance of Victims of the Holocaust." I do not think there is any better way to commemorate that tragedy than by doing what we can to reduce the likelihood of more like it in the future. I suggest that one way in which the Senate can participate in that remembrance is to schedule a vote on the ratification of the International Genocide Convention on one of those days.

The United States should join with the other 82 nations which have already ratified the convention. The Congress should heed the advice given to us by Presidents Truman, Eisenhower, Kennedy, Johnson, Nixon, Ford, and Carter and ratify the convention.

Our leading role in the world as a people which holds dear human rights has been tarnished by our failure in this regard. We should join the family of nations and boost the hopes of humankind by ratification of the Genocide Convention this April.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. LEVIN. Yes. I am done, anyway.

Mr. MOYNIHAN. I would like to congratulate our new colleague from Michigan for his comments about the failure of the Human Rights Commission.

As he would be the first to agree, it is all too characteristic of the Human Rights Commission to whitewash the condition of human rights in so much of the world.

We agreed, not long ago, to the bizarre condition that Uganda be Chairman of the Human Rights Commission. We have been more forceful in recent years in our presentations to that body. But at no time has it lived up to its purpose, and at no time has it served the need, as I think, for a United Nations Commission on Human Rights. At no time has it reflected, in the majority of its membership, nations where anything roughly approximating the commitment to human rights written into the United Nations Charter is observed. When a majority of the members of the Human Rights Commission are dictatorships, we can expect very little to follow. But we should expect those democracies which are represented to speak to that fundamental flaw in the composition of the Commission itself.

I thank the Senator for his observations.

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

MINORITY OPPORTUNITIES IN BUSINESS

Mr. HAYAKAWA. Mr. President, ever since this Senator has been a Member of this body, he has been very much concerned by the fact that people who call themselves liberals and concern themselves with the misfortunes and the condition of minorities have done their best to pass legislation that cuts off opportunity and cuts back business chances for people in the minorities, especially blacks. I called attention very early in my tenure of office here to the damage done to black youth, for example, by the fact that the minimum wage continues to go up and up, and more and more black young people lose their jobs or are never able to get any at all.

I am glad to be able to point out that at this time a number of black economists and other leaders who have been contemplating this problem for a long time have broken ranks with the liberals and have come out very strongly for the economic progress of blacks. I refer specifically to Thomas Sowell of the University of California at Los Angeles, Walter Williams at Temple University, the NAACP president, Benjamin Hooks, and people like Bayard Rustin of the civil rights movement.

Their views, which have been known for some time, have finally come to the surface as related in a recent editorial in Time magazine entitled "New Bridges Between Blacks and Business," written by Marshall Loeb and published in the January 22, 1979, issue of Time. I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

NEW BRIDGES BETWEEN BLACKS AND BUSINESS

America's business people have a unique opportunity to form new alliances with a large, yearning and vocal group of Americans who were long thought to be hostile, or at best neutral, to business: the nation's 26 million blacks. They are not, of course, about to split on all issues from their traditional allies among liberals and labor. But Benjamin Hooks, chief of the National Association for the Advancement of Colored People, likes to quote the remark of Ossie Davis, actor and activist: "We have no permanent friends, we have no permanent enemies, we have only permanent interests."

More and more black leaders say that their interests coincide with those of business on energy legislation, Government regulation, environmental controls and numerous other issues. The nation should not necessarily alter its policies just because members of these two groups call for change, but the jointly held views of blacks and businessmen make sense on many matters.

No white businessmen are more forceful foes of the minimum wage than such black economists as U.C.L.A.'s Thomas Sowell and Temple University's Walter E. Williams. Sowell has concluded that the rise and spread of minimum-wage coverage is a catastrophe for young and unskilled blacks. According to his studies, it is by far the major reason that the unemployment rate for 16- and 17-year-old black males is five times higher today than in 1952, when it actually was lower (8%) than comparable white teen-age unemployment. He finds it distressing that "people who are perfectly capable of doing a job have been made unemployable because they have been priced out of the market."

Sowell also believes that the rise of poor blacks has been blocked by environmental rules and other Government regulations, a view held by other black intellectuals. His argument: "Regulatory rules have impeded people who are climbing rather than people who are already at the top. There is a fundamental conflict between the affluent people, who can afford to engage in environmental struggles, and the poor people, who need space and access to recreation. If you're talking about keeping the coastline pure enough for the standards of the Sierra Club, you're talking about keeping the people living in Watts down in Watts. You don't see many black faces in the Sierra Club."

The same idea is echoed forcefully by Bayard Rustin, the civil rights veteran, who condemns the "self-righteous, elitist neo-Malthusians who call for slow growth or no growth. The policies of these elitists would condemn the black underclass, the slum proletariat and rural blacks, to permanent poverty." Rustin contends that the curtailment of construction projects, factory expansions and farm ventures for environmental reasons already has cost many potential jobs for blacks. The only way that unemployed blacks can join the work force in a significant way, he argues, is for the economy to grow vigorously.

The N.A.A.C.P.'s Ben Hooks also speaks out against "the more radical fringes" of the environmental and regulatory lobbies. "We are not antienvironmental," he stresses, "but we are saying that there ought to be social-economic impact statements for environmental regulations." Hooks condemns many niggling health, safety and zoning regulations that he says are "really killing our neighborhoods." The costly rules can prevent modestly financed blacks from starting Mom and Pop businesses or from buying ghetto enterprises from previous owners who were protected by grandfather clauses and did not have to meet the costly new regulations.

Hooks once bought a doughnut shop in Memphis from a man who had owned it for 25 years. "In those 25 years, they had passed all kinds of laws," he recalls. "You had to have separate rest rooms for men and women, you had to ratproof walls and everything on God's earth. We were hit with all those regulations, and they cost us $30,000. We had to close the shop."

"It's obvious now," Hooks goes on, "that nobody, but nobody, is buying into a decaying black ghetto except blacks themselves. So the effect of some regulations is almost 100% to exclude blacks. This causes a lot of resentment." If a black veteran invests his nest egg in a doughnut shop and then is forced to close it, warns Hooks, he is absolutely convinced that "they"—the white-controlled Government—do not want him to succeed.

Hooks and a rising chorus of blacks argue that poor and unemployed minorities can succeed in the long run only if more private—not Government—jobs are opened in a free, growing economy. To that end, says Hooks, "at the national level, and in every local Chamber of Commerce and Better Business Bureau, black leaders and business leaders should be sitting down to deal on the points on which we agree."

The PRESIDING OFFICER. The Chair recognizes the Senator from New York.

PROPOSED REORGANIZATION PLAN AFFECTING ECONOMIC DEVELOPMENT PROGRAMS

Mr. MOYNIHAN. Mr. President, I am one of the Senators who will engage in a colloquy today with regard to the proposal of the President, as we understand it, to merge the Economic Development Administration with a number of other agencies under a reorganization plan, and in particular to remove it from the Department of Commerce, where it is now located.

Mr. President, I speak at the very courteous suggestion of the distinguished chairman of the Subcommittee on Regional and Community Development of the Committee on Environment and Public Works, our incomparable, indefatigable chairman, the Senator from North Dakota, whose particular responsibility in this field it is—and whose specific responsibility it will be this year—to guide the renewal of basic legislation establishing the EDA through the Congress.

Mr. President, this is a matter which engages more than simply the jurisdictional interest of members of our committee. It engages us at levels of commitment and concern which I do not think are characteristic of every Government agency.

I know that my distinguished senior colleague and the chairman, the Senator from North Dakota, came to the Senate in 1960, the year John F. Kennedy was elected to the Presidency. I came to Washington as a young assistant in the Department of Labor with President Kennedy.

The chairman will recall, as I do, that one of the unanticipated events, if you will, of that 1960 campaign was the candidacy in the Democratic primary of President Kennedy, along with Senator Humphrey—both were Senators then—in West Virginia. During the course of the campaign a degree of rural and industrial poverty was suddenly revealed to the candidates and to the Nation following their progress which, in an odd way, the Nation had seemingly forgotten about. Many of us remembered, if only in general terms, the conditions of the 1930's. With the 1940's and the 1950's, and the coming of the age of affluence, as it was called, little by little that memory receded.

President Kennedy never forgot the scenes he saw in West Virginia, and he came to office committed to some national response to the situation at the time. The area was providing us with the cheapest coal in the world, but we had devastated the whole industrial work force and impoverished a beautiful and rich part of our Nation, leaving it with some of our poorest and most desperate people.

Virtually the first thing proposed by President Kennedy was the Area Redevelopment Administration, which was established in the Department of Commerce, working very closely with the Labor Department across 12th Street. The departments were in very close collaboration in this enterprise.

I recall that one of the first matters in which I became involved was the prospective closing of the whole network of hospitals which the United Mine Workers had established in West Virginia, Kentucky, Pennsylvania, and Virginia—some 20 hospitals in the Appalachian region—which were very simply no longer viable due to the falling off of revenues and the decline of the work force in the coal mines. They were the only accessible hospitals in these parts of the country, in the particular communities where they were located. It was a very highly developed and well-conceived chain of hospitals, one supporting the other.

They were about to close, and the people in these regions were about to be forgotten.

It seemed an impossible situation when the Presbyterian Church mounted a very ambitious effort and said, "We will step in and do something; we have to have help."

Where was the help found? In the Area Redevelopment Administration. Did it come forward? It most certainly did.

It did what could not otherwise be done, something the American Government had never previously been prepared for or able to do.

If you would now ask the people of Logan, of Elkins, of Mann, of Beckley, of Bluefield, of Preston County, and of Hygeia in West Virginia what the EDA has meant to them, they will talk to you in terms of their lives, of their conditions, of their hopes. To those Americans who observed those communities as they saw the few symbols of progress and action in the modern world about to disappear, and then observed how the Federal Government, in a sensible and competent way, went about preserving them, there was a valuable lesson learned.

And this lesson remains with us, Mr. President. The EDA is an institution that has now been functioning for almost two decades. Its name was changed in 1965 to describe a more general-purpose activity. I can speak from the experience of my State: We know this agency, we respect it. It is something that works. One always respects the President's concern with reorganizing this Government, yet there is something quite disconcerting about uprooting a working and effective arrangement for the purpose of certain kinds of semantic logic—to put all the activities that appear to involve certain kinds of economic development into one box. Again, one can speak to that kind of logic, but there is also the undeniable, and ultimately more powerful logic of an agency that functions, that has a constituency of a legitimate kind, and that has a record of a proven sort.

(Mr. LEAHY assumed the chair.)

Mr. MOYNIHAN. The President has, of course, the right to do this, and we respect every bit his intention. But we rise today to urge him to reconsider, because in doing so he will be tampering with one of the most creative and productive innovations of the post-New Deal era in America social policy. I do not wish to go further than to state what my other colleagues have stated, that we care about this agency and we will defend it on the floor of this Senate if this eventuality comes about.

Mr. President, unfortunately Senator RANDOLPH, chairman of the Environment and Public Works Committee cannot be here this afternoon because of the passing of a dear friend in West Virginia. Therefore, I ask unanimous consent that a statement by Senator RANDOLPH and two letters that he has written to the President on this subject be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR RANDOLPH

I associate myself with the timely and excellent remarks of the Senator from New York (Mr. Moynihan). The administration proposal to create a new Department of Developmental Assistance is not in the best interest of our economic development programs as formulated by the Congress over the last 15 years.

The Economic Development Administration in the Department of Commerce has proved to be an effective agency in providing developmental assistance to the areas and localities of this country which have substantial unemployment and/or depressed economies. I am afraid that the good administration of this program will be lost if it is combined in a new agency with the programs of the Department of Housing and Urban Development.

Mr. President, if the administration sends this proposed reorganization forward to the Congress, I must oppose it and hope that my colleagues in the Senate will carefully consider my reasons for objection to the plan. I have written to the President twice in the last 2 months on this subject and ask that my letters be printed in the RECORD following these remarks.

The letters ordered to be printed in the RECORD are as follows:

COMMITTEE ON ENVIRONMENT AND
PUBLIC WORKS,
Washington, D.C., December 8, 1978.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The review and reauthorization of economic development programs will be one of the highest priority items before the Committee on Environment and Public Works during the first session of the 96th Congress.

Since their establishment in 1965, the programs of the Economic Development Administration in the Department of Commerce have been extremely valuable in both creating and maintaining employment opportunities. While these activities originally were designed to alleviate conditions of high or persistent unemployment, it has become apparent that a permanent economic development program applicable to all parts of the country is needed. Such a program would be valuable in softening the boom and bust cycles which so often afflict our national economy.

The Committee also assigns a high priority to legislation extending the Appalachian Regional Commission and the regional commissions established under Title V of the Public Works and Economic Development Act. Since their creation these commissions have provided us with important experience in intergovernmental cooperation and regional approaches to common problems.

I am concerned, however, by newspaper articles indicating that the administration is considering a major reorganization that have the result of transferring various economic development units such as EDA from the Department of Commerce to a new department created around the present Department of Housing and Urban Development. Such a reorganization, if carried out, would have a negative impact on the Committee's ability to meet its legislative responsibilities during the next year. I also feel it would have a debilitating effect on the progress of local economic development in this country.

As Chairman of the Senate committee with jurisdiction over economic development programs I have worked against allowing an urban/rural or inter-regional debate to develop. Such discussions are almost always unproductive, inflammatory, and miss the point that prosperity for one area at the expense of others must be avoided. It was, in fact, to diffuse the growing trend toward economic competition that in 1976 I proposed a White House Conference on Balanced Growth and Economic Development. I am concerned that a reorganization plan which shifts EDA into even a modified Department of Housing and Urban Development would significantly exacerbate urban/rural tensions and would rekindle the Sunbelt/Frostbelt controversy.

Since it was established 13 years ago, EDA has demonstrated an ability to cut red tape, avoid bureaucratic entangelements, and provide needed aid rapidly. Merging it with other programs that have historically experienced problems in providing such responses to problems might hamper rather than improve the delivery of Federal economic development assistance.

I am concerned that a reorganization plan such as the one currently reported could delay progress in local economic development efforts for at least a year. Clearly a proposal of this importance would require extensive consideration by the respective congressional bodies. Additional time would be required to implement the reorganization if it were approved. During this time the affected Federal agencies may not be able to properly carry out their missions. The result for communities eager to work with the Federal government to accomplish economic development gains would be delay and discouragement.

There are opportunities for strengthening economic development programs other than those included in the proposed reorganization plan. I do not necessarily believe that the status quo is appropriate for the future. It would be highly appropriate to consider alternatives which would retain EDA within the structure of the Department of Commerce where its programs could be carried out in coordination with other departmental activities such as foreign trade and industrial productivity. Programs of other agencies dealing with community or economic development could be shifted to the Department of Commerce to complement its authority in this area. Throughout the entire reorganization procedure we must be aware of those activities of the Federal Government which are directed broadly at economic or community development as opposed to those which deal with special issues such as housing, transportation, or water and sewer service. The two are not necessarily the same and therefore do not necessarily need to be within the same organizational structure.

Because of the importance of these programs to the economy of the nation and their potential for helping to achieve your overall economic goals, I hope that you will give very careful consideration to all aspects of any reorganization proposals that may come before you.

Truly,

JENNINGS RANDOLPH,
Chairman.

COMMITTEE ON ENVIRONMENT
AND PUBLIC WORKS,
Washington, D.C., January 30, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As expressed in my letter of December 8, 1978, I am deeply concerned about the proposed reorganization of the Economic Development Administration from the Commerce Department to a new Department of Developmental Assistance. I have discussed this matter with many people who are involved in the area of economic development. Based upon those conversations I am again led to the conclusion that this reorganization will not prove useful and will be disruptive of programs administered by the Economic Development Administration which have been of great value in meeting the developmental needs of this nation.

As Chairman of the Senate committee with jurisdiction over public works and economic development, I am concerned that this reorganization will work toward allowing a urban/rural or inter-regional debate to begin. Issues of this type do not lead to a productive debate but fuel fires of competition which limit positive development and growth. I cannot believe that this administration wishes to foster or rekindle the Sunbelt/Frostbelt issue.

The Economic Development Administration over the last 14 years has proved to be valuable as it administers programs and devotes its energies to meeting the developmental goals of our underdeveloped communities and areas. It has been able to provide assistance rapidly by minimizing red tape and providing simplified regulations which do not frustrate the goals established for economic development by the Congress. A proposed merger with programs administered by the Department of Housing and Urban Development and other agencies would not continue this good work which can be accomplished if EDA remains in Commerce. Such a move might well frustrate rather than improve our federal economic development assistance.

Mr. President, I am deeply concerned about the future of our economic development program as it relates to our smaller communities and rural areas. I do not believe that the reorganization as proposed by your staff will be as efficient and effective in meeting needs as is the current situation.

I urge that you carefully consider this proposal and that you consult with Members of Congress carefully and fully before submitting this proposed reorganization. I know that you will give careful consideration to the issues which I have raised before you make your final decision.

Truly,

JENNINGS RANDOLPH,
Chairman.

Mr. MOYNIHAN. Mr. President, I ask that my own prepared statement in this colloquy be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DANIEL PATRICK MOYNIHAN

Mr. President: There have been reports, and a mention in the President's State of the Union message, of reorganization of federal economic development programs. We have yet to receive the President's recommendations, but the promise is there to expect them soon. I applaud the President's purpose to make government work better, and I assume certain changes will have to be made to accomplish this purpose.

Without the specifics, it is certainly impossible to make an informed judgment on one or another of the ideas which have been written about. What is possible, at this time, is a word or two of caution.

Reorganization—especially, as one proposal would have it, the creation of a new department—is a large undertaking, whose probable effects should be carefully studied before implementation. It is an act at least as difficult to undo as it is to get done. In this case, it is an act which would necessarily benefit from the examination by the appropriate Congressional committees.

The Reorganization Act of 1977 gives the Congress 60 days to disapprove an Executive branch recommendation, a procedure which in some instances is useful and appropriate, but which does not benefit from the usual process of sober investigation. A major reorganization proposal would surely be more successful if it had behind it a firm record of congressional inquiry and support.

My next concern is more specific. It is brought about by my membership on the Regional and Community Development Subcommittee of the Committee of Environment and Public Works. This committee has jurisdiction over the Economic Development Administration which is now housed in the Department of Commerce and, I believe it should stay there.

A word of caution is needed here also. The impulse to rationalize government, to give a neat, hard edge to the organization chart, should not be seen as an end in itself. Such a process may create the very opposite effect from what is intended. We may end up with a government agency of less effectiveness than the one we now have.

Let me now restate what is, I believe, well known. The Economic Development Administration is very highly regarded. It does its job well. And, its administrator, Mr. Robert T. Hall, Assistant Secretary of Commerce for Economic Development is one of the most able public servants I have come across in my many years in Washington. These very facts are enough to convince me that EDA should stay where it is, do what it is now doing, and receive more support from the Congress. The result of EDA's success should be not dismemberment or merger, but perhaps enlargement and encouragement. As the saying goes, "if it ain't broke, don's fix it." EDA needs no fixing.

One final thought. As Assistant Secretary of Labor in President Kennedy's Administration, I had frequent occasion to work on projects with the Area Redevelopment Administration, which was EDAs predecessor agency, located—as is EDA—in the Department of Commerce. In particular I helped secure a loan, with the help of ARA, to save the Mineworkers hospitals from closing in the Appalachian Region. This was the first time a problem of this nature was brought to us and the ARA worked quickly, effectively and creatively to solve it.

EDA's great strength is its work with the private sector; its capacity to aid economically distressed areas is immeasurably strengthened by the full resources of the Commerce Department, with its strong relationship without nation's businesses and its resources in the areas of export promotion, technology development, industrial productivity, and the gathering and analysis of economic data. Our central economic development agency has always been in the Department of Commerce. It is there now and there it should remain.

Mr. MOYNIHAN. Mr. President, I see that the chairman of our subcommittee is on his feet. I wish to yield to him but not before imposing upon him a moment of tribute for the work he has done and to take the opportunity to say what an honor it has been to serve with him. I wish also to note that yesterday, as we set about organizing the committee, there was one subcommittee of the Committee on Environment and Public Works to which it seemed that everyobdy wished to belong—not simply because of the substance of the matters at hand, but because of the leadership of the committee itself. That is precisely the Subcommittee on Regional and Community Development, of which Senator BURDICK is the chairman.

I thank the Chair for his courtesy, and I look forward to listening to my chairman's remarks.

Mr. BURDICK. Will the Senator yield?

Mr. MOYNIHAN. I am happy to yield.

Mr. BURDICK. Mr. President, first, I should like to thank the able Senator from New York for those kind words, and I should like to be associated with his remarks.

Mr. President, I do not look with disfavor on periodic reorganization of Federal agencies and programs. If we can improve the responsiveness of the Federal Government to our citizens at less cost through reorganization proposals, I favor that as an operating principle.

But, as I examine more closely the proposals being discussed, I have grave doubts that they are timely or will accomplish more good than harm. At a minimum they will cause extensive delays in the delivery of existing programs.

I am chairman of the Environment and Public Works Subcommittee on Regional and Community Development. This subcommittee has responsibility for the economic development programs of the Economic Development Administration and the title V regional commissions These activities are authorized by the Public Works and Economic Development Act (PWEDA). That act expires this year. In the process of reauthorizing these agencies and their programs, we had hoped to substantially revise the act. Over the years since 1965, a variety of new programs and functions have been added to it to keep pace with the changes in our economic and demographic life.

Mr. President, I am concerned that a reorganization proposal that would place these programs in a new department built essentially upon the Department of Housing and Urban Development would not be approved by the Congress. At the same time, its consideration by Congress will virtually co-opt the time available to thoroughly consider legislation to reauthorize EDA.

In my judgment, the most important need is to clarify and revise the economic development functions in the Department of Commerce. I believe that EDA can best carry out its mission in that Department. Economic considerations are the principal business of the Commerce Department, and economic development is most effective when linked to such considerations. Commerce is the only Department where economic development is buttressed with economic-related functions such as export promotion, technological development, industrial productivity, and economic statistics and analysis. Furthermore, the prime constituency of the Commerce Department is the private sector of the economy. The most important constituency for Federal economic development efforts is the private sector, where jobs are provided in productive enterprise and where they are permanent.

I agree with Chairman RANDOLPH, who has written the President that he fears the proposed new department would result in an increase in rural-urban tensions and rivalries among the Nation's regions. The chairman of the House and Senate Agriculture Committees have written the President indicating their firm opposition to proposals for a new Department of Natural Resources and a new department bringing together economic and community development functions.

In one passage of their letter, they quote the famous oceanographer Cousteau, who apparently was asked to comment on the new Department of Natural Resources as it affected the oceans. He said:

> We do not believe that the best solution is necessarily to concentrate the responsibility of solving problems with far-reaching consequences for the daily life of our citizens under the umbrella of one single organization. . . . It is often constructive for one such organization to present policies which are substantially different from those of others. Healthy conflicts can be fruitful. In other words, over-centralization presents the danger that a proposed policy which might appear logical from the point of view of one agency might be harmful because the decision lacks input from another.

Mr. President, those sentiments express my feelings exactly. Reorganizations do not insure efficiency and better management. I am struck by the coincidence of GSA's problems today and arguments for the consolidation of programs into superagencies. We all remember that GSA was to consolidate into one place the various housekeeping functions of the Federal Government. They would buy all the pencils and all the desks, et cetera. The question in my mind is how much more this approach has cost the taxpayer over the years than if every agency and department had been buying their own pencils and desks.

In closing, I believe the President is making a mistake in sending these proposals to the Congress for approval. If each fails, and I believe they will, much valuable time will be wasted—time that this new Congress needs to get on with the important legislative agenda we have this session. And if these proposals fail, I believe we may not see new reorganization initiatives from the White House for some time—and that would be unfortunate.

Mr. MOYNIHAN. Will the Senator yield?

Mr. BURDICK. I yield.

Mr. MOYNIHAN. I congratulate him on his statement and call attention to a particular point he made about urban-rural tensions and the efforts that are sometimes made seemingly to divide us along this spectrum. The Senator will not fail to acknowledge that North Dakota is very much a rural part of our Nation. New York is an urban one in many respects. West Virginia, the State from which our distinguished majority leader and our beloved chairman come, is a State in between—a State that has its rural areas, but most of its work force is industrial, and moving up into the Pittsburgh region. We like the EDA where it is. On our committee, we can talk about these regional legislative interests and resolve them.

We are in different parts of the Senate's jurisdiction and we have worked together well. It is a rare day we do not have unanimous agreement on our subcommittee. That is not just due to the work of the distinguished chairman, it is due to the fact that there is among us a way of harmonizing interests that conflict.

I want to concur in what the able Senator said—that New York and North Dakota get along very well. I do think they get along very well with the present setup in the EDA.

I cannot imagine anyone who would not get along well with the chairman from North Dakota.

I see our majority leader on the floor. I remind him of something said earlier, because this matter may come to us, though I hope it will not, Mr. Leader. The EDA, which we are talking about, derives from the Area Redevelopment Administration, which President Kennedy committed himself to in 1960 when he went to West Virginia in that great primary. It is one of the great achievements of social policy in the post-New Deal era.

I remember, I was a young Assistant Secretary of Labor when a group of Presbyterian clergymen came to me in 1962 and said that great chain of hospitals which the United Mine Workers built in the 1950's, of which there were nine, I believe, in West Virginia itself, was about to close down because the work force of the mines had dropped off so much that contributions to the hospital fund could not sustain the system.

It was going to be a tragedy. It was going to close medical facilities available to one of the largest and most poverty-stricken regions in our country. It was to be as if having finally achieved something, it would be taken away from them, and where would they turn? How could we keep those hospitals, we asked.

We went to the Area Redevelopment Administration. They had not just the authority, but the creativity and the energy to do it. Those hospitals are there today, strengthened not 1 year ago by a new grant from the Economic Development Administration.

If I may paraphrase a man who was briefly in this town and left one memorable phrase behind him, "If it ain't broke, don't fix it."

I thank my distinguished chairman.

Mr. HOLLINGS. Mr. President, although I support Government reorganization in principle, I do not believe the proposed reorganization option to remove the Economic Development Administration from the Department of Commerce would improve Federal economic development efforts. Since the Carter administration team took over, I have worked closely with Secretary Kreps as well as with Assistant Secretary Bob Hall, who accompanied me to Charleston last year to review economic development activities there. As a result, I feel particularly knowledgeable about EDA, its activities, and its relation to the rest of the Commerce Department.

It is my opinion that generating private sector jobs—not make-work publicly supported activities—is the key role of an economic development agency. I also believe that the success of local efforts to generate such jobs are closely tied to broad economic issues. Our competitive trade position, for example, has a tremendous influence on the ability of domestic firms to stay in business or expand and contribute to an area's economic development.

The Commerce Department is the Federal Department with responsibility for working with the private sector. It also has major responsibility for export promotion, technology development, and industrial productivity. Each of these areas relates directly to the success of EDA's efforts to generate jobs in depressed areas. To me, it is obvious that EDA is where it belongs. It is in a Department oriented toward the private sector and with other economic responsibilities. Moving it to a department with socially oriented housing and community development programs would hinder, not improve, Federal economic development efforts.

As the chairman of the subcommittee overseeing the Commerce Department's appropriations, I personally am pleased with the work of EDA under the current administration. The Agency has moved forward on a number of key fronts, including increasing its programs to focus on urban needs in addition to its traditional and continuing work with rural areas. EDA has demonstrated an ability to respond rapidly and effectively to local needs. It has also made substantial progress in coordinating its efforts with those of other Federal programs.

My question is why tamper with success? We should build on EDA within the Commerce Department, where economic development programs can be linked to the private sector and other activities related to economic and not social issues.

LIMITATION ON FEDERAL SPENDING

Mr. HEINZ. Mr. President, I rise this afternoon to discuss with my colleagues a matter that I think confronts our Congress and our country with increasing importance. The fundamental issue is no less than the role of Government in our society and what we seek for our country, and for our posterity.

I think we all followed with great interest the debate regarding the fiscal 1980 budget that has developed over the last several months, a debate which, notwithstanding some of the dramatics on the part of a few of the actors, is a debate that has now seemingly shrunk away into a modest discussion. Liberals are whispering in the anteroom that the President's budget is not as harsh as it could have been, while conservatives are saying, "Well, at least it is a step in the right direction."

What was unveiled in January was a budget with a deficit of $29 billion, an increase in spending of more than $38 billion, a 7.7 percent increase over the last year. Yet, this is claimed to be an austerity budget.

I find it ironic that the President himself asked for voluntary price restraints in the neighborhood of 5½ percent on all the rest of the country. Then he comes to us with what he calls an austerity budget that increases spending not 5½ percent, but nearly half again as much—7.7 percent.

But worse, I suppose, I fear that the people of our country may falsely assume that what has been discussed has been debated, that what has been read has been thought about, and that what we will be acting upon in the Congress will have a longlasting influence, and a beneficial one, on our country and our people.

I wish that were the case, Mr. President. But, in all candor, the fact is that a Federal Government, a bureaucracy, and a budget that have grown fourfold or fivefold over the last 15 or 16 years, are not going to be restrained noticeably over the course of a decade or a generation by continued $29 billion budget deficits and a 7.7-percent increase in Government spending.

What will happen next January? What kind of a budget will we have then? What kind of a role will we have for the Federal Government? Will it be an ever-increasing proportion of our gross national product? Will the Federal Government become larger and larger in each of our daily lives, is that what the people want?

In Wisconsin this year they elected a Governor who ran on the platform that he believed the role for the Federal Government was to defend the shores, deliver the mail, and stay the hell out of our lives. Wisconsin is, traditionally, one of the more liberal, populist States in the Union. If that is what Wisconsin wants, what does the rest of the Nation want?

Mr. President, I think what the Nation wants is not just a little political rhetoric in a preelection year from the President and the Congress. I think what the Nation wants is a commitment that can be measured each and every year by our deeds, not just by our promises and words.

I have served in the Congress some 7 years, 5 years in the House, now beginning my third year here in the Senate. I have great love and great respect for the Congress and my colleagues in both parties. I have more hopes for them as well as for the country. But I am deeply concerned that those hopes may never be realized as long as we proceed on the course we have chosen, and that course is one that still invites—indeed, promotes—too much, too expensive, too heavy-handed a Government at the Federal level.

That is why I rise today, Mr. President, because I want to take this opportunity to inform my colleagues of my intention to introduce a constitutional amendment to restrict the growth of Federal spending to the gains in the gross national product. The amendment I plan to introduce will not limit growth or even the growth of the Federal Government.

I am a realist. I know that ours is a dynamic and increasingly complex society; and I do not expect—indeed, I would not want to see—a Government constrained so that it could not meet the legitimate needs and aspirations of our people.

We need a national debate, not a mild discussion or whispers in the cloakroom. That is why, in order to elevate the national debate to our highest possible level in the most important legislative body on earth, I will be introducing the constitutional amendment I have just described. I think this gives the Nation an opportunity not just to debate, but also to act in a responsive and responsible manner.

Mr. President, the amendment to which I refer is one that has been developed by a number of academicians and prominent practitioners who have devoted their efforts toward a more thoughtful and comprehensive response. The fruits of this effort were reported recently in the New York Times, and I ask unanimous consent to have that article printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A Tax Group Urges Amendment Linking Spending to G.N.P. Gain

(By Warren Weaver, Jr.)

Washington, January 30.—A new proposal to combat inflation, a constitutional amendment that would tie increases in Government spending to the nation's economic growth, was unveiled today by a committee of relatively conservative businessmen and economists as an alternative to requiring a balanced Federal budget.

The plan by the National Tax Limitation Committee is considerably more sophisticated than the budget-balancing amendment that has received preliminary approval from 24 state legislatures, which have voted to hold a constitutional convention to approve it.

Basically, the new amendment would bar Congress from increasing overall spending by a rate any larger than the most recent rate of increase in the gross national product. It would apply even tighter restrictions whenever the rate of inflation exceeded 3 percent, a low figure by current standards.

It would also require Congress to apply any Federal surplus to reducing the national debt, authorize emergency spending increases in case of war or a comparable crisis and permit an increase in the general spending limits, but only after a two-thirds vote of both houses of Congress and approval by 26 state legislatures.

CALLED EASIER TO IMPLEMENT

Its sponsors said at a news conference that such an amendment would be much more effective in holding down Government growth and spending without tying the hands of Congress and that it would be much easier to carry out than a constitutional edict that spending cannot exceed revenue.

Dr. Milton Friedman, the Nobel Prize economist who was one of the authors of the amendment, said it was "enormously likely" that Congress would take action in the area of broad controls on inflation this year because "they're under the gun, they're aware of the vast public sentiment for something like this."

Congress, however, will probably be reluctant to approve a new fiscal system that circumscribes its present control of the appropriation process, and the White House, although it has no direct role in amending the Constitution, may prove sympathetic to such resistance.

Officials of the tax limitation committee said they would prefer to see their project approved by Congress and then ratified by the necessary three-fourths, or 38, of the state legislatures. All amendments to the Constitution have been ratified by this process since the first 10 were ratified in 1791.

CONSTITUTIONAL CONVENTION

The alternative procedure for changing the Constitution, upon which backers of the balanced budget amendment are relying, requires two-thirds, or 34 states to approve resolutions calling for a constitutional convention. One or more amendments produced by that convention would also require ratification by three-quarters of the states to become effective.

There are no provisions in the Constitution or Federal law as to how delegates to such a convention would be apportioned or chosen, how its agenda would be determined and what rules of procedure would govern its deliberations.

Pressure is mounting on Congress to lay out all these ground rules in new legislation, on the widely held assumption that 10 more states may approve the budget-balancing resolution this year, forcing the calling of such a convention.

At the same time, even more pressure exists to avoid the necessity of holding such an unprecedented session at all through swift Congressional approval of an alternative amendment covering the same general ground, perhaps the spending limit announced today.

SPONSORS ARE EXPECTED

Backers of the new amendment said they had not yet obtained sponsors to introduce it in Congress but did not expect any problem. They maintained they would not participate in any political competition with sponsors of the budget-balancing amendment but only wanted to broaden public debate on the issue.

Under the present system, Dr. Friedman said, special interest groups compete for the favor of Congress and total spending inevitably goes up. Under the proposed amendment, the same competition would occur but for shares of a constitutionally limited amount of money.

Specifically, the amendment would limit the percentage increase in Federal spending to the percentage increase in the previous year's gross national product, the measure of all the nation's goods and services. If the inflation rate exceeded 3 percent, the allowable spending increase would be reduced by one-quarter of the number of percentage points by which the inflation rate exceeded 3 percent.

"RATCHETING DOWN" ECONOMY

For example, an inflation rate of 7 percent would exceed the constitutional limit of 3 percent by 4 percentage points, so the next Congress could not increase spending by the full percentage growth in the gross national product, but by percentage point less, "ratcheting down" the economy, as Dr. Friedman expressed it.

The National Tax Limitation Committee, based in California, has been working for a half-dozen years on this kind of spending limit mechanism and five states have written various forms of it into their constitutions.

Among those helping draft the new amendment, in addition to Dr. Friedman, were Robert Bork, former Solicitor General; James B. Edwards, former Republican Governor of South Carolina; James T. Lynn, former director of the Office of Management and Budget; Paul W. McCracken, former chairman of the Council of Economic Advisers, and Charls E. Walker, former Deputy Secretary of the Treasury. All the Federal officials served under two Republican Presidents, Richard M. Nixon and Gerald R. Ford.

Mr. HEINZ. Mr. President, the efforts go back over a 6-year period and have been headed most recently by a Nobel Prize-winning economist, none other than Dr. Milton Friedman, of the University of Chicago.

The amendment I propose will allow Government to grow in real terms, but it will not allow Government to grow as a real proportion of our gross national product, of our resources, of our wealth, or of its involvement, therefore, in our lives.

The approach of introducing a constitutional amendment may not be the best approach we can devise. I would much rather that Congress, itself, had the discipline to control spending. But here we are, 4 years after the Budget Act created our Budget Committees; and in spite of valiant efforts to the contrary, the fact is that our Government has grown in those 4 years, is bigger, more omnipotent, and less sensitive than ever before. So I believe the time has come for action.

It is true that a number of other measures either have been contemplated or introduced in Congress to attempt to control spending or to control deficits. The distinguished junior Senator from Indiana (Mr. LUGAR) has an amendment that, as I understand it, would eliminate any budget deficit, and that is a praiseworthy goal. However, I note that even an approach that eliminates the Federal deficit does not necessarily carry with it the important tool of being able to guarantee a limitation—indeed, a reduction—in the growth of Government. It is possible to tax more and to spend more to balance the budget: in taxing more, to eliminate the deficit; in spending more, to increase the role of Government in our lives. This is why I have opted for an approach that limits spending and, therefore, the size and power of Government.

I also believe that the group headed by Dr. Friedman has used the highest levels of technical expertise and effort, the greatest amount of sophistication, to respond truly to this enormous problem. This is why, as part of this constitutional amendment which limits any increase in Government spending to the Nation's economic growth, this amendment includes a prohibition on Congress from increasing the overall spending by a rate any larger than the most recent increase in the gross national product; and when the inflation rate exceeds 3 percent, even tighter limits are applied.

Second, the amendment requires Congress to apply any Federal surplus to reducing our staggering national debt, currently at $800 billion, the debt service on which is one of the largest items in the President's so-called lean, mean budget.

The amendment also authorizes emergency spending increases in times of war or similar crises; and because we know the future to be uncertain, it also allows an increase in general spending limits after approval by two-thirds of both Houses of Congress and a majority of the State legislatures.

Mr. President, the Committeee on National Tax Limitation that has been at work and is polishing the final language of this constitutional amendment deserves to be highly commended, as does the leadership of Dr. Friedman. They have been working to respond to the message sent by the overwhelming majority of the people of this country, which is this: control government, control its power, control its interference, and control it by controlling its purse strings.

There has been difficulty, notwithstanding the efforts of the Budget Committee and others, in finding a method of controlling spending which would simultaneously help reduce inflation and allow the private sector to grow and expand. We need real jobs, not just make-work jobs in our economy, and we need to allow for emergency spending increases in times of war and other crisis situations.

The work of the National Tax Limitation Committee is most commendable in developing these concepts, and I look forward to working with them in completing the drafting and introduction of this amendment, which, as I said a moment ago, I do intend to offer.

Mr. President, I ask unanimous consent that the proposed text of the constitutional amendment be printed in the RECORD.

There being no objection, the proposed text was ordered to be printed in the RECORD, as follows:

PROPOSED TEXT

Section 1. To protect the people against excessive governmental burdens and unsound fiscal and monetary policies, total outlays of the Government of the United States shall be limited. Total outlays in any fiscal year shall increase by a percentage no greater than the percentage increase in nominal gross national product in the last calendar year ending prior to the beginning of said fiscal year. If inflation for that calendar year is more than three percent, the permissible percentage increase in total outlays shall be reduced by one-fourth of the excess of inflation over three percent. Inflation shall be measured by the difference between the percentage increase in nominal gross national product and the percentage increase in real gross national product. Total outlays shall include budget and off-budget outlays, and exclude redemptions of the public debt and emergency outlays.

Section 2. When, for any fiscal year, total revenues receive by the Government of the United States exceed total outlays, the surplus shall be used to reduce the public debt of the United States until such debt be eliminated.

Section 3. Following declaration of an emergency by the President, Congress may authorize by a two-thirds vote of both Houses of Congress, a specified amount of emergency outlays in excess of the limit for the current fiscal year.

Section 4. The limit on total outlays may be changed by a specified amount by a three-fourths vote of both Houses of Congress when approved by the legislatures of a majority of the several states. The change shall become effective for the fiscal year following approval.

Secton 5. For each of the first six fiscal years after ratification of this article, total grants to states and local governments shall not be a smaller fraction of total outlays than in the three fiscal years prior to the ratification of this article. Thereafter, if grants are less than that fraction of total outlays, the limit on total outlays shall be decreased by an equivalent amount.

Section 6. The Government of the United States shall not require, directly or indirectly, that states or local governments engage in additional or expanded activities without compensation equal to the necessary additional costs—implications re any new law and regulations.

Section 7. This article may be enforced by one or more members of the Congress in an action brought in the United States District Court for the District of Columbia, and by no other persons. The action shall name as defendant the Treasurer of the United States, who shall have authority over outlays by any unit or agency of the Government of the United States when required by a court order enforcing the provisions of this article. The order of the court shall not specify the particular outlays to be made or reduced. Changes in outlays necessary to comply with the order of the court shall be made no later than the end of the third fiscal year following the court order.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS TO COMMITTEE TO ATTEND MEMORIAL SERVICE FOR FORMER VICE PRESIDENT ROCKEFELLER

The PRESIDING OFFICER. The Chair, pursuant to the provisions of Senate Resolution 28, appoints the following Members of the Senate as the committee to attend the memorial service for former Vice President Nelson A. Rockefeller: Senators ROBERT C. BYRD, BAKER, JAVITS, MOYNIHAN, BUMPERS, CHAFEE, DANFORTH, DOLE, GOLDWATER, HEINZ, LUGAR, MATHIAS, MCGOVERN, MUSKIE, PELL, PERCY, PRESSLER, RANDOLPH, SCHMITT, and WILLIAMS.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 81-754, as amended by Public Law 93-536, appoints the Senator from Rhode Island (Mr. PELL) to the National Historical Publications and Records Commission.

The Chair, on behalf of the Vice President, appoints the Senator from Illinois (Mr. STEVENSON) to attend the Third Preparatory Committee Meeting, United Nations Conference on Science and Technology for Development, to be held in New York City, January 22–February 2, 1979.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I note the presence of the distinguished Senator from Utah (Mr. HATCH) on the floor. I would like to ask how much time he feels he would use in speaking?

Mr. HATCH. I would need only a few minutes, only 5 minutes, just to put some things in the RECORD.

ORDER FOR RECESS FOR 1½ HOURS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senator from Utah completes his remarks the Senate stand in recess for 1½ hours.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME FOR A CHANGE IN TAX POLICY

Mr. HATCH. Mr. President, the Labor Department reported a few days ago that consumer prices rose last year at a rate of 9 percent, making 1978 the second worst year for inflation since the postwar period. Today's dollar buys less than one-half the goods and services that could be purchased for the same amount in 1967. And most economists agree that future inflation will not improve dramatically in the months, and possibly years, ahead.

Where have we gone wrong? We are told that the only alternative to inflation is recession and unemployment, and "stagflation" has become a common term in the American vocabulary.

Mr. President, I believe that the Government is largely responsible for our economic plight. We have based too much of our economic policy on false assumptions and indefinite promises. We have tried to find answers by applying old formulas that have never really proven worth while. The intentions of our leaders have been honorable but their success has been lacking.

The time is past due for our country to seek better answers, to seek a new direction in economic policy. We can no longer accept past policies without question. We can no longer pretend that Government can produce prosperity by manipulating economic levers.

Our Nation's tax policy has become a major vehicle for controlling much of our economic destiny. It has also been a cause of much of our economic trouble. The tax structure has increasingly become a disincentive to produce, leading our economy deeper and deeper into the mire of stagflation. In a column in a recent issue of the Wall Street Journal, Dr. Paul Craig Roberts outlines some of the effects created by our outmoded approach toward tax law. Dr. Roberts warns policymakers about the pitfalls of following a tax policy that will merely buy us another ticket on the "roller coaster" of inflation and recession.

Mr. President, I ask unanimous consent that the article entitled "The Tax Brake" from the January 11, 1979, issue of the Wall Street Journal be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE TAX BRAKE

(By Paul Craig Roberts)

Keynesian economics began its career full of confidence that if only politicians would accept deficits and the use of the government's budget to manage demand, economic stability would be assured. It was all to be so easy. Whenever demand wasn't sufficient to maintain full employment, government budget deficits would pump up spending and take up the slack in the economy. Whenever spending was so high as to threaten inflation, government budget surpluses would restrain demand.

Today Keynesian economics, the basis for economic policy for the past two decades, is mired in stagflation. The hopes are gone, and the confidence shattered. Unappealing "Phillips' curve" trade-offs between inflation and unemployment march back and forth over the shredded banner of economic stability. Today pumping up demand pumps up the price level, and restraining spending pumps up unemployment. Faced with defeat on one front or the other, the policymakers offer the people austerity. Selfishness, Keynesians say, is the cause of it all. Labor and business take advantage of demand stimulus to raise wages and prices. Inflation is worsening because people are becoming more selfish.

The exhaustion of Keynesian thought has led to controls, touted as the answer to selfishness. But the real problem is that the Keynesian doctors have been treating only half of the economy. Demand has been managed, but the factors governing the responsiveness of supply to demand have been ignored. Fine-tuning large macro-aggregates took Keynesians away from the foundation of economic science—the effects of prices on behavior. The study of how prices affect behavior was relegated to microeconomics, a smaller concern. In the Keynesian view, production responds to prices in individual markets, but, over all, demand is king.

It was in this way that Keynesians came to ignore the two most important prices governing production. One is the price of leisure in terms of forgone current income, and the other is the price of current consumption in terms of forgone future income. The lower these prices are, the lower production will be.

Both prices are affected by the tax rates on additional earnings. The higher the marginal tax rates, the lower the after-tax rates of return to additional work effort and investment, and the cheaper leisure and current consumption are in terms of foregone income.

In short, high tax rates encourage leisure and consumption and discourage work and saving. This means that, as tax rates rise, supply responds less to an increase in demand. A decline over time in the responsiveness of supply to opportunities to sell is consistent with the rising rate of inflation that has accompanied expansionary monetary and fiscal policies.

For a decade the tax brake has been increasingly applied to production while demand has been stimulated. U.S. Department of Commerce statistics show that the effective tax rate on corporate income has risen significantly over the last decade. And IRS statistics show that the growth of income has moved more and more people into higher brackets. Demand has spurted while supply has lagged.

In an economy with a progressive income tax, the higher the price level, the greater the tax bite on additional earnings. The more rapid the increase in the price level, the quicker the tax bite grows. Corporate income does not escape this effect. Inflation causes the firms' books to understate the cost of inventory, plant and equipment used up in production, thus reporting costs as taxable income. Since tax rates rise with inflation, inflation automatically applies the tax brake to production.

The tax brake is different from the Keynesian idea of "fiscal drag." Fiscal drag results from rising tax rates cutting into disposable income or effective demand, thus hindering spending. The tax brake, however, results from rising disincentives to produce additional income. It applies to production on the supply side of the economy and not to spending on the demand side of the economy.

The tax brake requires that we refine some influential concepts. Whether there is excess capacity or excess demand depends on the rate at which additional income is taxed. If these rates are high, there can be excess demand even though there is excess capacity in the physical sense, as productive factors remain idle for lack of incentive. With income support programs, high marginal rates of taxation on income, and low after-tax returns to saving and investment, it is not surprising that efforts to spend away unemployment only drive up the price level. Stagflation is simply a result of people's responses to the incentives established by government policies.

Studies by Martin Andersen at Stanford and Martin Feldstein at Harvard show that in the U.S. the highest tax rates are borne by people who attempt to get off welfare (as a result of loss of benefits) and by owners of capital (as a result of taxation of nominal gains), while in Sweden high tax rates have driven people so deep into leisure that policymakers are discussing ways of taxing it. Such are the consequences of ignoring the prices that govern production. Before U.S. policymakers propose to fight leisure by taxing it, we should release the tax brake and establish an incentive structure for economic growth.

SALT II

Mr. HATCH. Mr. President, as we begin this 1st session of the 96th Congress, many issues are facing the Members of this august body. To the majority of us it will be a renewal of the battles fought in the 95th Congress. To our freshman class it will be an opportunity to inject their viewpoints on the issues they feel strongly about. To all of us here today one thing is certain no matter how controversial the issues, and that is, that we meet to resolve these issues and attempt to bring about a more economically and efficiently run Government of these United States.

One of the issues that will most likely face this Congress will be the ratification of a new strategic arms agreement. SALT II is now in the final stages of negotiation between the United States and the Soviet Union. This agreement may well determine the future course of world history. SALT II could be the pivoting factor in the thrust for continued freedom by the Western World.

The SALT negotiations have caused me a great deal of concern over the negotiation posture of the United States vis-a-vis the Soviet Union. It is my opinion that we are coming out on the short end of the deal with the treaty as now proposed. There are four areas that we need to discuss and make certain that we remain firm on in order to maintain at the very least equality with the Soviet Union. They are:

First. The posture and survivability of our land-based ICBM force.

Second. The continued improvement and modernization of both our SLBM and bomber force.

Third. The guarantee that we have the ability to deter a nuclear war; but if such an event should occur, have the ability to survive such a conflict.

Fourth. Prevent the growing asymmetry between the United States and the Soviet forces from expanding.

No single leg of the strategic triad has come under more fire in the last 2 years than the land-based ICBM leg. The Minuteman III is the backbone of this force. At the present time there are 550 Minuteman III's, 450 Minuteman II's and 54 Titan missiles. This total of 1,054 constitutes the entire land-based ICBM force of the United States. Their survivability in the future is essential to the United States' ability to deter a nuclear war. Yet it is their survivability that has caused the debate over this leg of the triad.

Land-base ICBM's are generally acknowledged as the most potent of a nation's strategic forces. These are the weapons with the greatest accuracy and largest throw-weight. In simple terms, it is this leg of the triad that can knock out another nation's land-based force. They have what is known as silo-busting power, even against hardened sites. It, therefore, becomes prudent to examine what the other side has with respect to what it would take to render our forces vulnerable.

I ask unanimous consent to have printed in the RECORD a table showing land based multiple independently targeted reentry vehicles of the United States and the Soviet Union, designated "Table I".

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—MULTIPLE, INDEPENDENTLY TARGETED RE-ENTRY VEHICLES (MIRV'S)

[Land-based missiles—SALT ceiling 820]

United States:		
Minuteman III[1]	3 MIRV's×550	1,650
Total U.S. MIRV's		1,650
Minuteman II	450 single REV's	450
Titan II	54	54
Total U.S. re-entry vehicles		2,154
U.S.S.R.:		
SS-18[2]	10 MIRV's×309	3,090
SS-19	6 MIRV's×400	2,400
SS-17	4 MIRV's×111	444
Total U.S.S.R. MIRV's		[4] 5,934
Single REV's:[3] SS-11/SS-13.	1 MT	589
Total REV's		6,523

[1] Because of the Minuteman III production is essentially closed, the United States will be limited to effectively 550 MIRV's on land-based ICBM's regardless of ceiling.

[2] Under the terms of the proposed agreement the United States is precluded from having any new heavy ICBM's equivalent to the SS-9/SS-18's.

[3] According to some reports the treaty will stipulate that any booster of a type which has been tested with MIRV will thereafter always be considered a MIRVed missile booster. If this report is correct, the Soviets will be required to use the older SS-11/SS-13 to make up the difference between 820 and 1,809 or develop an entirely new ICBM.

[4] Because of their large throw-weight capability, all Soviet MIRV's have a much larger yield than the Minuteman III's (Minuteman III has 170 kt compared to 1+Mt for most Soviet systems).

Mr. HATCH. As can be readily seen in table I, the Soviets have a 3-to-1 advantage in RV's launched from ICBM's. This would permit them to expend approximately 4,300 RV's in a first strike against the U.S. land-based ICBM force, holding another 2,200 RV's in reserve. Assuming a 90-percent hard-kill capability with four RV's per target, the U.S. force would be virtually destroyed.

The United States has on the drawing board a new ICBM known as the MX. If this missile is to be used as a follow-on to the Minuteman, a new basing mode will have to be utilized to insure its survivability. I say this because the stated policy of the United States is to maintain strategic forces which are "essentially equivalent" to those of the Soviet Union in order to maintain a stable strategic balance and deter war. It is also U.S. policy that the United States should possess sufficient strategic forces of various types to insure the capability to deliver a retaliatory blow which would result in unacceptable damage to an enemy's military and economic recovery assets after absorbing a first strike. The force needed to inflict that level of damage comes from land-based ICBM forces. In testimony before the House Armed Services Committee, Secretary of Defense Harold Brown stated:

> Only the land-based ICBM today is suitable for attacking time-urgent hard targets. These missiles are also provided with a sophisticated and survivable command-control system which allows rapid retargeting and reporting of missile status up to command level for added flexibility and efficient war.

The basing mode that is most commonly discussed as the alternative most feasible is the Multiple Aim Points System (MAPS) or sometimes referred to as the Multiple Protective Structure (MPS). Under this system, the United States would construct as many as 20 silos or protective structures per ICBM. This would make it almost impossible for the Soviets to target all points with any assurance of a high kill rate. In his testimony Secretary Brown further stated:

> We believe that strategic forces should be highly survivable to insure stability and that ICBM's may need a multiple aim point deployment to achieve this in this way, the resource exchange ratio may be made very disadvantageous for the attacker.
>
> The key to retaining the appearance of retaliatory posture only is a system survivability. With a highly survivable system, we can insure having enough missiles remaining after attack without building what would appear to be a threatening first-strike capability.

Mr. President, what is so alarming about this whole situation is the apparent belief, and I might add intention, of the administration that the United States should abandon the land-based ICBM leg of the strategic Triad. In a column appearing in the Washington Post on January 12, 1979, "Unheeded Warnings About the ICBM's," it was pointed out that Secretary Brown is also alarmed at this belief by the President. The column quoted a December 1, 1978, memo from Brown to President Carter:

> The effect of the United States giving up, under successful Soviet pressure, a military capability of considerable value which the Soviet Union retains would, in my view, have disastrous consequences both internationally and domestically.

I call this column to the attention of my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UNHEEDED WARNINGS ABOUT THE ICBMs

Without apparent success so far, Secretary of Defense Harold Brown has privately warned President Carter of "disastrous conseqeunces" if he pursues his present course of abandoning the nation's land-based intercontinental ballistic missile (ICBM) capability.

Brown's warning echoes the position for which Carter's defense critics have been derided: If the Soviets "are structuring" their forces to fight an extended nuclear war and know that the United States is not, there is deep trouble ahead.

The blunt warning, so out of character for the low-keyed Brown as to be passionate, was provoked by Jimmy Carter himself. Meeting with senior officials on the defense budget last Sept. 29, the president asked: "Why do we need the Triad?" In other words, why can't the United States dispense with land-based ICBMs, and rely on the other two legs of the Triad—manned bombers and missile-firing submarines?

Over a month elapsed before Brown completed an answer for the president's eyes. Brown's "top secret" memorandum of Dec. 1 contained this chilling message:

"The effect of the United States giving up, under successful Soviet pressure, a military capability of considerable value which the Soviet Union retains would, in my view, have disastrous consequences both internationally and domestically."

State Department policy-makers flatly disagree, and even Brown himself does not talk that way in public. Nuclear physicist Brown is a private man, a cool scientist who avoids cold-war rhetoric. Unlike predecessors Melvin Laird and James Schlesinger, Brown has shunned the Cassandra role of pointing to the Soviet menace. He has, in the process, become one of Carter's favorite cabinet members.

Yet, there is no sign of presidential response to Brown's warning. Nothing in writing from Carter has been received at the Pentagon. The gloomy consensus there is that he is determined, for the sake of arms control, to reject the Defense Department's proposals to preserve the land-based ICBM and the Triad.

Specifically at issue is whether the president will approve a mobile-basing system on land for the new MX missile to replace the fixed-base Minuteman, which is becoming vulnerable to Soviet attack. But mobile basing is viewed by arms controllers as destabiling because it would force Moscow to respond (while also violating the new SALT II arms-control treaty). Consequently, presidential science adviser Frank Press and other White House aides want to base the MX aboard aircraft.

Carter leans that way, an inclination signaled by him while still president-elect on Jan. 12, 1977, when he suggested reducing the U.S. arsenal to 200–250 ICBM's. Nearly two years in office did not change his mind. That was shown at the Sept. 29 meeting, when Carter again questioned the need for the ICBM.

The Dec. 1 response, personally written by Brown, discussed, after its warning of "disaster," why a land-based missile is needed. Brown insisted on retaliatory capability "come what may, in the face of new and unexpected Soviet developments." He further stressed the need "to maintain some capability after an initial [nuclear] exchange—perhaps for days, or weeks, or even a few months."

This notion of a nuclear war that would not be completed in one apocalyptic spasm has been rejected by arms-control advocates rampant in the administration. It also has been publicly rejected by Harold Brown, who returned to this position in the Dec. 1 memo: "I should note that I doubt that a strategic war of this kind is at all likely, or that it could be fought without rapid escalation to an unlimited spasm." Then, however, Brown tells his president what arms controllers will not admit: "But there are many indications that the Soviets are structuring the forces to fight such a war. Their plans and exercises point the same way. If they think they have such a capability, and we both know that the United States does not, adverse military consequences are possible, and adverse political consequences very likely."

While Brown's memo has been safeguarded as though it were a secret weapon, there is no mystery about the Air Force's position. Its chief of staff, Gen. Lew Allen, championed a mobile land-basing system in a Dec. 29 letter to the House Armed Services Committee, which was cleared by Brown without a word changed.

This is a weapons decision where the president cannot claim support from the military or where his apologists cannot plead lack of outside advice. In this case, Carter needs no warnings about unilateral concessions under Soviet pressure from Scoop Jackson, Paul Nitze or Mel Laird. What they would say is duplicated by his trusted secretary of defense, who seems to be going unheeded.

Mr. HATCH. In summation of point 1, the land-based ICBM force of the Triad is now vulnerable. The SALT II agreement being negotiated may well prohibit a follow-on missile based in a mode that will insure its survivability. The Congress must demand that such a system be constructed to assure the American people that we will remain free from Soviet extortion.

The second point concerns the modernization of our SLBM and bomber forces. The United States has unilaterally canceled the B–1 bomber without even asking for a quid-pro-quo from the Soviet Union. There is no sense in beating a dead horse. Everyone knows the B-1 was the most advanced bomber in the history of aviation. The United States must now continue to rely upon the ancient B–52 to deliver the cruise missiles we are currently developing. However, we must place a date on the use of the B–52. At some point we must realize that a new manned bomber will be needed to maintain this, the most flexible leg of the strategic Triad. The Soviets have realized this and developed the Backfire bomber. The Tupolev–26 V/G, the formal name of the Backfire, is a variable geometry (swing-wing) multipurpose aircraft capable of performing nuclear strike, conventional attack, antiship reconnaissance and electronic warfare missions. The B (production) model of the plane is about 2½ times as large as the American FB–111 and carries a payload similar to the Soviet Mya–4 Bison—a bomber of recognized strategic dimensions. In many respects, the Backfire resembles the canceled American B–1, though only two-thirds its size and possessing roughly one fourth of its payload capacity.

I ask unanimous consent to have printed in the RECORD a table which is useful as a reference in analyzing the Backfire's presumed strategic capabilities on a comparative basis, designated as table II.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE II.—COMPARISON OF BACKFIRE WITH OTHER CONTEMPORARY AMERICAN AND SOVIET AIRCRAFT

Nation and aircraft	Range (statute miles)	Payload (pounds)	Weight (pounds)
U.S.S.R.:			
Backfire	7,140	20,000	272,000
Tu-95	7,800	40,000	340,000
Mya-4	6,050	20,000	352,750
Tu-16 [1]	4,000	20,000	175,000
United States:			
B-1	6,100	115,000	389,800
B-52 G/H	12,500	75,000	488,000
FB-111A [1]	3,800	37,500	91,500

[1] For several reasons, some disagreement persists over the classification of these aircraft as heavy bombers negotiable in SALT.

Source: Appeared in Gerard K. Burke, "Backfire: Strategic Implications," Military Review, September 1976, Current News Sept. 29, 1976, p. 5–F.

Mr. HATCH. The Backfire will not be included in a SALT II agreement due to Soviet insistance that it is not strategic. Yet, according to former Secretary of Defense, Donald Rumsfield:

> Even wtihout aerial refueling or staging from bases in the Arctic, Backfire bombers could cover virtually all of the United States on one-way missions, with recovery in third countries. Using Arctic staging and refueling, they could achieve a similar target coverage, and still return to their staging bases in the Soviet Union.

What the Soviets have suggested is a letter promising not to deploy the Backfire in a strategic manner. A promise that would hold little weight in a time of crisis. This is a question that must be resolved before the Senate could ratify a SALT II agreement.

In 1972, when the SALT interim agreement was ratified, there were many Senators who expressed serious concern about the Soviet's willingness to abide by the letter as well as the spirit of the agreement. Concern was also expressed at the number of advantages granted the Soviets, inter alia, SLBM's—Soviets, 62, U.S. 41; ICBM's—U.S.S.R. 1408, U.S. 1054. Time has since proven that these concerns were well founded. During the past several years, the Soviets have repeatedly violated both the letter and the spirit of the 1972 agreement. More recently, former Secretary of Defense Melvin Laird pointed out some of the Soviet's more blatant violations in an article in the December 1977 Readers Digest.

Our magnaminity in conceding to Soviets in SALT I has now come home to roost with us in the form of admissions by this administration that they can not do anything about the vulnerability of our ICBM's; that we must concede to the Soviets or else we will not be able to get a new agreement. And now comes another example of their contempt for agreements they have signed.

Under the terms and conditions of the SALT I agreement, the Soviets were allowed 950 ballistic missiles on no more than 62 modern ballistic submarines, provided that they dismantled their 209 older SS–7 and SS–8 ICBM's and thereafter replaced on a one-to-one basis older SLBM's for new ones. Otherwise, they would be limited to 44 submarines and 740 missiles. According to Defense Space Business Daily, the Soviets presently have operational at least 64 submarines, 2 over the SALT I ceiling. This, however, assumes they have dismantled all their SS–7/SS–8, an act which allows them to achieve that level. There is doubt, however, that they have done so.

However, despite the 64 submarines operational, they have at least 10 to 20 additional submarines in production. When these are complete, the Soviets will—under SALT obligations—have had to dismantle in the meantime all their "H" class (8), as well as up to 12 *Yankee* class submarines.

Couple with that some 1,409 ICBM's (all of them less than 10 years of age) and 140 bombers (excluding more than 100 Backfire bombers) and you come up with a total of 2,499 strategic systems. The latest SALT proposal would supposedly reduce that number to 2,250 which would mean a Soviet reduction of some 240 strategic systems. Understandably, the first system that would probably be dismantled would be the 140 older bombers (Bears/Bisons). Under the proposed SALT II agreement, they really do not need them, since they can continue to build Backfire bombers with strategic capability that can easily fill the void but not be included in the count.

Based on past Soviet performance, it seems unlikely they would consider dismantling modern weapon systems like the Yankees or modern ICBM's. Their oldest Yankee class submarine is just 10 years old; on the other hand, our oldest Polaris boat is nearly 18 years old. The Soviets presently have in operation other submarines, cruisers, fighters, bombers, tanks, and other systems that are over 25 years old. Their propensity for saving everything is without peer—in fact, the Soviets maintain in storage stocks of obsolete armored vehicles, some of which go back to World War II.

What could possibly be their rationale for continuing to produce missile submarines at this pace? These boats exceed by far the limits granted them in SALT I, and would, when added to their ICBM deployment and production rate, exceed the new proposed SALT ceiling or would force the dismantling of relatively new systems.

Their present inventory of SLBM's is as shown in table III, which I ask unanimous consent to have printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

TABLE III

	Boats	Missiles
Modern nuclear submarines:		
Yankee class (16 missiles per boat)	34	544
Delta I's (12 missiles per boat)	18	216
Delta II's, III's (16 missiles per boat)	10	160
Total	62	910
Older Nuclear: Hotel class[1] (3 missiles per boat) (total)	8	24
Older diesel electric (not included in SALT): Golf class[1] (3 missiles per boat)	22	66
Grand total	92	1,000
Submarine in production, necessary to meet deployment schedule of 8 yr, Deltas/Typhoons	20	400
Potential total (1981)	112	1,400

[1] For over a decade these submarines were considered strategic; and therefore, it seems reasonable to conclude in the event of war they would be used; unless they had been scrapped.

Mr. HATCH. Today, barely 6½ years after SALT I ratification, we are confronted with the situation that Senator Jackson anticipated on August 11, 1972:

> First under the terms of the agreement, Soviets permitted to have operational, by July 1, 1977, 62 Polaris-type Y-class submarines. The agreement is very explicit on this. Owing to a provision that could have constituted a serious loophole, the issue arose as to whether the Soviets might have additional such submarines under construction, but not yet operational, on July 1, 1977. Some witnesses, including Ambassador Smith and Chief of Naval Operations, Admiral Zumwalt, indicated that, technically, this was permissable. Were that the case, the Soviets could continue to turn out Y-class submarines like sausages, eight per year, with absolutely no perturbation of their deployment momentum.
>
> Therefore, on July 24, I raised this problem with Secretary Laird in order to get the administration position as understood at the highest levels. Secretary Laird said:
>
> "The protocol to the interim agreement specifies that the Soviet Union may have 950 SLBM launchers and not more than 62 modern ballistic missile submarines."
>
> The Secretary Laird, speaking for the administration, said:
>
> "In the event that during the period of the interim agreement they were to initiate construction of additional modern ballistic missile submarines beyond the number necessary to reach the total of 62, this could be done only as replacements (for older Y-class submarines) and this would be under the procedures as specified under article 3 of the interim agreement. We would consider any new construction starts which were merely for the purpose of maintaining the momentum of the Soviet Union construction program to be contrary to the intent of the agreement."
>
> This point is made equally clear in a colloquy between the Secretary and me. In order to understand the administration view, I asked:
>
> "I take it that it is your judgment and the view of the President and the Administration that any attempt to use this ambiguity to build up—especially toward the end of this 5-year period—a pipeline of advanced Y-class boats under construction—as a technical means of getting around the limit of 62 operational submarines, would be in clear violation of what we understood to be the agreement."
>
> Secretary Laird answered:
>
> "I would, and that would also apply to the United States."

The Soviets are, in fact, turning out Delta-class submarines like sausages. In fact, the only thing that has changed since 1972 are the new versions; they are larger and more lethal. The potential threat of using this horrendous submarine production capacity to get their way at SALT could, in the long run, jeopardize the likelihood of getting an equitable SALT II/III agreement.

The question should be asked why the Soviets would establish a production line for a 24-tube Typhoon missile submarine at precisely the time they would bump up against the upper limits defined for such ssytems in SALT I. Obviously, the Soviets know what they are doing: A nation simply does not invest billions of rubles in the most advanced building machinery, the long-lead-time submarine components such as nuclear reactors and propulsion systems, the giant launching and construction factilities which these boats require merely to replace submarines that are only 10 years old or younger This would be entirely out of character for the Soviets. If we draw an analogy to the equivalent Trident submarine program in this country, the Soviets must have been designing the Typhoon and its very long-range SS-N-18 missiles since the early 1970's—about the time we agreed to allow them 18 more SLBM's than the United States. The reason for this was ". . . the argument the Russians already had the facilities and that if we did not reach an agreement in 5 years, they would go on to 99 or 100." (Congressional Record, 9-14-72, page 2).

Counting the older "G" class submarines the Soviets are now approaching the ceiling SALT I was supposed to prevent from happening. It is hard to believe they could have produced more submarines (25) or more different classes (4) than they have in the past 5 years.

In short, the Typhoon production line is the starkest evidence available to date that the Soviets have had, and continue to have, no interest whatsoever in observing the SALT limits. A nation does not, in the normal course of international behavior, design a mammoth production line and sink billions of rubles into highly advanced technology just to build one or two submarines. The Typhoon may now be in series production; there will be more of such submarines, and it is a very safe bet that the Soviets will not scrap or deactivate Yankee submarines less than 10 years old in order to fit the Typhoons under the SALT limits.

What will happen—and this is my prediction—is that administration officials will devise intricate rationales for letting the Soviets get away with whatever they want to on the SLBM issue. We will, in my opinion, see a wondrous repeat of the Backfire fiasco: In all likelihood, the administration will let the Soviets simply tie up operational submarines in port and announce that they are no longer operational. Or, we will see U.S. officials frantically explaining to a skeptical Congress that the Soviets are entitled to the world's first "strategic reserve missile-submarine fleet"—one whose units would not be counted under SALT I or SALT II.

It is time the Soviets are forced to answer some tough questions before we agree to sign any more agreements. For over a decade, they have refused to reveal the numbers and mix of their strategic forces—it is time they demonstrated their goodwill by giving us those number as well as their intentions relative to the SLBM fleet.

Before the Senate is asked to ratify any new SALT agreement, we must have answers to the questions this new disclosure has generated. Namely; First, what are the Soviet's intentions relative to SLBM production? Second, what are they going to do with the SLBM's in existence that exceed SALT I limitations? Third, how do they intend to reach the proposed SALT II ceiling of 2250 (1,409 ICBM's + 950 SLBM's + 140 bombers = 2.499)? Fourth, are we prepared to allow them to convert their Yankee class SLBM's to a nonstrategic class, possibly modified to carry SSN 12/13's? If the latter case, how do we verify conversion? (The same question is applicable to the H class). Will they be allowed to transfer these older H and V class submarines to client states (East German, etc.) and have them excluded from SALT?

The third point I mentioned, guaranteeing our ability to deter nuclear war and in the event it occurs, surviving, is a point that encompasses many of the arguments made in points one and two. We must strengthen all three legs of our triad if we are to deter nuclear war; but the question of surviving is an issue that has aroused much debate in the past 6 months.

Civil defense is what we are basically discussing when we speak of survivability. The administration was directed by the Congress last year to formulate a sound civil defense program. The fiscal year 1979 budget was to provide funding to improve our civil defense efforts. Knowledge of this brought great outcries from the arms control community. Increased spending for civil defense would mean the United States had abandoned the mutual assured destruction (MAD) doctrine. Under this concept, the civilian population of both the United States and the Soviet Union would be defenseless, held hostage if you will, against the other side's nuclear forces. It should be noted that the Soviet Union has never accepted this doctrine. What the Soviets have done is institute a massive civil defense effort.

During the 1950's, the Soviets realized that measures had to be taken to insure the safety of their population and industrial base in the event of war. In 1961, the task of organizing such an effort was entrusted with the Soviet Ministry of Defense. In 1972, Colonel-General Altunin was assigned to head the civil defense effort, assuming the position of Deputy U.S.S.R. Minister of Defense. It was at that time the Soviet civil defense effort began to accelerate to its present position.

Soviet civil defense has moved to this prominence because Soviet ideology and philosophy toward nuclear war remains consistent with those principles laid down by Lenin. Soviet leaders assert that nuclear war, like all wars, is a continuation of a country's policy and is waged in accordance with that country's political aims. As to the no win argument, the Soviets do not share the apocalyptic view of nuclear wars so widespread in the West. They contend that capitalists attempt to use this view to paralyze revolutionary processes and to prevent progressive change in the non-Communist world. "We are not pacifists," Brezhnev warned in January of 1979 in Havana. "We do not want peace at any price." And, Moscow asserts, the U.S.S.R. will not only not be deterred by the specter of nuclear war but, if one actually comes, will survive, while its enemies will be destroyed. Indeed, Soviet leaders are the only ones who publicly assert that a nuclear war can be won, and that, if such a war were to occur, the U.S.S.R. will emerge as a viable state and system, and with the necessary power to impose its will on its opponents.

To maintain this strong adherence to a "war-winning" philosophy the Soviets have developed a civil defense program that is now felt to include as many as 30 million civilians in addition to the large military manpower commitment to civil defense. This program averages approximately $1 billion per year and appears to be rising. This cost includes a large shelter construction program as well as continued emphasis on training to the Soviet population.

Since the mid-1950's, seven compulsory civil defense courses have been given to the people of the U.S.S.R., totalling 124 hours of training time. This training is for men from 16 to 60 years of age and for women from 16 to 55 years of age. Recent courses have required demonstrations of practical skill. Members of civil defense formations, the cadre of the civil defense force, receive additional training. The current 20-hour basic course instituted in 1973 for the entire population also provides for 70 to 90 hours of training for command-staff personnel, 36 to 44 hours for civil defense unit leaders, and 28 to 30 hours for members of civil defense formations. In addition, all participate in various exercises. Schoolchildren receive formal civil defense instruction in the second, fifth, and ninth grades of 10-year secondary schools.

This massive training of the population in civil defense is compulsory, and is designed to teach the people how to act and carry out orders, to practice selfhelp, to assist poststrike operations, and to develop appropriate moral, psychological, and political attitudes. The optimum goal of this training is to instill in the population a deep faith in the effectiveness of civil defense measures and the possibility of surviving nuclear strikes.

The effort being made to insure industrial survivability equals or exceeds the one aimed at the population. Particular attention has been paid to the location of new industries near newly developed sources of energy and raw materials in Siberia, which the Soviet Government seeks to develop with the aid of Western, and especially, U.S. technology and credits. According to U.S.S.R. Minister of Defense Gretchko:

> The shift of production forces to the east, bringing them closer to sources of raw materials and fuel, their dispersed location by economic regions, significantly increases the defense capability of the Soviet homeland, and makes our industry less vulnerable in the event of a missile nuclear war . . .

Similarly, Colonel-General Altunin has characterized the industrial dispersal program as a decisive measure for insuring the viability of the economy in wartime.

The question that must be asked now is: "What is the United States doing?" Precious little is the answer. Because we have accepted the MAD doctrine, the disarmament community of this Nation has blocked civil defense efforts on the grounds they will destabilize the strategic balance. When President Carter proposed to increase civil defense spending, at the request of Congress, the public debate grew so heated the administration appears to have backed down. Yet I ask you, as rational men and women, how can a program be considered an asset to Soviet strategic strength and a debit to U.S. strength? If you doubt these assertions of U.S. civil defense, I challenge you to go to your home States and look for a civil defense sign. When you see one, investigate what supplies are present and what organizational structures exist. Then make your decision on U.S. civil defense.

In analyzing the two programs of the U.S.S.R. and the United States, four inescapable conclusions stand out:

First. Civil defense and other war-survival measures have a central place in Moscow's strategic thinking and constitute a major element in its military preparedness.

Second. The Soviet Union has stepped up in a very substantial way its war-survival program since the advent of the détente relationship with the United States in 1972. It is today steadily increasing its attention and resource allocations to the program.

Third. The Soviet leadership recognizes and evidently attaches great importance to the U.S.S.R.'s superior position as against the United States in war-survival capabilities from the standpoint of both scope and effectiveness of civil defense and related programs and of degree of concentration of population centers and vital economic resources and activities.

Fourth. The Soviet leadership believes that these asymmetries between Soviet and United States capabilities can so degrade the United States threat of "assured destruction" as to give the U.S.S.R. a district advantage with respect to risk-taking in the nuclear age and improve its chances of not only surviving but winning a nuclear war should it come.

The fifth and final point that must be considered when evaluating a SALT agreement concerns the growing asymmetry between U.S. and Soviet forces. At the time negotiations began in 1968 toward a SALT I agreement, it was generally acknowledged that the United States held the superior position. From that point on, the United States has witnessed a slow deterioration of that lead.

Mr. President, I ask unanimous consent to have printed in the RECORD a table showing a summary of strategic nuclear delivery vehicles, designated table IV.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

STRATEGIC NUCLEAR DELIVERY VEHICLES:[1] SUMMARY

	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
ICBM's:													
United States[2]	1,054	1 054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054
U.S.S.R.	570	858	1,028	1,299	1,513	1,527	1,527	1,575	1,618	1,527	1,477	1,409	1,409
SLBM's:													
United States	656	656	656	656	656	656	656	656	656	656	656	656	656
U.S.S.R.	107	121	196	304	448	500	628	720	784	845	909	950	950

	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Bombers:													
United States [3]	600	545	560	550	505	455	442	437	432	387	373	344	255
U.S.S.R [4]	160	155	145	145	145	140	140	140	135	135	135	135	135
Totals													
United States	2, 310	2, 255	2, 270	2, 260	2, 215	2, 165	2, 152	2, 147	2, 142	2, 097	2, 083	2, 054	1, 965
U.S.S.R	837	1, 134	1, 369	1, 748	2, 106	2, 167	2, 295	2, 435	2, 537	2, 507	2, 521	2, 494	2, 494
Balance United States/U.S.S.R	1, 473	1, 121	901	512	109	−2	−143	−288	−395	−410	−438	−440	−440

[1] At present the Soviets have 2,521 SNDV compared to United State's 2,054. Although Soviets will be forced to reduce their SNDV's by 250 to reach the ceiling the United Stated will fall short of reaching the ceiling by 200 with no immediate prospects of reaching 2,250. In order to reach the 2 250 ceiling the Soviets will be forced to scrap relatively new system (Yankee class submarines or newer ICBM's).

[2] These numbers do not include ICBM reloads. Various estimates give the U.S.S.R. between 1,000 and 2,000 reloads. Both of the new SS-17 and SS-18 are cold launched, thus providing refire capability.

[3] Includes 75 B-52 used solely for training. Excludes 68 FB-111A, which could with refueling reach U.S.S.R.

[4] These numbers exclude some 400 Badger bombers and over 100 Backfire bombers, all of which can be refueled, giving them capability to strike the United States and return to U.S.S.R. or land in Cuba.

Mr. HATCH. In order to redress this growing imbalance, the United States must make a firm commitment to improve its defense capability. I am pleased to see the President include $670 million for continued research on the MX. At the same time, I am concerned that we may well permit ourselves to be deluded by political rhetoric. The administration has yet to decide on a basing mode. Without such a decision we will continue to fail to address the real problem, survivability of U.S. forces.

I think that all will agree that something must be done. An examination of the proposed SALT II agreement shows a weakness that the Soviets may well be able to exploit during the life of the treaty. Under the treaty, limited modifications to existing ICBM's will be permitted. However, any test of an ICBM with more RV's than has previously been tested on that particular ICBM will cause it to be classified as a new type ICBM. With this in mind it should be noted that the U.S. Minuteman III has only three RV's. The Soviet SS-17 has 4 RV's, the SS-19 has 6 RV's, and the SS-18 has up to 10 RV's. This will effectively eliminate any improvements with respect to increased MIRVing by the United States. The treaty does provide that each side shall be able to test one "new type" ICBM. However, the Soviets have added a further restriction. They insist that no new ICBM be in what is considered the "heavy" class, therefore, should not have a payload exceeding that of the Soviet SS-19. This would then limit the number of RV's to a "new type" ICBM to six. Since the Soviets already have 10 on the SS-18, they want to prevent the United States from reaching that number through deployment of the MX. Once again we see evidence of a strong Soviet negotiating posture, a posture that limits U.S. programs while reaffirming Soviet strengths.

What the United States must do is immediately push ahead with full development and deployment of the MX. The basing mode that has generated the most support is the multiple aim points (MAP) system. The Air Force has supported a version of this system known as multiple protective shelter (MPS), which is basically the same thing. In a letter to Congressman MELVIN PRICE, chairman of the House Armed Services Committee, Gen. Lew Allen, Chief of Staff of the Air Force, points out the advantages of such a system. When asked what characteristics or advantages do ICBM's bring to the Triad, General Allen responded:

> Different pre-attack survival mode than aircraft or SLBMs and a different penetration to target mode than aircraft.
>
> Independence from strategic or tactical warning for pre-launch survival.
>
> Exceptionally reliable command, control, communications for positive control.
>
> Unique military capability as embodied in the ICBMs rapid response capability, prompt retargeting ability, short flight time to target, hard target capability, high alert rate and range.
>
> Enduring survivability in an extended nuclear conflict.
>
> Low domestic profile, but large international perception.
>
> High confidence in nuclear weapon safety and security.
>
> Relatively low operating cost and personnel requirements.
>
> Independence from concealment for survival.
>
> Straightforward SALT verification concept.

All of these reasons underscore the importance in moving forward with the MX in an MPS basing mode. When asked which mode was preferred by the Air Force, General Allen responded:

> The vertical shelter MPS is preferred by the Air Force.

The next question, and one that is often raised by MX and MPS critics, concerns verification. To this General Allen responded:

> Yes, there are concepts for making an MPS system verifiable in ways which have precedence in SALT agreements. The verification concept we currently favor would depend on assembly of missiles in their launch canisters in a highly visible, time consuming process (somewhat analogous to the SLBM verification approach). This process could be readily monitored by projected Soviet national technical means.
>
> In our concept, we have inextricably tied three separate events together to form a choke point, i.e., missile assembly canister-launcher assembly, and launcher/missile transit to the deployment area. No buildings within the deployment area would support assembly of the missile or launcher.
>
> This verification concept has the potential to decouple concealment—which occurs within the deployment area—from verification—which occurs outside the deployment area. If mass simulators are employed as a protective countermeasure, they would be constructed so that they are visibly different from the missiles in their launch cannisters.
>
> Finally, while it might be desirable to negotiate verification enhancement designs and procedures with the Soviets, this is not necessary. We are planning initially on developing a system which will allow us to assert unilaterally that verification by NTM is reasonable. This is essentially what the Soviets did in regard to their IIIX launch control silos. In addition, we plan to refine and demonstrate our MPS operational practices in the engineering test bed facility which will be constructed in FY 79 in a manner which can be readily monitored by the Soviets.

When this question is answered the next one in sequential order is always concerning fears that the Soviets would also move to such a system. To this, General Allen responds:

> The U.S. intelligence community must continuously monitor and assess Soviet strategic capabilities to provide the bases for U.S. defense planning. This essential activity is required independent of the SALT process. With regard to any SALT limitations, our ability to monitor and verify Soviet compliance with specific constraints obviously depends upon the design of the particular system. Our deployment of a multiple protective structure system should provide a precedent on "how to do it right" in terms of the specific operational practices designed to enhance monitoring by national technical means. Should the Soviets decide to deploy a mobile ICBM we should not assume that they would follow our design and procedures precisely. However, they would be obligated to follow them in principle, i.e., they would be required to provide us with a means to make a count of deployed launchers/missiles. In addition, the substantial Soviet interest and experience with road mobile strategic missiles systems, like the SS-20, suggests that should they choose to deploy a mobile ICBM, they would be likely to go in that direction. Even in this eventuality, general principles regarding the need to operate the system to provide the adversary with an opportunity to assess confidently missile launcher inventory via NTM would be a valuable precedent.
>
> Missile breakout refers to the possibility that one side could clandestinely produce and store a substantial number of strategic missiles which could be suddenly revealed to produce a dramatic shift in the strategic balance. This worrisome possibility has confronted us for many years and will continue to exist until we succeed in establishing verifiable limits on strategic missile production, inventory, and ultimate disposition, perhaps within SALT III. There is no justification for linking the problems of Soviet breakout solely to an MPS system. While the multiple protective structures might offer a convenient deployment site, the Soviets would almost certainly be better able to pull off such a potentially sensitive deception operation by deploying their extra ICBMs in remote areas which would be under less careful and continuous scrutiny than an MPS deployment area. Moreover, the greatest challenge we are likely to face in seeking to maintain strategic parity with

> the Soviets over the next several years is keeping pace with their substantial improvements of strategic systems deployed in conventional basing modes within the prospective limits of SALT II.

I would add to this a simple logical step. If the Soviets are willing to place limits on the number of RV's on ICBM's, they are in fact limiting the number of silos they can target. Assuming U.S. policy is still one of deterrence and not first strike, it would not matter if the Soviets went to an MAPS deployment. As long as the U.S. Air Force remains in a survivable basing mode, the deterrence is intact.

Mr. President, this subject is one that has immense importance to the Nation and all the Western World. It appears the administration, in their desire to sell this agrement to the public, has glossed over many of the facts. They have accused the opponents of the agreement of being reactionary and appealing to emotionalism. I find the very opposite to be true. It is the supporters of SALT II that use phrases such as "fueling the arms race," "spiraling defense costs," and "nuclear holocaust" to instill a fear in people if the agreement is not signed and ratified. It is up to this body, the U.S. Senate, to debate the treaty on its merits. Let the facts stand for themselves. I would suggest to my colleagues that they treat this agreement as a comparative case study, using the year 1968 as a base and comparing our strategic strength, as outlined in SALT II, to that year. What a difference 10 years has made.

DEATH FOR SALE

Mr. HATCH. Mr. President, in 1973, the Supreme Court of the United States legalized abortion on demand. Those who defended the Court's decision have based much of their case on the desirability of making abortion safe, so that pregnant women would not resort to so-called back-alley practitioners. But recent events in Chicago have demonstrated that the reality of legalized abortion is no less deadly than its illegal counterpart.

An underground investigation headed by staffers of the Chicago Sun Times, in collaboration with the Better Government Association, has revealed within the legal abortion clinics of Chicago an abhorrent array of sordid activities. The atrocities abounding therein astounded the investigators, who discovered that the abortionists have as little regard for the women who come to them as they have for their unborn children. One abortionist boasted of being able to perform two abortions at the same time. In the rush, anaethesia is sometimes neglected, just as it always is neglected for the unborn child about to die.

At least 12 women have died in Chicago, because of the abortions they received, quite legally, in the clinics. Countless others have suffered devastating consequences.

Obviously, the Chicago clinics are lucrative. The total medicaid payment to one abortionist in 1974 was the highest for any physician in the country: A total of $792,266. Another abortionist received $217,500 for his services in 1 year; and 6 months later, he billed the taxpayers for $200,000 more.

The Chicago clinics are only the tip of a ghastly iceberg. It would be naive to suppose that their counterparts elsewhere are not every bit as bad. The abortion racket—death for sale—cannot be anything else.

A MAN FOR ALL SEASONS

Mr. HATCH. Mr. President, the Washington Post of last Friday, January 26, reported a tragic occurrence of the previous day. Dr. James E. Dornan, Jr., chairman of the Politics Department at Catholic University here in Washington, was victim to a fatal automobile accident. Those who knew him and the very many who heard of or were affected by the good works of this very great American are understandably grief stricken. Principal among these are his mother Florence; his wife, Diane; and his six children.

I am sorry to say that I knew Dr. Dornan less well than did several members of my staff, one of whom had the privilege of studying under him. Like them, however, I recognized the very essential fact about Jim Dornan. I recognized that he embodies the very best which is within us; that he is the kind of man American universities should produce, and as in this instance, occasionally do.

Born in Brooklyn, N.Y., he graduated with honors from LeMoyne College in Syracuse, N.Y., going on to earn his doctorate in political science from Johns Hopkins University. He taught at several colleges, but is probably best remembered for his academic work here in the Nation's Capital, at Catholic University. He has been on the faculty there since 1967, and as chairman of the political science department, reorganized it in order to place greater emphasis on classical learning—the very fundamentals of what we know, and how we are to know it.

He was author or editor of a range of books on foreign policy, the titles of which are too voluminous to mention here. Let it be said, however, that in these works, as in his lecturing, debating, and his political science work with SRI International (a California-based research organization), he made an indelible mark as one of our country's authorities on U.S. foreign relations, military strategy, and Asian affairs. It would be fair to say that Dr. Dornan was, during the late sixties and early seventies, the principal critic of the Kissinger foreign policy from what is understood to be a conservative direction. He was articulate and uncompromising in the views he so strongly held; and while there are those who shared differences over Dr. Dornan's analysis, there are none who failed to recognize the scholarship, erudition, and statesmanship in everything he wrote or said.

His works are, of course, very many, but not as many as the impressions he permanently set on his students and all those who benefited by his association. He was as much a scholar as he was a patriot, and both this academic quality and force of character set in motion a school of thought and analysis which will certainly remain part of his living legacy. To try to communicate the depth of influence Dr. Jim Dornan had on his university and his students forces me to borrow a phrase from the philosopher, Whitehead, and to say that the works and people and events which all contributed to the development of sound scholarship at Catholic University are all footnotes to Dornan.

I was proud to have had some association with him, and I share the sense of loss felt by so many on my staff, and of the far larger number of men and women whose quality of life and thought is so far advanced, because Jim Dornan once lived. He is truly a man for all seasons.

RECESS

The PRESIDING OFFICER. Pursuant to the previous order, the Senate will stand in recess for 1 hour and 30 minutes.

Thereupon, at 3:52 p.m., the Senate took a recess for 1 hour and 30 minutes.

The Senate reassembled at 5:22 p.m., when called to order by the Presiding Officer (Mr. PRYOR).

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for 1 minute only for the purpose of proceeding to the immediate consideration of a nomination which has been reported by the Committee on Foreign Relations today. This matter has been cleared with the minority.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

DEPARTMENT OF STATE

The assistant legislative clerk read the nomination of K. Mathea Falco, of the District of Columbia, to be Assistant Secretary of State for International Narcotics Matters.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will resume legislative session.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair.

There being no objection, the Senate, at 5:23 p.m., recessed subject to the call of the Chair.

The Senate reassembled at 5:48 p.m. when called to order by the Presiding Officer (Mr. PRYOR).

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed for no longer than 3 minutes to the consideration of calendar Nos. 2 through 8 on the General Orders Calendar.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—I rise only to advise the majority leader that the items he identifies are cleared on our calendar, and we join in his request.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZING THE REPRINTING OF "WASHINGTON'S FAREWELL ADDRESS"

The resolution (S. Res. 35) authorizing the reprinting of House Document Numbered 504, 89th Congress, second session, entitled "Washington's Farewell Address," as a Senate document, was agreed to as follows:

Resolved, That House Document Numbered 504, Eighty-ninth Congress, second session, entitled "Washington's Farewell Address to the People of the United States," be reprinted as a Senate document; and that there be printed five thousand five hundred additional copies of such document for the use of the Joint Committee on Printing.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON RULES AND ADMINISTRATION

The resolution (S. Res. 36) authorizing additional expenditures by the Committee on Rules and Administration for inquiries and investigations, was agreed to, as follows:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Rules and Administration is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $695,000, of which amount not to exceed $35,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SIBYL M. BROWN

The resolution (S. Res. 37) to pay a gratuity to Sibyl M. Brown, was agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Sibyl M. Brown, mother of James R. Brown, an employee of the Senate at the time of his death, a sum equal to three months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CHARLES F. CLARK, SR.

The resolution (S. Res. 38) to pay a gratuity to Charles F. Clark, Sr., was agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Charles F. Clark, Sr., widower of Lucille B. Clark, an employee of the Senate at the time of her death, a sum equal to one year's compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

GUY D. HUNTER AND BONNIE G. HUNTER

The resolution (S. Res. 39) to pay a gratuity to Guy D. Hunter and Bonnie G. Hunter, was agreed to, as follows:

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay, from the contingent fund of the Senate to Guy D. Hunter, father of Gary D. Hunter, and Bonnie G. Hunter, mother of Gary D. Hunter, an employee of the Senate at the time of his death, a sum to each equal to one month's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ALLIE M. McADAMS

The resolution (S. Res. 40) to pay a gratuity to Allie M. McAdams, was agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Allie M. McAdams, sister of Jesse James, an employee of the Senate Restaurant at the time of his death, a sum equal to four months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CARL W. SOURS

The resolution (S. Res. 41) to pay a gratuity to Carl W. Sours, was agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Carl W. Sours, father of Ray W. Sours an employee of the Architect of the Capitol assigned to duty on the Senate side of the Capitol grounds at the time of his death, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SPECIAL ORDERS FOR MONDAY, FEBRUARY 5, 1979.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. PROXMIRE be recognized for not to exceed 15 minutes on Monday, after I have been recognized for not to exceed 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. HUDDLESTON be recognized on Monday for not to exceed 15 minutes after Mr. PROXMIRE's order has been completed.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR WITHDRAWAL AND RELEASE OF CERTAIN MATERIALS

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Nunn, I send a resolution to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 56) to authorize the withdrawal and release to the Controller of the State of California of certain documents, papers and other materials in the possession of the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the resolution for not to exceed 2 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a statement by Mr. Nunn in explanation of the resolution be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement By Senator Nunn

I offer today a resolution to authorize the release of certain documents in the possession of the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs.

By letter of December 12, 1978, the Controller of the State of California requested that the Subcommittee supply copies of documents obtained by the Subcommitte during an authorized inquiry into the California Relative Value Studies and their relationship to the level of health service expenses paid under federally-funded health care plans. The Controller has requested these materials for use in connection with an official State audit of the California Medicaid program.

Pursuant to Rule XXX of the Standing Rules of the Senate and the privileges of the Senate, such documents may not be released without a Resolution of the Senate.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. Res. 56

Whereas, the Controller of the State of California has, by letter dated December 12, 1978, formally requested certain documents, records and materials in the possession of the Subcommittee; and

Whereas, the documents, records and materials were obtained by the Subcommittee in the course of an authorized study of the California Relative Value Studies and their relationship to health care costs charged under federally-funded and other health programs; and

Whereas, by the privileges of the Senate of the United States and by Rule XXX of the Standing Rules of the Senate, such documents, papers and other materials so secured by the Subcommittee may not be withdrawn without the consent of the Senate: Therefore, be it

Resolved, That the Permanent Subcommittee on Investigations is authorized, at the discretion and direction of its Chairman, to provide the Controller of the State of California documents, papers and other materials obtained in the aforesaid investigation by the Subcommittee.

Sec. 2. The Secretary of the Senate shall transmit a copy of this resolution to The Honorable Kenneth Cory, Controller, State of California, Sacramento, California 95805.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

BUDGET OF THE DISTRICT OF COLUMBIA, 1980—MESSAGE FROM THE PRESIDENT—PM 23

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, together with an accompanying document, which was referred to the Committee on Appropriations.

To the Congress of the United States:

In accordance with the District of Columbia Self-Government and Governmental Reorganization Act, I am transmitting for your consideration the budget of the District of Columbia for fiscal year 1980.

Jimmy Carter.

The White House, *February 1, 1979.*

MESSAGES FROM THE HOUSE

At 12:20 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that, pursuant to the provisions of 10 United States Code 4355(a), the Speaker has appointed Mr. Murphy of New York, Mr. Long of Maryland, Mr. Conte, and Mr. Gilman as members of the Board of Visitors to the U.S. Military Academy, on the part of the House.

The message also announced that, pursuant to the provisions of 10 United States Code 6968(a), the Speaker has appointed Mr. McKay, Mrs. Spellman, Mr. Kemp, and Mrs. Holt as members of the Board of Visitors to the U.S. Naval Academy, on the part of the House.

The message further announced that, pursuant to the provisions of section 194(a), title 14 of the United States Code, the Speaker has appointed Mr. Dodd and Mr. McKinney as members of the Board of Visitors to the U.S. Coast Guard Academy, on the part of the House.

The message also announced that, pursuant to the provisions of 46 United States Code 1126c, the Speaker has appointed Mr. Wolff and Mr. Wydler as members of the Board of Visitors to the U.S. Merchant Marine Academy, on the part of the House.

The message further announced that, pursuant to the provisions of 10 United States Code 9355(a), the Speaker has appointed Mr. Burlison, Mr. Wirth, Mr. Robinson, and Mr. Kramer as members of the Board of Visitors to the U.S. Air Force Academy on the part of the House.

The message also announced that, pursuant to the provisions of section 1, Public Law 86-417, the Speaker has appointed Mr. Slack, Mr. Yatron, Mr. Wampler, and Mr. Robert W. Daniel, Jr., as members of the James Madison Memorial Commission, on the part of the House.

The message further announced that, pursuant to the provisions of section 4 (a), Public Law 94-118, the Speaker has appointed Mr. Zablocki and Mr. Anderson of Illinois as members of the Japan-United States Friendship Commission, on the part of the House.

PETITIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-30. A petition from the Council of the City of Los Angeles, requesting Congress to amend the Clean Air Act to delay the attainment of the NO_x standards to 1987, or to amend the Clean Air Act to suspend for 2 years the implementation of sanctions for local jurisdictions whose plans fail to attain the 1982 standard for oxides of nitrogen (NO_x) in order to allow for the completion of the National Academy of Science study of NO_x; to the Committee on Environment and Public Works.

POM-31. A joint memorial adopted by the Legislature of the State of Washington; to the Committee on Agriculture, Nutrition, and Forestry:

"House Joint Memorial No. 3

"Whereas, Sugar beets are the ninth largest crop in the state of Washington and were worth forty million dollars in 1978;

"Whereas, the sugar beet industry is a ninety million dollar industry in the state of Washington;

"Whereas, Sugar beets and sugar beet processing provide employment for three thousand five hundred people in the state of Washington;

"Whereas, The sugar beet industry in the state of Washington pays over five million dollars in state and local taxes;

"Whereas, The situation of the sugar beet industry is critical since the "Utah and Idaho Inc." sugar beet processing plant in the state of Washington, which is the largest sugar beet processing plant in the United States, has announced that there will be no processing operations for the 1979 crop year unless some price relief is obtained;

"Whereas, support of domestic sugar production is crucial since foreign sugar production threatens to dominate the United States market;

"Whereas, history has taught that dependence on foreign production will increase imports adding to the balance of payment problems;

"Whereas, if the domestic sugar beet industry fails, the people of our nation would not only lose jobs, but would be forced to pay prices controlled by freign producers;

"Whereas, the sugar beet industry, in order to survive, requires a federal government price support of no less than seventeen cents per pound which would barely cover the costs of production;

"Whereas, The sugar beet planting season begins soon and the growers need to decide immediately whether they will be able to afford to grow sugar beets;

"Now, therefore, Your Memorialists respectfully pray that Congress immediately enact price support legislation for the sugar beet industry that will allow the sugar beet industry to continue to operate this year.

"Be it resolved, That copies of this Memorial be immediately transmitted to the Honorable Jimmy Carter, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, to the Secretary of Agriculture, and each member of Congress from the State of Washington.

"Be it further resolved, That copies of this memorial be transmitted to the Honorable Dixy Lee Ray, Governor of the State of Washington and that the Honorable Dixy Lee Ray is respectfully requested to contact the governors of the other major sugar beet producing states: California, Colorado, Idaho, Michigan, Minnesota, Nebraska, and North Dakota to urge the governors of these states to actively seek the passage of federal sugar beet price support legislation."

POM-32. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Environment and Public Works:

"RESOLUTION No. 2

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, the Guam Power Authority is required to comply with the provisions of the Clean Air Act, pursuant to the District Court of Guam's Amended Interim Consent Order of August 23, 1976, which in part provides that the District Court of Guam shall retain jurisdiction over this matter until such time as the Guam Power Authority shall have complied with the applicable Standards of Performance for New Stationary Sources (low sulphur oil); and

"Whereas, Guam Power Authority must advertise for bids on low sulphur oil every six months and make reports to the District Court and Guam Environmental Protection Agency as to the results of such bids; and

"Whereas, Guam Power Authority has received only one bid from the Guam Oil and Refinery Company at nearly $18.00 per barrel, an increase of more than sixty percent (60%) over the present cost for high sulphur oil; and

"Whereas, the Guam Power Authority will be compelled to either start burning low sulphur oil or install an expensive fuel gas desulfurization system (scrubbers) in the Cabras Power Plant by 1980; and

"Whereas, such requirements would have a devastating economic impact on the territory by increasing individual electric power bills by nearly thirty-five percent (35%) in a community where consumers are already paying higher power bills than any other American community; and

"Whereas, such an increase would also seriously affect the Department of Defense because of increased costs in the production of electricity; and

"Whereas, Guam's unique geographical location and climate of trade winds makes pollution of the smog type an improbability; and

"Whereas, Guam Power Authority has low sulphur oil in storage tanks to use if and when the trade winds reverse to blow over the populated areas of the island (inversion); and

"Whereas, the Guam Power Authority is in the process of installing monitors to test for sulphur dioxide in the air in conjunction with the Guam Environmental Protection Agency; now, therefore, be it

"Resolved, that the Fifteenth Guam Legislature respectfully requests Congressman Antonio B. Won Pat to introduce legislation calling for Guam to be exempted from the provisions of the Clean Air Act; and be it further

"Resolved, that the Fifteenth Guam Legislature respectfully requests the Congress of the United States to favorably and expediently consider legislation to exempt Guam from the provisions of the Clean Air Act; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to Congressman Antonio B. Won Pat; to the Speaker of the U.S. House of Representatives; to the President of the U.S. Senate; to the Chairman, Committee on Territorial and Insular Affairs; to the Secretary, Department of Interior; to the Chairman, Guam Power Authority Board of Directors; to the Chairman, Guam Environmental Protection Agency Board of Directors; and to the Governor of Guam."

POM—33. A resolution adopted by the American Legion, relating to continuing support of the Federal Bureau of Investigation; to the Committee on the Judiciary.

POM-34. A petition from a citizen, relating to Taiwan; to the Committee on Foreign Relations.

POM-35. A resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations:

"HOUSE RESOLUTION No. 9

"Whereas, In this 20th Century, there took place the most horrendous mass slaughter in the history of civilization, wherein approximately 18 million human beings were systematically murdered on the basis of their political, racial or religious backgrounds; and

"Whereas, The methods employed in exterminating these millions of men, women, and children were of the most cruel and tortuous kind; and

"Whereas, The nations of the world, horrified at these atrocities, convened a War Crimes Court at Nuremberg, in the Federal Republic of Germany, to try, convict, and sentence the locatable and guilty perpetrators of these heinous crimes against civilization; and

"Whereas, The Federal Republic of Germany's Statue of Limitations on War Crimes will expire on December 31, 1979, after which there legally can be no further search for, investigation or prosecution of, the remaining war criminals; and

"Whereas, There has occurred a noticeable increase of Nazi activity throughout the world, possibly in preparation for the day when these war criminals will again seek the use of public platforms to espouse hatred and racism and to agitate, organize or otherwise recreate the environment which led to the holocaust; and

"Whereas, People throughout the world must take every possible precaution against the repetition of such barbaric acts of inhumanity; now, therefore, be it

"Resolved by the Assembly of the State of California, That the Members respectfully memorialize the President and Congress of the United State to join with other humane governments of the world in urging the Federal Republic of Germany to repeal its Statute of Limitations on War Crimes, and declare such statute of limitations a violation of international law and of the principles of human morality, so that all potential war criminals shall fully understand that there will be no escaping punishment for the commission of such cruel, inhumane atrocities; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

COMMUNICATIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-439. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report of the location of new Federal offices and other facilities for fiscal year 1978; to the Committee on Agriculture, Nutrition, and Forestry.

EC-440. A communication from the Clerk, U.S. Court of Claims, transmitting, pursuant to law, the court's judgment order of January 19, 1979, entering judgments for the plaintiffs in *James Strong, et al and Related Cases* v. *The United States*, Nos. 13-F, 15-I, 29-G, 133-C, 141 and 308, in various amounts; to the Committee on Appropriations.

EC-441. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the appropriations to the Veterans' Administration for "Compensation and Pensions" and "General Operating Expenses" for the fiscal year 1979 have been reapportioned on a basis which indicates the necessity for supplemental estimates of appropriations; to the Committee on Appropriations.

EC-442. A communication from the Secretary of Labor, reporting, pursuant to law, on the exemplary rehabilitation certificates for calendar year 1978; to the Committee on Armed Services.

EC-443. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize appropriations for fiscal year 1980, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes; to the Committee on Armed Services.

EC-444. A communication from the Secretary of Defense, transmitting, pursuant to law, the annual report of the Department of Defense for fiscal year 1980; to the Committee on Armed Services.

EC-445. A secret communication from the Secretary of Defense, transmitting, pursuant to law, the fifth annual report on "Rationalization/Standardization Within NATO"; to the Committee on Armed Services.

EC-446. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Is the AV-8B Advanced Harrier Aircraft Ready for Full-Scale Development?" January 30, 1979; to the Committee on Armed Services.

EC-447. A communication from the Deputy Assistant Secretary of Defense, reporting, pursuant to law, that the Department of the Navy intends to exercise the provision for exclusion of the clause concerning examination of records by the Comptroller General; to the Committee on Armed Services.

EC-448. A communication from the Attorney General, transmitting, pursuant to law, a report on the activities of the Department of Justice in the enforcement of title II of the Consumer Credit Protection Act for fiscal year 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC-449. A communication from the Chairman, Securities and Exchange Commission, transmitting, pursuant to law, the annual report of the Commission for the period July 1, 1976, to September 30, 1977; to the Committee on Banking, Housing, and Urban Affairs.

EC-450. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, a report entitled "Home Mortgage Disclosure: Usefulness and Feasibility of Nonmetropolitan Disclosure"; to the Committee on Banking, Housing, and Urban Affairs.

EC-451. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, on loan, guarantee and insurance transactions supported by Eximbank during December 1978 to Communist countries (as defined in section 620(f) of the Foreign Assistance Act of 1961, as amended); to the Committee on Banking, Housing, and Urban Affairs.

EC-452. A communication from the President, U.S. Railway Association, transmitting a draft of proposed legislation that section 214(c) of the Regional Rail Reorganization Act of 1973, as amended, be further amended to reflect an authorization request for fiscal year 1980 of $30 million; to the Committee on Commerce, Science, and Transportation.

EC-453. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on ocean dumping research, January through December 1977; to the Committee on Commerce, Science, and Transportation.

EC-454. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report containing final recommendations for a restructured intercity rail passenger system to be operated by the National Railroad Passenger Corporation; to the Committee on Commerce, Science, and Transportation.

EC-455. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that the Commission is unable to render a final decision in Docket No. 36966, Perishable Protective Tariffs, NPFC, TCFB, and CRB, and Docket No. 37023, Train Schedules for Handling Perishables, Official Territory, within the initially specified 7-month period, to the Committee on Commerce, Science, and Transportation.

EC-456. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Developing A Domestic Common Carrier Telecommunications Policy: What Are The Issues?" January 24, 1979; to the Committee on Commerce, Science, and Transportation.

EC-457. A communication from the President, U.S. Railway Association, transmitting, pursuant to law, certain methodological and other information; to the Committee on Commerce, Science, and Transportation.

EC-458. A communication from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-459. A communication from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to increase the appropriation ceiling for title I of the Colorado River Basin Salinity Control Act (88 Stat. 266), and for other purposes; to the Committee on Energy and Natural Resources.

EC-460. A communication from the Secretary of the Interior, transmitting, pursuant to law, a notice on leasing systems for the Oil and Gas Lease Sale No. 49, mid-Atlantic, scheduled to be held on February 28, 1979; to the Committee on Energy and Natural Resources.

EC-461. A communication from the Secretary of Energy, transmitting, pursuant to law, DOE Energy Action No. 3, an amendment exempting aviation gasoline and kerosene-base jet fuel from the mandatory petroleum allocation regulations, and Senate DOE Energy Action No. 4, an amendment exempting aviation gasoline and kerosene-base jet fuel from the mandatory petroleum price regulations; to the Committee on Energy and Natural Resources.

EC-462. A communication from the Chairman, U.S. Water Resources Council, transmitting a draft of proposed legislation to amend the Water Resources Planning Act of 1965 (Public Law 89-80), as amended, to provide authorization of appropriations necessary to continue the Water Resources Council (WRC) through fiscal year 1981; to the Committee on Environment and Public Works.

EC-463. A communication from the Assistant Secretary of the Interior, transmitting, pursuant to law, an announcement of water resources research and development areas of interest for fiscal year 1979 funding consideration; to the Committee on Environment and Public Works.

EC-464. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report entitled "Combined Statement of Receipts, Expenditures and Balances of the United States Government for the Fiscal Year Ended September 30, 1978"; to the Committee on Finance.

EC-465. A communication from the Director, U.S. Arms Control and Disarmament Agency, transmitting, pursuant to law, a report on Arms Control Education and Academic Study Centers; to the Committee on Foreign Relations.

EC-466. A communication from the Administrator, Agency for International Development, Department of State, transmitting, pursuant to law, the fiscal year 1978 report of the Agency's Auditor General; to the Committee on Foreign Relations.

EC-467. A communication from the Chairman, Board for International Broadcasting, transmitting, pursuant to law, its fifth annual report on its activities as well as its review and evaluation of the operation and mission of Radio Free Europe/Radio Liberty for the period from October 1, 1977 through September 30, 1978; to the Committee on Foreign Relations.

EC-468. A communication from the Assistant Administrator, Office of Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, a report on all contract actions in excess of $100,000 which were entered into without competitive selection procedures during the period April 1, 1978, to September 30, 1978; to the Committee on Foreign Relations.

EC-469. A communication from the Secretary of State, reporting, pursuant to law, on efforts undertaken to comply with provisions regarding the use of herbicides in the Mexican marihuana eradication program; to the Committee on Foreign Relations.

EC-470. A communication from the senior vice president for finance, Potomac Electric Power Co., transmitting, pursuant to law, a financial statement as of December 31, 1978; to the Committee on Governmental Affairs.

EC-471. A communication from the Deputy Comptroller General of the United States, transmitting, pursuant to law, a report for calendar year 1978 concerning positions in GAO in grades GS-16, 17, and 18 and their incumbents; to the Committee on Governmental Affairs.

EC-472. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a proposed new system of records for the Department of the Army; to the Committee on Governmental Affairs.

EC-473. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports of the General Accounting Office for the month of December 1978; to the Committee on Governmental Affairs.

EC-474. A communication from the General Counsel, Securities and Exchange Commission, transmitting, pursuant to law, a report of change to a system of records; to the Committee on Governmental Affairs.

EC-475. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report discussing the key questions that should be answered as part of the Navy's requirements determination for shore-based ship maintenance support in the western Pacific and Indian Oceans; to the Committee on Governmental Affairs.

EC-476. A communication from the Assistant Secretary for Education, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report entitled "Teacher and School Administrator Supply and Demand," prepared by the National Center for Education Statistics; to the Committee on Human Resources.

EC-477. A communication from the Secretary, American Battle Monuments Commission, reporting, pursuant to law, on its administration of the Freedom of Information Act during calendar year 1978; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on the Judiciary, without amendment:

S. Res. 48. An original resolution authorizing additional expenditures by the Committee on the Judiciary for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. PELL, from the Committee on Rules and Administration, with an amendment:

S. Res. 30. A resolution to amend rule XXV of the Standing Rules of the Senate to change the name of the Committee on Human Resources to the Committee on Labor and Human Resources (Rept. No. 96-4).

By Mr. LONG, from the Committee on Finance, without amendment:

S. Res. 51. An original resolution authorizing additional expenditures by the Committee on Finance for routine purposes. Referred to the Committee on Rules and Administration.

S. Res. 52. An original resolution authorizing additional expenditures by the Committee on Finance for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. MAGNUSON, from the Committee on Appropriations, without amendment:

S. Res. 53. An original resolution authorizing additional expenditures by the Committee on Appropriations for routine purposes. Referred to the Committee on Rules and Administration.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and the second time by unanimous consent, and referred as indicated:

By Mr. CRANSTON:

S. 309. A bill for the relief of Antonio Zamora-Mendoza, his wife, Josefina Padilla Zamora, and their sons, Alberto Antonio Zamora-Padilla, Victor Zamora, Leopoldo Zamora, Jaime Zamora, and Jose Zamora; to the Committee on the Judiciary.

By Mr. STEWART:

S. 310. A bill for the relief of Borislav Subotic; to the Committee on the Judiciary.

By Mr. BURDICK:

S. 311. A bill for the relief of Visitacion C. Ramirez, M.D.; to the Committee on the Judiciary.

By Mr. BENTSEN:

S. 312. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to exempt stated prison farms from paying of marketing quota penalties; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ZORINSKY:

S. 313. A bill for the relief of Francisco D. Dozon, M.D.; to the Committee on the Judiciary.

By Mr. DeCONCINI (for himself and Mr. Thurmond):

S. 314. A bill to establish fees for services performed by the United States marshals; to the Committee on the Judiciary.

By Mr. HART:

S. 315. A bill to amend the Internal Revenue Code of 1954 to reduce for a 5-year period the taxes on transportation of persons and property by air; to the Committee on Finance.

By Mr. BENTSEN:

S. 316. A bill to provide price incentives for production of crude oil from deep stripper wells; to the Committee on Energy and Natural Resources.

By Mr. DeCONCINI:

S. 317. A bill to limit the standing of a foreign sovereign to sue under the antitrust laws of the United States; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 318. A bill for the relief of Demetrios Karanikolas; to the Committee on the Judiciary.

S. 319. A bill for the relief of Chan Siu Ha, also known as Linda Chan; to the Committee on the Judiciary.

S. 320. A bill for the relief of Neam Vone Sae-Kuan, also known as Paul Kuan; to the Committee on the Judiciary.

S. 321. A bill for the relief of Anacleto Aboyabor Dotollo and Turtosa Acompanado Dotollo; to the Committee on the Judiciary.

By Mr. STENNIS:

S. 322. A bill for the relief of A.Z.M. Rabiul Hasan; to the Committee on the Judiciary.

By Mr. HAYAKAWA:

S. 323. A bill to repeal the provisions of title 23 of the United States Code requiring a national maximum speed limit of 55 miles per hour; to the Committee on Environment and Public Works.

By Mr. BELLMON:

S. 324. A bill to change the name of Clayton Lake in the State of Oklahoma to Sardis Lake; to the Committee on Environment and Public Works.

By Mr. STONE (for himself, Mr. Chiles, and Mr. Weicker):

S. 325. A bill to establish a program to develop marine artificial reefs in waters of United States jurisdiction; to the Committee on Commerce, Science, and Transportation.

By Mr. BUMPERS:

S. 326. A bill entitled the "Taxpayers' Bill of Rights Act"; to the Committee on Finance.

By Mr. HATCH:

S. 327. A bill for the relief of Shavji Purshottam Dusara, his wife, Vasanti Shavji Dusara, and their child, Shreedhar Dusara; to the Committee on the Judiciary.

S. 328. A bill for the relief of Mr Oliver O. Ratajczek and his wife, Christine Diane Ratajczek; to the Committee on the Judiciary.

By Mr. HELMS:

S. 329. A bill to amend the supplemental security income program established by title XVI of the Social Security Act to exclude a family cemetery or bureal plot owned by an individual or married couple in determining such individual's or couple's resources; to the Committee on Finance.

By Mr. HART (for himself and Mr. Cranston):

S. 330. A bill to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration, and for other purposes; to the Committee on the Judiciary and the Committee on Veterans' Affairs, jointly, by unanimous consent, and if and when ordered reported by one committee, the other committee then has 30 days in which to act or be discharged therefrom.

By Mr. CRANSTON (for himself, Mr. Kennedy, Mr. Baucus, Mr. Bayh, Mr. Bentsen, Mr. Biden, Mr. Bumpers, Mr. Durkin, Mr. Eagleton, Mr. Gravel, Mr. Hayakawa, Mr. Inouye, Mr. Johnston, Mr. Levin, Mr. McGovern, Mr. Metzenbaum, Mr. Nelson, Mr. Pell, Mr. Pressler, Mr. Proxmire, Mr. Randolph, Mr. Ribicoff, Mr. Sasser, Mr. Stafford, Mr. Stennis, Mr. Stevenson, and Mr. Tsongas):

S.J. Res. 31. A joint resolution regarding the peace, prosperity, and welfare of the people on Taiwan and the Pescadores, and for other purposes; to the Committee on Foreign Relations.

By Mr. BELLMON (for himself and Mr. Boren):

S.J. Res. 32. A joint resolution to designate November 4, 1979, as "Will Rogers Day"; to the Committee on the Judiciary.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CHURCH, from the Committee on Foreign Relations:

K. Mathea Falco, of the District of Columbia, to be Assistant Secretary of State for International Narcotics Matters.

(The nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. CHURCH, from the Committee on Foreign Relations:

Robert H. Pelletreau, Jr., of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States to the State of Bahrain.

(The nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Political Contributions Statement

Nominee, Robert H. Pelletreau, Jr.
Post, Chief of Mission, Bahrain.
Contributions, amount, date, and donee:
1. Self, $50, 1976, Eddie Meyer.
2. Spouse, None.
3. Children and Spouses, Names, None.
4. Parents, Names (see attached sheet).
5. Grandparents Names, None.
6. Brothers and Spouses Names, None.
7. Sisters and Spouses Names, None.

Political Contributions by Robert H. Pelletreau, Sr.

None made by Mary P. Pelletreau.

January 23, 1974. Republican National Committee, $25.

June 14, 1974. Suffolk County Republican Club, $10.

February 15, 1975. Republican National Committee, $25.

March 7, 1976. Republican National Committee, $25.

June 1, 1976. Suffolk County Republican Club, $10.

June 21, 1976. Brookhaven Town Republican Committee, $10.

January 31, 1977. Republican National Committee, $25.

June 28, 1977. Suffolk County Republican Club, $10.

December 5, 1977. Republican National Committee, $25.

January, 1978. Republican National Committee, $10.

January, 1978. Duryea for Governor Committee, $25.

January, 1978. Suffolk County Republican Club, $10.

August 21, 1978. Duryea for Governor Committee, $100.

By Mr. CHURCH, from the Committee on Foreign Relations:

Stephen Warren Bosworth, of Michigan, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Tunisia.

(The nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Political Contributions Statement

Nominee, Stephen W. Bosworth.
Contributions, amount, date, donee.
(If none, write none)

1. Self, none.
2. Spouse, none.
3. Children and Spouses Names, Andrew, Allison, none.
4. Parents Names, Warren and Mina Bosworth, none.
5. Grandparents Names, none.
6. Brothers and Spouses Names, Brian and Nancy Bosworth, Barry and Sally Bosworth, none.
7. Sisters and Spouses Names, none.

By Mr. CHURCH, from the Committee on Foreign Relations:

Jonathan Dean, of New York, with the rank of Ambassador during the tenure of his service as Representative of the United States for Mutual and Balanced Force Reductions Negotiations.

(The nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Political Contributions Statement

Nominee, Jonathan Dean.
Post, U.S. Representative; MBFR Negotiations.
Contributions, amount, date, donee.
1. Self, None.
2. Spouse, None.
3. Children and Spouses Names, None.
4. Parents Names, Deceased.
5. Grandparents Names, Deceased.
6. Brothers and Spouses Names, David Dean and wife, Anthony Dean, Mary, None.
7. Sisters and Spouses Names, N/A.

By Mr. CHURCH, from the Committee on Foreign Relations:

W. Beverly Carter, Jr., of Pennsylvania, to be Ambassador at Large.

(The nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Political Contributions Statement

Nominee, W. Beverly Carter, Jr.
Post, Ambassador-at-Large.
Contributions, amount, date, donee.
1. Self, $25, 6/13/1978, Congressman Diggs' legal defense committee.

2. Spouse, None.
3. Children and Spouses Names, None.
4. Parents Name, None.
5. Grandparents Names, None.
6. Brothers and Spouses Names, None.
7. Sisters and Spouses Names, None.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN:

S. 312. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to exempt stated prison farms from paying of marketing quota penalties; to the Committee on Agriculture, Nutrition, and Forestry.

● Mr. BENTSEN. Mr. President, this bill will make a small but very vital adjustment in the Food and Agriculture Act of 1977. This adjustment is necessary to prevent our State prison systems from being barred from raising crops for their own use. State prison systems have in the past been customarily exempted from restrictions on production strictly for their own consumption, but this exemption was included in the 1977 farm bill only for Federal prisons.

Lack of this exemption was a shock when Department of Corrections officials in my home State of Texas were informed of it by the U.S. Department of Agriculture last year. They planted 351.8 acres of peanuts last year, and then they were informed that their quota was only 42.2 acres and that they were no longer exempted from this restriction.

The ability of State prison systems to grow their own food saves our taxpayers millions of dollars annually. In Texas for instance, our Department of Corrections is almost completely self-sufficient. They grow their own cattle, slaughter them in their own packing plant, and use everything even to the point of making shoes and saddles out of the leather. They produce all their own beef, pork, poultry, milk, and vegetables. They make 60,000 gallons of sirup a year from their own cane. They grow, harvest, gin, and mill their own cotton into cloth in their own plants, and then they make their own clothes and bedding. They grow their own rice, corn, soybeans, and grain sorghum. They make their own bricks and furniture, and they grow broom corn to make the brooms to clean the buildings that that brick and furniture go into. They even grow their own peanuts, and it takes a lot of peanut butter for 24,500 inmates.

The Texas prison system is about 65 to 70 percent self-sufficient. They buy only a few items such as salt, pepper, and coffee beans. This means that outside food costs only 31 cents per person per day, and this saves the taxpayer over $26 million per year.

Mr. President, many State prison systems produce at least part of their own food, and I am sure that no Senator wishes to add this extra burden onto the taxpayers of this country merely because of an oversight in the drafting of a bill. I, therefore, urge quick removal of this bill so that this spring's planting can be done with only the weather to worry about.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 312

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 372(d) of the Agricultural Adjustment Act of 1938, as amended, is further amended to add a new sentence as follows:

"Effective with the 1978 crops, no penalty shall be collected under this Act with respect to the marketing of any agricultural commodity grown on State prison farms for consumption within such State prison system." ●

By Mr. DeCONCINI (for himself and Mr. Thurmond):

S. 314. A bill to establish fees for services performed by the U.S. marshals; to the Committee on the Judiciary.

FEES OF U.S. MARSHALS

● Mr. DeCONCINI. Mr. President, I am introducing today, together with the distinguished ranking minority member of the Committee on the Judiciary, Senator Strom Thurmond, a bill which would allow the Attorney General to modify fees now set by law for the service of process by the U.S. Marshal Service (USMS). The fees to be set by the Attorney General would permit recovery of the actual costs of providing such services to private litigants who currently receive this unique benefit when a party to civil litigation.

The cost to the American taxpayer due to the loss of Federal revenues for service of civil process has accelerated for the past 10 years. The costs of these services are not recovered through fees imposed by USMS but are paid from general Federal revenues. In fiscal year 1975, GAO estimated that costs for private civil process exceeded revenues by more than $3,800,000.

Establishment of fees based on annual USMS computations is the most effective method for meeting these continually rising expenses and is consistent with the principle that Government programs having particular benefits for identifiable recipients should be self-sustaining to the extent practical. Service of process by the USMS is not mandatory for litigants and it would be possible to use commercial firms for this purpose; however, the fees of the Federal Government will still by comparison be very low.

Mr. President, a similar bill which was the result of efforts by the Attorney General was passed by the Senate in 95th Congress on April 27, 1978.●

By Mr. HART:

S. 315. A bill to amend the Internal Revenue Code of 1954 to reduce for a 5-year period the taxes on transportation of persons and property by air; to the Committee on Finance.

● Mr. HART. Mr. President, last year the House of Representatives and the Senate Commerce Committee approved legislation to give domestic and some foreign airlines an estimated $4 billion over the next 5 years to help pay for quieter airplanes in order to comply with Federal antinoise regulations. In brief, provisions of the Aircraft and Airport Noise Reduction Act reduced by 2 percent the airline passenger ticket tax presently in effect to raise revenue for the Airport and Airway Trust Fund, and then imposed a 2-percent noise abatement charge on the sale of each ticket.

I and a number of my colleagues were troubled by the establishment of such a funding mechanism. Aside from the dangerous precedent it would set by providing funds through a tax or surcharge to help private industry meet Federal environmental standards, it was a step in the direction of increasing Government interference in the marketplace.

On September 22, 1978, I introduced an amendment to eliminate the noise abatement charge and simply reduce the ticket tax by 2 percent, which would allow the consumer to pocket the saving. This would leave the airlines to take care of their noise problems in the most competitive manner. More importantly, this course would be the most consistent with our urgent national need to combat inflation. Although the legislation finally approved by the Senate on the last day of the 95th Congress followed this approach, the House conferees failed to adopt the bill and thus it was never enacted into law.

Mr. President, today I am introducing legislation to reduce the airline ticket tax from 8 percent to 6 percent, a reduction which both the House and Senate found to be clearly warranted last year. Under current law, revenue from the 8-percent domestic ticket tax now paid by airline passengers goes into the Airport and Airway Trust Fund which supports airport safety, maintenance, and construction. It is generally conceded, and testimony before the appropriate congressional committees has confirmed, this trust fund enjoys a growing surplus. Since its inception in fiscal year 1971 until the present, operation of the trust fund has brought about substantial imbalances in income and appropriations, with a resulting surplus at the end of fiscal year 1978 of nearly $2 billion. If the present program and user taxes remain unchanged, the excess is expected to be $7.4 billion at the end of fiscal year 1985. The legislation I am introducing would reduce the ticket tax for 1 year, so Congress would have an opportunity to assess the effect of this reduction on the trust fund.

Congress acted wisely last year by refusing to divert 2 percent of the ticket tax to subsidize the noise abatement efforts of the airline industry. Now, however, Congress has a duty to take the logical next step and reduce the unnecessary 8-percent tax to 6 percent so that airline passengers will no longer be burdened by a tax that is 25 percent higher than needed to fulfill its purpose.

Mr. President, if airlines presently earning record profits are going to claim hundreds of million of American tax dollars as their own, then I am willing to make the same claim on behalf of the American consumer. It was the American consumer who lost when Congress failed to enact the ticket tax reduction last year, the same American consumer who has been the victim of high inflation and unnecessary taxation in recent years.

Reducing the ticket tax may help the airlines as well as consumers. If sales go up 2 percent because the price has gone down 2 percent, which is not unrealistic, then the elimination of the tax and the resulting reduction in the price to the public will mean no decline in the total revenue that the carriers realize. The total amount paid by the customers will be the same as before, and since the Government is no longer taking its 2 percent, the carriers will get every single dollar of the 2 percent. Only if demand were to be totally unresponsive, as the price does go down 2 percent, will the carriers earn no additional dollars. They would not be worse off, but consumers would just retain the 2 percent saving. If demand responds at all, however, the carriers will enjoy an increased cash flow. Former chairman of the Civil Aeronautics Board Alfred Kahn testified in this regard during hearings before the Senate Commerce Subcommittee on Aviation last year.

Mr. President, I commend the Senate Aviation Subcommittee for the legislation it developed in the last Congress in response to the problem of excessive noise levels around airports. This is a serious issue deserving the continued consideration of this body. The legislation I am offering today will in no way interfere with future legislative efforts to develop programs for airport and aircraft noise reduction. Rather, my bill merely corrects the inequity developed by excessive taxing of airline passengers to support a trust fund in substantial surplus.

When the purpose of a tax has been fulfilled, Congress has a duty to eliminate or appropriately reduce that tax. This is a fundamental responsibility of any legislative body. The American people expect their Representatives here in Washington to accept that responsibility and act accordingly. I hope the Senate will move expeditiously on this matter.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 315

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsections (a) and (b) of section 4261 of the Internal Revenue Code of 1954 (relating to transportation of persons by air) is amended by striking out "8 percent" and inserting in lieu thereof "6 percent".

(b) The amendments made by subsection (a) shall apply with respect to transportation beginning during the period beginning on July 1, 1980, and ending on June 30, 1981.

SEC. 2. (a) Subsection (a) of section 4271 of the Internal Revenue Code of 1954 (relating to the transportation of property by air) is amended by striking out "5 percent" and inserting in lieu thereof "3 percent".

(b) The amendment made by subsection (a) shall apply with respect to transportation beginning during the period beginning on July 1, 1980, and ending on June 30, 1981.●

By Mr. BENTSEN:

S. 316. A bill to provide price incentives for production of crude oil from deep stripper wells; to the Committee on Energy and Natural Resources.

DEEP STRIPPER WELL INCENTIVES ACT OF 1979

● Mr. BENTSEN. Mr. President, the business of exploring and drilling for oil is a different game today than it was 40 and 50 years ago. In those days, not much was known about Earth sciences or the geology of oil-bearing structures. When Pop Joiner sunk his first well into the east Texas oilfield, he did not have today's sophisticated geophysical equipment to help him find the reservoir. Fortunately for him, he did not need it. The east Texas field was hard to miss—it covered 203 square miles and contained an estimated 5.6 billion barrels of oil.

There are still plenty of individuals like Pop Joiner around today, striking out on their own in search of oil and gas. In fact, independent producers presently drill nearly 90 percent of the Nation's exploratory wells. But they no longer look for gigantic pools of oil like the famous Yates, Wasson, Slaughter, Hawkins, and Seminole fields of Texas. They realize that the days of the easy find have long since passed. Although other major discoveries may await us in the Outer Continental Shelf or the frozen expanses of Alaska, they will require greater ingenuity and expense to locate and produce.

To be sure, there are still vast amounts of oil to be found and produced in the United States and its coastal waters. But the bulk of our domestic production will no longer come from a handful of gigantic fields, but rather will come from thousands of small and deep pockets of oil. Our energy future is strongly tied to our success in developing these hard-to-find and expensive-to-produce reserves, and to our ability to squeeze from them every last drop of recoverable oil.

With this in mind, it is disturbing to know that many of our Federal energy policies have the effect of reducing the amount of recoverable oil in domestic reservoirs—particularly in those reservoirs with low rates of production. Today the average daily production for the 500,000 wells in the United States has dropped to 16 barrels of crude, compared to 5,500 barrels per day for the average well in the Middle East. As production rates decline, well owners frequently find that operating and maintenance costs actually exceed their production income under governmentally controlled prices. When this happens, the owners are forced to plug their wells and abandon the remaining oil, even though the property may still have several more years of steady, low level production.

Congress has already recognized that we cannot afford to loose the contribution of marginally economic wells to the total domestic energy supply. In an amendment to the Energy Production and Conservation Act of 1976, we established a permanent category of "stripper wells" which produce less than 10 barrels of oil per day. To help prolong the life of these wells, their crude oil production was exempted from Federal price controls. By providing world market prices for stripper oil, the rate of well abandonment has been significantly reduced. In 1976, the last year for which data is available, well abandonments were cut by 42 percent over the average for the previous 5 years.

Today stripper wells yield about one million barrels of crude per day, or 14 percent of our total domestic production. Much of this oil would otherwise have been lost to abandonment had not price incentives been provided for these marginally economic properties.

However, despite the success of the stripper well provision, many marginal properties are still being shut in because the current stripper definition fails to take differing production conditions into account in determining eligibility for price incentives. It should be obvious that a 6,000-foot well producing 11 barrels a day is more expensive to operate than a 1,500-foot well producing less than 10 barrels. The costs of pumping, maintaining and reworking wells are all directly related to well depth.

In November, the Department of Energy published for comment four alternative proposals for providing price relief for marginal properties. I have reviewed each of the DOE proposals and find them generally insufficient given the size of the problem. Furthermore, by the time DOE actually gets around to implementing a program of price incentives for marginal properties, many additional producing wells will have been abandoned.

For this reason, today I am introducing legislation to immediately address this problem by establishing a new category of "deep stripper" properties which, like the present class of stripper properties, will be exempt from Federal price controls. To account for differences in operating conditions, the average production ceilings for eligibility under this category will vary according to the depth of the well. My bill defines a deep stripper well as one that produces less than 20 barrels per day from a depth of 2,000 to 4,000 feet, or less than 25 barrels per day from a depth of 4,000 to 6,000 feet, or less than 30 barrels per day from a depth of 6,000 to 8,000 feet, or less than 35 barrels per day from a depth greater than 8,000 feet.

The effect of this bill will be to significantly prolong the life of thousands of deep wells which would otherwise be the victims of rising production costs. Approximately 14 percent of our current domestic production will qualify for price incentives under this definition of deep stripper oil. If this legislation is enacted, this percentage will gradually increase as more and more deep stripper wells are saved from abandonment. Over the next 8 years, this legislation would lead to the production of an additional 1.5 billion barrels of oil equivalent of crude and natural gas, and by the end of the eighth year would increase domestic crude production by 700,000 barrels per day and natural gas by 800 billion cubic feet per day.

This legislation also clarifies the status of injection wells in determining a property's eligibility for stripper or deep stripper price incentives. Because injection wells—like producing wells—are expensive to drill, operate, and maintain, my bill makes it clear that injection wells should be counted in computing a property's average annual production per well.

I believe this practice is consistent with congressional intent in the Energy Production and Conservation Act and with other established Federal policies. For more than 40 years, the Secretary of the Interior has consistently included injection wells in the well count for the purpose of calculating royalty payments to the Government for production on Federal lands. It is a practice also followed by State regulatory agencies, such as the Texas Railroad Commission, for calculating maximum production quotas. Although the inclusion of injection wells will not significantly increase the amount of production under the stripper and deep stripper categories (5 percent of U.S. total), it will add an element of consistency and fairness to the determination of stripper eligibility.

Mr. President, the legislation which I am introducing today will prolong the producing lives of 95,000 wells, yet will cost the consumer no more than seven-tenths of a cent per gallon of gasoline. Our Nation can no longer afford an energy policy that forces producers to shut in wells that collectively still contain billions of barrels of recoverable oil. I urge my colleagues to join me in supporting this legislation to provide needed price relief for deep stripper properties.●

By Mr. DECONCINI:

S. 317. A bill to limit the standing of a foreign sovereign to sue under the antitrust laws of the United States; to the Committee on the Judiciary.

ANTITRUST RECIPROCITY ACT

● Mr. DECONCINI. Mr. President, I introduce today a bill which is intended to limit the effect of *Pfizer, Inc.* v. *Government of India*, 98 S. Ct. 584 (1978) in which the Supreme Court ruled that a foreign nation is entitled to sue for treble damages for alleged violations of our antitrust laws. The Court arrived at this conclusion by reading the word "person" in section 4 of the Clayton Act to include foreign nations, despite the fact that in an earlier case it had found that the U.S. Government was not a "person" within that same section. In so doing, I believe the Court entered the legislative arena and exercised an essentially legislative judgment. And it did so, even though there was no legislative history to justify such an expansive reading. In fact, the Court expressly acknowledged that the question of the right of a foreign government to sue was apparently never considered at the time the Sherman and Clayton Acts were enacted.

The time has come for Congress to make its intent clear. The bill I introduce today is based on a bill which I introduced last year which was favorably reported by the Judiciary Committee as an amendment to the Illinois Brick legislation. Initially, it would afford a foreign nation the same status as the United States under our antitrust laws, allowing it to recover actual damages, but not punitive treble damages. The right to sue, however, is not absolute. Under this proposal, a foreign sovereign must meet two criteria in order to bring a suit for actual damages.

First, the bill requires that the foreign sovereign recognize a general right of the United States to sue on a civil claim in the courts of that foreign country, just as we recognize the right of foreign sovereigns to prosecute civil claims in our courts. The bill also requires that the foreign sovereign have laws prohibiting restrictive trade practices which are in fact enforced against persons doing business in the country. By requiring actual enforcement, the bill addresses situations like that in Japan where antitrust laws exist but are virtually ignored.

In developing this legislation we considered making the right to sue strictly reciprocal—that is, contingent on the right of the United States to sue in the courts of the foreign sovereign for the same relief under their antitrust laws. This approach was rejected as too restrictive. Many nations which have antitrust laws simply do not have a provision for a private right of action comparable to section 4 of the Clayton Act. Furthermore, I think it unnecessary and ill-advised to make the right to sue dependent on the existence of foreign laws formulated precisely like our own.

I believe that equity is served if the right of a foreign sovereign to sue is triggered by a demonstrated commitment to the concepts embodied by our own antitrust laws. As Chief Justice Burger stated in his Pfizer dissent, foreign sovereigns are free to enact and enforce comprehensive antitrust laws. Many nations have in fact done so. In 1958, for example, the European Economic Community by the Treaty of Rome agreed to prohibit practices which would result in the elimination or restriction of competition within the Common Market countries. And in fact, India and the Philippines who were respondents in the Pfizer case, as well as West Germany, who appeared as amicus curiae, have enacted antitrust laws of some kind. However, many nations still have no laws comparable to our antitrust legislation. I see no reason to allow a foreign nation the right to sue an American company for practices which it does not attempt to condemn under its own laws.

Let me emphasize, however, that the purpose of this bill is not to penalize any nation. Each country remains free to accept or reject anticompetitive trade practices. But the United States ought to utilize its own courts to promote healthy competition and not to reward nations which, on the one hand, allow and sometimes encourage monopoly and price-fixing but, on the other, demand to sue when they are the victims of such practices. Justice requires that those nations who do make an honest effort should be afforded the same consideration under the same circumstances as the United States. Those which do not, however, should not be allowed to sue under section 4 of the Clayton Act.

Mr. President, let me also emphasize that this legislation in no way undermines the basic objectives of our antitrust laws—the compensation of victims of anticompetitive practices and the deterrence of illegal conduct. The bill does not eliminate suits by foreign governments. It allows those countries who have demonstrated a commitment to the policies underlying our antitrust laws to be compensated for their actual damages. And I see no reason to think that the elimination of suits by foreign countries who do not meet these standards will have an appreciable impact on the deterrent effect of section 4. I have seen no evidence that foreign countries have played an important role in detecting violations.

On the contrary, it seems more probable that a foreign country will simply bring suit following other civil or criminal proceedings arising out of transactions in the domestic market. Such was certainly the case in Pfizer, where the suit by India and the other countries was one in a long line of other suits by American consumers and businesses.

In basing my bill on a concept of general reciprocity, I have attempted to achieve a rational balance between competing interests while preserving the basic policies of our antitrust laws. The thrust of the bill is positive. By its enactment, we would demonstrate our intent to encourage other nations to recognize the right of the United States to sue in foreign courts, thus providing an opportunity for the United States to vindicate any claims it might have under foreign laws in the courts of that country. By its enactment, we would also signal our commitment to encourage other nations to adopt standards of fairness in the marketplace which are consistent with those reflected in our antitrust laws.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 317

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Antitrust Reciprocity Act."

SEC. 2. Section 4 of the Clayton Act is amended by adding at the end of that section the following new language:

"*Provided, however,* that suits under this section brought by foreign sovereign governments, departments or agencies thereof, shall be limited to actual damages; and, provided further, that no foreign sovereign may maintain an action in any court of the United States under the authority of this section unless the Attorney General of the United States, within 120 days after the commencement of the action, has certified to the relevant court or a relevant court otherwise finds—

(1) the United States is entitled to sue in its own name and on its own behalf on a civil claim in the courts of such foreign sovereign; and

(2) such foreign sovereign has laws prohibiting restrictive trade practices which are enforced against persons doing business within its territory.".

By Mr. HAYAKAWA:

S. 323. A bill to repeal the provisions of title 23 of the United States Code requiring a national maximum speed limit of 55 miles per hour; to the Committee on Environment and Public Works.

Mr. HAYAKAWA. Mr. President, I introduce for appropriate reference a bill to repeal the provisions of title 23 of the United States Code requiring a national speed limit of 55 miles per hour. My bill will return the authority and the responsibility to the State to determine what speed limit is required to meet the safety, fuel, and economic needs that exist within that State.

The national 55 mph speed limit law was enacted as a temporary conservation measure after the 1973 Arab oil embargo, but later became a permanent law. The intent of this action was to conserve on the precious oil that had become such a vital part of lives in the United States. When first enacted, an attitude of national emergency prevailed and there was support and general compliance with the law. However, as the "crisis" appeared to lessen, people gradually assumed their old driving habits. Enforcement has become less strict in some States and much more difficult to enforce in other States because the people have begun to voice their displeasure with the restricted mobility.

The Department of Transportation has recently admitted that only an estimated half of the driving population now observes the 55 mph speed limit. They also concede that the fuel saving from the 55 mph speed limit is considerably less than they had hoped for. You should note that I am not advocating a particular speed limit; that question must be determined by each State. In fact, it is quite possible 55 mph is a reasonable speed limit for the roads and traffic conditions in some States, it is also quite possible that some States might decide that 65 or 70 mph would be a more reasonable speed for their highways. I would certainly hope that much thought, study, and consideration would go into that determination.

One other fact is the widespread use of the CB radio. This has enabled drivers of trucks as well as drivers of passenger cars to evade the speed limits completely by warning each other of the presence of traffic officers as they continue speeding.

The decrease in highway deaths, which has been directly attributed to the 55-miles-per-hour speed limit by the Department of Transportation, is not a matter to be overlooked. I should remind you, however, that the Department does not tell us what percent of that saving was because of the increased use of seat belts, or from safety features on the newer cars, or even as a result of State safety inspections. As I have indicated before, since coming to Washington I have learned that numbers are not always what they appear to be. The Department of Transportation has acknowledged that their statistic for highway deaths includes pedestrians, automobiles, truck-involved accidents, and motorcycles. Although I am not advocating a return to mandated helmet laws, motorcycle deaths have increased at an astounding rate over the past 2 years.

Enforcement of the 55-miles-per-hour speed limit has been a problem since its enactment. From 1974 through 1977 nine States increased penalties for violation; seven States decreased penalties. More recently, though, 11 States have, or will soon consider, legislation to either raise the legal speed limit or abandon efforts for enforcement. Not only do the States not receive additional funds to assist with enforcement, the Secretary of Transportation is required to withhold Federal-aid highway projects in any State which fails to certify annually it has and is enforcing the 55-miles-per-hour speed limit.

This matter of financial penalty in this outdated Federal law is an absurd and unnecessary control by the Federal Government concerning the jurisdiction of the States. Should the Federal Government really be deciding priorities and assessing penalties to the States? I think not.

I hope that my colleagues will give serious thought to my bill and join me in returning this responsibility to the States.

Mr. President, I ask unanimous consent that a recent news release be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SPEED

(By Conrad Yunker)

Several western states, where a motorist can drive miles and miles without seeing a town let alone reaching a destination, are renewing a 5-year war with the federal government over the 55 mph speed limit—and the Department of Transportation may be fueling that rebellion.

Led by Wyoming, 11 states have or soon will have bills in the hopper to either boost the legal speed to 65 or severely hamstring efforts to enforce the 55 mph limit.

One bill already has passed the Wyoming Senate and awaits action by the House. In that state, Gov. Ed Herschler had refused to take a position on the issue—but then received a threatening telegram Saturday from DOT Secretary Brock Adams.

"Secretary Adams sent, in no uncertain terms, a cutoff of highway funds if the 65 mph limit is passed," Herschler said. "We have been threatened that if we don't take steps to correct this, we'll be relieved by 5 percent of our highway funds in 1980, and by 10 percent in 1981.

"I think they're using a heavy hand. I don't like it. Does the federal government own the highways? If so, we'll ask them to come out and maintain them and enforce the laws, with federal marshals if necessary."

Other western states watched as Wyoming argued the issue, but now have joined in.

"If five or six states have guts enough to tell the federal government to go fly a kite, I don't expect them to take away their highway funds," said Al Henry, the Chairman of the Washington State Senate Transportation Committee, in introducing a similar proposal.

"Everybody's tired of driving 55 mph. It's tying up the state patrol and it's unpopular."

In Colorado, freshman Rep. Bob Stephenson introduced a bill to reset the speed limit at 65, saying he was "tired of being blackmailed by the federal government with our own money.

"First, we pay federal tax on the gasoline, then they give it back to us in the form of highway aid, but only if we agree to go by their speed limit," he said. "People are driving 65 mph, so we might as well make it legal."

Under current statutes in Oklahoma, where about $80 million in federal funds is at stake, the speed limit goes up if 29 other states increase theirs. But state Rep. Jim Townsend said he was preparing an amendment to that law to remove all references to the 29 other states, thus automatically moving up the limit.

"I support Wyoming in their courageous move to come to grips with federal blackmail," Townsend said. He said the federal government "cannot buy power through appropriations. The people of these United States are not driving at 55 mph. If you think they are, you drive at 55 and create a bottleneck and a traffic jam."

Elsewhere, a Texas lawmaker said if his colleagues would vote the way they drive his bill upping the limit to 70 would pass and an Oregon State Senator said he would introduce a bill removing the 55 MPH limit because it results in an uneconomic use of freeways designed for higher speeds.

A Montana Senate Committee has been asked to consider a bill raising the limit to 65 mph, although the sponsor fears the loss of federal funds.

In Missouri, the 55 mph limit is only temporary and requires re-enactment every two years. State officials figure failing to comply with the national mandate will mean a loss of about the same amount of money it costs to enforce the law. That may mean the Missouri legislature will be less reluctant this year to prevent the maximum highway speed from automatically reverting to 70 mph next January.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that the article by James Robins, which appeared in the October 20, 1978, Wall Street Journal, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HIGHWAY MASSACRE: NOWADAYS, CARNAGE ISN'T ALL ACCIDENTAL

(By James Robins)

Two high-performance Pontiac Firebirds drive parallel on a suburban Dallas freeway, the occupants loudly cursing their opposite numbers. A pop bottle is hurled. Both drivers pull off the highway, and in the fight that follows James Roach Jr., an 18-year-old college freshman, is fatally stabbed through the heart.

On a Houston boulevard, a man named Leo Beckwith, aged 25, swerves his automobile so it can't be passed by an auto closing from the rear. At the next traffic light, one of the two men in the other car shoots Mr. Beckwith in the head, leaving him critically injured.

The Santa Ana Freeway near Los Angeles: Howard Swearengin, 35, allegedly forces a nearby station wagon into the highway's median divider, then throws the other driver from his vehicle onto the asphalt and commandeers the station wagon, wildly ramming 39 other vehicles before coming to a halt against the rear end of a utility truck.

WILD WEST REVIVAL

These episodes are part of what police call a growing blood-and-guts sideshow amid the congestion on highways in Texas and California, with frustrated drivers exhibiting near-pathological violence and often using 3,000-pound automobiles as weapons.

"We call them 'car wars,'" says Lt. Steve Ellis, an administrative assistant with the California Highway Patrol. "Most often it's a guy flagrantly violating the 55-mile-per-hour speed limit and another guy who won't pull over for him."

"It's outrageous, but it's happening," says Col. Wilson E. Speir, chief of the Texas Department of Public Safety. "We've talked to our men and emphasized that they need to be increasingly alert." Most Texas state troopers now make a point of wearing their new bullet-proof vests when they are on patrol.

Police Capt. Joe Lowe, who is investigating the Roach stabbing in Irving, Texas, estimates that highway violence of this type has increased by about 25% in the past five years in his area. But the trend is difficult to document, since there is no legal formulation for such incidents as "rammed over lane change" or "bashed from behind by driver wishing to pass."

"If they don't duke it out or shoot it out, it doesn't show up in the statistics," says California's Lt. Ellis.

THE URGE TO KILL

But there is evidence that driver frustration can reach homicidal proportions. In a University of Utah study of Salt Lake City motorists, 12% of the men and 18% of the women in the study group said that at times they "could gladly kill another driver."

It appears that the areas most prone to this motorway mania are those that have experienced a sharp increase in highway congestion over a short period of time, so that drivers haven't had the generations of conditioning like those, for instance, who inch daily along the Long Island Expressway and the other highways around New York City.

"People are accustomed to it here; they expect to creep along," says Deputy Inspector Theodore Sockton of the New York City Police Department's traffic division.

Even in California, birthplace of the freeway, motorists have had some years to adjust themselves to the frustrations of traffic congestion. Lt. Ellis says the increase in highway violence there is about equal to the 4% or 5% yearly increase in freeway traffic.

The real bloodletting seems to be taking place in Texas, where traffic volume has skyrocketed in the last five years. Houston's perpetually jammed Southwest Freeway, designed to handle about 150,000 cars a day, was up to 160,000 a day by July 1973, and by this summer the volume had soared to 230,000 vehicles a day, with more than 400 additional autos being registered in the city daily.

Capt. John LeVrier, head of the Houston Police Department's accident division, says hit-and-run statistics reflect rising highway violence. The city tallied 7,926 such incidents in 1975; the total vaulted to 11,009 in 1977.

"We've just got more people and more vehicles trying to occupy the same space at the same time," says Capt. LeVrier. As for highway violence in general, he says, "The problem has steadily grown, and I think it will grow steadily worse."

The hit-and-run statistics for Dallas don't show that kind of increase, but there is plenty of violence nonetheless, as on the North Central Expressway, considered by many the worst freeway in the state. It has a design capacity of about 60,000 autos a day, but average daily traffic this summer was 111,000 vehicles.

Police have reported angry motorists in fist fights along the expressway's service roads. Morning radio reports almost always mention several rush-hour wrecks along the highway, many proving to have elements of highway violence. Drivers often will accelerate to prevent an auto on an entrance ramp from entering the traffic flow.

A young doctor recalls having his auto chased along the highway by another motorist. The doctor's wife, a nurse, says carnage from the incidents on this thoroughfare can be seen daily in the hospital where she works.

The social scientists are beginning to look into this unusual motorway behavior. Richard Evans, a social psychologist at the University of Houston, thinks the violent driver most often is a person who is extremely competitive, impatient and preoccupied with work.

He likens the behavior of violent drivers to animals that find their mobility restricted. "Some of these people can manage the stress through experience," Mr. Evans says, "but othes who have a deep enough impatience can't handle this kind of pressure."

Dr. Morris Chafetz, a Washington, D.C., psychiatrist, describes the violent driver as one whose personality is so strongly interwoven with his vehicle that it becomes a personal assault when another driver cuts in front of him or passes him. When such persons strike back violently, says Dr. Chafetz, it is tantamount to "infantile retaliation." As the congestion and the frustration increase, he says, "Shaking their fists is no longer enough."

Bill Jacquez, an officer with the California Highway Patrol's central Los Angeles division, cautions that the violent driver may be a "meek little office worker . . . the guy who lives next door to you, until somebody cuts him off, and then this mild-mannered man turns into a revenge-seeking fool."

By Mr. BELLMON:

S. 324. A bill to change the name of Clayton Lake in the State of Oklahoma to Sardis Lake; to the Committee on Environment and Public Works.

● Mr. BELLMON. Mr. President, I am introducing a bill today to correct a situation that occurred inadvertently due to the Flood Control Act of 1962. This act provided for a new reservoir to be constructed in Pushmataha County, Okla.

This reservoir, presently under construction, was named Clayton Lake in the legislation. Less than 10 miles from the site of the new lake is an existing Clayton Lake. Many Oklahomans have contacted my office pointing out the confusion that would result from two lakes of the same name in the same county.

The bill, which I am introducing today, will rename the lake, Sardis Lake, after the town of Sardis which will be partially inundated by the new reservoir. The name Sardis was chosen by the residents of Pushmataha County during a public meeting.●

By Mr. STONE (for himself, Mr. CHILES, and Mr. WEICKER):

S. 325. A bill to establish a program to develop marine artificial reefs in waters of U.S. jurisdiction; to the Committee on Commerce, Science, and Transportation.

MARINE ARTIFICIAL REEF DEVELOPMENT ACT OF 1979

● Mr. STONE. Mr. President, today I am reintroducing legislation that would establish a program to improve fishing in U.S. waters. I am very pleased that Senators CHILES and WEICKER have joined with me in cosponsoring this legislation.

Recreational fishing is one of Florida's major industries and is important to the economy of every coastal State. Recreational fishing is not only a popular sport but also a significant food source. The National Marine Fisheries Service estimated that in 1970 about 1.6 billion pounds of edible fish were caught by recreational fishermen, over 30 percent of all the edible fish caught that year.

Artificial reefs serve as breeding grounds for small fish, that in turn attract larger fish. These reefs can be built from a variety of materials, such as old automobile tires. Therefore, the construction of these reefs would not only attract fish but in many cases put waste materials to a good use.

A good example of a fishery that would benefit from additional rough bottom habitat is the snapper/grouper fishery in the Gulf of Mexico. There is limited rough bottom habitat available, snapper/grouper stocks are being fished at or near maximum sustainable yield and the capacity of the U.S. recreational and commercial fishermen to take these species is increasing. Artificial reefs can provide the needed additional habitat and, if managed properly, help to maintain stocks of fishes at levels that will provide acceptable catches to anglers while insuring continuance of the snapper/grouper resources.

Many of the artificial reefs that have been constructed over the last 40 years have been initiated by local groups without State or Federal assistance. Some of these are successful, however, many more are not completed because these groups are not prepared for the expense and time required to build a reef properly. Federal funding and State supervision of artificial reef construction would assure proper construction and realization of the maximum management potentials from these reefs.

The Atlantic and gulf regions of our country are particularly concerned with the development of marine artificial reefs. On September 13, 14, and 15 of this year, there will be a major conference on artificial reefs held in Daytona Beach, Fla. This conference will be sponsored by Florida Sea Grant College and will bring together representatives from many of our coastal States and Federal and State government.

Under this legislation, the Secretary of Commerce, acting through the National Marine Fisheries Service, would be authorized to make grants to the States to cover 75 percent of the cost of developing artificial reefs in the State waters. The sites of these reefs would be determined after consultations between the Secretary and the individual fishery management councils that were established by the Fishery Conservation and Management Act of 1976. The reefs would be located in nonproductive waters and would have to comply with all applicable Federal and State laws and regulations. This bill would authorize $2.5 million annually for the next 5 years to build these reefs and administer the program.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 325

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Marine Artificial Reef Development Act of 1979".

CONGRESSIONAL FINDINGS AND PURPOSES

SEC. 2. (a) FINDINGS.—The Congress finds and declares the following:

(1) Fishing in U.S. waters is important to harvesting of protein for human consumption, to the economies of shore communities and to the well-being of millions of fishermen.

(2) There is an existing need for properly constructed artificial reefs in many of the marine areas under U.S. jurisdiction to increase the numbers and availability of fish, particularly for the recreational fishing industry.

(b) PURPOSES.—It is therefore declared to be the purpose of the Congress in this Act—

(1) to establish a mechanism that will enable States to develop artificial reefs in waters under U.S. jurisdiction;

(2) to enhance fishing by developing accessible quality fishing grounds and further

avoid conflicts between commercial and recreational user groups;

(3) to provide for financial assistance to qualifying States for the implementation of this program;

(4) to encourage the use of appropriate Federal surplus properties as artificial reef materials; and

(5) to promote cooperative agreements between salvage companies and the Federal Government to provide transportation of vessels or material to the site of approved reefs.

PROGRAM

Sec. 3. (a) Authorization.—The Secretary of Commerce, acting through the National Marine Fisheries Service, is authorized (1) to make grants to the States listed in paragraphs (1), (2), (3), and (5) of section 302 (a) of the Fishery Conservation and Management Act of 1976 to cover 75 per centum of the cost of developing marine artificial reefs in the territorial waters of such States for the purposes of this Act; and (2) to develop such habitats in the fishery conservation zone off the coasts of such States for such purposes.

(b) Requirements.—Such habitats shall—

(1) be located on appropriate areas of bottom as determined by the Secretary after consultation with the appropriate States, the Coast Guard and regional fishery management councils established pursuant to such section 302(a);

(2) comply with all applicable Federal and State laws and regulations; and

(3) comply with regulations established by the Secretary of Commerce in order to best carry out the purposes of this Act after consultation with such regional councils.

FISHERY MANAGEMENT COUNCILS ADVISORY AUTHORITY

Sec. 4. Each fishery management council established pursuant to paragraphs (1), (2), (3), and (5) of section 302(a) of the Fishery Conservation and Management Act of 1976 shall recommend to the Secretary or the appropriate State a fishery management plan for each habitat established pursuant to this Act in the region of such council.

DEFINITIONS

Sec. 5. For purposes of this Act—

(1) the term "fish" means any species of living aquatic resource, native or introduced, of finfish, mollusk or crustacean or other aquatic invertebrate, amphibian, reptile or mammal; and

(2) the term "artificial reef" means any material which when intentionally placed in appropriate aquatic areas, provides or improves conditions to promote the survival and abundance of fish.

AUTHORIZATIONS

Sec. 6. There is authorized to be appropriated not to exceed $2,500,000 for the fiscal year ending September 30, 1980, and for each of the four succeeding fiscal years, for the purpose of carrying out the provisions of this Act. Amounts so appropriated shall remain available until expended. Five per centum of the amount so appropriated for each fiscal year shall be available to the Secretary for administering the provisions of this Act.

● Mr. WEICKER. Mr. President, I am very pleased to support the Marine Artificial Reef Development Act of 1979. This act would establish a program to develop artificial marine reefs for the waters of the United States.

Vast stretches of our Nation's coastline are expanses of underwater deserts, particularly along the Atlantic and Gulf of Mexico. These areas are not suitable for many species of marine life particularly those that require rocky habitats. Such species as grouper, snapper, tautog, and sea bass require solid substrate and protective cover which are essential to the survival of these and many other marine organisms.

Fishing is important to the economies of all coastal States. In recent years however, increased fishing pressure has often exceeded the maximum sustainable yield. Fishing pressure by the recreational and commercial industries is increasing and further threatens many stocks of fish.

Artificial reefs can enhance fish populations by providing places for some species to breed and as nursery grounds. In addition artificial reefs provide areas for food organisms to gather and cover to protect fish from predators. Large fish which are attracted to the reefs by smaller fish can provide a resource to the sport fishing industry which, by the way, is a $2 billion business in this country. Other fish that use the reefs as breeding or nursery grounds may migrate offshore and support commercial fishing.

Artificial reefs can be built with a variety of materials; from old ships to automobile tires and rock rubble. They therefore, would not only enhance fish populations but would put waste materials to good use.●

By Mr. BUMPERS:

S. 326. A bill entitled the "Taxpayers' Bill of Rights Act;" to the Committee on Finance.

● Mr. BUMPERS. Mr. President, I am introducing a bill to put taxpayers on a more equal footing with the Internal Revenue Service and, in so doing, restore confidence in the equity of the Federal tax laws. The bill will ensure that taxpayers are informed of the procedural options available to them in resolving disputes with the Internal Revenue Service, which is too often misperceived as a tyrannical adversary; it will aid them in traversing those oft-confusing avenues; it will guarantee that investigations and recordkeeping will be confined to legitimate revenue-collecting purposes; and it will institute a survey and audit of the administration of the tax laws.

Presently the Internal Revenue Code contains procedural devices which, for the most part, afford informed taxpayers ample opportunity for contesting or agreeably settling their tax liability. However, taxpayers must be better informed, at the outset, of the remedies available to them. Currently, the IRS informs taxpayers of these remedies in a piecemeal fashion at best. Consequently, taxpayers hesitate to avail themselves of the remedies, fearing what missteps and pitfalls may await them. The bill at the outset helps overcome that hesitancy by requiring the IRS to provide taxpayers with suggestions, which will also outline the IRS's options, such as seizure and sale, which this bill leaves largely undisturbed.

The bill also creates an Assistant Commissioner of Internal Revenue for Taxpayer Services, just as there already is an Assistant Commissioner for Employee Plans and Exempt Organizations. The new Assistant Commissioner will provide services largely provided now by the Commissioner of the Internal Revenue through the IRS. For example, this Assistant Commissioner will provide assistance in preparing returns. Also, the Assistant Commissioner will perform functions which the IRS is not currently performing adequately, such as receiving and acting upon complaints, and soliciting taxpayers' evaluations of the administration of the tax laws. In addition, the Assistant Commissioner will be empowered to intercede in support of taxpayers confronted with an overly harsh application of the Tax Code's enforcement procedures.

Splitting off the present functions from the Commissioner and adding further functions will encourage the civil servants specifically charged with performing those functions to do so fully. Under the present law, a civil servant can be too often required to act simultaneously as tax collector and taxpayer helper, with emphasis on the former. The inevitable conflict is resolved in favor of the former to the detriment of the latter. The bill will oblige some IRS employees to act solely for the taxpayer's benefit, which should benefit us all.

Furthermore, the Assistant Commissioner for Taxpayer Services will also be armed with the authority to issue orders on behalf of taxpayers who are faced with an unusual, unnecessary and irreparable loss resulting from the administration of the tax laws. These orders will be in the nature of a stay, allowing a more equitable solution to be worked out. The authority is necessary because the tax laws can sometimes have an unanticipated and devastating impact upon some taxpayers. Moreover, it better assures the taxpayer of fair treatment at all times, because it allows the Assistant Commissioner to undo the ill effects of any unfair treatment accorded a taxpayer. In short, it adds an element of equity which is otherwise lacking in tax collection procedures, much as the equity power of the English chancery was added to the late common law to modify the latter's rigidity.

In addition, the bill will allow the taxpayer to be interviewed at his residence or place of business, which is less intimidating. Also, taxpayers thus can bring the IRS agent to their books, rather than possibly suffer the inconvenience of bringing their books to the agent. These provisions are consistent with the requirement that the IRS provide a summary of rights and obligations, providing further assurance that they will be knowingly exercised.

Finally, the bill contains enforcement provisions which guarantee the preservation of those rights. Most importantly, the taxpayer is allowed to recover damages from those who infringed those rights or any other rights. In addition, the bill prohibits investigations and record-keeping by revenue agents which go beyond the bounds necessary for enforcing the revenue laws. This prohibition is enforceable both by fines and by civil suits seeking damages or injunctive relief or both. As a related provision, the bill authorizes the tax court to award costs, including reasonable attorney's fees. Currently, citizens litigating against the Government can be awarded attorney's fees in tax cases only if the

Government is found to have proceeded in bad faith.

Thus, taxpayers too often refrain from bringing cases to the tax court because attorney's fees will negate a favorable result, especially if a relatively small amount is involved. It should be noted that, in accordance with the Internal Revenue Code, the tax court rules provide for a simplified procedure for "small" tax cases, but there is no guarantee that a small case will be simple enough for a taxpayer to proceed without legal counsel. Therefore, it is imperative to allow taxpayers to recover reasonable attorney's fees in order to encourage them to bring their meritorious suits.

This bill will restore taxpayer's confidence in the equitable administration of the tax laws by ensuring that taxpayers and the Internal Revenue Service are equally aware of their respective obligations and of all the procedural options available. Consequently, the issues will be better presented, and the substantive law will be clarified. The end result should be a reduction of disputes and the more efficient administration of the tax laws.

Mr. President, I ask unanimous consent that the bill, the Taxpayers' Bill of Rights Act, be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 326

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Short Title.

This Act may be cited as "Taxpayers' Bill of Rights Act".

"Sec. 2. Amendment of 1954 Code; Meaning of Terms.

(a) 1954 Code.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

(b) Meaning of Terms.—For purposes of this Act, terms used in this Act which are also used in such Code shall have the same meaning as when so used.

Sec. 3. Disclosure of Rights and Obligations of Taxpayers.

(a) In General.—The Secretary of the Treasury shall, as soon as practicable, but not later than 180 days after the date of the enactment of this Act, prepare brief but comprehensive pamphlets which set forth in simple and nontechnical terms—

(1) the rights and obligations of a taxpayer and the Internal Revenue Service (hereinafter in this section referred to as the "Service") during an audit;

(2) the procedures by which a taxpayer may appeal any adverse decision of the Service (including administrative and judicial appeals);

(3) the procedures for prosecuting refund claims and filing of taxpayer complaints; and

(4) the procedures which the Service may use in enforcing the internal revenue laws (including assessment, jeopardy assessment, levy and distraint, and enforcement of liens).

(b) Transmission to Committees of Congress.—The Secretary of the Treasury shall transmit drafts of the pamphlets required under subsection (a) (or proposed revisions of any such pamphlet) to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Joint Committee on Taxation on the same day. Any draft (or any revision of a draft) of a pamphlet may not be distributed under subsection (c) until 90 days have elapsed from the date it was transmitted to such committees.

(c) Distribution.—The pamphlets prepared in accordance with subsections (a) and (b) shall be distributed by the Secretary of the Treasury to any taxpayer upon request, and notice of the availability of such pamphlets shall be displayed prominently in all public offices of the Service. Copies of appropriate pamphlets shall be provided to any taxpayer with the first communication from the Service to the taxpayer regarding the taxpayer's liability for tax for a taxable year, if such communication from the Service to the taxpayer regarding the taxpayer's liability for tax for a taxable year, if such communication occurs during a meeting or is in writing. If such a communication is by telephone, copies of the appropriate pamphlets shall be mailed to the last known address of such taxpayer within 24 hours after such a communication.

Sec. 4. Assistant Commissioner for Taxpayer Services; Taxpayer Assistance Orders.

(a) Assistant Commissioner for Taxpayer Services.—Section 7802 (relating to Commissioner of Internal Revenue) is amended by adding at the end thereof the following new subsection:

"(c) Assistant Commissioner for Taxpayer Services.—There is established within the Internal Revenue Service an office to be known as the Office of Taxpayer Services to be under the supervision and direction of an Assistant Commissioner of Internal Revenue. The Assistant Commissioner shall be appointed by the President, by and with the advice and consent of the Senate and shall be responsible for—

"(1) providing to taxpayers—

"(A) assistance in obtaining easily understandable tax information and information on audits, corrections, and appeals procedures (including pamphlets prepared under section 3 of the Federal Taxpayers' Rights Act of 1978);

"(B) assistance in answering questions on tax liability and preparing and filing returns; and

"(C) assistance in locating documents or payments filed with or submitted to the Internal Revenue Service by taxpayers;

"(2) providing personnel in local offices of the Internal Revenue Service to receive and evaluate complaints of improper, abusive, or inefficient service by Internal Revenue Service personnel and, with due regard to the rights of both taxpayer and the Internal Revenue Service personnel and under regulations prescribed by the Secretary, to take action to correct such service;

"(3) surveying taxpayers to obtain their evaluation of the quality of the service provided by the Internal Revenue Service;

"(4) compiling data on the number and type of taxpayer complaints in each internal revenue district and evaluating the actions taken to resolve such complaints;

"(5) issuing Taxpayer Assistance Orders under section 6306; and

"(6) carrying out such other functions which relate to assisting taxpayers as the Secretary may prescribe.

"The Assistant Commissioner shall submit an annual report including any recommended legislation to the Ways and Means Committee of the House of Representatives, the Finance Committee of the Senate, and the Joint Committee on Taxation on the activities of the Office of Taxpayer Services.".

(b) Taxpayer Assistance Orders.—Subchapter A of chapter 64 (relating to collections) is amended by adding at the end thereof the following new section:

"Sec. 6306. Taxpayer Assistance Orders.

"(a) Authority to Issue.—Upon application filed by a taxpayer with the Office of Taxpayer Services, in such form, manner, and at such time as the Secretary shall by regulations prescribe, the Assistant Commissioner for Taxpayer Services may issue a Taxpayer Assistance Order if, in the determination of the Assistant Commissioner, the taxpayer is suffering from an unusual, unnecessary, and irreparable loss as a result of the manner in which the internal revenue laws are being administered by the Secretary.

"(b) Effect of Order.—The Secretary may not take any action adverse to such taxpayer under—

"(1) chapter 64 (relating to collection).

"(2) chapter 70 (relating to jeopardy, bankruptcy, and receiverships),

"(3) chapter 78 (relating to discovery of liability and enforcement of title), or

"(4) any other provision of law, which is specifically described by the Assistant Commissioner in such order during such period (not to exceed 60 days) of time as may be so specified in such order.".

(c) Conforming Amendments.—

(1) The section heading for section 7802 is amended to read as follows:

"Sec. 7802. Commissioner of Internal Revenue; Assistant Commissioner."

(2) The table of sections for subchapter A of chapter 80 is amended by striking out the item relating to section 7802 and inserting in lieu thereof the following:

"Sec. 7802. Commissioner of Internal Revenue; Assistant Commissioner.

(3) The table of sections for subchapter A of chapter 64 is amended by adding at the end thereof the following new item:

"Sec. 6306. Taxpayer Assistance Orders.".

(d) Effective Date.—The amendments made by this section shall take effect on the 90th day after the date of the enactment of this Act.

Sec. 5. Authorizing, Requiring, or Conducting Certain Investigations, Etc.—

(a) Prohibition, Etc.—Section 7214 (relating to offenses by officers and employees of the United States) is amended by redesignating subsection (c) as subsection (d) and by inserting immediately after subsection (b) the following new subsection:

"(c) Authorizing, Requiring, or Conducting Certain Investigations, Etc.—

"(1) In General.—Except as provided in paragraph (2), an officer or employee of the United States acting in connection with any revenue law of the United States shall not knowingly authorize, require, or conduct—

"(A) any investigation into, or surveillance over, any person or records regarding the beliefs, associations, or activities of any individual or organization which are not directly related to such revenue laws, or

"(B) the maintenance of any records containing information derived from such an investigation or surveillance.

"Any person violating the preceding sentence shall be fined not more than $10,000 or imprisoned not more than 2 years, or both.

"(2) Exception.—The provisions of paragraph (1) shall not apply with respect to any otherwise lawful investigation, including investigations concerning organized crime activities of any individual who is an applicant for, or who holds, any position in the Internal Revenue Service or any position in the Government the duties of which relate to the administration or enforcement of internal revenue laws of the United States, or who is a contractor, or prospective contractor, with the Internal Revenue Service.

"(3) Definitions.—For purposes of this subsection—

"(A) Investigations.—The term 'investigations' means any oral or written inquiry directed to any person, organization, or governmental agency.

"(B) Surveillance.—The term 'surveillance' means—

"(i) the monitoring of persons, places, or events by means of electronic interception, overt or covert infiltration, overt or covert observation, or photography, and

"(ii) the use of informants."

(b) Civil Remedies.—

(1) In general.—Subchapter B of chapter 76 (relating to judicial proceedings) is amended by redesignating section 7430 as section 7431 and by inserting immediately after section 7429 the following new section:

"Sec. 7430. Civil Cause of Action for Violation of Section 7214(c).

"(a) Remedies.—

"(1) Damages.—Whoever violates any provision of section 7214(c) (relating to certain offenses by officers and employees of the United States) shall be liable for damages to any individual or organization which, as a result of such violation, has been the subject of a prohibited investigation, surveillance, or recordkeeping, in an amount equal to the sum of —

"(A) any actual damages suffered by plaintiff of $100 per day for each day the prohibited activity was conducted, whichever is greater;

"(B) such punitive damages (not in excess of $1,000) as the court may allow; and

"(C) the costs of any successful action, including reasonable attorney fees.

"(2) Equitable relief.—Any individual, or organization which has been the subject of any investigation, surveillance, or recordkeeping in violation of section 7214(c), may bring a civil action against the United States for such equitable relief as the court determines appropriate to enjoin and redress such violation.

"(b) Venue.—An individual or organization may bring a civil action under this chapter in any United States district court for the district in which the violation occurs, or in the United States district court for the district in which such person resides or conducts business, or has his principal place of business, or in the United States District Court for the District of Columbia.

"(c) Jurisdictional Amount.—Any Federal court in which a civil action under this section is brought pursuant to subsection (b) shall have jurisdiction over such action regardless of the pecuniary amount in controversy.".

(b) Clerical Amendment.—The table of sections for such subchapter is amended by striking out the item relating to section 7430 and inserting in lieu thereof the following new items:

"Sec. 7430. Civil cause of action for violation of section 7214(c).

"Sec. 7431. Cross references..

(c) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act, except that such amendments shall not apply with respect to the maintenance of records during the 90-day period beginning on such date of enactment if such records were in existence on such date.

Sec. 6. Award of Costs to Prevailing Taxpayer.

(a) Recovery of Costs.—Part II of subchapter C of chapter 76 (relating to Tax Court procedure) is amended by adding at the end thereof the following new section:

"Sec. 7465. Recovery of Costs.

"(a) In General.—In any proceeding before the Tax Court for the redetermination of a deficiency, the prevailing party, unless the prevailing party is the United States, may be awarded a judgment of costs in connection with such proceeding and any administrative proceeding relating to such deficiency to the same extent as is provided in section 2412 of title 28, United States Code, for civil actions brought against the United States.

"(b) Judgment.—A judgment of costs entered by the Tax Court under subsection (a) in favor of the prevailing party shall be treated, for purposes of this subtitle, in the same manner as an overpayment of tax. No interest or penalty shall be allowed or assessed with respect to any judgment of costs."

(b) Clerical and Conforming Amendments.—

(1) The table of sections for such part II is amended by adding at the end thereof the following new item:

"Sec. 7465. Recovery of costs."

(2) Section 2412 of title 28, United States Code, is amended—

(A) by inserting "(a)" before "Except", and

(B) by adding at the end thereof the following new subsection:

"(b) In any civil action which is brought by or against the United States for the collection or recovery of any internal revenue tax, or of any penalty or other sum under the internal revenue laws, and in which the United States is not the prevailing party, a judgment for costs may include reasonable attorney's fees.".

(c) Effective Date.—The amendments made by this section shall only apply with respect to civil actions and proceedings for the redetermination of deficiencies commenced after the date of the enactment of this Act.

Sec. 7. Civil Action for Deprivation of Rights by Internal Revenue Service Employees.

(a) In General.—Any officer or employee of the Internal Revenue Service who, under color of any Federal law, subjects, or causes to be subjected, any citizen of the United States or other person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and laws, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress.

(b) Conforming Amendment.—Section 1343 of title 28, United States Code, is amended—

(1) by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon; and

(2) by adding at the end thereof the following new paragraph:

"(5) to recover damages or to secure equitable or other relief under section 7 of the Federal Taxpayers' Rights Act of 1979."

(c) Effective Date.—The amendments made by this section shall apply to actions arising on or after the date of the enactment of this Act.

Sec. 8. Procedures Involving Taxpayer Interviews.

(a) In General.—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new section:

"Sec. 7518. Procedures Involving Taxpayer Interviews.

Upon request of any taxpayer, any officer or employee of the Internal Revenue Service in connection with any interview with such taxpayer in connection with the assessment of a deficiency shall—

"(a) conduct such interview in the principal residence or place of business of the taxpayer, and at a reasonable time convenient to the taxpayer, and

"(b) allow the taxpayer to make a recording of such interview.

"An officer or employee of the Internal Revenue Service may record any such interview if he informs the taxpayer of such recording prior to the interview and provides the taxpayer with a transcript of such recording upon the request of the taxpayer and reimbursement for the cost of reproduction of such transcript."

(b) Conforming Amendment.—The table of sections for such chapter is amended by adding at the end thereof the following new item:

"Sec. 7518. Procedures involving taxpayer interviews.".

(c) Effective Date.—The amendments made by this section shall apply to interviews conducted on or after the date of the enactment of this Act.

By Mr. HATCH:

S. 327. A bill for the relief of Shavji Purshottam Dusara, his wife, Vasanti Shavji Dusara, and their child, Shreedhar Dusara; to the Committee on the Judiciary.

S. 328 A bill for the relief of Mr. Oliver O. Ratajczek and his wife, Christine Diane Ratajczek; to the Committee on the Judiciary.

Mr. HATCH. Mr. President, I introduce two relief bills which I ask unanimous consent to have printed in the Record at this point.

There being no objection, the bills were ordered to be printed in the Record, as follows:

S. 327

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding paragraph (14) of section 212 (a) of the Immigration and Nationality Act, for the purposes of such Act, Shavji Purshottam Dusara, his wife, Vasanti Shavji Dusara, and their child, Shreedhar Dusara, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this Act upon payment of the required visa fees. Upon granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by three numbers during the current fiscal year on the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act.

S. 328

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding paragraph (14) of section 212 (a) of the Immigration and Nationality Act, for the purposes of such Act, Mr. Oliver O. Ratajczek and his wife, Christine Diane Ratajczek, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this Act upon payment of the required visa fees. Upon granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by two numbers during the current fiscal year on the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act.

By Mr. HELMS:

S. 329. A bill to amend the supplemental security income program established by title XVI of the Social Security Act to exclude a family cemetery or burial plot owned by an individual or married couple in determining such individual's or couple's resources; to the Committee on Finance.

● Mr. HELMS. Mr. President, the legislation that I am introducing today would simply provide an additional resource exclusion in determining eligibility under the supplemental security income program. My amendment to title XVI of the Social Security Act excludes a family cemetery or burial plot owned by an individual or married couple in determining such individual's or couple's resources.

It recently came to my attention that otherwise qualified persons in North Carolina were suddenly being declared ineligible for medicaid either because they owned a burial plot or, in some instances, were unable to verify the value of the plot. State officials have advised me that they have been compelled to verify and include the value of burial plots for determining an individual's assets in order to comply with Federal SSI regulations and guidelines.

In North Carolina, individuals cannot qualify for medicaid benefits if their assets, including real property, total more than $1,000. Previously, a burial plot was not considered to be real estate; now, under the new guidelines, it is.

This has imposed a real hardship on many people who require the benefits available under the medicaid program. I have even heard of situations where people have had to sell their cemetery plots and use up the money received before they could qualify for medicaid. Others have been unable to place a value on their plots and therefore have been declared ineligible under the Federal guidelines.

I feel reasonably sure that Congress never intended to deprive medicaid recipients of their chosen final resting place. Yet, this has been the result in some cases. The law already excludes from resource consideration a recipient's home, household goods, personal effects, and automobile. Clearly, it is reasonable to exclude a cemetery plot and thus spare the truly needy of this additional harsh treatment and worry.●

By Mr. HART (for himself and Mr. CRANSTON):

S. 330. A bill to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration, and for other purposes; to the Committee on the Judiciary and the Committee on Veterans' Affairs, jointly, by unanimous consent, and if and when ordered reported by one committee, the other committee then has 30 days in which to act or be discharged therefrom.

VETERANS' ADMINISTRATION ADJUDICATION PROCEDURE JUDICIAL REVIEW ACT

● Mr. HART. Mr. President, the Veterans Administration (VA) — the second largest client agency in the Federal Government—is the only agency whose benefit decisions are not subject to the scrutiny of the Federal courts. Too often in the past, this exclusion, together with an outdated $10 limitation that a veteran may pay an attorney to assist him in preparing and presenting a claim, has resulted in abridgement of the basic fundamental constitutional rights of the veteran in hearings before the VA.

Today, Senator CRANSTON and I are introducing legislation to provide for limited judicial review of the administrative actions of the VA and to provide for the payment of reasonable attorneys' fees for veterans who wish to be represented by counsel in hearings before the VA or the courts. Additionally, this measure will require the VA to comply with the rulemaking provisions of the Administrative Procedures Act (APA) and to take other actions to safeguard the procedural due process rights of the veteran.

Mr. President, I would like to commend the distinguished chairman of the Senate Veterans Affairs Committee (Senator CRANSTON) for the excellent work he and other members of the Senate Veterans' Affairs have done in refining this legislation. During the 95th Congress, the committee explored in detail during five hearings the legal, procedural and other issues surrounding modification of the VA's adjudication procedures and making the agency subject to judicial review. My staff has worked closely with the staff of the Senate Veterans' Affairs Committee, with the technical assistance of the VA and other agencies, to develop a bill which I believe satisfies most of the substantive concerns raised during those hearings.

At present, 1 of 58 local VA rating boards first reviews a veteran's case to determine if he or she is eligible for disability, pension or other benefits. If the local board renders an unfavorable decision, the veteran can appeal to the Board of Veterans' Appeals (BVA) in Washington, D.C., which is also a part of the VA. Under existing law, the decision of the BVA on, "any question of law or fact under any law administered by the Veterans Administration providing benefits for veterans and their dependents or survivors, shall be final and conclusive, and no other official or any court of the United States shall have power or jurisdiction to review any such decision * * *" (title 38, U.S.C., Sec. 201(a)). Unlike claimants before other Federal agencies, a veteran who feels that the BVA has misinterpreted the law or decided a case without taking all relevant facts into account has no recourse outside the Veterans' Administration.

For more than two decades, the Social Security Administration (which also adjudicates disability claims) has been subject to judicial review of its final benefit decisions. (Title 42, P.S.C., sec. 405(g).)

Mr. President, to insulate any agency from the scrutiny of the courts runs counter to some of our most cherished constitutional principles. In human terms, this denial of the due process rights of veterans has too often resulted in hardship and disillusionment for those who have defended our country and are most deserving of the fruits of our constitutional form of Government.

Although veterans may be represented by counsel in proceedings before the VA, the amount a claimant may pay an attorney is limited to $10 (title 38, U.S.C., sec. 3404(c)). This fee limitation, which was instituted more than a century ago, severely limits the ability of a veteran to exercise freedom of choice in obtaining effective legal counsel.

Less than 2 percent of veterans who appeal their claims to the Board of Veterans Appeals are represented by legal counsel. Currently, veterans can obtain assistance without charge in preparing and presenting claims before the Veterans' Administration from the various national veterans service organizations and VA benefit counselors. In most cases, the assistance given by these representatives is of excellent quality, providing the VA Rating Board with sufficient evidence to render a fair and equitable decision on the veteran's claim. Many cases, however, involve complex legal and technical issues. If a veteran desires the representation of an attorney in these proceedings, the $10 fee restriction severely limits his right to counsel because almost no attorney is available at this unrealistic rate.

Veterans who desire outside legal representation in VA proceedings should be able to exercise that right. This legislation establishes a schedule for the payment of attorneys which insures that the veteran will be able to secure competent counsel without fear that an inordinate portion of any payment he may receive as the result of a successful appeal will be devoted to legal expenses. Therefore, the $10 limitation for payment of attorneys who represent veterans in making original claims before local VA rating boards is retained. Most original claims are relatively simple to prepare and, of course, the veteran may seek the competent help of a veteran service organization officer or a VA counselor in presenting his claim.

If the veterans' claim is rejected, he may want to secure the services of an attorney to develop evidence and make legal arguments for a review of his case by the Board of Veterans Appeals. Given the informality of the VA's adjudication process, a formula permitting a veteran and his attorney to agree on a fee—not to exceed $500—is equitable. As an additional protection, all fee payments would be subject to the approval of the VA Administrator who could also approve a higher fee in extraordinary cases requiring unusual preparation or specialized skills.

Attorneys who represent veterans in proceedings before the courts would be paid on a contingency fee basis, not to exceed 25 percent of any award made to the veteran. In general, preparing and arguing a veteran's case before the Federal courts will require a greater time commitment on the part of the veteran's attorney, justifying a larger potential fee award because a fee would be paid only if the veteran's appeal is favorably considered; however, attorneys will help serve a screening function to insure that only meritorious claims are brought before the courts.

In the course of hearings on judicial review during the 95th Congress, the Department of Justice prepared a "Court Systems Impact Statement" which estimated the increased workload the Federal courts would have to absorb if VA cases were subject to judicial review. According to the report, of the 22,900 claims denied in fiscal year 1977 by the Board of Veterans Appeals, only 4,600 of these claims would be appealed to Federal district courts. This would amount to an increase of 3.4 percent in civil filings to the district courts. This small increase would be mitigated by the addition of 152 Federal district judges as a result of enactment last year of the Omnibus Judgeship Act (Public Law 95-486).

Recently, the Federal courts have greatly expanded their jurisdiction over VA actions which were formerly precluded from judicial review. For example, in Johnson against Robison, the Supreme Court held that section 211(a) (precluding judicial review) cannot be construed to deny jurisdiction to those who challenge the consitutionality of statutes providing veterans benefits (415 U.S. 361; 1974).

In the case of Plato against Roudebush, the court determined that section 211(a) does not preclude judicial review of VA procedures in instances where VA pensions were terminated by the agency without a pretermination hearing (397 F. Supp. 1295; D. Md., 1975). The Department of Justice did not appeal this decision by the Federal District Court for the District of Maryland.

More recently, in the case of Wayne State University against Max Cleland, et al., the Sixth Circuit Court of Appeals held that section 211(a) is not a bar to judicial review of the constitutionality of rules and regulations promulgated by the Administration of Veterans' Affairs or his authority to promulgate regulations (Nos. 78-1141, 78-1142; D. Mich., 1978).

Mr. President, this measure provides the Administrator discretionary authority to allow for a pilot program of intermediate appellate review at the regional level. This provision (section 107), which was added at the suggestion of the committee staff, encourages the VA to try new ways to solve the problem of excessive delays in BVA decisionmaking.

During the upcoming hearing process on this measure, I intend to pay particular attention to the comments of the VA and the veterans groups to determine if this measure will enhance the review process without requiring excess personnel or costs. I look forward to a full discussion of this provision.

Mr. President, the fundamental issue addressed in the bill we are introducing today is simple justice for the American veteran. To deny a citizen access to an attorney, isolate an agency from the scrutiny of the courts and to fail to allow citizens affected by the actions of an agency to participate in the development of the rules and regulations which govern that agency runs counter to some of the most basic precepts of our constitutional form of government.

The bill I am introducing today will expand on the recent Federal court decisions to insure the veterans of this Nation are granted the full measure of their constitutional rights.●

● Mr. CRANSTON. Mr. President, I today joined as a cosponsor with the Senator from Colorado (Mr. HART) in the introduction of S. 330, the proposed "Veterans' Administration Adjudication Procedure and Judicial Review Act," a bill to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply certain provisions of the Administrative Procedure Act to the rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration; and for other purposes.

BACKGROUND

Mr. President, in the last Congress, the Senator from Colorado introduced a measure, S. 364, providing for judicial review of final Veterans' Administration decisions and for other changes relating to VA procedures. As I stated on July 19 of last year, in remarks appearing at pages 21673 through 21674 of the RECORD for that date, the Committee on Veterans' Affairs held 5 days of hearings on that legislation. From the testimony received at those hearings, it became apparent that, although S. 364 had served very well to focus needed attention on the complex issues of judicial review, administrative procedure, and attorneys' fees, the need existed for a substitute measure more specifically tailored to VA claims, adjudication, and rulemaking processes and to the circumstances of veterans and survivors with claims before the VA.

By July of last year, it became clear that, in light of the time required to complete the drafting of a new measure, the need for further hearings on it prior to committee action, and the very crowded state of the Senate's legislative calendar, there was insufficient time remaining to address this matter effectively during the 95th Congress. Therefore, with the concurrence of my friend from Colorado (Mr. HART), I proposed that committee staff continue its work on the substitute measure and circulate the draft to all interested parties for their comments and criticisms during the fall of 1978 so that early in this Congress, Senator HART and I would be able to introduce a new measure. Also, I agreed to schedule hearings on it and bring it to the committee by May 1, 1979, for disposition.

Mr. President, consistent with these plans, committee staff completed a draft of a substitute measure on December 8, 1978, and circulated it for comments. In a cover letter transmitting the draft legislation, I indicated that the new bill would be introduced early this year. Comments on the draft measure were very extensive and quite helpful and led to substantial revisions.

HEARINGS SCHEDULED

Mr. President, as I noted on January 15 of this year in remarks appearing at page 332 of the RECORD for that date, I originally scheduled hearings on this measure before the Committee on Veterans' Affairs for January 30, based on the assumption that the bill would be introduced on the first day of this Congress. Because introduction was delayed until today in order to complete revisions of the bill based on the extensive comments received on the draft measure, hearings have been rescheduled for February 22, at 9:00 a.m., in room 318 of the Russell Senate Office Building. After the committee has had the opportunity to hear from the administration, veterans' organizations, and other individuals and groups wishing to comment on this legislation, committee action will be scheduled on it before May 1, 1979.

This legislation has gone through an extended developmental process. Thus, the measure being introduced today reflects careful consideration of the views of many individuals and organizations. Nevertheless, I recognize that there are differing viewpoints on certain aspects of this bill; and I want to stress that the developmental process will be an ongoing one. I remain openminded about the final form of the various key provisions, and I look forward to receiving further comments on the legislation as the committee considers the measure.

Mr. President, I would like to take this opportunity to again express my appreciation to the Senator from Colorado (Mr. HART) for his strong leadership on this issue and his continued commitment to congressional consideration of it.

Mr. President, in order that all Senators and the public may have a more complete understanding of the various provisions of this measure, I ask unanimous consent that there be printed in the RECORD at this point an explanatory memorandum on the provisions of the bill.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

EXPLANATORY MEMORANDUM ON S. 330, THE PROPOSED "VETERANS' ADMINISTRATION ADJUDICATION PROCEDURE AND JUDICIAL REVIEW ACT"

This bill has four major purposes: to provide certain codified procedures (derived from those in the Administrative Procedure Act (APA) and Social Security Act (SSA)) for adjudicatory proceedings before the Veterans' Administration, to bring the VA's rule-making activity under the Administrative Procedure Act, to provide for judicial review of certain VA decisions, and to provide for reasonable attorneys' fees for those who represent claimants before the VA and the courts.

TITLE I—ADJUDICATION PROCEDURES

This title contains provisions that would govern procedures for hearings before the Veterans' Administration.

Sec. 101—Amends chapter 51 of title 38, United States Code, to add a new section 3009 codifying, for VA adjudication purposes, the burden of proof and reasonable doubt standard currently provided for by VA regulation (38 C.F.R. § 3.102).

New section 3009, entitled "Burden of proof; reasonable doubt", consists of subsections (a) and (b), as follows:

Subsection (a) provides that, except where otherwise provided by the Administrator in accordance with provisions of title 38, a claimant has the burden of submitting evidence sufficient to justify a belief by a fair and impartial individual that a claim is well grounded. Thus, as presently provided for in VA regulations (38 C.F.R. § 3.102), the initial burden of going forward with evidence to establish all elements of a claim is on the claimant. This subsection will not affect existing statutory or regulatory provisions that specify a different procedure relating to burden of proof (e.g., the statutory presumptions relating to certain diseases in 38 U.S.C. § 312 pursuant to which certain specified diseases shall be considered service-connected without a showing that the particular disease existed during the period of service). In addition, this subsection is not intended to affect the obligation of the VA (pursuant to 38 C.F.R. § 3.103) to provide complete assistance to the veteran in the development of the claim.

Subsection (b) provides, without shifting the burden specified in subsection (a) of this section, that, if, after reviewing all of the evidence in a case, a reasonable doubt remains regarding the merits of a particular claim, the VA is to resolve such doubt in favor of the claimant. This provision is derived from existing VA regulations establishing such a reasonable doubt standard (38 C.F.R. § 3.102) and it is expected that the current definition in that section will continue to be applied.

Sec. 102—Amends section 3311 of title 38, relating to the issuance of subpenas by the Administrator of Veterans' Affairs to specify that subpenas authorized under that section may be served either by personal delivery to the person named or by registered or certified mail. This provision is derived from (and intended to have the same substantive effect as) 42 U.S.C. § 405(d) in the SSA.

Sec. 103—Amends section 4001 of title 38, relating to the Board of Veterans Appeals (BVA), to increase, from 50 members to 65 members, the statutory limitation on the size of the BVA in order to enable it to handle the increased workload that judicial review of VA decisions (as provided for in the new chapter 72 added by section 302 "members" and "associate members" on the BVA; so the term "associate" is dropped as unnecessary. This section also amends section 4001 to add a requirement that the Board dispose of appeals before it in a timely manner and, further, to add a requirement for an annual report from the Chairman to the Congress on the Board's activity for the prior fiscal year, including a report on the average length of time cases were before the Board, together with a projection of the Board's activity for the next fiscal year and an evaluation of the Board's ability to dispose of the cases before it in the current and subsequent fiscal year in a timely fashion.

Sec. 104—Strikes the word "associate" in the description of the members of the BVA in section 4002 for the reason set forth under the explanation of section 103, above.

Sec. 105—Amends subsections (a) and (b) of section 4003 of title 38, relating to BVA decisions, to require the BVA to provide notice to the claimant and an opportunity for a hearing before a decision may be based on "additional official information" received after a BVA decision has previously been made.

Sec. 106—Amends section 4004 of title 38, relating to BVA jurisdiction, to add a clause to subsection (a) so as to require the BVA to provide the claimant with an opportunity for a hearing before the BVA and to require that the BVA decision be based on "evidence and material of record" in order to assure that the claimant is apprised of all material on which a decision is based. This section also amends subsection (b) to remove the requirement that the "new and material evidence" sufficient to allow the Board to reopen a previously disallowed claim be "in the form of official reports from the proper service department". This change reflects the present practice of the Board of reviewing "new and material evidence" on a claim from any source. This section makes a further amendment to subsection (b) to add a sentence which provides that the Board's discretionary authority to reopen a claim will not be diminished by a judicial decision following an appeal under new chapter 72 (as added by section 302 of the bill). The section also amends subsection (d) to require the BVA to mail notice of the decision to the claimant and to specify the reasons for its decision. This latter provision codifies procedures already being followed by the BVA in order to provide a statutory description of specified steps that will precede court review of a matter on appeal (as provided for in the new chapter 72 added by section 302 of the bill).

Sec. 107—Amends subsection (d) of section 4005 of title 38, relating to the administrative procedures to be followed when the claimant disagrees with the initial determination, to add a new paragraph (6) providing for the Administrator to establish as a matter of discretion, pursuant to regulation, a new level of administrative review of a claim for benefits. Such a pre-BVA review level would consist of a hearing, before three VA adjudication employees who had not previously considered the claim, such hearing to take place at the VA field office where the claim was originally brought or, if there are not sufficient personnel to constitute such a panel at that office, at the nearest VA office with enough personnel reasonably available for that purpose. This new authority is designed to give the Administrator the option of offering the opportunity for an expeditious *de novo* hearing before an impartial decisionmaking tribunal, rather than requiring the claimant who wishes such a hearing (in a location other than Washington, D.C.) to wait as much as a year (or longer in some places) for a traveling section of the BVA to reach the field office in question. If such a hearing were provided, it would be in addition to any reconsideration activity by the agency of original jurisdiction that rendered the first decision (as provided for by present section 4005(d)(1)), but such a hearing would satisfy the requirement in section 4004(a) (as amended by section 106 of the bill) of providing the claimant with an opportunity for a hearing on appeal. Subsequent hearing opportunities would still be available, as provided for in present section 4004(b), upon the submission of "new and material" evidence or for any other reason as determined by the BVA. The Administrator is authorized to apply the hearing procedure authorized under this section on a pilot basis for a limited period of time in geographically limited areas in order for the Administrator to test it and make an evaluation of the desirability and feasibility of applying it nationwide.

Sec. 108—Amends section 4009 of title 38, relating to independent medical opinions, to add a new subsection (c) to provide a mechanism whereby a claimant, once there is in evidence before the Board a substantial disagreement between the opinions of two physicians with respect to an issue material to the outcome of the case, would be entitled to have the BVA, after taking other appropriate steps to resolve such disagreement (for example, by obtaining answers to interrogatories that might demonstrate that the purported difference of opinion is actually the result of mistaken assumptions of fact or incomplete availability of relevant data), secure a VA-provided independent medical advisory opinion (an opinion by one or more medical experts, not employees of the VA, after a review of the medical records) as a means of helping to resolve such a difference. The question of whether a "substantial difference" exists on an "issue material" to the outcome of the case would be for determination by the Administrator subject to judicial review under new chapter 72 added by section 302 of the bill. Currently, there are no statutory limits on the VA's discretion as to when to obtain such an opinion.

Sec. 109—Amends chapter 71 of title 38 relating to the Board of Veterans' Appeals, by adding two new sections, one establishing certain procedures to be followed in adjudicatory proceedings (largely derived from sections of the Administrative Procedure Act—5 U.S.C. §§ 554, 555, and 556) and the other setting forth requirements for the Administrator to follow to notify claimants of their procedural rights before the VA.

New section 4010, entitled "Adjudication Procedures", prescribes certain procedural rules for proceedings before the BVA or any intermediate hearing board established under new subsection (d) of section 4005, as added by section 106 of the bill. The new section consists of subsections (a) through (f), as follows:

Subsection (a) sets out the general power of the Administrator to administer oaths, examine witnesses, and take evidence. Similar authority is set out in the Administrative Procedure Act (APA) (5 U.S.C. § 556(c)) and the Social Security Act (SSA) (42 U.S.C. § 405(b)).

Subsection (b) authorizes the admission of any evidence in BVA proceedings, even if such evidence were inadmissable under the rules of evidence, but authorizes the Administrator to prescribe regulations allowing exclusion of irrelevant, immaterial, or unduly repetitious evidence. Similar language is in both the APA (5 U.S.C. § 556(d)) and the SSA (42 U.S.C. § 405(b)).

Subsection (c) specifies certain procedural rights of claimants in BVA proceedings. The first four such rights, the right to review the record, to present witnesses, to make arguments, and to submit rebuttal evidence, are derived from the APA (5 U.S.C. § 556(d)). In addition, the claimant would have the rights to present medical opinions and, pursuant to new subsection (c) of section 4009, as added by section 108 of the bill, have the VA obtain an advisory medical opinion; and to serve written interrogatories which may, in the event a witness fails to answer them, be enforced by means of a subpena to attend a deposition at which the witness would be asked the unanswered interrogatories. Under the prescribed procedure, the witness would have the opportunity to object to the interrogatories before a subpena is issued; and the Administrator would be empowered to modify the interrogatories appropriately. The exercises of discretion by the Administrator with respect to the enforcement and modification of such subpena would be subject to judicial review under new chapter 72 added by section 302 of the bill.

Subsection (d) provides authority for a hearing officer to disqualify himself/herself on grounds of personal bias or other cause and also provides a basis for a party to challenge a member of a panel on such basis. This provision is derived from the APA (5 U.S.C. § 556(d)).

Subsection (e) specifies that the transcript or recording of testimony and the exhibits, together with all papers and requests filed in the proceeding and the decision of the BVA, shall constitute the record of a proceeding and allows a claimant to obtain a copy of the contents of the record. This provision is derived from the APA (5 U.S.C. § 556(e)).

Subsection (f) specifies that, notwithstanding any other provision of law, the adjudication procedures and rights contained in title 38 and prescribed by the Administrator are exclusive. This provision is designed to preclude judicial incorporation of other procedures from the APA or elsewhere. For example, the APA "trigger' provision in 5 U.S.C. § 554(a) provides that the requirements of that "section appl[y] . . . in every case of adjudication required by statute to be determined on the record after opportunity for any agency hearing"; amendments to present section 4004(a), in section 106 of the bill, could be construed, without this preclusion clause, as placing VA adjudication procedures under APA adjudication rules, a result that is not intended.

New section 4011, entitled "Notice of Procedural Rights," requires the Administrator to provide, at each stage of the proceedings before the VA, notice to a claimant of procedural rights and the procedures available to obtain various opportunities for review. This provision is designed to assure that at each critical juncture in the adjudication/appeals process the claimant is then specifically notified of his or her rights regarding the remaining available options.

TITLE II—VETERANS' ADMINISTRATION RULE MAKING

This title brings the VA's rulemaking procedures under the relevant APA provisions. At the hearings before the Senate Committee on Veterans' Affairs on S. 364 in the 95th Congress, the VA indicated that it was already in voluntary compliance with the relevant APA rulemaking provisions as to notice and an opportunity for comment and voiced no objection to having such compliance mandated.

Sec. 201—This section adds to chapter 3 of title 38 a new section 221 to bring the VA within the relevant APA rulemaking provision, 5 U.S.C. § 553.

New section 221, entitled "Rule making", specifically provides for the nonapplicability of the section 553(a)(2) preclusion of the application of the APA to cases involving, among other things, "loans, grants, benefits, or contracts." The practical import of the new section is to codify the notice and publication requirements that the VA is already following in the issuance of rules and regulations.

TITLE III—JUDICIAL REVIEW

This title contains provisions allowing access to the federal court system for review of VA decisions.

Sec. 301—Adds reference to the new judicial review chapter (Chapter 72) to the exceptions from the general preclusion of judicial review of VA decisions in present section 211(a) of title 38.

Sec. 302—Sets out a new judicial-review chapter, chapter 72, entitled "Judicial Review," in title 38, as follows:

New section 4025, entitled "Jurisdiction," describes basic jurisdictional requirements; it consists of subsections (a) through (g), as follows:

Subsection (a) provides for judicial review of a "final decision" in a matter dealing with a "claim for benefits." Judicial review may be obtained in a civil action brought within 120 days of the mailing of notice of the decision by the BVA. The action is to be brought in a Federal district court, either in the home district of the claimant or in the district court for the District of Columbia.

Subsection (b) provides that, in cases "not directly involving a claim for benefits," the title 38 provision that precludes judicial review (section 211(a) shall not bar a civil action otherwise authorized by law. This provision is intended to assure that nothing in section 211(a) precluding judicial review of VA decisions operates to bar challenges to VA regulations, practices, or procedures that would be open to judicial challenge if carried out by any other federal agency, and that VA determinations of fact and law in such matters as a school's claim for a fee under section 1784 are also subject to judicial review.

Subsection (c) defines "final decision" as used in subsection (a) of this new jurisdictional section. The term is defined to include not only a decision on the merits but also a refusal to reopen a claim and a refusal, on the basis of nonconformity with the BVA chapter provisions or lack of timeliness, to consider a claim.

Subsection (d) specifies that the new chapter does not change the present rules governing appealability of matters under chapter 19 (insurance) and chapter 37 (home loans) because there are established procedures in both chapters and no need to change them has been shown.

Subsection (e) directs that a complaint seeking appeal of a decision relating to a claim for benefits include sufficient information to assist the VA in properly identifying the file in question.

Subsection (f), derived from the SSA (42 U.S.C § 405(g), requires the VA to file the various materials that constitute the record in the case together with its answer to the complaint. This provision should enable a reviewing court to render a decision on the pleadings, thereby generally obviating the need for any hearing.

Subsection (f), derived from the SSA (42 U.S.C. § 405(g)), empowers the court to render a decision on the pleadings; it is anticipated that, as occurs in SSA cases, this will be the normal practice.

New section 4026, entitled "Scope of Review", defines the reviewing court's role in considering appeals brought under the new chapter. This new section consists of subsections (a) through (c) as follows:

Subsection (a) uses APA language (5 U.S.C. § 706) to define the scope of judicial review. The import of this provision is to give a reviewing court the responsibility to decide questions of law while deferring to the Administrator on questions of facts as long as such findings are supported by substantial evidence. The result is the usual balance for judicial review of administrative decisions—the agency will prevail on questions of fact (unless unsupported) and the court determines, de novo, question of law.

Subsection (b) delimits the role of the reviewing court, consistent with new subsection (a), above, by specifying that findings of fact will not be subject to a trial de novo.

Subsection (c) provides that in a matter resolved by the VA solely on the basis of a failure to conform to VA procedures, the reviewing court may consider only issues raised as to the validity of and conformity with the regulation or procedure. The effect of this provision is as follows: if the court upholds the procedure and its application to the facts, there would be no need for any further review of the claim for the benefits; if, on the other hand, the court rules that the procedure is unlawful, the underlying claim for benefits would be returned to the VA for consideration.

New section 4027, entitled "Remands", provides for three different forms of remands. Under the first, the Administrator is given the option to recall a case (after it is appealed) for a single reconsideration. This provision, modeled on one in the SSA (42 U.S.C. § 405(g)), is designed to save the time and expense associated with an appeal when it is clear the court will find for the claimant. There has been some criticism of this provision in the SSA scheme; and it is included in this draft in a modified form that allows only the single callback and that requires the VA to act promptly (within 90 days) or have the matter returned to the court. The second remand provision allows the court, in its discretion, to remand a case once the Administrator files an answer. The final remand provision allows either side to request a remand—to adduce further evidence—after the VA has filed its answer. Once the party requesting the remand has shown that additional material evidence would be introduced and that there were reasonable grounds for the failure to submit it before the matter reached the court, the court must remand the case to the Administrator to take the additional evidence.

New section 4028, entitled "Survival of Action", provides that actions brought under new section 4025, above, as added by this section of the bill, survive the tenure of any individual as Administrator.

New section 4029, entitled "Appellate Review", provides that decisions of district courts pursuant to this new chapter of title 38 shall be subject to review in other federal courts in the same manner as judgments in other civil actions.

Sec. 303—Amends section 1346 of title 28 of the United States Code, limiting the jurisdiction of Federal district courts in matters involving pensions, by specifying that the exclusion shall not apply to VA pension matters.

TITLE IV—ATTORNEYS' FEES

This title revises the present title 38 limitation of $10 for claimants' attorneys' fees by providing for the approval by the Administrator of attorneys' fees, within certain limits, for representation of individuals before the Veterans' Administration and for court approval of a reasonable attorney's fees in cases appealed to court under the new chapter 72 in which the claimant prevails. The title also contains provisions allowing a court to award a reasonable attorneys' fee to a prevailing party other than the Administrator and for judicial review of a fee determination and approval.

Sec. 401—Amends existing section 3404 of title 38, relating to recognition of agents and attorneys and to attorneys' fees.

Clause (1) amends subsection (c) of section 3404 to provide for the approval by the Administrator of an attorneys' fees above the present $10 maximum if the claim is allowed following the claimant's receipt of a statement of the case pursuant to present section 4005(d) (the first procedural step following the claimant's notice to the VA that he or she disagrees with an initial denial of the claim) and to retain the present $10 limitation for cases resolved upon the initial proceeding at the regional level (that is, prior to the receipt of the statement of the case). With respect to claims resolved within the VA but following the receipt of the statement of the case, the approval of a fee is limited to the lesser of—

(A) the fee agreed upon by the claimant and attorney, or

(B) (i) $500 (or a greater amount specified in regulations based on changed national economic conditions subsequent to the date of enactment of the revised subsection) except that a greater amount may be approved by the Administrator in an individual case involving extraordinary circumstances, or

(ii) if the claimant and attorney have entered into a contingent-fee agreement, an amount not in excess of 25 per centum of the total amount of any past-due benefits awarded on the basis of the claim. The percentage figure for contingent-fee cases is borrowed from the SSA (42 U.S.C. § 406(a)), but the specific dollar upper limit on the fee was added because, unlike many Social Security cases, there may be a significant number of claims before the VA which would benefit a claimant substantially and yet would result in little or no award of past-due benefits, thereby rendering a contingency arrangement impractical.

Clause (2) further amends section 3404 by adding six new subsections, (d) through (i), as follows:

New subsection (d) deals with the approval of attorneys' fees in cases appealed to the court. Before any fee may be approved, there is the requirement that the matter be resolved in a manner favorable to the claimant. The SSA (42 U.S.C. § 406(b)(1)) has a similar provision requiring, as a precondition for any attorneys' fees, successful representation for court appeals; this requirement is intended to protect claimants by involving the legal community in screening the valid from the invalid complaints and should, therefore, work to reduce the volume of litigation of VA-related claims. The actual approval scheme places the authority in the court to approve "a reasonable fee" in successful cases, and the only specific limitation is in cases where the claimant and attorney have entered into a contingent-fee agreement. As with cases resolved before the Veterans' Administration, the fee in such cases is limited to an amount not in excess of 25 per centum of the total amount of any past-due benefits awarded on the basis of the claim.

New subsection (e) provides authority for the Administrator to authorize payment to the attorney from any past-due benefits that are awarded but precludes the VA from making payments if there are no past-due benefits—thus leaving the lawyer and the client to make their own arrangements for payment in that event.

New subsection (f) provides a method for review of either the Administrator's or a court's approval of attorneys' fees. Where the claim for benefits is resolved within the VA, either the claimant or the attorney would be permitted to bring an action challenging the amount approved in a Federal district court (in the claimant's home district) within thirty days after the date of notice of the approval of the attorneys' fee. Where the court approves a fee, either the claimant or attorney would be permitted to make a motion to modify the fee in the United States district court where the appeal to court was considered. All parties to the matter are to be given notice of an action or motion for review of the fee determination.

New subsection (g) limits the applicability of this section to cases involving claims for benefits. Thus, in all other types of cases (constitutional challenges to regulations, Freedom of Information Act cases, and other non-claim cases)—where no claim for benefits is involved—the individual and the attorney would be able to agree to any fee arrangement free of the $10 limit and other limits in this section.

New subsection (h) provides that, for the purpose of the attorneys' fees provisions, a claim is to be considered as having been resolved favorably to a claimant when any or all of the relief sought is granted.

New subsection (i) provides that a court may, in its discretion, allow a prevailing party, other than the Administrator, reasonable attorneys' fees as part of the costs awarded following its decision. This provision is designed to permit a court to evaluate all of the circumstances of a particular claim and, in particular, the VA's basis for denying the relief requested when the matter was before the agency. The court's evaluation of the VA's position should be similar to that undertaken by the courts in Freedom of Information Act cases when the issue to be resolved is whether the governmental agency involved had a reasonable or colorable basis in law for its action. Accordingly, there should seldom be an award of attorneys' fees under this provision; an award would be appropriate only upon a finding by the court that the VA had been "recalcitrant" in its denial of a valid claim or had otherwise "engaged in obdurate behavior" in the adjudication of the claim.

Sec. 402—Makes a gender correction and strengthens the title 38 provision relating to attorney impropriety. The language used in the draft is patterned on a provision in the SSA (42 U.S.C. § 406(b)(2)), and the thrust of the provision is to authorize a court to punish an attorney or other person for willful and intentional defrauding of a claimant.

TITLE V—EFFECTIVE DATES

This title has two sections, one for the effective date of the Act and the other to allow for some review of BVA decisions rendered before the bill is enacted.

Sec. 501—Makes the Act effective six months after the date of enactment.

Sec. 502—Allows for review of BVA decisions rendered on or after January 1, 1977, and prior to the effective date of the Act. The provision also specifies that any appeals of these decisions rendered prior to the effective date of the Act must be brought within 120 days after the effective date of the Act or after mailing of notice by the Administrator to the claimant of the right to such an appeal, whichever is later.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill introduced by Mr. Hart, for himself and Mr. Cranston, dealing with rulemaking procedures of the VA and judicial review thereof be jointly referred to the Committees on the Judiciary and Veterans' Affairs and when and if it is ordered reported by one committee the other committee then have 30 days to act on it or be discharged.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. CRANSTON (for himself, Mr. Kennedy, Mr. Baucus, Mr. Bayh, Mr. Bentsen, Mr. Biden, Mr. Bumpers, Mr. Durkin, Mr. Eagleton, Mr. Gravel, Mr. Hayakawa, Mr. Inouye, Mr. Johnston, Mr. Levin, Mr. McGovern, Mr. Metzenbaum, Mr. Nelson, Mr. Pell, Mr. Pressler, Mr. Proxmire, Mr. Randolph, Mr. Ribicoff, Mr. Sasser, Mr. Stafford, Mr. Stennis, Mr. Stevenson, and Mr. Tsongas):

S.J. Res. 31. A joint resolution regarding the peace, prosperity, and welfare of the people on Taiwan and the Pescadores, and for other purposes; to the Committee on Foreign Relations.

PEACE, PROSPERITY, AND WELFARE ON TAIWAN

Mr. CRANSTON. Mr. President, Senator Kennedy and I, along with 25 other Senators, are introducing a joint resolution that will reaffirm the concern of the United States in the peace, prosperity, and welfare of Taiwan and will establish clearly the respective responsibilities of the President and Congress for that peace, prosperity, and welfare. The cosponsoring Senators are: Baucus, Bayh, Bentsen, Biden, Bumpers, Durkin, Eagleton, Gravel, Hayakawa, Inouye, Johnston, Levin, McGovern, Metzenbaum, Nelson, Pell, Pressler, Proxmire, Randolph, Ribicoff, Sasser, Stafford, Stennis, Stevenson, and Tsongas.

The President's decision to establish full diplomatic relations with the People's Republic of China was a necessary decision, a decision which recognized the reality of Peking as the actual government of 900 million Chinese. It was the proper function of the President to make the decision whether to establish diplomatic relations with the People's Republic of China. At the same time, America's interest in the overall security of Taiwan and the Pescadores is a responsibility of both the President and Congress. The role of Congress must not be left to unilateral whim or mandate of any President.

The resolution requires action by the President with full congressional participation and concurrence and gives assurance that whatever action is taken by the United States to maintain the peace, prosperity, and welfare of the people on Taiwan and the Pescadores will be in accordance with constitutional processes and procedures by the President and Congress.

It is important, now, at the outset of a new relationship with the People's Republic of China, that this concern and responsibility of Congress and the role of the President be made clear so that the peace, prosperity, and welfare of Taiwan will, in fact, be assured.

There appears to be some small difference of opinion on this resolution between the White House and the Congress.

The White House has its view, we have ours.

The White House believes the resolution is unnecessary—presumably because it believes the agreement President Carter has reached with the Chinese Government adequately assures the security of Taiwan.

I, for one, have no quarrel with that assumption about Taiwan's security. I support the United States-China agreement and I agree that it is adequate for the security of Taiwan.

But it is not so perceived by some Members of Congress—as evidenced by the number of other Taiwan resolutions that have been introduced. And it is not so perceived by much of the public—as evidenced by the polls.

It is largely to correct this misperception, to make clear that U.S. recognition of the Peking government in no way means that the United States intends to abandon Taiwan, that we have introduced this resolution.

Our resolution simply spells out in more detail what the United States-China agreement implies, but leaves unsaid.

We believe our resolution reinforces the United States-China agreement. The White House, as of this moment, does not think the agreement needs reinforcing.

We think it does.

Another question has come up about this resolution:

Whether the resolution represents only one segment of philosophy in the Senate or a broad spectrum representing the majority of the Senate. The fact that Senator Kennedy and I have been joined by 25 Senators, and that among them are Senators Stennis, Johnston, Bentsen, Hayakawa, indicates the broad base of support for the substance of this resolution.

I am sure that it is a fact that a strong majority of the Senate wishes to express its concern about the security of Taiwan—without doing so in a way that destroys our new relationship with the People's Republic of China.

This resolution represents an effort to do exactly that.

Mr. President, at this time Senator KENNEDY and I submit a resolution in which we are joined by 25 other Senators. I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the governments of the United States and the People's Republic of China, on January 1, 1979, recognized each other and established diplomatic relations;

Whereas the President, on January 1, 1979, terminated diplomatic relations with the Republic of China and gave notice that on December 31, 1979, the United States will terminate the Mutual Defense Treaty between the United States of America and the Republic of China, pursuant to Article X thereof;

Whereas the American people have had and desire to continue to have extensive, close and friendly relations with the people on Taiwan and the Pescadores (hereinafter "Taiwan");

Whereas the United States has a correspondingly deep concern for the peace, prosperity and welfare of the people on Taiwan;

Whereas the United States has a continuing interest in the peaceful resolution of the Taiwan issue and expects that the Taiwan issue will be settled peacefully by the Chinese themselves;

Whereas in pursuance of its interests in the stability and peace of the area, the United States will continue to provide Taiwan with arms of a defensive character;

Whereas the United States recognizes that an armed attack directed against Taiwan would represent a danger to the stability and peace of the area;

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. The President is directed to inform the Congress promptly of any danger to the interests, concerns, and expectations of the United States in the peace, prosperity, and welfare of Taiwan.

SEC. 2. The Congress finds and declares that it is the policy of the United States to act in accordance with constitutional processes and procedures established by law to meet any danger described under section 1, and otherwise to safeguard the interests, concerns and expectations of the United States.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. CRANSTON. I am, of course, delighted to yield to my good friend and colleague from New York.

Mr. JAVITS. Mr. President, as the Senator knows, I am a member of the Committee on Foreign Relations, and recently have been honored to be its ranking member.

First, I would like to agree with him that the majority of the Senate feels there must be provisions respecting Taiwan which are binding in law as well as in policy. Whether or not those provisions should be contained in a resolution separate from the enabling legislation which, for the information of the Senator—and perhaps he knows it already—has actually been sent to us by the administration——

Mr. CRANSTON. Yes, I am aware of that.

Mr. JAVITS (continuing). Or whether it shall be cranked into that particular legislation is something which naturally our committee will decide.

I welcome the introduction of this resolution. I think the Senator would have many more sponsors were it not for the fact that we on the committee, although he does have one or more members of the committee, and many other Senators want to wait to see just how the procedure lays out and what the hearings show.

Of the substantive question, in my opinion, and there is no question about it, I deeply believe that the problem that is going to be presented to us is a problem of technique which is resolvable.

The administration has an idea for setting up an autonomous corporation here; presumably an autonomous corporation will be set up there, and these all raise important legal questions, all capable of solutions.

It is a unique situation, a matter of first impression, but I am confident that we can deal with it effectively.

The point that I wish to make, and the reason why I took the liberty of asking the Senator to yield, is that I wish to express myself as sharing fully in the sense of responsibility which dictated to such leading advocates as Senator KENNEDY and yourself for this new policy of normalization with the People's Republic, the element of which is so difficult, was that cutting off recognition of and diplomatic relations with Taiwan does not change the substantive sense of responsibility and the substantive policy of the United States that the security, integrity, and the self-determination right of the people of Taiwan is a matter essential to the national interest of the United States.

I wish to assure both my friends and colleagues who are sponsoring this resolution, and the other Senators who have joined with them, that if I can humanly help them, and I think I can, it will be an absolutely sacred trust in the Committee on Foreign Relations to see that the purpose which my colleagues have in mind is effectively carried out.

Mr. CRANSTON. I welcome the comments of the distinguished Senator from New York, whose role is so important in foreign affairs always, and who has new strength now that he is the ranking minority member of the Committee on Foreign Relations, and I have full faith that the committee will proceed in the wisest way in dealing with this issue, and if it chooses to incorporate this general concept in the enabling legislation that it will be working on, that is perfectly fine from my point of view.

I know that we share a common interest, and I appreciate very much the participation in the discussion of the wise Senator from New York.

Mr. JAVITS. Thank you very much.

Mr. CRANSTON. I am now delighted to hear our distinguished colleague from Massachusetts. He and I join together in the effort to do what this resolution seeks to accomplish.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I am pleased to join with the senior Senator from California (Mr. CRANSTON) and 25 other Senators in introducing this joint resolution which confirms the continuing U.S. interest in the peace, prosperity, and welfare of Taiwan.

Representative LESTER WOLFF, chairman of the House International Relations Subcommittee on Asian and Pacific Affairs, is introducing this joint resolution along with 88 cosponsors to date in the House of Representatives.

I welcome the broad base of support, ranging across the political spectrum, which is reflected in the cosponsorship of our resolution. We know and welcome the fact that many other Members of Congress intend to cosponsor and otherwise support this resolution in the days ahead.

We have consulted with the chairman of the Foreign Relations Committee and with his colleagues, and we look forward to early consideration and action by both the Senate committee and the House International Relations Committee, and then by both Houses of Congress and the President. This will permit the Congress to make provision for the peaceful resolution of the Taiwan issue by the Chinese on both sides of the Taiwan Strait, as part of the legislation designed to implement the decision to normalize relations between China and the United States.

The objective of U.S. policy should be to maintain the continuity of our relations with Taiwan on an unofficial basis. Together with the omnibus legislation which the President has submitted to the Congress, this resolution will confirm that the United States can normalize relations with China at the same time that we act with responsibility on Taiwan.

The resolution confirms our continuing interest in the peaceful resolution of the Taiwan issue. It provides for continuing defensive arms sales to Taiwan. It directs the President to inform the Congress promptly of any danger to the peace, prosperity, and welfare of Taiwan, and it declares that it is United States policy to meet any such danger in accordance with our constitutional processes—just as we have been committed to do under the mutual defense treaty which will terminate on December 31.

I strongly agree with President Carter's statesmanlike decision to normalize relations with China. I will actively support both the confirmation of Ambassador Woodcock and the legislation needed to shift our relations with Taiwan from a governmental to a nongovernmental basis—recognizing that both Taipei and Peking insist that there is only one legal Government of China.

The President's decision was right in its recognition of the reality of China.

It was responsible in its provision for the continuing well-being of the people on Taiwan, and it was well-timed to maximize the opportunities of the United States in our triangular relationship with China and the Soviet Union; to consolidate the unprecedented process of accommodation among China, Japan, and the United States; and to usher in a new era of cooperation and understanding between the world's most powerful and the world's most populous nations.

This resolution will confirm that we can be realistic in our relations with China and responsible in our relations with Taiwan. While the form of our relations with both sides must change, the substance can and should remain unaltered.

In this connection, I welcome the recent Chinese statements confirming both their patience and their strong preference for a peaceful solution of the Taiwan issue. These reinforce my view that China will not attack Taiwan, not least, because it has neither the interest nor the capability to do so successfully.

By normalizing relations with China, I believe that we have made an indispensable contribution to the future peace and stability of the area, and to the future well-being of Taiwan with which our resolution is concerned.

By Mr. BELLMON (for himself and Mr. Boren):

S.J. Res. 32. A joint resolution to designate November 4, 1979, as "Will Rogers Day"; to the Committee on the Judiciary.

WILL ROGERS DAY

● Mr. BELLMON. Mr. President, on behalf of my colleague, Senator Boren, and myself, I introduce a joint resolution requesting the President to designate November 4, 1979 as "Will Rogers Day" in commemoration of the 100th anniversary of the birth of Will Rogers, the noted American humorist and philosopher.

Will Rogers looked at the world and translated complicated events in a way that could be understood by all. He loved life in America and portrayed our politics, educational system, and our economic system with clarity and wry humor.

Mr. President, Will Rogers was well known on Capitol Hill and had many cleverly expressed opinions about Government and politics. He was well aware of the pressures of elective office and commented:

> I joke about 'em (Congressmen) but at heart I really like the rascals. They are all right.

The words of this man are as alive today as the day they were penned. As we look forward to yet another struggle over the Federal deficit we can remember what Will Rogers said about appropriations:

> We will never get anywhere with our finances till we pass a law saying that everytime we appropriate something, we got to pass another bill along with it stating where the money will come from.

Mr. President, Will Rogers is Oklahoma's best known native son. In addition, he was an ambassador of good will to foreign countries for all of America. It is only fitting and proper that we honor his memory with the designation of November 4, 1979 as "Will Rogers Day."●

ADDITIONAL SPONSORS

S. 1

At the request of Mr. Dole, the Senator from South Carolina (Mr. Thurmond) and the Senator from Texas (Mr. Bentsen) were added as cosponsors of S. 1, the Food and Agriculture Act of 1979.

S. 14

At the request of Mr. Church, the Senators from Oregon (Mr. Hatfield and Mr. Packwood), the Senator from Texas (Mr. Bentsen), and the Senator from Nevada (Mr. Laxalt) were added as cosponsors of S. 14, to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws.

S. 15

At the request of Mr. Levin, the Senator from Massachusetts (Mr. Tsongas), the Senator from Indiana (Mr. Bayh), the Senator from Ohio (Mr. Metzenbaum), the Senator from Louisiana (Mr. Johnston), the Senator from Alaska (Mr. Gravel), the Senator from Wisconsin (Mr. Nelson), the Senator from Vermont (Mr. Leahy), and the Senator from Hawaii (Mr. Inouye) were added as cosponsors of S. 15, to amend the Consumer Credit Protection Act to prohibit discrimination on the basis of geography in the issuance and use of credit cards.

S. 55

At the request of Mr. Bentsen, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of S. 55, the Meat Import Act of 1979.

S. 75

At the request of Mr. Dole, the Senator from Mississippi (Mr. Cochran) and the Senator from Indiana (Mr. Lugar) were added as cosponsors of S. 75, to amend the Internal Revenue Code of 1954 to allow a retirement savings deduction for persons covered by certain pension plans.

S. 114

At the request of Mr. DeConcini, the Senator from Louisiana (Mr. Long) was added as a cosponsor of S. 114, to impose rational criteria for the imposition of capital punishment.

S. 129

At the request of Mr. Church, the Senator from Oregon (Mr. Hatfield) and the Senator from West Virginia (Mr. Randolph) were added as cosponsors of S. 129, to designate September 17, 1987, as a public holiday.

S. 208

At the request of Mr. Wallop, the Senator from Wyoming (Mr. Simpson) and the Senator from Florida (Mr. Chiles) were added as cosponsors of S. 208, to amend the Internal Revenue Code of 1954 to subject foreign investors to capital gains tax from the sale or exchange of real property situated in the United States.

S. 222

At the request of Mr. Durkin, the Senator from California (Mr. Cranston) was added as a cosponsor of S. 222, the Alaska National Interest Lands Conservation Act of 1979.

SENATE JOINT RESOLUTION 2

At the request of Mr. DeConcini, the Senator from Florida (Mr. Stone) was added as a cosponsor of Senate Joint Resolution 2, to require the Federal Government to end deficit financing.

SENATE JOINT RESOLUTION 20

At the request of Mr. Zorinsky, the Senator from Texas (Mr. Bentsen) and the Senator from South Dakota (Mr. Pressler) were added as cosponsors of Senate Joint Resolution 20, to increase the price support for milk, wheat, corn, soybeans, and cotton to not less than 90 percent of the respective parity prices, and for other purposes.

SENATE RESOLUTION 11

At the request of Mr. DeConcini, the Senator from South Dakota (Mr. Pressler) and the Senator from Arizona (Mr. Goldwater) were added as cosponsors of Senate Resolution 11, asserting the commitment of the American people to the continued independence of the people of Taiwan.

SENATE RESOLUTION 48—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON THE JUDICIARY

Mr. KENNEDY, from the Committee on the Judiciary, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. Res. 48

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on the Judiciary is authorized from March 1, 1979, through February 28, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The expenses of the committee under this resolution shall not exceed $4,835,900, of which amount not to exceed $230,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1980.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 49—SUBMISSION OF A RESOLUTION OF DISAPPROVAL OF AMTRAK ROUTE TERMINATIONS

Mr. SCHMITT (for himself, Mr. Randolph, and Mr. Baucus) submitted the following resolution, which was referred to the Committee on Commerce, Science, and Transportation:

S. Res. 49

Resolved, That the Senate disapproves of the final recommendations designating the basic route system for the National Railroad Passenger Corporation, submitted to the Congress by the Secretary of Transportation on January 31, 1979, pursuant to section 4(e) of the Amtrak Improvement Act of 1978.

Mr. SCHMITT. Mr. President, yesterday the administration announced its proposal to cut back Amtrak services around the Nation, eliminating 16 intercity passenger trains and abandoning about 12,000 miles of the 27,000 miles of passenger track. This drastic move would leave many cities completely without train service, including Dallas, Tex.; Atlanta, Ga.; Little Rock, Ark.; Nashville, Tenn.; Omaha, Nebr.; Charleston, W. Va.; and Albuquerque, N. Mex.

The necessity of reorganizing the Amtrak route structure is not a matter of dispute. In the process of reorganizing, however, it is essential that we not lose sight of the reason for having Amtrak: To provide fast and dependable train service for Americans. I fail to see how Amtrak can do this by eliminating service altogether for towns and cities all across America.

Fortunately, the Congress can send the proposed route changes back to the Department of Transportation for reconsideration simply by passing a resolution of disapproval, provided for in the Amtrak Improvement Act of 1978.

I am submitting such a resolution today, and I call upon my colleagues who are concerned with maintaining a true national rail capability in our country to join in supporting its passage. If future generations of Americans in dozens of towns and cities all across America are to have access to passenger train service in the years ahead, we must return the proposed Amtrak cutbacks to the Department of Transportation for reconsideration.

SENATE RESOLUTION 50—SUBMISSION OF A RESOLUTION OF DISAPPROVAL OF THE PROPOSED BUDGET DEFERRAL AUTHORITY TO PROMOTE AND DEVELOP FISHERY PRODUCTS AND RESEARCH

Mr. KENNEDY (for himself, Mr. Gravel, Mr. Magnuson, Mr. Hollings, Mr. Stevens, Mr. Muskie, Mr. Jackson, Mr. Cranston, Mr. Tsongas, Mr. Weicker, Mr. Hatfield, Mr. Inouye, Mr. Pell, Mr. Chafee, Mr. Matsunaga, Mr. Packwood, Mr. Hayakawa, and Mr. Cohen) submitted the following resolution, which was referred to the Committee on Appropriations, the Committee on the Budget, and the Committee on Commerce, Science, and Transportation, jointly, pursuant to order of January 30, 1975:

S. Res. 50

Resolved, That the Senate disapproves the proposed deferral of budget authority (Deferral D79–6) to promote and develop fishery products and research pertaining to American fisheries set forth in the special message transmitted by the President to the Congress on October 2, 1978, under section 1013 of the Impoundment Control Act of 1974.

● Mr. KENNEDY. Mr. President, I am submitting today, along with a number of my colleagues from coastal States, a resolution disapproving the proposed deferral of budget authority to promote the development of a strong domestic fishery industry. This action was necessitated by a request from the Office of Management and Budget for deferral of $12,060,000 from the Saltonstall-Kennedy (S–K) reserve fund for fiscal year 1979. The resolution has the strong support of the entire U.S. fishing industry, from New England to Alaska, from the Gulf States to the Pacific. I want to particularly applaud the efforts of Senator Gravel in support of the S–K fund. His advocacy on this issue has been invaluable, and the Alaskan fishing industry is fortunate to have both he and Senator Stevens protecting their interests in the U.S. Senate.

The Saltonstall-Kennedy fund was established in 1954 for the purpose of "promoting the free flow of domestically produced fishery products," and is maintained through the transfer of 30 percent of the duties collected on imported fish products. Congress intended that these funds be used for a variety of development activities, including research, education, and market development.

In recent years, much of the S–K revenue has been used to support fisheries development activities of the National Marine Fisheries Service (NMFS), and, in effect, has become part of the base budget of NMFS. In 1976, the fund was substantially increased—due in part to higher prices on imported fish products—and NMFS began to solicit project proposals in order to make use of these reserve funds in a manner consistent with the provisions of the Saltonstall-Kennedy Act. After over a year of extensive planning and consultation with the domestic industry, NMFS has prepared a comprehensive nation-wide plan which would require at least $5 million in S–K funds.

We simply cannot afford to delay the implementation of this plan. And nowhere is that more clear than in New England

After a decade and a half of watching foreign fleets decimate one of the world's richest fishing grounds, Congress finally enacted the Fishery Conservation and Management Act in April of 1976. For all those years, the United States imported vast amounts of fish while our own fishing grounds attracted nearly 1,000 foreign ships each month. The New England fishing industry limped along—undersized and underfinanced—as fish imports from foreign countries grew year after year. The 200-mile zone was supposed to end this tragic story. The truth is that it has not. A look at our balance of trade reveals that our deficit in fish products has dramatically increased since passage of the 200-mile zone. In 1975, prior to passage of the act, that deficit was $1.3 billion. Today, it stands at over $2 billion. And, unless we both promote exports and gain a greater share of our own market, this deficit will continue to grow year after year.

Our New England fishermen, faced with strict quotas on groundfish and the administration's refusal to impose countervailing duties on imported fish, have become increasingly frustrated by the lack of support they receive from their own Government. Just last month, the fishermen of Portland blockaded their own harbor in protest of subsidized Canadian fish which is being dumped on docks from Maine to Massachusetts.

The New England S–K proposals will begin to address this problem. They seek to expand both foreign and domestic markets for American fishermen, and they hope to promote markets for the so-called underutilized species in order to relieve some of the pressure on traditional groundfish stocks such as cod, haddock and yellowtail flounder.

If we are to capitalize on the opportunities available as a result of the 200-mile zone, then this program deserves our immediate attention. If we are to reduce our trade deficit and control inflation, then we should support early funding of these projects.

The pending request for deferral would effectively close out the possibility of funding these projects in this fiscal year. I understand that the Office of Management and Budget has apportioned the funds remaining after the deferral for NMFS base operations, a tuna development project and one-time carryover items. No funds, however, would be available for the projects approved by NMFS totalling some $5 million.

Unfortunately, the administration has also announced its intent to propose legislation which would abolish the S–K fund in fiscal year 1980. Just as we are beginning to make progress on devising a sound strategy for the development of our domestic fishing industry, we cannot afford to eliminate a major source of Federal support. I am hopeful that the strong support for this resolution in the Senate will encourage the administration to reconsider this proposed legislation.

Mr. President, this resolution will provide the funds necessary to move forward toward the development of a viable domestic fishing industry. I urge its adoption.●

● Mr. GRAVEL. Mr. President, I am pleased to submit along with Senator Kennedy a resolution designed to make funds available for the development of the U.S. fishing industry. This resolution is intended to direct the Office of Management and Budget to release several million dollars to various fishery development projects affecting all coastal States, especially my State of Alaska. The resolution has wide bipartisan support and I am pleased to join Senator Kennedy today in its introduction.

The purpose of this disapproval resolution is to require OMB to release money which has already been collected and deposited in the Saltonstall/Kennedy fisheries development account. The money has been there awaiting disbursement since early 1978, but due to numerous delays and setbacks it has not yet been released. Passage of this resolution will compel that long overdue release.

The development of the fishing potential off our American coasts is an endeavor which has been neglected far too long. While the U.S. fishing industry remains in many ways in a state of infancy, other fishing nations are decades ahead of us in fisheries capturing, processing, and marketing capabilities. These foreign nations have been so successful in their development efforts that they not only have moved toward full utilization of their own 200-mile fishing zones but can be found in force off our American coasts as well. I believe that the hour is now upon us when the United States should direct serious attention to the treasure trove of fishery resources off our shores.

The Saltonstall/Kennedy Fisheries Development Fund was created in 1954 for the express purpose of fostering this much-needed oceanic development. Twenty-one projects have currently been chosen for funding, each of which is designed to encourage the full and more efficient utilization of the American fishery resource. Of the approximately $6 million available for these 21 projects, the Alaskan project was allotted $1.45 million for a pilot project designed to provide basic fisheries catching, processing and marketing information regarding bottom fishing. Collection and distribution of this information is considered an essential prerequisite to the encouragement of wide participation in the fishing of underutilized species.

The benefits of such an expanded ocean fishery would be manyfold. Probably the most significant would be the sizable contribution such a new fishery would provide toward helping to correct the large deficit in the Federal budget. At present there exists an annual $2.1 billion trade deficit attributable to fisheries imports alone. The development of the U.S. fisheries potential just off the coast of Alaska could not only eliminate this deficit situation but might actually create a favorable export surplus in fisheries products. Additional obvious benefits would be the creation of jobs, the development of a major new source of protein and a general stimulation of the economy.

These numerous benefits, however. will only be realized when a number of existing unknowns in these new fishing activities can be eliminated. Since a substantial portion of the potentially exploitable fishery in the U.S. 200-mile zone involves species which Americans have heretofore largely ignored, a major impediment to fisheries development in the United States is the lack of basic knowledge and technical know-how on the part of fish harvesters and fish processors with these underutilized species.

Unlike large multinational corporate entities with annual allotments for continuing research and development, the U.S. fishing industry is a highly fragmented and loosely organized collection of mostly small companies. They lack sufficient financial reserves and centralization to undertake major development projects on a comprehensive scale. Assistance from programs like the Saltonstall/Kennedy Development Fund is absolutely essential to their continued expansion and development. Pilot projects such as these provide the vital economic information which lending institutions require to extend investment capital and which fish processing companies and fishermen must have to make planning decisions.

For Americans—investors, processors and fishermen alike—to take advantage of these new fisheries opportunities, much basic information is still required. The projects contemplated for funding by the Saltonstall/Kennedy Fisheries Development Fund are designed to provide some of the answers to these fundamental questions.

Therefore, Mr. President, I believe a significant first step in promoting the development of the U.S. fishing industry can be the passage of this disapproval resolution. The passage of the 200-Mile Fishing Act in 1976 set the stage for America's entry into the fishing industry on a large and competitive scale. Passage of fisheries development measures such as this resolution of disapproval will insure that the momentum begun by the Fishery Conservation and Management Act will be sustained and that the United States will realize the great potential which full utilization of the resources of our coastal fishing zone can provide.

Mr. President, as a final note, I would like to draw your attention to an article entitled, "U.S. Fishermen Gear Up For a Haul Off Alaska" which appeared in the January 29, 1979 issue of Fortune magazine and I would ask unanimous consent that the text of the article appear at this point in the Record. Thank you, Mr. President.

There being no objection, the article was ordered to be printed in the Record, as follows:

U.S. Fishermen Gear Up for a Haul Off Alaska

(By Grant F. Winthrop)

Heeding the exhortation of Alaska's state motto, "North to the Future," many Americans have ventured there to claim a share of its gold, oil, and other natural riches. Now a new boom may be in the making. This time the lure is fish, billions of pounds of them that swim far off Alaska's coastline. They became part of Alaska's natural-resource wealth in 1977, when the U.S. expanded its twelve-mile fishing zone to 200 miles. The worldwide demand for fish as a source of food is great and growing. When the fishing industry in the Pacific Northwest starts catching and processing the bounty in the eastern Bering Sea and Gulf of Alaska, as it is preparing to do, the U.S. deficit in seafood trade—$2.1 billion in 1977, 8 percent of our total trade deficit—could be greatly diminished or even wiped out.

The prospects have brightened not only for U.S. fishing but for U.S. fish processing—thanks to protectionist legislation passed by Congress last August. The man who instigated much of that lobbying effort—C. Reid Rogers, chairman of Seattle's New England Fish Co.—is bursting with enthusiasm over what the new legislation, coupled with the 200-mile limit, could mean to his industry. Says Rogers: "We have before us the opportunity to develop a major new U.S. food resource."

That resource is bottom fish, a broad category that includes such fish as perch, cod, and pollack. Rogers' company and other U.S. seafood companies that do business in Alaska are building bigger, better boats, expanding processing plants, and exploring new markets—in order to catch, freeze, and sell those bottom fish.

U.S. bottom fishing in the northern Pacific area has up to now been a small-scale business. American fishermen in those waters have concentrated on species such as salmon and crab, which are caught in relatively low volume but fetch much higher prices than bottom fish. It is not unusual for the captain of an Alaska crab vessel to make over $150,000, and his crew over $60,000 apiece, for a season's work. But the growing number of crab fishermen putting to sea has led to a contraction of the season in order to conserve stocks, and many crab fishermen are turning these days to bottom fishing.

ALLOCATING THE LEFTOVERS

Saturation of the crab fishery is only one factor in the emerging interest in bottom fishing. More important, American fishermen, who have traditionally left the northern Pacific bottom fishery to foreigners—especially to Russians, Japanese, and Koreans, with their huge, sophisticated factory fleets—now have preference over these fleets within 200 miles of the U.S. coast. Within that wide offshore band, subject to conservation limits imposed by the Commerce Department's National Marine Fisheries Service (NMFS), U.S. fishermen may catch as much as they want before foreigners are allowed to fish there at all. The new law, which became effective in March of 1977, put under U.S. jurisdiction an area three times larger than the Louisiana Purchase, containing an estimated 20 percent of the world's seafood resources.

The law was designed in part to protect these vast resources, some of which were being depleted by intensive foreign fishing off our shores. It provided for regional fisheries councils, whose job is to determine how much of each species can be caught in the various fishing regions without endangering stocks. American fishermen are allowed to catch any amount of fish within those quotas. Anything left over can then be allocated by the State Department to foreign fleets. The allocations, as it turns out, may have given the U.S. government some new leverage when it comes to negotiating tariff restrictions on seafood in other countries.

The U.S. industry has a way to go before it can catch up with advanced fishing nations like Japan and West Germany, but the 200-mile law has been a compelling investment incentive in New England, where the effects of foreign competition were particularly onerous, waning coastal cities like Gloucester and New Bedford have been considerably rejuvenated. Fishermen are more prosperous, and the pace of shipbuilding has quickened.

But East Coast fishermen are now running up against the conservation provisions in the law. "When the 200-mile limit came in, everybody said, 'Oh boy, the lid's off,'" says Henry Lyman, a member and former chairman of the New England Regional Fishery Management Council. "What they forgot was that the stocks were already far down from overfishing." The New England council has imposed strict catch quotas and is considering limiting the number of new fishing boats in that area. As a consequence, the revival of the East Coast fishing industry seems limited.

But the opportunities in the northern Pacific region appear almost boundless. Most species of fish in that area are still plentiful. In 1977, Americans caught only 300,000 metric tons of fish and crab off Alaska, about 20 percent of what foreigners netted, so the potential for growth is vast.

Of all the species of fish in the northern Pacific waters, the most abundant by far is Alaska pollack, a high-quality whitefish that is adaptable to many uses. Pollack is not the sort of fish that can be found in the local fishmarket's freezer, but it is widely consumed in the U.S. in fish sticks and other frozen items. It is heavily fished by foreign fleets, especially Japan's, and some American fishermen are gearing up to catch it and supply it to world markets. "The pollack resource in Alaska is enormous," says Terry Leitzell, head of the NMFS. Well over a million metric tons a year are being harvested, mostly by foreigners. To put that in perspective, only 45,000 metric tons of cod and haddock are harvested annually in New England.

Japan, the world's leading fishing nation, is also the major pollack-catching and consuming nation. Most of the pollack consumed there is made into *surimi*, a sort of paste made from ground-up flesh of whitefish. *Surimi* is then made into a variety of different foods that are the equivalent of meat products like bologna, sausage, and salami in this country. *Surimi* and its derivatives are a staple of the Japanese diet.

With the proliferation of 200-mile zones around the world, Japan, like other nations with distant-water fleets, has been put on allocation in many fishing areas. It is increasingly dependent on imports of seafood from other nations, including the United States, which became a net exporter of fish and fish products to Japan in 1977, with $215 million worth of seafood exports, mostly salmon and crab. That number would be multiplied several times if the United States were catching and selling to Japan all the pollack Japan now harvests in U.S. waters. (Last year, the State Department's pollack allocation to Japanese fishermen in the north Pacific was 800,000 metric tons.)

LOSING THE "AURA OF PENANCE"

Seafood consumption in the U.S. is small in comparison with Japan's: Americans eat only thirteen pounds a year per capita vs. fifty-six pounds for the average Japanese. But the domestic market is growing. According to the National Fisheries Institute, per capita consumption of fresh and frozen fish in the U.S. has increased 34 percent in the past ten years. "There has been a change in national attitudes toward fish," says Thomas A. Fulham of Fulham and Maloney Co., Inc., a Boston fish company. Fulham believes that "the turning point came when the Catholic Church changed the dietary laws about eating fish on Fridays." After that, he says, fish lost its "aura of penance." Concern about nutrition and calories has also converted lots of red-meat lovers in the U.S. to seafood.

One of the fastest-growing segments of the U.S. market is whitefish—e.g., pollack and cod—most of which is imported and accounts for a sizable portion of that $2.1-billion seafood balance-of-trade deficit. Whitefish fillets are becoming increasingly popular as a fast-food item: McDonald's "Filet-O-Fish," for example, is a brisk seller. The restaurants, fast-food chains, and institutions that serve whitefish have generally used cod, but today they are increasingly using pollack. Many of the fish sticks and other frozen-fish portions sold in supermarkets consist of pollack. One of the largest purveyors of such items is Mrs. Paul's Kitchens in Philadelphia, which buys some 50 million pounds of frozen pollack a year, most of it from Korea, which in turn gets much of its pollack from within the U.S. northern Pacific fishing zone. It is the prospect of keeping more of this business for the U.S. industry that has fishermen and processors in the northern Pacific so excited.

CHANGE FOR A SALMON CANNER

The company that has been at the forefront of efforts to capture the growing bottom-fish market is New England Fish Co. (Nefco), one of the largest independent fish companies in the United States. Nefco sells fresh and frozen fish, canned and processed seafood, and seafood products—$122 million worth in its fiscal year that ended last March. The business was founded over a century ago in Gloucester (which explains its name), but moved its headquarters to Seattle in 1931. There its main activity until recently has been canning salmon, a business that took a tailspin in 1974 and almost brought about the company's demise. Chairman C. Reid Rogers is still picking up the pieces, but he believes that bottom fishing will be his company's salvation.

Though Nefco has not prospered under Rogers's stewardship, he has been praised for having seen the vast potential in bottom fishing. As Rogers explains it, "I decided it was the best way to get this company on a stable basis, away from seasonal products and into products with a 365-days-a-year supply.

But the 200-mile-limit legislation by no means assured U.S. processors an adequate supply. In fact, at about the time the law was passed, word got around that some Korean fish buyers were up in Kodiak lining up Americans to fish for them. The Koreans were looking to set up joint ventures in which American fishermen would sell their catch on the high seas to Korean factory-processing ships. The Koreans, as well as the Russians, submitted applications for such joint ventures to the Commerce Department.

Naturally, that was unwelcome news for Nefco, which was itself hoping to process the bottom fish. To head off the foreign encroachment, Rogers enlisted the help of Edward W. Furia, thirty-seven, whom he had hired in late 1976 as a consultant for Nefco. Furia is a lawyer, a former Environmental Protection Agency official, and a lobbyist with considerable persuasive powers. As he viewed the situation, the problem was that "foreign factory ships, with no minimum wage and no OSHA and EPA regulations to comply with, could have outbid American processors."

The linchpin of Furia's campaign was an alliance he forged between two traditionally antagonistic groups—fishermen and processors. Furia went to Kodiak and, after a seven-hour meeting on the docks, persuaded the United Fishermen's Marketing Association lend its support to the effort. Though the fishermen might have gotten higher prices for their catch from foreigners, they were concerned about relying too heavily on the floating foreign factories that could, after all, sail away at any time.

BOON FOR COASTAL TOWNS

After several months of public hearings, the Commerce Department announced a policy of giving U.S. processors a right of first refusal for the catch of U.S. fishermen. Foreigners could buy fish caught by Americans only if U.S. processors didn't want them or lacked the capacity to process them—regardless of whether the foreign buyers were willing to outbid domestic processors. The victory was short-lived, however, because the Commerce Department eventually concluded that it lacked the legal authority to issue such regulations. Furia and other industry spokesmen then took their fight to Congress, with a flurry of arguments showing that processor-preference legislation would be salubrious for U.S. coastal towns and for the U.S. trade deficit. They succeeded in mobilizing powerful support, and last August, President Carter signed legislation giving U.S. processors the kind of preference they wanted.

Now that they have first crack at all the fish caught by Americans, the processors are seeking to enlarge their markets. To that end, the federal government is pressing countries like Japan to lower tariffs and other barriers to U.S. seafood exports. The Japanese do not import any pollack caught by Americans, and they have high tariffs on such things as crab, pollack roe, herring roe, and canned shrimp.

A PUSH FROM THE STATE DEPARTMENT

The effort to reduce trade barriers appears to be paying off. Last month, after lengthy negotiations, Japan agreed to consider slashing duties on more than ten seafood products by 40 percent or more. Now the State Department is pressing Japan to open its door to pollack sales. "We are proceeding slowly to determine if we can use our power to allocate fish to some economic advantage to the United States," says John D. Negroponte, Deputy Assistant Secretary of State for Oceans and Fisheries Affairs—the man in charge of fish allocations to foreign countries. "In the case of pollack, the Japanese have the import restrictions and they get a large quota from our zone. We're pressing them hard on this, telling them they are jeopardizing the good will of the United States on fisheries concessions."

Even before the processor-preference act was signed. Nefco had begun to cash in on the 200-mile-limit legislation. Last June, the company closed a $100-million deal to sell processed seafood to Japan's Mitsubishi International over the next three years, and it is working on other deals with the Japanese.

But Nefco will have to put its financial house in order before it can invest all Rogers would like to in bottom fishing. An earlier ill-conceived expansion and diversification program coincided with the salmon debacle, leaving the company's capital structure top-heavy with debt. Reid Rogers has recently installed a new president, Peter N. Rogers (no relation), who was brought in last September from Standard Brands, where he was head of the consumer-products division. The new Rogers has to pare the debt down to manageable levels before he can begin raising the $40 to $50 million Nefco estimates it needs for new ships, plants, and equipment.

Meanwhile, the company is wading into bottom fishing. Later this winter, it will be sending to Alaska a 110-foot trawler fitted out for year-round high-seas bottom fishing. The trawler will bring in pollack, among others species, to Nefco's Gibson Cove plant on Kodiak Island, where German-made bottom-fish filleting machinery has recently been installed. Nefco's development officer, John B. Harris, has assisted NMFS in fashioning a frankfurter that contains about 30 percent pollack and is higher in protein than the standard all-beef variety. The hot dog will be served in school lunch programs in Seattle next year. Harris adds, with a nod toward the Japanese market, "We know exactly how to make *surimi*."

A SKEPTIC AT MRS. PAUL'S

To be sure, there are still obstacles in the way of full development of the U.S. bottom fishery in the northern Pacific. Nefco estimates that the industry will ultimately need $1 billion in capital for vessels and another billion for new plants. Whether that investment will be made depends on whether the U.S. fishing industry is truly competitive with foreign suppliers. Nothing in the new law compels independent processors or U.S. consumers to "buy American." None other than Edward Piszek Sr. president of Mrs. Paul's, is avowed, skeptical that the U.S. industry can supply, at competitive prices, the kind of frozen fish blocks his company buys. "We'd be happy to buy from Americans if they were competitive," says Piszek. "But with the cost of labor in Alaska so high, I don't think they can do it." Finally, some people wonder if American fishermen will be sufficiently motivated by the relatively low value of pollack to want to fish for it.

Nonetheless, U.S. bankers are anxious to share in the bounty created by the 200-mile limit, and are interested in supplying capital for expansion. Somewhat ironically, moreover, Japanese trading companies are providing assistance for expansion of U.S. plants in return for a guaranteed supply of processed seafood.

Fish processors like Nefco admit that it will take time before they can offer the blocks of frozen fish Mrs. Paul's buys, at a price competitive with the Koreans. That particular business is highly labor-intensive. For starters, Nefco will concentrate on developing markets for individually frozen fillets, which are produced with a lower labor component. But over the long run, the processors point out, the cost of labor in Asia should rise relative to U.S. costs, and the new American processing plants going up will be highly automated. As for the incentive for fishermen to enter the bottom fishery, Nefco's Harris reports that the company is being approached by an increasing number of fisherman volunteering to bottom fish. Owners of crab vessels have an estimated $100 million on hand for new vessel construction. With the crab fishery nearing saturation, that money is already going into new boats that have the capability to catch crab but are also outfitted for bottom-fish trawling.

The U.S. bottom-fishing industry won't catch up with its foreign competition overnight, since it is very late in crossing the starting line. Industry and government prognosticators believe it will take two decades for Americans to develop the markets, the fleets, and the processing capacity to keep all those pollack off Alaska for themselves. But if U.S. industry can meet the challenge, northern Pacific ports like Sitka, Ketchikan, Kodiak, and Cordova will become as prominent as Gloucester and New Bedford were at the turn of this century, when the East Coast fishing industry was in its heyday.●

● Mr. MAGNUSON. Mr. President, I join today with a bipartisan group of colleagues to submit a resolution disapproving the deferral of funds collected under the Saltonstall-Kennedy Act. This deferral hinders the efforts of the American fishing industry to begin harvesting and marketing the extensive fishery resources within the 200-mile fishery conservation zone established by the Fishery Conservation and Management Act of 1976. The deferral brings to a halt agency-approved projects designed to assist American fishermen in developing the capacity to fully exploit these fisheries.

The potential value to the American economy of fisheries resources with the 200-mile zone is immense. A recent study commissioned by the Department of Commerce concludes that American fishermen have access to about 3 million metric tons more fish than they currently harvest. Presently most of this fish is caught by foreign fleets and sold back to the United States as imported products. Imported products account for over 75 percent of the U.S. white-fleshed fish product market and contribute to the annual $2-billion negative balance to payments for fish products. Consequently, support for the American fishing industry's attempts to recapture available resources and markets is consistent with efforts to reduce the U.S. trade deficit and to control inflation. I believe we must encourage the American fishing industry's revitalization and growth.

The Saltonstall-Kennedy fund was established in 1954 to promote the free flow of domestically produced fishery products. The National Marine Fisheries Service (NMFS), the administrator of the fund, recently prepared a nationwide list of projects which would assist the fishing industry in developing presently underutilized species and in entering foreign markets. These projects, including the activities of development groups seeking to exploit underutilized species in Puget Sound and Alaska, have been delayed by the deferral of Saltonstall-Kennedy revenues. Early funding of the projects is necessary if U.S. fishermen are to compete successfully with foreign fishermen within our 200-mile zone. I urge the Congress to act favorably upon this resolution.●

● Mr. MUSKIE. Mr. President, I am pleased to join with my colleagues Senators KENNEDY, MAGNUSON, HOLLINGS, GRAVEL, STEVENS, CRANSTON, JACKSON, TSONGAS, WEICKER, HATFIELD, INOUYE, PELL, CHAFEE, MATSUNAGA, PACKWOOD, HAYAKAWA, and COHEN in introducing a resolution to disapprove the deferral of funds under the Saltonstall-Kennedy fisheries development program.

The development activities financed under the program are of tremendous value to our fishermen, particularly at this time when our industry is moving toward the utilization of new resources available under the 200-mile fishing limit.

In Maine and throughout New England, these funds are directed particularly toward underutilized or nontraditional species such as squid, mackerel, and whiting. Major foreign markets exist for many species not traditionally harvested by our domestic fleets. Fisheries development programs hold the promise of reducing the pressure on heavily exploited traditional species such as cod and haddock, revitalizing our fishing industry—from harvesting to processing and marketing—and improving our overall foreign trade balance by creating a new export market.

I urge my colleagues to join in supporting this resolution.●

SENATE RESOLUTION 51—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FINANCE

Mr. LONG, from the Committee on Finance, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 51

Resolved, That the Committee on Finance is authorized to expend from the contingent fund of the Senate, during the Ninety-sixth Congress, $30,000 in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946.

SENATE RESOLUTION 52—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FINANCE

Mr. LONG, from the Committee on Finance, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 52

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Finance is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,300,000, of which amount not to exceed $200,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 53—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON APPROPRIATIONS

Mr. MAGNUSON, from the Committee on Appropriations, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. Res. 53

Resolved, That the Committee on Appropriations is authorized to expend from the contingent fund of the Senate, during the Ninety-sixth Congress, $400,000 in addition to the amount and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946.

SENATE RESOLUTION 54 AND SENATE RESOLUTION 55—SUBMISSION OF RESOLUTIONS OF DISAPPROVAL WITH RESPECT TO ENERGY ACTIONS 3 AND 4

Mr. JACKSON submitted the following resolutions, which were referred to the Committee on Energy and Natural Resources:

S. RES. 54

Resolved, That the Senate does not favor the energy action numbered 3 transmitted to Congress on January 31, 1979.

S. RES. 55

Resolved, That the Senate does not favor the energy action numbered 4 transmitted to Congress on January 31, 1979.

● Mr. JACKSON. Mr. President, yesterday the President's proposals to exempt aviation gasoline and kerosene-base jet fuel from mandatory price and allocation regulations were transmitted to the Congress. These proposals are submitted under authority granted to the President by section 12 of the Emergency Petroleum Allocation Act of 1973 and pursuant to procedures for congressional review specified in section 551 of the Energy Policy and Conservation Act. Section 551 provides that an "energy action"—for example, any rule exempting a particular oil or refined petroleum product from price or allocation regulations—becomes effective at the end of a 15-day period beginning the day after transmittal to Congress unless either House passes a resolution of disapproval with respect to such action. Today is the first day of the 15-day period. Excluded from computation of this period are those days during which the Senate or the House is in recess for longer than 3 calendar days. Therefore, assuming that both the House and Senate are in session on Friday, February 9, and return from the February recess on Monday, February 19, the period of congressional review for energy actions 3 and 4 will expire on midnight, February 24.

These energy actions propose the exemption from price and allocation controls of aviation gasoline and kerosene-base jet fuel. Aviation gasoline is a petroleum fuel for piston-engined aircraft used primarily by general aviation—business, corporate, and personal travel, sport flying and air taxi, rental and commuter airline consumption. Refiner sales of aviation gasoline for the first half of 1978 amounted to 262 million gallons (or about 34,000 barrels per day). Additional information concerning the market for aviation gasoline is contained in the "Findings and Views Concerning the Exemption of Aviation Gasoline from the Mandatory Petroleum Allocation and Price Regulations" published by the Department of Energy (DOE/ER-0024).

Kerosene-base jet fuel is the fuel employed by the domestic and international airlines. Energy actions 3 and 4 relate primarily to civilian use of jet fuel. Military jet fuels were exempted from mandatory controls in 1976 by the energy action mechanism. Kerosene-based jet fuel demand was 838,000 barrels per day for the first half of 1978—just over 4 percent of U.S. petroleum consumption. "Findings and Views Concerning the Exemption of Kerojet Fuels from the Mandatory Petroleum Allocation and Price Regulations" (DOE/ER-0023) presents the Department's detailed analysis of the case for decontrol of kerojet fuel.

Today I am submitting resolutions of disapproval with respect to energy actions 3 and 4. I believe that the justification for decontrol deserves careful study. In the event that any Member of the Senate decides that disapproval of these proposals is warranted, these resolutions can serve as the legislative vehicles for congressional review as contemplated in the Energy Policy and Conservation Act.

Mr. President, I ask unanimous consent that the texts of the DOE letter of transmittal and the proposals submitted with respect to energy actions 3 and 4 be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF ENERGY,
Washington, D.C.

Hon. WALTER F. MONDALE,
President of the Senate

DEAR MR. PRESIDENT: Under the authority which the President delegated to me in Executive Order No. 12038 (43 FR 4957, February 7, 1978) I am hereby submitting to the Senate, as DOE Energy Action No. 3, an amendment exempting aviation gasoline and kerosene-base jet fuel from the Mandatory Petroleum Allocation Regulations. I am also hereby submitting to the Senate DOE Energy Action No. 4, an amendment exempting aviation gasoline and kerosene-base jet fuel from the Mandatory Petroleum Price Regulations. These actions are taken pursuant to and in accordance with the procedures of section 12 of the Emergency Petroleum Allocation Act of 1973, as amended (EPAA, Public Law 93-159), section 551 of the Energy Policy and Conservation Act (EPCA, Public Law 94-163), and section 102 of the Energy Conservation and Production Act (Public Law 94-385). In accordance with those statutes, I am concurrently submitting these energy actions to the House of Representatives.

The findings and views to support these amendments, which section 12 of the EPAA requires, are set forth in the enclosed documents, the Findings and Views Concerning the Exemption of Aviation Gasoline from the Mandatory Petroleum Allocation and Price Regulations and the Findings and Views Concerning the Exemption of Kerojet Fuels from the Mandatory Petroleum Allocation and Price Regulations.

In view of the period of Congressional review provided for by section 12 of the EPAA and section 551 of the EPCA, the enclosed amendments will not become effective until the first day following the expiration of the fifteen-day Congressional review period. Recently the Department of Energy adopted Standby Product Price and Allocation Regulations (44 F.R. 3928, January 18, 1979) that provide for the reimposition by the Department of controls on refined petroleum products in the event of a fuel emergency. In case of such an emergency, controls on aviation gasoline and kerosene-based jet fuel could be reimposed through the procedures and in the form set forth in the new standby regulations.

Sincerely,

JAMES R. SCHLESINGER
Secretary.

[Docket No. ERA-R-78-5]

[Docket No. ERA-R-78-6]

TITLE 10—ENERGY

CHAPTER II—DEPARTMENT OF ENERGY

Part 210—General allocation and price rules
Part 211—Mandatory petroleum allocation regulations

(Exemption of Kerosene-Base Jet Fuel and Aviation Gasoline from the Mandatory Petroleum Allocation Regulations)

Agency: Economic Regulatory Administration, Department of Energy.

Action: Final Rule.

Summary: The Economic Regulatory Administration (ERA) of the Department of Energy (DOE) is amending 10 CFR Parts 210 and 211 to exempt kerosene-base jet ("kerojet") fuel and aviation gasoline from its Mandatory Petroleum Allocation Regulations. This exemption amendment has been transmitted to the Congress as DOE Energy Action No. 3 under the procedures set forth in the Energy Policy and Conservation Act which provide for a fifteen-day review period. In connection with its exemption of kerojet fuel and aviation gasoline from the allocation regulations, the ERA is issuing concurrently with this rule a separate amendment exempting kerojet fuel and aviation gasoline from the Mandatory Petroleum Price Regulations. Both exemptions will become effective on the first day following the expiration of the fifteen-day Congressional review period. We are also issuing two documents entitled Findings and Views Concerning the Exemption of Kerojet Fuels from the Mandatory Petroleum Allocation and Price Regulations and the Findings and Views Concerning the Exemption of Aviation Gasoline from the Mandatory Petroleum Allocation and Price Regulations ("Findings"). The Secretary of Energy (the "Secretary") is submitting both amendments and the Findings to the Congress for review.

Effective date: The first day following the expiration of the fifteen-day Congressional review period.

For further information contact:

Bill Webb (Office of Public Information) 2000 M Street, N.W., Room B110, Washington, D.C. 20461, (202) 634-2170.

Gerald P. Emmer or William E. Caldwell, (Economic Regulatory Administration), 2000 M Street, N.W., Room 2304, Washington, D.C. 20461, (202) 254-8034.

Jóel M. Yudson or Jack O. Kendall, (Office of General Counsel), 1200 Pennsylvania Avenue, N.W., Room 5134, Washington, D.C. 20461, (202) 633-8622.

Supplementary Information: I. Background, II. Comments Received, III. Findings and Views, IV. Standby Authority.

I. BACKGROUND

On February 12, 1978, the Economic Regulatory Administration (ERA) of the Department of Energy (DOE) issued advance notices of proposed rulemaking and public hearing on kerojet fuel deregulation (43 FR 6959, February 17, 1978) and aviation gasoline deregulation (43 FR 6962, February 17, 1978). We concurrently issued two documents entitled Preliminary Findings and Views Concerning the Exemption of Kerojet Fuels from the Mandatory Petroleum Allocation and Price Regulations and Preliminary Findings and Views Concerning the Exemption of Aviation Gasoline from the Mandatory Petroleum Allocation and Price Regulations ("Preliminary Findings"). The advance notices were issued to obtain public comment on the Preliminary Findings for the purpose of whether the ERA should initiate rulemaking proceedings proposing the exemption of kerojet fuel and aviation gasoline from the price and allocation regulations.

The comments submitted in response to the advance notices generally supported our Preliminary Findings. Therefore, on June 22, 1978 we concurrently issued notices of proposed rulemaking on kerojet fuel deregulation (43 FR 27974, June 27, 1978) and aviation gasoline deregulation (43 FR 27976, June 27, 1978).

The comments and statements in response to the advance notices enabled us to prepare the Findings in support of exempting kerojet fuel and aviation gasoline.

Section 402(c)(1) of the Department of Energy Organization Act (DOE Act, Public Law 95-91) requires the FERC to consider any proposal by the Secretary to amend any regulation under section 4(a) of the Emergency Petroleum Allocation Act, as amended (EPAA, Public Law 93-159), when either section 8 or section 12 of the EPAA requires the President to transmit the proposal to each House of Congress for its review under section 551 of the Energy Policy and Conservation Act, as amended (EPCA, Public Law 94-163).

Under this statutory provision, the Secretary forwarded to the FERC by letter dated June 22, 1978, the proposed amendments to exempt kerojet fuel and aviation gasoline from both the Mandatory Petroleum Allocation Regulations and the Mandatory Petroleum Price Regulations.

The FERC published a notice of public hearing (43 FR 29298, July 7, 1978) and conducted its hearings concerning the proposed exemptions of aviation gasoline and kerojet fuel on August 1 and 3, 1978, respectively. In addition, the FERC accepted written comments through August 11, 1978. The FERC's hearings transcripts, the written comments, the transcripts of the ERA hearings of March 22, 1978 and March 23, 1978, the ERA's findings, and the earlier comments submitted to the ERA were the basis of the FERC's subsequent deliberations on kerojet fuel and aviation gasoline deregulation.

By letter of September 6, 1978, the FERC responded to the Secretary, advising him of its preliminary conclusions and that unless by noon, September 8, 1978 the Secretary were to inform the FERC that he wished to consult on any matter addressed in the letter, the FERC would forward to the Secretary a further letter stating its concurrence in the proposals without formal recommendations. The Deputy Secretary responded on September 11, 1978, stating that in light of the fact that the FERC's concurrence in the amendments proposed by the Secretary would not be subject to any binding recommendations within the meaning of section 404(b) of the DOE Act, no further consultation beyond the exchange of letters would be necessary. The FERC, on September 12, 1978, concurred without recommendations in the Secretary's kerojet fuel and aviation gasoline deregulation proposals and on that date issued its Analysis and Recommendations in these matters.

Section 404(c) of the DOE Act provides that the Secretary, following the publication of FERC's recommendations, (1) may issue a final rule in the form initially proposed if the FERC has concurred, (2) may issue a final rule in amended form so that the rule conforms in all respects wth the FERC's recommended changes, or (3) may issue no rule. Inasmuch as the FERC concurred without recommendations, we are issuing the kerojet fuel and aviation gasoline deregulation amendments under section 404(c)(1) of the DOE Act.

Concurrently with the issuance of this amendment exempting kerojet fuel and aviation gasoline from the Mandatory Petroleum Allocation Regulations, we are issuing a separate amendment to exempt kerojet fuel and aviation gasoline from the Mandatory Petroleum Price Regulations. The Secretary is concurrently submitting both amendments for Congressional review, as DOE Energy Actions Nos. 3 and 4, respectively, pursuant to section 551 of the EPCA, and in accordance with section 102 of the Energy Conservation and Production Act, as amended (ECPA, Public Law 94-385), which requires that the DOE submit separate energy actions to the Congress when proposing the exemption of any oil, refined petroluem product, or refined product category from both price and allocation regulations, but does not prohibit concurrent submissions of such separate energy actions. We are combining kerojet fuel and aviation gasoline into one refined product category, as permitted under the definition of that term in section 12(c)(3) of the EPAA. Thus, we are submitting for Congressional review a single energy action for the removal of allocation controls from both kerojet fuel and aviation gasoline and another energy action for the removal of price controls from both products.

II. COMMENTS RECEIVED

A. Advance Notice on Kerojet Fuel Deregulation. The ERA invited written comments on the advance notice concerning kerojet fuel deregulation through March 27, 1978 and held a public hearing in Washington, D.C. on March 23, 1978. Over sixty parties submitted oral and written comments in response to the February 17 advance notice. Those offering comments included major integrated refining companies, large and small independent refining companies, retailers, trade associations, air carriers, consumer groups and governmental representatives.

All of those commenting in response to the advance notice on kerojet fuel recommended that the ERA propose the exemption of kerojet fuel from the allocation and price regulations. This recommendation was based generally upon agreement with our projections as to supply and demand, competition, and other findings and views set forth in the Preliminary Findings. In particular, there was widespread agreement that competition and market forces are adequate to protect consumers following the exemption of kerojet fuel from regulation. Many commenters expressed the opinion that deregulation would enhance competition in all sectors of the kerojet fuel market.

Retailers indicated that there may be kerojet fuel price increases in certain regions by fixed base operators to reflect increased non-product costs. Refiners generally agreed with our projections in the Preliminary Findings that while regional price increases may occur as both refiner and retailer non-product cost increases are fully passed through on the volume of product on which they are incurred, these regional increases should be offset in part by reductions in other regions.

The airline industry and, in particular, the Air Transport Association, generally recommended the establishment of a mechanism, similar to the proposed Special Rule No. 4 for motor gasoline (See 42 FR 40915, August 12, 1977), to assure airlines a source of kerojet fuel supply during the transition period following deregulation. The airline industry also favored the establishment of a price monitoring system, without a pre-set index or "trigger," coupled with a formal procedure which would require the ERA to take action on an air carrier's complaint of discriminatory treatment with regard to pricing or supply of kerojet fuel. Other commenters were nearly unanimously opposed to both recommendations.

B. Advance Notice on Aviation Gasoline Deregulation. The ERA invited written comments on the advance notice concerning aviation gasoline deregulation through March 27, 1978 and held a public hearing in Washington, D.C. on March 22, 1978. Forty-six parties submitted oral and written comments in response to the February 17 advance major integrated refining companies, large and small independent refining companies, retailers, trade associations representing consumers, and governmental representatives.

All of those commenting in response to the advance notice on aviation gasoline recommended that the ERA propose the exemption of aviation gasoline from the allocation and price regulations. This recommendation was based generally upon agreement with our projections as to supply and demand, competition, and other findings and views set forth in the Preliminary Findings. As in the hearing on kerojet fuel, there was agreement that competition and market forces are adequate to protect consumers following the exemption of aviation gasoline from regulation. Many commenters expressed the opinion that deregulation would enhance competition in the aviation gasoline market.

In general, retailers concurred with the Preliminary Findings that there will be only minor pressure to increase prices of aviation gasoline as a result of deregulation. Retailers indicated, however, that fixed base operators in certain regions may increase prices to reflect localized increased non-product costs. Refiners generally agreed with our projections in the Preliminary Findings that, while regional price increases may occur as both refiner and retailer non-product cost increases are fully passed through on the volume of product on which they are incurred, these regional increases should be offset in part by reductions in other regions.

C. FERC Comments Received on Kerojet Fuel and Aviation Gasoline Deregulation. The FERC invited written comments on the ERA's proposals to exempt kerojet fuel and aviation gasoline through August 11, 1978 and held a public hearing on aviation gasoline on August 1, 1978 and a public hearing on kerojet fuel on August 3, 1978. Four parties commented orally on the aviation gasoliine proposal and seven parties so commented on the kerojet fuel proposal. The FERC also received fifty-one written comments. Those offering comments on the deregulation proposals included major integrated refining companies, large and small independent refining companies, retailers, trade associations, air carriers, and governmental representatives.

None of the oral or written comments to the FERC expressed opposition to the deregulation of either aviation gasoline or kerojet fuel. There were, however, some suggestions for modifications. A large majority of the written comments expressed support for the proposal without further elaboration. A few commenters provided additional factual material or added analysis to supplement the ERA's Findings.

In its September 6 letter to the Secretary the FERC indicated that, after reviewing the comments, it found two areas of particular concern. The first related to the possibility that spot shortages of the aviation fuels may occur. This concern apparently stemmed from the July 26, 1978 letter from the Energy Planning Division of the Montana Department of Natural Resources and Conservation to the FERC which indicated that, although the supply of aviation products had appeared sufficient in the spring of 1978, new fixed base operators and small, established fixed base operators were currently experiencing difficulty in obtaining supplies. Adequacy of supplies for forest fire fighting and other emergency situations was expressed as being of immediate concern. Comments from the organizations representing fixed base operators and other marketers did not express such concern over supply availability. The FERC requested the Secretary to consider the possibility of a transitional supply protection program, more limited in scope than proposed Special Rule No. 4 for motor gasoline, applicable to only certain regions of the country. In this connection, the comments submitted to the FERC by the commercial airlines repeated the recommendation made to the ERA that a mechanism be established to provide airlines adequate sources of supply of kerojet fuel during the transition period following deregulation. The airlines, despite their desire for a transitional supply protection program, supported the exemptions in any event.

The FERC's second concern related to price monitoring. The substance of the FERC's suggestion in this regard—that we set forth the means by which we intend to monitor aviation fuel prices after deregulation—is dealt with in the preamble to the amendment exempting kerojet fuel and aviation gasoline from the price regulations.

After carefully considering all the comments, we have concluded that the initial view that kerojet fuel and aviation gasoline should be exempted from regulations is correct. No information or data were presented which meaningfully alter the ERA's conclusions in its Findings.

Our analysis indicates that when free market forces emerge following kerojet fuel and aviation gasoline deregulation, supply problems will be minimized. We project adequate supplies of kerojet fuel and aviation gasoline at least through 1980. As we have done with respect to products previously deregulated, we will continue to collect supply data pursuant to our general statutory authority to receive such information. The supply data collected by the Energy Information Administration will enable us to detect any significant supply problems which may develop following deregulation.

Based on our projections concerning supplies of kerojet fuel and aviation gasoline and the demonstrated ability of airlines to cope with supply problems, we conclude that it is not necessary to establish a mechanism to assure airlines a source of kerojet fuel supply during the transition period following the effective date of the exemptions or to establish a formal procedure which would require the ERA to take action on an air carrier's complaint of discriminatory treatment. To the degree that possible local shortages of aviation gasoline or kerojet fuel might occur following deregulation, we could reimpose controls to the limited extent necessary to meet an emergency and redirect product or take other action as the situation would require. In addition, in some instances, problems may be resolved without resort to formal action, as ERA could suggest voluntary measures to relieve individual problems.

III. FINDINGS AND VIEWS

In addition to this amendment exempting kerojet fuel and aviation gasoline from the Mandatory Petroleum Allocation Regulations and the concurrent amendment exempting kerojet fuel and aviation gasoline from the Mandatory Petroleum Price Regulations, we are issuing the Findings supporting these amendments, as required by section 12 of the EPAA. They are based upon our consideration of the comments of those persons who participated in the rulemaking proceedings and other available information.

Our general conclusions set forth in the Findings may be summarized, in part, as follows:

1. Kerojet fuel and aviation gasoline are not in short supply.

2. Exemption of kerojet fuel and aviation gasoline from the allocation and price regulations will not have an adverse impact on the supply of any other oil or refined petroleum product subject to the EPAA.

3. Following exemption of kerojet fuel and aviation gasoline from regulations, competition and market forces should be adequate to protect consumers.

4. Exemption of kerojet fuel and aviation gasoline from regulation will not result in inequitable prices for any class of user of kerojet fuel, aviation gasoline, or other products.

5. The exemption of kerojet fuel and aviation gasoline will not have adverse impacts on any governmental unit, state or region.

6. As long as supplies remain adequate, exemption of kerojet fuel and aviation gasoline will not have an adverse effect on the availability of consumer goods and services; the Gross National Product (GNP); competition small business; supply and availability of energy resources as fuel or feedstock for industry; consumer prices; the Consumer Price Index, or the implicit price deflator for the GNP; or the rate of unemployment.

We also believe that as long as supplies continue to be adequate, the continuation of allocation and price controls on kerojet fuel and aviation gasoline is unnecessary to protect the public health, safety and welfare, and the national defense (section 4(b)(1)(A)); the maintenance of all public services (section 4(b)(1)(B)); the maintenance of agricultural operations (section 4(b)(1)(C)); or the maintenance of exploration for and production or extraction of fuels and minerals (section (4)(b)(1)(G)). Adequate supply and the positive effects of increased competition should also ensure that exemption of kerojet fuel and aviation gasoline would be consistent with the preservation of an economically sound and competitive petroleum industry (section 4(b)(1)(D)); the equitable distribution of crude oil, residual fuel oil and refined petroleum products at equitable prices (section 4(b)(1)(F)); economic efficiency (section 4(b)(1)(H)); and minimization of economic distortion, inflexibility, and interference with market mechanisms (section 4(b)(1)(I)) The exemption of kerojet fuel and aviation gasoline should have no adverse effect on the allocation of suitable crude oil to domestic refineries (section 4(b)(1)(E)).

IV. STANDBY AUTHORITY

Section 12(f) of the EPAA provides that following the exemption of any refined product category from regulation, the DOE shall have the authority at any time to reimpose allocation regulations if necessary to attain the objectives of the EPAA. For this reason, we are adopting amendments which exempt kerojet fuel and aviation gasoline from the general allocation regulations but which do not delete those regulations from the Code of Federal Regulations. We have, in effect, converted them to standby status, so that, in the event of shortages or other occurrences which might require reimposition of controls. we may, with appropriate modifications, quickly put them back into effect. In this connection, we have recently adopted additional standby product allocation and price regulations (44 FR 3928, January 18, 1979) that may be ordered into effect as to kerojet fuel and aviation gasoline.

(Emergency Petroleum Allocation Act of 1973, Public Law 93–159, as amended, Public Law 93–511, Public Law 94–99, Public Law 94–133, Public Law 94–163, and Public Law 94–385; Federal Energy Administration Act of 1974, Public Law 93–275, as amended, Public Law 94–332, Public Law 94–385, Public Law 95–70, and Public Law 95–91; Energy Policy and Conservation Act, Public Law 94–163, as amended, Public Law 94–385, and Public Law 95–70; Energy Conservation and Production Act, Public Law 94–385, as amended, Public Law 95–70, Public Law 95–91; Department of Energy Organization Act, Public Law 95–91; E.O. 11790, 39 FR 23185; E.O. 12009, 42 FR 46267.)

In consideration of the foregoing, Parts 210 and 211 of Chapter II, Title 10 of the Code of Federal Regulations, are amended as set forth below, effective on the first day following the expiration of the fifteen-day Congressional review period provided for by section 551 of the Energy Policy and Conservation Act.

Issued in Washington, D.C., January 31, 1979.

David J. Bardin,
Administrator,
Economic Regulatory Administration.

1. Section 210.35 is amended by revising subparagraph (g)(1) and by adding subparagraph (h)(1) to read as follows:

§ 210.35 Exempted products.

* * * * *

(g)(1) Aviation turbine fuel (naphtha-base and kerosene-base) as defined in § 211.142 of this chapter is exempt from the provisions of Part 211 of this chapter.

* * * * *

(h)(1) Aviation gasoline as defined in § 211.142 of this chapter is exempt from the provisions of Part 211 of this chapter.

* * * * *

2. Section 211.1 is amended in paragraph (b) by revising subparagraph (9) and adding new subparagraph (10) to read as follows:

§ 211.1 Scope.

* * * * *

(b) Exclusions.

(9) Notwithstanding the other provisions of this part, including Subpart H of this part, aviation turbine fuel (naphtha-base and kerosene-base) is excluded from this part.

(10) Notwithstanding the other provisions of this part, including Subpart H of this part, aviation gasoline is excluded from this part.

[Docket No. ERA–R–78–5]

[Docket No. ERA–R–78–6]

Title 10—Energy

CHAPTER II—DEPARTMENT OF ENERGY

Part 210—General allocation and price rules

Part 212—Mandatory petroleum price regulations

(Exemption of Kerosene-Base Jet Fuel and Aviation Gasoline from the Mandatory Petroleum Price Regulations).

Agency: Economic Regulatory Administration, Department of Energy.

Action: Final Rule.

Summary: The Economic Regulatory Administration (ERA) of the Department of Energy (DOE) is amending 10 CFR Parts 210 and 212 to exempt kerosene-base jet ("kerojet") fuel and aviation gasoline from its Mandatory Petroleum Price Regulations. The exemption has been transmitted to the Congress as DOE Energy Action No. 4 under the procedures set forth in the Energy Policy and Conservation Act which provide for a fifteen-day review period. In connection with its exemption of kerojet fuel and aviation gasoline from the price regulations, the ERA is issuing concurrently with this rule a separate amendment exempting kerojet fuel and aviation gasoline from the Mandatory Petroleum Allocation Regulations. Both exemptions will become effective on the first day following the expiration of the fifteen-day Congressional review period. We are also issuing two documents entitled Findings and Views Concerning the Exemption of Kerojet Fuels from the Mandatory Petroleum Allocation and Price Regulations and the Findings and Views Concerning the Exemption of Aviation Gasoline from the Mandatory Petroleum Allocation and Price Regulations ("Findings"). The Secretary of Energy (the "Secretary") is submitting both amendments and the Findings to the Congress for review.

Effective date: The first day following the expiration of the fifteen-day Congressional review period.

For further information contact:

Bill Webb (Office of Public Information), 2000 M Street, N.W., Room B110, Washington, D.C. 20461 (202) 634–2170. Gerald P. Emmer or William E. Caldwell (Economic Regulatory Administration), 2000 M Street, N.W., Room 2304, Washington, D.C. 20461, (202) 254–8034. Joel M. Yudson or Jack O. Kendall (Office of General Counsel), 1200 Pennsylvania Avenue, N.W., Room 5134, Washington, D.C. 20461, (202) 633–8622.

Supplementary information: I. Background, II. Comments Received, III. Findings and Views, IV. Standby Authority.

I. BACKGROUND

On February 12, 1978, the Economic Regulatory Administration of the Department of Energy issued advance notices of proposed rulemaking and public hearing on kerojet fuel deregulation (43 FR 6959, February 17, 1978) and aviation gasoline deregulation (43 FR 6962, February 17, 1978). We concurrently issued two documents entitled Preliminary Findings and Views Concerning the Exemption of Kerojet Fuels from the Mandatory Petroleum Allocation and Price Regulations and Preliminary Findings and Views Concerning the Exemption of Aviation Gasoline from the Mandatory Petroleum Allocation and Price Regulations ("Preliminary Findings"). The advance notices were issued to obtain public comment on the Preliminary Findings for the purpose of determining whether the ERA should initiate rulemaking proceedings proposing the exemption of kerojet fuel and aviation gasoline from the price and allocation regulations.

The comments submitted in response to the advance notices generally supported our

Preliminary Findings. Therefore, on June 22, 1978 we concurrently issued notices of proposed rulemaking on kerojet fuel deregulation (43 FR 27974, June 27, 1978) and aviation gasoline deregulation (43 FR 27976, June 27, 1978).

The comments and statements in response to the advance notices enabled us to prepare the Findings in support of exempting kerojet fuel and aviation gasoline.

Section 402(c)(1) of the Department of Energy Organization Act (DOE Act, Public Law 95-91) requires the FERC to consider any proposal by the Secretary to amend any regulation under section 4(a) of the Emergency Petroleum Allocation Act, as amended (EPAA, Public Law 93-159), when either section 8 or section 12 of the EPAA requires the President to transmit the proposal to each House of Congress for its review under section 551 of the Energy Policy and Conservation Act, as amended (EPCA, Public Law 94-163).

Under this statutory provision, the Secretary forwarded to the FERC by letter dated June 22, 1978, the proposed amendments to exempt kerojet fuel and aviation gasoline from both the Mandatory Petroleum Allocation Regulations and the Mandatory Petroleum Price Regulations.

The FERC published a notice of public hearing (43 FR 29298, July 7, 1978) and conducted its hearings concerning the proposed exemptions of aviation gasoline and kerojet fuel on August 1 and 3, 1978, respectively. In addition, the FERC accepted written comments through August 11, 1978.

The FERC's hearing transcript, the written comments, the transcripts of the ERA hearings of March 22, 1978 and March 23, 1978, the ERA's Findings, and the earlier comments submitted to the ERA were the basis of the FERC's subsequent deliberations on kerojet fuel and aviation gasoline deregulation.

By letter of September 6, 1978, the FERC responded to the Secretary, advising him of its preliminary conclusions and that unless by noon, September 8, 1978 the Secretary were to inform the FERC that he wished to consult on any matter addressed in the letter, the FERC would forward to the Secretary a further letter stating its concurrence in the proposals without formal recommendations. The Deputy Secretary responded on September 11, 1978, stating that in light of the fact that the FERC's concurrence in the amendments proposed by the Secretary would not be subject to any binding recommendations within the meaning of 404(b) of the DOE Act, no further consultation beyond the exchange of letters would be necessary. The FERC, on September 12, 1978, concurred without recommendations in the Secretary's kerojet fuel and aviation gasoline deregulation proposals and on that date issued its Analysis and Recommendations in these matters.

Section 404(c) of the DOE Act provides that the Secretary, following the publication of the FERC's recommendations, (1) may issue a final rule in the form initially proposed if the FERC has concurred, (2) may issue a final rule in amended form so that the rule conforms in all respects with the FERC's recommended changes, or (3) may issue no rule. Inasmuch as the FERC concurred without recommendations, we are issuing the kerojet fuel and aviation gasoline deregulation amendments under section 404(c)(1) of the DOE Act.

Concurrently with the issuance of this amendment exemping kerojet fuel and aviation gasoline from the Mandatory Petroleum Price Regulations, we are issuing a separate amendment to exempt kerojet fuel and aviation gasoline from the Mandatory Petroleum Allocation Regulations. The Secrteary is concurrently submitting both amendments for Congressional review, as DOE Energy Actions Nos. 4 and 3, respectively, pursuant to section 551 of the EPCA, and in accordance with section 102 of the Energy Conservation and Production Act, as amended (ECPA, Pub. L. 94-385), which requires that the DOE submit separate energy actions to the Congress when proposing the exemption of any oil, refined petroleum product, or refined product category from both price and allocation regulations, but does not prohibit concurrent submissions of such separate energy actions. We are combining kerojet fuel and aviation gasoline into one refined product category, as permitted under the definition of that term in section 12(c)(3) of the EPAA. Thus, we are submitting for Congressional review a single energy action for the removal of allocation controls from both kerojet fuel and aviation gasoline and another energy action for the removal of price controls from both products.

II. COMMENTS RECEIVED

A. *Advance Notice on Kerojet Fuel Deregulation.* The ERA invited written comments on the advance notice concerning kerojet fuel deregulation through March 27, 1978 and held a public hearing in Washington, D.C. on March 23, 1978. Over sixty parties submitted oral and written comments in response to the February 17 advance notice. Those offering comments included major integrated refining companies, large and small independent refining companies, retailers, trade associations, air carriers, consumer groups and governmental representatives.

All of those commenting in response to the advance notice on kerojet fuel recommended that the ERA propose the exemption of kerojet fuel from the allocation and price regulations. This recommendation was based generally upon agreement with our projections as to supply and demand completion, and other findings and views set forth in the Preliminary Findings. In particular, there was widespread agreement that competition and market forces are adequate to protect consumers following the exemption of kerojet fuel from regulation. Many commenters expressed the opinion that deregulation would enhance competition in all sectors of the kerojet fuel market.

Retailers indicated that there may be kerojet fuel price increases in certain regions by fixed base operators to reflect increased non-product costs. Refiners generally agreed with our projections in the Preliminary Findings that while regional price increases may occur as both refiner and retailer non-product cost increases are fully passed through on the volume of product on which they are incurred, these regional increases should be offset in part by reductions in other regions.

The airline industry and, in particular, the Air Transport Association, generally recommended the establishment of a mechanism, similar to the proposed Special Rule No. 4 for motor gasoline (See 42 FR 40915, August 12, 1977), to assure airlines a source of kerojet fuel supply during the transition period following deregulation. The airline industry also favored the establishment of a price monitoring system, without a pre-set index or "trigger," coupled with a formal procedure which would require the ERA to take action on an air carrier's complaint of discriminatory treatment with regard to pricing or supply of kerojet fuel. Other commenters were nearly unanimously opposed to both recommendations.

B. Advance Notice on Aviation Gasoline Deregulation. The ERA invited written comments on the advance notice concerning aviation gasoline deregulation through March 27, 1978 and held a public hearing in Washington, D.C. on March 22, 1978. Forty-six parties submitted oral and written comments in response to the February 17 advance notice. These offering comments included major integrated refining companies, large and small independent refining companies, retailers, trade associations representing consumers, and governmental representatives.

All of those commenting in response to the advance notice on aviation gasoline recommend that the ERA propose the exemption of aviation gasoline from the allocation and price regulations without an accompanying price monitoring or supply protection program. This recommendation was based generally upon agreement with our projections as to supply and demand, competition, and other findings and views set forth in the Preliminary Findings. As was the case with regard to kerojet fuels, there was agreement that competition and market forces are adequate to protect consumers following the exemption of aviation gasoline from regulation. Many commenters expressed the opinion that deregulation would enhance competition in the aviation gasoline market.

In general, retailers concurred with the Preliminary Findings that there will be only minor pressure to increase prices of aviation gasoline as a result of deregulation. Retailers indicated, however, that fixed base operators in certain regions may increase prices to reflect localized increased non-product costs. Refiners generally agreed with our projections in the Preliminary Findings that, while regional price increases may occur as both refiner and retailer non-product cost increases are fully passed through on the volume of product on which they are incurred, these regional increases should be offset in part by reductions in other regions.

C. FERC Comments Received on Kerojet Fuel and Aviation Gasoline Deregulation. The FERC invited written comments on the ERA's proposals to exempt kerojet fuel and aviation gasoline through August 11, 1978 and held a public hearing on aviation gasoline on August 1, 1978 and a public hearing on kerojet fuel on August 3, 1978. Four parties commented orally on the aviation gasoline proposal and seven parties so commented on the kerojet fuel proposal. The FERC also received fifty-one written comments. Those offering comments on the deregulation proposals included major integrated refining companies, large and small independent refining companies, retailers, trade associations, air carriers, and governmental representatives.

None of the oral or written comments to the FERC expressed opposition to the deregulation of either aviation gasoline or kerojet fuel. There were, however, some suggestions for modifications. A large majority of the written comments expressed support for the proposal without further elaboration. A few comments provided additional factual material or added analysis to supplement the ERA's Findings.

In its September 6 letter to the Secretary the FERC indicated that, after reviewing the comments, it found two areas of particular concern. The first reflected its apprehension over the possibility of spot shortages. This concern arose partially in response to the July 26, 1978 letter from the Energy Planning Division of the Montana Department of Natural Resources and Conservation to the FERC indicating potential difficulties new fixed base operators and small, established fixed base operators could have in providing supplies of aviation products for forest fire fighting and other emergency situations. The FERC's concern also related to the commercial airlines' recommendation that a mechanism be established to provide airlines adequate sources of supply of kerojet fuel during the transition period following deregulation. This concern is addressed more fully in the preamble to the aviation gasoline and kerojet fuel allocation exemption.

FERC's other concern related to the price monitoring program recommended by the airlines. In its September 6 letter the FERC concluded that in view of our announced intent generally to monitor aviation fuel prices, a binding recommendation in this regard under Section 404 of the DOE Act was not necessary. The FERC did suggest, however, that the manner in which we intend to monitor prices be described at the time we announce the exemption and that such a program should not contain a "trigger."

After carefully considering all the comments, we have concluded that the initial view that kerojet fuel and aviation gasoline should be exempted from regulations is correct. No information or data were presented which meaningfully alter the ERA's conclusions in its Findings.

In response to the FERC's suggestion regarding the price monitoring system, we reemphasize that we intend to analyze kerojet fuel and aviation gasoline prices after deregulation. As we have done with respect to previously deregulated products, we will continue to collect supply and price data pursuant to our general statutory authority to receive such information so as to enable us to detect any significant changes in market conditions which may develop following deregulation of kerojet fuel and aviation gasoline.

As part of its role in monitoring market price trends, the Energy Information Administration (EIA) of the DOE collects pricing data on kerojet fuel and aviation gasoline from refiners, large reseller, retailers, and gas plant operators. The EIA uses the data reported on FEA Form P302–M–1 calculate national weighted average wholesale and retail prices of kerojet fuel and aviation gasoline on a monthly basis. This information is made available to the public in two monthly publications prepared by the EIA, the "Monthly Energy Review" and the "Monthly Petroleum Product Price Report."

We also anticipate continued reliance in our monitoring activities on the Civil Aeronautics Board's monthly report "Fuel Cost and Consumption." This publication provides average prices per gallon for aviation fuels on a monthly basis. It also indicates the percentage price increase per gallon over the average price per gallon in the preceding month, the same month in the preceding year, and in July 1973. This data is provided separately for individual domestic and international trunk, local service, cargo, and supplemental carriers.

In view of the relatively small universe of suppliers and purchasers of kerojet fuel, we do not believe a price monitoring or survey system more detailed than that presently existing is necessary to detect significant changes in market conditions.

We have decided not to establish a formal procedure which would require the ERA to take action on an air carrier's complaint of discriminatory treatment with regard to pricing or supply of kerojet fuel. Our analysis indicates that when free market forces emerge following kerojet fuel and aviation gasoline deregulation, such problems will be minimized. We believe therefore that a formal complaint procedure is unnecessary, inasmuch as most airlines are capable of bringing to our attention instances of discriminatory treatment with respect to the pricing or supply of kerojet fuel. We encourage communication from any party which may experience difficulty in securing adequate supplies of either kerojet fuel or aviation gasoline following deregulation, inasmuch as such information will facilitate our analysis of the effects of deregulation on price trends and supply distribution.

While fixed base operators may increase prices for kerojet fuel and aviation gasoline in certain regions after deregulation to reflect increased non-product costs, these regional increases should be offset in part by reductions in other regions. We have concluded that during a period of adequate supplies which is expected at least through 1980, average prices for kerojet fuel and aviation gasoline will not rise to levels significantly higher than if regulations were continued.

III. FINDINGS AND VIEWS

In addition to this amendment exempting kerojet fuel and aviation gasoline from the Mandatoy Petroleum Price Regulations and the concurrent amendment exempting kerojet fuel and aviation gasoline from the Mandatory Petroleum Allocation Regulations, we are issuing the Findings supporting these amendments, as required by section 12 of the EPAA. They are based upon our consideration of the comments of those persons who participated in the rulemaking proceedings and other available information.

Our general conclusions set forth in the Findings may be summarized, in part, as follows:

1. Kerojet fuel and aviation gasoline are not in short supply.

2. Exemption of kerojet fuel and aviation gasoline from the allocation and price regulations will not have adverse impact on the supply of any other oil or refined petroleum product to the EPAA.

3. Following exemption of kerojet fuel and aviation gasoline from regulations, competition and market forces should be adequate to protect consumers.

4. Exemption of kerojet fuel and aviation gasoline from regulation will not result in inequitable prices for any class of user of kerojet fuel, aviation gasoline, or other products.

5. The exemption of kerojet fuel and aviation gasoline will not have adverse impacts on any governmental unit, state or region.

6. As long as supplies remain adequate, exemption of kerojet fuel and aviation gasoline will not have an adverse effect on the availability of consumer goods and services; the Gross National Product (GNP); competition; small business; supply and availability of energy resources as fuel or feedstock for industry; consumer prices; the Consumer Price Index, or the implicit price deflator for the GNP; or the rate of unemployment.

We also believe that as long as supplies continue to be adequate, the continuation of allocation and price regulations on kerojet fuel and aviation gasoline is unnecessary to protect the public health, safety and welfare, and the national defense (section 4(b) (1) (A)); the maintenance of all public services (section 4(b) (1) (B)); the maintenance of agricultural operations (section 4(b) (1) (C)); or the maintenance of exploration for and production or extraction of fuels and minerals (section (4) (b) (1) (G)). Adequate supply and the positive effects of increased competition should also ensure that the exemption of kerojet fuel and aviation gasoline would be consistent with the preservation of an economically sound and competitive petroleum industry (section 4(b) (1) (D)); the equitable distribution of crude oil, residual fuel oil and refined petroleum products at equitable prices (section 4(b) (1) (F)); economic efficiency (section 4(b) (1) (H)); and minimization of economic distortion, inflexibility, and interference with market mechanisms (section 4(b) (1) (I)). The exemption should have no adverse effect on the allocation of suitable crude oil to domestic refineries (section 4(b) (1) (E)).

IV. STANDBY AUTHORITY

Section 12(f) of the EPAA provides that following the exemption of any refined product category from regulation, the DOE shall have the authority at any time to reimpose price regulations if necessary to attain the objectives of the EPAA. For this reason, we are adopting amendments which exempt kerojet fuel and aviation gasoline from the general price regulations but which do not delete those regulations from the Code of Federal Regulations. We have, in effect, converted them to standby status, so that, in the event of shortages or other occurrences which might require reimposition of regulations, we may, with appropriate modifications, quickly put them back into effect. In this connection, we have recently adopted additional standby production allocation and price regulations (44 FR 3928, January 18, 1979) that may be ordered into effect with respect to kerojet fuel and aviation gasoline.

(Emergency Petroleum Allocation Act of 1973, Public Law 93–159, as amended, Public Law 93–511, Public Law 94–99, Public Law 94–133, Public Law 94–163, and Public Law 94–385; Federal Energy Administration Act of 1974, Public Law 93–275, as amended, Public Law 94–332, Public Law 94–385, Public Law 95–70, and Public Law 95–91; Energy Policy and Conservation Act, Public Law 94–163, as amended, Public Law 94–385, and Public Law 95–70; Energy Conservation and Production Act, Public Law 94–385, as amended, Public Law 95–70, Public Law 95–91; Department of Energy Organization Act, Public Law 95–91; E.O. 11790, 39 FR 23185; E.O. 12009, 42 FR 46267.)

In consideration of the foregoing, Parts 210 and 212 of Chapter II, Title 10 of the Code of Federal Regulations, are amended as set forth below, effective on the first day following the expiration of the fifteen-day Congressional review period provided for by section 551 of the Energy Policy and Conservation Act.

Issued in Washington, D.C., January 31, 1979.

1. Section 210.35 is amended by revising subparagraph (g) (2) and by adding subparagraph (h) (2) to read as follows:

§ 210.35 Exempted products.

* * * * *

(g) * * *

(2) Aviation jet fuel as defined in § 212.31 of this chapter is exempt from the provisions of Part 212 of this chapter.

(h) * * *

(2) Aviation gasoline as defined in § 212.31 of this chapter is exempt from the provisions of Part 212 of this chapter.

2. Section 212.31 is amended in the definition of "covered products" to read as follows:

§ 212.31 Definitions.

* * * * *

"Covered products" means butane, crude oil, gasoline, natural gas liquids, natural gasoline, and propane. A blend of two or more particular covered products is considered to be that particular covered product constituting the major proportion of the blend. A blend of one or more covered products with one or more non-petroleum-based products is a covered product if the covered product or products constitutes more than 50 percent by volume of the blend, and is that covered product which is the most predominant by volume in the blend.

* * * * *

3. Section 212.56 is amended to read as follows:

§ 212.56 General refinery products.

(a) The following general refinery products are exempt from the provisions of this part: aviation gasoline, benzene, gas oil, greases, hexane, kerosene, lubricant base oil stocks, lubricants, naphthas, No. 1 heating oil, No. 1–D diesel fuel, residual fuel oil, special naphthas (solvents), toluene, unfinished oils, xylene, and other finished products.

(b) The following general refinery products are not exempt from the provisions of this part: butane, natural gas liquids, natural gasoline, and propane.

4. Part 212 is amended by adding a new § 212.58 as follows:

§ 212.58 Aviation jet fuel.

The sales of aviation jet fuel are exempt from the provisions of this part.●

ADDITIONAL STATEMENTS

FINANCE COMMITTEE RULES

● **Mr. LONG.** Mr. President, the Legislative Reorganization Act requires each standing committee of the Senate to publish its rules in the CONGRESSIONAL RECORD at the beginning of each session of Congress. I submit for the RECORD the rules of the Committee on Finance.

COMMITTEE ON FINANCE

RULES OF PROCEDURE

(Adopted January 30, 1979)

Rule 1. *Regular Meeting Days.*—The regular meeting days of the committee shall be the second and fourth Tuesday of each month, except that if there be no business before the committee the regular meeting shall be omitted.

Rule 2. *Committee Meetings.*—(a) Except as provided by section 133(a) of the Legislative Reorganization Act of 1946 as amended by section 102(a) of the Legislative Reorganization Act of 1970 (relating to special meetings called by a majority of the committee) and subsection (b) of this rule, committee meetings, for the conduct of business, for the purpose of holding hearings, or for any other purpose, shall be called by the chairman. Members will be notified of committee meetings at least 48 hours in advance, unless the chairman determines that an emergency situation requires a meeting on shorter notice. The notification will include a written agenda together with materials prepared by the staff relating to that agenda. After the agenda for a committee meeting is published and distributed, no nongermane items may be brought up during that meeting unless at least two-thirds of the members present agree to consider those items.

(b) In the absence of the chairman, meetings of the committee may be called by the ranking majority member of the committee who is present, provided authority to call meetings has been delegated to such member by the chairman.

Rule 3. *Presiding Officer.*—(a) The chairman shall preside at all meetings and hearings of the committee except that in his absence the ranking majority member who is present at the meeting shall preside.

(b) Notwithstanding the rule prescribed by subsection (a) any member of the committee may preside over the conduct of a hearing.

Rule 4. *Quorums.*—(a) Except as provided in subsections (b) and (c) six members, including not less than one member of the majority party and one member of the minority party, shall constitute a quorum for the conduct of business.

(b) Notwithstanding the rule prescribed by subsection (a), one member shall constitute a quorum for the purpose of conducting a hearing.

(c) Once a quorum as prescribed by subsection (a) has been established for the conduct of business in executive session, the committee may continue to conduct business so long as five or more members are present.

Rule 5. *Reporting of Measures or Recommendations.*—No measure or recommendation shall be reported from the committee unless a majority of the committee is actually present and a majority of those present concur.

Rule 6. *Proxy Voting; Polling.*—(a) Except as provided by section 133(d) of the Legislative Reorganization Act of 1946 as amended by section 106(a) of the Legislative Reorganization Act of 1970 (relating to limitation on use of proxy voting to report a measure or matter), members who are unable to be present may have their vote recorded by proxy.

(b) At the discretion of the committee, members who are unable to be present and whose vote has not been cast by proxy may be polled for the purpose of recording their vote on any rollcall taken by the committee.

Rule 7. *Order of Motions.*—When several motions are before the committee dealing with related or overlapping matters, the chairman may specify the order in which the motions shall be voted upon.

Rule 8. *Bringing a Matter to a Vote.*—If the chairman determines that a motion or amendment has been adequately debated, he may call for a vote on such motion or amendment, and the vote shall then be taken, unless the committee votes to continue debate on such motion or amendment, as the case may be. The vote on a motion to continue debate on any motion or amendment shall be taken without debate.

Rule 9. *Public Announcement of Committee Votes.*—Pursuant to section 133(b) of the Legislative Reorganization Act of 1946 as amended by section 104(a) of the Legislative Reorganization Act of 1970 (relating to public announcement of votes), the results of rollcall votes taken by the committee on any measure (or amendment thereto) or matter shall be announced publicly not later than the day on which such measure or matter is ordered reported from the committee.

Rule 10. *Subpoenas.*—Subpoenas for attendance of witnesses and the production of memoranda, documents, and records shall be issued by the chairman, or by any other member of the committee designated by him.

Rule 11. *Open Committee Hearings.*—To the extent required by section 133A of the Legislative Reorganization Act of 1946 as amended by section 112(a) of the Legislative Reorganization Act of 1970 (relating to limitations on open hearings), each hearing conducted by the committee shall be open to the public.

Rule 12. *Announcement of Hearings.*—The committee shall undertake consistent with the provisions of section 133A of the Legislative Reorganization Act of 1946 as added by section 111(a) of the Legislative Reorganization Act of 1970 (relating to public notice of committee hearings) to issue public announcements of hearings it intends to hold at least one week prior to the commencement of such hearings.

Rule 13. *Witnesses at Hearings.*—(a) Each witness who is scheduled to testify at any hearing must submit his written testimony to the staff director not later than noon of the last business day preceding the day on which he is scheduled to appear. Such written testimony shall be accompanied by a brief summary of the principal points covered in the written testimony. Having submitted his written testimony, the witness shall be allowed not more than ten minutes for oral presentation of his statement.

(b) Witnesses may not read their entire written testimony, but must confine their oral presentation to a summarization of their arguments.

(c) Witnesses shall observe proper standards of dignity, decorum and propriety while presenting their views to the committee. Any witness who violates this rule shall be dismissed, and his testimony (both oral and written) shall not appear in the record of the hearings.

(d) In scheduling witnesses for hearings, the staff shall attempt to schedule witnesses so as to attain a balance of views early in the hearings. Every member of the committee may designate witnesses who will appear before the committee to testify. To the extent that a witness designated by a member cannot be scheduled to testify during the time set aside for the hearing, a special time will be set aside for that witness to testify if the member designating that witness is available at that time to chair the hearing.

Rule 14. *Audiences.*—Persons admitted into the audience for open hearings of the committee shall conduct themselves with the dignity, decorum, courtesy and propriety traditionally observed by the Senate. Demonstrations of approval or disapproval of any statement or act by any member or witness are not allowed. Persons creating confusion or distractions or otherwise disrupting the orderly proceeding of the hearing shall be expelled from the hearing.

Rule 15. *Broadcasting of Hearings.*—(a) Broadcasting of open hearings by television or radio coverage shall be allowed upon approval by the chairman of a request filed with the staff director not later than noon of the day before the day on which such coverage is desired.

(b) If such approval is granted, broadcasting coverage of the hearing shall be conducted unobstrusively and in accordance with the standards of dignity, propriety, courtesy and decorum traditionally observed by the Senate.

(c) Equipment necessary for coverage by television and radio media shall not be installed in, or removed from, the hearing room while the committee is in session.

(d) Additional lighting may be installed in the hearing room by the media in order to raise the ambient lighting level to the lowest level necessary to provide adequate television coverage of the hearing at the then current state of the art of television coverage.

(e) The additional lighting authorized by subsection (d) of this rule shall not be directed into the eyes of any members of the committee or of any witness, and at the request of any such member or witness, offending lighting shall be extinguished.

(f) No witness shall be required to be photographed at any hearing or to give testimony while the broadcasting (or coverage) of that hearing is being conducted. At the request of any such witness who does not wish to be subjected to radio or television coverage, all equipment used for coverage shall be turned off.

Rule 16. *Subcommittee.*—(a) The chairman, subject to the approval of the committee, shall appoint legislative subcommittees. All legislation shall be kept on the full committee calendar unless a majority of the members present and voting agree to refer specific legislation to an appropriate subcommittee.

(b) The chairman may limit the period during which House-passed legislation referred to a subcommittee under paragraph (a) will remain in that subcommittee. At the end of that period, the legislation will be restored to the full committee calendar. The period referred to in the preceding sentences should be 6 weeks, but may be extended in the event that adjournment or a long recess is imminent.

(c) All decisions of the chairman are subject to approval or modification by a majority vote of the committee.

(d) The full committee may at any time by majority vote of those members present discharge a subcommittee from further consideration of a specific piece of legislation.

(e) Because the Senate is constitutionally prohibited from passing revenue legislation originating in the Senate, subcommittees may mark up legislation originating in the Senate and referred to them under Rule 16 (a) to develop specific proposals for full committee consideration but may not report such legislation to the full committee. The preceding sentence does not apply to nonrevenue legislation originating in the Senate.

(f) The chairman and ranking minority member shall serve as nonvoting *ex officio* members of the subcommittees on which they do not serve as voting members.

(g) Any member of the committee may attend hearings held by any subcommittee and question witnesses testifying before that subcommittee.

(h) Subcommittee meeting times shall be coordinated by the staff director to insure that—

(1) no subcommittee meeting will be held when the committee is in executive session, except by unanimous consent;

(2) no more than one subcommittee will meet when the full committee is holding hearings; and

(3) not more than two subcommittees will meet at the same time.

Notwithstanding paragraphs (2) and (3), a subcommittee may meet when the full committee is holding hearings and two subcommittees may meet at the same time only upon the approval of the chairman and the ranking minority member of the committee and subcommittees involved.

(i) All nominations shall be considered by the full committee.

(j) The chairman will attempt to schedule reasonably frequent meetings of the full committee to permit consideration of legislation reported favorably to the committee by the subcommittees.

Rule 17. *Amendment of Rules.*—The foregoing rules may be added to, modified, amended or suspended at any time.●

TAX INDEXING

● Mr. LUGAR. Mr. President, the prime beneficiary of inflation is the Federal Government. Inflation causes wages to increase without a corresponding increase in real income. This situation results in American workers being pushed into higher tax brackets. The Government receives a windfall profit in new tax revenues because the taxpayer is paying a larger tax bill. The effect of tax inflation is to reduce the real standard of living for the taxpayer even though he earns more income.

The answer to these unlegislated tax increases is for Congress to adopt a plan of tax indexing. As a cosponsor of S. 12, the Tax Equalization Act, I believe that tax indexing is an idea whose time has come.

A recent article in the Christian Science Monitor, authored by the senior Senator from Kansas (Mr. DOLE), explains the need for tax indexing.

I ask that the article be printed in the RECORD.

The article follows:

HOW TO RELIEVE THE AMERICAN TAXPAYER

(By Bob Dole)

More than 80 percent of America's taxpayers can expect a tax increase next year. The increase, which amounts to nearly $9 billion, comes on the heels of a congressional effort to decrease taxes. Although Congress in October passed a major tax reduction bill in hopes that it would pacify taxpayers crying out for lower taxes, the fact is that the Revenue Act of 1978 is nothing more than the repeal of the automatic tax increases caused by inflation. Inflation and the increased taxes that it generates will lead to a decline in the standard of living for most families this year.

There is considerable interest and momentum in Congress for tax indexing as a way to stem these rising taxes. Under our progressive tax system, a person who receives an increase in income to compensate for inflation may suffer a decline in his real standard of living because a greater percentage of his income is paid in taxes. This is because as income rises, a person is pushed into a higher and higher tax bracket.

For example, a typical family of four earning $15,000 paid $1,385 in income taxes in 1977, or 9.2 percent of their income. Assuming a modest 7 percent inflation rate in 1978 and wage increases to keep up with inflation, the family would earn $16,050 in 1978. But the family now pays $1,613 in taxes in 1978, or an effective rate of 10 percent.

The way to stop these unlegislated increases is by indexing the tax system. Indexing is a simple concept. As inflation increases, the tax system is adjusted to prevent individuals from being pushed into higher brackets. For example, under an indexed system, if the inflation rate for 1979 were 7 percent, the personal exemption would increase from $1,000 to $1,070.

By automatically adjusting the personal income tax rates, the personal exemption and the zero bracket amount (formerly the standard deduction) upward in proportion to increases in the cost of living, we can effectively eliminate tax increases caused by inflation. Indexing is designed to keep the taxpayer at the rate originally legislated. Thus, in our example, the family will have nearly $200 under indexing.

The government has a vested interest in inflation. For each percentage increase in the inflation rate, the federal government can expect an additional $1.5 billion in new tax revenues. This yearly windfall bonus allows Congress to continually expand the role of government without having explicitly to increase taxes to finance the programs it generates. Tax indexing, by depriving Congress of inflation-induced revenues, will encourage fiscal restraint and decrease the size of government.

Opponents of tax indexing state that such adjustments would be conceding defeat in our battle against inflation. This is nonsense. Indexing, by itself, will neither cause nor cure inflation. In fact, it may help to reduce the major impediment to our ability to control inflation—excessive federal spending.

It is true that Congress from time to time reduces taxes to compensate for inflation. However, these are often no more than a redistribution of the tax burden. The American people seem to agree that indexing is a better way to reduce taxes. A recent Roper poll released to the Senate Finance Committee showed that by a fairly wide margin—57 percent to 32 percent—the public prefers indexing to the periodic tax cuts the government enacts. Several states, including California and Colorado, have already initiated indexing in their state tax systems.

Recent efforts in Congress indicate that before long indexing will become a reality. Last session, the House of Representatives passed a bill to prevent the federal government from taxing inflation on capital gains. Although this bill was not enacted into law, it was a significant step for indexing and an indication of things to come. Also last session, I introduced a bill to index personal tax rates which received bipartisan support. My proposal did not pass the Senate, but it did garner more votes than the widely publicized 33 percent across-the-board tax cut.

The administration and congressional free-spenders cannot ignore the compelling arguments for indexing much longer. The American taxpayer is beginning to understand that inflation is the reason his taxes are increasing and that the federal government is the prime beneficiary. The congressional ritual of cutting taxes in election years is nothing more than a cruel charade.

Indexing is a logical and responsible way to end the automatic and unsigned tax increases caused by inflation. Look for tax indexing to be the focal point of discussion as Congress again tackles the elusive issue of tax relief for the American people.●

OILSPILL LIABILITY FUND

● Mr. MUSKIE. Mr. President, last year, both the House and Senate passed legislation which would establish a comprehensive oil pollution liability and compensation fund. However, it was not possible to reach agreement on the two very different pieces of legislation before the Congress adjourned last October. One should not make the mistake of assuming that additional time was all that was necessary to reach agreement. There were many significant policy questions at stake in those negotiations which represented differences of opinion on the very basic nature of such a proposed scheme. Those differences have not changed.

Several bills have been introduced again this year. In order to provide some perspective on my feelings on any comprehensive oil pollution liability and compensation proposal. I would like to have my remarks reprinted from last October when negotiations on this same matter failed. There may have been many who had no opportunity to review that statement because of the rush of activity in the last days of the session.

The remarks follow:

HOUSE REJECTS SENATE OFFER ON OIL SPILL LIABILITY FUND

Mr. MUSKIE. Mr. President, the Senate has made significant efforts this year to enact an oil spill liability bill which would create a fund to pay cleanup and damage claims for the spill of oil and hazardous substances into the navigable waters of the United States. On Thursday, October 5, the Senate passed H.R. 6803. We then immediately made our staff available to begin work with the House staff to draft compromise amendments which would be added to this legislation and sent back to the Senate. With so many conferences and so much floor activity, this seemed the most sensible approach.

The Senate staff was available to begin meeting early Friday morning, but the House staff was not available until late Monday afternoon. That delay has made it difficult to negotiate an agreeable compromise, but nevertheless, the Senate has made a strong effort to provide significant concessions on the key issues that separate the House and Senate.

The staff was instructed to try all reasonable avenues to reach a compromise. If those suggestions were acceptable to the House staff, then they were to bring the proposals back to the Senate Members to see if they were acceptable.

What are the three major issues that separate the House and Senate bills? The House has indicated they are hazardous substances, preemption of State laws, and liability coverage for inland oil barges. There are dozens of other differences, but these have been identified as key issues.

In order to accommodate the House position, the Senate staff suggested major concessions to the House:

First. Hazardous substances. The Senate staff has suggested dropping completely the hazardous substances provision. This is a tremendous concession on the part of the Senate. The House staff on numerous occasions urged elimination of this provision. In a sense this is the heart of the Senate bill. The staff offered to attempt to convince the Senate Members that such a compromise was necessary.

Second. Preemption of State laws. The Senate-passed bill has absolutely no preemption of State laws, whatsoever. States are allowed to maintain their own cleanup funds and to charge a fee on oil and/or hazardous substances to establish such funds. States are allowed to create funds to compensate economic damages and natural resource damages. States are allowed to establish liability schemes and other requirements as they see fit.

The Senate staff has suggested going halfway on this key issue and has proposed preempting State funds to compensate economic and third party damages. This would allow States to maintain their own fund to pay cleanup costs of spills and to establish their own liability schemes. I want to emphasize that existing law contains no restraint on the authority of States. What has been suggested by the Senate staff as a compromise is an erosion of existing State authority. This is a questionable compromise in my view, but one proposed by the staff in an attempt to accommodate the demands of the House. Apparently it is not enough.

Third. Inland oil barges. The Senate staff has suggested a compromise that splits the difference between the House and the Senate bills. The Senate bill establishes liability on inland oil barges at $300 per gross ton or $500,000 per vessel, whichever is greater. The House bill is $150 per gross ton and $150,000 minimum. The Senate staff has suggested as a compromise $225 per gross ton and $325,000 maximum. That is an absolute 50–50 compromise.

Yet the response from the House staff has been that this provision is so important to them that the Senate must take the House provision completely. The Senate staff accompanied its suggestion with a willingness to discuss other levels as well, but the answer was that only one offer is acceptable, and that is the House bill.

So where do we stand on these three key provisions? On two provisions the Senate staff has suggested a compromise that goes at least halfway to the House position. On the third item, hazardous substances, the Senate staff has suggested going all the way to the House position. So the House would come out well ahead on the key items on what were identified by the House staff as the key obstacles to getting a bill.

The Senate staff made these suggestions Wednesday afternoon, and agreed to consider additional changes in the Senate bill if the House felt that was necessary. Instead, the proposal was rejected. In essence the House has said this:

You must drop hazardous substances even though they threaten the public and the environment;

You must be willing to take away the existing power of States to establish their own liability laws, cleanup funds, and third-party damage compensation funds; and

You must be willing to give the inland oil barge industry exactly what they have demanded.

The Senate staff suggestions may have gone further in compromising than the Senate Members would be willing to accept. But that proposition was not even tested, because the proposal was not viewed by the House staff as going far enough.

Let me match the suggestions of the Senate staff against the suggestions of the House staff. What has the House offered in these discussions?

From the very beginning, there was no doubt about the fact that the House staff would insist on the format of their bill—a text reviewed by the Senate committee and reflected in favor of a bill building upon the Clean Water Act which currently deals with spills of oil and hazardous substances. The Senate Environment and Public Works Committee felt that any effort to create a new legislative authority to deal with the additional problems associated with spills of oil and hazardous substances; namely, economic damages, should be part of the existing law which has been in place for years. Yet the House staff refused to consider the merits of using the Senate format and insisted on using their arrangement which creates an entirely new legal regime outside the statute which already governs many aspects of this issue.

The Senate staff met with intransigence on another issue of significant importance to the Senate—the question of coverage of hazardous substances. The suggestions from the House staff was agreement to conduct a study of the issue.

As I noted, an area of great significance to the Senate is the issue of preemption of State liability statutes. The House staff refused to negotiate with any particularity on this matter. They only agreed to talk about preemption after every other decision was made. When pressed, they admitted to be willing to accept very little in the preemption field.

Let me give you an example of what the House position on preemption means. The State of Washington had a law on the books which imposes strict liability upon a spiller of oil to pay for all cleanup expenses and damages resulting from that spill. The defenses to that liability are act of war or sabotage or negligence on the part of the United States or State of Washington. There are no other defenses to liability.

If the House preemption provision were to prevail, then the Washington law would be effectively repealed. The provisions of the House liability scheme, which include limits of liability for the spiller and greater opportunity for defenses to liability would supersede the policy that State has already fashioned for itself.

Obviously, the State of Washington in its wisdom has determined that strict and unlimited liability is a necessary protection from the dangers of oil spills. There are two factors at work in such a policy—the guarantee of total compensation to all damaged parties and the incentive created by such a policy on the carrier of the oil to safer handling.

It was this latter purpose which the Senate especially wished to preserve.

In many other areas of importance to the Senate—damage assessment, defenses to liability, uses of the fund, levels of liability, financial responsibility, and definition of operative terms, the House staff suggestions offered little or no movement.

Mr. President, what has been suggested by the staff was only lipservice to the Senate concerns:

No effort was made to accommodate the Senate concern over the issue of hazardous substances.

No effort was made to accommodate the Senate concern over the preservation of State's rights.

No effort was made to accommodate the Senate concern over the use of a legal framework which has been in place for years.

And these are only the major issues. And the Senate saw nothing from the House staff on the many lesser issues important to a final bill.

The House insisted on their bill, start to finish, take it or leave it.

The House has sent a bill back to the Senate. It is unacceptable for many reasons. I have already outlined the major reasons for our rejection of this bill; I would like now to discuss some of the less obvious but equally important problems with the House passed bill.

First, the structure of the House bill is designed so as to repeal section 311 of the Clean Water Act as it relates to spills of oil. And it replaces that program, which has been in effect for almost 9 years, with a completely new framework which in many respects is far less protective than what current law provides.

I would like to print at this point in the RECORD an analysis made at my request by EPA of the impact of the House-passed bill on the current section 311 program.

The analysis follows:

WASHINGTON, D.C.,
October 13, 1978.

Hon. EDMUND S. MUSKIE,
Chairman, Subcommittee on Environmental Pollution, Committee on Environment and Public Works, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is the technical review you requested on the impact of the House-passed Superfund bill, H.R. 6803, on the provisions of existing law, specifically the Clean Water Act.

This effort was necessarily hurried but it represents our best judgment on these complicated issues.

Sincerely yours,

THOMAS C. JORLING,
Assistant Administrator.

ANALYSIS

Factual review of the implications of the House-passed Superfund Bill on existing law, Clean Water Act, section 311, as it relates to the discharge of oil and hazardous substances.

(1) The Clean Water Act [Section 502(7)] defines navigable waters to be "waters of the United States, including the territorial seas." This is an all inclusive term and is the broadest reach of jurisdiction possible. The House-passed Superfund bill defines the waters narrowly—in the words of its report "Intentionally more restrictive than the meaning ascribed to navigable waters in some other Acts." If the House-passed Superfund bill became law, the result of these two different definitions would be twofold:

(A) overlapping jurisdiction in some waters between 311 and Superfund; and (B) exclusive 311 jurisdiction in other waters. This division and overlap would serve no public policy objective and would cause considerable confusion to onscene coordinators, dischargers, and to the public. It would result in considerable litigation and inefficiency.

(2) The House-passed Superfund bill amends section 311 to exclude "petroleum oil". Thus, in those portions of the waters of the United States which are not covered by the restricted definition of navigable waters under the House-passed Superfund bill, there would be no oil response and liability program under existing law. In effect, it would constitute a repeal of section 311 with respect to those waters.

(3) Both the Clean Water Act and the Superfund bill create duties and liabilities regarding the discharge of oil into waters of the territorial sea, the Contiguous Zone and the High Seas. With respect to discharges into the territorial sea and the Contiguous Zone, the provisions are the same, however, with respect to discharges of waters beyond the Contiguous Zone, the existing law, Section 311(b)(3), provides for the threshold (i.e., the discharge which requires notice and establishes the potential for liability) to be those discharges "which may affect natural resources belonging to or pertaining to . . .", whereas the House passed bill would amend that provision and uses the words "causing injury to or loss of natural resources belonging to or pertaining to . . .". The effect of this change would seriously weaken the environmental protection objectives as it would require a determination to be made, generally by the discharger, of actual injury or loss as opposed to potential injury or loss. The effect of this would be (1) to increase litigation, and (2) to create an incentive on the part of the discharging source not to notify and trigger the sequence of liability because, it is always possible to allege no actual injury or loss to natural

resources occurred, and shift the burden to the government and to the environment. It could negate the environmental objectives of the statute. This is especially acute in the deep ocean waters where the ability to prove immediate actual harm is always difficult, if not impossible.

(4) The House-passed bill changes the definition of oil from that which appears in the Clean Water Act. The change in this definition of oil would create tremendous uncertainty and confusion with respect to those portions of waters where both the existing Clean Water Act and Superfund Law would apply. There seems to be no public policy served by that difference.

(5) The House-passed bill includes removal costs under section 311 as eligible costs under the Superfund for subsections (c), (d), and (l) of section 311. It omits subsection (f) (4) of section 311 which was added in the 1977 amendments to allow costs to restore and replace natural resources damaged as a result of a spill.

(6) The House-passed bill changes the section 311 defenses to liability available to discharging sources. Section 311 provides that the defenses are available where the spill was "solely" caused by an act of God, act of war, or act of a third party. The House-passed bill uses the word "primarily", thus introducing the concept of contributory and comparative negligence which could have the effect of increasing markedly the amount of litigation. It will certainly reduce the amount of recovery by the government as the clarity of "solely" is negated.

(7) The House-passed bill repeals subsection (p) of section 311 which requires financial responsibility. This provision in existing law applies to all forms of oil (beyond those of the House-passed Superfund) and to hazardous pollutants. The effect of this repeal is to eliminate from existing law financial responsibility requirements for those pollutants.

(8) The Clean Water Act does not preempt State liability laws for oil or hazardous substances. There are many States with such laws, for instance, Washington, California, Texas, Georgia, and Maine. Many make no distinction between oil and hazardous pollutants. The House bill preempts at least some elements of those laws. Under the House bill there will be uncertainty with respect to the preemption of oil and not hazardous pollutants, especially within States that have coverage over both oil and hazardous pollutants in the same law, such as Florida and Texas.

(9) The Administration has strongly supported including a limitation on all penalty provisions applicable outside U.S. waters to protect foreign vessels and thereby achieve consistency with International Law and U.S. Foreign Policy. The House Bill does not include those provisions.

Mr. MUSKIE. Mr. President, these are significant issues on which the Senate Environment and Public Works Committee was not willing to recede.

Further, the House bill does not include any substantive provision on damage assessment. This provision is an essential ingredient to a workable liability and compensation program.

The House bill regards the fund as an insurance policy for the spiller. The fund can deny liability for any claim, thereby throwing the whole issue into adjudication. The Senate bill, on the other hand, makes the fund available immediately for compensation purposes and allows it to recover through subrogation. The emphasis in the House bill is on protection of the spiller; the Senate bill is designed instead to protect the damaged party.

As can be seen from this bill, the House has insisted totally on their format; their staff have made no effort to reach a compromise on the major issues of importance to the Senate. They have offered studies for substance—technical changes in exchange for good public policy.

Mr. President, I can hardly call this an exercise in compromise. After reviewing the suggested concessions on the part of the Senate staff and the intransigence on the part of the House staff, I can only assume that the House is simply not interested in pursuing a legislative solution to this problem this year. And may I add that it was at the urging of the chairman of the House Merchant Marine Committee, the chairman of the Coast Guard Subcommittee, and their ranking minority members (Mr. MURPHY, Mr. BIAGGI, Mr. RUPPE, and Mr. TREEN) that caused this bill to move out of the Environment and Public Works Committee. Their letter indicated a willingness to discuss the issues we have outlined. It was in anticipation of such good faith negotiations that the Senate proceeded with its bill. I would like to share with you the contents of that letter, and I ask that it be inserted at this point in the RECORD.

The letter follows:

WASHINGTON, D.C.,
August 2, 1978.

Hon. EDMUND S. MUSKIE,
Chairman, Subcommittee on Environmental Pollution, Committee on Environment and Public Works, Dirksen New Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN. We would like to take this opportunity to call your attention to a matter which, in our opinion, is one of extreme importance, the issue of oil pollution liability and compensation legislation.

As you are aware, the Committee on Merchant Marine and Fisheries, in the First Session of the present Congress, completed action on, and reported, H.R. 6803. That bill, which provided for a comprehensive system of oil pollution liability and compensation, was passed by the House on September 12, 1977, by a vote of 332 to 59 and was subsequently referred to the Senate. It is, of course, now pending before your Subcommittee.

Since the referral of H.R. 6803, your Subcommitte has been considering S. 2900, a bill introduced by you on the same general subject. The primary difference, as we understand it, between the two bills, is the fact that your proposal includes provisions relating to hazardous substances, as well as to oil. What prompts our present concern are recent reports that the difficulty in addressing the problem of hazardous substances has led to the possibility that action on the legislation may be postponed until the next Congress.

We sincerely hope that the reports are not correct. We recognize the problems inherent in melding hazardous substance legislation with that involving oil alone, and it was because of those difficulties that our Committee decided last year that it would be much easier to treat the two subjects separately. It may well be that there is some reasonable method by which they can be joined together, but, in any case, we strongly urge you to see that the oil pollution legislation moves forward, whether with or without comparable provisions for hazardous substances.

You will recall that after the several pollution casualties in the Winter of 1976–77 many Members of both Houses, as well as the general public, urged prompt action for legislation to resolve the several issues involved including liability and compensation for damages. We do not believe that the public will understand further delay, particularly should the U.S. be unfortunate enough to suffer another Argo Merchant disaster or one similar to the casualty involving the Amoco Cadiz. A recent similar, though small, reminder occurred only this week, with the grounding of the dredge barge Pennsylvania in Rockaway Inlet, New York, with a resulting spill of diesel and fuel oil.

We have been and continue to be of the opinion that H.R. 6803, in some acceptable form, should be enacted during the present Congress. The bill is a culmination of extensive work begun in earlier Congresses, and, in its final version, it has received widespread support from a broad range of interested individuals and groups, including the Administration, maritime management and labor, oil interests, environmental groups, state governments, and the general public.

Certainly, we can assure you that we have no desire to attempt in any way to intervene in your Subcommittee deliberations. However, we urge you to see that some legislation is moved forward. Should you decide that hazardous substances should be a part of that legislation, we stand ready to consider that inclusion in a forthcoming conference. If, on the other hand, the present difficulties surrounding hazardous substance regulations and their proper handling should make present legislation on the subject impossible, we urge you then to move the oil pollution bill forward so that that important subject may be resolved prior to the end of the present Congress. In that case, we can promise you our wholehearted cooperation in addressing hazardous substance legislation at the earliest possible opportunity during the course of the next Congress.

With highest personal regards, we are.
Sincerely,

JOHN M. MURPHY,
Chairman, Merchant Marine and Fisheries Committee.

MARIO BIAGGI,
Chairman, Subcommittee on Coast Guard and Navigation.

PHILIP E. RUPPE,
Ranking Minority Member, Merchant Marine and Fisheries Committee.

DAVID C. TREEN,
Ranking Minority Member, Subcommittee on Coast Guard and Navigation.

Mr. MUSKIE. Mr. President, some have argued that superfund legislation must be enacted in this Congress no matter how poorly drafted or ill-conceived that legislation may be. I reject that argument. It is not as if our shores will be awash with oil with no authority to act against a major spill.

Existing law is adequate to provide protection against all but the most catastrophic of spills. And existing law creates fewer litigable issues than would be created by the House-passed bill.

I ask to print in the RECORD at this point a memorandum summarizing the Federal statutes which are currently extant covering liability for both cleanup and damages resulting from spills of oil.

The memorandum follows:

MEMORANDUM

WASHINGTON, D.C.,
October 12, 1978.

To Senator Edmund S. Muskie.
From Sally Walker and Karl Braithwaite.
Subject: Update of July 17 Memo on Discussion of the Need for S. 2900.

There are several questions which should be raised about proceeding with further action on Superfund.

1. Is the coverage provided in the Superfund really necessary?

There are currently in existence several statutes covering liability for both clean-up and damages resulting from spills of oil. They are:

The Clean Water Act. This law establishes liability out to 200 miles for clean-up of spills of oil and hazardous substances and also establishes liability for damages to natural resources caused by spills of oil and hazardous substances out to 200 miles. A $35 million appropriated fund covers claims beyond the limits of liability. Vessels are liable up to $150 per gross ton with a minimum of $250,000; inland oil barges are liable up to $125 per gross ton with a minimum of $125,000; facilities are liable up to a $50 million (may be lowered by President to maximum of $8 million).

The Trans-Alaska Pipeline Act. This law establishes liability for clean-up and damages resulting from spills of Alaskan oil. A $100 million fund covers claims beyond the limits of liability. Vessels are liable up to $14 million for proven claims.

The Deepwater Ports Act. This law establishes liability for clean-up and damages from spills of oil around deepwater ports. A $100 million fund covers claims beyond the limits of liability. Vessels are liable up to $150 per gross ton with a ceiling of $20 million; facilities are liable up to $50 million.

The Outer Continental Shelf Lands Act. This law establishes liability for clean-up and damages for spills of oil from OCS rigs and vessels carrying OCS oil. Vessels are liable up to $300 per gross ton with a minimum of $250,000; facilities have unlimited liability for clean-up and are liable up to $35 million for damages.

Mr. MUSKIE. Mr. President, I have expressed many times my feelings that a superfund bill is appropriate only under certain conditions. Without these conditions, which were clearly and simply expressed to the House, my support for a superfund bill ceases to exist. Without such protections, I feel confident that existing Federal and State law is adequate, albeit inconsistent in spots, to address the current situation. I expressed my reservations with this legislation in a letter to former Massachusetts Gov. Frank Sargent and ask that the extent of that letter be printed in the RECORD at this point.

The letter follows:

WASHINGTON, D.C.,
August 17, 1979.

Mr. FRANCIS SARGENT,
Boston, Mass.

DEAR FRANK: In your recent "open letter" to me, you asked me to say "It isn't so," that it is not me blocking passage of an oil spill liability bill which you treat as if it were being carried from the mountain by Moses. Parts of the oil pollution liability bill passed by the House came from the pits, not the heights. Before you cast me as the snarling villain who stabbed the bill in the back, please consider the following points:

(1) The oil pollution liability legislation is not dead. My Subcommittee on Environmental Pollution acted a month ago to approve an alternative to the House-passed version which struck you as so valuable. I think my approach is a good one. My opinion of the House version will become clear later on.

The key purpose of the legislation is to set up a revolving fund called the "superfund." I think it is called superfund because it represents a "super" deal for the oil companies. It is a government-sponsored and government-administered insurance policy for the major oil companies. It has a laudable purpose—one I fully support. That is to protect the average fisherman, motel owner or coastal businessman from financial disaster in the event of a catastrophic oil spill along the American coast. Not a word in the legislation is designed to stop the spill. But if one happened, the superfund would help ease the pain by making cash available.

The lack of a superfund has had an interesting side effect. The oil companies and their allies are afraid of bringing supertankers to the American coast without this sort of insurance policy. So the insurance policy will be an incentive to increase the size of tankers off our shores and in our ports.

(2) There are some fine state laws governing oil production liability in state coastal waters. Do we really want to tell Maine, Massachusetts and the other coastal states that they can no longer make their own decisions on how best to protect their coastal resource, especially if the threat to their shores increases with the use of supertankers? I think not. In the first place, I am suspicious of any call for state preemption, because if past history is any guide, it is the polluters who have the most to gain.

It works this way: a polluter will fight tooth and nail against federal legislation, preferring to fight environmental legislation in the state legislatures. But if enough states adopt environmental legislation on their own, the polluter comes to Congress eager to enact a "comprehensive" federal approach. The aim is to dilute the federal legislation and wipe out the state laws all at once. Coastal states are in a minority in the Senate, which improve the chances that federal legislation would be more lenient than state law. I do not buy that approach.

Maine is second to none in the value we place on our coastal resources. You can judge for yourself how Massachusetts feels about its coast. I will not be a party to telling those states and others that protecting their coastline is not only none of their business, but they are forbidden to act on their own.

Massachusetts has liability laws tougher than those under consideration in the Congress. And state officials testified this summer that the state wants to keep its right to act

(3) Just about the only people interested in the super fund bill are the members of the House who worked on it, and the oil companies and their maritime allies. That would make me suspicious all by itself. But looking at the House-passed bill, I find some reasons why the oil companies want it so badly:

It would encourage the use of super tankers off American coasts.

It would actually provide less comprehensive liability for oil spills than we now have under current law.

It would also increase the number of arguments an oil carrier could use to escape liability in a court of law.

It would allow the dollar amount of liability for some facilities to be lowered administratively.

The House bill ignores the question of other hazardous materials transported on the oceans, even though the potential for environmental damage is infinitely greater from these poisons.

In a lot of ways, we are better protected under current law than we would be under this new "comprehensive" approach.

The more closely I examined the House-passed bill, the more clearly I understood why the real pressure for passage has come from the oil companies and their allies.

(4) I can also understand why the oil companies have promised to kill the oil pollution liability bill which my Subcommittee passed a month ago. The oil company lobbyists were not even polite about it. They were not threatening. They were promising to kill my legislation if it allowed states to keep their own guard up against an oil catastrophe. I hope they are not so powerful as to deliver on that promise.

For my part, I hope we can get the kind of support behind my bill that the oil companies have generated for their version. I doubt it. But we have passed sound environmental legislation in the face of powerful opposition before. If I have to stand alone. I will. But I hope you will help me by pushing for S. 2900.

And if you are looking for a villain, don't look at me, Frank. It isn't so.

Sincerely,

EDMUND S. MUSKIE.●

A TRIBUTE TO MRS. WILLIAM SAMUEL WRIGHT

● Mr. STEWART. Mr. President, on December 11, 1978, in the Town of Wedowee, Randolph County, Ala., near the foothills of the great American Appalachian Mountains, a lady admired by generations passed away. The loss of Mrs. William Samuel Wright, a member of Wedowee's prominent founding families, will be the entire Nation's.

Born November 13, 1887, of an illustrious Alabama family with rich heritage, Mrs. Wright's ancestors served admirably with Gen. George Washington in the winter snows of Valley Forge, Pa., and hardest battles of the American Revolution. Her earlier ancestors fought and forged a new nation from a wilderness at Jamestown, Va. Her late ancestors fought gallantly with the army of northern Virginia under Gen. Stonewall Jackson and Gen. Robert E. Lee during the American Civil War.

Perhaps Mr. President, the greatest battles of life are not fought before the fire of cannon and muskets but in the hearts of mothers of men and women. If so, Mrs. Wright was a great and triumphant warrior.

During her remarkable lifetime she laid many cornerstones which will always endure.

The first cornerstone and great love of Mrs. Wright was her family. To her family and place were always linked together. Family, Wedowee, and home were the same. She lived nearly all her days in the Wright homeplace built by her husband nearly a century ago. A mother of 5 children, grandmother of 10, and great grandmother of 7, she was devoted to her family. Her spirit continues to burn brightly in the Wright homeplace and indelibly etched a shrine our Nation can take pride in. For without the maintenance of the family America's future is in severe jeopardy.

Another cornerstone she laid was her devotion to church. An active lifelong member of the Wedowee Baptist Church, her family helped build the First Baptist Church in Wedowee. She conducted many of its services, taught Sunday school classes, sang in the choir and was one of its most revered members. In her high honor, the church recently named a class for her. As the Psalmist said her life was like a mighty tree planted by the river of water, that bringeth forth her fruit in season; her leaf shall never wither and whatsoever she doeth shall prosper. All that knew Mrs. Wright knew what a mighty tree she was covering so many with her great love and devotion. As she grew in years, unlike so many, God gave her renewed strength and she applied it generously for others.

But her devotion was not confined to her family or church, for she was loved by the entire Wedowee community and her warm kindness touched so many. Still another cornerstone was citizenship. Mother of five children who served their State and Nation with distinction as admired schoolteachers and leaders—all followed her rich example of service to community and Nation. One of her daughters, Mrs. Velma Wright Irons established the firt class for visually handicapped children in the public schools of Alabama and received Freedom Foundation's highest award for a classroom teacher at Valley Forge, Pa. Each of her children have served their respective communities with untiring devotion and multiplied her influence on the lives of others.

A proud and devoted mother, grandmother, and great grandmother whose children became prominent physicians, dentists, lawyers, and leaders in their communities, a church founder and builder of a community and region—her loss cannot be absorbed by our State or Nation. Perhaps the greatest loss is for those countless persons of all ages who have lost their cherished friend and companion.

By Mrs. Wright's rich life we are able to celebrate the principles upon which America was founded. Surely, as we face that uncertain future as a nation, it is good for us to look at her life—to climb to this high place where shines so clear a light of conscience and of duty, where breathes so gracious a spirit of family and of marriage, where still resound the voices of wise counsel and of bold decision, where the memory of courage and of service can never die.

We can make no better offerings of thanksgiving for her inspiration than to rededicate ourselves and our children and our children's children to the Nation's old ideals embodied in the cornerstones laid throughout Mrs. Wright's life.●

THEODORE CUMMINGS, A GREAT CALIFORNIAN

● Mr. CRANSTON. Mr. President, it is my great pleasure to join California's foremost civic and business leaders in paying tribute to a man we all know, love, and admire: Theodore E. Cummings, who celebrates this year his silver jubilee of community service.

On February 4, 1974, Theodore Cummings' friends and colleagues will fill the International Ballroom of the Beverly Hills Hotel to honor this prime benefactor of the Cedars-Sinai Medical Center and to express their wholehearted appreciation for his hard work and noteworthy accomplishments not only in the field of health, but in education and the arts.

Theodore Cummings led in the creation and expansion of the Cedars-Sinai Medical Center, where he now serves as chairman of the board of directors for the committee on resources and development, and as general campaign chairman. This achievement alone would warrant our respect and gratitude. In addition, however, Ted Cummings has distinguished himself with seemingly endless cultural and philanthropic endeavors.

He has contributed generously to benefits on behalf of the State of Israel, of which he is a staunch supporter. In 1975, he served as chairman of the regional leadership conference of Israel bonds. He has also been a special gifts chairman for the United Jewish Welfare Fund and is a trustee of the community relations committee of the Jewish Federation Council.

Among Mr. Cummings' major civic involvements rank his participation as a founder of the Los Angeles County Museum of Art and the Los Angeles Music Center, his guidance on the board of overseers of the Henry E. Huntington Library and Art Gallery, and his appointment to the board of trustees of the Joseph H. Hirshhorn Museum and Sculpture Garden here in Washington. He also founded the Theodore E. Cummings Collection of Hebraica and Judaica at UCLA—an amazing collection including more than 32,500 rare books and manuscripts.

In addition to these considerable achievements, Ted Cummings cofounded the Jules Stein Eye Institute at UCLA, was a charter founder of the Eleanor Roosevelt Cancer Center and established the Theodore E. Cummings Humanitarian Award, which is presented annually to outstanding members by the American College of Cardiology for teaching overseas.

Ted Cummings is a man who has done far more than his share to improve the lives—and the quality of life—not only for Californians but for the people of our nation and, indeed, our world. I am honored to be among those wishing Ted happy anniversary and a heartfelt thank you for all you have done.●

S. 268—SOFT DRINK BOTTLERS' PROTECTION ACT OF 1979

● Mr. McCLURE. Mr. President, I am pleased to join in reintroducing legislation to prevent the Federal Trade Commission from closing down locally owned and operated soft-drink franchises. Local ownership has existed without Government interference since the turn of the century. It has fostered a healthy and productive partnership between local manufacturers and the parent company.

Without going into a lengthy legal explanation, I would like to give a very brief summary of what the FTC has done. The FTC in 1971 stated that seven soft-drink trademark licensors were guilty of antitrust violations. The licensors were accused of not engaging in intrabrand competition with their manufacturer licensees. These allegations simply are not true.

Competition among bottlers is fierce. They compete with one another, with regional brands and with in-house brands for the wholesale trade—each trying to become the major supplier. Intrabrand competition at the retail level is equal to that found in the selling and promotion of any other consumer product.

It is ironic that under the guise of antitrust enforcement, the FTC is threatening to take action which will result less competition and greater concentration of economic power. The soft-drink industry is unique in that national products are manufactured locally by independent businessmen.

Allowing the FTC to close down the small, independent bottlers will result in the loss of jobs by workers in scores of communities in this country with no demonstrable benefit to the consumer. We should see that they are allowed to continue to operate to the great benefit of their customers, their employees, and their communities.●

THE FUTURE OF UNITED STATES-REPUBLIC OF CHINA RELATIONS

● Mr. STONE. Mr. President, since the December announcement regarding normalization of relations with the People's Republic of China, there has been much debate over the future of United States/Republic of China relations. I would like to insert two editorials which eloquently express the feelings of a great many Americans as the Congress and the President attempt to determine the future course of United States/Republic of China relations.

One of the editorials appeared in one of the finest papers in my State, the Miami Herald, and the other editorial was a television editorial on one of our popular Tampa Bay area stations, WTVT.

Mr. President, I ask that both of these editorials be printed in full in the RECORD.

The material follows:

KEEP AN INDEPENDENT TAIWAN

We can't understand why recognition of the Communists as the official government of mainland China had to include the virtual abandonment of an independent Taiwan. Of course, both the Nationalists and the Communists always have maintained the fiction that the island is just another province of China. But it has a different history, culture and economic system. Leaving it to the tender mercies of the Red Chinese undermines our international credibility.

We don't understand why we could not have traded recognition of the Communist government on the mainland for a commitment to leave Taiwan alone. At the same time, we could have told the Nationalists on Taiwan to give up the charade of being the real government for all of China. Florida has more than an academic interest in all this, since it is in the midst of trade talks with Taiwan, a potential market for oranges and tobacco.

Leaving Taiwan adrift in the China Sea could tempt Russia to move in, which might be welcomed by the Nationalists as less objectionable than being gobbled up by its giant neighbor across the Formosa Strait. Taiwan has great military value in the western Pacific, and we'd feel a lot better if any bases there were American. Recognizing the Red Chinese government was simply recognizing reality. But we should be just as realistic about Taiwan. We hope it's not too late.

CHINA'S DIPLOMATIC CONQUEST MAY RETURN TO HAUNT CARTER

There is a Chinese proverb that says, "The greater conqueror is he who overcomes the enemy without a blow." If that be so, the reopening of diplomatic relations with the United States represents a double conquest for the Peking government. It has, with one dramatic gesture, "conquered" both Taiwan and mainland China's isolation.

The imminent *rapprochement* with Peking—diplomatic recognition in January, an exchange of ambassadors in March—is also a conquest for President Carter. But it carries a price that may, in time, prove regrettably dear.

In recognizing Peking as the government of all China, the United States perforce had to break its word with the Nationalist Chinese on Taiwan. They can count on continued U.S. observance of all of the two nations' 60-odd accords except the two they treasure: diplomatic recognition and the American pledge to repel any invasion of

Taiwan and its offshore islands, Quemoy and Matsu.

It hardly ameliorates matters to recognize that the United States could not have withdrawn diplomatic recognition of Taiwan without unilaterally abrogating their defense treaty as well. What value, now, will other U.S. allies place on the American signatures affixed to treaties with them? What faith, now, will they have that agreements reached when it was expedient for the United States to reach them will not be abrogated when Washington sees abrogation as in its own best interests?

These reservations taint the considerable advantage that the United States will gain, diplomatically and perhaps economically, by its pending recognition of Peking.

The diplomatic advantage is twofold. First, Richard Nixon undertook his historic 1972 trip to Peking in part because the United States felt that a restive China would be easier to deal with within the community of nations than outside it. Other nations felt so too, and in time the United Nations ousted Taiwan and seated Peking.

The second advantage for Washington, fully as important as the first, is the effect its recognition of Peking will have on the Soviets. One paragraph of last Friday's U.S.-Chinese joint communique clearly was addressed to Moscow. "Neither (the United States nor China) should seek hegemony in the Asia-Pacific or in any other region of the world," it said, "and each is opposed to efforts by any other country or group of countries to establish such hegemony."

Most of the Soviet Union lies in Asia, and the Kremlin considers its hegemony—dominance—in Asia to be a geopolitical imperative. Centuries of enmity, deepened by periodic flare-ups along their long and lonely border, have bred into both the Chinese and the Soviets a near-genetic loathing for one another.

The Soviets shrieked when China signed a peace treaty with Japan earlier this year, but they took no provocative action. They are deeply disturbed by the U.S.-Chinese rapprochement, and one question now is, How and where will they retaliate? Africa? Iran? Afghanistan, Cuba, even?

It remains to be seen whether the U.S.-Chinese diplomatic recognition will be the boon for U.S. exporters that some observers immediately foresaw. It can be argued that an emergent China, like any buyer, would have turned anyway to the best-equipped warehouse—the United States—for the foodstuffs, industrial equipment, and technology it needs to lift its economy out of feudalism.

In sum, all that can be said with certainly of the U.S.-Chinese rapprochement is that it came with unexpected swiftness, its arrival hailed by the klaxons that always signal high drama.

But the Americans and the Chinese are only at center stage, not alone. In the wings other players await: the Nationalist Chinese, the Soviets and their minions. They may determine whether the high drama is over, or just beginning.●

STUDENT ESSAYS ON THE FREE ENTERPRISE SYSTEM

● Mr. THURMOND. Mr. President, last November during Free Enterprise Week in Oconee County, S.C., many young people entered an essay/poster contest sponsored by the distributive education club of Oconee County. Out of all the fine essays and posters submitted, two essays were judged to be best and one poster won against all others.

I commend the three winners, Marcia Miles, Patricia Watson, and Mary Nan Ellenburg on their hard work and outstanding achievement. Not only have they demonstrated an understanding of the American economic system, but, through their efforts, have helped others gain knowledge of our free enterprise system.

Mr. President, in order that I may share the two outstanding essays with my colleagues, I ask that they be printed in the RECORD at the conclusion of my remarks.

The essays follow:

WHAT THE FREE ENTERPRISE SYSTEM MEANS TO MY FUTURE

(By Mary Nan Ellenberg)

The free enterpise system is based on the knowledge that each individual shall decide what is best for himself. No one man can make decisions for the entire nation, country, state, or group. For free enterprise to exist, there must not be a central economic plan. Thus one person or group cannot decide how much a certain manufactured product will cost, or what quantity will be produced. Men must make their own decisions and then face the consequences that come with it, whether profitable or nonprofitable. This system is, at the present time, in use in the United States, Canada, and a few other countries.

The free enterprise system means a great deal to my future. It will play an important part in my life when I enter the labor force. If I were to work in or run a small business, it would assure me that no larger business could build a monopoly, thereby putting smaller companies out of business. It assures me that one company cannot rule over all other businesses in a dictative manner.

The free enterprise system would not allow one person or company to set the pace on how much of one certain product is produced. The same thing works with prices of products. If this were allowed I would have little or no future in the small business line of work.

If there were no free enterprise system, I would not be able to make my own economic decisions, I would have to go by other businesses' decisions. I would not have the opportunity to try to make a business of my own. I would not have the right to use my money to start a business, whether it were wise or not.

The free enterprise system may also determine the cost of living for me in the future. If one group or person were able to control prices the cost of living would soar. This would put pressure on me to provide the needed assets for myself and my family. Such a situation would also have major effects on my style of living. It would limit what I could buy. The free enterprise system would also influence the job wages I would receive.

The free enterprise system in the United States is very important to me. It represents a way of life for myself and the people around me. It will give me the opportunity to make a living, the American way.

WHAT THE FREE ENTERPRISE SYSTEM MEANS TO MY FUTURE

(By Patricia Watson)

My future is actually based on the Free Enterprise System. When I graduate from high school, the system will engulf me into its overpowering ebb and flow. I will have the freedom to choose the job for which I qualify, the goods that I might purchase, and the services which are available.

The Free Enterprise System is based on individual initiative. Striving to further my education in order to become a better educated and well-rounded American plays an important role in my life.

Limited energy supplies may effect the economy in the future. Large industries, supplying jobs for thousands of people, may have to cut down on energy costs to meet a minimum use, due to the shortages of coal or oil. This, obviously, would mean that hundreds of people would be without jobs. To be realistic, I have to see myself as one of the jobless if I worked for that industry. But in our Free Enterprise System I may pursue another profession.

There is always a demand for many products. Especially if the population increases, there will be a great demand for the goods and services that are produced in the United States. Therefore, with my own individual initiative, I will have the freedom to buy the property and organize the resources, materials, and labor to supply the growing population with goods and services. I may choose to work in a factory owned by someone else. This, also, is my decision—the government does not make this decision for me.

As I have stated, I have the right to work where I want to, but I also have the right to live where I wish and to change my environment at any time.

In some countries, such as Russia, the people do not have these privileges. The Russian people have no options or choices as to what occupations they might choose. Without any opposition, most of them will live out their lives in the same environment.

I feel that as Americans, we could never adopt to some of those limitations. We are spoiled by our freedoms. The American people have known a life of freedom of speech and actions, with few restrictions.

Lincoln summarized what our forefathers based our freedoms on when he stated that we have a ". . . government of the people, by the people, for the people." So when we speak of what the Free Enterprise System means to our future, we may remember that the government was developed with the nation as a whole in mind. Our freedoms and rights were not made for any particular group of people. They were made for everyone in the United States.

As an American—in Salem, South Carolina—I will use the Free Enterprise System in my best interests. With this system I will be free to make my own economic decisions. I believe this is essentially the basis of our economic survival.●

INTERVIEW WITH MR. RICHARD N. GARDNER, AMBASSADOR TO ITALY

● Mr. MUSKIE. Mr. President, I send to the desk and recommend for my colleagues' attention the text of an interview of the U.S. Ambassador to Italy, Mr. Richard N. Gardner. The interview was conducted by Mr. Alberto Ronchey for Italian television. I recommend it because it offers, in my opinion, a valuable insight to perceptions of the United States from abroad. Ambassador Gardner offers concise, but thorough responses to questions of interest to the Italian people. A studied awareness of the concerns of a highly regarded ally, such as Italy, is invaluable in the formulation of responsible foreign policy.

I ask that the text of the interview be printed in the RECORD.

The interview follows:

INTERVIEW OF AMBASSADOR RICHARD N. GARDNER

(By Alberto Ronchey)

Q. Ambassador Gardner, the Carter Administration is now two years old. I would like to ask you which events have characterized this period of American policy.

A. I think the record of the Carter Administration in these first two years is one of solid accomplishment, both in domestic and foreign policy. At home, the most important thing is that President Carter, after our difficult period of Watergate and Vietnam, has restored the confidence of the American people in the integrity, morality, openness and responsiveness of our government. I think we have also made important progress in reducing unemployment and increasing our rate of economic growth. In all honesty, we have not done such a good job in controlling inflation. But overall, the record economically is a good one.

In foreign policy, I think we can say objectively that we have taken major intiatives for peace, for disarmament, for human rights and specifically to strengthen our relations with our close friends and allies in Europe and Japan. I need only mention the extraordinary initiative the President took in bringing about the Camp David agreement which, I believe, despite all difficulties, will lead to peace between Israel and Egypt in the Middle East. And I think as far as our allies are concerned, President Carter has demonstrated in his leadership in the economic summits and the NATO summits that we intend to work more closely than ever with you in Europe to assure Europe's defense and to assure a stronger international economic system. These seem to me to be the most important elements in the first two years of President Carter.

Q. You have just mentioned the problem of inflation. The Italian edition of your book "Politica economica ed ordine internazionale," with Guido Carli's preface, has been published recently. I remember that you have great experience in this field, and I would like to ask you if you think that a lasting stability of the dollar is possible despite the dangerous wandering masses of Eurodollars and petrodollars.

A. I think stability of the dollar is possible. Indeed it's essential, because the dollar, as you know very well, is not only an American currency, it's a world currency, it's the currency which is used for world trade, it's the currency used by most countries for the holding of reserves. Therefore, a strong dollar is in everyone's interest. And to this end, President Carter is totally committed, and we are going to have a strong dollar. The President, first of all, has committed himself in the November 1st announcement to intervene massively to prevent speculation against the dollar in the foreign exchange markets, and you've seen how this has succeeded in restoring confidence in the dollar; the dollar has recovered much of the value that it lost in previous months. In addition, to have a strong dollar, we must reduce our balance of payments deficit, and all the forecasts by objective sources, such as the International Monetary Fund and OECD, indicate that our deficit will be greatly reduced next year, mainly because our rate of growth relative to that in Europe and Japan will go down, so we'll be importing less and exporting more. And finally, we have made a very serious commitment to control our domestic inflation. We recognize that unless we control our inflation we can't have a strong dollar. To this end, the President has increased the discount rate and committed himself to reduce our budget deficit. These were not easy decisions for him to take; in some respects, they are politically unpopular. But they represent our recognition of our responsibilities, not only to our own people, but to the rest of the world.

Q. Personally, do you believe it possible to stabilize the dollar avoiding a recession in the States?

A. I do believe it's possible. The forecast for our economy in 1979 is for a rate of growth of between 2 and 3 percent. That's not a recession, It's a reduced rate of growth compared to the growth of 4 to 5 percent we've had this year and the year before. But we just have to have somewhat reduced growth in order to control inflation.

Q. How can the birth of the SME and the ECU, the new European shield, contribute to international monetary stability?

A. I think it will make a major contribution. Let me emphasize that we believe that a strong and united Europe is a good thing, not only for Europe but for the U.S. and the entire world. We favor the economic integration of Europe and we believe that the SME, the EMS as we call it, can be a very important step toward those objectives. We don't see it as antagonistic to the dollar. Indeed we see it as part of a process of international collaboration to achieve greater stability in international payments. A zone of monetary stability in Europe will mean less international currency speculation against individual European currencies and against the dollar. Having said this, I want to emphasize that we are not taking any position as to whether any particular European country should join or not. That is a matter for every country to decide in the light of its own appreciation of its national interest. All we are saying is that we favor the process of European integration and believe the SME is a constructive step in that direction.

Q. Ambassador Gardner, another subject. Thirty years have passed since the Declaration of Human Rights. During the past two years, right when the phenomenon of Soviet dissension was breaking out, President Carter has been pressing for the respect of human rights, especially in the USSR. But how can the Carter doctrine be compatible with Washington's policy towards other nations, such as Iran and Nicaragua, where these rights are violated? And this is not all. The more or less despotic governments of the world are about one hundred; do you think that the United States would maintain their influence on a world scale if they made their foreign policy conditional on each of those governments' respect for human rights?

A. This important question of human rights has interested me for many years. In fact I worked on that subject of human rights when I served in the Kennedy Administration. And more recently as a private citizen I was a member of the Board of Freedom House, which is perhaps the leading private organization in the United States concerned with human rights. That organization publishes every year a map of freedom in the world, and this year the map shows that in the world there are about forty countries that are truly free, about 60 countries that unfortunately are not free, and about 50 countries that are partly free and partly not free. Now it's obvious that the United States cannot impose freedom by military force on the countries that are not true democracies. And there would be no point in our cutting off diplomatic relations with the countries that are not free, because that would serve no purpose, we would then have no influence over them. So what this administration is doing, is to try to use its influence, political, economic, and moral, to persuade countries to grant more human rights to their citizens. We do this everywhere, not just with respect to the Soviet Union, but we do it in Latin America, we do it in Africa, we do it in Asia. We do it with Nicaragua and Iran, where we have consistently urged the leaders of those countries to grant more rights to their citizens and to move toward free elections. Our interest is global: not only does it apply everywhere in the world but it applies to economic rights as well as to political rights. We care deeply about such things as the right to form a free trade union, the right to strike, the right to choose one's job freely, the right to have decent working conditions, the right to move around one's country. All of these rights of course do not exist in the Soviet Union and in Communist countries. So we have a major interest in human rights in the world and every country now knows that how it treats its own citizens will be a major element in its relations with the United States. And that is our policy on human rights, it's neither more nor less than that.

Q. I see that the estimates of this map of freedom are more or less like mine, since 60 countries which are not free and 50 countries which are partly not free correspond, as I said before, to approximately 100 despotic governments in the world. I would like to ask you how you consider, today, the phenomenon called "Eurocommunism" with respect to its French, Spanish and Italian variations.

A. This is such an important question that you are asking, that I want to be sure that I give a precise answer and of course in a matter like this an ambassador doesn't make policy, he reflects the policy of his country.

So the first thing I want to say is that the Carter Administration has expressed its view many times, and that view has always been the same. We have said, first of all, that it is up to our friends and allies to decide how they want to be governed. They are sovereign countries, we will not interfere in their internal politics. We have said, secondly, that we are also a sovereign country and we have a right to express a preference as to what kind of friends and allies we wish to have, and we have said consistently that we do not favor the participation of Communist parties in West European governments and that we would like to see the influence of Communist parties reduced. This is not a new policy, it has been the policy of the United States from the time of Truman, Eisenhower, John Kennedy, Nixon, Ford and Carter.

If you ask the reasons for this position I think I can do no better than to quote what President Carter himself said shortly after he was inaugurated on May 2, 1977, in an interview with some European television journalists. He said and I quote: "We strongly favor the election of leaders who are committed to freedom and democracy and who are free from Communist philosophy, which quite often has been dominated from the Soviet Union or other nations." And my former Columbia colleague Dr. Brzezinski, now the National Security Adviser of President Carter, has more recently, in the fall of 1977, expressed very precisely our view of Eurocommunism, and permit me to quote this because it's a very important statement. He said, in an interview on October 9, 1977, in the Washington Post: "Eurocommunism is a highly differentiated phenomenon. All it is really is a catchword for West European Communist parties. Some of these parties are still highly Stalinist, such as the Portuguese. Some of them have begun de-Stalinization, but they've only begun it, like the French. Some of them are relatively de-Stalinized, but are still highly Leninist, like the Italian. Some are de-Stalinized and probably are de-Leninized, such as perhaps the Spanish. It's useful to bear these distinctions in mind because I think they enable us to make more discriminating judgments in regard to specific West European Communist parties, instead of lumping them under one label which really ignores quite important differences." I can do no more than to quote that which represents the continuing view of our Administration.

Q. One of the most impressive new facts in recent times has been the pragmatic turn of Teng Hsiao-Ping's China, which, I would say, can open new prospects in the political scene. Actually, let us say, contradiction, antagonism, between the Chinese and the Soviets is not new since it dates back to the end of the 50's. But if it is possible for closer relations to exist between the

United States and China, then a problem arises often underscored by the Soviets. What would happen (there was a recent interview of Arbatov by "The Observer") if Washington decided to play the Chinese card, I mean from the strategic point of view, among other things, against Soviet interferences in Africa and around the oil route; what risks would this choice involve?

A. Well, it's not a matter of playing the Chinese card. The fact is that the U.S. wants to have better relations with both the Soviet Union and China and we are not going to let either one of them dictate conditions to us that we must not have relations with the other. We're just not going to permit that, we want to have relations with both, and I think I can say as of this time that our relations with both countries are improving. I think we're very close to signing a SALT agreement, and other accords with the Soviet Union, which will put our relations on a more stable basis. As you know, we have announced the establishment of full diplomatic relations with China. We're naturally very pleased at the developments that have taken place in China. You spoke of the pragmatism of this regime, this is in the great tradition of Chinese pragmatism. That China is moving back into a constructive relationship with the world is a positive thing for everybody—for Europe no less than the U.S., and to the extent that trade develops between European countries and China, the U.S. and China, this is all to the good. As to the question of military sales, our position is very clear, it's the same position that other members of NATO have taken, it's for each NATO country to decide whether to sell weapons to China. As for ourselves, we don't sell weapons either to China or the Soviet Union, but we are not asking our NATO allies to put an embargo on sales to China, that is for each country to decide. But we want good relations with both of these countries, it's in the American interest, and frankly it's in the world interest to have these relations.

Q. Ambassador Gardner, a historical tradition of the relations between Soviets and Americans exists in accordance with which, when mutual suspicions and controversies reach the crucial point, a summit meeting is called. Thus one remembers Camp David between Eisenhower and Khrushchev, Vienna between Kennedy and Khrushchev, Glassboro between Johnson and Kosygin, Moscow between Nixon and Brezhnev. Is it now possible to ratify in the near future the SALT II agreement still without a Soviet-American clarification of some problems of intent possibly through a Carter-Brezhnev summit meeting?

A. President Carter has indicated that when the SALT agreement is ready for signature, he would like to meet with Chairman Brezhnev in the U.S. and I think the President has also indicated that he would like to use this meeting not just to sign SALT, but to review the totality of our relations with the Soviet Union. You remember during the Presidential campaign—when I had the privilege of being the co-chairman of President Carter's Foreign Policy Task Force, along with Doctor Brzezinski—during that campaign President Carter said it was his objective to make detente with the Soviet Union both more reciprocal, more of a two-way street, and more comprehensive, namely that detente should cover not just relations between our two countries, but the way our two countries act with respect to the rest of the world. It's obvious that we can't have a lasting detente if the Soviet Union considers itself free to send client states' military forces, Cuban forces, into Africa or other places to impose their particular kind of social system, that is not a détente, so detente must become more comprehensive and these issues will have to be discussed, frankly, at any future summit meeting.

Q. Many say that the new N-bomb is the capitalist bomb because it would destroy man, saving things. How do you reply to this polemic?

A. This is the usual Soviet propaganda. I don't think serious people pay much attention to it, the facts are very simple. The so-called "Neutron-bomb" isn't a new weapon at all, it's simply an improved version of existing tactical nuclear weapons which both NATO and the Warsaw Pact have already installed in Europe, in large numbers. The difference between this improved version, the so-called Neutron-bomb, and existing weapons is simply this—that whereas the existing weapons make it possible to destroy an invading Soviet tank column within a diameter of one kilometer, while causing damage out to four kilometers in the surrounding countryside, the improved version makes it possible to destroy that same Soviet tank column within a radius of one kilometer, while limiting surrounding damage to two kilometers. So that far from being a weapon, as the Soviet propagandists say, that kills people and spares things, this is a weapon that kills less people and kills the right people, the aggressors, and spares the defending armies and the civilian populations, that's what it does, and that's why the Soviet Union is so anxious to prevent it from being deployed. And I find it strange, since you bring up the subject, that some people in Western Europe conduct this hysterical campaign against the neutron-bomb as an immoral weapon, and never say a word about the Soviet SS 16/18/20 weapons, which have twenty thousand times the destructive power of the so-called neutron-bomb. Why are they silent about this? Doesn't that tell us something about their good faith? Now I want to emphasize, I've always been a man of peace, I've spent my whole professional life working for disarmament, for the elimination of war, for the peaceful settlement of disputes, so I don't like any weapons, and frankly I would prefer to see the so-called neutron weapon not deployed, but as President Carter said, whether we will deploy it or not, will be determined by whether the Soviet Union is prepared to take minimum steps toward reducing their enormous buildup of conventional and strategic forces. They have sixteen thousand tanks, facing seven thousand tanks on the NATO side. If they're prepared to do something about this imbalance in conventional forces, it may be possible for us not to deploy this improved tactical nuclear weapon.

Q. Now, in connection with these remarks made by President Carter, on which conditions, exactly, could Washington give up the construction of the N-bomb? Do these conditions regard the MBFR negotiations, for the reduction . . . ?

A. Well, it's not for me to set precise conditions, our policy is simply this: we haven't decided on whether to deploy the so-called neutron bomb, we would prefer not to deploy it, our decision will be based on whether the Soviet Union shows restraint in its build-up, both of its conventional forces, such as the tanks, in which as I mentioned they have this big superiority, and in the build-up of its nuclear forces, including those nuclear weapons which are targeted on Western Europe. The Soviet build-up, on any objective standard, goes far beyond the Soviet Union's needs for defense and it is in Europe's interests and our interest to see some reduction in that military build-up. If that takes place, we will respond.

Q. Mr. Ambassador, to sum up, what are the problems which most engage you personally in your capacity as American Ambassador in Rome today?

A. Ninety percent of my time is spent on what I like to call "the strategy of cooperation," that is to say on about 10 very specific programs of cooperation and mutual benefit, between Italy and the United States, which we have initiated, in the Carter Administration. For example: we have a major program of cooperation in the energy field. We announced, in the first meeting between President Andreotti and President Carter, that we're prepared through the Export-Import Bank to finance a major part of the cost of Italy's eight 1,000-megawatt nuclear reactor program. We're also working with the Italian Government to assure the safety and environmental security of those reactors.

Q. Mr. Ambassador, there are also programs for the utilization of solar energy . . .

A. Exactly, and because the Italian Government, just as the American Government, wants a balanced energy program, which uses not just nuclear energy, but as much as possible renewable energy sources, our two governments are working together on research and development of solar energy, wind energy, the conversion of waste material into energy (so-called bio-mass energy). This will also help the South of Italy, because the solar energy, and the wind energy, are projects for Sicily and Sardinia. We are also exploring the use of coal of Sardinia, how to use it notwithstanding its high sulfur content in coal gasification projects. So we have a major program in energy of mutual interest to both sides. Also geothermal energy, in which Italy is the world leader, and we get benefits from cooperating with you.

Then, in the field of unemployment, we are sharing information on how to deal with unemployment problems, particularly youth unemployment. How to provide incentives to private industry to create more jobs, how to provide jobs through the public sector, we have major cooperation here.

In the field of health and environmental protection we have a major cooperative program with respect to dangerous chemicals and how they should be controlled, drug addiction, cancer and heart disease.

In the field of economics, we are doing everything we can to facilitate American investment in Italy, and we've had some successes. Recently there was this big agreement between Boeing and Aeritalia providing for Italian participation in the production of the Boeing 757 and 767, which will be the principal passenger aircraft that Boeing will produce in the rest of the century. And this will bring thousands of jobs and billions of dollars of new income to the Mezzogiorno of Italy. We are working together to create more export opportunities for Italy, through keeping tariffs and trade barriers low. We rejected the proposal to put increased restrictions on Italian shoe exports, that was a major decision of President Carter to help Italy.

In the field of education and culture, we have started a truly exciting program by which the United States will help Italy improve English language instruction in Italian schools and universities, and your government is helping us improve the teaching of Italian in our schools and universities. You know, Italian is the fastest-growing language in America today, because so many Americans of Italian descent are rediscovering their roots, and many other Americans, not of Italian descent, want to learn Italian. I am a good example of that because I am not an Italian-American. I married a girl from Venice, and I think I am living proof that you don't have to be an Italian-American to want to learn Italian. So we have a big growth in interest in the Italian language in the United States and we need your help in training teachers.

And then we are increasing in a major way our exchange of persons. We have increased by 60 percent our funds for the bringing of young Italian leaders to the United States, political leaders, journalists, trade unionists and scholars. Together our two governments are encouraging the development of a student loan fund, in which the private sector of our two countries, banks and business firms, both Italian and American, will create student loans to bring up to

200 young Italians from poor families to do post-graduate work in the United States on subjects of importance to Italy's future. So in all these ways we are trying to find practical ways to help strengthen democracy and economic welfare in Italy as well as in the United States.

Q. You have mentioned possible investments. Well, on which conditions, in your opinion, would it be easier to obtain investment from the United States, particularly for Southern Italy?

A. Well, as you know very well, American private investors, like all private investors, are not charitable institutions. They invest where they see a chance to make a profit and investment security. And so we must study together how to create these conditions. American investors, like all investors, look at the cost of labor in Italy relative to the cost of labor elsewhere and they look at the issue of labor mobility. If they can be assured on those matters, and if they can be assured that national and local government authorities will take a favorable view, an encouraging view, I think they'll come to Italy. There's already three billion dollars of American investment in Italy. I'd like to see that grow. But that's something on which our two governments must work together. I'm doing everything I can when I return on visits to the United States to encourage American business to think of Italy as a place to invest, particularly in the South. And there are great opportunities, tourism is one area, agriculture, as well as industrial projects, in which our two governments can encourage investment.

Q. Therefore, you say that in the industrial sector competitive cost of labor and labor mobility are the two major conditions necessary to obtain foreign investment in general, and therefore also American investment.

A. And that's also true for Italian investment. There will be American investment in the Italian South when there is Italian investment in the Italian South. I'd like to see joint ventures between Italian and American investors. But my point is that most of my time as Ambassador is spent on this strategy of cooperation. Indeed, it's a measure of the interdependence of our two countries that we are working not only between foreign offices on diplomatic problems; we are working between labor ministries, education ministries, health ministries, and so on, on common problems that face all industrialized democracies. And this testifies to the very special, close, warm and friendly character of the relationships between Italy and the United States today.●

PROPOSED CONSTITUTIONAL AMENDMENT TO LIMIT FEDERAL SPENDING

● Mr. STONE. Mr. President, as a member of the Congressional Advisory Committee of the National Tax Limitation Committee, I want to share with the Senate the results of many months of careful work by the drafting committee of this organization. This group has announced its proposal for a constitutional amendment to limit Federal Government spending.

I commend and endorse the basic approach of this proposal—to limit Federal outlays as a function of the gross national product. It is a real and effective way to limit the spending of the Federal Government. Over the long run, it would insure that the fruits of American labor and investment are not unreasonably taxed for Government use but rather remain in the hands of the Nation's citizens who can use that money to improve their own lives.

Inasmuch as the national tax limitation drafting committee has only recently made its work public, I have not had the opportunity to review it in every detail. Although constitutional amendment approach to limiting Federal spending is strong medicine, and should be taken with care, I have no doubt this Congress must make clear to the public it will draw the line on an ever-increasing Federal outlays of cash. Because I am a member of the National Tax Limitation Committee's Congressional Advisory Committee, I am familiar with the overall approach the group has taken to limiting the Federal budget's growth. I think there is much in this proposal which can be the foundation for a limit on Federal Government spending. I intend to draw on this package for my own proposal later in this session of Congress.

Given the level of budget deficits in the past 10 years and the apparent inability of Congress and the President to bring Federal spending under control, I believe the time has come to take effective steps to insure there is control in the future. Some Members of the Senate have already introduced such proposals of their own, and 24 States have adopted resolutions calling for a constitutional convention to adopt a constitutional limit on the Federal budget deficit.

President Carter's 1980 budget, which many of us are now studying closely, is a step in the right direction. I am confident the 96th Congress will not only support the President but will press even further in this direction.

But more needs to be done. The proposal of the National Tax Limitation Committee is clearly an appropriate approach. It is based on sound economic principles and deserves the consideration of each Member of Congress. I encourage my colleagues to examine it closely, and I ask them to comment on its content, both on the specific idea of tying spending to the gross national product and on the general idea of limiting spending through an amendment to the U.S. Constitution. To that end, Mr. President, I ask that the text of this proposal and the supplementary material attached be printed in full in the RECORD immediately following these remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JANUARY 30, 1979.

In July 1978, The National Tax Limitation Committee asked several distinguished Americans to join together in an effort to prepare an Amendment to the Constitution of the United States that would limit spending by the Government of the United States and get at the root cause of inflation.

The Committee has prepared and now offers this Constitutional Spending Limit Amendment to interested Members of Congress and other citizens. We believe that this Amendment design offers a responsible method for dealing with our fiscal and monetary problems.

WILLIAM F. RICKENBACKER,
Chairman.
LEWIS K. UHLER,
President.

A PROPOSED CONSTITUTIONAL AMENDMENT TO LIMIT FEDERAL SPENDING

Section 1. To protect the people against excessive governmental burdens and to promote sound fiscal and monetary policies, total outlays of the Government of the United States shall be limited.

(a) Total outlays in any fiscal year shall not increase by a percentage greater than the percentage increase in nominal gross national product in the last calendar year ending prior to the beginning of said fiscal year. Total outlays shall include budget and off-budget outlays, and exclude redemptions of the public debt and emergency outlays.

(b) If inflation for the last calendar year ending prior to the beginning of any fiscal year is more than three per cent, the permissible percentage increase in total outlays for that fiscal year shall be reduced by one-fourth of the excess of inflation over three per cent. Inflation shall be measured by the difference between the percentage increase in nominal gross national product and the percentage increase in real gross national product.

Section 2. When, for any fiscal year, total revenues received by the Government of the United States exceed total outlays, the surplus shall be used to reduce the public debt of the United States until such debt is eliminated.

Section 3. Following a declaration of an emergency by the President, Congress may authorize, by a two-thirds vote of both Houses, a specified amount of emergency outlays in excess of the limit for the current fiscal year.

Section 4. The limit on total outlays may be changed by a specified amount by a three-fourths vote of both Houses of Congress when approved by the Legislatures of a majority of the several States. The change shall become effective for the fiscal year following approval.

Section 5. For each of the first six fiscal years after ratification of this article, total grants to States and local governments shall not be a smaller fraction of total outlays than in the three fiscal years prior to the ratification of this article. Thereafter, if grants are less than that fraction of total outlays, the limit on total outlays shall be decreased by an equivalent amount.

Section 6. The Government of the United States shall not require, directly or indirectly, that States or local governments engage in additional or expanded activities without compensation equal to the necessary additional costs.

Section 7. This article may be enforced by one or more members of the Congress in an action brought in the United States District Court for the District of Columbia, and by no other persons. The action shall name as defendant the Treasurer of the United States, who shall have authority over outlays by any unit or agency of the Government of the United States when required by a court order enforcing the provisions of this article. The order of the court shall not specify the particular outlays to be made or reduced. Changes in outlays necessary to comply with the order of the court shall be made no later than the end of the third full fiscal year following the court order.

DISCUSSION

Section 1. The basic limit:

The basic limit on federal outlays has two parts. One part applies whenever inflation is three per cent or less, the other part whenever inflation is more than three per cent.

Inflation Three Per Cent or Less. If inflation is three per cent or less, the Federal Government cannot increase its share of gross national product. If, for example, gross national product increases by five per cent from one year to the next, then government spending cannot increase by more than five per cent. Even if government spending increases by the maximum allowed—in this case five per cent—its product merely remains constant.

An important feature of the limit is that it is a linked limit in which each year's limit depends on actual spending of the preceding year. This is the mechanism that permits the Congress gradually to reduce the government's share of the gross national product.

If, in any year, the Congress spends at a slower rate than the limit allows, that sets a new and lower base for future years.

Another important feature is the time difference between the fiscal year and the calendar year. Gross national product for any year is not available until some months after the end of the year. The difference in timing makes it possible to calculate the limit in ample time for the necessary budget process. For example, fiscal year 1980 starts in October 1979. The spending limit for that fiscal year would be based on the rate of economic growth during 1978. These data become available early in 1979, just at the moment the federal budgeting process for fiscal year 1980 is getting under way.

The time difference also has a countercyclical advantage. Gross national product increases most rapidly during a boom. This amendment permits the most rapid increase in government spending when the economy is generally over the boom and in a recession—i.e., 21 months beyond the boom peak (21 months is the interval between the start of a calendar year and the start of the succeeding fiscal year). And gross national product increases most slowly during a recession. That brings about a slower increase in government spending 21 months later, when the economy is likely to be past the recession and entering the most rapid phase of the ensuing recovery.

Government spending is defined in this amendment as "total outlays" in order to cover as fully as possible all spending by the government other than debt redemption. Because emergency outlays are excluded, the emergency provision in Section 3 cannot be used to raise the limit for years following the emergency period.

Inflation More Than Three Per Cent. If inflation is more than three per cent, spending still may rise, but the rate of growth will not be quite so fast as the rate of growth in nominal gross national product. Congress, therefore, will have a strong incentive to reduce inflation, to hold down spending, and to cut any deficit. The three per cent cushion provides ample room for unavoidable zigzags in inflation from year to year, and for errors in statistical measurement. At the same time, the inflation penalty in this section establishes a strong pressure for responsible management of the federal budget while not depriving Congress of the necessary flexibility in adjusting to changing conditions. A reduction in the government's share of gross national product should be achieved gradually, to permit an orderly adjustment by employees, employers, consumers, and investors. This is why the spending limit is reduced gently—but steadily. Also: the higher the inflation rate, the greater the incentive for Congress to reduce inflation.

For example, if real gross national product goes up by four per cent per year and the nominal gross national product goes up by 11 per cent, inflation is seven per cent. The permitted maximum increase in government spending would be ten per cent instead of 11 per cent—a reduction of one-tenth. If nominal gross national product goes up by 15 per cent, inflation is 11 per cent. The permitted maximum increase in government spending would be 13 per cent, instead of 15 per cent, a reduction of slightly more than one-tenth.

For simplicity, inflation is defined as the difference between the percentage increase in the current dollar value of the gross national product and the percentage increase in the real gross national product. This is arithmetically slightly different from the usual definition of inflation as the rate of change of the implicit price index. (See "Appendix A".)

Section 2. Handling of surplus:

This section simply makes explicit that any surplus must be used to reduce the debt of the United States. The section is fully consistent with current practices regarding management of the public debt. Once the debt is eliminated, this would permit further reductions in taxes.

Section 3. Emergency provision:

Any workable limitation on spending must provide for emergency situations, of which the obvious and the most extreme would be the outbreak of a major war. This amendment provides for such situations by building on present practice, under which the President declares an emergency and the Congress may then authorize expenditures in excess of the limit to meet the emergency. In order to deter the use of this provision to thwart the intent of the amendment, the amount of emergency outlays must be specified, the authority must expire at the end of each fiscal year and must be renewed if the need for emergency funds continues, and the emergency outlays may not be included in the base for calculating the spending limit for future years.

Section 4. Permanent change:

Because of the year-to-year "linkage" in the limit mechanism, a change in the limit for any single year will affect subsequent years. Such a change should be made only when it has widespread public support. This section, therefore, requires a three-fourths vote of both Houses of Congress plus approval by the Legislatures of a majority of the States.

Though a "change" may, of course, be either an increase or a decrease, this section has to do primarily with increases. The reason is that a decrease for any current fiscal year can be achieved by a simple majority of both Houses of Congress voting total outlays below the permissible limit. However, this section makes it possible for a Congress to ask the States to approve decreases that will apply to one or more future years.

Section 5. Protection of grants to States and local governments:

This section guarantees State and local governments their current share of federal spending for six years. Thereafter, it permits reductions in their share to take place but only if that reduces total federal spending dollar for dollar. It thus avoids any incentive for further concentration of spending in Washington at the expense of the States and local units of government.

Section 6. Protection of States and local governments against imposed costs:

This section prevents the Federal Government from imposing costs on State and local governments without compensating them. This closes a loophole by which the limit on federal spending might be circumvented.

Section 7. Method of enforcement:

The public needs assurance that the spending limit will be enforced. The Judiciary is the established agency of the Government for enforcing the Constitution. At the same time, it is desirable not to abuse the courts with a multitude of nuisance suits. This section allows only Members of Congress to have standing to sue and concentrates these suits in the District of Columbia. Though citizens cannot sue individually, as would be desirable in principle, any of their representatives has standing to do so.

The Treasurer of the United States already is entrusted with the legal responsibility for disbursing federal monies. The Treasurer is now personally responsible for debts exceeding the debt limit. Hence, the Treasurer clearly seems to be the appropriate officer to be named as a defendant and to be charged with the responsibility of carrying out any resulting court order.

This section prohibits the court from specifying the particular outlays to be made or reduced. Such fiscal management is and should continue to be a legislative and executive responsibility. Congress may legislate which outlays the Treasurer shall reduce and by how much. Permitting any correction to be made over a three-year period provides more than enough flexibility.

APPENDIX A

For example, if the dollar value of gross national product goes up by 11 per cent and real gross national product goes up by four per cent, the rate of change of the implicit price index would be calculated by dividing 1.11 by 1.04, giving an inflation rate of 6.73 per cent, rather than subtracting 1.04 from 1.11, giving an inflation rate of seven per cent. As this example indicates, the two measures of inflation differ by a percentage equal to the rate of real growth. For four per cent real growth, the inflation rate of three per cent used in the amendment amounts to a rate of change of the implicit price index of 2.88 per cent.

Simulation of operation of limit over 10-year period with stable inflation of 8 percent

Assumptions: Growth in real gross national product 3.0 percent. Growth in nominal gross national product 11 percent. Spending assumed always equal to outlay limit.

Year	Percentage increase		Spending of GNP as percent
	Nominal GNP	Spending limit	
1	11.0	9.75	21.3
2	11.0	9.75	21.1
3	11.0	9.75	20.9
4	11.0	9.75	20.6
5	11.0	9.75	20.4
6	11.0	9.75	20.2
7	11.0	9.75	19.9
8	11.0	9.75	19.7
9	11.0	9.75	19.5
10	11.0	9.75	19.3

SIMULATION OF OPERATION OF PROPOSED LIMITATION FOR 1969 TO 1978

[Simulation for limit assumes total outlays equal to actual outlays or maximum allowed under limit, whichever is lower; assumes receipts equal to actual receipts; assumes gross national product equal to actual gross national product.]

	Total outlays							
	Billions		Percentage increase		Percent of GNP		Deficit (billions)	
	Actual	Limit	Actual	Limit	Actual	Limit	Actual	Limit
1969	$184.5	$184.5	3.2	3.2	20.4	20.4	[1]−$3.3	[1]−$3.3
1970	196.6	196.6	6.6	6.6	20.5	20.5	2.9	2.9
1971	211.4	210.8	7.5	7.2	20.7	20.7	23.0	22.4
1972	232.0	220.1	9.7	4.4	20.9	19.8	23.4	11.5
1973	247.1	237.0	6.5	7.7	20.0	19.2	14.9	4.8
1974	271.1	260.2	9.7	9.8	19.9	19.1	4.7	[1]−4.7
1975	334.2	288.4	23.3	10.8	22.9	19.8	45.2	7.4
1976	373.7	307.1	11.8	6.5	23.1	18.9	66.4	7.1
1977	411.4	327.4	10.1	6.6	22.5	17.9	45.0	[1]−30.4
1978	461.2	362.1	12.1	10.6	22.6	17.7	48.8	[1]−39.9
Cumulative deficit 1969–78							271.0	−22.2

[1] Surplus.

MEMBERS, FEDERAL AMENDMENT DRAFTING COMMITTEE

(Partial list; alphabetical)

* C. Austin Barker—Vice President/Consulting Economist, Loeb Rhoades, Hornblower & Co., New York.

Robert Bork—Professor of Law, Yale University; former Solicitor General of the U.S.

James Buchanan—Professor of Economics; Director, Center for the Study of Public Choice, VPI.

* Robert B. Carleson—President, Robert B. Carleson & Associates, Washington, D.C., and Sacramento, Calif.; former U.S. Commissioner of Welfare.

* David Y. Copeland—Tennessee State Representative; Vice President of NTLC.

James B. Edwards—Governor of South Carolina.

Daniel Elazar—Senior Fellow, Center for Study of Federalism, Temple Univ., Philadelphia.

* Milton Friedman—Senior Research Fellow, Hoover Institution, Stanford, Calif.; Nobel Laureate, Economics.

Rose Friedman—Economist.

Robert J. Gordon—Professor of Economics, Northwestern University, Chicago.

* Allan Grant—President, American Farm Bureau Federation, Park Ridge, Ill.

James M. Hall—Attorney, Los Angeles; former Secretary, Calif. Human Relations Agency.

* C. Lowell Harriss—Professor of Economics, Columbia University, New York; Consultant, The Tax Foundation, Inc., New York and Washington, D.C.

Robert B. Hawkins, Jr.—President, Sequoia Institute (public policy research); formerly Woodrow Wilson Fellow, Smithsonian Institution, Washington, D.C.

* Richard Headlee—Chairman, Taxpayers United for Tax Limitation, Michigan; President, Alexander Hamilton Life Insurance Co., Farmington Hills, Michigan.

J. Clayburn LaForce—Dean, Graduate School of Management, Univ. of Calif. at Los Angeles.

James T. Lynn—Partner, Jones, Day, Reavis & Pogue, Cleveland and Washington, D.C.; former Director of Office of Management and Budget.

Paul W. McCracken—Edmund Ezra Day University Professor of Business Administration, University of Michigan, Ann Arbor; Past Chairman, President's Council of Economic Advisors.

Robert A. Nisbet—Resident Scholar, American Enterprise Institute, Washington, D.C.; Albert Schweitzer Professor of Economics, Columbia University, New York.

*William A. Niskanen—Chief Economist, Ford Motor Co., Dearborn Michigan; former Professor, Gradate School of Public Policy, Univ. of Calif. at Berkeley.

*Glenn Pascall—Executive Vice President, Washington State Research Council, Olympia; Chairman, National Taxpayers Conference Committee on Tax/Spending Limitations.

*Wiliam F. Rickenbacker—Chairman, National Tax Limitation Committee.

William Riker—Chairman, Political Science Dept., Univ. of Rochester, New York.

*William H. Shaker—Founder, Taxpayers United of Michigan, Midland.

Frank Shakespeare—President, RKO General, New York; former Director, U.S. Information Agency.

*W. Craig Stubblebine—Professor of Economics, Claremont Men's College and Claremont Graduate School, Claremont Calif.

*C. T. Thatcher—Director, State and Local Governmnet Operations, National Federation of Independent Business, San Mateo, Calif.

*Donald L. Totten—Illinois State Representative, Schaumburg; Vice President of NTLC.

*Lewis K. Uhler—President, National Tax Limitation Committee.

Charls E. Walker—President, Charls E. Walker Associates, Inc., Washington, D.C.; former Deputy Secretary of Treasury.

*Aaron Wildavsky—Professor, Univ. of Calif. at Berkeley (on leave); former President of Russell Sage Foundation, New York; former Dean, Graduate School of Public Policy, UCB.

*Walter E. Williams—Professor of Economics, Temple University Philadelphia; former National Fellow, Hoover Institution, Stanford, Calif.

*John A. Rapanos—Businessman, Rapanos Enterprises, Michigan.●

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*Present at the final drafting session.

ORDER FOR RECESS UNTIL MONDAY, FEBRUARY 5, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 o'clock noon on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair.

There being no objection, the Senate, at 5:59:09 p.m., took a recess, subject to the call of the Chair.

The Senate reassembled at 5:59:51 p.m., when called to order by the Presiding Officer (Mr. PRYOR).

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

ORDER CHANGING DATE IN SENATE CONCURRENT RESOLUTION 3

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the April 1 date which was included in the order entered on yesterday with respect to the concurrent resolution offered by Mr. HART, Senate Concurrent Resolution 3, be changed to the date of March 30.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, what is the pending question before the Senate?

The PRESIDING OFFICER. The pending motion before the Senate at this time is the motion to proceed to the consideration of Senate Resolution 9.

Mr. ROBERT C. BYRD. Without delay.

The PRESIDING OFFICER. Without delay.

Mr. ROBERT C. BYRD. I thank the Chair.

RECESS UNTIL MONDAY, FEBRUARY 5, 1979

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 12 noon on Monday.

The motion was agreed to; and at 6 p.m., the Senate recessed until Monday, February 5, 1979, at 12 o'clock meridian.

CONFIRMATION

Executive nomination confirmed by the Senate February 1, 1979:

DEPARTMENT OF STATE

K. Mathea Falco, of the District of Columbia, to be Assistant Secretary of State for International Narcotics Matters.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

REPRESENTATIVE BLANCHARD ON SUNSET

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1979

● Mr. GEPHARDT. Mr. Speaker, last week the Democratic Caucus took a significant step toward meaningful congressional program review when it approved the policy resolution on sunset which Mr. BLANCHARD, Mr. MINETA, and I offered.

This Caucus resolution calls on the House Rules Committee and the Ways and Means Committee to give sunset legislation deliberate and timely consideration in this Congress. In his speech during discussion of the resolution, Mr. BLANCHARD outlined the clear need for genuine congressional budget review and how sunset responds to that need. I would like to bring his remarks and the text of the resolution to the attention of my colleagues:

SUNSET SPEECH GIVEN TO THE DEMOCRATIC CAUCUS

Mr. Chairman and my colleagues. This resolution, the Sunset Resolution, will make our caucus relevant to several important issues of our time—issues which all of us must grapple with in the months ahead. I speak of: (1) budget prioritizing (2) government spending (3) inflation (4) runaway bureaucracy and (5) tax reform and tax fairness.

Our resolution will put the Caucus on record toward finding a solution to approaching these problems.

What is the reality here? The reality is:

800 of 1200 federal spending programs are permanent and never get reconsidered or reviewed by themselves or in relation to each other. The programs have bound the Congress for generations unless we act.

78 percent of the federal budget is uncontrollable—a significant part of that is due to permanent programs unless we act.

A healthy chunk of tax expenditures, tax expenditures which by the way add up to at least $125 billion a year, are permanent tax expenditures, and are never reconsidered or reviewed unless we as a Congress act.

Our sunset resolution urges the House Rules Committee to take this subject up and to try to report meaningful legislation which will require a workable and orderly review of federal spending programs and tax expenditures.

The idea of such an orderly review of Federal spending programs has been embodied in several bills, at least one of which we cosponsored contained 180 cosponsors in the last Congress. Our bill, along with the Senate companion sponsored by Senator Muskie, has received hearings before 4 different House panels over the last two Congresses. In the late moments of the last session the U.S. Senate passed the bill by a vote of 87–1. Presently the major sunset bill, the Sunset Act of 1979, is H.R. 2 and S. 2.

One of the major problems in dealing with serious program review legislation is that sunset usually is taken up by the Congress so late in the session that it makes it difficult, if not impossible, for legislative action. The time to move is now.

I think almost everyone agrees that we need to get a grasp on the Federal budget and begin to shape tomorrow's budget priorities. For those who would like to see spending curtailed, how are we going to get a handle on the overall spending level of our Federal budget without looking at the parts of the budget? For those who would like to see new initiatives, how are we going to make room for new initiatives without raising taxes if we do not begin to review what's already in place in the Federal budget?

The frustrations relating to those questions and the issues of government spending, inflation and bureaucracy have led to a number of haphazard responses by the Congress and by the political community as a whole:

We are all familiar with the appropriations bills rider technique that we continually hassle over every June.

Then, of course, there are the meat-ax cuts of appropriation bills offered at the last minute and which are usually not carefully considered.

In addition we are familiar with various referendum proposals which seek with one fell swoop of the pen to rectify years of problems relating to the size and cost of government.

One reason these measures are considered, and even sometimes adopted, is that there is no process to deal with a goodly part of the federal budget and, yet, no one honestly wants to say that the Congress is too busy to look at the programs under our jurisdiction.

The question ultimately is—whether we are going to approach this subject in a rational, orderly way and honestly try to set up a process in this Congress to do something about it, or whether we let all sorts of public movents and pressures stampede us into haphazard, ill-considered action.

The question really is whether we as the majority party are going to govern or grovel.

I believe our Sunset Resolution is a step toward responsible government and I respectfully urge its adoption.

DEMOCRATIC CAUCUS RESOLUTION ON SUNSET

Offered by Mr. Blanchard, Mr. Mineta, Mr. Gephardt, Mr. Wirth, Mr. Howard, Mr. Wolff, Mr. Steed, Mr. Udall, Mr. Reuss, Mr. Murphy of Pennsylvania, Mr. Bedell, Mr. Applegate, Mr. Gore, Mr. Mazzoli, Mrs. Spellman, Mr. Kildee, Mr. Carr, Mr. Oberstar, Mr. Fithian, Mr. Vento, Mr. English, Mr. Santini, Mr. Glickman, Mr. Dicks, Mr. Heftel, Mr. Pease, Mr. Lehman, Mr. Markey, Mr. Montgomery, Mr. Seiberling, Mr. Ambro, Mr. Anderson, Mr. AuCoin, Mr. Pepper, Mr. Downey, Mr. Russo, Mr. Sharp, Mr. Traxler, Mr. Patterson, Mr. Edgar, Mr. Hubbard, Mr. Daniel, Mr. Ertel, Mr. Nowak, Mr. Daschle, Mr. Mottl, Mr. Albosta, Mr. Bennett, Mr. Kostmayer, Mr. D'Amours, Mr. Benjamin, Mr. Hughes, Mr. Brodhead, Mr. Beard, Mr. Edwards, Mr. Fisher, Mr. Fuqua.

Be it Resolved that the Democratic Caucus strongly urges the House Committee on Rules to consider and report to the full House of Representatives before the end of the first session of the 96th Congress, legislation to require the review and reauthorization of all federal spending programs.

The legislation should:

1. Establish a review and reauthorization schedule—cycle for all federal programs and limit authorization of programs for no longer than that cycle.

2. Terminate funding for any program which Congress does not reauthorize.

3. Require review and reauthorization of similar programs at the same time and in relation to each other.

4. Establish an explicit, but flexible, review procedure for committees to follow in determining the appropriate funding level for programs they authorize.

5. Exempt from the reauthorization requirements certain federal retirement programs to which individuals have contributed in anticipation of later return.

Furthermore, *be it resolved* that the Democratic Caucus urges the House Ways and Means Committee to consider similar legislation which would apply to tax expenditures.

Adopted 1–24–79.●

TRIBUTE TO PETER CHAHALES

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Ms. FERRARO. Mr. Speaker, I would like to take this opportunity to honor an outstanding citizen of New York's 9th Congressional District. Peter Chahales is a man whose accomplishments and service deeds are extended and varied. Through his long and distinguished years of service to his community and city, Peter Chahales has earned the respect and esteem of the many people who have been touched by this man's generous spirit.

Peter Chahales stands as a towering figure in his community of Maspeth, N.Y. Known as the mayor of Maspeth, Mr. Chahales is a member of the International Locality Mayors Association. For 10 years he served as the chairman of the Maspeth Planning Commission. Additionally, he was a former president of the Maspeth Chamber of Commerce.

Peter Chahales' service extends well beyond the sphere of his home community in Maspeth to encompass his larger community of New York City. He is a man who has responded to the many needs of my city. Mr. Chahales was the originator of the New York City fund for widows of fireman killed in the line of duty. For 10 years Peter Chahales has taken a keen interest in the welfare of the children of New York as vice chairman of the New York City Police Athletic League. The Lighthouse for the Blind and the Cancer Society have been major beneficiaries of his time, energies, and considerable fundraising talents.

Mr. Chahales is a man who is proud to keep his Greek-American ethnic heritage alive and prospering. He is currently serving as the president of the Karabatois chapter of AHEPA in Queens County. Recently he went as a delegate to the national convention of AHEPA in Athens. He is also a founder of the Saint Paul's Society in the New York City Police Department.

There is much more, but with people like Peter Chahales there usually is. He is a dedicated family man who will be celebrating his 33d wedding anniversary with his lovely wife Ethel this week. Men such as Peter Chahales are all too rare, it is through their service to us all that our lives are made a bit more complete.●

TRIBUTE TO DR. THOMAS O. HILLIARD

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. DELLUMS. Mr. Speaker, Dr. Thomas O. Hilliard, a licensed clinical psychologist, has had a distinguished career in public service, private practice, community service, service to professional associations, and as a leader in all of these areas. Dr. Hilliard's unique service record has enabled him to have a major positive influence in all of these areas of service. He is an outstanding teacher, a consultant who is in great demand, an activist in the development of public policy in the human services area, and a role model for many who aspire to be of service to their fellows. Dr. Hilliard has been courageous and selfless in responding to numerous calls to serve in difficult and delicate problem areas. Functioning as he does in areas which do not receive widespread publicity, many of his most significant contributions to the advancement of his field, his people, and the general cause of human rights and justice have not been widely recognized. So many people who know of Dr. Hilliard are aware only of his excellence in the area in which they have interacted with him. Very few have a comprehensive sense of the quality, depth, and breadth of his contributions. It is for this reason that a special effort to recognize and the express appreciation for Dr. Hilliard's work is long overdue.

At this point I include the following resolution:

Whereas Dr. Thomas O. Hilliard is a nationally recognized psychologist, Vice President of the Urban Institute for Human Services, Inc., and community servant, and

Whereas he has distinguished himself in the San Francisco Bay Area, the State of California, and indeed in the Nation as a leader in the development of public policy, and

Whereas he has made significant contributions to the development of forensic psychology through his participation in the first use of psychologists as consultants in the Jury Selection process in the Angela Davis trial, through his expert testimony in the case of the San Quentin Six on psychological damage because of solitary confinement as cruel and unusual punishment, through his expert testimony on diminished capacity in the Klu Klux Klan trial at Camp Pendleton, through his development of creative conceptions in psychology and the law in his highly regarded course in psychology and the law at ———, through his substantial contributions to psychology and the law in the professional literature, and

Whereas, he has made further contributions to the development and application of the field of psychology through his role as a founder of the National Association of Black Psychologists as his Chairmanship of that association, through his service on the national policy board of the Association for the Advancement of Psychology, the political arm of professional psychology, through his role in such conferences as the American Psychological Association's Vail Conference to define approaches to the training of minority psychologists, through his efforts to establish advisory linkages between the Association of Black Psychologists and the National Black Congressional Caucus, through his work as a senior researcher in the field of psychology including his current direction of a national evaluation project for the Association for Children, Youth and Families, and

Whereas, he has distinguished himself as a practitioner in community mental health through his service as a Director of consultation and education in San Francisco, and as Director of a Berkeley Head Start Evaluation project, and

Whereas, he has been in demand as a consultant, a major speaker, a presentor at many conferences, and

Whereas, he has a clear record of support for humane causes and a selfless devotion to the cause of human freedom and dignity,

Be it therefore resolved that Thomas O. Hilliard be duly recognized for the contributions he has made.●

RECTIFYING ARTIST'S ESTATE TAXES

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. RICHMOND. Mr. Speaker, yesterday I introduced a bill which would save the heirs of artist's estates from deprivation, shame and possible bankruptcy.

Under the present law if you inherit 1,000 pieces of art work valued at $1,000 each you will also inherit an estate tax between $118,000 and $308,000. Should you decide to sell some of the art work to pay this tax, you will pay no income tax if you sell the work for $11,000 a piece or less. If you sell one of the pieces for $1,000 you will only pay income tax on the $100 profit.

In 1980 the tax law is scheduled to change and that change, entitled "The Carryover Basis Rule" will have drastic implications on the heirs of artist's estates. Under the carryover basis rule, even though you inherit 1,000 art works valued at $1,000 each and still inherit the same basic estate tax between $118,000 and $308,000 as before, you will also have to pay income tax on everything over the cost of materials in the work. Hence, if you sell one of the paintings for $1,000 (which you were taxed on originally) you will pay ordinary income tax on everything but the cost of the paint, canvas, frame, and so forth—possibly $20. (Now you will also pay tax on the "income" of $980). My good friend and counsel, William H. Behrenfeld, an attorney in New York, has prepared a chart, which follows my statement, which explains these tax consequences in detail.

Realizing the tax consequences to their heirs, many artists are destroying their work before they die. Since I originally introduced a similar bill to this one in the 95th Congress I have received hundreds of letters from artists throughout the country informing me that they have already destroyed their work or plan to do so in the near future.

Arizona artist Ted De Grazia recently burned $1.5 million worth of his paintings, because his wife could not afford to inherit them.

Artist/cartoonist Charles Saxon has a provision in his will that requests his wife to destroy his unsold artwork so she will not be driven into bankruptcy at the time of his death.

What a terrible loss to all citizens, the families of artists who would like to keep the artwork in the family, and especially to the artist who has struggled to develop his creative talents only to be forced to destroy his own work to avoid placing his family in serious financial jeopardy following his death.

Ironically, when an artist is alive and wishes to contribute his art work to a museum, library, hospital or any other nonprofit, tax exempt organization he can only take the cost of materials in the work as a tax deduction. Yet when he dies the very work which he could not previously give away is taxed at its full fair market value.

Because artists are no longer donating their work to museums and libraries and because the work that does remain is sometimes being destroyed, America is losing an entire segment of contemporary art work. This is a national disgrace and tragedy and we must find a way to stop it immediately.

The bill I introduced, to rectify artist's estate taxes, H.R. 1720 allows that the executor (heir) of an artist's estate have the option of whether or not to accept the work at its fair market value or to accept it (for estate tax purposes only) at the cost of materials in the work itself.

In deciding which method to use, the executor would compare the cost in estate taxes and income taxes. Consideration then could be given to the financial ability and cash availability of the estate and the heirs. The known wishes of the artist and the desires of the heirs to retain the inheritance or sell it would be ascertained. The tax and/or financial benefits of selling immediately or in the future could be determined.

The marital status of the artist might be a deciding factor. Under present law, an estate of approximately $400,000, with at least $250,000 left to surviving spouse, would incur no federal estate tax. Would it not be wiser then, to value at the market for estate tax purposes? Therefore, when items are sold, any income tax due would be based on the difference between such value (or some stepped up value on decedent's cost when carryover basis becomes law in 1980) and the selling price, a much smaller amount than if the value at death had been the cost of materials.

If in a large estate (over $425,000) or if the deceased artist was not married at the time of his or her demise and had an estate over $175,000 the executor would probably elect to include the paintings at cost, and thus eliminate a distress sale of the paintings to raise the cash for estate taxes. Even though it may cost more in income taxes when the paintings are eventually sold under normal circumstances the heirs will probably be able to sell the paintings at a higher price.

There are many more tax implications that would have to be considered by the executor in order to determine the most advantageous course to follow. Having gathered all the necessary particulars, a knowledgeable election would then be made by the executor for the best advantage in each individual case.

It is clear from the legislative history of both the 1950 enactment of the Internal Revenue Code and the 1959 amendments, that it was never legislative intent to penalize the estates and heirs of qualified creative artists.

Naturally under the proposed revision, if the heirs sell the art work they will still pay an ordinary income tax on the total sales price over the basis they chose at the time of the inheritance.

Basically, the bill stops artists from being forced to destroy their work and stops the artist's heirs from being forced to sell the art work to pay the taxes.

Several artists, arts organizations and concerned citizens have written me in support of this legislation. Since these individuals more than adequately describe the benefits of this legislation, and the financial burdens under the current estate tax laws, I would like to insert their comments into the RECORD:

COMMENTS BY ARTISTS AND CULTURAL REPRESENTATIVES ON THE BILL TO RECTIFY ARTIST'S ESTATE TAXES

This bill is essential to family security and piece of mind of every creative artist in the country. Evaluating artists' work at cost solves the agonizing problem of heirs having to quickly sell the art to pay the estate tax.

RUBIN GOREWITZ,
President, Artists' Rights Today.

The irony of an artist not to be able to afford being alive or dead can be creatively altered by the passing of your bill. Everyone survives in this change in the law, even the deceased is comforted Thank you.

ROBERT RAUSCHENBERG,
Prominent American Artist.

The present estate tax situation is a glaring inequity. It seems to me an appalling contradiction that an artist giving a gift of his or her own work to a public institution may deduct only the cost of producing that work. (Usually about $75.) At the artist's death that same work is then assessed at fair market value and this figure often reaches into the hundreds of thousands of dollars. The real losers in this situation are our public institutions, libraries, and museums and thus the American people. If we are to believe that the arts are a national resource, let us encourage them with this measure.

JAMIE WYETH,
Prominent American Artist.

Artists' Equity Association, the national organization for professionals in the visual arts, endorses H.R. 7896 so that created art work may be valued for estate tax purposes at the costs of artists' materials. In adidtion to relieving the punitive burden on artists' heirs, the legislation would, if enacted, bring the code into line with those portions that pertain to deductions for casualty losses and charitable donations.

GILDA ELLIS,
President, Artists' Equity Association.

I want to thank you for writing this bill to enable the artist at his death to leave his work evaluated at cost to his heirs. This would help stop the confusion between esthetic value and money, so that after death each painting could achieve its own value and be taxed as it is sold. Thomas Hart Benton whose murals adorned the Truman Library burned many of his works so his family wouldn't inherit an immediate, unusual tax burden. The passing of this bill will help normalize a stricken cultural situation.

JAMES ROSENQUIST,
Prominent American Artist.

An unfair contradiction exists in present tax law. In an artist's estate, his work is taxed at full value, but should he donate his works to an institution during his life-time, the works are valued essentially at zero. One end or the other of this contradiction should be changed. I am very much in favor of H.R. 7896.

ROY LICHTENSTEIN,
Prominent American Artist.

As an artist deeply concerned about the welfare of my family, I heartily endorse this bill. Being an artist is a risky and uncertain occupation. I am disturbed that I can contribute to a museum and only deduct cost of materials. If I give the work as a gift, I must pay a gift tax. I cheerfully pay all my taxes when I sell my work. When I die, my heirs under present law would be forced to pay large taxes on unsold works. Your bill redresses an unfair situation and I wish you great success in your endeavors.

GEORGE SEGAL,
Prominent American Artist.

These four bills will rectify current tax structures which discriminate against artists and will provide some relief to the pressing financial burdens facing individuals and cultural institutions. I hope that my colleagues in Congress will act swiftly to pass these bills putting to an end glaring errors in the current tax laws unfairly penalizing artists and art institutions and insuring that the American people will have the opportunity to enjoy the creative efforts of contemporary artists.

I urge my colleagues to join with me in insuring that the tax inequities I propose to eliminate are ended in the very near future.

	Artist dies in 1979		Artist dies in 1980 (1)	
	Single	Married	Single	Married
Gross estate after deduction of:				
Administration expenses	$1,000,000	$1,000,000	$1,000,000	$1,000,000
Marital deduction		500,000		500,000
Adjusted gross estate	1,000,000	500,000	1,000,000	500,000
Total Federal and State estate taxes	308,000	118,000	303,000	113,000
Total Federal and State income taxes on sale of assets to raise funds to pay estate taxes	*0	*0	†212,000	†79,000
Total taxes 1st yr	308,000	118,000	515,000	192,000
Income taxes 2d yr			148,000	55,000
Subtotal			663,000	247,000
Income taxes 3d yr			104,000	39,000
Subtotal			767,000	286,000
Income taxes 4th yr			73,000	27,000
Subtotal			840,000	313,000
Income taxes 5th yr			51,000	19,000
Subtotal			891,000	332,000
Income taxes 6th yr			36,000	13,000
Total taxes	308,000	118,000	927,000	345,000

* No income tax because of step up in basis of art work to estate value.

† Income tax at ordinary rates—used a flat 70 percent of prior years tax.

Assumptions: (1) The carryover basis is reinstated in 1980. (2) All art work produced after 1976. No consideration for other income earned by estate or heirs. (4) No consideration for estate tax added to basis. (5) Art work did not increase in value after death. (6) State estate tax equals credit for State tax on Federal estate tax return. ●

CONGRESSMAN DERWINSKI "TOLD US SO" ON GENERAL MIHAILOVICH

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. ASHBROOK. Mr. Speaker, I wish to call the attention of the Members to a book review by Willard Edwards, which appeared in the January 27 edition of Human events, a Washington-based publication. Mr. Edwards was a Washington bureau correspondent for the Chicago Tribune from 1953 to 1973. In reviewing the book, "Patriot or Traitor, the Case of General Mihailovich," he comments on the controversial decisions made during World War II. Mr. Edwards' experiences in covering the Washington scene during that time, certainly equips him to effectively review this book.

Our colleague, ED DERWINSKI has introduced H.R. 262, which would authorize the construction of a monument in honor of Gen. Draze Mihailovich. This monument would be erected by the the American airmen rescued by General Mihailovich as an expression of gratitude to the man who saved their lives during World War II.

Therefore, keeping in mind that many of the international problems that face us today can be traced from the judgments and decisions made during World War II, I believe that this book review is most timely and would be of interest to the Members. Therefore, I wish to insert it at this point:

AN IN-DEPTH INVESTIGATION INTO "THE CASE OF GENERAL MIHAILOVICH"

(By Willard Edwards)

In concluding his perceptive 70,000-word analysis of a perplexing World War II tragedy, David Martin says there are still many mysteries to the story of Draja Mihailovich and more research needed before the tale can be told in its full amplitude and all its complexity.

Martin is too modest. By pulling together this heavily documented volume of evidence threatened with oblivion—testimony by American officers, hitherto hidden records of the British Foreign Office—he has removed most of the mystery. His research is so impressive that it challenges the bias which has tinged many previous accounts of this dramatic chapter in the history of wartime Yugoslavia.

Martin, a Capitol Hill expert on subjects related to national and public security, was in on the story from the first. He served in 1946 as executive secretary of the New York-based Committee for a Fair Trial for Mihailovich, headed by leading American citizens spanning the political spectrum, which held its own inquiry into the case. Two-thirds of the book contain the transcript of this investigation.

The result is a shocking narrative, invaluable to historians, of abandonment by the British and American governments of the commander of field forces of a government recognized as an ally by both nations.

Soon after the invasion, occupation and partition of Yugoslavia by the Axis armies in April 1941, the world became conscious of the name of Mihailovich as the first great resistance leader of occupied Europe in World War II. Then an obscure colonel in the Yugoslav army, he fled to the mountains and began organizing a guerrilla force which eventually reached a strength of 150,000.

Mihailovich and his Chetniks were alone as a foe to the Germans until Hitler attacked Russia on June 22, 1941. The Soviet Union issued a summons to Josip Broz, secretary general of the Yugoslav Communist party, who took the *nom de guerre* of Tito, and organized an army of Partisans. For a brief period, Chetniks and Partisans were united against the Germans, but the aims of Tito and Mihailovich were totally contradictory. Tito wanted communism for his country (his own brand, it later developed), while Mihailovich hated communism as much as he hated Fascism. From 1941 to 1944, the two rivals engaged in civil war.

The Western Allies initially supported Mihailovich and sent liaison officers to his headquarters. He responded by saving the lives of more than 500 American airmen and a large number of other Allied personnel, rescuing them from capture by German patrols. He continued to strike damaging blows at the Germans even after, but for reasons then cloaked in mystery, Great Britain and the United States abandoned him in favor of support to Tito, beginning late in 1943.

Mihailovich was captured in March 1946 by the Tito government, and it was announced that he would be brought to trial on charges of treason, collaboration with the enemy and other war crimes. None questioned that such a trial would result in a guilty verdict and the death penalty.

A torrent of protest, led by the Committee for a Fair Trial, swept the United States. The State Department was prodded into proposing to the Yugoslav government that it permit the testimony of American officers who had served with Mihailovich and many of the hundreds of airmen who had been saved by him. They wanted to swear that they had seen him in action, knew him as a patriot, not a traitor, one who had fought the Germans, not collaborated with them.

This request was coldly rejected by Tito. Mihailovich was put through a mockery of a trial, found guilty and executed by a firing squad July 17, 1946, amid a chorus of disapproval from the civilized world.

The United States, two years later, in a curiously furtive manner, expressed its official opinion of this political murder. President Truman posthumously awarded Mihailovich the Legion of Merit in the degree of Chief Commander, citing him for materially contributing to the Allied cause and as an instrument in the final Allied victory.

But this tribute, amazingly, was stamped "secret" and remained so for almost 20 years until it was brought to light by Rep. Edward Derwinski (R.-Ill.). He forced the State Department to declassify the award and citation.

Publication of this citation in 1948 would, of course, have been highly offensive to Tito. The American government was now lauding his victim as a brave and faithful ally. The State Department, always alarmed lest Communist feelings be injured, successfully suppressed the Truman citation until 1967.

Why was Mihailovich betrayed? This question is meticulously examined by Martin who found British archival documents which shed new light on the abandonment. He discovered evidence pointing to a deliberate slanting of British intelligence, designed to picture Mihailovich as a collaborator. The British Broadcasting Co. cooperated by broadcasting "monumental inaccuracies," even giving credit to the Partisans for damaging Chetnik strikes against the Germans. MI6, the British secret intelligence service, later to be revealed as a target of Soviet agents, suppressed field reports favoring Mihailovich and substituted pro-Tito dispatches.

Churchill was persuaded that Mihailovich should be abandoned and Roosevelt, somewhat reluctantly, agreed. Early in 1944, Mihailovich found himself deserted by his former allies. Tito was thenceforth the recipient of massive military aid.

Only the Germans were never fooled about the menace of Mihailovich as a deadly foe. They were still offering in mid-1944 a reward of 100,000 Reichsmarks in gold for his capture, dead or alive.●

NO ROOM IN THE LIFEBOATS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. CONYERS. Mr. Speaker, there is a growing awareness in America today that we are living in the midst of fundamental, far-reaching changes in the nature of our economy, in our relations with other nations and, indeed, in our value system itself. In less than a generation we have moved from an age of apparent abundance to an age of seeming scarcity, from predominance in the world to a position of uncertainty and drift.

I wish to bring to the attention of my colleagues an article on the meaning of these changes, their implications for our lives, and on intelligent proposals in dealing with them. The following article. "No Room in the Lifeboats" is authored by Richard J. Barnet, whose books and articles (Global Reach, Roots of War, The Giants: Russia and the United States), have already become classics for understanding contemporary affairs. Mr. Barnet's analysis of the intimate connection between national security and economic well-being warrants close reading by us all.

The article follows:

NO ROOM IN THE LIFEBOATS

(Richard J. Barnet)

The most striking aspect of Jimmy Carter's 1979 budget is its similarity to the budgets of Richard Nixon and Gerald Ford. All three are premised on a new brand of economic "realism" that is imposing severe political strains on the country and is challenging some of our fundamental ideals. Austerity, lowered expectations and limits to what government can do have been the ascendant political slogans of the 1970's. Sluggish growth, inflation and high unemployment are no longer regarded as periodic problems to be remedied by swift government action but are now accepted by both parties as chronic conditions of our economic life.

In a little over 10 years the myth of abundance has been replaced by the myth of scarcity. The world is running out of oil; experts disagree only as to how fast. The United States' dependence on critical minerals is increasing dramatically, and so are prices. Crippling shortages of oil, natural gas, food and water, even breathable air, are now a familiar part of the worldwide political landscape. (In many poor countries there is even a grave shortage of firewood, their principal energy source.) Some scarce items seem almost inexhaustible but politics and economics conspire to keep them out of reach—at the right place, at the right time, at the right price. Each shortage tends to aggravate others. For example, the more dependent we are on foreign oil, the more food we must export and the higher the price of groceries in the supermarket. Because of drastically higher costs of producing and distributing critical resources, and of managing their ecological side effects, corporations are finding it ever harder to develop profitable investments. Thus the worldwide "capital shortage."

The fear that we have come to the end of the ever-expanding frontier of economic growth challenges one of our most cherished political beliefs. The era that began in the New Deal was rooted in the Keynesian notion that unrestricted growth is the foundation for a democratic political system and a more or less egalitarian distribution of our national treasure. The bigger the pie, the bigger the crumbs for those who did not work but did get to the unemployment office. But the growing awareness of the physical and economic limits to growth has undermined the very basis of Keynesian liberalism and is calling into question the basic promises of the American system.

TOWARD A LIFEBOAT ETHIC

There has always been tension between America's economic and political systems. The promise of politics is one man, one vote—the chance for every voting American to participate in the basic decisions that affect his life. At the heart of the economic system, however, is the theory that inequality is a spur to progress. To stimulate economic growth, society should reward those who produce, and if nonproducers vote themselves food, housing or services that they have not "earned," sooner or later the economy will collapse from inflation.

The Age of Scarcity, it seems, is heightening the tension. In a survey of attitudes of United States corporate leaders, economist Leonard Silk and political scientist David Vogel find strong expressions of doubt about whether the United States can any longer afford a one-man, one-vote system. Samuel Huntington, a principal adviser to the National Security Council, warns against the "excesses" of democracy—the problems of government are too complex to accommodate the conflicts inherent in democratic rule. Elsewhere in the world, the collapse of democratic experiments and the rise of authoritarian regimes lend support to the increasingly fashionable view that strong rule, not democracy, is the wave of the future.

In an age of slow growth, the cost of natural resources is going up and the value placed on human life is going down. This, indeed, is the heart of the global human-rights problem. The expendability of human life and the waste of human potential are direct consequences of the sort of economic development being pursued in most parts of the world. An increasing proportion of the world's population is becoming irrevelant to the productive process. Automation has dramatically reduced the number of hands needed to make what the world wants, and because of the new mobility of the post-World War II multinational corporation, many of the jobs that remain are concentrated in low-wage enclaves in a few poor countries. The concentration and mechanization are drawing millions of people from subsistence farming into the international money economy in which they will have no role—either as producer or consumer—for without jobs they do not have the money to buy the food they once raised themselves.

Though it's fine to say that resources should go to those who produce, fewer and fewer have the chance to be regarded as productive. In large part because of resource scarcity and the population explosion, the reserve army of the unemployable is becoming so vast—perhaps as many as a billion—that it not only keeps wages depressed but also begins to create social instability. What to do about the surplus population, to use a phrase from Dicken's time, is the No. 1 problem for political leaders around the world, and in a condition of scarcity, managing societies made up of millions of people without jobs, money or hope invites Draconian economics and brutal politics.

So it is not hard to understand why a new antidemocratic, antihuman ideology is emerging under the banner of fiscal soundness. Intellectual careers are launched with metaphors that evoke the new realism, such as "triage," a strategy for spending limited resources on those who can be more productive and for consigning those who can't to various forms of "benign neglect," which for hundreds of millions means starvation. Others preach the "lifeboat ethic," a modest proposal in which only the poorest billion are pushed out of "spaceship earth" to make room for the rest. Only a generation ago Americans were appalled by the genocidal mind-set behind Hitler's project for ridding the globe of inferior races. Now it is becoming almost fashionable here to suggest that too many people are getting in the way of society.

In the United States, the consequences of the "lifeboat ethic" are already visible: the vast wasteland of decay in every major city in which the poor are concentrated; the depressed rural areas no longer needed to produce the nation's food; the seven million Americans who cannot find work.

We are reaching the point where some of our most basic beliefs about human life will have to be tested. We will be forced either to bring our economic institutions into line with the fundamental humanist and democratic values we profess to or openly reject them in favor of the lifeboat ethic.

THE LIFEBOAT SCENARIO

The lifeboat scenario is not hard to imagine. In the opening moments, "Looking out for No. 1" replaces "E Pluribus Unum" on our coins. The State Department once again reminds the world of what Lyle P. Schertz of the Department of Agriculture calls "the brutal facts of the world food market"—that the United States controls most of the spare grain that could be used to feed the hungry and that the United States aggressively uses its food, in the words of former Secretary of Agriculture Earl Butz, as "a tool in the kit of American diplomacy." American diplomats repolish those vague speeches about economic justice, while they continue to oppose any significant changes in the global distribution of wealth and power. The huge debt owed by third-world countries to international lending agencies and to private banks is used as leverage to control their internal development and keep them from becoming international troublemakers. The International Monetary Fund steps up what Arthur Burns called a "new assertiveness in monitoring the economic policies of its members" and offers its "certificate of good standing" only if the debtor countries practice the "responsible" economic policies that keep the poor hungry—by freezing wages, cutting imports and private consumption and eliminating social services and subsidies.

These policies can be practiced successfully only in an atmosphere of mounting repression, because there will be more than half a billion persons in the world actually starving or at the edge of starvation, and not all of them can be relied upon to die cheerfully. "Death squads, mass-production torture chambers and military rule become indispensable aids to orderly government.

This scenario is in reality a continuing war of rich against poor. Sometimes it takes the form of conflict between the United States and the government of a third-world country. Sometimes it takes the form of a collaboration between the governments to prevent a poor majority from gaining access to resources or political power. In the future, it will take the form of hotter and hotter competition among the industrialized countries themselves, as they become more and more dependent upon the third world for raw materials. The turmoil offers, among other things, the chance to the Soviet Union to play a dangerous geopolitical game.

The strategy will of course require ever higher military budgets, for which we will continue to justify the starving of our cities, the lack of investment in basic human needs and the abandonment of the "unemployable"—the elderly, the young, the poor, the disadvantaged minorities and other nonproducers in the name of "national security."

The lifeboat ethic is by definition the abandonment of the goal of community, which Webster's New International Dictionary calls a body of people with common organization and common interests. The politics of community is based on the idea that everyone is a member to whom responsibilities are owed; the politics of austerity is a process for deciding who shall live. In a place like Chile and in many other countries in which national economic policy determines who shall eat, this is literally true. In advanced countries, including the United States, the politics of austerity determines at the very least who among us shall be sentenced to years without work or hope.

WILL THE LIFEBOAT WORK?

Will the strategy work? Can affluent and middle-class Americans survive in a world in which hundreds of millions of men, women and children starve to death each year, tens of thousands more are slaughtered in the interests of social peace, and tens of millions of Americans live in poverty? Military defense of a sort is possible. The world's poor who "want what we have," as Lyndon Johnson once put it, are unlikely to take over our skyscrapers, factories and suburbs. The fortresses can stand a long time.

But life will not be pleasant. We are already in the age of "monkey-wrench politics" in which a few terrorists can transform comfortable ways of life in the most advanced industrial societies—especially the most advanced. There is a greater degree of international anarchy now than at any time since World War II. Thirty-five nations have nuclear weapons or are in a position to acquire them rapidly. A new international economic order is coming into being to accommodate the new oil dynasties of the Middle East, but it is not the order the poor countries want. And the process by which the dead structure of colonialism is being replaced is already a form of warfare—struggles for power in the new states carved out of the old empires.

As tension and desperation mount abroad, the political struggles will be played out in the United States, whether it is by Cuban exiles, Iranians, Palestinians, Chileans, Ghanaians, South Moluccans or any one of a thousand armed groups contending for power somewhere in the world. Bombings, elaborate security precautions against bombings, kidnappings and sabotage of the extraordinarily vulnerable systems that keep our complex civilization going have in the last 10 years taken away some of the pleasure of living in the rich countries. The anger and fear that random violence elicits produce inevitable demands for less democracy and for more executions, as we have recently seen in West Germany and in New York City election rhetoric.

The recent export of cholera to developed countries in Europe is a taste of what we can expect here if famine and disease continue to overtake the people in vast areas of Africa, Asia and Latin America. The ilegal immigration of millions of workers from Latin America and the Caribbean, which is already causing serious problems in parts of the United States, will increase as long as these poor countries are unable to feed and to employ their people. We do not have the technology to immunize the United States from the effects of world catastrophe—debt default, economic collapse, disease, refugees, terrorism. There is, it would seem, no way of inviting a billion or more people around the world out of the lifeboat without running great risks that they will rock it and sink the rest of us.

To try to keep the United States secure in such a world will lead to a loss of democracy. When an economic system cannot meet the goals of a democratic political system by supplying the needs of the majority, then either the one system or the other must change. In the 20th century, fascism in various guises—usually, in the West, taking the form of a marriage between Big Government and Big Business to promote the interests of a shrinking minority—has, indeed, been a conventional therapy for sick economies.

THE AMERICAN ALTERNATIVE

Instead of submitting to the seductive lifeboat ethic, we could instead affirm the basic beliefs on which the society was founded—respect for human life, respect for human dignity, democracy and justice—and resuming the building of an American community which cannot be built except in the context of a world community. The idea of world community is meaningless unless it starts from the premise that every man, woman and child on earth is a member. This strategy would set forth a practical definition of the right to life and a commitment to support the political and economic institutions that would make that right real.

At the very least a worldwide definition of basic needs would include following: (1) Right to minimum calories to maintain health—about 1,900 a day, 2,300 for an adult working male (by these criteria about half the world's population is seriously malnourished). (2) Right to clean drinking water (about 1.2 billion persons do not have access to sanitary water). (3) Basic health services, maternal and child care, instructions in elementary sanitation and nutrition (about 800 million have no access to such essential services). (4) Shelter, a decent minimum environment in which to live free of disease, vermin and exposure (about 800 million are without adequate shelter). (5) Basic education, a chance to learn enough to realize one's potential and to play a useful role in society (about 1.1 billion school-age children and adults in the world are illiterate). In 1944, Franklin Roosevelt proclaimed such basic economic rights as fundamental to American democracy, but the goal was abandoned a long time ago.

A strategy for economic justice in a time of scarcity cannot be a giant welfare program, because there is not enough money in the world to meet basic human needs unless human energies are mobilized in new ways. If the ethic of a modern zoo replaced the lifeboat ethic, more physical requirements would be met but not political and spiritual needs—especially the need for personal dignity and meaning to one's life and the chance for political participation in building society.

Thus, it is essential that the strategy must also offer a new vision of how political institutions can be created or regenerated to excite imagination, mobilize energies and encourage the contribution of free individuals to the common good. Fortunately, such ideas *are* percolating among a new generation of scholars and activists in the United States. The work of the Federal Budget Study of the Institute for Policy Studies, the Democratic Socialist Organizing Committee, the New Democratic Coalition, the Conference on Alternative State and Local Public Policies, the Exploratory Project on Economic Alternatives and other groups experimenting with new organizational forms and technologies makes it possible to avoid the trap of the lifeboat ethic and to establish a new set of priorities and programs for recreating an American community within a just order.

In the United States, we could start by redefining "national security" to make the security of local communities a prime national goal. Individuals derive their sense of personal security in large measure from the security that their city or town can provide. National security has little meaning if the local economy cannot provide jobs; if food, shelter, energy, health care and transportation are not available at prices people can afford; and if people are afraid to walk the streets. Youngstown, Ohio, was crippled last year when the board of directors of a distant corporation with no stake in the community suddenly decided to cease its steel operations there—a clear example of the lifeboat ethic. When businesses move on, the community is left to fend for itself. Legislation of the sort that exists in some European capitalist countries is essential to avoid this hardship on both the workers themselves and on the community taxpayers. Companies must be required to give notice, to negotiate the terms under which they leave, to bear a fair part of the cost of the dislocation they have caused. When a Youngstown disaster strikes, the city ought to be eligible for Federal funds with which to buy the facility and to convert it into an enterprise that can employ its citizens and finance essential public services.

Massive investment must be directed to underdeveloped areas of the United States. Not only vast rural areas, but also the burned-out and decayed centers of our major cities. Federal subsidies and tax policies now favor uneven development. Many communities—New York, for instance—pay more to the Federal Government than they receive. Luxury goods and nonessential military products are subsidized—the famous Lockheed bail-out is just one example—but the Government does little to create a market for essentials—low-cost housing, community health care, food, energy and affordable transportation. An investment program to "balance" the American economy, as the economists Barry Bluestone and Bennett Harrison put it, is essential. This might be accomplished, in part, by developing land banks, as has been done in Western Europe, to assist communities in assembling land for low- and moderate-income people; and by a mortgage bank funded by tax dollars to make it possible to buy and to rehabilitate urban homes. There is no way to integrate wasted areas and wasted people into an American community without specifically directing capital to that end in such a way as to make it possible for people to become productive.

Providing useful work for every American should be the primary purpose of the economy. There are enormous national needs that require major investment and millions of jobs—rebuilding the railroads, developing urban mass transport, cleaning up the rivers, developing new energy sources and technologies. For many such needs a private market does not exist; but we must find the means of allocating private capital to them. The market could be created, as the weapons market is created, by Governrment policy—in this case, through a national development bank that, unlike the one recently proposed by President Carter, would have substantial funds and would promote community self-reliance and the development of alternative approaches to meet basic needs. However, as important as it is for job creation to allocate more credit to public needs, worldwide unemployment is so serious that it cannot be solved without a new concept of work itself. For one thing, the workweek must be shortened. And we must begin to regard essential services that keep the society together, such as housework, raising children and caring for the elderly, as deserving of decent pay.

Inflation in basic necessities must be stopped. One way to keep energy prices down would be to increase competition in the highly concentrated energy industry through the establishment of Federal "yardstick" corporations that could develop and market publicly owned oil, coal and shale reserves. Another way could be to make funds available to local communities to develop municipally owned solar-energy systems. A third would be to use Federal funds directly to develop new energy sources and supplies, instead of using the funds as subsidies to private firms in the *hope* that they will do so. Past history suggests that tax incentives do not induce corporations to meet national needs because the financial interests of global companies and the national interest in energy development do not necessarily coincide. The development of more not-for-profit public utilities owned by municipalities would also keep prices down. (Municipally owned electric companies now deliver electricity at rates that are an average of 25 percent less than those of private companies.) There are similar ideas, as the economist Gar Alperovitz has demonstrated, for controlling inflation in the other basic necessities—food, transportation and housing—that take about 70 percent of the paycheck of most Americans.

There are other ways to finance or encourage appropriate economic development without spurring inflation. More long-term government bonds should be floated for public projects, increasing competition with private money-lending institutions; tax loopholes must be closed, creating needed Government revenue; wasteful Government programs should be cut, including many billions for weapons procurement and the maintenance of military facilities that add nothing to national security.

The United States should reverse policies that help to keep poor countries poor. Between 1950 and 1962 export prices of commodities, the mainstay of most third-world economies, declined 7 percent while the export prices of manufactured goods increased 27 percent. This process neatly guarantees that the poor continue to get poorer; to reverse it, the developed nations must lower the barriers they have erected around third-world trade; they must reduce the debt burden, as Sweden and Canada have done, support certain commodity prices, encourage self-sufficient agriculture—instead of subsidizing multinational corporations to use the land in poor countries for luxury-crop exports while people go hungry because they cannot afford imported food.

The enlightened self-interest of the American people dictates that they help integrate third-world countries into a new international economic order in which they are given a better chance to fulfill their own basic needs. Such an undertaking would, in turn, increase markets and jobs for Americans and would promote the global order necessary for American prosperity.

THE SURVIVABILITY OF DEMOCRACY

It would be naive to minimize the difficulty of reaching these goals. But it would be more naive to pretend that the United States can survive as a democracy without a massive effort to protect and stabilize its own cities and rural communities, without a serious commitment to redirecting the global economy toward full employment and without a new relationship with the world's desperately poor majority.

The next 25 years will not be like the last 25. In a time of scarcity, we can expect slower growth and declining productivity. The ideas of the last 25 years—more welfare, more debt, more subsidies to business to stimulate growth—will not do. They will not, they cannot, advance us toward either a vital American community or world community. The issue is not free market versus big government. The government is already deeply involved in our economy and will inevitably become more so. The issue is what kind of government—unwieldy, bureaucratic or responsive—and what kind of involvement—for whom, on whose behalf. Ways can be found to include citizens in making the crucial decisions about what we produce, what we consume, how we distribute the benefits and how we will relate to the rest of the world. But without a vision of what democracy in the last quarter of the 20th century requires and without the political will to make that vision real, we risk once again losing the last best hope of earth.●

THE PROGRESSIVE ALLIANCE

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. DELLUMS. Mr. Speaker, at the outset of this new session of Congress, I feel it is important for all of the Members to take the time to reflect on what it is we are here to accomplish.

If in fact we are here to accurately represent the citizens of our congressional districts, and the larger national constituency as a whole, we must assume the responsibility of also acting as the vehicle toward genuine democratic participation and genuinely effective Government.

I feel that this end is not served by a morbid ideology of pessimism and reaction which is programed by the pseudo new conservativism.

Instead, I believe that the political philosophies which our Government was founded on are the principles which will effect our place as a Nation striving for humanitarianism and hope, and not the morally corrupt politics of regressive and repressive selfishness.

The recently established Progressive Alliance is a coalition of the leaders of more than 60 liberal organizations. I am hoping that my colleagues will reflect carefully on the document released by the Progressive Alliance. It sets forth the goals and ideals which we would do well to adopt as our guide for action in forming the legislation of the 96th Congress.

The statement follows:

TOWARD A PROGRESSIVE ALLIANCE

Statement adopted by representatives to second meeting of the Progressive Alliance, chaired by Douglas Fraser, January 15, 1979, Washington, D.C.

We have joined together to form a progressive alliance that seeks to develop and implement new programs for achieving social, political and economic justice in America.

Citizens must have a real voice in determining their common destiny. They want and require rights and power in their neighborhoods, communities and nation.

As America approaches the decade of the 1980's, there is a growing danger that its potential will be swept aside by its problems. We, representatives of over 100 national organizations, trade unions and citizen groups encompassing more than 20 million Americans and their families, seek to create an alternative to the direction in which our country appears headed.

We live in a new era. Problems seem intractable; solutions remain elusive; and there is little consensus for bold action.

Rapidly changing technology, an unprecedented demand on energy sources, and worldwide economic pressure are creating a new set of challenges.

Like the period between the outbreak of the Depression and the coming of the New Deal, our problems are painfully obvious, while the answers to them are not. Yet too many of our country's leaders are trying to meet these challenges of the present by running away or relying on yesterday's answers. As a result, widespread disillusionment has spread across much of our country, with fewer than half the voting population even bothering to participate in the electoral process. This disillusionment clouds our vision of democracy, with its essential of citizen participation.

The time has come for progressives to define new agendas—for ourselves, our federal, state, and local governments, and our communities. We must develop programs as farsighted for the 1980's as the New Deal was to become in the 1930's. Progressives provided the creative underpinnings of virtually every significant program enacted in America in this century. Building on past strengths, we seek to create a post-New Deal, post-New Frontier, post-Great Society, post-Vietnam and post-Watergate program.

We gather in this alliance neither to celebrate nor lament the past, but to develop a fighting program for the future—one that recognizes new realities and seeks new solutions.

While we bring our own separate concerns to this alliance, we share a common belief that our individual problems can be solved only through collective action aimed at creating a society committed to humane, progressive policies. It is our intention to build an alliance of working people, minorities, women, the middle class, family farmers, environmentalists, senior citizens, the poor, the handicapped, educators, students, clergy and lay activists, consumers, and all those committed to human dignity, economic justice, and peace.

The complexity of this task and the very diversity that gives us strength may prevent unanimous agreement on every aspect of a new progressive agenda—yet we share not only a core of belief in common, but also a strong commitment to prevent the forces of reaction from becoming the dominant spirit in American life.

Irresponsible corporations and their new right allies have used their money power effectively to insist that the new realities demand sacrifice. When scrutinized, they argue in fact for sacrifice by the many to benefit the few.

The people are victimized not only by the so-called new right and the corporate elite; they suffer also at the hands of insensitive government answering to conservative special interests.

It is the middle-class Americans—our working families—who are told to tighten their belts. It is the poor who are told to survive on even less; the senior citizens who must make do; the minorities who have to wait. Americans must live with the pollution of their environment, the corporate extremists argue. We can't afford to minimize exposure to unhealthy workplaces now, they say. Energy costs must skyrocket; taxes must plummet.

Like aging generals, the right-corporate alliance scours enlistees to be sent into the battles against America's problems. For this war, they choose not the strong, but the weak. Those forced to sacrifice almost always are citizens least able to.

Blacks, Hispanics, Asians, native Americans, and women—those presently at the bottom of the economic ladder—are called upon for disproportionate sacrifice. They are the tragic victims of policies of recession, scarcity and fiscal hate. They must be protected and their concerns met.

The few in our nation who possess power and wealth have dominated their public debate as America tries to grapple with its problems. Corporations and their political allies have, in fact, insulated themselves from sacrifices at the very time they demand it of others.

We ask ourselves what sacrifices General Motors Corporation has made in the new era of austerity? We ask ourselves where the spirit of the new realism is for Exxon? What belt-tightening has occurred among members of the American Medical Association?

If one listens to country club rhetoric, the impression that booms through is that America's problems would evaporate if only we could abolish government regulation. Likewise, cloakroom wisdom and media punditry offer up as America's last, best hope for controlling inflation the gutting of social programs.

These tired, discredited ideas are presented to a citizenry rightfully wary of the future under the banner of the new realism, when they are—in fact—the old selfishness.

We in this progressive alliance have great confidence we can succeed in replacing the politics of meanness dominant today with a politics of hope. Our optimism wells from the fact that we are the majority. The key to opening the door to a just society is our strength in people.

There are more of us than there are of them. More workers. More women. More minorities. More young and old. More working farmers. More middle income people who are tired of being told by the corporate elite that less really is more.

There have been times when America's political parties have served as organizations through which this majority's aspirations for a better life could be successfully pursued. Today, sadly, both major political parties have ceased to be effective vehicles through which the struggle to create a fair and decent society is being waged. The political parties have become rife with contradictions, representing every position from the extreme right to the progressive left.

Parties possessed moral purpose at various points in our history because they stood behind clear principles. The Democratic Party, for example, served the nation well during the time its progressive adherents successfully pursued the program that made it the majority party for most of 40 years. That included the progressive taxation, popular participation in elections, regulation of monopolies, creation of social security and public assistance, dedication to halt poverty and the belief in education as the right of all people and a necessity for democracy.

Above all, that party then, rather than now, was clearly identified with the continuing struggle to prevent the concentration of economic control in a few institutions and families.

Today, both the Democratic Party and the Republican Party stand unwilling to serve as vehicles for achieving economic and social justice.

As progressives, we commit ourselves to the fight to revitalizing the parties and ultimately to building new political institutions, if necessary, that do provide the basis for a fair and just society. We need political parties that are accountable, issue-oriented and disciplined to abide by their platform commitments. We need also to encourage alternatives such as neighborhood and community groups working together for the common good.

Individual interest groups and causes have evolved in unprecedented numbers, because they lacked these broader organizational instruments to express their will and, at times, needed protection from abuses of power. Many of us have been activists in such single-issue struggles of necessity, yet we join together recognizing the compelling need for a common program and the political vehicles to achieve it.

Rather than championing the cause of any individual candidate, our goal is to build a politics based on principle and accountability. This must be a grassroots movement active not just in Washington, D.C. alone, but in our states, cities and rural areas. It is there our real strength lies.

The task of revitalizing America's political institutions must be a means, rather than an end. Revitalized parties and issue-backed politics will be tools through which the struggle of the 1980's can be waged. And while that struggle will occur in a different political and economic environment, its nature remains constant.

Too few people and institutions control too much wealth and power in America. No matter how many times AT&T tells us that the system is the solution, nor how often Detroit Edison claims the power is in our hands, we continue to know corporations control too much and the people too little.

The program we seek to evolve will aim to spell out both visionary ideas to remedy that basic inequity and practical steps to insure development of a political environment in which those ideas can become public policy. The specific components behind which we shall align will be developed in the period ahead based upon the best political and strategic thinking we can develop.

Our overall hope is to advance the progressive traditions of our country.

We will mobilize and fight for economic programs that provide full employment and stabilize prices, particularly in the cost of the basic necessities of life. We will struggle to achieve equal rights, full civil rights, and civil liberties for everyone.

We seek to protect the right of working people to organize and struggle as unionists to win security, dignity and their fair share of the wealth their labor creates. We demand the right of the poor, the unemployed, and others discriminated against in society to win that same security, dignity and personal well being. We advocate an end to the corporate domination that has created the massive inequities in distribution of income and wealth.

We hope for policies that promote world peace and support a rational defense policy and the absence of excessive military spending. We urge an energy policy that will break the stranglehold energy conglomerates and cartels have on every citizen. We demand a healthy environment. We seek ways of delivering health care to all as a basic right.

We advocate the rebuilding of our cities and the revitalization of the family farm. We seek urban and rural housing at affordable costs and more effective transportation networks. We hope for opportunities for spiritual, artistic and creative development now denied to many in America.

We seek to remedy the massive inequities in our system of taxation that places the burden on the middle class and working poor rather than the wealthy. We believe in the importance of government as the vehicle through which the collective will of the people can be channeled to do what each of us as individuals cannot. We understand that many human needs can be met only by public and social services and we want a politics that responds to those human needs, even when society suffers from less rapid growth and economic setbacks.

Our progressive alliance shall pursue these and similar goals through a variety of mechanisms. We will organize inside and outside the political parties, hold citizen hearings, sponsor demonstrations, underwrite independent research and publications, communicate through the media and work with all who seek to apply democratic principles of participation to our economic and political life.

These are times of crisis—and times of opportunity. We have joined together in alliance, because now is not a time to mourn, but a time to organize. Out of our efforts may not come a world as we would like it, but still it will be a far better world than if we do nothing.●

CHAMPION MUSTANGS

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. AMBRO. Mr. Speaker, it is with a deep sense of personal pride that I bring to the attention of my colleagues the outstanding athletic achievement of some of my younger constituents.

On Long Island we have one of the best developed and most competitive sports programs in the Nation. From grade school through high school, our young men and women compete in virtually as many sports as any Member of this Chamber can name. Throughout the year, they vie in baseball, basketball, football, soccer, swimming, lacrosse, tennis, golf, wrestling, track and field, and a variety of other sports.

That level of competition points up the truly significant accomplishment of the junior varsity team of the Massapequa Mustangs in winning the Long Island Midget Football League championship. In their championship quest, these 11-year-olds from my Third Congressional District, and their four outstanding coaches, exhibited all that is good and wholesome in athletic competition. Always dedicated, hardworking, and enthusiastic, these young people competed fiercely, but always in the spirit of fair play and good sportsmanship. They beat the very best in their class to be what we all seek to become in every field of endeavor—the best.

Their success is a tribute not only to their own abilities and dedication, and that of their coaches, but also to their parents and indeed all parents on Long Island who have personally sacrificed so that their children could enjoy this type of sports program.

Mr. Speaker, I ask all of my colleagues to join me in saluting their league, their coaches, their parents, but most importantly, the players of the J.V. team of the Massapequa Mustangs.●

CARE AND TREATMENT OF THE ELDERLY

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. MINISH. Mr. Speaker, one of the most serious problems facing American society today is the care and treatment of the elderly. I know that all our colleagues share in my concern for the thousands of older Americans who reside in nursing homes and similar facilities.

Many of the more than 1 million older Americans who now live in nursing homes do not require the intensive and expensive care provided by those facilities. I am convinced that a great number of them would make other arrangements if money and suitable alternative accommodations were suitable.

For these reasons I have reintroduced legislation to provide senior citizens with alternatives to nursing home institutionalization. My bill, H.R. 1424, would provide cash payments to elderly persons eligible for medicare and medicaid who do not require around-the-clock nursing supervision. The payments would amount to one-half the average cost of an area's nursing home care and would be tax free.

Not only would this legislation allow the elderly to increase their health-care options, but also it has the potential to result in a savings of tax dollars. Medicare and medicaid now pay 100 percent of the nursing home costs of many of those who would be eligible under the provisions of my proposal. Should the bill be enacted, the Federal Government would make payments equaling half the average nursing home costs, or, one-half of the amount that already is being borne by medicare and medicaid.

Equally as important, this measure would provide many senior citizens with the wherewithal to retain their independence, or, if they choose, to stay with their families without creating a tremendous financial burden. With a tax-free stipend each month, many seniors would be able to live with their loved ones and contribute to the household income. I am sure that we can all agree that such a presence in the home serves as an important influence for the better on the American family.

Mr. Speaker, the current system of treatment almost forces institutionalization upon senior citizens. Medicare and medicaid provide funds to those in nursing homes, but not to those who otherwise might be able to remain at home. This is not the proper direction toward which our care for the elderly should aim.

My legislation would allow many thousands of older Americans to avoid being sent to nursing homes and would allow many others already in facilities to return to their own homes or those of relatives. I urge my colleagues to consider supporting this bill.●

IOSEF BEGUN—SOVIET PRISONER OF CONSCIENCE

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. DOWNEY. Mr. Speaker, last week I wrote a letter of congratulations to a young boy living in Moscow. The boy's name is Boris Begun and he is celebrating his Bar Mitzvah today. Like any Jewish father, Boris' father is proud of him on this day when he has completed a long period of study and preparation for taking his place as a man among his congregation. However, Boris' father, Iosef Begun, can not be with him or even see him on this very important day. He is in a prison camp in Siberia.

Iosef Begun is an engineer and a teacher of Hebrew, a doctor of science. His crime is that he was living in Moscow, with his wife Alla and his son Boris, without a permit. For wanting to be with his family he is now suffering 3 years of internal exile. Internal exile, as it is delicately phrased by Soviet courts, means living in a labor camp far away from family and friends for years at a time. Previous to this, Iosef Begun had been found guilty, in June 1977, of another typically Soviet crime—leading a parasitic way of life. This ambiguous phrase, which would make the worst of the sophists sit up and take notice, means that Dr. Begun was unemployed. Why he was unemployed, because he had had the nerve to file a visa application, is another matter, but simply for being unemployed he was sentenced to 2 years of internal exile. After serving a year of that sentence, he has now been slapped with another 3 years for coming back to Moscow to be with his family without a permit. This one case, among hundreds of similar cases, should give the Congress some idea of what life in the Soviet Union is really like for a man of conscience, a religious, family man who has had the courage to stand up and say that he would like to emigrate.

I believe it is important that this Congress be reminded of the sufferings of men like Iosef Begun, and the denials of the most basic human rights he and many others have endured in the Soviet Union. It is my hope that continued pressure upon Soviet authorities, which can be exerted through letters and statements of protest from American citizens and Members of Congress, will result in a redress of injustice and a better, more hopeful future for Iosef Begun and his family and thousands of others like them in the Soviet Union today.●

TAX TIPS FOR OLDER AMERICANS

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. HUGHES. Mr. Speaker, each year the Senate Special Committee on Aging publishes a checklist for older Americans to help them in preparing their income tax returns.

With the passage of the Revenue Act of 1978, it is especially important that older people be apprised of the various changes in the law such as the one-time exclusion from capital gains on the sale of a principal residence, so that they may take advantage of the revisions in the tax code.

I would like to congratulate the Senate Aging Committee for its foresight in preparing this valuable checklist. The text of the publication, "Protecting Older Americans Against Overpayment of Income Taxes" follows:

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor).

Acupuncture services.

Ambulance hire.

Anesthetist.

Arch supports (prescribed by a doctor).

Artificial limbs and teeth.

Back supports (prescribed by a doctor).

Braces.

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs.

Chiropodist.

Chiropractor.

Christian Science practitioner, authorized.

Convalescent home (for medical treatment only).

Crutches.

Dental services (e.g., cleaning, X-ray, filling teeth).

Dentures.

Dermatologist.

Eyeglasses.

Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).

Gynecologist.

Hearing aids and batteries.

Home health services.

Hospital expenses.

Insulin treatment.

Invalid chair.

Lab tests.

Lipreading lessons (designed to overcome a handicap).

Neurologist.

Nursing services (for medical care, including nurse's board paid by you).

Occupational therapist.

Ophthalmologist.

Optician.

Optometrist.

Oral surgery.

Osteopath, licensed.

Pediatrician.

Physical examinations.

Physical therapist.

Physician.

Podiatrist.

Psychiatrist.

Psychoanalyst.

Psychologist.

Psychotherapy.

Radium therapy.

Sacroiliac belt (prescribed by a doctor).

Seeing-eye dog and maintenance.

Speech therapist.

Splints.

Supplementary medical insurance (Part B) under Medicare.

Surgeon.

Telephone/teletype special communications equipment for the deaf.

Transportation expenses for medical purposes (7c per mile plus parking and tolls or actual fares for taxi, buses, etc.)

Vaccines.

Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).

Wheelchairs.

Whirlpool baths for medical purposes.

X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

TAXES

Real estate.

State and local gasoline.

General sales.

State and local income.

Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7 cents per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month.)

INTEREST

Home mortgage.

Auto loan.

Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the seprately stated "finance charge" expressed as an annual percentage rate.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

MISCELLANEOUS

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—You may claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

PRESIDENTIAL ELECTION CAMPAIGN FUND

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

ADDITIONAL INFORMATION

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

OTHER TAX RELIEF MEASURES

Filing status	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Exemption for Age.—Besides the regular $750 exemption, you are allowed an additional exemption of $750 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1979, you will be entitled to the additional $750 exemption because of age for your 1978 Federal income tax return.

"Zero Bracket Amount."—The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, *but only one of them*, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration—may be used for this purpose.

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20 percent credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up of $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

ENERGY TAX ACT

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditure in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

THE 1978 GENERAL ELECTION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report from November 22, 1978 into the CONGRESSIONAL RECORD:

THE 1978 GENERAL ELECTION

Virtually all the results of the 1978 general election are in. Politicians, pollsters, and the public at large will be discussing the meaning of the results for some time to come.

Perhaps the most disturbing aspect of the recent election was the low voter turnout. On Election Day approximately 35% of eligible voters cast their ballots. Despite election reforms—a lower voting age, easier registration, and the repeal of poll taxes—the number of nonvoters continues to rise faster than the number of people who vote, a trend begun almost two decades ago. In the 1962 off year election 45% of eligible voters turned out. Many factors have caused the decline in voting: a feeling that there is no difference between candidates or parties, a sense of frustration and powerlessness in the electorate, and a belief that one vote really does not matter are just a few. In turn, the decline in voting has only made things worse: as fewer people express their opinions at the polls, special interest groups become more powerful.

Another disturbing aspect of the recent election was the huge amount of money poured into congressional campaigns, some of which were probably the most expensive in history. A North Carolina Senator spent $6.7 million to be re-elected, and an Indiana congressional candidate paid out more than $390,000 in a losing effort. The basic problem with big money is that candidates become hostages of the individuals and groups that provide it. Office seekers who rely heavily on a few influential contributors tend to be less independent and less able to pursue the national interest and the common good. I am not sure just what reforms are necessary to improve campaign financing, but I am interested in exploring a variety of proposals. Some that come to mind are the public financing of congressional campaigns and the lowering of campaign costs through, among other things, reduced rates for political mailings. Another kind of proposal involves the careful deregulation of the electoral process. Such reforms would make politicians more responsive and elections more competitive.

The 1978 election rekindled my concern that politics is becoming increasingly devoid of content. Elections have advanced technologically, with modern campaign techniques such as television commercials, telephone banks, and computerized mailing, but they have not advanced in substance. The concentration on style, image, and campaign conduct really does not get voters interested in the issues of the day. Negative campaigning against an opponent's record or personal shortcomings—rather than a constructive emphasis on one's own program—has become a very common tactic.

Political observers are uncertain about a national mandate in the 1978 congressional races. It seems to me that the quality of individual candidates and particular political circumstances in each area had more to do with the results than did any overwhelming trend. A study published just before the 1970 election stated that congressional contests are usually local affairs, reflecting voters' attention to local matters more than to nationwide moods. My own impression is that Congressmen today are indeed elected more as non-partisan, non-ideological providers of service. It is certainly on their records of service that most incumbents now choose to run for re-election.

Nevertheless, there was a dominant tone to the recent election. Voters are clearly upset about inflation, taxes, government spending, bureaucracy, and regulation. At the same time, however, I found that they are skeptical toward candidates who claim to have easy cures, especially for a problem like inflation. People seem to realize that no one can honestly offer them a quick remedy for inflation. It is just too complicated an issue.

The recent election resulted in a shift to the right on the political spectrum, suggesting that the Nation will continue to move toward more conservative government. Important congressional liberals were defeated, and in most instances Americans voted for lower taxes where they had an opportunity to do so. The national partisan lineup for 1979 is as follows: in the Senate, 59 Democrats and 41 Republicans (a net gain of three for the minority party, with one recount possible); in the House, 276 Democrats and 159 Republicans (a net gain of 12 for the minority party, with three recounts necessary); among the governors, 32 Democrats and 18 Republicans (a net gain of six for the minority party). The increase in GOP strength is modest for a minority party in an off year election.

Overall, I see the 1978 election as an indication that the American people are uncomfortable, but not frightened, about the condition of the economy, and that they are not ready to trust government to those who propose drastic remedies. On the other hand, the people do want something to be done to make government and the economy work better. They are asking government to deliver a quality product at a reasonable price. They seek stable prices and wages in a strengthened economy. While Americans prefer to leave power in the hands of the Democrats, they want the Republicans standing by as a potential alternative.●

RETIREMENT OF LLOYD ARTHUR RIVARD

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. JOHNSON of California. Mr. Speaker, it is with profound regret that I report to the House that Lloyd Arthur Rivard, chief engineer of the Committee on Public Works and Transportation, retired December 31, 1978, after more than 30 years of outstanding public service. He leaves behind countless friends and a record of accomplishment that truly merits the gratitude of the Congress and the Nation he has served so well.

Lloyd Rivard had already made his mark as an authority in the field of highway safety and highway engineering when he came to the Committee on Public Works and Transportation almost 10 years ago. In the intervening years he had added enormously to that reputation.

A native of Rhode Island and an engineering graduate of Brown University, Lloyd began his career in 1949 with the Bureau of Public Roads, the forerunner of today's Federal Highway Administration. In 1954 he joined the District of Columbia Highway Department to assume responsibility for planning and establishing the District links to the then-embryonic Interstate Highway System, a task he carried out with a distinction that attracted the attention and admiration of highway authorities throughout the Nation.

He interrupted his District service in 1962 to spend the next 5 years with the Automotive Safety Foundation—known today as a major element of the Highway Users Federation—where he won further national repute in the fields of highway safety design and construction. There followed another 3 years of service with the District of Columbia Highway Department, until he came to Capitol Hill as chief engineer for the Committee on Public Works and Transportation.

Mr. Rivard's entire career was closely identified with the development of the Interstate Highway System and the related Federal-aid highway network which today links the cities, towns, and rural areas of the continental United States and stands as one of the most ambitious and successful public works projects in recorded history.

His contributions to Federal transportation law and Federal transportation programs during his years with the Public Works and Transportation Committee have helped immeasurably in making America's highways safer and better for the millions who ride them daily.

In recent years, as the committee's jurisdiction expanded to include other facets of surface transportation, including mass transportation, Lloyd's expertise grew with the additional responsibilities. He became a recognized expert on public transportation and a strong supporter of a balanced transportation system.

Mr. Speaker, I voice the feelings of all the members of the Committee on Public Works and Transportation who have been privileged to work closely with Lloyd Rivard over these past 10 years—and especially in the 3 final years of exhaustive and exhausting effort that went into creation of the landmark Surface Transportation Assistance Act of 1978—when I say that he will be sorely missed.

Ours is a mobile society. Many words

have been spoken in this Chamber about the problems this mobility creates for our citizens and, as a result, for our transportation systems. Few have contributed more than Lloyd Rivard to easing the transportation problems of our citizens as they travel each day on our highways and public transportation to work, to school, to church, and to places where they can spend their increasing leisure time.

In the years ahead, Lloyd Rivard undoubtedly will continue to contribute, as a private citizen, the same wise counsel and advice to the cause of better transportation that he gave us with such distinction throughout his career of public service.

We wish all the best to Lloyd and his gracious wife, Beverly; his daughters, Dorraine and Patricia; and his son, Rick.●

SWAPPING GOODS FOR MEXICO'S OIL

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to call to the attention of my colleagues the following article by Ronald E. Muller and Everett M. Ehrlich regarding possible trade agreements with Mexico. The article appeared in the Washington Post, Sunday, January 7.

The article follows:

SWAPPING GOODS FOR MEXICO'S OIL

The United States is considerably behind its allies seizing opportunities for reciprocal economic agreements with developing nations.

The European Economic Community's Lome Convention, for example, has forged new aid-and-trade ties with 54 Third World countries. In the "new China" market, the United States' one mining deal pales besides the headstarts of Germany and Japan in building everything from coal mines to steel mills.

But the U.S. lag is most striking when compared with other industrial nations' bilateral swaps of exports for oil and gas.

Japan is building Iraq's natural and liquefied gas industries in exchange for oil, while Peru is already paying for its Japanese-built pipelines at a price of 250 million barrels of oil. France has announced a policy of tying its oil purchases to exports of French products, and Germany and Japan are negotiating long-term deals to export technological assistance and capital goods for oil.

For the United States, Mexico should be an obvious choice for such agreements, but we recently rejected Mexico's bid to sell us natural gas at a lower price than we pay for Algerian and Indonesian gas. Massachusetts Sen. Edward M. Kennedy echoed the dismay of others in Congress when he noted how "President Lopez Portillo turned instead to Japan for technology, financing and oil sales."

Our refusal prompted Mexico to convert the gas to domestic uses, thereby freeing oil for export to Japan. The Japanese loaned Mexico $1 billion to build pipelines and port facilities so that Mexico can ship the oil to Japan in repayment of the loan.

Similarly, France and Mexico have signed a deal providing France with 100,000 barrels of Mexican oil a day, paid for by French exports.

The advantages of the United States arranging a similar deal with Mexico are obvious. It would give us an additional, stable supply of oil without worsening our already deep trade deficit, stimulate our economy, create jobs and reduce unemployment and related government payments.

The United States, for example, could offer to buy a scheduled amount of Mexican oil leading up to 2 million barrels a day by 1985. Mexico in return would receive a line of credit with which to shop in this country for the best buys on capital goods and technology. Indeed, Mexico and the United States are geographically so close that lower transportation costs—compared with shipments bound for Europe or Japan—would mean that the Mexicans in effect could gain up to an extra $1 profit for each barrel they send us.

We could sweeten this package with special financing arrangements, possibly including an adjustment in Mexico's debt repayment schedule. Even more important would be a move toward serious negotiations to resolve such difficult question as immigration policy and water rights to the Colorado River, the key issues in U.S.-Mexican relations.

If such a swap deal could be negotiated, it would mean new U.S. exports to Mexico of almost $11 billion a year, creating an estimated 400,000 jobs in this country. Since every jobless worker costs the federal government about $5,000 in unemployment compensation and other payments, taxpayers could conceivably save more than $2 billion in such aid. That would translate into a $2.74, or 20 percent, premium on each barrel of Mexican oil.●

TAX REDUCTION ACT OF 1979

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. LUKEN. Mr. Speaker, I am introducing a bill, the Tax Reduction Act of 1979, that will reduce taxes for individuals (by $142 billion) and force Congress to cut spending and move toward a balanced budget by linking tax cuts with reductions in Federal spending. This bill is the Nunn amendment to the Revenue Act of 1978. This amendment was approved by the House but lost in conference.

A Congressman today can vote for tax reductions and at the same time vote to spend money that the Government does not have. My bill will force Congress to reduce spending because under my bill, any Congressman who votes for increased spending votes against a tax cut.

My bill contains the following reductions for individuals' tax rates; $8 billion in fiscal year 1980, $25 billion in fiscal year 1981, $43 billion in fiscal year 1982, and $66 billion in fiscal year 1983. The total tax reductions that would take place are $142 billion—money saved from every American's paycheck.

For these tax cuts to become effective, Federal spending cannot exceed the following percentages of the projected gross national product: 21.0 percent in fiscal year 1980, 20.5 percent in fiscal year 1981, 20.0 percent in fiscal year 1982, and 19.5 percent in fiscal year 1983 and thereafter. Additionally, Federal spending cannot exceed the rate of inflation plus 1 percent, and the Federal budget for 1982 must be balanced.

Mr. Speaker, the people of this country know that one of the single greatest causes of inflation is massive Government overspending. This proposed tax structure insures that the budget will be as balanced as possible as the tax reductions go into effect. It also provides a way to face our changing national economic conditions and still reduce taxes while upholding the principle of moving toward a balanced budget.●

DISTINGUISHED CALIFORNIA BUSINESSMAN, CIVIC LEADER AND NEWSPAPER OWNER RETIRES

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. DANNEMEYER. Mr. Speaker, recently Edgar F. Elfstrom, a well-known and distinguished California businessman, civic leader and newspaper owner, retired. Ed's retirement brought to a conclusion a newspaper career which began in 1922 when, at the age of 21, he became personal secretary to E. W. Scripps, a giant in the world of journalism who started the first newspaper chain and founded what was to become United Press International.

In 1924, Ed took his first newspaper job with the Youngstown, Ohio, Telegram, working in the advertising department. In 1926, he was in California where he invested in the Florence Messenger, which he sold 18 months later and joined the Santa Ana Times as advertising manager. This was followed by service with the Copley-owned Hollywood News and, later by his becoming publisher of the Alhambra Post-Advocate. Somewhat later, he joined in a tripartnership with John Scripps and Roy Pinkerton to acquire and develop newspapers throughout the State of California.

In 1939, he purchased the Daily News Tribune in Fullerton which then had a circulation of 2,000. During his tenure as publisher and editor the circulation increased more than 10 times.

During Ed's tenure as owner of the paper, a new, modern facility was built and occupied in 1964 and the paper converted its production system from a hot-lead type of operation to a photo composition system. Ed sold the Daily News Tribune in 1973 to Scripps-Howard Newspapers, but continued to serve in an advisory capacity until his retirement on December 31, 1978, concluding a 56-year newspaper association and 52-year record of journalistic endeavors in the State of California.

That Ed is held in the highest esteem by his fellow Californians is without question. A few of the tributes to this outstanding gentleman follow:

SENATE RULES COMMITTEE RESOLUTION BY SENATOR JOHN V. BRIGGS

Whereas, Edgar F. Elfstrom is deserving of special recognition and commendations upon the occasion of his retirement, after a career that spans 56 years in the newspaper business, and including 52 of those years in the State of California; and

Whereas, Mr. Elfstrom began his newspaper career at the age of 21, when he became personal secretary to E. W. Scripps, a giant in the world of journalism who started the first newspaper chain and founded what was to become United Press International; and

Whereas, Edgar traveled around the world with E. W. Scripps, meeting with foreign dignitaries, as well as assisting in the Scripps operations of the latter's various newspaper holdings; and

Whereas, in 1924, he took his first newspaper job with the Youngstown, Ohio, Telegram, working in the advertising department, and two years later, he came to California to invest in the Florence Messenger and later served as Advertising Manager for the Santa Ana Times and as National Advertising Manager of the Copley-owned Hollywood News; and

Whereas, in 1930, at the age of 28, he became publisher of the Alhambra Post-Advocate, and then joined in a tripartnership with John Scripps and Roy Pinkerton to acquire and develop newspapers throughout the State of California; and

Whereas, in 1939, he purchased the Daily News Tribune, in Fullerton, when it had a circulation of 2,000, and during his tenure as publisher and editor, the circulation increased more than tenfold; and

Whereas, highlights of his Daily News Tribune ownership include the building of a new, modern facility which the newspaper occupied in 1964, and the conversion of the newspaper production system from a hot-lead type of operation to a photocomposition system.

Whereas, he sold the Daily News Tribune to Scripps-Howard Newspapers in 1973, and he continued to serve in an advisory capacity until his retirement on December 31, 1978; now, therefore, be it

Resolved by the Senate Rules Committee, That Edgar F. Elfstrom be commended for his many contributions to news journalism in the State of California, and extended congratulations and warmest wishes upon the occasion of his well-deserved retirement; and be it further

Resolved, That a suitably prepared copy of this resolution be transmitted to Edgar F. Elfstrom.

MEMBER'S RESOLUTION BY THE HONORABLE ROSS JOHNSON

Whereas, Edgar F. Elfstrom, a distinguished California businessman and civic leader, has recently retired, thereby concluding a 56-year newspaper association and 52-year record of journalistic endeavors in this state, and it is appropriate upon this occasion that he receive the special honor and commendations of his fellow citizens; and

Whereas, beginning his career at age 21 as personal secretary to E. W. Scripps, a giant in the world of journalism, Mr. Elfstrom traveled worldwide conferring with various newspaper holdings of the Scripps operations; and

Whereas, in 1924, he took his first newspaper job in the advertising department of the Youngstown (Ohio) Telegram, two years later came to California where he invested in the Florence Messenger, and 18 months later joined the staff of the Santa Ana Times as Advertising Manager; and

Whereas, at age 28, he became the Publisher of the Alhambra Post-Advocate, later joined in a tripartnership to acquire and develop newspapers throughout the State of California, and in 1939 purchased the Daily News Tribune in Fullerton; and

Whereas, the highlights of his Daily News Tribune ownership included the building of a new, modern facility which the newspaper occupied in 1964, and the conversion of the newspaper production system from a hot-lead type of operation to a photocomposition system; and

Whereas, Edgar Elfstrom operated the Daily News Tribune until 1973, at which time he sold the company, while continuing to serve in an advisory capacity, and on December 31, 1978, formally ended his newspaper association with his final retirement; and

Whereas, the services which he has provided to his readers during his illustrious career are indeed far-reaching, as the responsibilities of a newspaper publication in informing the public of factual data and truths are extensive; now, therefore, be it

Resolved by Assemblyman Ross Johnson, That he takes pride in honoring and commending Edgar F. Elfstrom upon the occasion of his retirement from his 56-year newspaper association and 52-year record of journalistic endeavors in the State of California, expresses his sincere appreciation for the invaluable services which he has provided to the people of this state, and extends best wishes for every success in his future endeavors; and be it further

Resolved, That a suitably prepared copy of this resolution be transmitted to Edgar F. Elfstrom.

RESOLUTION OF THE ORANGE COUNTY BOARD OF SUPERVISORS

On motion of Supervisor Diedrich, duly seconded and unanimously carried, the following Resolution was adopted:

Whereas, Edgar F. Elfstrom is retiring from journalism after more than 55 years of operating independent newspapers, as well as entire chains; and

Whereas, he began his career as personal secretary to newspaper giant, E. W. Scripps, touring the world and helping to create what was to become United Press International. He purchased his first California newspaper in 1926, The Florence Messenger and, when he was only 28 years old, purchased The Alhambra Post Advocate, and later formed a partnership, developing newspapers throughout California; and

Whereas, in 1939, he purchased The Fullerton Daily News Tribune which he operated for many years as the only independent daily newspaper in Orange County, increasing circulation 10-fold. Mr. Elfstrom built a complete new plant before selling the newspaper to Scripps-Howard Newspapers. He is known nationwide for his lifetime of dedication to journalism, and particularly for his battle against drug abuse.

Now, therefore, be it *resolved* that the Orange County Board of Supervisors commends Edgar F. Elfstrom for his long years of dedication to journalism and to his fellow man, and wishes him well in his retirement.●

HOSPITAL PRAISED FOR COST CUTTING

HON. NEWTON LEROY GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. GINGRICH. Mr. Speaker, we have heard a lot recently about rising health care costs and about skyrocketing hospital bills. In his state of the Union address the President repeated his proposal for a ceiling on hospital rate increases. There will be many other legislative proposals entered into the House this session.

There is no doubt that hospital costs are rising rapidly. But some hospitals are fighting to hold the line on spending and pass these savings on to their patients. They are working hard to reduce costs without reducing services.

I would like to call the House's attention to Douglas General Hospital, in Douglas County, Ga. They have instituted a unique cost reduction program that should be emulated wherever possible in the rest of the country.

I think that the work done at Douglas General Hospital shows that voluntary cost-containment can work. With Government help, rather than Government hindrance, our hospitals can slow the rapid rise of health care costs.

Mr. Wagner, hospital administrator, and the staff at Douglas General Hospital have done a fine job and deserve our gratitude and support.

I am inserting in the RECORD an article that appeared in the December 20, Atlanta Journal and the Villa Rican that describe the Douglas County Hospital program:

[From the Atlanta (Ga.) Journal, Dec. 20, 1978]

HOSPITAL EARNS 1ST PLACE AWARD

Douglas General Hospital has earned a first place award for its continuing cost containment and cost reduction efforts.

Hospital Administrator James A. Wagner Jr. has been advised by representatives of the Georgia Hospital Association (GHA) that Douglas General has been judged as the first place winner in the GHA's 1978 PACER Contest.

The plaque will be presented at the annual convention Awards and Recognition luncheon Dec. 8 at the DeSoto Hilton Hotel in Savannah.

The PACER award is given to the Georgia hospital or health facility which is judged as presenting the best program aimed at reducing and/or containing the rise in health care costs for both patients and the institution itself.

The Douglas General entry in the contest was chosen for first place honors from among entries submitted by a majority of the hospitals in the state, regardless of bed size.

Besides the first place plaque, the hospital will also receive a cash award of $2,500.

Commenting on the award, Administrator Wagner said "credit for our having received such an award goes to H. Lee Roper, assistant administrator and manager of the Continuous Team Cost Reduction Program and to those employees who participated as members of the hospital's cost reduction teams as well as to Schuyler Clark, the management consultant who has been working closely with our program."

Wagner will accept the plaque and cash award at the GMA convention Dec. 8.

[From the Villa (Ga.) Rican, Dec. 20, 1978]

DGH WINS FIRST PLACE IN COST CONTAINMENT

Douglas General Hospital has earned a highly-coveted first place award for its continuing cost containment, cost reduction efforts.

Hospital Administrator James A. Wagner, Jr., has been advised by representatives of the Georgia Hospital Association (GHA) that Douglas General has been judged as the first place winner in the GHA's 1978 PACER Contest.

According to word from John Marston, GHA executive director, a GHA First Place Award plaque is being prepared for presentation at the GHA annual convention Awards and Recognition Luncheon on Friday, December 8, at the DeSoto Hilton Hotel in Savannah.

The coveted PACER award is given to the Georgia hospital or health facility which is judged as presenting the best program aimed at reducing and/or containing the rise in health care costs for both patients and the institution itself. The Douglas General entry in the contest was chosen for first place honors from among entries submitted by a majority of the hospitals in the state of Georgia, regardless of bed size.

Besides the first place plaque, the hospital will also receive a cash award of $2,500.

Commenting on the award, Administrator Wagner noted that "credit for our having received such an award goes to H. Lee Roper, Assistant Administrator and manager of the Continuous Team Cost Reduction Program, and to those employees who participated as members of the hospital's cost reduction teams as well as to Mr. Schuyler Clark, the management consultant who has been working closely with our program."

Wagner, Roper and Clark explained the hospital's cost containment/cost reduction program by remarking that through use of a multiple team cost containment program featuring team competition, DGH has saved $169,910 during the first six months of the current fiscal year which began April 1. That figure represents 6.3 percent of the total operating expense budget for the same six months, and 283 percent of the total hospital savings goal for the fiscal year.

The three men noted that the continuous team cost reduction program is a "productive game" in which 49 department heads, supervisors and technical staff, including nurses, work together to find and implement ways to save money and improve service.

Thirty-four projects had been completed through September with another 120 cost-cutting projects listed with the office of Project Manager Roper.

In addition to the savings to the hospital itself, there have been two projects which included a total of $16,200 per year in direct savings to the patients.

Wagner pointed out that "the concept employed is unique with Douglas General Hospital and, to our knowledge, is not currently being used in any other health care facility in the state. Cost savings are achieved in our program by the American free enterprise ideal of competition.

"The program is composed of four teams (The Conservatives, The Beacons, The Scalpels, The Cost Culture) each of which is made up of employees from a variety of departments."

Wagner mentioned that each of the four teams is led by a highly-qualified employee with Miss Nawassa Staples team leader of the Conservatives, Mrs. Susan Spurlock leading the Beacons, Terry Welham leader of the Scalpels and Mrs. Laura Frank leading the Cost Culture team. Team standings for the first six months saw the Conservatives with seven completed projects and a savings achievement of $114,651 or a fantastic 764 percent of that team's 1978–79 goal. The other teams comparable figures were: Beacons, six projects, $19,901 saved, 133 percent of the year's goal; Scalpels, 11 projects, $18,746 saved, 125 percent of the team's goal; Cost Culture, 12 projects, $16,612 saved, 111 percent of the team's yearly goal.

Administrator Wagner will accept the plaque and cash award on behalf of Douglas General Hospital at the December 8 luncheon. He will be representing Douglas General during the GHA annual convention set for December 7–9 in the Chatham County city.

DOUGLAS GENERAL HOSPITAL

Typical of the cost-saving projects suggested and followed through by hospital personnel are:

Name of Project:	*Savings*
Taping shift reports (nursing)	$17,066
Repair respiratory therapy equipment in-house	1,716
Separate flow rate revenue (x-ray)	5,603
Six-day coverage in physical therapy	10,472
Change employee insurance companies	65,940
Post job openings in-house	1,800
Use shared service linen service	12,000
Separate portable x-ray charges	3,332
Renegotiate procurements (lab)	2,336
Reduce order frequency (sterile water)	2,000
Upgrade maintenance position	2,070

●

NEW ETHICS LAW MAY FORCE OFFICIALS TO QUIT

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. MOORHEAD of California. Mr. Speaker, last year when the House of Representatives considered the Ethics in Government Act, I strongly opposed the so-called revolving door provisions. The existing conflict of interest law in title 18 seemed to be perfectly adequate to deal with the problem. To me, it made no sense to superimpose a 1-year no contact ban on former Government officials with respect to contacts with their former agencies or departments. Clearly, such an arbitrary, silly addition to the law could only have a detrimental effect on the morale of present governmental officials, while, at the same time, serving to seriously hamper governmental recruitment efforts.

An article appearing in the Washington Post on Wednesday, January 31, seems to indicate that my reservations were well-founded. I commend this article to my colleagues' attention:

STIFFENED FEDERAL ETHICS LAW MAY MAKE OFFICIALS QUIT

(By Joanne Omang)

Hundreds of government officials—scientists, educators and researchers—may resign this spring to avoid coming under a stringent new code of ethics aimed at curbing conflicts of interest.

The 1978 Ethics in Government Act requires detailed financial disclosure statements and puts stiff limits on what high-ranking officials may do in the private sector after they leave government.

Several affected officials say the limits in the law may leave them virtually unemployable outside the government after the act takes effect on July 1.

"Under this law, I couldn't go back and do most of the things I have spent a good part of my life doing," said Hale Champion, undersecretary of health, education and welfare. "I have to consider resigning if the implications are as grave as they look."

Others who said they could be similarly affected include Richard Atkinson, director of the National Science Foundation; William J. Perry, director of research and engineering in the Department of Defense, and Donald S. Fredrickson, director of the National Institutes of Health.

They are typical of hundreds of executives, professors, scientists and others who join government for a few years, intending to return eventually to their old jobs or to others like them. Often these jobs are at nonprofit or academic institutions having extensive government research grants; others are at private companies with large federal contracts.

"The higher up in the decision-making you are, the more difficult it becomes," said Champion, who was formerly vice president for finance at Harvard University. "You then have official responsibility for lots of things you don't deal with personally . . . it could come down to manning you can't participate in the governance of any institution that has anything to do with the government."

The new law covers all federal employes at grade GS16 or above or earning more than $42,500, which includes nearly everyone in a policy-making position. It also covers judges, members of Congress and senior congressional staff members, as well as political appointees: in all, about 15,000 persons.

Passed in the wake of the Korean influence-buying scandal, the measure requires listing outside income, gifts, debts, property transfers, spouse's income and holdings and other financial matters beginning May 15.

It also tightens existing lifetime bans on representing outsiders before the government on issues in which the official had "personal and substantial" dealings while in government. And it extends from one year to two the ban on acting for a private party in issues that were under the policymaker's "official responsibility" in the year before leaving public office.

These provisions, effective July 1, are not considered particularly troublesome to scientists and academics, although Atkinson criticized the requirement that even those who serve on advisory boards for as little as 20 days annually must file disclosure statements.

Far more troubling, according to those concerned, is the provision that says a former government official shall not "aid, assist, counsel, advise or assist in representing" before the government a private organization on any matter under the official's former jurisdiction. "He can't talk about anything he knows anything about," summed up an HEW official.

This could mean, said Fredrickson of NIH, "that quite possibly I would be barred from my old job" as president of the National Academy of Sciences Institute of Medicine. It involved handling government contracts and studies which concerned NIH, he said.

Another 50 persons now at NIH—"the people who run the institute, the key administrators"—would be affected, he said. "The law might mean that our usual movement from medical schools and the academic world and back would be severely impaired."

Perry of the Defense Department was formerly president of an electronics firm in Sunnyvale, Calif. "I don't believe I could return to that job under this as I read it," he said, "and I would certainly like to have that option."

Perry added that many DOD engineers who oversee research and acquisition programs have told him they are considering resigning before July 1. "We may so completely limit the ability of a technical manager to return to industry that we may not be able to hire them away from industry in the future," he said.

At the National Science Foundation Atkinson said that under the provisions of the law as outlined by a reporter, "I would probably never have come here in the first place" since he would probably be unable to return to Stanford University, where he is on a leave of absence. "If that is the case, I would think twice about whether I'd have to resign" from NSF, he said.

HEW Secretary Joseph A. Califano Jr. said that he and Defense Secretary Harold Brown had "expressed serious concern" about the matter to President Carter. "We suggested that the thing to do is to postpone the effective date of the law and have some hearings on it," Califano said. "We would hope the law could be amended."

Carter, he said, had asked aide Jack Watson to look into the matter.

Jim Graham, staff counsel to the Senate Governmental Affairs Committee that drafted the new law, said there is "a severe lack of information" among those affected. "We do think the bill is reasonable. One of the ways scientists make a living is through consulting and there is at least the same potential for abuse as there is with lawyers," he said.

He and others suggested that an exception in the law permitting "scientific and technical communications" with the government might be adapted in forthcoming regulations to solve some of the problem, although new legislation might also be necessary.

At the moment, all eyes are on Bernard Wruble, 36, who is drafting those regulations in his first week on the job at the brand new Office of Government Ethics. The post was established by the act within the Office of Personnel Management (the old Civil Service Commission) to come up with rules on application and enforcement of Ethics in Government.

"We are aware of the scientists problem," he said. "We feel we have an obligation to settle the problem well in advance of the time when people will have to act on it. ●

INTRODUCTION OF A BILL TO REAUTHORIZE THE FUNDING FOR THE 200-MILE FISHERY ZONE ACT

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. MURPHY of New York. Mr. Speaker, the legislation I introduced today with other members of the Merchant Marine and Fisheries Committee, would authorize appropriations for the next 3 fiscal years to implement the Fishery Conservation and Management Act of 1976—FCMA—commonly known as the 200-Mile Fishery Zone Act. This legislation would insure that funding will continue to be available to the Secretary of Commerce and the Regional Fishery Management Councils for carrying out their responsibilities under this act.

The 200-Mile Fishery Zone Act became Public Law 94–265 on April 13, 1976. The act made it unlawful for the first time, beginning on March 1, 1977, for foreign fishing vessels to fish within 200 miles of our shores without a permit. Already, that landmark piece of legislation has become instrumental both at protecting and conserving the fisheries resources off our coastal shores and at promoting the development of the U.S. fishing industry.

Thus, in 1977, the most recent year for which statistics are available, the total foreign and domestic commercial catch off U.S. shores was 3.8 million metric tons, a decrease of 14 percent from 1976. However, the U.S. fishing industry's share of the catch rose to 56 percent, an 8-percent increase from 1976, and U.S. exports for 1977 were a record $520.5 million, up 35 percent from 1976.

The number of foreign fishing vessels operating off our shores, on the other hand, has declined along with the foreign catch. Figures released by the National Marine Fisheries Service indicate that approximately 780 foreign fishing vessels operated within the zone during 1977, about 35 percent less than the approximately 1,200 vessels that operated within the zone during 1976. At the same time, the foreign catch decreased to 1.7 million metric tons, 27 percent from the 2.3 million metric tons taken in 1976.

Early signs indicate that there is a new vigor in the U.S. fishing industry. Orders for new fishing vessels have increased dramatically, with 1,753 constructed in 1977 alone, and there is a growing interest both in replacing and modernizing the fishing gear and in building new processing plants. In Alaska alone, there were 43 plants built in 1978.

Mr. Speaker, the act is beginning to work, but much more remains to be done.

The act also established eight Regional Fishery Management Councils which were assigned the task of developing fishery management plans for fisheries in their respective regions. Thus far, only three fishery management plans have been prepared and approved by the Secretary. Two of these involve fish off the Atlantic coast—groundfish (cod, haddock and yellowtail flounder) and surf clams and ocean quahogs—and the third involves salmon off the Pacific coast. More than 65 other plans identified by the Councils still need to be developed. The success of the efforts of the Councils depends on the passage of this legislation, because the preparation of these needed plans cannot proceed without funding.

The legislation would extend the funding authorization at its present level of $30 million for each of fiscal years 1980, 1981, and 1982.

All concerned persons agree that the FCMA is the most comprehensive piece of fisheries legislation ever enacted. As the aforementioned statistics indicate, the FCMA has already had a substantial impact on both the U.S. fishing industry and on foreign fishing activities. As the U.S. fishing industry develops, the FCMA can be expected to promote to an even greater extent the protection and conservation of the fisheries resources of the United States. ●

REGULATORY CLEARINGHOUSE FOR SMALL BUSINESS

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. KINDNESS. Mr. Speaker, yesterday I introduced legislation to provide information and technical assistance to small businessmen with regard to Federal regulations. Specifically, my bill would establish a regulatory information clearinghouse in 10 regional offices and 83 field offices of the Small Business Administration. A professional staff person would be designated in each such office as a contact point and source of information regarding Federal regulations having a significant impact on small business.

Today, we hear considerable discussion about the need for "regulatory reform" and the threat of "overregulation." These concerns, in my view, are quite valid. But such discussions, all too often, conjure up the image of a confrontation between big government and big business. But this clearly is not always the case. Like many of my colleagues, I am concerned about the special problems that ever-increasing and complex Federal regulations impose on small business concerns throughout the United States.

Almost as much as large corporations, small businesses must contend on a day-to-day basis with extensive governmental regulation. A small businessman cannot avoid making decisions that may fall within the scope of such agencies as OSHA, EEOC, EPA, NLRB, or CPSC. While I am not proposing across-the-board exemptions for small business from governmental scrutiny, I strongly believe that some special consideration must be given to the unique regulatory problems faced by small business. A small businessman does not have the time, the staff, the overall resources, nor the inclination to adequately monitor how proposed rules and final regulations could affect his livelihood. While trade association membership can partially offset this informational gap, such services very often are not detailed or specialized enough to completely fill this void.

What small business needs then, is a readily available, continuing information source about proposed, and existing, Federal agency regulations. It seems to me that the Small Business Administration, through its 93 offices, is uniquely qualified to play this "regulatory clearinghouse" role. In fact, the statutory duties imposed on the recently established Office of Advocacy within the Small Business Administration would appear broad enough to encompass a function just such as this. 15 U.S.C. 634c. But whether the Administrator chooses to utilize the Office of Advocacy in this effort or other SBA personnel, this service should be provided.

The measure I introduce today is an amendment to section 5 of the Small Business Act. Under its terms, the Administrator is directed to conduct a continuing review and analysis of both existing and proposed Federal regulations, "which have or could have a significant impact on small business concerns." Further, the Administrator is directed to establish and maintain a regulatory clearinghouse in each branch and regional office of the Small Business Administration. These new contact points would disseminate information to small businessmen on Federal regulatory activity, as well as provide technical assistance to individual small businessmen with regard to regulatory compliance. At least one professional staff person is required to be designated in each of the 93 Small Business Administration offices throughout the country.

The new 96th Congress will be the forum for an analysis of a number of major regulatory issues. These include: Sunset legislation, proposals for deregulating the trucking industry and the railroads, public participation, and the legislative veto. All of these items and more, deserve full debate. Hopefully, the small business regulatory clearinghouse will also find its way on to the congressional agenda.●

RUSSIA'S GLOBAL GOALS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following article by William Randolph Hearst, Jr., concerning the Soviet strategy toward strategic territory around the globe. Mr. Hearst lists several nations—Cuba, Chile, Ethiopia, Somalia, Vietnam, and now Cambodia—who have become pawns of the Kremlin to expand Soviet influence. It is my hope that the administration and Members of Congress are cognizant of the importance of these territorial acquisitions by the Soviets or their emissaries:

RUSSIA'S GLOBAL GOALS

(By William Randolph Hearst, Jr.)

NEW YORK.—Detente is an illusion that seems to comfort President Carter and the State Department. It means nothing to the Russians, as the Vietnam invasion and takeover of Cambodia clearly shows.

President Carter, whose ineptitude in foreign affairs flourishes, must let the Soviets know that most U.S. citizens are getting impatient with their incessant conquest of countries by instigating either civil war or territorial war, to be followed by Russian imperialistic communization.

It is now a sorry record—Cuba, Chile, Ethiopia, Somalia, Rhodesia's guerrillas, Iran, Vietnam, and now Cambodia. The Russians have inspired or hired others to do the fighting, but when it is all over, the country is usually a communist nation which takes its orders from the Kremlin.

It seems incredible that this administration appears grateful to get the short end of the stick in the SALT talks, yet that is exactly the case. Ours is not a hick country. It was, until recently, the most powerful nation on Earth. But our leaders decided it was better to be like Avis, in second place, because building B-1 bombers and cruise missiles and neutron field weapons doesn't win votes.

You've got to give the Russians credit. Never before in history has any nation been so successfully involved in worldwide aggression all the while using other people's troops and not losing any of its own manpower. Russians think big. And act big. That is how they achieve conquest without war, or more accurately, without having to participate in a war.

No tears will be shed for the defeat of the despicable communist bunch in the Khmer Rouge in Cambodia. They have tyrannized that little nation and have been responsible for more mass murders, per capita, than any other government in history.

But this is a proxy fight. China has sponsored the Khmer Rouge while Moscow has sponsored the Vietnamese. The clever lads in the Kremlin mererly played upon the ancient hatreds between the Vietnamese and Cambodians and again said, "Let's you and him fight."

Supplied with Soviet weaponry, the Vietnamese, having defeated both the French and the Americans, simply crossed the border and took Phnom Penh. The governments and the people of Phnom Penh are now accustomed to being captured, so it didn't take long.

No doubt this had been on the planning boards for some time, but the Kremlin apparently prodded Hanoi into taking this step of invading Cambodia to demonstrate to both China and the United States the fragile value of their new-found friendship in the face of a crisis.

It was the Soviet's quick response to the American overtures to the Chinese.

It was a cynical demonstration of just how one-sided detente with Russia can be. While the U.S. is sitting on its hands and talking about human rights in Chile, Rhodesia and Iran, Russia is gobbling up the globe.

This, to the Kremlin, is the meaning of detente.

Beyond any doubt, Russia is engaged in a deliberate act of encirclement, starting in Indochina and ending at the Persian Gulf. If Iran goes communist, too, the Reds will have access to all of our oil tanker routes.

There was a day when the United States would have retaliated in kind. We helped create the Shah's monarchy in Iran. We helped to depose Allende in Chile.

But now such activities are described as "dirty tricks" and are forbidden in America. The CIA has been so discredited that it is virtually ineffective. People are afraid to cooperate with our chief intelligence agency because so many of our politicians delight in exposing its undercover activities.

Obviously we Americans are slow learners when it comes to international geopolitics and foreign diplomacy. If we continue to sit in the back of the classroom meditating about human rights alone, we may soon find that the rest of the class has moved on and left us behind.

With the Vietnamese invasion of Cambodia, China is face-to-face with Russia in the south as well as in the north and there is danger that the confrontation can become explosive.

Meanwhile, Prince Norodom Sihanouk, Cambodia's former king, leading playboy and one-time administrative leader, is in New York calling for help from the United States and the United Nations against Vietnam's invasion of his nation.

What the UN does about it is its own affair. As for the U.S., we must demur. We have had more adventures in Indochina than we can stand.

As hated as the Pol Pot regime was, as heartless as it was, the world must deplore the methods by which Cambodia has been destroyed. When established national boundaries are violated, the entire world must take umbrage.

One thing that we must do is to let Vietnam know that its appeals for economic and political relations with the United States are now being shelved. We cannot consider any relationship of any kind with that aggressor.

And then we must review and strengthen our ties with Japan, Australia and the Philippines. A stronger American presence there might deter Hanoi in its expansionist programs.

And while we are building our renewed friendship with the People's Republic of China we must try hard to mend our fences with Taiwan.

Then, if Hanoi's real leaders in Moscow entertain ideas of conquest in the Pacific area, they will have to think twice about it.

Hopefully both Cambodia and Iran will serve to awaken us to the fact that the Big Russian Bear doesn't hibernate.●

A THOUGHTFUL ANALYSIS OF EVENTS IN CHINA

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. LAFALCE. Mr. Speaker, the current visit of Vice Premier Teng Hsiao-ping has understandably created a rather electric atmosphere in this country regarding United States-Chinese relations. That impact has been compounded by the forceful and winning personality of the Vice Premier.

Despite the natural excitement, we need to place this visit and the normalization of relations with the People's Republic into the proper perspective. The Vice Premier has only recently returned, and for the second time, from political oblivion, and his hold on power is not as secure as that of the late Chairman Mao. Recent Chinese history has seen violent and radical shifts in its course, the latest of which was the dramatic change from the Cultural Revolution to the Four Modernizations. While the Gang of Four is not likely to return to power in the near future, neither is the Vice Premier, who is 74, likely to remain in power indefinitely.

Amidst all of these dramatic events, a calm and long-range view is needed; and an excellent article in the January 21. 1979, edition of the Rochester Democrat and Chronicle by Prof. John W. Killigrew of SUNY, Brockport, provides the necessary perspective. Entitled "Teng Hsiao-ping and China's Dilemma," the article analyzes the present situation in terms of China's past relationship with the West and sheds a great deal of light on possible future developments in the world's most populous country.

The article follows:

TENG HSIAO-PING AND CHINA'S DILEMMA

(By John W. Killigrew)

Once again China holds center stage with the "normalization" of relations between the United States and the People's Republic and the trip next week of Vice Premier Teng Hsiao-ping to Washington.

Furthermore, recent developments within China, such as the rise to dominance of Teng and the thrust of his policy to create an industrialized China by the end of the century, are issues of interest and concern on the international scene. After his political demise during the cultural revolution. Teng has spectacularly re-emerged as the most powerful leader in China today, and if he is able to retain his political power and is successful in his efforts to build China into an economic giant, his position in Chinese history should rank with the late Mao Tse-tung.

But the critical issue is retention of political power, and the ebb and flow of political tension within the Chinese Communist Party should cause one to be less than sanguine when analyzing Teng's staying power and the future political stance of China.

Political struggles in China have been more than a contest for power. At the root of the succession to Mao Tse-tung and the political instability among elements of the party, army, cultural revolutionaries, and the "gang of four" supporters are deep issues that are enmeshed in the drama of Chinese history since the 1840s. Contemporary diplomatic, economic, political and military questions are not momentary or purely recent in having an impact on China, and the leaders of present-day China are not unique in seeking the proper response to problems that have been at the core of Chinese history for over a century.

It has been noted by scholars that the basic issue in Chinese history for the past century has been the search for a proper response to the impact of the West.

This dilemma is defined as the t'i-yung syndrome: the adoption of foreign technology and science is yung, whereas the maintenance of a Chinese core is t'i.

Basically, the question that has been a constant element in Chinese history has been how much foreign yung in the form of technology, science, weapons, factories, arsenals, and railroads are to be absorbed while still maintaining a Chinese essence or t'i.

Using this as an analytical framework, Michael Oksenberg, on the staff of Zbigniew Brzezinski, President Carter's national security adviser, has posited the compelling thesis that the t'i-yung dilemma is relevant for assessing and analyzing Chinese politics today, and that there are identifiable groups or factions who respond to the Western impact in different ways and with different mental assumptions.

The first group, called the "ching-i" faction in the 19th century, consisted of conservative confucianists who saw the answer for China in a purified, revitalized confucian China Contemptuous of Western technology and enraged over Western missionaries, they believed that only an aroused and politically and ideologically motivated China, seeking a perfect confucian moral order, was a viable option.

Today their ideological successors demand a socialist moral order as the proper Chinese response to American imperialism and Soviet revisionism. The content, of course, is different but ideology remains the key: stress a self-reliant, self-sufficient, frugal, egalitarian, socialist, and politically pure Maoist moral order. This group is labelled the "militant fundamentalists."

Adjacent to them on the Chinese political spectrum would stand the "radical conservatives," who seek selective borrowing of technology and weaponry, but stress China's initiative, choice, and independence. The key for this group is not isolation but interdependence with foreigners on China's terms and with politics and ideology still dominating technology.

Moving on through this theoretical spectrum, again with historical roots and precedents in the 19th century, are the "eclectic modernizers." Still holding to a Chinese essence or core, which today is seen as in industrialized and socialist China, they perceive the need of permanent relations with foreign countries at a cost of some Chinese independence, and they are prepared to accept the influx of Western science, technology, capitalist investment, and the resultant social modernization and elitism that is generated by foreign trade and industrial investments from abroad.

This group is epitomized by Teng Hsiaoping, who is famed for his historical oneliner: "I don't care what color the cat is as long as it catches mice."

The policy of this group is also reflected in realistic articles written by a journalist from the Chinese press agency after visiting the United States. He found America a land of automated subways, well-regulated museums, excellent park systems as well as drugs, urban decay, and freak religions. He recommended China "study their science but reject their philosophy."

At the present time Teng's political base is a coalition among those advocating some degree of industrialization and economic, political, and military ties with the foreigners. This coalition's center of gravity lies between the "eclectic modernizers" and the "radical conservatives" and is vividly symbolized in the present power sharing between Teng Hsiao-ping and Hua Kuo-feng.

Teng's visit to Washington is not only a spectacular climax to his personal career, but also a symbolic and dramatic gesture aimed at consolidating and strengthening the coalition he has created.

Although anti-Sovietism and the effort to psychologically weaken the Taiwan government are involved to a certain extent in both the coalition and the trip, the basic element remains the effort to forge a proper response for China to the thrust of the modern world and China's global interdependence. The question, as it was during the 19th century, remains: what is China's proper response to the modern world?

For Teng Hsiao-ping and his coalition, the question is can China retain a socialist, egalitarian, Maoist essence, or *t'i*, while pursuing and adopting with vigor and enthusiasm western *yung*, or technology and science? ●

LEGISLATION THAT DRIVES UP UTILITY BILLS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. MICHEL. Mr. Speaker, we are in a period in our Nation's history when, at long last, everyone is concerned with the problems of inflation. I am glad to see this, as I know you are.

But inflation is not the only cause of high bills for the average family. As Richard Elkin, president, National Association of Regulatory Commissioners, pointed out in a recent speech:

> The biggest reason for (utility) rate increases today is legislation.

Mr. Elkin states that—

> About 30% of (your) electric bill was caused by legislation.

What kind of legislation is Mr. Elkin referring to? Primarily environmental and other forms of regulatory legislation, created by Congress or the State legislatures, implemented by rule-happy bureaucrats and always costly to the consumer.

Mr. Elkin correctly points out that what we need is some kind of balance between the need for environmental safeguards and consumers needs. I agree and at this point I wish to insert in the Record "The Public Must Know," a speech by Richard Elkin, president, National Association of Regulatory Commissioners, at the region VII meeting of the National Rural Electric Cooperative Association as printed in the January 1979 issue of the magazine Rural Electrification:

The Public Must Know—Legislation Is the Biggest Reason for Rate Increases and the Cooperatives Have an Obligation to so Inform Consumers

(By Richard Elkin)

(Note.—Following is an address made to the Region VII meeting of NRECA, Denver, Oct. 19. Elkin's basic message has the strong endorsement of NRECA Executive Vice President Robert D. Partridge, who has directed his staff to develop a plan for a coordinated, comprehensive information program to acquaint consumers with the near catastrophic costs they are asked to bear as a result of some bureaucratic and court interpretations of environmental legislation.)

To begin with I would like to point out that I have a selfish interest in all of this. First of all, I am a farmer and a consumer. Secondly, I am a member of the state commission in North Dakota that sets electric rates for the investor-owned utilities. The rural electrics are exempt from rate authority although we do site their power plants. Our agency sites the power plants and routes the transmission lines.

Secondly, we also have within our Public Service Commission in North Dakota a division called the Coal Mine Reclamation Division, which grants the permits for mining, sets up the reclamation plans and sees that the companies carry them out. On the one hand, we are the agency that sets prices and, on the other hand, we are the environmental agency that imposes certain standards.

Our job as commissioners can best be described as being the agency within each state that has the responsibility for seeing to it that the consumers get the best service at the lowest possible cost. This task is complicated to say the least. But it seems to be more difficult each year because of rising costs and the resulting increases in rates. And it is the rising cost aspect of it that today's consumer really doesn't understand. I would just like to talk about that area.

There are really only two reasons for increased costs. One of them everyone understands—inflation. I could spend an awful lot of time talking about the evils of inflation, but you are more familiar with them than I am. Just bear this in mind. If inflation runs along at the rate of about 10% a year, costs and rates will double every seven years with a compounding effect—that is without any other added costs. Inflation itself will double the cost or double the rate every seven years if you have 10% inflation. If you have 7% inflation, which is about what we have had, rates will double within ten years—just because of inflation.

Now, there was a time when the only reason costs went up was inflation. Back in the golden years of regulation, the 1950s and early 1960s, we did have inflation. But we also had something else. We had an improvement in technology which meant that each power plant that went on line was slightly more efficient than the ones that already were on line, and the per kilowatt costs went down faster than inflation. Thus we had a reduction in rates—rates were being reduced constantly for a period of years.

But all of a sudden something happened; the Congress of the United States began passing laws and now the biggest reason for rate increases today is legislation. Legislation passed by the Congress or the state legislature puts additional requirements on companies. To meet these additional requirements, the companies must make new capital investments. Also, they have increased expenses—all of this paid for by the consumers.

One example, and perhaps the biggest example in the United States, of this type of legislation is the Clean Air Act which first passed the Congress of the United States in 1967 and was amended every two years. The Clean Air Act, as it passed, set some new requirements for stack emissions and power plants. Initially what that did was force all the companies to go back to their old existing power plants and make additional investments on those plants. In our state, a power company has a right to earn a fair and reasonable rate of return on the original cost of the power plant depreciated. Because all of the power plants around the U.S. have been used, they have all depreciated. Initially that Clean Air Act had the effect of requiring the companies to go back and increase their capital investment on each plant on the average by 45%. Initially that act increased the price of operating those power plants by 100%.

Now on new plants the situation is a little bit different and it doesn't sound quite as bad. But about 25% of the dollars that are put into a coal-fired plant today are dollars that are spent on environmental equipment. Now, I am not advocating that we repeal all of those laws. Some of those laws were needed. A question that I would like you to think about though is, where are we going from here?

How many of you are aware of the fact that last month when you paid your electric bill, about 30% of that electric bill was caused by legislation? The Clean Air Act and the Clean Water Act and, in some states a severance tax on coal, are the primary laws that caused it. But as company costs have risen because of inflation and as the effect of legislation worked its way to the rate base, up went the rates.

With each rate increase for the last several years, there has been a public outcry: letters to the politicians, especially the congressmen. They were the ones who passed the legislation in the first place which caused the rates to rise, but the outcry caused the Congress then to compose and pass more legislation.

Legislation placed more and more jurisdiction in the hands of the federal agencies. Power is constantly being taken away from state and local governments and given to new federal agencies that prescribe more and more rules costing companies more and more money and causing even louder protests about rising rates. That again creates the cycle once more that causes the politicians in Congress to propose more legislation and so on and etc.

Initially I intended to discuss Basin Electric's Laramie River Project, because Basin Electric is the supplier to 22 rural electric cooperatives in the state of North Dakota. The rural area of North Dakota does get some hydroelectric power from the Bureau of Reclamation, but primarily Basin handles all the growth because there is not going to be any more hydroelectric power unless something happens.

We have three generation and transmission cooperatives in North Dakota: United Power Association, Minnkota and Basin. Most of their power is coming from power plants that are fired by coal. The Surface Mining Act of the federal government is going to have an effect on the rates for the kilowatts coming out of those plants. The Surface Mining Act is one that many people backed. I happen to be one who was against it from the start. In North Dakota, we passed our first Coal Mining Reclamation Act back in 1969 and amended it every two years to the point that we had a real good law. The North Dakota reclamation law was the first law in the United States that the federal government's Office of Surface Mining recognized as being adequate during the interim period.

What has happened since the passage of that Surface Mining Act is interesting. The bureaucrats have set about writing rules. After all, it seems like each law that Congress passes is simple and easy to understand and the intent is very clear and no one can argue with it. But the bureaucrats begin writing laws and as of today they have over five hundred pages of rules that apply to that act. If they continue doing this, as it appears they are going to do, they will make it impossible to mine western coal.

What has evolved in the United States today on the federal and state level is a situation where every obstructionist in this country can stop progress. These groups can go together, put their case together, go in to a judge and get an injunction to stop a project, to stop progress. But what's missing is a process by which people who feel differently can also go to court and get an injunction to start progress—that's what is missing.

And I think that one should consider a couple of things. Let's first of all ask ourselves: How much, how many dollars has this snail darter mentality cost the American taxpayer? I think it is time we think about that. The taxpayers and the consumers are paying those bills. I don't know about you; I'm just a country boy from western North Dakota. But I would like to think that the snail darter will somehow find a way to get his girlfriend pregnant—dam or no dam.

I think, though, that we should put the possible loss of the snail darter in perspective and ask ourselves this question: How much has the American public missed the dinosaur? You know a point to consider is this. I am convinced that if the private sector had stolen as much time and money from the public as the public sector has, in regard to the snail darter, we'd have an awful lot of people behind bars. What annoys me even worse is that, as a farmer, I don't know how any farmer can support any of those political groups—the 'no-growth' advocates. Because we've got to remember, as farmers, that these are the same groups that stopped the Laramie River Project, the same groups who opposed chemical spraying for grasshoppers. They are the ones who oppose using pesticides. They are the ones that say we should go back—that our farming patterns and practices should be the same as they were back in 1900. The fact is, if we farmed today the way we did in 1900, there would be food shortages. Bread would be $5 a loaf. There would be starvation worldwide.

I think that one of the things that you and I, as rural people in this country, can pride ourselves on is that through all the inflation and all the government laws and so on, we as farmers are the only area in which efficiency has not only kept pace, but has also out-stripped the inflation that has been running. If we produced food only for the citizens of the United States, we could retire two acres out of every three. I don't know how many people realize that. It takes about one acre out of every three to produce the food and fibre that this nation needs. The production from two acres is sold to other countries around the world and if we weren't selling those two acres, our dollar would shrink even faster.

Enough about the problem. The solution has to be found—from people. The solution is people. Although we get annoyed with these groups, all of us should remember that most people are reasonable when given the facts; most people will make reasonable decisions. The bottom line is that the public must be given the facts and we must remember that the solution isn't necessarily in the political arena. These obstructionists—the "No-growthers"—are really a small minority. But they are loud and vocal. They go to their congressman. They go to their candidates running during political campaigns, put them on the spot and ask, "If you are elected, will you pass laws that protect the environment?" etc. I think it is time that rural electrics and rural people start to check out the people who are running for office and ask them whether they are willing to stand up to this little, vocal minority that wants to legislate change in everybody's lifestyle.

I can't for the life of me understand how the Governor of the State of Nebraska could take the position he did on the Laramie River Project. I think it is time all of us recognize that whether or not you are a Democrat or a Republican, it really doesn't make any difference. It seems to me that people involved in rural electrics have to be rural electric *first* and be a Democrat or a Republican *second*. We have to let our feelings be known and we have to be willing to support those candidates who are going to do the job that we need done.

I would like to give several examples that I think spell out pretty well just what is happening in the United States. It seems to me that there is something terribly wrong in America when you stop to realize that from the time the idea was first put forth, it took only five years to put a man on the moon and bring him back. Compared to that five years, it takes an average of about ten years to build a power plant. Power plants that have been built, even when the technology has been around for many years, today take ten years to build from the time the company is first aware that it needs a power plant. It actually takes closer to fourteen for a nuclear plant, if you can build them at all anymore.

Of the ten years needed to build a power plant, approximately three years are used in the actual physical construction and seven years are used on paper work obtaining permits necessary to build that plant. We have in our own backyard an excellent example of the problem: South Dakota's 440-megawatt Big Stone facility, on which construction began in 1972, cost $180-million and required 14 government permits before it was completed in 1975. An identical replica of that plant, North Dakota's 440-megawatt Coyote facility, on which construction began in 1977, has required 65 government permits. Its estimated cost is $390-million, more than double the cost for its twin in South Dakota. All this, in only five years time.

Basin Electric has a construction project in the same area called the Antelope Valley Power Plant. They began construction early this year, even though they obtained their permit in the fall of 1977. After we issued the permit, Basin got hung up because of a situation not quite as serious as the one at Laramie River. Some environmental groups alleged that our commission had overlooked the fact that there are some prime soils on the site on which they were going to build that plant and it got our Governor a little excited and the Commissioner of Agriculture got excited. They made some public statements that caused REA to pull out and take another look at it. There was a slight delay but construction is well underway on that project fortunately. But Basin Electric had to get 69 permits and the numbers of permits is still growing.

I think it is time we ask ourselves: Who benefits from all of this delay? It sure isn't the consumer. The answer comes up clear that the only beneficiaries who benefit from these delays are the people who have jobs working in the governmental agencies that bring about the delays in the construction of the power plants. I can't help but conclude that the biggest rip off to the consumer today is by the "no-growth" obstructionists who have been successful in delaying the construction of facilities that are needed to supply energy—that the consumer needs, at prices he can afford. . . .

If there is going to be a solution to this idiocy it has got to be found in the political arena. It is going to have to be found by both the Democrats and Republicans alike. I am of the opinion that the rural electrics are going to have to take the lead in presenting the facts to the public. Unfortunately, the rural electrics have a job to do within their own organizations because not every local rural electric board member understands fully the seriousness of the situation. That's going to be easy enough to correct. We have all but forgotten in America today that rural electrics are and were the first consumer organizations. They were organizations of consumers who got together and said, "We don't want to pay those high prices. We want the job done right. We want power but we want it at the prices that are the lowest possible. So we are going to build our own power plants."

We have forgotten that the rural electric movement was, is and should be a consumer movement. The credibility of the rural electrics is high in all of the states. It is high on a national level because our primary interest is not windfall profits. Our primary interest is providing service to consumers at prices they can afford. And the rural electric people *do* have the leadership. I hope that you will take the time to understand that you're going to have to fill the void.

I think you will be surprised at how many people will be happy if you face the challenge and help bring America to its senses once more.●

THE 1979 OMNIBUS SMALL BUSINESS BILL

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. SMITH of Iowa. Mr. Speaker, after we adjourned last fall, the President pocket-vetoed H.R. 11445, the omnibus small business bill of 1978.

On January 15, I reintroduced, with Representative Silvio Conte and Representative Joe McDade (ranking minority members on the committee) as cosponsors, a new omnibus small business bill including most of the provisions which were included in H.R. 11445. Last year the House passed this 1978 omnibus small business bill by a vote of 310 to 72 and the conference report 396 to 10.

The 1979 version of this bill, H.R. 90, contains those provisions of the bill which originally passed the House which were also retained in the conference report, except that it reflects the changes in those topics which were agreed to by the conferees. H.R. 90 does not contain the new provisions which were added by the Senate, several of which were found objectionable by the White House.

Title I of H.R. 90 sets program levels and authorizations for fiscal years 1980–82; makes miscellaneous and technical amendments to the Small Business Act and the Small Business Investment Act of 1958; and continues Federal loan assistance to disaster victims at low interest rates.

Title II provides guidelines for awarding contracts under SBA's small business development center program. This program provides short courses and other help so very small businesses can handle the bookkeeping and paperwork required and better cope with new Government-imposed rules and regulations.

Title III sets the framework for a White House Conference on Small Business in 1980, to be preceded by State and regional conferences.

The SBA Federal disaster assistance loan program expired last October 1. The bill provides that for disasters occurring between October 1, 1978, and October 1, 1982:

Homeowners would pay 3 percent interest on loans up to $55,000 and the average cost of money to the Federal Government (currently 7⅜ percent) on loans above that amount; and

All others would pay 5 percent on loans up to $250,000 and cost of money to the Federal Government on loans above that amount.

Victims of disasters occurring since last October 1 have been forced to pay a higher interest rate on SBA loans, because the law providing reduced interest rates expired. Reinstatement of the lower interest rate SBA loans to disaster victims is essential not only to provide assistance to disaster victims, but also to help the affected communities recover. This can be done at a net cost of less than $1 per year per person in the United States and there is no way this protection has ever been provided so cheaply under any other Government or private program. This program does not contain any "forgiveness of indebtedness" which was provided in some earlier years and which resulted in fraud and abuse; and losses have been even less than they are on regular loans (4 percent).

I believe that this new bill (H.R. 90) corrects most of the administration's objections which have merit, objections which were primarily to Senate amendments to the 1978 bill. I think the President should have signed last year's bill, but I cannot conceive that the President would veto this bill. It is the highest priority small business bill and should be passed as soon as possible.

Today I have submitted a list of those Members who are cosponsors of this major small business bill. As of today there are 86 as is shown on the attached list.

I urge my colleagues who have not done so, to cosponsor this bill and show their support for this bipartisan measure.

The list follows:

COSPONSORS ON H.R. 90—1979 OMNIBUS SMALL BUSINESS BILL

Mr. Abdnor, Mr. Addabbo, Mr. Akaka, Mr. Anderson of Illinois, Mr. Andrews of North Dakota, Mr. Bafalis, Mr. Baldus, Mr. Bevill, Mr. Boland, Mrs. Bouquard, Mr. Brodhead, Mr. Burgener, Mr. Cavanaugh, Mr. Clausen, Mr. Conte, Mr. Corman, Mr. de la Garza, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Ertel, and Mr. Evans of Georgia.

Mr. Findley, Mr. Ford of Tennessee, Mr. Forsythe, Mr. Frenzel, Mr. Frost, Mr. Fuqua, Mr. Ginn, Mr. Gonzalez, Mr. Goodling, Mr. Grisham, Mr. Hanley, Mr. Hagedorn, Mr. Hall of Texas, Mr. Hollenbeck, Mr. Hughes, Mr. Ichord, Mr. Johnson of California, Mr. Jones of Oklahoma, Mr. Kindness, Mr. LaFalce, Mr. Leach of Louisiana, and Mr. Lederer.

Mr. Lee, Mr. Long of Maryland, Mr. Lott, Mr. Luken, Mr. McDade, Mr. McEwen, Mr. McKay, Mr. Markey, Mr. Mitchell of Maryland, Mr. Mitchell of New York, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Murphy of Illinois, Mr. Natcher, Mr. Nichols, Mr. Nolan, Mr. Ottinger, Mr. Pepper, Mr. Perkins, Mr. Price, Mr. Pritchard, and Mr. Rahall.

Mr. Reuss, Mr. Richmond, Mr. Roberts, Mr. Russo, Mr. St Germain, Mr. Sebelius, Mr. Sensenbrenner, Mr. Simon, Mr. Slack, Mr. Staggers, Mr. Stangeland, Mr. Steed, Mr. Thomas, Mr. Whitehurst, Mr. Williams of Montana, Mr. Charles H. Wilson of California, Mr. Winn, Mr. Won Pat, Mr. Yatron, Mr. Young of Missouri, and Mr. Zeferetti.●

A SEPARATE TAX DEDUCTION FOR GIFTS TO PUBLIC CHARITY

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. FISHER. Mr. Speaker, philanthropy, the private giving of time, money, and labor has been a key element in American society from the beginning of our Nation. Americans have freely given their talents, dollars, and dedication to people in every community in this country and to people in every nation around the world.

Every town, county seat, and urban center shows the results. The schools and universities are evidence of our deep commitment to the education of our children. The day care centers and mental health facilities, the outreach programs and legal aid clinics express the determination of our citizens to assure access to human services for everyone, irrespective of their station in life. Our churches, maintained by voluntary giving, reflect the spiritual heritage and diversity of our country. The parks, wildlife preserves, nature conservatories, historic sites, and museums, acquired and maintained by the contributions of numerous citizens are monuments to our reverence for the past and our desire to preserve it for our children.

We must never forfeit the voluntary sector and its enormous ability to Government agencies and bureaucrats. There is a role for government, but there is a more vital role for the American people through their full participation in the voluntary sector.

Last year I introduced, along with my colleague Barber B. Conable, and numerous cosponsors, H.R. 11183, to encourage and stimulate the charitable sector of our economy. The bill was designed to permit taxpayers who elect the standard deduction also to deduct contributions to charitable organizations.

The proposal received enthusiastic support from many members of the Ways and Means Committee. A similar bill was introduced by Senators Moynihan and Packwood and referred to the Senate Finance Committee.

I believe this legislation is crucial to the future of philanthropic organizations. I am pleased to reintroduce the bill with Mr. Conable and Mr. Gradison. I believe it is imperative that the Congress encourage and support the voluntary sector of the American society by passing this bill.

This proposal was a primary recommendation of the Commission on Private Philanthropy and the Public Needs. The Commission, established in November 1973, and headed by John H. Filer, chairman of Aetna Life & Casualty, undertook an exhaustive study of the role of private philanthropy in our society. It generated several volumes of scholarly studies summarized in a report issued in 1975. That report recommended that the charitable deduction be allowed whether or not a person elects to itemize his or her other deductions.

There are several reasons for supporting this change—philosophical and practical. The basic one is the continuing belief that the money a person gives away simply should not be considered as income for purposes of determining the tax due. On a more practical level, the tax deduction for charitable gifts is now a familiar, proven mechanism for channeling money to socially desirable purposes. It is relatively simple to administer and not subject to political or bureaucratic manipulation.

A central question is whether the charitable deduction is an efficient inducement to giving. To what extent does the Government encourage contributions by foregoing the revenue it would otherwise collect if the money given away were taxed as income?

A series of studies by Prof. Martin S. Feldstein and others have concluded that there is a significant relationship between giving and the tax treatment of those gifts, and that tax incentives to encourage giving by low- and middle-income households would induce a substantial increase in the flow of funds to charitable organizations. In preparing his studies, Professor Feldstein relied on data compiled in a national survey by the Michigan Survey Research Center in 1973 and on material from the special Treasury tax files for 1962 and 1970.

The Survey Research Center data showing average giving by income groups for those who itemized and those who took the standard deduction make the point dramatically:

Average giving by income of itemizers and nonitemizers—1973

Adjusted gross income	Itemized	Did not itemize
Less than $4,000	[1] $119	$69
$4,000–$7,999	215	89
$8,000–$9,999	314	117
$10,000–$14,999	407	201
$15,000–$19,999	600	329
$20,000–$29,999	800	354
$30,000–$49,999	1,564	[1] 171
$50,000–$99,999	5,679	[1] 3,190
$100,000–$199,999	17,106	[1] 816
$200,000–$499,999	39,763	[1] 8,892
$500,000 or more	71,316	[1] 5,000

[1] Based on fewer than 25 observations.

Source: Sample survey for the Commission on Private Philanthropy and Public Needs by the Survey Research Center of the Institute for Social Research at the University of Michigan and the U.S. Census Bureau.

My proposal will target tax relief on those taxpayers who have elected the standard deduction in prior years, who have consistently contributed to charities of their choice, and who have so often been left out when tax benefits have been made available. Most of them have incomes of less than $30,000 per year.

Enactment of a proposal such as the one Congressmen CONABLE, GRADISON, and I are again offering is necessary in my view to reverse the flow of funds away from voluntary nonprofit organizations and to insure that community activities retain the broad support of persons in all income categories.●

OIL/GAS AGREEMENT WITH MEXICO NEEDED

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. ANDERSON of California. Mr. Speaker, with the recent cutoff of oil from Iran, the United States must find alternative sources of this resource so vital to the U.S. economy. One source with large potential is our good neighbor to the south, Mexico.

It has been estimated that only Saudi Arabia has more oil than Mexico. Yet the United States has not entered into an agreement for importation of this supply. As I understand the situation, it is due to the cheaper natural gas from Canada which the administration prefers to import. And, the Mexican Government will not export any oil to the United States without a natural gas agreement.

Yesterday Secretary of Energy Schlesinger said the administration may ban the sale of gasoline on Sunday if our oil supply from Iran does not resume by the first of April. That gives us 2 short months to find alternative supplies.

It also seems that by helping Mexico develop its oil and natural gas reserves we can cure part of our own illegal alien problem. The increased revenues from these exports will help Mexico develop more labor intensive industries for their work force. Increased prosperity in Mexico will take away some of the incentive to come to the United States seeking the good life.

Mr. Speaker, I will include for the RECORD a column from the January 30 Washington Post by Jack Anderson. While I cannot vouch for all the facts, it does put forth a sound argument for entering into an oil/natural gas agreement with Mexico. An agreement such as this would help cushion the United States from cutoffs of its oil supplies, not only in Iran, but from any other volatile country in the Middle East or elsewhere overseas. We should rely on our immediate neighbors to the maximum extent practicable.

The article follows:

U.S. MAY MISS OUT ON MEXICAN OIL

(By Jack Anderson)

President Carter may have blown an opportunity to tap Mexico's fabulous new oil fields for the petroleum that the United States will need in the 1980s. This would reduce U.S. dependence on the vulnerable, faraway oil wells of the Middle East.

The Mexicans were willing to boost their oil exports to the United States up to 4 million barrels a day by 1985. But they also need a market for the natural gas that will be unleashed with the oil. The wells in southeast Mexico, for example, are 36 percent natural gas, 64 percent oil.

Mexican officials reached an agreement with a U.S. consortium to pipe 2 billion cubic feet of surplus Mexican gas across the border daily in the near future. Otherwise, most of the gas will have to be burned off.

But Energy Secretary James Schlesinger squelched the deal because the Mexican gas is more expensive than Canadian natural gas. The difference would be a small price to pay, however, to assure the United States a secure future source of oil.

The deal would also improve living standards in Mexico, where 50 percent of the working people are either unemployed or underemployed. This has sent them surging across the U.S. border by the millions. It might be cheaper for the United States in the long run to help them find a better life in their own country.

President Carter appears to be oblivious to the affront he has caused by rejecting the natural gas deal. He will fly to Mexico on Feb. 14 for a state visit with President Jose Lopez Portillo. From all available signs, Carter expects to turn on his famous smile and charm an agreement out of the Mexican leader for future oil.

But Carter may have to offer something more substantial than southern molasses. Lopez Portillo recently confided to friends how he intends to handle Carter.

The Mexican president recalled the story of Jose the house painter. Jose stood on a ladder painting the ceiling when a friend called to him. "Hang on to your paint brush, Jose," admonished the friend. Jose asked why. "Because," said the friend, "I am going to take away the ladder."

Lopez Portillo promised quietly that he intends to pull Carter's ladder out from under him. The Mexican leader said he had already made a secret deal with the Soviets to ship $1 billion worth of oil to Cuba over the years. This will save the Soviets the cost of transporting it all the way from Russia.

Lopez Portillo complained that Carter had given Mexico a low priority until the new oil find. "I know the CIA man Carter has in my office," boasted Lopez Portillo, smiling. "The reason I don't shoot him is that he is useful." ●

TAX CREDIT FOR THE ELDERLY

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. PICKLE. Mr. Speaker, inflation hurts all of us, but probably no group suffers more from inflation than the elderly. I am introducing a bill that would increase the adjusted gross income limitation on the tax credit for the elderly as follows:

Taxpayer status	Present law	Pickle bill
Single individual	$7,500	$15,000
Joint return	10,000	15,000
Married filing separate return	5,000	7,500

My bill would also apply the same phase out of adjusted gross income to all individuals who are entitled to a credit for the elderly. The present law strangely provides no adjusted gross income limitation for public retirement system employees under age 65 while requiring it for those over 65. The elderly tax credit forms are printed back-to-back, form R for those over 65, and form RP for retired persons under age 65. A person over age 65 will frequently compute his credit under both forms and discover, to his great dismay, that he would be substantially better off if he were under 65. My bill would correct this and while it would raise the amount of the gross income limitation, apply the same rule to those under 65 that apply to those over 65.●

LEGISLATION TO REDUCE SOCIAL SECURITY TAXES

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. MATTOX. Mr. Speaker, today I am introducing legislation to reduce social security taxes.

This is not a quick-fix, stopgap remedy designed only for popular appeal. It is a moderate, reasonable plan to lower taxes as well as reform the social security system.

The Mattox plan will remove the hospital insurance (medicare) program from the social security system, and finance it from general revenues. It will be accomplished in a two-step process, with half removed in 1980, and the remainder transferred in 1981. This tiered approach is designed to minimize economic dislocation, and allow more time for the stimulative effects of the legislation to accrue.

Medicare was never designed to be financed by the more regressive payroll tax. Its benefits are not wage-related, and so it is illogical to fund the system out of wages and earnings. Moreover, putting funding medicare financing totally from general revenues allows for annual authorization and appropriation by Congress, which subjects it to greater scrutiny and paves the way for eliminating fraud and abuse of the system. With so much of the Federal budget classified as "uncontrolled" we need to do all we can to responsibly return more budget dollars into the controllable column.

In addition, the cost of medicare is directly related to health costs in general. If these continue to rise, the Social Security Administration has estimated that, by 1995, about one-third of social security expenditures would be for medicare. Social security is meant to be a wage-related retirement system, and programs such as medicare are more practically funded out of general revenues.

Besides this reform of the system, my plan allows for significant tax reduction. With medicare no longer funded through the regressive payroll tax, and with a revised wage base formula, we can reduce taxes by over $11 billion in 1980. The $15,000 wage earner stands to save $80 in 1980, and almost $200 in 1981. A small businessman with five employees averaging $10,000 each will save $650 in 1981.

There is no magic to this proposal. We are not getting something for nothing. Obviously, the Treasury will no longer be getting the money it gets now from that portion of the social security tax assigned for medicare. But it is not accurate to picture this as a raid on the Treasury. You cannot simply take the gross receipts figure and lump it on the deficit, for this ignores the stimulative effect of a tax cut. Employers will have more money, with which they can either expand their business, or hire more employees. The self-employed will retain more of their income, and wage earners will take home more pay. Whatever these persons decide to do with the extra money, there is no question that there will result a boost to the economy. Unemployment will be reduced. Economic slowdown will be counteracted. And money will find its way back to the Treasury through increased income and sales tax receipts.

The concept of general revenue financing for medicare has been endorsed by the Christian Science Monitor, the Boston Globe, the National Federation of Independent Business, and others. A major poll of small business owners nationwide revealed that 89 percent favored funding of medicare through general revenues.

I urge my colleagues to cosponsor this bill with me. It is a reasonable approach—not a drastic one. And it in no way reduces benefits currently scheduled for social security recipients. The American taxpayers want relief, and the social security system needs to be streamlined. The Mattox plan is a way to do both.●

THE BOAT PEOPLE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. RANGEL. Mr. Speaker, the Jewish Community Relations Council of New York recently passed a resolution urging the United States to offer a haven to the thousands of Southeast Asian refugees, especially those known as the boat people

Once again, the poorest are suffering most during wartime, while the wealthy who began the war, and who will profit by it, rest in comfort at home. Made homeless by the Vietnam war and the other struggles for power in Cambodia, Laos, and Thailand, these poor refugees have wandered all over Southeast Asia unsuccessfully searching for a place to settle.

I urge the United States to take the action recommended by the council and to house these homeless wanderers.

The text of the council's resolution follows:

RESOLUTION ON VIETNAMESE BOAT PEOPLE

The Jewish Community Relations Council of New York is deeply concerned with the plight of thousands of Southeast Asian refugees who have been forced to flee their homelands. We note with particular dismay the group of more than 2500 people plying the Pacific Ocean in search of a safe haven. Reports of their tragic situation and the refusals of so many countries to allow them refuge recalls the desperate voyage in 1939 of the "St. Louis". With over 900 Jewish refugees on board, the boat was denied entry to many countries, including the United States. The soul-searing memory of hundreds of thousands of our brethren who could have been saved prior to World War II and the many boats of Jewish survivors who were turned away from Palestine after the war, compels us to speak out strongly at this time.

We appreciate the efforts of our government in the past and are mindful of the hardships that accompany an influx of refugees. However, we feel that special efforts must be undertaken immediately under the leadership of the United States to ensure that history does not repeat itself.

We applaud the government of Israel for their efforts in granting asylum to a group of "boat people" plucked from Asian waters by an Israeli freighter last year and their recent decision to grant asylum to more refugees. We hope that other countries will emulate this example.

This country has a deep-rooted tradition of support for victims of political oppression and has, in recent years, resettled large numbers of Hungarians, Cubans and Vietnamese.

We believe it is now time to mobilize all available resources, public and private, for a comprehensive international humanitarian rescue program.●

CURTAIL IMPORTS

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. ZEFERETTI. Mr. Speaker, I am deeply concerned over the rise of imports in many lines of manufacture, particularly in the textile industry. In the 10 years between 1966 and 1976, the number of employees in the textile and apparel industries (the Nation's largest factory employer) shrunk by more than 144,000 while imports in the last year alone rose more than 34 percent. The overall U.S. textile trade deficit in all fibers was a whopping $3 billion in 1976 alone. I feel it is blatantly unfair to allow the lion's share of American market growth to benefit foreign industries at the expense of our own.

This situation has been aggravated by two tariff loopholes that reward the export of U.S. jobs and the exploitation of foreign labor. Technically known as items 806.30 and 807.00 of the Tariff Schedules of the United States, these provisions offer extra tax incentives for U.S. companies to expand production abroad, for sweatshop jobbers to contract out work to the cheapest labor in the world, and extra preferences for foreign imports into impacted U.S. markets.

These loopholes have cost at least 500,000 U.S. jobs directly. Indirectly, these loopholes have been a forerunner for the transfer of production abroad, at an additional loss of hundreds of thousands of jobs yearly.

The immediate repeal of these items of our Tariff Schedules is in the best interests of both the worker whose job is in jeopardy and the consumer who pays exorbitant markups on foreign-made products. I believe Congress must step into the picture in order to correct the imbalance that has developed over the years and to save our already deteriorating textile industries.

Therefore, I am introducing legislation to repeal items 806.30 and 807.00 and urge the appropriate committees to take prompt action leading to the repeal of these items. The result will mean more jobs for American workers, more production for American industry and more strength for the American economy.●

LEGISLATION TO CONTINUE AND REAFFIRM THE FEDERAL COMMITMENT TO A NATIONAL CAPITAL TRANSPORTATION SYSTEM

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. HARRIS. Mr. Speaker, today I am introducing legislation entitled "the National Capital Transportation Amendments of 1979." My colleagues Mr. FISHER, Mr. FAUNTROY, Mr. BARNES, Ms. SPELLMAN, and Mr. DIGGS join me in cosponsorship.

Although this legislation is written specifically to amend the National Capital Transportation Act of 1969, it is in fact a continuation and reaffirmation of a Federal commitment that officially began nearly 20 years ago. The title to the National Capital Transportation Act of 1960 reads in part as follows:

> The Congress finds that an improved transportation system for the National Capital region is essential for the continued and effective performance of the functions of the government of the United States, for the welfare of the District of Columbia, for the orderly growth and development of the National Capital region, and for the preservation of the beauty and dignity of the Nation's Capital. . . . The Congress therefore declares that it is the continuing policy and responsibility of the federal government, in cooperation with state and local governments of the National Capital region, to encourage and aid in the planning and development of a unified and coordinated transportation system for the National Capital region.

In keeping with that commitment, this legislation addresses the three major challenges faced today by the Washington Metropolitan Area Transit Authority:

First. Reaffirmation of the longstanding Federal Government financial commitment to complete a total Metro transit system in the Nation's Capital;

Second. Establishment of a method for the orderly retirement of bonds issued by the Washington Metropolitan Area Transit Authority; and

Third. Creation of an ongoing Federal participation in operating costs to reflect the special Federal benefits accruing from the Metro system.

The Washington Metropolitan Area Transit Authority (WMATA) recently released a proposed financial plan for completion and operation of the public transportation system for the National Capital area. This plan, which was developed at the request of the Urban Mass Transportation Administration (UMTA) and the Department of Transportation, presents two alternative methods to reach the stated objective. This legislation is designed to implement the alternative plan endorsed by the WMATA board. It calls for a continuation of the special Federal relationship that created Metro in the beginning. It calls upon the Federal Government to meet the obligations of a partnership entered into over 20 years ago with the local governments of the Washington metropolitan area.

It calls for a 101-mile Metro system to be completed and fully operational by 1985 at a savings of $200 million over the other financial approach proposed.

A 101-mile Metro system has been supported by an alternatives analysis recently conducted by one of this Nation's leading consulting firms. That 18-month analysis concluded that a 101-mile system was not just the best thing for regional transportation goals, but was the best thing for the total development of the Washington metropolitan region.

A 101-mile Metro system has also recently won the support of the Department of Transportation and the Urban Mass Transportation Administration.

The 101-mile Metro system will be completed in the shortest possible time at the greatest possible savings to local and national taxpayers through enactment of this bill.

Under this bill, up to $1.7 billion in Federal funds would be authorized beginning in 1980 for capital construction purposes. This amount added to already identified highway transfer funds would serve to complete the remaining 40 miles of Metro on an 80-percent Federal/20-percent State and local basis. This approach, which is consistent with Congress' philosophy of providing "advance authorization," would enable Metro to be fully operational 2 years sooner than would be otherwise possible and at a savings of over $200 million.

The second major element of this legislation relates to payment of the interest and principal on the approximately $1 billion in construction bonds due to expire in 2010. It is unfair and unrealistic to expect the farebox or the local taxpayer to cover this expense alone. The approach set down in this legislation is financially sound and consistent with federal assistance currently provided to all U.S. cities now constructing mass transit systems.

The bill calls for Federal participation in a sinking fund that would pay off the bonds as they mature and in the interest payments now borne strictly by the local taxpayers. The ratio for participation in both cases would be on an 66⅔ percent Federal 33⅓ percent local basis.

The third area addressed by this bill is a direct Federal operating subsidy to reflect the benefit and convenience of Metro to the Federal Government. In fiscal year 1980 the subsidy is $20 million and increases at a rate of 6 percent a year to $30 million in 1987.

The benefits of Metro to the day-to-day operation of the Government are immense. This Federal participation at less than 10 percent of current Metro-operating costs, is small compensation for the convenience and savings from the stations dedicated to Government facilities such as the Pentagon, NIH, and Arlington Cemetery. Time and dollars saved by employees using Metro instead of taxies on official Government business and greatly decreased lost time due to inclement weather are just two other advantages of Metro to the Federal Government.

This legislation emphasizes the special obligations the Federal Government has to the citizens of northern Virginia, the District of Columbia, and suburban Maryland when it sets special requirements that go beyond those set for similar projects in other parts of the country.

The Washington Metro system is a transit system befitting a Nation's Capital. President Johnson specified that this be so. Metro has the mark of the National Capital Planning Commission. Station and car designs were reviewed by the Fine Arts Commission. Such costly requirements do not exist for the taxpayers of Atlanta, Chicago, or Philadelphia or any other U.S. city as they design and build their mass transit systems.

Neither does any other system maintain stations built strictly at Federal Government requests as Metro does.

Neither does any other system have mass transit stations located in buildings dedicated to Federal Government use.

Metro is not just another mass transit system.

Metro is the mass transit system of the Capital of the United States.

Metro does not serve just one city or State. Metro serves three States, Virginia, Maryland, and the District of Columbia.

This legislation continues and reaffirms the special nature of Metro and the special commitment the Federal Government has to it.●

DIVIDING UP THE FEDERAL PIE

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. UDALL. Mr. Speaker, inflation is one of the most serious problems facing our Nation today. People everywhere are concerned and I do not blame them, for inflation eats into paychecks and makes it almost impossible for people on fixed incomes to get by.

Although it is by no means the only cause of inflation, excess Government spending is one of the major contributors to the problem. A preliminary tally of a recent constituent questionnaire shows that the people in my district want Congress to cut waste and unnecessary expenditures from the budget. The question is where to do the cutting.

One-sixth of the Federal budget goes to pay for grants to State and local governments, many of which have experienced budget surpluses for the last few years. These grants amount to almost $90 billion. A recent commentary by Peter Milius in the Washington Post discusses some interesting, but little known facts, about how the Federal pie is cut. I urge my colleagues to read this article and to keep these facts in mind as we examine the fiscal year 1980 budget.

The material follows:

PROMISES, PROMISES OF BALANCED BUDGETS: IF YOU WANT TO DO IT, YOU CAN CUT GRANTS TO STATES

(By Peter Milius)

It may be a law of nature: Whenever a governor or former governor without a federal voting record runs for president, he can be expected to grandstand against the federal budget.

This year it has been California Gov. Edmund G. (Jerry) Brown Jr., who made national waves in his second inaugural address earlier this month by endorsing a constitutional amendment to require a balanced federal budget.

Three years ago it was two other gubernatorial types. One was Brown's predecessor in California, the actor Ronald Reagan. The other was the farmer from Georgia, Jimmy Carter.

Reagan in the winter of 1975–76 threatened to steal the show by calling for a $90 billion federal spending cut. But he carefully exempted defense, Social Security and Medicare, and it turned out that cutting $90 billion from the rest of the budget meant cutting the rest of the government completely in half. Reagan moved on to other, more palatable proposals.

Carter, for his part, said that he would increase federal spending in various ways (for welfare "reform" and national health insurance, to cite the two most important examples), but still balance the budget by 1980 without raising taxes. He would be able to do these seemingly contradictory things, he told nonbelievers, because the increased spending would lead to greater economic growth, which in turn would yield enough in increased tax receipts to cover the extra costs.

Carter, for good measure, also said that he would cut the defense budget. The budget that he sent Congress last week does none of these things; he is still promising.

THE STATE CONTRADICTION

That is one irony. But there is extra irony when governors denounce the federal budget—because they live off it.

One-sixth of the federal budget now consists of grants to state and local governments—and that sum makes up fully one-fourth of all the money that states and local governments have to spend.

The largest of these grants are to help the poor—through Medicaid, welfare, compensatory education and public sector jobs. Others go for bricks and mortar—sewers, highways, mass transportation systems. The school lunch program falls in the general grants category, and so does general revenue sharing, the $7 billion a year that the federal government now gives to states and local governments to spend about as they please.

In fiscal 1977, the last year for which official figures are available, Jerry Brown's own California received almost $10 billion in federal grants—one-ninth of the national total. Brown's state has an office here in the national capital, one purpose of which is to steer even more grants to California.

Some critics have been so unkind as to suggest that Brown could almost balance the federal budget by himself—from Sacramento. Next year's projected deficit, after all, is only $29 billion. If California would just renounce its grants and the share of defense contracts that go to its large aerospace industry . . .

GRANTS GO FIRST

Governors ought to remember, too, that grants to state and local governments are perhaps the easiest part of the budget to cut. If one were serious about reducing spending to balance the federal budget, they would probably be the first items to go.

This year's Carter budget is a case in point.

After allowing for inflation, Carter recommended that Congress increase defense spending somewhat and hold non-defense spending at this year's level. But some non-defense spending has to go up—the benefits the government pays out through Social Security and other such entitlement programs to individuals. By law these benefits, which make up more than 40 per cent of the budget, go up each year not only with inflation, but with population.

So where could Carter cut to combat inflation, which is the theme of his budget? The answer is in grants. Grants went down in real terms, and if Congress makes no change in Carter's budget, next fiscal year the federal government will be the source of 23.6 per cent of state and local spending instead of 25.4 per cent.

That is why the National Governors' Association was among the groups that squealed when the budget came out last Monday. The Carter budget would force states and cities across the country to "rewrite and rebalance their budgets," warned Kentucky Gov. Julian Carroll, chairman of the governor's group.

One presumes that Carroll speaks in this for all 50 governors—including those of the 22 states whose legislatures have adopted resolutions calling for a constitutional convention or amendment to balance the federal budget.

SHIFTING AGE MIX

Last week's budget documents made one other fundamental point worth remembering. They noted that, in relative terms, the shifting age mix of the population is likely to lighten state and local budget burdens in the years ahead while adding to the federal load.

Schools are what have added most to state and local costs in the years since World War II, but now the population is aging, and the care of the elderly is mainly a federal responsibility. Fully one-fourth of the federal budget is aid to the elderly now.

Brown acknowledged in his inaugural address that states bear some responsibility for the size of the federal budget. States "compete with each other to extract more and more federal grants that are financed out of the deficits and not the productivity of the nation," he asid.

"It is therefore right," his particular brand of logic then led him to say, "that these same states join together to demand a constitutional amendment that will serve as the occasion for finally restraining the inflationary spending of the federal government."

Brown earlier in his speech bemoaned the loss of public faith in public institutions, an "anti-government mood" which he blamed in large part on inflation and unnamed "false prophets" who "have risen to advocate more and more government spending" to combat social problems..

He is right, of course. False prophets on questions of public spending have indeed disillusioned us all.

A Different Budget Breakdown

(By Peter Milius)

In addition to all the other economic roles it plays, the federal government is the nation's largest employer, consumer and investor. The Office of Management and Budget each year puts out a little publication that describes the government in these terms. It is an analysis of federal obligations by "object class."

You can learn from this that the government probably will have a printing bill this fiscal year of $1.2 billion. Congress will account for a third of this.

The cost of "travel and transportation, persons," will be $3 billion. This category runs the gamut from airplane tickets to the more than 300 million gallons of gasoline that the government will buy.

For "transportation of things," as opposed to persons, the government will spend about $4.8 billion. Its telephone and utility bill, together with all rent it pays to commercial landlords, will come to about $6.8 billion. Labor costs—wages plus fringe benefits—will total an estimated $89.5 billion.

For "acquisition of capital assets," expenditures will be $73.6 billion. These assets are divided in the analysis into equipment (for which outlays will be $34.3 billion), land and structures ($9.1 billion), and investments and loans ($30.2 billion).

Most of what the government spends, however, it does not spend on itself. In another special budget analysis, OMB estimated last week that about 42 percent of federal outlays now are "transfer payments"—checks sent directly to individuals. An additional 15 percent goes out as grants to state and local governments, while 8 percent is interest.

Only a third of the budget is for direct purchases of goods and services. Two-thirds of this—21 percent of the budget—is for defense purchases.

The remainder—about 12 percent of the budget—is for non-defense purchases. This is the amount—a little over $60 billion—that it costs to run the multitude of civilian agencies that most people perceive as the federal government. In this sense, that government is not as large as its budget makes it seem.●

REVEREND MULLINS: SINGER, PREACHER, AND ACTIVIST

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. MATHIS. Mr. Speaker, even though we have laws to the contrary, racial equality is not necessarily a reality throughout our great Nation. Certain individuals have devoted their lives to furthering the cause of racial equality and I believe that a recent article from the Thomasville (Ga.) Times-Enterprise concerning a man who has been in the forefront of the civil rights movement, Rev. I. L. Mullins, will give us all some insight into the type of individual who has made racial equality his goal. I insert that article at this time:

Reverend Mullis: Singer, Preacher, and Activist

(By Darby Tench)

For more than 30 years, the booming voice of the Rev. I. L. Mullins has been a powerful instrument of the gospel, sacred and secular music, and social reform.

Mullins, who pastors at First Missionary Baptist Church, is known throughout the Thomasville community for his rich baritone.

Mullins uses his musical gift not only in his church, but in community events such as the recent United Way Talent Show.

"I can remember singing when I was three years old, standing on a chair," Mullins said. "My training in voice started at the family piano."

With formal training, Mullins' voice developed to the extent that his teachers encourage him to attend Julliard School of Music in New York City. Julliard is one of the most respected conservatories in the country.

"I could not desert my calling," Mullins recalled. "I felt if I could sing and preach at the same time, I could fulfill my inner desire."

Mullins' speaking voice is almost as well-developed as his singing voice.

In speaking with Mullins, one gets the feeling the American theatre lost a great actor when this man joined the ministry. Mullins devotes as much attention to what he says as to what he sings.

And Mullins has plenty to say.

An accomplished speaker and preacher, he studied at American Baptist Theological Seminary in Nashville, Tenn., and the Billy Graham School of Evangelism in New York City.

He holds a bachelor's degree in sociology from Morehouse College in Atlanta and a bachelor of divinity degree from Gammon Seminary of the Interdenominational Theological Center, also in Atlanta.

While at Morehouse, Mullins' path crossed those of the makers of history, and his belief in spiritual and social brotherhood was solidified.

"I met 'Daddy' King, as we called him—the Rev. Martin Luther King Sr.—while I was in Atlanta," Mullins said.

Mullins was also a friend to Dr. Martin Luther King, Jr., leader of and martyr to the civil rights movement.

In 1963 his friendship with King and belief in his cause led Mullins to join 250,000 other civil-rights activists in the Freedom March to Washington, D.C.

"It was a mass of humanity," Mullins said. "We joined arms and marched up to the Lincoln Memorial." It was from that site that Dr. King delivered his famous "I have a dream" speech, Mullins added.

Mullins fought to realize Dr. King's dream of brotherhood long before racial equality became a cause celebre of students and liberals in the turbulent '60s.

"I went to Montgomery, Ala., in 1955," Mullins said. "That was the time of the bus boycotts—the civil rights movement started there."

Mullins was referring to the time when blacks and their supporters refused to ride Montgomery's segregated buses until, Mullins reported, "we broke the backs of the bus systems," and blacks no longer had to take a literal back seat to whites.

Mullins believes Dr. King would be "disappointed" in the degree to which blacks have advanced toward the dream of brotherhood.

"I feel he would be disappointed in the slowness with which this business of brotherhood has moved," Mullins said. He pointed out that "segregated pockets" still exist in government, in schools, and in churches.

Mullins furthermore believes many people would rather wait for another Dr. Martin Luther King than lead the movement themselves.

"There is a stalemate, a complacency in the minds and hearts of people in America to the civil rights movement," said Mullins. "Those who could be 'movers' have adopted a wait-and-see attitude."

Mullins' attitude is anything but wait and see.

He is a plaintiff in a suit brought by the Thomasville chapter of the National Association for the Advancement of Colored People (NAACP) against Thomas County.

The suit charges that Thomas County's present system of electing county officials discriminates against area blacks.

Under the present system, voters across the entire county elect officials on a one man, one vote basis.

The NAACP suit calls for ward voting, whereby voters from different districts or wards in the county would elect a representative for their district only.

Mullins believes ward voting would be a more equitable system because there are fewer blacks than whites in the county. He cited the fact that there is only one black elected official in the county in his argument for revision of the voting system.

Mullins also addressed himself to the problem of segregation in schools. The increase in the number of private schools has hampered Dr. King's dream for people to "work together, study together, and live together harmoniously," he said.

In Thomasville, Mullins sought to persuade officials at the YMCA to incorporate the two YMCA buildings, one on Clay Street, the other on Dawson Street, into a single unit.

"I fought this thing back in the late '60s," he said. He charged the two branches are segregated, not by law, but by tradition and practice.

Mullins, who was recently elected to a third term as president of the Ministerial Alliance in Thomasville, said segregated churches result from a tradition that cannot be surmounted by law.

"I don't know any church that would turn a man aside," Mullins said. "But because of tradition, we go to separate churches. It's a business of being comfortable."

Nevertheless, Mullins added, "the most segregated hour is 11 a.m. in church."

Mullins stressed that whites often come to First Missionary Baptist services. He cited two other integrated churches in the Thomasville area.

"Perhaps we're moving in that direction," he said. "I think integrated worshipping is a long way off—I sure do."

In the meantime, Mullins continues to speak the gospel in stentorian tones. He belongs to that class of clergymen who involve themselves in social issues out of a belief in the contemporary relevance of the Bible.

And when that voice thunders over the pews, across the chairs in a concert hall, or throughout an entire community, one can bet that a lot of people will be listening.●

CUT OUT THAT UGLY FAT IN THE BUDGET

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. MICHEL. Mr. Speaker, Marvin Stone, editor of U.S. News & World Report, has examined President Carter's allegedly lean and austere budget and finds it to be suffering from ugly fat. He points out that "programs that sometimes started out to help the poor are providing subsidies for people who are rather well-off."

I believe history will show that the past 40 years have seen the rise of what amounts to programmatic immortality in our Nation. Government programs are born, grow, mature, age, but never seem to die. Like human beings, these programs put on weight as they get older and what was once really lean and austere is now bloated and elaborate. Eventually some of these programs expand so much that they reach groups and individuals originally not considered by Congress as beneficiaries.

I insert in the RECORD at this time, "Billions for the Not So Poor," by Marvin Stone, U.S. News & World Report, January 29, 1979:

BILLIONS FOR THE NOT-SO-POOR

(By Marvin Stone)

The impression is widespread that holding down the federal budget necessarily means being cruel to poor people.

It is an argument that free-spending liberals are using to try to embarrass those who support President Carter's efforts to hold the federal deficit to 29 billion dollars next year.

We're told that Carter is "putting economics ahead of people," that roughly 190 billion dollars in federal "transfer payments" cannot be restrained—let alone reduced—without penalizing the needy.

The fact is that, even aside from monumental cheating and waste, programs that sometimes started out to help the poor are providing subsidies for people who are rather well off. That's one reason the budget is out of control.

The government last year spent about 2.6 billion dollars on child nutrition—money given to states to help pay for school lunches and the like. Children in families with incomes of nearly $14,000 a year—about twice the "poverty level" for a family of four by official definition—got about 700 million dollars' worth of these subsidies. That money is spent, not in order to help the poor, but largely because the farm bloc thinks that it increases demand for farm products.

During the 12 months that ended last September 30, more than 11 billion dollars went for unemployment benefits. Nearly 2 billion of that was received by families with incomes above $20,000 a year.

Welfare and medical benfits cost 75 billion last year. More than 7 billion went to families with incomes of about $14,000 and up.

Most people think of Social Security as a system that pays pensions to the retired and supports dependents if the family breadwinner dies. Among the benefits, however, are payments to about 1 million students aged 18 through 21, eligible as survivors or dependants of covered workers who have retired, died or become disabled. The Social Security Administration estimated a few years ago a third of this money—that would be about 600 million dollars a year now—goes to youths whose families are in the upper 50 percent of the nation in terms of income.

It's fine that the government is helping educate these youngsters. But note: There is another program that offers subsidized loans to all college students regardless of the size of the family's income.

A similar pattern runs through many housing programs. Apartments are being subsidized for people with incomes up to 80 percent of the median in any locality. In a high-income suburb of Washington, D.C., developers are pushing a project that would include families making about $18,000 a year.

Many cities are using federal funds to help rehabilitate run-down neighborhoods. In the process, professional people with high incomes are getting low-interest federal loans to refurbish dilapidated houses, with every prospect of reaping large capital gains in a few years' time.

That's good for the cities. It makes work for the contractors and building trades. But help for the needy? Hardly.

Community development takes nearly 4 billion dollars a year. Federal rules—and they are not strictly enforced—require only three fourths to be targeted on projects to help people with low-to-moderate incomes. What are moderate incomes? They can be way above the poverty level. And how about the other 25 percent, nearly a billion dollars a year?

Then there's the public-service-job program—more than 10 billion dollars last year to help pay the wages of people who were placed on local public payrolls to help reduce unemployment. Some of these jobs pay more than $13,000 a year.

These examples—and there are many more—are enough to show that the budget can be reduced without penalizing the poor.●

THE POLICY OF ACQUIESCENCE

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. MATTOX. Mr. Speaker, I am one of those believing that in our rush to "normalize" relationships with mainland China, we have treated Taiwan to a good dose of American expediency.

Granted, we need to recognize the realities of Asia today. We need to acknowledge the existence of a nation so large as to make three of us, the People's Republic of China. And we need to acknowledge the political realities of the balance of power in our world in order to better deal with the exigencies in a more respected way.

But what of the Republic of China, long an ally, trading partner and friend? I question the necessity of what appears to be our new "policy of acquiescence" to all of the Communist's demands that we cut all official ties with Taiwan.

I am one who feels that the bargain should have been driven a little farther—that perhaps we should not have "acknowledged" the mainland's claim of sovereignty over the island of Taiwan and all territories under its jurisdiction when we agreed to establish diplomatic relations with People's Republic of China. It is not within the Congress jurisdiction to reverse our last communique, but it is within our purview to help set our policy from now on with regard to Taiwan.

The Republic of China on Taiwan went in one morning from a distinguished friend to a nonentity. At the moment of normalization, diplomatic relations were broken off, all American military personnel in Taiwan were put on notice that they would be withdrawn within 3 months, and the longstanding Mutual Defense Treaty was abrogated all, I understand, with but a few hours notice. It is my belief that all of this was handled at best indelicately, and at worst insultingly, to the ROC.

Now, I seek to affirm our commitments to assist in the defense of Taiwan should the island be attacked. I want our Government to have the appropriate authority to supply weapons necessary to meet the defense needs of the Taiwan people, and I want business, cultural and educational interests between the people of Taiwan and the United States to remain constant. These 17 million people, who have fought so hard in concert with us for 30 years for their success, deserve nothing less. It should not be forgotten what a highly developed and self-sufficient society the Republic of China has grown to be in only a short time. Indeed, this small country is the first graduate for our "foreign aid" school. During the Eisenhower years, the United States poured money into Taiwan, trying to help. Now, this nation continues to come to the United States for both security assistance and goods, but it pays for everything, allowing us to make a profit. Further, the Republic of China on Taiwan is our eighth largest trading partner and many U.S. jobs depend on this fact. And finally there are the more than 4.5 billion U.S. dollars invested in Taiwan.

Are we to forego such a productive situation merely because the mainland Chinese ask us to? It is not our duty to settle the dispute between these two countries by allowing ourselves to be used by one source to pressure the other.

In my opinion, a two-China policy is possible without the mainland Chinese reneging on our new-found relationship with them. The 900 million people of the mainland are woefully behind in technological development. Vice Premier Deng is committed to a modernized China and now for the first time in many years, his people are beginning to taste the pleasures of Western culture again. In short, Vice Premier Deng needs the United States as much as our growing trade deficit and desire for a strong Peking-Washington-Tokyo link, needs normalization. It is time we made a decision founded on reality.

There are two Chinas. We need both official and legal ties with Taiwan to protect our interest there and therefore I am asking through this resolution that Congress express its sense that the Republic of China is the sovereign government of Taiwan and other areas under its control and that the United States should establish full diplomatic relations with that government. And, that during any period prior to formal recognition, it is imperative that the United States maintain an official liaison office on Taiwan so that U.S. relations with and policies toward, the Republic of China, continue to closely approximate those existing prior to January 1, 1979.

Introducing this resolution is a move I feel I have to make. I know it expresses the views of my constituents who want most of all to protect our honor and credibility abroad. The United States has historically been a peacemaker between nations, sometimes bringing peoples together who have been at odds for hundreds of years. It is incredible to me that now we appear to be so haphazard in our own negotiating. The People's Republic of China should not be dictating to us with whom we can have official ties. And as long as the Taiwanese Government upholds its part of all of our mutual agreements as meticulously as it has for the past 30 years, we should have legal, governmental relations. The alternative is to allow other nations to witness the deception and expediency of our casting a friend adrift.

Mr. Speaker, I am introducing this resolution with my colleagues inviting the suggestions, discussion, and support of the other Members of the House.●

IMPROVING TUNAFISHING TECHNIQUES: GOOD NEWS FOR PORPOISES

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. VAN DEERLIN. Mr. Speaker, the widespread concern over the accidental killing of porpoises during tunafishing operations in recent years has led to a cooperative research project in San Diego, home of the largest tuna fleet in the United States. Industry, Government, and academia have come together to make the dedicated research vessel program work.

Under Dr. William E. Evans of Hubbs-Sea World Research Institute and in cooperation with the National Marine Fisheries Service, the Marine Mammal Commission and the U.S. Tuna Foundation, the seiner *M/V Queen Mary* stopped fishing for 12 months and served as a research platform.

During six cruises and a total of 250 days at sea the *Queen Mary* collected data and experimented with alternative methods of tunafishing less dangerous to the dolphins. We can expect this research to be quickly evaluated and passed on to the fleet, leading to further decreases in the porpoise mortality rate.

I would like to applaud Capt. Ralph Silva and the crew for their dedication and commitment to this important and humane research. I am told Captain Silva even swam beneath the researchers' nets to guard against sharks while the experiments proceeded. That is dedication.●

IRANIANS, MAOISTS, AND SELECTIVE LAW ENFORCEMENT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. McDONALD. Mr. Speaker, the high bail set for 69 members of the Revolutionary Communist Party who were arrested in an attack on the U.S. Park Police on Monday, January 29, while certainly appropriate is a far cry from the kid glove treatment accorded the Iranian Students Association when its militants attacked the Park Police in a virtually identical manner in November 1977.

The Iranian Students Association had by then a 10-year record for staging violent demonstrations and assaulting police. For 3 years I had been placing public documentation into the CONGRESSIONAL RECORD that detailed the ISA's violent record, its revolutionary ideology, and its connections with terrorist groups in Iran that had killed Americans. There is no question that law enforcement authorities were adequately informed about the ISA's violent proclivities, about its preparations for a violent demonstration in Washington, and about probable tactics. There is also little doubt that the Park Police and Metropolitan Police of the District of Columbia had every intention of carrying out their duty to protect the public order.

However, the occasion of the ISA demonstrations was a visit by the Shah of Iran, a friend of the free world who was unpopular with the Carter administration for allegedly restricting the civil rights of terrorists and revolutionaries. The police were told by the White House to "keep a low profile" at the ISA demonstration because the White House was concerned about its "human rights image." As a result of that interference, Park Police officers and groups of people peacefully assembled to welcome the Shah were beaten by ISA members armed with wooden clubs. Only a handful were arrested and these were released on low bail.

This time, the demonstration was on the occasion of the visit of the Red Chinese Vice Premier, a leader of a Communist party that is responsible for the deaths of 60 million Chinese from murder, malnutrition and overwork caused by the Chinese Communists' policies. And the demonstration was by another group of Communists who support a faction of the Chinese Communist Party thrown out of power by Vice Premier Teng.

This serves to underscore the very special treatment that has been accorded to the Iranian Students Association cadres by the Department of Justice.

Recently there have been press reports that President Carter watched the film footage of the vicious ISA attack on the California home of the Shah's invalid 92-year old mother, that he personally became very angry, and that he has ordered Attorney General Griffin Bell to take deportation procedures against Iranian militants convicted of violent crimes.

Mr. Speaker, I would like to point out that this country does not need a President whose policies are based on an emotional reaction to the CBS Evening News. Had the President merely insured that his administration enforced the U.S. Code's Civil Rights Act provision on masked demonstrators and the immigration laws the ISA would have had great difficulty organizing the 1977 Washington riot or the ensuing riots in Chicago, Los Angeles, and Beverly Hills.

Perhaps the firm treatment accorded the Revolutionary Communist Party on Monday coupled with the reports of long overdue Justice Department action regarding Iranian student law-breakers indicate that the administration is at last showing concern for the rule of law in America. If this is so, we certainly support it, but ask why it took so long.

The record of this House will show that on four occasions I have alerted the Justice Department to the violent criminal activities of Iranian student militants, and now we have some belated action. That is fine, Jimmy, Griffin, William, and Leonel, but why did it take you so long? ●

DR. STEPHEN SPURR: FORESTRY PRODUCTION CAN BE DOUBLED

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. PICKLE. Mr. Speaker, I am pleased to call your attention to an article in the February issue of Scientific American written by a forestry expert at the University of Texas at Austin.

In his article, Dr. Stephen H. Spurr says the productivity of American forests can be doubled or even tripled in the next 50 years, through proper forestry management techniques. These management techniques are known in the trade as silviculture.

Dr. Spurr is a professor at the Lyndon B. Johnson School of Public Affairs at the University of Texas. He is also president-elect of the Society of American Foresters.

Dr. Spurr has some worthy ideas and I commend his article to my colleagues:

SILVICULTURE

(By Stephen H. Spurr)

Just as agriculture is the cultivation of fields, so silviculture (from the Latin *silva* or *sylva*, meaning forest) is the cultivation of forests. The former is far more widely practiced than the latter. If the forests of the world are to be counted among the world's renewable resources, however, silviculture will have to be much more widely and intensively practiced than it is now. The rewards could be substantial. Allowing for the realities of ecology, economics and politics, one can still calculate that the application of demonstrated silvicultural principles could double and possibly triple the productivity of the commercial forests in the U.S. within 50 years.

The land area of the world amounts to some 13.3 billion hectares, or 32.8 billion acres. (A hectare is 2.47 acres.) About a third of the area, or 4.1 billion hectares, is classified by the Food and Agriculture Organization of the United Nations as being forestland. Most of the major regions, except for Asia and the Pacific, have at least a fourth of their land under forest; in North America, South America and the U.S.S.R. the total is more than a third. In the U.S. 305 million hectares (a third of the land area) is classified as forestland. Some 202 million of those hectares can be characterized as commercial timberland under the definition established by the U.S. Forest Service: land capable of growing at least 1.4 cubic meters of timber per hectare per year (20 cubic feet per acre) and not legally withdrawn from timber harvesting, as the wilderness areas designated by Congress are. The fact that a given area is classified as commercial timberland does not necessarily mean that timber is harvested on it or even that it has a stock of trees, only that it is capable of producing wood at the defined rate.

Another standards employed by the Forest Service defines wood as the merchantable boles, or trunks, of forest trees that are at least five inches (12.7 centimeters) in diameter at a height of 4.5 feet (1.37 meters) above the ground; the definition includes all wood above a one-foot stump and extending upward to the point where the trunk becomes less than four inches in diameter. By this difinition about half of the total biomass produced by a forest is usable wood. One should bear in mind that the forest has many other values, most of which cannot be priced. The respiratory processes of forest trees, taken together, play a major role in removing carbon dioxide from the atmosphere and discharging oxygen into it. Forests are the principal source of fresh water, since they occupy most of the land area of the world that is not frozen and where precipitation exceeds evaporation. Forests everywhere are an important source of browse for both livestock and wildlife. They also provide much space and opportunity for human recreational activity.

TYPES OF FOREST

One tends to think of a forest as consisting of a variety of trees that have established themselves through the more or less random effects of natural forces. Actually a forest is more likely to consist of a fairly limited variety of trees, mainly because the conditions of temperature, rainfall and sunlight are favorable for certain species and unfavorable for others. Where human managers have taken a strong hand, a forest may consist of a single species of tree.

Because of environmental effects it is possible to classify the major forest types of the world into a fairly small number of groups. The forests of the high-latitude regions of the Northern Hemisphere known as boreal forest are dominated by stands of such conifers (needle-leaved trees, or softwoods) as spruce, fir and larch. In the middle latitudes of the Northern Hemisphere the forests tend to consist both of conifers such as pine and Douglas fir and of broad-leaved deciduous trees (hardwoods), notably oak, beech and maple. Close to the Equator one finds the tropical rain forests, dominated by broad-leaved evergreen trees (a wide variety of species) that are adapted to hot and humid conditions.

In the U.S. the Great Plains divide the predominantly coniferous forests of the West from the mixed coniferous and broad-leaved forests of the East. Along the Pacific Coast, Sitka spruce, western hemlock. Douglas fir and, in northern California, redwood are the principal tree species. Inland to the crest of the Cascades and the Sierra Nevada, Douglas fir is the most abundant, with cedar, true fir, hemlock and other conifers growing in various mixtures depending on soil, elevation and precipitation.

From the east-facing slopes of these mountains eastward at higher elevations in the Rocky Mountains ponderosa pine occupies the lower and drier slopes, with lodgepole pine growing on cooler and wetter heights and Douglas fir, Englemann spruce and true fir forming the highest continuous forest. In the northern Rocky Mountains near the Canadian border western white pine and western larch are locally important. In the Southwest piñon and juniper constitute widespread low-elevation scrub woodland between the ponderosa-pine region and the desert.

In the East a mixed hardwood forest is found everywhere (characterized by oak and hickory mixed with other broad-leaved trees) except in the northern tier of states, where maple, beech and birch constitute the Northern hardwood forest. In the drier sandy and rocky areas, however, pines grow well, particularly in the broad belt of the coastal plain and the Piedmont region extending from Virginia to Texas, where pines (loblolly, shortleaf, slash and longleaf) make up the Southern pine forest, the most economically important forest in the East. In the Northern states other pines (white, red and jack) are locally important. The same is true in the lake states and northern New England of species that extend out from the Canadian boreal forest: spruce, fir, aspen and birch. In the Southeast bottomland forests of gum, bald cypress and oak are characteristic.

The experience of people living in industrialized countries does not suggest that nearly half of the wood felled in the world is consumed as fuel, but that is the case. Of the total wood harvest of slightly more than two billion cubic meters per year, 990 million goes for fuel; the rest is put to use in industry. At present wood serves as fuel mainly in the less industrialized countries, where it is burned directly. It is quite possible that the industrialized countries will turn increasingly to wood as fuel, not so much by burning it directly as by making more use of bark and industrial by-products and by converting wood or wood residues into methanol, gas and charcoal.

In industry wood serves not only as a source of structural products (lumber, plywood, particleboard, flakeboard, fiberboard, insulating board) and fiber (the basis of paper, cardboard and many other pulp products) but also as a source of extractive materials (oils, tannin, naval stores, drugs) and chemicals (sugars, alcohols, phenols). In the U.S. about 63 percent of the 250 million tons (226 million metric tons) of raw wood processed annually by the forest-products industries goes into primary structural materials and 35 percent into fiber-based products. The Forest Service has predicted that demand in the year 2000 will be double what it was in 1970, with about half of it going into structural products and 46 percent into fiber-based products.

FOREST MANAGEMENT

All forests are affected to some degree by human actions. In the broadest sense all such effects could be termed forest management. Even in the national wilderness areas of the U.S., where cutting, road construction and the use of motorized vehicles are prohibited by law, human activity touches the forest in many ways. The global burning of fossil fuels increases the amount of carbon dioxide in the air. People introduce exotic plants and animals to the region and change the balance of wildlife by killing predators. Even inactivity can influence the forest, as when a decision is made not to fight a particular forest fire or not to deal with a particular forest epidemic caused by insects or disease.

Until about 1950 the history of the American forest had been largely one of exploitation, that is, the forest had been treated as a nonrenewable resource. The American Indian used fire to drive game into the range of his bow and arrow. The European colonist depended on the forest for fuel and lumber but at the same time cleared much of the eastern U.S. for farmland. The land that was too infertile or too steep and rocky for farming was logged repeatedly for lumber and for fuel to heat homes, smelt iron and run locomotives. Only with the opening of the coal deposits in the Appalachians did coal supplant wood as the basic source of energy. By then, however, little of the precolonial forest remained in the East. Today it has virtually disappeared except for remnants that are protected in state parks and other reserves. About 15 million acres (5 percent) of the 359 million classified as commercial forestland in the East (east of the Great Plains) do not have enough trees to be regarded as forest.

As the West was opened early in the 19th century many Eastern farms were abandoned. The unused fields and pastures seeded into pines and other pioneer tree species, giving rise to a second forest that reached commercial size early in this century. Hardwoods that had seeded in under the conifers took over when the conifers were harvested. As time passed shade-tolerant hardwoods gradually crowded out the less tolerant species, thereby continuously changing the composition of the forest. Many variations of this old-field succession have resulted from infinite combinations of climate, site and the forest's history of fire, wind, logging and seed years (the intermittent times, usually about every third, fourth, or fifth year, when this or that resident species of tree puts out a large number of seeds). As a result of these ecological forces, including human activity and inactivity, the present Eastern forest is quite different from the precolonial one. For the same reasons it will be quite different again several decades from now.

In the West the harvest of the old-growth, precolonial forests has proceeded apace. Extensive logging began on private lands—usually the lower, flatter and most productive ones—in about 1900 and in the national forests, which cover most of the mountains, after World War II. Today little of the old-growth forest remains on private land. Much of the second-growth forest on land owned by timber and paper companies has been put under management.

In the Western national forests, which constitute 55 percent of the commercial forestland west of the Great Plains and 50 percent of the nation's entire supply of standing sawtimber, the remaining old-growth stands are interspersed among other areas that have been burned or clear-cut and reforested. Middle-aged stands are less plentiful, since little logging was done before World War II; they owe their existance mainly to fires that occurred early in the century. In the ponderosa-pine national forests of the interior the tendency is to harvest trees quite selectively, since the species grows on relatively dry land that is likely to support only grass or sagebrush if the forest is clear-cut. In the fast-growing national forests of Douglas fir and associated species west of the Cascade-Sierra summits the practice is basically to clear-cut 40 acres or more in a patch. Some six million acres (5 percent) of the 129 million in the West that is classified as commercial forestland have no significant stock of trees.

STRATEGIES OF SILVICULTURE

Until the 18th century silviculture was rudimentary and rarely practiced. The foresters of western Europe during the Middle Ages were mainly game wardens who patrolled hunting reserves for feudal landlords. Trees were treated as a readily available natural resource to be exploited without much regard for their replacement. Exploitation is still the rule in much of the world, particularly in the Tropics and in the boreal forests.

By the 18th century the need for fuel wood and lumber in western Europe gave rise to silvicultural practices aimed at the reforestation of cutover areas and the management of forests for the sustained production of wood and other values. This approach, still widely followed today, is termed conventional extensive silviculture. It emphasizes systems of harvesting mature forests so as to encourage natural regeneration. The technique also includes the thinning of growing stands to increase the growth in diameter of trees that will eventually be harvested.

During the same period many of the hardwood forests in western Europe were converted into stands of softwood by the clear-cutting of the existing woodland and the planting of pure stands of Scotch pine and Norway spruce. Most such conversions succeeded, and so the growing of valuable commercial tree species in more or less pure stands became commonplace throughout much of the developed world. This technique, which can be called conventional intensive silviculture, is highly developed in the Douglas-fir forests of the Pacific Northwest, in the southern-pine region of the U.S. and in pine plantations of western Europe, South Africa, New Zealand, Australia and Chile. It is, in effect, tree farming.

By the middle of the 19th century the second and third crops of conifers were being grown on plantations in Germany, Switzerland and France. Professional foresters (by then the product of forestry training in universities) began to notice that yields were often lower than they had been for the first crop, particularly for spruce grown outside its normal habitat. The foresters attributed this decline to the formation of acid soil under forests consisting of only spruce or pine. (The needles of such trees have a low nutrient content and on falling to the ground form a raw humus that is quite acidic.) Among these foresters another concept of silviculture developed. It can be termed the naturalistic approach, in which attention is paid to the matching of trees to the ecology of the site. The concept also calls for the maintenance of a mixture of trees, including hardwoods because the leaves that fall from them will attract soil-building organisms and so help to maintain the fertility of the soil.

Finally, within the past decade the rising interest in the use of plant materials as a source of energy and of chemical feedstocks has led to much discussion of and some experimentation with the idea of short-rotation silviculture. In this concept trees that grow quickly are harvested as often as every two years.

The reader who has been counting my enumeration of silvicultural strategies will be aware that I have named five: exploitive, conventional extension, conventional intensive, naturalistic and short-rotation. A number of intermediate approaches also exist. In each of the five basic strategies many fundamental questions remain unanswered.

For example, it can be argued that the exploitive approach is not really silviculture, since it involves only the cutting of trees without regard to the regeneration of the forest. Still, it is a form of forest management. From the standpoint of maximizing the economic return to the owner from the trees, such a harvest may well be justified on the grounds that the cost of reestablishing the forest may exceed the expected return from the new stand of trees. (The U.S. national forests are operated under a Congressional mandate that they must be managed for a sustained yield; in them the exploitive approach is therefore illegal regardless of its economic merits.)

Under a policy of exploitation the harvest of trees is termed a commercial clear-cut if most of a stand is removed and a selective cut or a high-grading cut if only the most valuable trees are cut and a substantial number of less valuable ones are left. That number will depend on the age and structure of the forest as well as on economic considerations. Many of the trees that are left will fall because of wind or the weight of ice and snow once they have been deprived of support from the harvested trees and exposed to the elements.

The disadvantages of the exploitive approach are well known and frequently stated. First, a large commercial clear-cut is an ugly wound in the landscape and will remain that way for at least several years. Second, the careless cutting of roads through the area and the indiscriminate use of heavy logging equipment may result in severe erosion. Third, much wood may be wasted through the destruction of trees that have grown for years but have not attained marketable size. Fourth, the impact on wildlife, water supply, recreation and other values is often severe. Finally, the regeneration of the forest is left to chance and may or may not occur.

An exploited forest can be left as it is in the hope that the surviving trees will be supplemented by natural regeneration, so that a more or less fully stocked second-growth stand eventually develops. More often than not, however, the best course will be to bulldoze the pitiful remains or spray them with herbicide, burn the site to reduce the organic remains to wood ash and replant with conifer seedlinge big and hardy enough to form a new stand.

CONVENTIONAL SILVICULTURE

Two main practices have come to exemplify conventional extensive silviculture as it has evolved over the past two centuries from its beginnings in western Europe. One is the harvest of mature trees through silvicultural systems, which are cutting patterns designed to ensure the regeneration of trees in the cutover areas. The other is the technique of thinning and making other cuttings in order to free the potential crop trees from undesirable competition.

The emphasis in conventional extensive silviculture is on maintaining a sustained yield of wood. Under this strategy trees are grown until their boles are large enough to be sawed into lumber. In the national forests of the U.S., under policies adopted by Congress, the rotation age is set at the culmination of mean annual increment, that is, the age at which the trees of the forest are producing their largest average cumulative growth. In practice this policy means that trees are grown larger on public lands than on private ones, where economic pressures usually favor earlier harvesting. The rotation age for most commercial tree species in the U.S. tends to fall between 40 years (pulpwood harvested on private land) and 100 years (timber cut for lumber in national forests).

The silvicultural systems employed for harvesting mature trees can be grouped in four categories. One is the selection system, which consists of light partial cuts repeated every few years to create a forest of uneven age. The technique is suitable only for the relatively few commercial tree species that can thrive for most of their life in shade.

Most commercial tree species do best under full sunlight and must be grown in stands of even age. The other three silvicultural systems are designed to create such stands. One is clear-cutting, with or without subsequent planting or seeding but at least with thought given to natural regeneration and with care taken to minimize the damaging effects of the harvest. A second technique is to leave seed trees standing; it is not much employed because the trees left are likely to be brought down by wind or ice, they may not produce enough seeds to restock the forest and they may be so few in number that it is not worthwhile to return later and harvest them. The final system is called shelterwood cutting, because the mature stand is removed in two or more partial cuts so that the new stand can become established under the shelter of a partial canopy of remaining trees.

As for thinning, it is usually done in pole-size stands. From 25 to 40 percent of the stand may be cut, partly to harvest early the trees that appear likely to die and partly to increase the ultimate diameter of the remaining trees. Except for a few species that tend to stagnate under crowded conditions, thinning will not normally produce higher yields per unit of area but will improve the growth of the bigger and more valuable trees. A commercial thinning is economic when the trees that are removed can be sold for pulp, fuel or other purposes for which wood of small dimensions is appropriate.

Conventional extensive silviculture is widely practiced in western Europe, the U.S. and many other temperate regions. Since most of the silvicultural operations carried out under this heading pay for themselves in terms of wood products extracted, no substantial capital investment is required. The main cost is in foregone profits.

On the other hand, such operations may be insufficient to maintain a continuous yield. Natural regeneration may fail, so that the site has to be planted or seeded. Young trees of desired species may have to be freed from competition with unwanted species. Other investments may be needed to achieve a fully stocked forest and maximum growth. In this way silviculture becomes more intensive.

The growth and yield of trees can be substantially increased by the application of intensive silvicultural techniques. Even so, since it takes decades to grow a crop of trees, the economic incentives for applying the techniques may be less than enticing. Indeed, the investment made to establish a stand or to increase its growth may exceed the anticipated increase in the value of the final crop. Nevertheless, intensive silviculture, involving the investment of considerable amounts of capital in the forest, is becoming increasingly feasible and is being more widely practiced, particularly by industrial landowners seeking a continuous supply of wood for their lumber, pulp and veneer mills.

In intensive silviculture the landowner employs at least one and probably more of the following techniques: (1) Work is done on a cutover site to prepare the land for planting or to create surface conditions favorable to the natural regeneration of the stand. (2) Forests consisting of species that grow slowly or are of less value than another species that could grow on the site are removed by clear-cutting, and trees of the more desirable or faster-growing species are planted. (3) Stock that has demonstrated improved genetic characteristics is planted. (4) Herbicides are employed to reduce unwanted competition, mainly from hardwoods of limited commercial value. (5) The stand is thinned before maturity to counter stagnation and to stimulate the growth of potential crop trees. (6) Fertilizer is applied to the stand to compensate for deficiencies of nitrogen and phosphorus. (7) Pesticides are applied on prescription to reduce serious threats from insects and fungi.

Consider the potential of just one of these treatments. The Forest Service estimates that gains in yield of from 8 to 15 percent in one generation could be achieved through the genetic selection of Douglas fir in western Oregon and Washington. On the better sites the yield could be doubled by the third generation. Already gains of from 10 to 20 percent in volume and in quality are being realized in the first generation from the genetic improvement of Southern pines.

OTHER TECHNIQUES

The naturalistic approach to silviculture is typified by practices in Switzerland. Moving away from the concept of pure stands of even age and from strong-arm methods of cultivation, the Swiss have come increasingly to rely on natural tree types and natural successional trends as a basis for their silviculture. The mixed stand of uneven age has become the ideal.

The main arguments for this technique are that it requires little capital and entails few risks. Once a forest is established along naturalistic lines it is maintained by periodic light partial cuts designed to produce the highest economic return consistent with the maintenance of a mixed, continuous forest of uneven age. The site does not deteriorate, and the generally quick establishment of acceptable species reduces silvicultural investments to a minimum. A naturalistic forest is less likely than a pure stand to be susceptible to attack by disease and insects.

Certainly such a forest can be productive and profitable for some species of tree on some sites. It is equally certain that an even-age forest of the same species can be grown and that it will often produce more biomass and higher economic returns than the naturealistically managed forest. One simply cannot generalize. Both naturalistic silviculture and conventional silviculture have a place in forest management. What to grow and how to grow it are decisions that must be made for a particular site according to the conditions of climate and soil that exist there.

The short-rotation approach to silviculture consists in producing large quantities of tree material by selecting highly efficient photosynthesizers and growing them under intensive cultivation with frequent harvesting. The proposal to develop "biomass plantations" is essentially a return to a form of the coppice system that was employed extensively in Europe and the eastern U.S. during the 19th century to produce fuel from stands of hardwood that were harvested on short rotation and regenerated by sprouting from stems. In the current manifestation the strategy is to rely on such fast-growing species as cottonwood, sycamore, red alder and aspen, to harvest the stands mechanically on rotations of from two to four years (when the trees are from 10 to 20 feet high and from one to two inches in diameter and can be converted into chips for fuel or chemical feedstock), to rely on sprouts from the remaining stems for reproduction (or on root suckers with aspen) and to cultivate and fertilize the sprouts intensively. Yields of several tens of tons of oven-dry plant material per hectare per year are predicted on the basis of the physiological potential of the trees and of studies made on small plots.

If such yields could actually be attained over broad areas without heavy investments of energy in fertilization, irrigation, cultivation and harvesting, short-rotation silviculture would indeed have considerable promise. Unfortunately it has not yet been possible to grow hardwoods in plantations with any great success, let alone to grow them at the rates achieved in trials of genetically superior stock under intensive care in the nursery or some other carefully monitored condition. This is not to say that the experimental work has been unsound but rather that it has not been possible to transfer the results to operations of commercial size.

THE SILVICULTURAL OUTLOOK

Forests have a considerable potential for producing energy and chemical feedstocks. For example, if the energy value of wood is taken to be 7,500 British thermal units per pound, the annual net primary production of the world's forests is roughly 1,200 quads (a quad is one quadrillion B.t.u.) or five times the world's use of 230 quads of energy in 1975. Robert L. Burgess of the Oak Ridge National Laboratory has estimated (on the assumption that the annual aboveground growth of the world's forests is 13 billion metric tons, of which half is economically accessible) that one million megawattts of electricity could be produced from wood on a sustained-yield basis—about twice the present generating capacity in the U.S.

In 1970. the annual growth rate of the commercial forests in the U.S. was estimated at 2.7 cubic meters per hectare (38 cubic feet per acre). If all the commercial forest areas were fully stocked with trees and balanced in age classes, the potential growth would have been 5.2 cubic meters per hectare per year. The biological productivity of the commercial forestlands of the U.S. is such that the net realizable growth of the forests could be doubled within half a century by the widespread application of proved silvicultural practices. With a widespread application of intensive silviculture, including the complete use of hardwoods and the utilization of the entire tree of every harvested species, the potential productivity of the forests in the U.S. would be closer to three times the present level.

What are the possibilities of improving on demonstrated silvicultural practices through research? In the U.S. research on silviculture and on related aspects of forestry has largely paralleled work in agriculture. It is carried out by the Forest Service at 82 laboratories, by workers at some 60 universities (mostly with Federal funding) and by a limited number of wood-using industries. The present level of activity is about 400 scientist-years devoted annually to research relating to the biology, cultivation and management of forests, to the genetics and breeding of forest trees and to the economics of timber production. For more than 50 years extensive studies in the laboratory and in the field have dtalt with the ecological and physiological requirements of the principal tree species. The point has been reached where silviculturists understand the interaction of these trees with their environment, including the major insects and disease that form part of the forest ecosystem.

Several accomplishments can be cited. Two of them have been described here: the genetic improvement of the Southern pines and the flow of nutrients, water and other components of a forest ecosystem in monitored forested or clear-cut watersheds. Useful work has also been done on the atmospheric physics of weather as it affects the behavior of forest fires and as it relates to the modification of weather and the control of lightning; on the analysis of aerial photographs and other forms of remote sensing as a means of obtaining inventories of large forest areas (including the forest resources of the nation as a whole), and on the use of linear-programming models to determine and schedule tree harvesting and other forest-management operations.

On the other hand, not enough work has been done on a number of problems that have become major issues in the encounters between environmentalists and forest managers. How do forests of even age and uneven age (forests composed of different tree species and growing on different sites) compare in productivity and loss of nutrients? How do pure and mixed stands compare on these matters and on relative vulnerability to insects, diseases and other hazards? The U.S. is sadly lacking in definitive research studies that could have a broad application in the shaping of national policies on forests.●

AMBASSADOR GARDNER DISCUSSES "TOWARD INTERNATIONAL ECONOMIC ORDER OR DISORDER"

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. REUSS. Mr. Speaker, I wish to share with my colleagues some reflections by our Ambassador to Italy, Dr. Richard N. Gardner, on the third of a century since Bretton Woods. Ambassador Gardner's observations, entitled "Toward International Economic Order or Disorder?" follows:

TOWARD INTERNATIONAL ECONOMIC ORDER OR DISORDER?

(In Washington Lord Halifax once whispered to Lord Keynes: "It's true they have the money bags but we have all the brains.")

This mischievous little verse, found on a yellowing piece of paper salvaged from the first Anglo-American discussions during the Second World War about postwar economic arrangements, stirs memories of a great adventure in economic diplomacy. It recalls the extraordinary effort of a small group of men to create a new international economic order—an economic order designed to provide the foundations for world prosperity and world peace.

Today the "moneybags," the "brains," and the political influence are all better distributed than they were a third of a century ago. Yet all the old subjects are still with us—the role of the dollar, of sterling and of gold, the management of international liquidity, fixed versus flexible exchange rates, protectionism versus free trade, universalism versus regionalism, nondiscrimination versus preferential arrangements. And behind these old subjects lie the same fundamental issues—how to reconcile liberal international trade policies with high levels of domestic employment and growth, and how to devise international arrangements benefitting not just the world community as a whole but each of its parts.

It is said that those who refuse to learn from history are condemned to repeat it. I do not pretend to be wise enough to draw from the history I have tried to recount in this book "lessons" that can resolve our current problems. However, I should like to offer some reflections that perhaps can shed a little light on our current agenda of international economic cooperation.

Let us begin with a look at the credit side of the ledger. For the world economy as a whole, the third of a century since Bretton Woods has been a period of unprecedented prosperity and growth. In very round figures, world production has soared from $300 billion a year to nearly $10,000 billion a year and world trade from $30 billion a year to more than $1,000 billion a year. Even allowing for inflation, these figures represent an enormous increase in real terms. It is an impressive record, though one must make obvious qualifications, notably the failure of the less developed countries to share proportionately in this fantastic overall growth.

While it would be an oversimplification to give all the credit for the excellent performance to the international economic institutions established during and after World War II, it is clear that the postwar planners must have done something right. The institutions they created—the International Monetary Fund, the International Bank, the General Agreement on Tariffs and Trade—have demonstrated a extraordinary ability to adapt themselves to the changing needs of the world economy.

To an important degree the Fund has become an international arbiter of those sound domestic policies that qualify a country for external aid. Its "Good Housekeeping Seal of Approval" has often been decisive in mobilizing financial support to help both developed and developing countries overcome their economic difficulties. The Fund's ability to mobilize liquidity has been an element in the progress toward the currency convertibility and the freedom from exchange controls chartered as an objective at Bretton Woods.

The Bank's ability to mobilize increasing amounts of capital, together with its prestige and experience, has given it a growing influence on the aid policies of the rich and the development policies of the poor. Its presidency is becoming one of the world's most influential platforms for improving the aid efforts of the developed countries. Its role in training, advice, and technical assistance enables it to shape profoundly the development effort of the poor countries.

The GATT has developed authority in a four-fold role—as a forum for trade negotiations, as a body of principles governing trade policy, as a center for the settlement of trade disputes, and as a vehicle for the development of trade policy.

The Fund, the Bank, and the GATT have articulated the common interest of nations and conciliated their adversary interests. They have encouraged governments to take a more international approach and have strengthened the hands of outward-looking leaders in dealing with domestic political opposition. They have taken responsibility for compromises in situations where national leaders could not have taken responsibility alone. Thanks to them, nations have followed better economic policies than they otherwise might have done. In short, these institutions, if not the agencies of world government, have certainly been instruments of a better world economic order.

In recent years, the innovation of annual economic summits between the major economic powers of Europe, North America and Japan has helped to provide overall political direction to the technical cooperation underway through the Bretton Woods institutions and GATT.

It is clear from this review that the balance sheet of postwar economic diplomacy contains impressive credits. But to have a balanced perspective we must also note the entries on the debit side of the ledger. With the help of hindsight we can see that mistakes were made—occasionally in the original institutional design, more frequently in the way the institutions were used (or not used) in practice. Partly because of these mistakes, partly for other reasons, the international economic system founded at Bretton Woods is now in difficulty; the gains of more than three decades in trade and welfare are gravely threatened; and today's architects of international economic order confront challenges even more formidable than those that faced their predecessors a third of a century ago.

The most consequential list of debits must be recorded in the field of monetary cooperation. We are still struggling with the two long-term problems that faced the negotiators at Bretton Woods—the liquidity issue and the adjustment issue. Despite all the progress of a third of a century, the international monetary system is in difficulty. The original Bretton Woods solutions to the liquidity and adjustment problems have been largely superseded, but there is no adequate consensus yet on what should take their place. The world now finds itself, without anyone having planned it that way, living with a dollar standard and floating exchange rates, which is hardly what the postwar planners intended. The big question is whether the present monetary system can be made workable with rather modest adjustments or whether fundamental structural changes are needed.

Can the world live indefinitely with a dollar standard? Would it be better off with several reserve currencies? Should it return to the original Bretton Woods idea that the International Monetary Fund should be the principal source of new liquidity? As these lines are written, there is new movement toward European monetary cooperation, which may result not only in greater exchange rate stability and the pooling of reserves by European countries but also the development of a European reserve currency supplementing the dollar. There is still some interest, too, in moving in the direction suggested by the IMF's Committee of 20 in the early 1970s—putting national holdings of dollars, sterling and gold into the IMF in return for SDRs, and creating new liquidity mainly through internationally-agreed SDR allocations rather than through U.S. payments deficits.

The Bretton Woods system of fixed parities clearly could not survive in a world with widely divergent rates of growth and inflation and with a highly developed international capital market. But a minimum degree of international accord on exchange rate movements is needed to avoid unfair trade advantages and an unfair sharing of the adjustment burden.

The European Monetary System now in the process of creation could make an important contribution to the solution of the international adjustment problem. By creating a zone of exchange rate stability in Europe, as part of a larger European effort of reciprocal economic assistance and harmonization, the EMS could generate a climate of confidence leading to increased investment, higher levels of trade, and better economic growth rates. This would benefit not only the participants in the EMS but also the entire world economy.

It is my personal belief, which is also the official view of the Carter Administration, that a strong and united Europe is a good thing for the United States and for the entire world. It is also my belief, and the official view of the Carter Administration, that the EMS can make a positive contribution to that objective. In saying this, of course, I do not wish to be understood as taking a position on whether or not any particular country should join the EMS. It is obviously for each country to decide whether the specific arrangements for the EMS take adequate account of its national interest, and the United States has no intention of involving itself in such decisions in any way.

But a sound international monetary order will also require an agreed system of adjustment between the members of the EMS and the rest of the world economy. To this end we must find practical ways to strengthen the central role of the IMF in the international monetary system—in particular, to help the Fund exercise its new powers of "strict surveillance" over the exchange rate policies of its members and even over those other national policies that have an impact on international financial stability.

In the field of international trade policy, the failure in most urgent need of correction is the lack of adequate rules to govern non-tariff barriers (NTBs). The industrial tariffs of Europe, North America and Japan, now down to an average of 8 or 9 percent, are likely to be further reduced to an average of 5 or 6 percent as the result of the Tokyo Round. Thus the main obstacles to free trade are no longer tariffs, but NTBs.

By their nature, they are more difficult to negotiate on a reciprocal basis than tariffs. Accordingly, efforts are now focused on the negotiation of new codes or agreements which would regulate certain major categories of these non-tariff measures—trade-distorting subsidies and countervailing duties; government procurement practices that favor domestic production; product standards that serve protectionist ends; and import licensing procedures.

Subsidies are particularly important because they raise very serious issues of trade policy. United States law requires the application of countervailing duties to offset government subsidies on goods exported to the United States. The use of subsidies is a widespread, and often justifiable, measure. It is crucial, therefore, that there be a mutually agreed-upon set of rules governing this practice so as to minimize the resulting disruption of world trade and friction in international relations.

We noted earlier the unprecedented measures that have been undertaken to assist the less developed countries. Nevertheless, despite all the progress of the past third of a century, living standards in the poor countries of the world are rising by an average of little more than 1 percent a year. The income per capita of the average citizen of Western Europe, Japan and the United States is now $4,000 - 8,000 a year; at present rates of growth, income per capita in many of the non-oil producing countries of Asia, Africa, and Latin America will hardly reach $200 a year in this century. The first two United Nations Development Decades were widely described as "Decades of Frustration." If successive development decades are to avoid the same fate, the world will have to find ways to get more resources from the rich, better development policies from the poor, and better forms of multilateral cooperation.

In my opinion, we need to view the diverse elements of the North-South negotiations, not just as a set of technical economic issues, but as elements of a larger political bargain—a mutual survival pact between developed and developing countries in which mutually-agreed limitations on the sovereignty of each one undertaken to protect the sovereignty of all. In such a survival pact, access on reasonable terms to energy and other raw materials, which the industrialized countries need, can be seen as the counterpart of other kinds of access that the developing countries need—access to markets at stable and remunerative prices, access to technology, management skills and investment capital, and access to a fairer share of decisionmaking in international institutions. In this context, concessions to developing countries can be regarded not as "foreign aid" or charity but as an exercise in enlightened self-interest—an investment in human civilization.

International efforts need to be focused not only on a new international economic order but on a new internal economic order in both developed and developing countries. In the developed world, this means measures to curb excessive or wasteful consumption that threatens world economic stability and the health of the world environment, as well as internal adjustments to absorb low-cost manufactures from developing nations on a basis of comparative efficiencies of production. In the developing world, it means measures to help the poor become more productive and to satisfy minimum human requirements for food and nutrition, health care (including family planning services), education and skills, and productive jobs. We should be clear that our objective is not the transfer of wealth from developed to developing countries, but the internalizing of the wealth-creating process in the developing countries, the achievement of greater equality of opportunity in all countries, the elimination of poverty everywhere.

I said at the outset that I was hesitant to draw "lessons" from the history I have recounted in this book. But there are three conclusions that strike me as inescapable:

No nation, no matter how large or how powerful, can now avoid the necessity to pay due regard to the interests of others if it wishes to remain part of a functioning international economic system. In recent months even the United States has been obliged to alter its energy, monetary and fiscal policies to accommodate to the realities of economic interdependence. For there is no way for any nation to enjoy the benefits of that interdependence unless it also accepts the accompanying responsibilities.

Second, international arrangements for exchange rate stability cannot yield satisfactory results in the long run unless they are accompanied by other measures—measures to provide financial support for currencies under pressure, measures to harmonize domestic economic policies in a way that fairly divides the adjustment burden between surplus and deficit countries, measures to transfer resources from stronger to weaker economies, and measures to reduce restrictions on international trade and payments. This comprehensive conception of international economic cooperation, which formed part of "the philosophy of Bretton Woods," remains true today for the EMS as it does for the world economy as a whole.

Third, regional economic systems can make a positive contribution to international economic order only if they are adequately related to broader arrangements designed to assure cooperation on a global basis. In the next year, the preoccupation with the EMS should be accompanied by an equal preoccupation with improvement of the entire system of international trade and payments. In specific terms, this means reinforcing the role of the International Monetary Fund as an instrument for balance of payments adjustment, bringing the Tokyo Round to a successful conclusion, and undertaking new measures to help the developing countries.

This brings us to the fundamental issue which the principal economic powers will have to confront during the difficult financial and trade negotiations that lie ahead. Either the world will continue to move forward toward the objectives charted in the economic diplomacy of a third of a century ago, or it will move backward toward the destructive economic policies which this diplomacy sought to avoid. The big question is whether the historian who looks at this history in the year 2000 will see the years since Bretton Woods as part of a historic march toward free trade and economic integration, or as but a brief interlude between eras of trade restriction and economic nationalism.

Let us therefore adopt the means necessary to achieve our proclaimed objectives, or let us at least have the honesty to acknowledge that we are obliged by timidity and national egotism to abandon the goal of an open world economy which we have proclaimed since the end of the Second World War. The time has come to choose.●

AGAINST THE GRAIN

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. WYDLER. Mr. Speaker, I would like to direct my colleagues' attention to an article which appeared on Sunday in the Outlook editorial section of the Washington Post. The article "Against the Grain" by William Greider, raises the question of the various degrees of risk which our society is willing to accept for energy production. Mr. Greider cites a recent fascinating study, "Risk of Energy Production," by Dr. Herbert Inhaber, a Canadian scientist.

I summarized the conclusion of the Inhaber study in my submittal to the domestic policy review which the administration conducted on solar programs last year. I recommend it strongly to all Members of the House. It reaches the provocative conclusion that various soft technologies, including most solar approaches for generating electricity, are more risky overall than nuclear power.

I do not believe this study is the last word on this most important question, but it is most important for us to deal with the issue of precisely what type and degree of risk our society is willing to accept. We have heard far too many emotional discussions which brandish the potential staggering loss of life claimed from a nuclear accident which has not yet occurred but yet ignore the deaths which occur every day from coal and oil and ultimately the power requirements for many solar technology systems.

I heartily recommend both the Greider article and Dr. Inhaber's study to all my colleagues who want a realistic perspective so to arrive at responsible solutions to our energy supply problem.

AGAINST THE GRAIN—THE THREAT OF THE KILLER WINDMILLS

(By William Greider)

In the atomic age of rock 'n roll affluence, one of the continuing burdens of citizenship is keeping up with the latest public threats to life and limb. Here is another to add to your list: killer windmills.

I have in my possession an official government study which sounds the alarm. When windmills are spread across America generating electricity, thousands of people will be maimed and killed as a result.

Solar power will be nearly as dangerous as windmills, the report warns. Why haven't we been told this before?

Good grief. The cold statistics have an even scarier message for us. Solar power and windmills, according to this government report, will be more dangerous than nuclear power plants. This is chilling news, if you thought the world was headed toward a soft energy future of wind and sun, where nobody gets hurt.

I am being playful about killer windmills and the death-dealing side effects of solar power because I assume, no matter what dreadful statistics I offer, most people of ordinary common sense will refuse to be scared. If I add the small fact that this particular study—"Risk of Energy Production" by Herbert Inhaber—was done for the Atomic Energy Control Board of Canada, that would irrevocably tarnish its conclusions for most skeptics.

Nevertheless, the Inhaber report is an elegant body count, provocative because it perversely turns the tables on the "soft technology" futurists. With prosaic charts and tables, Inhaber insists that all of the casualties be counted, not merely the imagined masses who perish in our collective fright vision of nuclear calamity, but the real ones who die everyday, in the here and now.

Implicitly, Inhaber attacks the religious assumptions which surround this question of risk and fear. If windmills are not safe, from whence will come our salvation?

Everyone is free to choose his own fears. If the fourth freedom is freedom from fear, the fifth is freedom to fear, picking and choosing from the parade of potential catastropies. If the breakfast bacon does not poison us, perhaps the hamburger at lunch will. If fire does not fall from the sky someday, then maybe a silent, odorless, irradiated wind will come around the corner and blow death up our noses.

As our attention scurries from one grave risk to another, as experts offer new entries on the list, our pursuit of fear coalesces, strangely enough, with our pursuit of entertainment. Great fires, plane crashes, nuclear holocaust, dread diseases revived from the Middle Ages—these are staple themes on TV. These disaster dramas all teach the same lesson: The stresses and strains of mass death bring out the best in people. Or reveal serious character flaws in the arrogant: The fat man dies well, but the blustery cowboy turns to jelly.

This is not very entertaining, really. It is more like sick laughter in a greasy burlesque hall. The lesson on "character" makes us feel righteous, while actually we are laughing at both the fat man and the blustery cowboy. Because they are dying and we aren't.

Ultimately, this proliferation of entertaining fears becomes a crippling condition, a confusion that deepens the modern sense of impotence. The supposed dangers of modern life—an unseen wind, a menacing cloud, a stain in the hamburger—are not only beyond our personal control, but even beyond the grasp of our ordinary common sense. Few of us can pick or choose reliably among the best things to worry about, even killer windmills, because we don't understand statistical probability or even low-grade chemistry. All fears may be regarded as equally frightening in the land of the free, home of the brave, if you are inclined toward worry.

Some citizens, confronted with this confusion of potential killers, choose to relax and enjoy our hamburgers. This attitude is usually denounced as dumbheaded and hedonistic. Certainly, it's hedonistic but I'm not so sure it's that dumb.

On the whole, we prefer the long, pleasurable life of modern comforts to the shorter, sometimes dreadful lifespans which preceded industrial society. Having examined the available evidence, we conclude that something or other will kill us all, someday, despite fears, despite eternal vigilance. We accept a heretical notion: Dying can't be all that bad, if everybody does it.

Other citizens, who are more conscientious, demand government action. If you wish to understand the federal government in all of its eccentricities, think of a gigantic and diverse organization dedicated to defending us against death. Study the budget—from the Pentagon to the anti-cancer research, from the Federal Trade Commission to the campaign for safe cars—and you will see many worthy and many ridiculous goals. Huge heaps of money are stocked against rather modest dangers, almost the way primitive peoples placed sheep and goats on the altars of vengeful gods.

This religious quality of modern spending—deliverance in the here-and-now, not the hereafter—explains why people feel especially bitter if the government betrays them and does something to kill people, instead of saving them. This deliverance is noble work but bound to fail, ultimately, for reasons which, alas, lie beyond Congress or the president.

In the modern realm of public fears, real risks in the here-and-now somehow sound less frightening than the limitless possibilities of future calamity. Thus, 150 or so miners will be killed every year in coal-mine accidents; another 14,000 or more will suffer disabling injuries. This is happening every year, with extraordinary regularity, despite the federal safety laws, but nobody is marching to close down the coal mines. For that matter, nobody is turning off their lights to save a coal miner.

Coal kills ordinary citizens every year, too, through pollution of the air. So does oil. This is happening right now, in our own time, but it does not seem to scare people half as much as the possibility that someday, somewhere, if something goes wrong, a nuclear power plant might melt down and spew forth radiation and kill, rather quickly, 10,000 or, who knows 100,000 people.

So far, this calamity has not happened in nearly 25 years of operating commercial nuclear plants. Indeed, according to the U.S. Nuclear Regulatory Commission, not a single American worker has died in a commercial nuclear plant because of radiation accidents, a claim which is not vigorously disputed by the anti-nuke critics. That is a marvelous industrial-safety record compared with competing fuels, especially coal, yet it doesn't really settle any of the fears. The basic fear casts forward into future generations and defines probability curves which translate into nightmares.

For many, this is more compelling than the known record. The Inhaber report can state with absolute reliability that some people, perhaps many people, will be killed by windmills and solar power. There is no mystery about it. Both of these "soft" energy systems, regardless of their other virtues, require heavy manufacturing of hardware, much more than a nuclear power plant when compared on the basis of how much electricity each produces. That means additional industrial deaths and injuries in the steel and glass factories (and in coal mines), plus more public hazard from industrial pollution.

For example, Inhaber estimates that a solar thermal plant (or plants) requires 20 times more steel, 13 times more concrete, twice as much construction labor as a nuclear plant producing the same amount of electricity. In proportion, he adds up the known frequency of industrial deaths and accidents from steel making, from coal mined to make steel, from glass and aluminum, from construction. Then he adds the known pollution effects of producing those materials. (Solar advocates, incidentally, consider this a virtue because the heavy hardware means more industrial jobs.)

Inhaber adds another risk to the "soft" energy sources—the work-related accidents of a coal-fired back-up plant. Neither windmills nor solar plants are constantly reliable, but most of us still want electricity on windless, cloudy days, so presumably we will insist upon a back-up system which can be easily turned on or shut down, depending on the weather. That means a coal-burning auxiliary generator.

Inhaber does similar calculations for oil and coal which demonstrate, rather dramatically, how dangerous those energy sources are to human life, compared to all others. The safest source, by his calculations, is natural gas—followed closely by nuclear power.

That claim, of course, is where the arguments start. Inhaber's statistics already have been attacked for grossly overestimating the material requirements and, thus, the human risk of windmills. Anti-nuke experts in Canada and elsewhere have savaged Inhaber's claims. The National Research Council of Canada attacked both his methodology and his research as unreal. He underestimates the probabilities of death from a nuclear meltdown and low-level radiation emissions, while he grossly exaggerates the necessary industrial hazards of manufacturing the "soft" alternatives, the critics charge. Some of their complaints sound, strangely enough, like the complaints which the nuclear industry makes when its critics draw scary pictures of a nuclear holocaust in our future.

What are the probabilities of accidental disaster? The question stretches over an infinity of future generations, so that only experts can pretend to know. Inhaber points out that the western industrial nations have now had 2,000 reactor years of operating experience without a meltdown. That doesn't prove a meltdown will never happen. It does imply that the odds are at least more remote than 1 in 2,000.

The anti-nuclear argument responds: That's swell, but suppose the odds are 1-in-5,000 or 1-in-10,000? The more nuclear plants we build, the sooner we will get to the catastrophe. It is an article of faith among nuclear opponents that one catastrophe, anywhere, would close down the whole business. Frightened citizens would march on their neighborhood nuke and insist that it be turned off.

Maybe. It depends. It depends on who gets killed and how many get killed. The nation did not close down coal mines when hundreds of miners died or stop flying on airplanes when the big jets started crashing. The level of risk might simply be absorbed by most folks, as another of life's uncertain elements. Nobody wants to die, but we also don't want to be without electric lights.

So which risk shall we fear the most? The actual ongoing deaths caused by coal and oil? The nearly certain deaths, smaller in number, which will be caused by manufacturing solar and wind power hardware? Or the possibility of truly staggering calamity from a nuclear accident which has never happened, but someday might?

A reasonable person does not wish to choose among these fears, but there's the catch of our modern condition. You must choose. Somebody is going to get killed in order to bring you electricity. The choice involves more than entertaining fears, yet the choice requires calculations which most of us are not equipped to make.

The anti-nuke experts have a wonderful phrase for this predicament. It's a mathematical expression: "the zero-infinity dilemma." The Union of Concerned Scientists explains the "zero-infinity dilemma" for us:

"Zero times infinity is indeterminate. This dilemma prevents the public from being able to reasonably assess the risk: Is the risk negligible because the event may never happen or large because the consequences are so great?"

I think the "zero-infinity dilemma" aptly describes the political confusion of the modern citizen with his infinity of fears and his longing for zero risk. It is a civilizing departure for human society to look far forward into the future and worry about what this scary new technology will do to the grandchildren or the grandchildren's grandchildren. But it is also cheap entertainment—an easy fear with zero risk in the here-and-now for those of us who are not coal miners.●

IRAN'S TURMOIL MISUNDERSTOOD

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. HOWARD. Mr. Speaker, today Iran's Ayatollah Ruhollah Khomeini returned after 14 years in exile to a country torn by civil strife and facing economic collapse. In view of the U.S. stake in that country and in hopes of shedding some light on the situation there, I would like to submit for the Record a column which appeared recently in the Newark, N.J., Star Ledger.

The author, Dr. Faramarz Fatemi, is professor of political science and Middle Eastern studies at Fairleigh Dickinson University. His book, "The U.S.S.R. in Iran," will be published later this year.

The article follows:

U.S. Ignored Inevitability of the Shah's Overthrow

(By Faramarz Fatemi)

In off the record conversation, Administration officials expressed the fear that if the Shah of Iran were to abdicate or was ousted, the ensuing struggle between rival generals and military cliques would lead to further chaos, civil war and the disintegration of the Iranian nation. For this and other reasons, the Carter Administration continued to favor a "political solution" which would keep the Shah on the throne, but would bring at least some of the opposition elements into a government pledged to guarantee democratization of the country.

But the reality of Iran today is such that contrary to the actions of President Carter there can be no stabilization of the country, no political order and economic restoration so long as the Shah tries to remain at the helm of the state. It is evident that despite the enormous quantity of money and sophisticated weapons lavished upon the Shah's army, it has shown itself totally unable to restore tranquillity, even by repeatedly shooting and killing unarmed demonstrators. Consequently, it has turned into a bandit army marauding, pillaging and destroying innocent lives and property. The toll of the dead over the past year of demonstrations, rioting and repeated clashes with the police and army is conservatively estimated at several thousand. And yet, despite the terrible casualties, the demonstrations, strikes and protests continue and indeed have intensified.

In the United States the Iranian developments are presented mostly in a shallow distorted and erroneous manner. The long struggle and suffering of the Iranian people have been reduced by the press to simplistic conclusions, such as, "the alternative to the Shah is communism," or the opposition is led by "reactionary Islamic clergy, who oppose the Shah's modernization programs."

But the fact is that for some 40 years there have been strong indigenous forces that have sought democratic government and opposed all foreign domination.

These forces were led in 1940s and 1950s by Dr. Mohammed Mussadeq. In 1944, as leader of Iran's parliament, he fought to keep the Soviets from gaining control over Northern Iran. In 1951, Mussadeq played a leading role in the nationalization of British oil interests. Dr. Mussadeq's popularly supported government was overthrown two years later in a CIA-sponsored coup d'etat. Democratic rule was thus terminated and the Shah's illegitimate dictatorship was inaugurated with the blessing and support of the United States.

Many Westerners erroneously assume that because Iran was ruled during most of its 2,500 years of history by monarchs that the Iranian people are deeply attached to the institution of monarchy—and specifically the Pahlevi dynasty. Nothing is further from the truth. Since 1896 out of six Shahs, one was assassinated, one was forced in 1906 to surrender his power and accept constitutional government; three, including the father of the present Shah were deposed.

Much of the current ferment against the monarchy is political and economic. But partly it is also religious and ethical. The people view the Shah as a tyrannical and unjust ruler, who has violated the moral and religious precepts of the country. The Shah has tried to impose his will from the top without either the participation or consent of the people. He has never differentiated between dissent and disloyalty. Thousands of people have been jailed for criticizing corruption, inefficiency, press and speech censorship and police repression.

The Shah has sought to destroy all opposition by establishing SAVAK (secret police), 200,000 strong. It has been organized, trained and armed with the most sophisticated weapons to murder, rob, torture and destroy many individuals and families.

Much of the protest is also the result of economic blunder, inefficiency and fraud. The Shah himself, his relatives and entourage have been for years the center of national corruption. There is no significant development project initiated without either the Shah or a family member involved. Princess Ashraf, the Shah's twin sister, is the worst representative. The people have scornfully dubbed her "the heroin queen," because of her long years of association with the drug traffic.

In a speech given last month, the Shah apologized to the Iranian people for "past mistakes, illegalities, cruelty and corruption." He also announced that there is to be an inquiry into the royal family's sources of wealth and property. Most Iranians remain skeptical. They ask how could mistakes of such magnitude be admitted and the Shah left out of the inquiry? Shouldn't the first indictment be against the Shah?

The result of the last 15 years of mismanagement is that the Iranian economy, industry and agriculture have been destroyed. Inflation is unbearable. Cities have become polluted, overcrowded, clogged with cars and intolerable traffic jams. There is a chronic shortage of housing. The people must pay high prices for such essentials as food, clothing, and rent.

Over the past 25 years of the Shahs' dictatorship a political vacuum has been created by the destruction of all structured political opposition. For this reason the Islamic clergy has assumed the leadership of the broad popular upheaval. It is absurd to call the clergy, "reactionary religious fanatics." The Mullahs (clergy) have been a progressive force in exposing the Shah's autocratic rule and the extent of corruption and moral decay of the regime. They have united every strata of society. Landless peasants, industrial workers, merchants of the bazaars, students and intellectuals have answered the call of the Islamic leadership for revolutionary actions. Ayatullah Ruhallah Khamaini has become the symbol of the revolution.

To meet the legitimate claims of the Iranian people and establish the procedures for a peaceful settlement of the crisis, the following steps must be implemented.

1. The Shah must abdicate.
2. A regency council and a civilian coalition government has been formed. Their first priority should be to prepare the nation for a referendum followed by an election.
3. The referendum should decide the fate of the monarchy.
4. The people should then elect a constituent assembly, which would draw up a new constitution as a framework for democratic rule.

The United States has a high stake in a prompt and peaceful solution of the protracted Iranian crisis. The longer the chaos continues, the more Western economic interest will be threatened and the continuous flow of Iranian oil curtailed.

By taking the side of the Shah, against the Iranian people, the United States is heavily mortgaging future relations and economic ties with the new Iranian government which will inevitably be brought to power by the tide of popular revolution.●

ADMINISTRATIVE RULEMAKING REFORM BILL

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. LEVITAS. Mr. Speaker, since the opening of the 96th Congress just 2 weeks ago, nearly 120 Members have already joined me in sponsoring a bill to help the American people regain control of our Government.

My Administrative Rulemaking Reform bill, H.R. 1776, will give Congress the right to review, and, if necessary, veto, in advance, any rule or regulation issued by unelected bureaucrats.

Laws should be made by persons elected by and accountable to the citizens of this country. It is, therefore, most appropriate that the number of this bill, H R. 1776, is a reminder of the year of American independence and liberty.

This bill is not partisan; it is neither conservative nor liberal and its sponsors come from all across America and all across the political spectrum. It simply means that the duly elected representatives of the people will have the chance to consider rules and regulations before they go into effect, and the chance to stop them from going into effect if they are outside the intent of the law, overly burdensome, arbitrary or just plain stupid.

The following is a list of those Members who have already joined the H.R. 1776 "Honor Roll" for congressional control of and accountability for the laws. I welcome our other colleagues to join us and add their names to the H.R. 1776 Honor Roll.

List of Cosponsors of H.R. 1776

Mr. Abdnor, Mr. Alexander, Mr. Anderson of California, Mr. Andrews of North Dakota, Mr. AuCoin, Mr. Badham, Mr. Bafalis, Mr. Barnard, Mr. Benjamin, Mr. Bevill.

Mr. Blanchard, Mr. Boner of Tennessee, Mrs. Bouquard, Mr. Brinkley, Mr. Brown of Ohio, Mr. Broyhill, Mr. Buchanan, Mr. Burgener, Mr. Butler, Mr. Campbell, Mr. Carr.

Mr. Chappell, Mr. Cleveland, Mr. Coelho, Mr. Coleman, Mrs. Collins of Illinois, Mr. Corcoran, Mr. Coughlin, Mr. D'Amours, Mr.

Daniel, Robert W., Jr., Mr. Daschle, Mr. Davis of South Carolina.

Mr. Derwinski, Mr. Donnelly, Mr. Dornan, Mr. Dougherty, Mr. Duncan of Tennessee, Mr. Duncan of Oregon, Mr. Edwards of Oklahoma, Mr. English, Mr. Evans of Georgia, Mr. Forsythe, Mr. Fountain.

Mr. Fowler, Mr. Gaydos, Mr. Gephardt, Mr. Gingrich, Mr. Ginn, Mr. Gradison, Mr. Gramm, Mr. Gudger, Mr. Guyer, Mr. Hagedorn, Mr. Hamilton, Mr. Hefner, Mr. Hinson, Mr. Holland.

Mr. Hollenbeck, Mrs. Holt, Mr. Hubbard, Mr. Huckaby, Mr. Hughes, Mr. Hyde, Mr. Ichord, Mr. Jacobs, Mr. Jenkins, Mr. Kemp, Mr. Kildee.

Mr. Kindness, Mr. Kramer, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Lee, Mr. Lent, Mr. Lloyd of California, Mr. Long of Maryland, Mr. Lott, Mr. Luken.

Mr. Madigan, Mr. Martin, Mr. Mathis, Mr. Mazzoli, Mr. Mavroules, Mr. McDonald, Mr. McKay, Mr. Mineta, Mr. Montgomery, Mr. Moore, Mr. Myers of Indiana.

Mr. Neal, Mr. Nichols, Mr. Nowak, Mr. Panetta, Mr. Pashayan, Mr. Pepper, Mr. Price, Mr. Pritchard, Mr. Ratchford, Mr. Roberts, Mr. Roe, Mr. Roth.

Mr. Runnels, Mr. Santini, Mr. Sensenbrenner, Mrs. Snowe, Mr. Snyder, Mrs. Spellman, Mr. Spence, Mr. Stockman, Mr. Volkmer, Mr. Whitehurst.

Mr. Whitley, Mr. Wilson of Texas, Mr. Winn, Mr. Wyatt, Mr. Yatron, Mr. Young of Missouri, Mr. Zeferetti.●

NATIONAL BOY SCOUT WEEK

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. NATCHER. Mr. Speaker, it is a privilege for me to call attention to the week of February 7 through 14 as National Boy Scout Week. The Boy Scout organization has received national acclaim through the years and most deservedly so. The number of Scouts who have gone on to become our country's leaders, encompassing all walks of life, is well documented. Theirs is an outstanding and enviable record.

Nothing that is worthwhile in life is achieved without hard work and dedication of purpose. It takes firm and able leadership to instill the code of honor, respect for authority and good citizenship into a young mind that is willing to absorb and grow; grow with his friends in character, health and mental alertness and to develop self-reliance and the desire and ability to help others.

The strength of our country lies in the character of its people, and the Boy Scouts help to mold, and then nurture, the essential qualities that form the basis of a sound and productive person in our society. In this way the Scout matures into an asset to his community and, in turn, to his country.

We need the Boy Scouts of America, and I would like to take this opportunity to congratulate them on a job exceptionally well done.●

SENATE—*Monday, February 5, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. SAM NUNN, a Senator from the State of Georgia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal God, Father of all mankind, from whom cometh all authority to rule among the people, make us mindful of Thy favor in giving us this good land for our heritage. Bind together as "one nation under God" the multitudes of many kindreds and tongues who people the sovereign States comprising our Federal Union. Give Thy higher wisdom to those who make the laws, to those who execute the laws, and to those who protect us from destructive powers within and without.

Infinitely wise and gracious God, keep the people of this Nation under the shelter of Thy grace. Be Thou a shield to the young and a staff to the aged. Succor those who are in want, in sickness, or in sorrow. Enlighten those who are in darkness, sustain the weak, guide the erring, and lead Thy people in the way of life everlasting.

Through Him who is the way, the truth, and the life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 5, 1979.

To the Senate:

Under the provisions of rule I, section 3 of the Standing Rules of the Senate, I hereby appoint the Honorable SAM NUNN, a Senator from the State of Georgia, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. NUNN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from West Virginia (Mr. ROBERT C. BYRD) is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DESIGNATION OF PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the two orders for recognition of Senators today, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 15 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no order, motion, unanimous-consent agreement, or action that would relate to, impact on, or prejudice my resolution and/or pending motion be in order during the period for the transaction of routine morning business, prior thereto, or following thereon today.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin (Mr. PROXMIRE) is recognized for not to exceed 15 minutes.

S. 331—A BILL TO REQUIRE A BALANCED BUDGET WHEN THE ECONOMY GROWS AT A REAL RATE OF 3 PERCENT OR MORE

Mr. PROXMIRE. Mr. President, on behalf of myself, the Senator from Delaware (Mr. ROTH), the Senator from Wisconsin (Mr. NELSON), the Senator from South Dakota (Mr. PRESSLER), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Georgia (Mr. NUNN), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from New Mexico (Mr. DOMENICI), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Missouri (Mr. DANFORTH), the Senator from Arizona (Mr. DECONCINI), and the Senator from Nebraska (Mr. EXON), I send a bill to the desk and ask for its appropriate referral.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

Mr. PROXMIRE. This bill would mandate a balanced budget whenever the real economic growth in the country equals or exceeds 3 percent. The bill would permit the Congress to set aside the requirement by a two-thirds vote in the event of a national emergency.

If this bill had been the law of the land, we could have had a balanced budg-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

et and at least a modest surplus in 12 out of the last 17 years and a deficit in 5 years. Instead, we had a balanced budget in only 1 of the last 17 years, deficits in 16 years with large deficits in many of them.

Enactment of this bill into law will go a long way toward reducing inflationary pressures now and in the future. More important will be a clear signal to American business and labor that the Government truly means business about holding down spending and eliminating inflationary deficits.

AVOIDS RIGIDITY

At the same time, the bill has the virtue of avoiding the rigidity of a mandatory constitutional amendment requiring a balanced budget in all economic circumstances including Presidential election years—unless the Congress by a two-thirds vote determines the Nation is in an emergency.

It would add a vital countercyclical tool to our efforts to achieve economic stability. In the event of a recession, a deficit stimulating the economy would be automatic. In the event of a vigorous inflationary expansion, an automatic surplus would be assured, restraining inflation.

Proposals to mandate a balanced budget regardless of economic developments would be counterproductive if the economy suffered a deep recession or depression. This bill would provide a balanced budget and a surplus whenever economic conditions warranted such a policy and a deficit whenever economic conditions required stimulation.

A major virtue of the bill is that it would adjust to forecasting error. If administration economists expected a slowdown in growth and the economy instead grew more rapidly, the Proxmire bill would adjust to that by automatically pulling the budget closer to balance and a surplus.

For example, if the bill were currently law, the administration's forecast of 2.2-percent real growth in 1980 would, if it turned out to be accurate, permit a modest deficit. But if real growth turned out to be 40 percent, the increased revenues and decreased expenditures flowing from the higher rate of growth would produce a surplus.

WHY 3 PERCENT?

The 3-percent real growth figure is selected as the level at which a balanced budget would be required for several reasons:

First. It would require a balanced budget in most years and under normal economic circumstances;

Second. It is close to the long term level of real economic growth in this country throughout most of our history;

Third. It would require a rigorous discipline that would over time eliminate the inflationary effect of Federal deficit spending and require the President and the Congress to make more painful but responsible decisions on holding down spending and providing adequate revenues to prevent the Government from becoming an engine of inflation;

Fourth. It would provide a margin for economic stimulus, not only in periods of outright recession but in periods of slow growth when manpower and plant facilities were underused.

While I propose the 3-percent real growth rate as the level at which the law should require a balanced budget, there is no magic in the number. Hearings on the bill might develop a stronger case for a somewhat lower or higher figure as the proper cutoff level.

It is vital, however, that Congress pass this bill or something close to it. No responsible person can deny that the Federal Government's record of continuous large deficits in years of prosperity and expansion is inflationary. Year after year Presidents and congressional leaders pledge that budget balance is just around the corner, and year after year the massive deficits go on.

The national movement for a rigidly balanced budget riveted into the Constitution has caught fire in the State legislatures. It is likely that this year the 34 States necessary to mandate a constitutional convention will have acted. Their call for Federal fiscal responsibility deserves a congressional response; in fact, it demands a response. Without action of the kind this bill provides, the Nation may be pushed down a dangerous road of a wholesale, unrestrained constitutional amendment and locked into a rigid budgetary straitjacket that could plague our Nation with years of deepening recession.

On last Wednesday, in appearing before the Joint Economic Committee, Treasury Secretary Blumenthal rightly said inflation will not be stopped in a year or two; it will take a long-term commitment to hold down Federal deficit spending and to show we mean it. The Secretary was dead right.

But without this bill or something like it, there is nothing committing this Nation to a restrained fiscal policy, nothing but the same empty rhetoric of promises that evaporate in the heat of spending pressure. This bill will show that this country does mean business—genuine, long-term business with a commitment to a balanced budget under all reasonable circumstances.

The bill puts the precise responsibility on the President that he can and should bear. The President cannot be held fully responsible and the Congress cannot be held fully responsible for a recession or depression that could be caused by far-reaching economic development ranging from consumer decisions on spending; or business decision on investment and inventories; or foreign countries decisions on increasing or decreasing their U.S. purchases or the availability or unavailability of reasonably priced supplies of energy, or the huge variety of wage settlements in this immense, complex economy. No one with the most rudimentary understanding of economics would blame Herbert Hoover for the depression or credit President Carter with the 4 million additional jobs that Americans found in this country in the past year.

What is the President and what is the Congress responsible for? We are certainly responsible for the level of expenditures and the level of taxes that make up the Federal budget. It is completely within the control of the President and the Congress to provide for a level of spending and taxing that will result in a balanced budget whenever the real growth rate of the economy is at a 3-percent level. That does not mean the President or the Congress can in fact be sure to balance the budget under all circumstances. We cannot. That depends on whether the economy grows or declines. The President does not control that.

But this bill would tell the President that if he proposes additional spending he must go through the discipline of recommending additional revenues. It would tell him that if he proposes to cut taxes he must provide for a balancing reduction in the rate of expenditures.

It does not mandate a balanced budget if the economy stagnates or declines because such a mandate would demand an impossible performance on the part of the President, and if he tried his best to comply he could in the event of a recession drive the country into an ever more serious economic slump.

But it tells the President that if this country performs economically as it has on the average during the past 200 years,' that it is growing in real terms at a 3-percent annual rate the President must balance the budget in every year that takes place.

This bill will stop the Government's performance as an engine inflation because it will prevent the Government from running inflationary deficits in periods of raipd growth. In the likely event the country continues to grow at its historic rate, the national debt with its heavy burden on the taxpayer of rising service charges would stop growing. The economy would be restrained in periods of rapid growth by a surplus. The more rapid the economy's growth, the bigger the surplus. For instance, if the economy grew at a 4-percent rate under present circumstances the surplus would be about $14 billion. At a 5-percent rate the surplus would be about $28 billion. On the other hand if the economy grew at a 2-percent rate the deficit would be $14 billion, and if there were a recession with the economy declining the deficit would be even more substantial. But that deficit would serve the very useful purpose of stimulating the economy when the economy needed it and restraining the economy when that medicine was appropriate.

Mr. President, obviously I am very enthusiastic about this bill. I think it will do more to stabilize our economy than any action the Congress has taken in a long time. And it would be the first action taken by the Congress that would deliberately stabilize the economy not only on the downside—that is when recession threatens—but on the upside when rapid expansion threatens inflation.

At the same time, Mr. President, let me hasten to add this amendment does not do everything. It does not mandate a limit on spending. It will tend to discourage spending. It will provide a discipline that will make spending more accountable, because a President or Congress that favored big new spending programs would have to find the revenue to balance that increased spending in order to maintain budget balance at 3-percent growth. And the discipline of imposing new taxes or foregoing tax reduction would serve as a restraining influence on spending. This is a discipline that has been sorely lacking in the past, particularly in the past 17 years when we have a fivefold explosion of Federal spending, with deficits in 16 out of the past 17 years and growth above the historic 3-percent growth level in 12 of the past 17 years.

Yes, the bill will tend to inhibit spending. *It will* make it more responsible.

For many—including this Senator—that is not enough. So I would welcome the proposal by a number of prestigious economists including such luminaries as Friedman, McCracken, Stein, and others who favor legislation that would require a reduction of Federal spending over the next several years as a percentage of the gross national product.

In fact, I think that the present Presiding Officer, Senator Nunn, of Georgia, proposed exactly that last year and it passed the Senate. I was delighted to support that. It was a thoughtful proposal, and I hope the Senator from Georgia will push that kind of proposal this year. It makes sense.

That proposal is right and appropriate but it would not be an essential part of my bill.

What this bill does is to provide that if we do more—that is spend more—we must go through the discipline however painful that may be of paying for it. This is the price we must pay to stop Government spending as an engine of inflation.

One of the most persistent questions asked about this bill is this: Would not this restrain the Government from vigorously stimulating the economy when it is just emerging from a recession and would not that kind of vigorous stimulation be an appropriate way to reduce high levels of unemployment and move a stagnant economy?

The answer is that this is precisely what has been wrong with the policies we have followed in the past.

We came out of the 1974–75 recession with a roaring gangbuster approach that has given us successive deficits of $45 billion in 1975, $66 billion in 1976, $45 billion in 1977 and $48 billion in 1978, and has also given us 9-percent inflation in 1978 with the prospect of punishingly high inflation for years to come.

If the performance of Federal spending has taught us anything in the past few years, it has taught us that Presidential rhetoric and congressional promises to do better next time will not give us balanced budgets even when the economy is racing ahead with vigorous growth and when inflation is the biggest economic issue facing our country.

One eminent economist suggested to me on Saturday that this resembles what the old Committee on Economic Development had suggested—that is, a full employment balanced budget. There is something to that but the difference is very significant. The full-employment balance was based on a budget that would be in balance only when unemployment was at 3 or 4 percent level. That rate of unemployment is just plain out of sight over the next several years. To follow the full employment concept would consign us to budget deficits for years to come. In fact, if that concept has been in place we would have had deficits even bigger than the ones we suffered in every year since 1970. In the past 20 years the budget would have been in balance only during the peak of the Vietnam war.

But the requirement to balance the budget whenever the economy is growing at a 3-percent real rate or better would assure that at long last we would in fact have a budget balanced over the business cycle.

For years economists have talked of balancing the budget over the cycle. I am sure that most of would want to do that. But we have not come close. Why? The answer is simple. Because we have not required it by law. This bill would achieve that balance over the cycle, provided the economy performs as it did on the average during the past 200 years.

THE WORLDWIDE REVOLT AGAINST BIG GOVERNMENT SPENDING

Mr. PROXMIRE. Mr. President, any notion that the taxpayer's revolt is just another far-out California phenomena, or even an American aberration, is challenged by an article that appeared in yesterday's New York Times. It seems that even in Europe a continent where countries have been out-in-front of this country in the explosion of government spending, there may be the beginning of a turn-around.

Here are some of the developments:

First. In The Netherlands the Government plans to cut spending by $3 billion during the next 3 years and to limit borrowing to 4½ percent of the national income.

Second. In France there has been fierce resistance to attempts to raise local taxes.

Third. Sweden, Austria, Norway, and Finland had substantially lower Government consumption outlays in 1977 and 1978.

Fourth. Two Oxford University economists examined the effects of public spending on industrial structures and decided it tends to cripple growth rates of Western economists by checking the private sector's investment and its ability to create jobs.

Fifth. The Hudson Institute of Europe came to a similar conclusion.

Sixth. David Smith, of Britain's National Westminster Bank, estimates that each five-point increase in the disposable incomes taken by Government consumption lowers national growth by one point. Reason: Governments tend to waste resources because their outlays are not subject to the signals and disciplines of the marketplace.

Seventh. The most prestigious international economic organization of the world's industrial countries—the Organization for Economic Cooperation and Development—has declared in a recent study that the risk of misallocation rises when expenditure is rapidly increased because this typically implies large shifts in the pattern of expenditure and thus increases the strain placed on the normal review and control mechanisms.

However, the withering away of the State is a long, long way away. In fact although the OECD does set a rapidly slackening rise in public spending, it sees no chance of declines. The OECD concludes that absolute cuts would occur only if economies slumped in an unprecedented way. There are simply too many vested interests.

In 1975 only Japan and Australia of the major developed countries of the world enjoyed a lower level of government spending as a percentage of the gross national product than the United States.

The slowdown in growth is of very recent origin. Between 1962 and 1975 every major country without exception suffered an increase in government spending as a percent of the gross national product and only Japan had a smaller percentage increase than did the United States.

Mr. President, I ask unanimous consent that the article by Robert D. Hershey, entitled "Europeans Losing Faith in Public Spending," be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Europeans Losing Faith in Public Spending

(By Robert D. Hershey, Jr.)

In the Netherlands people are talking about Bestek 81, the Government's plan to cut spending by $5 billion during the next three years and to limit borrowings to 4½ percent of the national income. In Denmark, the antitax Progress Party has grown so that it is now the second biggest in Parliament.

In France, taxpayers have resisted fiercely attempts to raise local taxes, and last summer West Germany sent a television crew to Japan for two weeks to record a visit by Howard Jarvis, the father of the tax revolt spreading across the United States.

Throughout Europe there are mounting signs that after a quarter century or more of rapid increases, public spending is approaching its economic and political limits.

You have a mixed pattern, but it all points in the same direction as Proposition 13, said Jean-Pierre Poullier, a specialist at the Organization of Economic Cooperation and Development in Paris. "Governments are recognizing they can't have economic recovery without incentives to investment, and one of the best ways to do this is shift away from the government sector."

The most recent figures published by the O.E.C.D., whose members are the main industrialized countries, show that public spending spurted from 28 percent of national output in 1955–57 to 34 percent 12 years later and to 41 percent by the mid-1970's.

This represents an advance in spending for such things as health, education, defense, social security, transport, housing and agriculture of two-thirds of a percentage point every year.

But there is now reliable evidence that this rapid rise is tapering off. Sweden, Austria, Norway and Finland, for example, had substantially lower government consumption outlays in 1977 and 1978, and analysts think that by next year there will be a broad and obvious impact.

Unlike the United States's experience, where the drive to curb public spending began at the grass roots, in Europe the governments have taken the lead themselves. Popular resistance, such as it is, remains disorganized, and partly because of constitutional problems, virtually no antispending measures have reached the ballot.

In the last few years, a time marked by recession and high inflation in most countries, much research has been done on the effects of public spending. Two Oxford University economists, Walter Eltis and Robert Bacon, examined its effects on industrial structures and decided it tends to cripple growth rates of Western economies by checking the private sector's investment and its ability to create jobs.

The Hudson Institute Europe came to a similar conclusion, as has David Smith of Britain's National Westminster Bank. Mr. Smith estimates that each five-point increase in disposable income taken by government consumption lowers national growth by one point. One reason is that governments tend to waste resources because their outlays are not subject to the "signals" and disciplines of the market.

"The risk of misallocation rises when expenditure is rapidly increased," the O.E.C.D. declared in a study, "because this typically implies large shifts in the pattern of expenditure and thus increases the strain placed on the normal review and control mechanisms."

Some also argue that government benefits often seem to reduce incentives to work, although others dispute the point. According to John Kay, research director of the Institute for Fiscal Studies here, there is much talk about loss of incentive—particularly in Britain where the personal income-tax rate hits 83 percent at the $42,000 level, "but the amount of hard evidence for it is hard to come by," he noted.

Almost all O.E.C.D. countries have raised their public spending faster than their total output. This so-called elasticity ranged in the 1972 to 1976 period from 1.05 for Greece to 2.08 for Switzerland. The United States, at 1.25, was slightly below average.

To some extent, the sharp increases in share of national production spent by governments, either in consumption or in transferring wealth from one group to another, can be accounted for by recession after the quadrupling of oil prices five years ago.

But governments do not respond to abstract statistical warnings. The resistance to further big gains, which Mr. Poullier of the O.E.C.D. says "is strengthening a whole lot, in all kinds of areas," has many sources besides recognition of waste.

One factor is that the need for social insurance against illness or unemployment has been largely met in many countries, and in some cases additional spending, such as for advanced education for young people who can't then find satisfying jobs, can even be socially counterproductive.

Another brake is that taxable capacity seems to be reaching its limits. For one thing, countries trying to stimulate private investment are reluctant to raise corporate levies. For another, workers are growing much more aware of how inflation pushes them into higher tax brackets and are bargaining accordingly.

Not all countries, of course, have so far been receptive to the idea of slower spending growth. Europeans still tend to look first to the government to solve almost any problem.

In Britain, where there is an election this year, few people seem to think the Conservative Opposition will make much headway if it tries a major assault on public spending. Mr. Kay of the Institute for Fiscal Studies said he saw no economic or political obstacles to raising the levels again.

Overall, in the view of the O.E.C.D. and others, there is likely to be a further, but rapidly slackening, rise in public spending and no chances of declines. Absolute cuts would occur only if economies slumped in an "unprecedented" way, said Mr. Poullier. "There are simply too many vested interests."

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that a bill introduced earlier by the Senator from Wisconsin (Mr. PROXMIRE), dealing with the President's budget, to which he has just alluded, be referred jointly to the Committee on Appropriations and the Committee on the Budget.

The ACTING PRESIDENT pro tempore. Is there objection?

The Chair hears none, and it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Kentucky (Mr. HUDDLESTON) is recognized for not to exceed 15 minutes.

Mr. HATFIELD. Will the Senator yield for a moment?

Mr. HUDDLESTON. I yield to the Senator from Oregon without losing my right to the floor.

Mr. HATFIELD. I thank the Senator from Kentucky

WHERE I STAND ON NATIONAL DEFENSE

Mr. HATFIELD. Mr. President, today I am introducing into the RECORD the text of a guest editorial which appeared in the Oregon Statesman-Journal earlier this month.

During my years in the Senate, there has been, from time to time, both curiosity and criticism directed toward my position on national defense. I believe it is important, as this Congress considers the SALT II agreement, that my colleagues and constituents know not only where I stand on national defense, but why and how I arrived at my conclusions.

The text of my guest editorial follows:

EDITORIAL

From time to time, I have been labeled one of the "doves" in the Senate who has been "consistently" opposed to national defense. This accusation stems from my regular "nay" vote on the Defense Department Appropriations bill and appropriations for the military applications section of the Energy Department Appropriations bill. Upon closer inspection of my record, however, it becomes clear that I am not against national defense. The military has a legitimate role in the protection of our society, but I also believe that strong social, economic, and political structures contribute equally to national security and are essential to the strength and welfare of our country.

While each and every defense-related issue must be judged on its own merits, I thought it might be helpful if I constructed a framework from which I make my decisions on any given military matter. Such a review of the premises of my position on defense issues will put my past record in proper perspective. It will also serve as a future guide to understanding the various positions I am called upon to take as the United States Senate considers the direction of U.S. military policy in the 1980's and beyond.

First, it is important to realize that much of my philosophy on defense issues originated from my experience in the United States Navy during the Second World War. As the commander of a landing craft at Iwo Jima and Okinawa, and one of the first Americans to witness the destruction of human life and property as a result of the first use of atomic weaponry in Hiroshima, I have seen war and experienced its ugly devastation. I was struck by the futility of war, and particularly distressed over man's apparent incapacity to learn from lessons of the past and his inability or unwillingness to adjust to changing circumstances in the world. Not long after the end of World War II we found ourselves involved in a new war—the Cold War—but despite the new reality of nuclear weapons, we have allowed ourselves to fall into the trap of thinking that we can guarantee military superiority in the nuclear age. We have expended considerable efforts attempting to maintain our No. 1 position militarily, as though it had some sacred value or actual military signficance.

I do not deny that legitimate defense will be necessary as long as we live in a hostile world. But, all too often, our military planning has been based on excesses beyond defense requirements in a nuclear age. Such planning has had the direct effect of wasting precious resources, both human and natural, and the indirect effect of actually causing us more insecurity than security. We expect the world to trust our stated desire for peace, not realizing that perhaps our military might may cause our adversaries to question our motivations and likewise prepare for the war that no one wants. This is the fallacy of the "peace through strength" philosophy. We cannot carry the "big stick" because we cannot use it. Strength as it has been traditionally defined is no longer appropriate. In fact, we have seen on several occasions that relatively minor powers have been able to use the "nuclear stalemate" to expose our very real weaknesses. Certainly, the massive economic power which the various oil exporting nations have acquired gives us a vivid example of the changing dynamics of the international system. Unfortunately, our nation has taken for granted its economic power, and in recent years, we have witnessed a decline due in large part to our propensity for approving unparalleled levels of defense spending in the name of promoting national security. This leads me to my second point.

I reject the argument that military spending is, in and of itself, a valid indicator of our nation's defense posture. More spending cannot necessarily be equated with more security. As I have already shown, we are as a nation in the position of being so powerful militarily that we are actually more insecure (in a military sense) than we have ever been. Comparisons of Soviet-U.S. military spending are made regularly in an effort to "prove" our growing military weakness. Consider the following statement made by then-Secretary of Defense James Schlesinger in 1975: "If one strips away pensions and other such considerations, the Soviets may at this point, in terms of American dollars, be outspending us by 50 percent. They are outspending us, even including pensions, by approximately 30 percent."

First, since the Soviets do not spend dollars on defense, it is misleading and inaccurate to compare dollar levels of U.S.-Soviet military expenditures. Intelligence estimates of Soviet expenditures are based on a calculation of what it would cost to build the Soviet arsenal in this country, and pay its troops the equivalent of U.S. military wages. However, Soviet manpower costs are much lower than ours, and their centrally-planned economy allows them to artificially suppress the cost of material. It is no wonder that, given these facts, our present method of calculation inflates Soviet spending levels. Not surprisingly, if we were to compare our two defense budgets on the basis of rubles instead of dollars, (i.e. figuring U.S. military expenditures on the basis of what it would cost to maintain our present level of weapon sophistication and manpower benefits and wages in the Soviet Union) we would outspending the Soviets by a considerable margin.

Second, while more spending may indicate the purchase of additional military hardware, it may also (and perhaps, more probably, if our experience is any indication) mean that because of inefficiencies, the Soviets are in fact having to pay more for what they previously could have purchased for less. As I have already alluded, cost overruns, waste, and general inefficiencies drive up the cost of most of our major weapons systems. However, just because we are spending more does not mean that we are buying any more security. As a case in point, during the last session of the 95th Congress, a measure was approved to pay two private construction firms over one-half of a billion dollars just to get them to continue construction on ships which were determined crucial to our national defense. We did not purchase any more ships, however, the unexpected expense was reflected in additional "defense" spending. Would anyone really contend that under these circumstances a larger budget meant additional national defense?

Of course, there are other aspects of the defense spending controversy which hit even closer to home. I am persuaded that our defense budget is the single greatest cause of inflation in this country. We listen carefully to the President speak to the very serious problem of inflation and outline a plan of action to deal with it. Yet, there was no mention of the defense budget's effect on inflation. Talk of cutting the federal deficit is popular nowadays, but one wonders how effective such a program can be when the President has tentatively decided to exclude the largest single budget function, the defense budget, from any cuts. In fact, early reports suggest that the defense budget will be increased by 3 percent.

We must realize that military spending is almost pure inflation. Dollars spent in this part of the economy generate demand through the salaries of military personnel and defense workers and the profits of arms suppliers. But they contribute no offsetting supply of goods and services that can be bought and sold on the market. Hence, there is an inevitable upward pressure on prices. It is interesting to note further that much of the inflation we are experiencing began with the Vietnam War. Prior to the Kennedy-Johnson years, the range of inflation was 1 to 3%. The consequences of our deficit spending policies to finance the approximately $150 billion war effort continue to be felt by Americans today.

As a final point to the question of military spending, it seems to me that as trustees of the tax dollars of the American people, we Congressmen and women have the responsibility to respond to the following question: what level of defense spending will ensure our country's survival? The fact is, after attempting to give a satisfactory answer to this question, we will undoubtedly come to the conclusion that there is no dollar figure which could guarantee our security. Even if we were to spend $200 or $300 billion per year on defense, we could not ensure that the Soviets would forgo any contemplated attack upon this country. The sad fact is that in the nuclear age, we cannot "buy" security no matter how hard we try. This brings me to my third major point, that of military sufficiency.

The American taxpayer should not be asked to pay for, nor does our national security require, a military machine that is qualitatively and quantitatively superior to that of our adversaries in all respects. It is only necessary that we have strength sufficient to perform the mission. In this regard, there is always the danger of making numerical comparisons of forces. In a strict numerical sense, one could easily show that the Soviets lead the United States in many categories, and of course, the temptation is to attempt to use such numerical comparisons to justify more defense spending, regardless of the proportional military value of one increment more of a given piece of military hardware. Mr. John Collins, a Library of Congress researcher and former Army Colonel who is, himself, a strong advocate of the need to strengthen our defense establishment, has concluded in his recommendations that "step one in the process of obtaining a better balance between American and Soviet military strength is to ascertain our true requirements, based on imperative U.S. interests, objectives, and commitments." He continued: "More money may be essential, but bolstering budgets would produce few benefits unless U.S. leaders stand back, survey the strategic forest instead of the tactical trees, challenge assumptions, subordinate special interests, stress proven principles, and press for practical change."

The suggestion is that perhaps the military establishment has not been able to provide the security the American people thought they were buying with their FY 1979, $117.5 billion budget; that perhaps certain service-connected desires have been given higher priority than a coordinated, efficient defense program. This is not to place all of the blame on the military. There are many examples of what has been called the work of the "Congressional-Industrial Complex." Take the following example of Congressional extravagance: this year the Pentagon did not want to buy more A7 attack planes, an aircraft President Carter says is obsolete. But the Navy is buying 12 of them anyway because Congress said it will have them. This meant a $110.4 million addition to the FY 1979 defense budget. More security? Many other examples abound, but the point is that just because we are making billions of dollars worth of purchases, this is no indication that we are necessarily getting "good defense."

Another problem in the numerical approach to defense planning is that often times very basic qualitative facts about our adversary's military arsenal are overlooked. Note the following comparison of the qualitative aspects of our two defense forces: 1) while U.S. missiles maintain a 100 percent readiness rate, Soviet ICBM's are kept at a low rate of preparedness; 2) although the Soviets have more fighter aircraft in Europe, the United States has new fighters such as the F–15 and F–16, planes with a definite qualitative advantage; 3) while the Soviets have been rapidly building their naval forces, only one out of every six Soviet ships is kept in readiness at sea, compared to one in three for the United States; 4) although the United States keeps half of its strategic submarines on patrol, the Soviets have only 11 percent of their 83 missile subs (many of them old-fashioned and noisy) on station at any one time; 5) etc.

Two other very important aspects of the military balance between the United States and the Soviet Union also deserve our attention. First, while the United States is surrounded by two oceans and friendly neighbors, the Soviets are surrounded by oceans which make winter navigation extremely difficult, if not impossible, the Peoples Republic of China and a formidable NATO military force in Western Europe. Such is the seriousness with which the Soviets view the Chinese "threat", that they have been forced to tie down roughly a fourth of their land power, and nearly a fourth of their air power on the border. Preparing defense plans for such a geographic situation would most certainly include the maintenance of a considerable military force. The United States does not have this problem.

Second, in regard to the manpower aspect of the military postures of our two nations, it would appear on the basis of crude figures that the Soviets have a wide lead over the United States—4.8 million for the Soviet Union, 2.1 million for the U.S. However, what is not revealed in these figures is that this disparity in manpower levels existed for more than 20 years, excepting the time of our Vietnam build-up. Furthermore, it should be pointed out that, whereas the United States delineates civilians from its active forces in calculating numbers of Defense Department personnel, the Soviets make no such distinction. They use military personnel to perform functions civilians do in this country. Also, it is interesting to note that the Soviets have approximately 35,000 personnel in strategic offensive forces to run roughly the same number of ICBM's, bombers, and submarines as the United States operates with only 75,000 people.

Of course, many more "facts and figures" could be produced, none of them totally able to prove our nation's military invincibility, but at least they paint a picture much less dim than we often hear in the media. Why, I have been asked, do the American people not get this side of the story? The answer to that question was recently given by the Deputy Secretary of Defense (No. 2 man in the Pentagon), Mr. Charles Duncan, in a very candid speech to a Connecticut Council of Navy League luncheon. After enumerating the many qualifications of Soviet military strength he said: "If all this is true, why—you may ask—do some have the view that the Soviet Union has become the world's number one military power? The answer is that, to a large extent, we have created that image ourselves. In the understandable desire to reverse the anti-defense mood and the propensity for reduced defense budgets of the early 1970's, U.S. officials tended to present trends in Soviet military budgets and capabilities independent of the many qualifications (of Soviet power)." This is the position I have taken all along.

I have supported legitimate defense measures in the past such as: Modernization of our strategic B–52 bomber force, funding for the less-expensive but fully capable F–18 fighter aircraft, modernization of our Polaris and Poseidon submarine fleet, and construction of the Trident submarine. Furthermore, I have supported the construction of facilities for U.S. military personnel at home and abroad, and the maintenance of various benefits for military service rendered by our servicemen and women. I have also been a strong supporter of the Coast Guard, and our military reserve components. However, I must continue to reject the Pentagon's affinity for inflating the Soviet threat in an effort to scare the American public into believing that it must continue to sacrifice more and more precious tax dollars to the defense establishment. Apparently the "bomber gap" of the 1950's and the "missile gap" of the 1960's has taught us little about the nature of the military establishment and the extent of Soviet military capabilities.

As a final point under the general subject of military sufficiency, I think it is important to point out that not only does our overall military capability suffer because of our desire to be #1 in all aspects of defense, but our servicemen and women throughout the world also suffer. Much has been said and written about the difficulties of these men and women who are serving their country, yet the only answer we in the Congress get from the Pentagon is "give us more money." Parents and soldiers alike write to me and ask me what I propose to do to maintain this or that benefit, or how would I like to live under the conditions that they have to. The problem is not that there is not enough money; the problem is that the Pentagon wants "more" standing forces than are necessary or than can be properly cared for and trained. Such is among the most unfortunate results of the "build-up-the-Soviet-threat" policy that Mr. Duncan acknowledges takes place.

In conclusion, although I have devoted most of my comments to the arms race between the United States and the Soviet Union, it is a grim reality that last year the *global* arms race consumed approximately $400 billion. This "call to arms" has been taking place despite the fact that much of the world's violence and instability stems from unmet human needs. We can see today in Iran a vivid example of this proposition, and history is filled with many more. I am totally convinced that a truly stable world order requires meeting the needs of people, rather than merely enhancing the destructive capabilities of governments. Unfortunately, in too many circumstances such neglect of human needs has put us in the position of having to constantly fight the symptoms of a disease we could have cured. A member of the House Armed Services Committee recently stated: "Every single American knows what our problems are. They know there is misery in this country. Rather than assuming the responsibility with courage and conviction, we then talk about the military threat to our country and say, 'We are becoming a second-rate power.' The reality is this: We are a third-rate power right now in terms of our ability to sustain life. We are a third-rate power in our ability to deal with human conditions in this country. We are a third-rate power in many areas that speak to the human misery of people. . . . We are not going to be attacked from outside. We are being destroyed from within."

President Eisenhower put it in slightly different, though profoundly prophetic, terms: "There is no way in which a country can satisfy the craving for absolute security, but it can easily bankrupt itself, morally and economically, in attempting to reach that illusory goal through arms alone. The Military Establishment, not productive of itself, necessarily must feed on the energy, productivity, and brainpower of the country, and if it takes too much, our total strength declines."

Soon the Senate will be considering a SALT II treaty negotiated between the United States and the Soviet Union, ostensibly for the purpose of limiting strategic armaments. However, over the past few days and weeks, I have grown increasingly concerned that efforts to ratify the SALT agreement are, in fact, serving to intensify the arms race rather than control it. As the negotiations draw closer to a conclusion, the Carter Administration has continued to reveal new initiatives in strategic arms development. Presumably, this is an attempt to woo support of SALT II by demonstrating that it will not really affect our intention to develop and deploy new and more dangerous weapons.

We have heard of plans for a new civil defense program costing between one and two billion dollars. Development of the MX and Trident II missiles is being pushed, each costing several billions of dollars. The cruise missile, once a "bargaining chip" in the SALT negotiations, is viewed as a wonder weapon despite the problems it causes for verifiable arms control. Furthermore, there are rumblings in the field of space war technology and particle beam weapons. And, most disturbing and destabilizing of all, plans for a highly accurate, terminal guidance warhead are proceeding.

If this is what it takes to secure ratification of a SALT II agreement, I do not believe it is worth the price. Pretending to control arms while promising more of them is the height of cynicism.

The goal is disarmament, not arms sophistication. An arms agreement ratified on promises of new weapons lends support to the mentality that our security can only be obtained by reliance on the terror of nuclear destruction.

A COMMITMENT TO COAL

Mr. HUDDLESTON. Mr. President, it has been over 5 years since this country went through a 5-month crisis potentially as serious as any we have experienced in our lifetimes. For 5 months, while the Arab oil-producing countries limited production and quadrupled oil prices, thousands of Americans were thrown out of work: Thousands more feared that their jobs would be the next to go; unmeasurable economic disruptions and losses occurred; and all of us spent hours in gasoline station lines. Our very way of life was threatened. We were all, in a sense, Arab hostages.

When it was over, we vowed "never again." We had learned the hard way that we could not afford to rely on anyone but ourselves for something as vital to us as energy. We saw the folly of depending on oil and gas for almost 75 percent of our energy when these fuels constitute only about one-half of 1 percent of our domestic resources. At long last, we began to return to coal to give us a desirable degree of energy self-sufficiency. Three Presidents—Presidents Nixon, Ford, and Carter—strongly committed us to a substantially greater reliance on coal, and to overcoming any obstacles to the utilization of that coal.

We cannot let that commitment waiver. We have made progress toward greater coal production and utilization, to be sure. But, we need only look at the oil import picture to know that we have a long way to go. According to a recent report by the Energy Committee, since the 1973–74 crisis, U.S. imports of crude oil and products have increased sharply from 6.2 million barrels a day in 1973—36 percent of total U.S. oil consumption—to 8.6 million barrels a day in 1977—47 percent of total U.S. oil consumption. Even more alarming, our dependence on the countries that embargoed us has increased from 8 to 21 percent of total domestic oil consumption between 1973 and 1977. And, we posted a record $28.5 billion foreign trade deficit in 1978—a sharp blow to an already faltering economy.

In spite of all this, I fear that with the passage of time, the daily reports of the "gas glut," and the prospect of Mexican oil and gas, our memories of 5 years ago are fading and our commitment to coal is diminishing. Already we have excess coal production capability. Coal is stockpiled throughout the coalfields, many mines are in short workweeks, and layoffs are prevalent.

Nothing could be more shortsighted than letting our commitment to coal falter. The excess of gas is temporary, and the situation in Iran should remind us of the fragile nature of dependence on foreign sources.

We need to continue a vigorous research and development program in coal. Instead, the proposed fiscal year 1980 budget reflects an overall 3-percent reduction in funding for coal research and development. In real terms, this represents a much more serious setback.

We need a strong program of coal conversion research, so that coal can be converted to gases and liquids and substituted directly for many uses of oil and gas. Instead, the proposed budget reflects a drastic step backward. The administration seems on the verge of dropping several promising projects, selecting out some prematurely, and delaying completion of others.

We need strong incentives for the commercialization of these synthetic fuel technologies.

We need a strong transportation network of highways and railroads to move coal from mine to market. Numerous times in the past, we have received commitments from the Department of Transportation that action would be started to solve the problems associated with coal transportation. But, in every instance any initiative has been either squelched by the Office of Management and Budget, delayed by DOT, or opposed by both agencies.

We need a strong program of assistance to State and local governments to help them deal with the impacts of energy-related growth. Additional legislation is needed, but even the limited impact aid authority already on the books is not funded in the proposed budget.

We need to free the coal industry from any duplicative or unnecessary Government regulations. A recent study on the coal industry by the Library of Congress stated that—

> The regulatory processes themselves, often imperfectly implemented within agencies and poorly coordinated between agencies, have added and continue to add additional costs, have created extensive delays, and have introduced great uncertainty as to what will be required and when approvals will be given.

An example that comes quickly to mind is a problem we are now having with the Environmental Protection Agency. They are considering an action which would seriously disrupt coal production in several Appalachian States by requiring Ohio utilities to use only coal produced in that State, an action which is totally contrary to the intent of the legislation under which EPA is acting.

Most of all, we need to create an atmosphere of certainty—certainty that the commitment to coal is genuine and longstanding; and, certainty that as the industry gears up to meet the directive of three Presidents to double coal production by 1985, they will not run into obstacles unmet by inaction or markets dried up by ambiguity.

The current uncertain atmosphere surrounding coal adversely affects every facet of coal production and utilization. It makes almost impossible the kind of long-term planning we need within the coal industry if coal is to reassume a role in our energy mix. It discourages investment and expansion among coal mine operators and among the utilities and industries which burn the coal. And, it discourages the kind of commitments we will need from private industry to build expensive conversion facilities to gasify and liquefy coal.

Uncertainty is a major contributor to the low quality of life in coal areas. Is the worker in the coal industry so difficult to understand when the boom or bust nature of coal helps deny workers long-term mortgages on their homes at reasonable interest rates; helps rob them of the financing necessary to develop their communities; and helps keep them in a constant state of anxiety over how longer their jobs will last?

At a recent Coal Commission hearing in Pikeville, Ky., we heard time and time again that only consistent, long-term Government policy can help bring certainty.

If we do not come forward with a firm and unquestionable commitment to coal, we will continue to suffer the economic consequences of energy dependence. We will continue to live with the constant threat of supply disruptions if the interests of energy producing nations do not coincide with our own. We will merely postpone the inevitable.

I will continue to work here in the Senate toward the goal of greater coal use, and I have written to the President to urge that he reaffirm that the commitment to coal is still a top priority of his administration. I ask unanimous consent that a copy of my letter to the President be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., January 29, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I want to express my very grave concern about recent actions of the administration with regard to coal.

In this connection, I totally share the sentiments expressed by our majority leader, Senator Byrd, at his Saturday press conference. There definitely appears to be a decline in interest and commitment by the government as far as coal is concerned. In particular:

The budget reflects a drastic step backward on coal conversion research. The administration seems on the verge of dropping several promising projects, "selecting out" some prematurely, and delaying completion of others.

The proposed F.Y. 1980 budget reflects an overall three percent reduction in funding for coal research and development. In real terms, this represents a much more serious cutback.

Administration spokesmen have made some confusing and troubling statements in recent weeks relating to the utilization of coal. Whereas coal was to be the centerpiece of our new energy policy, industry is now being told to use more gas, and emphasis on coal was sadly lacking in the State of the Union message.

On numerous occasions we have received commitments from the Department of Transportation that some effort would be started on problems associated with coal transportation. However, in every instance any initiative has been either squelched by the Office of Management and Budget delayed by D.O.T., or opposed by both agencies.

The Environmental Protection Agency is considering an action which would seriously disrupt coal production in several Appalachian states by requiring Ohio utilities to use only coal produced in that state. This, incidentally, is totally contrary to the intent of the legislation under which E.P.A. is acting.

My fear is that with the so-called gas "glut," the prospect of Mexican oil and gas, and the advent of Alaskan oil and gas, there may be a tendency to once again turn away from coal and diminish the commitment which seemed so strong just a few months ago.

Such an action, of course, would be extremely short-sighted. The excess gas will not last that long, and the situation in Iran once again demonstrates the fragile nature of dependence on foreign sources.

If we do not carry forward with the administration's stated commitment to greater coal utilization, we will merely postpone the inevitable. In that event, we will pay a heavy price in inflated costs and possibly shortages resulting from inaction.

I strongly urge you to issue a clear statement of administration policy with regard to coal utilization and conversion technology, and that you will make plain to all concerned that the commitment to coal is still a top priority of your administration.

Sincerely,

WALTER D. HUDDLESTON.

Mr. HUDDLESTON. I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The pending question is on the motion by the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I believe there is an order in for the transaction of routine morning business.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Is there morning business?

Mr. BENTSEN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

TERMINATION OF STATE GOVERNMENT SHARE OF GENERAL REVENUE SHARING FUNDS

Mr. BENTSEN. Mr. President, on Wednesday, I introduced a bill to terminate the State government share of general revenue sharing funds. The criticism of this proposal by the National Governors Association's Washington lobbyist was as predictable as it is erroneous.

I have, over the years, come to expect loud and vociferous protests from groups whose funds are proposed to be cut. Largely because the Congress has generally responded affirmatively to such pressures, we are in our current predicament—ever-expanding Federal expenditures and deficits.

The cuts that I am proposing would not affect the Federal payments to local governments which, in my opinion, have real needs. Eliminating the States would, however, reduce the Federal budget by $2.28 billion.

Using the National Governors Association's own figures, the State governments had a surplus of $4.9 billion in fiscal year 1977, $8.9 billion in fiscal year 1978, and are expected to have a surplus of $4.3 billion in fiscal year 1979. I am amazed that the Governors Association would criticize the use of these—their very own figures—on the grounds that their own figures exclude important aspects of the financial condition of State governments such as capital expenditure budgets. The NGA compiled these figures as an alternative to the national income account (NIA) data which includes a broader range of factors which bear on the fiscal condition of State governments including capital expenditures. The NIA data, however, predicts State and local governments will have a fiscal year 1978 surplus of about $26 billion. And the National Governors Association (NGA) urged Charles Schultze, in a letter dated February 16, 1978, to utilize their figures rather than the NIA estimates in assessing State government resources. In light of all of this, it is incredible that the NGA would criticize my use of their figures which obviously represent a very conservative estimate of the size of State government budgetary surpluses.

Moreover, in fiscal year 1977 the NGA predicted the fiscal year 1978 State operating surplus would be $4.1 billion. It actually wound up at $8.9 billion. It would not be unreasonable to assume, therefore, that their fiscal year 1979 estimates of $4.3 billion is grossly understated.

In any event, Mr. President, there is not one single State for which a deficit is predicted in fiscal year 1979. The Federal Government, on the other hand, expects a fiscal year 1979 deficit of $37.4 billion. The following table illustrates the relative fiscal position of aggregate State governments and the Federal Government:

(*Surplus in billions*)	
States:	
Fiscal year 1977	4.9
Fiscal year 1978	8.9
Fiscal year 1979 (estimate)	4.3
(*Deficit in billions*)	
Federal Government:	
Fiscal year 1977	—45
Fiscal year 1978	—48
Fiscal year 1979 (estimate)	—37.4

Mr. President, once again I would like to remind my colleagues that State and local expenditures represent the largest growth sector of the Federal budget. In 1960, Federal intergovernmental grants totaled $7 billion. The President's fiscal represents an elevenfold increase in aid to State and local governments. That represents an elevenfold increase in only 20 years.

In their haste to criticize my proposal, the NGA erroneously claimed that a recent JEC study concluded that local governments are better off than State governments. I wish to correct this impression and call the study, conducted by Dr. Edward Gramlich, of the University of Michigan, to the attention of my colleagues. The study, entitled "State and local budget surpluses and the effect of Federal macroeconomic policies," indicates only that relative to the 1960's, local governments' fiscal condition has improved more than that of State governments. The study documents, however, that "In almost every dimension one can think of, local governments are much more vulnerable fiscally to forces beyond their control than are States."

The report continued that "Localities are more likely to be threatened by deficits than are States and that localities will have less than they do to eliminate deficits in the short run."

Mr. President, it is never easy to eliminate existing programs. But we must all do our fair share to curtail the Federal deficit and to fight inflation. The State government share of general revenue sharing is no longer essential. Therefore, I urge my colleagues to support my proposal to exclude State governments from the revenue sharing program.

Mr. President, I note the Governor of Vermont said that we ought to be looking at categorical grants. He is right, we ought to be looking at categorical grants. But, in addition to that, we can make a very clean and incisive cut here, and those of us who are looking for a way to cut back on the deficit in the budget can do so by saving $2¼ billion in aid being extended to the States with a surplus.

I thank the Chair.

Mr. ROBERT C. BYRD addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

BALANCED BUDGETS AND THE NATIONAL INTEREST

Mr. ROBERT C. BYRD. Mr. President, I support the goal of a balanced budget and will work toward its achievement in the 96th Congress. I believe, however, that a constitutional amendment requiring a balanced budget would not be in the Nation's best interest. Such an amendment could represent a major step backward. Indeed, under some conditions, it could perpetuate imbalance.

In part, our understanding of the economic lessons of the past is at issue here. Early or classical economists believed that the economic system was self-correcting by nature. When distortions in the economy occurred, such as periods of high unemployment, they believed that automatic adjustments in the price and wage systems would restore the economy to full employment. As long as this belief was held, Government budgets were not used purposefully to help work out economic distortions. Accordingly, the annually balanced budget was an unquestioned goal of public finance. As stated by Adam Smith in 1776, "The only good budget is a balanced budget."

As we now know, the belief in "automaticity" did not square with economic reality. The Great Depression provided proof that "automatic" wage and price adjustments would not insure the health of the economic system—that is, full employment at low levels of inflation.

Today it is recognized that there is a need for discretionary fiscal policy. Levels of Government spending and tax revenues are deliberately set by Congress as policy tools. Under this philosophy, the Government's budget has a "countercyclical" function. To offset an economic slowdown, recession, or depression, the Government must consider reducing taxes and raising expenditures. By incurring a deficit, the Government stimulates the economy.

If we were to go forward with a constitutional requirement for an annually balanced Federal budget, we would prevent Government fiscal policy from serving as a countercyclical tool. In some instances, such a requirement could intensify the harmful effects of the business cycle. For example: during a recessionary period, tax receipts can be expected to decline. In order to achieve a "balanced budget," the Government must either raise taxes or reduce expenditures, or both. The effect of such action would further dampen the economy and add to unemployment.

Thus it is now recognized that the "balanced budget" is not "neutral." It would have different effects at different stages of the business cycle. It could tip the economy from an economic slowdown into a more serious recession.

It should come as no surprise that during the most recent years of recession, economists advised conservative and liberal politicians alike against attempts to wipe out the deficit by raising taxes:

Mr. President, some are now attempting to make the case for a Federal constitutional amendment on the grounds that the States of the Union are insisting on budget balance. Currently, some 26 States have a constitutional provision requiring a balanced budget. Another 22 States have statutory requirements, while only 2 States have neither constitutional nor statutory language on balancing the budget.

Those who make the case for a Federal constitutional amendment cite these facts, arguing by analogy that a balanced budget requirement is appropriate economic policy for the Federal Government.

The analogy is not useful. The Federal Government faces responsibilities which are different in kind and magnitude from those of the States. Foremost is the constitutional responsibility to provide for the common defense. It has been suggested that a constitutional amendment could contain language to permit an unbalanced budget when a "supermajority" of Congress declares a national emergency. Such a proviso would inhibit the flexibility needed to set economic policy and respond to national emergencies.

The requirement—whether constitutional or statutory—that States maintain budgetary balance normally includes operating budgets, but not capital expenditures.

Were the United States to follow such accounting practices, separating its capital budget and operating budgets, we would find that the deficit would be wiped out. Indeed, there would be a surplus in the budget proposed by the President for fiscal year 1980.

One must take into account the fact that Federal aid to States (excluding loans and tax expenditures) has steadily risen, significantly contributing to the ability of States to balance their budgets while making it harder for the Federal Government to do so. Between fiscal year 1970 and fiscal year 1978, Federal aid to State and local governments rose from $24.2 billion to a record $77.9 billion—more than a twofold increase. In 1979, Federal aid to State and local governments is estimated at $88.1 billion. As a percentage of total State and local expenditures, Federal aid to State and local governments has nearly doubled over the past 13 years, from 15 percent in fiscal year 1965 to 27 percent in fiscal year 1978.

Much of this aid goes for programs which the States would be loathe to see reduced. In fiscal year 1978, for example, Federal aid to States included $3.0 billion for local public works programs, $6.8 billion for general revenue sharing, $5.7 billion for the Highway Trust Fund, and $2.0 billion for urban mass transit.

In States which have requested a constitutional convention to consider a balanced budget amendment, Federal aid in fiscal year 1978 amounted to some $31 billion—about three-fifths of the Federal deficit in that year.

Mr. President, I recognize that controversy now surrounds a countercyclical budget policy because the economy is simultaneously experiencing slow growth and high inflation. In light of these dual problems, there are some who are ready to amend the Constitution to return to the classical balanced budget philosophy.

This would be precipitous. At the very time when flexibility is needed to deal with serious economic fluctuations, an absolute requirement to balance the budget would tie the hands of Congress.

It is important to keep the balanced budget concept in perspective. It is not a cure-all or panacea for inflation. It will not insure progress against inflation. It will not increase national productivity, for example. However, it would set an example for the private sector, and thereby should encourage the cooperation needed to moderate wage and price increases—major factors in the current inflation.

In stressing the need for budgetary balance, it is often forgotten that there are many causes of inflation unrelated to the size of the deficit. The Council of Economic Advisors maintains that "the major inflationary pressures in 1973 and 1974 were not caused by domestic monetary and fiscal policy." Much inflationary pressure originates outside the U.S. economy. For example, the quadrupling of the world price of oil was the single most important cause of the 12.2-percent rise in consumer prices which occurred in the United States in 1974.

Mr. President, we must recognize that the path leading to a balanced budget is paved by thousands of difficult and painful decisions. I see no substitute for hard and deliberative work by the Congress. I do not believe that the public fully understands that the deficit figure contained in Congress' second concurrent budget resolution for fiscal year 1979 was approximately $21 billion below the deficit in the President's proposed budget, submitted in January of last year.

Mr. President, the constitutional requirement of a balanced budget is not in our national interest. It is a dangerous shortcut on the path to a balanced budget which may prove counterproductive.

Mr. President, I ask unanimous consent to have printed in the RECORD a table entitled "States Which Are Requesting a Constitutional Convention for an Amendment Related to Deficit Spending."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

States which are requesting a constitutional convention for an amendment related to deficit spending

States:	*Federal aid received FY 78 (Preliminary figures)*
Alabama	$1, 240, 569
Arizona	763, 318
Arkansas	779, 074
Colorado	825, 855
Delaware	225, 033
Florida	2, 364, 186
Georgia	2, 036, 993
Indiana	1, 259, 679
Kansas	615, 820
Louisiana	1, 358, 360
Maryland	1, 318, 423
Mississippi	915, 855
Nebraska	458, 783
New Mexico	608, 411
North Carolina	1, 655, 955
North Dakota	259, 138
Oklahoma	937, 180
Oregon	1, 075, 400
Pennsylvania	3, 912, 086
South Carolina	903, 414
South Dakota	288, 446
Tennessee	1, 330, 860
Texas	3, 295, 287
Virginia	1, 468, 126
Utah	434, 261
Wyoming	235, 707

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. PROXMIRE. Mr. President, I commend the majority leader on the speech he has just delivered.

I point out that the distinguished Senator has just indicated, as I recall, that he feels that a constitutional amendment mandating a balanced budget could be a mistake because of the rigidity it would impose on the economy and because it could be counterproductive in recession periods and possibly drive us into a depression.

Mr. ROBERT C. BYRD. Yes.

Mr. PROXMIRE. I agree wholeheartedly with that. I think it is a very responsible and helpful position.

Incidentally, the majority leader takes the same position as the Chairman of the Federal Reserve Board, who appeared before our committee, the Secretary of the Treasury, and other distinguished leading economists who have argued against it.

On the other hand, would the Senator agree that the sentiment to try to persuade Congress to follow a more prudent fiscal policy in the future, in order to avoid the colossal deficits we have had year after year, is sensible and understandable; that we should do our best to accommodate that?

Mr. ROBERT C. BYRD. Yes. We should continue to work toward a balanced budget. I think the concept itself is good.

It is only that I would very much be opposed to a constitutional amendment mandating Congress to enact a balanced budget, because it would straitjacket Congress and leave it inflexible to deal with economic crises. I believe it could certainly impact on our national defense, because much of our national defense funds are in the pipeline, have to be in the pipeline for a number of years, before the final harvesting of the weapons systems for which those funds are provided.

Mr. PROXMIRE. I hope the distinguished majority leader will take a good, hard look at the bill which has just been introduced by a number of us, including the Senator from Rhode Island, the Senator from Georgia, and others, which would provide that the President should submit a budget that would be in balance in the event the real growth of the country is 3 percent or better.

If we do that, it means that in periods of vigorous expansion, we will have a balanced budget and a surplus, and in periods of recession or slow growth we will have a deficit that will stimulate the economy.

I think it is the kind of long-term commitment, written into law, that could assure the people that we mean business about fighting the Federal Government as an engine of inflation.

It is something the majority leader might be interested in looking at, and we would be honored to have him as a cosponsor.

Mr. ROBERT C. BYRD. I thank the distinguished Senator. I shall take a very careful look at the proposal.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

Mr. PROXMIRE. Mr. President, are we in the morning hour?

The ACTING PRESIDENT pro tempore. The Senator is correct.

THE GENOCIDE CONVENTION: ADDING A MORAL DIMENSION TO OUR FOREIGN POLICY

Mr. PROXMIRE. Mr. President, the moral dimension of this administration's foreign policy has been stated over and over by President Carter and other leaders of our country. Unfortunately, these high ideals—these noble works—have been undercut by the inaction of this body on the major human rights treaties pending before us.

Those nations and groups of people that look to the United States for leadership and guidance by both example and expressed intent, are caught short and have been left waiting.

Mr. President, those countries, both allies and neutrals, have watched this great country of ours take the leadership role in many areas of domestic and foreign policy since the tragic holocaust of World War II; space exploration, the peaceful uses of nuclear technology, freedom of emigration.

The examples are endless. But where have we been in the vital area of protecting human life? Where have we been when it has come to learning the vital lessons of the tragedy of the holocaust?

Mr. President, today we have an opportunity to assert the leadership that has been lacking. We have the opportunity to join 83 others nations in ratifying the Genocide Convention and catch up and provide leadership—admittedly belated—in this important area of human rights.

I am reminded of the late Chief Justice Earl Warren's words regarding the treaty. He stated that "we as a nation should have been the first to ratify the Genocide Convention."

It remains my hope that we will not be the last.

DELAY IN FILLING VACANCIES

Mr. PROXMIRE. Mr. President, the Banking Committee has been waiting several months for nominations by the White House for 20 vacancies that require Senate confirmation. They include one seat each on the Federal Home Loan Bank Board and the Securities and Exchange Commission, two seats on the Federal Reserve Board, three seats on the new National Credit Union Administration Board, and the 13 members of the Board of Directors of the National Consumer Cooperative Bank.

The White House has been long aware of most of those vacanies yet nothing has been done to fill them. I find this very hard to understand. I just cannot fathom why it ends up taking months for this administration to settle on nominees and then send the Senate their names.

The SEC vacancy is a glaring example of White House delays. I wrote the President on February 5, 1978, urging him to reappoint Commissioner John R. Evans when his term expired in June. June 8, the expiration date of Mr. Evans' term, came and went with no action by the White House. I wrote the President about the Evans seat last September, and Senator GARN and I wrote the White House again on January 30 of this year about that vacancy. Throughout this period, Mr. Evans has graciously remained as a member of the Commission on an interim basis.

The long delay in filling his seat has created great uncertainty at the SEC which has several crucial issues awaiting action. It also is personally unfair to Mr. Evans who needs to be able to make plans for his future.

Also, Mr. President, the seven-member Federal Reserve Board has been down to five members and without a vice chairman since mid-November. We were caught suddenly by the untimely death of Vice Chairman Stephen Gardner last November. But it was known last October that another Board member, Governor Jackson, was planning to leave in November. The committee has received no indication when it might expect to receive nominations for these posts.

I am also concerned about the long delay in filling the vacant third seat on the Federal Home Loan Bank Board, the agency that overseas the savings and loan industry and has an important bearing on the housing industry. Even though the Board by statute has three members, it has had its full complement for only 5½ months out of the past 3½ years. It took the Carter administration almost a year and a half to bring the Board up to full strength. That occurred last April when Anita Miller was confirmed as a member. But last October, Garth Marston resigned from the Board, leaving the Board once again with only two members. Mr. Marston's resignation was long expected but we have been waiting since then for the White House to select a replacement.

The National Credit Union Administration is another example of delay. Congress passed legislation in early November replacing the single administrator of the NCUA with a three member Board. We have yet to receive from the White House the names of the nominees for the Board seats.

I realize it takes time to find capable nominees for these important positions and to undertake the necessary background checks. Nonetheless, I believe many of these positions have been vacant for too long a period of time. I would hope that the administration will be sending us some names in the near future.

APPOINTMENT BY THE VICE PRESIDENT

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the Vice President, pursuant to Public Law 94-280, appoints the Senator from South Dakota (Mr. PRESSLER), from the Commerce Committee, to fill the vacancy on the National Transportation Policy Study Commission, in lieu of the Senator from Kansas, Mr. Pearson, retired.

DEATH OF NELSON A. ROCKEFELLER

Mr. JAVITS. Mr. President, I would like to call attention to the magnificence of the service for memorializing the passing of former Vice President Nelson Rockefeller, the former Governor of the State of New York. It was one of the most momentous and magnificent occasions I have ever seen in all of my life in New York, and I have lived there all my life. The eulogies of the two children, Ann Roberts and Rodman, the eulogy to his brother by David Rockefeller, and the magnificence of the tribute paid to the deceased in all our names by Dr. Henry A. Kissinger were something that our country can be extremely proud of, that we can produce such dignity and such feelings of sentiment and solid remembrance of a man who was of such great size and who gave so much to our country.

And the prayer of the Reverend Martin Luther King, Sr., Mr. President, was magnificent. I shall be including that in the RECORD.

The Riverside Church, which was founded and built with Rockefeller's support, which is very sentimental to me because my own children went to nursery school there when I represented the district in which it is located back in the 1940's, was presided over by the Reverend William Sloane Coffin, Jr., one of our leading churchmen.

Altogether, the taste and the quality was unbelievable.

The musical part of the program was most unusual, with beautiful choir singing by the Riverside Church choir, the solo of beauty by Roberta Peters of the Metropolitan Opera, and a typical Rockefeller touch, Lionel Hampton conducting what we could call a jazz orchestra. He always campaigned with Nelson Rockefeller. I have been on a hundred sound trucks with both of them.

He played a musical tribute to Nelson Rockefeller and the recessional—so my colleagues can appreciate the service—was the Battle Hymn of the Republic and Nelson Rockefeller's personal favorite song of a kind which Lionel had played for him for years, and which he loved, "Sweet Georgia Brown." The solemnity of the moment was enhanced by this rather direct way of expressing the American view.

So, Mr. President, I ask unanimous consent that comments from the eulogies of the memorial for Nelson A. Rockefeller, together with the news report of the service and the special story "Memorial Expresses Rockefeller Spirit," may all be printed in the RECORD.

There being no objection the material was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM EULOGIES AT MEMORIAL FOR ROCKEFELLER

(By Ann Rockefeller Roberts)

He was what he was—exuberant, energetic, extravagant. He was all these things and more without hesitation, without regret, with conviction at home as well as in the public eye.

To be his children was not always easy. But he filled our lives with excitement, and he challenged us to reach beyond our grasp. Not one of us will ever forget his insistence that we use our playtime to learn languages; his determination that we travel with him in Latin America and work on his projects; his willingness to share his love of art with us by spending hours together hanging pictures, and his wanting us to help build a chicken coup or garden wall so as to learn the use of our hands and the dignity of work.

He was energy itself. My mother felt his presence at home even before she saw or heard him.

After his death, my children and I were startled at how small his body looked. The vibrant spirit that gave power to his presence was gone.

To father, life was meant to be lived. As we leave this church today he would want us to get on with it, to go forward, to take our lives in our hands fully and joyfully as he did.

(By Rodman C. Rockefeller)

My brother, Nelson Jr., told us in his moving talk at the graveside that the spirit of our father, Nelson, will be with us always.

For 70 years his family, his country and the world lived with, enjoyed, and were benefitted with that spirit.

He was born into a period of revolutionary change which continues up until today. World War I was the background of his childhood, the Roaring Twenties influenced his teen-aged years, and he graduated into adulthood with the Depression.

Into that world, came Nelson Rockefeller, a man of power, of wealth, and equipped with the confidence born of that power and wealth. He loved people and the hurly-burly of the political campaign.

We share the image of his first statewide campaign, from Nathan's on Coney Island to Niagara Falls, as he charged into cheering crowds with "Hiya, fella" for everyone he could reach.

AN ETERNAL OPTIMIST

To understand the warmth and the depth of my father's spirit, one must turn to the role that appreciation and collecting of art played in his life. As he said at the opening of the Family of Man Exhibition: "I am sure that all of you have found, just as I have, that recourse to works of art yields a refreshment of spirit that can be attained in no other way, for the artist sees with an eye that the vision of ordinary perception cannot see."

The life of a whole man has unfolded before us, strong, even arrogant, impatient, yet wise and foreseeing, integrated in his love of life in all its daily challenge, yet governed by the purposes and the principles he grew up with.

Father was an eternal optimist, a man who saw in public and private service the highest opportunity to fulfill himself and his destiny. He was a politician who was not interested in politics for itself but as a means to govern. In government, he saw the fruition of his drives and ambitions in the solving of problems.

(By David Rockefeller)

I speak to you this morning as Nelson's youngest brother and as a member of a large family, which he loved and from which he drew strength: a family to which he gave devoted and constructive leadership.

Nelson was a man of action, with a deep belief in the worth and dignity of the individual, in the democratic process, in the American enterprise system and in the responsibility of each citizen to revere God and to help his fellow man.

He loved beauty and nature and the arts. He loved the companionship of people. He loved life.

In the family, this is a day of mourning—but it's also a day of thanks. Our family owes Nelson a great deal for his vision, for his radiant strength, for his initiative in setting goals and for the strong leadership he gave to every area that he touched.

His departure leaves a gap that will never be filled. But his spirit, his patriotism, his determination and his optimism will remain a vibrant force in our lives.

(By Henry A. Kissinger)

That Nelson Rockefeller is dead is both shattering and nearly inconceivable. One thought him indestructible, so overpowering was his energy and his deep faith in man's inherent goodness.

For 25 years, he had been my friend, my older brother, my inspiration and my teacher.

I first met Nelson Rockefeller when, as an assistant to the President, he called me, a graduate student, to join one of the panels of experts he was forever setting up to ponder the nation's future.

He entered the room, slapping backs, calling each of us by the best approximation to our first name that he could remember, at once outgoing and remote.

Intoxicated by the proximity of power, all of us sought to impress him with our practical acumen and offered tactical advice on how to manipulate events. After we were finished, the smile left his face and his eyes assumed the hooded look which showed that we were now turning to things that mattered.

"What I want you to tell me," he said, "is not how to maneouver. I want you to tell me what is right." And what is right for Nelson Rockefeller, this was the quintessential question, both naïve and profound, at once shaming and uplifting. It was a definition of his integrity.

QUINTESSENTIALLY AMERICAN

Nelson Rockefeller was a man of contrasting qualities, ebullient and yet withdrawn, gregarious and lonely, joyful and driven, full of the moment, yet somehow marked by eternity. He could be pugnacious in asserting his beliefs, but he respected those who differed with him. He could be hard but never petty, single-minded but never malicious. His enemies were the slipshod and the second-rate. Nelson always had a marvelous time. Nothing was too trivial for his attention.

He would rearrange the furniture in a friend's living room with the same enthusiasm that he rebuilt Albany or threw himself into projects to study the nation's future. He loved caviar and he loved hot dogs. He loved parties, and travel and meeting people.

Nelson was truly his brother's keeper. Nelson could not express in flip words the wellsprings of his motivations. One had to know him well to understand the tactile manner in which he communicated the meanings of the nudges, the winks and mumbles by which he conveyed his infinite caring.

He was an artist with sudden, unexpected flashes of insight that startled and sometimes astounded one.

Nelson Rockefeller was quintessentially American. To other nations, Utopia is a blessed past never to be recovered. For Americans, it is just beyond the horizon. One has to work with Americans, not listen to them, to experience their faith.

AN AMBITION TO SERVE

Skeptics might scoff at his belief in America's moral mission, but then cynics do not build cathedrals.

He revered his Presidents, whether or not he agreed with them. As a patriot, he sought to ease their burden. He winced when associates made unworthy comments about those who, in his view, had been entrusted with our future and, therefore, the hopes of mankind.

Nelson would be proud that two Presidents have honored him by attending this service. He would be touched at the act of grace of President Carter, who found time amidst the care of his duties for several gestures to ease the family's bereavement and then to extend the one solace that would have stirred Nelson the most—that his nation understood and appreciated his love and devotion to it.

He would be grateful to President Ford, whom he loved and whom he served with unselfish dedication as Vice President. He refuted the cynics who expected him to chafe at the limitations of the office, then stepped aside in midterm without slackening in his devotion to his responsibility. Nelson's ambition was to serve, not to be.

A TRAGEDY FOR THE COUNTRY

Much has been said or written about the frustration Nelson experienced because he never achieved the Presidency. This misunderstands the man. His failure to reach the Presidency was, in my view, a tragedy for the country. What a great President he would have been! How he would have ennobled it! What an extraordinary combination of strength and humanity, decisiveness and vision!

Yet, I never heard him express even one word of disappointment. As with everything, he sought the office with zest. But, when it eluded him, he went on to new challenges, undaunted, resilient, inexhaustible. In a sense, there was something inevitable and even noble in his gallant failure to win the nation's highest office. And, here again, the myths are wrong.

He never succeeded, not despite the fact that he was a Rockefeller, but because of it. His entire upbringing made him recoil before appearing to the people he wanted to serve as if he were pursuing a personal goal. Having been already so privileged, he felt that he had no right to ask anything for himself as an individual. And so this superb campaigner, who genuinely loved people, eschewed the personal pursuit of delegates.

He sought the office by trying to present to the nation the most sweeping vision of its future and the best blueprints to attain it. He had a touching faith in the power of ideas. It is not quite the way our boisterous political process works, more geared, as it is, to personalties than to programs.

In recent years, he and I would often sit on the veranda overlooking his beloved Hudson River in the setting sun. I would talk more, but he understood better. And, as the statues on the lawn glowed in the dimming light, Nelson Rockefeller would occasionally get that squint in his eyes, which betokened a far horizon, and he would say, because I needed it, but, above all, because he deeply felt it, "Never forget that the most profound force in the world is love."

(By Martin Luther King, Sr.)

So God, our Father, we lift up our hearts and souls to Thee in prayer. Grant, oh God, that we shall now come to see that our friend has fallen on a sleep; it isn't a dream, it's real. Grant that the family and all of us will come to grips with this and face it.

We thank Thee that we're not home yet. We tarry for a while here, but one day we shall all get home. Thou has given us a beautiful world. It may well be that we have not been good attendants as we might have been, but we thank Thee for the beauty of this world. We thank Thee for the life that was so beautifully lived among us, as has been said by each speaker.

Now God, now God, we will wait, we will wait. We will keep faith. We will keep on looking up despite what we meet. Sometimes, we feel our portion is more than it ought to be, but Thou does know what is best for all of us.

DIGNITARIES AND FRIENDS HONOR ROCKEFELLER

(By Peter Kihss)

The famous, the powerful and people who were just friends, 2,200 of them, honored Nelson A. Rockefeller yesterday at a memorial service that lauded his faith and his efforts for the nation—and ended with an upbeat jazz recessional celebrating his buoyancy and optimism.

President Carter, Vice President Mondale and Chief Justice Warren E. Burger flew in from Washington. Former President Gerald R. Ford and Secretary General Kurt Waldheim of the United Nations led national and international dignitaries in Riverside Church, an edifice built largely through the philanthropy of Mr. Rockefeller's father.

Four times elected Governor of New York and for two years the nation's Vice President, a man who inherited millions and viewed public service as a responsibility, Mr. Rockefeller died suddenly of a heart attack at the age of 70 on Jan. 26.

Former Secretary of State Henry A. Kissinger, solemn and slow-spoken, apparently trying to control his emotions, recalled the first admonition he got from Mr. Rockefeller as a recruited expert a quarter of a century ago: "Tell me what is right."

He also related a remonstrance. When he told President John F. Kennedy what was wrong with a particular policy, Mr. Rockefeller chided: "Your duty is to offer solutions."

It was a family occasion as well, in which Mr. Rockefeller's daughter, Ann Roberts, remembered that he had filled his children's lives with excitement and "challenged us to reach beyond our grasp."

"As we leave this church today," Mrs. Roberts said, "he would want us to get on with it, to go forward, to take our lives in our hands fully and joyfully as he did."

His oldest son, Rodman, also speaking from the pulpit, said, "I thank God that the world is a better place because Nelson Rockefeller passed by."

Mr. Rockefeller's brother, David, chairman of the Chase Manhattan Bank, said "this is a day of mourning, but also a day of thanks" for leadership and achievements and for "his ability to deal gracefully with disappointment as well as success."

The 75-minute tribute ended with Lionel Hampton at his vibraphone, accompanied by his jazz group, sending the congregants away with what was often the finale of Nelson Rockefeller campaign meetings, the zesty melody of "Sweet Georgia Brown."

Among those present were 80 members of the Rockefeller clan. His wife Margaretta, known as Happy, at times looked desolate, eyes downcast, and President Carter, next to her, whispered support. But she was strong again during a later reception for 250 people, embracing many of them and saying, "Thank you very much for your friendship."

Mr. Rockefeller's first wife, the former Mary Todhunter Clark, entered a second-row pew with her son, Steven, an associate professor of religion at Middlebury College, in Vermont. She seemed to fight back a tear when Mrs. Roberts spoke of the early days.

In the first row were Lady Bird Johnson, wife of the late President, and Secretary of State Cyrus R. Vance. Behind them were Governor Carey, Mayor Koch and New York's Senators, Jacob K. Javits and Daniel Patrick Moynihan.

There were more than 100 members of the Senate and House, including Senator Barry Goldwater, who won the Republican Presidential nomination over Mr. Rockefeller in 1964. And there were diplomats and other representatives from more than 70 countries, including Britain's Foreign Secretary, David Owen.

But there were also those without national renown. Agnes Roosa grew up in Pocantico Hills, where her late husband was a building painter for 50 years. She remembered playing baseball with the boy Nelson there long ago.

Clarence Roberts was Pocantico houseman for more than 20 years. Now retired, he came down from the Berkshires.

Robert Petfield was a tree surgeon for nearly 40 years, and Raymond Wylock was superintendent of maintenance. Both are now retired.

There were 27 designated ushers, a virtual inner circle for Mr. Rockefeller beyond his family—Joseph Canzeri, political advance man and in effect Pocantico's manager; J. Richardson Dilworth, the family's senior financial advisor; Wallace K. Harrison, the architect; Alton G. Marshall, president of Rockefeller Center; Donal C. O'Brien Jr., the family's chief counsel; Richard D. Parsons, Mr. Rockefeller's personal counsel; William J. Ronan, once secretary to the Governor, and Ann C. Whitman, Mr. Rockefeller's personal secretary as Governor and Vice President.

"Much has been said or written about the frustration that Nelson experienced because he never achieved the Presidency," Mr. Kissinger told those present. "This misunderstands the man. His failure to reach the Presidency was in my view a tragedy for the country. What a great President he would have been. How he would have ennobled us. What an extraordinary combination of strength and humanity, decisiveness and vision."

"Yet I never heard him express even one word of disappointment," Mr. Kissinger continued. "As with everything, he sought the office with zest. But when it eluded him, he went on to new challenges, undaunted, resilient, inexhaustible."

Mr. Kissinger contended that "the myths are wrong," and he argued that Mr. Rockefeller had failed to win the Presidency primarily because he was a Rockefeller.

MEMORIAL EXPRESSES ROCKEFELLER SPIRIT

(By Joseph P. Fried)

"The overriding concern was to create a service that would express something of father's spirit and give those who loved him the opportunity to express that spirit."

With those words Steven C. Rockefeller, the 42-year-old son of Nelson A. Rockefeller, explained the program of tributes, hymns, prayers and jazz music that formed yesterday's hour-and-a-quarter memorial to the late Vice President and four-time Governor of New York.

The service, at the Riverside Church in Manhattan, included a prelude by the American Brass Quintet because "I saw Nelson Rockefeller as a trumpet," said his nephew, David Rockefeller, Jr., a professional singer who was one of the family members involved in choosing the music.

The jazz selections played by Lionel Hampton's five-member group at the end included "Sweet Georgia Brown," which also had a special meaning for the family.

"Sweet Georgia Brown" is a song that "father always wanted to have played when he left a meeting," Steven Rockefeller recalled.

As the 2,200 people who had attended the service were streaming out of the church into the frigid winds blowing in from the Hudson River, the planning for the memorial program was described by Stephen Rockefeller, his wife, Dori, and David Rockefeller, Jr.

KISSINGER AT FAMILY MEETING

The "general outline" of the service evolved on Monday at a meeting that followed the burial of Mr. Rockefeller's ashes at the family's Pocantico Hills estate in Westchester. Among those attending the after-lunch meeting, in addition to family members, were former Secretary of State Henry A. Kissinger, for many years a close friend of Nelson Rockefeller, and Dr. William Sloane Coffin Jr., minister of Riverside Church.

Mr. Rockefeller's father, John D. Rockefeller Jr., financed most of the cost of building the Gothic-style, interdenominational Protestant church at Riverside Drive and 122d Street, and he also provided an endowment for maintaining it. The "long history of the family's association with this church" and the fact that it could accommodate the kind of gathering envisioned for the Rockefeller service determined that it would be the site, Steven Rockefeller said.

Choosing who would attend the service was a "long, elaborate process in which many people participated," said Mr. Rockefeller, who is an associate professor of religion at Middlebury College in Vermont.

THE BOND WITH KISSINGER

During that Monday meeting, the speakers for the service were also agreed on.

The family was represented by Nelson Rockefeller's two oldest children, Rodman and Ann Rockefeller Roberts, and by one of his brothers, David. Another brother, Laurance, would have found the occasion "difficult" for making a public statement, Steven Rockfeller said. Instead, a tribute that Laurance paid to his brother on the latter's 70th birthday last summer was printed on the program for yesterday's service.

Mr. Kissinger was chosen as one of the eulogists because "everybody realized his feeling for dad and their close bond," Steven Rockefeller said.

Dr. Martin Luther King Sr., father of the assassinated civil-rights leader, recited a prayer at the service after having called Happy Rockefeller, the former Vice President's widow, and offering to participate. According to Steven Rockefeller, Dr. King told Mrs. Rockefeller that he had once been told by her husband that "when his turn came, he wanted Daddy King."

FAMILY-TRADITION MUSIC

David Rockefeller Jr., who works in publishing and arts education as well as singing professionally, was joined by a niece of Nelson Rockefeller, Laura Chasin, in planning the musical part of the service. "A Mighty Fortress Is Our God" was selected because it had long been a Rockefeller family tradition to sing it. A similar reason was given for the inclusion of "Dear Lord and Father of Mankind," sung by Roberta Peters of the Metropolitan Opera.

But it was the group led by Lionel Hampton—"an old friend of father's," said Steven Rockefeller—that assured that the service would end on the kind of upbeat note that many at yesterday's service said reflected the exuberance characteristic of Nelson Rockefeller.

As the Hampton group played its version of "The Battle Hyman of the Republic," President Carter, sitting next to Happy Rockefeller in a front pew, patted her hand. Mayor Koch, sitting in a second-row pew on the other side that also held Governor Carey and Senators Daniel Patrick Moynihan and Jacob K. Javits, could be seen nodding his head with the rhythm of the music.

Steven Rockefeller said it was "the kind of service that would have deeply satisfied" his father. Around him the dignitaries and the friends, associates and employees of Nelson Rockefeller bundled up against the cold and left the church.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The period for the transaction of routine morning business is now closed.

RECESS FOR 30 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 1:22 p.m., recessed for 30 minutes; whereupon, at 1:52 p.m., the Senate reassembled when called to order by the Presiding Officer (Mr. HEFLIN).

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I understand that the nomination reported today by the Committee on Banking, Housing and Urban Affairs of Irvine Henry Sprague, of California, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of 6 years, has no objection from the other side.

I, therefore, ask unanimous consent that the Senate go into executive session for not to exceed 1 minute to proceed immediately with consideration of this nomination.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The clerk will state the nomination.

FEDERAL DEPOSIT INSURANCE CORPORATION

The assistant legislative clerk read the nomination of Irvine Henry Sprague, of California, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. MATHIAS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I believe the Senate is to go back to legislative session.

The PRESIDING OFFICER. Under the previous order, Senate will return to legislative session.

EXTENSION OF PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

S. Res. 57. An original resolution authorizing additional expenditures by the Committee on Banking, Housing and Urban Affairs for inquiries and investigations. Referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PROXMIRE from the Committee on Banking, Housing, and Urban Affairs:

Sterling Tucker, of the District of Columbia, to be an Assistant Secretary of Housing and Urban Development.

William Brownlee Welsh, of Virginia, to

be an Assistant Secretary of Housing and Urban Development.

Irvine Henry Sprague, of California, to be a Member of the Board of Directors of the Federal Deposit Insurance Corporation.

(The above nominations from the Committee on Banking, Housing, and Urban Affairs were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second tme by unanimous consent, and referred as indicated:

By Mr. PROXMIRE (for himself, Mr. Roth, Mr. Nelson, Mr. Pressler, Mr. Matsunaga, Mr. Chaffee, Mr. Nunn, Mr. Domenici, Mr. McGovern, Mr. Danforth, Mr. DeConcini, Mr. Helms, Mr. Exon, and Mr. Pell):

S. 331. A bill to amend the Employment Act of 1946 to require the submission of a balanced budget, and for other purposes; to the Committee on Appropriations and the Committee on Budget, jointly, by unanimous consent.

By Mr. PROXMIRE (for himself, Mr. Ribicoff, and Mr. Javits):

S. 332. A bill to reorganize and consolidate certain functions of the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation and the Federal Reserve System into a Federal Bank Commission to administer all Federal laws relating to the examination, supervision and regulation of the banking business both foreign and domestic; to the Committee on Banking, Housing, and Urban Affairs and the Committee on Governmental Affairs, jointly, and that if either committee reports, the other committee has 30 days within which to report, by unanimous consent.

By Mr. RIBICOFF (for himself, Mr. Javits, Mr. Baker, Mr. Bentsen, Mr. Dole, Mr. Heinz, Mr. Mathias, Mr. Matsunaga, Mr. McGovern, Mr. Moynihan, Mr. Pell, Mr. Percy, Mr. Randolph, Mr. Sarbanes, Mr. Stafford, Mr. Tsongas, and Mr. Young):

S. 333. A bill to effect certain reorganization of the Federal Government to strengthen Federal programs and policies for combating international and domestic terrorism; to the committee on Governmental Affairs, and if and when reported, referred jointly to Committee on Commerce, Science, and Transportation, the Committee on Foreign Relations, the Select Committee on Intelligence, and the Committee on the Judiciary, for not to exceed 30 days, by unanimous consent.

By Mr. BAYH (for himself, Mr. Cannon, Mr. Levin, Mr. Pressler, and Mr. Exon):

S. 334. A bill to amend the Clayton Act to provide additional regulation of certain anticompetitive developments in the agricultural industry; to the Committee on the Judiciary.

By Mr. JAVITS:

S. 335. A bill to establish an Urban Service Corps; to the Committee on Human Resources.

By Mr. MATHIAS (for himself, Mr. Baker, Mr. Javits, and Mr. Stevens):

S. 336. A bill to amend the Internal Revenue Code of 1954; to the Committee on Finance.

By Mr. MATHIAS:

S. 337. A bill to provide that legislation appropriating funds for payment of pay to Federal employees shall be enacted separately from other legislation; to the Committee on Rules and Administration.

By Mr. JOHNSTON (for himself, Mr. Jackson, and Mr. McClure):

S. 338. A bill to authorize the enlistment of citizens of the Northern Mariana Islands in the Armed Forces of the United States of America; to the Committee on Armed Services.

By Mr. STEVENSON:

S. 339. A bill to amend the Export-Import Bank Act of 1954 with respect to credit to communist countries, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LEAHY:

S. 340. A bill entitled the "Rural Health Needs Planning Act of 1979"; to the Committee on Human Resources.

By Mr. BURDICK (for himself and Mr. Young):

S. 341. A bill to authorize the Three Affiliated Tribes of the Fort Berthold Reservation to file in the Court of Claims any Claims against the United States for damages for delay in payment for lands claimed to be taken in violation of the United States Constitution, and for other purposes; to the Committee on the Judiciary.

By Mr. JOHNSTON (by request):

S. 342. A bill to credit certain service performed by National Guard technicians prior to January 1, 1969, as Federal employment for the purpose of civil service retirement benefits; to the Committee on Governmental Affairs.

By Mr. FORD:

S. 343. A bill for the relief of Dineshchandra G. Desai; to the Committee on the Judiciary.

By Mr. HATFIELD (for himself, Mr. DeConcini, Mr. Simpson, Mr. Gravel, and Mr. Pressler):

S.J. Res. 33. A joint resolution proposing and amendment to the Constitution of the United States with respect to the proposal and the enactment of laws by popular vote of the people of the United States; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE (for himself, Mr. Roth, Mr. Nelson, Mr. Pressler, Mr. Matsunaga, Mr. Chafee, Mr. Nunn, Mr. Domenici, Mr. McGovern, Mr. Danforth, Mr. DeConcini, Mr. Helms, Mr. Exon, and Mr. Pell):

S. 331. A bill to amend the Employment Act of 1946 to require the submission of a balanced budget, and for other purposes; to the Committee on Appropriations and the Committee on the Budget, jointly, by unanimous consent.

(The remarks of Mr. Proxmire when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. PROXMIRE (for himself, Mr. Ribicoff, and Mr. Javits):

S. 332. A bill to reorganize and consolidate certain functions of the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Reserve Systems into a Federal Bank Commission to administer all Federal laws relating to the examination, supervision, and regulation of the banking business both foreign and domestic; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, and that if either committee reports, the other committee has 30 days within which to report, by unanimous consent.

CONSOLIDATED BANKING REGULATION ACT OF 1979

Mr. PROXMIRE. Mr. President, today Senators Ribicoff, Javits, and I are jointly introducing legislation to streamline and make more efficient the Federal regulation of banks in the United States by consolidating into a single bank regulatory agency, the functions of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the bank regulatory responsibilities of the Federal Reserve. This single agency would be known as the Federal Bank Commission.

Federal regulation of commercial banks at the present time is a jurisdictional tangle that boggles the mind. We now have three separate Federal agencies regulating commercial banks. The Federal Reserve Board, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. National banks are chartered by the Comptroller, but they are required to be members of the Federal Reserve and to be insured by the FDIC. State-chartered member banks of the Federal Reserve are required to be insured by the FDIC. The Federal Reserve regulates all bank holding companies regardless of whether their subsidiary banks are regulated by the Federal Reserve, the Comptroller, or the FDIC. The FDIC is the insurer of bank deposits including those held by member banks of the Federal Reserve, but the FDIC regulates only those banks which are not members.

The bank regulatory structure I have described is duplicative. overlapping and wasteful of public resources. Banks operating within this maze have a privilege no other regulated industry enjoys. That is that banks can freely pick and choose which of the three agencies shall regulate them according to their own view of which regulator best suits their needs. In the process, the public interest which presumably should be paramount is made to stand on its head so that the special interests can prevail.

If a bank feels that one regulator is too tough on capital requirements, it can opt out of that agency's jurisdiction and into the hands of a regulator which will allow the bank to operate with a lower capital ratio. If a bank is under the jurisdiction of one agency which strictly enforces the antitrust laws against mergers, it can have an anticompetitive merger approved by changing regulators. If one agency determines that a bank holding company may not expand into a particular nonbank activity, another agency may permit a subsidiary bank of the bank holding company to engage in that very activity.

Arthur Burns, the former Chairman of the Board of Governors of the Federal Reserve System, perhaps captured the flavor of the current regulatory system best in a speech to the American Bankers Association when he outlined the defects in the regulatory structure, stating:

> The present regulatory system fosters what has sometimes been called "competition-in-laxity." Even viewed in the most favorable light, the present system is conducive to subtle competition among regulatory authorities, sometimes to relax constraints, some-

times to delay corrective measures. I need not explain to bankers the well-understood fact that regulatory agencies are sometimes played off against one another.

The competition-in-laxity among the three bank regulatory agencies of which Dr. Burns spoke has led to regulation among the regulators at the lowest common denominator level. One consequence has been that the capital structure of the banking system has declined precipitously in the last 30 years. The banking system emerged from World War II in a liquid and adequately capitalized position. Since then unsafe and unsound banking practices have proliferated in the banking system and the regulators have stood silent, reluctant to use the powers they had to stop unsafe or unsound practices.

This unfortunate situation has given rise to the largest bank failures in the history of the Nation in recent years—U.S. National, Franklin National, Security National and Hamilton National—failures which sent confidence tremors throughout our financial system and the world's financial system.

In the last Congress, pursuant to a resolution of the Senate (S. Res. 71), the Governmental Affairs Committee published its "Study on Bank Regulation." The conclusions of that study put their finger right into the crux of the problems inherent in the three-fold division of authority which exists in bank regulation in stating that:

> This ability to select a Federal regulatory agency has resulted in forum shopping—choosing a regulatory agency that best suits a bank's needs. In turn, forum-shopping has encouraged the banking agencies to compete among themselves for membership, a situation that has been termed competition in laxity.
>
> Competition among the regulatory agencies has resulted in inconsistent regulation, which manifests itself most clearly in bank examination standards, bank merger policy and bank holding company regulation.
>
> If, as we believe, the two fundamental purposes of bank regulation are to protect the Nation's deposits and to foster competition among the banks, inconsistent regulation can have very serious consequences, including, but not limited to, bank failures. Inconsistent regulation is inevitable given the present tripartite federal system.
>
> Therefore, we recommend consolidation of the 3 bank regulatory agencies.

Mr. President, the Governmental Affairs Committee's study is a landmark in its analysis of the deficiencies of the existing bank regulatory structure and I commend its contents to every Member of the Senate.

The proposal which Senators RIBICOFF, JAVITS, and I introduce today will cure the defects in the current bank regulatory system. This legislation will establish a Federal Bank Commission which will have jurisdiction over the supervision and regulation of all insured banks. The Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation are absorbed into the Federal Bank Commission. The Federal Reserve Board's bank and bank holding company supervisory and regulatory responsibilities will be transferred to the Commission. The Federal Reserve will then be able to spend full time concentrating on its primary mission of conducting the monetary policy of the Nation.

The conduct of monetary policy is a full time job for any Government agency. So is bank regulation. This legislation will give us agencies of the Federal Government with the capacity to give us the best of each.

By establishing a single Federal Bank Commission to supervise and regulate banks at the Federal level, competition in laxity will be eliminated once and for all.

Mr. President, one of the prime benefits of this legislation is that it significantly strengthens the dual banking system. The legislation requires the Federal Bank Commission to grant Federal deposit insurance to State-chartered banks based solely upon the grant of a charter by a State if the State is one which has been determined to assure the safety and soundness of banks within its jurisdiction and whose standards for the granting of charters requires the States to consider the factors enumerated under Federal law applicable to the grant of insurance. The legislation further requires the Federal Bank Commission to delegate its examination responsibilities to State banking departments that have been determined to adequately assess the condition of banks within their jurisdictions, upon application to the Commission, and to accept such State examination reports in lieu of its own examination. Of course, the Commission would retain the residual right to examine any insured bank at any time. The Commission is required to reimburse the States for the costs of examinations of banks in States receiving approval after application to the Commission.

Taken together these provisions should result in a significant shift of the day-to-day regulation of State chartered banks from the Federal Government to the States. Further, the reimbursement provisions of the legislation presents an important potential to the States for upgrading their bank supervisory capability while at the same time eliminating the burdensome duplication of Federal-State examinations of State chartered banks.

These provisions, designed to strengthen the dual banking system, will be implemented by regulation. Under the legislation, the States have a substantial input into the regulations. The Commission is mandated to establish an Advisory Committee consisting of nine State bank supervisors—chosen on the basis of criteria designed to insure the broadest scope of State participation—with whom it shall cooperate, consult, and give due weight to expressed views in adopting the implementing regulations.

Mr. President, this legislation will streamline and simplify the cumbersome Federal structure governing bank regulation, eliminate duplicative regulation, and significantly strengthen the dual banking system.

Mr. President, this bill was considered at some length last year in the Banking Committee, and I am very hopeful that the Banking Committee and the Government Operations Committee will give the bill careful consideration this year.

I commend this legislation to my colleagues. I also ask unanimous consent that two statements I have previously made on this floor on the need for consolidation be printed in the RECORD following my remarks. These statements are as fully applicable today as when I made them.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

FEDERAL BANK COMMISSION ACT OF 1977

Mr. PROXMIRE. Mr. President, I am today introducing for reference to the Committee on Banking, Housing and Urban Affairs, a bill to establish a Federal Bank Commission. This bill is substantially identical to S. 2298 which I introduced in the 94th Congress but to which I have added significant new provisions designed to strengthen the role of the States in bank regulation and thereby the dual banking system; and to strengthen the role of the Federal Reserve in obtaining bank supervisory information which it may need to conduct the monetary policy of the Nation. The statements I made on the floor of the Senate in introducing that bill on September 5, 1975, are fully applicable to this legislation. Under the bill, the Federal Bank Commission would administer all Federal laws relating to the conduct of the banking business both foreign and domestic, including such laws relating to the chartering of banking institutions and their branching activities, bank holding companies and their activities, Edge Act corporations and their activities, and the examination, supervision, and regulation of banking institutions under Federal law.

The Office of the Comptroller of the Currency would be abolished and all of its functions and personnel transferred to the Federal Bank Commission. Similarly, all of the functions and personnel of the Federal Deposit Insurance Corporation would be transferred to the Commission and its Board of Directors abolished. However, the FDIC would be retained as a corporate entity within the Commission and under the sole control of the Commission for the accounting purpose of holding the insurance fund established to protect commercial bank depositors and which now total in excess of $6 billion. In this regard the relationship between the Commission and the FDIC would be similar to the relationship between the Federal Home Loan Bank Board which supervises and regulates federally insured savings and loan associations and the Federal Savings and Loan Insurance Corporation which insures the deposits in such institutions. Finally, all of the supervisory and regulatory authority of the Federal Reserve Board would be transferred to the Commission. The Federal Reserve would retain supervisory and regulatory authority over interest rate ceilings, and margin requirements and retain the authority to make loans to banks through the "discount window." Relieving the Federal Reserve Board of bank and bank holding company supervisory responsibility will enhance its ability to concentrate on conducting the monetary policy of the Nation which is its primary responsibility.

Unsafe or unsound conditions in our banking system have proliferated in the past 15 years as banks have changed their orientation toward go-go banking, a high profile syndrome and high profits. In the process the capitalization of our Nation's banks has declined precipitously since 1960, particularly among the largest banks. The numbers of problem banks—banks which are categorized by regulatory authorities as possibly requiring aid from their shareholders because of their condition or banks which are in danger of failing—have increased in size and in numbers. Massive credits are extended by banking institutions to persons having insider relationships with banks: officers, directors, or stockholders and the companies they control.

Last year, after public disclosure that there existed large numbers of problem banks in the banking system, the Congress requested the General Accounting Office to audit the three bank regulatory agencies to find out how well they were exercising their bank supervisory and regulatory responsibilities. GAO filed its report with the Senate Banking Committee on January 31, 1977. In my view, the GAO report reveals that regulatory permissiveness, fostered by the split in Federal bank regulatory authority, has been the principal reason why a substantial number of the Nation's banks in the banking system have deteriorated.

In its report, the GAO found that during the period 1971–75, the number of problem banks increased from at least 352 to 607 with the number of problem banks whose deposits exceeded $100 million increasing from 13 to 83. GAO data shows that the numbers and size of bank failures have also increased recently. For example, during the past 4 years bank failures have averaged $937 million in deposits each year, an increase of 21 times over the average $45 million in deposits at failed banks during the previous 13 years. Moreover, the recent failures were the largest in the history of the Nation. I refer, of course, to the failures of the Franklin National Bank, the U.S. National Bank, the Security National Bank and Hamilton Bankshares, Inc. The assets of each one of these banking organizations exceeded a billion dollars.

Why, Mr. President, are the numbers of problem banks and bank failures increasing? The answer I believe is poor Government regulation. GAO found that bank examiners in most cases identify bank problems 2 years before banks fail; and the primary cause of the bank failures were bad management practices—not economic conditions. But the bank regulatory agencies, GAO found, delayed requiring banks to correct their problems until it was too late, even though problem banks exhibit many of the types of problems which can be cured by tough enforcement action. But the banking agencies failed even to communicate clearly to bank managements the needed corrective measures.

Mr. President, the principal problem with bank regulation is the hydra-headed bank regulatory structure at the Federal level which moves in three separate directions GAO hit home when it said in its report that no mechanism exists to insure that the agencies act in concert to operate effectively and efficiently. For example the GAO notes that:

First. The three agencies do not have common criteria for determining which banks should be treated as problem banks or for taking enforcement action against problems which are discovered by examiners.

Second. Each of the agencies is developing its own separate monitoring and early warning system to improve bank examinations.

Third. Loans to corporations in which banks regulated by each of the three agencies participate are reviewed and treated differently by each of the three agencies even though essentially only one extension of credit is involved.

Fourth. The agencies operate separate and to a large extent duplicate computer systems.

Fifth. There is no procedure for coordinated examinations of holding companies and their subsidiary banks regulated by three different agencies.

Sixth. Separate systems for enforcing the consumer protection laws are in effect at the agencies.

Seventh. Loans to the same foreign borrowers are treated differently by the agencies. Time and money are wasted by the agencies in separate examinations of foreign branches and subsidiaries.

Eighth. The agencies maintain three separate examiner training centers. As a result three separate government disciplines are brought to bear on common bank problems.

The Comptroller charters and supervises national banks. But deposits in those banks are insured by the FDIC and all national banks are required to be members of the Federal Reserve. The Federal Reserve regulates State-chartered banks which choose to become members of the Federal Reserve. But deposits in such banks are insured by the FDIC. The FDIC insures all federally insured banks but supervises only those State-chartered banks which are not members of the Fderal Reserve. The Federal Reserve regulates all bank holding companies regardless of which of the three agencies regulates the principal banking subsidiaries of the bank holding company. None of these agencies will invade the bureaucratic turf of the other agencies even though the consequences of poor regulation by one agency will be felt by the other agency. For example, the Federal Reserve has loaned billions of dollars to national banks in distress which are supervised by the Comptroller. This has complicated monetary policy and misallocated bank reserves to speculative uses. The FDIC has had to underwrite the losses of banks which are regulated by the other agencies in the amount of hundreds of millions. The FDIC and the Comptroller have had banks which they supervise deteriorate to the point of distress because of poor regulation of their holding companies by the Federal Reserve.

Former Vice-Chairman of the Federal Reserve, J. L. Robertson testified before the Senate Banking Committee that there is an "institutional reluctance among the regulators to pull the rug out from under their own banks." This institutional reluctance arises in part from the ability of banks to switch regulators. It also arises from the fact that the greater the number of banks regulated the greater the justification for a bigger bureaucracy. When this is combined with the fact that the Federal banking agencies derive their funds not from Government appropriations but from private assessments on the banks they regulate with no congressional oversight the results are pernicious. Even without actual charter switching former Governor Bucher testified that the subtleties of divided authority are always with the agencies whenever they made a decision. Thus, in my view, instead of tough regulation we get Government bureaucrats living high off the hog in plush offices and traveling first-class with their wives around the country to attend bankers association meetings. Only by eliminating this institutional reluctance to take action will we ever have any hope of bringing decent government to the banking field.

In a speech to the American Bankers Association, the distinguished Chairman of the Federal Reserve Board stated with respect to the structure of bank regulation at the Federal level that:

> I am inclined to think that the most serious obstacle to improving the regulation and supervision of banking is the structure of the regulatory apparatus. That structure is exceedingly complex. * * * At this Federal level, every bank whose deposits are insured is subject to supervision and regulation, but authority is fragmented. The Comptroller of the Currency charters and supervises national banks. The Federal Reserve System supervises State chartered member banks, regulates activities of Edge Act corporations, regulates all bank holding companies, and controls the reserves and other operating features of all member banks. The Federal Deposit Insurance Corporation insures nearly all banks, but supervises only State-chartered banks that are non-members of the Federal Reserve. The FDIC also has certain regulatory powers that apply to insured non-member banks.
>
> Those of you who have been intimately concerned with regulatory matters will realize that I have oversimplified, that our system of parallel and sometimes overlapping regulatory powers is indeed a jurisdictional tangle that boggles the mind.
>
> There is, however, a still more serious problem. The present regulatory system fosters what has sometimes been called "competition in laxity." Even viewed in the most favorable light, the present system is conducive to subtle competition among regulatory authorities, sometimes to relax constraints, sometimes to delay corrective measures. I need not explain to bankers the well-understood fact that regulatory agencies are sometimes played off against one another. Practically speaking, this sort of competition may have served a useful purpose for a time in loosening overly cautious banking restrictions imposed in the wake of the Great Depression. But at this point, the danger of continuing as we have in the past should be apparent to all objective observers.
>
> I recognize that there is apprehension among bankers and students of regulation concerning over-centralized authority. Providing for some system of checks and balances is the traditional way of guarding against arbitrary or capricious exercise of authority. But this principle need not mean that banks should continue to be free to choose their regulators. And it certainly does not mean that we should fail to face up to the difficulties created by the diffusion of authority and accountability that characterizes the present regulatory system. * * * Some will doubtless conclude that the proper approach lies in improved coordination among the multiple bank regulatory agencies, together with harmonization of divergent banking laws. My own present thinking, however, is that building upon the existing machinery may not be sufficient, and that substantial reorganization will be required to overcome the problems inherent in the existing structural arrangement.

I am in agreement with this statement of Chairman Burns. The ability of banks to pick and choose their regulators as Chairman Burns says means that they have the ability to play off one Federal agency against the other. This results in poor and ineffective regulation and an inability of the Federal Government to deal with the tough issues because the bank agencies compete with one another to see which can regulate the least. Such competition in laxity has resulted in low public confidence in the bank regulatory agencies. The public is no longer willing to continue to be served by regulation at the lowest common denominator level among Federal agencies. Competition in laxity can only be eliminated by eliminating its base of operations: The threefold fragmented division of regulatory authority, into a single agency.

The benefits of a single bank regulatory agency, such as the Federal Bank Commission, which eliminates the competition in laxity among the three bank regulatory agencies would be enormous. Former Governor Holland of the Federal Reserve listed four such benefits as follows:

> (a) Such an agency would bring about uniformity in Federal regulation, supervision and examination of banks. In addition it would result in uniformity on decisions concerning merger and branching applications.
>
> (b) * * * such a consolidation would eliminate some duplication of efforts and lead to a more efficient use of supervisory and examination personnel. It would also remove any problems arising out of consultations between the agencies and resulting delays in decision-making.
>
> (c) We also believe there could be advantages from the development of consistent data which would permit fuller analysis of the banking industry as a whole and permit more prompt identification of developments

which might affect the stability of the banking system.

(d) Finally, the consolidation of three Federal agencies into one would preclude the possibility of banks changing their organizational status in order to obtain more favorable treatment from a different Federal supervisor.

Former Chairman Wille of the Federal Deposit Insurance Corporation listed eight as follows:

First. Simplification of administration; improved internal and external communication.

Second. Elimination of conflicting goals.

Third. Economy and efficiency of operation.

Fourth. Elimination of actual or potential policy conflicts.

Fifth. Facilitating the handling of failing banks.

Sixth. Improved regulation of bank holding companies, their affiliates, and certain other bank relationships.

Seventh. Gains to banks and bank customers from a single Federal agency.

Eighth. Adjusting to a rapidly changing environment.

This bill will also strengthen the hand of the Federal Reserve in conducting monetary policy. The Federal Reserve Board's testimony before the Senate Banking Committee was that the Board needs the bank supervisory responsibility discipline in order to be able to conduct monetary policy. Serious disagreement with this view was taken before the committee by former Vice Chairman of the Federal Reserve Robertson who served at the Board for 20 years and by former Governor Bucher.

This legislation places a member of the Federal Reserve directly on the five-man Federal Bank Commission. Thus under this bill the Federal Reserve will have more direct input into bank supervision and regulation than it now has; and, under the bill, the Board will have more direct and immediate access to such information than it now has. Thus, under the theory of the Federal Reserve, this bill should enhance the Board's ability to conduct monetary policy.

One of the most important features of this bill are the provisions designed to strengthen the dual banking system of the Nation under which we have federally chartered and regulated banks which compete side by side with State chartered and regulated banks. Two essential features of this system must be strengthened if we are to retain a viable dual banking system. First, Federal insurance should not be used as a veto to the chartering of State banks. Second, State supervisory functions should not be co-opted by the Federal Government either by design or by default as it is in too many cases.

Section 312(d)(2) requires the Federal Bank Commission to grant insurance to institutions chartered by a State whose operations are adequate to assure a safe and sound banking system. This provisions is designed to eliminate the veto power now now enjoyed by the FDIC over State chartered banks and to assure that the Federal Bank Commission which will also charter national banks will not favor the chartering of national banks in any State over the State banking system. Under the current fragmented regulatory authority there is no doubt that the Comptroller of the Currency has historically sought to induce State chartered banks to switch to national charters, particularly among the larger banks. This bill will put an end to this practice.

Section 312(d)(2) also provides that where State examiners make adequate examinations of State chartered banks the Federal Bank Commission may suspend Federal examinations and reimburse the State supervisory authority for the cost of examination. This provision will give the State's supervisory authorties the economic means to upgrade their supervisory positions.

Finally, section 4(a) of the bill provides that at all times, one member of the Federal Bank Commission shall be an individual who has had direct State bank regulatory experience. There is no counterpart to this provision in the present law and as a practical matter direct State supervisory experience is not a quality which is sought by the bank regulating agencies. This provision will insure that State experience will have a direct representation in all bank supervision in the Nation thereby strengthening the dual bank system.

This bill will also subject the Federal Bank Commission to periodic performance audits by the General Accounting Office and require the Commission's yearly expenditures to be with the limitations set by an appropriations act of the Congress.

CONSOLIDATION OF BANK REGULATORY AGENCIES

Mr. PROXMIRE. Mr. President, I am today introducing for reference to the Committee on Banking, Housing and Urban Affairs a bill to establish a Federal Bank Commission to administer all Federal laws relating to the conduct of banking business, both foreign and domestic, including all such laws relating to the chartering and insuring and merging of banks, their branching activities, bank holding companies and their activities, Edge Act corporations and their activities, and the examination, supervision, and regulation of all banking institutions under Federal law.

It has become necessary to restructure the Federal bank regulatory apparatus because the existing structure consisting of the Federal Reserve System having jurisdiction primarily over State banks which are members of the Federal Reserve System, the Comptroller of the Currency having jurisdiction over all national banks, and the Federal Deposit Insurance Corporation having primary jurisdiction over nonmember State insured banks has proven incapable of dealing with banking practices which have arisen in the past 30 years in a manner which will insure a safe and sound banking system.

A safe and soundly maintained and operated banking system is basic to the economic well being of the Nation. Banking institutions occupy a unique and vital place in the economy. They are the principal suppliers and allocators of credit to the various sectors of commerce and industry. They are the principal institutions in our society by which decisions at the governmental level to increase or decrease the money supply are effectuated and translated into reality in the marketplace. They are the principal institutions in which the deposits and savings of individuals, partnerships, and corporations are held. They are, therefore, institutions which are imbued with an exceptionally high degree of public interest and must be subject to a high degree of effective public scrutiny.

Every banking institution must so conduct its affairs that it retains the ability to function without special Government subsidy in times of monetary restraint as well as in times of monetary growth. The structure of bank supervision should be such that banks are given no encouragement to conduct their affairs in a speculative manner in times of economic growth. Governor Robertson, the former distinguished Vice Chairman of the Federal Reserve Board has stated:

"There should never be a possibility of utilizing the supervisory function to enforce a given monetary policy today and an opposite one tomorrow, to look at bank loan portfolios through rose-colored glasses today and black ones tomorrow."

It is undeniable that particular banking institutions have engaged in speculative finance in many areas of the economy. These speculations have served to misallocate credit resources to earn high rates of return. The existing structure of bank regulation consisting of three Federal regulators, often at odds with one another over whether particular banking practices should be permitted has prevented them from requiring the cessation of unsafe or unsound banking practices which would have prevented the speculations from taking place. Institutions which are engaged in speculative finance often suffer dire consequences themselves and have been responsible for a loss of confidence in the banking system itself. The Government regulators have lacked the will to utilize their supervisory authority to abate these practices and to keep banks operating in a safe and sound manner requiring them to fulfill their public purposes.

The structure of supervision and regulation at the Federal level has been the major reason why unsafe or unsound conditions in our banking system have been allowed to proliferate. To some extent, of course, each of the three Federal bank regulatory agencies bear individual responsibility for the state of affairs.

In the wake of the largest bank failures in this Nation's history last October Chairman Burns of the Federal Reserve said to the American Bankers Association:

"I must say to you, however, that I am inclined to think that the most serious obstacle to improving the regulation and supervision of banking is the structure of the regulatory apparatus. That structure is exceedingly complex. * * * At the Federal level, every bank whose deposits are insured is subject to supervision and regulation, but authority is fragmented. The Comptroller of the Currency charters member banks, regulates activities of Edge Act corporations, regulates all bank holding companies, and controls the reserves and other operating features of all member banks. The Federal Deposit Insurance Corporation insures nearly all banks, but supervises only State-chartered banks that are non-members of the Federal Reserve. The FDIC also has certain regulatory powers that apply to insured non-member banks.

"Those of you who have been intimately concerned with regulatory matters will realize that I have oversimplified, that our system of parallel and sometimes overlapping regulatory powers is indeed a jurisdictional tangle that boggles the mind.

"There is, however, a still more serious problem. The present regulatory system fosters what has sometimes been called 'competition in laxity.' Even viewed in the most favorable light, the present system is conducive to subtle competition among regulatory authorities, sometimes to relax constraints, sometimes to delay corrective measures. I need not explain to bankers the well-understood fact that regulatory agencies are sometimes played off against one another. Practically speaking, this sort of competition may have served a useful purpose for a time in loosening overly cautious banking restrictions imposed in the wake of the Great Depression. But at this point, the danger of continuing as we have in the past should be apparent to all objective observers.

"I recognize that there is apprehension among bankers and students of regulation concerning over-centralized authority. Providing for some system of checks and balances is the traditional way of guarding against arbitrary or capricious exercise of authority. But this principle need not mean that banks should continue to be free to choose their regulators. And it certainly does not mean that we should fail to face up to the difficulties created by the diffusion of authority and accountability that characterizes the present regulatory system. * * * Some will doubtless conclude that the proper approach lies in improved coordination among the multiple bank regulatory agencies, together with harmonization of divergent banking laws. My own present thinking, however, is that building upon the existing machinery may not be sufficient, and that substantial reorganization will be required to overcome the problems inherent in the existing structural arrangement."

I am in agreement with these statements of Chairman Burns. My own study of this problem has led me to conclude that the best restructuring at this time would be the unification of the three existing bank regulatory agencies into a single agency without a substantial change in the Federal law governing the business of banking. Before adopting more stringent regulatory laws to cure unsound practices which have arisen in banking in recent years, I believe we should give effective regulation under existing law the opportunity to work. With the removal of incentives to regulate all institutions at the lowest common denominator level, the Federal Bank Commission will be in a position to abate unsafe or unsound practices at particular institutions while maintaining a posture of encouragement of innovation in the public interest at other institutions possessing requisite management and operational capability. The existing structure does not allow for this degree of sophistication over the supervision and regulation of the business of banking.

There has been an expansion in the size of banks and bank holding companies in recent years that has outpaced the capability of supervisory authorities. Governor Robertson has stated that:

> Banks have grown so large that it is no longer feasible for examiners to analyze adequately bank management, assets and liabilities, and their trust and foreign exchange activities within the limitations of eligible man hours. It would not be feasible if the supervisory forces were quadrupled.

A portion of this expansion has been based upon management focus on profits which have encouraged speculations, and to which the regulatory authorities have aided by their "competition in laxity." Numerous examples are available of this unhealthy competition between regulators. I need cite only one example.

For years the regulatory authorities deemed the acquisition of excess reserves by banks from other institutions borrowings which were subjected to limitations under Federal law as to amount. In the mid-1960's one bank regulatory agency ruled that such transactions were purchases and sales and not borrowings and therefore not subject to the statutory limitation as to amount. This gave the banks that regulator supervised a sizable competitive advantage over other banks by broadening their ability to expand their loan portfolio.

To eliminate this competitive advantage, another regulatory agency, which had objected to the change in ruling, felt itself obliged to adopt the same position for the banks it supervises. The result has been a tremendous increase in Federal funds transactions. Institutions have relied on these overnight borrowings to an inordinate and in particular instances to an unsafe degree in funding forward loan commitments and to expand long-term loans on this basis of short-term borrowings. Liability management has added a new dimension of risk to the banking system.

The past several years have seen the largest bank failures in this history of our Nation. Liability management practiced by the use of volatile sources of funds to support illiquid and high-risk asset portfolios as I have described have been a major causative factor. In addition, insider self-dealing loan to bank directors and bank management have been significant causative factors in other situations.

Still other disturbing trends in banking institutions have been the use of brokered deposits, the increased use of banks of loan commitments, bullet loans, and standby letters of credit as a source of earnings for banking institutions. The latter forms of banking, together with the practice of liability management serve to exacerbate severly the tendency of banking institutions to increase the size of their asset portfolios at the expense of any significant regard for the stability of the sources of funds upon which these loans must be based. Supervision of these activities by bank regulators has been inadequate.

One of the reforms in bank supervision urgently needed is a drastic change in bank examinations procedures in order that the regulatory authorities may comprehend and respond to the material changes which are occurring with rapidity in banking institutions. The time frame within which bank supervisors have to require corrections of practices which have a potential to develop into unsafe or unsound conditions and crisis situations has been greatly shortened by the pace of change in the banking system. Only a restructuring of the bank supervisory agencies into a single bank regulatory agency gives any hope of being able to cope with the problem.

There must be established an ongoing supervisory computerized network capable of obtaining information on the composition of bank assets and liabilities on a frequent basis. Such a system would enable a supervisor to determine at a glance the status of a bank—its capital, liquidity, asset, and liability position—and compare that present status with the standards of the regulatory agency. If a bank fails to meet those standards, examiners can be dispatched immediately to ascertain the causes and institute necessary changes long before a crisis occurs. Wherever potential unsafe or unsound conditions surface prompt and effective injunctive action by the supervisory authority must be undertaken under the Financial Institutions Supervisory Act of 1966.

Expert opinion shows that this kind of updated supervision cannot be achieved as soon as required—if it ever can be achieved in present circumstances—so long as Federal bank supervision remains fragmented among several agencies, each jealous of its prerogatives, each determined to maintain its own carefully constructed empire. Expert opinion reveals that it would take years—literally years—of negotiation before an agreement could be reached within the existing regulatory framework concerning the kind of information needed to provide an accurate picture of each bank, let alone devise appropriate standards by which banks should be judged, and without which it would be impossible to achieve anything like conformity of supervision and competitive equality.

This kind of an examination and supervisory capability, possible only within a single regulatory agency, will insure the swift abatement of unsound practices while allowing maximum flexibility to managements in the operation of their institutions. Bank examinations under the single regulatory agency concept can provide banking institutions with a significant management tool in the form of a sophisticated outside overview of their operations—particularly respecting unsafe practices or unsoundness in operation.

Unsafe and unsound conditions have proliferated in our banking system because bankers have been able to play the fragmented structure, shifting back and forth among supervisory authorities whom they have though would best accommodate their views. We have the example of one banking institution in a State switching to the jurisdiction of a particular supervisory for the purpose of having a particular merger transaction approved. After the merger was approved and consummated, the banking institution switched back again to its original supervisor where it believed the merged operation could be conducted on a more economical basis for the bank.

In another instance a bank holding company was denied permission by one regulatory agency to acquire a particular bank on competitive grounds. Another regulatory agency shortly thereafter approved the acquisition of the bank by the holding company by allowing the merger of that bank into another banking subsidiary of the holding company. We have still another instance of a bank holding company being denied to engage in a certain activity by one agency and a different regulatory agency allowing a banking subsidiary of the holding company to undertake the same activity. These lax regulatory practices have led to a number of banking institutions leaving the regulatory jurisdiction of one agency and switching to the jurisdiction of another agency. This has been responsible for regulation at the level of the lowest common denominator.

The fragmented process is exemplified by cases such as those I have recited and by the differing standards applied by the banking regulatory agencies respecting merger applications filed under the Bank Merger Act. One regulatory agency has been more permissive in approving applications for mergers of banks than have the other regulatory agencies. The provisions in the Bank Merger Act for the filing of competitive factors reports by the bank regulatory agencies not having approval authority over a particular merger with the jurisdictional bank regulatory agency were designed to assure uniformity of treatment among the banking agencies respecting bank merger matters. These provisions of law have not achieved their intended purpose. Differing standards have been applied by the regulatory agencies while at the same time a large amount of time has been dissipated by the regulatory agencies in compiling competitive factors reports which have been largely ignored as evidenced by the continued application of differing standards by the regulatory agencies. There is, in short, no coherent policy at the Federal level among the bank regulatory agencies to control the concentration of banking resources in the Nation.

In May of this year the Committee on Banking, Housing and Urban Affairs published a committee print titled "Compendium of Major Issues in Bank Regulation." At that time I stated my intention to introduce legislation unifying the bank regulatory agencies. Since that time there has been considerable testimony relating to a single regulatory agency and the advantages and disadvantages of establishing a single agency. In my view the concrete advantages are overwhelming and compelling. The most perceptive fear is that a single agency would be all-powerful. But it is this very consolidation of authority which is necessary to cure the ills to which I have referred and which necessitates a single bank regulatory agency.

Furthermore, the single agency would not have the incentive to relax its rules so that its power base could be expanded by banking institutions switching their regulatory jurisdictions. The incentives, if any, would rather be on the side of looking to State regulatory authorities to accept increasing responsibility to insure the safe and sound operation of State institutions and to thereby strengthen this Nation's dual banking system.

The benefits of a single regulatory agency are enormous. Chairman Willie of the Federal Deposit Insurance Corporation recently listed eight as follows:

"1. *Simplification of Administration; Improved Internal and External Communication.*—A single agency would provide a single focal point for Congressional and Administration contact on matters of bank regulation and supervision. Additionally, all public inquiries on matters of banking and bank regulation could be addressed to the single agency. All agency actions and decisions would originate * * * from a * * * single * * * (Commission). Instead of 14 FDIC regions, 14 National bank regions and 12 Federal Reserve Districts (few of which are today identical) a much simpler regional setup could be achieved.

"2. *Elimination of Conflicting Goals.*—The fact that the scope of responsibilities differs among the three Federal banking agencies results in a number of internal conflicts with respect to the handling of supervisory problems. This is thought by many to be a particular problem for the Federal Reserve System whose principal function is the formulation and implementation of monetary policy. These observers believe that where the implementation of monetary policy goals is combined with regular bank examination and supervision, the former will always be viewed as more important than the latter and will prevent a consistent, even-handed approach to matters of bank supervision. This potential problem would be reduced by setting up a single bank regulatory agency divorced from monetary policy responsibilities.

"3. *Economy and Efficiency of Operation.* Considerable economy could be achieved by combining the legal, research, training and other Washington Office functions of the three existing bank regulatory agencies. There would be a reduction in senior agency staff time spent communicating with and keeping current with the activities of other agencies.

"More efficient use could be made of examiner time, training and specialized capabilities. A single agency would eliminate differences in the form and substance of reports of examination and would be able to issue uniform instructions to all examiners. Travel time of examiners could be reduced, and in many instances where it has not heretofore been feasible, all banks within a particular community could be examined simultaneously. A single agency could make more efficient use of specialized expertise to handle complicated credits and to concentrate on such areas as trust activities, international departments and foreign offices of insured banks, certain data processing and other areas of automated activity, and compliance with Federal and State statutes in the consumer protection area. Economy could be achieved through a single training program which would not only reduce existing duplication, but facilitite the development of more advanced and specialized training.

"A single agency would eliminate differences in reports filed by insured banks, thereby eliminating some duplication or redundant effort, in administering and processing such reports, in computer costs and in publication costs.

"4. *Elimination of Actual or Potential Policy Conflicts.* A single agency would bring uniform treatment to all insured banks in such matters as rules, regulations, standards and procedures. For example, a single, rather than three separate guidelines on a subject such as insider transactions, could be effected. Also, uniform application of statutory powers, such as cease and desist powers, would result. Banks would also be subject to greater uniformity with respect to loan classifications, policies on capital adequacy and other areas related to bank examinations.

"Consolidation would result in a single policy on chartering, branching and mergers.

"5. *Facilitating the Handling of Failing Banks.* * * * The involvement of three Federal banking agencies in the handling of failing banks prolongs and overly complicates an appropriate resolution of the problem. A single agency probably could reduce the time involved. Under present arrangements, it is difficult to consider all alternatives more or less simultaneously, because the three agencies have somewhat different powers related to solving these problems (e.g., the Comptroller has somewhat more flexibility in arranging a National bank merger which does not require special Government financial assistance or guaranties, while the Federal Reserve can provide liquidity assistance and the FDIC can provide other types of financial assistance to insured banks regardless of charter).

"6. *Improved Regulation of Bank Holding Companies, Their Affiliates, and Certain Other Bank Relationships.* A single Federal bank agency could have responsibility for examining banks and their holding company affiliates, thereby facilitating a more complete picture of the entire operation and the assessment of the overall risk exposure of the bank(s) and the holding company. Under present arrangements the Federal Reserve has certain regulatory authority over the activities of holding companies whose principal assets may be banks subject to the regulation of the other two Federal banking agencies.

"When Congress addressed the bank holding company issue in 1970 and concentrated regulatory authority within the Federal Reserve, Congress was primarily concerned with the range of permissible nonbank but bank-related activities to be made available to such holding companies. In more recent years issues related to financial arrangements of holding companies and their impact on bank risk have become more important than permissible activities, and the present regulatory arrangement does not seem to be well suited to deal with these issues. Even apart from the holding company framework, there exists in today's banking system many complicated financial arrangements associated with joint ventures and shared credits where the present Federal regulatory structures makes it difficult to get a complete picture of a bank's risk exposure in a particular transaction. A single agency could ameliorate this situation.

"7. *Gains to Banks and Bank Customers from a Single Federal Agency.* Differences in regulations, in examination standards and reporting requirements among the Federal banking agencies may result in different treatment of similar situations and, as a result, in some inequities. In addition, there are costs imposed on the banks and the public in having to work with and understand these differences.

"8 *Adjusting to a Rapidly Changing Environment.* Rapid changes have been occurring in banking in recent years—for example, in such developments as the growth of bank-related activities across State lines through holding companies, innovations in the payment system and the growing importance of international operations in the activities of large banks—and there is no reason to assume that this process will decelerate. A single Federal banking agency may be in better position to command the technical and specialized resources and to exercise the administrative flexibility necessary to cope with this changing environment."

Governor Holland of the Federal Reserve Board similarly listed four as follows:

"(a) Such an agency would bring about uniformity in Federal regulation, supervision and examination of banks. In addition it would result in uniformity on decisions concerning merger and branching applications.

"(b) * * * such a consolidation would eliminate some duplication of efforts and lead to a more efficient use of supervisory and examination personnel. It would also remove any problems arising out of consultations between the agencies and resulting delays in decision-making.

"(c) We also believe there could be advantages from the development of consistent data which would permit fuller analysis of the banking industry as a whole and permit more prompt identification of developments which might affect the stability of the banking system.

"(d) Finally, the consolidation of three Federal agencies into one would preclude the possibility of banks changing their organizational status in order to obtain more favorable treatment from a different Federal supervisor."

This bill will serve to bring bank supervision and regulation into the last quarter of the 20th century and prepare us for tomorrow by recasting a Federal structure which has grown up in helter-skelter fashion over the last 100 years and whose operation has often visited upon the public unfortunate effects.

The bill would transfer all of the supervisory and regulatory powers of the Federal Reserve System to the Federal Bank Commission, enabling the Federal Reserve to concentrate its efforts upon the conduct of the monetary policy of the Nation. The conduct of monetary policy is an extremely important task because of its effect upon the life of our economy. The complexity is of the magnitude that the agency having that responsibility should not at the same time be burdened with the task of bank supervisory and regulatory functions.

Yet, bank supervision and regulation which should be so conducted as to insure a safe and soundly operated banking system is in many respects a task of equal importance to the conduct of monetary policy. The functions of monetary policy and effective supervision and regulation cannot be performed by one agency without seriously compromising the effectiveness of each function.

Governor Robertson stated in December 23, 1974, in recommending the unification of the three bank regulatory agencies into a single agency that:

"Finally, and in light of recent suggestions by others, I should make clear that in my opinion, based on forty years experience in the field of federal bank supervision, including twenty-one years as a Governor and seven years as Vice Chairman of the Federal Reserve Board, the merged supervisory function should not be vested in the Federal Reserve System. The function of formulating and implementing monetary policy and the equally important and coordinate function of supervising banks and bank holding companies cannot be performed by one agency without seriously compromising the effectiveness of each function."

Governor Bucher of the Federal Reserve said on March 11, 1975:

"Developing and implementing appropriate monetary policy at a given time require considerations and evaluation of the significance of an enormous volume of available data and their inter-relationships. The responsibilities are of such magnitude that the Board should not also be burdened with the performance of bank supervisory functions. Supervision is too important a function in itself to be the Federal Reserve's part time job."

The bill would abolish the Office of the Comptroller of the Currency and transfer all of its functions to the Commission. The Federal Deposit Insurance Corporation would continue as an insurance and financial entity under the control of the Commission and its functions would be transferred to the Commission.

Thus, the primary thrust of this legislation is to recast the Federal regulatory structure over bank supervision and is not intended to change the substantive laws governing bank regulation at the Federal level. There are three exceptions to the primary thrust of the bill. The three exceptions are as follows:

First. Federal Reserve System advances to distress banks to ameliorate unsafe or unsound conditions could not be made under the provisions of this bill unless the Commission first certifies that such advance is in the public interest. In any case where such a certification is made the Federal Reserve is further required to find affirmatively that the advance may alleviate a significantly adverse effect upon the economy of the Nation or any section of the country.

The provision is necessary if we are to bring a minimal amount of accountability to the Federal Reserve System in making advances to banks in distress. Federal Reserve advances in the recent past in the case of the Franklin National Bank amounted to more than $1½ billion and tens of millions of dollars in other distress situations. The record of recent bank failures and near failures reveal that the Federal Reserve System acting in the capacity of a lender of last resort is often put under great pressure to rescue a bank from the consequences of its own mismanagement. The public interest is not served by a continuation of the practice of the Federal Reserve to underwrite the liquidity and solvency of banks in the circumstances characterized by recent large bank failures.

This provision will serve to insure that the Commission will use its authority to effectively regulate and to abate potential or actual unsafe or unsound practices before these attain crisis proportions. This provision will serve to alleviate the present situation where the Federal Reserve has made bail-out type loans to insolvent banks, complicating monetary policy, misallocating the distribution of bank reserves, and jeopardizing taxpayers' funds.

Second. The Commission will be required to make expenditures for office space, employees' salaries and expenses, and travel and other administrative expenses within yearly appropriations ceilings set by Congress. This provision of the bill is intended to bring the Commission within the Congressional appropriations review process. The Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation are now exempt from the congressional review process over expenditures for their purposes. The exemption is retained, however, for payments and expenditures made by the Commission to insured depositors of banks which have failed and expenditures made in connection with the liquidation of banks.

Third. This bill makes it clear that all of the Commission's activities are subject to full auditing by the Government Accounting Office. The GAO is required by these provisions to submit an audit of the Commission's activities each year to the Congress. Full GAO audit will serve to facilitate congressional oversight over the exercise of the Commission's functions in the public interest both in respect to its expenditures but also respecting the efficiency of the exercise of its management of supervisory and regulatory functions under Federal law to insure a safe and sound banking system.

Mr. RIBICOFF. Mr. President, I am indeed gratified to join with Senators PROXMIRE and JAVITS in introducing the Consolidated Banking Regulation Act of 1979.

Slightly more than a year ago, the Government Affairs Committee published volume V of its wide-ranging Study on Federal Regulation. In this volume, we took a clear, hard look at the structure and state of banking regulation and concluded that a major reorganization was needed. The bill being introduced today reflects both the committee's recommendations and those of several State banking commissioners who very graciously extended their time and expertise to the committee in its work.

The Consolidated Banking Regulation Act of 1979 has two fundamental goals—first, to make Federal regulation of banking more consistent, effective and efficient, and second, to revitalize the dual banking system.

In order to achieve the first goal, the bill calls for the consolidation of the three Federal banking agencies—the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the regulatory functions of the Federal Reserve System—into an independent regulatory agency to be called the Federal Bank Commission. A five-member, bipartisan agency, the Federal Bank Commission would be charged with enforcing Federal banking statutes whose administration is now divided among the three Federal banking agencies.

Responsibility for bank merger policy, bank holding company policy, and examination standards would, for the first time since the creation of the Federal Reserve System in 1913, be housed in one Federal agency. Banks would no longer be able to choose their Federal regulator, as they can now, by switching charters, joining or withdrawing from Federal Reserve membership or relinquishing Federal deposit insurance. Such uniform, impartial, and consistent regulation will more readily insure safe and sound banking practices.

In addition to assuring safety and soundness through consistent and efficient regulation, the Commission would work toward more effective regulation by encouraging competition among the Nation's financial institutions. Such a considered approach to competition would replace the present situation where the competition often takes place among the agencies rather than among the banks.

Furthermore, by unburdening the Federal Reserve System of its existing regulatory responsibilities, the Fed would be better able to fulfill its primary responsibility of conducting the Nation's monetary policy. Under the bill, the chairman of the Federal Reserve Board would be granted authority to participate in those commission activities he believes will have an impact on monetary policy.

In order to fulfill the second goal of revitalizing the dual banking system, the bill statutorily acknowledges the vital role that must be played by the 50 State banking agencies in supervising State-chartered banks. This statutory acknowledgement is initially contained in a provision that mandates the creation of two major divisions within the Federal Bank Commission: A Division of State Bank Regulation and a Division of National Bank Regulation. By creating a Division of State Bank Regulation, the bill recognizes the fact that State banks and national banks may often have special features, attributes and problems that require suitable supervision.

In order to further insure that the Division of State Bank Regulation is attuned to the particular features of the State banks over which it has regulatory responsibility, the bill provides that the Director of the Division, as well as one member of the full Commission, have prior State bank regulatory experience. Although it is often not wise to reserve seats on independent regulatory commissions for particular interests, we believe that because of the importance of revitalizing the dual banking system, the decision to reserve a seat was justified.

To further achieve the second fundamental goal of revitalizing the dual banking system, the bill adopts a policy enabling State banking agencies to assume full supervisory authority over banks in their jurisdictions. It uses the new Division of State Bank Regulation as the means to implement this new policy. Specifically, a State banking agency, upon application to the Commission and after review by the Director of the Division of State Bank Regulation, may be given authority to grant Federal deposit insurance along with the grant of a State charter. A State banking agency may also apply for full examining authority of banks under its jurisdiction. Provisions also exist for Federal funds to assist States assuming or desirous of assuming this full examination responsibility.

Last week, in his state of the Union address, the President placed great emphasis on reorganizing the Federal bureaucracy to eliminate inconsistent, inefficient, and ineffective regulation. Consolidation of the three Federal banking agencies will go far toward eliminating the present inconsistencies in banking regulation—inconsistencies, I might add, which are inevitable when three separate agencies are charged with enforcing the same laws. Revitalization of the dual banking system through a more vigorous role for State agencies will go far toward eliminating inefficiency and ineffectiveness, for one thorough bank examination by one competent regulatory agency is clearly more efficient and more effective than two agencies going into the same bank and making two separate examination reports. The Consolidated Banking Regulation Act of 1979 is a fine expression of the very significant goal expressed by the President and I urge the 96th Congress to give it prompt and careful consideration.

CONSOLIDATED BANKING REGULATION ACT OF 1979

Mr. JAVITS. Mr. President, I am pleased to support Senators RIBICOFF and PROXMIRE in cosponsoring the Consolidated Banking Regulation Act of 1979.

This bill is similar to S. 2750, which was introduced last year. Last summer, the Committees on Governmental Affairs and Banking, Housing, and Urban Affairs held 2 days of joint hearings on that bill. At those hearings, testimony was received from bankers, regulatory officials, and others who are well versed in the problems affecting both State-chartered and national banks. As a result of those hearings, several changes have been made to the Consolidated Banking Regulation Act to help achieve its objectives of eliminating duplicative

Federal regulation through consolidation and reorganization, and bolstering the dual State-Federal banking system.

The need for reform of our system of banking regulation is well recognized and was addressed in detail in chapter 6 of volume 5 of the Governmental Affairs Committee's study on Federal regulation. Since 1939, when the present Federal system of banking regulation was established, it has become increasingly apparent that the tripartite system of Federal banking regulation, with regulatory authority divided between the Federal Reserve, the FDIC, and the Comptroller of the Currency, has led to duplication, waste and even confusion. This situation also has led to inconsistencies in Federal policies—especially for bank mergers and with respect to bank holding companies—that undermine the ability of banks to engage in competition within a secure banking atmosphere. Under this legislation, I believe Federal banking regulatory activity will provide for a banking system within which competition can flourish.

In an effort to consolidate bank regulatory policies, the act combines in one new agency, the Federal Banking Commission, the responsibilities now divided among the three bank regulatory agencies. In the past, each of these agencies has had primary regulatory responsibility for certain State-chartered or national banks, but the other two agencies have also made decisions which have affected the operation of those banks. This overlap of authority is not only wasteful, but often burdensome.

Additionally, because the Fed, the FDIC, and the Comptroller of the Currency may have differing policies, banks performing exactly the same functions are subject to different standards depending upon the agency which is their primary regulator. And, because one agency might have more preferable policies at a particular time, banks have undertaken charter revision so they could subject themselves to the regulatory policies of the preferred agency. Thus, at the Federal level, the lack of uniformity in policy and regulation has contributed to the process of "forum shopping" where banks become members of, or are insured by, or chartered by, the Federal agency which best addresses the individual bank's needs at the time. There is no question that consolidation of regulatory functions is a sensible and long overdue idea that will eliminate such abuses.

The second objective of this legislation is to preserve the special dual nature of our Nation's banking system. Due to the lack of coordination of Federal decisionmaking authority, the State banking authorities have often not been adequately considered or consulted with respect to the activities of State-chartered banks. The establishment of the Federal Banking Commission will help correct that situation.

The five-member Commission will contain two major divisions—a Division of State Bank Regulation, and a Division of National Bank Regulation. The Directors of the two Divisions must be appointed with the approval of the full Commission. The bill further requires that the Director of the State Bank Regulation Division, in addition to one other member of the Board, have prior experience in State banking regulation. This requirement should insure that the views of the State banking authorities will be considered fully by the Federal Banking Commission.

Indeed the bill recognizes that, where States have sound bank regulatory policies, they should assume the primary responsibility for auditing and supervising State banks within their jurisdiction. Thus, the bill provides that the State authorities may request such power, and unless they are turned down by the Commission within 60 days, may exercise it. Further, where a State would like to exercise primary responsibility for regulatory State banks within its borders, but does not yet have the capability of conducting adequate supervision, it may request Federal funds to help it develop that capability. Thus the bill not only contributes to the reduction of inconsistencies and overlaps in Federal regulatory policy, but reduces Federal-State overlay in banking regulation as well.

Forty years have passed since the current segmented Federal banking system was established. In that time, the regulatory policies of the Federal Reserve Board, the FDIC and the Comptroller of the Currency have often taken different paths. Through consolidation, a unified approach to banking activities will emerge that will stress the special role of State banking agencies in bank supervision, and will encourage competition in the banking industry. The end result will be a sound and strong policy of regulation of our Nation's banks.

Mr. PROXMIRE. Mr. President, I ask that the bill be received, and I shall wait on the floor until clearance is available, so that I can obtain appropriate reference.

Mr. WALLOP. Mr. President, will the Senator yield?

Mr. PROXMIRE. Yes, I am happy to yield.

Mr. WALLOP. They are still trying to arrange for consent to jointly refer that bill, but I just checked, and it has not yet been done.

Mr. PROXMIRE. Then, Mr. President, may I do this: I ask unanimous consent that in the event the minority assents to joint referral, the bill be referred to the Committee on Banking, Housing, and Urban Affairs and the Governmental Affairs Committee, and that, in the meanwhile, it be held at the desk and not referred until that assent is given. Otherwise I will have to remain on the floor, perhaps for 3 or 4 hours.

The PRESIDING OFFICER (Mr. Heflin). Is there objection to the request of the Senator from Wisconsin?

Mr. WALLOP. We have no objection.

Mr. President, similar legislation to consolidate the bank regulatory agencies in a single Federal Bank Commission was introduced in the last Congress and referred jointly to the Committee on Banking, Housing, and Urban Affairs and to the Committee on Governmental Affairs.

Both sides of the aisle cleared this legislation and both jointly refer it in this Congress.

Accordingly, I ask unanimous consent that this legislation be referred to the Committee on Banking, Housing, and Urban Affairs and the Committee on Governmental Affairs jointly with the proviso that either committee has 30 days within which to report the bill.

Mr. CHAFEE. I object to that, Mr. President.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. PROXMIRE. I appreciate that.

I might tell my good friend from Rhode Island that the bill has been cleared with the minority as well as the majority, but I am happy to hold that up until the Senator from Rhode Island can have that confirmed.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent on behalf of Mr. Proxmire that the legislation introduced earlier by him be referred to the Committees on Banking, Housing, and Urban Affairs, and Governmental Affairs, jointly, with the proviso that if either committee orders the bill reported the other committee has 30 days within which to report the bill.

I understand this request has now been cleared on the minority side.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

By Mr. RIBICOFF (for himself, Mr. Javits, Mr. Baker, Mr. Bentsen, Mr. Dole, Mr. Heinz, Mr. Mathias, Mr. Matsunaga, Mr. McGovern, Mr. Moynihan, Mr. Pell, Mr. Percy, Mr. Randolph, Mr. Sarbanes, Mr. Stafford, Mr. Tsongas, and Mr. Young):

S. 333. A bill to effect certain reorganization of the Federal Government to strengthen Federal programs and policies for combating international and domestic terrorism; to the Committee on Governmental Affairs, and if and when reported, referred jointly to Committee on Commerce, Science, and Transportation, the Committee on Foreign Relations, the Select Committee on Intelligence, and the Committee on the Judiciary, for not to exceed 30 days, by unanimous consent.

OMNIBUS ANTITERRORISM ACT OF 1979

Mr. RIBICOFF. Mr. President, it is with a sense of urgency and deep concern that I am introducing, with Senator Javits, the Omnibus Antiterrorism Act of 1979.

No nation has escaped the scars of devastation left by terrorists, and the high incidence of terrorist acts around the world continues to escalate. Hardly a day passes that we are not informed of still another tragic senseless, destructive terrorist incident—often ending in death for innocent bystanders.

And, although the vast majority of terrorist acts seems to happen in faraway, removed lands, American citizens, businesses, and Government facilities are regular targets. In the last 10 years, there have been nearly 1,500 terrorist incidents directly affecting U.S. citizens and interests.

In 1978 alone, many acts of terrorism occurred within the United States. For example, in May the Puerto Rican terrorist group FALN set off bombs at the Kennedy, LaGuardia, and Newark Airports and outside the Justice Department in Washington. In August, Croation terrorists planted bombs in New York City and held West German diplomats hostage in Chicago.

Just last weekend, a 747 jumbo jet on a transcontinental flight to New York was hijacked, with the threat of a bomb on board. Thankfully, there was no destruction, no loss of life, and no bomb. But imagine the terrorist potential for destruction with the lives of the passengers and crew of a 747 jet filled to capacity at his disposal.

We will never be able to put a price on the destruction of American property—or on the loss of American lives—due thus far to terrorism, either here or abroad.

Combating terrorism must be a concern and a priority of every American because each of us is a potential victim.

Terrorists, sometimes shamelessly supported by a few irresponsible nations, are engaged in allout war with whomever they come into contact. Their job is an easy one. They are guaranteed major publicity for their "work." Nine times out of 10 their destructive missions secceed as planned. And perhaps most frustrating, there is a 79-percent chance, according to the CIA, that the terrorist and his cohorts will escape punishment and death.

It is time to stem this tide and fight back. Terrorism is a real threat to our security, and to that of the entire world.

American citizens, businesses, and Government facilities continue to be the focus of many terrorist acts. So, our Federal Government must be organized, equipped, and prepared to deal effectively and quickly with future incidents.

Millions of American people travel overseas annually. So, we must insure their trip is a safe one and that security at foreign airports is acceptable and adequate.

Terrorism strains normal relationships between nations, and severely disrupts world security and peace. So, we must take the lead in working with the international community to combat terrorism through cooperative and mutual agreements. We must penalize those nations which support, aid, or finance terrorists' activities.

The American people expect their Government to do everything in its power to combat terrorism. Some gains have been made.

The President established last year the interagency Working Group on Terrorism as part of the Special Coordinating Committee of the National Security Council. However, we must make certain that in a terrorist incident crossing the jurisdiction of several Federal agencies, coordination not chaos will reign.

American diplomats have worked with other countries to hammer out international agreements for stricter penalties for terrorists and hijackers. Yet, there is a need for Congress to give stronger direction and to set clearer priorities for the negotiation of future agreements.

Last year, after nearly 10 days of hearings and a year-long investigation, we found there is much more the U.S. Government can do to combat terrorism.

The Omnibus Antiterrorism Act of 1979, which I am introducing today, will greatly increase our antiterrorism capability and response.

The bill's reorganization provisions will induce a thorough reexamination and discussion of the Federal structure for combating terrorism. How successful has the new Working Group on Terrorism been in coordinating the response of several agencies to terrorist acts involving U.S. citizens or interests? The Governmental Affairs Committee will take another look.

The President would be required, by law, to maintain an annual list of those countries which are found to aid or abet terrorism. We simply cannot tolerate foreign governments aiding international outlaws. If a nation supports terrorists, the U.S. Government should publicize it and take steps to halt any American economic aid, military sales, trade and tourist travel to that country. Simply giving a nation "outlaw" status on a public list will be an effective sanction in itself against aiding terrorists in the future. I suspect few American tourists or corporations would feel comfortable doing business in that nation.

The U.S. Government has several tools available to it to pressure foreign countries against aiding terrorists. Under the legislation, the President could deny foreign assistance aid, sales of defense materials, export licenses for commodities of potential military application, and duty-free treatment under the Trade Act of 1974.

The legislation will require the Secretary of Transportation to periodically inspect foreign airports for the adequacy of their security. Any foreign airport which fails to correct a serious deficiency would be placed on a list and the American traveling public would be so notified. Far too often, the airline industry has become an easy target for terrorists. Millions of American people travel each year to foreign countries. They expect security standards abroad to equal or surpass those found here in the United States. The U.S. Government has a legitimate interest in safeguarding their security. If the American people knew a certain foreign airport had less than adequate security, travel to that country would inevitably drop off, and so would valuable tourist revenues. That would be a good method of instigating improvements in security at that airport.

One destructive device that has become synonymous with the modern terrorist is the bomb. The international law enforcement community has been frustrated in its attempts to investigate terrorist bombings and trace them back to the persons responsible. In the last decade, research has intensified in the field of explosive taggants. Scientists are very close to perfecting workable and effective substances (taggants) which, when added to explosive material, enable law enforcement personnel to either detect a bomb before detonation, or to trace it to the purchaser through a code on fragments retrieved after an explosion. The bill I am introducing today would require the use of these valuable substances in explosives. If we are going to stop terrorist bombings, we will need good investigative tools. For the first time in history, taggants will present the key to finding out just who is responsible for the reckless and deadly terrorist bombings we have all come to fear.

The bill will also require the President to report to Congress on terrorist acts which affect American lives or property. Congress will need this valuable information if it is to deal knowledgeably with the difficult aspects of terrorism.

The bill will also give strong direction to the executive branch to seek cooperation in the international arena in combating terrorism. Specifically, the legislation urges the President to negotiate with other nations for the creation of a permanent international working group on terrorism, and to seek international adherence to the Hague, Montreal, and other conventions so that hijackers and terrorists will be severely penalized around the world.

Finally, the bill takes the giant and very important step of completing U.S. adherence to the Montreal Convention by including in the United States Code strict penalties for terrorist acts on or near aircraft. These penalties, already adopted by most other nations participating in the convention, cover aircraft sabotage and piracy, and conveying false information and threats. Including this language in the United States Code will go far toward signaling other countries we are determined to deal with terrorists in the United States in the strongest, most forceful way possible.

Mr. President, the Omnibus Antiterrorism Act has wide support and should be enacted into law promptly. Having cleared four Senate committees and several House committees last year, the bill died simply because of a lack of time.

But when it comes to terrorism, we do not have time to spare. It troubles me deeply to think that this bill would become law only in response to a future tragic disaster caused by terrorists. I cannot think of a better way to express our "get tough" attitude toward terrorism than to enact this bill into law.

We must act, before we have to react.

Mr. President, I ask unanimous consent that the section-by-section analysis of the Omnibus Antiterrorism Act and the text of the bill itself be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 333

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. This Act may be cited as the "Omnibus Antiterrorism Act of 1979".

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Sec. 1. Title

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DECLARATION OF FINDINGS

SEC. 3.(a) The Congress hereby finds that

(1) innocent persons have been killed, injured, and victimized, human rights violated, property destroyed and damaged, and international commerce obstructed as a result of terrorist acts;

(2) such acts represent an intolerable attack against the fundamental right to life and security of all peoples of the world;

(3) such acts constitute a threat to the orderly and civilized functions of the international community;

(4) certain nations exhibit a pattern of support for international terrorist acts; and

(5) certain international airports fail to maintain consistently effective security measures.

(b) Further, the Congress finds that a Council for Combating Terrorism (hereinafter referred to as "Council") must be established in the Executive Office of the President to assure consistency in the management of such policy, to assure an efficient response to emergency and crisis situations, and to press for international sanctions against convicted terrorists.

(c) Further, the Congress finds and declares it necessary to provide for an Assistant Secretary of State, an Assistant Attorney General, and an Assistant Secretary of Transportation to assure high-level attention to activities to combat terrorism in the United States Department of State, United States Department of Transportation, and United States Department of Justice.

(d) Further, the Congress finds and declares that economic sanctions should be directed at countries which harbor, aid, abet, or assist terrorists.

DECLARATION OF PURPOSES

SEC. 4. The Congress therefore declares that the establishment of a Council for Combating Terrorism and the assignment of a high priority to antiterrorist policy is in the public interest to promote the welfare of American citizens by assuring coordinated and effective administration of Federal programs and policies for combating terrorism. It is the purpose of this Act—

(a) to establish in the Executive Office of the President a permanent Council for Combating Terrorism;

(b) to establish in the Department of State an Office, headed by an Assistant Secretary, to coordinate the responsibilities of that Department for combating international terrorism;

(c) to establish in the Department of Justice an Office, headed by an Assistant Attorney General, to coordinate the responsibilities of that Department for combating terrorism;

(d) to establish in the Department of Transportation an Office, headed by an Assistant Secretary, to coordinate the responsibilities of that Department for combating terrorism;

(e) to bring together in the new offices the responsibility for coordinated management of all of the antitrust policies and programs;

(f) to provide an appropriate organizational framework for the implementation of such programs;

(g) to provide for effective permanent mechanisms for development and implementation of a comprehensive national antiterrorist policy;

(h) to assure coordinated and effective research in antiterrorist measures;

(i) to improve the effectiveness of the information-gathering system regarding terrorist acts and results;

(j) to establish effective sanctions against those countries which harbor, aid, or abet international terrorists;

(k) to coordinate and supervise the implementation of United States policy with respect to international acts of terrorism;

(l) to oversee and administer the provisions of this Act;

(m) to develop new initiatives which the United States can implement unilaterally or with other nations to control international acts of terrorism;

(n) to participate in international conferences and negotiations on the control of international acts of terrorism;

(o) to devise procedures for reacting swiftly and effectively to acts of terrorism that occur;

(p) to strengthen Federal capabilities in policy and planning, coordination, intelligence, and response capability and to enlist the cooperation of all other nations and national and international organizations in initiatives to counter terrorist acts more effectively throughout the world, which safeguarding democratic values;

(q) to promote appropriate action by the United States and other governments in order to combat international terrorism; and

(r) to provide public notice to persons traveling in international air commerce of deficient security programs and facilities at certain foreign airports.

DEFINITIONS

SEC. 5. For the purposes of this Act, the following definitions are established:

(a) "Internal terrorism" includes any act designated as an offense or crime under—

(1) the Convention for the Suppression of Unlawful Seizure of Aircraft (done at The Hague, December 16, 1970);

(2) the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (done at Montreal, September 23, 1971); and

(3) the Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, including Diplomatic Agents (adopted by the General Assembly of the United Nations at New York, December 14, 1973); or

(4) any other unlawful act which results in the death, bodily harm, or forcible deprivation of liberty to any person, or in the violent destruction of property, or in interference with facilities and installations vital to public health, safety, welfare and commerce, or an attempt or credible threat to commit any such act, if the act, threat, or attempt is committed or takes effect—

(A) outside the territory of a state of which the alleged offender is a national; or

(B) outside the territory of the state against which the act is directed; or

(C) within the territory of the state against which the act is directed and the alleged offender knows or has reason to know that a person against whom the act is directed is not a national of that state; or

(D) within the territory of any state when found to have been supported by a foreign state as defined in section 5(b), irrespective of the nationality of the alleged offender: *Provided*, That the act of international terrorism is—

(i) intended to damage or threaten the interests of or obtain concessions from a state or an international organization; and

(ii) not committed in the course of military or paramilitary operations directed essentially against military forces or military targets of a state or an organized armed group.

(b) "State support of international terrorism" shall consist of any of the following acts when committed deliberately by a state:

(1) furnishing arms, explosives, or lethal substances to individuals, groups, or organizations with the likelihood that they will be used in the commission of any act of international terrorism;

(2) planning, directing, providing training for, or assisting in the execution of any act of international terrorism;

(3) providing direct financial support for the commission of any act of international terrorism;

(4) providing diplomatic facilities intended to aid or abet the commission of any act of international terrorism; or

(5) allowing the use of its territory as a sanctuary from extradition or prosecution for any act of international terrorism.

TITLE I—REORGANIZATION OF EXECUTIVE OFFICE OF THE PRESIDENT

ESTABLISHMENT OF COUNCIL TO COMBAT TERRORISM

SEC. 101. There is hereby established in the Executive Office of the President an entity to be known as the Council to Combat Terrorism (hereinafter referred to as the "Council"). The Council shall be headed by, and its activities shall be administered under the supervision and direction of, the Assistant to the President for National Security Affairs.

COUNCIL FUNCTIONS

SEC. 102. The Council shall—

(a) assist the President in the implementation of this Act and shall provide staff support and assistance in the preparation of the Lists of States Supporting International Terrorism;

(b) consider the most effective means by which to combat terrorism in the United States and abroad;

(c) serve as the lead group in establishing procedures to insure that the United States Government can take appropriate action in response to acts of terrorism which directly or indirectly affect United States citizens;

(d) coordinate, among the Government agencies, ongoing activities for the prevention of terrorism, including the collection of worldwide intelligence, the physical protection of United States personnel and installations abroad, and foreign diplomats and diplomatic installations in the United States;

(e) evaluate all such programs and activities and, where necessary, recommend methods for increasing the effectiveness of their implementation; and

(f) make recommendations to the Director of the Office of Management and Budget concerning proposed funding of such programs.

COUNCIL MEMBERSHIP

SEC. 103. The Council shall consist of the following individuals:

(1) the Assistant to the President for National Security Affairs;

(2) the Secretary of State;

(3) the Secretary of the Treasury;

(4) the Secretary of Defense;

(5) the Attorney General;

(6) the Secretary of Transportation;

(7) the United States Ambassador to the United Nations;

(8) the Director of Central Intelligence;

(9) the Assistant to the President for Domestic Affairs;

(10) the Director of the Federal Bureau of Investigation;

or their delegates, and any additional members which the Assistant to the President for National Security Affairs may determine are necessary.

REPORT ON ACTS OF INTERNATIONAL TERRORISM

SEC. 104. (a) Six months after the date of enactment of this Act and each year thereafter, the President shall transmit to the President pro tempore of the Senate and the Speaker of the House of Representatives a report on those incidents he determines to be acts of international terrorism pursuant to section 5 of this Act: *Provided, however,* That any such incident which affects or involves citizens or significant interests or property of the United States shall be reported to Congress not later than sixty days after the occurrence of such an incident.

(b) With respect to any such incident which affects or involves citizens or significant interests or property of the United States, and with respect to any major act of international terrorism, such reports shall include, but not be limited to, the following information:

(1) a description of the incident and of the involvement and identity of each individual, entity, group, or organization involved in such incident;

(2) the identity of any government providing state support for such acts of international terrorism, and a statement setting forth the exact nature and extent of such government's involvement;

(3) a description of the actions of any government which assisted in bringing about a positive termination of the incident;

(4) a description of the response of the United States Government to such incident.

(c) Nothing in this section is intended to require the public disclosure of information which is properly classified under criteria established by Executive order, or is otherwise protected by law. Such information shall be provided to the President pro tempore of the Senate and the Speaker of the House of Representatives in a written classified report. In such case, an unclassified summary of such information shall be prepared and submitted to the President pro tempore of the Senate and the Speaker of the House of Representatives.

(d) Nothing in this section is intended to require disclosure of investigatory records compiled for law enforcement purposes specifically protected by section 552(b)(7) of title 5, United States Code.

LIST OF STATES SUPPORTING INTERNATIONAL TERRORISM

SEC. 105. (a) Six months after the date of enactment of this Act and each year thereafter, the President shall consider which, if any, states have demonstrated a pattern of support for acts of international terrorism. If the President determines that any states have so acted, he shall submit a list of states supporting international terrorism to the President pro tempore of the Senate and the Speaker of the House of Representatives, and set forth his reasons for listing any such states. The President may at any time add to any such list the name of any state supporting international terrorism by transmitting the name of such state to the President pro tempore of the Senate and the Speaker of the House of Representatives together with his reasons for adding the name of such state to the list. If the President determines that no states have undertaken such acts, he shall report the same with a detailed explanation.

(b) Such list shall also identify any states against which sanctions have been applied pursuant to section 106 of this Act, and any other initiatives of the United States with respect to such states.

(c) Nothing in this section is intended to require the public disclosure of information which is properly classified under criteria established by Executive order, or is otherwise protected by law. Such information shall be provided to the President pro tempore of the Senate and the Speaker of the House of Representatives in a written classified report. In such case, an unclassified summary of such information shall be prepared and submitted to the President pro tempore of the Senate and the Speaker of the House of Representatives.

(d) Nothing in this section is intended to require disclosure of investigatory records compiled for law enforcement purposes specifically protected by section 552(b)(7) of title 5, United States Code.

(e)(1) The list shall be reviewed periodically by the President. The President may propose to Congress a request for removal of any state from the list. Such request shall be accompanied by the reasons therefor.

(2) A state requested by the President to be deleted from the list shall be removed from the list thirty days after the submission of that request to the Congress unless Congress by concurrent resolution disapproves that request.

SANCTIONS AGAINST STATES SUPPORTING INTERNATIONAL TERRORISM

SEC. 106. (a) When a foreign government is listed pursuant to section 105 of this Act, the President shall—

(1) provide no assistance under the Foreign Assistance Act of 1961, or

(2) not authorize any sale, or extend any credit or guaranty, with respect to any defense article or service as defined by section 47 of the Arms Export Control Act, or

(3) approve no export license for the export of commodities or technical data which would enhance the military potential of the foreign government or which would otherwise enhance its ability to support acts of international terrorism, or

(4) extend no duty-free treatment under title V of the Trade Act of 1974, or

(5) permit no entry to the United States by nationals of such country, or foreign nationals sponsored by such country, for the purpose of acquiring training or education in nuclear sciences or subject having military applicability.

(b)(1) If the President finds that the interests of national security so require, he may suspend the applicability of all or any part of the prohibitions listed in subsection (a) of this section in such case: *Provided,* That the President consults with the appropriate committees of Congress prior to the suspension of such prohibitions. He shall report has reasons therefore in writing in detail to the President pro tempore of the Senate, and the Speaker of the House of Representatives and those prohibitions shall not apply.

(2) In determining which of the prohibitions in subsection (a) of this section should be taken, the President, in consultation with Congress, shall consider:

(A) the effectiveness of suspending any prohibition in inducing change in a country's policy or practice of supporting acts of international terrorism;

(B) the effect of such suspension on United States relations with other governments; and

(C) the effects of such suspension on other national interests of the United States.

(c) In devising initiatives to combat international terrorist actions and to reduce state support for such actions, the President shall take such other measures available to him as he deems appropriate; he shall take into account the effectiveness of specific sanctions in inducing change in a country's policy or practice of supporting acts of international terrorism; the likely effect of sanctions on overall United States relations with such country or with other countries; and the effect such sanctions would have on other United States national interests.

(d) The President shall take all appropriate diplomatic measures consistent with international obligations to support the effectiveness of actions taken pursuant to this authority in the accomplishment of the purposes of this Act.

(e) The President shall promptly and fully inform the President pro tempore of the Senate and the Speaker of the House of Representatives of each exercise of authority granted under the Act.

(f) Nothing in this section is intended to require the public disclosure of information that is properly classified under criteria established by Executive order or is otherwise protected by law. Such information shall be provided to the President pro tempore of the Senate and to the Speaker of the House of Representatives in a written classified report. In such case, an unclassified summary of such information shall be prepared and submitted to the President pro tempore of the Senate and the Speaker of the House of Representatives.

REPORT ON FEDERAL AND INTERNATIONAL CAPABILITIES TO COMBAT TERRORISM

SEC. 107. (a) Not later than six months after the date of enactment of this Act, and at intervals of two years thereafter, the President shall submit to the President pro tempore of the Senate and the Speaker of the House of Representatives a Report on Federal and International Capabilities To Combat Terrorism. Such report shall include a comprehensive and specific review of Federal antiterrorism organization, policies, and activities. It shall include a description and evaluation of the effectiveness of relevant Federal organizational structures, planning, coordination, including with State and local authorities, response capability, intelligence gathering and analysis, assistance to and cooperation with United States business representatives abroad, and security preparedness and security adequacy of United States diplomatic and military installations. Such report shall further include a statement and evaluation of all relevant Federal policies, including those with respect to responding to threats, and the management of a terrorist incident. The report shall contain an assessment of the capability and effectiveness of the International Civil Aviation Organization and other international programs and organizations to establish appropriate airport security standards and combat terrorist activities.

(b) Nothing in this section is intended to require the public disclosure of information which is properly classified under criteria established by Executive order, or is otherwise protected by law. Such information shall be provided to the President pro tempore of the Senate and the Speaker of the House of Representatives in a written classified report. In such case, an unclassified summary of such information shall be prepared and submitted to the President pro tempore of the Senate and the Speaker of the House of Representatives.

TRANSFER OF EXISTING FUNCTIONS AND PROPERTY

SEC. 108. There are hereby transferred to and vested in the Council all functions and authorities, personnel, property, and records vested in the National Security Council/Special Coordination Committee, Working Group on Terrorism.

TITLE II—REORGANIZATION OF THE DEPARTMENT OF TRANSPORTATION

ESTABLISHMENT OF OFFICE FOR COMBATING TERRORISM

SEC. 201. (a) There is hereby established in the Department of Transportation an Office for Combating Terrorism, which shall be headed by an Assistant Secretary, appointed by the President, by and with the advice and consent of the Senate.

(b) Section 5315 (81) of title 5, United States Code, is amended by striking out "(4)" and by inserting in lieu thereof "(5)".

OFFICE FUNCTIONS

SEC. 202. The Office shall—

(a) coordinate, supervise, and insure the efficient management, implementation, and development of all antiterrorist policies, programs, and activities of the Department of Transportation; and

(b) work closely with the Council to Combat Terrorism, in assisting that Council in the performance of its functions.

INFORMATION ON AIRPORT SECURITY

SEC. 203. Section 1115 of the Federal Aviation Act of 1958 (49 U.S.C. 1515) relating to security standards in foreign air transportation is amended to read as follows:

"SECURITY STANDARDS IN FOREIGN AIR TRANSPORTATION

"SEC. 1115. (a) The Secretary of Transportation shall conduct at such intervals as the Secretary shall deem necessary an assessment of the effectiveness of the security measures maintained at those foreign airports serving United States carriers, those foreign airports from which foreign air carriers serve the United States, and at such other foreign airports as the Secretary may deem appropriate. Such assessments shall be made by the Secretary in consultation with the appropriate aeronautic authorities of the concerned foreign government. The assessment shall determine the extent to which an airport effectively maintains and administers security measures. The criteria utilized by the Secretary in assessing the effectiveness of security at United States airports shall be considered in making such assessments and shall be equal to or above the standards established pursuant to the Convention on International Civil Aviation. The assessment shall include consideration of specific security programs and techniques, including but not limited to, physical and personnel security programs and procedures, passenger security and baggage examination, the use of electronic, mechanical or other detection devices, airport police and security forces, and control of unauthorized access to the airport aircraft, airport perimeter, passenger boarding, and cargo, storage, and handling areas.

"(b) The report to the Congress required by section 315 of this Act shall contain:

"(1) A summary of those assessments conducted pursuant to subsection (a) of this section. The summary shall identify the airports assessed and describe any significant deficiences and actions taken or recommended.

"(2) A description of the extent, if any, to which specific deficiencies previously identified, if any, have been eliminated.

"(c) When the Secretary finds that an airport does not maintain and administer effective security measures at the level of effectiveness specified in subsection (a) of this section, the Secretary shall notify the appropriate authorities of such foreign government of this finding, and recommend the steps necessary to bring the security measures in use at that airport to the acceptable level of effectiveness.

"(d) (1) Not later than sixty days after the notification required in subsection (c) of this section and upon a determination by the Secretary that the foreign government has failed to bring the security measures at the identified airport to the level of effectiveness specified in subsection (a) of this section, the Secretary—

"(A) shall publish in the Federal Register and cause to be posted and prominently displayed at all United States airports regularly serving scheduled air carrier operations the identification of such airport; and

"(B) after consultation with the appropriate aeronautical authorities of such government and, notwithstanding section 1102 of this Act, may, with the approval of the Secretary of State, withhold revoke, or impose conditions on the operating authority of any carrier or foreign air carrier to engage in foreign air transportation utilizing that airport.

"(2) The Secretary shall promptly report to the Congress any action taken under this subsection setting forth information concerning the attempts the Secretary has made to secure the cooperation of the nation in attaining the acceptable level of effectiveness.

"(e) Nothing in this section is intended to require the public disclosure of information that is properly classified under criteria established by Executive order or is otherwise protected by law. Such information shall be provided to the President pro tempore of the Senate and to the Sepaker of the House of Representatives in a written classified report. In such case, an unclassified summary of such information shall be prepared and submitted to the President pro tempore of the Senate and the Speaker of the House of Representatives.".

AVIATION SECURITY ASSISTANCE TO FOREIGN GOVERNMENTS

SEC. 204. (a) (1) The Secretary of Transportation is authorized to promote the achievement of international aviation security by providing technical assistance concerning aviation security to foreign governments. Such technical assistance may include the conduct of surveys to analyze the level of aviation security in airports and the provision of training in aviation security to foreign nationals. Such training in aviation security may be conducted either in the United States or in foreign nations. The Secretary may provide for the payment of subsistence and expenses for travel within the United States for foreign nationals receiving such aviation security training in the United States.

(2) The Secretary may require a foreign government to reimburse the United States for all, part, or none of the cost of providing the technical assistance authorized under paragraph (1).

(b) There is authorized to be appropriated to carry out the provisions of this subsection an amount not to exceed $100,000 for each of the fiscal years 1980, 1981, and 1982.

TITLE III—REORGANIZATION OF THE DEPARTMENT OF JUSTICE

SEC. 301. (a) There is hereby established in the Department of Justice an Office for Combating Terrorism, which shall be headed by an Assistant Attorney General, appointed by the President, by and with the advice and consent of the Senate.

(b) Section 5315(19) of title 5, United States Code, is amended by striking out "(9)" and by inserting in lieu thereof "(10)".

OFFICE FUNCTIONS

SEC. 302. The Office shall—

(a) coordinate, supervise, and insure the efficient management, implementation, and development of all antiterrorist policies, programs, and activities of the Department of Justice; and

(b) work closely with the Council to Combat Terrorism, in assisting that Council in the performance of its functions.

EXPLOSIVE TAGGANTS

SEC. 303. (a) Section 841 of title 18, United States Code, is amended by adding at the end thereof the following:

"(o) 'Identification taggant' means any substance which (1) is added to an explosive material during the manufacture of such material and (2) is retrievable after detonation and permits the identification of the manufacturer, the date of manufacture of such material, and provides such other information as determined by the Secretary of the Treasury.

"(p) 'Detective taggant' means any substance which (1) is added to an explosive material during the manufacture of such material, and (2) permits detection of such material prior to its detonation.".

(b) Section 842 of title 18, United States Code, is amended by adding at the end thereof the following:

"(l) One year after the date of the enactment of this Act, it shall be unlawful for any person or persons to manufacture any explosive material which does not contain an identification taggant which satisfies the standards promulgated by the Secretary as provided in section 847.

"(m) Two years after the date of the enactment of this Act, it shall be unlawful for any person or persons to manufacture any explosive material which does not contain a detection taggant which satisfies the standards promulgated by the Secretary as provided in section 847.

"(n) Two years after the date of the enactment of this Act, it shall be unlawful for any person or persons to transport, ship, distribute, or receive, or cause to be transported, shipped, distributed, or received, in interstate or foreign commerce any explosive material which does not contain an identification taggant which satisfies the standards promulgated by the Secretary as provided in section 847.

"(o) Three years after the date of the enactment of this Act, it shall be unlawful for any person or persons to transport, ship, distribute, or receive, or cause to be transported, shipped, distributed, or received, in interstate or foreign commerce any explosive material which does not contain a detection taggant which satisfies the standards promulgated by the Secretary as provided in section 847.

"(p) One year after the date of the enactment of this Act, it shall be unlawful for any person or persons to import any explosive material which does not contain an identification taggant which satisfies the standards promulgated by the Secretary as provided in section 847.

"(q) Two years after the date of the enactment of this Act, it shall be unlawful for any person or persons to import any explosive material which does not contain a detection taggant which satisfies the standards promulgated by the Secretary as provided in section 847.

"(r) Two years after the date of the enactment of this Act, it shall be unlawful for any person to resell or otherwise dispose of any explosive material sold as surplus by a military or naval service or other agency of the United States which does not contain an identification taggant which satisfies the standards promulgated by the Secretary as provided in section 847. The shipment of surplus explosive materials from the military establishment where sold to the purchaser's place of business shall be in accordance with regulations promulgated by the Secretary.

"(s) Three years after the date of the enactment of this Act, it shall be unlawful for any person to resell or otherwise dispose of any explosive material sold as surplus by a military or naval service or other agency of the United States which does not contain a detection taggant which satisfies the standards promulgated by the Secretary as provided in section 847. The shipment of surplus explosive materials from the military establishment where sold to the purchaser's place of business shall be in accordance with regulations promulgated by the Secretary.

"(t) The Secretary shall by regulation defer one or more of the time periods specified in paragraphs (l) through (s) by extensions of not more than one year at a time until the Secretary is satisfied that taggants: are available in sufficient quantity for commercial purposes; will not impair the quality of the explosive materials for their intended use; are not unsafe; or will not adversely affect the environment. The Secretary shall inform the Congress sixty days prior to each extension, specifying the reasons for such extension, and estimating the time the Secretary expects the provisions of this section will become effective.

"(u) The requirements of paragraphs (l) through (q) of this subsection shall not apply to any explosive material designated by the President or his designee as an explosive material to be used by the Department of Defense or another agency of Government for national defense or international security purposes. Any explosive material so designated shall be reported promptly to the Secretary of the Treasury.".

(c) Section 844(a) of title 18, United States Code, is amended (1) by striking out "(a) Any" and inserting in lieu thereof "(a)(1) Any", and (2) by adding at the end thereof the following new subsection:

"(2) Any person who violates subsection (l) of section 842 of this chapter shall be fined not more than $10,000 or imprisoned not more than ten years, or both.".

(d) Section 845(a) of title 18, United States Code, is amended

(1) by striking "and" at the end of paragraph (5) thereof;

(2) by striking the period at the end of paragraph (6); and by inserting in lieu thereof the following: "; and"; and

(3) by adding at the end thereof the following:

"(7) the provisions of subsection (l) of section 842 of this title shall apply to paragraphs (4) and (5) of this subsection.".

IMPLEMENTATION OF MONTREAL CONVENTION

SEC. 304. The President shall develop standards and programs to insure the full implementation of the provisions of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (Montreal, September 23, 1971).

AIRCRAFT SABOTAGE

SEC. 305. (a) Section 31 of title 18, United States Code, is amended—

(1) by striking out the words "Civil Aeronautics Act of 1938" and inserting in lieu thereof the words "Federal Aviation Act of 1958";

(2) by striking "and" at the end of the third undesignated paragraph thereof;

(3) by striking the period at the end thereof and inserting in lieu thereof ";"; and

(4) by adding at the end thereof the following:

" 'In flight' means any time from the moment all the external doors of an aircraft are closed following embarkation until the moment when any such door is opened for disembarkation. In the case of a forced landing the flight shall be deemed to continue until competent authorities take over the responsibility for the aircraft and the persons and property abroad.

" 'In service' means any time from the beginning of preflight preparation of the aircraft by ground personnel or by the crew for a specific flight until twenty-four hours after any landing; the period of service shall, in any event, extend for the entire period during which the aircraft is in flight.".

(b) Section 32, title 18, United States Code is amended to read as follows:

"Whoever willfully sets fire to, damages, destroys, disables, or interferes with the operation of, or makes unsuitable for use any civil aircraft used, operated, or employed in interstate, overseas, or foreign air commerce; or willfully places a destructive substance in, upon, or in proximity to any such aircraft which is likely to damage, destroy, or disable any such aircraft, or any part or other material used, or intended to be used, in connection with the operation of such aircraft: or willfully sets fire to, damages, destroys, or disables any air navigation facility or interferes with the operation of such air navigation facility, if any such act is likely to endanger the safety of such aircraft in flight; or

"Whoever, with intent to damage, destroy, or disable any such aircraft, willfully sets fire to, damages, destroys, or disables or places a destructive substance in, upon, or in the proximity of any appliance or structure, ramp, landing area, property, machine, or apparatus, or any facility, or other material used, or intended to be used, in connection with the operation, maintenance, or loading or unloading or storage of any such aircraft or any cargo carried or intended to be carried on any such aircraft; or

"Whoever willfully performs an act of violence against or incapacitates any passenger or member of the crew of any such aircraft if such act of violence or incapacitation is likely to endanger the safety of such aircraft in service; or

"Whoever willfully communicates information, which he knows to be false, thereby endangering the safety of any such aircraft while in flight; or

"Whoever willfully attempts to do any of the aforesaid acts—shall be fined not more than $10,000 or imprisoned not more than twenty years, or both.".

(c)(1) Chapter 2, title 18, United States Code, is amended by adding a new section after section 32 to read as follows:

"§ 32A. Offenses in violation of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation

"(a) Whoever commits an offense as defined in subsection (b) against or on board an aircraft registered in a state other than the United States and is afterward found in this country—shall be fined not more than $10,000 or imprisoned not more than twenty years, or both.

"(b) For purposes of this section a person commits an 'offense' when he willfully—

"(1) performs an act of violence against a person on board an aircraft in flight if that act is likely to endanger the safety of that aircraft; or

"(2) destroys an aircraft in service or causes damage to such an aircraft which renders it incapable of flight or which is likely to endanger its safety in flight; or

"(3) places or causes to be placed on an aircraft in service, by any means whatsoever, a device or substance which is likely to destroy that aircraft, or to cause damage to it which renders it incapable of flight, or to cause damage to it which is likely to endanger its safety in flight; or

"(4) attempts to commit, or is an accomplice of a person who commits or attempts to commit, an offense enumerated in this subsection.".

(2) The analysis of chapter 2 of title 18 of the United States Code is amended by adding after item

"32. Destruction of aircraft or aircraft facilities."

the following new item:

"32A. Offenses in violation of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation.".

(d) Section 101(34) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1301 (34)), relating to the definition of the term "special aircraft jurisdiction of the United States," is amended as follows:

(1) by deleting the word "or" at the end of subsection (d)(i);

(2) by deleting the word "and" at the end of subsection (d)(ii) and inserting in lieu thereof the word "or"; and

(3) by adding a new subsection (d)(iii) as follows:

"(iii) regarding which an offense as defined in subsection (d) or (e) of article I, section I of the (Montreal) Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation is committed, provided the aircraft lands in the United States with an alleged offender still on board; and".

(e) Section 902(k) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1472(k)), is amended by adding subsection (3) to the end thereof, to read as follows:

"(3) Whoever while aboard an aircraft in the special aircraft jurisdiction of the United States commits an act which would be an offense under section 32 of title 18, United States Code, shall be punished as provided therein.".

(f)(1) Chapter 2 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 36. Imparting or conveying threats

"(a) Whoever imparts or conveys or causes to be imparted or conveyed any threat to do an act which would be a felony prohibited by section 32 or 33 of this chapter or section 1992 of chapter 97 or section 2275 of chapter 111 of this title with an apparent determination and will to carry the threat into execution shall be fined not more than $5,000 or imprisoned not more than five years, or both.".

(2) The analysis of chapter 2 of title 18 of the United States Code is amended by adding at the end thereof the following new item:

"36. Imparting or conveying threats.".

AIRCRAFT PIRACY

SEC. 306. (a) Section 901 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1471), is amended by adding at the end thereof the following new subsections:

"(c) Whoever imparts or conveys or causes to be imparted or conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a crime prohibited by subsection (i), (j), (k), or (l) of section 902 of this Act, shall be subject to a civil penalty of not more than $1,000 which shall be recoverable in a civil action brought in the name of the United States.

"(d) Except for law enforcement officers of any municipal or State government, or the Federal Government, who are authorized or required within their official capacities to carry arms, or other persons who may be so authorized under regulations issued by the Administrator, whoever, while aboard, or while attempting to board, any aircraft in, or intended for operation in, air transportation or intrastate air transportation, has on or about his person or his property a concealed deadly or dangerous weapon, which is, or would be, accessible to such person in flight shall be subject to a civil penalty of not more than $1,000 which shall be recoverable in a civil action brought in the name of the United States.".

(b) Subsection (a) of section 1395 of title 28, United States Code, is amended by striking the period at the end of such subsection and adding the following: ", and in any proceeding to recover a civil penalty under section 35(a) of title 18 of the United States Code or section 901(c) or 901(d) of the Federal Aviation Act of 1958, all process against any defendant or witness, otherwise not authorized under the Federal Rules of Civil Procedure, may be served in any judicial district of the United States upon an ex parte order for good cause shown.".

(c)(1) Section 902(m) of the Federal Aviation Act of 1958 (49 U.S.C. 1472(m)) is amended to read as follows:

FALSE INFORMATION AND THREATS

"(m)(1) Whoever willfully and maliciously, or with reckless disregard for the safety of human life, imparts or conveys or causes to be imparted or conveyed false information knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a felony prohibited by subsection (i) (j), or (l)(2) of this section, shall be fined not more than $5,000 or imprisoned not more than five years, or both.

(2) Whoever imparts or conveys or causes to be imparted or conveyed any threat to do an act which would be a felony prohibited by subsection (i), (j), or (l)(2) of this section, with an apparent determination and will to carry the threat into execution, shall be fined not more than $5,000 or imprisoned not more than five years, or both.".

(2) The table of contents of the Federal Aviation Act of 1958, in the matter of title II (subchapter IX, chapter 20 of title 49, United States Code, section 1472(m)), is amended by redesignating

"(m) False information."

to read

"(m) False information and threats.".

(d) Section 903 of the Federal Aviation Act of 1958 (49 U.S.C. 1473) is amended by striking "Such" at the beginning of the second sentence of subsection (b)(1) of that section, and substituting therefor "Except with respect to civil penalties under section 901(c) and (d) of this Act, such".

TITLE IV—REORGANIZATION OF THE DEPARTMENT OF STATE

ESTABLISHMENT OF OFFICE FOR COMBATING INTERNATIONAL TERRORISM

SEC. 401. (a) There is hereby established in the Department of State an Office for Combating International Terrorism (hereinafter referred to as the "Office"), which shall be headed by an Assistant Secretary of State, appointed by the President, by and with the advice and consent of the Senate.

(b) Section 5315(22) of title 5, United States Code, is amended by striking out "(11)" and inserting in lieu thereof "(12)".

OFFICE FUNCTIONS

SEC. 402. The Office shall—

(a) coordinate, supervise, and insure the efficient management, implementation, and development of all antiterrorist policies, programs and activities of the Department of State;

(b) work closely with the Council to Combat Terrorism, in assisting that Council in the performance of its functions; and

(c) assist the President in the implementation of section 105 and the other provisions of this Act.

PRIORITIES FOR NEGOTIATION OF INTERNATIONAL AGREEMENTS

SEC. 403. (a) The President is hereby urged to seek international agreements to assure more effective international cooperation in combating terrorism.

(b) High priority in the negotiation of such agreements should be given to agreements which include, but which need not be limited to the following:

(1) establishment of a permanent international working group, including subgroups on topics as may be appropriate, including but not limited to, law enforcement and crisis management, which would combat international terrorism by—

(A) promoting international cooperation among countries; and

(B) developing new methods, procedures, and standards to combat international terrorism;

(2) establishment of means to effect observance of—

(A) the Convention for the Suppression of Unlawful Seizure of Aircraft (The Hague, December 16, 1970);

(B) the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (Montreal, September 23, 1971); and

(C) the Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, Including Diplomatic Agents (New York, December 14, 1973);

(3) establishment of international legal requirements to prohibit and punish the act of taking hostages.

SECTION-BY-SECTION ANALYSIS OF THE OMNIBUS ANTITERRORISM ACT OF 1979

Sec. 1. This section provides that this act shall be named the "Omnibus Antiterrorism Act of 1979."

Sec. 2. Table of Contents.

Sec. 3. Declaration of Findings.

This section lists the findings of Congress. The findings include: that terrorism has caused and resulted in violations of human rights, the killing of innocent people, and threats presented to an orderly, civilized world. Also found is the need for top-level, federal coordination of policy planning and implementation of combat terrorism, and therefore the need for the creation of the Council for Combating Terrorism and the creation of the positions of Assistant Secretary of State, Assistant Secretary of Transportation, and Assistant Attorney General. Further findings include: certain nations have shown support for terroristic acts; some nations have not implemented effective security measures in their international airports; and economic sanctions should be established against countries which aid, abet or harbor terrorists.

Sec. 4. Declaration of Purposes.

The Act will strengthen U.S. federal capacities in policy and planning, coordination, intelligence gathering, and response by creating a permanent Council for Combating Terrorism under the Executive Office of the President, and by establishing offices in the Departments of State, Transportation, and Justice, each to be headed by an Assistant Secretary and, in the case of the Department of Justice, by an Assistant Attorney General.

Further, the purpose of this act is to link the U.S. policies and objectives concerning terrorism with those of the world community, to provide for strong U.S. unilateral steps to be taken against states which support terrorist activities, and to take a lead in the international community to demonstrate that the U.S. is committed to solving the problems of terrorism.

Sec. 5. Definitions.

In this section, the definition of "international terrorism" is comprised of five component parts. First, the definition includes those of three international conventions: The Hague Convention, 1970, The Montreal Convention, 1971, and the Convention of the Prevention and Punishment of Crimes Against Internationally Protected Persons, Including Diplomatic Agents, 1973.

Second, the definition includes descriptions of other unlawful actions including all possible forms of terrorism, such as bombing, kidnapping, or obstruction of commerce.

Third, the definition concerns itself with the international context in which the act must take place.

Fourth, the definition explains that the act performed, in order to be considered an act of international terrorism, must threaten the interests of a state or an international organization.

Fifth, the definition sets out that essentially military operations are not to be considered acts of international terrorism.

The definition of "state support of international terrorism" means that any state shall be considered supportive of terrorism if the state deliberately furnishes arms, explosives, training, or lethal substances, planning, directing, providing assistance, or use of diplomatic facilities, financial support or sanctuary from extradition to persons who will very likely commit acts of terrorism.

TITLE I—REORGANIZATION OF EXECUTIVE OFFICE OF THE PRESIDENT

Sec. 101. Establishment of Council to Combat Terrorism.

This section establishes, in the Executive Office of the President, the Council to Combat Terrorism, placing it under the supervision and direction of the Assistant to the President for National Security Affairs.

Sec. 102. Council Functions.

Listed in this section are the six functions of the proposed Council. They include: assisting the President in implementing this Act; assisting in the preparation of the Lists of States Supporting International Terrorism; coordinating and evaluating ongoing activities and programs pertaining to terrorism; insuring that the U.S. government can react appropriately to terrorist acts affecting U.S. citizens or property; and making recommendations to the Director of the Office of Management and Budget concerning the funding of any antiterrorist programs.

Sec. 103. Council Membership.

Listed in this section are the members of the proposed Council. They are:

(1) the Assistant to the President for National Security Affairs;

(2) the Secretary of State;

(3) the Secretary of the Treasury;

(4) the Secretary of Defense;

(5) the Attorney General;

(6) the Secretary of Transportation;

(7) the United States Ambassador to the United Nations;

(8) the Director of Central Intelligence;

(9) the Assistant to the President for Domestic Affairs;

(10) the Director of the Federal Bureau of Investigation.

Sec. 104. Report on Acts of International Terrorism.

This section describes the annual report to be prepared by the President for submission to Congress. The report shall describe in detail any acts of international terrorism involving U.S. citizens or interests, the countries involved, their roles, and the response of the U.S.

Sec. 105. List of States Supporting International Terrorism.

This section describes the annual list of states supporting international terrorism to be prepared by the President for the Congress. The report will list any states found to be supportive of terrorism and describe any sanctions placed upon those states. The

President may at any time add a country to the list provided that the addition and an explanation are reported to the Congress. The President may remove a country from the list, provided Congress does not disapprove of the removal by concurrent resolution.

Sec. 106. Sanctions Against States Supporting International Terrorism.

Sanctions to be placed upon states supporting international terrorism and listed according to Sec. 105, are automatic. The sanctions include: providing no assistance under the Foreign Assistance Act of 1961, denying military sales and training as provided for in the Arms Export Control Act, extending no duty free treatment as provided for in the Trade Act of 1974, approval of no export licenses for the export of commodities or technical data which would enhance the military potential of the foreign government, and permitting no entry to the United States of any nationals of such country for the purpose of acquiring training in the nuclear sciences or subjects of military applicability.

If the President finds that national security dictates, the waiver of sanctions may be so done providing the President consults the Congress beforehand.

The President is charged with the duty of combating international terrorism and reducing the number of states supportive of international terrorism. He would be required to seek appropriate diplomatic actions and other measures to achieve this goal, taking into account the U.S. relations with the nations involved while pursuing his goals.

Sec. 107. Report on Federal and International Capabilities to Combat Terrorism.

This section requires a report on Federal and International Capabilities to Combat Terrorism, to be submitted biannually to Congress by the President. The report shall review and evaluate federal policies, programs, organizational structures, and response capabilities. Also, the report shall assess the effectiveness and capabilities of the International Civil Aviation Organization and other international programs aimed at establishing proper airport security standards to combat terrorist activities.

Sec. 108. Transfer of Existing Functions and Property.

Under this section, the functions, authorities, records, personnel, and property of the Cabinet Committee to Combat Terrorism are transferred to and vested in the Council to Combat Terrorism.

TITLE II—REORGANIZATION OF THE DEPARTMENT OF TRANSPORTATION

Sec. 201. Establishment of Office for Combating Terrorism.

An Office for Combating Terrorism is established in the Department of Transportation. The office is to be headed by an Assistant Secretary.

Sec. 202. Office Functions.

The office shall work with and assist the Council to Combat Terrorism by coordinating, developing, and implementing all antiterrorist policies of the Department of Transportation.

Sec. 203. Information on Airport Security.

This section amends Sec. 1115 of the Federal Aviation Act of 1958 by requiring the Secretary of Transportation to study and assess the effectiveness and maintenance of security measures used in foreign airports serving U.S. planes or serving any foreign aircraft flying into the United States. In making these assessments, he is required to consider the effectiveness of security at United States airports and shall consider other specific criteria, including those standards agreed upon at the Convention of International Civil Aviation. If deficiences are noted, the Secretary shall recommend to the foreign authorities measures to upgrade their security system. Should the foreign officials not act upon the recommendations of the Secretary, the Secretary shall make public the deficiencies of the airport, and with the approval of the Secretary of State, may hold, revoke or impose operating conditions on the authority of any carrier or foreign air carrier to engage in transportation at that airport.

The Secretary's report to Congress shall identify all airports assessed, their deficiencies, and any actions taken or recommended. All actions taken by the Secretary shall be promptly reported to the Congress.

Sec. 204. Aviation Security Assistance to Foreign Governments.

The Secretary of Transportation is authorized to provide technical aviation security assistance to foreign countries. The assistance may consist of conducting surveys to measure the quality of security or training foreign nationals in the field of aviation security. Should the training be held in the U.S., travel and subsistence expenses may be provided for by the Secretary, who may or may not request reimbursement from the foreign country.

TITLE III—REORGANIZATION OF THE DEPARTMENT OF JUSTICE

Sec. 301. Establishment of Office of Combating Terrorism.

This section establishes, in the Department of Justice, an Office for Combating Terrorism, to be headed by an Assistant Attorney General.

Sec. 302. Office Functions.

The office shall work with and assist the Council to Combat Terrorism by coordinating, developing and implementing anti-terrorist policies of the Department of Justice.

Sec. 303. Explosive Taggants.

This section amends section 841 of title 18, United States Code, by defining and requiring the use of identification and detection taggants in explosives. A detection taggant is defined as a substance added to explosive material permiting detection of the explosive material prior to its detonation. An identification taggant is defined as a substance added to an explosive material which can be retrieved after detonation, decoded and traced back to the manufacturer.

The following are descriptions of subsections amending section 842 of title 18, United States Code:

(l) This section declares that one year after the enactment of this Act it shall be unlawful to manufacture explosive material that does not contain an identificaion taggant.

(m) This section declares that two years after the enactment of this Act it shall be unlawful to manufacture explosive material that does not contain a detection taggant.

(n) This section declares that two years after the enactment of this Act it shall be unlawful to transport or to receive any explosive material not containing an identification taggant.

(o) This section declares that three years after the enactment of this Act it shall be unlawful to transport or to receive any explosive material not containing a detection taggant.

(p) This section declares that one year after the enactment of this Act it shall be unlawful to import any explosive material not containing an identification taggant.

(q) This section declares that two years after the enactment of this Act it shall be unlawful to import any explosive material not containing a detection taggant.

(r) This section declares that two years after the enactment of this Act it shall be unlawful to resell or dispose of explosive material sold as surplus by a military service not containing an identification taggant.

(s) This section declares that three years after the enactment of this Act it shall be unlawful to resell or dispose of explosive material sold as surplus by a military service not containing a detection taggant.

(t) This section declares that the time periods for paragraphs (1) through (s) may be extended by the Secretary until the taggants meet his specifications of quality, quantity, and safety.

(u) This section declares that paragraphs (l) through (q) shall not apply to military explosives used by the Department of Defense.

Sec. 304. Implementation of Montreal Convention.

This section provides that the President shall create programs and policies in order to insure the full implementation of the provisions accepted in the Montreal Convention, 1971.

Sec. 305. Aircraft Sabotage.

This section proposes amendments to existing law, title 18, United States Code, to implement the provisions adopted at the Montreal Convention.

Subsection (a) adds the definitions of "in flight" and "in service" as an amendment to title 18, United States Code, making it more clear and precise. The amended section lists specific acts of air terrorism (such as bombing, damaging civil aircraft or endangering the lives of passengers or crew members), and declares that an offender shall be fined not more than $10,000 or imprisoned not more than twenty years, or both.

Subsection (c)(1) amends chapter 2, title 18, United States Code, by adding a new section 32A. Jurisdiction is established over anyone committing any offense described in 32A(b), provided the offender is on board a foreign registered aircraft that is found afterward in this country. Offenses described in 32A(b) include: willfully endangering or attempting to endanger the safety of an aircraft in flight by performing an act of violence against a person on board an aircraft; by destroying or damaging an aircraft; or by placing any device on an aircraft in service that is likely to destroy that aircraft. An offender shall not be fined more than $10,000 or imprisoned not more than 20 years, or both.

Subsections (d) and (e) further implement proposals set forth in the Montreal Convention by amending the Federal Aviation Act of 1958.

Subsection (f) amends chapter 2, title 18, of the United States Code by declaring it a felony to convey threats of destruction or disablement of aircraft or related facilities.

Sec. 306. Aircraft Piracy.

This section amends section 901 of the Federal Aviation Act of 1958 by adding new subsections declaring it illegal to impart or convey false information, knowing that information to be false and also declaring it illegal for an unauthorized person to board an aircraft, with a concealed, dangerous weapon.

Also amended is title 28, United States Code, section 1395(a) by providing that all process against any defendant or witness could be served, not only at the place of residence of the defendant but also in the district where the violation occurred.

Sec. 902(m) of the Federal Aviation Act is also updated to agree with proposed laws in this section.

TITLE IV—REORGANIZATION OF THE DEPARTMENT OF STATE

Sec. 401. Establishment of Office for Combating International Terrorism.

This section establishes an Office for Combating International Terrorism in the Department of State, to be headed by an Assistant Secretary of State.

Sec. 402. Office Functions.

The office shall work with and assist the Council to Combat Terrorism by coordinating, developing and implementing antiterrorist policies of the Department of State.

SEC. 403. Priorities for Negotiation of International Agreements.

This section sets some Presidential priorities to be considered in negotiating international agreements, including: the establishment of a permanent international working group to promote cooperation among countries and to develop new response methods to combat international terrorism; the observance of the Hague Convention, 1970, the Montreal Convention, 1971, and the Convention of the Prevention and Punishment of Crimes Against Internationally Protected Persons, Including Diplomatic Agents, 1973; and the establishment of international laws prohibiting the taking of hostages.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the Omnibus Antiterrorism Act of 1979 be referred to the Committee on Governmental Affairs and if and when reported to be referred by unanimous consent jointly to the Committees on Commerce, Science, and Transportation, Foreign Relations, the Select Committee on Intelligence, and Judiciary for a period of not to exceed 30 days.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JAVITS. Mr. President, today I am joining with Senator RIBICOFF as a coauthor and cosponsor in the reintroduction of the Omnibus Antiterrorism Act of 1979. This legislation was originally introduced by Senator RIBICOFF and myself and others on October 25, 1977. At that time, the West German Government had just rescued 86 hostages from a hijacked Lufthansa airliner in Mogadishu, Somalia. This rescue was a most dramatic response to an act of terrorism, and strongly emphasized to the world the need for and effectiveness of determined action against terrorists. The programs and policies contemplated in this legislation may not be as dramatic as the capability demonstrated by West German forces in Mogadishu, but they are an essential component of an effective and meaningful antiterrorist strategy, and they will significantly enhance the U.S. Government's capability and the effectiveness of it against terrorism.

To date, the Carter administration has taken some international action. I am encouraged by its follow up on the initiative of the seven participants to the Economic Summit in Bonn on July 16 and 17. This antihijacking initiative requires an airservice boycott by the participants against any nation that does not prosecute or extradite hijackers wherever they land and against any county that does not release a hijacked aircraft, crew and passengers. It is precisely this kind of multilateral initiative that holds the most promise for depriving terrorists of the sanctuary and of the willing and unwilling cooperation of governments, that terrorists must have to thrive. The initiative is a dramatic demonstration that the leading nations of the West will not put economic considerations ahead of the effort to eradicate terrorism and that in the West terrorists have encountered a united front. I am most pleased that the Carter administration has proven most aggressive in bringing the Bonn Declaration into effect and in attempting to enlist additional participants to the declaration and to the three international antihijacking conventions. The Hague, Tokyo, and Montreal Conventions which are yet to be signed by almost half of the members of the United Nations.

The five sanctions—no assistance under the Foreign Assistance Act of 1961, no sales of arms or defense services, no export of commodities with a military or terrorist potential, no duty-free tariff treatment, and no education or training in nuclear or military sciences—are minimal. Many other severe actions could be added to a list of sanctions.

In the 95th Congress, four Senate committees reported favorably the measure requiring the automatic application of sanctions against governments found to support international terrorism, unless the President determined that the exercise of one or more of the sanctions would be contrary to the national interest. Instead it is my understanding that the administration wants to remove this deterrent and to make the application of the sanctions entirely discretionary with the President thereby weakening materially this deterrent. The automatic application of sanctions is the central element in this legislation. If not included it is much more unlikely that governments aiding terrorists would be brought to account. If the Presidential waiver must be specific and he fears the responsibility for such governments avoiding condemnation, they are much less likely to escape the consequences of their barbaric acts.

Section 106 requires the President to invoke five sanctions against countries he had determined to support international terrorism pursuant to the definition of such support in section 5(b). Considerable flexibility is allowed the President in section 106 by permitting him to waive one or more of these sanctions should "the interests of national security so require," provided he so reports to Congress.

We have a need for decisive U.S. action because the statistics show that terrorism is on the rise. The nature of terrorist attacks increasingly threatens the orderly functioning of international commercial and government operations. The acts impact on public perceptions of the security of the person and of the ability of governments to protect citizens, and government itself, from terrorist depradations.

Between January 1, 1970, and November 1, 1977, 7 years when the latest figures are available—there were 257 incidents of international terrorists assassinations resulting in the murder of 390 victims. Almost 80 percent of all terrorist assassination attempts resulted in the death of the intended victims. The trend in this category is on the drastic increase: 69 percent of the victims were killed between January 1, 1975, and November 1, 1977, only 2 years.

With regard to international terrorists kidnapings, there have been 232 kidnaping incidents and 363 victims in the same time frame; 43 percent of the victims were U.S. businessmen; 80 percent of all attempts are successful. Again the trend in this category is up: 77.6 percent of all kidnapings has occurred in the past 3 years.

The most frequent type of terrorist attack is bombing. There have been 924 significant international terrorist bombings resulting in 212 deaths in the last 7 years. Data on roughly half of these bombings show a total cost of $92.5 million. Half of the 924 attacks were against corporate targets; half of those targets were U.S. corporations: and almost two out of every three corporations operating outside of their territory of origin have been victimized. The trend in this category has been down since 1974. However little comfort can be taken from this fact because terrorist bombings are frequently conducted by relatively inexperienced terrorist groups which move to different types of activity as they become more sophisticated.

There have been 290 incidents of attacks on and seizures of facilities between 1970 and November 1977 resulting in 358 killed, 332 wounded, and 664 hostages. Material damage amounted to $31,300,000. The trend has been somewhat constant over the years with 40 to 60 incidents per year.

One of the most dramatic types of terrorism is aircraft hijacking. Between January 1970 and November 1977 there have been 72 such incidents resulting in 36 hostage deaths, and 15 hostage woundings, with 1,707 hostages eventually being released, 361 being rescued, and 18 escaped. In 75 percent of the incidents, $13,580,000 was paid to meet the terrorists' demands. The trend over the years is down; only 24 percent of all hijackings have occurred in the last 3 years. However, there has been a recent upsurge in the months subsequent to the collection of this data. In 1977 we witnessed an increase in hijackings in the United States to 5 incidents from 2 in 1976 and in foreign hijackings to 25 incidents in 1977 from 13 in 1976. Already in the last 2 months, there have been two attempted hijackings in the United States.

If there were universal international agreement that all forms of terrorism must be eradicated, terrorists would be hard pressed, indeed, to survive. Unfortunately, as is constantly witnessed in the United Nations, some states seek to justify terrorism by calling it "freedom fighting." While the facade of these supporters and perpetrators is patently transparent, they have effectively prevented the international community from taking decisive, effective action. Accordingly, it is incumbent upon those governments in the lead in the fighting against terrorism: First, to set an example for others to follow by seeking greater multilateral international cooperation; and second, by taking any possible effective unilateral action. This is why it is imperative to enact this bill as soon as possible for it accomplishes both of these objectives.

The Omnibus Antiterrorism Act establishes two important principles to counter terrorism: First, the Executive and Congress will share closely information respecting terrorism to insure a response that is coordinated, adequate, and appropriate; and second, the U.S. Federal Government will adopt on its own certain policies designed to deter and punish terrorists and those foreign governments that support them.

The various sections containing reporting requirements—sections 104, 105, 106, 107, and 204—make a wide variety of information available to Congress and the public. Sections 104 through 107 require the Executive to inform Congress periodically of all major acts of international terrorism, the actions taken against other governments by the U.S. Government and finally the Federal and international organizations, programs, and capabilities to deal with terrorism. Whatever sensitive information that is required to be reported to Congress by these sections would be protected by appropriate classification and access procedures.

Section 204 would make available to the general public a listing of all foreign international airports determined by the Secretary of Transportation to have inadequate security standards against terrorists and which have failed to upgrade them sufficiently after notification by the Secretary of Transportation.

The most significant policy adopted in the legislation is that of automatically applying certain sanctions against foreign governments determined by the President to support acts of international terrorism in section 106 and which I have already discussed.

One of the most important aspects in any comprehensive program to deal with terrorism must include an effective way to deal with the increasingly serious problem of bombings and must reduce terrorist and criminal misuse of explosives. Section 303 would authorize the Secretary of the Treasury to require each manufacturer of explosive materials—including black and smokeless powder—to utilize a trace element in the product which can be used to identify explosives after detonation—identification taggant. It also would require the insertion of taggants which would allow the presence of explosives to be detected prior to detonation—detection tagging.

Some Senators will oppose this provision, but if taggants are to aid in combating bombing crimes, it is necessary that the taggant requirements be applied to all commercial explosive materials where technology will permit, especially those which are commonly used in bombings, including black and smokeless powders. Black and smokeless powders were used in 279 explosive incidents in 1976, and 335 in 1977. This is respectively 17 and 19.8 percent of the totals for those 2 years.

If black and smokeless powders are not included within the taggant program, the explosive materials used in a major proportion of current bombings may not only escape these safeguards, but the criminal-terrorist may be provided with an obvious alternative to those explosives which can be traced or detected through taggants. This would be tragic and obviously is of great concern, particularly in detection.

Currently, licensed manufacturers and dealers are required to keep records for 2 years on all ammunition, including smokeless powders, they receive for sale or distribution. Only minor modifications to existing records would be required to accomplish the objectives of the taggant program.

Enactment of this provision is most desirable if we are to strengthen U.S. leadership in the world community in fighting international terrorism. The terrorist misuse of explosives is a serious and growing problem which increasingly threatens the property and lives of U.S. citizens in this country and abroad. I hope that the Senate will agree.

Mr. President, international terrorism has become a major threat to international commerce, transportation, and cooperative international relations. It poses a significant threat to human life and to the well-being and peace of mind of people everywhere. Our Government has a moral and political obligation to provide leadership in controlling the incidence of terrorism. A sound beginning has been made, particularly in the Bonn Summit Declaration of 1978. Enactment of this legislation is absolutely essential to bring about the progress on this issue which is long overdue; we must exercise our national will in law to eradicate terrorism.

Mr. President, I wish to express my deep gratitude to Senator RIBICOFF for joining with me in this matter which was fashioned in the Foreign Relations Committee and which is now incorporated in the bill which we introduce.

By Mr. BAYH (for himself, Mr. CANNON, Mr. LEVIN, Mr. PRESSLER, and Mr. EXON):

S. 334. A bill to amend the Clayton Act to provide additional regulation of certain anticompetitive developments in the agricultural industry; to the Committee on the Judiciary.

FAMILY FARM ANTITRUST ACT OF 1979

Mr. BAYH. Mr. President, the American farm community faces problems unique in the history of agriculture. Under assault from agribusiness corporations and foreign investors, today's farmers face skyrocketing land prices and property taxes. To reduce the extraordinary pressure on our small farmers and help preserve the world's most efficient agricultural system, I am introducing the Family Farm Antitrust Act of 1979. This bill would:

Prohibit the purchase of farmland or control of farming operations by any investors, corporate or individual, with over $15 million in nonfarm business assets;

Ban the acquisition of U.S. farmland by foreign corporations, foreign governments, and nonresident aliens; and

Establish a national reporting system for all owners of farmland with over $15 million in nonfarm assets. Coupled with the Agricultural Foreign Investment Disclosure Act passed in the last Congress, this last provision will enable us to discern the extent of the problem and decide whether even stricter legislation is needed.

Farmland is slipping away from the small farmers who for decades have made American agriculture the envy of the world. Approximately 30 million acres of farmland change hands in this country each year; over one-third of this total is sold to nonfarmers. Figures released by the Brussels-based European Investment Research Center show that foreign interest expended $800 million on American farmland last year, a staggering 30 percent of all foreign investment in the United States during that time. In an era of declining value of the dollar and political instability abroad, American farmland remains an attractive investment and tax shelter for wealthy foreign investors.

No less a threat is posed by investment schemes of large U.S. banks, corporations, and pension funds. Plans in recent years by large city banks and brokerage houses to buy up huge tracts of U.S. farmland were averted at the last minute when an incensed public cried out in protest. Next time such a plan might not be prevented absent effective national legislation.

The agribusiness corporations, driven by the motive of gaining total control over the production and marketing of their products, are even more voracious. The American Agricultural Marketing Association has estimated that by 1985 nearly 75 percent of all U.S. food production will be controlled by the integrators.

This drive towards concentration bodes ill for the American consumer. The economic power and diversity of the integrators and conglomerates enable them to take temporary losses in order to drive the family farm (shown by several studies to be the most efficient agricultural unit) out of business. In this time of rapidly escalating food prices, farmers are actually receiving a lower percentage of the consumer dollar; corporate weapons of packaging and advertising expenditures are the villains in this double-digit food inflation.

Prices in concentrated industries behave quite differently from those in diversified industries. Concentration causes prices to be sticky on the downside, but quick to rise during periods of inflation. So the consumer continues to pay ever higher prices.

In short, private investors, both foreign and domestic, huge agribusiness firms, and other corporate conglomerates now scramble over each other to buy up our most precious natural resource. This insatiable demand has been responsible, in part, for raising the price of farmland dramatically. Since 1972, the price of farmland in the Corn Belt (including my home State of Indiana) has increased 180 percent; in Iowa the average price has increased threefold in the same period. The small farmer now operates at a competitive disadvantage. United States Department of Agriculture figures show that tax advantages enjoyed by foreigners allow them to pay 12 to 15 percent more than Americans for land and still reap the same return. Large corporations enjoy tax advantages and economic power far beyond those of the small farmer.

The effects on the small farmer have been devastating. Faced by escalating property taxes and unable to expand his holdings profitably due to the high price of farmland, the small American farmer is being forced off his land. The agribusiness giants, rather than patronizing local dealers, are importing fertilizers, heavy machinery, and other agricultural inputs from outside of the community. The result has been a decline in the vitality of American farm communities.

Under these conditions it is extremely difficult for a young farm family to get a start, let alone stay in the business. According to the USDA, it took $1,000 to begin farming in 1940; today it costs about a quarter million dollars to start a modest commercial farm.

Mr. President, we must act to preserve our Nation's most productive and efficient industries. Free enterprise in agriculture is in serious jeopardy when the Government must subsidize young farmers to buy farmland at $3,000 an acre, and when large corporations in agricultural centers control as much as 60 percent of our crop production. The national trend is obvious and disturbing. As one who grew up on and still owns a family farm, I am particularly concerned about this threat to our farming system. I believe this bill to be an appropriate response.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 334

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Family Farm Antitrust Act of 1979".

FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) The Congress finds that—

(1) in order to nurture the private enterprise system in the United States, it is necessary not only to protect consumers and small businesses, but also to protect the family farm against take-over by large scale investors.

(2) vertical integration of the agricultural industry by persons engaged in the processing, distributing, and retailing industries, and by conglomerate corporations engaged in such activities, tends to create monopolies in the agricultural industry, to foster anticompetitive trade practices in that industry, and to result in unfair competition for the family farm;

(3) the dominance of large or integrated firms within the agricultural industry will lead to the demise of rural communities if small farmowners and farmworkers are forced off the land and agricultural inputs for local agricultural production are imported from outside the community;

(4) the potential for foreign investment in productive agricultural land remains an imminent threat to the family farm because wealthy foreign investors, primarily interested in investment security as a result of the declining value of the dollar and international political conditions, have the means of driving the price of agricultural land in the United States to unacceptably high levels; and

(5) there is a serious lack of information available on corporate investments in farmland, and, therefore, it is desirable that large non-family corporate farms be required to report to the Secretary of Commerce on their agricultural land holdings.

AMENDMENTS TO THE CLAYTON ACT

SEC. 3. (a) The Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (38 Stat. 730; 15 U.S.C. 12–27), is amended by inserting after section 8 a new section as follows:

"(SEC. 8A. (a) Except as provided in subsection (b), no person engaged in commerce (or affecting commerce) in a business other than farming, whose nonfarming business assets exceed $15,000,000, shall control, or attempt to control, directly or indirectly, the production of raw farm products through ownership or long-term leasing of agricultural land.

"(b) The provisions of subsection (a) shall not apply to—

"(1) any family farm;

"(2) any farmer owned and controlled cooperative, corporation, or association which meets the requirements of the Act entitled 'An Act to authorize association of producers of agricultural products', approved February 18, 1922 (42 Stat. 388; 7 U.S.C. 291–292 (the Capper-Volstead Act)), or which is a 'cooperative association' as defined in section 15(a) of the Agricultural Marketing Act (46 Stat. 18; 12 U.S.C. 1141j(a));

"(3) any person who (A) acquires agricultural land for research or experimental purposes, if the commercial sales from such land are incidental to the research or experimental objectives of the person, or (B) acquires agricultural land for the purpose of testing, developing, or producing seeds, animals, or plants for sale to farmers or for any related purpose;

"(4) any person who acquires agricultural land for development of surface or subsurface non-agricultural resources, except that such land may not be used for farming unless it is leased to a family farm;

"(5) any person described in subsection (a) who, on the day before the date of enactment of the Family Farm Antitrust Act of 1979, was engaged in activities which on such date would (but for the provisions of this subsection) be in violation of subsection (a) so long as such person does not increase or expand such activities after such date; or

"(6) any creditor, beneficiary, or intestate successor who acquires, pursuant to forfeiture, devise, or the laws of intestate succession, any agricultural land or interest in such land so long as such creditor, beneficiary, or intestate successor does not hold such land or interest for more than five years.

"(c)(1) Notwithstanding any other provision of law, no foreign person may acquire, after the date of enactment of this section, any agricultural land unless such land (A) is acquired by such person for an immediate or future nonfarming use, (B) is used for such nonfarming use within five years after the date of the acquisition of such land by such foreign person, and (C) is leased, within one year after acquisition by such foreign person, to a family farm for use by such family farm until such land is no longer used for farming purposes.

"(2) As used in paragraph (1), the term 'foreign person' shall have the same meaning as prescribed for such term in section (9)(3) of the Agricultural Foreign Investment Disclosure Act of 1978 (7 U.S.C. 3501 note).

"(d) In order to facilitate the enforcement of this section, every person whose nonfarming business assets exceed $15,000,000 and who holds any equity interest in agricultural land shall file each year with the Secretary of Commerce a report containing the following information:

"(1) A statement describing the type of agricultural activities in which such person is engaged.

"(2) The total number of acres of land used in connection with the agricultural activities engaged in by such person and the location, by county and township (if any), of all land owned or leased by such person and used in connection with the agricultural activities engaged in by such person during the preceding year.

"(3) The name and address of such person or, in the case of a corporation or other entity in which stock is issued, the names and addresses of, and the number and class of shares of stock held by, all shareholders who own or control ten percent or more of any class of shares of stock in such corporation or other entity.

The information required to be filed under this subsection shall be furnished at such time, in such manner, and in such forms as the Secretary of Commerce shall prescribe by regulation. The Secretary of Commerce shall annually compile and publish such information.

"(e) Whoever knowingly violates subsection (a) of this section shall be subject to a civil penalty not exceeding $2,000 per acre per year of agricultural land acquired or controlled in violation of this section.

"(f) As used in this section—

"(1) The term 'farming' means the use of land in any State for the production of any raw farm product.

"(2) The term 'agricultural land' means any land in any State suitable for use in farming (as determined by the Attorney General of the United States after consultation with the Secretary of Agriculture).

"(3) The term 'family farm' means a corporation, proprietorship, partnership, trust, or other legal entity which owns or controls one or more units of agricultural land and—

"(A) is engaged in farming;

"(B) produced 60 percent or more of its gross income from farming in each of the three preceeding years;

"(C) has at least one equity owner actively engaged in farming on the unit or units of agricultural land; and

"(D) has a majority of its equity owned by individuals who are (i) related to each other within the third degree of consanguinity, or (ii) persons acting in a fiduciary capacity for one or more individuals so related, or (iii) actively engaged in farming on the unit or units of land.

"(4) The term 'long term leasing' means any lease having a term exceeding five years.

"(5) The term 'raw farm product' means any unprocessed grain, fruit, vegetable, milk, poultry, eggs, cotton, tobacco, rice, tree nuts, hay or other forage, potatoes, or peanuts. Such term does not include timber or forest products.

"(6) The term 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, or any other territory or possession of the United States.".

(b) The first paragraph of the first section of such Act is amended by inserting immediately before "and also this Act" the following "and the Family Farm Antitrust Act of 1979".

(c) Subsection (a)(1) of section 4C of such Act (15 U.S.C. 15c) is amended by inserting "or section 8A of this Act" immediately after "the Sherman Act".

(d) Section 11 of such Act (15 U.S.C. 21) is amended by—

(1) striking out "sections 2, 3, 7, and 8" in the first sentence of subsection (a) and in the first sentence of subsection (b) and inserting in lieu thereof "sections 2, 3, 7, 8, and 8A"; and

(2) striking "section 7 and 8" in the fifth sentence of subsection (b) and inserting in lieu thereof "sections 7, 8, and 8A".

Mr. BAYH. Mr. President, there has been a great deal of publicity and not some insignificant inconvenience that has received a great deal of discussion in and around the National Capitol today, because hundreds and thousands of our constituents who happen to earn their living through agriculture have come to the National Capitol seeking relief for critical economic problems that confront them.

Frankly, those who live in rural America and work on the farm and produce the food and fiber in an unparalleled manner for America are entitled to a fair and just return on the investment of their money and the investment of their labors.

There are a number of conditions which exist in the country which exacerbate the problem which is concerning our farmers today; namely, that the cost of what they buy has been going up at a much more rapid rate than the sales value of the products that they sell, and they just cannot stay in business very long if that continues to happen.

In fact, many of our younger farmers particularly are only able to exist because of the inflated value of land which continues to go up which permits them to borrow more money from the bank so that they are going deeper in debt in order to stay in business. They soon run out of that opportunity, and that time has come.

One of the factors confronting rural America today is the alarming increase in the cost of land; that is, the property, the workshop, if you please, the place of business, of the farmer.

And we have had dramatic increases since 1972. Out in the Midwestern Corn Belt where I happen to live, the increase has been even greater than nationally. The latest survey I saw showed that in that general area since 1972 there has been a 180-percent increase, which does not really show the fact that in the prime farm areas, the prime grain areas of Iowa, some places in Indiana and Illinois, the increase has been 300 percent.

Mr. CHAFEE. Mr. President, will the Senator yield for a question on that?

Mr. BAYH. I yield.

Mr. CHAFEE. The problem I have in understanding this is the paradox that the land increases in value yet the possible return on farming that land decreases and it not only decreases in constant dollars it decreases sometimes in actual dollars. So where is the thrust coming to increase the value of the land? Who is prepared to pay so much for land that will yield so little? It obviously cannot all be residential or factory or shopping centers. I am curious as to just how this develops, because I believe completely in what the Senator from Indiana is saying. I have seen those statistics. I just have trouble understanding what is taking place.

Mr. BAYH. I appreciate the question of my distinguished friend from Rhode Island. The question presupposes the reason for the introduction of the legislation which is designed to prohibit or at least limit the place from which the competition is coming. Basically the competition is coming from foreign investors which last year spent $800 million to buy farmland that was about one-third. Just a little less than a third of all the total of foreign investment in the United States was directed at farmland. This is complicated further, to show Senators the real inequity: foreign investors who come in and buy American farmland and trade in American farmland do not have to pay capital gains tax so they have a special loophole that is applicable to foreigners.

Also, a significant amount of the purchases are from agribusiness firms and from firms which prior to this time have been strictly city oriented that are now going out and buying out farmland and broadening their business portfolio. In some instances we have large banks that are buying up large tracts of real estate and then renting it out. We have the sharecropper syndrome again. We had some large insurance funds that are going out and buying up large amounts of land.

What concerns me, I say to my distinguished friend from Rhode Island, having been a product of the family farm America, is in reading the reports—I do not care whether it is Purdue or Stanford or Cornell or whatever it might be—every report I have seen emphasizes the fact that the real value of American agriculture is the efficacy of the family-sized unit where you do not work 8 hours a day and then it is time and a half, and you go home. You work until the job is done, and that is not true with corporate agriculture.

Yet unless we do something to resist this trend of integration where you have agribusiness taking over and driving the family farm off the real estate, it is estimated that by 1985, and that is not very far, three-fourths of all American agriculture will be in the hands of large major corporations, and when that happens the consumers are going to be in a very disadvantageous position compared to where they are right now and if the family farmer will no longer be in existence.

Mr. CHAFEE. Mr. President, will the Senator yield 1 more minute?

Mr. BAYH. Yes.

Mr. CHAFEE. Although we have few of those large farms or significant size family farms in my State, I share the concern of the Senator from Indiana. I think all Americans do. The future of the American breadbasket, our ability to feed not only ourselves but the remainder of the world, is dependent upon the family farm surviving, and I share the Senator's concerns as he has articulated them.

Mr. BAYH. I appreciate the thoughts of my friend from Rhode Island. He is a Senator who looks beyond the impact a given problem may have on his particular constituency.

If he has a minute maybe he could have a staff person look at the thrust of this bill, which is not going to solve the whole problem. We do not have any magic wands around. It is going to take away, I think, one element of inflationary pressures as far as our farmers are concerned.

Mr. PROXMIRE. Mr. President, I commend the Senator from Indiana on what he has just been talking about. Too few people realize what has happened to the farmer in this country. He is still the No. 1 victim of economic injustice.

Look, for example, at the parity figures now. The farmer works longer hours than virtually anyone else in our society. He has a larger investment than the overwhelming majority of Americans. He performs with the greatest efficiency: 3 percent of the people of this country produce the food and fiber for our whole society.

There is no question but that he has been hit hard. He has to take a greater risk than most Americans, and as I say he has worked with the greatest efficiency for the longest hours, and has not received the reward he should be entitled to.

I am delighted that the Senator from Indiana, who is himself the product of a family farm and has worked so hard to help the family farmer, has spoken as he has here this morning.

Mr. BAYH. Mr. President, I thank the Senator for his thoughtful personal remarks as well as for emphasizing the economic plight of the farmer. I have seen the Senator's work in the Appropriations Committee in representing the farmers of Wisconsin as well as other places, and it is admirable.

I think it is wise, inasmuch as someone might read this RECORD, to point out that while we are all concerned about inflation, the consumer should look at the relatively small percentage of the market basket price that goes to the farmer. Of the cost of a box of Wheaties, for example, the farmer receives approximately 4 cents. Seventeen cents goes to advertising. The same is true of a loaf of bread; the cost of the wheat in a loaf of bread is approximately 2 cents.

I would like us not to get involved in a situation of "us versus them"; but I would like the farmer to receive a fair return on his investment, which can be done without increasing the inflation we are experiencing right now.

[Applause from the galleries.]

By Mr. JAVITS:

S. 335. A bill to establish an Urban Service Corps; to the Committee on Human Resources.

URBAN SERVICE CORPS ACT

Mr. JAVITS. Mr. President, today I am reintroducing a bill to establish in the ACTION Agency an Urban Service Corps. The bill I introduced today is nearly identical to the one I introduced on March 14, 1978, the main elements of which were embodied in part D—urban neighborhood volunteer programs—of the Domestic Volunteer Service Act Amendments of 1978, the ACTION Agency reauthorization measure, which passed the Senate on July 21, 1978.

That bill did not succeed in the House of Representatives last year, so it is necessary that its various elements be reintroduced. While I understand the Senator from California (Mr. CRANSTON) is introducing the entire Senate passed bill, I feel it important that my own bill, which was the genesis specifically of the part D programs, be put before the Senate in the 96th Congress, so I introduce it today.

For the benefit of my colleagues I would like briefly to explain the objective of the Urban Service Corps bill. This legislation would establish programs in which residents of urban areas are encouraged to volunteer their services on a full- or part-time basis to help relieve the serious crisis of declining social and personal services in our central cities and other urban areas. The essence of my proposal is to tap the potential volunteer spirit that I believe is latent in the people of our cities.

The purpose of the Urban Service Corps is to mobilize the people of distressed cities and other urban areas by enlisting voluntary associations, businesses, labor organizations, and trade associations and similar agencies and individuals in volunteer activities—particularly deinstitutionalization activities—designed to reverse the decline of personal and social services and the deterioration of our urban neighborhoods.

The Gallup poll of March 1978 confirms my belief that citizens are ready to come forward and help in solving the problems of their cities. They need only the opportunity to become involved in meaningful service projects that can make use of their energies and dedication.

Mr. President, I ask unanimous consent that a press release of the Gallup poll on this subject, dated March 5, 1978, be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STRONG NEIGHBORHOODS OFFER HOPE FOR NATION'S CITIES

(By George Gallup)

PRINCETON, N.J.—Many observers of the urban scene maintain that the survival of America's cities depends to a major extent on the rejuvenation of the neighborhoods. If the decline of the neighborhoods can be arrested, or if neighborhood quality can be improved, the cities will inevitably benefit.

Findings from a just-released Gallup survey—sponsored by the Charles F. Kettering and Charles Stewart Mott Foundations—indicate that although the picture is mixed, on balance, the prospects for improving the quality of the neighborhoods, and therefore the cities, appear promising.

On the debit side, the neighborhoods appear as possibly more vulnerable than the cities. Although as many as a third of the nation's urban residents say they would like to move away from the cities, an even larger proportion would like to move out of their neighborhoods.

While urban residents rate their neighborhoods better than the city as a whole, they are more pessimistic about the future of their neighborhood than they are about the prospects for their city.

This somewhat gloomy evidence is more than offset by other survey findings: fully three quarters of those residents who express a desire to move out of their neighborhoods say that they would be willing to remain if changes or improvements were carried out.

Furthermore, the vast majority of urban residents—including a majority of those wanting to leave their neighborhood—say they would be willing to volunteer their time and efforts to help solve urban problems at the neighborhood level.

DESIRE TO LEAVE

The percentage of residents who would like to move out of their neighborhoods is as high in the smaller and medium-sized cities as it is in the nation's largest cities. And, in the large and medium-sized cities, it is as high in the suburbs as in the central city areas.

The following table illustrates these findings:

Percent who would like to move

	Central city	Suburbs
Large cities: 1 million and over	38	36
Medium-size cities: 250,000 to 999,999	39	36
Small cities: 50,000 to 249,999	38	28

NEIGHBORHOODS PESSIMISTIC

While urban residents rate their neighborhoods better than the city as a whole, they are more pessimistic about the future of their neighborhood than they are about the prospects for their city.

For example, when the nation's urban population is asked to rate their city today, five years ago, and five years hence, on a scale from 0 to 10, with zero representing the "worst possible city" and 10 the "ideal city," the differences between the perceived standing of the city at the three points in time is marginal—6.4, 6.3, 6.1.

In contrast, the neighborhood is felt to have declined markedly since five years ago, with the average ratings decreasing from 7.2 to 6.9. Moreover, anticipations are that it will deteriorate even more in the next five years, as seen in the further drop in the ratings from 6.9 to 6.4.

Mean ratings

	City	Neighborhood
5 years ago	6.4	7.2
Today	6.3	6.9
Net change:		
(5 years ago to today)	−0.1	−0.3
5 years from now	6.1	6.4
Net change:		
(Today to 5 years from now)	−0.2	−0.5

Offsetting this negative evidence are the following findings:

1. Only a third of those residents expressing the desire to move out of their neighborhoods say that "nothing" could be done to change or improve their neighborhoods to induce them to remain. Six in 10 cite areas in which improvements could be made, such as upgrading housing quality, appearances and maintenance (19 percent); lowering crime (10 percent); improving the traffic situation (9 percent); cleaning up the neighborhood (7 percent).

2. The vast majority of city-dwellers (89 per cent) say they would be willing to volunteer their time and efforts to help in solving their cities' problems at the grass-roots level—i.e., in their own neighborhoods—by participating in such activities as signing petitions, attending meetings, writing letters, picketing and making financial contributions.

The table below indicates the percentage of the nation's urban residents who state they would be willing to volunteer their time in various activities and the percentage who have already done so within the last five years.

	Would be willing to	Have done so within 5 years
Sign petition	63	36
Attend meetings concerning the threat	53	21
Participate in face-to-face discussions with public officials	43	9
Write letters to public officials	42	12
Volunteer time to or serve on neighborhood committee	36	9
Testify at public hearing	33	4
Make small financial donation	29	15
Picket city office or public officials' offices	11	2
Picket in the neighborhood	10	1
Any of these activities	89	52
None of these activities	11	4

Further evidence of this desire to improve or strengthen the neighborhoods is seen in the finding that although only one urban resident in eight (12 per cent) belongs to a neighborhood organization, another 29 per cent state they would like to belong to one if such were available. An additional 17 per cent say they might, depending on the circumstances.

The reservoir of talent available to the neighborhoods is representative of virtually the entire urban population, including the young and the lower socio-economic groups, as well as the better educated and more affluent citizens.

Even those who are most pessimistic about the future of the neighborhood—and those who would move out given the opportunity—are as willing to become involved as those who are most optimistic about its future.

Finally, since these human energies could be tapped without a significant outlay of public money, they would represent a primary resource for strengthening America's neighborhoods—and ultimately the nation's cities.

The findings reported today are based on personal interviews conducted during the last three months of 1977 with 3,242 residents of cities with a population of over 50,000.

Mr. JAVITS. Mr. President, in my own city of New York, we have many indefatigable and public spirited citizens. They do not wish to stand by while their city slips materially. They are ready, willing, and able to enlist in neighborhood volunteer programs and contribute their time and talents to the amelioration of our economic and social ills.

To help deal with such problems in New York City beginning in 1975, and in cooperation with the mayor and Governor of New York, my then Senate colleague Jim Buckley, and the ranking Members of the New York congressional delegation, Representatives Delaney and WYDLER, I caused to be established the Citizens Committee for New York City which, under the leadership of Oz Elliot—former deputy mayor of New York City and former editor of Newsweek magazine—and Dennis Allee—his deputy and formerly my New York City executive assistant, and now Sandra Silverman as executive director, has inspired thousands of New Yorkers to volunteer their time and effort to help maintain these desperately needed services.

Mr. President, it is my belief that our experience can be a model of what can be achieved throughout our country and this is why I put forward this idea to establish an urban neighborhood volunteer program in the ACTION Agency.

President Carter, in his urban policy program of last year proposed an urban volunteer program which, like my own proposal for the Urban Service Corps, sought to promote voluntarism by increasing the effectiveness of voluntary activities at the local level.

In the ACTION Agency reauthorization bill which was reported by our Human Resources Committee, elements of the President's own initiative and those of my own proposal were integrated into a consolidated package. Therefore, the urban neighborhood volunteer program of part D of the Senate-passed bill contained provisions from both initiatives.

Mr. President, the Urban Service Corps will provide an opportunity for our Nation's youth and others to take part in a positive work-service experience. With proper safeguards to protect existing employees, volunteers can work in their own urban neighborhoods, and can be utilized for such social and personal services as block security, child care, park beautification, and home improvement projects.

In addition emphasis will be placed on deinstitutionalization activities, in which volunteers would assist in helping institutionalized persons make the transition. Older and younger individuals working side by side would volunteer their time and energies in hospitals, mental institutions, nursing homes and other extended care settings and facilities and could be a source of encouragement, support and help to these unfortunates. Volunteers could do such things as taking residents of senior citizens centers on shopping excursions or assisting handicapped people to go to and from work.

Mr. President, all of us in this body can understand from our own experiences that what the volunteers do will not be nearly as important as their presence. Such qualitative and 1-on-1 services in the cities have been materially diminished recently and the reason for this is to be found in the lack of adequate funds. Personal and esthetic and social services are always the first to go in these times of severe emergency. The establishment of an Urban Service Corps of volunteers in the ACTION Agency can help greatly to improve and maintain these important services and help restore the morale of our urban citizens.

With the help of the distinguished chairman of the Human Resources Committee's Subcommittee on Child and Human Development, Senator CRANSTON, the Urban Service Corps initiative was guided through the subcommittee and integrated with his own ideas and the proposal of the President. The result was a mutually agreed upon package—part D—which had the unanimous approval of our full Committee and passed the Senate on July 21. I hope that the 96th Congress will repeat that action of the Senate and once again approve the Domestic Volunteer Service Act Amendments and the urban neighborhood volunteer programs of part D. I shall do all I can to persuade my colleagues of the wisdom of these proposals and trust they will agree to approve this bill. I hope we will have once again the support and guidance of the chairman of the Subcommittee on Employment, Poverty and Migratory Labor, Senator NELSON, who also did much to advance this bill through the committee last year.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 335

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Urban Service Corps Act".

SEC. 2. The Domestic Volunteer Service Act of 1973 (hereinafter referred to as the "Act") is amended by adding, at the end of title I thereof, the following new part:

"PART D—URBAN SERVICE CORPS

"STATEMENT OF PURPOSE

"SEC. 131. This part provides for programs in which residents of urban areas are encouraged to volunteer their services on a full- or part-time basis to help relieve the serious crisis in our cities and urban areas caused by financial distress, inflation and regional economic difficulties. Its purpose is to mobilize the existing human resources of such cities and areas and to involve voluntary associations, business, labor organizations, public agencies, and individuals in volunteer activities designed to halt and reverse the decline of municipal services and the deterioration of neighborhoods. A further purpose of this part is to provide meaningful service opportunities to unemployed young people, aged eighteen to twenty-four, who are residents of the most deprived sectors of cities and urban areas.

"AUTHORITY TO ESTABLISH AND OPERATE PROGRAMS

"SEC. 132. (a) The Director is authorized to develop and conduct, and to make grants and contracts to public agencies and private nonprofit organizations for the development and conduct of a broad range of full- and part-time volunteer programs in ubran areas to assist in the solution of problems afflicting such urban areas, particularly problems related to poverty and unemployment in the most seriously deteriorated parts of our urban areas. Such programs may include, but are not limited to—

"(1) programs of full- or part-time volunteer service for unemployed youth, aged eighteen through twenty-four which provide meaningful opportunities for service to their communities, which may include, as part of such service, such training or educational components as the Director deems appropriate;

"(2) programs of full- or part-time volunteer service which provide, or supplement, needed community services such as block security, housing renovation, park beautification, and sanitation;

"(3) programs of full- or part-time volunteer service which provide or augment needed social and person-to-person services, particularly services that assist in the deinstitutionalization of persons from residential care facilities; child care services; and services for the elderly, disabled and infirm;

"(4) programs of full- or part-time volunteer service in which persons with business or professional experience provide technical assistance to individuals and organizations seeking to establish or continue businesses in deteriorating urban neighborhoods.

"(b) For the purposes of this part, 'urban area' means a unit of general local government which has a population of one hundred thousand or more persons.

"(c) Assistance under this part shall be limited to urban areas which are afflicted by substantial unemployment and financial distress. The Director shall establish, by regulation, criteria for determining eligibility for assistance.

"VOLUNTEER SUPPORT

"SEC. 133. (a) Assignment of volunteers under this part shall be on such terms and conditions as the Director shall determine.

"(b) The Director may provide to persons serving as volunteers in programs under this part such allowances, stipends, and other support, in amounts not in excess of those authorized to be provided to volunteers under part A of this title, as he determines are necessary to permit them to carry out the purposes of this part.

"TECHNICAL AND FINANCIAL ASSISTANCE TO VOLUNTEER PROGRAMS

"SEC. 134. The Director may provide such technical and financial assistance to public agencies and private nonprofit organizations which utilize or desire to utilize volunteers for purposes designed to carry out the purposes of this part as he deems necessary.

"COORDINATION OF PROGRAMS

"SEC. 135. The Director shall insure that Urban Service Corps programs are coordinated with other Federal, State, and local government programs, with private nonprofit organizations which utilize volunteers for purposes similar to the purposes of this part, and with businesses and labor organizations to provide the maximum possible recruitment and utilization of volunteers within areas served by the Urban Service Corps.

"LIMITATION ON ASSISTANCE

"SEC. 136. Financial assistance extended to an organization or agency pursuant to this part shall not exceed 90 per centum of the approved cost of the assisted project or activity. The Director may, however, approve assistance in excess of 90 per centum if he determines, in accordance with regulations establishing objective criteria, that such action is required in furtherance of the purposes of this part.".

By Mr. MATHIAS (for himself, Mr. BAKER, Mr. JAVITS, and Mr. STEVENS):

S. 336. A bill to amend the Internal Revenue Code of 1954; to the Committee on Finance.

THE WAGES OF SIN GO FURTHER

Mr. MATHIAS. Mr. President, while network television and influential journals turn the full glare of public attention on proposition 13 and proposed constitutional conventions on budget balancing, a lot of brown-bagging taxpayers are being ground down by discriminatory income tax policies "unwept, unhonored, and unsung."

I speak of what, in quintessential tax lingo, is termed the "two-earner couple." Under our present income tax laws, when both husband and wife work, they usually pay higher taxes than either single persons or married couples in which only the wife or husband works. While people on every side blame society's ills on the breakup of the family, this anomaly in the tax code actually encourages "two-earner couples" to save money by divorcing and simply living together. At the rate we are taxing such couples, we may develop a whole new class of people living in sin "for the sake of the children." Tax consultants these days are even advising "two-earner couples" that they would be better off financially to divorce.

To correct this flagrant injustice in our tax laws—and incidentally to nip an incipient scandal in the bud—I am introducing a bill that would allow married people to file separate returns and compute their tax at the same rate as single people. I introduced the same bill last year, and Senators BAKER, JAVITS, and STEVENS joined me as cosponsors. Representative MILLICENT FENWICK introduced a similar bill in the House last year and has done so again this year. If enacted, these bills will remove a disincentive to women working and will promote the social objective of shoring up the American family.

The Internal Revenue Service has estimated that more than one-half of all taxpayers are married, and at least one-half of all married couples are two-earner couples. That means that as many as one-quarter of the taxpayers in the United States might be victims of the tax on marriage. This amounts to 38 million people—38 million taxpayers who are being discriminated against and who want and deserve an end to this inequity.

It is a great shock for these 38 million people to discover that Congress has imposed a tax penalty on them based solely on matrimony. Two-income married couples often find they must pay sharply higher Federal income taxes than they would if they were single and earning the same incomes. Single workers are shocked to learn that, if they were to get married, their tax liability would increase under existing law, even if their incomes and expenses remained the same. Such a result—which some call a "sin subsidy"—is so irrational that many people find it hard to believe that it exists. But it does exist, and I think it is time for Congress to rescind this impediment to marriage.

The marriage tax adversely affects people at all income levels. Two married workers, for example, employed at about the minimum wage—$4,200 per annum each—must pay a marriage tax penalty of $191, or 62 percent more than they would pay if they were not married. If both spouses earn $30,000 a year, they must pay $3,764 more than they would if they were single. Mr. President, those are healthy chunks of money at either level, but the lower income couples are the more severely penalized. They bear the brunt of the penalty, since at that income level every dollar counts.

We should keep in mind that married persons are, generally speaking, the people who have undertaken the care and raising of our children. Clearly, they should not be punished by our tax system for having undertaken that responsibility. The marriage tax, by its very nature, strikes at the deepest traditions of our society.

We must rectify this injustice in a simple, straightforward manner. The bill I introduce today would permit a married person to file his or her tax return individually, and thereby calculate the tax owed on the tax tables applicable to single individuals. Those married persons who prefer to file jointly would not be affected by the new provision, and single taxpayers would not incur any greater tax liability. My bill will not provide a lower rate for married people; it will only allow married people to use the single persons' tax rates. As a result, working men and women, who happen to be married, will not have to pay more than their fair share. In addition, my bill would permit married persons, who file separately under the new provisions, to take advantage of the credit for employment-related expenses, such as the child care credit, in the same way as single taxpayers.

In the recent case of Mapes against United States, the Supreme Court of the United States refused to hear an appeal from the U.S. Court of Claims in a case brought by a Falls Church, Va., couple against inequities between taxes for married couples and single individuals. Judge Nichols, in his opinion for the court of claims—after quoting Gilbert and Sullivan on the selflessness of true love—observed:

> Formerly society frowned upon cohabitation without marriage, assessing various punitive sanctions by law and custom against the partners themselves, and their innocent offspring. Most of these have now been eliminated in our more "enlightened" society. Cohabitation without marriage, and illegitimacy, or whatever it is now called are said to be rapidly increasing. Certainly the tax-minded young man and woman, whose relative incomes place them in the disfavored group, will seriously consider cohabitation without marriage. Thereby they can enjoy the blessings of love while minimizing their forced contribution to the federal fisc. They can synthesize the forces of love and selfishness.

My bill stands as an effective, simple and equitable solution to the problem posed by the court of claims.

As the public becomes more aware of this injustice, the demand for its abolition will grow. We must act to do away with this unwise and socially undesirable marriage tax in time to provide relief on 1979 income. I am pleased to announce that Senator BYRD, the chairman of the Finance Committee's Subcommittee on Taxation and Debt Management, has agreed to hold hearings on my bill early in the first session of the 96th Congress.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 336

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) so much of subsection (c) of section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) as preceeds the table is amended to read as follows:

"(c) INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS) AND CERTAIN MARRIED INDIVIDUALS.—There is hereby imposed on the taxable income of—

"(1) every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)),

"(2) every married individual (as defined in section 143) who—

"(A) does not make a single return jointly with his spouse under section 6013,

"(B) who elects, at such time and in such manner as the Secretary prescribes, to have this subsection apply, and

"(C) whose spouse elects, at such time and in such manner the Secretary prescribes, to have the provisions of this subsection apply, a tax determined in accordance with the following table:".

(b) Section 1 of such Code is amended by adding at the end thereof the following new subsection:

"(f) COMMUNITY PROPERTY LAWS.—In the case of a married individual (as defined in section 143) who elects to have the provisions of subsection (c) apply with respect to his taxable income for any taxable year, the computation of such taxable income shall be made without regard to any community property laws.".

(c) Subsection (d) of section 1 of such Code is amended—

(1) by inserting "CERTAIN" before "MARRIED" in the heading thereof, and

(2) by inserting ", or who elects to have the provisions of subsection (c) apply," after "section 6013".

(d) Subsection (d) of section 63 of such Code (relating to the definition of taxable income) is amended—

(1) by inserting ", or who is married and makes an election under section 1(c)" before the comma at the end of paragraph (2), and

(2) by inserting "under section 1(d)" after "return" in paragraph (3).

(e) Clause (i) of section 6012(a)(1)(A) of such Code (relating to persons required to make returns of income) is amended—

(1) by striking out ", is not" and inserting in lieu thereof "and is not", and

(2) by inserting "or who is married (as so determined) and makes an election under section 1(c)," before "and for the taxable year".

SEC. 2. Subsection (c) of section 42 of the Internal Revenue Code of 1954 (relating to general tax credit) is amended by inserting "under subsection (d) of section 1" after "return".

SEC. 3. (a) Section 44A of the Internal Revenue Code of 1954 (relating to expenses for household and dependent care services necessary for gainful employment) is amended—

(1) by inserting ", or a married individual who makes an election under section 1(c) for such year" after "year" the first place it appears in subsection (e)(1)(A),

(2) by inserting "and who has not so elected" after "year" the first place it appears in subsection (e)(1)(B),

(3) by inserting "CERTAIN" before "MARRIED" in the heading of subsection (f)(2), and

(4) by inserting "or make the election provided under section 1(c) for such year" before the period at the end of subsection (f)(2).

(b) Section 152 of such Code (relating to definition of dependent) is amended—

(1) by striking out "or (e)" in subsection (a) and inserting in lieu thereof ", (e), or (f)", and

(2) by adding at the end thereof the following new subsection:

"(f) SUPPORT TEST IN CARE OF CREDIT FOR EMPLOYMENT-RELATED EXPENSES.—In the case of a married individual who makes an election under section 1(c) for the taxable year and who is entitled to claim the credit under section 44A with respect to any person but for the fact that he did not contribute over half of the support of such person, such person shall be treated for purposes of subsection (a) as having received over half of such support from such individual if—

"(1) over half of such support was received from such individual and his spouse;

"(2) the individual contributed over 10 percent of such support; and

"(3) the individual's spouse does not claim such person as a dependent in any taxable year beginning in such calendar year.".

Sec. 4. Section 1348 of the Internal Revenue Code of 1954 (relating to 50 percent maximum rate on personal service income) is amended by inserting "or make the election provided in section 1(c) for such year" before the period at the end of subsection (c).

Sec. 5. The amendments made by this Act apply to taxable years ending after the date of enactment of this Act.

By Mr. MATHIAS:

S. 337. A bill to provide that legislation appropriating funds for payment of pay to Federal employees shall be enacted separately from other legislataion; to the Committee on Rules and Administration.

Mr. MATHIAS. Mr. President, in 1977, thousands of workers in the Departments of Labor and HEW got partial paychecks for one week's work because the House and Senate were unable to agree on budgets or to resolve controversial amendments.

Last year, over 145,000 HEW staffers received "short pay" for the first time in the history of the Department of Health, Education and Welfare. Congressional failure to approve a budget for fiscal year 1979 affected the paychecks of Federal employees by forcing the department to pay only 50 percent on the dollar instead of full pay. This eventually resulted in a two-check payroll run that cost taxpayers an extra $70,000 last year. In addition, getting half pay, especially for people on a 2-week pay cycle, causes severe hardships to middle- and low-income wage earners. Landlords must be paid on time, grocery bills mount up and money for kids' lunches becomes scarce.

I introduce this bill with the hope and intent that such financial problems and unnecessary grief can be averted in 1979, when Congress begins deliberations on the departmental budgets for the coming fiscal year.

After close examination, the Congressional Research Service has determined that the inflationary impact of such a bill would be negligible.

My distinguished colleague, the Honorable Gladys Noon Spellman, will be sponsoring a companion bill in the House.

I ask unanimous consent that the text of the bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 337

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) no bill or joint resolution carrying an appropriation for any agency for payment by such agency of any pay to employees of such agency shall be in order in either the House of Representatives or the Senate unless such bill or joint resolution, or each section of such bill or joint resolution, reads after the enacting or resolving clause only as follows: "There is appropriated for out of any money in the Treasury not otherwise appropriated, for payment of pay to employees thereof, for the period , $."; the first blank being filled only with the name of the agency for which a sum is appropriated, the second blank being filled only with the period of time for which the sum is appropriated, and the third blank being filled only with the monetary amount of the sum appropriated.

(b) An amendment to any bill or joint resolution described in subsection (a) shall not be in order in either the House of Representatives or the Senate unless such amendment only strikes out the monetary amount of any sum to be appropriated by such bill or joint resolution and inserts in lieu thereof another monetary amount.

Sec. 2. The provisions of the first section of this Act are enacted by Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

Sec. 3. The provisions of the first section of this Act shall apply only with respect to bills or joint resolutions appropriating funds for periods beginning on or after October 1, 1979.

By Mr. JOHNSTON (for himself, Mr. Jackson, and Mr. McClure):

S. 338. A bill to authorize the enlistment of citizens of the Northern Mariana Islands in the Armed Forces of the United States of America; to the Committee on Armed Services.

● Mr. JOHNSTON. Mr. President, I send to the desk for appropriate legislative referral a bill to enable citizens of the Northern Mariana Islands to enlist in the Armed Forces of the United States.

I introduced an identical bill last October at the request of Governor Camacho, but it impossible to take any action on it due to the crush of legislation in the last few weeks of the 95th Congress. During 1978, Governor Camacho had written to me requesting my assistance in determining why citizens of the Northern Marianas could not enlist in the Armed Forces of the United State. In response to that request, the chairman of the Energy and Natural Resources Committee, Senator Jackson, and I wrote to the Department of Defense. The Department's response indicated that the difficulty could be resolved with respect to the Navy and the Marine Corps with an appropriate modification to current regulations, but that it would be necessary for an amendment to existing statutes to cover the U.S. Army and Air Force. This bill will make the needed statutory changes and I am confident that the Department will adjust the regulations for the Navy and Marine Corps after congressional intent has been expressed with regard to the Army and the Air Force.

Mr. President, during the 94th Congress the covenant to establish the Commonwealth of the Northern Mariana Islands was enacted. That historic moment brought to fruition the hopes and desires of a people long separated from their relatives in Guam. Their desire to join the United States and to assume burdens and responsibilities attendant to citizenship is nowhere better exemplified than in the request from Governor Camacho that the citizens be permitted to enlist and serve in the Armed Forces of the counttry they have joined.

Mr. President, I am fully in support of this legislation and I ask unanimous consent that the response of the Department of Defense to the committee's inquiry be printed in the Record.

There being no objection, the information was ordered to be printed in the Record, as follows:

Department of Defense,
Washington, D.C., September 7, 1978.

Hon. Henry M. Jackson,
U.S. Senate,
Washington, D.C.

Dear Senator Jackson: I have been asked to reply to your letter dated August 10, 1978 concerning the enlistment of citizens of the Commonwealth of the Northern Mariana Islands in the armed services of the United States. As you can see by the attached letter from Representative Edward DLG. Pangelinan, we have given this matter very careful attention.

We have concluded that there should be no legal obstacle to enlistment by citizens of the Commonwealth in the Navy and the Marine Corps. However, existing statutes must be amended to permit such enlistments in the Army and the Air Force.

The United States Army and United States Air Force are precluded by statute from accepting enlistments except from citizens of the United States or persons "lawfully admitted for permanent residence." 10 U.S.C. Sections 505, 3253, 8253 (1970). The United States Marine Corps and the United States Navy require only changes in their regulations because they are not subject to statutes. United States Marine Corps Miliary Personnel Procurement Manual, Volume IV, MCO P 1100.74, Sec. 2006, January 3, 1977; Navy Recruiting Manual: COMNAVCRUT COM Instruction 1130.8A 2–I–15 (2–I–18, CH–16, August 4, 1977). We have recommended that the Navy and the Marine Corps take the necessary actions to amend their regulations to permit enlistment of qualified persons from the Northern Marianas. We also have advised counsel for the Commonwealth that we would have no objection should they decide to seek amendments to the statutes governing enlistment in the Army and the Air Force.

Sincerely,

Brent N. Bushforth,
Assisant General Counsel for International Intelligence, and Investigative Programs.●

By Mr. STEVENSON:

S. 339. A bill to amend the Export-Import Bank Act of 1954 with respect to credit to communist countries, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

● Mr. STEVENSON. Mr. President, the normalization of relations with the People's Republic of China offers new economic opportunity for the United States. But we are late. Other nations, notably Japan, are developing trading relationships with China at our expense. This competition will continue on an unequal footing until the United States develops a strong export policy and grants most favored nation status and eligibility for

Eximbank credits to the P.R.C. Eligibility for Commodity Corporation Credits has already been granted.

The U.S. market opportunities in China are often exaggerated, but, over time, political factors permitting, the opportunity to sell agricultural commodties, manufactured goods, technology and services in that country are large. The extent of those opportunities will depend on maintaining a mutually acceptable political relationship and opening our markets to the Chinese so they can earn hard currencies. But even with MFN, it will be a long time before the P.R.C. can finance the external costs of its development with its own exports. Apparently ideology has given way to that practical necessity, and the P.R.C. is now interested in Eximbank as well as commercial credits. The availability of commercial credits will often depend on the availability of Exim credits, since they are frequently combined to provide the necessary short and long-term credit for the financing of large transactions. While the dimensions of this potentially valuable economic relationship will depend heavily on political factors, the reverse is also true: A mutually beneficial commercial relationship will facilitate the accommodation of outstanding political differences.

It would be a serious mistake for the United States to think that it could profit from an exacerbation of the tension which exists between the PRC and the U.S.S.R. To grant credits for the one and not the other would give credibility to the suspicion that the United States is playing a China card and with some risk of heightening anxieties of the Russians which are already bringing pressures on their allies and causing a buildup of forces in both the Russian East and West. We would more wisely put such fears to rest as best we can and seek to compose our differences with both these powers. The world will be better served by whatever relaxation of tension and cooperation can be achieved between all three powers.

Having said that, I hasten to add that the United States should proceed cautiously. The prospect of 1 billion armed, resourceful, and disciplined Chinese is for me no greater cause of sanguinity than a nuclear and territorially ambitious Russia. This legislation does not grant MFN and credits without qualification or condition. It replaces an explicit linkage to emigration policy with a procedural formulation which implies that the continued availability of credits and MFN will be subject to periodic review and an evaluation of Chinese and Russian conduct across the entire range of U.S. interests, including emigration policies. It treats all nonmarket countries alike and cannot, therefore, be said to single out any for special or discriminatory treatment.

The United States ran a trade deficit of almost $30 billion last year. The dollar declined, causing a crisis in the international monetary system and inflation at home. This measure is by no means a purely political proposal. It is one of many measures I will be proposing to improve the economic position of the United States in a highly competitive global marketplace.

This legislation amends the Export-Import Bank Act of 1945 and the Trade Act of 1974 to provide identical requirements for determining the eligibility of any Communist state for MFN and Eximbank credit, and for reviewing and limiting such credits. Provisions in both acts which single out the U.S.S.R. for special treatment would be repealed.

Before any Communist country not already eligible for MFN and Exim credit can become eligible, the President would have to determine that the country's emigration practices will lead substantially to achievement of the free emigration objectives of the Trade Act, and that Eximbank credit for export to such country would be in the national interest taking all the appropriate political and economic factors into account.

Two changes would be made in the emigration clauses of the Trade Act: The President, when initiating a waiver under the Trade Act, would make a determination regarding the emigration practices of Communist countries rather than relying upon "assurances" from such countries, and the waiver period would be fixed at 5 years instead of 1 year. Thus, Communist countries would be encouraged to liberalize emigration practices, and the frequency and formality with which such countries are now expected to proclaim liberalization of emigration practices would be reduced. Countries may do quietly that which they are reluctant to announce formally in response to threats or demands. And trade could proceed satisfactorily, as it cannot on a spasmodic, interruptible basis.

Provisions in the Export-Import Bank Act and Trade Act which would restrict Eximbank credits to the U.S.S.R. once eligibility is established would also be changed to place all Communist countries on the same footing. Both acts limit new credit to the U.S.S.R (but not to other Communist countries) to $300 million unless Congress approves a higher level. Instead of an open-ended authorization, as for other countries, I propose a limit of $2 billion on outstanding Eximbank credits—old as well as new credits—for exports to any Communist state. The limitation could be increased or decreased by Congress at any time, of course, if developments warrant.

This bill would also remove restrictions in the Export-Import Bank Act on financing of exports to the U.S.S.R. for the purpose of developing fossil fuel energy resources. The restrictions were imposed at a time when there was concern in this country over possible shortages of energy equipment. It was also assumed that all large energy-related exports to the U.S.S.R. would need Eximbank financing. Those assumptions have proved wrong, and energy equipment and technology exports to the U.S.S.R. are now controlled under the Export Administration Act. I will propose legislation separately to amend that act, which expires this year. To the extent controls on energy equipment and technology exports to Communist countries are desirable, the Export Administration Act is an appropriate and effective vehicle for such control.

The legislation I propose today can facilitate U.S. exports and improve relations with both the P.R.C. and U.S.S.R. The President will be able to place expanded trade on the agenda of subjects to be discussed with both countries. Congress will retain authority to periodically review both MFN status and Eximbank credits to Communist countries each time a waiver provided under the Trade Act is to be extended, and each time the Export-Import Bank Act is renewed, or whenever a credit over $100 million is proposed. All such credits must be sent to Congress 25 days prior to final approval by the Bank, and in the case of credits for exports to Communist countries, must be accompanied by a specific Presidential determination that such credit is in the national interest. These provisions assure a continuing congressional review of trade relations with all Communist countries, but without putting a straitjacket on the conduct of U.S. commercial and foreign policy objectives.

Mr. President, I ask unanimous consent that a summary of the bill be printed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Summary of the Stevenson Amendments to the Export-Import Act and the Trade Act

The amendments would (1) delete provisions in the Export-Import Bank Act and the Trade Act which single out the U.S.S.R. for discriminatory treatment with respect to credits, (2) establish a new limitation on Bank support for U.S. exports to any single Communist country, and (3) revise the "waiver" provisions concerning emigration practices and eligibility for MFN treatment and Eximbank credits.

Under the Export-Import Bank Act the President of the United States must determine that it is in the national interest for the Bank to support U.S. exports to each Communist country before the Bank may support such exports. The President must make a separate national interest determination with respect to each Bank credit of $50 million or more for exports to a Communist country.

Other present provisions restrict Bank loans or financial guarantees to the U.S.S.R. made after January 4, 1975: (1) such support may not exceed $300 million in addition to outstanding credits or $40 million for exports related to fossil fuel energy research or exploration; (2) such support is prohibited for U.S. exports which could assist fuel energy production (including processing and distribution); and (3) each loan or financial guarantee of $25 million or more for exports involving research, exploration or production of fossil fuel energy resources must lay before Congress for 25 days of continuous session before receiving final Bank approval.

The amendments would delete provisions placing limitations on Bank support for exports to the U.S.S.R. and susbtitute a limitation of $2 billion on the aggregate amount of loans and financial guarantees the Bank may have outstanding at one time to each Communist country. The level for transactions with a Communist country, which must be accompanied by a separate determination by the President of the United States that such transaction is in the national interest, would be raised from $50 million to $200 million, the same transaction level which is already required to be submitted to the Congress for a 25-day review period.

The amendments to the Trade Act would require the President to determine that the emigration practices of any non-market economy (Communist) country will henceforth lead substantially to the achievement of the free emigration objectives of section 402 of the Act, before such country shall be made eligible for nondiscriminatory tariff treatment and U.S. Government credits. The Act presently requires the President to report that he has "received assurances" regarding such practices. The amendments further provide that waivers under the Trade Act shall be for five-years rather than one year and delete a provision restricting U.S. Government support for exports to the U.S.S.R., other than by the Commodity Credit Corporation, to $300 million.●

By Mr. LEAHY:

S. 340. A bill entitled the "Rural Health Needs Planning Act of 1979;" to the Committee on Human Resources.

RURAL HEALTH NEEDS PLANNING ACT OF 1979

● Mr. LEAHY. Mr. President, I rise today to introduce legislation which will bring adequate health care planning to rural America. The provision of health care is a right that is now denied to major sectors of our population. It is a right that is virtually reserved only to those people in this Nation living in or nearby our major cities. It is a right that is needed by all but is presently unavailable to Americans who have chosen to live in small town and rural America.

Mr. President, coming from Vermont, the most rural State in the Nation, and as chairman of the Senate Rural Development Subcommittee, I have an acute interest in seeing the health of our nonmetropolitan areas improved.

Our rural areas simply do not have adequate health care. This inadequacy causes needless misery from disease, an ashamedly high rate of material deaths, and prolonged torment and suffering.

Consider the following statistics: 56 percent of the medically underserved areas in this country are rural. Rural America holds 27 percent of our national population, yet is served by only 12 percent of the Nation's physicians and 18 percent of our nurses.

Mr. President, there are many avenues which Congress can pursue to improve the health of rural America. And, for as long as I am in the Senate I will seek to implement as many as can be done including the use of home health care, certification of nurse practitioners, and hospice programs. However, the legislation I introduce today is at a much more basic level. The bill I present seeks to improve rural health care in the first instance through adequate health planning.

Equal access to health care is the first priority of the Health Planning Act. It is essential, then, that we structure the planning process to accomplish that goal—especially as it relates to the unique needs of rural people. As now written, the Health Planning Act does not recognize those unique ends. This legislation provides the structure by which the health profile of rural America can be taken into full account early in the planning process. A profile which recognizes that:

Almost half of the Nation's poor people are in rural areas;

Four out of every ten older Americans live in the nonmetropolitan sector; and

Eighty-four percent of counties having critical health manpower shortages are rural.

Nearly 30 million people live in rural medically underserved areas. We must make sure that the health planning process no longer ignores their needs.

The package of amendments which I introduce focus upon national health planning guidelines, adequate representation of rural interests, and financial support for health planning in medically underserved areas.

Mr. President, the Rural Needs Health Planning Act of 1979 will do the following:

First, national health planning guidelines must deal with unique rural issues. This bill mandates special attention within the overall guidelines to the needs and concerns of rural people.

Second, rural consumers of health care should be assured of representation on the National Council on Health Planning and Development—the body that advises and consults with the Secretary of HEW. This legislation requires broader representation of population groups, including residents of nonmetropolitan areas, on the National Council, much as is required of HSA's.

Since the Department of Agriculture has major responsibility for rural development, this amendment also adds the Department's Assistant Secretary for Rural Development as an ex officio member of the National Council.

Third, the amendment would assure adequate representation of the same groups on statewide health coordinating councils—which advise State health planning agencies.

Fourth, the amendment encourages the development of subarea councils—which are smaller divisions of HSA's. The Secretary of HEW would be authorized to make grants to HSA's for the development and operation of subarea councils. The amount of the grant would be related to both the size and geographic barriers within a particular health services area.

This amendment also requires HSA's to consider subarea views in the planning process. It insures that interests at the local level will not be lost.

Fifth, the funding mechanism for HSA grants should include extra assistance for those areas with medically underserved populations. Another increase is needed to accommodate the special planning requirements of medically underserved populations. Specifically, the amount of any grant should be increased by 10 cents per medically underserved person in the health service area.

Finally, my legislation would require centers for health planning to develop consumer education packages. Under this amendment, these centers, which provide technical assistance to HSA boards and their staffs, would emphasize the needs of the medically underserved.

Mr. President, I am confident that with these additions to the Health Planning Act, the pitiful health statistics of rural America will begin to improve.●

By Mr. HATFIELD (for himself, Mr. DeConcini, Mr. Simpson, Mr. Gravel, and Mr. Pressler):

S.J. Res. 33. A joint resolution proposing an amendment to the Constitution of the United States with respect to the proposal and the enactment of laws by popular vote of the people of the United States; to the Committee on the Judiciary.

VOTER INITIATIVE AMENDMENT

Mr. HATFIELD. Mr. President, today I am pleased to be joining with my colleagues, the Senators from Arizona (Mr. DeConcini); Wyoming (Mr. Simpson); Alaska (Mr. Gravel); and South Dakota (Mr. Pressler) to introduce the voter initiative amendment, which, when adopted, will allow the use of the initiative process at the national level. The initiative process allows citizens to place a proposed law on the ballot, by gathering signatures of a required number of registered voters. Once a proposed law has been placed on the ballot, the voters will have the opportunity to adopt or reject it.

Since I first introduced the voter initiative amendment in July 1977, there have been many exciting developments which make this proposal even more sensible, and closer to a reality:

First. George Gallup released a nationwide poll in May 1978, which demonstrated overwhelming support for the voter initiative amendment by all Americans. Dr. Gallup also included my amendment in what he feels are "Six Political Reforms Americans Want Most."

Second. Including myself, a total of 5 Senators and 27 Representatives cosponsored versions of the voter initiative amendment last year. Initiative America, the citizen's group advocating this bill, received endorsements from 24 additional Congressmen and Senators in the course of last fall's campaigns. I therefore expect congressional support for this amendment to grow at an increasing rate.

Third. The Senate Judiciary Subcommittee on the Constitution, chaired by my colleague, the Senator from Indiana (Mr. Bayh), conducted 2 days of hearings on the bill in December of 1977. At those hearings, the subcommittee heard testimony from constitutional scholars, State election administrators, citizens organizations, professors of political science, and other opinion leaders. These witnesses testified to the need for the voter initiative amendment, and to the practical and constitutional soundness of the concept.

Fourth. Los Angeles County voters were presented with an advisory question on their June 1978 ballot, to enable them to be heard on the subject of a national voter initiative. By a 2 to 1 margin, voters approved of the concept. Over a million votes were cast in favor of the proposal.

Fifth. In November 1978, 40 State-level initiatives were voted on, making 1978 the biggest off-Presidential election year for initiative-lawmaking in over 30 years; 20 of the 40 initiatives were passed by voters.

Sixth. Voter turnout appears to be significantly increased by the appearance of initiatives on the ballot. My home State of Oregon had the most initiatives on the ballot (seven) of any State. Our turnout of eligible voters was one of the highest in the country. In fact, according to research by initiative America, the 16 States with initiatives on the ballot enjoyed turnouts one-fifth higher than the 27 States not allowing the initiative process. A national voter initiative process is likely to bring people to the polls, too.

The initiative process, unique among our democratic rights, is founded on the belief that the citizens of this country are indeed as competent to enact legislation as we are to elect public officials to represent us. In addition to the recent developments I mentioned above, there are eight fundamental reasons that, to my mind, not only justify, but mandate the adoption of the right of initiative into our Federal system.

First. The use of the initiative would be an exercise of the sovereign power of the American people to govern themselves;

Second. The initiative is an actualization of the citizens' first amendment right "to petition the Government for redress of grievances;"

Third. The initiative provides a concrete means for citizens participation in the policymaking function of our Government;

Fourth. The use of the initiative could lessen the sense of alienation from their Government felt by millions of Americans;

Fifth. The initiative is a natural complement to our system of checks and balances;

Sixth. The initiative would enhance the accountability of Government;

Seventh. The use of the initiative would produce an open, educational debate on issues which otherwise might have been inadequately addressed; and

Eighth. The history of the initiative has shown it to be a very sound, workable, and democratic process.

Mr. President, the people of 23 States and the District of Columbia have already granted themselves the right of initiative. As an integral part of their State governments, its workability as a democratic tool has been clearly and repeatedly proven. I believe its extension to the Federal level is justified and long overdue.

PHILOSOPHY

As a tool to extend the scope of the citizen's right to vote, this direct democracy amendment has many companion provisions in our present Constitution. Six of the last 10 constitutional amendments have in some way extended voting rights—the 15th, to members of all races and particularly to former slaves; the 17th, to provide for the direct election of Senators; the 19th, to women; the 23rd, to the residents of the District of Columbia; the 24th, to prohibit the use of the poll tax; and the 26th, to those 18 years or older. This proposed amendment would extend to the people the right to propose and vote on laws of national importance. The initiative is a further step in this evolutionary process toward a greater and more meaningful citizen participation in the affairs of our Government.

My proposal comes at a time when our Nation should utilize every available method to involve its citizens in the functioning of our Government. The last few years have seen a growing dissatisfaction, and in many cases a serious distrust, of Government by the very people who are its source of power and who elect its leaders. People stay home on election day not because they are lazy or do not care but because they have decided that meaningful communication with their leaders is no longer possible or effective. They know of no other way to register their lack of confidence but to withdraw from the system.

I empathize with the feelings of these millions of Americans. They feel unable to make known their thoughts, their concerns, and their opinions on how this great country of ours should be run. However, much of the alienation and helplessness that citizens experience can be mitigated if avenues for constructive participation exist. The initiative procedure is one means to provide direct citizen access to our governmental decisionmaking process through a legal and democratic method.

Some may see this amendment as a strictly "antigovernment" proposal. However, I look upon the initiative procedure as a "pro-people" proposal and a natural complement to our system of representative government. By enabling the people to more effectively and directly communicate with their Government, the initiative enhances the accountability and openness of our representative process. As a "safety valve" for public concerns, the initiative can help avert the alienation of the people.

However, the initiative is not a panacea and I do not wish to give you the impression that it is. The process does have its limitations, but the history of its use has shown it to be a workable, democratic process.

BRIEF HISTORY

Mr. President, while becoming a part of American politics at the turn of the century, the initiative has its remote origins in the "plebiscitums" of the ancient Roman Republic. There, the question of repealing or enacting laws over the opposition of the Senate could be put to a vote of the "plebs"—the enfranchised commoners. Similar plebicites were practiced in a few medieval towns of Europe, although confined in both instances to a small, elite electorate.

However, the initiative was really pioneered in Switzerland. In the years 1831–91, various forms of the initiative were used. The procedure is continued today in the present Swiss Constitution. In the 1890's, the Swiss system came to the attention of reform groups in the United States. The first organized effort to establish the initiative occurred in Omaha in 1892 at the national convention of the Peoples' Party. On June 6, 1904, citizens in my home State of Oregon became the first in the Nation to place initiated proposals on the ballot, passing a landmark direct primary nominating convention law as well as a local option liquor law. Today, the people in 23 States and the District of Columbia have the power to enact laws by the initiative process. These States, and their year of adoption are listed as follows:

Adoption of intiative provisions

	Year
South Dakota	1898
Utah	1900
Oregon	1902
Montana	1906
Oklahoma	1907
Maine, Missouri	1908
Arkansas, Colorado	1910
Arizona, California, Idaho	1911
Nebraska, Nevada, Ohio, Washington	1912
Michigan	1913
North Dakota	1914
Massachusetts	1918
Alaska	1959
Wyoming	1967
Florida	1968
Illinois	1970
District of Columbia	1977

In the first 12 years after South Dakota became the first State in the Union to adopt the initiative process, eight other States joined in adopting State constitutional amendments authorizing its use. California, which may have brought the most attention to the use of the initiative, adopted the process in 1911 after electing Hiram Johnson as Governor. Johnson ran on a platform which included the initiative and during his inaugural address, he placed the full forces of his administration behind its adoption. He said:

> Those of us who espouse these measures [the Initiative] do so because of our deep-rooted belief in popular government, and not only in the right of the people to govern, but in their ability to govern. . . .

THE DEBATE ABOUT THE INITIATIVE PROCESS

Although it is now an accepted, integral component of many State constitutions, the right of initiative was not established without serious debate concerning its merits. In the early 1900's and to this day, opponents of the initiative everywhere it has been debated have warned of catastrophe. I expect many of these same arguments will be used against the proposal I am advancing today.

The arguments that have been used against the initiative since the early 1900's include:

First. The initiative undermines our representative form of government;

Second. It complicates the ballot and could lead to frivolous or unsound laws;

Third. It is only suitable for use on the local level;

Fourth. It will be dominated by special interests of the right or the left; and

Fifth. The people cannot be trusted or they will not be able to understand complicated legislative proposals.

While the arguments used in opposition to the initiative certainly deserve careful analysis and consideration, I believe that a thorough study of the public record in the 23 States which do allow the initiative will indicate that it has operated effectively and has served to enhance our democratic form of government.

First, the initiative improves our representative form of government by providing another democratic means with which citizens can express themselves. Initiative campaigns provide direct feedback to elected officials about the people's feeling on different issues and generally produces a more responsive body of elected officials. It brings more citizens into the mainstream of public affairs and is a significant educational device which cannot be minimized. The use of the initiative provides a prompt public discussion of important issues which may otherwise go unaddressed. In essence, the initiative is a logical component of our system of checks and balances. I would argue strongly that any tool which increases the opportunities for better communication between government and the people is a tool which improves the effectiveness and openness of our democracy.

Second, the initiative has not seemed to complicate the ballot nor has it been a vehicle for the reckless passage of frivolous or unsound laws. In California numerous ballot issues appear at election time. Usually, the vast majority of these issues are placed on the ballot by the legislature as required by law, and not via the initiative process. In addition, the signature requirements are strict enough to discourage frivolous efforts. The number of initiated measures appearing on State ballots is still but a tiny fraction of the number of issues considered annually by State legislatures.

Even when issues do reach the ballot by initiative, voters traditionally act with restraint. Measures which are very controversial or are unreasonably drafted tend to fail at the polls. Citizens are not likely to qualify a proposal for the ballot, or to subsequently pass such a proposal unless it has widespread support. The process has not been subjected to repeated abuse, but rather, has addressed legitimate issues of public policy. Laws passed by initiative are subject to judicial review and can be changed by legislative action if there is an overwhelming need to do so.

Third, the initiative has been proven effective in both small and large jurisdictions. The initiative has been used extensively in California, a State which has 10 percent of the total population of our country and has a history of coping with complicated social questions. There is no reason to believe that the initiative cannot perform just as well at a national level.

Fourth, the history of the use of the initiative in the States has indicated that while special interests have played a role in initiative politics, they certainly have not dominated the process. At the State level, special interests groups have not succeeded at the polls without the strong, active support of community and political leaders. Instead of being a tool of the special interest groups, the initiative process is a device used by the people for those times when special interests seem to be dominating the deliberations of the legislative body.

The initiative process has several unique features which make it a useful citizen's tool, enabling the people to be heard even when normal legislative channels fail. Initiative gives people the power to get a fair hearing about an issue which concerns them. If there are enough citizens willing to sign petitions, to put a question to a public vote, then that issue, at the very least, will be fully debated and addressed in a public forum. Even if the issue loses at the polls, the increased public awareness and education may go a long way toward resolving a question left unaddressed by the legislature.

The intiative is also a very open process which invites scrutiny by the public, the media, and by community leaders. Should special interests attempt to unduly influence the initiative process, the community will most likely be aware of it. Of course, appropriate disclosure and other campaign finance requirements are useful complements to the initiative process.

Fifth, the argument that the people cannot be trusted or will not be able to understand complicated legislative proposals is a frequent argument, although usually couched in nicer words. I believe that true democracy must rest on the fundamental belief that the people are sufficiently intelligent, sufficiently discerning, and sufficiently capable to govern themselves. In the representative form of Government we have today, we trust the judgment of the people to elect our leaders. Throughout our history this Nation has been well served by the judgment of the people. If we accept the premise that the people can choose between good and bad leaders, I think we must accept the notion that the people can choose between good and bad laws. Mr. President, I think it is important to reaffirm our trust in the basic goodness of our people.

Decades of use have proven the soundness of the initiative process. It has performed well when applied to a great diversity of issues and geographic areas. Some examples of recent use of the initiative include political reform, coastline development, property tax limitations, returnable bottles, death penalty, fluoridation, energy conservation, pornographic literature, and sales tax on food and drugs.

Initiative has an impressive track record in the 23 States now authorizing its use. According to research done by the Library of Congress, in the 80 years of initiative use, some 1,200 issues have been voted on. Many landmark reforms were pioneered by initiative. Direct election of Senators, abolishment of poll taxes, women's suffrage, workmen's compensation, and nonpartisan appointment of judges are just a few of the issues first raised by initiative.

It is remarkable that our present method of selecting Presidential candidates was first adopted by initiative in my home State of Oregon. Voters in other States followed Oregon's lead and used initiative to establish our modern Presidential preference primary system.

Liberals and conservatives alike have used the process to raise significant issues although it is neither a liberal nor conservative tool—it is a democratic process.

Even when initiatives have failed at the polls, they have served a much broader public purpose—that of educating the people and their leaders. I think the country has benefited from the tremendous debates which are the result of initiative campaigns.

SECTION-BY-SECTION ANALYSIS OF THIS AMENDMENT

Mr. President I would like to take just a few minutes to briefly outline the major provisions of this proposal.

Section 1. The people shall have the power to enact laws with the exception of the power to declare war and the power to call forth the militia. This article does not give the people the power to amend the Constitution.

Section 2. In order to qualify a proposed law for the ballot, signatures must be gathered on a national level equal in number to 3 percent of the ballots cast in the last Presidential election including signatures from 10 States equal in number to 3 percent of the ballots cast in the last Presidential election in each of the 10 States.

The signatures must be gathered in an 18-month time period.

The chief law enforcement officer of the United States must certify the validity of the signatures.

If sufficient signatures have been obtained the proposed law will be placed on the ballot at the next general election occurring at least 120 days after the signatures have been certified.

Section 3. If a majority of people casting votes on the ballot question approve, the proposed law is enacted and will take effect 30 days after the election or as mandated in the law itself.

Any law enacted by the people will be considered the same as any other law passed by Congress and signed by the President.

No such law may be repealed or amended by the Congress during the 2 years immediately following enactment except by a two-thirds vote of Members of both Houses duly elected and sworn. The President may sign or veto a law as to repeal an initiative passed law as he does with any other law passed by Congress.

No law which is forbidden by the Constitution may be enacted by the people.

Section 4. The Congress and the people shall have the power to enforce this article with appropriate legislation.

While I think these procedures are fairly straightforward, many of my colleagues from States that do not have the right of the initiative may be unfamiliar with its use on a practical basis.

This proposal would allow petition sponsors a maximum of 18 months to collect the signatures of at least 3 percent of those votes cast for President at the last election, with a minimum distribution of 3 percent of registered voters in each of 10 States. Though it may be possible to collect signatures exclusively in 10 States, the practical needs of a national campaign probably require signature gathering efforts in a majority of the States.

The collection of large numbers of signatures on an initiated proposal requires the support and involvement of many Americans over an extended period of time. Because of the nature of the initiative, the vast majority of proposals never qualify for the ballot—lacking both the needed public support and commitment. The signature requirement must be set high enough to insure that the issue indeed warrants the consideration of the voting public, but low enough to insure that the process is workable and available to the people.

The signature requirements provided by this amendment—3 percent of those who voted for President in the last election with a minimum distribution of 3 percent in each of 10 States meets this test. In 1976, a total of 81.5 million Americans cast ballots for the Office of President of the United States. Based on that election, the 3 percent national requirement equals 2.45 million legitimate signatures of registered voters. This 3 percent requirement is a stiff requirement which calls for a massive nationwide campaign.

It is also important to note that any signature gathering campaign must take into consideration an invalidation rate for nonlegal signatures of anywhere from 33 to 50 percent. The practical goal for any national initiative campaign would likely be between 4 and 5 million signatures to insure that a sufficient number of legal signatures are obtained. Anyone who has gathered legal signatures such as nominating petitions for Members of Congress, surely recognizes the magnitude of such an effort.

The distribution requirement of 10 States insures that only issues of recognized national importance are advanced by the use of the initiative. Even by meeting the 3-percent requirement in the 12 largest States, approximately 1 million additional signatures would be required to satisfy the 3-percent nationwide requirement. This proposal requires a distribution and focus beyond just the largest States or a particular region of the country.

A further consideration in choosing these signature gathering requirements is that the procedure should not be so strict as to effectively prohibit volunteer, grass roots efforts from successfully organizing to use the process. A higher signature requirement would block access to the process by ordinary citizens and enable only well-financed or already formally organized interest groups to use the initiative process.

SUMMARY

This proposal for a constitutional amendment to grant the right of the initiative to the people of the United States comes at a time when citizens appear very favorable to a change of this kind.

In the 23 States and the District of Columbia which now authorize the initiative process, citizen use of the procedure has increased significantly in the last several years. In many States, where the right of initiative has not been used frequently, a great deal of new activity has been generated. Many different liberal and conservative issues are being addressed by the initiative. Even those that fail at the polls are having a significant impact through education and debate.

In addition, efforts to establish the initiative power in the 27 States which do not already provide for them are intensifying. Twenty States have initiative bills pending; and in at least a dozen the hearing process is going forward to consider adoption of State initiative authority.

On May 17, 1977, the City Council of the District of Columbia unanimously passed the Initiative, Referendum, and Recall Charter Amendment Act of 1977. Later adopted by the voters in November and subsequently approved by Congress, this is the first amendment to the Home Rule Charter. The Washington Post editorialized that:

> This is an important bill that District voters exercise more responsibility in governing their own community.

In addition to these citizen efforts, a national organization, Initiative America, has been operating here in Washington for 2 years. Initiative America seeks to promote the initiative concept not only at the Federal level but also at the State and local level.

Mr. President, I invite my colleagues to join with me in this exciting effort. At a time when we are striving to build citizen confidence and involvement in our Nation's Government, this constitutional amendment makes good sense.

I ask unanimous consent that the text of the proposed constitutional amendment be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 33

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. The people of the United States shall have the power to propose and enact laws in accordance with this article, except with respect to carrying out the powers granted to Congress in clauses 11 and 15 of article I, section 8, of this Constitution. This article does not grant the people of the United States the power to propose amendments to this Constitution.

"SEC. 2. A law is proposed by presenting to the chief law enforcement officer of the United States a petition that sets forth the text of the proposed law and contains signatures, collected within the eighteen months prior to such presentation, of registered voters equal in number to three per centum of the ballots cast in the last general election for President and which includes the signatures of registered voters in each of ten States equal in number to three per centum of the ballots cast in the last general election for President in each of the ten States. Within ninety days after such presentation, the chief law enforcement officer of the United States shall determine the validity of the signatures contained in such petition through consultation with the appropriate States. Upon a determination that such petition contains the required number of valid signatures, he shall certify such petition. He shall then direct that the proposed law be placed on the ballot at the next general election held for choosing Members of the House of Representatives occurring at least one hundred and twenty days after such certification. The Congress shall provide by law reasonable procedures for the preparation and transmittal of such petitions, and for the certification of signatures on such petitions. For the purposes of this section, the term 'state' shall include the District of Columbia.

"SEC. 3. A proposed law shall be enacted upon approval by a majority of the people casting votes with respect to such proposed law and shall take effect thirty days after such approval except as otherwise provided in the proposed law. Any law enacted pursuant to this article shall be a law the same as any other law of the United States, except that any law to repeal or amend a law enacted pursuant to this article during the two years immediately following its effective date must receive an affirmative roll-call vote of two-thirds of the Members of each House duly elected and sworn. No law, the enactment of which is forbidden the Congress by this Constitution or any amendment thereof, may be enacted by the people under this article.

"SEC. 4. The Congress and the people shall have the power to enforce this article by appropriate legislation.".

Mr. HATFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD the following documents:

"Questions and Answers About National Voter Initiative," prepared as a public service by Initiative America, 606 Third Street NW., Washington, D.C., and a Gallup poll of May 15, 1978.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

QUESTIONS AND ANSWERS

HOW WILL THE VOTER INITIATIVE AMENDMENT WORK?

To place an issue on the national ballot, citizens would have to collect signatures of registered voters equal to 3% of the last vote for President, approximately 2½ million signatures, on a petition. If they completed this petition drive within 18 months, their issue would be placed on the next national election ballot, at the same time members of Congress are elected. A majority "yes" vote in the election would make the measure law.

ARE THE REQUIREMENTS REASONABLE?

Yes. They are in accordance with initiative procedures at the state level which have worked smoothly. California, the most populous state, requires 300,000 signatures for an initiative, and that state averages about two citizen-initiatives per election. The 2½ million signature requirement nationaly would be a difficult but attainable test for important national issues.

ARE THERE ANY LIMITATIONS ON INITIATIVE USE?

Yes, a few. Constitutional amendments, calling up the militia, and declarations of war could not be addressed by initiative. Any laws passed by public vote would still be subject to review by the court system. And Congress could amend initiative laws only by a ⅔ Roll Call vote the first two years after passage, and by a majority vote thereafter. The initiative has therefore been designed to fit within our system of checks and balances.

CAN THE PROCESS BE ADMINISTERED NATIONALLY? AT A FAIR COST?

A recent study by the Congressional Budget Office reported that it would cost between 1 to 2 million dollars annually to administer the Voter Initiative Amendment. That works out to about a penny per American per year, certainly a fair administrative cost.

State elections officials testified before a Senate subcommittee to indicate that the same administrative procedures used for state initiatives could be used for federal initiatives, and that the process could be managed smoothly.

WHERE IS VOTER INITIATIVE NOW USED?

The Constitution of 23 states and the District of Columbia presently authorize an initiative process. Since South Dakota became the first state to adopt initiative in 1898, some 1200 issues over 80 years have been voted on in state initiatives.

WHAT ISSUES MIGHT APPEAR ON A NATIONAL BALLOT?

Whatever issues seem important to the public. At the state level, common issues have included political, tax, or social reforms, or other issues which the political establishment of the time failed to address.

National issues will probably be those which have been stalled in Congress for some time—those which, though a majority of voters favor, have been ignored or sidestepped.

WILL VOTER INITIATIVE INCREASE VOTER PARTICIPATION?

Yes. State initiatives bring people out to vote who are interested in issues. In fact, over 700,000 more Californians voted on Proposition 13 than voted for all candidates for Governor.

A poll by Cambridge Survey Research Corporation showed 74% of respondents indicating that they'd be more likely to go to vote if there were issues as well as candidates on the national election ballot.

WHO SUPPORTS THE VOTER INITIATIVE AMENDMENT?

A recent Gallup Poll showed Americans 57% to 21% in favor—well over 2 to 1. Every political preference and geographic area showed overwhelming support for the Amendment. An advisory referendum held in Los Angeles in June, 1978 showed that County strongly in favor of the concept with over a million voters endorsing it.

Over thirty members of Congress—both Democratic and Republican—have cosponsored bills to create a national Voter Initiative. A former Chairman of the Democratic National Committee supports the concept, as does the present Chairman of the National Republican Congressional Campaign Committee. Numerous political scientists, Constitutional experts, and other political leaders have endorsed the Voter Initiative Amendment.

WHAT ARE ITS CHANCES OF PASSAGE?

Excellent. It becomes closer to reality every day. The Voter Initiative Amendment is a voting right in keeping with six of the ten last Constitutional Amendments. In fact, the amendment is but a logical extension of our First Amendment right "to petition the government for redress of grievances."

All indications are that the amendment will become one of the most popular amendments yet proposed to the Constitution because of its unique bi-partisan political and public support.

HOW CAN I SUPPORT THE VOTER INITIATIVE MOVEMENT?

Show your support by writing, calling, or visiting your Congressman and Senators. Contribute to Initiative America, which is speaking for this issue on a daily basis in the nation's Capitol.

WHAT IS INITIATIVE AMERICA?

A national organization established solely to advocate the right of a national Voter Initiative process. Headquartered in Washington, D.C., at 606 Third St. N.W., 20001, Initiative America carries the message from thousands of Americans that they want to vote on national issues. Through small contributions from concerned Americans, its staff does the necessary research, publication, and publicity to gain passage of the Voter Initiative Amendment through Congress.

[From the San Francisco Chronicle, May 15, 1978]

NATIONAL INITIATIVE FAVORED

(By George Gallup)

Voters of the nation like the idea of being able to pass judgment on proposed national legislation.

A constitutional amendment, described by its sponsors as the Voter Initiative Amendment, would require a national vote on any issue if three percent of all voters in the previous presidential election sign petitions asking for such a vote.

This percentage, applied to the last presidential election, would mean that a national vote could be held on any issue when approximately **2.5 million people signed petitions.**

By a 57-to-21 percent majority, the public in a nationwide Gallup Poll survey expressed approval of this plan, with 22 percent undecided. Voters who have attended college approve of the initiative amendment by a vote of 59 percent to 30 percent with 11 percent undecided.

The initiative, a time-honored device for direct citizen participation in the legislative process, is currently authorized in 23 states. And, according to the Library of Congress, in the past 80 years approximately 1200 issues have been decided in this manner.

The constitutional amendment that would make the initiative federal policy is sponsored in the Senate by James Abourezk of South Dakota and Mark Hatfield of Oregon and in the House of Representatives by James Jones of Oklahoma and Harold Sawyer of Michigan.

This was the question asked:

"The U.S. Senate will consider a proposal that would require a national vote—that is, a referendum—on any issue when three percent of all voters who voted in the most recent presidential election sign petitions asking for such a nationwide vote. Do you favor or oppose such a plan?"

Here are the results:

[In percent]

	Favor	Oppose	No opinion
Nationwide	57	21	22
College	58	30	11
High school	59	19	22
Grade school	46	11	43
East	55	19	26
Midwest	56	23	21
South	59	19	22
West	57	23	20
Under 30 years	59	19	22
30 to 49 years old	59	22	19
50 years and older	52	22	26
Republicans	56	25	19
Democrats	59	20	21
Independents	56	22	22

Undoubtedly an important reason for the broad support which this amendment receives at this time is the disillusionment experienced by the voters of the nation in the post-Watergate era—disillusionment both with the legislative and executive branches of government.

Those who disapprove of such an amendment generally base their opinion on the fact that the public is not well enough informed on many complex issues to arrive at a sound opinion. Moreover, they point out that the Founding Fathers, in writing the Constitution, intended the nation to be a representative form of democracy and not a pure or direct democracy.

The results reported today are based on personal interviews with 1536 adults, 18 and older, interviewed in more than 300 scientifically selected localities during the period January 6–9.

● Mr. DECONCINI. Mr. President, I am proud to join with my colleague in the Senate, Senator HATFIELD, and with my colleagues in the House, Congressmen JONES, KEMP, and SAWYER in introducing a resolution to establish the initiative process at the national level. This constitutional amendment will, if enacted, be a major evolution in our democratic form of government. It will provide a greater balance between representative and pure democracy. Yet, it contains the necessary checks and balances found in the relationships between the three branches of Government to prevent ill-considered legislation from being enacted.

Coming from a State where the initiative and referendum are a part of the governmental process, I am well acquainted with the workability of these methods of legislating. With the checks and balances provided in this resolution—congressional veto, signature requirements, and restrictions on the type of legislation that can be enacted—I believe it cannot be said that national initiative is a dangerous proposition. Our national experience on the State level has demonstrated that poorly considered or radical propositions do not succeed at the voting booth. Should such legislation be enacted by ballot, congressional veto by two-thirds majority is provided.

As a member of the Senate Judiciary Committee and Constitution Subcommittee, I will request that Senator BAYH, chairman of the subcommittee, hold hearings on the resolution. I believe such an examination will show that initiative and referendum will be as valuable to national Government as it has become to State government.●

Mr. PRESSLER. Mr. President, it is a real privilege to join today with the Senator from Oregon (Mr. HATFIELD) and the Senator from Arizona (Mr. DECONCINI), in cosponsoring a constitutional amendment to provide that the people of the United States—like my fellow citizens in South Dakota—will have the right to propose and enact laws by the use of direct initiative.

Initiation of laws by the voters provides part of the important and vital ingredients too long missing from the Federal legislative scene: That of expression, communication, and direct citizen participation in the legislative process. What it means is a reaffirmation of our country's deeply held and firm faith in democracy. I am happy to be a part of the beginning of this process and hope it will be successfully completed in the not too distant future.

South Dakota was the first State in the United States to provide for the establishment of the initiative as a means of allowing a specified number of voters to invoke a popular vote on a proposed law. Adoption of an initiative proposal came in South Dakota in 1898 and Utah and Oregon followed South Dakota's lead and adopted initiative proposals in 1900 and 1902.

The measure we are introducing today, Mr. President, provides the people of the United States with the power to enact laws, with the exception of the power to declare war and power to call forth our Armed Forces. It does not provide for direct amendment of the Constitution.

But, Mr. President, it does reaffirm and reinvest in the hands of the people—if they care to make use of it—the basic power to legislate in all other varied and vital areas of concern.

This proposed constitutional amendment, to my mind, is carefully drawn so as to provide for serious issues to be put before all of the voters of the United States, but it will prevent—at the same time—frivolous usage of the mechanism because of the number of signatures required in order for a question to be placed on the ballot for the final decision of the voters to accept or reject.

In order to qualify a proposed law for the ballot, some 2.5 to 3 million signatures (based on the formula of 3 percent of those who cast votes for President in the last election) would be required from throughout the country and within an 18-month period of time.

If sufficient signatures are obtained and certified as to validity by the chief law enforcement officer of the United States, the proposed law would be placed on the ballot for approval or disapproval at the next general election, if it occurred at least 120 days after the certification of the required signatures.

A majority of the States would be involved in the signature drive in that our proposal requires a minimum distribution of 3 percent of registered voters in each of 10 states. That means a national campaign would be required, with its attendant publicity and debate, both pro and con.

And that, Mr. President, is what this proposal is all about: the wishes of the electorate can be expressed and a decision can be reached in the highest and best of democratic traditions instead of politics as usual.

Direct access to the legislative process in a workable, yet controlled, manner is achieved by this proposal and I commend it to the attention of my Senate colleagues.

It provides that the ability to propose and enact laws rests with the people as well as with the legislators they elect. This opportunity for direct legislation—by the people—is a sound one and will serve to complement, not replace, actions of the Congress.

I urge its careful consideration.

Mr. President, it is my sincere hope that the Senate Judiciary Committee, to which this proposed constitutional amendment is to be referred, will take the necessary steps to schedule hearings and move forward on this proposal.

By doing so, we can serve the best interests of all the people.

ADDITIONAL COSPONSORS

S. 10

At the request of Mr. BAYH, the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of S. 10, to protect the rights of the institutionalized.

S. 25

At the request of Mr. BAYH, the Senator from Colorado (Mr. HART) and the Senator from Massachusetts (Mr. TSONGAS) were added as cosponsors of S. 25, to designate the birthday of Martin Luther King, Jr. as a national holiday.

S. 37

At the request of Mr. PROXMIRE, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 37, a bill to amend the Right to Financial Privacy Act of 1974.

S. 46

At the request of Mr. STONE, the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 46, a bill extending diplomatic privileges and immunities to all offices representing the Republic of China in the United States.

S. 104

At the request of Mr. SCHMITT, the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 104, the Regulatory Reduction and Congressional Control Act.

S. 240

At the request of Mr. RIBICOFF, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 240, the Federal Computer Systems Protection Act of 1979.

S. 268

At the request of Mr. DURKIN, the Senator from Washington (Mr. JACKSON) and the Senator from New Hampshire (Mr. HUMPHREY) were added as cosponsors of S. 268, the Soft Drink Bottlers' Protection Act of 1979.

SENATE RESOLUTION 49

At the request of Mr. SCHMITT, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of Senate Resolution 49, a resolution of disapproval of Amtrak route termination.

SENATE RESOLUTION 57—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 57

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Banking, Housing and Urban Affairs is authorized from March 1, 1979 through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis, the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,190,000.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 58—SUBMISSION OF A RESOLUTION OF DISAPPROVAL OF PROPOSED TERMINATION OF AMTRAK SERVICE ON THE "MONTREALER" ROUTE

Mr. DURKIN submitted the following resolution, which was referred to the Committee on Commerce, Science, and Transportation:

S. RES. 58

Whereas, the Department of Transportation has recently recommended the elimination of all service by the National Railroad Passenger Corporation on the "Montrealer" route between New York City and Montreal, Canada;

Whereas, many citizens of the New England area depend on such service and have no alternative means of travel;

Whereas, such service provides the only intercity passenger train now operating in northern New England;

Whereas, this recommendation has, in addition, been made without any attempt to investigate the feasibility of cost savings or other measures to improve the profitability of this route;

Whereas, this recommendation has been made without any public hearing on the effects of such elimination;

Whereas, there is no adequate transportation alternative in the immediate area aside from the private automobile;

Whereas, the immediate effect of this decision would be to expand automobile traffic, with a consequent increase in pollution and energy demands; and

Whereas, the "Montrealer" is an important contributor to international goodwill, amity, and commerce between the United States of America and Canada,

Now, therefore, be it resolved that the Senate of the United States does hereby:

Request that the Secretary of Transportation forthwith withdraw his ill-considered proposal for the termination of railroad service on the "Montrealer;"

Express its disapproval of such proposed termination, and

Require the Secretary to report to the Senate on ways to make the "Montrealer" more efficient and effective.

Mr. DURKIN. Mr. President, sometimes I get the feeling that this administration believes New England does not exist. That feeling was renewed when Secretary of Transportation Brock Adams recommended that the Montrealer, a vital rail passenger link through New England, be abolished.

The Montrealer runs from Washington through New York and then up the Connecticut River Valley to Montreal. Despite the fact that this train's schedule is inconvenient, it is very popular. Anyone seeing the number of passengers who turn out at White River Junction, Vt., at midnight to take the train to New York, or get off the northbound train at the same place at 5 in the morning, would have far more confidence in the future of train travel than DOT does.

This train is the only intercity service in northern New England. It is essential for a large number of people in the area. Although it does not directly pass through New Hampshire, many citizens of New Hampshire rely on it.

Now, without any notice, without any hearing, without any warning, we find that DOT has determined to kill this train. In May 1978, when DOT published its route recommendations, it called for continuing this route. It has not given a sign that there was a problem. Now, though, we find that the route is doomed, if DOT has its way.

Mr. President, this type of thinking defies explanation. DOT participated enthusiastically in hearings all over the country on Amtrak service. It has agreed that public hearings and comment are an important and in fact essential element in route decisions. Except, it seems, in New England.

Further reading of the DOT's recommendations reveals even more inconsistencies. For instance, DOT acknowledges that losses on the train were in good part due to unusually high charges in Canada. Yet, Department spokesmen have admitted that the Department has done absolutely nothing to negotiate changes in these agreements. Nor have they tried to find out if more attractive schedules could boost revenues.

These recommendations should be examined very closely by the Congress, which has the final statutory responsibility in this area. I am sure they will be. Perhaps some of these cutbacks will turn out to make sense.

But Mr. President, nobody who looks at the scorecard today can start the game with a great deal of confidence in the manager. Some of the recommendations seem to be baffling, if not perverse.

Therefore, I send to the desk a resolution requesting that the Secretary of Transportation withdraw the recommendation for eliminating the Montrealer and directing DOT to report to Congress on ways to improve the efficiency and effectiveness of that train.

NOTICE OF HEARINGS

SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES AND OPEN GOVERNMENT

● Mr. CHILES. Mr. President, I would like to notify the Senate that the Subcommittee on Federal Spending Practices and Open Government will conduct hearings on the General Services Administration's use of multiple award schedules on February 6, 1979, in room 1114 of the Dirksen Senate Office Building at 10 a.m.

Over the past months, the subcommittee's investigations and hearings have helped to shed some light on what went wrong, and why it went wrong.

We have enjoyed very close cooperation with senior GSA officials, who are actively attempting to fix the programs and procedures which are largely responsible for the current scandals.

Additionally, we are conducting a comprehensive investigation of a major Government supplier to determine, if possible, whether GSA officials testified accurately at subcommittee hearings last September.

Meanwhile, the GSA strike force within the Department of Justice, which was formed at my request, is working in conjunction with U.S. attorneys' offices around the country. I hope we can see some major progress in the months to come.

The February hearings will involve a familiar pattern: A suppressed audit report, and, as usual, the ritual punishment of those who exposed the problem in the first place.

I hope we will also hear testimony which will show how some simple multiple award reforms can save untold millions in the future, even if we cannot recover what we have lost in the past, and how we can keep critical reports from suddenly disappearing from the face of the Earth.●

● Mr. McGOVERN. Mr. President, I wish to announce that the Subcommittee on Nutrition of the Senate Committee on Agriculture, Nutrition and Forestry will resume its oversight activities on nutrition labeling and information in a series of hearings to be held in February.

The subcommittee will meet Friday, February 9, to hear from invited representatives of the fast food industry on nutrition information. On Tuesday, February 20, representatives of commodity groups and food trade associations will testify, and this particular series of hearings will conclude on Friday, February 23, when Assistant Secretary of Agriculture Carol Foreman and FDA Commissioner Donald Kennedy present the administration's position on nutrition labeling.

All three hearings will begin at 9 a.m. and will be held in room 324.

Anyone wishing further information should contact the committee staff at 224-2035.●

SUBCOMMITTEE OF INTERIOR APPROPRIATIONS

● Mr. ROBERT C. BYRD. Mr. President, as chairman of the Appropriations Subcommittee on the Department of the Interior and related agencies, I would like to bring the subcommittee hearing schedule to the Senate's attention. Agency budget hearings for the 1980 fiscal year will start on February 6 and are scheduled to conclude on May 10. Agencies under the subcommittee's jurisdiction, in adition to most of the Interior Department, include the fossil fuels and conservation programs of the Department of Energy, the Forest Service, the National Foundation on the Arts and Humanities, the Smithsonian Institution, and the Indian Health Service among others.

This year we have scheduled hearings for nongovernmental witnesses—members of the public who wish to testify on appropriations matters—for the week beginning Monday March 5. Any persons wishing to testify at these outside witness hearings should contact the subcommittee by March 1 to request an appearance.

Mr. President, I ask unanimous consent that the Interior subcommittee's hearings schedule be printed in the RECORD.

There being no objection, the hearings schedule was ordered to be printed in the RECORD, as follows:

THE 1979 HEARING SCHEDULE, SENATE SUBCOMMITTEE ON INTERIOR AND RELATED AGENCIES, COMMITTEE ON APPROPRIATIONS, 10 A.M. (UNLESS OTHERWISE NOTIFIED)

FEBRUARY

Tuesday 6, Fine Arts Comm.; National Gallery of Arts: Adv. Council on Historic Preservation. Wednesday 7, Woodrow Wilson Center; National Capital Planning Commission; Pennsylvania Avenue Development Corporation.

Tuesday 20, Secretary of Energy; Wednesday 21, Navajo-Hopi Relocation Commission; Institute of Museum Services; Thursday 22, Indian Education.

Tuesday 27, Secretary of the Interior.

MARCH

Thursday 1, Office of Water Research and Technology.

Monday 5, Outside Witnesses (non-Indian); Tuesday 6, Outside Witnesses (non-Indian); Wednesday 7, Outside Witnesses; Thursday 8, Outside Witnesses.

Tuesday 13, National Endowment for the Arts; Wednesday 14, Forest Service; Thursday 15, Indian Health Service.

Tuesday 20, Territories; Wednesday 21, Territories; Thursday 22, U.S. Geological Survey.

Tuesday 27, Bureau of Indian Affairs; Thursday 29, National Endowment for the Humanities.

APRIL

Tuesday 3, Office of the Secretary; Office of the Solicitor; Wednesday 4, Heritage Conservation and Recreation Service; Thursday 5, Heritage Conservation and Recreation Service.

Tuesday 10, Fish and Wildlife Service; Thursday 12, Bureau of Mines.

Tuesday 24, Bureau of Land Management; Wednesday 25, Congressional Witnesses; Thursday 26, Office of Surface Mining Reclamation and Enforcement.

MAY

Tuesday 1, National Park Service; Wednesday 2, Smithsonian Institution; Thursday 3, Department of Energy.

Tuesday 8, Department of Energy; Wednesday 9, Department of Energy; Thursday 10, Department of Energy.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, I wish to announce that the Senate Select Committee on Small Business will hold its organizational meeting of the committee members on Thursday, February 8, 1979 at 3:30 p.m. in room 424 of the Russell Senate Office Building.●

SELECT COMMITTEE ON ETHICS

● Mr. STEVENSON. Mr. President, on February 8, 1979 at 9 a.m. in 1318 Dirksen Office Building, the Select Committee on Ethics will hear motions related to the investigation of HERMAN E. TALMADGE, U.S. Senator.●

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

● Mr. McGOVERN. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry will meet Wednesday, February 7 at 9 a.m. to organize for the 96th Congress. Subcommittee assignments will be made, and the committee rules will be determined. In addition, the committee will consider S. 292, which reduces the 1980 authorization for appropriations for the supplemental food program. Anyone wishing further information should contact the committee staff at 224-2035.●

AUTHORIZATION FOR COMMITTEE TO MEET

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today, tomorrow, and Wednesday, to hold hearings and mark up S. 245, the Taiwan legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SALT II: NO SALE

● Mr. GARN. Mr. President, no more important or contentious issue is likely to come before the Senate during this congressional session than the Strategic Arms Limitation Treaty (SALT II) now nearing completion. The Carter administration has already embarked on a nationwide campaign to sell SALT to the American people. It is time that the utter bankruptcy of this administration's position on SALT be made clear. An article, "The Case Against SALT II," published in Commentary magazine by Mr. Eugene V. Rostow details the serious deficiencies of SALT II and the grave international consequences of ratifying a treaty which insures Soviet strategic superiority in the decade ahead.

There is a great deal of scare talk by the Soviet leaders and proponents of SALT that the defeat of SALT II will doom détente and bring on a return to cold war tension between ourselves and the Soviet Union. However, Soviet actions have made a mockery of the notion that strategic arms control agreements will enhance international stability.

Soviet ambitions seem to have in no way been curbed by the signing of SALT I in 1972. Rather, Moscow proceeded to back the invasion of South Vietnam by North Vietnam despite the 1973 Indochina peace agreements, and encouraged Arab aggression against Israel in October 1973. Today, we see the Soviet Union and its proxy troops of Cubans and East Germans running roughshod over the continent of Africa. From southern Africa, to Yemen, to Iran, to Afghanistan, the Soviet leaders, great devotees of international peace and harmony that they are, seek to incite armed turmoil and civil strife.

There can be no semblance of international stability unless the United States is determined to maintain the balance of power between ourselves and the Soviets. That balance must be viewed in dynamic, not static terms. The trends, as they now exist, give cause for much concern. Despite popular belief, SALT I did not slow the momentum of Soviet strategic weapon development. In fact, Soviet spending on strategic weapon systems has actually increased since the signing of SALT I in 1972. The quantitative and qualitative advances made by the Soviet Union since SALT I are alarming. The record is all too clear: The Soviet Union rejects the doctrine of mutual assured destruction, and is doing everything in its power to achieve nuclear superiority over the United States and a nuclear war winning capability.

There is a near total consensus among defense authorities that the United States' land-based ICBM's will be vulnerable to a devastating Soviet first strike by the early- to mid-1980's. Furthermore, the credibility of the United States' retaliatory second strike capability will be subject to question. Faced with this prospect of strategic inferiority and diplomatic blackmail, the Carter administration has seen fit in the past to delay the decision on proceeding with full-scale development of the MX together with a survivable basing mode, to cancel the B-1 bomber, and to delay the Trident submarine. At a time when the Soviet Union pushes ahead unrestrained to develop its military potential, the United States has allowed itself, in Mr. Rostow's words, "to fall behind in most relevant categories of military power: behind in production; behind in research and development; and behind in programing."

It is against this disquieting picture that the Carter administration looks to secure the Senate's approval for a dangerously flawed SALT II agreement. Mr. Rostow's critique of an article by Mr. Jan M. Lodal in Foreign Affairs, "SALT II and American Security," highlights the weaknesses of the SALT II accord as it now stands. Mr. Rostow ably demonstrates that the SALT II agreement that is now nearly completed fails in three very critical areas: First, it does not contribute to the stability of the strategic balance; second, it is not verifiable by national means; and third, it adversely affects the security of our allies. Above all, Mr. Rostow establishes that "defeatism" is not a commendable policy, that the American people need to be told the truth no matter how unpalatable, and once this is done they will refuse to accept the SALT II accord that this administration is so ardently attempting to sell.

Mr. President, Mr. Rostow's analysis is a valuable contribution to the SALT debate, and I ask unanimous consent that it be inserted in the Record.

The article follows:

The Case Against SALT II

(By Eugene V. Rostow)

> In human disputation justice is only agreed on when the necessity is equal; whereas they that have the odds of power exact as much as they can, and the weak yield to such conditions as they can get. Thucydides, *History of the Peloponnesian War*.

Over the last century, the yearning for peace has given rise—especially in Great Britain, the United States, Scandinavia, the Netherlands, and Canada—to the belief that disarmament agreements, or agreements for arms limitation, are an important means for securing peace. It would be more accurate to say that settled expectations of peace between nations result in disarmament. When neighbors share the same goals, agreements on arms limitation or disarmament can be of marginal utility. For example, the celebrated agreement between Great Britain and the United States providing that no warships be stationed in the Great Lakes has become the symbol for the general policy of Canada and the United States with respect to their common border. And many countries have had unarmed borders for years without benefit of a formal treaty. But the enthusiastic advocates of arms-limitation treaties tend to forget that such agreements cannot achieve their goals when some of the parties pursue quite different policies.

The arguments made for SALT II today are the same as those put forward on behalf of the Washington Naval Treaty of 1922 and the other arms-limitation and arms-reduction arrangements on which the Western governments lavished so much time, attention, and hope during the 20's and 30's.

The Washington Naval Treaty and its progeny did not prevent Pearl Harbor. We, the British, and the French, lulled by the treaty, and hard-pressed in any event to find money for naval-building programs, let our navies slide. We did not build our full quotas or modernize our ships. The Japanese and later the Germans, on the other hand, took full advantage of their quotas. We should recall what the phrase "pocket battleship" meant. The pocket battleship, which the Japanese and the Germans used with such great effect in World War II, was a cruiser with the striking power of a battleship—a powerful modern man-of-war built within the tonnage limits of the treaty.

The post-World War I arms-limitation agreements—demilitarization of the Rhineland as well as the various naval agreements—failed to prevent World War II. Indeed, those agreements helped to bring on World War II, by reinforcing the blind and willful optimism of the West, thus inhibiting the possibility of military preparedness and diplomatic actions through which Britain and France could easily have deterred the war. Churchill never tired of pointing out that World War II should be called the "Unnecessary War," a war which Anglo-French diplomacy could have prevented.

Despite this melancholy history, we are told everywhere that the SALT II agreement now in the final stages of negotiation will be "politically stabilizing"; and that the breakdown of the SALT negotiations, or the rejection of the prospective treaty by the Senate, would "end detente," "bring back the cold war," increase the risk of nuclear and of conventional war, and revive "the arms race," which would cost us another $20, $70, or $100 billion.

Emotionally and politically, this is the strongest argument for ratification: that even a bad agreement with the Soviet Union is better than no agreement at all. The issue presented by SALT, Senator George McGovern has said, is that "the alternative to arms control and detente is the bankruptcy and death of civilization." And in a speech in London on December 9, Secretary of State Vance said that "without an agreement, our technological and economic strength would enable us to match any strategic buildup, but a good good agreement can provide more security with lower risk and cost. And we recognize that without SALT, the strategic competition could infect the whole East-West political relationship, damaging the effort to create a less dangerous world which is at the heart of Western foreign policies." Since, however, we were infinitely more secure without an arms-limitation agreement during the period 1945-72 than we have been since, the logic of this argument is not immediately apparent.

The claim that a SALT II agreement would be politically stabilizing, and would foster Soviet-American cooperation in other areas, is just as empty. We have had the Interim Strategic Arms Limitation Agreement with the Soviet Union—SALT I—since 1972. Far from stabilizing world politics, the Interim Agreement has been an important structural feature of the most turbulent and dangerous period of the cold war (the period ironically known as "détente").

Thus, during the six-and-a-half years following President Nixon's trip to Moscow in 1972, we have endured a series of major Soviet offensives. First, the Soviet Union defaulted on its obligations as a guarantor of the peace agreements of 1973 in Indochina. These agreements, for which Mr. Kissinger received a Nobel Prize, were treated by the Soviet Union as scraps of paper. The final North Vietnamese invasions of South Vietnam in 1974 could never have taken place without Soviet equipment and other help. Then the Soviet Union, which had promised President Nixon to cooperate with him in seeking peace in the Middle East, violated those promises by supplying, planning, encouraging, and even participating in the Arab aggression against Israel of October 1973.

So far as the 1972 Interim Agreement itself is concerned, Secretary of State Rogers testified to the Senate that we had made a number of unilateral interpretations of the agreement and that we should regard any breach of these policies by the Soviet Union as a violation of the "spirit" of the treaty. All these unilateral interpretations of the agreement were violated by the Soviet Union. We did nothing about them.

But the ultimate absurdity is the claim that SALT II would limit or reduce either arms or arms expenditures. The one thing the 1972 Interim Agreement on Offensive Strategic Arms did not do was to limit Soviet arms development or expenditure, or the growth of the Soviet nuclear arsenal.

The SALT I Interim Agreement was presented to Congress and the country with fanfares from President Nixon, Secretary of Defense Laird, and Mr. Kissinger, as he then was. We were assured that the agreement would slow down the Soviet buildup of strategic offensive weapons; discourage the Soviets from adopting counterforce strategies; and enhance peace and our security in other unspecified ways. But the principal claim made for the agreement was that it would apply "brakes to the momentum of Soviet strategic missile deployments," in Secretary Laird's words.

Yet instead of stabilizing or reducing its strategic offensive strength during the period of the Interim Agreement, the Soviet Union has moved ahead rapidly: far more rapidly, in fact, than had been predicted as possible by American intelligence. It has successfully MIRVed (that is, placed several warheads on a single missile) its ICBM (intercontinental ballistic missile) forces, taking advantage of their greater delivery capacity (throw-weight) to develop missiles with as many as 10 warheads per missile, as compared with 3 on our Minuteman III missile.

It has improved the accuracy of its missiles and developed new and improved missiles to replace older ones within its forces. One of the most significant of these developments is the Soviet production of mobile ICBM's. President Carter has said that the Soviet Union has actually deployed mobile ICBM's. Whether or not this has happened to a significant extent, the experts agree that the Soviet Union could do so quickly and on a large scale. Mobile ICBM's would completely alter the nuclear equation, making ICBM's almost as elusive as submarines, and making it impossible, or much more difficult, to target a nuclear strike against them. The Soviet Union has also adopted "cold-launch" methods which permit a greater throw-weight with a given missile, and the more rapid reloading of the launcher after use.

As a result of these changes the Soviet strategic nuclear force has been radically enlarged since 1972 in all categories and, according to present estimates, will be far stronger by the early 1980's. At the time of the Interim Agreement, the aggregate throw-weight of the Soviet ICBM's was twice that of the American force. In the early 1980's, it will be about four times as large. The throw-weight of our own ICBM's is unchanged, and is not expected to change during the treaty period.

The Soviet Union is believed to have had 1,600 warheads available to its ICBM force in 1972, compared to our 2,154. In the early 1980's, we shall have the same number, 2,154, but the Soviet figure will rise to between 6,4500 and 9,200, even under the limitations expected in a SALT II treaty. The Soviet Union is producing between 150 and 200 ICBM's a year. We make none. The area-destructive power of Soviet warheads will increase by a half; ours by an eighth. The capability of Soviet weapons to knock out hardened (defended) targets, such as missile silos, will have increased tenfold. If our cruise missiles, now under development, fulfill present expectations ours will have increased fourfold.

In the category of submarines, the Soviets are believed to have had 845 SLBM's (submarine-launched ballistic missiles) at the time of the 1972 agreement, and presently are near the ceiling of 950. Some Soviet SLBM's are as large or larger than our Trident I, which we have not yet introduced. Our figure will not change. In warheads we are believed still to have a substantial lead. In 1972 we had about 3,000 SLBM warheads; our present figure of 5,400 is not expected to change during the next few years—while it is anticipated that the Soviet figure of 845 will increase some fivefold as they MIRV their SLBM's.

The comparison of bomber forces is more difficult, depending on whether so-called medium bombers are included. Our heavy bomber force, still based on the out-of-date B–52, is declining, and President Carter has canceled its replacement, the B–1. We had 450 heavy bombers in 1972 to 140 for the Soviet Union, which also had 1,100 "medium" bombers assigned to missions in Europe or Japan, but available for attacks against the United States as well.

In addition, the Soviet Union has and is manufacturing a new bomber, the Backfire, two-thirds the size of the B-1. It is not to be counted under the limits established by SALT II, although the State Department concedes that it can be used for intercontinental missions. By 1985, the Soviet Union will have 300 to 400 Backfire bombers. We will have no comparable planes by 1985 beyond our less proficient and much less numerous FB-111's.

While it is difficult to compare the bomber strength of the two nations in the field of intercontinental strategic nuclear weapons, there can be no question about the steady decline of our bomber superiority, which was one of the key premises of the 1972 agreement. That decline is measured not only in the comparison of the planes themselves, but in the development of Soviet air defenses, which we have decided to ignore altogether. The Soviet Union has a large and widespread network of fighter planes deployed for air defense, thousands of SAM's and other anti-aircraft weapons, and at least one anti-ballistic-missile (ABM) system in operation. The Soviets have actively continued ABM research and development since 1972, and presumably would be able to deploy more units on short notice. These defensive measures would exact a heavy toll in the course of any attack, and therefore create doubt about the perceived deterrent effect of our bomber and missile forces.[1]

In short, instead of applying "brakes to the momentum of Soviet strategic missile deployments," SALT I served to increase that momentum. On the United States, SALT I had the opposite effect. Lulled by the treaty—as well as by illusions about "overkill," and by the high hopes we had invested in détente—into thinking that the "arms race" was being brought under control, we allowed ourselves to fall behind in most relevant categories of military power: behind in production; behind in research and development; and behind in programming.

As for the claim that a SALT II treaty will reduce the cost of our own defense programs, General George M. Seignious II, the new director of the Arms Control and Disarmament Agency, said on December 13 that the SALT II agreement, as it seemed likely to emerge, coupled with the further development of the Soviet nuclear arsenal made possible by the agreement, "is going to require additional money to modernize the strategic systems we have." In his final press conference on October 30, 1978, Paul Warnke, the outgoing director of the Arms Control and Disarmament Agency, said that while he believed SALT II would save us money, by restraining certain forms of Soviet expansion we should otherwise have to match, it was not possible to "point to some form of saving" that the treaty would accomplish.

For by establishing certain quantitative limits, the treaty would shift Soviet efforts to the quest for qualitive superiority. The effort to match qualitative improvements, based on active research and the development of new technologies, is hardly more economical than the repetitive manufacture of old-model weapons.

Yet the proponents of SALT II claim that the failure to achieve or ratify the treaty would add as much as $100 billion to our defense budget over a five-year period. Those figures of extra costs if the SALT negotiation fails, or if the Senate refuses to consent to the treaty, are just as fanciful as President Nixon's claims that he had ended the cold war and achieved "détente."

There is no case, then, for SALT II as a step toward peace. The record is clear that the first SALT agreement on the limitation of offensive strategic weapons contributed to an intensification, not a lessening, of tensions between the United States and the Soviet Union throughout the world. The rapid Soviet buildup of new and advanced strategic weapons under the agreement gave rise to charges of "deception," "breach of faith," and indeed of breach of the agreement. And the 1972 Interim Agreement gave the Soviet Union certain great and tangible advantages. For example, we halted the development of our ABM systems, in which we had a technological lead. They, as already noted, have continued their research and development in that important field. There is no reason to believe that the process of continued negotiation with the Soviet Union would change this pattern.

II

According to information now generally available, the SALT II agreement will consist of a Treaty, a Protocol, and a Statement of Principles. The Treaty would expire on December 31, 1985, the Protocol on a date not yet agreed in 1981, either June 30 or December 31. The Statement of Principles concerns the agenda for the negotiations of SALT III and has no terminal date.

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[1] For a fuller discussion of the American-Soviet military balance, see Edward N. Luttwak's article, "Defense Reconsidered," in the March 1977 Commentary.

The key provision of the SALT II treaty is that each side would be permitted to have the same number of strategic nuclear launch vehicles—2,400 until a date in 1982, and then 2,250. Within this limit, there is a sublimit of 1,320 on the number of launchers carrying multiple independently-targeted reentry vehicles (MIRV's)—ICBM's, SLBM's, and aircraft equipped to carry air-launched cruise missiles (ALCM's) with a range greater than 600 kilometers. At this writing, there is still reported to be a dispute between the American and Soviet negotiators as to whether all armed cruise missiles should be covered, or only cruise missiles armed with nuclear weapons.

There are two further sublimits within the category of 1,320 MIRVed launchers: (1) a limit of 1,200 on the number of MIRVed ICBM launchers plus MIRVed SLBM launchers; and (2) a sublimit of 820 on the number of MIRVed ICBM launchers. Within that limit of 820, the Soviet Union would be allowed to have a number of fixed modern large ballistic-missile launchers (MLBM) equal to their present force in this category, either 308 or 326. This force includes the formidable Soviet SS–18's, which we believe now carry up to 10 separate megaton-range warheads. The SS–18 and SS–19 are capable of destroying protected missile housings and command centers. The Soviet SS–18 force by itself could destroy more than 90 per cent of our land-based missile force, which consists of 54 Titans, 450 Minuteman II's, and 550 Minuteman III's, at one blow. The United States now has no such weapons, and the treaty would deny the United States the right to build any during the treaty period.

The treaty contains a number of limits on the modification of existing ICBM's, primarily the rule that any test of an ICBM with more reentry vehicles (RV's) than had previously been tested will cause it to be classified as a "new type"; each side is limited to testing one "new-type" ICBM during the treaty period. The United States has tested 3 RV's on Minuteman III and the Soviet Union has tested 4 RV's on the SS–17, 6 RV's on the SS–19, and 10 RV's on the SS–18. There may also be agreement that no "new-type" ICBM can have more RV's than the maximum already tested for existing ICBM's—10 per missile for the Soviet Union, 3 for the United States. A late rumor suggests that both sides may have the limit of 10. Because of the delays in our MX program, however, there is no possibility that the United States can deploy a "new-type" ICBM prior to the expiration of the treaty.

The Soviet Union has made great progress in fractionizing its missiles, including those targeted against Europe which do not come under the treaty. There is agreement that the treaty should establish a limit of 14 RV's per missile for submarine-launched missiles, and of 20 or 35 (not yet agreed) for the number of cruise missiles on a single aircraft.

United States B–52's and our 4 B–1 test aircraft, and Soviet Bisons and Bears are to be counted as heavy bombers for purposes of the treaty. The Soviet Backfire bomber, much discussed in the negotiations, will not be counted, although it is capable of reaching targets throughout the United States, and is being produced steadily.

The treaty does not attempt to limit the number of missiles or warheads which may be produced and stored. Any "reductions" in the Soviet-deployed nuclear force required by the treaty need not result in the destruction of the weapons, but only their transference to a warehouse.

Both sides have agreed that neither side will take any action which would circumvent the purposes of the agreement. This provision raises serious problems with regard to the possible transfer of cruise missiles or cruise-missile technology to our allies. Whether this question has been satisfactorily resolved in the negotiations is not now clear. Similarly, there is agreement that each side would refrain from interfering with the other side's national means of verification. Here, too, damaging controversies have already developed, particularly with regard to Soviet encoding of "telemetery," which would enable them to circumvent our monitoring devices.

The protocol would ban the flight testing or deployment of mobile ICBM's and air-to-ground missiles and the deployment of ground- and sea-launched cruise missiles with a greater range than 600 kilometers during a three-year period. At this time, the provisions with respect to ground- and sea-launched cruise missiles, of special concern to our NATO allies, are reported to be still in negotiation.

III

The provisions of the prospective SALT II treaty are highly technical and are difficult for the layman to judge. But the treaty as a whole can be measured by the layman against our goal in the continuing process of negotiating agreements with the Soviet Union on nuclear arms. That goal is to guarantee a nuclear stalemate—that is, to keep nuclear weapons from being used or brandished in world politics. It is an altogether sound goal, which has been the lodestar of American policy since we proposed the Baruch Plan in the late 40's. The operative principle of both the SALT I Interim Agreement and SALT II, in the American view, is to prevent the development of a situation in which either side might be in a position to gain a great advantage by a first strike—an advantage so dazzling that political leaders might be tempted to seize it.

What, then, do the data suggest by way of an answer to the basic question of how the prospective SALT agreement would affect the adequacy of our second-strike capability?

In attempting to answer this question, we must first realize that the deck now consists almost entirely of Jokers. Nonetheless, the attempt must be made. In formulating an answer, we must consider the number and vulnerability of missiles and warheads, their accuracy, their ability to reach key targets, and the effects of active and passive defense programs on the vulnerability of Soviet targets of all kinds.

As mentioned previously, the Soviet Union is continuing to build and modernize its strategic nuclear missile force at an alarming rate—150 to 200 ICBM's a year, compared to a rate of zero for the United States; 6 ballistic-missile submarines a year, as compared to zero for the United States (1½ a year in the 1980's); and 30 to 50 intermediate- to long-range bombers a year, as compared to zero for the United States. The Soviet Union builds missiles of a far greater throw-weight than ours, and can therefore put more or larger MIRVed warheads on each missile than we can, so that even under the proposals we made in March 1977, it could have twice as many ICBM warheads of five times the individual yield of ours.

The figures reported in current drafts of the treaty would be even less favorable. And to make matters worse, the Soviets have made rapid advances in catching up on our previous technological advantages in MIRVing, accuracy, and smaller RV's.

With these trends in mind, former Deputy Secretary of Defense, Paul Nitze, who helped negotiate SALT I, concludes that SALT II in its present form will leave the United States without a credibly adequate second-strike capability. In a speech on December 5, he said: "Over the past fifteen years it would not have profited either side to attack first. It would have required the use of more ICBM's by the attacking side than it could have destroyed. *By the early 1980's*, that situation will have changed. By that time, *the Soviet Union may be in a position to destroy 90 per cent of our ICBM's with an expenditure of only a third of its MIRVed ICBM's*. Even if one assumes the survival of most of our bombers on alert and our submarines at sea, the residue at our command would be strategically outmatched by the Soviet Union's retained warmaking capability."

In its study, *Is America Becoming Number 2?: Current Trends in the U.S.-Soviet Military Balance*, released on October 5, 1978, the Committee on the Present Danger adds:

> We do not have to assume that the Soviet Union will actually attack U.S. strategic forces. The point is that they will have the capacity to *increase their advantage* with a counterforce first strike. After such a first strike, the United States would still have a capability for a second-strike retaliation against Soviet economic and political targets—in plain words, against their "hostage" cities and industrial centers. If Soviet civil defense failed, we could do "unacceptable damage" to them, but their forces held in reserve would still be greater than ours, and we have no effective civil (or air) defense. Their third-strike potential would make our second-strike less credible. It would leave the U.S. with a dangerously inadequate deterrent.

In preventing SALT II, the administration dismisses such concerns. Spokesmen for the administration concede that Soviet progress in strategic arms and particularly in ICBM's makes our own ICBM force vulnerable, and that our old bombers would have a hard time penetrating Soviet anti-aircraft defenses either to launch cruise missiles or to drop bombs. But, they say, we still have a great many MIRVed submarine-launched missiles, and therefore, perhaps, still an edge in the total number of warheads.

Yet our present substantial advantage in warheads is a transient one. The inherent flexibility afforded by large throw-weight Soviet ICBM's and the momentum of the Soviet MIRV program can soon erase the United States advantage in numbers of warheads (unless, that is, we shift gears promptly and on an adequate scale).

Secondly, our increasing reliance on submarine-launched missiles presents problems of its own. Such missiles are still notably less accurate than ICBM's, and therefore less capable of striking at the Soviet missile sites and other military targets than at hitting cities.

In August 1978, the U.S. Arms Control and Disarmament Agency attempted to dispel these doubts in a "dynamic" study of U.S. and Soviet strategic capability through the mid-1980's, and to escape from the logic of what it called "static" measures of the two strategic forces. The study does not measure the capacity of each side to destroy the other, but purports to calculate the capaciy of Soviet and American strategic forces to destroy a hypothetical set of 1,500 "hard" (or defended) and 5,000 "soft" (i.e., undefended) targets. It thus assumes away the important disparities between the number and hardness of the targets in each country. The Soviet Union now has more hard targets than the United States, and is rapidly hardening soft targets, while we are standing still, even with regard to command-and-control centers. By the mid-1980's, the Soviet Union will have twice as many hard targets as the United States.

The ACDA study also makes unrealistic assumptions about the destructibility of soft targets as the result of the explosion of a single weapon, whatever its size and yield. It makes inadequate allowance for anti-aircraft and anti-missile defenses and the effect of Soviet civil-defense measures.

But there is a deeper problem with the ACDA analysis, which runs through the whole of the administration's case for SALT II. Our leaders tell us that the Soviet rulers will be restrained by their knowledge of our capability to inflict unacceptable damage on their people and their society if they push us too far.

However plausible this argument may have been up to the time of the Cuban missile crisis, when we still enjoyed overwhelming nuclear superiority, it has long since lost even the appearance of conviction. But Secretary of Defense Brown, Ambassador Paul Warnke, and other official spokesmen for the administration continue to repeat it as gospel. It remains the heart of their argument for SALT II. Indeed, for all practical purposes it is the whole of it.

I have always had the greatest difficulty in accepting this theory—Robert McNamara's theory of mutual assured destruction (MAD)—according to which we and the Soviets would hold each other's cities and people hostage, thus preventing any first strike, and neutralizing nuclear weapons. I find it hard to imagine that the President of the United States would actually order the destruction of Moscow or Leningrad, save under circumstances of the most extreme provocation, such as the actual prior destruction of major American cities. I find such a step nearly inconceivable if our major cities had not been destroyed, and the exchange would result in the immediate destruction of New York and Washington, even if our ICBM's had been destroyed. Secretary Brown's threat to blow up Soviet cities in retaliation for a Soviet first strike against our satellites or our ICBM's would be less than credible if the Soviets had enough weapons left in reserve to blow up our cities and possessed substantial enough reserves to dominate the postwar world. A Soviet arsenal of that size could neutralize our nuclear forces and emasculate our second-strike capability. It would thereby make us vulnerable to Soviet political coercion.

It is this analysis of the diminishing credibility of our threat to blow up the Soviet population which puts the argument of "overkill" into perspective. The possibility of using our submarine forces in an immediate strike against Soviet cities, always dubious, is now close to the margin of futility. The same cannot be said for the growing Soviet capacity to attack our ICBM's and other military targets. If we allow Soviet superiority to reach a certain level, the Soviets will have checkmated our threat to attack their soft targets.

In addition to its reliance on an increasingly dubious second-strike capability against cities and people, SALT II would inhibit us from reestablishing our second-strike capability against hardened military targets —in the current state of the nuclear balance, the retaliatory possibility which has the most credibility as a deterrent, and as an option for action if deterrence fails.

To deal with the threat of a Soviet first-strike capacity, and to restore the strategic balance generally by the early 1980's, will not be easy. The President's decision to cancel or delay the B-1 bomber, the MX missile, and the Trident submarine make it nearly impossible for those weapons to be available before the late 1980's, even assuming that the decisions against them are reversed. It probably would take nearly as long, and cost nearly as much, to deal with the problem in the short run by reviving the production of Minuteman III's (or B-52's). The Minuteman III production line has been closed recently. And a crash program along these lines, or its equivalent, would be prevented by the numerical ceilings established in SALT II.

At this time, it seems probable that the treaty would also prevent the United States from adopting the only feasible "quick fix" for dealing with the problem, the promising plan for deploying missiles using a multiple aim-point system (MAPS), the so-called "shell game." Under this proposal, the United States would construct a large number of vertical protective shelters or silos, each capable of holding an ICBM and its launcher. Some would be empty. The missiles would be moved periodically, to make a first-strike against them highly problematical. According to reports, the Soviet Union has rejected an American inquiry about the compatibility of this idea with the treaty.

These are the basic reasons why critics have said that SALT II would freeze us in a position of inferiority, and deny us an opportunity to redress the balance before the critical period of the early 1980's, when all the indices would have turned against us.

As to the problem of verifiability, several thoughtful students of the subject have expressed the view that technological developments have by now made it altogether impossible to regulate nuclear arms by verifiable arms-control treaties. There is certainly merit in their contention. For example, what are politely called "national means of verification"—satellite photography and electronic surveillance, largely—cannot answer many of the questions posed by the newer technologies. And satellites themselves have become vulnerable, a development Paul Warnke has called "alarming." No camera can tell how many separate warheads are carried by a single missile, or measure its thrust, its accuracy, or the explosive power of the weapons it carries. Nor can it see or otherwise identify the missiles kept in warehouses or factories, although missiles can be fired from such locations as well as from launchers, and can be deployed quickly in crisis situations to change the equations of deterrence.

IV

The administration was campaigning hard to sell the SALT treaty even before it was negotiated. That campaign has given rise to a large number of speeches, memoranda, and articles pleading the case for SALT II. Among them, Jan M. Lodal's recent piece [2] is typical in outlook and more detailed than most in analysis. It invokes three of the same criteria for judgment used here: (1) that the treaty contribute to the stability of the strategic balance; (2) that it be verifiable by national means; and (3) that it not adversely affect the security of our allies. But Mr. Lodal seems to reach a different conclusion. I say "seems to reach" because his treatment of each issue supports a negative judgment on the treaty; nonetheless, at the end Mr. Lodal says that SALT II cannot "be opposed on its technical merits."

1. In contending that SALT II would contribute to strategic stability, Mr. Lodal points to the fact that the treaty specifies an equal number of launchers for both sides. He does not consider the problem posed by the agreement not to include the Soviet Backfire bomber—which, as already mentioned, can be targeted against the entire United States—in the number of bombers permitted under the treaty. But more important, he ignores the fact that the treaty does not cover the manufacture and storage of missiles. As Paul Nitze has commented, "The basic currency of the negotiations . . . became limits on the number of launchers, not limits on missiles and their characteristics." This, adds Nitze, "has proven to be the wrong currency." Obviously, no situation can be considered stable if it can be changed in hours by the movement of missiles from warehouses to launchers, some of which are already mobile, as Mr. Lodal himself notes.

Mr. Lodal concedes that by the early 1980's the Soviet Union will lead the United States by most measures of nuclear power. We will be ahead only in the relative number of warheads deployed—and that lead will be diminishing rapidly. And Mr. Lodal also admits the main point—that the Soviet Union will soon have the capacity to destroy our ICBM sites, airfields, and other military targets with a fraction of their ICBM force. He argues, however, that by the mid-1980's our airborne cruise missiles, if they are developed successfully, would significantly offset Soviet superiority in ICBM's and thus maintain stability. He does not consider the vulnerability of our bomber-cruise-missile system (based on the aging B-52) to various kinds of attack. In fact, he does not mention Soviet active defenses at all, nor does he consider their grave implications for stability.

Mr. Lodal's position would be that such vulnerabilities are not significant. His ultimate contention is that the possibility of retaliation against Soviet cities and other soft targets, using our submarine-launched missiles, assures strategic stability even in the face of the growth of the MIRVed Soviet ICBM force. He does not mention the disquieting reports, which have now become public, of Soviet gains in anti-submarine warfare.

He does, however, grant that the assumptions of the McNamara doctrine are now subject to "serious argument" and that no President would want to face a crisis with only the options of doing nothing or launching an all-out attack on Soviet cities. Nevertheless, that is exactly the position he accepts. He dismisses the bearing of Soviet civil-defense programs on strategic stability in a footnote, suggesting that we could substantially offset the Soviet advantages derived from their programs of civil defense by using a small number of heavier bombs with high radioactive fallout—a most unattractive possibility, and totally inadequate to boot. And he even contends that after we have deployed cruise missiles and MX—it is hoped by the late 1980's—we could counter a Soviet threat by launching a counterforce first strike of our own. This is the course we refused to consider during the period of our nuclear monopoly. To suggest it now is the counsel of desperation.

Mr. Lodal concludes that unless the Soviet Union agrees early in the SALT III negotiations to significant reductions in land-based ICBM's, "the strategic balance in the mid-1980's is likely to be determined to a much greater extent by the force-deployment programs of the two sides than it is by the provisions of arms-control agreements." Since he also observes that the Soviet Union cannot be expected to make unilateral concessions simply because we have chosen to forgo certain programs of our own, it is difficult to see how Mr. Lodal's argument supports his conclusion that SALT II would contribute to strategic stability.

2. With regard to verification, Mr. Lodal's case is equally mystifying. He does not mention Secretary Brown's public warnings about the Soviet capacity to destroy our satellites. Nor does he mention missiles kept in reserve, which are not covered by the agreement and cannot be verified by national means.

Mr. Lodal takes at face value the provisions in the treaty purporting to limit the number of warheads on missiles and their throw-weights. But he admits that we could not verify compliance with such limits, unless the Soviets should agree to cooperative procedures for verification. As of this writing, they have not done so. Yet Mr. Lodal has confidence in the possibility of Soviet cooperation in verification. He bases this confidence on two instances of Soviet "cooperation"—their agreement to rules through which we might distinguish heavy bombers carrying weapons from those used as tankers; and the Soviet promise not to deploy intercontinental SS-16 ICBM's. The SS-16's are indistinguishable from SS-20's, the mobile, MIRVed, intermediate-range missiles now causing so much alarm in Europe. The SS-20's can easily be converted into SS-16's by adding another stage. This gives the Soviet Union the capacity to break out of the limits of the treaty rapidly. It is hard therefore to understand Mr. Lodal's satisfaction in the Soviet

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[2] "SALT II and American Security," *Foreign Affairs*, Winter 1978-79, pp. 245-68.

"concession." It hardly makes the counting process verifiable by national means.

3. Mr. Lodal admits that European concern with the implications of SALT II for the defense of Europe is justified in view of the massive Soviet deployment of conventional and theater-nuclear arms (including chemical-warfare equipment) facing Europe. The answer, he says lamely, is that Europe must accept "the proposition that the 'nuclear umbrella' can go only so far in providing security for Europe," and that Europe must improve its conventional forces. And he hopes that the SALT III negotiations will correct the present NATO imbalance, assure European security, and prevent the decoupling of the alliance.

Given the nature of Soviet negotiating habits, it is hard to detect any basis for such hopes. If we could not prevent a weakening of our nuclear relation with Europe during the SALT II negotiations, how could we expect to do so during the SALT III negotiations, when our military position, and therefore our bargaining position, are expected to be weaker?

V

The security implications of nuclear weapons, however, go far beyond the question of intercontinental nuclear exchanges between the United States and the Soviet Union, the subject to which SALT II is confined. The United States nuclear arsenal is the fulcrum on which the possibility of deterrence at every level depends. To change the metaphor, it is the center of a web of relationships which define the political as well as the military power of the United States. The SALT II treaty cannot be judged in isolation, because the universe of nuclear weapons is not a self-contained and disagreeable subject, isolated from the daily business of government. SALT II poses the ultimate question of national security, the connection between military power and political influence.

To repeat it once again, the goal of our nuclear weapons is to deter the use of, or the credible threat to use, nuclear arms in world politics. But the mission of our nuclear forces goes beyond making it too expensive for the Soviet Union to consider launching a nuclear attack against the United States. They must also provide a nuclear guarantee for our interests in many parts of the world, and make it possible for us to defend those interests by diplomacy or by the use of theater military forces whenever such action becomes necessary. The preceding sentence deserves underlining, for most people do not yet realize the many connections between the strategic balance, on the one hand, and ordinary diplomacy and the use of conventional and other theater forces in aid of diplomacy, on the other. Behind the shield of our second-strike capability, we carry on the foreign policy of a nation with global interests, and defend them if necessary by conventional means or theater forces.

Secretary of State Dulles tried to change this policy by announcing the doctrine of "massive retaliation." We should not fight protracted land wars, he said, in places chosen by the Soviet Union for confrontation, but use our nuclear power instead to strike at the Soviet Union, the source of the danger. It was an empty threat. In fighting border wars, where absolutely vital American interests were not at issue, we were unwilling to consider using nuclear weapons against the Soviet Union, even during the period of our nuclear superiority. This policy is rooted in our national character and the nature of our civilization. It will not change. Even where the defense of Europe is concerned, our reflex response to the change in the nuclear balance is to enlarge NATO conventional forces, to reduce the risk that nuclear weapons would have to be used in the event of a Soviet attack.

The Soviet doctrine with regard to the utility of nuclear weapons is quite different. As we are finally beginning to realize, the Soviets are not interested in mutual deterrence and nuclear stalemate. To the Soviets, clear nuclear superiority is the ultimate weapon of coercive diplomacy—the Queen of their chess set, through which they think they could achieve checkmate without having to fight either a nuclear or a conventional war.[3]

Effective American nuclear deterrence alone cannot keep the Soviet Union from using conventional forces, at least against targets they think we regard as secondary, like Korea, Vietnam or Ethiopia. In most such situations, except for massive attacks on our most vital interests, like Western Europe or Japan, defense has to be provided by conventional forces in the first instance. But the absence of effective American nuclear deterrence—that is, the erosion or neutralization of our second-strike capability—would deny all credibility to our *conventional*-force deterrent. No one would believe that we would send in the Marines if they could be counterattacked by locally superior Soviet or satellite troops and our second-strike capability was in doubt.

The point is brought out by a quick review of our experience with the problem since 1945.

In the early postwar years, we had a monopoly of nuclear weapons. And for a decade or so after that—until the middle or late 60's—we had overwhelming nuclear superiority. Nonetheless, in that period we had to deal with a long series of Soviet-managed attacks on our interests, from the early threats to Iran, Greece, and Turkey to the Berlin airlift, the war in Korea, the Cuban missile crisis, the war in Indochina, and the recurrent crises in the Middle East and Africa.

We dealt with those threats by diplomacy or, when diplomacy failed, by the use of, or the credible threat to use, conventional forces. But the nuclear weapon was always the decisive factor in the background. During the Berlin airlift, the shadow of our nuclear monopoly kept the Soviets from firing on the allied planes, and then persuaded the Soviet Union to end the blockade. The exercise had too many uncertainties and had become too risky so the Soviet Union gave it up.

The essence of the problem is illustrated by the Cuban missile crisis of 1962. There, the Soviet Union secretly undertook to introduce land-based nuclear missiles into Cuba, in violation of their assurances to us, and in the face or private and public warnings from the President of the United States. Such action would have altered the basic equation of nuclear deterrence, and gravely affected the credibility and effectiveness of American diplomatic warnings to the Soviet Union. At that time, we had unchallengeable nuclear superiority. If there had been a nuclear exchange, the Soviet Union would have suffered about 100 million casualties and the United States 10 million. We had equally obvious conventional-force superiority in the area. If we had invaded Cuba, the Soviet Union could not have opposed the invasion effectively with either conventional or nuclear forces. By mobilizing an invasion force in Florida and instituting a limited naval blockade of Cuba, we demonstrated our will to insist on the evacuation of the Soviet missiles from Cuba, at a minimum. Confronted by these realities, the Soviet Union backed down.

Since the late 50's the Soviet Union has been engaged in a massive military buildup, both in nuclear and conventional forces, designed to reverse the relationships which determined the outcome of the Berlin airlift, the Korean war, and the Cuban missile crisis. It is a buildup without parallel in modern history. Over the last sixteen years it has been proceeding steadily at a rate of at least 4 per cent to 5 per cent a year in real terms. In strategic weapons, the rate of increase has been at least 8 per cent a year. Increases compounded at the rate of 5 per cent or 8 per cent a year over so long a period make the Soviet military establishment formidable and sinister.

The first result of this Soviet buildup was evident in Vietnam. In the late 60's and early 70's, our nuclear superiority was no longer so evident as it had been at the time of the Cuban missile crisis; indeed, superiority had given way to stalemate. The deterioration of our nuclear advantage led to the erosion of our position and profoundly affected the final stages of the conflict.

There can be no question that since Vietnam our nuclear position has slipped from stalemate to the borders of inferiority. While the experts argue about whether we are already inferior to the Soviet Union in overall nuclear power, they are agreed that if present trends continue we shall be significantly inferior—and soon.

Some careful studies contend that the strategic force relationships which dominated the Cuban missile crisis will soon be reversed, unless we undertake a crash program immediately—that in the event of a nuclear exchange we should risk 100 million casualties and the Soviet Union 10 million. Even if the figure were 100 to 20 or 30, it is not difficult to anticipate what would happen if we were to allow such a situation to develop. A perceptive student of the problem has remarked that, confronting such a scenario, even General Curtis LeMay would advise "accommodation." Our foreign policy and our conventional forces would be impotent, and we would acquiesce.

It is the first objective of Soviet policy to achieve such a situation. This—not nuclear war itself—is what our nuclear-weapons program and the SALT negotiations are all about. The Soviets have prolonged the negotiations over SALT II as long as possible—just as Hitler prolonged arms-control negotiations in the 30's—since we continue to mark time in our own military and political programs during SALT negotiations, and obligingly make decisions, like the cancellation of B–1, the postponement of MX and Trident, and the deferring of the enhanced-radiation warhead (the so-called neutron bomb), in the vain hope of inducing similar restraint on the Soviet side. The Soviets view SALT II as a major instrument for lulling American anxieties until it is too late to do anything to reduce them. Meanwhile, they move rapidly and effectively to seize control of the entire Persian Gulf area in the belief that such a position would permit them to bring Europe, Japan, and the Arab world to their knees because the United States would not have the usable military power to oppose it.

Many tend to dismiss the vision of nuclear war as unthinkable. But the vision of Soviet political coercion, backed by overwhelming nuclear and conventional forces, is so far from unthinkable as to have become a likely possibility, thanks to the drift of American foreign and defense policy in the post-Vietnam period.

VI

The debate over ratification of the SALT II treaty requires Congress and the American people to pass judgment on that policy as a whole. It is the only context in which the problem of nuclear arms becomes intelligible.

At the present time our foreign and defense policy is rich in contradictions. On the one hand, the President says that all our security treaties will be honored as in our national interest. On the other hand, he refuses to ask for the naval forces which would be necessary to fulfill those treaties, in view of the size of the Soviet navy and other military forces, and the nature of the Soviet Union's policy of indefinite expansion into the military vacuums of world politics. There are many other such paradoxes—the withdrawal of our ground forces from Korea, for example. Does that step mean that the President is prepared to use nuclear weapons if necessary to stop an attack on an area vital to the security of Japan? The list could be extended indefinitely, from our refusal to cooperate in the restoration of a stable monetary system to the passivity of our response to Soviet actions in Africa and the Persian Gulf area.

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[3] See "Why the Soviet Union Thinks It Could Fight and Win a Nuclear War" by Richard Pipes, COMMENTARY, July 1977.

The actions and vocabulary of the Carter administration in the field of foreign and defense policy derive from two entirely different conceptions of the national interest. On the one hand, many cling to the 19th-century isolationist view, given new life (and a new rhetoric) by the Vietnam catastrophe, that the United States can be safe, perhaps with our Western European friends, as a small, rich, industrialized enclave in a world dominated by hostile forces. The major premise of the alternative theory, which has dominated our foreign policy from Truman's day, is that the United States can continue to develop as a free and open society only in a stable world order, a world of wide horizons, in which aggression is prevented, or defeated when it occurs, by collective security and other arrangements of collective defense; a world in which political, social, and economic progress is sought by international cooperation; and one in which the United States necessarily plays a full and responsible part.

These two conceptions of American foreign policy cannot be reconciled or compromised.

Thus far, however, President Carter has refused to choose between them. In recent months, his words have sounded more Trumanesque, but his actions have remained McGovernite. Many believe that a clear choice would revive the divisions in the nation, particularly in the Democratic party, which exploded with such force during the final stages of the Vietnam war. The President has preferred to let sleeping dogs lie.

That comfortable posture has become impossible. The pressures of Soviet policy at a dozen points around the world, most particularly the bold Soviet thrust in the Persian Gulf region, would make it suicidal to continue on such a course. Yet the SALT II agreement, coupled with our continued retreats and withdrawals, and the inadequacy of our military programs, would also make it nearly impossible for us to restore and stabilize the world balance of power on which our safety as a nation depends.

Some experts in the field assume that we must accept SALT II despite its potential for condemning us to strategic inferiority, because the American people are unwilling to take "the giant strides forward" which would be required to assure nuclear parity and to maintain a credible and usable second-strike capacity. This defeatism is altogether unwarranted. The American people will spend and do whatever is required to assure the safety of the nation, if their leaders tell them the truth, as President Truman did, and explain the central importance of nuclear weapons to our security and to the foreign policies we employ to protect it.

Because the debate over SALT II presents a unique opportunity for telling this truth, it may well become a major turning-point for the future. If, mesmerized by old illusions about disarmament and new ones about détente, we accept the treaty, we will be taking not a step toward peace but a leap toward the day when a President of the United States will have to choose between the surrender of vital national interests and nuclear holocaust. No President should ever be put into such a corner. But if, overcoming these illusions, we permit ourselves to see the SALT II treaty for what it truly is—an expression of American acquiescence in the Soviet drive for overwhelming military superiority—we will give ourselves a last chance to restore the strategic balance that is the only guarantee of peace in the nuclear age and the only context in which the survival of our civilization and its values can be safely assured.●

IN SUPPORT OF KENNEDY-CRANSTON RESOLUTION ON TAIWAN—SENATE JOINT RESOLUTION 31

● Mr. **PELL.** Mr. President, I am very pleased to be a cosponsor of the resolution introduced by the senior Senators from Massachusetts and California.

I am a supporter of the President's decision to recognize the People's Republic of China and to establish full diplomatic relations with that country. I have always considered it to be important to recognize potential adversaries and that it is foolish for the United States to refuse to recognize a government because we disapprove of it or things it has done. So, I believe the President made the right decision, although I also believe that it would have been better if he had delayed the announcement until after the SALT negotiations with the Soviet Union had been concluded.

Having said all this, I feel strongly that the United States must not forsake Taiwan or do anything that would tend to encourage the mainland Chinese to take over Taiwan by force. Moreover, I believe that the United States should continue to provide Taiwan with the military equipment it needs to defend itself. America's commitment to human rights would be hollow indeed if we, by action or inaction, became a party to a Communist suppression of Taiwan.

President Carter, I understand, does not believe that the Kennedy-Cranston resolution is necessary. It may be that the assurances contained in the resolution are redundant, but I believe that it would be helpful and important for both the Congress and the administration to join forces in a common declaration relating to the future security of Taiwan. If the administration were to oppose the Kennedy-Cranston resolution, it would to my mind, call into question its professed concern for the security of Taiwan.

The resolution does not commit the United States to take any specific action to safeguard "the interests, concerns and expectations of the United States in the peace, prosperity, and welfare of Taiwan"; but by making it clear that both the Congress and the President have a shared view that U.S. "interests, concerns, and expectations" exist regarding Taiwan, a useful message will be sent to both Peking and Taipei.

I urge, therefore, that my Senate colleagues join me and the other sponsors in supporting this resolution.●

SISTER KATHLEEN FEELEY: OUTSTANDING CITIZEN OF BALTIMORE

● Mr. **MATHIAS.** Mr. President, the city of Baltimore is distinguished for a number of reasons but few add more to its luster than being the home of the first Catholic women's college in the United States to grant a baccalaureate degree. That venerable institution—founded 106 years ago—is the College of Notre Dame of Maryland.

Since its founding, the College of Notre Dame has been in the forefront of women's education and has produced many distinguished graduates. Last Friday one of the most distinguished of them all received the Greater Baltimore Committee's 1979 J. Jefferson Miller Outstanding Citizen Award. The woman so honored was Sister Kathleen Feeley, who is not only a graduate of Notre Dame but who has been its president since 1971.

Sister Kathleen richly deserves the recognition she has received. She is an exceptional human being with a breadth of interest, talent, and energy that has allowed her to play a creative role in many educational, literary, civic, and intellectual arenas outside of her own academic community.

Sister Kathleen has published a number of literary works and is a well-known authority on the writing of Flannery O'Connor. She also has been active in the Baltimore business community as a member of the board of the Better Business Bureau and as a director of Baltimore Gas and Electric Co., and Union Trust Bancorp.

Born and educated in Baltimore, Sister Kathleen received her masters degree from Villanova University and her doctorate from Rutgers University. She has been associated with the study of change in the 4-year college at Claremont University Center and interned with the American Council on Education.

The Greater Baltimore Committee award was only the most recent in a series of honors for Sister Kathleen. Previously, she has been named "Woman of the Year" by both the Jewish National Fund Women's Auxiliary and the Maryland Colonial Society. And she has been a goodwill ambassador to Israel in behalf of the American-Israel Society.

I had the great privilege of being present at the annual meeting of the Greater Baltimore Committee on February 1 when Sister Kathleen received this reward from Robert Hecht for making Baltimore greater through her personal example and leadership in education. I can therefore, personally attest that her tremendous accomplishments are embellished by lively wit and great personal charm which makes them the more compelling.

The Greater Baltimore Committee, which itself has done so much to revitalize the inner city and make Baltimore greater, has bestowed its great honor wisely and well.●

EXIMBANK NOT COMPETITIVE IN EXPORT FINANCING

● Mr. **STEVENSON.** Mr. President, last year the Congress passed legislation extending the authority of the Export-Import Bank for 5 years and increasing the ceiling on Bank commitments. In the same legislation the President was directed to renew international negotiations to limit Government-supported export credits.

Negotiations were undertaken pursuant to the statutory mandate, but they have ended in complete failure. Foreign governments are not ready to subject their export credits to serious restraints. The President will soon send a report to Congress outlining the reasons for the unsuccessful negotiations, but already it is clear that the next move is up to Congress.

The Eximbank cannot meet the growing demand for export credit, nor match foreign competition within its existing statutory authority. U.S. exporters are at a competitive disadvantage in financing large capital exports, a disadvantage which will grow unless Congress acts to reduce it.

Mr. President, I ask unanimous consent that an article by David Cheney entitled "U.S. Lagging in Export Finance" which appeared in a recent issue of International Finance be printed in the RECORD.

The article follows:

U.S. LAGGING IN EXPORT FINANCE

(By David Cheney)

The persistent U.S. trade deficit has made the competitiveness of U.S. export the focus of considerable attention. And much of the discussion has centered on the U.S. lag in export financing compared with its principal competitors. It is true that many other factors affect the overall competitiveness of U.S. exports, including price and underlying exchange rates, quality and technological superiority, marketing, servicing, and tax and legal considerations. The financing factor, however, has assumed great importance, perhaps more than it deserves. This is partly because financing costs are highly visible and because many developing-country purchasers of the products of the major industrial exporters are seeking to check the growth of their already high levels of external debt.

U.S. exporters have complained that their government provides inadequate support for export financing. They argue that financing is a key element in winning export sales, and that the Export-Import Bank (Eximbank)—the U.S export credit agency that supported $11 billion in exports in fiscal 1978—lags far behind foreign agencies, in the financing support it offers.

THE NATURE OF EXPORT FINANCING

Medium- and long-term export financing in the major industrial exporting countries is usually undertaken either wholly or in part by official export credit agencies. They either insure supplier credits or directly finance the foreign buyers. Short-term financing is usually handled privately, with government support limited to insurance. This discussion focuses on long-term (over five-year) financing of "big-ticket" manufactured items such as capital equipment and industrial plants. These are the high-impact exports that may involve several suppliers and that usually require direct government financing support.

The basic elements of officially-supported export financing are (1) the financing mechanism, and (2) the credit variables; cashpayment requirement, interest rate and fees, repayment term, insurance cover and premium, in addition to such auxiliary forms of credit support as inflation insurance. Despite the potential for numerous combinations of these elements, credit terms are rather similar among the various export credit agencies. This partly reflects the universality of credit standards, but it is also the result of a network of international agreements—achieved primarily through the Organization of Economic Cooperation and Development (OECD)—that establish minimum standards and maximum credit terms.

Long-term export financing mechanisms used by the industrial countries vary. They include direct loans by credit agencies to foreign buyers, official refinancing of export credits extended privately, or interest rate subsidies paid to commercial banks that extend below-market-rate credits. The United States and Japan utilize the direct loan mechanism, combining government and commercial credits to yield the total financing. The Italians provide interest rate subsidies to commercial banks that extend low-cost credits. The British, French, and German systems are hybrids, in that they blend the various mechanisms.

The financing mechanism utilized reflects the financial resources that the exporting countries choose, or have available, to allocate to export promotion; it does not necessarily affect the interest rate. In several European countries—Switzerland and, increasing, Germany—government involvement is limited to insurance of commercial credits since private funds are available at low rates of interest.

The various export credit agencies try to maximize the competitiveness—or subsidy element—of each variable within the limits prescribed by prudent risk analysis and by several international accords.

The cashpayment required on long-term, officially-supported export credits extended by the major industrial nations is essentially the same. A minimum 15% cashpayment is specified in the international "Arrangement on Guidelines for Officially-Supported Export Credits," which took effect on April 1, 1978. (See the June 20, 1978 issue of *International Finance*.)

The U.S. approach to setting repayment terms differs from its competitors. While Eximbank bases maturities on each product or project's estimated cash flow so that the credit is self-liquidating, normal practice abroad is to base maturities on the wealth of the borrower's country. Nevertheless, repayment terms extended by the various industrial nations are similar. This results in part from a generalized reluctance to assume the high risk associated with longer maturities. It also stems from the repayment term limits established by the Arrangement and various other OECD agreements, which set maturity standards for many product categories. Maturities are generally limited to 10 years, with most credits for capital goods and plants ranging between 8–10 years.

The main attribute of an export credit is the interest rate, plus any fees charged. This is where terms offered by the competing credit agencies tend to diverge, with U.S. financing packages losing ground, despite the Arrangement's attempt to narrow the gap. The Arrangement sets minimum interest rates that vary according to the maturity and the wealth of the borrower's country. Minimum permissible rates range from 7.25% for five-year credits to other-than-industrialized countries to 8% for credits over five years to industrial countries.

Export finance interest rates are generally lower in Japan and much of Europe. Credit agencies in these countries are often heavily subsidized and are able to finance the entire credit while charging the minimum rates permissible. Eximbank is essentially self-supporting, and its higher interest rate schedule, although attractive by current U.S. market standards, does not normally provide the same flexibility to stay close to the minimum rates. Eximbank's current interest rates range from 7.75%–8.75%, depending on maturity. Furthermore, U.S. commercial bank financing is usually combined with Eximbank funds. The private funds are extended at significantly higher market rates—generally 1%–1½% above the prevailing prime depending on the credit risk—and thus the "blended" cost of an Eximbank-supported credit may significantly exceed the floor rates specified in the Arrangement.

Estimates of the representative cost of officially-supported, long-term export credits for good risks are:

[Percent per annum]

	Interest rate	Plus fees and premiums [1]
France	7.5	8.2
Germany	7.4	[2] 8.2
Italy	9.4	9.9
Japan	7.5	8.0
United Kingdom	[3] 8.3	9.0
United States	9.2	9.4

[1] Official insurance of export credits is required in all the above countries except the U.S.

[2] Private, long-term finance, which is increasing in frequency, is priced as low as 6.25%, fixed, exclusive of fees and premiums.

[3] Sterling rate; the U.K. encourages foreign currency financing—primarily dollar credits—at slightly lower rates.

While the above rates illustrate the typically high cost of U.S. export finance—largely attributable to the hike in private interest rates—Eximbank has sought to reduce the total cost of credits it assists in special cases. It has increased its share of the financing substantially and shaved its schedule rates, making the blended cost significantly lower in an effort to win particularly important export sales. Nevertheless, Eximbank's higher cost of funds and its lending limits do not permit the agency to provide such support generally, or indefinitely.

It must be remembered that the interest rate does not take into account certain elements that also significantly influence the export credit's actual cost-competitiveness. These include the nature of the interest rate (fixed or floating), insurance premiums and fees, and exchange rate movements. Fixed interest rates are a strong competitive inducement, and potential buyers value them for budget planning purposes. Eximbank-supported credits are not entirely fixed-rate—the commercial portion is floating-rate—but nearly all its competitors offer all fixed-rate funds. And although Eximbank-backed credits carry comparatively low fees and no insurance premium, exporters abroad have been known to absorb many of these add-ons entirely, keeping the total credit cost down. On the other hand, U.S. exporters have benefited from recent exchange rate shifts, which have provided substantial cost advantages, especially over Germany and Japan.

There is, however, uncertainty about the sensitivity of foreign demand to the substantial price changes that have resulted from the dollar's depreciation. This makes it hard to predict the extent to which U.S. exports are buoyed by the dollar's weakness.

It is in the area of auxiliary forms of support that the United States falls far behind in the competitiveness race. Not surprisingly, these special support forms fall outside the limits set by the various international agreements, despite U.S. efforts to include them. Some of the special programs provided by European and Japanese export credit agencies—notably mixed credits and inflation insurance—are strong competitive tools. The mixed credit mechanism, used mostly by the

French, consists of mixing official export finance with aid funds, increasing substantially the concessional element of the total credit. Inflation insurance, provided by several European export credit agencies, indemnifies exporters for inflationary production cost increases above a minimum level. European exporters are thus able to offer fixed-rate, or limited-escalation contracts, despite their countries high inflation rates.

Other examples of special support available from U.S. competitors include performance bond guarantees, routinely sought by Middle Eastern buyers, and local cost financing, of great importance to buyers in developing countries. The U.S. Government does not normally provide any of these supports, although Eximbank has recently modified its practices to enhance its competitiveness in individual cases. It has extended local cost financing and is now attempting to match, selectively, mixed credit competition; in fact, the agency recently approved a 6% loan to match a French mixed credit. Nevertheless, Eximbank, in a July 1978 report to Congress, conceded that its direct loan program was not fully comparable with similar programs abroad; specifically Eximbank rated French, German, and Japanese financing support more favorable. The agency did, however, rate its short- and medium-term insurance and guarantee programs competitive.

Thus, despite efforts to establish uniform credit standards, and despite Eximbank's recent attempts to maximize its support, differences persist in the scope and concessionality of export finance. These are difficult to measure, but they indicate that U.S. exporters of big-ticket items are at a competitive disadvantage in the financing area. And they are likely to remain behind unless other factors—particularly exchange rate differentials—assume greater importance in offsetting the uncompetitive terms of U.S. export financing.●

DR. JAMES E. DORNAN

● Mr. LUGAR. Mr. President, on Thursday, January 25, a tragic accident took the life of a young man who had played an important role in the educational and political life of Indiana. He achieved a well-deserved prominence as a Washington educator and was a source of wise counsel to persons engaged in public affairs. I am referring to Dr. James E. Dornan, who served as chairman of the Department of Politics of Catholic University and as a senior political scientist with S. R. International Co.

Dr. Dornan taught at Purdue University between 1963 and 1967, where he gained universal respect as a learned teacher and was selected best professor on the Purdue campus in 1964. The following year he was drawn into Indiana politics, where he remained extremely active on both a local and national level. James Dornan's scholarly pursuits and public endeavors were inspired by a comprehensive knowledge and deep admiration for the original policies of the Founding Fathers. As an academic, Dr. Dornan was an awesome young man who published two books and some four dozen major articles, which are valuable and original contributions to our understanding of foreign policy. His public endeavors led him to travel throughout the world, most frequently to Europe and Japan. He was a trusted counselor and draftsman for several key legislators here and at SRI International where he headed a research effort which involved scholars from the United States, the Pacific rimlands, and several Members of this body.

But the true measure of Dr. Dornan's abilities is best demonstrated by the number of students whom he inspired and brought into the field of foreign policy, while at Purdue and later at Catholic University.

As this Nation, and particularly this body, focuses on international decisions of unusual importance, it will miss his steady and enlightening counsel.●

INDEPENDENCE AND NATIONAL DAY OF SRI LANKA

● Mr. STONE. Mr. President, as chairman of the Near Eastern and South Asian Affairs Subcommittee of the Senate Foreign Relations Committee, it is my pleasure to make some remarks commemorating the 31st anniversary of the Independence and National Day of Sri Lanka, which was celebrated this year on February 4.

It also marks the first year in office of the country's first Executive President, J. R. Jayewardene. During 1978, the government, under the leadership of President Jayewardene, implemented the internal political reforms which his party, the United National Party, has promised to the people of Sri Lanka.

On September 7, 1978, Sri Lanka inaugurated its new Constitution which embodies the best features of the Constitutions of the United States, Great Britain, and France. The principle of separation of powers is now one of the cornerstones of the Sri Lanka democracy. The new Constitution also embodies all 30 clauses contained in the U.N. Universal Declaration of Human Rights.

Sri Lanka also serves as the chairman of the nonalined movement and has been actively contributing toward peace and stability in the world. One example of this is Sri Lanka's leadership in the movement to make the Indian Ocean a zone of peace.

Sri Lanka is progressing toward a free and just economy. She is also making gains in raising the standard of living of her people. These achievements are reflected in the Overseas Development Council's physical quality of life index (PQL) which shows that Sri Lanka has upped its PQL rating to 82 out of a possible 100.

Mr. President, I commend and congratulate the people of Sri Lanka for the progress they have made over the past year, and I wish them the best in the year to come.●

TAIWAN: A ROSE BY ANY OTHER NAME

● Mr. GARN. Mr. President, the President's proposed legislation regarding U.S. relations with Taiwan is an insult to the intelligence of the Congress. The President's decision to abrogate unilaterally a mutual defense treaty with a loyal ally, an act unprecedented in our history, was a grevious error which he now seems intent to compound by meaningless legal doubletalk and obfuscation. The whole matter would be comical if it were not so tragic—seeing how it directly affects the security and well-being of the 17 million people of Taiwan.

Again and again one reads in the proposed legislation of "the people of Taiwan." I cannot state with greater emphasis or conviction that such a designation mocks reality—they are no more the people on Taiwan than we are the people on the United States. They are quite simply the people of Taiwan, citizens of the Republic of China.

The authors of this piece of legislation attempt every diversion ever devised to obscure the fact that Taiwan is a nation-state with a legitimately elected government. However, when one looks hard enough and pierces the veil of legal trickery, the entity referred to as "the people on Taiwan" ends up looking like a state, sounding like a state, and acting like a state. One does not have to search for long to discover why this is so—Taiwan is a country, a nation-state just as France and Japan and Mexico are nation-states. No amount of verbal gymnastics by this administration can alter this reality. To place Taiwan under some obtuse category as, and I quote, a "similar entity" is a perversion of the language of nations and diplomacy.

This administration has seen fit to treat a faithful ally in a shabby manner. It has discredited the word of our country before both our allies and our adversaries. I do not intend to allow this travesty to continue unopposed, and I know I have the support of many of my colleagues in the Senate and the House, as well as that of the American public, when I state my determination to take those steps necessary to insure the security of the Republic of China and the continued close ties between our two nations.●

THE FIVE BEST-MANAGED COMPANIES

● Mr. STEVENSON. Mr. President, Dun's Review recently selected the five best-managed companies in the Nation. It should come as no surprise that two of the five are Illinois companies: Caterpillar Tractor Co. and Continental Illinois National Bank & Trust Co.

I know all Illinoisans join me in congratulating the employees of Caterpillar and Continental, and thanking Dun's Review for recognizing what we have known all along: Illinois is the best State in the Nation in which to do business.

I request that the article from Dun's Review of December 1978 be printed in the Record.

The article follows:

THE FIVE BEST-MANAGED COMPANIES

For U.S. business, 1978 was a riddle wrapped in a mystery inside an enigma. At home, with factories working away at a healthy 85% of capacity, industrial production climbed smartly, unemployment dropped and corporate profits hit high levels. Yet without a war, an oil embargo or any other cataclysmic happening, inflation soared to double-digit levels and interest rates rose sharply. Abroad, the once dominant dollar plunged so low that a West German magazine depicted George Washington seated in a wheelchair. Meanwhile, on jittery Wall Street, traders took one look a Jimmy Carter's latest formula for fighting inflation and promptly handed the stock market an historic drubbing, chopping 104 points off the Dow Jones industrial average in a fortnight of feverish selling. Then, when Carter announced sweeping moves to bolster the dollar, Wall Street reacted in a way that was somehow typical of this strange year by racking up the biggest one-day gain ever—35 points—in the Dow.

It was hardly a year to inspire business confidence, capital spending or long-range corporate planning. Nevertheless, scores of companies in disparate industries successfully navigated their way through the churning seas of uncertainty. Five of them—Boeing Co., Caterpillar Tractor Co., Continental Illinois National Bank & Trust Co., General Electric Co. and Schlumberger Ltd.—were picked by DUN'S REVIEW as the five companies that did the best job of all.

All five produced record sales and earnings in 1978, and all are leaders in their respective industries. More than that, they all displayed distinguished qualities of corporate excellence that make top-notch companies stand out from the crowd. Piling strength on strength in the commercial aircraft industry, Boeing cashed in on an unbeatable combination of technological know-how and marketing acumen. Boldly committing itself to the heftiest capital investment program in its history, Caterpillar reaped the rewards of painstaking planning. Continental Illinois demonstrated that aggressiveness and innovation can pay off big in the conservative banking industry. GE proved that a sprawling giant can undergo massive restructuring and emerge stronger than ever. And in the tough business of oil exploration, Schlumberger reaped the rewards of unsurpassed technology and a unique management style.

How the five best did it is told on the following pages.

MASTERING DIVERSITY AT GE

As it moves vigorously through this centennial year into its second century of operation, General Electric Co. is performing at least four difficult management tasks at once, and doing each of them exceedingly well. Under the leadership of 61-year-old Chairman Reginald H. Jones, chief executive since 1972, the sprawling giant is managing diversity, managing growth, managing change and managing people.

This year, as well, GE began to reap the first fruits of a major organizational restructuring completed at the end of 1977. To better control its vast operations, the company has set up a new management and strategic planning system that Jones confidently expects to make the company more effective in the future. As he puts it: "We think the basic management structure is now in place for the 1980s."

GE's ability to perform this complex juggling act is a singular achievement for so huge a company, and one that is now paying off on the bottom line. In 1978, the company will achieve record results for the third consecutive year, with sales expected to wind up close to the $20 billion mark, and earnings, according to Jones, moving up from the $4.79 a share of 1977 to $5.25-to-$5.35.

COSTLY ERRORS

The need for creating a new organizational system became obvious in the late 1960s. GE had grown into the most diversified company in the world, producing everything from aircraft engines, microwave ovens and refrigerators to locomotives, power systems and heat pumps. And with its continuing heavy emphasis on R&D—on which it spent $463 million last year, an eye-popping 42.5% of net earnings—the company continually spawned new ventures.

Yet this burgeoning growth had to be monitored and controlled, or it could become a monster. And in the 1960s, there were signs that the company's growth was getting out of control. Under Fred J. Borch, Jones' predecessor, GE ventured into some businesses that at the time seemed highly promising but soon proved far more costly than anyone had anticipated. The company's plunge into computer manufacturing caused such a drain on profits that it eventually was forced to take a big write-off and get out of the business. Its moves into nuclear-plant construction and the manufacture of commercial jet engines also contributed to several years of flat earnings between 1965 and 1970, while profit margins and return on investment dipped.

Even more disturbing to top management than those specific setbacks was what underlay them. It became clear that Borch and his lieutenants—inluding Jones, then finanial vice president—just could not keep up with what was going on in all the company's operating units. As a result, they were losing perspective when it came to allocating funds. "You must have strong central planning and financial controls," Jones says. "Otherwise, you can't stay within your budget and make optimum use of your resources."

The restructuring process began in 1970. First of all, the number of company operating units was trimmed from around 200 to 43, each of which became a so-called strategic business unit. One unit might consist of a single department or several; the essential thing was that the components of each faced common market challenges, which lent themselves to common planning strategies.

Still, Jones says, the work load at the top was overwhelming. So to free top management from having to grapple with the mountains of detail pouring in from operating units around the world, the company set up a new layer of management just below the top. It divided its business into six sectors—consumer products and services, industrial products and components, power systems, technical systems and materials, international and the recently acquired mining company Utah International, Inc.—and appointed an executive to head each sector, except Utah, which continues under its former president.

The sector executives have taken over much of the decision-making responsibility from Jones and his ten-man corporate policy board and also help to coordinate strategic planning. According to Jones: "In the year the sector executives have been in place, the load at the top has been reduced. And all sorts of new synergies in operations have been achieved—in advertising, in marketing and in the form of joint ventures between mining and manufacturing units."

The system

Under the new system, planning for the following year starts in January, when the SBUs begin drawing up their plans, taking into account all the economic and social factors that may affect their markets. Each plan goes to the sector executive to whom the unit reports. The sector executive spends long hours going over the proposals of his SBUs in detail, meshing and coordinating them. Then on the basis of his own broader view of corporate operations, he draws up his own master plan for the coming year, balancing the needs of one unit against another.

What eventually comes up to Jones and his policy board for review and final decision are the six sector plans, plus summaries of the unit plans on which they are based. It is November or December before the policy board makes its final allocations of funds to each SBU for the coming year, based on its potential contribution to the company's overall sales and profits.

To measure potential, management has classified the SBUs into three categories: growth, stability or no-growth. Its purpose is to give the most attention and money to those operations with the highest growth potential, to maintain adequately those that provide steady if not spectacular year-to-year gains, and to look critically at those businesses that may have matured and be ripe for disposal. "Only under such a system of tight central control," Jones argues, "can GE afford the luxury of its vast diversification and decentralization."

That diversification, it should be noted, has come almost entirely by growth from within. The one exception was the acquisition in December 1976 of the $2-billion-sales Utah International, a major coal producer, in the biggest merger in U.S. history. GE wanted Utah not only for growth but to bolster its international business (about 80% of Utah's sales are made abroad) and to hedge against inflation (Utah's assets in the ground are as inflation-proof as anything can be).

In both respects, the merger has paid off. Furthermore, Jones, notes, Utah contributed consistently to GE's earnings ($196 million, or 18% of the total, in 1977) until the third quarter of this year, when a long strike and the weakening of its market for coking coal bit sharply into Utah's profits. For all of 1978, Jones admits, Utah may be a minor drag on earnings. But over the long haul, he is convinced, it will be one of the major successes of GE's long-range planning.

Most Wall Streeters agree. Says Irving Silverberg, security analyst with Oppenheimer & Co.: "Over the years, Utah will be a plus. It is a basic business with few perils, and don't forget that Utah is the world's lowest-cost producer of coking coal, with extensive reserves of high quality."

The only part of GE's business that is currently losing money is its sales of nuclear equipment. In recent years, of course, nuclear construction costs have shot up and regulatory delays and environmental opposition have held up many projects. As plant construction has slowed sharply under these pressures, so has GE's volume of orders. Consequently, Jones expects the nuclear business to lose money for a few more years.

But he points out that the red ink involved—a few million dollars a year is negligible for a company that annually nets over $1 billion. And in time, Jones believes, Washington will return to its earlier view that the U.S. must exercise its nuclear option and that nuclear-plant construction will become a money-earner for GE.

Growth opportunities

Elsewhere in the huge company, business is thriving across the board. Top management is especially enthusiastic about the outlook for high performance plastics and other man-made materials, a relatively new business for GE. The company also sees impressive growth opportunities in its recent ventures into new health-care equipment and advanced types of communications equipment; and it is optimistic about continued gains in its international markets, several of which are now growing faster than the U.S. market.

But can any company of GE's size and diversity consistently outpace the economy in which it plays so large a part? Some analysts, while expressing the highest regard for GE's management, harbor a few doubts. So broad is GE's product mix, they argue, that the company's financial performance must go up and down about in line with the economy. Specifically, they say, if 1979 brings a recession, GE's earnings will necessarily reflect it.

GE executives refuse to buy that argument. Jones himself has repeatedly noted that the whole thrust of GE's policy of allocating the most money to its businesses with the greatest growth potential is to enable the company to outgrow the economy, year after year. As he says: "The profound refocusing of General Electric's interests and resources in the past few years has been precisely to avoid that limitation."

Most Wall Streeters, in fact, feel that, barring a very severe recession, GE's results next year will continue to outpace the GNP—or any other broad measure of the economy's ups and downs. Early estimates on 1979 earnings are around $5.75 a share.

With all its changes, one thing that has been the perennial hallmark of GE is its outstanding management of people. Its management training is rated among the very best in industry, and GE has long prided itself on the quality and depth of its middle-management ranks. The company, of course, has long been a favorite target of executive recruiters, but, in a big change from the past, these days most GE middle managers choose to stay with the company.

That fact is in no small measure due to the leadership of Jones and the outstanding job he has done in not only overcoming serious problems but turning one of the worlds' biggest corporate giants into a growth company with its eye firmly on the future. "I talk to various people at GE and get unsolicited comments about how great he is," says Robert McCoy, security analyst at Kidder Peabody & Co. "He has to be one of the best CEOs in the country."

CAT: THE WONDER WORKHORSE

Ripping, gouging, grading, hauling, lifting, scraping—nobody does it better than Peoria, Illinois' Caterpillar Tractor Co., the world's largest manufacturer of earthmoving machinery and equipment. When a heavy construction job is underway virtually anywhere in the world—an iron mine in Liberia, a sewage project in Pennsylvania, an oil field in Saudi Arabia, a highway in Alabama, a pipeline in Canada—a big yellow Cat is sure to be hard at work. And with its 27 plants around the world hard put to keep up with demand, 1978 shaped up as the biggest year ever for Caterpillar.

Despite a $2.4 billion expansion program that has increased its manufacturing capability by more than one-third in the past five years, business has been so strong that Caterpillar recently added some 1,000 employees to its work force of 85,000 and had to place about 50% of its products on allocation to dealers. Bulldozing its way toward record results, the company was expected to increase 1978 sales more than 20% to $7 billion and score a 25%-plus gain in net to $556 million, or $6.50 a share—a remarkable performance for so big a company. Equally remarkable was its 23% return on stockholders' equity. Allows Chairman Lee L. Morgan, a pensive, professorial executive not given to hyperbole: "Business has been good."

Caterpillar has maintained its long-time leadership in earthmoving machinery by not only staying on top of technology but paying constant attention to market development and changing conditions. Most important, it has carefully positioned itself to benefit from the so-called multiplier effect of the business, in which one major construction project inevitably begets another. Before a new coal mine can produce ore, for instance, terrain must be cleared, accessroads built and facilities put up for workers, all of which call for earthmoving machinery.

Building up its capability to satisfy virtually every need for its equipment, Cat has garnered 40 percent of the worldwide market and, with around 50 percent of its sales from abroad, has maintained a four-to-one lead over its nearest international rival, Japan's Komatsu. In recent years, Cat has also become a major producer of diesel-engines and forklift trucks. "I can't think of much business opportunity that we have lost," Morgan says.

By so assiduously cultivating its markets, Cat has been able to diversify and grow with just two basic product lines—machines and engines. Unlike competitors Clark Equipment and Massey-Ferguson, which have bought growth with several acquisitions in recent years, Cat's sole shopping expedition was in 1965, when it reached out for Towmotor and a foothold in the burgeoning lift-truck business. Its diesel-engine business grew out of its own needs. As Morgan puts it: "Most companies look at diversification as a proliferation of products in many different lines, but that misses the point. A tractor doesn't really care where it works, in agriculture, oil exploration or road building, and that's the essence of diversification—being involved in many sectors of the economy. When we're spending $500 million a year on capital expenditures and $200 million on R&D, it is an indication of the opportunities we see in the businesses we are already in."

This year, Cat invested $550 million to expand production of diesel engines, large track-type vehicles, wheel loaders and hydraulic excavators. It also began delivery of new, bigger-capacity wheel loaders, log loaders and pipelayers, as well as its new D10 tractor, an enormous bulldozing pushmepullyou that the company calls the largest and most productive track-type tractor in the world.

The quality principle

Earthmoving and materials handling machinery and equipment accounts for about 85 percent of Cat's sales and 95 percent of earnings. Behind that high level of profitability are not only the benefits of large-unit volume but an ingrained company principle of maintaining quality standards. Cat uses highly computerized manufacturing techniques in every plant to make sure that equipment produced in Aurora, Illinois, say, is the exact counterpart of that turned out in Glasgow or Sao Paulo, and every part is interchangeable throughout the world.

Product quality is something that Cat people hold as close as a catechism. A broken wheel loader, after all, can idle a fleet of trucks, halt a construction project and even shut down an industrial plant. Cat machines, which cost anywhere from $30,190 for a D3 tractor to $450,000 for the monstrous D10, are premium-priced; but a Cat emblem on the cab means that minimum time will be lost on the job because of breakdowns, and few customers balk at the high tickets. "Caterpillar responded to the critical downtime phenomenon earlier than its competitors," notes analyst Terry Nagelvoort of Goldman, Sachs & Co., "and provides a superior service capability that other manufacturers are struggling to achieve."

The growth record

	Revenues			Earnings per share				
	1978 est. (billions)	One-year increase (percent)	5-year annual growth rate (percent)	1978 est.	One-year increase (percent)	5-year annual growth rate (percent)	Latest 12-month dividend	Current yield (percent)
Boeing	$5.5	34.1	11.1	$7.00	65.1	42.8	$1.10	1.8
Caterpillar	7.0	20.7	16.4	6.50	26.0	15.7	1.88	3.3
Continental Illinois	[1]0.6	15.0	18.1	4.50	11.1	13.8	1.38	5.2
General Electric	19.7	12.6	10.8	5.35	11.7	13.3	2.40	5.0
Schlumberger	2.6	18.2	21.0	5.80	23.9	40.0	1.18	1.4

[1] Net interest income.
December 1978.

To keep the Cats crawling, they are distributed through a worldwide organization of 268 dealers in over 150 countries. Stocking a parts inventory of some 25,000 items, Cat dealers claim to get a needed item to a machine anywhere in the world within 24 hours. With a combined net worth of over $2 billion, almost equal to that of Caterpillar itself, Cat dealerships are probably the most prized franchises this side of Cadillac. Assuming one were available—and they are in high demand—the company estimates that it would require an average investment of about $10 million for a U.S. dealer to go into business.

For Cat managers, the essential ingredient in the company's growth is well-defined corporate direction. Although Morgan, who took over the job a year ago, is Caterpillar's fourth chairman in the last eight years, Cat's growth plan has not deviated one iota in that time. "We operate on a pretty steady compass," he says. "We feel a strong obligation to perpetuate the concept of Caterpillar as a continuum with no great zigging or zagging in our policies."

Morgan has spent 32 years, or all his working life, at Caterpillar, and this is typical of Cat managers. "Most of us come here from college not knowing much else, and find a home," he says. Cat depends on its management development program to expose executive talent in every area of operations. President Robert E. Gilmore, for one, is a forty-year company man who came up from machine apprentice, while Morgan's route to the top was through sales.

No stars

While many large companies give lip service to the team concept, Caterpillar lives it under a policy that makes not one person but all staff and operating people responsible for obtaining results in each department. At Caterpillar, it is called being "severally responsible." More than that, the cult of the personality is unknown in Cat's executive suite. Pointedly, the public relations department puts out no personal profile of Morgan or any other top manager, and the company assumes a very low profile with the press. "This is no place for individual star performers," Morgan asserts. "We encourage an uncommon amount of subordination of personal wishes to the good of the company."

Strongly influenced by its roots in Peoria's Middle American farm country, big Caterpillar also tries to preserve a small-company atmosphere. "We realize that bureaucracy is inherent in any large organization," Morgan says, "but we try to see to it that the rate of bureaucracy does not get out of hand here." The six top officers who comprise Cat's Executive Office work within 100 feet of each other, and visits among them are frequent. According to Morgan, who is known as Lee to practically all Cat personnel, "The root of our organizational process is the ability of anyone to walk into my office."

Indeed, while the style may be informal, there is no question but that Peoria dominates the entire company throughout the world. In addition to strong centralized financial and production controls, the Executive Office keeps constant tab on every company operation and problem. For that matter, no management promotion, from department head up to vice president, is approved without Morgan's personal okay.

BOEING—BOEING CONQUERS THE SKIES

Looking ahead, analysts suggest that Cat may approach $8 billion in sales and earn perhaps $7 a share next year, a slowdown in growth attributed to problems in the huge overseas market. The tumbling U.S. dollar abroad has increased Cat's operating costs this year and cut into profit margins—although the effects this year were somewhat offset by the large amount of foreign sales (two-thirds) the company gets from machinery and equipment made in U.S. plants and sold for dollars overseas.

Further down the road, however, Cat watchers on Wall Street expect the foreign market to perk up as economies improve and bolster Cat's annual earnings growth to around 14% by 1980. The company never comments on such speculation. But with demand for Cat machines expected to continue strong and no letup in the company's search for new sales opportunities, Morgan is obviously not worried. Nor is he complacent. As he puts it: "Growth makes you work like hell." Just like a Caterpillar tractor.

In the twenty years since Boeing Co. introduced the 707, the Seattle planemaker has virtually flooded the skies, selling more planes (3,600 plus) to more airlines (from Air Algerie to Air Zaire) than any other company in the world. Today, with its command of over 50% of the global commercial aircraft market, Boeing's domination of its industry is awesome even in an age of corporate giants.

In looking at the Boeing record, though, what is most remarkable is the masterful way in which it is now being managed. Almost done in by poor planning and inefficiency in the early 1970s, it has been transformed into one of the most streamlined and best-run companies in industry under the leadership of T. (for Thornton) Wilson, the 33-year company man who became chairman and chief executive six years ago. Analysts who follow Boeing not only give Wilson high marks for planning and cost control but are impressed by the strength of his top-management team, particularly President Malcolm T. Stamper, who is chief operating officer, and E. H. ("Tex") Bouillion, head of the commercial aircraft operation. "They're an outstanding team and seem to work extremely well together," says Barry Gordon, vice president of investment firm National Aviation and Technical Corp.

Boeing's ability to pile strength on strength is now paying off in a big way. Last year profits skyrocketed 75% to $180.3 million, or $4.24 a share, on revenues of $4.1 billion, and they are expected to jump almost as much again this year to $7 a share, on $5.5 billion in revenues. At this point, Boeing is operating at literally 100% of capacity; and with its order backlog up to a record of $7.9 billion at latest count and new orders rolling in, it is planning to increase production by 47% (from nineteen to 28 planes a month) by the end of 1979. Besides that, it has already received substantial orders from the new generation of jets that will start coming off the production line in 1982.

Far outstripping rivals McDonnell Douglas and Lockheed, Boeing now accounts for close to 70% of American commercial jet sales, and analysts expect that percentage to increase with the next generation. It is clear that Boeing will be the only American company producing the new planes (McDonnell Douglas has almost officially withdrawn from the race, and Lockheed simply does not have the financial resources), and it will compete with probably just one company, the French-English Airbus Industrie, for a market that Wilson estimates will total more than $40 billion through 1987.

Product diversity

Boeing's ability to reach this dominant position in commercial aircraft stems largely from its policy of developing whole families of planes to meet the total needs of the commercial market. In the past two decades, it has put a new aircraft model or derivative in production on the average of one every ten months, for a total of 27 different versions of its 707, 727, 737, and 747 jets. It has been a costly gamble, but one that has paid off big in the past five years as the airlines' demand for planes of diverse size, range, and configuration has mushroomed. The biggest success by far has been the medium-range, 180-passanger 727. While Boeing originally figured on selling no fore than 290 of the planes, 727 sales have just passed the 1,600 mark and are still going strong. "It has just eaten up the competition," say Tex Bouillion.

As a matter of fact, the 727 helped save Boeing from the biggest mistake in its history—and near collapse. That was the company's well-known misguided entry into the jumbo jet market, when, expecting demand to be huge, it committed hundreds of millions of dollars to getting its new 747 into widespread production in the late 1960s, only to have the domestic market dry up almost overnight. Production waste and inefficiency got out of control, earnings plummeted and the company was hard put to meet its committments on skyrocketing debt.

To get Boeing out of the quagmire, Wilson, then president, was named to succeed William Allen as chief executive in 1972. "It was clear that stern measures had to be taken if the company was to avoid catastrophe," he recalls. Wilson slashed Boeing's swollen work force from 100,000 to 37,000, laid off one-third of its vice presidents and sharply cut the salaries of everyone from chairman on down. He then set about decentralizing the corporation and installing planning and cost-control systems. These measures, along with the growing success of the 727, turned the company around.

Under the new structure, Boeing's various businesses—commercial aircraft, military and space aircraft, missiles, computer services, engineering and construction and hydrofoil ships—are divided into seven operating units, or companies. Each company has almost complete production and marketing authority but is closely monitored and controlled by headquarters on financial, labor and inventory management.

All unit managers have an annual operating plan to follow, and control is maintained primarily through a formal computerized system requiring them to send to headquarters detailed quarterly reports on how well they are meeting their targets—including their progress in production and research and development and their use of such resources as working capital, labor and materials. In addition, each manager meets several times a month with Stamper to discuss new developments or to iron out any deviations from the operating plan. A computer program also has been set up to control the daily flow of aircraft parts.

Efficiency and creativity

To Wilson, a cost-conscious aeronautical engineer by training, such controls are essential to Boeing's ongoing profit performance. He notes that the company is now producing its 747s with one-fourth the labor it required five years ago and that inventory control of parts, which is vital to timely and efficient production, has reached what the company considers the optimum level.

At the same time, Wilson dislikes the rigidity of the typical giant corporation and tries to promote a feeling of creativity among his managers. By stressing innovation and encouraging managers to bend the rules when necessary, he believes, Boeing benefits from a management flexibility more common to small companies. "In a big bureaucratic organization like this," he says, "it's tough to get things changed unless you feel free to adapt them as needed."

To analysts who follow the company, that freedom has been a distinguishing trait of the Boeing management style over the past five years. 'Top management has gone through a baptism of fire," says John MacKenzie, research vice president of Seattle brokerage firm Foster & Marshall Inc., "which has made them mature leaders but without costing them their entrepreneurial spirit."

Commercial aircraft now account for around 75% of Boeing's operating earnings, up from 60% five years ago. While the 727 has produced the bulk of aircraft profits for the past three years, the company has also begun to get higher-than-expected returns from the 130-passenger 737, its smallest plane, which is becoming increasingly popular for flights between small cities in the U.S. and abroad. Wilson figures the 737 and 727 will continue selling well into the early 1980s.

On top of that, the 747 has finally become the big seller the company always thought it would be. With sales of the jumbo over the 400 mark and more than seventy ordered this year alone, it has become what analysts call a "cash cow." The 747 figures to be the only plane of its kind far into the future, and Wilson expects it to become Boeing's biggest earnings producer, as well as the major source of internal funds for the development of its new generation of aircraft.

One reason for Boeing's strength has been its ability to build up strong customer loyalty over the years—a phenomenon largely credited to its sales and service organization, which many observers consider its greatest hidden strength. Each of Boeing's 450 sales and 1,600 service people around the world is expected to maintain close, continuous contact with customers and to keep track of traffic patterns, airline requirements and what the competition is up to.

The salesmen, mostly engineers, are given a great deal of freedom. For one thing, they routinely confer with company design engineers on aircraft modifications to meet the special needs of a particular airline; and the most popular version of Boeing's 747, the so-called Omni combined passenger and cargo carrier, was developed for Sabena Airlines on recommendation of a salesman. To back up the salesmen, Wilson, Stamper and Bouillion often meet personally with airline chief executives, an accessibility that has further helped build up customer loyalty.

The next generation

Boeing's major challenge, of course, is its new family of economy jets now under development: the 757, a twin-engine, 1,800-

mile-range plane designed to carry 175 passengers; the twin-engine, 2,300-mile 767 for 200 passengers; and the still larger (as yet unspecified) 777. The three planes are expected to deliver operating cost savings of as much as 35 percent, primarily on fuel, over current models. Boeing still doesn't talk much about the technological advances of the planes, but it is known to be using a radical new wing that sharply increases fuel efficiency by reducing air resistance.

Boeing got a good head start on orders for the new jets this year. United Airlines ordered thirty 767s for $1.3 billion; Eastern Airlines and British Airways added $1.3 billion for forty 757s; and last month American Airlines ordered thirty 767s, and Delta twenty, for a total of $1.9 billion.

The new planes are expected to cost Boeing an eye-opening $1.5 billion-to-$2 billion to develop. Wilson admits the company went through a period of soul-searching over such a large financial commitment. While everybody knew that the market for aircraft would be huge in the 1980s, the problem was figuring out how big and exactly what kind of planes the airlines would need.

Realizing after the 747 fiasco that the largely intuitive approach of the past was not good enough, the company set up a computerized long-range forecasting system—including highly detailed data continually gathered from more than seventy airlines around the world plus its own economic assumptions—which it believes has allowed it to analyze the future needs of the airlines quite precisely. And even if the market does not develop exactly as the company has forecast, which Wilson admits is possible, it still expects to get at least half the market and profit handsomely.

Boeing has projected the total world market for new aircraft (both current and new generation) over the next decade at $82 billion. It figures that around $32 billion of that will be for replacement aircraft, largely to meet the new U.S. anti-noise and anti-pollution standards beginning in 1982. On top of that, the airlines have bought so few planes during the past eight years that few have large enough fleets to accommodate the expected growth in passenger traffic, which is estimated at a 6% annual rate for the next ten years. Boeing expects this expansion to create sales of $50 billion.

The 757 and 767 are planned to serve short- and medium-range routes, which are rapidly becoming the biggest and fastest growing segment of the market. The 777 is expected to catch the market for transcontinental grow as airline fares come down within reach flights, which Boeing thinks will continue to grow as airline fares come down within reach of almost everyone's pocketbook.

No strain

Wilson, is confident that Boeing can finance the development and tooling costs on the new planes over the next four years without undue strain on financial resources. With the $1.2 billion in cash now on hand, the annual cash flows anticipated from its monumental backlog and the income from early orders on the new planes, he says, the company will not have to raise capital for at least some time to come.

As for the impact of these costs on profits, which Boeing declines to discuss, analysts believe that 1979 will be another big year, with earnings at $8.75-to-$9 a share, followed by some falloff in the current profit growth in 1980 and 1981. But because Boeing traditionally charges off all development costs against earnings as they are incurred its earnings tend to soar when plane sales increase sharply (such as right now), and analysts figure such an upsurge is likely to begin again around 1982.

Moreover, while commercial aircraft may be providing all the excitement at Boeing these days, Wilson is also looking for strong growth in the company's military and space business, computer services and hydrofoil boats. Altogether, he says, they should bring in sales of $7 billion-to-$9 billion over the next ten years, a nice backup by any measure to the Boeing aircraft juggernaut.

THE GUSHER AT SCHLUMBERGER

Schlumberger Ltd, fits perfectly the textbook profile of a classic growth company. It is a leader in a rapidly growing market—the oil exploration business—for which it provides a highly technical and essential service called wireline, or oil-well logging. It enjoys gargantuan profit margins of roughly 49% on this part of its business. Even though its technology is not proprietary in the sense of being protected by patents, its unsurpassed reputation for quality makes it seem that way, and it has consistently reinvested its profits in perfecting and improving its tools and equipment. By thus making entry into its field fobiddingly expensive, Schlumberger has kept the competition at bay and maintained a stranglehold on 72% of the wireline services market.

Of course, Schlumberger had a headstart. Founded fifty years ago by French brothers Conrad and Marcel Schlumberger (*Schlumbur-jay*), who invented the oil-logging business, the company built up its leadership position and technological expertise and maintained them even through the bad years of Depression and sagging oil exploration. Thus it was perfectly positioned in 1974 to capitalize on the exploration boom touched off by the oil embargo, and has since reaped the benefits of its single-mindedness.

From 1972, Schlumberger's earnings grew at a compounded annual rate of 40%, to reach $401.5 million, or $4.68 a share, on sales of $2.1 billion last year. And with almost no long-term debt, its return on stockholders' equity was over 33%—a spectacular achievement for a multibillion-dollar company. This year, analysts estimate another 24% increase in earnings to $5.80 a share. And early estimates for 1979 are $7-to-$7.40.

Schlumberger has managed this explosive growth with incredible smoothness, meeting the skyrocketing demand for its services without faltering in product quality or management control. Beyond that, it has launched major breakthroughs in technology. It is currently in the process of converting all its field equipment to a new computerized system; it is introducing a whole new generation of wireline tools; and it is leading the race to perfect another set of tools for a brand-new oil-drilling service.

A valuable tool

Wireline logging is an important information service for companies looking for oil and gas. An electronic sensor attached to a wireline, or cable, is dropped down the well being drilled, and the signals sent back from the end of the wireline are printed as squiggly lines on a film. By reading the graph, an engineer can tell in precise detail how much oil or gas is presented and how easy or tough it will be to get out. Since the Schlumberger brothers invented the first electric pulse-reading tools, new exotic devices have been developed that use sonar probes, gamma-ray scattering and neutron bombardment.

Schlumberger has concentrated its wireline business on the toughest, most lucrative kinds of jobs—that is, wildcatting and offshore exploration—and analysts estimate that it gets 90%-to-100% of that market. Competitors Halliburton and Dresser Industries also have enjoyed solid gains from wireline services during the past five years, but these have come from the growth of the market, not by taking customers away from Schlumberger.

Wireline services accounted for 30% of Schlumberger's sales and 66% of earnings in 1977. Other oil-field services, particularly its Forex-Neptune drilling contractor arm, added another 19% of income. In recent years the company has also diversified into electronics (Heath and EMR Telemetry) and the manufacture of meters (Compagnie des Compteurs and Sangamo Weston). Analysts once criticized these investments as diluting Schlumberger's high rate of return, but now they admit that under the company's strong management, they have improved in earning power and hold promise of a respectable return on investment.

Jean Riboud, the 59-year-old Frenchman who has been chief executive of Schlumberger since 1965, credits Schlumberger's success to the "independent thinking" of the company's founders and subsequent managers. Certainly the company is unique in its management style and organization. Incorporated as a public company in the Netherlands Antilles in 1965, it reflects both its French heritage and official status as an American company. Schlumberger is headquartered in New York and English is the official language, but the chief executive has always been French and manufacturing operations are located in both France and the U.S.

Headquarters, just two floors of a Park Avenue office tower, seems designed mostly to accommodate lawyers and accountants. The management team consists of a handful of group vice presidents, who report to another Frenchman, Executive Vice President Roland Genin, and they may get together to confer on business in New York, Paris or Houston. Riboud himself spends six months in New York and six months in Paris. "Our goal," he says, "is to mix the best of the human resources of Europe with the service attitude and management ability of Americans."

Getting the best

"Our constant preoccupation is the superiority of our technical effort," states Riboud, who assiduously cultivates Schlumberger's reputation for spending money to get the best. And he can afford to. Wireline is amazingly lucrative because it is a performance-sensitive rather than price-sensitive business. Since logging costs are only a minute fraction of total drilling costs, an oil driller is move concerned about the accuracy and speed of the operation than what it costs. So the company can manufacture its equipment with an absolute concern for reliability, taking as many years as necessary to perfect a tool. "While sometimes a competitor will be first with a given item," says analyst Peter Vig of Montgomery Securities, "when Schlumberger introduces the product it will be more complete and of better quality."

To get these results, Schumberger subjects new products to elaborate tests, rating each tool in terms of down time—that is, the amount of time it must be in the shop for repair—and systematically sending back failure reports to the design group until it meets standards. The major oil companies know the attention that Schumberger pays to produce quality because much of its field testing is done in their wells.

The same care is lavished on Schlumberger's field crews, which are as essential to its operations as its tools. The company glorifies the field engineers who run the crews as an elite, crack corps of super-performers. Numbering fewer than 2,000 out of a total work force of 48,400, their recruiting, training and compensation are a major management obsession.

Indeed, the experience of being a field engineer is the common crucible that forms Schlumberger's management ranks (Riboud, a financial man, is an exception), and top executives reminisce about remembered hardships in the field as if today's challenges where only a pale reflection of those exciting times. Schlumberger is naturally highly decentralized, since it must follow the drill bit all over the world. Nevertheless, notes analyst

James Horan of Bache Halsey Stuart Shields, "The managers all came out of the same mold, and the instant communication of buddies who fought in the war together adds to management efficiency."

Far from civilization, be it in Recife, Brazil, Sumatra, Nigeria or Alaska, the Schlumberger field engineer in charge of an oil-well project is armed with a truck—or skid—carrying sensitive, sophisticated electronic gear worth up to $500,000. He is responsible for running the logging tests, repairing equipment, writing reports and billing customers. To finish a job, he may work 48 hours at a stretch. Besides his salary, he receives an incentive bonus that brings the average field engineer income to $30,000 with some earning as much as $50,000 a year, a tempting sum for a man under thirty.

This year, as always, Schlumberger will scour engineering schools around the world looking for graduates to train as field engineers—and will probably hire 800. More than 25% of the trainees will drop out before the first year of schooling and field training is over. Trainees run an obstacle course of exams and must pass a qualifying test to become field engineers after six years. In the interim, they move often and far, working on oil wells all over the world. "It's a tough job in a tough environment," Riboud says. "So it's quite normal that there should be turnover."

Plenty of cash

Schlumberger spends more money on wireline research and development ($38 million in 1977) and new plant and equipment (it spent $212 million in 1977 and reportedly planned to up this 50% this year) than all its competitors. Development of its new generation of computerized service units, for example, is expected to require at least $500 million in capital outlays, according to analysts. By the end of last year, Schlumberger had sixty such units in the field, 150 more were added this year, and by 1982 the company expects its entire fleet of more than 1,200 trucks to be converted. Schlumberger can handle even this tidy sum readily. It had more than $650 million in cash and equivalents on its 1977 balance sheet, current assets are more than twice current debt, long-term debt is a paltry $56 million—in other words, an impeccable balance sheet.

On top of all its ongoing projects, Schlumberger is enmeshed in one of the most important engineering projects in its history: the development of a new oil service technology called measurement while drilling (MWD). Aimed at raising productivity, MWD gives oil drillers vital information never before available about the drilling process. While drilling is in progress, it sends back data about the direction the drill bit is taking, the amount of time the equipment is working at peak efficiency and the presence of unsafe conditions that could cause blowouts. Says Bernard Alpaerts, a Schlumberger group vice president: "It can mean faster, safer drilling. On an offshore drilling operation that can cost, say, $50,000 a day, the service could save 10%-to-20% in time."

Dozens of companies, including Motorola, Westingthouse and Raytheon, are racing to develop and bring out equipment for the MWD market, which could reach $500 million-to-$1 billion in size by 1985, according to oil service analyst John B. Walker of Paine Webber Mitchell Hutchins. Walker predicts that Schlumberger will get 50% or more of the business for MWD services because of the superiority of its equipment.

How much will this mean to the company? Alpaerts will only say: "It may not be the right arm of Schlumberger, but it may be the left arm."

HERE COMES CONTINENTAL ILLINOIS

A decade ago, Continental Illinois National Bank & Trust Co. was known as a conservative but expanding Midwest bank with a handful of foreign branches scattered about the globe. At the time, its greatest distinction was that its chairman, David M. Kennedy, was tapped to be the first of the Nixon Administration's many Treasury Secretaries.

What a difference ten years can make. Today, as the seventh-largest bank in the nation and the biggest between the two coasts, Continental Illinois is an international money-center bank offering services across the entire banking spectrum. More important, it is rated by security analysts and the banking industry as one of the top five banks in the nation serving the corporate community. Under the dynamic leadership of Chairman Roger E. Anderson, Continental Illinois has garnered a reputation for quality service, innovation and a pragmatic, rather than conservative, approach to banking.

Anderson, who went to work for Continental in 1946, spent most of his tenure in international operations. Since taking over the CEO reins in 1973, he has aggressively competed with the major New York banks for customers both here and abroad, while instituting strict operating and financial controls and planning goals within the bank. He has also stressed management training and development, producing a depth and breadth of executive talent rivaled by few in the industry. "Continental has superior management at the top, and its management is very deep," says an analyst at First Boston Corp. "It has excellent people all through the bank."

The results of Anderson's leadership are evident. Continental Illinois has achieved one of the best and most consistent performance records in the industry over the past five years. Its 14.9% return on equity in 1977 was surpassed only by BankAmerica Corp., at 15.8%, among the ten top banks in the nation, while it inched out Citicorp. (14.7%), Manufacturers Hanover (14.3%) and J.P. Morgan (14.2%) and far surpassed Chase Manhattan (7.5%). For the first half of 1978, Continental's return on equity climbed further to 15.4%.

The company's profits grew at a 13.8% compounded annual rate in the five years to 1977, and they are expected to hit another record of about $168 million, or $4.50 a share, this year on gross revenues (net interest income) of around $600 million. And in 1979 it should earn at least $5 a share.

Soaring loan business

Most important to Continental has been the growing impact of its loan business, which soared from $2.6 billion in 1973 to $4.9 billion at the end of 1977. And its domestic loan business was up 19% over a year earlier at the end of 1978's third quarter. According to Continental's own figures, its share of the commercial and industrial loan market rose from 3.91% at the end of 1974 to 4.79% in the first quarter of 1978—for the only substantial gain among the major banks. In the same period, Bank America's share stayed relatively flat, while such banks as Morgan Guaranty, Manufacturers Hanover and Citibank experienced declines.

Analysts rank Continental's loan portfolio on a par with J.P. Morgan's, which is considered by many to be the premier corporate bank in the country. With one of the lowest percentages of nonperforming loans and loan charge-offs in the industry, Continental has maintained the industry's highest reserve for loan losses as a percentage of total loans, giving it an ample cushion for any future losses. It also boasts the highest loan recovery rate.

That performance is remarkable considering the stormy atmosphere in which banks have operated during the 1970s. Wildly gyrating interest rates, the misfortunes of the dollar and the collapse of the real-estate market during the recession have all played havoc with a number of New York banks. In fact, Continental was one of the very few top banks to score impressive earnings gain in dismal 1976.

When Anderson became CEO, he realized that effective controls were needed if Continental was to successfully compete in markets dominated by the better-known New York banks. He set up a system requiring the heads of the bank's 26 departments to report to top management both quarterly and annually on a variety of targets. These included such short-range goals as return on equity, expenses and profits; strategic goals like expanding market share, new services and long-range expense control; and personal goals, such as hiring and promoting more women and minorities and using staff more effectively.

Such controls were particularly important to oversee the bank's mushrooming foreign operations. Because Illinois state law forbids branch banking, Continental had little experience in opening offices. Thus when it began it rapid overseas expansion in the late 1960s and early 1970s, it had to spend much of its time learning the mechanics of setting up branches, a lesson that the other banks had learned years before. Under Anderson, foreign operations have become much more efficient, and Continental's 77 facilities in 38 foreign countries currently bring in 39 percent of revenues and 17 percent of operating earnings.

Efficiency at the top

At Anderson's urging, in 1976 Continental's board of directors also set up a three-man Executive Office to oversee the bank's increasingly complex activities more effectively. Anderson handles internal controls and potential new ventures and serves as Continental's ambassador abroad. Vice Chairman Donald C. Miller watches the money-market and macroeconomic picture. President John H. Perkins is in charge of government relations and municipal financing.

To make banking easier for corporate clients and assure quality service. Anderson also undertook a massive reorganization of Continental's commercial banking department in 1976 and 1977. The department was divided into three service areas: one for American corporate customers, the second for foreign customers and the third for multinational corporations.

According to Anderson, the results of the reorganization have been felt more quickly than anticipated. Continental has not only seen substantial growth in the volume of loans to overseas subsidiaries of American companies, but has increased lending to foreign multinations to finance their U.S. operations. "The latter has been particularly important in light of the recent expansions and increase in acquisitions by overseas companies in the U.S.," he says. Anderson believes the reorganization will also help Continental meet increased competition for loans over the next five years, particularly from foreign banks, the commercial paper market and insurance companies.

Anderson's aim is to make Continental one of the three top U.S. banks serving industry. He won't say what banks he expects to overtake, but insists: "We expect to reach that goal in the next few years."

To boost profit margins in its overseas operations, Anderson explains, Continental will be opening fewer new facilities and concentrating on getting more business through the existing offices. "It would be unrealistic to expect overseas profit margins to equal those in the U.S.," he says. "But we have already substantially increased our multinational business abroad and that will continue. We are also concentrating on getting more business from national companies overseas. And while foreign corporate business is the most difficult market for an American bank to penetrate, we think we'll be looking better in the future."

Banking innovator

In addition to improving its services, Continental has also demonstrated its ability to come up with innovative ideas. It was the first bank, for instance, to set up a formalized money-market center for customers, providing a variety of services such as foreign-exchange execution and management and short-term money-market management, as well as the traditional areas of estate planning and trusts.

And in an effort to attract medium-term borrowing and compete against other funding sources open to corporations, in the early 1970s Continental startled the industry with the then radical idea called the "cap" loan—whereby a corporation can borrow money at interest rates within a set range that are maintained for the life of the loan no matter how high the prime rate goes. Thus, unlike traditional loans tied to the floating prime, the "cap" loan allows the corporate customer to determine the cost of the loan over its lifetime and budget accordingly. Several other major banks have followed in Continental's footsteps and offer "cap" loans.

In the future, Anderson says, Continental will strengthen the marketing and promoting of its noncredit services, such as export financing, cash management and letters of credit. But it will continue to give most of its attention to the bread-and-butter business of commercial lending. "It will be more of the same," he notes. "At Continental, we put the emphasis on the bottom line."●

THE U.N. TODAY

● Mr. PERCY. Mr. President, Senator ABRAHAM RIBICOFF delivered an outstanding statement in the U.N. Second Committee on October 20, 1978. It is a practical statement and takes a pragmatic view of the many problems facing U.N. members today. Its substance ranges from a philosophic overview of the role of the U.N. today to some of the practical realities of the North/South dialog. Senator RIBICOFF's service at the U.N. as a representative of the United States was, I am sure, invaluable both professionally and personally.

Mr. President, I request that the statement be printed in the RECORD.

The statement follows:

STATEMENT BY SENATOR ABRAHAM RIBICOFF

Mr. Chairman and Fellow Colleagues: I am a legislator, not a diplomat. In many years of government I have found that the best way to be understood is to be frank and direct. I admire diplomats. They can weave a nuance into a treaty and make a political disaster sound like a slight disagreement. If I am more frank than diplomatic today, please attribute that to my desire to share my thoughts with you—and to be understood.

I come to the United Nations with a degree of skepticism. The basic premise of the United Nations is an inspiration to me. It must be to anyone who remembers why the United Nations was created and how the world looked in the early 1940's. I believe in the principles of the United Nations Charter. I am skeptical today because member nations have too often been cynical in their use of the United Nations system.

I have listened to and read many of the speeches before the General Assembly. There is no richer collection of the dangers and challenges and hopes facing mankind than those presented to the General Assembly. That's where they belong.

I have been encouraged by the work of the Security Council. Its deliberations are serious, its status is respected, and its peace-keeping operations are effective. It deserves the support of member nations.

Here in the Second Committee we are concerned with international economic problems and especially with development and structural change. Secretary of State Vance underscored American commitment to progress in this vein in his address of September 29 to the plenary. I will expand upon the directions he set. Next to war and peace the future of all relations with the developing nations may well be the most crucial long-term challenge facing the world.

It is in this area that I sense in the American people a blend of skepticism and hope toward the United Nations. As chairman of the Senate Governmental Affairs Committee I have examined United States participation in international organizations. Frankly, there are problems. There is duplication of work and a proliferation of international agencies. As specialized agencies have become more and more oriented toward development and technical assistance their performance has become more uneven. We need to cut out overlapping programs. We need more thorough coordination within a tighter United Nations management system. And we need especially more disciplined management of resources.

In specialized agencies, issues which should properly be dealt with in the General Assembly or Security Council have turned the possibility of economic and technical cooperation into political debates. This situation risks making the specialized agencies ineffective. If we can't meet to set radio frequencies or improve agriculture or upgrade primary education without finding an "imperialist" or "communist" or "capitalist" or whatever to castigate, then we are not being serious about the work at hand. Similarly, if greater efforts are made to publicize differences than areas of common interest, public support for the United Nations will be weakened.

My own view is that the United States should work enthusiastically with other member nations in the functional agencies. Where productive efforts are possible they should be reinforced. But where such work is impeded by rhetoric, and where we encounter only abuse, we should cut our efforts accordingly.

Over the years in Geneva, New York, Paris, and other cities where the United Nations is at work I have talked with knowledgeable men and women such as you. I find that both the problems of international organizations and the difficulties of development are understood. It's remarkable how much consensus exists in private—or even outside these doors in the Delegates' Lounge. One to one we communicate; we understand each other's problems. Yet in large forums discussions are altogether different.

The developing nations don't want to cut themselves off out of spite. Nor will the developed countries deliberately destroy themselves and the mutual benefits of interdependence. Both of these statements are constantly reaffirmed. I was a member of the United States delegation to the CIEC in Paris and was personally disappointed when those delegates—who readily admitted that small, direct talks held the greatest promise—decided to abandon that forum. I fully understand the need for universal access. But in large caucuses we must make sure that nations do not try to outdo each other in rhetoric if not in reality.

Unless we talk frankly and honestly together we will not be able to join forces to attack hunger and poverty. There is every reason to fight these blights on humanity as tenaciously as man fights for his freedom. There is every reason to promote development in the context of a new and more equitable international economic order. But, unless we listen to each other and stop repeating rhetoric and slogans the hope of common purpose in North/South relations may fall by the wayside. We can either work together on practical solutions or we can continue from UNCTAD 5 and 6 and 7 to UNCTAD 10 and 20 talking past each other.

Let's reason together. Our goal must not be to prove our stridency to the delegates beside us, but rather to find workable results in partnership with each other.

Mr. Chairman, United States policy toward the United Nations development system continues to include the following essential elements:

First, we are prepared to join in greater cooperative efforts to meet the needs of the world's poor majority.

Second, we seek improved performance and efficiency in United Nations development efforts.

Substantial progress in achieving these objectives will make it possible for the United States to continue increasing its support for such programs.

As regards immediate prospects, my government expects very shortly to be able to pledge a firm contribution to the UNDP for 1979 at a level higher than that for 1978, to help it continue to play its central role in technical cooperation. We also plan to provide continuing financial support to the United Nations Capital Development Fund. We remain impressed by the solid performance of United Nations Fund for Population Activities and will make an appropriate contribution to that program for its 1979 activities.

The issue of technical assistance to developing nations funded through the regular budgets of the United Nations and the specialized agencies is controversial in the United States. In the closing days of this past session, the United States Congress acted to cut $27 million in technical assistance funds from the United States contribution to the budgets of the United Nations and 12 specialized agencies, an amount which represents the assessed United States share of the cost of technical assistance activities of these organizations next year. The Congress also required that assurances be provided that none of the remainder of the United States contribution be used to fund technical assistance. President Carter has urged that the funds be restored and this requirement be dropped by the next session of Congress.

In a spirit of frankness and openness, let me share with you my Government's perspective and that of many of my colleagues in Congress.

This and previous administrations in Washington have generally recognized that a portion of what is loosely termed "technical assistance" deserves financing through the regular budgets of the United Nations and its specialized agencies, provided clear criteria are met. Thus, the burden of paying for programs of benefit to all—such as control of contageous disease or gathering data for long-range weather forecasting—should be shared by all. And there are occasions when emergencies—such as a sudden outbreak of livestock or plant disease—can only be met through regular budget funding. But these should be exceptions to a general rule of funding development—related assistance through voluntary programs. As concerns the technical cooperation programs of the United Nations system, UNDP should be the recipient of contributions and the principal coordinator of such programs.

Many in the United States Congress support this policy. They see efforts to expand technical assistance financed through regular budgets a potential challenge to the fundamental consensus reached as regards the role of the UNDP.

I am confident that the Congress will reconsider the technical assistance issue early next year and heed President Carter's call to reverse the restrictions on United States contributions to the United Nations and its agencies The American people will support sound bilateral and multilateral development programs because they result in mutual benefits. But we must all approach the sensitive issue of assessed funding for development purposes with the realization that progress can only be made on the basis of a consensus between donors and recipients that their mutual ends are served.

Through my own personal involvement in CIEC, UNCTAD IV, and the OECD I have participated in efforts to agree on important structural changes in the international economic system. Among recent advances, there has been progress on the integrated program for commodities and a significant liberalization of the IMF compensatory financing facility. There have been increases in the capital of multilateral development institutions. Agreement has been reached on aspects of the problems of debt, including retroactive terms adjustment. We have begun work on an industrial technological information bank and a network for the exchange of technological information. We have established the international fund for agricultural development. We have held important world conferences on water, desertification, and technical cooperation among developing countries. We are in the midst of preparations for UNCTAD V, the world conference on agrarian reform and rural development, and the United Nations conference on science and technology for development is less than a year away. The quality and quantity of official development assistance has improved.

As this Assembly meets, the multilateral trade negotiations in Geneva are reaching their conclusion, and negotiations on a Common Fund will resume. In the framework of UNCTAD, an effort will be made to bridge the substantial differences remaining on a Code of Conduct for the Transfer of Technology. Success will depend on the willingness of all to make hard decisions and to compromise.

My delegation believes that this general debate should cover the major portion of the agenda items to be discussed in this committee. My remarks will, unfortunately, be less than complete because my delegation, like other, has not been able to examine a substantial part of the documentation on which our work will be based. The operational procedures of this Committee cannot be improved until this serious documentation problem is resolved.

Important responsibilities have been passed to us by the Economic and Social Council.

One of these concerns energy. I strongly believe, Mr. Chairman, that we must act now to develop new energy sources if we are to make the transition from an oil-based world economy to one which relies necessarily on new and renewable sources of energy. We believe that the United Nations has a role to play in achieving this goal, as part of a coordinated effort. The Economic and Social Council has passed to us the recommendation that the General Assembly give favorble consideration to convening a conference on new and renewable sources of energy at the earliest possible date. We support this resolution and hope that the conference can be held in 1981. Furthermore, as Secretary Vance remarked in his statement to the plenary, we also believe that the UNDP could become more involved in facilitating the development of energy sources.

The Council has also recommended to the Assembly the passage of the resolution on the African Decade for Transport and Communications. My delegation fully supports passage of this resolution. The logic for our support for the decade should be clear. The United States supports this initiative because we believe that modern transport and communications system are basic to rural development.

We will continue to work with the Economic Commission for Africa and other multilateral institutions to promote the development of African economies and their integration.

Other subjects for the consideration of this Committee derive from resolutions passed at previous meetings of the General Assembly.

My delegation is awaiting the report of the Secretary General on the effective mobilization of women in development, as called for two years ago. The United States Government supports programs, projects and activities which will help to integrate women as equal partners in the national economies and societies of developing countries. This commitment finds strength and direction in the worldwide effort which is growing out of International Women's Year and the United Nations Decade for Women. With the United Nations World Plan of Action as a guide, we are developing our economic assistance projects to insure that women's needs along with men's are properly addressed and that women are included not simply as beneficiaries but as active participants in the development process. Specifically, this dynamic process is focused on three themes which especially affect poor rural women: education and training, participation and organization, employment and production.

As we prepare to draft a new international development strategy, the comments from many delegations at the summer meeting of the Economic and Social Council will have to be borne in mind. I would recall in particular the relevant portion of Ambassador Young's speech in the General Debate. More recently, we have gained new insights beginning with the very significant observations made by Director General Dadzie in the statement which opened this general debate.

Secretary Vance noted that resource transfers to developing countries should not be considered a sacrifice for donors or a benefit for recipients only. They are a contribution to enhance the prosperity of all of us. Therefore, to assure global prosperity, we must design a new International Development Strategy which will stimulate increased investment and rapid growth in LDC's. We would like to see a long-range strategy, covering two decades.

The strategy should be evolutionary and dynamic, so that it can be adapted from time to time to new economic realities. It must also be realistic—outlining the responsibilities of all nations if we wish to succeed in reducing the gaps between rich and poor, among and within nations.

The United States is ready to do its part. In Section 102(c) of the recently-passed Foreign Assistance Act, the Congress called for a worldwide cooperative effort to overcome the worst aspects of absolute poverty by the year 2,000 and to assure self-reliant growth in developing countries. The Congress proposed, among other measures: "substantially lowering infant mortality and birth rates, and increasing life expectancy, food production, literacy and employment." We urge all nations to join in developing a strategy which will include these objectives.

In 1976 the development advisory committed members of the OECD provided $13.7 billion in official development assistance which is .33 percent of those nations' gross national product. OPEC nations provided $5.2 billion in aid, which is 2.1 percent of GNP. The Soviet Union and eastern Europe provided $395 million, which is .03 percent of GNP.

We are glad to note that the developing countries are increasingly aware of this discrepancy as indicated by the October communique of the non-aligned ministers and recent statements of the non-aligned leaders.

The United States joins with the North and with the South in these efforts to help create a better world for all of us. We do not do it out of guilt. Colonial remorse is not the motivation for assistance, the OPEC countries, for example, are making a substantial contribution. We reject the concept that the West alone should bear the burden of meeting the needs of the South.

Americans are impatient with the gap between our effort and that of the Eastern centrally planned economies. We cannot accept the criticism directed at the west while the east is spared the same standard.

But unless excuses are recognized as just that, the criticism directed at the United States will be difficult to tolerate. To ignore this point will be to weaken the legitimacy of the North/South Dialogue among the people of the West.

Another of the important resolutions passed in this committee last year was the restructuring of the economic and social sectors of the United Nations system.

At the Economic and Social Council this summer, we received first reports of the implementation of the restructuring recommendations within the Secretariat. The United States gave its initial comments, which I shall not repeat here except to say that my delegation attaches great importance to the role of Director General Kenneth Dadzie in the restructuring process. We look to Mr. Dadzie to provide the necessary leadership, orientation and coordination within the United Nations system in the fields of development and international economic cooperation. We are pleased at the progress made in implementing the restructuring recommendations pertaining to the Secretariat and to certain other sectors.

We are disappointed, however, at the inability of the Economic and Social Council to reach agreement on the restructuring of its own work on the basis of resolution 32/197. We continue to stand ready to work closely with other delegations to reach a comprehensive and mutually accepted set of measures to strengthen the Council's capabilities and make it the primary United Nations focal point for economic and social issues in years to come.

If the full and balanced set of measures contained in the various informal papers submitted this year cannot now be obtained, my delegation is also willing to explore means whereby the formula of subject-oriented sessions might be tried on a limited and experimental basis, so as to allay existing doubts and permit agreement on a more comprehensive package early in the 1980's.

During this session, the committee will also be invited to consider the follow-up to a number of United Nations Conferences, the preparations for another, as well as an important commemorative year which does not involve a conference. Rather than consider these separately as we are accustomed to doing, I believe much could be gained by taking our overall view of progress associated with all of these events.

The more deeply we analyze the responsibilities and progress of a particular agency or program, the more evident it becomes that there is greater need for an integrated approach to the resolution of the problems these conferences were designed to face. It is understandable then that United Nations resolutions, particularly those borne out of world conferences such as those regarding environment, water, desertification, food, transportation, population, and habitat, all request that each United Nations body and each country take into consideration the impact of its programs on all of the other facets of concern.

The United States is currently studying another critical issue, tropical deforestation. The major conclusion and recommendations which emerged from a recent conference held in the United States on this subject was that the community of nations should launch an accelerated and coordinated attack on the problems if these greatly undervalued and probably irreplaceable resources are to be protected from virtual destruction by the early part of the next century.

We urge the United Nations to assign to the United Nations environment program the task of how best to address this problem.

We look forward to the report of the Secretary General on the followup of the Water Conference and Desertification Conference.

It will be almost a year since Resolution 32/162 created the United Nations Center for Human Settlements together with its governing body, the Commission on Human Settlements. We believe in the concept of this change, for it recognizes the need for an integrated and coordinated approach to a decent living environment. At the same time we, along with other countries, are disappointed at the slow pace with which this welcome change is being effected. We urge the Executive Director of the Centre to complete the administrative preparatory chores as soon as possible so that the Centre can get on with its work.

My government was pleased to work for and join in the consensus reached last month on the establishment of the "Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation Among Developing Countries." We will continue to do our part in forwarding the goals of "TCDS."

An important conference to cap many previous conferences is the United Nations Conference on Science and Technology for Development to be held next August in Vienna. The United States hopes to make a direct contribution in this area through President Carter's initiative to set up a Foundation for International Technological Cooperation. The President plans to request Congressional support for the Foundation in his budget presentation for fiscal year 1980. As now envisaged, the aims of the Foundation will be to:

Assist developing countries in strengthening their indigenous scientific and technological capabilities;

Develop scientific and technological education and manpower training programs;

Encourage both public and private institutions engaged in scientific and technological efforts relevant to development; and

Support collaborative research and development between the United States and developing country institutions.

The *International Year of the Child* will be celebrated during 1979. We hope that, as each nation addresses its particular set of problems, it will also share its findings with other countries, for there is no nation which is not experiencing problems which affect children, be they physical, psychological, or intellectual.

Concern about food and world hunger is particularly strong in the United States. Even in this period when Americans feel the pinch of taxes and the squeeze of inflation, most agree that increasing food supplies for the poorest people and the poorest countries is an obligation. Secretary Vance, in his speech to the General Assembly, listed United States policy and programs for improving world food supplies. These are:

Creation of a grain reserve in the United States;

Support for establishing an international wheat agreement, which will achieve a greater degree of world food security;

Maintenance of our food aid levels in keeping with the target set at the World Food Conference;

Support of the International Fund for Agricultural Development, and other efforts to promote food production in developing countries.

We are giving increased attention to the capacity for self-reliance and production of small farmers. Yet we know that increased food production for the rural and the landless poor depends on the villagers and small farmers; the poor are not able to buy imported grain. Ambassador Young, speaking in November 1977 to the FAO Conference in Rome, called for more attention to the creation of volunteer corps for village agriculture, or Food Corps. A number of countries are actively working to create such volunteer corps.

My government was gratified to hear of the decision by the eight ministers of agriculture of the Sahel states to create a subregional corps of volunteers for village agriculture, in the CILSS, The International Committee to Fight the Drought of the Sahel.

There are already a number of models of successful voluntary mobilization in villages—in countries such as Mexico and Sri Lanka. If we move in this direction small farmers can begin to plan their own project, providing themselves with seed and fertilizer. storage and water supply. They often know better what is good for them, what will increase their production.

Mr. Chairman, I am pleased to recall that the United States representatives in Mexico joined with the ministers and officials of other nations in accepting the Mexico Declaration of the World Food Council by consensus. I am personally pleased to welcome the appointment of Mr. Maurice Williams as Executive Director of the Council. I am confident he will provide effective leadership to the Secretariat in meeting its important new responsibilities by helping countries develop comprehensive strategies and by encouraging multilateral assistance to support them

Mr. Chairman, as every year, a major item on the agenda of this Committee is the work of UNCTAD. And, as every year, discussion here is not simply on the work of an organization, but on progress in a great many areas in which we are working for change in international economic relationships.

While much of the work we began at UNCTAD IV in Nairobi on problems of commodity trade, debts of the least developed, transfer of technology, and help for the poorer nations yet remains to be completed, substantial progress most certainly has been made. We are entering the last stages of negotiation on many of the issues. Secretary Vance commented on many of these, including progress on the integrated program and in the establishment of a common fund. The Secretary noted that legislative action on the retroactive adjustment of the official debts of the least developed countries was expected shortly. I am pleased to be able to inform this committee that the necessary action has now been completed.

He noted that we believe that a properly constructed common fund could prove useful to help solve problems of commodity price stability. A well-structured fund cannot be based solely on political imperatives, but must be so constructed as to offer practical assistance in meeting concrete problems. This process of construction is not a problem of "political will," for that already exists, but rather one of solving the technical and practical issues before us. As the secretary noted, we believe that recent consultations have identified a convergence of views. We all agree that such a fund could play a useful role in reducing cost and facilitating the financing of stabilization buffer stocks, and we have agreed that the proposal for a "second window" should be carefully examined in the forthcoming negotiations. We have indicated that we will approach these negotiations in a flexible manner and hope others will approach the problem in a similar fashion.

If one were to criticize the negotiators who met at UNCTAD IV in Nairobi, the most valid criticism is that they were overly optimistic at the pace at which the complex problems could be solved. Many of the issues have not been solved within the time allotted, not because of procrastination by one party or even one group of countries, but because all participants have found the issues more complex than anticipated. In individual commodity negotiations, for example, producers as well as consumers comprising both developed and developing countries have had to evaluate very carefully their own interests.

One of the promising areas of action within the UN framework is that of economic cooperation among developing countries—an area which we believe provides for expanding the economic capabilities of the developing countries and their self-reliance. UNCTAD has begun studies and background preparations in this area as agreed to by its members. In my delegation's view all members of the organization must be in a position to participate and contribute their ideas and express their concerns. Decisions reached by a universal organization such as UNCTAD must reflect the views of all its participants.

This coming spring UNCTAD will hold another general conference in Manila. As we move toward this conference we must be sure that the conference will be presented with problems and issues which each member state has had time to consider. We look forward to continuing consultation here and in Geneva as preparations for UNCTAD move forward.

Regarding the United Nations Industrial Development Organization, the United States is prepared for discussions leading to a new constitution which would permit UNIDO to become a United States specialized agency. We will be open to the views of others as to how this can best be accomplished. We have also begun to prepare for the third general conference of UNIDO, for which the government of India has generously offered to serve as hosts in New Delhi. My delegation hopes that it will be possible to reach full agreement on the agenda for that meeting.

Mr. Chairman, I would not like to leave the subject of industrial development without pointing to two key passages in Secretary Vance's address. The first of these signalled that we consider industrial development, with the employment opportunities it creates, as an important means of meeting basic human needs. The second recalled the decision of the Bonn Summit to encourage positive adjustment policies that would facilitate, rather than hinder, the process of structural change which is underway in the world's industrial economy.

I would like to thank the distinguished Executive Director of UNITAR, Dr. Davidson Nicol, for the report he gave earlier in our debate. Dr. Davidson Nicol has provided welcome leadership at UNITAR, particularly applicable to the needs of developing countries. We will have further comments on UNITAR and its operational activities later in this session.

My delegation will also reserve the right to comment as necessary on a number of reports requested by last year's General Assembly, which are for the most part not available. These include reports on inflation, investment insurance and reinsurance, natural resources development and the brain drain.

The agenda for the work of the Second Committee is full. The United States Congress and the Executive Branch share a serious interest in international cooperation and development. As trade surplus nations such as Japan and Germany, and major oil exporting nations such as Saudi Arabia and others assume larger responsibilities, we welcome their larger roles. We must all adjust to structural changes in the world economy.

Let me assure you that the American people take seriously the promise of the United Nations. The United Nations will be what the Member Nations make it. We hope there will be less politics for home consumption and more pulling together in cooperation. We welcome help from anyone to bring economic policies into a working framework for mankind.

The vision of the United Nations remains part of the American dream. It has been an honor for me to share these thoughts with you today.●

THE FAIR TRADE ACT OF 1979

● Mr. BAYH. Mr. President, last week I joined in sponsorship of the Fair Trade Act of 1979. This legislation represents the continuing and determined efforts of the Senate Steel Caucus to make necessary procedural reforms and improvements in the administration of our antidumping statutes designed to enhance the ability of our Government to stem the tide of unfairly traded goods at predatory prices.

While this bill can be considered a product of the Senate Steel Caucus, the reforms it proposes are sweeping and in the interest of industries in addition to steel which have fallen prey to unfair foreign competition. That competition has taken advantage of the most open of all world markets—the United States. Whether we are discussing color television sets, industrial fasteners, basic or specialty steel, the pattern has been the same. Our trading partners have systematically assaulted the domestic industry in each case. The results have been worker layoffs in this country; plant shutdowns in this country; declining profits for businessmen who are not afraid of fair competition in this country; and the most massive balance-of-trade deficit in history for this country.

While I support the concept of free and fair trade and am prepared to recognize competitive advantages other nations may have over our own, I am sick and tired of witnessing the alarming lack of reciprocity by other governments in allowing our workers and businessmen to compete in those markets. It is not that the particular problems which this legislation addresses today are not well-known or that they have not been discussed at the highest international levels. Indeed, one of the goals of the multilateral trade agreement which the President has indicated his intention to submit is to establish a better international enforcement mechanism to control unfair trade practices through an international subsidies code which parties to the General Agreement on Trade and Tariffs (GATT) approve. Therefore, it is important that the legislation we are introducing today does not conflict with certain international rules of the trading game.

It is also important that we do not repeat the disastrous, short-sighted and tragic experience associated with the Great Depression by erecting tariff walls which provoke retaliation and succeed only in closing off markets to our farmers and those businesses and workers engaged in manufacture for export. It is essential that we avoid the "Smoot-Hawley" syndrome and with it economic catastrophe for the developed world.

I make these points to indicate an appreciation of the pitfalls of a "rabid" protectionism which, in the end, rebounds to the detriment of those who practice it most vigorously. However, there is another extremist view of what foreign trade policy should be that only fuels the flames of resentment by workers whose jobs are lost because the Government is either unable or unwilling to stand behind them and their firms when confronted with competition from foreign imports at a predatory price.

This is the position of "free trade at any price." It rests on the assumption that theoretical economic interests will serve as a sufficient source of self-enforcement through an appreciation of "self-interest rightly understood" in the application of practical trade agreements. This assumption has proven to be wrong time and again. Perhaps one reason is the mistaken belief that the markets of other nations are as open to our businessmen as our market is to "Japan, Inc." or "France, Inc." This is simply not the case. As a Senator who has spent a great deal of time and effort proposing improvements in the Buy American Act, and monitoring U.S. efforts to bring back a good international government procurement code as part of the MTN, I assess the current terrain of international trade as filled with land mines for the American exporter seeking access to foreign markets. It is equally apparent that the realm of government procurement is not unrelated to the improvements sought by the legislation we are introducing today and it is my intention to elaborate more fully on the relationship between government procurement and fair trade practices in another statement.

What the Fair Trade Act of 1979 does is to essentially streamline the processes by which certain trade complaints instituted by domestic industries and firms are considered and to amend the Antidumping Act of 1921 in a fashion which will improve the timetables for both investigations and imposition of duties. Such changes promise to make that act a more effective treatment against predatory pricing practices.

In addition, the bill will amend the Trade Act of 1974 and the Tariff Act of 1930 in ways I believe will provide a more effective remedy to present unfair trade practices by foreign competitors. These improvements will encourage greater utilization by domestic firms of these remedies and enhance protection against illegal and unfair pricing policies by foreign competitors in a consistent and timely fashion.

Mr. President, there is really no one who could tell us exactly what portion of the record foreign trade deficit reported for 1978 was the result of goods sold in this country at less than fair market value, below the cost of production or illegally subsidized by foreign governments. Nor do we really know with precision at this point what impact the reforms we wrote into the Trade Act of 1974 have had on pricing policies of foreign competitors who may be guilty of "dumping."

However, in response to a series of questions asked of the General Accounting Office when my colleagues and I introduced similar legislation it is clear that simply beginning the process of a dumping investigation can have an important impact. A letter of April 14 1978, to me from the GAO General Government Division confirmed this with important qualifications:

> The initiation of a dumping investigation by Treasury creates enough uncertainty in the market place to prompt adjustments either in the price of imports or the quantity imported. While dumping duty assessments have rarely been timely the potential liability of such duties is well-known at the time of the Treasury's tentative determination of sales at less than fair value. This potential liability should cause some adjustments in the import prices.

However, the analysis went on to emphasize a very important and crucial feature of the trade procedures as they now stand by stating that "Under the best of circumstances the process leading to assessment of dumping duties takes a long time." I would quickly point out that within the 13 months during which time the Treasury Department and U.S. International Trade Commission work to find a suitable recommendation and remedy, plant gates can be closed and workers cut from employment rolls. Even more appalling is the demonstrated fact that the actual assessment of dumping duties is seldom done in a timely manner and the U.S. Customs Service has estimated the average delay to be from 3 to 3½ years.

While I will be submitting a brief summary of what the Fair Trade Act of 1979 does at the end of my statement I want to point out at this time that this legislation does specifically target these two shortcomings in the present statute by: First, shortening the period for investigation by instituting investigative currency for the USITC and the Treasury Department which could cut as much as 5 months from the present process, thus making relief for U.S. firms and workers more timely in a real way, and second, requiring full payment of estimated deposit of dumping duties upon tentative determination, in 7 months rather than after 3 or 3½ years.

Finally, I would emphasize that much thought and work has gone into this legislation and my gratitude is extended to my colleagues of the Senate Steel Caucus Working Group—Senator RANDOLPH, our chairman, and Senators HEINZ and GLENN, for their efforts. This is a good bill. It is carefully crafted to keep us in conformity with certain international concerns but, I believe, toughens our fair trade laws. I look forward to its consideration and approval by the Senate and would anticipate that the implementing legislation submitted with the multilateral trade agreement will be able to incorporate the provisions of the bill we are proposing. I am also gratified to see that this most complex subject has also attracted the efforts of other of our colleagues here in the Senate. The next several months will provide us with an opportunity to work together and arrive at sound legislative solutions to these most vexing problems. Such a result will contribute inestimably to the economic well-being of the American people.

I now ask that a brief section summary of the Fair Trade Act of 1979 be printed in the RECORD.

The summary follows:

FAIR TRADE ACT OF 1979

AMENDMENTS TO THE ANTIDUMPING ACT OF 1921

Sec. 2 (a, b) Payment of duties. Requires full payment of estimated dumping duties from the time of tentative determination (end of 7th month). Ultimate liquidation of entries after the final finding would require a refund of any excess paid or a further payment on any balance due.

Sec. 2 (a) Time periods for investigation. Under present law a normal investigation runs 13 months: 1 month to accept the petition, a 6 month investigation culminating in tentative determination, 3 additional months for final determination, followed by 3 months at the ITC for an injury finding. This section would shorten this normal period to 8 months: 2 months for Treasury and ITC to examine petition and tentatively decide that injury has occurred, 5 months for investigation culminating in tentative finding of dumping and finding of injury by ITC, followed by 1 month period for final finding. Language permitting Treasury an additional three months for particularly complicated investigations is retained.

Sec. 2(d) Report. Requires annual Treasury report of its action to enforce the Act.

AMENDMENTS TO OTHER TRADE STATUTES

Sec. 3, 4. Although section 201 of the Trade Act of 1974 (escape clause section) provides for a two-House Congressional override of a Presidential decision, section 203, which permits the President to revise or revoke his earlier decision, has no override provision. This section creates such a procedure similar to that in section 201 of existing law, and in addition, a) permits the President to make such a redetermination only once every 12 months, and b) provides that the Presidential determination must be made within 30 days of receiving the required advice from the International Trade Commission (ITC) and Departments of Labor and Commerce. This section grew out of the Administration's handling of the specialty steel case in 1977.

Sec. 5. Section 301 of the Trade Act of 1974 relating to trade discrimination and unfair trade practices by foreign nations is amended by 1) requiring the Special Trade Representative (STR) to either undertake an investigation within 30 days of receiving a complaint or state publicly the reasons for his refusal to do so; 2) shortening the period of such an investigation to 5 months; 3) including public hearings as part of an investigation; 4) requiring the publication of the STR recommendation (or the reasons for the lack of one) pursuant to the investigation.

Sec. 6. Section 303 of the Tariff Act of 1930, relating to countervailing duties, is amended by requiring that a Treasury investigation must begin within 30 days of receipt of a complaint or petition.

Sec. 7. Section 337 of the Tariff Act of 1930, relating to unfair methods of competition, is amended by requiring that any investigation begin within 30 days of receipt of a complaint.●

GOVERNMENT ECONOMIC CONTROLS: THE HAUNTING OF CONGRESSIONAL PRECEDENT

● **Mr. GARN.** Mr. President, there has been a great deal of talk, since the announcement of President Carter's inflation program, of opposition to mandatory wage-price controls. Many of my colleagues have declared themselves to be firmly part of this opposition. I, too, reject such control over our economy. I am not, however, a born again opponent of wage-price controls. I have long and firmly rejected the concept and continue to do so. I am gratified that the mood in the Senate seems to be one of opposition to wage-price controls, or even to the granting of standby authority. I welcome the newcomers to this point of view. May your stay be long.

Mr. President, I share the concern of many of my colleagues that parts of President Carter's inflation proposals attempt to skirt congressional authority, by using various administrative instruments to enforce what are purportedly voluntary guidelines. I am opposed to governmental control of the economy, whether by the Congress or by the Executive.

It is no secret, Mr. President, that I opposed the Humphrey-Hawkins bill, which was passed in the closing hours of the last Congress, because of the foundation that it set for Government interference in the economy.

I have noted great doubt around the country about the effectiveness of current proposals for dealing with the problems of the economy, problems that are largely the result of Government. There is significant suspicion that they will fail.

When the administration's policies fail, and inflation continues, and the inflation causes unemployment, I am concerned that there is going to be a scramble to call on such precedents as Humphrey-Hawkins to increase governmental control of the economy.

Mr. President, the size of the budget deficit for this fiscal year and for the proposed fiscal 1980 budget are not encouraging, but I hope that we will be successful in controlling inflation. The solution lies with the Government. I will exert my effort, as I feel obligated to do, to decrease the cost and weight of the Government upon our economy.

Roy Ash, former Budget Director, recently gave an address that excellently describes the potential for governmental mischief, against which we should guard and be forewarned. I commend his remarks to my colleagues and ask that they be printed in the RECORD.

The summary follows:

MEETING TODAY'S PLANNING CHALLENGES

One of the last frantic acts of the 95th Congress was to rush through the Humphrey-Hawkins Bill—a bill that had been before the Congress, and going nowhere, for some time. And, as we know, the President, with a sensitive ear to the political ground, signed it into law just a month ago.

Some would say that the new law is either so innocuous, or else so contradictory, that we can forget it. Nothing of substance can come from it, they would say. It was only a sentimental memorial to the late Senator.

But if that was all the bill was meant to be, why was there such tremendous pressure for its passage? Especially for a bill that seemed to be such a marked fallback from earlier versions? Even in its watered down version it must have meant something to somebody. It did. And it still does.

The Humphrey-Hawkins Bill, with its nonsensical internal contradictions, nevertheless manages to lay the foundation for a major change of the role of government in our society. As a Business Week editorial recently observed, "By adopting Humphrey-Hawkins, Congress has set up the framework for future programs that could convert the market oriented U.S. economy to a government-planned system." For the legislation that is now the law of the land firmly established that it is the government's business, hereafter, to set national economic goals.

You may say "that still sounds innocuous, even virtuous. What's the matter with setting goals? That seems like a good function for government; it already is heavily involved in all kinds of economic forecasting."

Well, that's just the issue. There's quite a difference between making forecasts and setting goals. As the dictionary says, a forecast is a "prophecy, estimate or prediction of a future event or condition." A goal is "a condition to be brought about through a course of action." These are distinctions with great differences, and the language of the Humphrey-Hawkins Bill makes the most of those differences. That bill requires that the President annually establish a comprehensive set of national economic goals and then incorporate in each year's budget the programs and policies necessary to achieve those goals.

So, while forecasting is an intellectual process that goes on independent of the subject matter being forecast, goal setting is a process that is itself interactive with its subject matter. Forecasts allow those who heed them to make their own judgments as to the probable validity of those forecasts, then to set their own goals, and to take their own actions. On the other hand, goal setting is the beginning of a tightly linked chain that proceeds—as a matter of requirement—from goal setting, through planning (the ways to achieve these goals), through the operation of control systems (so as to cause events to conform to plan), and then closes on itself with the final link of results (one predefined by the set goals). To set goals not so linked within this action chain is merely to wish. The drafters of the legislation weren't just wishing. They were taking the first steps toward forging a four link chain, goals—plans—controls—results, that if carried to a reasoned end would substantially alter the role of government in our economy.

To fully appreciate the import of the Humphrey-Hawkins Bill one must step back not only to its "legislative history", as they say in Washington, but to its political, social, and intellectual history. While the language of the bill, as finally passed, emphasizes the word "goals", its legislative and prelegislative history is clearly one more properly labeled national economic planning. Furthermore, because of their inseparable linkage, goals and planning are so intertwined that it doesn't make much difference as to which handle we use to pick up and analyze the subject.

National economic planning has been a recurring political theme throughout the history of this country. Two hundred years ago central economic planning was considered a reactionary idea, a return to the undesirable involvement of government which our forefathers had fought to escape. Yet, Alexander Hamilton and Henry Clay argued for it. Daniel Webster and John Calhoun, the liberals of the time who strongly favored individual freedom, were opposed to central planning. Their convictions prevailed. But the subject has arisen recurringly since those earlier days, even as recently as immediately following World War II. The main change in more recent debate on the subject is that the liberal and conservative positions have been reversed. Our language sometimes has a way of deluding us.

Presently, advocates of national economic planning—for which Humphrey-Hawkins now sets the stage—would say that many of our current economic difficulties could have been avoided if we had used more foresight, "scientific" analysis, and deliberate anticipatory action. Their view is based on the premise that the world runs with some degree of order and reason, and if only we could discern and model all the necessary factors ahead of time, we could control events toward more satisfactory outcomes. They view the marketplace as inadequate because it engages in unthinking decision making while "everybody knows" we're capable of more intelligence than that. Such advocates conclude that economic planning performed by experts sitting at the very top of the system, and using new techniques of rational planning, can help to avoid and overcome the kinds of surprises, disappointments, and frustrations we have been experiencing. Furthermore, sitting at the very top of the system, those who plan also can command the authority essential to bring about conforming results. Or why else plan?

A similar noble view of government planning was exprssed 75 years ago by British author G. K. Chesterton when he said "It is when men begin to grow desperate in their love for the people, when they are overwhelmed with the difficulties and blunders of humanity, that they fall back upon a wild desire to manage everything themselves."

"This belief that all would go right if we could only get the strings into our own hands is a fallacy almost without exception, but nobody can justly say that it is not public-spirited. The sin and sorrow of despotism is not that it does not love men, but that it loves them too much and trusts them too little. Therefore from age to age in history arise these great despotic dreamers, whether they be Royalists, Imperialists, or even Socialists, who have at root this idea, that the world would enter into rest if it went their way and forswore altogether the right of going its own way." In two paragraphs Chesterton has revealed a profound and timeless dilemma in the relationship of a people to their government.

In a sense, then, one can advance quite noble reasons for trying to improve the lot of a people by taking greater control into the hands of government. But, for some, there is also a less noble reason for moving toward national economic planning. In politics, when a tide is running, there are always those who like to ride into greater personal or group power on that tide. And because of our frustrations with the economy, the tide is running now. Political opportunists both inside and outside of government see greater power for themselves if they ride into authority astride the new government functions and activities a central planning and controlling responsibility would bring. For some politicians, and for some who attempt to influence politicians, the attractiveness of creating and then taking control of new power levers of government directly correlates with their inability to prevail in existing processes of political and economic decision making. If you can't "win" at the game as it is being played, change the game. And then there are those who almost pathologically insist on establishing additional levers with which to exercise power over the private sector—over industry specifically. They are rankled by industry's seeming independence from the control of those who know best—themselves.

So, even though Humphrey-Hawkins stopped short of formally establishing a government planning mechanism, it did lay the groundwork for one as soon as the political ratchet wheel can be turned up again. Thus, it is essential that we examine the underlying issues that would be involved if government economic planning were to come about.

I suppose we can start by observing that our government is already engaged in economic planning—at least within one definition of the term. It makes and carries out fiscal policy and monetary policy, does energy planning—and considerable energy management—environmental planning and control, and engages in a myriad of other activities that could be considered elements of national economic planning. So why not go further and do the job right? Why not establish a complete and comprehensive plan for the whole of the American economy?

Proponents of the new and broader version of central government planning point out at length that business organizations plan in an overall sense. Business considers planning one of its most important functions. So government should become business like and modern too. We in business, most of all, should encourage it to do so, they say.

Not discussed by proponents of government economic planning is the fact that planning, as done by business, is an integral part of its management process. Business is managed—from the top down. It better well be. Business is not a social, democratic institution. In a well run business organization, as we all know, planning is tightly linked to goal setting and especially to the control systems that attempt to direct the whole business toward the set goals. And those control systems "bite"—that's the whole purpose of the exercise.

Washington discussions of planning carefully skirt clear of this linkage. Planning, left disconnected, is a very comfortable political idea. Left disconnected, it carries no connotation of threat to those inside or outside of government. Instead, it reeks with high mindedness, rationality, objectivity, impartiality and expertness. It is tidy, with an appealing and lofty detachment from the scrubby reality of things. Planning is portrayed as an orderly process, compared to the "anarchistic" happenings of a free market, and everybody knows order is good. But let's see how national economic planning would really link goal setting and controls if it were to be undertaken by government.

Goal setting for an individual, or for a family, a business, or a nation is a value laden process. All the experts, all the data, and all the computers in the world "scientifically" processing those data, cannot make my personal value judgments better than I can. On the national level can the experts, data and computers do better? For, the values and trade offs dealt with in national goal setting are more a matter of political and social philosophy than of economic science. Specifically, national economic planning, as it has been discussed in Washington, would require consideration in setting national goals of, "full employment, price stability, balanced economic growth, an equitable distribution of income, the efficient utilization of both private and public resources, balanced regional and urban development, stable international relations, and meeting essential national needs in transportation, energy, agriculture, raw materials, housing, education, public services, and research and development."

This is the language of the Humphrey-Javits Bill of the previous Congress that laid the foundation for the now enacted legislation. And that language, although not precisely in the current law, has not been forgotten. Let's go back to the value implying words, "full", "stability", "balanced", "equitable", "efficient", "stable", and "needs". Would you like to quantify any of those so as to program a computer? Or all of them together, as the overall plan is supposed to do?

Of course, our elected officials consider these subjective, or philosophical, values every day and do arrive at specific decisions, but not by a process of planning. Even though the process they employ seems gastly at times, we probably come closer to achieving an integrated set of national goals by the continual political interaction of the narrow interests of 535 Senators and Congressmen, and they with the executive and judicial branches, then we could with an elite group of experts figuring it all out for us.

And what the 535 politicians don't do to arrive at national value judgments, over 200 million people do in the marketplace. Furthermore, when it comes to the American economy, the workings of the marketplace generate the most rational, integrated, economic plan of all, and keep it up to date and responsive to the national will daily.

Goal setting, especially for a nation, deals with highly ephemeral and politically charged value decisions, not merely quantitative economic ones, but ones central to our whole social structure. Reconsider only three of these subgoals I mentioned, "an equitable distribution of income", "efficient utilization of private resources", and "needs (for) public services". Whoever controls goals in these areas has his hand on a very powerful lever—one dealing with freedom itself. That's why I prefer the earlier use of the word "liberal" meaning freedom speaking, as the label for those who resisted undue government involvement in the private affairs of its citizens. And that's why we should be watchful and wary when the politicians go to work carrying out Humphrey-Hawkins.

Let's now go from the link at the front end of planning, goal setting, to that at the business end of planning, action and controls.

It's true that some important actions any national economic plan would call for are those quite appropriate for government to take. Certainly, monetary and fiscal actions are among them. But to be able to truly carry out any national economic plan would require more than that.

The Initiative Committee for National Economic Planning, a private group that did the original work leading to Humphrey-Hawkins, states quote "the heart of planning is to go from information to action, and most of the action in the U.S. economy takes place in the private sector." It further states, "Democratic planning is not a substitute for the decentralized economy, nor does it replace the millions of private decisions that are made in the market every day." So far, so good. It then says, ". . . to reach democratically chosen objectives, it influences those private decisions with a consistent set of economic techniques." Now we're getting the clue as to which shell the pea is under. But what are those techniques—the sanctions and inducements—that influence private decisions to achieve democratically chosen objectives? I'll quote further: "Tax incentives and disincentives, selective credit controls, guidance (a government euphemism) of basic capital flows, and mandatory resources allocation." "The Planning Office", the Initiative Committee has said, "would indicate the number of cars, the number of generators and the quantity of frozen foods we are likely to require in, say, five years, and it would try to induce the relevant industries to act accordingly." I needn't say more.

Fortunately, all this has not become the language of the present law. But it is the thinking of those who are now waiting for the political opportunity to build further upon the present Humphrey-Hawkins base. And it is this prospect, I'm sure, that *Business Week* had in mind in its editorial which closed with the observation "The potential for mischief is no less because the backers did not realize what they were voting into law."

In conclusion, then, let me leave you with a few summary observations of my own.

National economic goal setting, which is now law, may seem innocuous; national economic planning may sound benign. Yet neither have reason for being without the next link in the chain—national economic controls—inducements and sanctions to bring about stated results. Together, as we in business know, that adds up to management. National economic planning is national economic management. All of those reasons for which planning is essential to business management are the same reasons planning is anathema to a free society.

And carried to the lengths some would have it, government planning and management of the economy would cut a wide swath, from an "efficient utilization of private resources" to the "quantity of frozen food" that would be produced.

Even if national economic planning stopped short of this scenario, if carried to any degree at all, it would create a new political elite having power and status the marketplace confers on no one. The market system will be on the way out.

I'm not forecasting all this will happen even though others may set it as their goal, and I'm not suggesting any action you should take—now. But I am suggesting we not ignore, or forget, the month old legislation. Keep your eyes and ears open for further developments. The Humphrey-Hawkins Bill was not merely a memorial. It means a lot—to some. From the foothold established by the new law, we can expect the resolute proponents of national economic planning to redouble their own efforts toward their goal.

Prepare your own thinking, and for your own participation in the public debate yet ahead. A good way to prepare, and to debate, is with questions. Let me suggest some.

Ask of those who would propose to move forward from the Humphrey-Hawkins base, what process do you propose for setting national economic goals that rises above politics?

Why are those goals better, or more valid, than ones set by our present representative government?

Can representative government set comprehensive economic goals?

If such goals are set, how is it proposed they be reached?

To reach them, exactly what actions will government be expected to take beyond monetary and fiscal ones?

To what extent will those actions substitute for the market rather than augment it?

When proponents of national economic planning say that "guidance" will be provided the private sector so that it may perform its part in achieving national goals, ask the specific form that guidance will take.

If they speak of "inducements", ask for a little more spelling out. Who will be the inducer, who will be the inducee?

When they say it is a "fact" that our resources today are not allocated to meet our most urgent national needs, ask them which national needs have they in mind for more resources and which should receive an equally lesser amount.

Ask how planning, had it existed earlier, would have dealt with the oil embargo; and how it would have planned automobile production, or steel imports, year by year, over the last five years.

When they say our space program proved the efficacy of planning at the highest level, ask the degree of management control over the program it entailed.

And then, finally, when proponents of national economic planning say, as they have, "it is impossible to achieve our economic objectives by accident" ask if the workings of the marketplace are the accidents they have in mind.●

VETERANS UNEMPLOYMENT

● Mr. PERCY. Mr. President, the problem of veterans' unemployment, and particularly unemployment among Vietnam-era veterans, continues to be a serious one. The White House reported last October that although there had been improvement in the employment picture for some Vietnam veterans, those from minority groups, those that are disabled, and those that are otherwise disadvantaged did not enjoy any real relief.

For this reason, Senator THURMOND and I are sponsoring a bill to upgrade the post of Deputy Assistant Secretary of Labor for Veterans Employment to the level of Assistant Secretary. It will not require the creation of any new bureaucracy or any big increase in funding. More money and more bureaucrats are not needed because that was not the problem to begin with. We believe the problem is a lack of commitment, and we hope that by elevating the status of the Department of Labor official in charge of veterans' employment, we will clearly demonstrate the depth of congressional interest and concern.

In 1976 Congress created the Office of Deputy Assistant Secretary of Labor for Veterans' Employment. If the office were functioning properly and had begun to make some real gains for unemployed veterans, this bill would not be necessary. Senator THURMOND and I and the other concerned Senators who have joined us as cosponsors are making the point that we are disturbed about the little progress we have seen. We want the Labor Department to do a better job for unemployed veterans.

On December 29, 1978, the GAO issued a report on Government employment services for veterans; its title—"Much More Could Be Done for Veterans in Employment and Training Programs." The GAO had this to say about the Veterans Employment Service of the Labor Department:

> The many problems discussed in this report indicate that substantial improvements are needed in virtually all key areas of veterans' employment programs. To effectively improve employment services for veterans will take a dedicated commitment from the Secretary of Labor down through and including program operators.

It is this commitment which we hope to encourage by upgrading the status of the veterans' advocate in the Labor Department. We hope our effort will be strongly supported by the Senate.●

NATIONAL DAY OF SRI LANKA

● Mr. HATFIELD. Mr. President, February 4 was the National Day of Sri Lanka and marks the 31st year of that nations' independence from the British Crown. This also marks the completion of 1 year in office by Mr. J. R. Jayewardene as the first Executive President of Sri Lanka.

The past year has witnessed a great transformation in the internal political process of Sri Lanka under the leadership of President Jayewardene. The new Sri Lanka Constitution was inaugurated on September 7, 1978, and it embodies a compendium of constitutional practices of Great Britain, the United States, and France. Under the Constitution, the executive power of the people is now vested in the President, who is directly elected to office by the people for a fixed term of 6 years. Sri Lanka has also established a parliament which is considered supreme under the new constitutional form of government. The judicial power of the people is exercised by Parliament through courts and tribunals as established by law. In addition, the Constitution of Sri Lanka is very specific in its separation of these three sources of political and governmental power. This separation of power, which is directly derived from the U.S. constitutional concept, has become central to this new democracy.

Internally the population of Sri Lanka provides a rich and mixed variety of ethnic backgrounds and religious beliefs. Because of significant minority groups in the country, and the constant need for differences of opinion to be worked out peacefully through the democratic process, Sri Lanka stands as a successful tribute to new democratic efforts in the developing world.

Internationally, Sri Lanka is the chairman of the Non-Aligned Movement, which is actively contributing toward the peace and stability of the world now coming to grips with the North-South dialog and questions of human rights, international trade, and cooperation in world resources. Because of Sri Lanka's complete nonalinement, officials in their government have contributed substantially to the success of the recent Foreign Ministers' Conference in Belgrade. Sri Lanka is presently playing a significant and major role in international affairs in representing the nonalined countries and I can only encourage it to expand its influences and efforts toward establishing important dialog between the developing and developed worlds.

Mr. President, the nation of Sri Lanka has embarked on a process of democratization for which they should be applauded by nations of the world who respect individual rights and human values. So I would like to extend my best wishes to the nation and people of Sri Lanka on the 31st year of their independence and wish them continued success in their efforts to involve themselves as true partners in the exercise of freedom.●

EL PADRE DE LAS AMERICAS

● Mr. MATHIAS. Mr. President, for many years it was a tradition in the House of Representatives that the Reverend Joseph E. Thorning offer the opening prayer on Pan American Day, April 11. It was an appropriate tradition because, had it not been for the tireless work of Father Thorning, there might never have been a day designated as Pan American Day in the U.S. Capitol.

But in 1944 Father Thorning succeeded in having April 11 designated as Pan American Day and from then on for the next 30 years he gave the opening prayer in the House of Representatives on April 11. Father Thorning offered his final Pan American Day prayer in the House 5 years ago and that day the CONGRESSIONAL RECORD swelled with testimonials to this remarkable priest, known throughout the Western Hemisphere for his unceasing efforts to foster warmer inter-American relations.

Happily, for Marylanders, this remarkable scholar, educator, author, and priest has chosen to live among us. In fact, he has chosen to live in my hometown, Frederick, which adds a rich dimension to the lives of all its citizens. Recently, Tom Mills, the distinguished editor of the Frederick News did a fascinating profile of the Padre de las Americas which especially highlighted Father Thorning's well-known biography of Francisco de Miranda, Miranda: World Citizen.

I ask that this article entitled El Padre Thorning be printed in the RECORD so that my colleagues who served with me in the House of Representatives may be brought up-to-date on Father Thorning's activities and so that those who were not privileged to know him there will be inspired by his life story.

The article follows:

EL PADRE THORNING

The still vigorous and active octogenarian, the Rev. Dr. Joseph F. Thorning, is elated this week with the announcement by the University of Florida Press at Gainsville that his outstanding book, *Miranda: World Citizen*, has been reprinted and is again available.

His biography of Francisco de Miranda, the Precurser of Latin American freedom, was acclaimed by the *New York Times* at first printing as one of the "outstanding books of the year."

His work is considered "the text" on Miranda, and has drawn considerable critical praise. Dr. Germán Arciniegas, writing in the *Times* said: "Father Joseph F. Thorning has told this fascinating story of one of the first 'citizens of the world' in a compact and scholarly book." *Commonweal* said: "It is rare to find a biography in which scholarly research and dramatic presentation are so happily combined."

(Born in Venezuela, Miranda traveled to Russia, France, England and North America, although he ultimately returned to South America. Everywhere he went his curiosity and intelligence brought him into contact with the political and intellectual leaders of the late 18th and early 19th centuries. In Russia he was a favorite of Catherine; in France he was a general in the Revolutionary Army; in England he was a confidant of Pitt; in the United States he was a friend of Washington and Adams; and in South America he was the tutor of Simón Bolivar and general of the revolutionary forces which made Venezuela the first South American republic).

"Miranda: World Citizen" is introduced by Galo Plaza, former president of Ecuador and present Secretary-General of the Organization of American States. Former Secretary of State Sumner Wells penned the foreword.

Father Thorning—El Padre de las Américas—is pastor-emeritus of the historic St. Joseph's-on-Carrollton Manor at Buckeystown. He is still tall and straight, a brisk walker and energetic talker, and as brilliant of mind today as he was in 1931 when he authored a landmark work on toleration—*Religious Liberty in Transition*—a volume still well used by students of ecumenism and religious toleration.

Wearing a black beret (which he admits is to protect his pate from the elements—the sun outside and air-conditioning inside), Fr. Thorning says he loves the Frederick area where he has been "adopted" by his very dear friends, Dr. Henry Eigelsbach and Mrs. Betty Eigelsbach and their family.

Among the Jesuit scholar's many honors is one that spans more than 30 years of appearances before the House of Representatives on Pan American Day to deliver the opening prayer on that occasion. It was in 1974 that he was given the highest tribute of the House on the anniversary of the 30th year of Pan American Day.

A string of Congressmen took the floor to praise the work of this one man for, what Rep. Daniel Flood cited as his "achievements as an author, university professor and dean and as a pioneer in the cause on interracial justice and on behalf of the ecumenical movement."

Rep. Goodloe E. Byron (D–6th) of Dr. Thorning's own district called "the Padre of the Americas one of America's eminent scholars in Latin American affairs . . . known throughout the hemisphere and in Europe for his efforts on behalf of brotherhood and international understanding in the Americas. I commend his efforts as an example that others should try to emulate."

Former Congressman Lawrence Hogan (R-Md.) in 1974 praised the work Father Thorning accomplished for Georgetown University in cooperation with such leading Washington embassies as Argentina and Mexico. All the programs were in Spanish and Dr. Thorning served as coordinator, organizer and master of ceremonies in GU's Gaston Hall.

Rep. Henry S. Reuss of Fr. Thorning's native Wisconsin pointed out that it was then Senate Majority Leader Mike Mansfield who dubbed him with the title, "Padre of the Americas" for his pastoral and scholarly work throughout the Americas.

Like the man he helped immortalize in his biography, *Miranda*, so too is the Rev. Dr. Joseph Thorning a true "citizen of the world," a man many nations are proud to have known, a man Maryland is proud to call a citizen, and a man we're glad still calls Frederick his home.●

CHINA FEVER

● Mr. GOLDWATER. Mr. President, in recent weeks, we have heard and read a great many optimistic statements about what the opening of Red China will mean to the U.S. business interests. During this time, some voices have been raised, cautioning Americans that a grave question exists over how China intends to pay for massive rebuilding programs they keep talking about. Some Chinese officials claim it will require tens of billions of dollars and it is quite obvious they are looking to the United States to underwrite a huge part of this through long-term credits or loans from international money organizations which we support.

Recently, the Memphis Press-Scimitar published an editorial entitled "China Fever" in which it raised a number of questions along these lines. I request that this article be printed in the RECORD.

The article follows:

CHINA FEVER

We are as excited as anyone at the speed with which China seems to be rushing to embrace the capitalist world.

One day we read that U.S. Steel is going to build a gigantic $1 billion plant in China. The next, that the Chinese have approached major American banks to finance a towering 50-story international trade center in the heart of Peking.

Most recently, Sen. John Glenn, member of a visiting delegation of Senators in Peking, reported that the Bank of China is eager to open a branch in the United States and is urging its government to join the International Monetary Fund. Membership in the IMF could open up large lines of credit to China.

Glenn himself is eager to talk to Ohio businessmen about his state's getting a piece of the action with 900 million Chinese consumers.

As we said, it's all very exciting. Not wishing to throw cold water on anybody's hopes, though, we would suggest that a little prudence and caution is in order.

For one thing, it will be a long time before the ordinary Chinese can afford to buy widgets from Ohio, or anywhere else. And before that, they could well flood world markets with their own widgets.

Of more immediate concern, however, is the question of where China is going to get the wherewithal to pay for everything it suddenly wants, including $70 billion to $85 billion worth of capital equipment and technology it plans to import by 1985.

At its present stage of development, that wherewithal consists mainly of an unknown amount of untapped mineral resources and an abundance of cheap labor.

(The Chinese will pay for the U.S. Steel plant by bartering iron and other ores, and we understand one Western entrepreneur plans to employ low-paid Chinese workers to make pajamas, which he will sell for a profit outside China.)

There are risks involved in China's abrupt plunge from pay-as-you-go self-reliance into massive foreign indebtedness and the mortgaging of its resources. Not the least of these is the possibility that a change of leaders in Peking could just as abruptly bring a return of Maoism and leave the international financial community holding some very expensive paper.

We trust that won't happen. Nevertheless, we will feel much more confident about China when we see the successors of the amazing Teng Hsiaoping, who is 74, continuing the modernization drive he has launched.●

NELSON ALDRICH ROCKEFELLER

Mr. COHEN. Mr. President, last week the United States lost one of its great political figures.

Nelson Rockefeller was unique. A wealthy man from an aristocratic family, he chose to become a spokesman for social progress and the rights of the disadvantaged. He was an active and passionate member of the Republican Party, who fought for his beliefs even when they were unpopular with his fellow party men.

His greatest amibition was also his greatest frustration. Three times he sought the Presidency, and three times he was denied. But he refused to let defeat make him sullen. He agreed to serve the country as Vice President during a difficult period. When he finally left public life, he devoted all his energies to his second great love, art, and remained vital and active till the end.

We in Maine, Nelson Rockefeller's native State, feel a special sense of loss at his passing. We take consolation, however, in the knowledge that his unique enthusiasm for life and his strong sense of fairness and responsibility insure that Nelson Rockefeller will long be remembered by supporter and opponent alike.

Mr. President, I ask that an editorial from the Bangor Daily News of February 2 be printed in the RECORD.

The editorial follows:

ROCKEFELLER

For nearly a week, the tributes have been paid to Nelson Rockefeller, a man of tremendouse energy and a politician of remarkable resilience.

His public career spanned three decades, and today the national and international communities will pay their official respects to him—a memorial service is scheduled for later this morning at the Riverside Church in Manhattan.

Nelson Rockefeller was held in special regard by the people of the Seal Harbor area, where his summer home was located, and he will be remembered as one of the brighter seasonal luminaries who added his touch of glamor and class that is the hallmark of the coastal resorts.

He gave Maine one of its rare moments in the international limelight when Gerald Ford selected him to serve as vice president and the focus of events swiftly shifted to the Rockefeller estate at Seal Harbor.

Overall, however, he was a politician who never found his niche—more Democrat than Republican perhaps, he was never completely accepted by his adopted party.

Although elected governor of New York four times, his party rejected him three times in his overtures to carry its standards in the presidential elections.

The possessor of incredible wealth and vitality, political savvy and charm, the big prize permanently eluded him.

With all that he had going for him, he was never able to find out how popular he really was.

NEW HOME DEFECTS: REGULATOR SEEKS NONREGULATORY SOLUTION

● Mr. PERCY. Mr. President, the problem of new home defects is becoming serious in the State of Illinois. In an extensive review, the Peoria Journal-Star gives examples of families who scrape together their hard-earned money to buy expensive new homes, only to find plumbing incorrectly installed, or the basement leaking even on sunny days, or even that the home failed to pass city inspection and the builder did not let the new owners know. The Journal-Star urges that consumers take a number of steps toward self-protection, including checking out the builder's reputation before buying, and looking for the builder who offers a 10-year warranty such as HOW—the National Association of Homebuilders' Homeowner Warranty program. I recommend the Journal-Star series to my colleagues as an outstanding example of journalism focusing on real people problems.

I also recommend to my colleagues a far-reaching policy statement by Commissioner Elizabeth Hanford Dole of the Federal Trade Commission entitled "Homebuyer Warranties." Commissioner Dole provides an example of the ideal regulator: who first gives industry a chance to put its own house in order and does not blindly plunge into the kind of all-encompassing regulation all of us have come to decry. I applaud Commissioner Dole for her insights and am pleased to share her remarks with my colleagues. I request that the Peoria Journal-Star series of December 18, 19, 20, 1978, and the speech by Commissioner Dole of January 21, 1979, be inprinted in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

New Homes—Are Some Built by Frank Lloyd Wrong?

(By Barb Mantz)

Judy and Tom Wilsons' $100,000 home was to be ready last December. In May, having lived for a time with Judy's parents, paid to store their furniture, and hired movers twice, they finally moved in.

During the intervening five months, says Judy, the contractor ordered windows that didn't fit the openings and plumbing fixtures that didn't fit the pipes, dug up the footings because he'd forgotten to plan for a sump pump or water line, and finished the house with ranch-style woodwork when they'd picked out colonial.

"Once I got so mad, I told the contractor that if he were my doctor, I'd have been buried three months ago," says Judy.

Wilson is not their real name, but the Wilsons are very real Peoria people. Like many new home owners, they're willing to discuss the homes they had built, but, fearful of recrimination from the contractor or resale difficulties later, they don't want their names to be used.

The Browns, who live in the same subdivision and paid over $100,000 for their new home, have other complaints.

They say doors don't fit, cabinets have gouges in the wood, a cathedral ceiling leaked all winter, and staining was so sloppy that they ended up redoing all of the woodwork.

"The workmanship is just terrible," says Mrs. Brown. "It's like a $20,000 house."

Just a couple months ago, the Browns learned that their new home had failed city inspection—the contractor had neglected to mention it—and that they'd been living there 10 months without the required occupancy permit.

Not far away, in a subdivision where most new homes generally sold for under $40,000, there are other complaints.

Michael and Debbie Harris are replacing the kitchen carpeting in their year-old home because it has buckled and pulled loose from the floor. Room-by-room, they're also renailing the sheet rock to the walls and countersinking the nails to stop them from popping out.

Mrs. Harris points to baseboard heaters that are falling off the walls and windows she can't clean because the screens "bend in the middle when you take them out."

In the same area, a woman complains that the affordable, expandable Cape Cod they bought two years ago isn't as expandable as the builder indicated.

The garage they'd planned to build won't fit on the lot, and the furnace isn't large enough to heat the bedrooms they want to put upstairs.

In other areas, owners of new homes say they've been frustrated by the lack of consumer protection and effective redress for complaints:

Roger Dornaus has already had to repair a leaky shower twice in his two-year-old home. When he was working in the basement, a pipe fell out of the wall into his hand. An expensive marble sink is cracked. The leaky shower and a bathtub leak repaired by the plumbing contractor soaked his stove and the inside of his cupboards and left the kitchen ceiling waterstained.

Because none of the problems, with the exception of the tub, appeared until shortly after the year's warranty had expired, Dornaus has had to tackle the jobs himself.

The owners of a new $44,000 home have hired an attorney to help untangle their problems which, for a time, included a basement that leaked even when it didn't rain. They allege that kitchen cabinets were mislocated, leaving no room for their dishwasher, duct work is pulling apart from the ceiling, and there are times "when you can see daylight between the roof and walls" in the garage.

In another $100,000 house surrounded by woodland, the owners recall the fear and panic that set in this spring when a concrete block wall fell into the basement a week after they'd moved into the home.

The contractor repaired the wall immediately, but they had to pick up part of the tab. They filed a claim with their insurance company, but the company ruled that their policy didn't cover the collapse of the wall.

It is probably fair to say that problems like these are the exception, rather than the rule. For most people, a new home comes closer to a dream fulfilled than a nightmare.

But when problems do occur, their effects can be devastating. You might be able to write off to experience a new dress that shrinks at first washing or a coffee pot that never quite works right, but you can't very well do that with a new home.

Moreover, problems that do occur often come when they're least needed. Already strapped by the purchase, most home buyers find it difficult to come up with the money to correct the defects or even to hire an attorney to enforce a warranty.

Concern for the home construction industry, in terms of quality and consumer protection, is mounting. Several agencies report that complaints about home contractors are increasing.

At the National Council of Better Business Bureaus, for example, gripes about new home construction rank as the 20th most frequent complaint this year. Last year, those complaints ranked 28th.

Even though fewer homes were built this year than last, 20 percent more complaints were registered against home builders during the first three quarters of 1978 than during the same period in 1977, says the BBB.

That trend is not reflected in statistics kept by the Peoria BBB. The local agency reports 14 complaints against new home contractors had been filed by mid-November, one more than in all of 1977. In 1976, there were 16 complaints.

Stan Hatch, executive director, says that product quality, unfinished work and unsatisfactory service or repair during the warranty period are the most common complaints.

At the Attorney General's Consumer Fraud office here, complaints about new home construction are up about 10 percent this year, estimates Richard Doi, investigator. Doi says home construction and repair and real estate transactions make up about 25 percent of the case load.

With new homes, wet basements are the number one problem, followed by cracked concrete works, says Doi. Typically, the complaintant seeks help when he's nearing the of the one-year warranty period and the contractor isn't responding.

Neither the BBB nor the Consumer Fraud office can force a contractor to act on a complaint. These agencies can offer a communications channel—very often the contractor and buyer have quit speaking—and persuasive tactics.

In terms of real protection, home builders themselves, interestingly, have taken probably the most significant step. In 1974, the National Association of Home Builders formed Home Owners Warranty Corp. (HOW), through which participating contractors offer an insured, 10-year limited home warranty program.

The action was taken partly because of real concerns for complaints voiced by new home buyers and partly to stave off possible state or federal regulation.

Minnesota and New Jersey have passed laws requiring warranties on all new homes, and Ralph Nader's consumer organization has urged Congress to require all builders to offer warranties.

At the federal level, the Federal Trade Commission appears about to embark on a full-scale investigation of new home construction. The FTC has already authorized a survey which would attempt to determine the incidence of defects in new homes.

"We know it is a serious problem for the individual consumer who has laid out a lot of cash, and all of a sudden there's a defect that the builder can't or won't fix, and the buyer doesn't have any cash left to do anything about it," says Thomas Stanton, deputy director of the FTC's Office of Policy Planning.

"But in spite of the complaints, no one has ever taken a survey to determine to what extent statistically this is a serious problem."

The survey will ask a statistical sampling of new home buyers what defects they've encountered and whether they had trouble getting them fixed. It will probably be aimed at homes one and two years old.

Stanton describes the FTC's investigation into the housing industry as being in "a very preliminary stage," occasioned by a general increase in complaints and by the Kaufman & Broad case in particular.

In July, Kaufman & Broad, one of the country's largest homebuilders, signed an agreement with the FTC promising to pay for construction defects in as many as 20,000 homes. The agreement followed a six-year investigation by the FTC's Chicago regional office.

Commissioners, according to Stanton, "were somewhat upset by the allegations of serious defects in these homes, and they're asking themselves the question: should they be looking at home building in general?"

A possible outcome of such an investigation could be trade regulations which would attempt to protect new home buyers. These could include such requirements as the implementation of better sales and disclosure practices, mandatory labeling of homes with data ranging from availability of schools to anticipated energy costs to construction specifics, or the establishment by contractors of a pool of cash for new home repairs.

Blanche Stein, the FTC attorney who led the Kaufman & Broad investigation, says she is aware of complaints about other builders. But she says she can discuss neither the nature or quantity of these complaints nor the status of the FTC's investigation into them. Nor could she say whether the agency had received any complaints from this area.

Stanton encourages new home buyers to tell their problems to the FTC.

"It would be great if people would let us know about their problems," he says. "We can't guarantee to solve them, but it would help us in knowing the kinds of problems people have."

When a complaint pattern is detected against a particular industry or company, the FTC frequently conducts investigations which lead to restitution, such as the Kaufman & Broad case. Individual complaints, however, are generally not investigated.

Address correspondence to the Director, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580.

When it comes to houses most everyone agrees that they don't build them like they used to.

But whether today's typical new home is built better or worse than homes constructed a generation ago is a question on which you'll find little agreement.

"The material today is not as good. The workmanship is not as good," says veteran city building inspector Lawrence DeHart. He says he finds defects—violations of city building codes—in just about every new home he inspects.

David Close, chief building inspector for Peoria, confirms that inspectors, such as Hart, "are complaining a bit. The workmanship is not quite as good."

And if that's discouraging, Richard Doi, investigator for the Local Consumer Fraud Office, says disproportionately more complaints come from rural areas or smaller towns, which lack or don't enforce building codes, than from Peoria.

Where building inspection is lax, he says, complaints are likely to involve more serious defects, and the chance of satisfactory resolution diminishes.

By contract, Walter Rosenthal, construction supervisor for First Federal Savings & Loan Assn., says he finds no more defects in new homes he inspects today than he did 15 or 20 years ago.

Labor-saving, pre-fabricated techniques have produced homes that "are just as well built as any other house," he says.

Builders themselves appear to be in no more agreement about the status of home building today.

Problems may exist in other parts of the country, says Howard Herman, president of the Home Builders Association of Greater Peoria. But in Peoria, "the quality of workmanship is above reproach.

"I've traveled all over the world, and I can come back to Peoria, and the housing feels good. It looks good."

But Wesley Wenger, HBA president two years ago, says workmanship is one of his major concerns. It is, he says, "way low. I don't mean to tell you there's no good craftsmen, but on the whole . . . there's a lot of mediocre help."

Not long ago, says Wenger, his foreman asked if a new carpenter could lay out floor joists in a particular manner. The answer was no. The foreman then asked if he could lay out rafters. The carpenter couldn't.

At that point, the foreman asked the carpenter what he could do, relates Wenger. The response was, "You put down the marks, and I'll nail 'em in."

Workmanship. Materials. Quality. Dollars. Big issues in the home building industry, but not new issues. Some builders say it harks back 25 or 30 years, when critics alleged that the Best pre-fabs being put up in Vet's Row near Chillicothe, in North Pekin and in the oldest parts of Rolling Acres would become instant slums.

In those years, recalls Ray Becker, president of Becker Bros. Inc., roof trusses "were a bad word." He says he built about 300 houses with trusses and as many without, and "the ones I built with trusses have lasted just as long."

If there's any change in the mix, it's the entrance of consumerism as a force in the industry. Today's home buyers apparently are more likely to squawk than their parents.

"I do notice that the customer is more aware and more consumer-oriented in that they want more for their dollars," says Rosenthal. "I have a few more calls from customers (regarding home-building problems) than I used to."

Wenger thinks inflation at least partly explains why he gets more complaints today than in the past.

"Consider that a house today costing $60,000 would have been built three or four years ago for $40,000. That guy's paying a lot more money—of course, he's making more, too—but he's more concerned about what he's paying, so we get a few more complaints."

Bill Whitehurst, manager of P&W Builders, has an even simpler explanation. Today's homes are bigger and contain more features and accessories.

"When you put more into a home, more can go wrong," he says.

Inflation has an impact on construction practices as well, builders acknowledge. It prompts the use of cheaper materials to help keep home prices manageable. It tends to discourage craftsmanship, with the emphasis on production often outstripping the emphasis on excellence.

"At $150 a day, how many guys do you want working on your house?" asks Wenger.

DeHart contends that the production push affects the quality of the home that's built and increases the likelihood of problems.

"If you take your time and do the job right, you cut a piece of wood to try to make it fit right. Today you don't. You just try to get the job done," he says.

At the same time, DeHart says sometimes contractors and tradesmen are unfairly blamed for problems that result from the quality of materials available for building.

Floor joists that used to be 2 x 8 inches are now 1⅜ by 7¼. The result may be a floor that tends to sag or appear a little uneven, he says.

Or a contractor buying two of 2 x 14 inch boards may get one which is just over 13 inches long and the other close to 14 inches. Using uneven lumber, he says, can result in squeaky floors, dips in walls, and windows and doors that don't quite fit.

"You have this beautiful home, and a week later the studs are warping; the floor joists are warping. If the contractor doesn't catch it, after a while you've got a bow in a wall," he says. "You get a flakeboard door that's more accessible to warping. You can look into houses today and find out where the plywood's delaminating."

Price is apparently no assurance that problems of this nature won't occur, says DeHart. "It's all the same. They're getting the same lumber in $100,000 and $200,000 houses as well."

Even Herman, who is otherwise lavish in his praise of local home building, acknowledges that the quality of materials isn't what it used to be. Of wood going into new homes, the second generation president of Noah Herman Sons Inc. says "I don't know if my dad would have used it for kindling."

But Herman says modern technology has more than compensated for lower-grade materials, and contends there is no sacrifice of overall home quality.

The use of stress analysis machinery and stress-grading of materials, for example, allows builders to know "where we can use what."

He even goes so far to insist that home buyers can be thankful that they don't build them like they used to.

"Builders are alert. They're reading manuals. They're learning technology. Before, we built houses by the seat of our pants. We figured if we used an 8-inch I-beam on the last house we built and it didn't fall in, then we'd use an 8-inch I-beam on the next one," he says.

Becker says that, prior to World War II, "houses were so overbuilt. We didn't have the technology to know what it took."

It's possible to use better materials in today's homes, but most buyers could not afford them, says Rosenthal.

He says it's important to remember not only the role of inflation, but the role of changing tastes in the home market.

Air conditioning, fireplaces, carpeting throughout, a double garage, a dishwasher and disposal, a family room and a deck are common today, but would have been considered luxuries a generation ago. Cheaper materials are to some extent a trade-off for more amenities.

Dollar-for-dollar, contends Becker, today's consumer gets more for his home money than he did 25 years ago.

New home quality tends to become more of a problem during a construction boom, such as that of the last two years, than a bust, says the FTC's Stanton.

When the money supply dries up, the builder is forced to lay off workers, hanging on only to his best. When the money market is good, he has to hire new people and train them quickly, says Stanton. "When they're just learning to do the job right, he has to lay them off again."

It is this cyclical nature of the business that leads to many problems and creates an unevenness of quality, says Stanton. He characterizes home-building as "an industry that is desperately in need of quality control."

If inexperienced workmen proliferate during a construction boom, so do inexperienced contractors, say both Becker and Herman.

"Too many guys with a pick-up truck and wheelbarrow call themselves a contractor," says Becker. He predicts that the current home-building slow-down will shortly "eliminate the boys from the men."

The more established contractors will remain in business, Becker says, and they'll be more willing to negotiate prices as well as more eager to please. All of which means that the consumer may benefit if he builds a home when money is tight and business is bad.

HOW Offers Protection for New Home Owner

(By Barb Mantz)

Suppose your builder goes broke before he finishes your house. Or retires to Florida after it's completed, leaving no one to service the warranty.

What if he says he's too busy to repair the leaky roof in your 11-month-old home, and you suspect he's waiting for the year's warranty to expire?

Can you get your builder to accept any responsibility when your four-year-old home's foundation starts to shift and crumble, requiring thousands of dollars worth of repairs?

Chances are, you'd either swallow heavily and take the loss or go to court—in which case, you'd probably end up taking a loss anyway.

If you think that Americans spending an average of $65,000 for a new home deserve better protection, you've got plenty of company—and not just in government or consumerist circles.

Since 1974 the National Association of Home Builders has been offering a national new home warranty program, called Home Owners Warranty (HOW). The NAHB started the program, partly out of concern for home buyers' interests and partly out of apprehension that if they didn't do something, government would.

The HOW program attempts to protect home buyers from contractors who go broke or won't service their own guarantees as well as to protect against serious defects that don't appear soon after a home is built. The warranties cover all defects in materials or workmanship for one year; plumbing, heating, electrical and cooling systems for two years; and major structural defects for 10 years.

Since the program was first offered here in 1976, 503 new homes, condominiums and owner-occupied duplexes in Peoria and Tazewell counties have been placed under HOW warranty. That represents an estimated 10 percent of single family residences built in the two counties in the last three years.

A HOW warranty is a matter of choice only to the extent that a new home buyer chooses a builder who offers one. In the Peoria area, seven builders and developers offer the program. The cost—about $2 per $1,000, or $130 on a $65,000 home—is paid by the builder.

Noah Herman Sons Inc. is the largest area builder offering HOW warranties. Its president, Howard Herman, was among five builders in the state who put seed money into the program to get it underway in downstate Illinois.

Today, Herman represents the Peoria district on the HOW board and remains a staunch supporter of the concept

"We had to do something because there were all kinds of consumer problems with the housing warranties," said Herman. "We figured this was the only way to stave off any kind of legislation . . . We figured we could handle it a lot better than the bureaucrats."

Herman says the program provides the best possible kind of protection for a consumer who otherwise "is definitely a pawn in the hands of a builder. If you don't have something like this warranty in your hands, what do you have?"

Not only are consumers protected in terms of the finished product, but they're protected even before they begin to build by virtue of the screening of builders who want to join HOW, says Herman. Applicants must demonstrate their technical ability, prove that they are financially sound and continue to file annual financial reports, and demonstrate fair dealings with consumers by supplying the names of 10 satisfied customers.

(One local applicant was rejected because he couldn't come up with 10 happy customers.)

The warranty program works this way:

During the first year after a home is built, the builder promises to repair defects caused by faulty workmanship or materials. The promise holds true during the second year for defects in the electrical, plumbing, heating and cooling systems and for major structural defects.

If a major structural defect shows up in years three through 10, a claim is filed with the cooperating insurance company. Major structural defects could include failure of beams, joists or load-bearing walls, weakening of the foundation, or major structural roof problems. They don't occur often, but when they do, repairs are costly.

The insurance also will pay to complete or repair a new home during the first two years if the builder goes out of business, drops out of HOW or refuses to service the warranty.

Insurance paid to complete and repair three or four Peoria area homes when Booth Construction Co., a HOW member, went broke last year, according to Herman.

More recently, HOW stepped in to finish a dozen homes in the Chicago area whose unlucky owners had lost their builder to bankruptcy.

Disputes over whether problems are covered under the warranty are resolved first through conciliation and secondly through a more formal arbitration procedure. There were 28 conciliations in 1977 and 1978 in downstate Illinois. Two arbitrations are about to begin. None of the cases involved local builders.

As of Oct. 1, 3,865 new homes in downstate Illinois had been warrantied by HOW and 137 builders offered the program. Nationally, the Home Owners Warranty Corp. figures that 11 percent of homes built since 1974 have HOW warranties.

Herman wishes the percentage was higher. The only local builders, besides him, who offer HOW warranties are Gay & Huff, Yorkshire Builders (Yorkshire Village and Morningside condominiums), HarVeMer Builders of Edwards, Charter Oak Developers, Professional Realty Services (Willow Lake Village) and Ron Doss Construction of Morton.

Conspicuously absent are such major builders as P&W, Becker Brothers and Custom Builders.

Herman says some of the builders object to the paperwork occasioned by HOW membership and some to the cost. But he figures the biggest obstacle, particularly among established builders, is the feeling "that they don't need the program. They don't believe it has any advantage to them."

That belief is echoed by G. Raymond Becker, president of Becker Brothers Inc., who says he sees no need to join HOW.

"I've been here for 30 years. I'll be here another 30 years. Why should I insure my homes?" he asks.

Herman thinks that builders who fail to perceive the value of HOW as a sales tool are misreading the home buyer's state of mind.

"To me, it's a tremendous sales tool," he says. "It shows that I have confidence in my own product. It's a tremendous sales tool for the home buyer three years down the road when he decides to sell."

Besides the limited participation, the local HOW program has been plagued by other problems, the most serious of which was Booth's collapse. Steve Booth, who owned the construction company, had been a leading HOW booster and was a director of the statewide organization.

Herman says he doesn't know why the financial reports filed by Booth with HOW eight months before he filed for bankruptcy didn't bring to light his money problems. While HOW stepped in to pay for completion and repairs on Booth homes, the program was unable to help owners who found that mechanic's liens had been placed against their homes by subcontractors whom Booth had not paid.

Booth isn't the only member lost by HOW. Established Washington builder Wesley Wenger, one of the initial HOW members and a past Home Builders Association president, quit. He says he found it too difficult to get HOW inspectors to examine his homes in a reasonable time period.

(In Peoria, city inspection is sufficient for HOW to okay a home, but in rural areas, the corporation's home offices in Springfield schedule the inspections. Much of Wenger's building is done in rural areas.)

"I had about 10 houses in a row that didn't get inspected, and they (HOW) didn't accept them," says Wenger. He says he understands the inspections problem has since been corrected and he hopes to rejoin the program in the spring.

"I'm a booster of it," he says.

Two other HOW members have gone out of business: Associate Partnership whose owner died, and PAC Clubs, which was bought out by Professional Realty Services. Professional Realty has taken over PAC's obligations under HOW, according to Herman.

At least one major local builder refuses to join HOW because he says it doesn't give the buyer enough protection.

"I pushed for a HOW program here when it was first introduced," says Bill Whitehurst, manager of P&W Builders. "But I thought it was a much more protective system to the buyer."

Whitehurst alleges that "what might be considered a defect by a quality builder is not considered a defect in their (HOW's) plan." He says a contractor would be under no obligation to fix problems of a cosmetic, rather than a structural nature, and regulations spelling out a contractor's obligations "should be tighter."

Moreover, Whitehurst charges that offering such a warranty "gives a false sense of security to the buyer," who may be disappointed later.

In spite of the problems, Herman remains optimistic about the future of the program. He points to the fact that every year, more and more Peoria and Tazewell county homes are being given HOW protection: 105 in 1976, 114 in 1977, and 284 during the first 11 months of 1978.

"Consumers have to have some kind of warranty system other than somebody's word," he says. Herman also expects pressure from government and lending institutions to encourage more builders to subscribe to the program

"We have not said we're not going to make loans to contractors who don't offer the HOW program," says Walter Rosenthal, construction superviser at First Federal Savings and Loan Assn. "But I can see some year down the way that we probably will."

While not endorsing the HOW warranty specifically, Thomas Stanton, deputy director of the Office of Policy Planning at the Federal Trade Commission, says an effective warranty is the single most important means of consumer protection he's aware of.

It's better than litigation, which may cost "as much as what's at stake" and doesn't solve the problem of transience in the industry.

"As builders go in and out of business, very often no one is around to sue," he complains. Stanton says a good warranty program offers a dispute settlement mechanism, such as conciliation, that doesn't require going to court, is backed up by insurance, and has fair standards.

Moreover, says Stanton, the fact that a builder does not offer a warranty may indicate that his work is not as good as that of a builder in the program.

"You need a builder who's willing to offer a warranty," says Stanton. We're concerned about negative selection—that's a valid question."

OTHER WAYS OF PROTECTING THAT NEW HOME INVESTMENT

(By Barb Mantz)

Whether you do or don't get a Home Owners Warranty (HOW) on your new home, you'll want to take steps to protect the biggest investment you may ever make.

Here are some agencies and individuals who are usually involved when a new home is built and the protection you might expect them to give you.

The builder: Home builders themselves rate careful builder selection as the most significant protective measure open to purchasers.

The builders interviewed—all of whom had at least 25 years experience in the industry—recommended selecting an established builder, who's been in business long enough to establish reasonable financial stability and a performance record.

Howard Herman, president of Noah Herman Sons, says he is "always amazed when somebody building a $100,000 house chooses someone that started in the business six months ago as a carpenter."

Herman suggests that you check the financial soundness of a prospective builder personally or ask your banker to do so. He recommends asking the builder for the name of his own banker and the names of two or three lending institutions that have financed homes he's built.

The Home Builders Association of Greater Peoria will indicate whether a builder is a member of that group. The Better Business Bureau will report how long a company has been in business, how many complaints have been filed against it and whether the company has responded to the complaints.

It is likely that none of these agencies will tell a prospective buyer to stay away from any individual builder. The warning may be more subtle. If none of these agencies are able to report that the builder has a good track record or is solidly established in the community, the wise buyer will be extremely cautious.

Herman also suggests obtaining from the builder the names of several previous customers, including some whose homes were built two or three years ago as well as newer purchasers. Those whose homes are a little older will have had more time to run across defects and will be freer to talk because they're no longer dependent on the builder for warranty service.

Frederick A. Johnson, an experienced real estate attorney with Swain, Johnson & Gard, says it's important to monitor the performance of the builder. Buyers should visit the construction site and make sure that 2 x 4s are being used when called for or that studs are indeed 16 inches apart.

It's easier for a builder to repair an error discovered by a buyer in early stages than later, when more work might have to be torn out.

The problem is that most buyers lack the technical knowledge to do a good job of monitoring the builder. Johnson suggests hiring an architect or engineer to examine the specifications and make sure, for example, that beams are large enough and that the furnace will provide enough heat.

Change orders—a more expensive light fixture or bathroom sink, for example, than called for in the plans—are a frequent source of friction between builders and buyers. It's a good idea to confirm in writing what any change from the original plan will cost.

Richard Doi, investigator with the local Consumer Fraud office, proposes that purchasers hold back $5,000 or so for release when all work is satisfactorily completed. Often, lenders release funds and owners move in when work remains to be done.

Doi says an escrow account would give purchasers the option of saying, "I'm not happy. I'm not going to release the money until you finish, and if you don't do the work, I'll hire someone else to do it."

The lender: The institution that holds the mortgage on your home has an interest in seeing that the house is worth its investment. To protect their interest, lenders usually:

Check out builders' reputations and financial stability. "We have turned down applications not because of the customer but because we can't deal with the contractor," said Walter Rosenthal, construction supervisor at First Federal Savings & Loan Assn. "It just happened the other day."

Review plans and specifications and make inspections during construction.

Control payments to the contractor or subcontractors. Some members make payouts, preceded by inspections, at specific stages of construction: when footings are poured, when framing is done, when systems are enclosed and when the home is completed, for example.

Others make continual payments as each job is completed: roofing, wiring, drywall, etc. The latter procedure has the advantage of requiring more frequent and specific inspections.

Some lenders pay the contractor, who then pays his subcontractors. Others make payments directly to subcontractors. The advantage of the latter system is that it assures that subcontractors will be paid. In this area, such has not always been the case. And when a subcontractor goes unpaid, he's likely not to be happy about servicing.

Once payout is completed a lender has no legal responsibility or control over the builder, even if defects turn up. Sometimes, however, the lender will attempt to jawbone a problem.

"Normally if it's a contractor we hope to be doing business with in the future, he'll go out and see that the job is done right," says Rosenthal.

Attorney: An attorney's primary protective role in a real estate transaction is to make sure the contract "is a good one," says Johnson. He says a good contract should include a penalty clause for late completion, a no-lien clause, a one-year warranty and plans and specifications.

None of these, he points out, addresses the problem of workmanship. Very serious defects may be addressed through the warranty of inhabitability which the Illinois Supreme Court has ruled applies to all new homes.

"The contractor warrants that you can live in the property," explains Johnson. "I sued a builder once who had built a split level with some bedrooms downstairs, and the basement was flooding. You really couldn't live in it."

Suing to force a contractor to live up to terms of any warranty is expensive, making the decision to take a contractor to court "really an economic question, more than anything else," says Johnson. If repairs will be expensive, a lawsuit might be considered: for $200 or $300 legal costs would probably exceed recovery.

City or County Inspection: Building inspectors examine homes under construction to make sure that materials and techniques comply with the building code they're enforcing. Do the bedroom windows open far enough to allow egress? Are there smoke detectors if required? Are the handrails the proper size? Are the studs 16 inches apart, and not 18 or 20? Is the water heater far enough away from the furnace?

Again, workmanship is of little concern. Inspectors, however, have at times been called upon to examine homes and give expert testimony in lawsuits against contractors.

Consumer Protection Agencies: The Better Business Bureau will forward your complaint to a contractor, but it has no enforcement powers. The Consumer Fraud office generally looks into complaints, but because fraud is rarely involved, it has little authority to act.

The Federal Trade Commission doesn't act on individual complaints, but may step in when violations of trade laws have been major and repeated. It was on that basis that the agency went after Kaufman & Broad.

HOMEBUYER WARRANTIES: CONSTRUCTING A GOOD FOUNDATION FOR BUILDER/CONSUMER RELATIONS

It is a real pleasure to be with you today at this Annual Convention, for I welcome the chance to congratulate you on the significant effort this industry is making to resolve some very important consumer problems. At a time when the American consuming public is heaping an avalanche of criticism on the business community, it is gratifying to hear that the housing industry has taken more than self-serving steps toward making industry self-regulation serve the consumer's interest. It is encouraging that your industry is attempting to beat government to the punch by recognizing the problems, anticipating the concerns of the new home buyer, and beginning to take effective steps to cure them. Only in this way can you change the consumer's perception of your industry.

Research in the early 1960's confirmed what most of you have known all along—the purchase of a home is one of the most difficult, emotionally-charged decisions the average family makes in a lifetime. The purchase of an automobile carries far less emotional impact than the buying of a home. Everything about the transaction is magnified. A home is the largest purchase the consumer will ever make. The mortgage contract will create the heaviest, longest-term debt the consumer will ever assume. In fact by today's social standards, the mortgage may be viewed as more binding than a marriage contract—harder to get into and harder to get out of.

Viewed from the consumer's standpoint, the purchase of a home has always been a difficult decision, but today it is even tougher due to inflation-ridden pricing. In this emotionally-charged context, when something goes wrong, the consumer's anxiety and disappointment are intensified, perhaps more so than with any other product. Indeed, the things that can go wrong can be serious, and in view of the prevalence of the complaints, they cannot be dismissed. Let's look, for a moment, at some recent press accounts.

September 28, 1978, the *Wall Street Journal* reports that a Carrolton, Texas, homebuyer spent $1,800 to prop up a settling foundation that had sent cracks up the corners of the house and had pulled the brick chimney loose. 120 homeowners in Northbrook, Illinois had to go to their village board to force a builder to fix defects—inadequate insulation, backed up toilets, and exposed wiring in electrical control boxes.

October 9, 1978, The *Washington Post* reports that a large builder was cited for over 2,500 building code violations in Bowie, Maryland.

December 11, 1978. *U.S. News & World Report*, tells of a Los Angeles woman who is suing the builder of her $55,000 home for defects allegedly including water pouring down the walls and through electrical outlets and cracking and buckling walls.

In the Kaufman & Broad investigation, FTC staff have themselves alleged, on the basis of professional inspections, a gamut of poor construction practices:

"In some houses, fire walls were improperly anchored, foundation walls were not covered with membrane waterproofing to prevent water seepage into habitable space . . . siding was not properly anchored, roof sheeting did not meet with edges, . . . piping and bathroom fixtures were not properly installed . . . walls were not properly supported by foundations, floor girders were not properly supported to prevent sagging floors, or foundations contained cracks due to structural failures. . . ."

To settle these allegations, Kaufman & Broad has offered the FTC a consent order which would, among other provisions, require it to provide a warranty with each new home it sells in the future, and repair major construction defects in homes purchased from it dating back to 1972. In addition, the order would prohibit Kaufman & Broad from selling or delivering housing that is not built in accordance with adequate standards of workmanship. In the near future, the Commission will be considering the public comments on the adequacy of this offer.

I recognize, as do you, that most of the homes built in this country are of sound, lasting quality. Yet, for too many Americans, the dream home has turned into a nightmare. You know as well as I do that as families move into their own little Garden of Eden, more and more are finding the apple full of worms. In fact, new home defects now rank among the top consumer problems in this country. The Council of Better Business Bureaus reported almost 5,000 complaints about new home defects in 1977 alone, up 40% from the year before. A frustrated attorney in the Massachusetts Attorney General's Office stated recently, only partly in exaggeration, "you get more protection buying a toaster than in buying a home!" As a result, some homebuyers believe they are being bilked for thousands of dollars, and they are expressing not only anguish but outrage.

In other words, a consumer revolt is brewing and unless all builders zero in on the problems and pull out all the stops to cure them, consumers are going to rise up in wrath and deliver a mighty blow to your industry.

In my judgment, there are three possible ways to tackle the problem.

One alternative is for the states to step in more effectively as watchdogs over the homebuilding industry. Several states, recognizing that home purchasers often do not discover defects until they actually live in their homes, have recently amended the common law to impose a warranty of habitability upon sellers of new homes. But in truth, this implied warranty is not enough. It merely confers upon the homebuyer the right to file a law suit.

For the purchaser who is already hard pressed to meet his mortgage payments, the right to engage in long, costly litigation is hardly very appealing. For the purchaser facing an insolvent builder, the right to sue is totally useless. And the insolvency of builders may be more common than most of of us imagine: in 1974 alone, according to Dun & Bradstreet, 1,840 construction firms went bankrupt with liabilities totaling $526.6 million. That was a recession year, of course, and all of these firms may not have been homebuilders, but still, it is clear that the homebuyer should not be left totally vulnerable to the ups and downs of the business cycle. What the homebuyer needs is a quick, straightforward remedy: a fair means of resolving disputes, preferably without going to court, and some form of insurance, escrow account, or performance bond to assure the availability of money to pay just claims.

Some states are now showing a good deal of interest in finding better solutions than the implied warranty. Last year, for example, New Jersey passed a "New Home Warranty and Builders Registration Act." The law is administered by the New Jersey Department of Community Affairs, which, among other things, will set construction standards and standards for dispute resolution procedures. Builders who offer a warranty conforming to prescribed standards will be exempt from the operation of the state-run warranty system, including the requirements to deposit funds with the state as security against homeowners' claims. So far, the new law has been applauded by consumers and local builders alike. As one who agrees with Justice Brandeis that states should be the experimental laboratories of our federal system, I along with others will be watching the New Jersey experience with keen interest in the months ahead.

There is, of course, a second alternative to the problem and that is for the Federal government to step forcefully into the picture, bringing with it all of the regulatory and enforcement powers entrusted to it by law. Protecting homebuyers against unfair trade practices in new home construction is already a responsibility that falls upon many shoulders in Washington. One of them is the Federal Trade Commission, on which I serve. As many of you know, the FTC has for many years addressed the vulnerability of consumers to marketplace abuses involving many sophisticated goods and services, ranging from insurance policies and vocational school contracts to products such as automobiles.

There is little the FTC can do about spiraling costs of housing, since that is left to the Department of Housing and Urban Development and such agencies as the Federal Reserve Board as well as state and local governments, but we can do something about the excessive costs borne by many purchasers of defective homes. With this objective in mind, the Commission has authorized its staff to investigate the incidence and severity of defects in new homes and the response of homebuilders to these problems, and to propose options to us in the near future. We may decide to bring increasing resources to bear against individuals and companies engaging in especially disreputable homebuilding practices, or these options may include increased support of state attorneys general in prosecuting violators under the state "little FTC Acts."

Although that investigation is still underway, I would like to give you a brief profile of the issue as we see it at this stage. As you know, about a million and a half households purchased newly constructed single-family homes last year. New homes are expensive, of course, now ranging over $60,000 for a median priced house and lot. This is a market, then, in which there are literally tens of billions of consumer dollars involved, not counting mortgage interest payments which are increasingly steep. Moreover, many of the families now buying homes appear to be accepting unusually large debt burdens in order to obtain their homes; understandably, they are looking for a hedge against inflation, but the net result is that we're creating a large group of people in this country who are "house poor." With some families having scraped together every penny and having shouldered an enormous load of debt, who can blame them for their outrage when they see their new dream house begin to crumble before their eyes?

It is clear, therefore, that in the absence of better alternatives, the Federal government is certain to become more and more heavily involved in a resolving these disputes and assuring the consumer a square deal in the marketplace.

Of course, a third alternative is for the homebuilding industry to regulate itself. The conscientious builder recognizes that a few extra dollars in construction can mean considerable savings later on. In the event that defects do appear, that same conscientious builder also takes it upon himself to make necessary repairs without first turning the customer into a frustrated adversary.

But you know, and I know, that individual self-regulation by a few members of an industry is not sufficient standing alone. There must be industry-wide self-regulation. That is why I come before you today to urge you to continue your efforts to establish a nationwide Home Owners Warranty program, offering consumers inexpensive warranty coverage.

Many builders—some ten thousand in all—have joined the HOW program of the NAHB, and in the year ending June 30, 1978, HOW covered one hundred sixty-five thousand, or about 11%, of the single family homes built in that period. Under the HOW program, the builder agrees to cover faulty workmanship and defective materials due to noncompliance wth HOW's approved standards during the first year. In addition, in the first two years major construction defects and plumbing, heating, electrical, and cooling systems are covered. And in the third through tenth years, the home is protected against major construction defects.

Your job at NAHB has not been easy. HOW representatives have made a determined effort to qualify under government requirements, ranging from those of the state insurance commissioners to our own Magnuson-Moss Warranty Act. And I assure you that your efforts have not gone unnoticed in Washington.

Not long ago, FTC staff met with leaders of NAHB and HOW. Your message to us was clear: the NAHB does not approve of shoddy construction practices. On the other hand, the NAHB opposes FTC regulation of the entire home-building industry—something that, in your view, would burden the conscientious builder with unnecessary requirements. We are sensitive to your concerns. The building industry is unusually beset with government regulation, especially in the form of local restrictions and fees. We are also sensitive to the fact that much of the problem is not of your making: fluctuations in the credit cycle mean that builders must let workers go in times of tight money, then rush to rehire and retrain when mortgage funds are available—only to lay off again when the money market dries up. This stop-and-start way of life virtually guarantees that you cannot keep a group of trained employees on hand. Moreover, many of you face problems because of the negligence of subcontractors. But the fact remains that many builders cope with this adverse environment, providing quality homes and turning a good profit.

Our economists tell us that effective private warranty programs can be an efficient way to reduce housing costs. They start with the proposition that the consumer pays for everything eventually, including both up-front costs as well as operating expenses. The question is how to lower the total, overall costs charged to consumers.

Given the cycles of boom-and-bust in the mortgage market, builders have an incentive to build quickly, possibly to the detriment of housing quality. Shoddy building practices can be concealed from many purchasers who cannot be expected to have the technical expertise to evaluate the structural soundness of a home or the quality of electrical, plumbing, or air conditioning systems. This means that poor construction harms the good builder as well as the consumer, because the lower quality construction can initially be sold for lower prices. The purchaser will only find out about the true cost of the home when it is too late, after moving in, when the defects begin to appear.

With a private warranty program, however, the market may be able to correct itself. When builders qualify for a program such as HOW, the insurance company and the builder have an incentive to keep costs down by requiring that construction meet minimum standards of quality.

Ideally, we will one day see competition introduced in the home warranty business with warranty premiums varying according to the quality track record of the individual builder, thereby giving consumers a chance to shop for the builder with lower warranty premiums and the higher quality work that comes with them. Builders with poor construction track records will cost the insurance company more than it's worth to keep them in the program. The consumer and the quality builder would both be better off in such a competitive environment. And, I might add, there is some evidence that consumers would be willing to pay for private warranties and other means of reducing their long-term costs. Professional Builder Magazine, in its December 1978 survey, found that nearly 70 percent of consumers would be willing to spend an additional $1,000 at construction time to cut down on future maintenance costs, with some willing to pay even more.

The HOW program, then, has the potential to provide a lasting model of business/consumer relations for American industry. The FTC staff and HOW together are presently examining the dispute resolution mechanism to see how well it works in practice. There are some questions concerning whether the standards for HOW claims adequately serve the homebuyer. For example, do the HOW approved standards for the first year provide sufficient consumer protection? Should the two year coverage of heating, plumbing, and electrical systems be limited to ductwork, pipes, and wiring or the ten year coverage of major construction defects be limited solely to loadbearing portions of the home? I am also concerned that the HOW program—voluntary as it is—has not attracted greater participation by builders; this means that large numbers of consumers may not currently be receiving adequate protection. Couldn't HOW be more aggressively marketed? What about a concentrated national media campaign now that the program at least touches so many market areas? Shouldn't non-NAHB members be permitted to join HOW without paying much steeper fees than NAHB members? And adding consumer representatives and other interested parties to the HOW Board of Directors and the local HOW councils would certainly help to assure that the program responsively serves as broad a market as possible and responds to a concern that a cross section of interested parties is not involved in the policymaking process.

Many of the questions about standards and dispute resolution procedures promise to resolve themselves once the program establishes a longer actuarial track record so the proper tradeoff can be made between warranty performance standards and the level of premium charged the homebuyer. We are committed to improving the effectiveness of the procedures used, just as you are, and we shall continue to encourage you to offer the consumer an effective, efficient method for the resolution of his problems.

I would be less than candid with you if I did not leave this message: the patience of the American consumer is rapidly running out. You may think, as I do, that Americans are fed up with Big Government and want it to keep its cotton-pickin' hands out of private enterprise. That is true generally, but it is not true in every instance. There are many cases—and homebuilding is certainly one of them—where consumers are demanding more protection from the government, not less. The consumer movement is no longer made up of small bands of activists with no troops standing behind them; the consumer movement is now part of our culture—it embraces every one of us. And it will not be denied over an issue so fundamental as decent housing.

So I say to you today that as homebuilders, you have a choice: either you can each independently decide to make self-regulation work or you can brace yourselves for full-scale, hard hitting regulation from the government. It's that simple.

As homebuilders, you already have in your hands the instrument that you need. The HOW program, while imperfect, offers an excellent opportunity for homebuilders to be responsive to consumer concerns—and ultimately to bring great benefit to builders themselves. A year ago, a survey conducted by *Professional Builder Magazine* indicated that 79% of purchasers considered a new home warranty "very important" in their decision to buy a new home. By contrast, only 22% of the builders recognized that warranties are important to their customers, perhaps explaining, in part, why HOW has fallen beneath its original membership goals. As the magazine commented, most builders "may be missing a sales bet."

I strongly urge you to carry this program across the land, to strive to improve it where needed, to make universal your own dedication to quality building. Only then will you truly fulfill your unique opportunity to lead the way for other industries less responsive and less responsible to the consumer; only then will you truly capitalize on your unique chance to help alleviate the rigid confrontation climate between government and industry, the tension between consumer groups and business; only then will you truly utilize the powerful vehicle you have in your hands to eliminate the need for government regulation; only then will you truly exploit that "sales bet" and fully profit in the process.

Years from now, we are all going to look back on our lives and careers and ask, "What did we do that was important, what did we do that counted, that made a difference?" I'd like it said that at a time when consumer sensitivity and skepticism about American business and industry were at a high point, the housing industry led the way in restoring the consumer's faith in the American free enterprise system, that the march toward that goal—toward a greater industry commitment to the public, began right here in Las Vegas at this convention.

Thank you.●

S. 330—VETERANS' ADMINISTRATION ADJUDICATION PROCEDURE JUDICIAL REVIEW ACT

● Mr. HART. Mr. President, on Thursday, February 1, 1979, I introduced S. 330, the Veterans' Administration Adjudication Procedure Judicial Review Act.

I request that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 330

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Veterans' Administration Adjudication Procedure and Judicial Review Act".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—ADJUDICATION PROCEDURES

Sec. 101. (a) Chapter 51 is amended by adding at the end of subchapter I thereof the following new section:

"§ 3007. Burden of proof; reasonable doubt

"(a) Except when otherwise provided by the Administrator in accordance with the provisions of this title, a claimant for benefits under laws administered by the Veterans' Administration shall have the burden of submitting evidence sufficient to justify a belief by a fair and impartial individual that the claim is well grounded.

"(b) When, after consideration of all evidence and material of record in any proceeding before the Veterans' Administration, a reasonable doubt exists regarding the merits of a claim for any benefit under laws administered by the Veterans' Administration, such doubt shall, pursuant to regulations which the Administrator shall prescribe, be resolved in favor of the claimant, but nothing in this section shall be construed as shifting from a claimant to the Administrator the burden described in subsection (a) of this section.".

(b) (1) The table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part IV of such title are each amended by striking out in the item relating to chapter 51 "Applications" and inserting in lieu thereof "Claims,".

(2) The heading of such chapter is amended to read as follows:

"Chapter 51—CLAIMS, EFFECTIVE DATES, AND PAYMENTS".

(c) (1) The table of sections at the beginning of such chapter is amended by striking out in the item relating to subchapter I "Applications" and inserting in lieu thereof "CLAIMS".

(2) The heading of subchapter I of such chapter is amended to read as follows:

"Subchapter I—Claims".

(d) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 3006 a new item as follows:

"3007. Burden of proof; reasonable doubt.".

Sec. 102. Section 3311 is amended by adding at the end thereof the following new sentence: "Subpenas authorized under this section shall be served by any individual authorized by the Administrator (1) by delivering a copy thereof to the individual named therein, or (2) by mailing by registered or certified mail addressed to such individual at such individual's last dwelling place or principal place of business. A verified return by the individual so serving the subpena setting forth the manner of service, or, in the case of service by registered or certified mail, the return post office receipt therefor signed by the individual so served shall be proof of service.".

Sec. 103. Section 4001 is amended by—

(1) amending subsection (a) by striking out "(not more than fifty)" and inserting in lieu thereof "(not more than sixty-five)", striking out "associate", and inserting before the period at the end of the second sentence "in a timely manner"; and

(2) adding at the end thereof the following new subsection:

"(c) The Chairman shall submit a report to the appropriate committees of the Congress, not later than February 1, 1980, and annually thereafter, on the experience of the Board during the prior fiscal year together with projections for the fiscal year in which the report is submitted and the subsequent fiscal year. Such report shall contain, as a minimum, the number of cases appealed to the Board during the prior fiscal year, the numbers of cases pending before the Board at the beginning and end of such fiscal year, the number of such cases which were filed during each of the twenty-four months preceding the prior fiscal year and the then current fiscal year, respectively, the average length of time a case was before the Board between the time of filing of an appeal and the disposition during the prior fiscal year, and the number of members and other professional, administrative, clerical, stenographic, and other personnel employed by the Board at the end of the prior fiscal year. The projections for the current fiscal year and subsequent fiscal year shall include, for each such year, estimates of the number of cases to be appealed to the Board and an evaluation of the Board's ability, based on existing and projected personnel levels, to ensure timely disposition of such appeals as required by subsection (a) of this section.".

SEC. 104. Section 4002 is amended by striking out "associate" wherever it appears.

SEC. 105. Subsections (a) and (b) of section 4003 are amended by inserting a comma and "after notice to the claimant of such additional information together with an opportunity to be heard in connection with such information," after "concerned".

SEC. 106. Section 4004 is amended by—

(1) inserting before the period at the end of the second sentence in subsection (a) "after affording the claimant an opportunity for a hearing and shall be based exclusively on evidence and material of record in the proceeding and on applicable provisions of law";

(2) amending subsection (b) by striking out "in the form of official reports from the proper service department" and adding at the end thereof, the following new sentence: "A judicial decision upholding, in whole or in part, the disallowance of a claim under chapter 72 of this title shall not diminish the Board's discretionary authority under this subsection to reopen the claim and review the Board's former decision."; and

(3) amending subsection (d) to read as follows:

"(d) After reaching a decision in each case, the Board shall promptly mail notice of its decision to the claimant and the claimant's authorized representative, if any, at the last known address of the claimant and at the last known address of the claimant's authorized representative, if any. Each decision of the Board shall include—

"(1) a written statement of the Board's findings and conclusions, and reasons or bases therefor, on all material issues of fact, law, and matters of discretion presented on the record; and

"(2) an order granting appropriate relief or denying relief.".

SEC. 107. Subsection (d) of section 4005 is amended by—

(1) amending paragraph (5) by striking out "will base its decision on the entire record and"; and

(2) adding at the end thereof the following new paragraph:

"(6) In order to assure the resolution of claims as promptly as feasible and to afford claimants the opportunity for an appellate hearing before a disinterested authority at a location as convenient as possible for each claimant, the Administrator may provide a procedure, pursuant to regulations which the Administrator may prescribe after notice and public hearing, whereby a claimant may, within the time afforded the claimant under paragraph (3) of this subsection to file an appeal, request a *de novo* hearing before a panel of three Veterans' Administration employees, each of whose primary responsibilities include adjudicative functions but none of whom shall have previously considered the merits of the claim at issue. Such hearing shall be conducted at the agency of original jurisdiction unless there are not reasonably available at such agency a sufficient number of such employees to constitute such a panel, in which case such hearing shall be conducted at the nearest Veterans' Administration office at which there is a sufficient number of such employees reasonably available to constitute such a panel. Following such hearing, such panel shall be responsible for rendering a decision and preparing a new statement of the case in accordance with the requirements of paragraphs (1) and (2) of this subsection. Such new statement of the case shall, for all purposes relating to appeals under this chapter, be considered to be a statement of the case as required by such paragraph (1). Review of the decision of such panel by the Board pursuant to section 4004 (a) of this title shall be available, but the hearing before such panel shall satisfy the requirement in section 4004(a) of this title that the appellant be afforded the right to a hearing before the Board. Any hearing provided under a procedure established by the Administrator under this paragraph shall be in addition to any development and review action carried out pursuant to paragraph (1) of this subsection. The hearing procedure authorized under the provisions of this paragraph may be applied in one or more geographically limited areas on a pilot basis for a limited period of time in order for the Administrator to evaluate the desirability and feasibility of general application of such procedure.".

SEC. 108. Section 4009 is amended by adding after subsection (b) the following new subsection:

"(c) Whenever there exists in the evidence of record in an appeal case a substantial disagreement between the findings or opinions of two physicians with respect to an issue material to the outcome of the case, the Board (or, in the case of a hearing pursuant to section 4005(d)(6) of this title, the panel conducting such hearing) shall, upon the request of the claimant and after taking appropriate action to attempt to resolve the disagreement, arrange for an advisory medical opinion in accordance with the procedure prescribed in subsection (b) of this section.".

SEC. 109. (a) Chapter 71 is further amended by adding at the end thereof the following new sections:

"§ 4010. Adjudication procedures

"(a) For purposes of conducting any hearing, investigation, or other proceeding under this chapter, the Administrator may administer oaths and affirmations, examine witnesses and receive evidence.

"(b) Any oral, documentary, or other evidence may be admitted in a hearing, investigation, or other proceeding under this chapter, even though inadmissible under the rules of evidence applicable to judicial proceedings, but the Administrator, under regulations which the Administrator shall prescribe, shall provide for the exclusion of irrelevant, immaterial, or unduly repetitious evidence.

"(c) In the course of any hearing under this chapter, any party to such proceeding or such party's authorized representative shall be afforded opportunity—

"(1) at a reasonable time prior thereto as well as during such proceeding, to examine and, on payment of a fee prescribed pursuant to section 3302(b) of this title (not to exceed the direct cost of duplication), obtain copies of the contents of the case files and all documents and records to be used by the Veterans' Administration at such proceeding;

"(2) to present witnesses and evidence, subject only to such restrictions as may be set forth in regulations which the Administrator shall prescribe, pursuant to subsection (b) of this section, as to materiality, relevance, and undue repetition;

"(3) to make oral argument and submit written contentions, in the form of a brief or similar document, on substantive and procedural issues;

"(4) to submit rebuttal evidence;

"(5) to present medical opinions and request an independent advisory medical opinion pursuant to subsection (c) of section 4009 of this title; and

"(6) to serve written interrogatories on any person, including employees of the Veterans' Administration, which interrogatories shall be answered separately and fully in writing and under oath unless written objection thereto, in whole or in part, is filed with the Administrator by the person to whom the interrogatories are directed or such person's representative.

The fee provided for in clause (1) of this subsection may be waived by the Administrator, pursuant to regulations which the Administrator shall prescribe, on account of the party's inability to pay or for other good cause shown. In the event of any objection, filed under clause (6) of this subsection, the Administrator shall, pursuant to regulations which the Administrator shall prescribe establishing standards consistent with standards for protective orders under rule 26(c) of the Rules of Civil Procedure for the United States District Courts, evaluate such objection and issue an order (A) directing that, within such period as the Administrator shall specify, the interrogatory or interrogatories objected to be answered as served or answered after modification, or (B) indicating that the interrogatory or interrogatories are no longer required to be answered. If any person upon whom interrogatories are served under this section fails to answer or fails to provide responsive answers to any such interrogatories within thirty days after service or such additional time as the Administrator may allow, the Administrator shall, upon a statement or showing by the party who served such interrogatories of general relevance and reasonable scope of the evidence sought, issue a subpena pursuant to section 3311 of this title (with enforcement of such subpena to be available pursuant to section 3313 of this title) for such person's appearance and testimony on such interrogatories at a deposition on written questions, at a location within one hundred miles of where such person resides, is employed, or transacts business.

"(d) In the course of any hearing, investigation, or other proceeding under this chapter, an employee of the Veterans' Administration may at any time disqualify himself or herself on the basis of personal bias or other cause. On the filing by a party in good faith of a timely and sufficient affidavit averring personal bias or other cause for disqualification on the part of such an employee, the Administrator shall determine the matter as a part of the record and decision in the case.

"(e) The transcript or recording of testimony and the exhibits, together with all papers and requests filed in the proceeding, and the decision of the Board shall constitute the exclusive record and shall be available for inspection at reasonable times and places and, on the payment of a fee prescribed pursuant to section 3302(b) of this title (not to exceed the direct cost of duplication), shall be copied for the claimant or such claimant's authorized representative within a reasonable time. Such fee may be waived by the Administrator, pursuant to regulations which the Administrator shall prescribe, on account of the party's inability to pay or for other good cause shown.

"(f) Notwithstanding section 4004(a) of this title, section 554(a) of title 5, or any other provision of law, adjudication and hearing procedures prescribed in this title and in regulations prescribed by the Administrator under this title for the purpose of administering veterans' benefits shall be exclusive with respect to hearings, investigations, and other proceedings under this chapter.

"§ 4011. Notice of procedural rights

"In the case of any denial, in whole or in part, of a claim for benefits under laws administered by the Veterans' Administration, the Administrator shall, at each procedural stage relating to the disposition of such a claim, beginning with denial after an initial review or determination and including the furnishing of a statement of the case and the making of a final determination by the Board, provide to the claimant and such claimant's authorized representative, if any, written notice of the procedural rights of the claimant. Such notices shall be on such forms as the Administrator shall prescribe by regulation and shall include, with respect to proceedings before the Veterans' Administration, (1) descriptions of all subsequent procedural stages provided for by statute, regulation, or Veterans' Administration policy, (2) descriptions of all rights of the claimant expressly provided for in or pursuant to this chapter, of the claimant's rights to a hearing, to reconsideration, to appeal, and to representation, and of any specific procedures necessary to obtain the various forms of review available for consideration of the claim, and (3) such other information as the Administrator, as a matter of discretion, determines would be useful and practical to assist the claimant in obtaining full consideration of the claim.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

"4010. Adjudication procedures.

"4011. Notice of procedural rights.".

TITLE II—VETERANS' ADMINISTRATION RULE MAKING

SEC. 201. (a) Subchapter II of chapter 3 is amended by adding at the end thereof the following new section:

"§ 221. Rule making

"Notwithstanding the provisions of subsection (a)(2) of section 553 of title 5, the promulgation of rules and regulations by the Administrator shall be subject to the requirements of section 553 of title 5.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

"221. Rule making.".

TITLE III—JUDICIAL REVIEW

SEC. 301. Subsection (a) of section 211 is amended by striking out "sections 775, 784" and inserting in lieu thereof "sections 775 and 784 and chapter 72".

SEC. 302. (a) Part V is amended by adding after chapter 71 the following new chapter:

"CHAPTER 72—JUDICIAL REVIEW

"Sec.

"4025. Jurisdiction.

"4026. Scope of review.

"4027. Remands.

"4028. Survival of actions.

"4029. Appellate review.

"§ 4025. Jurisdiction

"(a) After any final decision of the Administrator (as defined in subsection (c) of this section) adverse to a claimant in a matter involving a claim for benefits under any law administered by the Veterans' Administration, such claimant may obtain a review of such decision in a civil action commenced within one hundred and twenty days after the mailing to the claimant of notice of such decision pursuant to section 4003 of this title. Such action shall be brought against the Administrator in the district court of the United States for the judicial district in which the plaintiff resides or the plaintiff's principal place of business is located, or in the United States District Court for the District of Columbia.

"(b) In any matter not directly involving a claim for benefits under any law administered by the Veterans' Administration, section 211(a) of this title shall not operate as a bar to a civil action otherwise authorized by law.

"(c) For the purposes of this chapter, 'final decision of the Administrator' means—

"(1) a final determination of the Board of Veterans' Appeals pursuant to section 4004 (a) or (b) of this title; or

"(2) a dismissal of an appeal by the Board of Veterans' Appeals pursuant to section 4005 or 4008 of this title.

"(d) The provisions of this chapter shall not apply to matters arising under chapters 19 and 37 of this title.

"(e) The complaint initiating an action under subsection (a) of this section shall contain sufficient information permit the Administrator to identify and locate the plaintiff's Veterans' Administration records.

"(f) The Administrator shall file, together with the answer to a complaint filed pursuant to subsection (a) of this section, a certified copy of the records upon which the findings of fact and decision complained of are based.

"(g) In an action brought pursuant to subsection (a) of this section, the court shall have power to enter, upon the pleadings and the records specified in subsection (f) of this section, a judgment affirming, modifying, or reversing the decision of the Administrator, with or without remanding the cause for additional proceedings by the Administrator.

"§ 4026. Scope of review

"(a) In any action brought under section 4025 of this title, the reviewing court to the extent necessary to its decision and when presented, shall—

"(1) decide all relevant questions of law, interpret constitutional, statutory, and regulatory provisions;

"(2) compel action of the Administrator unlawfully withheld; and

"(3) hold unlawful and set aside decisions, findings, and conclusions of the Administrator found to be—

"(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;

"(B) contrary to constitutional right, power, privilege, or immunity;

"(C) in excess of statutory jurisdiction, authority, or limitations, or in violation of a statutory right;

"(D) without observance of procedure required by law; or

"(E) unsupported by substantial evidence.

"(b) In no event shall findings of fact made by the Administrator be subject to trial *de novo* by the reviewing court.

"(c) When a final decision of the Administrator (as defined in section 4025(c) of this title) is rendered in any case and such decision is adverse to a party solely because of the failure of such party to comply with any applicable regulation of the Veterans' Administration, the court shall review only questions raised as to compliance with and the validity of the regulation.

"§ 4027. Remands

"In any action brought under section 4025 of this title, the reviewing court shall, on motion of the Administrator made before the expiration of the time specified for the filing of an answer to a complaint filed pursuant to subsection (a) of such section, allow a single remand of a case to the Administrator for further review by the Administrator. If such review is not completed within ninety days after the date of such remand, the matter shall be returned to the court for its action. At any time after the Administrator files an answer, the court may, in the exercise of its discretion, remand the case to the Administrator for further action by the Administrator and, if either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such additional evidence in the proceedings before the Administrator, the court shall remand the case to the Administrator and order such additional evidence to be taken by the Administrator. After a case is remanded to the Administrator, and after further action by the Administrator, including consideration of any additional evidence, the Administrator shall modify, supplement, or affirm the findings of fact or decision, or both, and shall file with the court any such modification, supplementation, or affirmation of findings of fact or decision or both, as the case may be, and certified copies of any additional records and evidence upon which such modification, supplementation, or affirmation was based. Any such modification, supplementation, or affirmation of the findings of fact or decision shall be reviewable by the court only to the extent provided with respect to the review of the original findings of fact and decision in section 4026 of this title.

"§ 4028. Survival of actions

"Any action brought under section 4025 of this title shall survive, notwithstanding any change in the person occupying the Office of the Administrator or any vacancy in such office.

"§ 4029. Appellate review

"The decisions of a district court pursuant to this chapter shall be subject to appellate review by the courts of appeals and the Supreme Court of the United States in the same manner as judgments in other civil actions.".

(b) The table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part V are each amended by adding below the item relating to chapter 71 a new item as follows:

"72. Judicial Review................ 4025".

SEC. 303. Subsection (d) of section 1346 of title 28, United States Code, is amended by inserting "except as provided for in chapter 72 of title 38" after "pension".

TITLE IV—ATTORNEYS' FEES

SEC. 401. Section 3404 is amended by—

(1) amending subsection (c) to read as follows:

"(c) The Administrator, pursuant to regulations which the Administrator shall prescribe, may determine and approve payment of reasonable attorneys' fees to be paid by the claimant, to attorneys recognized under this section, for services rendered in representing an individual before the Veterans' Administration in connection with claims for benefits under laws administered by the Veterans' Administration. In no event shall such attorneys' fee, determined and approved by the Administrator, exceed—

"(1) for any claim resolved prior to the claimant's receipt of a statement of the case pursuant to section 4005(d) of this title, $10; or

"(2) for any claim resolved following the claimant's receipt of such statement of the case, an amount not in excess of the lesser of—

"(A) the fee agreed upon by the claimant and the attorney; or

"(B)(i) $500, or a greater amount specified in regulations prescribed by the Administrator based on changed national economic conditions subsequent to the date of enactment of this subsection, except that the Administrator may, in the Administrator's discretion, determine and approve a fee in excess of $500, or such greater amount if so specified, in an individual case involving extraordinary circumstances warranting a higher fee; or

"(ii) if the claimant and an attorney have entered into an agreement under which no fee is payable to such attorney unless the claim is resolved in a manner favorable to the claimant, 25 per centum of the total amount of any past-due benefits awarded on the basis of the claim."; and

(2) adding at the end of such section the following new subsections:

"(d) If, in an action brought under section 4025 of this title, the matter is resolved in a manner favorable to a claimant who was represented by an attorney, the court may determine and approve as part of its judgment a reasonable fee for the representation of such claimant in such action. When the claimant and an attorney have entered into an agreement under which no fee is payable to such attorney unless the matter is resolved in a manner favorable to the claimant, the fee so determined and approved shall not exceed 25 per centum of the total amount of any past-due benefits awarded on the basis of the claim.

"(e) To the extent that past-due benefits are awarded in proceedings before the Administrator or by a court, the Administrator shall direct payment of any attorney's fee that has been determined and approved under this section out of such past-due benefits, but in no event shall the Administrator withhold any portion of benefits payable for a period subsequent to the date of the decision of the Administrator or court making such award.

"(f) The determination and approval by the Administrator regarding attorneys' fees pursuant to subsection (c) of this section may be reviewed by a court only to determine whether the Administrator's action constituted an abuse of discretion. Review of the determination and approval by either the Administrator or the court regarding an attorneys' fee shall be obtained as follows:

"(1) For an award in conjunction with a claim before the Administrator pursuant to subsection (c) of this section, by an action brought within thirty days after the date of notice of such award by either the claimant or the attorney in the district court of the United States in the judicial district in which the claimant resides or the claimant's principal place of business is located.

"(2) For an award in conjunction with a claim approved by a United States court pursuant to subsection (d) of this section, on a motion made within thirty days after the date of such award by either the claimant or the attorney in the district court of the United States where the appeal was considered.

For actions brought under clause (1) of this subsection, the Administrator shall be named as the defendant, but notice of any such action shall also be given to all parties in interest and all such parties shall be heard by the court reviewing the award.

"(g) The provisions of this section shall apply only to cases involving claims for benefits under the laws administered by the Veterans' Administration, and such provisions shall not apply in cases in which the Veterans' Administration is the plaintiff or in which other attorneys' fee statutes are otherwise controlling.

"(h) For the purposes of subsections (c) and (d) of this section, claims shall be considered as resolved in a manner favorable to the claimant when all or any part of the relief sought is granted.

"(i) In an action brought under section 4025 of this title, the court, in its discretion, may allow the prevailing party, other than the Administrator, reasonable attorneys' fees as part of the costs.".

SEC. 402. Section 3405 is amended by striking out "or" after "title," and striking out "him" and inserting in lieu thereof "such claimant or beneficiary, or (3) with intent to defraud, in any manner willfully and knowingly decevies, misleads or threatens a claimant or beneficiary or prospective claimant or beneficiary under this title with reference to any matter covered by this title, by word, circular, letter, or advertisement".

TITLE V—EFFECTIVE DATES

SEC. 501. The provisions of this Act shall become effective on the first day of the first month beginning one hundred and eighty days after the date of enactment of this Act.

SEC. 502. A civil action authorized in chapter 72 of title 38, United States Code, as added by section 302 of this Act, may be instituted to review decisions of the Board of Veterans' Appeals rendered on or after January 1, 1977, and prior to the effective date of this Act: *Provided*, That such actions are instituted not later than one hundred and twenty days after the effective date of this Act or after the mailing of notice by the Administrator to the last known address of a claimant of the right to bring such a civil action, whichever occurs later.

A BILL TO AMEND THE INTERNATIONAL TRAVEL ACT OF 1961

Mr. JAVITS. Mr. President, I am joining Senators CANNON and INOUYE in sponsoring S. 233, a bill to amend the International Travel Act of 1961 to authorize appropriations for the U.S. Travel Service. The administration has proposed to discontinue the U.S. Travel Service by failing to request funds to administer the Service in this year's budget.

I have been a supporter of the U.S. Travel Service for many years. In 1953. I introduced a bill in the House of Representatives that put forward the concept of a U.S. Travel Service. Eight years later Senator MAGNUSON and I sponsored the International Travel Act of 1961. which established the U.S. Travel Service to develop, plan, and carry out a comprehensive program to stimulate and encourage travel to the United States by residents of foreign countries. The Service serves as a means of promoting friendly understanding and goodwill among citizens of foreign countries and of the United States.

It is as important today as it was in 1953 to recognize the importance of the travel industry and to assist in its development. Increased foreign tourism in the United States has made a significant contribution to rectifying our serious balance-of-payments deficit and will continue to do so as more and more foreign residents discover the national and historic sites found in all 50 States.

In this regard, New York has benefited historically from a heavy inflow of foreign visitors. However, I would like to point out to my colleagues that the U.S. Travel Service has focused on increasing tourism in parts of the United States that have not traditionally had tourist-related industries. In fact, the activities of the Service probably benefit other less traveled States to a greater degree than they do well traveled areas like New York.

The U.S. Travel Service, through its offices overseas and its extensive dealing with tourist-related industries—hotels, restaurants, and so forth—in the United States has sought to assist foreign visitors to overcome major inconveniences. For example, the U.S. Travel Service has sought to insure that hotels and restaurants in all parts of the United States have staff that speak foreign languages and that foreign exchange facilities are available.

I would also like to point out that, in an effort to reduce administrative expenses, S. 233 has cut back the U.S. Travel Service Washington staff by 60 percent. The bill authorizes $8 million for the fiscal year ending September 30, 1980. In light of the important national service the U.S. Travel Service performs and the magnitude of the contribution of the U.S. tourist industries to the economy—$8.6 billion in 1978—I urge support for S. 233 to preserve the U.S. Travel Service.

RECESS UNTIL 2:12 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a recess for not to exceed 15 minutes.

There being no objection, the Senate, at 1:57 p.m., recessed until 2:12 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BOREN).

ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until 12 noon tomorrow.

The motion was agreed to; and at 2:13 p.m. the Senate recessed until tomorrow, Tuesday, February 6, 1979, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 5, 1979:

Department of State

Joan Margaret Clark, of New York, a Foreign Service officer of class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Malta.

Loren E. Lawrence, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Jamaica.

U.S. Postal Service

George Watson Camp, of Georgia, to be a Governor of the U.S. Postal Service for the term expiring December 8, 1985, vice William A. Irvine, term expired.

Richard R. Allen, of North Carolina, to be a Governor of the U.S. Postal Service for the term expiring December 8, 1986, vice Crocker Nevin, term expired.

CONFIRMATION

Executive nomination confirmed by the Senate February 5, 1979:

Federal Deposit Insurance Corporation

Irvine Henry Sprague, of California, to be a Member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of six years.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Monday, February 5, 1979*

The House met at 12 o'clock noon.

Chaplain James David Ford, B.D., offered the following prayer:

Here the words from Psalm 100:

Make a joyful noise unto the Lord, all ye lands, serve the Lord with gladness; come before His presence with singing.

O God, giver of hope and song, we give You praise that no matter what our situation in life we can be sustained by Your promise of a new and brighter day. Give us enthusiasm and power in all our tasks, and remind us that Your spirit can lift us from looking only to our interests, to service to others—the needy, the distressed, those with little hope, the lonely. Above all give us a spirit of confidence and joy, knowing that Your presence is ever with us even to life eternal. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

UNFINISHED BUSINESS—POWER TO DEAL WITH INTERNATIONAL ACTS OF AIR PIRACY AND TERRORISM

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of California. Mr. Speaker, along with my colleague, Chairman JOHNSON of the Public Works and Transportation Committee, I am today introducing a bill to provide more effective methods of dealing with the grave problem of international terrorism.

This is a bill which the Public Works and Transportation Committee passed out of committee last year. There was insufficient time for other committees to consider it fully in the 95th Congress, and since it represents urgent business for which the 96th Congress must take full responsibility, it is our intent to hold early hearings.

I am advised that on the Senate side Senator RIBICOFF also is reintroducing today his very similar bill.

This bill is designed to deal with the threat terrorism poses to Americans both at home and abroad. It will aid law enforcement officials in preventing terrorist acts and bringing to justice the perpetrators of such acts. It will give the President the tools necessary to deal with threats and acts of terrorism and to work toward closer international cooperation.

In the 95th Congress there were numerous sponsors of similar bills. We welcome such support and urge that Members call the Aviation Subcommittee or the Public Works Committee offices, telephone 225-4472, to register such support.

□ 1205

GALLUP POLL SHOWS 52 PERCENT WANT MORE CIVIL DEFENSE

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SKELTON. Mr. Speaker, while many of us and the public in general discuss the pros and cons of the SALT talks, the strengthening of our NATO forces, and the development of the cruise missile and the MX, ICBM missile systems, little attention is paid to a most important topic, namely, American civil defense preparedness. Unfortunately, there is low public awareness of this most crucial topic. However, when we speak of providing for the common defense of our country, a truly key issue is whether we are adequately preparing ourselves in the field of civil defense. I think it is important that we realize that though public awareness is still relatively low, a majority of the American people would support increased efforts to protect our population in the event of a nuclear attack. In the recent Sunday Washington Post, a report by George Gallup indicates that 52 percent of the persons interviewed on his nationwide poll say that we should do more than we are doing in the field of civil defense. I strongly suggest that each of us read the results of this survey on this key issue that will be facing us in the days ahead. It is set out herein:

FIFTY TWO PERCENT WANT MORE CIVIL DEFENSE

(By George Gallup)

PRINCETON, N.J.—While public awareness of the civil defense system remains low, Americans today favor increased efforts to protect the populace in the event of a nuclear attack.

When reminded or informed that the Soviet Union is spending several times as much as the United States to protect its people from nuclear attack, 52 percent of persons interviewed say we should do more than we are doing. In late 1976, the comparable figure was 44 percent. Only 7 percent in the current survey say we should do less than at present, while 30 percent say we are doing "about the right amount."

The Gallup Poll recently repeated a nationwide survey, first conducted in 1976, to learn what Americans know about the present civil defense program in the United States.

The findings show:

Nearly half (46 percent) said they did not know whether or not a civil defense organization exists in their communities.

Only 24 percent say they know where the nearest public shelter, if any, is located.

Although Americans reveal a lack of awareness regarding civil defense, considerable support is found for greater protection of the populace. About half the public (52 percent) think the United States should do more in this respect than we are now doing. Among the "aware groups" support for greater protection is slightly higher.

TRUTH IN DEFENSE PART VI: PAUL NITZE'S RESPONSE

(Mr. CARR asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. CARR. Mr. Speaker, on October 5, 1978, Mr. Paul Nitze of the "Committee on the Present Danger" appeared on the "Today Show." In response of that appearance, I issued a "Truth in Defense" bulletin to all Members of Congress, and inserted it in the CONGRESSIONAL RECORD on October 6.

To summarize my points very briefly:

I accused Mr. Nitze of comparing the forces of the two sides in terms of megatons, even though megatons are a poor measure of strategic nuclear capability.

I accused him of selecting the smallest-megaton U.S. missile and comparing it with the largest-megaton Soviet missile, implying that the ratio thus derived was representative of the total forces of the two sides.

I pointed out that strategic U.S. forces are as a whole technically superior to those of the Soviets and that, more importantly, the damage inflictable by both sides is so great that there is no foundation for a claim that our deterrent is or will be invalidated.

As is the custom in this series, I sent a copy of my remarks to Mr. Nitze, together with an offer to insert his response, in full and without comment, into the CONGRESSIONAL RECORD. Unfortunately, his response arrived while Congress was in adjournment. I am, therefore, inserting it in the RECORD at this time. I also point out that Mr. Nitze will be testifying before the House Armed Services Committee tomorrow, Tuesday, February 6, and I encourage all interested persons to attend.

The response follows:

DEAR CONGRESSMAN CARR: I now have your letter of October 14th enclosing your statement of October 5th purporting to comment on a report by the Committee on the Present Danger, which was released on that date but which you say you had not read when you issued your denunciatory statement about it and me.

Your statement obviously has nothing to do with the Committee on the Present Danger's report, "Is America Becoming Number 2? Current trends in the U.S.-Soviet Military Balance." That report deals with the entire military balance, not just with the strategic nuclear balance. Its discussion of the strategic nuclear balance makes little reference to megatonnage. Figures 1, 2, 3, and 4 of that report deal with ICBM throw-weight, the number of ICBM warheads, the number of SLBMs, and the number of SLBM warheads; Figures 5 and 7 deal with megatonnage as one of four criteria.

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Your statement must address quite a different subject; that is, my answer on NBC's "Today" show of October 5th to a question by Mr. Dancy concerning a section of an article by Philip Morrison and Paul Walker, published in the October 1978 issue of Scientific American. That section reads as follows: "From the earliest days of the ICBMs, it has been recognized that a couple of hundred *missiles* would suffice for a second strike deterrent to be launched if an adversary should strike first without warning. That number can be found today in the latest reports of the Department of Defense. The U.S., however, maintains at least 9,000—45 times 200—strategic missile *warheads* and its leaders are reluctant to reduce that number." (Italics added.) You will note the confusing transition from *missiles* to *warheads*. In any case, my answer was meant to deal precisely with the oversimplification contained in the reference. It was intended to bring out the error of using only one criterion—the number of warheads—by showing the quite different results of using a different, and at least equally pertinent, criterion, that of megatonnage.

By simple arithmetic, 200 of our Poseidon 40 kiloton warheads have an aggregate yield of eight megatons. This is less than a third of the 25 megaton yield of a single one of the largest Soviet warheads. Ten of these large Soviet warheads have as much yield as all the reliable at-sea submarine-launched ballistic warheads we now have or expect normally to have at-sea prior to 1985. It is also true that our SLBMs are our most survivable deterrent system; in fact, the only system we can expect any appreciable portion of which to endure—if not earlier used—for more than a few hours in a nuclear war. It is also true that fallout is proportional to megatonnage, assuming the weapons are burst at roughly the same altitude and obtain roughly the same proportion of their yield from fusion rather than fission. It is also true that 197 of the 200 largest Soviet cities can be evacuated in a matter of hours, and their population thus largely protected against blast and fire. The evacuation of Kiev might take a day, Leningrad three days, and Moscow perhaps four days. Fallout from a megaton of ground burst fission yield covers an area of several thousand square miles; blast much less than a tenth as much.

Other aspects of nuclear weapons than either numbers of weapons or megatonnage have more bearing on counter-military as opposed to counter-civilian uses. It is for that reason that it is important to consider all the pertinent criteria in analyzing these matters.

The section of the Morrison/Walker article on which I was asked to comment is as pure a statement of the minimum, minimum deterrent position as I have recently seen in print. It implies that one partially loaded Poseidon submarine at-sea and one in port, each with 100 RVs, would constitute an adequate deterrent. Did you really mean to associate yourself with that position? What would you propose the United States should do if we found one day that the submarine at-sea had been sunk by a conventionally armed weapon?

Sincerely yours,

PAUL H. NITZE.

P.S.—I enclose a copy of the letter I am sending to other members of the Congress.

DEAR MR. CONGRESSMAN: What prompts me to write you is a statement—with the ironical title of "Truth in Defense"—published over the names of Representatives Bob Carr and Tom Downey in the Congressional Record for October 6, 1978. The statement refers to a paper on the U.S.-Soviet strategic balance issued by the Committee on the Present Danger, makes a number of incorrect allegations about its contents (admittedly unread by the two gentlemen), and then adduces an array of bizarre conclusions about national security.

According to a letter to me from Mr. Carr, the two signers have sent the statement to every Member of the House of Representatives. Probably no appreciable harm will result, but I cannot dismiss the possibility that some unwary Member might take their assertions seriously and draw unwarranted conclusions. I think it appropriate therefore to send the CPD paper to each Member of Congress. A copy for you is enclosed.

Sincerely,

PAUL H. NITZE.

PROTESTING THE FARMERS' PROTEST

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, today I speak out in protest to a protest that is taking place in Washington; namely, that of the farmers' march.

I certainly support the right of any group to demonstrate and to express their point of view in Washington, but this particular protest is taking place when just 2 weeks ago President Carter said that farm incomes had risen nearly 30 percent in 1978. Farmers are here with 1,800 tractors blocking and locking up the Capitol and I think basically the whole program that they are suggesting of increasing parity levels and increasing target pricing at a time when our country is facing the problem of critical inflation is really outrageous.

I mention the 1,800 tractors. It is assumed that in spite of the energy crisis facing this country and the problems we are having in that respect, over 600,000 gallons of fuel are being used in this protest alone, to say nothing of the millions of dollars that are being spent in Washington by this group.

I am just here to say, Mr. Speaker, that I do not think the American people should pay this bill through higher farm subsidies and higher parities in any way, and I hope that my colleagues in the Congress agree with my opinion.

URBAN DEVELOPMENT ACTION GRANT PROGRAM

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter).

Mr. BONER of Tennessee. Mr. Speaker, I rise today to offer an amendment to title I of the Housing and Community Development Act of 1974 for the purpose of utilizing the urban development action grant program to assist certain urban counties in which there are areas with special needs relating to physical and economic deterioration. My amendment is designed to correct an injustice perpetrated on the over half a million residents of the city of Nashville, Tenn., of which I am proud to represent. The U.S. Department of Housing and Urban Development's urban action grant program (UDAG) is designed to provide Federal grants to elevate severe economic and physical distress in our Nation's urban counties and cities.

However, there are many urban counties throughout the Nation that cannot participate in this program as a result of the Department of Housing and Urban Development's use or overall statistical information for an entire city or urban county in order to determine eligibility. A city or urban county that does not meet certain criteria on the basis of these overall statistical measures cannot participate in the program even though it may contain an area that is severely distressed, both economically and physically. The amendment I am offering today would allow an urban county, such as Nashville, Tenn., to be eligible for funding under UDAG program, providing that the area meet certain criteria set by HUD.

Mr. Speaker, this is not a regional problem nor one located specifically in the State of Tennessee. Cities that have combined urban counties or metro governments exist in the North, the South, the East, and the West, and include such large areas as Lexington, Fayette County in Kentucky; Marion County, Indianapolis, Ind.; East Baton Rouge, Parish-Baton Rouge; the counties of New York City; the county-city of Philadelphia; the metro governments of Denver, San Francisco, Jacksonville, San Jose, and Little Rock, to name a few. This failure on the part of our Federal Government to recognize the specific problems of these metro areas is one of the major flaws in the UDAG program.

This amendment I am offering today deals only with the problem of excluding from the UDAG program urban counties that contain areas of severe economic and physical distress. Many of these excluded cities and urban counties are some of the fastest growing in the Nation, and opponents of this amendment would argue that these cities should be able to solve their own problems. I submit, however, Mr. Speaker, that growth has its problems also and that these cities, including Nashville, Tenn., face the problem of coping with growth and intercity decay while meeting expanding demands from municipal services and the needs of our intercity.

The intent of my amendment is not to dilute or expand the program to give Federal dollars to healthy cities or counties. Its purpose is to make sure that all distressed areas on an equal basis can participate in a program specifically created to help such distressed areas and are not discriminated against by virtue of their boundaries, prior to incorporation as either a metro area or an urban county. It is important to remember that UDAG is a competitive program, not an entitlement, and selection is based on need and distress of the community.

The grants are designed to make new partnership between Government and the private sector and seek to utilize Federal funds stimulating new and increased private investment in commercial, residential, or industrial projects. Action grants in this area have been authorized for 3 years with $400 million available in the fiscal years 1978, 1979, and 1980. I understand that President Carter and the Secretary of HUD are seeking an additional $275 million a year for the program.

It was interesting to note, Mr. Speaker, that the U.S. Department of Housing and Urban Development announced on January 4, 1979 that over $89.7 million in the first action grant awards for 1979 include over a half billion dollars in private financial commitments and that over 14,422 new private sector jobs will be created and an additional 6,268 jobs will be saved as a result of these specific grant programs. Action grants may be used for a wide range of development activity, such as clearing land, improving sites and rehabilitating and constructing public commercial, industrial, and residential buildings. Communities may use the grants for equity funding, loans, loan guarantees, or other financial arrangements to fund joint public-private developments.

I wish to recognize, Mr. Speaker, that in the 95th Congress, second session, various amendments were proposed to the Housing and Community Development Act of 1974. One amendment which stands out was that of the Senator from Texas, Mr. TOWER. On July 20, 1978, the Senate considered his amendment which would have permitted city or urban counties which were severely depressed to be eligible for assistance under the UDAG program if they contained one or more areas which had levels of physical and economic distress set forth in the minimum standards referred to in the law. The debate on the Senate floor seemed to center around regional considerations—North against South, Southwest against Southeast; however, the amendment did pass the Senate by a vote of 47 to 38 on July 20, 1978.

This amendment was not considered on the House side, Mr. Speaker, and during the conference report on S. 3084, resulting in Public Law 95–557, the conferees did not retain the Senate-passed provision. They did say, however, that "they were aware that many cities and urban counties are not presently eligible to participate in the UDAG program. . . . The conferee therefore believed that Secretary of HUD should study these issues and report to the authorizing committees of the conference no later than March 31, 1979, and that the study shall include, but not be limited to, the determination of the problems which presently ineligible cities have in meeting the needs of distressed areas and," the need for establishing "special criteria which can be used to measure the levels of economic and physical distress substantially compared to those otherwise applicable for eligible cities and areas of urban counties which are presently ineligible to participate in the UDAG program." Mr. Speaker, the conferees recognized a critical problem but the Congress must act today, both on the House and Senate side, to correct this obvious imbalance in Federal, State, and local cooperation.

Nashville-Davidson County, Tenn., one of the cities in Tennessee I am proud to represent, has had a metropolitan progressive form of government since April 1, 1963, thus incorporating the city and the county into one form of government. This incorporation helped to raise the statistical data necessary to meet the criteria to be eligible for UDAG funding per capita income; population lag; unemployment; job lag; and poverty. Attached please find a listing and summary of some of these criteria. Incorporation in Nashville dictated that the old city of Nashville, the most economically distressed area, would be incriminated in its competition for Federal grants. As an example, Mr. Speaker, the percentage of houses built before 1940 under the UDAG standard must be 43.15 percent or higher. Old Nashville includes 40 percent and the Metro Post, 1963 Nashville has 24.8 percent making it ineligible to be considered under that specific criteria. Most of the criteria contains similar statistics.

My amendment would permit the city of Nashville, under its old boundaries, to compete for UDAG matching funds on a competitive basis with other cities. I recognize that many of the opponents of such a position would argue that the city of Nashville receives community development block grant funding and should not receive any additional action grant program money. It is true for the year that begins March 1, 1978, Nashville was allocated $8,439,000 and that in the previous year it received $10,799,000 on community development block grant program.

However, the community development block grant program is the major funding resource for town, cities, and urban counties in population over 50,000 and it is not discretionary insofar as the Secretary of HUD deciding which cities or urban counties can compete for funds. The action grant program on the other hand, not only is discretionary on the part of the Department, but before it can receive money it must have a private commitment of funds to benefit both the private and public interest.

Mr. Speaker, I have taken the opportunity to correspond with both the House and Senate Banking and Housing Committees in an effort to alert the membership of these committees to the discrepancies that exist in this law. I urge the Congress and the American people to consider the provisions of this amendment and I shall be addressing this problem during the congressional legislative process. A copy of my amendment is attached below:

H.R. 1839

A bill to amend title I of the Housing and Community Development Act of 1974 for the purpose of utilizing the use of the urban development action grants program to assist certain urban counties in which there are areas with special needs relating to physical and economic deterioration

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 119(b) of the Housing and Community Development Act of 1974 is amended by adding the following new sentence at the end thereof: "For the purpose of the preceding sentence, an urban county shall be considered as severely distressed and eligible for assistance under this section if it contains at least one area which—

"(1) has the levels of physical and economic distress set forth in the minimum standards referred to in the preceding sentence; and

"(2) was, before 1960, a city with a population of at least 50,000 persons."

BRIEFING SUMMARY ON AMENDMENT TO HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

Problem: To assist the City of Nashville, through Congressional Legislation, to compete for over $400 million in HUD Urban Development Assistance Grants (UDAG) to rehabilitate and revitalize downtown Nashville.

Solution: To amend the Housing and Community Development Act of 1974, Title 1 for the purpose of permitting Nashville (and other similarly situated metro areas) to utilize its pre-1963 Old city boundaries for purposes of meeting the UDAG criteria for eligibility to receive Federal funds.

NASHVILLE'S COMMUNITY DEVELOPMENT BLOCK GRANTS

1. No discretion by Secretary of HUD.
2. Automatically allocated to cities.
3. Only to housing rehabilitation that effect low and moderate income families: $8,439,000 for 5/1/78–79; $10,799,000 for 5/1/77–78; $9,609,000 for 5/1/76–77.

UDAG'S

1. Secretary has discretion on distribution of funds-competitive.
2. Matching monies with private sector.
3. Can use for commercial, industrial, and residential structures no UDAG funds.

CRITERIA COMPARISONS

1. Percent of housing constructed before 1940: UDAG standard 34.15%+; Old Nash 35.40%; New Nash 24.80%.
2. Per Capita Income: UDAG standard $1424—; Old Nash $1438; New Nash $2136.
3. Percent Change in Population: UDAG Standard 15.52%+; Old Nash —18.30%; New Nash 15.10%.
4. Unemployment—1977: UDAG Standard 6.9%; Old Nash 7.9%; New Nash 6.9%.
5. Percent of growth in retail & Manuf. employ.: UDAG Standard 7.08%; Old Nash 7.00%; New Nash 9.70%.
6. Poverty—Percent of people below '70: UDAG Standard 11.24%+; Old Nash 19.70%; New Nash 13.70%.

TENG OUTFOXED CARTER

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, it is clear that Vice Premier Teng Hsiao-ping succeeded in making President Carter a tool of Chinese Communist imperialism during his tour across the United States.

Teng's widely publicized propaganda blitz against the Soviet drive for Communist world domination was obviously designed to encourage the United States to provide Peking with the products, technology, and arms in order to eventually accomplish that object of world hegemony themselves.

The United States should repudiate aid and comfort to both Moscow and Peking.

Alliances with these Communist superpowers can only serve their own purposes, not our own.

The United States should instead pledge continued support and defense protection to free and proven friendly nations.

The following editorial from the Arizona Republic last Saturday points out that Vice Premier Teng clearly outfoxed President Carter in this balance-of-power strategy of wits:

[From the Arizona Republic, Feb. 3, 1979]

TENG OUTFOXES CARTER

National Security adviser Zbigniew Brzezinski pressed President Carter to recognize Communist China because, he argued, it would give the president the opportunity to play "the China card" against Soviet Russia.

It's now clear that Chinese Vice Premier Teng Hisiao-ping was anxious for recognition because he wanted to play "the American card" against the Soviets.

It's equally clear that Teng is a good deal better at this game than Carter. Time after time, during his visit, he's been trumping Carter's ace.

The president is desperately eager for a Salt II agreement with Moscow. He made no secret of this in his State of the Union address.

He knows that whatever agreement finally reaches the Senate will face close scrutiny and possible rejection as a result of the growing distrust of Moscow in the United States, which, in words reminiscent of Spiro Agnew, he ascribes to "an elite."

Once the euphoria that has enveloped the White House since Teng arrived in Washington begins to evaporate, Carter may realize what has become obvious—that one reason, a major reason, for the deputy premier's visit was to derail Salt II.

And that he may very well have succeeded in doing so.

Even before he left Peking, Teng gave an interview to Time magazine, calling on the United States to help China chain "the polar bear." In subsequent talks with newsmen, the deputy premier has been even more explicit. He has warned the United States against making any arms agreement with the Soviets, saying the men in the Kremlin cannot be trusted.

He has called for tacit, though not a written, military agreement between China and the United States against Soviet Russia.

Teng has been missing no opportunity to feed the growing distrust of Moscow. And his words will soon return to haunt the White House.

When Salt II comes before the Senate, those who oppose it will be certain to quote Teng's words about Soviet duplicity, and about Moscow's drive to establish hegemony over the entire world.

Many of those who will hurl Teng's words in Carter's face are conservatives, who have no more use for Chinese communism than the Russian communism. That will not make the president's task of answering them any easier, Teng came at his invitation. He toasted Teng in California champagne, and spoke glowing of him.

Will he now repudiate and denounce Teng?

By recognizing Peking, Carter hoped to play off China against Soviet Russia. What he actually did was give Teng a golden opportunity to play off the United States against Soviet Russia.

Teng has seized it, and the result may not only be the rejection of Salt II, but the destruction of the president's attempt to make detente a reality, instead of merely a word, as well.

☐ 1210

ALASKAN "NATIONAL INTEREST LANDS"—SOME SIMPLE FACTS

(Mr. SEIBERLING asked and was given permission to adress the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, as the House and two of its committees consider the Alaska Federal lands protection bill, I want to highlight a few basic facts that I hope our colleagues will bear in mind as they encounter the efforts opponents will make to weaken the compromise bill, H.R. 39.

H.R. 39 AND "STATES' RIGHTS"

H.R. 39 is not an effort to lock-up Alaska or to deny the State and its people resources needed for their economic development.

Alaska is a huge subcontinent, 375 million acres big. Just two decades ago, virtually all of it belonged to all the American people. In the 1959 Statehood Act, the American people gave the State and people of Alaska 104 million of these acres, which the State may select from any Federal lands which are vacant and unappropriated at the time of selection. In 1971, the Congress granted another 44 million acres of Federal lands to the Native peoples of Alaska, in a just settlement of their aboriginal land claims. In both cases, the citizens of Alaska have had a wide opportunity to make selections of lands highly valuable to them.

For example, the State selected Prudhoe Bay, and thus its treasury and not the Treasury of the Federal Government, receives those rich oil revenues.

In general, the State and its people have obtained or will be free to obtain most of the easily developable, resource-rich lands.

Now we seek to protect the interests of another sometimes forgotten group—the American people as a whole, who have already been so very generous with the interests of the people of Alaska and Alaska developers.

Clearly, it is in the Nation's interest to have a healthy, prosperous State of Alaska and a balanced development of its economic resources. The generous grants of 148 million acres of land to the State and its citizens will certainly contribute to that.

Now, on other lands still in Federal ownership, we seek to protect another national interest by establishing national parks, national wildlife refuges, wild and scenic rivers, and wilderness areas for the benefit and enjoyment of all the people in our generation and future generations.

NO WEAKENING AMENDMENTS

H.R. 39 reflects the many concessions to the State of Alaska and to industrial interests that we worked out in the two years this bill has been under consideration in Congress. Yet, having compromised so much, we hear only redoubled pleas for yet more concessions.

I believe we have gone far enough. This is a balanced bill. Last year, when it was proposed to allow the State to select 5 million acres of Federal lands within proposed parks and refuges, we defeated that "Young amendment" on the House floor by a 251–141 vote. When it was proposed to cut the acreage of protected wilderness within parks and refuges in half, in the "Meeds amendment," the House rejected that, too, by 240 to 119.

There is every indication that the American people, by an overwhelming majority, want a strong Alaska bill. When the Members of Congress hear from the people back home in their own districts, I think most of them are going to hear the message loud and clear: Do not weaken H.R. 39 by further amendments.

THE BIG LIE OF "RESOURCE LOCK-UP"

Is this bill a "lock-up"? Is this bill unfair to Alaska or to some industry? The answer is a resounding "No." Here are the facts, as our distinguished colleague, Representative MORRIS K. UDALL, the chief author of H.R. 39, has recited them:

> Approximately 65 percent of the land with metallic mineral potential in Alaska will be outside any of the lands included in H.R. 39;
>
> Eighty-seven percent of all the land in Alaska can be opened to sport-hunting and to trapping;
>
> Ninety percent of all the favorable and high potential oil and gas lands onshore in Alaska are totally outside the conservation areas in this legislation; and
>
> One hundred percent of all federal land in Alaska will be available for scientific mineral assessment by our expert Government agencies . . . and such assessment is specifically provided for in H.R. 39.

So much for the "big lie" about economic strangulation and resource "lock-up" in Alaska.

FULL WILDERNESS PROTECTION

Mr. Speaker, in H.R. 39 we uphold and confirm the historic proclamations President Jimmy Carter made in December to establish National Monuments on part of these national interest lands. In doing so, he acted in a great tradition going as far back as President Teddy Roosevelt. Both the Congress, whose freedom of action he protected, and the American people, whose heritage he has acted to preserve, can be grateful to President Carter, for what will undoubtedly be called the greatest conservation action in our history. Now it is for the Congress, which began the process and provided the President's authority, to follow through by extending and completing this monumental achievement.

Especially needed is statutory protection for critical wilderness lands within these monuments and the other new parks and refuges in Alaska—and in the existing national forests which have been so extensively clear-cut. The importance of Alaskan wilderness was aptly summed up last year by former New York Senator James Buckley, a great Republican conservationist.

> Yes, wilderness areas. Too many would accept the myth of wilderness for an "elite" or of wilderness as some kind of "lock-up" of desirable development sites. Nothing could be further from the truth.
>
> Wilderness is for the land and for the people. We will all be impoverished if we let our most magnificent Alaskan wilderness be whittled away. Yes, the areas to be set aside

> are large, but the scale of Alaska is vast, and its fauna require many times the undisturbed area that is required by more southerly species.

The 85-million acres we propose as wilderness within the parks and refuges is really the bottom line for habitat and land protection. It should not be cut.

OIL AND CARIBOU

One of the key areas which requires full wilderness protection is the Arctic coastal plain within the existing Arctic National Wildlife Refuge. In a letter last week, the mayor and city council members of the Native Village of Kaktovik, which lies within this area, urged us to fully protect this wilderness and its vital calving grounds for the Porcupine caribou herd. They wrote:

> We felt fortunate when H.R. 39 passed the House of Representatives with strong protection of the Arctic National Wildlife Range, but were unhappy with the Senate Energy Committee recommendations to proceed with oil and gas seismic exploration. Again we ask: why the exploration? Previously, Governor Hammond and Secretary Andrus have stated that this is a critical habitat and should be the *last* place in Alaska to be explored. If oil were found, there would be strong pressures for development and this would be incompatible with the continuing existence of the Porcupine caribou herd . . .

H.R. 39 gives this full wilderness protection to this area, with no oil and gas exploration or development program. I fully expect we will see efforts to weaken that, if not in the House then in the Senate. It is essential that our committees and the full House resist such weakening amendments. We must flatly insist that our protection of the Porcupine caribou and their calving grounds prevail over the oil industry exploration plans.

PLENTY OF ROOM FOR HUNTING

One final point. In an effort to whip up opposition to this well-balanced compromise bill, some opponents are trying to convince Americans that sport hunting will be prohibited across a huge swath of Alaska. That is another "big lie". Of all the land in Alaska, fully 87 percent will be unaffected by H.R. 39 as regards hunting. Wherever the wildlife population of these lands is sufficient to support sport hunting, the private owners, the State of Alaska or the Federal agency having jurisdiction over these lands will be free to open them to sport hunting. On the remaining fraction of Federal land, some areas—those in the national parks—will be closed to sport hunting. But these are areas where beleaguered wildlife populations (caribou, grizzly bears, and many others) require such "sanctuaries". Here again, I think the American people will say we have struck a fair balance.

NO MORE ALASKAS

Mr. Speaker, our colleague Mo UDALL made an eloquent speech on January 15, when he was joined by scores of the Members of this House in sponsoring H.R. 39. In his closing words, he summed up the case for H.R. 39, and against any weakening amendments. He said:

> . . . there are some who will remain vehemently opposed to this legislation—in any form. Regardless of the concessions that have been made, they will alway try to "up the ante" by demanding even more concessions.

Perhaps the rest of us would not be so concerned about our land in Alaska if it were a different time and a different place—if we still had other Alaskas to develop and to exploit. But there are no more Alaskas.

The tide of modern technological development is about to sweep over Alaska. Not in our generation nor ever again, will we have a land and wildlife conservation opportunity approaching the scope and importance of this one.

This time, given one great last chance, let us strive to do it right.●

OCCUPATIONAL ALCOHOLISM PREVENTION AND TREATMENT ACT

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, today, I am reintroducing the Occupational Alcoholism Prevention and Treatment Act. This legislation is designed to facilitate the operation of occupational alcoholism programs through Federal assistance to employers, labor organizations and other groups.

This disease, alcoholism, exacts a tragic toll from America each year in human and fiscal resources. The American business community shows an estimated loss of between $15 and $20 billion in absenteeism, accidents, reduced productivity, faulty decisions, and personnel turnovers. Our own House has been deprived of the services and talents of good men because of alcoholism.

There are programs, fine ones, to help the alcoholic, but only after the disease has become so acute that it can no longer be ignored. These acute cases amount to only 3 to 5 percent of active alcoholics. Ninety percent of all alcoholics are estimated to be working. These are the people we must reach—before their families are devastated and careers are ruined.

My bill will authorize the Secretary of Health, Education, and Welfare—through the National Institute on Alcohol Abuse and Alcoholism—to make available grants for up to one-half of the costs of occupational alcoholism programs. Applicants for those grants may be employers or unions or consortiums of employers or of unions. The money will be apportioned so that each State will have set aside for applications from it, sums equal to the relative labor force population of that State. The bill authorizes an annual appropriation equal to 2.5 percent of the total Federal alcohol taxes collected on beer, wine, and liquor for the fiscal years 1980 through 1983.

The Federal Government's tax revenues are augmented by the alcoholic and the general increased consumption of alcohol. It seems only just that a portion of these revenues be used in the energetic support of programs to assist the alcoholic whose consumption has increased these revenues.

AMERICAN AGRICULTURE MOVEMENT

(Mr. SEBELIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEBELIUS. Mr. Speaker, I had proposed to discuss today and make a few comments on the current activities of the American Agricultural Movement. And I digress for a moment to respond to the gentleman from New York (Mr. PEYSER) who just spoke on the subject.

The gentleman is an "eminent authority" on farm economics. All of us who were here about 5 years ago remember the debate regarding the termination of the Sugar Act, and we know what he did to kill the Sugar Act. It has been chaos for consumers and sugar producers ever since.

I ask my colleagues not to follow the advice of the gentleman from New York, I ask my colleagues not to pick on the American farmer. The issue is not so much farmers and tractors as it is the economic conditions which brought these folks to Washington in the first place.

In his state of the Union address, President Carter said:

> Farm exports are setting all-time records, and farm income last year was up more than 25 percent.

That is all the President said with regard to our farm economy. Quite naturally, in view of this statement and a great deal of comment from the Department of Agriculture recently about record farm income, exports and assets, many are asking why farmers are in Washington. Here is what the President did not say:

Realized net income per farm in 1977 was the lowest since 1972. If you use 1967 as a base year with an index of 100, the index of prices received by farmers in 1973 was 179. Since 1974, this index of prices received increased from 192 to 217 in October of 1978. At the same time, the index of prices farmers paid increased from 164 in 1974 to 224 in October of 1978.

To be sure, farm income has increased. There have been gains. But, compared to what? If you look at the figures more closely, you see that the index of prices received by farmers in 1975, 1976 and 1977 was below the 1974 level. Mr. Speaker, no other segment of our economy has experienced this kind of decline. The index of prices paid increases consistently.

Net farm income may total $28 billion for 1978. But if you express that income in 1974 dollars, you will need a 1978 net farm income of about $32 billion just to break even.

Let us talk about farm assets. U.S. farm assets totaled $708.3 billion on January 1. That is up 8.2 percent from a year ago, but it is the smallest dollar and percentage increase since 1974. Farm debt, at $118.8 billion was up 15.7 percent from a year earlier, the largest annual increase on records going back to 1940.

The point that the President ignored

was that farm debt is increasing twice as fast as farm assets. The farm policy question that must be answered is how long this situation can continue before we lose a generation of farmers? Where is the next generation of farmers going to come from?

Let me also point out, Mr. Speaker, that quoting national statistical averages can also be very misleading. From the start, our price, cash flow, and credit problems have been most severe in High Plains wheat producing country. Not all farmers produce the same products. Prices for some products are higher. Some farmers have been able to recoup. However, the index of prices farmers received for food grains, such as wheat, fell from 300 in 1974 to 195 this past October.

Mr. Speaker, in this day and age of rampant inflation and soaring production costs, the farmer has not been able to keep pace. Those who have survived to date have done so by simply going farther into debt. For them, the state of the economy is anything but sound and that is why they are in Washington.

ADJOURNMENT OF HOUSE FROM THURSDAY, FEBRUARY 8, 1979, TO TUESDAY, FEBRUARY 13, 1979, AND RECESS OF SENATE FROM FRIDAY, FEBRUARY 9, 1979, TO MONDAY, FEBRUARY 19, 1979

Mr. WRIGHT. Mr. Speaker, I send to the desk a privileged concurrent resolution (H. Con. Res. 42) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 42

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, February 8, 1979, it stand adjourned until 12 o'clock meridian on Tuesday, February 13, 1979, and that when the Senate recesses on Friday, February 9, 1979, it stand in recess until 12 o'clock meridian on Monday, February 19, 1979.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AMENDING RULES OF HOUSE OF REPRESENTATIVES TO CHANGE THE NAME OF COMMITTEE ON INTERNATIONAL RELATIONS TO COMMITTEE ON FOREIGN AFFAIRS

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Rules be discharged from further consideration of the resolution (H. Res. 89) to amend the Rules of the House of Representatives to change the name of the Committee on International Relations to the Committee on Foreign Affairs, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 89

Resolved, That (a) clause 1(k) of rule X of the Rules of the House of Representatives is amended by striking out "Committee on International Relations" and inserting in lieu thereof "Committee on Foreign Affairs".

(b) Clause 1 of rule X of the Rules of the House of Representatives is amended—

(1) by redesignating paragraph (k) as paragraph (h);

(2) by inserting such redesignated paragraph immediately after paragraph (g); and

(3) by redesignating existing paragraphs (h) through (j) as paragraphs (i) through (k), respectively.

(c) Clause 3(d) of rule X of the Rules of the House of Representatives is amended by striking out "Committee on International Relations" and inserting in lieu thereof "Committee on Foreign Affairs".

(d) Clause 4 of rule XXI of the Rules of the House of Representatives is amended by striking out "Committee on International Relations" and inserting in lieu thereof "Committee on Foreign Affairs".

(e) Paragraph (3) of clause 1(a) of rule XLVIII of the Rules of the House of Representatives is amended by striking out "Committee on International Relations" and inserting in lieu thereof "Committee on Foreign Affairs".

(f) Any reference in any provision of law or any resolution of the House of Representatives to the Committee on International Relations shall be deemed to be a reference to the Committee on Foreign Affairs.

☐ 1215

Mr. ZABLOCKI (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, the eminent gentleman from Wisconsin (Mr. ZABLOCKI) was good enough to mention to me last week his intention of asking for consideration of this resolution. I took the trouble of researching the history of the present request and the change it will affect. On March 19, 1975, reflecting the desire of the overwhelming majority of the then Committee on Foreign Affairs, the House approved a resolution changing the name to the Committee on International Relations. That was almost 4 years ago and, of course, in the interim period, we have had trouble in the Middle East and we are about to lose Iran, Africa is a shambles, we have abandoned Taiwan, embraced Red China and our foreign policy is in general disarray. Perhaps a change is necessary.

What prompted my reservation of objection today was to inquire what is precisely behind this request? And I refer the gentleman from Wisconsin (Mr. ZABLOCKI) to my remarks as a background to my question. I took the trouble to research the meaning of these two phrases, and would point out to the gentleman from Wisconsin (Mr. ZABLOCKI) who is the distinguished chairman of the present Committee on International Relations, that as defined by the dictionary "international" means "existing between and among nations" or "the intercourse of nations." As to "relations," it is "an aspect or quality that can be predicated only on two or more things taken together." That is plain enough. But the phrase "foreign affairs" has a far broader meaning. "Foreign," of course, means "situated outside a place or country," but "affairs" I find can be described either as "commercial, professional, or public business or matters of concern," or, if spelled with an "e", it means a romantic or passionate attachment, particularly of limited duration or an illicit relationship.

So not only, therefore, would I ask the gentleman to justify his request, but I ask him how the word "affair" in the proposed new name is to be spelled

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. Of course I yield to the distinguished gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I thank the gentleman for yielding. I wish to compliment him in view of the fact that he, again, has demonstrated that he is a student of history as well as of the English language. He has presented the definitions of the two titles very well.

If the gentleman will yield still further, I would like to advise him that the title of "Foreign Affairs" is historic. It is the oldest standing committee of the House, dealing with foreign affairs.

As a matter of fact, the committee traces its origins to November 29, 1775 when it was created "for the sole purposes of corresponding with our friends in Great Britain, Ireland, and other parts of the world."

The members chosen for this committee were Benjamin Franklin who served as chairman and the guiding spirit, Benjamin Harrison, Thomas Johnson, Jr., John Dickinson, and John Jay.

Mr. BAUMAN. Obviously the distinguished gentleman from Wisconsin (Mr. ZABLOCKI) is a worthy successor, I would say, to Benjamin Franklin.

Mr. ZABLOCKI. I thank the gentleman.

If I may continue, at first the committee was called the "Committee of Correspondence." This soon became the "Committee of Secret Correspondence." Then in 1777 the committee became the "Committee for Foreign Affairs."

Therefore, as the gentleman has pointed out, the title really is more meaningful if it is "Foreign Affairs." Officially, the committee became the Committee on Foreign Affairs and remained that until 1975.

In 1975, as the gentleman pointed out, there were 10 subcommittees, 7 of which had in their title the word "International," Mr. Speaker.

☐ 1220

Therefore, at the time that some thought the name of the full committee should be changed to "Committee on International Relations."

Two years ago, the committeee was reorganizied into four geographic or regional and five fun:tional subcommittees. Thus the rationale for calling the committee "International Relations" no longer existed.

Furthermore, the switch from "Foreign

Affairs" to "International Relations" has proved a source of confusion, both on and off the Hill, for the past 4 years. The committee itself never really felt comfortable with its new name, and the title "International Relations" never gained full acceptability. For all of these reasons: it is most appropriate, in my opinion, Mr. Speaker, that the oldest of the standing committees in the House, which was named the "Committee on Foreign Affairs" until 1975, when it was named the "Committee on International Relations," should again have its name changed back to "Committee on Foreign Affairs."

I know the gentleman from Maryland is always concerned about the cost. I might advise the gentleman from Maryland that the cost of the name change is negligible if effected now before the committee's stationery is printed. We have to obtain new stationery because of the addition of new members to the committee anyhow, so I would respectfully urge that the gentleman not object.

Mr. Speaker, if the gentleman will yield further, I might advise him that I have discussed the resolution, House Resolution 89, with the gentleman from Missouri (Mr. BOLLING), the chairman of the Committee on Rules, to whose committee this resolution was referred. He supports the resolution and agrees to this procedure for its consideration.

Mr. BAUMAN. Further reserving the right to object, Mr. Speaker, I appreciate the gentleman's explanation, especially about the cost. I hope the House will indulge us this brief discussion since we have had little else to do in the 6 weeks we have been in session. However, the gentleman has not answered one of my central concerns.

When this matter was last discussed by the House, I made the following statement:

> Of course, I have no objection if it makes the members of the committee happier to have "relations" rather than "affairs," but what is the reason for the change?

The question I asked was about the spelling. The word "affairs" is going to appear without an "e," as I understand it. Does the gentleman so assure me?

Mr. ZABLOCKI. That is correct.

Mr. BAUMAN. That gives me some comfort because the last time we discussed this matter, a gentleman from Ohio who is no longer with us raised a question as to the competency of the gentleman from Maryland to judge matters of foreign affairs. Of course, since that time, the gentleman from Ohio has left us, having had a problem with affairs himself. I am pleased to have the assurances of the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Ohio. who is not the same gentleman to whom I just referred, by any means.

Mr. SEIBERLING. Mr. Speaker, I thank the gentleman from Maryland very much.

The distinguished gentleman has given us a very interesting dissertation on the multiple meanings and nuances of the word "affairs." I wonder whether he could give us a similar dissertation on the meanings and nuances of the word "relations."

Mr. BAUMAN. Mr. Speaker, if the gentleman from Ohio had been listening closely to the gentleman from Maryland, and as the record will reflect, I explored the meaning of the word "relations" fully earlier in this momentous debate. Perhaps the gentleman was off the floor, but I would be glad to discuss personal relations or other relations with the gentleman at some other time.

Mr. SEIBERLING. I would not think of getting into anyone's personal relations. However, the two words in question have multiple meanings, as the gentleman knows.

It seems to me that if the committee wants the word "affairs," that is quite adequate and has a similar meaning to that of the word "relations."

Mr. BAUMAN. It has the added attraction of being traditional, Mr. Speaker, and I reverentially withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

● Mr. BROOMFIELD. Mr. Speaker, I rise in support of House Resolution 89, which changes back the name of the Committee on International Relations to the Committee on Foreign Affairs.

There are many reasons which warrant the name change, among them being that many members on the committee have desired this designation. In particular, one of our former colleagues, the Honorable Leo J. Ryan, offered a motion in the 95th Congress to change the name back to the Committee on Foreign Affairs.

Also, for the past 4 years, the title "International Relations" has resulted in some confusion among various Government agencies as well as the American public.

Mr. Speaker, I believe that the name change would be an appropriate one, given the tradition, the prestige, and the honor which we all enjoyed when we were designated the House Committee on Foreign Affairs.●

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, because of the very interesting exchange which has taken place on this resolution, I am sure other Members may want to add their views.

Therefore, Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 89, just agreed to.

The SPEAKER pro tempore (Mr. ANNUNZIO). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

□ 1225

APPOINTMENT OF MEMBERS TO THE TEMPORARY COMMISSION ON FINANCIAL OVERSIGHT OF THE DISTRICT OF COLUMBIA

The SPEAKER pro tempore (Mr. ANNUNZIO). Without objection and pursuant to the provisions of section 1(b)(2), Public Law 94-399, the Chair announces that the Speaker appoints the following Members on the part of the House to the Temporary Commission on Financial Oversight of the District of Columbia: The gentleman from California, Mr. DELLUMS; the gentleman from Texas, Mr. CHARLES WILSON; and the gentleman from Connecticut, Mr. MCKINNEY.

There was no objection.

APPOINTMENT AS MEMBER OF PERMANENT SELECT COMMITTEE ON INTELLIGENCE

The SPEAKER pro tempore. Without objection, pursuant to clause 6(e), rule X, and clause 1(a), rule XLVIII, the Chair announces that the Speaker appoints as a member of the Permanent Select Committee on Intelligence the gentleman from Florida (Mr. YOUNG).

There was no objection.

THE NUCLEAR WASTE MANAGEMENT RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 10 minutes.

● Mr. GOLDWATER. Mr. Speaker, today I am introducing legislation to help our Nation deal with the growing problem of nuclear wastes. During the 95th Congress, I introduced similar legislation in an attempt to solve this problem. Subsequently, the Interagency Review Group on Nuclear Waste Management released its draft report to the President for public review and comment. This draft report included several findings and recommendations for proceeding with the Federal nuclear waste management program, some of which had already been included in my legislation. Although I agreed with many of the other findings made in the draft report, I am still afraid that the problems associated with the disposal of nuclear wastes need further attention. For this reason, I am taking this initiative today.

The issue of nuclear wastes is of considerable importance to the Nation, and is a problem which has already been neglected for too long a period of time. Our Nation must face this problem now or we may have to face the prospect of closing our nuclear plants in the near future. We have already been forced to limit construction of new nuclear plants in some areas of the country due to the public's perception of the nuclear waste problem, and we must act now to assure that this situation gets better, not worse.

My legislation, the Nuclear Waste Management Research, Development, and Demonstration Act of 1979, will help us avoid the frightening prospect of an energy shortage, which a nuclear slowdown would surely entail, by providing the timely establishment of needed facilities to store nuclear wastes. While the problems surrounding the construction and operation of nuclear waste facilities are substantial, recent evidence leads me to conclude that the technology has reached the stage where we should proceed with a demonstration facility. This bill directs the Secretary of Energy to construct and operate a permanent Federal research, development, and demonstration repository for the disposal of nuclear wastes and the storage of spent fuel assemblies. The key element of this bill is that it sets a strict timetable for the completion of this job, recognizing the urgency of the problem. Site selection is to be based on the many studies conducted to date on nuclear waste disposal, as well as on specific site evaluations yet to be completed. The demonstration facility must become operational by September 30, 1988.

Under this bill, the many industrial, scientific, and environmental organizations interested in this project, and the public at large, will be able to provide their views for consideration in the siting, design, and construction of the waste repository. The bill recognizes that the States and other parties must play a significant role in the formulation of any effective nuclear waste disposal program. My legislation formally recognizes the role of the States, and gives them a meaningful opportunity to comment on and influence any actions taken by the Secretary under this bill. It specifically provides for State input at early stages of the design-making process for the facility. Thus, under this legislation, we protect the rights of the States involved in providing for the construction and operation of a permanent Federal repository, while at the same time acting in our Nation's best interests.

In order to receive the most effective input from other interested parties such as industrial organizations, professional societies, and environmental groups, this legislation establishes a Nuclear Waste Management Advisory Committee, which shall advise the Secretary of Energy on all facets of nuclear waste management programs and technologies. Consistent with the recommendations of the Interagency Review Group, the Secretary of Energy still retains primary responsibility under this legislation for developing the overall planning for the construction of the facility.

I believe that it is in the best interests of our Nation to insure that a permanent repository is constructed now and that it is in operation within the time frame established in this bill. We need action rather than studies. As I have stated in a letter to the Secretary of Energy on this matter last year, I cannot help but note that we have seen a seemingly unending series of studies, reviews, and evaluation of this subject within the last several years, each ending with several laudable recommendations or goals that somehow get sidetracked before they are achieved. Endless paper studies do not seem to me to be the solution to the nuclear waste disposal problem. What we need instead is to establish a research, development, and demonstration program that will get this job done, and to my mind that includes construction and operation of a repository in a timely manner. The bill does exactly that, and for this reason, it is imperative that we act on this legislation during this session of Congress.

I find it ironic that despite its rhetoric on this subject, the administration has within the past year let the deadline for the construction of a permanent repository slip a total of 3 years, to 1988. In fact, if we were to follow the recommendations of the Interagency Review Group, we might wind up with a first repository as late as 1992. We cannot afford this kind of approach.

During the 95th Congress, several of my colleagues in both Houses of Congress introduced a number of bills intended to remedy various aspects of the nuclear waste problem. These bills included proposals such as expanding the licensing authority of the Nuclear Regulatory Commission to include waste management facilities, and establishing a new governmental entity to operate our nuclear waste program. However, no legislation was ever introduced or acted upon in the House during the 95th Congress that would have done what I believe is still necessary, and is becoming an issue of far greater public concern—to require the Secretary of Energy, by a specific date, to build a facility for permanent disposal of our nuclear wastes.

Strong congressional action must be taken in the 96th Congress to focus on the need for a permanent, operational nuclear waste facility. We in the Congress must recognize that the principal national issue of concern with nuclear energy is waste disposal. I believe that this legislation provides the tools to allow us to adequately address this concern. For this reason, I urge that my colleagues support the bill and that it receive prompt consideration.

A section-by-section summary of the bill follows:

SECTION-BY-SECTION SUMMARY

Sec. 1. Title.

Sec. 2. Findings and Purpose.

Sec. 3. Definitions.

Sec. 4. Preliminary Determination. Requires the Secretary of Energy, as soon as practicable, but not later than six months after the date of enactment of this Act, to make a preliminary determination on (1) on location of one or more sites suitable to serve as a Federal demonstration repository. (2) suitable techniques for the design. construction and operation of such a repository, (3) the procedures for transporting nuclear wastes and spent nuclear fuel assemblies to any such site, and (4) appropriate actions necessary to assure protection of the public health and safety and of the environment.

Sec. 5. Federal Demonstration Repository. Requires the Secretary of Energy, after consultation with the Secretaries of Transportation and Interior, the Administrator of the Environmental Protection Agency, the Chairman of the Nuclear Regulatory Commission, the heads of other appropriate Federal agencies, and the Governors of appropriate States, to (1) make a final selection, within 6 months after the preliminary determination required under section 4, of a specific site and a suitable technique and method for the design, construction and operation of a Federal demonstration repository; (2) construct and operate, consistent with applicable environmental requirements, a Federal demonstration repository on the site selected under this section, to be in operation by September 30, 1988; (3) submit to both Houses of Congress a report by no later than September 30, 1980 specifying the construction schedule for such a repository; (4) file with the Nuclear Regulatory Commission, within 3 months after the date of the selection of such site, a license application for such repository, which shall be disposed of by the Commission (by appropriate action) within two years of such date; (5) file with the Nuclear Regulatory Commission, as soon as possible, but not later than 3 months after the completion of the construction of the repository, a license application for the receipt, storage and disposal of spent nuclear fuel assemblies and nuclear wastes in such repository; and (6) submit to Congress a report on the status of such repository after the end of each fiscal year. Authorizes the Secretary to employ persons who are not citizens of the United States in order to attain the objectives of this Act. Authorizes the Secretary, as soon as he deems necessary, to acquire, construct, and maintain such facilities, major items of equipment, and real property as is necessary to attain the objectives of this Act. Allows the Secretary, at any time after January 1, 1983, to make a determination that there are circumstances that may impede the construction and operation of a Federal demonstration repository according to the schedule provided under this section, and to revise such schedule under certain conditions. Directs the Secretaries of Energy and Transportation, the Chairman of the Nuclear Regulatory Commission, and the heads of other appropriate Federal agencies to take all steps necessary to attain the objectives of this Act.

Sec. 6. Contracts. Directs the Secretary to provide funds to enter into contracts to carry out his duties under the Act.

Sec. 7. Transfer of Nuclear Wastes or Spent Nuclear Fuel Assemblies. Allows the Secretary of Energy to enter into agreements for the transfer to the Federal demonstration repository of nuclear wastes or spent nuclear fuel assemblies that have been removed from civilian or foreign commercial nuclear powerplants, on the condition that (1) the Government of the United States shall take title to and exclusive custody of these materials upon their delivery to the repository and upon payment by the Secretary of a fee to any person transferring spent nuclear fuel assemblies, which reflects the monetary value of the energy content contained within these assemblies, (2) nuclear wastes or spent fuel assemblies are delivered to such repository in a suitable form for disposal or storage, and (3) an appropriate one-time fee or charge is paid to the Secretary by any person transferring nuclear wastes or spent nuclear fuel assemblies to such repository reflecting the reasonably estimated costs to the Government for the construction and operation of such repository. Directs the Secretary of Energy to submit to both Houses of Congress, within 30 days after the end of each fiscal year after the date of enactment of this Act, a report on all agreements entered into under this section during such fiscal year. Provides, That all records, reports and information submitted under this section shall be made available to the public; except that if any person makes a showing satisfactory to the Secretary that any record, report, or information (or a particular part thereof) to which the Secretary has access under this section would if made public, divulge information entitled to protection as trade secrets of such person, or if the Secretary determines that it is in the best interests of national security, the Secretary shall consider such record, report, or information or particular portion thereof confidential in accordance with the purposes of section 1905 of title 18 of the United States Code, except that such record, report, or information may be disclosed to other officers, employees, or authorized representatives of the United States concerned with carrying out this Act or when relevant in any proceeding under this Act. Nothing in this section shall authorize the withholding of information by the Secretary or any officer or employee under his control from duly authorized committees of the Congress.

Sec. 8. Transportation. Requires the Secretary of Transportation to study and report to Congress on (1) the effects of Federal routing requirements for barge, rail, and highway shipment of nuclear wastes and spent nuclear fuel assemblies; (2) methods to insure State participation in the transportation planning process for the Federal demonstration repository; and (3) the extent to which Federal financial assistance in the development of the capability for handling transportation emergencies is appropriate.

Sec. 9. Environmental Protection Agency. Requires the Administrator, as soon as possible, but no later than six months after the date of enactment of this Act, to determine and promulgate environmental protection standards and criteria for exposure to radiation from nuclear waste facilities. Requires the Administrator, within three months after the submittal of the report by the Secretary pursuant to subsection 5(a), to submit to the Commission an assessment of the public health and safety aspects of the Federal demonstration repository. Authorizes the Administrator to undertake or contract to undertake the research necessary in carrying out his duties under this Act.

Sec. 10. Nuclear Waste Management Advisory Committee. Establishes a Nuclear Waste Management Advisory Committee, which will study and advise the Secretary of Energy on, among other things, Federal Government programs and policies relating to nuclear waste disposal, and actions taken by the Secretary under this Act.

Sec. 11. State Role. Requires the Secretary, prior to making a preliminary determination pursuant to section 4, to seek information from, and participation by, the Governors of appropriate States with respect to such determination, and to advise the Governor of any State in which a proposed Federal demonstration repository might be constructed in accordance with such preliminary determination. Requires the Secretary to review and consider any information, recommendations or findings submitted by the Governors of such States in making his determination under section 5, and to notify the Governor of the State and the Chief Executive of the municipality in which the designated site lies. Provides an opportunity for States to participate in any proceedings by the Nuclear Regulatory Commission on an application for a license to construct and operate a Federal demonstration repository, and to submit advice, recommendations, or findings on any environmental impact statement prepared by the Department of Energy and the Commission pursuant to the National Environmental Policy Act of 1969. Authorizes the Secretary to reimburse any State or local government as he deems appropriate for participation expenses.

Sec. 12. Public Participation. Directs the Secretary, the Administrator, and the Chairman of the Commission to encourage public participation with respect to any action taken under this Act.

Sec. 13. Regulations. Directs the Secretary and the heads of other appropriate Federal agencies to prescribe regulations that are necessary or appropriate to carry out their particular duties under this Act.

Sec. 14. Other Legal Authority. Reaffirms the powers, functions and duties of the Nuclear Regulatory Commission, as in effect on the date of enactment of this Act. Extends the licensing authority of the Commission over Department of Energy facilities to cover facilities used primarily for the receipt and storage of either high-level radioactive wastes, transuranic wastes, or spent nuclear fuel assemblies resulting from activities licensed under the Atomic Energy Act. Directs Federal agencies to satisfy the requirements of the National Environmental Policy Act of 1969 only in accordance with the provisions of this Act. Designates the Department of Energy and the Commission as joint lead agencies for preparing a final environmental impact statement, to be completed by no later than December 31, 1981, for the construction and operation of a Federal demonstration repository.

Sec. 15. Authorization of Appropriations. Authorizes such sums as are necessary to carry out the purposes of this Act.●

CONSTITUTIONAL AMENDMENT FOR DIRECT ELECTION OF PRESIDENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

● Mr. EDWARDS of Alabama. Mr. Speaker, I am introducing legislation today to replace our archaic electoral college system with a direct popular vote for the election of the President.

We have been talking about this kind of election reform for years, and in the last Congress, the Senate Judiciary Committee held 18 days of hearings on the subject and reported Senate Joint Resolution 1 to provide for the direct Presidential election. That bill died in the last Congress, but I feel strongly that Presidential electoral reform should be among the first orders of business in the 96th Congress.

The electoral college was established in a time when it was impossible for the voters to know their candidates and elect their leaders directly. Today, with the sophistication of our media and the focus on radio and television in our compaigns, this is no longer true. In the early days of our country, the people of each State elected people in whom they had great confidence to go to the State capitols and decide for them on the choice of a Presidential candidate. Since these electors were not legally bound to vote for the nominees of their political parties, the system gradually eroded, and more and more frequently the electors failed to keep the trust of the voters they represented.

Today, the Presidential candidate receiving the most votes in a State is entitled to all of that State's electoral votes. The practical effect of this "winner-take-all" rule is that a candidate who gets only 51 percent of the people's vote in a State gets all their electoral vote, actually disenfranchising the other 49 percent of the voting public. This is clearly an injustice, and it is unhealthy in that it discourages the minority party in traditionally one-party States.

Simply put, the electoral college is an anachronism, and it should be abolished. My resolution would amend the Constitution to provide for a direct popular vote. If no candidate won 40 percent of the vote, there would be a runoff between the top two competitors.

As we have debated the proposal for direct popular election of the President over the years, the arguments against it have been carefully weighed. In my view, they are not convincing. Justice and the changing times demand that we reform the system, and I am hopeful you will work with me on this much-needed legislation in the 96th Congress.●

MANDATORY PENALTIES FOR CRIMES COMMITTED WITH DEADLY WEAPONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on January 15, 1979, I introduced legislation that would amend the penalty provisions of the Gun Control Act of 1968, H.R. 102.

As the law stands today, anyone who uses or carries a firearm during the commission of a felony as defined by Federal law has to be sentenced to not less than 1 year and not more than 10 years in addition to the sentence imposed for the underlying felony itself. Sentencing under this provision leaves open the possibility of a suspended sentence, a probationary sentence, and parole. A second or subsequent conviction requires a 2- to 25-year additional sentence, and the court does not have the discretion to suspend it or impose a probationary sentence. This, however, leaves open the possibility of parole once the felon has started serving time.

The primary purpose of my bill is to remove the possibility that a convicted felon who uses or carries a dangerous weapon during the commission of a felony will avoid imprisonment. As is apparent, the judge has wide discretion in determining what sentence to impose on the criminal, and parole boards also have wide latitude in deciding the length of the time to be served.

Traditionally, our sentencing policy has been to allow wide discretion on the grounds that sentences should be prescribed for each individual since there are particular circumstances arising from each case and each person has different corrective needs. However, as we have discovered through experience, this wide discretion often allows offenders to return to society not as productive members but as criminals. Because of the uncertainty of imprisonment, the offender knows the chances are great that even if convicted he will spend little time in prison, and once again he will be out on the streets victimizing innocent, hardworking, productive members of society. It is this injustice that I propose to help remedy with my bill.

In order to carry out this objective, my bill changes the current law in the following ways. The most important provision imposes a mandatory minimum sentence on anyone convicted, and it removes the possibility of parole. Specifically, a person convicted for the first time of committing a felony with the use of a dangerous weapon would receive not less than a 1-year prison sentence which he would serve in its entirety, in addition to any other sentence. A felon who is convicted for a second time under this subsection would receive a minimum 5-year prison term, subject to the same condition.

While these provisions remove any discretion by the judge in sentencing below the minimum or granting a suspended or probationary sentence, the court does retain discretion as to the length of the sentence so long as it remains within the minimum and maximum set by law. However, and I wish to stress this point, no matter what length the sentence, it must be served in its entirety in prison. Once the sentence has been imposed, the judge may not suspend it or any part of it; nor may he grant a probationary sentence for any part of it; nor may the felon be paroled. The number of years the judge declares as sentence in court will be the number of years served by the felon in prison.

The bill also broadens the category of proscribed weapons to include "destructive devices, or any other dangerous or deadly weapons," and it increases the minimum sentence for a second or subsequent offense from 2 to 5 years.

I offer my bill not as the solution to our society's problems with crime. I do believe, however, that my proposal will be more effective in putting those who are a danger to our society in prison than our present system. Under my proposal the risk of imprisonment is increased by the certainty of punishment, whereas, under the present law the chance exists that a person convicted of a crime will not have to serve any time at all. There is no certainty of punishment and, therefore, very little risk which might serve to deter unlawful behavior. Also, if penalizing the use or carrying of dangerous weapons during the commission of a felony has any deterrent effect at all, it could well have a larger effect on deterring crime in general. By deterring the use of weapons, the law is punishing the criminal's means of coercion. If he is deterred at all, he will be less likely to commit crimes of coercion since he will be less likely to carry a weapon.

A number of studies exist showing the inequities in sentencing—some are imprisoned and others are not for essentially the same crime. My proposal will make all persons acting unlawfully equal under the law by imposing a prison sentence on all. This, too, is beneficial to society in that it will reinforce the notion that nobody is above the law. I urge the support of my colleagues for H.R. 102.●

THE STRANGE STORY OF SANTE BARIO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

(Mr. GONZALEZ asked and was given permission to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, week before last I spoke on what I call King Crime. I wish to continue on this subject matter and on this occasion emphasize the fact that, happily enough, my efforts to reach the highest level, that is the Presidency, has been accomplished. Coming from that level a sense of urgency and priority can be given in controlling the dangerous extent that organized crime has reached to the point of attempting to assassinate Federal prosecutors in my area. This latest development is one of the most mysterious and one which should be most disturbing to every American. To that end I am happy to report that I had a very favorable meeting last week with the chief of domestic policy for the President, Stewart Eizenstat, who reported to me on the request I had made last autumn.

In other words, it looks that we will have on the highest level a sense of urgency and priority communicated to the national law enforcement agencies, first of all to coordinate, which we have not been; second, to concentrate on the specific case of District Attorney Kerr of the San Antonio western judicial district.

I would like to bring the case of Sante Bario to the attention of my colleagues.

Mr. Speaker, I include at this point part 1 of an article by Saul Friedman which appeared in the San Antonio Light on Sunday, January 14 past.

The newspaper article follows:

STRANGE STORY OF SANTE BARIO

(By Saul Friedman)

(A Drug Enforcement Administration agent, accused of accepting a bribe and jailed, now lies in a coma in a San Antonio hospital. He had a clean record until an informant named Claude pointed a finger at him. This article, the first of three by Knight News Service reported Saul Friedman, looks into the mysterious case of Sante Bario.)

He lies there in limbo, not yet dead but no longer alive. The brain wave on the graph is flat, but his silent body twitches against the tubes that sustain what life remains. It is as if the mysteries with Sante Alssandro Bario struggle to get out.

Bario, 42, a crack federal undercover agent who operated for nearly 14 years in the dim world of drug rings and organized crime, is deep in a coma in Santa Rosa Medical Center here and is not expected to survive.

A six-footer with curly black hair and rugged good looks, Bario was often described by associates as a cross between James Bond and Frank Serpico, the independent uncompromising New York cop who waged war on narcotics and corruption.

Until last fall he had been a ranking officer in Mexico City for the U.S. Drug Enforcement Administration (DEA) working to uncover an international cocaine smuggling ring that reached into three continents.

In the early hours of Oct. 7, Bario was arrested at the Hilton Palacio del Rio Hotel by DEA agents who charged he had accepted $9,000 in bribes for ignoring an illegal shipment of cocaine. He had been fingered by his own informant, a chunky, baldish, middle-aged Frenchman called "Claude," who has a stiff right leg from an old gunshot wound.

On the night of Dec. 16, just after taking a bite of a peanut butter sandwich and throwing the rest of it away, Bario was found unconscious and in convulsions on the floor of his Bexar County jail cell.

These events have raised some perplexing questions:

Was Sante Bario, whose adventures are the stuff of fiction, no more than a cop gone wrong? Or was he the victim of a frame-up and an attempted murder?

Dr. Ronald Perez, the attending physician, recalled that "the jailers thought he had been poisoned and the pathologist said he found a trace of strychnine in the blood samples. But there have been new tests and we just don't know. He might have choked on the sandwich, but I don't think so."

Although no trace of poison was found in the uneaten portion of the peanut butter sandwich, or in Bario's stomach, Dr. Nancy Fishback, a critical care pulmonary specialist, said angrily: "A grown man is not likely to choke on a piece of soft peanut butter and bread. I'd say he was poisoned."

A colleague, Dr. Rafeal Parra, added: "I'm sure of it. There's no other explanation for those convulsions." Drs. Perez, Fisback and Parra are all members of a team that has been treating Bario.

In Washington, Richard Ben-Veniste, an old friend of Bario and a former Watergate prosecutor, said: "During Watergate I came to believe anything. But what they say happened to Sante Bario strains even my belief."

Who would have poisoned Bario, and for what motive, remains a mystery. But a remark to columnist Jimmy Breslin, from a source within organized crime, heightened speculation about criminal involvement.

"The No. 1 person in crime in America," Breslin wrote in a column (which appeared in The Light) in late October, has been boasting to his brethren that he had removed Sante Bario as a thorn in the side of the mob by maneuvering him into accepting a bribe, then tipping off the DEA.

Breslin wrote that "Claude", the mysterious DEA informant who helped make the case against Bario, was also an employee of the mob.

"Sometimes you sit down to think and you find you don't have to kill anyone right away," Breslin quoted his syndicate source as saying. In an earlier column in 1976, Breslin reported that this mobster's favorite weapon against his enemies was poison.

Such reports had Bario's family, friends and even some federal officials scratching their heads.

Was the mobster merely taking credit for something the DEA had done in order to make himself look good in the eyes of his followers? Or are there grounds for the suspicions that Bario may have been set up and poisoned?

As a result of such questions it has been learned, the Justice Department is investigating the arrest and the possible poisoning of Bario.

A department spokesman said, however, that "we are carrying on only a limited inquiry and no decision has been made on whether there will be a full investigation."

Joseph Krueger, chief inspector for the Internal Security Division of DEA, insisted that the case against Bario is a straightforward example of an agent gone bad.

"There is no evidence to substantiate the possibility that DEA was unwittingly used to frame Bario," Krueger said.

And Peter Bensinger, head of DEA, said he had "confidence in the office of Internal Security, and I believe they made a case against Bario and in no way jeopardized him physically."

But interviews with Bario's family, attorneys familiar with the case, other DEA officials, law enforcement officers and others who worked with Bario suggest the case may not be so simple.

Ben-Veniste, a former U.S. attorney for whom Bario was a star witness in a famous New York case, has been pushing for a thorough federal investigation. He suggested that the Justice Department "not take this case lightly."

Bario's former wife, Pat Bario, an associate White House press secretary, has asked friends to look into the case, although she emphasizes she is doing so personally and not with official White House backing.

"I was married to the man for 14 years, when he had every opportunity to sell out during some dangerous work undercover," she said. "It does not stand to reason that Sandro, at this stage in his career, would do what they say he did. If anything, Sandro was too committed to his work."

Washington attorney Howard O'Leary, a former federal prosecutor in Detroit said he had checked on Bario's background after his arrest. He said he found "unanimous feeling among those who had worked with him that he was clean and that something was wrong with this case."

Similarly, Bario's second wife, Joanne, who was close to her husband, kept up with his work and knew the informant, "Claude," raised a number of questions about what happened to Sante Bario.

Much of what Joanne Bario said is a three-hour interview was confirmed by DEA officials. For example, they acknowledged her assertion that although Bario had an unblemished record, DEA made the case against him almost solely on the evidence supplied by the long-time, paid informant who had trafficked in narcotics and had been part of the underworld.

Joanne Bario recalled angrily that she did not learn until the afternoon of Dec. 18—and only accidentally—that her husband had been found in a coma two days earlier. She said when she first saw him in his hospital bed, he was in leg irons, and, belatedly, had been placed under guard. She said the shackles were removed after she cried in protest.

"Something was very wrong," she said. "In view of Sandy's record, DEA has acted in a way that is beyond understanding."

O'Leary said he alerted federal authorities that "You have a very special guy in your custody and it's possible that someone will try to kill him in jail."

In jail, from Oct. 7 through Dec. 16, Bario insisted on his innocence but acknowledged he had made a "bad misjudgment." He charged that he had been "set up" by "Claude."

Bario had gone to Mexico City in September, 1975, for one of his few government assignments "out of the cold." He had been named DEA's group supervisor for enforcement, an administrative job.

It was something Sante Bario was not used to, for most of his life as an agent had been spent undercover.

Bario was an Italian carabiniere, or federal policeman, assigned to Rome's Via Veneto, when he met his first wife, Pat, in 1961.

His father was the police chief in Vieste, on the Adriatic. And a brother was also in the carabinieri. But Bario moved to America with his new wife.

She was from Detroit and he had difficulty getting settled there, moving restlessly from one restaurant job to another, until Pat came to Washington to work for the late Sen. Philip Hart.

With her help, Bario found a low-level job at the Internal Revenue Service. But within two weeks, his background as a police officer, his knowledge of Italian and French and his knack for winning the confidence of men and the hearts of women gave him his first undercover assignment for the IRS.

From July, 1964, through November, 1965, Bario moved within the Boston underworld. He was so successful that the mobsters set him up in his own business, a grocery store named "Sandro's," which became a numbers drop. Bario dropped from sight when the indictments he helped produce began coming.

Bario's specialty, according to his superiors, was "deep, long-range penetration" of the high levels of organized crime. During the 1960s for the IRS, and later, for the DEA, he journeyed for months at a time into the criminal syndicates of New Orleans, Detroit and New York.

In New Orleans, he became head waiter at one of the mob's headquarters restaurants. In Detroit, where he feared he would be recognized, he brazenly persuaded mobsters that he looked just like a fellow named Bario who once lived in the city.

Bario's long absences from home, the danger he carried with him for his family—he had two sons, Franco 17, and Marco 9,—was hurting his marriage. In an effort to save it, he agreed to quit the IRS and he went to work on Capitol Hill as an investigator.

But he needed excitement. And although both he and Pat Bario knew it would mean the end of their marriage, he returned to undercover work, this time for the Bureau of Narcotics and Dangerous Drugs, forerunner of DEA.

In 1972, he persuaded the New York hoodlum grapevine that he was a hit man from Las Vegas. In reality, he was working indirectly for the Knapp Commission, which was searching for official corruption. Bario was assigned to pose as a hood and get himself arrested to see if it was true a mobster could get a case dismissed for a price.

The tactic worked. Bario, who had been arrested for carrying two guns, bought his freedom with $15,000. Some of the money was found in the possession of an assistant district attorney in Queens, Norman Archer, who eventually was convicted. The prosecutor was Richard Ben-Veniste.

During the same year, 1972, Bario wormed his way into a heroin-smuggling ring based in Paris and Marseilles, moving so close to the top that he won the love of his boss' mistress, a lady named Carmen. When the boss fell ill with cancer, Carmen chose Bario to help run things.

According to his attorneys, Bario helped identify the key figures in the movement of heroin between France and the United States. Once he followed a shipment to Canada and helped in the seizure of 20 pounds of heroin.

During 1973 and 1974, Bario, working out of New York, helped to lead drug investigations, and worked with the Royal Canadian Mounted Police to crack a counterfeiting ring.

But the facets of Bario's personality that made him a good undercover agent—nerve, independence and flamboyance—were also his weaknesses. According to friends, Bario cut the corners of government regulations, spending money too freely, failing to keep records and file reports and dealing too loosely with informants and characters on the edge of the underworld. In keeping with his undercover role, Bario enjoyed fine wines, tailored clothes and attractive women, which occasionally put him in debt.

The only blemish on his record, however, was a "minor" administrative action against him for failing to account fully for government funds used in the Archer case, DEA officials said. They added, however, that Bario was difficult to work with.

Mr. GONZALEZ. Mr. Speaker, the title of his story is "Strange Story of Sante Bario. Was He Framed? Was He Poisoned?"

Sante Bario, who has as interesting a history as any character in any novel of James Bond or similar characters in that type of fiction, was arrested in San Antonio while serving as the chief of the DEA, the Drug Enforcement Agency of Mexico City. He was arrested on the charge of having been bribed; the bribe charge coming from an informer of long standing in France for the DEA and on his uncorroborated testimony, which is possible since 1970 because of the so-called Organized Crime Act, which incidentally I voted against, only 29 of us did, for the very reason of the treatment of the Sante Bario case. He was placed in the Bexar County jail and less than 72 hours later he was found unconscious. It is still not determined to this day where he is vegetating. He is in a coma and has been for weeks. They do not know if he was poisoned or what; but apparently something happened to him immediately after he ate some peanut butter and jelly sandwiches that were given to him in the jail.

I wish to say at this point that the occurrences with this mysterious individual and the DEA are not unconnected with what is happening in the case of the attempted assassination of District Attorney Kerr.

Mr. Speaker, I intend to continue this discussion at the first available opportunity.

Mr. Speaker, I yield back the balance of my time.

THE INSURANCE INDUSTRY SHOULD BE BROUGHT UNDER FEDERAL SCRUTINY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 5 minutes.

● Mr. LAFALCE. Mr. Speaker, as you know, the business of insurance is presently regulated exclusively by the individual States, with virtually no Federal involvement. This exemption from Federal regulation is set forth in the McCarran-Ferguson Act, passed by Congress in 1945 in response to the Supreme Court's decision the preceding year in United States against South-Eastern Underwriters' Association. That case held for the first time that insurance was "commerce" and hence subject to Federal regulation—specifically in that case, regulation under the Federal antitrust laws.

The McCarran-Ferguson Act was hastily conceived and was enacted with scant legislative history. In recent years it has been the source of increasing litigation, and the subject of much criticism.

I have introduced today for consideration by the 96th Congress six bills amending and/or repealing the McCarran-Ferguson Act in addition to a proposal providing for the creation of a Federal Insurance Commission. At this time, I am not entirely sure what role the Federal Government should play in regulating the insurance industry. I am, however, firmly convinced that the present system of exclusive State regulation of insurance is ineffective.

These six proposals, the first four of which were introduced late last year, vary across a broad spectrum. They include: First, outright repeal of the McCarran-Ferguson Act; second, amending McCarran-Ferguson to require effective State regulation to obtain the exemption from Federal regulation; third, amending McCarran-Ferguson to clarify that the "business of insurance" includes only true insurance matters—and does not include extraneous activities such as advertising; fourth, deleting from the McCarran-Ferguson Act only that portion of it exempting the business of insurance from Federal regulation; fifth, clarifying that the Clayton Act and the Federal Trade Commission Act apply to agreements to, or acts of, boycott, coercion, or intimidation committed by persons within the business of insurance; and sixth, the repeal of the broad McCarran-Ferguson exemption, substituting in its stead a narrow exemption, to be determined by the FTC, solely for essential collective activities undertaken by or behalf of persons within the insurance industry. This last proposal implements a recent recommendation made by the National Commission for the Review of Antitrust Laws.

The Federal Insurance Commission Act creates an independent agency to regulate the insurance industry only in those instances where State regulation is deficient.

As aforesaid, these bills represent alternative approaches to a Federal role in the regulation of insurance. I sincerely hope that they will focus attention on these problems, and that committee hearings can begin on these measures as expeditiously as possible.

We are all aware of the problems back home regarding virtually all types of insurance, including automobile liability insurance, product liability insurance and homeowner's insurance to name a few. Congress must begin focusing its attention on these difficulties, not in an ad hoc manner as it has done in the past, but with a view toward the total regulatory environment—so that future insurance crises may be avoided before they occur.●

U.S. CANAL ZONE: DELEGATE IN THE CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

● Mr. FLOOD. Mr Speaker, as a Member of Congress with extensive experience in dealing with the problems of the Panama Canal, I long ago recognized that the major interests of the United States in the Canal Zone and the well being of our citizens employed in it have not been safeguarded as well as they should have been. One reason for these failures is that there was no permanent voice in the Congress to present the facts involved in a vigorous manner.

In contrast, other U.S. territorial possessions of the United States do have spokesmen in the Congress as follows:

	Population	Area (sq. mi.)
Resident Commissioner (4 years):		
Puerto Rico	2, 712, 033	3, 421
Delegates at large (2 years):		
Washington, D.C	756, 510	61
Guam	84, 996	209
Virgin Islands	62, 468	132

The Canal Zone is an "unincorporated territory" of the United States with a land area of 362 square miles and a population of 44,198 of whom 39,200 are U.S. citizens and subject to Federal taxation.

As is well known, since the opening of the Panama Canal, the Congress has served as the legislature of the Canal Zone. It established a government of the territory, including a U.S. district court, and has enacted an extensive three volume Canal Zone Code. Moreover, the territory has a far greater strategic significance than either Alaska or the Hawaiian Islands, which for many years had delegates in the Congress.

Under existing laws, the Canal Zone Government performs many functions of State, city, and county governments. Its executive branch is headed by a Presidentially appointed Governor of the Canal Zone, its judicial branch by a U.S. district judge, but its legislative branch has no permanent representative in the Congress. Thus many problems requiring legislative action or supervision find the Congress without a continuously available delegate to assist in arriving at wisely reasoned decisions.

To remedy the situation thus presented, I have introduced the following bill to authorize the election of a nonvoting Delegate at large from the Canal Zone:

H.R. 1014

A bill to provide that the United States Canal Zone shall be represented by a Delegate to the House of Representatives

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DELEGATE FROM THE CANAL ZONE

SECTION 1. The first section of the Act entitled "An Act to provide that the unincorporated territories of Guam and the Virgin Islands shall each be represented in Congress by a Delegate to the House of Representatives", approved April 10, 1972 (48 U.S.C. 1711), hereinafter in this Act referred to as the "Act", is amended by striking out "and the territory of the Virgin Islands" and inserting in lieu thereof the following: ", the territory of the Virgin Islands, and the Canal Zone".

ELECTION

SEC. 2. Section 2(a) of the Act (48 U.S.C. 1712(a)) is amended—

(1) in the first sentence thereof, by inserting "from Guam and the Delegate from the Virgin Islands" immediately after "The Delegate";

(2) by inserting immediately after the first sentence thereof the following new sentence: "The Delegate from the Canal Zone shall be elected by the citizens of the United States residing in the Canal Zone at a general election held in November 1980, pursuant to regulations established under section 4(b), and at a general election every second year thereafter.": and

(3) in the second sentence thereof, by striking out "The Delegate" and inserting in lieu thereof "Each Delegate".

ELIGIBILITY

SEC. 3. Section 3(c) of the Act (48 U.S.C. 1713(c)) is amended by inserting "or possession" immediately after "territory".

ELECTION PROCEDURE

SEC. 4. Section 4 of the Act (48 U.S.C. 1714) is amended—

(1) by inserting "(a)" immediately after "SEC. 4.";

(2) by striking out "The legislature of each territory" and inserting in lieu thereof the following: "The Legislature of Guam and the Legislature of the Virgin Islands"; and

(3) by adding at the end thereof the following new subsection:

"(b) The Governor of the Canal Zone shall prescribe regulations for conducting general elections for the office of Delegate from the Canal Zone, and shall submit a copy of such regulations to each House of the Congress not later than January 1, 1980. Such regulations shall take effect on March 1, 1980, unless either House of the Congress passes a resolution before such date which specifically disapproves of all or part of such regulations.".

PRIVILEGES OF DELEGATE

SEC. 5. Section 5 of the Act (48 U.S.C. 1715) is amended—

(1) by striking out "and the Delegate from the Virgin Islands" and inserting in lieu thereof the following: ", the Delegate from the Virgin Islands, and the Delegate from the Canal Zone"; and

(2) by striking out "the Delegate from each territory" and inserting in lieu thereof the following: "each Delegate".

SPECIAL ELECTION

SEC. 6. The Governor of the Canal Zone shall conduct a special election for the office of Delegate from the Canal Zone not later than thirty days after the date of the enactment of this Act. Such Delegate shall be elected by the citizens of the United States residing in the Canal Zone on the date of such special election. The term of such delegate shall commence not later than ten days after the date of such special election and shall end upon the commencement of the term of the person elected Delegate in the general election in 1980.●

ZERO-BASE PAPERWORK ACT OF 1979 AND THE PAPERWORK REDUCTION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, during the first week of the 96th Congress I introduced two legislative measures which I believe will make a significant contribution toward reducing and rationalizing Federal paperwork. Today I am reintroducing this legislation with the support of over forty of my colleagues. The first of these bills, entitled the Zero-Base Paperwork Act of 1979, would require a biennial justification for the continued use by the Federal Government of any form for soliciting information from individuals, private industry, and State and local government agencies. The Paperwork Reduction Act of 1979, the second of these efforts, would address the paperwork problem at its source by requiring that House committee reports on proposed legislation contain statements of the reporting requirements which will be imposed on individuals, private industry, and State and local governments as a result of the enactment of the proposed legislation.

We are all aware of the growing grassroots dissatisfaction throughout the country with the responsiveness of the Federal Government to local problems and realities. This sentiment is evident in a great many aspects of American life, but perhaps nowhere is it more apparent than in the area of Federal reporting. The Federal Government generates a staggering amount of paperwork—more than 2 billion pieces of paper annually—with no coherent or effective review and control process.

The impact of this paperwork burden is far reaching and substantial. Individuals and businesses are spending more than $100 billion a year just to fill out and comply with Federal forms. According to Federal agency estimates, businesses alone take about 69 million hours annually to respond to the more than 2,100 U.S. reporting requirements. As stated in a recent GAO report, IRS estimates that its reporting and recordkeeping requirements result in about 613 million hours of burden annually on business and individuals. And, over $40 billion of our gross national product is devoted to the production, distribution, processing, and storage of paperwork and information.

As a lifelong small businessman, I have firsthand knowledge of the tremendous burden which existing Federal reporting requirements place on American small business. The extent of the problem should not be minimized. It is a burden which has become one of the most significant factors affecting the competitive viability of small firms.

As a Member of Congress, I have become well acquainted with the corresponding burden imposed on State and local governments and various civic organizations which seek to participate in Federal programs. In far too many cases, reporting requirements inhibit realization of the maximum potential of these programs.

The current Federal reporting system is analogous to the proverbial wild bull in the china shop, and it needs to be brought under control.

Mr. Speaker, it does not make sense to continue to pile unnecessary reporting requirements on individuals, small business, and local public agencies. The American people are being drowned in a sea of paperwork and redtape. The actual cost of money, time, and lost productivity is substantial, not to mention the psychological cost in lost initiative and stifled creativity.

Consider the following facts:

That the State of Wyoming turned down several ecology grants because State officials estimated that it would have cost more to comply with Federal reporting requirements than the $108,000 the State would have received in grants.

That one drug company, in attempting to market a drug for the treatment of arthritis, had to collect and file 120,009 pages of information with the Food and Drug Administration—in triplicate.

Or that for the average small business, the paperwork costs involved in setting up an employee pension program run about $700 per employeee before any contribution is made to the pension plan.

I am not suggesting that all Federal reporting is unnecessary or wasteful. Indeed, the Government has a right to know certain essential information. However, there is clearly a pressing need to restore a degree of commonsense to our Federal reporting system.

What can be done about the mounting paperwork burden?

Recognizing the magnitude of the problem is a start, but alone it is not enough. It is time to move beyond the discussion and hand-wringing stage and to implement substantive procedures to deal with the paperwork problem.

The effort to reduce the Federal paperwork burden should be directed at two distinct vantage points—at the source and at the final product. Congress must acknowledge its role in the upward spiral of proliferating paperwork, and take concrete steps to remedy it. To that end, the Paperwork Reduction Act would require that all congressional committees include in their legislative reports on a specific bill a statement which estimates the extent and cost of Federal paperwork which would be generated by enactment of such a bill. It would also estimate the complexity of the forms which would be necessary for compliance and the potential cost in time and money which would result from bookkeeping under the new statute. These changes would force the Congress to consider the potential paperwork impact of proposed legislation on the public at the time it is debating the merits of such a bill. And, in turn, it would hopefully serve to prevent the proliferation of unnecessary redtape by creating a greater awareness within the Congress of the paperwork problem.

In addition to controlling the flow of new paperwork at its source, steps should also be taken to control and reduce existing paper work on an ongoing basis. The Congress should intensify its efforts to secure consolidation and elimination of many of the Federal forms already in effect. I think that the Zero-Base Paperwork Act would make a significant contribution toward that end.

Zero-base paperwork is a very straightforward concept. It simply requires each Federal agency to review and justify all of its public forms on a biennial basis. Instead of periodically devising new forms to service existing programs, Federal officials would have to start from scratch each year and review their agency's reporting requirements with an eye toward eliminating or consolidating unnecessary forms. All forms which are not deemed necessary to the proper performance of the functions of the agency and which cannot be justified in terms of the benefits gained and the costs imposed would be abolished.

The Zero-Base Paperwork Act would insure that Federal officials make a case for each of their agency's forms periodically. The result would, in my view, be more simplified and rational Federal reporting system.

I believe that the implementation of zero-base paperwork procedures would provide a viable mechanism for insuring regular assessment of Federal forms. Coupled with a concerted effort to control paperwork at its source—during the legislative process—this innovation would do much to reduce the mounting paperwork burden about which we are all concerned.

THOMAS A. MURPHY, GENERAL MOTORS BOARD CHAIRMAN, ADDRESSES DEKALB COUNTY, GA., CHAMBER OF COMMERCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, on January 31, Thomas A. Murphy, chairman of the board of General Motors Corp., addressed the annual dinner of the DeKalb County, Ga., Chamber of Commerce. His remarks were perceptive and challenging. Mr. Murphy, one of the most knowledgeable business leaders in America, discussed the state of the American economy and its outlook for the future. Because of his stature and insight, I believe it is especially important for us to hear his optimistic assessment of where we are and where we are headed and the confidence which he, as the leader of one of the world's major corporations, has in the American economy.

In addition, Mr. Murphy's sensitivity to the problem of the proliferation of special interest and single-issue politics is an important analysis that more Americans should become aware of and alerted to the dangers it may hold for America.

For these reasons, I would like to share Mr. Murphy's remarks with my colleagues and insert them at this point in the Record:

This is really a great pleasure for me. Besides enjoying the warm Southern hospitality tonight, I've had a delightful day getting reacquainted with Atlanta. Atlanta is very crucial to General Motors—as is the whole state of Georgia. Accordingly, we built some of our earliest—and some of our latest—plants in this State. Our GMAD-Lakewood facility, for instance, began operating over 50 years ago. We've been here in DeKalb County at our GMAD-Doraville plant for 32 years—I believe the "32" on your sign is probably intended to indicate that. We also have one of our largest Parts Distribution Centers in Doraville. Downstate a bit, there's a relatively new Delco-Remy battery plant operating in Fitzgerald. Just about six years ago, a fellow by the name of Jimmy Carter—then your governor—helped us break ground for that plant.

And we now have a brand new Delco-Remy facility in Albany. It started turning out alternators for our new front-wheel-drive compact cars just this month.

So General Motors has been in Georgia a long time, and we're continuing our very substantial investment here today—as we should. Georgia has always been a major cross-roads of the country, and Atlanta has been called the capital of the South. Atlanta's leadership, its importance in history is evident to even the most casual visitor. You can see it by walking around your dynamic downtown area—or by tuning in "Gone with the Wind" next month on TV—or by watching the news tomorrow night after Chinese Vice Premier Teng Hsiao-ping's visit.

Atlanta today is an international crossroads. It's also one of the country's biggest financial centers. So perhaps it would be in order tonight to offer some thoughts on our national economy and our efforts to combat inflation.

We're already a month into the new year, and since this is a business audience, I assume most of you are familiar with the very wide variety of projections that have been made about the probable course of our economy during 1979. The consensus seems to be decidedly pessimistic. In fact, it is extremely difficult to find an economist anywhere who will permit himself to be quoted about the future of our economy with anything but gloom. Just the other day, for example, the Associated Press quoted a very positive statement by a financial analyst—but, significantly that analyst asked not to be identified.

Economists seem to be indulging in a deadly kind of competition, trying to outdo one another in predicting when the bottom will finally fall out and our country plunge back into another economic recession. It's been that the economists have predicted twelve of the last five recessions accurately. Some are even predicting the end of the world, and I find that puzzling: why predict something when there will be no one around to tell 'I told you so' if you are right?

As I say, it is a deadly game. For example, those economists who had predicted a recession in 1978 have hardly broken stride. They were proven wrong; 1978 was an excellent year for our country. But they apparently feel no reason to apologize for the negative, and depressing, and possibly self-fulfilling effect their unfounded and erroneous predictions of gloom could have had on the decisions made by American business leaders, on those in government who are responsible for setting our fiscal and monetary policies, and on the psychology of the American consumer. These determined doomsayers simply move the date of their imagined recession forward a few quarters and attempt to save face by predicting that the recession—when it comes—will be all the worse for the delay. As a result, even the most favorable economic news is interpreted to be *unfavorable*. A prime example is the classic headline from a recent edition of the Detroit News, "Economy's rise triggers alarm."

Well, we at General Motors read the same economic reports, charts, and graphs these doomsayers do, and we find no such forbidding prospects. On the contrary, we find strong favorable signs.

More people are employed in our country today than ever before—the total is approaching 96 million, an increase of more than 7 million workers in just the last two years. Furthermore, there is a rising level of disposable income in their hands. Industrial production is up and so are housing starts. Retail sales for 1978 were up 11 percent, and during the last quarter, the real gross national product rose by a robust 6.1 percent on a seasonally adjusted basis. We don't think that rate of increase will be sustained throughout the new year, of course. There will be a slowing down. But far from falling into a recession, the nation's rate of economic growth should be very close to its long-term average—somewhere in the neighborhood of 3 percent.

The continued upward pace of retail sales and of the index of leading business indicators—just to cite two examples—seems to fly in the face of those who have been telling us that the consumer-led recovery is running out of steam and that we are heading for a recession in 1979. Fortunately for the rest of the nation—the business community seems to be paying more attention to what is actually happening in the marketplace than to the theories of professional economists or to what the media is emphasizing. Good news rarely gets much public attention, but once in a while a positive story does appear. According to Business Week, for example, new orders for industrial supplies and equipment have gone through the roof in recent months, running some 22 percent ahead of the same period last year. The magazine ran down a long list of accelerating business activity, from capital spending and machine tool orders to carefully controlled inventory levels. And it concluded that, "If executives were as worried about the future as the surveys seem to say, they would be cutting back new bookings and advance planning, not accelerating them. But businessmen are placing the orders for new equipment because they can see the sales volume to keep that equipment busy."

And that conclusion, ladies and gentlemen, closely approximates our own at General Motors. It is on this positive basis—what we consider the hard evidence of the marketplace and actual economic performance—that we have predicted another record sales year for the automobile industry.

As most of you know by now I'm sure, our industry is just coming off a really banner year—the best calendar year for U.S. sales in our history. A record of approximately 15.4 million cars and trucks were sold—about 4 percent more than the previous record of 1977. And we're very proud to report that over 7 million of those sales were made by our General Motors dealers. It was the first time GM sales in the U.S. have ever surpassed the seven-million mark in a single year.

Now, General Motors is forecasting still another excellent calendar year in 1979. We expect industry sales in this country to increase again and reach about 15.5 million units in 1979. This should include sales of about 11.5 million passenger cars and more than 4 million trucks. What's more, we expect domestic automakers to continue to improve their sales relative to foreign manufacturers, just as they did in 1978.

At General Motors, much of the credit for this success in competition belongs to the successive waves of new, more fuel-efficient GM products we've been introducing in recent years. And we expect a lot more excitement when our all-new front-wheel-drive compacts debut on April 19. But the mid-size Malibus, Monte Carlos, and Cutlasses we make at Doraville have also been a big part of the success story. So have the Grand Prix formerly made at Lakewood.

Lakewood, of course, is now being converted to assemble the Chevrolet Chevette—one of our best-selling cars. Chevette sales were up almost 26% last year over 1977. There was some natural leveling out of this excellent sales performance last fall, but the latest reports show Chevette sales on the upswing again. In the first two 10-day periods in January, they were up 28% over the same period last year.

So we're putting a very popular, a very hot product in at Lakewood. And we're making a considerable investment to do it. We're spending millions of dollars to change over the plant—to remodel its rust-proofing and paint facilities, to revamp its conveyor systems and welding processes, to rearrange its chassis department to handle Chevette's unibody construction. With all the improvements, Lakewood will compare favorably with any other facility of a similar type we've got—including our fine Doraville plant right here in DeKalb County.

Multi-million-dollar investments like we're making at Lakewood reflect our faith in Atlanta and in Georgia. And they reflect our faith in the future—the future of our industry, the future of this country. We're very bullish on the future of General Motors. And behind the bullishness is the unshakeable belief that our automobile industry in this country is still a growing one.

Acting on that belief, we made capital expenditures of more than $4.5 billion in 1978—by far the heaviest investment we've ever made in a single year. And we're projecting even heavier spending in 1979 and beyond—more than $5 billion annually.

But, as we enter this new year, we're not ignoring the uncertainties our economy faces. Some of them are enormous—the cost and availability of energy, for example; our deficits in overseas payments and trade; and, overshadowing all other problems, inflation.

When we predict another year of continued, although moderate, economic growth for the United States, we do so in the belief that we will witness a new spirit of cooperation in this country. We believe that the President's anti-inflation program will win the support that is absolutely essential to its success. We believe that the leadership in his own Administrartion will *cooperate* in setting monetary, fiscal and legislative policies that will reduce spending and our Federal deficit. We believe that the government's independent agencies will *cooperate* by reducing the inflationary impact of unnecessary regulation. We believe that Congress will *cooperate* in budgetary affairs. We believe that organized labor will *cooperate* when negotiating new contracts. And we believe business will *cooperate* by controlling costs, increasing efficiencies, and by keeping price increases within the established guidelines.

However, we must admit that there are already signs that some—in government agencies and others in organized labor—do not seem to have the same concern about inflation that most of us do. They place their own interests and the special interests of their various constituencies above the national interest by ignoring opportunities to contribute to the struggle. But if we are to be successful in our fight on inflation, we must not allow our common resolve to be dissipated into the splintered causes of special interests.

There is a great profusion of special interest groups today—each pleading its own cause and each apparently hopelessly divided from the rest. There are, of course, labor and business organizations. And beyond those broad groupings, there's the whole category of minorities, now further divided into the Blacks, the Hispanics, and the native Americans. There are women, welfare mothers, and senior citizens—the handicapped, the gay liberationists, students, and children—even the champions of the unborn and those who demand their right to die in a dignified manner. The number of these groups is so great and at times their voices are so shrill that it seems our society is tearing itself apart. On the surface, at least, we appear incapable of uniting against a common foe such as inflation.

Indeed, the adversary relationship between groups has become something of a sacred cow—more sacred than the national interest. Even to question this reincarnated doctrine of separatism is thought to defile democracy. Out of some twisted sense of politics, the contention of one faction with another is looked upon as democracy in its highest and purest form. In contrast, unity and cooperation between people are denigrated as copouts, cowardly compromises, and capitulations to the status quo.

Now this is clearly wrong. This adversary climate of "me against them" and "us against the world" is clearly destructive of those bonds of mutual trust that have traditionally bound our pluralistic society together. The magnificent political system which we have carefully developed and improved upon has proved itself time and time again in our history. It has shown itself to be elastic enough to accommodate all legitimate demands and to assure the rights and privileges of every citizen. And it will continue to do so today—in this fight against inflation—if we let it, and if we work for it.

I, personally, feel very strongly that the broad majority of our people remain united in their basic beliefs. Behind the special interest, beneath the muscle groups, lies a strong connective tissue drawing us all together in the common body of our country. We must do all we can to nurture this unity. And we must curb the restrictive practices of special interests which would prevent us from making the most of our economic resources. Now is the time to reaffirm our common ties, reemphasize our shared beliefs, retrace our common roots.

The President expressed something of the same idea in his State-of-the-Union message last week. He said it well, I thought, and I'd like to quote from his remarks. This is what the President said:

". . . two centuries ago a bold generation of Americans risked their property, position, and life itself.

"We are their heirs. And they are sending us a message across the centuries. The words they made so vivid are now growing faintly indistinct, because they are not heard often enough. They are words like justice, equality, unity, sacrifice, liberty, faith, and love.

"These words remind us that the duty of our generation of Americans is to renew our nation's faith—not focused just against foreign threats, but against selfishness, cynicism, and apathy."

That was how the President put it. And now in this fight against inflation, it's time to act on those words. The majority of Americans, and especially those in positions of the greatest public responsibility and influence, must counter the influence of the dissidents and give the President's anti-inflation program their full and enlightened support.

It should be clear by now to every American that inflation is his or her greatest enemy today. A reversal in the rising cost of living will benefit everyone in American society—old and young alike, the welfare recipient as well as the job-holder, the retiree as well as the employee, the investor as well as the worker. There is no more important objective in our country today. Indeed the attainment of all other objectives will depend upon the attainment of this one.

We think the President has displayed great political courage in addressing this problem—especially in the reduced-deficit budget he has submitted to Congress. There is also the legislation he has vetoed—legislation supported by the leadership of his own party. He vetoed it because he felt it would be inflationary.

He has made a good start, but it is only a start. The demands on the President's courage and on his leadership abilities will increase tremendously over the coming weeks and months—and even years, since inflation cannot be reversed overnight. Regardless of our own political persuasions, we all owe the President our strongest support in his anti-inflation efforts—for only in their continued and consistent application can the program succeed.

The President is already being accused of breaking campaign promises, of being insensitive to environmental and social problems, of betraying the liberal traditions of his Democratic Party and of organized labor. More criticism like this is sure to come before the Presidential election in 1980. But Mr. Carter has pledged to make the hard choices, to stick with his battle against inflation even if it costs him the Presidency.

We have great confidence in the ability of this great nation to respond to the challenge of the battle against inflation. This is a *war* we are engaged in, and if we are going to win it, we will have to subordinate all other objectives to the single, overriding objective of victory. What is needed now is the kind of inspired leadership in both public and private life that will recognize inflation for the scourge that it is, that will never lose sight of the absolute necessity of defeating it, and that will resist all efforts to place other interests over the national interest. Unless America is blessed with strong and courageous leadership of this magnitude, we will never prevail over inflation. We will continue to be victims insead of victors.

But we are confident that we have such leadership—in many parts of government, in many parts of organized labor, in many parts of the business community. The majority of the American people must now encourage this leadership, get behind it and support it, and demonstrate that we are willing to accept the degree of sacrifice asked of each of one of us.

As I say, this is war. Nothing less than a single-minded, total commitment will assure victory. So, let labor and management put their narrow suspicions aside. Let our special interest groups recognize that their primary interest is the national interest. Let us all unite as we have in the past, whenever our nation has been challenged as seriously as it is being challenged right now.

If we do this, then inflation will be curbed without recession and without widespread unemployment for the first time in our history. Victory will be shared by all Americans, and it will be among the sweetest and most rewarding victories we have ever known.●

LEGISLATION TO STRENGTHEN U.S. TRADE POLICY WHILE ACHIEVING CONSTRUCTIVE EMIGRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 5 minutes.

Mr. AUCOIN. Mr. Speaker, I am introducing today legislation that will strengthen U.S. trade policy and how it constructively impacts emigration polices of our trading partners throughout the world.

This legislation is timely in that it will enable America to pursue normalized commercial relations with the People's Republic of China quickly on the heels of diplomatic normalization—and without eroding our fundamental human rights principles.

My legislation, which is similar to a bill being introduced today in the other body by Senator STEVENSON, amends the waiver clause in section 402 of the 1974 Trade Act that restricts certain trade benefits to nonmarket countries, including China, unless those countries exhibit satisfactory emigration policies. The waiver clause is now constructed negatively. My legislation would make it positive.

Instead of demanding physical assurances from a country that it will abide by our emigration standards, my legislation would empower the President to make a determination that the actual granting of a waiver to this section and opening up restricted trade benefits would "lead substantially to the achievement of the free emigration objectives" this section seeks. It thus makes use of trade benefits as a tool to achieve emigration.

The bill I am introducing today would add greater flexibility to this section by extending the duration of a Presidential waiver from 12 months to 5 years. Later this week, I intend to reintroduce my legislation with a perfecting change that would add even more flexibility. That change will limit first-time waivers to nonmarket nations to 12 months, to insure timely congressional review. Subsequent waivers to those nations could be for up to 5 years. This change will give maximum flexibility, yet assure adequate congressional oversight and consultation.

My legislation complies with President Carter's stated objective to deal evenhandedly with both the Chinese and Soviets with respect to trade matters. It would, therefore, remove the existing $300 million limit imposed on credits the U.S. Export-Import Bank could extend to the Soviet Union, replacing it with a ceiling of $2 billion on credits to all nonmarket nations. It also would raise from $50 million to $100 million the amount of an Eximbank loan or guarantee to a nonmarket country that requires a separate Presidential determination that such a transaction is in the national interest.

My interest in this legislation grows out of an active role in the House Subcommittee on International Trade where in the last session of Congress I authored an amendment that would have exempted the People's Republic of China from section 402 of the Trade Act, opening up credits from the Eximbank for sales to China. My purpose in introducing that amendment was to combat the paralysis that had set in since the 1972 Shanghai communique in our relations with China. I reasoned that movement on the trade front would signal the Chinese we were still interested in normalizing relations, while at the same time enabling U.S. businessmen to enter more forcefully blossoming Chinese markets.

Now that normalization with China is a reality, our attention should be directed toward bringing to full bloom our relations with China. The time has never been riper to do so.

Chinese Vice Premier Teng Hsiaoping's just completed trip to the United

States underlines the importance the Chinese hold for improved Sinto-United States relations. Vice Premier Teng could not have made it clearer that China intends to purchase U.S. goods and technology, if we are competitive.

Frankly, though, we are not competitive. We are not competitive because of restrictions we have placed on ourselves. They are restrictions that were aimed elsewhere and that now are hopelessly out of date. They are restrictions that block the use of Eximbank credits to assist in financing large sales to China and granting of most-favored-nation status that will open a wider range of consumer choices in our own markets. China trade, while not an overnight bonanza, holds the promise of sure growth and can be a tremendous opportunity to spur U.S. exports and cut away at our debilitating, chronic trade imbalance that saps the U.S. dollar and induces inflation. Most important, U.S. export growth will stimulate new advances in productivity and create more and better-paying jobs.

The situation is filled with more than a little irony. There is growing evidence that despite U.S. firms landing large contracts with the Chinese, they are unable to secure domestic financing and are being told to look abroad. The result will be that many of the jobs will follow the financing, and opportunities for American workers will be lost. This situation is not going to be reversed to any appreciable degree until the Eximbank is allowed to spearhead the extension of credit for sales to the PRC.

My own region of the country stands to benefit handsomely from increased trade with China, through such commodities as wheat, forage grass seeds, breeding stock, seafood, wood products, electronics equipment, sawmill machinery, heavy and light machinery, consulting and engineering services, aircraft, and aquaculture technology.

While pursuing normalized relations with China, we must remain mindful of how our actions translate in the world. President Carter has charted a course of evenhanded treatment of the major powers of Russia and China. Therefore, we cannot be in the position of favoring one and penalizing the other. Rather, we should use the leverage of our new initiative to improve our relations with both.

In addition to being evenhanded, my legislation is faithful to the intent of the Jackson-Vanik amendment. Indeed, I believe it strengthens its practical effect. It extends a carrot, not a stick.

Maintaining a consistent, yet achievable, policy on human rights is essential to our current foreign policy. I support that foreign policy. We can and should exert pressure to insure free emigration policies. But we also should exercise caution that we not overplay our hand or apply pressure that will have little effect. In short, we must bear in mind the distinction between foreign policy and trade policy. Trading with a nation, and granting that country most favored nation status, does not mean we approve of that nation's policies, whether emigration or economic. It simply means we have opportunities to exchange goods on an equal basis for the mutual benefit of both parties.

I believe the positive thrust of my legislation will strengthen our trade policy, and may very well lead to stronger commercial ties with both China and the Soviet Union, with no diminution in our efforts to promote liberal emigration.

This is truly a situation where we have everything to gain and nothing to lose by taking this action. Frankly, the euphoria of our new relationship with China will transform into an empty dream unless we move with purpose to place American commercial interests on equal footing with the rest of the world in competing for a flourishing market. We also have an opportunity to reward improved behavior by the Soviet Union and thereby ease tensions. Most important of all, this is a chance to demonstrate that our trade policy is mature and robust, and is riveted on the future, not the past.

A section-by-section analysis of my bill follows:

SECTION-BY-SECTION ANALYSIS

Section 1(1) would amend section 2(b) (B) of the Export-Import Bank Act to increase from fifty to one-hundred million dollars the amount of each Bank loan or financial guarantee for U.S. exports to a Communist country requiring a separate Presidential determination that such transaction is in the national interest.

Section 1(2) would add a new provision to the Export-Import Bank Act limiting the aggregate amount of loans and financial guarantees which the Bank could have outstanding at any one time in support of U.S. exports to any Communist country to two billion dollars.

Section 1(3) would delete from the Export-Import Bank Act the provision requiring Bank loans or financial guarantees of twenty-five million dollars or more for the export of goods and services involving research, exploration, or production of fossil fuel energy resources in the U.S.S.R. to be transmitted to the Congress twenty-five days of continuous session prior to final approval by the Bank, and the provision limiting Bank loans and financial guarantees for exports to the U.S.S.R. to not more than three hundred million dollars, including not more than forty million dollars for the support of research or exploration for fossil fuel energy resources, and prohibiting support for production (including processing and distribution) of such resources.

Section 2(1) would amend the Trade Act to require the President to determine that the emigration practices of any non-market economy country will henceforth lead substantially to the achievement of the free emigration objectives of section 402 of the Act, before such country shall be made eligible for nondiscriminatory tariff treatment and U.S. Government credits. The amendment would replace an existing requirement that the President have "received assurances" regarding such practices.

Section 2(2) would amend the Trade Act to authorize the President to waive the application of subsections (a) and (b) of Section 402 of the Act for five years. (The perfecting change to be introduced later this week would replace "five years" with "12-month periods for first-time waivers and up to 5-year periods for subsequent waivers.")

Section 2(3) would delete from the Trade Act a provision limiting U.S. Government credits to support exports to the U.S.S.R., except Commodity Credit Corporation credits, to not more than three hundred million dollars.

H.R. 1835

A bill to amend the Export-Import Bank Act of 1945 with respect to credit to communist countries, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Export-Import Bank Act of 1945 is amended—

(1) in section 2(b)(2), by striking out "$50,000,000" and inserting in lieu thereof "$100,000,000";

(2) by adding at the end of section 2(b)(2) the following new sentence: "The Bank shall not have outstanding at any one time loans or financial guarantees, or any combination of such loans or guarantees, in connection with exports to any communist country in an aggregate amount in excess of $2,000,000,000.";

(3) in section 2(b)(3), by striking out clause (ii) and by redesignating clause (iii) as clause (ii); and

(4) by striking out section 7(b).

SEC. 2. The Trade Act of 1974 is amended—

(1) in section 402(c)(1)(B) and section 402(c)(2)(B), by striking out "received assurances" and inserting in lieu thereof "determined";

(2) in section 402, by striking out "12 months" and "12-month" each place they appear therein and inserting in lieu thereof "five years" and "five-year", respectively; and

(3) by striking out section 613.

LEGISLATION TO INCREASE THE CIGARETTE EXCISE TAX

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● **Mr. DRINAN.** Mr. Speaker, cigarette smoking is the Nation's largest single preventable cause of death, yet for over 8 years—at a time when this House passed landmark legislation to insure the purity of the Nation's air and water and the safety of consumer products—Congress has refused to even consider legislation that would further reduce the health hazards of cigarette smoking.

We must not delay any longer—during the last 8 years well over 2½ million Americans have died of smoking related illness. It is well past time that we stood up to the tobacco lobby and declared that we shall be silent witnesses to this "slow suicide" no longer.

Last week I announced the reintroduction of legislation that would reduce the danger of cigarette smoking by strengthening the cigarette warning label; by protecting the rights of nonsmokers in Federal facilities; and by extending the authority of the Food and Drug Administration to allow it to regulate tobacco products. Today, I am introducing a bill to raise the cigarette excise tax from $0.08 to $0.16 per package. Such an increase, which is long overdue, would serve to discourage smoking while insuring that those who do smoke will bear a greater proportion of the economic burden that smoking places on our Nation.

The current cigarette excise tax, which is $4 per thousand cigarettes (or $0.08 per package) has not been raised since 1951. If we were to adjust the tax for inflation over that period, we would have to raise the tax to $0.21. Clearly then, my bill, which would merely double this tax, would not even adjust the tax for the inflation that has occurred in the 28 years since it was established at this level. However, there are much more important reasons for enacting this bill.

Increasing the price of this deadly addiction would encourage smokers to "kick the habit." It would also discourage nonsmokers, particularly the young, from taking up smoking in the first place. According to the Surgeon's General's most recent report on smoking and health, survey research indicates that for every 1-percent increase in the price of cigarettes, the number of smokers will decline by 0.6 percent. While this conclusion is based on a study of British adult males, there is no reason to believe that the results would be markedly different in the United States. Given this estimate cited by the Surgeon General, it is not unrealistic to expect that enactment of this bill would cause 3 to 4 million smokers to quit smoking.

More importantly, as Surgeon General Richmond points out in the preface of his report on smoking, "the demand for cigarettes among teenagers may be more price sensitive" than the demand for cigarettes among adults. If this is indeed the case, the legislation I have introduced could be a very important means of reducing cigarette smoking among the young. This is a particularly critical population both because the number of teenage smokers continues to increase, and because most smokers begin smoking when they are young.

Over the last decade the percentage of girls aged 12 to 14 who smoke has increased eightfold, and currently there are 6 million smokers between the ages of 13 and 19. These are alarming statistics in and of themselves, but when we consider that 41 million of America's 54 million smokers started when they were under age 21, it becomes clear that if the Nation is ever to reduce the number of its smokers, it must first reduce smoking among teenagers. I believe that increasing the cigarette excise tax is one important way the 96th Congress can begin to attack this problem.

In addition to discouraging the purchase of cigarettes, this bill would generate additional revenue from smokers to partially offset the tremendous budgetary and economic losses caused by cigarette smoking. This year, smoking related illness will cost the Government $5 to $8 billion in health care expenses, and cause a loss of an additional $12 to $18 billion due to lost wages, productivity, and absenteeism. Currently, smokers only bear a small fraction of this burden.

The Federal cigarette excise tax currently yields $2.4 billion in annual revenues. If the excise tax were doubled and cigarette sales remained constant—a liberal assumption—the $4.8 billion in annual revenue would still be insufficient to cover the direct cost to the Government of cigarette smoking. It is altogether fitting and proper that smokers should be forced to bear the burden that their habit costs the public at large, and enactment of this bill would begin to address this imbalance.

Mr. Speaker, this legislation is a moderate attempt to deal with the problem of cigarette smoking in America. By slightly increasing the cost of cigarettes, Congress can discourage millions of people from smoking—particularly the young, who are especially prone to this deadly habit. In so doing, it can also begin to place the multi-billion-dollar public health cost of cigarette smoking on the 33 percent of the people who choose to smoke.

A text of my cigarette excise tax bill follows:

H.R. 1843

To amend the Internal Revenue Code of 1954 to increase the excise tax on cigarettes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (1) of section 5701(b) of the Internal Revenue Code of 1954 (relating to rate of tax on small cigarettes) is amended by striking out "$4 per thousand" and inserting in lieu thereof "$8 per thousand".

(b) Paragraph (2) of section 5701(b) of such Code (relating to rate of tax on large cigarettes) is amended by striking out "$8.40 per thousand" and inserting in lieu thereof "$16.80 per thousand".

SEC. 2. The amendments made by the first section of this Act shall apply on and after the date which is 90 days after the date of the enactment of this Act.●

WOMEN AND PENSIONS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, I am introducing two bills today to address serious inequities in Federal law regarding the pension rights of women. One bill would undo the damage to divorced and separated women caused by the Supreme Court's recent decision in the case of Hisquierdo against Hisquierdo, where the Court ruled that a divorced wife has no right to a portion of her former husband's pension under the Railroad Retirement Act of 1974. The second bill provides that pension plans governed by the Employee Retirement Income Security Act of 1974 must obey court orders dividing the pension benefits in a community property settlement, or attaching the pension for alimony or child support.

My interest in this area of law was sparked by a letter I received last year from a constituent, whose husband left her and their two children and took early retirement from his job. Because ERISA section 206(d)(1) (26 U.S.C. 401(a)(13) and 29 U.S.C. 1056(d)(1)) provides that "benefits provided under the plan may not be assigned or alienated," and because ERISA preempts State law, the husband's pension plan has ignored a State court order attaching his pension for the support of his homemaker spouse and their two children. My constituent has had to turn to welfare for subsistance. In the Supreme Court case, Jess Hisquierdo sued his wife Angela for divorce in 1975, after 14 years of marriage during which she was a homemaker and he a worker for the Atchison, Topeka & Santa Fe Railway. The California Supreme Court, reversing a lower court, ruled unanimously in 1977 that Mrs. Hisquierdo was entitled as a matter of ownership under California's community property laws to half the pension benefits attributable to his labor during their marriage. On January 22, in a 7–2 decision, the U.S. Supreme Court reversed the California Supreme Court holding that section 14 of the Railroad Retirement Act of 1974 preempts California's community property laws. Section 14 (45 U.S.C. 231m) protects railroad retirement benefits from legal process "[n]otwithstanding any other law . . . of any State."

My research into this question has convinced me that Congress did not intend this result from ERISA, the Railroad Retirement Act, or from any other Federal law, and I think we have a responsibility to speak unequivocally on this point. The Hisquierdo ruling is one of a series of recent court decisions testing the right of States to allocate pension benefits equitably between a worker and his divorced or separated spouse. Frankly, a strong case can be made that Congress should recognize that marriage is an economic partnership by establishing joint worker-spouse ownership of Federal pensions, but, at the very least, we should not frustrate the laws of those eight States which have established such a community property interest.

Mr. Speaker, I presented testimony last August during Senate hearings on S. 3017, legislation introduced by Senators WILLIAMS and JAVITS to amend ERISA "for the purpose of simplifying, clarifying, and improving Federal law relating to the regulation of employee benefit plans." In my remarks, I urged that the bill be amended to clarify whether ERISA preempts State domestic relations laws, and I am very pleased to note that section 128 of the new ERISA Improvements Act, S. 209, does contain such language. This relatively minor clarification will mean the difference between poverty and a modicum of income security to a significant number of older divorced women, and I am hopeful that Congress will enact such a provision this year.

I would like to note the close relationship between these proposed amendments and legislation Congress has passed in recent years. In 1974, Congress launched a broad attack on the problem of runaway fathers, who were forcing the State and Federal Governments to support their families through the aid to families with dependent children program. As part of that attack, Congress waived the Federal Government's sovereign immunity so that the pay and benefits of present and retired Federal workers and the benefits of various Federal welfare and social security programs could be attached for payment of child support and alimony (42 U.S.C. 659). By waiving sovereign immunity, Congress made parents or spouses with Federal salaries, pensions, or benefits susceptible to court orders for child support or alimony. The child support enforcement program has been so successful that last summer HEW formed project responsibility, a departmental initiative to more than double the $423 million in child support collected from absent parents in 1977. Congress should do its part in this effort by removing the antiassignment provision from ERISA to allow private pensions to be attached for child support or alimony.

Finally, last year Congress passed Public Law 95-366, which amended the civil service pension law to permit the Civil Service Commission to pay a portion of retirement benefits to a person other than the annuitant under "the terms of any court order or court-approved property settlement agreement incident to any court decree of divorce, annulment, or legal separation." The bills I am introducing today simply extend that treatment of civil service pensions to private pensions covered by ERISA and railroad retirement pension. The texts of the bills follow:

H.R. 1882

A bill to amend the Railroad Retirement Act of 1974 to provide that State domestic relations or community property laws are are not preempted by the Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 14 of the Railroad Retirement Act of 1974 (relating to exemption from legal process) is amended—

(1) by striking out "Sec. 14. Notwithstanding" and inserting in lieu thereof "Sec. 14 (a). Notwithstanding";

(2) by adding at the end thereof the following new subsection:

"Sec. 14 (b) Nothing in this Act is intended to prohibit the characterization or treatment under State law of the annuity or supplemental annuity provided by this Act as community property for all purposes, or as property subject to equitable distribution for the purpose of divorce, dissolution of marriage, annulment, or legal separation."

H.R. 1884

A bill to amend the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to permit assignments or alienations of rights under pension plans pursuant to court orders for alimony or child support, and to permit the division of pension benefits under State community property law or common law

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (13) of section 401(a) of the Internal Revenue Code of 1954 (relating to requirements for qualification of pension plans, etc.) is amended—

(1) by striking out "(13) A trust" and inserting in lieu thereof :"(13) (A) A trust";

(2) by striking out "This paragraph" in the last sentence and inserting in lieu thereof "This subparagraph"; and

(3) by adding at the end thereof the following new subparagraph:

"(B) Subparagraph (A) shall not apply to any assignment or alienation of benefits payable to any participant or beneficiary who is receiving benefits under the plan if—

"(i) such assignment or alienation is pursuant to either a decree of divorce or separate maintenance, or an order of a court which requires an individual to contribute to the support of his children, or both; and

"(ii) such decree or order does not affect the date, timing, form, duration or amount of any benefit payments under the plan."

(b) Subsection (d) of section 206 of the Employee Retirement Income Security Act of 1974 is amended by adding at the end thereof the following new paragraphs:

"(3) Paragraph (1) shall not apply to any assignment or alienation of benefits payable to any participant or beneficiary who is receiving benefits under the plan if—

"(A) such assignment or alienation is pursuant to either a decree of divorce or separate maintenance, or an order of a court which requires an individual to contribute to the support of his children, or both; and

"(B) such decree or order does not affect the date, timing, form, duration or amount of any benefit payments under the plan. "(4) Nothing in this subsection shall be construed to alter, amend, modify, invalidate, impair or supersede the operation of any State law governing the acquisition, division, or distribution of property defined by State laws as community property or as property belonging to a marriage."

(c) The amendments made by this section shall take effect on the date of enactment of this Act.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Campbell), to revise and extend their remarks, and to include extraneous matter:)

Mr. Railsback, today, for 5 minutes.

Mr. Railsback, on February 8, for 5 minutes.

Mr. Goldwater, today, for 10 minutes.

Mr. Edwards of Alabama, today, for 5 minutes.

(The following Members (at the request of Mr. Sabo), to revise and extend their remarks, and to include extraneous matter:)

Mr. Kastenmeier, for 15 minutes, today.

Mr. Boner, for 5 minutes, today.

Mr. Diggs, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. LaFalce, for 5 minutes, today.

Mr. Flood, for 5 minutes, today.

Mr. Bedell, for 5 minutes, today.

Mr. Levitas, for 5 minutes, today.

Mr. AuCoin, for 5 minutes, today.

Mr. Drinan, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Campbell) and to include extraneous matter:)

Mr. Findley.

Mr. Lott.

Mr. Rinaldo.

Mr. Schulze.

Mr. Bereuter.

Mr. Dornan.

Mr. Carter.

Mr. McCloskey.

(The following Members (at the request of Mr. Sabo), and to include extraneous matter:)

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Brown of California in 10 instances.

Mr. Annunzio in six instances.

Ms. Holtzman in 10 instances.

Mr. McDonald in 10 instances.

Mr. Jones of Tennessee in 10 instances.

Mr. Boner of Tennessee in 10 instances.

Mr. Holland in five instances.

Mr. Mavroules.

Mr. Drinan in 10 instances.

Mr. Mazzoli.

Mr. Montgomery in two instances.

Mr. Young of Missouri.

Mr. Waxman in two instances.

Mr. Roberts.

Mr. Boland.

Mr. Flood.

Mr. Hamilton.

Mr. Barnes.

Mr. Stark in two instances.

Mr. AuCoin.

Mr. Solarz.

Mr. Bennett.

Mr. Simon in two instances.

ADJOURNMENT

Mr. SABO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 35 minutes p.m.), under its previous order, the House adjourned until Thursday, February 8, 1979, at 11 o'clock, a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the third and fourth quarters of calendar year 1978 in connection with foreign travel are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN SEPT. 26, AND DEC. 31, 1978

	Date			Per diem [1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Bill Frenzel	11/11	11/13	Taiwan	5,392.50	$150.00		(3)				$150.00
	11/13	11/18	Japan	126,870	672.00						672.00
	11/18	11/20	Hong Kong	717.00	150.00						150.00
	11/20	11/22	Korea	72,000	150.00						150.00

Footnotes at end of table.

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Transportation by Department of Defense.							$5,716.24				$5,716.24
Hon. Sam M. Gibbons	11/11	11/13	Taiwan	5,392.50	$150.00		(3)				150.00
	11/13	11/18	Japan	126,870	672.00						672.00
	11/18	11/20	Hong Kong	717.00	150.00						150.00
	11/20	11/22	Korea	72,000	150.00						150.00
Transportation by Department of Defense.							6,518.60				6,518.60
Hon. Willis D. Gradison	11/27	11/29	Switzerland	563.10	327.00		17.73				344.73
Hon. James R. Jones	11/11	11/13	Taiwan	5,392.50	150.00		(3)				150.00
	11/13	11/18	Japan	126,870	672.00						672.00
	11/18	11/20	Hong Kong	717.00	150.00						150.00
	11/20	11/22	Korea	72,000	150.00						150.00
Transportation by Department of Defense.							4,243.98				4,243.98
Hon. Charles B. Rangel	11/25	12/1	Sudan	257.480	516.00						516.00
	12/1	12/2	Spain	5,355	75.00						75.00
Transportation by Department of Defense.							991.16				991.16
Hon. Al Ullman	11/26	11/27	France	783.20	178.00		63.01				241.01
	11/27	11/38	Switzerland	187.70	109.00		19.93				128.93
	11/28	11/30	Belgium	6,712.00	222.00		23.62				245.62
	11/30	12/3	Germany	502.35	255.00		79.93		$1.88		336.81
Thelma J. Askey	11/14	11/18	Switzerland	705.90	436.00		8.18		17.65		461.83
Jim Beall	11/26	11/27	France	783.20	178.00		63.01				241.01
	11/27	11/28	Switzerland	187.70	109.00		19.93				128.93
	11/28	11/20	Belgium	6,712.00	222.00		23.62				245.62
	11/30	12/3	Germany	502.35	255.00		79.93		1.88		336.81
Michael J. Calhoun	11/14	11/17	Switzerland	529.40	327.00		16.35		10.00		353.35
	12/11	12/15	Switzerland	808.95	475.00		748.00		15.50		1,238.50
Bruce F. Davie	11/26	11/27	France	783.20	178.00		63.01				241.01
	11/27	11/28	Switzerland	187.70	109.00		19.93				128.93
	11/28	11/30	Belgium	6,712	222.00		23.62				245.62
	11/30	12/3	Germany	502.35	255.00		79.93		1.88		336.81
Harold T. Lamar	11/21	11/26	Belgium	16,888.75	555.00		134.28				689.28
	11/26	11/28	Switzerland	378.25	218.00						218.00
	11/28	12/1	Belgium	10,133.25	333.00						333.00
David B. Rohr	10/22	10/30	Switzerland	1,331.55	872.00						872.00
	10/30	10/31	Belgium	5,595	202.00						202.00
	11/12	11/20	Switzerland	1,411.75	872.00						872.00
	11/20	11/22	Belgium	9,998	333.00						333.00
Arthur Stein, III	11/26	11/27	France	783.20	178.00		63.01				241.01
	11/27	11/28	Switzerland	187.70	109.00		19.93				128.93
	11/28	11/30	Belgium	6,712	222.00		23.62				245.62
	11/30	12/3	Germany	502.35	255.00		79.93		1.88		336.81
William K. Vaughan, Jr	11/11	11/13	Taiwan	5,392.50	150.00		(3)				150.00
	11/13	11/19	Japan	105,640	560.00						560.00
	11/19	11/22	Korea	108,000	225.00						225.00
Transportation by Department of Defense.							4,817.04				4,817.04
Mary Jane Wignot	9/30	10/8	Switzerland	562.50	375.00		843.00				1,218.00
	12/5	12/19	Switzerland	1,987.25	1,140.00		751.00				1,891.00
Committee total					14,413.00		32,268.52		178.01		46,859.53

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Local transportation expenses for entire group in Taiwan—$560.86.

Note: The above report is based on available information.

Jan. 30, 1979.

AL ULLMAN,
Chairman, Committee on Ways and Means.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN SEPT. 27, AND SEPT. 30, 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Mr. R. Spencer Oliver	9/27	9/28	Spain (pesetas)	5,460	$75.00					5,460	$75.00
			To U.S.A				$355.00				355.00
Committee totals					75.00		355.00				430.00

[1] Per Diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used enter amount expended.

Jan. 15, 1979.

DANTE B. FASCELL,
Chairman, Commission of Security and Cooperation in Europe.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Guy E. Coriden	10/8	10/10	France	969.75	$225.00		$352.00				$603.22
						113	26.22				
	10/10	10/12	Belgium	5,689	190.00		22.00				212.00
			To U.S.A				464.00				464.00
Catherine Cosman	11/11	11/13	Austria	2,246.14	171.20						171.20
	11/13	11/16	Germany	3,369.21	256.80						256.80
	11/16	11/18	Finland	626.79	158.00						158.00

	Date			Per diem[1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Total airfare							824.00				824.00
Ester Kurz	11/14	11/26	France	4,495.50	1,057.76		295.00				1,352.76
	11/26	12/3	Switzerland	1,253.90	728.16	212	50.00				778.16
	12/3		To U.S.A				321.00				321.00
R. Spencer Oliver	10/30	11/13	Switzerland	2,298	1,526.00		374.00				1,900.00
	11/13	11/14	England	45.16	903.03						93.03
			To U.S.A				374.00				374.00
	11/25	11/10	Switzerland	2,650	1,526.00		374.00				1,900.00
			To U.S.A				756.00				756.00
Martin C. Sletzinger	10/30	11/21	Switzerland	3,709.92	2,398.00		374.00				2,772.00
			To U.S.A				350.00				350.00
William Whitman	11/11	11/13	Austria	2,246.14	171.20						171.20
	11/13	11/16	Germany	3,369.21	256.70						256.80
	11/16	11/18	Finland	626.79	158.00						158.00
Total airfare:							837.00				837.00
Samuel G. Wise	11/17	12/10	Switzerland	3,723.80	2,272.00		303.00				2,575.00
	12/10	12/12	Malta	54.15	150.00		185.00				335.00
			To U.S.A				346.00				346.00
Committee totals					11,337.95		6,627.22				17,965.17

[1] Per Diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Jan. 15, 1979

Signed: DANTE B. FASCELL,
Chairman, Commission on Security and Cooperation in Europe.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTELLIGENCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1, AND DEC. 31, 1978

	Date			Per diem[1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Duane Andrews, staff			Europe		$963.00						
Michael J. O'Neil, staff			Europe/Asia		2,245.00		$271.57				
James O. Bush, staff			Europe/Asia		1,998.00		271.57				
Hon. John Ashbrook			Europe		842.00						
Herbert Romerstein, staff			Europe		796.00						
Hon. Les Aspin			North America		300.00						
Hon. Bill D. Burlison			North and South America		385.00						
Patrick G. Long, staff			Asia		750.00						
Richard H. Giza			Asia		750.00						
					9,029.00		543.14				

[1] Per Diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount extended.

Jan. 26, 1979.

EDWARD P. BOLAND,
Chairman, Committee on Intelligence.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN SEPT. 26, AND SEPT. 30, 1978

	Date			Per diem[1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
William G. Lawrence	9/25/78	9/29/78	Germany	731.25	$375.00					731.25 DM	375.00
Committee total					375.00						375.00

[1] Per Diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Jan. 15, 1979.

LESTER L. WOLFF,
Chairman, Select Committee on Narcotics Abuse and Control.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON POPULATION (SELECT), U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1, AND DEC. 31, 1978

	Date			Per diem[1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Michael Teitelbaum (staff).[3]											

[1] Per Diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Dr. Teitelbaum's expenditures are currently still being processed by the State Department. Upon completion, his expenditures will be reported on this form at the end of the next quarter.

Jan. 15, 1979.

JAMES H. SCHEUER,
Chairman, Select Committee on Population.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

538. A letter from the General Counsel of Department of Defense, transmitting a draft of proposed legislation to authorize construction at military installations and for other purposes; to the Committee on Armed Services.

539. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize certain construction at military installations, and for other purposes; to the Committee on Armed Services.

540. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of defense equipment to Greece (transmittal No. 79-4), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

541. A letter from the Director, Council on Wage and Price Stability, Executive Office of the President, transmitting a draft of proposed legislation to increase the authorization for the Council on Wage and Price Stability, and to extend the duration of such Council; to the Committee on Banking, Finance and Urban Affairs.

542. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting the Board's third annual report on the Equal Credit Opportunity Act, pursuant to section 707 of the act; to the Committee on Banking, Finance and Urban Affairs.

543. A letter from the Comptroller, Washington Gas Light Co., transmitting the balance sheet of the company as of December 31, 1978, pursuant to section 8 of the act of March 4, 1913; to the Committee on the District of Columbia.

544. A letter from the Administrator, Agency for Internationl Development, Department of State, transmitting a report on steps taken to review proposals for an African Development Foundation, pursuant to section 122 of Public Law 95-424; to the Committee on Foreign Affairs.

545. A letter from the Chairman, Development Coordination Committee, transmitting the committee's annual report on foreign assistance, pursuant to section 634(a) of the Foreign Assistance Act of 1961, as amended (92 Stat. 957); to the Committee on Foreign Affairs.

546. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Greece (transmittal No. 79-4), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

547. A letter from the Acting Assistant Secretary of the Treasury for Administration, transmitting notice of a proposed change in an existing records system, pursuant to 5 U.S.C. 552a(o) to the Committee on Government Operations.

548. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

549. A letter from the Governor of the Canal Zone and President, Panama Canal Company, transmitting a report on the disposal of foreign excess property during fiscal year 1978 by the Canal Zone Government and the Panama Canal Company, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949; to the Committee on Government Operations.

550. A letter from the Executive Director, Advisory Commission on Intergovernmental Relations, transmitting the 20th annual report of the Commission, pursuant to section 5(3) of Public Law 86-380; to the Committee on Government Operations.

551. A letter from the Assistant Secretary of the Interior, transmitting the annual report listing (1) areas of national significance with potential for inclusion in the National Park System, and (2) areas included on the Registry of Natural Landmarks and areas of national significance included on the National Register of Historic Places which exhibit known or anticipated damage or threats to the integrity of their resources, pursuant to section 8 of Public Law 91-383, as amended (90 Stat. 1940); to the Committee on Interior and Insular Affairs.

552. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting a draft of proposed legislation to discontinue the requirement for an annual report from the Secretary of Commerce on investigations and studies conducted under the Flammable Fabrics Act; to the Committee on Interstate and Foreign Commerce.

553. A letter from the Secretary, Interstate Commerce Commission, transmitting notice of the Commission's inability to render a final decision in docket No. 36970, *Annual Volume Rates on Coal—Wyoming to Flint Creek Ark.*, within the initially-specified 7-month period, and seeking an extension until May 1, 1979, pursuant to 49 U.S.C. 10707 (b)(1); to the Committee on Interstate and Foreign Commerce.

554. A letter from the Director, Office of Rail Public Counsel, transmitting a draft of proposed legislation to authorize further appropriations for the Office of Rail Public Counsel; to the Committee on Interstate and Foreign Commerce.

555. A letter from the Chairman, Securities and Exchange Commission, transmitting the Commission's final report on transactions in the securities of New York City; to the Committee on Interstate and Foreign Commerce.

556. A letter from the Federal Cochairman, New England Regional Commission, transmitting two resolutions of the Commission concerning crude oil pricing and home heating oil pricing; to the Committee on Interstate and Foreign Commerce.

557. A letter from the Commissioner, Immigration and Naturalization service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

558. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on scientific and professional positions established in the agency during calendar year 1978, pursuant to 5 U.S.C. 3104(c); to the Committee on Post Office and Civil Service.

559. A letter from the Director, Federal Bureau of Investigation, Department of Justice, transmitting a report covering calendar year 1978 on positions in the FBI in grades GS-16, 17, and 18, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

560. A letter from the Comptroller General of the United States, transmitting a report on congressional control over appropriations to the Corps of Engineers (FGMSD-79-12, January 31, 1979); jointly, to the Committees on Government Operations, Appropriations, and Public Works and Transportation.

561. A letter from the Comptroller General of the United States, transmitting a report on the comparative growth in compensation for postal and other Federal employees since 1970 (FPCD-78-43, February 1, 1979); jointly, to the Committees on Government Operations, and Post Office and Civil Service.

562. A letter from the Secretary of Commerce, transmitting the annual report for calendar year 1977 on ocean dumping research, pursuant to section 201 of the Marine Protection, Research, and Sanctuaries Act of 1972; jointly, to the Committees on Merchant Marine and Fisheries, and Science and Technology.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (for himself, Mr. Johnson of California, and Mr. Clausen):

H.R. 1834. A bill to amend the Federal Aviation Act of 1958, relating to aircraft piracy, to provide a method for combating terrorism, and for other purposes; jointly, to the Committees on Foreign Affairs, the Judiciary, and Public Works and Transportation.

By Mr. AuCOIN:

H.R. 1835. A bill to amend the Export-Import Bank Act of 1945 with respect to credit to Communist countries, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BEDELL (for himself, Mr. Akaka, Mr. Badham, Mr. Bevill, Mrs. Bouquard, Mr. Buchanan, Mr. Conte, Mr. D'Amours, Mr. Daschle, Mr. Dodd, Mr. Downey, Mr. Ertel, Mr. Evans of Georgia, Mr. Forsythe, Mr. Fountain, Mr. Glickman, Mr. Gore, Mr. Hefner, Mr. Hollenbeck, Mr. Hughes, Mr. Ichord, Mr. Kindness, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Lee, Mr. Lloyd, Mr. Lungren, Mr. McCloskey, Mr. Mavroules, Mr. Mazzoli, Mr. Mineta, Mr. Murphy of Pennsylvania, Mr. Neal, Mr. Ottinger, Mr. Panetta, Mr. Pease, Mr. Pickle, Mr. Walker, Mr. Whitehurst, Mr. Wolpe, Mr. Yatron, and Mr. Young of Alaska):

H.R. 1836. A bill to amend chapter 35 of title 44, United States Code, to require a biennial justification for the continued use of any form used to solicit information from individuals, private industry, and State and local government agencies; to the Committee on Government Operations.

By Mr. BENNETT:

H.R. 1837. A bill to amend the National Security Act of 1947 to establish by law procedures for the classification and protection of sensitive information relating to the national security, to provide criminal penalties for unauthorized disclosure of such information, to limit matters that may be classified and impose penalties for unauthorized classification, to provide for declassification, and for other purposes; jointly, to the Committees on Armed Services, and Permanent Select Committee on Intelligence.

By Mr. BINGHAM:

H.R. 1838. A bill to provide for judicial review of administrative determinations made by the Board of Veterans Appeals; to the Committee on Veterans' Affairs.

By Mr. BONER of Tennessee:

H.R. 1839. A bill to amend title I of the Housing and Community Development Act of 1974 for the purpose of utilizing the use of the urban development action grants program to assist certain urban counties in which there are areas with special needs relating to physical and economic deterioration; to the Committee on Banking, Finance and Urban Affairs.

By Mr. DORNAN:

H.R. 1840. A bill to curb inflation by providing for the reduction of the annual rates of pay for Members of Congress and for certain appointed Federal officials, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1841. A bill to amend the Internal Revenue Code of 1954 to allow individuals a refundable tax credit for certain amounts of the rent they pay on their principal residences which is attributable to real property taxes; to the Committee on Ways and Means.

H.R. 1842. A bill to amend the Internal Revenue Code of 1954 to provide tax-saving incentives for savings accounts established for the purpose of purchasing a home, and for other purposes; to the Committee on Ways and Means.

By Mr. DRINAN:

H.R. 1843. A bill to amend the Internal Revenue Code of 1954 to increase the excise tax on cigarettes; to the Committee on Ways and Means.

By Mr. EDWARDS of Alabama:

H.R. 1844. A bill to amend the Railroad Retirement Act of 1974 to provide spouses' and widows' benefits for certain divorced persons; to the Committee on Interstate and Foreign Commerce.

H.R. 1845. A bill to amend section 311(b)(6) of the Federal Water Pollution Control Act relating to civil penalties; to the Committee on Public Works and Transportation.

H.R. 1846. A bill to authorize the Secretary of the Army to make studies of means of preventing streambank erosions at historic Blakeley, Ala., to the Committee on Public Works and Transportation.

H.R. 1847. A bill to modify the restrictions contained in section 170(e) of the Internal Revenue Code in the case of certain contributions of literary, musical, or artistic composition, or similar property; to the Committee on Ways and Means.

H.R. 1848. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies; to the Committee on Ways and Means.

H.R. 1849. A bill to provide for the installation of telecommunications devices for the deaf in agencies of Federal, State, and local governments, in offices of Members of Congress, and other locations; jointly, to the Committees on Government Operations, and House Administration.

By Mr. FINDLEY:

H.R. 1850. A bill to require the Federal Communications Commission to insure that each community in the United States, regardless of size, is provided with the maximum local fulltime radio broadcasting service; to the Committee on Interstate and Foreign Commerce.

By Mr. FRENZEL:

H.R. 1851. A bill to amend the Social Security Act and the Internal Revenue Code of 1954, to strengthen the financing of the social security system, to provide for a gradual increase in retirement age, to improve the treatment of women through the establishment of a working spouse's benefits and to eliminate gender-based discrimination, to provide coverage under the system for Federal employees, to increase and ultimately repeal the earnings limitation, and for other purposes; to the Committee on Ways and Means.

By Mr. GOLDWATER:

H.R. 1852. A bill to provide for the research, development, and demonstration of a permanent Federal repository capable of receiving nuclear wastes and spent nuclear fuel assembles generated from the operation of civilian nuclear powerplants, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce, and Science and Technology.

By Mr. HANSEN:

H.R. 1853. A bill to repeal the authority of the Secretary of the Treasury to seize privately owned gold; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1854. A bill to amend the Federal Reserve Act to allow appointment of the Board of Governors without regard to Federal Reserve districts; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1855. A bill to amend the Occupational Safety and Health Act of 1970 to provide that the Secretary of Labor may conduct inspections at the workplace of an employer only after the issuance of a search warrant; to the Committee on Education and Labor.

H.R. 1856. A bill amending the Foreign Trade Act of 1974; jointly, to the Committees on Foreign Affairs, and Ways and Means.

By Mr. KASTENMEIER:

H.R. 1857. A bill to provide price support for milk for the period beginning on April 1, 1979, and ending on September 30, 1981, at not less than 90 percent of parity, and to extend through September 30, 1981, the authority of the Secretary of Agriculture to provide for quarterly adjustments in the support price for milk; to the Committee on Agriculture.

By Mr. KELLY:

H.R. 1858. A bill to amend the Export-Import Bank Act of 1945 to reestablish government-to-government relations and provide for the defense of the Republic of China (Taiwan); to the Committee on Banking, Finance and Urban Affairs.

H.R. 1859. A bill to amend the Trade Act to reestablish government-to-government relations and provide for the defense of the Republic of China (Taiwan); to the Committee on Ways and Means.

By Mr. LaFALCE:

H.R. 1860. A bill to repeal the McCarran-Ferguson Act; to the Committee on the Judiciary.

H.R. 1861. A bill to amend the McCarran-Ferguson Act to require effective State regulation of business of insurance to obtain exemption from certain Federal laws; to the Committee on the Judiciary.

H.R. 1862. A bill to amend the McCarran-Ferguson Act to define the business of insurance; to the Committee on the Judiciary.

H.R. 1863. A bill to amend the McCarran-Ferguson Act to remove the present exemption from certain Federal laws which would otherwise relate to regulating the business of insurance; to the Committee on the Judiciary.

H.R. 1864. A bill to amend the McCarran-Ferguson Act to clarify the applicability of the Clayton Act and the Federal Trade Commission Act to agreements to, or acts of boycott, coercion, or intimidation; to the Committee on the Judiciary.

H.R. 1865. A bill to repeal the current broad antitrust immunity granted by the McCarran-Ferguson Act, and substitute in lieu thereof a grant of rulemaking authority to the Federal Trade Commission to affirm the legality under the antitrust laws of certain essential collective activities by the insurance industry; to the Committee on the Judiciary.

H.R. 1866. A bill to establish a Federal Insurance Commission to regulate the insurance industry; jointly, to the Committees on Banking, Finance and Urban Affairs and Interstate and Foreign Commerce.

By Mr. LEACH of Iowa (for himself and Mrs. Schroeder):

H.R. 1867. A bill to provide that a former spouse of a Federal employee who is married to such employee for 5 years or more shall be entitled to a portion of such employee's annuity, and to a portion of the annuity of any surviving spouse of such employee, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. McCLOSKEY:

H.R. 1868. A bill relating to soft drink competition; to the Committee on the Judiciary.

By Mr. MICA (for himself and Mr. Bafalis):

H.R. 1869. A bill to provide for the transfer of the Mar-A-Lago National Historic Site from the United States to the Marjorie Merriweather Post Foundation of the District of Columbia; to the Committee on Interior and Insular Affairs.

By Mr. MOAKLEY:

H.R. 1870. A bill to amend the Railroad Retirement Act of 1974 to eliminate the reduction of railroad retirement annuities by amounts payable as social security benefits in cases of persons who had at least 10 years of service, and had attained the age of 65 as of the effective date of such act; to the Committee on Interstate and Foreign Commerce.

By Mr. PATTERSON:

H.R. 1871. A bill to amend title III of the Public Health Service Act to provide financial assistance to States for their meeting the costs of certain medical care and services provided to undocumented resident aliens; to the Committee on Interstate and Foreign Commerce.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 1872. A bill to authorize appropriations for fiscal year 1980, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loans and for other purposes; to the Committee on Armed Services.

H.R. 1873. A bill to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. ROBERTS (by request):

H.R. 1874. A bill to amend chapter 23, United States Code, so as to provide that where death occurs in a State Home, the Administrator shall pay the actual cost (not to exceed $300) of the burial and funeral, and transport the body to the place of burial in the same or any other State; to the Committee on Veterans' Affairs.

H.R. 1875. A bill to amend title 38, United States Code, to provide that any person who marries a veteran who has a permanent and total service-connected disability, and who has not been married previously, after such disability is determined to exist shall be afforded educational assistance comparable to that which would have been afforded had the marriage preceded the determination of such disability; to the Committee on Veterans' Affairs.

By Mr. ROBERTS (for himself and Mr. Hammerschmidt):

H.R. 1876. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to waive the so-called 50 percent employment requirement with respect to the approval of certain occupational training courses for educational assistance under the GI bill; to the Committee on Veterans' Affairs.

H.R. 1877. A bill to amend title 38, United States Code, to exclude students receiving educational assistance from grants from Federal agencies other than the Veterans' Administration in computing the so-called 85–15 rule for purposes of the approval of courses for payment of educational assistance under the GI bill; to the Committee on Veterans' Affairs.

By Mr. SCHULZE:

H.R. 1878. A bill to provide Federal financial assistance to employers, labor organizations, or consortiums thereof, or other groups or individuals, to establish and operate occupational alcoholism programs for the diagnosis and treatment of alcohol abuse and alcoholism in employed persons, including managerial personnel, and their dependents, and for other purposes; to the Committee on Education and Labor.

By Mrs. SMITH of Nebraska:

H.R. 1879. A bill to prohibit the Secretary of Agriculture from prohibiting the use of nitrites as a food preservative on the basis of any carcinogenic effect nitrites may be represented to have until a satisfactory substitute preservative is commercially available; to the Committee on Agriculture.

H.R. 1880. A bill to authorize the establishment of the Trails West National Historical Park in the State of Nebraska, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MICHEL:

H.R. 1881. A bill to amend the Social Security Act with respect to aliens receiving public assistance; to the Committee on the Judiciary.

By Mr. SEIBERLING:

H.R. 1882. A bill to amend the Railroad Retirement Act of 1974 to provide that State domestic relations or community property laws are not pre-empted by the act; to the Committee on Interstate and Foreign Commerce.

H.R. 1883. A bill to amend title 28 of the United States Code to make certain changes in the divisions within the Northern District of Ohio; to the Committee on the Judiciary.

H.R. 1884. A bill to amend the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to permit assignments or alienations of rights under pension plans pursuant to court orders for alimony or child support, and to permit the division of pension benefits under State community property law or common law; jointly, to the Committees on Ways and Means, and Education and Labor.

By Mr. UDALL (for himself, Mr. Andrews of North Dakota, Mr. Lujan, Mr. Runnels, Mrs. Spellman, Mr. Steed, and Mr. Young of Alaska):

H.R. 1885. A bill to amend civil service retirement provisions as they apply to certain employees of the Bureau of Indian Affairs and of the Indian Health Service who are not entitled to Indian employment preference and to modify the application of the Indian employment preference laws as it applies to those agencies; jointly, to the Committees on Post Office and Civil Service, and Interior and Insular Affairs.

By Mr. BLANCHARD (for himself and Mr. Nedzi):

H.J. Res. 187. Joint resolution proposing an amendment to the Constitution of the United States relative to the maintenance of neighborhood public schools; to the Committee on the Judiciary.

By Mr. EDWARDS of Alabama:

H.J. Res. 188. Joint resolution proposing an amendment to the Constitution relating to the continuance in office of judges of the Supreme Court and of inferior courts; to the Committee on the Judiciary.

H.J. Res. 189. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. HANSEN:

H.J. Res. 190. Joint resolution proposing an amendment to the Constitution of the United States allowing the District of Columbia and the territories and possessions of the United States to have Representatives in the House of Representatives; to the Committee on the Judiciary.

By Mr. BOLAND:

H. Res. 96. Resolution to provide for the expenses of investigations, and studies to be conducted by the House Permanent Select Committee on Intelligence; to the Committee on House Administration.

By Mr. GLICKMAN (for himself, Mr. Winn, Mr. Whittaker, Mr. Smith of Iowa, and Mr. Leach of Iowa):

H. Res. 97. Resolution disapproving the final recommendations of the Secretary of Transportation designating the basic route system for the National Railroad Passenger Corporation; to the Committee on Interstate and Foreign Commerce.

By Mr. ZABLOCKI:

H. Res. 98. Resolution to provide for the expenses of investigations, and studies to be conducted by the Committee on Foreign Affairs; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

24. By the SPEAKER: Memorial of the Legislature of the State of California, relative to pollution of the New River, Mexico and California; to the Committee on Foreign Affairs.

25. Also, memorial of the Legislature of the State of California, relative to Nazi war criminals; to the Committee on Foreign Affairs.

26. Also, memorial of the House of Representatives of the Commonwealth of Kentucky, relative to the tax home and legislative business per diem deductions applicable to State legislators; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEILENSON:

H.R. 1886. A bill for the relief of George F. Roth; to the Committee on the Judiciary.

H.R. 1887. A bill for the relief of Solomon Mani; to the Committee on the Judiciary.

By Mr. BINGHAM:

H.R. 1888. A bill for the relief of Kenneth and Jacqueline Traylar; to the Committee on the Judiciary.

By Mr. BROWN of California:

H.R. 1889. A bill for the relief of Naomi Chen; to the Committee on the Judiciary.

By Mr. FRENZEL:

H.R. 1890. A bill for the relief of Kashmira Irani; to the Committee on the Judiciary.

By Mr. HAGEDORN:

H.R. 1891. A bill for the relief of Phim Phan Yougbanthom; to the Committee on the Judiciary.

By Mrs. SMITH of Nebraska:

H.R. 1892. A bill for the relief of Teodoro A. Ando; to the Committee on the Judiciary.

H.R. 1893. A bill for the relief of Sterling G. Caulkins (technical sergeant, U.S. Air Force, retired); to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 42: Mr. Barnes, Mr. Beilenson, Mr. Bingham, Mr. Blanchard, Mr. Bonior of Michigan, Mr. Brodhead, Mr. Corman, Mr. Corrada, Mr. Cotter, Mr. Diggs, Mr. Downey, Mr. Drinan, Mr. Edgar, Mr. Edwards of California, Mr. Fascell, Mr. Ford of Tennessee, Mr. Gore, Mr. Hollenbeck, Ms. Holtzman, Mr. Leland, Mr. Long of Maryland, Mr. Lowry, Mr. Maguire, Mr. Mikva, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Neal, Mr. Ottinger, Mr. Pepper, Mr. Price, Mr. Rangel, Mr. Rodino, Mr. Stark, Mr. St Germain, Mr. Studds, Mr. Walgren, Mr. Waxman, Mr. Weiss, and Mr. Vento.

H.R. 214: Mr. Young of Alaska, Mr. Lungren, Mr. Buchanan, Mr. Nichols, Mr. Forsythe, Mr. Kindness, Mr. Sensenbrenner, Mr. Symms, Mr. Walker, Mr. Livingston, Mr. Dannemeyer, Mr. Robert W. Daniel, Jr., Mr. Badham, Mr. Hughes, Mr. Corcoran, Mr. Young of Missouri, Mr. Robinson, Mr. Montgomery, Mr. Mitchell of New York, Mr. Regula, Mr. Butler, Mr. Miller of Ohio, Mrs. Holt, Mr. White, Mr. Edwards of Alabama, Mr. Hopkins, Mr. Abdnor, Mr. Carney, Mr. Luken, Mr. Madigan, Mr. Goodling, Mr. Barnard, Mr. Hyde, Mr. Bauman, Mr. Mottl, Mr. Devine, Mr. Nedzi, Mr. Frenzel, Mr. Runnels, Mr. Lagomarsino, Mr. Goldwater, Mr. Dornan, Mr. Whitehurst, Mr. Daniel B. Crane, Mr. Winn, Mr. Ichord, Mr. Derwinski, Mr. Grisham, Mr. Campbell, Mr. Hagedorn, Mr. Lujan, Mr. Lott, Mr. Lewis, Mr. Fountain, Mr. Burgener, Mr. Dougherty, Mr. Martin, Mr. Snyder, Mr. Collins of Texas, Mr. Solomon, Mr. Neal, Mr. Schulze, and Mr. Guyer.

H.R. 367: Mr. Railsback, and Mr. Tauke.

H.R. 653: Mr. Hance.

H.R. 654: Mr. Rahall.

H.R. 953: Mr. Addabbo, Mr. Boland, Mr. Gephardt, Mr. Hanley, Mr. Horton, Mr. Lloyd, Mr. McCloskey, Ms. Mikulski, Mr. Pepper, Mr. Scheuer, Mr. Solarz, Mr. Whitehurst, Mr. Wirth, Mr. Wolff, and Mr. Mineta.

H.R. 956: Mr. Akaka, Mr. Badham, Mr. Bevill, Mrs. Bouquard, Mr. Buchanan, Mr. Carr, Mr. Conte, Mr. D'Amours, Mr. Daschle, Mr. Dodd, Mr. Downey, Mr. Ertel, Mr. Evans of Georgia, Mr. Forsythe, Mr. Fountain, Mr. Gephardt, Mr. Glickman, Mr. Gore, Mr. Hefner, Mr. Hollenbeck, Mr. Hughes, Mr. Ichord, Mr. Kindness, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Lee, Mr. Lloyd, Mr. Lungren, Mr. Mavroules, Mr. Mazzoli, Mr. Mineta, Mr. Murphy of Pennsylvania, Mr. Neal, Mr. Ottinger, Mr. Panetta, Mr. Pease, Mr. Pickle, Mr. Walker, Mr. Whitehurst, Mr. Wolpe, Mr. Yatron, and Mr. Young of Alaska.

H.R. 1050: Mr. Stockman, Mr. Neal, Mr. Evans of Georgia, Mr. Simon, Mr. AuCoin, Mr. Richmond, Mr. Williams of Montana, Mr. Hightower, Mr. Dan Daniel, Mr. Fowler, and Mr. Sebelius.

H.R. 1076: Mr. Glickman.

H.R. 1147. Mr. Gradison.

H.R. 1306: Mr. Lee, Mr. Murphy of Pennsylvania, Mr. Mavroules, Mr. Winn, Mr. Nichols, Mr. Dan Daniel, Mr. Ertel, Mr. Burgener, Mr. Lagomarsino, Mr. Corrada, Mr. Kramer, Mr. Devine, Mr. Lott, Mr. Mazzoli, Mr. Goodling, Mr. Guyer, Mr. Hagedorn, Mr. Walker, Mrs. Bouquard, Mr. Chappell, and Mr. Buchanan.

H.R. 1509: Mr. Mathis, Mr. Goldwater, Mr. McDonald, Mr. Buchanan, Mr. Charles Wilson of Texas, Mr. Pickle, Mr. Whitehurst, Mr. Mineta, Mr. Frenzel, Mr. Hillis, Mr. Whittaker, Mr. Zeferetti, Mr. Heftel, Mr. Grassley, Mr. Whitley, Mrs. Bouquard, Mr. Gephardt, Mr. Lundine, and Mr. Broyhill.

H.J. Res. 39: Mr. Wyatt, Mr. Collins of Texas, Mr. Hance, Mr. Frost, Mr. Buchanan, Mr. Dornan, Mr. Symms, Mr. Leach of Louisiana, Mr. Shelby, Mr. Leath of Texas, Mr. Jeffries, and Mr. Charles Wilson of Texas.

PETITIONS, ETC.

Under clause 1 of rule XXII,

51. Mr. YOUNG of Alaska presented a petition of Sarah A. Lester, Betty L. Lester, and Del Ackels, Fairbanks, Alaska, relative to redress of grievances; which was referred to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

INTRODUCTION OF LEGISLATION TO IMPROVE CONGRESSIONAL OVERSIGHT OF ARMS SALES

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. DRINAN. Mr. Speaker, on January 15 I introduced legislation to amend the Arms Export Control Act to extend the time period for congressional review of major weapons sales proposals from 30 calendar days to 45 days in which Congress is in continuous session.

As originally adopted in 1975, the landmark Arms Export Act provided Congress with 20 calendar days in which to disapprove major arms sales by adoption of joint resolutions of disapproval by the House and Senate. This time period proved inadequate, and in 1976 Congress increased the time period from 20 to 30 calendar days. Recent experience, however, indicates clearly that this marginal increase is also insufficient to afford Congress the time necessary for careful consideration of weapons transfers which have major foreign policy implications. Moreover, the time period remained one of calendar rather than legislative days, thereby making no distinction between legislative sessions and recesses.

Events in the closing days of the 94th Congress demonstrated the shortcomings of the 30-calendar day period. On September 1, 1976, just prior to the Labor Day recess, the President submitted to the Congress, pursuant to the terms of the Arms Export Control Act, proposals to sell arms to 11 separate nations at a total cost of over $6 billion contained in 37 separate transactions. Starting from the moment Congress received the Executive announcement, the clock began ticking toward the 30-day deadline. Failure to act positively would mean that the sale would go forward exactly as proposed by the President. When Congress returned from the Labor Day recess, during the extremely busy closing days of the legislative session, the House and Senate had but 24 days within which to consider these 37 major arms sales.

The proposal to sell AWACS to Iran is another example of the need for an extension of the congressional review period. The debate in Congress on the sale of seven E-3A airborne warning and control system (AWACS) to Iran for $1.2 billion raised a number of very serious questions. Not the least of them was the ability of the Congress to be certain that it had enough time to debate fully and analyze thoroughly all major arms sales. In light of current unrest in that country, further consideration was clearly called for.

At present, there is nothing in the Arms Export Control Act which would prevent any administration from submitting a sale when Congress is not in session, thereby precluding the possibility of any congressional oversight or action. Only an unwritten, unspoken assumption that such action would violate the spirit of the act prevents such a decision by the executive to escape congressional oversight. It is time to write this assumption into law so that we do not confront the ever-present possibility that at some time in the future an administration will be able to complete a major weapons sale which is opposed by the majority of the Congress and the American people by the simple expedient of proposing it during a congressional recess.

The bill simply amends section 36(b) of the Arms Export Control Act to give the Congress 45 days during which it is in continuous session, rather than the present 30 calendar days, within which to consider and, if warranted, take action to disapprove by joint resolution all weapons sales in excess of $25 million. The only change is in the time period. Forty-five days of continuous session simply means that no days during a recess of either House of Congress of more than 3 days could count against the overall review period, in effect extending it for a corresponding amount of time. The legislative precedent for the continuous session formula is found in section 601 of the Arms Export Control Act of 1976. This proposed change in the language of the law would prevent a situation in which an administration could report one or several proposed weapons sales during the August recess, for example, and thus effectively prevent congressional review and a possible veto.

Increasingly, some of our Nation's most important foreign policy decisions take the form of arms transfers. We have witnessed an alarming increase in the volume of foreign military sales and a disturbing growth of sales to developing nations and those in very volatile parts of the world. In addition, the weapons which we sell are more sophisticated and destructive than ever before. In contrast to the days when we sold surplus stocks almost exclusively and confined these sales largely to traditional allies, today we sell our most advanced and deadly military weapons systems to nations throughout the world, many of which have traditionally been hostile to the policies and interests of the United States. If Congress is to exercise responsibly its oversight of American foreign policy, it must be able to analyze carefully and, if necessary, disapprove foreign military sales. This is difficult if not impossible under the existing 30-calendar-day review period.

It is essential to note that major weapons sales are not the subject of spur of the moment decisions; they are discussed, planned and negotiated months or years in advance of the actual commencement of the transfer. Moreover, arms sales contracts can extend over several years. There is, therefore, no reason to believe that a slightly extended period of time for congressional review would be onerous burden for the prospective arms buyer or for the Departments of State or Defense. Clearly, the addition of a few days or weeks to the process of foreign military sales will not have any deleterious effect.

Nor does anyone need to fear that the additional review period might prevent the United States from providing military supplies to an ally during an emergency. The most recent example of such a situation was the Middle East war of 1973. At that time, Israel, under attack on two fronts by enemies who were being supplied with massive quantities of arms by the Soviet Union, needed replacement equipment. This was provided in the form of grants, not sales. Thus, any repetition of the emergency which occurred in the Middle East would result in U.S. arms transfers totally outside the scope of the Arms Export Control Act and the oversight mechanisms contained therein.

Mr. Speaker, there is simply no reason for us to delay in taking the necessary action to improve congressional oversight of major arms sales. At present, that oversight responsibility is seriously compromised by a time period which is too brief and method of computing that time period which is subject to abuse by the Executive. In order to permit Congress to review major arms sales effectively, we must amend the Arms Export Control Act so as to extend and revise the period of time within which Congress can act. It is my hope that the House will act promptly on this measure, so that Congress can assume its proper role in the oversight of all future arms sales.

The text of the legislation follows:

H.R. —

A bill to amend the Arms Export Control Act to change the method of determining the period of time for adopting a concurrent resolution of Congress objecting to a proposed sale under such Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of section 36(b)(1) of the Arms Export Control Act is amended by striking out "thirty calendar days after receiving such certification" and inserting in lieu thereof "the first period of forty-five days of continuous session of Congress after the date on which Congress receives such certification."●

TRIBUTE TO ANDY BIEMILLER

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. THOMPSON. Mr. Speaker, I speak today to honor a man who has been contributing to the legislative process for as long as any current Member of Congress. For 50 years Andy Biemiller has served this country in a variety of public roles including teacher, journalist, State and Federal law writer and lawmaker. For the longest, most recent period of time Andy has been the chief advocate and lobbyist for the AFL-CIO and the entire labor movement.

I am not eloquent enough to express sufficiently the great esteem and high regard I, as well as the other Members of this body, hold for Andy Biemiller. A list of his achievements would keep us here the entire day. It would bore Andy, who, I suspect is already itching to attack a new project or launch another assault for the adoption of health or other social welfare legislation. So I will only highlight to this body those qualities and accomplishments of Andy's which have most impressed me or which I know are particularly important to him.

When I speak of Andy as a public educator, I refer not only to his position as history teacher at the University of Pennsylvania and Syracuse, but to his efforts to educate the entire country to the need for social reform. Andy was the author of the first civil rights plan at the 1948 Democratic Convention and since then he has untiringly worked on issues of civil rights. As a Member of the House from 1945–46 and 1949–50 he made civil rights legislation his specialty. In 1956 Andy became chief of the AFL-CIO legislative department. Lobbyists, lately, have been receiving bad press and those who change their jobs and then their opinions as quickly as their clothes, deserve it. Andy however has remained committed to basic and fundamental principles and has always remained a teacher. Once convinced of the merits of an issue, he has skillfully and unceasingly pushed for its acceptance. There are those, including Andy and myself who might call this bullheadedness. But we undoubtedly have his tenacity to thank for the passage of much important social legislation, including one of his proudest efforts, the Civil Rights Act of 1964.

Andy's stubbornness over the years has not only been directed at his friends and allies but conservative business persons as well. He was a leading public educator and force behind the defeat of the Carswell and Haynesworth Supreme Court nominations. He yelled loudly enough about their records that Wall Street lawyers heard and joined in.

Andy has been in the struggle for national health insurance since 1937; he was still door-rapping for it during the last session of Congress and I hope his retirement includes plans to continue knocking on doors until we pass a national comprehensive health plan. In the 1940's and 1950's the AMA did its best to get rid of Andy as a Congressman. But he remained in the public arena even after election defeats to fight for strong medicare legislation in the 1960's, converting some of the most intransigent opponents to support its passage. Having helped win passage of medicare he successfully promoted public hearings on national health insurance thus placing the broader issue of national health care on this country's agenda. I often wondered how he seemed at times able to accomplish the impossible.

What speaks most highly of Andy Biemiller is that he was welcome all over the Hill in offices of Congresspersons of every political persuasion. He managed to become almost an institution. Whenever an important social issue causes a need for good solid analysis, understanding, and advocacy, his absence will be felt. However it is virtually impossible to believe that Andy will be able to stay away altogether. His spirit and enthusiasm persists as strongly as ever. I fully expect to see him in my office when the action heats up. No invitation is necessary.●

THE BUDGET BATTLE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report from December 13, 1978, into the CONGRESSIONAL RECORD:

THE BUDGET BATTLE

The annual battle of the budget is getting underway again in Washington. By all indications, it promises to be a lively skirmish. At stake are federal spending and revenue levels for fiscal year 1980, which begins October 1, 1979 and ends September 30, 1980.

The opening volley was President Carter's pledge to reduce the 1980 budget deficit by 23%, from $39 billion to $30 billion. That may seem like a modest cut (especially after Congress slashed the 1979 deficit by 36% this past September), but the initial appearance can be deceptive. Cutting the budget is not an easy thing to do even when most people see big deficits as a leading cause of inflation. Increased spending is built into the budget in many ways, and intense pressure for spending erupts whenever a particular program is singled out for trimming. Budget projections put federal revenues at about $500 billion in 1980. If the projections are correct, spending in 1980 will have to be held to about $530 bililon in order to hit the President's target. That is a total increase of 7.8% in spending, barely enough to keep even with inflation.

Of all the obstacles in the path of the budget cutter, there is one that is hardest to overcome. Part of the budget is uncontrollable in the sense that payments must be made to eligible persons and programs unless Congress changes the law. In the long term, of course, all expenditures can be controlled, but in the short term not so many can. The principal problem here is that the really big numbers in the budget represent expenditures that are relatively uncontrollable.

The budget of the Department of Health, Education, and Welfare, for example, is the largest among all federal departments. However, about 90% of it goes into entitlement programs (social security, medicare, medicaid, etc.) whose costs cannot be held down without reducing benefits or limiting the number of beneficiaries. The budget cutter has only these two avenues open to him, both of which are highly controversial. Next in line is the Department of Defense, which takes another huge share of the budget. Military outlays are regarded as somewhat controllable, but since most of the spending is for manpower, ships, aircraft, weapons, and defense construction the cuts are not easily made. Many people believe that substantial increases in military outlays are needed for national security, and in response to these people the President has announced to the NATO allies that America's real defense spending will rise by 3% in 1980 provided only that inflation is held in check. The budget cutter thus finds that this avenue to a smaller deficit is controversial as well.

Other large budget categories, such as interest on the national debt and obligations to make mortgage payments on federally sponsored housing, are beyond change. Likewise, outlays for such things at veterans, military, and civil service pensions (which are tied to the consumer price index) and the food stamp program (which grows bigger with increases in the cost of food) are mostly uncontrollable. Programs that make funds available to state and local governments, such as revenue sharing and initiatives for highways and sewers, are now integral parts of local budgets in many cases. Local officials will fight hard to avoid any cuts that might further squeeze their communities.

Some items, however, are controllable. One of them is the public service employment program. It it were cut by 100,000 jobs over $1 billion could be saved. Also controllable are the major public construction projects, though the lead time in those projects is such that no quick savings can be achieved. Aid to cities, too, can probably be reduced. Foreign aid is everyone's favorite candidate for reduction. but it is hard to argue for cuts in aid to the Middle East (the region where most of the money now goes) when the peace process there is so far advanced. In labor-intensive agencies such as the Internal Revenue Service, the Postal Service, and the Customs Service there would appear to be opportunities for trimming, but caution would have to be exercised. A cut in the number of customs agents, for example, might end up costing more in uncollected revenue than would be saved in salaries.

The inevitable conclusion is that budget cuts will be difficult, but not impossible, to make. Congress, in cooperation with the President, will have to pick out programs that are working or can work, fund them at reasonable levels, and set aside those programs that do not work and cannot be improved. Obviously, domestic programs will bear nearly the full force of the cuts. Proposals to restrict eligibility for established programs, such as social security and medicare, will have to be seriously considered. No existing program, no matter how popular, should be exempt from review. New incentives, of course, will have to be judged with care, and most if not all of them will have to be shelved. Casualties will almost certainly be national health insurance and comprehensive welfare reform. Congress will have to become sensitive to the principal that it is much easier not to start a program than it is to stop a program already in operation.●

ANDREW BIEMILLER

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. BARNES. Mr. Speaker, it is a great privilege to pay tribute to the distinguished career of Andrew J. Biemiller, who recently retired as legislative director of the AFL-CIO. Andy's influence in Washington is legendary. He created one of the most effective lobbying organizations ever seen on Capitol Hill. As a

Member of the House of Representatives from 1945 to 1947, and again from 1949 to 1951, Andy had an opportunity for personal participation in the legislative process which gave him an unequalled knowledge of the inner workings of Congress.

But Andy Biemiller is far more than just a lobbyist. He works out of a sense of deep personal commitment to those in our society who needed protection from discrimination and help to overcome the handicaps of poverty, disease and lack of opportunity. Along with the late Hubert Humphrey, he co-authored the civil rights plank at the 1948 Democratic National Convention. He has been a powerful voice for human rights in our party for over 30 years.

It was during my service as executive director of the Democratic Platform Committee in 1976 that I first had the privilege of working closely with Andy Biemiller. Even though Andy has retired, I hope that the Democratic Party will not lose sight of the goals of full employment and national health insurance that he spoke for so vigorously. As a new Member of the 96th Congress, one of my few regrets in these opening days of the session is that I will not have the opportunity to see Andy at work here, when we need him more than ever.●

BANKER OFFERS THOUGHTS TO COMBAT INFLATION

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. MONTGOMERY. Mr. Speaker, one of Mississippi's leading bankers and civil leaders recently spoke out on the serious problem of inflation we have in America. Because of his experience and knowledge of monetary policy, I would like to share his comments with my colleagues and urge them to pay careful attention to his suggested remedies:

INFLATION—PUBLIC ENEMY NO. 1

Was the title of Paul McMullan's address to the Newton Rotary Club today. Mr. McMullan is Chairman of the Board of the First National Bank of Hattiesburg, and was introduced to the Rotary Club, of which he was a member years ago, by Dale Weaver, program chairman.

Mr. McMullan's message on inflation was so timely and so profound that we felt compelled to share it with our readers. Here is his address in its entirety:

"Economists still haggle over a proper definition of inflation but most Americans know inflation's impact: rising prices. From Kennedy to Nixon to Carter, Washington's stop-and-go anti-inflation strategies have proved inadequate. Inflation is not new to our world . . . History tells us inflation has been with us for centuries.

According to Plutarch, Athens, under Solon (Fl. 600 B.C.) wrestled with severe inflation after depreciation of the mina (their currency). Even before Plutarch, Draco had established a worthless coin to replace gold, that within itself created "hyperinflation."

In France during the late 1700's, Andrew Dickson White tells us, in his book "Fiat Money Inflation In France", that inflation had ravaged the franc to a point where merchants were trading it at a discounted value. This problem became so severe that those convicted of buying and selling paper francs at less than nominal value were sent to the guillotines.

Records in France tell us that in about 1788-89, the country found itself in deep debt with no way to pay. Industry had slowed and there was no growth in the country.

Men who we now call liberals, convinced those of the assembly that issuing money would solve their problem. Men of wisdom and historians advised against such a move . . . telling of the horrors of inflation of the past. Their pleas were of no avail.

The first issue of their Fiat Money paid off their country's debts and gave impetus to industry. There was such a success that they were convinced they had found the answer . . . so they issued additional worthless currency.

Just like an alcoholic taking one drink . . . he thinks one more will be that much better and sooner or later, it's disaster. And so it was in France in the 1790's.

To give you some examples of how severe inflation was in France, here are some extracts from a table published in 1795, reduced to American coinage: a bushel of flour cost 40 cents in 1790 and in 1795, $45; a bushel of oats, 18 cents in 1790 and $10 in 1795; a cartload of wood, $4 in 1790 and $500 in 1795; a pound of sugar, 18 cents in 1790 and $12.50 in 1795; a pound of soap, 18 cents in 1790 and $8 in 1795; one cabbage, 8 cents in 1790 and $5.50 in 1795; a pair of shoes, $1 in 1790 and $40 in 1795; 25 eggs, 24 cents in 1790 and $5 in 1795.

In our own times, unprecedent inflation scourged Germany and Central Europe after both World Wars. Prices increased a trillionfold in Weimar, Germany between 1920 and 1923, doubling between meals in the last weeks of "hyperinflation." Inflation in the United States has historically been a shadow cast by war.

During the revolution, the Continental Congress printed reams of paper money: prices shot up 13.500 percent between 1775 and 1780. Congress had no choice: It lacked the power to tax. But even later, governments were reluctant to levy enough taxes to cover the full cost of wars. The result: soaring prices during or after the Civil War, World Wars I and II, Korea, and Vietnam.

The current inflation is largely a legacy of the late 1960's . . . The Vietnam War ($135 billion) and the great society programs, whose costs were financed not by increased tax revenues or sale of government bonds, but a deficit spending and monetary expansion.

Similar to the chart reflecting the inflation rate in the late 1700's in France, I extracted this price comparison from the December 27, 1978, Jackson Daily News: Bacon cost $.49 a pound in 1968 and in 1978, $1.39 a pound or a 183 percentage increase; bread, $.20 a pound and in 1978, $.36 a pound or a 80 percentage increase; cheese, $.55 a pound in 1968 and in 1978, $1.41 a pound or a 156 percentage increase; chuck roast, $.45 a pound in 1968 and in 1978, $1.35 a pound or 225 percentage increase; coffee, $.69 a pound in 1968 and in 1978, $2.49 a pound or a 260 percentage increase; lettuce, $.19 a pound in 1968 and in 1978, $.62 a pound or a 226 percentage increase; pork chops, $.69 a pound in 1968 and in 1978, $2.34 a pound or a 239 percentage increase.

Today's inflation is part of an uninterrupted Post-World War II price rise. Classic "Demand-Pull" inflation generally begins, according to the famous formulation with too much money chasing too few goods: As demand rises, prices are bid up. This can result from a major tax cut. It can also happen when a government prints money to pay its bills, or when it steps into the market as a major buyer of goods and services, bidding prices up to secure what it needs, when leaving everyone else to bid up prices even further as they fight for what remains.

"Demand-Pull" inflation can quickly turn into "Cost-Push" inflation. That is, after the initial spurt of inflation sends wages and costs higher, the wages and costs themselves will begin to send inflation higher.

If inflation begins with monetary expansion, monetary contraction can stop it in its tracks.

There is no technical problem about how to end inflation, Nobel Prize winner economist Milton Friedman has pointed out, "The real obstacles are political."

Cutting back the money supply is ruthlessly effective: the Confederacy's rampant inflation came to an abrupt halt when Union troops burned the South's Treasury Note Bureau in South Carolina in early 1865, no more paper notes could be circulated.

Moreover, since 1973, the United States has been infected with "Stagflation", a rogue strain of inflation characterized by High Inflation and High Unemployment at the same time.

In the past, an inverse relationship was thought to exist between the two: high unemployment would dampen inflation, while high inflation would curb unemployment.

Today, the rules seem to be flexible only in an upward direction: lower unemployment, for example, still seems to increase inflation, but higher unemployment exerts little downward pressure on price.

What can be done?

1. Restrictive monetary-control on the money supply through Federal Reserve open market operations—tight money.

2. Fiscal policy.

A. Restraint in government spending. The inflation rate in West Germany was 2.3 percent in 1978, the lowest in nine years, compared to the United States inflation rate of near 10 percent. Germany has prudently restrained government spending.

B. This fiscal restraint must be shown at all levels of government. All public programs, regardless of their magnitude, must be scrutinized with an impartial eye.

3. Your role in bringing inflation under control is an important one. It is your views made known to your senators, congressmen, mayors, boards of aldermen and other elected officials that will determine this nation's destiny.

4. My opinion is that we need a recession two or three quarters where we have a negative growth in the economy . . . unemployment 8–9 percent. Many jobs go wanting in the United States.

5. To support the president. The hard line approach he is now taking is new to the Democratic party and I just hope he has got the guts to stick to it. In the beginning, I gave his chances of being successful with his programs only about 20 percent. Now, I rate him with a 50 percent chance of sticking to his goals.

In closing, I'm going to share with you an editorial comment from the Charlotte Observer concerning our President and in his support in his fight against inflation.

President Carter's determination that government programs must yield to the fight against inflation is not an abandonment of the vision of America he spoke of while campaigning for the presidency. It is rather, an acknowledgement that only a country that is economically sound has even a prayer of realizing that vision.●

NELSON A. ROCKEFELLER

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. MIKVA. Mr. Speaker, the death of Vice President Nelson Rockefeller has left a void on the national scene that will not be filled.

The energy and dedication that Vice President Rockefeller devoted to public service are legendary, and his death is particularly untimely now, when so many Americans question the effectiveness of the democratic process and its institutions.

We are going through a period in our history during which the value of public service is viewed as on the decline. The decline is demonstrated both by low voter turnouts and fewer people seeking to serve. Nelson Rockefeller, of course, was born with privileges that few people in the world can hope to possess, but he was not content to go through life enjoying privileges. The fact that he chose a life of public service among virtually limitless opportunities was proof of the depth of his commitment. And, I think his dedication to and enjoyment of public service was a major factor in his success. People throughout the country responded to his vitality and compassion. There are too few individuals left on the national scene who inspire the kind of response the Vice President could generate.

Nelson Rockefeller also will be sorely missed because he achieved the most important success available to any public servant in a democracy. Nelson Rockefeller aroused strong passions and interests. He was a catalyst who made people think about the direction of their own lives and the direction of their country. So long as people ask themselves questions and participate in the process, democracy will flourish and grow stronger. Nelson Rockefeller inspired that degree of participation.●

STATE OF SOVIET JEWRY DEMANDS CONTINUED EFFORTS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. DRINAN. Mr. Speaker, as we consider our legislative priorities for the 96th Congress, it becomes immediately apparent that United States-Soviet relations will be placed high on the list for thorough review. Our changing relationship with China and Iran, the changing Soviet posture in the Third World, and the upcoming debate on the SALT II agreements will, no doubt, demand considerable congressional concern.

During all such deliberations, it is important that we do not forget the plight of Soviet Jewry, who are continually denied their right to emigrate to a country of their choosing.

The Union of Councils for Soviet Jewry and the Student Struggle for Soviet Jewry have joined efforts to distribute "message from Moscow III," a summary report on the state of Soviet Jewry in 1978. The partial summary which follows is an excellent abstract, outlining the continuing hardships placed on those individuals who have applied for exit visas. Of particular note in the report is the conclusion that direct contact and continued pressure from concerned groups and individuals abroad is of great importance for the protection of Jews wishing to emigrate, and for the eventual success in the granting of exit visas. It is my hope that this body will continue to place a high priority on the condition of Soviet Jewry, and all human rights issues during its deliberations on the Soviet Union. The report follows:

GENERAL CHARACTERISTICS OF THE SITUATION

During 1978 the Jewish Emigration movement assumed large proportions as the number of persons asking for invitations from Israel during the first half of the year reached one hundred thousand. In their attempts to slow down the flood of emigrants, the government, in its emigration policy, is permitting violation and abuse of authority—persons applying to emigrate are being persecuted, activists of the emigration movement are being sentenced to long years of imprisonment or exile, many applicants are arbitrarily refused permission to leave for many years, and a whole series of families of "refuseniks" is being kept back in the USSR.

In spite of the internationally recognized right of repatriation, the government will not permit this without an invitation (vyzov) from relatives (in Israel—Translator) while the majority of such invitations simply "get lost" in the post. People who are allegedly in "possession of secret information" are refused permission and included in this group are significant numbers of Soviet scientific and technical professional intelligentsia. Many such refuseniks are compelled to stay in the Soviet Union for 7–10 years or even more with indefinite prospects, inasmuch as the authorities refuse to indicate any period of time that such persons may be held back, and their situation is very unenviable. To prevent young people from emigrating, the Soviet authorities are widely exploiting the weapon of military conscription (draft) and are forcibly subjecting conscripts to "secrecy" so that they can then deny emigration to them, after they have completed their military service, for many years. An effective means of attacking the emigration movement has been the institution by the authorities of an artificial parental "serfdom" by insisting on an illegal demand that the would-be emigrant should produce a statement from his parents who are remaining to the effect that they have no financial claims against him. Such a statement can be, and usually is considered by officials to be an agreement to the emigration of the children on the part of the parents, and therefore, it is frequently not given because the parents fear the danger of reprisals against themselves.

In the USSR there does not exist any defence of the right to emigrate. Complaints are referred back to the very same administrative offices which are guilty of the abuse of authority. There is no legal defence at all of the right to emigrate. This situation gives rise to a large number of personal tragedies and permits the authorities to ignore the fate of individuals and to deal with cases according to the official's personal whim. Thus during the years 1974–77, during the period of friction with the USA, the Soviet authorities considerably strengthened administrative barriers and decreased repatriation by 2–3 times what it had been.

As before, the ordeals of repatriation start well before the submission of an application to OVIR. In order to be given a blank application form, one has first to present the invitation (vyzov) from relatives living in Israel. There are no international regulations or agreements which indicate the necessity for such an invitation from the country to which an applicant desires to emigrate (especially when that country is Israel, where the right of immigration of Jewish repatriates is enshrined in its constitution and where there is no necessity for this to be confirmed). In any case the demanding of such an invitation is absurd as the invitation itself remains in OVIR and is not handed back to the person leaving the USSR.

Requests for invitations to be sent are made by post, by telephone, via tourists or via emigrants. The person for whom the vyzov is intended only knows that it has been sent when it is actually in his possession. If a vyzov does not arrive for some considerable time, it is requested over and over again. This can go on for a year or two (the average time of waiting for a vyzov is 3–4 months). Long delays may occur as a result of: either the request does not get to Israel; or the vyzov is not sent from Israel; or once the vyzov has been sent it is held back by the Soviet authorities. The assembling of the rest of the documents demanded by OVIR is also encompassed with many difficulties. Many enterprises will not give the certificate from the applicant's place of employment, insisting instead on a "voluntary" resignation. Vladimir Shvartz of Odessa has been unable to get his documents accepted for the last 5 years because his wife's parents do not give their permission.

The form of application itself is indicative of the official attitude towards emigration. Until 1976 it was necessary to state the places where one had worked during the previous 5 years. In 1976 they began to insist on details of the whole of one's working life and at present employment details for the previous 15 years (this is probably directly associated with terms of refusal on grounds of "secrecy").

THE PRISONERS OF CONSCIENCE (ASSIREI ZION)

1978 has been an almost record year for the number of trials (seven in all) against Jews wishing to emigrate to Israel. A greater number of Jews were sentenced only in 1970–71 when a whole series of trials (the Leningrad Trials—Translator's note) took place.

In March 1978 Grigory Goldstein was sentenced for "parasitism" to a year in a Labor Camp (the maximum under that article of the Criminal Code). In direct violation of the Corrective Labor Code, Goldstein was sent to serve his sentence from Georgia (in the South) to the Arkhangelsk area in the Far North of the RSFSR (a different Republic—Translator's Note).

In July, in Zaporozhe a sentence of 2½ years in Labor Camps was imposed on Simon Shneerman for refusal to serve in the army. The Shneerman family first applied to emigrate to Israel in 1959 in Kerch (on the Black Sea—Translator's Note); they were refused—no reason was given for the refusal. Subsequently the whole family applied and was refused a number of times. In 1976 Simon's father applied alone, got permission and left. Simon himself applied to join his father in Israel when he had graduated from the Technical College, but was refused on the grounds that he had not worked a period of 2 years as a young specialist after graduating. He then worked this period of 2 years and on completion of it he was immediately called to the army. His refusal to serve was quickly followed by arrest, trial and sentence. His sister left but his mother stayed to wait for Simon.

At the end of June, trials were conducted against Ida Nudel and Vladimir Slepak. The Soviet authorities had long been threatening these activists of the Jewish emigration movement. The details of these trials have been given sufficient publicity elsewhere. We will only remark that the accused refused to hire advocates or to use the services of officially appointed defense counsel as they did not wish to take part in the proceedings of a "framed" show trial. There soon followed the trial of Yosef Begun. The absurdity of the accusation brought against him was obvious to all. The conditions under which this trial proceeded were exceptionally cruel, even by Soviet standards. Weakened after a long hunger strike in protest at his arrest, Begun was unable to either sit or stand on his own and from time to time he lost consciousness but in spite of the protests of his wife (Alla Drugova) supported by those of the state appointed lawyer, the court refused to postpone the sitting.

In each of these three trials the accused was sentenced to exile in Siberia (V. Slepak—3 years, I. Nudel—4 years, Y. Begun—3 years), but this should not allow anyone to think that by this the Soviet authorities were being humane. We must remember that they had sentenced innocent people. One must also not be deluded by the thought that living conditions in exile are similar to those of a normal life but in distant regions. It must be remembered that people exiled to Siberia are sent to places with the most dreadful climatic and poor economic conditions. The places allotted for living accommodation are hardly suitable even in a moderate climate (cold houses with no heating, etc.). Reasonable food can be obtained only with the help of parcels sent from Moscow. Add to this the heavy physical work not related in any way to one's profession or specialty, or education, or state of health. And all this in an atmosphere of isolation and hostility surrounding them as a result of the rumors deliberately spread that they are—"dangerous enemies of the state".

Further there was the trial of Maria Slepak—who also categorically refused to participate in this frame-up of a trial. Sentence—3 years suspended.

In this way the authorities were building up the atmosphere towards the most important trial of the year, and perhaps the most important trial of all the years of Aliya from the USSR—the case of Anatoly Scharansky. The case of Scharansky is widely known in all its details. We will only remark here that this trial was originally planned as a grandiose group anti-jewish process, but owing to the influence of protests throughout the world and mainly thanks to the heroic conduct of Anatoly Scharansky himself, the authorities were compelled to present it as a case of espionage and dissidence. It was not mere coincidence that caused the trial to take place at the same time as those of the dissidents Ginsburg (in Kaluga) and Pitkus (in Vilnius), Scharansky's sentence of 3 years in prison and 10 years in Slave Labor Camp is staggering in its cruelty. But his persecution continues even after the trial for it has become known that he is not being allowed to have letters from his family and friends. He has received only a small proportion of the letters written by his mother and only one from his wife (she has sent him 53—Translator).

So towards the close of 1978 the following are in Soviet prisons and labor camps:

Mark Dymshitz due to be released in 1985.
Edward Kuznetsov due to be released in 1985.
Wulf Zalmanson due to be released in 1980.
Anatoly Altman due to be released in 1980.
Leib Khanokh due to be released in 1980.
Hillel Butman due to be released in 1980.
Isaak Skolnik due to be released in 1979.
Semyon Gluzman due to be released 1982.

Followed by five years exile in Siberia:

Grigory Goldstein due to be released in 1979.
Amner Zavurov due to be released in 1980.
Anatoly Scharansky due to be released in 1991.
Simon Shneerman due to be released in 1980.
Yosef Mendelevich due to be released in 1982.
Yuri Fedorov due to be released in 1985.
Alexei Murzhenko due to be released in 1984.

Following in exile:

Mark Nashpits due to be released in 1980.
Boris Tsitlonok due to be released in 1980.
Vladimir Slepak due to be released in 1983.
Ida Nudel due to be released in 1982.
Yosef Begun due to be released in 1981.

THE REFUSENIKS

The Soviet authorities are using more and more frequently the excuse of "considerations of state" (i.e. "secrecy") in their politics of refusal. Any healthy male aged 18 or more in the Soviet Union can be refused permission to emigrate on the grounds of "considerations of state". In the USSR all males are liable for military service after which they can be refused for 10 years or more, no matter in what branch or unit of the army they may have served. Only those studying in institutes of higher education are exempted from such service and they undergo a short military training.

Moreover, former serving soldiers are liable to be recalled from time to time for training in the reserves for a period of from one to thirteen weeks. Refusal to serve in the army or to undergo this further training is punishable by imprisonment from 6 months to 3 years and does not release one from a possible draft later. Moreover in the USSR a very large number of industrial enterprises and scientific institutions are considered to be "secret" and anyone who works there is considered to come under the category of "considerations of state". If in the applicant's family there are no males and there is no one who has worked in these enterprises, OVIR still can refuse on the grounds of these "considerations", finding some near or distant relative who does come into this category.

For example Yelena Chernobilskaya and her children were refused because of the "secrecy" of her father (who was not applying to leave). Vladimir Lerner has been refused for 7 years because of the "state considerations" applying to his father. These "considerations" are limitless and OVIR can refuse a family without indicating any reason or term of refusal. The term of "considerations of state" has grown to 10–15 years. Evidently this has happened not because the "secrets" in the USSR in 1978 are any more "secret" than they were before, e.g. in 1970, but because the KGB is now "cultivating" refuseniks with frightful terms. The prospect of being in refusal is intimidating many Jews who would otherwise apply to emigrate.

Refuseniks are not able to work in their professions and as a result find themselves in difficult financial straits. Protests against such illegal refusals to permit one to emigrate is followed by harassment, open persecution, house arrests, show trials, imprisonment and exile. The refuseniks, and especially their children feel anti-semitism much more sharply than other Soviet Jews, because the refuseniks affirm their Jewishness and try to uphold their national Jewish dignity. Today the ordinary Soviet "man-in-the-street" knows that he can with impunity insult and humiliate Jews for their desire to emigrate to Israel.

COMMUNICATION

Postal and telephonic communication between you and us is unsatisfactory and unreliable. Letters, parcels, telegrams and advices of incoming telephone calls—all disappear. With the exception of a few more-well-known Jewish activists, the Jews in the USSR know of your activity only from what they hear on "The Voice of America", the B.B.C. "Radio Liberty—Free Europe" and what little they can receive from the jammed broadcasts of Kol Israel. Moreover you are far from knowing all that happens with us and as a result the struggle for freedom of emigration is carried on, on both sides of the Iron Curtain as if it were on two different planets. Shamelessly violating international agreements on postal, telephonic and telegraphic communication, the Soviet authorities intercept your and our letters, parcels, telegrams and advices of incoming telephone calls. Incidentally many years of experience of this activity, (which is contrary to accepted legality) on the part of the Soviet authorities has convinced them that they can do it with impunity. They calmly confiscate your letters which bear the naive stick-on label "nondelivery of this letter will be considered as a violation of the Helsinki Agreement." They confiscate the contents of parcels ("Confiscated in accordance with International Conventions . . .") they block telephone conversations ("The person called did not arrive"—"A fault on the line" etc.) and in the Customs they succeed in putting such fear into the hearts of tourists that the latter come to our apartments in a state of semi-stupor.

It is a deplorable fact that the campaign against the cutting of the telephones of the Jewish activists in the USSR has not been receiving official support and is not being kept alive. To improve communication and information flow, it is necessary to push a campaign at governmental level against the deliberate misconstruction by the Soviet authorities of international agreements in the field of postal and telephonic-telegraphic communications, and in the field of customs regulations. In order to get such a campaign under way, it is vital to bring in lawyers from Western countries and from Israel and to have available irrefutable evidence of the flouting of agreements. This latter can be achieved by the creation in Israel, in the West and in the USSR, "Postal Groups", via whom all who wish to participate in a given country or in a given major town, could pass their international correspondence. These "Postal Groups", following up the delivery or non-delivery of correspondence in both directions, would be able to gather a large body of evidence of arbitrary confiscation of letters, parcels and printed matter.

MEETINGS WITH STATESMEN

Direct contacts with statesmen of western countries are of great importance for the Jewish emigration movement and for its support in the west. These meetings allow us better to understand how people in the West view our situation, which questions of our movement have particular effect on world public opinion, what possibilities exist for strengthening and broadening support of the emigration movement amongst Jews and non-Jews in the West.

At the same time, these meetings are important for our quests as it enables them to gain at first hand the information which interests them about the situation of emigration, the difficulties, and the desired methods of overcoming these difficulties. In recent months members of the parliaments of Sweden, Belgium and USA were in Moscow and visited several activists. These visits bore an unofficial character, and took place in family circumstances and left us with an impression of deep interest on the part of western statesmen in removing barriers from the path of those who wish to leave the USSR.

There is some basis to assume that our guests also were not disappointed with these meetings and were confirmed in their desire to support the Jewish emigration movement in the USSR and better understood how to offer such support. In these meetings with statesmen, pride of place goes to the more important ones of which there were four recently: with Senator Kennedy; with Eugene Gold; with a group of US Senators; and with Members of the Knesset. The meeting with Senator Kennedy went, we think, normally. He met a number of Jewish activists as well as Academician Sakharov and Elena Bonner. The meeting lasted three hours and we discussed means of gaining support from the US Congress for the emigration and human rights movements in the USSR. Unfortunately information about the possibility of holding such a meeting came to light only on the very evening of the meeting, so that it prevented a number of useful participants from being invited.

With regard to the meeting with Eugene Gold and his colleagues, leading attorneys from the USA—we must remark upon the unsatisfactory nature of its organization. There was no previous preparation for it, the make-up of its participants bore clear signs of it being of a purely casual or chance character, and the introductory speeches about the situation and perspectives of the Jewish emigration movement were impromptu. But the worst feature of the meeting was the complete impossibility of discussing in any factual way urgent and topical problems.

We were advised about the forthcoming meeting with the US Senators well in time, and were able to organize preparations for it, as well as the participation of a representative group of activists. The meeting was conducted in an organized manner, and enabled the presentation of the opinions of activists on a series of questions of interest to the Senators.

With regard to the meeting with the delegates from the Knesset, we were informed well in advance of their arrival in Moscow, and on the appointed day and at the appointed time a large number of us gathered to meet them, amongst us practically all the leading Aliyah activists. Unfortunately, however, this meeting failed to take place as the delegates of the Knesset were not able to get away from a frivolous programmed visit which had been arranged for them (it is understood that they went to the Circus instead—Translators' Note). As a result of this only a few participants of our large and representative gathering managed to meet with the members of the Knesset at night.

With respect, yours sincerely,

Isai Goldstein (Tbilisi), Victor Yelistratov (Moscow), Alexander Lerner (Moscow), Mark Novikov (Moscow), Lev Ovsishoher (Minsk), Alexander Paritsky (Kharkov), Yakov Rakhelenko (Moscow) Lev Roitburd (Odessa), Eitan Finkelstein (Vilnius), Natasha Khassina (Moscow), Yevgeniy Tzirlin (Moscow), Boris Chernobilsky (Moscow).

December 3rd, 1978. Moscow.

Obtained from Moscow by Michael Sherbourne. Translated into English by Michael Sherbourne. (Kibbutz Neve Eitan, Israel, Dec. 78).●

THE SMOKING REPORT

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. DRINAN. Mr. Speaker, although cigarette smoking remains the largest preventable cause of death in the United States, Congress has taken no action in over 8 years to further reduce this deadly plague.

Last week I announced the reintroduction of legislation which would strengthen the cigarette warning label; protect the rights of nonsmokers; and allow the Food and Drug Administration to regulate tobacco products. Today, I introduced a new bill, which is described in a special order elsewhere in this edition of the CONGRESSIONAL RECORD, to increase the cigarette excise tax. I hope that my colleagues will review the following editorial from the January 19, 1979, issue of the Gardner (Mass.) News, which clearly states the case for further congressional action to discourage smoking, and join me in sponsoring these lifesaving bills.

The article follows:

THE SMOKING REPORT

Health, Education and Welfare Secretary Joseph A. Califano Jr. has been taking a lot of heat from the tobacco industry for presuming to mount a strong government drive to curb smoking. He can expect to take much more heat—has already, in fact—for saying of the new surgeon general's report:

"This document reveals, with dramatic clarity, that smoking is even more dangerous—indeed, far more dangerous—than was supposed in 1964."

That was the year when the first surgeon general's report on this subject warned of the hazards of smoking cigarettes. During the 15-year interim there has been much additional research and the message is overwhelmingly the same only more so: those who smoke cigarettes greatly increase their risk of getting lung cancer, emphysema, heart trouble, bronchitis and other diseases.

The 1979 surgeon general's report summarizes research findings to this effect leaving little room for doubt in spite of industry protestations that absolute proof is lacking. This report not only justifies the government's anti-smoking campaign, but argues for intensifying it.●

THE RETIREMENT OF ANDREW BIEMILLER, DIRECTOR OF THE LEGISLATIVE DEPARTMENT OF THE AFL–CIO

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. MITCHELL of Maryland. Mr. Speaker, the name Andrew Biemiller brings to mind a number of principles for which this man stood. It is noted that his outstanding activities as a Congressman during the 1940's and his subsequent battles as chief lobbyist for the AFL–CIO are illustrative of his constant initiatives in the areas of civil rights and health care issues.

As a Congressman, Mr. Biemiller had a chance to reflect on and participate in the enactment of laws for the broad constituency which consists of the U.S. citizenry. In later years, as the Director of the Legislative Department of the AFL–CIO, it may be mistakenly assumed that Mr. Biemiller lost interest in the general welfare of the U.S. populace, and concentrated his efforts in the area of organized labor. This is far from the truth. While constantly referred to as perhaps the single most influential lobbyist in Washington, Mr. Biemiller never failed to interject his interests in such matters as health care, while simultaneously addressing other critical areas such as the labor law reform bill.

To say that Andy Biemiller will be missed among the recently convened 96th Congress and subsequent Congresses is an understatement. In his capacity as chief lobbyist for the AFL–CIO, Mr. Biemiller served well. Still further, as a familiar sight at congressional hearings and a dependable source of information to Members of both Houses, Mr. Biemiller facilitated the smooth, ongoing type of relationship which is important among Congressional Members and national organizations.

Upon his retirement as legislative director of the AFL–CIO, I would just like to say to Mr. Biemiller, I salute you for a job well done and certainly wish you the best.●

COMMUNITY DEVELOPMENT: LOOKING ABROAD FOR INSPIRATION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. BROWN of California. Mr. Speaker, this year more than ever we are faced with the difficult task of balancing quality of life against a decreasing quantity of money in the Federal budget. Traditional approaches to problem solving are increasingly criticized and legislators and administrators must seek new ways to solve resistant social problems. Community development and improvement programs represent one area that has frustrated planners and produced little so far.

It is time for us to seek innovative approaches to our problems and to share our problems with those who are dealing with similar problems elsewhere. We need to begin a technology transfer into this country from overseas where many good community development programs are underway. I have been reviewing a publication, Urban Innovation Abroad, that provides an excellent overview of developments in other countries. From regional planning in the Ruhr Valley, to portable parks, to gardening plots for the handicapped, there are a number of innovative approaches underway in other countries that we would do well to try in the United States.

West Germany has been running such an innovative urban improvement program in its Federal Garden Show. While this effort may not find a home in the bricks and mortar school of community development, it can produce a much more durable community bond. Tourist dollars are generated and a permanent improvement is left behind in the host city. We would do well to look at this approach for our cities.

I urge my colleagues to read this article and consider the need for a new thrust in our community development programs:

URBAN INNOVATION ABROAD—GERMANY'S FEDERAL GARDEN SHOW: A MODEL FOR IMPROVING THE URBAN ENVIRONMENT

(There were posters all over West Germany last year inviting visitors to the Stuttgart Federal Garden Show. The railways offered discounts and excursion tickets, German and foreign tourists arrived by the hundreds of thousands, locals by the millions. The moveable feast for the eye is moving to Bonn, the federal capital, in 1979 where preparations have been underway for several years and again millions of visitors will be registered, and even more importantly, a legacy will be left behind as it has been in every participating city to permanently improve the urban climate and environment. We can learn from the West German national commitment to a decent urban quality of life represented by the institution of the garden show paid for by federal, state and local funds in cooperation with private industry and the visitors who purchase tickets. The renewed attention which will be paid in this country to green space when Congress appropriates funds for the Urban Park and Recreation Recovery Program signed into law by the President recently hopefully will provide opportunities for intergovernmental initiatives on the German model.—ggw)

Improvement of the urban climate—literally and figuratively—is the result of a unique West German institution that leaves each participating city looking and smelling better every two years. The Federal Garden Show joins the resources of federal, state and local government with the garden, nursery and greenhouse trade to mount an April through October biennial festival in rotation among the nation's major cities. Millions of local citizens, German, and foreign tourists enjoy the varied displays events and recreational facilities that characterize each of the shows that have been staged in postwar Germany since 1951 when 1.6 million people were drawn to the garden grounds at Hanover. Last year, over 7 million visited the Stuttgart show and in the quarter century between these dates the moveable feast has played half year stands in Hamburg, Kassel, Cologne, Dortmund, Essen, Karlsruhe and Mannheim. It has been in Hamburg three times and twice in Cologne and Stuttgart. Next April 27th the biggest garden show to date will get underway on both sides of the Rhine at Bonn, the capital of the Federal Republic.

There are single admissions, monthly passes and season tickets for the whole family to encourage frequent visits. Because the displays and attractions keep changing, people return again and again and over half the cost of the show is recovered through the sale of tickets which range from about $2 for a single student admission to over $50 for a family pass good for an unlimited number of visits. Last year's show in Stuttgart clocked seven million visitors and average attendance exceeded six million in each participating city over the past decade. Government subsidies shared on a negotiated formula by the federal, state and local level cover the deficit.

While it goes on, each of the shows provides enjoyment for the whole family—superb flower arrangements, entertainment, boat and miniature train rides, nature playgrounds, concerts, restaurants and picnic facilities. But the most remarkable features of the Federal Garden Shows are their legacies. Like a World's Fair, each of them leaves behind permanent improvements, be they parks, greenbelts, exhibit buildings or facilities that raise the quality of life in their respective cities. Preparations take years and the shows are used as the instruments of long range city planning to increase the level of urban amenities, better the microclimate by massive plantings of trees and shrubbery and lower air and noise pollution.

In Stuttgart last year the garden show regenerated a kilometer-long inner city greenbelt the "lower palace garden," with new plantings, ponds and fountains. The 150 year old plane trees were carefully preserved. An innovative noise barrier consisting of semicircular concrete shells snakes its way along the edge of the greenery isolating it from the traffic noise of the adjoining inner city and reducing the decibel level by half. Each element of the sound barrier is about five feet high and some 20 feet in diameter. The landscaping and noise reduction of the lower castle garden has created a downtown oasis, after the precious Stuttgart show in 1961 revived the neglected war-damaged upper and middle palace garden. The 1961 event also gave birth to the "lawned parking lots" that ever since have helped the city breathe (UIA: 8:78).

Largest to date, the Bonn show next year will cover 100 ha (approx. 250 acres) and leave behind a permanent rose garden along both river banks with over a hundred thousand plants of different varieties. Three nations—Japan, the Netherlands and Switzerland—have also presented gardens typical of their countries, which will be maintained for citizens and visitors to Bonn after the show ends next October. The Japanese garden, covering an area of 2000 m^2, has been laid out by Akira Sato, Japan's leading landscape architect and features an artificial lake fed by a waterfall and stocked with goldfish. About 450 tons of Japanese pebbles and stone lanterns are en route to Germany for the installation. The Dutch garden will feature a dense arrangement of tulips, iris and hyacinths surrounding stone sculptures of Dutch artists, while the centerpiece of the Swiss garden is slated to be a hundred year old Basel fountain with the mythical "Basilisk," a small version of a dragon holding the escutcheon of the Swiss city.

Some 6,500 trees have been planted and over two million cubic meters of earth have been moved, much of it ending up in a sixty foot artificial hill that will overlook the lake-studded garden grounds. The city of Bonn has been working on the preparations for the past three years and a public corporation has been formed to administer the federal and state subsidies and to supervise the work. Germany's main garden trade association is represented on the Board together with the city and Land (state) of North Rhine Westphalia and the Bonn Savings Bank which has purchased a portion of the corporate shares. The only permanent building that will be left behind by the Garden Show is a million dollar Cafe-Restaurant with a scenic view now under construction atop the artificial hill in the center of the display grounds. Nursery, garden supply and building firms throughout the region are cooperating in the enterprise and will operate displays and information booths.

Intergovernmental and private industry cooperation that characterizes the Federal Garden Show has resulted in much-improved green space, parks and urban amenities for ten of the nation's largest cities since 1951. Plans are already underway for the Kassel show in 1981 and for Munich in 1983.●

ELIZABETH MIRIAM TUREEN BERGER

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. YOUNG of Missouri. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Mr. Speaker, I would like to take a moment to pay tribute to one of the most remarkable women in St. Louis County, Elizabeth Miriam Tureen Berger.

Mrs. Berger, who will celebrate her 65th birthday on February 17, has overcome an attack of polio and spinal injuries to lead a life of dedication to her family and her community.

Mrs. Berger has participated in many civic activities, and has spent thousands of hours helping the handicapped. She taught remedial reading as a volunteer in the public school system, and has spent months dictating tapes for the blind. She is a former president of the United Hebrew Temple of St. Louis. She also served on the National Board of the Temple Sisterhoods.

During her many years of community service, Mrs. Berger has remained devoted to her husband, Dr. Edward J. Berger, and her three children: Michael, Frederick Allen, and Nancy Jane.

The family and friends of Mrs. Berger will soon be honoring her in a "This Is Your Life" program in recognition of her dedicated life in the service of her community, her family, and the handicapped. I am sure that my colleagues in Congress will join me in wishing Mrs. Berger a delightful 65th birthday.●

VETERAN SAYS THANK YOU FOR GI BILL

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. ROBERTS. Mr. Speaker, approximately 60 percent of Vietnam-era veterans have used their GI bill benefits as compared to about 50 percent of World War II veterans and 43 percent of Korean veterans. The record is well documented with regard to the success of World War II and Korean veterans who have greatly improved themselves by using the GI bill to become physicians, lawyers, engineers, technicians, teachers, and a large number of other professions and occupations which have all helped to build a better and stronger America.

I was pleased, therefore, to have brought to my attention a letter from a Vietnam-era veteran to the President, dated January 8, 1979, in which the veteran, Mr. George G. Slater, of Noblesville, Ind., stated that he just wanted to say thank you to someone for the more than $17,000 he has received under the GI bill, which has helped him become a CPA and earn a law degree. I believe that Mr. Slater represents millions of Vietnam era veterans who, as a result of the Vietnam-era GI bill, will be leaders of tomorrow and like their predecessors of World War II and Korea, are helping to build a better America, and with increased earnings, will pay back in the form of personal income taxes, many times over the cost of their training under the GI bill.

I would like to share this letter with the Members of the House.

GEORGE G. SLATER,
Noblesville, Ind., January 8, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The enclosed adding machine tape represents the payments the Veterans Administration has made to me over the last seven and one half years under the GI Bill.

I have used this money which totals over $17,000 to earn a Masters in Business Administration, a Certified Public Accountant certificate and a Law degree. This money has given me the opportunity to study finance, accounting, economics, statistics, law and many other courses.

Tomorrow I start teaching Business Law and Accounting at Indiana University.

I just wanted to say THANK YOU to someone. I hope your office will forward this letter to a person who is behind the GI Bill program.

The GI Bill has given me a world of opportunity. I only hope I can make the most of it.

Sincerely,

GEORGE G. SLATER.●

PLEA FOR MODERATION ON GOVERNMENT REGULATION

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. MONTGOMERY. Mr. Speaker, the issue of Government regulations—too much or too little—is a matter of concern to all Americans today and is a matter which must be addressed by the 96th Congress. One of the more thought provoking speeches on the subject was given last year by Commissioner Barbara Hackman Franklin of the Consumer Product Safety Commission. Because of her long experience in the field of Federal regulation I feel her remarks are quite timely and deserving of the close attention of my colleagues:

REMARKS OF HON. BARBARA HACKMAN FRANKLIN

As a Federal regulator, I accept speaking engagements these days with more and more trepidation. The trepidation turns to outright fear as the day of the speech arrives and the experience of Winston Churchill comes to mind.

On one of his trans-Atlantic tours, a student asked, "Mr. Churchill, doesn't it thrill you to know that every time you make a speech the hall is packed to overflowing?"

Churchill pondered the question for a moment. Then he replied, "Of course, it is flattering. But always remember that if I were being hanged, the crowd would be twice as big."

Churchill's point is not lost today. In view of predictions that government regulation is an idea whose time is passing, the prospect of a public lynching is very intimidating—especially to a potential "lynchee."

I'll take my chances this evening. In fact I welcome this opportunity to discuss the issue of regulation with those of you who ultimately will decide where it goes—consumers, the business community and government officials.

Across the country and across the political spectrum, the American people are saying they want less—but better—government.

The rallying cry is this: Government has gone overboard; overhaul the machinery, and stop the wasteful spending. The specifics are more complex; a government which fosters competition and social goals at a reasonable cost; a government which is accessible and responsive, but less intrusive and sluggish; a government more accountable to the people, yet freer from the pressures of narrow special interests.

It is a tall order.

It is sending seismic waves through the White House, the Congress and the agencies.

And it is a bread and butter issue for every American.

The burden of regulation, once only a burning issue in business forums, today is on the tip of everyone's tongue. The message is being repeated in ways that graphically underscore the impact of regulation upon our basic economic health and social well-being:

The direct costs to business, consumers and the Government.

The indirect costs of business investments not made, plants not opened, job opportunities lost, reduced productivity and new technologies dampened.

The international costs, typified by the devalued dollar.

The psychological costs of weakened leadership and the loss of consumer and taxpayer confidence.

In short, government is a dominant force in our lives. It is said to be the nation's biggest employer, its biggest consumer and its biggest borrower. Government today exercises direct regulation over much of everything bought and sold in the U.S. and indirect regulation over almost every other sector of the private economy. The now-defunct Commission on Federal Paperwork estimates the total cost of Federal paperwork is $100 billion a year—or about $500 per person. Already, *Newsweek* suggests that each year's harvest of administrative regulations is so large that it defies quantification.

Do we have a regulatory monster?

More and more people believe that we do and that it is long overdue for a leashing. The concern is fueled by the toll inflation is taking and an awakening of the press and the general public to what some businesspeople have been saying all along: that regulation, however intended to protect consumers and competitors from the marketplace abuses of a few, doesn't always work that way.

The critical issue is where we go from here and how.

Frankly, I am encouraged with the public demand for a better, more affordable government. It is too early to pinpoint precisely when results will emerge—but soon enough to predict that they will and that the impact had better be more substantive than symbolic.

For those of us in this room who have long been tilting at certain regulatory windmills, it is already heartening to feel the fresh winds of change.

I would be deluding you, however, if I did not admit to some concern, especially in the area of health and safety regulation.

I am a proponent of reform in this area, too—in order to better protect the public in a way business can live with, government can live with and most of all, that the American people can live with. But in the current rush to give all government a bad rap, the great temptation is to forget why many important public health and safety programs exist.

The Consumer Product Safety Commission is a classic example.

One businessman put it this way: "Let's face it. CPSC is another Federal agency that probably wouldn't be in existence if those of us in business had been doing our jobs properly."

He has a point.

The creation of the Commission was not an accident. It was born during the rising tide of consumerism, the first wave of product liability suits and legitimate concern about the safety of products consumers buy and use. It was said 20 million consumers were being injured each year—many needlessly, at an annual cost to the national economy of some $5.5 billion.

So Congress created the agency in 1973, giving us jurisdiction over the safety of some 10,000 consumer products.

Today, the familiar Washington formula—find a problem, pass a law and set up a new agency—seems to be running out of steam. But make no mistake: public demand for a better quality of life has not.

A Harris public opinion poll this summer underscores the point.

Controlling crime, according to the survey, is seen as very important in improving the quality of life. So is better education, conserving energy and curbing air and water pollution. More and more people emphasize safety in the workplace, and 74 percent place a high priority on making products and services safer, up almost 10 percent over the last two years.

To me, the message of 1978 is this: CPSC, like other agencies whose job involves the public health and safety, has a responsibility to see that it happens—at a price that is reasonable.

In this spirit, I am recommending the Commission take four steps.

First, we must take a closer look at precisely when safety regulation makes sense, under what circumstances and to what extent.

In other words, we need to rethink safety regulation—to make it better, to make it work and to make it stick—in those cases where it is necessary.

In those instances where government intervention isn't needed, we should stay out. And in the vast majority of cases which fall somewhere between the two extremes, we must not hesitate to explore promising alternatives to regulation.

Personally, I'd like to see the Commission sign more agreements along the lines of the one we have with the Chain Saw Manufacturers Association. If a timely, effective standard addressing the safety of chain saws is written in the private sector, then everybody stands to benefit—the Commission, industry and consumers.

Consumer education and information is another tool which too often is underestimated. The plain truth of the matter is that many, many accidents can be prevented only with changes in human behavior.

Second, the Commission should review its overall strategy to achieve greater consumer safety.

It may be that a vigorous campaign directed at top corporate managers is a wise expenditure of everybody's time and money. When the person at the top is tuned in to product safety, so is everyone else in the organization.

The Commission also should convene regional conferences so that companies can learn, firsthand, what others are doing to make and sell safer products, the organizational mechanisms they've put in place and the procedures they follow to get defective products off the production line, off retail shelves and out of consumers' hands.

Then, too, the Commission must find, in the very near future, special ways to work with small businesses—those companies who lack the time and resources to deal with every finite detail of regulation. A major first step would be to assure that the concerns of small companies are reflected in our regulatory decisionmaking early in the process.

Third, we must reduce unnecessary delay.

Frankly, as many representatives of companies as consumer groups complain whenever our work becomes unduly protracted. Predictability in public policy is thwarted. The ability for businesspeople to plan ahead is stymied. Protection for consumers can be denied. Scarce resources, public and private, are squandered.

An issue coming before the Commission next month is a vivid case in point.

The Commission now is in its fifth year of developing a mandatory safety standard for power mowers—five years in which consumers have received no uniform protection from some hazards which the agency, a major trade association and a national consumer group agree exist.

The fault, in my judgment, rests heavily on the Commission's shoulders. Only this summer did we decide to stagger consideration of the complex problems—in order to reduce the burden on industry and to try to hasten the day when consumers could receive some protection.

Other factors, however, also contributed to the delay, not the least of which is an expensive publicity campaign waged by the industry to discredit the proposal almost from the moment it was drafted.

All in all, the years invested in the project have taken quite a toll, literally and figuratively. Surely it was in everybody's best interests to find a better way to protect consumers.

Fourth, cost/benefit analysis.

Let's say it right up front: Product safety costs, and somebody's got to pay.

That "somebody" is called the consumer or the taxpayer—depending who passes along the costs, business or government. Then, too, if an accident occurs, the consumer and his or her family get it in the pocketbook in another way. There are staggering medical and hospital bills, lost income, higher insurance rates—to say nothing of the extensive pain, suffering and possible loss of life.

In my judgment, the Commission needs to get a better handle on issues like these.

Already, by law, we are required to establish the need for and general impact of our regulations. But more is needed. Indeed, the courts seem to agree—if we expect our proposals to withstand judicial scrutiny. So does President Carter. He is urging a hard look at the goals, benefits and costs of all regulatory proposals, adding that he wants the "consumer protected . . . with the least adverse inflationary effect."

Addressing safety issues in the cost/benefit context is not a panacea. Precise determination of the benefits and burdens is difficult, especially in the area of health and safety regulation. Our present ability to consider the full range of costs is elementary. On the benefit side of the equation, it is downright primitive.

But even with what we know now the cost/benefit way of thinking is useful. It sets up a real-life framework for regulators to ask the hard questions, make the tradeoffs and set priorities.

I believe this is what the American people expect from their government. Indeed, the majority of Americans, according to a new study by Cambridge Reports, Inc., want the benefits and burdens considered and the tough tradeoffs made.

All of us share the same goals—economic well-being and a healthy, safer environment in which to live. But to reach these goals, we must use our resources well, trying to obtain the most benefit and leverage for every dollar—public and private—we spend.

When it comes to consumer safety and health, my own feeling is that in certain circumstances, Government does need to step in. On the other hand, optimal protection of the public requires vigorous attention to safety factors long before products reach the store shelves or the hands of consumers.

Thus, the onus really is on business. Putting it another way, the point is this: It's wiser and cheaper to design and sell safer products or to locate and correct defects early on than to be the defendant in product liability suits, mount expensive recall campaigns and endure the sales-wrecking publicity and weakening of consumer confidence.

The challenge to all of us—and I believe, the opportunity—is to make America work better again.

When I say "better" I do not mean a bigger government which crowds out the private sector or the individual.

I do not mean a more meddlesome government, burrowing deeper into the affairs of business "to fix things that ain't broke."

But I also do not believe that we can turn back the clock, championing only those solutions which fit other times in our national life 50, 30 or even 20 years ago.

We must learn from our mistakes of the past—so that we can do better in the future. Our country was not built by complacency or excessive caution, but by boldness, innovation, and competition.

Now it is up to us to carry on in the same spirit. Where we go from here really is up to us.●

WILL AMERICANS SOON BE WEARING ONLY IMPORTED SHOES?

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. MAVROULES. Mr. Speaker, I rise to voice my concern over an international situation affecting an American industry and bearing directly upon my district in Massachusetts.

I am referring to the shoe industry's struggle with foreign competitors, a struggle it is engaged in, with one hand tied behind its back and, it seems, without a friend in the world.

This should not be the case. Just in the recent past, the President's Special Trade Representative, Robert S. Strauss, negotiated and implemented the Orderly Marketing Agreements, the purpose of which was to protect American footwear industries from excessive nonrubber imports. But the administration of these agreements has been virtually nonexistent and, as a consequence, has taken its toll on the domestic footwear industry in terms of jobs and rapidly decreasing production.

In light of this situation, I would like to share with my colleagues the following letter to Ambassador Strauss, in which I ask for nothing more than his recognition of the OMA's and the plight of American industries thrown into foreign competition that they are ill-prepared for:

House of Representatives,
Washington, D.C., February 1, 1979.

Hon. Robert S. Strauss,
Special Trade Representative, Office of the Special Representative for Trade Negotiations, Executive Office of the President, Washington, D.C.

Dear Mr. Ambassador: I am writing in reference to the unfavorable foreign trade impact on one of my district's largest industries, the shoe industry.

It is a verifiable fact that domestic footwear manufacturers continue to suffer from excessive foreign imports, particularly those coming from Taiwan and Korea. Considering that these two nations are part of the Orderly Marketing Agreements, this is a situation that should not have developed; it points, as well, to the unsatisfactory conclusion that the administration of the OMA's has been lax. And, as far as non-rubber footwear is concerned, I find myself in agreement with President F. A. Meister of the American Footwear Industries Association that the import relief program may end up a complete failure.

Ten years ago, the Commonwealth of Massachusetts produced over 85 million pairs of non-rubber footwear, amounting to about 13% of the national total and a healthy portion of that coming from my district. At that time, over 30,000 Massachusetts citizens were employed at this task. Today, ten years later, a drastic change for the worse has occurred. Production is down about 34 million pairs, and employment has slipped by more than one-half.

A more significant figure has been the rapid rise of non-rubber footwear imports since 1968. Then, 175 million pairs of imports represented 21.5% of the entire United States footwear market. Now, imports garner about 48% of our market with 368 million pairs of footwear.

These figures have a human impact, needless to say. They are not merely abstractions. At stake are jobs, economic growth and vitality, and an improved standard of living. We Americans tend to think that these are our rights, the possession of which leads to a comfortable, secure lifestyle. But, in the shoe industry at least, the attainment of this goal has been jeopardized. At fault has been the weak administration of the OMA's, placing American industries at an unfair disadvantage in relation to their foreign competitors.

The first step towards a remedy is obvious, and it is why I now write you. I am appealing to you to make the OMA's more meaningful by improving their administration. In effect, I am asking you only to recognize an agreement that you worked so hard to implement.

Although I would also like to engage you on other matters relating to foreign trade, such as the proposed extension of the waiver on countervailing duties, I shall wait for another opportunity. Now, I would like to focus solely upon the OMA's as they bear upon a chief industry in my district.

I thank you in advance for your consideration.

With best regards,
Sincerely,
Nicholas Mavroules,
Member of Congress.●

PANAMA CANAL: CONTROL OF AQUATIC VEGETATION

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. FLOOD. Mr. Speaker, one of the most persistent problems in the maintenance and operation of the Panama Canal has been the control of water hyacinths and other types of aquatic vegetation.

The latest news about this matter is that thousands of Chinese grass carp, which weigh 50 to 60 pounds at maturity and eat their weight of marine vegetation daily, have been released in the canal.

A recent news story follows:

Panama Canal Imports Hungry Weed-eaters

(By Tom Fenton)

Gamboa, Canal Zone.—Thousands of Chinese grass carp have been dumped in the Panama Canal in the hope that they will eat up weeds that foul ship propellers, plug water intakes and clog the gates of the canal locks.

"We've controlled the weeds so far by dumping copper sulphate and herbicide on them," said fisheries biologist Rene Sanchez, "but we'd like to get away from using chemicals and believe the fish may eventually save money."

Sanchez said in the 1978 fiscal year the Panama Canal Company dumped 625,000 pounds of toxic copper sulfate on thousands of acres of hydrilla, a plant whose tendrils may extend 40 feet. Four other kinds of aquatic weeds also can cause trouble in the waterway.

The biologist said the carp, also known as the White Amur because it is native to the Amur River on the Chinese-Soviet border, weighs 50 to 60 pounds at maturity and eats well over its body weight in weeds each day.

The fish has teeth in its throat and eats the weeds by sucking them into its mouth.

It is not expected to spawn in the canal waters, which will enable biologists to control the population.

"To spawn the fish eggs must float down a one-mile-an-hour current of siltless water for about 50 hours," Sanchez said. "We don't have conditions like that here."●

A WORD PORTRAIT OF THE FRATERNAL ORDER OF EAGLES

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I would hope that my colleagues in the House would join me in saluting the Fraternal Order of Eagles on its 81st birthday, celebrated on Tuesday, February 6, 1979.

In over eight decades of fellowship and community service the Eagles have been guided by their credo: "To make human life more desirable by lessening its ills and promoting peace, prosperity, gladness and hope". They are noted for their effective national campaigns on behalf of social programs for the aged, the working man, and youth. In addition, the contributions of the more than 3,200 local aeries and their auxiliaries have ranged from blood banks to teenage centers and city playgrounds and have included the fullest measure of fraternal services and help to members and their families in time of need.

Among the more prominent brothers are President Jimmy Carter and Vice President Walter Mondale. Five other U.S. presidents and numerous other prominent public figures have been members, including my beloved friend and mentor, former mayor of Pittsburgh and Governor of Pennsylvania, David L. Lawrence. Yet the 850,000 Eagles justly pride themselves on being the "Fraternity of the Common Man," drawing their strength from a cross section of America's melting pot.

One of the hardest working Eagles is my close friend, Maurice Splain, Jr. of Pittsburgh, Eagle membership director.

In commemoration of the Eagle's 81st anniversary, I would like to include in the Record at this time a word portrait of the Eagles, prepared by Maury's son, Dan Splain.

In doing so, let me reiterate my best wishes to all Eagles and affirm my continued support for their good works.

A Word Portrait of the Fraternal Order of Eagles

(By Dan Splain)

Nine days before the explosion of the battleship Maine in Havana Harbor touched off the Spanish-American War, six lonely vaudeville troupers strolled to Moran's Shipyard on the tideflats of Seattle to form the Order of Good Things on February 6, 1898. The purpose of the organization, as its first President, John Cort later related was "to make human life more desirable by lessening its ills and promote peace, prosperity, gladness, and hope.'

In February, 1979, in a new wonder age of atoms, missiles and moon walks, the far-flung Organization that sprouted from the Seattle seedling-the Fraternal Order of Eagles-celebrates today the 81st anniversary of its founding, changelessly devoted to the same ideals proclaimed by its founders. Today, the Order embraces over 1700 Aeries in the Continental United States, Alaska, Hawaii, the Philippines, the Dominion of Canada, the Republic of Mexico, and England.

Possibly not in their fondest predictions did the pioneers of the Fraternity envision such tremendous growth. But the universal hunger for friendship and brotherhood struck a responsive chord as the theatrical men played in other cities throughout the nation. New Aeries were formed rapidly in the Pacific Northwest. Cort was elected the first Grand Worthy President of the Order.

The Order was, and remains to this day, the Fraternity of the Common Man From mill, mine, and factory mainly, from the professions, and from public life, from America's melting pot, the Eagles derived their strength, a typical cross-section of the Nation. Several years ago, Collier's Magazine, in preparing an article about the Eagles sent their writer to the local Aerie in Cedar Rapids, Iowa. He asked a spokesman to define the Eagles. He struck this response: "You want to know who the Eagles are—I'll tell you. We're the crowd everybody gets lost in."

However, not all Eagles are "lost in the crowd." Six Presidents of the United States have been Eagles: Theodore Roosevelt, Warren G. Harding, Franklin Delano Roosevelt, Harry Truman, John F. Kennedy, and the incumbent President Jimmy Carter and Vice President Walter Mondale. Former Chief Justice of the Supreme Court, Earl Warren is a brother Eagle. Monsignor Flanagan of Boys Town was a Past President of the Omaha Aerie of the Eagles. So was Father Elwood Cassedy, founder of Home on the Range for Boys; as his successor, Father William Fahnlander. Former Governor Lawrence of Pennsylvania helped found the Pennsylvania State Aerie in 1912, along with Congressman John Morin, who himself served the Order as Grand Worthy President. World War II and Korean air ace, Francis Gabreski (Col. Ret. USAF) is a life member of Oil City Aerie No. 283. J. Edgar Hoover, the late FBI Chief, was a brother, too. The list is infinite. Eagles are people, famous and obscure, mighty and humble, great and small.

Among those who have stood out from the crowd are the career Eagles themselves. There was Con Mann, the hearty Dutchman from Milwaukee, who piloted the Fraternity to a position of national prominence in the early part of this century. Then there was Frank Hering, silver haired orator from Notre Dame Universitly, who made the first known plea for the observance of Mother's Day, and later served the Eagle Magazine as its editor for many years. Among contemporary leaders are Wisconsin Supreme Court Justice Robert W. Hansen, who served the Order twice as its International President; Anthony Angelo, present International President, who travels the crossroads of the Nation garnering support for Eagle Programs, and Maurice Splain, Jr., Grand Aerie Membership Department leader who cares for the membership growth of the Fighting Fraternity.

In the three decades from 1910 to 1940, the burgeoning Order acquired a new title, "the Fighting Fraternity." In those years, the Eagles were in the vanguard of social legislative progress, moving courageously, fighting for changes to insure a more secure life for the people of America. In 1911, in Missouri, led by an Eagle Jurist, Edward Everett Porterfield, the Order sponsored the first Mothers' Pension Act. A year later, in Wisconsin, Eagles rallied 'round a young Eagle and labor lawyer, Daniel Webster Hoan, later Mayor of Milwaukee, to enact the first Women's Compensation Act. A few years later, the Eagles began to demand elimination of a national scourge—the poorhouse. The Rubicon was crossed in 1923, when the Montana legislature passed the first Old Age Pension Law of the nation, sponsored by prominent Eagle legislator, Lester Loble, who later became the Order's Grand Worthy President.

The Order successfully campaigned for similar laws in the majority of the states. On the national front, the Eagles launched a historic campaign for a national Social Security Act, and spent more than a million dollars for printed materials to publicize and popularize the measure. In signing the Act, President Roosevelt invited an Eagle delegation to the White House and presented them with one of three pens used to sign the Act into law. In so doing, Roosevelt stated, "The pen I am presenting to the Order, one used to sign the Social Security Act, is a symbol of my approval of the Fraternity's vision and courage."

High in the achievements of the Order is the national Mother's Day observance. Back in 1904, in February, Frank Hering, a Notre Dame professor and football coach, gave the first public plea for a Mother's Day observance at an Indianapolis Aerie meeting. Inspired by Hering's address, Eagle Aeries began sponsoring Mother's Day programs annually long before Congress set aside the second Sunday in May as a day reserved for the yearly tribute.

The Eagle story reserves a prominent chapter for the youth of America. With youth programs, junior sports, teen-age dances, youth centers sponsored by hundreds of Aeries, the building of the citizens of tomorrow is an ever paramount project of the Order. The crowning effort in this field came in April, 1941, when the Fraternity dedicated the Eagle Dormitory at Father Flanagan's Boys Town in Nebraska.

Then World War II arrived, the Eagles conceived their famed Memorial Foundation, a trust fund created by donations of Aeries and their Auxiliaries, to provide physical welfare services and college education for the children of the Eagle war dead. This foundation was later expanded to include survivors of Korean and Vietnam War dead, and Eagle police and firemen killed in the line of duty.

While significant national campaigns have always characterized Eagle activity, the "grass roots" strength lies in the local Aeries and Auxiliaries. Their civil and benevolent contributions have been generous and frequent. Blood banks to save lives, an iron lung purchased for a young polio victim, Aerie quarters provide for a teen-age center, a Christmas Party for the under-privileged kids in the community, funds for a city youth playground, donations to the Red Cross, the Community Chest, and other community services and programs is but a part of the magnificent benevolence of the Fraternal Order of Eagles. No accurate accounting of the total spent by local Aeries and Auxiliaries for charitable purposes has ever been kept, but no doubt, over the years, it would run into staggering millions, and in terms of human happiness and betterment, the amount is above the monetary realm and measured only in terms of the human heart.

In the 1950's, the Eagles set their sights on new goals to "make human life more desirable." During that decade, the Eagles raised over one million dollars for the Damon Runyon Cancer Fund, prompting the fund's founder, Walter Winchell, to write in his nationally syndicated column that the Eagles are "the Santa Claus of the Damon Runyon Cancer Fund." The Eagles donation of \$25,000 for the entrance to the Chapel of the Four Chaplains at Philadelphia, memorializing the four chaplains of three faiths who gave their lives in World War II aboard the

U.S.S. *Dorchester,* bespeaks the Order's zeal for brotherhood and inter-faith unity. Distribution of thousands of scrolls of Ten Commandments to schools and courts, and presentation of the Ten Commandment granite monoliths to many American cities, stresses the Eagles' concern for moral and spiritual values.

Late in 1959, the Organization began construction of a retirement home for senior citizens who are Eagle members. The home, in Bradenton, Florida, today boasts 75 units, a library, a lake well stocked for fishing and a large recreational hall. The Eagle Village, as the retirement facility is called, is self-governed by a Mayor and Council elected by the residents.

In cooperation with CARE, the international relief organization, the Eagles have constructed over 30 Eagles-Care Houses throughout the world.

In the decade just past, the Eagles founded the Max Baer Heart Fund, named after the late Eagle Heavyweight Champ, which has donated over $4,000,000 for heart research in the ten years of its existence. The Eagles have now founded the Eagles Cancer Fund which has raised over $4,000,000 supplementing the amount contributed to the Damon Runyon Cancer Fund. Just ten years ago, the Eagles founded the Jimmy Durante Children's Fund to contribute funds for research into the catastrophic diseases of childhood. Durante, for whom the fund is named, has long been an active supporter of Eagle programs.

Six years ago, the Organization initiated the "Golden Eagle Program", a three pronged attack on the problems of our aging citizens. The goal of the program is to add years to life and life to the years of the world's senior citizens in three ways: 1) by sponsoring and supporting legislation that will permit our aged to live in dignity and self-respect; 2) by establishing within 3200 local Eagle units, Retired Eagles Activities clubs (REAC) to permit older Eagles and their families to participate in programs of their choosing and to offer their aid and counsel to younger Eagle leaders in the management of their club facilities; and 3) the establishment of the Golden Eagle Fund, to raise and distribute funds for gerontological research.

The Eagles are also responsible for legislation protecting the over 40 worker from job discrimination because of his age.

The latest Eagle programs are "Hometown, U.S.A."—a campaign to make our hometowns of America just a little better for you and me, and the "Home and Family Program" designed to strengthen the home and family as the basic unit in our society.

The Fraternal Order of Eagles, with virility and vision, is just beginning to flex its muscles with over 3200 Aeries and Auxiliaries continuing the work started by six men on a Seattle waterfront 81 years ago.●

LEGISLATION TO RETURN THE MAR-A-LAGO ESTATE TO THE MARJORIE MERRIWEATHER POST FOUNDATION

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. MICA. Mr. Speaker, I am introducing a bill today to provide for the transfer of the Mar-A-Lago National Historic Site from the United States to the Marjorie Merriweather Post Foundation of the District of Columbia.

Mar-A-Lago was originally willed by Mrs. Post to the U.S. Government to be used as a retreat for foreign dignitaries and heads of state. However, upkeep has proven so costly that Federal funds for maintenance of the estate were terminated in 1977.

Since the conditions for the acceptance of the estate are no longer met, I am taking this action in accordance with the wishes of the representatives of the people of Palm Beach and what I understand to be Mrs. Post's wish to return the estate back to the foundation if it was not used by the Federal Government.

I am hopeful that action will be taken on this legislation at the earliest possible time.●

WE NEED THE HUMPHREY PERSPECTIVE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. SIMON. Mr. Speaker, the Miami Herald recently published an article by someone many of us respect about someone many of us knew and loved.

It is a tribute to Hubert Humphrey by Victor Kamber, one of the AFL-CIO's legislative representatives on the Hill and a person respected by all who have the privilege to know him.

I insert it in the RECORD because this Nation has neither a shortage of resources, nor a shortage of problems, but rather a shortage of inspiration—and a gentle reminder about Hubert Humphrey and what he stood for and where he hoped this Nation would go is good medicine for all of us.

The article follows:

HUBERT HORATIO HUMPHREY

(By Victor Kamber)

Ah, but a man's reach should exceed his grasp,
Or what's a heaven for?

Robert Browning

Senator Hubert Humphrey's reach to serve and to love touched so many lives in so many ways that when we came to say good-bye we measured his life by that love more than by his legacy to history; his good heart was his gift to our spirit.

America has had other politicians whose reach fell short of the presidency, and most outlived their usefulness or lost their ability to inspire, but not Hubert Humphrey. He gave us more in losing than others have in winning. In a time when polls and cameras govern the choices of many politicians, Humphreys's actions sprang from deep within his own heart and mind, and we came to understand the value of his honest faith and warm feelings about our country.

We have made a national creed of winning, and yet, in the final years of his life, we respected Humphrey's ability to accept and move beyond defeat. If he had not been a champion of civil rights, a fighter for economic justice and an innovative legislator, he would not have received so much admiration, but his ability to be his own man, to bear his wounds without rancor and to lose and get up fighting—his personal courage and warmth—are what endeared him to us.

I knew him as hundreds, as thousands, knew him as a politician working to improve our society. As a labor professional, I was impressed by his commitment to the causes of social justice and economic equality and by his steadfastness of that commitment. To see him walk into a room and reach out to people was to understand his genuine interest in others, and to see him work tirelessly for legislation to improve lives was to know how dedicated he was to his own rhetoric and feelings.

Humphrey's important work flowed from his capacity to care, and the bond between his emotions and his actions was deep and true. He was that rare individual who could share his emotions without fear, and that very vulnerability was not always a political asset. It is difficult to imagine any other politician who could have walked so gracefully through his own valley of the shadow of death and who could hear his life praised with as much joy and inner peace.

The appreciation that came too late to send him to the White House had an apologetic note to it, and in remembering Humphrey, we should also recall the circumstances of his 1968 defeat. In some ways, he was the victim of his own success in providing leadership on civil rights and other social issues and the product of his generation's view of international politics. The short memory of some of his liberal allies and the impulse of the American electorate for a different face in troubling times combined to hand him a narrow loss. If Humphrey, the rebel of the 40's, was too establishment for the 60's, he became in the 70's a refreshing reminder that some principles are never outdated. There are many lessons for America in Humphreys political odyssey, and to let his courage in dying overshadow these political realities would be a mistake.

The long road between the divided Democratic convention in 1948 and the "We shall Overcome" mood of the 1976 was a series of hard fought battles. As joyful and charming a man as he was, Humphrey also was a fighter and a politician, and to achieve the goals he helped articulate, these battles must continue. The leaders, shaped as Humphrey was by the shadow of the Depression, are dying, but the problems of the unemployed, the poor, the minorities and the elderly are not. In asking that our farewells to him look to the future, Humphrey knew how much remains to be done.

Hubert Horatio Humphrey left a nation better in tangible programs and laws for his having lived. He left a poignant reminder of that dream of being president and what it can mean in an individual life. He felt with an ache, which he would sometimes express, the Browning distinction between reach and rasp. If his reach did not include the presidency, it encompassed a role equally grand: the nation's conscience. To see Richard Nixon at Humphrey's funeral and to remember the events of the last ten years was an eloquent lesson on life and politics.

In saying good-bye to Humphrey and his 30 years of public service, the word love was often on our lips, but to honor his memory, the word freedom must be in our hearts. His life and death said much about what it means to be a human being; his political career said much about what it means to be an American. Out of his love and compassion, Hubert Humphrey of Minnesota helped expand the boundaries of freedom, and that work must go on. His gift is that he taught us there is joy and honor in that work.●

SRI LANKA

HON. THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. FOLEY. Mr. Speaker, today I have the pleasure of bringing to your attention the 31st anniversary of the independence of Sri Lanka and the remarkable achievements of this island Nation.

I have had the privilege of visiting Sri Lanka and was greatly impressed both by the singular beauty of the island and by the success of its people as they build and improve a society that is committed to advancing the quality of life.

The commitment of the people and Government of Sri Lanka in building a growing economy while maintaining democratic liberties and providing a wide distribution of government services has been recognized and praised by many international organizations.

I take this opportunity to commend the people and the Government of Sri Lanka for their dedication and I am sure that I speak for many Americans when I extend my congratulations on this important occasion, and my best wishes for future success.●

INDIAN PROBLEMS DESERVE SPECIAL ATTENTION BY CONGRESS

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. BEREUTER. Mr. Speaker, it is with some reluctance that I address the House of Representatives today. While it may be unusual for a freshman Member to speak so frankly so soon in a Congress, recent actions by the House Interior Committee compel me to address my colleagues.

Like most freshmen, I came to Washington anxious to learn, eager to participate fully in the legislative process, and curious to know what my committee assignments would be. Needless to say, I was very pleased when I learned that I would be appointed to the House Committee on Interior and Insular Affairs. The issues and proposals that fall within the jurisdiction of this committee will affect my district and State in a very direct way. I look forward to the opportunity of serving on this committee in the company of some of the House's most distinguished Members.

I cannot help but be disappointed, however, in one of the first decisions made by the majority on our committee—that being, to transfer jurisdiction for Indian matters from the Subcommittee on Indian Affairs and Public Lands to the full Interior Committee. I view the results of this action as leading to a gross injustice to the Nation's Indian population. Such a decision is indicative of a disturbing trend—one that shows a steady decline in the status of Indian matters before the Congress.

From the very beginning of our country, we have recognized the special position and unique problems facing the Indian people and their culture. Congressional authority over Indian Affairs is derived directly from the Constitution which assigns Congress the power "to regulate commerce with foreign nations, and among the several States, and with Indian tribes."

During early Congresses, Indian matters were considered of such import as to be considered by the whole House or Senate. In 1820, the Senate established a Standing Committee on Indian Affairs to deal with Indian matters. This was followed in 1821 by creation of a similar committee in the House of Representatives.

The House Standing Committee on Indian Affairs lasted until 1947 when a committee reorganization occurred placing jurisdiction over Indian Affairs to a subcommittee status of a ewly created Public Lands Committee which in 1951 became the Committee on Interior and Insular Affairs. During the last Congress the status of Indian Affairs was further reduced when it was merged into the Subcommittee on Indian Affairs and Public Lands. This week's vote of 187 to 17 to not create the Subcommittee on Indian Affairs marks the first time in our history that Indian Affairs will not receive a separate forum before the House of Representatives.

The closeness of the vote to retain Indian Affairs as, at least, an identifiable element as a subcommittee indicates how strongly many of us feel about the importance of such matters. Over a million Indians now reside in the United States. The First Congressional District of Nebraska, which I represent, alone contains three reservations: The Santee, Winnebago, and Omaha.

The Bureau of Indian Affairs and the Indian Health Service provide services and assistance to approximately 760,000 Indians living on or near 267 reservations in 24 States and in 200 villages in Alaska. In addition, the IHS provides limited assistance to some 360,000 of 507,000 Indians living in urban areas. The United States has a formal legal relationship with 481 recognized tribal entities, and acts as trustee for approximately 56 million acres of Indian lands, exclusive of 44 million acres which Alaskan Natives are entitled to receive under the Alaska Native Claims Settlement Act.

There can be no denying that as a Nation and as the representatives of the people, we have an obligation to protect the interests of the American Indian and to insure that their legislative concerns are never obscured because of competing demands. There are many Indian issues that should be addressed by the 96th Congress, including such difficult matters as tribal-State compacts, water rights legislation, land settlement bills, and consideration of a comprehensive economic development package.

Certainly, oversight of the activities of the Bureau of Indian Affairs must occupy an important role for Congress. Having served in the Nebraska State Legislature, I know the extent to which the Indian and, indeed, non-Indian residents of my district are concerned about the activities of BIA. Aggressive congressional oversight of this agency is absolutely essential.

Each of these activities is too important to be relegated to a secondary status. They require too much attention to be added to the already heavy responsibilities of the full committee. While the chairman has assured us of his intention to address these issues at the full committee level or to assign them to various subcommittees or task forces, I feel this can lead only to a further fragmentation of policy on Indian matters. That result, coupled with the real danger that Indian issues will become lost in the maze of other legislation we will be addressing before the committee during the 96th Congress, makes the majority's decision even more tragic.

In the absence of a subcommittee identifiably responsible for Indian matters I would, therefore, hope that it would be possible to create a special or select group within the committee in which Indian matters could receive special attention. The Native American population, and the American people generally, deserve no less.●

THE SMALL BUSINESS IMPACT STATEMENT ACT OF 1979

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. SCHULZE. Mr. Speaker, the overregulation of the small business community is a matter of grave concern for all Americans.

America's 13 billion small businesses comprise more than 95 percent of all our private enterprise; they employ over 40 million Americans; and they produce 43 percent of our gross national product. Small businesses, however, are experiencing an inordinate amount of financial and managerial problems in their attempts to comply with the proliferation of regulations generated by Federal agencies.

Indeed, the time and energy spent on Federal paperwork, and the large capital expenditures required to meet environmental or job safety standards can be a matter of life or death for a small business. The lesser ability of the small business to finance the cost of proposed regulations is reflected in the higher direct costs a small business incurs.

Capital costs of equipment are twice as expensive for a small business, because smaller plants have fewer tons of production against which to allocate their costs of complying with Federal regulations.

Management cost per unit of production is higher for a small business which must hire consultants to deal with Federal regulations, which a larger firm can provide "in-house".

At a higher cost per unit, it is more difficult for a small business to recover the costs incurred by regulation by adding to the price of the unit, than it is for a large firm with a low cost per unit.

Perhaps the most visible effect of Government regulation is the amount of paperwork that is generated by the regulatory process. Federal paperwork cost the American taxpayers an estimated $100 billion a year. In addition, small businessmen spend between $15 to $20 billion a year and expend 130.5 million man-hours to fill out 10 billion sheets of paper per year. These Government induced expenditures rarely result in an increase in productivity, but instead cause a decline in the productivity base.

It is evident that the regulatory process, which was intended to do good, is having an adverse impact on our economic system. Twenty-one of my colleagues have joined me in sponsoring H.R. 1306, the Small Business Impact Statement Act of 1979, in the last 2 weeks. Similar legislation was considered by the Subcommittee on Small Business Problems last year. It is my hope that in the 96th Congress we will pass the necessary legislation to relieve the small business community of its regulatory burden.●

AMERICAN WOMEN

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. RINALDO. Mr. Speaker, one of the foundations of our free society and the American family lies in the many diverse voluntary contributions of American women. They have long distinguished themselves in civic endeavors, church activities, women's clubs, and professional and business life.

Recently, I had the honor of attending the annual awards dinner of the Union Chapter of UNICO International, which honored Mrs. Josephine Dukes for her many contributions to the public good. They are indeed formidable for any individual, but especially for a woman who bears the responsibility of raising a family at the same time.

Over the last several years, Mrs. Josephine Dukes has been a leader in the Township of Union, N.J., in behalf of mental health, one of the main programs that UNICO sponsors nationally. Mrs. Dukes' promotion of community awareness of mental health and her support of fund-raising drives to assist the victims of mental illness have been especially important to the community.

This truly outstanding citizen has made every day of her life count in raising a fine family, being a wonderful wife, and in doing so much for others. I wish you could read her biography. It is nothing short of amazing.

She has become one of the leading women in New Jersey through her work as an officer of the Junior Women's Club, the Women's Club of Connecticut Farms, the Union Mental Health Association, the American Field Service Organization, the Girl Scouts, Boy Scouts, the Bicentennial Committee, the Girl's Club of Union, the Parent Teacher Association, and St. Michael's Church.

In addition, she helped to organize the very successful cultural event of the year in Union Township, the Festival on the Green. This energetic and remarkable woman typifies the many hardworking, industrious, and dedicated women in America who have extended their talents beyond their homes and into the community at-large. Her efforts and achievements are one of the reasons why Union Township, N.J., was selected an All-America City in 1978. She symbolizes the American spirit of generosity, hard work, and individual enterprise that benefit the common good.●

AMERICAN INTERNATIONAL COLLEGE HOSTS 39TH MODEL CONGRESS: REPRESENTATIVE SILVIO CONTE HONORED

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. BOLAND. Mr. Speaker, one of the valuable educational events of the year in New England is the model congress held at American International College (A.I.C.) in Springfield, Mass.

The value of a model congress cannot be underestimated. It provides students with a working understanding of the legislative process. This year's 39th A.I.C. model congress provided more than 250 students from 36 New England high schools with 2 days of meetings, seminars, and sessions of a full-scale congress. Major issues were covered by bills introduced by each high school.

The success of the model congress depends on the work of the student organizers. This year executive staff did an outstanding job of covering the many details of arranging the A.I.C. congress. The members of the executive staff for 1979 were: Barbara Potvin, William Dowding, Robert Haven, Lori Mullin, Patrick O'Shea, Etel Paksi, Gary Boisseau, Meg Clancy, Kim Izzarelli.

American International College not only lends its facilities for the model congress, but also key members of its faculty. College President Harry J. Courniotes can be justifiably proud of his school's sponsorship of the model congress. Faculty Advisor Robert Markel, Master of Ceremonies Gerald Root, and Head Judge Thomas O'Neil are also to be commended for their involvement in the model congress.

For nearly a hundred years, American International College has provided a diverse educational program for thousands of students. With more than a dozen major colleges, Western Massachusetts is a major center of higher education. American International College plays the key role of a mid-size urban school for both distant students and commuters. A wide-range of scholarship and financial aid programs helps attract students from all economic groups. I salute A.I.C. on their many fine graduates and its positive role in the Springfield community.

Mr. Speaker, one of the highlights of this year's A.I.C. model congress was the awarding of an honorary degree in public administration to our colleague, the Honorable Silvio O. Conte, U.S. Representative from the First District of Massachusetts. This degree is the eighth honorary degree Mr. Conte has received during his public service career.

The citation conferring the degree aptly describes the fine public service Congressman Conte has given to the United States, to Massachusetts and to his congressional district over a period of 25 years. He richly deserves this laurel. As one who has similarly been honored by American International College, I share his pride and appreciation for the great honor that the degree confers upon him. I congratulate my friend and fellow legislator, the Honorable Silvio O. Conte, for the type of public service that commands this testimonial. I applaud American International College for recognizing that service.

Mr. Speaker, I include with my remarks, the citation conferring the honorary degree.

Silvio O. Conte

Silvio O. Conte, native son of this Commonwealth and distinguished Congressman, you are one of the most enduring members of a profession in which endurance is an absolute prerequisite of distinction. Long years ago, it appears, you discovered in the hearts and minds of the people of Northwestern Massachusetts the touchstone of love, support and trust; and you have built upon that discovery a career of remarkable success in the Congress of the United States.

You have served, with impactful influence, on the important Congressional subcommittees for Transportation, Foreign Operations, and Labor-Health, Education and Welfare; and you have attained impressive leadership positions in the committees on Small Business and Appropriations.

Your beneficial service to the people has long since transcended the boundaries of Massachusetts, as demonstrated in your leadership of the New England Congressional Caucus and the Northeast-Midwest Economic Advancement Coalition. You have exerted a consistently constructive influence in the areas of environmental protection, small business, and education; and your good work has touched the lives of all Americans. Your career of public service might well serve as a model for emulation by these politically sensitive young Americans who await your message today.

The pleasure we experience in conferring honor upon you is only enhanced by the knowledge that a number of our prestigious sister institutions have anticipated us. You have been a good friend to this college for many years, with your several appearances here, not the least notable of which was your banquet address to the Thirty-third Model Congress in 1973. We take delight, therefore, in welcoming you to the illustrious company of our honorary alumni.

And now, by virtue of the authority vested in me by the Board of Trustees of American International College, I hereby confer upon you the degree of Doctor of Public Administration, *honoris causa*, with all of the rights, privileges, and immunities pertaining thereunto.

Harry J. Courniotes,
President.●

NIGHTTIME RADIO SERVICE FOR ALL AMERICANS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. FINDLEY. Mr. Speaker, today I am introducing legislation to require the Federal Communications Commission to insure that each community in the United States, regardless of size, is provided with the maximum local full-time radio broadcasting service.

This legislation is vitally important to the tens of millions of Americans who today have no local nighttime radio service. Incredible as it may seem to those of you from large cities, 46 million Americans living in small towns and rural areas across the Nation lose their local radio station each evening because of antiquated FCC rules which require their station to leave the air at sundown. These regulations, which were written decades ago when radio was still in the crystal set era, no longer serve the public interest. They must be changed, and this legislation is designed to do just that.

One reason this is so important is that without local radio service, these Americans are deprived of important local news, weather reports, and entertainment—the service which most of us take for granted. If during the evening local weather conditions make roads impassable, if there is danger from flooding or a tonado, if schools are closed or community activities canceled or rescheduled, almost 50 million Americans have no way to find out about it until the Sun comes up the next morning and their local radio station is permitted by the FCC to resume broadcasting.

There is no logical justification for the Commission's clear channel policy which protects the assignment of only one or two stations on selected channels across the country. The Nation's airwaves belong to all Americans, but a significant minority are not permitted fair use of them. Instead, for millions of Americans local airwaves lie silent each night, unused by anyone.

Fortunately, important forces within Government and the broadcasting industry are realizing how wasteful our present allocations policy is and are trying to do something about it. For example, the Department of Commerce's National Telecommunications and Information Administration has in the past few days filed a petition with the Federal Communications Commission urging that 14 new broadcasting channels be created in the existing broadcast band. These new channels would be adequate to provide full-time service to all Americans currently deprived of it each evening. They would be enough to allow every radio station currently restricted to daytime operation to broadcast full-time.

The National Association of Broadcasters, the industry leader, has also recently changed its position to one of favoring "the conversion of existing daytime AM stations into unlimited time facilities." At the annual NAB board meeting in Hawaii, these industry spokesmen adopted a resolution stating that "as a matter of national radio allocations policy, all broadcast stations (present and future) be authorized to provide full-time service." The NAB urged that this goal be achieved "at the earliest possible time," and to that end instructed its staff "to immediately petition the FCC to appoint a joint Government/industry advisory committee to prepare in-depth studies of the advantages and disadvantages of various methods to accomplish this national allocations goal, looking forward to a broad-ranging rulemaking proceeding with the objective of accomplishing this allocations policy."

It is vitally important that this process get underway immediately, and to that end I recently met with NAB President Vincent Wasilewski. I told him of my concern that such a broad-ranging rulemaking proceeding could, if allowed, go on virtually forever. In fact, the Commission has been working for two decades on a similar proceeding without resolving the problem or even making appreciable progress. Instead, the FCC's latest proposal is to create only an additional 125 new stations, a wholly unacceptable "sop" being thrown to those of us in Congress who are concerned about this problem. It is time for the Commission to move forthrightly to provide local nighttime radio service to all of the tens of millions of Americans who are without it. If the FCC fails to act, I have no doubt that Congress will.

Text of bill follows:

A bill to require the Federal Communications Commission to ensure that each community in the United States, regardless of size, is provided with the maximum local full-time radio broadcasting service

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, In order to ensure the most efficient and diverse use of the electromagnetic frequency spectrum, the Federal Communications Commission shall examine the use of the AM radio broadcasting band and shall assign such spectrum and distribute licenses so as to ensure that each community in the United States, regardless of size, is provided with the maximum local fulltime radio broadcasting service. In this reassignment process the Commission shall take due account of (1) the AM channel spacing systems in effect in other countries to ensure that the United States' system is compatible with systems in general use throughout the world; (2) the desirability of utilizing all allocated spectrum efficiently and fully in all parts of the United States; (3) the changes in technology that make more efficient use of the spectrum possible; (4) the need of existing limited-time stations to provide their audiences with fulltime radio service; and (5) the need for additional minority-owned fulltime radio stations.●

HELP NEEDED FOR NON-INDIAN EMPLOYEES

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. UDALL. Mr. Speaker, today I am introducing a bill which will help to correct an inequitable situation for many non-Indian employees of the Bureau of Indian Affairs whose careers have been adversely affected by Indian preference laws.

Indian preference in Federal "Indian Service" is based primarily on section 12 of the Indian Reorganization Act of 1934. Prior to 1972, the application of preference applied solely to initial appointments. In 1972, the BIA policy was changed to extend the preference to promotions, transfers from outside the BIA, and reassignments within the BIA which improved promotional prospects.

Although the implementation of this policy was in total accord with the congressional philosophy of Indian self-determination, it has had an extremely detrimental effect on non-Indian employees of the Bureau of Indian Affairs and the Indian Health Service. In practice, it has dead-ended the careers of many experienced and dedicated non-Indian BIA–IHS employees.

This bill will help to correct this intolerable situation by providing a liberal annuity computation for non-Indian employees who retire early, and thus free more job slots for qualified Indian applicants. A similar bill failed to pass the House under suspension of the rules in the 95th Congress. The limited floor debate which occurred on this bill indicated that there were serious misconceptions about the goals of this legislation.

The bill which I am introducing today has the endorsement of the administration. The bill restricts the increased retirement formula of 2½ percent to service after December 21, 1972, the date of the Freeman Court case which upheld Indian-preference laws and the date which the Bureau admitted in its testimony that it started enforcing those laws. An employee, in order to receive these benefits, will have to retire within 1 year after he meets the age and service requirements. The bill is to be prospective only. A copy of the bill follows.

I urge my colleagues to support this bill.

Cosponsors: Mr. ANDREWS of North Dakota, Mr. LUJAN, Mr. RUNNELS, Mrs. SPELLMAN, Mr. STEED, and Mr. YOUNG of Alaska.

H.R. —

A bill to amend Civil Service provisions as they apply to certain employees of the Bureau of Indian Affairs and of the Indian Health Service who are not entitled to Indian employment preference and to modify the application of the Indian employment preference laws as it applies to those agencies

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8336 of title 5, United States Code, is amended by redesignating subsection (i) as subsection (j) and inserting after subsection (h) the following new subsection:

"(i)(1) Except as provided in paragraph (3), an employee is entitled to an annuity if he—

"(A)(i) is separated from the service after completing 25 years of service or after becoming 50 years of age and completing 20 years of service, or

"(ii) is involuntarily separated, except by removal for cause on charges of misconduct or delinquency, during the 2-year period before the date on which he would meet the years of service and age requirements under clause (i),

"(B) was employed in the Bureau of Indian Affairs, the Indian Health Service, a tribal organization (to the extent provided in paragraph (2)), or any combination thereof, continuously from December 21, 1972, to the date of his separation, and

"(C) is not entitled to preference under the Indian preference laws.

"(2) Employment in a tribal organization may be considered for purposes of paragraph (1)(B) of this subsection only if—

"(A) the employee was employed by the tribal organization after January 4, 1975, and immediately before such employment he was an employee of the Bureau of Indian Affairs or the Indian Health Service, and

"(B) at the time of such employment such employee and the tribal organization were eligible to elect, and elected, to have the employee retain the coverage, rights, and benefits of this chapter under section 105 (e)(2) of the Indian Self-Determination Act (25 U.S.C. 450i(a)(2); 88 Stat. 2209).

"(3)(A) The provisions of paragraph (1) of this subsection shall not apply with respect to any separation of any employee which occurs after the date 5 years after—

"(i) the date the employee first meets the years of service and age requirements of paragraph (1)(A)(i), or

"(ii) the date of the enactment of this paragraph, if the employee met those requirements before that date.

"(B) For purposes of applying this paragraph with respect to any employee of the Bureau of Indian Affairs in the Department of the Interior or of the Indian Health Service in the Department of Health, Education, and Welfare, the Secretary of the department involved may postpone the date otherwise applicable under subparagraph (A) if—

"(i) such employee consents to such postponement, and

"(ii) the Secretary finds that such postponement is necessary for the continued effective operation of the agency.

The period of any postponement under this subparagraph shall not exceed 12 months and the total period of all postponements with respect to any employee shall not exceed 5 years.

"(4) For the purpose of this subsection—

"(A) 'Bureau of Indian Affairs' means (i) the Bureau of Indian Affairs and (ii) all other organizational units in the Department of the Interior directly and primarily related to providing services to Indians and in which positions are filled in accordance with the Indian preference laws.

"(B) 'Indian preference laws' means section 12 of the Act of June 18, 1934 (25 U.S.C. 472; 48 Stat. 986), or any other provision of law granting a preference to Indians in promotions or other Federal personnel actions.".

(b) Section 8339(d) of title 5, United States Code, is amended—

(A) by inserting "(1)" before "The"; and

(B) by adding at the end thereof the following new paragraph:

"(2) The annuity of an employee retiring under section 8336(i) of this title is computed under subsection (a) of this section, except that with respect to service on or after December 21, 1972, the employee's annuity is—

"(A) 2½ percent of the employee's average pay multiplied by so much of the employee's service on or after that date as does not exceed 20 years; plus

"(B) 2 percent of the employee's average pay multiplied by so much of the employee's service on or after that date as exceeds 20 years.".

(c)(1) The amendments made by this section shall take effect October 1, 1979.

(2) In the case of an employee who separated from service on or after the date of the enactment of this Act and before October 1, 1979, the amendments made by this section shall apply with respect to such separation to the same extent and in the same manner as if such amendments had been in effect at the time of such separation, but only if application therefor is made to the office of Personnel Management within 1 year after the effective date of such amendments.

(3) No amount of annuity accruing by reason of such amendments shall be payable for any period before October 1, 1979.

SEC. 2. (a) For purposes of applying reduction-in-force procedures under subsection (a) of section 3502 of title 5, United States Code, with respect to positions within the Bureau of Indian Affairs and the Indian Health Service, the competitive and excepted service retention registers shall be combined, and any employee entitled to Indian preference who is within a retention category established under regulations prescribed under such subsection to provide due effect to military preference shall be entitled to be retained in preference to other employees not entitled to Indian preference who are within such retention category.

(b)(1) The Indian preference laws shall not apply in the case of any reassignment within the Bureau of Indian Affairs or within the Indian Health Service (other than to a position in a higher grade) of an employee not entitled to Indian preference if it is determined that under the circumstances such reassignment is necessary—

(A) to assure the health or safety of the employee or of any member of the employee's household;

(B) to avoid the displacement of an Indian by such employee during a reduction in force, but only if, immediately before such reassignment, the grade of such Indian's position is not lower than 2 grades below the grade of such employee's position; or

(C) because the employee's working relationship with a tribe has so deteriorated that the employee cannot provide effective service for such tribe or the Federal Government.

(2) The authority to make any determination under subparagraph (A), (B), or (C) of paragraph (1) is vested in the Secretary of the Interior with respect to the Bureau of Indian Affairs and the Secretary of Health, Education, and Welfare with respect to the Indian Health Service, and, notwithstanding any other provision of law, the Secretary involved may not delegate such authority to any individual other than an Under Secretary or Assistant Secretary of the respective department.

(c)(1) Notwithstanding any provision of the Indian preference laws, such laws shall not apply in the case of any personnel action respecting an employee not entitled to Indian preference if each tribal organization concerned grants, in writing, a waiver of the application of such laws with respect to such personnel action.

(2) The provisions of section 8336(i) of title 5, United States Code (as added by the preceding section of this Act) shall not apply to any individual who has accepted a waiver with respect to a personnel action pursuant to paragraph (1) of this subsection.

(d) The Secretaries of Interior and Health, Education, and Welfare shall each submit to the Congress a report following the close of each fiscal year with respect to the actions which they took in such fiscal year to recruit and train Indians to qualify such Indians for positions which are subject to preference under the Indian preference laws. Such report shall also include information as to the grade levels and occupational classifications of Indian and non-Indian employees in the Bureau of Indian Affairs and the Indian Health Service.

(e)(1) The Office of Personnel Management shall provide all appropriate assistance to the Bureau of Indian Affairs and the Indian Health Service in placing non-Indian employees of such agencies in other Federal positions. All other Federal agencies shall cooperate to the fullest extent possible in such placement efforts.

(2) The Secretaries of Interior and Health, Education, and Welfare, and the Director of the Office of Personnel Management shall each submit a report to Congress following the close of each fiscal year with respect to the actions which they took in such fiscal year to place non-Indian employees of the Brueau of Indian Affairs and the Indian Health Service in other Federal positions.

(f) For purposes of this section—

(1) The term "tribal organization" means—

(A) the recognized governing body of any Indian tribe, band, nation, pueblo, or other organized community, including a Native village (as defined in section 3(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(c); 85 Stat. 688)); or

(B) in connection with any personnel action referred to in subsection (c)(1) of this section, any legally established organization of Indians which is controlled, sanctioned, or chartered by a governing body referred to in subparagraph (A) of this paragraph and which has been delegated by such governing body the authority to grant a waiver under such subsection with respect to such personnel action.

(2) The term "Indian preference laws" means section 12 of the Act of June 18, 1934 (25 U.S.C. 472; 48 Stat. 986) or any other provision of law granting a preference to Indians in promotions and other personnel actions.

(3) The term "Bureau of Indian Affairs" means (A) the Bureau of Indian Affairs and (B) all other organizational units in the Department of the Interior directly and primarily related to providing services to Indians and in which positions are filled in accordance with the Indian preference laws.●

ANTITERRORISM AND ANTIAIR PIRACY BILL

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. ANDERSON of California. Mr. Speaker, along with my colleague, Chairman BIZZ JOHNSON and Congressman DON CLAUSEN of the Public Works and Transportation Committee, I am today introducing a bill to provide more effective methods of dealing with the grave problem of international terrorism.

This is a bill which the Public Works and Transportation Committee passed out of committee last year. There was insufficient time for other committees to consider it fully in the 95th Congress, and since it represents urgent business for which the 96th Congress must take full responsibility, it is our intent to hold early hearings.

I am advised that on the Senate side Senator RIBICOFF also is reintroducing today his very similar bill.

This bill is designed to deal with the threat terrorism poses to Americans both at home and abroad. It will aid law enforcement officials in preventing terrorist acts and bringing to justice the perpetrators of such acts. It will give the President the tools necessary to deal with threats and acts of terrorism and to work toward closer international cooperation.

In the 95th Congress there were numerous sponsors of similar bills. We welcome such support and urge that Members call the Aviation Subcommittee or the Public Works Committee offices, telephone 225-4472, to register such support.●

SRI LANKA ON ITS NATIONAL DAY

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. McCLOSKEY. Mr. Speaker, on February 4, Sri Lanka (formerly Ceylon), marks the 31st year of that country's independence from the British Crown. It also marks the first year in office of His Excellency J. R. Jayewardene, first executive president of Sri Lanka, elected directly by the people for a fixed term of 6 years.

Both as a nation and internationally, Sri Lanka has distinguished itself by promoting world peace, upholding human rights, and by striving to create and implement consistent and effective internal policies for the people of Sri Lanka.

As the respected chair of the Non-Aligned Movement where it has served as a consistent voice for moderation. Sri Lanka has strictly followed the principles established at the Asian–African Conference in Bandung in 1955, particularly that of "respect for fundamental human rights and for the purposes and principles of the charter of the U.N."

Paralleling this commitment to the world community, the Constitution of Sri Lanka contains all 30 clauses of the U.N.'s Universal Declaration of Human Rights.

Along with the principles of freedom Sri Lanka embraces, the government of President Jayewardene strives for the physical and material well-being of its people. In working to correct serious economic imbalances that existed in Sri Lanka before the President took office, programs have been initiated to bring about an increasing self-sufficiency in rice production. In earlier years, half the export earnings of the country were spent on food; in the past year, Sri Lanka produced enough to export food (to Indonesia) for the first time in many centuries. In view of the fact that cost of petroleum-based fertilizer products has greatly increased, this must be considered an enormous achievement. Sri Lanka has suffered from a serious shortage of milling and storage facilities, and it should be noted that the United States has extended soft term loans to Sri Lanka to assist development of such facilities.

Other areas of economic and social development include the free trade zone project launched last March, involving foreign capital, including that of the United States, amounting to some $106 million, and creating approximately 26,000 jobs in the fields of industrial chemicals, building materials, fishing gear, and others. These industries should generate some $70 million per annum.

One of Sri Lanka's more ambitious efforts has been the Mahaweli development project, a long term project for the irrigation existing dry land and the opening of new lands, as well as the generation of considerable amounts of hydro power. This project affects employment positively and decreases dependence on imports for agriculture commodities.

While recognizing the need for foreign assistance, Sri Lanka has amply shown its commitment to achieving self-sufficiency where possible, and decreasing its dependence on foreign aid.

Of particular interest at the present time in history, Sri Lanka has successfully upgraded the status of women, the quality and extent of family health and planning services, and the quality of education. Women have gradually come to enjoy equal educational and employment opportunities, as well as the right to share equally in unrestricted rights to full social, economic and political freedom.

Sri Lanka has made admirable progress in regulating its population growth, currently at a 1.7 percent growth rate, one of the lowest in the developing world. This compares with Africa's average rate of 2.7 percent, a doubling of the population every 26 years, and to Asia's average of 1.9 percent. The use of trained health auxiliaries in family health services, and the availability of contraceptives to all women has played a major part in this success. Sri Lanka, having demonstrated leadership in understanding the corelation between socioeconomic well-being and population growth, has been selected as the host country for next August's Conference on Population of the International Group of Parliamentarians Concerned with Population.

Mr. Speaker, from a long personal friendship with the various Sri Lanka diplomats who have held leadership roles here and at the United Nations, it is a personal privilege to pay our respect and honor to the Sovereign State of Sri Lanka, His Excellency J. R. Jayewardene, the Parliament, members of the government here and in Sri Lanka, and the people of Sri Lanka, for the dedication they have exhibited in the effort to better the quality of life for all people, and for the flourishing democracy they have nurtured for the past 31 years.●

THE BUREAUCRACY—ADVERSARY OR SERVANT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. STARK. Mr. Speaker, it has become increasingly fashionable to view the bureaucracy as little more than a necessary evil, to be approached as an adversary rather than a servant. There are exceptions, however, and in my own State we have an agency that has worked for the people in an efficient and constructive manner.

The California Public Utilities Commission has an impact on the daily lives of everyone in California. It controls everything from air fares to energy rates. In recent years, it has been under the direction of Robert Batinovich, and he has truly changed the entire complexion of that agency. He has been a consistent force for innovation in utility rate structures, reducing regulatory delays and equity for producer and consumer alike.

Mr. Batinovich recently retired as president of the Public Utilities Commission, and this is a genuine loss to the people of the State. The Los Angeles Herald Examiner, not noted for its support of the bureaucracy, published an enlightenend editorial upon Mr. Batinovich's departure. I would like to add my voice in praising the exceptional work of this dedicated man, and in hoping that his creative genius and boundless energies have left a permanent mark on the operations of this important agency. The editorial follows, and I would add one footnote; the wish for success in whatever venture he pursues:

A BUREAUCRAT WHO WORKED

It's not often we use this space to heap praise on a bureaucrat. Especially a bureaucrat involved in stage managing the mess we call the "energy crisis." But there are, particularly in California, exceptions to every rule. And the state's Public Utilities Commission—only recently a monument to the kind of unresponsive regulation we abhor—has, over the last few years, become such an exception.

That transition is largely due to the efforts of Robert Batinovich, who today steps down as chairman of the commission. Under his leadership the PUC initiated the kind of exciting and innovative change we always hope for—but rarely get—from regulatory agencies.

When Batinovich took over the PUC in 1975, things were a mess. The utilities were in sad financial shape because the PUC took two and a half years to turn out rate decisions which needed to be decided in a year in order to be relevant. And its decisions often were so shoddy they begged to be challenged in court. And many of them were, at which point the legal process took up where the PUC left off. The added delays denied both consumer and utilities the benefit of timely rate decisions.

As a result, much of the business community was reluctant to invest in California. After all, dire predictions of imminent energy shortages were then circulating. And in spite of these predictions, utilities continued to offer "declining block" rates to large industrial and commercial energy users.

The declining block rate structure gave energy buyers a price discount on volume consumption. The more energy used, in other words, the cheaper the unit price. As such, it was a disincentive to conservation, and an incentive to production capacity expansion. These were incentives which made no sense in 1975, an era of wildly fluctuating and ever-increasing energy prices. But the alternative was to tackle the rate structure system, a labyrinth regulators had always been reluctant to enter.

Batinovich and the PUC changed all that. They redesigned the rate structure, introducing industry to flat, or "inverted", rates. The new rates ended volume discounts, thereby discouraging wasteful consumption. Large users were not penalized for needing energy to do business, but, by the same token, the rate structure no longer smokescreened the true cost efficiency of incremental consumption.

Concurrently, the PUC rationalized residential rates by instituting the "lifeline" program. Lifeline rates are not a welfare measure, as some have charged. They are a conservation incentive, designed to allow everyone to meet basic energy needs at the lowest possible cost. Once consumption rises above necessary levels, however, rates rise sharply.

The point is, the consumer gets to make his own decision. And it is the same decision we all make when we decide whether to buy a car which gets 10, or 25, miles per gallon of gas.

This sort of approach is resource allocation at its best—and it is working. In the three years since rates were redesigned, California's economy has boomed. Simultaneously, the electricity growth rate has been cut to a third of what it was prior to 1975; and, gas consumption has seen a 10 percent growth saving.

In the meantime, the PUC has trimmed its case-decision timetable to a year. The result is healthier utilities, low energy rates. The regulatory process has been simplified, and California is experiencing a net conservation of energy—a change in the growth pattern for which the utilities are not being penalized

And the utilities, so long a matter of concern to investors, are emerging from the transition with flying colors. In the words of Vernon Sturgeon, a Reagan appointee who recently retired from the PUC after 10 years of service, California's utilities "are now in better shape than they've ever been since I've been around"

In short, the PUC under Robert Batinovich has done a nearly impossible job unexpectedly well. This is a remarkable and significant achievement. The best we can hope for is that Governor Brown's PUC chairman is able to meet the high standards set by the retiring commissioner.●

THE CHINA CARD

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. McDONALD. Mr. Speaker, in less than 2 months, we have seen a dramatic reversal of U.S. policy on China. After secret diplomacy of the sort the President promised not to conduct, the President announced the normalization of U.S. relations with Communist China on the same terms demanded by the Peking regime 5 years ago when the Republican administration first made an "opening" to Peking. Apparently the present architects of U.S. foreign policy do not understand the difference between "negotiation" in which two parties make concessions, and "capitulation," in which only one party makes concessions.

The result has been to sell out this country's most loyal and consistent ally in Asia, the Republic of China on Taiwan. The most significant pressure for this radical change in U.S. China policy has come not from the Peking-line Maoist Communist Parties and their "friendship" lobby, but from a shortsighted group of bankers in the United States, Western Europe, and Japan, many of them associated with David Rockefeller's Trilateral Commission, who view the industrial and military development of Communist China, subsidized and guaranteed by the U.S. taxpayer, as the opportunity to make a fabulous fortune.

The sordid details of the Peking credit rush that lies behind the rapprochement with the Chinese Communists has been set out in detail in an article by investigative journalist, John Rees, Washington Bureau chief of the Review of the News, in the January 31, 1979, edition of that magazine. I strongly recommend this article to those of my colleagues concerned, as I am, over this issue:

THE CHINA CARD

Senator Barry Goldwater called the announcement by President Jimmy Carter that the United States had decided to give full diplomatic recognition to Red China "one of the most cowardly acts ever performed by a President of the United States." And Arizona's senior Senator described the Carter Administration's decision to abandon the Republic of China on Taiwan as "a stab in the back to one of the most faithful, trustworthy, and valuable friends our country has ever had."

Goldwater concisely expressed the outrage of millions of Americans upon learning of the clandestine discussions with Peiping that led to the surprise announcement of a *fait accompli*. But there was little or no surprise at the fact that Jimmy Carter was once again attempting to flim-flam America with a foreign policy "spectacular" based upon fraud and deception. As his second year in office drew to a close, President Carter and his advisors found that their foreign policy was in a state of chaos and their domestic programs in disarray. Far more serious was the fact that Carter's burst of popularity after the Camp David summit on the Middle East had evaporated in disillusionment. It was time for another major diversion.

At home there was increasing inflation, unemployment, mounting evidence of extensive corruption that reached into the Oval Office itself, and a growing challenge from Conservatives. The President's vaunted "reform" of the social-welfare bureaucracies had gone nowhere and his legislative programs were bogged down in an alienated Congress. In the area of foreign policy, not only had the Camp David euphoria faded but the Shah of Iran, a staunch ally of the Free World, was being driven from power by a totalitarian religious fanatic supported by the Communists. In Africa the Soviet Union, using Cuban surrogates supported by thousands of "technicians" and military advisors from the Warsaw Pact countries, was approaching strategic domination in many areas. And in Latin America the President's duplicitous human-rights policies had succeeded in confusing and alienating many of America's friends while causing jubilation among her foes.

Looking to divert attention from these disasters, President Carter decided to play the long-prepared China Card—to abandon our longtime ally, the Republic of China on Taiwan, and to extend full diplomatic recognition to the bloody-handed gang of Communists whose regime is known as the People's Republic of China (P.R.C.).

The American people were informed of this new Carter diversion in a ten-minute television address by a dryly impassive President. Then, with the presentation concluded but unaware that a radio tape was still playing, Jimmy Carter arrogantly declared the response he expected. He announced into the still-open microphone that he would now wait for "massive applause throughout the nation!"

Preparations for the recognition of the Chinese Communists commenced more than 30 years ago in the work of the Rockefeller-supported Institute of Pacific Relations (I.P.R.), but it was not until Richard Nixon and the ubiquitous Henry Kissinger moved into the White House that a *de facto* pro-Peiping foreign policy became the order of the day in Washington. Advice was proffered, and accepted, by admirers of the Chinese Communists of an earlier generation; and the John Services and John K. Fairbanks were joined as "advisors" to Dr. Kissinger by other radicals. Among these was Robert Williams, an assistant professor of political science at the University of Michigan, who had escaped to Peiping after being charged with kidnaping during a racial disturbance in North Carolina. During his stay in Red China, Williams produced a stream of revolutionary invective and incitement to arson, sabotage, and rebellion in a publication called the *Crusader* that was smuggled into the United States.

It was to be expected with such consultants that President Nixon and his Secretary of State would visit the Red Chinese capital, meet with Mao Tse-tung and Chou En-lai, and sign the 1972 Shanghai Communiqué. After the disgrace and resignation of President Nixon, Kissinger remained in place as President Ford's Secretary of State and continued with preparations to play the China Card. It was Jimmy Carter who, anxious to please David Rockefeller and his other Trilateral mentors, decided to accelerate the betrayal of the Republic of China.

The Rockefellers and their financial empire played an important role in Carter's decision, just as they had in the preparation of that move over the previous three decades. According to a speech he made to executives at the Chase World Information Corporation last October, David Rockefeller had been personally carrying messages from the Peiping leaders to the Carter Administration for two years. They were messages with a single theme—that there are big profits to be made in dealing with Communist China. As Rockefeller put it: "Clearly, economic development has achieved a new priority in [*Red*] China, and ideological constraints on trade have largely fallen away. . . . [*Red China's leaders*] recognize that the P.R.C. cannot achieve its goal rapidly without many forms of foreign participation . . . . the subject of foreign investment has begun to creep up in the Chinese press. One recent article quoted approvingly from an essay by Lenin endorsing foreign investment in the Soviet Union . . . . I believe co-production arrangements may be feasible."

With all the talk of immense profits to be made in Communist China, it is important to look at some facts. During the proceedings of the P.R.C.'s Fifth National People's Congress* in 1978, the Chinese rulers set forth in detail what must be accomplished in order to achieve their goal of making Red China the world's third economic and military superpower by the year 2000. As summarized in a report prepared within the Rockefeller financial empire, these essential steps include:

Completing 120 major industrial and related projects that include development of ten major oil and natural gas fields with refineries; building ten iron and steel complexes, nine non-ferrous metal complexes (aluminum, copper, nickel), eight major coal mining projects, thirty new electrical power stations, six new trunk railway lines, and five major harbor and port improvements.

Nearly doubling of P.R.C. steel production capacity to 60 million metric tons.

Achieving at least 85% mechanization of all forms of agricultural work which will free manpower for both the industrial labor force and for the military.

Increasing grain production to 400 million tons a year.

Doubling coal production to one billion tons a year.

Vastly increasing the military budget which is presently estimated at $28 billion, which is roughly 9% of the P.R.C.'s gross national product of $325 billion (compared to an estimated 3% of the GNP for the military by the United States and 6% by the Soviet Union).

The military priorities of the Red Chinese rulers is evident from current estimates that the strength of its Armed Forces includes 4 million in the regular Army, 7 million in the paramilitary forces, and a basic militia of between 75 and 100 million. It should be noted that the P.R.C. has a long-term mutual aid treaty with North Korea that continues to have ominous implications for our ally South Korea.

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*According to the National Basic Intelligence Factbook, a public, non-classified gazeteer produced semi-annually by the C.I.A, the P.R.C. is a "Communist state; real authority lies with Communist Party's political bureau; the National People's Congress, in theory the highest organ of government, in reality merely rubber stamps the party's program; the State Council is the actual governing organism." But what the People's Congress rubber-stamps is official policy.

While it does not take a David Rockefeller or a meeting of the Trilateral Commission to add up the cost of Red China's grandoise plans, it is useful to learn what Rockefeller's own views are. According to him:

"They [the P.R.C. rulers] have committed themselves to a very rapid achievement of far-reaching economic goals. Their program, which calls for rapid moderization of agriculture, industry, defense and science and technology, constitutes an extraordinary agenda for any nation. . . . Chinese leaders have said that by the end of 1985, they will invest some $600 billion—a sum greater than the total investment made in the 28 years since the revolution . . . . a significant portion of the $600 billion to be invested will come from imported capital."

And there is little doubt that the Rockefeller financiers expect that much of that imported capital will come from loans made by the banks they control—all safely guaranteed by the American taxpayers, for when the P.R.C. defaults, through the U.S. Export-Import Bank. The bankers think they cannot lose. They stand to make enormous amounts of interest on loans to the P.R.C.[*] and, in case of default, the huge loans would be paid back with tax money taken from Americans. Incredibly, they dare to call that Free Enterprise. Furthermore, companies wishing to do business with Red China will likely need loans to set up facilities in the P.R.C. or otherwise expand their operations. Again the international bankers stand to gain.

Little wonder that David Rockefeller declares the Red Chinese are a good credit risk, stating boldly, "The Chinese have tremendous control over their domestic economy. Thus, if the trade balance seems to be getting out of hand, they can cut imports." In plain English, a Communist economic system, being systematically totalitarian, does not have to worry about consumer demands for imported goods; its economy is whatever the Political Bureau of the Central Committee of the Chinese Communist Party decrees it to be. And so, in the view of David Rockefeller, this total control makes the Chinese Communists a good risk for credit guaranteed by the American taxpayers. This ignores the fact that this same Central Committee can get what it wants, build a modern nuclear military force, and default at whim.

Worse, there is little doubt that the Rockefeller interests view Red China as a huge pool of cheap, docile, and rigidly disciplined labor which can be exploited for huge profits. And there can be little doubt that those who put profit before patriotism when it comes to building up a deadly enemy of every freedom found in this country will be seeking ways of taking jobs away from Americans by establishing plants in Red China where they can employ slave labor.

Already two American clothing companies, Boston's Prestige Sportswear and New York's Oxford Industries, have demonstrated what David Rockefeller means by "co-production arrangements." The two companies made an arrangement with the P.R.C. last fall to build and equip plants in two cities; but, because Red China does not have sufficient hard currency with which to pay, a barter system was established in which the Red Chinese will "pay" for the American equipment with finished products—corduroy suits and sports clothes. These will in turn be sold in American stores with a fat profit to the companies. American clothing manufacturers will be unable to cut their costs down to compete with Red Chinese labor, which costs a mere one-fifth of that in even Hong Kong. They will lost their market, close their businesses, or move their operations to Red China. And there will be a lot of American clothing workers without jobs.

Development of operations in the P.R.C. will damage the U.S. economy in a number of ways. The more capital that is invested in Red China (or elsewhere overseas) by U.S. companies and banks, the less there is available for the development or expansion of new business enterprises here. The victim is American labor, and the result is more and more American unemployment and less and less prosperity as our technology and producers' goods are sent abroad on *credit* or as a trade-off for slave labor.

Many of the larger U.S. corporations have already become involved. Inter-Continental plans to build within three years a chain of 1,000-room hotels to handle visiting foreign businessmen, technicians, and "tourists" in Peiping, Canton, Shanghai, and other major cities. Pan American and several other airlines have entered bidding for landing rights in Red China. Last week the Atlanta-based Coca-Cola corporation began sending bottled soft-drinks and will commence a bottling operation in Shanghai by the end of 1979. Boeing Aircraft is sending Red China three 747-SP jumbo-jets, and the Dallas-based LTV Corporation has sold the P.R.C. some $40 million worth of oil-well drilling equipment which is to be delivered in 1980.

The Peiping Credit Rush is on, and *The Review Of The News* has compiled a list of about 100 or our largest, multinational corporations that are now dealing with Communist China or are being actively courted by the P.R.C.'s trade ministers. They include Allis Chalmers, Bethlehem Steel, Caterpillar Tractor, Control Data Corporation, the Fluor Corporation, General Motors, J. C. Penny, Pfizer International, and U.S. Steel. But in the forefront of the Red China traders is the flagship group of Rockefeller interests led by the Chase Manhattan Bank.

As if acting with foreknowledge of the Carter Administration's plans, a Chase Manhattan delegation arrived in Peiping five days before President Carter made his "normalization" announcement. The Chase group included its president, Willard C. Butcher; Francis X. Stankard, an executive vice president; Richard J. Higgerson, a senior vice president whose responsibilities include coordinating Chase activities in Asia; Richard A. Fenn, a China-relations specialist; Kenneth P. Morse, director of Asia Advisory Services; and, Virginia Slansky who acted as translator.

Vice Prime Minister Li Hsien-nien told the bankers that Red China "can cooperate with the United States in many fields on the condition that our independence and sovereignty are not jeopardized." The official party and government New China News Agency (N.C.N.A.) reported that Mr. Butcher "expressed the willingness to strengthen cooperation with the Bank of China and to make useful contributions to China's four modernizations: of agriculture, industry, national defense, and science and technology, before the end of this century." He said that he "raised a number of concrete proposals to this end," but did not elaborate.

Protective aides to Mr. Butcher at Chase declined to give us the promised opportunity to question their president and refused to provide any details of his "concrete proposals." However, our news team attended a January 3rd reception at the P.R.C. Mission to the United Nations whose purpose, said N.C.N.A., was "to celebrate the normalization of diplomatic relations between PRC and the U.S."[*] During intervals of what the New China News Agency described as "clinking of glasses and peals of laughter filling the brightly lit hall as the hosts and guests repeatedly proposed toasts to the friendship tween the two countries," your correspondent was able briefly to exchange words with David Rockefeller, the center of attention for the 30 minutes he remained at the reception. As a result we obtained a copy of his speech quoted earlier in this article.

This magazine was also able to learn from the many U.S. bank executives present at the Red China reception that a campaign to obtain congressional approval of "Most Favored Nation" trading status for Peiping is "in the works"; that problems relating to the "export of technology" are expected; and, that the chief "bugaboo" worrying Red China's business friends is that a "premature" claim for some of the more than $188 million in American assets frozen by the Chinese Communists might disrupt the present harmony. Said one banker, "Whatever would happen if a [*Red*] Chinese aircraft landing in the United States were to be seized to satisfy an American claim to blocked assets?"

Among the "American friends" present were Arthur O. Sulzberger, publisher of the *New York Times*; Roderick Beaton president of United Press International (U.P.I.); Keith Fuller, president and general manager of the Associated Press (A.P.); Arthur Rosen, president of the Rockefeller sponsored National Committee on U.S.-China Relations; former Secretary of State William Rogers; Warren Phillips, president of Dow Jones and Company; writer Harrison Salisbury; New York deputy mayor and former Congressman Herman Badillo; Andrew Young, U.S. Ambassador to the United Nations and his three deputy representatives, James F. Leonard, Donald McHenry, and Richard W. Petree; and, Lt. General H. M. Fish and Vice Admiral W. J. Crowe, members of the United States delegation to the Military Staff Committee of the U.N.[†]

All were excited about the then forthcoming visit to the United States of Red China's vice premier. The bankers apparently believe that where David Rockefeller, chairman of the board of Chase Manhattan Bank and of the Council on Foreign Relations, is the leader of the American business and financial forces preparing the China Card for Jimmy Carter to play, his Red Chinese counterpart is Vice Premier Teng Hsiao-p'ing (pronounced Dung sheow ping).

Teng, who also holds the posts of vice chairman of the Communist Party of China and Army chief of staff, was born in 1904 in the northern Chinese province of Szechuan. He is being presented to the

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[*] Say Red China got an ultra-low-interest rate of 6.5 percent on a $150 million loan, the interest would be close to $10 million per year.

[*] With the odd exception of New China News Agency, *Human Events*, and *The Review Of The News*, apparently no other members of the "working press' were present. The reporters from *The Review Of The News* and *Human Events* had insisted to Yu Min-sheng, N.C.N.A.s chief correspondent at the United Nations, that they were not "friends of the P.R.C., as all guests were termed, but "observers.

[†] Other "friends present included Mark Sheldon, Esther Gollobin, and Samuel Rosen of the U.S.-China Peoples Friendship Committee, which has been given the monopoly for "friendship tours by the P.R.C.; Chinese-American scholars James T. C. Liu, Li Cheng-shiung, Yuan Chia-liu, Hao Wang, Pingking Tien, and Chang Min-chueh; along with "representatives of Overseas Chinese in the United States Miao Yun-tai and Kenneth Mei. A so-called "Taiwanese compatriot, Huang Yuyan, was given special attention.

American people by our "Liberal" mass media as a genial, 74-year-old elder statesman, an admirer of the West whose desire is to modernize China, "democratize" the Chinese system, help the West resist Soviet expansion and aggression, and bring efficiency to China and profits and prosperity to America.

In reality, Teng Hsiao-p'ing is a hardcore Marxist-Leninist trained at the Sun Yat-sen University in Moscow. For more than 40 years he has been a powerful and sometimes dominant figure among the Chinese Communist elite who have murdered at least 60 million of their own people in order to maintain power, and who continue to maintain slave-labor camps to shore up their faltering economy. One of Teng's favorite sayings concisely summarizes his willingness to us any means necessary to attain and retain power. It is this: "White cat, black cat—as long as it catches mice, it's a good cat." His mentor, V.I. Lenin, was also fond of such homilies.

In 1920, Teng left China as group leader of 92 students from Szechuan province who were to study in Europe. Ostensibly going to France for academic instruction. Teng quickly began fulltime work in a Lyons rubber-shoe factory, and joined the subversive organization of Chinese revolutionaries that in 1921 became the Chinese Youth Communist League. Their leader in Europe, and Teng's branch chairman, was Chou En-lai. When Chou left for China, Teng became leader.

After six years, Teng returned to China by way of the Sun Yat-sen University in Moscow, the counterpart of the Lenin School in which European and American Communists received training in revolution. Comrade Teng's first assignment was "to infiltrate and seize leadership of the Seventh Army." Unsuccessful in his bid to seize military leadership, Teng was transferred to the headquarters of the Chinese Communist Party in Hangkow, becoming editor of the Red Army newspaper, *Red Star*, and a political commissar.

Teng's biography at this point becomes vague, but seeks to give the impression that he was an associate of Mao Te-tung and took part in the "long march." During the years from 1934 to 1940, he advanced himself in the good graces of Mao, and by 1941 had become Commissar of the 129th Army Division, from which he reportedly organized guerrilla groups. During the period 1945 to 1949, Teng held various key assignments in the People's Liberation Army and took part in the Communist offensive against Chiang Kai-shek. It was an offensive greatly facilitated by the Soviets, who turned over to Mao all of the equipment and weapons surrendered to them by the vast Japanese military force in Manchuria.

In 1949, with the defeat of the Nationalists and establishment of the P.R.C. regime, Teng was made vice chairman of the Southwest Military Region as well as head of the Southwest Fiscal Committee. His biography notes blandly: "As the key military and government figure in the South West, Teng directed land reform and the suppression of counter-revolutionary activities."

This apparently innocent sentence encompasses a period during which millions of Chinese were driven from their homes and farms to be put to death by starvation, overwork, exposure, and disease; when millions were butchered for "crimes against the people" such as owning so much as an eighth of an acre of farm land or being a "reactionary bourgeois element" such as a shopkeeper; and, when millions more were sent to slave labor and "re-education" camps from which they never returned. That Teng now boasts with impunity of having been the "key military and government figure" in Southwest China during this terrible time suggests that the American press is willing simply to *overlook* the fact that he was personally responsible for putting millions of his countrymen to death.

By 1956, Teng had so impressed his superiors in the Chinese Communist Party that he was promoted to the positions of member of the Central Committee, Politburo, and Standing Committee of the Politburo; and, secretary-general of the Central Committee of the Communist Party of China. Using the power and prestige given him by Mao, this butcher moved even higher in the regime, serving as a vice premier and representing the P.R.C. leadership on a number of foreign missions.

In 1966, then at what seemed the zenith of his power, Teng was attacked by a powerful rival faction in the Chinese Communist Party led by Mao's wife, the infamous Chiang Ching. He was branded as a "renegade, special agent and counter-revolutionary revisionist." All of which apparently meant that Teng Tsiao-p'ing had been trying to play Red China's American Card too early.

Dragged from his office, publicly crowned with a dunce cap, his arms tied behind his back like a criminal on the execution ground, Teng was humiliated by howling Red Guards provoked by Chiang Ching's faction in the "Cultural Revolution." Obviously Teng retained powerful friends, particularly Chou En-lai, for he was not expelled from the Communist Party but allowed to "retire" to a position as head of a party cadre school in Hopeh. Five years later, Comrade Teng was again on the upward path to power, and by 1973 was reinstated as a vice premier of the State Council by his old friend Chou. In August he was returned to the Central Committee, and by December had precipitated a major shakeup of the Red Army after warning Mao of "local power buildups" and the danger of "warlordism."

During 1974 and 1975, as Chou's cancer weakened him, Teng became acting premier, and vice chairman of the Central Committee of Military Affairs. Then, after delivering the memorial speech at Chou's funeral in January 1976, he made no further public appearance for the rest of the year. In April, wreaths in memory of Chou were removed from Peiping square, provoking public disturbances by supporters of Chou and Teng. Chiang Ching's Gang of Four faction forced the purging of Teng from his positions and moved to consolidate their own power as Mao's health deteriorated. Following the death of Mao on September 9th, the Gang of Four planned a *coup d'etat* but were arrested on October 6th, reportedly the day before they were to spring their coup. Teng promptly wrote a letter to the Party Central Committee expressing his delight over the arrest of his enemies, and by the spring of 1977 the Politburo had decided to reinstate him to all his previous posts. He now formed an alliance with Hua Kuo-feng who, with Teng's support, was by the margin of a single vote selected as Mao's successor to be chairman of the Communist Party.

Veteran China-watchers now believe that control of the P.R.C. is balanced between Hua Kuo-feng and Teng Hsiao-p'ing, with each needing the other to control factions in the Central Committee and Politburo. Teng's advantage in this power play is that he holds the American Card of economic and military modernization; and is, with the help of James Earl Carter and David Rockefeller, able to present himself to his Comrades as the person who can best exploit the technological resources of the Western World to make Red China the third member of the exclusive Superpower Club—a nation that will be able militarily to contend with the Russians, or the Americans, depending on the future priorities of the Peiping regime.

The Chinese Communist Party of which Teng is a leader is a Marxist-Leninist organization that backs the enemies of the Free World on every continent. It supports its own networks of revolutionaries and terrorists throughout the world, from the Americas to Africa and back to Asia. Teng's record is one of craft and guile, mass murder, and the enslavement of millions, and exhibits patient vengeance as the most important trait of his character. Whenever it was prudent to do so, Teng Hsiao-p'ing supported the Soviet Union. And, time and time again, he has found the support in China or abroad to claw his way to power, stopping only briefly to settle old scores with his enemies.

At this point, America's China Card and Teng's American Card are allegedly being played to finesse the Soviets; but America should consider what may happen in the future if Teng, or his successor, should decide to play their as yet undisclosed Soviet Card. As President Carter said, it will produce "massive applause throughout the nation." But which nation, and for whom? ●

STATUTE OF LIMITATIONS ON NAZI WAR CRIMINALS DUE TO EXPIRE

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. DRINAN. Mr. Speaker, the West German statute of limitations for crimes committed by the Nazi regime is scheduled to expire on December 31, 1979. Unless the Federal Republic of Germany takes action soon to extend the deadline, an underterminated number of unprosecuted propagators of the most brutal, systematic killings imaginable will go free, with no legal recourse for their detention. Congresspersons HOLTZMAN and FISH have asked for cosponsors to a resolution that would express the sense of Congress that:

> The government of the Federal Republic of Germany . . . abolish the statute of limitations governing the prosecution of war crimes, or . . . amend the present statute of limitations to allow a period of time sufficient for the prosecution of those responsible for the horrors of the Holocaust.

I support this necessary resolution, and urge my colleagues to join in this initiative.

The Harvard Jewish Law Students Association has prepared an excellent legal memorandum on this subject, which gives a thorough background into the issue. The report follows:

THE IMMINENT EXPIRATION OF WEST GERMANY'S STATUTE OF LIMITATIONS APPLICABLE TO NAZI WAR CRIMES

(By Eli Rosenbaum)

On December 31, 1979, the Federal Republic of Germany's statute of limitations applicable to the most serious of the crimes perpetrated in the name of the Nazi regime will expire. Unless the Bonn parliament acts, as it did in 1965 and 1969, to extend the statutory period of prescription, many of those who participated in the unspeakable crimes against humanity committed by the Third Reich will be irrevocably beyond the reach of the law. No longer will they need to be concerned with the threat of prosecution—or with the witnesses who somehow survived their ghastly plans.

Footnotes at end of article.

I. THE LAW

Under the terms of the German Penal Code of 1871,[1] Nazi war crimes and crimes against humanity are punishable only under the ordinary provisions relating to such offenses as murder, manslaughter, bodily injury, unlawful deprivation of liberty and duress.[2] West German courts have "consistently held that the planners, leaders, and commenders of the 'final solution' were guilty of murder under the 'base motive' proviso of [Penal Code Article 211]."[3] Murder, in turn, is an offense which is punishable by life imprisonment,[4] the maximum criminal penalty under West German law.

Penal Code Article 78, Paragraph 3, Part 1 provides that the statutory period of limitation for prosecution (*Verfolgungsverjährung*) of a crime which is punishable by life imprisonment is thirty years. The original statute of limitations for such crimes under Paragraph 211 at the time of the commission of the Nazis' genocidal murders was twenty years. "For obvious reasons, the statute was tolled until the collapse of the regime . . .,"[5] i.e., until the signing of the unconditional surrender to the Allies on May 8, 1945. Pursuant to legislation[6] adopted on April 13, 1965, the period from May 8, 1945 to December 31, 1949 is not to be taken into consideration when calculating periods of limitation for crimes punishable by imprisonment for life. In 1969, legislation[7] was adopted which enlarged the statute from twenty to thirty years. Thus, the present expiration date is December 31, 1979.

Under the terms of Article 78(c) of the Penal Code, the taking of certain actions by West German officials operates as an "interruption" (*Unterbrechung*) in the running of the period of limitation. Among the actions which will interrupt the running of the statute are the obtaining of an arrest warrant[8] and the issuance of a public indictment.[9] "The key to the sufficiency of the tolling action is its degree of specificity[10] with respect to the identity of the accused, the place and date and other details of the crime, etc. Subsequent to an interruption, a new statutory period commences.[11] Hence, a failure on the part of the West German Government to extend the statute past December 31st of this year would not enable all Nazi criminals to claim the rights of law-abiding German citizens. It would, however, mean that *some* such persons (principally, those whose names are not yet known[12]) would be free in Germany even to boast of their deeds, entirely without fear of ever being brought to justice. Thousands of Nazi war criminals remain free, many of them living quite comfortably. Indeed, the expiration of the German statute will have a significant impact upon the prosecution of Nazi war criminals living outside of West Germany as well. Thus, even though the United States currently has under investigation more than two hundred cases of alleged Nazi war criminals living within our borders, American law enforcement officials fear that expiration of the statute may render the deportation of such persons to Germany pointless.[13]

II. ADVOCATES OF EXTENSION OR REPEAL OF THE STATUTE OF LIMITATIONS

Among those who have, in recent years, endorsed the general principle that statutory limitations should not be applied to war crimes and crimes against humanity are: The International Conference of Jurists,[14] the United Nations,[15] the Consultative Assembly of the Council of Europe,[16] and the United Nations Commission on Human Rights.[17] With respect to West Germany's prosecution of Nazi war criminals, extension or repeal of the relevant statute of limitations has had such advocates as: the Evangelical Church of West Germany,[18] Ernst Benda (now Chief Justice of the West German Supreme Court)[19] Hans-Jochen Vogel (West German Minister),[20] the *New York Times*,[21] Stefan Cardinal Wyszynsky (Roman Catholic Primate of Poland),[22] Congresswoman Elizabeth Holtzman,[23] and Congressman Robert Drinan.[24] It was largely as a result of appeals made by prominent and highly respected oragnizations and individuals worldwide that the West German Government was induced into extending the statute in 1965 and 1969. In 1969, an extension was obtained despite a highly publicized terror campaign in which an international neo-Nazi group threatened to assassinate members of the Bundestag and Bundesrat voting in favor of extension.[25]

III. THE CURRENT POLITICAL CLIMATE IN W. GERMANY

There is presently underway an international effort to convince the West Germans to recognize and accept their moral obligation to continue to search for and to prosecute Nazi torturers and murderers. There are, however, substantial indications that the Bonn parliament will, when it meets this year to decide the issue, defeat a proposal to extend the statute. Many German politicians fear the domestic political implications of failing to yield to popular sentiment against extension of the statute. Important German politicians, such as Bavarian Christian Democrat leader Franz-Josef Strauss, have denounced the notion of any further extensions. The German people clearly have tired of the national embarrassment caused by their country's Nazi past. As early as 1964, three out of four letters received at the Bundestag were in favor of allowing the statute to expire.[26] Only the pressure of responsible world opinion moved the Germans to extend the statute then.

IV. THE ARGUMENTS FOR EXTENSION/REPEAL

The most frequent cited rationale for statutes of limitation is that, with the passage of time, discovery of the truth becomes increasingly difficult; hence, the possibility of conducting a fair trial diminishes. However, as the Secretary-General of the United Nations noted in 1966, "[I]nternational crimes . . . have the peculiarity of being collective crimes.

The proofs of guilt seem not to disappear so rapidly."[27] a report prepared for the Consultative Assembly of the Council of Europe points out that, with respect to crimes against humanity, the theory of the disappearance of evidence is unconvincing, because "it is only now that some crimes committed more than twenty years ago are being brought to light and still others may be discovered in the years to come. . . ."[28] Indeed, it has been asserted that the "passage of time has not caused evidence to disappear, but has facilitated it through the accumulation of archives, documents and testimony, and through many publications."[29] A principal characteristic of the crimes was the presence of numerous witnesses, many of whom, despite the Nazis' determined efforts, still survive. Moreover, important documents and testimony exist in archives which fell into the hands of the Allies and remain to this day unpublicized and unutilized. Valuable information is also being intentionally withheld, particularly by the Communist countries, for political reasons. It is only recently that concerned persons have begun an effort to tap these vast resources. It would be an insufferably bitter irony if those war criminals flushed out by access to hitherto underutilized data could take refuge behind a lapsed statute of limitations.

The other argument most commonly advanced in favor of statutory limitation is that the constant threat of apprehension is "equivalent" to punishment, because the offender has been sufficiently punished by the fear and uncertainty which have "tormented his life for many long years." This "punishment through fear" theory, however, cannot seriously be applied to criminal acts of such savagery and magnitude as those committed by the Nazis. As the International Military Tribunal at Nuremburg stated in its verdict, "The truth remains that war crimes were committed on a vast scale, never before seen in the history of war. They were . . . attended by every conceivable circumstance of cruelty and horror."[30] Crimes against humanity, such as those of the Third Reich, offend the conscience and endanger the very existence of the whole of mankind; it is preposterous to contemplate the punishment of those responsible merely with fear or insomnia.

It is not only justice which requires that Nazi war criminals remain subject to prosecution. During the Moscow Conference of October 1943, the Allies forcefully expressed their determination to punish war criminals: "[M]ost assuredly [we] will pursue them to the uttermost ends of the earth and will deliver them to their accusers. . . ."[31] This obligation was inherited by the Federal Republic of Germany; it is a moral duty which should not be limited by the mere passage of time. Continued prosecution can keep the terrible deeds of the Nazis in the public memory. Remembering, in turn, is perhaps the best way to reduce the likelihood of a repetition of this sordid episode in human history. Moreover, the spectacle of Nazi war criminals emerging publicly, after successfully hiding from the law for thirty-five years, is a prospect which is repugnant to civilized sensibilities. Freedom for the perpetrators of genocide would constitute a barbaric insult to the millions of victims of the Nazi horror.

V. THE PRESENT WORLDWIDE CAMPAIGN

In an attempt to forestall the expiration of the statute of limitations, demonstrations have recently been held in New York, in Boston and elsewhere. The primary focus of the campaign, however, is upon the writing of letters to leading newspapers and to West German Chancellor Helmut Schmidt. Mr. Schmidt has been most conspicuous in his refusal to publicly support an extension. He has, however, declared that, "We politicians and lawmakers will listen to what our Jewish citizens, our friends in Israel and what our neighbors in Europe will say."[32] Statements such as this one lend a measure of encouragement to those who have demanded, in the name not of vengeance, but of justice and humanity, that the Federal Republic of Germany not permit itself to become a haven for the depraved perpetrators of mass murder.

FOOTNOTES

[1] As amended on August 25, 1953.

[2] Penal Code Article 220(a) is a special provision against genocide (*Völkermord*). By statute (Penal Code Article 78, paragraph 2), genocide is expressly removed from the ambit of any statutory period of prescription. However, as Article 220(a) was not inserted into the Penal Code until 1954, the Constitutional prohibition against *ex post facto* penal laws (Article 103, Paragraph 2, of the Fundamental Law) renders it inapplicable to crimes of the Nazi period.

[3] *New York Law Journal*, November 14, 1978, p. 1. Article 211 defines murder as: "the kililng of a human being out of lust, avarice, or . . . other base motives, by stealth, trick or commonly dangerous means. . . ." Schenfelder, "Deutsche Gesetze," (1976), section 85, par 211.

[4] Penal Code Article 211, Paragraph 1. *See In re the Extradition of Ryan*, 360 F. Supp. 270, 272 (E.D.N.Y. 1973).

[5] *N.Y. Law Journal*, November 14, 1978, p. 32.

[6] The Law Concerning the Calculation of Periods for Criminal Prosecution (*Bundesgesetzblatt* [Federal Law Gazette], Part I, p. 315).

[7] *Bundesgesetzblatt*, Part I., p. 1065, adopted on August 8, 1969.

[8] Penal Code Article 78(c), Paragraph 1, part 5.

[9] Penal Code Article 78(c), Paragraph 1, part 6.

[10] *N.Y. Law Journal*, November 14, 1978, p. 32.

[11] This is subject to the restriction that prosecution is barred upon the elapsing of an amount of time equal to twice the statutory period. Penal Code Article 78(c) (3).

[12] The volume of war records and the magnitude of the Nazi horror are such that, even today, names of suspected war criminals are being discovered. A principal difficulty in this respect is that many of the survivors who might be capable of recognizing their former tormenters did not, for obvious reasons, know their oppressors' names.

[13] *New York Times*, November 11, 1978, p. 3 (statement by Martin Mendelsohn, U.S. Department of Justice).

[14] U.N. Document E/CN.4/906, p. 106.

[15] Resolution 2391 (November 26, 1968).

[16] Recommendation 415 (January 28, 1965).

[17] U.N. Document E/CN.4/906, p. 2.

[18] *The Jewish Week—American Examiner*, November 5, 1978.

[19] *New York Times*, March 11, 1965, p. 9.

[20] *New York Times*, November 11, 1978, p. 3.

[21] *New York Times*, April 26, 1969, p. 36; January 28, 1965, p. 28; February 24, 1965, p. 40.

[22] *New York Times*, January 27, 1965, p. 8.

[23] *E.g., New York Times*, November 11, 1978, p. 3.

[24] *Boston Globe*, November 10, 1978, p. 26.

[25] *New York Times*, May 28, 1968, p. 2.

[26] Simon Wiesenthal, *The Murderers Among Us* (1967), p. 345.

[27] U.N. Doc. E/CN.4/906, p. 88.

[28] Consultative Assembly of the Council of Europe, *Report on Statutory Limitation as Applicable to Crimes Against Humanity*, Doc. 1868, p. 12 (January 27, 1965).

[29] U.N. Doc. E/CN.4/906, p. 92.

[30] R. Miller, The Convention on the Non-Applicability of Statutory Limitations to War Crimes and Crimes against Humanity, 65 Am. J. of Int'l Law 485 (1971) (emphasis added).

[31] U.N. Doc. E/CN.4/906, p. 9.

[32] *New York Times*, November 11, 1978, p. 3.●

MOSCOW's INTERVENTION IN IRAN—II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. McDONALD. Mr. Speaker, on the eve of the return of the Khomeini entourage of extremists and professional revolutionaries to Tehran last Thursday, we reviewed for the record some of the available public evidence showing the broad range of Soviet involvement in the civil disorders and turmoil in Iran. That Soviet involvement ranged from the subversion and recruitment of spies and political agents from the higher ranks of the Iranian civil service and military and the use of Soviet consulates, news agencies, trade, technical and health groups as "legal covers" for the KGB and GRU; through the use of a Soviet Embassy press for production of Communist literature distributed almost daily in Teheran; to the alliance of the Moscow-line Communist Party in Iran, the Tudeh Party, with the Khomeini forces.

Further evidence of Soviet involvement in the Iranian violence included the use of the new Soviet satellite, Afghanistan, to provide training facilities for Iranian revolutionaries; use of the Afghan secret service to infiltrate "illegal" agents and to promote participation of Afghans living in Iran in the revolutionary violence; and indications that KGB recruited agents have organized and financed sabotage and terror groups, one of which was responsible for the burning of the Abadan movie theater lasts summer in which hundreds of men were killed.

Recently, the Soviet Union has resumed operation of two clandestine Persian language radio stations. In 1977, apparently as part of the agreement between the Iranian Government and the U.S.S.R. to sell the Soviets Iranian natural gas, the Soviet Union shut down its radio stations near Baku and in Bulgaria, thus ending Radio Iran Courier's long career of slander, propaganda and disinformation. Now those subversive broadcasts have been revived, with the so-called "National Voice of Iran" broadcasting from the Baku area and the so-called "Radio of the Patriots," apparently broadcasting from Bulgaria, but with a post office box in Sweden for its listeners among the Iranian militants living in Western Europe.

The opportunistic political "necessity" for the Tudeh Communists to ride to power on the Khomeini extremist bandwagon has caused a major shake-up in the Tudeh Party leadership. The longtime Tudeh head, Iraj Eskandari, for many years a resident of East Berlin, was reluctant to join with such a "reactionary" anachronism as the Ayatollah Ruhollah Khomeini and issued a call for civil war and revolution—a confrontation with the Iranian army—rather than for Khomeini's revolutionary council" and an "Islamic revolutionary republic." The result was, as reported in an article by correspondent Thierry Desjardins in the Paris newspaper, Le Figaro, on January 26, that Eskandari was summarily sacked as head of Tudeh on the 4th of January, and was replaced by the hitherto unknown Nureddin Kianuri, whose first act was to issue a Tudeh statement in full support of the Khomeini program.

This article also points out that old-time Tudeh Communists in Teheran have formed a "front" party, the Iranian People's Democratic Movement, which leftist activists in the United States have been promoting as an indigenous "liberal" force when the real parallel should be with the Communist-controlled Progressive Party active 30 years ago in this country.

Finally Desjardins accurately summarizes the long history of Communist subversion in Iran dating back to the formation of the Iranian Communist Party in 1921 and notes that the name change to "Tudeh" was for purposes of political expediency after World War II. The article is one of the best summaries of the role of the Communists among the Ahvaz oilfields and at the Abadan refinery complex, as well as in the mass marches and demonstrations. I commend it highly to those of my colleagues who are deeply concerned over the events in Iran.

The article follows:

TUDEH PARTY SUPPORTS KHOMEINI

(By Thierry Desjardins)

TEHRAN.—The communists are of course among those already preparing the post-Khomeini period. Communism in Iran has always been a very special phenomenon.

On the one hand, Persia has an old communal heritage whose origin is lost in the mists of time and which seems to go back to Zoroaster's message 28 centuries ago and was rediscovered with, for example the famous Mazdak movement (Sixth Century) which made goods and women common property, or the Khorzad revolution (Eighth Century) which distributed the herds and women of the rich among the poor. Those historical events are certainly more present in Iranians' memories than the Commune is in French memories, however strange that might seem.

Furthermore, according to the experts there are at the same time two fundamental obstacles preventing Marxism from penetrating Iran: Shi'ism and, more especially perhaps, the 2,500-km border with the USSR. However, people may have been mistaken in regarding Islam and the USSR's proximity as insurmountable handicaps for Marxism even though events have always confirmed that view so far.

Islam certainly rejects all forms of atheism but it also prepares the masses for fanaticism, the adoration of sacred texts, personality cults and believing the miracles which people might promise them. Nevertheless, the important point is not to find out why the masses are prepared to die but to know that they are—a reason can always be found later.

The USSR has, of course, always been the enemy country. It was the tsars who stole Georgia from Persia in the 19th Century. It was Stalin, the Georgian, who tried to steal Azarbaijan and Kordestan from Iran after the last war. However, the USSR is frighteningly present and "should the worst happen" there is no doubt that that proximity could be very useful to those upholding Marxist ideology in the battle.

A MEMBERSHIP WHICH IS DIFFICULT TO EVALUATE

Having said that, the Communist Party of Iran was formed in 1921 by Soltan Zade, its first secretary general, from intellectuals returning from the West and proletarians who had worked for a time in the USSR. Between 1921 and the forties the Communist Party's activities were mainly limited to the regions close to the USSR, namely Azarbaijan, Kordestan and the Caspian coast. When Stalin occupied the entire north of the country the title communist party became much too dangerous and the Communist Party of Iran changed its name to Hezbe Tudeh (the Masses' Party) which is now called the Tudeh Party.

Nevertheless, the Tudeh Party played directly into the occupier's hands, facilitating the creation of a people's republic in Azerbaijan and in Korddestan, while implanting itself much more firmly in the country, particularly in Tehran itself. In 1944 the Tudeh Party had eight deputies. In 1947 it had three ministers, for a short period it is true. In 1949 it had so much support from the working class that it appeared in the cities, thought it could do anything, and attempted to have the Shah assassinated. The sovereign miraculously came out of it safe and sound; the Tudeh Party was banned and the imperial police began to hunt down all communist militants. The party was never legalized again even though, at the time of the Mossadeq affair the prime minister, who had been abandoned by the religious leaders and a section of the army faithful to the shah, brought his Marxists back out of the shadows for a few days.

Some 3 years ago the shah stated that there were only 3,000 communists in Iran and

explained that they were all or practically all in prison.

Indeed, two questions now need to be answered: How many communists are there in the country and what tactics is the communist party using? It is extremely difficult to estimate the party's membership. It is known that among the 30,000 oil workers in Ahvaz (oilfields) and Abadan (refinery) there are many communists. That was obvious when Khomeini himself asked those workers to resume work to meet the country's internal consumption and they refused. What is also certain is that in the traditionally proMarxist (if not pro-Soviet) regions in the north, people have gone back to their old love. Do not the demonstrations taking place there prove it? Moreover the same is true of the whole eastern region of the country where agitators from Afghanistan have done a good job.

EVOLUTION OF SLOGANS

In Tehran itself certain communist intellectuals have gotten together to form a new party, which deceives no one—the Iranian People's Democratic Movement, all of whose leaders are former (?) Tudeh Party members, beginning with the chairman, writer Behazin. And all over the south of the capital, in other words, in the very poor quarters, there are now "district cells" which attend to daily life (food distribution, traffic control and so forth) and which also deceive no one.

Moreover, it is interesting to observe the innumerable street demonstrations which have taken place over the past 3 months. It is noticeable that every day the slogans evolve. There has been a shift from the conventional "Death to the Shah" to "Long live the Islamic Democratic Republic," then "Long live the Islamic People's Republic," then "Power to the people" and finally "Long live the revolution!" In a procession of one-million demonstrators shouting "Long live Khomeini" one can see with the naked eye that there are at least 200,000 who now add "Long live the revolution" without thinking at all "Long live the Islamic revolution." The Communist Party is making a fine job at the moment of infiltrating and recruiting a people's movement.

It is here that those who claim that Islam and communism cannot reach an understanding even long enough to start a revolution are making a big mistake. It is no coincidence that when the Tudeh Party wanted the shah assassinated in 1949 it armed a religious fanatic. And in all the riots, all the attempted outrages and all the assassinations of the past 30 years, it is very rare not to find an alliance as objective as it is unnatural between the religious leaders and the Marxists. The communists have always known that their only chance here was to get on the ayatollah's bandwagon.

DISGUISED AS MULLAHS

And what has happened over the past few weeks has clearly demonstrated this once again: For years the Tudeh Party had been run from East Berlin by a certain Iraj Eskandari. This Eskandari had no doubt lost contact somewhat with the realities of the Iranian situation since, when the revolt broke out, he tried to remain very logical with himself and did not aline with Khomeini.

Quite the contrary in fact, since in December he launched an appeal for civil war to embarrass Khomeini by trying to provoke a confrontation between religious leaders and the army. That is the reaction of a good Western Marxist. But the Iranian communists reacted immediately: it was ridiculous. They had to continue to disguise themselves as mullahs. On 4 January Eskandari was purely and simply dismissed and replaced as first secretary by a certain Nureddin Kianuri, who immediately issued a bold communique in which he stated in particular: "The Tudeh Party approves Ayatollah Khomeini's initiative in creating the Islamic revolutionary council. The ayatollah's program coincides with that of the Tudeh Party. . . . Any government which follows the line set out by the ayatollah will have the Tudeh Party's support."

The Tudeh Party was once again in favor; it bowed respectfully before his holiness the imam even if the latter stated: "Freedom of opinion will only be limited if it proves harmful to the nation," which is exactly what the shah said when he banned the Tudeh Party. . . . Each one now needs the other.●

COMMUNICATIONS POLICY: OPPORTUNITY FOR A MATURE FOREIGN POLICY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. BROWN of California. Mr. Speaker, during our recent recess I had a chance to catch up on long overdue reading, amongst which was an article from the International Communications Agency publication, ICA World. Although this article was written in advance of the recent UNESCO General Conference in Nairobi, its message is still an urgent one, perhaps more urgent now given the lack of accomplishment at the Nairobi meeting.

Yes, we managed to avoid a major confrontation with those advocating a "new world information order" and we avoided Soviet inspired embarassment such as we encountered in Nairobi in 1976. But what did we gain? What relationships have we solidified by our defensive posture? There is a U.N. Conference on Science and Technology for Development (UNCSTD) coming up soon and I fear another defensive posture.

As I have stated many times in the past, it is time for this country to deal with the developing world in a positive manner. Our past myopia in economic relationships exhibits itself daily in a "new world economic order." We need to begin a sharing of our technologies that the developing countries seek, such as communications and information technologies. We should be the source of innovation in international meetings rather than being the immovable force. I urge my colleagues to think about these issues as we begin the 96th Congress.

The article follows:

GULLIVER AND THE LILLIPUTIANS

(By Wilbur T. Blume)

One of the global issues that is emerging as a very fundamental one in this age of global communication is the debate that has surrounded the demand of the developing nations for a "New World Information Order." Some of the rhetoric coming from new nations has been extremely alarming to the champions of the free flow of information. The rancor reached its peak shortly before the last UNESCO General Conference in Nairobi in 1976. There, a Soviet-inspired draft declaration, which attempted to spell out the responsibilities of governments for the conduct of media under their jurisdiction, was debated and drew support from the frustrations of the Third World.

An impasse was averted when the U.S. delegation pledged U.S. assistance, in unspecified terms, to work toward a redress of the imbalance in communication. This has since become known as the "Nairobi Commitment." The Third World nations in turn endorsed a resolution deferring consideration of the controversial draft declaration until the October 1978 General Conference in Paris. Meanwhile a new draft resolution has been prepared which is less objectionable to most of the developed world, but which may still be impossible for the United States to accept in light of our first amendment.

A NEAR MONOPOLY ON GLOBAL COMMUNICATIONS

There is some of the drama of "Gulliver's Travels" unfolding in the sense that the United States and other developed nations have enjoyed a near monopoly on global communication and information resources and, as the giant, now stand in jeopardy of being tied down by the citizens of Lilliput. Whether the outcome at Paris and perhaps even more importantly a year later at the World Administrative Radio Conference, WARC 79, where the spectrum will be redivided for the rest of the century, depends not so much on our traditional kinds of diplomatic and military strength as it does on the way in which the problems of the Third World are understood by the giants and how our intentions are perceived by the Lilliputians.

International communicators, as we now are calling ourselves, should better understand the dynamics of the situation than most other observers. We are, after all, used to viewing ideas in a multi-cultural context and recognize that there is seldom a black and white dichotomy, but more often an infinite number of shades of gray.

Within the Third World there is a wide variety of views on communication. There is, however, a common core to most of the experience which is rooted in colonialism. In a prior world order, in which powerful nations exercised absolute dominance over the less powerful, materials and wealth flowed inward, and information as control, flowed outward. In a post colonial world, the patterns of information flow have not been measurably changed. The patterns of the flow of wealth have also been scarcely altered.

INFORMATION BECOMES A BASIC RESOURCE

The "techronic age" into which we are now entering has been identified as one in which information becomes a *basic* resource, along with energy and material resources. The United States is now classed as an "information society," meaning that over half of our gross national product has to do with information exchange and processing. Japanese scholars have recently shown a coincident parallel relationship between the growth of Japanese information capacity and their gross national product. The lesson is becoming increasingly clear to the less developed nations that access to information, and a better share in the flow of international information, is a precondition for economic development.

In addressing this problem, there has been a consistent gap in perception between the First and Third Worlds. The developed countries generally have thought of information and communication in terms of news and journalism. The Third World countries with different agendas and priorities have thought more in terms of development, and access to useful and relevant information. Some also think of the media as instruments of revolutionary social and political change. Traditional societies also often have feared the destabilizing effects of communication. Traditional libertarians of the developed world have regarded communication in their own experience as a bulwark of freedom and a protection against the excesses of power. This varying perception of the issues has tended to create a false conflict and escalate it into a confrontation. The pause in the debate, arranged at Nairobi, has helped to put perspective on the problems and there is now greater interest on both sides in cooperation rather than confrontation.

CULTURAL INDEPENDENCE MOST CHERISHED GOAL

Political independence was the first goal of previously colonial possessions. The second goal has generally been that of internal development, a goal to which the United States has given generous support. A recent article in *Foreign Affairs* describes a Third World viewpoint as regarding cultural independence, the end of Western tutelage which was seen as coming in the 1980's, as the most cherished goal of all. The political, economic and cultural independence of formerly colonial peoples is a difficult set of priorities for most Americans to identify with. Our own revolution was a political and economic one, but we retained our cultural links with the motherland and over the years they have probably become stronger, not weaker. Our political and economic ties to her also have grown stronger.

Interdependence is the other key to the unfolding drama between the rich giants and poor Lilliputians. In 1950, the United States was virtually self-sufficient in terms of the natural resources needed for industrial production. By the year 2000, it is estimated that the United States will depend upon imports for 80 percent of these materials. In the span of the memory of most of our nation's adults we have taken giant steps from independency toward interdependency. This is a difficult adjustment for our collective psyche, made all the more painful by our recent experiences with the oil embargo.

On the issue of the New World Information Order, the initial instinct toward confrontation on both sides has been moderated by exposure to the ideas of the other. Interestingly, the Soviets are beginning to be understood as a part of the problem too, since they, along with the other great powers, are a part of the monopoly on news and information flow. The Soviets are also beginning to show less enthusiasm for a "New World Information Order."

THE "WISE MEN'S GROUP"

More recently, the effort has been to study the problems cooperatively. To that end, UNESCO has appointed a Commission on Communication composed of 16 international figures, which is sometimes referred to as the "wise men's group." They have embarked on a two-year study of the "totality of human communication." Another cooperative effort has been initiated by the Edward R. Murrow Center of the Fletcher School of Public Diplomacy at Tufts University. They assembled a first meeting of Third World and Western news practitioners, scholars and government officials in New York in the Spring of 1977 and recently held a follow-up meeting in cooperation with Cairo University and the Middle East News Agency in Cairo in April of 1978. For it, a series of research studies was commissioned to analyze the distribution and selection of news in various media in the Third World. This conference was called *The International News Media and Developing World: Prospects for Cooperation*. Representatives of 25 nations and several international organizations and news services attended. The meeting was remarkable for the lack of inflammatory rhetoric, and the atmosphere of collegiality and cooperation prevailed.

Despite these cordialities, however, the real problems remain. One of the moments of truth will come at the UNESCO General Conference in October, when the United States will have to show its hand. There is some anticipation that the U.S. commitment at Nairobi was an empty gesture. Suffice to say, it is being taken seriously and a number of people are hard at work trying to devise an appropriate U.S. response.

As in the Gulliver story, the end of the tale could be a happier one than the initial predicament would indicate. If both the giants and the Lilliputians can recognize their mutual interdependency in the area of communication as well as in many others, there could be a harmonious blending of interests. This does not imply capitulation of any party to the values and ideologies of the others, but rather that an open communication environment eventually serves the best interests of all. There is even the dawning recognition that closed communication erodes the very ability of governments to govern. Beyond this practical aspect there is also a growing consensus about the "Right to Communicate" being a basic human right. Another UNESCO group of experts has been exploring this idea with little fanfare and considerable consensus.

NEED FOR A MORE HUMANISTIC POLICY

Traditionally, national communication policies have been expressed in terms of arenas of power, with stakes of both an economic and political nature—a kind of who gets what from who, when and how. These strategic, political, economic, legalistic, and technical definitions are an incomplete response to the needs of the new age upon which we are entering. We need a more humanistic policy, based upon the long-range historical traditions of this country with its central concern for people.

The United States has a unique opportunity in this open moment of history. We enjoy an undisputed pre-emminence in both the technology of communication and information exchange systems and in the accumulation of useful information itself. By choosing to share these resources with the rest of the world we could not only forcefully demonstrate our dedication to the principle of the free flow of information, but we could also make a significant contribution to the human development of the global majority. Our democratic instincts confirm that what is good for the least among us is also good for the whole.

THE SHARING PRINCIPLE IN COMMUNICATION

The sharing principle in communication as a replacement for the ballistic principle is then the primary contribution which only the United States can make to redressing the imbalance in global communication. No other nation has the resources or the historic traditions which make such a contribution possible. In this opportunity there is a valid role for both our private and public sectors. A truly global attack on communication deficiencies is an opportunity for both business stimulation and social good. William G. Harley, a veteran broadcaster and American representative in international fora has summed it up best for me:

"Ours is the first generation which has seriously considered the possibility of making universal education available to everybody on earth . . . Like other fruits of the tree of knowledge, the concept of universal education bears the seeds of dissension along with those of enlightenment and liberation . . . the right of access to knowledge and concommitant responsibility of governments to provide it to their peoples is unchallenged, even in countries where the only democratic element of educational programs is lip service."

It is in this spirit of the accepted universal good that I feel we should approach the New World Information Order as an opportunity rather than a problem. It is a challenge unique to our time and place in history. Perhaps we should recast it as the *New World Communication Order* and concentrate on the opportunities of communication in human development and in its context as a basic human right.

Another quotation that is meaningful to me in this context is:

"The world will little note nor long remember those myopic individuals who fail to recognize the challenge that is theirs."

It is my hope that we recognize and live up to the challenge that is ours in the Global Communication Age.●

INDOCHINESE REFUGEES WAITING FOR MORE GENEROUS INTERNATIONAL RESPONSE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. SOLARZ. Mr. Speaker, on the occasion of the visit of Kriangsak Chamanan, the Prime Minister of Thailand, to the United States, I thought it would be most timely to call to the attention of my colleagues an editorial which appeared in the Asian edition of the Wall Street Journal.

As we begin the first session of the 96th Congress, one of our priorities undoubtedly will be the adoption of new, long-range refugee legislation that will spell out more clearly the response of our country to the pressing humanitarian problems of refugees fleeing from the terrors of war and persecution and natural disasters. But while we must take our time and carefully evaluate new policies and legislative approaches, 190,000 Indochinese refugees are crammed into temporary quarters all across Southeast Asia. Thailand alone has over 100,000 refugees, and has humanely borne this burden for over 3 years.

We hope that through the efforts of the administration and the U.N. High Commission on Refugees that additional sources of resettlement and financial assistance will be found for these refugees so that the countries which have borne the heaviest burdens in serving as a place of first asylum for these people will continue to keep their borders open or allow ships in danger of sinking to land on their shores.

The editorial follows:

A SHARED SHAME: TURNING AWAY THE BOAT PEOPLE

The year 1978 saw its share of triumphs and tragedies—from the Camp David summit to the mass suicide at Guyana—but its most shameful episode, in our opinion, was the awesome refugee drama unfolding in Asia. It is a drama that brings shame on the Communist regimes of Vietnam, Cambodia and Laos, who preach liberation but practice enslavement. It is a shame on the rich nations, who preach freedom but carp about the problems of making a home for freedom's most ardent seekers. And it's a shame on Asian nations themselves, who turn away their neighbors to beg for mercy elsewhere or to die in the cruel seas.

For the plight of the hundreds of thousands of refugees from Indochina—and the doubtless millions of Vietnamese, Chinese, Laos, Meos and Cambodians who would be refugees—is a human problem that ought to weigh heavily on the consciences of all decent people in every free society. In the past months the world has watched the spectacle of its governments throwing statistics at each other in an effort to narrow their hospitality. Yet the burden being carried from Indochina by the refugees is one that all free nations ought to share. And it is a crisis that seems certain to become more acute in the coming year as it has grown steadily since the Communist conquest of Indochina was completed in 1975.

To be sure, a few countries have made some serious efforts to aid the refugees. Australia, Canada, France and the U.S. have made homes for significant numbers. In Asia, Malaysia, however reluctantly, has offered a temporary refuge to tens of thousands of refugees, though it has turned away thousands more. Thailand more than any country, has borne a disproportionate share of the refugee burden, particularly of those fleeing overland from Laos and Cambodia. Some other Asian nations, like some European ones, have accepted small numbers of refugees. And yet, with the singular exception of Thailand, we don't think any nation in Asia or elsewhere fairly can claim to have done enough.

From a narrow perspective, nearly every nation can find a justification for turning away refugees or accepting fewer than it could accept. Americans argue they have done more than any nation for the refugees. Yet America—as many rightly point out—has a unique responsibility toward the refugees from Indochina. This is true only in part because of America's dominant role in the Vietnam war. It is also true because America is the nation that can afford the most in material help, has traditionally opened its doors the widest to refugees and has stood most steadfastly for freedom in the world. We would like to see America do more, and then more again, for refugees now flooding out by land and sea.

But we don't think the responsibility ends there. We are offended by the buckpassing so rampant on the refugee question in Asia today. We don't feel that any nation professing faith in liberty can turn its back on the refugees from Indochina. And in the case of Indochina's Asian neighbors, there are some special ironies. South Korea, the Philippines, Australia and Thailand were engaged in the Vietnam war themselves, much as they might like to forget it and even though they got out early and with their reputations more or less intact.

Japan, the wealthiest and biggest of these nations, is willing suddenly to spend a few million more dollars in cash contributions to the UN High Commissioner for Refugees. But so far this seems more an effort to purchase immunity from a major international problem. We don't see why it should be significantly harder for Japan to take in a few tens of thousands of refugees than for Canada or France. At the other end of Asia is Australia, an underpopulated nation bigger than the continental United States that ought to be able to dramatically increase its hospitality to refugees. And we find it deplorable to see Hong Kong and Singapore, relatively wealthy Asian centers, turning away refugee ships from their very ports that once welcomed free-spending GIs and vessels plying the trade of war.

All kinds of excuses are being offered. Some nations are claiming they're too poor to help. Some are insisting they're already too crowded. Some are worried about being infected with a Communist virus in the form of secret agents. Others are worried about hosting large communities of people of a different race, ethnic origin or religion than their own. Some are claiming to be scandalized that refugees are actually paying to get out of Vietnam.

But we don't think any nation is more desperate than the refugees daily clinging to life aboard battered vessels on the high seas. We don't think any nation anywhere has a more acute "population problem" than the Hai Hongs, Southern Crosses, Huey Fongs or other refugee ships. We don't think any Free World nation is so fragile that it can't risk a few Communist agents among the many genuine freedom seekers. Nor do we believe Asia's nations are so weak they can't make room for communities of different races, nationalities or religions. We don't think it matters a whit whether refugees fled heroically, bought their way out or—yes—even whether they were allowed legally to emigrate. That so many refugees have been left to the clutches of apparent profiteers is a shame mainly on those who are doing nothing.

None of this is to cast the blame on Asian nations. It's too bad for Asia that Indochina happens to be in the middle of it. But that is the hard fact. The point is that the plight of the refugees from Indochinese communism is a problem that belongs to the whole Free World, rich and poor, east and west. The Free World doesn't deserve the blame for the problem. That belongs to the Communist regimes of Hanoi, Phnom Penh and Vientiane, and to their backers in Peking and Moscow. But even in casting the blame, the Free World—most acutely in Asia—seems too timorous. And that's a shame too, for it's the one point on which all the buck-passers ought to be able to agree.●

OMB PLANS WOULD WEAKEN USDA

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. JONES of Tennessee. Mr. Speaker, this week as the Washington, D.C., community is trying to be a gracious host to thousands of farmers who are here lobbying on their own behalf, the Office of Management and Budget is recommending to the President that he take a double-barrel shot at the Department of Agriculture.

Put bluntly, I want to recommend to the President in the strongest of terms that he reject any reorganization proposals which weaken the constituency base of the U.S. Department of Agriculture.

In this age of growing public cynicism regarding the Federal Government, it is easy to understand how the Government planners at the Office of Management and Budget could conclude to dismantle the Agriculture Department and divide its delivery systems among new bureaucracies. I am not positioning myself as an apologist for the inefficiencies that exist within the Department of Agriculture; but the delivery systems we have developed in agriculture through the Agricultural Stabilization and Conservation Service, the Farmers Home Administration, the Soil Conservation Service, the Forest Service, the Extension Service and others are unparalleled in providing responsible, effective and flexible programs to the people of rural America. To the uninitiated, it may appear that each of these agencies carry out the same function and purpose. This is certainly not the case. There is overlap and there is inefficiency and these problems should be dealt with through strong leadership and administration by Secretary Bob Bergland.

But in reviewing the options which have been presented to the President on forming a new Department of Natural Resources and a new Department of Developmental Assistance, which are the preferences of the OMB staff, and in reviewing the less grandoise alternatives which will also be presented to the President without a strong recommendation by the staff, I find that the President really does not have alternative routes. All the recommended options provide for a weakening of the Department of Agriculture. There is little indication that the Presidential reorganization group gave serious consideration to alternatives which would strengthen the Department of Agriculture. As Senator ZORINSKY pointed out on the floor of the Senate on February 1, this group spent over $6.5 million and 1,000 man-years to come up with proposals which bear striking similarities to those proposed by the Nixon administration and which were roundly rejected by the Congress.

Many Members of the House and Senate have expressed to the President their strong feelings that the Department of Agriculture should not be considered a shopping ground for other agencies and departments trying to enhance their role.

I would like to ask the President and the Office of Management and Budget if it is the administration's position that the Soil Conservation Service should be dismantled and abolished. While I really do not think this represents a fair portrayal of their position, if one combines the impact of the reorganization plan which would take some of the SCS programs with the impact of the fiscal year 1980 budget which would completely eliminate or transfer other programs, the Soil Conservation Service would be largely gutted. I believe this illustrates that the reorganization task force did not develop its proposals with the full knowledge of the function of some of the programs and with the full knowledge of where the administration was headed with other initiatives.

For instance, in the proposal for creation of a new Department of Developmental Assistance, some of the Farmers Home Administration programs would be transferred and its delivery system would be fragmented. This disregards the fine job that the Department of Agriculture and the Farmers Home Administration have done in the last 2 years to reorganize FmHA into a more effective and efficient operation. Some of us fear that perhaps the strong efforts of Administrator Gordon Cavanaugh may, in the end, play into the hands of the OMB reorganizers because the more effective an agency becomes, the more attractive it becomes for transfer to another department.

I understand that the President may be sending his message to Congress on at least some of these reorganization plans in the next few days. I ask that he seriously consider the advice of Senators ZORINSKY and TALMADGE and Congressman FOLEY, chairman of the House Agriculture Committee, that the Department of Agriculture not be weakened.

I would also like to place in the RECORD for your information, a joint statement on USDA reorganization which was adopted last year and which was supported by over 30 institutions and associations which have rural constituencies. It is a very diverse group which have interests varying from traditional agriculture to nutrition, housing, rural development, and consumerism. I understand that this statement has again been endorsed by an even larger group this year. I insert the statement in the RECORD at this point:

JOINT STATEMENT ON USDA REORGANIZATION

We are opposed to any action on the part of the Administration that would weaken the Department of Agriculture as the primary deliverer of services to rural America.

While we agree with the Administration that there should be increased efficiency in government, we do not believe that the reorganization plans relating to the U.S. Department of Agriculture that have been proposed, would achieve this objective.

On the contrary, it is our opinion that if these proposals were implemented they would have the opposite effect, and, as a result, seriously impair the Federal government's capability to serve the interests of rural America, both farm and non-farm.

Therefore, we oppose transferring major functions of the USDA to other departments and agencies whose orientation and sympathies make them much less qualified than the Department of Agriculture to implement these programs in rural areas.

If the renewable natural resources, conservation, food and rural development components of USDA were removed, we believe the Department would lose its cabinet-level status, which, in turn, would be a major setback not only for rural poeple, but for the nation as a whole.

Recent history demonstrates that while agriculture is still the mainstay of the rural economy, it no longer provides sufficient employment opportunities required to stabilize the populations of rural communities. Thus, we have seen the migration of millions of displaced farmers and rural residents to urban centers contributing to the problems of the cities and severely weakening the viability of smaller communities.

In 1972, the Congress added the mission for rural development to the USDA's responsibilities which we believe was a logical complement to its agricultural mission in view of the need to strengthen all segments of rural America.

Doubtlessly, USDA could and should improve its efficiency and effectiveness in discharging its program responsibilities. This can be accomplished without dismembering the department. And, we believe, that it is a much sounder course of action for the Administration to undertake than reassigning these programs to other departments, which experience has shown have never been able to serve the needs of rural areas as effectively as has USDA.

We therefore urge the Administration and the Congress to keep intact and strengthen the Department of Agriculture as an alternative to reorganization proposals that would destroy it.

Mr. Speaker, let me point out that this statement has been endorsed by the executive committee of the Congressional Rural Caucus which plans to play a leading role in strengthening, not weakening the only Federal department which understands rural people and how to serve them.

To close let me say that if the thousands of members of the American agriculture movement want to make a positive and practical contribution to their own welfare they will let their voices be heard in support of the Department of Agriculture.●

ALCOHOLIC BEVERAGE ADVERTISING

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. BROWN of California. Mr. Speaker, I would like to call to the attention of my colleagues the words of former Congressman Wilbur Mills:

> I had a concept of an alcoholic—a drunk I call him. I never used the term alcoholic. I knew what a drunk was. I could go down on 9th Street here in Washington. I could see them.
>
> You couldn't get around them without smelling them. They hadn't had baths in months. They hadn't had shaves in months. They didn't look like I looked. They didn't have a job, they didn't have a position in life or anything of that sort. This was my concept of an alcoholic.

The former chairman of the House Ways and Means Committee left Congress as an alcoholic. He has since recognized that alcoholism is a disease which is not reserved for the men on 9th Street, but strikes at every level of society.

On January 15, 1979, I reintroduced H.R. 167 which will disallow alcoholic beverage advertising as a business tax deduction. I feel that advertisements for liquor are a factor in rising rates of alcoholism. While this bill would not restrict the right of the industry to advertise its products, it would relieve the Federal Government from the responsibility of subsidizing efforts to increase alcohol consumption and then having to pay the costs that alcohol abuse brings.

The liquor industry spends about $310 million on advertising, much of which is returned to the industry in the form of advertising tax deductions. By comparison, in 1976, the Federal Government spent $313 million to combat alcoholism through research, training, and community programs. Alcoholism cost the United States about $44 billion annually in terms of job time lost, decreased productivity and health costs.

Studies show the rising alcoholism rate is due largely to the use of alcohol by people who have traditionally been from moderate- to low-income brackets. Women make up the bulk of this group. In the past 20 years the percentage of women who drink has skyrocketed from 55 percent to 71 percent.

A medical foundation study found that drinking patterns are usually established early—in high school and college. They also found a strong correlation between heavy drinkers and heavy smokers. More women now smoke than men, 33 percent against 23 percent.

Blacks, Hispanics, and native Americans have also experienced rising alcoholism rates. Blacks spend 25 percent more of their income on alcohol than whites. Their overall rate of cirrhosis (a disease often caused by alcohol), is 44 percent higher than that of whites. The rate for native Americans is twice the national average. One-third of the hospital cases treated by the Alburquerque Indian Health Service last year were alcohol related. These groups are among those hardest hit by the economic crisis. Researchers believe that they use large amounts of alcohol to escape the misery of poverty.

What role does media advertising play in all of this? The media itself, particularly television, has a substantial impact on our lives. Studies and experiments with the effect of TV violence have uncovered some frightening evidence of television's impact on juvenile thinking. An article in Human Behavior magazine said:

> Evidence accumulated from many sources indicates that television programming can have a powerful influence on viewers' behavior simply by providing models with whom the audience identifies.

The alcohol industry has effectively used the media to promote what they call product recognition among consumers. However, the effects in many cases have been unexpected, and very often negative.

The extent to which advertising directly affects rates of alcoholism is still open to speculation. But there is a strong suspicion that consumers infer from liquor advertisements promises that the product cannot deliver. The question of ethics is one which will have to be addressed by the liquor industry to a greater degree than it has in the past.

A significant step has been taken by the wine industry. It has established a code of advertising standards which encourage the proper use of wine, and reflect the industry's sense of social responsibility. I encourage others of the alcohol industry to do likewise.

Some of the code's guidelines are:

That a scene in an advertisement which depicts a setting where wine will be served must include food (to encourage its use with meals only);

Advertisements must not imply that the use of wine will contribute to the user's success in life; and

Models in advertisements must not appear to be under 25 years of age, and they must not be traditional heroes of the young (athletes, rock stars, cowboys, and so forth).

The problem of alcohol abuse is one to which we all must dedicate more attention. As rates of alcoholism increase, so also do the chances that our own lives will in some way be affected by it. It is my hope that the Congress will give its support to my efforts to mitigate the effect alcoholism has on all Americans.●

PRESIDENTIAL CLASSROOM STUDENTS

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. LOTT. Mr. Speaker, I would like to take this opportunity to recognize several outstanding young people from the Fifth Congressional District of Mississippi: Larry Calvin Parent and Harry Alvin Parent of Biloxi, Mary Lynn Sandoz and David Charles Lion of Long Beach, and Jason Wayne Thornton and Kenneth Coleman Cowart of Vancleave, who are here in Washington this week to participate in the 1979 Presidential Classroom for Young Americans.

I always enjoy discussing the operations of our Federal Government with the Presidential Classroom students and commend these young Americans for their interest and attitude toward our Nation's destiny.●

NO STATUTE OF LIMITATIONS FOR NAZI WAR CRIMES

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. WAXMAN. Mr. Speaker, on December 31, 1979, the statute of limitations in the Federal Republic of Germany governing the prosecution of Nazi war crimes will expire. This cannot and must not be allowed to happen.

The systematic slaughter of 18 million people in the Holocaust was one of the most monstrous crimes in recorded human history. At Nuremburg, at the conclusion of the Second World War, the allied powers determined that none who had participated in Nazi genocide should escape prosecution. The judgment at Nuremberg was not only a mandate to the Government of Germany, but placed all Nazi war criminals who had not been apprehended on notice that they would never be permitted to escape responsibility for their acts. Acting under this authority, the German Government has brought hundreds of war criminals to justice.

The existence of an arbitrary legal deadline to resolve the prosecution of these crimes is wholly incompatible with the principles of justice written into international law at the end of the war. Indeed, twice before, in 1965 and 1969, the Federal Republic of Germany extended the statute of limitations for Nazi war crimes. There is no reason whatsoever why an additional extension, if not outright abolition, of this deadline should not be approved once again.

The United States is redoubling its efforts to investigate alleged Nazi war criminals living in our country. In Germany, the broadcast of the television program Holocaust has not only caused renewed interest and soul-searching over this darkest of periods in that nation's history, but has led to thousands of telephone calls about the existence of suspected Nazi war criminals.

On January 30, in cities throughout the United States, petitions and resolutions urging an extension of the statute of limitations were presented to consular officials of the German Government. In California, the State assembly overwhelmingly adopted a resolution to this effect.

Representatives HOLTZMAN and FISH, with several cosponsors, have introduced a sense of the House resolution urging an extension of the statute of limitations. I am honored to join this effort, and will work to secure House passage in the near future.

If the statute of limitations lapses, there can be no further search, investigation, or prosecution of the remaining war criminals. Those who committed these crimes against humanity should never be permitted to enjoy the day which places them beyond the reach of the law. The German Government must be urged to postpone that day forever.

For the benefit of my colleagues, I am pleased to insert in the RECORD, House Resolution 9 of the California State Assembly:

HOUSE RESOLUTION NO. 9: RELATIVE TO THE FEDERAL REPUBLIC OF GERMANY'S STATUTE OF LIMITATIONS ON WAR CRIMES

Whereas, In this 20th Century, there took place the most horrendous mass slaughter in the history of civilization, wherein approximately 18 million human beings were systematically murdered on the basis of their political, racial or religious backgrounds; and

Whereas, The methods employed in exterminating these millions of men, women, and children were of the most cruel and torturous kind; and

Whereas, The nations of the world, horrified at these atrocities, convened a War Crimes Court at Nuremberg, in the Federal Republic of Germany, to try, convict, and sentence the locatable and guilty perpetrators of these heinous crimes against civilization; and

Whereas, The Federal Republic of Germany's Statute of Limitations on War Crimes will expire on December 31, 1979, after which there legally can be no further search for, investigation or prosecution of, the remaining war criminals; and

Whereas, There has occurred a noticeable increase of Nazi activity throughout the world, possibly in preparation for the day when these war criminals will again seek the use of public platforms to espouse hatred and racism and to agitate, organize or otherwise recreate the environment which led to the holocaust; and

Whereas, People throughout the world must take every possible precaution against the repetition of such barbaric acts of inhumanity; now, therefore, be it

Resolved by the Assembly of the State of California, That the Members respectfully memorialize the President and Congress of the United States to join with other humane governments of the world in urging the Federal Republic of Germany to repeal its Statute of Limitations on War Crimes, and declare such statute of limitations a violation of international law and of the principles of human morality, so that all potential war criminals shall fully understand that there will be no escaping punishment for the commission of such cruel, inhumane atrocities; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

(Adopted January 18, 1979. Assembly Journal pages 295–296.)●

U.S. DEFENSES BETTER THAN REPORTED

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. SIMON. Mr. Speaker, the Washington Post had an article by Walter Pincus, as knowledgeable a reporter on the defense situation as this Nation has, which puts to rest some of the distortions which seem to abound in this field. I urge my colleagues to read it.

Where there are weaknesses in our defense approach, we should be told. But the avalanche of distortions, which pours forth from those who have an interest in sizable expenditure increases in defense, results in reputable and trusted journalists—like those Pincus cites—passing along information that is misleading.

I hope my colleagues will read the Walter Pincus article.

THE SOVIET STRATEGIC "ADVANTAGE"

(By Walter Pincus)

The closer we get to a new SALT II agreement, the more popular it becomes to play war games with the present and future capabilities of U.S. strategic weapons and those of the Soviet Union. Who wins these war games depends, obviously, on what's being counted in—or out. When the agreement's critics are playing, quite naturally, the Russians always win.

But that's in large part due to the fact that, in the critics' calculations, key elements in the U.S. force are conveniently forgotten or underplayed. We have seen good examples of this in two recent critical analyses of the should say one-and-a-half recent analyses, because the second fed on the first for a good part of its information.

The first was the Dec. 30, 1978 lead editorial in the prestigious Economist of London, which proposed that the period covered by SALT II "could be the beginning of seven singularly dangerous years" because of what it alleged were serious Soviet advantages over the United States.

The second was a Jan. 22, 1979 Newsweek column by George Will which, using selections from the Economist article, went on to say that Soviet weapons development since the mid-1960's had gone on unanswered by the United States.

Both of these analyses of strategic forces give the Soviets more and the United States less than each deserves.

The Economist, for example, focuses on three "large future problems" for the United States.

The first is the "large imbalance in Russia's favor described in part as ". . . by 1985 the United States will be behind Russia both in the overall total and in the most important sub-categories" of missiles. The "most striking example is 'modern large' missiles where the Russians will be allowed to keep their 308 huge 10-warhead SS18s but the Americans will have none at all."

To start from the last first, the Soviets do not now have "308 huge 10-warhead SS18s," and they probably never will.

The most recent intelligence reports indicate slightly more than 100 SS18s existed after four years of installation, and a good number of them had only one warhead. U.S. intelligence experts expect that SS18s may eventually take the place of all the 308 SS9s that once existed, but there is no certainty of that. And as for the warheads, two of the three versions of the SS18s have only one warhead, and though the 8–10 warhead version is expected to be the "largest number" deployed, it will be far from the only one.

The United States has never had a "modern large" missile such as the SS9 and its successor the SS18—but that was because it chose not to build one. That choice still stands. Even the proposed MX ICBM would be "small" by these standards.

Where the Soviets went for big rockets that could deliver heavy warheads, U.S advanced technology permitted small, more accurate warheads to be built.

As US missile accuracy increases, the need for a large warhead—which always was marginal in these most powerful of weapons—

diminishes to almost zero A 350-kiloton warhead delivered on target will destroy an enemy missile silo just as well as a two megaton warhead that is 10 times larger.

The Economist then enlarged the Soviet advantage by presenting a 1985 estimate of the total amount of destructive power that could be dropped on the United States, deriving from it advantages such as "a lead of 3 to 2 in their ability to destroy protected targets."

At a time when either side, because of accuracy, would need only one or two missiles to knock out the other's missile silo, what difference will it make if they have three to do that job and we have two?

Finally The Economist points to the political advantages to the Soviets "even if these figures [on missiles] were not militarily important . . ." If American nuclear power, it says, "is seen to be getting smaller than Russia's"—thanks in part to faulty analyses such as this—"public opinion in these allies will grow more nervous . . . and nervousness could crack the alliance."

Of course, in making the United States weak, The Economist left out the one major missile area where the United States remains far ahead—total warheads.

Its numbers analysis also totally ignored the vast qualitative advantage of U.S. nuclear subs over Soviet versions and the U.S. bomber fleet armed with cruise missiles.

The second "and most dangerous place for . . . mistrust to grow" over SALT II, according to The Economist, is the fact that the treaty doesn't say anything about Soviet SS20 missiles aimed at Western Europe nor Russia's "Europe-busting (Backfire) nuclear-bombing aircraft."

The editorial also reports the SALT II three-year limitation on deployment of a ground-launched nuclear cruise missile and suggests the Soviets will successfully "bully Mr. Carter or his successor into prolonging" it.

The Economist, in its analysis of how bad the European situation looks, makes no mention of U.S. nuclear systems there that for almost 20 years have been able to strike the Soviet Union and are not limited by SALT I or SALT II—in particular U.S. and NATO allied forward-based tactical fighter planes, more than 200 of which are always on 15-minute alert at the end of runways armed with nuclear bombs.

No mention was made, either, of the U.S. aircraft carriers in the mediterranean that have fighter-bombers that could be armed nuclear for Soviet homeland strikes. Nor did it include the U.S. Poseidon submarines assigned to the European theater whose missiles with their 10 or 14 nuclear warheads could also reach Russia.

In its handwringing over the cruise missile limitation, The Economist left out that the United States is building and testing not only a 1,500-mile cruise missile but also an extended-range Pershing missile. The new Pershing, with its 1,000-mile range, would not be limited by SALT II if its production and deployment were somehow needed within the next three years.

Finally, The Economist wailed that the "biggest problem" with SALT II was that it "may leave the United States itself vulnerable to a surprise Russian attack."

Needless to say, this idea hinges on a theoretical Russian ability by the early 1980s "to destroy virtually all of America's land-based missiles in a single half-hour cataclysm, while still keeping quite a lot of its own missiles in reserve, ready for a second blow."

In the first place, it would take more than two hours for the so-called Soviet first strike—time enough for any president to determine an attack had started and make a response using untouched land-based missiles.

Secondly, the United States would still have its sub-based deterrent force—a factor never once mentioned in the entire Economist editorial. Since the submarines are never mentioned, the main element of the U.S. nuclear force does not have to be dealt with.

George Will, using the Economist, and a smattering of other sources, develops a theory that since the mid-1960s, the United States "has based arms-control policy on the hope that the Soviet buildup is merely a reaction to U.S. arms, and can be restrained by unilateral U.S. restraint." The resulting American weakness, Will argues, stems from failing to match Soviet increases.

To support this thesis, Will overlooks the substantial advances in U.S. strategic weapons development that have taken place since the mid-60s and continue to this time.

For example, he makes no mention of the American development of more than one warhead on its missiles—the so-called MIRVing which was developed in the late '60s, announced and deployed in the 1970s.

He leaves out the sharply increased accuracy of U.S. guidance systems and the decision in the early 1970s to make 300 of our land-based missiles so precise and powerful that they could knock out Soviet missiles.

Also ignored by Will is development of the Trident I long-range sub-launched missile, the highly accurate, bomber-launched cruise missile, the development of the MX missile and the Trident II and a variety of strategic defensive systems that keeps us far ahead of the Soviets.

Will accuses American liberals of being blind to Soviet weaponry; he and The Economist are playing the same game, but with the formidable U.S. force.●

ARE ETHICS ON THE WAY BACK?

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. BENNETT. Mr. Speaker, I call attention to an excellent editorial in the January 22 edition of U.S. News & World Report which I will include in my remarks. The editorial is a well-deserved tribute to Ivan Hill, editor of the American Viewpoint, and to his campaign to bring a higher ethical content into all phases of American life. One way in which this could be assisted would be by courses in public schools (and other schools) designed to advance mankind in the field of ethical standards. Economic and other benefits to the country would be very great, indeed, if such an effort were carried out. I also want to include with my remarks a bill which I introduced in the last session of Congress and have reintroduced in this Congress. This might be a thrust in the right direction. At least I think so.

The editorial and bill are as follows:

ARE ETHICS ON THE WAY BACK?

(By Marvin Stone)

It has become permissible to speak, write and think about "ethics." That represents a healthy advance over very recent times when anybody who talked in such terms was regarded as naive. Now all that remains is to get bureaucrats, union leaders, big business, members of Congress and just plain people to act ethically—which we take to mean with honesty and responsibility toward fellow human beings. The record has not been too good.

Why do we need ethics? Ivan Hill, who became president of American Viewpoint in 1973, has labored ever since to get across one point that should be obvious: Ethics, translated into mutual trust, form the basis of any free society. Nobody can dare loan money, start a business, buy goods, elect a government, board a plane or walk the streets in the absence of faith in persons or institutions concerned.

When Hill undertook his crusade five years ago, the first thing he did was to publish a full-page advertisement in the Wall Street Journal inviting the cooperation of businessmen and others in shoring up the country's ethical underpinnings. Among the millions of Journal readers, not one college official or major corporation executive replied.

A similar page that was placed recently in large newspapers inspired scores of inquiries from leaders of business and industry, as well as hundreds of letters from college heads anxious to learn ways of instilling ethical values. Viewpoint's directorate now includes a number of national figures, from William Simon to Clare Boothe Luce.

Thus, "it is now academically fashionable to think of teaching ethics," says Hill. But one trouble is a lack of teaching materials. Viewpoint has provided some of these and wants to provide more.

At least one other organization is working to promote the teaching of values in schools. Frank Goble, president of the Thomas Jefferson Research Center in California, quotes George C. S. Benson, founding president of Claremont Men's College, from the book "Amoral America:"

"[America's] astounding crime rate is largely due to lack of ethics, which, in turn, is due to lack of ethical instruction in schools and other opinion-forming institutions."

To fill the need, the Jefferson Center recommends a widely proven program called the Character Education Curriculum. Teachers are asked to use the materials just 15 to 20 minutes a day, three to five times a week. Reported results have been astounding.

A school in Indianapolis had suffered deep disciplinary problems and looked like "a school in a riot area." Windows had been boarded up because $3,500 worth of glass broken in eight months could not be replaced. In five months of using Character Education materials, intentional damage was reduced to zero. And six years later, student-teacher-community relations were found friendly and cooperative, with the whole atmosphere changed.

A Chula Vista, Calif., school cut vandalism by more than 80 percent, and others claimed similar successes. Hopes for future benefits in the lives of these students seem reasonable.

So ethics may be the "in" subject. If further proof were needed, it might come from the experience of Viewpoint's Ethics Resource Center, recently established in Washington with what is believed to be the world's largest library specializing in codes of ethics. The center has just completed a seminar for trade associations. Together with Viewpoint, it has answered calls from professional organizations, government employes, big corporations, banks, religious groups, municipal officials and others thinking of setting up codes.

These are evidences of interest. We hope that follow-through will bring widespread adoption and observance of ethics codes, as well as heightened conscience for individuals—because we agree with Ivan Hill that this is vital to the country in a practical and hardhearted way.

H.R. 123

A bill to provide Federal grants to assist elementary and secondary schools to carry on programs to teach the principles of citizenship and ethics

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title VIII of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new section:

"GRANTS FOR TEACHING THE PRINCIPLES OF CITIZENSHIP AND ETHICS

"Sec. 813. (a) The Commissioner shall make grants to State educational agencies to assist them in establishing and carrying out programs under which students attending public elementary and secondary schools will be provided instruction in the principles of citizenship and ethics. The content and nature of such instruction shall conform to general standards prescribed by such State agencies.

"(b) For the purpose of carrying out this section, there is authorized to be appropriated $5,000,000 for the fiscal year ending September 30, 1979, and each of the two succeeding fiscal years.".

"Sec. 2. Section 422 of the General Education Provisions Act is amended by inserting after "the Elementary and Secondary Education Act of 1965" the following: "(other than section 813)".●

HANDGUN VIOLENCE CLAIMS 465 LIVES IN DECEMBER

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. DRINAN. Mr. Speaker, the misuse of firearms in this country continues to be a problem of major proportions, threatening the lives of innocent citizens every day. The parameters of the problem are so great that it demands the prompt attention of the Congress, to prevent the violent killings that are taking place every day. In a recent bulletin published by Handgun Control, Inc., it has been revealed that 465 media-reported deaths occurred in the month of December—as a result of handgun violence. In the days and weeks ahead, I will suggest specific programs to confront this serious issue. I hope that my colleagues will join with me in working for significant legislative progress to stop the misuse of guns. The report of Handgun Control, Inc. follows:

Report

Handgun violence in the United States claimed the lives of at least 465 Americans during the month of December, 1978, according to Handgun Control, Inc. The body count includes the deaths of 11 children under the age of 12.

Handgun Control, a citizens lobby led by victims of handgun violence, is working for the passage of intelligent, national handgun control law. This handgun body count, published monthly, is based on a compilation of all news reports of handgun violence appearing in the nation's daily and weekly newspapers during that month. The figures include murders, suicides and accidents by handguns.

Some of the incidents reported include:

Fort Worth, Texas, Dr. Jerome Harris, 81, was shot and killed during a robbery attempt at his dental office.

Baltimore, Maryland, Bryant Wayne Russell, 18, was shot and killed by an angry motorist after a minor traffic accident.

Jackson, Missouri, Carson Smith, 63, and Greg Moore, 21, owners of adjoining farms, shot and killed one another over a boundary line dispute.

Vacaville, California, Wendy Day, 8, was accidentally shot and killed by her grandmother who attempted to intervene during a domestic dispute between the child's parents.

Shreveport, Louisiana, Albert R. Wilson, 12, was shot and killed by another youth following an argument over a $3.50 debt the victim owed.

The "Roll of Handgun Dead" for December, 1978, includes:

ALABAMA

Oscar Carden, Birmingham; Brent Gant, Scottsboro; Bobby Graben, Birmingham; Lee Grimmett, Auburn; Melvin Hunter, Birmingham; Michael Laney, Alexander City; Bernard Mayhand, Birmingham; Vicki Mitchell, Birmingham; Gordon Swearingen, Montgomery; Ernest Swoope, Birmingham; Howard Tuner, Dothan; Robert Veler, Mobile; William Walker, Mobile.

ARIZONA

Joseph Ballesteros, Bisbee; William Brown, Phoenix; Dennis Eversole, Phoenix; Ward Hankins, Phoenix.

ARKANSAS

Eugene Battles, Little Rock; William Bishop, Little Rock; Frank Blair, Little Rock; Joe Dotson, Little Rock; Patricia Holland, Little Rock; Dora Jackson, Little Rock; Morris Lillard, Batesville; Jean Reed, Little Rock; Mary Shawver, Forrest City; Franklin Smith, Little Rock; Fred Taylor, Rogers; Homer Williams, Little Rock; Linda Williams, Little Rock.

CALIFORNIA

Harvey Angell, Berkeley; Rene Archambault, Van Nuys; Albert Ash, Costa Mesa; Angie Ash, Fullerton; Freddie Augustus, San Gabriel; Glenn Barber, Marysville; Dal Beal, Stockton; Curtis Beem, Pomona; Billie Bicknell, Sacramento; Roy Blecher, Broderick; Clyde Carlisle, Porterville; Marvin Cates, Shingletown.

Rogelio Chavez, Watsonville; Stephen Crosby, Fremont; Arthur Cuen, Los Angeles; Wendy Day, Vallejo; Clement Denenhousen, Calistoga; Charles Dowell, Los Angeles; Cesar Duron, Stockton; John Ellis, Salinas; Anthony Fader, Turlock; Robert Ferris, Oakland; Leslie Francois, Stockton; William Freeman, Broderick.

Wiley Hall, San Bernardino; Leslie Hodges, Turlock; Jeffrey Honodel, Manteca; John Hutchinson, San Francisco; David Jingu, Los Angeles; Kimberly Keichline, Los Angeles; Harry Lane, Los Angeles; Michael Latero, Pasadena; George Leech, Stockton; Linda Light, San Gabriel; Leslie Long, Los Angeles; John Luna, Tulare.

Donald Lusk, Fresno; Joseph Marquez, Montebello; Mack Martin, Berkeley; Robin McCarthy, Fremont; Kathy McCartney, Corona; Robert McGuire, South Lake Tahoe; Judith Meadows, Bakersfield, Lloyd Meyer, Stockton; Charles Muller II, Woodland; Rene Mussa, Oxnard; Bobby Neal, Pasadena; Sammy Newmen, Downey; Mary Norton, San Diego.

Terry Pahl, San Diego; Emily Pelton, Montebello; Robert Pelton, Montebello; Diogenes Perez, Los Angeles; Mike Pina, San Bernardino; Michael Preston, Los Angeles; Robert Ratcliffe, San Gabriel; Douglas Rehberg, Manuel Rosales, Los Angeles; Patrick Rubald, Thousand Oaks.

James Rucker, Redwood City; James Schulte, El Centro; Daniel Smith, Modesto; Daniel Stewart, Bakersfield; Joseph Tromley, Torrance; Betsy Villa, Pomona; Eugene Villa, Pomona; Donald Wall, San Bernardino; Halley Watson, San Diego; James Windley, Los Angeles; Helen Wright, Los Angeles.

COLORADO

Jack Bement, Denver; Lucille Bement, Denver; Peter Fross, Denver; Randy Hoth, Craig; Riley Knight, Denver; Esther Marcy, Colorado Springs; Helen Morgan, Colorado Springs; Mary Murphy, Denver; Larry Nance, Denver; Michael Peck, Aspen; David Spangler, Denver; Nancy Spangler, Denver; Susan Spangler, Denver.

CONNECTICUT

Anthony Annunziata, Norwalk.

DISTRICT OF COLUMBIA

Harry Proctor.

FLORIDA

Herbert Barrick, Fort Myers; Anne Besner, West Palm Beach; Clyde Carter, Jacksonville; Fred Claybaugh, St. Petersburg; Vickie Claybaugh, St. Petersburg; Michael Cromer, Miami; Willie Davenport, Lakeland; Anna Mae Donaldson, St. Petersburg; Donald Gordon, Miami; Charles Holland, St. Petersburg; Bertha Lowe, Tampa; Elbert Ivery, Tampa; Daniel Miles, Jacksonville; Robert Millstein, West Palm Beach; Bobby Monk, West Palm Beach; Roy Pate, Lakeland; George Rowe, St. Augustine; Joe Union, Fort Walton Beach.

GEORGIA

James Brown, Savannah; James Hurd, Albany; Charles Jackson, Savannah; Leo Johnson, Covington; Patrick Landrum, Roswell; Johhny Lemans, Atlanta; Sam McGowan, Cartersville; Gary Potts, Dalton; Irby Stewary, Atlanta; Ernest Youngblood, Hinesville.

IDAHO

Armundo Aragon, Twin Falls; Bobby Johnson, Nampa; Harriet Thorpe, Lewiston.

ILLINOIS

William Abernathy, Chicago; Robert Alcedo, Chicago; John Anderson, Chicago; Francisco Argueta, Chicago; David Arnold, East St. Louis; Reginald Arrington, Chicago; Mae Barber, Chicago; Don Bivens, Danville; Paula Blount, Chicago; Douglas Bogus, Chicago; Edward Campbell, Fairmont City; Benigno Castellanoe, Aurora, Victor Edwards, Chicago.

Randy Foote, Pekin; Katherine Harbold, Chicago; Rickey Haynes, Chicago; William Jackson, Bloomington; Bernard Lerner, Chicago; George Pereida, Chicago; Mary Prestito, Fairmont City; Michale Price, Chicago; Sophie Schwarz, Chicago; Judy Townsend, Charleston; Elbert Tucker, Chicago; Lee Vaccari, Chicago; William Wright, Chicago.

INDIANA

George Franklin, Evansville; Janet Jemiolo, Michigan City; Timothy Keane, Fort Wayne; Dimitri Krstanoski, Hammond; Charles Perkins, Indianapolis, Charles Price, Fort Wayne; Truly Vaughn, Hammond; Donald Waldon, Bedford.

IOWA

Gulam Bijani, Des Moines, and Sabra Bijani, Des Moines.

KANSAS

James Lee Burgess, Topeka; Kenneth Long, Manhattan; Lynette Noland, Topeka; Robert Noland, Topeka; James Swift, Kansas City.

KENTUCKY

Robert Basso, Hazard; James Crowe, Ashland; John Hall, Harlan; Reginia King, Sturgis; Connie Lefevers, Middlesboro; James May, Lexington; Roy McFerson, Danville; Milford Sharp, Danville; Richard Sherrill, Hopkinsville; Mitchell Spicer, Jackson; Sylvester Stevens, Lexington; Connie Whitfield, Evansville; Leonard Wilson, Lexington.

LOUISIANA

William Clark, New Orleans; Russell Corbello, Jennings; Harold Dawson, New Orleans; Frederick Dickerson, New Orleans; Donald Harper, New Orleans; Anthony Hollins, New Orleans; Debra Johnson, Shreveport; Melvin Joseph, Shreveport; Donna Sparkman, New Orleans; Walton Stuckey Sr., Covington; John Tennyson, New Orleans; Sonja Thornton, Bogalusa; Leslie Ware, New Orleans; Michael Whittington, Baton Rouge; Albert Wilson, Shreveport.

MARYLAND

Stuart Biggs, Baltimore; Emmanuel Dahl, Baltimore; Howard Evans, Baltimore; Samuel Hewitt, Baltimore; Mary Lee, Olney; David Moore, Baltimore; Bryant Russell, Baltimore; William Shaffer, Baltimore; Eldie Smith, Baltimore; Edward Stermer, Baltimore; William Zimmerman, Baltimore.

MASSACHUSETTS

Anibal Alamo, Waltham, and Anthony Grosse, New Bedford.

MICHIGAN

Frank Cage, Natchez.

MISSISSIPPI

Leonard Conerly, Columbia; Billy Dear, Brandon; Elbert Easlic, Gulfport; Lou Easlic, Gulfport; Ronald Hazel, Memphis.

MISSOURI

Jack Bishop, Joplin; David Edwards, Kansas City; Larry Fritz, Kansas City; Donald Hubbard, Poplar Bluff; Timothy Lee, Kansas City; Kenneth Long, Kansas City; Nina McKee, Webb City; Greg Moore, Jackson; Terry Schroder, Moberly; Carson Smith, Jackson; James Swift, Kansas City; William Thomasson, Kansas City; Caroly Wood, Kansas City; Richard Zoulek, Kansas City.

MONTANA

Ted Kesler, Columbus; Laura Murrillo, Helena; Ray Murrillo, Helena; Leslie Reynolds, Helena.

NEVADA

Leone Grayson, Las Vegas; Irene Hemry, Reno; William Hemry, Reno; Laura Pang, Reno.

NEW JERSEY

Joseph Fields, Trenton, and Dean Lerch, New Brunswick.

NEW MEXICO

Richard Blaylock, Belen; Elizabeth Inman, Clovis; Gilbert Romero, Albuquerque; Alfonso Sepulveda, Silver City.

NEW YORK

Blanch Ambrose, NYC; Darlan Billups, NYC; Giovanni De Constanza, NYC; Durwood Doane, Mamaroneck; Sanford Koerner, Jr., Nyack; Lawrence Lever, NYC; Stewart Majester, NYC; Stephanie Maxwell, Syracuse; Leroy Smith, NYC; William Terrell, Yonkers.

NORTH CAROLINA

Quincyan Massingill, New Bern, and Donald Watkins, Walnut Grove.

NORTH DAKOTA

Bruce Butler, Minot.

OHIO

Alfred Cramer, Lima; Sherrie Hiatt, Wauseon; Raymond Williams, Middletown.

OKLAHOMA

Evelyn Anderson, Oklahoma City; Beatrice Ains, Okemah; Forest Anderson, Oklahoma City; D. H. Black, Oklahoma City; Patricia Gann, Tulsa; Thomas Gann, Tulsa; Thomas Gorden, Anadarko; June Henneessee, Oklahoma City; Rosa Hill, Oklahoma City; Tom Hill, Oklahoma City; Nina McKee, Oklahoma City; Robert Martin, Oklahoma City; Charles Rashaw, Oklahoma City; Gary Sexton, Shawnee.

OREGON

Gregory Larson, Springfield; Norma Oliver, Salem; Neal Sherwood, Grants Pass; Harold Stutes, Salem.

PENNSYLVANIA

Diller Arney, Philadelphia; Shirley Arney, Philadelphia; Wendell Bassett, Philadelphia; Hazel Blandford, Philadelphia; Charles Bronner, Philadelphia; James Cofer, Philadelphia; Martin Curtis, Philadelphia; Joseph Fields, Philadelphia; Lawrence Froedhlich, Jr., Philadelphia; Reuben Green, York; Wesley Griffiths, Sunbury; Kevin Herter, Philadelphia; Harry Hess, Danville; Henry Johnson, Philadelphia; Renee Johnson, Johnstown.

David Leace, Philadelphia; Morris Benito, Germantown; John Peratree, Philadelphia; Frances Robertson, Harrisburg; Evelyn Robinson, Philadelphia; Wheeler Robinson, Philadelphia; Lillian Schackleford, Philadelphia; Oliver Scott, Brownsville; Edward Smith, Philadelphia; Roosevelt Smith, Philadelphia; Charles Stanchick, Philadelphia; Terry Statts, Danville; William Thompson, Philadelphia; Joseph White, Philadelphia; Lamont Witherspoone, Philadelphia.

TENNESSEE

John Adaline, Knoxville; Bruce Bailey, Nashville; Charles Banks, Memphis; Lee Bellamy, Nashville; Wilma Cunningham, Nashville; Leonard Depew, Knoxville; Frances Dill, Maryville; Floyd Dodson, Jr., Nashville; Lee Emery, Nashville; Kitcherl Fleming, Jr., Memphis; James Griffin, Nashville; Leslie Haisch, Memphis.

Nelson Harness, Knoxville; Sandra Harris, Chattanooga; Rickey Harrison, Knoxville; Mary Hicks, Memphis; Joe Jones, Memphis; Lee King, Selmer; Hubert Loveday, Morristown; Freddie McCarroll, Memphis; Berry Mitchell, Knoxville; Clarence Pritchard, Memphis; Cleveland Read, Memphis; Bryant Russell, Memphis.

Leon Shields, Memphis; William Stamps, Nashville; Julian Stevens, Memphis; Iley Summers, Memphis; Ed Tarkington, Nashville; Glenn Taylor, Lebanon; Kenneth Taylor, Sevierville; Ralph Thompson, Nashville; Johnny Trent, Morristown; Bonel Wheeler, Memphis; Ernie Writesman, Memphis; aMrvin Young, Memphis.

TEXAS

Bruce Acklin, Fort Worth; Christy Acevedo, El Paso; Melvin Adams, Dallas; Pauline Bailey, Forth Worth; Henry Batie, Breckenridge; Jeanette Barton, Fort Worth; Dan Battistoni, Texas City; Lee Berts, Houston; Eugene Boyd, San Antonio; James Brown III, Houston; Chere Buffington, San Antonio; Brian Burris, Houston.

Jim Chadwell, Fort Worth; Lee Chagra, El Paso; Belinda Clark, Taylor; David Cross, El Paso; Maurice Dyber, Euless; Juan Esperticueta, Houston; Dennis Eversole, El Paso; Michael France, San Antonio; Reynaldo Fuentes, San Angelo; Jerry Gardner, Dallas; Jack Griffis, Bryan; Carroll Hambley, Houston.

Jerome Harris, Fort Worth; Joe Hernandez, San Antonio; Mazimo Hernandez, San Antonio; Irene Jackson, San Angelo; Jimmy Johnson, Houston; James Johnson, Houston; Luther Johnson, Lufkin; Anne Jones, Houston; Robert Lane, Fort Worth; Ronnie Malloch, Dallas; Stephen McClain, Dallas; Samuel McDade, Houston.

Edward McDonald, Jr., Houston; John Miller, Fort Worth; Mary Miller, Fort Worth; Jess Morrison, Knoxville; Fay Nicholson, Corsicana; Clyde Norstrom, Fort Worth; Frank Owens, Denison; Sherry Pack, Azle; Frank Pavlis, San Antonio; B. Phillips, Dallas; Kelly Ragsdale, Whitesboro.

Frank Randall, Houston; Georgia Ruiz, Plainview; Enrique Santa Ana, El Paso; David Satterwhite, Houston; Ben Smith, Jr., Fort Worth; David Stagner, San Antonio; Alton Sutton, Houston; Armando Tarin, El Paso; Leticia Vasquez, Houston; Rufus Vickers, Beaumont; Newton Vollers, Brownsville.

UTAH

Patrick McLaughlin, Salt Lake City.

VERMONT

Bessie Dunham, Rutland, and Walter Wood, Rutland.

VIRGINIA

Oscar Carden, Richmond; Charles Casteel, Bristol; Joyce Crocker, Norfolk; Gerald Edmondson, South Boston; Rita Glover, Norfolk; Selda Lewis, Norfolk; Roy Millner, Norfolk; William Ware, III, Lynchburg; Alvin White, Norfolk.

WASHINGTON

Virgil Arbogast, Spokane; Timothy Baird, Pasco; Victor Faasuamalie, Seattle; Michael Taylor, Tacoma; Glenn Willford, Seattle.

WEST VIRGINIA

Kimberly Paulsen, Logan.

WISCONSIN

David Fritsch, Burlington; Richard Harris, Rhinelander; Michael Trapp, Milwaukee.

WYOMING

Kenneth Akes, Cheyenne; J. W. Corbett, Casper; Edward Gingrich, Cheyenne; Phillip Harston, Greybull; Randy Hoth, Wheatland; Keith Skiles, Thermopolis.

Bodycount—Tally by State

Alabama—13.
Arizona—4.
Arkansas—13.
California—70.
Colorado—13.
Connecticut—1.
District of Columbia—1.
Florida—18.
Georgia—10.
Idaho—3.
Illinois—26.
Indiana—8.
Iowa—2.
Kansas—5.
Kentucky—13.
Louisiana—15.
Maryland—11.
Massachusetts—2.
Michigan—1.
Mississippi—5.
Missouri—14.
Montana—4.
Nevada—4.
New Jersey—2.
New Mexico—4.
New York—10.
North Carolina—2.
North Dakota—1.
Ohio—3.
Oklahoma—14.
Oregon—4.
Pennsylvania—30.
Tennessee—36.
Texas—58.
Utah—1.
Vermont—2.
Virginia—9.
Washington—5.
West Virginia—1.
Wisconsin—3.
Wyoming—6.

Last Minute Additions to the Roll of Handgun Dead

Ceser Arceneaux, Pensacola, FL.
Rufus Bishop, Osceola, ARK.
Gilbert Butts, Sturgis, KY.
Lemon Campbell, Jersey City, N.J.
Laney Johnson, Longview, TX.
Alfred Kirchner, Denham Springs, LA.
Henry Leal, Sr., Union City, CA.
Carl Murphy, Longview, TX.
Robert Noble, Houston, TX.
Robert O'Reilly, Palmdale, CA.
Bobby Owens, Jr., Bristol, VA.
William Schuster, Trenton, N.J.
Walter Sparks, Uniontown, PA.
Ceasar Steen, Jr., Gilroy, CA.
Nettie Tolson, Jenkintown, PA.
Donnie Walker, Windthorst, TX.
Charles Whitley, Odessa, TX.
James Witt, Sealy, TX.●

COMMENDATIONS: NEW WING FOR THE LITTLE COMPANY OF MARY HOSPITAL

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 5, 1979

● Mr. DORNAN. Mr. Speaker, it is with respect and admiration that I announce the expansion of the Little Company of

Mary Hospital of Torrance, Calif. The new 95,000 square feet of the hospital represents a significant expansion of existing buildings and will help further the improved medical care of the growing South Bay community. It will provide much needed space for modern diagnostic and therapeutic services including radiology, laboratory, surgery, labor, and delivery.

The 27th District has had a long and distinguished tradition of fine hospital care for the community. The construction of this building will add to this tradition.

I am proud of the reliable, efficient, and excellent service this hospital has given its patients over the past 28 years and I congratulate them on the completion of this fine new facility. I am sure it can only further the exclusive and special care each individual patient will receive, as well as benefit the community as a whole, since proper and modern health care is so vital to all.●

SENATE COMMITTEE MEETINGS

Title IV of Senate resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, placed, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, February 6, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 7

9:30 a.m.

Budget

To resume consideration of committee rules and budget requests.

6202 Dirksen Building

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold oversight hearings on the implementation by the ICC of provisions of the Railroad Revitalization and Regulatory Reform Act (P.L. 94–210).

235 Russell Building

Energy and Natural Resources

To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.

3110 Dirksen Building

Human Resources

To continue hearings on S. 209, to amend the Employee Retirement Income Security Act (ERISA), P.L. 93–406.

4232 Dirksen Building

Environment and Public Works

To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.

4200 Dirksen Building

Veterans' Affairs

To resume hearings on S. 7, proposed Veterans' Health Care Amendments.

412 Russell Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

To hold an organizational meeting to discuss subcommittee assignments and committee rules.

322 Russell Building

Appropriations

Interior and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior and related agencies.

1224 Dirksen Building

Appropriations

Labor-HEW, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for certain independent agencies.

S–128, Capitol

Banking, Housing, and Urban Affairs

To hold hearings to receive testimony from N.Y. State officials on the progress being made by N.Y. City toward balancing its budget and regaining access to the credit markets.

5302 Dirksen Building

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

Foreign Relations

To mark up S. 245 to continue current trade and economic relations with Taiwan.

4221 Dirksen Building

Human Resources

Health and Scientific Research Subcommittee

To receive testimony from Mrs. Rosalynn Carter on a reappraisal of mental health policies.

2228 Dirksen Building

Joint Economic

To continue hearings to examine the President's economic report.

6226 Dirksen Building

10:30 A.M.

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for the defense establishment.

1223 Dirksen Building

2:00 p.m.

Appropriations

Public Works Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for public works projects.

S–126, Capitol

Armed Services

To hold closed hearings on fiscal year 1979 supplemental military procurement authorization requests for the Department of Defense.

212 Russell Building

3:00 p.m.

Banking, Housing, and Urban Affairs

To continue hearings to receive testimony from N.Y. State officials on the progress being made by N.Y. City toward balancing its budget and regaining access to the credit markets.

5302 Dirksen Building

FEBRUARY 8

9:00 a.m.

Human Resources

Child and Human Development Subcommittee

To hold hearings on S. 239, proposed authorizations for FY 1979 for ACTION.

6226 Dirksen Building

Select on Ethics

To meet in closed session to hear motions concerning evidence related to the investigation of Senator Talmadge.

1318 Dirksen Building

9:30 a.m.

Agriculture, Nutrition, and Forestry

Environmental Soil Conservation, and Forestry Subcommittee

To resume hearings on the economic implications of the Department of Agriculture's "RARE II" wilderness proposals, and on the Nation's outlook for timber and lumber supplies.

1224 Dirksen Building

Energy and Natural Resources

To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, and Department of Agriculture.

3110 Dirksen Building

Environment and Public Works

To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.

4200 Dirksen Building

Human Resources

To hold hearings on S. 209, to amend the Employee Retirement Income Security Act (ERISHA), P.L. 93–406.

4232 Dirksen Building

10:00 a.m.

Appropriations

Labor-HEW, and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for certain independent agencies.

S–128, Capitol

Armed Services

To hold closed hearings on proposed fiscal year 1980 authorization requests for military procurement for the Department of Defense, and on proposed fiscal year 1980–85 authorizations for the Department of the Army.

212 Russell Building

Banking, Housing, and Urban Affairs

To hold hearings on proposed legislation to extend for two years through 1981, the Council on Wage and Price Stability.

5302 Dirksen Building

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

Foreign Relations

To hold hearings on the nomination of Leonard Woodcock, of Michigan, to be Ambassador to the People's Republic of China.

4221 Dirksen Building

11:00 a.m.

Commerce, Science, and Transportation

To hold hearings to examine safety problems in the transportation and storage of liquified energy gases.

235 Russell Building

1:00 p.m.

Appropriations

Labor-HEW, and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for certain independent agencies.

S–128, Capitol

2:00 p.m.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for public works projects.
S–126, Capitol

3:30 p.m.
Select Small Business
To hold an organizational meeting on committee budget and other administrative matters.
424 Russell Building

FEBRUARY 9

9:00 a.m.
Agriculture, Nutrition, and Forestry
Nutrition Subcommittee
To hold hearings on the nutritional information contained on food labelings.
322 Russell Building

9:15 a.m.
Judiciary
To hold hearings on S. 241, proposed Justice System Improvement Act.
2228 Dirksen Building

9:30 a.m.
Judiciary
Constitution Subcommittee
To hold hearings on S. 10, authorizing the Department of Justice to initiate suit to enforce constitutional rights to institutionalized persons.
6226 Dirksen Building

10:00 a.m.
Appropriations
Labor-HEW, and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for certain independent agencies.
S–128, Capitol

Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.
5302 Dirksen Building

Joint Economic
To hold hearings to explore the problems of unemployment and training programs among blacks, Mexican-Americans, and other groups.
318 Russell Building

3:00 p.m.
Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.
5302 Dirksen Building

FEBRUARY 13

9:30 a.m.
Human Resources
Education, Arts, and the Humanities Subcommittee
To hold hearings to explore the areas of basic learning skills used in elementary and secondary schools.
4232 Dirksen Building

FEBRUARY 14

9:30 a.m.
Human Resources
Education, Arts, and the Humanities Subcommittee
To continue hearings to explore the areas of basic learning skills used in elementary and secondary schools.
4232 Dirksen Building

FEBRUARY 19

9:30 a.m.
Environment and Public Works
To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
4200 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Office of Special Representative for Trade Negotiations, Foreign Claims Settlement Commission, and the International Trade Commission.
S–146, Capitol

FEBRUARY 20

9:30 a.m.
Environment and Public Works
To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.
4200 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on a proposed joint government/industry program of advanced automotive technology development.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy to hear its Secretary.
1224 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on present U.S. monetary policies.
5302 Dirksen Building

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from Disabled American Veterans.
318 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of Labor.
S–128, Capitol

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Arms Control and Disarmament Agency, Presidential Commission on World Hunger, Securities and Exchange Commission, and on supplemental appropriations for FY 79 for ACDA.
S–146, Capitol

FEBRUARY 21

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed fiscal year 1980 authorization for NASA.
5110 Dirksen Building

Human Resources
Child and Human Development Subcommittee
To resume hearings on S. 4, proposed Child Care Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Navajo-Hopi Relocation Commission and the Institute of Museum Services.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Labor.
S–128, Capitol

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the nominations of Thomas P. Salmon, of Vermont, to be a Member of the Board of Directors of the U.S. Railway Association, and S. Lee Kling, of Missouri, to be a Member of the Board of Directors of the National Railroad Passenger Corporation.
235 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Labor.
S–128, Capitol

FEBRUARY 22

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed fiscal year 1980 authorization for NASA.
5110 Dirksen Building

Veterans' Affairs
To hold hearings on proposed legislation to provide for a judicial review of decisions made by the Veterans' Administration in matters involving claims for veterans.
318 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of Indian Education.
1223 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for ficsal year 1980 for the Department of Labor.
S–128, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for the U.S. Railway Association and the Office of Rail Public Counsel.
235 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Labor.
S–128, Capitol

FEBRUARY 23

9:00 a.m.
Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on the impact of the President's budget proposals for alcoholism programs, and on proposed legislation to deal with alcoholism.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings on present U.S. monetary policies.
5302 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on the nominations of Jesse Hill, Jr., of Georgia, and Joan Fleischmann Tobin, of the District of Columbia, each to be a Member of the Board of Directors of the Communications Satellite Corporation, and Anne P. Jones, of Massachusetts, to be a Member of the Federal Election Commission.

235 Russell Building

Joint Economic

To receive testimony from Advisor to the President on Inflation Kahn on the state of the U.S. economy.

1202 Dirksen Building

10:30 a.m.

Appropriations

Labor-HEW Subcommittee

To hear Secretary Marshall on proposed budget estimates for fiscal year 1980 for the Department of Labor.

S–128, Capitol

FEBRUARY 26

9:00 a.m.

Human Resources

Alcoholism and Drug Abuse Subcommittee

To continue hearings on the impact of the President's budget proposals for alcoholism programs, and on proposed legislation to deal with alcoholism.

4232 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on S. 85, proposed Monteary Policy Improvement Act.

5302 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on the objectives that a national policy on tourism should seek to achieve.

235 Russell Building

2:00 p.m.

Appropriations

State, Justice, Commerce, and the Judiciary Subcommittee

To hold hearings on proposed budget estimates for FY 1980 for the Japan-U.S. Friendship Commission, and on supplemental appropriations for FY 79 for the International Communications Agency and Renegotiation Board.

S–146, Capitol

2:30 p.m.

Appropriations

Labor-HEW Subcommittee

To hear Secretary Califano on proposed budget estimates for fiscal year 1980 for the Department of HEW.

S–128, Capitol

FEBRUARY 27

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.

235 Russell Building

Human Resources

Child and Human Development Subcommittee

To resume hearings on proposed authorizations for FY 1979 for ACTION.

4232 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear its Secretary.

1224 Dirksen Building

Appropriations

Labor-HEW Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for the Health Services Administration, Department of HEW.

S–128, Capitol

Banking, Housing, and Urban Affairs

To mark up S. 108, proposing simplification of the truth-in-lending laws, and on proposed legislation to extend for two years, through 1981, the Council on Wage-Price Stability.

5302 Dirksen Building

2:00 p.m.

Appropriations

Labor-HEW Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for the Center for Disease Control, Department of HEW.

S–128, Capitol

FEBRUARY 28

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on proposed FY 1980 authorizations for NASA.

235 Russell Building

10:00 a.m.

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

Commerce, Science, and Transportation

To resume hearings on the objectives that a national policy on tourism should seek to achieve.

5110 Dirksen Building

10:30 a.m.

Appropriations

Labor-HEW Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.

S–128, Capitol

2:00 p.m.

Appropriations

Labor-HEW Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Nationl Institutes of Health, Department of HEW.

S–128, Capitol

Appropriations

State, Justice, Commerce, and the Judiciary Subcommittee

To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 1979 both for the Department of State.

S–146, Capitol

MARCH 1

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.

235 Russell Building

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of Water Research and Technology

1223 Dirksen Building

Appropriations

Labor-HEW Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.

S–128, Capitol

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.

6202 Dirksen Building

2:00 p.m.

Appropriations

Labor-HEW Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.

S–128, Capitol

Appropriations

State, Justice, Commerce, and the Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980, and on supplemental appropriations for fiscal year 1979 both for the Department of State.

S–146, Capitol

MARCH 2

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on proposed FY 1980 authorizations for NASA.

235 Russell Building

Human Resources

Alcoholism and Drug Abuse Subcommittee

To hold hearings on proposed legislation to renew programs administered by the Alcohol, Drug Abuse, and Mental Health Administration, HEW.

4232 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation

To resume hearings on the objectives that a national policy on tourism should seek to achieve.

5110 Dirksen Building

MARCH 5

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.

1318 Dirksen Building

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.

6202 Dirksen Building

2:00 p.m.

Appropriations

State, Justice, Commerce, the Judiciary Subcommittee

To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 1979. both for the Judiciary.

S–146, Capitol

MARCH 6

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.

1224 Dirksen Building

Appropriations

Labor-HEW Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for the Alcohol, Drug Abuse, and Mental Health Administration, Department of HEW.

S–128, Capitol

11:30 a.m.

Veterans' Affairs

To hold hearings to receive legislative

recommendations for fiscal year 1980 from Veterans of Foreign Wars.

318 Russell Building

2:00 p.m.

Appropriations

Labor-HEW Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for the Health Resources Administration, Department of HEW.

S-128, Capitol

Appropriations

State, Justice, Commerce, the Judiciary Subcommittee

To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 79, both for the Department of Justice.

S-146, Capitol

MARCH 7

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee.

To hold oversight hearings on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.

2355 Russell Building

9:30 a.m.

Human Resources

Child and Human Development Subcommittee

To hold hearings on proposed legislation to coordinate programs designed to prevent domestic violence.

4232 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.

1224 Dirksen Building

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.

6202 Dirksen Building

2:00 p.m.

Appropriations

State, Justice, Commerce, the Judiciary Subcommittee

To continue hearings on proposed budget estimates for FY 1980 for the Department of Justice.

S-146, Capitol

MARCH 8

9:30 a.m.

Veterans' Affairs

To consider recommendations which it will make to the Budget Committee in accordance with the Congressional Budget Act.

412 Russell Building

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.

1224 Dirksen Building

2:00 p.m.

Appropriations

State, Justice, Commerce, the Judiciary Subcommittee

To continue hearings on proposed budget estimates for FY 1980 for the Department of Justice.

S-146, Capitol

MARCH 12

10:00 a.m.

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold hearings on proposed fiscal year 1980 authorizations for the National Rail Passenger Corporation (AMTRAK), and on proposed route restructuring of AMTRAK.

234 Russell Building

2:00 p.m.

Appropriations

State, Justice, Commerce, the Judiciary Subcommittee

To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 79, both for the Department of Commerce.

S-146, Capitol

MARCH 13

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the National Endowment for the Arts.

1224 Dirksen Building

2:00 p.m.

Appropriations

State, Justice, Commerce, the Judiciary Subcommittee

To continue hearings on proposed budget estimates for FY 1980 for the Department of Commerce.

S-146, Capitol

MARCH 14

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on proposed FY 1980 authorizations for NASA.

235 Russell Building

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the U.S. Forest Service, Department of Agriculture.

1224 Dirksen Building

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.

2:00 p.m.

Appropriations

State, Justice, Commerce, the Judiciary Subcommittee

To continue hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 79, both for the Department of Commerce.

S-146, Capitol

MARCH 15

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on proposed FY 1980 authorizations for NASA.

235 Russell Building

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Indian Health Service.

1224 Dirksen Building

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.

6202 Dirksen Building

2:00 p.m.

Appropriations

State, Justice, Commerce, the Judiciary Subcommittee

To continue hearings on proposed budget estimates for FY 1980 for the Department of Commerce.

S-146, Capitol

MARCH 16

10:00 a.m.

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.

6202 Dirksen Building

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold hearings on the Northeast corridor improvement project.

235 Russell Building

MARCH 19

2:00 p.m.

Appropriations

State, Justice, Commerce, the Judiciary Subcommittee

To hold hearings on proposed budget estimates for FY 1980 for the Equal Employment Opportunity Commission, U.S. Metric Board, and the Legal Services Corporation.

S-146, Capitol

MARCH 20

9:30 a.m.

Human Resources

Child and Human Development Subcommittee

To mark up S. 4, proposed Child Care Act, and proposed legislation to coordinate programs designed to prevent domestic violence.

4232 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of Territorial Affairs.

1224 Dirksen Building

2:00 p.m.

Appropriations

State, Justice, Commerce, the Judiciary Subcommittee

To hold hearings on proposed budget estimates for FY 1980 for the Federal Communications Commission and the Small Business Administration.

S-146, Capitol

MARCH 21

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume oversight hearing on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.

235 Russell Building

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of Territorial Affairs.

1224 Dirksen Building

2:00 p.m.

Appropriations

State, Justice, Commerce, the Judiciary Subcommittee

To hold hearings on proposed budget estimates for FY 1980 for the Commission on Security and Cooperation in Europe, Federal Maritime Commission, Marine Mammal Commission, and on supplemental appropriations for FY 79 for the Board for International Broadcasting.

S-146, Capitol

MARCH 22

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the U.S. Geological Survey.

1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Commission on Civil Rights and the Federal Trade Commission.
S–146, Capitol

MARCH 27

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Bureau of Indian Affairs.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To receive testimony from Members of Congress on proposed budget estimates for fiscal year 1980 for the Departments of State, Justice, Commerce, and the Judiciary.
S–146, Capitol

MARCH 29

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.
235 Russell Building

9:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from AMVETS, paralyzed Veterans of America, Veterans of World War I, and blinded veterans.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Endowment for the Humanities.
1224 Dirksen Building

MARCH 30

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.
235 Russell Building

APRIL 3

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of the Secretary and the Office of the Solicitor.
1224 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

APRIL 5

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

APRIL 10

9:30 a.m.
Veterans' Affairs
To hold oversight hearings on the role of the Federal government in providing educational, employment, and counseling benefits to incarcerated veterans.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Fish and Wildlife Service.
1223 Dirksen Building

APRIL 12

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Bureau of Mines.
1223 Dirksen Building

APRIL 24

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Bureau of Land Management.
1223 Dirksen Building

APRIL 25

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear Congressional Witnesses.
1223 Dirksen Building

APRIL 26

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Office of Surface Mining Reclamation and Enforcement.
1223 Dirksen Building

MAY 1

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of the Older American Volunteer Program Act (P.L. 93–113).
4232 Dirksen Building

SENATE—*Tuesday, February 6, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. DAVID PRYOR, a Senator from the State of Arkansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

The Lord is my light and my salvation; whom shall I fear? The Lord is the strength of my life; of whom shall I be afraid?—Psalms 27: 1.

Almighty God, from age to age the same, we know not what the future holds but we know who holds the future. Help us to trust Thee for wisdom as did our fathers, to lean on Thee for strength as did our forebears. In everything that matters give us grace to accent the positive and not the negative, to emphasize hope and not despair, to herald victory and not defeat. However great the burdens or difficult the problems we cast all care on Thee who carest for us. Lead us in the ways of truth and righteousness for Thy name's sake. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 6, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID PRYOR, a Senator from the State of Arkansas, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. PRYOR thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DESIGNATION OF PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the orders have been completed which have been previously entered into there be a period for the transaction of routine morning business not to exceed 1 hour with statements limited therein to 15 minutes each and that no motions or unanimous-consent requests or action be taken that would relate to or prejudice my resolution, Senate Resolution 9, or the motion now pending.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

APPOINTMENT BY THE VICE PRESIDENT

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the Vice President, pursuant to Senate Resolution 4, 95th Congress, appoints the Senator from Maine (Mr. Cohen) to the Select Committee on Indian Affairs, in lieu of the Senator from Colorado (Mr. Armstrong), resigned.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from the State of New York (Mr. Javits) is to be recognized at this time.

Mr. STEVENS. Mr. President, the Senator from New York is on his way, I am informed.

I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold that suggestion?

Mr. STEVENS. I withhold that.

Mr. ROBERT C. BYRD. Out of whose time would that come?

Mr. STEVENS. Does the minority leader have any time?

Mr. ROBERT C. BYRD. Is there another order for recognition?

The ACTING PRESIDENT pro tempore. There is no other special order, but only morning business.

Mr. ROBERT C. BYRD. If the Senator will withhold the request, let me make a request.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for routine morning business, for which I had gotten an order entered, begin at this time without prejudice to Mr. Javits so that the cloakroom might be able to get in touch with him.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Is there morning business?

Mr. STEVENS. Mr. President, on my time I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from New York (Mr. Javits) is recognized for not to exceed 15 minutes.

THE NEED FOR A NATIONAL PRODUCTIVITY IMPROVEMENT POLICY

Mr. JAVITS. Mr. President, it is my intention to speak today at the beginning of the session about the matter which is the bottom line for all of the economic problems that are worrying us and, of course, what is deeply aggravating the American people is the problem of inflation.

Mr. President, the problem of inflation is not going to be solved by tricks with money or by what there is in M–1 or M–2 as the Federal Reserve Board puts it out. Nor is it going to be solved by solemn declarations of how we are going to economize.

The problem of inflation, Mr. President, is only going to be solved by one thing: What we produce and what it costs to produce it.

And this brings us to the real bottom line—which is the productivity of our Nation, which has declined catastrophically and which will not be restored unless we act in an affirmative way by specific measures to restore it. And that is the only thing that beats inflation: What you produce and what it costs to produce it.

Right now the United States is living too high on the hog. That is its problem. It is living on a standard which it is not producing to afford and until it produces that quantity and quality of goods and services which it can afford to sustain its standard of living you are going to have worse inflation than you have now. That is why since 1976 I have suggested to my colleagues that coming up the pike is a very serious economic crunch. It may be somewhat deferred by all the money tricks in which we engage, but it cannot be ended or avoided unless we act to materially increase our productivity.

I have no illusions, Mr. President, as to the amount of publicity which this speech, which I am making today, will get. One look at the press galleries will immediately inform the Chair and the people of the country as to how much real interest there is as yet in this, the most critical of all questions.

But, Mr. President, I was not sent here by the people of New York to just perform for the television cameras. I was sent here by the people of New York to tell my people and the people of the country the truth about what is the situation, and tell it "like it is," as is the curbstone expression, and that is why I make this speech.

It is a cumulative question, and there is a question also of working with our colleagues so that they, too, become impressed with what is the deep fault which exists in our country, and the deep fault, of course, is that we are not keeping our eye on the ball which is in play. We are inventing a lot of balls and illusions but not watching the ball that is in play.

Mr. President, I regret to state that while I thoroughly believe that we should keep the budget deficit down to $30 billion or below—I thoroughly agree with that—the fact is that even if we do, it is not going to have a decisive effect on inflation. The reason is we have a $2 trillion economy and, therefore, Government's power to affect that economy, great as it is, is not as deep and as pervasive as the situation requires.

So, Mr. President, as we begin this last year of the 20th century's eighth decade—a decade that has seen a good deal of turbulence and crisis, in our Nation and in the world—an ominous feeling of unease pervades our country.

While the United States is at peace militarily—and we thank God for that and pray it will endure—our economy remains in the grip of severe uncertainty. Recent events and more endemic long-term trends are like dark clouds on the economic horizon, foreshadowing storms that may come in the decade soon to begin. And while Government officials and economists continue to speak optimistically about the health of the U.S. economy and the prospects for the 1980's, they are unable to dispel the feelings of many Americans that the developments of the 1970's are prelude to what is about to come in the next decade.

In 1979 our Nation must navigate through very narrow and treacherous straits, with the twin perils of runaway inflation and disastrous depression on either side. The United States is, in the eyes of our people, in an economic crisis of major proportions, Mr. President, but many of our leaders refuse to see it for what it is.

Of course, we have made some progress in easing the burden of unemployment—though we realize that our cities and minorities, particularly youth—have not shared equally in that progress. But inflation is always the "wolf at the door"; and the recent resurgence of inflation new to the 10-percent growth range suggests that prices have gained a new momentum and that a new wage and price spiral may be upon us. The persistence of inflation is so eroding to the process by which employment is given that inevitably high unemployment will come right back again if inflation is not controlled.

Meanwhile, interest rates push upward to recordbreaking levels and there are few signs of any moderation. Uncertainty abounds; and many suspect that we are standing at the threshold of a new epoch that will have grave consequences for our way of life.

Is it any wonder, then, that there has occurred a loss of confidence in our national leaders? Should we be surprised when the American people express doubt about whether their leaders fully comprehend and are prepared to meet the challenges that are to come? "Proposition 13 fever" and the "balanced budget amendment," which my own party debated so ardently the other day at Easton, Md., I suspect, reflect less of an anti-Government attitude than a skepticism about what Government is able or willing to do. Americans faced with this choice would rather be left to their own devices, instead of relying upon Government to deal effectively with our country's difficulties. Urban and minority joblessness persist unabated; inflation seems almost out of control; and interest rates soar. Many wonder if anything can be done to avert the major cataclysm to which we appear to be hurtling in the decade which begins only next year.

It is my firm conviction that we can avoid these various perils; that we can bring inflation under control, reduce unemployment and get interest rates down. And I believe we can restore stability in our economy and confidence in our leaders. But we must act and soon, to prepare and launch a new economic policy for the decade ahead; one which is based upon an "economic compact" between business and labor to improve U.S. productivity and job security.

I come from working people, I know what it means to either lose your job or to be laid off or to look across at the next fellow and realize that he has been laid off, and so can I be tomorrow.

So the lesson that our leaders of business have to learn or be taught by Government is that this is a twin responsibility, a responsibility to raise U.S. productivity and, at the same time, to assure job security.

THE KEY ROLE OF PRODUCTIVITY

Productivity is the Achilles Heel of our current national economic crisis. U.S. productivity—the measure of the efficiency or vitality of our economy—has become stagnant in recent years, and this has precipitated and will maintain the new inflationary spiral that threatens to be so destructive of our economy in the next decade.

Let there be no misunderstanding about one thing: Double digit inflation can be destructive of our economy and tear apart the social fabric which holds together our national institutions. But the threat of double digit inflation will persist so long as we treat only the symptoms—with wage and price guidelines, standards, or controls. The underlying cause of inflation needs to be focused upon and dealt with—and that is stagnant U.S. productivity. This is the bottom line: Government cannot really deal with an inflation based on diminishing productivity, for private enterprise is the entity which makes (goods and services) while Government only takes (taxes). To materially reduce standards of living as compelled by low productivity is unthinkable for a democratic Government in peacetime.

The place in which to deal with productivity is the private enterprise system because that still employs 90 percent of our people, and there is one adage which we politicians had better learn, that is the proposition that Government only takes, it is only business that makes. We may do a few little things here and there in Government, but essentially it is the business system which makes the goods and services from which government derives its power and its taxes.

Since increased productivity is the only way—and I emphasize the word "only"—higher wage and other costs can be absorbed without forcing up prices, the reacceleration of inflation can be lessened only by significant productivity improvement. The alternative to productivity growth is much worsening inflation, leading ineluctably to depression and a long-term erosion in our standard of living. In the 1970's we are witnessing the beginning of this insidious process: And it is clear that the decade will end with our being in much worse shape than we were when it began.

U.S. PRODUCTIVITY PERFORMANCE

In the decades 1947 to 1957 and 1957 to 1967, productivity in the private business sector of our economy rose at average annual rates of 3.3 percent; and those periods will be recalled as ones of relative price stability and improved living standards. In the decade 1967 to 1977, however, the rate of productivity growth was only 1.8 percent per year, and the U.S. economy rode the roller coaster of alternating inflation and recession. By 1977, productivity was up only 6½ percent from the 1972 level—an average annual gain of 1.3 percent. And in 1978, according to the President's Council of Economic Advisers, productivity in the private business sector of the economy rose by only four-tenths of 1 percent.

It is critical to note, Mr. President, that there has been a significant disparity in the productivity performance of the manufacturing and nonmanufacturing sectors of our economy. The data show that productivity is the nonmanufacturing sector—mining, construction, transportation, communication, utilities, wholesale and retail trade, finance, and computer and data processing, and other services—actually fell in 1978 by 0.3 perecnt, while productivity in the manufacturing sector rose by 2.5 percent. While it is true that the disparity between these two sectors of our economy goes back to the 1940's it has widened considerably in recent years. As I will explain more fully in a moment, the growth in the ratio of the capital stock to labor-hours worked has slowed considerably in recent years, and more so in the nonmanufacturing sector, thereby precipitating a significant lag in productivity in it. This is a critically important distinction because it deals with the remedies that we must apply.

It is the disparity between these two sectors which is the cancer in the American economic structure.

INTERNATIONAL IMPLICATIONS

The international implications of this decline can be briefly sketched. The fact is that while we have slipped in productivity quite aside from the tab we are paying to the OPEC countries, we have been bested in the export of manufactured goods. The facts show that we have an imbalance in our international trade in manufactured goods where we are supposed to be the strongest, and in the export of goods and services, and all of this heavily contributed to by the non-manufacturing sector in which, by the way, more and more of our people now—about three-to-one—are engaged, and, therefore, which represents the future of the jobs of the American economic society.

In the period from 1960 to 1966 the United States ranked among the world's leaders in manufacturing productivity growth, averaging 4 percent per year. In the 1966–76 era however, the United States fell into the cellar, dropping to a mere 2.2 percent growth rate per year, to last place among the 11 major industrialized nations. During that period, U.S. productivity dropped 45 percent compared to the 1960–66 period, the steepest decline among any of our major trading partners. In fact, the 45 percent U.S. decline was half again as bad as the performance of the second biggest decline, Italy whose productivity dropped 21 percent.

The Council of Economic Advisers concludes that:

This latest deterioration in productivity indicates that the slowdown in 1973–74 was not just a temporary aberration and adds to the accumulating evidence that the secular trend in productivity growth may be considerably less than 2 percent per year.

In short, Mr. President, in this decade the United States has slipped materially; in the eyes of the world, we have lost some of our economic vigor and the dynamism that once lit up the economic sky has begun to flicker. And, unless the trends of the 1970's begin to be reversed now, we could end up before the year 2000 a second rate industrial power and the primacy of the United States in the world could be lost.

What has caused our productivity performance to slip so badly and what can be done?

The inadequacy of capital investment is chiefly responsible, in my judgment, for the dismal productivity performance of the United States in the decade of the 1970's. Perhaps the crowding of relatively inexperienced young and women workers into nonmanufacturing industries has exacerbated somewhat the productivity trends in the particular sector, but it is the lack of capital formation that has been the principle cause of our problem in the nonmanufacturing sector of the U.S. economy—and our policies should be focused on that fact.

Most importantly, relative to earlier decades the United States has had a very low level of capital investment during the seventies. As a result, there has occurred a marked slowdown in the growth of the U.S. capital stock. The U.S capital stock rose by only about 2.8 percent per year over the past 5 years, half the rate of the preceding decade It is estimated that in the nonmanufacturing, nonfarm, sector the capital stock grew at an average annual rate of 4.8 percent from 1948 to 1973, but by only 2.2 percent per year since 1973. In manufacturing the post–1973 growth rate (2.2 percent was only slightly lower than the pre–1973 rate—2.8 percent.

As a result, growth in the ratio of capital to labor declined from 3.1 percent per year in the period 1948 to 1969 to less than 2 percent since 1972. It is very significant that while the capital/labor ratio in manufacturing grew more rapidly in the period since 1973 (+2.8 percent per year) than in the period before 1973 (+1.7 percent per year) in the nonmanufacturing sector growth of this important ratio declined from 3.3 percent per year prior to 1973 to 0.96 percent per year since 1973. Since workers have had relatively less productive tools and equipment with which to work, their productivity has lessened.

Many factors have accounted for the relative decline in U.S. capital investment: Inflation, for one, has reduced real profitability, thereby eroding the wherewithal to invest in new facilities and equipment and modernization. The problem is that we are deficient—and this will or should amaze many people who just read and run—in after-tax profits in this country. Real after-tax profits have grown very slowly over the past decade—thus limiting internal cash flow available for capital spending. Furthermore, permissible depreciation write-offs have been limited to historical replacement costs, which means that true replacement costs which are much higher are a claim on current profits.

This explains why the stagnation of productivity is such a "vicious cycle"—inflation lowers real profits, which leads to reduced investment, which, in turn, is responsible for stagnant productivity, which further worsens inflation.

In addition, some Government regulations have diverted capital appropriations from goods and productivity increasing investments to federally mandated outlays for environmental and similar purposes.

Part of the lag in U.S. productivity growth can be explained also by a persistent decline in U.S. research and development. Since the middle of the 1960's, spending on R. & D. has declined as a percentage of U.S. gross national product. Consequently, U.S. technological innovation, a prime mover of productivity, has not been up to par. There is little doubt that we have lost our role as the world's leader in R. & D.

The very grave danger in our country is that our whole industrial and nonmanufacturing plant is getting completely obsolete, and that explains a good deal of the lag in U.S. productivity growth. Observer after observer points out that in Japan, or even in depressed Britain or depressed Italy, production facilities are much more modern than the production facilities in the United States. We have had a very grave lag in what used to be our strong point; to wit, research and development. We were the great innovators, the great technological progress people of all time. That, too, has contributed materially to productivity stagnation.

Finally, there is the problem of worker morale and the attitudes of workers. We are still, Mr. President, working under the Taylor system, which was the original system developed in order to produce the model-T Ford, way back early in this century. That is still the dominant technique of American industry. No wonder, Mr. President, that many people in the world think the people of the United States, the most powerful people who have ever lived on this Earth, have begun to slip behind.

In recent years the morale of U.S. workers has suffered. Many economists, sociologists, and industrial psychologists suggest that worker dissatisfaction and discontent are a widespread phenomenon at workplaces in U.S. plants and office buildings. The assembly line method of production and the tedium associated with office and clerical work, together with significant increases in educational attainment, technological development, and worker expectations, may be responsible for the occurrence of a remarkable, but as yet unquantified, attitudinal change among American workers.

While it is not possible to quantify this phenomenon as between the sectors of our economy, I suspect that the problem in the nonmanufacturing sector is more severe than is generally believed.

WHAT WE MUST DO

There are, of course, some things that Government can do and has done recently to encourage improved U.S. productivity. Our Nation's tax laws, for example, should be amended to provide greater financial incentives to business for increased investments in productivity boosting technology.

Last year, I joined with Senator DANFORTH of Missouri in an effort to reduce the corporate income tax from 48 to 42 percent over 5 years; to provide more liberal investment tax credits; and to accelerate permissible depreciation allowances; all aimed at encouraging greater capital investment. The capital gains tax cut of last year will help some in this regard, as will the finally agreed upon corporate tax cut to 46 percent.

But I believe we must help to restore through the tax system the necessary incentive and the certainty that is required for greater capital investment—and I shall continue to work toward this goal in the 96th Congress. We have to recognize that a reduction in the corporate income tax from 48 to 42 percent is essential.

Second, we have to provide a much more liberal investment tax credit where it is for machinery to increase America's productive capacity—not the building of new resorts and gambling parlors, but for those things that make America productive. We have to increase our depreciation allowances; we are absolutely archaic in comparison to other industrial countries of the world in terms of depreciation allowances.

We have to encourage the stimulation of capital investment by other measures, including a further cut in the capital gains tax where it is for productivity building purposes. And, contrary to the popular impression of these things, rather than increase the allowable tax exemption for the individual from $750 to $1,000, which represents a small benefit in terms of the money involved, but is an amendment we are urged to adopt because we think it will be popular with the people—though when they go to the grocery store they find they have less buying power than they had before, even though we have passed what we think is a highly popular amendment reducing their taxes—we must restore, in the tax system, a hard system in terms of what it takes to maintain the industrial society.

We need also to maintain the degree of expenditure for research and development. Government can encourage greater R. & D. expenditures by rewarding risk-taking in productive enterprise conducive to the national interest as in new energy sources. The sophisticated technological advances produced by R. & D. investment in the United States constitute the foundation of U.S. industrial competitiveness. The recent relative declines in R. & D. jeopardize this one area where our country historically has maintained a comparative advantage. I would hope we can get R. & D. back up from 2.2 percent at present to 3 percent of GNP, the rate prevailing in 1966, and I shall make this a personal goal for the 96th Congress.

Prof. John Kendrick has recommended in a recent report done by the New York Stock Exchange that the investment tax credit be extended to cover industrial R. & D. and that, if possible, a complete writeoff be permitted in the year R. & D. plant and equipment costs are incurred.

I think these are all very good suggestions and I intend to do all I can to get them given careful consideration in the Congress.

But, a most important way we can stimulate greater capital investment is to bring inflation under control. In my judgment, if we fail to get inflation back down to the 4- to 5-percent range, capital investment in long-term projects will simply evaporate. We must break the vicious cycle by which inflation feeds perniciously upon itself and ultimately makes long-term capital investment impossible.

AN ECONOMIC COMPACT: THE MISSING LINK

But there is a missing link in all this which has failed to get proper recognition. This is the justifiable concern of U.S. workers that productivity improvements will mean lost jobs. Their logic is simple and direct: If a given work force produces 10 percent more, 10 percent fewer workers are needed to produce the same amount that was produced before. Workers need to be convinced that productivity improvements are in their best interests too—not that everyone else will gain while they lose.

This is why I am today calling upon U.S. business and labor to covenant with each other—to join in an historic "New Economic Compact" to work jointly to improve productivity and job security.

I believe we will not get greatly improved productivity and price stability unless U.S. workers are assured that their jobs will not be sacrificed on the altar of productivity improvement.

This means that business must share the gains of productivity improvements equitably with workers; that plant productivity improvement programs be inaugurated jointly by business and labor; and that they be coupled wtih provisions to assure job security for workers involved.

In this connection, the Federal Government can do much to be the catalyst that marshals business and labor support and participation. We need to have a national commitment to productivity improvement; the Federal Government should inaugurate—and soon—a "National Productivity Improvement Policy."

Government could sponsor the establishment of regional productivity councils—to study regional productivity problems and recommend necessary improvements. Such councils could be resource centers available to local businesses to help in dealing with unique regional productivity problems.

In addition, plant, industry and area labor-management committees, of the kind I succeeded in having authorized in the recently enacted CETA law, could begin to place various productivity-improving ideas on their agendas and consider these in conjunction with job security and gain-sharing ideas.

What we need, therefore, is a partnership—between business, labor, and Government—to sponsor and undertake a national and regional program of productivity improvement.

Absent this, Mr. President, we are failing to join with the American worker in what is a mutual responsibility, that responsibility being that while we improve and increase American productivity, what I call the bottom line, we also give him the security of his job.

This is well within the compass of American business: By a historic new economic compact, to assure the worker that improved productivity will insure him of job security, and give him the financial guarantees which are inherent in that understanding.

Mr. President, this is where the American business community ought to dig in its heels. This is where, if we have strikes, we have to take them, in order to resolve this question of whether this country is going to be growing or whether it will stagnate and deteriorate into a second-rate power, as it undoubtedly will, Mr. President, if we do not do the things I have just described and deal with this deep cancer in the American body politic; to wit, the stagnation of the productivity of this country.

If we act soon to make this covenant to promote U.S. productivity, I am convinced the 1980's will be a time of strong economic growth, price stability and full employment—and all can share in the benefits of that abundance.

If we continue as we have been, with business pitted against labor in fighting for larger relative shares in a slower growing economy—and each often lined up against a government that treats the symptoms of inflation instead of its causes—I believe the current wage-price spiral will intensify and sometime soon—by early in the next decade a major economic reverse could ensue.

Our Nation has faced crises before and has always emerged from them undaunted. The impending internal economic crisis could be different; and it will test our ability and our determination, as well as our commitment to freedom. I pray we will have the wisdom, the leadership, and the will to meet that test.

Mr. President, I ask unanimous consent to have printed in the RECORD some relevant pages from the economic report of the President; a copy of the recent New York Stock Exchange report on productivity; some relevant newspaper accounts of the productivity problem; and excerpts from a recent paper on the problem of productivity by Professor Kamrany of USC and Dr. Chereb, who were kind enough to send the paper to me.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 27, 1979]

A SOMBER FORECAST

Once again the emphasis is on inflation. "The corrosive effects of inflation eat away at the ties that bind us together as a people," said President Carter Thursday in the third of the messages—the budget, the State of the Union, and the Economic Report—that make up the traditional January triad. Consumer prices last year rose 9 percent. That was a severe and dismaying increase over the previous year's 6.8 percent, which in turn was an increase over the 4.8 percent rise in the year before that. Where's it coming from?

The conventional explanations begin with the laments about the cold weather last winter and the decline of the dollar. But this country has been through a lot of cold weather without the inflation rates shooting upward, and the dollar began to fall precipitately only in the autumn. There's more to it. The most perplexing, and the most important, part of the explanation appears to be the long, slow drop in American productivity.

Productivity is the average output for every hour of labor, and it's been declining steadily for the past 15 years or so. Last year's performance was particularly poor, running about one-eighth the rate of gain that was normal in the early 1960s. The reasons are not wholly clear. There is an unusually high proportion of young and inexperienced workers in the labor force. Environmental regulations are diverting a lot of investment into benefits like clean air and water that are not counted in the economic statistics. Technological research and development spending is down. Americans save less of their money than they used to, and nonresidential investment—the investment in future productivity—is a smaller share of wealth in the United States than in any other major industrial country.

Everybody can agree that people, in general, ought to show more restraint, spend a little less and help get the inflation rate down. Everybody applauds the president as long as he sticks to theory. It's when the country tries to decide exactly who is to share that burden of restraint, and how it's to be distributed, that the applause dies and people edge toward the exits.

The president's Council of Economic Advisers offers the somber forecast that, over the next five years, American productivity will remain low. The national economy as a whole will grow, they think, no faster in the next five years than it did in the past five. It works out to an annual increase in national output of barely 1 percent for each person employed. It's not an absolute drop in the standard of living. But neither is it the accustomed rise.

That, in turn, makes every kind of political issue more difficult. For the past generation, Americans have had the good luck of being able to settle their disputes in the pleasant atmosphere of an expanding economy. It's always easier to divide the pies when the pies keep getting larger. More people can be cut in, without requiring anyone actually to cut down. New benefits can be added for some people, without taking anything away from the others. But with very slow and uncertain growth, the tensions and frictions get more serious. If the forecast is correct, it warns not only of economic stringency ahead, but a change in the American political atmosphere as well.

[From the Washington Post, Jan. 27, 1979]

UNITED STATES PRODUCTIVITY RISES MODERATELY IN LAST QUARTER

(By Art Pine)

The productivity of American workers rose moderately last quarter, the Labor Department reported yesterday, but the overall gain for the year still amounted only to 0.4 percent—heightening inflation pressures and stunting growth.

The poor showing for 1978 marked the worst performance since the start of the 1974–75 recession, when productivity declined 3 percent. An annual rise in productivity of 3.2 percent a year was considered the norm in the 1960s.

Separately, the department reported first-year wage increases in collective bargaining settlements averaged 7.7 percent in 1978, about the same as in the previous year—a moderate performance considering the inflation rate.

Moreover, pay-and-fringe benefit packages won by larger labor unions slowed to an average 8.4 percent for the first 12 months of the contract, down from 9.6 percent in 1977. Consumer prices last year rose 9 percent.

The combination of statistics bolstered warnings by the Carter administration on Thursday that, largely because of the sharp falloff in productivity, the nation's standard of living is likely to improve only slowly for years to come.

When productivity gains were large, employers could step up production without adding more workers. But when the gains fall short, as they did in 1978, hiring rates accelerate—exacerbating wage increases in the process.

Yesterday's figures showed the fall-off in productivity during 1978 pushed unit labor costs of business up a steep 8.9 percent—also the sharpest increase since 1974—a factor that almost certainly will be passed on in higher prices.

The low productivity performance for the year came despite a moderately strong increase in the final three months of 1978, when productivity rose at a 2.1 percent annual rate, following a 3.5 percent pace the previous quarter.

Productivity refers to the average volume of goods and services the American economy produces for each hour of work performed. In essence, it is a measure of the efficiency of the American economy.

In comparison to last year's 0.4 percent rise, overall productivity climbed 1.6 percent in 1977, 3.5 percent in 1976 and 2.1 percent in 1975.

The 2.1 percent fourth-quarter annual rate and the 0.4 percent rise for 1978 as a whole both were for productivity in the entire private business sector, including agriculture, which sometimes is unstable.

[From the Wall Street Journal, Jan. 29, 1979]

PRODUCTIVITY RISE IN 1978 WAS 0.4 PERCENT, LEAST SINCE 1974

WASHINGTON.—The latest figures on worker productivity fueled the Carter administration's concerns that gains in the standard of living will slow markedly in coming years.

Productivity, or output per hour of work, grew 0.4 percent in 1978, the smallest rise since the recession year of 1974, the Labor Department said. The increase in the nonfarm business sector was 0.6 percent.

President Carter, in his economic report to Congress last week, said the slowdown in the productivity growth rate has "reached serious proportions." He added: "If we ignore the realities of slower productivity growth—if governments continue to press forward with unabated claims on resources, and private citizens continue to demand large gains in money incomes—our inflationary problem will worsen."

Despite this concern about productivity, however, Mr. Carter said in a televised news conference on Friday that he is confident that the economy's performance in the year ahead will match the administration's forecast of gently slowing growth without a recession. "I think that we will reach the goals I described" in the President's budget and economic report to Congress, he said.

Preliminary Labor Department figures on the fourth quarter also showed a marked decline in manufacturing productivity, which in recent quarters had outstripped overall gains in the nonfarm business sector. In the manufacturing sector, output per hour worked rose at seasonally adjusted annual rate of 0.8 percent in the quarter, the department said. The third quarter gain in that sector was 10.8 percent.

The fourth quarter productivity gains in manufacturing were based on a 7.4 percent gain in output and a 6.5 percent rise in the number of hours worked.

The fourth quarter productivity rise in the nonfarm busines sector amounted to 2.3 percent, matching the third quarter increase. That gain reflected a 7.1 percent rise in output and a 4.7 percent increase in hours worked.

The slowing of productivity growth in manufacturing is puzzling to government officials because that sector has been largely fueling productivity gains in recent quarters. "Is this a correction of an earlier anomaly" in which manufacturing productivity far outstripped other industries, "or is this quarter just a blip?" asked one official. "We don't know."

He added, however, that although manufacturing growth in the fourth quarter was "disappointing, we have to realize that over the longer term the disappointment hasn't been in the manufacturing sector."

Slowing or declining productivity is worrisome because when gains in output per hour worked fail to keep pace with wage increases, labor costs go up, and those higher costs tend to bring higher product prices.

The Labor Department figures were published the day after the President's Council of Economic Advisers, in its annual report, concluded that productivity in the private nonfarm sector is likely to grow only about 1.5% annually in coming years, rather than the 2% expected previously.

Recent "deterioration in productivity," the council said, "indicates that the slowdown in 1973–74 wasn't just a temporary aberation and adds to the accumulating evidence" that the long-term trend in productivity growth "may be considerably less than 2% per year."

Although it warned that forecasting productivity growth is "extremely hazardous," the council cited a number of reasons for the declining gains. Low rates of business fixed investment have reduced the ratio of capital to labor in the U.S. and may have knocked half a percentage point off the annual productivity growth rate, the council said.

It also suggested that the growing number of young workers and women in the labor force has reduced the experience level and slowed productivity 0.3 percentage point to 0.4 point a year. Finally, it said, "increased economic and social regulation has aggravate the productivity slowdown in a number of ways." For instance, the council said, new regulatory laws often are associated with "considerable litigation and uncertainty which tends to reduce innovation and investment."

The Labor Department said productivity in the private nonfarm sector grew at an average annual rate of 2.7% from 1948 to 1955, 2.6% from 1955 to 1965, 2% from 1965 to 1973 and 0.9% from 1973 to 1977. For the entire private business economy, the average productivity growth was 3.4% from 1948 to 1955, 3.1% from 1955 to 1965, 2.3% from 1965 to 1973 and 1% from 1973 to 1977.

The department also reported that major collective-bargaining agreements in 1978 gave workers an average 6.5% wage increase over the life of their contracts. That compares with an average 5.8% over the life of contracts signed during 1977. The average wage gain for the first year of the contract was 7.7%, down from 7.8% in 1977.

The statistics don't include gains under cost-of-living escalator clauses.

At the news conference, held at the end of a week in which he had unveiled his budget, presented his economic report and delivered his State of the Union address, Mr. Carter was asked to justify the administration's forecast of continued economic growth, a narrowing federal deficit and slowing inflation.

"I think our economic projections are accurate," Mr. Carter said, observing that there are a number of factors that cause the administration analysis to be more optimistic than other forecasters.

First, he said, "we took into account" the economy's strong growth in 1978's fourth quarter. Secondly, "we anticipated good results from our anti-inflation effort and this is mirrored in the projections for this year." The administration, he added, also sees "a good prospect for retaining a stable dollar" in the year ahead, a substantial reduction in the trade deficit and greater convergence in the economic performance of the U.S. and its major trading partners.

Once again, Mr. Carter defended his budget for the fiscal year beginning next Oct. 1 as "balanced" and responsive to the needs of the poor. "I haven't robbed the poor" to provide for the increases in defense spending, Mr. Carter maintained. In fiscal 1980, defense spending is projected to climb 3% after adjustment for inflation.

The new budget, which calls for spending of $532 billion and a deficit of $29 billion, will "stand the test of the most intense scrutiny" by Congress, he said.

THE ECONOMIC REPORT OF THE PRESIDENT, JANUARY, 1979

THE PRODUCTIVITY SLOWDOWN

Productivity growth in 1978 showed a very marked slowdown from accustomed rates, adding substantially to inflationary pressures and raising fundamental concerns about underlying trends. With real GNP growth of about 4 percent over the year, exceeding the normal trend rate of growth, most observers expected that productivity in the private nonfarm sector would grow at least 2 percent. Instead, as seen in Table 15, productivity showed essentially no improvement, increasing only 0.6 percent in the course of the year. The slowdown was concentrated in the nonfarm, nonmanufacturing sector, where productivity actually declined 0.3 percent during 1978. Productivity growth in manufacturing, on the other hand, was strong.

The slow productivity growth over the past 2 years adds to the accumulating evidence that the underlying trend in productivity growth since 1973 has been substantially lower than in earlier periods. Between 1948 and 1965, productivity growth in the private nonfarm sector averaged 2.6 percent per year. In 1965–73 this rate declined to 2.0 percent. Since 1973, private nonfarm productivity growth has averaged less than 1 percent per year. In the following examination of recent evidence on productivity growth and the discussion of its implications for the growth of potential output, the key questions raised by recent experience are these: Was the recent poor performance of a nonrecurrent extraordinary event, from which we will soon bounce back? Or does the recent lag in productivity indicate that the U.S. economy has entered a period of very slow productivity growth?

Productivity determinants

During most of the postwar period the economy produced productivity gains exceeding 3 percent annually, as shown in Table 15. However, a number of the factors generating the strong productivity growth between World War II and the mid-1960s have since been reversed.

TABLE 15.—LABOR PRODUCTIVITY GROWTH, 1948–78

[Percent change per year]

Sector	1948–55	1955–65	1965–73	1973–77	1977–78[1]
Private business economy	3.4	3.1	2.3	1.0	0.4
Nonfarm	2.7	2.6	2.0	.9	.6
Manufacturing	3.3	2.9	2.4	1.5	2.5
Nonmanufacturing	2.4	2.4	1.7	.6	–.3

[1] Preliminary.

Note: Data relate to output per hour paid for, for all persons.

Source: Department of Labor, Bureau of Labor Statistics.

For example, between 1948 and 1973 high rates of private investment led to a growth in the capital-labor ratio (measured by the ratio of the net nonresidential capital stock to aggregate hours worked in the private nonfarm sector) amounting to almost 3 percent per year. Since 1973, as a result of low rates of investment, that growth rate has dropped to 1¾ percent per year. Although the precise effect of slower growth in the capital stock is hard to measure empirically, analytical studies estimate that it could well have reduced productivity growth by up to one-half of a percentage point per year from earlier trends.

Productivity growth has also been reduced by a dramatic shift in the age-sex composition of employment. Starting about 1965, the children of the postwar baby boom attained working age, adding many young and inexperienced workers to the labor force. Rapid increases in the labor force participation of women also added to the supply of less experienced workers. If average earnings of each sex-group are used as a rough approximation of the relative productivity of its members, losses in productivity growth due to increase in the proportion of young and inexperienced workers in the labor force may be calculated. Such demographic shifts in employment can explain a reduction of 0.4 percentage point in the annual growth rate of productivity between 1965 and 1973. Since 1973 this trend has slowed as the new workers that entered the labor force between 1965 and 1973 have become older; and, for the more recent period, the reduction has been closer to one-third of a percentage point.

Increased economic and social regulation has aggravated the productivity slowdown in a number of ways. Productivity is a measure of output produced per unit of resources used in production. Economic regulation, as in transportation, precludes labor and capital from flowing to those uses that have a relatively high value. The effects of social regulation are more complicated. The gains from social regulation—in such forms as reduced pollution and greater safety—are generally not included in measured output. When an increasing fraction of society's labor and capital resources is diverted to producing these gains, measured productivity growth is reduced.

In addition, important indirect costs are generated by social regulation. The implementation of new regulatory statutes is often associated with considerable litigation and uncertainty which tends to reduce innovation and investment. Moreover, some regulations specify or suggest the technology to be used to meet new standards, rather than prescribing a level of performance to be attained. As a consequence, innovations that could meet the standards at lower cost are not encouraged.

On an aggregate basis one private study estimates that for 1968–73 the direct costs of compliance with environmental, health, and safety regulations may have reduced the annual growth of output relative to total inputs in the private nonfarm sector by 0.1 percentage point. Similar estimates for 1973–78 are incomplete, because of lags in the compilation of data, but according to preliminary estimates these restrictions may have subtracted an additional 0.3 percentage point from annual growth of output relative to inputs since 1973.

Productivity growth has fallen significantly in many industries over the past several decades. (See Table 16.) The costs of regulations have increased substantially in some of these industries but not in others. For example, from 1950 to 1965 labor productivity in mining grew 4.3 percent per year, but since 1973 it has declined at an annual rate of 6.1 percent. In the late 1960s and early 1970s stringent mine safety laws began to take effect. Some part of the productivity decline in mining can be attributed to other factors, and there have been such measurable benefits as lower accident rates, but regulation has undoubtedly been very costly in terms of real output per hour worked. In the utilities sector, growth in output per hour worked fell successively from 6.1 to 3.5 to 0.2 percent per year in 1950–65, 1965–73, and 1973–77. While a number of influences have been at work to reduce productivity growth in this industry, the increase in environmental regulation had an important bearing.

The loss of productivity growth as a consequence of increasing social regulation does not itself imply that the costs of regulation exceed its benefits. It has already been noted that the output measures generally used to calculate productivity do not include environmental improvements and other benefits of regulation. Nevertheless, the magnitude of the productivity effects does highlight two facts: regulation is very costly; and benefits should be closely compared with costs in the design of regulatory legislation and specific regulations.

Some have suggested that a decline in the intensity of research and development in the United States may be a significant cause of the productivity slowdown. The evidence for such a view lies in the falling ratio of research and development expenditures to total output; this ratio reached a peak of 3.0 percent in 1964, but has since dropped to an estimated 2.2 percent in 1978. Most of the reduction can be attributed to a substantial cutback in military and space-related research—research that may have a somewhat less direct effect in increasing aggregate output per hour worked in the private sector than basic research or private research and development. Private industry has consistently provided about 1 percent of GNP for research and development since the mid-1960s. In the course of time, however, the direction of industry's research and development activity may have shifted away from basic research and new product development in response to such influences as the changed regulatory environment.

Little of the 1965–73 decline in private nonfarm labor productivity or the further reduction in 1973–78 seems to stem from shifts in the industrial composition of employment. Although movement out of the farm sector added a sizable productivity bonus in the early postwar years, this process had ended by the mid-1960s. Further, even though the proportion of the work force engaged in manufacturing has grown smaller since 1965, the level of manufacturing productivity has been about the same as that of the private nonfarm sector as a whole; the sectors of the economy employing larger proportions of the work force include some with higher and some with lower levels of productivity, and hence the shift has left aggregate productivity more or less unchanged.

Productivity growth since 1973

Productivity growth in the nonfarm business sector since 1973 has been unusually erratic. Although growth during 1976 was in line with the 1965–73 trend, there were abnormally low growth and even declines in 1973–74 and 1977–78. The productivity decline in 1973–74 was particularly striking. Labor productivity in the nonfarm business sector fell in every quarter from the second quarter of 1973 to the fourth quarter of 1974, dropping a total of 4.2 percent in a 7-quarter period. On the basis of the usual relationship between fluctuations in productivity and fluctuations in output, no more than 1 percentage point of that decline could be attributed to the sharp recession during the period. The additional drop of 3.2 percentage points accounts for much of the difference between the expected 2 percent annual growth rate between 1973 and 1977 and the 0.9 percent rate that actually occurred.

In both 1977 and 1978, productivity growth was again disappointing. Although private nonfarm productivity was expected to increase at least 2 percent per year, it grew instead at only 1.3 percent in 1977 and 0.8 percent in 1978. This latest deterioration in productivity indicates that the slowdown in 1973–74 was not just a temporary aberration and adds to the accumulating evidence that the secular trend in productivity growth may be considerably less than 2 percent per year.

Recent deviations of productivity from its postwar trend have been so pronounced that one is tempted to search for the influence of special factors. Some suggest that the oil embargo of 1973–74 and the subsequent quadrupling of oil prices had an adverse impact on productivity growth. However, it is difficult to find a mechanism by which an oil crisis could have such an immediate and severe effect on the economy. Widespread declines in productivity growth rates would only occur as adjustments of production methods to economize on energy took place. Actually, adjustment to the new oil prices has been extremely slow. Moreover, other countries in which energy prices rose more than in the United States did not show such large productivity declines. In general, possible productivity-reducing effects occur as firms substitute labor or cheaper fuels for oil, or as energy-inefficient plant and equipment are replaced, but these effects will be spread very gradually over a long period.

There is no obvious set of special factors that could explain the poor productivity record of 1978. Year-to-year variations, however, have always been substantial, and deviations from trend of as much as 1 percentage point are not unusual. If the long-term growth rate of productivity has fallen well below earlier rates, as now seems likely, a year with a very small increase in production should occasion little surprise.

Part of the decline in the growth of private nonfarm productivity between 1965 and 1973 was attributable to reduced productivity gains in the construction and financial sectors. Statistics on productivity in these sectors (and those in the government sector) are notoriously bad, and so it could be argued that the apparent reduction in productivity growth during this period was a statistical artifact. However, the further widespread decline since 1973 lends no support to that interpretation.

Table 16 shows the pattern of labor productivity growth (gross product originating per hour worked) for 13 major industries. In almost every sector of the economy the growth of productivity has slowed appreciably. Data for 1978 are not yet available; but, given the aggregate productivity performance last year, sectoral averages for 1973–78 will be even lower than for 1973–77, except perhaps in manufacturing.

POTENTIAL GNP

Behavior since 1973

The erratic productivity performance of the last 5 years raises serious questions about earlier estimates of the economy's productive potential. Potential GNP is defined as the level of real output that the economy could produce at high rates of resource utilization. The *level* of potential output is less meaningful that its *rate of growth*. The latter gives the best estimate of how much the economy can actually grow over the next few years without putting additional pressure on labor or product markets. Before making a judgment of the future trend for potential output, it is useful to review the growth of potential over the last 5 years and to examine recent behavior of the unemployment rate.

TABLE 16.—PRODUCTIVITY GROWTH BY INDUSTRY, 1950–77

[Percent change per year]

Industry	1977 output share (percent)[1]	1950–65	1965–73	1973–77
Agriculture	2.9	4.9	3.6	3.0
Mining	1.5	4.3	1.9	−6.1
Construction	4.3	3.4	−2.1	.3
Manufacturing:				
Nondurable	9.9	3.2	3.3	2.2
Durable	14.4	2.5	2.2	1.2
Transportation	3.9	3.0	2.9	1.0
Communication	3.2	5.3	4.6	6.7
Utilities	2.3	6.1	3.5	.2
Trade:				
Wholesale	7.3	2.6	3.4	−.8
Retail	10.0	2.3	2.1	.8
Finance, insurance, and real estate	15.4	1.6	.2	2.3
Services	12.0	1.2	1.7	−.3
Government	12.5	.4	.5	.1
All industries:				
Current weights	100.0	2.7	2.0	1.1
Fixed weight (1977 output weights)		2.6	1.9	1.1

[1] Detail may not add to 100 percent because of rounding.

Note.—Growth data relate to output per hour worked for all persons.

Source: Department of Commerce (Bureau of Economic Analysis) and Council of Economic Advisers.

The Council of Economic Advisers has undertaken several reexaminations of the conceptual as well as the empirical basis of potential output over the last 3 years. These studies led to a significant reduction in 1977 in the estimate of the growth of potential, lowering the estimate to 3½ percent annually for the period from the fourth quarter of 1968 onward. Previously, the growth rate of potential had been estimated to be 4 percent for the period from the fourth quarter of 1968 to the fourth quarter of 1975 and 3¾ percent thereafter. The 1977 revision, discussed in the 1977 and 1978 *Economic Reports*, puts the potential GNP in 1978 at $1,462 billion (1972 prices), about 5.6 percent higher than actual GNP.

The 1977 and 1978 estimates were based on a higher benchmark unemployment rate and on the optimistic assumption that the productivity decline in 1973–74 was an aberration that would be subsequently corrected. The underlying productivity trend was therefore assumed to be equal to that observed between 1965 and 1973. For that assumption to prove correct, strong increases in productivity would have had to occur since 1974. Productivity growth in 1975 and 1976 did show substantial improvement, keeping open the possibility that productivity would return to the level indicated by the 1965–73 trend; and early in 1978 initial productivity statistics suggested a sizable 3 percent gain for 1977. However, the subsequent downward revision of the productivity statistics for 1977 and the very poor productivity performance of 1978 make the earlier view untenable. It no longer seems reasonable to assume that the exceedingly poor productivity growth in 1973–74 and 1977–78 represented statistical aberrations or one-time events, implying no reduction in the long-term trend. Downward revisions of our estimate of long-term productivity growth and of potential GNP are clearly necessary.

The uncertainty about the growth of potential output over the 1973–78 period requires one to distinguish three factors affecting productivity: its long-term trend, its cyclical movements, and the erratic declines from trend that occurred in 1973–74 and to a lesser extent in 1977–78.

It is possible to place rough bounds on the range in which the 1973–78 trend of productivity growth must lie by examining two separate views. The optimistic view holds that 1973–74 was a period in which productivity and potential output dropped as a result of nonrecurring factors affecting the level of productivity, after which the long-term trend of productivity growth resumed its earlier pace. On this basis we calculate the long-term trend rate of growth in productivity from 1973 to 1978 to be about 2 percent per year and the growth of potential GNP over this period to be 3.5 percent per year. Such a view of productivity behavior interprets the 1977–78 performance as another marked aberration, which has temporarily reduced productivity well below its long-term trend.

The pessimistic view holds that the 1973–74 period was not extraordinary. According to this view long-term productivity growth began to slow substantially after the mid-1960s, although unexpectedly favorable developments in late 1972 and in early 1973 disguised the fact. The poor average performance of productivity since early 1973 reflects that slowdown, and the particularly disappointing episodes in 1973–74 and 1977–78 are fluctuations around a greatly reduced long-term trend. According to this interpretation the estimate of potential should be based on a long-term growth of productivity which follows a much slower pace after 1973. This pessimistic version produces an estimated long-term trend rate of productivity growth during the past 5 years of around 1 percent a year, and a growth of potential GNP of only 2.5 percent annually over the 1973–78 period.

Placing an exact number on recent potential growth is extremely difficult. The growth of potential from 1973 to 1978 probably falls between the two extremes. The 1973–74 productivity shock was to some extent nonrecurrent. But the deceleration in productivity in recent years is too striking to ignore in estimating the long-term trend.

Unemployment forecasts

Another way of analyzing the growth of potential output over the 1973–78 period is to examine the actual behavior of real GNP and unemployment in this same period. Particularly since mid-1977, the behavior of the unemployment rate has been a puzzle. In the economic forecasts underlying the 1979 budget, for example, real GNP was forecast to rise 4.7 percent over the 4 quarters of 1978 and an additional 4.7 percent in 1979. On the basis of estimates that assumed a potential growth of 3.5 percent per year, the unemployment rate was forecast to reach 5.8 percent in the fourth quarter of 1979. In fact, it reached that level a year earlier, even though real GNP growth in 1978 was less than expected.

The most common method of forecasting the unemployment rate relates that rate to the gap between actual and potential GNP—the relationship known as Okun's law. Over the postwar period a cyclical coefficient of 2½ has been observed; that is, a reduction of 2½ percentage points in the gap between potential and actual GNP could be expected to lower the unemployment rate by about 1 percentage point. Although aggregate data may be unreliable, there is some suggestion that the cyclical coefficient was closer to 3 in early years and may have declined to near 2 in the 1970s.

The use of this relationship and previous estimates of potential GNP produced substantial overestimates of the unemployment rate in 1977 and 1978. For example, from the fourth quarter of 1976 to the fourth quarter of 1977, real GNP grew 5.5 percent, reducing the estimated GNP gap by 2 percentage points under the old definition of potential. The expected reduction in the unemployment rate was 0.8 percentage point; the unemployment rate actually fell by 1.2 percentage points.

Last year produced a similar surprise: a 4.3 percent increase in real GNP with a 3.5 percent growth of potential output should have lowered the unemployment rate from 6.6 to 6.3 percent from the fourth quarter of 1977 to the fourth quarter of 1978. Instead, the unemployment rate was reduced to 5.8 percent, 0.5 percentage point more than expected. Given the unemployment rate at the end of 1976 and the actual path of output since then, unemployment by the end of 1978 was 0.9 percentage point lower than was expected, if it is assumed that potential GNP grew at 3.5 percent per year. By revising downward our estimate of the growth of potential GNP from 3.5 to 3.0 percent per year, about half the unanticipated drop in the unemployment rate can be explained. The remainder is within historical error margins for the output-unemployment relationship.

Revised estimates

Weighing recent trends in productivity and labor force growth, as well as the unemployment-output relation, one can form a rough judgment about the trend in potential output over the 1973–78 period. Clearly, placing an exact number on potential growth is very difficult. On balance the Council's view is that potential output has grown at an average rate of 3 percent during the last 5 years.

The 3 percent overall growth rate of potential between 1973 and 1978 can be broken down into the following components: a 2.5 percent annual growth in potential employment, a 0.5 percent per year decline in annual hours per employee, and a 1 percent per year growth in productivity. Reflecting the large decline in 1973–74, the 1 percent productivity growth during the past 5 years was about one-half of 1 percentage point below our estimate of the long-term trend (discussed below). But its effect in depressing potential GNP was offset by an annual growth in the labor force about one-half of 1 percent above its long-term trend.

The latest estimate puts potential GNP at $1,423 billion in 1978. Chart 7 shows the latest revision of potential output (labeled 1979 potential) along with the two earlier versions. The revised data are in Table 17. Actual GNP in 1978 was only about 2¾ percent below its potential level.

TABLE 17.—POTENTIAL GROSS NATIONAL PRODUCT AN BENCHMARK UNEMPLOYMENT RATE, 1973–78

[Billions of 1972 dollars, except as noted]

Year	Potential GNP	Actual GNP	GNP gap (potential less actual)	Benchmark unemployment rate (percent)
1973	1,227.0	1,235.0	—8.0	4.9
1974	1,264.2	1,217.8	46.4	5.1
1975	1,302.1	1,202.3	99.8	5.0
1976	1,341.1	1,271.0	70.1	5.1
1977	1,381.4	1,332.7	48.7	5.1
1978	1,422.9	[1] 1,385.1	[1] 37.8	5.1

[1] Preliminary.

Sources: Department of Commerce (Bureau of Economic Analysis) and Council of Economic Advisers.

Future trends

Projecting potential GNP growth into the future is subject to large errors. Growth of the labor force in recent years has varied substantially. In the past 5 years, the surprisingly low productivity growth has been offset, as noted above, by higher than expected increases in the labor force, producing more growth in potential output than would have seemed likely from the low productivity statistics alone.

The wide variation in productivity growth rates since 1973—and our inability to determine precisely the underlying trend of such growth during these years—make predicting future rises in private nonfarm productivity unusually hazardous. Improved growth in investment during the past 2 years should help to improve productivity growth over the next 5 years. At the same time, labor force growth should decline when the young people born in the baby boom have entered the labor force. This demographic reversal should also add to productivity growth, as the drop in the average age and experience of the labor force tapers off. These positive developments, however, may well be offset to some extent by increased regulatory burdens.

Studies by the Council of Economic Advisers indicate that the range of estimates of productivity growth per hour lies between 1¼ and 2¼ percent annually over the next 5 years. These estimates are based on the alternative hypotheses about the 1973–74 period discussed earlier. Taking account of recent disappointing productivity developments, our forecast is for a productivity growth of 1½ percent annually over the next 5 years. This projection is based on the view that some part—less than half—of the 1973–74 drop in productivity represents nonrecurrent events; in addition, it does not assume any rebound of productivity growth from recent trends back toward those experienced in the 1950s or 1960s.

Other components of anticipated potential growth over the next 5 years are these: an expected fall in hours per employee of one-half of 1 percent annually; an average rise in the labor force participation rate of three-fourths of 1 percent annually; and a rise in the relevant population averaging 1¼ percent annually.

Taken together these components imply a growth in potential output over the 1978–83 period of 3 percent annually, the same as the revised estimate for 1973–78. It is recognized that we are in a period of adjustment to new trends in energy, regulation, and international competition, that an attempt to estimate the underlining trend is therefore extremely hazardous, and that estimates of productivity growth are particularly subject to large margins of error.

THE UNIVERSITY OF SOUTHERN CALIFORNIA, OFFICE OF INTERDISCIPLINARY PROGRAMS,

July 24, 1978.

Hon. JACOB JAVITS,
U.S. Senate,
Washington, D.C.

DEAR MR. JAVITS: I am attaching herewith a copy of a paper on the United States productivity trends which Dr. David Chereb and I completed.

This paper examines empirically the reasons for the decline in U.S. productivity and I hope you will find it of interest.

Sincerely yours,

NAKE M. KAMRANY,
Professor, Economics Director, Program on Productivity and Technology.

RECENT PRODUCTIVITY PERFORMANCE OF THE UNITED STATES: AN EMPIRICAL ANALYSIS

(By Nake M. Kamrany and David M. Chereb)

I. INTRODUCTION AND SUMMARY

The emergence of stagflation (the simultaneous occurrence of inflation and unemployment), the unfavorable balance of merchandise trade, and the poor performance of the economy, once again, have drawn the attention of the policy makers to the issue of the United States *productivity performance*. In the discussion that follows, we have empirically analyzed the relevant data (time series and cross section comparison) concerning the United States productivity. We believe that the implications of the data are convincing in that (a) productivity in the United States appears to have been declining since at least the mid-sixties, (b) the declining trend of productivity growth is not to be discounted as seasonal or cyclical. The analysis points to a long-term decline.

This long-term down trend was pointed out by Professor William D. Nordhaus of Yale University (now a member of the Council of Economic Advisors), as shown below:*

Periods:	*Percent annual growth per man-hours*
1948–1955	3.11
1956–1965	2.51
1965–1971	1.88

The data that we have examined below examines the various dimensions of the productivity performance of the United States up to 1977.

An important policy implication of these trends calls for a serious consideration of the development, formulation, and implementation of technology policy tools to supplement the existing macroeconomic fiscal and monetary policy tools. It is our contention that while fiscal and monetary tools are rather effective to cope with short-term cyclical problems, these tools need to be supplemented with technology policy tools which would also cope with long-term trend and structural changes.

Over the last decade (1967–77) the average productivity growth was 1.8%, almost half of the rate during the 1959–67 period (3.4%). The non-cyclical reasons for the decline in the rate of productivity growth are rooted in a decrease in the rate of investment in (1) education, (2) capital stock, (3) research and development technology, and others which include the quality of the labor force, structural changes, resource allocations, economics of scale and labor force life-sex composition. In contrast to the United States, the rate of investment in the above variables have increased among the United States competitors such as Japan, the U.S.S.R., and Western Europe. The results are obvious. Japan's rate of productivity has been three times higher than that of the United States. The effects of lower productivity rates are evident upon inflation (price index). The 1974 double digit inflation of 11% corresponded to a 2.9% productivity change, both unprecedented since the post World War II period. Likewise, the data in the succeeding sections demonstrate that industries with high rates of productivity (high technology industries) have experienced major increases in employment in manufacturing. The empirical analysis includes case studies of steel (an ailing industry in the United States) and aerospace (an industry of major significance to the Southern California economy).

Productivity performance refers to the ratio of output to input. The historical prosperity of the United States at home and the country's prestige and influence abroad is rooted in its productivity. The United States economy's ability to produce "bundles" of goods and services of better quality at lower prices has been made possible by its technological capabilities. According to our leading economists' estimates, the share of technology inputs in the U.S. economic growth per capita amount to almost 40 percent, i.e., technology is responsible for 40 percent of the growth rate of output per person in the U.S. economy. It follows, then, that productivity is a function of the rate of technology enhancement. Historically, the U.S. economy's best growth periods, in terms of *GNP* and *employment*, have been the periods of rapid technological innovation.

An examination of the post-war record shows a slowdown in the productivity growth rate—especially since 1965—over and above that which can be explained by cyclical fluctuations. Moreover, in terms of the U.S. performance with other industrial nations, it is noted that the U.S. average rate of growth in GNP per employed civilian is less than half that of Western Europe, U.S.S.R., and Japan (see Table 1).

One of the major underlying reasons for the decline is attributed to a decline in R & D effort for economic development, as shown in both time-series and cross-comparison data in Table 2, on page 9. Thus, the recent slowdown in the rate of productivity cannot be discounted as cyclical and, if left alone, the gap between our technological potential and actual output is likely to continue through 1990. A number of recent standard economic forecasts of the GNP for the next 15 years show some deceleration as compared to the last 15 years:

Percent average annual growth rate in real terms

Periods:	
1960–1975	4.0
1976–1990	3.3

TABLE 1.—AVERAGE RATE OF GROWTH IN GNP PER EMPLOYED CIVILIAN

[Percent per year]

Country	1870–1950	1950–65	1965–71
United States	2.4	2.5	1.3
France	1.7	4.6	4.9
West Germany	1.6	4.8	4.3
Belgium	1.6	3.0	3.7
Netherlands	1.1	3.7	4.7
Italy	1.5	5.5	5.7
United Kingdom	1.6	2.2	2.5
Unweighted average for 6 European countries	1.5	4.0	4.3
U.S.S.R	[1]1.7	4.2	4.3
Japan	[1]1.4	6.8	9.6

[1] Growth in per capita GNP.

Source: Michael Boretsky, "Trends in U.S. Technology: A Political Economist's View," American Scientist, January–February, 1975, table 2.

There are a number of reasons for the projected decline in the rate of productivity and in the GNP including:

Slower growth of the labor force;

A shift in the demographic composition of the labor force;

A shift in the ratio of nonproductive to productive population;

A slowdown in the rate of increase in the stock of plant and equipment due to the 1974–75 recession (this underinvestment in plant and equipment is likely to continue for another three to four years due to a slow recovery rate);

Expenditures required for pollution and environmental conditions;

Higher costs of energy and raw materials;

A shift toward industries with low productivity levels; and

A decline in the rate of technological enhancement as measured in R & D expenditures for economic growth.

Even in the short run, over the next two years (1978–80), if we wish to reduce the unemployment rate by approximately two percentage points (from 6+ percent to 4+ percent), it will take a growth rate in output of from 11 to 12 percent (5–6 percent in real growth and 5–6 percent in price rise) to bring down the unemployment rate. (The assumption here is that the output gap is nearly three times the employment gap.) In order to reach this objective, it may be necessary to increase the money supply at a 6–7 percent rate (in real terms) per year plus fiscal policies—especially to include a reduction in corporate tax via investment incentive write offs, reduction in income taxes, a temporary reduction in excise taxes—and an appropriate technology policy for a major "technological push" especially in process innovation.

New technology originates in both the private and public sectors and is a function of R & D expenditures. Public sector expenditures have been primarily in large systems directly related to NASA and the national security. With a number of exceptions, their spillover into the civilian economy has not proved to be significant. Nevertheless, as shown below, R & D expenditures have gone down in both the public and private sectors since 1963, although the rate of decline was more pronounced in the public sector. It should be noted that two-thirds of private sector investment in technological innovation is directed at product innovation rather than process innovation although the synergistic impact of process innovation precipitates much greater growth in output, employment, exports, and social rate of return than product innovation. The above observation leads us to the following observation:

There appears to be an imbalance between the actual and desired rate of increase in process technology enhancement to meet national requirements and to satisfy the economy's productivity, employment, and growth needs.

Moreover, it is worth noting that since 1950 the rate of growth of GNP per civilian employed in the U.S. has shifted from a favorable position vis-a-vis other industrial nations to an unfavorable position (see Table 2).

One of the major underlying reasons for the U.S. decline is attributed to a decline in R & D effort for economic development, as shown in both the time-series and cross-comparison data found in Table 3.

SUMMARY

1. U.S. prosperity at home and influence abroad is rooted in the national productivity rate.

2. Productivity is a function of the rate of technological advance.

3. Since 1965, the rate of U.S. productivity has experienced a slowdown.

4. A major underlying reason for the slowdown in U.S. productivity is the decline of public and private investment in technology as measured by R & D expenditures.

5. The 1974–75 recession has provided additional causes for the lower rate of growth in GNP for the next decade and a half than was experienced in the preceding period.

6. If left alone, all of the above conditions point to an unfavorable U.S. position as compared to the past or its potential performance or as compared to other industrialized nations.

7. Moreover, the need to appreciably increase productivity is indicated by the following developments:

The significant increase in transfer payments which places an extra burden on the production sector;

The production sector itself, which is a key element in U.S. international competitiveness, and the recent agreement on floating exchange rates (Jamaica Accord of January, 1976) which calls for a cost reduction through technological push;

Highly fragmented industries that cannot individually afford R & D in technology;

Private savings, now lower in the United States than in the major competitor nations;

Higher energy costs that must be offset by cost reductions elsewhere in the production process;

OSHA, the environmental movement, and other social goals containing costs that must be offset through cost reduction elsewhere;

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*Nordhaus, W. D., "The Recent Productivity Slowdown," *Brookings Papers on Economic Activity*, No. 3, 1970.

The rising expectations of the population that can be inflationary unless wage increases are matched by productivity increases;

Lagging capital formation in the United States; and

The fact that two-thirds of total private investment in R & D is in product innovation and product differentiation in the consumer goods sector which will raise national productivity less than the same amount invested in process R & D in the same sectors.

To sum up, there is a broad recognition within both the public and private sectors, at the government, industry, and university levels, that productivity and the rate of change in productivity affects all facets of the economy.

TABLE 2.—R. & D. EXPENDITURES AND EMPLOYMENT OF PROFESSIONAL MANPOWER (1967)

[Ratio to United States per dollar worth of GNP]

Country	R. & D. expenditures (average 1963–67)	Employment of professional manpower (1967)
United States	1.00	1.00
France	1.35	1.37
West Germany	1.44	1.61
Belgium	.69	1.00
Netherlands	1.82	2.42
Italy	.50	.79
Common Market	1.22	1.38
United Kingdom	1.69	2.17
Western Europe, total	1.14	1.34
Canada	.64	.88
Japan	1.21	2.86
Western Europe, Canada, and Japan, total	1.12	1.56

Source: Boretsky, op. cit., Table 1.

TABLE 3.—AVERAGE ANNUAL GROWTH RATES IN U.S. R. & D. EFFORT (1953–71)

[In percent]

Years	R. & D. Effort					
	Total industrial		Federal Government[1]		Private sector	
	Expenditures	Employment	Expenditures	Employment	Expenditures	Employment
1953–57	21.0	15.7	32.5	25.5	11.5	9.4
1957–63	8.6	5.9	9.2	6.3	7.7	5.6
1953–63	13.3	9.7	18.0	13.7	9.2	7.0
1963–69	6.4	2.4	2.6	—.8	9.3	9.1
1969–71	0	—3.0	—5.5	—10.1	3.0	1.4

[1] Largely DOD and NASA.

Those nations which have had rapid productivity growth have increased their output more rapidly, have suffered less inflationary problems and have increased the real incomes of people more rapidly than their low productivity counterparts.[*] The United States has long been the leader in the level of productivity. Until recently the progress of the United States was unmatched in the world (productivity growth was about 3 percent per year). Since World War II, however, the United States has been losing its competitive edge. For the most part this occurred because the United States slowed down and because the other nations have improved at such rapid rates.

More recently the United States trend rate of growth in productivity has slowed down from approximately 3.0 percent to 2.0 percent. This has further exacerbated our domestic and international trade situation. Domestically the lower productivity growth rate has meant that unit labor costs now increase more rapidly for a given wage increase. It also means that real incomes will grow more slowly and our potential rate of output growth for Gross National Product (GNP) will be lower.

Because of the slowdown we can expect increased international competition, a worsening balance of trade and a dollar that loses value in comparison to nations with rapid productivity growth.

A closer look at productivity growth shows that the high technology industries have had strong productivity growth and a very favorable balance of trade. One of the high technology industries, the aerospace industry, has had above average productivity growth and has a very large export-import balance. In particular for the 1959–1976 period the aircraft industry rate of productivity growth has been 5.8 percent per year. This is about twice as high as the United States average.

THE NEW YORK STOCK EXCHANGE,
January 11, 1979.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.:

DEAR SENATOR JAVITS: Enclosed for your information is a copy of a study on productivity entitled, "Reaching a Higher Standard of Living," which the Exchange is releasing to the press today.

Our basic conclusion is that we must reinforce necessary monetary and fiscal policies with a major national commitment to improve productivity, and this report reviews a number of policy initiatives that might be implemented.

We believe this study can contribute constructively to the continuing national economic policy dialogue—and I will personally welcome your own ideas and comments.

Kind regards,

WILLIAM M. BATTEN.

REACHING A HIGHER STANDARD OF LIVING

[Figures mentioned in text not printed in RECORD]

PREFACE

Why has the New York Stock Exchange undertaken a study of the economic forces that have powered America's standard of living? It is because we share in the national concern over the lackluster performance of our economy. Closer to home, both equity investments and the securities industry do best when real economic growth is strong and inflation is under control.

We hope that our analysis contributes to a better understanding of the reasons for inflation and below-trend economic growth during the seventies, and that our suggestions prove useful in the formulation of policies to get our economy onto a low-inflation, higher-growth track.

For a decade, the real buying power of wages has remained virtually flat—apart from cyclical ups and down—despite large increases in money wages. Higher wages have simply been gobbled up by higher prices. According to the U.S. Bureau of Labor Statistics, private nonagricultural workers' pre-tax earnings averaged $190 per week in 1977, compared with just over $100 in 1967. But real earnings, after adjusting for inflation, were only $2.50 per week higher than in 1967—an insignificant one-quarter of 1% average annual gain in buying power over the decade.

Even in periods of recession there has been little relief from severe price inflation. It used to be assumed that inflation and recession were mutually exclusive but, in recent years, that has changed. We have seen in 1969–1970 and 1974–1975, for example, how inflation can persist when unemployment is rising and the economy stalls.

A decade of inflation has undermined most Americans' traditional confidence in the basic strength of our economy. Available explanations do not satisfactorily describe the causes of the acceleration of inflation in the face of decelerating real growth—or why living standards have not improved in recent years.

Substantial improvement in real wages and the living standards they support is impossible without substantial gains in productivity. The formula is simple. Wage increases not supported by productivity gains are translated into higher prices which leave the wage earner back where he started. Thus, a study of the basic economic forces that raise living standards is necessarily a study of productivity. If we fail to improve productivity, our economy may be further bedevilled by inflation, sluggish or nonexistent real growth, and a loss of competitiveness in international markets.

Unfortunately, the long-entrenched Keynesian economics has left productivity out of economic analysis for several generations. Keynes was concerned with creating jobs. In the midst of the Great Depression, nonproductive make-work jobs, even digging holes and filling them up again, could be justified as better than none. Today, however, the challenge is to find ways to place job seekers in jobs which provide an adequate supply of goods and services, produced as efficiently as possible. Productivity has come of age.

To enlist the broad cooperation required to lift productivity growth, it is necessary to dispel the widely held notion that equates productivity with faster assembly lines and greater human exertion. One need not look too far back in economic history to appreciate the fact that productivity gains have come about largely from more modern plant and equipment, more efficient production processes, and better management. The historic increases in both leisure time and purchasing power of workers are testaments to the benefits of productivity.

We believe that our study can contribute toward a solution to the riddle of persistent inflation. We have developed a theory of how declining productivity gains can send inflation spiraling upward despite slow economic growth and how accelerating productivity gains can help unwind inflation. Naturally, this is not meant to imply that productivity gains alone can eliminate inflation. Indeed, only if monetary and fiscal policies are effective can productivity help in conquering inflation.

Since productivity improvements depend heavily on utilizing more modern plant and equipment and incorporating new technology into new productive facilities, a major remedy for sluggish productivity gains should be obvious: an upsurge in capital formation to finance new plant and equipment and technological improvements. Suggestions for stimulating capital formation and other ways of improving productivity are discussed in the closing chapter of this study.

The study was completed under the supervision of Dr. William C. Freund, Senior Vice President and Chief Economist of the Exchange. New estimates by Professor John W. Kendrick of George Washington University of the factors underlying the productivity slowdown in recent years appear for the first time in this study. We deeply appreciate his contribution. We also gratefully acknowledge the important contributions of Ira Gelb and Mel Colchamiro, NYSE staff economists; the helpful overall suggestions of Dr. Edward F. Denison of the Brookings Institution; of Dr. Lawrence R. Klein of the University of Pennsylvania; and the guidance on selected parts by Dr. Albert Rees of the National Bureau of Economic Research and Professor Richard E. Quandt of Princeton University. We also acknowledge the considerable assistance of a number of prominent business economists. Of course, the Exchange assumes full responsibility for any errors or omissions.

SUMMARY AND CONCLUSIONS

"When I use a word it means just what I choose it to mean—neither more nor less" (Humpty-Dumpty to Alice "Through the Looking Glass").

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[*] See Appendix for data.

Unfortunately, the true meaning of productivity and productivity advances is sometimes misunderstood. Too often those terms conjure up images of sweatshops and speeded-up assembly lines. The truth of the matter is that greater physical effort is but a tiny part of what makes productivity increase. Productivity increases when:

People are better trained, educated and motivated;

People have better working environments;

People are in better health;

People have more efficient machinery and equipment to work with;

People develop new products and technology;

People shift from working in less efficient industries to working in more efficient industries;

People manage more effectively.

In short, productivity increases primarily when people work smarter and more efficiently.

Productivity growth is important to all Americans because it is a key factor in determining improvements in living standards. It fuels economic expansion, provides for vigorous long-run growth in jobs, and, in a way little understood, restrains inflation.

Productivity gains have dropped nearly in half during the past decade, contributing both to an escalation of inflation and a slower rate of economic growth.

The decline in productivity is a long-run problem which cannot be overcome by short-run solutions. Current inflation took time to wind up and it will take time to decelerate. Productivity can play a key role in that process, as this study shows.

Productivity and economic growth

There are but two sources of long-run real economic growth, labor input and productivity:

Labor input (man-hours) + Productivity = Real Economic Growth.

A realistic goal for the decade of the 1980s is a real economic growth rate of 4% per year; any higher rate would fuel inflation. But a 4% growth rate can be achieved only if productivity grows 3% per year, since man-hours will increase no more than 1% per year:

	Percent
If man-hours grow	1
Productivity must grow	3
To achieve desired growth of	4

If the 4% annual growth rate is achieved by the end of the 1980s: 16 million additional jobs can be created.

Real per capita income will grow by 48% and reach $10,500 (1977 dollars).

Average family income will rise by 32% and reach $27,000 (1977 dollars).

In short, a 4% real growth rate in the 1980s will raise America's living standards substantially.

Unfortunately, productivity growth has declined to only 1.8% per year in the last decade, or about half of what it was in the two decades earlier.

Moreover, as this New York Stock Exchange study shows, productivity gains often have unrecognized "multiplier" effects on inflation and, as a result, are a more potent weapon against inflation than is generally assumed:

Declining productivity growth can accelerate inflation over time.

Rising productivity growth can help unwind inflation over time.

For example, a 1% increase in productivity growth can produce a decrease of several percentage points in the rate of inflation over time.

Sources of the productivity slowdown

New data prepared by Professor John W. Kendrick indicating the sources of the recent slowdown in productivity gains appear for the first time in this study. The primary factors are:

A slowdown in capital spending for research and development programs.

New plant and equipment.

Increased negative impact of government regulation.

Increased impediments to capital and labor mobility.

Slower output growth.

Policies to promote a higher standard of living

It is essential to reverse this slowdown if we are to come close to achieving the key national objectives of:

Promoting a higher standard of living.

Creating a sufficient number of jobs.

Restraining price inflation.

The following set of economic goals would help achieve these objectives:

Increase annual real growth in GNP to 4%. To achieve this will require

Raising annual productivity growth to 3%. This, in turn, depends primarily on

Increasing the GNP share of business investment by at least 2 percentage points—from 10% to 12%.

These goals can be achieved if labor, management and government all give urgent priority to increasing productivity growth. To this end, the following policies should be considered:

Develop a national commitment to productivity improvement.

Adopt measures to encourage saving and risk-taking.

Implement programs to increase business capital spending.

Create incentives to spur research and development.

Relax unnecessary government regulation and other restrictive practices which add to business costs and inflation.

Improve education and training; put greater emphasis on on-the-job-training.

Establish policies to better match job vacancies and job seekers.

Promote economic stability.

A coordinated national effort to boost productivity growth to at least 3% per annum would go a long way toward unwinding inflation, raising living standards, and creating jobs. It would also make American goods more competitive internationally and help strengthen the dollar.

Introduction

"I believe in materialism. I believe in all the proceeds of a healthy materialism—good cooking, dry houses, dry feet, sewers, drain pipes, hot water, baths, electric lights, automobiles, good roads, bright streets, long vacations, new ideas, fast horses; swift conversation, theatres, operas, orchestras, bands—I believe in them all for everybody. The man who dies without knowing these things may be as exquisite as a saint, and as rich as a poet; but it is in spite of, not because of, his deprivation." [1]

Francis Hackett wrote these words in the beginning of this century. At the time, the United States was already embarked on the greatest advance in material well-being that the world had ever seen. Advances since World War II have been particularly dramatic. For example:

Real per capita income almost doubled between 1947 and 1977.[2]

The number of U.S. job holders increased by 59% between 1947 and 1977, to a total of over 90 million.

The average American's life expectancy has increased by five years since 1950.

The percentage of U.S. families with incomes below the poverty level was almost halved between 1959 and 1976, declining from 18% to under 10%.

The percentage of U.S. households with at least one room air conditioner more than tripled, from 17% in 1960 to 55% in 1977.

98% of U.S. households have television sets today, compared with only 9% in 1950; 79% have color T.V., compared with 4% a decade ago.

If the U.S. is to continue to benefit from the proceeds of materialism, then our economy must grow. We do not mean to imply that economic growth has no undesirable side effects. One has been a decline in the quality of the environment. The Environmental Quality Index—developed by the National Wildlife Federation—indicates that the overall quality of the environment worsened by some 10% between 1969 and 1977. Yet, paradoxically, future economic growth is necessary if we are to have sufficient economic resources to eliminate the effects of past pollution while maintaining our high living standard.

The meaning of productivity

Productivity has been the overwhelming force behind advances in our material well-being. Essentially, productivity measures how much is produced, on average, per hour worked; it relates the amount of output—in terms of goods and services—to the number of hours of labor input. But speeding up the assembly-line is not the only way to promote productivity in fact, if people become bored, or tired, or dissatisfied with working conditions, a faster assembly-line may promote inefficiency and reduce, rather than increase, their output. Many other factors are involved. Productivity increases when:

People are better trained, educated and motivated;

People have better working environments;

People are in better health;

People have more efficient machinery and equipment to work with;

People develop new products and technology;

People shift from working in less efficient industries to working in more efficient industries;

People manage more effectively.

In short, productivity increases not only when people work harder—but when they work smarter and more efficiently. People produce more when they have better tools, better production techniques and are better-organized and managed.

Sources of output

Simply put, man-hours worked, and the degree of efficiency with which they are combined with other productive factors, determine the volume of output. Many factors affect the number of man-hours including, for example, population size and characteristics, labor force participation rates, labor-leisure preferences, and a host of social factors. Technology, education levels, labor market efficiencies and the quantity and quality of production facilities all help determine productivity levels and growth.

The schematic diagram below, prepared by the Federal Reserve Bank of St. Louis, depicts the key factors determining labor input (man-hours) and productivity. As the diagram shows, the interaction of labor input and productivity of that labor are the ultimate sources of growth.

The following simple equation summarizes the factors that determine the total output of the economy and provides a framework for estimating the relative importance of the two basic components of growth—man-hours and productivity:

Total Output equals Man-hours times Average output Per Man-hour (Productivity).

Man-hours are determined by the level of employment, the length of the average work-week and the average number of weeks worked each year.

The crucial role that productivity has

Footnotes at end of article.

played in the growth of our economy since the end of World War II can be seen by comparing the trends in the Labor Department indexes of real output, hours worked and productivity. Between 1947 and 1977, real output increased at an average annual rate of 3.5 percent. Over the same period productivity grew 2.8 percent per year,[3] while man-hours advanced by only 0.7 percent per year.

Wide disparities in rates of productivity growth exist among industries. While an industry-by-industry analysis of productivity is beyond the scope of the present study, the chart presented in Appendix I illustrates some significant differences.

Recent trends in productivity and output

Through the late 1960's, productivity in the United States accounted for almost 8/10 of each percentage point of output growth[4] while man-hours accounted for but 2/10. More recently, however, the proportions of output growth attributable to productivity have declined substantially (see Appendix II).

This shift has occurred because productivity gains have slowed while gains in man-hours have accelerated. The following table shows how the output slowdown during 1967–1977 is directly related to the drop in productivity gains; the increase in man-hours merely prevented a more precipitous decline in output.

TABLE 1.—MAN-HOURS, PRODUCTIVITY AND OUTPUT (PRIVATE BUSINESS SECTOR)

[Average annual percent increases]

	Man-hours	Productivity	Output
1947–67	0.4	3.3	3.7
1947–57	.2	3.3	3.5
1957–67	.6	3.3	3.9
1967–77	1.2	1.8	3.0

Source: Bureau of Labor Statistics.

U.S. productivity growth has lagged behind that of other industrialized countries. The next table shows that output per man-hour in manufacturing increased more slowly in the United States than in any of the 11 other major industrialized nations during 1960–1976. In part, this reflects the fact that other countries' productivity *levels* remain well below U.S. levels, so there is greater room for improvement. Nevertheless, the fact remains that U.S. productivity gains have fallen sharply since the 1960s.[6] Productivity growth in six countries accelerated after 1966, while the 45% decline in the U.S. was far greater than in any of the other countries. It would be one thing if the poor U.S. track record were just part of a worldwide slowdown. It is quite another when we lag seriously behind the rest of the world.

TABLE 2.—PRODUCTIVITY IN MANUFACTURING, 1960–76

[Average annual percent change]

Country	1960–76	1960–66	1966–76	Percent change 1966–76 versus 1960–66
United States	2.9	4.0	2.2	−45
United Kingdom	3.3	3.7	3.1	−16
Canada	3.8	4.3	3.5	−19
Switzerland	4.3	2.9	5.1	+76
France	5.7	5.5	5.8	+5
Sweden	5.7	6.5	5.2	−20
Italy	5.8	6.7	5.3	−21
Germany	5.9	6.0	5.8	−3
Netherlands[1]	6.7	5.6	7.4	+32
Belgium[1]	6.8	5.0	8.1	+62
Denmark	7.0	5.4	8.0	+48
Japan	8.9	8.8	8.9	+1

[1] 1960–75.

Note: Data for 1976 are preliminary estimates.

Source: U.S. Department of Labor, Bureau of Labor Statistics

Footnotes at end of article.

Economic growth, productivity, and jobs in the 1980's

The prospect for continuing sluggish productivity gains does not augur well for U.S. economic growth in the 1980's.

Output grew rapidly during 1967–1977 only because man-hours increased at an extraordinary pace. After increasing 0.4 percent per year during 1947–1967, man-hour increases accelerated to 1.2 percent per year during 1967–1977. If man-hours had grown only as fast as in the 1947–1967 period, output would have been 6 percent lower than it actually was. Between 1980 and 1990, growth in total man-hours is unlikely to exceed 1 percent per year for two reasons. First, the number of new entrants into the labor force is expected to decrease; second, the slow long-run downward trend in the length of the average workweek is likely to continue.[7] Given the impending slowdown in addition to man-hours, productivity gains will have to exceed those of the past 10 years *merely to equal the sluggish output growth of the past decade.* If output is to regain the 4-percent annual 1957–1967 rate of increase, then productivity must increase much more quickly.[8] The arithmetic is as follows:

[In percent]

If man-hours are expected to increase by—	Then productivity will have to increase by—	For output to increase by—
1	2	3
1	3	4

A 1% annual change in output may not seem like very much; but, over a period of years, it means a significant difference in living standards. Had real GNP growth continued at 4% per year during 1968–1977, for example, real GNP would have risen to $2,120 million (in 1977 dollars)—12 percent and $233 billion higher than the actual 1977 level. Per capita income would have been almost $9,800 (in 1977 dollars) in 1977, or roughly $1,100 more for every man, woman and child in America.

A 4% real growth rate in the future would also mean substantial increases in *real* per capita and household incomes. Real per capita income (in 1977 dollars) would rise from $7,050 in 1977 to $10,460 by 1990, a jump of 48%. Real household income (in 1977 dollars) would rise from $20,470 in 1977 to $27,000 in 1990, a gain of 32 percent.

These numbers tell us how Americans can benefit from additions to the output of goods and services—both in terms of job opportunities and Francis Hackett's "healthy materialism"—if productivity improves and real growth in the 1980s is strong. But if productivity growth continues to lag, what will be the impact on the quality of life in America?

Long-run additions to the output of goods and services will remain sluggish.

Inflation will be fueled.

Job creation will slow, making it more difficult for those who have traditionally been hard hit by economic recessions and slowdowns—teenagers, women, minorities—to participate successfully in the work force. It is an unfortunate fact of economic life that these workers are the first to be fired and the last to be rehired.

Fewer new job opportunities and a low growth rate would make alleviation of social problems more difficult. With less new output to be distributed, each economic group would have to strive harder to better its position. Tensions between competing economic groups would be aggravated as each group's expectations could be realized only at the expense of other groups.

By inflating costs, sluggish productivity will make U.S. goods less competitive in world markets, adversely affecting the nation's trade balance and the international value of the dollar. Foreign travel and foreign goods will be much more expensive, further cranking the upward spiral of domestic inflation.

In short, when gains in productivity and output growth decline—or worse, disappear—the quality of American life suffers. The impact ranges from individual economic hardship to heightened social tensions. As each group fights to maintain its piece of the economic pie, the latent tensions in society surface. Thus, a slow or no-growth economy tends to foster a more divisive and contentious society.

If we are to improve, rather than diminish, the over-all quality of life in America, the nation must pledge its collective will to the goal of balanced, non-inflationary economic growth.

SOURCES OF THE PRODUCTIVITY SLOWDOWN

(The material in this section draws from a detailed paper specially prepared for this study by Professor John W. Kendrick, of George Washington University, which is available on request.[9])

The rate of productivity growth has slowed perceptibly over the past decade, especially in the last five years. Professor John W. Kendrick has developed data tracing the sources of this slowdown.[10] These data cover three periods: 1948–1966, 1966–1973, and 1973–1977. The data for 1973–1977 appear for the first time in this study.

Professor Kendrick's data indicate that over-all productivity growth slowed from an average annual rate of 2.7 percent during 1948–1966 to 1.6 percent during 1966–1973 and to 0.7 percent during 1973–1977. This decline—from 2.7 percent to 0.7 percent—was caused primarily by slowdowns in the rate of technological progress, reduced capital and labor mobility, and by declines in economic growth associated with the 1974–1975 recession. These and other factors are summarized in the chart on page 15 and the table on page 19 *.

It should be noted that the data analyzed by Professor Kendrick represent total factor productivity; that is, the efficiency of labor and capital inputs. The way these inputs are combined provides the link between factor productivity and the more-familiar labor productivity concept. This appears at the end of this section.

Sources of the productivity slowdown

Technological progress—The most important source of productivity growth is the application of new technology to the production of goods and services. More than half of the net productivity growth during 1948–1977 is attributable to technological advances.

Technological progress historically has been fueled by capital outlays for formal research and development (R&D) programs. These expenditures had steadily increased to 3.0 percent of GNP by the mid-1960s, but subsequently declined, to 2.2 percent of GNP, by 1977.[11] As a result, the growth of the real stock of technological knowledge has decelerated in the past decade.

The purchase of new capital equipment also significantly affects technological progress. Since capital goods produced each year embody the latest technological advances, capital spending tends to spread cost-reducing technology throughout the economy, reflected in a lowering of the average age of capital goods employed in the U.S. economy. Between 1948 and 1966, the average age of the capital stock decreased by about three years. However, during 1966–1973, the decline slowed to one year and between 1973 and 1977 there was virtually no change.

Informal inventive and innovative activity, including a myriad of small technological improvements devised by plant managers and workers, also help improve total technological knowledge. Professor Kendrick's data indicate no significant falloff in this area.

The cumulative changes in the various forms of technical progress—highlighted by the slowdown in R&D spending and capital formation—resulted in a very significant 0.5 percentage point decline in the average annual rate of productivity growth during 1973–1977, relative to 1948–1966. In other words, slower technological progress accounted for approximately 25 percent of the slowdown in productivity growth.

TABLE 3.—SOURCES OF PRODUCTIVITY GROWTH, 1948–77 (U.S. DOMESTIC BUSINESS ECONOMY)

	Percentage point contribution to growth rate			Change between periods (percentage point contribution to change in growth rate)	
	1948–66 (a)	1966–73 (b)	1973–77[1] (c)	1966–73 versus 1948–66 (a)−(b)	1973–77 versus 1948–66 (a)−(c)
Technological progress	1.4	1.1	0.8	−0.3	−0.5
Plus changes in labor quality	.6	.4	.7	−.2	+.1
Plus changes in quality of land	0	−.1	−.2	−.1	−.2
Plus capital and labor mobility	.8	.7	.3	−.1	−.5
Plus changes in output growth	.4	.2	−.3	−.2	−.7
Plus net Government impact	0	−.1	−.3	−.1	−.3
Plus other n.e.c.[2]	−.4	−.6	−.4	−.1	+.1
	Average annual rate of growth			Change in average annual rate of gorwth	
Equals total factor productivity	2.7	1.6	0.7	−1.1	−2.0

[1] Preliminary.
[2] Not elsewhere classified.

Source: Prof. John W. Kendrick, George Washington University.

Changes in labor quality—This major category was the only one to increase its contribution to productivity growth in 1973–1977 (0.7 percentage points per year) versus 1948–1966 (0.6 points per year), as can be seen in table 3 on page 16. Three factors—education and training; health and safety; and the age-sex composition of the labor force—determine such changes in labor force quality.

Education and training is by far the most important determinant of labor force quality. In fact, Professor Kendrick's data indicate that education and training accounted for all of the upgrading of labor quality during both 1948–1966 and 1973–1977.

The average health and safety of workers has continued to improve slightly, resulting in reductions in time lost due to illness and accident, and increases in potential working life. These improvements have annually contributed a constant 0.1 percentage point to productivity growth over the full 1948–1977 period.

Changes in the age-sex composition of the labor force became a significant negative factor by the mid-1960s, when the proportion of youth in the labor force increased (reflecting the baby boom after World War II), and accelerating numbers of women began entering the labor force. Since these groups have traditionally been less experienced and less well trained, their increased representation in the labor force temporarily reduced the over-all efficiency of labor, offsetting increased productivity in other areas. Thus, changes in the age-sex composition of the labor force are estimated to have reduced productivity by 0.4 percentage points during 1966–1973, compared with only 0.1 percentage point during 1948–1966. By 1973–1977, the earlier entrants to the labor force had gained experience and training on the job while the influx of additional teenagers slowed. Thus, the age-sex composition in the latter period is virtually neutral with respect to productivity and is no longer a significant factor explaining its decline.

Labor and capital mobility—Productivity is affected by how quickly and efficiently labor and capital are reallocated among industries and geographic areas in response to continually changing supply and demand conditions. Inefficient allocations usually result from restrictive practices of firms and unions, government regulations, lack of knowledge of where opportunities may exist, and the sheer costs of movement.

Productivity improved significantly during 1948–1966, when less productive farm labor shifted to more productive non-farm jobs. However, farm-to-urban labor shifts have become a less significant source of productivity gains as the over-all proportion of farm labor in the economy has declined. With only 5% of the work force remaining in agriculture, productivity gains from a further shift are virtually exhausted.

There have also been relative shifts of capital (including land) from uses with below-average rates of return to more productive uses. A recent study, using real capital estimates for over 50 industry groups, found that relative shifts added 0.4 percentage points to growth during 1948–1966, and somewhat more after 1966.[13] However, Professor Kendrick estimates that this source actually had a negative impact on productivity after 1973. In total, capital and labor mobility account for 25 percent of the over-all decline in productivity gains between the 1948–1966 and 1973–1977 periods.

Slowed output growth—The recession of 1974–1975 sharply depressed output, significantly contributing to the decline of productivity gains. Productivity growth also declined because of the loss of economies of scale as capacity utilization rates dropped. On an annual average basis, these factors slowed productivity by 0.6 percentage points during 1973–1977, compared with a gain of 0.4 percentage points during 1948–1966. Over-all, output-related factors accounted for more than one-third of the decline in productivity gains during 1973–1977.

Changes in land quality—Since the mid-1960s, productivity growth has decelerated in agriculture, while productivity actually declined in mining. The decline was due in part to capital expenditures for safety and other regulations. It also reflected some decline in the average quality of natural resources. These factors led to an average annual 0.2 percentage point reduction in productivity during 1973–1977 relative to 1948–1966.

Net Government impact—The proliferation of government rules and regulations has increased business costs and more than offset the positive contribution to productivity from such government infrastructure expenditures as roads. Incrementally, capital expenditures for compliance with environmental and occupational safety and health regulations reduced productivity growth by 0.3 percentage points during 1973–1977. Because any improvements in the natural and working environments associated with this spending cannot be measured, these expenditures necessarily lower measured productivity.

The role of capital in labor productivity

As noted earlier, Professor Kendrick's data explained the sources of total factor productivity, that is, the efficiency of both capital and labor inputs. This measure of productivity can be related to the more customary measurement—output per man-hour—by examining the role capital plays in raising the productivity of labor inputs.

The usual measure of productivity—output per man-hour—measures more than the actual performance of workers. It also reflects changes in all the various factors which help make labor more productive. Although capital works side-by-side with labor to raise output per man-hour, the role of capital is not identified in the customary Bureau of Labor Statistics productivity data.

In general, the more capital associated with each man-hour of labor input (the so-called capital/labor ratio), the greater output will be. A man using a steam shovel can dig and displace more dirt per hour than if he used an ordinary garden spade and still more than if he used only his hands.

Thus, to assess adequately the role of capital in raising output per man-hour we must have some notion of the degree to which capital and labor are combined in the productive processes. Professor Kendrick calls changes in this combination "capital/labor substitution" or the "rate of substitution of capital for labor." A higher rate means more capital associated with each hour of labor input and vice-versa. Professor Kendrick has estimated that capital substitution improved labor productivity by 0.8 percentage points during 1948–1966. During 1966–1973, however, growth of the capital/labor ratio declined as the result of the bulge in only 0.5 percentage points. As the increase in man-hours subsided, capital substitution increased labor productivity by 0.7 percentage points during 1973–1977.[11]

The two basic factors which contribute to labor productivity—the efficiency of labor and capital and the mix of labor and capital inputs—are summarized below.

TABLE 4

	Average annual percent change		
	1948–66	1966–73	1973–77
Factor productivity (efficiency of labor and capital)	2.7	1.6	0.7
Capital/labor substitution (mix of capital to labor inputs)	.8	.5	.7
Output per man-hour (labor productivity)	3.5	2.1	1.4

Clearly, capital plays a crucial role in raising labor productivity. Through R&D spending it provides the wellspring for technological progress; capital spending for new plant and equipment spreads cost-reducing technology throughout the economy and in combination with labor inputs, makes labor more productive.

The data also show that many of the factors which fueled productivity growth in the past—the shift of less productive farm labor to more productive non-farm jobs, the high degree of capital and labor mobility, the higher quality of land and the less unfavorable net impact of government regulation on business—cannot be expected to provide the push for higher rates of productivity growth in the coming decade.

Future gains in productivity will have to come from continued improvement in the age-sex composition of the labor force, in the quality of labor and, above all, from capital spending for research and development programs and for new plant and equipment. Naturally not much can be done to influence the age-sex composition of the labor force. But in areas of labor quality and, especially, capital spending among others, policymakers can indeed have a powerful constructive impact on productivity and American living standards.

EFFECTS OF PRODUCTIVITY ON THE INFLATION PROCESS

Some fundamentals of inflation

America's continuing problem with inflation reflects a disparity between ambitious social goals and relatively limited economic resources. We have sought to achieve many desirable objectives, including high levels of employment, a high degree of family security, an abundance of social services, and real economic growth. But even a country as richly endowed as the United States cannot stretch its economic resources to meet all desirable goals. Ultimately, inflationary pressures develop, and real benefits begin to evaporate.

Choices must be made and priorities set. The achievement of larger social purposes requires higher tax revenues in one form or another. Either society decides to tax itself or the hidden tax of inflation serves to limit competing claims. Once inflation gets started, it feeds on itself, and the upward spiral is difficult to stop.

Economics texts generally distinguish between "demand-pull" and "cost-push" inflation. Demand-pull refers to price rises resulting from demands which strain available supplies, while cost-push inflation results from rigidities in the markets for both labor and products which allow wages and prices to be pushed up even in an economy operating below full employment. However, categorizing the causes of inflation is in many ways artificial, since demand-pull and cost-push often interact and reinforce each other.[15]

Although it is impossible to define a single cause of, or a single remedy for, inflation, productivity gains can be a powerful tool in reducing inflation, no matter what its cause. However, productivity growth cannot supplant responsible monetary and fiscal policies. Prudent government spending and taxing policies contribute importantly to price stabilization. Judicious monetary policies can hold down cost-push inflation by avoiding the excessive increases in the money supply required to finance the push in wages and prices. In other words, cost-push inflation can proceed only so long as expansion of the money supply permits it. Often, however, monetary authorities fear that a tighter money policy would jeopardize the short-term maintenance of high employment. The problem here is that monetary policy that validates the cost-push process can set the stage for longer-run economic instability and inflation.

The presence of cost-push factors sometimes leads to calls for wage and price controls. To the extent that inflation results from claims on resources that are not adequately dealt with by monetary and fiscal policies, controls treat symptoms rather than causes. To the extent that a productivity slowdown fuels inflation, controls again do not come to grips with causes. A program of wage and price restraint will have a chance for success only if accompanied by prudent fiscal and monetary policies and by vigorous efforts to increase productivity growth.

Unfortunately, productivity has been largely neglected as a vehicle for reducing inflation. Productivity is an important element in the cost-push equation since it serves as a direct offset against wage-induced price rises. Two major reasons seem to be responsible for the neglect of productivity.

The conventional analysis of productivity's role in holding down unit labor costs seems, at first blush, to offer little promise of significantly reducing inflation. If, for example, productivity were to rise by one percentage point, the initial impact on unit labor costs would be a decrease of only one percentage point, hardly an exciting prospect.

Gains in productivity come relatively slowly and over a period of time. They provide no quick fix for controlling inflation.

How productivity fights inflation

In the arsenal of weapons against inflation, gains in productivity are more potent than is generally assumed. The primary role that gains in productivity play is well understood: An increase in productivity brings an increase in aggregate supply, which holds down unit labor costs. This, in turn, brings downward pressure on the average price of goods. But to a degree not widely recognized, increases in productivity can have "multiplier" effects on moderating inflation. A one-unit increase in the longer-run growth of productivity can produce a more-than-one-unit decrease in the rate of inflation over a period of time.

This magnified effect of productivity gains is due to the workings of the so-called "wage-price spiral." An increase in wage-rates can push up prices; and the increase in prices can, in turn, operate to push up costs and, as a result, prices. The increase in prices once again operates to push up wage-rates which act to push up prices again—and so the spiral continue. But whenever an increase in productivity growth occurs, it will act as a more-than-one-time brake on the spiral.

Let us assume that the increase in productivity growth occurs at a point where wages are acting to push up prices. On the first round, the increase in productivity growth will moderate the wage-induced rise in prices. On the second round, by holding down the initial price-increase, the earlier productivity gain can moderate subsequent wage increases; likewise, the resulting price increase would be more moderate—and so on through each round of the spiral.

To understand more fully the role of productivity in the inflation process, one must first look at a few details of wage negotiations.[16]

The wage bargain

It is widely acknowledged that wage increases are generally composed of two main parts:

An increase to compensate labor for past inflation. Indeed, with some two-thirds of negotiated wage contracts that cover 1,000 or more workers tied to cost-of-living clauses, the adjustment to past inflation tends to be built in. Moreover, contracts frequently also reflect anticipated inflation over the contract life.

An adjustment for labor's entitlement to perceived past productivity gains. Workers expect their real incomes to rise and their real purchasing power to improve. Since long-run improvements in real wage rates can only come from rising productivity, this element of the wage contract generally reflects labor's and management's perceptions about average long-run productivity gains.

One observer of the economic scene recently commented on these two components of current wage settlements: ". . . strong unions habitually settle for nothing less than 3 percent (productivity offset) plus the rate of inflation . . ."[17] Another observer:

"These [large] unions all have contracts similar to the one pioneered by the auto workers in 1970—3 percent annual wage increase plus essentially full adjustment for increases in the cost of living. When increases in the cost of fringe benefits are included, these contracts produce compensation cost increases in real terms of 3 percent or slightly more per year. When these contracts were first negotiated, it was believed that real wage increases of about 3 percent were in line with the economy's ability to provide higher real wages through productivity growth. In fact, however, the 3 percent figure was overly optimistic . . . since 1970 productivity has been only 1.4 percent per year."[18]

The institutionalization of the long-outdated 3% productivity standard was recently remarked upon by Barry Bosworth, Director of the U.S. Council on Wage and Price Stability. He noted that:

". . . many labor contracts currently call for cost of living plus a productivity improvement. The only trouble is that this formula dates from the world of the 1950s and 1960s, when we had 3 percent annual productivity increases. This economy hasn't had a 3 percent annual productivity growth in a decade."[19]

Wage increases and productivity

Productivity gains are a direct offset to wage increases. If we assume in one case no productivity gain and in the second a 3 percent productivity increase, the difference in unit labor costs is 3 percent.

[*Percent*]

	Case 1	Case 2
Wages rise	8	8
Productivity increases	0	3
Unit labor costs will rise	8	5

Since labor costs are a dominant component of total business costs, it follows that in Case 1, inflation will be roughly 8%, and in Case 2 about 5%.[20]

The following table shows that the relevant statistics bear out these illustrations and that:

Footnotes at end of article.

As discussed earlier, productivity improvements played a vital role in containing unit labor costs between 1955 and 1967. Thereafter, as productivity gains slackened, unit labor costs began spiraling upward.

The rise in labor costs has gone hand-in-hand with inflation. While inflation has not always coincided exactly with rising unit labor costs, the two statistics have tracked each other quite closely.

TABLE 5.—CHANGES IN WAGES, PRODUCTIVITY, AND UNIT LABOR COSTS IN NONFARM BUSINESS AND CONSUMER PRICES, 1955–77

[Annual percent changes]

	Compensation per hour worked	Output per hour worked (productivity)	Unit labor costs	Consumer Price Index (inflation)
1955	3.7	4.1	—0.4	—0.4
1957	5.9	2.2	3.7	3.6
1959	4.4	3.7	.7	.8
1961	3.5	2.8	.7	1.0
1963	3.7	3.5	.2	1.2
1965	3.4	3.3	.2	1.7
1967	5.8	1.9	3.9	2.9
1969	6.5	.2	6.7	5.4
1971	6.6	2.9	3.5	4.3
1973	7.5	1.5	6.0	6.2
1975	9.9	1.9	7.9	9.1
1977	8.3	1.9	6.7	6.5

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Accelerating inflation

A slowdown in the productivity growth rate during one period will ignite an inflation speedup not only in that period but in succeeding periods—even after the decline in productivity growth is halted! This relationship can best be illustrated by means of an example.

Assume that in Period 1 workers anticipate no inflation because there was no inflation in the preceding year.[21] Labor seeks a wage increase of 3%, solely to match the perceived long-run average increase in productivity. In other words, workers expect their real incomes to rise and their purchasing power and standard of living to improve. If productivity actually rises by 3% in Period 1, the year will be inflation free.

Period 1:	*Percent*
Assumed inflation	0
Expected growth in real income	3
Wage increase	3
Productivity gain	3
Actual inflation (unit labor costs)	0

Next, assume that productivity gains slacken in Period 2, from 3% per annum to 1½%—an assumption which conforms to the reality of recent years. The wage-price spiral is quickly activated:

Period 2:	*Percent*
Assumed inflation	0
Expected growth in real income	3
Wage increase	3
Productivity gain	1½
Actual inflation (unit labor costs)	1½

Workers anticipated that purchasing power would grow at the same 3% rate as in Period 1. But because productivity dropped off, unit labor costs went up and so did prices. Hence, inflation enters the picture at a rate of 1½%. In effect, wages increase by 3%, half of which is consumed by inflation, leaving only a 1½% increase in real income. Labor is disappointed and readies new wage demands aimed at overcoming the real-income deficit.

Predictably, in Period 3, wage demands go up to 4½%. (The assumption is reinforced by the large number of labor contracts which have cost-of-living escalators built-in.)

Period 3:	*Percent*
Assumed inflation	1½
Expected growth in real income	3
Wage increase	4½
Productivity gain	1½
Actual inflation (unit labor costs)	3

Obviously, the windup of inflation is under way and will continue, as shown below, until something occurs to lower labor's wage demands or to raise productivity.

[In percent]

	Period			
	4	5	6	7
Assumed inflation	3	4½	6	7½
Expected growth in real income	3	3	3	3
Wage increase	6	7½	9	10½
Productivity gain	1½	1½	1½	1½
Actual inflation (unit labor costs)	4½	6	7½	9

In fact, inflation would probably spiral upward more rapidly than these calculations suggest, since labor almost certainly would begin to anticipate future inflation and try to build it into wage settlements, thereby further fueling the inflation momentum.

WINDING DOWN INFLATION

Naturally, at some point labor will have to pare down its wage demands, say to 1½%, in response to the lower rate of productivity gains. Then, the rate of price increase will *level off* and the upward spiral of price rises will be broken. If that occurs in Period 8, the arithmetic would be as follows:

Period 8:	*Percent*
Assumed inflation	9
Expected growth in real estate	1½
Wage demand	10½
Productivity gain	1½
Actual inflation (unit labor costs)	9

Inflation will decline below 9 percent only if productivity gains accelerate, say, back up to 3%.[22] Assume this happens and that, at least for a time, labor demands only a 1½% gain in real wages (to match the previous plateau in productivity gains). The result is that inflation begins to unwind.

	Period		
	9	10	11
Assumed inflation	9	7½	6
Expected growth in real income	1½	1½	1½
Wage increase	10½	9	7½
Productivity gain	3	3	3
Actual inflation (unit labor costs)	7½	6	4½

Now the process has been reversed, with the rise in productivity causing inflation to decelerate from 7½ percent to 6 percent to 4½ percent. Inflation will continue to wind down so long as the rate of productivity gain continues to exceed labor's expected growth in real income. When those two factors come into balance—say, 3 percent productivity growth and 3 percent expected growth in real income, inflation will stabilize at a constant rate until one of the key variables changes again.

A key question is the length of the adjustment periods; that is, how long does it take labor to adjust its wage demands to changes in productivity? Is labor able to argue for wage increases based on historic productivity changes or will labor base its real wage demands on relatively recent productivity performance? Whatever the answer, whatever the length of the adjustment period, productivity plays a key role in this entire process.

At this point in time, increased productivity can serve to help unwind a decade-long process of inflation. Whatever the specific causes—fiscal and monetary mismanagement, soaring commodity prices, the quadrupling of oil prices, dollar devaluations, excess demands, rising unit labor costs—the fact of the matter is that we are in a stage of the inflation process where both costs and wages are leaping upward. Increased productivity in these circumstances is essential to cool inflation while maintaining the nation's commitment to high levels of employment.

POLICIES TO PROMOTE A HIGHER STANDARD OF LIVING

Accelerated productivity growth is essential if we are to come closer to achieving three of our nation's most urgent economic objectives:

To promote real economic growth and, thereby, a higher national standard of living.

To create a sufficient number of jobs for all those able and willing to work.

To restrain price inflation.

Unfortunately, there is no quick way to achieve all three goals simultaneously. In the short-run, rapid growth and full employment may generate inflation—and controlling inflation may limit job creation and growth. In the longer-run, all three objectives can be reconciled through high productivity gains. Thus, a major national commitment to spur productivity would seem to be very much in order.

A set of economic goals

To establish appropriate priorities for the 1980's it would be desirable to identify a series of consistent national economic goals aimed at speeding growth and job creation while restraining inflation:

Increase real annual growth in GNP to 4 percent. To achieve this will require

Raising annual productivity growth to 3 percent. This, in turn, depends primarily on

Increasing the GNP share of business investment by at least 2 percentage points over the 10 percent longer-term trend.

The goals suggested are consistent and realistic. They can be achieved through the promotion of private incentives and the loosening of competitive forces.

A 4 percent real annual rate of growth is the highest attainable without adding to inflation. But a 4 percent rate can be achieved only if we manage to raise productivity by 3 percent annually—double the recent anemic 1½ percent rate. The arithmetic is straightforward. Man-hours worked are expected to increase 1 percent per year at most. For GNP to grow by 4 percent, therefore, an annual 3 percent productivity gain is required. If these goals are met by 1990, average family income will rise 32 percent, to $27,000 (1977 dollars); real per capita income will increase 48 percent, to $10,000 (1977 dollars); and 16 million new jobs will be created.

The task of doubling the recent trend rate of productivity gain is not an easy one—but neither is it impossible. However, it would require critical contributions in the areas of business capital investment; research and development; education and training; and easing restrictive regulations and practices.

Increases in productivity growth rates cannot be achieved overnight. Considerable time necessarily elapses between the implementation of economic policies—management decisions to step up capital investments and facilities planning—and the completion of expansion and modernization projects.

The importance of lifting the GNP share of business investment at least 2 percentage points is underscored by the Department of Commerce's findings. In a 1975 study com-

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Footnotes at end of article.

missioned by the President's Council of Economic Advisors, the Department concluded that business capital investment would have to rise from the 10 percent level of GNP maintained during the preceding 15 years to 12 percent, if capital requirements are to be met.[23] This substantial 2 percentage point gain will be needed merely to increase capital per worker at the same rate as in the previous decade, in the face of the anticipated costs of energy, environmental and safety programs. Increasing capital per worker at a faster rate than in the previous decade would require a still greater increase in the proportion of business capital investments to GNP.

As Federal Reserve System Chairman G. William Miller remarked:

"The Japanese economy spends over 20 percent of GNP on capital investment; West Germany 15 percent. It certainly would be appropriate for us to seek a 12 percent level."[24]

A 2 percentage point shift in output away from consumption expenditures to investment outlays will require a fully coordinated public and private program to redirect priorities toward greater capital formation. Above all, this would require a tax climate that encourages research and development, innovation and risk investment.

POLICY OPTIONS

As our study demonstrates, many factors contribute to productivity. Thus, there are no set formulas for achieving improvements. Some suggestions for policies which might be considered for inclusion in a productivity program are offered below. They are intended to provide a basis for discussion and analysis in formulating a coordinated program to spur productivity growth.

Some suggestions are as follows:

Implement policies to increase business capital spending.

Adopt measures to encourage savings and risk taking.

Create incentives to spur research and development.

Develop a national commitment to productivity improvement.

Relax unnecessary government regulation and other restrictive practices which add to business costs and inflation.

Improve education and training.

Establish policies to better match job vacancies and job seekers.

Promote economic stability.

Each of these policy options is discussed below:

Increase business capital spending

Capital investment is the chief conduit for technological progress. Capital must be invested in new plant and equipment if output is to increase. Capital must be invested to move new ideas from the drawing board to the production line, and to make more efficient processes marketable.

A high degree of uncertainty about future returns on investment has reinforced business caution about committing funds for the future. This reluctance to invest has raised the minimum or "hurdle" rate of return required of new investment projects.

Many specific factors can be cited for the persistent lag in capital investment.

Chief among these is the uncertainty created by inflation, which all too often sends costs spiraling upward faster than prices, thereby lowering profit margins. This conclusion is confirmed in a number of recent studies of rates of return after adjustment for inflation. The pernicious effects of inflation are compounded by the fact that as capital expenditures stagnate and productivity slows, further cost pressures arise which erode profits and, in turn, discourage investment and give another turn to the inflation cycle.

Inflation also discourages capital investment by creating illusory profits in the form of phantom inventory gains and inadequate depreciation charges based on original rather than replacement costs. But when seemingly satisfactory profits are adjusted for inflation, they shrink in size. To compound the problem, corporations are taxed on book profits rather than on real profits after adjusting for price inflation. Depressed "real profits" discourage capital spending.

The uncertain energy outlook has discouraged new investments. Higher energy costs have raised investment requirements to finance more energy efficient facilities and equipment.

Proliferating governmental restrictions, regulations and reporting requirements have added to both costs and uncertainties.

Over-all, supplies of new equity capital have been inadequate to support the financing requirements of needed modernization and expansion programs.

National policies to encourage business capital spending would seem to be an essential component of any responsible effort to spur productivity growth. Of extreme importance are measures to eliminate taxes on the illusory profits created by inflation. Toward that end, consideration should be given to basing depreciation allowances on replacement rather than original costs. Other policies which would encourage business capital investment include further liberalization of corporate income tax rates and the investment tax credit, and easing regulatory policies which depress corporate profits and retained earnings.

Encourage saving and risk taking

Ultimately, capital investment is limited by the amount of saving that the economy generates. It is not likely that the economy can achieve a sustained 4% real growth rate if steps are not taken to raise the rate of saving. And sufficient additional savings to meet the investment needs of a high-growth economy cannot be generated without greater encouragement to personal saving, which has accounted for some two-thirds of net private savings over the postwar period.

However, a larger pool of personal savings is not by itself a sufficient condition to stimulate the business investment required to achieve high productivity and economic growth rates. The extreme difficulty of raising equity capital has serious implications for increasing productivity gains in the future. Without an adequate equity base corporations will be hard-pressed to raise the long-term funds required to translate expansion and modernization plans into operating facilities.

To provide the equity base necessary to support a high level of business capital spending, policies to stimulate saving must be fashioned in a manner which would encourage risk taking. It will be necessary, for example, to modify or eliminate tax laws which unduly discourage investment in equities. Among the prime candidates are discriminatory double-taxation of corporate income distributed as dividends (vis-a-vis single taxation of bond interest) and taxation of phantom capital gains resulting solely from general price inflation.

Capital gains taxes have particularly discouraged risk-taking. Although the recent rate changes are a step in the right direction, long-term gains are still taxed without regard to whether they are real or simply due to inflation.

The treatment of losses should be more realistic. Even now, net losses deductible against ordinary income are limited to $3,000 a year; and only one-half of net long term losses are deductible. Policy makers should not be perplexed if investors continue to seek refuge in such tax havens as tax-exempt bonds.

Elimination of the double-taxation of corporate income (first under the corporate income tax and, second, when it is paid out as dividends) deserves careful consideration. The specifics of these and other components of a capital formation package can be debated; but the over-all need of investment tax modifications is clear.[25]

Inadequate capital formation and the misallocation of capital resources are among the principal contributing factors slowing productivity growth and inhibiting living standard improvements. Determination of the best mix of tax policies to achieve growth objectives would benefit from a major study of the interrelationships among capital flows, tax policies, risk-investment, and productivity.

Spur research and development

Greater availability of funds for business capital investment would also spur spending for research and development, the fountainhead of technological progress. Advances in knowledge gained through R&D are an integral part of the entire modernization/innovation process. New technology stimulates new plant and equipment investment programs.

As President Carter has noted, "Emphasis on longer-term research that could lead to new products and processes has decreased." This has led to fears that U.S. industry is losing it creative edge.

Professor Kendrick recently recommended that R&D be spurred in the following ways:

Extend the investment tax credit on equipment to cover industrial R&D, as defined by the Financial Accounting Standards Board or some other body. Better yet, allow a 50% tax credit on *increases* in R&D.

Allow accelerated depreciation or, possibly, a complete write-off in the year that R&D plant and equipment costs are incurred.

Provide government grants on a matching basis for industry-wide R&D expenditures.

Renew Federal support for state technical service centers and, possibly, provide loan guarantees to "lone-wolf" investors.

Encourage the Federal Government to pursue a reasonably steady and predictable policy with respect to investment of public funds in support of R&D. A sharp cutback in Federal fundings was a major reason for the substantial drop in the ratio of R&D expenditures to GNP—from 3% in the mid-sixties to 2.2% in 1977. Had the higher percentage been maintained in 1977, an additional $15 billion would have been spent on R&D.

In addition, a major study of the impact of Federal regulations on the initiation of new research projects and on R&D spending generally, could provide useful guidelines for overhauling Federal policies to spur innovation.

Develop a national commitment to productivity improvement

The President's newly created National Productivity Council, is designed primarily to improve the productivity of Federal Government agencies. Although it represents a good beginning, its limited focus permits it to address only a small part of the productivity problem.

Determined efforts at the national, regional and local levels are needed to develop and implement programs to encourage greater productivity. One possibility for enlisting active grassroots participation might be to establish productivity councils throughout the country to assist individual business organizations in setting up their own internal productivity councils.[26]

The government's contribtion to the national effort to raise productivity might include:

Appointment of a high-level spokesman on economic policies affecting productivity.

Review of existing and proposed legislation, rules, regulations, and practices at all levels of government for their impact on productivity.

Footnotes at end of article.

Conducting productivity impact studies of proposed Federal actions.

Conducting research studies on means of promoting productivity; and examining on a continuing basis, the sources of productivity growth and factors responsible for increasing or slowing productivity, both at macro and micro-economic levels.

Provision of a corps of experts to consult, on request, on specific productivity problems.

Promoting the organization of joint labor-management productivity committees to focus on the particular productivity problems of individual business and directly involve those closest to the problems.

There is one "best" way to develop a national commitment to raise productivity growth. Whatever specific policies may be implemented should be pursued within the framework of a well-coordinated private and government cooperative effort to integrate broad programs at the national level with more closely focused regional and community programs. Success will come only if the program touches individual firms, and plants and work units within plants.

Governmental and other restrictions

Environmental and related governmental controls have been important factors in reducing measured productivity growth.[27] That conclusion does not imply that such controls are undesirable. But costs and benefits must be realistically assessed on a case-by-case basis. The benefits are better air, cleaner water, fewer accidents. The costs are more inflation, fewer new jobs, less long-term economic growth. It is estimated that some 10% of all capital investment today is spent on environmental improvements, diverting substantial funds away from productivity-improving investments.

Unrealistic government policies, however well-intended, can stifle innovation, investment, and risk-taking.

In his recent anti-inflation message, the President gave particular attention to the impact of Federal agency regulations on costs. We commend such a review. Along these lines, we suggest that each new Federal rule or regulation be subjected to a separate analysis of its productivity impact.

All programs need to be evaluated at the margin. Will the benefits of new Federal restrictions and regulations more than offset the added costs of higher inflation and slower growth? Clearly formulated productivity impact studies before new rules and regulations are adopted could provide the answers.

The blame for restrictive practices which stifle innovation and create inefficiencies must be shared by all sectors of our economy—management and labor as well as government. Some examples:

Franchise agreements in the trucking industry still prevent the transportation of goods by the shortest route. Competition in trucking remains severely limited by ICC regulations, despite recent easing of some restrictions.

Full crew laws on railroads, setting of bogus type by printers, and other work-related limitations reduce efficiency and increase costs.

Local building codes often hamper the introduction of innovative and cost-reducing material. Unrealistically low ceilings are set for work performance.

Tariffs, quotas and other controls on imports of commodities of all types increase costs to consumers.

Many other examples can be cited. The objective should be to allow competitive forces to operate; to encourage the mobility of resources; to avoid restrictions on the productive use of land, labor and capital; and to minimize political impediments to productivity—whether from government, business or labor.

Business has not been above restrictive practices which deprive consumers of the benefits of greater competition. Too often competition is favored only in the abstract or for some other industry. Business sometimes lobbies for protection from competitive imports, rather than striving to compete more effectively. Practices which restrict output, pricing, innovation and investment should be curbed regardless of who is responsible for them.

Improve education and training and match jobs and people

Human capital.—The education, skills, and training possessed by people is our most important national resource. The existing work force must have adequate opportunities for upgrading skills and, consistent with other social goals, potential new entrants should be encouraged and assisted to acquire marketable skills and training. Of course, schools can teach useful and productive skills only if they have access to the most modern techniques and practices. More attention should be paid to on-the-job training at the workplace as a means of honing skills.

Opportunities abound for modifying work rules and for redesigning jobs so as to enhance the quality of working life and to stimulate productivity. A high degree of cooperation between management and labor will be needed to achieve these goals.

Matching job vacanies and people.—Economic growth and productivity as well as individual well-being would benefit from efforts to more closely match the skills of people in the job market and the requirements for filling vacant jobs. Schools should be more cognizant of the future needs of the job market, and they must keep abreast of, and train students in, the latest technology. Toward that end, links between the school and the workplace could be strengthened. Cooperative work/school programs and formal apprenticeship programs could be expanded so that young workers would be better prepared to meet job requirements.

Programs might be developed to apprise workers in declining industries of new opportunities elsewhere. Retraining should be encouraged and new methods to aid in retraining older workers should be explored.

It is not uncommon to find workers with specific skills in surplus in one geographic area while those skills are in short supply elsewhere. Removing both real and psychological obstacles to the movement of people to jobs and jobs to people, would be an important spur to productivity. Professor Kendrick determined that decreased labor mobility was one of the key contributors to the slowdown in productivity growth.

Federal, State, and local government

Perhaps even more than their business counterparts, government agencies have an obligation to measure and improve their productivity. With the public sector accounting for more than 30 percent of GNP, there is plenty of scope for raising national productivity levels by improving the efficiency of government operations.

In addition to direct programs for increasing individual output, government can do much to enhance productivity in the private sector by reducing paper work, simplifying regulations, and applying "strict cost-benefit principles in revising old standards and promulgating new ones as necessary . . ."[28]

Stable economic growth

Though broader monetary and fiscal policies are beyond the purview of this study, it is important to recognize that, for maximum effectiveness, specific policies to promote productivity require an environment of relatively steady economic growth.

Recessions typically make sharp inroads into productivity by idling resources and creating inefficiencies in the use of plant and equipment. Moreover, the uncertainties created by the business cycle hamper capital investment planning and create insecurity as to the future. To the extent that economic growth can be steadied and inflation restrained, the environment for investment and productivity growth will improve.

Our main objective in this study has been to highlight the central role productivity plays in fueling economic growth and in restraining inflation. Appropriate public and private policies can be developed to spur productivity—and this should be a high-priority national economic goal. However, a successful national productivity growth policy will also require a high degree of cooperation among government, management and labor. The effort to maximize productivity requires a major management commitment to capital investment as well as a commitment at the individual workplace and throughout the ranks of every business organization.

Only through long-run increases in productivity growth can our economy generate more jobs, less inflation, and a higher living standard for all Americans. There is no easy path. America needs a national focus which will properly place accelerated productivity growth high on our list of national priorities.

APPENDIX II

SHARES OF OUTPUT GROWTH (PRIVATE NONFARM ECONOMY)

[In percent]

	Productivity	Man-hours
1947–67	79	21
1948–68	78	22
1949–69	73	27
Average	77	23
1967–77	55	45
1968–77	52	48
1969–77	59	41
Average	55	45

Sources: Bureau of Labor Statistics; New York Stock Exchange.

Note: See p. 9.

ESTIMATES OF POTENTIAL EMPLOYMENT AND UNEMPLOYMENT, 1978–90

	Millions			Unemployment rate (percent)
	Civilian labor force [1]	Civilian employment [2]	Unemployment	
June 1978 (actual)	100.6	94.8	5.8	5.8
1979	101.9	96.1	5.8	5.7
1980	103.2	97.3	5.9	5.7
1981	104.5	98.6	5.9	5.6
1982	105.9	99.8	6.1	5.8
1983	107.3	101.1	6.2	5.8
1984	108.7	102.5	6.2	5.7
1985	109.7	103.8	5.9	5.4
1986	110.6	105.1	5.5	5.0
1987	111.6	106.5	5.1	4.6
1988	112.6	107.9	4.7	4.2
1989	113.7	109.3	4.4	3.9
1990	114.7	110.7	4.0	3.5
Average 1978–90	108.1	102.6	5.5	5.1
Average 1980–90	109.3	103.9	5.4	5.0

[1] Assumption: Civilian labor force growth: 1978–84 equals 1.3 percent per year; 1985–90 equals 0.9 percent per year (see p. 13).

[2] Assumption: Civilian employment growth: 1978–90 equals 1.3 percent per year (see p. 13).

Source: Bureau of Labor Statistics, NYSE.

Footnotes at end of article.

APPENDIX III

SOURCES OF GROWTH IN REAL GROSS PRODUCT, U.S. DOMESTIC BUSINESS ECONOMY (SELECTED SUBPERIODS 1948-77)

[In percent]

	1948-66	1966-73	[1] 1973-77
Average annual rates of change:			
Real gross product	3.9	3.5	2.0
Factor input—Total	1.2	1.9	1.3
Labor	.4	1.4	.6
Capital	2.7	2.9	2.6
Real product per unit of labor	3.5	2.1	1.4
Capital/labor substitution	.8	.5	.7
Total factor productivity	2.7	1.6	.7
Percentage point contribution:			
Sources of total factor productivity growth:			
Advances in knowledge	1.4	1.1	.9
R & D stock	.85	.75	.7
Informal	.3	.25	.2
Rate of diffusion	.25	.1	
Changes in labor quality	.6	.4	.7
Education and training	.6	.7	.7
Health	.1	.1	.1
Age/sex composition	−.1	−.4	−.1
Changes in quality of land		−.1	−.2
Resource reallocations	.8	.7	.3
Labor	.4	.2	.1
Capital	.4	.5	.2
Volume changes	.4	.2	−.3
Economies of scale	.4	.3	.2
Intensity of demand		−.1	−.5
Net Government impact		−.1	−.3
Services to business	.1	.1	.1
Regulations	−.1	−.2	−.4
Actual/potential efficiency, and n.e.c.[2]	−.5	−.6	−.4

[1] Preliminary.

[2] Not elsewhere classified.

Source: John W. Kendrick, George Washington University, based in part on estimates by Edward F. Denison "Accounting for United States Economic Growth, 1948-69" (Brookings, 1974) and an article in the January 1978 "Survey of Current Business."

APPENDIX IV: THE INTERACTION OF DEMAND-PULL AND COST-PUSH INFLATION IN RECENT YEARS

Recent economic history demonstrates the intricate interrelation between demand-pull and cost-push inflation.

The current "inflation era" was given major initial impetus by the surge in government spending associated with the buildup of the Vietnam War and the Great Society programs of the 1960s. This spending buildup occurred at a time when the economy was already operating at close to full employment. The results were large Federal deficits and a classic case of demand-pull inflation.

But as government expenditures escalated and demand pressures grew, price increases began to accelerate—from 2% in 1965, to 3% in 1966 and 1967, and to 4½% in 1968. By 1969, wage demands reflected these price rises, as well as the customary demands for additional wage increases to improve living standards. Cost-push inflation was underway.

The 1969-1970 recession coupled a decline in the level of output with continued price escalation as labor sought wage increases to keep up with and even get ahead of mounting inflation. In August 1971, the President instituted Phase I of wage and price controls.[29]

1973 was a watershed year in the history of inflation in the U.S. Commodity and food prices soared, interest rates went through the roof, and the oil embargo began. Together with the effects of two separate dollar devaluations and declining U.S. productivity, 1973 saw prices jump by 8%. With so many shocks to the system, inflationary expectations intensified. The term "double-digit inflation" entered the lexicon.

Despite the worst recession since World War II, prices rose by 12% in 1974 and by another 10% in 1975. These continuing price rises were fueled primarily by the combination of actual declines in the level of productivity for six consecutive quarters and persistently high increases in compensation per man-hour which exceeded 9% in 1974 and reached nearly 10% in 1975.

Rebounding productivity gains offset some of the rise in unit labor costs in 1976, but 1977 productivity slowdowns sparked further sharp rises in unit labor costs and prices. As this was happening, the unemployment rate began to fall toward a level which many economists would consider close to full employment. Thus, demand-pull factors strengthened and reinforced the inputs of cost-push inflation.

The push-pull of inflation has continued into 1978. Near double-digit compensation increases, coupled with declining productivity gains, have pushed prices up at still faster rates, with little relief in sight. At the same time, some tightness has developed in the skilled and experienced labor force and production bottlenecks have begun to appear.

This history illustrates the interaction between demand-pull and cost-push forces. Prices have risen at times in response to peak demands. In turn, wages have increased as labor has sought not only to maintain, but to increase, purchasing power. Over-all, unit labor costs and prices have spiraled upward without full-employment output.

Demand-pull and cost-push inflation, therefore, cannot be separated into two neat boxes. Because they constantly interact with and fuel each other, an array of economic policies is essential to control them.

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FOOTNOTES

[1] Francis Hackett, *Ireland*, cited by Paul A. Samuelson, *Economics*, tenth edition, 1976, page 759.

[2] Real per capita income (personal income in 1977 dollars, divided by population) rose from $3,740 in 1947 to $7,053 in 1977.

[3] It should be noted that the Labor Department output per man-hour measure used here measures the contribution of *all* factors of production (including labor, capital and natural resources) in raising output per-hour worked.

[4] These estimates are very close to those of Dr. Edward Denison. His study of the sources of growth in the U.S. economy indicates that total factor productivity as used here has accounted for approximately ¾ of the growth in national income between the years 1929-1969.

See Edward F. Denison, *Accounting for United States Economic Growth 1929-1969*, The Brookings Institution, 1974, pages 124-149 especially Table 9-5 on page 128. Data in Table 9-5, if regrouped to approximate the overall productivity measure used here, confirms the Exchange's findings.

[5] Changes in man-hours plus changes in productivity equal changes in output.

More precisely, man-hours *multiplied by* productivity equals output. Little accuracy is sacrificed by adding rates of change here, because of the small magnitude of the percent changes.

[6] A full discussion of the sources of this decline begins on page 14.

[7] Average workweek, total private nonagricultural sector: 1947 = 40.3 hours; 1957 = 38.8 hours; 1967 = 38.0 hours; 1977 = 36.1 hours.

[8] A 4% growth rate fueled by a 3% rise in productivity and a 1% rise in man-hours can produce a substantial increase in jobs in the coming decade if aggregate demand is strong enough to accommodate them. Man-hours

and productivity gains are, after all, supply variables and define what may be, not will be, attained. The extent of the increase is demonstrated by the following relationship:

% Change in Employment = % Change in Man-hours − % Change in Workweek

Assuming a 0.3% annual decline in the length of the average workweek, in line with the 1947–1977 experience in the private non-agricultural sector, the change in employment can be estimated as follows:

% Change Empl. = % Change man-hours − % Change workweek

% Change Empl. = 1% − (−0.3%)

% Change Empl. = 1.3%

Thus, employment can increase by 1.3% per year on average and could mean 16 million additional jobs by 1990—or an average unemployment rate of 5.0% over the decade of the 1980s. (Year-by-year changes are shown in Appendix II.) This assumes the BLS projected increases in the labor force (1.3% per year 1978–1984 and 0.9% per year 1955–1990).

[9] Address requests to: Dr. William C. Freund, Office of Economic Research, New York Stock Exchange, Inc.; 11 Wall Street, New York, New York 10005.

[10] The estimates are confined to the U.S. domestic business economy, which accounts for about 85% of GNP, since output and productivity measures are not available for the public and household sectors. Professor Kendrick's more detailed table appears in Appendix III.

[11] Nonetheless, real R&D expenditures (1972 dollars) have risen from $20 billion in 1960 to $26 billion in 1970 and to $29 billion in 1977.

[12] Deleted.

[13] See Frank Gollop and Dale W. Jorgenson, "U.S. Productivity Growth by Industry. 1947–1973," in *New Directions in Productivity Measurement,* (University of Chicago Press for the National Bureau of Economic Research, in press).

[14] The improvement in the capital/labor substitution ratio in 1973–1977 reflects greater efficiency per unit of capital. In absolute terms, the amount of capital per person in the labor force declined between 1974–75 and 1977.

[15] For a discussion of the interaction of these two sources of inflation over the past decade, see Appendix IV.

[16] Naturally, not all wage increases are set through formal collective bargaining. Nonetheless, agreements reached in union negotiations tend to have powerful spillover effects and set patterns for the entire labor market.

[17] Sam Nakagama, "Economic Perspectives," Kidder, Peabody & Co., July 28, 1978.

[18] Morgan Guaranty Survey, October 1978, pages 5–6.

[19] *A Conversation with the Honorable Barry Bosworth,* American Enterprise Institute for Public Policy Research, 1978, page 29.

[20] For illustrative purposes, throughout this section we have equated increases in unit labor costs with inflation, fully recognizing that (1) if non-labor costs rise faster than labor costs, price rises will be greater than indicated, and vice-versa; and, (2) in some cases, only part of the increase in unit labor costs may be passed on to customers.

[21] Actually, the process could start from any base level of inflation.

[22] Inflation would also decline if labor agrees to accept something less than assumed inflation plus a realistic allowance for productivity growth.

[23] Nonresidential fixed investment averaged 9.6% of GNP in 1975–78, and 9.8% of GNP in 1960–75.

[24] Speech before the American Productivity Center's Productivity Conference, October 3, 1978, page 8.

[25] Proposals to ease tax burdens on saving and investment are often rejected because of presumed negative effects on Treasury revenues. However, a recent study by Professor Martin Feldstein and Joel Slemrod (*The Lock-in Effect of the Capital Gains Tax: Some Time-Series Evidence,* National Bureau of Economic Research, Working Paper No. 257, 1978) concludes that Treasury revenues would expand, rather than contract, in response to a lower capital gains tax rate. A lower rate would induce a great increase in the sales of capital assets, and shift capital to those enterprises which are most efficient and profitable—a net plus for productivity growth.

[26] "The individual producing organization is where the action is with regard to improving operating efficiency under given technologies and making the cost-reducing innovations required for continuing productivity advances." Kendrick, *Understanding Productivity,* Johns Hopkins University Press, 1977, page 121.

Some companies have begun to look more closely at the nature of productivity at the plant level, thanks to the efforts of the Houston-based American Productivity Center and similar organizations which have sprung up over the last few years.

[27] Edward F. Denison, *Effects of Selected Changes in the Institutional and Human Environment Upon Output Per Unit of Input,* The Brookings Institution, 1978.

[28] Kendrick, Testimony before Joint Economic Committee, June 3, 1978.

[29] By 1971, unit cost pressures had actually begun to ease (as it turned out, temporarily) as robust productivity gains offset persistent wage demands. Price rises dipped below 3% per annum in the third quarter of 1971. Thus, as Phase I of wage-price controls was instituted, increases in productivity had already begun to slow the upward spiral of prices. In 1972, inflation ran at only a bit over 3%, due more to continued strong productivity gains than to Phase II of the control program. The 1971–1972 experience strongly suggests the potential of productivity gains as a policy instrument for curbing inflation.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana is recognized.

Mr. JOHNSTON. Mr. President, I seek recognition for 15 minutes in the morning hour. Is there a standing order for 15 minutes?

The ACTING PRESIDENT pro tempore. Yes, there is. The Senator is recognized for not to exceed 15 minutes.

Mr. STAFFORD. Mr. President, will the Senator yield to me for a couple of minutes to initiate a speech, with the understanding that he not lose the floor in doing so?

Mr. JOHNSTON. Yes. I will not talk too long, but I certainly yield to the distinguished Senator from Vermont.

Mr. STAFFORD. I appreciate the Senator's yielding.

THANKS TO THE WELL-WISHERS

Mr. STAFFORD. Mr. President, I wish to thank the Members of the Senate who either sent me cards or called me while I was recently recovering from an operation.

I yield the floor.

(The remarks of Mr. JOHNSTON in connection with the introduction of legislation are printed under statements on introduced bills and joint resolutions.)

A CONSTITUTIONAL CONVENTION

Mr. CULVER. Mr. President, we are now engaged in a great national debate on the subject of a call of the States for a constitutional convention to consider an amendment requiring a balanced Federal budget. Utah last week became the 25th State to petition for a convention. A total of 34 State applications are needed to trigger an article V convention call.

The goal of restraining Government spending to the greatest extent feasible as a measure to control inflation and high taxation is one that is shared by the majority of thoughtful Americans. But a constitutional amendment to enforce a balanced budget each year, whatever the conditions in the country may be, is another question. Balancing Government budgets in a responsible way is a valid objective to almost anyone's mind. Imposing a constitutional straitjacket to achieve that objective raises more questions than it answers.

The issue cuts across party lines. The Democratic Governor of California is a leading advocate. While many Republicans support the concept, we note that a majority of that party's leaders at the recent Tidewater Conference in Maryland rejected as "gimmickry" the call for the constitutional amendment to mandate a balanced Federal budget. Instead, it was reported, they said that they would campaign in 1980 for lower taxes and tougher spending limits.

The preservation of the integrity of our Constitution is a major concern to people of all parties. Our Constitution, as many eminent jurists throughout our history have pointed out, has endured so well because it embodies fundamental law and has not been made the instrument of specific social or economic policies. It has been our tradition that policies that can be handled effectively through congressional or executive action within the constitutional framework should not be cemented into the Constitution.

One should note, in this regard, that only twice in almost two centuries have we used the Constitution as a vehicle for social or economic experiments. The first instance was the recognition of slavery. The second was prohibition. As we know, both were later repealed. The absence of such features is precisely what is unique about the American Constitution.

As President Lyndon Johnson put it:

> Our basic law . . . is distinctive among the basic law of all nations . . . in that it prescribes no national dogma: economic, social, or religious.

This remarkable quality may have been what prompted the English statesman, Gladstone, to say, more than a century ago:

> The American Constitution is, so far as I can see, the most wonderful work ever struck off at a given time by the brain and purpose of man.

Budget balancing can be written into law without major surgery on the Constitution. It should be noted that one of the basic goals of the Carter administration is to balance the Federal budget at the earliest feasible time. Or, if it should prove to be the will of a majority of Americans, an amendment can be proposed in a more orderly and less dangerous fashion by congressional initiative.

Whether or not one agrees that writing specific economic policy into the Constitution would devalue this great charter of our democratic system, the unknown course of an article V Constitutional Convention raises warning signals of many kinds. The convention route to amend the Constitution has never before been used—and for good reason. The article itself is extremely vague, consisting of only a few lines. Nor is there any statute spelling out guidelines on how such a convention would be implemented.

It has been said by some who fear a constitutional convention that it would be a loose cannon, that it could not be confined to the single issue of budget balancing or any other amendment. Constitutional authorities disagree on this point, and I shall not argue it.

I do not so much fear that such a convention would be a carte blanche for the people to alter their constitution, but rather that it would be a reckless excursion into procedural chaos. It would almost inevitably usher in a period of major confrontations between the branches of our Federal Government and the States. In short, it would split the Nation with divisive controversy at a time when unity and self-confidence are our paramount needs.

Hundreds of State applications have been made to Congress since 1789. Doubtless many of those were made not to force the convening of a constitutional convention, but, rather, to apply pressure on Congress to adopt a similar proposal via the congressional initiative route and to submit it to the States for ratification.

Some exponents of the present convention drive are contending that this will be the probable and desired outcome of their effort. But there is no compelling reason to believe that convention advocates nationwide would be content to pass the initiative to Congress and give up the convention idea. Twenty-five States have already applied to Congress for a convention, and at least nine more are expected to have applied by late spring this year—which would trigger a call by Congress for an article V convention.

There should be no reasonable doubt that it is legally mandatory for Congress to call such a convention after two-thirds of the State legislatures have duly petitioned Congress to do so. Article V states:

> The Congress . . . on the application of the legislatures of the several states, *shall* call a convention for proposing amendments.

"Shall" clearly means "must" in this context. It is equally clear that amendments proposed by any such convention are to become part of the Constitution "when ratified by the legislatures of three-fourths of the several States, or by conventions in three-fourths thereof, as one or the other mode of ratification may be proposed by the Congress. * * *" There could be no action by the Chief Executive in this procedure since, under article V, the President is given no role to play in the amendment process.

Mr. President, the procedure for amending the Constitution by a two-thirds vote of both Houses of Congress is familiar ground so far as procedures are concerned. The article V Convention route, on the other hand, is an uncharted wilderness. One brief paragraph is the extent of what is known; the rest is unknown. It should not be assumed that the multitude of unanswered procedural questions that arise can be routinely settled by Congress or the courts. The uncertainties are of a kind that do not readily lend themselves to traditional mechanisms for solution.

In such a vacuum, controversy is bound to flourish. One of the Nation's leading authorities on constitutional law is Prof. Laurence Tribe of Harvard Law School. He sees, in a convention, the danger of touching off massive confrontations—between Congress and the convention, between Congress and the Supreme Court, and between the Supreme Court and the several States.

For example, Congress has the prescribed duty to call the convention and to transmit any amendments approved to the States for ratification. But how far do its powers go in discharging this duty? Suppose Congress, in good faith, invalidated certain applications or insisted on certain convention reforms before appropriating funds, or ruled some act of the convention as being outside its jurisdiction. What we might well have is a pitched battle over legitimacy. The struggle over constitutional power, set off perhaps by some single procedural point, could result in a bitter stalemate that the country can ill afford. At this point, enter the Supreme Court.

In the event of a stand-off between the Convention and the Congress, an action by the Supreme Court, whether it chose to rule or to abstain, would, in point of fact, come down to the advantage of one side or the other. Here we have the potential of aroused enmity either between the Court and the States or the Court and the Congress.

It is not difficult to visualize that the Court could become involved with Congress over the limits of congressional power under article V. Take the mode of delegate selection, for example. Is the one-person, one-vote rule applicable to a National Constitutional Convention?

Under the time-tested procedure for amending the Constitution by congressional initiative, the possibility of the Supreme Court getting at odds with the States is minimized. It has been maintained over a long period that Congress has the authority over such questions as attempted rescission and the timeliness of ratification. But under the article V method, there are no such guidelines available to us.

It is likely, if not inevitable, that on certain points, the Constitutional Convention, flexing its muscle as a constitutional authority independent of the Congress, would dispute certain assertions of congressional jurisdiction over the convention. If the Supreme Court upheld the Congress, a bitter division between the Court and the States would be likely to result.

When you get to the mechanics of the convention itself, you are met with another horde of basic, unanswered questions.

Does Congress have the power to make rules for the convention or to limit its amending power? If not, how is the agenda to be kept in reasonable bounds? How is the convention to be funded? Does Congress have the power of the purse over the convention? Who sets the duration of the session? Can it be reconvened? At whose call?

There are still basic, unanswered questions when you get to the ratification process. Under its article V authority and implied powers therefrom, can Congress refuse to submit a proposed amendment for ratification or impose a crippling time limit? Can Congress allow or prohibit rescission of a State's ratification vote? What if Congress and the convention deadlock on these matters?

Mr. President, these are only a few of the multitude of questions that would confront us with regard to an unprecedented article V Constitutional Convention. And if we were to proceed on this unnecessary route, who would provide the answers without risking severe dislocation in our constitutional system? The Congress? The courts? The States? I submit, Mr. President, nobody knows.

Mr. President, in the past 10 years, our Nation has gone through some trying experiences—the trauma of Vietnam, a succession of political assassinations, a constitutional crisis in the Presidency and severe economic problems, to name the best known. Now we are in the process of strengthening our national morale and regaining our spiritual unity as a people.

This is no time to risk the divisive disruption of the first Constitutional Convention since 1787.

Moreover, considering how well our constitutional system has held up through the trials of this past decade, it is not time to devalue our Constitution with an inappropriate amendment that goes against the collective wisdom of our history.

Judge Oliver Wendell Holmes said:

> Constitutions are intended to preserve practical and substantial rights, not to maintain theories.

I thank the Chair and I yield back my time.

Mr. STEVENS. Mr. President, I congratulate the Senator from Iowa for making those remarks. It is a most perplexing subject that we may have to face here soon.

I am not certain that too many people have thought of those complexities. The Senate would do well to take heed of my good friend's remarks and think twice about the situation.

I am not sure that my good friend would agree, but I, for one, believe one of the reasons we are having so much interest in this country in the Constitutional Convention is that we have not responded fully as a Congress to the demands of the American public for a reduction in the tax level that is imposed by the Federal Government on our people.

But, in any event, whatever the reason, I do think the Senator has done us all a service by outlining the points he has presented to us today.

Mr. CULVER. I thank the Senator from Alaska very much.

Mr. PROXMIRE. Mr. President, unfortunately, I did not hear the Senator from Iowa in his speech. If he spoke, as I presume he did, on the constitutional amendment to require a balanced budget, I want to ask him, if he will do so, to take a look at a bill I introduced yesterday—he was out of town, as I understand it—that would meet this objective, but it would do so in a flexible and economically realistic way, and a responsible way.

I am very hopeful my good friend from Iowa will look it over and consider supporting it.

PRESIDENT'S ANTI-INFLATION INCOMES POLICY SHOWS ENCOURAGING SIGNS OF WORKING

Mr. PROXMIRE. Mr. President, the Wall Street Journal reports today some encouraging anti-inflation news—that is, that smaller pay hikes may be the case at some firms as the guidelines begin to bite.

Gibson & Co., a Princeton, N.J., consulting outfit specializing in employee compensation, after surveying 634 big companies, found that 73 percent of the companies had cut their budgets for 1979 salary increases as the result of President Carter's voluntary pay guidelines.

That is the first broad news I have seen that the incomes policy of the President in fighting inflation is beginning to have some effect; 634 companies plan to give an average 7.1 percent salary increase, rather than the average 8.5 percent raise they originally planned to give.

That is a very substantial moderation in pay. It would translate into a reduction in the inflation rate, because by far the most important element in inflation is the rate of pay. Seventy percent of the cost of operating businesses in this country is personnel cost; and, obviously, if you have a pay increase and you have very little productivity increase, that pay increase is translated almost entirely into a price increase. So this is great news.

Asked about the effect of the guidelines on their compensation planning generally, 23 percent of the companies said they would have to make "substantial" changes in their plans to comply, while 50 percent said only "minor modifications" would be needed. Another 27 percent said what they had originally budgeted was already within the 7 percent pay-and-benefit standard, so no changes were necessary.

"Management" employees will be "most affected" by the guidelines. Only 26 percent said "nonmanagement" employees would be hardest hit.

GENOCIDE CONVENTION: RATIFICATION LONG OVERDUE

Mr. PROXMIRE. Mr. President, for many years now I have spoken daily on the floor of the Senate in favor of ratification of the Genocide Convention; quite frankly, more times than I care to remember. But I do it—and I will continue to do it—because I believe so very strongly in the noble purpose which this treaty embodies.

Over the years, the legitimate questions first raised regarding this Convention have been carefully reviewed and conclusively refuted.

Every line, every phrase, every syllable has been scrutinized time and again. I doubt that any human rights treaty has ever been subject to such intensive examination.

Our own Foreign Relations Committee has held hearings four times on this treaty. Four times, Mr. President. And each and every time they have recommended ratification by the Senate.

But the Senate has yet to act.

And why?

Does the treaty endanger our security or threaten the balance of power?

No. Here is a treaty that has had the complete support of a long line of Presidents and has the endorsement of every branch of our Armed Forces.

Is it because this treaty will drain our Treasury?

No. This treaty will not cost the taxpayers a dime.

Why then? What does this treaty do that four sets of hearings and 30 years of Senate consideration are required?

Mr. President, this treaty simply attempts to establish a basic, fundamental principle in international law: that the planned, premeditated extermination of a national, ethnic, racial, or religious group is morally wrong and must be outlawed and punished.

It is that simple.

It is that important.

THE GENOCIDE CONVENTION ENJOYS BROAD SUPPORT

Mr. President, the lack of Senate action is baffling, particularly in light of the broad support this major human rights treaty enjoys.

As I mentioned before, President after President since the time of Truman has endorsed ratification.

Successive Attorneys General, Secretaries of State and our Defense Department support Senate action.

Even the prestigious American Bar Association, which initially had misgivings about the treaty, has now overwhelmingly endorsed the treaty, concluding that their reservations had not withstood the test of time.

The American Civil Liberties Union has found no threat to our freedoms in this convention.

And there is even an Ad Hoc Committee of 52 labor, civic, religious and national groups dedicated to its ratification.

Every religious organization supports this treaty; yet, we fail to act.

And the list goes on and on.

IS THE GENOCIDE CONVENTION TOO WEAK?

But the question remains.

Why, in light of this treaty's noble purpose—why, in light of its impressive support, does the Senate fail to act?

In recent weeks I have discussed this question with a number of my colleagues and would like to address a concern that has been expressed by several Senators.

The argument follows the theme that the Genocide Convention is too weak. It is argued that there are a broad array of human rights violations that are simply not covered by this treaty. What about cultural genocide, for example? In the final analysis, will not other nations violate this Convention if it is in their interests to do so?

I am disturbed by the pervasiveness of this theme—or its variations—and it deserves a complete response.

First, the Genocide Convention was never meant to be a panacea for human rights violations. It is a narrowly targeted document, focusing on one of the most egregious crimes known to man. It was never meant to be construed as a catch-all document for each and every human rights violation.

Second, the concept of cultural genocide was specifically eliminated from this Convention for that very reason. This does not make issues such as religious intolerance and discrimination unimportant. The U.N. Human Rights Commission has been struggling for a number of years now with a draft treaty to deal with just that type of issue. And our delegation to the 35th meeting of the Human Rights Commission opening in Geneva next week will push for action on a treaty on religious intolerance—a concept the United States has long supported. But that is not part of the Genocide Convention.

Third, the argument that nations determined to violate this treaty cannot be stopped is self-defeating. Following this line of argument, no treaty would ever be adopted since some nation, someday, may violate it. This hesitancy is misplaced with this treaty when our own Defense Department assures us that it poses no threat to our security.

Also, we have specific experience with treaties that have no real enforcement mechanism—such as the Geneva Conventions for the Treatment of Prisoners of War—that have made great strides in protecting basic health and welfare of prisoners. And their only enforcement mechanism is the moral force of world opinion.

Finally, any treaty, just as any bill, is the result of careful negotiation and compromise. This treaty does not cover every conceivable group. Few pieces of legislation the Senate passes could meet such a test. But it does make a start—an important start—at protecting the most fundamental right: the right to live.

THE TIME TO ACT IS NOW

Mr. President, it is time to take that step.

Not because of the long list of supporters.

Not because we have refuted every objection.

But because it is right. And we have a moral obligation to not procrastinate any longer.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The remarks of Mr. Long in connection with the introduction of legislation are printed under Statements on Introduced Bills and Joint Resolutions.)

EXTENSION OF PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

(During Mr. Long's remarks, the following occurred:)

The PRESIDING OFFICER (Mr. Levin). If I may interrupt the Senator for just one moment, all time for morning business has expired at this point.

EXTENSION OF PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for routine morning business be extended for an additional 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may I be recognized?

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. I yield to the Senator such time as he may need.

Mr. LONG. I thank the majority leader.

(At the conclusion of Mr. Long's remarks the following occurred:)

RECESS FOR 30 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 1:24 p.m., recessed until 1:54 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Levin).

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

Mr. DURKIN. Will the Senator withhold that for a moment?

Mr. ROBERT C. BYRD. I withhold that.

Mr. DURKIN. I thank the Senator.

Mr. President, I ask unanimous consent that I may proceed as if we were in morning business.

The PRESIDING OFFICER. The Senate is in morning business.

Mr. DURKIN. I thank the Chair.

THE MIDDLE EAST SITUATION

Mr. DURKIN. Mr. President, peace in the Middle East, especially a peace treaty between Israel and Egypt, has always been desirable, but now it is absolutely essential to the economic, political, and military security of the United States and all the free world. That is why I have viewed with concern the movement of the Carter administration away from its praiseworthy role as an even-handed mediator in the ongoing negotiations that have followed the Camp David summit to the unhelpful role of attempting to resolve the impasse by supporting one side against the other. For that movement, rather than encouraging peace, has only served to make a difficult situation even more difficult, thereby postponing a true and lasting peace.

Just as importantly and unfortunately, that movement has led to fixing blame on Israel—the only true democracy in the Middle East, and a real friend of the United States—rather than to mediating the few remaining issues between Israel and Egypt. The Carter administration, by direct quote and innuendo, has encouraged and even participated in blaming Israel for the present stalemate in the talks. In doing so, the administration has fostered the incorrect belief around the world and even in parts of this country that Israel, and Israel alone, stands in the way of peace. This is unfounded and unwarranted, and postpones real peace.

For example, on November 21, 1978, well within the 3-month deadline for peace agreed to at the Camp David summit, Israel announced its readiness to accept the draft treaty which had been arduously negotiated in Washington.

This acceptance came despite the fact it required Israel to make major concessions, concessions which were agreed to only after the most strenuous political debate within Israel. For instance, the Israelis agreed to relinquish to Egypt the entire Sinai peninsula, including three important strategic airfields, a naval base, and Israeli villages that had served as a security buffer. Israel made these concessions although the Sinai peninsula has been the base for past Egyptian attacks on Israel.

Egypt, of course, has also contributed to the peace effort, especially through President Anwar Sadat's historic mission to Jerusalem in November 1977. But though Egyptians have made concessions during the post-Camp David negotiations in Washington and in the Middle East, they have been unwilling to accept the draft treaty. Instead, they have raised new demands on the Israelis, with the apparent encouragement of the Carter administration, demands which go beyond the Camp David accords.

The Egyptians are now demanding, for example, that the exchange of Ambassadors between Israel and Egypt be conditional upon the establishment of autonomous administration in the West Bank and Gaza District. While the Israelis intend to bring autonomy to those areas—in fact, it was originally an Israeli proposal—they balk at making the exchange of Ambassadors conditional upon the cooperation of groups outside the control of either Israel or Egypt. They rightly argue that there can be no true peace without concurrent and concomitant exchange of Ambassadors, and that making peace conditional on events in the West Bank and Gaza would encourage continual disruptive actions by the Soviet Union, and by the Palestine Liberation Organization.

The administration's recent policy of trying to make Israel a scapegoat must stop, especially in these delicate negotiations in which the stakes are so high. Peace between Israel and Egypt creates the possibility that these two countries, both friends of the United States and opponents of the Soviet Union, can work together to create a bulwark against Soviet expansionist tendencies in the Middle East. At a time of turmoil in Iran, unrest in much of Turkey, alliance between Afghanistan and the Soviet Union, pressure on Pakistan, and concern in Saudi Arabia and other Persian Gulf states about the intentions of the Soviets and their allies, the last thing an American administration should do is undermine the prospects or postpone for even 1 day the peace between Israel and Egypt by finger pointing.

Additionally, many of the administration's clumsy moves in recent months have created rifts between Israel and our country which benefit no one. As over 170 retired high-ranking military officers pointed out in a recent letter to President Carter, Israel is a source for peace in the Middle East. Israel remains at the heart of our opposition to the spread of Soviet influence which now threatens the Persian Gulf, the Horn of Africa, and other areas vital to the free world.

Anthing less than total American commitment to Israel and to the cause of peace in the Middle East poses a severe threat to our vital national interests.

I am hopeful the administration will return to its position of active arbiter, and refrain from fixing blame. We have come too far in solving this formerly insoluble problem to have such action damage a sincere and honestly negotiated peace. We must forget that it is the Israeli people and the Egyptian people who have to make the final decisions about peace. We hope and pray they will. But we must also not forget that Israel needs our support, that we need Israel, and that we need peace and stability in the Middle East now more than ever.

I thank the Chair and I thank the majority leader.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

[Disturbance in the Visitors' Galleries.]

Mr. ROBERT C. BYRD. Mr. President, may we have order in the gallery.

The PRESIDING OFFICER. There will be order in the gallery.

Mr. ROBERT C. BYRD. Mr. President, I ask that the Sergeant at Arms take steps to restore order in the gallery.

The PRESIDING OFFICER. The clerk will proceed with the call of the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEAR OF FACING THE TRUTH

Mr. STEVENS. Mr. President, as we prepare to discuss the administration's major foreign policy objective, approval of a SALT II treaty, I submit for my colleagues' review an article entitled "Fear of Facing the Truth" by George F. Will which appeared in the January 22 issue of Newsweek. The theme of Mr. Will's story parallels the resolution adopted by the Tidewater II Conference of Republican Party last weekend in Easton, Md.

In part, our resolution states that—

> The administration has been consistently insensitive to the aggressiveness of the Soviet Union and its clients, and inaccurate in forecasting Soviet behavior.

Additionally, we agreed that in considering the proposed treaty the complete military and foreign picture of the United States and the Soviet Union should be considered. I ask unanimous consent that Mr. Will's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FEAR OF FACING THE TRUTH

(By George F. Will)

When, as lately, America's decline accelerates, it is useful to look back along the downward, crumbling path. Eugene Rostow has done so in The Washington Quarterly, recalling the 1968 Soviet invasion of Czechoslovakia. He was Under Secretary of State, and was struck, then as now, by the attitude prevalent within government that "Soviet action must always be given the benefit of the doubt." That summer, officials resisted the idea that Soviet military maneuvers presaged an invasion. When senior Soviet officials interrupted their August vacations to convene in Moscow, President Johnson assumed they were preparing not an invasion but an invitation (for him to visit Moscow to begin strategic arms limitation talks). Significantly, they were preparing both. They wrongly assumed what they reasonably assume today, that the U.S. Administration would mute its reaction to Soviet conduct, however aggressive, rather than jeopardize SALT negotiations. (Johnson immediately canceled the trip.)

With today's satellites, U.S. officials would have seen unusual markings on tanks and other vehicles in the Soviet maneuvers. Evidence that these were about to go into action against identical tanks and vehicles—those of the Soviet-supplied Czech Army. But many officials would have resisted any upsetting evidence about the Soviets. Rostow recalls this from the preceding summer:

". . . The first time 'Egyptian' MiG fighters appeared over our Sixth Fleet shortly after the 1967 Six Day War, our monitoring sources reported that the pilots of these 'Egyptian' planes were talking Russian . . . Well, for two weeks our Soviet experts were explaining this away . . . [They said] that these were training flights, that the pilots were Egyptians who had been instructed in Russian by Russian personnel . . . and so on. Of course it soon transpired that the pilots were Russian and those arguments collapsed. But for two weeks they were stubbornly held . . ."

"STABILITY" IN IRAN

Today, the pattern of strikes and unrest in Iran strongly suggests Soviet fingerprints, but while the Soviets broadcast instructions for manufacturing grenades and bombs, U.S. "experts" suggest that the Soviets are primarily interested in "stability" in Iran. How does Rostow explain such willful imperviousness?

"The answer is: fear. The American political class is afraid of living with the evidence of reality, because if you accept that the Russians are embarked on an imperialist course for the indefinite future, if you accept that their military, economic, educational and cultural policies are all geared to the reduction . . . of the ability of the United States and its allies to resist, then you have to do something about it."

What the United States has done since the mid-1960s is invest its hopes in arms control. It has based arms-control policy on the hope that the Soviet buildup is merely a reaction to U.S. arms, and can be restrained by unilateral U.S. restraint. So U.S. arms-limitation efforts have limited . . . U.S. arms. Now the Economist of London warns that the SALT II treaty, designed to run through 1985, "could be the beginning of seven singularly dangerous years."

"A HALF-HOUR CATACLYSM"

The cosmetic equality in permitted totals of launchers conceals, The Economist says, " a large imbalance in Russia's favor." Given existing U.S. arsenals and procurement plans, "by 1985 the United States will be behind Russia both in the over-all total and in some of the most important sub-categories," including "modern large" missiles: the Soviets will be permitted 308 (a force that can carry 3,000 warheads), the U.S. will be permitted none. And SALT II "may leave the United States itself vulnerable to a surprise Russian attack.

"By the early 1980s, the growing number of increasingly accurate warheads Russia can pack into its huge missiles will put it in a position of being able to destroy virtually all of America's land-based missiles in a single half-hour cataclysm, while still keeping quite a lot of its own missiles in reserve, ready for a second blow . . . [A] counterattack against the Soviet missile system would have to depend mainly on the aircraft-carried Cruise missiles permitted under SALT II, which would take ten hours to trundle toward their targets—and even then would destroy not much more than half of the Soviet launching silos."

To say that the Russians would probably not push the button "misses the point of nuclear mathematics:

"The point is that the Russians would not have to. If they know that [an] exchange of Soviet first strike and American counterstrike would leave them with more surviving missiles, which would then hold America's cities hostage, they would know that the American President would know it too; and that he would be paralyzed by his knowledge . . . This is the political reality behind the apparently abstract calculations of who-would-have-more-missiles-left."

On the crucial question of how the United States sank to this danger, The Economist is too charitable: "Americans were so mesmerized by Vietnam and Watergate that they failed to spot the danger." Not true. The political class had sufficient evidence all along. It also had a desire to disbelieve, and with a few exceptions (such as Sen. Henry Jackson) has shrunk from leadership.

Fred Ikle, former director of the Arms Control and Disarmament Agency, writes that we are in a third postwar phase. From 1945 through 1950, the period of "nuclear monopoly," the U.S. actually had few ready nuclear weapons and was substantially weaker than the Soviet Union in terms of ready land-based power. After North Korea attacked, the U.S. immediately tripled its defense budget, building up air and naval capabilities. After the Cuban missile crisis, the Soviets began a sustained buildup, while Vietnam sapped America's material and moral resources.

IGNORANCE AS A STRATEGY

The Soviet Union has doubled its military budget, in real terms, in the last fifteen years. The U.S. budget in constant dollars is less than it was in 1961. And as Ikle says, this "third-phase shift in the Soviet Union's favor is still under way." In 1965, Defense Secretary McNamara said that "the Soviets have decided that they have lost the quantitative race . . . there is no indication the Soviets are seeking to develop a strategic nuclear force as large as ours." Ikle blames a huge "intelligence failure" in the 1960s for such thinking and for "our harmful persistence in unilateral restraint as a policy for inducing Soviet restraint. For eleven years in a row, the annual U.S. intelligence forecasts underestimated the number of missiles Russia would deploy."

But Ikle, like The Economist, is too charitable. When people are so wrong for so long on the same subject, in the same direction, the failure is not of intelligence but of will. For such people, ignorance is a strategy. Their problem is not in finding the truth, but in facing it.

RECESS FOR 30 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 2:06 p.m., recessed until 2:36 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. EXON).

FURTHER EXTENSION OF THE PERIOD FOR ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that there be a 5-minute extension for routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. STONE at this point in connection with the introduction of legislation are printed under Statements on Introduced Bills and Joint Resolutions.)

RECESS FOR 45 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 45 minutes.

There being no objection, the Senate, at 2:37 p.m., recessed until 3:22 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BOREN).

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE STATUS OF THE NATIONAL WILDERNESS PRESERVATION SYSTEM—MESSAGE FROM THE PRESIDENT—PM 24

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, with an accompanying report, which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

I am transmitting herewith the Fourteenth Annual Report on the Status of the National Wilderness Preservation System. This information has been compiled by the Secretaries of Agriculture and the Interior for lands under their respective jurisdiction and covers calendar year 1977.

JIMMY CARTER.

THE WHITE HOUSE, *February 6, 1979*.

MESSAGES FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that, pursuant to section 8002 of the Internal Revenue Code of 1954, the chairman of the Committee on Ways and Means has designated Mr. ULLMAN, Mr. ROSTENKOWSKI, Mr. VANIK, Mr. CONABLE, and Mr. DUNCAN of Tennessee as members of the Joint Committee on Taxation.

The message also announced that, pursuant to the provisions of section 1(b)(2), Public Law 94-399, the Speaker has appointed Mr. DELLUMS, Mr. CHARLES WILSON of Texas, and Mr. MCKINNEY as members to the Temporary Commission on Financial Oversight of the District of Columbia, on the part of the House.

The message further announced that the House has agreed to House Concurrent Resolution 42, providing for an adjournment of the House from February 8 to February 13, 1979, and a recess of the Senate from February 9 to February 19, 1979, in which it requests the concurrence of the Senate.

COMMUNICATIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-478. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Congressional Control Over Appropriations to the Corps of Engineers Can Be Strengthened," January 31, 1979; to the Committee on Appropriations.

EC-479. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize additional military construction and supplemental appropriations therefor for fiscal year 1979; to the Committee on Armed Services.

EC-480. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize certain construction at military installations, and for other purposes; to the Committee on Armed Services.

EC-481. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Army's proposed Letter of Offer to Greece for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-482. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, its third annual report on the Equal Credit Opportunity Act; to the Committee on Banking, Housing, and Urban Affairs.

EC-483. A communication from the Chairman, Securities and Exchange Commission, transmitting, pursuant to law, its final report in the matter of transactions in the securities of the City of New York; to the Committee on Banking, Housing, and Urban Affairs.

EC-484. A communication from the Director, Council on Wage and Price Stability, Executive Office of the President, transmitting a draft of proposed legislation to increase the authorization for the Council on Wage and Price Stability, and to extend the duration of such council; to the Committee on Banking, Housing, and Urban Affairs.

EC-485. A communication from the Chairman, National Advisory Committee on Oceans and Atmosphere, transmitting, pursuant to law, a special report on Coastal Zone Management; to the Committee on Commerce, Science, and Transportation.

EC-486. A communication from the Secretary, Interstate Commerce Commission, reporting pursuant to law, that it is unable to render a final decision in Docket No. 36746 (Sub-No. 68), Methanol Alcohol, Pace, Fla., to Chattanooga, Tenn., within the initially specified 7-month period; to the Committee on Commerce, Science, and Transportation.

EC-487. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that it is unable to render a final decision in Docket No. 36970, Annual Volume Rates on Coal—Wyoming to Flint Creek, Ark., within the initially specified 7-month period; to the Committee on Commerce, Science, and Transportation.

EC-488. A communication from the Director, Office of Rail Public Counsel, transmitting a draft of proposed legislation to authorize further appropriations for the Office of Rail Public Counsel; to the Committee on Commerce, Science, and Transportation.

EC-489. A communication from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report encompassing the National Park Service new area studies, and the list of those areas included in the Registry of Natural Landmarks and areas of national significance included in the National Register of Historic Places which exhibit known or anticipated damage or threats to the integrity of their resources; to the Committee on Energy and Natural Resources.

EC-490. A communication from the Secretary of Energy, reporting, pursuant to law, that a photovoltaic systems evaluation and purchase program has been established in the Department of Energy (DOE) as required by Section 567(a) of the Federal Photovoltaic Utilization Act, which was enacted as Part 4 of Title V of the National Energy Conservation Policy Act (Public Law 95-619); to the Committee on Energy and Natural Resources.

EC-491. A communication from the Acting Assistant Secretary, Land and Water Resources, Department of the Interior, reporting, pursuant to law, approval, of a 1-year deferment of the construction repayment installments due the United States by reason of construction of irrigation facilities serving lands in the Webster Irrigation District No. 4, Pick-Sloan Missouri Basin Program, Kansas; to the Committee on Energy and Natural Resources.

EC-492. A communication from the Chairman, United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report on the Commission's domestic safeguards program; to the Committee on Environment and Public Works.

EC-493. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Comparative Growth in Compensation for Postal and Other Federal Employees Since 1970," February 1, 1979; to the Committee on Governmental Affairs.

EC-494. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report with respect to certain civilian positions established pursuant to Section 3104(a)(8), United States Code, during calendar year 1978; to the Committee on Governmental Affairs.

EC-495. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC-496. A communication from the Director, Office of Personnel Management, reporting, pursuant to law, with respect to positions in grades GS-16, GS-17, and GS-18 during calendar year 1978; to the Committee on Governmental Affairs.

EC-497. A communication from the Assistant Attorney General for Administration, Department of Justice, transmitting, pursuant to law, a report with respect to positions in grades GS-16, GS-17, and GS-18; to the Committee on Governmental Affairs.

EC-498. A communication from the Director, Federal Bureau of Investigation, Department of Justice, transmitting, pursuant to law, a report with respect to positions in grades GS-16, GS-17, and GS-18; to the Committee on Governmental Affairs.

EC-499. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports covering the period of January 16 through January 31, 1979, concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

PETITIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-36. A resolution adopted by the Legislature of the State of Kentucky; to the Committee on Finance:

"RESOLUTION

"Whereas, the Congress of the United States has not permanently resolved the issues of the tax home and methods of determining income tax deductions for legislative business expenses as they relate to members of the state legislatures; and

"Whereas, while the Congress is to be commended for the substance of its temporary resolution of these issues in the 1976 Tax Reform Act and 1977 Tax Reduction and Simplification Act, a permanent solution is needed so that state legislators may anticipate their tax liabilities and file their federal income tax returns in a timely manner; and

"Whereas, the Kentucky Constitution and statutes, like those of many other states, embody the concept of a part-time, citizen legislator who resides and conducts his private business among his constituents and who is periodically called upon to conduct the public's business in legislative sessions and committee meetings in the state capital; and

"Whereas, the aforementioned temporary

provisions of federal law have permitted a state legislator to elect to treat his business as a state legislator in a manner compatible with this state constitutional and statutory concept of his role;

"Now therefore,

"Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

"Section 1. That the United States Congress and, in particular, the members of the Kentucky Congressional delegation are respectfully requested to lend their support to the enactment of a permanent resolution of the tax home and per diem income tax deduction issues, as they relate to state legislators, in a manner similar to that temporarily provided by Section 604 of the Tax Reform Act of 1976, as extended by Section 307 of the Tax Reduction and Simplification Act of 1977, and to that supported by the National Conference of State Legislatures.

"Section 2. That the Legislative Research Commission is requested to monitor the progress of such legislation through cooperation with Kentucky's Congressional delegation and the National Conference of State Legislatures.

"Section 3. That the Clerk of the House of Representatives shall transmit a copy of this Resolution to each member of the Kentucky Congressional delegation, the Speaker of the House of Representatives and President of the Senate of the United States, and to the chairmen of the United States House Committee on Ways and Means and Senate Finance Committee."

POM-37. A joint resolution adopted by the Legislature of the State of North Carolina; to the Committee on the Judiciary:

"Senate Joint Resolutions

"Whereas, believing that inflation is the most serious problem facing the people of the United States, and the primary cause of inflation is unchecked federal spending; and

"Whereas, the State of North Carolina is required by its Constitution to have a balanced budget, and has long operated on a sound fiscal basis which the federal government would be well-served to emulate; and

"Whereas, under Article V of the Constitution of the United States, amendments to the federal Constitution may be proposed by the Congress whenever two-thirds of both houses deem it necessary, or on the application of the legislatures of two-thirds of the several states, the Congress shall call a Constitutional Convention for the purpose of proposing amendments which shall be valid when ratified by the legislatures of three-fourths of the several states or by conventions in three-fourths thereof;

"Whereas, by Resolution 97 of the General Assembly, ratified July 1, 1977, the Congress was requested to submit an amendment to the states to require a balanced federal budget but the Congress has failed to act; Now, therefore, be it resolved by the Senate, the House of Representatives concurring:

"Section 1. That the Congress of the United States is requested to propose and submit to the states an amendment to the Constitution of the United States which would require that, in the absence of a national emergency, the federal budget be balanced each fiscal year within four years after the amendment is ratified by the various states.

"Sec. 2. That, alternatively, this body respectfully petitions the Congress of the United States to call a convention for the exclusive purpose of proposing an amendment to the Constitution of the United States to require a balanced federal budget in the absence of a national emergency.

"Sec. 3. That this application constitutes a continuing application in accordance with Article V, of the Constitution of the United States until at least two-thirds of the legislatures of the several states have made similar applications pursuant to Article V, or until this application is rescinded by the General Assembly of North Carolina; but if Congress proposes an amendment to the Constitution identical in subject matter to that contained in this joint resolution before January 1, 1980, this petition for a Constitutional Convention shall no longer be of any effect.

"Sec. 4. That this application and request be deemed rescinded in the event that the convention is not limited to the subject matter of this application.

"Sec. 5. That since this application under Article V of the Constitution of the United States, is the exercise of a fundamental power of the sovereign states under the Constitution of the United States, it is requested that receipt of this application by the Senate and the House of Representatives of the United States Congress be officially noted and duly entered upon their respective records, and that the full context of this resolution be published in the official publication of both the Senate and the House of Representatives of the Congress.

"Sec. 6. That copies of this resolution be sent to the Secretaries of State, presiding officers of all state legislatures in the Union, the Clerk of the United States House of Representatives, the Secretary of the United States Senate, and each member of the North Carolina Congressional delegation.

"Sec. 7. This resolution is effective upon ratification."

POM-38. A resolution adopted by the Board of Directors, Wisconsin Association of Life Underwriters, Madison, Wis. memorializing the U.S. Congress that amendments to the McCarran-Ferguson Act be rejected; to the Committee on the Judiciary.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and the second time by unanimous consent, and referred as indicated:

By Mr. STAFFORD:

S. 344. A bill to amend section 131, title 23, United States Code; to the Committee on Environment and Public Works.

By Mr. RIBICOFF (for himself, Mr. Javits, Mr. Moynihan, Mr. Mathias, Mr. Melcher, Mr. Nelson, and Mr. Tsongas):

S. 345. A bill to authorize the establishment of the Long Island Sound Heritage in the States of Connecticut and New York; to the Committee on Energy and Natural Resources.

By Mr. WEICKER:

S. 346. A bill to amend the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically handicapped because of that handicap; to the Committee on Human Resources.

By Mr. DOMENICI (for himself and Mr. Schmitt):

S. 347. A bill to prohibit the excessing of cabin sites and removal of cabins located at Conchas Lake, New Mexico, prior to 1996 without State approval; to the Committee on Environment and Public Works.

S. 348. A bill to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Ben Abruzzo, Maxie Anderson, and Larry Newman; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. PROXMIRE (by request):

S. 349. A bill to increase the authorization for the Council on Wage and Price Stability, and to extend the duration of such Council; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LONG (for himself, Mr. Ribicoff, Mr. Talmadge, Mr. Young, Mr. Melcher, Mr. Cannon, Mr. Inouye, Mr. Stafford, and Mr. Hatfield):

S. 350. A bill to amend the Social Security Act by adding thereto a new title XXI which will provide insurance against the costs of catastrophic illness, by replacing the medicaid program with a Federal medical assistance plan for low-income people, and by adding a new title XV thereto which will encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges, and for other purposes; to the Committee on Finance, by unanimous consent.

By Mr. LONG (for himself, Mr. Talmadge, Mr. Young, Mr. Melcher, Mr. Cannon, Mr. Inouye, Mr. Stafford, Mr. Percy, Mr. Stone, Mr. Hatfield, and Mr. Mathias):

S. 351. A bill to amend the Social Security Act by adding thereto a new title XXI which will provide insurance against the costs of catastrophic illness and by adding a new title XV thereto which will encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges, and for other purposes; to the Committee on Finance, by unanimous consent.

By Mr. STONE:

S. 352. A bill to extend coverage, under the insurance system established by title II of the Social Security Act, to service performed by an individual as a Member of Congress; to the Committee on Finance.

By Mr. TOWER:

S. 353. A bill to facilitate the development and implementation of monetary policy, to reduce and restructure reserve requirements, and to provide for the maintenance of reserves by member banks and other depository institutions in earnings participation accounts at the Federal Reserve Banks; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CANNON (for himself, Mr. Stevenson, and Mr. Schmitt) (by request):

S. 354. A bill to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development; to the Committee on Commerce, Science, and Transportation.

By Mr. BENTSEN:

S. 355. A bill to amend title 18, United States Code, relating to criminal offenses committed by terrorists; to the Committee on the Judiciary.

By Mr. BELLMON:

S. 356. A bill to encourage the establishment of an International Grain Exporting Stabilization Commission; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CANNON (for himself, Mr. Stevenson, and Mr. Schmitt) (by request):

S. 357. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. PELL:

S. 358. A bill to remove certain inequities in the Secret Service retirement system; to the Committee on Governmental Affairs.

By Mr. STEVENSON:

S. 359. A bill to amend the Council on Wage and Price Stability Act to strengthen the independence, authority, and resources of the Council by establishing it as an independent Inflation Review Board, by authorizing the Board to require prenotification of and to delay temporarily wage and price increases which could have serious inflationary effects on the economy, by authorizing the Board to recommend to the President appropriate governmental actions to counter inflation, including voluntary wage and price guidelines and accompanying measures to encourage adherence to such guidelines, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. WILLIAMS (for himself, Mr. FORD, Mr. RANDOLPH, and Mr. RIEGLE):

S. 360. A bill to provide grants to schools of education, and for other purposes; to the Committee on Human Resources.

By Mr. STEVENSON (for himself and Mr. PERCY):

S. 361. A bill to change the name of the Indiana Dunes National Lakeshore to the Paul H. Douglas Indiana Dunes National Lakeshore; to the Committee on Energy and Natural Resources.

By Mr. GRAVEL (for himself and Mr. STEVENS):

S. 362. A bill to increase authorization for Alaska Highway reconstruction; to the Committee on Environment and Public Works.

By Mr. TOWER:

S. 363. A bill for the relief o" James Antin Chua Tuan, M.D.; to the Committee on the Judiciary.

By Mr. WILLIAMS:

S. 364. A bill for the relief of Tomiko Fukuda Eure; to the Committee on the Judiciary.

By Mr. PELL:

S. 365. A bill for the relief of Betty Pi-Ling Chen and her daughter Alecia Juei-Hsia Chen; to the Committee on the Judiciary.

By Mr. JOHNSTON:

S.J. Res. 34. Joint resolution proposing an amendment to the Constitution of the United States providing that the term of office of Members of the U.S. House of Representatives shall be 4 years; to the Committee on the Judiciary

By Mr. STONE:

S.J. Res. 35. Joint resolution to continue programs, transactions, and activities with respect to the Republic of China to the same extent and in the same manner as provided in the memorandum of the President, dated December 31, 1978, pending further legislation, and for other purposes; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STAFFORD:

S. 344. A bill to amend section 131, title 23, United States Code; to the Committee on Environment and Public Works.

FEDERAL HIGHWAY BEAUTIFICATION ASSISTANCE ACT OF 1979

Mr. STAFFORD. Mr. President, I am introducing today the Federal Highway Beautification Assistance Act of 1979. This bill would return to the States responsibility for highway beautification. Where a State chooses to pay for billboards removed from interstate or primary roads, Federal assistance would be available.

There are many reasons for dismantling the Highway Beautification Act of 1965. The purposes this act was intended to achieve have been to a large degree perverted. The act has become more a protection for billboards than the cause for their removal.

I would like to explain why the existing beautification program is not achieving its original goals.

By and large, travelers do not see many results after 13 years of the program's existence. While 91,000 nonconforming signs had been removed through last March, 214,779—or more than two-thirds— remained standing.

Even were the program to be fully implemented, results would be hard to see. Under the law, existing signs may remain and new signs may be erected in any so-called commercial or industrial area. The number and size of these commercial or industrial zones can be great depending upon a State's zoning laws and practices. In fact, signs exist in many areas which are zoned commercial or industrial but which are rural in character.

Existing law provides that States have full authority to zone areas for commercial or industrial use. Interpreted literally, this means a State could zone all land along interstate routes as commercial or industrial. In such a State, there would be no sign removal program.

This, in fact, was tried in one State with similar actions in two others. The Federal Highway Administration has refused to recognize such obvious attempts to circumvent the intent of the act. But in the face of substantial public pressure from Members of Congress, it may be difficult for the agency to continue this policy.

If States, at the behest of sign owners, may pick and choose exactly where signs are to be permitted, I fear Federal money will pay for billboards the true worth of which is nearly zero. Meanwhile, our roadsides will show very little visual improvement.

A report from the General Accounting Office estimates that at the completion of its program, the State of Oregon will still have 40 percent of its off-premise signs standing. I might note that Oregon is one of the more aggressive billboard control States.

Another example of the proliferation of signs permitted under current law is a 23-mile stretch of interstate highway in Georgia. There are currently 300 signs visible along this route. After all nonconforming signs are removed, 189 will remain.

Now I would like to review the cost of this program. Before the 1978 amendments which added greatly to overall cost, GAO estimated that State and Federal governments would have to spend $500 million to remove remaining signs. Even then that was a very conservative estimate. Thus, if the program were completed, it could cost at least twice that amount, or roughly $1 billion.

The President's budget for 1980 contains no funding for the highway beautification program. In recent years, Congress has also stinted its funding. As funding for the program decreases, sign removal is slowed or stopped. Until Federal funds are available, no signs come down. And at current funding levels at least 100 years will be required to remove nonconforming signs.

There are advantages to turning the program back to the States. A State which fears injury to its tourist industry from sign removal would be able to determine which signs should remain standing. Under the existing system, needs to alleviate hardship cases have to be dealt with through administratively complex Federal regulations.

Turning the program back to the States will permit more experimentation with alternative information systems. The Federal law currently hampers such innovation, as has been the case in my State of Vermont.

Changing the mandatory nature of the Federal law will remove Federal interference with State and local governments' authority to control advertising under their police powers. In some States this will mean faster billboard removal.

Finally, the change I am proposing will eliminate the need for Congress to spend undue amounts of time amending a program which, as it is constituted, has little if any popular support from environmentalists, businesses, or the States.

There will be those who ask why we do not strengthen the Federal program. My personal preference would be just that: to eliminate the myriad loopholes in the law. But public sentiment for more beautiful roads on the national level seems too weak to stand up against a strong, organized industry lobby.

I believe that more productive anti-billboard battles can and will take place at State and local levels, once Federal obstacles are removed. Where there is strong sentiment to preserve a State's natural beauty, strong measures will be taken. Where no such sentiment exists, roadsides will, as at present, remain ugly. But we will not be spending taxpayers' money to keep them that way.

In summary, then, the legislation I introduce today is designed to save Federal funds and to end needless and counterproductive Federal regulation, as well as to get the Federal Government out of the hair of State and local governments.

Clearly, the time has come to end the mandatory features of the Highway Beautification Act of 1965. The Congress and the Nation have tried to make the law work as it was intended to—but it has not turned out that way. It is time to concede that the mood of the Congress and of the Nation have changed. And, also to concede that the law has changed—and not for the better.

It is my hope and expectation that environmental organizations will agree with my view that the existing law no longer promotes the cause of highway beautification; indeed, that the law may be an enemy of that cause under certain circumstances.

I anticipate that State and local officials who have had to deal with the changes and complexities of the present law may agree the time for change has come.

And, of course, surely we can expect that the outdoor advertising industry will welcome the opportunity to free itself of Federal regulation under a law it has opposed for so long.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD, together with a section-by-section analysis, and a brief statement on the effect of the most recent amendment of 1978 to the Highway Beautification Act.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 344

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Federal Highway Beautification Assistance Act of 1979."

SEC. 2. Section 131 of title 23, United States Code, is amended to read as follows:

"§ 131. Control of Outdoor Advertising.

(a) The Congress hereby finds and declares that it is in the public interest for the Federal government to assist the States in controlling the erection and maintenance of outdoor advertising signs, displays, and devices in areas adjacent to the Interstate System and the primary system in order to protect the public investment in such highways, to promote the safety and recreational value of public travel, and to preserve natural beauty.

(b) A State may establish a statewide system to control the erection and maintenance of outdoor advertising signs, displays, and devices adjacent to the Interstate and primary systems. Whenever a State which has established an effective statewide system of control, as defined in subsection (c) and determined by the Secretary, shall acquire by purchase or condemnation signs, displays, or devices lawfully erected and maintained adjacent to the Interstate or primary system, the Federal share of such acquisition shall be 80 per centum. Any State electing to provide such compensation shall provide: (1) compensation for the taking from the owner of such sign, display, or device; and (2) compensation for the taking from the owner of real property on which the sign, display, or device is located, of the right to erect and maintain such sign, display or device thereon.

(c) An effective statewide system of control is one which provides that signs, displays, or devices, if located within six hundred and sixty feet of the right-of-way within urban areas or if located outside urban areas and visible from the main traveled way of the system, shall be limited to (1) directional and official signs and notices, which signs and notices shall be limited to official signs and notices, public utility signs, service club and religious notices, public service signs and directional signs consistent with the national standards as in effect on the date of enactment of this section, (2) signs, displays, and devices advertising the sale or lease of property upon which they are located, (3) signs, displays, and devices advertising activities conducted on the premises on which they are located, (4) signs lawfully in existence on October 22, 1965, determined by the State, subject to the approval of the Secretary, to be landmark signs, including signs on farm structures or natural surfaces, of historic or artistic significance the preservation of which would be consistent with the purposes of this section, and (5) signs, displays and devices in areas zoned industrial or commercial under authority of State law and actually developed for such use or in unzoned commercial or industrial areas.

(d) The Secretary shall, in consultation with the States, provide within the rights-of-way for areas at appropriate distances from interchanges on the Interstate System on which signs, displays, and devices giving specific information in the interest of the traveling public may be erected and maintained. The Secretary may also, in consultation with the States, provide within the rights-of-way of the primary system for areas in which signs, displays, and devices giving specific information in the interest of the traveling public may be erected and maintained. Such signs shall conform to national standards to be promulgated by the Secretary.

(e) In order to provide information in the specific interest of the traveling public, the State highway departments are authorized to maintain maps and to permit information directories and advertising pamphlets to be made available at safety rest areas. Subject to the approval of the Secretary, a State may also establish information centers at safety rest areas and other travel information systems within the rights-of-way for the purposes of informing the public of places of interest within the State and providing such other information as a State may consider desirable. The Federal share of the cost of establishing such an information center or travel information system shall be that which is provided in section 120 for a highway project on the Federal-aid system to be served by such center or system.

(f) Any State highway department which has, under this section as in effect on June 30, 1965, entered into an agreement with the Secretary to control the erection and maintenance of outdoor advertising signs, displays, and devices in areas adjacent to the Interstate System shall be entitled to receive the bonus payments as set forth in the agreement, but no such State highway department shall be entitled to such payments unless the State maintains the control required under such agreement.

SECTION-BY-SECTION ANALYSIS OF THE FEDERAL HIGHWAY BEAUTIFICATION ASSISTANCE ACT OF 1979

Sec.1. Title of the Act.

Sec. 2. Creates a new section 131 of title 23, United States Code, as follows:

Sec. 131. (a) Declares it a national policy for the Federal government to assist the States in controlling outdoor advertising.

(b) Permits States to establish a statewide program of billboard control and provides that where the State program meets the requirements of subsection (c), Federal funds will make up 80 per cent of the cost of the State's purchase of signs along the Interstate or primary systems. A State is not required to pay compensation but where it elects to do so, Federal funds will be made available.

(c) To be eligible for Federal assistance, a State must limit signs within 660 feet of the road in urban areas or visible from the road outside urban areas, to (1) specified directional and official signs and notices, (2) signs for the sale or lease of property on which the signs are located, (3) on-premise signs, (4) landmark signs, and (5) signs in commercial and industrial areas.

(d) Requires the Secretary to provide within the Interstate right-of-way for signs giving information of use to travelers and permits the Secretary to provide for such signs along the primary system.

(e) Permits States to provide travelers' information and advertising at safety rest areas and provides for Federal assistance in establishing information centers or systems.

(f) Retains payments to States which entered into agreements with the Secretary to control signs along the Interstate System under the Bonus Act.

BACKGROUND

The Highway Beautification Act, enacted in 1965, requires the states to pass laws prohibiting billboards along Interstate and primary highways, except that signs can be permitted in commercial and industrial zones. The Act further requires compensation for signs removed, on a 75–25 federal-state matching basis. A state that fails to pay for signs removed faces the loss of 10 per cent of its Federal highway funds.

Several state courts have ruled that signs removed pursuant to local ordinances stricter than, and not related to, the Federal Highway Beautification Act, are not entitled to compensation, whether or not the signs are adjacent to Interstate or primary highways.

EFFECT OF 1978 AMENDMENTS

The amendment in the 1978 Surface Transportation Act requires payment of compensation for removal of any off-premise sign adjacent to an Interstate or primary route. This would severely restrict zoning practices in urban areas where billboards, along with other types of nonconforming land uses, have traditionally been removed under the police powers of the jurisdiction, without compensation, but with provision for amortization.

One example of the effect of the change can be seen by looking at a recent decision by Maryland's Court of Appeals. An urban renewal ordinance in Baltimore's oldtown area required removal of all off-premise signs in the area after a five-year amortization period. Sign owners challenged the ordinance, claiming that two signs adjacent to a Federal-aid primary street had to be compensated under the Highway Beautification Act. Both signs were in commercial or industrial zones and thus were permissible under the Act. The Court decided that the control exercised by the city, which was stricter than required by the Act, was not subject to the Act's compensation requirements. Had the 1978 amendment been in effect, the sign owners would have had to receive compensation or Maryland would have lost 10 per cent of its Federal-aid highway funds. Similar situations exist in many States.

One point to be noted in connection with the amendment is that it will substantially increase the costs of the Highway Beautification Act without promoting highway beautification. Signs which previously were removed for local purposes without compensation may have to be paid for out of very limited Highway Beautification funds. The change greatly increases the number of signs covered by the compensation requirement, thus slowing down sign removal along rural portions of the Interstate where the Federal program was intended to have its greatest effect.

By Mr. RIBICOFF (for himself, Mr. JAVITS, Mr. MOYNIHAN, Mr. MATHIAS, Mr. MELCHER, Mr. NELSON, and Mr. TSONGAS):

S. 345. A bill to authorize the establishment of the Long Island Sound Heritage in the States of Connecticut and New York; to the Committee on Energy and Natural Resources.

LONG ISLAND SOUND HERITAGE

● Mr. RIBICOFF. Mr. President, Long Island Sound is the Nation's largest protected area of salt water. Its 1,300 square miles represent a unique study in contrasts and contradictions. The sound's location is the source of both its value and its vulnerability. It is a treasure to be carefully guarded in the heart of the urban, industrialized Northeast.

The sound is rich in the history of the Western World and of America. European contact with the sound probably began in 1524 when Giovanni Verrazano explored New York Harbor and is believed to have entered the western region of the sound. In 1614 the Dutch explorer, Capt. Adrian Block, sailed throughout the sound and the Connecticut River; he was the first European to build a ship—the *Onrust*—in the region. Five years after Block, Capt. Thomas Dermer, an Englishman, entered Long Island Sound from the east.

The Dutch subsequently settled various sites on the sound. as far east as the Connecticut River. The English, however, were the predominant settlers in the area, establishing New Haven in 1638 and New London in 1643.

Fishing fleets and whalers sailed from various ports along the sound in later years, including historic locations such as Mystic and New London. The sound was a major international trade route for over a century.

This unparalleled body of water is Connecticut's front porch. It is a special place where 13 million people near its shores can relax, refresh, and recharge themselves and find solace from the daily pressures of modern living. The sound is an urban sea which, with proper planning, can be nurtured and protected from unnecessary and harmful intrusions. The sound's full potential can be realized and enjoyed through judicious use of this matchless resource.

Long Island Sound is an important recreational area. Natural beaches exist along almost 262 miles of the sound's 600-mile coastline. As one of the finest and most protected bodies of water in the United States for boating, there are thousands of recreational craft of all sizes and types. Numerous gamefish—such as striped bass, bluefish, Atlantic mackerel, weakfish, and shad—are common to the sound's waters. The area is the nesting region for numerous species of birds—the least, common and roseate terns, the glossy ibis, the great egret, and the herring and great black-billed gulls.

Following a 4-year study the New England River Basins Commission estimated that an additional 20 miles of beach will be required in less than 15 years to accommodate the projected number of bathers, while an additional 800 acres of picnic grounds will be necessary in the same period. As the population along the sound increases, there will be a proportional rise in the recreational demands.

Unfortunately, many areas of the sound have been misused, and it is in grave jeopardy. The sound displays the way in which Americans use and enjoy but also misuse and destroy many invaluable natural resources. While there are many bright, clean beaches and scenic locations of great beauty, there are other places which are marred by decaying waterfronts. Water pollution, shoreline erosion, the destruction of rich marshlands, unplanned development, and the loss of open spaces all diminish this important national asset. The sound and its shoreline are gradually being engulfed by uncaring urban sprawl.

Mr. President, there is a limit on how much of an assault the environment can sustain. In and along the sound this assault has been constant—it has gone on for years and it has taken a serious toll. Too much oil has been spilled, too much development has occurred, too much sewage has been dumped. I fear some areas of the sound may never be saved.

In her book "The Thin Edge," Anne Simon very appropriately observed that—

> Survival on land and in the sea depends on a functioning coast.

The coast nurtures fish, birds, and plant life. Unless interfered with, the coast will defend and renew itself. The sound's coast is just such an area and it is endangered. The quality of life along the shores of southern Connecticut and Long Island's north shore is menaced. The remaining marshlands, the ecologically fragile wetlands and various rare species of waterfowl are in even greater danger. Prompt and affirmative steps must be taken to reverse the trend of recent years. We must protect this rich and vital natural resource.

I am today introducing legislation authorizing the creation of the Long Island Sound heritage. This measure is an outgrowth of the New England River Basins Commission's comprehensive Long Island Sound study.

The heritage is an expanded system of parks, beaches, and wildlife areas in Connecticut and New York designed to enhance enjoyment of the sound—whether it is nature conservation and environmental education, swimming, recreational boating, bird-watching, camping, or simply watching a sunrise over an unlittered beach. Fourteen sites—nine in Connecticut and five in New York—are proposed for initial inclusion in the heritage. This measure recognizes that portions of the sound reflect the region's special natural and cultural heritage.

The Long Island Sound Heritage will initiate a close working relationship among the Federal Government, the States of Connecticut and New York, and the appropriate local communities in acting together to preserve and protect these areas. Surely the recreational and conservation potential will be enhanced through the programs developed under my heritage proposal.

The Long Island Sound Heritage—endorsed in the 95th Congress by the Sierra Club, the National Audubon Society and Friends of the Earth—will help deal with the need for additional recreation areas and the preservation and protection of endangered areas. My proposal focuses on the fact that the region's scenic, recreational, natural, and cultural resources are threatened by growth and development pressures. The heritage legislation addresses the serious shortage of public conservation, recreation, and open lands along the sound's shores.

The heritage bill directs the Secretary of the Interior to develop specific plans, following onsite public hearings, for the acquisition, development, protection, maintenance, and administration of the 14 sites. These plans are to be available within a year of the bill's enactment. The plans are to include the specific description of the various heritage sites, their proposed uses, provisions for public access and mass transportation as well as minimizing the impact on local public facilities. Recommendations on the best methods to acquire, develop, and maintain the properties will also be covered. Once plans have been prepared, the Interior Secretary can acquire the sites, either through donation or purchase. The Interior Department will then enter into agreements with local and State officials on the administration and maintenance of the areas as components of the heritage. Financial and other aid will be furnished to the States and local communities by the Federal Government to assist them in administering the sites.

Mr. President, I was gratified by the enthusiastic support my proposal received throughout Connecticut and in many areas adjacent to Long Island Sound in New York when I first offered this measure in August 1977. Efforts to revitalize and preserve Long Island Sound are long overdue. I am hopeful that prompt and affirmative action will be taken on the heritage legislation and that we will see its enactment in the 96th Congress.

I ask unanimous consent that the text of this bill and a section-by-section analysis be printed in the Record.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 345

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS AND STATEMENTS OF POLICY

Section 1. The Congress finds and declares that—

(1) there are portions of Long Island Sound, such as its waters, islands therein and lands adjacent thereto, which reflect the special natural and cultural heritage of the region;

(2) there are resources of extraordinary scenic, scientific, recreational, natural, historic, and cultural value which are being irretrievably damaged and lost through growth and development pressures, and that such development threatens heretofore successful State and local government and private voluntary preservation, conservation, and planning efforts;

(3) there exists a serious shortage of public conservation, recreation and open lands along the shores of Long Island Sound, and that this shortage of public land has limited the recreation opportunities to the twelve million people living and working in the Long Island Sound region, as well as the Nation;

(4) State and local government efforts to provide conservation and recreation opportunities and to protect unique areas have been hampered by severely limited financial resources;

(5) there is a national interest in preserving and conserving these resources and values for the present and future well-being of the Nation, and the massive Federal expenditures committed to the restoration of the Long Island Sound are evidence of the national interest in the health and use of the sound;

(6) critical to more effective conservation of the unique values and wise use of Long Island Sound and its environs is a program of coordinated action by Federal, State and local governments to protect areas for natural, scenic, ecological, scientific, cultural, historic, conservation and recreation opportunities; and

(7) the developing of the Long Island Sound Heritage should be carried out in a controlled manner to preserve and protect natural ecosystems.

DEFINITIONS

Sec. 2. For the purposes of this Act, the term "Long Island Sound Heritage" or "Heritage" shall mean those parcels of water-related land areas which, because of their unique scenic, historic, architectural, cultural, conservation, ecological, scientific and natural values, possess characteristics worthy of the Long Island Sound region.

LONG ISLAND SOUND HERITAGE

Sec. 3. (a) In order to restore, preserve and protect areas which reflect or could reflect the unique natural and cultural heritage of Long Island Sound, Congress hereby authorizes the establishment of the Long Island

Sound Heritage in accordance with the provisions of this Act.

(b) The following areas shall be considered for initial inclusion in the Heritage:

(1) Bluff Point State Park, Groton;

(2) Ram, Dodges, and Andres Islands in the Mystic Island group in the eastern sound;

(3) Rocky Neck State Park in East Lyme, including Niantic State Farm for Women;

(4) Stony Creek Quarry and Faulkner's Island;

(5) Lighthouse Point Park, New Haven;

(6) Silver Sands State Park:

(7) Pleasure Beach in Bridgeport; Long Beach in Stratford; and the Great Meadow wetland complex;

(8) Sheffield Island and Chimon Island in Norwalk;

(9) Sherwood Island State Park:

(10) Fort Totten in Queens;

(11) Port Washington Sand Pits.

(12) Hen Island in Rye;

(13) Caumsett State Park; and

(14) Roanoke Point in Suffolk.

(c) The Long Island Sound Heritage shall include land, waters, islands, interests or partial interests therein, as may be identified as having special recreational, ecological, conservation, scenic, historic, or cultural potential by the Secretary of the Interior (hereinafter referred to as "Secretary"), by other Federal agencies, or by the State of Connecticut or New York, or political subdivisions thereof.

(d) At such time as the Secretary, in cooperation with the States of Connecticut and New York, and affected political subdivisions thereof, determines that lands, and waters and interests therein, have been sufficiently identified, designated or acquired to provide an efficiently administrable unit to establish the Long Island Sound Heritage, the Secretary is authorized and directed to establish the Long Island Sound Heritage by publishing notice to that effect in the Federal Register, together with a detailed description and map setting forth the parcels of land included therein, and to make such notice and maps otherwise available to the public.

IMPLEMENTATION OF THE LONG ISLAND SOUND HERITAGE

SEC. 4. (a) To implement the purposes of this Act, the Secretary, in cooperation with the States of Connecticut and New York, and affected political subdivisions thereof, the United States Army Corps of Engineers, the New England River Basins Commission, other interested Federal departments and agencies, and appropriate natural scientists, conservation, environmental, and recreation groups, and concerned citizens shall formulate, within one year following the date of enactment of this Act, detailed, site-specific plans for the acquisition, development, protection, maintenance, and administration of those areas, parcels of land, or structures thereon, which comprise the Long Island Sound Heritage.

(b) In formulating such plans, the Secretary shall conduct public hearings at or near sites selected for inclusion in the Heritage, and shall receive and consider the comments and recommendations of public interest groups, appropriate natural scientists, conservation, environmental, and recreation groups and other interested individuals, and, if necessary, shall modify such plans accordingly.

PLANS

SEC. 5. The plans formulated under section 4 shall contain but not be limited to the following elements:

(1) precise delineations of the areas to be included in the Heritage;

(2) proposed uses, including conservation, nature trails, recreation, historic and cultural preservation, wetlands, and scientific purposes;

(3) provisions for public access and mass transportation to such areas, where appropriate;

(4) provisions to minimize the impact, such as traffic, and demand for services, on local public facilities;

(5) recommended methods to best assure that such land and water areas, including beaches, will be available to the public, consistent with recreation and conservation purposes of the Heritage;

(6) recommendations as to the least costly and most expedient methods of acquisition, development, and maintenance of such properties;

(7) recommendations to the appropriate agencies and levels of government as to carrying out the plans and proposals contained therein.

LAND ACQUISITIONS

SEC. 6. The Secretary is authorized to acquire by donation, or by purchase with donated or appropriated funds, all lands, waters, and interests or partial interests in the which may be identified in the future.

COOPERATIVE AGREEMENTS

SEC. 7. (a) In furtherance of the purposes of this Act, the Secretary is authorized to enter into cooperative agreements with each of the States of Connecticut and New York, and political subdivisions thereof, pursuant to which such States or subdivisions shall be authorized to administer, operate, and maintain areas within such States or subdivisions which are components of the Long Island Sound Heritage.

(b) The Secretary is authorized to provide, by grant or otherwise, financial and other assistance to each of the States of Connecticut and New York or political subdivisions thereof to assist those States or political subdivisions in carrying out its responsibilities under any such agreement. Such grants shall be payable at such time and in such manner and in such amounts and subject to such conditions as the Secretary shall prescribe by regulation, but in no case shall exceed 75 per centum of the cost of administering, operating, or maintaining eligible areas which comprise the Long Island Sound Heritage.

(c) Any such cooperative agreement shall require that such lands, waters, interests or partial interests therein, be administered, operated, and maintained in accordance with the plans formulated pursuant to section 5 of this Act, the provisions of this Act, and consistent with the standards promulgated pursuant to the Act of August 25, 1916 (39 Stat. 335; 16 U.S.C.A. 1, 204), as amended and supplemented.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. For the fiscal year beginning October 1, 1979, there is authorized to be appropriated the sum of $50,000,000, and for each fiscal year thereafter, such sum as may be necessary to carry out the provisions of this Act.

SECTION-BY-SECTION ANALYSIS

Section 1. Findings and Statements of Policy.

The Congress finds that portions of Long Island Sound reflect the region's special natural and cultural heritage; that invaluable resources are threatened by growth and development; that there is a serious shortage of public conservation and open lands along the Sound; that State and local government conservation efforts are hampered by a lack of funds; that there is a national interest in preserving and conserving the Sound's resources; and, that the Long Island Sound Heritage's development should be carried out in a controlled manner.

Section 2. Definitions.

The Long Island Sound Heritage means those parcels of water-related land areas which, because of unique values, have characteristics worthy of the region.

Section 3. Long Island Sound Heritage.

Congress authorizes the establishment of the Long Island Sound Heritage to restore, preserve, and protect areas reflecting the unique natural and cultural heritage of the region. Fourteen locations are to be considered for initial inclusion in the Heritage. The Secretary of the Interior, other Federal agencies, the States of Connecticut and New York or local governments can identify areas having the necessary potential for inclusion in the Heritage.

Section 4. Implementation.

Within one year following the bill's enactment the Interior Secretary—with the cooperation of Connecticut, New York, affected local governments, other Federal and regional agencies, conservation and environmental groups and concerned citizens—is to formulate detailed plans for the Heritage. On-site hearings are to be conducted and the comments and recommendations of all interested groups and persons are to be received.

Section 5. Plans.

Plans shall contain precise delineations of the areas; proposed uses; provisions for public access and mass transportation where appropriate; provisions to minimize the impact on local public facilities; public availability; acquisition, development and maintenance methods; and recommendations for carrying out plans.

Section 6. Land Acquisitions.

The Interior Secretary can acquire land through donation or purchase.

Section 7. Cooperative Agreements.

The Interior Secretary can enter into cooperative agreements with Connecticut, New York and local governments for them to administer, operate and maintain areas within the Heritage. Financial assistance, including grants up to 75 percent of the cost of administering the areas, will be available from the Federal Government under conditions prescribed by the Interior Department.

Section 8. Authorization.

$50 million, the figure recommended in the NERBC Long Island Sound Study, is authorized for Fiscal Year 1980 and open-ended authorizations for subsequent fiscal years.●

By Mr. WEICKER:

S. 346. A bill to amend the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically handicapped because of that handicap; to the Committee on Human Resources.

PHYSICAL HANDICAP ANTIDISCRIMINATION IN EMPLOYMENT ACT OF 1979

● Mr. WEICKER. Mr. President, I am today reintroducing the Physical Handicap Antidiscrimination in Employment Act, legislation which would make it an unlawful employment practice to discriminate against any individual who is physically handicapped. Specifically, this bill would amend title VII of the Civil Rights Act of 1964 to protect the physically handicapped from job discrimination in both the public and private sector employment.

By passing the Civil Rights Act of 1964, the Congress put itself and the Nation on notice that discrimination based on race, color, sex, religion, or national origin would not be tolerated. This action brought our laws into line with our beliefs. And yet, for all the minority groups covered by that landmark legislation, there was one unfortunate omission, the physically handicapped. Many minority groups have made significant progress in achieving equal opportunity in housing, employment, and education;

however, America's physically handicapped have continued to be victims of discrimination, particularly in seeking employment.

Mr. President, it has been almost 4 years since I first presented this proposal to the Senate. I felt then, and I still feel that the physically handicapped have been and are discriminated against and are, therefore, in need of protection under the law. Adding the physically handicapped to those groups already protected from employment discrimination by title VII of the Civil Rights Act would guarantee the same protection afforded to other minority groups.

Like all Americans, the physically handicapped want to play an integral role in our society. To a large extent, this means having the opportunity to engage in meaningful employment. Through such employment, they derive a sense of self-worth and dignity. Yet, time and time again, they are denied the opportunity to make their contribution to society due to the insensitivity and prejudicial attitudes of many persons who have the responsibility for employment decisions. The skills and talents of physically handicapped persons are a national asset which cannot and should not be wasted. Furthermore, we are all well aware of the large amount of public resources dedicated to the education and training of persons with physical handicaps. Employing these persons is essential to make physically handicapped persons economically independent.

Mr. President, I would like to note the fact that 21 States, including my own State of Connecticut, have statutes prohibiting employment discrimination against the handicapped. By adopting this legislation, the Federal Government would show its support for a uniform national policy by including physically handicap with the protection offered by title VII of the Civil Rights Act.

America abounds with living proof that those who suffer physical handicaps are not life's doomed. They are people equipped to make enormous contributions to themselves, their communities, and their Nation. What this bill seeks to insure is that their path to contribution is not blocked, that they, like other minorities, have as their partisan the law on this Nation.

Mr. President, in order to more fully explain the specific contents of my bill, I ask unanimous consent that a section-by-section analysis, together with the text of the bill, be printed in the Record.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 346

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Physical Handicap Antidiscrimination in Employment Act of 1979".

Sec. 2. (a)(1) Section 703(a)(1) of the Civil Rights Act of 1964 (hereinafter referred to as the "Act") is amended by inserting after "sex" a comma and the following: "physical handicap".

(2) Section 703(a)(2) of the Act is amended by inserting after "sex" a comma and the following: "physical handicap".

(b) Section 703(b) of the Act is amended by inserting after "sex" a comma and the following: "physical handicap".

(c)(1) Section 703(c)(1) of the Act is amended by inserting after "sex" a comma and the following: "physical handicap".

(2) Section 703(c)(2) of the Act is amended by inserting after "sex" a comma and the following: "physical handicap".

(d) Section 703(d) of the Act is amended by inserting after "sex" a comma and the following: "physical handicap".

(c) Section 703(e)(1) of the Act is amended by inserting after "national origin" the first time it appears a comma and the following: "or because of the presence of a physical handicap," and by inserting after "national origin" the second time it appears a comma and the following: "or the absence of a physical handicap,".

(f) Section 703(h) of the Act is amended by inserting after "national origin" the first time it appears a comma and the following: "or because of the presence of a physical handicap".

(g) Section 703(j) of the Act is amended by inserting after "or group" the following: ", or because such individual or the members of the group are physically handicapped,", and by inserting after "national origin" the second and third times it appears the following: ", or having a physical handicap,".

(h) The center heading of section 703 of the Act is amended by inserting after "SEX," the following: "PHYSICAL HANDICAP,".

Sec. 3. Section 704(b) of the Act is amended by inserting after "national origin" a comma and the following: "or absence of a physical handicap", by inserting after "national origin" the second time it appears a comma and the following: "or presence of a physical handicap,", and by inserting after "national origin" the third time it appears a comma and the following: "or absence of a physical handicap,".

Sec. 4. Section 706(g) of the Act is amended by inserting after the word "sex" a comma and the following: "physical handicap".

Sec. 5. (a) Section 717(a) of the Act is amended by inserting after the word "sex" a comma and the following: "physical handicap".

(b) Section 717(c) of the Act is amended by inserting after the word "sex" a comma and the following: "physical handicap".

Sec. 6. The amendments made by this Act shall take effect six months after the date of its enactment.

Section-by-Section Analysis

This draft bill would amend title VII of the Civil Rights Act of 1964 by making it unlawful to discriminate against physically handicapped persons in employment practices. Title VII (Equal Employment Opportunity) currently prohibits employment discrimination on the basis of an individual's race, color, religion, sex, or national origin. The effect of these amendments would be to extend to the physically handicapped all those equal employment opportunity provisions currently available on the basis of an individual's race, color, religion, sex, or national origin.

Section 2(a)(1) of the bill would amend section 703(a)(1) of the Act[*] by making it unlawful for an employer to fail or refuse to hire or to discharge an individual or to otherwise discriminate against an individual with respect to his compensation, terms, conditions, or privileges of employment because of such individual's physical handicap.

Section 2(a)(2) of the bill would amend section 703(a)(2) of the Act by making it unlawful for an employer to limit, segregate, or classify his employees or applicants for employment in any way which would deprive an individual of employment opportunities or otherwise adversely affect his status as an employee because of such individual's physical handicap.

Section 2(b) of the bill would amend section 703(b) of the Act by making it unlawful for an employment agency to fail or refuse to refer for employment any individual because of his physical handicap.

Section 2(c)(1) of the bill would amend section 702(c)(1) of the Act by making it unlawful for a labor organization to exclude or expel from its membership or applicants for membership, or otherwise discriminate against, any individual because of his physical handicap.

Section 2(c)(2) of the bill would amend section 703(c)(2) of the Act by making it unlawful for a labor organization to limit, segregate, or classify its membership, or to fail to classify or fail to refer for employment any individual because of such individual's physical handicap. Labor organizations would be prohibited from depriving, limiting or in any way adversely affecting the employment opportunities of persons because of an individual's physical handicap.

Section 2(d) of the bill would amend section 703(d) of the Act by making it unlawful for an employer, labor organization or joint labor-management committee controlling apprenticeship or other training or retraining to discriminate against any individual on the basis of his physical handicap.

Section 2(e) of the bill would amend section 703(e)(1) of the Act to specify that the foregoing protections extended to persons with physical handicaps would not apply in those certain instances where the absence of a physical handicap is a bona fide occupational qualification reasonably necessary to the normal operation of a particular business or enterprise.

Section 2(f) of the bill would amend section 703(h) of the Act by providing that it is not unlawful for an employer to apply different standards of compensation, or different terms, conditions, or privileges of employment pursuant to a bona fide seniority or merit system, or a system which measures earnings by quantity or quality of production, or to employees who work in a different location, provided that such differences are not the result of an intention to discriminate because of the presence of a physical handicap.

Section 2(g) of the bill would amend section 703(j) of the Act to provide that nothing contained in title VII of the Civil Rights Act is to be interpreted to require preferential treatment to any individual or group because such individual or members of the group are physically handicapped. This provision states that preferential treatment is not required to correct imbalance which may exist between the percentage of physically handicapped persons employed by an employer and the percentage of physically handicapped persons which may exist in the community or State or in the available work force.

Section 3 of the bill would amend section 704(b) of the Act to make it unlawful for any notice or advertisement relating to employment to indicate any preference, limitation, specification, or discrimination based on absence of a physical handicap, except that a notice or advertisement may indicate a preference where absence of a physical handicap is a bona fide occupational qualification for employment.

Section 4 of the bill would amend section 706(g) of the Act to provide that if a court finds that an intentional unlawful employment practice has occurred which involved discrimination against a person with a physical handicap, that finding will require such affirmative action as may be appropriate including reinstatement or hiring with or without back pay, or any other equitable relief the court deems appropriate.

Section 5(a) of the bill would amend section 717(a) of the Act to provide that all personnel actions affecting employees or applicants for employment are to be free from discrimination on the basis of physical handicap in military departments, executive agencies, in the United States Postal Service and the Postal Rate Commission, in those units of the Government of the District of Columbia having positions in the competitive service, in those units of the legislative and judicial branches of the Federal Government having positions in the competitive services, and in the Library of Congress.

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[*] All references are to the Civil Rights Act of 1964, P.L. 92-261.

Section 5(b) of the bill would amend section 717(c) of the Act to provide that an aggrieved physically handicapped employee or applicant for employment may file a civil action within 30 days of receipt of notice of final action of the charged agency or after 180 days from the filing of an initial charge of discrimination.

Section 6 of the bill would provide that these amendments would take effect six months after the date of enactment.●

By Mr. DOMENICI (for himself and Mr. Schmitt):

S. 347. A bill to prohibit the excessing of cabin sites and removal of cabins located at Conchas Lake, N. Mex., prior to 1996 without State approval; to the Committee on Environment and Public Works.

CONCHAS LAKE, N. MEX.

● Mr. DOMENICI. Mr. President, today I am reintroducing my bill of the 95th Congress which prohibits the excessing of cabin sites and removal of cabins located at Conchas Lake, N. Mex., prior to 1966 without State approval. In the last Congress, this bill was accepted as an amendment to the omnibus water resources projects bill, a bill which did not make it out of conference before the end of the session.

I am introducing this bill to prevent an injustice. In 1946 the Corps of Engineers agreed that private individuals could construct recreational cabins around Conchas Lake in eastern New Mexico. Approximately 70 cottages were built in the area, and in fact, 13 of the cabin owners permanently reside on the site. In addition, the State derives income from the cottages that goes to repaying revenue bonds.

Unfortunately, the corps has decided not to renew the leases on which the cabins stand, and the cabins must be phased out by 1982. My bill corrects this hardhearted approach adopted by the corps by extending the leases through 1996. The importance of this date is that it allows for a subsequent review of the leases and the need for parkland in the area.

In the last Congress this bill was accepted with no opposition. I would hope that it will receive the same favorable treatment in this Congress and will swiftly be enacted into law.

I ask unanimous consent that the text of my bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 347

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army is prohibited from determining the forty-five-acre cabin site in the south recreation area at Conchas Lake, New Mexico, to be excess of project needs prior to 1996, unless such a determination is agreed to by the Governor of the State of New Mexico or his designee.

Sec. 2. The Secretary of the Army shall not require the removal or sale and purchase of existing cabins, cottages, or other privately owned improvements located on the site referred to in section (1) of this Act prior to 1996, unless agreed to by the Governor of the State of New Mexico or his designee. Existing and prospective lease arrangements shall reflect the requirements of this section.●

By Mr. DOMENICI (for himself and Mr. Schmitt):

S. 348. A bill to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Ben Abruzzo, Maxie Anderson, and Larry Newman; to the Committee on Banking, Housing, and Urban Affairs.

● Mr. DOMENICI. Mr. President, in August of last year three New Mexicans made aviation history by transcending the Atlantic Ocean in a helium balloon.

Ben Abruzzo, Maxie Anderson, and Larry Newman will rightfully take their places in history alongside such American aviation pioneers as Charles Lindbergh, Neil Armstrong, and Buzz Aldrin.

The world has applauded these men and their magnificent achievement. A proud United States of America can express its pride by authorizing a gold medal be struck and transmitted to these transatlantic pioneers.

In an age when America's prestige is faltering throughout the world, when problems beset us from every corner of the globe, these three Americans have given our pride a tremendous boost.

Once again we can boast that Americans can do something better and quicker and with more initiative than any other peoples. Our spirit of adventure and quest for challenges—both of which forged a great nation out of a wilderness—are embodied once again in the persons of Abruzzo, Anderson, and Newman.

This gold medal will symbolize much more than just the feat of three adventurers. It will say to free people everywhere that America and Americans still "can do." ●

By Mr. PROXMIRE (by request):

S. 349. A bill to increase the authorization for the Council on Wage and Price Stability, and to extend the duration of such Council; to the Committee on Banking, Housing, and Urban Affairs.

COUNCIL ON WAGE AND PRICE STABILITY ACT AMENDMENTS OF 1979

Mr. PROXMIRE. Mr. President, I send to the desk, for appropriate reference, by request of the administration, a bill to extend the duration of the Council on Wage and Price Stability and to increase and extend the appropriation authorization for the Council.

The Council on Wage and Price Stability plays an important role in President Carter's anti-inflation program. The increase in authorization that will be asked for by the administration will provide for an increase in the Council's staff to 233 positions; this is 90 positions greater than is shown in the 1980 budget request, and 194 greater than the Council had in 1978.

It is a very large increase percentagewise, but it is a tiny number of people when you consider the tremendous responsibility they have for our entire economy—not only for every industry in our country, but also for the public sector. About half the people now work only on the Federal sector, in trying to prevent regulations and other activities of the Federal Government from being too inflationary.

So this modest increase, very small in cost—almost insignificant—can play a big role in holding down the cost of inflation.

As I indicated in my first observation this morning, the Wall Street Journal reports that compensation is being held to a far lesser level than it would have been without the guidelines in effect.

The final authorization requests have not been cleared through OMB and the President as yet. Therefore, this legislation would authorize "such sums as may be necessary." It is my understanding that, as soon as possible, specific authorization requests will be made. The bill has been given to the Congress for consideration of the current form in order to expedite hearings and consideration of the extension of COWPS. The Banking Committee has already scheduled hearings on extending COWPS for February 8 and 9, 1979.

Mr. President, I ask unanimous consent that the proposed legislation and a section-by-section analysis thereof be printed in the Record.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 349

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Council on Wage and Price Stability Act is amended by striking out "and not to exceed $2,210,000 for the fiscal year ending September 30, 1979," and by inserting "such sums as may be necessary for the fiscal year ending September 30, 1979, to remain available until expended, and such sums as may be necessary for the fiscal year ending September 30, 1980, and for the fiscal year ending September 30, 1981,".

Sec. 2. Section 7 of such Act is amended by striking out "1979" and inserting in lieu thereof "1981."

Sectional Analysis of a Bill

Section 1. Section 1 would authorize such sums as may be necessary to be appropriated to the Council on Wage and Price Stability for fiscal year 1979 to remain available until expended, and such sums as may be necessary for fiscal years 1980 and 1981.

Section 2. Section 2 would extend the authority of the Council on Wage and Price Stability through fiscal year 1981.

By Mr. LONG (for himself, Mr. Ribicoff, Mr. Talmadge, Mr. Young, Mr. Melcher, Mr. Cannon, Mr. Inouye, Mr. Stafford, and Mr. Hatfield):

S. 350. A bill to amend the Social Security Act by adding thereto a new title XXI which will provide insurance against the costs of catastrophic illness, by replacing the medicaid program with a

Federal medical assistance plan for low-income people, and by adding a new title XV thereto which will encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges, and for other purposes; to the Committee on Finance, by unanimous consent.

By Mr. LONG (for himself, Mr. TALMADGE, Mr. YOUNG, Mr. MELCHER, Mr. CANNON, Mr. INOUYE, Mr. STAFFORD, Mr. PERCY, Mr. STONE, Mr. HATFIELD, and Mr. MATHIAS):

S. 351. A bill to amend the Social Security Act by adding thereto a new title XXI which will provide insurance against the costs of catastrophic illness and by adding a new title XV thereto which will encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges, and for other purposes; to the Committee on Finance, by unanimous consent.

CATASTROPHIC HEALTH INSURANCE AND MEDICAL ASSISTANCE REFORM LEGISLATION OF 1979

Mr. LONG. Mr. President, on behalf of myself, Senator RIBICOFF and Senator TALMADGE, as well as Senators YOUNG, MELCHER, CANNON, INOUYE, STAFFORD, and HATFIELD, I am reintroducing today proposed legislation which, when enacted, would represent a major step forward toward the provision of adequate protection against the high costs of health care.

Time after time we hear of the ruinous costs of prolonged illness. Again and again we hear how serious injuries have all but wiped out lifetime savings and property. We believe that it is time to stop talking about these problems and start doing something about them. And we intend to start today by reintroducing our proposed catastrophic health insurance and medical assistance reform legislation.

This bill is the same one which several of us cosponsored last year as S. 3105 of the 95th Congress. It consists of the following proposals:

First. Title I, a catastrophic health insurance plan, at an estimated annual cost of $5 to $7 billion;

Second. Title II, a plan to standardize and federalize medicaid health benefits for the poor, at an estimated annual cost of $12 to $14 billion; and

Third. Title III, a plan to encourage standardization of private health insurance plans at negligible administrative costs.

I want to make it clear that these cost-estimates are only rough cost projections, based on somewhat out-dated data. HEW has been developing up-to-date data for the past several months, but the Department is not yet prepared to make an official estimate.

Second, Mr. President, a number of us are introducing as a separate bill, titles I and III of last year's proposal. On this proposal, I am joined by Senators TALMADGE, YOUNG, MELCHER, CANNON, INOUYE, STAFFORD, PERCY, STONE, HATFIELD, and MATHIAS.

I introduce this bill in recognition that its provisions may be about as much as we can afford to enact in this Congress, perhaps as much as can be afforded for the next several years.

I introduce this separate bill also as a means of allowing cosponsorship by various Senators who enthusiastically favor the catastrophic health insurance plan, but who either do not favor or are still uncertain about the proposal to standardize and federalize medicaid.

I am particularly pleased at the strong bipartisan flavor of this bill's cosponsorship. I trust that as more Senators of each party study the bill, they will join us as sponsors in a spirit of bipartisanship.

As I have indicated, the catastrophic health insurance aspect of this bill is estimated to cost $5 to $7 billion annually, while the plan to encourage standardization of private health insurance plans will involve only minor administrative costs.

It is revealing to note, Mr. President, that in almost every attempt to justify their much broader legislative approach, proponents of "cradle-to-grave" coverage continue to cite those heartrending cases we have all heard about. These are cases in which long-term medical expenses completely ruin the patient's finances, even those of his or her entire family. The fact is, Mr. President, that virtually every one of those cases would be taken care of by our far less costly proposal.

Mr. President, the catastrophic health insurance plan which is common to both of these bills is a commonsense, a bipartisan proposal developed by the Congress. It is not the administration's proposal nor that of any special interest group.

Since 1973, when Senator RIBICOFF and I introduced this concept, we honestly—and somewhat naively—thought that in a very short time the administration and Congress would rally to our commonsense approach. Was this not a good and necessary first step? Could we not decide later whether or not other steps were needed? Was this not all the Nation could afford at the moment?

So, without pushing or forcing the issue, we waited around for Senators and the public to rally to our cause. However, experience has now taught me that waiting patiently is not going to get the job done. Already we have waited 6 years too long in getting this law on the books. So now we have decided to push and to agitate a bit.

I realize that budget and inflation will be major concerns during the 96th Congress. For that reason we are not talking about something that will go into effect immediately. But the needs are real and it is going to take months and months to ready ourselves for implementation, as well as assure that proper administrative and reimbursement controls are in place in our existing health care financing programs—controls which should produce savings to offset a good part of the cost of our proposal.

So, placing first things first, we plan to hold hearings on proposals to moderate costs, including the Talmadge-Dole Administrative and Reimbursement Reform bill, during the week of March 12, followed by committee mark-up the following week. Then it is my intention to hold hearings the last week of March on both the catastrophic health insurance bill and on the broader bill which includes standardization and federalization of medicaid, followed by committee mark-up before the April recess.

Mr. President, the catastrophic health insurance and medical assistance reform proposal, the broader of these two bills, is designed to accomplish three objectives. First, to develop a means of assuring all Americans that they will not be bankrupted by the devastating effects of serious illness or injury. Second, to eliminate the widespread inequities of the medicaid program by replacing it with a program providing equal benefits to all Americans at the lower end of the income scale. Third, to assure the actual availability of adequate basic private health insurance to many millions of hard-working, middle-income Americans as a floor of protection about which they would be covered by catastrophic health insurance.

The thrust of the catastrophic health insurance proposal in each of the two bills is to assign a large area of responsibility to the private health insurance industry of this country, establishing benchmarks against which the success of their efforts will be measured. Obviously, to the extent private health insurance effectively meets the basic needs of a large segment of our population, further expansion of bureaucratic governmental programs would not be necessary.

To those of us who have worked with medicare, medicaid, and other Federal health care financing programs, it has become quite clear that there are limits to the Government's administrative capacity. It seemed to us rather foolhardy to pile upon that limited capacity further responsibility which could not be met effectively. Therefore, we have consciously chosen an approach which, in the areas of catastrophic health insurance and basic private health insurance, builds upon the strengths of the private sector while correcting weaknesses.

The catastrophic health insurance program would, effective January 1, 1981, cover all Americans after they had incurred medical expenses of $2,000 or been hospitalized for 60 days. To cut program costs, it is possible that the threshold for coverage should be increased to $3,000, or even more but that sort of question will be determined from information developed in our hearings next month. The benefits covered under the program would be the same as those covered under the medicare program without any upper limits on hospital days.

For example: A married couple and their child were hurt on January 1 in an auto accident and all three were taken to the hospital. The mother and child were treated and released. Their medical expenses were $200. The father was hospitalized for 80 days and his expenses (exclusive of the hospital bill) totaled

$3,000. The total medical expenses for the family were $3,200.

The catastrophic health insurance plan would cover: First, the $1,200 of the family's medical expenses which exceeded $2,000 for the year; and second, the 20 days of hospital care that exceeded the 60-day hospital deductible. Though not a factor in determining what the catastrophic health insurance program would cover, it should be noted that in most cases the family would have private health insurance covering most of the initial $2,000 in medical expenses, and the hospital bills for the first 60 days of the father's hospital care.

The bill provides a most important option: An employer can either choose to cover his employees for catastrophic costs through private health insurance or, alternatively, he can choose to obtain such coverage through the Federal program. Our expectation is that the vast majority of employers would choose to obtain such coverage through private health insurers. The Federal program would serve primarily to insure those who are not in a permanent employment situation. Under the bill, the private catastrophic program would have to be fully as comprehensive as the public plan.

The public catastrophic health insurance program would be administered by the Health Care Financing Administration using carriers and intermediaries as in the present medicare program. Private catastrophic programs would, of course, be administered by the private insurance companies.

The catastrophic health insurance program would be financed through a 1-percent payroll tax on employers. There would be no tax on employees. Employers who choose the private insurance option would subtract from their 1-percent payroll tax liability approved premiums paid for private catastrophic insurance policies. In addition, all employers would receive a 50-percent tax credit (or rebate) against their overall 1-percent payroll tax liability. This would be in lieu of a deduction for catastrophic health insurance premiums as a business expense and would tend to equalize treatment between small employers and large employers.

Example: Employer with $1 million taxable pay—

Liability: 1% x $1 million	$10,000
Payment:	
Private insurance premium	8,000
Payment to trust fund	2,000
Total	10,000
Tax Credit: 50% of total payment	5,000

Mr. President, now that I have given a brief description of how the catastrophic health insurance plan common of both bills would work, let me describe the second part of the broader of these two bills. It consists of an entirely new basic health benefits program for low-income families and individuals.

While most middle-income families can afford and can obtain reasonable adequate private health insurance coverage toward the costs of their first 60 days of hospitalization and first $2,000 of medical expenses, many millions of low-income individuals and families cannot afford or do not have such basic private health insurance protection available to them.

The present Federal-State program providing health benefits to the poor—medicaid—does not generally cover low-income workers who are not on welfare. It is basically provided only to welfare families and, even then, benefit and eligibility levels vary substantially and significantly from State to State. In most States medicaid is limited to poor, aged, blind, and disabled persons or fatherless families.

Because of economic difficulties, some States have, and others are considering, cutbacks in already inadequate medicaid programs.

Today, for example, in one State a disabled person with $1,800 annual income might not be eligible for medicaid whereas, in another State, he would be. Further, that same disabled person might be covered for only 15 days of hospitalization under medicaid in one State while, in another, he would be eligible for unlimited hospitalization.

Aside from those obvious inequities in treatment of the poor, there is another inequity developing with implementation of the supplemental security income plan for aged, blind and disabled persons, where thousands of people in a State would be eligible for medicaid and other thousands in the same State, with the same income, would not. And in no State is medicaid coverage available to a hard-working couple or small intact family with low income.

The new program which we propose would provide, effective October 1, 1981, basic health benefits coverage with uniform national eligibility standards for all low-income individuals and families, whether they are on welfare or working. It would thereby eliminate the major inequities in the current medicaid program.

Coverage under the new program would be available to all individuals and families with annual incomes at or below the following levels: First, an individual with income at or under $3,000; second, a two-person family with income at or under $4,200; and third, a family of four with an income at or under $5,400. For each family member above the first four, the eligibility limit is increased by $400. In addition, families with incomes slightly above the eligibility levels would be eligible for benefits if their medical expenses reduced their income to these levels. For example, a family of four with an income of $6,000 would become eligible after they had expended $600 for medical expenses, including any health insurance premiums.

We expect to review this dollar-for-dollar "spend down" to make sure that it does not create a "notch" problem and, thus, a disincentive to employment. If that were the effect, we would anticipate modifying the "spend down" accordingly.

No person presently eligible for medicaid would lose entitlement to benefits because of the new program.

The basic benefits provided under the low-income plan are designed to mesh with the deductibles under the catastrophic program.

The benefits covered by the plan would include 60 days of hospital care and all medically necessary physicians' services, laboratory and X-ray services, home health services and care in skilled nursing homes and intermediate care facilities. A copayment of $3 would be required on patient-initiated services, such as visits to a doctor's office, but copayment could not exceed $30 per individual or family during a year. These copayments would not apply to well-baby care or with respect to family planning services.

The plan would also afford catastrophic insurance coverage to those low-income families who are not covered under the catastrophic plan.

States would be free to provide additional benefits—such as drugs and dental services—with the Federal Government assuming one-half of the costs.

For millions of older Americans with low incomes, the bill would pick up their part B medicare premiums—currently $8.20 per month—as well as paying their medicare deductibles and coinsurance amounts. In addition, it would provide them with all medically necessary hospital, skilled nursing facility and intermediate care facility services. Home health care would also be available without limitation.

Mr. President, the low-income plan would not only help the poor, it would aid hospitals, physicians, and State governments. With respect to hospitals, the program would call for reimbursement at medicare levels—rather than at the often substandard medicaid rates. With respect to State governments, the plan would afford very substantial fiscal relief. States would make a fixed contribution toward the cost of the low-income plan based upon each State's annual level of spending for medicaid and general assistance health care prior to the effective date of the plan. For example, if a State spent $100 million of its own funds under medicaid for the types of care covered under the new low-income plan, it would contribute that $100 million to the low-income fund during the first and in each succeeding year. Additionally, the State would contribute 50 percent of the estimated amount of State and local expenditures in the year before the low-income plan effective date for health care services to people ineligible for medicaid, but who would be eligible for those types of services under the new low-income plan.

Mr. President, the additional part of each of these bills establishes a new and voluntary certification program for private basic health insurance policies. With this new program, private insurers could, of their own volition, submit any or all of their basic health insurance policies to the Secretary for certification. This certification would be based upon certain minimum criteria specified in the bill relating to adequacy of coverage, ratio of benefits paid to premium income and conditions of eligibility.

Insurers could advertise the certification in promoting their policies. Three years after enactment of this bill, carriers and intermediaries under the medicare program would be expected to offer one or more certified policies to the general public in areas where they sold policies.

In addition, the bill contains provisions designed to facilitate arrangements whereby basic health insurance policies meeting minimum standards could be offered through private insurance "pools" established by groups of private insurers.

The bill also directs the Secretary of Health, Education, and Welfare to report to Congress after 3 years as to the extent to which private health insurance meeting the criteria is actually and generally available in each State.

In any area of the country where certified basic health insurance was not generally and actually available to the entire population, the Secretary is also authorized to make such coverage available at cost through social security.

Mr. President, neither of these proposals constitute a "be all—end all" approach, but each does provide an opportunity to provide significant assistance to many millions by closing major gaps in the financing of necessary health care.

We believe that careful building and improving upon the present system through this major initiative is the only feasible alternative to the potentially disruptive and bankrupting effects involved in proposals which would radically alter and almost scrap existing structures and mechanisms. The variables are too uncontrollable and the chances of error too great for us to risk the magnitude of any mistakes in the total takeover approach. What we propose to do is what we know needs to be done and can be done.

We firmly believe that the thrust of the catastrophic health insurance bill, at the minimum, is the direction in which we should proceed. We expect that our proposal will certainly benefit from additional constructive efforts during the course of legislative consideration.

Current cost estimates of the different parts of this package are as I have stated them. The Department of Health, Education, and Welfare is working on more precise figures, and we expect to have estimates shortly. There is no point, however, in playing a "numbers" game. The American people and the Congress are entitled to as accurate an estimate as is possible of the catastrophic insurance and federalized medicaid parts of our proposal. Both will involve billions of dollars in additional Federal funds. Make no mistake. None of the national health insurance proposals come cheap. There is no free lunch. Our proposal does, however, meet real needs and is capable of being implemented in whole, or part, as necessary funding becomes available.

Mr. President, now that I have explained in behalf of the cosponsors the technical description of these two bills, let me talk a bit in my own right about the general political and legislative atmosphere in which the catastrophic health insurance bill, will be debated in the weeks to come.

We all remember, Mr. President, that in mid-1978 a major controversy erupted on the subject of national health insurance. It set into motion the political dynamics which will finally force Senators and Congressmen to take sides on a highly important subject which has for too long remained in the backroom bargaining state.

On one side of the squabble was the Carter administration, which announced it would approach the issue incrementally. Its plan was to seek coverage for catastrophic cases, to achieve more adequate and standardized coverage for the poor, and to establish goals in such other areas as cost containment, health delivery systems, and health manpower.

Then, at a later date, the administration would determine if and to what extent further steps toward a "comprehensive" program might be justified and economically feasible.

On the other side of the controversy, there were those who favored the comprehensive, cradle-to-grave approach to national health care. These forces insisted then, and still do, that the incremental approach is unacceptable. It would almost seem that for the present they would rather have no catastrophic coverage at all than to permit enactment of legislation which does not at the same time guarantee further elements of coverage in years to come.

They fear that once enacted these highly important, but less than "comprehensive" programs will solve so much of the real problem as to eliminate the appeal for their kind of very expensive and oppressively bureaucratic health care programs.

Mr. President, as they themselves have been quite frank and willing to admit, they want enactment of a "package" deal now which will automatically expand health care bureaucracy and expenditures in years to come, whether or not the intervening experience indicates this to be necessary, desirable or affordable.

In this Senator's opinion, the Carter administration was extremely wise to resist pressures that it adopt the package plan for a comprehensive national health system. I am proud of the President for having rejected the all-or-nothing approach whose inglorious result was expressed as follows in an interview last year by HEW Secretary Joseph Califano:

> For 30 years, the Democratic Party at the national level has tried to pass a national health insurance program, and has not succeeded. . . . We intend to introduce a piece of legislation that will have the opportunity of passing.

Because the President did refuse, and still refuses, to go along with the "package" approach, the fundamental controversy is now out in the open. Finally, opposing sides and contending philosophies can line up and count noses. Then, by enacting legislation at the earliest possible date, we can finally tell the people what kind of expanded health insurance coverage to expect.

As a result of the schism which was received so much comment in the press over the past 6 months, each side is drafting and will submit to Congress its own bill. The presumption is that these two proposals will then meet head-on during this Congress, with either the Carter administration bill or the "cradle-to-grave" package of bills emerging victorious.

But, Mr. President, with the introduction of the two bills I have just described, I suggest that this will most certainly not be the scenario by which the issue is settled. Instead, the Congress will enact something very close to one of these modest, workable, affordable measures—probably the narrower of the two, or maybe something between the two. But certainly it will be no more ambitious than the broader of these two bills.

One of the elements which will underpin its appeal to many congressmen and Senators, as well as to the public in general, is the fact that these bills—particularly the more modest one—will be the only major health insurance proposals which attract broad bipartisan support. Legislation in an area so sensitive as the people's health should not be enacted in the context of one Party shoving the program, like bitter medicine, down the throat of the other.

Once enacted, this health legislation should not be interpreted as a "Democratic Party" program or a "liberal" or "conservative" one. It should not be approved or disapproved because it does or does not have the active support of the American Medical Association or the AFL–CIO or the enthusiastic blessing of this or that group.

With this bipartisan goal in mind, our growing list of sponsors from both sides of the aisle ask all Senators to take a close and careful look at our proposals. As you do, we feel that many more of you will join us, not only as cosponsors for the record, but as active and determined proponents of these modest, workable proposals.

Once you are familiar with them, we feel that you will agree that our bills:

First, will respond at an early date to a great number of our people's most pressing health care needs.

Second. Will do so at a minimum cost to the Federal budget.

Third. Will reply to the greatest degree on the private sector, both as the source of the insurance itself and in terms of the means by which most people finance their coverage.

Fourth. Will give people the maximum flexibility and freedom of choice in selecting the particular doctors, hospitals, and health delivery systems they desire.

Fifth. Will create the minimum amount of stultifying Federal bureaucracy, which Americans are coming so universally to detest.

Sixth. Will preserve in the Congress and in future Administrations the greatest degree of flexibility as to what new programs, if any, will be needed to supplement those which we now enact, and

Seventh. Will result in a program which will not be either Party's partisan political football to kick around in years to come.

Mr. President, I ask unanimous consent that the bills and summary materials be printed in the RECORD.

There being no objection, the bills and material were ordered to be printed in the RECORD, as follows:

S. 350

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Catastrophic Health Insurance and Medical Assistance Reform Act".

TITLE I—CATASTROPHIC ILLNESS INSURANCE

AMENDMENTS TO SOCIAL SECURITY ACT

SEC. 101. (a) The Social Security Act is amended by adding after title XX the following new title:

"TITLE XXI—CATASTROPHIC HEALTH INSURANCE PROGRAM

"PURPOSE OF TITLE

"SEC. 2101. The insurance program established by this title is designed to provide protection to all individuals who are citizens or permanent residents of the United States against the costs of high-cost catastrophic illness. Each such individual will be provided such protection either under the Federal plan established by part A of this title, or under an employer plan or a self-employed plan approved under part B of this title.

"PART A—FEDERAL PLAN

"ELIGIBLE INDIVIDUALS

"SEC. 2102. (a) Every individual who—

"(1) is a resident of the United States, and

"(2) is a citizen of, or an alien lawfully admitted for permanent residence in, the United States, or an alien otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or section 212(d)(5) of the Immigration and Nationality Act),

shall (subject to section 2107) be entitled to catastrophic health insurance benefits provided by this part for any period which commences on or after January 1, 1981, and with respect to which he is not covered by an employer plan or a self-employed plan approved under part B.

"(b) For purposes of subsection (a), entitlement of an individual to catastrophic health insurance benefits under this part shall consist of entitlement to have payment made, under and subject to the limitations in this title, to him or on his behalf for the services described in section 2103(a) which are furnished to him in the United States (or outside the United States in the case of services specified in section 1814(f)).

"SCOPE OF BENEFITS

"SEC. 2103. (a) The benefits provided to an individual by the insurance program established by this part shall consist of entitlement to have payment made (subject to the provisions of this part) on his behalf or to him for—

"(1) hospital and related services (as defined in subsection (c)(1)) which are furnished to such individual during a period with respect to which he has met the deductible imposed by section 2104(b), and

"(2) medical and other health services (as defined in subsection (c)(2)) which are furnished to such individual during a period with respect to which he has met the deductible imposed by section 2104(c).

"(b) Payment authorized under this part for any service covered hereunder shall be made to the person to whom payment for such service would be made under title XVIII, if such service were furnished to an individual who was covered therefor under title XVIII.

"(c)(1) The term 'hospital and related services' means—

"(A) inpatient hospital services (as defined in section 1861(b)),

"(B) post-hospital extended care services (as defined in section 1861(i)), and

"(C) home health services (as defined in section 1861(m)).

"(2) The term 'medical and other health services' means—

"(A) medical and other health services (as defined in section 1861(s)),

"(B) home health services (as defined in section 1861(m)),

"(C) outpatient physical therapy services (as defined in section 1861(p)), and

"(D) rural health clinic services (as defined in section 1861(aa)).

"(d) Notwithstanding the preceding provisions of this section, no payment may be made and no deductible shall be incurred with respect to—

"(1) expenses incurred for items or services, if pursuant to section 1862 (a), (b), or (d) payment may not be made with respect to such items or services under title XVIII, or

"(2) expenses incurred for post-hospital extended care services furnished to an individual on any day during any calendar year, if, prior to such day, there have been furnished to such individual for 100 days during such year such services with respect to which benefits under this part are payable.

"PAYMENT AND DEDUCTIBLE

"SEC. 2104. (a)(1) Payment of benefits under this part with respect to expenses incurred by an insured individual shall be made from the Federal Catastrophic Health Insurance Trust Fund.

"(2) For purposes of payment of benefits under this part with respect to expenses incurred for health services furnished to any insured individual, there shall be taken into account—

"(A) in case of expenses incurred for hospital and related services (as defined in section 2103(c)(1)), only so much of such expenses as are incurred for such services furnished during a period with respect to which the deductible imposed by subsection (b) is met, and

"(B) in case of expenses incurred for medical and other health services (as defined in section 2103(c)(2)), only so much of such expenses as are incurred for such services furnished during a period with respect to which the deductible imposed by subsection (c) is met;

and, with respect to the services to which the expenses so taken into account are attributable, there shall be paid (except where inconsistent with the provisions or purposes of this part) an amount which shall be equal to (and determined in the same manner as) the amount which would have been payable for such service under title XVIII in the case of an individual entitled to have payment made with respect thereto under such title (as determined without regard to any provision of such title relating to deductibles or copayments).

"(b) The deductible imposed by this subsection with respect to expenses incurred for hospital and related services (as defined in section 2103(c)(1)) shall be met by an insured individual—

"(1) for the period, in the calendar year, which commences on the day following the 60th day, during the calendar year and the last 3 months of the preceding calendar year, in which such individual received inpatient hospital services; and

"(2) for the period, in the calendar year, which is prior to the first consecutive 90-day period therein in which such individual is neither an inpatient in a hospital nor an inpatient in a skilled nursing facility, but only if the first day for which such services in the calendar year occurs not later than 90 days after the last day with respect to which benefits were payable under this part on account of inpatient hospital services furnished to him in the preceding calendar year.

"(c)(1) The deductible imposed by this subsection with respect to expenses incurred for medical and other health services (as defined in section 2103(c)(2)) shall be met by an insured individual—

"(A) for the period, in the calendar year, which occurs after such individual has incurred, during such year and the last 3 months of the preceding calendar year, expenses (including expenses deemed under paragraph (2) to be incurred by him, but excluding amounts required to be excluded under paragraph (3)) for such services of $2,000 (or, if higher, the amount determined under paragraph (4)); and

"(B) for the period, in the calendar year, which occurs prior to the first 90-day period therein during which such individual incurs for such services expenses (including expenses deemed under paragraph (2) to be incurred by him) the aggregate of which is less than $500 (or, if greater, the amount determined under paragraph (5)), but only if (i) during the last 3 months of the preceding calendar year, such individual incurred for such services expenses (including expenses deemed under paragraph (2) to be incurred by the individual) of at least $500 (or, if greater, the amount determined under paragraph (5)), and (ii) such individual had met (by reason of the application of clause (A)) for a period in the preceding calendar year the deductible imposed by this paragraph.

"(2)(A) In determining, for purposes of clauses (A) and (B) of paragraph (1), the amount of expenses incurred by an individual for medical and other health services furnished during any period, there shall be deemed to have been incurred by such individual any expenses incurred for such services furnished during such period to each other member of such individual's family, but only if such other member is (i) the spouse of the individual, (ii) a dependent of such individual, (iii) the person (or the spouse of the person) of whom such individual is a dependent, or (iv) a person who is a dependent of the same person of whom such individual is a dependent.

"(B) For purposes of subparagraph (A)—

"(i) the term 'dependent' shall have the meaning assigned to it by regulations of the Secretary;

"(ii) the term 'family' means two or more individuals who are (I) related by blood marriage or adoption, and (II) living in a place of residence maintained by one or more of them as his or their own home (and for purposes of this clause, a child under age 22 who is absent from home for the purpose of attending an educational institution as a full-time student shall be deemed while so absent to be living in such place of residence); and

"(iii) the term 'member', when used in reference to a family means an individual described in clause (ii).

"(3) In determining, for purposes of paragraph (1)(A), the amount of expenses incurred (or deemed to be incurred) by an individual for medical and other health services in any calendar year, there shall be disregarded all amounts in excess of $500 incurred in connection with the treatment of mental, psychoneurotic, or personality disorders of such individual.

"(4) The Secretary shall, between July 1 and October 1 of 1981 and of each year thereafter, determine and promulgate the deductible which shall be applicable for purposes of paragraph (1)(A) in the succeeding calendar year. Such deductible shall be equal to whichever of the following is the higher:

"(A) $2,000, or

"(B) $2,000 multiplied by the ratio of the component of the Consumer Price Index, prepared by the Department of Labor for June of the year in which such determination is made and promulgated, which represents fees for physician services to such component of such Consumer Price Index for the month of June 1980, with such product, if not a multiple of $100, being rounded to the nearest multiple of $100.

"(5) The Secretary shall between July 1 and October of 1981 and of each year thereafter, determine and promulgate the amount which shall be applicable for purposes of paragraph (1)(B) in the succeeding calendar year. Such amount shall be equal to whichever of the following is the higher:

"(A) $500, or

"(B) $500 multiplied by the ratio of the component of the Consumer Price Index, prepared by the Department of Labor for June of the year in which such determination is made and promulgated, which represents fees for physician services to such component of such Consumer Price Index for the month of June 1980, with such product, if not a multiple of $50, being rounded to the nearest multiple of $50.

"(e)(1) Payment for services under this title shall also be subject to the limitations described in section 1812(e) and 1833(e).

"(2) Payment under this part with respect to expenses incurred in connection with the treatment of mental psychoneurotic, and personality disorders shall not be made unless such treatment consists of 'mental health care services' (as defined in paragraph (3)).

"(3) As used in paragraph (2) the term 'mental health care services' includes only care and services for mental conditions—

"(A) which, if provided on an inpatient basis, consist of a course of active care and treatment provided in and by an accredited medical institution (as determined by the Secretary),

"(B) which, if provided on a partial hospitalization basis, are provided (i) in and by an accredited medical institution (as determined by the Secretary), or (ii) in and by a qualified community mental health center (as determined in accordance with regulations of the Secretary),

"(C) which, if provided on an outpatient basis, are—

"(i) provided by a qualified community mental health center (as determined in accordance with regulations of the Secretary), or

"(ii) provided by a psychiatrist;

except that such term does not include any outpatient services provided by a psychiatrist, during a 12-month period, for purposes of diagnosis or treatment of acute psychosis in excess of (I) five visits, plus (II) such additional visits as shall have been approved in advance by an appropriate professional review mechanism upon a finding that, in the absence of such additional visits, the patient will require institutional care.

"(f)(1) Payment under this part with respect to expenses incurred for blood, blood products, and procedures and courses of treatment which are unusually extensive or complex shall be subject to standards and criteria imposed by the Secretary pursuant to paragraph (2).

"(2) The Secretary shall by regulations prescribe standards and criteria designed to assure that services consisting of the furnishing of blood or blood products or the application of procedures or courses of treatment, referred to in paragraph (1), for which payment may be made under this part will be provided only when, and to the extent that, such services are appropriate to the health care needs of the patient.

"(g) Payment under this part may not be made for extended care services furnished to an individual during any period for which such individual is entitled to hospital insurance benefits under part A of title XVIII.

"CONDITIONS OF AND LIMITATIONS ON PAYMENT FOR SERVICES

"SEC. 2105. (a) To the extent that payment may be made for services described in section 2103(a)(1), the provisions of sections 1814, 1815, 1816, 1833(f), and 1835 shall apply.

"(b) To the extent that payment may be made for services described in section 2103 (a)(2), the provisions of section 1842 shall apply.

"APPLICABILITY OF CERTAIN PROVISIONS OF, OR RELATING TO, TITLE XVIII

"SEC. 2106. (a) The provisions of section 1861 (except subsections (a) and (y)), 1866, 1867, 1869, 1870, 1871, 1872, 1873, 1874, 1875, 1876, 1877, 1878 and 1879 shall apply with respect to this part to the same extent as they are applicable with respect to title XVIII.

"(b) The provisions of section 402(a) of the Social Security Amendments of 1967 and the provisions of section 222(a) of the Social Security Amendments of 1972 shall be applicable to this part to the same extent as they are applicable to title XVIII.

"TREATMENT OF BENEFITS UNDER OTHER PROGRAMS

"SEC. 2107. Any amount otherwise payable under this part with respect to any item or service furnished to an individual shall not be denied or reduced because of a benefit with respect to such item or service has been paid or is payable under any other public or private insurance or health benefits plan. Notwithstanding any other provision of law (other than section 2104 (g), payment with respect to any item or service furnished to any individual shall not be made under the Medical Assistance Plan for Low Income People established by title XIX or the insurance program established by part A or B of title XVIII, if such individual is (or, upon filing a proper claim, would be) entitled to have payment made under this part with respect to such item or service.

"CONTRIBUTIONS WITH RESPECT TO STATE AND LOCAL EMPLOYEES; APPROVED STATE LAWS

"SEC. 2108. (a) Contribtuions for the financial support of the catastrophic health insurance program established by this part shall be made by employers which are States (or political subdivisions thereof) in the manner prescribed under a State law approved by the Secretary of the Treasury under subsection (b).

"(b)(1) The Secretary of the Treasury shall approve a State law for purposes of this section only if such law—

"(A) provides that the State will pay into the Treasury, with respect to wages paid to employees of the State and employees of all political subdivisions of the State, amounts equal to the amounts which such State would be liable to pay with respect to the wages of such employees under the catastrophic health insurance protection tax imposed by section 3111(c) of the Internal Revenue Code of 1954 if such State were a private employer and all such employees were employed by it,

"(B) provides that any amounts so payable shall be paid at the same time and subject to the same conditions as taxes imposed by such section 3111(c) in the case of a private employer,

"(C) is in such form and contains such other provisions as the Secretary of the Treasury shall by regulations provide, and

"(D) becomes effective on January 1, 1981.

"(2) At the earliest practicable date after the State law of any State has been approved by the Secretary of the Treasury, he shall certify to the Secretary of Health, Education, and Welfare that such State law has been approved.

"(3) If the Secretary of the Treasury finds, after reasonable notice and opportunity for hearing to a State, that—

"(A) the State law of such State, theretofore approved by him, has been repealed, or amended so that it no longer meets the requirements imposed by paragraph (1), or

"(B) the State has not substantially complied with its obligations to make contributions into the Treasury in accordance with the requirements imposed under paragraph (1),

he shall withdraw the certification of such State law theretofore approved by him and shall so notify the Secretary of Health, Education, and Welfare.

"(C) If, for any period of time after December 31, 1981, a State does not pay in full to the Treasury the amounts specified in subsection (b)(1)(A), the Secretary of Health, Education, and Welfare shall reduce payments otherwise payable to such State under any other provisions of this Act by the amount of such underpayment (including interest thereon equal to the average of the rates of interest, from the date due until paid, on obligations issued for purchase by the Federal Catastrophic Health Insurance Trust Fund).

"FEDERAL CATASTROPHIC HEALTH INSURANCE TRUST FUND

"SEC. 2109. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the Federal Catastrophic Health Insurance Trust Fund (hereinafter in this section referred to as the 'trust fund'). The trust fund shall consist of such amounts as may be deposited in, or appropriated to, such fund as provided in this part. There are hereby appropriated to the trust fund for the fiscal year ending September 30, 1981, and for each fiscal year thereafter, out of any moneys in the Treasury not otherwise appropriated, amounts equivalent to 100 per centum of—

"(1) the taxes imposed by section 3111(c) of the Internal Revenue Code of 1954 with respect to wages reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of such Code after December 31, 1976, as determined by the Secretary of the Treasury by applying the applicable rates of tax under such sections to such wages, which wages shall be certified by the Secretary of Health, Education, and Welfare on the basis of records of wages established and maintained by the Secretary of Health, Education, and Welfare in accordance with such reports;

"(2) the taxes imposed by section 1401 (c) of the Internal Revenue Code of 1954 with respect to self-employment income reported to the Secretary of the Treasury or his delegates on tax-returns under subtitle F of such Code, as determined by the Secretary of the Treasury by applying the applicable rate of tax under such section to such self-employment income, which self-employment income shall be certified by the Secretary of Health, Education, and Welfare on the basis of records of self-employment established and maintained by the Secretary of Health, Education, and Welfare in accordance with such return; and

"(3) the contributions made by States pursuant to State laws approved under section 2108.

The amount appropriated by the preceding sentence shall be transferred from time to time from the general fund in the Treasury to the trust fund, such amounts to be determined on the basis of estimates by the Secretary of the Treasury of the taxes, specified in the preceding sentence, paid to or deposited into the Treasury; and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than taxes specified in such sentence.

"(b) With respect to the trust fund, there is hereby created a body to be known as the 'board of trustees of the trust fund' (hereinafter in this section referred to as the 'board of trustees'), composed of the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, all ex officio. The Secretary of the Treasury shall be the Managing Trustee of the Board of trustees (hereinafter in this section referred to as the 'Managing Trustee'). The Administrator of the Health Care Financing Administration shall serve as the secretary of the board of trustees. The board of trustees shall meet not less frequently than once each calendar year. It shall be the duty of the board of trustees to—

"(1) hold the trust fund;

"(2) report to the Congress not later than the first day of April of each year on the operation and status of the trust fund during the preceding fiscal year and on its expected operation and status during the current fiscal year and the next 2 fiscal years;

"(3) report immediately to the Congress whenever the board is of the opinion that the amount of the trust fund is unduly small; and

"(4) review the general policies followed in managing the trust fund, and recommend changes in such policies, including necessary changes in the provisions of law which govern the way in which the trust fund is to be managed.

The report provided for in paragraph (2) shall include a statement of the assets of, and the disbursements made from, the trust fund during the preceding fiscal year, an estimate of the expected income to, and disbursements to be made from, the trust fund during the current fiscal year and each of the next 2 fiscal years, and a statement of the actuarial status of the trust fund. Such report shall be printed as a House document of the session of the Congress to which the report is made.

"(c) It shall be the duty of the Managing Trustee to invest such portion of the trust fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purpose for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of public-debt obligations for purchase by the trust fund. Such obligations issued for purchase by the trust fund shall have maturities fixed with due regard for the needs of the trust fund and shall bear interest at a rate equal to the average market yield (computed by the Managing Trustee on the basis of market quotations as of the end of the calendar month next preceding the date of such issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of 4 years from the end of such calendar month; except that where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest on such obligations shall be the multiple of one-eighth of 1 per centum nearest such market yield. The Managing Trustee may purchase other interest-bearing obligations of the United States or obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price, only where he determines that the purchase of such other obligations is in the public interest.

"(d) Any obligations acquired by the trust fund (except public debt obligations issued exclusively to the trust fund) may be sold by the Managing Trustee at the market price, and such public debt obligations may be redeemed at par plus accrued interest.

"(e) The interest on, and the proceeds from the sale or redemption of, any obligations held in the trust fund shall be credited to and form a part of the trust fund.

"(f) There are authorized to be appropriated to the trust fund from time to time such sums as the Secretary of Health, Education, and Welfare deems necessary for any fiscal year, on account of—

"(1) payment made or to be made during such fiscal year from the trust fund with respect to individuals who are entitled to benefits under part A of title XVIII, or are eligible for health benefits provided under title XIX,

"(2) the administrative expenses attributable to providing benefits under this part to individuals referred to in paragraph (1), and

"(3) any loss in interest to the trust fund resulting from the payment of such amounts, in order to place the trust fund in the same position at the end of such fiscal year in which it would have been if the individuals referred to in paragraph (1) were not entitled to the benefits provided under this part.

"(g) There shall be transferred periodically (but not less often than once each fiscal year) to the trust fund from the Federal Old-Age and Survivors Insurance Trust Fund and from the Federal Disability Insurance Trust Fund amounts equivalent to the amounts not previously so transferred which the Secretary of Health, Education, and Welfare shall have certified as overpayments pursuant to section 1870(b) of this Act as made applicable to this title by section 2106.

"(h) The Managing Trustee shall also pay from time to time from the Trust Fund such amounts as the Secretary of Health, Education, and Welfare certifies are necessary to make the payments provided for by this part, and the payments with respect to administrative expenses in accordance with section 201(g)(1).

"(i) There is authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated, such repayable advances (without interest) as may be required to assure prompt payment of benefits and administrative expenses under this title and to provide a contingency reserve. Such advances to the extent necessary shall be made available through calendar year 1983.

"MEANING OF 'STATE', 'UNITED STATES'

"SEC. 2110. As used in this part—

"(a) the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa, and

"(b) the term 'United States', when used in a geographical sense, means the States, the District of Columbia, the Commonwealth of Peurto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"PART B—EMPLOYER PLANS, AND SELF-EMPLOYED PLANS

"EFFECT OF COVERAGE

"SEC. 2120. Any individual who would otherwise be eligible for benefits under part A of this title shall not be eligible for such benefits during any period for which he is covered under an employer plan or a self-employed plan approved by the Secretary under this part, but shall instead be entitled to the benefits provided under such approved plan.

"DEFINITIONS

"SEC. 2121. For purposes of this part—

"(a) The term 'employer plan' means—

"(1) an insurance policy, contract, or other arrangement entered into between an employer and a carrier under which the carrier, in consideration of premiums or other periodic payments, undertakes to provide, pay for, or reimburse the costs of, health services received by those of the employer's employees (and those of the family members of such employees) who are covered by the plan, or

"(2) a plan under which the employer, as a self-insured employer (as defined in subsection (d)), undertakes to provide, pay for, or reimburse the costs of, health care services received by those of the employer's employees (and those of the family members of such employees) who are covered by the plan.

"(b) The term 'self-employed plan' means an insurance policy, contract, or other arrangement entered into between a self-employed individual and a carrier under which such carrier, in consideration of premiums or other periodic payments, undertakes to provide, pay for, or reimburse the costs of, health services received by such individual (and those of the family members of such individual who are covered by the plan).

"(c) The term 'carrier' means a voluntary association, corporation, partnership, or other nongovernmental organization which is engaged in providing, paying for, or reimbursing the costs of, health services under insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar arrangements, in consideration of premiums or other periodic charges payable to the carrier.

"(d) The term 'self-insured employer' means an employer who (either through outside administrators, including carriers, or otherwise) engages, without insurance arrangements with a carrier, to provide, pay for, or reimburse the costs of, health services for some or all of his employees.

"(e) The term 'employer' includes a State (or political subdivision thereof) and the Federal Government.

"APPROVAL OF PLANS

"SEC. 2122. (a)(1) In order for an employer plan or a self-employed plan to be approved by the Secretary under this part—

"(A) such plan, in the case of any plan other than an employer plan of a self-insured employer, must be a plan offered by a carrier which is approved by the Secretary pursuant to subsection (c);

"(B) the coverage provided under such plan must include, but shall not be limited to, a package of benefits, which (in terms of scope of benefits and the conditions of payment thereof) is the same as that provided by the Federal catastrophic health insurance benefits plan established by part A; except that the requirement imposed by this clause shall not be construed to (i) make applicable to the plan (or its administration) the provisions of sections 1862 (b) or (d), 1815, 1816, 1842, 1866, 1869, 1870, 1972, or 2104 (a)(1), and the carrier offering such plan may utilize, in the administration of the plan, payment and provider arrangements of the kind which are employed by it in connection wtih the administration of health insurance policies or plans which are not approved under this part, (ii) require that such plan provide coverage for any occupational injury or disease or for any item or service for which any benefit is payable under a workmen's compensation law of the United States or a State, and (iii) preclude the plan from making the benefits offered thereunder subject to provision for coordination of benefits provided under other plans (including the Federal plan established under part A), if such provision for coordination of benefits is approved by the Secretary as being consistent with prevailing practice within the health insurance industry for the coordination of benefits;

"(C) such plan (in the case of an employer plan) (i) must cover all of the employees of such employer (other than employees who perform service for less than 25 hours per week, temporary employees, or employees who are entitled, under section 226, to hospital insurance benefits under part A of title XVIII), and (ii) may, at the option of the employer, cover all of the employees of the employer;

"(D) such plan must cover the spouse and dependent family members of any employee (in the case of an employer plan) or self-employed individual (in the case of a self-employed plan) covered by the plan;

"(E) such plan (in the case of an employer plan) must not require or permit any financial participation in the cost of the plan by any individual covered thereunder;

"(F) such plan (in the case of an employer plan) must provide that coverage (in the case of a new employee, his spouse, and dependent family members) will begin not later than the first day of the first calendar month which commences more than 30 days after the date the employee's employment commences, and that coverage of an employee (and of members of his family who are covered by the plan) will not be terminated by reason of the separation of the employee from his employment by such employer prior to 90 days after the date of such separation, or (if earlier) the first day after the date on which such employee first obtains coverage under another employer plan approved under this part;

"(G) such plan, in the case of any employer plan (other than an employer plan of a self-insured employer) must be a plan under which there are available to the employer arrangements for the pooling of risks under the plan by which his employees are covered and under the plans by which employees of other employers are covered so that the premium or other periodic charge payable therefor to the carrier are determined on a class basis either (i) without regard to the payments or reimbursements for health services received by the employer's employees (and family members of such employees) covered by the plan, or (ii) without regard to the payments or reimbursements for health services received by the employer's employees (and family members of such employees) in excess of a specified amount agreed to between the employer and the carrier of payments or reimbursements as to any one individual or family and under which the premium or other periodic charge made under such arrangement is specifically identified to the purchaser;

"(H) the premium or other periodic charge imposed for the pooling arrangements described in clause (G) shall (in case of any plan other than employer plan of a self-insured employer) be stated, to the employer or self-employed individual subscribing to the plan, in annual (or more frequent) billings or renewal notices which shall be expressed in such a manner as to facilitate a comparison of such premium or charge with the amount allowable on account of such plan as a tax credit under section 1403 or section 3114, as the case may be, of the Internal Revenue Code of 1954.

"(2) In any case where, pursuant to one or more collective bargaining agreements, health insurance responsibilities for one or more groups (but not all) of the employees of an employer have been placed with a labor organization, the Secretary may waive the requirement imposed by paragraph (1)(C)(i) with respect to such group or groups of the employer's employees for such period as may be necessary to enable the employer and the labor organizations with which he has collective bargaining agreements a reasonable opportunity so to arrange health insurance coverage of the employees of the employer as to meet the requirement imposed by paragraph (1)(C)(i). The Secretary shall provide technical assistance to, and recommend procedures to be employed by such employer and such organizations in meeting such requirement.

"(3) Approval of the Secretary of any plan (other than an employer plan of a self-insured employer) shall not be denied because such plan is provided under arrangements with carriers involving the plans of two or more employers in the same industry or under a trust or trade association arrangement.

"(b)(1) No employer plan or self-employed plan shall be approved by the Secretary except on the basis of an application for approval submitted by the employer or self-employed individual (or by a carrier on such person's behalf) to the Secretary, which application shall be in such form and contain such information and assurances as the Secretary shall by regulations require.

"(2) Applications for approval may contain provision for recommendations of approval, by the insurance department or similar agency of the State involved; and the Secretary may employ any such recommendations as a basis for expediting approval of the application with respect to which such recommendations are made.

"(3)(A) The Secretary shall not approve any application of an employer plan by a self-insured employer unless such application contains or is supported by proof and assurances satisfactory to the Secretary that the employer has the financial ability to discharge his obligations under the plan and has the administrative ability effectively to discharge such obligations.

"(B) The Secretary may, as a condition of approval of an employer plan by a self-insured employer, require the employer to deposit in a depository designated by the Secretary either an indemnity bond or securities (at the option of the employer) of a kind and in an amount determined by the Secretary, and subject to such conditions as the Secretary may prescribe (which shall include authorization to the Secretary in case of default of the employer's obligations to provide benefits under the plan to sell any of such securities sufficient to discharge such obligations or to bring suit upon such bonds to procure the prompt discharge of such obligations).

"(c)(1) As used in this section—

"(A) the term 'catastrophic health insurance' means a health insurance policy or plan which provides the coverage which is required pursuant to subsection (a)(1)(B); and

"(B) the term 'carrier' includes any nonprofit hospital or medical service corporation.

"(2)(A) In order for a carrier to be approved by the Secretary under this subsection, the carrier must—

"(i) offer, in each State in which such carrier does health insurance business, catastrophic health insurance to all individuals and groups on an annual or shorter contract basis, with the option of the policyholder to renew at the expiration of the term of the policy, and with provision that the coverage so offered will not be discontinued or denied in the case of any individual or group except for failure to make timely payment of premium therefor;

"(ii) provide claims determination procedures with respect to catastrophic health insurance benefits which (I) comply with the requirements imposed by section 503 of the Employee Retirement Income Security Act of 1974 and the regulations issued thereunder by the Secretary of Labor and (II) are consistent with those employed by the carrier in its noncatastrophic health insurance business and which in general are at least as favorable to claimants as those employed under the Federal plan established by part A, and

"(iii) operate in accordance with procedures satisfactory to the Secretary for meeting its obligations with respect to policies of catastrophic health insurance and for disposition of unearned premiums on such policies in the event of the discontinuance of such policies or the withdrawal of its status as an approved carrier by the Secretary.

"(B) In order to better enable carriers to meet the requirements imposed by subparagraph (A)(ii), the Secretary shall provide to carriers, offering approved plans under this part, reasonable access to claim data developed under the Federal plan established by part A.

"(d) Approval of a plan by the Secretary under this section shall not have the effect of causing such plan to be a 'governmental plan', as that term is employed in and for purposes of title I of the Employee Retirement Income Security Act of 1974, if such plan would, in the absence of such approval, not be a 'governmental plan', as that term is so employed.

"(e)(1) It shall not be unlawful, under any antitrust law, for any carrier or group of carriers to enter into or participate in any pool, reinsurance, or other residual market arrangement, or for any carrier to carry on any activity which is necessary or appropriate to discharge its functions under any such arrangement, if and to the extent that, such arrangement and the activities taken pursuant thereto are confined to the offering and administration of plans approved by the Secretary under this section.

"(2) As used in paragraph (1), the term 'antitrust law' means the Federal Trade Commission Act, each statute referred to in section 4 of that Act (15 U.S.C. 44) as an Antitrust Act, any other statute of the United States in pari materia, and any law of any State or political subdivision thereof which prohibits or restrains contracts, combinations, or other arrangements in restraint of trade.

"CERTIFICATIONS TO THE SECRETARY OF THE TREASURY

"SEC. 2123. (a) Whenever the Secretary approves, or withdraws approval of, any employer plan or self-employed plan under this part, he shall submit a certification of his action to the Secretary of the Treasury.

"(b)(1) The Secretary shall, prior to January 1, of each calendar year, certify to the Secretary of the Treasury the Table of Values of Catastrophic Health Insurance Coverage which shall be in effect for such calendar year, together with such additional data as may be needed by the Secretary of the Treasury in connection with the administration of sections 42, 1403, and 3114 of the Internal Revenue Code of 1954.

"(2) The table of values referred to in paragraph (1) shall be developed, for each calendar year, by the Secretary and shall, except for such adjustments as the Secretary shall deem to be necessary, be the same as the Table of Values of Catastrophic Health Insurance Coverage which is prepared and recommended to the Secretary for such year by the Actuarial Committee established pursuant to section 2124.

"(3) Such table of values developed by the Secretary shall be made available to all carriers who offer catastrophic health insurance plans approved under section 2122 and to all other interested persons.

"ACTUARIAL COMMITTEE

"SEC. 2124. (a)(1) There is hereby established an Actuarial Committee which shall consist of five individuals, who are not otherwise in the employ of the United States, appointed by the Secretary.

"(2)(A) Members of the Committee shall be persons who are qualified to perform the functions and duties of the Committee. No individual shall be a member of the Committee unless he (i) is enrolled, or meets the conditions for enrollment (other than those relating to pension experience), as an actuary in the Joint Board for the Enrollment of Actuaries established by section 3041 of the Employee Retirement Income Security Act of 1974, and (ii) has significant actuarial experience in the field of health insurance.

"(B) At no time shall more than two members of the Committee be in the employ of a carrier (as defined in section 2122(c)(1)(B)) which does health insurance business.

"(3) Members of the Committee shall serve for terms of 4 years, except that of those first appointed, one shall be appointed for a term of 1 year, one shall be appointed for a term of 2 years, one shall be appointed for a term of 3 years, and two shall be appointed for terms of 4 years. A member may be reappointed, but no member may serve for more than 2 successive terms. A member appointed to fill a vacancy shall be appointed only for the unexpired term of his predecessor. A majority of the members of the Committee shall constitute a quorum thereof and action taken by the Committee shall be by majority vote of those present and voting. The Secretary shall, from time to time, designate a member of the Committee to serve as Chairman thereof.

"(4) The Secretary shall furnish to the Committee an executive secretary and such secretarial, clerical, and other services as may be required to enable the Committee to carry out its duties and functions.

"(b)(1) Members of the Committee shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Committee.

"(2) While away from their homes or regular places of business in the performance of services for the Committee, members of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government are allowed expenses under section 5703(b) of title 5 of the United States Code.

"(c) Section 14(a) of the Federal Advisory Committee Act shall not apply to the Actuarial Committee established pursuant to this section.

"(d)(1) It shall be the duty and function of the Committee to prepare and recommend to the Secretary, not later than October 1 of each year, a Table of Values of Catastrophic Health Insurance Coverage which shall be in effect for the calendar year commencing on the following January 1.

"(2) Such table of values shall establish, for each State, the actuarial value of one year's catastrophic health insurance coverage for one individual, as estimated for the calendar year for which such table of values is to be in effect, and shall be designed (with the use of a table of adjustment factors) to enable employers, carriers, and others involved with plans approved under section 2122 to determine the actuarial value of the catastrophic health insurance coverage provided under any such plan.

"(3) The value of catastrophic health insurance coverage shall be established by the Committee according to the best data and information available to it on the basis of the expected costs or charges for health care services, the expected utilization of health care services by all persons having such coverage, the expected administration and claim payment expenses (including an allowance for risk) applicable to plans providing such coverage, and such other information as the Committee determines to be relevant. In establishing such value of coverage in any State, the Committee shall employ appropriate adjustment factors, which shall be applied uniformly within the State, to reflect significant cost differences related to geographic variations and the age and dependency characteristics of individuals covered under plans providing such coverage.

"(4) The term 'catastrophic health insurance', as used in this section, means health insurance provided under plans approved under section 2122 which provides that minimum coverage necessary to meet the requirement imposed in section 2122(a)(1)(B).

"(e)(1) The Committee shall have the further duty (A) of reviewing (by random claim or data sample or otherwise) the marketing and rating practices of plans approved under section 2122 with a view to determining whether such practices unduly or inappropriately restrict, for particular groups, the availability of coverage under plans approved under such section, and (B) upon request of the Secretary of the Treasury, to assist him in establishing procedures designed to assure the proper administration of sections 42, 1403, and 3114 of the Internal Revenue Code of 1954.

"(2) The Committee shall report to the Secretary its findings resulting from its review functions, together with such recommendations as it may have based on such findings.

(b) Section 201(g) of the Social Security Act is amended by—

(1) inserting after "title XVIII" the first time it appears the following: "and the Federal Catastrophic Health Insurance Trust Fund established by title XXI"; and

(2) inserting after "title XVIII" each time it appears therein after the first time the following: "and title XXI".

AMENDMENTS TO INTERNAL REVENUE CODE OF 1954

SEC. 102. (a)(1) Section 1401 of the Internal Revenue Code of 1954 (relating to rate of social security tax on self-employment income) is amended by adding at the end thereof the following new subsection:

"(c) CATASTROPHIC HEALTH INSURANCE.—In addition to the taxes imposed by the preceding subsections, there shall be imposed for each taxable year which begins after December 31, 1980, on the self-employment income of every individual a tax which is equal to 1 percent of the amount of the self-employment income of such individual for such taxable year."

(2) Such Code is further amended by (A) redesignating section 1403 thereof (relating to miscellaneous provisions) as section 1040, and (B) by adding after section 1402 thereof the following new section:

"Sec. 1403. Credit against catastrophic health insurance tax.

"(a) ACTUARIAL VALUE OF CATASTROPHIC HEALTH INSURANCE COVERAGE UNDER APPROVED PLANS FOR THE SELF-EMPLOYED.—If, during any part of the taxable year the taxpayer has secured for himself (or for himself and members of his family) catastrophic health insurance coverage under a plan which is approved by the Secretary of Health, Education, and Welfare under section 2122 of the Social Security Act, the taxpayer may, to the extent provided in this subsection and subsection (b), credit against the tax imposed by section 1401(c) for such taxable year an amount equal to the actuarial value of such coverage, as determined under the appropriate Table of Values of Catastrophic Health Insurance Coverage certified by such Secretary pursuant to section 2123(b) of such Act.

"(b) LIMIT ON CREDITS.—The total credits allowed a taxpayer under this section shall not exceed 100 percent of the tax against which such credits are allowable.".

(3) The table of sections for chapter 2 of subtitle A of such Code is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 1403. Credit against catastrophic health insurance tax.

"Sec. 1404. Miscellaneous provisions.".

(b)(1) Section 3111 of such Code (relating to rate of social security tax on employers) is amended by adding at the end thereof the following new subsection:

"(c) CATASTROPHIC HEALTH INSURANCE.—

"(1) In addition to the taxes imposed by the preceding subsections, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to 1 percent of the wages (as defined in section 3121(a)) paid after December 31, 1980, by him with respect to employment (as defined in paragraph (2)).

"(2) The term 'employment', as used in paragraph (1), shall have the same meaning as when that term is used for purposes of subsections (a) and (b), except that the provisions of section 3121(b) shall be applied without regard to the exclusions specified in paragraphs (5), (6), (8), and (9) thereof.".

(2) Such Code is further amended by adding after section 3113 thereof the following new section:

"Sec. 3114. Credit against catastrophic health insurance tax.

"(a) ACTUARIAL VALUE OF CATASTROPHIC HEALTH INSURANCE COVERAGE FOR EMPLOYEES UNDER APPROVED EMPLOYER PLANS.—If, during any period the taxpayer has secured for any or all of his employees (and for family members of such employees) catastrophic health insurance coverage under an employer plan approved by the Secretary of Health, Education, and Welfare under section 2123 of the Social Security Act, the taxpayer may, to the extent provided in this subsection and subsection (b), credit against the tax imposed by section 3111(c) for such period an amount equal to the actuarial value of such coverage, as determined under the appropriate Table of Values of Catastrophic Health Insurance Coverage certified by such Secretary pursuant to section 2123(b) of such Act.

"(b) LIMIT ON CREDITS.—The total credits allowed to a taxpayer under this section shall not exceed 100 percent of the tax against which such credits are allowable.

"(c) PAYMENTS BY STATES.—For purposes of this section, any State which has a State law approved by the Secretary of the Treasury under section 2108 of the Social Security Act shall be deemed to be a taxpayer to which the tax imposed by section 3111(c) applies, and any payments which such State is obligated to make to the Treasury pursuant to such State law shall be deemed to be an obligation to pay such tax.".

(3) The table of sections for subchapter B of chapter 21 of subtitle C of such Code is amended by adding immediately after the last item the following:

"Sec. 3114. Credit against catastrophic health insurance tax.".

(c)(1)(A) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowed) is amended by renumbering section 42 as 43, and by inserting after section 41 the following new section:

"Sec. 42. Catastrophic health insurance tax

"There shall be allowed to the taxpayer, as a credit against the tax imposed by this chapter for the taxable year, an amount equal to 50 percent of the aggregate of the amounts of the tax, imposed by sections 1401(c) and 3111(c), paid by the taxpayer during the taxable year. For purposes of this section, any credit allowed the taxpayer for the taxable year under section 1403 shall be regarded as an amount of the tax, imposed by section 1401(c), paid by the taxpayer for the taxable year; and any credit allowed the taxpayer for the taxable year under section 3114 shall be regarded as an amount of the tax, imposed by section 3111(c), paid by the taxpayer for the taxable year. Any amounts allowed as a credit under this section shall not be allowed as a deduction under section 164. A State which, for the taxable year, has made contributions pursuant to a State law approved under section 2108 of the Social Security Act shall be regarded as a taxpayer for purposes of this section.".

(B) The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Catastrophic health insurance tax.
"Sec. 43. Overpayment of tax.".

(2) Section 6201(a)(4) of such Code (relating to assessment authority) is amended by—

(A) inserting "or 42" after "section 39" in the caption of such sections; and

(B) striking out "oil," and inserting in lieu thereof "oil) or section 42 (relating to catastrophic health insurance tax),".

(3) Section 6401(b) of such Code (relating to excessive credits) is amended by—

(A) inserting after "lubricating oil)" the following: ", and 42 (relating to catastrophic health insurance tax),"; and

(B) striking out "sections 31 and 39" and inserting in lieu thereof "sections 31, 39, and 42".

TITLE II—MEDICAL ASSISTANCE PLAN FOR LOW-INCOME PEOPLE

SEC. 201. (a) Effective October 1, 1980, title XIX of the Social Security Act is amended to read as follows:

"TITLE XIX—MEDICAL ASSISTANCE PLAN FOR LOW-INCOME PEOPLE

"PART A—GENERAL PROVISIONS

"PURPOSE

"SEC. 1901. It is the purpose of this title to provide, for low-income individuals and members of low-income families, assistance toward the costs of necessary hospital, skilled nursing facility, medical, and other health care services.

"FREE CHOICE BY PATIENT GUARANTEED

"SEC. 1902. Any individual entitled to benefits under this title may obtain health services provided hereunder from any institution, agency, or person qualified to participate under this title in accordance with reimbursement and service requirements if such institution, agency, or person undertakes to provide him such services. The provisions of the preceding sentence shall not be applicable in the jurisdiction of Puerto Rico, the Virgin Islands, or Guam for any period with respect to which there is in effect an election (submitted to the Secretary in such form and manner as he shall by regulations prescribe) by the Governor of such jurisdiction that such provisions not be applicable to such jurisdiction.

"OPTION OF INDIVIDUALS TO OBTAIN OTHER HEALTH INSURANCE PROTECTION

"SEC. 1903. Nothing contained in this title shall be construed to preclude any State from providing, or any individual from purchasing or securing (through collective bargaining or otherwise), protection against the cost of any health services.

"PART B—DESCRIPTION OF MEDICAL ASSISTANCE PLAN

"ELIGIBLE INDIVIDUALS

"SEC. 1910. (a) Every 'medicaid eligible' (as defined in section 1916(a)) shall be eligible for the health benefits provided under this title in the manner prescribed by section 1916. Every individual who—

"(1) is (A) a low-income individual, or (B) a member of a low-income family,

"(2) is a resident of the United States, and is either (A) a citizen or (B) an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or section 212(d)(5) of the Immigration and Nationality Act), and

"(3) has filed (in the case of a low-income individual), or has had filed in his behalf by an appropriate person an application under this title (filed in such form and manner and containing such information as the Secretary shall by regulations prescribe),

shall be eligible for the health benefits provided under this title for the benefit period (as determined under subsection (d)(2)) to which such application is applicable; except that no such individual shall be entitled to such benefits on account of services received by him during any period with respect to which he does not meet the condition imposed by paragraph (2) of this subsection.

"(b) Whenever the Secretary approves any application (referred to in subsection (a)(3)), he shall issue a health benefit card to each individual who, by reason of such application, is eligible for a benefit period to the health benefits provided by this title. Such health benefits card which shall be used to assist in identifying an eligible individual, shall identify the individual or family member to whom it is issued (by name, sex, age, and social security account number and such other criteria as the Secretary shall by regulations prescribe) as being eligible for such benefits for such period.

"(c) An application (referred to in subsection (a)(3)) on behalf of the members of a low-income family shall be filed by the head of such family or by such other appropriate person as the Secretary shall by regulations specify.

"(d)(1)(A) Any application (referred to in subsection (a)(3)) shall be filed with respect to—

"(i) the coverage year in which the application is filed, or

"(ii) the coverage year immediately following the coverage year in which the application is filed and which begins not later than 60 days after the date on which such application is filed.

"(B) As used in this subsection and section 1911, the term 'coverage year' means the 12-month period beginning April 1 of any year.

"(2) The benefit period of any individual resulting from the filing of an application (referred to in subsection (a)(3)), shall commence—

"(A) on the first day of the first month in which the application is filed, or

"(B) if earlier, the first day of the third month prior to the month in which the application is filed and in which such individual or the family of which he is a member first met the conditions imposed by section 1910(a) (1) and (2),

and shall end on whichever of the following is earlier—

"(C) the close of the coverage year with respect to which such application is filed, or

"(D) such date as may be specified in regulations of the Secretary (promulgated in accordance with the provisions of section 1911(d)), if such individual, prior to the date referred to in clause (C), ceases to meet the applicable condition imposed by subsection (a)(1), or fails to submit reports which the Secretary deems to be necessary or useful to enable him to determine whether such individual continues to meet the conditions imposed by subsection (a)(1) and (2);

except that, if on the date that any individual's benefit period would (as determined under the preceding provisions of this paragraph) end, such individual is an inpatient in a health care institution (which is a hospital, skilled nursing facility, or intermediate care facility) participating under title XVIII or this title, such individual's benefit period shall not end until the day following the first day, after such date, that such individual either is no longer an inpatient in or no longer requires care in such an institution.

"DETERMINATIONS OF ELIGIBILITY

"SEC. 1911. (a) Whenever an application (referred to in section 1910(a)(3)) has been filed by or on behalf of an individual or on behalf of the members of a family, the determination of whether such individual or such family meets the applicable condition imposed by section 1910(a) (1) (A) or (B) shall be based on the actual income of the individual or family for the 2-month period immediately preceding the date of filing of the application and the prospective income of the individual or family for the 2-month period immediately following such date.

"(b) An individual shall be deemed, for purposes of subsection (a), to have no income for the 2-month period immediately preceding the date of the filing of an application (referred to in section 1910(a)(3)) if—

"(1) at the time such application is filed by such individual, he is not a member of a family, and

"(2) during all of such 2-month period (A) such individual was a member of a family, (B) was not regularly employed, and (C) was not the head of such family.

"(c) The Secretary, in determining (for purposes of subsection (a)) the prospective income of any individual or family, may take into account current income (if any) and other relevant factors (including, in appropriate cases, actual income for preceding periods).

"(d) An individual (referred to in section 1910(d)(2)(D)) shall be deemed not to have ceased to meet the applicable condition imposed by section 1910(a)(1) in a current coverage year because the income of such individual or of the family of which he is a member, as the case may be, has increased, if such income, as so increased, does not exceed 120 per centum of the maximum amount of income which such individual (or such family) can receive while still being a 'low-income' individual or family (as the cost may be). The preceding sentence shall apply also to decreases in family income maximums brought about by a diminution in the number of members thereof, except that a diminution in the number of members of a family of not more than one such member during a benefit period shall not affect the eligibility of the remaining members of such family during the remainder of such benefit period.

"SCOPE OF BENEFITS

"SEC. 1912. The benefits provided to an individual eligible in any benefit period under this title shall consist of eligibility to have payment made (subject to the provisions of this title) on his behalf for—

"(a) necessary inpatient hospital services for not more than 60 days during a benefit period;

"(b) medical and other health services;

"(c) skilled nursing facility services;

"(d) home health services;

"(e) intermediate care services;

"(f) mental health care services;

"(g) pre-natal and well-baby care;

"(h) family planning counseling, services, and supplies;

"(i) in the case of eligible children under age 18, early and periodic screening, diagnosis, and treatment; and

"(j) payment of any premium imposed under part B of title XVIII for coverage under the insurance program established by such part;

and to have reimbursement made to him in an amount equal to one-half of the amount (i) of the actuarial value, as determined under the appropriate Table of Values of Catastrophic Health Insurance Coverage certified by the Secretary pursuant to section 2133 (b), of catastrophic health insurance coverage for any period for such individual (or such individual and family members) under a self-employed plan approved by the Secretary under section 2122, and (ii) paid by such individual (and by family members) as taxes imposed on his or their self-employment income by section 1401(c) of the Internal Revenue Code of 1954.

"COPAYMENT REQUIREMENTS

"SEC. 1913. (a) (1) Any individual or family who, for any coverage year, is eligible for the health benefits provided by this title shall be responsible for the first $3 of the cost incurred for a visit for physicians' services (other than as an inpatient) if such visit is not for the purpose of securing appropriate well-baby care, family planning services, or services described in section 1912(i). Such $3 copayment shall be applicable only to each of the first ten visits of any individual or family for physicians' services. In the case of an individual covered under title XVIII, the copayment or deductible requirements of this section shall apply to the extent they are less than the copayment required under title XVIII.

"(2) In the case of any individual who—

"(A) is, for any benefit period, entitled to the health benefits provided under this title,

"(B) is not a member of a family or is a member of a family all of whose members meet the requirements of subparagraph (C),

"(C) for a continuous period in excess of 60 days (whether or not in the same benefit period), is an inpatient in an institution which is a hospital, skilled nursing facility, or intermediate care facility,

there shall be imposed in each month (which begins after such period) in which he is an inpatient in such an institution a special copayment, with respect to health care services in such institution to which he is entitled under this title during each month, equal to the amount by which his cash income for such month exceeds $50.

"(b) The amount payable under this title with respect to physicians' services where a copayment is required by subsection (a) (1) or (a) (2) shall be reduced by an amount (if any) equal to the copayment imposed.

"RESIDUAL NATURE OF BENEFITS

"SEC. 1914. Amounts otherwise payable under this title with respect to any item or service specified in clauses (a) through (i) of section 1912 provided to an individual during any benefit period shall be reduced by the amount which is paid (or upon claim by the individual, or a person claiming on his behalf. would be payable) under any other public or private insurance or health care benefits plan by which such individual is covered (including the insurance program established by title XVIII, the program established by part A of title XXI, and any workmen's compensation law), except that payments under this title shall be primary in the case of a State program designed to supplement (through higher income tests) the eligibility of this program.

"SPECIAL PROVISIONS RELATING TO MEDICAID ELIGIBLES

"SEC. 1915. (a) For purposes of this section and the first sentence of section 1910 (a), the term 'medicaid eligible' means an individual (whether as a member of a family or otherwise) who, for any month after December 1980 and prior to October 1981, was determined to be eligible for assistance under a State plan approved under title XIX (as in effect prior to October 1, 1981).

"(b) Notwithstanding any other provision of this title, any individual who is a medicaid eligible shall (subject to subsection (c)) be eligible for the health insurance provided by this title for any period after September 1981 if, for such period, such individual—

"(1) meets the requirements imposed (or deemed by Federal law to be imposed) as a condition of eligibility for assistance under the State plan under which his status as a medicaid eligible is established, as such plan was in effect for September 1981,

"(2) does not meet such requirements but would meet such requirements except for the amount of his income (or the income of the family of which he is a member), if his income (or the income of the family of which he is a member) does not exceed 105 per centum of the maximum applicable income standard imposed as a condition of eligibility under such requirements as in effect for September 1980, or (if greater) for September 1981,

except that no individual shall, by reason of the provisions of this subsection, be deemed to be eligible for health benefits under this title unless such individual meets the requirements of section 1910(a)(2) and there has been filed (in the manner provided by section 1910(a)(3)) by or on behalf of such individual an application for benefits under this title with respect to such period.

"PART C—CONDITIONS AND LIMITATIONS ON PAYMENT, AND ADMINISTRATION

"BASIS FOR PAYMENT FOR HEALTH SERVICES

"SEC. 1920. (a) Except as is otherwise provided in subsection (d), covered health care services provided to individuals insured under this title shall, in the case such services are provided by a provider of service (as defined in section 1861(u)) or an intermediate care facility, be paid for on the basis of the reasonable cost subject to the limitations otherwise provided under title XVIII for such services and, in the case such services are provided by a person (other than a provider of service or an intermediate care facility), be paid on the basis of the reasonable charge (subject to the limitations with respect thereto imposed under title XVIII).

"(b) In the event that such amounts are not payable due to the failure of the individual or family to enroll in a health insurance plan for which he or such family was otherwise eligible, and to the extent such coverage would have been in effect during the benefits period, and in which his or such family's premium or rate liability was 25 per centum or less (or failure to enroll in part B of title XVIII) amounts otherwise payable under this title shall be reduced by not more than $250 in a benefit period.

"(c) As used in subsection (a), the term 'reasonable cost' shall have the same meaning as when such term is employed in title XVIII.

"(d) (1) To the extent that the regulations of the Secretary promulgated pursuant to paragraph (2) are applicable to a skilled nursing facility or an intermediate care facility, covered services furnished by such facility shall be paid on the cost-related basis established under such regulations rather than on the basis of reasonable cost.

"(2) In the interest of the efficient and economical administration of this title, the Secretary shall promulgate regulations under which covered services furnished by all or one or more types or classes of skilled nursing facilities or intermediate care facilities in any area (consisting of one or more States) will be paid for on a reasonable cost-related basis, as determined in accordance with methods and standards prescribed in such regulations.

"CONDITIONS OF AND LIMITATION ON PAYMENT FOR SERVICES

"SEC. 1921. (a) Services and the payment therefor under this title are subject to the same conditions and limitations as those imposed by sections 1814, 1834, and 1835 with respect to services, and the payment therefor, provided under title XVIII.

"(b) No payment shall be made under this title to any person on account of any health care service furnished by such person to an individual who is covered under this title for such service unless such person accepts the amount of such payment, together with any copayment required under section 1913 with respect to such service, as payment in full for such service. Whenever payment under this title is made in supplementation of a payment made under any insurance program (whether public or private) for a service, the amount of the payment under this title shall not be in excess of the amount which would be paid had such service been provided under this title, and no person accepting such payment as payment for such service shall charge any amount in excess of the amount so paid to the individual receiving such service.

"(c) If any eligible individual (as determined under section 1910) who is a low-income individual or a member of a low-income family (as determined without regard to section 1932) is enrolled in—

"(1) a health maintenance organization which meets the applicable requirements of section 1876, or

"(2) an organization which (A) provides medical and other health services (or arranges for their availability) on a prepayment basis, and (B) receives and prior to September 1, 1973, received, payments under part B of title XVIII under the authority contained in section 1833(a) (1) (A),

the Secretary may, in lieu of making payments for health benefits on behalf of such individual as provided in other provisions of this title, make payment therefor in the manner authorized by section 1876 for any period, during which he is so enrolled, and for which he is such an eligible individual.

"(c) Payments under this title may not be made for services provided by any group practice unit unless such unit meets the applicable requirements of section 1876.

"ADMINISTRATION AND QUALITY CONTROL

"SEC. 1922. (a) The provisions of this title shall (subject to the provisions of section 702(b)) be administered by the Secretary.

"(b) The provisions of title XVIII (and other provisions of law applicable to the health insurance programs established by such title, including part B of title XI) relating to utilization and professional review and conditions of participation required with respect to persons or providers of health services under title XVIII, shall be applicable to all health services provided under this title.

"(c) To the maximum extent practicable, the Secretary, in the administration of this title, shall utilize and otherwise coordinate with the procedures employed in the administration of the health insurance programs established by title XVIII (including the procedures for certification of providers of service), and shall have the same authority (except as otherwise specifically provided) as that conferred upon him with respect to the administration of the insurance programs established by title XVIII.

"REQUIREMENTS FOR CARRIERS AND INTERMEDIARIES

"SEC. 1923. (a) The Secretary, in the administration of this title, shall, whenever he determines that the interests of quality of service to eligible individuals or program economy, or efficiency of administration would be furthered, require consolidation of activities on the part of carriers (utilized pursuant to authority contained in section 1842) and agencies or organizations (utilized pursuant to authority contained in section 1816) in geographic regions with minimum size populations of individuals covered under this title and under the insurance programs established by title XVIII.

"(b) No private carrier or other organization shall after the 3-year period which commences on the date of enactment of this section, be utilized in the administration of this title or title XVIII unless such carrier or other organization is an 'approved carrier' under section 1505.

"MEDICAL COVERAGE TRUST FUND

"SEC. 1924. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the Medical Coverage Trust Fund (hereinafter in this section referred to as the 'Trust Fund'). The Trust Fund shall consist of such gifts and bequests as may be made as provided in section 201(i)(1), and such amounts as may be deposited in, or appropriated to, such fund as provided in sections 1925 and 1926.

"(b) With respect to the Trust Fund, there is hereby created a body to be known as the Board of Trustees of the Trust Fund (hereinafter in this section referred to as the 'Board of Trustees') composed of the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, all ex officia. The Secretary of the Treasury shall be the Managing Trustee of the Board of Trustees (hereinafter in this section referred to as the "Managing Trustee'). The Commissioner of Social Security shall serve as the Secretary of the Board of Trustees. The Board of Trustees shall meet not less frequently than once each calendar year. It shall be the duty of the Trustees to—

"(1) hold the Trust Fund;

"(2) report to the Congress not later than the first day of July of each year on the operation and status of the Trust Fund during the preceding fiscal year and on its expected operation and status during the current fiscal year and the next 2 fiscal years;

"(3) report immediately to the Congress whenever the Board is of the opinion that the amount of the Trust Fund is unduly small; and

"(4) review the general policies followed in managing the Trust Fund, and recommend changes in such policies, including necessary changes in the provisions of law which govern the way in which the Trust Fund is to be managed.

The report provided for in paragraph (2) shall include a statement of the assets of, and the disbursements made from, the Trust Fund during the preceding fiscal year, an estimate of disbursements to be made from the Trust Fund during the current coverage year and each of the next 2 fiscal years. Such report shall be printed as a House document of the session of the Congress to which the report is made.

"(c) The Managing Trustee shall pay from time to time from the Trust Fund such amounts as the Secretary of Health, Education, and Welfare certifies are necessary to make the payments of benefits provided for in this title, and the payments with respect to administrative expenses in accordance with section 201(g)(1).

"STATE CONTRIBUTIONS TO MEDICAL COVERAGE TRUST FUND, AND TO CATASTROPHIC HEALTH INSURANCE TRUST FUND

"SEC. 1925. (a) In order for individuals residing in any State to recieve for any period the benefits provided by this title, there must be in effect for such period an agreement between such State and the Secretary entered into under this section.

"(b) Any agreement between the Secretary and a State under this section shall provide that the State will (subject to subsection (c)) pay, with respect to each fiscal year for which such agreement is in effect, to the Secretary of the Treasury at such time or times as may be specified in the agreement, an amount equal to—

"(1) in case such State is a State which (for the fiscal year ending September 30, 1980, or September 30, 1981, had in effect a State plan approved under title XIX, as in effect prior to the effective date of the program established by this title) the sum of the following:

"(A) an amount equal to (i) the total amount expended from non-Federal funds for the purpose of providing (under such State plan to persons eligible under such plan) services of the types for which coverage is provided by this title, for the four-quarter period ending September 30, 1980, or (ii) if greater, the total amount expended from non-Federal funds for such purpose for the four-quarter period ending September 30, 1981, plus

"(B) an amount equal to one-half of (i) the total amount expended (as determined by the Secretary) from non-Federal public funds for the purpose of providing, for individuals not covered under such plan but who are eligible under this title, services of the types for which coverage is provided by this title, for the four-quarter period ending September 30, 1980, or (ii) if greater, the total amount expended (as determined by the Secretary) from non-Federal funds for such purpose for the four-quarter period ending September 30, 1981; and

"(2) in case such State did not, for the fiscal year ending September 30, 1980, or September 30, 1981, have in effect a State plan referred to in paragraph (1), (A) the total amount expended (as determined by the Secretary) from non-Federal funds for the purpose of providing services of the types for which coverage is provided by this title for persons eligible under this title, for the four-quarter period ending September 30, 1980, or (B) if greater, the total amount expended (as determined by the Secretary) from non-Federal funds for such purpose for the four-quarter period ending September 30, 1981.

"(c) The amount payable by any State under subsection (b) with respect to a coverage year shall be reduced by an amount equal to one-half of the amount expended by such State during such coverage year from non-Federal funds in providing to individuals in such State services of a type—

"(1) which is not covered under this title, but

"(2) with respect to the cost of which there could have been Federal financial participation under title XIX (as in effect prior to the effective date of the program established by this title) if such type of service had been included in a State's plan approved under such title XIX.

"(d) Amounts paid to the Secretary of the Treasury under this section shall be deposited by him in the Medical Coverage Trust Fund.

"APPROPRIATIONS TO MEDICAL COVERAGE TRUST FUND

"SEC. 1926. There are authorized to be appropriated for each fiscal year to the Medical Coverage Trust Fund such sums as may be necessary to carry out the program established by this title.

"MINIMUM PAYMENTS

"SEC. 1927. If the amount payable to an insured individual at any particular time as benefits under this title is less than $5, no payment shall be made to him until such time as the payment to which he is entitled as such benefits is $5 or more.

"OPTOMETRISTS' SERVICES PROVIDED IN CERTAIN STATES

"SEC. 1928. In the case of any State which—

"(1) does not provide for the payment of optometrists' services furnished to individuals who are eligible for benefits under the medical assistance plan for low-income people established by this title,

"(2) during all or some part of the 2-year period ending on the effective date of such medical assistance plan, did provide, under its State plan approved under title XIX (as in effect prior to such effective date), payment of optometrists' services,

the term 'physicians' services', as employed in such medical assistance plan established by this title, shall, with respect to individuals residing in such State, be deemed to include any service which is furnished by an optometrist, if—

"(3) such service is one which an optometrist is legally authorized to perform,

"(4) such service would constitute 'physicians' services', as that term is employed in such medical assistance plan established by this title, if it had been performed by a physician.

"PART D—DEFINITIONS AND MISCELLANEOUS PROVISIONS

"MEANING OF 'LOW-INCOME INDIVIDUAL' AND 'MEMBER OF A LOW-INCOME FAMILY'

"SEC. 1930. (a) For purposes of section 1910(a)(1)(A), the term 'low-income individual' means an individual—

"(1) who is not a member of a family (as determined under subsection (b)(1)), and

"(2) whose income is at a rate of not more than $3,000 for the calendar year 1981 or any calendar year thereafter.

"(b) For purposes of section 1910(a)(1)(B)—

"(1) the term 'family' means two or more individuals who are—

"(A) related by blood, marriage, or adoption, and

"(B) living in a place of residence maintained by one or more of them as his or their own home;

"(2) the term 'member', when used in reference to a family, means an individual described in paragraph (1), and

"(3) the term 'low-income', when used in reference to a family, means a family, the aggregate income of all the members of which is at a rate of not more than—

"(A) in case there are only two members of such family, $4,200, or

"(B) in case there are only three members of such family, $4,800, or

"(C) in case there are only four members of such family, $5,400, or

"(D) in case there are more than four members of such family, an amount equal to $5,400 plus $400 for each member of such family in excess of four.

"(c) The Secretary may prescribe the circumstances under which, consistent with the purposes of this title and in the same manner as authorized in section 1611(d), the gross income of an individual or family from a trade or business (including farming) will be considered sufficiently large to cause such individual or family not to be regarded as a 'low-income individual', or a 'low-income family', even though such individual's or family's income does not exceed the applicable dollar amount prescribed in subsection (a)(2) or (b)(3).

"(d) In the case of jurisdictions of the Commonwealth of Puerto Rico, the Virgin Islands, and Guam, the amounts set forth in subsection (b)(3) (A), (B), (C), and (D) shall each be deemed to be reduced to such amount as the Secretary determines to be appropriate to assure that the ratio of individuals and families in any such jurisdiction who meet the criteria for low income (for purposes of this title) to the total population of such jurisdiction is not greater than the ratio of individuals in that State of the United States which has the highest such ratio of individuals who meet such criteria to the total population of such State.

"MEANING OF 'INCOME'

"SEC. 1931. (a) For purposes of this title 'income' means (subject to subsection (b)) both earned income and unearned income; and—

"(1) 'earned income' means only—

"(A) wages as determined under section 203(f)(5)(C); and

"(B) 'net earnings from self-employment', as defined in section 211 (without application of the second and third sentences following subsection (a)(10), and the last paragraph of subsection (a)), including earnings for services described in paragraphs (4), (5), and (6) of subsection (c); and

"(2) 'unearned income' means all other income, including—

"(A) support and maintenance furnished in cash,

"(B) any payments received as an annuity, pension, retirement, or disability benefit; including veterans' compensation and pensions; workmen's compensation payments; old-age, survivors, and disability insurance benefits; railroad retirement annuities and pensions; and unemployment insurance benefits,

"(C) cash gifts, support and alimony payments, and inheritances, and

"(D) rents, dividends, interest, and royalties.

"(D)(1) In determining, for purposes of this section, the income of any individual or family, for any period of time, there shall be excluded—

"(A) the aggregate value of any cash gifts which do not exceed $240, if such period of time is equal to 12 months, or, if such period of time is less than 12 months, then an amount which bears the same ratio to $240 as such period bears to 12 months, and

"(B) any scholarship, grant, fellowship, or loan received for use in paying for tuition, books, and related fees at any educational (including technical or vocational education) institution.

"(2) For purposes of paragraph (1) and subsection (a)—

"(A) a loan of $240 or more (or aggregate thereof) shall be regarded as a gift if such loan—

"(i) is unsecured (or is without adequate security), or

"(ii) has no maturity date; and

"(B) in the case of a loan which—

"(i) bears no interest, or

"(ii) bears interest at a rate which is not more than one-half of the prevailing rate of interest imposed with respect to similar loans,

the recipient of such loan shall be regarded as having received, as a gift, an amount, with respect to any period of time, equal to the excess of—

"(iii) the amount of interest which would have been payable by him, with respect to such period, on such loan if such loan bore a rate of interest equal to the prevailing rate of interest imposed (as of the time such loan was made) with respect to similar loans, over

"(iv) the amount of interest (if any) payable by him, with respect to such period, on such loan.

"SPEND-DOWN REQUIREMENT

"SEC. 1932. (a) For purposes of determining eligibility, the amount of the income of any individual or family (as determined under section 1931) shall be reduced by an amount equal to such individual's or family's incurred health care expenses to the extent such expenses constitute a legal obligation and are not payable by any other third party payor (whether public or private) (as determined under subsection (b)) for the benefit period with respect to which such individual's or family's income is determined.

"(b)(1) The term 'health care expenses', when applied to any individual or family, means (subject to paragraphs (2) and (3) reasonable expenditures by or on behalf of such individual or the members of such family (as the case may be) for any of the following:

"(A) inpatient hospital services (including services in an institution for tuberculosis or mental diseases),

"(B) outpatient hospital services,

"(C) other laboratory and X-ray services,

"(D) skilled nursing facility services,

"(E) physicians' services furnished by a physician (as defined in section 1861(r)(1)), whether furnished in the office, the patient's home, a hospital, or a skilled nursing facility, or elsewhere.

"(F) optometrists' and podiatrists' services,

"(G) home health services,

"(H) private duty nursing services,

"(I) clinic services,

"(J) dental services,

"(K) physical therapy, speech, pathology, and audiology services,

"(L) prescribed drugs, dentures, durable medical equipment and related supplies, and prosthetic devices, and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist,

"(M) other rehabilitation services,

"(N) intermediate care facility services,

"(O) inpatient psychiatric hospital services,

"(P) health insurance premiums, or

"(Q) ambulance service.

"(2) For purposes of paragraph (1), the expenditure for any item or service specified therein means—

"(A) in case payment for such item or service has been made prior to the time the determination of health care expenses (which includes such item or service) is made, the amount actually paid for such item or service,

"(B) in case payment for such item or service has not been made at such time and such item or service is of a type which is covered under the health coverage plan established by this title, whichever of the following is the lesser:

"(i) the actual charge for such item or service, or

"(ii) the reasonable charge or reasonable cost (as the case may be) for such item or service as determined under this title when such item or service is provided as an item or service covered under such health plan.

"(3) The term 'health care expenses' also includes an amount equal to one-half of the amount (A) of insurance premiums paid by or on behalf of an individual for catastrophic health insurance coverage for such individual (or for such individual and family members) under a self-employed plan approved by the Secretary under section 2122, and (B) paid by an individual as taxes imposed on his self-employment income by section 1401(c) of the Internal Revenue Code of 1954.

"(c) The health care expenses (as determined under the preceding provisions of this section) may, in the case of any individual, be determined on a prospective basis for any future period for which such individual's income (or the income of the family of which an individual is a member) is determined, but only if such individual is determined (in accordance with regulations of the Secretary) to be an individual who, on the basis of his recent past medical history, can be expected, for such future period to require inpatient institutional care for all or a substantial part of such future period.

"INPATIENT HOSPITAL SERVICES

"SEC. 1933. For purposes of this title, the term 'inpatient hospital services' shall have the meaning assigned to such term by section 1861(b).

"HOSPITAL

"SEC. 1934. For purposes of this title, the term 'hospital' means an institution which meets the requirements set forth in clauses (1) through (9) of section 1861(c).

"MEDICAL AND OTHER HEALTH SERVICES

"SEC. 1935. For purposes of this title, the term 'medical and other health services' shall have the meaning assigned to such term in so much of section 1861(s) as precedes the last sentence thereof; except that such term shall include (1) such physician's and other services, diagnostic X-ray tests, diagnostic laboratory tests, and other diagnostic tests as are involved in providing appropriate well-baby care (as determined in accordance with regulations of the Secretary) and (2) outpatient rehabilitation services.

"SKILLED NURSING FACILITY SERVICES

"SEC. 1936 For purposes of this title, the term 'skilled nursing facility services' means the items and services which (1) are described in clauses (1) through (7) of section 1861(h), and (2) are furnished by a skilled nursing facility; excluding, however, any item of service if it would not be included under section 1861(b), if furnished to an inpatient of a hospital.

"SKILLED NURSING FACILITY

"SEC. 1937. For purposes of this title, the term 'skilled nursing facility' means an institution (or a distinct part of an institution) which meets the criteria set forth in section 1861(j).

"HOME HEALTH SERVICES

"SEC. 1938. For purposes of this title, the term 'home health services' shall have the meaning assigned to such term in section 1861(m); except that the term 'skilled nursing facility', as used in clause (7) of such section, shall be deemed to include a skilled nursing facility (as defined in section 1937); except that such term shall not include any term or service if it would not be included under section 1932 if furnished to an inpatient of a hospital.

"HOME HEALTH AGENCY

"SEC. 1939. For purposes of this title, the term 'home health agency' shall have the meaning assigned to such term in section 1861(o).

"PHYSICIANS' SERVICES

"SEC. 1940. For purposes of this title, the term 'physicians' services' means professional services performed by physicians, including surgery, consultation, and home, office, and institutional calls (but not including services which are included within the definition of inpatient hospital services).

"PHYSICIAN

"SEC. 1941. For purposes of this title, the term 'physician' shall have the meaning assigned to such term in section 1861(r)(1).

"MEANING OF CERTAIN OTHER TERMS

"SEC. 1942. For purposes of this title, any term which—

"(1) is defined in section 1861;

"(2) is employed in provisions which, by reference, are used in defining any of the terms defined in sections 1932 through 1940; and

"(3) is not otherwise defined in this section;

shall, insofar as such term is applicable to the provisions of this title and except as the Secretary (in order to carry out the purposes of this title) shall otherwise by regulations provide, have the meaning assigned to it in section 1861.

"INTERMEDIATE CARE FACILITY

"SEC. 1943. (a) For purposes of this title, the term 'intermediate care facility' means an institution which (1) is licensed under State law to provide, on a regular basis, health-related care and services to individuals who do not require the degree of care and treatment which a hospital or skilled nursing facility is designed to provide, but who because of their mental or physical condition require care and services (above the level of room and board) which can be made available to them only through institutional facilities, (2) meets such standards prescribed by the Secretary as he finds appropriate for the proper provision of such care, and (3) meets such such standards of safety and sanitation as are established under regulations of the Secretary in addition to those applicable to nursing facilities under State law.

"(b) The term 'intermediate care facility' also includes—

"(1) any skilled nursing facility or hospital which meets the requirements of subsection (a);

"(2) a Christian Science sanatorium operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Massachusetts, but only with respect to institutional services deemed appropriate by the Secretary;

"(3) any institution which is located on an Indian reservation, if such institution is certified by the Secretary as meeting the requirements of clauses (2) and (3) of subsection (a) and providing the care and services required under clause (1) of such subsection; and

"(4) with respect to intermediate care services described in section 1944(b), the public institution (or distinct part thereof) providing such services.

"INTERMEDIATE CARE SERVICES

"SEC. 1944. (a) For purposes of this title, the term 'intermediate care services' means services provided by an intermediate care facility to an inpatient thereof, but only if (1) such individual meets the conditions referred to in section 1943(a), and (2) such services are required to meet the needs of such individual because of such condition.

"(b) The term 'intermediate care services' also includes services in a public institution (or distinct part thereof) for the mentally retarded or persons with related conditions, but only if—

"(1) the primary purpose of such institution (or distinct part thereof) is to provide health or rehabilitative services for mentally retarded individuals and which meet such standards as may be prescribed by the Secretary; and

"(2) the mentally retarded individual with respect to whom a request for payment under this title is made is receiving active treatment under a program of active treatment designed to meet the needs of such individual.

"MENTAL HEALTH CARE SERVICES

"SEC. 1945. (a) The term 'mental health services' includes only care and services for mental conditions—

"(1) which, if provided on an inpatient basis, consist of a course of active care and treatment provided in and by an accredited medical institution (as determined by the Secretary),

"(2) which, if provided on a partial hospitalization basis, are provided (A) in and by an accredited medical institution (as determined by the Secretary), or (B) in and by a qualified community mental health center (as determined in accordance with regulations of the Secretary), or

"(3) which, if provided on an outpatient basis, are

"(A) provided by a qualified community mental health center (as determined in accordance with regulations of the Secretary), or

"(B) provided by a psychiatrist;

except that such term shall not include any outpatient services provided by a psychiatrist, during any 12-month period, for purposes of diagnosis or treatment of acute psychosis in excess of (i) five visits, plus (ii) such additional visits as shall have been approved in advance by an appropriate professional review mechanism upon a finding that, in the absence of such additional visits, the patient will require institutional care.

"(b)(1) The term 'mental health services', in the case of services provided on an outpatient basis by a qualified mental health center (as determined in accordance with regulations of the Secretary) or by a psychiatrist, includes any drug which is prescribed for a patient by the physician under whose direction such patient is receiving such services, but only if—

"(A) such drug is included on the list (referred to in paragraph (2)) and is prescribed in accordance with the criteria indicated in such list, and

"(B) such physician determines that unless such patient receives such drug, such patient can reasonably be expected to require institutional care.

"(2) The Secretary is authorized (after consultation with appropriate professional individuals and organizations) to compile and publish (and from time to time revise) a list of drugs which he has determined to be effective in the treatment of various mental conditions. Such list shall indicate, with respect to each drug included therein, the particular mental conditions with respect to which such drug is effective, and the appropriate dosage (in terms of quantity and intervals at which such drug shall be administered) of such drug.

"OUTPATIENT REHABILITATION SERVICES

"SEC. 1946. (a) For purposes of this title, the term 'outpatient rehabilitation services' means physical therapy, speech pathology, occupational therapy, and medical-social services furnished by a provider of services, a clinic, rehabilitation agency (including a single service rehabilitation agency), or a public health agency, or by others under an arrangement with, and under the supervision of, such provider, clinic, rehabilitation agency, or public health agency, to an individual as an outpatient—

"(1) who is under the care of a physician, and

"(2) with respect to whom a plan prescribing the type, amount, and duration of such services that are to be furnished to such individual has been established, and is periodically reviewed by a physician;

excluding, however—

"(3) any item of service if it would not be included under 'inpatient hospital services' if furnished to an inpatient in a hospital; and

"(4) any such service—

"(A) if furnished by a clinic or rehabilitation agency, or by others under arrangements with such clinic or agency, unless such clinic or rehabilitation agency—

"(i) provides an adequate program of such services for outpatients and has the facilities and personnel required for such program or required for the supervision of such a program, in accordance with such requirements as the Secretary may specify,

"(ii) has policies, established by a group of professional personnel, including one or more physicians (associated with the clinic or rehabilitation agency) and one or more qualified physical therapists or speech pathologists (as may be appropriate) to govern the services (referred to in clause (i)) it provides,

"(iii) maintains clinical records on all patients,

"(iv) if such clinic or agency is situated in a State in which State or applicable local law provides for the licensing of institutions of this nature, (I) is licensed pursuant to such law, or (II) is approved by the agency of such State or locality responsible for licensing institutions of this nature, as meeting the standards established for such licensing; and

"(v) meets such other conditions relating to the health and safety of individuals who are furnished services by such clinic or agency on an outpatient basis, as the Secretary may find necessary, or

"(B) if furnished by a public health agency, unless such agency meets such other conditions relating to health and safety of individuals who are furnished services by such agency on an outpatient basis, as the Secretary may find necessary. The term 'outpatient rehabilitation services' also includes rehabilitation services furnished an individual by a physical therapist or speech pathologist (in his office or in such individual's home) who meets licensing and other standards prescribed by the Secretary in regulations, otherwise than under an arrangement with and under the supervision of a provider of services, clinic, rehabilitation agency, or public health agency, if the furnishing of such services meets such conditions relating to health and safety as the Secretary may find necessary.

"PROHIBITION AGAINST EXCLUSION BY EMPLOYERS OF CERTAIN EMPLOYEES FROM COVERAGE UNDER GROUP HEALTH INSURANCE PLANS

"SEC. 1947. (a) If any employer provided for some or all of his employees coverage under a group health insurance plan, it shall be unlawful for such employer to exclude from coverage under such plan any employee of such employer if—

"(1) such employee belongs to a category of employees who would ordinarily be eligible for coverage under such plan, and

"(2) such employee is excluded from coverage under such plan because of the coverage provided under this title.

"(b) Any person violating the provisions of subsection (a) shall be fined not more than $10,000 and imprisoned for not more than one year.".

(b)(1) Section 201(i)(1) of the Social Security Act is amended by striking out "and the Federal Supplementary Medical Insurance Trust Fund" and inserting in lieu thereof "the Federal Supplementary Medical Insurance Trust Fund, and the Medical Coverage Trust Fund".

(2) Section 201(g)(1)(A) of such Act is amended—

(A) by inserting "the Medical Coverage Trust Fund, and" immediately after "shall include also", and

(B) by inserting "title XIX," immediately after "title XVI," wherever it appears therein.

TITLE III—PRIVATE BASIC HEALTH INSURANCE CERTIFICATION PROGRAM

SEC. 301. The Social Security Act is amended by adding after title XIV thereof the following new title:

"TITLE XV—PRIVATE BASIC HEALTH INSURANCE CERTIFICATION

"PURPOSE

"SEC. 1501. It is the purpose of this title to encourage and facilitate the availability to the public of private basic health insurance coverage at a reasonable premium charge by—

"(a) establishing a procedure whereby health insurance policies offered by private insurers may be certified by the Secretary as meeting minimum standards with respect to adequacy of coverage, conditions of payment, opportunity for enrollment, and reasonableness of premium charges,

"(b) facilitating arrangements whereby basic health insurance policies meeting such standards can be offered through pools of private insurers, and

"(c) encouraging States, through their laws and regulations pertaining to the health insurance industry, to facilitate the offering, within the State, of such basic health insurance coverage by carriers doing health insurance business within the State.

"CERTIFICATION OF BASIC PRIVATE HEALTH INSURANCE POLICIES

"SEC. 1502. (a) Any insurer which desires to have a health insurance policy certified for use in one or more States specified by the insurer may (in accordance with regulations of the Secretary) provide to the Secretary, for his examination and certification, any health insurance policy.

"(b)(1) If the Secretary, after examining any such policy and evaluating any data submitted in connection with such policy, determines that such policy meets the standards prescribed in section 1504, he shall certify such policy for use in each State which has in effect a basic health insurance facilitation program (as defined in section 1510).

"(2)(A) The certification by the Secretary of any such policy shall be conditioned upon such policy's continuing to meet the standards prescribed in section 1504; and no policy shall be deemed to have been certified by the Secretary under this title for any period for which it fails to meet such standards.

"(B) The Secretary shall establish procedures whereby any insurer having secured the Secretary's certification of any policy offered by such insurer shall from time to time provide to the Secretary (i) relevant data with respect to such policy in order for the Secretary to determine whether such policy continues to meet the standards prescribed in section 1504, and (ii) such data and information as the Secretary may require in order to assure proper coordination of the administration of titles XIX and XXI.

"(c) Notwithstanding the preceding provisions of this section, the Secretary shall not certify any health insurance policy of any insurer for use in any State unless such insurer furnishes assurances satisfactory to the Secretary that such insurer (whether as a member of a health reinsurance or other residual market arrangement or otherwise) will make generally available, in each geographic area of the State in which the insurer does health insurance business, to all individuals and family members the following two health insurance policies: (i) a policy which meets the standards of section 1504, and (ii) a policy which, if it were issued in combination with a plan meeting the minimum coverage necessary to meet the requirement imposed by section 2122(a)(1)(B), would, in the aggregate, meet the standards of section 1504.

"UTILIZATION OF STATE AGENCIES FOR CERTIFICATION OF POLICIES

"SEC. 1503. If any State has in effect a basic health insurance facilitation program (as defined in section 1510), the Secretary shall, if such State is willing to do so, enter into an agreement with such State whereby the agency responsible for the regulation of the health insurance industry within such State will, on behalf of the Secretary, make such determinations regarding whether basic health insurance policies meet the requirements for certification under this title, as may be specified by the Secretary. Such agreement shall provide that the agency will be reimbursed for its reasonable expenses incurred in carrying out activities specified in the agreement.

"STANDARDS WITH RESPECT TO BASIC HEALTH INSURANCE POLICIES

"SEC. 1504. (a) The Secretary shall not certify under this title any insurance policy offered (or to be offered) by an insurer unless he finds that—

"(1) such policy provides—

"(A) inpatient hospital coverage (without any deductible in excess of $100 or copayment by the insured person) for at least 60 days during any policy year,

"(B) medical coverage which shall include home, office, hospital, and other institutional care provided by physicians,

"(C) with respect to medical coverage, that—

"(i) subject to clauses (ii) and (iii), payment in full shall be made with respect to not less than the first $2,000 of reasonable expenses incurred by any insured person for any policy year for services with respect to which coverage applies,

"(ii) the copayment required of any insured person with respect to such reasonable expenses shall not exceed 20 per centum thereof, and

"(iii) in the case of any deductible applicable to the payment of such reasonable expenses for any benefit year or benefit period of not less than 12 months duration, such deductible shall not exceed $50 for any insured person, and that, for purposes of computing such deductible for any calendar, policy, or other fixed benefit year or period, the insured person shall be given credit for any deductible applied toward such expenses for the last 3 months of the preceding policy year,

"(D) in case such policy is a group policy, there will be no exclusion from coverage or limitation on payment on account of any medical condition (including any preexisting condition) or any waiting period prior to the beginning of coverage with respect to any such condition,

"(E) in case such policy is an individual policy (including a policy for an individual and members of his family), there will be no exclusion from coverage on account of any medical condition (including any preexisting condition) other than pregnancy, and there will be no waiting period prior to the beginning of coverage with respect to any preexisting condition which is greater than 90 days after the date the policy is issued,

"(F) in case such policy covers an individual and members of his family, coverage will be provided for all dependent unmarried children in the family under age 22, and coverage will be automatically extended, at birth to any newborn and upon adoption to any newly adopted, child of such individual or his spouse.

"(G) in case such policy is a group policy which covers all or a certain category of employees of any employer, that—

"(i) coverage will not be terminated with respect to any employee (and members of such employee's family, if such policy covers such members) because of the termination of such employee's employment prior to the expiration of 31 days after the date of such termination,

"(ii) the insurer offering such policy will afford to any employee covered by such policy whose employment has been terminated a reasonable opportunity to secure, from such insurer a basic private health insurance policy which has been approved under this title,

"(iii) there will be a periodic open enrollment period of at least 31 days (which shall occur not less often than once during each policy year) in which all eligible employees, who are not covered by such policy because of failure to elect coverage at the time of initial employment or during previous open enrollment periods, can secure coverage thereunder,

"(2) the premium charge for such policy is such that there is not an unreasonable ratio of expenses to premiums (as determined under subsection (d)); and

"(3) there is established an appropriate (but different) premium rate for such policy when it is offered to cover (A) a single individual, (B) a married couple, or (C) a family.

"(b) The Secretary, in determining whether any comprehensive prepaid group practice plan is eligible for certification under this section, shall, in lieu of the standards imposed by subsection (a), develop and apply criteria which assure that such plan meets requirements which are, on an actuarial and benefit basis, at least equivalent to such standards.

"(c) Notwithstanding the provisions of subsections (a) and (b), the Secretary shall not withhold approval under this title of any health insurance policy solely because such policy excludes—

"(1) charges for services or supplies in connection with an occupational disease or injury,

"(2) items or services for which the insured individual furnished such items or services has no legal obligation to pay, and which no other person (by reason of such individual's membership in a prepayment plan or otherwise) has a legal obligation to provide or pay for,

"(3) any item or service to the extent that payment has been made, or can reasonably be expected to be made (as determined in accordance with regulations), with respect to such item or service, under a workmen's compensation law or plan of the United States or a State,

"(4) charges for services or supplies with respect to which benefits are provided under title XVIII or title XXI,

"(5) items or services which are not reasonable and necessary for the diagnosis or treatment of illness or injury, pregnancy, or to improve the functioning of a malformed body member,

"(6) charges for care, treatment, services, or supplies, provided to any individual, to the extent that the payment of benefits with respect thereto is prohibited by any applicable law of the jurisdiction in which such individual is residing at the time he receives such care, treatment, services, or supplies,

"(7) charges for care, treatment, or supplies provided to any individual, to the extent that they are not reasonably priced (except that, for purposes of this paragraph, the charge for any item or service shall be deemed to be reasonable, if such charge is not in excess of the allowable charge therefor under title XVIII or XXI),

"(8) charges in connection with routine physical checkups,

"(9) expenses incurred for items or services, where such expenses are for cosmetic surgery or are incurred in connection therewith, except as required for the prompt repair of accidental injury or for improvement of the functioning of a malformed body member,

"(10) charges made by a hospital for the professional services of any resident physician or intern to the extent that such charges are in excess of the actual cost incurred by the hospital in providing such services.

"(11) charges for the professional services of a psychiatrist to the extent that such charges exceed $400 in a policy year, or

"(12) amounts which represent deductible and coinsurance provisions and which generally result in aggregate benefit coverage which is at least equal to the actuarial equivalent of the benefit coverage resulting from the application of the deductible and coinsurance provisions in section 1504(a)(1).

"(d)(1) With respect to policies submitted to the Secretary for his certification under this title, the Secretary shall establish (after considering the size of the groups to be covered by any such policy and by the nature of the insurer) appropriate reasonable ratios of expenses to premiums imposed for coverage thereunder. In the case of individual policies such ratios shall be the same as those established by the Secretary for group policies covering the smallest groups. After making an initial determination with respect to any such policy, the Secretary shall periodically thereafter review and make a redetermination of such ratios based on actual expenses thereunder and the actual premium charges made for the period with respect to which the review is made, in order to determine whether such policy continues to meet the requirements for certification.

"(2) In determining the appropriate reasonable ratio of expenses to premiums imposed with respect to any particular health insurance policy offered by an insurer, the Secretary shall, in his determinations of such ratio, give consideration to the average ratio, with respect to group policies generally underwritten by insurers (classified on the basis of nonprofit or profitmaking) with respect to policies excluding those which are not certified under this title.

"APPROVED CARRIER

"SEC. 1505. For purposes of sections 1923 (b), 1816, and 1842, an 'approved carrier' is an insurer which the Secretary has found (1) to offer one or more health insurance policies approved under section 1502 to the general public in each geographic or normal service area in which such insurer offers health insurance policies (including any which are not approved under this title) and (2) to employ effective procedures and practices designed to assure, through means consistent with efficient practices within the insurance industry, appropriate controls of utilization and health care services and the costs and charges imposed therefor with respect to which it will financially participate.

"ANTITRUST EXEMPTION

"SEC. 1506. (a) It shall not be unlawful under any antitrust law for any insurer to enter into any contract, combination, or other arrangement with any other insurer or group of insurers for the sole purpose of establishing or participating in an insurance pool, reinsurance, or other residual market, arrangement whereby there will be offered to the public health insurance policies approved under section 1502, if such contract, combination, or other arrangement is approved by the Secretary, as being consistent with the purposes of this title, before any party to the contract, combination, or other arrangement has carried out any activity, or refrained from carrying out any activity, under its terms (other than such activity as may be necessary to negotiate the contract, combination, or other arrangement and to apply for approval of the same under this section). The Secretary shall not approve any contract, combination, or other arrangement under which the parties thereto agree to act in a manner which constitutes a violation of any such law for which no exemption is provided under the preceding sentence or for purposes other than the purposes for which the exemption contained in the preceding sentence is established. Nothing contained in this subsection shall exempt from any antitrust law any predatory pricing or practice, or any other conduct in the otherwise exempt activities of two or more such insurers under a contract, combination, or other arrangement approved under this section which would be unlawful under any such law if engaged in by only one such insurer.

"(b) For purposes of this section, the term 'antitrust law' means the Federal Trade Commission Act, each statute referred to in section 4 of that Act (15 U.S.C. 44) as an Antitrust Act, any other statute of the United States in pari materia, and any law of any State or political subdivision thereof which prohibit or restrains contracts, combinations, or other arrangements in restraint of trade.

"ESTABLISHED OF EMBLEM TO INDICATE CERTIFICATION

"SEC. 1507. (a) The Secretary shall cause to be designed an appropriate emblem which may be used as an indication that certification of an insurance policy under this title has been made by the Secretary; and any insurer which has secured certification of an insurance policy by the Secretary under this title may have printed thereon such emblem, and may, in advertising such policy to potential subscribers, state that such policy has received such a certification.

"REPORT TO CONGRESS

"SEC. 1508. The Secretary shall, at the earliest practicable date (but not later than 60 days) after the expiration of the three-year period which commences on the date of enactment of this section, submit to the Congress a report indicating (1) the extent to which basic private health insurance policies certified by the Secretary under this title are actually and generally available to the residents of each State, and (2) the extent to which residents in each State are covered by such policies.

"DUTY OF SECRETARY TO MAKE AVAILABLE INDIVIDUAL AND FAMILY HEALTH INSURANCE POLICIES ON A COST BASIS

"SEC. 1509 (a) The Secretary shall offer a standard health insurance policy, which meets the applicable criteria prescribed under this title with respect to approved basic health insurance policies, to individuals, married couples, and families living in any State (1) which does not have in effect a basic health insurance facilitation program (as found by the Secretary under section 1510, and (2) in which there is not actually and generally available one or more approved basic health insurance policies approved under this title.

"(b) The premiums imposed under any such policy shall be in an amount designed to cover the costs (inclusive of administrative costs and appropriate reserves which will be incurred in furnishing the benefits provided in the policy.

"(c) No such policy shall be offered in any area prior to the expiration of the 3-year period which commences on the date of enactment of this title.

"(d) Premiums collected by the Secretary for insurance policies offered by him under this section shall be deposited in an Insurance Revolving Fund, and moneys in such fund shall be available, without fiscal year limitation, for the payment of claims under such policies.

"(e) For the purpose of providing a contingency reserve for the insurance program established by this section, there is authorized to be appropriated such sums as may be necessary; and any sums appropriate for such purpose shall remain available for the purpose of making repayable advances (without interest) to the Insurance Revolving Fund authorized to be established under subsection (d).

"(f) The Secretary, in making payment for services covered under any insurance policy issued pursuant to this section, shall utilize the payments methodology and administrative mechanism employed by him for making payment for services covered under the insurance programs established by title XVIII.

"BASIC HEALTH INSURANCE FACILITATION PROGRAM

"SEC. 1510. (a) For purposes of this title, a State shall be regarded as having in effect a basic health insurance facilitation program only if the Secretary, after examining the pertinent laws and regulations of such State governing the doing of health insurance business within the State by carriers, determines that such laws and regulations—

"(1) require the establishment of one or more health reinsurance or other residual market arrangement to be utilized by such carriers in connection with the offering within the State of basic health insurance policies which meet the standards for certification by the Secretary established by this title,

"(2) require all such carriers to be members of a health reinsurance or other residual market arrangement and provide that losses, under any such arrangement, will be shared by all members thereof on a pro rata basis in proportion to their respective shares of the total health insurance premium earned in the State during the calendar year,

"(3) provide that premiums charged for policies issued to individuals or family members under any such health reinsurance or other residual market arrangement shall not be less than 125 per centum nor more than 150 per centum of the average group rate for the same coverage under a group policy covering ten lives, and

"(4) otherwise encourage and facilitate the offering of such policies within the State by all carriers doing health insurance business therein on a basis which is fair and equitable to each such carrier.

"(b) The Secretary is authorized, upon the request of any State, to provide appropriate technical assistance to aid the State in developing a program which meets the conditions prescribed in subsection (a).".

TITLE IV—OTHER AMENDMENTS PROGRAM IMMUNIZATIONS

SEC. 401. (a) Section 1861 (s) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (8),

(2) by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and",

(3) by inserting immediately after paragraph (9) the following new paragraph:

"(10) such immunizations as the Secretary determines are appropriate, but only if provided on a scheduled allowance basis (as determined under regulations of the Secretary).", and

(4) by redesignating paragraphs (10) through (13) as paragraphs (11) through (14), respectively.

(b) Section 1864(a) of such Act is amended by striking out "paragraphs (10) and (11)" and inserting in lieu thereof "paragraphs (12) and (13)".

(c) Section 1862(a) (7) of such Act is amended by inserting immediately after "(7)" the following: "except as provided in section 1861(s) (10),".

(d) The amendments made by this section shall apply only with respect to services furnished on or after the first day of the month following the month in which this section is enacted.

MENTAL HEALTH SERVICES

SEC. 402. (a) Section 1833(c) of the Social Security Act is amended—

(1) by striking out "$312.50" and inserting in lieu thereof "$500", and

(2) by striking out "62½ per centum" and inserting in lieu thereof "80 per centum".

(b) Section 1812 of such Act is amended—

(1) by striking out subsection (c) thereof,

(2) in subsection (b) thereof, by striking out "(subject to subsection (c))", and

(3) in subsection (e) thereof, by striking out "subsections (b), (c), and (d)" and inserting in lieu thereof "subsections (b) and (d)".

(c) The amendments made by subsection (a) shall be effective only with respect to services furnished after December 31, 1980. The amendments made by subsection (b) shall be effective only with respect to services furnished after December 31, 1981.

AMOUNT OF PREMIUMS FOR HOSPITAL INSURANCE COVERAGE

SEC. 403. (a)(1) The second sentence of section 1818(d)(2) of the Social Security Act is amended by striking out "Such amount shall be equal to $33, multiplied by" and inserting in lieu thereof "Such amount shall be equal to 50 per centum of the product of $33 multiplied by".

(2) The amendment made by paragraph (1) shall be applicable in the case of premiums imposed on and after July 1, 1979.

(b) In addition to other moneys appropriated to the Federal Hospital Insurance Trust Fund, there shall be appropriated from time to time, with respect to periods commencing after June 30, 1979, amounts equal to 100 per centum of the amounts deposited in such Fund pursuant to section 1818(f) of the Social Security Act from premiums payable for such period.

PAYMENT FOR EXTENDED CARE SERVICES

SEC. 404. Section 1861(v)(E) of the Social Security Act is amended to read as follows:

"(E)(i) In the case of services furnished by a skilled nursing facility with respect to which payment for services furnished under title XIX is made on a cost-related basis pursuant to the provisions of section 1920(d)(2), such regulations may provide for the use of rates which are the same as the rates obtaining for such services under title XIX (except that such rates may be increased by the Secretary on a class or size of institution, or on a geographical basis by a percentage factor not in excess of 10 per centum to take into account determinable items or services or other requirements under this title not otherwise included in the computation of such rates under title XIX): *Provided*, That no such regulations shall become effective prior to the 60th day following the date on which the Secretary submits to the Congress a copy thereof together with a full and complete description of the methodology which would be employed in the determination of rates pursuant thereto, and an evaluation by the Secretary and by the Comptroller General of such methodology in terms of the extent to which the employment thereof will promote the efficient and economical administration of this title and equitable treatment to and between skilled nursing facilities furnishing services for which payment may be made hereunder.".

EXTENSION OF COVERAGE UNDER RENAL DISEASE PROGRAM

SEC. 405. Section 226(e) of the Social Security Act is amended by adding at the end thereof the following: "For purposes of the preceding sentence, any individual, who on or after the date of enactment of this sentence fails to meet the condition imposed by clause (2) of such sentence, shall be deemed to meet such condition. There are authorized to be appropriated, from time to time, to the Federal Hospital Insurance Trust Fund and to the Federal Supplementary Medical Insurance Trust Fund such sums as may be necessary (as based on estimates of the Secretary) to place each such Fund in the same financial condition that it would have occupied had the preceding sentence not been enacted.".

ENCOURAGEMENT OF PHILANTHROPIC SUPPORT FOR HEALTH CARE

SEC. 406. Part A of title XI of the Social Security Act is amended by adding after section 1131 the following new section:

"ENCOURAGEMENT OF PHILANTHROPIC SUPPORT FOR HEALTH CARE

"SEC. 1134. (a) It is the policy of the Congress that philanthropic support for health care be encouraged and expanded, especially in support of experimental and innovative efforts to improve the health care delivery system and access to health care services.

"(b)(1) For purposes of determining, under title XVIII or XIX, the reasonable costs of any service furnished by a provider of health services—

"(A) except as provided in paragraph (2), unrestricted grants, gifts, and endowments and income therefrom, shall not be deducted from the operating costs of such provider, and

"(B) grants, gifts, and endowment income designated by a donor for paying specific operating costs of such provider shall be deducted from the particular operating costs or group of costs involved.

"(2) Income from endowments and investments may be used to reduce interest expense, if such income is from an unrestricted gift or grant and is commingled with other funds, except that in no event shall any such interest expense be reduced below zero by any such income.".

S. 351

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Catastrophic Health Insurance Act".

TITLE I—CATASTROPHIC ILLNESS INSURANCE

AMENDMENTS TO SOCIAL SECURITY ACT

SEC. 101. (a) The Social Security Act is amended by adding after title XX the following new title:

"TITLE XXI—CATASTROPHIC HEALTH INSURANCE PROGRAM

"PURPOSE OF TITLE

"SEC. 2101. The insurance program established by this title is designed to provide protection to all individuals who are citizens or permanent residents of the United States against the costs of high-cost catastrophic illness. Each such individual will be provided such protection either under the Federal plan established by part A of this title, or under an employer plan or a self-employed plan approved under part B of this title.

"PART A—FEDERAL PLAN

"ELIGIBLE INDIVIDUALS

"SEC. 2102. (a) Every individual who—

"(1) is a resident of the United States, and

"(2) is a citizen of, or an alien lawfully admitted for permanent residence in, the United States, or an alien otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or section 212(d)(5) of the Immigration and Nationality Act),

shall (subject to section 2107) be entitled to catastrophic health insurance benefits provided by this part for any period which commences on or after January 1, 1981, and with respect to which he is not covered by an employer plan or a self-employed plan approved under part B.

"(b) For purposes of subsection (a), entitlement of an individual to catastrophic health insurance benefits under this part shall consist of entitlement to have payment made, under and subject to the limitations in this title, to him or on his behalf for the services described in section 2103(a) which are furnished to him in the United States (or outside the United States in the case of services specified in section 1814(f)).

"SCOPE OF BENEFITS

"SEC. 2103. (a) The benefits provided to an individual by the insurance program established by this part shall consist of entitlement to have payment made (subject to the provisions of this part) on his behalf or to him for—

"(1) hospital and related services (as defined in subsection (c)(1)) which are furnished to such individual during a period with respect to which he has met the deductible impose by section 2104(b), and

"(2) medical and other health services (as defined in subsection (c)(2)) which are furnished to such individual during a period with respect to which he has met the deductible imposed by section 2104(c).

"(b) Payment authorized under this part for any service covered hereunder shall be made to the person to whom payment for such service would be made under title XVIII, if such service were furnished to an individual who was covered therefor under title XVIII.

"(c)(1) The term 'hospital and related services' means—

"(A) inpatient hospital services (as defined in section 1861(b)),

"(B) post-hospital extended care services (as defined in section 1861(i)), and

"(C) home health services (as defined in section 1861(m)).

"(2) The term 'medical and other health services' means—

"(A) medical and other health services (as defined in section 1861(s)),

"(B) home health services (as defined in section 1861(m)),

"(C) outpatient physical therapy services (as defined in section 1861(p)), and

"(D) rural health clinic services (as defined in section 1861(aa)).

"(d) Notwithstanding the preceding provisions of this section, no payment may be made and no deductible shall be incurred with respect to—

"(1) expenses incurred for items or services, if pursuant to section 1862 (a), (b), or (d) payment may not be made with respect to such items or services under title XVIII, or

"(2) expenses incurred for post-hospital extended care services furnished to an individual on any day during any calendar year, if, prior to such day, there have been furnished to such individual for 100 days during such year such services with respect to which benefits under this part are payable.

"PAYMENT AND DEDUCTIBLE

"SEC. 2104. (a)(1) Payment of benefits under this part with respect to expenses incurred by an insured individual shall be made from the Federal Catastrophic Health Insurance Trust Fund.

"(2) For purposes of payment of benefits under this part with respect to expenses incurred for health services furnished to any insured individual, there shall be taken into account—

"(A) in case of expenses incurred for hospital and related services (as defined in section 2103(c)(1)), only so much of such expenses as are incurred for such services furnished during a period with respect to which the deductible imposed by subsection (b) is met, and

"(B) in case of expenses incurred for medical and other health services (as defined in section 2103(c)(2)), only so much of such expenses as are incurred for such services furnished during a period with respect to which the deductible imposed by subsection (c) is met;

and, with respect to the services to which the expenses so taken into account are attributable, there shall be paid (except where inconsistent with the provisions or purposes of this part) an amount which shall be equal to (and determined in the same manner as) the amount which would have been payable for such services under title XVIII in the case of an individual entitled to have payment made with respect thereto under such title (as determined without regard to any provision of such title relating to deductibles or copayments).

"(b) The deductible imposed by this subsection with respect to expenses incurred for hospital and related services (as defined in section 2103(c)(1)) shall be met by an insured individual—

"(1) for the period, in the calendar year, which commences on the day following the 60th day, during the calendar year and the last 3 months of the preceding calendar year, in which such individual received inpatient hospital services; and

"(2) for the period, in the calendar year, which is prior to the first consecutive 90-day period therein in which such individual is neither an inpatient in a hospital nor an inpatient in a skilled nursing facility, but only if the first day for which such services in the calendar year occurs not later than 90 days after the last day with respect to which benefits were payable under this part on account of inpatient hospital services furnished to him in the preceding calendar year.

"(c)(1) The deductible imposed by this subsection with respect to expenses incurred for medical and other health services (as defined in section 2103(c)(2)) shall be met by an insured individual—

"(A) for the period, in the calendar year, which occurs after such individual has incurred, during such year and the last three months of the preceding calendar year, expenses (including expenses deemed under paragraph (2) to be incurred by him, but excluding amounts required to be excluded under paragraph (3)) for such services of $2,000 (or, if higher, the amount determined under paragraph (4)); and

"(B) for the period, in the calendar year, which occurs prior to the first 90-day period therein during which such individual incurs for such services expenses (including expenses deemed under paragraph (2) to be incurred by him) the aggregate of which is less than $500 (or, if greater, the amount determined under paragraph (5)), but only if (i) during the last 3 months of the preceding calendar year, such individual incurred for such services expenses (including expenses deemed under paragraph (2) to be incurred by the individual) of at least $500 (or, if greater, the amount determined under paragraph (5)), and (ii) such individual had met (by reason of the application of clause (A)) for a period in the preceding calendar year the deductible imposed by this paragraph.

"(2)(A) In determining, for purposes of clauses (A) and (B) of paragraph (1), the amount of expenses incurred by an individual for medical and other health services furnished during any period, there shall be deemed to have been incurred by such individual any expenses incurred for such services furnished during such period to each other member of such individual's family, but only if such other member is (i) the spouse of the individual, (ii) a dependent of such individual, (iii) the person (or the spouse of the person) of whom such individual is a dependent, or (iv) a person who is a dependent of the same person of whom such individual is a dependent.

"(B) For purposes of subparagraph (A)—

"(i) the term 'dependent' shall have the meaning assigned to it by regulations of the Secretary;

"(ii) the term 'family' means two or more individuals who are (I) related by blood, marriage or adoption, and (II) living in a place of residence maintained by one or more of them as his or their own home (and for purposes of this clause, a child under age 22 who is absent from home for the purpose of attending an educational institution as a full-time student shall be deemed while so absent to be living in such place of residence); and

"(iii) the term 'member', when used in reference to a family means an individual described in clause (ii).

"(3) In determining, for purposes of paragraph (1)(A), the amount of expenses incurred (or deemed to be incurred) by an individual for medical and other health services in any calendar year, there shall be disregarded all amounts in excess of $500 incurred in connection with the treatment of mental, psychoneurotic, or personality disorders of such individual.

"(4) The Secretary shall, between July 1 and October 1 of 1981 and of each year thereafter, determine and promulgate the deductible which shall be applicable for purposes of paragraph (1)(A) in the succeeding calendar year. Such deductible shall be equal to whichever of the following is the higher:

"(A) $2,000, or

"(B) $2,000 multiplied by the ratio of the component of the Consumer Price Index, prepared by the Department of Labor for June of the year in which such determination is made and promulgated, which represents fees for physician services to such component of such Consumer Price Index for the month of June 1980, with such product, if not a multiple of $100, being rounded to the nearest multiple of $100.

"(5) The Secretary shall between July 1 and October of 1981 and of each year thereafter, determine and promulgate the amount which shall be applicable for purposes of paragraph (1)(B) in the succeeding calendar year. Such amount shall be equal to whichever of the following is the higher:

"(A) $500, or

"(B) $500 multiplied by the ratio of the component of the Consumer Price Index, prepared by the Department of Labor for June of the year in which such determination is made and promulgated, which represents fees for physician services to such component of such Consumer Price Index for the month of June 1980, with such product, if not a multiple of $50, being rounded to the nearest multiple of $50.

"(e)(1) Payment for services under this title shall also be subject to the limitations described in section 1812(e) and section 1833(e).

"(2) Payment under this part with respect to expenses incurred in connection with the treatment of mental, psychoneurotic, and personality disorders shall not be made unless such treatment consists of 'mental health care services' (as defined in paragraph (3)).

"(3) As used in paragraph (2) the term 'mental health care services' includes only care and services for mental conditions—

"(A) which, if provided on an inpatient basis, consist of a course of active care and treatment provided in and by an accredited medical institution (as determined by the Secretary),

"(B) which, if provided on a partial hospitalization basis, are provided (i) in and by an accredited medical institution (as determined by the Secretary), or (ii) in and by a qualified community mental health center (as determined in accordance with regulations of the Secretary),

"(C) which, if provided on an outpatient basis, are—

"(i) provided by a qualified community mental health center (as determined in accordance with regulations of the Secretary), or

"(ii) provided by a psychiatrist;

except that such term does not include any outpatient services provided by a psychiatrist, during a 12-month period, for purposes of diagnosis or treatment of acute psychosis in excess of (I) five visits, plus (II) such additional visits as shall have been approved in advance by an appropriate professional review mechanism upon a finding that, in the absence of such additional visits, the patient will require institutional care.

"(f)(1) Payment under this part with respect to expenses incurred for blood, blood products, and procedures and courses of treatment which are unusually extensive or complex shall be subject to standards and criteria imposed by the Secretary pursuant to paragraph (2).

"(2) The Secretary shall by regulations prescribe standards and criteria designed to assure that services consisting of the furnishing of blood or blood products or the application of procedures or courses of treatment, referred to in paragraph (1), for which payment may be made under this part will be provided only when, and to the extent that, such services are appropriate to the health care needs of the patient.

"(g) Payment under this part may not be made for extended care services furnished to an individual during any period for which such individual is entitled to hospital insurance benefits under part A of title XVIII.

"CONDITIONS OF AND LIMITATIONS OF PAYMENT FOR SERVICES

"SEC. 2105. (a) To the extent that payment may be made for services described in section 2103(a)(1), the provisions of sections 1814, 1815, 1816, 1833(f), and 1835 shall apply.

"(b) To the extent that payment may be made for services described in section 2103(a)(2), the provisions of section 1842 shall apply.

"APPLICABILITY OF CERTAIN PROVISIONS OF, OR RELATING TO, TITLE XVIII

"SEC. 2106. (a) The provisions of section 1861 (except subsections (a) and (y)), 1866, 1867, 1869, 1870, 1871, 1872, 1873, 1874, 1875, 1876, 1877, 1878 and 1879 shall apply with respect to this part to the same extent as they are applicable with respect to title XVIII.

"(b) The provisions of section 402(a) of the Social Security Amendments of 1967 and the provisions of section 222(a) of the Social Security Amendments of 1972 shall be applicable to this part to the same extent as they are applicable to title XVIII.

"TREATMENT OF BENEFITS UNDER OTHER PROGRAMS

"SEC. 2107. Any amount otherwise payable under this part with respect to any item or service furnished to an individual shall not be denied or reduced because a benefit with respect to such item or service has been paid or is payable under any other public or private insurance or health benefits plan. Notwithstanding any other provision of law (other than section 2104(g)), payment with respect to any item or service furnished to any individual shall not be made under the insurance program established by part A or B of title XVIII, if such individual is (or, upon filing a proper claim, would be) entitled to have payment made under this part with respect to such item or service.

"CONTRIBUTIONS WITH RESPECT TO STATE AND LOCAL EMPLOYEES; APPROVED STATE LAWS

"Sec. 2108. (a) Contributions for the financial support of the catastrophic health insurance program established by this part shall be made by employers which are States (or political subdivisions thereof) in the manner prescribed under a State law approved by the Secretary of the Treasury under subsection (b).

"(b)(1) The Secretary of the Treasury shall approve a State law for purposes of this section only if such law—

"(A) provides that the State will pay into the Treasury, with respect to wages paid to employees of the State and employees of all political subdivisions of the State, amounts equal to the amounts which such State would be liable to pay with respect to the wages of such employees under the catastrophic health insurance protection tax imposed by section 3111(c) of the Internal Revenue Code of 1954 if such State were a private employer and all such employees were employed by it,

"(B) provides that any amounts so payable shall be paid at the same time and subject to the same conditions as taxes imposed by such section 3111(c) in the case of a private employer,

"(C) is in such form and contains such other provisions as the Secretary of the Treasury shall by regulations provide, and

"(D) becomes effective on January 1, 1981.

"(2) At the earliest practicable date after the State law of any State has been approved by the Secretary of the Treasury, he shall certify to the Secretary of Health, Education, and Welfare that such State law has been approved.

"(3) If the Secretary of the Treasury finds, after reasonable notice and opportunity for hearing to a State, that—

"(A) the State law of such State, theretofore approved by him, has been repealed, or amended so that it no longer meets the requirements imposed by paragraph (1), or

"(B) the State has not substantially complied with its obligations to make contributions into the Treasury in accordance with the requirements imposed under paragraph (1),

he shall withdraw the certification of such State law theretofore approved by him and shall so notify the Secretary of Health, Education, and Welfare.

"(c) If, for any period of time after December 31, 1981, a State does not pay in full to the Treasury the amounts specified in subsection (b)(1)(A), the Secretary of Health, Education and Welfare shall reduce payments otherwise payable to such State under any other provisions of this Act by the amount of such underpayment (including interest thereon equal to the average of the rates of interest, from the date due until paid, on obligations issued for purchase by the Federal Catastrophic Health Insurance Trust Fund).

"FEDERAL CATASTROPHIC HEALTH INSURANCE TRUST FUND

"SEC. 2109. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the Federal Catastrophic Health Insurance Trust Fund (hereinafter in this section referred to as the 'trust fund'). The trust fund shall consist of such amounts as may be deposited in, or appropriated to, such fund as provided in this part. There are hereby appropriated to the trust fund for the fiscal year ending September 30, 1981, and for each fiscal year thereafter, out of any moneys in the Treasury not otherwise appropriated, amounts equivalent to 100 per centum of—

"(1) the taxes imposed by section 3111(c) of the Internal Revenue Code of 1954 with respect to wages reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of such Code after December 31, 1976, as determined by the Secretary of the Treasury by applying the applicable rates of tax under such sections to such wages, which wages shall be certified by the Secretary of Health, Education, and Welfare on the basis of records of wages established and maintained by the Secretary of Health, Education, and Welfare in accordance with such reports;

"(2) the taxes imposed by section 1401(c) of the Internal Revenue Code of 1954 with respect to self-employment income reported to the Secretary of the Treasury or his delegates on tax-returns under subtitle F of such Code, as determined by the Secretary of the Treasury by applying the applicable rate of tax under such section to such self-employment income, which self-employment income shall be certified by the Secretary of Health, Education, and Welfare on the basis of records of self-employment established and maintained by the Secretary of Health, Education, and Welfare in accordance with such return; and

"(3) the contributions made by States pursuant to State laws approved under section 2108.

The amount appropriated by the preceding sentence shall be transferred from time to time from the general fund in the Treasury to the trust fund, such amounts to be determined on the basis of estimates by the Secretary of the Treasury of the taxes, specified in the preceding sentence, paid to or deposited into the Treasury; and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than taxes specified in such sentence.

"(b) With respect to the trust fund, there is hereby created a body to be known as the 'board of trustees of the trust fund' (hereinafter in this section referred to as the 'board of trustees'), composed of the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, all ex officio. The Secretary of the Treasury shall be the Managing Trustee of the board of trustees (hereinafter in this section referred to as the 'Managing Trustee'). The Administrator of Health Care Financing Administration shall serve as the secretary of the board of trustees. The board of trustees shall meet not less frequently than once each calendar year. It shall be the duty of the board of trustees to—

"(1) hold the trust fund;

"(2) report to the Congress not later than the first day of April of each year on the operation and status of the trust fund during the preceding fiscal year and on its expected operation and status during the current fiscal year and the next 2 fiscal years;

"(3) report immediately to the Congress whenever the board is of the opinion that the amount of the trust fund is unduly small; and

"(4) review the general policies followed in managing the trust fund, and recommend changes in such policies, including necessary changes in the provisions of law which govern the way in which the trust fund is to be managed.

The report provided for in paragraph (2) shall include a statement of the assets of, and the disbursements made from, the trust fund during the preceding fiscal year, an estimate of the expected income to, and disbursements to be made from, the trust fund during the current fiscal year and each of the next 2 fiscal years, and a statement of the actuarial status of the trust fund. Such report shall be printed as a House document of the session of the Congress to which the report is made.

"(c) It shall be the duty of the Managing Trustee to invest such portion of the trust fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purpose for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of public-debt obligations for purchase by the trust fund. Such obligations issued for purchase by the trust fund shall have maturities fixed with due regard for the needs of the trust fund and shall bear interest at a rate equal to the average market yield (computed by the Managing Trustee on the basis of market quotations as of the end of the calendar month next preceding the date of such issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of 4 years from the end of such calendar month; except that where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest on such obligations shall be the multiple of one-eighth of 1 per centum nearest such market yield. The Managing Trustee may purchase other interest-bearing obligations of the United States or obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price, only where he determines that the purchase of such other obligations is in the public interest.

"(d) Any obligations acquired by the trust fund (except public debt obligations issued exclusively to the trust fund) may be sold by the Managing Trustee at the market price, and such public debt obligations may be redeemed at par plus accrued interest.

"(e) The interest on, and the proceeds from the sale or redemption of, any obligations held in the trust fund shall be credited to and form a part of the trust fund.

"(f) There are authorized to be appropriated to the trust fund from time to time such sums as the Secretary of Health, Education, and Welfare deems necessary for any fiscal year, on account of—

"(1) payment made or to be made during such fiscal year from the trust fund with respect to individuals who are entitled to benefits under part A of title XVIII,

"(2) the administrative expenses attributable to providing benefits under this part to individuals referred to in paragraph (1), and

"(3) any loss in interest to the trust fund resulting from the payment of such amounts,

in order to place the trust fund in the same position at the end of such fiscal year in which it would have been if the individuals referred to in paragraph (1) were not entitled to the benefits provided under this part.

"(g) There shall be transferred periodically (but not less often than once each fiscal year) to the trust fund from the Federal Old-Age and Survivors Insurance Trust Fund and from the Federal Disability Insurance Trust Fund amounts equivalent to the amounts not previously so transferred which the Secretary of Health, Education, and Welfare shall have certified as overpayments pursuant to section 1870(b) of this Act as made applicable to this title by section 2106.

"(h) The Managing Trustee shall also pay from time to time from the Trust Fund such amounts as the Secretary of Health, Education, and Welfare certifies are necessary to make the payments provided for by this part, and the payments with respect to administrative expenses in accordance with section 201(g)(1).

(i) There is authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such repayable advances (without interest) as may be required to assure prompt payment of benefits and administrative expenses under this title and to provide a contingency reserve. Such advances to the extent necessary shall be made available through calendar year 1983.

"MEANING OF 'STATE', 'UNITED STATES'

"SEC. 2110. As used in this part—

"(a) the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa, and

"(b) the term 'United States', when used in a geographical sense, means the States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"PART B—EMPLOYER PLANS, AND SELF-EMPLOYED PLANS

"EFFECT OF COVERAGE

"SEC. 2120. Any individual who would otherwise be eligible for benefits under part A of this title shall not be eligible for such benefits during any period for which he is covered under an employer plan or a self-employed plan approved by the Secretary under this part, but shall instead be entitled to the benefits provided under such approved plan.

"DEFINITIONS

"SEC. 2121. For purposes of this part—

"(a) The term 'employer plan' means—

"(1) an insurance policy, contract, or other arrangement entered into between an employer and a carrier under which the carrier, in consideration of premiums or other periodic payments, undertakes to provide, pay for, or reimburse the costs of, health services received by those of the employer's employees (and those of the family members of such employees) who are covered by the plan, or

"(2) a plan under which the employer, as a self-insured employer (as defined in subsection (d)), undertakes to provide, pay for, or reimburse the costs of, health care services received by those of the employer's employees (and those of the family members of such employees) who are covered by the plan.

"(b) The term 'self-employed plan' means an insurance policy, contract, or other arrangement entered into between a self-employed individual and a carrier under which such carrier, in consideration of premiums or other periodic payments, undertakes to provide, pay for, or reimburse the costs of, health services received by such individual (and those of the family members of such individual who are covered by the plan).

"(c) The term 'carrier' means a voluntary association, corporation, partnership, or other nongovernmental organization which is engaged in providing, paying for, or reimbursing the costs of, health services under insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar arrangements, in consideration of premiums or other periodic charges payable to the carrier.

"(d) The term 'self-insured employer' means an employer who (either through outside administrators, including carriers, or otherwise) engages, without insurance arrangements with a carrier, to provide, pay for, or reimburse the costs of, health services for some or all of his employees.

"(e) The term 'employer' includes a State (or political subdivision thereof) and the Federal Government.

"APPROVAL OF PLANS

"SEC. 2122. (a)(1) In order for an employer plan or a self-employed plan to be approved by the Secretary under this part—

"(A) such plan, in the case of any plan other than an employer plan of a self-insured employer, must be a plan offered by a carrier which is approved by the Secretary pursuant to subsection (c);

"(B) the coverage provided under such plan must include, but shall not be limited to, a package of benefits, which (in terms of scope of benefits and the conditions of payment thereof) is the same as that provided by the Federal catastrophic health insurance benefits plan established by part A; except that the requirement imposed by this clause shall not be construed to (i) make applicable to the plan (or its administration) the provisions of sections 1862 (b) or (d), 1815, 1816, 1842, 1866, 1869, 1870, 1972, or 2104 (a)(1), and the carrier offering such plan may utilize, in the administration of the plan, payment and provider arrangements of the kind which are employed by it in connection with the administration of health insurance policies or plans which are not approved under this part, (ii) require that such plan provide coverage for any occupational injury or disease or for any item or service for which any benefit is payable under a workmen's compensation law of the United States or a State, and (iii) preclude the plan for making the benefits offered thereunder subject to provision for coordination of benefits provided under other plans (including the Federal plan established under part A), if such provision for coordination of benefits is approved by the Secretary as being consistent with prevailing practice within the health insurance industry for the coordination of benefits;

"(C) such plan (in the case on an employer plan) (i) must cover all of the employees of such employer (other than em-

"(C) such plan (in the case of an employer plan) (i) must cover all of the employees of such employer (other than employees who perform service for less than 25 hours per week, temporary employees, or employees who are entitled, under section 226, to hospital insurance benefits under part A of title XVIII), and (ii) may, at the option of the employer, cover all of the employees of the employer;

"(D) such plan must cover the spouse and dependent family members of any employee (in the case of an employer plan) or self-employed individual (in the case of a self-employed plan) covered by the plan;

"(E) such plan (in the case of an employer plan) must not require or permit any financial participation in the cost of the plan by any individual covered thereunder;

"(F) such plan (in the case of an employer plan) must provide that coverage (in the case of a new employee, his spouse, and dependent family members) will begin not later than the first day of the first calendar month which commences more than 30 days after the date the employee's employment commences, and that coverage of an employee (and of members of his family who are covered by the plan) will not be terminated by reason of the separation of the employee from his employment by such employer prior to 90 days after the date of such separation, or (if earlier) the first day after the date on which such employee first obtains coverage under another employer plan approved under this part;

"(G) such plan, in the case of any employer plan (other than an employer plan of a self-insured employer) must be a plan under which there are available to the employer arrangements for the pooling of risks under the plan by which his employees are covered and under the plans by which employees of other employers are covered so that the premium or other periodic charge payable therefor to the carrier are determined on a class basis either (i) without regard to the payments or reimbursements for health services received by the employer's employees (and family members of such employees) covered by the plan, or (ii) without regard to the payments or reimbursements for health services received by the employer's employees (and family members of such employees) in excess of a specified amount agreed to between the employer and the carrier of payments or reimbursements as to any one individual or family and under which the premium or other periodic charge made under such arrangement is specifically identified to the purchaser;

"(H) the premium or other periodic charge imposed for the pooling arrangements described in clause (G) shall (in case of any plan other than an employer plan of a self-insured employer) be stated, to the employer or self-employed individual subscribing to the plan, in annual (or more frequent) billings or renewal notices which shall be expressed in such a manner as to facilitate a comparison of such premium or charge with the amount allowable on account of such plan as a tax credit under section 1403 or section 3114, as the case may be, of the Internal Revenue Code of 1954.

"(2) In any case where, pursuant to one or more collective bargaining agreements, health insurance responsibilities for one or more groups (but not all) of the employees of an employer have been placed with a labor organization, the Secretary may waive the requirement imposed by paragraph (1)(C)(i) with respect to such group or groups of the employer's employees for such period as may be necessary to enable the employer and the labor organizations with which he has collective bargaining agreements a reasonable opportunity so to arrange health insurance coverage of the employees of the employer as to meet the requirement imposed by paragraph (1)(C)(i). The Secretary shall provide technical assistance to, and recommend procedures to be employed by, such employer and such organizations in meeting such requirement.

"(3) Approval of the Secretary of any plan (other than an employer plan of a self-insured employer) shall not be denied because such plan is provided under arrangements with carriers involving the plans of two or more employers in the same industry or under a trust or trade association arrangement.

"(b)(1) No employer plan or self-employed plan shall be approved by the Secretary except on the basis of an application for approval submitted by the employer or self-employed individual (or by a carrier on such person's behalf) to the Secretary, which application shall be in such form and contain such information and assurances as the Secretary shall by regulations require.

"(2) Applications for approval may contain provision for recommendations of approval, by the insurance department or similar agency of the State involved; and the Secretary may employ any such recommendations as a basis for expediting approval of the application with respect to which such recommendations are made.

"(3)(A) The Secretary shall not approve any application of an employer plan by a self-insured employer unless such application contains or is supported by proof and assurances satisfactory to the Secretary that the employer has the financial ability to discharge his obligations under the plan and has the administrative ability effectively to discharge such obligations.

"(B) The Secretary may, as a condition of approval of an employer plan by a self-insured employer, require the employer to deposit in a depository designated by the Secretary either an indemnity bond or securities (at the option of the employer) of a kind and in an amount determined by the Secretary, and subject to such conditions as the Secretary may prescribe (which shall include authorization to the Secretary in case of default of the employer's obligations to provide benefits under the plan to sell any of such securities sufficient to discharge such obligations or to bring suit upon such bonds to procure the prompt discharge of such obligations).

"(c)(1) As used in this section—

"(A) the term 'catastrophic health insurance' means a health insurance policy or plan which provides the coverage which is required pursuant to subsection (a)(1)(B); and

"(B) the term 'carrier' includes any nonprofit hospital or medical service corporation.

"(2)(A) In order for a carrier to be approved by the Secretary under this subsection, the carrier must—

"(i) offer, in each State in which such carrier does health insurance business, catastrophic health insurance to all individuals and groups on an annual or shorter contract basis, with the option of the policyholder to renew at the expiration of the term of the policy, and with provision that the coverage so offered will not be discontinued or denied in the case of any individual or group except for failure to make timely payment of premium therefor;

"(ii) provide claims determination procedures with respect to catastrophic health insurance benefits which (I) comply with the requirements imposed by section 503 of the Employee Retirement Income Security Act of 1974 and the regulations issued thereunder by the Secretary of Labor and (II) are consistent with those employed by the carrier in its noncatastrophic health insurance business and which in general are at least as favorable to claimants as those employed under the Federal plan established by part A, and

"(iii) operate in accordance with procedures satisfactory to the Secretary for meeting its obligations with respect to policies of catastrophic health insurance and for disposition of unearned premiums on such policies in the event of the discontinuance of such policies or the withdrawal of its status as an approved carrier by the Secretary.

"(B) In order to better enable carriers to meet the requirements imposed by subparagraph (A)(ii), the Secretary shall provide to carriers, offering approved plans under this part, reasonable access to claim data developed under the Federal plan established by part A.

"(d) Approval of a plan by the Secretary under this section shall not have the effect of causing such plan to be a 'governmental plan', as that term is employed in and for purposes of title I of the Employee Retirement Income Security Act of 1974, if such plan would, in the absence of such approval, not be a 'governmental plan', as that term is so employed.

"(e)(1) It shall not be unlawful, under any antitrust law, for any carrier or group of carriers to enter into or participate in any pool, reinsurance, or other residual market arrangement, or for any carrier to carry on any activity which is necessary or appropriate to discharge its functions under any such arrangement, if and to the extent that, such arrangement and the activities taken pursuant thereto are confined to the offering and administration of plans approved by the Secretary under this section.

"(2) As used in paragraph (1), the term 'antitrust law' means the Federal Trade Commission Act, each statute referred to in section 4 of that Act (15 U.S.C. 44) as an Antitrust Act, any other statute of the United States in pari materia, and any law of any State or political subdivision thereof which prohibits or restrains contracts, combinations, or other arrangements in restraint of trade.

"CERTIFICATIONS TO THE SECRETARY OF THE TREASURY

"SEC. 2123. (a) Whenever the Secretary approves, or withdraws approval of, any employer plan or self-employed plan under this part, he shall submit a certification of his action to the Secretary of the Treasury.

"(b)(1) The Secretary shall, prior to January 1, of each calendar year, certify to the Secretary of the Treasury the Table of Values of Catastrophic Health Insurance Coverage which shall be in effect for such calendar year, together with such additional data as may be needed by the Secretary of the Treasury in connection with the administration of sections 42, 1403, and 3114 of the Internal Revenue Code of 1954.

"(2) The table of values referred to in paragraph (1) shall be developed, for each calendar year, by the Secretary and shall, except for such adjustments as the Secretary shall deem to be necessary, be the same as the Table of Values of Catastrophic Health Insurance Coverage which is prepared and recommended to the Secretary for such year by the Actuarial Committee established pursuant to section 2124.

"(3) Such table of values developed by the Secretary shall be made available to all carriers who offer catastrophic health insurance plans approved under section 2122 and to all other interested persons.

"ACTUARIAL COMMITTEE

"SEC. 2124. (a)(1) There is hereby established an Actuarial Committee which shall consist of five individuals, who are not otherwise in the employ of the United States, appointed by the Secretary.

"(2)(A) Members of the Committee shall be persons who are qualified to perform the functions and duties of the Committee. No individual shall be a member of the Committee unless he (i) is enrolled, or meets the conditions for enrollment (other than those relating to pension experience), as an actuary in the Joint Board for the Enrollment of Actuaries established by section 3041 of the Employee Retirement Income Security Act of 1974, and (ii) has significant actuarial experience in the field of health insurance.

"(B) At no time shall more than two members of the Committee be in the employ of a carrier (as defined in section 2122(c)(1)(B)) which does health insurance business.

"(3) Members of the Committee shall serve for terms of 4 years, except that of those first appointed, one shall be appointed for a term of 1 year, one shall be appointed for a term of 2 years, one shall be appointed for a term of 3 years, and two shall be appointed for terms of 4 years. A member may be reappointed, but no member may serve for more than 2 successive terms. A member appointed to fill a vacancy shall be appointed only for the unexpired term of his predecessor. A majority of the members of the Committee shall constitute a quorum thereof and action taken by the Committee shall be by majority vote of those present and voting. The Secretary shall, from time to time, designate a member of the Committee to serve as Chairman thereof.

"(4) The Secretary shall furnish to the Committee an executive secretary and such secretarial, clerical, and other services as may be required to enable the Committee to carry out its duties and functions.

"(b)(1) Members of the Committee shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Committee.

"(2) While away from their homes or regular places of business in the performance of services for the Committee, members of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government are allowed expenses under section 5703(b) of title 5 of the United States Code.

"(c) Section 14(a) of the Federal Advisory Committee Act shall not apply to the Actuarial Committee established pursuant to this section.

"(d)(1) It shall be the duty and function of the Committee to prepare and recommend to the Secretary, not later than October 1 of each year, a Table of Values of Catastrophic Health Insurance Coverage which shall be in effect for the calendar year commencing on the following January 1.

"(2) Such table of values shall establish, for each State, the actuarial value of one year's catastrophic health insurance coverage for one individual, as estimated for the calendar year for which such table of values is to be in effect, and shall be designed (with the use of a table of adjustment factors) to enable employers, carriers, and others involved with plans approved under section 2122 to determine the actuarial value of the catastrophic health insurance coverage provided under any such plan.

"(3) The value of catastrophic health insurance coverage shall be established by the Committee according to the best data and information available to it on the basis of the expected costs or charges for health care services, the expected utilization of health care services by all persons having such coverage, the expected administration and claim payment expenses (including an allowance for risk) applicable to plans providing such coverage, and such other information as the Committee determines to be relevant. In establishing such value of coverage in any State, the Committee shall employ appropriate adjustment factors, which shall be applied uniformly within the State, to reflect significant cost differences related to geographic variations and the age and dependency characteristics of individuals covered under plans providing such coverage.

"(4) The term 'catastrophic health insurance', as used in this section, means health insurance provided under plans approved under section 2122 which provides that minimum coverage necessary to meet the requirement imposed in section 2122(a)(1)(B).

"(e)(1) The Committee shall have the further duty (A) of reviewing (by random claim or data sample or otherwise) the marketing and rating practices of plans approved under section 2122 with a view to determining whether such practices unduly or inappropriately restrict, for particular groups, the availability of coverage under plans approved under such section, and (B) upon request of the Secretary of the Treasury, to assist him in establishing procedures designed to assure the proper administration of sections 42, 1403, and 3114 of the Internal Revenue Code of 1954.

"(2) The Committee shall report to the Secretary its findings resulting from its review functions, together with such recommendations as it may have based on such findings."

(b) Section 201(g) of the Social Security Act is amended by—

(1) inserting after "title XVIII" the first time it appears the following: "and the Federal Catastrophic Health Insurance Trust Fund established by title XXI"; and

(2) inserting after "title XVIII" each time it appears therein after the first time the following: "and title XXI".

AMENDMENTS TO INTERNAL REVENUE CODE OF 1954

SEC. 102. (a)(1) Section 1401 of the Internal Revenue Code of 1954 (relating to rate of social security tax on self-employment income) is amended by adding at the end thereof the following new subsection:

"(c) CATASTROPHIC HEALTH INSURANCE.—In addition to the taxes imposed by the preceding subsections, there shall be imposed for each taxable year which begins after December 31, 1980, on the self-employment income of every individual a tax which is equal to 1 percent of the amount of the self-employment income of such individual for such taxable year."

(2) Such Code is further amended by (A) redesignating section 1403 thereof (relating to miscellaneous provisions) as section 1404, and (B) by adding after section 1402 thereof the following new section:

"SEC. 1403. CREDIT AGAINST CATASTROPHIC HEALTH INSURANCE TAX

"(a) ACTUARIAL VALUE OF CATASTROPHIC HEALTH INSURANCE COVERAGE UNDER APPROVED PLANS FOR THE SELF-EMPLOYED.—If, during any part of the taxable year the taxpayer has secured for himself (or for himself and members of his family) catastrophic health insurance coverage under a plan which is approved by the Secretary of Health, Education, and Welfare under section 2122 of the Social Security Act, the taxpayer may, to the extent provided in this subsection and subsection (b), credit against the tax imposed by section 1401(c) for such taxable year an amount equal to the actuarial value of such coverage, as determined under the appropriate Table of Values of Catastrophic Health Insurance Coverage certified by such Secretary pursuant to section 2123(b) of such Act.

"(b) LIMIT ON CREDITS.—The total credits allowed a taxpayer under this section shall not exceed 100 percent of the tax against which such credits are allowable.".

(3) The table of sections for chapter 2 of subtitle A of such Code is amended by striking out the last item and inserting in lieu thereof the following.:

"Sec. 1403. Credit against catastrophic health insurance tax.
"Sec. 1404. Miscellaneous provisions."

(b)(1) Section 3111 of such Code (relating to rate of social security tax on employers) is amended by adding at the end thereof the following new subsection:

"(c) Catastrophic Health Insurance.—

"(1) In addition to the taxes imposed by the preceding subsections, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to 1 percent of the wages (as defined in section 3121(a)) paid after December 31, 1980, by him with respect to employment (as defined in paragraph (2)).

"(2) The term 'employment', as used in paragraph (1), shall have the same meaning as when that term is used for purposes of subsections (a) and (b), except that the provisions of section 3121(b) shall be applied without regard to the exclusions specified in paragraphs (5), (6), (8), and (9) thereof.".

(2) Such Code is further amended by adding after section 3113 thereof the following new section:

"Sec. 3114. Credit Against Catastrophic Health Insurance Tax

"(a) Actuarial Value of Catastrophic Health Insurance Coverage for Employees Under Approved Employer Plans.—If, during any period the taxpayer has secured for any or all of his employees (and for family members of such employees) catastrophic health insurance coverage under an employer plan approved by the Secretary of Health, Education, and Welfare under section 2122 of the Social Security Act, the taxpayer may, to the extent provided in this subsection and subsection (b), credit against the tax imposed by section 3111(c) for such period an amount equal to the actuarial value of such coverage, as determined under the appropriate Table of Values of Catastrophic Health Insurance Coverage certified by such Secretary pursuant to section 2123(b) of such Act.

"(b) Limit on Credits.—The total credits allowed to a taxpayer under this section shall not exceed 100 percent of the tax against which such credits are allowable.

"(c) Payments by States.—For purposes of this section, any State which has a State law approved by the Secretary of the Treasury under section 2108 of thes Social Security Act shall be deemed to be a taxpayer to which the tax imposed by section 3111(c) applies, and any payments which such State is obligated to make to the Treasury pursuant to such State law shall be deemed to be an obligation to pay such tax.".

(3) The table of sections for subchapter B of chapter 21 of subtitle C of such Code is amended by adding immediately after the last item the following:

"Sec. 3114. Credit against catastrophic health insurance tax.".

(c)(1)(A) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowed) is amended by renumbering section 42 as 43, and by inserting after section 41 the following new section:

"Sec. 42. Catastrophic Health Insurance Tax.

"There shall be allowed to the taxpayer, as a credit against the tax imposed by this chapter for the taxable year, an amount equal to 50 percent of the aggregate of the amounts of the tax, imposed by sections 1401(c) and 3111(c), paid by the taxpayer during the taxable year. For purposes of this section, any credit allowed the taxpayer for the taxable year under section 1403 shall be regarded as an amount of the tax, imposed by section 1401(c), paid by the taxpayer for the taxable year; and any credit allowed the taxpayer for the taxable year under section 3114 shall be regarded as an amount of the tax, imposed by section 3111(c), paid by the taxpayer for the taxable year. Any amounts allowed as a credit under this section shall not be allowed as a deduction under section 164. A State which, for the taxable year, has made contributions pursuant to a State law approved under section 2108 of the Social Security Act shall be regarded as a taxpayer for purposes of this section.".

(B) The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Catastrophic health insurance tax.
"Sec. 43. Overpayment of tax.".

(2) Section 6201(a)(4) of such Code (relating to assessment authority) is amended by—

(A) inserting "or 42" after "section 39" in the caption of such sections; and

(B) striking out "oil," and inserting in lieu thereof "oil) or section 42 (relating to catastrophic health insurance tax),".

(3) Section 6401(b) of such Code (relating to excessive credits) is amended by—

(A) inserting after "lubricating oil)" the following: ", and 42 (relating to catastrophic health insurance tax),"; and

(B) striking out "sections 31 and 39" and inserting in lieu thereof "sections 31, 39, and 42".

TITLE II—PRIVATE BASIC HEALTH INSURANCE CERTIFICATION PROGRAM

Sec. 201. The Social Security Act is amended by adding after title XIV thereof the following new title:

"TITLE XV—PRIVATE BASIC HEALTH INSURANCE CERTIFICATION

"PURPOSE

"Sec. 1501. It is the purpose of this title to encourage and facilitate the availability to the public of private basic health insurance coverage at a reasonable premium charge by—

"(a) establishing a procedure whereby health insurance policies offered by private insurers may be certified by the Secretary as meeting minimum standards with respect to adequacy of coverage, conditions of payment, opportunity for enrollment, and reasonableness of premium charges,

"(b) facilitating arrangements whereby basic health insurance policies meeting such standards can be offered through pools of private insurers, and

"(c) encouraging States, through their laws and regulations pertaining to the health insurance industry, to facilitate the offering, within the State, of such basic health insurance coverage by carriers doing health insurance business within the State.

"CERTIFICATION OF BASIC PRIVATE HEALTH INSURANCE POLICIES

"Sec. 1502. (a) Any insurer which desires to have a health insurance policy certified for use in one or more States specified by the insurer may (in accordance with regulations of the Secretary) provide to the Secretary, for his examination and certification, any health insurance policy.

"(b)(1) If the Secretary, after examining any such policy and evaluating any data submitted in connection with such policy, determines that such policy meets the standards prescribed in section 1504, he shall certify such policy for use in each State which has in effect a basic health insurance facilitation program (as defined in section 1510).

"(2)(A) The certification by the Secretary of any such policy shall be conditioned upon such policy's continuing to meet the standards prescribed in section 1504; and no policy shall be deemed to have been certified by the Secretary under this title for any period for which it fails to meet such standards.

"(B) The Secretary shall establish procedures whereby any insurer having secured the Secretary's certification of any policy offered by such insurer shall from time to time provide to the Secretary (i) relevant data with respect to such policy in order for the Secretary to determine whether such policy continues to meet the standards prescribed in section 1504, and (ii) such data and information as the Secretary may require in order to assure proper coordination of the administration of titles XIX and XXI.

"(c) Notwithstanding the preceding provisions of this section, the Secretary shall not certify any health insurance policy of any insurer for use in any State unless such insurer furnishes assurances satisfactory to the Secretary that such insurer (whether as a member of a health reinsurance or other residual market arrangement or otherwise) will make generally available, in each geographic area of the State in which the insurer does health insurance business, to all individuals and family members the following two health insurance policies: (i) a policy which meets the standards of section 1504, and (ii) a policy which, if it were issued in combination with a plan meeting the minimum coverage necessary to meet the requirement imposed by section 2122(a)(1)(B), would, in the aggregate, meet the standards of section 1504.

"UTILIZATION OF STATE AGENCIES FOR CERTIFICATION OF POLICIES

"Sec. 1503. If any State has in effect a basic health insurance facilitation program (as defined in section 1510), the Secretary shall, if such State is willing to do so, enter into an agreement with such State whereby the agency responsible for the regulation of the health insurance industry within such State will, on behalf of the Secretary, make such determinations regarding whether basic health insurance policies meet the requirements for certification under this title, as may be specified by the Secretary. Such agreement shall provide that the agency will be reimbursed for its reasonable expenses incurred in carrying out activities specified in the agreement.

"STANDARDS WITH RESPECT TO BASIC HEALTH INSURANCE POLICIES

"Sec. 1504. (a) The Secretary shall not certify under this title any insurance policy offered (or to be offered) by an insurer unless he finds that—

"(1) such policy provides—

"(A) inpatient hospital coverage (without any deductible in excess of $100 or copayment by the insured person) for at least 60 days during any policy year,

"(B) medical coverage which shall include home, office, hospital, and other institutional care provided by physicians,

"(C) with respect to medical coverage, that—

"(i) subject to clauses (ii) and (iii), payment in full shall be made with respect to not less than the first $2,000 of reasonable expenses incurred by any insured person for any policy year for services with respect to which coverage applies,

"(ii) the copayment required of any insured person with respect to such reasonable expenses shall not exceed 20 per centum thereof, and

"(iii) in the case of any deductible applicable to the payment of such reasonable expenses for any benefit year or benefit period of not less than 12-months duration, such deductible shall not exceed $50 for any insured person, and that, for purposes of computing such deductible for any calendar, policy, or other fixed benefit year or period, the insured person shall be given credit for any deductible applied toward such expenses for the last 3 months of the preceding policy year,

"(D) in case such policy is a group policy, there will be no exclusion from coverage or limitation on payment on account of any medical condition (including any preexisting condition) or any waiting period prior to the beginning of coverage with respect to any such condition,

"(E) in case such policy is an individual policy (including a policy for an individual and members of his family), there will be no exclusion from coverage on account of any medical condition (including any preexisting condition) other than pregnancy, and there will be no waiting period prior to the beginning of coverage with respect to any preexisting condition which is greater than 90 days after the date the policy is issued,

"(F) in case such policy covers an individual and members of his family, coverage will be provided for all dependent unmarried children in the family under age 22, and coverage will be automatically extended, at birth to any newborn and upon adoption to any newly adopted, child of such individual or his spouse,

"(G) in case such policy is a group policy which covers all or a certain category of employees of any employer, that—

"(i) coverage will not be terminated with respect to any employee (and members of such employee's family, if such policy covers such members) because of the termination of such employee's employment prior to the expiration of 31 days after the date of such termination,

"(ii) the insurer offering such policy will afford to any employee covered by such policy whose employment has been terminated a reasonable opportunity to secure, from such insurer a basic private health insurance policy which has been approved under this title,

"(iii) there will be a periodic open enrollment period of at least 31 days (which shall occur not less than once during each policy year) in which all eligible employees, who are not covered by such policy because of failure to elect coverage at the time of initial employment or during previous open enrollment periods, can secure coverage thereunder,

"(2) the premium charge for such policy is such that there is not an unreasonable ratio of expenses to premiums (as determined under subsection (d)); and

"(3) there is established an appropriate (but different) premium rate for such policy when it is offered to cover (A) a single individual, (B) a married couple, or (C) a family.

"(b) The Secretary, in determining whether any comprehensive prepaid group practice plan is eligible for certification under this section, shall, in lieu of the standards imposed by subsection (a), develop and apply criteria which assure that such plan meets requirements which are, on an actuarial and benefit basis, at least equivalent to such standards.

"(c) Notwithstanding the provisions of subsections (a) and (b), the Secretary shall not withhold approval under this title of any health insurance policy solely because such policy excludes—

"(1) charges for services or supplies in connection with an occupational disease or injury,

"(2) items or services for which the insured individual furnished such items or services has no legal obligation to pay, and which no other person (by reason of such individual's membership in a prepayment plan or otherwise) has a legal obligation to provide or pay for,

"(3) any item or service to the extent that payment has been made, or can reasonably be expected to be made (as determined in accordance with regulations), with respect to such item or service, under a workmen's compensation law or plan of the United States or a State.

"(4) charges for services or supplies with respect to which benefits are provided under title XVIII or title XXI,

"(5) items or services which are not reasonable and necessary for the diagnosis or treatment of illness or injury, pregnancy, or to improve the functioning of a malformed body member,

"(6) charges for care, treatment, services, or supplies, provided to any individual, to the extent that the payment of benefits with respect thereto is prohibited by any applicable law of the jurisdiction in which such individual is residing at the time he receives such care, treatment, services, or supplies,

"(7) charges for care, treatment, or supplies provided to any individual, to the extent that they are not reasonably priced (except that, for purposes of this paragraph, the charge for any item or service shall be deemed to be reasonable, if such charge is not in excess of the allowable charge therefor under title XVIII or XXI),

"(8) charges in connection with routine physical checkups,

"(9) expenses incurred for items or services, where such expenses are for cosmetic surgery or are incurred in connection therewith, except as required for the prompt repair of accidental injury or for improvement of the functioning of a malformed body member,

"(10) charges made by a hospital for the professional services of any resident physican or intern to the extent that such charges are in excess of the actual cost incurred by the hospital in providing such services,

"(11) charges for the professional services of a psychiatrist to the extent that such charges exceed $400 in a policy year, or

"(12) amounts which represent deductible and coinsurance provisions and which generally result in aggregate benefit coverage which is at least equal to the actuarial equivalent of the benefit coverage resulting from the application of the deductible and coinsurance provisions in section 1504(a)(1).

"(d)(1) With respect to policies submitted to the Secretary for his certification under this title, the Secretary shall establish (after considering the size of the groups to be covered by any such policy and the nature of the insurer) appropriate reasonable ratios of expenses to premiums imposed for coverage thereunder. In the case of individual policies such ratios shall be the same as those established by the Secretary for group policies covering the smallest groups. After making an initial determination with respect to any such policy, the Secretary shall periodically thereafter review and make a redetermination of such ratios based on actual expenses thereunder and the actual premium charges made for the period with respect to which the review is made, in order to determine whether such policy continues to meet the requirements for certification.

"(2) In determining the appropriate reasonable ratio of expenses to premiums imposed with respect to any particular health insurance policy offered by an insurer, the Secretary shall, in his determinations of such ratio, give consideration to the average ratio, with respect to group policies generally underwritten by insurers (classified on the basis of nonprofit or profitmaking) with respect to policies excluding those which are not certified under this title.

"APPROVED CARRIER

"Sec. 1505. For purposes of sections 1923(b), 1816, and 1842, an 'approved carrier' is an insurer which the Secretary has found (1) to offer one or more health insurance policies approved under section 1502 to the general public in each geographic or normal service area in which such insurer offers health insurance policies (including any which are not approved under this title) and (2) to employ effective procedures and practices designed to assure, through means consistent with efficient practices within the insurance industry, appropriate controls of utilization of health care services and the costs and charges imposed therefor with respect to which it will financially participate.

"ANTITRUST EXEMPTION

"Sec. 1506. (a) It shall not be unlawful under any antitrust law for any insurer to enter into any contract, combination, or other arrangement with any other insurer or group of insurers for the sole purpose of establishing or participating in an insurance pool, reinsurance, or other residual market, arrangement whereby there will be offered to the public health insurance policies approved under section 1502, if such contract, combination, or other arrangement is approved by the Secretary, as being consistent with the purposes of this title, before any party to the contract, combination, or other arrangement has carried out any activity, or refrained from carrying out any activity, under its terms (other than such activity as may be necessary to negotiate the contract, combination, or other arrangement and to apply for approval of the same under this section). The Secretary shall not approve any contract, combination, or other arrangement under which the parties thereto agree to act in a manner which constitutes a violation of any such law for which no exemption is provided under the preceding sentence or for purposes other than the purposes for which the exemption contained in this subsection shall exempt from any antitrust law any predatory pricing or practice, or any other conduct in the otherwise exempt activities of two or more such insurers under a contract, combination, or other arrangement approved under this section which would be unlawful under any such law is engaged in by only one such insurer.

"(b) For purposes of this section, the term 'antitrust law' means the Federal Trade Commission Act, each statute referred to in section 4 of that Act (15 U.S.C. 44) as an Antitrust Act, any other statute of the United States in pari materia, and any law of any other arrangement in restraint of trade.

"ESTABLISHMENT OF EMBLEM TO INDICATE CERTIFICATION

"Sec. 1506. (a) The Secretary shall cause to be designed an appropriate emblem which may be used as an indication that certification of an insurance policy under this title has been made by the Secretary; and any insurer which has secured certification of an insurance policy by the Secretary under this title may have printed thereon such emblem, and may, in advertising such policy to potential subscribers, state that such policy has received such a certification.

"REPORT TO CONGRESS

"Sec. 1508. The Secretary shall, at the earliest practicable date (but not later than 60 days) after the expiration of the three-year period which commences on the date of enactment of this section, submit to the Congress a report indicating (1) the extent to which basic private health insurance policies certified by the Secretary under this title are actually and generally available to the residents of each State and (2) the extent to which residents in each State are covered by such policies.

"DUTY OF SECRETARY TO MAKE AVAILABLE INDIVIDUAL AND FAMILY HEALTH INSURANCE POLICIES ON A COST BASIS

"Sec. 1509. (a) The Secretary shall offer a standard health insurance policy, which meets the applicable criteria prescribed under this title with respect to approved basic health insurance policies, to individuals, married couples, and families living in any State (1) which does not have in effect a basic health insurance facilitation program (as found by the Secretary under section 1510, and (2) in which there is not actually and generally available one or more approved basic health insurance policies approved under this title.

"(b) The premiums imposed under any such policy shall be in an amount designed to cover the costs inclusive of administrative costs and appropriate reserves which will be incurred in furnishing the benefits provided in the policy.

"(c) No such policy shall be offered in any area prior to the expiration of the 3-year period which commences on the date of enactment of this title.

"(d) Premiums collected by the Secretary for insurance policies offered by him under this section shall be deposited in an Insurance Revolving Fund, and moneys in such fund shall be available, without fiscal year limitation, for the payment of claims under such policies.

"(e) For the purpose of providing a contingency reserve for the insurance program established by this section, there is authorized to be appropriated such sums as may be necessary; and any sums appropriate for such purpose shall remain available for the purpose of making repayable advances (without interest) to the Insurance Revolving Fund authorized to be established under subsection (d).

"(f) The Secretary, in making payment for services covered under any insurance policy issued pursuant to this section, shall utilize the payments methodology and administrative mechanism employed by him for making payment for services covered under the insurance programs established by title XVIII.

"BASIC HEALTH INSURANCE FACILITATION PROGRAM

"SEC. 1510. (a) For purposes of this title, a State shall be regarded as having in effect a basic health insurance facilitation program only if the Secretary, after examining the pertinent laws and regulations of such State governing the doing of health insurance business within the State by carriers, determines that such laws and regulations—

"(1) require the establishment of one or more health reinsurance or other residual market arrangement to be utilized by such carriers in connection with the offering within the State of basic health insurance policies which meet the standards for certification by the Secretary established by this title,

"(2) require all such carriers to be members of a health reinsurance or other residual market arrangement and provide that losses, under any such arrangement, will be shared by all members thereof on a pro rata basis in proportion to their respective shares of the total health insurance premium earned in the State during the calendar year,

"(3) provide that premiums charged for policies issued to individuals or family members under any such health reinsurance or other residual market arrangement shall not be less than 125 per centum nor more than 150 per centum of the average group rate for the same coverage under a group policy covering ten lives, and

"(4) otherwise encourage and facilitate the offering of such policies within the State by all carriers doing health insurance business therein on a basis which is fair and equitable to each such carrier.

"(b) The Secretary is authorized, upon the request of any State, to provide appropriate technical assistance to aid the State in developing a program which meets the conditions prescribed in subsection (a).".

TITLE III—OTHER AMENDMENTS

IMMUNIZATIONS

SEC. 301. (a) Section 1861(s) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (8),

(2) by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and",

(3) by inserting immediately after paragraph (9) the following new paragraph:

"(10) such immunizations as the Secretary determines are appropriate, but only if provided on a scheduled allowance basis (as determined under regulations of the Secretary).", and

(4) by redesignating paragraphs (10) through (13) as paragraphs (11) through (14), respectively.

(b) Section 1864(a) of such Act is amended by striking out "paragraphs (10) and (11)" and inserting in lieu thereof "paragraphs (12) and (13)".

(c) Section 1862(a)(7) of such Act is amended by inserting immediately after "(7)" the following: "except as provided in section 1861(s)(10),".

(d) The amendments made by this section shall apply only with respect to services furnished on or after the first day of the month following the month in which this section is enacted

MENTAL HEALTH SERVICES

SEC. 302. (a) Section 1833(c) of the Social Security Act is amended—

(1) by striking out "$312.50" and inserting in lieu thereof "$500", and

(2) by striking out "62½ per centum" and inserting in lieu thereof "80 per centum".

(b) Section 1812 of such Act is amended—

(1) by striking out subsection (c) thereof,

(2) in subsection (b) thereof, by striking out "(subject to subsection (c))", and

(3) in subsection (e) thereof, by striking out "subsections (b), (c), and (d)" and inserting in lieu thereof "subsections (b) and (d)".

(c) The amendments made by subsection (a) shall be effective only with respect to services furnished after December 31, 1980. The amendments made by subsection (b) shall be effective only with respect to services furnished after December 31, 1981.

AMOUNT OF PREMIUMS FOR HOSPITAL INSURANCE COVERAGE

SEC. 303. (a)(1) The second sentence of section 1818 (d)(2) of the Social Security Act is amended by striking out "Such amount shall be equal to $33, multiplied by" and inserting in lieu thereof "Such amount shall be equal to 50 per centum of the product of $33 multiplied by".

(2) The amendment made by paragraph (1) shall be applicable in the case of premiums imposed on and after July 1, 1979.

(b) In addition to other moneys appropriated to the Federal Hospital Insurance Trust Fund, there shall be appropriated from time to time, with respect to periods commencing after June 30, 1979, amounts equal to 100 per centum of the amounts deposited in such Fund pursuant to section 1818(f) of the Social Security Act from premiums payable for such period.

PAYMENT FOR EXTENDED CARE SERVICES

SEC. 304. Section 1861(v)(E) of the Social Security Act is amended to read as follows:

"(E)(i) In the case of services furnished by a skilled nursing facility with respect to which payment for services furnished under title XIX is made on a cost-related basis pursuant to the provisions of section 1920 (d)(2), such regulations may provide for the use of rates which are the same as the rates obtaining for such services under title XIX (except that such rates may be increased by the Secretary on a class or size of institution, or on a geographical basis by a percentage factor not in excess of 10 per centum to take into account determinable items or services or other requirements under this title not otherwise included in the computation of such rates under title XIX): *Provided*, That no such regulations shall become effective prior to the 60th day following the date on which the Secretary submits to the Congress a copy thereof together with a full and complete description of the methodology which would be employed in the determination of rates pursuant thereto, and an evaluation by the Secretary and by the Comptroller General of such methodology in terms of the extent to which the employment thereof will promote the efficient and economical administration of this title and equitable treatment to and between skilled nursing facilities furnishing services for which payment may be made hereunder.".

EXTENSION OF COVERAGE UNDER RENAL DISEASE PROGRAM

SEC. 305. Section 226(e) of the Social Security Act is amended by adding at the end thereof the following: "For purposes of the preceding sentence, any individual, who on or after the date of enactment of this sentence fails to meet the condition imposed by clause (2) of such sentence, shall be deemed to meet such condition. There are authorized to be appropriated, from time to time, to the Federal Hospital Insurance Trust Fund and to the Federal Supplementary Medical Insurance Trust Fund such sums as may be necessary (as based on estimates of the Secretary) to place each such Fund in the same financial condition that it would have occupied had the preceding sentence not been enacted.".

ENCOURAGEMENT OF PHILANTHROPIC SUPPORT FOR HEALTH CARE

SEC. 306. Title XI of the Social Security Act is amended by inserting after section 1133 (as added by section 29 of ——) the following new section:

"ENCOURAGEMENT OF PHILANTHROPIC SUPPORT FOR HEALTH CARE

"SEC. 1134. (a) It is the policy of the Congress that philanthropic support for health care be encouraged and expanded, especially in support of experimental and innovative efforts to improve the health care delivery system and access to health care services.

"(b)(1) For purposes of determining, under title XVIII or XIX, the reasonable costs of any service furnished by a provider of health services—

"(A) except as provided in paragraph (2), unrestricted grants, gifts, and endowments and income therefrom, shall not be deducted from the operating costs of such provider, and

"(B) grants, gifts, and endowment income designated by a donor for paying specific operating costs of such provider shall be deducted from the particular operating costs or group of costs involved.

"(2) Income from endowments and investments may be used to reduce interest expense, if such income is from an unrestricted gift or grant and is commingled with other funds, except that in no event shall any such interest expense be reduced below zero by any such income.".

FACT SHEET—CATASTROPHIC HEALTH INSURANCE AND MEDICAL ASSISTANCE REFORM LEGISLATION OF 1979

TITLE I—CATASTROPHIC HEALTH INSURANCE

Part A—Public plan

Eligibilty

All legal residents in the United States not covered by the private plan described in Part B below. Therefore, the public plan would pick up those who do not choose private insurance coverage, the unemployed, welfare recipients, and the aged.

Benefits

Federally-administered trust fund pays for medical bills after a family has incurred $2,000 of medical bills a year. Hospital costs would be paid for after a person has incurred 60 days of hospital costs. The $2,000 deductible and the 60-day deductible are entirely separate. If a person were to meet the hospital deductible alone he would be eligible only for the hospital benefits. Similarly, if a family were to meet only the $2,000 deductible, it would be eligible only for medical benefits.

Administration

Program would be administered by the Health Care Financing Administration parallel to the administration of Medicare.

Financing

Employers would be liable for a tax of one percent on payroll. However, a tax credit equal to 50 percent of this amount paid would be allowed.

Part B—Private insurance option

Eligibility

An employer could elect to have all of his employees and their dependents covered under a qualified private catastrophic insurance plan as an alternative to coverage under the public plan.

Benefits

Private catastrophic plan would have benefits identical to those in the public plan. Benefits beyond those required could be sold by private insurers.

Administration

Private catastrophic plan would be administered by a qualified private insurance company of the employer's choice.

Financing

Employer's premium for private catastrophic would be deduced from his one percent payroll tax liability. In addition, the employer would be eligible for the tax credit of 50 percent of his one percent payroll tax liability.

Effective date

January 1, 1981.

TITLE II—MEDICAL ASSISTANCE PLAN

Replaces Medicaid with a uniform national program of medical benefits for low-income persons administered by the Health Care Financing Administration.

Eligibility—Million people

All persons now receiving Medicaid benefits.

All individuals and families having an annual income at or below the following levels:

$3,000 for an individual;

$4,200 for a two-person family;

$4,800 for a three-person family;

$5,400 for a four-person family;

And $400 additional for each additional family member.

Families with incomes above these levels would become eligible if they spend enough on medical care to reduce their income to the eligibility levels. Thus, a family of four with $6,000 would become eligible if it spent $600 for medical care.

Benefits

Provides hospital care for up to 60 days and all skilled nursing facility care, intermediate facility care and home health services.

Also covers physicians services, X-ray, laboratory, prenatal and well-baby care, family planning counseling services and supplies, periodic screening, diagnosis and treatment for children under 18, inpatient mental health care that consists of active care and treatment in a medically accredited institution and outpatient care in a qualified community health center. Outpatient psychiatric services would be limited to five visits related to "crisis" intervention, and additional visits could be authorized upon finding that in their absence the patient would require institutionalization or be severely dysfunctional.

The plan would also pay the $8.70 monthly (effective July 1, 1979) Part B Medicare premium for persons eligible for this Title.

Copayments and Deductibles

Copayment is $3 for each of first 10 visits to doctor per family (but no copayments for visits for well-baby care and family planning services).

Payments to Health Care Providers and Administration

Same as Medicare (reasonable costs for institutions, reasonable charges for physicians).

Payments made under the program would have to be accepted as payment in full, and there could be no additional charges to patient.

Benefits reduced to patients by $250 if they have failed to enroll in an employer-employee plan in which employer pays 75 percent or more of the premium cost.

Financing

States would have to pay no more than they did for Medicaid in the year prior to this Title's effective date plus one-half of what they paid for medical services for those not covered by Medicaid. Thus States would be held harmless against costs or caseloads.

Effective Date

October 1, 1981.

TITLE III

Establishes a voluntary certification program for private basic health insurance to encourage the availability of adequate private health insurance.

Insurer could submit policy to HEW Secretary for certification. Certification is based on adequacy of coverage, conditions of eligibility, actual availability. Certified policies would be advertised as such.

Criteria for Certification of Policies

Must provide 60 days of hospital care and coverage of medical bills up to $2,000. (This meshes with catastrophic plan.)

Limits on deductibles and copayments.

Ban on exclusions, waivers of liability and waiting periods in group policies, and with respect to individual policies, a limit on medical exclusion to pre-existing pregnancy and waiting periods for other pre-existing conditions to not more than 90 days.

At least one annual open enrollment period.

Reasonable ratios of benefit payments to premiums defined in terms of average ratios for group policies generally written by insurers.

Incentives to Provide Certified Policies

For three years from effective date of act, Secretary of HEW studies progress of insurers in making certified policies actually and generally available to the population.

After that time no insurer could serve as a Medicare carrier or intermediary unless it offered one or more certified policies to the general public in each geographic or service area in which it did business.

Additionally, at that time, Secretary of HEW would be authorized to make basic coverage available at cost through Social Security in any area of the country where certified basic health insurance was not available.

Insurance Pooling

Contains an anti-trust exemption under which insurers could enter into contracts or arrangements for the sole purpose of establishing insurance "pool" arrangements in order to offer to the general public certified health insurance policies. Such pools allow proportionate sharing of risks and rewards.

SUMMARY OF THE CATASTROPHIC HEALTH INSURANCE AND MEDICAL ASSISTANCE REFORM ACT OF 1979

Description

A. *General Approach.*—The bill would provide catastrophic health insurance protection, effective January 1, 1981, for all legal U.S. residents through one of the following plans: (1) a Federally-administered public plan for the unemployed, welfare recipients, the aged, and persons who do not opt for private insurance coverage, and (2) a private catastrophic insurance plan allowed as an option for employers and the self-employed, who would be required under the terms of the bill to provide and pay the full cost of such catastrophic protection for their employees. Benefits would be similar to those currently covered under Medicare, but would be subject to payment by the beneficiary of the first 60 days of hospital care and the first $2,000 in medical expenses. The program would be financed through a one percent tax on the payroll of employers, with 50 percent of the amount paid as payroll tax allowed as a tax credit. Employers opting for a private plan would have the amount of their premiums deducted from their one percent payroll tax liability. They would also be eligible for a 50 percent tax credit on both the total amount of premiums paid for catastrophic coverage and any remaining Federal payroll tax liability after the premiums have been deducted.

In addition, effective October 1, 1981, the bill would replace Medicaid with a uniform, national program of medical benefits for low-income persons, administered by the Department of H.E.W. The bill further provides for a voluntary Federal certification program for basic private health insurance to encourage private insurers to make such basic coverage (supplemental to the catastrophic program) available in all areas of the country. If private insurers failed to make certified basic private health insurance available in any State, the Secretary of H.E.W. would be empowered, three years after the enactment of the program, to offer a standard health insurance policy to individuals and families living in that State.

B. *People Covered.*—Under the Catastrophic Health Insurance Plan, every individual who is a resident citizen or a lawfully-admitted resident alien would be entitled to catastrophic health insurance benefits under either the public plan or the private plan for employers and the self-employed. All employers, including Federal, State and local governments would be required to provide for all their full-time employees (who work more than 25 hours per week) and their employees' spouses and dependent family members, the health insurance protection as specified in the bill. At their option, employers could also include part-time and temporary employees. An employer would be obligated to continue coverage for 90 days after an employee left his employment unless the employee obtained coverage under another employer plan. Federal, State and local governments would be considered employers for purposes of the catastrophic program.

The unemployed, welfare recipients, the aged, and all others not covered under an employer or self-employed private catastrophic plan would be covered under the public plan.

The Medical Assistance Plan for low-income persons would be available to all persons eligible for Medicaid benefits and to all individuals and families having an annual income at or below the following levels:

$3,000—for an individual;

$4,200—for a two-person family;

$4,800—for a three-person family;

$5,400—for a four-person family; and

$400—additional for each additional family member.

Families with incomes above these levels would become eligible if they spent enough on medical care to reduce their income to the eligibility levels. Thus, a family of four with an income of $6,000 would become eligible if it spent $600 for medical care.

C. *Scope of Benefits.*—The Catastrophic Plan would cover the same kinds of services as currently provided under Parts A and B of Medicare, except that there would be no upper limitation on hospital days or home health visits. Present Medicare coverage under Part A includes 90 days of hospital care, plus an additional lifetime reserve of 60 hospital days; 100 days of post-hospital extended care; and 100 home health visits during the year following discharge from a hospital or skilled nursing facility. Part B coverage includes physicians' services, 100 home health visits annually, laboratory and X-ray services, outpatient physical therapy services, and other medical and health services such as medical supplies, appliances and equipment, and ambulance services.

Benefits excluded from Medicare would also be excluded under this program. Medicare's limitation on skilled nursing care would also be retained. The Catastrophic Plan would apply different limits on inpatient and outpatient mental health services than those currently applicable under Medicare (i.e., presently a 190-day lifetime maximum in psychiatric hospitals, $250 maximum payable for outpatient mental health care). The Catastrophic Plan would cover (1) unlimited inpatient mental health services, consisting of a course of active care and treatment provided in an accredited medical institution; (2) unlimited mental health care services provided on a partial hospitalization basis by an accredited medical institution or qualified community mental health center; (3) unlimited outpatient services provided by a qualified community mental health center; and (4) visits to a privately practicing psychiatrist during any 12-month period, unless additional visits have been approved in advance by an appropriate professional review mechanism on the grounds that the patient would require institutional care in the absence of such additional outpatient visits.

Unlike Medicare which provides basic insurance coverage, the Catastrophic Health Insurance Plan would provide institutional benefits only after an individual had first been hospitalized for a total of 60 days in one year (this feature of the program is called the "hospital deductible"), and medical benefits only after an individual or a family had incurred medical expenses of $2,000 for physicians' services, home health visits, physical therapy services, laboratory and X-ray, and other covered medical and health services (this "medical deductible" would be dynamic in character, adjusted annually to reflect changes in the Consumer Price Index and other economic factors). The Plan would have a deductible carryover feature under which days spent in a hospital in the last three months of one calendar year could be counted toward satisfaction of the hospital deductible in the following calendar year; similarly, covered medical expenses incurred in the last three months of one calendar year could be counted toward meeting the $2,000 medical deductible for the next year. Once the hospital and medical deductibles had been met, the individual would not be charged for services covered under the program. However, following the first period of any 90 consecutive days during which the individual incurred less than $500 in medical expenses, catastrophic benefits would temporarily terminate until such time as the individual once again satisfied the medical deductible by incurring $2,000 in additional medical expenses. Similarly, following the first consecutive 90-day period during which an individual was neither an inpatient in a hospital nor an inpatient in a skill nursing facility, the individual would once again be liable for the 60-day hospital deductible applicable to catastrophic benefits.

The Medical Assistance Plan for the low-income would cover the following benefits, generally without any limit on the amount of services or any cost-sharing required, except as indicated:

Inpatient hospital services—60 days in benefit period.

All medically-necessary skilled nursing facility care, intermediate facility care, and home health services.

Physicians' services—$3 copayment for each of first ten outpatient visits per family, except no charge for visits for well-baby care, family planning, and periodic exams for children under age 18.

Laboratory and X-ray services.

Prenatal and well-baby care.

Family planning, counseling, and supplies.

Periodic screening, diagnosis and treatment for children under age 18.

Outpatient physical therapy.

Immunizations and pap smears.

Medical supplies and appliances.

Ambulance services.

Mental health care services as follows: (1) on an inpatient basis—if provided in an accredited institution, services are included in the hospital inpatient benefit if the service constitutes active care and treatment; (2) on a partial hospitalization basis—if provided by an accredited institution or qualified community mental health center; (3) on an outpatient basis—without limit if provided by a community mental health center, limited to five visits if provided otherwise (e.g., by a phychiatrist) with additional visits subject to approval by a professional review organization. Benefit includes approved drugs when necessary to avoid hospitalization.

The Medical Assistance Plan would also pay the Medicare Part B premium for eligible individuals and would reimburse an individual for one-half of the amount of the actuarial value of catastrophic health insurance coverage paid by such individual under a self-employed plan or deducted as taxes from his self-employment income.

A special copayment requirement would apply to individuals who are not a member of a family after the 60th continuous day spent in a long-term care facility. The amount of this copayment would be equal to the amount of the patient's monthly income, less $50. (A similar requirement would apply in a situation where all members of a family have a stay exceeding 60 days.)

D. *Administration.*—The public Catastrophic Insurance Plan would be administered by the Health Care Financing Administration in a manner parallel to the administration of Medicare. The private Catastrophic Plan would be administered by a qualified private insurance carrier of the employers' choice. The Secretary of H.E.W. would be responsible for approving the employer plans and the self-employed plans administered through private carriers. To be approved as a carrier for private catastrophic insurance, an insurance carrier would have to comply with various Federal requirements, including a requirement that the carrier establish claims determination procedures which comply with section 503 of the Employee Retirement Income Security Act of 1974 and are consistent with those procedures employed by the carrier in its non-catastrophic health insurance business. To assist carriers in meeting this requirement, the Secretary would allow carriers reasonable access to claims data developed under Medicare's hospital insurance program. Carriers would also be exempted from certain antitrust laws as they might otherwise pertain to a group of carriers entering into a pool, reinsurance, or other residual market arrangement.

The Medical Assistance Plan for the low-income would be administered by the Secretary of H.E.W. Individuals eligible for benefits under the program would be issued a health benefits card indicating that their application for benefits had been filed and approved for a given benefit period. The Secretary would utilize private carriers as fiscal intermediaries responsible for administration of claims and payments to providers of services. The bill also provides that the Secretary could require the consolidation of the activities of these carriers in areas with small populations if necessary to improve quality and efficiency. Three years after the enactment of the program, no private carrier or other organization could be utilized under the Medical Assistance Plan or Medicare unless it was approved and certified under the Voluntary Certification Program established under the bill.

E. *Financing.*—The Catastrophic Health Insurance Plan would be financed through a one percent tax on the payroll of employers and the income of the self-employed now subject to the Social Security tax. No employee contribution would be allowed. Amounts collected as taxes would be deposited in a Federal Catastrophic Health Insurance Trust Fund. An employer or self-employed individual who opted for a private, rather than public, catastrophic health insurance plan would have the amount of the premium for private coverage deducted from his one percent payroll tax liability; he would, however, remain liable for payment to the Federal Government of any difference between the amount paid as premiums for a private plan and the one percent Federal tax liability. Publicly-insured employers and self-employed individuals would be eligible for a catastrophic health insurance tax credit equal to 50 percent of the amount paid as payroll tax liability. Similarly, private-insured employers and self-employed persons would also be eligible for a 50 percent tax credit on the amount paid for private catastrophic insurance premiums, as well as a 50 percent tax credit on any additional amount paid to meet the one percent Federal payroll tax liability.

Employers and self-employed persons opting for private coverage would pay premiums directly to the carriers. The bill requires that the employer plans administered through private carriers must make available to the employer certain arrangements for the pooling of risks among various employee groups of different employers, so that premiums can be determined on a class, rather than an individual, basis.

Each year a five-member Federal Actuarial Committee would prepare a Table of Values of Catastrophic Health Insurance Coverage for the following year, indicating the actuarial value of one year's catastrophic health insurance coverage for one individual. This Table could be used by the employer as a guideline by which to evaluate the actuarial value of catastrophic health insurance coverage (and the premium charged therefor) offered through private carriers. The Committee would also review the marketing and rating practices of private carriers providing employer and self-employed plans for catastrophic insurance.

The Medical Assistance Plan would be financed from general revenues, just as the Federal share of the current Medicaid program is now financed, and also with State funds. A medical Assistance Trust Fund would be established to make payments for benefits under the program. States would contribute a fixed amount which would be equivalent to their total expenditures from State funds under Medicaid for the types of benefits covered under this plan during the year prior to the effective date of this program. Additionally, a State would also pay 50 percent of the estimated amount that the State and local governments had expended in the same base year for provision of these types of services to people not covered under Medicaid who would, however, be covered under the new Medical Assistance Plan.

State contributions in future years would be limited to the initial contribution amount.

To encourage States to offer optional services not covered under the Medical Assistance Plan, the State contribution would be reduced by an amount equal to one-half the amount expended by the States from non-Federal funds in providing types of services not covered under this program, but which would have been matched under the Medicaid program (such as drugs, dental services, etc.), provided, however, that the State had actually included such types of services under its Medicaid plan prior to the effective date of the new program.

F. *Payments to/Standards for/providers of services.*—Providers of services under the Catastrophic Insurance Plan and the Medical Assistance Plan would be reimbursed on the same basis as under Medicare. Reimbursement controls would include the payment of audited "reasonable costs" to participating institutions and agencies, and "reasonable charges" to practitioners and other suppliers. Payments to skilled nursing facilities and intermediate care facilities would be reimbursed on a "cost-related" basis.

Payments made under the Medical Assistance Plan, along with any required copayment from the patient, would have to be accepted by providers and practitioners as payment in full for the services rendered, and no persons accepting such payment could charge additional amounts for these services.

Both programs would apply the same standards for providers of services as under Medicare. Both plans would also incorporate the quality, health and safety standards, and utilization controls which exist in the Medicare program, including review of services by institutional utilization review committees and Professional Standards Review Organizations (PSRO's).

G. *Effect on Other Government Programs.*—The Catastrophic Insurance Plan would supplement benefits provided under Medicare for persons covered by that program. The Medical Assistance Plan would replace the existing Medicaid program. The Catastrophic Insurance Plan would always be the primary payor in cases where an individual was also entitled to have payment made under either Medicare or the Medical Assistance Plan. Nor could payments under the Catastrophic Plan be denied or reduced because benefits for services covered under that plan were also payable, or had been paid, under any other public or private insurance or health benefits plan.

H. *Other Major Provisions.*—

(1) *Voluntary Certification Program for Private Basic Health Insurance.*—The bill establishes a program whereby private health insurers could, at their option, submit one or more basic health insurance policies to H.E.W. for certification. Certification would be based upon certain minimum criteria with respect to adequacy of coverage, conditions of eligibility, actual availability of the policy, and reasonableness of premiums to expenses. Certified policies could then be used in each State which has in effect a basic health insurance facilitation program approved by the Secretary of H.E.W. State Agencies could also be used for certification on basic health insurance policies in States having an approved basic health insurance facilitation program. In addition to offering certified basic policies, a private carrier, in order to be "approved", would have to employ effective procedures designed to assure appropriate utilization and cost controls with regard to health services insured under its policies.

Three years after the start of the program, no insurer could serve as a carrier or intermediary for either Medicare or the new Medical Assistance Plan unless it offered one or more certified policies to the general public in each geographic area or service area in which it did business. The bill would facilitate establishment of insurance pool arrangements in order to make such certified policies available to the general public with a proportionate sharing of risks and rewards among participating insurers.

(2) *Government-sponsored Standard Health Insurance Policies on a Cost Basis.*—Three years after the start of the program, the Secretary of H.E.W. would be required to offer a standard health insurance policy providing basic health benefits to individuals and families living in any State which had neither a basic health insurance facilitation program nor approved basic health insurance policies actually available through private carriers. Premiums charged for such policies would be designed to cover costs, including administrative costs and reserves.

(3) *Amendments to Medicare.*—Makes several amendments to the existing Medicare program, designed to (a) allow coverage of immunizations on a scheduled allowance basis; (b) increase the dollar amount payable for mental health services under Part B; (c) adjust the amount of premiums for hospital insurance coverage payable for uninsured individuals not otherwise eligible for Medicare; (d) clarify provisions relating to payment for extended care services on a cost-related basis; and (e) extend coverage under the renal disease program to all individuals with kidney disease, regardless of insured status for purposes of Social Security benefits.

(4) *Philanthropic Support for Health Care.*—Includes provisions designed to encourage philanthropic support for health care, especially in support of experimental and innovative efforts to improve the delivery system.

Mr. LONG. Mr. President, I send the bills to the desk and I ask unanimous consent for appropriate reference to the Committee on Finance for the bill to which I made reference.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

● Mr. RIBICOFF. Mr. President, I am pleased to join the distinguished chairman of the Finance Committee (Mr. LONG) again in introducing the complete Catastrophic Health Insurance and Medical Assistance Reform Act.

It has been almost 6 years since we first presented our three-part health insurance proposal to the Senate. We felt then, and we still feel, that this proposal is realistic and workable; that it meets the critical needs of the American people at a cost they can afford.

Today we are all aware of major gaps in health care coverage of the American people. We have all heard heart-rendering stories of families bankrupted by the cost of a medical disaster. And it could happen to anyone. Almost anyone could find his life savings depleted; his house sold out from under him; educational opportunities for his children lost—all because of a major illness or injury. A medical catastrophe can reduce a middle-income family to poverty.

For poor families the threat is even greater. Medicaid benefits and eligibility vary widely from State to State. Financial pressures are leading States to cut back on benefits even more. And medicaid does nothing for the working poor.

We can all agree that something must be done to meet these major gaps. The question is what.

We must recognize not only these gaps in our current system but also the limits in our ability to administer and to pay for any massive program. All around us we hear cries for fiscal restraint. Double-digit inflation threatens us again. The American people simply cannot afford a $100 billion-plus health plan. Nor do I believe that they are prepared to shift all health spending to the public sector. We cannot evaluate the possible effects such a massive shift might have.

Moreover, Congress and the American people are beginning to doubt the ability of Government to provide every service and to administer massive programs. We cannot wave a wand and produce a functioning comprehensive national health insurance system overnight. If the last 12 to 17 years have taught us anything, it should have been that implementation is crucial—and that it is difficult.

It is far better to set our sights on a proposal which can be implemented properly—and soon—than to attempt a giant step which is doomed to failure.

Let us meet our pressing health needs first, building on our experiences with medicare and medicaid. We can expand the program as needs grow and as we are actually able to implement it.

"All or nothing" is not the right approach to national health insurance. For too long this approach has left the working poor completely unprotected, the medicaid population inadequately protected, and the average American fearful of the results of a medical catastrophe. We can meet these needs with this proposal.

Today we do not have the financial or administrative capacity to institute cradle-to-grave national health insurance. Today we can build upon our existing system to assure the availability of adequate coverage and equity. Our bill is designed to do just that. It should be viewed in its entirety.

The bill is phased in so as to keep new costs manageable and administration possible. This will prevent overwhelming the administrative system. Title I takes effect January 1, 1981. Title II takes effect October 1, 1981.

The bill is divided into three basic sections.

Title I protects all Americans against the large or catastrophic costs associated with prolonged illness, disease or injury. In effect, it places a ceiling on almost every American family's medical costs. We have an obligation to assure that no one goes into bankruptcy because of prolonged illness or injury. Under this title a family's medical costs would be assumed by the social security fund once it had incurred 60 days of hospital costs and/or $2,000 of medical bills. An employer would have the option to buy a catastrophic plan in the private sector.

Title II establishes a medical assistance plan with a uniform national program of medical benefits for low-income persons. It replaces the costly, inefficient, and inadequate Federal-State medicaid programs and provides health protection for over 34 million Americans, including more than 12 million working poor persons who were ineligible for medicaid. The coverage of this plan would provide basic benefits to mesh with the catastrophic program. That is, the program would pay for the first $2,000 and 60 days of hospital and the catastrophic plan would assume costs above those limits. By requiring the States to pay only what they paid for medicaid in the year prior to enactment, States will save millions of dollars. Without this bill their costs would have continued to climb.

Title III of this bill makes it possible for any other American not eligible for the low-income plan to purchase at a reasonable price a private insurance policy. It sets standards for these policies to assure that they mesh with the catastrophic program. Insurers who elect to participate in this program and whose policies meet the basic standards set in this bill would be eligible to have their policies certified as meeting the proper standards. The Secretary of Health, Education, and Welfare would study the operation of this title for 3 years to see if this insurance was being made available. Any insurer not meeting the standards after 3 years would be ineligible to serve as a medicare carrier or intermediary. In addition, if a private policy meeting these standards is not available after 3 years, a similar policy would be made available at cost from the Social Security Administration.

The private health insurance industry will have a real incentive and real standards toward which they can work in meeting the needs of the majority of the population who are presently covered for better or worse under private health insurance.

Title III is a means of saying to the broad population that it is our expectation and hope that private health insurance will provide the opportunity to secure insurance coverage for the first 60 days of hospitalization and the first $2,000 of medical expenses, after which the Government catastrophic health insurance program would take over.

I believe that this legislation is a major step in protecting all Americans against rising health costs. It puts a ceiling on every American's medical bills, assures health protection to those who cannot afford it and encourages the private health insurance industry to make available the best possible policies at reasonable rates. At the same time it allows employees the flexibility necessary to bargain with their employers for broad health care protection.

We can wait no longer to reform our health care system. We have the opportunity today to make health care a right for all Americans—not just a privilege for the few.

I join my distinguished colleague, the chairman of the Senate Finance Committee in urging the Members of this body to help us make health care reform a reality.

Fact sheet follows:

FACT SHEET—LONG-RIBICOFF-TALMADGE CATASTROPHIC HEALTH INSURANCE AND MEDICAL ASSISTANCE REFORM ACT OF 1978

TITLE I—CATASTROPHIC HEALTH INSURANCE

Part A—Public plan

Eligibility

All legal residents in the United States not covered by the private plan described in Part B below. Therefore, the public plan would pick up those who do not choose private insurance coverage, the unemployed, welfare recipients, and the aged.

Benefits

Federally-administered trust fund pays for medical bills after a family has incurred $2,000 of medical bills in a year. Hospital costs would be paid for after a person has incurred 60 days of hospital costs. The $2,000 deductible and the 60-day deductible are entirely separate. If a person were to meet the hospital deductible alone he would be eligible only for the hospital benefits. Similarly, if a family were to meet only the $2,000 deductible, it would be eligible only for medical benefits.

Administration

Program would be administered by the Health Care Financing Administration parallel to the administration of Medicare.

Financing

Employers would be liable for a tax of one percent on payroll. However, a tax credit equal to 50 percent of this amount paid would be allowed.

Part B—Private insurance option

Eligibility

An employer could elect to have all of his employees and their dependents covered under a qualified private catastrophic insurance plan as an alternative to coverage under the public plan.

Benefits

Private catastrophic plan would have benefits identical to those in the public plan. Benefits beyond those required could be sold by private insurers.

Administration

Private catastrophic plan would be administered by a qualified private insurance company of the employer's choice.

Financing

Employer's premium for private catastrophic would be deducted from his one percent payroll tax liability. In addition, the employer would be eligible for the tax credit of 50 percent of his one percent payroll tax liability.

Effective date

January 1, 1980.

TITLE II—MEDICAL ASSISTANCE PLAN

Replaces Medicaid with a uniform national program of medical benefits for low-income persons administered by the Health Care Financing Administration.

Eligibility—Million people

All persons now receiving Medicaid benefits.

All individuals and families having an annual income at or below the following levels:

$3,000 for an individual;
$4,200 for a two-person family;
$4,800 for a three-person family;
$5,400 for a four-person family;
And $400 additional for each additional family member.

Families with incomes above these levels would become eligible if they spend enough on medical care to reduce their income to the eligibility levels. Thus, a family of four with $6,000 would become eligible if it spent $600 for medical care.

Benefits

Provides hospital care for up to 60 days and all skilled nursing facility care, intermediate facility care and home health services.

Also covers physicians services, X-ray, laboratory, prenatal and well-baby care, family planning counseling services and supplies, periodic screening, diagnosis and treatment for children under 18, inpatient mental health care that consists of active care and treatment in a medically accredited institution and outpatient care in a qualified community health center. Outpatient psychiatric services would be limited to five visits related to "crisis" intervention, and additional visits could be authorized upon finding that in their absence the patient would require institutionalization or be severely dysfunctional.

The plan would also pay the Part B Medicare premium for persons eligible for this Title.

Copayments and Deductibles

Copayment is $3 for each of first 10 visits to doctor per family (but no copayments for visits for well-baby care and family planning services).

Payments to Health Care Providers and Administration

Same as Medicare (reasonable costs for institutions, reasonable charges for physicians).

Payments made under the program would have to be accepted as payment in full, and there could be no additional charges to patient.

Benefits reduced to patients by $250 if they have failed to enroll in an employer-employee plan in which employer pays 75 percent or more of the premium cost.

Financing

States would have to pay no more than they did for Medicaid in the year prior to this Title's effective date plus one-half of what they paid for medical services for those not covered by Medicaid. Thus States would be held harmless against costs or caseloads.

Effective Date

October 1, 1981.

TITLE III

Establishes a voluntary certification program for private basic health insurance to encourage the availability of adequate private health insurance.

Insurer could submit policy to HEW Secretary for certification. Certification is based on adequacy of coverage, conditions of eligibility, actual availability. Certified policies would be advertised as such.

Criteria for Certification of Policies

Must provide 60 days of hospital care and coverage of medical bills up to $2,000. (This meshes with catastrophic plan.)

Limits on deductibles and copayments.

Ban on exclusions, waivers of liability and waiting periods in group policies, and with respect to individual policies, a limit on medical exclusion to pre-existing pregnancy and waiting periods for other pre-existing conditions to not more than 90 days.

At least one annual open enrollment period.

Reasonable ratios of benefit payments to premiums defined in terms of average ratios for group policies generally written by insurers.

Incentives to Provide Certified Policies

For three years from effective date of act, Secretary of HEW studies progress of insurers in making certified policies actually and generally available to the population.

After that time no insurer could serve as a Medicare carrier or intermediary unless it offered one or more certified policies to the general public in each geographic or service area in which it did business.

Additionally, at that time, Secretary of HEW would be authorized to make basic coverage available at cost through Social Security in any area of the country where certified basic health insurance was not available.

Insurance Pooling

Contains an anti-trust exemption under which insurers could enter into contracts or arrangements for the sole purpose of establishing insurance "pool" arrangements in order to offer to the general public certified health insurance policies. Such pools allow proportionate sharing of risks and rewards.

SUMMARY OF THE CATASTROPHIC HEALTH INSURANCE AND MEDICAL ASSISTANCE REFORM ACT OF 1978

Description

A. *General Approach.*—The bill would provide catastrophic health insurance protection, effective January 1, 1981, for all legal U.S. residents through one of the following plans: (1) a Federally-administered public plan for the unemployed, welfare recipients, the aged, and persons who do not opt for private insurance coverage, and (2) a private catastrophic insurance plan allowed as an option for employers and the self-employed, who would be required under the terms of the bill to provide and pay the full cost of such catastrophic protection for their employees. Benefits would be similar to those currently covered under Medicare, but would be subject to payment by the beneficiary of the first 60 days of hospital care and the first $2,000 in medical expenses. The program would be financed through a one percent tax on the payroll of employers, with 50 percent of the amount paid as payroll tax allowed as a tax credit. Employers opting for a private plan would have the amount of their premiums deducted from their one percent payroll tax liability. They would also be eligible for a 50 percent tax credit on both the total amount of premiums paid for catastrophic coverage and any remaining Federal payroll tax liability after the premiums have been deducted.

In addition, effective October 1, 1981, the bill would replace Medicaid with a uniform, national program of medical benefits for low-income persons, administered by the Department of H.E.W. The bill further provides for a voluntary Federal certification program for basic private health insurance to encourage private insurers to make such basic coverage (supplemental to the catastrophic program) available in all areas of the country. If private insurers failed to make certified basic private health insurance available in any State, the Secretary of H.E.W. would be empowered, three years after the enactment of the program, to offer a standard health insurance policy to individuals and families living in that State.

B. *People Covered.*—Under the Catastrophic Health Insurance Plan, every individual who is a resident citizen or a lawfully-admitted resident alien would be entitled to catastrophic health insurance benefits under either the public plan or the private plan for employers and the self-employed. All employers, including Federal, State and local governments, would be required to provide for all their full-time employees (who work more than 25 hours per week) and their employees' spouses and dependent family members, the health insurance protection as specified in the bill. At their option, employers could also include part-time and temporary employees. An employer would be obligated to continue coverage for 90 days after an employee left his employment unless the employee obtained coverage under another employer plan. Federal, State and local governments would be considered employers for purposes of the catastrophic program.

The unemployed, welfare recipients, the aged, and all others not covered under an employer or self-employed private catastrophic plan would be covered under the public plan.

The Medical Assistance Plan for low-income persons would be available to all persons eligible for Medicaid benefits and to all individuals and families having an annual income at or below the following levels:

$3.000—for an individual;

$4,200—for a two-person family;

$4,800—for a three-person family;

$5,400—for a four-person family; and

$400—additional for each additional family member.

Families with incomes above these levels would become eligible if they spent enough on medical care to reduce their income to the eligibility levels. Thus, a family of four with an income of $6,000 would become eligible if it spent $600 for medical care.

C. *Scope of Benefits.*—The Catastrophic Plan would cover the same kinds of services as currently provided under Parts A and B of Medicare, except that there would be no upper limtation on hospital days or home health visits. Present Medicare coverage under Part A includes 90 days of hospital care, plus an additional lifetime reserve of 60 hospital days; 100 days of post-hospital extended care; and 100 home health visits during the year following discharge from a hospital or skilled nursing facility. Part B coverage includes physicians' services, 100 home health visits annually, laboratory and X-ray services, outpatient physical therapy services, and other medical and health services such as medical supplies, appliances and equipment, and ambulance services.

Benefits excluded from Medicare would also be excluded under this program. Medicare's limitation on skilled nursing care would also be retained. The Catastrophic Plan would apply different limits on inpatient and outpatient mental health services than those currently applicable under Medicare (i.e., presently a 190-day lifetime maximum in psychiatric hospitals, $250 maximum payable for outpatient mental health care). The Catastrophic Plan would cover (1) unlimited inpatient mental health services, consisting of a course of active care and treatment provided in an accredited medical institution; (2) unlimited mental health care services provided on a partial hospitalization basis by an accredited medical institution or qualified community mental health center; (3) unlimited outpatient services provided by a qualified community mental health center; and (4) visits to a privately practicing psychiatrist during any 12-month period, unless additional visits have been approved in advance by an appropriate professional review mechanism on the grounds that the patient would require institutional care in the absence of such additional outpatient visits.

Unlike Medicare which provides basic insurance coverage, the Catastrophic Health Insurance Plan would provide institutional benefits only after an individual had first been hospitalized for a total of 60 days in one year (this feature of the program is called the "hospital deductible"), and medical benefits only after an individual or a family had incurred medical expenses of $2,000 for physicians' services, home health visits, physical therapy services, laboratory and X-ray, and other covered medical and health services (this "medical deductible" would be dynamic in character, adjusted annually to reflect changes in the Consumer Price Index and other economic factors). The Plan would have a deductible carryover feature under which days spent in a hospital in the last three months of one calendar year could be counted toward satisfaction of the hospital deductible in the following calendar year; similarly, covered medical expenses incurred in the last three months of one calendar year could be counted toward meeting the $2,000 medical deductible for the next year. Once the hospital and medical deductibles had been met, the individual would not be charged for services covered under the program. However, following the first period of any 90 consecutive days during which the individual incurred less than $500 in medical expenses, catastrophic benefits would temporarily terminate until such time as the individual once again satisfied the medical deductible by incurring $2,000 in additional medical expenses. Similarly, following the first consecutive 90-day period during which an individual was neither an inpatient in a hospital nor an inpatient in a skill nursing facility, the individual would once again be liable for the 60-day hospital deductible applicable to catastrophic benefits.

The Medical Assistance Plan for the low-income would cover the following benefits generally without any limit on the amount of services or any cost-sharing required, except as indicated:

Inpatient hospital services—60 days in benefit period.

All medically-necessary skilled nursing facility care, intermediate facility care, and home health services.

Physicians' services—$3 copayment for each of first ten outpatient visits per family, except no charge for visits for well-baby care, family planning, and periodic exams for children under age 18.

Laboratory and X-ray services.

Prenatal and well-baby care.

Family planning, counseling, and supplies.

Periodic screening, diagnosis and treatment for children under age 18.

Outpatient physical therapy.

Immunizations and pap smears.

Medical supplies and appliances.

Ambulance services.

Mental health care services as follows: (1) on an inpatient basis—if provided in an accredited institution, services are included in the hospital inpatient benefit if the service constitutes active care and treatment; (2) on a partial hospitalization basis—if provided by an accredited institution or qualified community mental health center; (3) on an outpatient basis—without limit if provided by a community mental health center, limited to five visits if provided otherwise (e.g., by a psychiatrist) with additional visits subject to approval by a professional review organization. Benefit includes approved drugs when necessary to avoid hospitalization.

The Medical Assistance Plan would also pay the Medicare Part B premium for eligible individuals and would reimburse an individual for one-half of the amount of the actuarial value of catastrophic health insurance coverage paid by such individual under a self-employed plan or deducted as taxes from his self-employment income.

A special copayment requirement would apply to individuals who are not a member of a family after the 60th continuous day spent in a longterm care facility. The amount of this copayment would be equal to the amount of the patient's monthly income, less $50. (A similar requirement would apply in a situation where all members of a family have a stay exceeding 60 days.)

D. *Administration.*—The public Catastrophic Insurance Plan would be administered by the Health Care Financing Administration in a manner parallel to the administration of Medicare. The private Catastrophic Plan would be administered by a qualified private insurance carrier of the employers' choice. The Secretary of H.E.W. would be responsible for approving the employer plans and the self-employed plans administered through private carriers. To be approved as a carrier for private catastrophic insurance, an insurance carrier would have to comply with various Federal requirements, including a requirement that the carrier establish claims determination procedures which comply with section 503 of the Employee Retirement Income Security Act of 1974 and are consistent with those procedures employed by the carrier in its non-catastrophic health insurance business. To assist carriers in meeting this requirement, the Secretary would allow carriers reasonable access to claims data developed under Medicare's hospital insurance program. Carriers would also be exempted from certain antitrust laws as they might otherwise pertain to a group of carriers entering into a pool, reinsurance, or other residual market arrangement.

The Medical Assistance Plan for the low-income would be administered by the Secretary of H.E.W. Individuals eligible for benefits under the program would be issued a health benefits card indicating that their application for benefits had been filed and approved for a given benefit period. The Secretary would utilize private carriers as fiscal intermediaries responsible for administration of claims and payments to providers of services. The bill also provides that the Secretary could require the consolidation of the activities of these carriers in areas with small populations if necessary to improve quality and efficiency. Three years after the enactment of the program, no private carrier or other organization could be utilized under the Medical Assistance Plan or Medicare unless it was approved and certified under the Voluntary Certification Program established under the bill.

E. *Financing.*—The Catastropic Health Insurance Plan would be financed through a one percent tax on the payroll of employers and the income of the self-employed now subject to the Social Security tax. No employee contribution would be allowed. Amounts collected as taxes would be deposited in a Federal Catastrophic Health Insurance Trust Fund. An employer or self-employed individual who opted for a private, rather than public, catastrophic health insurance plan would have the amount of the premium for private coverage deducted from his one percent payroll tax liability; he would, however, remain liable for payment to the Federal Government or any difference between the amount paid as premiums for a private plan and the one percent Federal tax liability. Publicly-insured employers and self-employed individuals would be eligible for a catastrophic health insurance tax credit equal to 50 percent of the amount paid as payroll tax liability. Similarly, private-insured employers and self-employed persons would also be eligible for a 50 percent tax credit on the amount paid for private catastrophic insurance premiums, as well as a 50 percent tax credit on any additional amount paid to meet the one percent Federal payroll tax liability.

Employers and self-employed persons opting for private coverage would pay premiums directly to the carriers. The bill requires that the employer plans administered through private carriers must make available to the employer certain arrangements for the pooling of risks among various employee groups of different employers, so that premiums can be determined on a class, rather than an individual, basis.

Each year a five-member Federal Actuarial Committee would prepare a Table of Values of Catastrophic Health Insurance Coverage for the following year, indicating the actuarial value of one year's catastrophic health insurance coverage for one individual. This Table could be used by the employer as a guideline by which to evaluate the actuarial value of catastrophic health insurance coverage (and the premium charged therefor) offered through private carriers. The Committee would also review the marketing and rating practices of private carriers providing employer and self-employed plans for catastrophic insurance.

The Medical Assistance Plan would be financed from general revenues, just as the Federal share of the current Medicaid program is now financed, and also with State funds. A Medical Assistance Trust Fund would be established to make payments for benefits under the program. States would contribute a fixed amount which would be equivalent to their total expenditures from State funds under Medicaid for the types of benefits covered under this plan during the year prior to the effective date of this program. Additionally, a State would also pay 50 percent of the estimated amount that the State and local governments had expended in the same base year for provision of these types of services to people not covered under Medicaid who would, however, be covered under the new Medical Assistance Plan. State contributions in future years would be limited to the initial contribution amount.

To encourage States to offer optional services not covered under the Medical Assistance Plan, the State contribution would be reduced by an amount equal to one-half the amount expended by the States from non-Federal funds in providing types of services not covered under this program, but which would have been matched under the Medicaid program (such as drugs, dental services, etc.), provided, however, that the State had actually included such types of services under its Medicaid plan prior to the effective date of the new program.

F. *Payments to/Standards for/providers of services.*—Providers of services under the Catastrophic Insurance Plan and the Medical Assitance Plan would be reimbursed on the same basis as under Medicare. Reimbursement controls would include the payment of audited "reasonable costs" to participating institutions and agencies, and "reasonable charges" to practitioners and other suppliers. Payments to skilled nursing facilties and intermediate care facilities would be reimbursed on a "cost-related" basis.

Payments made under the Medical Assistance Plan, along with any required co-payment from the patient, would have to be accepted by providers and practitioners as payment in full for the services rendered, and no persons accepting such payment could charge additional amounts for these services.

Both programs would apply the same standards for providers of services as under Medicare. Both plans would also incorporate the quality, health and safety standards, and utilization controls which exist in the Medicare program, including review of services by institutional utilization review committees and Professional Standards Review Organizations (PSRO's).

G. *Effect on Other Government Programs.*—The Catastrophic Insurance Plan would supplement benefits provided under Medicare for persons covered by that program. The Medical Assistance Plan would replace the existing Medicaid program. The Catastrophic Insurance Plan would always be the primary payor in cases where an individual was also entitled to have payment made under either Medicare or the Medical Assistance Plan. Nor could payments under the Catastrohpic Plan be denied or reduced because benefits for services covered under that plan were also payable, or had been paid, under any other public or private insurance or health benefits plan.

H. *Other Major Provisions.*—

(1) *Voluntary Certification Program for Pivate Basic Health Insuance.*—The bill establishes a program whereby private health insurers could, at their option, submit one or more basic health insurance policies to H.E.W. for certification. Certification would be based upon certain minimum criteria with respect to adequacy of coverage, conditions of eligibility, actual availability of the policy, and reasonableness of premiums to expenses. Certified policies could then be used in each State which has in effect a basic health insurance facilitation program approved by the Secretary of H.E.W. State Agencies could also be used for certification on basic health insurance policies in States having an approved basic health insurance facilitation program. In addition to offering certified basic policies, a private carrier, in order to be "approved", would have to employ effective procedures designed to assure appropriate utilization and cost controls with regard to health services insured under its policies.

Three years after the start of the program, no insurer could serve as a carrier or intermediary for either Medicare or the new Medical Assistance Plan unless it offered one or more certified policies to the general public in each geographic area or service area in which it did business. The bill would facilitate establishment of insurance pool arrangements in order to make such certified policies available to the general public with a proportionate sharing of risks and rewards among participating insurers.

(2) *Government-sponsored Standard Health Insurance Policies on a Cost Basis.*—Three years after the start of the program, the Secretary of H.E.W. would be required to offer a standard health insurance policy providing basic health benefits to individuals and families living in any State which had neither a basic health insurance facilitation program nor approval basic health insurance policies actually available through private carriers. Premiums charged for such policies would be designed to cover costs, including administrative costs and reserves.

(3) *Amendments to Medicare.*—Makes several amendments to the existing Medicare program, designed to (a) allow coverage of immunizations on a scheduled allowance basis; (b) increase the dollar amount payable for mental health services under Part B; (c) adjust the amount of premiums for hospital insurance coverage payable for uninsured individuals not otherwise eligible for Medicare; (d) clarify provisions relating to payment for extended care services on a cost-related basis; and (e) extend coverage under the renal disease program to all individuals with kidney disease, regardless of insured status for purposes of Social Security benefits.

(4) *Philanthropic Support for Health Care.*—Includes provisions designed to encourage philanthropic support for health care, especially in support of experimental and innovative efforts to improve the delivery system.●

Mr. LONG. Mr. President, at Senator Talmadge's request, I ask unanimous consent that his statement regarding this legislation be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Mr. Talmadge

I am pleased to join with the distinguished Chairman of the Finance Committee in reintroducing the Catastrophic Health Insurance and Medical Assistance Reform legislation.

These proposals represent a measured, incremental approach which addresses the major concerns with respect to health care financing in this country.

We have Medicare for our elderly.

We have Medicaid for our low income citizens. The Catastrophic Health Insurance and Medical Assistance Reform legislation fills the gaps in those programs and provides an umbrella of protection for all Americans against the financial ravages of catastrophic illness and injury.

It has wide bipartisan appeal and, to my mind, represents the most realistic and sensible long-term approach to our unmet health care financing needs.

While budget and inflation concerns may prohibit us from doing all we would like to do—as fast as we would like to do it—the

Catastrophic Health Insurance and Medical Assistance Reform legislation is designed to be implemented as necessary funds become available.

To that end I am particularly pleased that the Committee will act on cost control and administrative improvements prior to considering National Health Insurance.

In this way we will be able to determine just how much we can afford to do and when we can afford to do it.

I look forward to continuing work on our cost control problems so that we may then address catastrophic health costs and medical assistance reform.

By Mr. STONE:

S. 352. A bill to extend coverage, under the insurance system established by title II of the Social Security Act, to service performed by an individual as a Member of Congress; to the Committee on Finance.

Mr. STONE. Mr. President, today I am introducing a bill to correct the most conspicuous of inequities in the social security law: Senators and Congressmen, who establish the rules and the tax rates for social security, do not pay into the system themselves because they are exempt from social security coverage. This bill would eliminate the exemption and require Members of Congress to participate in the social security system.

The original reason for exempting Congress from social security was that Senators and Congressmen were already protected by the civil service retirement fund, a program established before social security. Today, many workers belong to other retirement plans but, for them, social security is still mandatory. It is only natural then for these people to be resentful and to ask: If Congress can escape paying social security taxes, then why cannot other taxpayers with better plans have the same option. In my view, the congressional exemption is no longer either justifiable or fair.

In December 1977, Congress enacted a law substantially increasing social security taxes through the end of the 1980's. I reluctantly voted in favor of the tax increases, because they are necessary to prevent the pension system's bankruptcy and to protect the futures of millions of older Americans. But that very necessity only emphasizes the inequity of continuing the congressional exemption from social security.

Congress has mandated a study due in December looking into the advisability of including American workers under social security. My proposal would not affect the outcome of the study, but it would indicate Congress own willingness to pay the same taxes that might be recommended for all Government employees in the future.

The time has come for us as elected leaders to prove to working Americans, by our example, that we believe in the soundness of the social security pension program which we have mandated for them. To do this, Congress must end its special exemption and become taxpaying participants in the social security system. I urge you to support this measure and work with me toward its prompt enactment.

I ask unanimous consent that the text of the bill be printed.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 352

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 210(a) of the Social Security Act is amended. in paragraph (6) (A) and (C), by inserting "(Other than service performed as a Member of Congress)" immediately after "Service" each place it appears therein.

(b) Section 210 of such Act is further amended by adding at the end thereof the following new subsection:

"Member of Congress

"(P) The term 'Member of Congress' means the Vice President, a member of the Senate or the House of Representatives the Resident Commissioner from the Commonwealth of Puerto Rico, and a Delegate to the Congress from the District of Columbia or from any other Commonwealth or Territory of the United States.".

Sec. 2 (a) Section 3121(b)(6) of the Internal Revenue Code of 1954 (relating to definition of employment for purposes of the Federal Insurance Contributions Act) is amended by inserting "(other than service performed as a Member of Congress)" immediately after "(6)(A) service", and immediately after "(C) service".

(b) Section 3121 of such Code is further amended by adding at the end thereof the following new subsection:

"(r) Member of Congress.—For purposes of this chapter, the term 'Member of Congress' means the Vice President, a member of the Senate or the House of Representatives, the Resident Commissioner from the Commonwealth of Puerto Rico, and a Delegate to the Congress from the District of Columbia or from any other Commonwealth or Territory of the United States.".

Sec. 3. The amendments made by this Act shall apply with respect to service performed on and after the first day of the first calendar month which begins more than 60 days after the date of enactment of this Act.

By Mr. TOWER:

S. 353. A bill to facilitate the development and implementation of monetary policy, to reduce and restructure reserve requirements, and to provide for the maintenance of reserves by member banks and other depository institutions in earnings participation accounts at the Federal Reserve Banks; to the Committee on Banking, Housing, and Urban Affairs.

FEDERAL RESERVE MODERNIZATION ACT OF 1979

● Mr. TOWER. Mr. President, I am introducing legislation today that is designed to deal with what has come to be known as the Fed membership problem. That problem has to do with the attrition in the number of banks and bank deposits in the Federal Reserve System. The legislation I am introducing would deal with this problem through a voluntary approach by encouraging, rather than requiring, banks and other depository institutions to hold reserves at the Federal Reserve.

For a number of years now, there has been a decline in the percentage of banks and bank deposits in the Federal Reserve System. The peak in the percentage of banks was reached in 1951, when 49 percent of all commercial banks were members of the Federal Reserve. The share of total deposits held by member banks had peaked earlier at 87 percent. Since then, the percentage of banks that are members of the Federal Reserve has declined to 39 percent and the percentage of deposits at member banks has declined to 73 percent. Of course, all national banks must be members of the Federal Reserve, while State-chartered banks have the option of joining or not.

The principal reason for the attrition in Federal Reserve membership is that member banks are required to hold reserves at the Federal Reserve in the form of sterile assets. This requirement represents a tax on the assets of member banks. That tax results in a loss of revenue to member banks, and it has encouraged many member banks to withdraw from the System in order to improve earnings. It has also discouraged newly formed banks from joining the System.

The Federal Reserve is concerned that the continued attrition in banks from the System will affect its ability to conduct monetary policy. This concern was expressed most recently by Federal Reserve Board Chairman William Miller in an appearance before the House Committee on Banking, Finance and Urban Affairs when he stated that:

> It is essential that the Federal Reserve maintain adequate control over the monetary aggregates if the nation is to succeed in its efforts to curb inflation, sustain economic growth, and maintain the value of the dollar in international exchange markets. The attrition in deposits subject to reserve requirements set by the Federal Reserve weakens the linkage between member bank reserves and the monetary aggregates.

There is also growing concern over the competitive inequity caused by requiring member banks to hold reserves in the form of sterile assets while nonmember banks and thrift institutions are not.

Last year, the Banking Committees in both the House and the Senate considered legislation to deal with this issue. The approaches taken at that time varied rather widely. On the one hand, there was legislation that would have required all banks over a certain deposit size to hold reserves at the Federal Reserve, whether they were members or not. Other bills—introduced by Senator Brooke and Senator SCHMITT—did not require nonmember banks to hold reserves at the Federal Reserve, but would have encouraged membership by allowing member banks to receive earnings on their reserves. Because this issue was so controversial and complex, there was not enough time during the 95th Congress to resolve this matter and the Banking Committee in the Senate delayed taking any final action until it could review the issue in more detail this year.

Legislation has been introduced this year that would require banks and other depository institutions with deposits over a certain size to hold reserves at the Federal Reserve. I am greatly concerned over this legislation because it would subject nonmember banks to the reserve requirements of the Federal Reserve. This represents a significant break with the present system, under which banks can decide whether or not they want to be members of the Federal Reserve System.

Moreover, it perpetuates the inequitable tax of sterile reserves on the banking system. Nonmember banks, which have not had to hold reserves at the Federal Reserve, would have to set aside reserves in the form of sterile assets. This would be unfair because it would reduce the earnings of those nonmember banks. They had chosen not to be member banks and to now tax them by requiring them to hold reserves in the form of sterile assets would result in an unwarranted shift of funds from the private sector to the public sector.

The reason for the attrition in Fed membership is an economic one: member banks must hold reserves at the Federal Reserve in the form of sterile assets. I believe this problem could be dealt with in a straightforward manner by allowing member banks to hold those reserves in the form of earning assets. This would put them on an equal competitive footing with nonmember banks and other depository institutions and remove the incentive which member banks have for leaving the Federal Reserve System. This bill I am introducing today adopts this type of a voluntary approach to solving the Fed membership problem.

There are three basic elements to my bill. The first part would authorize the Federal Reserve to obtain information on the assets and liabilities of nonmember banks and other depository institutions. One of the problems repeatedly noted by the Federal Reserve has been the lack of data on nonmember depository institutions and the effect that changes in monetary policy have on those institutions. This part of the bill would solve this problem.

The second part of the bill would reduce and simplify the reserve requirements on member banks, and apply them uniformly (for different types of deposits) regardless of the size of a bank or its location. A reduction in reserve requirements is needed to help reduce the overall burden of reserves on member banks. Their application on a uniform basis would help reduce the uncertainty for monetary policy associated with shifts in deposits between different types of deposits and different size banks.

Under my bill, nonmember banks and thrift institutions would be allowed, but not required, to hold reserves at the Federal Reserve. Any bank or thrift institution holding reserves at the Federal Reserve would be able to obtain any of the services provided by the Federal Reserve. Those not holding reserves at the Federal Reserve would not be able to obtain Federal Reserve services, except access to the discount window under emergency conditions. My bill does not address the issue of explicit pricing of Federal Reserve services. That is an issue that I believe should be dealt with separately.

The third part of the bill would allow banks and other depository institutions to earn interest on their reserves held at the Federal Reserve in the form of an earnings participation account. The legislation would be implemented over a 4-year period.

I am introducing this bill because I believe it is an approach that should be considered during the upcoming hearings in the Banking Committee. It is a clear-cut alternative to other proposals requiring all banks over a certain size to hold reserves at the Federal Reserve.

I ask unanimous consent that this bill, together with a brief section-by-section analysis of it, be printed in the Record.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 353

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. This Act may be cited as the "Federal Reserve Modernization Act of 1979."

Sec. 2. Section 11(a) of the Federal Reserve Act (12 U.S.C. 248(a)) is amended (1) by inserting "(1)" immediately after "(a)", and (2) by adding at the end thereof the following new paragraph:

"(2) To require any depository institution specified in this paragraph to make, at such intervals as the Board may prescribe, such reports of its liabilities and assets as the Board may determine to be necessary to enable the Board to discharge its responsibility to monitor and control monetary and credit aggregates. Such reports shall be made (A) directly to the Board in the case of member banks and in the case of other depository institutions which maintain reserves pursuant to section 19 of this Act and (B) to the Board through the (i) Federal Deposit Insurance Corporation in the case of insured State nonmember banks, (ii) National Credit Union Administration in the case of insured credit unions, (iii) Federal Home Loan Bank Board in the case of any institution insured by the Federal Savings and Loan Insurance Corporation or which is a member as defined in section 2 of the Federal Home Loan Bank Act, and (iv) such State officer or agency as the Board may designate in the case of any other type of bank, savings and loan association, or credit union. The Board shall endeavor to avoid unnecessary burdens on reporting institutions and, insofar as possible, use reports required by the Federal agencies mentioned above or the appropriate state bank supervisory authority, and any data therefrom shall be made readily available to the Board. The Board may classify depository institutions for the purposes of this paragraph, and may impose different requirements on each such class."

Sec. 3. (a) The last sentence of subsection (b) of section 19 of the Federal Reserve Act (12 U.S.C. 461) is designated as paragraph (7) and that part of subsection (b) that precedes that sentence is amended to read as follows:

"(b)(1) Every member bank shall maintain reserves against its demand deposits in such ratio, not less than 3 per centum nor more than 10 per centum, as shall be determined by the Board.

(2) Every member bank shall maintain reserves against its time deposits of less than one hundred and eighty days in maturity and savings deposits in such ratio, not less than 1 per centum nor more than 7 per centum, as shall be determined by the Board.

(3) Member banks shall not be required to maintain reserves against time deposits with initial maturities of one hundred and eighty days or more.

(4) In setting the reserve ratios under paragraphs (1) through (2) of this subsection, the Board shall establish uniform ratios applicable to all member banks.

(5) Any nonmember depository institution may maintain reserves at a Federal Reserve bank: *Provided,* That such institution complies with the same reserve standards applicable to member banks under this section.

(6) Except as provided in paragraph 3 of section 13 of the Federal Reserve Act, any nonmember depository institution not maintaining reserves in accordance with this section shall not be eligible to receive Federal Reserve bank services: *Provided, however,* that this prohibition does not restrict a nonmember depository institution from receiving indirectly the benefits of such services through the maintenance of a correspondent or similar relationship with a member bank."

(b) Section 19(c) of the Federal Reserve Act (12 U.S.C. 461) is amended to read as follows:

"(c) Reserves held by any member bank to meet the requirements imposed pursuant to subsection (b) of this section or by any nonmember depository institution voluntarily complying with such reserve standards shall be in the form of—

(1) balances maintained for such purpose by such institution at a Federal Reserve bank, and

(2) the currency and coin held by such institution.

A member bank or a nonmember depository institution complying with this section may maintain an amount equal to its total reserves determined under paragraphs (1) and (2) of subsection (b), less its vault cash, in an Earnings Participation Account at a Federal Reserve Bank.

The Earnings Participation Account of a depository institution shall earn interest at a rate ½ percent below the average rate earned on the securities portfolio of the Federal Reserve System during the calendar quarter immediately preceding the interest payment date. The Board is authorized to adopt rules and regulations relating to the maintenance and administration of Earnings Participation Accounts."

Sec. 4. The Federal Reserve Board shall implement the reserve requirements imposed by section 2 and establish Earnings Participation Accounts provided for in that section in and orderly transition period, within four years after the effective date of this Act.

Sec. 5. This Act shall become effective 90 days after enactment.

Section-By-Section Analysis

Section 1. Title.

The title of this Act is the "Federal Reserve Modernization Act of 1979."

Section 2. Information Collection.

This section authorizes the Federal Reserve Board to collect information about the assets and liabilities of any depository institution. To avoid unnecessary reporting burdens, the information made available to the Board would be gathered by the appropriate Federal or State supervisory agency using existing reports insofar as possible.

Section 3. Reserve Requirements.

(a) The Board would set reserve ratios for two categories of deposits, as follows: (1) reserves against demand deposits would be set between 3 and 10 percent; and (2) reserves against savings deposits (including NOW accounts) and short-term time deposits would be set between 1 and 7 percent. Within each category, the ratios would apply uniformly regardless of the amount of deposits or the bank's location. For time deposits with initial maturity of 180 days or more, there would be no reserve requirements.

While such reserve ratios are mandatory for member banks, other institutions may voluntarily comply with the same reserve standards. Institutions which do not meet the reserve standards would be denied access to Federal Reserve System services. This latter provision does not affect the Board's ability to provide access to the discount window to non-member institutions in emergency situations nor does it restrict indirect use of Federal Reserve services through correspondent relationships with member banks.

(b) Reserves would be in the form of balances held at a Federal Reserve Bank and vault cash, as under present law. Member banks and other institutions voluntarily complying with the Board's reserve ratios could maintain an Earnings Participation Account with a Federal Reserve Bank. These accounts would earn interest at a rate ½ percent below the rate of earnings of the Federal Reserve on its portfolio. An institution could place in its participation account no more than the total amount determined under the reserve ratios minus its vault cash.

Section 4. Transition Period.

To provide an orderly transition to the reduced and uniform reserve ratios and the new Earnings Participation Accounts, the bill directs the Board to implement this Act within a four year period.

Section 5. Effective Date.

This Act would take effect 90 days after enactment.●

By Mr. CANNON (for himself, Mr. STEVENSON, and Mr. SCHMITT) (by request):

S. 354. A bill to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development; to the Committee on Commerce, Science, and Transportation.

● Mr. CANNON. Mr. President, I introduce today, at the request of the National Aeronautics and Space Administration, and on behalf of myself and my colleagues, Mr. STEVENSON and Mr. SCHMITT, a bill to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development for fiscal year 1979.

I ask unanimous consent that the text of the bill, the letter of transmittal, and the sectional analysis be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD as follows:

S. 354

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (1) of subsection 1(a) of the National Aeronautics and Space Administration Act, 1979 (Public Law 95-401), is amended by striking out $1,443,300,000" and inserting in lieu thereof "$1,628,300,000."

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION,
Washington, D.C., January 22, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Submitted herewith is a draft of a bill, "To authorize a supplemental appropriation to the National Aeronautics and Space Administration for Research and Development," together with the analysis thereof.

The bill would authorize for Fiscal Year 1979 an additional appropriation for "Research and Development" for Space Shuttle totaling $185,000,000. As discussed with the Committee on Commerce, Science, and Transportation, the additional funding is needed to support the most efficient and effective Space Shuttle development and production schedule. The funding requirement is not due to any single program element, but due to several items, including the orbiter, main engines, solid rocket boosters, external tank and thermal protection system. Generally, more work has been found necessary than was originally estimated.

The National Aeronautics and Space Administration recommends that the enclosed draft bill be enacted. The Office of Management and Budget has advised that such enactment would be in accord with the program of the President.

Very truly yours,
ROBERT A. FROSCH,
Administrator.

SECTIONAL ANALYSIS

A bill to authorize a supplemental appropriation to the National Aeronautics and Space Administration for Research and Development.

The bill increases the authorization for Research and Development for Space Shuttle, for fiscal year 1979, from $1,443,300,000 to $1,628,300,000.

The supplemental authorization will be subject to the same conditions and limitations contained in the National Aeronautics and Space Administration Authorization Act, 1979 (Public Law 95-401).●

By Mr. BENTSEN:

S. 355. A bill to amend title 18, United States Code, relating to criminal offenses committed by terrorists; to the Committee on the Judiciary.

ANTITERRORIST LEGISLATION

● Mr. BENTSEN. Mr. President, I rise today to introduce legislation to create strict mandatory prison sentences for those convicted of terrorist crimes, and to cosponsor legislation that will improve our Government's ability to anticipate and combat terrorist crimes.

In recent years such crimes have killed or maimed hundreds of Americans and thousands of people worldwide. In the last 10 years, over 400 Americans have been killed or wounded. Over $6 million of property damage has been inflicted. There have been over 1,000 separate incidents of terrorist violence.

International terrorism has taken an even greater toll, bringing death and danger to all corners of the world. In the Middle East, Palestinian extremists escalate their campaign of death, willing to destroy the lives of any person, even completely innocent women and children who happen to be at the wrong place at the wrong time.

In Europe, in Latin America, and in Africa, terrorist action has taken on alarming proportions. Aldo Moro is murdered in Italy, a general is shot in Spain, and countless citizens are gunned down by forces in Northern Ireland. When will it stop? When will people realize that murder cannot be seen as a solution to political disputes? When will these people stop using the innocent as pawns in a political struggle?

Mr. President, I am today introducing legislation to provide strict mandatory punishment for persons convicted of terrorist crimes in the Federal jurisdiction. In addition to the usual indeterminate sentence, my proposal would add a definite and mandatory sentence that could not be suspended or reduced by probation. For all terrorist crimes, there would be an additional sentence of no less than 2 or more than 20 years. For aggravated cases, the additional sentence would be no less than 4 years, and could go up to life in prison. For the most aggravated cases that result in death to the victim, the death penalty option would be available.

I am mindful that capital punishment is the ultimate sanction that the law allows. It should be used in only the most extreme cases. The graduated scale of punishments provided by this legislation would help insure that the punishment provided would rise with the gravity of the crime, and that the most severe punishment would be employed in only the most severe cases.

My measure provides for a sentencing hearing to determine whether any mitigating circumstances exist in cases where the death penalty is an option. It will fully protect the rights of the accused by allowing all relevant evidence about mitigating circumstances to be presented at the sentencing hearing. However, it will provide a clear message that society will not tolerate wanton and coldblooded crimes of violence.

Mr. President, there can be no place for random violence in our free society. There can be no place for bombs, air piracy, or machineguns in our streets. There can be no appeal over the ballot to the bullet, and those who make such an appeal must pay a high cost. My proposal, if enacted, would increase the cost.

The second piece of legislation, which I am pleased to cosponsor, would provide for greater coordination of Government antiterrorist programs, and sanctions against nations that refuse to act against terrorists. This legislation is similar to proposals I have made in the past, and I believe that it should be enacted in this Congress.

It is true that we cannot foreclose the possibility of future acts of terrorist violence, but we can increase our ability to predict and prevent some of these crimes. We can also increase our ability to apprehend and imprison the guilty. To do this we must improve our domestic antiterrorist activities. We must also demand the active cooperation of other governments in resisting this political blackmail and in punishing those responsible. This legislation will help us meet this important challenge.

It will provide for a more unified effort by the Departments of State, Justice, and Transportation to prevent and punish terrorist violence. It will create a high level interagency panel to enable different parts of the Government to work more closely and effectively together. It will require the President to send periodic reports to the Congress, listing terrorist crimes and the Government's response to them.

Mr. President, it is also essential that the United States exert pressure where it can against those countries that recklessly support terrorist crimes.

Nations that condone or encourage terrorist violence would not receive aid under the Foreign Assistance Act. They would not receive defense materials under the Arms Export Control Act. They would not receive export licenses for commodities or technical assistance that will enhance their military or terrorist potential. They would not receive duty free treatment under the Trade Act of 1974.

Furthermore, this legislation would require careful evaluation of airport security in nations that service American passengers. It would increase our efforts to help friendly nations correct security weaknesses that provide opportunities for terrorists to commit their violent crimes.

We cannot eliminate terrorist crimes. There will always be some who will use the destruction of human life as a means to a political end. Yet the proposals I introduce and support today will help provide a unified and coherent response to terrorist violence.

They will insure that before crimes occur, we will be on guard.

They will insure that when these crimes occur, we will be prepared.

They will insure that if violence is committed, we will be ready and able to take every possible step to bring the guilty to justice.

They will insure that when the guilty are convicted, they will be punished severely, so severely that they will never again endanger or take the lives of innocent people.

Mr. President, there has been too much violence by political criminals who seek death and destruction in pursuit of revolutionary aims. There can be no excuse, no justification, no reasoning, that can support these mindless acts of bloodshed. There can be no place in civilized society for those who place their bullets and bombs above the rule of law. I urge the Congress to give prompt and favorable attention to this important effort.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 355

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Title 18, United States Code, is amended by inserting immediately after Chapter 41 thereof the following new chapter:

"Chapter 41A.—OFFENSES COMMITTED BY MEMBERS OF TERRORIST ORGANIZATIONS

"Sec.
"380. Terrorist activities.

"§ 880. Terrorist activities

"(a) Whoever being a member of, or affiliated with, any terrorist organization is found guilty of, or pleads guilty to an offense under section 81, chapter 7 (other than subsection (e) of section 113 thereof), chapter 103, chapter 105, section 751, section 794, section 844(d), section 844(f), section 844(i), section 1111, section 1112, section 1201, section 2381, section 114, section 116, section 1751, or section 351 of this title, shall, if such offense was committed pursuant to the advocacy, direction, teachings, or encouragement of such terrorist organizations, in addition to the punishment provided for the commission of such offense, be sentenced to a term of imprisonment for not less than two years or more than ten years, except that, if the death of any person or injury resulting in death to any person occurred during the commission or attempted commission of or during the immediate flight from the commission or attempted commission of any such offense, such defendant so committing such offense shall, subject to the provisions of section 881 of this title, be sentenced to death.

"(b) As used in this chapter, the term 'terrorist organizations' means any society, group, club, league, committee association, or other combination or assembly of persons who advocate, direct, teach, or encourage (1) the use of murder, sabotage, or other forms of violence as a means or technique to (A) demonstrate approval or disapproval of governmetal policies or practices or the lack thereof, (B) express a view on public issues, or (C) bring into public notice any issue or other matter, (2) the use of murder, sabotage, or other violence as a means or technique to overthrow all forms of law, or (3) the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers generally) of the Government of the United States or any other organized government (including law enforcement officers) because of his or their official character.

"§ 881. Sentencing hearing

"(a) When a defendant is found guilty of or pleads guilty to an offense referred to in section 880 and is subject to the death penalty under such section, the judge who presided at the trial or before whom the guilty plea was entered shall conduct a separate sentencing hearing to determine the existence or nonexistence of the factors set forth in subsection (d) of this section for the purpose of determining the sentence to be imposed. The hearing shall be conducted—

"(1) before the jury which determined the defendant guilty;

"(2) before a jury impaneled for the purpose of the hearing if—

"(A) the defendant was convicted upon a plea of guilty;

"(B) the defendant was convicted after a trial before the court sitting without a jury;

"(C) the jury which determined the defendant guilty has been discharged by the court for good cause;

"(D) review by a court of appeals of the original sentence to death has resulted in a remand for resentencing under this chapter; or

'(3) before the court alone, upon the motion of the defendant and with the approval of the court and of the Government.

"(b) Any information relevant to any of the factors set forth in subsection (d) may be presented by either the Government or the defendant, regardless of its admissibility under the rules governing admission of evidence at criminal trials. The Government and the defendant shall be given a fair opportunity to rebut any information received at the hearing, and to present argument as to the adequacy of the information to establish the existence or nonexistence of any of the factors set forth in subsection (d).

"(c) The burden of establishing the existence of any of the factors set forth in subsection (d) is on the defendant and is not satisfied unless established by a preponderance of the evidence.

"(d) The jury, or if there is no jury, the court, shall return a special verdict setting forth its findings as to the existence or nonexistence of the following factors—

"(1) the defendant, at the time of the offense, was under the age of eighteen years:

"(2) at the time of the offense, the defendant's capacity to appreciate the wrongfulness of his or her conduct or to conform his or her conduct to the requirements of law was significantly impaired, but not so impaired as to constitute a defense to prosecution;

"(3) the defendant was under unusual and substantial duress, although not such duress as to constitute a defense to prosecution;

"(4) the defendant was an accomplice, the conduct constituting the offense was principally the conduct of another person, and the defendant's participation was relatively minor; or

"(5) the defendant could not reasonably have foreseen that his or her conduct in the course of the commission of the offense for which he or she was convicted would cause, or would create a grave risk of causing, death to another person.

"(e) If the jury, or if there is no jury, the court, finds by such special verdict provided in subsection (d) that any one or more of the factors set forth in subsection (d) exists, the court shall not impose the sentence of death on the defendant, but rather shall impose the sentence otherwise provided for such offense and, in addition thereto, shall sentence such defendant to a term of imprisonment which shall not be less than four years and which may be up to imprisonment for life. If such jury, or if there is no jury, the court, finds by such special verdict that no factor set forth in subsection (d) exists, the court shall impose the sentence of death on the defendant.

"(f) The imposition or execution of any mandatory minimum sentence pursuant to this chapter shall not be suspended, probation shall not be granted, and section 4202 and chapters 309 and 402 of this title shall not be applicable thereto." ●

By Mr. BELLMON:

S. 356. A bill to encourage the establishment of an International Grain Exporting Stabilization Commission; to the Committee on Agriculture, Nutrition, and Forestry.

INTERNATIONAL WHEAT EXPORTING COMMISSION ACT OF 1979

● Mr. BELLMON. Mr. President, the legislation that I am introducing today is designed to increase the domestic and world price of wheat so that farm income will increase, Government expenditures for farm subsidies will decrease, consumers will be assured of a dependable supply of wheat at a reasonable cost, and developing countries will have the incentive to increase their food grain production.

The International Grain Exporting Commission Act of 1978 requests the President to take such action as is necessary to establish an international grain exporting commission to be composed of the major wheat exporting countries. The Commission would establish a minimum world export price for wheat. I would suggest that the minimum export price should be around $4.50 per bushel f.o.b. at the export ports.

Although the management and policies of the Commission would be established by the member countries of the Commission, I envision the Commission implementing an export licensing program. In my proposal, no member country could export wheat without an export license issued by the International Grain Exporting Stabilization Commission. The license would be valid only when the sales price was above $4.50 per bushel f.o.b. at the port of member countries. The Commission would also establish some price when world supplies were tight that no export license would be necessary. Six dollars per bushel f.o.b. at the port would be a good level to no longer require export licenses.

The Commission would have to establish a procedure to allocate the export licenses to the member countries based upon historical shares of the export markets. The Commission would also probably want to provide procedures for the new entries into the market.

Although previous wheat agreements have not worked well, I am convinced that the climate has changed and that a carefully drawn, equitable plan would succeed.

It is my understanding that the current International Wheat Agreement that is being negotiated in Geneva, Switzerland, is weak and does not establish a world price for wheat that will increase farm income or provide incentive for developing countries to increase production.

Mr. President, the price of wheat has fluctuated around $3 per bushel at the farm since harvest last year. With a projected carry-in of over 1 billion bushels at the beginning of the new crop year, market prices are not likely to be higher this year than last year. Being a wheat farmer myself, I can assure my colleagues in the Senate that farmers cannot grow a bushel of wheat for $3 per bushel. Farmers cannot continue to sustain losses producing wheat over the long haul. Action must be taken that will allow farmers to make a reasonable profit.

Any increase in the target price on loan levels under the current farm program would be very costly to the Treasury. An International Wheat Exporting Commission would reduce the cost of the existing farm programs, not increase them.

A $4.50 per bushel f.o.b. export price would not gouge consumers. The price of a 1-pound loaf of bread increases about 1½ cents for each $1 per bushel increase in the price of wheat. Thus if the price of wheat increases to $5 per bushel f.o.b. at the ports, the price of bread would only increase about 2 cents per loaf since the current export price for wheat has been fluctuating around $3.50 per bushel f.o.b. at the ports.

An increase in the world wheat price may be the only thing that will prevent massive starvation in the developing countries in the next century. As long as the developing countries maintain a cheap food policy, their farmers will never have enough money to purchase better farming implements, fertilizer, or improved seed. It will never be economical to irrigate arid land, drain the swamps, or cultivate the marginal lands. Grain production cannot be increased overnight. Action must be taken now to provide the price incentive for developing countries to increase their productions.

A higher world price for wheat will not significantly decrease our exports to the developed countries. Japan resells U.S. wheat for over $9 per bushel and the European Community is currently selling wheat at $7.50 per bushel after adding $4 to the price of wheat through a levy. Accordingly an increase in the price of U.S. wheat should not affect exports to Japan or the European Community.

A higher export price for wheat would certainly help our balance-of-payment deficit and help offset the large amount of oil that the United States is importing.

Mr. President, Canada has expressed a strong desire to enter into a wheat agreement that is of mutual benefit. The United States and Canada produce two-thirds of the wheat that is exported. If Australia and Argentina joined in the International Wheat Exporting Commission, roughly 90 percent of the wheat exported would be subject to minimum price. Any economist will tell you that a wheat agreement that controls 90 percent of the market will be effective.

In summary, the organization of an International Wheat Exporting Commission would improve farm income, reduce Government expenditures, improve our balance of trade, encourage developing countries to increase production, and not significantly increase the cost of bread. Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD. Also I ask unanimous consent that an excerpt from a statement by Maurice J. Williams be inserted in the RECORD.

There being no objection, the bill and excerpt were ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the International Wheat Exporting Commission Act of 1978".

SEC. 2. The Congress finds that (1) in order to insure an adequate supply of grain for the world market each marketing year, (2) in order to protect purchasers of wheat against wide fluctuations in the price of wheat during any marketing year, and (3) in order to assist wheat producers in the United States and throughout the world to obtain a fair and reasonable price on the quantity of wheat produced by them for export, an international body composed of members from countries that export substantial quantities of wheat each year should be established to carry out the purposes described in section 3.

SEC. 3. The President is requested to take such action as may be necessary to lead to the establishment of an international grain exporting commission whose purpose would be to set a minimum world market price each year for wheat exported from member nations, prescribe the share of wheat, based upon historic relationship, that may be exported from member countries each year, and to initiate and carry out such other actions as may be necessary to insure an adequate supply of wheat for the world market each year, to protect purchasers of wheat against wide fluctuations in the price of wheat during any marketing year, and assist producers of wheat throughout the world to recover at least costs of production for the quantity of wheat produced by them for export.

SEC. 4. The President is further requested to urge any such international commission which may be established to adopt a program which would incorporate the following measures:

(1) The issuance by such commission each year of export licenses to the member nations prescribing the total quantity of wheat each member nation may export in such year.

(2) A prohibition against the export by any member nation of any quantity of wheat in excess of the quantity provided for in the export license issued to such nation for such year.

(3) The quantity of wheat for which an export license would be issued in any year in the case of any member nation would be based upon the historical wheat export market share of such nation during a base period and upon other relevant factors prescribed by such commission.

(4) a minimum market price at which wheat exported from member nations would be sold each year, determined by such commission.

(5) In determining whether the minimum price referred to in clause (4) is being met in the case of any member nation in any year, there would be taken into consideration any transportation or freight subsidy paid by such nation on the wheat exported from such nation in such year.

(6) A minimum market price at or above which no export license for wheat would be required.

(7) An adjustment each year in the minimum sale price referred to in clause (4) and the minimum price referred to in clause (6) each year to take into account inflation.

(8) Procedures for including new wheat exporting nations in the membership of such commission each year with a prescribed maximum by which the membership could be expanded in any year.

(9) Provision for the imposition of a reasonable fee for each export license issued by such commission to cover the expenses of the commission.

SEC. 5. The President may provide for participation by the United States in any international wheat exporting stabilization commission described in section 3 of this Act for a period of three years.

SEC. 6. (a) The President shall keep the Congress currently informed of the actions taken by him in carrying out the provisions of this Act and the progress being made in achieving the establishment of an international wheat exporting stabilization commission for wheat described in section 3.

(b) Following the establishment of such a commission, the President shall submit a written report to the Congress at the end of each year describing the operations of such commission and the President's assessment of such operations.

THE NATURE OF THE WORLD FOOD AND POPULATION PROBLEM

D. THE NEED FOR STEPPED-UP INVESTMENT IN FOOD

It is in the basic interest of the United States and of other advanced industrial countries to support stepped-up investment and a dramatic increase in food production in the developing countries, both to help these countries meet the nutritional needs of their growing populations—as a major factor affecting world political stability—as well as to hold down the soaring cost of food which has been an important factor in the current inflation in the United States and other OECD countries.

In the next 15 years the demand for food grains in the developed countries will increase tremendously—by an estimated 200 million tons, or nearly equivalent to the current production of grain in the United States. During this period demand in the developing countries will increase by 350 million tons, and under current patterns of production well over 100 million tons of this increase in developing world demand would have to be met by increased exports from North America. The Washington-based Overseas Development Council has pointed out that the North American granary cannot provide another 100 million tons of exports for the developing countries while at the same time meeting growing needs in the United States and other developed countries, as well as the probability of large import demand by the USSR and China, without sharply increasing prices during the 1980s and beyond.

The United States and Canada cannot feed the world, nor should they attempt to do so. Already North America is on its way to becoming the bread basket for the world, with exports increasing from 34 million tons in 1960 to 100 million tons in recent years. The inflationary implications of current trends in world demand and supply of food grains are considerable, not only because of the risk that world demand will surge ahead of world production, but because of the almost certain increased costs of production in the United States resulting from the need to engage land which should not be put under intensive production and the use of scarcer water supplies, as well as the prospects of having to use even more intensive application of higher cost fertilizer and energy to gain increased yields.●

By Mr. CANNON (for himself, Mr. Stevenson, and Mr. Schmitt) (by request):

S. 357. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation.

● Mr. CANNON. Mr. President, I introduce today, at the request of the National Aeronautics and Space Administration, and on behalf of myself and my colleagues, Mr. Stevenson and Mr. Schmitt, a bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes for fiscal year 1980.

I ask unanimous consent that the text of the bill, the letter of transmittal and the sectional analysis be printed in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 357

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated to the National Aeronautics and Space Administration to become available October 1, 1979:

(a) For "Research and development," for the following programs:

(1) Space Shuttle, $1,336,000,000;

(2) Space flight operations, $467,300,000;

(3) Expendable launch vehicles, $70,700,000;

(4) Physics and astronomy, $337,500,000;

(5) Planetary exploration, $220,200,000;

(6) Life sciences, $43,900,000;

(7) Space applications, $332,300,000;

(8) Technology utilization, $12,100,000;

(9) Aeronautical research and technology, $300,300,000;

(10) Space research and technology, $116,400,000;

(11) Energy technology, $3,000,000;

(12) Tracking and data acquisition, $332,800,000.

(b) For "Construction of facilities," including land acquisition, as follows:

(1) Modification of static test facility, Ames Research Center, $2,900,000;

(2) Construction of large aircraft maintenance dock, Hugh L. Dryden Flight Research Center, $1,500,000;

(3) Rehabilitation and modification of flight operations facilities, Ellington Air Force Base, $1,760,000;

(4) Modifications to central instrumentation facility, John F. Kennedy Space Center, $1,260,000;

(5) Modifications to operations and checkout building, John F. Kennedy Space Center, $950,000;

(6) Modifications of model support system 8-foot high temperature structures tunnel, Langley Research Center, $1,410,000;

(7) Modifications to 8-foot transonic pressure tunnel, Langley Research Center, $2,000,000;

(8) Modification of transonic dynamics tunnel, Langley Research Center, $970,000;

(9) Rehabilitation and modification of gas dynamics laboratory, Langley Research Center, $3,600,000;

(10) Modifications to central air system, various buildings, Lewis Research Center, $5,720,000;

(11) Modifications to various buildings, Marshall Space Flight Center, $2,640,000;

(12) Rehabilitation of roofs, various buildings, Marshall Space Flight Center, $900,000;

(13) Construction of facilities operations shop building, Wallops Flight Center, $1,100,000;

(14) Large aeronautical facility; construction of national transonic facility, Langley Research Center, $12,000,000;

(15) Large aeronautical facility; modification of 40- by 80-foot subsonic wind tunnel, Ames Research Center, $33,900,000;

(16) Space Shuttle facilities at various locations as follows:

(A) Modifications to launch complex 39, John F. Kennedy Space Center, $17,700,000;

(B) Modifications to crawler transporter maintenance facility, John F. Kennedy Space Center, $1,250,000;

(C) Modification of manufacturing and final assembly facilities for external tanks, Michoud Assembly Facility, $10,000,000;

(D) Minor Shuttle-unique projects, various locations, $2,500,000;

(17) Space Shuttle payload facilities at various locations as follows:

(A) Rehabilitation and modification for payload ground support operations, John F. Kennedy Space Center, $2,610,000;

(B) Modification and addition to materials sciences laboratory, Ames Research Center, $1,640,000;

(18) Repair of facilities at various locations, not in excess of $500,000 per project, $12,000,000;

(19) Rehabilitation and modification of facilities at various locations, not in excess of $500,000 per project, $19,790,000;

(20) Minor construction of new facilities and additions to existing facilities at various locations, not in excess of $250,000 per project, $3,500,000;

(21) Facility planning and design not otherwise provided for, $14,000,000.

(c) For "Research and program management," $964,900,000, and such additional or supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.

(d) Notwithstanding the provisions of subsection 1(g), appropriations for "Research and development" may be used (1) for any items of a capital nature (other than acquisition of land) which may be required at locations other than installations of the Administration for the performance of research and development contracts, and (2) for grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities; and title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to insure that the United States will receive therefrom benefit adequate to justify the making of that grant. None of the funds appropriated for "Research and development" pursuant to this Act may be used in accordance with this subsection for the construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $250,000, unless the Administrator or his designee has notified the Speaker of the House of Representatives and the President of the Senate and the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate of the nature, location, and estimated cost of such facility.

(e) When so specified and to the extent provided in an appropriation Act, (1) any amount appropriated for "Research and development" or for "Construction of facilities" may remain available without fiscal year limitation, and (2) maintenance and operation of facilities, and support services contracts may be entered into under the "Research and program management" appropriation for periods not in excess of twelve months beginning at any time during the fiscal year.

(f) Appropriations made pursuant to subsection (1)(c) may be used but not to exceed $25,000, for scientific consultations or extraordinary expenses upon the approval or authority of the Administrator and his determination shall be final and conclusive upon the accounting officers of the Government.

(g) Of the funds appropriated pursuant to subsections 1(a) and 1(c), not in excess of $75,000 for each project, including collateral equipment, may be used for construction of new facilities and additions to existing facilities, and for repairs, rehabilitation, or modification of facilities: *Provided*, That of the funds appropriated pursuant to subsection 1(a), not in excess of $250,000 for each project, including collateral equipment, may be used for any of the foregoing for unforeseen programmatic needs.

Sec. 2. Authorization is hereby granted whereby any of the amounts prescribed in paragraphs (1) through (20), inclusive, of subsection 1(b)—

(1) in the discretion of the Administrator or his designee, may be varied upward 10 per centum, or

(2) following a report by the Administrator or his designee to the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the circumstances of such action, may be varied upward 25 per centum,

to meet unusual cost variations, but the total cost of all work authorized under such paragraphs shall not exceed the total of the amounts specified in such paragraphs.

Sec. 3. Not to exceed one-half of 1 per centum of the funds appropriated pursuant to subsection 1(a) hereof may be transferred to the "Construction of facilities" appropriation, and, when so transferred, together with $10,000,000 of the funds appropriated pursuant to subsection 1(b) hereof (other than funds appropriated pursuant to paragraph (21) of such subsection) shall be available for expenditure to construct, expand, or modify laboratories and other installations at any location (including locations specified in subsection 1(b)), if (1) the Administrator determines such action to be necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments, and (2) he determines that deferral of such action until the enactment of the next authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities. The funds so made available may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. No portion of such sums may be obligated for expenditure or expended to construct, expand, or modify laboratories and other installations unless (A) a period of 30 days has passed after the Administrator or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Technology of the House of Representatives and to the Committee on Commerce, Science, and Transportation of the Senate a written report containing a full and complete statement concerning (1) the nature of such construction, expansion, or modification, (2) the cost thereof including the cost of any real estate action pertaining thereto, and (3) the reason why such construction, expansion, or modification is necessary in the national interest, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

Sec. 4. Notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science and Technology or the Senate Committee on Commerce, Science, and Transportation,

(2) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by sections 1(a) and 1(c), and

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to or requested of either such committee,

unless (A) a period of 30 days has passed after the receipt by the Speaker of the House of Representatives and the President of the Senate and each such committee of notice given by the Administrator or his designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

Sec. 5. It is the sense of the Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds whenever feasible, and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

Sec. 6. (a) Paragraph 13 of subsection (c) of section 203 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2473(c)(13)) is amended by striking out "$5,000" where it appears and inserting in lieu thereof "$25,000".

(b) The National Aeronautics and Space Act of 1958, as amended, is amended (1) by redesignating section 308 as section 309 thereof; and (2) by inserting the following new section:

"INSURANCE AND INDEMNIFICATION

"Sec. 308. (a) The Administration is authorized on such terms and to the extent it may deem appropriate to provide liability insurance for any user of a space vehicle to compensate all or a portion of claims by third parties for death, bodily injury, or loss of or damage to property resulting from activities carried on in connection with the launch, operations or recovery of the space vehicle. Appropriations available to the Administration may be used to acquire such insurance, but such appropriations shall be reimbursed to the maximum extent practicable by the users under reimbursement policies established pursuant to section 203 (c) of this Act.

"(b) Under such regulations in conformity with this section as the Administrator shall prescribe taking into account the ability cost and terms of liability insurance, any agreement between the Administration and a user of a space vehicle may provide that the United States will indemnify the user against claims (including reasonable expenses of litigation or settlement) by third parties for death, bodily injury, or loss of or damage to property resulting from activities carried on in connection with the launch, operations or recovery of the space vehicle, but only to the extent that such claims are not compensated by liability insurance of the user: *Provided*, That such indemnification may be limited to claims resulting from other than the actual negligence of willful misconduct of the user.

"(c) An agreement made under subsection (b) that provides indemnification must also provide for—

"(1) notice to the United States of any claim or suit against the user for the death, bodily injury, or loss of or damage to the property; and

"(2) control of or assistance in the defense by the United States, at its election, of that suit or claim

"(d) No payment may be made under subsection (b) unless the Administrator or his designee certifies that the amount is just and reasonable.

"(e) Upon the approval by the Administrator, payments under subsection (b) may be made, at the Administrator's election, either from funds available for research and development not otherwise obligated or from funds appropriated for such payments.

"(f) As used in this section—

"(1) the term "space vehicle" means an object intended for launch, launched or assembled in outer space, including the Space Shuttle and other components of a space transportation system, together with related equipment, devices, components and parts;

"(2) the term "user" includes anyone who enters into an agreement with the Administration for use of all or a portion of a space vehicle, who owns or provides property to be flown on a space vehicle, or who employs a person to be flown on a space vehicle; and

"(3) the term "third party" means any person who may institute a claim against a user for death, bodily injury or loss of or damage to property."

Sec. 7. In addition to the amounts authorized to be appropriated under section 1 of this Act, there is hereby authorized to be appropriated to the National Aeronautics and Space Administration, to be available no earlier than October 1, 1980, such sums as may be necessary:

(a) For "Research and development,"

(b) For "Constructon of facilities,"

(c) For "Research and program management."

All of the limitations and other provisions of this Act which are applicable to amounts appropriated pursuant to subsections (a), (b), and (c) of section 1 of this Act shall apply in the same manner to amounts appropriated pursuant to subsections (a), (b), and (c), respectively, of this section.

Sec. 8. This Act may be cited as the "National Aeronautics and Space Administration Authorization Act, 1980".

National Aeronautics
and Space Administration,
Washington, D.C., January 30, 1979.

Hon. Walter F. Mondale,
President of the Senate,
Washington, D.C.

Dear Mr. President: Submitted herewith is a draft of a bill, "To authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes," together with the sectional analysis thereof. It is submitted to the President of the Senate pursuant to Rule VII of the Standing Rules of the Senate.

Section 4 of the Act of June 15, 1959, 73 Stat. 75 (42 U.S.C. 2460), provides that no appropriation may be made to the National Aeronautics and Space Administration unless previously authorized by legislation. It is a purpose of the enclosed bill to provide such requisite authorization in the amounts and for the purposes recommended by the President in the Budget of the United States Government for fiscal year 1980. For that fiscal year, the bill would authorize appropriations totaling $4,725,000,000 to be made to the National Aeronautics and Space Administration as follows:

(1) for "Research and development" amounts totaling $3,602,500,000;

(2) for "Construction of facilities" amounts totaling $157,600,000: and

(3) for "Research and program management," $964,900,000.

In addition, the bill would authorize such sums as may be necessary for fiscal year 1981, i.e., to be available October 1, 1980.

The enclosed draft bill follows generally the format of the National Aeronautics and Space Administration Authorization Act, 1979 (Public Law 95–401). However, the bill differs in substance from the prior Act in several respects.

First, subsections 1(a), 1(b), and 1(c), which would provide the authorization to appropriate for the three NASA appropriations, differ in the dollar amount and/or the line items for which authorization to appropriate is requested.

Second, in addition to the specific "Construction of facilities" projects enumerated in subsection 1(b), a line item entitled "Repair of facilities at various locations, not in excess of $500,000 per project" has been added.

Third, subsection 1(g) has been reworded to permit use of funds appropriated for "Research and development" and "Research and program management" for repairs, subject to the same limitations placed on construction of new facilities, additions to existing facilities, and rehabilitation or modification of facilities. The dollar limitation for each project has been raised to $75,000.

Fourth, two amendments to the National Aeronautics and Space Act of 1958 have been included. The first amendment increases to $25,000 the amount for which the Administration may settle or adjust claims resulting from the conduct of the Administration's functions. The second amendment would add a new section 308, entitled "Insurance and Indemnification," and renumber the existing section 308 as section 309.

Fifth, section 6 of Public Law 95–401, which corrected the mislettering of subsections of section 203 of the National Aeronautics and Space Act of 1958, as amended, has been omitted

Sixth, section 7 of Public Law 95–401, which added a new subsection (f) to section 102 of the National Aeronautics and Space Act of 1958, as amended, has been omitted since the amendment is now permanent law.

Seventh, section 8 of Public Law 95–401, requiring a report by December 31, 1978, on the Administration policy regarding conflicts of interest, standards of conduct and financial disclosure and the implementation of that policy, has been omitted.

Eighth, in addition to providing authorization of appropriations in the amounts recommended by the President in his Budget for fiscal year 1980, the bill also would provide authorization for such sums as may be necessary for fiscal year 1981. It is specified that all of the limitations and other provisions of the bill applicable to amounts appropriated pursuant to section 1 shall apply in the same manner to amounts appropriated pursuant to section 7.

Finally, the last section of the draft bill, section 8, has been changed to provide that the bill, upon enactment, may be cited as the "National Aeronautics and Space Administration Authorization Act, 1980", rather than "1979".

Where required by section 102(2)(C) of the National Environmental Policy Act of 1969, as amended (42 U.S.C. 4332(2)(C)), and the implementing regulations of the Council on Environmental Quality, environmental impact statements covering NASA installations and the programs to be funded pursuant to this bill have been or will be furnished to the Committee on Commerce, Science, and Transportation as appropriate.

The National Aeronautics and Space Administration recommends that the enclosed draft bill be enacted. The Office of Management and Budget has advised that such enactment would be in accord with the program of the President.

Very truly yours,

ROBERT A. FROSCH,
Administrator.

SECTIONAL ANALYSIS OF A BILL

"To authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes."

SECTION 1

Subsections (a), (b), and (c) would authorize to be appropriated to the National Aeronautics and Space Administration funds, in the total amount of $4,725,000,000 as follows: (a) for "Research and development," a total of 12 program line items aggregating the sum of $3,602,500,000; (b) for "Construcstruction of facilities," a total of 21 line items aggregating the sum of $157,600,000; and (c) for "Research and program management," $964,900,000. Subsection (c) would also authorize to be appropriated such additional or supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.

A line item entitled "Repair of facilities at various locations, not in excess of $500,000 per project" has been added. The line item reflects the priority and necessity for facility repairs which in past years have competed with other programs for funding.

Subsection 1(d) would authorize the use of appropriations for "Research and development" without regard to the provisions of subsection 1(g) for: (1) items of a capital nature (other than the acquisition of land) required at locations other than NASA installations for the performance of research and development contracts; and (2) grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities. Title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Moreover, each such grant shall be made under such conditions as the Administrator shall find necessary to insure that the United States will receive benefit therefrom adequate to justify the making of that grant.

In either case no funds may be used for the construction of a facility in accordance with this subsection, the estimated cost of which, including collateral equipment, exceeds $250,000, unless the Administrator notifies the Speaker of the House, the President of the Senate and the specified committees of the Congress of the nature, location, and estimated cost of such facility.

Subsection 1(e) would provide that, when so specified and to the extent provided in an appropriation Act, (1) any amount appropriated for "Research and development" or for "Construction of facilities" may remain available without fiscal year limitation, and (2) contracts for maintenance and operation of facilities, and support services may be entered into under the "Research and program management" appropriation for periods not in excess of twelve months beginning at any time during the fiscal year.

Subsection 1(f) would authorize the use of not to exceed $25,000 of the "Research and program management" appropriation for scientific consultations or extraordinary expenses, including representation and official entertainment expenses, upon the authority of the Administrator, whose determination shall be final and conclusive.

Subsection 1(g) would provide that of the funds appropriated for "Research and development" and "Research and program management," not in excess of $75,000 per project (including collateral equipment) may be used for construction of new facilities and additions to existing facilities, and for repairs, rehabilitation, or modification of facilities. The dollar level has been raised to $75,000 from $25,000 for construction of new facilities and additions to existing facilities and from $50,000 for rehabilitation or modification of facilities to reflect the increased cost of facility projects over the period when the levels were initially established. The $250,000 per project limitation on use of funds appropriated for "Research and development" for unforeseen programmatic needs remains unchanged.

SECTION 2

Section 2 would authorize upward variations of the sums authorized for the "Construction of facilities" line items (other than facility planning and design) of 10 per centum at the discretion of the Administrator or his designee, or 25 per centum following a report by the Administrator or his designee to the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the circumstances of such action, for the purpose of meeting unusual cost variations. However, the total cost of all work authorized under these line items may not exceed the total sum authorized for "Construction of facilities" under subsection 1(b), paragraphs (1) through (20).

SECTION 3

Section 3 would provide that not more than one-half of 1 per centum of the funds appropriated for "Research and development" may be transferred to the "Construction of facilities" appropriation and, when so transferred, together with $10,000,000 of the funds appropriated for "Construction of facilities," shall be available for the construction of facilities and land acquisition at any location if the Administrator determines (1) that such action is necessary because of changes in the aeronautical and space program or new scientific or engineering developments, and (2) that deferral of such action until the next authorization Act is enacted would be inconsistent with the interest of the Nation in areonautical and space activities. However, no such funds may be obligated until 30 days have passed after the Administrator or his designee has transmitted to the Speaker of the House, the President of the Senate and the specified committees of Congress a written report containing a description of the project, its cost, and the reason why such project is necessary in the national interest, or each such committee before the expiration of such 30-day period has notified the Administrator that no objection to the proposed action will be made.

SECTION 4

Section 4 would provide that, notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science and Technology or the Senate Committee on Commerce, Science, and Transportation;

(2) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by subsections 1(a) and 1(c); and,

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to or requested of either such committee,

unless (A) a period of 30 days has passed after the receipt by the Speaker of the House, the President of the Senate and each such committee of notice given by the Administrator or his designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SECTION 5

Section 5 would express the sense of the Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds whenever feasible and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

SECTION 6

Section 6 would make two amendments to the National Aeronautics and Space Act of 1958. Subsection (a) would amend section 203(c)(13)(A) and (B) to increase to $25,000 the amount for which the Administration may settle or adjust claims on behalf of the United States for actions resulting from the conduct of the Administration's functions. The increase raises the adjustment to the same level established for the Federal Tort Claims Act (Public Law 89-506), which was set at $2,500 prior to 1966.

Subsection (b) of section 6 would add a new section 308 to the National Aeronautics and Space Act of 1958, as amended, and renumber existing section 308 as section 309.

The new section 308 includes six subsections, (a) through (f).

Subsection (a) would authorize the Administrator to provide liabiltiy insurance to any user of a space vehicle to compensate them for claims by third parties for damage resulting from described activities. The Administration would be authorized to provide such insurance in its sole discretion on such terms and to the extent it may deem appropriate. Thus, for example, the Administration could require certain Shuttle users to obtain through NASA and pay for an equitable share of third-party liability insurance. On the other hand, the Administration could, in its discretion, exempt other Shuttle users, e.g., small self-contained payloads, from the requirement of obtaining insurance or paying for it.

This subsection would authorize the Administrator, for example, to procure insurance for a number of Shuttle flights in the future based on a projected schedule. In doing so, he would be authorized to use for the purchase of such insurance appropriated funds available to the Administration. In turn, he would be required to seek reimbursement of the appropriation used, to the maximum extent practicable, from the users under general Shuttle reimbursement policies established pursuant to section 203(c) of the National Aeronautics and Space Act of 1958, as amended. This, of course, could be accomplished by charging users a fixed price for the insurance based upon an estimate of the cost of insurance, the number of Shuttle flights and users to be protected by the insurance policy, and other relevant factors. Any other reasonable method of charging users for such insurance may be adopted, depending on NASA's experience and the insurance coverage available. It is not anticipated that NASA would use its appropriated funds to protect the U.S. Government (including NASA when flying it payloads) from liability; however, the subsection is broad enough to permit that if the Administrator would determine that to do so would be desirable and appropriate in any particular case, for example, depending on the mix of payloads to be flown on a given Shuttle flight.

Subsection (*b*) would authorize NASA, in its discretion, to provide in any agreement entered into by it and a user of a space vehicle (as defined in subsection 309(f)), for the indemnification of the user against claims by third parties (as defined in subsection 308(f)) for damage resulting from activities carried on in connection with the launch, operations or recovery of the space vehicle, but only to the extent that such claims are not compensated by liability insurance of the user. It would require the Administrator to issue implementing regulations which would take into account the availability, cost and terms of liability insurance.

The agreement to indemnify may be inserted in several different types of agreements with users of a space vehicle, including but not limited to, agreements under which NASA provides Shuttle launch services and other Government services and agreements under which non-U.S. Government persons provide to NASA payload specialist services on board Shuttle flights.

It is specifically provided that the indemnification may, if the Administration deems it appropriate, be limited to claims other than those resulting either from the actual negligence of the user or from willful misconduct of the user, or both. Under this authority the Administration will be able to tailor the extent of the indemnification to the particular circumstances of a given flight, indemnifying the user totally or, for example, indemnifying the user only with respect to damage or injury which did not result from the user's willful misconduct.

Indemnification would only be applicable to claims of third parties who are defined in subsection 308(a) (f) (3) as "any person who may institute a claim against a user for death, bodily injury or loss of or damage to property." It is envisaged that a third party would not normally include persons who contract with NASA for launch services, since NASA expects to include in its launch agreements a provision under which the person procuring launch services agrees that he will not make a claim (and that he will hold NASA and other users harmless) for damage to his property or employees caused by NASA, other users or any other person involved in space transportation system operations during such operations. In turn, NASA and other users would promise not to bring a claim against the user for damage to their property or employees. The result would be that each person flying on a space vehicle would be required either to insure or self-insure his own property.

The indemnification authority would be applicable to damage resulting from activities carried on in connection with the launch, operations or recovery of a space vehicle. The term "space vehicle" is defined in subsection 308(f) (1) to include spacecraft and other payloads that may be launched, with the term specifically including the Space Shuttle. The Administrator's implementing regulations would define technically and in detail the activities carried on that would be protected by indemnification and the extent and duration of such protection.

Subsection (*c*) would provide that certain described conditions must be contained in any agreement providing for indemnification under section 308. Specifically, it requires that (1) notice be given to the United States of any claim or suit against a user for damage; and (2) control of or assistance in the defense by the United States, at its election, of that suit or claim.

Subsection (*d*) would provide that no indemnification payment made under subsection (b) could be made unless the Administrator or his designee certifies that the amount is just and reasonable.

Subsection (*e*) would provide that upon the Administrator's approval, indemnification payments under subsection (b) may be made either from any funds available for NASA's research and development activities not otherwise obligated or from funds appropriated specifically for such indemnification payments. A decision on whether to use existing appropriations or seek additional appropriations from Congress specifically to pay meritorious claims would rest with the Administrator. It is the intent of this subsection that no authorized NASA program should be curtailed or terminated because of such indemnification payments.

Subsection (*f*) would provide a definition of three terms used in section 309.

The term "space vehicle" is defined in subsection (f) (1) as any object intended for launch, launched or assembled in outer space, specifically including the Space Shuttle and other components of a space transportation system, together with related equipment, devices, components and parts. This is intended to include, but not be limited to, Spacelab upper stages, and any payload to be flown on board a Shuttle for a user.

The term "user," as defined in subsection (f) (2), would include anyone who enters into an agreement with the Administration for use of all or a portion of a space vehicle, who owns or provides property to be flown on a space vehicle. It could include as one "who owns or provides property to be flown on a space vehicle", a person who intends and has made appropriate arrangements to retain ownership of property at any time during flight; e.g., a manufacturer of an upper stage who may retain title to the upper stage during space flight. The definition also includes as one "who employs a person to be flown on a space vehicle" an entity such as a university which would provide under a contract with NASA its employee's services as a payload specialist for a particular Shuttle flight.

The term "third party," as defined in subsection (f) (3), means any person who may bring a claim against a user for damage sounding in tort. As explained previously in connection with subsection (b), a "third party" would not normally include users who contract with NASA for launch services; however, there may be circumstances under which such a person could be a "third party" for the purposes of section 308.

SECTION 7

Section 7 would authorize to be appropriated to the National Aeronautics and Space Administration for fiscal year 1981 such sums as may be necessary: (a) for "Research and development," (b) for "Construction of facilities," and (c) for "Research and program management." All of the limitations and other provisions of the Act applicable to amounts appropriated pursuant to subsections (a), (b), and (c) of section 1 would apply in the same manner to amounts appropriated pursuant to subsections (a), (b), and (c), respectively, of this section.

SECTION 8

Section 8 would provide that the Act may be cited as the "National Aeronautics and Space Administration Authorization Act, 1980."●

By Mr. STEVENSON:

S. 359. A bill to amend the Council on Wage and Price Stability Act to strengthen the independence, authority, and resources of the Council by establishing it as an independent Inflation Review Board, by authorizing the Board to require prenotification of and to delay temporarily wage and price increases which could have serious inflationary effects on the economy, by authorizing the Board to recommend to the President appropriate governmental actions to counter inflation, including voluntary wage and price guidelines and accompanying measures to encourage adherence to such guidelines, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

INFLATION REVIEW BOARD ACT OF 1979

● Mr. STEVENSON. Mr. President, I am introducing today a bill to establish an independent Inflation Review Board to replace the Council on Wage and Price Stability. The bill is similar to S. 3518 which I introduced last September but which was not acted upon before the 95th Congress adjourned.

Since then, the President has announced his anti-inflationary program including wage and price guidelines. The program avoids the dangerous extremes of deflation and mandatory controls. It sets realistic standards for wage and price increases. But the program is incomplete.

The President's anti-inflation program makes no provision for the Council on Wage and Price Stability to be informed in advance of price or wage increases. The Council is limited to monitoring inflation after-the-fact, unless companies or unions voluntarily provide information about their intentions. Had the President's program included authority to require advance notice of wage and price increases in large industries and authority to defer them temporarily, the Council would be in a position to report publicly proposed price or wage actions which exceed reasonable levels. Such actions could then be studied and exposed, and deferred, if necessary, for short periods of time. Instead, the council is left holding an empty bag, releasing reports on the inflationary impact of actions already taken, just as in the past. It should prevent, not punish, inflationary behavior. I would prefer to see the Council given the tools to prevent inflation than other agencies given the task of punishing those who contribute to it.

The President's program seems to divest the Council on Wage and Price Stability of its statutory responsibility to monitor inflationary measures proposed by the Government. Instead, the new Regulatory Council is supposed to develop a calendar of proposed Federal regulations.

A calendar is no substitute for timely analyses of inflationary actions proposed by an executive branch. A body independent of the executive branch is needed to monitor the executive branch. For this program to deal with the inflationary psychology which is fueling inflation, it must have credibility. And it is not credible to think that the administration will effectively monitor and expose the administration.

Greater reliance should be placed on the force of informed public opinion to prevent inflationary behavior in and out of Government and less reliance on punitive measures by Government. The Council on Wage and Price Stability needs to be insulated from political and economic pressures—and given prenotification and deferral authorities.

Mr. President, the Council on Wage and Price Stability lacks the necessary independence, authority, and resources to accomplish in an objective, timely, and effective manner the purposes for which it was created by the Congress—to identify the causes of inflation, to expose private and governmental inflationary behavior to public scrutiny, and to temper irresponsible wage and price decisions.

Since the Council on Wage and Price Stability is the principal Government agency responsible for analyzing the inflationary effect of private and public sector activities, the Council must be strengthened if we are to reduce inflation which averaged 9 percent last year. Many factors have pushed inflation to this rate. The drop in the exchange rate of the dollar, increased food prices and severe weather in the first half of last year, energy prices, interest rates and the Federal deficit, the cost of compliance with regulations, housing costs, rising labor costs due in part to social security and minimum wage increases, together with the psychology of inflation which causes inflation by anticipating it, all contribute to inflation.

The Council with a miniscule professional staff has been unable to monitor in an effective and timely manner these and other inflationary developments. And when it seeks to do its job, it is rewarded first with an informal executive coordinating council with no apparent purpose save to keep the Council's director, Mr. Bosworth, from telling the hard truth, and later with a regulatory council which shields Government regulatory actions from review by the Wage-Price Council.

Mr. President, the bill I am introducing will strengthen the Council on Wage and Price Stability by making it an independent Inflation Review Board which reports directly to the Congress. The Board would have the power to monitor irresponsible wage and price increases by requiring prenotification, that is to say—notice of increases in the largest industries before they take place and it is too late. It would also have the power to temporarily delay wage and price increases which have serious inflationary effects. Thus, it could acquire time to examine the proposed increases and afford public opinion an opportunity to commend restraint upon the parties. Because of its independence of the Congress and President, it could also monitor the activities of both. The Board could recommend remedial actions to the President, including comprehensive or sectoral voluntary wage and price guidelines. With the resources offered by this bill, the Board could perform more effectively the tasks assigned to it by the Congress.

Mr. President, this legislation is needed to give the council the stature and tools to carry out its mandate to fight inflation. It is an alternative to wage and price controls which in the past have been inequitable, have led to distortions in the allocation of resources, and have suffered from undue administrative complexity. The legislation disavows any authority for wage and price controls. It creates no mechanism for the imposition of controls. By creating an Inflation Review Board with teeth in its jawbone and the independence to single out for public and congressional scrutiny inflationary behavior in both the private and public sectors, together with the financial resources to identify and monitor inflationary developments in a trillion dollar economy, the Board could focus our efforts on restraining and containing inflationary shocks to the economy, instead of bureaucratizing and stultifying the economic system with wasteful and nonproductive controls. This legislation contemplates the therapeutic force of public opinion—no more.

This independent Inflation Review Board is needed to monitor the greatest inflation machine of all—the Government itself—and to insure that the board will speak freely, even when it has to step on powerful toes—whether public or private. The board proposed in section 3 of the bill would consist of five members to be appointed by the President with the advice and consent of the Senate. Members would all have to be broadly representative of the public interest and could not therefore be affiliated with particular large economic interest groups. Members would serve 4-year terms, except for the first members whose terms would be staggered. The chairman would be the board's chief executive officer and the board could take action with three members—insuring its ability to act on its own when necessary and when unpopular to do so.

Under section 4 of the bill, the board would be given authority to delay for up to 45 days any price or wage increase which could or would significantly increase inflation. Such authority is essential if the board is to have an opportunity to determine the basis of any such increase, the extent to which it may be justified, and the need for remedial action. Such delay would give the board, the President, and the Congress time to fashion appropriate remedies before the public is made to suffer the consequences of irresponsible inflationary behavior. It would afford the pressure of public opinion time to effect restraint.

Section 4 of the bill would also give the board the authority to require firms with gross sales or revenues in excess of $250 million to notify the board of proposed price increases thirty days prior to the date of the increase. In addition, under section 4 the board could require similar prenotification from employers with respect to wage increases affecting more than 5,000 persons.

In any case in which a wage increase affecting more than 5,000 persons is subject to the collective bargaining process, the board could require bargaining representatives to submit to it all proposed or tentative wage increases to give the board—and public—some desirable lead time to insure inflationary consequences are considered in reaching the final agreement.

The coal pact negotiations last year demonstrate the difficulty of trying to influence such decisions once they have been bargained out. Those involved should know ahead of time the inflationary consequences so that their own members and employees, as well as the public, can take these effects into account in reaching a final pact.

Many employees may not want to gain an increase that is eroded overnight in a new spiral of inflation. Once a final agreement involving more than 5,000 employees is reached pursuant to collective bargaining, the board must be notified of the terms no more than 5 days after agreement and not more than 30 days prior to the effective date. Prenotification is essential to the effective exercise of the delay authority granted by the bill.

The bill will also give the board the authority to recommend to the President appropriate actions to counter inflation, including voluntary wage and price guidelines, either comprehensive or sectoral. The exercise of such authority by the board could embolden the President to be more responsive to general, as opposed to special, economic interests. The authority to establish voluntary guidelines would remain exclusively with the President. The board is also given authority to recommend to the President governmental measures to encourage adherence to guidelines, though it is my hope that the force of public opinion would reduce the need for such measures. Be that as it may, the President and Congress would have the benefit of the board's advice in determining what measures, if any, are needed to encourage guideline adherence.

Under section 5 of the bill the board would be required to report directly to the Congress on a semiannual basis and in greater degree than under present law. This will help insure vigilant congressional oversight, as well as constant attention to inflationary developments.

Section 6 of the bill requires the board to come directly to Congress for its appropriations—not through OMB. Again, this is crucial to maintaining the board's independence—to insure that it has enough resources to perform its tasks, including its review of Government-induced inflation.

Finally, the bill would authorize such sums as are necessary to carry out its functions and give the board an initial 5-year life. These provisions would allow the Congress to determine appropriate funding and staff levels to insure that the board will be able to perform the tasks assigned to it and will give the permanence and status necessary to organize and do its job. Annual appropriations will insure constant oversight of the board's activities.

Cost-push induced inflation will continue, unless it induces serious recession—or receives an appropriate response from the Government. This is one such response; controls are not. If the Nation is to avoid wage and price controls, it needs an independent agency with tools to identify irresponsible inflationary behavior, expose it to public scrutiny and provide time to devise measures to prevent such increases from triggering another inflationary spiral. A strong, independent Inflation Review Board, with the powers and resources conveyed by this bill, will have such tools.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 359

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This act may be cited as the "Inflation Review Board Act of 1979".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) the council on Wage and Price Stability lacks the necessary independence, authority, and resources to accomplish in an objective, timely, and effective manner the purposes for which it was created— to identify the causes of inflation, to expose private and governmental inflationary behavior to public scrutiny, and to temper irresponsible wage and price decisions;

(2) since the Council on Wage and Price Stability is the principal Government agency responsible for analyzing the inflationary effect of private and public sector activities, the Council must be strengthened in order to reduce inflation which slows economic growth, raises unemployment, leads to increased interest rates, reduces investment, harms the national competitive position of the United States, reduces the purchasing power of the dollar and destabilizes world trade and investment, reduces real disposable income by moving taxpayers into artificially high tax brackets, and impacts most severely the aged, the poor, and those least able to cope with changing economic conditions.

(b) The purpose of this Act is to strengthen the Council on Wage and Price Stability by making it an independent Inflation Review Board which reports directly to the Congress, by giving the Board the authority to temper irresponsible wage and price increases by authorizing the Board to require prenotification of and to delay temporarily wage and price increases which have serious inflationary effects, by authorizing the Board to recommend to the President appropriate governmental actions to counter inflation, including voluntary wage and price guidelines and accompanying measures to encourage adherence to such guidelines, and by increasing the resources available to the Board to enable it to perform effectively the tasks assigned to it by the Congress.

(c) Nothing in this Act authorizes any Government control of production, employment, allocation of resources, or wages and prices or creates the administrative framework for the implementation of any such controls.

(d) It is the purpose of this Act to create a strong and independent Inflation Review Board which will serve as an effective alternative to wage and price controls which in the past have been inequitable, have caused distortion in the allocation of resources, and have suffered from administrative complexity.

(e) The Congress further finds that the authority granted the Inflation Review Board under this Act should be applied equitably to both wages and prices, and, to the extent required, to all sectors of the economy, and should be applied in a manner which minimizes distortion in the allocation of resources and administrative complexity.

ESTABLISHMENT OF INFLATION REVIEW BOARD

SEC. 3. Subsections (a) through (e) of section 2 of the Council on Wage and Price Stability Act are amended to read as follows:

"(a) There is established as an independent agency in the executive branch an Inflation Review Board (hereinafter referred to as the 'Board') which shall consist of—

"(1) a Chairman to be appointed by the President, by and with the advice and consent of the Senate;

"(2) a Vice Chairman to be appointed by the President, by and with the advice and consent of the Senate;

"(3) three members to be appointed by the President, by and with the advice and consent of the Senate;

"(b) The members of the Board appointed pursuant to subsection (a) shall be broadly representative of the public interest and shall be appointed for terms of four years, except that of the members first taking office, one shall serve for a term of three years, as designated by the President at the time of the appointments. Any vacancy in the membership of the Board shall be filled in the same manner as the original appointment was made, except that any appointment to fill a vacancy shall be made only for the remainder of the unexpired term. Not more than three of the members appointed by the President shall be affiliated with the same political party.

"(c) The Chairman of the Board shall be compensated at the rate provided for an individual occupying a position under level III of the Executive Schedule (5 U.S.C. 5314). The Vice Chairman and the other members of the Board shall be compensated at the rate for an individual occupying a position under level IV of the Executive Schedule (5 U.S.C. 5315).

"(d) Three members of the Board shall constitute a quorum for the transaction of business, but the Board may designate a lesser number for the taking of testimony. The Board shall meet at the call of the Chairman or at the call of a majority of its members.

"(e) The Chairman of the Board may employ and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions of the Board at rates not to exceed the highest rate for grade 18 of the General Schedule under section 5332 of title 5, United States Code. The Chairman may employ experts, expert witnesses, and consultants, in accordance with the provisions of section 3109 of title 5, United States Code, and compensate them at rate not in excess of the maximum daily rate provided for grade 18 of the General Schedule under section 5332 of title 5, United States Code.".

PRENOTIFICATION; FORTY-FIVE-DAY DELAY; RECOMMENDED ACTIONS

SEC. 4. Section 2 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following:

"(h) (1) The Board may require any person having gross sales or revenues in excess of $250,000,000 during its most recent full fiscal year to submit a prenotification to the Board with respect to any price increase of any product or serivce of such person not more than thirty days prior to the effective date of such increase.

"(2) The Board may require any person who is an employer to submit a prenotification with respect to any wage increase affecting more than five thousand employees not more than thirty days prior to the effective date of such increase. In any case in which a wage increase affecting more than five thousand employees is subject to agreement pursuant to the collective bargaining process, the Board may require the employer and the employees' representative to submit to the Board, either singly or jointly, any or all proposed or tentative wage increases to be considered during such process, and the Board may require a prenotification to be submitted jointly by the employer and the employees' representative of any final agreement wtih respect to any such increase not more than five days after such agreement has been reached and not more than thirty days prior to the effective date of such increase.

"(3) The Board may, by regulation, prescribe the form and content of any prenotification required under this subsection, and it may require such prenotification to be submitted by any person, without regard to sales, revenues, or number of employees, whenever it finds that a wage or price increase implemented by such person might significantly increase inflation.

"(i) The Board is authorized, by order, regulation, or otherwise, to delay for one period of not to exceed forty-five days any proposed price or wage increase, in whole or in part, which the Board determines would or could significantly increase inflation.

"(j) Whenever it appears to the Board that any person has engaged, is engaged, or is about to engage in any act or practice constituting a violation of any requirement imposed under this Act, the Board may request the Attorney General to bring an action in the appropriate district court of the United States to enjoin such act or practice, and upon a proper showing a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. Any such court may also issue a mandatory injunction commanding such person to comply with such requirement.

"(k) The Board may recommend to the President appropriate governmental actions to counter inflation, including the establishment of comprehensive or sectoral voluntary guidelines for noninflationary wage and price adjustments and governmental measures to encourage adherence to any such guidelines.".

REPORTING REQUIREMENT

SEC. 5. Section 5 of the Council on Wage and Price Stability Act is amended to read as follows:

"SEC. 5. The Board shall transmit to the Congress on a semiannual basis and not later than thirty days after the close of the second and fourth calendar quarters, a report which shall include the following and such additional information as the Board deems relevant to its activities and purposes—

"(1) a description of its activities in monitoring the private and governmental sectors of the economy:

"(2) an analysis of changes during each of the quarters covered in wages, costs, supplies of commodities and industrial materials, productivity, prices, sales, profits, investment, executive compensation, fringe benefits, imports, exports, interest rates, and exchange rates;

"(3) developments during each of the quarters covered in key sectors of the domestic and international economy which could have an adverse inflationary effect on the economy in the next six-month period;

"(4) the Board's proposed activities for the next six-month period following transmission of the report; and

"(5) its recommendations with respect to the containment of inflation and the maintenance of a vigorous and prosperous peacetime economy.".

AUTHORIZATION

SEC. 6. Section 6 of the Council on Wage and Price Stability Act is amended to read as follows:

"SEC. 6. In addition to any amounts made available prior to the date of enactment of the Inflation Review Board Act of 1979 to the Council on Wage and Price Stability, there are authorized to be appropriated to the Board such sums as may be necessary to carry out the provisions of this Act. The Board shall transmit annually to the Congress a recommendation for additional appropriations. No office or agency of the United States shall have the authority to require the Board to submit any recommendation for appropriations for review or comment prior to the submission thereof to the Congress.".

EXTENSION

SEC. 7. Section 7 of the Council on Wage and Price Stability Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1984".

TECHNICAL AMENDMENTS

SEC. 8. (a) The Council on Wage and Price Stability Act is amended by striking out "Director of the Council" each place it appears and inserting "Chairman of the Board".

(b) Such Act is amended by striking out "Council" each place it appears and inserting in lieu thereof "Board".

(c) The first section of such Act is amended to read as follows: "That this Act may be cited as the 'Inflation Review Board Act'.".●

By Mr. WILLIAMS (for himself, Mr. FORD, Mr. RANDOLPH, and Mr. RIEGLE):

S. 360. A bill to provide grants to schools of education, and for other purposes; to the Committee on Human Resources.

SCHOOLS OF EDUCATION ASSISTANCE ACT

● Mr. WILLIAMS. Mr. President, I am introducing today the Schools of Education Assistance Act of 1979, a measure intended to fulfill the responsibilities of the Federal Government with respect to one of the Nation's most vital resources, our teachers. We are proud that Federal policy for two decades beginning with the enactment of the National Defense Education Act in 1958 has helped to initiate and sustain the monumental efforts of the 1,240 colleges, departments, and schools of education currently in operation. In the past these institutions responded quickly and effectively to the national demand for more teachers to meet the burgeoning population of young people of the 1960's. And we conscientiously recognize today the paradox faced by those institutions—a dilemma characterized by surplus teachers seeking to find traditional employment in schools with declining enrollment. However, at the same time, personnel shortages exist in many developing fields of education, training and the social services in both the public and private sectors of the Nation.

The national interest requires that we complete our responsibilities to these valuable institutions, and that we help resolve this paradox. We must redirect Federal policy in accordance with these new developments, trends and opportunities. The proposed legislation which I am introducing today will help to achieve this goal. It will assist schools of education in adjusting their programs and enrollments and professional output through grants-in-aid during the next 5 years.

These grants will assist in retraining faculty and in diversifying the educational opportunities now offered to the 800,000 students currently enrolled in educational undergraduate professional programs. It would also provide support so that schools of education in various regions of the country can collaborate to reduce duplication and maximize mutual use of facilities and personnel, and create special emphases attractive to particular groups of students who, upon graduation, will be confident that the job market will welcome them.

This bill would also finance special, model projects to demonstrate best avenues to achieve these ends. And it would direct the education division of the Department of Health, Education, and Welfare to review problems of curriculum conversion, educational diversification, graduate placement, and intercollegiate planning mechanisms. It would require the Department of Health, Education, and Welfare to survey higher education financing with respect to schools of education and to report comprehensively to the Congress in 1981 recommendations for the Federal role in this area through the turn of the century.

Mr. President, the need for this legislation is acutely demonstrated by the rapidly increasing demand for education and human service personnel to fill new roles in business and industry, bilingual education, services to older Americans such as lifelong and adult education, bilingual education, private and proprietary education, special programs for the gifted and talented, community education and manpower training programs. The need for this legislation is further illustrated by two startling facts: That 18 percent of the 213,000 graduates prepared to teach in 1977 were unemployed or underemployed; and that between 1969 and 1982 elementary school enrollments in the United States will have declined by approximately 6 million students, a loss of 16 percent and a drop in total enrollments from 37 million students to 31 million students.

The imperatives of population change have forced a decline in the number of schools, colleges, and departments of education. Partly in response to Federal policy, these institutions grew in number to 1,440 in 1975 from 1,150 in 1959. And largely in response to dynamics of population and economy, these institutions shrank to 1,240 in 1978.

This rapid downward change occurs at a time when education is needed more than ever in the workplace and when demand for continuing and cooperative education is skyrocketing. With over 50 percent of women with children ages 5–17 working, the demand for upgraded skills by workers, unions and management can be expected to escalate. And it is my hope that enactment of this measure will provide access and skills for men and women to improve their incomes, status and value to their employers in the workplace.

The demands for child care, and trained child care workers, in response to the massive entry of women into the work force constitutes another potential market for educators. The international education field constitutes virtually unlimited potential for schools of education with both orientation and tools to probe ways to assist Asian, Latin American, African and Middle Eastern nations in their pursuit of basic and advanced education.

Mr. President, this measure will help our educational enterprise respond to new opportunities while coping with current problems. It is the continuation of encouragement to institutions of teacher education initiated by the Federal Government two decades ago in response to national conditions. It represents our response to a national problem which should and must be met.

Mr. President, I ask unanimous consent that the text of the Schools of Education Assistance Act of 1979, along with a summary and factsheet, be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 360

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Schools of Education Assistance Act".

STATEMENT OF FINDINGS AND POLICY

SEC. 2. (a) The Congress finds that—

(1) rapid shifts in the population of the United States have resulted in great pressures upon schools of education of institutions of higher education and complicated their role in preparing elementary and secondary school teachers;

(2) rapid shifts of population have resulted in reduced public school enrollments and a surplus of qualified elementary and secondary school teachers;

(3) the surplus of qualified elementary and secondary school teachers has resulted in significant unemployment and underemployment among individuals seeking to render public service in the teaching field;

(4) the unused capacity of recently trained and imminent teachers can be wisely directed to new and developing areas of education and public service;

(5) diversification and rededication would promote the national interest by enhancing the available pool of individuals trained in education and available for community service work in a time of rapid economic change.

(b) It is the purpose of this Act to provide grants to schools of education for a limited period of time for the purpose of achieving diversification and redirection of education programs for elementary and secondary school teachers in order to make maximum use of human resources in the field of education and public service.

DEFINITIONS

SEC. 3 As used in this Act—

(1) The term "Commissioner" means the Commissioner of Education.

(2) The term "elementary school" means a day or residential school which provides elementary education, as determined under State law.

(3) The term "institution of higher education" means any such institution as defined in section 1201 (a) of the Higher Education Act of 1965.

(4) The term "secondary school" means a day or residential school which provides secondary education, as determined under State law.

(5) The term "school of education" means any school, department, college, program, or other identifiable unit specializing in the education of elementary and secondary school teachers, which is a part of an institution of higher education, or which is an institution of higher education.

(6) The term "State" includes in addition to the several States of the union, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

GRANTS AUTHORIZED

SEC. 4. (a) The Commissioner shall, in accordance with the provisions of this Act, make grants to schools of education for the fiscal year 1981 and for each of the four succeeding fiscal years.

(b) The Commissioner shall assure equitable distribution among the States in making grants to schools of education under this section.

(c) No grant may be made under this section unless an application is made to the Commissioner at such time, in such manner and containing or accompanied by such information, as the Commissioner may reasonably require.

USES OF FUNDS

SEC. 5. Payments made to schools of education under this Act may be used for—

(1) the retraining of members of the faculty of such schools of education to provide courses of study for training elementary and secondary school teachers to teach in programs of career education, education of gifted and talented children, education of handicapped individuals, community education, adult education programs, and other related education programs;

(2) the provision of training and orientation projects for members of the faculty of schools of education designed to prepare the faculty to teach and train personnel to work in conjunction with personnel who carry out projects under the Comprehensive Employment and Training Act, and under title VIII of the Higher Education Act of 1965, relating to cooperative education, and similar programs related to education and training of individuals to prepare for the workplace;

(3) the establishment of new projects to prepare elementary and secondary school teachers to work in a variety of social service activities;

(4) the establishment of new projects to prepare elementary and secondary school teachers to work in a variety of business, industrial, public and private school settings;

(5) the development and operating of associations of schools of education for the purpose of developing curricula and courses of study to be offered at some of the schools of education and available to all of the member schools in the association;

(6) the provision of model projects within the school of education to carry out any of the activities described in classes (1) through (4) of this section; and

(7) the training of educational personnel who will specialize in the implementation of the urban policy of the United States.

MODEL PROJECTS

SEC. 6. (a) The Commissioner is authorized to make grants to schools of education for the fiscal year 1981 and for each of the four succeeding fiscal years to carry out model projects for the purposes set forth in section 5 of this Act.

(b) No grant may be made under this section unless an application is made to the Commissioner, at such time, in such manner and containing or accompanied by such information as the Commissioner may reasonably require.

PLANNING GRANTS

SEC. 7. (a) The Commissioner is authorized to enter into agreements with associations or consortia of schools of education for planning programs designed to help member schools of the association or consortium to diversify and redirect programs and curricula of the member schools of education.

(b)(1) The Commissioner shall develop criteria for determining the regions of the country in which associations and consortia of schools of education are to be established.

(2) No association or consortium may receive a grant in excess of $200,000 in any fiscal year under the provisions of this section.

(c) No cooperative agreement may be entered into under this section unless an application is made to the Commissioner, at such time, in such manner and containing or accompanied by such information as the Commissioner may reasonably require.

FUNCTIONS OF THE ASSISTANT SECRETARY OF EDUCATION

SEC. 8. In order to contribute to carry out the policy of section 2 of this Act the Assistant Secretary of Education shall—

(1) develop, in cooperation with the fund for the improvement of post-secondary education established under section 404 of the General Education Provisions Act, a plan for the diversification and redirection of courses of study for elementary and secondary school teachers especially designed to use the skills of such teachers to provide social services described in section 5;

(2) provide for technical assistance designed to encourage magnet schools of education; and

(3) conduct a thorough study of the financing of higher education with special consideration of the future needs of such schools of education and the resources available to train elementary and secondary school teachers.

The Assistant Secretary shall prepare and submit a report of the study conducted under clause (3) of the previous sentence, together with recommendations for additional legislation, to the Committee on Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives not later than January 2, 1981.

RESEARCH AND EVALUATION

SEC 9. The Commissioner shall reserve not more than 5 per centum of the amounts appropriated in each fiscal year under section 10 or not more than $1,000,000, whichever is greater, to carry out the provisions of this section. From the amounts reserved under the preceding sentence the Commissioner shall carry out either directly or by way of grant, contract, or other arrangements a program of research activities designed to contribute to carrying out the policy of this Act, and to carry out evaluations of programs assisted under sections 4, 6, and 7.

AUTHORIZATION OF APPROPRIATIONS

SEC. 10. (a) There are authorized to be appropriated $10,000,000 for the fiscal year 1981 and for each subsequent fiscal year prior to October 1, 1986 to carry out the provisions of section 3 of this Act.

(b) There are authorized to be appropriated $10,000,000 for the fiscal year 1981 and for each succeeding fiscal year ending prior to October 1, 1986 to carry out the provisions of section 6 of this Act.

(c) There are authorized to be appropriated $2,500,000 for the fiscal year 1981 and for each fiscal year ending prior to October 1, 1986 to carry out the provisions of section 7 of this Act.

THE SCHOOLS OF EDUCATION ASSISTANCE ACT OF 1979

SUMMARY

Sec. 2. Findings and Statement of Policy. Congress finds that substantial adjustment is faced by schools, colleges and departments of education and establishes in the National interest a five year program of grants and planning activities to facilitate diversification and redirection of teacher education programs.

Sec. 3. Definitions. This section sets forth a summary of relevant definitions currently contained in applicable law.

Sec. 4. Authorization of Grants. This section authorizes the Commissioner of Education to make grants authorized by this Act to schools of education for five years beginning in Fiscal 1981, and requires the Commissioner to assure equitable distribution of such grants among the several states.

Sec. 5. Uses of Funds. This section specifies that schools of education receiving payments under this Act may use such funds for faculty retraining respecting several areas of education, in conjunction with the Comprehensive Employment and Training Act and other Federal programs related to workplace preparation; establish new projects to prepare elementary and secondary school teachers to work in a variety of social service agencies; relate preparation of elementary and secondary school teachers to business, industrial and private school settings; formulation of associations of schools of education for collaborative planning and implementation of courses of study to be used mutually; training of educational personnel who will specialize in implementing the Nation's urban policy.

Sec. 6. Model Projects. This section authorizes the Commissioner of Education to make grants to schools of education to carry out model projects for the purposes set forth in Section 5 of this Act; the Commissioner is authorized to promulgate an application procedure with respect to such grants.

Sec. 7. Planning Grants. This section authorizes the Commissioner of Education to establish criteria by means of which associations and consortia of schools, colleges, departments and programs of education may be brought into being; it authorizes grants to such associations and consortia as may thenafter be established to plan, diversify and redirect programs and curricula of the respective members schools of education; limitations of funding are imposed so that no consortium or association may receive more than $200,000 for each fiscal year in which this Act is applicable.

Sec. 8. Functions of the Assistant Secretary. This section requires the Assistant Secretary of Education to undertake activities of planning and technical assistance to carry out the policy of this Act. Such activities are detailed as:

(1) Promulgation of a plan, in cooperation with the Fund for the Improvement of Postsecondary Education, a unit of the Education Division, of a plan for diversification and redirection of courses of study for elementary and secondary school teachers as a means of technical assistance;

(2) Additional technical assistance to encourage magnet schools of education, a differential specialization of offerings so as to distinguish schools and more easily permit student selection of special emphases while at the same time reducing potentials for wasteful duplication of expenditures and faculty talent;

(3) Conduct a thorough study of the financing of higher education with special attention to the future needs of schools of education, and to report the findings of such study and recommendations for legislation to the Congress not later than January 2, 1981.

Sec. 9. Research and Evaluation. This section authorizes the Commissioner of Education to carry out directly or to make grants, contracts or other arrangements to conduct a program of research respecting the problems, conditions, and approaches relating to the policy of this act and to carry out evaluations of programs assisted under sections 4, 6, and 7 of this Act.

Sec. 10. Authorization of Appropriations. This section authorizes appropriations to carry out the provisions of this Act as follows:

(1) $20,000,000 are authorized to carry out section 3 of this Act beginning in fiscal year 1981 and terminating prior to October 1, 1986.

(2) $20,000,000 are authorized to carry out section 6 of this Act beginning in fiscal year 1981 and terminating prior to October 1, 1986.

(3) $2,500,000 are authorized to carry out section 7 of this Act beginning in fiscal year 1981 and terminating prior to October 1, 1986.

FACTS AND RELATED IMPACTS PERTINENT TO THE SCHOOLS OF EDUCATION ASSISTANCE ACT OF 1979

I. Demographic and Social Context Affecting Schools, Colleges, and Departments of Education (SCDEs):

A number of present and developing demographic, technological, and social trends have a potentially enormous impact on schools, colleges and departments of education (SCDEs). Some of these trends are creating unusual demands for large numbers of persons prepared to function in teaching and related roles in both school and non-school settings; other trends are reducing the demands for teachers and other educational personnel. Unfortunately, the roles of the newly required educational personnel are not exactly the same as those for which demand is diminishing. This circumstance, i.e., rapidly increasing demand for educational personnel for new roles and diminishing demand for educational personnel in traditional roles, is placing great stress on schools, colleges and departments of education. These institutions must have help if they are to meet these new requirements. It is to provide such assistance that this bill is proposed.

Some of the pertinent facts referred to above and their resulting impacts are as follows:

FACT

A. The K-12 school age population is rapidly decreasing.

Numbers of births have fallen nearly every year for the last 18 years.

The percentage decline in that period is nearly 28 percent (from about 4.3 million to 3.1 million).

This decline has resulted in a 10 percent decline in elementary school enrollments, with a further decline of 7 or 8 percent certain by the middle of the 1980's. (Between 1969 and 1982 or 3, elementary school enrollments will have declined 16 percent, from about 36,747,000 to about 30,800,000).

Secondary school enrollments reached their peak this year. They will decline through the 1980's, perhaps by as much as 25 percent.

Enrollment in grades kindergarten through 12 combined, reached a peak in 1970 of 51,309,000. Enrollment will decline through the mid-1980's to about 44,500,000, or about 13 percent.

IMPACT

A. For the past eight to ten years there has been a decreasing demand for elementary school teachers, and more recently, for secondary school personnel. Because of the decreasing demand, surpluses of school personnel have developed in many areas; however, even during a period of some surplus, shortages of trained teachers have remained in certain curricular fields, e.g., mathematics, handicapped education, and some fields in vocational education. For example, in fall 1977, there was a shortage of 9245 K-12 teachers, including 1,064 secondary mathematics teachers, 417 secondary science teachers, and 2,205 special education teachers (excluding gifted and talented).

At the present time, declining enrollments in traditional fields in SCDEs suggest the likelihood that general shortages for K-12 positions may develop within a few years. The contraction of programs in such areas as elementary education may extend to personnel cutbacks and dismantling of physical facilities—and these resources will take more money and time to replace in the coming decade.

FACT

B. The number of persons in the work force is increasing; the length of stay in the work force will increase due to federal legislation, and the nature of available jobs is changing extremely rapidly due to advancing technology and changing societal requirements, e.g., increased demands for services. The increase in the number of working women is particularly marked (projected at 41 million by 1985, up 5 million in 10 years). These women, especially those returning to the work force after a period of absence, require special counseling and education services from trained personnel.

IMPACT

B. The demand for adult job-related education—in the schools, in businesses and industry and at various levels of government—has increased astronomically and will continue to increase for the next twenty years. Every business of any size and almost every government agency at local, state, and federal levels has its own training or staff development program. Trained persons are needed to conduct and administer such programs. There is a need for improved linkages between school and the workplace which should be formulated at the K-12 level. Career education programs can provide students with the information, experience, skills, and counseling needed to prepare for satisfying employment.

FACT

C. The number of older persons is increasing and will continue to do so for at least the next fifty years. Not only will this group increase in number, it will increase even more rapidly as a percent of the population.

The median age was 30 in 1950: it will be 37 in the year 2050.

By the year 2030, it is predicted that 46 million people will be over 65, twice as many as there are today.

By the year 2050, approximately 16% of the population will be over 65.

IMPACT

C. Large numbers of persons prepared in teaching, therapeutic recreation, counseling and program administration will be needed to work in community education programs, lifelong learning, nursing and/or rest homes, retirement projects, etc.

FACT

D. The last few years have witnessed increased social concerns. These concerns have been articulated through legislation, court decisions, and citizen activities. Some popuped, minorities, non-English speakers, older lations of concern are: adults handicapped, minorities, non-English speakers, older persons in poverty, and youth offenders.

IMPACT

D. There is increased need for persons trained to work with each of these special population groups in both teaching and counseling roles—handicapped education, in both school and community settings; bilingual education in the schools (but also bilingually trained persons to work in adult training, counseling and related programs); persons in prison populations and half-way houses; and those suffering from alcoholism, obesity, drug addiction, child abuse, etc. Persons are also needed to work in various family support areas, helping the parents of infants, children and adolescents with particular problems.

FACT

E. For an increasing number of children, day-time care by their own parents is not possible. This results in large part from increased numbers of one-parent families and the rising numbers of women in the work force.

The single parent family is one of the major demographic trends affecting education: 45% of children born in 1976 will have lived with a single parent for some time before reaching 18 years of age.

Between 1970 and 1976 the number of children living with a single mother increased by 40%.

The number of female-headed families with children has increased over 250% since 1950.

IMPACT

E. Increasing numbers of children for whom own-home care is not possible result in need for day care, preschool education, and year-around schools, each of which requires trained personnel to operate and administer.

FACT

F. Many graduates of SCDEs find employment in occupations requiring skills related to teaching. Among these are advertising, sales, and management.

While the 1977–78 job market for teachers was discouraging, potential teachers were generally more successful than graduates in other fields in finding employment; 18% of persons prepared to teach were underemployed compared to 26% for all other graduates; 5% were unemployed compared to 8% for all other graduates.

IMPACT

F. Related occupations will continue to take teachers from the education market. SCDE-educated persons could be even better qualified for these positions with some modifications in SCDE programs and with cooperative efforts between SCDEs and colleges of business administration.

FACT

G. American youth maintain a high level of interest in education and education-related occupations.

IMPACT

G. SCDEs have the responsibility to prepare youth for the myriad of professional education opportunities in school and non-school settings. The responsibility extends to helping administrators in non-school institutions to articulate their needs and placing qualified graduates in these settings.

II. The Responsiveness of Schools, Colleges and Departments of Education (SCDEs) to Social Needs and Demographic Changes:

SCDEs have established a very good record of responding to emerging social needs and to changes in the size and nature of the student population. This responsiveness has been maintained in part through significant, timely assistance from the Federal government. Some instances follow:

FACT

A. Sputnik ushered in a tremendous need for curricular reform. The National Defense Education Act provided resources which assisted SCDEs in curriculum development, training new personnel for new needs, and inservice training for school personnel to implement the curricular innovations.

IMPACT

A. Added personnel were trained as guidance counselors, school social workers, foreign language teachers, librarians, and instructional specialists. Summer institutes were provided on new curricular approaches for fields such as mathematics, science, foreign language and counseling.

FACT

B. Post-World War II birth rate increases resulted in a shortage of teachers and classrooms.

IMPACT

B. The number of SCDEs increased; they were responsive in producing the number of teachers needed. New technology was developed and employed to attempt to handle the increased numbers. New building designs and educational specifications for new buildings were created. Regular classroom teachers and principals were trained to participate in developing educational specifications and designing classrooms, language laboratories, mathematics and science laboratories, etc.

Earned BA/BSc degrees awarded in education increased from 36,400 in 1947–48 to 96,400 in 1964–65 (or 162.3%).

Between 1964–65 and 1972–73 (the peak year of productivity) earned BA/BSc degrees increased from 96,400 to 163,000.

FACT

C. Legislation and court decisions in the area of human and civil rights placed enormous demands on the schools to provide equality of educational opportunity for all citizens, including the school age population.

IMPACT

C. Research has been conducted, curricula developed, and personnel trained in areas of handicapped education, urban education, parent education, multicultural education, human relations, vocational education, school administration, curriculum development, educational supervision and teacher education.

Desegregation institutes, alternative school designs, differentiated staffing patterns and off-campus and continuing education programs have expanded to meet the needs of desegregated schools.

III. The Potential Capacity of Schools, Colleges, and Departments of Education (SCDEs) to Respond:

Because all institutions of higher education, but especially those of teacher education, were until recently in a growth mode, it has been relatively easy to respond rapidly to societal demands and demographic changes. New programs could be added, and new faculty employed to accommodate each necessary adjustment. Faculty displaced by changes found ready employment at other institutions. Institutional curricular renewal was easily made part of the growth process.

These conditions have changed. Higher education is operating at a steady state or experiencing retrenchment. Because of their disproportionate enrollment demands, SCDEs are often being asked to cut their budgets and faculty. Faculty are no longer mobile; there are few openings at any institution, and even these are more likely to be for new PhDs than for displaced senior faculty members. Institutional renewal can no longer be accomplished by adding on programs and faculty.

Even throughout the growth period, SCDEs received significant Federal program support to help them to develop the best models for change and to facilitate their adoption of these models. SCDEs did change, and their responsiveness benefited society and ameliorated significant social problems. Because of the growth pattern, past adjustive efforts could be accomplished with minimal outside funds.

Given the change in conditions, a much greater change effort must now be made so that the considerable resources of SCDEs are best used to society's benefit. Outside resources are even more imperative than in the past.

FACT

A. The past history of responsiveness of SCDEs augurs well for their continuing in this pattern. Further, the capacity building which has gone on throughout the period of growth has created an impressive array of resources that can be called upon and redirected. SCDEs have the organization, personnel, facilities and cooperative relationships with other human service agencies.

The number of SCDEs grew from 1150 in 1959 to 1440 in 1975 and declined to 1240 in 1978.

IMPACT

A. Approximately 1240 institutions of higher education operating with state accreditation have some aspect of teacher training as part of their instruction mission. This represents 72% of all collegiate institutions. Substantial resources have been committed to the development of programs, personnel, libraries and facilities to support this mission. These programs provide training for persons working in human development and service activities, primarily in a school setting. Although these resources are in place for teacher training, modifications can be made which will adapt these training programs to relevant human services: vocational and career development; criminal justice and rehabilitation; services for the infant and young child, the handicapped and the aged. In addition, developments in industry point to the need for programs designed for training.

FACT

B. The teacher shortage of the 60s resulted in substantial increases in the size and composition of teacher training institutions.

Nationwide, there were 41,000 faculty engaged full-time in education units with another 21,000 part-time or faculty with joint appointments in 1975–76.

91% of faculty have work experience in K–12 schooling.

IMPACT

B. SCDEs added a large number of highly trained and competent personnel, most of whom are now tenured and are capable of significant social contributions. Their average age is in the early 40s, and they can be expected to be in the higher education workforce for approximately 20 more years. These personnel are much more broadly oriented than in the past. Alternative education patterns have become more common. Many schools added special education, counseling and school psychology, and adult education programs, which broadened the scope of human services to which they were sensitive and competent to attend.

FACT

C. Significant declines in SCDE enrollment have occurred as a result of the teacher surplus.

Supply of graduates completing programs in education in 1977 (213,054) is smaller by 6.2% than in 1976.

Supply has fallen from all time high of 317,254 in 1972 or by 32.8%.

IMPACT

C. Over 200 teacher training programs have been eliminated in the six years from 1972–78. The remaining teacher training programs are of higher quality than ever before.

In addition, although substantial reductions in faculty have occurred through retirement and normal attrition, remaining faculty are often under-utilized and could be retrained and redirected to other significant social purposes. However, the continued assumption of teacher over-supply continuously erodes the quality of remaining programs in teacher education through budget and resource deficiencies. It is estimated that under present conditions no more is being spent on the professional preparation of a teacher than is spent on the education of a high school student in an affluent community.

FACT

D. SCDEs are no longer the sole agencies involved in teacher training for schools.

IMPACT

D. Federal and state legislation have shifted responsibilities from SCDEs to State Education Agencies (SEAs) and Local Education Agencies (LEAs). Regional resource centers, teacher centers, and intermediate educational units are substantially involved in the continuing training of teachers. These resources may duplicate the existing resources of SCDEs in personnel and facilities, while SCDE resources are not being utilized to their capacity.

FACT

E. The programs and faculties already in place in SCDEs provide human development and teaching skills.

IMPACT

E. The human service needs described in Section I point to the urgency of developing an adequate training facility for human service personnel workers. These personnel, as well as those planning for careers in business and industry, need preparation and development in: a) specific teaching skills, b) human relations skills, c) goal-setting skills, d) use of instructional technology, e) ability to criticize in performance analysis, and f) ability to function as a team member. No formal training agency exists to meet these needs. The facilities, the organization and programs of many SCDEs provide some of the essential components to build such a training program. In order to do this, the resources of SCDEs must be maintained, strengthened and redirected.

The responsiveness documented in Section II suggests that in an atmosphere of growth, support and external resources, SCDEs have the capacity to respond quickly and effectively to social challenges. However, no estimate has been made of the cost to the national interest if the task of developing educational programs responding to urgent social issues must be accomplished in the context of drastically declining resources without outside help. The human resources in place with SCDEs can, with some assistance, be quickened to action to address the problems of the 80s.●

By Mr. STEVENSON (for himself and Mr. PERCY):

S. 361. A bill to change the name of the Indiana Dunes National Lakeshore to the Paul H. Douglas Indiana Dunes National Lakeshore; to the Committee on Energy and Natural Resources.

PAUL H. DOUGLAS INDIANA DUNES NATIONAL LAKESHORE

● Mr. STEVENSON. Mr. President, today I am introducing a bill, along with my colleague, Mr. PERCY, to rename the Indiana Dunes National Lakeshore the Paul H. Douglas Indiana Dunes National Lakeshore.

Paul Douglas was a giant of the Senate. He understood the urgency of setting aside the Indiana Dunes at a time when support for preserving the environment had to be pleaded for and fought for.

Senator Douglas was approached by Indianans after their efforts to interest their own legislators failed. They had come to the right person and typically he championed their cause. And he did so for years, from 1959 when he first introduced legislation to authorize the lakeshore until its enactment in 1966.

In introducing his bill, Senator Douglas said:

> With all humility I ask for your support of this bill to create the Indiana Dunes National Monument. I ask it in the name of the people of Indiana to whom it should belong forever; the people of Illinois who depend upon it; the people of the United States who are growing ever more alert to their disappearing natural resources; and the people, the millions upon millions of people who are yet to be born who cannot live and grow and be happy in a tight little world of factories, of smoke, and noise and unrelieved pressures.

The situation was urgent. Establishment of the lakeshore had originally been proposed by the first director of the National Park Service, but was interrupted by World War I. During the decades that followed, many of the proposed areas were bulldozed, cemented, and taken over for factories and powerplants. Industrialization flourished and much of the natural beauty was lost forever.

Without Senator Douglas it would all have been lost. The country was not ready to choose between growth and profits and the need of present and future generations to get away from the anguish of urban life.

The choice was obvious to Paul Douglas. He loved the dunes and knew of their scenic and ecological wonders. He knew that our children and their children had to have the same opportunities as we to learn about them and enjoy them.

Paul Douglas will be remembered by those of us privileged to know and work with him. He represented the people most desperately in need. We are deeply in his debt.

We now have a chance to honor a noble human being. He deserves a memorial. We would be the better for a continuing reminder of his life. And what could be a more appropriate memorial to this life-long servant of his country than to have the Nation's first urban park become the Paul H. Douglas Indiana Dunes National Lakeshore.

Mr. President. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 361

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That an Act entitled "An Act to provide for the establishment of the Indiana Dunes National Lakeshore, and for other purposes", approved on November 5, 1966 (80 Stat. 1309), as amended, is further amended by striking out "Indiana Dunes National Lakeshore", wherever it appears, and inserting in lieu thereof "Paul H. Douglas Indiana Dunes National Lakeshore".●

By Mr. GRAVEL (for himself and Mr. STEVENS):

S. 362. A bill to increase authorization for Alaska Highway reconstruction; to the Committee on Environment and Public Works.

ALASKA HIGHWAY RECONSTRUCTION

● Mr. GRAVEL. Mr. President, today I am introducing legislation to increase the authorization for the Alaska Highway reconstruction project. Still today the citizens of Alaska are unable to drive from the interior of the State to southeast Alaska, which contains Juneau, the capital, on other than a dirt and gravel road. In order to correct this situation, in 1973 Congress authorized the Alaska Highway reconstruction project. It calls for paving and upgrading of the Alaska Highway from the Alaska/Yukon border to Haines Junction, and the Haines Highway from Haines Junction to the British Columbia/Alaska border. Dangerous curves are to be smoothed; narrow lanes and shoulders will be widened; steep grades will be realined to provide an improved and much safer journey for the public.

The route designated by the project is the most direct land route from the Alaskan interior to southeast Alaska but due to Alaska's removed location from the other 49 States, the route traverses Canadian soil. This required the establishment of a special agreement with the Canadian Government. Other States are able to maintain a connected system of paved highway without as many complicating factors. The Alaska Highway reconstruction project will help Alaska to enjoy this same privilege other States are able to take for granted.

The initial $58.67 million authorization was based on a 1966 Canadian Department of Public Works study of the entire Alaska Highway which was adjusted to 1971 dollars. This early study was updated by the Canadian Department of Public Works and the new estimate for the reconstruction project was $200 million in 1976 dollars. I have arrived at my own new figure of $265.8 million by allowing for the 32.9 percent increase in highway construction costs which has occurred since 1976. The impact of inflation is an already too familiar tale and the highway construction firms have felt its sting no less than other industries. The increased authorization for this project is a direct result of the high inflation this country has been experiencing.

Completion of this project will result in a savings, however, in both time and costs to users of the highway. Maintenance of the highway will be improved through the elimination of some of the more costly problems, such as the severe snowdrifting found on the Haines Highway. There will be a substantial reduction of costs to the individual citizen for whom it is not uncommon to be forced to replace a windshield or tire before the trip is through. Overshadowing the many expected improvements is the increased safety. Alaskans would like to be able to enjoy and to offer their ever-increasing number of out-of-state visitors a safe and reliable journey between regions in Alaska. By allowing completion of this project, the better interests of all U.S. citizens traveling the Alaska Highway will be served.●

By Mr. JOHNSTON:

S.J. Res. 34. A joint resolution proposing an amendment to the Constitution of the United States providing that the term of office of Members of the U.S. House of Representatives shall be 4 years; to the Committee on the Judiciary.

Mr. JOHNSTON. Mr. President, I am today introducing a proposed constitutional amendment to extend the terms of Members of the House of Representatives to 4 years. The joint resolution further provides that House Members who wish, during the middle of their term, to run for the U.S. Senate would have to resign from the House. Their term would be coterminous with that of the President, and the proposal would become effective for each election after its passage.

Mr. President, I would simply give three or four very simple reasons why this joint resolution is not only a measure whose time has come, but one which is very much past due.

At the time of the founding of this country, during the debate in the constitutional convention, it was thought by some that the terms of House Members should be 1 year; by others, 3 years. The term of 2 years was a compromise between those two views. It was thought to be sufficiently long to give a Member of the House time to come to Washington and do his duty. And yet in those days, when terms of Congress were expected to be and indeed turned out to be 2 months, perhaps, at the outside, it allowed the Congressman to be close to his people so that during the 10 months of the year when the Congress was not in session, as a citizen-legislator he would be able to go home and be with his people. It allowed maximum flexibility for the electorate to change every 2 years.

Those kinds of conditions no longer exist in this country, Mr. President.

The 1 year advocates said it would prevent a Member from becoming too independent from his constituents. In 1787, communication and travel being what it was, this argument might have had some merit. Today, however, with instantaneous communication and rapid mass transportation this argument has lost much of its efficacy. Indeed what Marshall McLuhan calls "a global village," has made distant constituents Washington neighbors. Modern communication, opinion polls, letters, and the telephone give Members of Congress ample data on what people in their district are doing and thinking.

Today the typical congressional year is from January to December. The demands of the Congress, the difficulty of the issues, the complexity of Government, and the need to be on the job are overwhelming needs. There simply is no longer time in order for House Members to be, what amounts to, campaigning all year long every year.

I would simply give four very quick and simple reasons why this bill should be passed by the Congress.

First of all, the question of time: By lengthening the term to 4 years, Congressmen could at least have 2 years to be a legislator and 2 years to be a candidate, or perhaps generously 3 years to be a legislator and 1 year to be a candidate. It would give the Congress that kind of time which it needs to do the people's business.

Second, Mr. President, there is the question of money. I am talking about campaign money. There is not a Member of this Senate who is not concerned about the sinister effect of money on campaigns.

Not all of us would react in the same way. Some would go to Federal financing. Others would put more stringent limits on money in campaigns. But one thing is clear: In the present system where House Members must run every 2 years, Congressmen are spending most of their time either campaigning or raising money. To lengthen those terms to 4 years would cut in half the need to spend the time for, and the need to have the influence of, campaign funds.

There are many Congressmen, Mr. President, who, every time they have a tough race, go into debt for the whole 2-year period of their term. That should not be. It ought to be a more lengthy term.

The third reason, Mr. President, is the quality of people. We have a very good Congress, but I know from personal experience candidate after candidate after candidate in my State who will refuse to run, having an excellent chance to get elected, because the term is simply too short. The demands of coming to Washington, one of the most high-inflation places in the world, with the uncertainty of moving the family, the uncertainty of being able to survive in today's difficult politics, is more than many, many prospective candidates can put up with. So they do not run.

That does not happen just sometimes. That is getting to be more the rule than the exception.

It is hard enough, Mr. President, to serve in the Congress. This year, I think, retirements are running higher than they have in decades, perhaps higher than they are at any time in the history of the Congress, but at least higher than they are in decades. That is because of all of the manifold reasons of the difficulties of serving in public office now, the difficulties of living in Washington in inflationary times, the difficulties of trying to accommodate to one issue politics, of all the regulations on ethics and all the rest which, for the honest Congressman, constitutes a great burden in time.

All of those reasons dictate that we lengthen the time of the job on the other side of the Capitol to 4 years.

Finally, Mr. President, this constitutional amendment, if passed, will strengthen the two-party system. Almost all political scholars these days decry the blurring of the distinctions of the two-party system. Whichever side they come down on in terms of party and philosophy, they dislike intensely the fact that we do not have any party discipline any more, and that party lines are becoming very blurred. To have Congressmen run at the same time a President does would tend to reinforce the distinction between parties; it would tend to give to the people an ability through an election to carry out a program on which the President is running.

I will close by saying, Mr. President, that the American people in poll after poll have long supported this proposition. President Johnson was for it back in his term as President. I do not know why it has not passed. I suppose the reason it has not passed is that Senators were not willing to put in an amendment that said House Members could not run for the Senate without resigning. I have put that amendment in and quite frankly and candidly I thought, "Well, perhaps I will not put it in, and maybe the committee can."

If it is going to pass, Mr. President, it has to have that amendment in it, and we all know it. That amendment is here. In effect, it does not change the present situation where a House Member has to give up his seat if he runs for the Senate. It makes no change in that. But it makes it passable, I believe, in this body.

The time has come to pass this amendment.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 34

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. The terms of Members of the House of Representatives shall be four years and shall commence at noon on the third day of January of the same year in which the regular term of the President begins.

"Sec. 2. No Member of the House of Representatives shall be eligible for election to the Senate for a term which is to begin before the expiration of his term in the House of Representatives unless, at least thirty days prior to such election, he submits a resignation from the House of Representatives which shall become effective no later than the beginning of the Senate term.

"Sec. 3. This article shall become effective with respect to terms of Representatives which, under the provisions of section 1, begin after the date on which it is ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States.".

By Mr. STONE:

S.J. Res. 35. A joint resolution to continue programs, transactions, and activities with respect to the Republic of China to the same extent and in the same manner as provided in the memorandum of the President, dated December 31, 1978, pending further legislation, and for other purposes; to the Committee on Foreign Relations.

Mr. STONE. Mr. President, today I am introducing legislation regarding the continuation of commercial and other relationships between the United States and the Republic of China. My resolution authorizes the President to continue any programs, transactions, or other activity with the Republic of China to the same extent and manner as provided in the December 30, 1978, Executive memorandum of the President. My resolution also insures the maintenance of contacts and ties with the Republic of China if Congress has not enacted any pending legislation establishing the basis of future relations between the United States and the Republic of China before March 1, 1979.

Mr. President, I ask unanimous consent that the text of my joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 35

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the exchange of ambassadors or the establishment of embassies by the governments of the United States and the People's Republic of China, the President is authorized to carry out any program, transaction, or other activity with respect to the Republic of China to the same extent and in the same manner as provided in the Executive memorandum of the President, dated December 30, 1978, relating to relations with the Republic of China until the Congress enacts legislation specifically providing for commercial, cultural, and other relations with the Republic of China on an unofficial basis.

SEC. 2. This joint resolution shall take effect on January 1, 1979.

ADDITIONAL COSPONSORS

S. 8

At the request of Mr. DOLE, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 8, a bill to extend diplomatic privileges and immunities to any principal liaison office of the Republic of China that may be established in Washington, District of Columbia, and to members thereof.

S. 10

At the request of Mr. BAYH, the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of S. 10, a bill to protect the rights of institutionalized persons.

S. 12

At the request of Mr. DOLE, the Senator from Maine (Mr. COHEN) was added as a cosponsor of S. 12, a bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the individual tax rates and in the amount of personal exemptions.

S. 22

At the request of Mr. PROXMIRE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 22, the First Amendment Clarification Act of 1979.

S. 76

At the request of Mr. **Stone**, the Senator from Mississippi (Mr. **Cochran**) was added as a cosponsor of S. 76, to amend title XVII of the Social Security Act to authorize payment under medicare for certain services performed by chiropractors.

S. 104

At the request of Mr. **Schmitt**, the Senator from Wyoming (Mr. **Simpson**) was added as a cosponsor of S. 104, the Regulatory Reduction and Congressional Control Act.

S. 109

At the request of Mr. **Harry F. Byrd, Jr.**, the Senator from Florida (Mr. **Chiles**) was added as a cosponsor of S. 109, to require the reinstitution of procedures for the registration of certain persons under the Military Selective Service Act, and for other purposes.

S. 208

At the request of Mr. **Baker**, on behalf of Mr. **Wallop**, the Senator from Vermont (Mr. **Leahy**) was added as a cosponsor of S. 208, a bill to amend the Internal Revenue Code of 1954 to subject foreign investors to the capital gains tax on gain from the sale of real property situated in the United States.

S. 212

At the request of Mr. **Schmitt**, the Senator from Tennessee (Mr. **Baker**) was added as a cosponsor of S. 212, the National Space and Aeronautics Policy Act of 1979.

S. 232

At the request of Mr. **Cranston**, the Senator from West Virginia (Mr. **Randolph**) was added as a cosponsor of S. 232, the Sudden Infant Death Syndrome Act Amendments of 1979.

S. 239

At the request of Mr. **Cranston**, the Senator from West Virginia (Mr. **Randolph**) was added as a cosponsor of S. 239, the Domestic Volunteer Service Act Amendments of 1979.

S. 262

At the request of Mr. **Ribicoff**, the Senator from Louisiana (Mr. **Johnston**), the Senator from Minnesota (Mr. **Durenberger**), and the Senator from Colorado (Mr. **Hart**) were added as cosponsors of S. 262, the Reform of Federal Regulation Act of 1979.

S. 331

At the request of Mr. **Proxmire**, the Senator from Oregon (Mr. **Hatfield**) was added as a cosponsor of S. 331, to require a balanced budget when the economy grows at a real rate of 3 percent or more.

SENATE JOINT RESOLUTION 20

At the request of Mr. **Zorinsky**, the Senator from Oklahoma (Mr. **Boren**), the Senator from Montana (Mr. **Baucus**), and the Senator from Colorado (Mr. **Hart**) were added as cosponsors of Senate Joint Resolution 20, to increase the price support milk, wheat, corn, soybeans, and cotton to not less than 90 percent of parity prices thereof.

SENATE RESOLUTION 59—SUBMISSION OF A RESOLUTION RELATING TO THE MINIMUM DENOMINATION OF SAVINGS CERTIFICATES WHICH BEAR INTEREST AT A RATE INDEXED TO GOVERNMENT SECURITIES INTEREST RATES

Mr. PROXMIRE submitted the following resolution, which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. Res. 59

Resolved, That this resolution may be cited as the "Small Savers Equity Resolution of 1979".

Sec. 2. It is the sense of the Senate that, whenever the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board permit depository institutions to issue certificates of deposit bearing a rate of interest which is determined by reference to the interest rate payable on one or more classes of obligations of the United States under regulations heretofore or hereinafter issued, such institutions should also be required to issue such certificates in minimum denominations of not greater than $1,000.

EQUITY FOR SMALL SAVERS

Mr. PROXMIRE. Mr. President, I am today submitting a sense of the Senate resolution entitled the "Small Savers Equity Resolution of 1979" which will call upon the financial institutions regulatory agencies to stop discriminating against the small saver in implementing their current responsibilities under the Interest Rate Control Act (or Regulation Q as that legislative authority is better known in the marketplace).

Regulation Q, administered by the Federal Reserve, places ceilings on the amount of interest that can be paid on various classes of deposits including savings deposits by commercial banks which are members of the Federal Reserve System. The Federal Deposit Insurance Corporation and the Federal Home Loan Bank Board also have statutory authority to regulate the amount of interest which may be paid by institutions under their jurisdiction. In practice, these financial institutions regulatory agencies have provided uniform ceilings which may be paid on various classes of deposits at commercial banks and uniform ceilings which may be paid on various classes of deposits at thrift institutions.

Mr. President, the ceiling is 5 percent in commercial banks. Five percent interest is all a small saver can get. He gets 5¼ percent at a savings and loan institution. There is a differential. But 5 percent and 5¼ percent interest is almost an insult these days. A big saver has no trouble buying a certificate for $10,000 that will yield him 10 percent. Why this discrimination against a little man?

It is reported that last month, the banks in this country enjoyed a tremendous increase in profits. That is fine. I think our banks should be profitable, but not at the expense of the small saver.

Obviously, when banks can pay 5 percent on their deposits or, in the case of savings and loan institutions, 5¼ percent, and then turn around and get 10, 12, and 15 percent when they lend money, it is a marvelous margin, but it is unfair, inequitable, and unnecessary.

For that reason, I have introduced proposed legislation that would change the situation and provide that over time, gradually, every 6 months, there would be a small increase in the rate that could be paid to a small saver. It will take a few years, but it gets a reasonable level. Unfortunately, we cannot do it over night, but it seems to me that this is a reasonable and fair approach. It recognizes the fact that the small saver has been discriminated against, and it overcomes that situation.

Since the inception of the current Reg Q framework, the permissible ceilings applicable to commercial banks have been ¾ percentage to ¼ percentage point below the ceilings applicable to thrift institutions. This differential has been based upon the theory that commercial banks by virtue of their ability to offer the consuming public a full range of banking services (including checking accounts, saving accounts, consumer loans, commercial loans, and home mortgage loans) have a built-in competitive advantage over thrifts such that unless thrifts are enabled to pay a higher rate of interest on their more limited deposit base (savings and time deposits and for the most part no demand deposits) depositors would place their funds in commercial banks not in thrift institutions.

Congress has continuously extended the statutory base for the Reg Q mechanism since 1966 on the grounds that rate controls are needed in the financial industry in order to maintain the viability of thrift institutions and to provide through the thrift institutions a steady flow of funds to the home building industry.

The fact is that ceilings on the amount of interest payable on savings deposits are becoming increasingly less equitable to small savers. Moreover, the Reg Q ceilings have not prevented the housing sector from bearing the brunt of every period of high interest rates and tight monetary policy since 1966 except in the current phase. (See table I.) The reason that the housing industry has not borne the economic brunt of the current tight money/high interest rate atmosphere is that the financial institutions regulatory agencies last summer established a new 6-month, $10,000 certificate which pays a market rate of interest, a rate now far above the existing Reg Q ceilings. (See table II.) Payment of a market rate of interest on a short-term instrument by financial institutions has successfully prevented the outflow of funds from the thrift industry which has thereby enabled the home mortgage market to continue to be funded. In the 7 months since the inception of the new certificates, $77 billion has been invested by savers in those instruments. The experiment with raising the Reg Q ceilings to a market rate has been successful. But this success is not enough. The Congress must be watchful to insure that any successful program is fair to all of our citizens. A closer look at this situation reveals that the fairness test has not been met. The small saver—that is the saver with less than $10,000—is discriminated against. While the affluent saver—one with $10,000 or more to invest—receives a market rate of interest on his short-term investment, the small saver has been granted no reasonable relief from the old Reg Q ceilings to which he or she remains bound.

Mr. President, the current regulations authorizing financial institutions to issue money market certificates are grossly unfair to small savers. The $10,000 minimum denomination on these certificates prevents millions of small investors from participating in these new instruments. This means that wealthy savers can enjoy the benefit of receiving close to 10 percent on their savings while savers of modest means are limited to the interest rate ceiling established for passbook savings accounts, which is 5 percent at banks and 5¼ percent at savings and loan associations. This discrimination against small savers is wrong and should be stopped. My resolution would direct the bank regulatory agencies to lower the minimum denomination on money market certificates to $1,000.

The principal justification for the $10,000 minimum denomination has been that it is needed to protect the viability of financial institutions, especially thrift institutions, and the flow of funds into home mortgages. However, I believe this reasoning is faulty. Financial institutions themselves are capable of determining to what extent they can afford to issue these new money market certificates. If the cost of these certificates begins to seriously impair earnings, an institution can simply stop offering them, or offer them at lower rates.

Chairman Miller of the Federal Reserve acknowledged that the small saver is being discriminated against in his recent testimony before the Joint Economic Committee. The small saver should not be required to subsidize the homebuilding market. Many home purchasers are more affluent than some small savers. Is public policy well served if the young professional working couple making $80,000 a year together is able to obtain cheaper home financing because a number of elderly couples on social security are able to obtain only 5¼ or 5¾ percent on their under $10,000 savings account? Is public policy well served if thrifts may pay a market rate to large savers but depend upon low rates to the small saver to maintain their viability. I think the answer is "no." We have the obligation to develop a system that treats all savers fairly. Under the current rate control regulations the small saver would be required to go outside the federally insured financial system to receive a market rate on the savings while the large saver gets a market rate plus Federal insurance on his deposit. It is bad public policy to thus encourage the small saver to take such risks. After all, the Federal insurance program for deposits was intended to encourage the small saver to put their money in a safe place. This discriminatory state of affairs tends to destroy the confidence of the small saver in our financial system.

It is for these reasons, Mr. President, that I am introducing this Small Savers Equity Resolution of 1979. Passage of this resolution will put the Senate on a record as opposing the discrimination I have described against the small saver. The resolution calls upon the financial institutions regulatory agencies to permit a 6-month certificate for savers of $1,000 or more which would pay the same percentage as the rate authorized last summer for the 6-month certificates over $10,000. The establishment of such certificates would remove the discrimination on small savers. The effective rate on such certificates of $1,000 or more if issued today would carry a rate of over 10 percent. This is substantially higher than the 5- to 5¼-percent limitation which currently obtains. Financial institutions would not be required to issue any certificates if they chose not to for any management reason including low earnings. The resolution would only require that if a financial institution chose to issue any such certificates that the small saver not be discriminated against.

Once an institution decides to offer money market certificates, I believe they should be offered to all savers without discrimination. There is no justification for permitting only wealthy savers to receive the benefit of higher interest on their savings.

Mr. President, while adoption of the Small Savers Equity Resolution of 1979 and its implementation by the regulatory agencies will provide relief to consumers from the discriminatory aspects of Reg Q, more needs to be done to provide a basic cure to the inefficiencies in our financial markets brought by Reg Q.

Congress has always considered the imposition of Reg Q ceilings to be a temporary necessity. Secretary Blumenthal best summarized the history of Reg Q in testimony before the Banking Committee in 1977, stating that—

> In 1966, the Federal Government turned to deposit rate ceilings to protect the savings institutions and, thus, the mortgage market from commercial bank competition, but the ceilings were considered temporary and meant to expire in the following year. It was recognized then that ceilings penalized the small depositor and might not succeed in insuring a steady flow of funds to the housing market.

Since 1966, Congress has extended the Reg Q authority 11 times. During this time, Congress has also grappled with more fundamental solutions to the problems of maintaining the flow of funds to housing through thrift institutions, maintaining the viability of thrift institutions by increasing their earning power so they will be able to afford market rates of interest on deposits, and the benefits of free and open competition in financial markets among all types of financial institutions. In passing the Financial Institutions Act of 1975, the Senate sought to expand the lending and deposit powers of thrift institutions so that they could at the same time better serve consumers and be assured a steady flow of earnings even during periods of tight money. The provisions of the FIA of 1975 would have enabled the thrift institutions to move safely toward the payment of market rates for deposits over a period of 5 years by providing them with flexible asset powers enabling them to maintain their earnings viability and fundamental commitment to the housing market.

Unfortunately, the FIA of 1975 did not become law, in part because of the opposition of thrifts themselves. It is now time to take an alternative course to make our financial system more competitive without rate controls while maintaining our commitment to the housing market.

I will shortly introduce legislation which will require the Reg Q ceiling to be increased by one-fourth of a percentage point every 6 months or one-half percentage point each year over a 10-year period. This will raise the permissible interest rate levels on all classes of deposits that now exist under Reg Q a full 5 percentage points. The differential would not be disturbed. Nevertheless, it appears probable that at the end of the 10-year period the Reg Q ceilings would exceed the market rate for deposits so that Reg Q ceilings would be irrelevant.

The legislation which I intend to introduce will also require the Secretary of the Treasury in conjunction with the Federal Reserve Board, the Comptroller, the FDIC, the Federal Home Loan Bank Board, and the National Credit Union Administration to make legislative recommendations for increasing the scope of thrift lending and deposit powers to enable them to survive without the crutch of Reg Q and to make more competitive the entire financial system which would be in the best interests of all consumers.

Mr. President, I hope my colleagues will join with me in supporting the Small Savers Equity Resolution of 1979 which has for its purpose the elimination of discrimination against the small saver in financial markets.

I am hopeful that the Senate Banking Committee will move swiftly on this resolution. At the same time, I believe we need to take a long and serious look at our entire system for limiting the rate of interest on savings deposits. These interest rate ceilings, as established under Regulation Q, have deprived small savers of billions of dollars in interest over the years. I believe the time has come for an orderly phaseout of Regulation Q ceilings, and as I have said, I intend to introduce legislation to that effect in the very near future.

In the meantime, I believe small savers are entitled to immediate participation in money market certificates, and I look forward to prompt congressional action on my resolution.

Mr. President, I ask unanimous consent to have two tables printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—DEPOSIT FLOWS AND HOUSING STARTS

	Time and savings deposits[1] (billions)				Total private housing starts (millions)	
	Commercial banks		Thrifts amount	Changes		
	Amount	Changes			Amount	Changes
1966	$142.4	NA	$177.3	NA	$1,165	NA
1967	162.7	$20.3	194.0	$16.7	1,292	127
1968	180.8	18.1	206.7	12.7	1,508	216
1969	183.5	2.7	214.9	8.2	1,467	−41
1970	203.9	20.4	232.6	17.7	1,434	−33
1971	237.8	33.9	273.3	40.7	2,052	618
1972	270.0	32.2	319.2	45.9	2,357	305
1973	300.9	30.9	347.8	28.6	2,045	−313
1974	329.3	28.4	369.1	21.3	1,338	−707
1975	369.6	40.3	427.8	58.7	1,160	−178
1976	427.0	57.4	496.0	68.2	1,538	378
1977	471.1	44.1	561.6	70.6	1,987	449
1978	510.8	39.7	626.5	59.9	2,018	31

[1] Other than large CD's.
NA = Not available.

Source: Economic Report of the President.

TABLE II.—6-MO MONEY MARKET CERTIFICATES (MMC'S)

[In billions of dollars]

	Commercial banks	S. & L.'s	Mutuals	Total	Rate on MMC's	Rate differential, MMC rate less savings rate[1]
1978:						
June	2.1	5.4	1.6	9.1	7.8	2.55
July	5.5	11.8	3.5	20.8	8.2	2.95
August	7.8	15.1	5.0	27.9	8.0	2.75
September	9.7	19.3	6.1	35.1	8.5	3.25
October	13.9	26.7	8.9	49.5	9.2	3.95
November	19.7	34.6	10.8	65.1	9.9	4.65
December	23.0	40.8	12.8	76.6	10.1	4.85

[1] Rates at thrifts.

SENATE CONCURRENT RESOLUTION 4—SUBMISSION OF A CONCURRENT RESOLUTION OPPOSING WAGE/PRICE OR OTHER STABILIZATION STANDARDS

Mr. HEINZ (for himself, Mr. COCHRAN, Mr. GARN, Mr. GOLDWATER, Mr. HELMS, Mr. LUGAR, Mr. SCHMITT, Mr. THURMOND, Mr. TOWER, Mr. WALLOP, and Mr. HUMPHREY) submitted the following concurrent resolution, which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. CON. RES. 4

Whereas Title II of the Economic Stabilization Act of 1970 expired on April 30, 1974 and the President of the United States is therefore not empowered to impose wage, price, profit, interest, dividend or other general economic stabilization controls pursuant to any existing statute or provision of the Constitution; and

Whereas the historical record amply documents the failure of peacetime wage and price controls to permanently reduce inflation; and

Whereas the wage and price controls implemented pursuant to the Economic Stabilization Act of 1970 produced serious inequities for many economic sectors, including workers, certain industries, and small businesses; caused harmful distortions in investment and production flows and selective shortages of many products and supplies; imposed heavy compliance and paperwork costs on both the government and private individuals; disrupted import and export markets; inhibited economic planning and generated pervasive economic uncertainty among those subject to continually changing regulations; and resulted in an unprecedented and damaging price explosion upon the lapse of such controls in 1974, thereby eliminating any temporary benefit that may have been achieved; and

Whereas the President intends to promulgate a wage and price program consisting of specific, numerical wage and price standards that will be enforced by indirect and informal sanctions, such as Federal procurement actions, environmental, consumer, and workplace safety standards decisions, import relief decisions, strategic stockpile management policies, and independent regulatory agency decisions; and

Whereas such discretionary authorities to grant relief or impose hardships were delegated to the President solely for the purpose of achieving the particular public policy objectives set forth in the statutes making such grants of discretionary authority, such as the protection of the public health and welfare through the establishment of ambient air quality standards, the protection of U.S. workers and industries against unfair trade practices, the reduction of workplace hazards faced by employees, the establishment of just and reasonable rates for the transport of goods in interstate commerce, and the maintenance of stockpiles of critical materials sufficient to protect against national emergencies, among others; and

Whereas it was not the intent of Congress in granting such discretionary authorities to provide the President with plenary powers that could be directed to the establishment and enforcement of a general economic stabilization program not specifically authorized by statute; and

Whereas the use of such discretionary powers to compel compliance with specific, numerical wage and price standards amounts to a de facto wage/price control program; and

Whereas the employment of such discretionary powers to promote unrelated, unauthorized and arbitrarily chosen wage/price objectives constitutes a fundamental abuse of Executive power, would arbitrarily burden some sectors, industries and economic groups more than others depending upon the discretionary power to compel compliance available to the Executive Branch in each case, and is incompatible with our constitutional framework of divided powers, proper statutory delegation of authority, and legislative rather than ministerial pre-eminence in public policy-making; and

Whereas the President may request authority to implement a general economic stabilization program through the proper legislative process of requesting a statute granting him the authority to administer a program of wage, price and other economic controls, which program may include compliance and enforcement mechanisms ensuring equitable treatment of all economic sectors and affording due process to affected parties;

Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), that it strongly opposes any action by the President to promulgate specific, numerical wage, price, or other general economic stabilization standards enforced by the direct or implied threat that compliance with or accommodation to such standards by workers, unions, companies, industries and other private economic groups will be considered, weighed or otherwise taken into material consideration in actions, decisions or other exercises of administrative discretion pursuant to the Agricultural Adjustment Act, the Anti-Dumping Act of 1921, the Civil Aeronautics Act of 1938 (as amended), the Clean Air Act (as amended), the Communications Act of 1934 (as amended), the Consumer Product Safety Act, the Emergency Petroleum Allocation Act, the Energy Conservation and Production Act, the Energy Policy and Conservation Act, the Export Control Act of 1949 (as amended), the Federal Aviation Act of 1958 (as amended), the Federal Environmental Pesticide Control Act, the Federal Food, Drug and Cosmetic Act (as amended), the Federal Insecticide, Fungicide, and Rodenticide Act of 1947 (as amended), the Federal Land Policy and Management Act of 1976, the Federal Non-Nuclear Energy Research and Development Act, the Federal Power Act (as amended), the Federal Property and Administrative Services Act (as amended), the Federal Trade Commission Act (as amended), the Federal Water Pollution Control Act (as amended), the Fishery Conservation and Management Act, the Internal Revenue Code of 1954 (as amended), the Interstate Commerce Act (as amended), the Mining Law of 1872, the Motor Vehicle Information and Cost Savings Act (as amended), the National Environmental Policy Act, the National Forest Management Act of 1976, the National Labor Relations Act of 1935 (as amended), the Resource Conservation and Recovery Act, the Safe Drinking Water Act, the Strategic and Critical Materials Stock Piling Act, the Tariff Act of 1930, the Toxic Substances Control Act of 1976, the Trade Act of 1974, the Trade Expansion Act of 1962 (as amended), and the Water Quality Improvements Act of 1970.

● Mr. HEINZ. Mr. President, today I am submitting a Senate concurrent resolution.

Its purpose is to express the sense of the Senate in opposing the use of any direct or implied threat of administrative action or decision pursuant to various laws being used to impose wage and price or other stabilization standards. Specifically, there is some question as to the statutory authority behind the Executive Order issued by the Office of Federal Procurement on November 3, 1978. The Executive has enforced the adherence to certain wage and price standards by government contractors, subcontractors, and suppliers, and the controls pertain not only to Government contracted business but extend also into the contractors personal activities.

With the expiration of the Economic Stabilization Act of 1970 on April 30, 1974, the President is no longer empowered to impose wage, price, profit, interest, dividend, or other general economic controls.

That being the case, Mr. President, it is this Senator's very strong view that if the President intends to promulgate any wage or price programs consisting of specific, numerical wage, and price standards, that is his prerogative, but it is not the intent of Congress that he be allowed to enforce any such standards by indirect or informal sanctions such as Federal procurement actions, environmental, consumer, and workplace safety standards decisions, import relief decisions, strategic stockpile management policies, and independent regulatory agency decisions.

To allow the President to do that would be to give to the Executive a power that Congress has never delegated. In fact, what we would be permitting is political blackmail, and that is not at all the intention of this Senator, or I believe, Mr. President, of the Senate.

The authorities that I mentioned a moment ago, which are explicitly set forth in my resolution, are discretionary authorities designed to grant relief or to impose hardships, which were delegated to the President solely for the purpose of achieving the particular public policy objectives set forth in the statutes.

We should make it very clear, and I think we do so by this resolution, that we have no intention of allowing such authority to be used for some other purpose that is not that of the intent of Congress. It should be clear, and I think it is clear on the record, when Congress does grant discretionary authorities with those specific purposes in mind, that it was never the intent of Congress to provide the President with plenary powers that could be directed to the establishment and enforcement of a general economic stabilization program not specifically authorized by statute.

It is not the intention of this amendment or this Senator to constrain, or in any way prohibit the President from promulgating whatever he wants in the way of guideline for phase II, phase III, or any other phase of voluntary wage and price guidelines.

The sole point of this amendment is, in general, to compel compliance with the explicit intent of our statutes and to see to it that there is no employment or use of such discretionary powers to promote unrelated, unauthorized, and arbitrarily chosen wage-price objectives which I believe would constitute a fundamental abuse of Executive power, and which would arbitrarily burden some sectors in industry or economic groups more than others. The imposition of any such sanction or the use of such power is fundamentally incompatible with our constitutional framework of divided powers and proper statutory delegation of authority and legislative rather than ministerial preeminence in public policymaking.

It is our burden and responsibility to determine what the law should be. It is the Executive's responsibility to carry out our actions according to the authority we choose to delegate to him. I hope my colleagues will join in this effort to put these matters in their respective order.

Mr. President, I would ask my colleagues to take notice that officials from the General Accounting Office will be testifying today that President Carter's use of Government procurement contracts to force compliance with his wage and price guidelines is illegal. I ask unanimous consent that an article by Bradley Graham of the Washington Post from yesterday's issue be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES CONTRACTS AS LEVER SEEN ILLEGAL

(By Bradley Graham)

General Accounting Office officials are expected to testify tomorrow that President Carter's use of government contracts to force compliance with his voluntary wage-price guidelines is illegal and likely to be ineffective.

Milton Socolar, GAO's general counsel, is reported as saying—testimony prepared for delivery before a House subcommittee—that, lacking approval from Congress, the president cannot withhold government contracts from businesses that do not go along with the wage-price program.

In addition, Jerome Stalarow, director of GAO's procurement division, is expected to criticize the program's enforcement provision as ineffective in view of the small size of the government's inflation monitoring staff and the small group of companies that will be affected.

"We have some serious doubts about the program," said one GAO source who asked not to be identified.

The opinion from GAO, a congressional watchdog agency, clashes with a Justice Department position that the Carter administration can deny government contracts to noncomplying firms. The White House relied on the Justice Department opinion in drafting the anti-inflation program last fall.

Administration officials, informed of GAO's planned testimony, said Friday they were confident the president's program is legal and will prove effective. They charged GAO officials with taking too narrow a view of the law.

"The GAO has to offer opinions that are very conservative by nature," said Lester Fettzig, administrator for federal procurement policies at the president's Office of Management and Budget.

As part of his anti-inflation program, Carter has announced the government would deny contracts to companies that raise their prices or wages above voluntary guidelines set by the government. The guidelines call for holding increases in wages and fringe benefits to no more than 7 percent and keeping prices below the average increases for the past two years.

The enforcement provision takes effect Feb. 15. On that date, companies must certify they are in compliance with the wage-price standards in order to be eligible for federal contracts in excess of $5 million. The names of companies found by the government not to be adhering to the guidelines will be placed on a public list.

The squabbling over the legality of the compliance provision is likely to be settled eventually by the courts. One court challenge to the anti-inflation program—a request for a preliminary injunction brought by the Association of Western Pulp and Paperworkers—was rejected in December.

The suit raised objections to the legality of the program similar to those to be cited by GAO officials tomorrow, though the court never addressed these objections, deciding the case instead on other grounds. White House officials expect other test cases to follow.

The administration's position rests chiefly on the wording of the Federal Property Act of 1949 that gives the president power to prescribe government contracting policies on factors other than price alone. Justice Department attorneys have interpreted the act broadly to mean government contracting is primarily an executive branch function.

This power has been questioned in the past. The Johnson administration was taken to court over its policy of denying contracts to companies not in compliance with federal anti-discrimination standards. The judges ruled in favor of the White House.

But Carter's anti-inflation program is a murkier case, because it involves confusing guidelines and congressional ambivalence about the program.●

AMENDMENTS SUBMITTED FOR PRINTING

AMENDING THE STANDING RULES OF THE SENATE—SENATE RESOLUTION 9

AMENDMENT NO. 55

(Ordered to be printed and to lie on the table.)

Mr. JOHNSTON. Mr. President, very briefly, I am submitting an amendment today for a change in rule XXII. I have not yet determined exactly what I am going to do on the leader's proposed change in rule XXII. I certainly support the need to have a more efficient Senate, doing away with the postcloture filibuster conducted by one or two Members. But on the question of the total rule change I have not as yet decided. I do have an amendment, Mr. President, which I believe will improve even the leader's package.

What it does is to provide for a maximum of three cloture motions. All that the proponents would have is three bites of the apple. After that, cloture could not be invoked, according to my amendment.

The amendment does provide two protections to prevent postcloture motions from being made too fast, perhaps being made by opponents of a bill.

The first is that the first motion to close debate may be made at any time the measure is brought up.

The second cloture motion cannot be made until 2 calendar days later.

The third motion could not be made until 1 calendar day after the second cloture motion.

That would give a minimum of 3 days. It would also provide that each Senator who signed the cloture motion to bring the debate to a close would have the duty to vote in the affirmative on the cloture vote. That would prevent opponents of a measure from bringing in a quick cloture motion at a time perhaps when they knew that Senators were out of town or when they knew that the other side did not have sufficient votes to prevail.

So, Mr. President, I think this proposed amendment to the pending rules change should be passed by the Senate.

COUNCIL ON WAGE AND PRICE STABILITY ACT AMENDMENTS OF 1979—S. 349

AMENDMENT NO. 56

(Ordered to be printed and referred to the Committee on Banking, Housing, and Urban Affairs.)

Mr. PROXMIRE. Mr. President, I am introducing at this time an amendment to S. 349, a bill which increases the authorization for the Council on Wage and Price Stability, and extends the duration of the Council. The purpose of this amendment is to establish numerical goals for the gradual reduction of the share of gross national product accounted for by Federal outlays.

It is important for the Members of Congress to recognize that they must be an active participant in the fight against inflation, and that is exactly what my amendment would do—commit the Congress to the realization that Federal spending must be controlled. President Carter has recognized this important fact in his fiscal year 1980 budget. Also, he has established as one of his budget objectives the reduction of Federal outlays as a share of the Nation's gross national product from 22.1 percent in 1978 to 21.2 percent in 1980 and 20.3 percent in 1982.

My amendment is quite simple. It is related to the President's objectives for reducing the share of GNP accounted for by Federal outlays. It would require that the President establish goals each year in his economic report, for Federal outlays as a proportion of gross national product. Those goals would be for the current year and each of the next 4 years. It also would establish explicit numerical goals for reducing the share of the Nation's gross national product accounted for by Federal outlays to 21 percent or less by 1981, and to 20 percent or less by 1983.

The President would be given the flexibility to recomend modification of the time tables for achieving those specific numerical goals. That flexibility is of the utmost importance for the President, and it will not, in my view reduce in any way the meaningfulness of establishing goals for reducing the proportionate share of GNP accounted for by Federal outlays. Moreover, it provides a mechanism for debating the level of Federal outlays. The final decision would still rest with the Congress in its debate each year on the budget.

In the late 1950's and early 1960's the proportion of Federal outlays to gross national product was less than 20 percent. That proportion increased to 21.5 percent in 1968, primarily because of spending for the Vietnam war. There were some declines thereafter, but outlays as a percentage of GNP has remained above 20 percent ever since. In 1975 and 1976, as we were coming out of a recessionary period, outlays increased and the proportion of GNP reached about 22.5 percent. Table 6 from part V of the "Budget in Brief" for fiscal year 1980 show the outlays as a percentage of GNP since 1958. I ask unanimous consent that it be printed in the RECORD at the conclusion of these remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PROXMIRE. Mr. President, Chairman Miller of the Federal Reserve Board indicated his support for reducing the Government's share of GNP last fall. He said:

> In my view the task of reducing the Federal share of GNP should begin now. A careful, systematic review must be undertaken to reduce or eliminate those Federal programs that are ineffective or that have outlived their usefulness. We also need to recognize the limits on Government resources when considering alternative spending proposals.
>
> I believe that we should strive to reduce the Federal Government's share of GNP from more than 22 percent at present to 20 percent or so over a period of 5 to 7 years. Such a reduction would not fully return the Government proportion to that of the early 1960's.
>
> As spending is brought under tighter control, government will become less prominent as a borrower in credit markets. A lower government profile will facilitate the flow of credit to the housing sector where it is becoming scarce, and to the business sector where it can be put to use in rebuilding our currently inadequate stock of fixed capital.

Last fall, the Senate Banking Committee approved an amendment to S. 50 that would have established goals similar to those in my amendment.

Mr. President, if inflation is to be restrained the Congress must contribute to the effort. We must have the discipline to reduce the growth of expenditures and the share of the Government in overall production. The private sector must be encouraged to lead the expansion of the economy, to create the new jobs that are needed for our expanding labor force and to increase productivity. As Federal spending is brought under tighter control those things will happen. The Federal Government will also become a less prominent borrower in the credit markets. This will have two complementary side effects: First, more credit will become available to other sectors of the economy at interest rates that will be relatively lower, and second, the Federal Reserve will have an easier time controlling the growth of the monetary and credit aggregates. Both of these will aid the fight against inflation.

I ask unanimous consent that the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the end of the bill add the following:

SEC. . (a) Section 3(a)(2)(A) of the Employment Act of 1946 is amended by inserting "Federal outlays as a proportion of gross national product," after "productivity,".

(b) The first sentence of section 4(b) of such Act is amended—

(1) by striking out "and" after the semicolon at the end of clause (1);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(3) reducing the share of the Nation's gross national product accounted for by Federal outlays to 21 per centum or less by 1981, and to 20 per cntum or less by 1983 and thereafter.".

(c) Section 4(c) of such Act is amended by adding at the end thereof the following:

"(3) Upon achievement of the 20 per centum goal specified in subsection (b)(3), each succeeding economic report shall have the goal of establishing the share of an expanding gross national product accounted for by Federal outlays at a level of 20 per centum or less.".

(d) The first sentence of section 4(d) of such Act is amended—

(1) by striking out "and" after the word "unemployment" and inserting in lieu thereof ", "; and

(2) by inserting after the word "inflation" the following: ", and Federal outlays as a proportion of gross national product."

TABLE 6.—FEDERAL FINANCES AND THE GROSS NATIONAL PRODUCT, 1958–82

[Dollar amounts in billions]

Fiscal year	Gross national product	Budget receipts [1]		Outlays [1]						Federal debt, end of year			
				Unified budget		Off-budget Federal entities		Total		Total		Held by the public	
		Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP
1958	442.1	$79.6	18.0	$82.6	18.7			$82.6	18.7	$279.7	63.3	$226.4	51.2
1959	473.3	79.2	16.7	92.1	19.5			92.1	19.5	287.8	60.8	235.0	49.7
1960	497.3	92.5	18.6	92.2	18.5			92.2	18.5	290.9	58.5	237.2	47.7
1961	508.3	94.4	18.6	97.8	19.2			97.8	19.2	292.9	57.6	238.6	46.9
1962	546.9	99.7	18.2	106.8	19.5			106.8	19.5	303.3	55.5	248.4	45.4
1963	576.3	106.6	18.5	111.3	19.3			111.3	19.3	310.8	53.9	254.5	44.2
1964	616.2	112.7	18.3	118.6	19.2			118.6	19.2	316.8	51.4	257.6	41.8

TABLE 6.—FEDERAL FINANCES AND THE GROSS NATIONAL PRODUCT, 1958-82—Continued

[Dollar amounts in billions]

Fiscal year	Gross national product	Budget receipts [1]		Outlays [1]						Federal debt, end of year			
				Unified budget		Off-budget Federal entities		Total		Total		Held by the public	
		Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP
1965	657.1	116.8	17.8	118.4	18.0			118.4	18.0	323.2	49.2	261.6	39.8
1966	721.1	130.9	18.1	134.7	18.7			134.7	18.7	329.5	45.7	264.7	36.7
1967	774.4	149.6	19.3	158.3	20.4			158.3	20.4	341.3	44.1	267.5	34.5
1968	829.9	153.7	18.5	178.8	21.5			178.8	21.5	369.8	44.6	290.6	35.0
1969	803.7	187.8	20.8	184.5	20.4			184.5	20.4	367.1	40.6	279.5	30.9
1970	959.0	193.7	20.2	196.6	20.5			196.6	20.5	382.6	39.9	284.9	29.7
1971	1,019.3	188.4	18.5	211.4	20.7			211.4	20.7	409.5	40.2	304.3	29.9
1972	1,010.5	208.6	18.8	232.0	20.9			232.0	20.9	437.3	39.4	323.8	29.2
1973	1,237.5	232.2	18.8	247.1	20.0	$0.1	(2)	247.1	20.0	468.4	37.9	343.0	27.7
1974	1,359.2	264.9	19.5	269.6	19.8	1.4	0.1	271.1	19.9	486.2	35.8	346.1	25.5
1975	1,457.3	281.0	19.3	326.2	22.4	8.1	.6	334.2	22.9	544.1	37.3	396.9	27.2
1976	1,621.7	300.0	18.5	366.4	22.6	7.3	.5	373.7	23.1	631.9	39.0	480.3	29.6
1977	1,834.0	357.8	19.5	402.7	22.0	8.7	.5	411.4	22.5	709.1	38.7	551.8	30.1
1978	2,043.4	402.0	19.7	450.8	22.1	10.3	.5	461.2	22.6	780.4	38.2	610.9	29.9
1979 estimate	2,289.4	456.0	19.9	493.4	21.6	12.0	.5	505.4	22.1	839.2	36.7	650.9	28.4
1980 estimate	2,505.7	502.6	20.1	531.6	21.2	12.0	.5	543.5	21.7	899.0	35.9	689.9	27.5
1981 estimate	2,758.6	576.8	20.9	578.0	21.0	11.5	.4	589.5	21.4	940.3	34.1	701.9	25.4
1982 estimate	3,025.2	652.6	21.6	614.9	20.3	11.1	.4	626.0	20.7	951.9	31.5	674.3	22.3

[1] See footnotes to table 1 for changes in budget coverage.

[2] 0.05 percent or less.

NOTICES OF HEARINGS

COMMITTEE ON THE JUDICIARY

● Mr. KENNEDY. Mr. President, I would like to announce my intention to chair a hearing of the Committee of the Judiciary on February 13, 1979, from 9 a.m. to noon at the John F. Kennedy Federal Building, Government Center, room 2003, Boston, Mass. The hearing will focus on citizen access to justice and alternatives to litigation. Anyone wishing to submit prepared statements for the record should send them to the Senate Committee on the Judiciary, room 2226, Dirksen Senate Office Building, Washington, D.C. 20510.●

AUTHORITY FOR COMMITTEE TO MEET

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Energy and Natural Resources Committee be authorized to meet during the session of the Senate today to hold an organizational meeting.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

PRICE SUPPORT INCREASES

● Mr. BOREN. Mr. President, I am today cosponsoring Senate Joint Resolution 20 by Senator ZORINSKY to increase price supports for milk, wheat, corn, soybeans, and cotton to not less than 90 percent of parity.

A strong agricultural economy is absolutely essential to the survival of our Nation's well-being. Agriculture is not only the No. 1 industry in my State of Oklahoma, but it is and always has been the cornerstone of the American economy.

I view with concern statistics which show that today less than 4 percent of our population is classified as a farmer or rancher. In the early 1800's, over 80 percent of the American population was engaged in some way in production of food and fiber.

While the efficiency of the American farmer and rancher has increased, it still should be of major concern to each of us that the number of family farms is diminishing each year. Preserving the family farm is of social as well as economic value to our Nation.

The family farm unit has contributed immeasurably to the maintenance of basic American values. Individual initiative and a strong code of moral values have been nurtured on the farm.

The cost-price squeeze has placed many farmers on the brink of financial disaster. A recent USDA survey revealed that in Oklahoma alone, 3,200 farmers faced the possibility that they could not refinance their loans.

Net farm income today is much lower than it was just 4 or 5 years ago. Our farmers cannot continue to survive if we let their problems go unanswered. If it were not for our farmers, our country's balance of payments would be in greater trouble. Only because of the more than $27 billion of farm products sold overseas, have we been able to purchase energy and other necessities. Our dollar is in trouble today but it would be in far worse trouble if it were not for the agricultural products we sell abroad.

The farmers have kept our Nation afloat and they doeserve our support. It is paramount to our Nation's economy that we have a foreign trade policy that supports, not hurts, our American farmer.

Because of the efficiency of the American farmer and rancher, other parts of our country's citizenry have been free to pursue other places in the work force. The American farmer has, thereby, given the American people the highest standard of living in the world.

While productivity and efficiency of the farmer and rancher may have increased greatly over the years, farm income has not kept pace with rising costs of production. Today one can virtually see no profit in agriculture. No business can continue to operate without earning a fair and reasonable return on investments and labor.

The American farmer and rancher has been receiving a smaller and smaller share of the total food dollar. We have seen many instances where farm prices have declined and yet prices for food paid by the consumer have increased. Many consumers from nonfarm areas have been given the false impression that farmers get the major benefit from higher prices for food. It is time to set the record straight. Our governmental agencies should tell the people the truth. While the cost of living, including the price of food is going up, the farmers share of the food dollar is going down every year.

The American people at large would join their farm neighbors in demanding action if they understood the fact that the farmer is still getting the same price for his product that he received 20 or 25 years ago while everything that he buys has gone up in price 2, 3, or in some cases, by 10 times.

No other group in this country has been so left out of the economic progress of our Nation as the farmers and ranchers.

I support the Zorinsky resolution and urge my colleagues to join me in that support, because our farmers cannot survive if the present situation continues. We must do more if we are to preserve the American family farm and the economic freedom of our Nation.●

PRODUCTION-RELATED COSTS FOR ALASKAN GAS

● Mr. GRAVEL. Mr. President, on February 2, 1979, the FERC issued a notice of proposed rulemaking and statement of policy concerning the treatment of various production-related costs for natural gas transported through the Alaska natural gas pipeline. It is expected that extensive comments will be filed during the 30-day comment period. I will be among those filing more detailed comments.

At this time, however, I would like to share with my colleagues the proposed rule and rationale. Essentially, FERC would have the producers of the gas, and perhaps the State of Alaska, bear the costs of treating the gas to the rigid pipeline specifications necessitated by the extreme Arctic and sub-Arctic conditions of Alaska. FERC further proposes not to allow the producers to pass these additional costs on to the consumer of the gas, but rather to have those costs fall within the wellhead price of Prudhoe gas.

I am concerned that the proposal defies the real world. I am afraid that the proposal if adopted as a final rule will encourage litigation that will further delay negotiation for gas sales contracts and subsequent initiation of construction. At best, delays will result during the discussion by the producers of the costs of the conditioning plant and their willingness to enter into that aspect of the project. I hope that the doubts created in my initial reading of the proposal will be assuaged as the parties to the proceeding present their comments. At this point I am not persuaded by the reasoning of the proposal, or FERC's sense of the reality of the types of decisions that will be necessary to assure construction of the Alaska gas pipeline.

The material follows:

FERC Proposes Policy Statement on Treatment of Production-Related Costs for Alaskan Gas

The Federal Energy Regulatory Commission today issued a proposed rulemaking and policy statement which states that the selling producers should bear the responsibility of production-related costs for natural gas to be transported through the Alaskan Gas Pipeline System.

While the field price for Prudhoe Bay Gas was set by the recently enacted Natural Gas Policy Act at $1.45 per million Btu's, the question remains as to who should be responsible for conditioning the gas to enter the pipeline. (Conditioning includes lowering the carbon dioxide content, chilling, water removal, and removing natural gas liquids.) The pipeline companies believe the producers should have the responsibility, and the producers believe the pipelines should.

The cost of conditioning gas was estimated to be about 30 cents per thousand cubic feet in the President's Decision and Report to Congress on the Alaskan Natural Gas Transportation System. The Commission said it believes that the Prudhoe Bay producers should build and operate the necessary conditioning facilities. The Commission said it bases this belief on the President's Decision, which specifically notes that the processing facilities are not a part of the transportation system.

If the producers should engage some third party to perform the conditioning function, the Commission said it will want to be satisfied that that third party can provide deliverability protection to gas consumers at least similar to what the producers themselves would provide.

The second basic question the Commission deals with in today's proposal is what costs for conditioning should be permitted to be passed through to the consumer. The Commission said it must address this issue in deciding whether to allow charges over and above the maximum lawful price.

In the Commission's interim regulations to implement the NGPA for the lower-48 producing areas, the Commission included quality standards that would have to be exceeded before it can consider an allowance for production-related costs above the NGPA ceiling price. These standards were based on experience in the lower-48 producing areas. No similar experience exists for gas sales from Prudhoe Bay, it said.

The quality standards applicable for gas delivered to the Alaskan Gas Pipeline System are specified by the President's Decision. As with the Commission's interim regulations for the lower-48 producing areas, however, the Commission said it believes the cost of delivering pipeline-quality gas to the Alaskan system should be covered by the first sale price ceilings of NGPA. It therefore proposes not to exercise its discretion to permit an adjustment for producer-related costs for the Prudhoe Bay gas.

The Commission said it believed the NGPA Section 109 price is adequate to compensate the producers for the cost of producing, gathering and conditioning the gas. The price specified in Section 109 of the NGPA is $1.45 subject to adjustment for inflation. The price in April 1979 would be $1.672, according to adjusted prices published by the FERC on January 26.

Comments on this proceeding should be filed by March 5, 1979, and directed to F.E.R.C., Office of the Secretary, Room 9310, 825 North Capitol St. NE., Washington, D.C. 20426.

[United States of America Federal Energy Regulatory Commission, Docket No. RM79–19]

Notice of Proposed Rulemaking and Statement of Policy

Before Commissioners: Charles B. Curtis, Chairman; Don S. Smith, Georgiana Sheldon, Matthew Holden, Jr. and George R. Hall

Treatment of Certain Production-Related Costs for Natural Gas to be Sold and Transported through the Alaska Natural Gas Transportation System

Issued February 2, 1979.

The Federal Energy Regulatory Commission (Commission) is considering an amendment to its interim regulations implementing the Natural Gas Policy Act (NGPA), and the establishment of a policy concerning the recovery of certain "production-related" costs as defined in the NGPA. The amendment to the regulations deals exclusively with first sales of natural gas produced from the Prudhoe Bay Unit of Alaska for transportation through the Alaska Natural Gas Transportation System (ANGTS).[1] The policy statement reflects the public's interest in the matter of establishing responsibility for bearing production-related costs for that gas.

The policy sets forth the general proposition that the recovery of any "production-related" costs by those making applications for certificates of public convenience and necessity under the Natural Gas Act are restricted to those costs permitted by the Commission pursuant to an adjustment granted under section 502(c) of the NGPA in the event of special hardship, inequity, or an unfair distribution of burdens. The policy which is proposed would apply only to certificates involving the purchase or transport of natural gas produced from Prudhoe Bay for transportation through the ANGTS applied for pursuant to the Natural Gas Act.

The proposal is within the Commission's discretion under section 110 of the NGPA. Our decision is also based upon the Natural Gas Act (NGA) 15 U.S.C. §§ 717 *et seq.*; the Alaska Natural Gas Transportation Act of 1976 (ANGTA) (15 U.S.C.A. §§ 719 *et seq.*) (Supp. 1978) and the *Decision and Report to Congress on the Alaska Natural Gas Transportation System* submitted to the Congress by the President.[2]

The Commission solicits opinions, data, and views from interested parties and the general public on the Commission's assessment of the public interest in the matter of assigning responsibility for conditioning the Prudhoe Bay gas for pipeline entry. The Commission also solicits comments on the mechanisms proposed to implement that assessment.

A. BACKGROUND

The ANGTA represents a legislative substitution of a Presidential decision with Congressional approval in lieu of the ongoing Federal Power Commission procedure regarding construction of the ANGTS. The ANGTA also contained specific requirements for the contents of that decision. The *Decision*, forwarded to and approved by the Congress in late 1977, was the product of the process set out in the ANGTA.

The facilities comprising the ANGTS were identified specifically in the *Decision*.[3] However, certain questions important to the implementation of the selected system remained for future resolution. Paramount was the question of a field price for the gas. As noted in the *Decision*:

> Final financing for an Alaska natural gas transportation project cannot be arranged until the producer-owners of the Prudhoe Bay gas execute sales contracts. Without such contracts, no gas can be transported, and financing consequently would be unobtainable. Producers cannot be expected to negotiate sales contracts until a price has been established with a reasonable degree of certainty. If this project is to proceed expeditiously, the field price of the gas should be established as soon as possible. (*Decision* at 44)

The maximum lawful price for Prudhoe Bay gas was established by section 109 of the NGPA, thereby overcoming the disability referred to and providing the opportunity for the negotiation of sale contracts for the Prudoe Bay gas.

Other concerns are also important, including the assignment of responsibility for processing the gas prior to injection into the ANGTS. The Commission's amendments and statement of policy herein proposed are designed to implement the NGPA, the ANGTA, and the *Decision*, and thereby to resolve some residual issues and provide a climate for the rapid conclusion of contract negotiations.

B. ISSUES FOR COMMISSION CONSIDERATION

One of the remaining issues affecting the contracting process relates to conditioning the gas for entry into the ANGTS. There are two questions: (1) who is to bear the responsibility for the construction and operation of the necessary conditioning facilities; and, (2) what costs, if any, for conditioning should be permitted to be passed through to the consumer?

1. Responsibilities for the conditioning facilities

The responsibility for preparing the Prudhoe Bay gas for entry into the ANGTS has been an issue throughout the consideration of the system. It has been obvious that processing and conditioning facilities would be required in order to condition the gas for transportation.[4] None of the three gas pipeline proposals which were presented to the Federal Power Commission provided for the construction and operation of such facilities: all three assumed that the facilities were the responsibility of the producers. Prudhoe Bay producers, on the other hand, argued that the required ". . . conditioning steps—lowering carbon dioxide content, providing high pipeline inlet pressure, chilling, providing extremely thorough water removal, and maintaining close control of condensable

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Footnotes at end of article.

hydrocarbon content—are all designed to minimize the investment and operating cost of the pipeline" and should therefore be part of the gas pipeline system.[5]

The question of whether the processing facility is included in the ANGTS was answered in the *Decision* in the negative. The *Decision* in Section 2 ("Description of the Nature and Route of the Approved System") stated: "The proposed Alcan pipeline will commence on the discharge side of the gas conditioning plant facilities in the Prudhoe Bay Field." (*Decision* at 6) Additionally, the system description in Section 3 states that the first compressor station for the ANGTS will be located 75 miles after point of commencement of the system. (*Decision* at 17) The necessary conclusion is that the gas will enter the ANGTS compressed to its maximum allowable operating pressure. As chilling to prevent degradation of the permafrost is to be done at compressor stations (*Decision* at 17), there is also the inference (given the location of the first compressor station) that the gas is to leave the conditioning plant sufficiently chilled to be transported over the first 75 miles of permafrost without warming to a temperature above the freezing point of water. Finally, there is the explicit reference that "[t]he facilities which are to be covered are those in the U.S. which . . . are included in the revised Alcan filing submitted to the Federal Power Commission (FPC) in March 8, 1977." (*Decision* at 13) The facilities provided in that filing assume that the gas entering the system will have been conditioned to a certain quality, and compressed and chilled prior to entry.[6]

2. *Allowances for conditioning costs*

Having established that the processing facility would not be part of the ANGTS, that does not determine whether the producers or the pipeline should build the plant or who should pay for its operation. Therefore, the second principal issue which the Commission must consider is whether gas consumers should bear any portion of the costs of preparing the gas for pipeline entry. The Commission must address this issue in deciding whether to allow producers to include in the price of the gas costs over and above the maximum lawful price; or whether any of such charges, if paid by purchasers of the gas, could be passed through to consumers.

The Decision, in relevant part (Section 6—Pricing of Alaska Gas), took note of the difficulty in determining a cost-based price for the Prudhoe Bay gas because of its association with oil in the reservoir. It also observed that the Administration's proposed National Energy Act (NEA), then before Congress, would obviate that difficulty by shifting from cost-based pricing to a series of price ceilings determined by statute. The *Decision* then called "for enactment of a gas pricing approach similar to that contained in the National Energy Plan." (Decision at 46)

An amended version of the National Energy Act had passed the House of Representatives and was being considered by the Senate at the time of the *Decision*. That version allowed for possible increases, if allowed by the Commission, in the ceiling prices established by the statute to cover costs of gathering, conditioning, and compressing the gas for pipeline entry.

The Report which accompanied the *Decision* contained a discussion of the economic viability of the ANGTS.[7] Because of the possibility that the Commission might provide some allowance for costs of gathering, conditioning, and compression, that discussion used a range of 0 to 30 cents per MMBtu (1975 dollars) for a potential add-on in estimating the "city gate" or wholesale price of the gas.[8] However, the *Decision* clearly left determination of the appropriate amount of any such allowance to the discretion of the Commission.[9]

In its comments on the *Decision*, the Commission addressed the question of possible allowances for costs of gathering and conditioning.[10] The Commission recognized that a field price would have to be established either through legislation or through ratemaking proceedings before any determination could be made with regard to possible allowances for gathering and conditioning. As the Congress had not completed its deliberation on the National Energy Act, at the time of the Commission's comments on the *Decision*, the Commission could only discuss the factors it might consider if called upon to reach a determination regarding possible allowances. (*Comments* at 34–35)

The comments noted that although there will be a variety of costs associated with producing, gathering, and conditioning the gas for pipeline entry, where will also be substantial revenues available from these activities to offset those costs. Since the Prudhoe Bay gas is produced in association with oil, the Commission's comments contemplated that costs could be allocated among sales of gas, oil and natural gas liquids (NGL's), and looked to the gas sales contracts for the initial division of revenues and costs between producers and transporters. The Commission could then determine if an allowance for costs of processing and conditioning was warranted.

The NGPA, as finally passed by Congress, provided both a maximum lawful price for the first sale of Prudhoe gas (section 109) and Commission discretion regarding treatment of "certain production-related costs" (section 110). The legislative history of section 110 makes it clear that, while the Commission's authority to permit producers or other first sellers to charge an amount in excess of the maximum lawful price is discretionary, this authority should, when possible, be exercised in light of "prevailing industry practice." [11]

"[P]revailing industry practice" as to functions usually performed by the producer can be determined by reference to existing contracts and sales for those areas having a history of natural gas production and sales. It was on this basis that the Commission's interim regulations were structured. (43 Fed. Reg. 56490) There is, however, no such history for Prudhoe Bay, since the production from that area has never come under contract. For this reason, the Commission's discretion to consider the add-on of production-related costs for this producing area is not bound by considerations which prevailed for conventional producing areas.

C. COMMISSION ASSESSMENT OF THE PUBLIC INTEREST

The Commission believes that there is adequate information in the *Decision*, the Report accompanying it, and the legislative history to draw some preliminary conclusions regarding responsibility for the gas conditioning facilities at Prudhoe Bay and the need for any special allowances to the producers for the costs of construction and operation of those facilities. The Commission in this section outlines these conclusions and puts forward specific proposals to achieve the distribution of costs and benefits which conform to these conclusions.

1. *Responsibility for the conditioning plant*

It is the Commission's view that the Prudhoe Bay producers should be responsible for the construction and operation of the required conditioning facility. Providing the ANGTS with pipeline quality gas is the responsibility of the producers.[12] Therefore, the public interest will best be served if the producers bear these costs.[13] This conclusion is based on the premise that the producers will contract with purchasers for the sale of Prudhoe Bay gas at not less than the maximum lawful price set by section 109 of the NGPA. If the parties agreed to a sales price lower than the section 109 (NGPA) ceiling with the pipeline paying for some processing costs, the Commission would not necessarily oppose such an outcome provided the total price paid for pipeline quality gas did not exceed the section 109 (NGPA) price.[14] In any event, the financial responsibility for the construction and operation of the plant facilities rests with the producers.

An additional consideration in this determination is the risk of reduced gas deliverability and the potential for reducing this risk. Producer responsibility for the processing facilities is one answer. The ANGTS was designated for a throughput of up to 2.4 billion cubic feet per day. (*Decision* at 13) That these facilities will be efficiently used, and that natural gas will be available to ensure that efficient use, is a proper concern of the Commission. There has been a question as to whether the producers might be able to provide some type of throughput guarantee to reduce the pipeline's and the consumer's exposure to the risk of reduced deliverability.[15]

The Commission believes that producer responsibility for the gas conditioning facility would provide some deliverability protection. Should underutilization of a producer-owned facility result from reduced deliverability from the Prudhoe Bay field, the producers, who have the ability to explore for new sources of gas, will have an additional incentive to find and produce such gas as is necessary to maximize the use of the plant. If this result occurs, greater volumes available for transportation will make for a more efficient operation of the ANGTS.

The Commission believes that the specific language of the *Decision* in its description of the ANGTS and the potential for ensuring the system some form of deliverability protection forms the basis for a definitive Commission finding that the conditioning facilities should be the responsibility of the producers. If the producers should engage some third party to perform the conditioning function, the Commission must be satisfied that deliverability protection similar to direct producer responsibility is provided to gas consumers.

2. *Costs of gathering and conditioning*

In issuing proposed regulations to implement section 110 of the NGPA for lower-48 producing areas, the Commission included quality standards which would have to be exceeded in order for the Commission to consider an allowance for production-related costs above the NGPA maximum lawful price (43 Fed. Reg. 56574–77 (Dec. 1, 1978)). These standards were based upon experience in the lower-48 producing areas. For gas sales made from Prudhoe Bay there is no such experience. In lieu thereof, we have the *Decision*, its description of the system, and its references to the filings containing appropriate quality standards to rely on. (*See* note 6 above.) For this reason, the Commission believes that the quality standards used for the lower-48 are inapplicable for gas delivered to the ANGTS.

As with the Commission's interim regulations for the lower-48 producing area, the Commission believes that costs of delivering "pipeline quality gas" to the ANGTS should be covered by the first sale price ceilings which are provided by the NGPA. With respect to Prudhoe Bay, it is the *Decision* and not prevailing industry practice that determines the quality standards. (*Supra*, note 6) Therefore, the Commission declines to exercise its discretion under section 110 of the NGPA to permit an adjustment for

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production-related costs of the Prudhoe Bay gas.

We do not believe on the basis of available information, that a refusal to allow production-related costs in excess of the ceiling price established in section 109 of the NGPA will work no hardship on the producers. Such information as is available suggests that the NGPA's section 109 price is adequate to compensate the producers for the costs of producing, gathering and conditioning the gas for sale to the ANGTS at the prescribed standards. The Department of the Interior, as part of a study of alternative transportation systems completed in December of 1975, evaluated the incremental costs of producing and conditioning the gas for sale.[16] That study estimated those costs, including an appropriate return on equity investment, to be 47 cents/MMBtu (1975 dollars). Additionally, the Federal Power Commission, in its *Recommendation to the President*, estimated the costs of gathering and conditioning at about 50 cents/MMBtu (1975 dollars).[17] If these estimates of costs are close to being correct, then the $1.45 per MMBtu (1977 dollars) provided by section 109 of the NGPA would appear more than adequate to cover the incremental costs associated with gas sales, plus a reasonable profit.[18] The Commission solicits opinions, data and views regarding the costs of producing and conditioning this gas and the adequacy of the section 109 (NGPA) price to cover the incremental costs of gas production and conditioning for transportation in the ANGTS without inflicting hardship, creating inequity, or unfairly distributing to producers a burden.

D. SPECIFIC PROPOSALS

In this section, specific mechanisms are proposed in order to implement the policy expressed herein for the purpose of protecting the public interest in the assignment of responsibility for the construction and operation of the processing facilities.

These mechanisms are: (1) an amendment to the presently effective interim regulations to make section 502(c) of the NGPA applicable to Prudhoe Bay gas to provide an opportunity for relief if the Commission's perceptions of the distributions of production-related costs and benefits associated with producing and conditioning the Prudhoe Bay gas are not borne out; and (2) a policy statement under the NGA to govern certain aspects of future pipeline certification proceedings. The latter is required in order to make clear the Commission's interpretation that the facilities, and their associated costs, required to bring the gas to pipeline quality are the responsibility of the producers and not the pipeline company purchasers and transporters of the gas. The rationale for this interpretation and its public interest basis has been discussed above. We look to the submissions of opinions, data and views in response to this notice.

The proposed amendment would amend the Commission's current interim regulations to make the section 502(c) adjustment procedures available to those engaged in the sale and purchase of natural gas produced from Prudhoe Bay for transportation through ANGTS. The regulations would then provide for an adjustment if a special hardship, inequity, or an unfair distribution of burdens resulted.

Section 110 grants the Commission discretion to allow a price in excess of the maximum lawful price for permissible production-related costs borne by the seller. The scope of this statutory discretion does not reach the case of a sale at the maximum lawful price where there are production-related costs but they are not borne by the seller. This raises the possibility that untreated Prudhoe Bay gas may be sold at the maximum lawful price.[19] Such a sale of untreated Prudhoe Bay gas would have several undesirable consequences. It would shift gas processing costs from producers to consumers, thereby increasing the city-gate price of the gas and adversely affecting its marketability. In addition, certain production-related costs required for oil production, attendant to the production of the Prudhoe Bay gas but not related to gas sales, could be improperly shifted to the gas purchaser. (See *Comments* at 19–34).

It is the Commission's opinion that such a shift to the consumer of production-related costs would not be in the public interest because it would materially increase the cost of this gas to the consumer. For these reasons, the Commission declines to exercise its discretionary authority under section 110 to permit a first seller to charge a price in excess of the maximum lawful price permitted under section 109 for production-related costs.

Although the Commission's "conditional" certificate for the building of the ANGTS was issued pursuant to sections (5)(A)(2) and 9 (a) and (b) of the ANGTA, a final certificate authorizing construction and operation must be issued pursuant to section 7 of the Natural Gas Act (NGA), 15 U.S.C. § 717f(c).[20] In assessing the certification of the project which the statute requires, the Commission must consider the public convenience and necessity. A necessary part of this consideration is the assessment of the financeability of the ANGTS and the marketability and availability of the gas to be transported through it. The proper distribution of the processing costs impacts these considerations.

Mindful of the considerations inherent in the President's *Decision* on its approval of the ANGTS, and pursuant to the Commission's statutory authority,[21] the Commission intends to implement a policy that in its consideration of certificates for the construction of the ANGTS, or for the purchase or transportation of gas through the ANGTS, no cost of construction, purchase, or transportation which includes costs of processing the Prudhoe Bay gas will be certificated absent a determination made under section 502(c) of the NGPA that the cost is one properly allocable to the price of the gas. Such a policy will allocate production-related costs in a manner consistent with the Commission's view of the public interest, and will enhance the finance ability of the ANGTS, assist marketability of the gas involved, avoid the complications of incremental pricing, and comply with congressional dictates which touch upon this gas and its transportion through the ANGTS.[22]

The policy which the Commission proposes would apply only to certificates which involve the purchase or transportation of natural gas produced from the Prudhoe Bay Field for transportation through the ANGTS. The issuance of the certificates will proceed according to the prescriptions of the NGA.

E. WRITTEN COMMENT PROCEDURES

The Commission invites interested persons to submit written data, views, and other information concerning the matters set forth in this notice. An original and 14 copies should be filed by March 5, 1979. Comments should be submitted to the Federal Energy Regulatory Commission, Office of the Secretary, 825 North Capitol Street, N.E., Washington, D.C. 20426 and should reference Docket No. RM79–19. All written submissions will be placed in the Commission's public files and will be available for public inspection in the Commission's Office of Public Information, 825 North Capitol Street, N.E., Washington, D.C., during regular business hours.

Because of the complexity and importance of the issues presented in this notice, the Commission intends that those participating in this proceeding should serve their comments on other participants, and have an opportunity to respond to the initial comments made in response to this notice. In order for this to take place, any participant intending to file initial comments to this notice shall notify the Secretary of the Commission in writing on or before February 16, 1979 of the intent to participate. A service list will then be prepared and mailed to those who have stated an intention to participate. The initial comments shall be filed with the Office of the Secretary as stated above. In addition, each party shall serve their initial comments by March 5, 1979 to those of the service list. Reply comments are to be filed with the Office of the Secretary in accordance with the above procedures by March 19, 1979, and shall be served upon parties listed on the service list by the same date.

In providing proper service of the initial comments and any reply comments, attention is directed to the regulations of the Commission found at 18 C.F.R. 1.17(b) [1977] which permits service by mail. In addition, those who provide comments are directed to the subscription and vertification provisions found at 18 C.F.R. 1.16 [1977].

In order that all interested parties may be apprised of this matter, the Commission orders that the Secretary, in addition to publishing this notice in the *Federal Register*, shall serve copies of the same to all parties of record in Docket Nos. CP78–123, CP78–124, CP78–125, and RM78–12, said service to be accomplished pursuant to 18 C.F.R. 1.17 [1977].

(Natural Gas Act, as amended, 15 U.S.C. §§ 717, *et seq.*; Natural Gas Policy Act of 1978, Pub. L. No. 95—621, 92 Stat. 3350 (1978); Department of Energy Organization Act, Pub. L. No. 95–91; Executive Order No. 12009, 42 Fed. Reg. 46267; DOE Delegation Order No. 0204–8, 42 F.R. 61491; Alaska Natural Gas Transportation Act of 1976, 15 U.S.C. §§ 719, *et seq.*; President's *Decision and Report to Congress on the Alaska Natural Gas Transportation System*, approved by joint resolution, Pub. L. No. 95–158, 91 Stat. 1268 (1977); Administrative Procedure Act, 5 U.S.C. § 553.)

In consideration of the foregoing, the Commission proposes to amend Part 2, Subchapter A and Subpart K, Part 271, Subchapter H of Chapter I, Code of Federal Regulations as set forth below.

By the Commission. Commissioner Sheldon voted present.

KENNETH F. PLUMB,
Secretary.

(1) Part 2, Subchapter A of Chapter I, Title 18 Code of Federal Regulations is amended by adding new § 2.101 to read as follows:

§ 2.101 *Policy respecting consideration of certain certificates applied for pursuant to the Natural Gas Act and involving gas to be transported through the Alaska Natural Gas Transportation System.* In any proceeding involving the approval of applications for certificates of public convenience and necessity, whether for the construction of the Alaska Natural Gas Transportation System or for the purchase or transport of gas through that system, it will be the general policy of the Commission, absent a showing that the public convenience and necessity would otherwise be served, that the purchase of natural gas from Prudhoe Bay, Alaska for transportation through the Alaska Natural Gas Transportation System should be of processed gas which is capable of immediate entry into the transportation system; and therefore, the Commission will approve only those applications for certificates of public convenience and necessity which do not require the assumption by the applicant or subsequent purchaser of processing or other related costs save to the extent such costs are allowed pursuant

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Footnotes at end of article.

to Commission action taken under § 271.1106 of its regulations.

(2) Section 271.1100 of Subpart K, Part 271 of Subchapter H of Chapter I, Title 18 Code of Federal Regulations is amended in subparagraph (b) to read as follows:

§ 271.1100 *Applicability*.

* * * * *

(b) *Exclusions*. Sections 271.1104 and 271.1105 shall not apply to any natural gas produced from the Prudhoe Bay Unit of Alaska and transported through the natural gas transportation system approved under the Alaska Natural Gas Transportation Act of 1976.

(3) Section 271.1106 of Subpart K, Part 271 of Subchapter H of Chapter I, Title 18 Code of Federal Regulations is amended to read as follows:

§ 271.1106 *Adjustments*. Pursuant to section 502(c) of the NGPA, any person may apply to the Commission for an adjustment on the grounds that the operation of §§ 271.1100(b) or 271.1105 results in special hardship, inequity, or an unfair distribution of burdens to such person.

FOOTNOTES

[1] Pursuant to the Department of Energy Organization Act, 42 U.S.C.A. § 7101 *et seq.* (Supp. 1977), most of the powers formerly exercised by the FPC were transferred to the Commission. By delegation order dated December 5, 1977, the Secretary of Energy transferred to the Commission all necessary powers respecting the ANGTS. 42 F.R. 61491 (December 5, 1977).

[2] Executive Office of the President, Energy Policy and Planning, *Decision and Report to Congress on the Alaska Natural Gas Transportation System* (September 1977) [hereinafter cited as *Decision*]. Issued pursuant to section 7 of the ANGTA, 15 U.S.C. § 719c (1976), and approved by Joint Resolution of Congress, H. R. J. Res. 621, Pub. L. No. 95–158, 91 Stat. 1268 (1977), the *Decision* has the full force of law.

[3] For example, section 3 of the *Decision* states at page 13, "The facilities which are to be covered are those in the U.S. which are adequate for a throughput of up to 2.4 bcfd and are included in the revised Alcan filing submitted to the Federal Power Commission (FPC) on March 8, 1977."

[4] Federal Energy Regulatory Commission, *Comments on the "Decision and Report to Congress on the Alaska Natural Gas Transportation System"*; 19–34 (October 1977) [hereinafter cited as *Comments*].

[5] *See, e.g., Natural Gas Pipeline from Alaska: Joint Hearings Before the Commerce Subcomm. on Energy and Power of the House Comm. on Interstate and Foreign Commerce and the Interior Subcomm. on Indian Affairs and Public Lands of the House Comm. on Interior and Insular Affairs*, 95th Cong., 1st Sess., Ser. No. 95–79, at 446 (1977) (statement of L. G. Rawl, Executive Vice-President, Exxon, U.S.A.) [hereinafter House Hearings].

[6] Alcan Pipeline Project 48" Alternative Proposal, Docket No. RM77–6. The revised Alcan filing describes a system which would transport natural gas processed to the following standards: (1) 1% carbon dioxide by volume; (2) 0.6% nitrogen by volume; (3) 1138 Btu/cuft gross heating value; and (4) a hydrocarbon dew point of –10° F at 100 psi. (Alcan Pipeline Project 48" Alternative Proposal at § 3, p. 3; Docket No. RM77–6). This revised filing referenced an initial filing in which the following additional specifications were enumerated: (1) a maximum water content of 0.2 pounds per million cubic feet; (2) a sulphide content of no more than 0.25 grains per 100 cubic feet; and (3) a total sulphur content of 10 grains per 100 cubic feet. Alcan Pipeline Co., FPC Gas Tariff, Original Vol. 1, Exhibit No. AP–16, at Original Sheet No. 112 (Docket No. CP75–96, *et al.*).

[7] *See Report* accompanying the President's *Decision*, at 93–98. While not adopted by the Congress in its joint resolution on the *Decision*, the *Report* was submitted to them with the *Decision*. It may thus be considered as relevant legislative history. *See Midwestern Gas Transmission Co.* v. *FERC*, No. 78–1753, slip op. at 11–12, n. 23 (D.C. Cir., Nov. 2, 1978)

[8] The actual cost of gathering and conditioning were estimated to be about 30 cents per MMBtu (1975 dollars). The range presented was intended to cover the spectrum of possibilities between a Commission determination that no add-on be provided and a determination that all these costs should be passed on to gas consumers.

[9] *See, e.g., Decision* at 95: "When the cost of service price of the Alcan project is added to a wellhead price of $1.45 to $1.75 per mmbtu (*depending on the amount the FPC will allow producers for their processing costs*), the wholesale or "city gate" price of the gas should be about $2.50 to $2.80 per mmbtu in constant 1975 dollars." (emphasis added). *See also* the statements of DOE Secretary Schlesinger in discussing the Decision before the House, House Hearings, supra note 5, at 219, 224–26, 234, 280–81.

[10] *Comments* at 19–34.

[11] 124 Cong. Rec. 38364 (Oct. 14, 1978). (Statement of the Hon. John D. Dingell).

[12] *See* statement of Secretary Schlesinger testifying on the *Decision* in *Alaska Natural Gas Transportation System: Hearings before the Senate Comm. on Energy and Natural Resources*, 95th Cong., 1st Sess., No. 95–73, at 12–13. Similar treatment to that proposed here was afforded in the Commission's interim regulatings implementing section 110 of the NGPA, 43 Fed. Reg. 56189–92 (Dec. 1, 1978).

[13] To the extent the pipeline was called upon to finance the plant, pay for its operation, or expend funds above the section 109 (NGPA) price to obtain pipeline quality gas, there might be an adverse effect on the financeability of the project or the marketability of the gas to the consumer. Even the possibility of such an impact would be detrimental and alien to the public good.

[14] The only consideration to be added is with respect to the incremental pricing provisions of section 203(a)(8) of the NGPA. The Commission welcomes the submission of comments on this point.

[15] *See, e.g.,* Federal Power Commission, *Recommendation* to the President, at I–57, XII–7. 8 (May 1, 1977) [Hereinafter FPC Recommendation]. For field performance, the producers' response to this issue has been that any deliverability guarantee on their part would be essentially useless because the rate of production is controlled by the Alaska state conservation authority. The producers reiterate their assertion that any performance guarantee for the facility, like the facility itself, is not their responsibility.

[16] U.S. Dept. of the Interior, *Alaska Natural Gas Transportation Systems, A Report to the Congress Pursuant to Public Law* 93–153 (Dec. 1975).

[17] FPC Recommendations at XII–33, 34 n. 52.

[18] In this regard, the Commission notes that the $1.45 maximum level price applicable for the first sale of this gas, adjusted for inflation to April of 1979, is $1.672 per MMBtu.

[19] *See, e.g.,* 124 Cong. Rec. 31839 (Sept. 27, 1978) (exchange between Senators Gravel and Jackson).

[20] Order Vacating Prior Proceedings and Issuing Conditional Certificates of Public Convenience and Necessity, issued December 15, 1975, in Docket Nos. CP78–123, *et al.*

[21] Section 9 of the ANGTA provides that when any agency action is "necessary or related to the construction and initial operation of the approved transportation system," and that action "requires a certificate, right-of-way, permit, lease, or other authorization," the Commission must act at the earliest practicable date. The availability of an adequately processed gas supply for transportation through the system is obviously directly necessary and related to the construction and initial operation by the ANGTS. The processing facilities of Prudhoe Bay will not be part of the transportation system itself, but the building and operation of thse facilities, and indeed the executing of related gas sales contracts, require the Commission to take the action proposed herein. *See Decision* at 44.

[22] Section 601(c) of the NGPA in its treatment of the limitations placed upon the NGA certification authority of this Commission is not germane. That section speaks only to the denial of a certificate based on the maximum lawful price paid for the gas, inclusive of that permitted under section 110. It does not address the issue posed here: the assumption by a pipeline of processing costs attendant to a purchase and sale of natural gas of less than pipeline quality.●

DISASTER ASSISTANCE FOR FIVE-COUNTY AREA IN NEW MEXICO

○ Mr. DOMENICI. Mr. President, since last summer my State of New Mexico has experienced an unusually high number of days of rainfall. Consequently, since early fall, many farmers have been struggling to keep their crops alive in these most adverse circumstances. Despite their efforts, in December New Mexico experienced day after day of torrential rainfall. By Christmastime, the rivers were no longer able to hold all the water and began to overflow their banks. What was a joyous holiday for most, was a nightmare for many New Mexican families who fought these raging river waters. Families were displaced, valuable agricultural land was ravaged and businesses were totally destroyed.

I am pleased, however, to know that assistance is on its way. On Monday evening, January 29, President Carter declared a five-county area in New Mexico as a disaster area. Federal officials have assessed the damage and relief through low-interest loans will be made available to those who have suffered.

A wide variety of Federal assistance is now available for individuals and businesses who have suffered losses. The Department of Agriculture offers a wide range of disaster assistance. The most important programs are the emergency loan program and the rural housing disaster loans administered by the Farmers Home Administration. Guaranteed loans will be made available to replace equipment and livestock and to make real estate repairs. These loans are made available at an interest rate of 5 percent. Other useful programs include the crop loss disaster program, the emergency conservation measures program and the emergency livestock feed program, all administered by the Agricultural Stabilization and Conservation Service.

The Small Business Administration will also play a major role in providing assistance. SBA's business repair loans, economic injury loans and home repair loans provide assistance to individuals, small business concerns and agri-business concerns. Loans up to $55,000 for repair of a private residence and loans up to $250,000 for business repair loans will be available at an interest rate of 7⅜ percent.

Counseling and guidance which are so important at a time like this will be offered. Legal services as well as IRS counseling will be provided to all who require it. Any taxpayer suffering losses can receive information about amending his tax forms to reflect the losses that have been sustained. For all of those who have become unemployed due to the flood, job placement services and unemployment assistance are available from the Department of Labor. These are only a few of the many Federal programs to assist the residents in getting back on their feet after this natural calamity.

As well, local officials will be contacted by the Federal Disaster Assistance Administration regarding replacement of roads, bridges, schools, or other public facilities that have been damaged or destroyed. Replacement will be done by the Federal Government at 100 percent of cost.

The Federal Disaster Assistance Administration has set up a central office in Las Cruces, N. Mex., 118 South Downtown Mall, 523–5556, with satellite offices in Silver City and Ruidoso. One toll free number, 800–432–3653, is available for individual callers regarding specific assistance available. These officials will be able to direct individuals to agencies that can help.

As well, should any individuals run into difficulties, I would hope that they contact my Las Cruces office, 523–7433.

While only the five counties of Catron, Grant, Hidalgo, Lincoln, and Sierra were actually declared disaster areas, all contiguous counties are also eligible for the SBA and FmHA loans. Therefore, other counties that were not necessarily as hard-hit as the designated five, but did suffer losses, will be able to receive assistance. Thus, the counties of Chaves, DeBaca, Dona Ana, Guadalupe, Luna, Otero, Socorro, Torrance, and Valencia are also eligible if residents require assistance.

Mr. President, I have been extremely pleased with the responsiveness of the Federal Disaster Assistance Administration to the concerns of the residents of these areas. I must commend their efforts. I must also praise the State government of New Mexico for its action to assess the extent of damages, so Governor King could request a disaster designation. My only hope now is that repair and replacement can be accomplished quickly so that all those who have been affected can pick up and resume a normal life again.●

GAO REPORT ON FEDERAL PAPERWORK

● Mr. BENTSEN. Mr. President, on November 17, 1978, after the 95th Congress had adjourned sine die, the General Accounting Office submitted a major report to the Joint Economic Committee on "Federal Paperwork: Its Impact on American Businesses." This study, which I requested while I was vice chairman of the committee, provides the first comprehensive data ever made available to Congress concerning the burden imposed on businesses by Government paperwork.

According to the GAO study—

American businesses each year spend 69 million hours complying with reporting and recordkeeping requirements of Federal agencies that have been approved or reviewed by the OMB or GAO under the Federal Reports Act;

Up to 250 million more hours are spent each year on paperwork that does not need to be cleared by either OMB or GAO, primarily IRS tax forms;

It cost businesses more than $1 billion annually just to comply with approved reporting requirements, to say nothing of the cost of IRS forms;

The GAO and OMB have approved or reviewed more than 2,100 agency proposals that impose recordkeeping or reporting requirements on businesses, with more coming every year; and

Virtually all—about 86 percent—of the reporting burden on businesses is accounted for by only 14 Government agencies.

The findings of the GAO report are based on information submitted by the Federal agencies to OMB and GAO as part of their request for approval of a new reporting or recordkeeping requirement. The agencies must estimate the number of hours each business will likely spend complying with the new requirement, the number of businesses affected, and the total burden imposed on all the responding businesses. The fact that these estimates are developed by the agencies who want approval for their reporting or recordkeeping requirement poses a problem concerning the accuracy of the data, according to the GAO report:

> The accuracy of burden estimates provided by the various Federal agencies is unknown. Because these estimates are currently the only available measurement of the burden of reporting requirements, they should be as accurate as possible. If the estimates are poor, their usefulness is limited. Before these estimates can be relied on, questions regarding their accuracy need to be resolved.

Mr. President, one of my first actions as chairman of the Joint Economic Committee—in a letter to the Comptroller General on January 22, 1979—was to request that the General Accounting Office undertake a series of studies to: First, determine if the Federal agencies prepare reasonably reliable estimates of the burden their paperwork imposes on businesses, and second, to determine if the agencies ever use any of the information they obtain from businesses or if they just file it away.

The GAO plans to accomplish this by conducting an in-depth evaluation of a select number of Government forms and reporting requirements in agriculture, transportation, taxes, pensions, and the environment. In each area, GAO will report to the JEC on the following questions:

Are the burden estimates made by the agencies reasonably reliable?

Do the agencies use these figures to manage or limit the paperwork burden on businesses?

Do the agencies make good use of the reports, or are the reports simply collected and filed away?

Are any reporting requirements duplicative?

Are any reporting requirements ridiculous or useless?

Are the requirements consistent with the intent of laws passed by Congress?

The GAO has already begun an examination of the reporting burden imposed by the Department of Agriculture's regulations governing meat inspection. Later this year, the GAO will report its findings and recommendations.

The major purpose of this project, Mr. President, is to stimulate the enactment of legislation which reduces or eliminates unnecessary paperwork. The GAO reports will make a significant contribution to this effort.

I submit for the RECORD the list of the 50 most burdensome paperwork requirements and also the letter from the Comptroller General to be printed in the RECORD.

The material follows:

FIFTY REPORTING REQUIREMENTS GENERATING THE LARGEST BURDEN ON BUSINESSES IN TERMS OF TOTAL BURDEN HOURS

Total burden hours, reporting requirement title, agency, number of responses, and requirement type:

18,233,940. Standard Broadcast and FM Station Logging Rules. Federal Communications Commission. 4,160. Recordkeeping requirement.

4,409,810. Television Broadcast Programming Sales. Federal Communications Commission. 760. Recordkeeping requirement.

3,624,530. Monthly Operating Report 1. Average Daily Unit Power Level 2. Operating Date Report 3. Unit Shutdowns & Power Reductions 4. Spent Fuel Storage. Nuclear Regulatory Commission. Not shown. Other management report.

2,000,000. Authority to Construct a New Broadcast Station or Make Changes in an Existing Broadcast Station. Federal Communications Commission. 1,000. Application.

1,626,230. Authorization in the Auxiliary Radio Broadcast Services. Federal Communications Commission. Not shown. Application.

1,500,000. Plan Description Report. Department of Labor. 600,000. Other.

1,425,000. Census of Wholesale Trade, Retail Trade and Service Industries. Department of Commerce. 1,900,000. Other management report.

969,000. Shippers Export Declaration of Shipments from the United States. Department of Commerce. 5,800,000. Other management report.

953,800. New Broadcast Station License. Federal Communications Commission. 1,000. Application.

864,000. Wholesale Purchaser-Reseller's Certification of Distribution to Purchasers.

Department of Energy. 432,000. Recordkeeping requirement.

832,000. CFR Parts 50 and 51-Licensing and Regulatory Policy and Procedures for Environmental protection. Nuclear Regulatory Commission. Not shown. Multirequirement.

800,000. Employer Information Report EEO–1. Equal Employment Opportunity Commission. 160,000. Statistical survey.

670,800. Radio Station Authorization in the Safety and Special Radio Services BURGCAU. Federal Communications Commission. 156,000. Application.

600,000. Reporting Chemical Substances for Inventory Section 8 (A) and (B) Toxic Substance Control Act. Environmental Protection Agency. 156,000. Other management report.

540,900. Recordkeeping Requirements Under the Ocupational Safety and Health Act. Department of Labor. 1,500,000. Recordkeeping requirement.

519,240. Authority to Construct or Make Changes in a Non-Commercial, Educational, TV, FM, or Standard Broadcast Station. Federal Communications Commission. 480. Application.

500,000. Mortgagee's Application for Mortgagor Approval and Commitment. Department of Housing and Urban Development. 1,000,000. Application.

500,000. Benchmark Survey of U.S. Direct Investment Abroad. Department of Commerce. 4,000. Other management report.

470,000. Census of Manufacturers. Department of Commerce. 110,000. Other management report.

456,000. Line of Business. Federal Trade Commission. 480. Statistical survey.

440,800. Local Public Works Payroll Reporting Form. Department of Commerce. 899,600. Program evaluation.

407,520. Regulation Governing Meat Inspection. Department of Agriculture. 1,757,750. Recordkeeping requirement.

389,010. Consumption Entry—Consumption Entry Permit Family. Department of the Treasury. 2,594,660. Program evaluation.

384,000. General Intermediate Care Facility Survey Report. Department of Health, Education and Welfare. 2,400. Statistical survey.

375,000. Census of Construction Industry. Department of Commerce. 150,000. Other management report.

352,630. Monthly Reports of Employment, Payroll, and Hours and Industry Class Supplements. Department of Labor. 2,115,780. Other management report.

328,320. Freight Loss and Damage Claims Quarterly Report—Motor Carrier. Interstate Commerce Commission. 9,120. Statistical survey.

324,000. Ships Weather Observations. Department of Commerce. 1,296,000. Other management report.

320,000. Occupational Injuries and Illnesses Survey. Department of Labor. 320,000. Other management report.

302,750. Air Taxi Operators and Commercial Operators of Small Aircraft. Department of Transportation. 3,967,000. Recordkeeping requirement.

288,000. Quarterly Estimate Under Approved Child Welfare Services Plan and Request for Grant Award. Department of Housing and Urban Development. 72,000. Program evaluation.

280,000. Annual Survey of Manufacturers. Department of Commerce. 70,000. Other management report.

274,380. Overhaul Contractor End Item Report and Overhaul Contractor Stock Balance Report. Department of Defense. 60,000. Program evaluation.

265,080. Freight Commodity Statistics—Class I Motor Property Carriers. Interstate Commerce Commission. 560. Statistical survey.

250,000. Recording of Aircraft Titles and Security Documents. Department of Transportation. 250,000. Other.

240,000. Statement of Property Changes-Railroads. Interstate Commerce Commission. 15,000. Recordkeeping requirement.

234,690. General Operating and Flight Rules (for General Aviation). Department of Transportation. 1,604,980. Other.

234,000. Alternate Shippers Export Declaration (Intermodal). Department of Commerce. 2,000,000. Other management report.

231,700. Contractor Financial Management Report. National Aeronautics and Space Administration. 23,170. Statistical survey.

230,000. Census of Transportation-Commodity Transportation Survey. Department of Commerce. 23,000. Other management report.

225,000. Economic Censuses General Schedule. Department of Commerce. 300,000. Other management report.

224,800. Class I and II Motor Carriers of Property Annual Report. Interstate Commerce Commission. 4,080. Statistical survey.

212,400. Petroleum Industry Monthly Report for Product Prices. Department of Energy. 3,600. Other management report.

211,440. Special Nuclear Material, 10 CFR 70. Nuclear Regulatory Commission. Not shown. Multirequirement.

210,000. Destination Control Provision. Department of Commerce. 2,500,000. Other.

205,330. CFR Part 715—General Performance Standards. Office of Surface Mining. Not shown. Multirequirement.

205,000. Single Family Default Monitoring System Status of Single Family Mortgages in Default. Department of Housing and Urban Development. 1,086,000. Other management report.

204,620. Grain Storage Survey. Department of Agriculture. 2,445,400. Other management report.

180,000. Monthly Certification of Training Under Chapter 34, 38, U.S.C. Veterans Administration. 1,080,000. Statistical survey.

172,260. Commercial, Educational, TV, FM, or Standard Broadcast Station License. Federal Communications Commission. 1,040. Application.

WASHINGTON, D.C.

B–158552.

Hon. LLOYD M. BENTSEN,
Vice Chairman, Joint Economic Committee, Congress of the United States.

DEAR MR. VICE CHAIRMAN: You requested that we prepare a study for the Committee on the impact of Federal paperwork requirements on American business. Specifically, you asked us to provide—

The annual burden on businesses as estimated by the agencies initiating the requirement;

The purposes for which the agencies were collecting the data;

The frequency with which the data was requested;

The number of responses required each year from businesses covered by the reporting requirements;

The 50 most burdensome requirements on businesses in terms of (1) annual burden per response, (2) number of responses per requirement, and (3) total annual burden; and

The five most burdensome requirements, in terms of total annual burden, for the 15 agencies imposing the greatest amount of burden on businesses.

Our work, based on information contained in GAO and Office of Management and Budget (OMB) clearance files, showed that:

Business firms were designated as respondents for 2,125 (about 43 percent) of all requirements.

Business firms take about 69 million hours annually, at an estimated cost burden of over $1 billion, to respond to Government requests for information.

Fourteen agencies account for about 86 percent of the reporting and about 86 percent of the estimated annual cost burden imposed on business firms.

Management reports accounted for 709 reports—the largest type of business-related reporting requirement.

Reports requiring a single response comprised almost 50 percent of all business related reporting requirements.

In making our analyses, we made several observations regarding the completeness, accuracy, and usefulness of currently available GAO and OMB burden information.

The requirements analyzed represent only the tip of the burden iceberg. About 78 percent of all Federal reporting requirements are exempt from either GAO or OMB clearance. Thus, the most pervasive, burdensome, and probably most irritating requirements were not addressed.

Determining the reasonableness of burden estimates for approved requirements was difficult. The data permitted analyses of burden in terms of: (1) number of reports, (2) number of responses, and (3) reporting hours. Individually, these burden measures are misleading because requirements placing an equal amount of burden using a measure such as total hours of annual burden can differ significantly when analyzed along with the two other measures. For example, agency estimates for two business-related reporting requirements showed that each involved 500,000 hours of burden annually. The impact on respondents, however, differed significantly. One reporting requirement involved an estimated one-half hour for each of the estimated 1 million responses expected annually. The other required an estimated 125 hours for each of the expected 4,000 annual responses.

Most individual requirements, when viewed separately, did not appear to be very burdensome. To the extent that an individual business is affected by one or a few of these requirements, the burden is probably a small problem. Most businesses are, however, faced with responding to several reporting requirements. The cumulative burden placed on businesses cannot be determined from information presently available.

The problems associated with cumulative burden can be compounded if similar data or information is requested by more than one reporting requirement. Although the clearance process has the reduction of such duplication as one of its objectives, with almost 5,000 requirements on file at any one time, it is doubtful that current efforts to detect and eliminate such duplication are effective.

The accuracy of burden estimates provided by the various Federal agencies is unknown. Because these estimates are currently the only available measurement of the burden of reporting requirements, they should be as accurate as possible. If the estimates are poor, their usefulness is limited. Before these estimates can be relied on, questions regarding their accuracy need to be resolved.

The details of these matters are included in the attached appendixes. Appendix I discusses the Government's policy on controlling paperwork, the limitations of clearance file information, the business paperwork burden, and various aspects of burden measurement. Appendixes II to XVIII provide details on the nature and extent of Federal reporting and recordkeeping requirements affecting businesses.

We analyzed the 4,976 reporting and recordkeeping requirements that we and

OMB approved 4,605 of these requirements, and we approved 371. The reporting requirements were those in effect as of March 31, 1978, except for the Department of Energy's; we used the Department's reporting requirements approved as of June 30, 1978. According to the Department's clearance officer, the OMB figures for March, April, and May did not reflect the entire inventory of approved forms.

Information on these requirements was obtained from the GAO and OMB clearance units. The burden estimates and other information are as reported by the agencies initiating the requirements and were not verified. The information represents approved requirements, which were subjected to the clearance requirements set out in the Federal Reports Act.

Our analyses should be used with two important cautions: First, although the Internal Revenue Service (IRS) imposes an estimated 613 million hours of burden (about 78 percent of all respondent burden) annually on individuals and businesses, the IRS is exempt from the requirements of the Federal Reports Act. GAO and OMB files contain no data for reporting requirements imposed by the IRS. Secondly, because our analyses did not address the need for or use made of the data collected, no inferences should be drawn as to the necessity for the reporting requirements discussed.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.●

TRIBUTE TO CLARENCE MITCHELL

● Mr. MATHIAS. Mr. President, this morning the Senator from Kansas, Mr. DOLE and I acted as hosts at a Senate breakfast in honor of a remarkable human being, Clarence M. Mitchell, Jr.

The response to our invitation, not surprisingly, was overwhelming. It was overwhelming because Clarence Mitchell is a very popular man hereabouts.

In behalf of Senator DOLE and myself I ask that our joint tribute to Mr. Mitchell be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CLARENCE MITCHELL: THE FRIENDLY PERSUADER

For more than 30 years, Clarence Mitchell has been a force to reckon with on Capitol Hill. During that time, he has been continuously among us, representing his constituency with eloquence, conviction and determination. In fact, he may well hold the record for appearances as a congressional witness. Congressional sources reveal that since his first appearance in 1934, Mr. Mitchell has testified on Capitol Hill close to 200 times.

Virtually all of these appearances were in his capacity as chief legislative spokesman for the National Association for the Advancement of Colored People (NAACP). It is both reasonable and correct, therefore, to assume that Mr. Mitchell's testimony related to civil rights matters. But, if we think of "civil rights issues" in a very narrow sense, we will never appreciate fully the breadth of Clarence Mitchell's responsibilities and expertise. In his myriad appearances before Congress, he has addressed legislation affecting virtually every aspect of American life—voting rights; judicial and executive branch nominations; health; social security; foreign affairs; minimum wage; revenue sharing; education; housing; full employment; youth employment labor; federal court jurisdiction judicial selection and confirmation procedures; and urban decay.

But, Clarence Mitchell's contributions cannot be measured solely in terms of his congressional appearances; they tell only part of the story. Since joining the NAACP in 1945, first as its Labor Secretary and then is the director of its Washington Bureau, Clarence Mitchell has been in the forefront of efforts to achieve equal rights for all Americans. His record as a civil rights advocate is an enviable one; it is unlikely to be duplicated. He was present at the creation of the civil rights movement and he is still in the fray.

When Clarence Mitchell assumed the role of chief legislative spokesman for the NAACP, the quest for equal rights in America was moribund. Congress had not enacted any major civil rights legislation since the days of Reconstruction. But, with Clarence Mitchell at the helm, things began to change. Not all at once, of course, the fruits of his and his colleagues' labor were still years away. It was not easy to overcome years of accumulated apathy and prejudice. In 1957, however, Congress broke with the past and enacted the first major civil rights bill since 1875. Viewed generally as a modest first step, the 1957 Act provided for a civil rights commission; an assistant attorney general for civil rights, and, authorized federal lawsuits to protect the right to vote. Its real value was largely symbolic.

As Mr. Mitchell noted: "The importance of getting that bill through was that we could break the spirit of defeat around here on civil rights legislation."

The spirit of defeat had certainly been broken; and, in ensuring years, Clarence Mitchell shepherded through Congress an impressive array of major civil rights legislation, including:

The Civil Rights Act of 1960. Designed to shore up some of the weaknesses in the 1957 law, it strengthened the penal laws with respect to the obstruction of court school desegregation orders and extended the Civil Rights Commission for two years.

The 24th Amendment. Passed by Congress in 1962 and ratified in 1964, this amendment barred the use of the poll tax as a qualification for voting in any election or primary;

The 1964 Civil Rights Act. The most far-reaching of the various civil rights acts, designed in part to forbid discrimination in places of public accommodation and established an equal employment agency;

The 1965 Voting Rights Act. Banned the literacy test for a five year period and established a system of federal election examiners to aid in voter registration;

The 1968 Civil Rights Act. Outlawed discrimination in the sale and rental of housing and increased penalties against those who interfere with persons exercising their civil rights.

The 1970 and 1975 Voting Rights Act Amendments. Extended the time period for the 1965 Act.

The 26th Amendment. Passed by the Congress in 1971 and ratified in 1971, lowered the voting age in all elections to 18 years.

The Civil Rights Attorney Fees Act of 1976. Designed to insure that the high cost of litigation does not bar the federal courts to those seeking to enforce their rights under our civil rights laws.

The District of Columbia Full Voting Rights Proposal. Passed by the Congress in 1978 and now is before the States for their consideration.

Clarence Mitchell's record speaks for itself. It is the record of a tireless, dedicated man of great vision whose life has been guided by the belief that the Constitution and this country were intended for all Americans. To Mr. Mitchell, the only way to achieve his cherished goal of equality for all, is through the constitutional procedures vouchsafed us by our Founders.

Clarence Mitchell is a devout believer in the rule of law. At a time when the phrase "law and order" had taken on a somewhat perjorative meaning and when militant sentiments were sweeping the country, Mr. Mitchell implored his fellow citizens to work within the constitutionally prescribed system and adhere to the rule of law. He said:

"I, too, am a law and order man, but I am a man who seeks the kind of order that makes freedom grow instead of stifling it.

"We must be on guard against and repudiate those forces that would destroy us and our country by causing us to lose faith in the power of just law. Whether it comes from a Ku Klux Klan meeting in a cow pasture or a street-corner meeting in Harlem, the voice that ridicules our Constitution, that demeans our Supreme Court and discounts our civil rights laws is the sound of man's ancient enemy—ignorance."

Clarence Mitchell is a man who has shunned the limelight; who has fought in the trenches and, for the most part, under a cloak of anonymity. Mr. Mitchell's low-key, soft-spoken style was captured vividly in 1966 by Associated Press correspondent James Marlow, who wrote:

"There can be few, if any, men alive who have worked longer and harder for civil rights and an end to discrimination and injustice than this . . . Negro with a soft voice and a great supply of self-control . . . Television cameras seldom show him, news stories seldom mention him . . . He has worked inside. His efforts have been aimed at getting civil rights legislation through Congress, getting the Government to enforce legislation already on the books, banning discrimination in and out of Government.

"This means working under the Capitol dome with members of Congress, with all that is involved in rounding up votes, consulting on bills to get them strong and effective as he can; consulting with the Justice Department on legislation and enforcement; conferring with White House aides of the President on all the ramifications of civil rights . . . This is all work on the inside, out of public view . . . If there had been no Mitchell, he would have had to be invented."

Despite his preference for remaining behind-the-scenes and his passion for anonymity, Clarence Mitchell's accomplishments—because of their sheer magnitude—have not gone unnoticed. Three years ago, the U.S. Senate passed a resolution acknowledging Mr. Mitchell's great contribution toward the establishment of justice and equality in America and expressing the Senate's gratitude for his efforts to improve the quality of life for all Americans. And this morning, we sponsored a Senate breakfast to honor Clarence Mitchell for his three decades of service as chief legislative spokesman for the NAACP, and to wish him well in his new role as full-time Chairman of the Leadership Conference on Civil Rights. This 141-member body of national organizations, which Mr. Mitchell helped to found in 1950, works to promote passage of civil rights, social and economic legislation and the effective enforcement of existing laws.

All of us who know Clarence Mitchell share the view of the late Senator Philip A. Hart, of Michigan and himself a distinguished civil libertarian, who described Clarence Mitchell as a "man who embodies all that is best in lobbying. He asks not for special favors, but, for equal treatment."

Clarence Mitchell may have changed hats, but happily for us and for the cause of civil liberties in America, he has not changed roles. This "consummate" lobbyist promises to continue to be a source of wise counsel and guidance to us on legislative matters just as he has been in the past.●

BLACK HISTORY MONTH

● Mr. BAYH. Mr. President, the month of February represents the beginning of a very important month in the life of America's black population. For this month has been designated "Black History Month." During the next 28 days, black Americans from all walks of life will be honoring the outstanding achievements of their fellow blacks. Such names as Harriet Tubman, Sojourner Truth, Frederick Douglass, Booker T. Washington, W.E.B. DuBois, Malcolm X, and Dr. Martin Luther King, Jr., will figure prominently in this month's celebration. I feel that it is only fitting and proper that all Americans acknowledge and pay tribute to the many outstanding contributions of this country's black citizens. Beyond a doubt, black Americans have played and continue to play a very intricate role in the growth of this Nation. However, it is in the area of raising the moral consciousness of this Nation that black Americans have made a tremendous contribution. Because black Americans have led the struggle for social, political, and economic equality, we all owe a debt of gratitude to our outstanding black leaders.

Mr. President, among those I regard as an outstanding black leader is a dynamic, hard fighting black man from my home State of Indiana. It is with great pride that I take a few minutes from the Senate's busy schedule to pay honor to Henry Richardson, Jr., of Indianapolis, Ind. He is a man that I have known for many years; a great man who has always been out in the lead in civil rights issues in my home State. Before it was a popular cause, he was fighting for school desegregation and equal employment opportunities, as well as social and political upward mobility for his race. I have always admired Mr. Richardson's courageous stands on behalf of the underprivileged in Indiana. I have always admired his patience in dealing with people who have attempted to keep black Americans in a second class status. Over the years Mr. Richardson has balanced a combination of patience and determination in his struggle to effect change in Indiana. It is not necessary for me to stand here and praise this man. I will let the record speak for itself.

Henry Richardson's experiences with segregation made an indelible impression upon him early in his life. While enroute to Huntsville, Ala., in the early 1920's, he was forced to ride in a segregated baggage car. The passenger car usually reserved for blacks was needed for the additional white customers riding the train. He was forced to ride in the baggage car for approximately 3 hours. He was forced to sit on a box containing the corpse of a deceased soldier being returned from Europe to his home in Alabama. As a result he vowed to direct his life at implementing change.

After graduating from Indiana University Law School in 1928, Mr. Richardson set out to use his training to fight segregation. When in 1928, the Indianapolis School Board segregated that city's schools, the fighting side of this civil rights activist surfaced. He consistently fought this battle, often alone, until finally in 1949 the State passed the school and teacher public integration law, which prohibited the use of race as a means of segregation.

In 1932, Henry Richardson, Jr., was elected to the Indiana Legislature—the first black man to be elected in 30 years and the first black Democrat to be elected and reelected in the history of the State. While in office, he was quite active in writing legislation beneficial to low income and minority citizens of the State. He coauthored the welfare legislation and he authored and engineered the passage of the first fair employment practice law in the history of this country. Specifically, the law prohibited racial and religious discrimination in employment on public works projects such as highways and public buildings.

While in the legislature, he also amended the 1859 constitution which stated that only white males 21 years of age or older could serve in the Indiana State Militia. As a result, our militia has since had outstanding officers of all races and religions rendering service to our State.

Not one to rest on past accomplishments, Henry Richardson turned his attention to eradicating the practice of prohibiting black students from residing in school dormitories at Indiana University. Taking up the challenge in the 1935 legislative session, Richardson threatened to lead a fight to cut off appropriations to the university unless its racial policies were changed. With the help of a few outstanding legislators such as Senator Ward Biddle and Gov. Henry F. Schricker, and with the help of Dr. Hemran Wells, president of the university during that time, he was able to eradicate the policy of racial segregation at the university.

Having dealt effectively with the problem of segregation at the university, Mr. Richardson then turned his attention toward housing segregation in the southern part of Indiana. In 1953, as attorney for the NAACP he filed a suit against the Evansville Public Housing Authority charging racial discrimination. In July, 1953, Chief Judge William H. Steckler, of Indianapolis issued a permanent injunction against the Housing Authority. This was one of the first cases won by the NAACP against segregation in public housing projects and facilities. A great deal of the credit for this victory is due to the work of Henry Richardson, Jr.

Mr. President, I could continue to document this great American's victories in the field of civil rights. However, I feel the above cases attest to the greatness of the man. He has many other achievements that I might mention briefly. Besides serving in the Indiana State Legislature, Mr. Richardson was appointed judge pro tem for the vacation term of Marion County Superior Court Judge John Higgins—a first in the history of Marion County and the State of Indiana. He also served as a special judge for 10 months in the Marion County court in 1949 and again in 1959. As a legal staffer to the NAACP, Richardson participated in the famous Brown against Board of Education with the renowned Thurgood Marshall, who was at the time chief counsel for the NAACP.

Henry Richardson has also been active in many prominent organizations. He is a life member of the NAACP and a former member of the National Board of the United Negro College Fund. He is a former member of the Board of the National Urban League and is former president of the Indianapolis Urban League, which he helped found. He is a life member of the Federation of Association Clubs in Indianapolis, a life member of Alpha Phi Alpha Fraternity, and a member of Phi Alpha Delta Law Fraternity, and has served on the State Board of Public Welfare and Indiana Real Estate Commission and has been honored for his public service with many awards including a gold key from the city of Indianapolis and a resolution of recognition from the Indiana University Law School.

Mr. President it is with an abundance of respect that I offer this tribute to a man who has meant so much to his State and to the millions of Americans whose lives he has touched over the years. Henry Richardson, Jr., sums up his life in the following words "Of my seemingly 100 years of effort I have tried but wrought little as a pattern of profound * * * changes for equal justice and equal opportunity for all in Indiana."

Mr. President, it is very seldom that I disagree with this very wise American. But I sincerely disagree with his assessment of his accomplishments. Mr. Richardson had the vision early in life and worked to make his vision a reality. He saw an America in which all men and women are treated as equals and he set out to eradicate segregation. As a result of his indefatigable efforts segregation began to crumble throughout the State of Indiana. To the extent that we have an integrated university system, as well as integration in all facets of Indiana life, we are all indebted to this great civil rights activist. Henry again sums up his life with the following words, "Many ask how I have survived and I must honestly say that through the grace of God, his mercy, and through the cooperation of a few friends who helped me on my way thus far."

America is certainly a better place because God gave this man the wisdom and patience to bring about change. America is a better place because he cultivated the kinds of friendships that were useful in fighting his battles. And finally Mr. President, America is a better place because one of her more brilliant children, the Honorable Henry Richardson, Jr., dedicated his life to the growth and betterment of our country.●

SPACE POLICY

● Mr. SCHMITT. Mr. President, on January 24, 1979, I introduced the National Space and Aeronautics Policy Act of 1979, S. 212, cosponsored by my colleagues Mr. GOLDWATER, Mr. DOLE, Mr. RANDOLPH, Mr. HEINZ, Mr. WALLOP, Mr. DOMENICI, Mr. THURMOND, and Mr. LUGAR.

A recent editorial in Aviation Week and Space Technology, December 4, 1978, explained some of the main points of the administration's space policy directives and emphasized why a stronger and more aggressive space policy is needed. Unfortunately, the administration fails to recognize our Nation's need for an aggressive and dynamic space policy.

I ask that this editorial by Robert Hotz be printed in the RECORD.

The editorial follows:

SPACE POLICY DEBATE

As the world spins into the third decade of the space age, a lively debate is generating in the United States over what future course this country should chart for the practical utilization on earth of the full potential offered by space technology.

President Jimmy Carter acknowledged the need for a new U.S. space policy some time ago when he commissioned an intergovernmental agency study. From this study he distilled a new Administration policy recently published with a strong presidential endorsement as a "very aggressive space policy."

Surprisingly, it has drawn strong criticism from Capitol Hill where new space bills have sprouted in both the House and Senate aimed at a more vigorous future space program oriented toward more specific goals. Sen. Harrison H. (Jack) Schmitt (R.-N.M.), the only man to walk on the moon and sit in the U.S. Senate, and Sen. Adlai Stevenson, 3rd (D.-Ill.) have introduced new space policy bills. There also is dissatisfaction in the House and from California Gov. Jerry Brown's technical adviser, Apollo astronaut Rusty Schweikart.

POINT, COUNTERPOINT

The main points of President Carter's new space policy are:

Utilization of the space shuttle.

Development of public service communication satellites to serve U.S. domestic needs for education, medical emergencies, disaster aid and data transmission.

Resumption of federal research in communications satellite technology dropped by the Nixon Administration.

Development of intergovernmental agency coordination, including military, for operational satellite systems.

Principal points made by its critics are:

Lack of specific goals for both the immediate and distant future.

No plans for an operational Landsat system even though both the technology and the need exist now.

Continued indifference to unique launch windows for exploration of the universe that do not fit budgeting cycles.

Tailoring to budgetary restrictions and failure to regard space research as a high-dividend investment instead of a federal expenditure.

Failure to develop a broad base of industrial and public input for policy purposes and confining the information base to a narrow government bureaucracy.

No real drive to utilize fully the growth potential of the space shuttle and its relevant technology across the whole government industrial and social spectrum.

Some of the lack of faith in the President's new space policy comes from the relatively vague language in outlining specific projects that sounds more like Office of Management and Budget fudging than genuine technical objectives and some from the dichotomy stirred by the President's own curious phraseology in outlining his plans.

A few months ago at the Kennedy Space Center, he noted that "There is nothing in scientific and technological experience to compare with the enormous leaps we have made in the brief span of the two decades of the space age. We have performed what any generation would have considered miracles. We have taken the stuff of fantasy and dreams and we have turned it into accomplishment and reality. The dreams of a few visionaries have become part of the everyday life of hundreds of millions of people."

And then in the next breath, as in his inaugural address, he turned away from new dreams and rejected the hopes of current visionaries for space utilization because: "In my judgment it is too early to commit the nation to such projects. But we will continue the evolving development of our technology taking intermediate steps that will keep open possibilities for the future."

DYNAMICS DAMPED

This is the type of rhetoric that makes the critics believe the presidential space program has fine words but no music. They fear that there really is no concept in current Administration policy of how space technology can be applied to other acute problems such as food production, energy sources, balance of trade deficits and unemployment. The critics believe the tremendous dynamics of space technology are being damped out by a philosophy that clings to zero-based budgeting as a life raft in an economic typhoon.

It is encouraging to see the growing awareness of the vast potential in varying degrees from various branches of the government. But there is much more that needs to be done to develop an adequate space policy that will contribute strong social and economic sinews to the nation's future strength. We think what is really needed is a major public forum attracting all of the divergent views and technological possibilities for a thorough airing beyond the closed doors of federal bureaucracy conference rooms. Perhaps when the Senate takes up the new space bills proposed by Sens. Stevenson and Schmitt it can serve this extremely useful purpose.●

THE CARTER-DENG SHOW

● Mr. STONE. Mr. President, today I would like to insert into the RECORD an article by Dr. Ray S. Cline, executive director of the Center for Strategic and International Studies of Georgetown University, entitled "The Carter-Deng Show." This article appeared on the Op-Ed page of the Washington Post on Thursday, February 1, 1979.

I feel that Dr. Cline, who will be testifying before the Foreign Relations Committee, offers us interesting insights into the complexities underlying the present relations between the United States, the People's Republic of China, and the Republic of China. I am sure that the views of experts such as Dr. Cline will benefit us greatly as we begin the task of determining the future course of relations between the United States and the two Chinas.

Mr. President, I ask that Dr. Cline's article be printed in full in today's RECORD.

The article follows:

THE CARTER-DENG SHOW

Who could have dreamed up the strange political scenario that brought us the Carter-Deng show on Washington TV over the past few days? The reborn Christian peanut farmer from Georgia is showering hospitality and diplomatic favor on the politically twice reborn revolutionary soldier and bureaucrat from Asia. Their public embrace is clearly designed to bolster their respective political images, in both cases at some cost to previous assertions of principle and hence at considerable risk of providing ammunition to domestic opponents. Why? Why now? And what will follow?

Deng's motives are clear, and he is setting the predominately anti-Soviet tone of the encounter. The mystery is why Jimmy Carter is going along. Deng is gambling that he can consolidate his own domestic political power base and protect China from the Soviet Union by fashioning a temporary, informal alliance with the United States, borrowing billions and billions of dollars from capitalist advanced industrial states and importing modern technology for China's industry, agriculture, and military forces.

Deng has battled for his life and for power ever since he joined the Communist Party as a teenage student in France in the early 1920s. He is 74 years old and this is his last chance to confound his opponents in the Party and the Army. Since Deng was purged in 1966 precisely for "taking the capitalist road," his new maneuver of turning to the United States is consistent enough but extremely daring. His deadly enemies of the past 15 years and more are still in high posts; if Deng does not bring home the bacon in the form of strong anti-Soviet security assurances from Washington, plenty of long-term credit and modern weapons, he may encounter increasing resistance from his political antagonists, especially Premier Hua Kuo-feng, Security Chief Wang Tung-hsing, and the Peking Region Military Commander Chen Hsi-lien.

At the moment, having raised extravagant hopes for everything that is popular in China—more protection from the "Polar Bear" to the North and a better standard of living for everyone—Deng is in the ascendancy among the ten or twenty men who rule his nation's destiny. Political fortune in the narrow confines of such a dictatorship is, however, fickle and volatile, as Deng's previous purges demonstrate. The "American Card" Deng is playing in Washington must win him a rich pot to take home, or he will meet the fate of all ambitious leaders who promise the moon.

Obviously President Carter, his National Security Advisor Brzezinski and the State Department have led Deng to believe they are ready to give him almost whatever he wants. They were so anxious to get him to promise to come to Washington when their touted Israeli-Egyptian accords were coming unstuck that they hastily de-recognized the Republic of China and terminated a mutual defense American ally so shabbily, capitulating to all of Peking's condition for recognition and abandoning all of our earlier commitments to the 18 million Chinese of the Republic of China.

Naturally, Deng comes to Washington with whetted appetite and high hopes. It is too much to expect him to understand that Brzezinski's blithe geopolitical challenges to the Soviet Union of the kind voiced at the Great Wall last summer are not a commitment to military confrontation of the kind Deng says he expects. Nor would he foresee that there would be Congressional and popular resistance to Carter's secret agreement to treat Taiwan as a non-nation, having only "unofficial" relations with the United States. In the People's Republic of China legislative and popular influence is not a political factor in the decision-making, but it still has some meaning in Washington.

It is far from certain whether President Carter can really give Deng what he wants, both total control over the ultimate fate of Taiwan and a vast Western economic and military aid program in direct defiance of the Soviet Union. Probably Jimmy Carter does not relish wrecking his "human rights" ideology by rendering Taiwan vulnerable to a political takeover, whether by guile or force, and he surely did not reckon on a major strategic confrontation with Brezhnev over China.

Moscow has already given Vietnam the green light to humiliate Communist China by an outright military conquest of Cambodia, in effect challenging Peking and Washington to do something about it. Fighting may continue on both China's borders, north and south, if Moscow stays fearful that Deng will euchre Carter into a real Peking-Washington axis. Unless Jimmy Carter is careful, he will end up facing a land war in Asia that would put America on the side of a pitifully weak People's Republic of China against the most powerful military machine in the world—the Soviet Union. This could not have been where President Carter thought he was going when he made his hasty deal with the crafty little Chinese leader. It is certainly not where most Americans want to be.

The President has a chance to set limits to P.R.C. hopes and restore American credibility and international respectability if he acquiesces in the strong Congressional trend to put American relations with Taiwan back on an official and legal basis rather than proceeding at Deng's insistence to treat the Republic of China not as a sovereign nation controlling Taiwan but as a subordinate part of the P.R.C.

Probably not much can be done to dampen Deng's inflammatory rhetoric about meeting the danger of war with the USSR. On the other hand Congress may wisely refuse to go along with the President's proposed bill to manage the foreign relations and security arrangements with Taiwan through a "private corporation," thus saving Carter from his own folly of having given in to the P.R.C.'s every demand—something that startled Moscow along with nearly everyone else. This Congressional act would signal to the importunate P.R.C. that it has won diplomatic recogntion from Washington, not dominance over American foreign policy in its relations with either its allies like Taiwan or its great adversary, the USSR. The Carter-Deng show might not be such a hit as hoped by the White House, but the world would be a little saner and safer.●

EULOGY TO NELSON ROCKEFELLER

● Mr. DOMENICI. Mr. President, Nelson Rockefeller's death reminds us all that if any man seeks for greatness, let him forget greatness and ask for truth, and he—as did our former Vice President—will find both.

Nelson Rockefeller knew that greatness lay not in being strong, but in the right use of strength.

Philosophers have said three degrees of greatness exist:

First, that of men who are anxious to enlarge their own power in their country;

Second, that of men who strive to enlarge the power and empire of their country over mankind; and

Third, that of a man who endeavors to renew and enlarge the power and empire of mankind itself over physical constraints of poverty and ignorance; a goal more noble than all else.

This was Nelson Rockefeller's ambition.

If it is true that an institution is but the lengthened shadow of one person, then men and women of this world will live his legacy not only in their own lives, but in the lives of their children and grandchildren yet to be born.

Great men, like great epochs, are judged by their works and deeds. The works and deeds of Nelson Rockefeller will live on far beyond those which we accomplish here today.

I know that I, personally am the greater for having known him as a friend.

And the world itself is greater for the friendship with which he knew it.●

SALUTE TO THE LEAGUE OF UNITED LATIN AMERICAN CITIZENS' 50TH ANNIVERSARY

● Mr. BENTSEN. Mr. President, this year an organization that was founded in Corpus Christi, Tex., will celebrate its golden anniversary, marking 50 years of service and achievement in advancing the cause of social justice and equal economic opportunity. I am proud to have this opportunity to salute the League of United Latin American Citizens, a pioneer in my State in searching for viable solutions to the problems of Americans of Hispanic and Spanish-speaking heritage.

LULAC has fought hard to create new opportunities for Hispanic Americans in such vital areas as education, employment and other areas crucial to their general welfare. LULAC can claim a proud record for its endeavors in providing assistance in training new immigrants of Hispanic heritage for American citizenship, improving educational opportunities for young people, and expanding their participation in the political process. LULAC has also demonstrated to the Nation the highest form of patriotism and in many cases sacrificed precious human life on the battlefields of foreign lands to protect our way of life.

LULAC continues to promote the cause of individual freedom and human rights. During the first years of its founding, LULAC became a fitting example of the life-or-death struggle for the ideals of freedom of expression and the right to organize a voluntary association.

LULAC has grown throughout its 50 years of existence into a vital institution and has persevered in building a strong and self-sustaining organization.

Their accomplishments for Hispanic Americans is self-evident in the "Little Schools of the 400," where non-English speaking youngsters were taught basic English in order to better cope in the classroom, where English was the language of instruction. These schools, established in the late forties, are the forerunner of the modern-day Head Start Schools now the promise of better educational preparation to preschool students regardless of their ethnic or racial origin throughout the Nation.

LULAC has also developed a nationwide network of educational service centers to counsel students desiring to attend our colleges and universities. The centers also help these students prepare for professional careers. The centers also sponsor a scholarship that annually awards hundreds of thousands of dollars to deserving students to attend college.

In the areas of employment, LULAC is one of the original founders of a program responsive to the needs of the Hispanic worker through its cosponsorship of the SER/Jobs for Progress program, which currently provides some $40 million of manpower training services in more than 70 offices throughout the United States.

LULAC has grown from a small group of dedicated individuals to a vital and effective national organization. Their contributions on behalf of Mexican Americans in particular has been impressive.

LULAC can also be proud of its recent efforts in the area of civil rights, and advancing the cause of social justice. There has been progress in this area, and more progress will be made.

Mr. President, as we pay homage to LULAC for its 50 years of dedication and achievement, I am confident that the next 50 years will be filled with equal if not greater accomplishments. For the Record, I would now like to submit some statements contained in LULAC's constitution, which reflect on some fundamental and rich values, which hold a special significance not only to Hispanic Americans, but for all Americans:

> We believe in the democratic principles of individual political and religious freedom, the right of equality and economic opportunity, and in the cooperative endeavor toward the development of an American society wherein the cultural resources, integrity of every individual and group constitute basic assets of the American way of life.
>
> We believe that as American citizens we must asume our duties and responsibilities and assert our rights and privileges of a fuller and richer civilization for our country;
>
> We believe that education is the foundation for the cultural growth and development of this nation and that we are obligated to promote, protect and assure the right of our people to an education that is in accordance with the best American educational principles and standards; that we must deplore any infringement of this right wherever it may occur and regardless of whom it may effect;
>
> We accept that it is not only the privilege but the obligation of every member of this organization to uphold and defend the rights and duties vested in every American citizen by the letter and spirit of the law of the land.
>
> Based on the spirit of the philosophy of our league and having unequivocal faith in its righteousness, we propose:
>
> To use all constitutional means at our disposal to implement with social action the principles set forth in our philosophy;
>
> To foster the learning and fluent use of the English language that we may thereby equip ourselves and our families for the fullest enjoyment of our rights and privileges and the efficient discharge of our duties and responsibilities to our country but as the same time, exerting equal effort to foster the fluent mastery of the Spanish language which is part of our cultural heritage and a means of extending the cultural horizons of our nations;
>
> To constitute the League into a service organization to actively promote and foster suitable measures for the attainment of the highest ideals of our American society, and to establish cooperative relations with civic and governmental institutions and agencies in the field of public service;
>
> To exert our united efforts to uphold the rights guaranteed to every individual by our state and national laws and to assure justice and equal treatment under these laws;
>
> To combat with every means at our command all un-American tendencies and actions that deprive American citizens of their rights in educational institutions, in economic pursuits and in social, civic and political activities;

To maintain the League free of all involvement in partisan politics as an organization; however we shall oppose any infringement upon the constitutional rights of an individual to vote and/or be voted upon at local, state and national levels.

To promote and encourage the education of youth and adults through scholarships the constant vigilance of administrative and instructional practices in schools which deprive persons of educational opportunities, the sponsorship of classes in citizenship and other areas, and through the dissemination of information and available training opportunities;

To make use of every medium of communication at our disposal and to exert our combined efforts to promulgate and propagate the principles of the League and augment its influence and numerical growth, and

To undergird the efforts postulated in our aims and purposes with the overall objective of creating among our fellow citizens, through example and a mutual exchange of concepts, an understanding and recognition of an appreciation for the dignity, worth and potential of the individual.●

CENSUS DATA ON WORKING WOMEN

● Mr. MATHIAS. Mr. President, despite the fact that 42.1 percent of the U.S. work force is women, the employment and advancement opportunities are still limited for those women. They still find themselves on the bottom rungs of the job category ladder with the lower paying positions.

On January 23, 1979, I joined my colleague Senator MATSUNAGA in sponsoring Senate Joint Resolution 24, which would help to identify the dimensions of the problem by collecting better and more detailed census statistics on women in the workplace.

As the Maryland Commission for Women has noted:

> The current inability to determine which professional and technical positions women occupy precludes an intelligent and planful approach for future education, career counseling, and upward mobility training programs. The 1970 census for Maryland women revealed that women comprise 51.1 percent of state population and 44 percent of our work force. Yet we lack the specifics of the 5.6 percent who are managerial and administrative and the 18.7 percent who are professionals . . .
>
> The inability to accurately determine, within the Maryland work force, the variance between men's salaries and women's salaries, a variance which we believe to be major, is a serious problem. The inequality manifested by differing wage levels has far-reaching negative implications for divorced women, widows, and single heads of households.
>
> Detailed census data would assist us in developing a frame of reference for comparison studies of employment in state and local government. The results of these studies would enable personnel officers and fiscal and budget staffs to plan in a fiscally responsible manner for future employment.

If we are to address equal employment opportunity for women, we must have a clear understanding of the problem. And to do that we must have comparable information for both men and women, particularly those in professional, technical and managerial occupations. I am pleased to be a sponsor of Senate Joint Resolution 24 and hope that the Human Resources Committee takes positive action on this legislation during this Congress.●

PROCEDURAL RULES OF THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

● Mr. CANNON. Mr. President, the Committtee on Commerce, Science, and Transportation, at a meeting held on January 25, 1979, adopted the procedural rules for the committee. In accordance with the requirement to publish the rules of each Senate committee in the CONGRESSIONAL RECORD not later than March 1 of each year, I submit the rules for the RECORD.

The rules follow:

RULES OF THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

I. MEETINGS OF THE COMMITTEE

1. The regular meeting dates of the Committee shall be the first and third Tuesdays of each month. Additional meetings may be called by the Chairman as he may deem necessary or pursuant to the provisions of sec. 133(a) of the Legislative Reorganization Act of 1946, as amended.

2. Meetings of the committee, or any subcommittee, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by the committee, or any subcommittee, on the same subject for a period of no more than 14 calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in subparagraphs (A) through (F) would require the meeting to be closed followed immediately by a record vote in open session by a majority of the members of the committee, or any subcommittee, when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

(A) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(B) will relate solely to matters of committee staff personnel or internal staff management or procedure;

(C) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(D) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(E) will disclose information relating to the trade secrets of financial or commercial information pertaining specifically to a given person if—

(1) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(2) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(3) may divulge matters required to be kept confidential under other provisions of law or Government regulations. (Paragraph 7(b) of rule XXV of the Standing Rules of the Senate, as amended by S. Res. 9, 94th Cong., Nov. 5, 1975.)

3. Each witness who is to appear before the Committee or any Subcommittee shall file with the Committee, at least 24 hours in advance of the hearing, a written statement of his testimony in as many copies as the Chairman of the Committee or Subcommittee prescribes.

4. Field Hearings of the full Committee, and any Subcommittee thereof, shall be scheduled only when authorized by the Chairman and ranking minority member of the full Committee.

II. QUORUMS

1. Nine members shall constitute a quorum for official action of the Committee when reporting a bill or nomination; provided that proxies shall not be counted in making a quorum.

2. Six members shall constitute a quorum for the transaction of all business as may be considered by the Committee, (except for the reporting of a bill or nomination); provided that proxies shall not be counted in making a quorum. Rule XXV, Sec. 5(a).

3. For the purpose of taking sworn testimony a quorum of the Committee and each Subcommittee thereof, now or hereafter appointed, shall consist of one Senator.

III. PROXIES

When a record vote is taken in the Committee on any bill, resolution, amendment, or any other question, a majority of the members being present, a member who is unable to attend the meeting may submit his vote by proxy, in writing or by telephone, or through personal instructions.

IV. BROADCASTING OF HEARINGS

Public Hearings of the full Committee, or any Subcommittee thereof, shall be televised or broadcast only when authorized by the Chairman and the ranking minority member of the full Committee.

V. SUBCOMMITTEES

1. Any member of the Committee may sit with any Subcommittee during its hearings or any other meeting but shall not have the authority to vote on any matter before the Subcommittee unless he is a Member of such Subcommitee.

2. Subcommittees shall be considered *de novo* whenever there is a change in the chairmanship, and seniority on the particular Subcommittee shall not necessarily apply.●

JAY SOLOMON—THE PENALTY FOR HONESTY

● Mr. METZENBAUM. Mr. President, a rare breath of fresh air hit the bureaucracy when Jay Solomon was named Administrator of the General Services Administration nearly 2 years ago. Solomon inherited a situation that would have caused lesser men to throw up their hands in frustration. But Jay Solomon persevered and has begun to clean up a mess that has long gone unattended.

Now, it appears that his thanks for a job well done is going to be a forced resignation. In the February 3 edition of the Miami Herald, Washington correspondent Vera Glaser has written an incisive article entitled "Is GSA Chief Being Ditched for Excessive Honesty?"—a question that we might all ask today.

Jay Solomon is one of the finest public servants I have ever had the opportunity to know. Mr. President, I think it is a shame that he is being asked to leave Government service and I, along with many of my colleagues, are urging the administration to reconsider its decision.

As Ms. Glaser points out in her article, the Solomons are not saying they are bitter and disillusioned about the circumstances. But, Mr. President, I certainly am. And I cannot help but wonder what effect this situation will have on attracting men and women of Jay Solomon's caliber in the future. It certainly is not a tool for recruiting people to public service.

I ask that the article be printed in its entirety in the RECORD.

The article follows:

[From the Miami Herald, Feb. 2, 1979]

IS GSA CHIEF BEING DITCHED FOR EXCESSIVE HONESTY?

(By Vera Glaser)

WASHINGTON.—Newcomers often float here on a political high. They've helped elect a new president and they yearn for public service.

Quite often, though, they depart in bitterness and disillusionment.

Jay Solomon, administrator of the General Services Administration (GSA), and his wife Rosalind—who are about to leave Washington—won't confirm that they fit the pattern.

But they won't deny it, either.

Nonetheless, it is clear from what they say and don't say, from the way that Jay Solomon shakes his head quizzically sometimes and the way his wife avoids talk about being frozen out by the White House—that they would prefer to be leaving in more pleasant circumstances.

"Jay is fine and I'm fine," says Mrs. Solomon, a tall, rangy brunette with a melodious voice. "The opportunity for public service has been fantastic, but this isn't the story of our lives."

The Washington part of the story began with Solomon's selection by President Carter to head the mammoth GSA, the agency that buys supplies for the government and acts as housekeeper for the vast holdings.

It began to end during a Jan. 22 press conference when the White House officially announced it was seeking a replacement for him. White House officials stressed the President still has "full confidence" in Solomon.

Powell has admitted that it "would have been better if we talked (with Solomon) before the press became involved, rather than afterwards."

Solomon, 57, the first GSA chief to make a serious attempt at eliminating widespread corruption in the agency, does say he told the President some time ago that he wished to leave this spring.

"I still go to Cabinet meetings," he said in an interview in his luxurious, art-filled apartment. "I saw the President Monday. He was very friendly.

But now and then, Solomon finds himself unable to maintain that air of detachment, that benign attitude toward an awkward, unpleasant and painful situation.

"They didn't have to go out looking for someone without telling me," he said in his soft-spoken drawl. "I volunteered to leave. Why the hurry all of a sudden? I said all along I wanted to go in the spring."

Some say the White House is irked at Solomon for taking credit for the GSA cleanup that belonged rightfully to Carter.

Some say the probe, if carried to its ultimate conclusion, will involve members or former members of Congress, that Solomon is the kind who would carry it all the way, and that powerful interests feel the investigation has gone far enough.

Some say the Justice Department resents Solomon's willingness to release information on the probe that the department would prefer to keep confidential.

Solomon won't confirm or deny any of those assumptions.

Solomon, when he leaves his back-breaking job here, will not return to his home in Chattanooga, Tenn., where he made millions in real estate and shopping center developments before coming here.

Instead, he and his wife will move to New York, where they will have more time for their shared interest in the arts.

Mrs. Solomon is an accomplished photographer whose work, her husband said, "opened a new dimension in our lives."

He has traveled the world with her, assisting on photographic safaris to Guatemala, Japan, Australia and New Guinea. Her photographs have been shown in Paris, London, New York and Washington, and purchased by leading museums.

New York, they feel, is the place where they can best combine their artistic interests and whatever business opportunities might come Solomons' way.

Like her husband, Rosalind Solomon will talk only obliquely about what is happening now, and she will not criticize the President. Asked if she felt Solomon was being picked on, she said:

"I just don't feel I can comment on that. We're here as long as the President wants us to be here, and it's been a great life experience."●

EDA SHOULD STAY IN DEPARTMENT OF COMMERCE

● **Mr. BENTSEN.** Mr. President, reorganization for the sake of reorganization is bad public policy. That kind of policy makes no more sense than continuing to fund programs which have become obsolete. I would remind my colleagues that the General Services Administration is the product of a major reorganization of the Federal Government recommended by the Second Hoover Commission. That is certainly one case where the centralization of responsibility in one government agency has not served the taxpayers of this Nation well.

To be perfectly candid, I have had my policy differences with officials of the Economic Development Administration. We have not always agreed. But I believe that the Economic Development Administration has effectively and sufficiently carried out its mandate to promote economic development. And it has focused its attention not just on the big cities—those whose problems attract the headlines—but it has worked unceasingly to promote rural economic development and the economic development of small cities. These activities may not be glamorous. They may not make the news, but they meet the legitimate needs of thousands of American communities who often are forgotten and neglected by the big Federal bureaucracy.

I strongly oppose moving the Economic Development Administration out of the Commerce Department and putting it into the Department of Housing and Urban Development. I do not believe that the creation of another "super" agency in Washington would result in the reduction of waste and the saving of the average taxpayer's hard earned dollars. Years ago we created an agency to coordinate all of our social welfare programs. In the last session, however, we were asked to separate the Department of Education from HEW because of its monstrous size.

Mr. President, I think our Nation would be better off if the Economic Development Administration stays in the Department of Commerce. I believe thousands of our local communities would be well served if the President rejects this reorganization proposal and orders the officials of the Economic Development Administration to redouble its efforts to make that agency an even better, more innovative promoter of economic development in the small counties and small cities as well as in the greater urban areas of this Nation.●

THE NURSE TRAINING AMENDMENTS OF 1979

● **Mr. WILLIAMS.** Mr. President, I am pleased to join my colleagues in introducing the Nurse Training Amendments of 1979. This bill authorizes an extension, for fiscal 1980, of the nurse training authorities that have been in effect since 1975.

Specifically, the bill continues support for nurse practitioner programs, advance training for individuals with baccalaureate degrees in nursing, construction or replacement of teaching facilities, capitation grants, traineeships, scholarships, and student loan programs for the various levels of nursing education.

You will recall that last year the Senate and the House of Representatives passed S. 2416, the Nurse Training Amendments of 1978. Because President Carter believes that Federal assistance is no longer needed for nursing education programs, the bill was pocket-vetoed.

Most recently, the President recommended annual funding decreases of more than $100 million for these programs. Only special project and nurse practitioner programs were supported in his fiscal 1980 budget request.

A budget cut of this magnitude would seriously undermine the education of professional nurses. Ironically, it would occur at a time when the Senate has overwhelmingly endorsed legislation to encourage the delivery of primary care services and the growth of health maintenance organizations. Both of these programs, in combination with other needed health initiatives in future years, could substantially affect the demand for nurses.

The bill we are introducing today is designed to provide the time the committee feels is necessary to carefully assess the role of nurses in the delivery of health care services and the number of nurses required to meet future health care service needs. A special study is authorized in the legislation for this purpose. In addition, extending the nurse training authorities through fiscal year 1980 would permit the committee to review nurse training programs in conjunction with other health manpower programs that will expire during that same year.

The bill recognizes that nurse training programs have traditionally been funded at about half of their authorized levels. Thus, the authorization levels have been reduced to amounts that are more consistent with appropriations approved by the Congress for these programs.

I urge my colleagues to reaffirm last year's overwhelming congressional support for professional nurses and the important contribution they make to the health care of Americans by cosponsoring this proposed measure.●

FEDERAL SPENDING LIMITATION

● Mr. STONE. Mr. President, yesterday I introduced into the CONGRESSIONAL RECORD a proposal prepared by the National Tax Limitation Committee for a constitutional amendment requiring a limitation on Federal spending. Today I want to call my colleague's attention to a discussion of this proposal by Jack Germond and Jules Witcover.

I agree with the authors that this proposal represents a reasonable approach for controlling Federal spending. It would allow the flexibility necessary to respond to national emergencies. I am in the process of analyzing the work of the National Tax Limitation Committee and intend to introduce a constitutional amendment based on its findings. I would welcome the support of all my colleagues in this endeavor.

Mr. President, I ask that the text of the Germond and Witcover article be printed in the RECORD.

The article follows:

"Darlings of Far Right" Now "Moderates" on Tax Cut Proposal

(By Jack W. Germond and Jules Witcover)

The National Tax-Limitation Committee includes many of the darlings of the Far Right—the conservatives' favorite economist (Milton Friedman), one of their favorite columnists (M. Stanton Evans), surely their favorite newspaper publisher (John McGoff of the Panax chain), Ronald Reagan's favorite welfare adviser (Robert Carleson), and perhaps even their favorite lobbyist (Charls Walker).

But when the committee outlined its proposal for a constitutional limit on federal spending the other day, it qualified immediately as the "reasonable" or "moderate" alternative to the plan being promoted by another group, the National Taxpayers Union, for an amendment requiring a balanced federal budget.

And what that tells you is that the campaign to extend the logic, such as it was, of California's Proposition 13 to the federal government is serious business indeed.

Up to this point, the inclination in Washington has been to shrug off the whole amendment campaign as some harmless exercise being carried on out in the boondocks. It is an attitude strikingly similar to the one the political power structure in California took toward Howard Jarvis and Prop 13 last year—until it realized at the eleventh hour that the damned thing was going to pass.

But the latest tax limitation scheme is no joke. At this point, 24 of the required 34 state legislatures have approved resolutions calling for a constitutional convention to approve an amendment requiring a balanced federal budget. The measure has passed one house in four others—California, Indiana, Utah and South Dakota. And hearings have been scheduled in Montana and Washington. In other states, the NTU says, resolutions have been prepared and cosponsors are being signed up daily. And most of this had been accomplished before Jerry Brown's mad dash to the front of the pack to declare himself its leader.

The objections to the balanced budget amendment center on both its content and the method—the constitutional convention—its supporters have chosen. On the former, the principal complaint is predictably that an amendment would rob federal officials of the flexibility they require to tinker with the economy in recessions or to respond in times of national peril. It is one of those good logical arguments of the kind that were blithely ignored in California last spring.

The most serious concern, however, is that holding a constitutional convention would open up a whole can of extremist worms. Although the legal situation is far from clear, it seems at least possible that such a convention could deal with all sorts of issues, including but not limited to such things as the proposals for antiabortion, school prayer and antibusing amendments.

It is in this context, then, that the National Tax-Limitation Committee's proposal qualifies as the safe, sane alternative. What the committee proposes, somewhat oversimplified, is that spending be allowed to increase each year only as much as the gross national product. And in times in which inflation exceeds 3 percent, the permitted growth would be slightly lower. The committee points out, correctly, that the balanced budget amendment would not, in itself, lower spending but only require enough revenues for the balance.

But the core of the issue is the politics of the thing, rather than the particulars of the different plans. Few who understand the politics of this year would dispute the judgment of Lewis K. Uhler, president of the committee, that there is "sizeable" momentum for some kind of ceiling on federal spending. Nor would anyone argue with Friedman's contention that Congress is "under the gun" on the issue.

That was apparent in the election returns last fall and is equally apparent in such opinion survey data as the finding of the CBS-New York Times poll that 73 percent of the people favor the balanced budget amendment.

So what Uhler and his group clearly are trying to do is offer the Congress a political escape hatch—a way to satisfy popular demand without buying the whole NTU-Jerry Brown package.

It would be naive in the extreme, of course, to expect politicians here, in Congress or the White House, to rush to embrace the spending limit. On the contrary, it would qualify as an unnatural act.

But it is equally clear that the pressure for some kind of action is achieving impressive dimensions. And if the White House and Congress fail to react, there is at least a demonstrable risk that the state legislatures, and the voters, will take away their options.●

TESTIMONY OF JAMES A. MICHENER ON ADVANTAGES OF A SPACE PROGRAM

● Mr. STEVENSON. Mr. President, in the daily press of business, it is often difficult to step back and view the Nation's progress amidst the long tides of history. James Michener did so in recent testimony before the Senate Subcommittee on Science, Technology, and Space. The large questions he raises about the Nation's spirit and its willingness to respond to challenge and adventure are in part for us to answer—but ultimately for the public. Because the answers are in some doubt, as he implies, I invite my colleagues to step back for a moment and read his eloquent and challenging words. Mr. President, I ask that a statement by James A. Michener be printed in the RECORD.

The statement follows:

Statement by James A. Michener Before Subcommittee on Science, Technology, and Space, Committee on Commerce, Science, and Transportation, February 1, 1979

The only justification for allowing me to appear before your Committee is that for some years I have been studying the rise and fall of nations and in so doing have reached certain conclusions governing that process.

There seem to be great tides which operate in the history of civilization, and nations are prudent if they estimate the force of those tides, their genesis and the extent to which they can be utilized. A nation which guesses wrong on all its estimates is apt to be in serious trouble if not on the brink of decline. Toward the middle of the Fifteenth Century the minds of sensible men were filled with speculations about the nature of their world, and although not much solid evidence was available, clever minds could piece together the fragments and achieve quite remarkable deductions.

Prince Henry the Navigator of Portugal occupies a curious place in history. He never captained one of his ships; he never sailed on any voyage of exploration; in fact, he stayed at home devouring old books, new rumors and future guesses, and from this melange constructed a view of the world that was extraordinarily accurate, even though he died some thirty years before Portuguese explorers brought proof of his theories.

Christopher Columbus had very little solid data to work with, but he had clever intuitions and a powerful capacity to piece together odd bits of information, leading him to conclusions that resulted in the effective discovery of America.

Nations at that time faced problems comparable to those faced by individuals like Columbus, Vasco da Gama and Sebastian Cabot. They had to decide whether they wanted to participate in the exploration of the world, and if so to what degree of commitment. Those like Portugal and Spain, who made early and fast decisions, gained empires of fantastic richness. Others like disoriented Germany and Italy, who did not perceive the possibilities, suffered grave disadvantages and never caught up. England and France were very tardy, but in the end the first made a stunning recovery, the latter never did.

I am not primarily interested in either the exploits of a few daring captains or the economic advantages of the nations they represented. The more lasting effect was on the spirit of the times, that wonderful enlarging of the human consciousness when it realized that the old definitions no longer applied, when it knew that the world consisted of a great deal more than Europe. To have missed the explorations was regrettable, but to have missed this spiritual awakening would have been disastrous. France and Sweden are excellent examples of nations which did little of the manual work but which reaped the intellectual rewards of the period. One might almost argue that Portugal and Spain dragged home the raw material for France and Sweden to codify and digest, proving that any nation can participate in the great swing of civilization according to its peculiar capabilities. Portugal provided daring sea captains. England provided able administrators. And France provided the philosophers. Those which provided nothing lost an entire cycle of historical experience from which they never fully recovered.

Nor do I think that the rewards resulting from participation in a great cycle need be permanent, reaching down to all generations. I am quite content if my nation gains enlightment or riches or advantages of other kinds for a respectable period. It can't be the hullabaloo of a single day or week, nor the celebration without foundation of some accidental accomplishment with little subsequent meaning. But if a nation responds to a challenge, succeeds in its effort, garners the rewards for a sensible period, and then loses the commanding position, I think no harm has been done. The nation has gleaned from that experience about all that it was destined to achieve, and a great good has been accomplished, because then the nation is prepared psychologically to tackle the next big problem when it comes along. And it surely will, for the life of any nation since the beginning of history has been a record of how it confronted the great challenges that inevitably came its way.

It may be unfortunate that I started these remarks with Portugal and its navigational and colonizing victories, as if they were the only kind that mattered. Actually, I would place them in second position, somewhat down the line in the scale of historical values. It is triumphs in the world of ideas and concepts that loom largest in my thinking, and I would like to stipulate several to give you a clue to my thinking. Today we are witnessing in the Near East the phenomenal vitality of the ideas promulgated some thirteen hundred years ago by Muhammad; these ideas have always been far more powerful than the empire put together by Portugal. The entire civilized world is indebted to the miracles that occurred in England during Elizabeth's reign and that of James I: I mean the extraordinary combination of Shakespeare's plays and the new translation of the Bible into English. These works fixed the English language as a tool of great beauty, great potential, and I often think of the Bible in its King James translation when someone tells me that no committee ever accomplishes anything. Two of the greatest documents of our language were written by committees, our English Bible and our American Constitution. The trick, it seems, is to assemble the right committee.

I would place in this pantheon of great ideas Sigmund Freud's analysis of human behavior and Karl Marx's dissection of production and distribution. For any nation to have missed the significance of these powerful movements was to have missed the meaning of contemporary history.

Certainly, the world was changed by that cascade of brilliant industrial inventions produced by England in the late 1700s and early 1800s. We live today on the consequences of that industrial revolution. And I would include our own nation's enviable capacity to finance, organize and manage large industrial corporations.

Finally, of course, the historian must think of the impact of Christ's teachings two thousand years ago. They had a far greater importance than any mere exploration or conquest or empire.

But history is a grand mix of concepts, actions, organizings and commitments which determines the extent to which any nation can achieve a good life for its citizens, and I believe without question that if a nation misses the great movements of its time it misses the foundations on which it can build for the future.

One word of caution. I am not here speaking of either fad or fashion. I am not extolling the attractive ephemeral. And I am certainly not sponsoring the idea that was so fashionable in the 1930s, that German Nazism represented "the wave of the future." Anyone who subscribed to that idea had a very limited view of what the future of the human race could be, and few fashionable ideas have ever crumbled so fast and so disastrously. The senate of any nation is obligated to discern the merely fashionable when it offers itself and reject it.

Suppose that all I have said is true, which would be a miracle equal to those we've been discussing. Where does that leave the United States in relation to its space program? I am competent to comment on only three aspects, leaving the more technical details to others.

Are there non-military advantages to be gained from a space program? The high technical requirements for success in space are so fundamental that spin-off rewards are almost automatic. Radio, television, medical instrumentation, miniaturizing, watches, new food processes, communications, health advances and improvement in clothing are some of the few advantages which I myself have gained because of the space program, and I am speaking only of small items which can be comprehended and used by the individual.

If one considers the larger items, like intercontinental communications satellites, the mapping of weather patterns, the analysis of soils and forests, the exploration for minerals including oil, the management of fisheries and the like, the potential rewards are multiplied many times.

And the nature of human intelligence is such that no one today can even guess the limits of either the personal items or the industrial which might accrue from the basic scientific work that has to be done in a space program. I have followed our past space adventures about as carefully as an uninstructed layman could, and I have a rather imaginative mind, but I anticipated almost none of these significant by-products, and I doubt if any of us in this room today could predict where the next contributions will be made.

I have heard one impressive argument against what I am saying now. A man of some probity said, "If we had applied our scientific brains to these problems, we could have solved them all at one-tenth the cost." He is right. Had the Congress twenty years ago set aside a substantial budget, and had it authorized the assembling of a body of top scientists, and had it provided them with spacious laboratories and told them, "Devise a computerized navigational instrument that will operate regardless of where in space it is stationed," this could surely have been done. But neither Congress nor the human mind works that way. It is only when great felt needs spur the imagination that certain accomplishments become possible. As a project by itself few of the bonuses cited above would have materialized; as part of a national effort with a clearly defined goal they all came into being, and others like them will follow.

Are there military advantages to be gained from a space program? I would be terrified today if only Russian and Chinese vehicles were orbiting in space. Their military advantage would be so tremendous that we might almost suffer as a nation a kind of psychological shock from which we might never recover. For we would certainly be at their mercy.

I fear that the potentials of space warfare have even yet not been impressed upon the American public. We do not realize the overwhelming advantage a nation would enjoy if it alone commandeered space, if it alone could direct by radio beam when and where an object or its cargo was to be brought down to earth. Any nation which allowed its enemies such a superiority would be doomed.

But if all nations have the capacity to utilize space defensively, then the peril is diminished and reasonable arrangements can be worked out. But only through parity can this be done.

Therefore, the United States must have a sensible space program, whether it wants one or not. To fail to keep up with new developments in this field would be disastrous, and any administration which permitted a lag should be condemned. We must know what the capabilities of space are, and we must retain our proficiency in using them.

I think we have done a fairly good job in this area so far, and I would suppose that from our strength we would be able to deal intelligently with those other nations who have attained or will attain a comparable capacity. This is the great unknown ocean of the universe and we in 1979 are as obligated to probe it and use it and participate in its control as the nations of Europe were obligated to explore their terrestrial oceans in 1479.

The future and the safety of those nations depended upon their mastery of the seas; ours depends in shocking measure to our cautious control of space, and if we abandon it to others we condemn ourselves.

Are there spiritual advantages to be gained from a space program? The spirit of man, and the resolve of a nation, are tenuous things, to be fortified by the strangest experiences or destroyed by the most unanticipated accidents. Outward events influence them but inner resolves usually determine outcomes. A novelist sees men and women destroy themselves because the will to survive has been lost; the historian watches nations go down because of fatal wrong choices which sap the national energy. Usually the tragedy occurs when inner convictions are lost, or when a sense of general frustration or waning purpose prevails.

It is extremely difficult to keep a human life or the life of a nation moving forward with enough energy and commitment to lift it into the next cycle of experience. My own life has been spent chronicling the rise and fall of human systems, and I am convinced that we are all terribly vulnerable.

I do not for a moment believe that the spiritual well-being of our nation depends primarily upon a successful space program. There are, as William James said, moral equivalents to war, moral substitutes for any charismatic national experience. I am sure we could as a nation attain great spiritual reassurance from rebuilding our cities or distributing our farm produce better. And my experience in the arts has taught me to be suspicious of late fashions or high styles. Space programs are stylish today and run the risk of being abused.

But I also believe that there are moments in history when challenges occur of such a compelling nature that to miss them is to miss the whole meaning of an epoch. Space is such a challenge. It is the kind of challenge William Shakespeare sensed nearly four hundred years ago when he wrote:

"There is a tide in the affairs of men,
Which, taken at the flood, leads on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries.
On such a full sea are we now afloat,
And we must take the current when it serves,
Or lose our ventures."

We risk great peril if we kill off this spirit of adventure, for we cannot predict how and in what seemingly unrelated fields it will manifest itself. A nation which loses its forward thrust is in danger, and one of the most effective ways to retain that thrust is to keep exploring possibilities. The sense of exploration is intimately bound up with human resolve, and for a nation to believe that it is still committed to forward motion is to ensure its continuance.

I doubt if there is a woman or man in this room who honestly believes that the United States could ever fall backward, as other nations have within our lifetime. Intuitively we feel that we are exempt. Yet for us to think so is to fly in the face of all history, for many nations at their apex were inwardly doomed because their will power had begun to falter, and soon their vulnerability became evident to all. Enemies do not destroy nations; time and the loss of will brings them down.

Therefore we should be most careful about retreating from the specific challenge of our age. We should be reluctant to turn our back upon the frontier of this epoch. Space is indifferent to what we do; it has no feeling, no design, no interest in whether we grapple with it or not. But we cannot be indifferent to space, because the grand slow march of our intelligence has brought us, in our generation, to a point from which we can explore and understand and utilize it. To turn back now would be to deny our history, our capabilities.

Each era of history progresses to a point at which it is eligible to wrestle with the great problem of that period. For the ancient Greeks it was the organization of society; for the Romans it was the organization of empire; for the Medievalists the spelling out of their relationship to God; for the men of the Fifteenth and Sixteenth Centuries the mastery of the oceans; and for us it is the determination of how mankind can live in harmony on this finite globe while establishing relationships to infinite space.

I was not overly impressed when men walked upon the moon, because I knew it to be out there at a specific distance with specific characteristics, and I supposed that we had enough intelligence to devise the necessary machinery to get us there and back. But when we sent an unmanned object hurtling into distant space, and when it began sending back signals—a chain of numbers to be exact—which could be reassembled here on earth to provide us with a photograph of the surface of Mars, I was struck dumb with wonder. And when computers began adjusting the chain of numbers, augmenting some, diminishing others, so that the photographs became always more clear and defined, I realized that we could accomplish almost anything, there in the farthest reaches of space.

My life changed completely on the day I saw those Mars photographs, for I had participated in that miracle. My tax dollars had helped pay for the project. The universities that I supported had provided the brains to arm the cameras. And the government that I helped nourish had organized the expedition. I saw the universe in a new light, and myself and my nation in a new set of responsibilities. My spirit was enlarged and my willingness to work on future projects fortified.

No one can predict what aspect of space will invigorate a given individual, and there must have been millions of Americans who did not even know Mars had been photographed. But we do know that in previous periods when great explorations were made, they reverberated throughout society. Dante and Shakespeare and Milton responded to the events of their day. Scientists were urged to new discoveries. And nations modified their practices.

All the thoughts of men are interlocked, and success in one area produces unforeseen successes in others. It is for this reason that a nation like ours is obligated to pursue its adventure in space. I am not competent to say how much money should be spent. I am not competent to advise on how the program should be administered. But I am convinced that it must be done.●

JOHN T. SCANLON JR., AN ENVIRONMENTAL CHAMPION

● Mr. PELL. Mr. President, John T. Scanlon, Jr. will be stepping down this Sunday after 8 years of service as executive director of Save the Bay Inc., Rhode Island's largest environmental organization. He has held that post since the organization was formed.

During those 8 years, John Scanlon has become known as one of the region's most outstanding environmental champions. Save the Bay has grown steadily and its current membership tops 20,000 persons.

John Scanlon, however, will be leaving far more than the strong group that he helped to build. He will be leaving Rhode Islanders with an increased appreciation of the beauty and the fragility of Narragansett Bay. He also will be leaving them with the knowledge that hard work is needed to protect and preserve our bay and the life it contains.

I would like to share some of his accomplishments with my colleagues. Consequently, I ask that an article from the Providence Journal of December 5, 1978, be printed in the RECORD.

The article follows:

JOHN T. SCANLON, JR., WILL LEAVE TOP POST WITH SAVE THE BAY

PROVIDENCE.—John T. Scanlon, Jr. announced his resignation yesterday as executive director of Save the Bay Inc., the state's largest environmental organization.

Scanlon, 51, who has held the post since the group formed eight years ago, said he will resign after its annual meeting Feb. 11 and after completing several projects, including a documentary film on Narragansett Bay.

He said he was resigning from the 20,000-member group because of the need to seek a better-paying job to support his wife, Olga, and son, John T. Scanlon 3rd. His present take-home salary is about $15,000, he said.

"Although I have had some overtures, my plans are wide open. I'll just test the marketplace and see if I can find a niche where I can contribute to the progress of a business or organization," he said in a news release.

He was among 14 New Englanders who received citizen environmental achievement awards from the federal Environmental Protection Agency in Waltham, Mass., on Friday.

The plaque was the latest of a series of awards Scanlon and Save the Bay have received for vigorous public education programs on balancing economic development with preservation of Narragansett Bay's natural features.

The organization, originally formed by opponents of an oil terminal, on Jamestown, also has opposed a refinery in Tiverton, nuclear power plants in Charlestown and liquefied natural gas terminals in Fall River and on Prudence Island.

Scanlon said he was leaving Save the Bay "with reluctance and mixed emotions."

He added, I'll miss the stimulation of the work, but perhaps the time has come for me, and the organization, to benefit from new direction and fresh ideas and techniques."

A former New Bedford newspaperman and Fall River radio announcer, Scanlon became known as one of Rhode Island's leading environmentalists because of his frequent public statements and appearances.

During his tenure, he addressed more than 500 groups, testified at numerous hearings and served on many official bodies.

He is a member of Governor Garrahy's energy facilities sites study commission, Mayor Vincent A. Clanci Jr.'s Narragansett Bay Advisory Committee, the New England Oil Coalition, the New England River Basin Commission's citizen advisory council and the state Department of Environmental Management's Bay Islands Park Committee.

A Fall River resident, Scanlon is membership chairman of the Fall River Symphony, former vice chairman of the city's Conservation Commission and a former director of the city's Chamber of Commerce. He also has headed St. Joseph's Catholic Charity Drive and spoken for the city's United Way drive.●

A DEPARTMENT OF EDUCATION: THE TIME IS NOW

● Mr. CRANSTON. Mr. President, the message accompanying the administration's budget message for fiscal year 1980 included an explicit renewal of President Carter's pledge to seek a new Department of Education, separate from the current Department of Health, Education, and Welfare. Such legislation passed the Senate last year, but not the House, and as an original cosponsor of last year's bill I am pleased to join with Senator ABRAHAM RIBICOFF and others in the reintroduction of a bill—S. 210—to create a cabinet-level Department of Education.

Those of us who worked to secure passage of last year's bill, S. 991, recognize and appreciate the vision and faith of Senator RIBICOFF, the distinguished chairman of the Senate Governmental Affairs Committee. From his experience as Secretary of Health, Education, and Welfare, Senator RIBICOFF sensed the compelling need to separate Federal education programs from growing and competing pressures within the present Department of HEW. Hearings on this year's measure, added to last session's extensive hearings, will comprise one of the most comprehensive examinations of the interrelationship of Federal education programs that has yet been compiled. I feel confident that this year's hearings will clarify additional issues and further document why the department should be created.

S. 210 provides a solid base upon which the Federal Government can reassess its present education programs and address the future. It can bring together many education programs scattered throughout the agencies, and in time, become responsible for additional programs of an education nature as well. Most importantly, a Department of Education can address these issues with a focus entirely its own and at a level responsible directly to the President.

Mr. President, the drive to establish a cabinet-level berth for Federal education programs began some 125 years ago. In the period 1908–51, as the Governmental Affairs Committee pointed out in last year's report, more than 50 measures were introduced in Congress to create such a department, though none got beyond the committee stage. As early as 1923, the President of the United States endorsed the department concept when Calvin Coolidge made clear his support for education's place in the Cabinet.

The most dramatic moves toward a new status for education began with the creation of HEW in 1953 and with the education initiatives of the Johnson administration. Presidential candidate GEORGE MCGOVERN endorsed the Department in his 1972 campaign, as did Jimmy Carter in 1976. Under the Carter administration the President's reorganization project produced, in November 1977, several options for the President's consideration relative to the enhancing of education's status in the executive branch. President Carter's decision in favor of an education department was first announced in his state of the Union address in January 1978.

Mr. President, last year's Senate-passed bill and this year's measure are most comprehensive. I am pleased to support most of the provisions. Along with the entire program of the present Education Division of HEW, the Senate bill transfers the programs for special institutions, telecommunications demonstration, health profession and nursing loans and scholarships, the Rehabilitative Services Administration, the Office for Handicapped Individuals, the Advisory Council on Educational Statistics, the Institute of Museum Services, the USDA Graduate School, the overseas dependents schools, law enforcement education loans, selected science education programs, and housing construction loans.

ADMINISTRATION OF HEAD START

I am particularly pleased that S. 210 specifically prohibits the transfer of the Head Start program to the new Department of Education. Head Start is presently administered in the Administration for Children, Youth and Families within the Office of Human Development Services in HEW. As originally introduced in the 95th Congress, the Department of Education bill provided for Head Start to be transferred to the new department. I felt very strongly that such a transfer was inappropriate and could threaten the continued success of Head Start, which is not simply or even primarily an educational program. It is a comprehensive preschool program which provides vital health, nutrition, and other social services to low-income children. I am gratified that S. 210 provides a prohibition against such a transfer.

TRANSFER OF THE REHABILITATION SERVICES ADMINISTRATION

Mr. President, I continue to have grave reservations about the proposed transfer of the Rehabilitation Services Administration to the new Department of Education. As a result of such a transfer, the conduct of services by RSA may well be isolated from the conduct of such key interrelated programs as developmental disabilities, titles II and XVI of the Social Security Act, section 504 enforcement and others—all programs which significantly affect handicapped individuals.

Mr. President, I believe that coordination between appropriate programs within the Department of Health and Human Services—the old Health, Education, and Welfare without the Office of Education—and the Department of Education is extremely important if we are to assure that the limited resources available are spent in the wisest possible manner. In this regard, I will be suggesting to the Governmental Affairs Committee a specific amendment to this legislation to provide for an entity to be left in the Department of Health and Human Services to coordinate appropriate programs within that Department and with appropriate programs in the new Department of Education.●

TAIWAN

● Mr. BOREN. Mr. President. I have joined as a cosponsor of S. 46 by Senator Stone and Senate Joint Resolution 17 by Senator Roth.

S. 46 extends the same rights and privileges to the representatives of Taiwan as are enjoyed by any other diplomatic representative to the United States.

Senate Joint Resolution 17 declares our goodwill and support for the people of Taiwan. It makes clear that the United States would regard an armed attack on Taiwan as dangerous to its own peace and safety, and declares that we would act to meet this common danger if it arose. It also welcomes an agreement with Taiwan to establish liaison offices to promote the political and commercial ties between the two nations.

I have joined as a cosponsor on these two measures after very careful consideration. All of us hope that the action of the President in establishing relations with the People's Republic of China will be in the best interests of our Nation and the cause of world peace.

However, regardless of one's feelings about the advisability of establishing formal relationships with the government on the mainland, we must not desert the 17 million people who live on Taiwan.

The political and economic systems on Taiwan are much closer to our own. What a bitter irony it would be if we should turn our backs to the fate of 17 million free people at a time when we are professing that we place new emphasis on human rights as a basis of American foreign policy.

In addition, our Nation's long-range well-being is jeopardized if we become known as a nation that abandons its friends and fails to keep its commitments. The word of the United States must be the cement that holds the free world together.

In the affairs of nations, as in the affairs of men, to have a friend, you must be a friend.

It is not enough for us to rely upon mere verbal commitments renouncing the use of military force by those who currently are most poweful within the collective leadership group in Peking. Verbal commitments from temporary leaders are not sufficient to assure the security of Taiwan 5 or 10 years from now.

Even those verbal commitments have been far from absolute The Vice Premier of the People's Republic of China, during his recent visit here, avoided making definite commitments about the use of economic boycotts or other forms of coercion against Taiwan.

The repeated use in referring to Taiwan of such terms as "return to the Motherland" and "reunification" by officials of the Peking regime are not very comforting even when such words are preceded by the term "nonmilitary."

The People's Republic had a great deal to gain from recognition by the United States. If they have no designs upon Taiwan, they should have been willing to enter into a clear and written renunciation of the use of force of any kind against Taiwan.

The enactment of these two measures protects a nation that has been our long-time friend while opening the door to sincere cooperation with another nation with whom we hope to have a peaceful relationship.

New foreign policy initiatives should be undertaken from a position of strength and national integrity. Adoption of these two measures is important to our future relationships with all nations.●

THE SEEING EYE'S 50TH ANNIVERSARY

● Mr. WILLIAMS. Mr. President, since the turn of the century, this country has made great strides in medical technology, rehabilitation techniques, and methods to help handicapped citizens lead productive lives. We have seen the development of highly sophisticated machinery to diagnose diseases even before birth and have witnessed surgical accomplishments never before thought possible.

Fifty years ago a different sort of development for the handicapped was underway. A man named Morris Frank brought a welcomed message from Switzerland to thousands of blind people in the United States: that guide dogs could enable them to lead independent and active lives.

Morris Frank and his dog, Buddy, established what was soon to become The Seeing Eye, this country's pioneer guide dog organization, in Morristown, N.J. The organization celebrated its 50th anniversary earlier this month by placing its 7,500th dog with a blind person.

The story of The Seeing Eye is a familiar one to many New Jerseyans. Often, puppies from the school are placed with families who take care of the dog until it is old enough to begin its formal training. These families make sure the dog is house trained, disciplined and given plenty of love. Then it is returned to the Seeing Eye School for 3 months of training and an additional month of work to acquaint its blind master with the commands and activities which will become an integral part of their lives together. Dog and master become companions, and coworkers, and with the help of their "extra pair of eyes," these blind people are able to surmount their handicap and live active, independent lives.

I would like to call my colleagues' attention to the wonderful service The Seeing Eye organization has provided these past 50 years, and congratulate this group for the many hours of kind and dedicated assistance they have given to blind people throughout New Jersey and across the country. I am most proud of their accomplishments and happy that the organization has chosen to make New Jersey its home.●

INVENTOR OF THE YEAR AWARD

● Mr. STEVENSON. Mr. President, in introducing the Space Policy Act (S. 244) I cited the technological and economic benefits that accrue to the Nation by virtue of a broad program of space science and applications. This fact is illustrated by the award announced by the Association for the Advancement of Inventions and Innovations (AAII) to Ms. Barbara Askins, a chemist at NASA's Marshall Space Flight Center. Ms. Askins will be honored as the 1978 National Inventor of the year at a ceremony on February 11 for National Inventions Day at the U.S. Patent Office.

The AAII selected Ms. Askins, a native of Belfast, Tenn., for her invention of a practical autoradiographic image enhancement process, using the radioactive chemical thiourea-sulphur 35, for severely underexposed photographs that would otherwise be worthless. A further application is in the field of medical radiography where it has been shown to have the potential for substantially reducing patient exposure to X-rays. The process also has been used to restore faded old photographs to their original quality.

The award is another example of how a broad technological development provided by the space program enables innovative applications in the consumer and medical field. Providing these opportunities for innovation is one of the best ways to strengthen the U.S. economy.●

TRUCKING JURISDICTION

● Mr. METZENBAUM. Mr. President, I ask my colleagues to consider several items pertinent to the antitrust bill which Senator KENNEDY, myself, and others will introduce shortly, which would eliminate the antitrust exemption for price-fixing in the trucking industry.

The "Dear Colleague" letter of my distinguished colleagues, Senators KENNEDY and THURMOND, points out that the issue at hand is not the merits of deregulating the trucking industry, but rather the importance of upholding the impartial, well-considered decisions rendered by the Senate Parliamentarian.

I am sure my colleagues recognize that many issues arguably touch upon the interests of two or more Senate committees. However, there can be no question that antitrust immunity granted to trucking firms is unquestionably within the jurisdiction of the Judiciary Committee. The antitrust laws which apply to private restraints of trade are necessarily separate from public restraints inherent in ICC regulation of the trucking industry.

President Carter's National Commission for the Review of Antitrust Laws and Procedures clearly treated the Reed-Bulwinkle exemption as distinct from the regulatory authority of the ICC. The final recommendations of the Commission's report correctly separate the elimination of the Reed-Bulwinkle exemption from reforms in the regulatory policies of the ICC. Indeed, it was their first recommendation in the section of the report dealing with surface transportation.

Some of my colleagues have expressed to me their concern that the authority of the ICC to regulate this industry would be severely affected by this measure. To the contrary, as the letter emphasizes, the antitrust bill is limited in scope and leaves wholly unaffected the ICC's authority to regulate entry of firms into the industry. Those powers were extended to the ICC in 1935, 13 years before the antitrust immunity was granted not to the ICC, but to private trucking firms. The bill eliminates only this immunity for restraints of trade practices by trucking firms—price-fixing.

As chairman of the Antitrust, Monopoly, and Business Rights Subcommittee, I am concerned that successful challenge to the Parliamentarian's ruling will invite further intrusions of the integrity of the subcommittee to Act on Sherman and Clayton Act matters. Other immunities of questionable public benefit are also in need of review.

Furthermore, overturning the Parliamentarian's decision will weaken the committee structure of the entire Senate. Committee jurisdiction is determined by an impartial decision based on Senate rules and precedents. If we abandon this system and establish the practice of deciding jurisdictional questions by a vote on the Senate floor, we will be opening the door to frequent and prolonged jurisdictional disputes on other issues of major concern—disputes which inevitably will be decided on a partisan basis.

I sat through the trucking hearings, and I know public restraints which result from ICC policies need change as well as the price-fixing practices of private firms. I have no quarrel with my distinguished colleague and chairman of the Commerce Committee regarding the need to pursue the reform of these counterproductive impediments to the free enterprise system. Moreover, these regulatory restrictions relate to overall transportation policy, which clearly falls within the jurisdiction of the Commerce Committee. I will certainly support the Senator's efforts to eliminate costly and unnecessary regulation in the trucking industry.

The Washington Star editorial, "Steering the Trucking Bill," and the Wall Street Journal article, "Senate Power Struggle May Decide Fate of Attempt to Deregulate Truck Rates," clarify the issue of referral and the crucial distinction existing between private restraints of trade subject to the antitrust statutes and public restraints of trade inherent in Federal regulation of the trucking industry. I urge my colleagues to review these items carefully.

Mr. President, I ask that the Dear Colleague Letter on this issue, a Judiciary Committee memorandum on antitrust legislation and the two articles from the Washington Star and the Wall Street Journal be printed in the RECORD.

The material follows:

COMMITTEE ON THE JUDICIARY,
January 25, 1979.

DEAR COLLEAGUE: We are writing to urge your support in a matter affecting the jurisdictional integrity of the Judiciary Committee and all other Senate committees.

You are aware of the stated intention of leaders of the Commerce Committee to challenge the jurisdiction of this Committee to consider antitrust legislation to be proposed by Senator Kennedy which would effectively terminate the system of government sanctioned price-fixing which presently exists in the trucking industry. What you may not be aware of, however, is that the Senate Parliamentarian has firmly indicated that the proposed bill—under Senate rules and precedents—is squarely within the Judiciary Committee's jurisdiction.

The merits of this particular bill are not at issue here. What is at stake is the continued viability of traditional Senate procedures for determining referrals of legislation which arguably touches upon the jurisdictional interests of two or more committees. If fair and impartial decisions of the Parliamentarian, rendered on the merits of each particular case, are not supported by Members of the Senate, then the entire system of rational and impartial committee assignment is threatened.

As discussed more fully in the attached staff memorandum, the legislation at issue is, as the Parliamentarian has advised he will rule, squarely within the Judiciary Committee's jurisdiction. The legislation, an amendment to the Clayton Act, does nothing more than repeal the existing antitrust immunity for price-fixing for the motor carrier industry.

We do not dispute the Commerce Committee's jurisdiction over reform of government regulation of motor carriers. However, where the issue is private restraints of trade, the proper jurisdiction lies with the Judiciary Committee.

Despite what we believe is the Judiciary Committee's claim to jurisdiction over the antitrust bill, in order to accomodate the interest of the Commerce Committee we have indicated a willingness to work out a joint referral that would protect those interests. However, we feel strongly that the Judiciary Committee's jurisdiction over antitrust matters must be preserved.

We, therefore, urge you to vote to support the ruling of the Parliamentarian should it be challenged on the Senate floor.

Sincerely,

STROM THURMOND.
EDWARD M. KENNEDY.

SENATE JUDICIARY JURISDICTION OF ANTITRUST LEGISLATION TO END ANTITRUST EXEMPTION FOR PRICE-FIXING BY MOTOR CARRIERS

On Monday, 22 January 1979, Senator Kennedy announced that he would introduce legislation to amend the Clayton Act to apply the antitrust laws to price-fixing activities by motor carriers and freight forwarders. For the last 30 years, these industries have been able to fix prices legally because of an exemption from the Sherman and Clayton Acts passed by Congress over President Truman's veto as the Reed-Bulwinkle Act of 1948.

Senator Kennedy's legislation is intended to end a private restraint of competition—price-fixing by motor carriers, nor does it change the federal regulatory system for motor carriers, nor does it affect the authority of the Interstate Commerce Commission to regulate rates, mergers, or entry into the motor carrier industry. A copy is attached.

The Parliamentarian has advised that the proposed legislation is within the jurisdiction of the Judiciary Committee, and will be so referred. On Friday, 19 January, Senator Cannon informed the leadership of his intention to appeal any decision of the Chair to refer the bill to the Judiciary Committee.

REASONS FOR JUDICIARY COMMITTEE JURISDICTION

The Parliamentarian's decision is based solely on the merits of this case. It was made after careful study of the jurisdictional authorities of the relevant committees, and on all applicable precedents. For the following reasons, his ruling should be upheld:

1. The proposed legislation amends the antitrust laws, the heart of the Judiciary Committee's jurisdiction.

The Sherman Act, 15 U.S.C. 1 et seq. (1890) and the Clayton Act, 15 U.S.C. 12 et seq. (1914) contain broad prohibitions against monopolies and restraints of trade. These laws were under the jurisdiction of the Judiciary Committee in the Senate when they were enacted and they are unquestionably within the jurisdiction of the Judiciary Committee today.

2. The substance of the legislation pertains solely to antitrust policy, an area in which the Judiciary Committee has unique expertise. It is intended solely to re-apply Sherman and Clayton Act price-fixing prohibitions.

3. The Reed-Bulwinkle Act, 49 U.S.C. 10706(b)(1948), was enacted to provide an antitrust exemption for price-fixing by common carriers. The bill was passed over President Truman's veto in response to successful price-fixing prosecutions by the Department of Justice in the years immediately following World War II. It was drafted as an amendment to the ICC Act (even though its substance was an amendment to the antitrust laws), and was reported by the Senate Commerce Committee. No issue was raised as to the jurisdiction of the Senate Judiciary Committee. In fact, the bill was an end run around the House Judiciary Committee, which was thought to be opposed to the exemption.

4. The Senate Committee Reorganization proposals adopted in 1977 coordinated certain aspects of committee jurisdiction, but left numerous areas in which two or more committees have jurisdiction over parts of broad areas such as energy, health care, and transportation.

Senate Rule 26 specifies that, in controversies over committee jurisdiction, a bill is to be referred to "the committee which has jurisdiction over the subject matter which predominates in such proposed legislation." The Senate Parliamentarian has clearly indicated that a bill to repeal the antitrust exemption for motor carriers would be referred to the Senate Judiciary Committee under the Senate rules.

REBUTTAL TO COMMERCE COMMITTEE ARGUMENTS

The Commerce Committee has taken issue with the Parliamentarian's decision, and will urge that it be revised by the Senate. Their argument in favor of referral of the legislation to the Commerce Committee is based on three assertions:

1. The Commerce Committee asserts that: "It would be unprecedented for legislation introduced by, considered by, and passed by one committee to be referred to an entirely different committee for its repeal."

2. The Commerce Committee asserts that referral to Judiciary would create a precedent which would weaken the committee structure of the Senate.

3. The Commerce Committee asserts that, because application of the antitrust laws in this case would affect the operations of a transportation industry, it goes to the heart of the Commerce Committee's jurisdiction.

These assertions are incorrect:

First, the contention that it would be unprecedented for a committee to recommend repeal of legislation which had been reported originally by a different committee is simply not accurate. One of several such precedents particularly on point is the McGuire Act. The McGuire Act amended the FTC Act (an Act within the Commerce Committee's jurisdiction) to create an exemption to the Sherman Act to legalize state fair trade practices. The McGuire Act was reported by the Commerce Committee in 1952; the repeal of the McGuire Act was reported by the Judiciary Committee in 1974.

Second, referral of this legislation to the Judiciary Committee would hardly weaken the committee structure of the entire Senate. If anything, it is more likely that referral to the Commerce Committee would, in these circumstances, weaken that structure. Decisions on referral are based on independent research and analysis of precedent by the Parliamentarian. The jurisdiction of particular committees is articulated in the Rules of the Senate and precedents thereunder to which the Parliamentarian must adhere. Challenges to decisions of the Parliamentarian are extremely rare, the last occuring nearly a decade ago.

The real danger to the integrity of the committee structure lies in the potentially disruptive effects of continued challenges to the Parliamentarian's rulings. If decisions on referrals of particular bills cannot be made on the merits by an acknowledged impartial authority, if they are allowed to become targets of committees seeking to impose their own interpretation of their jurisdictional interests, then the integrity of the system is in real jeopardy.

Third, the fact that applicability of antitrust principles to the motor carrier industry would affect the operations of that industry should not be allowed to determine the jurisdictional result. Application of antitrust laws always affects the substantive behavior of particular industries; they are expressly intended to do so.

Moreover, the logic of the Commerce Committee staff's own interpretation of the relative jurisdictional interests of the two committees dictates referral to Judiciary. Legalized price-fixing in the trucking industry—"collective ratemarking"—is an undisputed restraint of trade. In twelve days of hearings conducted by the Subcommittee on Antitrust and Monopoly during the last sixteen months, no witness suggested the contrary. The only policy question is whether the ostensible public benefits derived from this scheme are outweighed by its obvious detriments.

The Commerce Committee correctly notes that the Judiciary Committee's jurisdiction encompasses "protection of trade against unlawful restraints and monopolies." It is hard to find a more cogent reason for granting the Judiciary Committee exclusive jurisdiction of Senator Kennedy's proposed bill. The fact that it ostensibly touches other subjects of interest to Commerce—"highway safety, interstate commerce, regulation of interstate common carriers, and transportation"—cannot, under Senate Rule 26, dictate the jurisdictional result. The limited focus of the proposed legislation—antitrust immunity for price-fixing activities—does not substantially affect any of these areas.

The Commerce Committee further argues that the jurisdiction of the Judiciary Committee, read literally, extends only to unlawful restraints and monopolies (emphasis in text), and that anticompetitive practices already exempt from the antitrust laws are therefore beyond its scope. By that logic, the original Reed-Bulwinkle Act (which granted the antitrust immunity) should never have been referred to the Commerce Committee in the first place.

SUMMARY

The members of the Judiciary Committee recognize the jurisdiction of the Commerce Committee in issues affecting regulation of transportation industries. Any legislation proposing to alter the regulation of rates and entry by the I.C.C. would clearly go to the Commerce Committee and the Parliamentarian has so stated. The bill in question, however, does not involve regulatory issues. It is concerned solely with the integrity of national antitrust policies and their applicability to price-fixing; as such, it is clearly within the jurisdiction of the Judiciary Committee.

S. —

A bill to amend the antitrust laws to prohibit price fixing and rate setting agreements and to promote competition

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 11 of the Clayton Act (15 U.S.C. 21) is amended by—

(1) inserting "(1)" after "(a)", and

(2) inserting at the end of subsection (a) (1), as so designated, the following new paragraph:

"(2) The antitrust laws as defined in section 1 of the Clayton Act (15 U.S.C. 12) shall apply to parties and other persons with respect to making or carrying out any agreement related to rates (including charges between carriers and compensation paid or received for the use of facilities and equipment), allowances, classifications, divisions, or rules related to them, or procedures for joint consideration, initiation or establishment of them where one of the parties to such an agreement is a motor carrier or freight forwarder.".

[From the Wall Street Journal]

SENATE POWER STRUGGLE MAY DECIDE FATE OF ATTEMPT TO DEREGULATE TRUCK RATES

(By Albert R. Hunt)

WASHINGTON.—The outcome of a high-level Senate power struggle may decide the fate of legislation to deregulate truck rates.

On one side is the Commerce Committee, its chairman, Sen. Howard Cannon, (D., Nev.), and its ranking Republican, Sen. Bob Packwood of Oregon. On the other side are their counterparts on the Judiciary Committee, chairman Edward Kennedy (D., Mass.) and ranking Republican Strom Thurmond of South Carolina. Both sides are claiming jurisdiction over a proposal to end the joint setting of freight rates by truckers.

The issue goes well beyond mere personal or jurisdictional disputes. The Commerce Committee and Sen. Cannon are considered friendly to the trucking interests and unlikely to adopt any sweeping legislation. On the other hand, Sen. Kennedy and the Judiciary panel are considered hostile by the trucking industry and are likely to enact significant antitrust legislation in this area.

Thus, the trucking-industry lobbyists have been hard at work to keep the issue out of the Judiciary Committee's hands. Some of these trucking interests hope the deregulation legislation then would die a quiet death in the Commerce panel.

The issue probably won't be resolved until next week when the Senate parliamentarian is expected to rule with Sens. Kennedy and Thurmond. But unless a compromise is reached, the Commerce Committee leaders have indicated they'll take the unusual step of appealing this ruling to the full Senate, where a bitter contest would likely ensue.

"INTEGRITY" OF SYSTEM

In recent letters to all their Senate colleagues, both sides, in dire tones, warned that the issue touches on the "integrity" of the Senate committee system. The substantive issue of the legislation's fate was barely touched upon, although intensive lobbying efforts are making that point.

In their letter, Sens. Cannon and Packwood said legislation introduced by Sen. Kennedy to end the antitrust exemption for setting truck rates would have a "profound impact upon the trucking industry" and "dramatically change the scope and nature" of the Interstate Commerce Commission. The truck lines must get permission from the ICC to put the rates into effect.

They further noted that the original 1948 bill, granting the truckers an antitrust exemption, was handled exclusively by the Commerce Committee. "It would be unprecedented for the legislation introduced by, considered by, and passed by one committee to be referred to an entirely different committee for its repeal," the senior Commerce Committee Senators insisted.

UNLIKELY DUO

In response, the unlikely political duo of Sens. Kennedy and Thurmond relied heavily on the anticipated favorable ruling of the Senate parliamentarian. The proposed legislation, they noted, "does nothing more than repeal the existing antitrust immunity for price-fixing for the motor-carrier industry," and cited other instances where antitrust legislation had been enacted by a separate committee and then repealed by the Judiciary panel.

Apart from the antitrust matters, the trucking-deregulation issue also entails the ICC's control of competitive routes and entry. Here, both sides agree the jurisdiction lies with the Commerce Committee. Sens. Kennedy and Thurmond said they even would be willing to let both committees consider the antitrust provisions.

But that, so far, is unacceptable to the Commerce Committee and the trucking industry. "Sen. Cannon wants sole jurisdiction and we're supporting that position," said John Kinnaird, the top lobbyist for the American Trucking Associations. Insisting that the industry doesn't want to kill any legislation, Mr. Kinnaird added, "The Commerce Committee has an open mind . . . also we think they have more expertise and the issue should be treated by people who know what is involved."

With the stakes high, Mr. Kinnaird acknowledged the truckers are going all-out to win this jurisdictional fight. "We've contacted about every Senator," he said. The industry fears the type of legislation Sen. Kennedy proposes and worries that if it goes to the Senate floor, it might build momentum for the other aspects of trucking deregulation.

The industry, with the quiet assistance of the Teamsters union, is politically powerful, as the truckers are generous financial contributors to political campaigns. But the other side has clout, too. Sen. Kennedy has forged a deregulation coalition, with membership ranging from the National Association of Manufacturers and the American Conservative Union to consumer activist Ralph Nader and Common Cause, the self-styled citizens lobby. The Kennedy bill also has the support of the Carter administration.

To some extent, the current feud is a replay of the struggle over airline deregulation. Although the antitrust issues were minor, Sen. Kennedy held a series of hearings, over Sen. Cannon's objections, to build pressure for airline deregulation. Sen. Cannon eventually relented and supported an airline bill, which passed Congress and was signed into law last year.

[From the Washington Star, Jan. 29, 1979]

STEERING THE TRUCKING BILL

If the Senate wants to end price fixing in the trucking industry, it probably ought to let Sen. Edward Kennedy's Judiciary Committee handle legislation on the matter.

Senator Kennedy has announced that he will introduce a bill to repeal an exemption from anti-trust laws granted the trucking industry in 1948. But it has set off a heated jurisdictional squabble.

Since the Judiciary Committee has general jurisdiction over anti-trust legislation, it seems logical to assign the bill to Mr. Kennedy's committee. But Sen. Howard Cannon is claiming jurisdiction for his Senate Commerce Committee because the anti-trust exemption for the trucking industry was written into an amendment of the Commerce Act.

All things being equal, it probably wouldn't make any difference which committee handled the bill. But all things aren't equal. Senator Kennedy wants the exemption repealed; we're not sure about Senator Cannon.

It doesn't take great perceptive power to see which committee is more likely to act favorably on a repeal bill. Lobbyists for the trucking industry, which wants to keep the exemption, are lined up solidly behind Senator Cannon in the jurisdictional fight.

Senator Cannon threatens to take the fight to the floor if the Senate leadership sends the bill to Mr. Kennedy's committee. If it comes to that, we hope that Senator Kennedy's attempts the past few days to tighten his hold on the Judiciary Committee, which he became chairman of in the new Congress, don't prejudice members of the Senate against letting his committee handle the trucking bill.

While Mr. Kennedy's large ambitions for the Judiciary Committee need watching, we're on his side in the jurisdictional squabble over the trucking bill, for the simple reason that repeal of the antitrust exemption is most likely to come by that route.

The exemption ought to be repealed. It wasn't appropriate in 1948, when President Truman vetoed it as a tool for the trucking industry to run roughshod over the public interest, and it isn't appropriate now. Mr. Truman's veto was overridden and ever since, as Senator Kennedy pointed out the other day, the exemption has allowed trucking firms to set prices in ways that would be illegal in other industries.●

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistance legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STEWART). Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

REMOVAL OF INJUNCTION OF SECRECY—EXECUTIVE I, 96TH CONGRESS, 1ST SESSION

Mr. ROBERT C. BYRD. As in executive session,

I ask unanimous consent that the injunction of secrecy be removed from Proposed Amendments to the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, done at Washington, London, Mexico City, and Moscow on December 29, 1972 (Executive I, 96th Congress, first session), transmitted to the Senate today by the President of the United States; and ask that the treaty be considered as having been read the first time, that it be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to acceptance, proposed amendments to the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, done at Washington, London, Mexico City and Moscow December 29, 1972 (the Convention). These amendments provide procedures for peaceful settlement of disputes arising under the Convention. The report of the Department of State is enclosed for the information of the Senate.

Since entering into force in 1975 this Convention has provided an important focus for international concern about the protection and effective management of our oceans and for practical and constructive actions by Parties in the control of marine pollution. These amendments will make the Convention even more effective. I recommend that the Senate give prompt consideration to them and advise and consent to their acceptance.

JIMMY CARTER.

THE WHITE HOUSE, *February 6, 1979*.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. STEWART). The Chair, on behalf of the Vice President, pursuant to Executive order signed by the President November 1, 1978, appoints the following Senators to the President's Commission on the Holocaust: The Senator from Washington (Mr. JACKSON), the Senator from Rhode Island (Mr. PELL), the Senator from Florida (Mr. STONE), the Senator from Missouri (Mr. DANFORTH), and the Senator from Minnesota (Mr. BOSCHWITZ).

RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, in accordance with the previous order, I move that the Senate stand in recess until 11 a.m. tomorrow.

The motion was agreed to; and at 3:49 p.m. the Senate recessed until tomorrow, Wednesday, February 7, 1979, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate February 6, 1979:

DEPARTMENT OF STATE

John Prior Lewis, of New Jersey, for the rank of Minister during the tenure of his service as Chairman of the Development Assistance Committee of the Organization for Economic Cooperation and Development at Paris, France.

THE JUDICIARY

Robert M. Parker, of Texas, to be U.S. district judge for the eastern district of Texas, vice a new position created by Public Law 95–486 approved October 20, 1978.

Harold Barefoot Sanders, Jr., of Texas, to be U.S. district judge for the northern district of Texas, vice a new position created by Public Law 95–486 approved October 20, 1978.

DEPARTMENT OF JUSTICE

Gary Louis Betz, of Florida, to be U.S. attorney for the middle district of Florida for the term of 4 years, vice John L. Briggs, resigned.

SENATE—*Wednesday, February 7, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. DAVID L. BOREN, a Senator from the State of Oklahoma.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, to whom all hearts are open, all desires known and from whom no secrets are hid, move us to a deeper awareness of Thy nearness that we may know we do not walk and work alone. Rule over this body, granting wisdom and strength to all its Members.

Be with those whose lot in life is hard—the lonely, the sick, the bereaved, the uncompensated workers, and those from whom hope and joy has fled. Give us compassionate hearts and willing hands to lift those who would not be helped except by our service. And may the love of Thy kingdom prevail among all men and nations.

In the Redeemer's name, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 7, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID L. BOREN, a Senator from the State of Oklahoma, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BOREN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed immediately to the consideration, as a separate resolution, of that part of Senate Resolution 9 beginning on page 4, line 6, and concluding on page 5, line 6, dealing with "postcloture procedure" only. I further ask unanimous consent that debate on any amendment to the resolution be limited to 1 hour, to be equally divided and controlled by the mover of such and the majority leader or his designee; and that debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the majority leader or his designee: *Provided,* That in the event the majority leader or his designee is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further,* That no amendment that is not germane to "postcloture procedure" shall be received.

Ordered further, That on the question of agreeing to the resolution, debate shall be limited to 20 hours, to be equally divided and controlled, respectively, by the majority and minority leaders, or their designees: *Provided,* That the said Senators, or their designees, may, from the time under their control on agreeing to the said resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order: *Provided further,* That the vote on agreeing to the resolution occur no later than 6 p.m. on Thursday, February 22, 1979, without intervening amendments, motions, points of order, or appeals, and that immediately following that vote, the Senate proceed to the consideration of the remaining provisions of Senate Resolution 9 as a new resolution.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, today is February 7, and a good bit of the time from January 15 until now has been devoted to the effort of an ad hoc committee of Senators appointed by the majority leader and by me, and chaired by the able and distinguished Senator from Alaska (Mr. STEVENS), to arrive at some sort of mutually agreeable modification of the rules.

The unanimous-consent request just propounded by the majority leader represents the culmination of our efforts on yesterday to see if it was possible to arrive at a system to provide for the consideration of the postcloture provisions of Senate Resolution 9 without the precloture provisions, so-called, of Senate Resolution 9.

There are several aspects of this matter that I find appealing.

First of all, as far as I am personally concerned, I agree that something ought to be done about the postcloture rules. I must say in all candor that is not universally shared in this body and on my side of the aisle.

It is my personal view that we should do something about the postcloture situation in the Senate. I do not feel that we should change the precloture section of the rules. I believe there is an extraordinary level of protection available to the minority implicit in those rules as they apply to precloture situations.

I was pleased, therefore, when the majority leader indicated his willingness to submit this unanimous-consent request in effect dividing the two sections and suggesting a time certain.

By the way, I find the date reasonably satisfactory. It is far enough away so that there would be ample time to debate or at least a significant or substantial amount of time to debate.

Following the adoption or rejection of the postcloture provisions of Senate Resolution 9, it is my understanding that the majority leader had contemplated the adjournment of the Senate, which would remove us from the first day situation precedent that we discussed at some length in that respect; that is, the controversial constitutional question of whether the Senate on the first day can change its rules by majority vote, and even without effective debate and a series of motions and proceedings. Following the disposition of this matter we would proceed then to the precloture provisions of the rule which would then constitute a motion to change the rules other than on the first day, and which would require two-thirds of the Senate, not 60 percent but two-thirds of the Senate, to end debate on that matter.

I believe that was the impression I had on yesterday in my discussion with him.

As a result of that I met with our ad hoc committee on yesterday and then again this morning. I find, Mr. President, that it is not possible at this time to agree to this request on this point. That is not to say that I think it will never be possible to do so. I still hope that we can avoid the first day conflict, but I must say in all candor, and I say now to the majority leader, that I will find it necessary to object.

I am willing to withhold that objection if other Senators have remarks they would like to make on their reservation.

Mr. ROBERT C. BYRD. Mr. President, we have now spent 22 days, or thereabouts, in an attempt to find a resolution, acceptable to both sides, to the problem which faces the Senate and which is embraced in the context of Senate Resolution 9.

In that resolution, I attempt to deal with the postcloture filibuster. I also attempt to deal with filibusters that may

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

be threatened or may indeed develop on motions to proceed. Other matters are dealt with in that resolution, one of which would involve the motion to preclude nongermane amendments.

On yesterday, the distinguished minority leader told me that it might be possible to get an agreement on the postcloture section of Senate Resolution 9.

As he has correctly stated, I indicated my willingness to enter into such an agreement, provided that the remainder of Senate Resolution 9 would be the then-pending business upon the disposition of the section (d) limit postcloture. The agreement was hammered out. It was fully protective of all Senators who are concerned about any amendments coming in that would deal with the precloture. I gave my word that it would deal only with postcloture, so we have not only the agreement, but we have my word, which means that I would oppose any amendment that did not deal with the postcloture situation.

Now, we find that there is an objection even to this, an objection even to proceeding with only the postcloture section. I cannot, I just simply cannot understand why there is an objection to dealing only with the postcloture aspect.

Mr. STEVENS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. STEVENS. I am constrained to say, Mr. President, that when I came back here after my accident, the doctor told me that I probably ought to take a vacation and I said, "Well, you know, when we go back and open up the session, there is at least a month or two before things really get serious and there is not going to be any controversy at all." For 22 days, I think we have been in a controversy that is almost like it was when we left here last December.

We have put a lot of time in on this and I have great respect for the majority leader, as he knows and the Senate knows. I think we are closer to an agreement than the Senator from West Virginia indicates.

The problem is, I say to my good friend, that there are too many people on my side of the aisle that are a little squeamish about the majority that is behind the majority leader, and we would like to see the majority leader on record as supporting the work product that we now have. I think it is a fairly good concept. As a matter of fact, it goes almost the full mile with the majority leader in terms of looking for a total cap of time after cloture and dealing with some of the very vexatious problems that faced the Senate last year and the preceding years. It does not, however, touch precloture.

I am sure the Senator knows I would be constrained to object if no one else did, because we were instructed to object until we have some indication of support from the majority leader for the concepts that are involved in the substitute that I have shared with my good friend, albeit just a few minutes ago, I do not believe we can get an agreement.

Just so the Senator knows again and the Senate knows where I am coming from, I think the one vote I regret more than any vote in the Senate was the vote to reduce the number of Senators needed to invoke cloture from 67 to 60. I believe it has become too easy to get cloture. As a result people started devising means to delay the Senate after cloture in order to inform the country of what was going on. We are now dealing with the symptoms of that problem. I should like to see us move back to the point where it would be more difficult to get cloture, even though it would remain at 60. The concept of a cap on time after cloture would let Senators know that if they want to inform the country as to the problems involved in a piece of legislation, they should get over here before the cloture procedure starts and in the 2 days that are normally involved in waiting for the cloture vote.

The problem I have, as the Senator from West Virginia knows, is that a cloture petition is filed and we have difficulty getting anyone to come to the floor, because we wait for a cloture vote. If cloture is voted, then the debate on the controversy starts and the delay starts. I would rather let everybody know that there will be no interminable delay if he or she votes for cloture.

It seems to me that the agreement which we are ready to present—at least I am ready to present, the minority is not totally in agreement yet, because we do not know yet where the Senator from West Virginia stands—would involve removing some of the dilatory aspects from the existing rule. As to the Journal, we are prepared to say the Journal does not even have to be read after cloture is invoked.

Mr. ROBERT C. BYRD. The Journal does not bother me in the slightest. As far as I am concerned, I am ready to strike that from the resolution, forget about it from now on as long as I am in the Senate; that is a minor matter. The only thing we need to do to get around that is what I have been doing for 22 days, recessing the Senate, and the Journal does not have to be read.

Mr. STEVENS. It is still a matter of cleaning up the rules and preventing the abuses of the past. If the Senator will look at the rule now, he will recall the knotty problems we got into. I remember once when Senator Scott and Mansfield had to go through the device of getting a bill referred to a committee in order to bring it back. Our proposal would avoid that kind of thing by allowing amendments in the second degree to be filed after cloture has been invoked. Again, it is within the cap; the chargeable time of 100 hours is still there. We believe the cap ought to be reduced by an individual Senator. If you want to reduce it 100 hours, yield back your 1 hour.

Mr. ROBERT C. BYRD. They can do that now.

Mr. STEVENS. That will take it out of the total cap. You can take it out today, that is true, but you do not have a total cap today.

The Senate could control this time. If we do not want to spend 100 hours, 20 Senators could yield back their time and the cap would be 80.

Mr. ROBERT C. BYRD. I like that.

Mr. STEVENS. We also say we should not be in session more than 8 hours a day when that comes up.

Mr. ROBERT C. BYRD. I do not like that.

Mr. STEVENS. Well, it is negotiable. It does not do any good to be here all night long when we are not accomplishing something. We would like everybody to know we are going to be here accomplishing something.

Again, I say the result will be that it will be harder to vote cloture, but when we vote cloture, everybody knows that the cap will be a terminable time.

Mr. ROBERT C. BYRD. Mr. President, the Senator may have some very good suggestions in his proposal. He has worked diligently, worked sincerely and conscientiously. He has been to my office a number of times. I have found no fault whatsoever with the Senator's efforts in this regard. I can only applaud him. I honor and revere him for the dedication he has given to this matter.

What I say is this: Let us have a time agreement and let every Senator offer his amendments. There may be some amendments, and he just named one, the one with respect to Senators offering back their time and that would automatically lower the cap. I like that idea. I would vote for that. But if we are waiting on a piece of patent medicine here that everybody can subscribe to before we get a time agreement. I do not think we are ever going to reach that point.

Mr. STEVENS. Will the Senator yield again?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. STEVENS. Dr. Byrd can prescribe that medicine. The Senator is the majority leader and we know the majority is going to follow the majority leader on a procedural matter. That is all there is to it.

Mr. ROBERT C. BYRD. Dr. Byrd has proposed what I think is a good piece of medicine for the postcloture filibuster, but it seems to me there are people over on that side who do not trust the doctor.

Mr. STEVENS. We are not sure we are that sick. That is the only problem.

Mr. ROBERT C. BYRD. I can say to the Senator that the Senate is pretty sick. I think that has been obvious to people.

Mr. STEVENS. If there are a great many ills, we are ready to work with the majority leader to solve a considerable portion of them.

Mr. ROBERT C. BYRD. If you are ready to work with us, let us have a time agreement. Let them take their chances. I am willing to take my chances. They can knock out every word, every jot and tittle, and I shall not mind. All we want is a time agreement. We have been on this thing for 22 days. Let us have a time agreement.

I am not saying my proposal is without fault, I am not saying it is a cure-all. Let the Senators change it.

Mr. STEVENS. The Senator from West Virginia, really does not believe that the minority would expect that the majority would not support the majority leader on a procedural matter, the very first procedural matter presented in this new session?

I have told my colleagues on my side of the aisle that that is my opinion, that the majority will support the majority leader. Therefore, we would like to work out a situation where we are in agreement with the majority leader and we can go hand in hand to solve some of these ills. Admittedly, the patient would not be without some lingering problems that we could solve at a later date, hopefully.

Mr. ROBERT C. BYRD. The doctor is always willing to look at whatever new medicine comes on the market, but let us have an agreement and let Senators offer their amendments.

Mr. JAVITS. Will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. Mr. President, I come at this matter perhaps a little differently than some of my colleagues to the ad hoc committee. I come at it, I think, a good deal more from the direction the majority leader himself takes.

I have fought for over 20 years for the constitutional right to amend the rules by a vote of the Senate which would not be bound by the Senate rules as they come through Congress after Congress.

But I do think, with that in mind, and if there is a vote—I have stated it before, I state it again—I will sustain that proposition.

I have not been here for over two decades to abandon what I consider to be a basic constitutional principle. But I do think there is equity to the position taken by the ad hoc committee, of which I am a part. I talked with them this morning and said I would object, and I will explain why.

This is a one-shot proposition. I can appreciate the concerns of many of my colleagues respecting this precedent. I agreed early in the game, if we could just determine the issue, the substantive issue, without changing what the situation is now, based on many rulings, et cetera, and not a new rule, this would be satisfactory to me.

That effort is a difficult one. It is difficult for me. I, too, would object very strongly to the reduction of the time by a vote which would deprive any Senator of the opportunity to speak if by that time he had not used up his time.

I had that experience in the House. I lived there for 8 years where by moving the previous question it cut off everything. I think the House suffers. It is a big body, and perhaps it has to suffer. But it does suffer from that issue.

I think that can be settled, but there are these very deep concerns.

Now, if the Senator had a train of business waiting on our deliberations, I must say I would agree with him, that we have to bring this thing to issue. He can bring it to issue any day. The Senator knows his weapons as well as I do. He can insist on debate and he can insist on whatever rules of order the Chair may invoke, Roberts, or some other, and he can bring this matter to a scrap, and it would be a monumental one, and he could, perhaps, prevail. But I do not think we have a lot of business in train.

I really vouch—I rarely do this, but I do here—for the good faith deliberations which have taken place continuously. I believe the chances are excellent that we can work out an arrangement with the majority leader which will assuage the deep concerns on this side of being ridden over by a steamroller. I would join with Senator STEVENS in asking that that opportunity be afforded.

I think it is an opportunity, and we ought to be able—if both ad hoc committees got together with the aid of both leaders, and that is my suggestion, I think the time has now come for a summit meeting—to do this within a day if we all got together in one meeting, the majority leader and the minority leader, and went over these points, point by point.

It is my belief that there is complete good faith, as far as I have seen, in the ad hoc committee on this side, and I am sure there is with Senator NELSON and his group on the other. I think we can agree within a day. If we can, let us do that tomorrow or this afternoon, then the Senator can get his unanimous consent before we go out for the recess. But I think to force it today would be premature.

I thank the Senator for yielding.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Does anyone else wish me to yield?

Mr. STEVENS addressed the Chair.

Mr. ROBERT C. BYRD. I yield to the distinguished Senator from Alaska.

Mr. STEVENS. I do not wish to prolong the discussion. I wish that my good friend would not pursue his unanimous consent right now and would take heed from our distinguished Senator from New York, consider his suggestion, to go over this line by line and, hopefully, come back with a resolution that, if the majority leader and the minority leader could offer it, would be adopted almost unanimously. As far as I am concerned, it is ready to go now. I do not know about anybody else, but I would be willing to try to get it resolved before the recess. In any event, we could get it done before the time set in the majority leader's unanimous-consent request.

But I would be constrained and will have to object in carrying out the responsibilities of my task as assistant minority leader if the request persists.

Mr. ROBERT C. BYRD. Well, I can understand the distinguished Senator. What I cannot understand is why we cannot get a time agreement and let 100 Senators work their will on the postcloture section.

It would be my intention if we got a time agreement to immediately withdraw my motion and immediately modify my own resolution to strike everything except that section dealing with post cloture, adjourn for 5 minutes, and that throws us out of the first day, so nobody has any illusion, any question, any concern, about the constitutional question dealing with rulings in the past by various Vice Presidents of both parties.

So I would enter into it with the utmost good faith. I would be fully protective against amendments that dealt with anything other than postcloture, and let the Senate work its will, because it makes no difference how many times the ad hoc committees get together and we come in. They may be in agreement on some, but there are still other Senators here who have to live with these rules and they ought to have an opportunity to offer their amendments.

I do not want to be a party to saying that I will stand against any amendment that deals with postcloture. I may want to offer one myself.

So I do not know what question we are seeking. Are we seeking an agreement? Are we seeking language on which the majority and minority leaders would agree and that would stand fast against any amendment? Is that what we are seeking before we enter into a time agreement?

Mr. STEVENS. If the Senator will yield, what we are seeking is the majority leader's endorsement of the work that we have done to date, subject to modification we might agree with, and that this be a motion of the majority leader in support of this work we have done.

If the Senator lived on this side of the aisle, perhaps he might understand the fear that is involved in the majority having the right to change all this, notwithstanding the work we have done.

We want the majority leader to be for an agreement that we are for, and that meets the needs as they are defined in this new resolution. We want to be able to support the majority leader in that goal and we want to know that he supports the work that we have done. Otherwise, once we get a time agreement, the majority leader, again, is still the majority leader and we must presume he has the majority on his side who will follow him on a procedural motion, and that is what this is.

All I can say is that we would like to see that it follow something similar to the procedures suggested by Senator JAVITS. We would like to go over this line-by-line and come out with a resolution the majority leader offers and asks for its immediate consideration, and that becomes the subject of the time agreement, the majority leader's motion to amend the rules.

I think there are some substantial concessions here. Above all the concession we are willing to make is to put a total cap on the time after cloture of 100 hours. Everything that happens on this floor would be chargeable to that 100 hours, and even that time could be reduced through the concept of each Member making the decision to yield back his time.

I think that is a substantial concession.

We do want some agreement, though.

as to the amount of time we will be in every day, because I think the problem of the Senators—and I do not like to mention this, but I would just ask the majority leader to think of the number of our Members not here now who passed away soon after the procedures we went through last year, how much strain we put on those people by being in all night.

One thing I noticed is that it is the older Members who have developed a real love for the Senate who come here in the middle of the night, answer those quorum calls and vote on those motions to make absent Senators come. At least four of them who went through that procedure are not here now.

I do not think we should tell Senators that they are going to be put to the test of endurance in terms of stamina, to come here for sheer foolishness, in my opinion, and answer quorum calls and motions to produce Senators—things that have nothing to do with the substance of legislation.

I firmly take the position, along with the majority leader, that the time that follows cloture should be limited. Some of my friends over here are willing to go that mile, but only if we are assured that the other matters that are in that resolution have the support of the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I do not denigrate the work of the assistant Republican leader. I have only seen his proposal. I have not read it. He brought it to me just as I started into the Chamber. I do not say anything in denigration thereof. There may be some facts in it that I would support.

But the Senate never will get an assurance from this Senator that he will keep the Senate in session only 8 hours. If the Senate wants to write that into a rule, the Senate can do it, and I will have to abide by it. But I will not give that assurance on my own. Even if I did, my successor would not be bound by it.

I have to do what I think has to be done in order to get the business done. It is one thing to say that I will never keep the Senate in beyond 8 hours. But all one needs to do is to stand in these shoes, or stand in this place behind this desk, and he will see that that kind of assurance cannot be kept at all times. He will be the first to be taken advantage of if he makes that kind of assurance. But if the Senate wants to write that into the rule, postcloture, that is fine with me.

Mr. STEVENS. That is 8 hours on the matter postcloture. It does not say that the Senate could not be in session on other matters. It says that the postcloture debate on that matter would be limited to 8 hours a day when the Senate is in session. That would permit other matters to go ahead. That, too, is a change in the rules that is beneficial in considering the workload of the Senate.

Mr. ROBERT C. BYRD. That may very well be an amendment that the Senate would want to write into this rule. I am simply saying that we should get on with the business and get an agreement and let the Senate work its will.

It may be an amendment the Senate would want to write into the rule. But for me to agree that before we get a time agreement, I will come in here and agree to have my hands bound behind me, and I am dragged into the Chamber, kicking and screaming, and saying, "Yes, I'll enter into this time agreement, and I'll stand by this and that and that"—why, I am afraid we are suffering under a delusion.

I might agree to support—I would like to have the attention of the distinguished Senator from Alaska. I gave the Senator my attention .

Mr. STEVENS. I was just trying to recall the name of the little people who bound Gulliver. I have as much opportunity to bind the majority leader's hands as they had. It would take about the same length of time, I think. I do not feel that we are trying to bind the majority leader's hands.

Mr. ROBERT C. BYRD. I do not know what the Senator is talking about. I understand that he wants the majority leader to agree with the proposal that he and the minority leader can bring in here. Suppose when we get it up for debate, the majority leader sees certain loopholes in it? That might very well be the case with my own resolution. We have to get it up for debate.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. New Members, who have not been here before, might raise questions I never have thought of, questions which never have been raised in the Senate; and then I might have to say, "That is a loophole; I can't support that." Then, would the Senator say I had gone back on my word?

Mr. STEVENS. No. The Senator never has gone back on his word with me, and I do not expect to live to see the day that he does.

I am reminded that it was the Lilliputians who tied up Gulliver. I do not think I am capable of that.

We are not saying that we want the Senator to agree word by word to what we have done. We want to work with the Senator to get a resolution that will make these postcloture changes that the Senator would believe in and would present to the Senate on the basis that he believes in them, and we would believe in them, too.

Of course, the Senate could make the changes; but I do not think the Senate is going to make changes in a procedural resolution to change the rules which the Senator from West Virginia does not want made.

I have absolute confidence in the majority leader's leadership of the majority. It is that confidence that leads us to want to be walking shoulder to shoulder with the majority leader on these changes and not depending upon the fact that, after a time agreement is reached, the matter might survive. We know it will survive if the majority leader supports it.

Mr. ROBERT C. BYRD. The Senator very well knows that he and I worked with Mr. NELSON and Mr. CRANSTON and then with our respective ad hoc committees, and we thought we had worked out a format several days ago that was a complete substitute for my Senate Resolution 9. I took it up with my ad hoc committee and they were willing and said, "Fine, go ahead." But it always falls through on the other side. Somebody finds something they do not want to agree to. I am willing to try again.

Mr. STEVENS. My good friend knows that that agreement was that we were willing to take it up, but it still would be subject to amendment on the floor.

Mr. ROBERT C. BYRD. Yes—as it should be.

Mr. STEVENS. And it would not have had the endorsement of the majority leader in terms of its being his proposal.

We are seeking to work out, by this process, an amendment to the rules that the majority leader and the minority leader will support.

Mr. ROBERT C. BYRD. The Senator will recall, with respect to what had been worked out, that I said I would strike the provisions in my resolution and insert that as a modification and use that as the working piece: Just forget about mine. Just insert this new piece that the Senator had worked out so diligently, and I will modify my own resolution and insert this new matter and make it the working piece.

How much further can a man go, when he is willing to strike out his own handiwork and say, "We will take this new piece and insert it and let it be the working piece"?

I would try to amend it. I was willing to do that. I am not willing to do that again, because they went back and found—even as to the work on which the Senator had spent so many hours, people on his own side said they did not want to accept that.

I am not willing any longer to strike out my part and insert somebody else's as a working piece. We will leave mine in; and if they want to offer a substitute or amendments thereto, they may do it, and I may support the substitute. I do not take pride of authorship in Senate Resolution 9. It can be improved upon; and if it can be improved upon, I want to support it. But I think it is about time for us to understand that all this good work that the Senator has been doing, all the many hours he has been putting into that work, seemingly comes to no avail. When he takes it back over there, somebody raises a little point against this or that: A hole here or there should be plugged. There is a door open here, and when they try to close that door, they open two more.

I am willing to try again. I am willing to take a look at what the Senator has in mind. I may very well support much of it.

Mr. STEVENS. May I ask that this draft be printed in the RECORD, so that those who read this RECORD can see what we are talking about?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. Mr. President, I ask unanimous consent that this proposed revision of Senate Resolution 9 be printed in the RECORD as my version. It is not offered for anything; no motion is made. It is just so that Members will know what we are talking about.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROPOSED REVISIONS

Resolved that the second paragraph of paragraph 2 of Rule XXII of the Standing Rules of the Senate is amended by inserting at the end thereof a new paragraph as follows:

"After one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, such consideration being limited to not more than 8 hours per calendar day, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusions of all motions, except a motion to table, to recommit, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before a vote on an amendment or the final vote begins.

"After cloture has been invoked, no Senator shall be entitled to use more than one hour on the measure, motion, or other matter pending before the Senate, the amendments thereto, and motions affecting the same, except as hereinafter provided.

"A Senator shall be charged with the use of all time consumed after he is recognized and until he yields the floor, whether such time is used in debate or otherwise. A Senator may yield any of his remaining time to another Senator or may yield it back to the Chair, in which case the hours of consideration shall be reduced by the time so yielded back, and it shall be the duty of the Presiding Officer to keep the time of each Senator. If unanimous consent is requested to dispense with the remainder of a quorum call and an objection is heard to the request, the time consumed in the remainder of that quorum call is charged against the time of the objecting Member. If the objecting Senator does not have at least ten minutes remaining, he may not object to dispensing with further proceedings under the quorum call. If the time required to call a quorum exceeds the balance of the objecting Senator's time, then the time for the quorum call in excess of the Member's time shall not be charged against the one hundred hours."

(b) The last paragraph of paragraph 2 of Rule XXII of the Standing Rules of the Senate is amended by inserting the following at the end thereof:

"Whenever a Senate indicates an intention to appeal from a decision of the Presiding officer, that Senator shall be given preferential recognition for that purpose.

"New amendments in the second degree can be offered after cloture has been invoked if they are germane to the amendment in the first degree to which offered. Amendments which are otherwise in order may amend the bill in more than one place, if they involve only one substantive issue.

"If, for any reason, a bill is reprinted after cloture has been invoked, amendments which were in order prior to the reprinting of the bill will continue to be in order and may be conformed and reprinted at the request of the amendment's sponsor. The conforming changes must be limited to lineation and pagination."

(c) That paragraph 1 of Rule III of the Standing Rules of the Senate is amended—

(1) by inserting "(a)" before "The" in the first sentence;

(2) by striking "The" in the second sentence and inserting in lieu thereof: "Except as provided in subparagraph (b), the"; and

(3) by adding at the end thereof the following new subparagraph:

"(b) Whenever the Senate is proceeding under paragraph 2 Rule XXII, the reading of the Journal shall be dispensed with."

(d) That rule XV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"After cloture is invoked, the reading of all amendments, including House amendments, shall be dispensed with when the proposed amendment has been identified and has been available in printed form at the desk of the Members for not less than 24 hours."

Mr. ROBERT C. BYRD. Mr. President, I will not persist in the request any longer.

I hope that, in view of the fact that we have only 2 days remaining before we go out for the Lincoln Day recess, we will at least have an agreement that will indicate a time and date when the Senate is going to complete its work on at least the postcloture section of this resolution.

I will be happy to take a look at what the Senator has in mind and support what I can and oppose what I cannot support. But I hope we get a time agreement and let the Senate work its will on it. I hope we can do that today.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business, with statements therein limited to 15 minutes each; that the period not extend beyond 2 hours; that no motions or unanimous-consent requests or actions related to or having an impact upon, or the effect of which would prejudice my resolution, Senate Resolution 9 and/or the pending motion, be in order during that period for the transaction of routine morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The previous unanimous-consent request is withdrawn.

Mr. ROBERT C. BYRD. I withdraw that request.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the President pro tempore, pursuant to Public Law 95-216, appoints Ms. Joyce Miller, of New Jersey, to be a member of the National Commission on Social Security.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there morning business?

Mr. STEVENS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Alaska.

(The remarks of Mr. STEVENS in connection with the introduction of legislation appear under statements on introduced bills and joint resolutions.)

Mr. STEVENS. Mr. President, if no one seeks the floor, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Utah.

WAGE AND PRICE CONTROLS

Mr. HATCH. Mr. President, I desire to join with my distinguished colleagues in support of a joint resolution opposing Presidential imposition of mandatory wage and price controls without having first sought for congressional authority.

Mr. President, the Constitution is clear in its expression of the division of powers among the branches of Government. Presidential authority in addition to being expressly granted, may also include powers intentionally delegated to the President by Congress. There have also been times when the President has assumed an implied authority based on congressional inertia over a subject area. The Supreme Court has recognized the concept of implied authority and has defined parameters beyond which assumption of authority is constitutional abuse.

Mr. President, it is beyond doubt that the authority to regulate wages and prices is vested in the legislative branch. The Supreme Court has recognized this fact. The Congress has recognized this fact, and has evidenced its power by an unbroken pattern of positive congressional action or delegation specifically dealing with wage-price authority. History shows that the President has recognized this fact, but now ventures to abuse constitutional mandates by exceeding his authority be it express, delegated, or implied.

The history of executive authority on wage and price controls makes clear that with the expiration of the Economic Stability Act of 1970, all authority of the Executive to issue any wage and price controls without delegated congressional authority lapsed. The President is, therefore, not empowered to impose wage, price, or any other general economic stabilization controls.

The administration, which has so strongly declared its opposition to any controls, has crossed the fine line between voluntary and mandatory controls. In a procurement Executive order, issued on November 3, 1978, the administration declared that it would not purchase supplies, goods, or services, when, on a bid over $5 million, the bidder did not sign a release form signifying compliance with the "voluntary" wage and price guidelines. This, in fact, operates as an involuntary guideline.

Mr. President, the time is now for Congress to preserve the integrity of legislative power against unilateral executive action. The time is now for Congress to assert its constitutional authority over the encroachment of an administration bent on constitutional abuse.

Mr. President, with my cosponsorship of this joint resolution, I want to clarify my dedicated support of a constitution unblemished by aggressions from any influence.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The Clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NELSON A. ROCKEFELLER

Mr. MATHIAS. Mr. President, the memorial service for Nelson Rockefeller in Riverside Church was a ceremony of princely dimension.

Over 2,000 people jammed the church —all kinds of people—including 2 Presidents, 2 Secretaries of State, 44 ambassadors, a near quorum of the Congress, captains of industry, civil rights leaders, and family friends. A few of them may have come to see the show. A few of them may have come to be seen. A few of them may have been attracted by the glitter of wealth and power. But most of them were there because Nelson Rockefeller had in some way touched their lives. Not even all that wealth and all that power could have gathered that crowd.

And so the question arises, what was the nature of the life force that drove Nelson Rockefeller to strive so hard and to reach out for so many of his fellow mortals?

His daughter, Ann Rockefeller Roberts, has said he was "exuberant, energetic, extravagant"; that he filled his children's lives with excitement; that he challenged them to reach beyond their grasp.

His son, Rodman, said he was—

> An eternal optimist, a man who saw in public and private service the highest opportunity to fulfill himself and his destiny. He was a politician who was not interested in politics for itself but as a means to govern. In government, he saw the fruition of his drives and ambitions in the solving of problems.

His brother, David, said he was—

> a man of action, with a deep belief in the worth and dignity of the individual, in the democratic process, in the American enterprise system and in the responsibility of each citizen to revere God and to help his fellow man. He loved beauty and nature and the arts. He loved the companionship of people. He loved life.

What sort of portrait do they paint, these three who knew and loved Nelson Rockefeller so well?

They are sketching a figure of tremendous vitality and even restless energy. Clearly a part of the impact of this man was the velocity at which he moved. Planets and moons moving in their ordained and predetermined orbits attract little notice; but the comets that streak across the skies at immense speeds with pyrotechnics attract the notice and admiration and sometimes the apprehension of mankind.

Henry Kissinger has quoted him as saying "never forget that the most profound force in the world is love."

By love we must assume that he comprehended an appreciation of human beings one for another, and a desire to protect the weak and to insure the general welfare.

This was a powerful force in Nelson Rockefeller's life, without which it would be hard to explain his career. Some of the things he did could be ascribed to the ambition that motivates most of us. But his consistent recurrent championing of causes that helped to defeat his ambition and retard his career can only be traced to a more profound source of direction.

Nelson Rockefeller's taste in art and music were contemporary, even avant-garde, so it is startling to find him old-fashioned on the subject of patriotism. And yet he was a patriot in the Nathan Hale mold. He too would regret that he had but one life to give for his country. He was a patriot of the kind that would have recognized and accepted the moral of stories like "The Man Without a Country."

And just because he was such a patriot, just because he was a man of prodigious energies and, most of all, because he was a man motivated by love in its broadest, truest sense, Nelson Rockefeller gave more to those who knew him and to his countrymen and to his country than can be reckoned in any catalog of his accomplishments. His achievements can be numbered; his spirit was ineffable.

Nelson Rockefeller's spirit refreshed us for many years. His spirit was "as the light of the morning, when the sun riseth, a morning without clouds, when the tender grass springeth out of the earth, through clear shining after rain."

NOTICE OF HEARING

Mr. McGOVERN. Mr. President, as we all know, the American Agriculture Movement is in Washington to present their views on the state of agriculture. While the farm representatives have been meeting with their Senators and Representatives, and I have had the privilege of meeting with a considerable number of these farmers and farm families, I wanted to give representatives of the farmers the opportunity to present their views to the Senate Committee on Agriculture as soon as possible.

For this purpose I would like to announce to the Senate that I have reserved room 1202 in the Dirksen Senate Office Building from 2 o'clock until 3 o'clock on Friday, February 9. That was the largest hearing room available on the Senate side.

We will hear from a panel of farmers selected by the American Agriculture Movement.

It is anticipated that the committee will hold indepth hearings on the agricultural situation early this year. I would hope either by the end of this month or early in March the committee could set up a schedule of hearings to look at the issues that are being raised so urgently by the farmers who are now here in the capital.

JURISDICTION OF LEGISLATION AFFECTING THE ANTITRUST IMMUNITY IN THE INTERSTATE COMMERCE ACT

Mr. CANNON. Mr. President, I have requested the oportunity to speak today on an issue that has generated a great deal of attention in the past few days. The issue is the dispute between the Commerce Committee and the Judiciary Committee with respect to jurisdiction over legislation affecting the antitrust immunity in the Interstate Commerce Act.

There has been a great deal of misunderstanding about this issue. In particular, the media has misrepresented the intent of the Commerce Committee and has contributed to a general misunderstanding about what is at stake in this controversy. I emphasize now, and I will emphasize again, that the controversy between the Commerce and Judiciary Committees is in no way whatsoever related to the merits of the proposed legislation. The Commerce Committee is not trying to stop or delay consideration of any bill proposing changes to the regulatory structure of the motor carrier industry. As a matter of fact, no such bill has been introduced, even though there have been press conferences about it and talks about it. The dispute is a jurisdictional one, and do not let anyone convince you to the contrary. This committee is completely openminded on the basic issue of deregulation.

I think it is important that the Senate understand exactly what the position of the Commerce Committee is and what is at stake in the controversy. Therefore, I intend to outline very briefly the position of the committee and describe the issue involved. Following that, several members of the committee have asked for the opportunity to express their personal viewpoints. Our committee is absolutely united on this issue. With the one exception of Senator HEFLIN, who sits on both committees, the Commerce Committee has voted unanimously to fight for our absolute right to exert jurisdiction over this particular subject area.

Let me now briefly state what is at issue. The senior Senator from Massachusetts has publicly announced that he intends to introduce a bill that would, in effect, repeal the so-called Reed-Bulwinkle Act. Contrary to popular belief, this act does not grant a blanket exemption to the motor carrier industry to engage in anticompetitive activities. What it does do is authorize the Interstate Commerce Commission to approve agreements among motor carriers that allow them to discuss among themselves the levels of rates that will be charged shippers for transportation of goods throughout the country. The approval by the ICC carries with it the grant of immunity from the antitrust laws. The power of the ICC is purely discretionary, and, in fact, they are currently reevaluating the need for granting immunity in several cases.

As a result of this authority, the ICC has authorized a number of so-called rate bureaus to be organized by the trucking industry. These rate bureaus are highly controversial, but no one disagrees with the fact that they are at the very center of economic regulation of the motor carrier industry. There could be no more profound change in the regulatory structure than the elimination of the motor carrier rate bureaus.

The Reed-Bulwinkle Act was incorporated as a subsection of the Interstate Commerce Act. Quite obviously, the most direct and simple method of removing the antitrust immunity would be to amend that section of the Interstate Commerce Act that permits the immunity. The senior Senator from Massachusetts, however, has been quite frank in admitting that a bill simply repealing that section of the Interstate Commerce Act would in all likelihood be referred to the Commerce Committee. In order to avoid that possibility, Senator KENNEDY has written his bill to amend the Clayton Act, in hopes of having the bill referred to the Judiciary Committee. If referral to the Judiciary Committee is upheld, it will be a triumph of form over susbtance. I would strongly hope that the Members of the Senate are sophisticated enough to look behind the title of the bill being amended to consider the subject matter at hand.

Under Senate rule XXVI, referral of any particular bill is to be made to the committee that has jurisdiction over the subject matter which predominates in the proposed legislation. The Senator from Illinois will discuss this aspect in some detail in a few minutes. As past chairman of the Rules Committee, I can assure you that referral to the Judiciary Committee on this proposed legislation would represent an extraordinarily strained and narrow reading of the Senate rules and would, in effect, strip the Commerce Committee of a major portion of its jurisdiction. This, in turn, would create a precedent that could destructively alter the committee system of the Senate. The Commerce Committee has jurisdiction over the general field of transportation, as has been stated, and, in particular, over "regulation of interstate common carriers." There is no bill that would be more directly concerned with transportation and regulation of interstate common carriers than the proposed bill. How can it reasonably be argued that a bill that would so profoundly affect the Nation's transportation industry should be referred anywhere except to the one committee with jurisdiction over transportation issues?

The previous precedent is overwhelmingly in favor of the Commerce Committee's position. The most telling argument of all is that the original legislation granting the antitrust immunity to the trucking industry, the Reed-Bulwinkle Act, was referred to, and considered by, the Senate Commerce Committee exclusively. It was not referred to the Judiciary Committee. That legislation was not part of a larger package, but was narrowly limited to the single question of antitrust immunity. It would be extraordinary for legislation introduced by, considered by, and passed by, one committee to be referred to an entirely different committee for its repeal.

Over the years, there have been many instances of bills introduced that affected only the antitrust aspects of various regulatory schemes. For example, many bills have been introduced to amend the merger and acquisition sections of the Interstate Commerce Act and the Federal Aviation Act over the years. All of these bills, without exception, have been referred exclusively to the Commerce Committee.

I am sorry that the No. 1 Parliamentarian is not in the Chamber to listen to these arguments today, because I think he would find them persuasive.

In the last Congress, S. 757, a bill to abolish the airline mutual aid pact, was referred exclusively to the Commerce Committee. S. 1162, a bill to repeal a section of the Communications Act dealing exclusively with mergers of telegraph companies, was also referred exclusively to the Commerce Committee. The Bank Merger Act of 1966, dealing exclusively with merger standards and exemptions from the antitrust law, was referred to the Senate Banking Committee, and not the Judiciary Committee. There are numerous other antitrust immunities in various laws affecting areas as diverse as agricultural marketing agreements and defense production authorizations. There is no doubt that as bills have been introduced to amend these various provisions and hearings have been held to review their operation, that jurisdiction has rested with the committee of specialized interest and not the Judiciary Committee.

In fact, there is direct and persuasive precedent for referral to the Commerce Committee, even though the law proposed to be amended is the Clayton Act. In the 85th Congress, the Senate considered and passed S. 1385, which amended the Clayton Act and no other. That bill was referred exclusively to the Senate Commerce Committee and was never referred to the Judiciary Committee. It dealt only with the enforcement of the antitrust laws with respect to motor carriers. It did not amend any other act. There could be no clearer precedent for referral to the Commerce Committee. It should not be the act which is being amended that determines referral, but the subject matter of the legislation, as the distinguished Senator from Illinois will discuss in a moment.

For those people who suspect that the Commerce Committee is trying to stall this legislation, I cannot help but wonder where on Earth they have been for the past few years. It was the Commerce Committee, and no other, that ultimately proposed to the Senate the total deregulation of the airline industry. It was the Commerce Committee, and no other that radically reformed the antitrust immunity for the railroad industry—which incidentally, is also given an exemption under the Reed-Bulwinkle Act, under certain circumstances.

We have a very fine record on regulatory issues, and it is grossly unfair to be accused of delaying or sabotaging proposals for change, particularly when no such proposal has been introduced and has been used only in the press conferences. We are fully committed to proceeding quickly and diligently in evaluating proposals for change of motor carrier regulation.

I want to conclude by explaining why the committee feels very strongly that it cannot accept joint referral. I will tell my colleagues right now that joint referral is no compromise to this dispute. Even joint referral is an unacceptable dilution of the Commerce Committee's jurisdiction.

The impact of repealing the Reed-Bulwinkle Act would be relatively minor on the economy as a whole, but of enormous magnitude for the transportation sector within the economy. To order joint referral would mean that the Commerce Committee would have to share its jurisdiction on the most important aspect of the regulation of interstate transportation of freight. In addition, joint referral would be a wasteful duplication of Senate resources. It would unduly and unnecessarily fractionalize the committee jurisdiction with respect to transportation matters. Even the Senator from Massachusetts admits that if only the Interstate Commerce Act were being amended, the bill would go to the Commerce Committee. It is ridiculous to give joint referral just because of the act being amended. If joint referral is ordered, under that precedent, the Commerce Committee should receive joint referral of every bill affecting "interstate commerce." That would be totally ridiculous. The whole point is that the question of antitrust immunity cannot be looked at in a vacuum. Its impact must be evaluated on the industry being regulated and on other industries. Eliminating the antitrust immunity for motor carriers will affect the railroads. The Judiciary Committeee is in no position to make that evaluation. Elimination of the antitrust immunity could very well necessitate other changes in the regulatory structure. The Judiciary Committee is in no position to make those judgments.

As a matter of fact, the Reed-Bulwinkle Act gives a similar exemption to the railroad industry, as I have stated. Other legislation provides antitrust immunity and special antitrust laws for the aviation industry, the shipping industry, the communications industry, the agricultural industry, the banking industry, and others. The Judiciary Committee does not have the resources or the expertise to deal with these diverse areas. Nor should it. That is precisely why we have a committee system with specialization, though as the Senator from South Carolina will point out, they may be trying to get the resources to do it.

Meanwhile, this controversy has been going on now for about 3 weeks, and it is time for a resolution. We would more than welcome an immediate resolution by the Senate of this issue. We are anxious to stop this jurisdictional squabbling and get down to working on the merits of the proposals for change in the surface transportation industry.

As a matter of fact, we have just been holding an oversight hearing on the ICC with respect to the railroad industry this morning. Every day we argue about jurisdiction is a day lost on dealing with the merits of proposals for change.

Quite frankly, I am puzzled why Senator Kennedy has not yet introduced his bill as he announced he would in an elaborate press conference more than 2 weeks ago. I wonder now who is engaged in delay. Let us get this jurisdictional dispute resolved so we can begin considering the substance of the proposed change.

I hope this has served to clarify somewhat the committee's position on this issue. At this time, I will yield to some of my distinguished colleagues from the committee who wish to speak on this issue. Senator Inouye very much wanted to be here today, but he has been caught in the snowstorm trying to fly in from Chicago.

He has asked that I submit his statement for the Record.

Mr. President, I ask unanimous consent that the statement of Senator Inouye be printed in the Record following my remarks on this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Inouye

In my judgment, any legislative proposal to eliminate the antitrust immunity to engage in agreements for economic cooperation among motor carriers currently permitted by the Reed-Bulwinkle Act of 1948, should be referred exclusively to the Commerce Committee. That Committee, of course, had exclusive jurisdiction when the Senate considered the Reed-Bulwinkle Act in 1948.

Those who maintain that such a proposal should be referred solely or jointly to the Judiciary Committee if it takes the form of an amendment to the Clayton Act rest their case on a technicality, and are substituting shadow for substance.

To repeal the Reed-Bulwinkle Act by amending the Clayton Act is to "repeal by implication". That approach is plainly and simply a bad way to legislate. It is the surest way I know to obscure consideration of whether the motor carrier segment of our national transportation system still needs the freedom to engage in agreements for economic cooperation if it is to remain an integral and efficient part of that system.

In other words, the Committee with expertise in transportation will not have the opportunity to test fully and deliberately the need for the Reed-Bulwinkle Act of 1948, against the realities of our transportation system of today. We will be making the Judiciary Committee the architect of our national transportation policy.

Important as the philosophy of competition and antitrust principles are, I submit, they are not the Alpha and Omega of government. As a Nation, if our economy is to remain sound, we must still have assurance that goods and products move in interstate commerce with stated regularity at rates which are reasonable to shippers and carriers alike. All of this, I might add, benefits the consumer.

Antitrust considerations do not move goods, motor carriers do. And motor carriers mean transportation, and transportation is within the expertise and jurisdiction of the Commerce Committee.

Even more importantly, if we fail to distinguish between shadow and substance—as we will surely do if we refer legislation repealing Reed-Bulwinkle to the Judiciary Committee simply because it was deliberately drafted as amendment to the Clayton Act to escape the exclusive jurisdiction of the Commerce Committee—we will be doing violence to a time-honored principle of law and logic. We will be doing indirectly what we cannot do directly. Surely no one would maintain that an amendment which by its express terms repeals Reed-Bulwinkle should be referred to the Judiciary Committee.

Long ago the Federal judicial system laid common law pleading to rest, and the "forms of action lie dead in the grave". The rationale for doing so should apply here as well. By referring this amendment to the Judiciary Committee, we will be recognizing shadow over substance, and our reasoning will be archaic.

As Chairman of the Merchant Marine Subcommittee, I am especially disturbed by the reasoning in the Judiciary Committee's memorandum in support of its position.

That memorandum states in part, and I quote:

". . . the fact that applicability of antitrust principles to the motor carrier industry would affect the operations of that industry should not be allowed to determine the jurisdictional result. Application of antitrust laws always affects the substantive behavior of particular industries; they are expressly intended to do so."

If that reasoning prevails in the instant case, it would most certainly prevail if legislation is introduced to repeal sections 14 and 15 of the Shipping Act, 1916. All the authors of such a bill would have to do is draft the bill to amend the Sherman or Clayton Act instead of the Shipping Act. But contrary to the Judiciary Committee's memorandum, it is by no means clear that Congress intended that the antitrust laws should affect the behavior of international shipping. Substantial authority holds otherwise. In fact, throughout our history Congress has recognized that the field of international shipping is a unique one, compelling separate and specialized treatment from other lines of our commerce.

Section 15, of course, is the heart of the Shipping Act. It permits agreements for economic cooperation among carriers in our foreign waterborne commerce which would otherwise be violations of the antitrust laws, if they are first approved by the FMC.

This provision had its genesis in the 1914 report of the House Committee on Merchant Marine and Fisheries (the Alexander Report), and the 1916 Act which was considered by that Committee and its counterpart in the Senate.

I might add that the 1916 Congress which enacted the Shipping Act was no stranger to the Clayton Act which it had passed only two years earlier.

In enacting the 1916 Act, Congress made plain its rejection of traditional American antitrust principles, as applied to the foreign waterborne commerce of the Nation.

Indeed on two subsequent occasions the Supreme Court in interpreting Congressional intent held the antitrust laws could not be used by private parties or the government to enjoin agreements for economic cooperation among carriers. (*United States Navigation Co.* v. *Cunard S. S. Co.*, 284 U.S. 474 (1932); *Far East Conference* v. *United States*, 342 U.S. 570 (1952)).

In *Cunard* the Supreme Court said:

". . . the maintenance of such a suit, being predicated upon a violation of the antitrust laws, depends upon the right to seek a remedy under those laws, a right which, as we have seen, does not here exist."

In 1958, however, the Supreme Court invalidated a section 15 agreement (dual-rate contract), on the basis that "predatory" dual-rate contracts were unlawful (*Isbrandtsen Co.* v. *United States*, 356 U.S. 481 (1958)).

In a blistering dissent, for himself and two others, Justice Frankfurter, viewing the majority's holding on the merits against the procedural backdrop of Cunard and Far East, accused the majority of making a "mockery" of the administrative process.

Congress quickly reacted to Isbrandtsen and passed three consecutive moratoria on the implementation of the Court's decision and ultimately, in 1961, passed legislation blunting the effect of Isbrandtsen, and once again rejecting the application of domestic U.S. antitrust principles to this field of international commerce.

Indeed at the time of passage of the 1961 amendments, Senator Magnuson stated that the Supreme Court had created an "emergency" with the Isbrandtsen decision and had "in effect . . . said that Congress should pass some legislation dealing with the problem of dual rates" (107 Cong. Rec. 19343 (1961)).

Also, during those floor debates, Senator Long said:

"Senators must realize that the pattern that is necessary to engage in ocean commerce does not fit into the pattern of our Antitrust Division, composed of lawyers who would like to regulate a farm cooperative as though it were the Standard Oil of New Jersey . . ."

The Committees which actually produced the 1961 amendments were the House Merchant Marine and Fisheries Committee, and the Senate Commerce Committee.

In enacting the 1961 amendments therefore Congress reaffirmed the determination of the Alexander Committee (1914) that it was in this Nation's best interest to remove the steamship conference system from the reach of the antitrust laws.

Subsequent administrative and judicial decisions, however, have eroded Congressional intent to remove international shipping from the purview of our domestic antitrust laws. Congress, however, has not repudiated the principles underlying the legislation it enacted 63 years ago.

Our silence in the face of the Carnation case [1], the Svenska case [2], and their progency does not signify acquiescence in what the courts and the agencies have done. As the Supreme Court has said:

"It is at best treacherous to find in Congressional silence alone the adoption of a controlling rule of law." (*Girouard* v. *United States*, 328 U.S. 61, 69)

In any event, both the House Merchant Marine and Fisheries Committee and the Senate Commerce Committee began a substantial review of the Shipping Act in the last Congress. One major amendment has already been enacted to the Shipping Act—controlled carrier legislation; and another, the anti-rebating measure passed the Senate unanimously and by a vote of 390 to 1 in the House. It was pocket vetoed, but I expect passage earlier in this Congress.

Neither of these bills were referred to Judiciary, although both the House Merchant Marine and Fisheries Committee and the Senate Commerce Committee considered the antitrust objections of the Department of Justice, and rejected them.

If we accept the rationale of the Judiciary Committee memorandum, we could repeal the controlled carrier bill without ever consulting the Committee which produced the legislation. Simply introduce an amendment to the Sherman or Clayton Act.

I have already introduced the anti-rebating bill which was pocket-vetoed last Congress. That bill, S. 199, is currently pending before the Commerce Committee.

The Antitrust Division of the Department of Justice, I am certain, would much rather have this bill considered by the Judiciary Committee where antitrust principles would predominate in its consideration even though Congress had repeatedly indicated that international shipping was to be removed from the purview of the antitrust laws.

So, all that would be necessary would be to draft a bill dealing with the problem of rebating in our ocean trades, as an amendment to the Sherman or Clayton Act.

Mr. President, if ever there is a potential for chaos, this is it.

The present state of our merchant fleet is perilous. A significant contributing factor to the present unsettled conditions in the industry is the continued pressure to "deregulate" by making the industry subject to the full regulation of the Sherman Antitrust laws. The Antitrust Division of the Department of Justice is largely responsible for this state of affairs because it perceives its role as one to monitor the existing regulation under the Shipping Act of 1916 ". . . to ensure that competition is restricted no more than absolutely necessary to achieve the purposes of the Shipping Act." Pursuant to that position, the Antitrust Division has increasingly intervened in proceedings before the agency Congress created to regulate the maritime industry—the Federal Maritime Commission—in an adversary position. I know of no act of the Congress that places this monitoring function in the Antitrust Division and I question whether such a function is in the national interest.

As I have said, the framers of the 1916 Act realized that the international shipping industry is a unique one, compelling separate and specialized treatment from other lines of commerce, both domestic and foreign.

As a consequence of the threat to the viability of the liner segment of our merchant fleet, the Committee is continuing the work it began in the last Congress, and will be considering comprehensive measures which will involve serious examination of the impact of Carnation, Svenska, and their offspring, as well as administrative policies and practices affecting our maritime industry.

Over the past 63 years the Senate Commerce Committee has acquired the special expertise and concern necessary to deal with this uniqueness in the national interest.

Just as importantly, in all these years the Senate has recognized that matters affecting the Shipping Act are best left to the exclusive purview of the Commerce Committee.

If, however, the reasoning of the Judiciary Committee's memorandum prevails, it will be a simple matter to negate 63 years of expertise in maritime matters, and to assure—contrary to the intent of the present law—that antitrust considerations obscure consideration of the unique needs of our shipping industry. Simply draft an amendment to the Sherman or Clayton Act which would repeal section 15 by implication.

As I said at the outset, this is a bad way to legislate, in my judgment. If we do it in the instant case, a similar amendment to repeal section 15 of the Shipping Act will soon follow. I have tried to show the mischief which would occur in that event.

The last thing we should create in the Senate is a super Committee. Important as competition and antitrust principles are, I doubt that any of us would seriously maintain that they should transcend every other consideration in our Nation's economy.

I therefore urge my colleagues to support the position of Senator Cannon and the Commerce Committee.

Mr. STEVENSON. Mr. President, I thank the Senator from Nevada for yielding to me on this question. My purpose is not to address the subject of deregulation of railroads and trucks, but to discuss very briefly the jurisdictional question which the Senator has mentioned.

First, though, Mr. President, the Senator from Massachusetts has commendably brought this issue to the attention of the Senate and the public, and I for one feel that he deserves not only our commendation but our gratitude for having done so.

He, in the last Congress, also was instrumental in bringing the subject of airline deregulation to the Senate, and that effort, which he began with the distinguished Senator from Nevada, ended in success.

This is not a substantive question. There is no reason whatsoever to think that the Commerce Committee, chaired by the Senator from Nevada, is any less sympathetic to deregulation than the Judiciary Committee and the record of the last Congress proves the point. It was the Commerce Committee which did most of the hard work and ended up, by a vote of 13 to 4, reporting out a bill which, with subsequent modifications, became the law and resulted in the gradual deregulation of the airlines industry.

The issue is the question of jurisdiction. I asked to be heard on this matter, Mr. President, not just because I am a member of the Commerce Committee, but because, with the Senator from Nevada, I was one of the authors of the reorganization of the Senate which took place in the last Congress.

One of the objectives of the reorganization was to give the Senate functional jurisdictions, that is to say, jurisdictions of committees over all of the aspects of the subject matter. Then, instead of dealing ad hoc, spasmodically, and piecemeal with such large subjects as energy, the environment, or transportation, and ultimately not dealing with them at all, or certainly not effectively, we could begin to deal with all the aspects of a delicate, multi-faceted issue with committees of the Congress that had jurisdiction over the entire subject matter.

We did not succeed entirely, but we made a great deal of progress. As a result of that effort the Senate ended up with, not a Commerce Committee, but a Committee on Commerce, Science, and Transportation. This is the transportation committee, and this, Mr. President, is a transportation issue. It is not predominantly an antitrust issue.

The reorganization provided that the predominant jurisdiction over transportation is in the new transportation committee, for the reasons which I have mentioned. So the debate about the history, which sides very heavily with the Commerce Committee, is to me largely irrelevant. The relevant history began with the last Congress and the objectives of the Senate in its reorganization.

One of those objectives was to create a comprehensive jurisdiction for transportation in the Commerce Committee. We cannot effectively deal in that committee with trucking without considering rails, and without going beyond that to consider the effect on barges. To produce a balanced transportation policy for the Nation, some committee has to deal with all aspects of transportation and all modes of transportation, and this is the committee, and the only one, in which to do it.

If such a strained interpretation is placed on Senate Resolution 4 and reorganization as to permit a transportation bill to be referred to the Judiciary Committee because it has been drafted in such a way as to require or propose a change in the antitrust laws, then the same strained interpretation would undermine what we did, and did wisely in my judgment. The reorganization would begin to unravel, and, upon the same logic, that committee could claim jurisdiction over aspects of the Federal Communications Act, over merchant shipping, airline and rail economic regulation policies, agriculture, labor-management relations policy, including labor unions, banking, export policies, small businesses, and pipeline regulation—all areas with exemptions from the antitrust laws.

By such strained logic also, and in reverse, Mr. President, the Commerce Committee, with its responsibility and jurisdiction over interstate commerce, could claim jurisdiction over the antitrust laws.

That is not what was intended by the Senate when it proposed Senate Resolution 4 and when it approved its reorganization and at long last created committees with jurisdiction to deal comprehensively with complex, many-faceted subjects such as transportation.

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[1] *Carnation Co.* v. *Pacific Westbound Conference*, (383 U.S. 213 (1966)).

[2] *Federal Maritime Commission* v. *Aktiebolaget Svenska Amerika Linien*, (390 U.S. 238 (1968)).

I do not know how this is going to be resolved.

I hope that the bill introduced will be referred by the Parliamentarian to the Commerce Committee, and that he would go beyond the mere drafting of the bill to the intent of the Senate in Senate Resolution 4 and respect what was done, giving our committee not just in this case, but in all cases, the chance to deal comprehensively with such subjects as this.

So, Mr. President, I, with the Senator from Nevada, urge the Senate to do so in order to preserve the integrity of our new organization, and also to enable those of us who want to do it to get on with deregulating these industries. I thank the Senator for yielding.

Mr. CANNON. I thank the Senator from Illinois for his remarks. I yield to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina seek recognition in his own right?

Mr. HOLLINGS. I do, Mr. President.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. I thank the distinguished president.

Mr. President, the distinguished chairman of the Commerce, Science, and Transportation Committee on last weekend was speaking in Florida to the Regular Common Carrier Conference. This is the trucking industry. I thought it was a salutary development that the chairman himself would be addressing this group in such an open, frank, and candid fashion with respect to his commitment.

His commitment is to the people of the United States and to a responsible and responsive trucking industry with no premonitions with respect to monopoly, trust, antitrust, rates or against rates, regulate or deregulate. I think it is an outstanding speech in its own right, and I ask unanimous consent at this point that the speech in its entirety be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Speech of Senator Howard W. Cannon, Regular Common Carrier Conference—February 3, 1979

It is a pleasure to be your keynote speaker this morning. I couldn't ask for a more distinguished audience. Of course, being distinguished isn't always that desirable. For many motorists in the country, the trucking industry is distinguished more as a nuisance on the highway than the critically vital industry that it is. For the administration, you are distinguished as the best candidate for deregulation. For the States, you are distinguished as a lucrative source of tax revenue.

When I told people in Washington that I was coming down here to talk about trucking deregulation, they all said, "Great Senator, anything you can do to keep the trucks off the roads will be terrific." No wonder the ATA is spending $1 million on a PR campaign to improve its image. Good luck.

I realize that the foremost issue in your minds this new year is the question of federal regulation of the motor carrier industry. This is only the beginning of what I suspect will be a long period of uncertainty for the trucking industry. You are entering the never-never-land of not knowing whether the future will bring less regulation, more regulation, or just continued uncertainty. It is a very uncomfortable position, to be sure.

I am afraid that I will not be able to provide you any relief today from that feeling of uncertainty. In fact, I will probably make it worse. For the fact is that I, and for that matter, the Senate Commerce Committee as a group, have not made up our minds on this important subject. The reason why should be obvious. The issue of trucking regulation is complicated by the enormous complexity of the industry and the vast amounts of conflicting data and studies of it. It is a formidable enough task to learn how the system works, much less make a decision on whether it should be changed.

I am vividly aware of the calls for Congress to demand that the ICC stop its program of liberalizing entry and reducing operating restrictions. I agree with those who insist that any major regulatory changes should be the exclusive prerogative of the Congress. But I also believe that it is in the best public interest to have a statute that can be administered with a substantial degree of flexibility. One has to strain very hard to figure out what is the Congressional intent of a statute that hasn't been significantly modified for 44 years, much less apply that intent to a situation far more complex and sophisticated than the original drafters could ever have imagined.

For those who think an agency has gone too far, there are two sources of relief. The most obvious one, I hardly need to remind you, is the Courts. If ATA keeps filing appeals to ICC decisions at its present rate, we may be able to balance the national budget in filing fees alone.

The other source, of course, is Congressional oversight. In exercising our oversight functions, we are far more concerned with whether the agency is making sound policy than attempting to determine if it is operating within the bounds of the law. The latter is a question for the Courts.

It must be understood that the purpose of oversight is not for a single committee of Congress to tell a particular agency what or what not to do. Rather, it is to determine if legislation of any kind is needed to improve the operations of the government. Oversight hearings present a forum for the agency to explain its activities and the interested outside parties to critically analyze those activities and make suggestions for change.

If, after effective oversight hearings, I conclude that the Commission has gone too far, I will not hesitate to introduce legislation to correct the situation. I am not, however, prepared to condemn any agency action without allowing all the interested parties to present their views in the proper forum. This process takes time—and it should take time. In my twenty years in the Senate I have learned that a "quick fix" to a complex solution almost always leads to disaster and is never satisfactory. The agony of uncertainty about the future is not too high a price to pay for a well-considered resolution of the issue. But don't misunderstand, we will be diligent in dealing with this issue.

One further point in this same vein: I am just as leery of partial solutions as I am of quick solutions. For example, I do not see how it is possible to consider eliminating antitrust immunity for motor carriers without considering any other legislative changes. Nor do I see how one can study entry freedom, without considering the question of rates. This kind of halfway approach leads to the worst of all worlds—one in which we keep the burdens of regulation, but eliminate the benefits.

My hope, then, is that the Congress will be able to take a comprehensive approach to the subject at hand. The Senate Commerce Committee certainly will. We will attempt to weigh the impact of every proposed change on the other elements of the regulatory system. I intend for our consideration of motor carrier regulation to be thorough—but not slow.

I want to share with you some thoughts on one of the arguments which I believe is at the center of this controversy. The motor carrier industry is unlike most other regulated industries: Historically, the principal justification for economic regulation has been that the barriers to entry in the regulated industry are so great that competition could never effectively regulate prices. Classic examples, of course, are the public utility industries which, in the absence of regulation, would be able to gouge the public. These industries are natural monopolies.

Obviously, the trucking industry is far from a natural monopoly. The barriers to entry are by no means insurmountable. Nevertheless, the argument is made that, in the absence of economic regulation, concentration in the motor carrier industry would increase to unacceptable levels. This argument seems to presuppose substantial economies of scale in this industry—i.e., that small carriers cannot compete effectively with larger carriers.

If there are not substantial economies of scale in this industry, then there should be no problem of industry concentration in the absence of economic regulation. For the purpose of argument, even assuming that there are substantial economies of scale, that is far from the end of the debate. If economies of scale do exist, it may be that economic regulation is in fact stifling efficiency in the industry through *under*-concentration.

To explain this point, let's look at another vital industry, for example, the retail food industry. Everyone depends on it, although I admit that not everyone gets equal service and equal pricing. Nevertheless, had we started regulating grocery stores in 1935, we would probably still have a network of "Mom and Pop" stores today. This would mean lots of stores, but a highly inefficient and costly system of distributing food to consumers. Instead, of course, today we have a retail food industry far more concentrated than it was in 1935, but also one that is much more efficient.

The only point I am making here is that there are obviously trade-offs that must be taken into account—trade-offs between concentration and efficiency. We may already have a perfect balance in the trucking industry; however, I personally have not yet reached that conclusion. Let me emphasize that I am not advocating more industry concentration or less industry concentration. I merely feel that these issues must be addressed in detail.

As I already pointed out, the argument that trucking is not a natural monopoly or a public utility and does not need to be regulated like one, seems to be the center of the controversy. If, as the deregulators claim, trucking is not a monopoly, then there are questions of why it should be regulated, what the regulation is supposed to accomplish, and how it should be regulated to accomplish those goals. As the Committee considers this issue, we will be asking the proponents of change to document exactly why the system should be changed, how it might be changed, and what the effects would be.

But we will also be asking the opponents of change a similar set of questions. Since the ATA is rumored to oppose deregulation, let me outline what some of those questions might be: What is so unique about the trucking industry—or what makes it so different from other industries as to require economic regulation? Why should managers of trucking firms be second-guessed by the ICC on where they should serve and what they should carry? Why can't they make better decisions than the ICC? Why should operating rights have a great deal of value? How much value should they have? For individuals, especially minorities, who want to run their own businesses in this land of opportunity, is it fair for them to have to struggle through the morass of paperwork at the ICC? If the ICC is really granting 98 percent of all operating rights applications, what have been the effects? Why hasn't the system collapsed into chaos? If it hasn't do we really need to worry about the other 2 percent?

In short, as the debate evolves we intend to leave the rhetoric behind and get down to the hard questions.

Of course, any changes in the regulatory structure of the motor carrier industry will have a different impact on different groups. Among them are not only the shippers and carriers, but also the men and women who work in the industry, independent owner-operators, consumers, and other modes of transportation.

I think it is fair to say that the Congress and the trucking industry will be approaching this debate from different perspectives, but with the same ultimate goal in mind. The industry obviously has its own self-interest as its highest priority. The Congress has the best interests of the public as its primary focus. But in so far as the public is best served by a healthy and efficient motor carrier industry, the goals are the same.

I am confident that the trucking industry will be able to present its views to the Congress with a great deal of sophistication. Nevertheless, I will share with you my nominations for the five worst arguments against changes in the regulatory structure.

The winner for the most ineffective argument is the bare-boned assertion that, "Deregulation will result in complete chaos." Invariably, there is never an explanation of why, how, how much, and how long. I am perfectly willing to be persuaded that deregulation would lead to a worse system, but I doubt, quite frankly, that the entire transportation network would collapse. When the ICC expanded the commercial zones, we were told that the result would be chaos. You may not like the changes, but the resulting situation could hardly be described as chaotic. One becomes immune pretty fast to predictions by doomsayers. If you can tell me why there will be chaos and describe what the chaotic conditions would be, that's fine. Otherwise, this is an awfully ineffective argument.

In second place, but a very close runner-up, is the argument that, "We have the finest surface transportation system in the world, so why change it?" If I had a dollar for every time I heard that argument about the airline industry, I would be a rich man today. Just because it is the best system doesn't mean that it can't be better. After all, we have the best medical services in the world, but it would take an awfully callous person to argue that they could not be improved. I personally believe that we made vast improvements in the air transportation system through our recent legislation, even though it was the best system in the world before. In my view, it is even better now. If there is a way to improve the existing system, we should do it.

The third argument that leaves me cold is the assertion that the people proposing substantial changes in the regulatory structure are only motivated by political ambition. Believe me, the last thing any incumbent President or Presidential candidate needs is the organized opposition of 17,000 angry businesses evenly distributed throughout the country in each and every Congressional district, together with the Teamsters' Union. I simply do not believe that there is any great political advantage to be gained from promoting deregulation. Let's be realistic. Most people in the country don't even know that the motor carrier industry is regulated by the Federal government, much less have an opinion concerning deregulation. It is both naive and unfair to perpetuate the myth that anyone in favor of change is out to destroy the transportation industry. I may ultimately not agree with the proponents of complete deregulation, but I respect them for their sincerity and good motivations.

The fourth argument that you might as well make to someone else rather than me is that the air cargo experience is proof that deregulation of surface transportation would be a disaster. It is not. In the first place, the principal lesson from the air cargo legislation is that we should never deregulate prices before entry. Prices were deregulated in November 1977, but entry was not completely opened until a full year later. In those circumstances, it is not surprising that rates increased.

But the most important fact is that although rates have increased by about 10 percent, the volume of traffic has increased at a rate three times that of recent years. Air cargo traffic was up 15 percent last year. In some months, the increase was as high as 25 percent. It is clear that the air cargo industry is adjusting to the supply and demand of the marketplace. The fact that more people are shipping by air even though the rates are generally higher indicates to me that the system was inefficient before. Shippers may be grumbling, but they are also shipping more. As far as I am concerned, for the time being that means the system is working.

The final argument is one that we heard many times from the airlines: If economic regulation is changed, safety will fall by the wayside and unregulated firms will engage in mass slaughter. If we have some serious concerns about safety, they should be addressed whether or not economic regulation is changed. After all, half of the industry is not now regulated by the ICC. If they are unsafe—and there are arguments as to whether regulated or unregulated carriers are safer—we should clean up their act. But it doesn't take ICC regulation to do so, and whether or not ICC regulation should be changed is simply another question.

In short, the winning arguments will be those with substance. We can be persuaded by solid reasoning and hard facts. Our approach to the issues will be comprehensive. We must weigh each proposed reform against all other possible changes and consider the total effect of possible change on other transportation modes. If regulatory changes in the trucking industry produce serious problems for the railroads, then we should rethink proposals for change.

This is why I feel so strongly about sharing jurisdiction to consider regulatory issues with any other committee. The regulatory structure should not be tampered with on a piecemeal basis, especially with respect to pricing practices. Of all of its features, the rate bureau concept is one of the most critical in the scheme of motor carrier regulation. It is astonishing that some believe the concept on antitrust immunnity can stand independently of the rest of the regulatory issues.

A comprehensive approach is needed and that is what we on the Commerce Committee will provide. I cannot assure you of the outcome, but I can assure you that we will listen carefully and allow you to make your best case.

Mr. HOLLINGS. Now, Mr. President, with respect to the question at hand on the matter of jurisdiction, you cannot make a more clear, precise statement than our colleague from Illinois. He chaired the committee. He has studied the reorganization provisions. And then he saw them through the last Congress. What we did was really to update. History begins there, in his context, and yet the history of the Judiciary Committee began even before that time in having had to deal with judicial matters.

As chairman of the Subcommittee of State, Justice, and Commerce, of the Appropriations Committee, and having had to deal with the legislative appropriations as chairman at one time of the Legislative Appropriations Subcommittee, I think you ought to really bring into focus what is at hand. There is no better word for it than hegemony. I learned that word last week. That is the exercise of total control over a situation and superimposing power by numbers and by budget.

As chairman of the Legislative Subcommittee in the early days, I learned that the control and power was sought, obtained, and exercised in different ways. Our distinguished friend, the Senator from Texas, Lyndon Johnson, as majority leader, had the good, old arm-twisting approach, absolutely attentive to all the Senators' needs, he worked around the clock with his dynamism, direction, and everything else like that, working, of course, with our friend from South Carolina, Bobby Baker. He had the control.

Then I learned that later the king of the Senate, the Senator from Oklahoma, Bob Kerr, sort of took over with a different twist, making investments, investment counseling, if you please, helping Senator friends make their investments and keeping themselves fiscally sound. He could always call, and the articles went to that effect—I know the distinguished Senator from Arkansas, the present occupant of the chair, knows some of this history as a Congressman from Arkansas, an outstanding Congressman from Arkansas—the king of the Senate could always call on 51 votes.

When I came to the Senate almost 13 years ago, I was told that what you ought to seek is a position on the Judiciary Committee. I asked why that was. They said, "Well, you know, a freshman Senator has a difficult time. He needs staff. He is as understaffed as he can be. He needs staff to keep up with the mail, to investigate, and counsel. As you become senior, you become more involved in senior positions on subcommittees and perhaps even someday a committee chairman. Then you have a staff that you can put to a particular effort. You can really wheel and influence. It is a tremendous assist. But you can cut that short by getting on the Judiciary Committee. Your friend Jim Eastland has learned how to get along even with the philosophical differences of TED KENNEDY of Massachusetts, and all the other Senators that might come upon the Judiciary, because they are immediately given a subcommittee."

If you look and watch it very closely, even the most freshman Senator is given a subcommittee, a director, a counselor, an attorney, and two secretaries, and he immediately gets five more members on his staff. That has persisted.

I look today and I find our Commerce Committee with all of these particular functions: In science, we took over the entire space function from a full committee and full committee staff and jelled it down into a subcommittee; took over all of transportation, jelled that into surface transportation; airlines, with airline deregulation, went through the Aviation Subcommittee, chaired by our distinguished chairman of the Commerce Committee, the Senator from Nevada.

We have had the rail problems, which go right in. Incidentally, that really makes the very valid point that you cannot just look at the antitrust feature. How can you rule on the railroads without ruling on the airlines, or how can you rule on the trucking industry without some consideration of its impact upon rail transportation?

So it is all interrelated. It is to secure a comprehensive approach to a particular problem, and you put them all under one committee and it is named transportation.

You look at Commerce, Science, and Transportation. We have 92 employees with a budget of $1.4 million. Jump over to the Appropriations Committee. which has all of these. In fact, we have an exception as a result of the many charges that the Appropriations Committee has. For every particular subject there are appropriations. Instead of being limited as you are on any regular committee, the only way we can make up what you call a quorum and get a comprehensive treatment of any particular subject is to have a Senator on at least five subcommittees. We have grown now to a committee of some 28 members, but we still have 75 on the staff and we handle it all. We can take a particular subject, whether it is B–1, or any of these particular items of weaponry coming from Armed Services, and it will go into the Defense Subcommittee. I sat with the chairman, Senator STENNIS, on Appropriations with our House colleagues, in the Defense appropriations markup of a conference report last October. We were all in there reconciling 3,300 items under that one heading.

We do that with a secure staff of some 75. But if you go to the Judiciary Committee, you will find that they have some 225—and I think they are petitioning now, have sent to the Rules Committee to get the updated amount. They have over 225 employees—I think it is nearer to 300; they are going to have to get an accurate count there—and a $5 million budget. Even the committee itself was ashamed of that kind of shenanigans, and they voted 8 to 7 to cut it back to $5 million. I commend them for their economy-in-government move, realizing the outrageous nature of this proliferation of subcommittees into political fiefdoms that do not even perform, that do not do the work. I say that advisedly, because I am getting now to my real point, why I do call it political hegemony.

I sit there on the Labor-HEW Subcommittee, on the Labor-HEW Subcommittee of Appropriations, that is doing the work of the Judiciary. Because they are not adequately treating it in the Judiciary Committee, we get busing, school desegregation, gun control, ERA, women's rights, abortion, and every kind of judicial subject imaginable. Why? Because the Judiciary Committee, with all of its many subcommittees, is not doing the job.

You will find that they come around, because they are not doing what they are supposed to be doing—interestingly, the one subject selected to try to come in under—a very insidious and very devious way to gain jurisdiction, because I am sure the chairman will point out the negotiations that went on. They have been bringing bills—the distinguished chairman of the Judiciary Committee, the Senator from Massachusetts, has been charging up to the Parliamentarian for the last 8 weeks with his very astute and tricky staff, to say, "How can we doctor this one to get it referred?" So what we have is a total breakdown of the discipline and rule and procedure systems of the U.S. Senate just to grab hold of one thing.

Well, what is the case? What is the case in antitrust? On yesterday, we had a hearing with the Attorney General of the United States. We are trying to economize and we are looking for savings. We cut some $530 million from the FBI budget. That worries us about law enforcement, but we are going to look at that very carefully.

We cut back on LEAA. We have done away with the regional offices there and we are trying to pull in our horns on those particular programs that did not work. We are going to begin to eliminate those. We are starting to cut back on all the other kinds of budget we can think of and we got to these abominable antitrust laws.

I graduated from law school and I have a lawyer friend who married one of these antitrust cases. He handled it for about 16 years and he is retired in Florida today. All you have to do is get hold of one of these antitrust cases and they run on like Tennyson's Brook—on and on and on and on—petitions and hearings, witnesses, discovery, another hearing, another petition, another interrogatory, another discovery.

They said, my memory is a little hazy, but I think the A.T. & T. case, some 11 years ago, started in antitrust. The ITT case started about 7 or 8 years ago in antitrust. And the Attorney General. quite candidly, said, "Look, these cases will go on and on unless they amend the law." We hope those on the Judiciary Committee will begin to do their job and update the antitrust laws and, wherein political decisions are involved, we go ahead and treat them politically.

Example: A.T. & T. The question: Should the monopoly be allowed to compete? Should we have deregulation under the communications policies of our Nation? Should they be able or allowed to cross-subsidize in this competition?

Where is that subject going to be handled? Not really in an antitrust hearing. That is before the Communications Subcommittee. We are just lining out the bill and working with the Republican side to see if we can get a joint measure to deregulate with respect to the telephone communications, computerization, data processing, electronic funds transfers, and everything else; allow A.T. & T. to compete but not cross-subsidize. That is a function where the Judiciary Committee could well come in and say, "It is antitrust," but we would fight them to the wire, because that is a communications function.

Mr. President, we are having now a thrust by the authorizing committee itself, the fundamental Judiciary Committee, coming in on antitrust, of a transportation subject being very adequately handled over the years we have been here with the new Department of Transportation and otherwise, in an interrelated and comprehensive fashion, by Commerce, Science, and Transportation. Yet the real problems of antitrust are not being dealt with; that is my point.

I sit and listen to everything that comes out of that Judiciary Committee, whether it has to do with new judges, the judiciary, FBI, and all these other particulars, programs, including antitrust, and when we got Mr. Shenefield up there, we asked, "Do they have enough money?" And we keep, in that particular budget, trying to bring to a conclusion a particular question on antitrust.

We have the Attorney General saying in all candor that these things will go on, way beyond my time, this administration and the next several administrations.

So the question arises then for the Congressmen, is this a valid approach? Should we actually expand the millions and millions of dollars of corporate and Government lawyers to go around, wherein A.T. & T. and some of the questions, I think are going to be moot by the time the court gets to them.

In other words, we are cutting back on antitrust and we are trying to package, coagulate it, and orchestrate the antitrust laws in the fashion we have now on the books where they would be more responsive and not these interminable proceedings that go on and on, as I have described before, with tremendous waste and such a passage of time that by the time any conclusion is reached, it is not worth anything to anyone.

That is a serious question for the Judiciary Committee. That is not a question for the Judiciary Subcommittee on Appropriations. That is not a question for Commerce, Science, and Transportation. That is not a question for Agriculture, or any of these other things.

But that is what they ought to be, really, addressing themselves to if they really want to get into some of the weaknesses and needs of antitrust, when, in contrast, what do they do? They come in and select a popular subject, with respect to transportation now, where the formative law of the ICC in allowing the ratemaking—Reed-Bulwinkle—and the law back in 1948, and everything else, was referred then to Commerce, not the Antitrust Committee of Judiciary.

They want to change the entire historic pattern of treatment of transportation.

We have had Interstate Commerce Committees since the beginning of time in the House and Senate and in this Government. That has been the kind of interstate commerce, interstate travel, railroads, highways, and what have you, the defense highway system under President Eisenhower in the mid-1950's, and now all the particular measures with respect to airport noise, pollution, and all, coming up to modern day problems.

Why start now with trying to make a headline rather than headway and have joint jurisdiction?

I have talked, as I say, on antitrust subjects with the Antitrust Division of the Justice Department and never heard the word "truck" mentioned in the years I have been on that subcommittee. I do not know where in the world that came from. They do not have anything to do with trucks.

Go to the Justice Department and they do not deal with that, or anything else in the world.

But now they come here with this oblique attack, trying to gain jurisdiction and, in essence, what do we do if it succeeds?

The former director of our Commerce Committee, now with Judiciary, knows better than any that this is a subject for the Commerce, Transportation Committee.

What we end up with then is that we will have two sets of rules. We have the rules for the 99 Senators, the little "yellow book," who want to go along with the U.S. Senate. Then we have the rules for the Kennedy Senate or the Kennedy hegemony, because we cannot tell where that thing will come from

This is a lawmaking body. So since we passed a law, and Judiciary handles lawmaking, everything could be referred under that guise to the Judiciary Committee of the U.S. Senate. And, if we want it to go through the regular course of consideration as outlined in the "yellow book," we pick up this rule book when he come to the Senate or we go with the Kennedy hegemony or Kennedy Senate and pick up whatever rule book he likes and his staff may choose to use under this strained Parliamentary interpretation that they have any kind of jurisdiction whatsoever over transportation.

They do not have jurisdiction. They know it. They cannot bring it in under antitrust. That is a total distortion.

Talk about the Ethics Committee, where are the ethics on the floor?

If it is not illegal, it is unethical, even to make a request of that kind.

If Senators have to be kept from being tackled from behind on particular subjects before their subcommittees, and everything else like that, by a wild card over here who says we can do lawmaking and I can get the Parliamentarian to rule with me. I just do not think that brings forth stability and a responsive service within the Senate, and a responsible Senate in this instance.

I strongly oppose it. I hope the Senator from Massachusetts will come some time and we can debate this thing, because every Senator knows what is going on. They have a large committee. They have a big staff. They voted now for the $5 million budgeting of it and they are running all over the lot, trying to grab work to do.

My answer to them is to get on with the busing legislation, get on with the abortion legislation, get on with all the gun control and all these other things, when we in Appropriations are just trying to appropriate money, and not get into these formative subjects, that they deal with them adequately so that we in Appropriations will not have these things to contend with, and tell them we have plenty of work we can send down for them to do on ERA and gun control and abortion and busing and integration, and all these other things.

These issues are not any votegetters. We can get more votes to deregulate the trucking industry, but, after all, I am sure they are very conscientious and not looking for votes, but really trying to clarify the antitrust provisions.

Then I ask them to go see Mr. Shenefield, the Attorney General of the United States, and any lawyer with any commonsense in the land, or any judge on the bench, the Supreme Court, or otherwise, and say, "Do these antitrust laws need changing?" Not with respect to a particular industry, just generally speaking, so we can get a conclusion, like in the criminal courts. We said, "You have a privileged position, you have to move these cases, bring them to trial, terminate discovery sometime."

They have to have these fair treatments. Let us do some of that in antitrust work instead of venturing into an entirely new field of trucking that our distinguished colleagues on Judiciary have never really passed a law about in their entire history, and now they want to gain the jurisdiction.

We oppose it and hope we can have full debate and keep one Senate.

I want to serve with the Senator from Massachusetts. It has been a wonderful pleasure serving with him. But if this rule is adopted, then I will have to start attending his caucuses and the Senate caucuses, and get this "yellow book" and his rule book, and see where we will meet and how we will handle things.

I do not know how we get elected to his Senate, really. I think that ought to be considered, if that is the way the Senate will vote. Then there ought to be the Kennedy hegemony rule book on how to grab and run, and take over and pass or kill whatever they have in mind, we know not.

I yield the floor.

Mr. CANNON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. CANNON. Mr. President, I want to thank the distinguished Senator from South Carolina for his remarks and particularly for inserting in the RECORD the talk that I gave at a conference of ATA last week.

Mr. President, Senator MAGNUSON, as the most senior Member of the Senate and the Commerce Committee, has asked me to inform the Senate that he is fully in agreement with everything that I have said here today. He regrets that he could not be here to state his views personally but wishes it to be known that he strongly supports the Commerce Committee's position as I have stated it to be.

Mr. FORD addressed the Chair.

Mr. CANNON. I yield to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized in his own right.

Mr. FORD. I thank the Chair.

Mr. President, I commend the chairman of the Commerce, Science, and Transportation Committee for bringing this jurisdictional dispute to the Senate floor.

I found him to be competent. I found him to be fair, and I found him to be knowledgeable. He never backs off from anything that he and his colleagues feel is right.

In this case, even though I am a member of the Commerce, Science, and Transportation Committee, I think my colleagues will tell you that when I agree, I agree, and when I do not, I do not. I thought this particular problem and jurisdictional dispute through as best I can from past experience in State government and the almost 5 years now that I have been in the Senate, and I am convinced from reading everything I can read and from past history that Senator CANNON as chairman of this committee is correct. This problem has been a subject of much print, a subject over the last few weeks that the newspaper articles and editorials have commented on one way or the other.

I believe the Senator from Nevada is correct that now is the time to resolve the issue, and the issue must be resolved, in my opinion, on the Senate floor rather than a continued debate through the media. It is time to proceed with the business of committees, to study and to deliberate the issue, and the committee is the Commerce, Science, and Transportation Committee.

I will give some reasons, Mr. President, as to why I support Chairman CANNON.

First of all, it needs to be made clear, I think, that the issue being considered today or discussed today is not a question of where one stands on trucking deregulation. This particular issue is whether or not legislation determining the future of a transportation industry should be referred to a committee by the subject matter or by the statute the legislation is amending.

While I was a member of the Kentucky General Assembly the rules were redrafted to settle the jurisdictional problems. The Kentucky rules are written by titles of the Kentucky Revised Statutes.

The rule in the U.S. Senate is just the opposite. Legislation is referred by subject matter.

Since the legislation in question amends the authority of the Interstate Commerce Commission, which is under the oversight jurisdiction of the Commerce Committee, the Commerce Committee is the committee to which this legislation should be referred.

Just this morning the members of the Commerce, Science, and Transportation Committee held an oversight hearing of the Interstate Commerce Commission's implementation of the 4R Act. In looking over the proposals for railroad deregulation, I see many issues such as mergers and ratemaking in the railroad industry that should be of interest to the Judiciary Committee.

I wonder, as others I suspect are wondering, if we will face the same problem when railroad deregulation legislation is introduced.

Under the Senate rule XXV, the Committee on Commerce, Science, and Transportation has exclusive jurisdiction over transportation and regulation of interstate common carriers, including railroads, bus systems, trucks, vessels, pipeline, and civil aviation.

The issue is the jurisdiction, that the Judiciary Committee wants to consider only one element of the trucking deregulation, that is, the antitrust immunity for motor carrier rate bureaus should not be considered individually due to the overall impact on the industry and transportation in the entire country.

The Commerce, Science, and Transportation Committee will consider the entire issue of regulation, not just the issue of rate bureau exemptions.

All Members of this body should consider this dispute in terms of the potential impact—and I want to say that again—in terms of the potential impact on future narrow jurisdictional problems. In the future, all legislation will be drafted to get the issue to the proper committee rather than a remedy of the problem through legislation. Can you not just see the chaos that would be here when we start drafting a piece of legislation so narrow that we can get it to our committee or to that committee so that we can study one teeny fraction of it without looking at the total issue so we can make some commonsense judgment as it relates to the regulation of transportation in this country.

Stop and think about the awkward legislation that this body will be considering, legislation drafted for the sole interest and for the sole purpose of jurisdictional purposes, amending one statute to affect another to produce a piece of legislation for your committee. This in no way will produce good legislation.

It is my understanding that the chairman of the Judiciary Committee has requested a meeting of the Democratic Caucus to resolve this jurisdictional dispute. The Democratic Caucus, in this Senator's mind, is not the proper place to vote on this issue. The floor of the Senate is the final arbiter on such issues.

If we are going to open up the Democratic Caucus for such matters, maybe we should consider solving other problems like the subcommittee jurisdiction in the caucus. I understand some other bodies use the caucus method to solve their organizational structures and for this type of purpose.

I just want to leave this last part of my statement in support of my chairman and of the procedure of the Senate: An important issue is at stake here, one which could set a dangerous precedent with implications for any and all future committee referrals.

I urge my colleagues to recognize this point, and I hope the Members of the Senate will consider this issue based on subject matter rather than the statute amendment to determine jurisdictional referrals.

Mr. President, we have heard a lot about proposition 13, we have heard a lot about balancing the Federal budget, we have heard a lot about spending too much money in and around this town. I think the Rules Committee, by the statement of its chairman, is going to take a long hard look at the budgets required by the various committees.

When you take a subcommittee of the Judiciary Committee which has more money requested than the total budget requested for the Energy Committee, I think that subcommittee is in for a lot of scrutiny.

When the Rules Committee says, "We are going to reduce our budget by 6 percent," it indicates to the other committees that they are in for the same type of scrutiny.

Maybe they can substantiate 225 employees, maybe they can substantiate $1.5 million for subcommittees, but they are going to have to prove it.

I think we can stack our committee and its ability and its staff and its request up against any of them.

Therefore, Mr. President, going back to my final point that I made, we must be very, very careful here that we do not set a dangerous precedent, and I hope my colleagues will support this committee not just because the chairman had the courage to come before the Senate and say, "Whoa, we want to wait a minute to see what we are doing here," but I think it is an important issue for the entire Senate to determine so that this dangerous precedent shall not be invoked in its future deliberations.

I thank the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Virginia.

Mr. WARNER. I thank the Chair.

I rise in support of the arguments put forth by the distinguished chairman of the Commerce Committee (Mr. CANNON) concerning the referral of a bill to repeal the Reed-Bulwinkle Act of 1948. It is my privilege to serve with the distinguished chairman as a member of that committee. This bill was reported from our committee in 1948. It provides an exemption from the antitrust laws of motor carrier rate bureaus.

Now, as my distinguished colleague from Kentucky has most eloquently set forth, there is something of an issue of committee precedents at stake. If the legislation which is expected to be proposed by the Judiciary Committee is exclusively or even jointly referred to the Judiciary Committee it could set a precedent so that bill referrals will no longer be considered on the basis of substantive content but merely on the cosmetic technical drafting.

This, Mr. President, is contradictory of the spirit of the Legislative Reorganization Act of 1946.

So far as I have been able to determine in discussing the matter with my colleagues on the committee, the Commerce Committee has no predisposition as to the merits of trucking regulation. Rather we, as a committee, are committed to a thorough investigation of the issue, which will include a substantial period of hearings.

It is expected that the administration will soon forward a major motor carrier regulatory reform measure to Congress. The Commerce Committee will then look at the whole idea of motor carrier industry regulation, including the Reed-Bulwinkle Act.

It seems to me, Mr. President, that it it really a matter of common sense. This committee, the Committee on Commerce, has a corporate memory which is invaluable to the body as a whole and, in my judgment, any restrictions of this statute must be made in the context of the whole consideration of the surface transportation industry.

I therefore urge my colleagues to support sole jurisdiction of this proposed legislation such that the Commerce, Science, and Transportation Committee can give it fair and objective consideration in the best interests of the United States.

I thank the Chair.

May I be recognized again?

The PRESIDING OFFICER. The Senator is still recognized.

Mr. WARNER. Mr. President, I ask unanimous consent that a statement by Mr. PACKWOOD be included in the RECORD, a statement which is germane to the discussion on the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. I thank the Chair.

STATEMENT BY SENATOR BOB PACKWOOD

Mr. PACKWOOD. Mr. President, I fully support the arguments made by Chairman CANNON in favor of referral to the Commerce Committee of my legislation which would, in effect, repeal the Reed-Bulwinkle Act.

The manner in which the motor carrier industry establishes rate levels is a central issue in the economic regulation of that industry. It should not be considered in a vacuum without examining other aspects of the regulatory structure of the industry, and it is the Commerce Committee, not the Judiciary Committee, that has the jurisdiction and the expertise with respect to motor carrier regulation.

In May of 1948, the Senate Committee on Interstate and Foreign Commerce—predecessor of the Committee on Commerce, Science, and Transportation—reported out the bill S. 110 which later became law and today is known as the Reed-Bulwinkle Act. Reed-Bulwinkle provides an antitrust exemption from the Clayton Act to allow the motor carrier industry to operate rate bureaus for the purpose of discussing and proposing rate changes for review and approval by the Interstate Commerce Commission.

It should be noted that the Judiciary Committee did not have either joint or sequential referral of Reed-Bulwinkle in the 80th Congress or in the preceding Congresses when similar legislation was considered.

It is expected that the Judiciary Committee will attempt to gain jurisdiction over the identical subject matter—to repeal Reed-Bulwinkle. In order to build a stronger case for jurisdiction, this proposed legislation has been drafted in the form of an amendment to the Clayton Act without any mention of Reed-Bulwinkle. Mr. President, we must be guided by the specific intent of this legislation—to repeal Reed-Bulwinkle—and not be misguided by the Clayton Act label that appears on the bill.

At this time, it would be appropriate to note that in 1960 and 1969 the Senate Commerce Committee had exclusive jurisdiction over bills which subsequently became law and dealt with limited immunity from the antitrust laws for the aviation industry. Once again, the Judiciary Committee did not share jurisdiction with the Commerce Committee on this issue.

Mr. President, the legislation we are now concerned with will have a tremendous effect on the whole structure of the motor carrier industry as it exists today. Repeal of Reed-Bulwinkle will require additional legislation affecting interstate and intrastate motor carrier operations.

In remarks describing this legislation. Chairman Kennedy of the Judiciary Committee acknowledged that the antitrust immunity issue is tangled with other issues, such as pricing and entry regulation, which are most clearly within the jurisdiction of the Commerce Committee.

Mr. President, if the Committee on the Judiciary were to receive even a joint referral on this issue, a dangerous precedent would take hold. For example, the Committee on Commerce, Science, and Transportation has jurisdiction over "interstate commerce" (Rule XXV(f)(1)(6)). If jurisdiction were as loosely interpreted as the Judiciary Committee would advocate on this matter, the Commerce Committee could demand use of the "Interstate Commerce" and "Rail Transportation" jurisdiction to get into Judiciary Committee bills dealing with "bankruptcy" issues where the entity operates in more than one State or is a motor, water, rail, or air carrier.

Such a bill did arise last year which substantially revised Section 77 of the Bankruptcy Act affecting the Nation's bankrupt railroads. Our Committee respected the jurisdictional lines and offered the Judiciary Committee our assistance and expertise in rail issues for their guidance.

I am open-minded on the merits of repealing the Reed-Bulwinkle Act and am prepared to consider the proposal. However, I feel strongly that it should be considered by the Commerce Committee, in the context of examining the entire regulatory structure of the motor carrier industry, and not by the Judiciary Committee.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nevada.

Mr. CANNON. Mr President, let me just briefly summarize what I and my colleagues have been saying today.

I again emphasize this is not a dispute on the merits of trucking deregulation. It simply and clearly is a jurisdictional dispute that will have substantial precedential value in this body.

There is no doubt about the fact that the subject matter of the proposed legislation is clearly within the scope of the Commerce Committee's jurisdiction. An overwhelming amount of precedent supports our committee position.

In addition, the Commerce Committee has an excellent record with respect to regulatory reform legislation.

To believe that this committee is in the pocket of the motor carrier industry is both unfair and naive. We are committed to only one thing, and that is to engage in a diligent and thorough investigation of the subject matter, and approach it with a completely open mind, not prejudge the issues that are at stake.

Finally, I again emphasize to my colleagues that the solution of joint referral is not a compromise. The Senate rules call for referral to the committee with jurisdiction over the preponderance of the subject matter, and there is no doubt about the fact that this is the Commerce Committee.

At this point in time it is my hope we can solve this jurisdictional dispute quickly and get on with the business of conducting our investgation of motor carrier regulation, of rail regulation, of air transport regulation, of water carrier regulation, the entire subject of transportation which falls within the jurisdiction of the Commerce Committee.

Mr. President, I yield the floor.

SENATOR CHURCH'S GOOD WORK AS CHAIRMAN, SPECIAL COMMITTEE ON AGING

Mr. LEAHY. Mr. President, I take this opportunity to commend our distinguished colleague from Idaho, Senator FRANK CHURCH, for his outstanding work throughout his tenure as chairman of the Special Committee on Aging.

Throughout his 8 years as chairman of this committee, Senator CHURCH has provided a clear and effective voice in support of legislation to help our Nation's senior population.

Senator CHURCH has been highly successful in seeing more than half of his measures on behalf of senior citizens signed into law and has never lost a floor fight for the inclusion of amendments to assist the elderly. This legislative effort has resulted in an increase in the cost of living protection for senior Americans through an expansion of social security coverage. Other measures have included reduced air travel fares and an expansion of community civil service jobs.

Perhaps most importantly, during Senator CHURCH's chairmanship, the Special Committee on Aging has grown as an effective legislative focal point for the senior community. The committee provides an invaluable service to Members of the Senate in its information gathering capacity as a storehouse of current research findings on senior citizens and as a forum for members of interested community groups to meet and share ideas and coordinate legislative efforts.

This past session of Congress, Senator CHURCH began a series of hearings on "retirement, employment, and lifelong learning." I believe that this effort has very exciting possibilities for fostering greater understanding of the problems of growing old in America and for initiating appropriate legislative measures to alleviate some of the stumbling blocks we will all face as we plan our careers and our retirement years.

From the day we are born, each one of us prepares for the lifetime ahead and the day in which our life's work will end. Ahead of senior citizens are many problems and worries regarding health, payment of home, food, and utility bills. Senator FRANK CHURCH has provided a deep understanding and sensitivity toward solving some of these problems. Our retirement years will be less worrisome due to his efforts, and Americans will long benefit from his good work as chairman of the Senate Special Committee on Aging.

RECESS

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senate stand in recess for 1 hour.

There being no objection, the Senate, at 1:11 p.m., took a recess for 1 hour.

The Senate reassembled at 2:11 p.m., when called to order by the Presiding Officer (Mr. PRYOR).

JUSTICE SYSTEM IMPROVEMENT ACT OF 1979—S. 241

Mr. THURMOND. Mr. President, shortly before his retirement at the end of the 95th Congress, the distinguished Senator from Mississippi and chairman of the Senate Committee on the Judiciary, James O. Eastland, wrote to the Deputy Administrator of the Law Enforcement Assistance Administration. He closed his letter with the following words:

> I am very proud of LEAA and its many contributions to America. I wish you continued success in the important mission assigned you in the vital field of Law Enforcement.

I share this pride in the accomplishments of LEAA. I also strongly believe that LEAA must continue to play its vital role of assisting States and localities solve their law enforcement and criminal justice problems. It is, therefore, with great pleasure that I again join my colleague from Massachusetts, the new chairman of the Committee on the Judiciary, Mr. KENNEDY, to introduce the Justice System Improvement Act of 1979.

In fiscal year 1978, Mr. President, the Federal Government funneled $77.9 billion to States and localities. In that one year. over $10 billion in Federal tax dollars went for medicaid, $6.8 billion went for general revenue sharing, and $6.3 billion was spent for income maintenance for the poor. The Government also paid significant billions of dollars for such items as highways, waste water treatment, airport construction, and education.

Numerous surveys of public opinion have shown that crime ranks high among the concerns of Americans, particularly those in the inner cities. Yet less than 1 percent of the Federal assistance awarded in fiscal 1978 was allocated to LEAA which is the Government's only program specifically designed to help State and local governments address their law enforcement and criminal justice problems.

In recognition of the importance of dealing with crime, State and local governments have devoted increasing resources to this area. At the same time, however, the LEAA budget has been continually cut, so that in fiscal 1979, LEAA grants will account for only 3 percent of the total allocated to law enforcement and criminal justice at the State and local levels.

The Justice System Improvement Act builds upon the past successes of LEAA, while also attempting to streamline the program and make it even more responsive to the needs of the governments it assists. I am very pleased that President Carter, who once favored abolishment of LEAA has been convinced of the value of this program and sent to the Congress last July a request for a 4-year reauthorization and restructuring of the current program. The bill submitted by the President, which was introduced at his request in both Houses of Congress, would revise the formula for distribution of funds among the States to assure that more money goes to areas of need. Larger jurisdictions would be entitled to a direct award of a share of each State's allotment. A hold-harmless provision would assure that no State is hurt by the change in the distribution formula.

The administration bill which we are reintroducing today for consideration during the 96th Congress, authorizes an appropriation of $825 million per year for an Office of Justice Assistance, Research, and Statistics. Within this office would be LEAA, the National Institute of Justice, and the Bureau of Justice Statistics. Most of the appropriated funds would go to LEAA, and most LEAA funds would be distributed directly to States and localities. The authorization level is critical to the operation of the formulas in the bill. This fact was acknowledged by the Attorney General and other Department of Justice officials in hearings last summer. Yet I am distressed by the fact that the budget just submitted ignores this fact.

Mr. President, the administration's fiscal year 1980 budget request makes a mockery of the statements previously made by officials in private meetings and public hearings. The President has requested only $546 million for the entire Office of Justice Assistance, Research, and Statistics, compared to the $647 million which LEAA received in fiscal year 1979. If funds separately authorized under the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, are deducted, the request for the Justice System Improvement Act falls below $500 million.

Mr. President, I ask unanimous consent that the table comparing the LEAA fiscal year 1979 and the OJARS fiscal year 1980 budgets be inserted in the RECORD at this point:

Without objection, the table was ordered to be printed in the RECORD, as follows:

COMPARISON OF LEAA FISCAL YEAR 1979 AND OJARS FISCAL YEAR 1980 BUDGETS

[Dollars in thousands]

OJARS, fiscal year 1980 request	Amount	Amount	LEAA, fiscal year 1979 actual
State and local administration	$34,800	$50,000	Part B formula.
Juvenile justice formula	30,375	63,750	Juvenile justice formula.
Criminal justice formula	257,408	296,668	Parts C and E formula.
National priority grants	36,301	78,170	Parts C and E discretionary.
General criminal justice grants	36,301		
Training and manpower	3,918	29,168	Training and manpower (including LEEP).
Technical assistance	12,000	12,000	Technical assistance.
Community anti-crime	10,000	7,000	Community anti-crime.
Urban crime prevention	1,000		
Juvenile justice special emphasis	10,125	21,250	Juvenile justice special emphasis.
National Institute for JJDP	5,500	11,000	National Institute for JJDP.
Concentration of Federal efforts	1,000	1,000	Concentration of Federal efforts.
JJDP technical assistance	3,000	3,000	JJDP technical assistance.
Public safety officers' benefits	15,000	2,500	Public safety officers' benefits.
Executive direction	$10,685	$11,730	Executive direction.
Administration services	10,839	12,378	Administrative services.
National Institute of Corrections	9,884	9,920	National Institute of Corrections.
Subtotal	497,936	609,434	
Research, evaluation, demonstration (NIJ).	25,000	25,000	NILECJ.
Criminal justice statistics progress (BJS).	19,643	19,643	NCJISS.
Executive direction	3,768	3,768	Executive direction.
Subtotal	[1] 48,411	48,411	
Total	546,347	647,925	

[1] 551 positions.

[2] 729 positions.

Mr. THURMOND. If approved as requested, grants to States and localities on a formula basis for criminal justice programs would decrease 16 percent from last year; if the cuts in juvenile justice are included, the total drop would be more than 20 percent. This is ludicrous. The administration is recommending action that would assure its own proposal cannot work.

Reduced funding is not the only damage proposed to the LEAA program in the 1980 budget. The law enforcement education program (LEEP), which assists nearly 100,000 criminal justice officials receive higher education each year, would be eliminated. Funding for innovative juvenile justice and delinquency prevention activities would be cut in half, so that it will be extremely difficult to continue important progress in removing noncriminal children from jails and prisons and separating young people in facilities from adults.

In 1976, Congress gave LEAA new responsibilities to assure that there would be program accountability and more responsiveness. The Justice Department responded by closing LEAA regional offices and reducing the already-small agency by 200 people. For 1980, when more direct services will be required of LEAA, another drastic personnel cut is recommended. While the administration is being consistent in its illogical approach, the negative results of this decrease would be severe. I intend to work with Senator KENNEDY to restore to the 1980 budget at least the minimum amount of dollars and personnel necessary to make this program work effectively.

It is obvious, Mr. President, that criminal justice assistance to States and localities is a low priority of the Department of Justice. Congress has recognized that crime is essentially a local problem that must be dealt with by State and local governments if it is to be controlled effectively. However, Congress has also reiterated on a number of occasions its belief that the Federal Government should provide constructive assistance to these governments in combating the problem. Enactment of the Justice System Improvement Act, as well as appropriation of adequate funds to implement it, will assure that the prophecies made by some regarding LEAA will not become self-fulfilling.

The Judiciary Committee will begin hearings on the Justice System Improvement Act in the very near future. We will explore some of the past criticisms of the LEAA program, as well as future directions. One myth that I hope we will dispel once and for all is that LEAA was mandated to reduce crime. Similarly, because the crime rate has not gone down during all 10 years of LEAA's existence does not imply that the program has been a failure. With the small amount of funds provided through LEAA, it is amazing that States and localities have been able to make great strides in improving the quality and fairness of justice. I should note that crime has been decreasing in recent years. Should not LEAA be given some of the credit for that if we are going to hold the agency responsible for so many other ills?

LEAA has been severely criticized for being preoccupied with hardware and military-type equipment, being police-oriented to the exclusion of other areas of criminal justice, and not looking into the root causes of crime. Those who make these charges are ignoring the facts and failing to appreciate the history of the program. LEAA was a child of the riots and violent street disorders of the 1960's. Congress mandated special emphasis to these areas by statute. Appropriations were made which earmarked funds for police. LEAA does not buy tanks or shoes that shoot. I find it interesting that the only item resembling an armored car for a police department was purchased in the very early days of the program before an Administrator had taken office; the purchase was approved by Attorney General Ramsey Clark.

At a time when local budgets are tight, there needs to be an emphasis on productivity. Efficient equipment can increase the productivity of the criminal justice system. The bulk of LEAA "hardware" purchases have actually been for computers and bringing criminal justice into the modern era. Mr. President, I doubt that the wives and children of the men whose lives have been saved by LEAA-developed Kevlar vests would be critical of expenditures for such "gadgets."

LEAA has been one of the most carefully scrutinized programs in Congress over the past 10 years. In 1976, there were

18 days of hearings in the House and Senate. The program has been tuned and fine-tuned by Congress so much that the original legislation has grown from 12 pages to 39. Juvenile programing authority was transferred to LEAA from the Department of Health, Education, and Welfare in 1974 because Congress felt LEAA would do a better job. As times have changed, so has the agency. Gains are being made in the areas of citizen participation, evaluation, research, statistics, and apprehension of habitual criminals. LEAA is not an operational agency, but it is showing operational agencies effective methods for utilizing their resources.

One of the strengths of the LEAA program is the planning it has encouraged. Before 1968, it was unlikely that different agencies representing components of the criminal justice system would talk to each other about mutual problems. Now it is recognized that what one component does will affect the others. Not only are they talking, but they are working together with an eye toward future needs. Such total resource planning would not have been possible without LEAA assistance. Of course, planning requires stability to be most effective. I sincerely hope that we can complete our review of this legislation quickly and set the program on a firm footing. Congress has changed signals on State and local officials too many times. We must give them a chance to make the legislation work.

Finally, Mr. President, I would like to indicate my intention to carefully look at what can be done about the most serious criminal justice problem facing the country today—corrections. Nearly every State is facing a crisis because of the overcrowding of jails and prisons. The courts are becoming involved to a greater extent than ever before. Archaic and inhumane facilities must be closed, but alternatives must be available. The Justice System Improvement Act is one of several vehicles that can be used to provide Federal assistance to alleviate some of the bad and unfortunate conditions which now exists.

Mr. President, I now turn to discuss some of the major features of S. 241. My discussion is based on the results of negotiations with Senator KENNEDY and his staff and others and reflects my understanding of those areas where we agree that the administration's bill is in need of revision. It should be noted at the outset that these revisions are based on our knowledge of the LEAA program and represent our best judgment at this point in time as to how the legislation should be amended. This is not to preclude a full review of the LEAA program in the Senate Judiciary Committee hearings which will begin in the very near future.

It does represent, however, an attempt to inform all those concerned with the extension of the LEAA program, and particularly those State and local agencies which carry a major burden with respect to administration of the LEAA program, know that the Senate Judiciary Committee is basically disposed toward a long-term extension of the existing LEAA program, but with such constructive changes and modifications thought necessary to improve its operation and effectiveness. After all, the LEAA program requires significant commitments of resources, both financial and human, to breathe life and meaning into the objectives and goals which Congress has established for the improvement of criminal justice. In fairness, the Congress should give the States and local governments as much lead time as possible to make appropriate plans for continuation of the tens of thousands of on-going LEAA-funded improvement and reform activities.

EXTENSION OF LEAA

The bill as introduced calls for a 4-year extension of the existing program. In my view, this is the absolute minimum. Senator KENNEDY and I agree that a 5-year extension is needed to provide for the continuity of the program. One of the major features of the new bill is to put the planning process on a 3-year cycle. It is only commonsense that this planning activity be carried out in a setting where the program is authorized for a period that will allow long-range comprehensive planning to be conducted meaningfully.

SPENDING CEILING

S. 241 realistically authorizes the funding level of $825 million for the LEAA program. This is a conservative figure and one which does not accommodate the ravages of inflation or other cost increases which would be necessary to keep programs operating at stable levels.

I am acutely aware of the need of fiscal restraint in this era of enormous Federal deficits. However, this request is consistent with that awareness. An effective law enforcement program is a need that goes to the very existence of an ordered and democratic society. LEAA has in the past provided valuable assistance in meeting this necessity. I should point out also that this bill is calling for a decrease of some $50 million from the peak year of LEAA funding, which was $880 million for fiscal year 1975. Therefore, Mr. President, this funding request is both cost effective and fiscally responsible.

Meanwhile, State and local expenditures for criminal justice have consistently increased. In the period from 1971 through 1977, the States' commitment to criminal justice has increased from $9.3 billion to $18.8 billion. Thus, the Federal share is going down and going down substantially.

POLICE PROGRAMS

One of the unnecessary, and in my view harmful provisions of the administration's bill is its feature which severely limits LEAA investment in hardware and equipment. This restriction is totally unnecessary, especially in view of the funding history of the LEAA program. Except for the first year of the agency's existence, LEAA's investment in hardware, primarily involving communications and computer equipment, has never exceeded 10 percent of total action funds available. The limitation in S. 241 simply prohibits most smaller police departments and other criminal justice agencies from effectively participating in the LEAA program. I am agreeable to a retention of the existing provisions on the subject, although I would have preferred to see more emphasis placed on police programs.

COURTS

The 1976 amendments to the LEAA program established a major new initiative to improve participation by State and local courts in the planning, evaluation and action activities of LEAA. This initiative was incorporated into the law through the leadership of the Conference of State Chief Justices and its then chairman of the Federal-State Relations Committee, my distinguished colleague on the Judiciary Committee from Alabama. Mr. Heflin. Mr. Heflin, who was then chief justice of the State of Alabama, worked closely with Chairman KENNEDY in placing authority to insure that courts' needs and requirements would be given higher priority in the LEAA funding process.

Judicial planning committees were authorized or designated for every State and today virtually every State has seen its Judiciary taking advantage of this new authority. Chairman KENNEDY and I agree that this initiative and successful program should be retained.

CORRECTIONS PROGRAM

The administration's bill calls for elimination of the LEAA part E corrections program. To me, this is the most regrettable feature of the bill. I strongly favor retention of the emphasis on what is the most neglected area of State and local criminal justice activities, particularly in these days when inmate populations are dramatically increasing as judges get tougher with career criminals and legislators revise criminal laws to emphasize stiffer penalties. Simple humanity combines with constitutional protection to require that conditions of incarceration be human. With proper Federal assistance, we can better insure that more humane conditions prevail in our correctional institutions.

The response of the administration seems to cut out even the limited amount of Federal aid to State and local corrections while at the same time developing new Federal standards for the States to meet.

The administration's bill also transfers the functions of the National Institute of Corrections to the proposed National Institute of Justice. The only rationale for this move is on the basis of management efficiency, but much more is at stake. The administration has yet to make a convincing case for this transfer. I also find it interesting that in the 1980 budget, the appropriation for the National Institute of Corrections is included under LEAA, rather than the National Institute of Justice.

PRIVATE SECURITY

A major asset and resource available for the prevention and control of criminal activity rests in the private security industry. Private security forces at least equal the number of public peace officers. Increased cooperation and coordination between public and private police and security is badly needed. The LEAA program should serve as a catalyst toward this end. I will support authorizing language to give increased recognition and attention to private security.

ORGANIZED CRIME

Section 303B of the Omnibus Crime Control Act of 1968 places a much-needed priority on the development of strategies and programs to prevent and control the scourge of organized crime in this country. The administration's bill, despite the emphasis given last year by the Attorney General to the development of Federal organized crime programs, has unaccountably dropped the LEAA provision. This priority, including the development of information systems, should be retained.

STATE PLANNING FUNCTIONS

A major objection to the administration's bill is its almost total elimination of the central role of the States in comprehensive criminal justice planning. I strongly feel that this role should be retained in the new legislation; however, again we must face fiscal realities and reduce the Federal share so that Federal funds would be matched in the near future by State funds in those States which elect to continue and emphasize their planning functions. At the very least, action funds should be made available to support planning functions to the extent that each State or local jurisdiction sees fit. Reasonable amounts of action funds should be earmarked to support essential planning for and administration of LEAA funds by State and local governments.

SALARY LIMITATIONS

Existing LEAA legislation places fiscal and legal restrictions on the use of LEAA funds to subsidize salaries in operational criminal justice budgets. S. 241 removes these restrictions. A decade of legislative history underscores the soundness of existing limitations. In my view, these existing limitations do not go far enough. LEAA funds should not be used at all to subsidize salaries except for innovative, one-term projects and to support criminal justice personnel undergoing training and education. It is as true today as it was in 1967.

The 1967 House Judiciary Committee report on the original LEAA legislation rightly observed:

> . . . he who pays the piper calls the tune.

Long-term salary subsidies could well mean Federal domination and control of State and local criminal justice. It could be the precursor of the establishment of a federalized police force. We want no part of this. It is inimical to our constitutional system where the police function is a prime responsibility of State and local governments and where the Federal police role is strongly limited.

Chairman KENNEDY and I agree that the limitations on salary support should be retained and strengthened.

CRIMINAL HISTORY REGULATION

In 1973, an amendment to the LEAA legislation was added on the Senate floor by Chairman KENNEDY which provided for LEAA regulation of State and local criminal information systems which received financial support from the agency. This amendment was agreed to by the floor managers of the legislation, Senators McClellan and Hruska. The clear intention of all parties involved at the time was that this provision was to be an interim measure which was to be replaced by comprehensive legislation to be enacted within a year.

Almost 5 years has elapsed since that time and the "interim measure" still remains in force. LEAA has been criticized on account of the regulatory role which was placed on it by this amendment. Yet it was authority which LEAA did not seek. The time is long overdue for replacement of this provision and, more importantly, to get LEAA out of the regulation of State and local information systems.

Chairman KENNEDY and I are agreed that this amendment should be replaced. I look forward to working with the distinguished Senator from Delaware (Mr. BIDEN) to develop a comprehensive replacement for the 1973 amendment. Hopefully, this replacement legislation can be considered at the same time as the rest of the LEAA legislation. It should be noted that the 1973 amendment was based on the pioneering work done by LEAA and "project search" beginning in 1969 and also partly came about as a result of a 1970 amendment which Senator MATHIAS added to the LEAA legislation which required the agency to send draft legislation to the Congress.

STING AND CAREER CRIMINALS

An important consideration in the extension of the LEAA program is to insure, if at all possible, that the proven successes are taken advantage of and utilized wherever possible in setting new legislative objectives. Such is the case with the highly successful "sting" and career criminals program. LEAA has funded close to 100 "sting" projects, operations which are conducted jointly with Federal, State, and local cooperation and participation. As a result, tens of millions of dollars worth of stolen property has been recovered and hundreds of criminals have received convictions and prison sentences. Although the 1976 LEAA amendments provided for a special fund to support "sting" activities, this authority still needs additional strengthening. Likewise, the highly successful career criminal program needs to be given a statutory priority and authority for ongoing funding. Chairman KENNEDY and I are agreed that this be done.

ACTION FUND FORMULAS

S. 241 as introduced contains new funding formulas for LEAA action grant moneys. They replaced existing block grant formulas which are based on population. The new formulas are weighted to accommodate crime trends and ratios of employment and expenditure. In addition, larger cities and counties could receive direct entitlements. The bill also has a "hold harmless" provision that assures no State would receive less than its block grant share under the current act.

Mr. President, I have two concerns over these new formulas. First, the administration's budget request does not contain enough money in it to hold any State harmless. Although a few of the larger States and local jurisdictions might receive a higher percentage under the new formulas, in reality they would receive much less money because of the budget cutting done by the administration. Why then is it necessary to go to all these complicated new formulas when the existing ones are simple to administer and when there is not enough money to go around in any event. The chairman and I agree that these formulas should be reviewed closely and reconsidered in the light of the harsh budget realities we are facing. I think we can reach a middle ground here but without resort to the unnecessary complications of the new formulas.

MAINTENANCE OF EFFORT

Existing law contains three provisions which establish a Congressional policy that prohibits LEAA from providing long-term subsidies to operational budgets of State and local criminal justice agencies. This has been a consistent theme from the time LEAA was first established in 1968 through its subsequent renewals. This has been sound policy because it recognizes that crime control is the primary responsibility of State and local governments and that Federal control of the purse strings could lead to a Federal take-over or Federal domination of the institutions that are so crucial to the preservation of our Republic.

I refer to those provisions which require State and local agencies receiving LEAA funding to maintain their current levels of budget support when they have received new LEAA funds and to insure that an infusion of LEAA money would not be used to supplant State and local funds already provided for budgetary support. These provisions, of course, are coupled with limitations on LEAA support for salaries. The administration's bill foolishly strips away these protections and would provide authority for federalization of State and local criminal justice. The chairman and I agree that these provisions, perhaps with some modifications, should be retained, and that the LEAA role should continue to be limited.

RESTRUCTURING LEAA

S. 241 advocates a basic restructuring and down-grading of the agency as it now exists. It would also be brought under the direct authority of the Attorney General, although the LEAA Administrator would have to report through a new layer of bureaucracy to be created in the Department of Justice that is called the Office of Justice Assistance, Research, and Statistics (OJARS).

Two new organizations would be created in OJARS, a National Institute of Justice, and a Bureau of Justice Statistics. Also created would be three new presidentially appointed advisory committees. This scheme is dangerous, foolish, and bureaucratically wasteful. I am of the strong view that there is a need for increased Federal planning, research and statistics to be conducted to support the needs of the

Federal criminal justice system, but this can be accomplished without resort to this bloated bureaucracy. The LEAA program should be independent of Attorney General or Department of Justice control, but I have agreed to compromise with Chairman Kennedy to leave LEAA in its present relationship to the Attorney General; that is, under his general authority. The chairman and I agree that there is no reason whatsoever to transfer either the law enforcement education program or the public safety officers benefit program out of LEAA to other Federal agencies. We also agree that LEAA or a successor agency should retain its current status within the Department of Justice hierarchy. If a new group is established to look after Federal criminal justice planning, research and statistics, it should be at the same level as LEAA. Any advice that this new group might give to LEAA would be in an advisory capacity. LEAA would retain final authority for grants, contracts, and administration of its program as it does in S. 241. We are also agreed that at the very most, only one additional advisory committee would be needed.

There are two other matters which I feel strongly about and which I hope to be able to persuade the chairman and other members of the Judiciary Committee to adopt. First, the present provision setting aside 19.15 percent of all LEAA funds for juvenile justice should be eliminated or drastically modified. Second, I am very skeptical that the office of community anticrime programs is serving the purpose for which it was created. It should be either eliminated or its mission drastically changed. Grants should not be made which bypass affected local elected officials.

Mr. President, in conclusion I wish to reiterate my strong support for the continuation of LEAA. I expect and trust that we can build on LEAA's record of accomplishment and seek to improve and strengthen the program where experience suggests is necessary. The Senate Judiciary Committee will begin its LEAA oversight hearings on February 9.

The matters I have discussed today, when taken with the comments of Chairman Kennedy, will provide the basis for a discussion of the major issues in these forthcoming hearings and that this legislation can be expedited through the committee. As I said at the outset, time is of the essence for the criminal justice agencies and the State and local governments who must continue to administer existing LEAA programs and adapt to the new initiatives and priorities set by the Congress.

Mr. President, I ask unanimous consent that the following Senators be added as cosponsors of S. 241: Senators Baucus, Dole, Hatch, Laxalt, and Cochran.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. THURMOND. Mr. President, I have about an 8- or 9-minute talk here on inflation. I can make it now, or I can defer until Senator Kennedy takes up a matter that he has in mind. I can proceed now, if it is his desire.

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. THURMOND. I am pleased to yield to the distinguished Senator from Arkansas.

Mr. BUMPERS. I have a bill to introduce and a short statement that I want to make on it. I have a plane to catch, and I would appreciate it very much if the Senator from South Carolina and the Senator from Massachusetts would allow me to do that. It will be fairly short, no longer than about 6 or 7 minutes.

Mr. THURMOND. Mr. President, I assure the distinguished Senator from Arkansas I will be pleased to accommodate him in that respect.

The PRESIDING OFFICER (Mr. Heflin). The Senator from Arkansas is recognized.

S. 369—CONSUMER AND AGRICULTURAL PROTECTION ACT OF 1979

Mr. BUMPERS. Mr. President, I am introducing a bill today similar to the one that I introduced in the last Congress popularly known among the farmers of this country as S. 2626. The bill I am introducing is almost identical to that of last year.

First, I want to make this point: This morning's Herblock cartoon in the Washington Post was about as denigrating to the American farmer as any I have ever seen, and the Post followed it up with an editorial which was equally denigrating.

I would guess that 90 percent of the American people who have watched the American farmers' demonstration here in Washington over television have been turned off by it. One can hear them ask: "What are those farmers doing? They can't be doing very much, or they wouldn't be holding up traffic driving those expensive tractors around Washington."

You know, those are the same people who thought the Vietnam war demonstrations in the late 1960's and early 1970's were just great. I did not think very much of those demonstrations back then, although I had two sons. I was very much opposed to the war, but I recognized that those people were exercising fundamental rights under the Constitution of the United States, the right to assemble, to speak, and to express their grievances. And those youngsters were saying, "I don't want to fight for America in a war that I do not understand, a war that I believe is not in the best interest of my country."

Although I did not think too much of those demonstrations, I suppose if I had been of draft age I might have been out there with them. They brought the attention of the American people to what was going on in a way that caused a national debate, and the war came to an end, which was God's blessing.

I do know that what some of the American farmers have done has not been in the finest traditions of this country, but the lawbreakers have only been a handful compared to the thousands of peaceful farm demonstrators. Nobody has a right to flout the law, or arbitrarily and indiscriminately destroy property, either public or private.

But the American farmers have come to town to exercise a basic, fundamental right, and they are doing so. They are saying to America that despite what the President said in his state of the Union address about a 25-percent increase in farm income in 1978, and despite the Secretary of Agriculture's statements about an increase of 40 percent—I do not know who is right; there is a 15-percent spread between them—they are saying:

> Despite those statements, all our life savings and everything we own are going down the tube, because of the bankrupt agricultural policies of this country.

It is just that simple.

I can name you one commodity raised in my State which is fairly profitable right now. That is soybeans, which are selling for about $7.50 a bushel. These farmers are not asking for subsidies. They are willing to accept a 50-percent set-aside if it will give them 90 percent of parity. All they want is an opportunity to produce and be rewarded for their labor.

The Farmers Home Administration in my State is making almost every farm loan that is made these days, because the bankers cannot get a financial statement adequate enough to make a farm loan. The bankers in my State made all the farm loans until about 2 years ago, but today the Farmers Home Administration is making many of them; and the old rule that you cannot get a loan from the Farmers Home Administration unless you have been turned down everywhere else is now in full play, and many farmers are going to the Farmers Home Administration.

Mr. President, there is not a developed nation in this world that does not do more for its farmers than the United States does, and there is not a farmer in the world who is more efficient than the American farmer is. Yet what is this Agriculture Department, that says the American farmer is greedy and seeking publicity, what are they doing in their official policies? I will tell you what they are doing in my State. They will loan a rice farmer $110 to $130 an acre to make a crop, and in the next column the USDA says it will cost him between $330 and $340 an acre to make a rice crop.

Incidentally, rice right now—and we produce 40 percent of America's total production in my State—is selling at less than the $330 an acre they say it costs to produce it. Where is the greed of a farmer going out and working all year long to get back only a part of what it costs him to produce a crop?

Take cotton. The farmers of my State are losing money on cotton. They can make a bale to the acre, which used to be considered a great crop. Those farmers who made a bale to the acre had a 67-cents-a-pound cost of production, according to the agricultural statistics, and last year cotton sold for 57 cents a pound, a 10-cent differential under the cost of production. Is that greedy?

Take the wheat farmer. I went out to North Dakota and made a great speech—it was a stem-winder—for Jimmy Carter, who at that time was a candidate for President. I told the wheat farmers out there, at the instance of that campaign committee—that was in 1976—that if elected President, he would see that they got at least the cost of production. Well, do you know what the target price, which is generally conceded to be the cost of production, is on wheat right now? $3.40; and wheat is selling for $3.07 right now.

We export these commodities, and bring the farmers in periodically, pat them on the head, and say, "You are the backbone of America; we couldn't make it without you," and we praise the American farmer, and say, "Isn't he great, the family farmer?"

That is what these people are that we have in town now, family farmers. They want their sons to follow in their footsteps, and they are not going to survive long enough to even get their sons through school. Is that greedy?

Mr. President, we depend on the American farmers to curb inflation. We ask them to export, and help us solve our trade deficit problems. Last year they produced $100 billion worth of goods, and we exported about $28 billion of it. If we had not done so, our trade deficit would have been $56 billion instead of $28 billion. They do a great job.

But a combine—and I guarantee you this is a fact—a combine that cost $40,000 on November 1, 1978, will cost you $70,000 on February 1, 1979.

Where are the President's big inflation fighters? They say, "Well, the cost of soybeans is up to about $5.50 or $6 a year."

How do you square that with a 30-percent increase in the price of one piece of equipment?

Mr. President, this bill I am introducing is probably not going to pass. We had about 20 to 30 cosponsors last year, but Bob Bergland does not like it and the President does not like it and that, of course, means it will not pass. But it is a bill that is a good solution to the problem because it does not subsidize the farmer for anything. It will not cost the U.S. Government as much as the 1977 Farm Bill. What it does is allow the farmer to borrow enough money based on an average cost of production to put in his crop. It does not let the Secretary decide what that cost of production would be. There would be an independent 21-person board, 6 of whom would be from labor and consumer groups. They make projections on what the demand for any commodity will be in the ensuing year and there will be a mandatory set-aside of the farmer's land to make sure we do not produce any more than that.

The farmers are willing to accept set-asides and they are willing to take their chances. They would not be getting 80 percent of parity, 90 percent, or any guaranteed percentage of parity in this bill. All he would have to do is to set aside a portion of his crop which he knew was going to be excess.

Mr. President, when we sell the Common Market wheat for $3.07 a bushel they turn right around and sell it to their own people for $7 a bushel.

I made a speech at the University of Zurich in Switzerland last October. I was sitting at a table with a bunch of bankers after the speech. They were all upset because the biggest item in the Swiss budget last year and this year is agriculture subsidies. They pay their wheat farmers $8 a bushel in Switzerland, and we act like we are doing farmers a big favor by setting a target price of $3.40.

Mr. President, I have heard the administration say that net farm income is up this year 30 to 40 percent. I have yet to understand where they got those numbers—they certainly did not come out of the State of Arkansas. In my State, and in many States across this country, the farmers are struggling to preserve their way of life. And it is little wonder why they feel threatened: Farm prices for most commodities such as corn, wheat, cotton, and rice, still do not cover costs; prices farmers must pay for machinery, fertilizer and other inputs are skyrocketing; Government regulations hamper their operation; and the administration, which pledged to support crops at cost of production levels has become increasingly insensitive.

The farmers have returned to Washington this month with an even greater sense of desperation than we saw last year. Many of them came at great personal sacrifice—many were financed by friends from home. They do not want to be here pleading for help from this Congress. They want to go home. But they cannot. They cannot leave us alone because they cannot plant, cannot harvest, and cannot produce at today's prices. They must have relief.

In addition, farm debt continues to climb at a staggering rate. The farm debt at the end of 1978 was $136 billion—compare that to the increase in farm income of $7 billion which USDA boasts about. The Farmers Home Administration, which only loans to farmers who cannot obtain credit elsewhere, is inundated and bankers say they can make few farm loans, because financial statements are just too inadequate.

The American farmers are not asking for a Government handout nor for a guaranteed profit. They are simply asking for the ability to obtain a fair and reasonable price for the products which they grow so efficiently. Farming is still the greatest risk venture in America today. Our farmers are willing to take those risks. They ask, however, that they no longer be forced to subsidize the American public by receiving less for their crops than it costs to produce them. They no longer want their family and assets to be sacrificed for a policy of cheap food.

In order to remedy this situation some hard commitments must be made. We must commit ourselves to preserve the world's most efficient agricultural producer—the family farmer. We must do all in our power to save that segment of men and women in this country who are the backbone not only of our existence but also the existence of countries who are dependent on our food for their survival.

There are some steps we can take to remedy this situation. We have a farm bill currently which, if implemented to the level which Congress intended could solve many of these problems. I am not speaking about raising all loan levels to 90 percent of parity—but I am advocating an increase in loan levels to at least the USDA's own average cost of production figures. The Administration has the authority to take those steps now. Unfortunately, for our farmers and our country, Secretary Bergland and the Administration have been very insensitive to the farmer's plight.

For that reason, I am introducing today the Consumer and Agricultural Protection Act of 1979. This is a comprehensive farm bill—a vehicle which the Congress can use to strengthen the agricultural economy and provide farmers with a voice in the decisions which affect their livelihoods. This bill provides for a commonsense approach to the problem, a rational approach—one that does not raid the Federal Treasury, one that does not rip off the consumer, but one which will allow the farmer some hope of providing for himself and his family.

This bill has three major components: Long term non-recourse loans based on cost of production prices, mandatory production adjustments, and a National Board of Agricultural Governors.

This last component, the Board would be composed of 21 members; 15 will be agricultural producers and 6 will be representatives of organized labor, consumers, and business. This Board would advise with the Secretary of Agriculture and would be charged with the responsibility of determining what the actual cost of each commodity is each year. Commodities covered by the bill include wheat, corn, grain, sorghum, barley, oats, rice, soybeans, cotton and sugar. The cost of production prices established by the Board would be used as a basis for both guaranteed and direct loans to producers.

Commodities could be added to or eliminated from the program through produce referendums. Because loan rates will in all likelihood be higher under this legislation, the Secretary would be required to announce production adjustments for commodities where supply would be excessive. Mandatory set-asides would be applied equally to all producers.

In addition, a "National Commodity Reserve" would be established for storable commodities. Producers could enter their crops into this reserve for a period of 3 years. A commodity could be removed from reserve if the Secretary determined that insufficient quantities of that were being offered for sale, but only if the market price for the commodity was above the cost of production.

These are the essential ingredients of this bill. It is a bill which can meet the most stringent demands of consumers and can provide the relief we are talking about. I hope the bill will be referred to the Committee on Agriculture, Nutrition and Forestry and that they will treat it with the urgency it needs, deserves and literally demands, if we are going to save the family farmers in this country.

Mr. President, I wanted to get some of this off my chest. I know it may not be the most popular thing for me to do. I know the American people have been watching this on television. I know that people are tired of high grocery prices. That is another story. You could double the prices of every commodity I have mentioned and it would not raise grocery prices a half of 1 percent. That is the biggest hoax that has been put over on the American people. Maybe the people who raise asparagus had a 40-percent increase last year, or the people who raise lettuce and cauliflower.

The farmers who produce the commodities that are the backbone of this country and keep us from having even more inflation than we already have, the cotton, the rice, the soybeans, the corn, the wheat producers who produce about 80 percent of the value of the American agricultural products, I am telling you they are not going to make it. You are not only going to see the American small farmer disappear, but you are going to see the agribusiness of this country and of other countries who are buying significant quantities of land in this country accelerate their purchases. In the long run I believe that 10 years from now I can come on this floor, provided I am here, and say, "I told you so."

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I yield to the Senator from Arkansas.

Mr. PRYOR. I am deeply appreciative of the Senator yielding to me at this time.

I commend my colleague from Arkansas, Senator Bumpers, for the introduction of this particular piece of legislation. I would also like to say that I am proud to be with him as a cosponsor of this legislation which last year became known as Senate 2626. It was then known as the Bumpers-Hodges bill. I think it strikes at the heart of the matter that we are about, and comes to grips with some of the problems that we are facing today in agriculture, especially as it relates to the American farm family, those farm families who are going to be an extinct breed of our population unless something is done quickly.

Despite what Secretary of Agriculture Bergland said yesterday, there is no question about the severity of the problem and the critical status of American agriculture.

Mr. President, it is with great pleasure that I join with Senator Bumpers in sponsoring the Consumer and Agricultural Protection Act of 1979. It is my belief that this bill marks a new era of commitment to the family farmers of our country. This bill is a fair bill. It is a farmer-drawn bill. It is a bill not designed to subsidize the American farmer, but to seek in a comprehensive way what the farmers deserve—a fair return in the marketplace.

There is no question about the severity of the problem in American agriculture. Farmers have been going out of business at the rate of 2,000 farmers a week. Real net cash income in 1978 was 25 percent lower than in 1973. The family farm is threatened with extinction. Today 5 percent of the farms in America control 50 percent of the farm products in our country. Now is the time for us in the Congress to take action to save the backbone of our socioeconomic system—the family farmer of America.

For the past few years the farmer has seen his debt rise to record levels as he finds it increasingly difficult to recover even his cost of production. From the period of 1973 through 1977, the commodity prices actually declined 5 percent while the cost of farmer inputs went up 23 percent. This bill seeks to remedy that situation by establishing price protection for the farmer at the cost of production.

Mr. President, the farmer in America feels totally out of touch with his Government and with the Department of Agriculture, which President Lincoln called the people's department. I think they felt a little more out of touch with the Department of Agriculture after yesterday's statement by the Secretary of Agriculture indicating that basically the people who were here in Washington during this week for this demonstration were greedy, and that there were really no real problems in American agriculture.

I was saddened and I was shocked and I was very disappointed to read and to hear the statement. I hope that he will retract this particular statement that he made because, if he made it, I am certain that he made it after a very bad amount of information was passed on to him.

To remedy this particular situation, to allow the American farm family to once again gain contact with the Secretary of Agriculture within the Department of Agriculture, this bill proposes the creation of a farmer board to advise the Secretary of Agriculture. Mr. President, no one needs advice more today in agricultural matters than the Secretary of Agriculture. He needs advice from the grassroots level, not necessarily from the corporate farms, but from the farm families of America.

Through actual experience, as producing farmers, these representatives, who will comprise this board, can provide an invaluable resource in the preparation of realistic cost of production estimates and in the implementation of this act.

Since 1973, 87 percent of the increase in consumer expenditures for U.S. farm food has been caused by higher food marketing charges.

This alarming statistic reveals that despite the continuous rise in food prices, the farmer's share of the food dollar is steadily eroding. In order to get the farmer back into a position of getting a fair price for his product, this act will provide meaningful long-term loan provisions coupled with a national commodity reserve which will function to free the farmer from much of his vulnerability in the marketplace.

At the same time, the act will assure a fair price to the consumer through the implementation of mandatory release prices for commodities under loans. As overproduction continues to plague the American farmer, the production management feature of the act will bring farm products back in line with consumer demand.

Consumers have been devastated by food prices that spiral upward as farmers see their real incomes plunge to levels where their families cannot even enjoy a decent standard of living. America is looking to Congress to come forward with a workable plan of action. This act offers us an opportunity to salvage the family farm and to protect the American people from the growing menace of higher food prices.

It is my firm conviction that the family farm has been, is now, and must be in the future, the assurance to the American consumer that food will always be plentiful at a fair price.

Also, Mr. President, I ask unanimous consent that a statement from an Arkansas farmer relative to the increase of diesel fuel prices, minimum wage costs, social security costs, interest rates; and the price of fertilizer, herbicides and seed also be printed in the Record. These do not include the increases in the costly equipment farmers must have to produce our food and fiber.

There being no objection, the information was ordered to be printed in the Record, as follows:

The price farmers get for cotton, and other crops is certainly not keeping up with the rising costs of production. Here are a few examples of price increases for this year:

Diesel—Up 8 cents gallon.

Labor—Minimum wage is up to $2.90 an hour (was $2.65).

Social Security—Up to 12.26% from 12.10%.

Interest Rates—Will be up 1 to 2%.

Fertilizer—Up 5 to 10%, maybe more.

Herbicides—5 to 10%, maybe more.

Example: MSMA $3.20 last year; $3.65 now. $4.25 by crop time.

Seed—Cotton seed is already up $50 a ton, and by crop time it will probably be up more.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Without objection, morning business will be extended for 1 additional hour.

The Senator from South Carolina.

THE FARM SITUATION

Mr. THURMOND. Mr. President, I will yield to the Senator from Colorado in a few minutes, but I want to take several minutes to discuss the farm situation.

To begin, I want to say that I know of no segment of our population in America today which contributes more, and receives less for their efforts, than our farmers. There is talk about farmers making a lot of money, but I want to say that last year we had an inflation rate of 9 percent. The prices of farm products did not go up in proportion to this inflation rate.

Everything the farmer buys has gone up. Machinery has gone up, in some cases, 700 percent in the last 5 or 10 years. The clothes they buy are up; electricity costs are up. In the last year, for instance, electricity increased 8 percent. Insecticides increased 8 percent, herbicides increased 10 percent, and tractors about 11 percent in 1 year. The farmer just cannot stay in business unless something is done to bring him relief.

It is not a matter of being sympathetic to the farmer, it is a matter of whether we are going to permit him to stay in business. He cannot continue in the business of farming unless something is done to alleviate this situation. I have talked to farmers and I know. I have been out in the fields, I have been on the farms, and I have been in close touch with the people of my State—the business people, the farmers, the textile workers, and others. There is no segment of the population, I repeat, that is harder hit today than the farmers.

The USDA has stated that farm income increased last year. It did go up last year, but we must not forget that the farm debt went up, too. In 1977, the farm debt reached a level of over $102 billion. In 1978, it went up again to over $120 billion. In 1979, as of January 1, farm debt had climbed to almost $136 billion.

The farmers have stayed in business mainly, in the last few years, because the price of land has gone up. This permitted farmers to do one of two things: Either sell off some land to stay in business; or borrow on the value of their land which has increased due to inflation. But just the business of farming itself has not been profitable.

Clemson University, in my State, has made studies on the cost of producing crops. The university has found that it costs a farmer more to produce an acre of cotton than he gets for the cotton. The same thing has been found with corn and wheat. This cannot continue.

I think the time has come when the American people have to realize that if they do not want corporation farms, they must help the family farmer. The time has come when we must face this issue: Shall we pay more for food in the future by depriving the farmer now from making a living. That is why he is in the farming business. He is farming to make a living.

Corporation farms would be formed for the primary purpose of making a profit. There is a big difference there. Corporations go into business for a profit. If they enter the business of farming and if that is the only resource that is left to the American people. I tell you now, the consumers of this country are going to rue the day. They are going to regret it, because food prices then are going to jump high and the American people will pay much more for their food than they are paying today when the individual farmer produces it.

So, Mr. President, it is my hope that Congress will take steps to help the farmers. The Congress is helping the American people when they help these farmers. It is my sincere hope that this will not be delayed, because a lot of these farmers will be forced out of business if this matter continues much longer.

Mr. President, on another subject, Senator KENNEDY has a matter he wants to take up at this time and I will follow him with a few remarks.

JURISDICTION OF LEGISLATION AFFECTING THE ANTITRUST IMMUNITY IN THE INTERSTATE COMMERCE ACT—PART II

Mr. KENNEDY. I thank the Senator from South Carolina.

Mr. President, earlier in the afternoon, members of the Commerce Committee brought to the attention of the Senate the case for Commerce Committee consideration of legislation which I intend to offer that would reapply the Clayton Act to the motor carriers of this country. Members of the Committee on Commerce spoke about the appropriate jurisdiction for that measure. There were some who actually suggested that there was an effort by the Committee on the Judiciary to interfere with the legislative interests, concerns and jurisdiction of the Committee on Commerce.

Clearly, the legislation which I intend to introduce would be found by the Parliamentarian, based upon the rules of the U.S. Senate, to be an appropriate measure for consideration by the Committee on the Judiciary. It seems that the judgment of the Parliamentarian, who rules on these measures dispassionately, on the basis of the rules and precedents of the Senate, would be a wise one if there must be a referral to only one committee.

It seems to me that the discussion earlier today really failed to meet the central issue. The bill which would restore the effectiveness of the Clayton Act in the trucking industry is not solely an antitrust bill, nor is it solely a truck regulation bill. The interest of those of us on the Judiciary Committee was to try to work out some opportunity for the members of the Committee on Commerce to consider that measure and also to permit the members of the Judiciary Committee to consider that measure and, ultimately, to permit the Senate to make a final judgment.

Mr. President, we should not really lose sight of what we are talking about when we talk about the application of the Clayton Act to the activities of motor carriers. Without the antitrust exemption provided by the Reed-Bulwinkle Act of 1948, an exemption which permits motor carriers to fix freight rates that are going to be passed on to consumers in the form of higher prices—if that action were to be taken in any other industry of this country, those who were part of such an agreement, a part of such price fixing, would be sent to jail—imprisoned—under the laws of this Nation.

What happened, Mr. President—and I shall review the history very briefly—was that an antitrust exemption was created to permit those who participate in motor rate bureau decisionmaking to be immune from the operation at the Clayton Antitrust Act. In 1935, Mr. President, the motor carrier provisions of the Interstate Commerce Act were established. Motor rate bureaus also got started around that time, but with no right to fix prices. During the thirties, some motor rate bureaus were involved in price fixing. Those activities were challenged by the Antitrust Division of the Department of Justice, and there were findings that there had been violations of the antitrust laws.

During World War II, the Chairman of the War Production Board granted an exemption from the antitrust laws to motor carriers to permit them to enter into price-fixing agreements. At the end of World War II, that exemption from the antitrust laws ended. But still, a number of the motor rate bureaus went ahead and fixed prices.

A series of prosecutions followed.

Those cases were appealed until finally the Supreme Court indicated in Georgia against Pennsylvania Railroad Co. that carriers who fixed prices were clearly in violation of the Clayton Act and other antitrust laws.

Following that decision, a legislative recommendation was made to the House of Representatives and to the Senate of the United States in 1945 in the form of an amendment, not to the antitrust laws—which clearly would have put this issue before the Judiciary Committee—but to the Interstate Commerce Act. The legislative history is quite clear that this was done in an attempt to circumvent the House Judiciary Committee.

Hearings were held during the next few years, and the antitrust exemption was finally passed in 1948. It was then vetoed by President Truman, but overridden by the 80th Congress.

The reasons for President Truman's veto are compelling, and I ask that his veto message be included in my extended remarks. President Truman recognized the separation between the regulation of the motor carrier industry and the operation of the antitrust exemption, and this is spelled out in his veto message.

There are those that have suggested that it is virtually impossible to consider motor carrier regulation on the one hand, and elimination of the antitrust immunity on tht other. Harry Truman understood that this could be done. Harry Truman, in his statement to the Congress of the United States, well understood this, and the history for the trucking industry for the period of the 1930's and most of the 1940's—when there was no immunity—reflects this as well. That, Mr. President, is the issue that will be before the Senate.

It seemed to me, Mr. President, and to other members of the Judiciary Committee that it was a reasonable request on our part to ask the appropriate members of the Commerce Committee for the kind of joint jurisdictional reference which was utilized in the last Congress over 100 times—over 100 times, and I will include those instances as part of the RECORD. In instance after instance, particular measures were sent not just to one committee, but in some cases to two committees, and in some instances three committees for consideration. This was done in recognition of the fact that, if agreement on joint referral was not reached, the Parliamentarian would have to rule in favor of one committee over another.

Twenty-four of these bills involved the Commerce Committee itself in joint jurisdiction. It seems to the members of the Judiciary Committee that joint referral would be the appropriate method for consideration of this issue as well. Especially in light of the fact that, according to the Senate Parliamentarian, this is primarily a Judiciary Committee issue.

The fact remains, Mr. President, when we are talking about this particular issue—the ability of motor carriers to fix prices—we are talking not about regulation, but about private action by American industry. Not regulation, but price fixing by firms in an American industry.

The rules of the Senate, on page 30 of the little yellow book that was referred to earlier today, point out that Commerce Committee jurisdiction is over regulation—regulation—of interstate common carriers, including railroads, buses, and trucks.

The Committee on the Judiciary's jurisdiction is described on page 38 of that book: "protection of trade and commerce against unlawful restraints and monopolies * * *" That should be emphasized: Trade and commerce * * * unlawful restraints and monopolies.

Price fixing, Mr. President, falls clearly within the definition of unlawful restraints and monopolies.

Mr. President, over the period of these past days, I have talked to the chairman of the Commerce Committee, the majority leader, and to others, in the hope that this might be an issue in which the Democratic Caucus, the members of our party, might have some interest.

We have had some difficulty in arranging an appropriate time for such a discussion, and now we find ourselves in the midpart of the week prior to the recess having to respond to sudden allegations on the Senate floor. However, it is still my hope that we will be able to work out an appropriate accommodation of the legitimate interests of these two committees.

I would point out, Mr. President, there is no claim by the Judiciary Committee to nonantitrust issues of truck regulation. Those are properly within the jurisdiction of Commerce Committee. We understand that. We respect that. But we must recognize that we are talking here about a different issue. We are talking about price fixing by trucking firms.

Second, Mr. President, in reference to earlier statements made by my friend and colleague, the Senator from Illinois, regarding Senate Resolution 4, it is quite clear that these have little relevance to this jurisdictional issue.

To suggest to the Senate that the passage of Senate Resolution 4 in some way affects or impacts this jurisdictional issue is not a fair representation, considering the specific language and the specific references which the resolution itself provides.

Senate Resolution 4 is retained from the existing Committee on the Judiciary's jurisdiction the protection of trade and commerce from unlawful restraints and monopolies, and other items. It is virtually without any change or alteration from the previous rule, and there was no discussion about any intended changes in the debates surrounding enactment of that resolution.

So, Mr. President, I welcome the opportunity to make these comments.

Mr. President, earlier today the distinguished chairman of the Senate Commerce Committee and several members of that Committee took the floor to challenge the jurisdiction of the Senate Judiciary Committee over proposed legislation to end an exemption in the antitrust laws that permits the motor carrier industry to engage in price-fixing activities for the interstate shipment of goods.

This legislation is simple and straightforward. It would repeal an exemption to the antitrust laws. It would not affect the Federal regulatory system governing motor carriers, nor would it affect the authority of the Interstate Commerce Commission to regulate rates, mergers, or entry into the motor carrier industry.

I have been advised by the Parliamentarian that this legislation is within the jurisdiction of the Judiciary Committee and would be referred to that committee. The Commerce Committee has stated that it intends to challenge that ruling.

I understand and respect Senator CANNON's desire to protect the jurisdiction of his committee. As he stated, the Commerce Committee did act in reporting out the airline deregulation bill in the last session of Congress. It does have an impressive record in dealing with regulation of various segments of our economy.

Nevertheless, it remains a fact that the Senate Judiciary Committee has jurisdiction over the antitrust laws. The proposed legislation deals only with antitrust matters. It is not designed to infringe upon the rights of the Commerce Committee to deal with other aspects of the motor carrier industry.

Mr. President, I announced my intention to introduce this bill on January 22. The reason I have delayed in introducing it on the floor was that I had hoped that we could resolve the jurisdiction dispute without having to have it come to a vote on the floor of the Senate. I am still hopeful that we can come to such an agreement.

In the meantime, I would hope that my colleagues would take the time to examine the following summary of the jurisdictional dispute and outline of the reasons that the bill should be referred to the Judiciary Committee.

BACKGROUND

First. The central issue is price fixing: What has been the effect of its legalization in the trucking industry? Should the full force of the antitrust laws be brought to bear? It is not transportation regulation. It is entirely separable from it and complete unto itself.

Rule 26 states that jurisdictional controversies "shall be decided by the presiding officer of the Senate in favor of the Committee which has jurisdiction over the subject matter which predominates in the proposed legislation." This is why the Parliamentarian has indicated that Judiciary should have jurisdiction.

Second. That this is an antitrust issue was well understood even at the time the Reed-Bulwinkle Act was passed in 1948. Truman vetoed the bill because it was "inconsistent" with the "vigorous antimonopoly program" he had "repeatedly urged upon the Congress."

Third. That the debate was over competition policy and not transportation issues can be found in another portion of Truman's veto message, where he said:

> My disapproval of this bill does not signify opposition to carrier associations as such, or to all of their present functions. Many of their activities are useful and desirable. However, this legislation is not necessary for the continuation of such activities.

Truman understood, as we continue to argue, that many of the things rate bureaus do—collecting and disseminating industry information, publishing tariffs for carrier members, facilitating joint negotiations on rates by carriers who are actually involved in the freight movements under discussion—are legal under the antitrust laws and could continue without antitrust immunity.

Fourth. Rate bureaus existed long before there was antitrust immunity. Railroads used them even before the Interstate Commerce Act was passed in 1887. Justice successfully prosecuted rate bureaus for price fixing when they did so (for example, the Trans-Missouri Freight Association case in 1897).

Fifth. ICC regulations were extended to motor carriers in 1935. Widespread use of rate bureaus to fix prices promoted intensified prosecutions by Justice, beginning in 1940. Justice investigated a rate bureau in Denver for fixing high prices on rates for movement of war materials in 1942. Another large investigation was begun in the Midwest.

Sixth. Antitrust prosecutions and investigations were halted by a certificate issued by the Chairman of the War Production Board in March 1943,[1] pursuant to the Emergency ICC Powers Act, which legalized price-fixing by rate conferences. This order was the basis of the Reed-Bulwinkle Act.

Justice opposed the issuance of the order, for reasons it still argues today:

Rate bureaus effectively deny or discourage independent rates;

Meetings are closed to the public;

Small and large carriers have grossly unequal representation;

Shippers get to make arguments for lower rates only as a matter of courtesy, not as a matter of right, and

Rate bureaus can protest independently set rates.

Justice intensified its prosecutions, with two rate bureau indictments in 1944. Congressman Bulwinkle introduced a bill to legalize rate conferences in 1944, and again in 1945—amended by Congressman Reed.

Seventh. In 1945, the State of Georgia sued 20 eastern railroads, parens patriae, for conspiring to fix rates which discriminated against Georgia. (Georgia against Pennsylvania Railroad Co.) The Supreme Court, in an opinion by Justice Douglas, held that the ICC had no authority to grant antitrust immunity for rate bureau agreements.

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[1] Certificate No. 44, issued pursuant to Public Law 77–63.

Eighth. After lengthy hearings, Congress finally enacted Reed-Bulwinkle in 1948.

Ninth. Pressure for repeal continued:

President Kennedy emphasized the need for increased reliance on competitive forces in his Transportation Message of 1962. He stressed the need for more independent ratemaking.

Ralph Nader attacked rate bureaus and ICC regulation in a 1970 report.

DOT (Secretary John Volpe) recommended repeal of Reed-Bulwinkle in 1971 (Transportation Regulatory Modernization Act) saying: "Rate bureaus and associations have a retarding effect on carrier pricing and service."

DOT drafted legislation in 1974 to curtail—not abolish—the immunity. (Transportation Improvement Act of 1974), and

President Ford proposed comprehensive reform of motor carrier regulation—including repeal of Reed-Bulwinkle—in the "Motor Carrier Regulatory Reform Act of 1976."

REASONS FOR JUDICIARY JURISDICTION

Tenth. Price fixing by trucking companies means that shippers—and ultimately consumers—pay higher prices than they would if there were price competition. Collusion in pricing among independent, competing businesses always produces agreements at rate levels higher than many firms would be willing to charge. Businessmen are often tempted to cooperate with each other in pricing, because collusion is always easier and surer than competition.

Eleventh. Antitrust Subcommittee conducted extensive investigative hearings during last Congress to see if this was the case in trucking. Twelve days of hearings indicated that collusion in ratemaking has produced rate levels which could not be maintained if there were real price competition in this industry. Estimates run as high as $2 billion in excess charges. Large carriers dominate rate bureaus, and large shippers can get special rate discounts. There is little incentive to price independently.

Twelfth. We have no objection to joint referral, but the argument that Judiciary has no jurisdictional interest in this legislation is absurd:

The Sherman and Clayton Acts are the bedrock of national antitrust policy. Amendments to them affect the integrity of that policy. Judiciary must have a say in whether immunities are granted, and it must play a role in determining whether immunity already granted operates in the public interest.

Under the Senate rules, Judiciary has jurisdiction over "protection of trade against unlawful restraints and monopolies." This includes business practices which either are or ought to be illegal under the antitrust laws.

Thirteenth. The fact that the original Reed-Bulwinkle legislation was considered and reported by Commerce is of no significance. Judiciary did not have an antitrust subcommittee until 1951, and was not as active in the antitrust area as it should have been. Moreover, Reed-Bulwinkle was drafted so as to avoid the Judiciary Committee. Although it amended the Sherman and Clayton Acts, it did so indirectly—by amending the Interstate Commerce Act to amend the antitrust laws.

Fourteenth. It would be entirely appropriate for Judiciary to recommend repeal of legislation which originated with Commerce. The most recent precedent for this is the repeal of the McGuire Act (which had granted Federal antitrust immunity to marketing agreements legal under State law). That act was drafted as an amendment to the FTC Act to amend the Sherman and Clayton Acts, and thus was reported by Commerce in 1952. But the repeal legislation—which terminated the immunity—was reported by Judiciary in 1974.

Fifteenth. Senator STEVENSON suggested this morning that Senate Resolution 4, last Congress settled all outstanding issues relating to committee jurisdictions and that bills affecting transportation clearly belong to Commerce.

However: First, the issue here is not transporation or regulation; it is antitrust.

Second, Senate Committee reorganization proposals adopted in 1977 coordinated certain aspects of committee jurisdiction, but left numerous areas in which two or more committees have jurisdiction over broad policy areas: That is, energy, health care, transportation.

Third, antitrust policy in transportation was never an issue in committee reorganization. It was not settled or even argued one way or the other.

Mr. President, I ask unanimous consent to have printed in the RECORD a list of jointly referred bills in the 95th Congress, together with other items which illustrate the issues to this debate.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

140 BILLS JOINTLY REFERRED IN THE 95TH CONGRESS (1977–78)

(24 bills involving Commerce Committee)

Bill and sponsor, title, and committees

S. 8: Dole; Amend the Watershed Protection and Flood Prevention Act; Agriculture, Environment.

S. 24: Inouye; Authorize the widows of certain former members of the armed forces of the United States to use the services and facilities of post exchanges and commissaries; Veterans, Armed Services.

S. 40: Helms; Job Opportunities and Economic Reform Act; Banking, Budget, Human Resources.

S. 121: Biden; Federal Oil Pollution Liability and Compensation Act; Commerce, Environment.

S. 161: Heinz; Bridge Safety Act; Finance, Environment.

S. 182: Kennedy; Federal Tanker Safety and Marine Anti-Pollution Act; Commerce, Environment.

S. 199: Griffin; Conservation Gas and Residential Insulation Credit Act; Finance, Energy.

S. 218: Hansen; Comprehensive Health Care Act; Finance, Human Resources.

S. 268: Leahy; Rural Energy Office Act; Agriculture, Banking, Commerce, Energy.

S. 270: Kennedy; Public Participation in Federal Agency Proceedings Act; Judiciary, Governmental Affairs, with instructions.

S. 277: Mathias; Promote economy, efficiency, and improved service in the financing, administration, and delivery of social welfare service provided for under Federal law; Finance, Human Resources.

S. 370: Javits; National health insurance for mothers and children act; Finance, Human Resources.

S. 383: Hathaway; Financial Disclosure Act; Judiciary, Governmental Affairs.

S. 407: Church; Provide that time spent by American civilians in enemy prisoner-of-war camps and similar places shall be creditable (as though it were military service) toward pensions, annuities, or similar benefits under various Federal retirement programs; Armed Services, Finance, Human Resources, Governmental Affairs.

S. 517: Nelson: Federal Employees Flexible and Compressed Work Schedules Act; Governmental Affairs, Human Resources.

S. 687: Magnuson; National Oil Pollution Liability and Compensation Act; Commerce, Environment.

S. 695: Proxmire; Defense Production Act Amendments; Governmental Affairs, Banking, with instructions.

S. 704: Heinz, Energy and Weather Emergency Adjustment Assistance Act; Small Business, Banking, Governmental Affairs, Human Resources.

S. 707: Johnston; Coal Pipeline Act; Commerce, Energy.

S. 790: Domenici; Inland Navigation Improvement Act; Commerce, Environment.

S. 794: Bayh; Juvenile Delinquency in the Schools Act; Judiciary, Human Resources.

S. 807: McIntyre; Small Business Energy Research Incentives Act; Energy, Small Business, with instructions.

S. 868: Case; Terminate the authorization for the Tocks Islands Reservoir Project as part of the Delaware River Basin project; Energy, Environment.

S. 891: Magnuson; Amend section 25 of the Deepwater Port Act of 1974 by providing a permanent authorization of appropriations; Commerce, Energy, Environment.

S. 897: Percy; Nuclear Non-Proliferation Act; Governmental Affairs, Foreign Relations, with instructions.

S. 901: Bentsen; Pension Simplification Act; Finance, Human Resources.

S. 923: Magnuson; Waterway User Charge Act; Commerce, Environment.

S. 962: Biden; Provide for the disposition of excess campaign contributions held by a defeated candidate for Federal elective office or a retired, resigned, or deceased holder of such office; Finance, Rules.

S. 1071: Hart; Comprehensive Maternal and Child Health Protection Act; Finance, Human Resources.

S. 1185: Magnuson; Interstate Horseracing Act; Commerce, Judiciary.

S. 1187: Magnuson; Comprehensive Oil Pollution Liability and Compensation Act; Commerce, Environment.

S. 1341: Stennis; ERDA Authorization Act—Joint Applications; Armed Services, Energy.

S. 1350: Pell; Amend the National Sea Grant Program Act; Human Resources, Commerce.

S. 1360: Church; Establish an Advisory Committee on Timber Sales Procedure; Agriculture, Energy.

S. 1391: Kennedy; Hospital Cost Containment Act; Finance, Human Resources.

S. 1419: Heinz; Emergency Rail Transportation Improvement and Employment Act; Human Resources, Commerce.

S. 1422: Bentsen; Exclude certain information in rape cases which relates to the victim's sexual behavior; Governmental Affairs, Judiciary.

S. 1432: Glenn; Nuclear Non-Proliferation Policy Act; Energy, Foreign Relations, Governmental Affairs, with instructions.

S. 1493: Hart; Energy Impact Assistance Act; Governmental Affairs, Environment.

S. 1691: Magnuson; Antarctic Conservation Act; Commerce, Foreign Relations, Environment.

S. 1734: Mathias; Amend the Employee Retirement Income Security Act of 1974 to encourage diversification of investment by retirement benefit fund managers; Finance, Human Resources.

S. 1745: McIntyre; ERISA Small Business Paperwork Reduction and Investment Act; Finance Human Resources.

S. 1758: Gravel; Energy Development Act; Energy, Finance, with instructions

S. 1820: Metcalf; Natural Diversity Act; Energy Environment.

S. 1686: Melcher; National Crude Oil Supply and Transportation Act; Commerce, Energy.

S. 1923: Roth; Amend the Consolidated Farm and Rural Development Act and Title V of the Housing Act of 1949 to authorize Federal assistance under such Acts with respect to the installation of solar heating and cooling devices in residential and farm structures; Agriculture, Banking.

S. 1950: Moynihan; Foreign Surveillance Prevention Act; Foreign Relations, Judiciary.

S. 1966: Anderson; National Employment Priorities Act; Banking, Finance, Human Resources.

S. 2003: Helms; International Financial Reform Amendments; Foreign Relations, Banking.

S. 2018: Curtis; A bill to amend section 514 (b) of the Employee Retirement Income Security Act of 1974 to restrict preemption of State law as it relates to employee welfare benefit plans; Human Resources, Finance.

S. 2019: Javits; Delay the effective date for mandatory coverage of multiemployer plans under title IV of the Employee Retirement Income Security Act of 1974; Human Resources, Finance.

S. 2053: Metcalf; Deep Seabed Mineral Resources Act; Commerce, Energy.

S. 2054: Metcalf; Amend the Federal Water Project Recreation Act, relating to the provision of uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water resource projects; Energy, Environment.

S. 2084: Moynihan; Better Jobs and Income Act; Finance, Human Resources.

S. 2085: Weicker; Transitional Deep Ocean Mining Act; Commerce, Environment, Foreign Relations, Energy.

S. 2125: Williams; Amend title IV of the Employee Retirement Income Security Act of 1974 to authorize the Pension Benefit Guaranty Corporation to extend, for not more than 18 months, the date on which the corporation first begins paying benefits under terminated multiemployer plans; Finance, Human Relations.

S. 2160: Moynihan; Amend the Employee Retirement Income Security Act of 1974 to provide additional time to study salary reduction and cash and deferred option profit-sharing plans; Finance, Human Resources.

S. 2161: Jackson; Regional Energy Development Act; Banking, Energy, Governmental Affairs.

S. 2168: Stevens; Deep Seabed Hard Mineral Resources Act; Energy, Commerce.

S. 2173: Mathias; Provide for Federal judicial review of the application of jurisdictional guidelines for the state taxation of interstate commerce and for the apportionment of interstate income among the states; Finance, Judiciary.

S. 2189: Mathias; Nuclear Waste Management Act; Governmental Affairs, Environment, Energy.

S. 2214: Williams; Relating to certain lotteries authorized under foreign law; Judiciary, Governmental Affairs.

S. 2279: McGovern; Defense Economic Adjustment Act; Governmental Affairs, Finance, Human Resources, Armed Services.

S. 2292: Packwood; Contract Disputes Act; Governmental Affairs, Judiciary.

S. 2346: Magnuson; Prevent Pollution From Ships; Commerce, Environment.

S. 2420: Sparkman; International Development Cooperation Act; Foreign Relations, Governmental Affairs, with instructions.

S. 2440: Bentsen; Highway Improvement Act; Finance, Environment.

S. 2490: Ribicoff; Regulatory Procedures Reform Act; Judiciary, Governmental Affairs, with instructions.

S. 2515: Hathaway; Require government contractors to establish and operate alcohol abuse and alcoholism programs and services; Human Resources, Governmental Affairs.

S. 2540: Riegle; Food Amendments Act; Commerce, Human Resources.

S. 2541: Cannon; Highway Safety Act; Commerce, Environment, with instructions.

S. 2676: Kennedy; Health Maintenance Organization Amendments; Finance, Human Resources.

S. 2693: Jackson; Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act; Armed Services, Energy.

S. 2737: McGovern; Provide for improved controls over the labeling and inspection of meat and meat food products; Agriculture, Finance.

S. 2750: Proxmire; Consolidated Banking Regulation Act; Banking, Governmental Affairs.

S. 2762: Gravel; National Aquaculture Organic Act; Agriculture, Commerce.

S. 2763: Bartlett; Improve the administration and fairness of provisions relating to employee benefit plans; Finance, Human Resources.

S. 2787: Chiles; Contract Disputes Act; Judiciary, Governmental Affairs.

S. 2862: Haskell; Regulatory Control Act; Governmental Affairs, Judiciary.

S. 2938: Pell; Improve the operations of the national sea grant program; Human Resources, Commerce.

S. 2995: Randolph; Union Station Improvement Act; Environment, Commerce.

S. 3003: Melcher; Amend the Rural Electrification Act of 1936, as amended, to provide for the financing of telecommunication facilities for cable television and other broadband services in small towns and rural areas; Agriculture, Commerce.

S. 3005: Metzenbaum; Citizens Right to Standing in Federal Courts Act; Governmental Affairs, Judiciary.

S. 3017: Williams; ERISA Improvements Act; Finance, Human Resources.

S. 3117: Kennedy; Nutritional Labeling Act; Commerce, Human Resources.

S. 3118: Kennedy; Smoking Deterrence Act; Environment, Finance, Commerce, Human Resources.

S. 3142: Hathaway; Pension Protection Act; Finance, Human Resources.

S. 3168: Dole; Amend the Congressional Budget Act of 1974 to limit increases in total Federal budget outlays and new budget authority to existing real dollar levels; Governmental affairs, Budget, with instructions.

S. 3178: Chiles; Contract Disputes Act; Governmental Affairs, Judiciary.

S. 3182: Talmadge; Amend the Employee Retirement Income Security Act of 1974 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church; Human Resources, Finance.

S. 3193: Bentsen; ERISA Paperwork Reduction Act; Finance, Human Resources.

S. 3200: Domenici; Congressional Budget and Impoundment Control Act Amendments; Budget, Governmental Affairs, with instructions.

S. 3209: Proxmire; State Community Conservation and Development Act; Governmental Affairs, Banking.

S. 3229: Glenn; Postal Service Amendments Act; Governmental Affairs, Commerce, with instructions.

S. 3230: Humphrey; Amend title 5 of the United States Code to provide that a former spouse of a Federal employee who had been married to such employee for ten years or more shall be entitled to a portion of such employee's annuity; Governmental Affairs, Foreign Relations.

S. 3277: Danforth; Small Communities Act; Budget, Governmental Affairs, with instructions.

S. 3309: Cranston; Indochina Migration and Refugee Assistance Amendments; Foreign Relations, Human Resources.

S. 3316: Anderson; Clarify the application of Revenue Ruling 69–502 and 76–259 to profit-sharing plans and defined benefit plans; Human Resources, Finance.

S. 3317: Bellmon; Provide for Health Warning Labels on alcoholic beverages and cigarettes; Human Resources, Commerce, Judiciary.

S. 3337: Chiles; Terminate, in the year 1979, further construction of the Cross-Florida Barge Canal project; adjust the boundary of the Ocala National Forest, Florida; Agriculture, Environment.

S. 3343: Percy; Reorganize and clarify the responsibilities of Federal agencies, Congress, and the States with respect to management of nuclear waste; Energy, Environment, Governmental Affairs.

S. 3403: Bellmon; National Student Loan Bank Act; Human Resources, Banking.

S. 3408: Inouye; National Aquaculture Policy Act; Agriculture, Commerce.

S. 3423: Brooke; Disaster Relief Amendment; Environment, Small Business.

S. 3531: Biden; Motor Vehicle Theft Prevention Act; Commerce.

S. 3552: Leahy; National Rural Development Bank Act; Banking, Agriculture.

S. 3597: Durkin; Comprehensive Liquefied Energy Gas Siting Safety and Liability Act; Energy, Commerce.

S. 3631: Kennedy; Direct the Secretary of the Treasury to prepare reports on certain loans advanced by domestic banks in countries the governments of which engage in gross violations of internationally recognized human rights; Foreign Relations, Banking.

[From the Public Papers of the Presidents of the United States, Harry S. Truman, January 1 to December 31, 1948]

Veto of Bill To Exempt Certain Carriers in Interstate Commerce From the Antitrust Laws, June 12, 1948

To the Senate:

I return herewith, without my approval, S. 110, a bill "To amend the Interstate Commerce Act with respect to certain agreements between carriers," because it would permit an important segment of the economy to obtain immunity from the antitrust laws, and would do so without providing adequate safeguards to protect the public interest.

This bill would authorize exemption from the antitrust laws for any carrier acting in concert with one or more competing carriers in the establishment of rates and related matters, if the Interstate Commerce Commission approves the procedural agreements under which such action would be taken. The Commission would be required to approve these agreements if it should find that exemption from the antitrust laws would be in "furtherance of the national transportation policy."

Under this bill private carrier associations and rate bureaus, free from the restraints of the antitrust laws, could exercise broad powers over most forms of domestic transportation, including railroads, trucks and busses, water carriers, pipelines, and freight forwarders. Carriers could agree privately among themselves upon the rates to be filed with, or withheld from, the Interstate Commerce Commission. Acting through these bureaus, groups of carriers could exercise a powerful deterrent influence upon the filing by an individual carrier of proposed rates which might benefit the public.

The exercise by private groups of this substantial control over the transportation industry involves serious potential harm to the public. Transportation rates affect the cost of goods as they move through each phase of production—from raw materials, through finished products, to the consumer. Power to control transportation rates is power to influence the competitive success or failure of other businesses. Legislation furthering the exercise of this power by private groups would clearly be contrary to the public interest.

My disapproval of this bill does not signify opposition to carrier associations as such, or to all of their present functions. Many of their activities are useful and desirable. However, this legislation is not necessary for the continuation of such activities.

No legislation giving a major industry immunity from the antitrust laws should be enacted unless adequate alternative safeguards are provided for the public interest. This measure fails to provide such safeguards. Even the limited safeguards incorporated in the bill as originally passed by the Senate are omitted from the bill in its present form. It would require the Interstate Commerce Commission to approve any agreement which it finds to be in "furtherance of the national transportation policy." This is a vague and general standard and is manifestly neither adequate nor appropriate as a criterion for waiving the protection afforded the public by the antitrust laws.

Furthermore, the Commission would be placed in the position of applying this general criterion to the basic procedural agreements without being able to foresee fully the nature and effect of the joint actions which would be taken thereunder. Nevertheless, the exemption from the antitrust laws would extend to these subsequent actions without the necessity of further Commission approval. It would extend, moreover, even beyond the parties to the basic agreement to any "other persons" who participate in such actions.

Even though transportation rates are subject to regulation by the Interstate Commerce Commission, the public interest nevertheless demands that the general national policy of maintaining competition continue to be applied to this industry. Our present transportation policy contemplates a pattern of partial regulation, within the framework of which the pressures of competition will remain substantially effective. Regulation cannot entirely replace these competitive pressures. It can guard against some of the potential abuses of monopoly power, but it cannot be an effective substitute for the affirmative stimulus toward improved service and lower rates which competition provides. By sanctioning rate control by groups of carriers, this legislation would represent a departure from the present transportation policy of regulated competition. This, I believe, would be a serious mistake, with far-reaching effects on our economy.

Antitrust cases are now before the courts challenging some of the very activities which would be covered by this bill. Pending judicial clarification of the issues raised in these proceedings, it would be inappropriate to provide the immunity proposed by this bill.

I have repeatedly urged upon the Congress the necessity for a vigorous antimonopoly program. This bill would be inconsistent with such a program.

For these compelling reasons, I find it necessary to withhold my approval from the measure.

HARRY S. TRUMAN.

NOTE.—On June 17 the Congress passed the bill over the President's veto. As enacted, S. 110 is Public Law 662, 80th Congress (62 Stat. 472).

[From the New York Times, Feb. 1, 1979]

TRAFFIC JAM ON TRUCK DEREGULATION

It has all the markings of petty Congressional politics—two powerful Senate committee chairmen, each demanding the right to draft legislation to increase competition in the trucking industry. But appearances deceive. The current contest for committee jurisdiction between Chairman Edward Kennedy of Judiciary and Chairman Howard Cannon of Commerce is the opening battle in a bloody Congressional war over the deregulation of trucking.

Senator Kennedy, following the advice of both liberal and conservative economists, wants to eliminate the antitrust exemption that allows truckers to set rates jointly. Barring price-fixing would not by itself guarantee competition—routes must also be opened to all—but it would be a notable first step. After notice from the Senate parliamentarian that jurisdiction would be granted to the friendly Judiciary Committee, Mr. Kennedy announced plans to press for legislation.

Senator Cannon, however, has other ideas. Arguing that Chairman Kennedy is empire-building, he insists that jurisdiction be granted to his Commerce Committee. The Senator from Nevada asks his colleagues to crush Judiciary's imperialism before their own domains fall to the Massachusetts aggressor.

Senator Cannon is under heavy pressure from the Teamsters and the trucking industry to block deregulation. If Commerce gets jurisdiction, he should be able to bottle up the deregulation challenge and never report out any bill. That would please the trucking industry and a large number of senators who would prefer to avoid a public stand on so controversial an issue.

The best hope for a fair hearing for deregulation this year lies in the swift intervention of Robert Byrd and Howard Baker, the Senate's majority and minority leaders. Under Senate rules, they alone have the right to propose a compromise that would let both committees hold hearings and write legislation. If they act now, it is likely that the Senate will have an opportunity to decide the question on the merits. If they don't, the reform effort is likely to be smothered, at least temporarily, leaving the $100-billion industry free to continue charging what the traffic will bear.

[From the Boston Globe, Jan. 29, 1979]

A COLLISION OVER TRUCKING

The public may get an early reading this year on exactly how committed the US Senate is to stemming inflation when that inflation benefits powerful private interests. The test would be posed by a vote on the question of whether the Senate Commerce Committee or the Senate Judiciary Committee receives jurisdiction over a bill to end the trucking industry's antitrust exemption. While the matter may seem technical, the Senate's decision could substantially influence the future of trucking deregulation—with its potential benefits for consumers.

The jurisdictional fight pits Sen. Edward M. Kennedy, chairman of the Judiciary Committee, against Sen. Howard Cannon, the Nevada Democrat who chairs the Commerce Committee. While Kennedy has expressed a willingness to support a "joint referral" to both Committees, Cannon has balked at this notion. The issue may come before the full Senate this week for resolution. And more is at stake than committee "turf."

Kennedy is a supporter of trucking deregulation; in fact, he is the author of the legislation ending the antitrust exemption at the center of current fight. Cannon says only that he has an open mind on the subject; the American Trucking Association and the Teamsters Union are lobbying the Senate furiously for referral of the bill to the Commerce Committee.

In a less political environment, the matter might be considered a parliamentary question. And in that regard, it is interesting to note that the Senate parliamentarian has ruled that the legislation should be sent to Kennedy's committee. And properly so. Other elements of comprehensive trucking deregulation—those involving Interstate Commerce Commission's regulation of routes and entry—are within the jurisdiction of the Commerce Committee. But the Kennedy legislation, which would overturn the current government sanction of private agreements between truckers on pricing, is clearly an antitrust measure.

It is true that the exemption to the antitrust statutes, enacted in 1948, was attached to the Commerce Act. But that was only an effort to end-run House Judiciary Committee chairman Emmanuel Cellar, who was opposed to such doings. And it is true that the Kennedy bill would affect a particular sector of commerce. But any antitrust legislation does that. And the Senate has given the Judiciary Committee responsibility for antitrust legislation no matter what sector of the economy it affects.

As the current parliamentary fight reveals, trucking deregulation will be a tough battle. The $30 billion industry is well organized. And both labor and management gain from the anticompetitive aspects of the business. Only the consumer loses. A decision by the Senate to refer the legislation exclusively to the Commerce Committee would not only violate common sense, it would be a sign that the Senate is not anxious to make the fight to restore competition to the trucking industry.

[From the Wall Street Journal, Jan. 30, 1979]

SENATE POWER STRUGGLE MAY DECIDE FATE OF ATTEMPT TO DEREGULATE TRUCK RATES

(By ALBERT R. HUNT)

WASHINGTON.—The outcome of a high-level Senate power struggle may decide the fate of legislation to deregulate truck rates.

On one side is the Commerce Committee, its chairman, Sen. Howard Cannon, (D., Nev.), and its ranking Republican, Sen. Bob Packwood of Oregon. On the other side are their counterparts on the Judiciary Committee, chairman Edward Kennedy (D., Mass.) and ranking Republican Strom Thurmond of South Carolina. Both sides are claiming jurisdiction over a proposal to end the joint setting of freight rates by truckers.

The issue goes well beyond mere personal or jurisdictional disputes. The Commerce Committee and Sen. Cannon are considered friendly to the trucking interests and unlikely to adopt any sweeping legislation. On the other hand, Sen. Kennedy and the Judiciary panel are considered hostile by the trucking industry and are likely to enact significant antitrust legislation in this area.

Thus, the trucking-industry lobbyists have been hard at work to keep the issue out of the Judiciary Committee's hands. Some of these trucking interests hope the deregulation legislation then would die a quiet death in the Commerce panel.

The issue probably won't be resolved until next week when the Senate parliamentarian is expected to rule with Sens. Kennedy and Thurmond. But unless a compromise is reached, the Commerce Committee leaders have indicated they'll take the unusual step of appealing this ruling to the full Senate, where a bitter contest would likely ensue.

"INTEGRITY" OF SYSTEM

In recent letters to all their Senate colleagues, both sides, in dire tones, warned that the issue touches on the "integrity" of the Senate committee system. The substantive issue of the legislation's fate was barely touched upon, although intensive lobbying efforts are marking that point.

In their letter, Sens. Cannon and Packwood said legislation introduced by Sen. Kennedy to end the antitrust exemption for setting truck rates would have a "profound impact upon the trucking industry" and "dramatically change the scope and nature" of the Interstate Commerce Commission. The truck lines must get permission from the ICC to put the rates into effect.

They further noted that the original 1948 bill, granting the truckers an antitrust exemption, was handled exclusively by the Commerce Committee. "It would be unprecedented for the legislation introduced by, considered by, and passed by one committee to be referred to an entirely different committee for its repeal," the senior Commerce Committee Senators insisted.

UNLIKELY DUO

In response, the unlikely political duo of Sens. Kennedy and Thurmond relied heavily on the anticipated favorable ruling of the Senate parliamentarian. The proposed legislation, they noted, "does nothing more than repeal the existing antitrust immunity for price-fixing for the motor-carrier industry," and cited other instances where antitrust legislation had been enacted by a separate committee and then repealed by the Judiciary panel.

Apart from the antitrust matters, the trucking-deregulation issue also entails the ICC's control of competitive routes and entry. Here, both sides agree the jurisdiction lies with the Commerce Committee. Sens. Kennedy and Thurmond said they even would be willing to let both committees consider the antitrust provisions.

But that, so far, is unacceptable to the Commerce Committee and the trucking industry. "Sen. Cannon wants sole jurisdiction and we're supporting that position," said John Kinnaird, the top lobbyist for the American Trucking Associations. Insisting that the industry doesn't want to kill any legislation, Mr. Kinnaird added, "The Commerce Committee has an open mind . . . also we think they have more expertise and the issue should be treated by people who know what is involved."

With the stakes high, Mr. Kinnaid acknowledged the truckers are going all-out to win this jurisdictional fight. "We've contacted about every Senator," he said. The industry fears the type of legislation Sen. Kennedy proposes and worries that if it goes to the Senate floor, it might build momentum for the other aspects of trucking deregulation.

The industry, with the quiet assistance of the Teamsters union, is politically powerful, as the truckers are generous financial contributors to political campaigns. But the other side has clout, too. Sen. Kennedy has forged a deregulation coalition, with membership ranging from the National Association of Manufacturers and the American Conservative Union to consumer activist Ralph Nader and Common Cause, the self-styled citizens lobby. The Kennedy bill also has the support of the Carter administration.

To some extent, the current feud is a replay of the struggle over airline deregulation. Although the antitrust issues were minor, Sen. Kennedy held a series of hearings, over Sen. Cannon's objections, to build pressure for airline deregulation. Sen. Cannon eventually relented and supported an airline bill, which passed Congress and was signed into law last year.

[From Time magazine, Feb. 5, 1979]

Trucking War—Deregulating the Highways

What cause could possibly unite Ralph Nader, Inflation Fighter Alfred Kahn, the National Association of Manufacturers and the American Conservative Union in enthusiastic support of Teddy Kennedy? Of all things, deregulation of the trucking industry, which is likely to ignite one of the hottest fights in Washington over the next year or two. Stealing a march on the Carter Administration, the Massachusetts Senator last week outlined a bill to repeal the antitrust exemption that for the past 30 years has enabled groups of truckers to get together and set freight rates. As new chairman of the Senate Judiciary Committee, Kennedy has jurisdiction over antitrust matters, and perceiving deregulation to be a popular cause, he is eager to lead it. Illustrating his consummate political showmanship, he managed to get Nader, Kahn and officials of the N.A.M. and A.C.U. to join in blessing his effort.

More than showmanship will be needed to strip away the cocoon of regulations that has kept the trucking industry insulated from competition. Kennedy's bill, which will be followed by one being drafted by the Carter Administration, is only one step in that campaign, a key part of the Administration's anti-inflation drive. Many regulations will have to be torn down by their creator, the once lethargic Interstate Commerce Commission.

The ICC will face far fiercer opposition than the Civil Aeronautic Board encountered when it carried out its successful deregulation of airfares last year. Alfred Kahn, as CAB chief, had to deal with only 26 airlines, and some of the biggest backed deregulation, judging correctly that lower fares would tempt more people to fly and actually increase their profits. The ICC must contend with 16,600 regulated truck lines—at least one in every congressional district, truckers like to point out—and most are united in the belief that lowering rates and letting new firms enter the business will not generate more cargo, but only cut profits for everybody. The Teamsters Union stridently opposes deregulation too; the 300,000 members covered by its master freight agreement have won fat wage and benefit increases that truck lines have been able to pass on to customers by posting rate hikes rubber-stamped by the ICC.

But under its new (since April 1977) chairman, A. Daniel O'Neal, 42, the ICC is now solidly for deregulation. A soft-voiced, informal lawyer (he wears shortsleeved shirts even in January) from Bremerton, Wash., O'Neal learned the ICC's operations as a consumer-minded staff member of the Senate Commerce Committee. He was named to the then eleven-member ICC (since reduced to six) by President Nixon in 1973, but it was not until Jimy Carter made him chairman that he drew a bead on the set of regulations that had almost stamped out price competition in trucking.

The ICC was given jurisdiction over trucking by Congress in 1935. During the next four decades the ICC proceeded to put trucking into the same straitjacket that it had fashioned for railroads. Truck routes were spelled out in minute detail. New lines were permitted to enter interstate trade only if they could prove they would provide a service that existing carriers could not. Thanks to an antitrust exemption granted by Congress in 1948, truckers have been allowed to set their own rates, and they have prospered greatly. Indeed, over the past eight years the eight largest truck lines have earned an average of more than 20 percent a year on shareholders' equity, a return higher than that enjoyed by the leading firms in such high-profit industries as oil refining, auto, drug and computer manufacturing.

O'Neal has been moving to dismantle this structure. The ICC has abolished a rule preventing companies that haul their own goods—Sears or Safeway, for example—from picking up cargo from other shippers. Partly because this rule forced company trucks to return empty from hauls between warehouse and factory or store, one of every ten truck-miles driven in the U.S. has been "deadheaded." O'Neal has further decreed that organizers of a new truck line need prove only that they will "serve a useful public purpose" to be allowed to operate. He has also scrapped an ancient ICC dictum that a line could contract to haul the goods of only eight shippers. This "rule of eight" froze many small shippers out of trucking contracts; truckers were reluctant to sign up a small shipper when they might get a bigger one.

Most important, the ICC last fall turned down a rate increase proposed by the southern trucking conference that would have allowed the lines involved a 23.96 percent annual profit on stockholders' equity, and approved one that will hold the return to 14.78 percent. Its reasoning: truckers should not get a return greater than the average for manufacturers. That ruling is still sending shock waves through the industry, and O'Neal expects a lawsuit over it. Undaunted, he wants to set maximum and minimum charges and within those limits allow truckers to post any rates dictated by competition.

That will require legislation—either Kennedy's bill or one that the ICC and the Administration are drafting—and it will be hard fought. Truckers contend rate freedom will lead to cuts that will bankrupt small lines, which will be gobbled up by big ones that will then raise rates higher than ever and cut off service to remote towns. A new truckers' lobby called ACT (for Assure Competitive Transportation) has circulated petitions calling for O'Neal's resignation, a demand that Teamsters President Frank Fitzsimmons echoed in a letter to President Carter in mid-January. But Wall Street seems persuaded that some form of deregulation is inevitable—many once high-rolling trucking stocks have fallen sharply—and indeed the American Trucking Association is defensively drafting its own, as yet extremely vague, deregulation plan.

Getting a deregulation bill through Congress may take three years. Prospects are brighter for a 1979 bill giving railroads more freedom to set rates; railmen are for it Interestingly, O'Neal doubts that rail deregulation will do much good. He fears that it would be used to hike rates, not cut them, and considers trucking deregulation more important. Since trucks haul just about everything that Americans buy or sell, he is probably right.

[From the Los Angeles Times, Jan. 31, 1979]

Rough Road, But in the Right One

For nearly a century, the federal government has regulated the carriers of the nation's freight—first the railroads, then the truckers—deciding who could carry cargo, who could not, and what price the shipper must pay.

Until recently, regulation was presented, and usually accepted, as a means of protecting shippers and consumers. In fact, freight regulation has been, from the start, part of a cartel—rigged against competition, with railroads and truckers fixing prices and the government making them official. Even shippers, for whom regulations mean higher freight rates, supported the system because it seemed to assure a stable freight network on which they could rely.

Now a long campaign by transportation economists, consumer groups and growing numbers of shippers has gathered enough support so that deregulation seems inevitable. The only question seems to be how long the powerful combination of truckers and teamsters can fight off the campaign in Congress.

Bills to relax federal controls of both railroad and trucking operations now are before Congress. Although giving railroads more freedom to set rates and decide whether traffic justifies maintaining services over some routes is controversial, it is not as explosive as the issue of trucking regulation.

Against the trucking lobby, deregulation might be hopeless except for the three factors: the successful deregulation of U.S. airlines last year, a recognition of the fact that high transportation costs feed inflation, and a spreading revolt among all businessmen, including shippers, against regulation of any kind.

Some economists estimate that regulation adds as much as $4 billion a year to the cost of merchandise, both as a result of price-fixing and of Interstate Commerce Commission regulations like one that forces trucks making deliveries for their own companies to go home empty rather than haul the freight of other companies on the return run.

The ICC, prodded by the White House, recently relaxed that rule and others, including one that has made it virtually impossible for new trucking companies to get federal certificates if it meant increased competition in the industry.

But there is a limit to the amount of dismantling that the ICC can do on its own without help from Congress, and that help has started to come.

Sen. Edward M. Kennedy (D-Mass.) has introduced a bill that would, in effect, break up the price-fixing mechanism under which the trucking industry operates.

Under the existing system, trucking companies in a region—usually the largest companies—agree among themselves on the rates that they must charge to meet expenses and show a profit. Those rates are almost without exception approved by the ICC and posted by regional "rate bureaus." Under the law, none of the 16,000 regulated trucking companies in the United States can charge less than the posted rate.

The rate-bureau mechanism can operate only because the trucking industry was granted an exemption from antitrust laws by Congress in 1948. Kennedy's bill would take away the exemption, leaving truckers free to ignore the posted rates.

Before Kennedy's bill can start moving through Congress, it must break free from a dispute between his Judiciary Committee, which claims jurisdiction, and the Commerce Committee of Sen. Howard W. Cannon (D-Nev.), which the trucking industry considers more sympathetic to its cause.

That is only a small parliamentary pothole compared with the pounding that the Kennedy bill, and the Carter bill that will go to Congress later this year, can expect in making the way around Capitol Hill. The nation's eight biggest trucking companies have enjoyed higher earnings all through the 1970s that such blue-chip operations as computer and drug companies, and they owe it to the regulation that discourages competition and the rate bureaus that keep prices high.

Our map of the economic system tells us that Kennedy, President Carter and the ICC are on the right road, and that they deserve all the help that they can get in clearing away the roadblocks. We hope that they get it.

[From the Washington Star, Jan. 29, 1979]

STEERING THE TRUCKING BILL

If the Senate wants to end price fixing in the trucking industry, it probably ought to let Sen. Edward Kennedy's Judiciary Committee handle legislation on the matter.

Senator Kennedy has announced that he will introduce a bill to repeal an exemption from anti-trust laws granted the trucking industry in 1948. But it has set off a heated jurisdictional squabble.

Since the Judiciary Committee has general jurisdiction over anti-trust legislation, it seems logical to assign the bill to Mr. Kennedy's committee. But Sen. Howard Cannon is claiming jurisdiction for his Senate Commerce Committee because the anti-trust exemption for the trucking industry was written into an amendment of the Commerce Act.

All things being equal, it probably wouldn't make any difference which committee handled the bill. But all things aren't equal. Senator Kennedy wants the exemption repealed; we're not sure about Senator Cannon.

It doesn't take great perceptive power to see which committee is more likely to act favorably on a repeal bill. Lobbyists for the trucking industry, which wants to keep the exemption, are lined up solidly behind Senator Cannon in the jurisdictional fight.

Senator Cannon threatens to take the fight to the floor if the Senate leadership sends the bill to Mr. Kennedy's committee. If it comes to that, we hope that Senator Kennedy's attempts the past few days to tighten his hold on the Judiciary Committee, which he became chairman of in the new Congress, don't prejudice members of the Senate against letting his committee handle the trucking bill.

While Mr. Kennedy's large ambitions for the Judiciary Committee need watching, we're on his side in the jurisdictional squabble over the trucking bill, for the simple reason that repeal of the anti-trust exemption is most likely to come by that route.

The exemption ought to be repealed. It wasn't appropriate in 1948, when President Truman vetoed it as a tool for the trucking industry to run roughshod over the public interest, and it isn't appropriate now. Mr. Truman's veto was overridden and ever since, as Senator Kennedy pointed out the other day, the exemption has allowed trucking firms to set prices in ways that would be illegal in other industries.

● Mr. BAUCUS. Mr. President, on Monday, January 22, 1979, Chairman KENNEDY announced that he would introduce legislation to amend the Clayton Act to apply the antitrust laws to price-fixing activities by motor carriers and freight forwarders. For the last 30 years, these industries have been able to fix prices legally because of an exemption from the Sherman and Clayton Acts passed by Congress over President Truman's veto as the Reed-Bulwinkle Act of 1948.

Senator KENNEDY's legislation is intended to end a private restraint of competition—price fixing by motor carriers. It does not change the Federal regulatory system for motor carriers, nor does it affect the authority of the Interstate Commerce Commission to regulate rates, mergers, or entry into the motor carrier industry.

The Parliamentarian has advised that the proposed legislation is within the jurisdiction of the Judiciary Committee, and will be so referred.

The Parliamentarian's decision has been rendered solely on the merits of this case. It was based on careful study of the jurisdictional authorities of the relevant committees, and on all applicable precedents. For the following reasons, his ruling is sound:

First. The proposed legislation amends the antitrust laws (Clayton Act)—the heart of the Judiciary Committee's jurisdiction.

Second. The substance of the legislation pertains solely to antitrust policy, an area in which the Judiciary Committee has unique expertise. It is intended solely to reapply Sherman and Clayton Act price-fixing prohibitions.

The Commerce Committee's staff has advanced several arguments in support of their contention that the Parliamentarian's ruling should be overturned and the proposed bill be referred to Commerce.

The members of the Judiciary Committee recognize the primacy of the Commerce Committee in issues affecting regulation of transportation industries which is why I support a joint referral. Any legislation proposing to alter the regulation of rates and entry by the ICC would clearly go to the Commerce Committee and the Parliamentarian has so stated. The bill in question, however, does not involve regulatory issues. It is concerned solely with the integrity of national antitrust policies and their applicability to price fixing.●

● Mr. CULVER. Mr. President, I urge my colleagues to support the jurisdictional integrity of the Judiciary Committee and all other Senate committees. The stated intention of leaders of the Commerce Committee to challenge the jurisdiction of the Judiciary Committee to consider antitrust legislation to be proposed by Senator KENNEDY which would effectively terminate the system of Government sanctioned price fixing which presently exists in the trucking industry is not a matter to be taken lightly. The Senate Parliamentarian has firmly indicated that the proposed bill—under Senate rules and precedents—is squarely within the Judiciary Committee's jurisdiction.

The merits of this particular bill are not at issue here. What is at stake is the continued viability of traditional Senate procedures for determining referrals of legislation which arguably touches upon the jurisdictional interests of two or more committees. If fair and impartial decision of the Parliamentarian, rendered on the merits of each particular case, are not supporteed by Members of the Senate, then the entire system of rational and impartial committee assignment is threatened.

I do not dispute the Commerce Committee's jurisdiction over the reform of Government regulation of motor carriers. However, where the issue is private restraints of trade, the proper jurisdiction lies with the Judiciary Committee.

Since 1948, the regulated trucking industry has enjoyed a broad exemption from the antitrust laws. This immunity allows trucking firms to set prices in ways that would be a felony in virtually every other American industry. Today, regulated trucking firms are able to meet and decide in secret the prices they will charge shippers—and ultimately American consumers—for truck transportation.

This unique immunity from the antitrust laws was enacted over the veto of President Truman. He warned that the power it gave trucking companies and railroads would result in serious harm to the public. The words of his veto message are as true today as they were 30 years ago:

> Power to control transportation rates is power to influence the competitive success or failure of other businesses.

In 1976, Congress took steps to limit somewhat the antitrust immunity enjoyed by railroads. Yet, it did nothing to remedy the far more severe effects of that immunity in trucking. Where companies in highly competitive industries can get together and fix prices, consumers are the losers. The prices they set are always higher than they would be in a competitive marketplace.

Legalized price fixing in the regulated trucking industry has cost shippers and consumers billions of dollars in higher prices over the last 30 years. Estimates run as high as $2 billion a year. It has been particularly costly to small companies, which cannot ship in full truckload lots. Trucking companies have a virtual monopoly over this freight, because the railroads do not carry such freight in most cases, and small companies cannot afford to operate their own private fleets. As a result, there is no competitive incentive for truckers to reduce their rates to meet external competition—and the ability to fix prices legally enables them to avoid competing among themselves.

This legislation will end trucking's immunity from the antitrust laws and require that truck rates be set in open competition—not collusively behind closed doors.●

● Mr. DECONCINI. Mr. President, from its creation in the early 19th century, the Senate Committee on the Judiciary has been responsible under Senate rules and precedents for matters relating to antitrust and the protection of trade and commerce against unlawful restraints and monopolies. The Committee on Commerce has equally clear jurisdiction over the regulation of motor carriers. The legislation which the Senator from Massachusetts intends to introduce, as he has made clear, is an antitrust bill and not a bill involving Federal regulation of trucks. As such—and as the Parliamentarian has apparently indicated—the legislation should be referred under the traditions and practices of the Senate to the Judiciary Committee.

I am not suggesting that, as a member of that committee, I would vote for enactment of a bill to repeal the Reed-Bulwinkle Act. Nor do I suggest that I would oppose such a bill. The merits of the legislation are not in question. The bill is, however, an antitrust exemption bill. And as such, it should be referred to the Judiciary Committee.

The McGuire Act, which constituted an antitrust exemption legalizing State-authorized resale price maintenance, was repealed in 1974 by legislation referred to and reported from the Judiciary Committee. Incidentally, the McGuire Act was originally considered, in 1952, by the Commerce Committee. Likewise amendments to repeal or modify the McCarran-Furgeson Act—containing an antitrust exemption for insurance companies—have been referred to and are unarguably within the jurisdiction of Judiciary. Antitrust exemptions for failing newspapers and soft drink bottlers have likewise always been considered by that committee as the one with exclusive jurisdiction over antitrust immunities and exemptions. That, indeed, is the time-honored tradition of the Senate. That is its uninterrupted practice. And that is what is at issue here.

A rather tortured reading has been given to the rules and practices of this great body by some who would argue that because Senator KENNEDY's bill would have some impact on the trucking industry, it should be exclusively within the jurisdictional domain of the Commerce Committee. As chairman of the Judiciary Committee's Subcommittee on Improvement of Judicial Machinery, I should welcome this interpretation. For hardly a bill passes another committee—especially the Commerce Committee—which would not have some immense impact on our Federal judicial system. Where enforcement actions are placed within the Federal courts' jurisdiction, those bills should go to Judiciary. Where new private rights are created to be enforced by judicial action, those bills should go to Judiciary. Where judicial review is provided for administrative agency actions, those bills should go to Judiciary.

Obviously I am not seriously suggesting that every bill that impacts on the courts is—or should be—exclusively a Judicial bill. Nor do I believe that every bill that impacts on a Government agency should go to Governmental Affairs, or every bill that impacts our cities should go to Housing and Urban Affairs, or, for that matter, that every bill that impacts transportation should go to Commerce.

I am comfortable following the precedents of the Senate. I am reassured in supporting the reading of the Parliamentarian. And I am firm in my belief that bills relating solely to antitrust immunities or exemptions—either creating or eliminating them—should be referred to the Committee on the Judiciary.●

● Mr. LEAHY. Mr. President, more than a week ago the chairman of the Judiciary Committee announced that he would introduce legislation to amend the Clayton Act to make applicable to the trucking industry the operation of the Clayton Act.

The Senate Parliamentarian has informed Senator KENNEDY that he intends to refer this bill to the Judiciary Committee when it is introduced. The Parliamentarian's decision was rendered after his deliberate review of all applicable precedents, and of the jurisdictional responsibilities and authorities of the Senate committees. I believe that his reasoning is sound. I believe that because the measure amends the Clayton Act and because the substance of the legislation pertains completely and solely to the antitrust policy, there is no question that the measure should be considered by the Judiciary Committee.

I do not dispute the jurisdictional claim of the Senate Commerce Committee over broad transportation regulatory issues, such as ICC regulation of entry into the industry, of minimum and maximum rates, and of mergers. These powers were granted the ICC under the Motor Carrier Act of 1935. However, when we discuss private actions of private businesses, we are undisputedly referring to antitrust statutes. Collective ratemaking in the motor carrier industry involves such private action and, therefore, must be considered by the Senate Judiciary Committee.●

Mr. BIDEN. Mr. President, I support Senator KENNEDY's interest in the issue of the legality of price fixing in the trucking industry. Although I have not reached a position on this particular issue, I recognize that any examination of the legality of the immunity must be made separately from an examination of broad transportation policy, involving the functions of the ICC, and must involve centrally the Senate Judiciary Committee. Since I believe this is clearly an antitrust issue, it should be considered by the committee that handles all antitrust legislation, the Judiciary Committee.

The collective setting of trucking rates is one which involves a private restraint of trade, sanctioned under an exemption from the antitrust laws more than 30 years ago. Any consideration of that immunity must be made in the forum that recognizes the independence of its antitrust implications and the desirability of prolonging or terminating it.

The operation of the antitrust laws has a profound effect on the behavior of the firms in any and all industries. Public restraints of trade, like those inherent in Federal regulation of an industry must be separated from private restraints of trade.

That separateness is particularly clear cut in the trucking industry. The authority of private firms in the industry to set rates collectively is derived from a law that passed 13 years after the ICC was charged with the responsibility of regulating the motor carrier industry.

This separability is the key issue in this debate as I see it. A decision to exclude the Judiciary Committee from consideration of this measure clearly is contrary to the history of the antitrust laws, to the operations of the Senate, and to the best interess of the continuing integrity of the Senate committee structure.

Mr. METZENBAUM. Mr. President, I support the thrust and concerns expressed by the distinguished chairman of the Judiciary Committee with reference to the referral of this particular piece of legislation. I agree totally that we are not talking about general jurisdiction having to do with truck regulation, but we are talking about the subject of price fixing and we are talking about the matter of immunities. Certainly there can be no question, looking at the precedents, that this kind of matter belongs in the Judiciary Committee. It does, indeed, have to do with antitrust legislation. It does, indeed, have to do with the whole question of immunities and which immunities shall or shall not be permitted.

Having said that, and having spoken yesterday to this subject, I should like to elaborate upon my concerns for one moment.

I am concerned, Mr. President, about the question of appealing the Parliamentarian's decision on a subject of this kind; because if we are going to start a precedent around here of appealing the Parliamentarian's decision with respect to substantive issues, I am concerned that it opens a Pandora's box for those who would like to raise issues that go beyond parliamentary concerns.

I can think of many instances in which it would be very simple for a Member of the Senate—if this procedure were to be adopted as an accepted procedure—wanting to put other Members on record in connection with a particular piece of legislation, and being concerned that the legislation otherwise might go to its burial in one or more committees, would raise the issue on the basis of an appeal from the Parliamentarian's decision.

I have attempted to check as to when was the last time that a Parliamentarian's decision was appealed in connection with a referral, and appealed successfully. I am frank to say to the Members of the Senate that, going back more than 20 years, I have been unable to find any record of a successful appeal of a Parliamentarian's referral of a particular piece of legislation.

It is a kind of precedent that we should not start around here. I believe that once you start that kind of precedent, any number of Senators will be raising issues. I have just glanced at a few of the issues in which referrals had been made at an earlier date by the Senate.

The issue with respect to transporting nuclear waste: Where does that belong? Does that issue properly belong in the Energy Committee? It certainly seems to me, as a member of the Energy Committee, that it does. Does that issue properly belong in the Public Works Committee? I think that opens some interesting possibilities; certainly, an argument could be made to that effect. But the fact is that the Parliamentarian has ruled in the past that this issue belongs before the Commerce Committee.

I am not rising to challenge the Parliamentarian's decision. I am only saying that we can open the door on many issues.

There are many issues having to do with the subject of health that wind up in the Finance Committee. A very strong argument certainly can be made that those issues do not belong in the Finance Committee but, rather, belong in the Health Committee.

The Federal Acquisition Reform Act, which was considered in the last session of Congress, had a joint referral.

It went to the Governmental Affairs Committee and the Armed Services Committee. But I believe an argument could be made that it also belonged in the Human Resources Committee or the Public Works Committee, or any one of a number of other committees.

Mr. President, I believe that once the Parliamentarian has indicated his referral procedure, his determination—and none among us would challenge his integrity—then I believe it is obligatory upon us to accept that as a decision of the Senate and not adopt a new procedure of appealing the decision. I think it is a dangerous practice to start; and once we start that practice, there will be no end.

I can understand the procedure of joint referrals which has occurred many times before. The distinguished chairman of the Judiciary Committee has indicated his willingness to accept a joint referral in connection with this matter, and I think it entirely appropriate.

However, I submit, Mr. President, that the Parliamentarian's decision should be the decision of the Senate. I submit that the Parliamentarian's decision in this instance is truly not challengeable on its merits. We are talking about an antitrust issue, we are talking about a matter that belongs before the Judiciary Committee and we are talking about a matter having to do with immunities under antitrust law.

It is a subject to which the President's Commission on Antitrust recently directed its attention. This includes its first recommendation in the chapter on surface transportation. The recommendation was to repeal the antitrust immunity for the trucking industry.

I believe that the Parliamentarian's decision should be supported; and if not that, then an agreement should be worked out with reference to a joint referral. It would provide for more orderly procedure in the Senate.

I believe that today we resolved one of the issues with respect to the rules of the Senate in moving this body forward, and this should not open up new ideas and new concerns and new possibilities.

Therefore, I strongly urge that we support the Parliamentarian or work out an agreement for a joint referral.

(Mr. METZENBAUM assumed the chair.)

Mr. THURMOND. Mr. President, I rise to state to my colleagues that I support joint referral to the Senate Commerce Committee and the Judiciary Committee, the Kennedy bill to repeal that portion of the Reed-Bulwinkle Act which grants immunity from the antitrust laws to the motor carrier industry. My support of joint referral of this bill in no way indicates my position on the merits.

I refused to sign a letter concerning referral, recently sent to each Senator, unless it stated that both committees should share jurisdiction over the bill.

I shall not dwell too long on the reasons for such joint referral because the reasons are very obvious to all Senators.

Historically, the Judiciary Committee and the Commerce Committee of the Senate have shared joint referral in a great number of bills and have shared hearings on a great number of issues. It is interesting to note that the Judiciary's Antitrust Subcommittee has held hearings on the motor carrier industry for the past 2 years, and much valuable data was obtained.

Since 1957 to date, the Senate Commerce Committee and other Committees have shared jurisdiction with the Senate Judiciary Committee willingly or unwillingly on the following major issues or legislative bills:

First. Consumer Protection Agency, in Senator Estes Kefauver's Subcommittee on Antitrust (1957 et al.).

Second. Class actions (1970).

Third. Pharmaceutical industry (1959–62).

Fourth. Federal no-fault auto insurance, several Congresses (1971–74).

Fifth. Aviation insurance (1958–60).

Sixth. Airline insurance (1958–60).

Seventh. Packaging and labeling (1961–66).

Eighth. Federal insurance guaranty fund (late 1960's).

Ninth. Telecasting of professional team sports.

Tenth. Professional team sports—boxing, baseball, football, basketball, and ice hockey.

Eleventh. Hearing aids.

Twelfth. Doctor-owned pharmacies.

Thirteenth. Doctor-owned optician stores.

Fourteenth. Railroad mergers (1963 normally a Senate Commerce Committee subject matter.)

Fifteenth. Hearings on life insurance—Banking Committee also has jurisdiction.

Sixteenth. Hearings on health insurance—Blue Cross-Blue Shield.

Seventeenth. The National gas industry.

Eighteenth. Hearings on oil import quotas.

Nineteenth. Hearings on depletion allowances.

Twentieth. Hearings on A.T. & T. on the interconnect and other related issues.

Twenty-first. Hearings on the franchising industry.

Twenty-second. Bill affecting labor organizations.

Twenty-third. Hearings on voluntary standards—commerce Department and Bureau of Standards jurisdiction.

Twenty-fourth. Gasoline marketing.

Twenty-fifth. Class action reform.

Twenty-sixth. Family farms bill.

Twenty-seventh. McGuire Act was under Commerce jurisdiction 1952 and the repeal of the McGuire Act was reported by the Judiciary Committee in 1974.

Mr. President, I do not dispute the Commerce Committee's jurisdiction over reform of Government regulation of motor carriers, but where the issue is private restraint of trade, the proper jurisdiction lies with the Judiciary Committee.

It appears reasonable to me to urge that both committees obtain jurisdiction of this bill, jointly, and that it would be in the best interest of the Nation, the economy, the public, and everyone concerned with the motor carrier industry and its employees.

Mr. President, if that is all on that subject, I now pass to another subject.

NATIONAL GOAL TO CONQUER INFLATION

Mr. THURMOND. Mr. President, in these beginning days of the 96th Congress, we look with considerable hope and anticipation toward being able to meet the crucial challenges before us in a timely and effective manner. This Congress in this new year has the opportunity and the responsibility to reflect on these major problems and then to take the legislative actions that will fulfill the needs and best interests of our people in all areas across this great Nation.

We know we are here to represent and to serve the public interest in the common good. This is both a high privilege and a serious responsibility.

Through our thoughts and actions we must exhibit the faith that the people of America have in our democracy of a citizenry that can trust and be trusted with freedom and liberty. With such a faith, expressed by us and by our public, we can realize an uplifted human spirit and the improvement of human conditions. The very existence of that faith is fundamental to all political debate, as we press forward through faith in leadership and service.

In the years of the 1960's and early 1970's, there were numerous times when our people of the United States appeared unsure of direction or purpose with respect to basic areas of public and private concern. Many had questions in their minds about our democratic institutions and about the traditional values and value system as related to themselves and to our society. During this time period, our young people felt considerable uneasiness while, at the same time, they saw no acceptable solutions or alternatives that might give them the hope for the future that all people, particularly young people, should have.

Also during this time period, Mr. President, our political movements seemingly were incapable of meeting the needs of our people, either as a society or as individuals or groups within that society. Our efforts to devise and implement wide ranging and extremely costly social programs provided some fragmented and short-term relief. But these actions were peripheral to the central problems that needed attention. We treated symptoms, rather than the basic causes. Each year we seemed to lose ground as we floundered from crises to crisis—utilizing a patchwork of programs and projects in our efforts to overcome these difficulties.

In retrospect, we have learned much from these past experiences. We can now use this knowledge to identify and to reach forward toward solving these crucial problems of our Nation.

In order to do this, however, we must ask ourselves some very direct and basic questions. During the last two decades, what did we do wrong and what went wrong? What has happened to the set of values to which we have traditionally adhered? Were they wrong and, if so, in what way? Why did so many people during the 1960–70 period find these values unacceptable to them, were not supportive of them, and not willing to make the all-out sacrifices required to maintain and preserve them?

Probably we would have as many different answers to these questions as we have people answering them. But perhaps, also, these reflective replies would give us the "feel" that we need to understand all sides of the questions. We might find then, within these answers, that most of our traditional values are still there, deep down inside us and our society. I feel very strongly that these values are still present, and they are ready to be brought back into use. We need only to look deeply enough for them and then to nurture them, in an orderly and effective manner, back into our today's value system.

Mr. President, it is with a recognition that this recalling and renewal of values is already underway among our citizens that we of the 96th Congress are mandated to think hard and clearly about the identification of an appropriate national purpose or goal that will encompass these values. With our identification of and agreement on such a goal and with the faith in the value concepts required, we can commit ourselves, individually and collectively, to reach forward and achieve that national purpose.

The American people have, in effect, already given us an indication of their feelings toward such a goal identification: and that is to do whatever is necessary to conquer inflation. They have told us over and over, in many different ways, that they understand the consequences of a continuing inflationary economy and they are willing to take the steps required to defend this country and themselves from the ravages of this enemy.

Mr. President, all of us share this major concern for the continuing problem of inflation because it affects us directly in so many ways. Each day more and more American families are falling behind financially because of the rapidly increasing prices they must pay.

Our private business firms are also affected in major ways by inflation. And this is particularly so for our smaller business firms.

All of us are painfully aware of many of the Government influences that fan the fires of inflation. Some of these influences are through direct governmental actions while others are through indirect governmental mandated costs on individuals and businesses.

In the fall of 1978 the Carter administration belatedly set forth a program in an attempt to deal with some of these problems of inflation. As we all know, the administration's October anti-inflation program was too little, too late. Economic matters got worse instead of better.

Then in early November, some additional actions were taken toward supporting the dollar. While some short run stability was achieved by these monetary actions, we still find ourselves in a very precarious situation with respect to continuing inflationary forces in our economy.

We in this Congress must act positively and with determination to provide the leadership and to open the avenues that will bolster the American people's attitude and desire that the job can, and must, be done.

The actions that must be taken will not be easy. They will not be popular to some groups and segments of our society. And these actions must be continued over a long-term period. The inflation battle will be hard; it will be long; and it will require unusual courage and resolution from all of us.

We cannot afford to sit back and wait to see what happens. We must move ahead with appropriate actions to tighten monetary policies even further, cut Federal spending and eliminate budget deficits, reduce regulatory actions and improve efficiency in governmental operations, provide tax incentives for business fixed investment, initiate measures to counter wage increases with improvements in productivity, open more export opportunities, and give careful consideration to the effects of controls on wages, prices, and credit.

Failure to meet this national purpose, or national goal, of conquering inflation will so devastate this country that everything in its future will be thrown in doubt. The adverse long-term consequences of continuing inflation will be more than our people and our Nation can endure.

Mr. President, it is my appeal that we in this 96th Congress join together, with and for our American people, and meet the challenges that are before us to fight and win the battle against inflation. We can, and we must, respond to this critical national need.

The PRESIDING OFFICER. Does the Senator from South Carolina suggest the absence of a quorum?

Mr. HATCH. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER (Mr. SARBANES). The Senator from Alaska.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NEOCOLONIALISM AT HOME

Mr. STEVENS. Mr. President, as you know, Congress adjourned last year without passing an Alaska d–2 lands bill. Following the adjournment of the 95th Congress, I met with the President to urge him not to complicate the situation by withdrawing the lands in question under Executive authority. It is my position that existing withdrawals adequately protected the options of Congress to act.

Despite my urgings, the President did withdraw 56 million acres of these lands along with another 65 million acres of lands under other withdrawals. This has greatly complicated the situation and endangered the ability of Congress to reach a reasonable solution to this issue. An editorial by the Wall Street Journal explains the problems created by the withdrawals. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NEO-COLONIALISM AT HOME

It is fashionable to attribute the lack of economic development in the Third World to decisions made from afar about its natural resources. The colonial administrators departed, the story goes, only to be replaced by neo-colonialists in London, Bonn, Paris and Washington, who locked up Third World resources in uses that kept the emerging nation-states poor. This explanation of Third World poverty still inspires a great deal of outrage against the U.S. among university people and provides excuses for socialist failures in the Third World.

We are puzzled why this doctrine is so narrowly applied. It seems to us that it is at least as good an explanation for the growing lack of economic development in Alaska and the western states. After all, a New Yorker and an Alaskan probably have less in common than Washington and Third World bureaucrats who shared an Ivy League education. We wonder if it is true that all imperialists are foreign, or whether there are domestic ones, too.

One characteristic of imperialists is that they don't rely on consensus politics, as happened the other day when 121 million acres of Alaskan lands got locked up. The Senate wouldn't do it, so the President and Interior Secretary did. Citing "emergency" conditions, the Interior Secretary used the Federal Land Policy and Management Act of 1976 to close off development of 121 million acres for three years. This is the first emergency withdrawal under the act, and if it is any indication of what to expect, the entire country will be locked up in a few years.

The President also invoked the Historic Sites and Antiquities Act to *permanently* set aside 56 million of the acres as national monuments. To put this in perspective, prior to his action, about 9.5 million acres had been set aside under the act since it passed in 1906.

Protecting the Alaskan lands did not require insult and injury from the President and Interior Secretary. Most of the lands were already protected under the D-1 section of the Alaska Native Claims Settlement Act. The failure of the Senate to arrive at a consensus decision in the last session of Congress did not expose these lands to "rape, ruin and run," or to anything other than a few hunters.

People in the eastern U.S. might not know the size of 56 million acres. That's roughly New York state plus most of New England. The 121 million acres equal the land area of the eastern seaboard states from Maine down into North Carolina. We have heard about the power of special interest lobby groups before, but we have never seen anything like this.

And it is only a small part of the story. The Alaskan land lock-up at least involves public lands. Throughout the western states private land is being locked up as well as a result of non-degradation air and water standards. To bring undeveloped privately owned western lands into development is now next to impossible, and to expand development in developing areas has been made more difficult. It is, after all, difficult to do anything when air and water must remain pristine.

Whatever the intention, the result has been to hold down the economic development of the western states, thus protecting eastern labor unions, industrial plants and resources from competition. Examples abound. Proposed federal regulations cancel the economic advantage of low sulfur western coal by requiring the same scrubbers for it as for "dirty coal." The environmental movement provides a convenient mask for any eastern legislators who want westerners for customers, not competitors.

The lock-up of public and private lands in the western states is a result of intense lobbying pressure, and we doubt that the public understands the consequences. The Independent Petroleum Association says that as a result of law or administrative procedures about 500 million federal acres, roughly one-fourth of the U.S., are off limits to oil and gas development. At a time when we are growing increasingly dependent on unstable foreign sources of energy, the most rapidly growing aspect of the American economy is the land and resources that are being removed from development.

The withdrawal of large amounts of public land from the nation's resource base would seem to be properly a role for Congress. The President received a letter urging him to make the unprecedented withdrawal from Rep. Udall and the House Interior Committee. According to the letter, "Protection for the American people's Alaskan treasures is required to insure that the decisions concerning these public lands are made by the people's representatives, and not by private interests." Somehow we feel uncomfortable with the thought that Senators are not the people's representatives, but an Imperial President is. Instead of suing the President, maybe the state of Alaska should take its case to the U.N.

Mr. DECONCINI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. Will Senators please take their seats.

UNANIMOUS-CONSENT AGREEMENT—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed immediately to the consideration as a separate resolution of that part of Senate Resolution 9 beginning on page 4, line 6, and concluding on page 5, line 6, dealing with postcloture procedure only; provided further, that no amendment that is not germane to postcloture procedure shall be received; and provided further, that if the vote on final disposition of the resolution does not occur by 6 o'clock p.m. on Thursday, February 22, 1979, the Senate proceed at that time to the consideration of Senate Resolution 9.

Mr. BAKER. Mr. President, reserving the right to object, I do not plan to object at this time. I have sought this opportunity to speak on the majority leader's request after first having tried to solicit the attendance of as many Members on my side of the aisle as possible, and particularly those who have been involved in service on the ad hoc committee in their efforts to arrange a rules change agreement.

It was not possible this morning to obtain a unanimous-consent agreement to provide for a time certain to vote on the postcloture portion of Senate Resolution 9 or amendments thereto. The unanimous-consent agreement that the majority leader has proposed at this time does not provide a time certain to vote on the postcloture provisions of Senate Resolution 9, but does indeed provide that if we have not disposed of the postcloture provisions by February 22 at the appointed hour, the Senate then will automatically proceed to the consideration of the balance of Senate Resolution 9, which, of course, embraced the precloture provisions of the proposed rules change as well.

Mr. President, I think this is a good arrangement. I think in a way it is a signal that we have not been able to reach agreement, and that we are turning instead to the full Senate to consider this matter, to fully ventilate the reservations and objections that any Members may have to any provision at all; to amend or modify the postcloture provisions of the resolution, or to substitute a new section; to give the Senate as a body the opportunity to preview in advance of any final disposition of this resolution what the form and structure of that language will be. We are going to know what amendments will be adopted and what amendments will be rejected. We are going to know pretty well what shape we are in before we turn to consideration of the resolution as a whole. It provides substantial time; it provides the maximum opportunity for the maximum participation; it avoids the necessity for a unanimous-consent agreement, except for this agreement; it relieves us of what I believe now to be the impossible burden of trying to allay all of our disagreements in advance.

As I say, Mr. President, I think it is a good request. I have requested the attendance, and I observe the attendance, of most of the Members on this side, and I invite their participation by way of reservations.

Mr. STEVENS. Mr. President, reserving the right to object—and I, too, shall not object—I would like to state that it will be my intention to offer the proposed modification that I discussed earlier as a substitute tomorrow. There are some changes that will be made following the discussions that have been had since the colloquy this morning. It is my understanding that if that is done, the resolution that the majority leader has offered will truly be open to perfecting amendments, which could be considered; and at some time following the recess, it would be my hope to have a vote on the substitute that I will offer to the majority leader's proposal.

Mr. BAKER. Mr. President, further reserving the right to object——

Mr. ROBERT C. BYRD. Mr. President, I have the floor.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. BAKER. Mr. President, reserving the right to object, I had meant to clear up this point when I first rose: It is also my understanding, from conversations with the majority leader earlier this afternoon, that it is his intention, if we have disposed of the postcloture provisions of Senate Resolution 9 on February 22 or before that time, to adjourn the Senate before we proceed to the consideration of the balance of Senate Resolution 9, and that if we have not disposed of the postcloture provisions of Senate Resolution 9 it would be his intention to continue recessing the Senate. Is that correct?

Mr. ROBERT C. BYRD. Will the Senator say that again?

Mr. BAKER. Yes. It is my understanding, from a conversation earlier with the majority leader, that if under this formulation the Senate does in fact dispose of the postcloture portion of Senate Resolution 9 on or before February 22, it would be the majority leader's intention then to adjourn the Senate before proceeding to the consideration of the balance of Senate Resolution 9, and that if we have not disposed of the postcloture provisions of Senate Resolution 9 on or before February 22, he would continue to recess the Senate, or that it is his intention to continue to recess the Senate.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. BAKER. Mr. President, I thank the Senator. Will the Senator yield to me for a further question in that respect?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, may we have order in the Senate, please?

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats, or retire to the cloakrooms to carry on their conversations.

Mr. BAKER. I thank the Chair, and I thank the majority leader for his confirmation of that intention.

It is my understanding that the practical effect of the adjournment of the Senate on February 22, under the conditions that I have described, that is to say, that the Senate has disposed of the postcloture part of Senate Resolution 9——

Mr. ROBERT C. BYRD. And has proceeded to the remainder thereof.

Mr. BAKER. And has proceeded to the remainder thereof, that thereafter, in the absence of a time agreement and if cloture were filed against a further debate on the balance of Senate Resolution 9, under the provisions of rule XXII, it would require two-thirds of the Senators present and voting to terminate debate.

Mr. ROBERT C. BYRD. The Senator is correct. It would require two-thirds to vote cloture on a rules change, two-thirds of those present and voting, it being the second day.

Mr. JAVITS. Mr. President, will the Senator yield? We have not had a ruling from the Chair on that question.

I would just like to say this: It has been my expectation that the precedent established in previous years would remain unimpaired by whatever we did here. I just wish to add that the Chair has not ruled, but the majority leader has stated his view, and that it is my view that that does not change the precedents which have been established, whatever they may be, on the grounds that those rules and precedents were based upon the situation which precedes the first adjournment of the Senate, to wit, the issue of whether or not, under the Constitution, the Senate may adopt rules or change existing rules upon the opening of a Congress.

I just wish to add that, to take that part of the argument.

Mr. ROBERT C. BYRD. Mr. President, I accede to that part of the argument so long as it is the first legislative day. We may be in a little disagreement as to the first or second day.

Mr. JAVITS. I referred to the first adjournment of the Senate, not the first day. That may be in the first 5 minutes. The important point is once you adjourn the Senate, that right is gone.

Mr. ROBERT C. BYRD. Exactly.

Mr. JAVITS. We agree.

Mr. BAKER Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. The only further inquiry I have with the majority leader at this time, Mr. President, is this: Under this unanimous-consent request, would those portions of Senate Resolution 9 to which we will direct our attention be treated as original text? Will there be any other disadvantage to any Member of the Senate in offering amendments in the first or second degree?

Mr. ROBERT C. BYRD. Does the Senator mean after——

Mr. BAKER. After this consent agreement. It does not change the character of this resolution as original text?

Mr. ROBERT C. BYRD. No.

Mr. BAKER. I thank the majority leader.

Mr. JAVITS. Mr. President, reserving the right to object, and I shall not object as I think this is a perfectly fair arrangement, I only express a personal hope because I think we are very close together, that we can try to go forward with the disposition of this issue and settle it. I think reform is essential. I have said I do not think there is a decent effort which has to be made by the minority to see that it is able to continue to perform its functions as a minority. I express my belief we will be able to work this out. The distinguished Senator is absolutely right. The substitution should be offered and amendments should be offered to it. As often happens here, in the course of that give and take, I am very hopeful that we will be able to work it out.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. BAKER. Mr. President, reserving thet right to object, and once again I do not plan to object, I believe there are 23 Republican Senators on the floor at this time. Before the Chair finally grants the request, I wanted to make sure whether any other Member on this side had any further inquiry or wished to express any reservation or disagreement.

I have no objection.

Mr. HELMS. Mr. President, I just wanted to have it clear in my mind that the majority leader does intend to adjourn after resolution has been reached on this matter, whether it be February 22 or earlier, is that correct?

Mr. ROBERT C. BYRD. If the resolution has been agreed to.

Mr. HELMS. The postcloture section?

Mr. ROBERT C. BYRD. Yes.

Mr. HELMS. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I wonder if I might ask the majority leader a question now. I did not wish to interefere with the minority leader's statement. From my own point of view, can the majority leader tell us what is his plan with regard to the balance of the afternoon and tomorrow? We would like time to retype that substitute.

Mr. ROBERT C. BYRD. Senators who wish to speak for the rest of the day or at any point during the rest of the day may do so. I will then recess the Senate over until 12 noon tomorrow, and then recess the Senate over until 12 noon Friday, if Senators wish to come in on Friday. If they do not, we will go over until Monday, the 19th, and meet at 12 noon on that day.

Mr. STEVENS. I thank the Senator.

The text of the separate resolution (S. Res. 61), referred to in the foregoing unanimous consent agreement, is as follows:

S. Res. 61

Resolved, That the second paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by inserting at the end thereof a new paragraph as follows:

"After one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins. The amount of time specified in the preceding sentence may be increased, or decreased (but to not less than ten hours), by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn. At any time after ten hours of consideration, any remainder time may be reduced, but to not less than ten hours, by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn, and any such time thus agreed upon shall be equally divided between and controlled by the Majority and Minority Leaders or their designees. However, only one motion to reduce time and only one motion to extend time, specified above, may be made in any one calendar day."

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, has morning business expired?

The PRESIDING OFFICER. Morning business has expired.

Mr. ROBERT C. BYRD. I ask unanimous consent that the period for routine morning business be extended and that Senators be allowed to speak up to 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DEBT WILL INCREASE BY $98 BILLION DURING NEXT 18 MONTHS

Mr. HARRY F. BYRD, JR. Mr. President, on Tuesday, February 6, the Subcommittee on Taxation and Debt Management of the Senate Committee on Finance held hearings on the administration's proposal that the national debt limitation be increased by $98 billion to take care of projected Government deficits for the period between now and September 30, 1980.

Witnesses were: The Honorable W. Michael Blumenthal, Secretary of the Treasury, and the Honorable James T. McIntyre, Jr., Director of the Office of Management and Budget.

As chairman of the subcommittee, I put a number of questions to each of the witnesses.

A transcript of the entire hearing will be available at a later date.

Today, however, I wish to insert in the Record some of the key points developed in my dialogs with Secretary Blumenthal and Mr. McIntyre.

I ask unanimous consent that they be inserted at this point in the Record to be preceded by my opening statement to the committee.

There being no objection, the material was ordered to be printed in the Record, as follows:

Opening Statement by Chairman Harry F. Byrd, Jr.

Oversight hearing on extension of the statutory debt ceiling before the Subcommittee on Taxation and Debt Management, Senate Committee on Finance.

As we begin 1979 and fast approach the decade of the 1980's, there are obvious lessons which can be learned from the 1970's. It is clear that our economy can no longer tolerate or accept the accumulated and accelerated deficits of the 1970's.

In the short period from 1970 to 1978, the national debt has more than doubled, from $383 billion to $780 billion.

Thus more than half of the total debt incurred by the government in 202 years of U.S. history was piled up in just eight years.

The inevitable result of this calamitous fiscal policy has been the cruel and hidden tax of inflation. From the base year of 1967, the consumer price index has more than doubled, and the inflation rate for 1978 was 9.0 percent.

Throughout the world, confidence in the American dollar has plummeted.

In past years, foreign nations wanted to accumulate dollars. The dollar was the currency to which other currencies was pegged.

Recently, the situation has reversed. International financial markets have reflected growing concern over the stability of the dollar and its value has been sharply eroded. This results from the refusal of the United States government to put its financial house in order.

Throughout this period, our inflating economy, our shrinking dollar, and the foreign oil price increases have created balance of trade deficits for all but two years.

This year will be a test of whether or not policy makers in Washington and Congress have learned the lessons the last 8 years.

The President says his budget is lean and austere. I say, nonsense.

How can a budget be lean and austere when it calls for a 9 percent increase in already bloated federal spending? If one feels federal spending was not already bloated, let him read candidate Jimmy Carter's 1976 speeches.

The prospective spending increase in the President's budget for Fiscal 1980 is higher than the administration's projection of inflation of less than 8 percent.

The number one problem confronting the nation today is inflation. It is difficult to see how we can get inflation under control when federal spending rises faster than prices.

The $532 billion in spending in F/Y 1980 will result in a deficit of $29 billion—and does not include $12 billion off-budget deficits.

Furthermore, the deficit figure is based on economic assumptions which private forecasters—and the Chairman of the Federal Reserve Board—have called very optimistic. A larger deficit is likely.

Inflation will only get worse as long as we finance government spending with printing press money.

The periodic upward revision in the public debt ceiling is an indication of the failure of the federal government to exercise the necessary fiscal discipline.

The public debt ceiling of $798 billion will expire on March 31, 1979. No doubt, the testimony today will advocate not only extending the ceiling but also increasing it.

Interest on the federal debt is an ever-increasing burden. In 1980, it is estimated to reach $65.7 billion. This is one-eighth of the total spending anticipated for 1950.

Fiscal discipline is not a new idea, except for the federal government. Individuals, households and businesses must live within their means or face the consequences of ultimate bankruptcy.

Americans are fed up with reckless and extravagant spending in Washington. They realize that the government's financial house must be put in order. Proposals to require a balanced budget in our Constitution are becoming more and more popular. Twenty-five states have passed measures calling for the convening of a Constitutional convention for the purpose of requiring a balanced federal budget.

But what is the response in Washington to the demand for balancing the Budget? Since the Carter administration assumed office, federal spending—already too high—has increased 22 percent. Now the administration proposes a 9 percent increase on top of that.

The test of the 1980's will be whether Washington will listen to the people's demand that federal spending be brought under control.

The following is partial dialogue between Senator Byrd of Virginia and the Secretary of the Treasury and the Director of the Office of Management and Budget.

Senator Byrd. Do you agree, or disagree, that the accumulated Federal deficit, the interest required to fund it, and the size of the national debt is the biggest single contributor to inflation?

Secretary Blumenthal. Mr. Chairman, I would have to say that there are a whole host of contributory reasons why we have inflation and have had increasing inflation in the United States. I think that the size of government spending, the size of the debt and of the deficit is one important reason, but I could not agree that it is the single most important reason. I think it differs at different times.

There are different factors which are the most important one at different times.

For example, when we have had, as we did some years ago, a sudden major increase in the price of energy imposed on us, that has been the single most important reason. When we have had major problems in agricultural production that pushed up food prices, that has been, for a time, the single most-important factor. When we have had deficits during periods of relatively full employment and full utilization of resources, that is the most important factor.

A deficit during periods of recession and slack demand may, at times, be desirable. We ought to have, perhaps, a surplus at other times.

But I would not be in the position to say that it is always the most important factor.

Senator Byrd. In the interests of time, I will try to refrain from agreeing or disagreeing with your assertions. I am mainly interested in getting the facts and getting the thinking of this present Administration.

Some say that we owe the debt to ourselves, so that it makes no difference. Do you agree, or disagree?

Secretary Blumenthal. I strongly disagree with that statement, Mr. Chairman. If my memory serves me right, it is indeed true that I believe about 35 or 36 percent of the debt is owed to other institutions of the Federal government, but the majority of it, most of it, is owed to private individuals, and even to non-Americans. That debt has to be repaid. It has to be serviced. It is an obligation of the United States government. It matters a great deal, and I would not at all agree that simply saying that, well, we owe it to ourselves and we do not need to worry about it should put our mind at ease. That is incorrect, and I disagree with it.

Senator Byrd. Well, I certainly agree with your view on that, but unfortunately many of my colleagues take a different view.

Now, on page 3 of your statement, if I read it accurately, between now and October of 1980, in other words, between March of '79 and October of '80, a period of 18 to 19 months, our national debt will increase by $98 billion. Is that correct?

Secretary Blumenthal. Between now and October of 1980, it will increase, yes, from $798 billion to $896 billion, $98 billion.

Senator Byrd. So thus, the deficits in the general operation of government—that is, the Federal funds deficit—will increase by $98 billion?

Secretary Blumenthal. That is correct.

It needs, of course, to be emphasized, Mr. Chairman, that a part of the Federal funds deficit is not merely the unified budget deficit but also the trust fund surplus which is invested.

Senator Byrd. The Federal funds deficit is the deficit in the general operations of budget. The trust fund, the unified deficit, takes into account the surplus of the trust funds.

Secretary Blumenthal. As I understand it. We have gone through that one. Let me see if I have that right.

We have the unified budget deficit. The Federal funds deficit is defined as the unified deficit plus the trust fund surplus, which is invested, plus off-budget financing, less the change in the cash balance, and that, then, gives you the increase in the public debt.

Senator Byrd. Any way that you look at it, the public debt will be increased by $98 billion during the next 18 to 19 months?

Secretary Blumenthal. Yes, that is correct. It includes—I think I am correct in this—it includes the investment of the surpluses that we generate in the trust funds. That is part of that number. Part of that number is that amount, so that the borrowing from the public, for example, is much less than that.

Senator Byrd. I am not speaking to the borrowing from the public. I am speaking of the debt created, whether you borrow it from the public or borrow it from the trust fund—the Social Security trust fund, for example, that does not come from general revenues. That comes from the wage earner and his employer, so that when you borrow from that, you are not borrowing from the Federal government, you are borrowing from the wage earner and his employer.

So whoever the debt is owed to, the debt will be increased by $98 billion. That is the point I am suggesting.

Secretary Blumenthal. As I understand it, what we do as the amounts of money in the trust funds increase, which is money that we have gotten through taxation, we take those surpluses and we invest them in government securities, so we really transfer them from one account to the other. But in order to allow us to do that, it involves an increasing in the debt limit which is included in the $98 billion figure.

So we have transferred it from one place to the other, having first taxed the American people. We take that money and we invest it in government securities and hold it, and that increases the amount of the debt that we have to get authority from you.

Senator Byrd. If you did not have that deficit, then, you would not need to increase the debt, would you?

Secretary Blumenthal. If we did have no deficit, we would not have to increase the debt, but I hope I am not getting on thin ice here.

If we could take the surpluses in the trust funds and buy other securities, not government securities, go out and buy private securities for example, we would not need to increase the debt limit by the same amount. It is because we choose to invest it in government securities that we do that.

Senator Wallop. Would you yield?

Senator Byrd. I yield to the Senator.

Senator Wallop. Mr. Secretary, would that not appear, though, to balance off someplace as some offset against the debt, or do we not consider government securities offsets?

Secretary Blumenthal. Yes, we do. The point that I am trying to make that we have the practice required in the statute that whatever assets that we have in the trust funds be invested in government securities.

We cannot buy General Motors bonds with it. We buy government bonds with it. Therefore, as a result of that, when we come in here and ask for an increase in the debt limit we have to include in that the amount of securities that need to be issued to invest whatever surplus that has been created in the trust funds.

That is not a reflection of the deficit spending of the Federal Government, not totally.

Senator Byrd. If you would yield at that point, let us take your figures. Now, your own figures show that the Federal funds deficit for fiscal year 1979 will be $55.2 billion. And it shows that the Federal funds deficit for fiscal year 1980 will be $49 billion and if you add those two together, you have a deficit in the Federal funds of $104 billion. Another way of putting this is that the Federal government, for the general operations of government, will spend $104 billion more than it takes in.

Now, the reason that lower figures show up in the press is that you offset that $104 billion deficit in general operations by the surplus in the trust funds, which do not come from general taxation. They come from the Civil Service retirement, for example. They come from the Highway Trust Fund; they come from the Unemployment Trust Fund where the employers put up all the money. When the government cites the unified budget figure, it is to reduce the actual deficit in the cost of government by the surplus in these trust funds.

And that is clearly reflected in your request to increase the national debt by $98 billion during the brief period of 18 months.

In the past, estimates of the amount of interest to be paid on the national debt have been based upon the current interest rates. What figure was used in projecting interest rate charges in the new FY 1980 budget?

Secretary Blumenthal. In the FY 1980 budget, we took the present rate of interest and we held it constant with inflation. In other words, we assumed that we made a calculation as to what the effect on interest rates would be based on the budget and the economic projections upon which the budget was based, and we assumed and we related the interest cost of the Federal government to the 90-day bill rate. That is coming down, as we estimated it to come down, to a level of, I believe it is 7.9 percent—yes, 7.6 percent by the end of fiscal '80—so we reduced the rate of interest that the Federal government would have to pay gradually to be in conformity with that level, eventually going down to 7.6 percent.

Senator Byrd. What does it figure out to on an average?

Secretary Blumenthal. I do not know if I have an average.

The average for the fiscal year would be 7.9.

Senator Byrd. If you take these interest figures, I think they are interesting and significant. Let's take again 1970. The interest cut in the budget for the government to pay that year was $20 billion. In 1975, the interest was $33.5 billion.

Now, for 1980, you project $65.7 which is almost double in that five-year period. In other words, the American people are paying $65 billion in interest charges on the national debt, $65 billion, and to put that in perspective, that is more than one-half of our total defense spending for that year.

Secretary Blumenthal. I think it is terrible, Mr. Chairman. I agree.

Senator Byrd. To get back again to the question of Senator Wallop, as of last May when this Subcommittee held similar hearings on the statutory debt ceiling the Treasury indicated that almost $120 billion of public debt securities were held by foreigners.

I have a chart supplied by the Treasury on January 6th of this year, and that puts foreign and international security holders at $132 billion. That has gone up significantly during that period, has it not?

Secretary Blumenthal. It has. It has gone from, at the end of 1977, it was $109.6 billion, in November, 1978, $132.4 billion, so it has gone up a total of $22.8 billion.

Senator Byrd. Could you list the countries as to the amount of interest that is paid to it? Do you have such figures as those?

Secretary Blumenthal. We could certainly provide that. I do not have it calculated in terms of interest. I have the data for the individual countries in terms of the amount of that $132.4 billion. I can do it in terms of interest.

Senator Byrd. Just for the interest of the Committee at the moment, could you just indicate which countries hold the larger amounts?

Secretary Blumenthal. Germany would be the largest, Japan would be the second largest. Switzerland and the oil-producing countries are the next largest, and then you drop down to the United Kingdom, France, below that.

Senator Byrd. Does Italy hold any of our bonds?

Secretary Blumenthal. Italy holds some, but not very many. $4.1 billion, down from $4.8 billion, out of that $132 billion.

Senator Byrd. Is the dollar still dropping vis-a-vis the lira?

Secretary Blumenthal. No. Actually, the dollar compared to the situation on November 1st of last year has firmed substantially against all currencies, certainly against the lira, so it has not been dropping recently.

Senator Byrd. In looking over some figures, I find this very interesting. The current budget, the budget that Congress is working on now, carries a figure of $65.7 billion as the amount of interest costs of the American taxpayer on the national debt today. Twenty years ago, the total Federal fund receipts for the entire government was $65.8 billion, almost identical to what it is costing the taxpayers today to finance this gigantic national debt.

The total cost of the general operations of the Federal Government in 1959 was $77 billion. Today the interest on the national debt—just the interest—is $65.7 billion.

The key to controlling inflation is fiscal discipline and expenditure of control. The FY 80 budget does not reduce spending. It only limits spending increases to roughly 9 percent. The real reason for the lower deficit is an increase in tax revenues. Should we not be trying to bring spending down and reduce the deficit that way rather than increasing taxes?

Secretary Blumenthal. Mr. Chairman, I certainly feel strongly that the way to bring about budget balance is by reducing spending rather than by increasing taxes. I think that that has to be the goal. That is the President's goal. He does not want to balance the budget by having taxes go up.

I think that we have to be fair. Out of the $531 billion in the spending proposals of the President, there are $400 billion over which he now has immediate control because they are subject to previous statutory commitments that he has to observe. He is operating in a very narrow window to bring down in that narrow window the spending from current services levels by $18 billion.

That is a Herculean task and represents considerable progress. It is a smaller increase than we have ever had before, virtually no increase in real terms, and it is a major step on the road to bring that budget into balance.

Yes, it is. There was a great deal of complaint that he is cutting into vital programs. We do not think he has. I think the President has made the right decisions and distributed that reduction well. There are many who disagree with him.

It would be very difficult to say we can reduce defense spending for defense spending is very important for our security.

I do not think that anyone would want to see the President's proposal for our defense posture weakened. There are multiyear commitments that have been made by the Congress that the President has no flexibility on and must observe, so what he is working with is very, very narrow and he has gone a good ways. He has cut $18 billion out of that, and that is a lot.

Senator Byrd. He has not cut spending at all, Mr. Secretary. He has increased spending. All one has to do is read the figures. The figures show an increase of 9 percent. The President himself stated in 1976 that we had a swollen and bloated budget at that time. Since that time, it has been increased 22 percent and this new budget increases it another 9 percent, so Mr. Carter has not reduced spending.

The reason the deficit has gone down is that taxes have been increased and taxes have been increased because the American people have been thrown into higher tax brackets by the rate of inflation. To say President Carter has reduced spending simply is not correct; he has increased spending.

Secretary Blumenthal. The Congress has voted in large areas of the budget forced increases which are related to inflation. Now, the President has no flexibility in that area. How can he reduce spending when the Congress has told him to automatically increase the spending?

Senator Byrd. You are the one that said he has reduced spending by $18 billion. He has not reduced spending.

Secretary Blumenthal. If you take the current services, if you take the present programs and add no new programs, no additional spending to it, the budget would have been $18 billion more.

Senator Byrd. I am talking about the money in the budget that the American people are being asked to finance. You do not deny that there has been a substantial increase in the budget, do you, for expenditures?

Secretary Blumenthal. There are more nominal dollars in the budget this year than last year on the spending side.

Senator Byrd. The Congress, by resolution, set $488 billion as the expenditure side for FY 79. This new budget, calls for $532 billion in spending for FY 1980.

That is a $44 billion increase.

Secretary Blumenthal. Almost all of that is inflation mandated by Congress.

Senator Byrd. Whatever it is, it is a 9 percent increase in spending, a $44 billion increase in spending.

Secretary Blumenthal. It is in nominal terms, that is correct.

Senator Byrd. How many Eurodollars are currently outstanding?

Secretary Blumenthal. We are not entirely sure, but we think it is in excess of $500 billion.

Senator Byrd. Some experts believe that the Eurodollar interest rate is the best measure of U.S. inflation. What is your view on that?

Secretary Blumenthal. I do not believe that is correct, Mr. Chairman. Only a portion of the dollars available in the Eurodollar market are owed to Americans. Some of those are dollars owed by some non-Americans to other non-Americans, and second, a portion of that total amount is due to previous deficits in the U.S. external accounts and the current accounts.

A lot of it is due to the fact that the United States for a long time has been the only major free capital market in the world and those resources were borrowed by foreigners in this market because ours was an economy in which they had confidence and those resources were available and they helped the development and the growth and the stability of the world economy to a very important extent.

If those resources had not been available, the western world would be in much poorer shape than it is. So as a measure of U.S. inflation, I certainly would not think that the float in the Euromarket of the dollars available in the Euromarket can be used as a measure of that at all.

Senator Byrd. I just have two or three additional questions, Mr. Secretary, and then we would be through. If we are unable to control inflation this year, what will happen to the dollar?

Secretary Blumenthal. I try to avoid predicting what will happen to the dollar. That is not a very profitable thing to engage in.

If we cannot control inflation and if we cannot bring down our current account deficit, the dollar will clearly be weaker in the foreign exchange markets than it would be, and we expect it to be, as the success of our overall program becomes evident.

It is critical—as a matter of fact, it is a vicious circle, because as that happens and the dollar weakens, it adds to inflation again. We think about a full percentage point has been added to last year's inflation because of the substantially weakened dollar, so that it is critical to be successful in the fight against inflation that we strengthen the dollar, and it is critical to strengthening the dollar that we be successful in the fight against inflation. Those two things cannot be separated.

Senator Byrd. In view of the government's efforts to strengthen the dollar, have you given any thought to a stronger effort to bring Eurodollar's home?

Secretary Blumenthal. We are carefully studying and examining the Eurodollar market, in order to insure that its operation will not weaken but strengthen the international system, that it will not be a source of instability but rather a source of greater stability in the international system, and obviously we are interested in assuring an inflow of dollars for that will lend added strength to the dollars and international exchange markets.

We are studying those problems and seek to develop programs that bring that about.

Senator Byrd. With some $500 million of Eurodollars, is that today a source of stability or instability?

Secretary Blumenthal. It can be a source of instability and has been at certain times, Mr. Chairman.

Senator Byrd. What is it now?

Secretary Blumenthal. Given the firmer and more stable tone of foreign exchange markets it has not been a source of instability in the very recent past, but it can be. It is not something that is very worrisome, but something that needs to be watched and, as I say, certainly, as the confidence in the U.S. economy in getting inflation under control increases, there will be a natural tendency to invest more in this country and for dollars to flow back.

Senator Byrd. It is a lack of confidence in this country that is forcing American dollars overseas?

Secretary Blumenthal. It is a lack of confidence in the strength and stability and in our ability to bring inflation under control in this county that is causing people not to invest here and to bring resources back into this country that they otherwise would bring here.

Senator Byrd. It goes back to a question of confidence?

Secretary Blumenthal. Confidence and an ability to bring inflation under control, yes.

Senator Byrd. The Wall Street Journal today has an interesting piece on the European view of the dollar and our activities to defend the dollar, and so forth. Among other things, the spokesman for West German Chancellor Helmut Schmidt, and quotes him as saying the U.S. fully recognizes its obligations to defend the dollar. He is speaking now, today, not in the past.

What additional steps over and beyond what has already been done has been taken, or will be taken, to defend the dollar?

Secretary Blumenthal. We think that the program which is now in effect which is being implemented in cooperation with the Federal Republic as well as Switzerland and Japan and other countries is adequate and successful in bringing about strength and stability of the dollar in international exchange markets and we will pursue that policy, since we are determined that the kind of situation that exists as of the end of October of last year not re-occur.

We will obviously take whatever additional measures that are necessary to prevent that from happening and we reserve the right to do that, but we do not signal before hand what it is, because to do so would be to weaken the impact of whatever it is that we might additionally have to do.

Senator Byrd. Just one additional question and that deals with a new development with the President's action in regard to the People's Republic of China. I suppose that there are large amounts that are owed to the United States, either private American citizens or the United States government, by the People's Republic of China. Could you indicate the amount?

Secretary Blumenthal. Yes, sir.

This relates to the question of settling claims which Americans have for property that they lost in China and which claims have been validated and certified by the Foreign Claims Commission on the one hand, and by assets which were of China which were in the United States and which were blocked by actions of the United States government.

At the same time, that issue has to be settled almost as a prerequisite to the resumption of normal and economic trade relations between the two countries, otherwise there would be considerable legal difficulty in carrying out such economic relations. The total amount of claims that have been certified by Americans against the Chinese amount to $196.6 million.

The United States blocked assets of China in the United States of $80.5 million. However, given the long period of time when that blocking of these assets occurred, and given the variety of legal ownership, it is not at all clear that some of that $80.5 million is still available, nor is it clear who has title to it.

Some of it is in the hands of third countries. It belongs to third country nationals, some of whom were merely residents in China, others of whom were resident out of China.

While we have nominally $80.5 million blocked we do not in fact have $80.5 million available to us.

The question that has to be resolved between us is how the claims of Americans are to be satisfied and what portion of the $80.5 million that we have nominally blocked will be available for that purpose.

This is a difficult negotiation which was begun just shortly before the Vice Premier came here. The matter was discussed briefly between the President and the Vice Premier. I had discussions with his foreign minister during that period and that is one of my main assignments when I go to Peiking in about two weeks.

We have normally settled these claims and asset questions on the basis of a package deal and we will have to do that again. The precise nature of that package deal, I cannot tell you. I can say that obviously we will try to do the best we can for the American claimants, but these claimants know that, based on past settlements of this kind, they will only get a portion of what it is that they are claiming, going back to something like 30 years ago, and I think that they will be glad to get it when they do.

Senator Byrd. Thank you, Mr. Secretary.

I think that the most significant part of your statement is on page 3 of your written statement and I will end by making a comment on it. It shows, which we have already discussed before, that between now and October of 1980, namely a period of 18 to 19 months, the national debt will increase by $98 billion.

I think that is the figure that the American people might want to bear in mind. In that short period of time the national debt, which is now approximately $800 billion will increase another $98 billion in that short period of time, and that the interest charges which the American taxpayers on that debt is now a total of $65 billion.

Thank you, Mr. Secretary. We appreciate your being here today.

At this point, Mr. McIntyre, Director, OMB, begins his testimony followed by questions by Senator Byrd.

Senator Byrd. Thank you, Mr. McIntyre.

In your opening statement, you expressed support for modifying or changing the way that the Congress has been handling the increase in the debt ceiling. I think that that should be pretty close to being a moot question. President Carter has committed himself to a balanced budget for fiscal 1981 so there should not be any real need to increase the debt ceiling when that comes about.

Now, let me ask you this question. You stress that the deficit has been reduced. It is correct, is it not, that the deficit has been reduced because the tax receipts have been tremendously increased.

It is another way of saying that the American people have paid $47 billion, or will pay in this upcoming year, in additional taxes. That is correct, is it not?

Mr. McIntyre. There will be an increase in tax receipts, Mr. Chairman, but I will remind you that there was a tax decrease recommended by the President and approved by the Congress this past year that went into effect this January, and in the budget we specifically have recognized the fact that the receipts will be increasing in future years unless there are changes in the tax laws, and we have recognized in at least six places in the budget that this is a fact and that we will examine the tax policy as we put together a 1981 budget and provide recommendations to the Congress.

Senator Byrd. The point that I am suggesting is that the figures showed that the reduction in deficit has not come about by a decrease in spending. As a matter of fact, the spending has been increased by $44 billion compared to the Second Concurrent Resolution passed by the Congress. The spending has been increased.

The only way the deficit has come down is that the taxes levied on the American people have gone up.

Mr. McIntyre. You are correct, Mr. Chairman, that the total budget is increased. I have tried to point out in my testimony, my prepared statement, however, that the rate of increase has been dramatically slowed since this Administration—

Senator Byrd. That is a matter of opinion. I do not think it has been dramatically slowed. You mentioned the rate of increase was 9.4 percent, I believe you said for last year?

Mr. McIntyre. That is correct.

Senator Byrd. This new budget provides for an increase right at 9 percent.

Mr. McIntyre. 7.7 percent.

Senator Byrd. 9 percent as to the Senate Concurrent Resolution passed by the Congress last September.

Mr. McIntyre. But the Congress will submit the revised estimates in my judgment, the Congress will be required—in fact, the CBO has already testified, as I recall, that there will be a need for some revised estimates and, in fact, the Congress will be just about at the same figure that the President has recommended for 1979.

Senator Byrd. As I understand it, you plan to recommend an increase in fiscal '79, a spending increase in fiscal '79 of roughly $6 billion?

Mr. McIntyre. Not from our estimates. From our estimates, it is about $3 billion. Our estimates last year were $491 billion in outlays that Congress was about $3 billion under in its estimates.

Senator Byrd. The Congress reduced what you asked for.

Mr. McIntyre. You had different estimates; as the facts are going to prove, we were both too low in our estimates and the Congress is going to have to increase its estimates by $6 billion. We are going to have to increase ours about by $3 billion.

Senator Byrd. What I am saying is—correct me if I am wrong—you are advocating an increase in spending for 1979?

Mr. McIntyre. The major portion of the increase in spending for 1979 is to meet the requirements of the uncontrollable programs, Mr. Chairman.

Senator Byrd. Regardless of what the reason is, you are advocating an increase in spending in 1979, correct?

Mr. McIntyre. That is correct. There is an increase recommended in spending.

Senator Byrd. On top of that, you are recommending an increase as delineated in your 1980 budget of an additional $39 billion?

Mr. McIntyre. That is correct. Our figures are $38 billion.

Senator Byrd. Do you agree or disagree that the accumulated Federal deficit, the interest required to fund it and the size of the national debt is, at the present time, the biggest single contributor to inflation?

Mr. McIntyre. At the present time, I think there are probably a lot of contributors to inflation. I think the Federal deficit is certainly a contributor to inflation, but there are a lot of other things, Mr. Chairman, that contribute to inflation.

I do think that there are points in time at which the amount of Federal spending can place an increased demand in the economy that can have the effect of increasing inflation.

Senator Byrd. What about at the present time?

Mr. McIntyre. At the current time, I could not say. I could not say that it is the single biggest contributor.

Senator Byrd. You could not?

Mr. McIntyre. I could not.

Senator Byrd. You do not agree that it is the biggest single contributor?

Mr. McIntyre. Not the single.

Senator Byrd. What do you say is the single biggest contributor?

Mr. McIntyre. I think there are a number of factors that are contributors at this point in time. We are still experiencing some of the effects of inflation that was created from actions in prior years, particularly the late 60's and early 1970's.

Senator Byrd. You are going back to ancient history now.

Mr. McIntyre. Well, I think inflation, Mr. Chairman, is a long-term problem. We do not know what causes any single cause of inflation is, but I can tell you that if the wage and price controls were taken off in the early 70's, we saw inflation zoom up.

Senator Byrd. It is rather astonishing, I think, that the Secretary of the Treasury and the Director of the Office of Management and Budget say that they do not really understand what causes inflation.

I think that the American people have a much better idea of it than some of our government officials seem to have.

Let me ask you this. You are here today to ask, on behalf of the Administration, for an increase in the national debt ceiling limitation, correct?

Mr. McIntyre. That is correct.

Senator Byrd. According to Secretary Blumenthal's figures, the Federal debt will increase by $98 billion during the next 18 months.

Does that indicate to you that the government is getting spending under control?

Mr. McIntyre. If you look at the deficit alone, it is correct—I mean, if you look at the debt alone, it is true that the debt is increasing.

I have tried to focus on Federal spending and what I have tried to indicate to the Committee is that we are slowing down the rate of growth in Federal spending.

Senator Byrd. You are not slowing it down when you are talking about a 9 percent increase in spending.

Mr. McIntyre. We have a different figure for the increase. Our figure is the 7.7 percent.

Senator Byrd. That is after you increase spending for '79.

Mr. McIntyre. That is correct.

Senator Byrd. The budget authority under the new budget, the budget authority would increase from $559.7 billion in FY '79 to $615.5 billion in FY 1980. This is an increase of 10 percent in Federal obligations to spend between those two years.

Should not spending increases be brought down sharply if we are serious about reducing Federal spending and the government debt?

Mr. McIntyre. Mr. Chairman, I have been very concerned about budget authority. It has been long ignored by the Administration and the Congress. We pay more attention to outlays than we do to budget authority.

Senator Byrd. I agree.

Mr. McIntyre. I tried to follow it fairly closely this year and I intend to give it much more attention as we put together the 1980 budget.

Senator Byrd. You are proposing a 10 percent increase?

Mr. McIntyre. If you look at this figure, there is one big item in this figure that appears about every four or five years. That is $15 billion being authorized for TVA borrowing authority. If you take that $15 billion out, it is a much more realistic budget authority figure and actually it brings it down to about 2.5, 3 percentage points so we are down in the neighborhood of 7 percent.

Senator Byrd. That reminds me that last year, I forget who it was; one Administration official who testified before this Committee. I asked him the rate of inflation and he said now, if you leave out food and if you leave out fuel, then the rate of inflation is 7 percent or 6 percent, or something like that. But it seems to me you cannot leave things out. You have a budget and your proposal is to increase budget authority by 10 percent.

Mr. McIntyre. Mr. Chairman, a good bit of this, again, is in the uncontrollable category.

Senator Byrd. Wherever it falls, we are talking about the budget.

Mr. McIntyre. I understand that. You have to understand the constraints that have been imposed on us. We have a $15.4 billion increase for the Social Security trust funds. I do not know if anybody is going to cut that out. I am not going to recommend that we cut the increases out at this point for Social Security.

We have a $4 billion increase for Medicare and you go down the list. The biggest item that there is some degree of latitude over would be the $15 billion for the Tennessee Valley Authority and if that authority is going to continue to operate, then we have to recommend that this budget authority be approved by the Congress.

Senator Byrd. You have touched on trust funds. Is it not correct that the trust funds are running in surplus?

Mr. McIntyre. That is correct.

Senator Byrd. If it were not for the surplus in the trust funds, the deficit would be $20 billion more.

Mr. McIntyre. That is about right, yes, sir.

Senator Byrd. So far as the general operations of government are concerned, financed by general taxation, your new budget will provide nearly a $50 billion deficit. Is that not correct?

Mr. McIntyre. $49 billion, that is correct.

Senator Byrd. A $49 billion to $50 billion deficit. What you are doing to make the $29 billion deficit look good—or look better; to me, it does not look good, but it is better—you are taking the surpluses from the trust fund to reduce the deficit from the general fund. Where do those trust funds come from? Not from general revenues; they come from the working people that they pay in in Social Security taxes. They and their employees pay in for their own retirement.

The largest item—I am taking it from memory—is the unemployment fund paid entirely by the employers of this nation and the Civil Service retirement fund, paid by the government employees.

When you get into the general fund operations, you are running terrific deficits, but you do have a surplus in the trust funds which do not come from the general taxation.

Mr. McIntyre. The Chairman is all too familiar with the fact that the unified budget concept was put into effect in the late 1960's and we have not made any changes in the way that the budget has been accounted for, at least in the past decade, so that there is nothing unusual in this fact, and the fact that the trust funds are used—or are borrowed, in effect, by the Treasury—to offset the total amount of debt that is required.

Senator Byrd. You are quite right. There is nothing unusual about it, but the point is that in the general operations, the general operating side of the government, is where the huge increases in spending is, the huge increase in the deficit.

The trust funds, as you indicated, are running surplus.

Mr. McIntyre. But your statement, Mr. Chairman—let me see if I can make a few points on that statement. Let us take Social Security, for example. That program—actually, the spending in that program was going up 12.5 percent. It is going up to about $115 billion.

It is a rapidly growing program. It is true that there is a surplus in the trust fund, but the program itself, the expenditures, are growing rapidly, as fast as about any other item in the budget.

Senator Byrd. The taxes have been increased to reflect that.

Mr. McIntyre. To reflect that, that is correct. Future liabilities in general solvency of the Social Security Trust Fund.

But let me make this other point. Of the $38 million increases in the 1980 budget, about $20 billion of that is in the trust accounts.

Senator Byrd. Your Federal funds outlays will increase $20 billion? You project for FY 1980 Federal fund outlays of $381.8 billion; for 1979 it is $361.3 billion.

Mr. McIntyre. That is correct.

Senator Byrd. Incidentally, you mentioned the unified budget's going back a number of years, and you are quite right. The way that that came about was when Lyndon Johnson was President and he was running these huge deficits—nothing compared to what we have now. His deficits look pretty good now, but he was running what most considered huge deficits and in order to make it look better, he went to the unified budget concept instead of the Federal funds concept, picking up the surplus from the trust funds and thus reducing the deficit.

Now, I am wondering, if we do not have a gimmick in this budget which we are looking at now, for this reason. Looking again at FY '79, we find the Administration has significantly increased both budget authority and outlays over the budget resolution of last September. This has the effect of making the FY 1980 budget look better.

The larger FY 1979 figure, the smaller the increases are for FY 1980.

Is there a cosmetic element here, intending to make the new budget look a little better than it actually should?

Mr. McIntyre. Absolutely not, Mr. Chairman. Those increases and I can get you a list of those increases and explain to you the reasoning behind them, but in many instances we have re-estimated some programs and have increased estimates on others.

I think that probably one of our biggest increases in 1979 is interest on the debt and a number of the other increases are in some of the other programs, like defense.

We have a $2.2 billion supplemental recommended for 1979 in the Defense Budget. I can get a list for the Committee of the '79 recommendations and the reasons for those.

Senator Byrd. In regard to the off-government agencies?

Mr. McIntyre. Yes.

Senator Byrd. Deficits generated by so-called off-budget agencies, notably the Federal financing bank, continue at $12 billion in 1980, the same figure as they were in 1979. This is another element of government spending and it is not included in that deficit of $29 billion that you are speaking of, and it increases the deficit when you include that $12 billion. It increases the deficit to $41 billion.

Is that not correct?

Mr. McIntyre. That is the total deficit. That is correct.

Senator Byrd. Let me read my question again, if I may. Which is the biggest single contributor to inflation, if the accumulated Federal deficit is not the biggest, what is the biggest?

Mr. McIntyre. Mr. Chairman, it is very difficult to single out any single cause that is the principal cause of inflation. It is a cumulative thing involving an increase in prices for goods, increased wages, the amount of spending that the Federal government does, and the demand that is thereby placed on the economy.

There are a number of items that have a cumulative effect and result in inflation. As far as saying that one is more important than the other, maybe at times you can identify one single item that is more important than another.

One of the things that we have tried to address, and perhaps one of the greatest contributors to inflation is the inflation psychology. That policy in this country, the fact—and the deficit is symbolic in that regard, and I would concede that point, but the Federal government spending and the resulting deficit are symbolic and we have tried to address that in trying to address expectations that are created by government spending.

I do not think that anyone really knows what is the single and the principal cause of inflation, but I do know that we have to address inflation expectations and the inflation psychology that I see developing in this country and that is what we have tried to do in this budget.

Senator Byrd. I was mainly interested in getting the thinking of the Budget Director as to whether he does or does not agree that the accumulated Federal deficit, the interest required to fund it and the size of the national debt is the biggest single contributor to inflation. His reply is no.

I assume you are familiar with Public Law 95–435 that was signed on October 10, 1978?

Mr. McIntyre. I am not familiar with it by number. If you are referring to the law that created the Byrd amendment. I am familiar with that.

Senator Byrd. Yes. I assume you are familiar with Section 7 of that law. Section 7 reads thusly, beginning with fiscal year 1981, the total budget outlays of the Federal government shall not exceed its receipts. What is your view of Section 7?

Mr. McIntyre. Mr. Chairman, Section 7, in effect, requests that the budget be balanced by 1981. As I have indicated, the President remains committed to a balanced budget and we are putting all of our efforts into achieving that goal.

Next year, we will make fiscal policy plans for the 1981 budget and whether or not the President should propose a budget at that time will have to depend on the needs of the economy, as well as budgetary requirements.

We are going to do everything we can to achieve the goal of a balanced budget. Whether we can do it for 1981 or whether we have to defer that for one year is a matter that we cannot decide until we go through the '81 process and make the decisions about expenditures, as well as any tax cuts that I have heard this Committee suggest that need to be considered.

You cannot have it both ways. Tax cuts will increase the deficit unless there is an equivalent amount of reduction in spending. With 76 percent of this budget basically fixed by law or prior contractual commitments, we are going to have to chip away at the deficit. It is a long term problem and we have to look at it in that manner and set a goal and remain committed to that goal.

That is the important thing. We have set a goal in this Administration. We are making progress towards that goal, and we are going to keep that goal in sight and not lose sight of it and rapidly accelerate Federal spending.

Senator Byrd. When the President signed public law 95-435, including Section 7, the press quoted a White House spokesman as saying the White House did not understand just what the Byrd amendment meant.

In every speech that I have made in Virginia since, I have drawn attention to the fact that the White House did not understand exactly what that meant. I add that I have no doubt that some who live in the rarified atmosphere of Washington, D.C. would not understand it, but it is only 18 words, and then I read it to the audience. "Beginning in fiscal year 1981, the total fiscal budget outlays shall not exceed receipts."

I find that all the Virginia audiences can understand it. I do not know if they can understand it outside of Virginia or anywhere else, but all the Virginia audiences seem to understand it. I spoke to the New York State Bar Association—1,000 lawyers—they understand it.

Does the Administration expect to advocate repeal of this balanced budget requirement or does it intend to comply with it?

Mr. McIntyre. Mr. Chairman, there are no current plans to advocate repeal of the requirement. As I indicated in my previous answer, the Administration will have to look at its fiscal policy plans for the 1981 budget and make those decisions about fiscal policy in light of the situation and needs of the economy.

That is what we intend to do.

Senator Byrd. Let me ask you this. I assume that you either plan to comply with it, or plan to seek its repeal, one or the other.

Mr. McIntyre. Or amendment.

Senator Byrd. Or amendment.

In any case, this section 7 is a part of the statutory law, is it not?

Mr. McIntyre. That is correct.

Senator Byrd. Am I correct in assuming that you will comply with the law or seek its repeal or, as you indicated, another possibility would be to seek an amendment to it. Is that it?

Mr. McIntyre. Mr. Chairman, how we react to the law is something I think will have to be determined after we complete our analysis of the economic situation.

I would say to you, however, that there is a constitutional duty imposed upon the President to make proposals to the Congress that express his view of the needs of the nation, and there is some question whether or not that responsibility can be adversely affected by statute. An important point is that we share a common goal, Mr. Chairman. We may have a difference in judgment about how to arrive at that goal, yet we are both working toward a goal and I will submit that we have made progress in the Administration in achieving that goal and we are going to continue to work to achieve that goal.

Senator Byrd. I note that 25 state legislatures have petitioned the Congress for a Constitutional amendment to mandate a balanced budget. My impression is that the Administration does not favor this proposal.

Mr. McIntyre. The Administration has not taken an official position on the proposal. First of all, we are trying to examine the calls so that we can make an informed judgment about those calls that some 25, 26 states have adopted. I can give you a personal judgment, however, about the calls for such an amendment.

Let me preface this first by saying again we have as a goal that of balancing the budget and we are making progress towards that goal but we are doing this through a careful and deliberate economic and budgetary planning effort. I think that there is no substitute for making those tough economic and budgetary decisions on a year by year basis as circumstances dictate as we have done.

I think the Congress is going to have to submit itself to the same degree of restraint and have as a joint goal, that of balancing the budget.

Senator Byrd. I certainly agree with you on that. That is why I favor a Constitutional amendment.

I know the Congress; I have served in the Congress. I do not find any fiscal restraint in the Congress. I do not find any fiscal discipline in the Congress.

Mr. McIntyre. There is always hope, Mr. Chairman.

Senator Byrd. Yes, but the people are beginning to lose hope after a multitude of years and the people are taking this into their own hands.

If someone had told me two years ago that the legislatures of 25 states, actually 26 if you include Nevada where the governor vetoed the Resolution, would petition the Federal Congress to put a Constitutional amendment mandating a balanced budget, I would have bet $1,000 to $1 that it would not have occurred.

Mr. McIntyre. At the same time, Mr. Chairman, those states are receiving $82 billion in Federal aid to help them with their own budgetary problems as well as carry out some Federally-mandated programs.

Senator Byrd. Sure. That is not the point I am making. The point I am making is that the American people, if I can judge it accurately, and I think there are certain signs that that is correct, that the American people are tired of waiting for the Congress and the President to act. They are taking the matter into their own hands.

Just this year, just this 1979, this is only the second month, the sixth day of the second month, four states have joined that parade: Arkansas, Utah, North Carolina and South Dakota. I think it is very significant.

I favor a Constitutional amendment, but I prefer that the Congress do it rather than go the route of the Constitutional Convention, but I do think that something needs to be done.

I thought that I would help the cause and help the President, too, because he was so outspoken in this regard in 1976. I thought I would help the cause when I presented Section 7 of Public Law 95–435 to require a balanced budget as of fiscal 1981.

If that law is not going to be adhered to, then—well, let me state first that amendment was approved by the Senate by a two-to-one vote. An identical amendment was defeated by a two-to-one vote four years earlier, but that amendment was approved by the Senate by a two-to-one vote and approved by the House by a three-to-one vote, and was signed into law by the President.

I realize that it was an amendment to another bill that the President was interested in and I am not sure that it would have been signed by Mr. Carter had it been a separate piece of legislation, but, nevertheless, it is still just as much the law and it was signed into law by the President.

So the President is committed to it, the Senate is committed to it, the House is committed to it. If that statutory law is not going to be adhered to, then I think that is additional reason why the people themselves must take this into their hands, and we must pass a Constitutional amendment.

I prefer to do it by statute. I prefer to have it done by the Congress itself working in cooperation with the President and maybe it will work out that way. But if it does not, I think the only thing we can do is go to a Constitutional amendment, but with an emergency provision where two-thirds of the Congress can set it aside if emergencies develop.

I hope that you and the President and all of you associated with it will comply with that mandate of the Congress enacted into law by signature of the President on October 10, 1978.

I think that is an obligation. I have heard—maybe I have heard inaccurately but I have heard when OMB has been queried on this that OMB—first, the Los Angeles Times published when they were first queried that they did not know anything about it. This was only a few weeks ago, although it became law in October of 1978. I have heard other statements that OMB downgrades it and says that is not something that has to be worried about, or something like that.

I do not know anything about that. These are just secondhand statements I get. But I do know that it is the law. It is a statutory law, and I would certainly expect that it would be complied with, realizing, of course, that if the President does not want to comply with it, or if the Congress doesn't then it can always be repealed. But until that is done, I would certainly think that the public would have a right to expect that it would be complied with.

Mr. McIntyre. Mr. Chairman, I certainly concur with you. It is the law. All I have tried to indicate to you is that it is premature at this time to predict what the 1981 budget is going to be. We have to look at it in terms of the economic circumstances.

Let me make one other point. One of the difficulties is how to get there. We have given an opportunity to the Congress this year to reduce the Federal budget over $4.5 billion from the current services level. I might add that since the current services concept has been in existence, this is the first time the Administration has submitted a budget to this Congress that is under the current services level of the increases that we are talking about in spending the $38 billion total increase.

The Administration is recommending its spending in 1980 at $33.9 billion, or 88.7 percent, is in the uncontrollable programs.

Now, that is significant to me because unless the Congress is willing to take some action to curb the growth of some of these uncontrollable programs then we are going to be faced with this tough dilemma of having to put a substantial amount of money into these uncontrollable programs.

We have recommended some changes in these programs. Some of them have not been very well received by various groups and some members of the Congress, but I would submit to you that if we are going to achieve a balanced budget, then we are going to have to make those tough decisions and we are going to have to take actions this year which are rather minor compared to the total spending in the program but have tremendous effects in the future on the spendings of those programs.

That is what we have recommended, and I would hope that the Congress will show that it is serious about the restraining the growth in Federal spending and will approve this budget that the President has submitted, particularly those programs where we have recommended curbs on the increase in spending, or in the growth of the rate of spending in these programs.

The way to get to the balanced budget, in our judgment, are through those tough decisions that are going to have to be made. Otherwise, there will be ways found to get around such amendments and such laws, and mine and the President's and your objectives will be thwarted. I do not want to see that. Mr. Chairman.

Senator Byrd. You will not get any defense of the Congress from me. I think Congress has been totally irresponsible over a period of time. The only way it is going to show any degree of responsibility is if the people demand it. I think there is evidence that the people are beginning to demand it, and I think that President Carter deserves credit for that, because he dramatized in 1976 the swollen bureaucracy, the swollen spending, the need to get spending under control and the need for government to put his financial house in order. I think he had a lot to do with stimulating the debate and the interest on the part of the public so I want to give him credit in that regard and I want to give the people of California credit.

I do not know what effect it might have in the future in California, but I do think that it has had a very desirable effect on the people of the United States as a whole and on the Congress as the whole.

To get back to your assertions about the Congress, as I say, I am not going to attempt to defend the Congress. I think it has been irresponsible but I do see some indication of change.

I think there has been a change in attitude on the part of many members of the Congress and I hope that that continues.

I want to thank you for being here today, and I want to say again that you have one of the toughest jobs in the government and I do not envy you one bit.

Mr. McIntyre. Thank you, Mr. Chairman.

Senator Byrd. Thank you.

(Thereupon, at 12:40 p.m., the Subcommittee recessed, to reconvene at the call of the Chair.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources, without amendment:

S. Res. 60. A resolution authorizing additional expenditures by the Committee on Energy and Natural Resources for inquiries and investigations. Referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

Mr. STENNIS. Mr. President, from the Committee on Armed Services, I report favorably the following nominations. In the Army, Maj. Gen. Richard H. Groves, USA, to be lieutenant general; Lt. Gen. Harold R. Aaron (age 57) to be placed on the retired list in that grade; 42 for permanent promotion to the grade of major general and brigadier general (list begins with Lt. Gen. Sidney B. Berry); 59 for temporary promotion to the grade of brigadier general (list begins with Col. Arthur Holmes, Jr.); Brig. Gen. George Kuttas, USA, to become major general and Col. Hubert T. Chandler, USA, to become brigadier general. In the Reserve of the Army, Brig. Gen. Carl D. McIntosh for promotion to the grade of brigadier general in the Army of the United States and also in the Reserve of the Army, there are 45 reserve component officers for promotion to the grade of major general and brigadier general (list begins with Brig. Gen. Robert D. Bay). In the Navy, Adm. Stansfield Turner, USN, (age 55), for appointment to the grade of admiral on the retired list. And, in the Air Force, Gen. John W. Roberts, (age 57), to be placed on the retired list in that grade; Lt. Gen. John J. Burns, (age 54); Andrew B. Anderson, Jr. (age 52); and, James A. Knight, Jr. (age 55), to be placed on the retired list in the grade of lieutenant general; Maj. Gen. Charles S. Pattillo; Lawrence A. Skantze; Evan William Rosencrans; James P. Mullins to become lieutenant generals. There are also two lists totaling 136 in the Air Force for temporary and permanent major general and brigadier general (lists begin with Brig. Gen. William P. Acker to major general and Brig. Gen. Joseph B. Dodds to major general). In the Reserve of the Air Force, there are two lists totaling 35 for appointment to the grade of major general and brigadier general (lists begin with Brig. Gen. John B. Conley to be major general and Brig. Gen. Bruce M. Davidson to be major general). I ask that these nominations be placed on the Executive Calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STENNIS. In addition, Mr. President, in addition, there are three lists for the Army totaling 1,327 for promotion to the grade of colonel and below (lists begin with Albert Abraham; Byron B. Alexander; and, Howard T. Prince II). For the Army Reserve there is one list totaling 2,305 for promotion to the grade of colonel and below (list begins with Carl W. Ackerman). In the Navy and Reserve of the Navy there are three lists totaling 162 in the grades of captain and below (lists begin with Larry E. Baker; Herbert J. Kendall II; and, John W. Dreon, Jr.). In the Marine Corps there are two lists totaling 205 for appointment to the grade of second lieutenant (lists begin with Ronald G. Horton and Ronald E. Anderson). And, in the Air Force and Reserve of the Air Force there are six lists totaling 5,162 for promotion to the grade of colonel and below (lists begin with Wilfred K. Abbott; David R. Abel; Robert A. Abbott; George H. Aberth, Jr.; Richard B. Almour; and, Jon S. Allen). Since these names have already appeared in the Record and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the Record of January 23, 1979, at the end of the Senate proceedings.)

ORDER FOR REFERRAL OF S. 339

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as S. 339, amending the Export-Import Bank Act, is reported by the Committee on Banking, it be referred sequentially to the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and the second time by unanimous consent, and referred as indicated:

By Mr. JACKSON:

S. 366. A bill to provide for the exploration for and development of federally owned minerals, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. JACKSON (by request):

S. 367. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the Illinois River in Oregon as a component of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

By Mr. STEVENS:

S. 368. A bill to amend title 5 of the United States Code to provide additional cost-of-living adjustments in civil service retirement annuities of annuitants who were employed in Alaska and continue to reside there after separation, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BUMPERS (for himself and Mr. Pryor):

S. 369. A bill to provide price and income protection for agricultural producers by assuring such producers a price for their agricultural commodities of not less than the cost of producing such commodities; to assure consumers an adequate supply of food and fiber at reasonable prices; and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. STEVENS:

S. 370. A bill to amend title 5 of the United States Code to provide vacation leave for residents of Alaska serving a tour of duty at a hardship station in Alaska; to the Committee on Governmental Affairs.

By Mr. McGOVERN:

S. 371. A bill to modify the method of establishing quotas on the importation of certain meat to include within such quotas certain meat products, and for other purposes; to the Committee on Finance.

By Mr. LEAHY:

S. 372. A bill to amend the Rural Development Act of 1972; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DeCONCINI (for himself, Mr. Kennedy, and Mr. Thurmond):

S. 373. A bill to amend title 28 of the United States Code to encourage prompt, informal, and inexpensive resolution of civil cases in the United States district courts by the use of arbitration, and for other purposes; to the Committee on the Judiciary.

By Mr. CRANSTON (by request):

S. 374. A bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such Act to facilitate the improvement of programs carried out thereunder, to authorize Urban Volunteer Programs, and for other purposes; to the Committee on Human Resources.

By Mr. DOMENICI:

S. 375. A bill to incorporate the American Ex-Prisoners of War, Incorporated; to the Committee on the Judiciary.

By Mr. COCHRAN:

S. 376. A bill to amend the Public Health Service Act to establish a clearinghouse for information respecting digestive diseases, to authorize grants to strengthen educational programs in digestive diseases in medical schools, and to establish the National Digestive Diseases Advisory Board; to the Committee on Human Resources.

By Mr. ROTH (for himself, Mr. Ribicoff, Mr. Danforth, and Mr. Heinz):

S. 377. A bill to establish as an executive department of the Government of the United States a Department of International Trade and Investment, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BELLMON (for himself, Mr. Javits, Mr. Moynihan, Mr. Baker, Mr. Boren, Mr. Melcher, Mr. Cochran, Mr. Lugar, Mr. Garn, Mr. Tower, Mr. Bayh, and Mr. Wallop):

S. 378. A bill to authorize funds for the Robert A. Taft Institute of Government; to the Committee on Human Resources.

By Mr. DOMENICI:

S. 379. A bill for the relief of Mrs. Ascencion M. Lujan, Noe Lujan, Sevedo Lujan, Junior, Cordelia Lujan Long, Antonioa Lujan, Venceslao Lujan, Marta Lujan, Felix Lujan, and Tovia Lujan; to the Committee on the Judiciary.

By Mr. DURKIN (for himself and Mr. Tsongas):

S 380. A bill to amend the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HOLLINGS (for himself and Mr. Thurmond):

S. 381. A bill to provide in cooperation with the States benefits to individuals who are totally disabled due to employment-related brown lung disease and to the surviving dependents of individuals whose death was due to such disease or who were totally disabled by such disease at the time of their death; to the Committee on Human Resources.

By Mr. KENNEDY (for himself, Mr. Hatch, Mr. Riegle, Mr. Domenici, Mr. Danforth, Mr. Levin, and Mr. Magnuson):

S. 382. A bill to amend the Clayton Act by strengthening and facilitating the carrying out of antitrust and procompetitive policies by agencies of the Federal Government, and for other purposes; to the Committee on the Judiciary.

By Mr. SASSER:

S. 383. A bill to amend title 5, United States Code, to extend certain benefits to former employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, and for other purposes; to the Committee on Governmental Affairs.

By Mr. PACKWOOD:

S. 384. A bill for the relief of Jung-Sook Mun; to the Committee on the Judiciary.

By Mr. CULVER (for himself and Mr. Jepsen):

S. 385. A bill for the relief of Rong-Shyang Shieh and Shiow-Ing Shieh, husband and wife; to the Committee on the Judiciary.

By Mr. HEFLIN:

S.J. Res. 36. Joint resolution proposing an amendment to the Constitution to prohibit appropriations for a fiscal year which would cause the total appropriations to exceed estimated receipts for such fiscal year; to the Committee on the Judiciary.

By Mr. SASSER:

S.J. Res. 37. A joint resolution authorizing the President to proclaim May 1, 1979, "National Bicycling Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JACKSON:

S. 366. A bill to provide for the exploration for and development of federally owned minerals, and for other purposes; to the Committee on Energy and Natural Resources.

FEDERAL LAND MINING ACT OF 1979

● Mr. JACKSON. Mr. President, revision of the mining law of 1872, which governs development of so-called hard-rock minerals on Federal lands has been urged by many people for many years. Despite this urging, there has been almost no action by either the Senate or the House of Representatives.

Now, however, the time should be ripe for action. The House Interior Committee began work on mining law reform during the last Congress. President Carter and Secretary of the Interior Andrus agree that the law should be revised. I have long held this view.

What is the reason for concern about the mining law of 1872?

Mining often involves the destruction of other resources to some extent. In many cases, timber must be removed, wildlife habitat must be disturbed, natural waterways must be changed, overburden must be set aside, wastes must be disposed of, roads must be pushed through undisturbed areas, water must be diverted and may become contaminated, and holes must be drilled. These and other activities are essential to obtain minerals needed by the economy.

Sacrifice of some resources to realize others is not limited to mining. It is characteristic of any intensive use. However, the mining law of 1872 fails to have internal controls for weighing the value of these sacrifices. It contains no general requirement for consideration of the other resource values of the lands involved.

The result has been a continuing battle among miners, prospectors, other user groups, administrators, legislators, and the general public. Attempts are made to resolve these incompatible conflicts often simply by barring mineral or nonmineral activity from specific areas. There are also, as a result, a host of special laws, or laws for special situations, governing mining in different types of Federal areas—some national parks, national recreational areas, power site reserves, wilderness areas, and others. It is increasingly apparent that the United States must develop its domestic mineral resources. Public land mineral development must take place within the context of the wide variety of demands being made on Federal lands. This requires accommodations among conflicting uses. It is, and will continue to be, impossible to make everybody happy all the time.

We need to be sure that our policies and procedures assure that this development is as compatible as possible with other uses and values of these lands. How can we achieve this goal?

There is a critical need for comprehensive land use planning. Most people are willing to compromise and allow "undesirable" uses such as mining. However, they do not see the tradeoffs in the case-by-case decisionmaking process. Comprehensive planning displays the alternatives.

Environmental protection must be built in all plans and actions. We must not permit any degradation that can be avoided and we must minimize all unavoidable degradation.

This is the critical weakness of the 1872 mining land. It puts the land use decision entirely in the hands of the miner. He decides that mineral development is the best use of public lands regardless of other values, and no evaluation of alternatives.

We must modify the basic principle of the 1872 mining law that mineral development is always the highest use of land. Existence of minerals in a given tract of land does not necessarily mean that mineral development is the best use.

In sum, we must seek to balance mineral development with other resource values and other potential land uses. For years, the scales have been tipped in favor of the mineral developer. To counter this, there has been a tendency to withdraw public lands from mining claim location. The result is an "all or nothing" confrontation which is not in the national interest.

Under our Constitution the Congress has a special responsibility for the Federal lands. Congress must establish policies and standards to assure that mineral resource development on Federal lands is consistent with the basic policy that the Federal lands are vital national resource reserves held in trust by the Federal Government for all the people.

Mr. President, I feel certain that Congress can establish laws that will permit compatible mineral development in a manner that is practical, fair, and just. At stake is the management of the public lands in the public interest, which includes a sound, vigorous mining industry.

In order to begin this process, I am introducing today the Federal Land Mining Act of 1979. It is designed to achieve the objectives I have outlined. The bill would establish a complete new legal system for prospecting for and developing "hardrock" minerals on both public domain and acquired lands. I believe it will meet the needs of both the Government and the industry; provide for congressional control of policies and programs with executive flexibility for day-to-day administration; encourage mineral prospecting and development with sound planning and adequate environmental controls; and harmonize mineral development on Federal lands with other congressionally authorized conservation and land management programs.

I ask unanimous consent that a brief summary of the manner in which the bill treats many of the most significant policy issues involved be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

BRIEF DESCRIPTION OF SIGNIFICANT FEATURES OF THE FEDERAL LAND MINING ACT OF 1979

1. INCENTIVES FOR PRIVATE DEVELOPMENT

The bill assumes that the arrangements made by free enterprise in its dealings with private owners of mineral deposits and its other normal business operations provide prospects for profits sufficient to induce industry to undertake the risks inherent in the search for and development of minerals. It calls for "fair market" return to the Government, the amount a private owner realizes in his negotiations with private industry. The bill sets no specific upper or lower limits to Government returns in order that there will be no arbitrary interference with establishing "fair market" requirements. The bill grants authority to the Secretary of the Interior to provide for negotiated adjustments in contracts when changes in economic and other conditions modify "fair market" relationships. Consistent with the concept of "fair market," it assumes normal business practices.

2. CONSIDERATION OF ALTERNATIVE RESOURCE VALUES

The bill assigns the determination of whether minerals will be available for development to the head of the department or agency which administers the land. To provide an assurance that full weight will be given to minerals values and to the policies of the Congress as expressed in the bill, the bill requires a justification to the Secretary of the Interior whenever a department or agency head refuses to make lands available or requires restrictive provisions. Full consideration is further promoted by provisions in the bill for public participation in, and Congressional oversight of, decisionmaking. The bill makes no changes in existing law with respect to judicial review or, in substance, with respect to withdrawals of land from mining.

The bill establishes various policies and objectives with respect to the development of Federally-owned minerals and recognizes that there will be day-to-day practical problems in reconciling or harmonizing mineral policies and objectives with other Congressional natural resource and management policies and objectives. It expects these problems to be solved in the give-and-take of democratic processes and procedures, including public participation, Congressional oversight, internal appeals procedures, and judicial review.

3. TREATMENT OF SMALL MINERS

The bill retains a measure of miner-initiated decisions with a modified system of locations by "small miners." Under regulations of the Secretary of the Interior, heads of departments and agencies will determine the lands and mineral deposits open to small miner locations. The bill gives the Secretary of the Interior authority to establish rules and regulations which would permit a location system to operate equitably and consistent with environmental protection and resource management.

4. AVAILABILITY OF LANDS FOR MINERAL DEVELOPMENT

The bill requires a positive administrative action to make lands available for mineral development. For locations by small miners, lands would not be available until "opened" by administrative order but thereafter would remain open until "closed" by administrative order. Otherwise, lands would be available only if offered for lease or sale by the Secretary or his delegate. Offers would be made either on the motion of the Secretary or his delegate or by them in response to applications or nominations.

In order to encourage appropriate mineral development and facilitate industry preparation for development, the bill requires the Secretary to prepare long-range plans for scheduling lands for opening to prospecting and development.

5. CONGRESSIONAL CONTROL OVER THE AVAILABILITY OF LANDS

The bill relies on established Congressional procedures for oversight, legislation, and appropriations for control of executive actions under the bill.

6. ADMINISTRATIVE DISCRETION

The bill sets forth policies, objectives, standards, and criteria to govern the management and disposal of Federal mineral deposits. Within this framework, it grants the Secretary of the Interior and other Federal officials full discretion in the administration of the law and in devising the means to comply with the policies, to achieve the objectives, and to enforce the standards and criteria. It avoids, with a few exceptions, establishing by law details of procedures or other requirements.

To assure that the exercise of discretion will be based on a fully disclosed and carefully devised system of principles and practices adopted only after full opportunity for public participation and Congressional oversight, the bill requires the Secretary of the Interior to issue rules and regulations to carry out its provisions. The bill makes the rule and regulations process subject to the rulemaking provisions of the Administrative Procedure Act.

7. ENFORCEMENT OF DUE DILIGENCE

The bill calls for due diligence but leaves it to the Secretary of the Interior to devise the means by which due diligence will be enforced. The bill, however, does not maximize limits to the term of years for leases issued under its terms.

8. ALLOCATION OF EXPLORATION AND DEVELOPMENT OPPORTUNITIES

The bill specifies how opportunities will be allocated. The general rule is that resources will be allocated to the highest qualified bidder. Exceptions are: small miners can earn the right to a lease through locations on a first-come, first-served basis and, where competitive interest is lacking or very low values are involved, specific quantities of minerals can be sold on a first-come, first served basis. In addition, the bill allows donations of minerals to governmental entities and to recreationists.

9. APPLICABILITY OF REGULATIONS

The bill permits the Secretary of the Interior to establish by regulation whether leases will be subject to future regulations and, if so, under what limitations and other conditions. As with other terms and conditions, the fair market value of the lease will be affected by the provisions for applicability of regulations.

10. ADMINISTRATION OF OPERATIONS

The bill centralizes the administration of its provisions in the Secretary of the Interior except for decisions whether lands will be open for mineral development and except also for determinations of terms and conditions related to non-mineral resource management. The latter responsibilities are assigned to the heads of the departments and agencies which manage the lands. The bill permits the Secretary of the Interior to delegate his authority to make quantity sales and to make inspections, enforce rules and regulations, and to carry out environmental protection and rehabilitation functions to departmental and agency heads.

11. PAYMENTS FOR LANDS AND RESOURCES

The bill requires the Secretary of the Interior to collect fair market value for lands and resources disposed of under its provisions. The bill permits collection of less than fair market value in transfers of minerals to governmental agencies and recreationists.

Charges required include rentals for use of surface resources, royalties and bonuses as payments for minerals taken, and payments for surface interest sold. The bill does not specify minima or maxima or any other standard other than fair market value. The bill permits the Secretary to accept cash, minerals, and land developments and improvements which would be of value to governmental programs.

12. REVENUE SHARING

The bill adopts the revenue sharing formula of the Mineral Leasing Act of 1920. Alaska is granted 90% and other States 50% of total revenues, less amounts paid to counties out of mineral revenues pursuant to other existing legislation. State legislatures will determine how the money will be used but are required to give priority to alleviating adverse effects of mineral developments undertaken pursuant to the provisions of the bill. Like the Mineral Leasing Act of 1920, the bill provides for loans to States based on expected revenues for early attack on such adverse effects.

13. ANTI-MONOPOLY

The bill charges the Secretary of the Interior to take the necessary steps to prevent or terminate monopoly and restraint of competition and trade. It requires the Attorney General to advise the Secretary and also to audit actual operations under the bill for that purpose. The bill authorizes the Secretary to adopt any means consistent with due process to carry out the statutory objective of normal competition.

14. MINERAL INVENTORY

The bill authorizes a comprehensive inventory of Federally-owned mineral interests. It requires the Secretary of the Interior to prepare long-range plans for inventory operations, which would be undertaken only if specifically authorized by Act of the Congress.

Inventory plans and operations would have to be designed to be harmonious with the statutory missions of the various land management programs. The bill requires maximum reliance on the private mineral industry and permits appropriate Government activity also. The bill requires authorized operators to disclose to the United States for Government use information about Federal lands and mineral resources developed and collected during authorized operations.

15. LOW-GRADE DEPOSITS

The bill assumes that acceptable decisions cannot be made with respect to low-grade deposits in the absence of facts about those deposits and the other values in the lands containing the deposits. To develop the needed facts and to assure executive and Congressional consideration of those facts, the bill calls for comprehensive mineral inventories, planning and Congressional oversight. The bill calls for, but does not specifically authorize, Government-financed research for identifying promising mineral targets. Specific authorizing legislation would be needed. The Government would recover its costs to the extent that the research added value to deposits disposed of, which in some cases could be less than actual expenditures and in other cases more.

16. EXISTING MINING CLAIMS

The bill protects existing valid rights. Valid claims existing on the date of the Act would not be adversely affected by the bill. However, holders of such claims would have three years in which to apply for patent. If they fail to do so, their rights thereafter would be limited to the minerals therein and to so much surface use as required for mineral operations.

Claimants having as of January 1, 1977, only a privilege of possession would be granted three years or until the lands were closed to mineral development, whichever is less, to continue their search for minerals. The bill permits them to apply for a lease under its provisions and authorizes the Secretary to issue leases where equitable considerations justify issuance.

17. CLASSES OF LANDS AND MINERALS INCLUDED

The bill supersedes all mineral disposal laws other than the Mineral Leasing Act of 1920, the Acquired Lands Leasing Act of 1947, and a special leasing law of limited application.●

By Mr. JACKSON (by request):

S. 367. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the Illinois River in Oregon as a component of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

● Mr. JACKSON. Mr. President, today I am introducing, by request, a bill to amend the Wild and Scenic Rivers Act by designating a segment of the Illinois River in Oregon as a component of the National Wild and Scenic Rivers System.

I ask unanimous consent that the text of the bill, together with a letter to the President from the Secretary of Agriculture, Bob Bergland, be printed in the RECORD.

There being no objection, the bill and letters were ordered to be printed in the RECORD, as follows:

S. 367

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Wild and Scenic Rivers Act (82 Stat. 906 as amended; 16 U.S.C. 1271-1287), is further amended as follows:

In section 3(a) after paragraph (15) insert the following new paragraph:

"(16) Illinois, Oregon—The segment from the boundary of the Siskiyou National Forest downstream to its confluence with the Rogue River as generally depicted on a map entitled "Illinois River Study" and is also part of a report entitled "A Proposal: Illinois Wild and Scenic River"; to be administered by the Secretary of Agriculture. After consultation with State and local governments and the interested public, the Secretary shall take such action as is required under subsection (b) of this section within one year from the date of enactment of this paragraph. For the purposes of this river there are authorized to be appropriated not more than $2,100,000 for the acquisition of lands or interest in lands.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., October 25, 1978.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am pleased to send you a report recommending the designation of the Illinois River, Oregon, and its immediate environs as an addition to the National Wild and Scenic Rivers System. The study and the recommendations in the report were made in response to the provisions of the Wild and Scenic Rivers Act (82 Stat. 906 as amended; 16 U.S.C. 1271-1287).

The entire Illinois River was designated for study in the Wild and Scenic Rivers Act. We interpreted the entire river to include the main stem from its confluence with the Rogue River to that point on the East Fork and West Fork of the river intersected by the Oregon-California boundary, a total of 88 miles. The detailed study of the river was conducted by the Forest Service, U.S. Department of Agriculture jointly with the State of Oregon and in cooperation with other Federal agencies.

The study found that the entire river meets the minimum criteria for addition to the National Wild and Scenic Rivers System. However, only the 50.4 mile segment of the main stem of the river from its confluence with the Rogue River upstream to the boundary of the Siskiyou National Forest near Eight Dollar Movement, is recommended for inclusion in the System. This would include a 3.8 mile segment from the mouth of the river upstream to Nancy Creek classified as recreational; a 28.7 mile segment from Nancy Creek upstream to Briggs Creek classified as wild; and a 17.9 mile segment from Briggs Creek upstream to the Siskiyou National Forest boundary classified as scenic. The upper 37.6 miles of river, in the immediate environs of Cave Junction upstream to the Oregon-California boundary, are not recommended for inclusion because of the predominance of private lands and development and the critically low water flows in the summer months. Non-classification of this upper segment of the river would enable future development of water storage facilities as they are needed. The State already has ample authority on this part of the river, to prevent and control pollution problems which could reduce water quality downstream. The segment of the Illinois River proposed for designation flows through predominantly public lands entirely within the Siskiyou National Forest and partially within the Kalmiopsis Wilderness. It joins the existing Rogue Wild and Scenic River at Agness, Oregon. The area within the proposed Wild and Scenic River boundary is about 15,229 acres consisting of 1,211 acres in private ownership and 14,018 acres in Federal ownership. We recommend the proposed Illinois Wild and Scenic River be administered by the Secretary of Agriculture.

The Illinois River study report and draft environmental statement were reviewed by other Federal and State agencies and by the public. Comments from interested reviewers are included in the enclosed report. The primary concerns expressed by reviewers relate to the impacts which the proposed wild and scenic river designation would have on hydroelectric power development and on mining within or adjacent to the river corridor.

Five potential power sites are within the segment of river recommended for designation. Application for preliminary permit for study of one of these, the Buzzards Roost site, has been filed with the Federal Energy Regulatory Commission by the Coos Curry Electric Cooperative, Incorporated. The proposed hydroelectric project would establish a 590 foot dam on the Illinois River 4.4 miles upstream from its confluence with the Rogue River, a re-regulating dam 1.5 miles upstream from the Rogue-Illinois confluence, and 5,600 acre-18 miles long reservoir extending upstream into the Kalmiopsis Wilderness. It is claimed that the additional 250,000 kilowatt capacity of this proposed project would be needed to prevent electric energy shortages forecasted beyond 1983 in the Cooperative's Rogue River Valley operating area. Cost-benefit analysis of the proposed project has not been made.

Hydroelectric development probably would foreclose most of the anadromous fishery values of the river. It is estimated that 30,000 Steelhead Trout migrate up the Illinois each winter to spawn. The river also supports a large run of fall Chinook Salmon with an escapement of about 20,000 fish and lesser runs of Coho Salmon and spring-run Chinook. Sea-run Cutthroat Trout and White Sturgeon are also found in the river system. Approximately 25,000 salmon and Steelhead Trout are caught by sport fishermen each year and the river contributes about 85,000 salmon annually to the offshore commercial fisheries of Oregon and California. Although some of the effects on these resources could be partially mitigated, it is doubtful that the existing natural conditions and present fish populations could be maintained if hydroelectric development were to occur.

Some reviewers also expressed concern that designation of the river would preclude new mineral development because land within one-quarter mile of the river would be withdrawn from appropriation under the mining laws and from operation of the mineral leasing laws. Valid existing rights would continue but the costs of mineral extraction probably would increase because of regulations which may be prescribed to protect and maintain the quality of the river environment. The known minerals within the Illinois River drainage, in order of economic potential, are gold, silver, platinum, nickel, copper, and chromite. Although mining of these deposits is not economically feasible at present. changing technology and markets could change the picture in the future.

We recognize the hydroelectric and mineral potentials present within the boundaries of the proposed Illinois Wild and Scenic River, but believe they are outweighed by the long-term public benefits to be realized by keeping the main stem of the river in its present natural condition.

The estimated additional costs for administration of the proposed Illinois Wild and Scenic River for the five-year period following enactment are $2,100,000 for acquisition of lands or interest in lands, $1,140,000 for development, and $242,000 for operation and maintenance. Land acquisition would be funded through the Land and Water Conservation Fund. A small increase in Federal employment consisting of one full-time employee and two seasonal employees for maintenance and protection of the river area, would be necessary.

I believe the segment of the Illinois River recommended for Wild and Scenic River designation is a unique and irreplaceable natural resource and should be protected as part of the National Wild and Scenic Rivers System. Accordingly, I recommend the proposal to Congress of the enclosed draft legislation to incorporate the Illinois River into the National Wild and Scenic Rivers System.

Sincerely,

BOB BERGLAND,
Secretary.●

By Mr. STEVENS:

S. 368. A bill to amend title 5 of the United States Code to provide additional cost-of-living adjustments in civil service retirement annuities of annuitants who were employed in Alaska and continue to reside there after separation, and for other purposes; to the Committee on Governmental Affairs.

Mr. STEVENS. Mr. President, today I am introducing a bill to extend cost-of-living allowances to certain civil service retired annuitants living in Alaska. The law presently allows a cost-of-living pay increase of up to 25 percent for Government employees who are stationed outside of the continental United States or in Alaska. The purpose of the law is to provide comparable pay throughout the United States by taking into consideration substantially different cost-of-living conditions. For example, certain employees in Alaska face excessively high living costs, often 25 percent higher than comparable costs in the District of Columbia. Thus, an allowance is granted to these employees to compensate for the difference in the cost of living.

However, no such allowances are granted for retired employees who live under the same economic constraints, and since annuities are only computed on base pay, the COLA benefits the employees are accustomed to are completely eliminated when they retire—hence, the need to provide similar allowances to retired annuitants living in Alaska. My bill would require that only a Federal employee who has performed at least 10 years of Federal service within Alaska and retires in Alaska would be eligible for this benefit.

Some may say: "If the annuitant cannot handle the adverse economic conditions, let him move back to the Lower 48 States. He is no longer required to live there." I do not accept that "feed them to the wolves" attitude. We must remember that one who has lived for 10 years in a particular area often has become acclimated to that area and would find it an economic hardship to move into the Lower 48 States. In addition, the local communities with such adverse climates have need for the experience and maturity that retired individuals bring to an area. Why create such disruptions for loyal Federal servants? Why should retirees be penalized for wanting to retire in the area in which they worked for so many years? If current employees are benefited by the allowance, it is only right that retired ones should continue to receive this benefit.

Mr. President, an inequity presently exists in our Nation. Alaskans who have rendered a great service to our Government are forced to retire on minimum wages while the cost of living in Alaska continues to leap upward at a much faster rate than elsewhere in the Nation. This bill will do much to dissolve this inequity; it is a bill that will provide long overdue justice to Alaskans, and I ask that it be considered as such in this session of Congress.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 368

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8340 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(g)(1) On January 1 of each year, or within a reasonable time thereafter, the Office shall determine the percentage by which—

"(A) the percent rise in the cost-of-living for the preceding calendar year for any area in Alaska with respect to which an allowance under section 5941 of this title is paid, exceeds .

"(B) the percent rise in the cost-of-livng for the District of Columbia.

"(2) Notwithstanding any other provision of this subchapter, effective March 1 of each year, each annuity of an individual described in paragraph (3) of this subsection having a commencing date not later than such March 1 shall be increased by the percent change computed under paragraph (1) of this subsection, adjusted to the nearest 1/10 of 1 percent.

"(3) This subsection shall apply to an individual who resides in an area described in paragraph (1)(A) of this subsection and who is—

"(A) a retired employee or Member who—

"(i) has performed 10 years of service in Alaska prior to separation from the service, and

"(ii) continues to reside in Alaska after the commencing date of his annuity, and

"(B) a survivor of any employee or Member described in subparagraph (A)(i) of this paragraph who resides in Alaska after the death of the employee or Member.

"(4) An increase in an annuity under this section shall be in addition to any other increase under this section and shall terminate on the first day of the first month following the month in which an individual no longer continues to reside in such an area in Alaska".

(b) Section 8340(c) of such title is amended by inserting "subsection (b) of" before "this section is".

(c) The first increase in annuities by reason of the amendments made by this Act shall not take effect before March 1, 1980.

By Mr. BUMPERS (for himself and Mr. PRYOR):

S. 369. A bill to provide price and income protection for agricultural producers by assuring such producers a price for their agricultural commodities of not less than the cost of producing such commodities; to assure consumers an adequate supply of food and fiber at reasonable prices, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

(The remarks of Mr. BUMPERS when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. STEVENS:

S. 370. A bill to amend title 5 of the United States Code to provide vacation leave for residents of Alaska serving a tour of duty at a hardship station in Alaska; to the Committee on Governmental Affairs.

Mr. STEVENS. Mr. President, today I am introducing legislation that would treat Alaskan Federal employees who work in hardship stations the same as other Federal employees who are similarly located. Presently, Federal employees who are recruited from within the continental United States to work outside the continental United States enjoy a benefit termed "turnaround leave." Turnaround leave is a statutory provision which requires an agency to pay the expenses of round trip travel for an employee and his or her family every 2 years to their home in the Lower 48 States. The turnaround leave provision is twofold: First, to compensate the employee for the enormous expenses he sustains in transporting himself and his family great distances; and second, to assist in recruiting Federal employees to work in remote hardship duty stations.

Alaskans who are recruited for a tour of duty in remote areas of Alaska, however, are unable to qualify for such benefits even though the distances traveled, expenses borne and the hardship endured are often the same. Often an Alaskan and an employee from the Lower 48 work in the same station performing similar, if not the same, functions; yet, the employee from the continental United States gets turnaround leave. Whereas, the Alaskan whose permanent Alaskan residence may be thousands of miles away does not. This situation is blatantly inequitable and needs to be changed.

My bill basically entitles the Alaskan Federal employee to the same benefits Federal employees from the Lower 48 States enjoy. If the employee satisfactorily completes a tour of duty at a hardship station within Alaska and is returning to his or her place of residence before serving at another hardship station in Alaska or in another post outside of the continental United States and Alaska, he or she will be entitled to turn around leave.

Mr. President, I ask unanimous consent to have the text of my bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 370

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 5728 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) Under such regulations as the President may prescribe, an agency shall pay from its appropriations to an employee whose actual place of residence is in Alaska at the time of his appointment or transfer to a post of duty in Alaska which is designated as a hardship station the expenses of round-trip travel of such employee, and the transportation of his immediate family, but not household goods, from such post of duty to such place of residence after such employee has satisfactorily completed an agreed period of service at such post of duty and is returning to such place of residence to take leave before serving another tour of duty at the same or another post of duty at a hardship station in Alaska or at another post of duty outside of the continental United States and Alaska under a new written agreement made before departing from such post of duty.".

(b) The amendment made by subsection (a) applies to employees serving at a post of duty at a hardship station in Alaska on and after the date of enactment of this Act

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By Mr. McGOVERN:

S. 371. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Finance.

MEAT IMPORT ACT OF 1979

Mr. McGOVERN. Mr. President, it was a matter of keen disappointment in the agricultural community at the conclusion of the last Congress when the President vetoed a meat import bill upon which both Houses of Congress had worked hard over a considerable period of time.

The centerpiece of the legislation passed last year was a new concept on meat imports that was termed "countercyclical," that is to say, going against the traditional cattle cycle. When domestic production was low more imported meat was allowed to come into the country. When we began to reach the high side of the production cycle, imports would be reduced. This obviously would work in harmony with the cattle cycle, and had the endorsement of the Secretary of Agriculture, farm and livestock organizations and, for that matter, of the President.

But in his veto message, President Carter pointed out that the countercyclical section of the law was not what bothered him or his advisers. What he objected to was that portion of the law which would curb the discretionary authority of the President in dealing with the foreign countries in terms of voluntary restraint agreements, as well as the President's authority to suspend quotas under economic conditions when he thought such suspension to be in the best interests of the country.

The legislation I introduce today thus retains the countercyclical concepts of last year's bill but attempts to draw a compromise with the White House on the question of Presidential discretion. Obviously, sending last year's bill to the White House again will do no more than invite another veto. It is thus in the interests of responsible legislators to attempt to reach an accommodation with the President since confrontation will serve no useful purpose and simply result in another veto. So under these conditions, Mr. President, I have drafted legislation that I think will deal more effectively with the question of meat imports without doing violence to the President's constitutional discretionary authority.

Last year the President announced his decision to allow another 200 million pounds of beef to enter this country from foreign areas. The announcement was abrupt and came virtually without any forewarning. The result was a disastrous drop in the market—in some areas as much as $10 per hundredweight. The net result of the President's action was little or no assistance to consumers and a disastrous blow to the solar plexis of producers—one they will not soon forget.

In order to give the Congress a role in the matter and to further give the market a chance to adjust in the event of a similar announcement sometime in the future, the legislation I propose provides that such action by the President would require that Congress be advised of such an intent at least 30 days in advance of the time expansion in imports would take effect. If both Houses of Congress do not pass a resolution of disapproval during this period of ratification and consultation, the action of the President would take effect.

In my judgment, Mr. President, this is a reasonable compromise. It has additional language which stipulates that the President notify the Congress prior to increasing import levels as provided by the bill in the event that the average index ratio has reached 1.10. In this case, Congress could not block the proposed increase. This provision is in line with last year's bill.

Mr. President, I have checked the provisions of this bill with livestock interests in my own State and elsewhere. They favor it because they are convinced that it is an answer to sudden and uncalled for gyrations in the marketplace. It is looked on as a stabilizing compromise.

I do want to emphasize, Mr. President, to my colleagues and to cattle interests, that I do not consider the provisions of this legislation to be set in concrete nor do I consider them inflexible. My first concern is solving this Congress/White House impasse. I consider this bill to be a reasonable approach, but should a better proposal emerge that would have the backing of cattlemen and at the same time be acceptable to the administration, I would be one of the very first to support it. In short, I want this problem solved and solved in this session of the Congress. We have spent enough time on the matter and our stockgrowers deserve a square deal if we expect them to replenish their herds and eventually bring stability to the market. It is in the interests of all Americans that this question not be prolonged. I know that there are various other legislative proposals both in the Senate and the House of Representatives. I offer this one for the consideration of the Senate and obviously I hope the Senate accepts it. Of greater importance to me, however, is a quick and orderly resolution of the issue.

Mr. President, I ask unanimous consent that the text of the proposal I introduce today be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 371

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of August 22, 1964, entitled "An Act to provide for the free importation of certain wild animals, and to provide for the imposition of quotas on certain meat and meat products" (19 U.S.C. 1202 note) is amended to read as follows:

"SEC. 2. (a) This section may be cited as the 'Meat Import Act of 1979'.

"(b) For purposes of this section—

"(1) The term 'entered' means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States.

"(2) The term 'meat articles' means the articles provided for in the Tariff Schedules of the United States (19 U.S.C. 1202) under—

"(A) item 106.10 (relating to fresh, chilled, or frozen cattle meat),

"(B) item 106.20 (relating to fresh, chilled, or frozen meat of goats and sheep (except lambs)), and

"(C) items 107.55 and 107.60 (relating to prepared and preserved beef and veal (except sausage)) if the articles are prepared, whether fresh, chilled, or frozen, but not otherwise preserved.

"(3) The term 'Secretary' means the Secretary of Agriculture.

"(c) The aggregate quantity of meat articles which may be entered in any calendar year after 1979 may not exceed 1,204,600,000 pounds; except that this aggregate quantity shall be—

"(1) increased or decreased for any calendar year by the same percentage that the estimated average annual domestic commercial production of meat articles in that calendar year and the 2 preceding calendar years increases or decreases in comparison with the average annual domestic commercial production of meat articles during calendar years 1969 through 1978; and

"(2) adjusted further under subsection (d). For purposes of paragraph (1), the estimated annual domestic commercial production of meat articles for any calendar year does not include the carcass weight of live cattle specified in items 100.40, 100.43, 100.45, 100.53, and 100.55 of such Schedules entered during such year.

"(d) The aggregate quantity referred to in subsection (c), as increased or decreased under paragraph (1) of such subsection, shall be adjusted further for any calendar year after 1979 by multiplying such quantity by a fraction—

"(1) the numerator of which is the average annual per capita production of domestic cow beef during that calendar year (as estimated) and the 4 calendar years preceding such calendar year; and

"(2) the denominator of which is the average annual per capita production of domestic cow beef in that calendar year (as estimated) and the preceding calendar year.

For the purposes of this subsection, the phrase 'domestic cow beef' means that portion of the total domestic cattle slaughter designated by the Secretary as cow slaughter.

"(e) For each calendar year after 1979, the Secretary shall estimate and publish—

"(1) before the first day of such calendar year, the aggregate quantity prescribed for such calendar year under subsection (c) as adjusted under subsection (d); and

"(2) before the first day of each calendar quarter in such calendar year, the aggregate quantity of meat articles which (but for this section) would be entered during such calendar year.

In applying paragraph (2) for the second or any succeeding calendar quarter in any calendar year, actual entries for the preceding calendar quarter or quarters in such calendar year shall be taken into account to the extent data is available.

"(f)(1) If the aggregate quantity estimated before any calendar quarter by the Secretary under subsection (e)(2) is 110 percent or more of the aggregate quantity estimated by him under subsection (e)(1), and if there is no limitation in effect under this section for such calendar year with respect to meat articles, the President shall by proclamation limit the total quantity of meat articles which may be entered during such calendar year to the aggregate quantity estimated for such calendar year by the Secretary under subsection (e)(1); except that no limitation imposed under this paragraph for any calendar year may be less than 1,200,000,000 pounds.

"(2) If the aggregate quantity estimated before any calendar quarter by the Secretary under subsection (e)(2) is less than 110 percent of the aggregate quantity estimated by him under subsection (e)(1), and if a limitation is in effect under this section for such calendar year with respect to meat articles, such limitation shall cease to apply as of the first day of such calendar quarter. If any such limitation has been in effect for the third calendar quarter of any calendar year, then it shall continue in effect for the fourth calendar quarter of such year unless the proclamation is suspended or the total quantity is increased pursuant to subsection (g).

"(g)(1) Notwithstanding the preceding subsections, the total quantity of meat articles which may be entered during any calendar year after 1979 (as established for such year under the preceding subsections and effective as of the third calendar quarter of such year) may be—

"(A) decreased by the President by 10 percent if the average index ratio for the first two calendar quarters of such year is .90 or lower;

"(B) increased by the President by 10 percent if the average index ratio for the first two calendar quarters of such year is less than 1.10 if no later than 30 days before the effective date of any increase under this paragraph, the Secretary submits to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a notification of such increase and a written report containing information regarding the circumstances of and reasons for such increase; or

"(C) increased by the President by 10 percent if the average index ratio for the first two calendar quarters of such year is 1.10 or higher if no later than 30 days before the effective date of any increase under this paragraph, the Secretary submits to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a notification of such increase and a written report containing information regarding the circumstances of and the reasons for such increase.

Any increase proposed under subparagraph (B) shall not take effect if disapproved by concurrent resolution adopted by the Congress before the effective date specified in such proposed increase.

"(2) For purposes of this subsection, the index ratio for any calendar quarter is the number obtained by dividing the Department of Agriculture Farm Price of Cattle Index for the calendar quarter by the Department of Labor Beef and Veal Price Index for the calendar quarter.

"(3) The Secretary shall compute the average index ratio for the first two quarters of each calendar year after 1979 before the beginning of the third calendar quarter of the year.

"(h) The President may suspend any proclamation made under subsection (f), increase the amount of any total quantity proclaimed under such subsection, or increase the amount of any total quantity established under subsection (g), if—

"(1) during a period of national emergency declared under section 201 of the National Emergencies Act of 1976, he determines and proclaims that such action is required by overriding national security interests of the United States, or

"(2) he determines and proclaims that the supply of articles of the kind to which the limitation would otherwise apply will be inadequate, because of a natural disaster, to meet domestic demand at reasonable prices. Any such suspension shall be for such period, and any such increase shall be in such amount, as the President determines and proclaims to be necessary to carry out the purposes of this subsection. The effective period of any such suspension or increase made pursuant to paragraph (1) may not extend beyond the termination, in accordance with the provisions of section 202 of the National Emergencies Act of 1976, of such period of national emergency, notwithstanding the provisions of section 202(a) of that Act.

"(i) The Secretary shall allocate the total quantity proclaimed under subsection (f)(1), and any increase in such quantity provided for under subsection (g), among supplying countries on the basis of the shares of the United States market for meat articles such countries supplied during a representative period. Notwithstanding the preceding sentence, due account may be given to special factors which have affected or may reflect the trade in meat articles. The Secretary shall certify such allocations to the Secretary of the Treasury.

"(j) The Secretary shall issue such regulations as he determines to be necessary to prevent circumvention of the purposes of this section.

"(k) All determinations by the President and the Secretary under this section shall be final.

"(l) The Secretary of Agriculture shall study the regional economic impact of imports of meat articles and report the results of his study, together with any recommendations (including recommendations for legislation, if any) to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate not later than December 31, 1980.".

Sec. 2. This Act shall take effect January 1, 1980.

By Mr. LEAHY:

S. 372. A bill to amend the Rural Development Act of 1972; to the Committee on Agriculture, Nutrition, and Forestry.

NATIONAL RURAL DEVELOPMENT BANK ACT OF 1979

Mr. LEAHY. Mr. President, I rise today to introduce legislation which strikes at the very core of the problems impeding rural development. This legislation, the National Rural Development Bank Act of 1979, is designed to bring adequate credit to nonmetropolitan America.

There is no definitive document on the credit needs of rural areas. However, the limited studies and data available on the issue all point to a shortage of rural credit. For example, in 1970 the median interest rates on conventional mortgages was 6.6 percent in rural areas and 6 percent in urban areas. In that same year, the median mortgage amortization rate in rural areas was 20 years while in the cities it was 25.3 years.

Other less quantitative factors also strongly indicate a shortage of rural credit. These include the limited amount of fiscal resources in rural America, a limitation which translates into smaller bond issuances. These smaller bonds offer no economies of scale. This is an important constraint to consider when one realizes that the costs of flotation are nine times greater per dollar borrowed per issue under $2 million than for the larger bonds in excess of $20 million. Furthermore, it costs only one dollar per thousand for general obligation bonds of more than $25 million, and yet the smaller general obligation bonds of $500,000, which are more likely to come from small town America, cost $15 per thousand.

All this means that not only is credit scarce in rural America, but its very scarcity drives its price up to unreasonable levels.

Mr. President, the National Rural Development Bank would be a bank for rural banks. It would create an institution which would give rural banks a place to discount and refinance their rural development loans, thereby freeing their funds for other rural development projects. This mechanism is patterned after the highly successful farm credit system. It has a strong, tested, and proven track record.

The National Rural Development Bank is not a new idea. The proposal has been offered in many versions to Congress. Last year, I introduced a version of the bill and I have been both pleased and informed by the public and professional comments I have received. The bill is a very prudent, fiscally responsible means of treating the very pressing problems of rural areas.

Mr. President, I have worked on this legislation to guarantee that the bank would not duplicate and would be coordinated with ongoing Federal rural development programs. The bill is structured in such a way that all Federal moneys used to start up the bank will be repaid in full and, as long as the bank holds any Federal debt, its policies must be approved by the Secretary of the Treasury and the Secretary of Agriculture. Also, and this is a very important feature, the bank could finance no rural development projects which were inconsistent with, and thereby not approved by, the State governmental entity of the area where a rural development project would be located.

Mr. President, the bill I present today is complicated, but so are the problems which plague rural America. There are no easy solutions. However, the National Rural Development Bank, while not being a panacea, would go far, very far, toward solving the rural dilemmas of poverty, structural unemployment, and a grossly inadequate system of social services.

The National Rural Development Bank would help rural areas in three ways. First, it would offer rural banks a place to discount their paper. Second, it would be able to finance joint-venture-equity rural development projects with Federal programs or rural financial institutions. Third, it would be able to extend loans directly to rural development project sponsors.

Mr. President, the bank would not be in competition with existing lending institutions. This is because it is borrower owned, hence purchase of bank stock is a prerequisite of receiving the bank's services. Therefore, its loans would be slightly, probably less than 1 percent, more expensive than loans available from existing private institutions.

Eventually, the bank will not cost the Federal Government anything. Initially, the bank would be capitalized by an annual $200 million purchase of stock by the Secretary of Treasury. At least 10 percent of the bank's yearly earnings would have to go toward retirement of the stock held by the Secretary of the Treasury. Hence, the Federal debt would be repaid in full. The bank thus becomes a private entity, not a continual drain on the Federal budget.

The bank would be run by a board comprised of 13 presidentially appointed, 12-member elected, and 3 ex officio members. Each board member would serve for a term of 6 years.

Mr. President, I could go on about the merits and structure of this proposal, but I daresay the bill itself will provide hours of reading and study. With that, I ask unanimous consent that the National Rural Development Bank Act of 1979 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 372

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Rural Development Bank Act of 1979".

SEC. 1. The Rural Development Act of 1972 is amended by adding at the end thereof the following:

"TITLE VII—NATIONAL RURAL DEVELOPMENT BANK ACT OF 1979

"Subtitle A—Findings, Purposes, and Definitions

"SEC. 701. TITLE AND FINDINGS AND PURPOSE.—(a) This title may be cited as the "National Rural Development Bank Act of 1979".

"(b) Congress hereby finds that—

"(1) community services and facilities and the income earning opportunities needed by farm and forestry people to increase their incomes and raise their quality of life are shared by all other residents living in rural areas;

"(2) to raise rural income and increase the accessibility to farm and rural residents of high-quality community facilities and services, it is necessary that all the resources in rural communities be used at maximum effectiveness and efficiency;

"(3) the conduct of industry and commerce, as well as farming and forestry, provide jobs and income that contribute to the tax base necessary to establish and maintain adequate rural facilities and services;

"(4) balanced geographic distribution of the Nation's population is essential to the prosperity, general welfare, and domestic tranquillity of the urban as well as the rural areas of the United States;

"(5) to achieve and maintain balanced geographic distribution of the Nation's population, it is necessary to attain balanced geographic distribution of profitable private economic enterprises, income earning opportunities, and high-quality community facilities, services, and public works;

"(6) additional capital investment and financial resources are essential to establish and operate private economic enterprises, public works, community facilities, and services in rural areas;

"(7) much of the needed investment must come from outside of rural areas;

"(8) much of the outside investment and credit needed by rural areas will be made available by the Nation's existing network of commercial and investment banks, the Farm Credit System, and other rural financial institutions, and by other private enterprise and local and State governments buttressed and supplemented by the direct, insured, and guaranteed loans, technical assistance, and grants provided under the Consolidated Farm and Rural Development Act and other titles of this Act;

"(9) the size of investment or credit required by the sponsors of significant rural development projects often exceeds the regulated lending limits and investment standards of existing rural financial institutions (even when a part of the loan is insured or guaranteed under the Consolidated Farm and Rural Development Act) so that existing arrangements do not provide fully to rural investors and financial institutions the liquidity, flexibility, and usable financial resources they require to be fully responsive to expanding rural development investment and credit needs;

"(10) the potential investors, public or private, who wish to construct, expand, or operate significant rural development projects do not have sufficient access to investment funds from existing credit and investment entities.

"(c) It is the policy of Congress to meet the need for additional investment funds by establishing a local-lender-and-borrower-owned facility that will provide equity-participation investment funds to sponsors of rural development projects and financial assistance to local lenders and to those with whom loans extended by local lenders are refinanced, discounted, rediscounted, or to whom such loans are sold.

"(d) It is therefore the purpose of this title to provide for a permanent rural development investment and financial institution that will organize and make available a stable, continuous, and dependable source of financial resources that will provide equity-participation investment, loans, and the discounting, rediscounting, refinancing, and purchase of loans extended by rural financial institutions to the residents of rural areas, agricultural producer organizations and other cooperatives (except where they are able to obtain needed credit from the Banks for Cooperatives under the Farm Credit Act of 1971), rural industrial and commercial enterprises, quasi-public bodies in rural areas, Indian tribes on Federal and State reservations or other federally or State recognized Indian tribal groups, and units of general and special purpose government in rural areas to establish, construct, and operate private and public facilities, works, and services in rural areas and provide remunerative employment to increasing numbers of rural residents.

"SEC. 702. DEFINITIONS.—As used in this title—

"(a) The term 'rural area' means all territory of a State, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, American Samoa, or Guam that (1) is not within any standard metropolitan statistical area, as designated by the Office of Management and Budget, and (2) in addition, all territory within any such standard metropolitan statistical area that is also within counties, parishes, towns, plantations (in Maine), and townships having a population density of less than two hundred persons per square mile, as determined by the Secretary of Agriculture according to the latest decennial census of the United States.

"(b) The term 'rural development purpose' means any project undertaken by any private industrial or commercial enterprise or by any multistate region, State, multijurisdictional general purpose planning and development district, or local government or instrumentality thereof, that contributes or will contribute to attainment of the objectives of the revitalization and development of rural areas as provided in section 901(a) of the Agricultural Act of 1970, or the enhancement of any rural area as a place to live and make a living. Such term specifically includes, but is not limited to, projects that provide increased employment or income for or directly benefit rural residents and that—

"(1) establish or improve public works or community services, or facilities;

"(2) encourage private investment in, or promote the establishment and expansion of, industrial or commercial enterprises, including, but not limited to, investor-owned and cooperative marketing and other service associations and enterprises;

"(3) provide manpower development and training;

"(4) improve the quality and accessibility of rural community facilities and services;

"(5) promote the conservation, development, and proper utilization of natural resources;

"(6) establish and improve public educational facilities, including, but not limited to, community and junior colleges, vocational and technical schools, and other institutions of higher education, and encourage the development of improved educational methods;

"(7) establish and improve land, water, and air transportation systems and services;

"(8) assist in the solution of problems related to law enforcement activities;

"(9) establish safe, sanitary, and comfortable housing;

"(10) establish and improve health care and preventative practice facilities and services, including, but not limited to, facilities for vocational rehabilitation, and generally promote improved health and nutrition of residents of rural areas;

"(11) provide direct financial incentives to industry to create jobs in rural areas; or

"(12) establish and improve facilities and services that will enhance the quality of the environment and provide abatement and control of pollution.

"(c) The term 'rural development project' means an organized proposal or activity that does or will contribute to the attainment of one or more rural development purposes.

"(d) The term 'local general government' means the government of a municipality, county, parish, town, or township as such terms are defined and used by the United States Bureau of the Census.

"(e) The term 'Board' means the National Rural Development Bank Board established under subtitle B of this title.

"(f) The term 'Bank' means the National Rural Development Bank established under subtitle C of this title.

"(g) The term 'Participant' means any rural bank or other rural financial institution designated as a Participating Rural Development Financial Institution under subtitle D of this title.

"(h) The term 'Supporting financial institution' means any person or financial institution within the United States that has purchased, discounted, rediscounted, or refinanced all or part of a rural development loan extended to an eligible sponsor by a Participant.

"(i) The term 'rural development loan' means an identifiable unit of credit or other financial assistance extended to an eligible sponsor to construct or operate a rural development project.

"(j) The term 'Governor' means the executive officer of the National Rural Development Bank.

"(k) The term 'financial assistance' means (1) the purchase of legal obligations and the discount, rediscount, and refinancing of any note, draft, or other obligation and similar legal instruments evidencing and securing the repayment of a secured rural development loan advanced by a rural financial institution for the establishment or operation of any project required to attain a rural development purpose, regardless of whether such loan is insured or guaranteed in whole or in part by an instrumentality of the Federal Government; (2) the providing of funds for joint-venture equity investment in rural development projects; or (3) the extending of loans to eligible sponsors of rural development projects who are unable to obtain needed credit from other existing financial institutions at reasonable rates.

"(l) The term 'joint-venture equity investment' means the investment of funds by the Bank jointly with another private, quasi-public or public rural development project sponsor to establish and operate a rural development project.

"(m) The term 'eligible sponsor' means—

"(1) any of the following who propose to or are engaged in establishing or operating a rural development project:

"(A) public and quasi-public bodies;

"(B) cooperative associations as defined in the Agricultural Marketing Act (42 Stat. 388; 12 U.S.C. 1141j(a)), if such associations are unable to borrow from the Banks for Cooperatives;

"(C) other cooperatives;

"(D) corporations;

"(E) partnerships;

"(F) individual proprietors;

"(G) multijurisdictional general purpose planning and development districts established by the legislature or Governor of a State;

"(H) persons and firms;

"(I) owners of rural homes;

"(J) municipalities;

"(K) resource conservation and development project sponsors under title III of the Bankhead-Jones Farm Tenant Act;

"(L) sponsoring associations carrying out projects under the Watershed Protection and Flood Prevention Act;

"(M) corporate entities established by sponsors of concerted education and training service projects carried out jointly by the Department of Agriculture, the Department of Health, Education, and Welfare, and the Department of Labor;

"(N) councils of government established under State law if rural areas are included within their jurisdiction;

"(O) private associations;

"(P) local development districts organized under the Appalachian Development Act;

"(Q) economic development districts organized under the Economic Development Act of 1965;

"(R) technical vocational schools;

"(S) Indian tribes on Federal and State reservations or other federally or State recognized Indian tribal groups; and

(T) community development corporations, and

"(2) whose proposed or operating project is declared eligible based upon—

"(A) review of the proposed project by the governing body of the multijurisdictional general purpose planning and development district, if any, established by the legislature or Governor of the State concerned and a certification by such body that the proposed private or public facility, work, or service is not inconsistent with the current areawide general purpose development plan, if any, for the multijurisdictional district;

"(B) determination that the private or public facility, work, or service provided by the project will be located in and operate primarily in a rural area to increase the employment of, or for the benefit of, rural residents and that the proposed project promises to make a net increase in the number of jobs, or median family income or improve the quality of life in the rural area served;

"(n) The term 'voting stockholder' means any Participant, borrower, or Joint-venture-cosponsor who owns voting stock in the Bank.

"(o) The term 'Joint-venture-cosponsor' means an eligible sponsor who joins with the Bank in making a joint-venture equity investment in a rural development project under provision of subtitle E of this title.

"Subtitle B—National Rural Development Bank Board

"SEC. 703. THE NATIONAL RURAL DEVELOPMENT BANK BOARD; NOMINATION AND APPOINTMENT OF MEMBERS; ORGANIZATION AND COMPENSATION.—(a) There is hereby established a National Rural Development Bank Board (hereinafter referred to as the 'Board') composed of thirteen appointed, three ex officio, and twelve elected members. The appointed members shall be appointed by the President by and with the advice and consent of the Senate, not more than seven of whom shall be from the same political party nor more than one of whom shall be from any one State. In making appointments to the Board the President shall select persons who are especially qualified to serve on the Board because of their education, training, and experience and shall provide a fair representation on the Board of the different geographic regions and minority persons of the United States and the several economic interests in rural development. The representative of the Secretary of Agriculture on the Farm Credit Board, the Governor of the Farm Credit Administration, and the Governor of the Bank shall be ex officio members of the Board and shall not be eligible to vote. One elected member shall be chosen by voting stockholders of the rural areas served by each Regional Bank.

"(b) All members of the Board shall be citizens of the United States and not less than twenty-one members, exclusive of ex officio members, shall be legal residents of rural areas in which the Bank is authorized by this title to extend financial assistance for projects to carry out rural development purposes.

"(c) The Board shall elect a chairman and vice chairman from among its appointed and elected members. The Board shall elect a secretary from among its members or from outside its membership. Such officers shall be elected for terms of one year and shall hold office until their successors have been elected.

"(d) No member of the Board, other than the ex officio members, shall, while serving as a member of the Board, be an officer or employee of the United States or of the Bank or of the Farm Credit System.

"(e) Each appointed or elected member of the Board shall serve for a term of six years, except that (1) a person appointed to fill an unexpired term shall serve only for the remainder of the term for which his predecessor was appointed or elected, and (2) with respect to the first members appointed and elected to such Board, five shall be appointed and five elected for terms of six years, five shall be appointed and five elected for terms of four years, and three shall be appointed and two elected for terms of two years. A vacancy on the Board shall not affect the power of such Board to act. Members shall serve until their successors are duly appointed or elected and qualified

"(f) The Board is authorized to establish its own rules of procedure for conducting its business, except that a majority of all members of such Board shall constitute a quorum for the transaction of its business.

"(g) Each appointed and elected member of the Board shall receive $200 a day for not more than one hundred days of meetings each year and all members shall be reimbursed for travel and expenses incurred in attending meetings of such Board and in discharge of their official duties with due regard to laws with respect to allowances which may be made on account of travel and subsistance expenses of officers and employees of the United States. Nothing in the preceding sentence shall be construed to limit the number of days of meeting each year to one hundred days.

"(h) The Board shall hold at least six regularly scheduled meetings a year and such additional meetings at such times and places within the United States as it may determine. Special meetings shall be held at any time at the call of the chairman or by any three members of such Board.

"SEC. 704. POWERS OF THE BOARD.—The Board shall establish the general policy for the guidance of the Bank in carrying out this title; may require such reports as it deems necessary from the Bank; and shall provide for the examination of the condition of and general supervision over the performance of the powers, functions, and duties vested in the Bank and in Participants, which, in the judgment of the Board, relate to matters of broad and general supervisory, or policy nature. The Board shall function as a unit without delegating any of its functions to individual members, but may appoint committees and subcommittees for studies and reports for consideration by such Board. It shall not operate in an administrative capacity.

"SEC. 705. ANNUAL REPORT.—The Board shall make an annual report to Congress on the condition of the Bank, including analytical program evaluation and cost effectiveness studies, and recommendations it deems necessary to improve the operation of the Bank in providing supplementary investment required to attain the purpose of this title. An annual report shall also be prepared by the Board describing the type rural development projects financed by the Bank, geographic distribution of the Bank's loans, the number of loans made to minority related rural development projects, and the level of the Bank's loan activities directed toward rural areas with poverty levels above the national average.

"Subtitle C—National Rural Development Bank

"SEC. 706. ESTABLISHMENT; TITLE.—There is established a National Rural Development Bank as a federally chartered instrumentality of the United States subject to policies of the Board. Its charter may be modified from time to time by the Board in any manner not inconsistent with the provisions of this title as may be necessary or expedient to implement this title.

"SEC. 707. CORPORATE EXISTENCE; GENERAL CORPORATE POWERS.—The Bank shall be a body corporate, subject to the general supervision of the Board and shall have power to—

"(1) adopt and use a corporate seal;

"(2) have succession until dissolved under the provisions of this title or other Acts of Congress;

"(3) make contracts;

"(4) sue and be sued;

"(5) acquire, hold, dispose, and otherwise exercise all the usual incidents of ownership of real and personal, tangible and intangible property necessary or convenient for its business;

"(6) operate under the policy direction of the Board;

"(7) prepare and disseminate information to the general public on use, organization, and functions of the Bank and to investors on merits of its securities;

"(8) require appropriate bonds or other provision for protection of the assets of the Bank against losses occasioned by employees;

"(9) prescribe rules and regulations necessary or appropriate for carrying out the provisions of this title;

"(10) prescribe its bylaws, subject to approval of the Board, and provide in such bylaws for—

"(A) the classes of its stocks and the manner in which such stock shall be issued, transferred, and retired;

"(B) the election or appointment of its officers and executive employees;

"(C) property acquired, held, or transferred;

"(D) the conduct of its general business; and

"(E) the exercise and enjoyment of the privileges granted to it by law;

"(11) deposit its securities and its current funds with any member bank of the Federal Reserve System, and pay fees therefor and receive interest thereon as may be agreed. When designated for that purpose by the Secretary of the Treasury, it shall be a depository of public money, except receipts from customs, upon such regulations as may be prescribed by the Secretary of the Treasury, may be employed as fiscal agent of the Government, and shall perform all such reasonable duties as a depository of public money or financial agent of the Government as may be required of it. No Government funds deposited under provisions of this subsection shall be invested in loans or bonds or other obligations of the bank;

"(12) buy and sell obligations of or insured or guaranteed by the United States or of any agency thereof, or securities backed by the full faith and credit of such agency, and make such other investments as may be authorized by the Board;

"(3) delegate to Participants and Joint-venture-cosponsors such functions vested in or delegated to the Bank, as it may determine appropriate;

"(14) exercise by its authorized officers, employees, or agents all such incidental powers as may be necessary or expedient to carry out the business of the Bank;

"(15) purchase, refinance, or discount rural development loans and participations in such loans made by local rural financial institutions from such institutions and from other financial institutions that have purchased, discounted, or refinanced such loans; and

"(16) make joint-venture equity investment in rural development projects.

"SEC. 708. APPOINTMENT OF GOVERNOR; SALARY AND EXPENSE ALLOWANCE.—(a) The Governor shall be appointed by, and serve at the pleasure of, the Board.

"(b) The compensation of the Governor shall be at the rate prescribed for positions in level IV of the Executive Schedule provided for under section 5315 of title 5, United States Code. The Board shall fix the allowance for his or her necessary travel and subsistence expenses or per diem in lieu thereof.

"SEC. 709. COMPLIANCE WITH BOARD ORDERS.—The Governor shall be responsible, subject to the supervision and control of the Board, for carrying out the functions of the Bank and the policies of such Board. The Governor shall carry out all orders and directives received from the Board.

"SEC. 710. RURAL DEVELOPMENT BANK ORGANIZATION.—The Governor is authorized, in carrying out the powers and duties now or hereafter vested in the Governor by this title and acts supplementary thereto, to establish and to fix the powers and duties of such officers to serve within regions, divisions, and instrumentalities as the Governor may deem necessary to insure the proper and efficient administration of the functions of the Bank including the establishment of Regional Banks coterminous with the twelve regions of the Farm Credit System.

"SEC. 711. ADMINISTRATIVE EXPENSES.—The Bank may, within the limits of funds available therefor, make necessary expenditures for personnel, services, and rent at the seat of Government and elsewhere; contract stenographic reporting services; purchase and exchange of law books, books of reference, periodicals, and newspapers; expenses of attendance at meetings and conferences; purchase, operation, and maintenance at the seat of Government and elsewhere of motor-propelled passenger-carrying vehicles and other vehicles; printing and binding; and such other facilities and services, including temporary employment by contract or otherwise, as it may from time to time find necessary for the proper administration of the provisions of this title.

"SEC. 712. ENUMERATED POWERS.—(a) The Bank shall, in addition to the corporate powers enumerated in section 707, have the following powers, functions, and responsibilities in connection with the provision of financial assistance to Participants, to Joint-venture-cosponsors, and to those who purchase, discount, or refinance rural development loans extended by Participants:

"(1) to make studies of rural lending and investment needs, the need for better geographic distribution of population and economic opportunity, appraisal and credit standards, and credit requirements of rural industrial and commercial enterprise;

"(2) to develop acceptable national and regional standards, procedures, and appraisal forms; and

"(3) to prescribe price and cost levels to be used in such standards, joint venture investment, appraisals, and lending; and

"(4) when eligible sponsors are unable to qualify for the Bank's services, to make sure applicants aware of possible assistance available through programs of the Farmers Home Administration.

"(b)(1) If, in the opinion of the Bank, any Participant or joint-venture cosponsor or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such institution is engaging or has engaged, or the Bank has reasonable cause to believe that the institution or any director, officer, employee, agent, or other person participating in the conduct of the affairs of such institution is violating or has violated, or the Bank has reasonable cause to believe that the institution or any director, officer, employee, agent or other person participating in the conduct of the affairs of such institution is about to violate, a law, rule, or regulation, or any condition imposed in writing by the Bank in connection with its transactions with the institution or any written agreement entered into with the Bank, the Bank may issue and serve upon the institution or such director, officer, employee, agent, or other person a notice of charges in respect thereof. The notice shall contain a statement of the facts constituting the alleged violation or violations, and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist therefrom should issue against the institution or the director, officer, employee, agent, or other person participating in the conduct of the affairs of such institution. Such hearing shall be fixed for a date not earlier than thirty days nor later than sixty days after service of such notice unless an earlier or a later date is set by the Bank at the request of any party so served. Unless the party or parties so served shall appear at the hearing by a duly authorized representative, they shall be deemed to have consented to the issuance of the cease-and-desist order. In the event of such consent, or if upon the record made at any such hearing, the Bank shall find that any violation specified in the notice of charges has been established, the Bank may issue and serve upon the institution or the director, officer, employee, agent, or other person participating in the conduct of the affairs of such institution an order to cease and desist from any such violation or practice. Such order may, by provisions which may be mandatory or otherwise, require the institution or directors, officers, employees, agents, and other persons participating in the conduct of the affairs of such institution to cease and desist from the same, and further to take affirmative action to correct the conditions resulting from any such violation or practice.

"(2) A cease-and-desist order shall become effective at the expiration of thirty days after service of such order upon the institution or the party or parties so served (except in the case of a cease-and-desist order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable except to such extent as it is stayed, modified, terminated, or set aside by action of the Bank or a reviewing court."

"SEC. 713. GOVERNANCE OF POLICIES, PROGRAMS, AND PROCEDURES OF THE BANK.—(a) The Board shall establish and promulgate policies and regulations, not inconsistent with provisions of this title, to govern the policies, programs, and procedures of the Bank.

"(b) The policies of the Bank, for so long as the Secretary of the Treasury holds stock in such Bank for the United States, shall be subject to prior approval by the Secretary of the Treasury and the Secretary of Agriculture.

"SEC. 714. FINANCIAL AND OTHER SUPERVISION.—The Bank, Participants, and Joint-venture-cosponsors shall be subject to the supervision of the Farm Credit Administration with respect to all procedures relating to financial examinations, including audits. The Board shall arrange with the Federal Farm Credit Board to utilize the services of the Farm Credit Administration examiners for investigative, accounting, and administrative auditing of the work of the Bank in an orderly, efficient, and effective manner. The Farm Credit Administration is authorized to provide such services on a mutually agreeable reimbursable basis.

"Sec. 715. Examinations and Reports; Audits.—(a) Except as provided in this title, each office and division of the Bank, Participants, and Joint-venture-cosponsors, at such times as the Board may determine, shall be examined and audited by examiners of the Farm Credit Administration on a reimbursable basis, but in no event shall any such institution be examined and audited less frequently than once a year. If the Board determines it to be necessary or appropriate, the required examinations and audits may be made by independent certified public accountants, certified by a regulatory authority of a State, in accordance with generally accepted auditing standards. Upon request of the Governor of the Bank, credit examiners shall also make examinations of any organization other than a national bank, to which, or with which, the Bank contemplates extending financial assistance or delegating authority under this title. For the purposes of this title, examiners of the Farm Credit Administration shall be subject to the same requirements, responsibilities, and penalties as are applicable to examiners under the National Bank Act, the Federal Reserve Act, the Federal Deposit Insurance Act, and other provisions of law and shall have the same powers and privileges as are vested in such examiners by law. A report of each audit of the Bank or other institution for any fiscal year shall be made by the Farm Credit Administration through the Board to the President of the United States and to Congress not later than six months following the close of such fiscal year. The Farm Credit Administration shall be reimbursed by the Bank for the cost of performing such audits.

"(b) The Bank, Participants, and Joint-venture-cosponsors shall be subject to audit by the General Accounting Office at such times and to such extent as the Comptroller General of the United States shall determine.

"Sec. 716. Conditions of Other Banks and Lending Institutions.—The Comptroller of the Curency is authorized and directed, upon request of the Board, to furnish for the exclusive and confidential use of the Board such reports, records, and other information as the Comptroller may have available relating to the financial condition of national banks through, for, or with which the Bank has made or contemplates making discounts, loans, or delegations of power.

"Sec. 717. Consent to the Availability of Reports and to Examinations.—Any organization other than State banks, trust companies, and savings associations shall, as condition precedent to security discount privileges or delegated powers with the Bank for the exclusive and confidential use of the Bank, file with such Bank its written consent to examination by the Board examiners as may be directed by the Farm Credit Administration; and State banks, trust companies, and savings associations may be required in like manner to file a written consent that reports of their examination by constituted State authorities may be furnished by such authorities upon request of the Farm Credit Administration.

"Sec. 718. Reports of Conditions of Institutions Receiving Loans or Deposits or Redelegated Powers.—The executive departments, boards, commissions, and independent establishments of the Government of the United States, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Board of Governors of the Federal Reserve banks are severally authorized under such conditions as they may prescribe, upon request of the Board, to make available to the Bank in confidence all reports, records, or other information relating to the condition of any Participant or Joint-venture-cosponsor to which the Bank has or is contemplating extending financial assistance or for which it has or contemplates using as a custodian of securities or other credit instruments, or which it is using as or contemplates using as a depository, or to which it has or contemplates delegating powers under this title. The Federal Reserve banks in their capacity as depositories, agents, and custodians for bonds, debentures, and other obligations issued by the Bank or book entries thereof are also authorized and directed, upon request of the Board to make available for audit all appropriate books, accounts, financial records, files, and other papers.

"Sec. 719. Jurisdiction.—The Bank, Participants, and Joint-venture-cosponsors shall for the purposes of jurisdiction be deemed to be a citizen of the State, commonwealth, or District of Columbia in which its principal office is located. No district court of the United States shall have jurisdiction of any action or suit by or against any private financial institution exercising delegated powers under this title, upon the ground that it was incorporated under this title or that the United States owns any stock thereof, nor shall any district court of the United States have jurisdiction, by removal or otherwise, of any suit by or against such institution except in cases by or against the United States or by or against any officer of the United States and except in cases by or against any receiver or conservator of any such institution appointed in accordance with the provisions of this title.

"Sec. 720. **Stock Issuance; Retirement; Franchise Tax.**—(a) The Bank shall issue stock which shall be purchased by the Secretary of the Treasury on behalf of the United States as an initial investment in the stock of such Bank to help such Bank to inaugurate financial assistance operations. During the time such stock is outstanding, the pertinent provisions of the Government Corporation Control Act shall be applicable to the Bank. Notwithstanding the requirements for annual audits and annual reports to Congress contained in sections 202 and 203 of the Government Corporation Control Act the operations of the Bank shall also be subject to audit by the General Accounting Office at such times and to such extent as the Comptroller General of the United States shall determine.

"(b) For any year or part thereof, in which the Secretary of the Treasury holds any stock in the Bank, such Bank, before declaring any dividends, shall pay to the United States as a franchise tax a sum equal to the lower of (1) 25 per centum of its net earnings for the year, or (2) a rate of return on such investment calculated at a rate determined by the Secretary of the Treasury equal to the average annual rate of interest on all public issues of debt obligations of the United States issued during the fiscal year ending next before such tax is due, multiplied by the percentage that the number of days such stock is outstanding is of three hundred and sixty-five days. Such payments shall be deposited in the miscellaneous receipts of the Treasury.

"Sec. 721. Capitalization of the Bank.—Subject to the provisions of this title, and approval of the Board, the Governor is authorized to issue from time to time and to have outstanding voting and nonvoting capital stock of an aggregate par value of not to exceed the par value of stock purchased by the Secretary of the Treasury plus not to exceed 2 per centum of the amount of outstanding financial assistance and joint-venture equity investment.

"Sec. 722. **Bank Stock; Value; Shares; Voting; Dividends.**—(a) The capital stock of the Bank shall be divided into shares of par value of $5 each and may be of such classes as may be determined by the Board.

"(b) Voting stock of the Bank shall be held only by such Participants as obtain financial assistance from the Bank and Joint-venture-cosponsors, which stock shall not be transferred, pledged, or hypothecated except as authorized pursuant to this title. Any Participant or Joint-venture-cosponsor may elect to receive nonvoting stock in lieu of voting stock.

"(c) Nonvoting stock may be issued to the Secretary of the Treasury and may also be issued to Participants. When a Participant reduces its total outstanding indebtedness to the Bank, or when a Joint-venture-cosponsor has retired the Bank's investment, its voting stock may be converted at par value, or such greater value as the Bank may from time to time determine, into nonvoting stock, or may be redeemed in cash or as a credit to extinguish final indebtedness at such value as the Bank may from time to time determine. Nonvoting stock or other evidences of indebtedness of the Bank held by the Secretary of the Treasury may be retired at any time, subject to approval of the Board, and shall be retired each year to the extent of the availability of earnings in accordance with the provisions of this title.

"(d) The earnings of the Bank shall be determined in accordance with approved accounting principles and practices, as established by the Board subject to examination under policies of the General Accounting Office. Earnings shall be distributed as follows:

"First, not less than 10 per centum of net earnings for the year shall be paid into the reserve fund of the Bank until said reserve fund shall equal 150 per centum of outstanding stock.

"Second, not less than 10 per centum of net earnings for the year shall be paid into the capital surplus fund of the Bank.

"Third, the franchise tax shall be paid as required by section 720(b) for any year in which any stock is held by the Secretary of the Treasury.

"Fourth, not less than 10 per centum of net earnings shall be used for retirement of nonvoting stock and other evidences of indebtedness of the Bank held by the Secretary of the Treasury.

"Fifth, dividends shall be paid on nonvoting stock held by investors other than the Secretary of the Treasury at a rate not exceeding the average cost to the Bank of funds obtained through issuance of bonds, debentures, and other evidence of indebtedness in its funding operations.

"Sixth, dividends shall be paid on voting stock of the Bank as determined by the Board.

"(e) Dividends shall not be payable on any stock held by the Secretary of the Treasury.

"Sec. 723. Power To Borrow, Issue Notes, Bonds, Debentures, and Other Obligations.—The Bank, subject to supervision of the Board, shall have power to issue its own notes, bonds, debentures, or other similar obligations, fully collateralized by the notes, mortgages, joint-venture equities, and security instruments it holds in the performance of its functions under this title in such sums, maturities, rate of interest, and terms and conditions of each issue as it may determine.

"Sec. 724. Aggregate of Obligations; Security.—(a) No issues of long-term notes, bonds, debentures, or other obligations by the Bank shall be approved in an amount that, when added to the amount of other bonds, debentures, long-term notes, or other similar obligations issued and outstanding, exceeds twenty times the capital and surplus of the Bank, or such lesser amount as the Board shall establish by regulation.

"(b) The Bank shall have on hand at the

time of issuance of any long-term notes, bonds, debentures, or other similar obligations, and shall at all times thereafter maintain, free from any lieu or other pledge, notes and other obligations representing rural development loans made, refinanced, discounted, or purchased under the authority of this title, equities in joint-venture equity investments, obligations of the United States or any agency thereof direct or fully guaranteed, other readily marketable securities approved by the Board, or cash, in an aggregate value equal to the total amount of long-term notes, bonds, debentures, or other similar obligations outstanding for which the Bank is primarily liable.

"SEC. 725. LIABILITY OF THE BANK.—(a) The Bank shall be fully liable on notes, bonds, debentures, or other obligations issued by the Bank.

"(b) The United States shall not be liable on notes, bonds, debentures, or other obligations issued by the Bank or assume any liability directly or indirectly thereon.

"SEC. 726. BONDS AS INVESTMENTS.—The bonds and other similar obligations issued under the authority of this title shall be lawful investments for all fiduciary and trust funds and may be accepted as security for all public deposits. Any obligation issued by the Bank pursuant to this title shall be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission, to the same extent as securities that are direct obligations guaranteed as to principal or interest by the United States.

"SEC. 727. PURCHASE AND SALE BY FEDERAL RESERVE SYSTEM.—Any member of the Federal Reserve System may buy and sell bonds, debentures, or other similar obligations issued under the authority of this title, and any Federal Reserve bank may buy and sell such obligations to the same extent and subject to the same limitations placed upon the purchase and sale by such banks of State, county, district, and municipal bonds under section 14(b) of the Federal Reserve Act.

"SEC. 728. PURCHASE AND SALE OF OBLIGATIONS.—The Bank may purchase its own obligations and may provide for the sale of obligations issued by it, through a fiscal agent or agents, by negotiation, offer, bid, or syndicate sale, and to deliver such obligations by book entry, wire transfer, or such other means as may be appropriate.

"SEC. 729. INVESTMENTS AND GUARANTEES.—The Bank is authorized to—

"(1) buy and sell securities it has guaranteed or whose mortgages it has insured or in which it has invested;

"(2) invest funds not needed in its financing operations in such property and obligations as it may determine;

"(3) guarantee securities in which it has invested for the purpose of facilitating their sale; and

"(4) guarantee and insure rural development loans made by other lenders.

"SEC. 730. VOLUNTARY LIQUIDATION; INSOLVENCY; RECEIVERSHIPS; AND CONSERVATORS.—(a) The Bank shall not go into voluntary liquidation without the consent of the Board and with such consent may liquidate only in accordance with regulations prescribed by the Board.

"(b) Upon default of any obligation by the Bank such Bank may be declared insolvent and placed in the hands of a conservator or a receiver appointed by the Board and the proceedings thereon shall be in accordance with regulations of the Board regarding such insolvencies.

"SEC. 731. FINANCIAL ASSISTANCE.—(a) The Bank is authorized to extend financial assistance to eligible sponsors, Participants, and such financial institutions as have extended financial assistance to Participants in accordance with provisions of this title.

"(b) The Bank is authorized to invest its funds in joint-venture equity investments in rural development projects '*Provided*, That the Bank's investments for this purpose shall not, at any one time, exceed 15 percentum of the Bank's unimpaired capital and surplus.'

"(c) The Bank shall develop criteria to assure that projects assisted by it are not inconsistent with the comprehensive planning, if any, for the development of the multi-jurisdictional general purpose planning and development districts in which such projects are proposed to be located, and to assure that such projects will not be disruptive of Federal programs that authorize assistance for the development of like or similar projects in the same rural area.

"(d) Financial assistance extended under this section may not exceed the total capital cost of the project to be financed.

"(e) In any case in which the Bank undertakes to provide assistance to a State or local government under subsection (a) of this section for the development of a project for which any other department or agency of the Federal Government (under another law of the United States) will also provide funds—

"(1) the assistance provided by the Bank under subsection (a) may be in the full amount needed by the State or local government to finance such project (including the amount of the funds which will be provided by such other department or agency), but the funds to be provided by such other department or agency with respect to such project shall become payable (notwithstanding any contrary provision in the law under which they are payable) to the Bank in lieu of being paid directly to such government; and

"(2) the Bank may accept in return (A) an obligation or obligations of such State or local government covering only the difference between such full amount and the amount of the funds that are payable with respect to such project by such other department or agency, plus (B) a commitment from such other department or agency to pay the funds that are to be provided by it and are payable to the Bank as described in paragraph (1), in order to insure that such State or local government will not have to include within its debt limit that portion of the indebtedness incurred for the financing of such development that is attributable to funds provided by such other department or agency.

"SEC. 732. INTEREST RATES AND OTHER CHARGES.—Financial assistance provided by the Bank shall bear interest at a rate or rates, and on such terms and conditions, as may be determined by the Board from time to time. In setting rates and charges, it shall be the objective to provide the types of financial assistance needed on a sound business basis at the lowest reasonable cost, taking into account the cost of money to the Bank, the necessary reserves, capital surplus, and expenses of the Bank, and the orderly retirement of the capital subscriptions of the United States. The security documents may provide for the interest rate or rates to vary from time to time during the period of the assistance in accordance with the rate or rates currently being charged by the Bank.

"SEC. 733. SECURITY.—Financial assistance extended by Regional Banks established pursuant to the provisions of section 710 of this title shall be secured by the best available security owned or to be acquired by the beneficiary as may be required adequately to secure the obligation.

"SEC. 734. DELEGATION OF DUTIES AND POWERS TO PARTICIPANTS AND JOINT-VENTURE-COSPONSORS.—The Bank is authorized, by order, rule, or regulation, to delegate to any Participant, Joint-venture-cosponsor, or Supporting financial institutions who extend financial assistance to any Participant such of the duties, powers, and authority of the Bank with respect to such Participant or the officers and employees thereof, in the rural area wherein such Participant is located, as may be determined to be in the interest of effective administration. Any Participant, or other person to which any such duties, powers, or authority may be delegated, is authorized and empowered to accept, perform, and exercise such duties, powers, and authority as may be so delegated to it.

"SEC. 735. AGREEMENTS FOR SHARING LOSSES.—The Bank may enter into agreements with Participants, Joint-venture-cosponsors, or eligible sponsors for sharing the gains and losses on financial assistance extended and joint-venture equity investments made under this title.

"SEC. 736. NATURE OF OBLIGATIONS.—All obligations issued by the Bank shall be lawful investments, and may be accepted as security for all fiduciary, trust and public funds the investment or deposit of which shall be under the authority or control of the United States or of any officer or employee thereof.

"SEC. 737. TAX STATUS.—(a) The real property and tangible personal property of such Bank shall be subject to Federal, State, and local taxation to the same extent, according to its value, as similar property held by other persons is taxed.

"(b) The income of the Bank from any obligations purchased by such Bank from any Federal, State, or local governmental or quasi-governmental body, and any obligation issued by such Bank shall be subject to Federal, State, and local taxation to the same extent as the income of obligations of private corporations are taxed.

"(c) The Bank shall be liable for the franchise tax as provided by section 720(b) of this title.

"(d) Notwithstanding the foregoing provisions of this section, the Bank shall not be subject to Federal, State, or local income taxes for any period in which capital stock in such Bank is held by the Secretary of the Treasury for the United States.

"Subtitle D—Participating Rural Development Financial Institutions

"SEC. 738. DESIGNATION.—Any National or State bank, savings institution, credit union, or other financial institution making loans in rural areas for rural development purposes shall, upon application, be considered for designation as a Participating Rural Development Financial Institution, referred to in this title as a "Participant".

"SEC. 739. FUNCTIONS OF PARTICIPANTS.—Any Participant and any Supporting institution, is authorized, subject to provisions of this title, to obtain financial assistance from the Bank and to issue obligations for purchase by the Bank, and to perform such other duties as the Bank may delegate and the Participant or Supporting financial institution agrees to undertake.

"SEC. 740. PURCHASE OF CAPITAL STOCK.—(a) Any Participant may purchase voting capital stock in the Bank in an amount (at par value) equal to at least 1 per centum and not more than 10 per centum of the amount of the financial assistance received from the Bank.

"(b) Participants are authorized to purchase voting stock of the Bank.

"(c) Any of the institutions listed in section 738 of this title may purchase nonvoting stock in the Bank equal to at least 1 per centum and not more than 10 per centum of the financial assistance received.

"SEC. 741. GOVERANCE OF PARTICIPANTS.—With respect to all evidence of financial assistance and other obligations that a Participant shall present to the Bank, the policies, rules, regulations, and procedures followed shall be in accordance with the rules and regulations established by the Board. The designation of any institution as a Participant may be canceled by the Bank. Any Participant whose designation has been canceled under this section may appeal the cancellation to the Board. The decision of the Board shall be final. The Board shall establish appropriate rules and regulations and review bodies to implement expeditious, orderly, and fair consideration of appeals filed by Participants objecting to canceled designations or other matters related to their relationship to the Bank.

"SEC. 742. TERMS AND CONDITIONS.—The terms and conditions under which financial assistance may be made available to Participants, directly or through other financial institutions, shall be established by the Board. Such terms and conditions may vary depending on the rural development purpose for which such assistance is to be used and the practices of the supporting regional financial institutions involved.

"SEC. 743. A Participant, as a condition of eligibility for financial assistance with respect to any rural development loan it has extended, shall require the deposit by the borrower of such loan of 5 per centum of the amount of that part of the loan for which the financial assistance of the Bank is requested. Such amount shall be utilized by the Participant to purchase on behalf of the borrower voting capital stock of the Bank and shall transmit such stock to the borrower.

"Subtitle E—Joint-Venture Equity Investment in Rural Development Projects

"SEC. 744. JOINT-VENTURE-COSPONSORS; INVESTMENT IN JOINT-VENTURES WITH ELIGIBLE SPONSORS.—(a) The Bank is authorized, subject to regulations approved by the Board, to make investments in rural development projects proposed or established by Joint-venture-cosponsors directly, or through a Participant.

"(b) The Board shall establish standards and criteria to govern the making of investments in joint-ventures with Joint-venture-cosponsors.

"SEC. 745. The Bank and the Joint-venture-cosponsor with whom the Bank has entered into a joint-equity investment in a rural development project shall share in the profits of the project in the same ratio as the amounts of their several investments

"SEC. 746. Such joint-venture rural development projects shall be subject to all Federal, State, and local taxes.

"SEC. 747. No rural development project shall be eligible for joint-venture investment by the Bank if the project can otherwise obtain necessary credit or investment for the full amount of the investment from any other source on reasonable terms.

"SEC. 748. The investment made by the Bank in joint-venture projects shall not exceed the extent to which the total cost of the project exceeds the amount that can be obtained elsewhere on reasonable terms.

"SEC. 749. The joint-venture agreement between a Joint-venture-cosponsor and the Bank shall provide—

"(1) that such cosponsor will, as soon as financially able, purchase the investment of the Bank, and

"(2) the control over the joint-venture shall be apportioned between the Bank and the cosponsor in accordance with the relative amounts of investment of each in the project.

"SEC. 750. A Joint-venture-cosponsor may purchase not less than 1 per centum and not more than 10 per centum of the Bank investment in a joint-venture of voting capital stock of the Bank.

"SEC. 751. SEPARABILITY.—If any provision of this title, or the application thereof to any person or in any circumstances, is held invalid, the remainder of this title, and the application of such provision to other persons or in other circumstances shall not be affected thereby.

"SEC. 752. RESERVATION OF RIGHT TO AMEND OR REPEAL.—The right to alter, amend, or repeal any provision or all of this title is expressly reserved.

"SEC. 753. APPROPRIATIONS.—There is authorized to be appropriated to the Secretary of the Treasury an amount not to exceed $200,000,000 annually for not to exceed ten years from date of enactment of this title for the purchase of capital stock of the National Rural Development Bank."

SEC. 2. AMENDMENTS TO OTHER LAWS.—(a) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"(95) Governor of the National Rural Development Bank."

(b) Section 5316 of title 5, United States Code is amended by adding at the end thereof the following:

"(132) Deputy Governor of the National Rural Development Bank.".

(c) Paragraph Seven of section 5136 of the Revised Statutes (12 U.S.C. 24) is amended by adding at the end thereof a new sentence as follows: "Notwithstanding any other provision in this paragraph, the association may purchase the stock, bonds, or other obligations of the National Rural Development Bank created pursuant to the authority of the Rural Development Bank Act of 1978.".

SEC. 3. EFFECTIVE DATES.—The provisions of this title shall take effect one hundred and twenty days after the date of enactment of this Act, or on such earlier date as the President may prescribe and publish in the Federal Register, except that the Secretary may promulgate regulations at any time after the date of enactment of this Act.

Mr. LEAHY. Mr. President, as I introduce this bill, I ask unanimous consent that it be assigned to the Agriculture Committee, where I understand similar legislation has been in the past.

The PRESIDING OFFICER. Is there an objection to the request?

Mr. TOWER. Reserving the right to object, will the Senator withdraw that momentarily and let me check on it?

Mr. LEAHY. I shall withdraw the request, Mr. President.

Mr. TOWER. I do not believe there will be an objection. I just feel obligated to check.

Mr. LEAHY. I shall not make any request on it.

The PRESIDING OFFICER. Does the Senator wish to withdraw his request?

Mr. LEAHY. I withdraw my request.

The PRESIDING OFFICER. The request is withdrawn. The bill will be received at this time and appropriately referred.

By Mr. DECONCINI (for himself, Mr. KENNEDY, and Mr. THURMOND):

S. 373. A bill to amend title 28 of the United States Code to encourage prompt, informal, and inexpensive resolution of civil cases in the U.S. district courts by the use of arbitration, and for other purposes; to the Committee on the Judiciary.

COURT-ANNEXED ARBITRATION ACT OF 1979

Mr. DECONCINI. Mr. President, I am introducing today, together with the distinguished chairman and ranking minority member of the Committee on the Judiciary, Senator EDWARD M. KENNEDY and Senator STROM THURMOND, a bill entitled the Court-Annexed Arbitration Act of 1979. A bill which was very similar to this proposal was introduced by the distinguished former chairman of the Judiciary Committee, Senator James O. Eastland, in the 95th Congress. After extensive analysis and review by hearing witnesses, last year's proposal has been refined into what I believe will constitute a major advance in the struggle to make the Federal judicial branch more responsive to the many and varied needs of the American people. Subsequent to the last year's introduction, the bill was reported out of the Subcommittee on Improvements in Judicial Machinery and the Committee on the Judiciary, and during the closing hours of the last Congress the bill was considered and approved by the Senate on October 13, 1978.

The proposal realizes that in civil litigation there are avoidable expenses and delays in many Federal district courts. The purpose of the bill is to promote the prompt, informal, and inexpensive resolution of disputes. The vehicle for achieving that result is court-annexed arbitration.

This measure is the culmination of the highly favorable experience with arbitration in State courts and in pilot projects now being undertaken by the Federal district courts in three jurisdictions. Presently, Arizona, California, New York, Ohio, and Pennsylvania employ arbitration at some level in their court systems. Careful attention has been given to these programs, and the results obtained by them have convinced many people that the time is ripe for compulsory, nonbinding arbitration in the Federal courts. The Court-Annexed Arbitration Act would provide that opportunity.

Under the bill, any U.S. district court may authorize by rule the use of arbitration which would be conducted to find solutions to the mounting difficulties encountered by both jurists and litigants that arise from the growing backlog of cases now confronting the Federal courts. It is a response to the widespread concern that the effectiveness of the Federal judicial system is being weakened by the ever-increasing demands on the time of the Federal courts. The legislation employs arbitration as an alternative dispute resolution mechanism that would reduce the length and expense of litigation in many civil actions. The use of compulsory, nonbinding arbitration should enhance the responsiveness of the judicial system to the demands of society by providing some litigants with a quasi-judicial means of resolving disputes that is speedier and less costly, but no less fair, than the existing court process. At the same time, this will enable the courts to concentrate their limited resources on those legal and constitutional issues they are uniquely qualified to resolve.

At the time of its introduction in the 95th Congress, S. 2253 contained specific regulations for the conduct of arbitration hearings. It has been concluded that, because this Congress legislation proposes a 5-year opportunity to experiment with arbitration, it is desirable that a variety of methods of implementing arbitration in the district courts be encouraged and explored. Today's proposal gives each district court wide discretion in such procedural matters as determining which cases should be submitted to arbitration, in establishing rules for the prearbitration period, in setting costs for arbitration proceedings, in selecting and compensating arbitrators, and in regulating the discovery state of the arbitration process. It is hoped that this discretionary approach will result in a variety of methods of court-annexed arbitration being tried.

The bill creates a new chapter in title 28 of the United States Code that would establish a process of mandatory arbitration of specified categories of civil actions, with the right to a full district court trial de novo preserved. Under the proposal, any district court may adopt a compulsory, nonbinding arbitration procedure by rule. This approach was taken, because it is felt that the present experience with arbitration is sufficiently extensive to allow Federal district courts to utilize the process. At the same time, however, it seems premature to impose an arbitration scheme on all 94 districts without a period of optional use in Federal district courts at the conclusion of which a determination would be made concerning its long-term use. Under this year's proposal, the legislation will be repealed 5 years from the date of enactment.

The arbitration program proposed is compulsory in that all cases of specified types will be automatically referred to arbitration soon after pleadings are closed unless, upon the motion of a party, the district court judge orders that a case be excepted from arbitration. Two broad classes of cases to be arbitrated have been identified under the proposal. Generally, tort and contract actions, where the claim is exclusively for money damages of less than $100,000, or a lesser amount determined by the district court, will be required to go to arbitration. Also, any case may be arbitrated with the consent of the parties. A few types of cases within the general tort and contract categories frequently present issues of such sensitivity or general public importance that they warrant a trial before a district court judge. Therefore, certain exceptions have been made. These cases are specifically identified and excluded from arbitration under the proposal. For example, actions based on alleged violations of constitutional or civil rights may not be arbitrated. In addition, any case may be removed from the arbitration process at the discretion of the district court upon a showing of good cause.

Once a case has been referred to arbitration, time limits are imposed upon each step of the process in order to keep the average elapsed time from case filing to arbitration decision as brief as is reasonably possible. Litigants coming within the program are to receive a hearing not later than 150 days from the filing of the answer or 30 days from the disposition of any motion to dismiss the complaint, motion for judgment on the pleadings, or motion for summary judgment, whichever is later. Each district court may fix time limits within these boundaries by local rule. Discovery proceedings are another area where significant gains in judicial efficiency may be had. It is recognized that limited discovery may frequently be necessary so that the parties may be well enough prepared to engage in a meaningful and fair arbitration hearing. Consequently, witnesses and documents may be subpenaed under Federal Rules of Civil Procedure 45, and the district courts are given discretion to formulate rules for discovery within the 150-day time restriction. But extended discovery, frequently complained of in litigation today, will not be possible before arbitration.

After the arbitration hearing has commenced, the Federal rules of evidence should act as a nonbinding guide to the admissibility of evidence. It is intended that the relaxed rules would permit the admission of some hearsay evidence, particularly in documentary form.

The result of these streamlined procedures and enforced time limitations will be speedier dispute resolution and reduced backlogs in the courts. In California, a State which employs an arbitration program similar to that proposed by this legislation, the median time from the filing of the complaint until trial in a civil case in Los Angeles was 2½ years, while the median from the stipulation to arbitrate until filing of the award was only 60 days. Philadelphia, by raising the amount in controversy beneath which arbitration was compulsory, within 2 years reduced the backlog of its entire civil calendar from 48 to 21 months.

Arbitration not only reduces the time required for litigation, it also lessens the expense to private litigants through diminished pretrial preparation, simplified evidentiary procedures, and elimination of certain stages in the traditional jury trial process. Reduced expense makes it economically more feasible for parties to pursue justified claims and to present a defense to the trier of fact in relatively uncomplicated cases. In Ohio, the cost of arbitrating a case was estimated at $49; in Philadelphia, the per-case cost of arbitrators fees is $150. The salary and administrative costs for full court adjudication have been estimated at $500 to $600 per day for a trial that may last several days.

Empirical studies indicate that arbitration proceedings are generally perceived to be fair. A California survey reported that all attorneys and claim managers questioned believed that arbitration was as fair as a jury trial; three-fourths felt it was as fair as a court trial. Litigant satisfaction with arbitration has been demonstrated by the comparison of appeal rates from arbitration awards with the rate of appeal from conventional court decisions. In the California Superior Court, appeal rates from arbitration awards to trials de novo have ranged from 8 to 25 percent with most jurisdictions averaging between 11 and 13 percent, as compared with the 11 to 14 percent rate to appeal from all contested civil cases in California. Moreover, the majority of the appeals from trials de novo settle before a trial actually takes place. Thus, in most jurisdictions only 5 to 6 percent of arbitrated cases are retried de novo. These appeal rates from judicial arbitration awards indicate that arbitrated cases produce results as satisfactory to the parties as the regular civil trial process.

There are other, less easily quantified benefits to the administration of justice. There should be substantial improvement in the quality of judicial decisionmaking with the reduced pressure afforded by a more current calendar. Producing faster, less expensive dispute resolutions should eliminate some of the protracted anxiety felt by many litigants. Faster litigation will enable litigants to end more quickly a traumatic incident and to plan their future with greater certainty, especially in personal injury cases. Factfinding accuracy will be immediately improved, because dispute resolution will occur closer to the incident involved. Finally, the fairness of the settlement climate will be enhanced, because high costs and court congestion would no longer be used as a bargaining tool. This consideration is of great importance in a civil justice system in which most cases are settled prior to trial.

Court-annexed arbitration also commends itself to the bar. It presents an opportunity to improve the public's image of the legal community. The success of court-annexed arbitration is largely made possible by the interest and energy of volunteer attorney arbitrators. Attorney action of this kind could make a positive impact on a public highly frustrated by the current congestion and cost of civil litigation.

Although this bill proposes a compulsory program of arbitration, that program is not binding upon the litigants. The bill preserves the right of the parties to demand a full district court trial de novo in the event they are dissatisfied with the outcome of the arbitration proceeding. Where a trial de novo is demanded, the case is placed on the district court civil docket and treated in all respects as if it had never been referred to arbitration. Neither the fact of the arbitration proceeding nor the award may be admitted into evidence at the district court trial. However, the use of testimony given at the arbitration hearing would not be precluded from use for impeachment purposes in a subsequent trial.

During the 5 years that the statute is to be in force, the Federal Judicial Center, in consultation with the Attorney General, is expected to evaluate the operation of the arbitration procedure. It is intended that a report will be made available to the Congress which evaluates the operation of arbitration in those districts where arbitration is authorized.

In summary, increased utilization of court-annexed arbitration would be a means of increasing public satisfaction with the administration of justice. While arbitration is not the only innovation capable of improving the administration of justice, it is a particularly desirable alternative, because it is capable of attaining speed, economy, and fairness without requiring radical innovations in either substantive or procedural law. The substantive law upon which arbitration decisions are based remains unchanged.

Traditional trial procedures are retained in streamlined form; compulsory, nonbinding arbitration is not competitive with, but supplemental to, court procedures. It preserves the right to a trial de novo by jury and is ultimately subject to supervision by the courts. Court-annexed arbitration is a valid and viable alternative to conventional litigation. Its experimental use as proposed by the bill presents little risk to litigants and provides the possibility of great improvements in our judicial system.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 373

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Court-Annexed Arbitration Act of 1979".

Sec. 2. (a) Title 28, United States Code, is amended by adding after chapter 43 the following new chapter:

"Chapter 44—ARBITRATION

"Sec.
"651. Authorization of arbitration.
"652. Certification of arbitrators.
"653. Compensation of arbitrators.
"654. Jurisdiction.
"655. Arbitration hearing.
"656. Arbitration award and judgment.
"657. Trial de novo.

"§ 651. Authorization of arbitration

"Each United States district court may authorize by rule the use of arbitration in accordance with the provisions of this chapter.

"§ 652. Certification of arbitrators

"(a) Each district court is authorized to certify arbitrators to perform services in accordance with this chapter. Each certification shall be entered on record in the certifying court.

"(b) An arbitrator is an independent contractor and is subject to the provisions of sections 202 through 209 of title 18, United States Code, that apply to a special Government employee of the executive branch. A person shall not be barred from the practice of law because he is an arbitrator.

"§ 653. Compensation of arbitrators

"(a) The district court shall establish and pay the amount of compensation, if any, that each arbitrator shall receive for his services for each case in which he serves, up to a maximum level that the Director of the Administrative Office of the United States Courts may fix under the supervision and direction of the Judicial Conference of the United States.

"(b) Under regulations prescribed by the Director of the Administrative Office of the United States Courts, a district court may reimburse arbitrators for actual transportation expenses necessarily incurred by them in the performance of their duties under this chapter.

"§ 654. Jurisdiction

"(a) Notwithstanding any provision of law to the contrary and except as provided in subsections (b) and (c) of this section, a district court that authorizes aribitration under section 651 shall refer to arbitration any civil action pending before it if—

"(1) the parties consent to arbitration; or

"(2) (A) the relief sought consists only of money damages not in excess of $100,000 or such lesser amount as the district court may set, exclusive of interest and costs; and

"(B) the action is based on a negotiable instrument or contract or is for personal injury or property damage.

"(b) No referral to arbitration under this chapter shall be made—

"(1) of an action based on an alleged violation of a right secured by the Constitution of the United States;

"(2) of an action in which relief is sought from any official or employee of the United States in his individual capacity for an act performed by such official or employee acting with the outer perimeter of his official duties, whether or not the action is also brought against such official or employee in his official capacity or against the United States;

"(3) of an action by the United States—

"(A) to recover money or property illegally or improperly obtained by an employee or former employee of the United States or any agency thereof; or

"(B) based upon fraud; or

"(4) if jurisdiction is based in whole or in part on section 1343 of this title.

"(c) A district court may establish by rule procedures for excepting from arbitration, for good cause shown, individual cases that would otherwise be referred under subsection (a).

"§ 655. Arbitration hearing

"(a) Arbitrators to whom actions are referred under section 654 shall have within the territorial jurisdiction of the court the power to conduct arbitration hearings and make awards as provided in this chapter. The arbitrators shall have the power to administer oaths and affirmations.

"(b) The arbitration hearing shall begin within a time period specified by the district court, but in no event later than 150 days from the filing of the answer or 30 days from the disposition of any motion to dismiss the complaint, motion for judgment on the pleadings, or motion for summary judgment, whichever is later.

"(c) Rule 45 of the Federal Rules of Civil Procedure, relating to subpenas, applies to subpenas for the attendance of witnesses and the production of documentary evidence at an arbitration hearing under this chapter.

"(d) An arbitrator may admit any evidence in an arbitration hearing which he considers relevant and trustworthy, however the Federal Rules of Evidence may be used as a guide to admissibility.

"§ 656. Arbitration award and judgment

"(a) The arbitration award shall be filed with the clerk of the district court promptly after the hearing is concluded, and shall be entered as the judgment of the court after the time has expired for requesting a trial de novo pursuant to section 657. The judgment so entered shall be subject to the same provisions of law and shall have the same force and effect as a judgment of the court in a civil action, except that it shall not be subject to appeal.

"(b) The district court may by rule allow for the inclusion of costs as provided in section 1920 as part of the arbitration award.

"§ 657. Trial de novo

"(a) Within thirty days after the filing of the arbitration award with the court, any party may demand a trial de novo in the district court.

"(b) Upon a demand for a trial de novo, the action shall be restored to the docket of the court and treated for all purposes as if it had not been referred to arbitration, and any right of trial by jury that a party otherwise would have had is preserved.

"(c) Unless the parties have otherwise stipulated, the court shall not admit at the trial de novo any evidence that there has been an arbitration proceeding, the nature or amount of any award, or any other matter concerning the conduct of the arbitration proceeding, except that testimony given at the arbitration hearing may be used for purposes of impeachment.

"(d) A district court may by rule allow arbitrators' fees paid pursuant to section 653 to be taxed as costs in any action in which subsection (a) of this section is invoked. Any such rule shall require the court in considering such taxation to take into account whether or not the demand for a trial de novo was made for good cause.".

(b) The table of chapters for title 28, United States Code, and for part III of title 28, United States Code, are each amended by inserting after the item relating to chapter 43 the following new item:

"44. Arbitration........................ 651.".

Sec. 3. There is authorized to be appropriated to the judicial branch for the fiscal year ending September 30, 1980, such sums as may be necessary to be allocated by the Administrative Office of the United States Courts to Federal judicial districts and the Federal Judicial Center to carry out the purposes of this Act. The funds so appropriated shall remain available until expended, except that no such funds shall be expended for the arbitration of actions referred to arbitration subsequent to the date of repeal set forth in section 4 of this Act.

Sec. 4. Effective five years from the date of enactment of this Act, chapter 44 of title 28, United States Code, as added by section 2 of this Act, is repealed except that the provisions of that chapter shall continue to apply through final disposition of any action in which referral to arbitration was made before the date of repeal.

Sec. 5. This Act is effective 60 days after the date of enactment of this Act.

By Mr. CRANSTON (by request):

S. 374. A bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such act to facilitate the improvement of programs carried out thereunder, to authorize urban volunteer programs, and for other purposes; to the Committee on Human Resources.

DOMESTIC VOLUNTEER SERVICE ACT AMENDMENT OF 1979

Mr. CRANSTON. Mr. President, I am introducing today, at the request of the administration, S. 374. I ask unanimous consent that the letter of transmittal and the text of the bill be printed in the Record at the conclusion of my statement.

Mr. President, as I have previously announced, the Subcommittee on Child and Human Development will be holding a hearing on the reauthorization of the ACTION Agency on Thursday, February 8. The hearing will begin at 9 a.m. in room 6226 of the Dirksen Senate Office Building. The subcommittee will be considering both the administration's proposal which I am introducing today by request, and S. 239, the proposed Domestic Volunteer Services Act Amendments of 1979, which I introduced on January 25 with Senator Williams and Senator Riegle.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 374

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Domestic Volunteer Service Act Amendments of 1979".

Sec. 2. Section 103(b) of the Domestic Volunteer Service Act of 1973 (Public Law 93–113) (hereinafter the "Act") is amended by striking out "Prior to" in the second sentence and inserting in lieu thereof "Within thirty days after".

Sec. 3. Section 105(a)(2) of the Act is

amended by amending the first sentence thereof to read as follows: "Stipends shall be payable only upon completion of a period of service, except that under such circumstances as the Director shall determine, in accordance with regulations which the Director shall prescribe, the accrued stipend, or any part thereof, may be paid to the volunteer, or, on behalf of the volunteer, to members of the volunteer's family or others during the period of the volunteer's service.".

Sec. 4. Section 114(a) of the Act is amended by—

(a) striking out "Of the funds appropriated for the operation of programs under this part, up to 10 per centum may be used, notwithstanding any other provisions of this part," in the first sentence and inserting in lieu thereof "The Director is authorized to conduct, or make grants or contracts for programs"; and

(b) striking out the second sentence thereof.

Sec. 5. Section 122(c) of the Act is amended to read as follows:

"(c)(1) The Director, in accordance with regulations which the Director shall prescribe, may provide to volunteers enrolled for periods of part-time service of twenty hours or more per week for twenty-six or more consecutive weeks under this part such allowances, support, and services as are described in section 105(b) and as the Director determines are necessary to carry out the purpose of this part, and shall apply the provisions of sections 104(c) and 105(b) to the service of volunteers enrolled for full-time service under this part.

"(2) The Director, in accordance with regulations which the Director shall prescribe with respect to volunteers enrolled for periods of full-time service of one year or more under this part—

"(A) may provide to such volunteers such stipends, in total amounts not in excess of stipends provided under section 105(a) to volunteers serving under part A of this title, as the Director determines are necessary to carry out the purposes of this part; and

"(B) to the extent that the terms and conditions of the service of such volunteers are of similar character to the terms and conditions of the service of volunteers enrolled under part A of this title, shall apply to the service of such volunteers enrolled under this part the provisions of sections 103(b) (with respect to low-income community volunteers), 104(d), and 105(a) to the extent such provisions are applied to the service of volunteers enrolled under such part A.".

Sec. 6. Title II of the Act is amended by:

(a) Adding "s" to the word "American" in the title thereof, and in the title of Part B thereof; and

(b) Striking out "Office of Economic Opportunity" and inserting "Community Services Administration" in section 221 thereof.

Sec. 7. The Act is amended by adding after Title II thereof the following new title:

"TITLE III—URBAN VOLUNTEER PROGRAMS

"STATEMENT OF PURPOSE

"Sec. 301. The purpose of this title is to strengthen and encourage the involvement of individuals, neighborhood groups, voluntary associations, labor organizations, local enterprises, local governments, and other local entities in community revitalization and person-to-person service activities in distressed urban neighborhoods by providing for Urban Volunteer Programs which build on the capacity of neighborhood groups through the use of volunteers to assist in efforts to reverse deterioration of and improve the quality of life in their neighborhoods, particularly in situations where the application of human talent and dedication may assist in the solution of poverty-related problems and the problems of the elderly, and to provide appropriate authorities and responsibilities designed to assist in the development and coordination of such programs.

"AUTHORITY TO ESTABLISH AND OPERATE PROGRAMS

"Sec. 302. (a) The Director is authorized to conduct, and make grants, contracts, or enter into cooperative agreements with public agencies and private nonprofit organizations for urban volunteer projects which carry out the purposes of this title.

(b) Programs authorized by this title may include, but are not limited to:

(1) An Urban Volunteer Corps which includes—

(A)(i) Projects in urban areas which attempt to match specific needs of local governments and neighborhood groups with volunteers who possess needed skills, on a request-for-service basis;

(ii) Development of listings of locally recruited, part-time volunteers as a resource bank within a community, city, or urban area;

Projects and activities of the Urban Volunteer Corps under subparagraph (A) shall be administered in each city or urban area receiving funds under this paragraph by a lead agency, which shall be designated by the Director with the concurrence of the mayor or other chief elected official.

(B)(i) Projects designed to provide personal and group financial counseling to low- and fixed-income individuals, particularly the elderly, utilizing volunteers with specialized or technical expertise, and

(ii) Projects utilizing volunteers to reduce the necessity of institutionalization and ameliorate the residential isolation of older persons, handicapped persons, and other similarly isolated persons.

Except to the extent projects under subparagraph (B) are administered by a lead agency described in subparagraph (A), grants for Urban Volunteer Corps programs under subparagraph (B) shall not be approved without prior consultation with the mayor or other chief elected official of such a city or area in a manner prescribed by the Director.

(2) A "Good Neighbor Fund" program which shall provide grants, not to exceed $15,000, to nonprofit organizations in cities and urban areas (either directly or through lead agencies designated under paragraph (b)(1) of this section) to assist communities to:

(A) reimburse the out-of-pocket expenses of volunteers working on neighborhood and community betterment projects, and

(B) provide volunteers and neighborhood groups with the materials, tools, supplies, and administrative support necessary to carry out neighborhood and community betterment projects.

No Good Neighbor Fund grant may be made to an organization within a city or urban area without prior consultation with the mayor or other chief elected official of such a city or area in a manner prescribed by the Director.

"CONSULTATION AND REGULATIONS

"Sec. 303. The Director shall, after consultation with the Director of the Community Services Administration, prescribe regulations to carry out this title, which shall include criteria for designation of lead agencies which require that special consideration be given to organizations of demonstrated effectiveness in serving persons in distressed urban areas, in mobilizing volunteers, in coordinating volunteer assistance projects and in working with other public and private agencies and voluntary organizations. Such regulations shall also prescribe an application process which includes public announcement and individual notice to Community Action Agencies recognized by the Community Services Administration of the criteria and process for the selection of lead agencies and assures coordination of the activities of lead agencies with existing programs, particularly Community Action Agencies, to prevent duplication of effort."

Sec. 8. Section 404(g) of the Act is amended by—

(a) inserting "(1)" after "(g)"; and

(b) inserting at the end thereof the following new paragraph:

"(2) Notwithstanding any other provision of law, a person enrolled for full-time service as a volunteer under title I of this Act who was otherwise entitled to receive assistance or services under any governmental program prior to such volunteer's enrollment shall not be denied such assistance or services because of such volunteer's failure or refusal to register for, seek, or accept employment or training during the period of such service.".

Sec. 9. Section 410 of the Act is amended by inserting at the end thereof the following new sentence: "The Director, consultation with appropriate Departments and agencies, shall take all appropriate steps to encourage State and local governments, charitable and service organizations, and private employers (1) to take into account experience in volunteer work in the consideration of applicants for employment, and (2) to make provision for the listing and description of volunteer work on all employment applications forms.".

Sec. 10. Section 415 is amended by—

(a) amending subsection (b) by—

(1) striking out in the first sentence "in programs under title I of this Act for periods of service of at least one year" and inserting in lieu thereof "as volunteers for periods of full-time service, or, to the extent the Director shall prescribe by regulation, for periods of part-time service of not less than twenty hours or more per week for twenty-six or more consecutive weeks, under title I of this Act";

(2) striking out in clause (3) "and";

(3) amending clause (4)(A) by striking out "the monthly pay of a volunteer shall be deemed that received under the entrance salary for a grade GS-7 employee," and inserting in lieu thereof "the annual rate of pay of a volunteer enrolled for a period of full-time service shall be deemed to be that received under the entrance salary for a grade GS-7 employee, and the annual rate of pay of a volunteer enrolled for a period of part-time service shall be deemed to be the entrance salary of a grade GS-2 employee,"

(4) striking out the period at the end thereof and inserting in lieu thereof a comma and by adding "and (5) be deemed employees of the United States for the purposes of section 5584 of title 5, United States Code (and stipends and allowances paid under this Act shall be considered as pay for such purposes)."; and

(b) inserting at the end thereof the following new subsection:

"(f)(1) The remedy—

"(A) against the United States provided by sections 1346(b) and 2672 of title 28, United States Code, or

"(B) through proceedings for compensation or other benefits from the United States as provided by any other law, where the availability of such benefits precludes a remedy under section 1346(b) or 2672 of such title 28, for damages for personal injury, including death, allegedly arising from malpractice or negligence of a physician, dentist, podiatrist, optometrist, nurse, physician assistant, expanded-function dental auxiliary, pharmacist, or paramedical (for example, medical and dental technicians, nursing assistants, and therapists) or other supporting personnel in furnishing medical care or treatment while in the exercise of such person's duties as a full-time volunteer enrolled under title I of this Act shall hereafter be exclusive of any other civil action or proceeding by reason of the same subject matter against such person (or such person's estate) whose action or omission gave rise to such claim.

"(2) The Attorney General shall defend any civil action or proceeding brought in any court against any person referred to in paragraph (1) of this subsection (or such person's estate) for any such damage or injury. Any such person against whom such civil action or proceeding is brought shall deliver, within such time after date of service or knowledge of service as determined by the Attorney General, all process served upon such person or an attested true copy thereof to such person's immediate supervisor or to whomever is designated by the Director to receive such papers, and such persons shall promptly furnish copies of the pleading and process therein to the United States attorney for the district embracing the place wherein the proceeding is brought and to the Attorney General.

"(3) Upon a certification by the Attorney General that the defendant was acting in the scope of such person's volunteer assignment at the time of the incident out of which the suit arose, any such civil action or proceeding commenced in a State court shall be removed without bond at any time before trial by the Attorney General to the district court of the United States of the district and division embracing the place wherein it is pending and the proceeding deemed a tort action brought against the United States under the provisions of title 28, United States Code, and all references thereto. After removal, the United States shall have available all defenses to which it would have been entitled if the action had originally been commenced against the United States. Should a United States district court determine on a hearing on a motion to remand held before a trial on the merits that the volunteer whose act or omission gave rise to the suit was not acting within the scope of such person's volunteer assignment, the case shall be remanded to the State court.

"(4) The Attorney General may compromise or settle any claim asserted in such civil action or proceeding in the manner provided in section 2677 of title 28, United States Code, and with the same effect.".

SEC. 11. Section 417 of the Act is amended by

(a) inserting "handicap," after "age," in subsection (a);

(b) inserting at the end of subsection (a) the following new sentence: "For the purposes of this subsection, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (Public Law 94-135, title III, 42 U.S.C. 6101 *et seq.*), any project or activity to which volunteers are assigned under this Act shall be deemed to be receiving Federal financial assistance."; and

(b) inserting at the end thereof the following new subsection:

"(c) The Director shall apply the nondiscrimination policies and authorities set forth in section 717 of the Civil Rights Act of 1974 (42 U.S.C. 2000e-16), in title V of the Rehabilitation Act of 1973 (29 U.S.C. ch. 16, subch. V), and the Age Discrimination Act of 1975 (Public Law 94-135, title III; 42 U.S.C. 6101 *et seq.*) to applicants for enrollment for service as volunteers and to volunteers enrolled by ACTION for service under title I of this Act and any remedies available to individuals under such laws, other than the right of appeal to the Civil Service Commission authorized by section 717 of the Civil Rights Act of 1964, and transferred to the Equal Employment Opportunity Commission by Reorganization Plan Number 1 of 1978, shall be available to such applicants or volunteers. Not later than ninety days after the date of the enactment of this Act, the Director, after consultation with the Equal Employment Opportunity Commission with regard to the application of the policies set forth in section 717 of such Civil Rights Act and with the Secretary of Health, Education, and Welfare and the Interagency Committee on Handicapped Employees, established by section 501(a) of the Rehabilitation Act of 1973 (29 U.S.C. 791(a)), with regard to the application of policies set forth in title V of the Rehabilitation Act of 1973, and not later than ninety days after the Secretary of Health, Education, and Welfare publishes final general regulations to carry out the Age Discrimination Act of 1975, and after consultation with the Secretary with regard to the application of the policies set forth in such Act, shall prescribe regulations establishing the procedures for the application of such policies and the provision of such remedies so as to promote the enrollment and service of persons as volunteers without regard to the discriminatory factors proscribed in such laws.".

SEC. 12. Title IV of the Act is amended by adding at the end thereof the following new section:

"REDUCTION OF PAPERWORK

"SEC. 423. In order to reduce unnecessary, duplicative, or disruptive demands for information, the Director, in consultation with other appropriate agencies and organizations, shall continually review and evaluate all requests for information made under this Act and take such action as may be necessary to reduce the paperwork required under this Act. In accordance with the Federal Reports Act (44 U.S.C. § 3501 *et seq.*), the Director shall request only such information as the Director deems essential to carry out the purposes and provisions of this Act.".

SEC. 13. Title V of the Act is amended by—

(a) amending section 501 by striking out "and" after "September 30, 1974," in the first sentence, and inserting "$42,321,000 for the fiscal year ending September 30, 1979, $42,415,000 for the fiscal year ending September 30, 1980, and such sums as may be necessary for the fiscal year ending September 30, 1981," after "September 30, 1978," in such sentence;

(b) by adding, after section 502, the following new section:

"URBAN VOLUNTEER PROGRAMS

"SEC. 503. There are authorized to be appropriated $4,680,000 for the fiscal year ending September 30, 1979, $25,457,000 for fiscal year ending September 30, 1980, and such sums as may be necessary for the fiscal year ending September 30, 1981, for the purpose of carrying out programs under Title III of this Act."

(c) amending section 504 by striking out "and" after "September 30, 1977,", and inserting "September 30, 1979, September 30, 1980, and September 30, 1981," after "September 30, 1978,".

SEC. 14. The table of contents of the Act is amended by—

(a) Striking out "Title III" and all that follows through "operate programs." and

(b) inserting in lieu thereof the following:

"TITLE III—URBAN VOLUNTEER PROGRAMS

"SEC. 301. Statement of Purpose.

SEC. 302. Authority to Establish and Operate Programs.

SEC. 303. Consultation and Regulations."

(c) inserting below the heading for section 422 the following:

"SEC. 423. Reduction of Paperwork.

(d) Striking, immediately after "Sec. 503", "National" and all that follows through experience" and by inserting in lieu thereof "Urban Volunteer Programs".

SEC. 15. Section 5(b) of the Act entitled "An Act to amend further the Peace Corps Act, and for other purposes", approved November 14, 1975, (Public Law 94-130; 89 Stat. 684) is amended by striking out the last sentence thereof.

ACTION,
Washington, D.C., February 6, 1979.

Hon. WALTER F. MONDALE,
President of the U.S. Senate,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for your consideration is draft legislation which will enable ACTION to continue its work in providing volunteers to programs which seek to alleviate poverty and poverty-related human, social and environmental problems and create volunteer opportunities for the elderly within the United States.

The proposed bill authorizes the appropriation of $42,321,000 for programs under Title I of the Domestic Volunteer Service Act of 1973 for fiscal year 1979, $42,415,000 for such programs in fiscal year 1980, and such sums as may be necessary for fiscal year 1981. Programs authorized by Title I of the Act include VISTA, University Year for ACTION, the National Student Volunteer Program, Mini-Grants, assistance to state volunteer organizations, and technical assistance to volunteer agencies.

ACTION's fiscal year 1979 budget did not include funds for the University Year for ACTION (UYA) program for fiscal years 1979 and 1980; however, because the Agency has been funded by continuing resolution since October 1, 1978, UYA grantees whose funds expire in the first nine months of fiscal year 1979 will be funded for an additional year. This will give the Administration and the Congress an opportunity to consult on the program's future. Because of this extended funding, and because volunteers must be enrolled for a full year of service, some funds for the continuation of the service of volunteers already enrolled will be needed in fiscal year 1980.

The proposed legislation would also add a new Urban Volunteer Program to the Domestic Volunteer Service Act, which was one of the President's urban initiatives. The program was one of the President's urban initiatives. The program will provide funds to lead agencies in cities and distressed urban areas to recruit skilled volunteers, to be known as the Urban Volunteer Corps, and match their skills with needs identified by neighborhood organizations. The volunteers, who will serve on a part-time, unpaid basis, will provide assistance in areas such as management, publicity, fundraising, accounting, planning and contract and grant administration to organizations in distressed urban areas to assist them in their efforts to revive deteriorating neighborhoods and improve the quality of life of residents of these areas.

The Urban Volunteer Corps would also provide, through neighborhood and community organizations, person-to-person services to low income individuals and the elderly. Examples of the types of services that might be rendered include group and individual counseling to the eledrly and the other persons living on fixed incomes, and person-to-person assistance to reduce the need for institutionalization and the residential isolation of older persons, the handicapped, and others in need of assistance.

A second part of the Urban Volunteer Program is a "Good Neighbor Fund," which complements the Urban Volunteer Corps by authorizing direct grants to neighborhood groups in urban areas to provide seed money for volunteer community betterment projects. The grants, which would average $3,000-$7,000, would be used to provide the materials, tools, other forms of administrative support and reimbursement for volunteers' out of pocket expenses necessary to permit groups to carry out projects.

Projects authorized by the new Urban Volunteer program will be carried out with the active participation of the mayors oi other chief executives of the urban areas involved.

$4,680,000 would be authorized for the Urban Volunteer Program for fiscal year 1979, $25,457,000 for fiscal year 1980 and such sums as may be necessary for fiscal year 1981.

There are, in the bill, several amendments which broaden the authority of the Director to operate volunteer programs and to provide effective support to volunteers serving in the agency's programs. These include a provision which will permit the Director to pay allowances to short-term full-time volunteers and to part-time volunteers who serve more than 20 hours a week for at least 26 weeks in Special Volunteer Programs under Part C of Title I of the Act.

Other provisions which will provide more effective support to volunteers include a proposal that section 415(b) of the Domestic Volunteer Service Act be amended to provide benefits now available only to volunteers enrolled for a full year to all full-time volunteers, and to part-time volunteers serving at least 20 hours per week for at least 26 weeks to the extent the Director deems appropriate. Coverage of volunteers for Federal Tort Claims Act and Federal Employees' Compensation Act purposes, which are among the benefits contained in this section, is essential to provide adequate protection to the volunteers while they are performing their duties.

The bill also adds a new provision permitting the Government to waive collection of erroneous overpayments of volunteer allowances where collection would be against good conscience and not in the best interests of the Government. This authority is presently available with respect to federal employees, and has been extended to Peace Corps volunteers. Enactment of this provision would prevent hardship to volunteers who receive small overpayments of allowances and stipends which they are unable to repay because their allowances are only sufficient to permit them to live at the level of the poor people whom they serve.

The bill contains a provision which would extend to full-time volunteers under Title I of the Act the medical malpractice coverage under the Federal Tort Claims Act now availabel to medical personnel serving in the Public Health Service, with the Veterans Administration, under the Foreign Service Act, and with the various military services. This coverage would make the Federal Tort Claims Act the sole remedy for damages for personal injury or death resulting from malpractice arising out of performance of the volunteer's duty. Similar coverage was recently extended to Peace Corps volunteers.

The Solicitor of Labor has ruled that volunteers who are receiving Aid to Families with Dependent Children are required to enroll in the Work Incentive Program (WIN). WIN requires that, to be eligible for benefits (and, under recent legislation, food stamps), recipients are required to register for, seek, and accept employment. Under the Domestic recruited volunteers who were receiving AFDC benefits prior to their enrollment in ACTION volunteer programs are entitled to exclude their volunteer allowances and stipends in computing their eligibility for public assistance. This provision is intended to permit low-income persons with dependents to serve as volunteers, while continuing to receive the public assistance necessary to support their dependents.

These volunteers' assignments are based on the expectation that they will be able to complete their full term of service. If however, they were required, while serving as volunteers, to actively seek employment, the provisions of the Domestic Volunteer Service Act which encourage the enrollment of low-income volunteers would be defeated. We are proposing that such volunteers be exempted from the requirement that they register for and seek employment as a precondition to receiving the public assistance to which they would otherwise be entitled.

The proposed bill would strengthen the antidiscrimination provisions of the Domestic Volunteer Service Act by making it clear that volunteer service is Federal financial assistance for the purposes of Title VI of the Civil Rights Act of 1964, the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975, and by prohibiting and providing remedies against discrimination in personnel actions involving volunteers and volunteer applicants.

The bill strikes out a limitation in the Act which prohibits the expenditure of more than 10% of the first $6,700,000 of the appropriation for Service Learning Programs under Part B of Title I of the Act for programs other than the University Year for ACTION Program. In view of ACTION's decision not to continue the support of existing University Year for ACTION grants beyond the third quarter of fiscal year 1979, it is necessary that this limitation be removed so that ACTION's other service learning program, the National Student Volunteer Program, which has been modified to include the Youth Challenge Program, can continue to operate. The National Student Volunteer Program is a well-established, respected program which, though small in size, has demonstrated its effectiveness in providing technical assistance and other types of support to student volunteer programs. It deserves to be judged, and supported, on its own merits and should not be considered to be an appendage of the UYA Program.

The bill authorizes the appropriation of such sums as may be necessary for the administration of programs under the Domestic Volunteer Service Act for fiscal years 1979, 1980 and 1981.

The Office of Management and Budget has advised that there is no objection to submission of this draft legislation to the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

Sam Brown,
Director.

Section-By-Section Analysis

Section 1 establishes the short title of the bill as the "Domestic Volunteer Service Act Amendments of 1979".

Section 2 amends section 103(b) of the Domestic Volunteer Service Act of 1973 (hereinafter the "Act") to modify the career development provisions for low-income VISTA volunteers by requiring that a plan for each such volunteer designed to provide opportunity for job advancement or for transition to a situation leading to gainful employment be developed within 30 days after the assignment of the volunteer, rather than prior to such volunteer's assignment. The experience of the ACTION agency has shown that it is not practical to deal with the post-service career needs of low-income volunteers until the volunteers have been placed in permanent assignments with sponsors who will be in a position to deal with the career needs of the volunteers on a continuing basis.

Section 3 amends section 105(a)(2) of the Act, to provide broader authority for advance payments of volunteers' end-of-service stipends. The amendment authorizes advances of the end-of-service stipend under such conditions as the Director of the ACTION Agency shall determine, rather than only in "extraordinary circumstances," as is the case at present. This would permit the Director to authorize the payment of a part of the volunteer's accrued stipend for the purchase of savings bonds and other worthwhile, but not extraordinary purposes, as is now authorized for Peace Corps volunteers.

Section 4 repeals the restriction, contained in section 114(a), which prohibits the expenditure of more than 10% of the first $6,700,000 appropriated for service-learning programs authorized by Part B of Title I of the Act for activities other than the University Year for ACTION program. The principal activity affected by this provision is the National Student Volunteer Program. NSVP is a small, but well-established and well regarded program of technical assistance to secondary and post-secondary school volunteer programs. The Youth Challenge Program (YCP) has recently been combined with it. Funding for this popular program deserves to be considered on its own merits, without being linked to the University Year for ACTION program.

Section 5 amends section 122(c) of the Act to provide the Director with a series of authorities to provide support to volunteers serving under part C of Title I of the Act (Special Volunteer Programs).

The types of support authorized by this subsection are in addition to the authority provided the Director in section 122(b) to reimburse part-time volunteers serving less than 20 hours per week or on an irregular basis for out-of-pocket expenses incurred in taking part in volunteer activities, and to pay other types of costs directly associated with volunteer projects. The types of support payments authorized by the amended subsection are:

1. Part time volunteers enrolled for at least 20 hours of service per week for at least 26 consecutive weeks may receive such allowances, support and services as the Director determines are necessary to permit them to carry out their assignments. They receive no end-of-service stipend.

2. Full-time volunteers enrolled for periods of service of less than one year may receive such allowances, support and services as the Director determines are necessary to permit them to carry out their assignments. These volunteers are required to take the oath required of VISTA Volunteers. They receive no end-of-service stipend.

3. Full-time volunteers enrolled for periods of service of at least one year receive, in addition to the allowances, support and services provided to other full-time volunteers, an end-of-service stipend which may not exceed the end-of-service stipend paid to VISTA volunteers.

The amendment also provides, with respect to full-time, full-year volunteers whose service is similar in character to that of VISTA volunteers, that the provisions of section 103(b) relating to career counselling and services for low income volunteers, and section 104(d) relating to grievance procedures shall apply to their service.

Section 6 makes two technical changes to the Act:

1. It adds an "s" to "American" in the title of Title II and in the title of Part B thereof; thereby conforming the name of the programs, "National Older Americans Volunteer Programs" to the title of section 502.

2. It substitutes "Community Services Administration" for "Office of Economic Opportunity" in section 221.

Section 7 adds to the Act a new Title III, which provides for new Urban Volunteer Programs.

Section 301 states the purpose of the new title, which is to strengthen and encourage the involvement of indivduals, neighborhood groups, voluntary associations, labor organizations, local enterprises, local governments and other local entities in community revitalization and person-to-person service activities in distressed urban neighborhoods by providing for Urban Volunteer Programs which build on the capacity of neighborhood groups through the use of volunteers to assist in efforts to reverse deterioration of and improve the quality of life in their neighborhoods, particularly where the application of human talent and dedication may assist in the solution of poverty-related problems and the problems of the elderly.

Section 302(a) authorizes the Director to conduct, and make grants or contracts or enter into cooperative agreements with public and private non-profit agencies and organizations for urban volunteer projects which carry out the purposes of the title.

Section 302(b)(1) authorizes an Urban Volunteer Corps (UVC), one of the parts of the Urban Volunteer Program. Through assistance to lead agencies in cities and other distressed urban areas, the Corps would recruit and compile lists of skilled volunteers within urban areas to match specific needs of neighborhood groups with volunteers who have the needed skills on a request-for-service basis. The volunteers, recruited from business, academic institutions, non-profit organizations and public agencies on a part-time, unpaid basis would provide a supplementary technical assistance resource to neighborhood groups in such areas as management, publicity, fund raising, accounting, contract and grant administration and legal services.

It is the intent of the legislation not to specify particular categories of programs which are eligible for assistance so that local groups may have wide latitude in identifying and requesting volunteers to assist them in those activities which will be most effective in meeting the needs of each community.

Urban Volunteer Corps projects and activities would be administered in each city or urban area by a lead agency, which would be selected by the Director of ACTION with the concurrence of the mayor or other chief elected official of the city or area.

The process of lead agency selection will be based on a partnership with the chief elected official who will be involved in the process from the outset. No proposal will be funded without the concurrence of the chief elected official. This process will include the following operational steps:

1. First notice of availability of UVC grants will go to the mayor.

2. ACTION and the mayor will work together in developing a proposal from the lead agency.

3. A letter of support from the Mayor will be required as part of all lead agency proposals.

The lead agencies would receive ACTION funds to recruit volunteers, evaluate requests for assistance or volunteers from neighborhood organizations, establish priorities, match volunteer skills with needs, provide out-of-pocket expense support to the volunteers, and monitor results. They would also develop a resource bank of volunteer skills within the metropolitan area to provide as large a pool of potential volunteer skills as possible, both to provide a maximum number of skilled volunteers, and to prevent overlapping of recruitment efforts by neighborhood groups.

On a backup basis, technically skilled volunteers would also be recruited on a regional and national basis through regional resource centers. ACTION would provide lead agencies with technical and management assistance, such as recruitment, management training and support of volunters, orientation and training, and community outreach.

Section 302(b)(1)(B) authorizes Urban Volunteer Corps programs which focus on the provision of direct services to individuals by volunteers. Services may be provided on either a one-to-one basis, or to groups by volunteers having the special skills needed. While these programs may, in some cases, be funded through agencies other than Urban Volunteer Corps lead agencies, recruitment of volunteers with the required skills will require close coordination between the two programs.

Examples of the types of services which might be provided by these Urban Volunteer Corps programs include, but are not limited to:

1. Projects of fixed income counseling for the elderly and for low-income individuals and families, on either group or individual basis.

2. Projects of person-to-person assistance to the elderly, the handicapped, the developmentally disabled, and other persons similarly in need, to reduce the necessity of institutionalization and the residential isolation of such individuals in hospitals, nursing homes, other extended care facilities, and in their homes.

Fixed income counseling and deinstitutionalization projects, if funded through a lead agency approved by the mayor or other chief executive officer, would not require further local approval. However, the direct funding of these programs through another organization would require the same type of prior consultation with the mayor as is required for a Good Neighbor Fund grant.

Section 302(b)(2) provides for a "Good Neighbor Fund" which would complement and supplement the Urban Volunteer Corps. The Director would be authorized to make direct grants to neighborhood groups in cities and other urban areas to provide a modest amount of seed money (up to $15,000, with an average of approximately $3,000–$7,000) to neighborhood groups which utilize volunteers. The funds provided could be used for expenses such as:

Providing neighborhood groups with materials, tools, and other forms of administrative support necessary to carry out community betterment projects; and

Reimbursement of volunteers' out-of-pocket expenses.

Grants under the Good Neighbor Fund would not be limited to items which directly support volunteers, but could be used by the neighborhood group for necessary expenses to strengthen and improve resident participation in community activities and building cooperative linkages between communities.

The emphasis in project funding will be on materials, tools, supplies, and administrative support necessary to carry out community betterment projects. Under no circumstances will permanent staff be funded or general overhead support be provided. ACTION regulations will require that the local project sponsor contribute significant voluntary personnel resources to the project.

Grants from the Good Neighbor Fund could be made only after consultation with the mayor or chief elected official of the urban area in which the grant would be made. A time-limited mayoral concurrence will be required for grant award. This process will have two steps:

1. Advance Notice.—Upon receipt of proposals from neighborhood groups, ACTION will send a letter to the appropriate mayor or chief elected official. This letter will notify the mayor that the proposals have been submitted.

2. Formal Notice of Intent.—After ACTION has screened the proposals and selected the finalists, ACTION will send a letter to the mayor or chief elected official informing him or her of ACTION's intent to award a grant. The mayor will have 30 days to communicate concurrence or non-concurrence. If the mayor takes no action within 30 days, the grant will be awarded. If the mayor informs ACTION that he or she does not concur within the 30-day period, the award will not be made.

Section 303 requires the Director of ACTION to consult with the Director of the Community Services Administration prior to prescribing regulations for the Urban Volunteer Programs. It also requires that the regulations establish criteria for designation of lead agencies which give special consideration to organizations of demonstrated effectiveness in serving persons in distressed urban areas, in mobilizing volunteers, in coordinating volunteer assistance projects and in working with other public and private agencies and voluntary organizations. The section also requires public announcement and individual notice to Community Action Agencies of the criteria and process for selecting lead agencies and directs the inclusion in the application process of a procedure to assure coordination of the Urban Volunteer Program with existing programs, particularly Community Action Agencies, to avoid duplication.

Section 8 amends section 404(g) of the Act by adding a new paragraph (2). The new paragraph resolves an unintended conflict between the Domestic Volunteer Service Act of 1973 the Work Incentive Provisions of title IV of the Social Security Act, which require that recipients of Aid to Families with Dependent Children (AFDC) register with a sponsor of the Work Incentive (WIN) program for manpower services, training, and employment as a condition of eligibility for AFDC.

Section 9 amends section 410 of the Act, relating to coordination of programs, to require the Director, in consultation with appropriate Departments and agencies, to take all appropriate steps to encourage State and local governments, charitable and service organizations, and private employers to take into account experience in volunteer work in the consideration of applicants for employment, and to make provision for the listing and description of volunteer work on all employment application forms.

Section 10(a) amends section 415(b) of the Act—the provision deeming volunteers as Federal employees for certain purposes—to provide that, in addition to the full-time full-year volunteers now covered under this section, all other full-time volunteers, and part-time volunteers enrolled for periods of service of not less than 20 hours per week for at least 26 consecutive weeks are deemed to be Federal employees, as the Director determines is appropriate, for the purposes of the Hatch Act, the Internal Revenue Code, title II of the Social Security Act, the Federal Tort Claims Act, and the Federal Employees Compensation Act (FECA). Coverage under FECA would be at the GS–7 level for full-time volunteers, and at the GS–2 level for covered part-time volunteers.

These coverages are now available only to volunteers in Title I programs enrolled for periods of service of at least one year. Lack of these tort claims and workers compensation coverages has proved a major obstacle to the agency's efforts to offer shorter term service opportunities, and to enroll individuals in programs of part-time service where the individual contributes a substantial period of time (20 or more hours a week) to volunteer service.

Section 10(a) also makes the provisions of section 5584 of Title 5, United States Code, permitting the government to waive erroneous payments of pay to employees where collection would be against good conscience, and not in the best interests of the government, applicable to volunteer allowances and stipends paid to volunteers under Title I of the Act. This coverage is presently available to Peace Corps volunteers, and would prevent hardship to volunteers who receive small overpayments of allowances and stipends which they find themselves unable to repay because their allowances are so small. In addition, the requirement that these erroneous payments be collected results, in many cases, in an expenditure of Government resources in excess of the anticipated collection.

Section 10(b) would extend to the full-time volunteers under Title I of the Act, the same type of medical malpractice coverage under the Federal Tort Claims Act as is available to medical personnel serving in the Public Health Service, under the Foreign

Service Act and with various military services. This coverage makes the Federal Tort Claims Act the sole remedy for damages for personal injury or death resulting from malpractice arising out of the performance of the volunteers' duties. The coverage extends to all full-time volunteers performing medically-related duties. At present, a person receiving such services has the option of suing the federal government, or of suing the individual for damages. In view of the increase in the number and dollar-value of malpractice suits, this coverage is considered necessary to permit the agency to attract individuals to serve in projects which involve medical treatment. Similar coverage was recently provided to Peace Corps volunteers.

Section 11(a) amends section 417(a) of the Act to add handicap to the types of discrimination prohibited.

Section 11(b) amends section 417(a) to provide that the assignment of volunteers under programs authorized by the Act shall be deemed to be the provision of Federal financial assistance for purposes of the discrimination prohibited by the section, as well as for purposes of title VI of the provision will assure that remedies available by law are available to prevent discrimination against minority individuals or those with handicaps, or other conditions which do not interfere with their ability to perform volunteer service.

Section 11(c) adds a new subsection (c) to section 417 to make the policies (and remedies thereunder) set forth in section 717 of the Civil Rights Act of 1964, as amended (42 U.S.C. section 2000e–16), title V of the Rehabilitation Act and the Age Discrimination Act, applicable to volunteers and applicants for volunteer service enrolled by ACTION for service under the Act.

Since the ACTION agency has no direct role in the enrollment, assignment or termination of volunteers in most part-time programs, including RSVP, Foster Grandparents and Senior Companions, the subsection would have no application to them. They are covered by section 417(a).

Since full-time volunteers under title I are not deemed employees of the Federal Government except for limited purposes, they have no formal remedy in cases of racial, religious, age, sex, or handicap discrimination. The new subsection charges the Director of the ACTION agency to establish a remedy process for such volunteers and applicants for volunteer service, after consulting with the Equal Employment Opportunity Commission, the Secretary of Health, Education, and Welfare, and the Interagency Committee on Handicapped Employees.

The appeal process specifically eliminates the right to appeal to the Equal Employment Opportunity Commission which is available to federal employees, since volunteers are not employees, and the Commission would not have the special expertise with respect to volunteers that it has with respect to federal employees.

Section 12 amends title IV of the Act by adding a new section concerning the reduction of paperwork. This amendment requires the Director to review and evaluate requests for information made under this Act and to take such action necessary to reduce required paperwork in accordance with the objectives of the President's Paperwork Reduction Program and the Federal Reports Act of 1942. It is expected that this section will have particular importance in the processing of applications for small grants under the Good Neighbor Fund.

Section 13 amends title V of the Act—providing authorizations of appropriations—to provide authorizations of appropriations for titles I, III, and IV, for fiscal years 1979, 1980, and 1981.

Section 13(a) amends section 501(a) of the act to authorize the appropriation of $42,321,000 for the operation of programs under title I of the Act for the fiscal year ending September 30, 1979, $42,415,000 for the operations of such programs for the fiscal year ending September 30, 1980, and such sums as may be necessary for the operation of such programs for the fiscal year ending September 30, 1981.

Section 13(b) adds a new section 503 to the Act which authorizes the appropriation of $4,680,000 to carry out the new Urban Volunteer Programs authorized by Title III in the fiscal year ending September 30, 1979, $25,457,000 to carry out such programs in the fiscal year ending September 30, 1980, and such sums as may be necessary to carry out such programs in the fiscal year ending September 30, 1981.

Section 13(c) amends section 504 to authorize the appropriation of such sums as may be necessary for the administrative expenses of the agency under Title IV of the Act for the fiscal years ending September 30, 1979, September 30, 1980, and September 30, 1981.

Section 14 amends the table of contents of the Act to reflect the changes made by these amendments.

Section 15 amends section 5(b) of Public Law 94–130 by striking out the last sentence thereof. This amendment will permit appropriations for the increase in the stipend for full-time volunteers to $75 per month authorized by section 5(a) of Public Law 94–130 without the necessity for specifically providing for the increase in the Appropriations Act.

By Mr. DOMENICI:

S. 375. A bill to incorporate the American Ex-Prisoners of War, Inc.; to the Committee on the Judiciary.

● Mr. DOMENICI. Mr. President, on September 8, 1943, the State of New Mexico granted a certificate of incorporation to an association known as the Bataan Relief Organization. In 1949 this group was renamed the American Ex-Prisoners of War and was incorporated by the State of Washington.

The American Ex-Prisoners of War is comprised of men and women who, in the service of their country, have suffered as wartime prisoners at the hands of enemy nations. The membership includes one Spanish-American War veteran, many World War I and II veterans of both theaters, and Korean and Vietnam war veterans—all of them formerly POW's. Today the organization has a nationwide membership of well over 5,000 and recognizes 61 chapters and 8 affiliates.

These brave patriots have endured not only the horrors of combat, but also the agony of often prolonged interment in the prisons of cruel enemies. Nevertheless, they did not waiver in their faith and allegiance to their country and continue to work, even today, toward assisting their disabled comrades and the widows and orphans of those who made the ultimate sacrifice.

In order to facilitate the role of this organization in serving the unique problems which beset ex-POW's, I introduced legislation granting a Federal charter to the Organization of the American Ex-Prisoners of War, Inc. in the last Congress. The Judiciary Committee which adopted strict standards for the granting of Federal charters in the 91st Congress reported favorably on this measure. The Senate passed the legislation marking the first time in 10 years that a grant of a Federal charter had passed this body. Unfortunately, the House had not sufficient time to consider the measure in the waning days of the 95th Congress.

Today, I reintroduce this measure and hope that those who have suffered the indignity of imprisonment in service of their country shall be rewarded.●

By Mr. COCHRAN:

S. 376. A bill to amend the Public Health Service Act to establish a clearinghouse for information respecting digestive diseases, to authorize grants to strengthen educational programs in digestive diseases in medical schools, and to establish the National Digestive Diseases Advisory Board; to the Committee on Human Resources.

NATIONAL DIGESTIVE DISEASES PREVENTION, CURE AND CONTROL ACT

● Mr. COCHRAN. Mr. President, the National Commission on Digestive Diseases was established by Congress in 1976, by Public Law 94–562. The Commission was given three major tasks: Study the medical, social and economic impact of digestive diseases; evaluate the use of resources to control identified problems; and develop a long-range plan for the organization and effective use of national resources to deal with digestive diseases.

On January 31, 1979, the Commission presented to Congress its findings and a long-range plan to combat more effectively the immense problems presented by digestive diseases.

The enormity of the medical disorders affecting the digestive tract has heretofore been unappreciated. Some 22 million Americans are afflicted by some form of digestive disease. Disorders such as ileitis, colitis, ulcers, diverticulosis, pancreatitis, gall bladder and liver diseases, among others, rob 1 out of 9 Americans of their most productive years and cost the public approximately $17 billion per year.

At present, a serious lag exists in our education, research and treatment of this problem. For every dollar of economic loss to society from various diseases, the following sum—in cents—was devoted to research: Cancer, 4.7 cents; neurological, stroke, communicative and eye disease, 2 cents; mental health, 0.8 cent; heart, lung and blood disease, 0.7 cent; kidney and urological disease, 0.4 cent; arthritis and bone disease, 0.3 cent; and digestive disease, 0.2 cent.

It is crucial to note in this context that the digestive disorders impose the third largest economic burden of illnesses in the United States.

Today I am introducing legislation to implement three key recommendations of the National Commission on Digestive Diseases. This bill would: Establish a National Digestive Diseases Advisory Board to oversee implementation of the Commission's long-range plan; establish a National Digestive Diseases Education and Information Clearinghouse to serve as a public and professional information source; authorize a grant program through the National Institute for Arthritis, Metabolism and Digestive Diseases to improve medical education in digestive diseases.

The total 3-year authorization is $5.665 million.

I urge that the Congress act expeditiously on this bill and that its provisions be implemented as quickly as possible. Only in this way can we carry through with congressional intent when it enacted Public Law 94–562 in 1976.

I ask unanimous consent that the text of the legislation be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 376

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Digestive Diseases Prevention, Cure and Control Act."

Sec. 2. The Congress finds and declares that:

(1) digestive diseases (A) are an extremely serious and important category of illness in the United States, (B) are the major reason for and the leading cause of major surgery in the United States, (C) are the cause of chronic illness in 20 million Americans, 14 million of whom have episodes of acute illness annually, (D) are the cause of almost 20,000 deaths each year in the United States, and (E) are the second most common reason for disability in American workers;

(2) digestive diseases are the cause of one-tenth of the total economic burden of illness in our country;

(3) inadequate levels of public awareness of the importance of digestive diseases in our society are coupled with inadequate efforts and expenditures on public information and a low level of support for research in digestive diseases; and

(4) a major improvement in the health of persons with digestive diseases, and important advances in the prevention of such diseases, could occur through the intensified and improved efforts in the education of the public and professionals about digestive diseases, through better use of current resources and procedures involved in the diagnosis of those illnesses, through translating existing medical information into more effective treatment, through greater support of ongoing clinical programs in federally-supported hospitals, through the augmentation of current research efforts including both basis and applied clinical investigations, and through expanded research, education and more intense study of currently neglected areas such as epidemiology, emotional and nutritional causes of digestive diseases.

Sec. 3. Part D of title IV of the Public Health Service Act is amended by adding at the end the following new sections:

"NATIONAL DIGESTIVE DISEASES EDUCATION AND INFORMATION CLEARINGHOUSE

"Sec. 440B. The Secretary shall establish a National Digestive Diseases Education and Information Clearinghouse to identify, collect, analyse and disseminate information respecting digestive diseases and to serve as a national education resource for patients with digestive diseases and their families, physicians, and allied health professionals. For the establishment and operation of the Clearinghouse there are authorized to be appropriated $1,000,000 for the fiscal year ending September 30, 1979, $1,150,000 for the fiscal year ending September 30, 1980, and $1,250,000 for the fiscal year ending September 30, 1981.

"EDUCATION AND TRAINING PROGRAMS IN DIGESTIVE DISEASES

"Sec. 440C. The Secretary, acting through the Institute and after consultation with the National Arthritis, Metabolism, and Digestive Diseases Advisory Council, shall make grants to schools of medicine to strengthen their education and training programs in the diagnosis, prevention and treatment of digestive diseases. For grants under this section there are authorized to be appropriated $360,000 for the fiscal year ending September 30, 1979, $450,000 for the fiscal year ending September 30, 1980, and $550,000 for the fiscal year ending September 30, 1981."

Sec. 4. Part D of title IV of the Public Health Service Act is amended by adding after the section added by section 3 of this Act the following new section:

"NATIONAL DIGESTIVE DISEASES ADVISORY BOARD

"Sec. 440D (a) The Secretary shall establish a National Digestive Diseases Advisory Board (hereinafter referred to as the 'Board') to be composed of 24 members as follows:

"(1) Eight members shall be appointed by the Secretary from individuals who are scientists, physicians and other health professionals, who are not employed by the federal government and who represent the specialties and disciplines relevant to digestive diseases.

"(2) Two members shall be appointed by the Secretary from individuals with an interest in digestive diseases and who, as a group, have knowledge and experience in the fields of medical education, health education and public information and who are not employed by the federal government.

"(3) One member shall be appointed by the Secretary from individuals who are members of the National Arthritis, Metabolism and Digestive Diseases Advisory Council and who are experts in the field of digestive diseases.

"(4) Five members shall be appointed by the Secretary from the general public. At least three such members shall be persons who have experienced significant personal or family involvement with digestive diseases.

"(5) The following shall be ex officio members: The Assistant Secretary for Health or his designee, the Director of the National Institutes of Health or his designee, the Director of the National Institute of Arthritis, Metabolism, and Digestive Diseases, the Director of the Division of Digestive Diseases of the National Institute of Arthritis, Metabolism and Digestive Diseases, the Director of the National Cancer Institute or his designee, the Director of the National Institute of Allergy and Infectious Diseases or his Designee, the Director of the National Institute on Alcohol Abuse and Alcoholism or his designee, and the Chief Medical Director of the Veterans' Administration or his designee.

"(b) The members of the Board shall select a chairperson from among the appointed members.

"(c) The Secretary shall, after consultation with and consideration of the recommendations of the Board, provide the Board with (1) an Executive Secretary and two clerical staff members and (2) such administrative support services and facilities and such services of consultants as the Secretary determines are necessary for the Board to carry out its functions.

"(d) Members of the Board who are not employees of the federal government shall receive compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS–18 of the General Schedule for each day including traveltime they are engaged in the performance of their duties as members of the Board. While away from their homes or regular places of business in the performance of services for the Board, members shall be allowed travel expenses including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

"(e) The appointed members of the Board shall be appointed to serve until the expiration of the Board (as provided in subsection (h)).

"(f) The Board shall:

"(1) review, evaluate and advise on the coordination of federal agencies' efforts in digestive diseases in the implementation of the long-range plan of the National Commission on Digestive Diseases under section 301(g)(2) of the Arthritis, Diabetes, and Digestive Diseases Amendments of 1976 (42 U.S.C. 289a note);

"(2) maintain liaison with other advisory bodies related to federal agencies involved in the implementation of such long-range plan, the Coordinating Committee for Digestive Diseases, and with key non-federal bodies involved in activities affecting the control of digestive diseases;

"(3) develop recommendations for the implementation of such long-range plan:

"(4) hold regular quarterly meetings and provide an annual report to the Secretary and to the Congress dealing with the progress of such long-range plan, including a summary and analysis of expenditures and implementation by the federal government of such plan.

In carrying out its duties the Board may appoint subcommittees, appoint consultants, convene workshops and conferences, and collect data.

"(g) There are authorized to be appropriated to carry out the purposes of this subsection $300,000 for the fiscal year ending September 30, 1979, $300,000 for the fiscal year ending September 30, 1980, and $300,000 for the fiscal year ending September 30, 1981.

"(h) The Board shall expire on September 30, 1982."

By Mr. ROTH (for himself, Mr. RIBICOFF, Mr. DANFORTH, and Mr. HEINZ):

S. 377. A bill to establish as an executive department of the Government of the United States a Department of International Trade and Investment, and for other purposes; to the Committee on Governmental Affairs.

INTERNATIONAL TRADE AND INVESTMENT REORGANIZATION ACT

• Mr. ROTH. Mr. President, together with Senator RIBICOFF, I am today introducing our International Trade and Investment Reorganization Act which would create a U.S. Department of International Trade and Investment. Senators HEINZ and DANFORTH have joined us as cosponsors of this bill.

Today's bill, with some minor modifications, is the same as S. 1990, which we introduced in the 95th Congress.

The announcement last week of yet another record U.S. balance-of-trade deficit for calendar year 1978 underscores the need for this legislation. A Department of International Trade and Investment, in and of itself, will not correct the balance-of-trade deficit. It will, however, create a more coherent, streamlined, and efficient policymaking structure through which our massive trade problems can be more effectively addressed.

Today's Federal trade policymaking apparatus is fragmented, sluggish, chaotic, and suited more to the needs of the 19th century than to those of the 20th and 21st centuries. There is no plan or purpose behind it; rather it grew up piecemeal at a time international trade was far less important to our economy.

Trade negotiations are primarily the concern of the Special Representative for Trade Negotiations and the Department of State. Overseas commercial opportunities and export promotion is divided between State and Commerce, with the Eximbank assisting in financing. Countervailing duties and antidumping duties come under the purview of the Department of the Treasury. And there are many other departments and agencies with some international trade and investment responsibilities.

Count Otto Graf Lambsdorff, the German Minister of Economics and a man who deals on international trade and economic issues with the United States from across the table, recently told me:

> Frankly, I just don't see how your system can work!

Unlike any other major industrial country, the United States does not have a central office or individual with the responsibility to coordinate and provide leadership in the areas of international trade and investment.

Some trade issues fall between the cracks; others become a battleground for competing Federal agencies. Too much energy is spent fighting interagency turf battles at the expense of our trade interests.

As Harald B. Maimgren, a former deputy special trade representative, testified before the Governmental Affairs Committee last year:

> My own negotiating experience is, if we are left with divided positions behind us, as we approach the negotiating table, we will be divided at the table and eaten alive.

The Roth-Ribicoff International Trade and Investment Act proposes to consolidate into one Department of International Trade and Investment the Office of the Special Representative for Trade Negotiations and the international trade and investment functions of the Departments of Commerce and Treasury. Smaller elements are included from the State Department and the International Trade Commission, while the Eximbank and the Overseas Private Investment Corporation are included in the department as semiautonomous units.

We are not proposing a Department of International Economic Policy.

The creation of the new Department of Trade and Investment would not add to the size of the Cabinet since one Cabinet level office, the Special Representative for Trade Negotiations, would be subsumed into the Department. Our bill would not authorize new bureaucracy nor any new regulatory activity on the part of the Federal Government. It involves the consolidation of existing offices and agencies. In doing so, it provides a strong new mandate to the Department to protect and promote the international trade and investment interests of the United States.

In an interdependent world economy, these interests are of critical importance to the American economy. Few Americans realize that overseas markets account for one-fifth of our Nation's manufacturing employment or that 1 of every 3 acres of farmland produces for the export sector.

To date, the United States has not developed effective policies for taking advantage of new opportunities in overseas markets or meeting the challenge of foreign competition in our own market.

It is essential that we proceed, without delay, to focus the appropriate resources at our disposal so American products can compete in the international arena on the same footing as the products of other countries.

If we are going to have a first-rate foreign trade policy, we need a first-rate governmental trade apparatus standing behind it.

I firmly believe we need a strong center of authority in the Federal Government for trade and investment policies to improve our bargaining position in international negotiations, support vigorous programs of promoting job-creating exports, to deal effectively with unfair competition from abroad and to develop sound foreign investment policies.

The Roth-Ribicoff bill is especially important in light of the conclusion of the multilateral trade negotiations in Geneva. If approved, the codes which have been negotiated will create new rights and rules for participating countries. Our rights are only good if we assert and enforce them. The new Department of Trade and Investment is specifically charged with protecting the international trade rights of the United States.

Mr. President, Senator Ribicoff and I have agreed that this bill should receive early and speedy consideration in the Governmental Affairs Committee. I hope, therefore, the administration and interested groups in labor, business, and agriculture will give careful consideration to the bill and be prepared to provide us with their views at an early date.

Mr. President, I ask unanimous consent that the text of the bill appear in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 377

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Trade and Investment Reorganization Act".

DECLARATION OF PURPOSE

Sec. 2. (a) The Congress hereby declares that the general welfare requires an effective and efficient coordination, development and implementation of policies of the United States relating to the international trade and investment interests of the people of the United States.

(b) The Congress finds that such coordination is now lacking and that to achieve such coordination it is desirable to establish a Department of International Trade and Investment with responsibility of coordinating and procrasting the international trade and investment interests of the United States.

ESTABLISHMENT OF DEPARTMENT

Sec. 3. (a) There is hereby established at the seat of government an executive department to be known as the Department of International Trade and Investment (hereinafter referred to in this Act as the "Department"). There shall be at the head of the Department a Secretary of International Trade and Investment (hereinafter referred to in this Act as the "Secretary") who shall be appointed by the President, by and with the advice and consent of the Senate.

(b) There shall be in the Department a Deputy Secretary and an Under Secretary, each of whom shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Secretary (or during the absence or disability of the Deputy Secretary, or in the event of a vacancy in the office of Deputy Secretary, the Under Secretary or an Assistant Secretary or the General Counsel, determined according to such order as the Secretary shall prescribe) shall act for, and exercise the powers of the Secretary, during the absence or disability of the Secretary or in the event of a vacancy in the office of Secretary. The Deputy Secretary and the Under Secretary shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time. There shall be in the Department five Assistant Secretaries and a General Counsel who shall be appointed by the President by and with the advice and consent of the Senate and who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time.

FUNCTIONS

Sec. 4. The Secretary shall—

(1) exercise leadership under the direction of the President in international trade and investment matters;

(2) develop and coordinate the policies of the United States for the promotion of beneficial international trade relationships in industrial, agricultural, and service products, and raw materials;

(3) negotiate agreements relating to the international trade of the United States and assert and protect the rights of the United States under such agreements;

(4) seek fair and equitable international trade relationships which do not discriminate against the commerce of the United States;

(5) protect American industry, agriculture, and labor from unfair or injurious foreign competition;

(6) develop in cooperation with other appropriate executive agencies trade monitoring systems that encourage and permit timely reaction and adjustment to increased volumes of imports;

(7) seek and promote new trade and commercial opportunities for American industrial, agricultural, and service products in foreign countries;

(8) assist small businesses in developing export markets;

(9) assist in financing international trade between the United States and foreign countries;

(10) develop long-range programs to promote American international economic policy interests abroad in cooperation with other relevant executive agencies;

(11) secure access to supplies of raw materials, at competitive prices, which are produced in foreign countries;

(12) develop and implement policies of the United States toward foreign investment.

(13) administer the United States Customs Service and maintain the tariff schedules of the United States;

(14) mobilize and facilitate the participation of American private capital and skills, in the development of the economic and social progress of friendly developing countries and areas;

(15) administer export controls as provided by the Congress; and

(16) perform such other functions with respect to trade and investment matters as the President or Congress may from time to time designate.

GENERAL PROVISIONS

Sec. 5. (a) The Secretary in carrying out the purposes of this Act shall, among his responsibilities, promote and undertake the development, collection, and dissemination, of technical, statistical, economic, and other information relative to domestic and international trade and investment; consult and cooperate with other executive agencies in gathering information regarding the status of international trade and investment in which the United States or other countries may be participants; and consult and cooperate with State and local governments and other interested parties, including, when appropriate, holding informal public hearings.

(b) Orders and actions of the Secretary in the exercise of the functions, powers, and duties transferred under this Act, and orders and actions of any entity the responsibilities of which are transferred to the authority of the Secretary and vested in the Secretary pursuant to the functions, powers, and duties specifically assigned to any such entity by this Act or any other Act of Congress, shall be subject to judicial review to the same extent and in the same manner as if such orders and actions nad been by the department or agency or other authority exercising such functions, powers, and duties immediately preceding their transfer. Any statutory requirements relating to notice, hearings, actions upon the record, or administrative review that apply to any functions transferred by this Act shall apply to the exercise of such functions by the Secretary.

(c) In the exercise of the functions, powers, and duties transferred under this Act, the Secretary shall have the same authority as that vested in the department, agency or authority exercising such functions, powers, and duties immediately preceding their transfer, and their actions in exercising such functions, powers, and duties shall have the same force and effect as when exercised by such department, agency, or authority.

(d) In carrying out his functions, powers, and duties the Secretary shall consult, exchange information, and carry on joint planning, research, and other activities with the Secretary of the Treasury, the Secretary of State, the Secretary of Agriculture, and the heads of such other executive agencies as the Secretary deems appropriate.

(e) The Secretary shall jointly study, with the Secretary of State, the Secretary of the Treasury, the Secretary of Agriculture, and the heads of such other executive agencies as the Secretary deems appropriate, how Federal policies and programs can ensure that international trade and investment systems most effectively serve both national and international economic needs. The Secretary shall include in the annual report required by section 9 of this Act an account of the studies and activities conducted under this subsection, including any legislative recommendations which the Secretary determines desirable.

TRANSFERS TO DEPARTMENT

SEC. 6. (a) There are hereby transferred to and invested in the Secretary—

(1) all functions, powers, and duties of the Special Representative for Trade Negotiations and the Office of the Special Representative for Trade Negotiations in the Executive Office of the President.

(2) such functions of the Secretary of State, the Department of State and officers and components of such Department as relate to—

(A) commercial affairs and business activities, including export promotion, but not including the reporting of economic conditions in foreign countries;

(B) international investment policy; and

(C) negotiation and implementation of bilateral and multilateral commercial agreements and trade agreements with foreign countries, including commodity agreements.

(3) such functions of the Secretary of Commerce as relate to—

(A) export promotion;

(B) foreign investment;

(C) export administration; and

(D) international commerce including East-West trade and the administration of quotas or special tariff treatment; and

(E) foreign trade zones

(4) Such functions of the Secretary of the Treasury as relate to—

(A) international trade and investment;

(B) the United States Customs Service; and

(C) the administration of all laws designed to protect the United States against unfair competition in international trade and investment.

(5) Such functions of the International Trade Commission as relate to—

(A) tariff nomenclature and statistical reporting under the Tariff Schedules of the United States; and

(B) the administration of section 337 of the Tariff Act of 1930, as amended.

(b) The Export-Import Bank of the United States is hereby transferred to the Department, and there are hereby transferred to and vested in the Secretary all functions, powers, and duties, relating to the Export-Import Bank of the Board of Directors of such Bank and of the other officers and offices of such Bank.

(C) There are hereby transferred and vested in the Secretary all functions, powers, and duties of the Overseas Private Investment Corporation, and of the chairman, members, officers, and offices thereof. The Secretary shall exercise all functions of the President and chief executive officer of the Overseas Private Investment Corporation.

ADMINISTRATIVE PROVISIONS

SEC. 7. (a) In addition to the authority contained in any other Act which is transferred to and vested in the Secretary, or any other officer in the Department, the Secretary is authorized, subject to the civil service and classification laws, to select, appoint, employ, and fix the compensation of such officers and employees, including investigators, attorneys, and hearing examiners, as are necessary to carry out the provisions of this Act and to prescribe their authority and duties.

(b) The Secretary may obtain services as authorized by section 3109 of title 5 of the United States Code, but at rates not to exceed $100 per diem for individuals unless otherwise specified in an appropriation Act.

(c) The Secretary is authorized to provide for participation of military personnel in carrying out the functions of the Department. Members of the Army, the Navy, the Air Force, or the Marine Corps may be detailed for service in the Department by the appropriate Secretary, pursuant to cooperative agreements with the Secretary.

(d) (1) Appointment, detail, or assignment to, acceptance of, and service in any appointive or other position in the Department under the authority of subsection (a) shall in no way affect status, office, rank, or grade which officers or enlisted men may occupy or hold or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade, nor shall any member so appointed, detailed, or assigned be charged against any statutory limitation on grades or strengths applicable to the Armed Forces. A person so appointed, detailed, or assigned shall not be subject to direction by or control by his armed force or any officer thereof directly or indirectly with respect to the responsibilities exercised in the position to which appointed, detailed, or assigned.

(2) The Secretary shall report annually in writing to the appropriate committees of the Congress on personnel appointed and agreements entered into under subsection (c) of this section, including the number, rank, and positions of members of the armed services detailed pursuant thereto.

(e) (1) Except where this Act vests in any administration, agency, or board, specific functions, powers, and duties, the Secretary may, in addition to the authority to delegate and redelegate contained in any other Act in the exercise of the functions transferred to or vested in the Secretary in this Act, delegate any of his residual functions, powers, and duties to such officers and employees of the Department as he may designate, may authorize such successive redelegations of such functions, powers, and duties as he may deem desirable, and may make such rules and regulations as may be necessary to carry out his functions, power, and duty.

(2) In addition to the authority to delegate and redelegate contained in any other Act, in the exercise of the functions transferred to or specified by this Act to be carried out by any officer in the Department, such officer may delegate any of such functions, powers, and duties to such other officers and employees of the Department as he may designate; may authorize such successive redelegations of such functions, powers, and duties as he may deem desirable; and may make such rules and regulations as may be necessary to carry out such functions, powers, and duties.

(f) The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, of the Export-Import Bank or the Overseas Private Investment Corporation or the Office of the Special Representative for Trade Negotiations, and of the head and other officers and offices thereof, are hereby transferred to the Secretary.

(g) So much of the positions, personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available in connection with the functions, powers, and duties transferred by section 6 of this Act as the Director of the Office of Management and Budget shall determine shall be transferred to the Secretary.

(h) The transfer of personnel pursuant to subsections (f) and (g) of this section shall be without reduction in classification or compensation for one year after such transfer.

(i) In any case where all the functions, powers, and duties of any office or agency are transferred pursuant to this Act, such office or agency shall lapse. Any person who, on the effective date of this Act, held a position compensated in accordance with the Executive Schedule, and who, without a break in service, is appointed in the Department to a position having duties comparable to those performed immediately preceding his appointment shall continue to be compensated in his new position at not less than the rate provided for his previous position, for the duration of his service in his new position.

(j) The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary to the maintenance and operation of such common administrative services as he shall find to be desirable in the interest of economy and efficiency in the Department, including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its agencies; central messenger, mail, telephone, and other communications services; office space, central services for document reproduction, and for graphic and visual aids; and a central library service. The capital of the fund shall consist of any appropriations made for the purpose of providing capital (which appropriations are hereby authorized) and the fair and reasonable value of such stocks of supplies, equipment, and other assets and inventories on order as the Secretary may transfer to the fund, less the related liabilities and unpaid obligations. Such funds shall be reimbursed in advance from available funds of agencies and offices in the Department, or from other sources, for supplies and services at rates which will approximate the expense of operation, including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from sale or exchange of property and receipts in payment for loss or damage to property owned by the fund. There shall be covered into the United States Treasury as miscellaneous receipts any surplus found in the fund (all assets, liabilities, and prior losses considered) above the amounts transferred or appropriated to establish and maintain said fund.

(k) The Secretary shall cause a seal of office to be made for the Department of such device as he shall approve, and judicial notice shall be taken of such seal.

(l) (1) The Secretary is authorized to accept, hold, administer, and utilize gifts and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Department. Gifts and bequests of money and the proceeds from sales of other property received as gifts or bequests shall be deposited in the Treasury in a separate fund and shall be disbursed upon order of the Secretary. Property accepted pursuant to this paragraph, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of the gift or bequest.

(2) For the purpose of Federal income, estate, and gift taxes, property accepted under paragraph (1) shall be considered as a gift or bequest to or for use of the United States.

(3) Upon the request of the Secretary, the Secretary of the Treasury may invest and reinvest in securities of the United States or in securities guaranteed as to principal and interest by the United States any moneys contained in the fund provided for in paragraph (1). Income accruing from such securities, and from any other property held by the Secretary pursuant to paragraph (1) shall be deposited to the credit of the fund, and shall be disbursed upon order of the Secretary.

(m) (1) The Secretary is authorized upon the written request of any person, or any State, territory, possession, or political subdivision thereof, to make special statistical studies relating to international trade and investment, and special studies relating to other matters falling within the province of the Department, to prepare from its records special statistical compilations, and to furnish transcripts of its studies, tables, and other records upon the payment of the actual cost of such work by the person or body requesting it.

(2) All moneys received by the Department in payment of the cost or work under paragraph (1) shall be deposited in a separate account to be administered under the direction of the Secretary. These moneys may be used, in the discretion of the Secretary, for the ordinary expenses incidental to the work or to secure in connection therewith the special services of persons who are neither officers nor employees of the United States.

(n) The Secretary is authorized to appoint, without regard to the civil service laws, such advisory committees as shall be appropriate for the purpose of consultation with and advice to the Department in performance of its functions. Members of such committees, other than those regularly employed by the Federal Government, while attending meetings of such committees or otherwise serving at the request of the Secretary, may be paid compensation at rates not exceeding those authorized for individuals under subsection (b) of this section, and while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(o) (1) The Secretary is authorized to enter into contracts with educational institutions, public, or private agencies or organizations, or persons for the conduct of research into any aspect of the problems related to the programs of the Department which are authorized by statute.

(2) The Secretary shall require a showing that the institutions, agencies, organizations, or persons with which he expects to enter into contracts pursuant to this subsection have the capability of doing effective work. He shall furnish such advice and assistance as he believes will best carry out the mission of the Department, participate in coordinating all research initiated under this subsection, indicate the lines of inquiry which seem to him most important, and encourage and assist in the establishment and maintenance of cooperation by and between the institutions, agencies, organizations, or persons and between them and other research organizations, the Department, and other Federal agencies.

(3) The Secretary may from time to time disseminate in the form of reports or publications to public or private agencies or organizations, or individuals such information as he deems pertinent on the research carried out pursuant to this section.

(4) Nothing contained in this subsection is intended to amend, modify, or repeal any provisions of law administered by the Department which authorize the making of contracts or research.

CONFORMING AMENDMENTS TO OTHER LAWS

Sec. 8. (a) Section 19(d)(1) of title 3, United States Code, is hereby amended by striking out the period at the end thereof and inserting a comma and the following: "Secretary of International Trade and Investment".

(b) Section 101 of title 5, United States Code, is amended by inserting at the end thereof the following:

"The Department of International Trade and Investment".

(c) The amendment made by subsection (b) of this section shall not be construed to make applicable to the Department any provision of law inconsistent with this Act.

(d) Subchapter II (relating to executive pay schedule rates) of chapter 53 of title 5, United States Code, is amended as follows:

(1) Section 5312 is amended by striking out

"(13) Special Representative for Trade Negotiations"

and inserting in lieu thereof

"(13) Secretary of International Trade and Investment".

(2) Section 5313 is amended by adding at the end thereof:

"(25) Deputy Secretary of the Department of International Trade and Investment".

(3) Section 5314 is amended by adding at the end thereof:

"(70) Under Secretary of the Department of International Trade and Investment".

(4) Section 5316 is amended by adding at the end thereof the following:

"(152) Assistant Secretaries Department of International Trade and Investment (6)

"(153) General Counsel of the Department of International Trade and Investment.".

ANNUAL REPORT

Sec. 9 The Secretary shall, as soon as practicable after the end of each fiscal year, make a report in writing to the President for submission to the Congress on the activities of the Department during the preceding fiscal year.

SAVINGS PROVISIONS

Sec. 10. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective—

(A) under any provision of law amended by this Act, or

(B) in the exercise of duties, powers, or functions which are transferred under this Act,

by (i) any department or agency, any functions of which are transferred by this Act, or (ii) any court of competent jurisdiction, and

(2) which are in effect at the time this Act takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary (in the exercise of any authority vested in him by this Act), by any court of competent jurisdiction, or by operation of law.

(b) (1) The provisions of this Act shall not affect any proceedings pending at the time this section takes effect before any department or agency (or component thereof), functions of which are transferred by this Act; but such proceedings, to the extent that they relate to functions so transferred, shall be continued before the Department. Such proceedings, to the extent they do not relate to functions so transferred, shall be continued before the department or agency before which they were pending at the time of such transfer. In either case orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary (in the exercise of any authority respectively vested in him by this Act), by a court of competent jurisdiction, or by operation of law.

(A) the provisions of this Act shall not affect suits commenced prior to the date this section takes effect, and

(B) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted.

No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer for any department or agency, functions of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any department or agency of which are transferred by this Act, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this Act. Causes of action, suits, actions, or other proceedings may be asserted by or against the United States or such official of the Department as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(2) If before the date on which this Act takes effect, any department or agency, or officer thereof in his official capacity, is a party to a suit, and under this Act—

(A) such department or agency is transferred to the Secretary, or

(B) any function of such department, agency, or officer is transferred to the Secretary,

then such suit shall be continued by the Secretary (except in the case of a suit not involving functions transferred to the Secretary, in which case the suit shall be continued by the executive agency, or officer which was a party to the suit prior to the effective date of this Act).

(c) With respect to any function, power, or duty transferred by this Act and exercised after the effective date of this Act, reference in any other Federal law to any executive agency, officer or office so transferred or functions of which are so transferred shall be deemed to mean the officer or agency in which this Act vests such function after such transfer.

SEPARABILITY

SEC. 11. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances shall not be affected thereby.

EFFECTIVE DATE; INITIAL APPOINTMENT OF OFFICERS

SEC. 12. (a) This Act shall take effect ninety days after the Secretary first takes office, or on such prior date after enactment of this Act as the President shall prescribe and publish in the Federal Register.

(b) Any of the officers provided for in this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in this Act, at any time after the date of enactment of this Act. Such officers shall be compensated from the date they first take office, at the rates provided for in this Act. Such compensation and related expenses of their offices shall be paid from funds available for the functions to be transferred to the Department pursuant to this Act.●

DEPARTMENT OF TRADE AND INVESTMENT

● Mr. RIBICOFF. Mr. President, I join today with the Senator from Delaware (Mr. ROTH) in introducing the International Trade and Investment Reorganization Act. This important legislation would consolidate the major trade and investment responsibilities of the Federal Government in a single Cabinet-level Department of Trade and Investment.

Trade vitally affects our economic well-being.

The United States trades on the world market one-sixth of everything it grows or makes. One of every three acres of productive American soil contributes to our balance of trade. Annual international trade and investment to and from the United States currently represents a third of a trillion dollars.

On the other hand, the U.S. trade deficit has grown from $2 billion in 1971 to a deficit of between $29 billion and $34 billion, depending on how the figures are calculated. Our huge trade deficit last year contributed substantially to the erosion of confidence in the dollar.

Despite the importance of trade to the U.S. economy, and the serious threat raised by our trade deficit, responsibility for trade functions is fragmented among at least 10 agencies. This fragmentation seriously undermines our efforts to reduce our trade deficit. It hurts U.S. efforts to expand exports.

U.S. businesses seeking to do business abroad may have to go to a half dozen U.S. agencies. A businessman who has identified potential export markets may be sent to the Export-Import Bank for financing, and to different offices in the State Department or Commerce Department for export licenses. Four different departments have East-West trade bureaus.

Should a businessman in the country just wish information about markets abroad, he would ask the Commerce Department. But the Commerce Department in turn would have to rely on State Department commercial attachés who are largely selected, trained, posted, and evaluated by the State Department. Should the businessman feel that his experts are subject to unfair trade practices or illegal barriers, he may have to see any number of agencies because, in addition to State and Commerce, the Treasury Department, the Agriculture Department or the Office of the Special Trade Representative may have the chief responsibility depending on the nature of the export problem.

In reality, the bureaucratic confusion may actually discourage the businessman—especially if he is a small businessman—from doing business abroad.

The current disorganization makes it difficult for the United States to do much more than react to one crisis or another. It makes it difficult for the United States to form any overall strategy or policy design. It contributes to a loss of confidence here and abroad which hurts our international financial status, including our trade balance.

Our position in trade negotiations with foreign countries is more difficult because our own house is not in order. Trade negotiators must spend substantial time trying to negotiate a common U.S. position before we can even approach the bargaining table. The clout of the agency that may be heading the negotiations may be further hurt if it is not also responsible for administering domestic laws designed to protect the United States from unfair trade practices.

Other nations with whom we negotiate may be quick to sense this, and try to exploit the internal differences between U.S. agencies. These countries may change their tactics because they suspect that the U.S. negotiator across the table cannot deliver on the promises he has made, or apply appropriate trade sanctions if an agreement is not reached.

We will soon be asked to approve a new trade agreement. The details on the agreement are complex, and will require ongoing consultation, discussion, and negotiation. Yet the possibilities this new trade deal opens up for the United States are great. Ambassador Strauss predicted recently that duty reductions alone will open up billions of dollars worth of new export opportunities for U.S. manufactured goods and farm products. In the agricultural area only, the tariff reductions will be worth $3 billion to the United States.

But this country will not be able to gain full advantages from the new trading agreements unless the trade functions of our Government are better organized.

The current organization of the Government for trade matters provides no assurance that decisions are made on the basis of adequate information, after weighing all the competing domestic and foreign policy considerations. For example, in July 1973 the United States suddenly instituted controls on the export of soybeans. Contracts went unmet. The United States was seen as an unreliable supplier. This single decision hurt years of efforts to promote U.S. agricultural exports.

The bill I am sponsoring today would address these problems. It vests in the Secretary of the Department of Trade and Investment broad authority for trade matters. This includes—

Coordination, development, and formulation of trade and investment policy;

Negotiation and implementation of bilateral and multilateral commercial and trade agreements;

Export development, assistance, administration, and promotion; and

Enforcement of our fair trade laws.

The Office of the Special Representative for Trade Negotiations, the Export-Import Bank, and the Overseas Private Investment Corporation would be transferred in their entirety to the new department. Portions of the Department of State, Treasury, and Commerce would be included in the new department. The bill transfers to the new department functions of the International Trade Commission relating to the maintaining of the tariff schedules, and the enforcement of section 337 of the 1930 Trade Act, which concerns patent infringements and similar illegal practices.

The bill would add no new employees to the Federal Government. All functions would be carried out by existing Federal employees transferred to the new agency.

A new department organized around trade matters will not overnight wipe out our trade deficit. But it can help in a number of important ways.

It can better identify this country's trade shortcomings and help shape a coherent and comprehensive overall approach to international trade and investment.

It can help insure that before any decision involving trade matters is made, competing factors and priorities are considered, and a reasonable and fair tradeoff of these competing concerns made.

It can help assist American business to seek out and develop new markets for exports.

It can swiftly and effectively help American business and labor endangered by trade policies or unfair practices.

It can highlight within the Government, and in the country at large, the importance to our economic well-being of trade matters, and help mobilize public support for a rational and effective trade policy.

Last year the committee held 2 days of hearings on substantially the same proposal to create a Department of International Trade and Investment. The committee heard from 11 different witnesses from business, Government, and the universities. There was wide support among the witnesses for creating a new department to consider trade and investment matters. This year I look forward to additional hearings which will hear from an even wider number of witnesses.

I know that the administration has been considering the possible reorganization of a number of functions, including some relating to trade. I look forward to working with the administration to make sure that any other reorganizations proposed by the executive branch are consistent with, and complement, the establishment of a new department for trade and investment.

But I believe it is very important that Congress act at an early date on legislation creating a new department for trade functions.●

By Mr. BELLMON (for himself, Mr. JAVITS, Mr. MOYNIHAN, Mr. BAKER, Mr. BOREN, Mr. MELCHER, Mr. COCHRAN, Mr. LUGAR, Mr. GARN, Mr. TOWER, Mr. BAYH, and Mr. WALLOP):

S. 378. A bill to authorize funds for the Robert A. Taft Institute of Government; to the Committee on Human Resources.

ROBERT A. TAFT INSTITUTE OF GOVERNMENT TRUST FUND ACT

Mr. BELLMON. Mr. President, today I am introducing legislation for myself and 11 Members of the Senate which is intended to promote to a much greater degree one of the most fundamental principles which shape and guide our representative form of Government—namely, majority rules, minority rights. This principle, Mr. President, embodies every facet of our democratic process. It is a basic principle. It provides for the orderly operation of government as well as safeguarding fundamental rights for dissent. Majority rules, minority rights can be accorded no more significance than in this very body. It is very simply the means by which a representative government exercises its right to govern.

Mr. President, there is no clearer example of this principle than the American two-party political system. By providing a basis for choice, the two-party system has encouraged direct participation by the citizens of this Nation in our self-governing experience. Such participation, as we all know, is the very foundation for any true elective process. This is the same foundation to which President Carter recently referred in his state of the Union address. Throughout our Nation's history the two-party system has done a great deal to solidify this foundation and foster the principle of majority rules, minority rights.

There has been considerable discussion over the last several years which forecasts the decline and ultimate demise of the two-party political system. Actually, Mr. President, such forecasts are not new. As a recent editorial from the Wall Street Journal points out, political observers have been writing obituaries on our two-party system for as long as we can remember. Entitled "Premature Obituaries," Vermont Royster concludes his article was a more encouraging and accurate forecast. He states, "Pretty durable, the American party system. Or at least the report of its demise seems a bit exaggerated." Mr. President, I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

EXHIBIT 1

[From the Wall Street Journal, Jan. 10, 1979]

THINKING THINGS OVER

(By Vermont Royster)

PREMATURE OBITUARIES

The first obituaries I recall reading on the Republican Party were those in the autumn of 1936.

In that year's election the Republicans carried only two states for Alf Landon. Worse, the party was reduced to 86 seats out of 435 in the House of Representatives. Only 16 Republican Senators were left out of the 96.

The Democrats appeared to have done to the Republicans what the Romans did to the Carthaginians. Not merely defeated them but obliterated them. There were some splendid eulogies delivered on what the Grand Old Party had done for the country since 1860, but just about everybody recognized them as funeral orations.

From then on it became fashionable to talk about the decline of the two-party system. For how could you have a two-party system if one party was so weak and wan it was never really a competitor?

Next, political writers began to notice that the Democrats, lacking a fearful foe to make them stick together, were splintering internally into fragments. By the 1970s the obituaries were being read over the whole American party system. As David Broder, one of the astute political observers, put it, "the party's over." Except that the names lingered on, both parties—Democrats and Republicans—were declared dead.

In the Congress presently assembling the Democrats are, right enough, in the numerical majority. But it is a majority with little party cohesiveness. The Democratic President cannot command it. Neither can its ostensible leaders in either house. Even the committee chairmen, men who once supposedly ruled little fiefdoms, find their power limited.

So perhaps it is true that the American system of responsible party government is in a terminal state. There's little evidence to refute it.

But it is possible to wonder if it ever really was the strong, vigorous, disciplined system that it appears in memory. And to take note of the fact that if its illness is terminal it's been a long time dying.

From 1860 to 1932—nearly three-quarters of a century—the situation was not unlike that of more recent times, except that then it was the Republicans who dominated the political scene. Only twice did the Democrats have a brief resurgence, in the days of Grover Cleveland and Woodrow Wilson. Nor were the Republicans of those days any more free of political schisms than the Democrats of today. In fact it was division among the Republicans that accounted for Cleveland and Wilson.

Moreover, a historian would be hard put to prove that during that long Republican reign we always had "responsible" party government. In any event it was a period in which the GOP leadership had to contend with rebellions within the party. It was also a period not without its scandals and corruption.

In more recent times the New Deal years might seem to offer a better example of strong party discipline making for responsible party government. The Democrats had won twice by a landslide for both the White House and Congress. Franklin Roosevelt was a strong charismatic leader. And indeed for the first 100 days or so of his administration the party did what it was told by the President and the congressional leaders.

But that didn't last long. Soon there were dissenters like Glass of Virginia and George of Georgia, unamenable to party discipline. By the time Mr. Roosevelt tried to reorganize the Supreme Court he found that party solidarity wasn't what it was cracked up to be.

It never really has been, and for a very simple reason. Unlike the British system where the party leadership chooses local candidates, American candidates are home grown.

The victors occasionally owe something to a party label, especially in areas traditionally Republican or Democrat, or perhaps to being on a ticket with a popular presidential candidate. But each Congressman has his own political base. If it is weak a President's support will not save him. If it is strong, he can be independent of a President or his national party. Party discipline in the British sense is almost impossible.

What has happened in recent years, and so given rise to these thoughts about the demise of the party system, is that voters seem to pay even less attention to party labels and so, therefore, do many candidates. On the registration books most voters are Democrats out of habit but Republicans get elected in Democratic states and vice versa. Whether that's cause for lamentations is an uncertain question.

Nonetheless, when the winners arrive at the legislature or in Congress they wear one or another party label. (There's only one independent in the Senate, none in the House.) The result is a contribution to political stability not to be scorned, for it means one party can organize the assembly and direct the machinery without which little could be done at all. We are spared the juggling of coalitions that plague so many foreign parliaments even in the mechanics of legislating.

Thanks to our party system the routine business gets done with a minimum of friction. Moreover it's surprising how often, in fact, the members do divide along party lines, pushed and shoved by their leaders and party whips.

As for those Republicans—well, more than 40 years after those first obituaries they'll have 41 members in the new Senate, 159 in the House. Not a majority but not exactly a remnant band either.

Pretty durable, the American party system. Or at least the report of its demise seems a bit exaggerated.

Mr. BELLMON. Still, Mr. President, there is a growing concern that our basic party structure is eroding. A lack of participation by our citizens in the political process is often cited as the primary cause for this impending decline. While there are numerous contributing factors which have led to this lack of citizen participation—insensitivity and disenchantment toward government, the political system, elected officials and political parties—it is essential we do all we can to reverse this trend by promoting the role of the individual in the elective process. In short, Mr. President, majority rules, minority rights cannot be exercised effectively unless the citizens of this Nation take an active role in their government.

A basic understanding of American political systems, the supporting two-party system, and the essential role of the individual citizen will go a long way in promoting the necessary participation.

Mr. President, there is an organization to which many of us in the Congress are familiar, which has dedicated its work to the very subject I have been discussing. I am referring to the Robert A. Taft Institute of Government, located in New York. Founded in 1961 as a memorial to the late Senator from Ohio, the Taft Institute is a nonprofit, bipartisan organization which directs its work toward enhancing understanding of American politics and government, developing knowledge of the supporting two-party system, and creating awareness of the political role and responsibilities of individual citizens.

Working from a premise that the people of this country, and particularly young people need to be fully informed concerning the basic principles of American self-government, the Taft Institute conducts seminars in behalf of elementary and secondary school teachers. At these seminars, teachers gain knowledge and insight into the operation of the American political system. They are also better equipped to develop in young people a commitment to participate in the process.

Mr. President, we cannot overemphasize the critical role of teachers in transmitting understanding of the principles and processes of government to children and high school students. While it is assumed that teachers have this responsibility, it is alarming to find that many teachers, very able ones at that, are not prepared academically or practically to teach government classes. A 1976 Taft study of 800 government teachers revealed not only that 20 percent had ever taken a political science course, but also that many were relatively naive about the political system. The Taft seminars for teachers are designed to meet this need.

Mr. President, Taft seminars are sponsored by colleges and universities, award graduate level credit, and are conducted mostly in the summer for 2 or 3 weeks. Each seminar, of which there are approximately 38 per year, enroll between 30–35 teachers. The 1978 seminars, conducted on 36 campuses in 30 States have had the participation of 1,100 elementary and secondary school teachers. Each seminar, a rigorous course in political science and practical politics, is directed by a political science professor who is a faculty member of the sponsoring institution. In addition, at each seminar, 20 or more experienced politicians, political party leaders, elected officals, Republicans and Democrats, meet with the teachers and explore ways in which teachers can effectively teach their government classes and help their students understand their responsibilities in a selfgovernment. Having participated in these seminars, as have many in this Chamber, I can personally attest to the effectiveness and overall quality of Taft seminars for teachers.

Mr. President, since 1963, the year in which the Taft Institute began its seminars for teachers, the institute has relied totally upon private contributions. While the ability to raise funds to finance these seminars has been remarkably successful, the institute needs major financial support to sustain and broaden its political education program. It has the reputation and the expertise well suited to building a substantially larger program, specifically by expanding the Taft seminars for teachers to include all 50 States as well as additional seminars in States already participating. By expanding the program to include every State of the Nation, Taft seminars would be able to reach, at a minimum, 700 additional teachers. Based on the 1978 enrollment of 1,100 teachers, such an increase would be substantial. It is not inconceivable for the institute to double its program through additional seminars in States which are already participating in the program.

To this end, Mr. President, I am today introducing legislation for myself and Mr. Javits, Mr. Moynihan, Mr. Baker, Mr. Boren, Mr. Melcher, Mr. Cochran, Mr. Lugar, Mr. Garn, Mr. Tower, Mr. Bayh and Mr. Wallop), which would authorize Federal-matching assistance for the Robert A. Taft Institute of Government, to help further its goal of promoting the role of the individual in our democratic society. This legislation would establish a trust of $15 million, the income from which would be matched on a 50–50 basis with private contributions secured by the institute. By establishing a matching fund, the institute will continue its efforts to raise private contributions rather than rely on Federal assistance alone.

Mr. President, the institute has been operating on a budget of approximately $750,000 per year. A trust of $15 million, invested wisely, will undoubtedly yield income enough to match the private contributions raised by the institute, assuming private contributions equal that of the past several years. In the event the trust generates income in excess of the matching requirements, the excess will be returned to the General Treasury. This trust will be administered by the Commissioner or Secretary of Education.

Mr. President, I could speak for a long time on the attributes and ultimate value of the Taft Institute and its programs. Encouraging participation by young people in our elective process is an important undertaking. The Taft program does exactly this. While there are a number of organizations which direct their work in various ways toward specific areas of the governmental system, there is no other national organization which focuses its chief efforts toward developing an understanding of the benefits and the necessity of America's two-party system for American democracy. I know of no other organization which is providing education on the essential roles of the Republican and Democratic Parties and encouraging participation in those parties beginning at the precinct level, helping individuals understand they can have the greatest amount of influence in selecting their representatives for local, State, and National legislative bodies by working through a political party. This is sound reasoning, Mr. President, and we should emphasize such principles to the greatest degree.

Mr. President, American political history has been the story of a two-party system in action; yet there is too little understanding among the majority of the country's citizens of the importance of two strong political parties, forming our basic political arrangement—one party in power and one party in opposition. In other words, majority rules, minority rights. The Taft Institute has dedicated its work toward the understanding of these principles. There is a great deal left to be done. This legislation will help emphasize the importance of the Taft program and the work it performs. I am convinced this is a valuable contribution to our political and governmental process—and a wise investment of dollars. Additionally, Mr. President, I should point out that similar legislation is being introduced in the House of Representatives today by Congressman Paul Simon along with broad bipartisan support which includes 23 House cosponsors. I commend the distinguished gentleman from Illinois for his interest and support of this legislation and look forward to working with him in the coming months to assure both House and Senate approval of this bill.

Mr. President, I urge the favorable consideration of this legislation so we can get on with the responsibility of providing better public understanding and appreciation of government of the people, by the people, and for the people.

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 378

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Robert A. Taft Institute of Government Trust Fund Act".

DEFINITIONS

Sec. 2. For purposes of this Act, the term—

(1) "Commissioner" means the Commissioner of Education;

(2) "Fund" means the Robert A. Taft Institute Trust Fund established in section 4;

(3) "Institute" means the Robert A. Taft Institute of Government located in New York, New York; and

(4) "Secretary" means the Secretary of the Treasury.

GRANTS FOR DEVELOPMENT

Sec. 3. (a) In recognition of the public service of Senator Robert A. Taft, the Commissioner is authorized to make grants from the Fund established in section 4 to assist in the development of the Robert A. Taft Institute of Government, located in New York, New York.

(b) The total amount of grants under this section in any fiscal year may not exceed the lesser of (1) the total amount of private contributions received by the Institute in the fiscal year prior to the fiscal year in which the grants are made, or (2) the income of the Fund generated in the fiscal year prior to the fiscal year in which the grants are made.

(c) No payment may be made under this Act except upon an application at such time, in such manner, and containing or accompanied by such information as the Commissioner may require.

ESTABLISHMENT OF FUND

Sec. 4. (a) There is established in the Treasury of the United States a trust fund to be known as the "Robert A. Taft Institute Trust Fund". The Fund shall consist of amounts appropriated pursuant to subsection (f).

(b) It shall be the duty of the Secretary to invest such portion of the Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

(c) Any obligation acquired by the Fund may be sold by the Secretary at the market price.

(d) Except as provided in subsection (e), the interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to form a part of the Fund.

(e) Within 30 days after the end of each fiscal year, the Secretary shall determine the total amount of private contributions received by the Robert A. Taft Institute during such fiscal year and the total amount of income generated by the Fund in such fiscal year. If the Secretary determines that the total amount of income generated by the Fund in any fiscal year exceeded the total amount of private contributions received by the Institute in such fiscal year, the Secretary shall transfer from the Fund to the General Fund of the Treasury an amount equal to the difference between the income generated in such fiscal year and the amount of private contributions received in such fiscal year.

(f) There are appropriated to the Fund $15,000,000.

EFFECTIVE DATE

SEC. 5. This Act shall take effect on October 1, 1979.

By Mr. DOMENICI:

S. 379. A bill for the Relief of Mrs. Ascencion M. Lujan, Noe Lujan, Sevedeo Lujan, Jr., Cordelia Lujan Long, Antonioa Lujan, Venceslao Lujan, Marta Lujan, Felix Lujan, and Tovia Lujan; to the Committee on the Judiciary.

● Mr. DOMENICI. Mr. President, again in the 96th Congress I am introducing a bill for the relief of the family of Sevedeo Lujan. Mr. Lujan died in a tragic explosion accident which occurred at Los Alamos Scientific Laboratories in 1959.

As a result of that tragic accident a settlement was made with the family. However, the fairness of this settlement is questioned.

The facts available to me regarding the settlement made with the surviving widow by the U.S. Government are somewhat troubling. As I understand it, this mother of five children had to deal with the adjusters and lab representatives, without an interpreter or counsel, even though, for all practical purposes, she could not read or write English. It is also my understanding that the family was never briefed or counseled regarding the details of the accident and, in fact, the classified report about this accident was only recently declassified.

The legislation I submit today would allow a determination to be made whether the family is equitably entitled to additional compensation and, if so, the amount of such compensation.

This will allow the family to have their day of justice and the merits of their claim equitably examined.●

By Mr. DURKIN (for himself and Mr. TSONGAS):

S. 380. A bill to amend the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries; to the Committee on Banking, Housing, and Urban Affairs.

Mr. DURKIN. Mr. President, I have long believed that the strength and continued vitality of our Nation is dependent on the economic health of enterprising small businessmen and women who form the backbone of our economy. In New Hampshire, small business means strength. When the small businessmen are in trouble, the Nation is in trouble. For this reason, I am greatly concerned that one of the outstanding, competitive small business groups in America, the independent insurance agents, is currently threatened with unfair competition through the encroachment of bank holding companies into the areas of retail property, casualty, and life insurance.

Last session I introduced legislation to limit the types of insurance activities in which bank holding companies may participate. My legislation was overwhelmingly passed by the Senate and by the House, failing to become law only because of end-of-the-session time constraints. I want to thank all the Senators, especially Senator PROXMIRE, chairman of the Banking, Housing and Urban Affairs Committee, who supported by legislation.

Because the Congress did not complete action on my bill, the need for a company participation in the insurance industry remains. Indeed, the need for such legislation is more urgent as it is expected that the coming months will see an increasing number of bank holding companies moving into the insurance business.

Consequently, I am today introducing legislation which is similar to that acted upon favorably by Congress last session. The bill prevents bank holding companies from acting as agents or brokers in the sale of property, casualty, and life insurance, and from engaging in the underwriting of such insurance. These are areas which have traditionally been the livelihood of small, independent insurance agents.

My legislation, however, would permit bank holding companies to continue to underwrite and sell credit life, accident and health insurance, lines of insurance which have historically been offered by lenders. In addition, the bill does not change the National Bank Act which currently permits natural banks in communities of 5,000 or less to act as insurance agents. It does not prevent bank holding companies, after public hearings, from operating in communities that lack adequate insurance agency facilities. Also exempted from the insurance prohibition are bank holding companies with total assets of $50 million or less and those which receive Federal Reserve Board approval prior to June 6, 1978.

In sum, my legislation will not interfere with bank holding company participation in those lines of insurance which lenders have traditionally offered, but will restrict them from venturing into sectors of the insurance business that are not their legitimate domain. My legislation merely allows independent agents to have the right to carry on their business free from unfair competition.

The present situation is made more urgent by a grandfathering clause in the Bank Holding Company Act of 1970. The grandfathering clause sets 1980 as a deadline for bank holding companies to receive approval by the Federal Reserve Board of applications to retain their nonbanking operations. With the 1980 deadline approaching, the Federal Reserve Board has instructed bank holding companies affected by the provision to file applications to retain nonbanking activities by September 30, 1979. A request by a bipartisan congressional group for the Federal Reserve Board to declare a "moratorium" on insurance applications by bank holding companies was denied by the Federal Reserve Board last November. At this juncture, nothing short of a change in the law will forestall massive bank holding company entry into the insurance business on a permanent basis.

Even a minor delay in the legislative process holds the potential of permitting large numbers of bank holding companies to enter the insurance business, thereby adversely affecting the public interest and thwarting the intent of the last Congress, which overwhelmingly adopted a bank holding company insurance prohibition. The consequences may well be the end of competition in yet another area of American business enterprise.

Mr. President, it is up to Congress to act now if it is to save a valuable natural resource—the enterprising and individualistic business people who constitute the independent insurance agents across America. The independent insurance agents across this country perform a great service to the American people, and my legislation will help them to continue to perform that service.

I want to thank my distinguished colleague, Senator TSONGAS, for cosponsoring this bill. I know that he, as a member of the Senate Banking, Housing, and Urban Affairs Committee, will work to see that it gets full consideration.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Repesentatives of the United States of America in Congress assembled, That Section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(8)) is amended by striking the period at the end of the first sentence thereof and adding the following:

", but for purposes of this subsection it is not closely related to banking or managing or controlling banks for a bank holding company to provide insurance as a principal, agent or broker except (i) where the insurance is limited to assuring repayment of the outstanding balance due on a specific extension of credit by a bank holding company or its subsidiary in the event of the death or disability of the debtor; or (ii) any insurance agency activity in a place that (A) has a population not exceeding 5,000 (as shown by the last preceding decennial census), or (B) the bank holding company, after notice and opportunity for a hearing, demonstrates it has inadequate insurance agency facilities; or (iii) any insurance activity engaged in by a bank holding company or any of its subsidiaries pursuant to an application which was approved prior to June 6, 1978; or (iv) any insurance agency activity engaged in by a bank holding company, or any of its subsidiaries which bank holding company has total assets of $50 million or less, provided, however, such bank holding company and its subsidiaries may not engage in the sale of life insurance or annuities except as provided in (i) or (ii) above."

By Mr. HOLLINGS (for himself and Mr. THURMOND):

S. 381. A bill to provide in cooperation with the States benefits to individuals who are totally disabled due to employment-related brown lung disease and to the surviving dependents of individuals whose death was due to such disease or who were totally disabled by such disease at the time of their death; to the Committee on Human Resources.

BROWN LUNG DISEASE ACT OF 1979

Mr. HOLLINGS. Mr. President, today Senator THURMOND and myself are reintroducing legislation to provide compensation benefits for textile workers who have become totally disabled due to brown lung disease. Brown lung, or byssinosis, is a disease of the lungs which afflicts textile workers exposed to cotton dust over a period of years. The disease begins with a simple irritation of the bronchial airways and develops with time into a cough, chest tightness, shortness of breath and finally into a chronic disabling condition similar to emphysema or chronic bronchitis.

The need for this legislation points up the conspiracy of neglect which has victimized textile workers for decades. It has been more than 200 years since byssinosis was first recognized in foreign countries as a disease associated with textile manufacturing. In Great Britain it has been a compensable occupational disease since 1942, but until just a short time ago few people in the United States recognized the existence of the disease or the serious problem it constituted within the textile industry. New medical evidence, derived from studies on American textile workers, now indicates there may be as many as 35,000 active and retired textile workers suffering from brown lung.

For many victims of byssinosis time is running out. There are thousands of retired individuals who have worked 30, 40, and 50 years in textile mills who today are physically and financially crippled because of brown lung disease. In many instances they are living without a retirement pension, without adequate social security, and without the breath to walk up a flight of stairs. It is primarily for these individuals that I urge the Senate to give prompt and favorable consideration to this legislation.

Mr. President, I ask unanimous consent that a listing of the major provisions of the Brown Lung Disease Act be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MAJOR PROVISIONS OF THE BROWN LUNG DISEASE ACT

1. Level of Benefits. Compensation benefits are calculated at one-half the rate of compensation received by a federal worker, GS 2 level, who is totally disabled. If the law were in effect today, compensation rates would be as listed below:

No dependents, $219.80 per month.
One dependent, $329.80 per month.
Two dependents, $384.80 per month.
Three or more, $439.80 per month.

Any compensation received under state law would be subtracted from the federal compensation.

2. Liability. Benefit payments are paid by the federal government and by responsible employers. Eligible workers who have retired before January 1, 1980 will receive benefits paid for by the federal government. Benefits for those retiring on or after January 1, 1980 will be paid by the owner or owners who employed the brown lung victim.

3. Medical Presumptions. The legislation authorizes the Secretary of Labor to establish and use medical presumptions in determining whether a worker is totally disabled due to brown lung disease and whether the disease was caused by the worker's employment in a textile plant.

4. Total Disability. A worker is considered to be totally disabled when it is medically determined that byssinosis prevents the individual from performing work comparable to that which he or she performed while employed in the textile industry.

5. Time Limitations. To be eligible for a claim, a worker must file within three years of a medical determination of byssinosis. A claim for benefits by an eligible survivor must be filed within three years of the enactment of this Act or three years after the date of death, whichever is later.

6. Job Protection. No employer may discharge or in any other way discriminate against a worker because he or she is suffering from byssinosis or has filed a claim for brown lung compensation benefits.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 381

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Brown Lung Disease Act of 1979".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds and declares that—

(1) there are a significant number of workers who are totally disabled due to byssinosis arising out of their employment in the textile industry;

(2) there are a substantial number of survivors of workers whose deaths were due to such disease or who were totally disabled by such disease at the time of their death;

(3) few States provide benefits for death or disability due to such disease, to workers or their surviving dependents; and

(4) the Congress, by enactment of title IV of the Federal Coal Mine Health and Safety Act of 1969, has provided for the payment of benefits to coal miners who are totally disabled due to pneumoconiosis arising out of employment in the coal mines and to the surviving dependents of such miners whose deaths were due to such disease or who were totally disabled by such disease at the time of their death.

(b) It is therefore the purpose of this Act to provide assistance in cooperation with the States to workers who are totally disabled due to byssinosis arising out of their employment in a textile plant and to the surviving dependents of workers whose deaths were due to such disease or who were totally disabled by such disease at the time of their death.

DEFINITIONS

SEC. 3. For the purposes of this Act the term—

(a) "Dependent" means—

(1) a child as defined in subsection (g) without regard to paragraph (2)(B) thereof; or

(2) a spouse who is a member of the same household as the worker or is receiving regular contributions from the worker for his or her support or whose husband or wife is a worker who has been ordered by a court to contribute to his or her support or who meets the requirements of section 216(b)(1) or (2) of the Social Security Act. The determination of an individual's status as the wife of a worker shall be made in accordance with section 216(h)(1) of the Social Security Act as if such worker were the "insured individual" referred to therein. The term "wife" also includes a "divorced wife" as defined in section 216(b)(1) of the Social Security Act who is receiving at least one-half of her support as determined in accordance with regulations prescribed by the Secretary of Health, Education, and Welfare, from the worker, or is, receiving substantial contributions from the worker (pursuant to a written agreement), or there is in effect a court order for substantial contribution to her support from such worker;

(b) "Byssinosis" means chronic dust disease of the lung and the sequelae arising out of employment in a textile plant;

(c) "Secretary" means the Secretary of Labor;

(d) "Worker" means an individual who is or was employed in a textile plant;

(e) "Spouse" means the wife or husband living with or dependent for support on the workers at the time of his or her death, or living apart for reasonable cause or because of his or her desertion, or who meets the requirements of section 216(c) (1), (2), (3), (4), or (5) and section 216(k) of the Social Security Act, who is not married. Such term also includes a "surviving divorced wife" as defined in section 216(d)(2) of the Social Security Act who for the month preceding the month in which the worker died, was receiving at least one-half of her support as determined in accordance with regulations prescribed by the Secretary, from the worker, who was receiving substantial contributions from the worker (pursuant to a written agreement) or there was in effect a court order for substantial contributions to her support from the worker at the time of his death;

(f) "Total disability" shall have the meaning given it in regulations of the Secretary except that such regulations shall provide that a worker shall be considered totally disabled when it is medically determined that byssinosis prevents such individual from engaging in gainful employment requiring the skills and abilities comparable to those of any employment in a textile plant or plants in which such individual engaged with some regularity and over a substantial period of time. Such regulations shall not provide more restrictive criteria than those applicable under section 223(d) of the Social Security Act;

(g) "Child" means a child or a step-child who is—

(1) unmarried; and

(2)(A) under 18 years or age; or

(B) under a disability as defined in section 223(d) of the Social Security Act, which began before the age specified in section 202(d)(1)(B)(ii) of the Social Security Act, or in the case of a student, before he ceased to be a student; or

(C) a student.

(h) "Student" means a "full-time student" as defined in section 202(d)(7) of the Social Security Act, or a "student" as defined in section 8101(17) of title 5, United States Code. The determination of an individual as the "child" of a worker, widow or widower, as the case may be, shall be made in accordance with section 216(h) (2) or (3) of the Social Security Act as if such worker, widow or widower were the "insured individual" referred to therein.

(i) "Employer" means the operator of a textile plant.

(j) "Textile plant" means a work place where workers are exposed to cotton dust which, if inhaled in sufficient quantities over a period of time, may impair lung function to the point that byssinosis exists.

(k) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, or any other territory or possession of the United States.

BENEFIT CLAIMS

SEC. 4. (a) Any claim (other than a claim under subsection (a) of section 5) for benefits for death or total disability due to byssinosis shall be filed pursuant to the applicable State worker's compensation law, except that during any period when workers or their surviving wives, widows, children, parents, brothers, or sisters, as the case may be, are not covered by State worker's compensation law which provides adequate coverage for byssinosis they shall be entitled to claim benefits under this Act.

(b) (1) For the purposes of this section a State worker's compensation law shall not be deemed to provide adequate coverage for byssinosis during any period unless it is included in the list of State laws found by the secretary to provide such adequate coverage during such period. The Secretary shall, no later than October 1, 1979, publish in the Federal Register a list of State worker's compensation laws which provide adequate coverage for byssinosis and shall revise and republish in the Federal Register such lists as may be appropriate to reflect changes in such State laws due to legislation or judicial or administrative interpretation.

(2) The Secretary shall include a State worker's compensation law on such list during any period only if he finds that during such period under such law—

(A) benefits must be paid for total disability or death of a worker due to byssinosis;

(B) the amount of such cash benefit is substantially equivalent to or greater than the amount of cash benefits prescribed by section 4(a);

(C) the standards for determining death or total disability due to byssinosis are substantially equivalent to section 3(f) and the regulations of the Secretary promulgated thereunder;

(D) in the case of a worker any claim for benefits on account of total disability of a worker due to byssinosis is deemed to be timely filed if such claim is filed within 3 years of a medical determination of total disability due to byssinosis;

(E) there are in effect provisions with respect to prior employers which are substantially equivalent to the provisions contained in this Act; and

(F) there are applicable such other provisions, regulations, or interpretations which are consistent with the provisions of this Act and with regulations promulgated hereunder as the Secretary determines to be necessary or appropriate to assure adequate compensation for total disability or death due to byssinosis.

The action of the Secretary in including or failing to include any State worker's compensation law on such list shall be subject to judicial review exclusively in the United States Court of Appeals for the circuit in which the State is located or the United States Court of Appeals for the District of Columbia.

ENTITLEMENT TO BENEFITS

SEC. 5. (a) (1) Subject to the provisions of subsection (b) of this section, retired and other workers suffering from byssinosis shall be entitled to benefit payments under this section to be made by the Secretary as follows:

(A) In the case of total disability of a worker due to byssinosis the disabled worker shall be paid benefits during the disability at a rate equal to 50 percent of the minimum monthly payment to which a Federal employee in grade GS-2 who is totally disabled, is entitled at the time of payment under chapter 81 of title 5, United States Code.

(B) In the case of death of a worker due to byssinosis or of a worker receiving benefits under this part, benefits shall be paid to his spouse (if any) at the rate the deceased worker would receive such benefits if he were totally disabled.

(C) In the case of the child or children of a worker whose death is due to byssinosis or of a worker who is receiving benefits under this part at the time of the worker's death, or who was totally disabled by bysisinosis at the time of the worker's death and in the case of the child or children of a widow or widower who is receiving benefits under this subsection at the time of such individual's death benefits shall be paid to such child or children as follows: if there is one such child, benefits shall be paid at the rate specified in paragraph (1). If there is more than one such child, the benefits paid shall be divided equally among them and shall be paid at a rate specified in paragraph (1) increased by 50 percent of such rate if there are two such children, by 75 percent of such rate if there are three such children, and by 100 percent of such rate if there are more than three such children: *Provided*, That benefits shall only be paid to a child for so long as he meets the criteria for the term "child" contained in section 3(g): and *Provided further*, That no entitlement to benefits as a child shall be established under this paragraph for any month for which entilement to benefits as a widown or widower is established under paragraph (2).

(D) In the case of an individual entitled to benefit payments under subpargraphs (A) or (B) of this subsection who has one or more dependents, the benefit payment shall be increased at the rate of 50 percent of such payments if such individual has one dependent, 75 percent if such individual has two dependents, and 100 percent if such individual has three or more dependents.

(2) Notwithstanding paragraph (1), benefit payments under this section to a worker or his surviving spouse, child, parent, brother, or sister shall be reduced on a monthly or other appropriate basis, by—

(A) an amount equal to any payment received by such worker or his surviving spouse, child, parent brother, or sister, under the worker's compensation, unemployment compensation or disability insurance laws of the State of the worker on account of the disability of such worker, and

(B) the amount by which such payment would be reduced on account of excess earnings of such worker under section 203(b) through (1) of the Social Security Act if the amount paid were a benefit payable under section 202 of such Act, and

(C) an amount equal to not more than 50 percent of any benefits received under the Social Security Act.

(3) No payments of benefits shall be required under this subsection:

(A) except pursuant to a claim filed therefor in such manner, in such form, and containing such information, as the Secretary shall by regulation prescribe; or

(B) for any period prior to six months after the date of enactment of this Act.

(b) On or after six months after the date of enactment of this Act, any claim for benefits for death or total disability due to byssinosis shall be filed pursuant to the applicable State worker's compensation law, except that during any period when worker's or their surviving spouses, children, parents, brothers, or sisters, as the case may be, are not covered by a State worker's compensation law which provides adequate coverage for byssinosis they shall be entitled to claim benefits under this Act in accordance with subsection (a).

(c) Benefits payable under this section shall be deemed not to be income for the purposes of the Internal Revenue Code of 1954.

TIME LIMITATION AND MEDICAL PRESUMPTIONS

SEC. 6. (a) (1) Any claim for disability benefits by a worker under this Act shall be filed within three years of a medical determination of total disability due to byssinosis.

(2) Any claim for death benefits by a survivor of a worker under this Act shall be filed within 3 years of the date of enactment of this Act or 3 years after the date of death, whichever is later.

(b) The Secretary in conjunction with the National Institute for Occupational Safety and Health shall by regulation establish standards, which shall include appropriate presumptions, for determining whether a worker is totally disabled from, or in the case of a deceased worker, was totally disabled from, byssinosis and whether such byssinosis arose out of the employment in a textile plant or plants.

EMPLOYER LIABILITY

SEC. 7. (a) Each employer shall be liable for the securing of benefits to employees equal to or greater than those provided by this Act.

(b) During any period in which a State worker's compensation law is not included on the list published by the Secretary under this Act, each employer in such State shall secure the payment of benefits for which he is liable under this Act by—

(1) qualifying as a self-insurer in accordance with regulations prescribed by the Secretary, or

(2) insuring and keeping insured the payment of such benefits with any stock company or mutual company or association, or with any person or fund, including any State fund, of such company, association, person or fund which is authorized under the laws of any State to insure worker's compensation.

(c) In order to meet the requirements of clause (ii) of subsection (a) of this section, every policy or contract of insurance must contain—

(1) a provision to pay benefits at a level not less than that required under this Act, notwithstanding the provisions of the State worker's compensation law which may provide for payments in a lesser amount;

(2) a provision that insolvency or bankruptcy of the operator or discharged therein, or both, shall not relieve the insurance carrier from liability for such payments; and

(3) such other prvisions that the Secretary may by regulation require.

(d) No policy or contract of insurance issued by a carrier to comply with the requirements of clause (2) of subsection (a) of this subsection shall be cancelled prior to the date specified in such policy or contract for its expiration until at least 30 days have elapsed after notice of cancellation has been sent by registered or certified mail to the Secretary and to the employer at his last known place of business.

PAYMENT OF BENEFITS

SEC. 8. (a) If a totally disabled worker or widow, child, parent, brother, or sister is entitled to benefits under this Act and (1) an employer liable for such benefits has not obtained a policy or contract of insurance or qualified as a self-insurer, as required by section 7 of this Act, or such employer has not paid such benefits within reasonable time, or (2) there is no employer who was required to secure the payment of such benefits the Secretary shall pay such worker or such widow, widower, child, parent, brother, or sister the benefits to which he or she is so entitled. In the case referred to in clause (1), the employer shall be liable to the United States in the civil action in the amount equal to the amount paid to such worker or his widow, widower, child, parent, brother, or sister under this Act.

(b) The Secretary may also by regulation establish standards for apportioning liability for the benefits under this subsection among more than one employer, where such apportionment is appropriate.

(c) (1) Benefit claims based upon employment in a textile plant prior to January 1, 1980 shall be paid by the Secretary in accordance with the provisions of this Act.

(2) Benefit claims based upon employment in a textile plant after January 1, 1980 shall be paid by the responsible employer in accordance with the provisions of this Act.

COOPERATION WITH STATES

SEC. 9. With the consenting cooperation of State agencies charged with administration of State worker's compensation laws, the Secretary may, for the purpose of carrying out his functions and duties under this Act, utilize the services of State and local agencies and their employees and notwithstanding any other provision of law, may advance funds to or reimburse such State and local agencies and their employees for services rendered for such purposes.

REGULATIONS; OTHER LAWS

SEC. 10. (a) The Secretary is authorized to issue such regulations as he deems appropriate to carry out the provisions of this Act. Such regulations shall be issued in conformity with section 553 of title 5, United States Code, notwithstanding subsection (a) thereof no later than 9 months following the date of enactment of this Act.

(b) Within 120 days following the convening of each session of Congress the Secretary shall submit to the Congress an annual report on the subject matter of this Act which is under his jurisdiction.

(c) Nothing in this title shall relieve any employer of the duty to comply with any State worker's compensation law except insofar as such State is in conflict with the provisions of this Act and the Secretary by regulation, so prescribes. The provisions of any State worker's compensation law which provides greater benefits than the benefits payable under this title shall not thereby be construed or held to be in conflict with the provisions of this title.

(d) During any period after the date of enactment of this Act, in which a State workmen's compensation law is not included on the list published by the Secretary under section 421(b) of this part, the provisions of Public Law 803, 69th Congress (44 Stat. 1424, approved March 4, 1927), as amended (other than the provisions contained in sections 1, 2, 3, 4, 7, 8, 9, 10, 12, 13, 29, 30, 31, 32, 33, 37, 38, 41, 43, 44, 45, 46, 47, 48, 49, 50, and 51 thereof) shall (except as otherwise provided in this subsection and except as the Secretary shall by regulation otherwise provide), be applicable to each operator of an underground coal mine in such State with respect to death or total disability due to pneumoconiosis arising out of employment in such mine. In administering this part, the Secretary is authorized to prescribe in the Federal Register such additional provisions, not inconsistent with those specifically excluded by this subsection, as he deems necessary to provide for the payment of benefits by such operator to persons entitled thereto as provided in this part and thereafter those provisions shall be applicable to such operator.

RESEARCH

SEC. 11. (a) The Secretary is authorized to enter into contracts with and make grants to public and private agencies and organizations and individuals for the construction, purchase, and operation of fixed site and mobile clinical facilities for the analysis, examination, and treatment of respiratory and pulmonary impairments in active and inactive textile plant workers.

(b) The Secretary shall initiate research within the National Institute for Occupational Safety and Health and is authorized to make research grants to public and private agencies and organizations and individuals for the purpose of devising a simple and effective test to measure, detect, and treat respiratory and pulmonary impairments in active and inactive textile plant works. Any grant made pursuant to this section shall be conditoned upon all information, uses, products, processes, patents, and other developments resulting from research being available to the general public, except to the extent of such exceptions and limitations as the Secretary may deem necessary in the public interest.

DISCRIMINATION

SEC. 12. (a) No employer shall discharge or in any other way discriminate against any worker employed by him by reasons of the fact that such worker is suffering from byssinosis or has filed a claim for benefits under this Act or any other State or Federal law. No person shall cause or attempt to cause an operator to violate this section.

(b) Any worker who believes that he has been discharged or otherwise discriminated against by any person in violation of subsection (a) of this section, or any representative of such worker may within 90 days after the violation occurs apply to the Secretary for a review of such alleged discharge or discrimination. A copy of the application shall be sent to the person who allegedly committed such violation who shall be the respondent. Upon receipt of such application the Secretary shall cause an investigation to be made of the allegations contained therein. Such investigation shall provide opportunity for public hearing at the request of any party to enable the parties to present information relating to such alleged violation. Each party shall be given written notice of the time and place of the hearing at least 5 days prior to the hearing. Any hearing shall be on the record and shall be subject to the provisions of section 554 of title 5 of the United States Code. Each hearing examiner presiding under this Act shall receive compensation at a rate not less than the rate prescribed for GS-16 under section 5532 of title 5 of the United States Code. Upon receiving the report of such investigation the Secretary shall make findings of fact. If he finds that such violation did not occur he shall issue a decision, incorporate an order therein, requiring the person committing such violation to take such affirmative action as the Secretary deems appropriate, including but not limited to, the rehiring or reinstatement of the worker to his former position with back pay. If he finds that there is no such violation he shall issue an order denying the application. Such order shall incorporate the Secretary's findings therein.

(c) Whenever an order is issued under this subsection granting relief to a worker, at the request of such worker a sum equal to the aggregate amount of all costs and expenses (including attorney's fees) as determined by the Secretary to have been reasonably incurred by such worker for, or in connection with, the institution and prosecution of such proceedings, shall be assessed against the person committing the violation.

AUTHORIZATION OF APPROPRIATIONS

SEC. 13. There is authorized to be appropriated for the purposes of this Act such sums as may be necessary.

Mr. THURMOND. Mr. President, the distinguished junior Senator from South Carolina and I are today reintroducing a bill which will benefit hundreds of thousands of working people afflicted by byssinosis. Byssinosis, or brown lung, is a debilitating respiratory ailment contracted as a result of exposure to cotton dust. Those workers who are most likely to contract it are the backbone of the textile industry which is vital to our regional economy.

It has been estimated that 250,000 to 300,000 textile workers are significantly exposed to cotton dust in the primary textile industry. Our bill would establish a method of compensating these workers for disability that arises out of their employment. Such compensation is only fair. Byssinosis has been a recognized ailment associated with textile workers for over 200 years. Byssinosis victims in Britain have been eligible for workmen's compensation for 39 years.

Several years ago, Congress initiated a compensation program for those who suffer from black lung. I urge the Human Resources Committee to arrange to hold hearings on this bill as soon as possible. Delay only increases the number of those who suffer from this debilitating condition.

By Mr. KENNEDY (for himself, Mr. HATCH, Mr. RIEGLE, Mr. DOMENICI, Mr. DANFORTH, Mr. LEVIN, and Mr. MAGNUSON):

S. 382. A bill to amend the Clayton Act by strengthening and facilitating the carrying out of antitrust and procompetitive policies by agencies of the Federal Government, and for other purposes; to the Committee on the Judiciary.

COMPETITION IMPROVEMENTS ACT OF 1979

● Mr. KENNEDY. Mr. President, there can no longer be doubt that regulatory agencies often go astray. For the past several years, various committees of Congress, the President, several executive departments, consumer groups and research institutes have undertaken studies which have exposed gross regulatory inefficiencies and inadequacies. One theme that recurs throughout much of this bipartisan work is that a return to freer competition and strict adherence to antitrust policy will better serve the consumer and the business community alike.

For the most part, however, the regulatory agencies have not responded to this message. Too often administrative actions are taken without adequate analysis of the potential adverse economic impact that they may have. Therefore, I, along with Senators HATCH, RIEGLE, DOMENICI, DANFORTH, LEVIN, and MAGNUSON, am reintroducing the Competition Improvements Act, whose clear and unequivocal message is that competitive market forces should be established to the maximum degree possible within all regulated industries.

It is my fundamental conviction that free market competition, protected by vigorous enforcement of the antitrust laws, should continue to be the central organizing principle of our economy. Exceptions from this principle have been made where there is evidence of the un-workability of competition or a clearly recognized paramount social objective, such as protection of health, safety or the environment.

The lack of competition in the regulated sectors of the economy has resulted in market inefficiency, poor service, outdated business practices, and high prices. Indeed, the lack of competition in the regulated sector of the economy is probably the single most important factor underlying the demise and poor financial condition of many regulated firms. Further, anticompetitive regulations tend to protect entrenched competitors and exclude new entrants, to the detriment of innovation and efficiency.

Regulatory agencies often stifle or restrict competition more than foster it, without promoting any other valid regulatory purpose. These conclusions were reached as far back as 1968 when a task force appointed by President Johnson reported that—

> In the regulated sector of the economy, the bias of policy and its enforcement is overwhelmingly against competition.

A few years later, a task force appointed by President Nixon found that—

> The regulatory commissions are largely out of control . . . the commissions should have the merits of competition impressed upon them. Competition is not a matter of all or none, and the fact of regulation should not exclude competition.

President Carter, too, appointed a special body to examine competitive issues. As recently as January of this year, the National Commission for the Review of Antitrust Laws and Procedures concluded that—

> A decision to impose regulatory limits on a particular industry does not address the question of the appropriate role of competition within the regulatory framework. Traditional statutes often do little more than state broad policy objectives, list the regulators' powers and tell them to act 'in the public interest.' . . . As a result, the anticompetitive and protectionist tendencies of regulation were left largely unchecked, and the regulators increasingly interpreted their statutory authority as a mandate to overlook or even suppress competition in pursuing regulatory goals.

The public costs of anticompetitive regulatory activity are staggering. A 1973 study estimated that the economic waste from anticompetitive regulation in the ICC, CAB, FMC and FCC alone was between $16 and $24 billion. If we are ever to get an edge in our battle against inflation, Government-induced waste and inefficiency must be controlled. Regulatory activity must be tightly focused to achieve its goal in the most efficient manner possible. More competition is the most effective way to this objective.

One industry serving as an example of what increased competition can mean: the domestic airline passenger industry. The Airline Deregulation Act has been in effect just over 3 months now. But even before its enactment, the progressive leadership of the then-CAB. Chairman Alfred Kahn moved the agency toward removing many of the outdated anticompetitive restrictions over fares and entry in the domestic flight market.

And the industry has quite literally exploded with benefits for the carriers and consumers alike. The latest CAB figures for the first 11 months of 1978, compared to the same period in 1977 show:

Net earnings were up 88 percent for the system trunk carriers, and up 49 percent for the local service carriers;

Traffic was up 17 percent, an astounding 11 percentage points above the predicted increase of 6 percent;

Average passenger load factors increased from 55 percent in 1977 to an economical and profitable 62 percent in 1978; and

Average fares actually decreased 1.6 cents per revenue passenger mile reflecting heavy use of the discount fares.

It is rare that such a sharp improvement in so many aspects of an industry can be reported. And most of it is attributable to the increased competition that has resulted from a reduction in Government regulation.

In a time of spiraling inflation, it is also of great importance to note that profits actually increased when the airline lowered fares.

We have no reason to believe that these kinds of benefits of increased competition will not be felt in other regulated industries. To what degree will depend on the unique characteristics of individual industries. But one thing is clear: where competition is workable and where there are not inconsistent, paramount considerations, competition should be encouraged by the regulatory agencies to a maximum degree.

Those who would erect federally protected barriers to competition—whether private business interests or Government regulators—should bear a heavy burden to justify them. This is the philosophy which underlies the Competition Improvements Act.

The Competition Improvements Act is an amendment to the Clayton Antitrust Act. The objective of the bill is to require Government agencies to regulate in the least anticompetitive manner. The bill does this by establishing a uniform standard which would prohibit Federal regulatory agencies from taking actions which would have substantial anticompetitive effects unless they find that:

First, such action is necessary to accomplish an overriding statutory goal of the agency;

Second, the anticompetitive effect of such action is outweighed by benefits to the public; and

Third, the action is the least anticompetitive method for achieving the goal.

The bill complements the various reform efforts currently underway, since the analysis required by an agency under this three-part test would identify areas where regulation is no longer needed. At the same time, the bill recognizes that there are many areas within the economy that legitimately require regulation. The uniform antitrust standard does not mean there can or will be uniform results from the diverse regulatory agencies. Nor does it mean that all regulatory policies inconsistent with the fostering of competition will be subordinated to antitrust policies. Consideration of whether a natural monopoly is involved, or whether health and safety will be affected, or whether there will be an impact on fair and adequate service, all play a part in fashioning regulatory policies. The legislation is designed so that agencies can continue to take all of these considerations into account while at the same time preventing unnecessary and unjustified anticompetitive regulation.

The bill's predecessor legislation was originally introduced at the end of the 93d Congress. In the 94th Congress, it was reintroduced as S. 2028 and, after hearings and substantial amendment, received the broad support of the Department of Justice, the Department of Transportation, the Council on Wage and Price Stability, the National Association of Manufacturers, and the Consumer Federation of America. It was favorably reported by the Committee on the Judiciary. In the 95th Congress, the bill became S. 2625. The version I and my colleagues are reintroducing today is virtually identical to S. 2625 except for technical amendments.

On January 16, 1979, the National Commission for the Review of Antitrust Laws and Procedures unanimously endorsed the principles of the Competition Improvements Act. As the Members of the Senate know, that Commission was brought into being by the President for the purpose of reviewing the state of antitrust effectiveness and enforcement in the Nation today and reporting back to the President with its recommendations. The Commission devoted an entire chapter of its report to the issue of regulatory inattention to competitive issues. More specifically the chapter is in most part, a detailed discussion of S. 2625, the Competition Improvements Act of 1978. The recommendation concludes that Congress should enact legislation to require increased consideration of competitive issues in regulatory decisionmaking and, specifically, that the legislation should adopt the principles contained in S. 2625.

Mr. President, I ask unanimous consent that the text of the bill we are introducing today be printed in the RECORD together with a separate summary of its provisions.

Additionally, so that each of my colleagues is fully informed as to the views of the National Commission for the Review of Antitrust Laws and Procedures, I ask unanimous consent that the chapter of the Commission's final report to the President concerning S. 2625 also be included in today's RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 332

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Competition Improvements Act of 1979."

DECLARATION OF POLICY

SEC. 2. (a) FINDINGS.—The Congress finds and declares that—

(1) this Nation is founded upon and committed to a private enterprise system and a

free market economy, in the belief that competition protects consumers, promotes efficiency, and spurs innovation;

(2) economic regulation by Federal agencies has at times created unnecessary losses for consumers, fostered inefficiency, and stifled innovation;

(3) Federal agencies have taken actions which are more anticompetitive than necessary to achieve statutory goals;

(4) adherence to a definitive and formal antitrust standard by Federal agencies will reduce losses to consumers, improve efficiency, and remove impediments to innovation.

(b) POLICY.—It is the purpose of this Act to reaffirm that the fundamental national economic policy of the United States is free and open competition by—

(1) minimizing anticompetitive behavior in regulated industries;

(2) establishing procedures that strengthen and facilitate the application of antitrust and procompetitive policies by Federal agencies; and

(3) enabling Federal agencies better to restore, maintain, and protect open and vigorous competition in the marketplace.

ANTITRUST STANDARD FOR FEDERAL AGENCIES

SEC. 3. (a) Notwithstanding any other provision of law, no Federal agency shall take any action, the effect of which may be substantially to lessen competition, to tend to create a monopoly, or to create or maintain a situation involving a significant burden on competition, unless it finds that—

(1) such action is necessary to accomplish an overriding statutory purpose of the agency;

(2) the anticompetitive effects of such action are clearly outweighed by significant and reasonably certain benefits to the general public; and

(3) the objectives of the overriding statutory purpose cannot be accomplished in substantial part by alternative means having lesser anticompetitive effects.

(b) The findings, if required by section 3 (a), shall be included in any opinion accompanying an agency order and shall be included in the statement of basis and purpose incorporated in any rule or regulation.

(c) The Attorney General and the Federal Trade Commission may render advice to the agency regarding the findings required by section 3(a).

ADDITIONAL ANTITRUST REQUIREMENTS FOR CERTAIN INDEPENDENT AGENCIES

SEC. 4. (a) Each independent regulatory agency as defined in section 8(c) of this Act, after consultation with the Attorney General and within one hundred and twenty days after enactment of this Act, shall establish procedures by which the Attorney General will be notified of important pending agency action subject to section 3(a).

(b) In any administrative or judicial proceeding subject to section 3(a) and involving independent regulatory agencies, as defined in section 8(c), the Attorney General and the Federal Trade Commission may each appear as a party of right.

(c) Each independent regulatory agency as defined in section 8(c) must convene a hearing or other appropriate proceeding if, in the opinion of the Attorney General, the requirements of section 3(a) have not been met and a hearing has not already been held pursuant to section 553 or 556 of title 5, United States Code.

(d) The Attorney General and the Federal Trade Commission may utilize any and all powers conferred upon them by any other provision of law, including the antitrust laws and the Antitrust Civil Process Act (15 U.S.C. 1311), in carrying out their responsibilities under this Act.

JUDICIAL REVIEW

SEC. 5. (a) In any proceeding for judicial review of an agency order involving an action subject to section 3(a), the agency or other proponent of the action has the burden of establishing by substantial evidence based on the record as a whole that the requirements of section 3(a) have been met.

(b) In any action where the court finds an agency in violation of section 3(a), the court may award costs of litigation (including reasonable attorneys' and expert witness fees) to any party if—

(1) in the judgment of the court, the initiation and prosecution of such action served an important public interest; and

(2)(A) the economic interest of the person is small in comparison to the costs of effective participation in the action by that person, except that if the person is a group or organization, the economic interests of a substantial number of members of such group or organization taken individually are small in comparison to the costs of effective participation in such action, or

(B) the person demonstrates to the satisfaction of the court that such person does not have sufficient resources adequately to participate in the action in the absence of an award under this subsection.

REVIEW OF POLICIES AND ANNUAL REPORT

SEC. 6. (a) Each Federal agency shall—

(1) utilize a systematic approach which will insure the integration of antitrust law and policy in planning, in decisionmaking, and in other activities which may have an impact on competition;

(2) identify and develop, in consultation with the Attorney General and the Federal Trade Commission, methods and procedures, which will insure that antitrust laws and policies, and the promotion of competition, will be facilitated and enhanced in planning, in decisionmaking, and in other activities; and

(3) make available to States, political subdivisions of States, institutions, and individuals advice, information, and assistance in restoring, maintaining, and enhancing competition in the marketplace at the local, regional, national, and international levels.

(b) Each Federal agency shall review its present statutory authority for the purpose of determining whether there are any deficiencies or inconsistencies which may prevent full compliance with the purpose of this Act. Each such agency shall recommend to the President and to the Congress, not later than January 1, 1980, such measures as may be necessary or appropriate to maximize the carrying out of the purposes, policies, and provisions of this Act.

(c) Each Federal agency shall review and modify prospectively its rules, regulations, policies, practices, and procedures so as to have them conform to the purposes, policies, and provisions of this Act.

(d) The Federal Trade Commission shall report annually to the President and the Congress on the degree to which Federal agencies have complied with the purposes of this Act by fostering substantial and effective competition in the economy. Such report may focus on the industries or facets of industries, subject to regulation that the Commission believes should be accorded priority consideration for the purpose of promoting competition in the economy.

APPLICABILITY

SEC. 7. (a)(1) Nothing in this Act shall be deemed to authorize or make lawful anything heretofore prohibited or made illegal by the antitrust laws, nor to affect the applicability of the penal provisions or the civil remedies therein provided.

(2) The provisions of this Act are in addition to and not in lieu of the provisions of the antitrust laws, and no provision of this Act shall be deemed to grant immunity, or to create defenses to actions, under the antitrust laws.

(3) Nothing in this Act shall be deemed to preclude the intervention in any agency proceedings by any party, including the Attorney General and the Federal Trade Commission, and nothing in this Act shall be deemed to preclude the institution or maintenance of any action under the antitrust laws at any time.

(b) Effective on the date of enactment of this Act, the last full paragraph of section 7 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 18), is repealed.

DEFINITIONS

SEC. 8. As used in this Act, the term—

(a) "Agency" means each authority of the Government of the United States as defined in section 551 of title 5, United States Code, except the United States Patent and Trademark Office.

(b) "Action" includes the whole or a part of an agency rule, order, license, sanction, relief, or the equivalent or denial thereof, or failure to act as defined in section 551 of title 5, United States Code.

(c) "Independent regulatory agencies" means the Interstate Commerce Commission, the Federal Energy Regulatory Commission, the Federal Communications Commission, the Securities and Exchange Commission, the Civil Aeronautics Board, the Federal Maritime Commission, the Nuclear Regulatory Commission, and the International Trade Commission.

EFFECTIVE DATE

SEC. 9. This Act shall become effective one hundred and twenty days after the date of enactment, and shall apply to all agency action not final at such time.

SUMMARY OF THE COMPETITION IMPROVEMENTS ACT OF 1979

Section 3—Antitrust Standard for Federal Agencies.—

This section contains a three-part test an agency must apply to an action, the effect of which "may be substantially to lessen competition, to tend to create a monopoly, or to create or maintain a situation involving a significant burden on competition." This section also provides that these three findings should be included if there is an opinion accompanying the action and also should be included in the statement of basis and purpose, as in the case of a rule or regulation.

A uniform antitrust standard does not, however, mean that there will be uniform results or that all inconsistent regulatory policies or other statutory goals will be subordinated to antitrust policies. Considerations such as whether a natural monopoly is involved, whether health and safety will be affected, whether there will be any impact on fair and adequate service all play a part in the fashioning of regulatory policies. Similarly, the congressional purpose underlying enactment of a particular agency statute will continue to be of utmost importance. The legislation is designed so that agencies can continue to take all of these considerations into account, while at the same time preventing unnecessary and unjustified anticompetitive activities.

No separate "impact statement" must be filed under this legislation. Application of the antitrust standard contained in section 3 will fit into existing agency procedures.

If a hearing or other proceeding is held on a matter, then the antitrust standard must also be considered in that proceeding. If a hearing or other proceeding is not required to be held under a particular agency statute, one need not be held to consider the antitrust issue with one exception: If the Attorney General has determined that the standards of the bill are not being followed by certain independent regulatory agencies and requests a hearing or other appropriate proceeding, then one must be held.

Similarly, if written findings are made in the agency's opinion or statement of basis and purpose—which are required under the Administrative Procedure Act—those findings must also be addressed to application of the antitrust standard. But if no written findings are otherwise made or required, then none are required under this bill.

Parties adversely affected by agency actions significantly affecting competition can already receive judicial review by virtue of most statutes establishing Federal regulatory agencies, and under section 706 of the APA as well. Section 5 does not enlarge these rights, nor does it extend these rights to additional parties.

No separate appeal to the courts can be taken regarding application of the antitrust standard, and whether or not an appeal can be taken to an agency decision is still governed by the agency's organic statute and the Administrative Procedure Act. There is no new provision for judicial review. There is no fragmentation of review. And there is no new standing granted to seek review. Furthermore, when judicial review occurs, it is under a substantial evidence, not a de novo, test, with the burden on the agency to sustain its application of the antitrust standard. In sum, the antitrust issue is a part of the record of the overall agency decision and is to be reviewed by the court as part of the record of the overall agency decision.

Section 4—Additional Antitrust Requirements for Certain Independent Agencies.—

To facilitate the rendition of timely antitrust advice and to ensure rational intervention policies, the Interstate Commerce Commission, Federal Energy Regulatory Commission, Federal Communications Commission, Securities and Exchange Commission, Civil Aeronautics Board, Federal Maritime Commission, Nuclear Regulatory Commission, and the International Trade Commission are required to devise procedures whereby the Attorney General will receive timely and adequate notice of important agency actions which may have a significant effect on competition. In order to assure effective and meaningful participation, both the Attorney General and the Federal Trade Commission are given "party of right" status, are not precluded from using their statutory power, and in certain limited situations the Attorney General may require the agency to institute a hearing or other appropriate proceeding if a hearing has not already been held.

Section 5—Judicial Review.—

Whether or not an agency decision can be appealed and who can appeal is determined by the particular agency's statute and the Administrative Procedure Act. This section does not bifurcate the right of appeal nor does it extend this right to additional parties. It does, however, place the burden of proof upon the agency to establish that substantial evidence exists for the findings required by section 3. A limited right for the award of legal fees also is provided.

Section 6—Review of Policies and Annual Report.—

So that procompetitive policies are fully implemented wherever feasible, Federal agencies are drected to integrate antitrust considerations into all phases of the agency's operations and are required to review their statutory authority, rules, and regulations to ascertain whether changes are needed to more effectively achieve the goals of the legislation. An in-depth analysis of the efficacy of these actions will be provided by the Federal Trade Commission.

Section 7—Applicability.—

This section makes it clear that the provisions of the bill are in addition to and not in lieu of the existing antitrust laws. The last paragraph of Section 7 of the Clayton Act is repealed to make it clear that all agency actions are covered by section 3. The repeal does not add to or subtract from any substantive agency exemptive authority.

[From the report of the National Commission for the Review of Antitrust Laws and Procedures, adopted on Jan. 16, 1979]

CHAPTER 15. A GENERAL APPROACH: THE COMPETITION IMPROVEMENTS ACT (S. 2625)

RECOMMENDATION

Congress should enact legislation to require increased consideration of competitive issues in regulatory decisionmaking. This legislation should adopt the principles contained in S. 2625 which provide that where the effect of a regulatory action may be to substantially lessen competition, to tend to create a monopoly, or to create or maintain a situation involving a significant burden on competition, the agency could not approve such action unless it found that:

(a) such action is necessary to accomplish an overriding statutory purpose of the agency;

(b) the anticompetitive effects of such action are clearly outweighed by significant and reasonably certain public benefits; and

(c) the objectives of the action and the overriding statutory purpose cannot be substantially accomplished by alternative means having less anticompetitive effects.

I. The need for a broad attack on regulatory discretion and inattention to competition

A decision to impose regulatory limits on a particular industry generally does not address the question of the appropriate role of competition within the regulatory framework. Traditional statutes often do little more than state broad public policy objectives, list the regulators' powers, and tell them to act "in the public interest." In fact, the whole notion of precise standards and guidelines run contrary to the early philosophy of administrative regulation which tended to rely on regulators' expertise. As a result, the anticompetitive and protectionist tendencies of regulation were left largely unchecked,[1] and regulators increasingly interpreted their statutory authority as a mandate to overlook or even suppress competition in pursuing regulatory goals.[2] As one experienced antitrust practitioner told the Commission, "[I]t has been my experience that competition policy is a marvelous idea and rather few agencies of this government have ever heard of it." [3]

As we have detailed earlier in this report, existing antitrust immunities must be individually examined in their proper context.[4] Elimination of those exemptions and attendant regulatory schemes that are not currently justified can be accomplished only through an industry-by-industry approach. Nevertheless, a more general measure can deal effectively with the problems of unfettered administrative discretion. Competition should be a principal consideration in agency decisionmaking, and legislation mandating that concept can serve a dual purpose. Until such time as existing immunity and regulatory schemes are subjected to analysis and appropriate change, such legislation will limit unnecessarily anticompetitive regulatory actions. For those activities that remain subject to regulatory oversight, enactment of a legislative mandate to weigh the competitive impact of agency actions, will significantly increase the likelihood that regulatory intervention complements rather than inhbits existing market forces.

II. A proposed solution: S. 2625

The Commission studied one proposal dealing with a general approach to the interaction of regulation and competition, the Competition Improvements Act of 1978, S. 2625.[5] We believe a bill along the lines of S. 2625 can provide a needed message to regulatory agencies that have previously functioned with vague statutory guidelines. The proposal would encourage and facilitate the use of procompetitive policies in regulatory decisionmaking. It would require agencies to focus on the economic effects of their actions, and to maximize competition as a regulatory tool.[6] To accomplish these general goals, the bill establishes a uniform antitrust standard to guide both administrative agencies and reviewing courts and provides additional procedures to promote adherence to the new standard. For the most part, the mandate of S. 2625 would apply within established regulatory procedures and structures.

The heart of S. 2625 is section 3(a). This section establishes a three-part test for all federal agencies to apply to any action "the effect of which may be substantially to lessen competition, to tend to create a monopoly, or to create or maintain a situation involving a significant burden on competition." [7] The agency could not approve any such action unless it found:

(1) such action is necessary to accomplish an overriding statutory purpose of the agency;

(2) the anticompetitive effects of such action are clearly outweighed by significant and demonstrable benefits to the general public; and

(3) the objectives of the action and the overriding statutory purpose cannot be accomplished in substantial part by alternative means having less anticompetitive effects.[8]

The first part of the test requires the agency to specify the statutory purpose it seeks to accomplish by its action. The second part of the test demands that the benefits to the general public must clearly outweigh the anticompetitive effects of the action that is approved. The criteria of this balancing test are very similar to those contained in the Bank Merger Act and Section 105 of the Atomic Energy Act,[9] and to the revised public interest standard approved by the Supreme Court in *Federal Maritime Commission* v. *Akteibolaget Svenska Amerika Linien*.[10] Finally, the third element of the test specifies that the proposed action must be the least anticompetitive option available that could accomplish the stated regulatory objectives.

The bill also provides that enumerated independent regulatory agencies [11] would be subjected to additional requirements. Those agencies would have to notify the Attorney General of important pending actions that may have anticompetitive consequences. The Attorney General and the Federal Trade Commission could appear as a party of right in these agencies' proceedings, and in particular circumstances the Attorney General could require the agency to hold a hearing. The statute would also authorize the Department of Justice and the Federal Trade Commission to use all of their investigatory powers, including those provided by the Antitrust Civil Process Act, in carrying out their responsibilities under the Act.

Section 5 of the bill provides that in any proceeding for judicial review, the agency has the burden of showing by substantial evidence that it has met the competitive standards set by S. 2625. All federal agencies would be required to review their statutory mandates, rules and policies in order to determine whether changes are warranted to

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Footnotes at end of article.

facilitate compliance with the competitive standard established by the bill. Finally, the Federal Trade Commission would be required to report annually on the progress made by federal agencies in fostering effective competition.

III. The advantages of a specific legislative standard

Legislation embodying the principles of S. 2625 would push the regulatory agencies and courts beyond their current sporadic attention to competitive concerns to more meaningful and consistent application of competitive principles. Current law on agency responsibility to consider competition in reaching decisions has been aptly described as a collection of rules that "are very often articulated in a variety of cases that may be difficult to understand, may be internally inconsistent, will differ from industry to industry, and will be lacking in the kind of clarity and uniformity that it is desirable to have. . . ."[12] Under existing law, virtually every agency has at some point demonstrated or been forced to demonstrate some deference to antitrust concerns in its "public interest" for "public convenience and necessity" determinations.[13] These examples fall well short, however, of providing a set of clearly articulated rules whose application has solved the problems created by the excessively vague standards in regulatory statutes.

The general balancing tests contained in Section 3(a) of S. 2625 are similar to those already utilized in previous legislation, and experience in those areas has shown that regulatory agencies and antitrust enforcers can work together successfully to implement such standards.[14] Above all, a bill like S. 2625 would help tip the balance of agency decisionmaking in favor of competition. Those proposing agency decisions with anticompetitive consequences would have the burden of showing that overriding regulatory purposes required the action and that no less intrusive alternatives exist for achieving the same goals.[15] Such a required showing would not unduly burden agencies in the pursuit of legitimate regulatory goals, but would provide a specific set of requirements that could not be disregarded as casually as, for example, a simple admonition to the agencies to consider competition where appropriate.[16]

Those who oppose the approach of S. 2625 argue that application of the proposed uniform antitrust standard to agency actions affecting competition would cause a sizable increase in litigation, regardless of the outcome of agency rulings, further aggregating the delay and uncertainty which are such criticized features of the administrative process.[17] The bill does not, however, create any new causes of action nor is it intended to bifurcate appellate review. Except where the Attorney General requested one of the specifically listed independent regulatory agencies to hold a hearing, the bill does not change administrative procedures, nor does it create standing for additional parties. We would not, therefore, anticipate any significant increase in litigation or administrative delay.

The bias in favor of competition created by S. 2625 would not, of course, go so far as to force an agency to abandon considerations not directly related to competition, such as the adequacy of health and safety standards.[18] As a practical matter the application of S. 2625 would reduce the probability that agencies would adopt entry limits, set price floors, and approve collective ratemaking agreements among the regulated firms except in those rare instances in which reliance on more competitive approaches truly would frustrate essential statutory objectives.[19] To the extent that the bill's standards and procedures limit agency discretion, such limitation is warranted by the past record of many regulators who failed to recognize the role of competition in serving the public interest. The Commission recommends enactment of a strong, uniform antitrust standard for agency decisionmaking as an important step toward channeling agency discretion in a precompetitive direction.

Some Members' Concern With the Bill

While a significant majority of the Commission favors a bill with the scope of S. 2625, as presently drafted, several members believe that environmental, health and safety regulation should be removed from the bill's ambit, arguing that the bill could unduly hinder implementation of such regulation. These members suggest that such an amendment could reduce compliance costs significantly without limiting the most important potential benefits of the bill. These members are concerned that the bill as presently drafted could be used as a delaying tactic by the subjects of such regulation, that it could be an obstacle to emergency regulation and expedited appellate review, and that the bill implies, because of the burden of proof that the bill establishes, that competitive concerns outweigh health and safety goals.

A majority of this Commission, however, is satisfied that the threshold test for applicability of the statute's requirements adequately defines the types of regulatory decisions to be covered. The bill's requirements come into play only after genuine and substantial competitive concerns are triggered. Even if competitive concerns are raised, an agency action to protect health and safety will be an overriding statutory purpose, and an agency will only be required to make a reasoned search for the least anticompetitive alternative available to accomplish such purpose. Additionally, unnecessary delay can be prevented by creative use of informal and emergency procedures already established in administrative practice.

FOOTNOTES TO CHAPTER 15

[1] *Antitrust Commission Hearings* 44–46 (July 26, 1978, morning session) (testimony of Joe Sims. Deputy Ass't Att'y Gen., Antitrust Div., Dep't of Justice).

[2] *The Competition Improvements Act of 1975: Hearings on S. 2028 Before the Subcom. on Antitrust and Monopoly of the Senate Comm. on the Judiciary,* 94th Cong., 1st Sess. 29 [hereinafter cited as *S. 2028 Hearings*] (prepared statement of Thomas E. Kauper).

[3] *See Antitrust Commission Hearings* 81 (July 26, 1978, afternoon session) (testimony of Terrence R. Murphy, member, Task Force Panel on Antitrust Immunities, Antitrust Section, American Bar Ass'n).

[4] *See* Chapter Nine *supra.*

[5] S. 2625 is an amended version of S. 2028, the Competition Improvements Act of 1976. S. 2028 was originally introduced in 1975 by Senators Kennedy and Hart. The bill was referred to the Antitrust and Monopoly Subcommittee and was favorably reported by both the Subcommittee and the full Senate Judiciary Committee in significantly amended form. *See* Senate Comm. on the Judiciary, Competition Improvements Act of 1976, S. Rep. No. 1045, 94th Cong., 2d Sess. 31 (1976) [hereinafter cited as Committee Report]. The bill was reintroduced in its amended form as S. 2625 by Senator Kennedy on March 1, 1978. S. 2625, 95th Cong., 2d Sess., 124 Cong. Rec. S2663 (1978).

[6] Committee Report, *supra* note 5, at 1–4.

[7] S. 2625, 95th Cong., 2d Sess. § 3(a), 124 Cong. Rec. S2664, (1978).

[8] The language in subsection (2) above differs slightly from the wording of the Commission's recommendation set out at the beginning of this Chapter. The bill as presently drafted requires "significant and demonstrable benefits" outweighing anticompetitive effects. We believe that the language "significant and reasonably certain" benefits in this subsection would be more clear and is consistent with the principles of the bill.

[9] *See* Committee Report, *supra* note 5, at 21–23.

[10] 390 U.S. 238, 243–46 (1968). *See* H. Cohen, The Extent to Which Federal Agencies Must Consider Antitrust Policies: An Analysis of the Potential Impact of S. 2028 (Jan. 22, 1976) (report prepared by Congressional Research Service for Sen. Philip A. Hart), *reprinted in S. 2028 Hearings, supra* note 2, at 364.

[11] Section 8(c) of the bill defines "independent regulatory agency" as the Interstate Commerce Commission, the Federal Power Commission, the Federal Communications Commission, the Civil Aeronautics Board, the Federal Maritime Commission, the Securities and Exchange Commission, and the Nuclear Regulatory Commission. *See* note 5 *supra.*

[12] *Antitrust Commission Hearings* 65 (July 26, 1978, afternoon session) (testimony of David Boies, Chief Counsel and Staff Dir., Subcomm. on Antitrust and Monopoly, Sen. Judiciary Comm.).

[13] *See, e.g.,* Gulf States Utilities Co. v. Federal Power Comm'n, 411 U.S. 747, 756–62 (1973); Federal Maritime Comm'n v. Aktiebolaget Svenska Amerika Linien, 390 U.S. 238, 243–46 (1968); United States v. Federal Communications Comm'n, -------- F.2d -------- (D.C. Cir. 1978).

[14] Committee Report, *supra* note 5, at 21–23.

[15] *Antitrust Commission Hearings* 66 (July 26, 1978, afternoon session) (testimony of David Boies).

[16] *Id.* at 85–87. *See also id.* at 92 (testimony of Edmund E. Harvey, member, Task Force Panel on Antitrust Immunities, Antitrust Section, American Bar Ass'n) (agreeing that proposal to have agencies consider competition where appropriate is unlikely to have much effect). This approach could be supplemented with an Executive Order mandating additional consideration of competitive concerns. *Cf.* Exec. Order No. 12044, 43 Fed. Reg. 12,661 (1978) (Improving Government Regulations).

[17] *See, e.g., Antitrust Commission Hearings* 69–70 (July 26, 1978, afternoon session) (testimony of Victor E. Ferrall, Jr., member, Task Force Panel on Antitrust Immunities, Antitrust Section, American Bar Ass'n); *id.* at 72–73, 88 (testimony of Edmund E. Harvey).

[18] Prepared statement of David Boies, Chief Counsel and Staff Dir., Subcomm. on Antitrust and Monopoly, Senate Judiciary Comm., to the Antitrust Commission 4 (July 26, 1978).

[19] *Antitrust Commission Hearings* 103–04 (July 26, 1978, afternoon session) (testimony of David Boies).●

By Mr. SASSER:

S. 383. A bill to amend title 5, United States Code, to extend certain benefits to former employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, and for other purposes; to the Committee on Governmental Affairs.

● Mr. SASSER. Mr. President, I am introducing today a bill to extend certain benefits to former employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act. This legislation is designed to facilitate the hiring of former employees of the Agricultural Stabilization and Conservation Service who are competitively selected for career positions in the executive branch.

I am personally very much aware of the many contributions made by the employees of the Agricultural Stabilization and Conservation Service (ASCS). The work which they do in administering specified commodity and related land use programs is absolutely vital to the country, particularly at this period of time. The Agricultural Stabilization and Conservation Service is an agency of the U.S. Department of Agriculture. The programs which they implement are developed by the President, the Congress, and the Secretary of the Department of Agriculture.

The ASCS employees perform these important functions on the county level, working directly with local farmers to implement essential Federal programs designed for voluntary production adjustment, resource protection, and price, market, and farm income stabilization. Although the Federal Government develops, finances, and provides the means for the implementation of these programs, the ASCS employees are not considered to be Federal civil service employees.

They are, however, eligible to participate in the civil service retirement system and many other Federal employee programs. In addition, as a result of the enactment of Public Law 90-367, should an ASCS employee become competively employed by the Department of Agriculture, he or she is eligible to transfer annual and sick leave, creditable service for leave and reduction-in-force preference, and the highest previous rate of pay for salary determination purposes. Furthermore, should such an employee then become employed in another Federal agency, he or she is eligible to retain all previous benefit coverage. However, in spite of these benefits, ASCS employees are not considered Federal employees and are not eligible to transfer such credit directly into other Federal agencies.

The legislation which I am introducing simply broadens the applicability of existing law (Public Law 90-367) by granting to former ASCS employees, who become employed by a Federal agency, certain benefits, such as transferring accumulated sick leave and annual leave, receiving full credit for prior service in determining the annual rate of annual leave accrual, for reduction-in-force preference, and transfer of previous rates of pay.

Hearings were held on this issue during the 95th Congress and similar legislation was passed by the Senate on August 18, 1978. However, as a result of the short amount of time remaining in the session, the House of Representatives was unable to take further action.

Mr. President, this legislation addresses an important issue for a relatively small number of people who are thoroughly dedicated public servants. The legislation simply attempts to establish some uniformity and consistency in the treatment of county committee employees who transfer into Federal agencies. I urge my colleagues to join with me in giving wholehearted support to this legislation.●

By Mr. HEFLIN:

S.J. Res. 36. A joint resolution proposing an amendment to the Constitution to prohibit appropriations for a fiscal year which would cause the total appropriations to exceed estimated receipts for such fiscal year; to the Committee on the Judiciary.

Mr. HEFLIN. Mr. President, today I am introducing a joint resolution proposing an amendment to the Constitution of the United States which would prohibit appropriations for a fiscal year which exceed estimated revenues and receipts during the same period of time.

Experience in States which have similar constitutional provisions in their State constitutions has proven that this constitutional prohibition has been effective in eliminating deficit spending. There are 40 States that have constitutional provisions that either prohibit or constrain deficit spending. Thirty-four States have absolute prohibitive provisions in their constitution concerning deficits. My State of Alabama has had such a provision since early statehood. It has worked.

The people of this Nation want to end deficit spending. The people are convinced that nothing will be done to curb runaway inflation until the Government gets its fiscal house in order.

Mr. President, one does not have to be an economist to know that Federal deficits are inflationary, and that inflation is a cause, if not the major cause, of unemployment. The greater the amount of money issued to finance the deficit, the higher the subsequent inflation. Inflation causes unemployment because it diminishes purchasing power, real profit, increases tax liabilities, and increases the cost of producing goods, thus inhibiting employment opportunities.

Deficits also have an adverse effect on interest rates which have a direct impact on all consumers, and especially those in the housing market. As inflation causes a decline in real disposable income of the people of this country, more and more we will hear the clamor for action by the Congress, especially from those like the elderly who are on fixed incomes.

As the Members of the Senate are well aware, the Constitution of the United States provides for two approaches for its amendment. One approach is the legislative route by which two-thirds of both Houses propose a constitutional amendment. The other approach has never been used, but Congress is required to call a constitutional convention when the legislatures of two-thirds of the States make an application to Congress calling for such a convention. Much has been said in recent months regarding the latter amendatory process and the scope and power of such a convention.

There is a substantial school of thought in scholarly constitutional circles that if a constitutional convention is authorized, its power to propose amendments is unlimited. It is suggested that such a constitutional convention could change any part of the Constitution and that its scope of activity is not limited to the single issue which caused the convening of such a convention. Of course, there is another school of thought that suggests that the scope of such a constitutional convention is limited to the single issue which causes its creation.

In any event, a constitutional convention can be a very dangerous approach. It is not beyond the realm of possibility that the Bill of Rights presently contained in the Constitution could be substantially changed, if not by one convention, then by a series of conventions once a precedent is established.

Mr. President, the purpose of mentioning the constitutional convention authorization procedure is to highlight the probability of serious legal controversy and its potential dangers. There can be little question that in order to achieve a constitutional change, the legislative authorization route is much more desirable.

In my judgment, unless the Congress acts within a relatively short period of time, two-thirds of the States (which amounts to 34 States) will have made application to Congress for a constitutional convention, and Congress will be forced to call such a convention. I feel that Congress should lead this Nation and that it should not be necessary for the States to provide the push for reform. The prodding, evidenced by the actions of 25 States in seeking a constitutional convention should be enough to get Congress moving.

Thus, Mr. President, I advocate that Congress bite the bullet—that we assume the leadership on this issue and approve a constitutional amendment like I have introduced today.

Mr. President, my amendment, which would prohibit deficit spending, provides an exception in the event of a national emergency, which includes, but is not limited to, a state of war formally declared by Congress. Other emergencies, such as oil boycotts or severe economic conditions might be deemed so critical as to authorize extraordinary expenditures. The amendment I propose would require action on the part of both Houses of Congress, by a vote of 55 percent of all Members in each House for a national emergency to be declared. The national emergency, if so authorized, would be limited to a period of 1 year or for a shorted period, if so designated by the Congress.

Mr. President, under my plan there would be two means by which a national emergency could be declared. First, if the President in a special message called for such a declaration, then the House of Representatives would be required to act within 30 calendar days after delivery of this special message of the President. Within 30 days after the House of Representatives made its affirmative finding, the Senate would have to act on the proposed declaration of a national emergency.

Mr. President, the second approach or means of declaration would be that a Member of either House of Congress could introduce a resolution calling for a declaration of a national emergency, and if at least 25 percent of all the Members of the originating House were to sponsor such a resolution, then that House would have to act on the declaration within 30 calendar days. If the originating House gives approval by the required 55 percent of all Members, then the other legislative body of Congress would have to act within a 30-day timeframe.

Mr. President, my proposal for a constitutional amendment is a reasonable one, one which I think can be supported by both Houses of Congress, the States, and the people of this country. It provides that 55 percent of the total membership must approve a declaration of national emergency, a percentage which is, in my judgment, reasonably difficult, yet obtainable when necessary. In addition, there is a set time in which Congress must act, and the spending restrictions will be phased in over a period of 2 fiscal years.

I have previously mentioned the anticipated dangers of a constitutional convention. The prospect of Congress being forced to authorize a constitutional convention may be much sooner than most Members realize. In a recent statement, the president of the National Conference of State Legislatures, Oregon State Senator Jason Boe, predicted that action on the part of two-thirds of the State legislatures would be forthcoming by this summer.

Mr. President, already, as I mentioned earlier, 25 States have passed convention resolutions. These States are as follows: Alabama, Arizona, Arkansas, Colorado, Delaware, Florida, Georgia, Kansas, Louisiana, Maryland, Mississippi, Nebraska, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, and Wyoming.

The legislature of another State, Nevada, passed a convention resolution, but it was vetoed by the Governor 2 years ago. The speaker of the Nevada Assembly, the Honorable Paul May, says that a valid constitutional resolution will be passed by the Nevada Legislature by the end of February. If so, then 26 States will have acted. This will mean that only 8 more States will have to act to achieve the required 34 or two-thirds of the States. It is time that the Congress of the United States realized that this is not something that will just go away. It is upon us. I urge the Senate of the United States to act on this in the near future and authorize a constitutional amendment on this issue of a balanced budget.

Mr. President, we must take our choice: the possibility of a wide-open constitutional convention on one hand, or biting the bullet and authorizing a constitutional amendment through the congressional process, on the other hand.

Mr. President, I strongly commend the latter procedure.

I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 36

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"Article —

"SECTION 1. The Congress shall make no appropriation for any fiscal year if the resulting total of appropriations for such fiscal year would exceed the total estimated receipts of the United States for such fiscal year.

"Sec. 2. (a) In case of a national emergency (including a state of war formally declared by the Congress), the provisions of section 1 may be suspended for a fiscal year, or portion thereof, by a concurrent resolution or a joint resolution, agreed to in each House by a rollcall vote by 55 percent of all Members, with such resolution providing the period of time of suspension.

"(b) A concurrent resolution referred to in subsection (a) may be recommended by the President in a special message to Congress delivered to both Houses of Congress while in session on the same date. Within thirty days after the receipt of such a special message, the House of Representatives shall complete its action on the concurrent resolution recommended by the President. Within thirty days after such concurrent resolution is agreed to by the House of Representatives, the Senate shall complete its action on such concurrent resolution.

"(c) A joint resolution referred to in subsection (a) may be introduced in either the House or Senate. If a joint resolution is sponsored by at least twenty-five percent of all Members of the House in which it originates then within thirty calendar days after the introduction of such a joint resolution, the House in which it originates shall complete its action on such joint resolution. Within thirty calendar days after such joint resolution sponsored by twenty-five percent of the Members is agreed to by the House in which it originates, the other House of Congress shall complete its action on such joint resolution.

SEC. 3. This article shall apply with respect to the second fiscal year beginning after the ratification of this article and each succeeding fiscal year.

"SEC. 4. The Congress shall have power to enforce this article by appropriate legislation."

By Mr. SASSER:

S.J. Res. 37. A joint resolution authorizing the President to proclaim May 1, 1979, "National Bicycling Day"; to the Committee on the Judiciary.

NATIONAL BICYCLING DAY

● Mr. SASSER. Mr. President, today I am introducing a resolution to authorize the President of the United States to proclaim May 1, 1979, as "National Bicycling Day," in honor of the recreational and transportation value of the bicycle.

It is estimated that there are more than 100 million bicycle users in the United States, with an approximate 91.5 million bikes in use. By comparison, there are only 114 million registered passenger automobiles in the United States, and there is evidence that the number of bicycles may soon exceed the number of automobiles.

In 1977 alone, American bicycle manufacturers produced 7.5 million bikes with an estimated value of $600 million. One of the Nation's largest bicycle plants is located in my own State of Tennessee, employing about 3,200 persons. Murray-Ohio Manufacturing Co., one of six domestic bicycle manufacturers, operates these facilities in producing the mode of transportation used by more American youngsters than any other. Additionally, the growing concern of Americans for personal fitness and energy conservation assures us that bicycle use will continue to grow.

Also, Congress has recognized the increasing role of bicycles as a viable means of transportation. The Surface Transportation Act of 1978 authorized $20 million annually for fiscal years 1979 through 1982 for grants to be used in the construction of bicycle paths and projects which enhance the safety and use of bicycles. While no funds have yet been appropriated, I am hopeful that the benefits to be derived from an additional Federal investment in bikeways will soon be realized.

Recognizing the great number of uses for a bicycle—commuting, shopping, recreation—the American bicycle industry has celebrated the month of May as American Bike Month for over 20 years. In honor of this uniquely human-powered vehicle, the bicycle, I submit this resolution calling for a National Bicycle Day on May 1.●

ADDITIONAL COSPONSORS

S. 6

At the request of Mr. LEAHY, the Senator from Missouri (Mr. DANFORTH) and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 6, a bill to amend the Agricultural Act of 1949, and for other purposes.

S. 33

At the request of Mr. ROTH, the Senator from Tennessee (Mr. BAKER), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), the Senator from South Carolina (Mr. THURMOND) and the Senator from Wyoming (Mr. WALLOP) were added as cosponsors of S. 33, to provide for permanent tax rate reductions for individuals.

S. 34

At the request of Mr. ROTH, the Senator from Tennessee (Mr. BAKER), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), the Senator from South Carolina (Mr. THURMOND), and the Senator from Wyoming (Mr. WALLOP) were added as cosponsors of S. 34, a bill entitled the "Spending Limitation Act of 1979."

S. 43

At the request of Mr. HATCH, the Senator from Kansas (Mr. DOLE), the Senator from North Carolina (Mr. HELMS), the Senator from Vermont (Mr. STAFFORD), the Senator from Colorado (Mr. ARMSTRONG), and the Senator from Maine (Mr. COHEN) were added as cosponsors of S. 43, the National Ski Patrol System Recognition Act.

S. 92

At the request of Mr. THURMOND, the Senator from Montana (Mr. MELCHER), the Senator from Hawaii (Mr. INOUYE), and the Senator from North Carolina (Mr. MORGAN) were added as cosponsors of S. 92, a bill to amend title 5, United States Code, to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 105

At the request of Mr. Wallop, the Senator from Arkansas (Mr. Bumpers), the Senator from Pennsylvania (Mr. Heinz), the Senator from Hawaii (Mr. Inouye), and the Senator from North Dakota (Mr. Young) were added as cosponsors of S. 105, the Parental Kidnaping Prevention Act of 1979.

S. 190

At the request of Mr. Kennedy, the Senator from Michigan (Mr. Levin), the Senator from Rhode Island (Mr. Pell), and the Senator from Maryland (Mr. Sarbanes) were added as cosponsors of S. 190, the Victims of Crime Act of 1979.

S. 230

At the request of Mr. Javits, the Senator from Alaska (Mr. Stevens), the Senator from North Dakota (Mr. Burdick), the Senator from South Dakota (Mr. Pressler), the Senator from South Dakota (Mr. McGovern), the Senator from Alaska (Mr. Gravel), the Senator from North Dakota (Mr. Young), the Senator from Mississippi (Mr. Cochran), and the Senator from New York (Mr. Moynihan) were added as cosponsors of S. 230, the Nurse Training Amendments of 1979.

S. 241

At the request of Mr. Thurmond, the Senator from Montana (Mr. Baucus), the Senator from Kansas (Mr. Dole), the Senator from Utah (Mr. Hatch), the Senator from Nevada (Mr. Laxalt), and the Senator from Mississippi (Mr. Cochran) were added as cosponsors of S. 241, a bill to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes.

S. 250

At the request of Mr. Thurmond, the Senator from Florida (Mr. Chiles) was added as a cosponsor of S. 250, a bill to amend chapter 41 of title 38, United States Code, to authorize the appointment of an Assistant Secretary of Labor for Veterans' Employment, and for other purposes.

S. 268

At the request of Mr. Durkin, the Senator from West Virginia (Mr. Randolph) and the Senator from Oregon (Mr. Hatfield) were added as cosponsors of S. 268, the Soft Drink Bottlers' Protection Act of 1979.

SENATE JOINT RESOLUTION 17

At the request of Mr. Roth, the Senator from Oklahoma (Mr. Boren) was added as a cosponsor of Senate Joint Resolution 17, relating to diplomatic relations with the Republic of China.

SENATE JOINT RESOLUTION 20

At the request of Mr. Zorinsky, the Senator from South Dakota (Mr. McGovern) was added as a cosponsor of Senate Joint Resolution 20, to increase the price for milk, wheat, corn, soybeans, and cotton to not less than 90 per centum of the respective parity prices thereof, and for other purposes.

SENATE JOINT RESOLUTION 20

At the request of Mr. Hollings, he was added as a cosponsor of Senate Joint Resolution 20, to increase the price for milk, wheat, corn, soybeans, and cotton to not less than 90 per centum of the respective parity prices thereof, and for other purposes.

SENATE CONCURRENT RESOLUTION 3

At the request of Mr. Hart, the Senator from Alaska (Mr. Stevens) was added as a cosponsor of Senate Concurrent Resolution 3, commending the Air Force Academy on its 25th anniversary.

SENATE RESOLUTION 60—SUBMISSION OF A RESOLUTION AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JACKSON (for himself and Mr. Hatfield) submitted the following resolution, which was referred to the Committee on Energy and Natural Resources:

S. Res. 60

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under Rule XXV of the Standing Rules of the Senate, the Committee on Energy and Natural Resources is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The expenses of the committee under this resolution shall not exceed $1,466,300, of which amount not to exceed $50,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 61—SUBMISSION OF A RESOLUTION AMENDING THE STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD submitted the following resolution:

Resolved, That the second paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by inserting at the end thereof a new paragraph as follows:

"After one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins. The amount of time specified in the preceding sentence may be increased, or decreased (but to not less than ten hours), by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn. At any time after ten hours of consideration, any remaining time may be reduced, but to not less than ten hours, by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn, and any such time thus agreed upon shall be equally divided between and controlled by the Majority and Minority Leaders or their designees. However, only one motion to reduce time and only one motion to extend time, specified above, may be made in any one calendar day."

SENATE RESOLUTION 62—SUBMISSION OF A RESOLUTION OF DISAPPROVAL OF THE FINAL RECOMMENDATIONS DESIGNATING THE BASIC ROUTE SYSTEM FOR AMTRAK

Mr. LEAHY submitted the following resolution, which was referred to the Committee on Commerce, Science, and Transportation:

S. Res. 62

Resolved, That the Senate disapproves of the final recommendations designating the basic route system for the National Railroad Passenger Corporation, submitted to the Congress by the Secretary of Transportation on January 31, 1979, pursuant to section 4(e) of the Amtrak Improvement Act of 1978.

THE DEPARTMENT OF TRANSPORTATION/ AMTRAK ROUTE STUDY

Mr. LEAHY. Mr. President, agencies of the Federal Government have been accused often of shortsighted rulings. When the Department of Transportation last month recommended the abolition of almost a half of the Nation's passenger rail system, it earned the dubious distinction of making a blind-sighted ruling. My resolution today asks that the Senate send the Department's study on the Amtrak system back to the agency so that huge bureaucracy can put some sense, logic, and even foresight into its next set of recommendations.

Less than 1 year ago, the Congress instructed DOT to recommend "an optimal intercity railroad passenger system * * *" A procedure was developed for a preliminary report, public hearings and then a final recommendation. Nowhere in these congressional deliberations was DOT told that the Congress wanted the system to meet a specific cost requirement. No dollars were discussed, no minimums, no maximums. The instruction was clear—DOT was to design the optimal system.

Somewhere along the way things got confused.

Instead of responding to this congressional instruction, DOT, in cahoots with the Office of Management and Budget, arbitrarily selected a figure, $552 million in operating subsidy, and designed a national rail passenger system within that figure. This is not only unresponsive to the congressional request, it raises serious political and legal questions as well.

Congress, not the Executive, is responsible for creating national policy. Elected officials, not anonymous bureaucrats or political appointees, were entrusted with this task, because we have a direct responsibility to the people of this Nation, our constituents. This is a basic, constitutional requirement. It is not to be ignored, bypassed, or forgotten.

However, this DOT plan represents an Executive power play designed to usurp the constitutional delegation and separation of power. Make no mistake, when DOT and OMB decided how much they would spend on an Amtrak system, they were declaring national policy. In addition, once they decided to form policy, they decide to go all the way.

Not only have these executive agencies decided how large Amtrak will be, not only have they decided which trains will run and which will not, not only have they decided how much we the Congress will spend on Amtrak next year, they are attempting to dictate a national transportation policy which will have a direct impact on our lives and the lives of our children well into the next century.

By reducing Amtrak by 43 percent, by allowing over 10,000 miles of usable track to quickly deteriorate to a stage where future use becomes economically prohibitive, by raiding Amtrak's capital account for nearly $100 million to cover labor protection costs, and by making false and empty promises to have new lines ready to replace the existing lines they have decided to terminate, DOT is attempting one of the biggest political fast shuffles I have witnessed in years.

The transportation needs of our country, although not a politically exciting project, is crucial to shaping the future. Although we know it works sort-of-sometimes, rail passenger service has never been truly tested. Every other developed country has made a commitment in time, money, and priority which puts our efforts to shame. It is clear that DOT's proposal, if it is accepted by the Congress, will eliminate rail passenger service as a major component in meeting our present and future transportation needs. That is a big decision. And I believe it is one too big for DOT to make through administrative fiat.

When Congress instructed DOT to recommend the optimal railroad passenger system, we asked that the route structure be based upon current and future market and population requirements. In addition, the Secretary of DOT was told to consider—

First, any unique characteristics and advantages of rail service as compared to other modes of transportation;

Second, the role that rail passenger service can play in helping meet the Nation's transportation needs while furthering national energy conservation efforts;

Third, the relationship of benefits of given services to the costs of providing such services, computing the costs in loss or profit per passenger mile rather than total loss or profit per route;

Fourth, the transportation needs of areas lacking adequate alternative forms of transportation; and

Fifth, frequent alternatives and the impact of such alternatives on ridership, revenues, and expenses of rail passenger service.

I have read the DOT preliminary report. I have read the contradictory final report. I do not believe the agency has fulfilled the congressional mandate.

The Department of Transportation is foisting this proposal on our country at a time when the call for cutting the budget is popular and easy. Cutting the budget is politically expedient, but not always sensible. DOT is taking advantage of this money-conscious mood and using it as a smokescreen to cripple our national passenger rail system.

By now we are also acutely aware of our responsibility to cut the budget, because our constituents demand lower taxes and inflation is fueled by Government spending. Passenger rail systems are an easy target, but will we save money in the long run if we show a quick reduction in costs now?

I would like to elaborate on three points of economy with regard to the transportation study of Amtrak.

If 43 percent of the lines are abandoned as proposed by the agency, those tracks will deteriorate rapidly and become irreparable.

The Department of Transportation recommends that a number of new lines be added, and estimates of contract costs paid to private railroads for this run as high as $100 million, and yet DOT has allocated only $10 million.

Labor contracts for existing lines set for nonrenewal contain labor protection clauses which will cost an estimated $69 million out of Amtrak capital expenditures next year alone and may total nearly $100 million within 4 years.

Besides the folly in false economics and poor policy, Mr. President, I have to admit to a personal gripe with the Transportation Department. It ignored New England in its hearing schedule, it failed to notify me or my New England colleagues of its study results, and the agency suggests that the only passenger rail system to northern and central New England be terminated. That is the Montrealer, Vermont's only passenger rail line.

I do not want to defend wanton Federal spending or unnecessary $100 million programs. However, we cannot abrogate our responsibilities while we examine our expenditures. We cannot be so shortsighted as to fail to realize that the short-term solution of a lower Federal subsidy this year, might well be saddling our children's generation with much more serious, and expensive, transportation problems in the future.

The Amtrak subsidy must also be considered against the Federal subsidies other transportation modes receive. For example, we do not know how expensive an airplane ticket would be if it included the cost of FAA air comptrollers, the cost of operating the airports themselves, and the other Federal largess which is absolutely crucial to the air industry's survival, but is never listed as a budget line subsidy item. I understand that a report on these costs for all transportation modes is being prepared and should be available in about 1 month. I, for one, will be most interested in reading that report and urge all my colleagues to do the same.

By now we are acutely aware of this Nation's need to conserve energy. Automobiles are prime consumers of petroleum products and more efficient mass transit systems become more attractive as energy reserves diminish. When then are we slashing one of the best long-distance, mass transit systems available?

No wonder we are developing inferiority complexes.

Risking the label of "parochial," I want to wander a little about the Montrealer, because the tradition of iron horses is closely ingrained in my State's history.

The Boston and Maine Railroad used to ply the track up the Connecticut Valley for years. Dairy farmers woke to the whistle and began their daily chores of milking cows and fixing fence and cutting hay and milking the herd again at day's end when the train would run by the other way. In 1966, the Interstate Commerce Commission forced the B. & M. to stop its Vermont run. The State was without passenger rail service until 1972 when the Montrealer ran the route up the Connecticut.

But that route was established only after years of work by Senator Winston Prouty and my esteemed predecessor Senator George Aiken. Vermonters will not easily lose their rail line again.

To reiterate, last year Congress asked the Transportation Department to assess the rail system and report on an optimal system. Then, OMB stepped in and set an arbitrary ceiling on the amount of money this system could use. Simply by setting this limit, OMB instructed the transportation agency to curtail by almost one-half the existing service.

Mr. President, I shall submit a resolution to disapprove of the final recommendations of the Secretary of Transportation designating the basic route system for Amtrak.

SENATE RESOLUTION 63—SUBMISSION OF A RESOLUTION TO REFER S. 379 TO THE U.S. COURT OF CLAIMS

Mr. DOMENICI submitted the following resolution, which was referred to the Committee on the Judiciary:

S. Res. 63

Resolved, That the bill (S. 379) entitled "A bill for the relief of Mrs. Ascencion M. Lujan, Noe Lujan, Sevedeo Lujan, Jr., Cordelia Lujan Long, Antonioa Lujan, Venceslao Lujan, Marta Lujan, Felix Lujan, and Tovias Lujan," now pending in the Senate, together with all the accompanying papers, is referred to the Chief Commissioner of the United States Court of Claims. The Chief Commissioner shall proceed according to the provisions of sections 1492 and 2509 of title 28, United States Code, and report back to the Senate, at the earliest practicable date, giving such findings of fact and conclusions that are sufficient to inform the Congress of the nature and character of the demand as a legal or equitable claim against the United States or a gratuity, and the amount, if any, legally or equitably due from the United States to the claimant.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Committee on Energy and Natural Resources on the nomination of Mr. Larry Edward Meierotto to be Assistant Secretary for Policy, Budget and Administration of the Department of the Interior.

The hearing is scheduled for Thursday, February 22, beginning at 9:30 a.m., in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Committee on Energy and Natural Resources, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510. For further information regarding the hearing, you may wish to contact Jessie Mackenzie of the committee staff on extension 47147.●

COMMITTEE ON VETERANS' AFFAIRS

● Mr. CRANSTON. Mr. President, I would like to announce, for the information of the Senate and the public, the schedule of the Committee on Veterans' Affairs for the month of February.

On February 20, the committee will conduct a hearing to receive the Disabled American Veterans' legislative recommendations for the 1st session of the 96th Congress from Billy O. Hightower, national commander, at 11 a.m., in room 318 of the Russell Building.

On February 22, beginning at 9 a.m., in room 318 of the Russell Building, the committee will conduct a hearing on S. 330, the proposed Veterans' Administration Adjudication Procedure and Judicial Review Act, which Senator HART and I introduced on February 1. This bill has four major purposes: To provide certain codified procedures for adjudicatory proceedings before the Veterans' Administration, to bring the VA's rulemaking activity under the Administrative Procedure Act, to provide for judicial review of certain VA decisions, and to provide for reasonable attorneys' fees for those who represent claimants before the VA and the courts. Persons interested in testifying at this hearing should contact Bill Brew, associate counsel of the committee, at 224-9126.●

COMMITTEE ON THE BUDGET

● Mr. SASSER. Mr. President, I announce that there will be a hearing of the Budget Committee on Thursday, February 15, at the Federal Building in Knoxville, Tenn., at 10 a.m. to review the findings of the General Accounting Office publication, "Electric Energy Options Hold Great Promise for the Tennessee Valley Authority."●

ADDITIONAL STATEMENTS

THE TAIWAN NOBODY MENTIONS

● Mr. PELL. Mr. President, I am concerned that amid all the words that have been shed over the need to insure the security of Taiwan, nobody seems to be concerned about the status of the native Taiwanese, who comprise over 85 percent of Taiwan's population but who share little of the political power on the island. During World War II when I was a student at the Naval School of Military Government, I was taught that the Taiwanese disliked the mainland Chinese almost as much as they disliked the Japanese and wanted to be independent.

I have always believed that the United States made a mistake in supporting Chiang Kai-shek's contention that his regime was the government of all of China. We would have been better off and truer to our professed support of the principle of self-determination if we had used our leverage with Chiang and pressed for an independent Taiwan. Almost all of the native Taiwanese are of Chinese origin, but most of them are descendents of Chinese who migrated from the mainland three centuries ago and who have developed a distinct identity.

Moreover, although the mainland exercised sovereignty over Taiwan for some two centuries prior to Taiwan's takeover by Japan in 1895, mainland control was loose, and the Taiwanese pretty much had their own way on the island.

Except for a short period from 1887 to 1895, the mainland Chinese have exercized firm control over Taiwan only since World War II. In the process they have alienated the native Taiwanese and denied them a meaningful role in running the island that they have inhabited for 12 generations.

The justification, which we went along with, for mainland control of the levers of power on Taiwan has always been that Chiang Kai-shek and his followers were the rightful rulers of China and would one day reassert their control over all of China, including Taiwan. It would have been inconsistent, therefore, if the mainlanders did not control the government on Taiwan, or so the rationale went.

Now, however, that we no longer recognize the Nationalist regime on Taiwan as the Government of China, the fiction that justified to some the rule of the mainlanders over the native Taiwanese has been stripped away. In considering the various resolutions that Senators have offered and the changes in the administration's bill that members of the Foreign Relations Committee have mentioned, I believe that the Senate should devote careful thought to how the institutional structure that we are creating to deal with the "people of Taiwan" can be utilized to promote a greater participation by the native Taiwanese majority in running the affairs of their territory.

In this connection, I would like to draw the attention of my colleagues to an excellent article written by Clayton Fritchey that appeared in the Washington Post of February 3, and I ask that it be printed in full in the RECORD.

The article follows:

TAIWAN: ANOTHER INTELLIGENCE GAP?

(By Clayton Fritchey)

We now know that U.S. intelligence on Iran was so inadequate over a long period that President Carter publicly complained it had left the administration unprepared for what happened there. But what of U.S. intelligence on Taiwan's volatile internal situation? Is our information any better?

Possibly the greatest future threat to the imperious anti-democratic Nationalist China regime that has autocratically ruled Taiwan for 30 years is not that it may be attacked by Communist China, but that it may finally be overthrown by the Taiwanese people who have been denied self-rule ever since the Kuomintang (KMT) army of the late Chiang Kai-shek forcibly took over the island after being defeated on the Chinese mainland in 1949.

Little has been heard about the growing political disaffection in Taiwan, even in the wake of the new Sino-American accord, for, as with the shah of Iran, Washington has been so intimately involved with the KMT for so long that it has not welcomed realistic assessments that might discourage continued U.S. support.

Since Carter gave notice of terminating the U.S.-Taiwan defense treaty, a bloc of legislators has rushed to Capitol Hill with various resolutions committing the United States to further involvement in Taiwan's future. It's doubtful whether any of the resolutions will ever be very effective, but before they are hastily adopted, it might be prudent to wait and see how the Taiwanese themselves adjust to recent developments.

The island is presently populated by 15 million native Taiwanese and about 2.5 million Chinese mainlanders, consisting of the KMT and its large, U.S.-equipped army, plus those who followed Chiang Kai-shek after his forces descended on the island (then known as Formosa), slaughtered the native opposition, and set up the dictatorship now headed by the generalissimo's son, Chiang Ching-kuo, who is called president.

For 30 years the great mass of Taiwanese have lived under martial law, been excluded from significant political activity and mostly been banned from the officer ranks of the repressive army. The justification for the marathon martial law has been that the island was in a state of war with the People's Republic of China, and army rule could not be dispensed with until the mainland had been reconquered.

It is hard to see how that myth can be maintained, now that the Sino-U.S. relationship has been normalized and the support of U.S military forces withdrawn from the Chiang government. The idea of Chiang's own army retaking the mainland has been reduced to absurdity.

A week after Carter formally recognized Peking, Chiang, to "avoid unrest," cancelled long-promised elections for the Taiwan National Assembly, which consists of some 1,200 members, nearly all of whom were chosen on the Chinese mainland before 1949, and who now average 70 years of age. These handpicked figures automatically do the bidding of the KMT headed by Chiang.

Cancellation of the election appears only to have whetted the demand for a democratic government. Edward Friedman, a long-time resident of Taiwan and a specialist on its politics, says:

"Had the elections taken place, the Kuomintang would have taken a beating. They were frightened. They panicked." It is "painful to realize," he adds, "that some Americans again today mistakenly confuse the vile interests of the Kuomintang with the actual interests of Taiwan's people."

Many Taiwanese, Friedman reports, are "paralyzed with fear" of the security police. Nevertheless, Kang Ninghsiang, one of the few independent candidates ever elected to the Assembly, says, "The future of Taiwan shall be determined by its people." He is fighting for new laws and new elections, since the present constitution is still based on recovery of the mainland.

Actually, the movement for an independent Taiwan has persisted all this century, even during the long Japanese occupation that lasted through World War II. If the Taiwanese eventually succeed in ousting the KMT and establishing a democratic government, they would finally be in a position to convert the island into a sovereign entity, with or without ties to the mainland.

Peking would surely find a friendly, or even neutral, Republic of Taiwan more acceptable than a KMT government, dedicated to wiping out those "communist bandits" on the mainland. If Peking can let Hong Kong go its own way, as it has for decades, why not Taiwan as well? ●

BATH IRON WORKS

● Mr. COHEN. Mr. President, over the past few years, the complaint has been heard more and more that American workers are no longer capable of producing quality products swiftly and at reasonable cost. Accusations of shoddy U.S. workmanship have been particularly common in discussions of defense-related industries.

Mr. President, I cannot speak for every State, but we in Maine have firsthand knowledge of the high quality work that workers in one defense industry in our State continue to do.

Bath Iron Works in Bath, Maine, has been building ships for the U.S. Navy for 80 years, and the management and workers at the yard take as much pride in their work today as they did in past generations.

Only recently has Bath Iron Works attracted the attention it deserves. BIW's ability to deliver first-rate ships, built on schedule and under budget, has been duly noted by such observers as George C. Wilson of the Washington Post and George Esper of the Associated Press.

Mr. President, in the hope that the example of Bath Iron Works will be reassuring and instructive, I ask that Mr. Wilson's and Mr. Esper's stories be printed in the Record.

The articles follow:

[From the Florida Times-Union and Jacksonville Journal, Jan. 1, 1979]

Bath Iron Works: On Time and at Cost, It Is a Most Unusual Shipyard

(By George Esper)

(Note.—The ironworkers at the Bath Iron Works aren't your usual lot—former college professors are among the work force. And there are other differences. For one, they build ships that are delivered to the Navy on time and for the agreed-upon price.)

Bath, Maine.—The men and women of the Bath Iron Works come from academia, from sports, from shoe and clothing factories, from hospitals, from the military, from broken homes. Sometimes they walk in off the streets.

They come here to build what the Navy calls quality ships, to deliver them ahead of schedule at a savings to the taxpayer, with no unresolved contract or technical issues and no extra cost.

That's a rarity these days when the Navy is having problems in its shipbuilding program. Deliveries are often years late and costs far above originally agreed-upon prices. While other larger shipyards have filed claims against the Navy totaling $2.5 billion, Bath is as steady as the ships it builds.

Part of the success comes from what Bath President John F. Sullivan Jr. says is good planning; a new concept of working out bugs at a land test site instead of correcting things as they go along; cost cutting technology, clear wording in contracts and close day-to-day coordination with the Navy.

The other part comes from what the Navy and Bath executives call quality construction that means reduced maintenance and increased performance, a pride of workmanship from its 4,936 workers, people like Paul Morin, Thomas Clapp and Sue Caron.

Morin punches in as the sun rises and the gray of Navy ships blends with the seductive blue of Maine's skies and the water of the Kennebec River.

A hefty, good natured man with graying hair, Morin will spend eight hours getting together material for machinists to install on the Navy's new guided missile frigates—Navy designation FFG.

Then, in the clear crispness of a Maine afternoon, the fresh, clean air invigorating, the pace slow, he'll retreat to his island home to read Greek classics, or perhaps catch lobsters.

"We've had an excellent work force here over the years," says James Harvie, Bath's marketing manager. "What we have now is careful management where a plan is laid out that will tie up all facets of the company together so that materials are available in the right place at the right time and the design is right, there are good tools and shops are laid out for efficient work effort."

Sue Caron goes all over the yard to get materials. She orders them, expedites them, keeps track of them.

On the 4 p.m. shift, Thomas Clapp, wearing leather gloves, a leather sleeve, hard hat and a welding hood over his heavy beard, begins strengthening cut steel, the material that will form Navy warships and commercial container ships for the merchant fleets.

Morin and Clapp came to the shipyard from academia. Both have doctorates and years of teaching experience. Sue Caron came from a factory where she stitched shoes.

Like all Bath workers, they were lured to the shipyard by family ties, tradition, money and the easygoing lifestyle of Maine.

Almost everyone has relatives working here. Morin's father died of a heart attack outside the gate and two uncles work there.

BIW, as it's called here, is about the only game in this town of 10,000. Its payroll was $65 million in 1978 and it spent upwards of $15 million with other businesses in Maine for supplies and services.

BIW is solid financially. For 1978, the firm anticipates record revenues and income. In the nine months ending Sept. 30, it had revenues of $158.2 million and income of $12.8 million, and there's a backlog of half a billion dollars in contracts through 1982.

BIW officials say the shipyard will deliver the 11 ships for which it has contracts for the Navy's target price of $48 million or less for each and will do it an average of seven weeks ahead of schedule at a total savings of between $20 million and $30 million.

It has already delivered two of the ships ahead of schedule.

To cut costs and improve productivity, the ships are built in very large units—modules weighing up to 200 tons—and prefitted in an assembly building then put together like building blocks by towering cranes along the building ways of the Kennebec River.

"The steel structure itself can be built in an enclosed area under controlled weather conditions," says William E. Haggett, executive vice president of BIW. "It's possible to set up support requirements like welding, electrical, air, gas, in one area and continue to use it as opposed to having to pull that all over the shipyard."

The shipyard is steeped in the tradition of the Maine work ethic, the survivor of more than 20 shipyards along the Kennebec River that folded during the transition from wooden ship construction to steel before the turn of the century.

It was operated by two families for three quarters of a century until 1967 when it became a subsidiary of what is today the Congoleum Corp., a Milwaukee based manufacturer of home furnishings.

During World War II, it built 67 destroyers, delivered at the rate of one every 17 days at peak, more destroyers than were built by the entire Japanese empire during that time.

"During the war, everybody worked here," says Paul Morin. "This has been the major industry in this area. People are dependent on it. The area goes up or down as BIW does in great part."

Morin, 45, has been at BIW for more than a year, after 15 years of teaching Greek and Latin at The Catholic University of America in Washington and a dissertation at Ohio State University on the history of Oriental religion in the Roman Empire.

"I did want to come back to Maine," he says. "I've always wanted to live here. I live on the ocean in a beautiful place. This is better living."

With the higher education market depressed, he says, there was no opportunity for him to get into teaching in this area because there is not that much demand for the classics.

A depressed market and budget cuts forced the 47-year-old Clapp out of his position as an associate professor, head of communications and director of media at the University of Maine at Presque Isle.

Clapp has been at BIW for more than a year and learned welding from scratch in the firm's apprentice program.

"I have a little camp in Brunswick," he says. "It's a place I've always loved."

Morin has five children and Clapp two. Both took pay cuts of about $5,000, but theirs is the exception.

Debi Ruby, 20, had been a nurse's aide making $2.85 an hour. She started at BIW last April shoveling steel grit in the clean-up department at $5 an hour and now makes $6.

"I have a better apartment," she says. "Nice clothes, good food. The reason I'm here is that I'm able to put some money away and next year I'm going back to school."

Thirty-year-old Sue Caron, material handler and shipfitter, was divorced eight years ago and has two children.

"I wanted to get out of the shoe shops," she says. "I needed the money. And I figured it was a challenge to work in a shipyard. I made $3.50, $4 an hour stitching shoes for a manufacturer.

"And that was pushing. And it wasn't steady. From November to March it was slack. You were lucky if you worked a day a week. With (two kids and a house, you can't really live on unemployment. So I wanted something that was more steady."

At BIW, she makes $6.18 an hour.

When 33-year-old Rick Clark's dream of playing professional baseball with the New York Yankees died from arm trouble after two years in the minor leagues, he returned to BIW to join his father, John Clark Jr., 58, who has worked in the shipyard for 39 years.

John McDermott, a 30-year-old Air Force veteran, and his Korean-born wife, Chong Sim, 32, and their two childuren left Washington for Maine. He took a job as an administrative assistant, she as a laborer, earning up to $30,000 a year between them.

Hourly wages range from $6.64 to $5.75, according to officials of Local 6, Shipbuilders Union. BIW Executive Vice President Haggett acknowledges that the hourly wages are in the lower quadrant nationally in the shipbuilding industry, but says they are among the highest in manufacturing firms in Maine.

Union officials will seek higher wages when the current contract expires next summer. There have been three strikes ranging from three to six weeks over the last nine years.

The union is also seeking a company guarantee of the 54-cent an hour cost of living differential paid to hourly employees when they are on vacation, holidays and military and jury duty. It is now deducted.

But says John Clark Jr., "The work is rewarding. When a ship goes down the river, that one is forgotten. But, I still like to get out and watch that boat disappear around the bend down there and think, 'Well, there's another one we have completed.' "

[From the Washington Post, Dec. 5, 1978]

DESTROYER BUILT ON TIME, UNDER COST

(By George C. Wilson)

BATH, MAINE.—Here on the banks of the Kennebec River, a strange thing is happening in this era of Navy ships being delivered years late and way over the original price tag.

The venerable Bath Iron Works, which started building ships for the Navy in 1890, is building a new breed of destroyer on time and under the agreed-upon price.

And, according to the shipyard's top management, Bath has no intention of filing any claims against the government for extra money—a promise that contrasts with the $2.7 billion other shipbuilders have demanded the Navy pay them for unexpected costs on their contracts.

Why Bath Iron Works is such a bright spot in an otherwise dark shipbuilding picture—including delays totaling 100 years—is a story of Mainers who like to build ships, of belated Navy reforms and of a company management determined to bite off no more than it can chew.

The end result is a new class of warships—which look like small destroyers but are called guided missile frigates with the Navy designation FFG—designed to keep the sea lanes open if war should break out.

"The best ship in 20 years," enthused Rear Adm. J. D. Bulkeley after the first of this new class, the Oliver Hazard Perry, went through her sea trials after Bath Iron Works delivered her to the Navy last December.

From a naval strategy standpoint, the Perry class marks a victory for those who argue that the time has come to build smaller, cheaper ships because no single ship—including nuclear-powered giants—can cover two places at once.

From a political standpoint, Bath's performance on these small frigates raises the question whether this yard could have avoided the delays and cost overruns which have plagued Litton's shipyard in Pascagoula, Miss., as Litton built the Navy the Spruance class of destroyers.

The Spruance contract pitted the Maine delegation in Congress against John Stennis (D-Miss.), chairman of the Senate Armed Service Committee, who helped locate the Litton yard in his home state. Litton had no experienced shipbuilding force to compare with Bath's and ran into trouble when it tried to train one.

Although comparative figures are hard to get from the Navy, the Pentagon's fiscal 1979 report on the cost of major weapons shows that each of the new 3,600-ton patrol frigates—including research and everything else—was expected to cost $152 million compared to $383.5 million for the 7,300-ton DD 963 Spruance destroyer and $938.6 million for the 9,000-ton DDG–47 Aegis anti-aircraft destroyer. (All figures are fiscal 1978 estimates.)

Here at the shipyard, Navy and company executives talk differently. They focus on how much it will cost the yard to build the bodies of new class of patrol frigates. The Navy has a target price of $48 million for this construction—not counting the cost of the engines and weapons the government will furnish—and a ceiling price of $52.6 million.

Under the latest estimates, Bath, after allowing for inflation, will deliver the 11 ships it has contracts to build for the $48 million target price or less—the first time a shipbuilder has done so well on the surface combatant in almost two decades.

Also, Bath executives insist they will deliver all 11 ships on the average of seven weeks ahead of schedule, saving the Navy between $20 million and $30 million.

The first of the new class, the Oliver Hazard Perry, was delivered to the Navy last December. The Perry is 445 feet long, carries two antisubmarine helicopters in hangars on the stern, is armed with missiles and a 76-millimeter gun, can steam at more than 30 knots with two gas-turbine engines turning the single propeller, and is highly automated so a comparatively small crew of 11 officers and 153 enlisted men can operate the ship.

Bath is building the ships in sections so workers can install everything from steel decking to light bulbs in an assembly building rather than struggle to do this in the cramped quarters of the ship after it is launched.

Although other ship yards, including Litton, now build ships in sections, Bath's ability to attract and hold high-quality workers is hard to match elsewhere in the country. The Maine yard has about 10 applicants for every opening and has only about 12 percent of its 5,000-person work force leave every year, with only about half that percentage quitting.

Robert C. Upham, a 50-year-old foreman at the Bath yard, exemplifies why so many people want to work there and stay.

"I tried California right after high school," recalled Upham in an interview here, because he thought he wanted to get into aviation. "But I got so homesick for Maine out there. I like the four seasons." So he returned to Bath, took a job as an apprentce in the same yard his father was employed and has been building ships here ever since.

"It's been a good steady job," said Upham. "I've never been laid off a minute since I lived here. And it's the best-paying job around."

Capt. Charles L. Mull, the Navy officer overseeing the patrol frigate program from an office at the Bath yard, said in an interview that "we don't have an attitude problem among the workers here. They want to do it right."

Mull added that the Navy itself has instituted a number of reforms to reduce the chances of cost overruns and delays. One such reform was building and testing the lead ship before freezing the design of the others in the class. This meant a delay of almost two years between the commissioning of the first ship, the Oliver Hazard Perry, and the start of the second one. But Navy leaders contend this "fly before you buy" approach is paying off.

Another improvement made in the Perry program was "putting everybody in bed together from the beginning" so that the designs passed muster with the Navy executives who would deploy the ships and the yards that would have to build it, Mull said.

Also, an extraordinary effort was made to test extensively on land the engines, weaponry, electronics and other gear before it was put in the ship, he continued.

John Sullivan, president of Bath Iron Works, in an interview credited the yard's ability to complete 76 percent of the first production ship, designated the FFG8, on land before launch with saving money and time.●

UNDOCUMENTED ALIENS

● Mr. KENNEDY. Mr. President, one of the more complex and important issues facing our country is the question of undocumented aliens, and the related economic, social and migration questions surrounding this issue.

Yet, despite the importance of this issue, responsible action has been made extraordinarily difficult by the many misunderstandings, misperceptions, and myths that surrounds it.

A recent column by a distinguished leader in the black community, Bayard Rustin, deals with this problem of "know-nothingism" that festers around the issue of undocumented aliens. He underscores the point that all available facts about them run directly counter to popular stereotypes.

I would like to draw the attention of the Senate to this excellent column by Bayard Rustin, and ask that it be printed in the RECORD.

The article follows:

FACTS ABOUT ILLEGAL ALIENS

(By Bayard Rustin)

In the 1850's, an ugly political organization appropriately known as the Know-Nothing Party grew in size and influence by appealing to mass hatred of foreign immigrants. According to the Know-Nothing leaders, the economic problems of America's workers and farmers had one main cause—the steady influx of Chinese coolies, European Catholics, and other such undesirables.

These groups, the nativists asserted, deprived white Americans of jobs, suppressed wages, and threatened white supremacy. To counteract the "Yellow Peril" and other alien threats, the Know-Nothings proposed mass deportations and highly restrictive immigration rules. The nativists had a simple program and a simple slogan: "Americans must rule America."

A new wave of Know-Nothingism seems to be sweeping America as we hear more and more about the economic threat from so-called illegal aliens. Of course, much of the outcry about "illegals" arises from the usual sources, organizations like the Ku Klux Klan, and other racist groups. But I find it very disturbing—indeed, very disappointing—to discover Know-Nothing sympathies even among some of the most sensitive and decent leaders of the black community. Here I have in mind those blacks who call for the virtual deportation of illegal aliens as a quick-fix remedy for chronically high black unemployment. Such an approach obscures the real issues, and simply uses illegal aliens—most of them Mexicans, blacks and Asians—as convenient scapegoats.

On the surface, any argument pointing to "illegals" as the economic enemies of black people appears to make sense. After all, we all agree that the labor force includes an enormous number of "illegals," anywhere from 3 million to 12 million people. But everyone seems to forget two important points: first "illegals" subsist as a virtual under-class in economic terms; and second, many employers have a vested interest in preserving an obsolete and highly questionable immigration system that creates "illegal aliens."

Anyone who suggests that "illegals" displace large number of black people from desirable jobs should examine the facts especially as they relate to wage rates and occupations.

By and large, "illegals" receive wages that are best described as "sub-poverty." In 1975, for instance, one of every four "illegals" earned less than $2.10 per hour; more than

65% received $2.50 per hour or less; and more than 95% earned $4.50 per hour or less. In terms of occupations, the largest group of "illegals" were concentrated in farm work, with the remainder scattered in extremely low-paying service and industrial jobs, jobs that would offer unemployed blacks scant opportunity for a decent living.

Who benefits from the existence of a large and growing pool of undocumented aliens? The answer is simple: employers in labor-intensive industries who greatly prefer defenseless, workers willing to work at low wages. "Illegals," who constantly fear deportation, fill that prescription exactly. And the economic position of black people, particularly youngsters, is threatened, more by this system of fear than by the mere presence of "illegals" who are in effect, innocent pawns in the employer's game of "divide and conquer." But by allying with "illegals" in an effort to destroy the employer's billy club—the threat of deportation—blacks can begin moving toward an effective and humane solution of the "illegal alien" problem.

As a minimal program, I believe blacks should support two proposals. First, and most important, we must call for some sort of amnesty for "illegals" presently working in the United States, especially those with long-standing attachments to the community. Such an amnesty would immediately eliminate the "under-class" of low-wage terror-stricken workers so easily exploited by some employers. Without the threat of deportation, employers will find it impossible to exact tribute from workers in the form of substandard wages and working conditions. Moreover, they will be unable to play-off Mexican workers and other "illegals" against black people.

Second, employers who repeatedly hire undocumented aliens should be prosecuted and fined. Under the present immigration laws, those who hire and recruit "illegals" face no penalties whatsoever. The only people subject to penalties are the "illegals" themselves. Justice demands that those who profit most from the "illegal alien problem" should pay the price.●

U.S. POPULATION, FEBRUARY 1, 1979

● Mr. PACKWOOD. Mr. President, I wish to report that, according to Census Bureau approximations, the total population of the United States as of Thursday, February 1, 1979, is 219,986,088. Despite the widely publicized reductions in our fertility level, this is an increase of 1,646,226 since this last day last year. It is also an increase of 109,770 in just the last month.

During the past year, therefore, we have added more than enough people to fill the city of Detroit, Mich. During the past month, in fact, we have added more than enough people to fill the city of Eugene, Oreg.●

WEST VIRGINIA HAS LOST A FRIEND IN NELSON ROCKEFELLER

● Mr. RANDOLPH. Mr. President, the death of Nelson Rockefeller has left a great void in our national life. For many years, he was deeply involved in government through his lifelong dedication to public service. He held many offices of responsibility and trust, and his contributions will affect our country for years to come.

Nelson Rockefeller lived much of his life in the public arena. He possessed boundless energy, he was enthusiastic, he was innovative and he was concerned about the welfare of our Nation. But Nelson Rockefeller was also a personal man. He was loyal to his friends and they to him. I was privileged to know Nelson Rockefeller, not just as a public figure, but as a cherished personal friend for more than 35 years. It is as such that I mourn his loss most intensely.

Nelson Rockefeller also was a helpful friend to worthwhile causes in West Virginia. His association with our State stretches back for many years. He knew people throughout the hills and he did many deeds for the benefit of our Mountaineer State. The name of "Rockefeller" was well known in West Virginia before his nephew, John D. Rockefeller IV, became our youthful and energetic Governor.

During his long and successful tenure as Governor of New York, Nelson Rockefeller was formally associated with West Virginia through his membership in the Appalachian Regional Commission. The common interests of our two States came together in this unique forum. West Virginia and New York—and the other 11 States of the region—worked together in common purpose.

It was in West Virginia that he may have articulated one of the driving forces behind his life. On January 26, 1976, as Vice President of the United States, he addressed a Bicentennial Convocation at Salem College, where he received the honorary degree of doctor of public service. At that time he said:

> Sure we have problems. But who hasn't got problems? And wouldn't life be boring if we didn't have problems?

Nelson Rockefeller devoted his life to solving problems.

Mr. President, the esteem in which he was held in West Virginia was reflected in an editorial which first appeared in the Wheeling News-Register written by its editor, Harry Hamm. This tribute was reprinted elsewhere in our State and I request that the editorial, as published in the Elkins Inter-Mountain, be printed in the Record.

The editorial follows:

We Have Lost a Statesman

Former vice president Nelson A. Rockefeller, who died of a heart attack last Friday evening, started at the top and went up from there, not quite reaching his ultimate goal of the presidency of the United States.

He began his long career in politics with a good name and great wealth and he embellished both. He was an unusually gifted leader and many observers believe that if he had been a Democrat, the White House would not have eluded his grasp.

As Governor of New York, he spent 15 years preparing for the presidency and sought to demonstrate his executive abilities in the laboratory of state government. He tried for the Republican nomination for president in 1960, 1964 and 1968, but each time he lost. But Nelson Rockefeller never really became embittered by his rejection.

He entered politics in New York as an underdog and launched what some have called a "blintz-kreig" campaign in 1958 to unseat incumbent Democrat Averell Harriman as Governor. He surprised the pundits and won election.

A large proportion of New York State's citizens had known no other chief executive when he decided to bow out in 1973, for one last try for the presidency. In a very concrete way, his inimitable personal style was a prime reason New York State functioned at all.

Rocky, as he was popularly called by many, governed the state in a manner peculiarly his own, a sort of "easy-going ruthlessness," as one commentator once described it. He was considered the master of fiscal prestidigitation, devising all manners of way to increase spending without having the impact show immediately in the budget.

He was responsible for a massive increase in state services in areas such as education, employment opportunities, health, social welfare, housing and environmental protection. In the course of that effort, the people of New York saw their taxes soar and the state budget grow from $1.8 billion to more than $8.85 billion.

His 15 years covered a time of urban turmoil and crisis in many areas of governmental concern. Although he made mistakes, still, it must be said that few men alive could have done as well as Nelson Rockefeller in responding to these challenges.

In political philosophy, Mr. Rockefeller was erratic. In 1958, for example, he was depicted as a welfare liberal, drawing heavy opposition from the GOP conservatives. But in 1970, he was seen as a conservative on most issues of the day.

Above all, Mr. Rockefeller was a pragmatist and a consummate politician. When he resigned as Governor in 1973, many doubted his statement that he did so to devote his time to heading a panel to solve the nation's problems. The political pros felt he would use the commission to launch one more bid for the presidency. But, instead he accepted the vice presidential nomination under President Ford in 1974.

In recent years, he devoted most of his time to his various philanthropic endeavors and to his art collection. He started a ruckus in the world of art collectors when he decided to market reproductions of his collection. He drew heavy criticism from the Art Dealers Association of America and certain art critics who described his decision as a "shameful venture."

Mr. Rockefeller argued that exquisite reproductions of outstanding original works of art can give comparable aesthetic pleasure and at prices within the reach of a far greater number of people.

We agreed with his point of view believing that popularization of fine art should be applauded rather than condemned. For someone who has fallen in love with a work of art, a reproduction is better than nothing.

Nelson Rockefeller's passing will be mourned by his family and millions of Americans who found him to be an outstanding citizen, a statesman and a man of courage, vision and compassion.●

RURAL ELECTRICAL COOPERATIVES CALL FOR REGULATORY REFORM

● Mr. SCHMITT. Mr. President, the people of America are calling for a reduction in the burden of Federal regulation on our society. Each day seems to bring forth some new example of regulatory excess.

A recent article which appeared on "Enchantment," a publication of the New Mexico Rural Electrification Cooperative outlines some of the cost borne by the utilities industry and ultimately by the consumer, in complying with the rules and regulations issued in abundance by a variety of Federal and State regulatory agencies. I ask that the text of this article be printed at the conclusion of my remarks.

It is time for the Congress to address the regulatory problem with a fundamental reform of the regulatory process. Such a reform must include at least two elements, First, Federal agencies and departments must examine the costs and benefits of proposed rules, second, the Congress must have responsibility to disapprove rules when they are found to be beyond the bounds of legislative intent or of rational administrative behavior.

I have proposed legislation S. 104, the Regulatory Reduction and Congressional Control Act, which would accomplish both of these aims. Much more needs to be done. The passage of this legislation will be a first step in the right direction.

The article follows:

The Rising Cost of Regulation

(By John Whitcomb)

If you believe inflation is the only reason why your electricity bills are going up, please reconsider. Granted, inflation is a major factor. Your cooperative is forced to pay more for the electricity it purchases from its power supplier for resale to you. The price of poles, wire, transformers and insulators is rising. So, too, is the cost of borrowing money to expand service within the cooperative area. The men and women who toil on line crews and in the office must receive salary hikes to allow them to keep pace with rising costs of living. Your utility, like any solid business concern, attempts to cut costs where possible and practicable, but there are a great many areas where the utility must pay the going price for the services and materials it receives.

Of course, all of us are familiar with the fuel and cost of power adjustment that appears on utility billings. This figure fluctuates according to the price your cooperative has to pay for wholesale electric power and the cost of the fuel to generate that power. When the cooperative receives the bill for this cost, it is passed through to you, the consumer. If the cooperative doesn't receive the money to pay this bill, it doesn't get the electricity. And, as a consequence, neither do you.

However, it's not only the pass-through that is escalating. The base rate you pay for your electric power will be going up steadily also. Again, inflation is a prime culprit. But, as time goes on, another factor enters the picture. It is called regulation, and it is a function of the U.S. Government. To complicate matters, the effect of inflation on the utility business is worsened by excessive government regulation. The cost of regulating the utility industry and any industry remotely connected with the operation of a utility is reaching astronomical proportions. Unfortunately, this cost is hidden from the consuming public, but utility management figures on letting the public know exactly what is happening since the consumer ultimately pays the bill.

Government regulation in the past few years has served to stifle free enterprise and growth, and, at the same time, it is expensive. Further, the feds are assuming that social ills, rather than economic ones, are in need of remedying by regulation. Note the formation in the past fews years of such agencies as the Occupational Safety and Health Administration (OSHA), the Environmental Protection Agency (EPA) and the Consumer Products Safety Commission (CPSC). Or, how about the Council on Environmental Quality (CEQ). Or those acts of Congress like the Employe Retirement Income Security Act (ERISA), the Endangered Species Act, the Hazardous Materials Transportation Act and the Toxic Substances Act to mention a few. All of these agencies require budget and staff to operate, and this translates into vast amounts of money. Tax money. Yours and mine. The Congressional acts must have manpower and more money to take effect. Again, it's our money that is used.

No one can responsibly claim he or she is against all regulation. The benefits of clean air, pure water, safe products, healthy workers and secure futures are, without question important. At issue, though, is whether or not all of this regulation is worth the price, whether the benefits justify the cost.

Consider some of the costs of regulation as estimated by economist Murray Weidenbaum, head of the Center for the Study of American Business at Washington University. Mr. Weidenbaum splits the cost into two categories: administrative and compliance. The first consists of visible federal spending on regulatory agencies. These have escalated from $745 million in 1970 to $4.8 billion this year. Compliance, the second cost, is what employers must spend to conform to the regulations. There is a multiplier effect here. Take, for example, the EPA which, in 1976, spent $416 million. Its rules forced industry to lay out nearly $8 billion.

In 1976, total administrative costs of federal regulation ran to $3 billion, but this generated compliance costs of $63 billion, equivalent to a hidden tax of $307 on every man, woman and child in the United States. That was two years ago. Costs since then have risen sharply, and estimates of administrative expenditures approaching $100 billion in 1979 probably aren't out of line. The U.S. spends almost that much on defense in one year.

You don't have to be reminded from whence springs this inexhaustible gusher of greenbacks. Taxpayers can certainly justify their uneasiness when so much of their own money is spent regulating themselves.

As has been mentioned, it's not the regulations themselves that are drawing the most critical fire. Rather, it's the extent and the often foolish and contradictory nature of them. Time Magazine's Jay Palmer, in an essay, recently pointed out some of the more silly instances of federal regulation. He explained that on construction sites, be they power plants or skyscrapers, OSHA demanded that heavy equipment must be equipped with loud back-up horns but that workers must wear heavy ear protectors to cut down on noise levels.

Time's Palmer goes on to explain that contradictions between agencies can be maddening. Earlier this year, the Department of Energy was busy pushing industrial use of domestic coal to cut oil imports. At the same time, EPA was putting the clamps on companies for polluting the air with coal smoke.

New Mexicans aren't escaping the rising cost of regulation despite their being 2,000 miles away from the source. Customers of the Public Service Company of New Mexico, which include electric cooperatives, bear the burden of the company's compliance with emission standards at coal-fired plants in the Four Corners area. Through their power bills, they pay those millions of dollars required to clean up after the generating process. The same is true of those electric cooperatives over on the east side of the state that purchase their power from Southwestern Public Service Company, Amarillo, which also burns coal. In many instances, environmental compliance costs represent up to 40 per cent of the total cost of generating electric power.

If Plains Electric Generation and Transmission Cooperative, Albuquerque, which provides wholesale electric power to 12 member distribution cooperatives, ever gets to build a much-needed coal-fired plant, chances are good environmental compliance will cost approximately half the total outlay of building the plant. Then, to operate the plant, several millions of dollars will be required in the cleaning process. A significant amount of the power generated will also be drained off to operate the equipment that scrubs the emissions from the generating process. This cuts down on efficiency, and additional personnel must be hired.

It's highly unlikely the generating utilities are against clean air. Rather, they want their consumers to know what clean air is costing them.

There's yet another facet of the utility business that comes into play when contemplating the impact of federal regulation. That's the cost of delay and having to provide voluminous amounts of documentation before starting any new phase of construction. Delaying the construction of a medium-sized power plant these days adds several thousands of dollars *a day* to the eventful total cost. This is relatively easy to figure since interest rates are going up, and inflation is driving up the cost of materials and labor. Every day's delay costs somebody a great deal of money.

Regulation is here to stay, make no mistake about it. But, that is not to say we have to accept overregulation. U.S. citizens are making clear they're reaching their limit in being taxed. Congressmen are getting about attacking inflation as President Carter seems to be, they'll busy themselves with simplifying the regulatory process when they convene in Washington in January. The savings could be tremendous to all of us.

Sensible regulation is as necessary to our society as umpires and line judges are to the Super Bowl. Better and simpler regulation—not more of it—should be the objective. Without some drastic changes and soon, the problem facing the utility companies won't be in meeting the demands of a growing populous but in the populous being able to pay for its electric power . . . providing it's available.●

A FAIR DEAL WITH MEXICO

● Mr. KENNEDY. Mr. President, the lead editorial in the New York Times for February 5 makes a careful analysis of the issues involved regarding the importation of natural gas from Mexico and suggests that the administration "should aim for a compromise that Mexicans can reasonably view as a victory." It discusses terms of a compromise which might resolve this most difficult but important question to the satisfaction of both sides. "The future of Mexican-American energy relations is too important to be left to the price hawks at the Department of Energy," the editorial concludes.

The editorial makes a useful contribution to the debate over a gas contract with Mexico and should be called to the attention of the Senate. I, therefore, request that the editorial, "Making a Deal With Mexico," might be printed in the RECORD.

The article follows:

[From the New York Times, Feb. 5, 1979]

Making a Deal With Mexico

As everyone knows by now, Mexico sits on a pool of oil and gas second only to the reserves of Saudi Arabia. Its leaders intend to raise oil production at a measured pace, selling enough crude in world markets (at world prices) to finance a long period of industrialization. What will happen to the natural gas has yet to be determined. Its sole potential foreign buyer is the United States. Last year, after months of haggling over price, the two countries broke off negotiations and the Mexican Government vowed to develop the gas for domestic use. But we doubt that will be the Mexicans' last word.

Both Governments understand the powerful arguments for exports to the United States. And if an agreement could be worked out that did not appear to compromise the Mexican Government's strong public commitment to a price of $2.60 per thousand cubic feet, Mexico would be satisfied. That is why the issue ranks high on the agenda of President Carter's talks with President Lopez Portillo later this month.

Mexico chose $2.60 because it was equivalent at the time to the price of home heating oil. Natural gas is a clean, versatile energy resource easily substitutable for the distilled oil used for home heat. Moreover, the Mexican Government proposed to cover most of the investment for a pipeline to bring the gas from wellhead to consumers. The deal was acceptable to private American pipeline companies.

But the Carter Administration objected to both the economics and the politics of the offer. The President's energy plan, then stalled in Congress, called for a maximum price on domestic gas well below $2.60. And no one wanted to explain to an already balky Congress why a premium should be paid to Mexico. Then, too, there was the problem of Canadian gas, which was selling in the United States for only $2.18. Had Mexico gotten $2.60, the Canadians would have demanded parity.

In the year since President Carter refused to initial the Mexican agreement, Congress has finally passed legislation that will eventually let domestic producers sell gas for more than $2.60. But the Canadian problem remains, and the Carter Administration is divided over how much to offer the Mexicans.

Energy Secretary James Schlesinger opposes paying much more than the value of the gas to Mexico's domestic industry—about four-fifth's the asking price. Mr. Schlesinger is plainly worried that the Mexican connection would further delay gas production in Alaska. Owing to the enormous costs of pipeline construction, Alaskan gas will never be a bargain. But it would reduce American dependence on foreign energy. A subtler view, focusing on other aspects of the Mexican energy connection, seems more farsighted. Even if Mexican gas is, strictly speaking, slightly overpriced, the gas issue should not be allowed to sour future United States negotiations with Mexico over energy.

If President Carter managed to persuade the Mexican Government to accept a lower price, the savings would not necessarily serve the national interest. The loss of face for President López Portillo would undoubtedly strengthen chauvinist political forces, making it more difficult for any Mexican leader to accommodate the United States on oil development or on increased flows of gas when circumstances demand.

The Carter Administration should aim for a compromise that Mexicans can reasonably view as a victory. We might, for example, yield to the $2.60 demand in return for an option to buy more gas in the future at the same price, or for a price formula that would become more favorable as energy prices rise in the mid-1980's. However the agreement is reached, the future of Mexican-American energy relations is too important to be left to the price hawks at the Department of Energy.●

THE PRESIDENT'S HEALTH BUDGET

● Mr. JAVITS. Mr. President, the Health and Scientific Research Subcommittee of the Human Resources Committee recently had a hearing on the implications of the President's health budget.

One of the witnesses at the hearing was the former minority counsel and staff director of the Human Resources Committee, Jay Cutler. While Mr. Cutler is presently special counsel to the American Psychiatric Association, a medical specialty society representing more than 24,000 psychiatrists nationwide, his testimony was presented solely as president of the Coalition for Health Funding. The coalition represents more than 50 national nonprofit health organizations concerned with America's health care.

I might note that the minority leader, Senator BAKER, in commenting upon Jay Cutler being awarded an honorary doctor of humane letters said that Mr. Cutler was, and I quote Senator BAKER's CONGRESSIONAL RECORD statement:

> One of this body's most distinguished former employees.

I agree. His contributions to the work of the Human Resources Committee, particularly in health care legislation, reaffirm the importance of his testimony as president of the Coalition for Health Funding.

The perceptive comments of Jay Cutler on the implications of the President's health budget, as the Congress seeks to chart a course between fiscal austerity and meeting the health needs of the American people, should be helpful to my colleagues.

I commend the testimony of Jay Cutler to the attention of my colleagues and ask that it be printed in its entirety in the RECORD.

The material follows:

IMPLICATIONS OF THE PRESIDENT'S FISCAL YEAR 1980 HEALTH BUDGET

(By Jay B. Cutler)

Mr. Chairman and Members of the U.S. Senate Health and Scientific Research Subcommittee, on behalf of the Coalition for Health Funding, I would like to express my appreciation for the opportunity to testify about the implications of the President's health budget.

My name is Jay Cutler and I am appearing as President of the Coalition for Health Funding, which is comprised of more than 50 national non-profit organizations concerned with America's health care. With me are representatives of other organizations which are also Coalition members: Constance Holleran, R.N., of the American Nurses' Association and John A. D. Cooper, M.D., of the Association of American Medical Colleges. They will address the budget impact on nursing education programs and medical education and the future of biomedical research.

I believe the Coalition's member organizations are familiar witnesses to this Subcommittee with respect to the programs for which this Subcommittee has legislative jurisdiction. However, as a group, the Coalition has only one goal: development of a comprehensive analysis of the discretionary or controllable health budget—essentially the Public Health Service Act, Rehabilitation Services and the Developmentally Disabled programs.

Since 1970 the Coalition has annually suggested comprehensive funding levels to Congress and I would like to share with you how this process occurs. Our funding recommendations are carefully developed over a three-month evaluation period. First, the members testify to a panel of the Board concerning preliminary funding levels in their areas of interest. These are justified through supportive documents. The Board then carefully considers each program individually on its merits; evaluates previous funding levels and the member's suggested increases and their purposes; analyzes program accountability; and then approves a tentative budget. The tentative budget is distributed to all members. After the President's budget is released, the Board considers all appeals and formulates a final budget which is then approved by the membership.

The Coalition publication for the 1980 budget is not yet available. However, I would like to submit for the hearing record the most recently published copy of our booklet. It is entitled "Appropriation Recommendations for Federal Health Programs FY 1979: An Alternative to the President's Proposal."

Let me assure the Subcommittee that the Coalition approached its task of responding to the President's health program funding recommendations fully aware that the President promised an austere fiscal 1980 budget. We take a back seat to no person in concern about the fight against inflation.

Yet we are concerned that the rhetoric surrounding the actual health budget dollars—to the effect that the budget demonstrates even in times of austerity a determination to meet the nation's health needs—is a tale told by budgeteers, full of sound and fury, signifying nothing.

While the words speak of adequate resources for assistance for the disadvantaged and for, and I quote: "developing a broad national health plan to meet the national needs for health," our analysis of the health budget tells us a different story. As I expect you shall soon hear from the other witnesses, the health care of the American people can not afford the proposed fiscal retreat in support of health professions education or biomedical research, the combined cutting edge of progress in health care.

The health budget not only fails to provide for reasonable growth in proven cost effective, controllable health programs but in effect—in both human and economic terms—makes severe cuts in certain carefully developed research programs, and at the same time, effectively ends certain vital health manpower training and development programs which are essential to bringing health services to those Americans most in need of health care.

We would like to express our deep appreciation to you, Mr. Chairman. Your leadership in focusing public attention on the initial tragic OMB health funding proposals, and the time and energy you and your staff have expended in seeking to change the disastrous course set by OMB for America's health care, have in great measure enabled us to say that while in some respects the President's health budget is counter productive, it is not the anticipated catastrophy for the American peoples' health care. Unfortunately, it remains a retreat from progress in health care.

There is also a sens of deja vu when one reviews the budget.

The OMB architects of this health budget—as they were for President Nixon—have many of the controllable health programs developed by this Committee to meet defined health needs of the American people on their hit list. There is nothing new in their budgetary response which would seek to end capitation for health professions education; eliminate support for nursing education; fiscally undersupport biomedical research; wipe out alcoholism and drug abuse State formula grants; and under fund CMHCs.

Nowhere does the health budget rationale indicate that an existing controllable health program is marginal or wasteful. Not a scintilla of evidence is submitted to support the conclusion that appropriations requested for discretionary programs should be held to approximately the same level as current services.

It is time to slay the mythical dragon that OMB—not this Committee nor the Congress—knows what is best for this health care of the American people. That is not true, neither in fiscal, economic, or human terms.

On one hand the President's budget proposes special Public Health Program initiatives. Unfortunately on the other hand it neglects other critically important programs. For example, funding for venereal disease control programs, rat control and lead-based paint poison prevention programs remain constant and no growth is permitted, even to keep up with inflation.

In fact with respect to the venereal disease prevention and control programs you submitted Mr. Chairman, in Senate Report 95-860, that, and I quote: "The Committee believes that the public, Government, and Congress itself are unaware of the full dimension of the venereal disease problem. Although 1,064,650 cases of venereal diseases were reported in 1977, the Center for Disease Control estimates actual incidence to number approximately ten million cases of reported, unreported, and unreportable venereal disease cases in the United States last year, 2.7 million of which were estimated in teenagers ages 15 to 19."

Nowhere does the health budget rationale rebut report after report, and study after study that have documented that these are all cost effective programs and should be expanded. Moreover, there is substantial evidence showing that there is a direct correlation in the reduction of incidence of venereal disease with increased Federal support. Furthermore, I hear no one saying the problems of our urban centers have been so vastly improved that the tragic problems of rat bites and the need for detection and treatment of lead-based paint poisoning of inner city children has diminished.

While I commend and applaud the President's mental health program initiatives and his budgetary commitment to deliver comprehensive mental health services, I am concerned about who is expected to provide the necessary care stimulated by such initiatives.

This is double troublesome: one, funding for the community mental health centers programs is proposed to be reduced by $67 million from the comparable fiscal 1979 appropriation; and second, the appropriation for training the necessary psychiatrists and other mental health professionals—psychologists, social workers, psychiatric nurses—and paraprofessionals is $3.6 million less than Congress appropriated in fiscal 1979. Yet the NIMH clinical manpower training system represents the trained professional resources vital to the mental health of our nation and is the key to providing quality mental health care to the 20-32 million Americans the President's Commission on Mental Health identified as in need of such services and to which the budget initiatives allegedly seek to respond. Without personnel such initiatives would be meaningless.

Moreover, the budget fails to include funding for CMHC services in areas where the Federal operation grant has terminated. As the Committee knows under the law, CMHCs can receive grants for nonreimbursable services such as outpatient; outreach and satellite programs to make services more accesssible; prevention and early intervention services. All of which reduce cost in the long term and obviate the need for intensive inpatient treatment. The budget ignores the need of the 20 million persons served by CMHCs is need of consultative and education grants. As a result services which have previously been available will be in jeopardy. This despite the recommendation in the Commission's report that prevention be emphasized. Also, there are 34 CMHCs in need of distress grants to provide direct services for which no other reimbursement is available. These centers serve areas totalling half million people, and about 10,000 individuals will be denied needed treatment as a result of this cutback.

While in its totality the health budget is increased, as this Committee is well aware, that is the result of uncontrollable health program costs. Lacking in great measure the ability to deal with the complex causes of such uncontrollable health costs, the OMB historically has slashed controllable health programs. OMB does not allege the controllable health programs fail to provide accountability; or fraud and abuse problems; or question fiscal program management.

OMB instead, in an arbitrary and capricious fashion, says let them die of fiscal malnutrition. It chooses to ignore the realities of inflation and prefers to leave the programs at current services—an anomaly in terms. How does a program maintain current services without the necessary funding to meet the costs of providing current services?

Also, there is a bit of fiscal sleight of hand when the budget magicians talk of establishing a single State formula grant for alcohol, drug abuse and mental health. It says $99 million would be provided directly to the States in 1980 and that such a State formula grant program would combine existing alcohol and drug abuse formula grants plus 15 percent of the State Comprehensive Health formula grant now allocated to mental health programs.

This $99 million budget prestidigitation has $11.3 million disappear for 1980 as compared to fiscal 1979 appropriations. In fiscal 1979, the appropriations for such programs were: Alcoholism formula grants, $56.8 million; Drug Abuse formula grants, $40 million; and 15 percent of State comprehensive health formula grants, $13.5 million. At the same time, budget legerdemain elects to omit consideration of whether Congress will choose to provide legislation authorizing single source formula grant funding. If Congress does not, the States, as OMB knows, could very well end up with nothing for 1980.

While all commend the $7 million increase proposed for funding migrant health centers, it should be noted that this is $179.48 per person as compared to national statistics showing the cost of health care for a family of four is $2,115 annually. Moreover, despite the increase more than two million migrant and seasonal farm workers will continue without any health care.

While all commend the budgetary fiscal commitment to preventive health, where is the budget commitment for increased funding of behavioral research to determine how we more effectively could achieve desired life style changes?

With respect to the $53 million initiative for adolescent pregnancy prevention service, are these new funding dollars or budget magic, shifting health program funding allocations, e.g., no increases proposed for family planning services.

All the evidence proves that the maternal and child health component of the Health Services Administration has developed successful cost effective programs which have drastically reduced infant mortality and have demonstrated that comprehensive preventive services can reduce hospitalization and improve the health and status of children. Programs for prevention of diseases of the newborn, testing for preventable forms of mental retardation, training of new types of health providers, counseling parents who have lost an infant by sudden infant death, establishment of special clinics for teenagers and public education of the importance of good prenatal nutrition are but a few examples of successful MCH's programs.

The budget alleges an $11 million increase but analysis shows a $17.3 slashing of maternal and child health research and training programs. Thus, the totality of the maternal and child health budget is $5.4 less in 1980 than the comparable 1979 appropriation.

I would note that much rhetoric surrounds State and Local Health Planning assistance. The budget rationale says, and I quote: "The most critical cost-containment aspect of the health planning process is the capacity of health planning agencies to understand local conditions and to devise appropriate strategic responses. There is a great need to strengthen this capacity at the State and local level." Yet such budgetary commitment toward cost-containment is a 1.3 percent increase over the 1979 budget, an effective decrease as compared to last year for "great need."

My concern is that the controllable health budget, consisting of cost effective and caring health programs—building blocks structured by the Congress for meeting national health needs for quality medical care and mental health services—through fiscal malnourishment will neither perform the health mission for which they were created nor provide a continued strong defense to combatting disease.

If this budget seeks to chart a course between the need for fiscal restraint and the needs of those least able to help themselves. I ask why a $3.5 million reduction for Developmental Disabilities program support of University Affiliated Facilities. All of these projects share the common goal of providing the trained personnel needed to serve the mentally retarded and other developmentally disabled persons—our most vulnerable citizens.

We can not pay lip service to our moral and legislative commitments (Bill of Rights Act, Section 504 of the Rehabilitation Act) to the mentally retarded and other developmentally disabled persons and economize at their expense.

If we care about the future of our nation's health I urge the Congress to return to its historic tradition of leadership and take up the cause of health.

Now Mr. Chairman, I will turn to my fellow Coalition panelist.

COALITION FOR HEALTH FUNDING MEMBERSHIP 1979

American Academy of Pediatrics.

American Association for Dental Research.

American Association of Colleges of Nursing.

American Association of Colleges of Osteopathic Medicine.

American Association of Colleges of Pharmacy.

American Association of Colleges of Podiatric Medicine.

American Association of Dental Schools.

American Association of University Affiliated Programs.

American Congress of Rehabilitation Medicine.

American Dental Hygienists' Association.

American Diabetes Association.

American Federation of State, County and Municipal Employees.

American Health Planning Association.

American Nurses' Association.

American Optometric Association.

American Psychiatric Association.

American Psychological Association.

American Public Health Association.

American Society of Allied Health Professions.

Amrican Speech and Hearing Association.

Arthritis Foundation.

Association of American Medical Colleges.

Association of American Veterinary Medical Colleges.

Association of Independent Research Institutes.

Association of New York Neighborhood Health Centers.

Association of Schools & Colleges of Optometry.

Association of Schools of Public Health.
Association of University Programs in Health Administration.
Citizens Committee for the Conquest of Cancer.
Citizens for the Treatment of High Blood Pressure.
Council of State Administrators of Vocational Rehabilitation.
Council on Social Work Education.
Cystic Fibrosis Foundation.
Endocrine Society.
Federation of American Societies for Experimental Biology.
Friends of Eye Research, Rehabilitation & Treatment.
Group Health Association of America.
Human Growth Foundation.
Medical Library Association.
Mental Health Association.
National Association of Community Health Centers.
National Association of Social Workers.
National Committee Against Mental Illness.
Naional Council of Community Mental Health Centers.
National Council on Alcoholism.
National Foundation/March of Dimes.
National Health Education Committee.
Naional League for Nursing.
National Medical Association.
National Student Nurses' Association.
Planned Parenthood Federation of America.
Society for Investigative Dermatology.
Society for Neuroscience.
United Auto Workers.●

SENATE JOINT RESOLUTION 1—DIRECT ELECTION OF PRESIDENT

● Mr. METZENBAUM. Mr. President, I rise to express once more my support for Senate Joint Resolution 1, the proposed amendment to the Constitution that would abolish the electoral college and institute a system for the direct election of the President and Vice President. As a cosponsor of this measure in the last Congress, I wish to commend my good friend and colleague, Senator BAYH, for his sustained efforts to reform our electoral system.

The electoral college is an arcane and outmoded institution. The purposes for which it was designed are no longer appropriate to our mode of Government. The framers of the Constitution did not believe that the people were qualified to elect their top leaders. As a result, they insulated the most important offices in the land by creating the intermediary structure of the electoral college.

We know too well today the dangers of a Presidency insulated from the people. The electoral system developed by the founders of this Nation was a unique and brilliant one, but it was not meant to outlive its relevance. In fact, the original electoral system lasted for only 16 years until the rise of party politics made it necessary to enact the 29th amendment.

Our Nation has evolved into a representative democracy that has benefited all of us and served as a model to the world. But our system is flawed in one overwhelming respect. Our people still do not directly elect their top leaders. This must be changed.

A blue-ribbon American Bar Association Committee, after years of careful study, has concluded that the electoral college system is "archaic, undemocratic, complex, ambiguous, indirect, and dangerous." Even so, amending the Constitution is serious business; to do so, one must make a strong case for the necessity of modification. I believe that such a case has been made.

This Nation—its people and its Constitution—have experienced unprecedented shocks in the last decade. The revelations of Watergate and related, abuses of power have punctured our deeply held belief in the inherent integrity of our Government. We have seen a President resign under the threat of impeachment. We have seen a Vice President resign, because of his alleged criminal activities. We have had our first nonelected Vice President, and our first nonelected President. That we have survived these shocks intact is a tribute to the resiliency and strength of our free institutions.

The patience of our people cannot be relied upon forever. The retention of the electoral college extends the glaring potential for mass frustration and constitutional instability.

On three separate occasions men who have lost the popular vote became President: John Quincy Adams, Rutherford B. Hayes, and Benjamin Harrison—all were quirks of our electoral system. Fortunately, there has not been a Presidential victor who lost the popular vote in nearly 90 years. Yet recently we have come far too close for comfort.

In 1960, a shift of less than two-hundredths of a percent in the popular vote would have given Richard Nixon victory in the electoral college, with John Kennedy still the popular winner. In 1968, a switch of seven-hundredths of a percent would have made Hubert Humphrey President even though more Americans preferred Richard Nixon.

Our most recent election has underlined the danger of retaining the electoral college. In my own State of Ohio, a shift of 5,559 votes would have brought Gerald Ford within two electoral votes of victory. Had 3,687 votes also switched in Hawaii, Mr. Ford would have been elected President with less than a popular majority. A shift of only one-hundredth of a percent of the 79.7 million votes cast could have plunged us into another constitutional crisis.

A related flaw and potential source of instability is the "faithless elector" problem. In many States, electors are not bound to vote for the candidate who carried their States. In the past three Presidential elections, electors have cast their votes for a candidate other than the popular victor in their State. This situation removes the election of the President even further from the people's control.

No one wants to have a President rejected by the people. There is no rationale in favor of it, and there is no excuse for its occurrence. Tradition is no defense for irrelevance. The way to insure that this does not happen is to pass Senate Joint Resolution 1. The country needs it and the people want it. Opinion polls have shown that over 80 percent of the people of this country favor direct popular election of the President.

In addition to insuring the popular election of the President, there are other advantages to abolishing the electoral college. We have accepted the egalitarian principle of "one man, one vote." Yet, under our present system, millions of votes do not count if they are cast for the loser in a particular State. A system of direct election of the President would give every vote the same weight, no matter what the size of the particular State or the choice of other people in that State.

Finally, one of the dangerous drawbacks of our present system is the power given to the House of Representatives to choose a President if no candidate receives an electoral college majority. It goes completely against the grain of the American spirit for the Presidency to be decided by a political bargaining process in the House. Had George Wallace's popular support been somewhat stronger in 1968, he could have brought the election into the House and negotiated for the candidate of his choice. No power brokers should tell us who will be President, except the ultimate power brokers—the people.

Senate Joint Resolution 1 provides a more rationale system for choosing a President in the unusual case where there is no clear victor. If no candidate receives at least 40 percent of the popular runoff between the top two choices. The people will decide as they should.

Mr. President, the need for this constitutional amendment is clear. Our democratic spirit requires it. The stability of our institutions requires it. And the people call out for it. I urge swift passage of this proposed constitutional amendment.●

PLAYING GAMES WITH SALT II

● Mr. HART. Mr. President, I would like to have printed in the RECORD an article by Walter Pincus entitled "The Soviet Strategic 'Advantage'" which appeared in the Washington Post on February 5.

The article succinctly and accurately exposes the misleading premise underlying several recent critiques of the expected SALT II agreement. Mr. Pincus points out that SALT critics have created the specter of a strategic imbalance favoring the Soviets by ignoring important elements of our own nuclear arsenal. It is essential to a sound analysis of the benefits and risks of a SALT II agreement that we do not deal in half-truths and distorted presentations about our own strategic capability.

I commend Mr. Pincus' article to all my colleagues.

THE SOVIET STRATEGIC "ADVANTAGE"

The closer we get to a new SALT II agreement, the more popular it becomes to play war games with the present and future capabilities of U.S. strategic weapons and those of the Soviet Union. Who wins these war games depends, obviously, on what's being counted in—or out. When the agreement's critics are playing, quite naturally, the Russians always win.

But that's in large part due to the fact that, in the critics' calculations, key elements in the U.S. force are conveniently forgotten or underplayed. We have seen good examples of this in two recent critical analyses of the pending SALT agreement. Or perhaps I should say one-and-a-half recent analyses, because the second fed on the first for a good part of its information.

The first was the Dec. 30, 1978 lead editorial in the prestigious Economist of London, which proposed that the period covered by SALT II "could be the beginning of seven singularly dangerous years" because of what it alleged were serious Soviet advantages over the United States.

The second was a Jan. 22, 1979 Newsweek column by George Will which, using selections from the Economist article, went on to say that Soviet weapons development since the mid-1960's had gone on unanswered by the United States.

Both of these analyses of strategic forces give the Soviets more and the United States less than each deserves.

The Economist, for example, focuses on three "large future problems" for the United States.

The first is the "large imbalance in Russia's favor described in part as ". . . by 1985 the United States will be behind Russia both in the overall total and in the most important sub-categories" of missiles. The "most striking example is 'modern large' missiles where the Russians will be allowed to keep their 308 huge 10-warhead SS18s but the Americans will have none at all."

To start from the last first, the Soviets do not now have "308 huge 10-warhead SS18s," and they probably never will.

The most recent intelligence reports indicate slightly more than 100 SS18s existed after four years of installation, and a good number of them had only one warhead. U.S. intelligence experts expected that SS18s *may* eventually take the place of all the 308 SS9s that once existed, but there is no certainty of that. And as for the warheads, two of the three versions of the SS18s have only one warhead, and though the 8–10 warhead version is expected to be the "largest number" deployed, it will be far from the only one.

The United States has never had a "modern large" missile such as the SS9 and its successor, the SS18—but that was because it chose not to build one. That choice still stands. Even the proposed MX ICBM would be "small" by these standards.

Where the Soviets went for big rockets that could deliver heavy warheads, U.S. advanced technology permitted small, more accurate warheads to be built.

As U.S. missile accuracy increases, the need for a large warhead—which always was marginal in these most powerful of weapons—diminishes to almost zero. A 350-kiloton warhead delivered on target will destroy an enemy missile silo just as well as a two megaton warhead that is 10 times larger.

The Economist then enlarged the Soviet advantage by presenting a 1985 estimate of the total amount of destructive power that could be dropped on the United States, deriving from it advantages such as "a lead of 3 to 2 in their ability to destroy protected targets."

At a time when either side, because of accuracy, would need only one or two missiles to knock out the other's missile silo, what difference will it make if they have three to do that job and we have two?

Finally The Economist points to the political advantages to the Soviets "even if these figures [on missiles] were not militarily important . . ." If American nuclear power, it says, "is seen to be getting smaller than Russia's"—thanks in part to faulty analyses such as this—"public opinion in these allies will grow more nervous . . . and nervousness could crack the alliance."

Of course, in making the United States weak, The Economist left out the one major missile area where the United States remains far ahead—total warheads.

Its numbers analysis also totally ignored the vast qualitative advantage of U.S. nuclear subs over Soviet versions and the U.S. bomber fleet armed with cruise missiles.

The second "and most dangerous place for . . . mistrust to grow" over SALT II, according to The Economist, is the fact that the treaty doesn't say anything about Soviet SS20 missiles aimed at Western Europe nor Russia's "Europe-busting (Backfire) nuclear-bombing aircraft."

The editorial also reports the SALT II three-year limitation on deployment of a ground-launched nuclear cruise missile and suggests the Soviets will successfully "bully Mr. Carter or his successor into prolonging" it.

The Economist, in its analysis of how bad the European situation looks, makes no mention of U.S. nuclear systems there that for almost 20 years have been able to strike the Soviet Union and are not limited by SALT I or SALT II—in particular U.S. and NATO allied forward-based tactical fighter planes, more than 200 of which are always on 15-minute alert at the end of runways armed with nuclear bombs.

No mention was made, either, of the U.S. aircraft carriers in the Mediterranean that have fighter-bombers that could be armed nuclear for Soviet homeland strikes. Nor did it include the U.S. Poseidon submarines assigned to the European theater whose missiles with their 10 or 14 nuclear warheads could also reach Russia.

In its handwringing over the cruise missile limitation. The Economist left out that the United States is building and testing not only a 1,500-mile cruise missile but also an extended-range Pershing missile. The new Pershing, with its 1000-mile range, would not be limited by SALT II if its production and deployment were somehow needed within the next three years.

Finally, The Economist wailed that the "biggest problem" with SALT II was that it "may leave the United States itself vulnerable to a surprise Russian attack."

Needless to say, this idea hinges on a theoretical Russian ability by the early 1980s "to destroy virtually all of America's land-based missiles in a single half-hour catclysm, while still keeping quite a lot of its own missiles in reserve, ready for a second blow."

In the first place, it would take more than two hours for the so-called Soviet first strike—time enough for any president to determine an attack had started and make a response using untouched land-based missiles.

Secondly, the United States would still have its sub-based deterrent force—a factor never once mentioned in the entire Economist editorial. Since the submarines are never mentioned, the main element of the U.S. nuclear force does not have to be dealt with.

George Will, using The Economist, and a smattering of other sources, develops a theory that since the mid-1960s, the United States "has based arms-control policy on the hope that the Soviet buildup is merely a reaction to U.S. arms, and can be restrained by unilateral U.S. restraint." The resulting American weakness, Will argues, stems from failing to match Soviet increases.

To support this thesis, Will overlooks the substantial advances in U.S. strategic weapons development that have taken place since the mid-'60s and continue to this time.

For example, he makes no mention of the American development of more than one warhead on its missiles—the so-called MIRVing which was developed in the late '60s, announced and deployed in the 1970s.

He leaves out the sharply increased accuracy of U.S. guidance systems and the decision in the early 1970s to make 300 of our land-based missiles so precise and powerful that they could knock out Soviet missiles.

Also ignored by Will is development of the Trident I long-range sub-launched missile, the highly accurate, bomber-launched cruise missiles, the development of the MX missile and the Trident II and a variety of strategic defensive systems that keep us far ahead of the Soviets.

Will accuses American liberals of being blind to Soviet weaponry; he and The Economist are playing the same game, but with the formidable U.S. force.●

GIANT ON THE PRAIRIE

● Mr. McGOVERN. Mr. President, I would like to submit to the Record an article that appeared in a recent issue of Light of Faith magazine which tells an impressive story of industrial success in my State of South Dakota. The industrialist is Art Kroetch of Philip, S. Dak., and his industry is the manufacture of the Dvorak Ironworker, a machine which is explained in the article. Although Mr. Kroetch tries to take little credit for the outstanding growth of his company, it will be clear to anyone who reads about Little Scotchman Industries that there are far too few comparable stories in small, rural towns. Besides a good product and marketing procedure, I am sure the president has a good deal to do with this unique success.

I would also urge my colleagues to review this article for the references to "fighting the bureaucracy." It is unfortunate that efforts to assist small businesses are often countered by overregulation. Mr. Kroetch makes a good point of this in his testimony regarding OSHA inspections.

Mr. President, I ask that the article "Giant on the Prairie" be printed in the Record.

The article follows:

GIANT ON THE PRAIRIE

What South Dakota town of 1500 is the site of a manufacturing plant that has grown from six employees in 1967 to over fifty employees in 1978?

What South Dakota town of 1500 manufactures a product that is sold in Europe, Australia, Mexico, and South Africa?

What South Dakota town of 1500 is the home to businessman/county commissioner/hospital and school board member who was named one of Ten Ouststanding Young Men in America by the Jaycees, and Small Businessman of the Year by the South Dakota Small Business Administration?

The town is Philip, South Dakota; the product is the Dvorak Ironworker manufactured by Little Scotchman Industries, and the businessman is Art Kroetch, company president.

Philip, South Dakota, located 85 miles east of Rapid City, looks like many small South Dakota towns, with schools, churches, and a shopping area similar to those in other midwestern communities. It has one unique feature, however, in Little Scotchman Industries, a manufacturing plant which produces a line of ironworking machines which are sold around the world. Behind Little Scotchman Industries, which has grown to be the second largest employer in Philip, is Art Kroetch, company founder and board chairman.

Someone meeting Art Kroetch for the first time might imagine him to be a typical small town businessman. It is not until Mr. Kroetch begins to explain his company and its products that the listener realizes he is far from typical. He may begin by discussing the U.S. balance of payments or a recent trade exposition which he has attended in Europe or Australia, or efforts to establish an export connection in Hong Kong. Little Scotchman is an unusual company, and Mr. Kroetch is an unusual man.

When Art Kroetch came to Philip, he started out in the salvage business. Then, as he puts it, "I happened to be in the right place at the right time. I knew Joe Dvorak—a blacksmith with a third grade education—was ready to sell the patent on a machine that he had invented, the Dvorak Ironworker. I bought the patent rights and his existing inventory, and started production here in Philip—I have three times as much money tied up in one piece of production machinery today as I did in all of my production machinery when I started—Joe made 150 of these machines; we've produced 1500, and are still making the same basic product, our model 314, with a few modifications today."

Although Art Kroetch takes no personal credit for the success of his business, it has done extremely well. In 1967, Little Scotchman employed six; today there are over fifty employees. Mr. Kroetch attributes his company's growth to a well built product which has a variety of uses in any setting from a vocational training school to a one-man ornamental iron-working shop or a large manufacturing plant. The Dvorak ironworker cuts bar iron up to seven inches wide and one-half inch thick. It can also angle cut and punch holes. All component parts of the machine except for the hydraulic pump assembly and the electric motor are manufactured at the Philip plant.

In addition to a good product, Mr. Kroetch credits Little Scotchman's growth to marketing. Both the president and the international sales manager of the company have masters degrees in international trade. Mr. Kroetch and his wife Eleanor travel to trade shows throughout the United States and abroad, where live demonstrations show the Dvorak Ironworker in action. "We are presently selling our product line in Europe, Australia, Mexico, and South Africa, and we have plans to extend to Korea, Taiwan, Hong Kong, and the Far East, perhaps Red China. He predicts that if world economic trends continue, by 1980, 25 percent of his customers will be outside the United States. "With the U.S. dollar as weak as it is," says Mr. Koretch, "foreign businesses are anxious to cash in American Dollars for goods such as our machine." Mr. Kroetch also feels that if the recessionary period which has been predicted for the United States materializes, he will have an advantage in foreign trade opportunities.

THE DVORAK IRONWORKER

The success of Little Scotchman Industries has not gone unnoticed in U.S. business circles. In 1967, he was named Small Businessman of the Year by the South Dakota Small Business Association, and was also named one of Ten Outstanding Young Men in America by the Jaycees. He is also actively involved in the community, serving as Haakon County Commissioner, school board member, and member of the board of directors of Hans P. Peterson Memorial Hospital and Nursing Home in Philip.

SPARKS FLY AS IRONWORKER IS ASSEMBLED

One of Mr. Kroetch's real interests is (as he puts it) "fighting the bureaucracy". He is devoting more of his time to meeting with state and national legislators to try and convince them that government regulations are putting a stranglehold on U.S. business, especially small business. "I was in Washington, D.C. a couple of years ago to testify before a committee holding hearings on OSHA (Occupational Safety and Hazard Act) regulations," says Mr. Kroetch, "and I was trying to convince the committee to at least notify an employer before an OSHA inspector would visit his plant." Representative Dominic Daniels told me that would be impossible. "If we did that Mr. Kroetch," he said, "everything in the plant would be in compliance with the regulations when the inspector arrived."

"But Mr. Daniels," I said, "isn't that the idea?" ●

RULES OF THE COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President in accordance with the provisions of section 133B of the Legislative Reorganization Act of 1946, as amended, I submit for printing in the RECORD the rules of the Committee on Energy and Natural Resources adopted at the committee's organization meeting on February 6, 1979:

RULES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

GENERAL RULES

Rule 1. The Standing Rules of the Senate and the provisions of the Legislative Reorganization Act of 1946, as amended by the Legislative Reorganization Act of 1970, to the extent the provisions of such Acts are applicable to the Committee on Energy and Natural Resources and as supplemented by these rules, are adopted as the rules of the Committee and its Subcommittees.

MEETINGS OF THE COMMITTEE

Rule 2. (a) The Committee shall meet on the third Wednesday of each month while the Congress is in session for the purpose of conducting business, unless, for the convenience of Members, the Chairman shall set some other day for a meeting. Additional meetings may be called by the Chairman as he may deem necessary.

(b) Business meetings of any Subcommittee may be called by the Chairman of such Subcommittee, *Provided*, That no Subcommittee meeting or hearing other than a field hearing, shall be scheduled or held concurrently with a full Committee meeting or hearing, unless a majority of the Committee concurs in such concurrent meeting or hearing.

OPEN HEARINGS AND MEETINGS

Rule 3. (a) Hearings and business meetings of the Committee or any Subcommittee shall be open to the public except when the Committee or such Subcommittee by majority vote orders a closed hearing or meeting.

(b) A transcript shall be kept of each hearing of the Committee or any Subcommittee.

(c) A transcript shall be kept of each business meeting of the Committee or any Subcommittee unless a majority of the Committee or the Subcommittee involved agrees that some other form or permanent record is preferable.

HEARING PROCEDURE

Rule 4. (a) Public notice shall be given of the date, place, and subject matter of any hearing to be held by the Committee or any Subcommittee at least one week in advance of such hearing unless the Chairman of the full Committee or the Subcommittee involved determines that the hearing is non-controversial or that special circumstances require expedited procedures and a majority of the Committee or Subcommittee involved concurs. In no case shall a hearing be conducted with less than twenty-four hours notice.

(b) Each witness who is to appear before the Committee or any Subcommittee shall file with the Committee or Subcommittee, at least 24 hours in advance of the hearing, a written statement of his or her testimony in as many copies as the Chairman of the Committee or Subcommittee prescribes.

(c) Each member shall be limited to five minutes in the questioning of any witness until such time as all Members who so desire have had an opportunity to question the witness.

(d) The Chairman and ranking Minority Member or the ranking Majority and Minority Members present at the hearing may each appoint one Committee staff member to question each witness. Such staff member may question the witness only after all Members present have completed their questioning of the witness or at such other time as the Chairman and the ranking Majority and Minority Members present may agree.

BUSINESS MEETING AGENDA

Rule 5. (a) A legislative measure or subject shall be included on the agenda of the next following business meeting of the full Committee or any Subcommittee if a written request for such inclusion has been filed with the Chairman of the Committee or Subcommittee at least one week prior to such meeting. Nothing in this rule shall be construed to limit the authority of the Chairman of the Committee or Subcommittee to include legislative measures or subjects on the Committee or Subcommittee agenda in the absence of such request.

(b) The agenda for any business meeting of the Committee or any Subcommittee shall be provided to each Member and made available to the public at least three days prior to such meeting, and no new items may be added after the agenda is so published except by the approval of a majority of the Members of the Committee or Subcommittee. The Staff Director shall promptly notify absent Members of any action taken by the Committee or any Subcommittee on matters not included on the published agenda.

QUORUMS

Rule 6. (a) Except as provided in subsections (b), (c), and (d), six Members shall constitute a quorum for the conduct of business of the Committee.

(b) No measure or matter shall be ordered reported from the Committee unless ten Members of the Committee are actually present at the time such action is taken.

(c) Except as provided in subsection (d), one-third of the Subcommittee Members shall constitute a quorum for the conduct of business of any Subcommittee.

(d) One Member shall constitute a quorum for the purpose of conducting a hearing or taking testimony on any measure or matter before the Committee or any Subcommittee.

VOTING

Rule 7. (a) A rollcall of the Members shall be taken upon the request of any Member. Any Member who does not vote on any rollcall at the time the roll is called, may vote (in person or by proxy) on that rollcall at any later time during the same business meeting.

(b) Proxy voting shall be permitted on all matters, except that proxies may not be counted for the purpose of determining the presence of a quorum. Unless further limited, a proxy shall be exercised only upon the date for which it is given and upon the items published in the agenda for that date.

(c) Each Committee report shall set forth the vote on the motion to report the measure or matter involved. Unless the Committee directs otherwise, the report will not set out any votes on amendments offered during Committee consideration. Any Member who did not vote on any rollcall shall have the opportunity to have his position recorded in the appropriate Committee record or Committee report.

(d) The Committee vote to report a measure to the Senate shall also authorize the staff of the Committee to make necessary technical and clerical corrections in the measure.

SUBCOMMITTEES

Rule 8. (a) The number of Members assigned to each Subcommittee and the division between Majority and Minority Members shall be fixed by the Chairman in consultation with the ranking Minority Member.

(b) Assignment of Members to Subcommittees shall, insofar as possible, reflect the preferences of the Members. No Member will receive assignment to a second Subcommittee until, in order of seniority, all Members of the Committee have chosen assignments to one Subcommittee, and no Member shall receive assignment to a third Subcommittee until, in order of seniority, all Members have chosen assignments to two Subcommittees.

(c) Any Member of the Committee may sit with any Subcommittee during its hearings and business meetings but shall not have the authority to vote on any matters before the Subcommittee unless he is a Member of such Subcommittee.

SWORN TESTIMONY AND FINANCIAL STATEMENTS

Rule 9. Witnesses in Committees or Subcommittee hearings may be required to give testimony under oath whenever the Chairman or ranking Minority Member of the Committee or Subcommittee deems such to be necessary. At any hearing to confirm a Presidential nomination, the testimony of the nominee and, at the request of any Member, any other witness shall be under oath. Every nominee shall submit a statement of his financial interests, including those of his spouse, his minor children, and other members of his immediate household, on a form approved by the Committee, which shall be sworn to by the nominee as to its completeness and accuracy. A statement of every nominee's financial interest shall be made public on a form approved by the Committee, unless the Committee in executive session determines that special circumstances require a full or partial exception to this rule. Members of the Committee are urged to make public a statement of their financial interests in the form required in the case of Presidential nominees under this rule.

CONFIDENTIAL TESTIMONY

Rule 10. No confidential testimony taken by or confidential material presented to the Committee or any Subcommittee, or any report of the proceedings of a closed Committee or Subcommittee hearing or business meeting, shall be made public, in whole or in part or by way of summary, unless authorized by a majority of the Members of the Committee at a business meeting called for the purpose of making such a determination.

DEFAMATORY STATEMENTS

Rule 11. Any person whose name is mentioned or who is specifically identified in, or who believes that testimony or other evidence presented at, an open Committee or Subcommittee hearing tends to defame him or otherwise adversely affect his reputation may file with the Committee for its consideration and action a sworn statement of facts relevant to such testimony or evidence.

BROADCASTING OF HEARINGS OR MEETINGS

Rule 12. Any meeting or hearing by the Committee or any Subcommittee which is open to the public may be covered in whole or in part by television broadcast, radio broadcast, or still photography. Photographers and reporters using mechanical recording, filming, or broadcasting devices shall position their equipment so as not to interfere with the seating, vision, and hearing of Members and staff on the dais or with the orderly process of the meeting or hearing.

AMENDING THE RULES

Rule 13. These rules may be amended only by vote of a majority of all the Members of the Committee in a business meeting of the Committee: *Provided*, That no vote may be taken on any proposed amendment unless such amendment is reproduced in full in the Committee agenda for such meeting at least three days in advance of such meeting.●

BUILD ON FARMERS HOME'S SUCCESS—DON'T WRECK IT

● Mr. McGOVERN. Mr. President, I have been provided with a report by the Farmers Home Administration on its past year's administration of a wide range of credit programs in farming and rural development. The report reveals some remarkable facts, all adding up to a clear reflection that Farmers Home Administration is one of the most successful systems for public service to be found in the Federal Government.

This agency is the principal arm of Government in generating an adequate supply of credit to meet the needs of family farmers; for farmers disadvantaged by natural disaster or adverse economic conditions; of rural people for housing; of rural communities for improvement of their public service facilities; and for business and industry that employs people in rural areas and smaller towns and cities.

The Farmers Home Administration farm credit service has existed for more than 40 years, operating through a nationwide pattern of county offices that are directly accessible to rural people. During the 1960's and 1970's, this locally based loan system has been put to use for many other purposes, taking on the administration of programs in rural housing, community facilities, and business and industry. As of the end of fiscal 1978, the total resources provided through this system over the years stood at nearly $59 billion.

More than $11 billion—nearly 20 percent of the alltime total—was moved through the agency last year alone. Its volume of service has doubled during the past 2 years, and is five times greater than in the fiscal year 1971—although last year the agency operated with only about 40 more full-time employees than in 1971.

A full understanding of the Farmers Home Administration's responsibilities and program delivery system is appropriate to important issues that will come before the Congress this year. There is the question of finding ways to perform essential Government services in the most efficient and economical manner, and to target services toward areas of greatest need. There is also the question of whether, in Government reorganization, the best means of serving rural people is to further develop a single-agency delivery system as represented now by Farmers Home Administration.

A few years ago, the Committee on Agriculture, Nutrition, and Forestry sent out a questionnaire to 4,000 rural business and governmental leaders regarding the performance of the Farmers Home Administration. The message came back loud and clear that rural people believe that the Farmers Home Administration is essential for furthering rural development. They said this agency is successful at what it does.

The political tinkerers who have been playing at reorganization of the Government are risking the loss of billions of dollars of essential services to rural America by shifting or breaking up this agency.

It has taken Congress nearly 45 years to make Farmers Home the vital service agency it has become. I will not stand by and watch this Agency diminished and shoved around by a lot of people who are only interested in promoting reorganization for its own sake.

I ask that the overview of Farmers Home Administration programs provided by the agency be printed in the Record.

The material follows:

OVERVIEW OF FARMERS HOME ADMINISTRATION PROGRAMS

Farmers Home Administration (FmHA), an agency of the U.S. Department of Agriculture, is now in its 44th year.

Its function is to help farmers and other rural and small town families, burdened with inadequate resources, improve their economic status and quality of life.

FmHA, in addition, assists local governments and their entities, when necessary, to finance needed facilities and services and, as needed, guarantees repayment of loans made by private lenders to non-urban business and industry, in order to help rural areas develop creatively and improve their economic base, including job opportunities.

Tools used by the agency to achieve these purposes include loans, grants, and technical assistance.

Thirty-four separate governmental programs in four general categories—farming, housing, community, and business and industry—are administered by FmHA.

Delivery of programs to recipients is accomplished through state offices and 1800 local county offices. These offices cover all rural and smalltown areas in the United States and its territories.

During fiscal year 1978 FmHA invested $11.1 billion in loans and grants to meet needs in rural America. Ninety-three percent of this investment was in the form of loans. All money for FmHA loans comes from investors who purchased governmental notes backed by the collateral which secures the loans. Table I, which follows, indicates how the $11.1 billion FmHA effort was divided and includes its relationship to the agency's over-the-years contribution to the national well-being.

TABLE I.—LOANS AND GRANTS MADE BY FARMERS HOME ADMINISTRATION IN FISCAL YEAR 1978

RELATED TO 44-YR, ALL-TIME TOTAL OF ITS LOANS AND GRANTS (1935 TO SEPT. 30, 1978)

[Dollar amounts in billions]

	All-time total 1935 to Sept. 30, 1978		Fiscal year 1978		Fiscal year 1978 percent all-time total	
	Number	Amount	Number	Amount	Number	Dollars
Farm loans	3, 429, 353	$24.6	155, 951	$5.0	4.5	20.3
Housing loans and grants	1, 341, 561	22.7	122, 581	3.8	9.1	16.7
Community loans and grants	30, 055	7.3	3, 782	1.2	12.6	16.4
Business and industry loans and grants	4, 268	2.5	1, 382	1.1	32.4	44.0
Total	4, 805, 237	57.1	283, 696	11.1	5.9	19.4
Discontinued loans and grants [1]	3, 304, 868	1.6				
Grand total	8, 110, 105	58.7				

[1] Mostly made up of rural rehabilitation loans made during the years of the late 1930's to depression-stricken farm families.

Over time Farmers Home Administration has changed from administering strictly supervised credit agricultural programs in the beginning to a multifaceted credit arm for rural development.

As recently as 1960, FmHA was concerned mostly with its original mission. At that time its annual loan volume stood at the $300 million mark.

FmHA loans and grants made in FY 71 reached the $2.4 billion level. And since that time they have more than quadrupled, climbing to the $11.1 billion record set in FY 1978.

During this seven year period, meanwhile, the number of outstanding loans serviced by the agency (caseload) more than doubled, passing one million in FY 78. Also, the number of loans and grants made annually increased from 190,623 in FY 1971 to 283,696 during the year ending 9/30/78 (see Table II below). This was accomplished with virtually no increase in the number of fulltime employees working for the agency.

TABLE II.—INDICATORS OF GROWTH IN FmHA PROGRAMS FISCAL YEAR 1971 VERSUS FISCAL YEAR 1978

[Dollar amounts in billicns]

	Fiscal year 1971		Fiscal year 1978	
	Number	Amount	Number	Amount
Loans and grants made (fiscal year)	190, 623	$2.4	283, 696	$11.1
Loans outstanding (June 30)	555, 693	7.9	1, 148, 062	27.4
Full-time employees (June 30)	7, 638		7, 675	

While it is difficult to evaluate accurately the direct contribution of FmHA's $11.1 billion FY 1978 investment in rural America, it is even more difficult to precisely assess its indirect contribution thereto.

This report will therefore deal primarily with the tangible results from '78 efforts of the agency. It will be less specific in terms of indirect results—results such as the number of jobs created or saved, the increased level of bank deposits, retail trade and tax revenues created and the resulting escalation in the tempo of the economic activity flowing out of the effort—however substantial that impact may be.

Likewise, this report will not attempt to appraise, in specific detail, the 1978 impact of Farmers Home Administration loans, grants and technical assistance on the quality of life and social well-being of the people of rural America. We know for instance that FmHA has financed 200,000 single family dwelling starts in fiscal years 1975, 1976 and 1977. And we know that these new homes have done much to reduce the disproportionate number of sub-standard homes in rural areas. We do not know how to put a value emblem on that accomplishment.

Suffice to say that FmHA programs assisted 10,058,737 rural families during the year ending on September 30, 1978. Also, if one accepts the conclusions of a study that indicates that every FmHA loan and grant dollar invested in rural areas buys $2.11 of indirect economic and social benefits, the total contribution of the agency's $11.1 billion direct effort would be $23.4 billion plus the $11.1 billion for a total of $34.5 billion in benefits.

See Appendix A for a complete tabulation of loans and grants made by FmHA during FY 1978.

FARM PROGRAMS

Farm loan programs, administered by FmHA, are used to assist qualified farm families unable to satisfy credit needs elsewhere to:

Get into and be successful in agriculture,

Become farm owners,

Obtain enough operating capital to finance required inputs to achieve optimum practical output from crops and livestock and to farm on a scale sufficient to achieve and sustain efficient production and marketing,

Weather economic emergencies and natural disasters so as to bring production and income back to normal,

Conserve soil, water and other resources,

Curb pollution,

Join with others to achieve collective benefits, and

Provide outside income to supplement farm income.

In a broader sense, FmHA uses its supervised farm loan programs to:

Preserve and enhance the family farm,

Improve farm family income and quality of life,

Help recipients contribute more to the nation's economic, social and aesthetic well-being by encouraging and assisting them to participate in a system of agriculture unequaled elsewhere, create and preserve an acceptable rural environment and add to the traditional stability, the tax base and economic tempo that farmers bring to today's society.

Now that America's agriculture has evolved into a capital intensive industry, Farmers Home Administration, as a lender of last resort, is becoming increasingly involved in helping qualified families get into, stay in and succeed in farming.

During FY 1978, for instance, the agency invested more than twice as much money as ever before—$4,995,861,810—in its farm loan programs.

The sharpest FY '78 loan gains compared to FY 1977 were in three loan areas, namely operating loans—$780.6 million, up from $542.3 million; farm ownership loans—$550.8 million vs. $451.2 million; and emergency loans—$3.4 billion compared to $1.2 billion.

More than one U.S. farm in eleven—roughly 259,000 farms—are currently operated by owners because of FmHA's over-the-years farm ownership loan program.

On January 1, 1978, FmHA held nearly 6% of the total U.S. farm real estate debt and an equal proportion of the non-real-estate debt—the latter being up from the usual three to four percent because of the relatively high level of emergency loans made in FY 1977.

The proportion of the total U.S. farm real estate debt held by FmHA on January 1, 1978, however, varies significantly by states, ranging from a high of 42 percent in Maine to a low of 2 percent in Florida.

MAJOR ACCOMPLISHMENTS BY PROGRAMS

Farm ownership loan program

Farmers Home Administration contributed significantly to farm ownership by young farm families and others during FY 1978 as in previous years through its farm ownership (FO) loan program.

A total of 12,015 FO loans were made by the agency during FY 1978—9,384 initial loans and 2,631 loans to existing FO borrowers.

Initial FO loans made this year brings the total number of U.S. farms operated by owners because of the agency's farm loan program to near the 260,000 mark—just short of one U.S. farm out of each ten.

Existing FO borrowers came back to FmHA for additional loans to expand acreage, make permanent improvements, finance non-farm enterprises and refinance debts.

FO loans made by FmHA during the fiscal year totalled $474,266,230—an all-time record annual high.

In addition, private lenders loaned FmHA an additional $175 million [1] by participating with the agency in financing FO real estate loans, bringing the total level of those loans in FY '78 to $950 million.

The average age of FO borrowers is 37 years as compared to an average age of all farmers of 49 years.

Other miscellaneous FO-related loans in FY 1978, included:

3,439 individual soil and water loans totalling $53.3 million

4 grazing association loans adding up to $3.6 million

7 irrigation or drainage loans totalling $440,700 and

8 loans adding up to $10 million to finance Indian lands.

The fact that today's average U.S. farmer has real estate assets in excess of $196,000—up from $73,000 in 1970—indicates how difficult it is for young farm families and others short on resources to finance farm ownership.

Farm operating loan program

As America's agriculture became more capital intensive, more operators, low on net assets, found it necessary to come to Farmers Home Administration for operating capital.

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[1] This figure is estimated and is based on FY 1977 FO loan participation by private lenders.

Annual production expenses per farm are currently averaging better than $35,000. The average U.S. farmer has invested about $56,000 in machinery and other non-real-estate assets, up from $25,800 in 1970.

FmHA farm operating loans have crept up annually from $275 million in FY 1971 to $780.6 million in FY 1978. The number of these loans made annually, however, has not changed materially during those years, ranging mostly between 40,000 and 50,000 loans per year.

This year (FY '78) 49,414 FmHA farm operating loans were made. Of these loans, 22,176 were initial loans averaging $21,000 each. This average figure has increased almost $4000 since 1976.

In FY 1978, 1381 FmHA farm operating loans were "youth loans" going to rural young people for projects supervised by 4-H advisors, FFA teachers and others.

Emergency loans

Three types of emergency loans were made by Farmers Home Administration in FY 1978:

1. Emergency (EM) loans (direct and guaranteed).—89,119 EM loans were made in FY 1978. These loans totaled $3.4 billion—an all-time annual high, being over twice the level of the previous top year, 1977. EM loans are made to assist eligible farm operators, hard hit by natural disasters, overcome losses and setbacks, regain assets and production and remain in farming.

2. Emergency livestock loans (EL) (guaranteed).—FmHA guaranteed payment of principal and interest, up to 90 percent, of emergency livestock loans made by private lenders to 451 farmers and ranchers. These loans totaled $75.1 million. They were made to bona fide livestock operators to help them overcome severe temporary economic setbacks.

3. Economic emergency loans (EE) (direct and guaranteed).—This new loan program was signed into law by President Carter on August 4, 1978. It is designed to help farmers and ranchers facing economic hardships and disaster, from the impact of the cost/price squeeze, weather the crisis. The agency may either make such loans or guarantee those made by a private lender, provided, of course, that the applicant is unable to get the money from a regular private lender without the guarantee. This is a temporary program, authorized through May 15, 1980. FmHA may carry as much as $4 billion of EE credit outstanding at any one time. The agency made 1463 such loans totaling $108.3 million in the closing weeks of FY 1978.

RURAL HOUSING PROGRAMS

The investment made by Farmers Home Administration in improved rural housing for low and moderate income families has escalated sharply in recent years as:

The cost of homes increased faster than family income, reducing disproportionately the "affordability" of home ownership for low income Americans.

The long and massive outmigration of country people to urban centers was reversed creating new demands beginning in the early 1970's, for housing in rural and smalltown areas. The population of non-SMSA areas increased almost 4 million people between 1970 and 1975.

Rural households increasingly used FmHA loans to modernize and improve the disproportionate share of the nation's substandard homes located in non-metro areas—substandard occupied non-metro housing units have been reduced from 3 million in 1970 to 2 million today.

Private lenders such as country banks and savings and loan associations often shun home loans in rural areas. Also HUD and VA concentrated their home loan efforts mostly at urban areas.

FmHA is currently financing:

One out of every five *new* homes currently under construction in non-metro areas, and

One out of every 22 *new* homes currently being built in the nation. (assumes 2 million housing unit starts)

Over time (1949 through 9/30/78) the agency has financed-construction or purchase of close to 746,000 *new* single family homes and around 163,000 apartment units, making a total of 909,000 new home units.

With something like 23 million housing units (1975) located in non-metro areas, new units financed by FmHA account for approximately one unit out of every 25 in rural America.

Add to the above units the existing homes FmHA has financed since 1949, (all of which have met minimum property standards) and one can begin to understand the contribution FmHA has made in helping families improve their health, safety and quality of life conditions in rural areas.

FmHA has made an investment in America's strength, through its housing programs because:

National policy specifies that all Americans should live in a decent home

Good housing strengthens family life, and

Home owners generally make better citizens.

Major FmHA housing programs provide loans so that families in the lower income bracket, who cannot qualify for conventional credit, may own a home of their own. These loans are repaid, with interest. Other agency programs provide low cost rental housing (apartments) for families and elderly people in rural areas, loans to repair and improve existing homes, farm labor housing and self-help construction of homes. Grants, interest credits and rent supplements are also available to people displaying grave need.

In fiscal 1978, FmHA made nearly 117,382 loans totaling $2.7 billion low and average income families for home ownership or improvement. In addition the agency financed, with loans totaling $676 million, 1,451 multi-family apartment (rural rental) projects in rural towns. These projects brought modern housing to more than 20,000 elderly or low income families.

FmHA's total housing investment in FY 1978 amounted to $3.8 billion including loans, grants and rural rental assistance—up from $3.1 billion in FY 1977.

Major accomplishments by program

Homeownership; Section 502: During FY 1978, 112,500 families, averaging 3.4 persons, used FmHA loans to build, buy or improve a home—their residence.

The average loan was $25,066 (1977 figure) and the average home built contained 1,057 square feet of living space. And approximately 60 percent of these borrowers had incomes low enough to qualify for an interest credit, which reduced their interest rate to an average of 2.9 percent.

The on site labor involved in building the new FmHA financed apartments and homes in FY 1978 provided 27,410 jobs in rural areas (excluding jobs created in the production and distribution of the materials, equipment and supplies used).

Very-low income home repair loans; section 504

These loans are made to families who cannot qualify for section 502 loans. One purpose of the loans is to help families remove health and safety hazards. Loans go for insulation and weatherization, roof replacement or repair, and installation of indoor bathrooms, running water and other needed repairs. Nearly 5,000 families received such loans during the year—these loans totaling just under $12 million. The interest rate on these loans was one percent and the average loan totaled $2,400. Grants are available for those over 65 years of age who need "504" loans but are unable to afford them.

Three thousand six hundred nine such grants totaling $9 million were made during the fiscal year.

Rentals; Section 515: Rural rental loans are made to individuals, trusts, cooperatives, public, private and non-profit corporations and public agencies to build rental apartments for low income people and senior citizens. In fiscal year 1978, 1,466 of these apartment complexes were financed providing good housing for about 29,000 families.

Other FmHA housing programs

During FY 1978, 75 labor housing loans totaling $10 million and 11 labor housing grants equalling $7.75 million, were made. These loans and grants were made primarily to help provide improved housing to migrant farm workers.

Thirty self-help rural housing assistance grants were made during the year to provide needed assistance to groups of families who had joined together to assist each other build their own homes. These grants totaled $3.6 million.

Eight rural housing site loans were made in the total amount of $2.9 million.

COMMUNITY PROGRAMS

Farmers Home Administration made its first investment in non-farm rural community development following passage of the Water Facilities Act of 1937.

Since that time, particularly since the early 1960's, its authorities and responsibilities to encourage and assist rural and small-town areas to develop have been materially expanded.

Today, as a result, FmHA is a major financial force in helping these areas achieve development. During fiscal 1978, for instance, the agency's loans and grants for community and job-producing business and industry purposes (excluding farm and housing programs) exceeded $2.3 billion.

The Congress has increasingly used FmHA to help the nation achieve balanced growth. The present attitude of the Congress is summed up in this policy language adopted as part of the Agricultural Act of 1970: "The Congress commits itself to a sound balance between urban and rural people . . . the Congress considers this balance so essential to the peace, prosperity and welfare of all citizens that the highest priority must be given to the revitalization and development of rural areas."

Many rural areas, weakened by the loss of human and financial resources associated with the long out-migration of millions of their people to urban centers, are now hit by heavy demands for additional facilities and services. These demands in part are an outgrowth of the rural turnaround which has brought, since 1970, a large net-inmigration of urban people into non-metro areas.

The Bureau of the Census reports that 6.2 million people—one person in eight (five years old and older)—in non-metro areas in 1975 has moved there from a metro area since 1970.

Without FmHA assistance, many communities do not have the ability to sell bonds or otherwise finance health, sanitary, educational, transportation, police, fire, business and other needed facilities and associated services.

The problems faced by these communities in financing community improvements grow out of these conditions:

Small governmental entities have difficulty selling bonds. They often have not established a credit rating. And bond buyers are usually uninterested in small bond issues.

Country banks as a rule are not equipped to make large, long-term loans.

Rural and smalltown people often cannot afford to pay the full cost of EPA mandated or other sewer and/or water systems and some other community facilities. Per capita income in rural areas is considerably below that of urban centers. A greater proportion of their people live below the poverty line. The per capita cost of some of those facilities exceeds that of urban areas.

Major accomplishments by program

Water and Waste Disposal Loans: During the year ending September 30, 1978, FmHA made 1,702 water and waste disposal loans totalling $750 million. This brought the total of such loans made by the agency since its beginning to that date to 18,324. These loans total $4.87 billion. Outstanding loans in this FmHA category now total $2.8 billion.

Over time, of course, more than one loan has been made to many borrowers. Hence the total number of water or waste disposal systems or combinations for which FmHA has provided financing for installing, expanding or modernizing is estimated to be 11,398.

This is the largest effort in history to provide rural people with area-wide safe running water, and to take raw sewage from smalltowns out of streams and lakes.

Water and Waste Disposal Grants: These grants are used when necessary to lower FmHA sewer and/or water system loans to a point that will enable users to pay back the loan over time without being subjected to monthly bills that are beyond their ability to pay. These grants may go up to 75 percent of the cost of the system. They are based on a formula to bring user costs to a reasonable level.

In the fiscal year 1968, 1,464 such grants totalling $304 million were made, bringing the total number of these grants issued during the life of the agency to 8,403 ($1.3 billion).

Community Facility Loans: The Rural Development Act of 1972 expanded FmHA's community programs to include any needed rural or smalltown community facility. Prior to that legislation, the agency's community efforts were restricted to water and waste disposal loans and grants. Since the act was passed 1,775 loans totaling $950 million were made.

During fiscal year 1978 FmHA financed many types of community facilities. Those facilities, when construction and installations are completed, will serve more than 6.5 million people. A substantial portion of the facilities fall in the health category—71 hospitals, 37 nursing homes, 22 clinics and four other medical facilities.

The largest number of 1978 community loans—167—went to public safety, mostly fire stations and fire fighting equipment. Another large number of loans—132—went for public service facilities, such as town halls, community centers, libraries, recreational areas and equipment and streets, bridges and parking lots.

Business and Industry Loans Guaranteed by FmHA: Adding to the local economic base and creating and preserving local jobs is a mainspring of rural development. Because non-farm jobs in rural areas are currently increasing twice as fast as job opportunities in metro areas, it is possible for many local people (as well as new residents) to find employment locally—instead of having to pull up roots and move to distant cities. One-eighth of all U.S. rural jobs in 1975 did not exist in 1970.

Farmers Home Administration helps to expand the economic base of local communities and to create and preserve rural jobs by guaranteeing job-related business and industry loans made by local private lenders.

During the life of this program, begun in 1974, FmHA has guaranteed 3,397 "B and I" loans. These loans total $2.34 billion. In fiscal year 1978, 1,213 of these loans amounting to $1 billion were made.

Other FmHA community programs

Industrial Development grants are made, when needed, to help local governments provide facilities or services needed by business to locate or expand within their boundaries. FmHA has made 871 of these loans totalling $59 million from the date of first authorization through September 30, 1978.

Watershed and flood prevention loans are sometimes made by the agency to help municipal organizations and various types of special districts finance their share of watershed project costs. Over the period which ended September 30, 1978, FmHA made 457 of these loans totalling $140 million.

Resource, conservation and development (RC&D) loans, made by FmHA are designed to help local organizations (public agencies and non-profit corporations in designated RC&D areas) finance development, conservation and utilization of area resources wisely. Since the beginning of this program to the end of fiscal year 1978, the agency has made 247 of these loans totaling $21 million.

Beginning in fiscal year 1978, Farmers Home Administration started making rural development planning grants to governmental entities or non-profit planning groups. By the end of fiscal year 1978, 145 of these grants for $5 million had been made.

FARMERS HOME ADMINISTRATION FACTSHEET—FISCAL YEAR 1978

Did you know that FmHA—

Provided $11.1 billion of financing for agriculture, community facilities, housing and business and industrial development. This dollar volume exceeded the FY 1977 total by $3.9 billion.

Financed more than 120,000 individual homes and 1,466 multi-family rental housing projects, many designed especially for senior citizens.

Introduced an FmHA rental assistance program to provide rent for low-income families in rural apartments built with FmHA loans.

Farm loans totaled nearly $5 billion, doubling the previous record year.

Made 65,000 loans to family-size farmers for ownership, operating and other farm purposes.

Made nearly 90,000 emergency loans to restore farm operations disrupted by natural disatser.

Launched a $4 million economic emergency loan program to refinance farmers adversely affected by economic conditions.

Guaranteed 451 emergency livestock credit act loans made by commercial lenders, totaling $75 million.

Made loans totaling $750 million and grants of $304 million for some 2,000 water and waste disposal projects in rural areas.

Approved nearly 450 loans totaling $250 million for other types of community facility projects, including hospitals, medical centers, nursing homes, fire stations and equipment, emergency rescue equipment, recreation centers, community buildings, and others.

Did you know that FmHA—

Guaranteed $1 billion of business and industrial development loans made by private lenders, and made $10 million of grants to improve rural industrial sites.

B & I loans created or preserved about 100,000 jobs in rural areas.

Administers loans and grants through 46 state, 242 districts and 1,853 county offices serving the 50 states, Pueto Rico, Vigin Islands and Pacific island territories.

Is restructuring service delivery to make county offices responsible only for individual farm and housing loans while district offices handle group and community project loans and grants.

Has made more than 8 million loans and grants totaling $49.76 billion during its 43-year history.

Now carries 1¼ million active loan accounts totaling $30 billion.

Had to write off as uncollectable only about 1 percent of advances in all programs in FY 1978.

APPENDIX A

FARMERS HOME ADMINISTRATION—U.S. DEPARTMENT OF AGRICULTURE

LOANS AND GRANTS BY PROGRAM—FISCAL YEAR 1978

	Number of loans or grants	Amount
Farmer programs:		
Farm operating loans	49, 414	$780, 627, 800
Farm ownership loans	12, 015	550, 846, 500
Recreation loans (individual)	31	1, 504, 230
Emergency loans	89, 119	3, 411, 808, 200
Economic emergency loans	1, 463	108, 295, 180
Grazing association loans	4	3, 649, 200
Soil and water loans (individual)	3, 439	53, 552, 980
Irrigation and drainage loans	7	440, 700
Indian land acquisition loans	8	10, 000, 000
Emergency livestock loans	451	75, 137, 020
Farmer programs, total	155, 951	4, 995, 861, 810
Rural housing programs:		
Low-moderate income housing loans	112, 559	2, 691, 300, 930
Very low income repair loans	4, 823	11, 941, 510
Very low income repair grants	3, 609	9, 000, 080
Rural rental housing loans	1, 466	675, 944, 550
Rental assistance program		348, 843, 295
Rental housing (17,996 units)		312, 359, 388
Labor housing (2,004 units)		36, 483, 907
Farm labor housing loans	75	9, 998, 390
Farm labor housing grants	11	7, 750, 000
Site loans	8	2, 923, 730
Self-help housing grants	30	3, 645, 920
Housing programs, total	122, 581	3, 761, 348, 405
Community programs:		
Water and waste disposal loans	1, 702	749, 995, 800
Water and waste disposal grants	1, 464	303, 909, 660
Community facility loans	447	249, 997, 000
Industrial development grants	169	10, 000, 000
Business and industrial loans	1, 213	999, 978, 030
Watershed and flood prevention loans	19	11, 691, 600
Resource conservation and development loans	5	1, 137, 000
Rural development planning grants	145	5, 000, 000
Community programs, total	5, 164	2, 331, 709, 090
FmHA program totals:		
Loans	278, 268	10, 400, 770, 350
Grants	5, 428	688, 148, 955
Total, FmHA program	283, 696	11, 088, 919, 305

*Excluding 154 grants totaling $22,183,030 administered for other agencies.

AN IMPORTANT ASSESSMENT OF THE ALASKA HIGHWAY GAS PIPELINE

● Mr. KENNEDY. Mr. President, a research institute at the University of Alaska has written for the Alaskan Legislature a document which should be required reading for all those who want to know where the Alaskan gas pipeline stands today. It is a lengthy document but it is so forthright, so intelligently written and so useful to experts and laymen alike that it should be made available to the Senate and the public.

This document contains a thorough review of the expectations of both the Congress and the executive branch concerning the obligation of the Federal Government to guarantee the costs of building all or a portion of the pipeline. Clearly no Federal Government assistance of this kind was anticipated at the time the project was authorized in 1977. As President Carter stated to the Congress in September 1977:

> Novel regulatory schemes to shift this project's risk from the private sector to consumers are found to be neither necessary nor desirable. Federal financing assistance is also found to be neither necessary nor desirable, and any such approach is herewith explicitly rejected.

Yet, this report makes clear that Federal financial guarantees are, in all likelihood, going to be requested of the Congress and recent testimony by Secretary Schlesinger before the Joint Economic Committee conveys this same impression.

The report is filled with warnings about the pipeline which are refreshing for their realism and candor. For example, the report notes:

> The economics of the project are so fragile, the risks are so large, and the number of crucial actors and actions so diverse, that the project can not possibly succeed in the face of active opposition, unrealistic or unreasonable demands, or even poor judgment or clumsy management by the sponsors, the producers, FERC or other units of the Federal Energy Department, Canadian interests, or Alaska. Thus, several parties each have the power to kill the pipeline project, at least as it is now planned, organized and scheduled.

I commend the authors, Arlon Tussing and Connie Barlow, for their contribution to public understanding of this issue and ask that the report "The Alaska Highway Gas Pipeline: A Look at the Current Impasse," prepared by the Institute of Social and Economic Research of the University of Alaska, be printed in the RECORD.

The report follows:

THE ALASKA HIGHWAY PIPELINE: A LOOK AT THE CURRENT IMPASSE

PREFACE

During the 1978 legislative session the legislature and the administration in the State of Alaska were approached by the sponsors of the Alaska Highway Gas Transportation System with the request that the state participate in the equity financing of that project. It was expected that this proposal would be an important issue before the legislature during the 1979 session.

In order to assist the legislature in evaluating this project and establishing policies with respect to it, the Legislative Affairs Agency contracted with the University of Alaska's Institute of Social and Economic Research for the preparation of several analytic reports. The first of these, detailing the financial, economic, and political environment in which the gas industries operate, was published by the agency in November of 1978. The second study, presented here, looks more directly at the Alaska Highway Project, examining in detail the events that led up to the current impasse, and the options available for the state if it wishes to influence events in the future.

A third and final report, in addition to integrating the results of the first two studies, will examine various methods by under which the project might be structured to go forward. This final report will be submitted to the agency in March of 1979, and will be made available to the public shortly thereafter.

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INTRODUCTION: CRITICAL PATH VS. CRUCIAL ISSUES

In August 1978, when the Legislative Affairs Agency and the University of Alaska defined the scope of the present study, the Agency and the authors both felt a need to explore the "critical path" of events upon which construction of the proposed gasline depended. Our intent was to present a clear picture of how the myraid of decisions on detailed routing, engineering design, gas pricing, sales, rates of return, conditioning costs, tariffs, sponsorship, and so forth, all fit into the grand scheme of getting the Alaska gasline project organized, designed, financed, built and into operation, and within that context to examine how and when State decisions on financing and royalty gas sales could or would have to be made.

During the 1978 legislative session, the pressure was on the State to act—and act soon. The prevailing view within Alaska was that the eyes of the nation were turned northward, and that the State was in the spotlight to make the next move.

Under this asumption the Alaska Department of Natural Resources called for bids from potential purchasers of the State's royalty gas. The Governor and Legislature also responded promptly to the pipeline sponsors' request that the State establish a financing authority to issue tax exempt revenue bonds for the pipeline. But since no one really knew how much royalty gas was for sale, nor when it would be available (if ever), the solicitation evoked no serious bids; the financing authority proposal receded into obscurity with no serious attempt by the pipeline sponsors to obtain the necessary tax exemption from the 95th Congress.

After the 1978 Legislature adjourned, it became clear that further State action on gas sales and a decision on whether or not to participate in equity financing were not of critical importance—at least not immediately. Instead attention turned to the President's energy program, with the future of the Alaska gasline ostensibly hanging on favorable Congressional action in setting a "wellhead price" and authorizing "rolled-in" charges to consumers. Action came in October with passage of the National Energy Act. Since that time, Northwest Pipeline Company (the project leader), the Federal Energy Regulatory Commission (FERC), North Slope gas producers, and Canadian interests have been passing the buck back and forth, dickering about incentive rates of return, Canadian exports to enable pre-building, the meaning of the pricing provisions in the new energy legislation, and conditioning costs.

But even these issues are not of critical importance. While it may be fashionable to focus on one or more of them and to blame FERC, Northwest, the producers, Canada or somebody else for holding up the project, each issue is only a manifestation of more fundamental problems. And while conflict over, say, the incentive rate of return may seem to be resolved at some point, something else will inevitably arise to cause trouble until the fundamental problems are dealt with.

At an early stage of investigation, the authors discovered that neither the pipeline sponsors nor the Federal Energy Regulatory Commission (FERC) had mapped out the critical path of the project for themselves. Northwest Alaskan had only a calendar of mileposts it hoped to achieve, while FERC had a meticulously detailed chart of its own internal procedures with respect to the pipeline, related at some points to required actions of other federal agencies. Neither party, however, incorporated into its diagrams the crucial prerequisites for financing of the project, nor the order in which they needed to be accomplished. This lack may not be a problem; however, a critical path chart is not only unnecessary at this time, but would probably be misleading. What is holding up the project is not the scheduling and resolution of a host of individual events—incentive rates of return (IROR),[1] conditioning costs, gas sales contracts, etc.—but a resolution of the basic question of who will bear what risks, and in return for what benefits?

Emphasis on specific events has tended to draw attention away from the more basic questions of risk allocation. Moreover, it will be impossible to determine how particular events must interrelate—even to determine which events are part of the system—until these broader issues are faced. Once the problems are in fact resolved (assuming the resolution is sound), the scheduling of reports, permits, engineering designs, procurement, mobilization and the like, are no longer critical policy problems. The sponsors' engineers, construction managers, lawyers and contractors, together with an army of federal and state bureaucrats can work things out.

A good illustration of the difficulty of dealing with risk allocation in a piecemeal, sequential fashion is the current IROR dilemma. On the one hand, the governments of Canada and Alberta, the Foothills group (the Canadian sponsors of the pipeline), and even Northwest all maintain that they will not know whether their own equity participation makes sense until firm figures are set for equity rates of return. On the other hand, FERC maintains that specific figures cannot be inserted into the rate of return formula until it is clear just how much risk the sponsors will bear. Hence, there is a stalemate; and a stalemate in which *neither* side is necessarily being unreasonable.

The crucial issues cannot be resolved sequentially. There is no critical path of such events that can work. The most important parts will all fall into place at one time—or not at all. While this concept is difficult to accommodate within the rigid strictures confining most governmental actions, it is the conventional way of operating in the private sector—at least for solving basic problems of project scope, organization and financing.

This point was recognized by Congress in the Alaska Natural Gas Transportation Act of 1976 (ANGTA), which preceded and directed Presidential selection of a transportation system for Alaska natural gas. That Act made special allowance for the executive branch to study and deliberate over the best means for moving Alaska gas, unhampered by the adversarial method of "adjudication" that is customary in public utility regulation—a system that evolved to ensure accountability and to protect the public interest, but which inevitably causes confusion and delay where projects are large or the issues complex. While Congress provided an

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opportunity for continuing a flexible mode of deliberation and decision, even after the President selected a general system concept and a party to build it, the executive has thus far failed to make much use of this opportunity. The Federal Inspector called for in ANGTA has not been appointed, and FERC is making only limited use of the waiver of "ex parte" restrictions (which otherwise forbid the Commission and its staff any contact with interested parties outside of a public adversary proceeding), choosing instead to "negotiate" with the sponsors through a traditional semi-formal rulemaking process.

This paper will explore not only the fundamental question of risk allocation but also why both the federal government and the pipeline sponsors have failed to face up to the issue. Within this context we will lay out a variety of possible strategies for state action.

TROUBLING CHARACTERISTICS OF THE ALASKA GASLINE PROJECT

Almost everyone knows that the Alaska Highway gas pipeline venture is floundering: government officials, businessmen, bankers, and the press are expressing more frequent and deeper doubts about whether the project will be completed on schedule—or ever. The problems and conflicts now confronting the pipeline project have grown out of three troubling characteristics: (1) its marginal economics, (2) the accompanying uncertainties and risks, and (3) the need for an explicit allocation of those risks.

1. *Marginal Economics.* A recent report completed for the Federal Department of Energy[2] and submitted to the legislature in conjunction with the author's first report sets out the reasons why the Alaska Highway gas pipeline is a marginal venture *at best* from a business standpoint, and is subject to substantial risks of an ordinary commercial sort. It would still be a marginal venture if it did not face any catastrophic risks such as non-completion or enormous cost overruns. The precariousness of the gasline's economics contrasts sharply with that of the TAPS oil pipeline which, because of the great margin between the cost and market value of the oil, has remianed viable even in the face of huge cost overruns and a reduced throughput caused by the Congressional prohibition on exports.

Gas delivered through the Alaska Highway system would cost Lower 48 customers more than twice today's prices for fuel oil, and although oil prices are almost certain to keep rising, there is no assurance that Alaska natural gas will be saleable in competition with other fuels over the project's entire economic life. "Rolled-in" pricing of the gas at the wholesale and retail levels would reduce the marketability risk, but cannot totally eliminate it.[3] A "full cost of service" tariff coupled with rolled-in prices at wholesale theoretically would protect the pipeline and its investors from this risk by shifting the problem "downstream" to local gas distributors.[4] But even these devices beg the question: What would happen to the pipeline's finances if distributors could not or would not pay their bills, or if state utility commissions ordered them not to do so?

2. *Uncertainties, Scale, and Resulting Risks.* Catastrophes such as TAPS-like cost overruns, engineering or regulatory problems that would prevent completion of the project after actual construction had begun, or a prolonged interruption of gas production are not very likely, but they are clearly possible. The gasline project is so large that its failure would be devastating to the pipeline sponsors, the gas producers (if they were to sink capital into conditioning and other facilities in the field), the lending institutions, the economy of Canada, and the political fortunes of the Canadian government. The exposure of these parties is magnified not only by the huge investment required, but also by the span of time over which favorable conditions must continue—several more years for project organization, followed by 3 or 4 years of construction and another 20–25 years of gas production, line operation and successful marketing.

3. *The Need for an Explicit Allocation of Risks.* Thus, investors in the Alaska Highway project face two kinds of risk: (a) the chance that the cost of Alaska gas will exceed its market value, even if there are no unpleasant surprises connected with the construction or operation of the pipeline itself, and (b) the possibility of such surprises. The project can not be financed unless there is a creditworthy party or group of parties both large enough *and willing* to bear both kinds of risk.

Traditionally, large transportation projects have been "conventionally" financed, that is, in a way that the sponsors are assumed to bear all risks. "Project financing" as proposed for the Alaska guideline, however, is a relatively new technique in which the sponsors risk only their invested equity capital.[5] The sponsors will *not* be liable for debt service; all together, their net worth is not large enough to meet this responsibility even if they were willing to do so. Lenders, on the other hand, cannot afford to take *any* risks when the stakes are so great. They must therefore be assured that some other creditworthy party will assume responsibility for scheduled payments of debt and interest in the event of project non-completion or a shortfall in revenues during some 25 years of operations. The transfer of these risks onto such parties must, therefore, be tight, complete, and explicit—especially for a project such as this in which any lender is asked to commit a substantial fraction of its total resources. This need for an explicit and satisfactory allocation of risks from the lenders' standpoint has not yet been satisfied, and the pipeline project will continue to flounder until its sponsors and the federal government address the problem directly.

PURPOSES OF THE PIPELINE AND THE PROSPECTS FOR PROJECT SUCCESS

The paramount reason the various parties have not decided who is to bear the pipeline's risks is the lack of agreement among them, and particularly within the United States federal government, about the *purposes* of the project:

Is the pipeline *an ordinary business venture* (albeit a very large one) designed to move the reasonably certain volumes of gas deliverable from the Prudhoe Bay field at costs competitive with alternative fuels, while giving its sponsors a public utility-type return on their investment?

Or is it, rather, *a national or bi-national strategic enterprise*, to (a) insure United States and Canadian economies against an interruption of Eastern Hemisphere oil imports even if the private commercial benefits of so doing are insufficient . . . (b) to open up the Arctic and provide spare capacity for future gas discoveries which, while now only speculative, may be discoveries which, while now only speculative, may be many times larger than the known reserves at Prudhoe Bay . . . and (c) to tie together, materially and symbolically, the energy security and economic welfare of the United States and Canada?

In the 1975–76 debate before FERC's predecessor, the Federal Power Commission (FPC), over the route of the Alaska natural gas transportation system, all parties tacitly assumed that the system ultimately chosen would be commercially viable *and* serve strategic purposes (though those purposes were defined differently by the competing applicants). The President's September 1977 decision and Congressional approval of that decision pointedly declined to face up to whether the pipeline should go ahead as an essential national project even if it could not be justified (or financed) on the basis of straightforward business calculations. In part, the Alcan system was chosen by the President and approved by Congress because it was the only one of the three proposals whose sponsors argued that they would *not* need any sort of government financial assistance.

This expectation may or may not have been realistic two years ago, when most energy experts in industry and government believed that the shortage of natural gas in the United States would continue to grow relentlessly, and that the only practical alternatives to increasingly expensive and insecure foreign oil would be Alaska gas, synthetic gas, and equally expensive but insecure imported LNG. It was, at worst, a widely shared expectation, given the assumptions that prevailed at that time. In the last few months, however, the economic outlook for the Alaska gas pipeline—along with other supplemental gas projects—has clearly and radically changed:

Instead of a growing gas shortage, the United States is facing at least a short-term surplus, while both Canada and Mexico are wrestling with the domestic politics of managing gigantic gas resources almost unimaginable two or three years ago.

It is becoming apparent that the demand for gas not only has tangible limits imposed by the cost of alternative fuels (chiefly oil), but that demand may indeed be approaching those limits, at least in some U.S. transmission and distribution systems, and even with the existing system of rolled-in pricing.

There is far less conviction among energy experts than there was only a year ago that there will be a world shortage of crude oil in the 1980's. Despite the current Iranian crisis, which permitted OPEC to raise prices sharply for 1979, many analysts now doubt that the real price of oil (and with it, the market value of gas) will continue to escalate.

Because of the current supply bulge, and because gas demand has not been growing at the rates projected in the past, Alaska gas may not be economically competitive or needed at least until several years after the planned completion date of the pipeline.

The prospect for an early connection of gas supplies from Canada's Western Arctic has been diminishing, because slower growth in demand and new discoveries in the Western Provinces have pushed back Canada's own need for frontier gas well into the next century.

With the now recognized magnitude of North Slope gas conditioning costs, the interest of the Prudhoe Bay gas producers in gas sales has weakened, particularly if they would be required to invest billions of dollars in conditioning and other facilities in the field.

One implication of these changes is inescapable: the Alaska Highway gas pipeline can *not* now be financed and operated as an ordinary commercial venture, even if it might have been so financed and operated under the assumptions that prevailed from 1974 through 1977. This assertion can remain even mildly controversial today only because the sponsors of the pipeline project, the President and the Secretary of Energy feel compelled to give lip service to the assurances about private financibility they made in 1976 and 1977, as if everything were still the same.

ORIGINS OF THE CURRENT IMPASSE

Two and three years ago the notion that a transportation system for Alaska natural gas could meet conventional market and cost-benefit tests was not terribly controver-

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sial. But it was also generally believed that financing such a system would require extraordinary measures to shift construction and operating risks to consumers, the federal government, or both. The two original applicants, Arctic Gas and El Paso, held that in addition to rolled-in pricing, the project would need an "all events full cost of service tariff,"[6] whereby consumers would pay all of the system's costs whether gas could be delivered or not, *and* federal loan guarantees.

While most of the private intervenors and governmental witnesses before the FPC agreed that *some* such measures would be necessary and acceptable, they did not agree on which ones. Consumer advocates and some state utility commissions vehemently opposed all-events tariffs, while Treasury Department officials were worried about the precedent that governmental backstopping of the project would establish. Treasury's concern is reflected in a July 1977 interagency report to the President, *Financing an Alaska Natural Gas Transportation System:*

> One serious concern is that Federal financial assistance will create *subsidies which may cause an underpricing of gas and a misallocation of scarce energy and economic resources*. Another serious concern is that assistance by the government in this instance will set a precedent which will make it difficult to find willing parties to support other large energy projects without government assistance. Such a precedent could have long term adverse consequences for the national economy.
>
> Even if Federal assistance were ultimately found necessary to finance the project, it should not be provided *in lieu of* risk bearing by other parties. *Direct beneficiaries of the project [Alaska and the gas producers] should remain obligated to bear the project risks to the largest extent feasible*, and any taxpayer risk should be residual and subordinate.[7] [Insertion added emphasis in original].

Members of Congress also were concerned whether any Alaska gas transportation system could be built without backstopping from the federal government. Observing the enormous overruns on the Trans Alaska oil pipeline, they feared that self-serving and unrealistic cost estimates by project sponsors, accepted by gullible government officials, would lead the FPC to certify one of the three proposed pipeline projects on the theory that it could be financed wholly by private capital—only to have the sponsors come back a couple of years and several billions of dollars later appealing for the government to rescue a vital national effort on which thousands of jobs, and a large part of the nation's energy supply, now depended.

Congress deliberately and specifically addressed this concern in the Alaska Natural Gas Transportation Act of 1976, which required the President to submit:

> ". . . a financial analysis of the transportation system designated for approval. Unless the President finds and states in his report . . . that he reasonably anticipates that the system he selects can be privately financed, constructed and operated, his report shall also be accompanied by his recommendation concerning the use of existing Federal financing authority or the need for new Federal financing authority.[8]

Members of Congress, to be blunt, wanted the President to assure them that they were not being gulled or sandbagged, and to let them know whether loan guarantees or subsidies were likely to be needed, *before* they voted to approve any Presidentially recommended gas transportation project. While they obviously would have preferred to find that a transportation system could be built without consumer or government guarantees of any kind, there is no evidence that either the executive branch or Congress had prejudged the issue in 1976.

A third contestant, the Alcan Pipeline group, filed an application in May 1976; Alcan asked neither for an all-events tariff nor for government backstopping; there were good reasons to believe that the Alcan proposal was less risky than its rivals. In its original form, at least, the Alaska Highway project would involve the smallest capital outlay among the three proposals. It would be built alongside an existing pipeline and highway, using conventional technology and conventional construction methods. The Canadian applicants had experience in building gas pipelines through rugged mountains, muskeg, and permafrost—building them on time and within budget. And the project was relatively immune from controversy over Native claims, environmental impacts, or safety.

In essence, the Alcan group distinguished itself from the other two applicants by its willingness to explore ways for reducing the uncertainties and risks, rather than simply loading those risks onto consumers and the government. A good illustration is Alcan's scheme to reduce the non-completion and cost overrun risks through collection of an additional pool of capital before construction even begins. Nevertheless, while Alcan was able to *reduce* many of the risks inherent in the rival proposals, unless the risks are effectively *eliminated* somebody still has to be willing to bear them.

Artic and El Paso took a more forthright but politically difficult position in centering arguments on effective *risk allocation* through government and consumer involvement. On the other hand, Alcan took the politically attractive but impractical approach in centering its pleas on *risk reduction*, in hopes of eliminating the need for consumer or government support. Unfortunately, this latter approach moved well beyond promising simply to try harder than the other applicants to finance the line privately; instead the applicants gave at least the impression of an absolute "we can!" Today it is apparent that a strategy midway between the two extremes is the only realistic approach—on both a practical and political level. Such a strategy would first entail a thorough attempt to reduce risks, in order to make government or consumer participation politically palatable; then efforts are needed to find ways to apportion remaining risks effectively and fairly among *all* "beneficiaries" of the project, including the federal government and consumers, but not just the federal government and consumers.

"HE WHO RIDES THE TIGER . . ."[9]

The Alcan sponsors had made the President an offer that was very difficult to refuse. He took their optimistic claims at face value, accommodated the Treasury Department's fears, and gave Congress the assurances it hoped to hear. In his *Decision and Report*, President Carter stated:

> The Alcan sponsors and financial advisors have stated the Alcan project can be privately financed. The financial analysis above supports this conclusion. Therefore, *it is reasonable to anticipate that the Alcan project can be financed in the private sector*.
>
> Novel regulatory schemes to shift this project's risks from the private sector to consumers are found to be neither necessary nor desirable. *Federal financing assistance is also found to be neither necessary or desirable, and any such approach is herewith explicitly rejected*.[10] [emphasis added]

Thus the project sponsors and the Administration hooked Congress—and themselves. Their failure to address the financing question openly and realistically from the beginning has sowed seeds of suspicion that could well prove fatal to the project, or at least to its present sponsors, when and if they finally decide to ask for federal help. Moreover, the optimism of Northwest and the President that loan guarantees or unconventional tariff designs *would not be needed* has seemingly been turned into a Congressional dogma that such assistance absolutely *shall not be given*.

The members of Congress who deliberated on and drafted the Alaska Natural Gas Transportation Act were fearful that something would be put over on them; later they were skeptical of the President's finding and took great pains to state their concerns and intentions. The report of the Senate Energy Committee approving the Presidential decision is worth quoting at length:

> While the Committee has reservations about the ability of the Alcan project sponsors to secure the necessary private financing, we are recommending approval of the President's decision based upon the unqualified assertions made by the administration and Alcan officials.
>
> It is essential for the project's sponsors to proceed with their financing arrangements as promptly as possible. The State of Alaska, the producers, and most of all the project sponsors should bear in mind that the door to the Federal Treasury has not been left open to them. *We have taken the administration's and the sponsors' assurances at face value and are placing our reliance upon them.*
>
> The Committee cautions the Administration and the sponsors against taking a back door approach to Federal financing. We are, of course, aware of the possibility that the Federal Energy Regulatory Commission may be tempted to devise a new type of tariff, or a special type of well-head price policy, that would in essence be a "back door" or indirect approach with the same practical effect as direct Federal participation in project financing. We intend to monitor the project's progress closely and caution that *financial "gimmicks" involving consumer risk-taking via the Federal Treasury or via special tariffs will* not be tolerated by the Congress. [emphasis added] [11]

Congressional spokesmen reiterated this attitude once more in the Fall of 1978. The Conference Report accompanying the Natural Gas Policy Act stated that the conferees:

> . . . agreed [reluctantly, we must add] to provide rolled-in pricing for natural gas transported through the Alaska Natural Gas Transportation System and for the cost of transportation because they believed that private financing of the pipeline would not be available otherwise. *Rolled-in pricing is the only Federal subsidy, of any type, direct or indirect, to be provided for the pipeline.*[12] [insertion and emphasis added]

In short, the Alcan sponsors, in order to get their project chosen, offered the FPC and the President the optimistic financing forecasts they wanted to hear; the President, in order to get his choice approved, told Congress what it wanted to hear. Both parties may well have been sincere (or naive) in their confidence about the basic soundness of the project. Federal backstopping, they seemed to believe, would be necessary (if at all) only to deal with extraordinary catastrophic risks, and not with uncertainty about the national "need" for high-cost supplemental gas. In any event, Northwest seemingly accepted an obligation to exhaust all possible efforts to put the project together *without* loan guarantees, price supports, subsidies, or innovative tariff provisions, before any of these measures could even be considered again. In our judgment, however, this charade has now become a waste of time, effort and money, and the longer it goes on the more it will erode the sponsors' credibility and that of the project concept itself.

The best and most powerful defense today against charges of incompetence or deception would be for industry and government

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spokesmen to acknowledge the changed energy outlook, particularly the changed supply and demand outlook for natural gas. Yet, this defense has been politically unavailable to the Administration over the last year. To acknowledge the change in outlook would have undercut the case for the President's energy program, whose major premises were a coming world energy crunch, and particularly the notion that the shortage of natural gas was the nation's most acute energy problem.

Northwest was in no better position than the Administration to call attention to the end of the natural gas "crisis," both because of its close political and personal ties to the White House, and because its management believed that pricing provisions in the President's legislation were absolutely crucial to progress on the pipeline project.

Passage of the President's energy program did not set the gasline sponsors and the Energy Department free to address the problems of the pipeline project openly and realistically, however. The fact that they had oversold the energy legislation to Congress as an answer to those problems became another compelling reason for reticence. The new natural gas law would not in fact have been enacted without the votes of a substantial number of members who supported it because—and only because—they thought that the legislation would clear the way for gas sales contracts and, ultimately, for the financing and construction of the Alaska gasline.

The theory was that a Congressionally determined wellhead price and Congressional sanction of rolled-in pricing would cut through the delays and legal uncertainties that are inherent in traditional FERC price proceedings under the old Natural Gas Act. Passage of the new law, gasline supporters believed, would remove the uncertainty that was keeping gas producers from signing sales contracts with potential shippers. Signed sales contracts would pave the way for transportation contracts, which would allow the pipeline sponsors to start lining up commitments for equity and debt financing. At the very worst, Northwest and the Administration believed passage of the Natural Gas Policy Act of 1978 would bring a quick test of whether or not the sponsors' financing plan would work without federal backstopping.

In this belief, both parties were probably sincere but quite wrong. The wait for passage of the President's energy program actually *delayed* this determination by at least a year, and the legislation has in fact created entirely new difficulties for the project. First, passage of the law does *not* set the wellhead price or define the terms of sale, either at the wellhead or to final consumers. It only marks the beginning of a rulemaking process by FERC that will be followed by challenges in the courts (a process that could just as well have begun as soon as Congress ratified the President's decision in favor of the Alcan system).

Moreover, the Natural Gas Policy Act has given the gas producers and the State of Alaska hopes of receiving a wellhead price ($1.45 plus inflation) that is considerably higher than the figures most commonly considered before the energy bill was proposed. It is true that the price provided by the Act is only a ceiling price. But even if that price would make Alaska gas unmarketable when conditioning and transportation costs are added, the producers and the State now have encouragement from Congress to hold out for an unrealistically high price.

Finally, it is not clear that the end-use pricing provisions of the 1978 energy legislation will help rather than hurt the gasoline project. The law does provide Alaska gas with "rolled-in" treatment for its wellhead price and pipeline tariffs, as against "incremental pricing" for most other sources of high-cost gas. Yet the actual implementation by FERC and DOE of incremental pricing for any component of gas supply and of the Powerplant and Industrial Fuels Act (another part of the President's program, which prohibits the use of gas in new industrial boilers) could worsen the project's marketing outlook, by greatly shrinking the industrial and electric utility markets for natural gas—and despite recent professions to the contrary by Administration spokesmen, that was the explicit purpose of these measures when they were proposed to Congress.

In any event, passage last October of the President's bill does not lead directly to negotiation of gas sales contracts essential for further progress in putting together the project's financing. Moreover, passage of the bill alone does not ensure that events will follow in a way that provides Northwest with an opportunity to go through all the motions which the sponsors may believe are required in order to keep faith with the President, Congress, and the public. There will yet be months of skirmishing among the interested parties before FERC and the federal courts over the meaning and implication of the new legislation. Gas producers and gas purchasers are not likely to sign definitive sales contracts until these debates are concluded. It is by no means clear that they will do so even then, unless the questions of the gasoline's basic economics and the allocation of risk also have been resolved.

Since passage of the energy legislation last October, the authors have noticed a spreading suspicion (now hardening into conviction) in the gas industry, Congress, and even within DOE itself, that the Department is determined to reject every other major gas project application until construction of the Alaska pipeline is assured. If a strategy does indeed exist to kill off LNG projects, Mexican import opportunities, and imports of Canadian gas by anyone except the Alaska project sponsors, that strategy is again based upon the illusion that the Alaska gasline can be made financeable without a substantial federal commitment. At best such a policy will be as ineffective as its predecessors. More likely it will be counterproductive: The *belief* (right or wrong) that the Administration is using these tactics to help the project, and particularly the suspicion it is doing so to repay a political debt, is creating enemies for the pipeline where they did not exist before and is undermining credibility that will be indispensable to DOE and the President when and if they finally decide to confront the real problems of pipeline finance.

With such a background, it is little wonder that neither the federal administration nor the pipeline sponsors have been eager to raise the issue of federal backstopping. Both parties are damned if they do and damned if they don't: the project is essentially stalled, but if the sponsors now admit that the line might not be built without government help, many members of Congress will believe (as indeed they may already believe) that Northwest and the President deliberately and systematically misled them about the need for federal support. As one relatively sympathetic senior legislator told the authors, "We knew there could be financing problems when we approved the President's choice. I asked [a Northwest official] what would happen if they couldn't raise the money in the market; all we got was [a former western governor who was lobbying for the project]'s assurance that everything had been taken care of. Now, I don't know what we could do for them if we wanted to . . . if only they had leveled with us from the start!"

There is an ominous similarity here to the TAPS debate, during which the oil companies, the federal administration and the State of Alaska assured Congress that North Slope crude oil would all be absorbed on the West Coast of the United States, and that none of them remotely contemplated shipping oil to Japan. A less dogmatic and confident posture—together with a straightforward explanation of the circumstances in which exports of Alaska oil might be in the national interest—would not have defeated the oil pipeline. But even today, there are members of Congress who adamantly oppose exports of Alaska oil largely because they were "lied to" in 1973. In the TAPS case, the pipeline sponsors at least got the construction permits they were seeking; with the gasline today, widespread resentment in Congress could kill the project.

In the final report of the present series, we shall review possible strategies for dealing with both the ordinary commercial risks of the project and the extraordinary risks it faces because of its great size. At the moment, however, we do not see any surefire (not to mention comfortable) way out of the sponsors' political dilemma—how to acknowledge that the project is stalled, and how to identify correctly the problems that have to be solved to get it moving again.

STRENGTHS AND MERITS OF THE ALASKA HIGHWAY PROJECT

It is only fair to temper the preceding pessimism with a review of the strengths and merits of the Alaska Highway project. It still represents the largest single addition to the supply of clean energy that could be brought on stream from proved domestic resources with proved technology. There is probably no other group of domestic energy supply projects of a similar magnitude that involve lower levels of safety and environmental risk, or at least involve less controversy over environmental and safety impacts. The Alaska Highway gas pipeline project is the only major U.S. energy project, to our knowledge which owes its approval in part to endorsements from the Sierra Club, Friends of the Earth, and the Wilderness Society. The pipeline itself remains uncontroversial (except with regard to its method of financing and the credibility of its sponsors); it is still without real enemies (except for corporate sponsors of rival projects and their financial advisors) though this may be changing. Almost every sectional and sectoral interest in North America has indicated it can at least live with the proposed system.

The Alcan system was chosen by the U.S. and Canadian governments over its rivals in a remarkable cooperative effort involving many agencies of both governments, which cut through the conventional adversary processes to arrive at a compromise substantially different from the system proposed by any single applicant. While one might question individual decisions of the Canadian sponsors and governmental authorities, Canada has been and remains totally loyal to the project, and the private and governmental parties in Canada generally have lived up to their commitments.

Northwest and Foothills were in part chosen to build the system because of their foresight in recognizing changing market conditions in Canada, because of a far greater sensitivity compared to their rivals about environmental concerns and Native claims, and because of their flexibility—their willingness to change design and organizational strategy to meet the two governments' changing perceptions of the transportation system's purposes.

As a practical matter, the Alaska Highway pipeline (at least its distinguishing features) is the only transportation system for North Slope natural gas that is likely to be built in the near future—if any is to be built at all.

Of the four proposals bfeore the FPC and Canada's National Energy Board (NEB) in 1976, the Alaska Highway system remains the only one that would have the remotest chance of success today. If this project appears uneconomic or risky now, it is far less so than the Arctic Gas, El Paso, or Maple Leaf schemes would have been. The relative advantages of the Alcan project over its rivals have grown since the President's decision, as the lack of Canadian markets for frontier gas, the West Coast energy surplus, and the difficulties in siting a major LNG terminal in California have become more obvious.

Now that the project seems to be stalled, it is fashionable to deride the amateurism, financial weakness, and opportunism of the sponsors, and Northwest in particular. While these charges may not be entirely unjustified, we cannot regard the Alcan group's sins or handicaps as graver than the inflexibility, arrogance, and political unrealism of their former rivals, El Paso and Arctic Gas.

Because of the web of mutual obligations binding the Administration to the present pipeline sponsors, moreover, it is fruitless to think of giving the project new momentum and direction by making Northwest Pipeline Company the scapegoat for the impasse, and displacing the company from its leadership position, at least so long as Jimmy Carter is President of the United States. Nevertheless, Congress may be so moved. And after all the effort that went into the projects' birth, it seems remarkable that the project may now be allowed to die of attrition and frustration simply because the sponsors are too politically embarrassed to admit they need help, and because the federal government refuses to face up to the question of *why* it wants a pipeline for Alaska gas *now*, and what responsibilities it is willing to accept if the project cannot stand alone as an ordinary commercial venture.

Two years ago, in claiming that wholly private financing was possible, the President and Northwest may truly have believed what they were saying; they may even have had a plausible case for doing so. Today their failure to confront what has now become obvious cannot be judged so leniently. However difficult it may be to acknowledge changed circumstances and however grim the prospects in Congress, facing up to the impasse cannot be as damaging to the project as continued drift and evasion. Understanding of the problem is so widespread—if not fully articulated at least intuitive—that no matter when the charade breaks down, no one really ought to shoulder the blame. Who can be blamed for failing to foresee the recent Mexican and Canadian discoveries? Who can be blamed for misjudging consumer demand and failing to see the now evident market value limitations of natural gas? Almost everybody is to blame; therefore nobody is.

AN HISTORICAL PARALLEL

Putting the problem in perspective, there is nothing inherently evil if one tries to do the optimum, fails, and ends up settling for something less. A close historical parallel occurred more than a quarter century ago. It is the story of the TransCanada gas pipeline, which now extends from the Alberta gas fields to Montreal:

TransCanada was plagued with marketing uncertainties because there were no established gas markets in eastern Canada; it was recognized that even under the best possible circumstances a subsidy would be needed for at least several years.

Getting the project off the ground required an elaborate arrangement whereby Canadian gas would be exported temporarily into the north central United States, and U.S. gas would temporarily be imported into Eastern Canada. (This arrangement had the dual advantage of creating domestic markets for U.S. gas and Canadian markets for Canadian gas. FERC should note that the FPC dragged its feet for years and almost killed the project despite intense diplomatic efforts by Canada.)

Largely because of technological unknowns (constructing a gasline over and through the bedrock barrens and muskeg swamps of the Canadian Shield), lenders could not be found to finance the western Ontario section of the line in the absence of government risk-bearing.

The line was built in two stages, with the first part put into operation before construction of the second part was even begun.

The choice of route and design for the line was highly politicized and economic concerns were to some extent overridden by nationalistic and sectional issues.

For six years the sponsors (actually, several groups of sponsors) and the government worked together to find a way to finance the pipeline without government support. Failing that, an approach was finally negotiated in which government bore enough of the risks to attract required amounts of equity and debt capital.

One of the most divisive internal conflicts in Canadian history raged in Parliament on the question of government participation, and what form it should take. In the end, TransCanada won; but the majority party that had put the deal together was so damaged by the struggle that it lost the subsequent election.[13]

THE NEED FOR COOPERATION AND REASONABLENESS

Before an Alaska natural gas transportation system can be organized, financed, and constructed, active cooperation of one sort or another is needed from a financially strong enough group of gas transmission company sponsors, and from the same or another group of creditworthy gas transmission companies willing to buy the gas and contract to ship it; from financial institutions willing to lend short-, medium-, and long-term debt capital; and from federal regulatory bodies in the United States and Canada. The project requires, in addition, at least a sympathetic accommodation from the State of Alaska, and perhaps from the Western provinces of Canada and regulatory bodies of the major consuming states in the Midwest and California. Above all, of course, the project requires an unwavering federal commitment.

The degree of commitment by various parties to the pipeline project is a subjective matter, and may be judged differently by the parties themselves. It appears, however, that the only parties now unconditionally committed to the project, and making wholehearted and serious efforts for its success, are some (but not all) of the Alaskan Northwest partners, the Foothills group, and the government of Canada. The United States government (through the decision of the President and Congressional approval, and FERC's conditional certification), the State of Alaska, and the remaining members of the Northwest partnership nominally support the project, but in each case with some confusion, ambivalence or reservations. None of them, in any case, regards itself *responsible* for the success or failure of the venture, and each is waiting upon the actions of others.

Other parties whose cooperation is necessary to the project (such as the gas producers, several potential gas purchasers, and the big lenders) would like to see this project or a similar one succeed, but they are in essence just waiting to see what happens, without making any efforts or taking on risks to move it along. Finally, there are a few parties—most of them U.S. or Canadian gas transmission companies and their financial advisors—whose cooperation may eventually be necessary to the project as gas purchasers and shippers, but who will support it if and *only if* its completion is assured; in the meanwhile, they favor rival projects or a reorganization of the present project under different leadership. These parties would not be displeased to see the venture fail, and might well use whatever opportunity comes along to obstruct it.

The economics of the project are so fragile, the risks so large, and the number of crucial actors and actions so diverse, that the project cannot possibly succeed in the face of active opposition, unrealistic or unreasonable demands, or even poor judgment or clumsy management by the sponsors, the producers, FERC or other units of the Federal Energy Department, Canadian interests, or Alaska. Thus, several parties each have the power to kill the pipeline project, at least as it is now planned, organized and scheduled. The State of Alaska is clearly one of these parties: there is no doubt the State could impose sufficiently onerous tax and regulatory burdens to make any pipeline unprofitable. Considerably lesser burdens or even their serious consideration by the legislature could be enough to frighten off lenders. In addition, entirely plausible pronouncements or actions of the Department of Natural Resources or the Oil and Gas Conservation Commission could create sufficient doubt about gas deliverability to keep a pipeline from being financed.

An accumulation of individually reasonable demands could also have a seriously adverse impact on pipeline economics. The State cannot expect to bargain for and get all the benefits Alaskans now anticipate from pipeline construction and operation. Demands for a high wellhead price (and thus high royalty and production tax revenues), high taxes on pipeline property and income, liberal tariff terms for gas taken out of the line in Alaska, the ability to sell gas for out-of-state consumption now and to retrieve it later for use within the state, extraction of gas liquids for industrial use in Alaska, local hire, and exceptional measures to protect the environment or to protect and aid impacted communities, not only are competitive with one another but, also, if too many demands are pressed too far the project cannot succeed.

The same considerations apply to other parties with an influence on the gasline venture: the producers with respect to the wellhead price and responsibility for gas conditioning; the project sponsors and governments in Canada with respect to the return on Canadian equity, "Canadian content" (purchases from Canadian suppliers), provisions for a future connection to the Canadian Arctic, levies to cope with socioeconomic impacts in the Yukon, and federal and provincial taxes; and the United States federal government with respect to final consumer pricing rules, environmental and safety protection, provision for low-cost future expansion at the expense of higher costs now, and affirmative action for Alaska Natives, other minorities and women. In short, the Alaska Highway gas pipeline cannot be regarded as a Christmas tree with loads of goodies for everyone in its neighborhood (as the oil line was treated). As a privately or even publicly financed business venture it can succeed (if at all) only if all the affected parties are reasonable in their expectations and demands.

Right now, the expectations of the various parties, including the State of Alaska, are cumulatively far from reasonable, as are some of the individual commitments already made—for example, the $1.45 plus inflation wellhead price offered by the U.S. Congress, and a 16.0 to 27.2 percent range on return to Canadian equity granted by the NEB. If there were yet any chance the project could succeed as a self-sustaining business venture, burdens such as these would surely scuttle it. Open-ended consumer or governmental subsidies and guarantees, on the other hand, could make these or virtually any other exaction by any of the parties attainable. But if such backstopping measures are in fact necessary to make the pipeline viable and financeable, any price for the gas substantially above the cost actually needed to deliver it, and any return to equity above the

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market rate on very low-risk investments would be an unnecessary, unreasonable, and unfair imposition on U.S. consumers or taxpayers.

WHO IS CAPABLE OF BEARING THE ULTIMATE RISKS?

The question of who bears the ultimate risks is the real crux of the pipeline's problems. Because of the federal government's reluctance to define the national purposes of the pipeline and to face its own leadership and financial responsibilities, the Treasury Department, the President, and (taking a cue from them) Northwest Pipeline Company identified the State of Alaska and the gas producers as major "beneficiaries," who should take on or share the pipeline's construction and operating risks.

For several reasons, neither the State nor the producers could serve as effective guarantors of last resort for pipeline financing even if they wished to do so:

Neither the producers nor the State controls wellhead or end user prices, the rates of return on U.S. and Canadian equity, federal and Canadian taxes or any of a dozen other crucial economic parameters. Thus, credible financial guarantees by the State and the producers would only signal to all other parties that they are free to extract as much from the project as each of them individually viewed as fair and reasonable. Alaska and the gas producers could therefore end up subsidizing everybody else to the extent of their backstopping commitment. This tendency could go full circle and leave the project just as risky as it was before.

No prudent person will take on a contingent business liability, that is, cosign a loan, without collateral or other recourse against the primary borrower in case of default. The President's decision selecting the Alcan system incorporated a Justice Department recommendation that the gas producers be forbidden to hold any equity interest in the pipeline. By denying the producers the opportunity to protect themselves by taking over the pipeline if they had to bail it out, the President totally eroded any chance that might have otherwise existed for producer debt guarantees.

The creditworthiness of the State and the major North Slope producers (perhaps excluding Exxon) depends overwhelmingly on their income from oil production at Prudhoe Bay. While the present cash flow of the producers and the State seems relatively secure, some of the very dangers against which the big lenders want their gasline debt to be protected—for example, unforeseen production problems at Prudhoe Bay or a collapse of world oil prices—also could jeopardize the value of their North Slope oil properties and hence their ability to make good on any guarantee. Thus, the "Big Three" institutional lenders—the Prudential, Metropolitan and Equitable Insurance Companies—are likely to look with some skepticism on loan "guarantees" that compound rather than offset their present commitments to the North Slope petroleum economy.

Most important of all with respect to State assumption of risk may be the fact that no State financial guarantee would be truly credible to the major lenders of long-term debt, essentially the Big Three companies and the smaller institutional lenders who take their lead from the Three. These institutions are convinced (justifiably we believe) that if construction, operation, or marketing difficulties forced the State to make good on any deficiency in pipeline revenues pursuant to a loan guarantee, Alaska would try to recoup those losses by means of higher taxes on oil and gas production, or on a profitably operating TAPS oil line. The North Slope producers as owners of the Alyeska pipeline are already among the largest borrowers from these same financing institutions. The Big Three, therefore, will not regard any backstopping by the State of Alaska as a true *assumption* of risk, but rather as a *shift* of risk from the gas pipeline bonds these companies are now being asked to buy to the oil company pipeline bonds the same companies already hold.

In our view, among all the beneficiaries, only the federal government is large enough, and only the federal government can capture enough of the non-marketable benefits of the project, to be able and motivated to provide the essential financial guarantees. The forms these guarantees might take will be examined in the final report of this series.

CONCLUSIONS AND IMPLICATIONS FOR STATE ACTION

The preceding pages developed the following points:

(1) Some very substantial problems currently block progress in putting together a pipeline package that private investors (equity as well as debt) will find attractive. These problems center on the need to apportion the risks and benefits explicitly among all involved parties—the project sponsors, the gas producers, the gas purchasers, the State of Alaska, the Canadian government, large institutional lenders, the U.S. federal government, and final consumers—in a way that *all* will find acceptable. This task becomes even more difficult when one considers that while the project may make strategic sense, from a strict business standpoint it is clearly marginal at best.

(2) Of all the involved parties, the only ones financially capable of bearing a substantial part of these burdens are consumers and the U.S. government, and possibly Canada or one of the three major producers (Exxon). Of these, only the first two have any reason at all for taking on such risks, and those reasons are weakening. And yet, the Presidents' *Decision* approving the Alaska Highway pipeline application and subsequent actions by Congress expressly prohibit substantial government or consumer risk-bearing.

(3) Both the present project sponsors (really only Northwest since the others joined the partnership after Northwest had made promises to the President and Congress) and the current federal administration stand to lose not only face but much more if and when the above points are acknowledged. Northwest may be charged by Congress with deliberate deception, and is a handy scapegoat for demands that the sponsorship be moved into other hands. Likewise, the Carter Administration could come under similar Congressional attack, while the federal government as a whole stands to set what it considers a dangerous precedent if it does acquiesce to substantial government or consumer risk-bearing. Hence, there is a tremendous incentive for both the current sponsor and the administration to avoid confronting the issue, waiting perhaps for divine intervention. Added to this is the fact that neither party is really in a position to set the other one up as the maligning force and then prompt a showdown; President Carter and the chairman of the principal sponsor (John McMillian) owe each other profound political debts. In effect, both parties are in a box: they can each jockey for position within that box (as they are doing now) but they cannot step outside its bounds.

What does all this mean for the State of Alaska? On the surface it looks as if the State can avoid for at least another year confronting the difficult policy questions: (1) does the State want to contribute risk capital to assist the project? and (2) what should be done about the royalty gas? After all, until the fundamental risks are explicitly apportioned, it is impossible to make prudent judgments, either on the soundness of financial involvement or on how critical State financing or royalty decisions are to the project's success. Moreover, unless Northwest or FERC is excessively naive about the State's comprehension of these points, neither of these parties will be putting much pressure (at least directly) on the State to reach decisions during the 1979 legislative session.

Before the royalty gas and financing questions are brushed aside and set on next year's agenda, let us first examine what the outcome may be when the federal administration, and ultimately Congress, finally confront the necessity for substantial consumer and government risk-bearing.

Very recently the Carter Administration has been doing its best to undermine all rival high-cost gas projects. The LNG projects systematically are being killed. Even the SNG projects (so essential to the Department of Energy's public rhetoric) are lost in a battle between FERC and DOE's own Economic Regulatory Administration (ERA)—the ERA being unwilling to authorize government backstopping (even though Congress did give conditional approval to the concept last year) and FERC steadfastly refusing to grant full consumer guarantees. No attempt to resolve this in-house clash at a higher level is apparent. Moreover, the January 10 *Washington Post* reports that Secretary Schlesinger openly linked DOE's lack of enthusiasm for Mexican gas imports directly to a preference for building a system to move Alaska gas.

Nevertheless, even if the Administration were willing to do everything in its power to destroy all rival projects, that policy would not be enough to salvage the Alaska gasline unless the government were also willing to take on some of the risks it has, to date, refused to contemplate. Added to this problem is the very real possibility that blunt actions to stifle competing sources for the express purpose of making room for Alaska gas may very well stir the ire of Congress and prompt retaliation.

Hence, there is a very real chance that the Alaska Highway project may be scuttled or at best put on the back burner. The government may well decide that the gas is still needed—but that it is not needed now. Any among a host of reasons can provide the federal government with convenient (and even sound) pretexts for avoiding the unpleasantness of invoking consumer or government guarantees to rescue a huge and ailing project. These include: recognized limitations on consumer demand for increasingly high-cost gas; the prospect of other relatively secure sources (Canada and Mexico); and the prospect of substantial new domestic supplies prompted by higher prices and relaxation of the barriers between inter- and intrastate markets. Now that the traumas of the embargo and price upheaval of 1973–74 are receding into history, the initial extremist slogans (e.g. U.S. energy "independence") are giving way to a more moderate and cosmopolitan approach emphasizing diversity of import sources. The very notion that energy is America's number one problem has lost its force; inflation has become a more fashionable rallying point, and unfortunately with respect to the gasline, a victory on the energy front can only be secured with a substantial loss in the war against inflation.

The other possible outcome is that the federal government may resolve to assume the burdens that no one else is able to carry. However, it is virtually certain that federal backstopping can be made politically palatable only if the other parties who stand to benefit likewise bear their fair share of the burdens. No matter how important the gasline might be to the federal government in a strategic sense, the government cannot be expected to bear all the risks if the producers, sponsors, Canadian interests, and Alaska are going to extract "unearned" economic benefits. This concept was repeatedly stressed throughout the President's decision and backup documents:

The risks associated with the construction and operation of the Alcan Project must be assumed by credit-worthy parties in order to achieve private financing. There is sufficient credit support capacity among the direct beneficiaries of the project to assure completion of the pipeline without assistance from consumers. Such beneficiaries are the gas transmission companies, gas producers, and the State of Alaska. The benefits to these parties sufficiently outweigh the risks associated with the project so that it is reasonable to expect them to provide support at small additional cost to consumers.[14]

The problem with the above conclusion is that the President's report expected the producers, the State of Alaska, and the gas transmission companies to agree to bear risks that they would be largely unable—and probably foolish—to take on. The expectations were unrealistic; even so, the President's policy thrust is valid. While the so-called "beneficiaries" of the project cannot be the ultimate and full risk-bearers, there are certainly more moderate approaches for extracting sacrifices sufficient to facilitate financing and which these parties are capable of carrying (and maybe even willing to carry) *provided that the federal government and consumers as a whole take on a larger share than they have yet accepted.*

Whatever the resolution of the current impasse, it will be objectionable to at least some important factions in Alaska: either the project will die for the foreseeable future, or the State will find itself being "asked"—not by Northwest but by the federal government—to assume certain explicit burdens. In the latter case, it will be very clear that federal willingness to provide the necessary backstopping (and thus the future of the project) depends on some state sacrifice, or at least upon sharply reduced expectations of benefits from the gasline. It will no longer just be "very important" for the State to take a particular action (as Northwest advised last year with respect to State financial participation) but it will become "absolutely essential" for the State (and other parties) to do something which is yet undefined.

In summary, Alaskans may decide that construction of the gasline and resulting ability to move gas from Prudhoe Bay are a good thing for the state regardless of any other benefits it may produce. The compromises needed to get the system built and into operation, however, may leave precious few ancillary benefits to divide up among Alaska communities and interest groups, and may additionally require the State to bear some financial risk.

ALTERNATIVE POSTURES FOR ALASKA

It is thus apparent that Alaska would be foolish to commit itself now to participate in gasline financing. Nevertheless there are several plausible attitudes the State could take toward this and other pipeline issues during 1979. Possible State postures range from total passivity to an attempt to exert overall leadership in putting the pipeline project together. Between these extremes lies a continuum of more responsible and realistic approaches, which can be divided into three general types: Defensive, Offensive, and Strategic.

The following pages will examine briefly some of the pros and cons of these three postures, and the purposes for which they might be employed.

Posture No. 1—Defensive

The first approach is grounded on a belief that for one reason or another, it is best for the State to avoid any direct responsibility for progress of the pipeline, but that it is nonetheless vital for the State to take some action to protect its interests and to take out bargaining positions. The driving force to take *some* action can be either concern that the State might be stuck with the blame of project failure, or recognition of a need to at least keep up with the other parties in asserting its interests and reacting to their proposals.

This description corresponds most closely to the posture that both legislative and executive branches have taken in the past year. The executive has consistently filed testimony on proposed FERC rulemakings. The IROR rulemaking is most notable, but pipeline design was another topic that prompted State reaction. Likewise, the executive and legislature did take action in response to federal and sponsor pressure last spring urging the State to issue $1 billion of tax-exempt revenue bonds to be used as pipeline debt capital, and $500 million of State equity in the form of preferred shares. When the legislature satisfied itself that it faced no serious risks in doing the former, a bill setting up a process to issue such bonds was passed (SB 603), but even then final approval was deferred. Further, about a dozen specific conditions were attached to the bill and it, in effect, became a vehicle for staking out territory and putting the State's interests on record. To respond to the equity request, a committee was appointed by the legislature to study the question (SCR 102).

Looking back on those actions, it is now difficult to think of any other approach the State could have taken that would have been as effective in protecting the State's interests in the face of enormous unknowns, yet at the same time enable the State to pull its weight in the drive to "keep up the momentum"—which was a very real and legitimate concern last year.

This year, any of four reasons would be sufficient to continue this approach:

(1) It is probably the best back-up position to take if there is no real impetus or consensus for assuming a more active role.

(2) It is probably the best approach if one does not particularly care one way or the other about the project, or if one would rather see it die (for environmental, social, spiteful, or whatever reasons) or postponed (possibly due to field production uncertainties), yet at the same time one does not want to voice those feelings openly.

(3) It is probably the best approach if one feels the situation is hopeless—that there is no way the problems can be resolved (at least in the near future) and resolved in a way tolerable to the State's interests, and that there is no point in the State spending much energy on the whole thing.

(4) Likewise, the approach makes sense if one believes that while the situation may not be hopeless, the State is in no position or is simply unable to act effectively and with sufficient finesse to do any good, and at the same time keep out of trouble.

Posture No. 2—Offensive

The State could take an approach in which it would be the first to lay its cards on the table, hoping that others would then do the same. It could, for example, make a commitment to follow through on a particular action (say, taking a specific financial position in the pipeline venture) if certain enumerated conditions were to occur first. The State would thereby stake out its own position on the risks it is willing to bear and the benefits it expects in return. A variation on this theme would be for the State to issue an ultimatum, declaring that it will not even consider taking a stand on a particular action until certain conditions are met.

On the one hand this posture could be an effective way to jar things off dead center. But it might have a debilitating effect as well—what if the demands made by the State prove to be unrealistic and unachievable? One can only conjecture whether laying out demands that may later prove impossible would have a more deleterious effect than doing nothing at all. One likewise cannot be sure that the State would escape blame for killing the project when and if the other parties finally abandon the myth of private financing.

A real difficulty in this approach centers on internal Alaskan considerations:

How realistic is it to expect that the Governor and sixty legislators could arrive at a consensus on specific preconditions at this time?

What would these preconditions actually mean . . . a bargaining stance from which the State expected to retreat? the package the State believed was reasonably fair to all part is, and achievable? the bottom line from which no retreat would be tolerated?

Would other parties understand what the State really intended by its list of preconditions? would they believe what the State said about them?

What is the danger the State might give away too much too soon? or be unable to retreat from a position that turned out to be unattainable, because it had developed an implacable in-state constituency?

Finally, is it possible for an open government to arrive at a public position and at the same time keep its true strategy and bottom line secret from those with whom it has to bargain?

Before State officials take any more steps in this direction, we suggest that they frankly assess the outcome of last year's legislative action. Creation of a pipeline bonding authority was conditioned on a list of demands, some of which are clearly unreasonable or unattainable in light of present conditions. What effect—positive or negative—has setting out these preconditions actually had? What effects will it likely have in the future?

We also advise a reflective look on one of last year's biggest controversies—the ALPETCO royalty oil contract. While such introspection runs the risk of exhuming old hostilities, it does present some comparisons and contrasts that should not be overlooked.

Before royalty oil bids were even solicited, the State chose to set out a list of conditions, most notable of which was the in-value price floor. The solicitation prompted several responses and the process of negotiation began. Right from the start it was apparent that most, if not all, of the companies had no intention of meeting that pricing mandate. Why had they bothered to bid? Because these private companies expected to find a process of negotiation similar to that in which they were used to dealing; that is, a process in which both parties initially stake out unattainable demands than slowly back down until an agreement is reached. Hence, the initial pronouncements were not taken too seriously.

The Administration, however, had no intention of backing down from its original position. In any event, once that position had been announced, it was very unlikely the legislature or the public would have tolerated any retreat from it, or at least would have severely berated the State's negotiators. This intransigence reflected the fact that the situation was not one in which the State had to find a buyer for its oil, since an inability to do so would only mean a continuation of in-value taking. The State could comfortably afford to wait until some buyer (if ever) was willing to meet its non-negotiable demands.

It took a long time for the bidders to accept this inflexibility—most of them assumed the State was seeking the best terms it could

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get for its royalties, *compatible with the overriding objective of getting a refinery or chemical plant built*. At the eleventh hour, one bidder was finally willing to accept terms that (at least in the view of most industry observers) totally precluded the financing or profitable operation of a petrochemical plant or refinery.

One can defend such an approach as nearly risk-free when royality sales are the issue. What if it does run the risk that the successful bidder might actually be the most naive or disingenuous of the lot—and hence the least likely to carry out its plans? What has the State lost? The governor had made it clear from the beginning that he didn't want a refinery or petrochemical plant if it required discounting the royalty oil price or any other sizable state subsidy. With respect to the gasline, however, an adamant "take it or leave it" posture makes any sense at all only if one's attitude toward the pipeline is the same as the State's position toward ALPETCO; that is, only if one is comfortable with the ". . . or leave it" alternative of no gasline.

Posture No. 3—Strategic

Posture No. 1 was a more or less passive, but sufficiently defensive, attitude. Posture No. 2 centered around an aggressive but singular action by the State in the hope of prompting other parties into action. The third approach is less forthright in a visible sense than the second, but effectively it comes much closer to the aggressive leadership role we characterized earlier as one of the poles on the whole continuum of possible State postures.

That extreme itself was dismissed as probably unrealistic because the only possible locus of true leadership (now so apparent in its absence), and a leadership credible to the other paties, is the federal government. The U.S. sponsor is already bogged down by its unfulfilled promises, and has always been under scrutiny by the defeated gas transmission companies that hold critical pieces of consumer markets. Added to that is the sponsor's proved inability to convince the gas producers to even begin serious conversations. In effect, the only party which has the potential credibility or clout to wield leadership is the party that can and must become the ultimate responsitory of risks other parties are incapable of accepting or prudently cannot take on.

This is not to say that the State cannot serve as a *catalyst*. That role is the heart of what we call the Strategic Posture because effective action at this point to give the Alaska Highway project new momentum (if indeed any such action is possible) calls for a turning away from the present adversarial, piecemeal approach. This prevailing adversarial stance is exemplified by the fact that the involved parties, often as not, have chosen to "speak" to each other through legal briefs and the public media.

Posture No. 3 relies mainly on means other than state proclamations; it is not conducive to establishing a formal Alaska "position". In a large sense, it is impossible to judge what role is fair, right, or even necessary for any party to assume until *all* are considered together. Likewise, it is probably not conducive to blackmail or bullying on the part of the State—particularly heavy-handed dealings with the federal government, which must instead be *eased* into taking on the least attractive role that anybody will have to carry.

The State would continue to appear before FERC and at Congressional hearings, but not in order to stake out territory nor to present detailed legalistic critiques of proposed orders or regulations. The State would, instead, use these proceedings as a forum for setting out the issues in a fashion maybe similar to how they have been described here, and to give others a general understanding of the State's interests and limitations.

Probably the most useful thing anybody could catalyze at this point is an understanding by each party about the real financial and political limitations restraining every other party. Certainly the President misjudged the producers' interests when he claimed private financing was possible and relied on the Treasury Department's wishful fantasies about the gas producer's motivations and restraints. Perhaps the least understood of all parties will prove to be the Canadian government. While it cannot help but gain all sorts of goodies if the pipeline is built, onerous political considerations prohibit the Canadian government from taking on many (if any) risks. The U.S. executive branch has already demonstrated a tremendous insensitivity to these considerations.

The authors wish to make no judgment here whether the State could actually function in this manner, nor are we confident that it would be successful. The present impasse is highly complicated by conflicts of interests, both real and imaginary, and seemingly insurmountable psychological hurdles. Overall, the impasse is characterized more by nuance than forthright and absolute certainties. Indeed, we are not convinced that the State or any other earthly force can plow through it all and sow the seeds that will lead to ultimate resolution of all the critical problems.

Even if the State could do it, the "State" is not a monolithic force. Negotiations could only be handled by the executive, but all major results would need to survive legislative scrutiny as well. How much credibility would the State have in dealing in this fashion? Would the legislature be willing to grant the necessary leash and provide enough support to give the executive sufficient clout in its dealings?

A final note . . .

Of the three possible approaches for State action during the upcoming year, the authors believe that the governor and the legislature would be most comfortable with Posture No. 1 or No. 3. Policy makers' political inclinations and philosophical views about the government's appropriate role and its ability to maneuver in a much broader arena, of course, play a large role in the choice of strategy. While such considerations are outside the author's terms of reference for this study, the present report has so far avoided more than passing mention of another question that is crucial, but which *is* part of our assignment: Are there conceivable ways to put the project together so that each of the involved parties will find its own apportionment of risks and benefits at least tolerable? Might Posture No. 3 (which thrusts the State into a behind-the-scenes catalyst role) prove fruitful, or would it just be a waste of time—in which case, the semi-passive approach of Posture No. 1 might make more sense?

The authors plan to explore this question in detail in the final report. Nevertheless, while we hope the complete series of reports will assist the legislature in choice of approach, we cannot offer a definitive answer to the question: Should the State of Alaska want a gas pipeline, this pipeline, and at this time? Even the sponsors do not know whether they really want to build the thing. The only prudent answer is *"maybe, if . . ."*—and the "if" really cannot and should not be hammered out at this time or by us.

Only when the State knows what it will get out of the project (tariff conditions, wellhead price, etc.) and what it has to give up in return (financing risks, etc.)—hence, only *after* the risks and benefits are apportioned among all parties—can judgment be made. Even then, it will have to include a hard look at alternatives. If the pipeline is not built now, what are the chances it might be reborn and under more or less favorable conditions? What is the effect of an extended period of gas reinjection during oil production? What alternatives (if any) *realistically* exist for using the gas within Alaska? Only after these points are better known and are weighted against one another can a prudent judgment be made on whether the State wants the gasline and whether it wants it bad enough to accept any given share of the system's risks and costs.

FOOTNOTES

[1] The President's 1977 *Decision* on the Alaska natural gas transportation system required the use of a variable or "incentive" rate of return to pipeline equity, which would reward the owners for controlling construction costs and penalize them for overruns. FERC is currently trying to put specific numbers (the "centerpoint" and "marginal" rate of return) into the IROR formula.

[2] Arlon R. Tussing and Connie C. Barlow, *Marketing and Financing Supplemental Gas: The Outlook for, and Federal Policy Regarding, Synthetic Gas, LNG, and Alaska Natural Gas.* (A report to the federal Department of Energy). Anchorage: Institute of Social and Economic Research (1978).

[3] For an explanation of "rolled-in" and other pricing rules, see Tussing and Barlow, *An Introduction to the Gas Industry* (a report to the Alaska Legislature). Juneau: Legislative Affairs Agency (1978), pp. I–66; and *Marketing* (cited above), pp. II–61–89.

[4] "Full cost of service" and related tariff concepts are explained in Tussing and Barlow, *Introduction* (cited above) pp. I–100, and *Marketing* (cited above), pp. II–34–36.

[5] For an explanation of the project financing technique, see Tussing and Barlow *Marketing* (cited above) pp. II–29–46.

[6] For a discussion of "all events" tariffs, see Tussing and Barlow, and *Introduction* (cited above), pp. I–100, and *Marketing* (cited above), pp. II–34–36.

[7] Report to the President: *Financing an Alaska Natural Gas Transportation System.* Washington: U.S. Department of the Treasury (Lead Agency) (July 1, 1977).

[8] P.L. 94–586, Section 7(c).

[9] ". . . dare not dismount." (But what if he's been knocked senseless by the brush?)

[10] Executive Office of the President, *Decision and Report to Congress on the Alaska Natural Gas Transportation System.* Washington: (September 1977). pp. 127.

[11] U.S. Senate, Committee on Energy and Natural Resources, *To Approve the Presidential Decision on an Alaska Natural Gas Transportation System.* Washington: (October 1977) pp. 13.

[12] U.S. House of Representatives, *Conference Report to Accompany H.R. 2589.* Washington: (October 10, 1978) pp. 103.

[13] U.S. federal officials should note that it was not advocacy of federal aid for Trans-Canada *per se* that fatally damaged the St. Laurent government, but its deviousness and heavyhandedness in pressing for Parliamentary approval. The whole fascinating story is found in: William Kilbourn, *Pipe Line,* Toronto: Clarke, Irwin and Company, Ltd. (1970).

[14] *Decision and Report* (cited earlier), p. 102.

ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSE CONCURRENT RESOLUTION 42—ADJOURNMENT OF THE HOUSE AND RECESS OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House on House Concurrent Resolution 42.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, February 8, 1979, it stand adjourned until 12 o'clock meridian on Tuesday, February 13, 1979, and that when the Senate recesses on Friday, February 9, 1979, it stand in recess until 12 o'clock meridian on Monday, February 19, 1979.

Mr. ROBERT C. BYRD. Mr. President, I ask unanmous consent that the Senate proceed to the immediate consideration of the concurrent resolution.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The concurrent resolution (H. Con. Res. 42) was considered and agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SPECIAL ORDERS FOR THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, Mr. HARRY F. BYRD, JR., be recognized for not to exceed 15 minutes after I have yielded the floor following the prayer.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, following the order for recognition of Mr. HARRY F. BYRD, JR., tomorrow, Mr. PERCY and Mr. BELLMON be recognized, each for not to exceed 15 minutes, in whatever order those two Senators wish to present themselves.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 12 o'clock noon tomorrow.

The motion was agreed to and, at 3:54 p.m., the Senate recessed until Thursday, February 8, 1979, at 12 o'clock meridian.

EXTENSIONS OF REMARKS

MITRE CORPORATION CONDUCTS DETAILED REVIEW OF SOLID WASTE ISSUES

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 7, 1979

● Mr. RANDOLPH. Mr. President, one of the high priority objectives of the Environment and Public Works Committee this year will be extension of authority for essential solid waste management and recycling programs established under the Resource Conservation and Recovery Act of 1976.

In reviewing that legislation an immediate concern will be a search for ways to accelerate implementation of those programs so they can more fully realize the potential for which they were designed.

Unfortunately, that progress has been slower than we would have wished, for a variety of reasons, since enactment of the legislation.

That problem was addressed in detail in a symposium conducted here last October 3–5 under sponsorship of the Metrek Division of the MITRE Corporation of McLean, Va.

I was privileged to deliver the keynote address and was impressed with the level of participation and the degree of understanding of the broad scope of related issues demonstrated by both the symposium leaders and attendees.

I want to share some of their conclusions with you and I ask that portions of a synopsis of the proceedings be printed in the Record at the conclusion of my remarks.

The material follows:

SYMPOSIUM SUMMARY

Mr. Charles A. Zraket, Executive Vice-President of the MITRE Corporation, set the symposium theme with the question: "Why is resource recovery implementation moving at such a slow rate when Federal, state and local governments as well as private industry are all pushing for resource recovery?" Approximately 150 people who are actively involved in the field of resource recovery were assembled by MITRE to discuss this question, identify specific issues, and to propose actions to resolve the problems that they face. The attendees represented all sectors involved in the issue, including Federal, state and local governments, materials and solid waste handling industries, electric utilities, system equipment and supplier industries, financial advisory firms, consulting engineers, environmental and public interest groups, and research organizations.

The symposium opened with a day-long plenary session during which invited speakers related their experiences and points of view concerning barriers to implementation. During the second day, five concurrent workshops were held on the following topics: Resource Recovery Planning and Procurement: Technology State-of-the-Art; Resource Recovery Project Financing; Contracting, and Institutional Factors.

On the third day, each workshop chairman presented a summary of the discussion that took place and the conclusions reached during his workshop session.

As a result of the symposium, key decision-makers in the field have exchanged points of view on the problems they face, and have identified specific actions which they believe will lead to an accelerated resource recovery implementation process. The following points of view, although not formally stated as such by the participants, must be recorded as a reflection of their prevailing opinion.

1. Because of the technical and business complexity of resource recovery facilities, the majority of them should be operated by private industry, not government agencies.

2. The preferred method for procuring a resource recovery facility is to select a full service contractor through the evaluation of competitive industry proposals and negotiation of a contract with a single firm for facility design, construction, and operation.

3. The majority of resource recovery facilities should be financed through the sale of revenue bonds, and not capitalized as general obligations against state or local governments.

4. The two most difficult problems to overcome in planning a resource recovery facility are to:

Secure control over the waste stream so that it can be contractually committed for delivery to the new facility, and thus guarantee throughput and disposal fee revenue, and

Secure a commitment—and an equitable price—for purchase of the energy products; the most dependable energy customer is the public utility.

5. Because of the complexities and risks of resource recovery, it will be chosen by local officials only when all other disposal alternatives are unavailable or clearly beyond economic reason.

The following proposed actions were among the many recommendations developed during the five workshop sessions.

1. It is essential to have evenhanded enforcement of environmental standards for both landfills and resource recovery facilities.

2. Research priorities should be established for developing unit operations in refuse-derived fuel processing and for demonstration scale evaluation of small scale resource recovery technologies (50–250 tons per day).

3. A significant improvement is needed in the transfer of technical information.

4. DOE and EPA funding for front-end planning should be expanded.

5. Public Utility Commissions should encourage public utility use of refuse-derived energy.

6. The most critical concern for both the financial community and for local governments is the management of risk elements, and, consequently, there is a need to make widely available the contract negotiations experience of early resource recovery projects.

Dr. Sidney R. Galler, Deputy Assistant Secretary for Environmental Affairs, U.S. Department of Commerce, presented the luncheon address on the second day. Dr. Galler stressed the need for participation on the part of academia in research and development related to the resource recovery industry. He also pointed to the lack of university programs available in the field, stating that more people with an educational background in the field of solid waste management and resource recovery are needed.

Mr. Zraket, in welcoming participants at the opening session, emphasized that the prime motivation behind the development of resource recovery is a need on the part of state and local governments for an improved method of solid waste disposal, not a need to utilize solid waste as an energy source. The energy recovery component of resource recovery is important, however, because it provides revenue which can make a project economically feasible. In addition, the re-use of waste to provide energy seems to be both logical and desirable in this period of energy shortage. However, solid waste can meet only specific energy needs in specific cases. Resource recovery can be an efficient, cost effective, and environmentally sound long-term method of solid waste disposal, and this is what is urgently needed by communities across the nation.

The following discussion relates to the actions recommended, and is based on ideas and opinions that were expressed during the plenary and workshop sessions.

It was agreed that because of the knowledge of difficulties experienced in past projects, and because of the perceived risks and the necessary commitments associated with long-term regional agreements, resource recovery will generally be chosen only when it is the only available solid waste disposal option. Resource recovery can initially be more expensive than landfill (although in the long-term it can be a lowest cost alternative), and communities will not spend more money to get rid of their waste simply for the "environmental benefit" of resource recovery. The high up-front costs of procuring a resource recovery system can appear to be prohibitive, and the current lack of front-end funding makes it difficult to initiate implementation efforts. Resource recovery technology is in rudimentary stages; some even argue that there are no proven resource recovery plants. Local laws can cause delays over the resolution of issues such as control of waste stream, long-term contracting for solid waste disposal, and the use of competitive negotiations in contractor selection. Local officials feel that they assume a political risk because of the chance that their system will either never materialize despite years of planning effort or that disposal fees will far exceed those that are estimated in early planning stages.

However, symposium participants agreed that regional resource recovery can be a self-supporting and environmentally sound solution to the problem of solid waste disposal. It is essential that leaders in the field assess past experiences and take action to minimize risks and speed up the implementation process.

One action that might be taken is even-handed enforcement of environmental standards for "noncomplying" alternatives to resource recovery. This would help to close the gap between the costs of landfill and resource recovery. Other suggested actions were the establishment of tradeoff policies or a grace period for compliance with regulations, and assumption of the financial burden of compliance by the Federal Government.

It was felt that Department of Energy (DOE) and Environmental Protection Agency (EPA) funding for front-end planning should be expanded because front-end planning is essential to a swift and successful implementation process. EPA has four integrated assistance programs: a $15 million grant program, a technical assistance panels program, a program in which information on commercial scale plants is collected to assist planners in system selection, and a general responsibility under RCRA to provide support to states in resource recovery planning.

Public Law 95-238 of February 1978 gave DOE the authority to support, by loan guarantee, innovative plants which recover desirable forms of energy. Title IV permits DOE to support municipally owned and/or operated waste processing plants through grants and/or price supports. Regulations governing price supports will be published next spring.

There must be a flexible approach to federal assistance; support should be specific to the needs of each project. Many feel that a price support system is the best and most flexible means of providing assistance. With a price support system, resource recovery tipping fees are lowered through the use of federal funds, and the cost of resource recovery to the user is thus made competitive with landfill costs. Support is provided at a critical time, the beginning of facility operation when the economic success of the plant depends on a consistent and sufficient influx of solid waste.

Some participants expressed a feeling that federal loans and guarantees can actually inhibit implementation. The loans and guarantees adjust for risks on the front-end of the project and facilitate planning and implementation. They do not, however, ease the economic burden of the first year or two of operation as with a price support system. The pitfall associated with loans and guarantees is that jurisdictions may choose to delay the initiation of planning and procurement in hope of receiving federal money. It is likely that the federal funding will not make up for time or money lost to inflation during the waiting period.

It was suggested that a repayment schedule for federal funding could be established based on the success of a project. Successful projects could repay up to one hundred percent of the funds, while unsuccessful projects might not repay any, or only a small portion. The returned funds would then be available for new efforts. Another suggestion is to explore the use of entitlement funds for resource recovery projects.

Front-end funding is urgently needed in order to avoid allowing jurisdictions to have feasibility studies performed for projects that don't get off the ground, and inadequate RFP's prepared that can elicit only poor responses. It is imperative that expert and experienced legal, technical and financial advisors assist in RFP preparation. The RFP must contain definitive project parameters and reflect realistic objectives and creditable assumptions which will serve as a basis for technical and management decisions by the responding firm. The credibility of the resource recovery industry will suffer if there is a flurry of activity at the local level and excitement about the prospect of resource recovery without timely follow-through and implementation. This is, in fact, what has happened over the past few years.

Control over the waste stream is an institutional—and in many cases legal—problem of considerable complexity. The nub of the problem is that communities, counties, etc. frequently do not have the legislative authority to direct where waste shall be delivered for disposal. Communities almost never have control over the industrial waste collected by private firms, and yet they are often responsible for providing a suitable public disposal facility.

The following is a list of Plenary Session speakers and the topics on which they spoke:

Keynote Address—Mr. Jerold Prod, Chairman, California Solid Waste Management Board; Industry Perspective—Mr. Robert Baratta, Vice-President, UOP, Inc.; Local Government Perspective—Mr. Clyde Dowell, Environmental Protection and Maintenance Department, City of Detroit; DOE Program—Mr. Donald K. Walter, Chief, Urban Waste Technology Branch, U.S. DOE; Implementing Resource Recovery—Mr. Ahti E. Autio, Associate Department Head, Resource Recovery and Energy Systems, The MITRE Corporation; EPA Program—Mr. Steffen Plehn, Deputy Assistant Administrator, Solid Waste Management, U.S. EPA; Solid Waste Management Industry—Mr. Eugene Wingerter, Executive Director, National Solid Waste Management Association; Electric Utilities—Mr. Robert Paladino, Edison Electric Institute; Financing Alternatives—Mr. Charles Ballard, Vice-President, Dillon, Read; Dinner Address—The Honorable Jennings Randolph, U.S. Senate, West Virginia; Luncheon Address—Dr. Sidney R. Galler, Deputy Assistant Secretary for Environmental Affairs, Office of Environmental Affairs, U.S. Department of Commerce.

The Workshop Chairmen were as follows: Planning and Procurement—Mr. William Gaughan, Director, Bureau of Solid Waste Disposal, Massachusetts Department of Environmental Management; Technology—Dr. Albert J. Klee, Chief, Processing Branch, Solid and Hazardous Waste Research Division, U.S. EPA; Financing—Mr. Robert Aldrich, Vice-President, Paine Webber; Contracting—Mr. Mel Greenberg, Esq., Greenberg, Traurig, Hoffman, Lipoff, Quentel, Wolff, P.A.; Institutional Factors—Mr. William G. Bentley, Director, Division of Solid Waste Management, New York State Department of Environmental Conservation.●

SENATE COMMITTEE MEETINGS

Title IV of Senate resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the Congressional Record on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, February 8, 1979, may be found in the Daily Digest of today's Record.

MEETINGS SCHEDULED

FEBRUARY 9

9:00 a.m.
Agriculture, Nutrition, and Forestry
Nutrition Subcommittee
To hold hearings on the nutritional information contained on food labels.
322 Russell Building

9:15 a.m.
Judiciary
To hold hearings on S. 241, proposed Justice System Improvement Act.
2228 Dirksen Building

9:30 a.m.
Judiciary
Constitution Subcommittee
To hold hearings on S. 10, authorizing the Department of Justice to initiate suit to enforce constitutional rights to institutionalized persons.
6626 Dirksen Building

10:00 a.m.

Appropriations

Labor-HEW, and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for certain independent agencies.

S–128, Capitol

Banking, Housing, and Urban Affairs

To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.

5302 Dirksen Building

Environment and Public Works

To continue to review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee.

4200 Dirksen Building

Joint Economic

To hold hearings to explore the problems of unemployment and training programs among blacks, Mexican Americans, and other groups.

318 Russell Building

2:00 p.m.

Agriculture, Nutrition, and Forestry

To receive testimony on economic problems in American agriculture.

1202 Dirksen Building

3:00 p.m.

Banking, Housing, and Urban Affairs

To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.

5302 Dirksen Building

FEBRUARY 13

9:30 a.m.

Human Resources

Education, Arts, and the Humanities Subcommittee

To hold hearings to explore the areas of basic learning skills used in elementary and secondary schools.

4232 Dirksen Building

FEBRUARY 14

9:30 a.m.

Human Resources

Education, Arts, and the Humanities Subcommittee

To continue hearings to explore the areas of basic learning skills used in elementary and secondary schools.

4232 Dirksen Building

FEBRUARY 15

10:00 a.m.

Judiciary

To resume hearings on S. 241, proposed Justice System Improvement Act.

2228 Dirksen Building

FEBRUARY 19

9:30 a.m.

Environment and Public Works

To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, to hear EPA officials.

4200 Dirksen Building

2:00 p.m.

Appropriations

State, Justice, Commerce, and the Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for the Office of Special Representative for Trade Negotiations, Foreign Claims Settlement Commission, and the International Trade Commission.

S–146, Capitol

FEBRUARY 20

9:00 a.m.

Agriculture, Nutrition, and Forestry Nutrition Subcommittee

To resume hearings on the nutritional information contained on food labels.

322 Russell Building

9:30 a.m.

Commerce, Science, and Transportation

To hold hearings on a proposed joint government/industry program of advanced automotive technology development.

235 Russell Building

Environment and Public Works

To review those items in the President's budget for fiscal year 1980 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, to hear EPA officials.

4200 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy to hear its Secretary.

1224 Dirksen Building

Banking, Housing, and UrbanAffairs

To hold oversight hearings on present U.S. monetary policies.

5302 Dirksen Building

Rules and Administration

To hold hearings to receive testimony in behalf of resolutions requesting funds for activities of Senate committees and subcommittees, and to consider other committee business.

301 Russell Building

11:00 a.m.

Veterans' Affairs

To hold hearings to receive legislative recommendations for fiscal year 1980 from Disabled American Veterans.

318 Russell Building

2:00 p.m.

Appropriations

Labor-HEW Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of Labor.

S–128, Capitol

Appropriations

State, Justice, Commerce, and the Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for the Arms Control and Disarmament Agency, Presidential Commission on World Hunger, Securities and Exchange Commission, and on supplemental appropriations ofr FY 79 for ACDA.

S–146, Capitol

FEBRUARY 21

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on proposed fiscal year 1980 authorization for NASA.

5110 Dirksen Building

Human Resources

Child and Human Development Subcommittee

To resume hearings on S. 4, proposed Child Care Act.

4232 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Navajo-Hopi Relocation Commission and the Institute of Museum Services.

1224 Dirksen Building

Appropriations

Labor-HEW Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Labor.

S–128, Capitol

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.

6202 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on the nominations of Thomas P. Salmon, of Vermont, to be a Member of the Board of Directors of the U.S. Railway Association, and S. Lee Kling, of Missouri, to be a Member of the Board of Directors of the National Railroad Passenger Corporation.

235 Russell Building

Rules and Administration

To continue hearings to receive testimony in behalf of resolutions requesting funds for activities of Senate committees and subcommittees, and to consider other committee business.

301 Russell Building

2:00 p.m.

Appropriations

Labor-HEW Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Labor.

S–128, Capitol

FEBRUARY 22

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on proposed fiscal year 1980 authorizations for NASA.

5110 Dirksen Building

Veterans' Affairs

To hold hearings on S. 330, to provide for a judicial review of decisions made by the Veterans' Administration in matters involving claims for veterans.

318 Russell Building

9:30 a.m.

Energy and Natural Resources

To hold hearings on the nomination of Larry E. Meierotto, of the District of Columbia, to be an Assistant Secretary of the Interior.

3110 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of Indian Education.

1223 Dirksen Building

Appropriations

Labor-HEW Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Labor.

S–128, Capitol

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.

6202 Dirksen Building

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold hearings on proposed fiscal year 1980 authorizations for the U.S. Railway Association and the Office of Rail Public Counsel.

235 Russell Building

Rules and Administration

To continue hearings to receive testimony in behalf of resolutions requesting funds for activities of Senate committees and subcommittees, and to consider other committee business.

301 Russell Building

FEBRUARY 23

9:00 a.m.

Agriculture, Nutrition, and Forestry

Nutrition Subcommittee

To resume hearings on the nutritional information contained on food labels.

322 Russell Building

Human Resources

Alcoholism and Drug Abuse Subcommittee

To hold hearings on the impact of the President's budget proposals for alcoholism programs, and on proposed legislation to deal with alcoholism.

4232 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To resume oversight hearings on present U.S. monetary policies.

5302 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on the nominations of Jesse Hill, Jr., of Georgia, and Joan Fleischmann Tobin, of the District of Columbia, each to be a Member of the Board of Directors of the Communications Satellite Corporation, and Anne P. Jones, of Massachusetts, to be a Member of the Federal Election Commission.

235 Russell Building

Joint Economic

To receive testimony from Advisor to the President on Inflation Kahn on the state of the U.S. economy.

1202 Dirksen Building

10:30 a.m.

Appropriations

Labor-HEW Subcommittee

To hear Secretary Marshall on proposed budget estimates for fiscal year 1980 for the Department of Labor.

S-128, Capitol

FEBRUARY 26

9:00 a.m.

Human Resources

Alcoholism and Drug Abuse Subcommittee

To continue hearings on the impact of the President's budget proposals for alcoholism programs, and on proposed legislation to deal with alcoholism.

4232 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on S. 85, proposed Monetary Policy Improvement Act.

5302 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on the objectives that a national policy on tourism should seek to achieve.

235 Russell Building

2:00 p.m.

Appropriations

State, Justice, Commerce, and the Judiciary Subcommittee

To hold hearings on proposed budget estimates for FY 1980 for the Japan-U.S. Friendship Commission, and on supplemental appropriations for FY 79 for the International Communications Agency and Renegotiation Board.

S-146, Capitol

2:30 p.m.

Appropriations

Labor-HEW Subcommittee

To hear Secretary Califano on proposed budget estimates for fiscal year 1980 for the Department of HEW.

S-128, Capitol

FEBRUARY 27

10:00 a.m.

Rules and Administration

To resume hearings to receive testimony in behalf of resolutions requesting funds for activities of Senate committees and subcommittees, and to consider other committee business.

301 Russell Building

APRIL 5

9:30 a.m.

Veterans' Affairs

To hold hearings on proposed legislation extending certain veterans' health benefits programs through fiscal year 1980.

5110 Dirksen Building

FEBRUARY 27

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.

235 Russell Building

Human Resources

Child and Human Development Subcommittee

To mark up S. 239, authorizing funds through fiscal year 1981 for ACTION programs, and S. 232, authorizing funds through fiscal year 1981 for information and counseling projects to aid families who experienced sudden infant death syndrome deaths.

4232 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear its Secretary.

1224 Dirksen Building

Appropriations

Labor-HEW Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for the Health Services Administration, Department of HEW.

S-128, Capitol

Banking, Housing, and Urban Affairs

To mark up S. 108, proposing simplification of the truth-in-lending laws, and on proposed legislation to extend for two years, through 1981, the Council on Wage-Price Stability.

5302 Dirksen Building

2:00 p.m.

Appropriations

Labor-HEW Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for the Center for Disease Control, Department of HEW.

S-128, Capitol

FEBRUARY 28

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on proposed FY 1980 authorization for NASA.

235 Russell Building

10:00 a.m.

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

Commerce, Science, and Transportation

To resume hearings on the objectives that a national policy on tourism should seek to achieve.

5110 Dirksen Building

10:30 a.m.

Appropriations

Labor-HEW Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.

S-128, Capitol

2:00 p.m.

Appropriations

Laber-HEW Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.

S-128, Capitol

Appropriations

State, Justice, Commerce, and the Judiciary Subcommittee

To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 1979 both for the Department of State.

S-146, Capitol

MARCH 1

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.

235 Russell Building

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of Water Research and Technology.

1223 Dirksen Building

Appropriations

Labor-HEW Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.

S-128, Capitol

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.

6202 Dirksen Building

2:00 p.m.

Appropriations

Labor-HEW Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the National Institutes of Health, Department of HEW.

S-128, Capitol

Appropriations

State, Justice, Commerce, and the Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980, and on supplemental appropriations for fiscal year 1979 both for the Department of State.

S-146, Capitol

MARCH 2

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on proposed FY 1980 authorizations for NASA.

235 Russell Building

Human Resources

Alcoholism and Drug Abuse Subcommittee

To hold hearings on proposed legislation to renew programs administered by the Alcohol, Drug Abuse, and Mental Health Administration, HEW.

4232 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation

To resume hearings on the objectives that a national policy on tourism should seek to achieve.

5110 Dirksen Building

MARCH 5

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.

1318 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 1979, both for the Judiciary.
S–146, Capitol

MARCH 6

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Alcohol, Drug Abuse, and Mental Health Administration, Department of HEW.
S–128, Capitol

11:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from Veterans of Foreign Wars.
318 Russell Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Health Resources Administration, Department of HEW.
S–128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 79, both for the Department of Justice.
S–146, Capitol

MARCH 7

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee.
To hold oversight hearings on the implementation of P.L. 94–282, establishing the Office of Science and Technology Policy.
2355 Russell Building

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold hearings on proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Inteiror, to hear outside witnesses.
1224 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Justice.
S–146, Capitol

MARCH 8

9:30 a.m.
Veterans' Affairs
To consider recommendations which it will make to the Budget Committee in accordance with the Congressional Budget Act.
412 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear outside witnesses.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Justice.
S–146, Capitol

MARCH 12

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for the National Rail Passenger Corporation (AMTRAK), and on proposed route restructuring of AMTRAK.
234 Russell Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 79, both for the Department of Commerce.
S–146, Capitol

MARCH 13

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Endowment for the Arts.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Commerce.
S–146, Capitol

MARCH 14

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the U.S. Forest Service, Department of Agriculture.
1224 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980, and on supplemental appropriations for FY 79, both for the Department of Commerce.
S–146, Capitol

MARCH 15

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Indian Health Service
1224 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of Commerce.
S–146, Capitol

MARCH 16

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the Northeast corridor improvement project.
235 Russell Building

MARCH 19

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Equal Employment Opportunity Commission, U.S. Metric Board, and the Legal Services Corporation.

MARCH 20

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To mark up S. 4, proposed Child Care Act, and proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of Territorial Affairs.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Federal Communications Commission and the Small Business Administration.
S–146, Capitol

MARCH 21

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearing on the implementation of P.L. 94–282, establishing the Office of Science and Technology Policy.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of Territorial Affairs.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Commission on Security and Cooperation in Europe, Federal Maritime Commission, Marine Mammal Commission, and on supplemental appropriations for FY 79 for the Board for International Broadcasting.
S-146, Capitol

MARCH 22

10:00 a.m.
Appropriaitons
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the U.S. Geological Survey.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Commission on Civil Rights and the Federal Trade Commission.
S-146, Capitol

MARCH 27

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Bureau of Indian Affairs.
1224 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To receive testimony from Members of Congress on proposed budget estimates for fiscal year 1980 for the Departments of State, Justice, Commerce, and the Judiciary.
S-146, Capitol

MARCH 29

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.
235 Russell Building

9:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from AMVETS, paralyzed Veterans of America, Veterans of World War I, and blinded veterans.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Endowment for the Humanities.
1224 Dirksen Building

MARCH 30

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.
235 Russell Building

APRIL 3

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Office of the Secretary and the Office of the Solicitor.
1224 Dirksen Building

APRIL 4

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

APRIL 5

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

APRIL 10

9:30 a.m.
Veterans' Affairs
To hold oversight hearings on the role of the Federal government in providing educational, employment, and counseling benefits to incarcerated veterans.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Fish and Wildlife Service.
1223 Dirksen Building

APRIL 12

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Bureau of Mines.
1223 Dirksen Building

APRIL 24

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Bureau of Land Management.
1223 Dirksen Building

APRIL 25

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Interior, to hear Congressional Witnesses.
1223 Dirksen Building

APRIL 26

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Office of Surface Mining Reclamation and Enforcement.
1223 Dirksen Building

MAY 1

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of the Older American Volunteer Program Act (P.L. 93-113).
4232 Dirksen Building

SENATE—*Thursday, February 8, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. PAUL S. SARBANES, a Senator from the State of Maryland.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray:

Almighty God, grant to Thy servants in the service of this Government strength of character, keenness of mind, and soundness of judgment to match the high demands of the day. Mid the collision of forces abroad and the competition of interests at home, help us to remember who we are and whom we serve. Give the President wisdom to propose, the Congress competency to legislate, and the people a healing and helpful response. Keep us all in Thy service and fill our spirits with the quiet confidence of those whose master is the Lord of all life, in whose name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 8, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAUL S. SARBANES, a Senator from the State of Maryland, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. SARBANES thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The PRESIDING OFFICER (Mr. STEWART). The Senator from West Virginia.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDER

The PRESIDING OFFICER. Under the previous order, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time I consume not be taken out of the time of the distinguished Senator from Virginia.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, this request having been cleared with the distinguished minority leader, that the Senate go into executive session to consider the nominations on the Executive Calendar beginning on page 1 and extending throughout the Executive Calendar to the close of page 26, and that those nominations be considered en bloc.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, the majority leader is, of course, correct. Those items are cleared on our calendar and we are delighted to proceed to their consideration.

I might say parenthetically that I believe this is the biggest Executive Calendar that we have ever had the opportunity to deal with in one bite.

There being no objection, the Senate proceeded to the consideration of executive business.

DEPARTMENT OF STATE

The legislative clerk read the nominations of:

W. Beverly Carter, Jr., of Pennsylvania, to be Ambassador at Large;

Robert H. Pelletreau, Jr., of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Bahrain;

Stephen Warren Bosworth, of Michigan, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Tunisia;

Jonathan Dean, of New York, during the tenure of his service as Representative of the United States of America for Mutual and Balanced Force Reductions Negotiations, Ambassador.

NOMINATION OF W. BEVERLY CARTER, JR.

● Mr. ZORINSKY. Mr. President. I oppose Mr. Carter's appointment. I do not question his qualifications to serve as an Ambassador-at-Large. He is very capable, I am sure.

But I do question whether we need a State Department liaison for State and local governments.

Our States and cities already spend a great deal on representation in Washington. We have a National League of Cities, a U.S. Conference of Mayors, a National Association of Counties, and a National Governors Association. In addition, many States and municipalities employ lobbyists individually. All are paid for by the taxpayers.

Congress itself functions as a lobby for States', cities', and other constituents' interests, pursuing them, where necessary, with executive agencies.

We do not need another voice in the middle, also at taxpayer expense.

I served 4 years as mayor of Omaha before moving to the Senate in 1977. I dealt with the State Department once in connection with an official trip I took, with two other mayors, to Poland. The city also helped individual Omahans, on occasion, with passport applications.

I never had any trouble dealing with State Department officials direct.

My former colleagues in local government tell me that they, too, would find a State Department liaison unhelpful, not only because they would prefer not to have to go through an intermediary, but because they simply have little interest in matters that are within the Department's jurisdiction.

A lobbyist for the cities said his organization has never had to contact the State Department on behalf of a member. A spokesman for several counties told me the same thing.

I could not find anyone in Nebraska State government who has had enough contact with State to be able to discuss with me whether an intermediary would be useful.

I have heard much talk here recently about a new era of fiscal austerity—about balancing the Federal budget. The Federal Government's size and bureaucratic inefficiency are also favorite complaints of those of us in this body.

Yet if we were truly serious about that talk and those criticisms, we would not permit the creation of this new and unnecessary State Department office today.●

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The legislative clerk read the nominations of:

William Brownlee Welsh, of Virginia, to be an Assistant Secretary of Housing and Urban Development;

Sterling Tucker, of the District of Columbia, to be an Assistant Secretary of Housing and Urban Development.

U.S. AIR FORCE, U.S. ARMY, U.S. NAVY—NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, NAVY, AND MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the U.S. Air Force, U.S. Army, U.S. Navy, and nominations placed on the Secretary's desk in the Air Force, Army, Navy, and Marine Corps.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

(All nominations considered and confirmed are listed at the conclusion of Senate Proceedings in today's RECORD.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to move en bloc to reconsider the votes by which all the nominations were confirmed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I make that motion.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President of the United States be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I now thank again the distinguished Senator from Virginia for his courtesy.

GEN. GEORGE CATLETT MARSHALL

Mr. HARRY F. BYRD, JR. Mr. President, the life and career of Gen. George Catlett Marshall are a source of inspiration to our Nation. Few Americans of this century can rival his achievements.

On November 11, 1978, Virginia Military Institute paid tribute to General Marshall with the unveiling of a statue—a fitting memorial, indeed, since General Marshall once was a member of the proud cadet corps at VMI.

On the occasion of the unveiling of the statue, the Honorable Mills E. Godwin, Jr., the distinguished former Governor of my State, delivered a moving tribute to General Marshall and a challenge to today's youth to emulate General Marshall's splendid example.

Governor Godwin fittingly described General Marshall as "an outstanding soldier, a farsighted statesman, an uncompromising gentleman, and a former member of this corps."

I ask unanimous consent that full text of Governor Godwin's eloquent address be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY THE HONORABLE MILLS E. GODWIN, JR.

General Irby, Distinguished Guests, Cadets of VMI, Ladies and Gentlemen:

It is good to be at Virginia Military Institute where I have so often in the past, shared occasions of a public nature with you. It is especially good to be here on this Founders Day when you pay tribute to a graduate of this institution who is certainly one of the great Americans of the 20th century.

General Irby has reminded us that it was snowing on November 11, 1839, when VMI first opened its doors to young men of Virginia, and if that first cadet sentinel should be watching over us today, I am certain that he shares with me a distinct pride that VMI's essential mission has not changed over the 139 years since the Institute became the nations' first state-supported military college.

It was the object of the founders to combine the academic work of a full college curriculum with exacting military discipline, and through the years the Institute has hewn true to its citizen-soldier mission, to its belief that education should prepare a man for the "work of his civil life," as the founders phrased it, but also prepare him in the art of military defense, with personal discipline the byproduct of his military training. The Institute was a pioneer in this respect, as was the Commonwealth in establishing a state military college. Today, so many generations later, VMI is an eloquent witness to the demand for graduates disciplined in both mind and strength of character.

I congratulate you on this anniversary occasion and on VMI's illustrious history of service to the Commonwealth and the Nation.

Our stated purpose today is to pay homage, by means of his likeness, to an outstanding soldier, a far-sighted statesman, an uncompromising gentleman, and a former member of this Corps.

His example serves us well in our own time.

His intellect commanded the respect of his associates, high and low.

His personal stature and diplomacy helped to hold together the supreme commanders of America's allies, with vastly different backgrounds and personalities.

His vision enabled this nation to rebuild the countries of its former enemies and transform them into friends.

However skillfully his likeness is presented to us here today, it can hardly do justice to the man.

But it can serve as a constant example to successive generations of his successors here at VMI.

Few of them, perhaps, will be endowed with his many talents.

Few of them, we all pray, will be presented with his opportunities to display them.

But all of them—all of us—can profit from the example of self-discipline in mind and spirit that made their application possible.

But with all due respect, his task was easier than ours.

As a military commander, his decisions in the field were backed by a confident people, solidly committed to a principle, and supported by an unbelievable outpouring of military hardware.

As a Secretary of State, his proposal to channel some of the wealth of the world's wealthiest nation to the cause of world peace and stability was firmly supported by a victorious and a generous people.

Today, the threat to freedom from a foreign ideology is even greater. But after an expedition into Southeast Asia, our people see it through a glass darkly.

The developing nations of the world, to whom America is still the land of freedom and opportunity, chastise us for our use of the world's resources, and at the same time, clamor for a portion of our proceeds thereof.

Our allies against the further spread of collectivism are even less of one mind on how to proceed than they were in Marshall's time.

And yet America is still the world's hope for freedom. Its spirit is still alive, although perhaps in different form.

Here at home, various associations of our people still demand freedom, at least from their own points of view.

Human rights are still paramount to our policy abroad.

The question we whisper among ourselves, the question our enemies are also whispering, is whether we still have the willingness to sacrifice, whether we still have the self-discipline that the times demand of us once more.

If we really cherish the freedom that is ours, the opportunities that are ours as Americans, our answer to ourselves and to the world must be that we do.

The alternative is to resign ourselves, and to commit the world, to a return of the Dark Ages that followed the fall of the Roman Empire.

That decision we must make as a people begins with a decision we must make as individuals.

One of VMI's great dividends has been to give us young men whose unique minds, talents, character and discipline enable them to stand with their heads above the crowd and when necessary to stand against the crowd.

General Marshall was such a man—one touched by the hand of greatness, and may this likeness of him unveiled today keep you always true to the spirit of VMI.

SENATE JOINT RESOLUTION 38—BALANCING THE BUDGET: A CALL TO RESPONSIBILITY

Mr. HARRY F. BYRD, JR. Mr. President, I am today introducing a joint resolution to amend the Constitution of the United States to require a balanced budget.

I wish this action were not necessary. It would be good to be able to report that the people could count on fiscal discipline in Washington.

But there is no fiscal discipline in Washington.

Two hundred such forty-two billion dollars' worth of red ink over the last 5 years, with another $29 billion planned for the next year, is proof that the Federal Government must be bound to fiscal responsibility with the chains of the Constitution.

Accumulated and accelerated deficits have piled up a debt now close to $800 billion, and is projected by the Treasury Department to be $900 billion by September 30 of next year. The Treasury projects a $98 billion increase in the debt during the next 18 months.

The interest on the national debt—just the interest—will cost taxpayers $60 billion this year. That is 22 percent of all individual and corporate income taxes paid into the Treasury.

This endless deficit financing is the chief cause of the chronic high inflation which is eroding the paycheck of every working man and woman, undermining the value of the dollar and threatening the very foundations of our economy.

I want to remind the Senate that the Congress last year passed, and the President signed, legislation I sponsored requiring a balanced Federal budget by fiscal year 1981, which begins in October 1980.

I take great encouragement from the approval of that legislation, but there could be efforts to set it aside or evade it.

Therefore, I feel we must move now to amend the Constitution to make a permanent requirement for a balanced budget.

The mood is right and the time is right to move toward a balanced budget. Twenty-five State legislatures have passed resolutions calling for a constitutional convention to frame a balanced budget amendment.

I think those resolutions represent the voice of the American people. Not only the State resolutions, but also numerous public opinion polls, show that the people want the Federal Government to control spending and balance the budget.

Congress must stop evading its responsibilty, waiting for the States to act. Congress must submit a balanced budget resolution to the States for ratification, just as all our other constitutional amendments have been submitted.

The budgetary policies of the Carter administration illustrate well the need for a balanced budget requirement. In 1977 the new administration pushed through a program of economic stimulus, despite the fact that a strong recovery from recession had been underway for 2 years.

The result was a building of inflationary pressures. These pressures were enhanced by a fiscal year 1979 budget first proposed to be $60 billion in deficit—later whittled down to $37 billion, largely because of tax increases.

Late last year, with inflation touching the double-digit mark, the administration—with much fanfare—declared war on inflation. But now we have in hand the Carter proposal for a so-called anti-inflationary budget for fiscal year 1980: A budget which will increase spending by 9 percent over the level approved by Congress last fall, and with a deficit projected at $29 billion and likely to go significantly higher.

What all of this demonstrates is the inability of politicians to resist the temptation to spend.

Deficit spending is a bonanza for politicians. By approving big-spending programs without raising the taxes to finance them, politicians can please the special-interest groups with handouts while avoiding increases in the official tax rates.

I say "official" tax rates advisedly. For while the tax schedules have been reduced for both individuals and corporations, revenues from both tax sources continue to rise primarily because of the bonus which the Treasury receives from inflation.

But even this "inflation bonus" in Federal revenues has been insufficient to prevent the accumulation of enormous deficits and a resultant piling up of a staggering debt. The national debt more than doubled in the 8-year period from 1970 to 1978, rising from $383 billion to $780 billion.

And the debt in turn forces the expenditure of $60 billion in interest this year. The burden of debt interest has grown to the point where 22 cents of every individual and corporate income tax dollar goes to pay the interest on the debt.

At the same time, the huge amounts which the Federal Government must borrow to finance its debt—$72 billion last year and $67 billion this year are a major drain on the money markets, creating upward pressure on interest rates and tying up funds which otherwise could be used for job-producing expansion in the private sector.

Thus the continued and accelerated deficit spending of the Federal Government fuels the fires of inflation and holds back private economic development.

We need to get the economy of the United States back on a sound basis. If we are to do this, we must follow policies that will inspire confidence in the minds of consumers and businessmen.

Consumers and businessmen cannot have confidence in an economy which is burdened with excessive Government spending and plagued with inflation.

The road to a balanced budget is the only road to permanent recovery for our economy.

Under the amendment which I am proposing today, in the first fiscal year after ratification by the States, the budget would have to be balanced.

Provision is made for incurring a debt in a national emergency declared by vote of two-thirds of both Houses of the Congress. This provision furnishes the flexibility needed to deal with serious and unforeseen problems which the Nation may come to face in the future.

The direction indicated in this proposed amendment to our Constitution is the one we must take if we are to avoid economic calamity and build a base for sound progress in the years ahead.

It is time for our national leadership—specifically, the Congress of the United States—to heed the voice of the people, and to bring our fiscal and economic policies in line with the demands of the future.

Mr. President, in conclusion, in a moment I shall ask unanimous consent to insert in the Record the texts of 22 resolutions passed by State legislatures calling for a constitutional convention to frame an amendment to the Constitution requiring a balanced budget.

In that connection, I want to pay tribute to the National Taxpayers Union and the balanced budget committee of that organization for focusing attention on this vitally important problem.

Whether one agrees or disagrees with the concept of a constitutional convention to require a balanced budget, I think that all of us who favor a balanced budget should give credit to the organization which has done so much to focus attention on this vital problem.

I am advised that there has been some confusion as to the number of States which have acted, the wording of the various resolutions and the maintaining of records concerning the actions of the States. Consequently, I hope that by submitting certified copies of 22 State resolutions—which I am about to do—I can in some measure relieve this confusion.

I understand that in addition to the States whose resolutions I am now about to present, four more have acted in the recent past: Arkansas, North Carolina, South Dakota and Utah. Certified copies of these resolutions are not yet available.

Among the 22 resolutions which I am now submitting is one from Nevada, which I understand has been vetoed by the Governor of that State. Nevertheless, the legislature has acted, so I am submitting the resolution at this time. It is expected that Nevada will clear a new resolution this year.

Thus, the actual total of States which have taken undisputed action is 25. The addition of Nevada will bring the total to 26, and more States are expected to follow suit in the weeks ahead.

Since the number of States required to call a constitutional convention is 34, it can be seen that this number may be reached in the not-too-distant future.

As I see it, it is the duty of Congress to act on its own and submit an amendment to the States. I believe that it is prudent for the Congress to follow the one tried-and-true method of submitting an amendment for ratification—the method which has been used for all constitutional amendments since the founding of the Republic.

Mr. President, I send to the desk a joint resolution and ask that it be printed and appropriately referred, and that it be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the texts of 22 State legislature resolutions, calling for a constitutional amendment to require a balanced Federal budget, be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Exhibit 1

S.J. Res. 38

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid for all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within three years after its submission to the States for ratification:

"Article —

"Section 1. In exercising its powers under article I of the Constitution, and in particular its powers to lay and collect taxes, duties, imposts, and excises and to enact laws making appropriations, the Congress shall assure that the total outlays of the Government during any fiscal year do not exceed the total receipts of the Government during such fiscal year.

"Sec. 2. During the first fiscal year beginning after the ratification of this article, the total outlays of the Government, not including any outlays for the redemption of bonds, notes or other obligations of the United States, shall not exceed total receipts, not including receipts derived from the issuance of bonds, notes or other obligations of the United States.

"Sec. 3. In the case of a national emergency, Congress may determine by a concurrent resolution agreed to by a rollcall vote of two-thirds of all the Members of each House of Congress, that total outlays may exceed total receipts.

"Sec. 4. The Congress shall have power to enforce this article by appropriate legislation.

Exhibit 2

House Joint Resolution 227

(Alabama)

Whereas, with each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all federal spending and be in balance; and

Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our Nation, we firmly believe that constitutional restraint is vital to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, there is provision in Article V of the Constitution of the United States for amending the Constitution by the Congress, on the application of the legislatures of two-thirds (⅔) of the several states, calling a convention for proposing amendments which shall be valid to all intents and purposes when ratified by the legislatures of three-fourths (¾) of the several states, or by conventions in three-fourths (¾) thereof, as the one or the other mode of ratification may be proposed by the Congress; now therefore,

Be it resolved by the legislature of Alabama, both houses thereof concurring, That the Legislature of Alabama hereby petitions the Congress of the United States that procedures be instituted in the Congress to add a new Article to the Constitution of the United States, and that the Alabama Legislature requests the Congress to prepare and submit to the several states an amendment to the Constitution of the United States, requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year.

Be it further resolved, That, alternatively the Alabama Legislature makes application and requests that the Congress of the United States call a constitutional convention, pursuant to Article V of the Constitution of the United States, for the specific and exclusive purpose for proposing an amendment to the Federal Constitution requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year.

Further resolved, That the legislatures of each of the several states comprising the United States are urged to apply to the Congress requesting the enactment of an appropriate amendment to the Federal Constitution; or requiring the Congress to call a constitutional convention for proposing such amendment to the Federal Constitution.

Further Resolved, That the Clerk of the House is directed to send copies of this Joint Resolution to the Secretary of State and presiding officers of both Houses of the Legislatures of each of the other States in the Union, the Clerk of the United States House of Representatives, Washington, D.C., and the Secretary of the United States Senate, Washington, D.C., and to each member of the Alabama Congressional Delegation.

Approved August 18, 1976.
Time: 6:30 P.M.

House Concurrent Memorial 2320

(Arizona)

To the President and the Congress of the United States of America:

Your memorialist respectfully represents:

Whereas, with each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, attempts to limit spending, including impoundment of funds by the President of the United States, have resulted in strenuous objections that the responsibility for appropriations is the constitutional duty of the Congress; and

Whereas, the annual federal budget repeatedly demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning, fiscal prudence and plain good sense require that the budget reflect all federal spending and be in balance; and

Whereas, fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our nation; and

Whereas, constitutional restraint is necessary to bring the fiscal disciplines needed to reverse this trend; and

Whereas, under article V of the Constitution of the United States, amendments to the constitution may be proposed by the Congress whenever two-thirds of both houses deem it necessary or on the application of the legislatures of two-thirds of the states the Congress shall call a constitutional convention for the purpose of proposing amendments.

Wherefore, your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

1. That the Congress of the United States prepare and submit to the several states an amendment to the constitution requiring, in the absence of a national emergency, that the total of all federal appropriations made by the Congress for any fiscal year not exceed the total of the estimated federal revenues, excluding any revenues derived from borrowing, for that fiscal year.

2. That, in the alternative, the Congress of the United States call a constitutional convention to prepare and submit such an amendment to the constitution.

3. That this application continue in effect until the will of the Legislature of Arizona to the contrary is communicated to the Congress of the United States.

4. That the Secretary of State of Arizona transmit certified copies of this memorial to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, to each member of the Arizona delegation to the United States Congress and to the presiding officers of each house of the legislature of each of the other states of the union with the request that it be circulated among leaders in the executive and legislative branches of the state governments.

Senate Joint Memorial No. 1

(Colorado)

Whereas, With each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, The annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

Whereas, Convinced that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our nation, we firmly believe that constitutional restraint is vital to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, under article V of the constitution of the United States, amendments to the federal constitution may be proposed by the congress whenever two-thirds of both houses deem it necessary or on the application of the legislatures of two-thirds of the several states that the congress shall call a constitutional convention for the purpose of proposing amendments which shall be valid to all intents and purposes when ratified by the legislatures of three-fourths of the several states; now, therefore,

Be It resolved by the Senate of the Fifty-first General Assembly of the State of Colorado, the House of Representatives concurring herein:

That the Congress of the United States is hereby memorialized to call a constitutional convention pursuant to article V of the constitution of the United States for the specific and exclusive purpose of proposing an amendment to the federal constitution prohibiting deficit spending except under conditions specified in such amendment.

Be It Further Resolved, That this application and request be deemed null and void, rescinded, and of no effect in the event that such convention not be limited to such specific and exclusive purpose.

Be It Further Resolved, That copies of this memorial be sent to the secretary of state and presiding officers of both houses of the legislatures of each of the several states in the union, the clerk of the United States house of representatives, the secretary of the United States senate, and to each member of the Colorado congressional delegation.

House Concurrent Resolution No. 36

(Delaware)

Be it resolved by the House of Representatives of the 128th General Assembly, the Senate concurring therein, that the General Assembly of the State of Delaware hereby, and pursuant to Article V of the Constitution of the United States, makes application to the Congress of the United States to call a convention for the proposing of the following amendment to the Constitution of the United States:

"ARTICLE —

The costs of operating the Federal Government shall not exceed its income during any fiscal year, except in the event of declared war."

Be it further resolved that this application by the General Assembly of the State of Delaware constitutes a continuing application in accordance with Article V of the Constitution of the United States until at method of proposing amendments to the several states have made similar applications pursuant to Article V.

Be it yet further resolved that since this method of proposing amendments to the Constitution has never been completed to the point of calling a convention and no interpretation of the power of the states in the exercise of this right has ever been made by any court or any qualified tribunal, if there be such, and since the exercise of the power is a matter of basic sovereign rights and the interpretation thereof is primarily in the sovereign government making such exercise and, since the power to use such right in full also carries the power to use such right in part, the General Assembly of the State of Delaware interprets Article V to mean that if two-thirds of the states make application for a convention to propose an identical amendment to the Constitution for ratification with a limitation that such amendment be the only matter before it, that such convention would have power only to propose the specified amendment and would be limited to such proposal and would not have power to vary the text thereof nor would it have power to propose other amendments on the same or different propositions.

Be it yet further resolved that a duly attested copy of this resolution be immediately transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States, to each member of the Congress from this State and to each House of each State Legislature in the United States.

Senate Memorial No. 234

(Florida)

A memorial to the Congress of the United States making application to the Congress to call a convention for the sole and exclusive purpose of proposing an amendment to the Constitution of the United States to require a balanced federal budget and to make certain exceptions thereto.

Whereas, it is estimated, as of August, 1975, that the Federal debt at the end of the 1975 fiscal year will be $558.637 billion, and

Whereas, the fiscal year deficit for 1976 will be the largest in our history, between $70 and $80 billion, and

Whereas, the growing debt is a major contributor to inflation, lagging economic investment, excessive interest rates, and the resulting unemployment, and

Whereas, the economic welfare of the United States and its citizens depends on a stable dollar and sound economy, and

Whereas, the National Conference of State Legislatures passed Resolution No. 11 at its Annual Business Meeting on October 10, 1975, urging the Congress to take prompt and affirmative action to limit federal spending, and

Whereas, there is provision in Article V of the Constitution of the United States for amending the Constitution by the Congress, on the application of the legislatures of two-thirds of the several states, calling a convention for proposing amendments which shall be valid to all intents and purposes when ratified by the legislatures of three-fourths of the several states, or by conventions in three-fourths thereof, as the one or the other mode of ratification may be proposed by the Congress, now, therefore, be it

Resolved by the Legislature of the State of Florida:

That the Legislature of the State of Florida does hereby make application to the Congress of the United States pursuant to Article V of the Constitution of the United States to call a convention for the sole purpose of proposing an amendment to the Constitution of the United States to require a balanced federal budget and to make certain exceptions with respect thereto. Be it further

Resolved that a copy of this memorial be transmitted to the presiding officers of the Senate and the House of Representatives of Congress, the members of the Congressional delegation from the State of Florida and to the presiding officers of each house of the several state legislatures.

A RESOLUTION

(Georgia)

Applying to the Congress of the United States to call a convention for the purpose of proposing an amendment to the Constitution of the United States; and for other purposes.

Be it resolved by the General Assembly of Georgia:

That this body respectfully petitions the Congress of the United States to call a convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States to require a balanced federal budget and to make certain exceptions with respect thereto.

Be it further resolved that this application by the General Assembly of the State of Georgia constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the legislatures of the several states have made similar applications pursuant to Article V, but if Congress proposes an amendment to the Constitution identical in subject matter to that contained in this Resolution before January 1, 1977, this petition for a Constitutional Convention shall no longer be of any force or effect.

Be it further resolved that the Clerk of the House of Representatives is hereby authorized and instructed to transmit a duly attested copy of this Resolution to the Secretary of the Senate of the United States Congress, the Clerk of the House of Representatives of the United States Congress, to the Presiding Officer of each House of each State Legislature in the United States, and to each member of the Georgia Congressional Delegation.

SENATE CONCURRENT RESOLUTION No. 1661

(Kansas)

A CONCURRENT RESOLUTION requesting and applying to the Congress of the United States to propose, or to call a convention for the purpose of proposing, an amendment to the Constitution of the United States which would require that, in the absence of a statutorily defined national emergency, total federal appropriations shall not exceed total estimated federal revenues in a fiscal year.

Whereas, Annually the United States moves more deeply in debt as its expenditures exceed its available revenues and the public debt now exceeds hundreds of billions of dollars; and

Whereas, Annually the federal budget demonstrates the unwillingness or inability of the federal government to spend in conformity with available revenues; and

Whereas, Proper planning, fiscal prudence and plain good sense require that the federal budget be in balance absent national emergency; and

Whereas, A continuously unbalanced federal budget except in a national emergency causes continuous and damaging inflation and consequently a severe threat to the political and economic stability of the United States; and

Whereas, Under Article V of the Constitution of the United States, amendments to the Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary or, on the application of the legislatures of two-thirds of the states, the Congress shall call a constitutional convention for the purpose of proposing amendments: Now, therefore,

Be it resolved by the Legislature of the State of Kansas, two-thirds of the members elected to the Senate and two-thirds of the members elected to the House of Representatives concurring therein: That the Congress of the United States is hereby requested to propose and submit to the states an amendment to the Constitution of the United States which would require that within five years after its ratification by the various states, in the absence of a national emergency, the total of all appropriations made by the Congress for a fiscal year shall not exceed the total of all estimated federal revenues for such fiscal year; and

Be it further resolved: That, alternatively, the Legislature of the State of Kansas hereby makes application to the Congress of the United States to call a convention for the sole and exclusive purpose of proposing an amendment to the Constitution of the United States which would require that, in the absence of a national emergency, the total of all appropriations made by the Congress for a fiscal year shall not exceed the total of all estimated federal revenues for such fiscal year. If the Congress shall propose such an amendment to the Constitution, this application shall no longer be of any force or effect; and

Be it further resolved: That the legislature of each of the other states in the Union is hereby urged to request and apply to the Congress to propose, or to call a convention for the sole and exclusive purpose of proposing, such an amendment to the Constitution.

SENATE CONCURRENT RESOLUTION No. 73

(Louisiana)

A Concurrent Resolution.—To memorialize and apply to the Congress of the United States, petitioning that a convention be called pursuant to Article V of the United States Constitution, to consider amending the same to prohibit the incurrence of national debt except in a state of emergency as declared by a three-fourths vote of the members of both houses of Congress; providing that the purview of such convention be strictly limited to the consideration of this amendment.

Whereas, the United States Government has, over the past three decades, embarked on a course of continuous and ever increasing deficit spending; and

Whereas, the public debt engendered thereby now far exceeds 300 billion dollars, and current budget proposals include provision for a further deficit of 43 billion dollars; and

Whereas, such national debt is, in and of itself, a major contributor to the very inflation to which the United States is committed to eradicating; and

Whereas, this, massive national debt is inimical to the public welfare, limiting the amount of credit available to private citizens, thus curtailing opportunities for needed economic growth; and

Whereas, continued fiscal irresponsibility can only result in an eventual financial debacle of the sort recently experienced by New York City; and

Whereas, payment of the massive interest required to service national debt imposes an undue hardship on the citizenry, particularly those on fixed incomes; and

Whereas, the ability of the Federal Government to avoid the difficult budgetary choices posed by zero debt financing has resulted in a lack of objective budgetary analysis, and thus the funding of unnecessary or inefficient programs.

Therefore, be it resolved by the Senate of the Legislature of the state of Louisiana, the House of Representatives thereof concurring, that pursuant to Article V of the Constitution of the United States, the Legislature of the state of Louisiana does hereby apply to the Congress of the United States for a convention to consider the following amendment to the United States Constitution:

Section 1. Except as provided in Section 3, the Congress shall make no appropriation for any fiscal year if the resulting total of appropriations for such fiscal year would exceed the total revenues of the United States for such fiscal year.

Section 2. There shall be no increase in the national debt, and the existing debt, as it exists on the date on which this amendment is ratified, shall be repaid during the one hundred-year period following the date of such ratification. The rate of repayment shall be such that not less than one-tenth of the debt shall be repaid during each ten-year period.

Section 3. In times of national emergency, declared by the concurrent resolution of three-fourths of the membership of both Houses of Congress, the application of Section 1 may be suspended, provided that such suspension shall not be effective past the two-year term of the Congress which passes such resolution. If such a national emergency continues to exist, a suspension of Section 1 may be reenacted pursuant to the provisions of this Section. National debt incurred pursuant to this Section shall be repaid under the provisions of Section 2; provided, however, that the repayment period shall commence upon the expiration of the suspension under which it was incurred.

Section 4. This article shall apply to fiscal years that begin six months after the date on which this article is ratified.

Section 5. Congress shall provide by law for strict compliance with this amendment.

Be it further resolved that the purview of any convention called by the Congress pursuant to this resolution be strictly limited to the consideration of an amendment of the nature as herein proposed.

Be it further resolved that this application by the Legislature of the state of Louisiana constitutes a continuing application pursuant to Article V of the United States Constitution, until such time as two-thirds of the Legislatures of the several states have made similar application, and the convention herein applied for is convened.

Be it further resolved that a duly attested copy of this resolution be immediately transmitted to the President of the United States, to the Secretary of the United States Senate, to the Clerk of the United States House of Representatives, to each member of the

Louisiana delegation to the United States Congress, and to the presiding officer of each house of each state Legislature in the United States.

Resolution No. 77

(Maryland)

Whereas, With each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues so that the public debt now exceeds hundreds of billions of dollars.

Attempts to limit spending, including impoundment of funds by the President of the United States, have resulted in strenuous objections that the responsibility for appropriations is the constitutional duty of the Congress.

The annual Federal budget repeatedly demonstrates an unwillingness or inability of both the legislative and executive branches of the Federal government to curtail spending to conform to available revenues.

The unified budget of 304.4 billion dollars for the current fiscal year does not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit.

As reported by US News and World Report on February 25, 1974, of these nonbudgetary outlays in the amount of 15.6 billion dollars, the sum of 12.9 billion dollars represents funding of essentially private agencies which provide special service to the federal government.

Knowledgeable planning and fiscal prudence require that the budget reflect all Federal spending and that the budget be in balance.

Believing that fiscal irresponsibility at the Federal level, with the inflation which results from this policy, is the greatest threat which faces our Nation, we firmly believe that constitutional restraint is necessary to bring the fiscal disciplines needed to reverse this trend.

Under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary, or on the application of the legislatures of two-thirds of the several states the Congress shall call a constitutional convention for the purpose of proposing amendments; now, therefore, be it

Resolved by the General Assembly of Maryland, That this Body proposes to the Congress of the United States that procedures be instituted in the Congress to add a new Article XXVII to the Constitution of the United States, and that the General Assembly of Maryland requests the Congress to prepare and submit to the several states an amendment to the Constitution of the United States, requiring in the absence of a national emergency that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of the estimated Federal revenues, excluding any revenues derived from borrowing, for that fiscal year; and be it further

Resolved, That this Body further and alternatively requests that the Congress of the United States call a constitutional convention for the specific *and exclusive* purpose of proposing such an amendment to the Federal Constitution, to be a new article XXVII; and be it further

Resolved, That this Body also proposes that the legislatures of each of the several states comprising the United States apply to the Congress requiring it to call a constitutional convention for proposing such an amendment to the Federal Constitution, to be a new Article XXVII; and be it further

Resolved, That the proposed new Article XXVII (or whatever numeral may then be appropriate) read substantially as follows:

"PROPOSED ARTICLE XXVII

"The total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of the estimated Federal revenues for that fiscal year, excluding any revenues derived from borrowing; and this prohibition extends to all Federal appropriations and all estimated Federal revenues, excluding any revenues derived from borrowing. The President in submitting budgetary requests and the Congress in enacting appropriation bills shall comply with this Article. If the President proclaims a national emergency, suspending the requirement that the total of all Federal appropriations not exceed the total estimated Federal revenues for a fiscal year, excluding any revenues derived from borrowing, and two-thirds of all Members elected to each House of the Congress so determine by Joint Resolution, the total of all Federal appropriations may exceed the total estimated Federal revenues for that fiscal year."

and, be it further.

Resolved, That copies of this Resolution under the Great Seal of the State of Maryland, be sent by the Secretary of State to: Honorable Gerald Ford, President of the United States, Washington, D.C.; Honorable Charles McC. Mathias, Old Senate Office Building, Washington, D.C.; Honorable J. Glenn Beall, Jr., Old Senate Office Building, Washington, D.C.; Honorable Carl Albert, Speaker of the House of Representatives, Washington, D.C.; Honorable Robert E. Bauman, Longworth Building, Washington, D.C.; Honorable Clarence D. Long, Rayburn Building, Washington, D.C.; Honorable Paul S. Sarbanes, Cannon Office Building, Washington, D.C.; Honorable Marjorie S. Holt, Longworth Building, Washington, D.C.; Honorable Gladys Spellman, House Office Building, Washington, D.C.; Honorable Goodloe E. Byron, Longworth Building, Washington, D.C.; Honorable Parren J. Mitchell, Cannon Building, Washington, D.C.; and Honorable Gilbert Gude, Cannon House Office Building, Washington, D.C.; and be it further

Resolved, That under the Great Seal of the Senate of Maryland, the Secretary of State is directed to send copies of this Joint Resolution to the Secretary of State and to the presiding officers of both Houses of the Legislature of each of the other States in the Union, with the request that it be circulated among leaders in the Executive and Legislative branches of the several State governments; and with the further request that each of the other States in the Union join in requiring the Congress of the United States to call a constitutional convention for the purpose of initiating a proposal to amend the Constitution of the United States in substantially the form proposed in this Joint Resolution of the General Assembly of Maryland.

House Concurrent Resolution No. 51

(Mississippi)

Whereas, an ever-increasing public debt is inimical to the general welfare of the people of the United States; and

Whereas, the nataional debt is already dangerously high and any further increases will be harmful and costly to the people of the United States; and

Whereas, a continuous program of deficit financing by the Federal Government is one of the greatest factors supporting the inflationary conditions presently existing in this country and therefore has been the chief factor in reducing the value of the American currency; and

Whereas, payment of the increased intest required by the ever-increasing debt would impose an undue hardship on those with fixed incomes and those in lower income brackets; and

Whereas, it is not in the best interest of either this or future generations to continue such a practice of deficit spending particularly since this would possibly deplete our supply of national resources for future generations; and

Whereas, by constantly increasing deficit financing the Federal Government has been allowed to allocate considerable funds to wasteful and in many instances nonbeneficial public programs; and

Whereas, by limiting the Federal Government to spend only the revenues that are estimated will be colected in a given fiscal year, except for certain specified emergencies, this could possibly result in greater selectivity of Federal Government programs for the benefit of the public and which would depend upon the willingness of the public to pay additional taxes to finance such programs, and

Whereas, there is provision in Article V of the Constitution of the United States for amending the Constitution by the Congress, on the application of the legislatures of two-thirds (⅔) of the several states, calling a convention for proposing amendments which shall be valid to all intents and purposes when ratified by the legislatures of three-fourths (¾) of the several states, or by conventions in three-fourths (¾) thereof, as the one or the other mode of ratification may eb proposed by the Congress;

Now Therefore, Be it Resolved by the House of Representatives of the State of Mississippi, the Senate Concurring Therein. That we do hereby, pursuant to Article V of the Constitution of the United States, make application to the Congress of the United States to call a convention of the several states for the proposing of the following amendment to the Constitution of the United States;

"ARTICLE —

Section 1. Except as provided in Section 3, the Congress shall make no appropriation for any fiscal year if the resulting total of appropriations for such fiscal year would exceed the total revenues of the United States for such fiscal year.

Section 2. There shall be no increase in the national debt and such debt, as it exists on the date on which this article is ratified, shall be repaid during the one-hundred-year period beginning with the first fiscal year which begins after the date on which this article is ratified. The rate of repayment shall be such that one-tenth (1/10) of such debt shall be repaid during each ten-year interval of such one-hundred-year period.

Section 3. In time of war or national emergency, as declared by the Congress, the application of Section 1 or Section 2 of this article, or both such sections, may be suspended by a concurrent resolution which has passed the Senate and the House of Representatives by an affirmative vote of three-fourths (3/4) of the authorized membership of each such house. Such suspension shall not be effective past the two-year term of the Congress which passes such resolution, and if war or an emergency continues to exist such suspension must be reenacted in the same manner as provided herein.

Section 4. This article shall apply only with respect to fiscal years' which begin more than six (6) months after the date on which this article is ratified."

Be it Further Resolved, That this application by the Legislature of the State of Mississippi constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds (2/3) of the legislatures of the several states have made similar applications pursuant to Article V, but if Congress proposes an amendment to the Constitution identical with that contained in this resolution before January 1, 1976, this application for a convention of the several states shall no longer be of any force or effect.

Be it Further Resolved, That a duly attested copy of this resolution be immediately transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States; to each member of the Congress from this state; and to each house of each state legislature in the United States.

SENATE JOINT RESOLUTION NO. 22

(Nevada)

Whereas, The national debt now amounts to hundreds of billions of dollars and is increasing enormously each year as federal expenditures grossly exceed federal revenues; and

Whereas, Payment of the increased interest on this ever-expanding debt imposes a tremendous burden on the taxpayers of this country; and

Whereas, Continuous deficit financing by the Federal Government supports inflationary conditions which adversely affect the national economy and all Americans, particularly those persons with fixed or low income; and

Whereas, Constantly increasing use of deficit financing has enabled the Federal Government to allocate considerable sums to programs which in many instances have proved to be wasteful and nonbeneficial to the public; and

Whereas, Limiting federal expenditures in each fiscal year to revenues available in that year, except during national emergencies, will result in greater selectivity of federal programs for the benefit of the public; and

Whereas, The annual federal budgets continually reflect the unwillingness or inability of both the legislative and executive branches of the Federal Government to balance the budget and demonstrate the necessity for a constitutional restraint upon deficit financing; and

Whereas, Under article V of the Constitution of the United States, the Congress is required to call a convention for proposing amendments to the federal Constitution on the application of the legislatures of two-thirds of the several states; now, therefore, be it

Resolved by the Senate and Assembly of the State of Nevada, jointly, That, pursuant to article V of the Constitution of the United States, the legislature of the State of Nevada hereby makes application to the Congress of the United States to call a convention for the purpose of proposing an amendment to the United States Constitution which would require that, in the absence of a national emergency, the total of the appropriation made by the Congress for each fiscal year may not exceed the total of the estimated federal revenues for that year; and be it further

Resolved, That the legislature of the State of Nevada proposes that the legislatures of each of the several states apply to the Congress to call a constitutional convention for the exclusive purpose stated in this resolution; and be it further

Resolved, That this application by the legislature of the State of Nevada constitutes a continuing application in accordance with article V of the Constitution of the United States until at least two-thirds of the legislatures of the several states have made similar applications, but if Congress proposes an amendment to the Constitution similar to that contained in this resolution before January 1, 1981, this application for a convention of the several states shall no longer be of any force; and be it further

Resolved, That a copy of this resolution be immediately transmitted by the legislative counsel to the President of the Senate and the Speaker of the House of Representatives of the United States, to each member of the Nevada congressional delegation and to the presiding officer of each house of the legislatures of the several states; and be it further

Resolved, That this resolution shall become effective upon passage and approval.

LEGISLATIVE RESOLUTION 106

(Nebraska)

Whereas, with each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenue, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenue; and

Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all federal spending and be in balance; and

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Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, under article V of the Constitution of the United States, amendments to the federal Constitution may be proposed by the Congress whenever two-thirds of both houses deem it necessary, or on the application of the Legislatures of two-thirds of the several states, the Congress shall call a constitutional convention for the purpose of proposing amendments. We believe such action is vital.

Now, Therefore, be it resolved by the members of the eighty-fourth legislature of Nebraska, second session:

1. That this body proposes to the Congress of the United States that procedures be instituted in the Congress to add a new article to the Constitution of the United States, and that the State of Nebraska requests the Congress to prepare and submit to the several states an amendment to the Constitution of the United States, requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenue for that fiscal year.

2. That, alternatively, this Legislature makes application and requests that the Congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenue for that fiscal year.

3. That this Legislature also proposes that the Legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the federal Constitution; or requiring the Congress to call a constitutional convention for proposing such an amendment to the federal Constitution.

4. That the Clerk of the Legislature transmit a copy of this resolution to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, each member of the Nebraska Congressional delegation, the Secretaries of State and the Legislatures of each of the several states, and the Secretary of State for the State of Nebraska.

Whereupon the President stated: "All provisions of law relative to procedure having been complied with, the question is, 'Shall the resolution pass?' "

SENATE JOINT RESOLUTION

(New Mexico)

Be it resolved by the legislature of the State of New Mexico:

Whereas, with each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning, fiscal prudence and plain good sense require that the budget reflect all federal spending and be in balance; and

Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, under article 5 of the constitution of the United States, amendments to the federal constitution may be proposed by the Congress whenever two-thirds of both houses deem it necessary, or on the application of the legislatures of two-thirds of the several states, the Congress shall call a constitutional convention for the purpose of proposing amendments; we believe such action vital;

Now, therefore, be it resolved by the legislature, of the State of New Mexico that this body proposes to the congress of the United States that procedures be instituted in the congress to add a new article to the constitution of the United States, and that the legislature of the state of New Mexico requests the congress to prepare and submit to the several states an amendment to the constitution of the United States, requiring in the absence of a national emergency that the total of all federal appropriations made by the congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year; and

Be it further resolved that, alternatively, this body makes application and requests that the congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the constitution requiring in the absence of a national emergency that the total of all federal appropriations made by the congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year; and

Be it further resolved that this body also proposes that the legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the federal constitution; or requiring the congress to call a constitutional convention for proposing such an amendment to the federal constitution; and

Be it further resolved that copies of this resolution be sent by the secretary of state to the members of New Mexico's delegation to the Congress of the United States; and

Be it further resolved that the secretary of state of this state is directed to send copies of this joint resolution to the secretary of state and presiding officers of both houses of the legislature of each of the other states in the union, the clerk of the United States house of representatives, Washington, D. C. and the secretary of the United States Senate, Washington, D. C.

SENATE CONCURRENT RESOLUTION No. 4018

(North Dakota)

Be it resolved by the Senate of the State of North Dakota, the House of Representatives concurring therein:

That we respectfully propose an amendment to the Constitution of the United States and call upon the people of the several states for a convention for such purpose as provided by Article V of the Constitution, the proposed Article providing as follows:

ARTICLE —

Section 1. The president shall submit, at the beginning of each new Congress, an annual budget for the ensuing fiscal year setting forth in detail the total proposed expenditures and the total estimated revenue of the Federal Government from sources other than borrowing. The president may set new revenue estimates from time to time. Expenditures for each two-year period shall not exceed the estimated revenue except in time of war or a national emergency declared by the Congress. The provisions of this Article shall not apply to the refinancing of the national debt; and

Be it further resolved, that copies of this resolution be forwarded by the Secretary of State to the legislatures of the several states.

HOUSE JOINT RESOLUTION No. 1049

(OKLAHOMA)

Whereas, with each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars.

Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year.

Section 3. That this Body also proposes that the legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the Federal Constitution; or requiring the Congress to call a constitutional convention for proposing such an amendment to the Federal Constitution.

Section 4. That copies of this Resolution shall be sent by the Secretary of State to our members of Congress.

Section 5. That the Secretary of State of this state is directed to send copies of this Joint Resolution to the Secretary of State and presiding officers of both Houses of the Legislature, the Congress and of each of the other States in the Union.

Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit.

Whereas, knowledgeable planning, fiscal prudence and plain good sense require that the budget reflect all federal spending and be in balance.

Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our nation, we firmly believe that constitutional restraint is necessary to bring the fiscal dicipline needed to restore financial responsibility.

Whereas, under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary, or on the application of the legislatures of two-thirds of the several states that the Congress shall call a constitutional convention for the purpose of proposing amendments. We believe such action vital.

Now, therefore, be it resolved by the House of Representatives and the Senate of the 2nd session of the 35th Oklahoma legislature:

Section 1. That this body proposes to the Congress of the United States that procedures be instituted in the Congress to add a new Article to the Constitution of the United States, and that the Legislature of the State of Oklahoma makes application and requests the Congress to prepare and submit to the several states an amendment to the Constitution of the United States, requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year.

Section 2. That alternatively, this Body requests that the Congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the Federal Constitution requiring in the absence of a national emergency.

SENATE JOINT MEMORIAL 2

(Oregon)

(1) That this body respectfully petitions the Congress of the United States to call a convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States to require a balanced federal budget and to make certain exceptions with respect thereto.

(2) That this application by this body constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the legislatures of the several states have made similar applications pursuant to Article V, but if Congress proposes an amendment to the Constitution identical in subject matter to that contained in this Joint Memorial before January 1, 1979, this petition for a constitutional convention shall no longer be of any force or effect.

(3) That this body propose that the legislative body of each of the several states comprising the United States apply to the Congress of the United States requiring the Congress to call a constitutional convention for proposing an appropriate amendment to the Federal Constitution or requesting the enactment of such an amendment to be submitted to the states for ratification.

(4) That a copy of this memorial shall be transmitted to the President of the United States; to each member of the Oregon Congressional Delegation; to the presiding officers of the Senate and House of Representatives of the United States of America; to each Governor of each state in the United States of America; and to the presiding officer of each legislative body in the United States of America.

RESOLUTION No. 236

(Pennsylvania)

Whereas, Requesting appropriate action by the Congress, either acting by consent of two-thirds of both Houses or, upon the application of the Legislatures of two-thirds of the several states, calling a Constitutional Convention to propose an amendment to the Federal Constitution to require, with certain exceptions, that the total of all Federal appropriations may not exceed the total of all estimated Federal revenues in any fiscal year.

Whereas, With each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, The annual Federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the Federal Government to curtail spending to conform to available revenues; and

Whereas, Unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, Knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all Federal spending and be in balance; and

Whereas, Believing that fiscal irresponsibility at the Federal level, with the inflation which results from this policy, is the greatest threat which faces our Nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, Under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary, or on the application of the Legislatures of two-thirds of the several states the Congress shall call a Constitutional Convention for the purpose of proposing amendments. We believe some such action vital; therefore be it

Resolved (The Senate concurring), That the General Assembly of the Commonwealth of Pennsylvania proposes to the Congress of the United States that procedures be instituted in the Congress to add a new article to the Constitution of the United States, and that the General Assembly of the Commonwealth of Pennsylvania requests the Congress to prepare and submit to the several states an amendment to the Constitution of the United States, requiring in the absence of a national emergency that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated Federal revenues for that fiscal year; and be it further

Resolved That, alternatively, the General Assembly of the Commonwealth of Pennsylvania makes application and requests that the Congress of the United States call a Constitutional Convention for the specific and exclusive purpose of proposing an amendment to the Federal Constitution requiring in the absence of a national emergency that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated Federal revenues for that fiscal year; and be it further

Resolved, That the General Assembly of the Commonwealth of Pennsylvania also proposes that the Legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the Federal Constitution; or requiring the Congress to call a Constitutional Convention for proposing such an amendment to the Federal Constitution; and be it further

Resolved, That copies of this resolution be sent to the members of the Congress from Pennsylvania; and be it further

Resolved, That the Chief Clerk of the House of Representatives send copies of this joint resolution to the Secretary of State and presiding officers of both Houses of the Legislature of each of the other states in the Union, the Clerk of the United States House of Representatives, Washington, D. C. and the Secretary of the United States Senate, Washington, D. C.

CONCURRENT RESOLUTION No. S. 1024

(South Carolina)

Whereas, with each passing year this Nation becomes more deeply in debt as congressional expenditures grossly and repeatedly exceed available revenues so that the public debt now exceeds a half-trillion dollars; and

Whereas, attempts to limit spending by means of the new congressional budget committee procedures have proved fruitless; and

Whereas, the annual Federal budget repeatedly demonstrates an unwillingness or inability of both the legislative and executive branches of the Federal government to curtail spending to conform to available revenues; and

Whereas, the proposed budget of five hundred billion dollars for fiscal year 1978–1979 does not reflect total spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, believing that fiscal irresponsibility at the Federal level, with the resulting inflation and decline in the Nation's trading position is a growing and corrosive threat to our economy, to the well-being of our people, and to our representative democracy, that constitutional restraint is necessary to bring the fiscal discipline needed to reverse this trend. Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

That Congress is requested, pursuant to Article V of the United States Constitution, to call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the Federal Constitution.

Be it further resolved that the proposed new amendment read substantially as follows:

"PROPOSED ARTICLE XXVII

The total of all federal appropriations made by the Congress for any fiscal year shall not exceed the total of the estimated federal revenues for that fiscal year, excluding any revenues derived from borrowing, and this prohibition extends to all federal appropriations and all estimated federal revenues, excluding any revenues derived from borrowing. The President in submitting budgetary requests and the Congress in enacting appropriation bills shall comply with this article.

The provisions of this article shall be suspended for one year upon the proclamation by the President of an unlimited national emergency. The suspension may be extended, but not for more than one year at any one time, if two-thirds of the membership of both Houses of Congress so determine by Joint Resolution."

Be it further resolved that copies of this resolution be forwarded to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives and to each member of Congress from South Carolina.

NO. 774

An Act To Authorize The Secretary Of State To Restore The Charter Of Plainview Rural Water Co., Inc.

Be it enacted by the General Assembly of the State of South Carolina:

Section 1. Charter may be restored.—Authority is hereby granted to the Secretary of State to restore the charter of Plainview Rural Water Co., Inc., upon the payment to the South Carolina Tax Commission of such taxes, penalties and interest as the commission shall find to be due. The Secretary of State shall note the reinstatement upon the record of the original charter.

Section 2. Time effective.—This act shall take effect upon approval by the Governor.

Became law without the signature of the Governor.

NO. 775

A Joint Resolution To Request Appropriate Action By The Congress Of The United States, On Its Own Action By Consent Of Two-Thirds Of Both Houses Or On The Application Of The Legislatures Of Two-Thirds Of The Several States. To Propose An Amendment To The Constitution Of The United States To Require That The Total Of All Federal Appropriations May Not Exceed The Total Of All Estimated Federal Revenues In Any Fiscal Year, With Certain Exceptions.

Whereas, with each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, attempts to limit spending have resulted in strenuous objections that the responsibility for appropriations is the constitutional duty of the Congress; and

Whereas, the annual federal budget repeatedly demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

Whereas, the unified budget of over three hundred billion dollars for the current fiscal year does not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning and fiscal prudence require that the budget reflect all federal spending and that the budget be in balance; and

Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to reverse this trend; and

Whereas, under Article V of the Constitution of the United States, amendments to the federal constitution may be proposed by the Congress whenever two-thirds of both houses deem it necessary, or on the application of the legislatures of two-thirds of the several states, the Congress shall call a constitutional convention for the purpose of proposing amendments. Now, therefore,

Be it enacted by the General Assembly of the State of South Carolina:

Section 1. Amendment to U.S. Constitution proposed.—The General Assembly of South Carolina proposes to the Congress of the United States that procedures be instituted in the Congress to add a new Article XXVII to the Constitution of the United States, and that the Congress prepare and submit to the several states an amendment to the Constitution of the United States requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of the estimated federal revenues, excluding any revenues derived from borrowing, for that fiscal year.

The General Assembly further and alternatively requests that the Congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing such an amendment to the federal constitution, to be a new Article XXVII.

The General Assembly also proposes that the legislatures of each of the several states comprising the United States apply to the Congress requiring it to call a constitutional convention for proposing such an amendment to the federal constitution, to be a new Article XXVII, which shall read substantially as follows:

"ARTICLE XXVII

The total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of the estimated federal revenues for that fiscal year, excluding any revenues derived from borrowing, and this prohibition extends to all federal appropriations and all estimated federal revenues, excluding any revenues derived from borrowing. The President in submitting budgetary requests and the Congress in enacting appropriation bills shall comply with this article. If the President proclaims a national emergency, suspending the requirement that the total of all federal appropriations not exceed the total estimated federal revenues for a fiscal year, excluding any revenues derived from borrowing, and two-thirds of all members elected to each house of the Congress so determine by joint resolution, the total of all federal appropriations may exceed the total estimated federal revenues for that fiscal year."

Section 2. Copies to certain persons.—The Secretary of State is directed to forward copies of this resolution bearing the Great Seal of the State to the following persons: The President and Vice President of the United States, the Speaker of the United States House of Representatives and each member of the South Carolina Congressional Delegation in Washington, D.C.

Section 3. Time effective.—This act shall take effect upon approval by the Governor.

HOUSE JOINT RESOLUTION No. 22

(Tennessee)

Whereas, each year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues so that the legal public debt limit has exceeded 437 billion dollars; and

Whereas, attempts to limit spending, including impoundment of funds by the President of the United States, have resulted in strenuous objections that the responsibility for appropriations is the constitutional duty of the Congress; and

Whereas, nonetheless, the annual budget repeatedly demonstrates an unwillingness or inability to curtail spending to conform to available revenues; and

Whereas, the federal budget never reflects actual spending because of the exclusion of special outlays which are neither included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning requires that the budget reflect all federal spending and that the budget be in balance and

Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our nation, we firmly believe that a constitutional restraint is necessary to bring the fiscal disciplines needed to reverse this trend; now, therefore

Be it resolved by the House of Representatives of the Ninetieth General Assembly of the State of Tennessee, the Senate concurring, That pursuant to Article V of the Constitution of the United States, application is hereby made to the United States Congress to call a convention for the purpose of considering and proposing an amendment to the Constitution of the United States to require that, in the absence of a national emergency, the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of the estimated federal revenues for that fiscal year, such amendment to read substantially as follows:

The total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of the estimated federal revenues for that fiscal year; and this prohibition extends to all federal appropriations and all estimated federal revenues without exception. The President in submitting budgetary requests and the Congress in enacting appropriation bills shall comply with this article. If the President proclaims a national emergency, suspending the requirement that the total of all federal appropriations not exceed the total estimated federal revenues for a fiscal year, and two-thirds (⅔) of all members elected to each house of the Congress so determine by joint resolution, the total of all federal appropriations may exceed the total estimated federal revenues for that fiscal year.

Be it further resolved, That this application shall constitute a continuing application for such convention under Article V of the Constitution of the United States until the legislatures of two-thirds (⅔) of the several states shall have made like applications and such convention shall have been called and held in conformity therewith, unless the Congress itself proposes such amendment within the time and the manner herein provided.

Be it further resolved, That proposal of such amendment by the Congress and its submission for ratification to the legislatures of the several states substantially in the form of the article hereinabove specifically set forth, at any time prior to sixty (60) days after the legislatures of two-thirds (⅔) of the several states shall have made application for such convention, shall render such convention unnecessary and the same shall not be held. Otherwise, such convention shall be called and held in conformity with such applications.

Be it further resolved, That as this application under Article V of the Constitution of the United States is the exercise of a fundamental power of the sovereign states under the Constitution of the United States, it is requested that receipt of this application by the Senate and the House of Representatives of the Congress of the United States be officially noted and duly entered upon their respective records, and that the full context of this resolution be published in the official publication of both the Senate and the House of Representatives of the Congress.

Be it further resolved, That certified copies of this Resolution be transmitted forthwith to the Senate and the House of Representatives of the Congress of the United States, to each Senator and Representative in Congress from this state, and to each house of the legislature and to the Secretary of State of each of the several states.

House Concurrent Resolution No. 13

(Texas)

Whereas, The overwhelming endorsement by California voters of Proposition 13 has spurred a nationwide taxpayer's revolt against high taxes and excessive government spending; and

Whereas, While numerous local governments and states, including Texas, are sincerely responding to citizen demands for tax limitations coupled with responsible spending, the federal government, where budget restraint is most needed, has reacted to the message of Proposition 13 in a halfhearted and disappointing manner; and

Whereas, The federal budget is increasing at an alarming rate, several times that of inflation, as seen by a 140 percent increase since 1970; and

Whereas, The federal government through many years of deficit spending has incurred a national debt of astronomical and dangerous proportions; the gross national debt is currently estimated to be almost $800 billion, over twice the figure for 1962 and about 40 percent of the nation's gross national product; and

Whereas, Statutorily imposed "permanent" debt ceilings, repeatedly raised by Congress, have proved to be no impediment to the monstrous growth of the national debt; this disgraceful legacy for future generations has swollen by $177 billion over the past three years and has fostered an interest payment of $50 billion for this year; and

Whereas, Persistent deficit financing is a major factor contributing to income-robbing inflation, high interest rates, and an unstable, unpredictable economy, and results in the funding of government programs of questionable benefit and need; and

Whereas, Texas' enviable financial position among state governments is largely due to its "pay-as-you-go" constitutional provision restricting deficit spending by the legislature; and

Whereas, During the 1977 regular session, this legislature adopted House Concurrent Resolution No. 31 memorializing congress to initiate a constitutional amendment that would similarly prevent deficit spending and therefore halt the growth of the national debt, the greatest threat to this nation's future well-being; now, therefore, be it

Resolved by the House of Representatives of the State of Texas, the Senate concurring, That the 65th Legislature, 2nd Called Session, hereby reaffirm the provisions of House Concurrent Resolution No. 31 calling for an amendment to the United States Constitution requiring a balanced annual federal budget and hereby request the Texas congressional delegation to sponsor this vital amendment; and, be it further

Resolved, That this amendment require the achievement of a balanced budget within a reasonable period after adoption and establish a procedure for amortizing the national debt; and, be it further

Resolved, That the Governor of Texas be hereby requested to actively seek the sponsorship of the amendment by the Texas congressional delegation and to use the financial resources of his office to promote support for the amendment; and, be it further

Resolved, That the governor, lieutenant governor, and speaker of the house be hereby requested to contact government leaders of other states to solicit and encourage support for the amendment; and, be it further

Resolved, That the lieutenant governor and speaker of the house be authorized to designate separate or joint committees or individual legislators to represent them and the state in this endeavor and that reasonabe expenses incurred by them or their designees in efforts to initiate the amendment be paid from the contingent expense fund of the appropriate house; and, be it further

Resolved, That official copies of this resolution be prepared and forwarded to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the United States Congress, and to all members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

Senate Joint Resolution No. 36

(Virginia)

Whereas, with each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, the annual Federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the Federal government to curtail spending to conform to available revenues; and

Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all Federal spending and be in balance; and

Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our Nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary, or on the application of the legislatures of two-thirds of the several states the Congress shall call a constitutional convention for the purpose of proposing amendments; and

Whereas, we believe such action vital; now, therefore, be it

Resolved by the Senate of Virginia, the House of Delegates concurring, That the General Assembly of Virginia proposes to the Congress of the United States that procedures be instituted in the Congress to add a new Article to the Constitution of the United States, and that this Body hereby requests the Congress to prepare and submit to the several states an amendment to the Constitution of the United States, requiring in the absence of a national emergency that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated Federal revenues for that fiscal year; and, be it

Resolved further, That, alternatively, this Body makes application and requests that the Congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the Federal Constitution requiring in the absence of a national emergency that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated Federal revenues for that fiscal year; and, be it

Resolved further, That this Body also proposes that the legislature of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the Federal Constitution; or requiring the Congress to call a constitutional convention for proposing such an amendment to the Federal Constitution; and, be it

Resolved finally, That copies of this resolution be presented forthwith to the President of the Senate and the Speaker of the House of Representatives, to each of the Senators and Representatives from Virginia and to the legislatures of each of the several states, attesting the adoption of this resolution.

ENROLLED JOINT RESOLUTION No. 1

(Wyoming)

A joint resolution requesting appropriate action by the Congress, on its own by consent of two-thirds of both Houses or on the application of the legislatures of two-thirds of the several states, to propose an amendment to the Federal Constitution to require that the total of all Federal appropriations may not exceed the total of all estimated Federal revenues in any fiscal year, with certain exceptions.

Whereas, with each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues so that the public debt now amounts to hundreds of billions of dollars; and

Whereas, attempts to limit spending, including impoundment of funds by the President of the United States, have resulted in strenuous assertions that the responsibility for appropriations is the constitutional duty of the Congress; and

Whereas, the annual Federal budget repeatedly demonstrates the unwillingness or inability of both the legislative and executive branches of the Federal government to curtail spending to conform to available revenues; and

Whereas, the unified budget does not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, the U.S. News and World Report reported on February 25, 1974, that of these nonbudgetary outlays in the amount of $15,600,000,000.00, the sum of $12,900,000,000.00 represents funding of essentially private agencies which provide special services to the Federal government; and

Whereas, knowledgeable planning and fiscal prudence require that the budget reflect all Federal spending and that the budget be in balance; and

Whereas, believing that fiscal irresponsibility at the Federal level, with the inflation which results from this policy, is the greatest threat which faces our Nation, we firmly believe that constitutional restraint is necessary to bring the fiscal disciplines needed to reverse this trend; and

Whereas, under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary, or on the application of the legislatures of two-thirds of the several states the Congress shall call a constitutional convention for the purpose of proposing amendments;

Now, therefore be it resolved by the legislature of the State of Wyoming, a majority of all members of the two Houses, voting separately, concurring herein:

Section 1. That procedures be instituted in the Congress to add a new Article XXVII to the Constitution of the United States, and that Congress prepare and submit to the several states an amendment to the Constitution of the United States, requiring in the absence of a national emergency that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of the estimated Federal revenues, excluding any revenues derived from borrowing, for that fiscal year; or

Section 2. That the Congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing such an amendment to the Federal Constitution, to be a new Article XXVII.

Section 3. That the legislatures of each of the several states comprising the United States apply to the Congress requiring it to call a constitutional convention for proposing such an amendment to the Federal Constitution, to be a new Article XXVII.

Section 4. That the proposed new Article XXVII (or whatever numeral may then be appropriate) read substantially as follows:

PROPOSED ARTICLE XXVII

"The total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of the estimated Federal revenues for that fiscal year, excluding any revenues derived from borrowing; and this prohibition extends to all Federal appropriations and all estimated Federal revenues, excluding any revenues derived from borrowing. The President in submitting budgetary requests and the Congress in enacting appropriations bill shall comply with this Article. If the President proclaims a national emergency, suspending the requirement that the total of all Federal appropriations not exceed the total estimated Federal revenues for a fiscal year, excluding any revenues derived from borrowing, and two-thirds of all Members elected to each House of the Congress concur by Joint Resolution, the total of all Federal appropriations may exceed the total estimated Federal revenues for that fiscal year."

Section 5. That copies of this Resolution be transmitted to the President of the United States, the chairmen of the Judiciary Committees of both the Senate and House of Representatives, the chairman of the Joint Committee on Budget Control of the Congress and to each member of the Wyoming Congressional delegation.

Section 6. That copies of this Joint Resolution be transmitted to the Secretary of State and to the presiding officers of both Houses of the Legislature of each of the other States in the Union, with the request that it be circulated among leaders in the Executive and Legislative branches of the several State governments; and with the further request that each of the other States in the Union join in requiring the Congress of the United States to call a constitutional convention for the purpose of initiating a proposal to amend the Constitution of the United States in substantially the form proposed in this Joint Resolution.

ORDER OF BUSINESS—ROUTINE MORNING BUSINESS

Mr. STEVENS addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, I hesitate to interrupt the distinguished Senator, but the regular order is that two other Senators be recognized at this time. I know the Senator is not aware of that.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Inasmuch as those Senators are not in the Chamber at this time, and in order not to prejudice their orders, and at the same time to allow the distinguished acting Republican leader to proceed, I ask unanimous consent that there now be a period for the transaction of routine morning business, with statements therein limited to 5 minutes, awaiting the arrival of the two Senators for whom the orders previously have been given.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I thank my good friend, and I apologize. I was not aware of those orders.

ENERGY AND THE PUBLIC LANDS

Mr. STEVENS. Mr. President, the United States is facing another energy crisis. The Secretary of Energy has stated that he is considering banning Sunday gas sales as well as restricting commuter parking and imposing emergency heating and cooling restrictions. It is clear that we must take steps to reduce our dependence on foreign oil or live with the continued threat of another Iran, another oil embargo, another catastrophe. Yet, Federal policies are restricting and even prohibiting exploration for much needed mineral potential. These policies are threatening to cripple our Nation.

The Federal Government owns over 760 million acres of land—one-third of the United States. This land contains significant reserves of crude oil, natural gas, and other minerals. It is estimated that the Federal Government is sitting on as much as 135 billion barrels of crude oil and gas liquids and almost 760 trillion cubic feet of natural gas. This is nearly four times the known current reserves of oil and gas in the United States. Yet almost nothing is being done to explore and develop this tremendous potential. In fact, more and more steps are being taken to block any exploration of these lands.

Much of the Federal lands has been withdrawn by the Federal Government and is not available for any mineral potential. Secretary Andrus recently suggested that we terminate a program to gather information on the national strategic petroleum reserve until we "see if it is needed." What does it take before he realizes that it is needed?

We must work toward a national policy to improve our energy supply, not sabotage it.

I ask unanimous consent that a memorandum recently compiled by the Independent Petroleum Association of America on this subject be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

ENERGY AND THE PUBLIC LANDS

U.S. public lands are the last frontier for domestic oil exploration. They present the most promising opportunities to expand our nation's domestic supplies of crude oil and natural gas. Yet, federal surface management policies are restricting and, in some cases, prohibiting any form of exploration. De facto and de jure withdrawals of public lands from the operation of the Mining Act of 1872, the Mineral Leasing Act of 1920 and the Mining and Minerals Policy Act of 1970 have occurred in haphazard and uncoordinated fashion with little thought given to future economic or energy impact. If there is any denominator for the federal government's actions with regard to public lands over the last decade, it is the exclusive concern for maintaining the works of nature inviolate while disparaging the efforts of man.

MINERALS POTENTIAL IN PUBLIC LANDS

The federal government owns over 760 million acres—one-third of the total land area of this country—as well as the mineral rights to an additional 63 million acres. The largest federal landowners are the Bureau of Land Management (BLM) with 470 million acres (equivalent to Alaska, California, and Massachusetts combined) and the Forest Service with 187 million acres (equivalent to Texas and South Carolina combined). They are followed by the Department of Defense, 31 million acres; Fish and Wildlife Service, 30 million acres; National Park Service, 25 million acres; Bureau of Reclamation, 7.6 million acres; and Bureau of Indian Affairs, 5 million acres. In addition, the federal goverment controls some 559 million acres underlying territorial waters beyond state jurisdiction.

These vast stretches of Federal land contain significant potential reserves of crude oil and natural gas and other critical minerals. Dean William H. Dresher of the University of Arizona College of Mines estimates that publicly owned lands contain 50 percent of all known energy resources including: 40 percent of the coal, 70 percent of the low-sulfur coal; 75 percent of the oil shale; 85 percent of the tar sands; 15 percent of the developed oil reserves; 33 percent of the estimated U.S. oil resource base; and 43 percent of the estimated U.S. natural gas base.

Studies of the U.S. Geological Survey indicate that this country has enough known and potential oil and natural gas resources to continue present levels of production for nearly 50 years. The low estimate suggests that, with improved technology and the right economic climate, the nation may have as many as 135 billion barrels of crude oil and gas liquids, and some 760 trillion cubic feet of natural gas, almost four times the current proved reserves of oil and gas in the U.S.

The Geological Survey and private oil and gas industry sources estimate that much of the nation's undiscovered oil and natural gas reserves lie in Alaska, the Rocky Mountains and on the Outer Continental Shelf (OCS). Ninety-six percent of the lands in Alaska, 46 percent of the Rocky Mountain states (Idaho, Utah, Montana, Wyoming, Colorado, and New Mexico), and all of the OCS beyond state jurisdiction are controlled by the federal government. Thus, the management policies governing access and development of these resources is critical.

In a recent statement before the American Association for the Advancement of Science, Charles O. Masters of the U.S. Geological Survey stated that the U.S.G.S. was raising its estimate of undiscovered crude oil resources in the U.S. by 10 billion barrels, according to a January 6, 1979 Washington Post report. Eight new discoveries in the Western part of the Green River Basin provide data which supports an upward revision of the low estimate from 50 to 60 billion barrels of undiscovered crude oil. These new discoveries highlight the significance of the new frontier on public lands in the Rocky Mountain states as the Green River Basin covers parts of Wyoming, Utah, Montana, and Colorado and is part of the Overthrust Belt. The new discoveries have also raised the 1973 estimates of potential in that basin from 1.5 to 37 billion barrels of oil, adding further support to government and industry claims that the Overthrust Belt may have greater potential than Prudhoe Bay in Alaska.

The Rocky Mountain Oil and Gas Association estimates undiscovered recoverable hydrocarbon resources of Forest Service RARE II tracts overlying the Overthrust Belt in Idaho, Montana, Utah and Wyoming to be from 4.5 to 25.9 billion barrels of crude oil and from 13.2 to 97.3 trillion cubic feet of natural gas. According to RMOGA, "this is equivalent to as much as 4.3 times the oil and gas estimated to be recoverable from the Atlantic Continental Shelf (0–6 billion barrels of oil and 0–22 trillion cubic feet of natural gas), or up to eight times the amount of crude oil imported by the United States in 1977 (3.2 billion barrels)."

Only one hundred nine million acres of public lands are under oil and gas lease at the present time. Of the 559 million offshore acres controlled by the U.S., only a little more than 10 million, or less than 2 percent of the offshore acres has been leased for oil and gas exploration, according to the American Petroleum Institute. Of the 3.2 million wells drilled throughout the world, some 2.4 million have been drilled in the mature producing areas of the U.S. Extrapolate such a drilling density to Alaska, to the western areas where new discoveries have been made recently, and to other promising regions such as those on the public lands and the results could be phenomenal.

However, according to "The Final Report of the Task Force on the Availability of Federally-Owned Mineral Lands" (U.S. Department of Interior, 1977, using 1974 data) 312.5 million acres of federal lands were formally withdrawn and an additional 183 million acres were governed by such severe restrictions as to constitute de facto withdrawals—as much as 73 percent of the U.S. public lands.

CURRENT LAND MANAGEMENT POLICY

The movement to withdraw more and more federal land has come about largely as a result of a latent awareness that U.S. borders are not limitless and her natural resources must be managed in a manner which will respect the natural environment as well as the economic environment of the nation. Thus, land managing agencies are mandated to protect and sustain every aspect of the natural environment under a plethora of piecemeal programs. The result is a collage of conflicting policies and procedures which lack priority identification and national perspective. For example, improving the nation's energy supply situation is a top national priority. At the same time, conservation of public land has also been identified as a top environmental issue. It is this conflict which has seriously limited access to U.S. public lands for energy exploration and development.

The emphasis on wilderness preservation has exacerbated the land withdrawal issue. During the past two years, the Forest Service withdraw sixty-three million acres of national forest land for its RARE II studies; the Bureau of Land Management initiated a 15-year Wilderness Review; 123 million acres were withdrawn from any development in Alaska while Congress debates the Alaska National Interest Lands Act; and countless individual wilderness and other limited access bills have passed in Congress. According to the U.S. Forest Service, the current wilderness situation is as follows:

National wilderness preservation system

Existing wilderness	[1] 19,013,305
Endorsed and pending before Congress	[2] 23,148,041
Under review or estimated under review	[1] 202,842,863
Total acres	245,004,209

[1] includes National Forests, National Parks, National Wildlife Refuges, and Bureau of Land Management lands.

[2] includes National Forests, National Parks and National Wildlife Refuges.

All of these 245,004,209 acres are presently managed in a manner that will protect their wilderness characteristics; i.e., they are not available for mineral resource development.

The controversy is obvious in the debate over future use of Alaska lands. In proposed legislation which would limit access to 128 million acres of land in Alaska, all of that acreage would be withdrawn from mineral entry while oil and gas leasing could occur on non-wilderness refuges subject to special procedures. Seventy percent of the lands rated highly favorable for minerals by the U.S. Bureau of Mines and three of the world class mineral discoveries in Alaska identified by the Stanford Research Institute are included in Wilderness areas and would therefore be off-limits to exploration and development or be so restrictively managed as to preclude development. Additionally, the Arctic National Wildlife Range coastal plain would be designated Wilderness and subject to wilderness protection stipulations.

EXISTING STATUTORY PROVISIONS

The conflict between energy development and conservation crystalizes when one examines the statutory provisions for conducting oil and gas operations on designated wilderness areas. The Wilderness Act of 1964 makes special provisions for exploration and development of minerals on "wilderness" areas, recognizing their important place in American productivity. The Act provides in part:

". . . Nothing in this Act shall prevent within national forest wilderness areas any activity, including prospecting, for the purpose of gathering information about mineral or other resources, if such activity is carried on in a manner compatible with preservation of the wilderness environment . . .

"Notwithstanding any other provisions of this Act, until midnight December 31, 1983, the United States mining laws and all laws pertaining to mineral leasing shall, to the same extent as applicable prior to the effective date of this Act, extend to those national forest lands designated by this Act as 'wilderness areas'; subject, however, to such reasonable regulations governing ingress and egress as may be prescribed by the Secretary of Agriculture consistent with the use of the land for mineral location and development and exploration, drilling, and production . . ." (Sec. 4(d) (2) and (3))

Implicit in the language of the Act is a recognition of the fact that mineral exploration and extraction can be conducted in harmony with the environment. Multiple use is not contrary to preservation of the natural environment. Reasonable requirements for surface protection and restoration provide adequate safeguards and are consistent with the language of the Wilderness Act and the Federal Land Policy and Management Act (FLPMA).

The importance of mineral values in wilderness areas as recognized by Congress in the Wilderness Act was later confirmed by FLPMA (sections 603(a) and 603(c)). Both acts require that minerals surveys be performed by the Geological Survey and Bureau of Mines, the results of such surveys to be reported to the President and Congress. FLPMA goes further by requiring such report to be completed prior to any wilderness designation recommendations. It is significant that both acts which mandate wilderness studies include this recognition of mineral values.

Furthermore, Section 4(d)(3) of the Wilderness Act provides that, with regard to wilderness areas, regulations governing ingress and egress shall be:

". . . consistent with the use of the land for mineral . . . development and exploration, drilling, and production, and use of land for . . . facilities necessary in exploring, drilling, producing, and processing operations, including where essential . . . restoration as *near as practicable* of the surface of the land disturbed. . ." (Emphasis added)

The language is specific. Not only can oil and gas be discovered but produced as well. The legislators recognized not only that land disturbance is a necessary by-product of exploration and production but also, more importantly, that the land can be restored without impairing wilderness suitability. The BLM's NTL–6 provides more than ample reclamation requirements.

Our interpretation is consistent with language in section 603(c) of FLPMA: ". . . the Secretary shall by regulation or otherwise take any action required to prevent unnecessary or undue degradation of the lands. . ." This language makes clear that some degradation of the lands will be necessary; otherwise there would be no need for regulation. Therefore, a "no surface occupancy" stipulation on a lease is an unwarranted and improper application of wilderness protection. Failure to issue new leases, and failure to grant or process applications for drilling permits are equally unacceptable. The pertinent language of section 603(a) of FLPMA reads:

". . . the Secretary shall continue to manage such lands . . . so as not to impair the suitability of such areas for preservation as wilderness, *subject, however, to the continuation of* existing mining and grazing uses and *mineral leasing* in the manner and degree in which the same was being conducted on the date of approval of this Act." (Emphasis added)

IMPLEMENTATION OF STATUTORY AUTHORITY

In spite of the foregoing development provisions, land managing agencies have taken the position that mineral leasing is a use taking place on public lands rather than a legal entitlement by which a party would be allowed to conduct exploration and production operations on the land. To the contrary, a lease is nothing if not a legal entitlement to use the land consistent with the purpose for which it was leased. An oil and gas lease is meaningless without the entitlement to access, drilling, and production.

An example of agency restrictions can be found in the following quote taken from the recently published RARE II Final Environmental Statement:

". . . Oil industry exploration proposals will be examined on a case-by-case, site-specific basis in full compliance with the National Environmental Policy Act. This means before on-the-ground activities are permitted, environmental assessment reports will be made. Where proposed activities, individually or cumulatively, would have major effects on quality of the human environment, environmental impact statements will be prepared with full public involvement. Where environmental impacts are judged unacceptable, the proposed activities will be disapproved."

This process continues the all too familiar scenario to oil and gas lessees: endless delays, litigation by environmentalists, prohibitive operating costs, and increased bureaucratic involvement in private enterprise, not to mention the obvious disincentive posed by no guarantee that production will be allowed once a discovery is made. It also provides a classic example of the conflicts which exist in the mandates of public land managing agencies.

Commercial production of oil and gas and development drilling in National Forest nonwilderness and further planning areas as well as all BLM lands under study for wilderness characteristics will not be approved until land use allocation decisions and/or land management plans have been completed. Under these conditions, it will take years to bring on any of the vast energy potential that lies beneath public lands.

Until very recently, the chief concept which governed the management of public lands was "multiple use". Congress reaffirmed the multiple use philosophy in the Federal Land Policy and Management Act of 1976. However, the Act's definition of "multiple use" has only further clouded the picture:

"The term multiple use means the management of public lands and their various resource values so that they are utilized in the combination that will best meet the present and future needs of the American people; making the most judicious use of the land for some or all of these resources or related services over areas large enough to provide sufficient latitude for periodic adjustment in use to conform to changing needs and conditions; *the use of some land for less than all of the resources;* a combination of balanced and diverse resource uses that takes into account the long-term needs of future generations for renewable and nonrenewable resources; including, but not limited to, recreation, range, timber, minerals, watershed, wildlife and fish, and natural scenic, scientific and historical values; and harmonious and coordinated management of the various resources *without permanent impairment of the productivity of the land and the quality of the environment* with consideration being given to the relative values of the resources and *not necessarily to the combination of uses that will give the greatest economic return or the greatest unit output.*" (Emphasis added.)

The term is defined in FLPMA is broad enough to cover any wish of federal land managing officials and can mean many things to persons with different backgrounds and interests.

Implied but not stated in the definition of multiple use is the concept of "without conflict". Historically, it has meant simultaneous occurrence of compatible uses or sequential occurrence of conflicting uses. An outstanding example is Avery Island in Louisiana which is simultaneously a bird sanctuary, salt mine, red pepper farm, and a producing oil and gas field.

With perspective, the term "multiple use" as defined in FLPMA can be used to provide for the needs of our society. Without perspective, it can be used to eliminate massive portions of public lands from broad public use. The latter is happening.

CONCLUSION

All current projections indicate that U.S. demand for imported petroleum will continue to increase unless new domestic sources of petroleum are found and developed. Federal lands (both onshore and offshore) are the areas of greatest potential for future domestic petroleum supplies. Our ability to develop those domestic supplies depends upon gaining access to these lands.

Petroleum activities on federal lands—in addition to being necessary to expand domestic production—are in most instances temporary and can be conducted in a manner that is compatible with sensitive environmental areas. Exploration activity (both seismic and test drilling) involves minimal surface disturbance of the land over a fairly short period (a few days or weeks usually—a few years at most). Even in the event of a commercial discovery, the normal life of a field (25 to 30 years) is also a "temporary" intrusion on the land when considered in terms of an average lifetime and the pressing need now for domestic energy supplies.

Petroleum development as a "compatible use" has been fully documented even in the case of the most sensitive competing use—wildlife. Oil and gas activities on the Kenai Moose Range in Alaska and on various wildlife refuges along the coast of the Gulf of Mexico have shown that wildlife management and petroleum production can proceed together. In fact, the Wildlife Refuge Management Act specifically states that oil and gas activities may proceed on wildlife refuges.

The petroleum industry recognizes the need and the responsibility to conduct its operations in a manner that is environmentally sound. IPAA is anxious to work with the Federal government to bring about a process of operations which will satisfy that responsibility so that its members can get on with the business of finding and developing new domestic energy supplies.

SPECIAL ORDER

The PRESIDING OFFICER. Under the previous order, the Senator from Oklahoma (Mr. BELLMON) is recognized for not to exceed 15 minutes.

SENATE RESOLUTION 64—SUBMISSION OF A RESOLUTION RELATING TO THE FUNCTIONING OF MARKET FORCES IN CRUDE OIL PRODUCTION AND CONSERVATION

Mr. BELLMON submitted the following resolution, which was referred to the Committee on Energy and Natural Resources:

S. RES. 64

Be it resolved that it is the Sense of the Senate that:

"The President shall act to allow market forces to function in crude oil production and conservation".

Whereas, Congress finds it in the best interest of all Americans, that U.S. energy resources be valued at their true replacement cost, as established by market forces;

Whereas, the majority of the American people desire to be self-sufficient in production of energy insofar as that is possible;

Whereas, the majority of the American people believe that energy is a non-renewable natural resource which should not be wasted, and should be priced at the world market or true replacement cost;

Whereas, our President has pledged his word, on our behalf, to allow the price of American oil to seek the world market price by 1981;

Resolved, that it is the sense of the Senate that price controls on all categories of domestically produced American crude except crude "lower tier" shall be terminated on June 1, 1979. Further, resolved the President shall systematically remove all remaining controls over the following two years.

Mr. BELLMON. Mr. President, I rise to submit a sense of the Senate resolution dealing with the expiration of EPCA.

Mr. President, I have some good news and some bad news. The good news is that mandatory price controls on American crude oil production are due to expire in May of this year. The bad news is that President Carter has the authority to extend or reimpose these controls and that great political pressures will be exerted on the President to get him to take this action.

That pressure is for a bankrupt policy and one which I believe needs to be allowed to die an early death.

There are those who want to keep these price controls on, but I believe that the majority of Americans do not want the price controls continued and will view the expiration of these controls as a necessary step toward conservation and toward the expansion of production of domestic energy.

In a recent Harris public opinion poll (released on January 8 of this year) 65 percent of all Americans polled said they favored "deregulation of the price of all oil produced in the United States, if this would encourage development of more oil production here at home."

The purpose of my statement this morning is to show that this would logically follow.

There is no doubt that deregulation would encourage development of more oil production. I offer evidence that deregulation would result in more oil production here at home just as it has with natural gas in the intrastate market. The point is so important that I intend to return to it in another later statement, wherein I hope to offer evidence from the real world that price incentives have brought forth increased production for both gas and oil.

Once Congress and the administration is convinced of this fact, it should then be but a short step to the realization that the solution to our energy problems is to get the Government out of the way and let market forces begin to operate.

In testimony this week officials of the Energy Department, Mr. Bardine and also Secretary Schlesinger, have taken the position that we should let the market forces work, and to me this is a healthy sign that the administration has now begun to see the light.

But, Mr. President, let me return to the Harris poll.

There are two points of significance in what 65 percent of all Americans favor. The first is that they favor deregulation of all domestic oil. Not just marginal wells. Not just new oil. Not just oil from enhanced recovery projects. They favor decontrol of all oil. That means that most Americans realize that we need to get more money to those who explore for, who find, and who produce energy in this country. Most Americans realize that we have an economic problem far more than we have a limitation of resource problem.

The second point is that most Americans realize that increased prices will probably result in increased production. In other words, they believe in the law of supply and demand.

Increasingly Americans realize that price controls are a mistake. The present controls on domestic crude production came about as amendments to the Emergency Petroleum Allocation Act (EPAA) of 1973. If that act has any redeeming feature, it is that it has shown a whole generation of Americans the inevitable failure of such controls. Production falls off, wasteful overutilization continues, and the rate of imports rises. When foreign production slumps shortages and sharp price increases follow.

The situation we find ourselves in now, after the 40 months of controls, is worse than the situation we were trying to escape. Not only has domestic oil production declined, but imports have escalated at an even more rapid pace, as is illustrated in a table, which I wish to have printed in the RECORD at this point.

Mr. President, I ask unanimous consent that this table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—IMPORTED AND DOMESTIC CRUDE OIL, 1960–77

[Thousands of barrels per day]

Year	United States	Per barrel[1]	OPEC	Per barrel[2]
1960	7,035	$2.88	1,315	$1.80
1961	7,183	2.89	1,269	1.80
1962	7,332	2.90	1,265	1.80
1963	7,542	2.89	1,284	1.80
1964	7,614	2.88	1,362	1.80
1965	7,804	2.86	1,476	1.80
1966	8,295	2.88	1,472	1.80
1967	8,811	2.92	1,259	1.80
1968	8,660	2.94	1,303	1.80
1969	8,778	3.09	1,334	1.80
1970	9,180	3.18	1,334	1.80
1971	9,032	3.39	1,673	2.29
1972	8,998	3.39	2,063	2.48
1973	8,784	3.89	2,993	5.04
1974	8,375	6.87	3,280	11.25
1975	8,007	7.67	3,601	12.38
1976	7,776	8.19	5,066	11.50
1977	8,217	8.57	6,156	12.70

[1] U.S. domestic average price at wellhead, current dollars.

[2] Posted price of Saudi "marker" crude, current dollars.

Source: Energy Information Agency: Annual Report (1977).

Mr. BELLMON. Mr. President, this table shows that OPEC crude oil imports went from what had been a relatively constant 1.3 million barrels a day prior to 1971 to about 7 million barrels a day by 1977, and they are even higher today. In this same period of time, the OPEC crude oil price had gone up a factor of four.

Since the collapse of oil production in Iran and the announced refusal of the Saudi Arabians to increase their production, Americans realize more than ever the dangerously exposed position of this Nation's oil supply. The politically inspired notion that the United States can have cheap, abundant, and dependable energy is evaporating.

Let me explain the apparent perverseness of a demand for OPEC that rises rapidly in the face of an even more rapid rise in price. The answer lies in the fact that all energy forms that compete with oil in the world market went up in price in concert with OPEC oil. But American oil was not allowed to go up in price, so the average price for oil in this country was substantially less than the nearest alternative energy source. Demand for oil went up. No increased domestic production was forthcoming, so imports took up the slack.

Mr. President, it was interesting to note in Secretary Schlesinger's testimony before the Energy Committee yesterday the charts which he submitted that showed that in real dollars the price of crude oil is less now than it was back in 1974, and the same thing is true with gasoline.

So it is natural under these conditions when crude oil prices are not allowed to go up as the cost of production goes up that there would be less activity and also since gasoline prices have stayed constant that we would be continuing our wasteful overutilization of this product.

It is worthwhile taking a look at how we came to have these controls in the first place. After World War II, what we would now call "OPEC" oil began to be imported into this country. It was cheap oil. OPEC was practically giving it away and it could be sold in this country much cheaper that we could produce our own domestic fields.

By 1955, we had instituted import controls on OPEC oil. The controls were designed to limit the amount of OPEC crude oil that could enter this country. The idea was to preserve a viable U.S. oil industry. It is fortunate for the country that this policy was followed. Otherwise, the United States would now be at the complete mercy of a foreign cartel.

The import quotas worked in the sense that a relative constant volume of 1.3 million barrels a day of OPEC oil was allowed to be imported from the early 1950's up until 1971. That amounted to about 17 percent of domestic production and allowed a price support of about $3 a barrel, in 1955 dollars, for domestic oil.

Then, in 1971, President Nixon imposed wage and price controls on virtually everything. These other price controls were later lifted but the price controls on domestic oil production have never come off.

As late as mid-October 1973, Saudi Arabia "marker" crude, which is to say the sweet light crude oil whose posted price serves as the basis for the price of all OPEC oil, was selling for $2.32 a barrel.

The price of Saudi "marker" crude is posted in dollars, and I want to return later to the significance of that fact. But by the first of the year, the price of "marker" crude had gone from $2.32 a barrel to $10.83 a barrel. Congress quickly passed the Emergency Petroleum Allocation Act late in 1974 and late in 1975 passed, and President Ford reluctantly signed into law, the Energy Policy and Conservation Act, known as EPCA. It was EPCA amending EPAA that gave us the price controls that are to expire in May of this year.

The original price controls imposed by President Nixon on everything in 1971 were to stop inflation. When the EPAA controls on oil were imposed in 1974, inflation was very high, and some economists were afraid the shock of domestic oil going to the world market price would be too much for the economy. Inflation was still too high in 1975 when the EPCA controls were imposed, but the controls were designed to result in a gradual lifting of domestic oil prices to the world market price.

But inflation continued at a high level and the dollar began to drop like a rock as well. It might even be said that because inflation in this country continued at a high rate, the dollar began to drop. In any event, the OPEC price has been raised several times to compensate for the inflation and the fall in the dollar against more stable currencies (such as the Swiss franc).

As I said earlier, the price of market crude is set in dollars, and when the dollar falls, OPEC raises the price.

We, now, import six times the amount of OPEC oil we were importing when President Nixon put the price controls on domestic oil and we are paying six times as much per barrel. We are 36 times worse off when it comes to "balance of payments." When you consider imported crude oil and imported refined products, we import as much as we produce.

The intent of the price controls contained in EPCA was to allow the average price of domestic crude to rise, over a period of 40 months, the world price. The rate of increase was limited to 10 percent per year, unless the President could show that a faster increase would bring forth increased domestic production.

But the OPEC price has been increased over those 40 months by a third because of inflation and the falling dollar. In 1975 the OPEC price was $12 a barrel and 1.9 billion barrels of American crude would have sold at $12 a barrel—instead of $5—if controls had been lifted. Now, the OPEC price is $16 a barrel and 2.25 billion barrels of American crude can be sold, if price controls are lifted now, at $16 a barrel, instead of $9.

So we are no closer to deregulation today than we were when these price controls for phased deregulation were instituted. Now, the impact of this infusion of revenue into energy investment would have been and still will be significant so far as our future energy supplies from domestic resources are concerned.

Those who want price controls extended apparently take comfort from the figures of declining domestic production. If we leave controls on until 1981, they reason, there will not be any domestic production to lift the price controls from.

They may take some comfort. It all causes me much discomfort. The economic jolt is still there to be felt because the OPEC price is higher. Production has declined in the Lower 48 States. Inflation has not been checked. We are importing several times more oil and paying several prices for it. How can anyone plead for more of this torture?

And yet some do. They want to protect the Americn consumer, they say. And that is why the news that President Carter has the authority to extend or reimpose these controls may be bad news. Up to now he has shown far more concern, as President, for the price consumers pay than he has for the energy producers produce or fail to produce. Up to now, he would not acknowledge (much less confront) the real problem, which is lack of incentives for domestic energy production of all sorts. Perhaps the pending emergency from the decline in Iranian production plus changing consumer attitudes will cause a rethinking of the administration's position—at least I hope it will.

President Carter did not impose the present price controls on American oil. Congress imposed them and President Ford reluctantly agreed to them. The price controls were supposed to be a kind of phased deregulation. (The same kind of phased deregulation that we have ill advisedly put on our domestic natural gas, but I will come back to that on another day). A maximum increase of 10 percent per year in the average price of domestic crude oil was allowed. However, the President could increase the price more if he could show that by so doing, it would result in increased production.

It would have been and still is, easy to show that increased price would have resulted in increased domestic crude oil production. I ask unamious counsent to have printed in the RECORD, two tables, which can be used for this purpose.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE II.—EXPLORATORY DOMESTIC GAS WELLS

Year	Number of producing wells	Cents per MCF [1]
1950	431	11.2
1955	874	16.2
1960	868	19.8
1961	813	21.1
1962	771	21.3
1963	664	21.5
1964	577	20.6
1965	515	20.3
1966	698	19.8
1967	532	19.6
1968	465	19.1
1969	616	18.7
1970	481	19.2
1971	437	18.4
1972	601	18.0
1973	900	[2] 51.0
1974	1,195	80.0
1975	1,171	129.0
1976	1,402	161.0
1977	1,477	183.0

[1] Price in 1972 dollars.

[2] After 1972, unregulated market weighted average price for new gas.

Source: Energy Information Agency: Annual Report to Congress, 1977.

TABLE III.—INTERSTATE ADDITIONS (VERSUS) INTRASTATE ADDITIONS

[Trillion cubic feet]

Year	Regulated	Unregulated
1966	10.0	4.8
1967	9.9	4.9
1968	6.4	3.4
1969	6.2	3.4
1970	3.5	7.8
1971	2.2	8.9
1972	5.0	5.7
1973	1.7	8.4
1974	2.4	7.3
1975	1.3	8.7
1976		7.5
1977		12.0

Source: "Economics of Gas Deregulation," Natural Gas Supply Committee, 1977.

Mr. BELLMON. In table II, there is a comparison of, what happened in the federally price controlled interstate natural gas market, with what happened in the uncontrolled market. Until 1977, the Federal Power Commission held down the price that interstate pipelines could pay for gas. As a result of the general rise in the price of all energy that began in 1972—except for gas and crude oil under Federal price controls—interstate gas prices for new contracts began to rise. Exploratory footage for gas surpassed oil, and nearly all drilling activity was for the unregulated, intrastate market, as can been seen in table III. American drilling for unregulated gas, and the finding of that gas, quickly tripled. Furthermore, throughout the 1970's, additions to reserves have very nearly equaled production. In other words, the unregulated market is approximately in balance, and prices have recently begun to ease, reflecting that balance.

So, anyone who examines the recent history of exploratory drilling for unregulated gas must conclude that higher prices have resulted in increased domestic production. President Carter could have increased the average price of domestic crude oil much more than the 10-percent per year. And yet, he did not, and there are reports that he feels he must extend or reimpose EPCA price controls so as to further protect the consumer. For him to do so would be adding the insult of perverse economics to the very real injury we have already suffered from these price controls.

Now that an oil shortage confronts the country all Americans will suffer from these price controls and the reduced domestic production which has resulted.

I ask unanimous consent to have printed in the Record a table showing the amounts of domestic crude oil production—as a function of price—for the period of these price controls.

There being no objection, the table was ordered to be printed in the Record, as follows:

TABLE IV.—DOMESTIC[1] CRUDE PRODUCTION UNDER PRICE CONTROLS

Year	Lower tier (old)		Upper tier (new)		Stripper	
	$ Per barrel[2]	Million barrels per year	$ Per barrel[2]	Million barrels per year	$ Per barrel[2]	Million barrels per year
1971	$3.39	3,454				
1972	3.39	3,446				
1973	3.79	2,768	$6.70	369	$6.70	224
1974	5.03	2,035	10.13	793	10.13	375
1975	5.03	1,875	12.03	734	12.03	397
1976	5.13	1,615	11.71	935	12.16	419
1977	5.19	1,371	11.22	1,078	13.59	398
1978	5.45	1,158	12.08	1,100	13.95	437

[1] Alaskan production excluded.

[2] Current dollars.

Source: Data abstracted from DOE/EIA "Monthly Energy Review".

Mr. BELLMON. It can be shown that since 1973, these price controls have cost:

Americans—as producers—$27 billion after taxes, royalty and dividend payments for reinvestment.

Americans—as taxpayers—$30 billion in taxes they should not have had to pay.

That injury does not take into account the greatest injury in the long run; namely, the amount of energy supply that would have been found, or developed, with that $27 billion. There is also the reduction in the deficit that $30 billion in taxes could have made, which in turn, would have slowed inflation. But it is certain that, had no price controls been imposed, more energy would have been produced in this country.

It is difficult to estimate how much. It is sometimes a long interval between the time money is invested in new energy sources and the time production begins. However, if all that $27 billion had been invested in oil exploration and development, and if you can accept the OPEC posted price as being a measure of the true replacement cost of oil in this country, then the revenues denied our producers by these controls could have added more than 4.5 billion barrels of oil to our oil reserves. If you believe, as some do, that the OPEC price is arbitrary and is much higher than the true replacement costs, then much more oil would have been added to our reserves by this reinvestment.

At the current reserve-to-production ratio, we would be producing this year more than 600 million additional barrels of oil. At $15 a barrel, that increase in production would mean we would be handing almost $10 billion less to OPEC this year. Revenues from that oil, coupled with the increased revenue from other decontrolled domestic production would mean that either Americans could pay almost $12 billion less in taxes, or we could reduce the deficit by that amount.

There is one final point I want to make that I have not seen made elsewhere. There is a growing realization in this country about the importance to our system of capital formation. Even the socialist economies now realize that their system cannot survive without capital formation. One of the most important assets many oil companies (and independent producers) have is their proven reserves. It is like money in the bank. They can borrow money on it. I saw the other day where the Securities and Exchange Commission is going to make them publish the value of their oil and gas reserves in their annual report so investors will know how much the company is worth.

Right now, as a result of these price controls, all that oil in the ground that is classified as "old" or "lower tier" is only "worth" $5 a barrel. OPEC thinks that oil is worth more that $15 a barrel. Most of the world is in no position to argued with them. The value of that "old" oil, as an asset, would be tripled if we decontrolled oil prices. The borrowing power of domestic producers would increase enormously. And we have already talked about what oil producers do with any revenue they can lay their hands on. They go out and find more energy.

We have been wasting our oil. It is natural to do that with something the Federal Government says is not worth much. We have got to stop wasting it. We have got to get rid of these price controls. Even the Arabs hate to see us wasting our oil. The rest of the world holds to the view that the U.S. energy policy is irresponsible. The oil consuming nations have pleaded with us to end these controls. President Carter has promised Chancellor Schmidt that American oil would be priced at world market prices by 1981. I propose to express the sense of the Senate that he keep that promise to our allies and friends.

SPECIAL ORDER

The PRESIDING OFFICER (Mr. Harry F. Byrd, Jr.) The Chair recognizes the Senator from Illinois (Mr. Percy).

REDUCING OIL GLUTTONY: AN AGENDA FOR THE 96TH CONGRESS

Mr. PERCY. Mr. President, I wish to commend my distinguished colleague from Oklahoma for his fine statement. I commend him on his analysis of oil pricing. Oil decontrol is one of the issues which I would like to address.

Mr. President, habits are hard to break, and America's colossal craving for imported oil is no exception. For nearly a decade now, short-term shortages and warnings of imminent depletion have had only minor impact on consumption.

Some experts predict that global demand for oil will outstrip supply by the mid-1980's, with economically debilitating squeezes occurring at several points before then. Other experts show greater optimism, claiming that the aggressive development of non-OPEC oil will forestall the time of reckoning for a few decades.

Even if new supplies of oil are discovered, can the United States reasonably expect to have reliable access to these resources? Recent events in Iran should cause us serious doubt. Political upheaval in that country has brought oil exports to a virtual standstill. With 7.6 percent of our oil imports coming from Iran, the consequences of a prolonged shutdown could be very damaging to the U.S. economy. Secretary of Energy Schlesinger has warned that, if the shutdown persists for 3 months, gas rationing may be necessary. Just yesterday he warned this crisis could be greater than the crisis caused by the embargo of October 1973.

A year ago, we did not anticipate this course of events. Today, we are equally unable to predict with assurance of accuracy what will happen next year in Saudi Arabia or Kuwait. Rapid modernization has caused major social and political turmoil in many oil-producing countries. Is it responsible for the United States to base its economic welfare on such uncertain grounds? I think not.

Sudden disruptions in supply are one source of aggravation to American consumers. Major price hikes are another. OPEC's recent pricing decision will boost American gas prices by at least 2.5 cents per gallon, and will increase overall consumer prices by 0.4 percent in 1979.

In recent years, rising world oil prices have far outstripped the general rate of inflation. The world market price for oil has grown from $2 per barrel in 1973 to about $13.50 today—nearly a 700-percent leap during a time when the consumer price index has risen less than 50 percent. Energy costs have thus cut deeper and deeper into family budgets.

THE LIMITED PROSPECTS OF NEA

Decisive action is clearly needed to protect the American people from future hardship. We must reduce our inflationary and unstable dependence on imported oil.

The major purpose of the National Energy Act, passed by Congress last fall, was to cut our oil imports. This act, though praiseworthy, is no more than a beginning. As originally conceived, the National Energy Act was expected to stimulate savings of nearly 5 million barrels of oil per day by 1985. Today, the administration estimates that the act as passed will save little more than half that amount.

Even taking NEA-induced savings into account, Secretary Schlesinger has predicted that our 1985 imports will significantly exceed current levels. He estimates that we will require 9 to 10 million barrels of imported oil per day in 1985, compared with today's 8.5 million barrels.

A CALL FOR ACTION

The 96th Congress faces a considerable challenge. In the coming months, we must move ahead swiftly in adopting measures which will reduce oil imports, and not merely hold them near present levels. An ambitious but realistic goal would be to cut imports back to 6 million barrels per day by 1985. A number of measures should be implemented in order to meet this goal.

1. DECONTROL OIL PRICES

An effective program geared toward cutting oil imports should aim at reducing overall demand for oil—domestic as well as imported. This reduction will not occur if domestic crude oil prices continue to be kept artificially low by stringent price controls. "Old" domestic oil today sells at less than half the world market price for oil.

No measure which raises the price of a major commodity such as oil will be readily embraced by the American people. American families today spend 10 to 15 percent of their income on energy, and they understandably wish to avoid yet further energy-related encroachments on their already strained budgets.

I fully appreciate these budgetary concerns. Nevertheless, I strongly believe that allowing domestic oil prices to reflect this commodity's true value will serve our country's long-term interests. Somewhat higher prices today may free American consumers from much greater hardships imposed by oil scarcity tomorrow.

In the next few years, price controls on domestic crude oil should be lifted. This decontrol must occur in a phased manner, to avoid placing a sudden, unfair burden on American family budgets.

Decontrol should be accompanied by a windfall profits tax for a limited period of time. We need decontrol to provide consumers with accurate price signals as to the real value of oil. However, we also must recognize how difficult decontrol is to achieve politically. We need a windfall profits tax as an inducement to win support for decontrol, and as a reassurance to consumers that they will not be taken advantage of.

My hope is that competition inside the energy field and between oil companies will be adequate to assure that we will have fair pricing after a period of readjustment. A windfall profits tax would, therefore, only be needed during this initial period.

In addition to preventing excessive oil company profits, a windfall profits tax would raise much-needed revenues for the development of alternative energy technologies. Revenues from the tax should also provide assistance to lower-income families, who are hardest hit by rising fuel prices.

2. ENCOURAGE CONSERVATION AND RENEWABLE RESOURCES

Raising oil prices will only curb America's oil appetite if we at the same time adopt strong measures to promote renewable resource-based technologies and conservation strategies.

Decades of lopsided subsidies have given oil an undeserved prominance and have crippled the market potential of alternative energy technologies. Since 1918, oil producers and distributors have received a total of $77.2 billion in Federal assistance. This assistance has been provided through depletion allowances, incentives for new oil discovery, stripper well price incentives, subsidies for tankers and pipelines, and other mechanisms.

Renewable resource technologies such as wind, solar, and biomass have quite a different history. Aside from large-scale hydroelectricity, these technologies have received a mere $1.5 billion in Federal support, mostly in the past 3 years. Conservation strategies have encountered similar Federal indifference.

The administration's solar domestic policy review claims that a major Federal commitment to renewable resources could enable these technologies to provide 20 percent of all U.S. energy demand by the year 2000. Other studies predict that conservation measures could cut overall energy demand by 40 percent or more. If the price of oil had not been kept artificially low through subsidies and controls, conservation measures and renewable resource strategies only now being considered would have been implemented years ago.

3. EMPHASIZE SMALL-SCALE TECHNOLOGY

Within the conservation/renewables field, there are two areas which I feel warrant particular Federal action. Small-scale technology development is one area. State and local energy programing is another. The Department of Energy has yet to implement well-coordinated programs in these areas.

Potential applications of small-scale energy technologies abound. Manure from a single dairy farm can produce significant amounts of heat from methane. An array of moderately sized windmills can meet a small community's electrical needs. On a household scale, solar collectors have already begun to provide space and water heat to tens of thousands of American families.

Those who doubt that small-scale technologies can make a meaningful contribution to our Nation's energy needs should take another look. Small-scale hydroelectricity is a good example. America has hundreds of small rivers which cannot support large-scale hydroelectric projects, but would be ideal settings for low-head generators. The Army Corps of Engineers recently calculated that installation of generating equipment at existing dams could save 727,000 barrels of oil per day—nearly one-tenth of our current demand for imported oil.

In addition to yielding enormous amounts of energy, small-scale technologies can be sensitive to the particular social needs, economic conditions, and political factors in individual communities or regions. Often requiring only modest amounts of capital, they enable individual households and communities to build their own energy bases. This self-sufficiency will help to strengthen family budgets, revive local economies, and free our Nation from the economic drain and political strain of foreign oil dependence.

Last spring, I introduced the Small Scale Energy Technology Programs Reorganization Act. This bill instructed the Department of Energy to create an Office of Small Scale Technology, to give these technologies a solid institutional base within the Department of Energy. I am happy to report that this office was established within the Department's Conservation and Solar Applications Division last month.

In the coming weeks, I will be working closely with Assistant Secretary Omi Walden, to insure that the Office of Small Scale Technology will receive broad program authority and high visibility. In addition to supporting R. & D. efforts, the Office should help to develop markets for proven small-scale technologies, and it should push for the removal of institutional barriers to small-scale technology development. The Office should also establish effective linkages with comparable programs in other Federal agencies.

4. STRENGTHEN STATE AND LOCAL PLANNING

State and local planning should be central elements in our national energy policy. Through building regulations, zoning codes, procurement guidelines, transportation policies, loan programs, and educational campaigns, State and local governments can stimulate major energy savings and foster significant new energy production methods.

Davis, Calif., offers a fine example of what can be accomplished through effective energy planning. In October 1975, that city adopted the Nation's first comprehensive energy-conserving building code. Since then, the city has reduced its residential consumption of electricity by an astonishing 18 percent.

State and local planning efforts also facilitate public participation. This is not only essential to truly democratic government, but tends to make citizens more conscious of energy consumption as it relates to their own daily lives.

For the past 2 years, State governments have been eligible for Federal financial assistance in developing energy conservation plans. Under the Energy Policy and Conservation Act (EPCA) and the Energy Conservation and Production Act (ECPA), $135 million has been channeled into State governments for this purpose. While these programs have helped States to develop conservation strategies, the Federal Government has provided no general funding to States for renewable resources development.

The Carter administration is now drafting a bill which would consolidate the EPCA and ECPA programs into a broader bill geared toward improving States' overall energy-planning capabilities. This bill, the Energy Management Partnership Act, would help States to develop data systems, supply and demand forecasting, facility siting plans, and energy emergency programs. It would also offer some assistance to local-level planning efforts.

One weakness of the bill is its failure to provide planning officials with an adequate means of sharing valuable information and expertise. This problem is especially troublesome at the local level, where a lack of technical expertise often inhibits creative and effective program development. For every success story such as Davis, there are scores of cities which have not made any real progress toward energy conservation and renewables development. I am currently considering ways to stimulate cost-effective information-sharing among State and local planning officials.

Aside from this shortcoming, the Energy Management Partnership Act lays a solid foundation for State and local energy planning. I will give this bill my close attention in the coming months.

5. IMPROVE GOVERNMENT EFFICIENCY

The Small Scale Energy Technology Programs Reorganization Act and the Energy Management Partnership Act share an important strength: Both focus on improving the efficiency of existing energy programs.

Too often Government rushes to create new programs while paying little attention to the proper functioning of those which already exist. We owe it to the American people not to handle their tax dollars with such abandon. Americans are fed up with wasteful Government spending. They want a Federal Government which can account for its actions.

Oversight hearings on the Department of Energy will be held this spring by the Governmental Affairs Committee where I am the ranking minority member. I regard these hearings as a unique opportunity for Congress to examine the Department's programs and priorities. Cost effectiveness will be my No. 1 concern. With this objective in mind, I will focus on ways to strengthen the Department's conservation and renewable resource programs. These areas offer our greatest hope for reliable, cost-effective energy in the future.

6. PROMOTE THE SAFE USE OF COAL AND NUCLEAR POWER

The key to a safe, healthy energy future lies with conservation and renewable resources. Nevertheless, a partial reliance on other energy technologies will be necessary for the next few decades.

America has immense coal resources. By expanding our use of coal, we could sharply cut our demand for petroleum. Expanding coal production will not be easy, however. In the past, a number of factors have caused productivity to decline and the price of coal to double. If those trends continue, coal could lose its competitive edge in the energy marketplace.

Some of the factors contributing to the rising cost of coal have also led to significant improvements in environmental quality as well as worker health and safety. Such gains must not be sacrificed in a panicked rush to increase production.

Last April, President Carter formed the President's Commission on Coal, under the chairmanship of Gov. Jay Rockefeller of West Virginia. The Commission's goal is to prepare a report on the current state and future prospects of the coal industry. I am pleased to be a member of the Commission, and believe that its report can become the basis for a sound Federal coal policy.

Nuclear power is another energy resource which we must consider. The growth of this industry has recently been slowed, partially because of the Federal Government's failure to develop an adequate program for nuclear waste disposal. A great deal of painstaking research still needs to be done before a disposal strategy can be implemented.

Last June, I introduced the Nuclear Waste Management Act of 1978, to strengthen the Federal Government's management and policymaking structure in this field. One of this bill's goals is to set clear guidelines for State and local input into policy and facility-siting decisions. I intend to reintroduce this legislation, along with Senator GLENN. We will be holding hearings on it in the Governmental Affairs Committee this spring.

THE ALLIANCE TO SAVE ENERGY

Raising public awareness of the need to conserve energy must be a major national priority. It is a task to which private groups as well as Government agencies should dedicate themselves.

The Alliance To Save Energy is one nongovernmental group which has already contributed significantly to the energy conservation effort. Five million copies of a useful booklet, "How To Save Money by Saving Energy," are now being distributed by the Boy Scouts of America. We owe the Boy Scouts a great debt of thanks for this important voluntary work.

The alliance has also produced a number of public service radio and TV announcements featuring Gregory Peck. These are presently being aired on stations across the country.

Business leaders, consumer advocates, environmentalists, and public officials are among the alliance's board members. I am pleased to be chairman of the alliance, and am delighted to have the opportunity to work with Senator ALAN CRANSTON as a cochairman. I am also pleased that many of our colleagues in both the Senate and the House have associated their names with the alliance.

CONCLUSION

Self-sufficiency should be the central goal of our energy agenda for the 96th Congress.

On a national scale, we can foster energy self-reliance by promoting fuel conservation and aggressively developing renewable resource-based technologies. Special attention should be given to small-scale technologies, because of their tremendous energy potential and their sensitivity to local resources and social conditions. Improving the safety of coal and nuclear power will also help to expand our domestic energy supply.

Within States and localities, we can build independent energy bases by strengthening the energy-planning capacities of State and local officials. The Energy Management Partnership Act is a good first step.

The message from Iran and the OPEC cartel is clear. We must take steps now to reduce our reliance on foreign oil. Our economic welfare and national security depend on it.

THE 31ST ANNIVERSARY OF SRI LANKA'S INDEPENDENCE AND THE FIRST ANNIVERSARY OF AN EXECUTIVE PRESIDENT FORM OF GOVERNMENT

Mr. PERCY. Mr. President, February 4 was the 31st anniversary of Sri Lanka's independence from colonial rule and the first anniversary of the inauguration of an executive president form of government, currently headed by Mr. Junius Richard Jayewardene. Previously the crown colony of Ceylon, this beautiful land and its people became an independent state on February 4, 1948. In 1972, the country adopted its ancient and venerable name, Sri Lanka, "resplendent land," in lieu of the name given it by the Portuguese in the early 16th century and which later became familiar to us in its English form.

Sri Lanka deserves our admiration for its dedication to democracy, human rights, and social justice. Since independence, Sri Lanka has been a model of democracy in a multiracial and multireligious society.

At the same time, Sri Lanka has shared many of the difficulties that have accompanied the transition to independence in all of the former colonial areas of Asia and Africa. The long period of European dominance exacerbated many of the tensions inherent in any pluralistic society, and the economy has suffered the usual difficulties and disadvantages of an undue dependence on a few tropical exports the value of which has steadily declined relative to the cost of imported manufactured goods.

Sri Lanka remains a poor nation but, in terms of more sophisticated "quality of life" indices, it stands head and shoulders above most of the less-developed countries. Its 85-percent literacy rate is one of the highest in Asia, and its standards of nutrition, health care, and income distribution are among the best in the Third World.

It is a mark of Sri Lanka's commitment to democracy that the government has changed hands peacefully six times since independence. The most recent national elections, in 1977, resulted in the victory of the United National Party under the leadership of Mr. Jayewardene, a distinguished member of the legislature for some 29 years.

President Jayewardene has focused his attention on the need to liberalize the economy and phase out food subsidies and controlled prices. His government has lifted onerous import controls and freed the rupee, the country's currency, to find its own level. In addition, the government has given high priority to several important projects, including the Mahaweli irrigation program, the development of the greater Colombo metropolitan area, including the revitalization of its magnificent port, and the establishment of a free trade zone to generate employment and industrial development.

The United States and Sri Lanka have had a long and happy relationship. We share many of the same values and social and economic goals, and the policies of the present government have brought us closer in respect to the means of achieving those goals. It is my hope and expectation that in the 32d year of Sri Lanka's independence the ties between our countries will be further strengthened.

PROPOSED DEPARTMENT OF INTERNATIONAL TRADE

Mr. PERCY. Mr. President, last September the President announced an export promotion program which will undoubtedly help in our effort to increase exports and reduce the massive trade imbalance. It is not the committed effort many of us had hoped would come out of the White House, however, and there is a good deal more that the Federal Government could do to help small exporters and smooth the way for all businesses that export.

One intriguing idea which has surfaced is that of creating a Department of International Trade. The Japanese, for example, excel in exports partially because of the support their government gives through the Ministry of International Trade and Industry (MITI). Our European competition also seems to be particularly well organized with substantial government assistance.

Senators ROTH and RIBICOFF have just reintroduced their bill to create a new executive department to handle these issues. They should be commended for taking this initiative. However, I have serious reservations about the suggestion that a wholly new department be created for this purpose. Instead, I believe that we should closely examine the possibility of realining the Commerce Department to more adequately deal with domestic and international business issues.

The Governmental Affairs Committee will be considering these proposals along with its other work in the reorganization field over the coming months, and I am confident that we can reach early agreement on a workable approach to strengthen the American export program.

WORLD BANK APPROVES PROGRAM TO EXPAND LENDING FOR OIL EXPLORATION

Mr. PERCY. Mr. President, I was very pleased to learn that the World Bank's executive directors recently approved a proposal to expand substantially the Bank's assistance for oil and natural gas exploration and production in developing countries. Greater World Bank involvement in this area will help to enlarge and diversify world oil supplies, thereby decreasing demand for OPEC oil and relieving upward pressure on world prices. Furthermore, the Bank estimates that the economies of some 60 developing countries, the majority of which depend heavily on imported oil, will benefit from this program.

I have been very interested in and supportive of this Bank initiative for some time. On November 29, 1978, seven of my colleagues on the Senate Foreign Relations Committee and I wrote a letter to President Carter urging that he endorse the Bank's proposal.

I commend the World Bank executive directors for their decision. This program will certainly have a significant catalytic effect on non-OPEC oil exploration.

Mr. President, I ask unanimous consent that the letter to President Carter be printed in the RECORD.

There being no objection, the letter was printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., November 29, 1978.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We are writing you to urge you to support a proposal presently being considered by the World Bank to establish a $500 million loan fund for oil exploration in non-OPEC developing countries. We believe that the creation of this fund would be in the best interest of the United States as well as the Third World.

Imported oil will undoubtedly figure prominently in meeting America's energy needs for many years to come. It is to our benefit, therefore, to diversify and increase foreign sources of oil. The creation of this fund would help accomplish this goal.

In addition, the ability of developing nations to continue importing goods and services from the United States—we presently export more to these nations than to all of Europe, the Soviet Union, and China combined—is dependent upon their capacity to procure a reliable supply of affordable energy to spur their development. This World Bank fund would help to assure them the energy they need.

Our support for such a World Bank proposal is entirely consistent with your wishes, and those of the other Summit participants, as expressed in the recent Bonn Declaration. Clause sixteen of the Declaration urges that "the World Bank examine whether new approaches, particularly to financing hydrocarbon exploration, would be useful" as a means of assisting developing countries in the energy field.

We are well aware that U.S. participation would, in all likelihood, require additional funds from the Congress. We are also aware that this request would come at a time when the Congress is cutting back on its funding for international institutions and bilateral aid programs. Nevertheless, as members of the Senate Foreign Relations Committee, we believe that Congress should not shirk its responsibility in this area.

Our support for this World Bank initiative will not inhibit us from critically examining the details of U.S. participation in this program We believe, however, that a World Bank program to finance oil exploration in the Third World is vital to the economic growth and prosperity of both the developing and developed world and merits your support.

We urge you to endorse this initiative and pledge United States support.

We appreciate your time and consideration of this vital issue.

Sincerely,

CHARLES H. PERCY,
GEORGE MCGOVERN,
CLAIBORNE PELL,
JACOB K. JAVITS,
JOHN GLENN,
RICHARD STONE,
FRANK CHURCH,
CLIFFORD P. CASE,

ORDER OF BUSINESS

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may proceed for 10 minutes, as if in routine morning business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

REJECT THE VALUE ADDED TAX

Mr. PROXMIRE. Mr. President, the Secretary of the Treasury, Michael Blumenthal, has been widely quoted this week as saying that he is "not unsympathetic" to the concept of a value added tax and welcomed hearings on it. Further, while not proposing it this year, he has said that perhaps "1981 would be a good year to be serious about it."

This is an ominous note. It indicates that the Carter administration and Mr. Blumenthal have embraced this unfair tax.

The Carter administration has a good record, especially in the areas of tax, fiscal, and human policies. The President and Secretary Blumenthal have proposed modest but important ways to reform the tax laws. The Secretary's appearances before Congress indicate a man of growing ability and composure. The U.S. position in the world has been enhanced by the President's human rights policies. Secretary Blumenthal's strong support of the dollar late last year was a model of thoughtful and correct policies tailored to the specific problem. So it is not out of any sense of carping or a general negative attitude that I criticize the embrace of the value added tax by two men, President Carter and Secretary Blumenthal, whose judgments and compassion in other areas I greatly respect.

In my judgment the imposition of a value added tax would be a disaster. Here is why:

First, it is a regressive tax. It places the burden most heavily on those least able to pay. It takes a larger proportion of the income of the poor than of the wealthy. It is in effect a Federal sales tax.

Second, it is an inflationary tax. The tax is added at each stage of production. There is thus a pyramiding of the tax, with the tax added to the previous tax which has been added. Each percentage markup is made on a larger base as goods go from raw material to manufacturing to wholesalers and to retailers.

A tax is a price increase. What we need now are fewer and lower taxes rather than more and higher taxes.

Third, it is a hidden tax which is one of the reasons it is a favorite of the tax collectors and the tax writers. Because it is imposed at each new stage of production and hidden from view, it is an open invitation to higher and higher taxes.

As a hidden tax it will be the first to be raised when Government officials are pressed for funds because raising taxes directly or cutting favorite programs will be too unpopular.

This is one reason why its proponents are arguing it should be used as a substitute for social security taxes. At a time when these taxes are getting so high the public is resisting them, this hidden, secret, out of sight tax is proposed in their place.

Finally, it promotes bigger and bigger Government and more and more spending.

Except from the bureaucrats' view, everything is bad about it. It raises taxes when we should be lowering them. It promotes big spending when we should cut spending. It promotes inflation when we should be fighting inflation. And it puts the burden on the little guy at a time when the property tax, State, and local sales taxes, and the Federal income tax which he pays while many high income people can avoid taxes through tax shelters are more than he can take.

For all these reasons, Mr. President, the unfair, regressive, hidden value added tax should not pass.

THE GENOCIDE CONVENTION: A TRULY INTERNATIONAL CONCERN

Mr. PROXMIRE. Mr. President, one of the primary arguments of opponents of ratification of the Genocide Convention runs as follows: Genocide is a domestic, not an international, concern and, therefore, not a proper subject for a treaty.

The argument has a beguiling simplicity.

But, Mr. President, it is wrong.

Dead wrong.

Not only on moral grounds. But legal and historical grounds as well.

First, genocide is indeed a proper subject for an international treaty and, second, genocide is not only a matter of domestic but international concern as well.

IS GENOCIDE A PROPER SUBJECT FOR A TREATY?

Mr. President, what is the proper subject matter for a treaty? What does the Constitution say? What does the Supreme Court say?

Mr. President, the Constitution places no limitation on the subject matter of a treaty. The only limitation placed on treaties is that they must be made by and with the advice and consent of the Senate and that they must be ratified by a two-thirds vote of this body.

What has the Supreme Court said? In Geoffrey against Riggs in 1890, the Supreme Court held that "the treaty power of the United States extends to all proper subjects of negotiation between our Government and the governments of other nations. * * *"

What, then, does the Court mean by "proper subject of negotiation?" And does the subject of protection of man's most fundamental right—the right to live—fall within this category?

Mr. President, neither the Supreme Court nor the Constitution attempt to lay down precise formulas as to what constitutes a "proper subject of negotiation." But treaties previously ratified by the Senate will provide us with a precedent as to what this body has deemed to be appropriate subject matter.

Let us look at the record.

The Senate has approved treaties covering migratory birds, regulations on whaling, prevention of oil pollution of the seas, air hijacking, and narcotic drug traffic, to name just a few.

Mr. President, I ask you: If treaties can be concerned with the protection of whales, may they not also be concerned with the protection of national, racial, ethnical, and religious groups?

But this conclusion is not mine alone.

The special committee of lawyers of the President's Commission for Human Rights Year conducted a thorough study of the treatymaking authority in 1968. Their report clearly concludes that human rights are indeed a proper subject for a treaty.

DOES THE IMPACT OF GENOCIDE GO BEYOND NATIONAL BOUNDARIES?

Mr. President, opponents of the Genocide Convention also claim that genocide is purely a domestic crime. Let us look at this claim.

First of all, does anyone seriously believe this? Is moral outrage to be limited by the boundaries of nations? How can we possibly be neutral about the systematic destruction of 6 million Jews during the Nazi holocaust? Do we wish to promote an attitude of indifference when confronted with such atrocities?

By any standard, the answer to these questions must be no.

Second, what does history tell us about the practice of genocide? Has it been practiced solely on a domestic level, or has it spread beyond national boundaries?

Mr. President, the 6 million victims of the Nazi holocaust were not only German Jews, but Polish, Dutch, Swiss, Czech, and Hungarian as well. Nazi Germany's policy of genocide marched with its army as it poured across Europe. Genocide, if it is likely to be practiced at all, is quite likely to be practiced on an international level, as the holocaust amply demonstrates.

Third, does the world community at large believe genocide to be a crime so serious that it is deemed necessary that the prevention and punishment of this crime be recognized and regulated by international law?

The answer to this question is a resounding "yes." The United Nations has proclaimed genocide to be "a crime under international law," and 83 nations, including all of our major allies, have subscribed to this proposition by their ratification of this treaty. The United States stands conspicuously alone in its refusal to give its consent to this convention.

It is apparent, then, on a variety of grounds—historical, legal, moral, and in the opinion of the world community—that genocide is a matter of international, and not merely domestic, concern. The American Bar Association, which at one time disputed this point, now gives its full approval to the convention. This objection, like every other objection to the convention, has been conclusively rebutted. There is no further reason for delay. The genocide convention must be ratified.

Mr. President, I hope that Senators will seriously and thoughtfully consider the genocide convention, and pass it early this year.

THE NEEDS OF THE NATION'S CITIES

Mr. PROXMIRE. Mr. President, the Asheville Citizen has carried a recent editorial by Mr. Rick Gunter which supports the position that I have taken, that we need to reexamine our approach to helping cities, and that in the past few years we have enormously increased the sums we are pouring into our cities. The result has been most discouraging.

Our cities are getting worse, based on the most objective kind of criteria. This is not my opinion, but this is a study by Dr. Nathan, of the Brookings Institution, who points out that virtually all of the cities in the Northeast and most of the big cities in the country are the cities which have deteriorated in the last 15 years at the same time we have enormously, from $2 million a year to $85 million a year, increased the amount pouring into the cities. The programs have not worked.

Mr. President, I ask unanimous consent that the editorial, dated January 31, 1979, be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NATION'S CITIES NEED MORE THAN FEDERAL AID

Two interests are in conflict in the current debate over aid to the nation's cities. One revolves around the fact that ours is an urban civilization. It follows that to remain vibrant, our civilization needs thriving, sparkling cities. The second interest is financial. During this period of austerity it is difficult to finance urban renewal without going deeper into red ink.

Those competing interests need to be viewed against recent findings. Sen. William Proxmire, D-Wis., said in the Senate last week that in 1957, $1 out of every $100 in the budgets of the nation's cities came from the federal government. In 1978, $50 out of every $100 came from Washington. That is an increase of 50 fold in little more than 20 years!

Has that money put the nation's cities on sound footing? Hardly, according to the respected Brookings Institution last week. The think tank used three criteria to judge urban progress: 1) the fraction of older housing in a city; 2) poverty as measured by per capita income; 3) population—are people staying in the cities?

In spite of the dramatic increase in federal urban aid, the nation's cities, as a group, declined between 1960 and 1975. These cities led the list in distress: Buffalo, St. Louis, Cleveland, Newark, Pittsburgh, Rochester, Boston, Detroit, Philadelphia, Chicago, Cincinnati, Baltimore, and Akron. New York City was not included because of the lack of data.

This is not to brand all federal aid programs as failures. But as a group, they appear to have yielded far less than their architects promised.

The answer is far harder than finding more urban aid. Proxmire put it this way:

"All of us want to help our cities. We must find more effective methods. We must recognize we have not been able to solve that problem by throwing money at the cities. It just has not worked."

New solutions will cost lots of money. But let's hope congressmen are a little surer of new programs' soundness before appropriating monies than was the case in the 1960s and early 1970s.

Many mayors, of course, would be quite content to win a fatter federal check for faulty programs. But that approach will only increase the federal deficit, not improve urban life.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond 30 minutes with statements limited to 15 minutes each.

The PRESIDING OFFICER (Mr. BRADLEY). Without objection, it is so ordered.

SPECIAL ORDER PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, up until this point we have operated on a sort of a freewheeling basis because of the fact that the ad hoc committees that had been appointed on both sides of the aisle to discuss possible rule changes have been meeting and it was thought they had been making progress. There was not much else to do on the floor except morning business.

I think now that we do have an agreement to proceed on a section of Senate Resolution 9, from now on we will go back to our previous policy, to wit, Senators wishing to get orders to speak up to 15 minutes should get those prior to the day on which they wish to speak. By the word prior, I mean they need to secure the orders on a day when the Senate is in session prior to the day they wish to speak. That has been the policy for the last 12 years during which I have been working in the leadership. In that way, the leadership can provide for their orders and can also program the day, to come in before noon if necessary to accommodate those Senators who wish to speak early, and, at the same time, accurately inform the managers of measures to be called up as to when they should be expected to be on the floor to call up their measures.

The leadership will also provide, as in the past, for periods of transaction of routine morning business on some days, not on every day but on some days, and will try in that way to accommodate Senators, when possible.

I believe it is provident that I make this statement for the record so that Senators who have been, during the past few days, able to come to the floor and speak at reasonable length without prior orders may know that now that we will have a matter on which the Senate can occupy its attention, we will have to go back to the rules of practice. I appreciate the cooperation and understanding of Senators. Unless they are told in advance, however, they will not know that that is going to be the policy. As a courtesy to them, I am making this statement.

Mr. President, I now yield the floor.

THE FOURTH ENERGY CRISIS

Mr. TSONGAS. Mr. President, thank you for the opportunity to speak on the floor of the Senate today. I have chosen energy as the topic of my first Senate speech because I believe the energy crisis is our Nation's greatest threat and greatest test. Our economy and our very democracy rest on how we meet that crisis today.

In this decade, we have faced three energy crises—the oil embargo of 1973, the natural gas shortages of 1976, and the coal strike which followed closely in 1977. We were quickly lulled back from those three periods with little lasting impact.

Today we face the fourth energy crisis of this decade. This summer, you and I will sit in long gas lines and pay still higher gasoline prices. By winter, home heating oil will cost more and severe shortages, particularly in New England, may well be common. A billion-dollar coupon gas rationing program could be imposed at any time. This program will be a bureaucratic nightmare.

Despite cutoffs of oil from Iran adding up to a shortfall of 500,000 barrels a day, we are again in danger of being lulled back into complacency. President Carter ignored the crisis in his state of the Union address. The Government has called the situation "serious but not critical." I believe otherwise.

The Iranian oil crisis is but one manifestation of a deeper, harsher energy reality. To hear the person in charge of the country's emergency energy planning say the Iranian situation is "an unpleasant crisis that hopefully won't last very long" is frightening, I believe. The administration's warning signal is barely audible.

With a shortfall of 500,000 barrels a day, we are dipping into diminishing stocks on a daily basis. Unlike the embargo of 1973, the Iranian cutoffs have worldwide repercussions. The shortfall is 4 percent worldwide, but nations in Europe and Japan have shortfalls from 15 to 20 percent. In an era of international political and economic dependency and responsibility, the consequence for all countries is extremely serious. On March 1, the International Energy Agency will decide if the emergency warrants implementing an international allocation system. In that case, we should share the burden of shortages with other member nations. Our own shortfall could easily double, forcing us to use up more of our stocks.

I might add that I suspect the number of Americans who understand our obligations under this particular agreement probably number in the hundreds.

The situation in Iran indicates how vulnerable our Nation really is. Eighty-two percent of the world's oil reserves are in Arab, Communist, and developing countries. One assassin's bullet in Saudi Arabia could cut off 30 percent of our oil supply. In the light of the religious uprising in Iran, that eventuality in other countries including Saudi Arabia is not farfetched.

Even with the Saudi Government intact, our dependence on Saudi oil is dangerous. In response to the Iranian cutoffs, the Saudis recently began producing at maximum rates. More recently—including, I might add, this morning—they pulled back from maximum production. The acceleration of Saudi oil production has left us without a cushion. And a tight market without the leverage of Saudi Arabia gives hardline Arab States the ability to raise oil prices at will. Spot market prices have already reached $22 a barrel in some places. That, I suspect, will continue.

The Government is predicting gas shortages and higher prices this spring and early summer. I think those predictions have been understated. Here is the near term fallout from the present crisis which I foresee:

Mandatory allocations and controls and mandatory conservation measures by summer, perhaps earlier. Spelled out, those measures mean restrictions of weekend gasoline sales, commuter parking restrictions to encourage car pooling, limits on building temperatures, and advertising lighting curtailments.

Long gasoline lines and higher gasoline prices this summer. This year's 14.5 percent increase is only the beginning.

Severe heating oil shortages and higher prices next winter, particularly in New England. Pressure to produce more gasoline this summer will affect heating oil supplies next winter.

Inflationary spinoffs which may be a serious blow to our economy. Plants could shut down, unemployment could increase, just at a point where the President is indicating the possibility of a balanced budget.

That is the short-term picture. Over the long term—within the next 10 years—gasoline coupon rationing is inevitable unless we change our ways. And that long-range view could be shortened at any second by another crisis. There is no insurance we can buy to protect against another Iran.

Consider what a bureaucratic nightmare awaits us with coupon rationing:

It will cost nearly $300 million to set up and $1.5 billion a year to run, an estimate I believe is too low.

It will require the mailing of 165 million coupon rationing checks on a quarterly basis to all registered car and truck owners. Our massive social security system mails out only 25 to 30 million checks per month.

It will mean that consumers have to cash ration checks for coupons in order to purchase gas. Each registered vehicle will get the same number of coupons. The potential number of special cases is mind-boggling. There would be no equity under that kind of program.

The Department of Energy says a rationing program would take from 6 to 8 months to get rolling. Can we expect to have a 6-month lead time on such an emergency? The answer obviously is "no."

To find out about our rationing plan, a Senate Energy Subcommittee had to schedule hearings. The Government has yet to produce an energy emergency contingency plan which Congress mandated 2½ years ago. The plan is supposed to arrive on Capitol Hill at the end of this month. I cannot help wonder whether that plan would be forthcoming if the Shah of Iran had not moved to Morrocco.

I think the next 6 months will show that our last 6 years were a dismal failure in terms of Government response to the energy crisis. Where is our sense of urgency right now?

We are still selling and promoting fuel inefficient automobiles. I think they should be prohibited.

I might add, Mr. President, that I had an amendment to that effect on the energy bill 2 years ago and on the House side, that was ruled nongermane.

We have yet to adopt a serious program to develop solar energy and other alternative energy sources such as biomass, low head hydro and wind energy. We must enact and implement an aggressive and comprehensive program.

That, indeed, is not in the President's budget. The President, as you know, is going to receive a domestic policy review recommendation in the next few days. I hope he will opt for the maximum approach.

We have a strategic petroleum reserve that has barely begun to be filled. We must plan for regional product reserves to protect oil dependent areas like New England.

The Secretary of Energy indicated yesterday before the committee that it is unlikely, after the initial buys, that that reserve will continue to be filled.

We have no permanent program for helping low-income families and the elderly cope with shortages and higher prices. We need a large-scale weatherization program for the poor and the elderly.

We need it this winter, but we surely will need it the winter that follows

While the Government prepares to mandate energy conservation measures by consumers, the public education budget for the Department of Energy has been cut. How can the public deal with the crisis without understanding it and participating in energy policymaking? Everyone in our society has the opportunity to make personal decisions which would help buffer them against the inevitable shortages. When coupon rationing is imposed upon the American public most people will wonder if sometime along the way they might have helped to avert the severity of the crisis—or at least lessened its impact on their own lives.

I might add that in 2 weeks, I shall have a statement that will go into recommendations that individuals themselves may pursue to lessen the impact on each one of them.

The Iranian oil cutoffs have moved the energy crisis into our daily lives. The short-term consequences will be uncomfortable. Unlike the other crises of the seventies, however, we will not go back to normal. Iran is a warning signal. If we do not heed the signal now, the gas lines of 1979 will be hardly remembered in the harsh light of what awaits us in the eighties.

SENATOR KENNEDY PRAISES SENATOR TSONGAS' ENERGY SPEECH

● Mr. KENNEDY. Mr. President, earlier today, my distinguished Senate colleague from Massachusetts, Senator PAUL TSONGAS, delivered an excellent maiden address on one of the most critical issues facing the Nation—America's energy policy.

I commend Senator TSONGAS' address to the attention of every Member of the Senate. In it, he sounds a clear alarm about the failures of past Congresses and administrations to deal effectively with our worsening energy crisis. Unless we mend our ways, he foresees an even more serious energy crisis ahead, and he warns us forcefully of the nightmare that a gasoline rationing program would become.

As a new member of the Senate Energy Committee, Senator TSONGAS will be in a central position to help deal with the energy problems we face. As a leading advocate of the drive in the House of Representatives for the development of alternative energy sources, especially solar energy, he has already established a reputation as a leader and innovative thinker in the energy field.

In his tenure as a Congressman, he was also a leader in the development of a more effective energy policy for New England. As chairman of the Energy Task Force of the New England Congressional Caucus, he was a strong supporter of such vital programs as regional oil storage, conservation, and special fuel assistance for the elderly and the poor. His excellent work on alternative sources of energy led to the establishment of the Northeast Solar Energy Committee.

The address by Senator TSONGAS to the Senate today is an auspicious beginning in what I am confident will be an outstanding Senate career. I congratulate him for his insight and commitment, and I look forward to working with him on energy and other issues of vital importance to our Nation's future.●

Mr. ROBERT C. BYRD. Mr. President, at this point I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOSPITAL COST CONTAINMENT

Mr. ROBERT C. BYRD. Mr. President, it is becoming increasingly difficult for citizens of all income levels to afford basic medical care. The average American now works 1 month each year—one-twelfth of his or her time—just to pay his or her share of the Nation's health care bill.

Health care costs are escalating at the rate of $1 million per hour. Expenditures for hospital care are the largest component—40 percent—of total medical expenditures in this country.

In recent years, hospital costs have risen annually at an average rate of 15 percent. Five years ago, the Nation's hospital bill was $29 billion. Last year, it was over $60 billion. Hospital costs are often called invisible costs since most people pay only a small portion of these costs directly. Nevertheless, the bite out of the paycheck is real. Every employed citizen now pays an average of $15 a week to finance the Nation's hospital bill.

Private health insurance is obtained largely as a fringe benefit of employment. Employers' costs are passed on to employes as consumers of goods and services. Hospital cost inflation increases taxes. Medicare, medicaid, veterans' health benefits, and public hospitals are financed through Federal, State, and local revenues. Twenty-five percent of the social security payroll tax goes toward financing medicare and that money is supplemented by general revenues. The elderly today are paying more out of their own pockets for medical care than they were in 1964, the year medicare was enacted.

At the end of the 95th Congress, by a vote of 64 to 22, the Senate passed its own version of a hospital cost containment bill. I supported that version, which charted a middle course between competing proposals. It was the product of a great deal of study and work on the part of many Senators. Senator TALMADGE, chairman of the Health Subcommittee of the Finance Committee, and Senator LONG, chairman of the Finance Committee, offered a plan which addressed the impact of hospital cost inflation on the medicare and medicaid programs. Senator KENNEDY, chairman of the Health Subcommittee of the Human Resources Committee, and Senator NELSON, a member of that subcommittee pressed the need for an immediate slowdown of hospital inflation in the private as well as the public sector.

While both measures had merit, I believe that the majority of the Senate acted wisely in accepting the "Nelson compromise." In its recognition of volunteer efforts in the hospital industry, I found it to be a positive and reasonable approach. Mandatory Federal controls would have been imposed only as a last resort—only if hospitals failed to reach their own cost containment goals. I regret that the measure died in the House.

This year, it is estimated that the cost of illness in this country—and I am not speaking here about the cost of human suffering—will exceed more than $250 billion in lost productivity and the cost of care. Human suffering, of course, cannot be measured in dollars and cents.

The cost of hospital care has been rising faster than the overall cost of living, and faster than other medical costs. Adequate care must be as accessible to poor and middle-income citizens as well as to those for whom price is no object. Our tax dollars must be carefully spent.

The hospital industry is one of the most inflationary segments of our economy. Hospital cost inflation results in inequitable and inefficient distribution of scarce health care dollars. It is my hope that hospital cost containment will become law this year.

ORDER FOR EXTENSION OF PERIOD FOR MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, how much time remains for the period for morning business?

The PRESIDING OFFICER. Eleven minutes.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that that time be extended by not more than 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS BY THE CHAIR

The PRESIDING OFFICER (Mr. BRADLEY). The Chair, on behalf of the President pro tempore, pursuant to Public Law 92–484, appoints the Senator from Maryland (Mr. MATHIAS) to the Technology Assessment Board, in lieu of the Senator from New Jersey (Mr. Case), retired.

The Chair announces that the following members of the Committee on Finance have been chosen by such committee, pursuant to section 8002 of the Internal Revenue Code of 1954, to serve as members of the Joint Committee on Taxation for the 96th Congress: The Senator from Louisiana (Mr. LONG), the Senator from Georgia (Mr. TALMADGE), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Kansas (Mr. DOLE), and the Senator from Oregon (Mr. PACKWOOD).

Mr. HARRY F. BYRD, JR., addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

RHODESIA AND AMERICAN SECURITY

Mr. HARRY F. BYRD, JR. Mr. President, on January 30, 1979, the predominantly white electorate of Rhodesia voted overwhelmingly for a new constitution to establish majority rule; namely, black rule.

The new Rhodesian constitution mandates elections under a one-man, one-vote balloting process designed to create a new predominantly black government.

The vote in Rhodesia on January 30 was the last step by Rhodesians in fulfilling all requirements of the Anglo-American plan for transition to majority rule as it was outlined by Dr. Kissinger in 1976.

Now, Mr. President, the Carter administration has been careful to attribute its most unpopular foreign policy decisions to the policies of past administrations. It has often characterized its decisions as required by ongoing programs initiated by either President Ford or President Nixon. Both the Panama Canal Treaty and the recognition of mainland China were announced as the culmination of policies and commitments initiated in prior administrations.

Yet, in the case of Rhodesia, Mr. President, the Carter administration has apparently thrown out the window the efforts and commitments made by a prior administration. The Carter administration has preferred to forget and, indeed, to disclaim the agreement reached on September 24, 1976, when then-Prime Minister Ian Smith of the Salisbury government accepted in full the Kissinger or United States-United Kingdom plan for a peaceful Rhodesian settlement.

Mr. President, the Government of Rhodesia has not forgotten the terms of the Kissinger agreement. The Salisbury government has worked diligently to carry each aspect of the agreement into full effect. That goal has now been achieved. Rhodesia has fulfilled all commitments. The United States and Britain have fulfilled none.

The Anglo-American plan contained the following terms and conditions.

First, Rhodesia was to agree to majority rule based on one-man, one-vote elections. That condition was fulfilled on January 30, 1979, by an overwhelming vote for the new Rhodesian constitution.

Second, the Anglo-American plan required representatives of the Salisbury government to meet immediately with African leaders to organize an interim government. That condition also has been fulfilled. The present transitional government in Salisbury meets all criteria of this second requirement of the Anglo-American proposal.

Third, the Anglo-American proposal specifically required that the interim transitional government should incorporate a Council of State, half of whose members would be black and half white. That condition also has been met.

Fourth, the Anglo-American plan provided that the United Kingdom would enact enabling legislation for the process to majority rule. That condition has not been met.

Fifth, the Anglo-American plan provided that, upon the establishment of an interim government, economic sanctions would be lifted and all acts of war, including guerrilla warfare, would cease. Again, that condition has not been met.

Sixth, and finally, the Anglo-American plan promised substantial support to Rhodesia to provide assurance of the economic future of the country under a new majority rule regime. That condition has also been totally ignored by Britain and the United States.

So, Mr. President, in every respect Rhodesia has fulfilled exactly the obligations it undertook when it accepted the Anglo-American plan some 2½ years ago. Yet, without exception, the United States and Great Britain have in every respect failed to fulfill a single commitment they undertook at the same time.

The decision made in 1976 by the Salisbury government and by its Prime Minister Ian Smith to accept the Anglo-American proposal was a decision which required great courage. It was a decision made only after receiving the solemn pledge of the British and American Governments conveyed by the American Secretary of State, Dr. Kissinger.

The Rhodesian Government has now fulfilled its obligations under the Kissinger agreement. It has fulfilled those obligations to the letter. It is now time, indeed, it is past time, that the United States and Great Britain act to make good their word.

I am advised by friends in the British Parliament that Prime Minister Callahan has not the slightest intention of implementing Britain's side of the deal. That is a matter for resolution in the United Kingdom.

But if Britain has decided to be unfaithful to her commitments, then the United States should wait no longer and should take independent action to honor unilaterally its own pledge.

The people of Rhodesia, Mr. President, black and white alike, are fighting desperately to stem the tide of Soviet imperialism in Africa. They are faced with the worst forms of terrorist warfare perpetrated by external forces which are armed, trained, and financed directly by the Soviet Union. In the face of this onslaught, the people of Rhodesia are attempting to establish a new democratic government in which all are eligible to participate.

Now, Mr. President, more is at stake in Rhodesia than the reliability of the United States and Great Britain in fulfilling obligations solemnly undertaken. More is at stake, too, than the lives and freedom of the 9 million people of Rhodesia. These factors alone should be enough to compel action, but obviously they are not.

I ask, therefore, that account is taken of a third consideration. That consideration is purely economic, but it is strategic in its implications.

Current intelligence reports convince me that in the case of four strategic metals—chromite, manganese, vanadium, and platinum—the Soviet Union is destined to become the dominant supplier if South African and Rhodesian sources are cut off from the free world.

The National Research Council, in its study entitled "Contingency Plans for Chromium Utilization," concludes unequivocably that the long-term Western strategic vulnerability in chrome is greater than in petroleum. We must not forget that initially all of the world's chrome is in three places: Rhodesia, South Africa, and Russia.

Now, Mr. President, because of the repeal of legislation I sponsored, the United States again cannot import Rhodesian chrome. The proponents of that repeal argued in the Senate that high-grade Rhodesian chromite was no longer needed by the United States because of the development of a new argon-oxygen process for utilizing low-grade chromite. They argued that low-grade chromite from South Africa would be sufficient for the U.S. needs and that high-grade Rhodesian chromite would not be needed.

But, Mr. President, the plain fact is that, since the repeal of the Byrd amendment, the United States is once again heavily dependent on chromite. We are back at square 1, relying on our most dangerous potential adversary for our most strategic mineral import.

Once again, Mr. President, U.S. military planners must rely on Soviet chromium imports in preparing and developing American military systems.

No doubt there are those at the Department of State and elsewhere who would assert that this is beneficial interdependence. But, Mr. President, the Senator from Virginia does not favor dependence on the Soviet Union in matters of national security.

If this country were denied chrome and manganese, it would take us a minimum of 5 years to adjust to that cutoff. For platinum group metals, it would take at least 10 years to move to alternatives.

The slightest supply interruption of any of these essential metals would cause staggering increases in the price of steel products and consumer goods. The inflationary effect could, in fact, be far greater than the loss of foreign petroleum supplies.

Western Europe and Japan do not stockpile these minerals. U.S. stockpiles are sufficient only for short-term relief.

Futuristic plans for the collection of manganese nodules from the seabed are not feasible in the foreseeable future. The seabed mining companies acknowledged the need for billion dollar capital investments, far more research and development, and high-cost, energy-intensive refining techniques. Seabed mining does not provide a satisfactory answer.

In short, the free world can expect to require South African and Rhodesian minerals far into the future and, indeed, indefinitely.

Mr. President, for perhaps the first time in the short history of Africa, there is now an opportunity for a white-dominated government to transfer power to a black government without total economic upheaval and the subsequent installation of a repressive new regime. For the first time in the history of Africa, the free world has an opportunity to support an emerging moderate multiracial regime which wishes to gain the advantages of contact with the West and to avoid the tyranny of Soviet domination.

Mr. President, I urge the Carter administration to reverse and correct the disastrous policy it has adopted toward Rhodesia. Its present policy—if successful—will lead to a Soviet-dominated terrorist government.

I close my remarks today by offering to the attention of Senators an editorial which appeared in the Washington Star on Tuesday of this week. This editorial highlights the worst aspects of our irrational policy toward southern Africa, and its thesis is my own.

The editorial describes the inflammatory rhetoric of our Ambassador to the United Nations. His statements on Rhodesia continue to be characteristic of pronouncements of other delegates to the U.N.—those from the worst and most repressive Marxist dictatorships.

But, Mr. President, in the Senate and in the Congress, if not in the U.N. and in the Carter administration, the demands of Western security and our obligations to a friendly people must be made to overcome irresponsible pronouncements of ill-chosen political appointees. I look forward to working to achieve that goal and hope that action will come before it is too late.

Mr. President, I ask unanimous consent that an editorial on Rhodesia published in the Washington Star of Tuesday, February 6, 1979, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

"NEO-FASCISM" IN RHODESIA

UN Ambassador Andrew Young recently declared, with even less than his usual regard for the weight of words, that "only neo-fascists in this country would be willing to support the neo-fascism of the Smith regime" in Rhodesia.

No doubt Mr. Young would include, as neo-fascism, last week's successful referendum on a new Rhodesian constitution. The vote, after all, was limited to non-black Rhodesians; and the constitution, under which a black-majority government will be elected this spring, reserves considerable power over a five-year transition period to whites.

If Andrew Young spoke for himself alone, and not for the United States, he would be at liberty to mangle the language as he pleased. But he is, in fact, an American official who pretends to be interested in drawing the Rhodesian government into all-party talks with the guerrilla insurgents on the country's future. If this is more than pretense, he approaches it in a curious fashion.

It is not, of course, as if the new Rhodesian constitution were immune to reasoned criticism. It is, one could say, conservative and cautious; and it is open to the practical objection that it may not fully satisfy even the black partners in Mr. Smith's slow-motion movement from white to majority rule.

Even so, the effort is far from contemptible, and far indeed from being "fascist" in flavor, neo- or otherwise. The advent of a government in Rhodesia-Zimbabwe (as it's to be called) in which blacks will have the predominant place is a milestone. It imposes a certain obligation on the U.S. to approach it, approve or not, with some consideration.

A more considerate and receptive attitude would indeed have been appropriate months ago, when Ian Smith first decided to scrap exclusive white rule and negotiate a settlement with the black majority. The Rhodesians thought then that Mr. Smith and his collaborators had met the "six points" on which Dr. Kissinger, as a Ford administration emissary, had implicitly conditioned some relaxation of diplomatic hostility. Even now, one of Mr. Smith's selling points in inducing the embattled Rhodesian whites to accept a new power-sharing constitution has been the stubborn hope that the U.S. may lift economic sanctions.

That is almost certainly a vain hope as long as Ambassador Young is calling the shots on U.S. policy in Africa. But what is the alternative? What, in other words, is the price of Mr. Young's policy? Now as before, it is that the U.S. may be a bystander, and by inaction a collaborator, in the subversion of an elected government in Rhodesia by Marxist guerrillas, hostile to both form and substance of our political values.

If they succeed there will be many Rhodesians, black and white, who if lucky enough to escape alive will find themselves nostalgic for a bit of what Andrew Young is pleased to call "neo-fascism."

QUORUM CALL

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is there further morning business?

The PRESIDING OFFICER. If there be no further morning business, morning business is closed.

SENATE RESOLUTION 61—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, what is the pending question before the Senate?

The PRESIDING OFFICER. Senate Resolution 61.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

THE PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President,

I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I am going to offer a perfecting amendment or some perfecting amendments to the resolution today, in the hope that action can be taken at least on some of them. But before doing so, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, on January 15, the first day of the 96th Congress, I submitted Senate Resolution 9, which remains in the background the pending business of the Senate. However, immediately before the Senate is Senate Resolution 61, which deals only with the postcloture section of Senate Resolution 9.

Throughout the intervening days, including and subsequent to January 15, ad hoc committees on both sides of the aisle have attempted, through discussions—sometimes separately and sometimes together—to determine if there could be found proposals which would be more acceptable to the Senate than the provisions of Senate Resolution 9.

To the great credit of Senator STEVENS, who chairs the ad hoc committee on the Republican side of the aisle, he repeatedly has come forward with proposals. He has spent many hours in attempting to develop new approaches that could be substituted for the provisions of Senate Resolution 9.

To the great credit of Mr. NELSON, on the Democratic side of the aisle, who chairs the ad hoc committee there, he and his committee likewise have met time and time again and have met with Mr. STEVENS, and there have been times when the distinguished minority leader and I have sat down with the chairmen of the two ad hoc committees, Mr. STEVENS and Mr. NELSON.

The efforts to arrive at a consensus availed very little, and time and time again even Members on his own side of the aisle took issue with the proposals that Senator STEVENS had attempted to develop. So the days passed.

On yesterday, after discussing a time agreement with the distinguished minority leader on the evening of the day before yesterday, I attempted to get an agreement which would provide for the allotment and control of time on amendments and debate on just that section of Resolution No. 9 which deals with postcloture. That agreement would have provided for a final vote on that section only, dealing with postcloture, no later than 6 o'clock p.m. on Thursday, February 22. The unanimous-consent agreement, which I had thought was about to be accepted, somehow overnight developed opposition, and there was an objection made by Mr. STEVENS on behaif of certain Senators on his side of the aisle to the unanimous-consent agreement.

Thereupon, it was suggested, and I believe it was suggested by the distinguished minority leader, that we try to get the two ad hoc committees together again and that he and I sit down with them in their totality, as they were originally constituted, and see if together we could not work out a version behind which most of us could march and to which we could lend our support.

So I acceded to that request. We had that meeting in my office, and it readily became apparent that no such consensus was going to be reached.

So finally it was agreed that I would make the effort to separate the postcloture section from Senate Resolution 9 and make it a separate resolution, and try to get a time agreement to the effect that if final disposition of that section was not obtained by no later than 6 o'clock p.m., on Thursday, February 22, the Senate would immediately proceed to the Senate Resolution No. 9; and unanimous consent was given to that request.

So we have today before us Senate Resolution 61, which deals only with the postcloture provisions in Senate Resolution 9.

So Senators may observe that I have done everything I could possibly do to try to bring the Senate to a vote, try to bring the Senate around to acting upon proposals to change the rules that deal with not only the postcloture problem but also precloture matters.

But I have not been one, I have never been one, and I am not today one who feels that I have to have every provision in my Senate Resolution 9 voted up intact with no changes. The Senate will observe that I have never taken the position that any part of Senate Resolution 9 had to be adopted by the Senate. I have only asked that the Senate be allowed to work its will on Senate Resolution 9, adopt such portions of it as in its wisdom it wishes to adopt, reject such portions thereof as in its wisdom it wishes to reject, but at some point vote up or down on the resolution as amended if amended. Vote it up or vote it down; that is all I have asked.

There are those who are unwilling to give a time agreement unless the final form can be pretty much agreed upon beforehand, and it has to be according to their viewpoint. As I have said time and time again, let us take our chances. There is not a single word in my resolution that cannot be improved upon, and all I want is for the Senate to have the opportunity to do that. But there are those who, like Horatius at the bridge, are determined it will not pass unless it is written according to their prescription.

Well, happily at least we did reach the agreement that we would proceed with at least the postcloture section. So, accustomed as the Senate is to seeing me so congenial, amicable, always tolerant and reasonable, and willing to be persuaded, I said, OK, we will strip away everything, just forget old Senate Resolution No. 9 for the time being, and just take that little teensy-weensy portion, that little infinitesimally small part thereof that deals with postcloture, and let us examine that under the scrutiny of the Senate microscope enlarged to its magnitude of 100, and I will bend over backwards and just forget about the rest of the resolution for a little while, and we will take a look at that. If the Senate wants to substitute something for my suggestion that is all right with me, but at least let us take a look a it.

So that is where we are. The Senate finally agreed that maybe that was not such a bad suggestion after all: "Since Senator BYRD is willing to give up for the time being any consideration of the rest of his resolution, we will go along with that."

So here we are. Now we are on Senate Resolution 61.

Mr. President, there actually has been very little debate on the floor on the resolution, Senate Resolution 9, but several newspapers have run editorials in support of a rules change, and I ask unanimous consent that editorials from the New York Times of January 30, 1979, the Tennessean of January 21, 1979, the Rocky Mountain News of January 30, 1979, the Kansas City Star of January 18, 1979, the Danbury Sun-Times of January 21, 1979, the Birmingham Post-Herald of January 29, 1979, the St. Louis Post-Dispatch of January 17, 1979, and the Boston Globe of January 15, 1979 be printed in the RECORD at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 30, 1979]

ONE FILIBUSTER PER ISSUE

By voting against a motion to stop a filibuster, 41 of the 100 members of the Senate can block any legislation. That is not necessarily pernicious and we agree with the Senate majority leader, Robert Byrd, that there is a right to filibuster. But we also agree strongly with him that on any one issue, one filibuster is enough. Still, present rules permit multiple filibusters. Even the threat of a filibuster has become a serious problem, making the Senate, in Mr. Byrd's term, "a spectacle." The time has come to do something about it.

Partly because of the parliamentary virtuosity of the late Senator Allen of Alabama, the Senate has been increasingly subject to multiple filibusters. Unless the leader calls up legislation under special circumstances, his very motion to proceed to consideration of the bill is subject to a filibuster. If the filibuster is then voted down through cloture, another filibuster can be undertaken when the bill becomes the pending business. And even when such a filibuster is defeated, there has been an increasing use of "post-cloture" filibusters in which one or a handful of Senators can tie up business for days with dilatory motions, interminable amendments, quorum calls and roll calls.

Senator Byrd has now offered a resolution to change the rules and ease this "misery." He does not propose, probably wisely, to make filibusters easier to stop. A full 60 votes would still be necessary—but only once. Debate on motions to take up a bill would be limited and filibusters confined to actual consideration of the measure. Post-cloture stalling would be curbed.

Both Republicans and Democrats have named ad hoc committees, ostensibly to consider Senator Byrd's proposal but actually to negotiate both on its terms and on how a vote can be had on a rules change. Conservative members believe that 67 votes are needed to end a filibuster on a motion to change the rules. More liberal members believe a simple majority can vote to change the rules and cut off debate.

It would appear to be in the interest of Republicans and conservative Democrats to avoid a showdown. A loss would create a precedent that would make future rules changes easier and eventually undermine the rights of the minority. A showdown can be avoided by an agreement to limit debate on the Byrd resolution and to vote at an agreed time. There seems to be fairly widespread bipartisan agreement that something should be done to limit post-cloture filibusters, and there seems to be room for reasonable compromise on other elements of the Byrd proposal as well.

But if meaningful rules changes are not soon forthcoming, Senator Byrd reluctantly will have to force the showdown. Then it will be important that 51 Senators, including liberal and moderate Republicans, back him up. Senator Henry Cabot Lodge Sr. was right when he said many decades ago: ""To vote without debate is perilous, but to debate and never vote is imbecile."

[From the Tennessean, Jan. 21, 1979]

Modest Changes Sought To Curb the Filibuster

Senate Majority Leader Robert Byrd has proposed some new curbs on the filibuster that are fairly modest, but likely to set the stage for another battle.

The filibuster is simply prolonged debate by a minority in an attempt to prevent the majority from passing a bill. From the viewpoint of democratic principles, it runs counter to logic. But its defenders argue that it protects the right of the minority and prevents hasty action.

On the question of hasty action there is no quarrel. Past filibusters have left the Senate spinning its wheels in the sands of rhetoric for days on end. And frequently, because of the filibuster and the continued threat of it, measures have been derailed.

In recent years it has not been so much a case of a minority's right as a struggle between contending forces outside the Senate, that between big business and big labor.

Delaying tactics in the last session of the Senate brought the defeat of labor on a fairly modest labor law reform proposal.

The House had passed the bill easily and hopes were rising that it would fare as well in the Senate. But when it finally came to the floor, it was filibustered for five weeks.

Unable to break the opposition after six cloture votes, sponsors of the labor law reform bill finally had to recommit the bill to committee, from which it never returned.

There were a good many reasons why the bill never made it, but the point is that the filibuster was instrumental. It also tied up the Senate at a time when there were pressing problems with which it should have been dealing.

Filibusters or delaying tactics have defeated the creation of a federal agency to speak for consumers in regulatory hearings, and an effort to get public financing for congressional elections.

In the beginning, a filibuster required two-thirds of the senators present and voting to cut off debate. In 1975, the Senate changed the rule to require only 60 votes.

Senator Byrd would continue that number but after cloture there would be a requirement that a final vote would be held within 100 hours.

The majority leader would also change the procedure so that it could be required that all amendments be directly related to the bill in question.

It has been a tactic in the past for opponents of legislation to print up hundreds of amendments and to call them up after cloture is in effect. Often they may bear little resemblance to anything relating to the bill. But voting on these can tie up the Senate as long as a filibuster.

Senator Byrd's proposals are hardly sweeping. The minority is still protected and the business of the Senate would be improved. At some point, the public is going to be so enraged at a Senate doing nothing when great problems are at hand, it may lose patience with both the filibuster and the senators involved.

[From the Rocky Mountain News, Jan. 30, 1979]

Senate Agonistes

The time has come when the United States Senate must straighten out its rules of procedure so that it can act responsibly on vital matters of public policy.

High school civics students are taught that a minority of senators can and often do band together in an effort to talk a pending bill to death, to stall a decisive vote through the use of the "filibuster." They are also taught that if 60 of the 100 senators agree that the matter has been thoroughly debated, they may vote "cloture," thus ending the talkathon and setting the stage for a decision.

Alas, this is not so. The late Sen. James B. Allen, D-Ala., as wily and resourceful a parliamentarian as ever walked the floor of the Senate, found ways to force a theoretically unlimited series of procedural votes even after cloture was voted. In short, he found a way to paralyze the Senate.

He also found a way to infuriate the Senate. Fighting chicanery with chicanery, Senate Democratic Leader Robert C. Byrd, W. Va., in trying to break a post-cloture filibuster, set some very troubling parlimentary precedents. He had perfectly proper motions and amendments ruled out of order.

This is no solution. In fact, it's more dangerous than the problem Allen created.

To his credit, Byrd recognizes the danger. He has asked the Senate to set up new rules concerning procedures after the Senate has voted cloture. His proposals are fair. They would provide the minority the opportunity to make a last-ditch stand but would also guarantee that the Senate would resolve the issue in a timely manner.

We make no complaint against the filibuster itself. It is a cherished and time-honored device to protect the minority from being steam-rollered by the majority. But when at least 60 senators vote to end a filibuster, the filibuster should end. The Senate should dispose of the issue and move on to other business.

According to an aide, Sen. William Armstrong, R-Colo., has "no position" on the matter at this time. Sen. Gary Hart, D-Colo., says he is generally sympathetic to filibuster rules by the vote of a simple majority.

We disagree with Hart's position, (and hope Armstrong comes up with one soon). It may be that that the traditional two-thirds majority should be required to change the prescribed number of votes needed to end a filibuster. But Byrd's proposals do not in any way alter the three-fifths requirement to end debate. They seek only to shut off parliamentary tricks which have converted the time-honored filibuster into a tool for any senator bent on obstruction, pure and simple.

The central question in the rules debate, as noted earlier by columnists Jack Germond and Jules Witcover, is whether the members of the Senate are going to live up to their own estimate of their importance—or continue to "behave like cheap shysters trying to find loopholes in the fine print of zoning ordinances." Will Colorado's senators vote with or against the pettifoggers? We're waiting to see.

[From the Kansas City Star, Jan. 18, 1979]

Debate and Delay in the Senate

As sure as a new Congress convenes, the Senate goes through a biennial debate on its rules which, after 190 years, should be reasonably workable. The ritual began in 1789 with the adoption of 20 rules by the first senators. Those initial guidelines on conduct of the Senate were adopted with more dispatch than the Senate will display this month in another attempt to curb abuse of the filibuster.

The filibuster has become a sacred guarantee that the minority will not suffer a tyranny of the majority. In the House, which prides itself as the truly representative body of the two legislative chambers, the majority tyrannically shuts off its minorities by ending debate through frequent motions to move the previous question. Whether the cause of free debate has been better served in one chamber than another is questionable.

Four years ago the Senate dealt with the filibuster by adopting a new rule permitting 60 senators to invoke cloture, or end a filibuster. The three-fifths rule was of all 100 senators while the previous two-thirds requirement was of senators present and voting. The practical result is that opponents of a filibuster must keep 60 senators on the floor which, because of absenteeism, is not much easier than prevailing on a two-thirds vote (maximum 67) of those present.

The more serious failing of the three-fifths rule is that practitioners of the filibuster have found ways to block a vote after 60 senators have voted in favor of cloture. One new technique is to filibuster by amendment. Other devices for delaying a vote on legislation opposed by a determined minority are frequent time-consuming quorum calls or roll calls on procedural questions.

Even more deadly than the filibuster itself in the final days of a congressional session is the threat of delaying tactics. Senate leaders in the last Congress elected not to call up controversial measures in the final hectic days if a talkathon appeared likely to hold up action on essential legislation such as budget or high-priority legislation of the administration.

In less complex times the filibuster was often little more than a nuisance and was at times an entertaining diversion when employed by flamboyant Southern orators. Senate schedules are now too heavy for such indulgences. As an example of how precious time is consumed, 80 Senate roll calls requiring as many as 30 minutes each were taken last year during debate on Panama Canal treaties when outnumbered opponents filibustered with amendments.

Next was a controversial labor law revision bill which never came to a final vote. A minority, well aware that a majority of senators would pass the bill if given a chance, blocked six efforts to shut off a filibuster over a six-week period. If cloture had been invoked, opponents of the measure were ready to filibuster with nearly 1,000 printed amendments. Opponents of the treaties and labor bill killed chances for a fair hearing on much legislation by throwing the Senate behind schedule in its early months of last year's session.

The staid Senate is not given to draconian rules changes so there is no reason to expect a lowering of the 60 votes required for invoking cloture. But the sheer annoyance of running from Senate office buildings to the Senate floor for time-wasting quorum calls or senseless, delaying roll calls should generate support for limiting post-filibuster debate. If a filibuster is broken, it seems entirely reasonable, as Sen. Robert Byrd, Democratic majority leader, has proposed, that post-filibuster debate be limited to a few hours. It should be no embarrassment to senators to concede that their profundity on a given issue has its limits.

[From the Danbury (Conn.) Sun-Times, Jan. 21, 1979]

SENATE SHOULD CURTAIL FILIBUSTERS

The United States Senate may regard itself as the world's greatest deliberative body, but the general public thinks of it as the world's most inefficient body when one, two or a handful of senators can keep it tied in a filibuster, even though a cloture vote to end debate has been invoked by a substantial majority of the Senate.

The Senate, at the start of its current session, has the opportunity to correct the filibuster problem by adopting changes in Rule 22, such as those proposed by Majority Leader Robert C. Byrd.

In recent sessions of Congress, the Senate has been prevented from voting on major legislation by the dilatory actions of opponents of a measure who offer dozens if not hundreds of amendments, or who insist that the previous day's journal be read in full or who raise and engage in the long arguments about points of order.

On these occasions, the Senate has often showed the public a perception which borders on querulous men engaging in childish games.

It is not a case of conservatives vs. liberals or anything like that. It is a case of getting public business done when it ought to be done.

[From the Birmingham Post-Herald, Jan. 29, 1979]

POST-CLOTURE FILIBUSTERS

The time has come when the United States Senate must straighten out its rules of procedure so that it can act responsibly on vital matters of public policy.

High school civics students are taught that a minority of senators can and often do band together in an effort to talk a pending bill to death, to stall a decisive vote through the use of the "filibuster." The students are also taught that if 60 of the 100 senators agree that the matter has been thoroughly debated, they may vote "cloture," thus ending the talkathon and setting the stage for a decision.

Alas, this is not so. Alabama's late senator, James B. Allen, as wily and resourceful a parliamentarian as ever walked the floor of the Senate, found ways to force a theoretically unlimited series of procedural votes even after cloture was voted. In short, he found a way to paralyze the Senate.

He also found a way to infuriate the Senate. Fighting chicanery with chicanery, Senate Democratic Leader Robert C. Byrd, W. Va., in trying to break a post-cloture filibuster, set some very troubling parliamentary precedents. He had perfectly proper motions and amendments ruled out of order.

This is no solution. In fact, it's more dangerous than the problem Allen created.

To his credit, Majority Leader Byrd recognizes the danger. He has asked the Senate to set up new rules concerning procedures after the Senate has voted cloture. His proposal is fair. It would provide the minority the opportunity to make a last-ditch stand but would also guarantee that the Senate would resolve the issue in a timely manner.

We make no complaint against the filibuster itself. It is a cherished and time-honored device to protect the minority from being steam-rollered by the majority. But when at least 60 senators vote to end filibuster, the filibuster should end. The Senate should dispose of the issue and move on to other business.

We hope the Senate will amend its rules and outlaw the post-cloture filibuster.

[From the St. Louis Post-Dispatch, Jan. 17, 1979]

A RULE TO END SENATE DELAY

As the 96th Congress convened, the Senate was still faced with the prospect of having its legislative machinery sabotaged by strategists of delay—although the Senate since 1975 has been theoretically able to cut off filibusters by a vote of 60 members. Now the parliamentary saboteurs accomplish their end, after the cloture vote, by offering endless amendments to the bill under consideration.

In order to end such legislative wrecking tactics, Senate Majority Leader Robert Byrd has proposed a rule that would require a vote on the measure at issue within 100 hours after the required 60 senators approve a cut-off of debate. That is an excessively generous amount of time, considering that an inordinate period of debate may already have been spent on a bill before a cloture vote is ever called. Yet filibuster sympathizers, including business interests and members of the Republican minority, are still expected to fight the Byrd proposal.

There is talk that the majority leader could win support for an anti-filibuster rule by embracing an easing of the Senate ethics code to permit senators to earn in outside income more than the 15 percent of salary now allowed. Such a blatant surrender to senatorial greed would be inexcusable. At $57,500 a year, senators are paid enough to get by without yielding to the corrupting influence of fat lecture fees from groups with interests in legislation. The rule against intolerable delay should be adopted because it is right, not because senators have been lured by a lowering of ethical standards.

[From the Boston Globe, Jan. 15, 1979]

ON NEW FILIBUSTER RULES

If all goes according to schedule, the U.S. Senate ought to come in like a lion. Its first item of business will be the enactment of its own rules and a time-honored debate over filibusters is almost certain to be rejoined. And well it should be because, as was amply demonstrated in the last session of Congress, the current rules not only protect the minority but give potential obstructionist powers even to any lone and willful senator.

Business interests, headed by the U.S. Chamber of Commerce, are already organized for a major fight against any substantial changes, and groups such as organized labor and Common Cause are sure to be on the other side. The specific form of the confrontation will, however, depend upon Majority Leader Robert Byrd and, presumably to keep the opposition off-guard, he is not saying exactly what he will propose.

The most dramatic change would be a reduction in the number of Senators required to vote for cloture to end a filibuster. In 1972, the number was reduced from 67 to 60, a "constitutional" three-fifths of the full 100-member body. One modest but progressive step would be to change that "constitutional" three-fifths, which means that 60 senators must vote to support cloture, to a simple three-fifths of those present and voting. Cloture could now fail if the vote were 59-to-2.

A change to three-fifths of those present and voting would at least require proponents of a particular filibuster to muster their troops and demonstrate they constitute a committed and significant minority.

Another change, maybe the most important, would be to limit debate on a measure once cloture has been invoked. Now, there is the potential that legislation can be filibustered by amendment. Senators opposed to a particular bill can propose thousands of amendments and demand a time-consuming roll call on each. The time consumed in such voting is not counted against the hour of debate afforded each senator after cloture.

Last session, as time grew short, individual senators were able to use the threat of a direct filibuster or a filibuster-by-amendment to persuade Byrd not to bring popular but controversial issues to the floor. A change to include the time it takes to vote on amendments within a senator's allotted time for debate would cure this problem and preclude post-cloture filibusters.

Even if it is argued that some protections should be afforded a legislative minority, there can be no justification for giving one or two or three legislators veto power. That, however, is what the present Senate rules permit, and that is what the Senate should change when it convenes later this month.

Mr. ROBERT C. BYRD. Mr. President, here is Senate Resolution 61 amending rule XXII of the Standing Rules of the Senate:

Resolved, That the second paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by inserting at the end thereof a new paragraph as follows:

"After one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins. The amount of time specified in the preceding sentence may be increased, or decreased (but to not less than ten hours), by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn. At any time after ten hours of consideration, any remaining time may be reduced, but to not less than ten hours, by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn, and any such time thus agreed upon shall be equally divided between and controlled by the Majority and Minority Leaders or their designees. However, only one motion to reduce time and only one motion to extend time ,specified above, may be made in any one calendar day.".

That is the resolution, Senate Resolution 61, in its entirety.

So, Mr. President, the Senate is now beginning its debate on my proposal to deal with what has become known as the postcloture phenomenon, more commonly referred to as the postcloture filibuster.

We now have precloture filibusters; we have filibusters on motions to proceed; then we can have postcloture filibusters on the motion to proceed; then we have filibusters on the measure precloture, and then we have filibusters on the measure itself; then we have postcloture filibusters on the measure; then we can have filibusters on conference reports; and, of course, we always have the threats of filibusters.

We have minifilibusters, mini-maxifilibusters, all kinds of filibusters. You name it, we have it, filibusters.

But the only thing we are trying to deal with here is the postcloture filibuster. We have seen that become the most divisive, the most contentious, matter to come before the Senate. In the year before last, cloture was invoked on the natural gas pricing bill. After cloture was invoked, there were 127 rollcalls—I may be off, I may not be accurate, and maybe I have missed by a half dozen one way or the other, but the RECORD will be corrected if I am incorrect—and so we had all these rollcalls and about 35 quorum calls, after cloture had been invoked.

There is no cure for the postcloture filibuster in the rules. There is no cloture provided for as against the postcloture filibuster in the rules, and by virtue of that fact rule XXII really, insofar as dealing with filibusters is concerned, no longer exists.

I was here in the old days when Senator Richard Russell was recognized as the person in the Senate who knew more about the rules and precedents than any other Member in the body, and those were the days when the southerners—and a few other Senators from time to time would join them—would conduct filibusters in connection with civil rights matters and occasionally in regard to some other issue.

But the filibuster was not a weapon that was often resorted to. It was resorted to by those Senators only when measures came along from time to time that dealt with an issue that was engrained in their culture, and which had been so engrained for generations.

But they used the filibuster—at least Senator Russell and the Senators who worked with him in those days—they used the rules; they did not abuse the rules. They were germane in their speeches. Senator Russell operated with his Southern colleagues in their organized fashion. He was very much like the German general staff. They were organized into teams, and they would use the rules, but never abuse them.

Once cloture was invoked, they recognized that the Senate had indicated that it was its will that the matter be brought to a close. They did not resort to dilatory tactics, dilatory motions, dilatory amendments, endless quorum calls. They simply offered the amendments in good faith, had them voted up or down, and that was the end of the ball game.

Mr. TOWER. Mr. President, will the Senator yield for an observation at that point?

Mr. ROBERT C. BYRD. Yes, I yield without losing my right to the floor.

Mr. TOWER. I appreciate the Senator's recitation of the history of the use of the filibuster.

I might note that in the old days under Russell's leadership—and I was privileged to be a member of the Southern Caucus at that time, as a matter of fact the only Republican member of the Southern Caucus—but as I remember, too, it was more difficult to get cloture in those days, and the postcloture filibuster is a phenomenon of recent occurrence that has resulted from the reduction of the requirement of the two-thirds vote to that of 60 percent of the Senators duly elected and sworn.

I think the conjunction of the two is not fortuitous.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

It happened that in those days I was also on Senator Russell's side, and I spoke——

Mr. TOWER. And we both learned a lot, I imagine.

Mr. ROBERT C. BYRD. I learned a little bit. I did not learn a lot, but I learned a few things. I did learn, however, that the southerners under Senator Russell's generalship conducted their filibusters in a very dignified manner, and once the Senate registered its will by invoking cloture they did not seek to prolong the agony. They only sought to have the Senate act up or down on their amendments.

Senator Ervin, I think, called up more than 30 amendments one day following the debate on the 1964 Civil Rights Act, and they were voted on that same day. He did not insist on a quorum call in advance of each rollcall vote. He did not insist that the Sergeant at Arms be sent after Senators with requests for attendance, and then require a rollcall vote on that. He did not move to reconsider every vote on every amendment and then have a motion to table that, appeal the ruling of the Chair, and all that business.

They did not engage in that nonsense. They did not engage in that farce. That was to their credit.

As to the change in the number of Senators required to invoke cloture, that is my change, and it is of very recent vintage. It is language I wrote into the rule with the support of the majority of the Senate. I do not seek to change that. I do not seek to make any change in that. I am glad the distinguished Senator mentioned that, because I was about to admit the fact that I do not seek any change in the number of votes required to invoke cloture. The number is now the constitutional three-fifths—60 votes, if 100 Members are serving—and I do not propose to change that. But we have lately seen, in the past 8 or 9 years, not just since that constitutional three-fifths become the rule, but in the last 8 or 9 years, an increasing number of filibusters, and within the last few years we have seen this postcloture filibuster burst into full bloom.

So it is an effort to deal with that postcloture filibuster and to bring out of chaos an orderly procedure whereby the Senate can finally work its will on a measure or matter after cloture has been invoked that I have offered Senate Resolution 9, and offered even to momentarily strip away everything but the postcloture section.

It is unfair to a majority of 60 Senators, who have indicated by their votes that it is time to bring a matter to a close, to continue to drag out and prolong the action of the Senate and prevent it from reaching its final decision up or down on a measure.

It is unfair to the three-fifths majority. In many instances, a part of that three-fifths is made up by Members on the other side of the aisle who join with Members on this side of the aisle to invoke cloture.

It was never meant that the charity of the minority should rule in this place. It was always intended that the minority shall have its just rights and that they should not be trampled upon, and the rules so provide. That is why I support the three-fifths cloture rule. I feel that there should be a supermajority before cloture is invoked.

But even after cloture is invoked debate does not come to an end. The present rules provide that each Senator shall have 1 hour. That was a good rule until it became abused, and the abuse of it is not the monopoly of either side. We have seen it abused by Senators on both sides of the aisle. So it is not a partisan position that I take today in seeking to change that rule so as to prevent what we have lately seen develop, which has made the Senate from time to time a spectacle before the Nation.

So, Mr. President, I am going to send to the desk an amendment, but I will explain it first. I have other amendments.

UP AMENDMENT NO. 2

The first amendment I will send to the desk primarily will strike words from Resolution No. 61. It will strike the words on page 1, line 1, "the second paragraph."

The reason for this amendment is as follows: In looking at rule XXII, on page 23 of the yellow manual which I hold in my hand, there is some disagreement as to just what constitutes paragraph 2. There is a section numbered 2, and that section consists of several paragraphs. I suppose if one wanted to be technical, the first paragraph would end with the question mark after the word "close" on page 24. Another paragraph still under the section designated 2 ends with the preposition "of," almost midway down the page.

Then there is a third paragraph ending with the word "debate." That is before the section numbered 3.

If we say that the second paragraph in paragraph 2 of rule XXII "is amended by inserting at the end thereof," what are we talking about? What is the second paragraph of paragraph 2? Is it the paragraph that ends with the words "all other business until disposed of"? Or is it the paragraph that ends with the words "shall be decided without debate"?

It is an amendment that I think there should be no opposition to. It would simply strike out the words "the second paragraph."

So the resolution would then read as follows:

> *Resolved*, that Rule XXII of the Standing Rules Of The Senate is amended by inserting at the end thereof.

Mr. McCLURE. Will the Senator yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. Mr. President, I do not think there would be any objection to that change. I think it does, first of all, two things. Certainly, the proposer of the resolution knows what he has in mind and he ought to be able to say it very clearly for others. Second, I think it does remove the ambiguity to which he has made reference.

It does, however, present one procedural question in regard to amendments some have already prepared and lodged at the desk that make reference to the resolution as it appeared in Senate Resolution 9 and again appears in Senate Resolution 61. I would assume there will be no difficulty in conforming and perhaps no necessity for resubmitting and having two sets of amendments printed.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. McCLURE. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, I send to the desk the amendment and ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

> The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an unprinted amendment numbered 2:
>
> On page 1, line 1, strike "the second paragraph of".

Mr. McCLURE. Mr. President, I wonder if the Senator from West Virginia might agree that the rekeying of the proposed amendments will be permitted from time to time as they come up as necessary to reflect change, and that after that rekeying they will be treated as original text, as an original amendment.

Mr. ROBERT C. BYRD. The Senator would certainly have my support with respect to rekeying any amendments that might otherwise fail, because they have been keyed to those particular words.

Mr. McCLURE. And that in so rekeying them they will not be treated as an amendment in the second degree?

Mr. ROBERT C. BYRD. Absolutely.

Mr. McCLURE. I thank the Senator. With that understanding, Mr. President, I think there is absolutely no objection to the amendment from this side of the aisle.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Without objection, the amendment is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 3

Mr. ROBERT C. BYRD. Mr. President, I move that on page 1 of Senate Resolution 61, line 4, after the word, "after," there be inserted the words, "no more than."

The way the measure now reads is as follows: "After 100 hours of consideration of the measure," et cetera. It might be contended that the Senate, if it adopts the resolution, could proceed to vote on the final disposition of the matter on which cloture has been invoked only after 100 hours of consideration. My amendment would simply insert words to make it read, "After no more than 100 hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof," et cetera.

I have three parts to this amendment. I am content with offering only that portion of the amendment at this time.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. TOWER. I believe there is no objection over here, provided the same understanding elicited from the majority leader by the Senator from Idaho on the first amendment still prevails in terms of conformity of amendments already pending.

Mr. ROBERT C. BYRD. Yes, indeed. Absolutely. If there are amendments which have already been introduced which are keyed to those words as they now exist in the resolution, I would ask unanimous consent that they be so keyed as to conform with the change that would be made by my amendment.

The PRESIDING OFFICER (Mr. MOYNIHAN). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I send the amendment to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

> The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an unprinted amendment numbered 3: On page 1, line 4, after the word "after", insert "no more than".
>
> On page 2, beginning on line 2, strike "amount of time specified in the preceding sentence" and insert in lieu thereof "one hundred hours".

Mr. ROBERT C. BYRD. That merely conforms the second portion so that it would not be inconsistent with the first change.

Mr. McCLURE. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. Do I understand correctly that the second change being suggested is on page 2 of Senate Resolution 61, and would strike the words "the amount of time specified in the preceding sentence"?

Mr. ROBERT C. BYRD. It would not strike the article "the". It would strike "amount of time specified in the preceding sentence," and would substitute "100 hours."

Mr. McCLURE. It would then read "The 100 hours may be increased or decreased".

Mr. ROBERT C. BYRD. That is the way it would read: "The 100 hours may be increased or decreased", and so on.

Mr. McCLURE. Mr. President, I think the first change, that which occurs on page 1, line 4, is a clarifying amendment, and under the substitute which the Senator from Alaska has sent to the desk on behalf of the ad hoc committee considering this matter, this would also be a means by which the 100 hours might be decreased. I think that the change that is being suggested by the Senator from West Virginia is consistent with what both sides, all the parties negotiating, have been groping to achieve.

The change which is being suggested on the second page certainly can be read in connection with the change on the first page. I do not believe there is any objection from anybody on this side of the aisle. We accept the amendment as offered.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 4

Mr. ROBERT C. BYRD. Now, Mr. President, I send an amendment to the desk which would do the following: On page 2, line 3, of Senate Resolution 61, beginning with the word, "or", strike all through and including the word, "at", on line 6. It would insert in lieu thereof the words, "or at".

On page 2, line 7, it would strike the word, "any" and the word "reduced", and would substitute for the word "any" the word "the", and for the word "reduced", the word, "decreased".

Let me read the resolution, that portion thereof that is affected, as it now reads in the resolution, having been amended a moment ago:

> The 100 hours may be increased, or decreased (but to not less than 10 hours), by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn. At any time after 10 hours of consideration any remaining time may be reduced, but to not less than 10 hours, by the adoption of a motion,

Et cetera.

I propose to change that by my amendment so it will read as follows:

> The 100 hours may be increased, or at any time after 10 hours of consideration, the remaining time may be decreased, but to not less than 10 hours, by the adoption of a motion, decided without debate,

And so on.

Why do I do this? The reason is as follows: As the verbiage now reads, the amount of time—the 100 hours—can be decreased, but to not less than 10 hours.

Then it goes on to say that at any time after 10 hours of consideration, the remaining time may be decreased.

As the language now reads, I think it is possible that the moment cloture is invoked, a motion could be made to decrease the time from 100 to 10 hours, and if that motion is supported by a three-fifths affirmative vote, 10 hours is all there is for debate.

I do not mean to do that. I want at least 10 hours of consideration before that motion can be made.

So that is the purpose of my amendment.

Mr. McCLURE. Will the Senator yield?

Mr. ROBERT C. BYRD. Which would provide that the 100 hours may be increased at any time, but that only after 10 hours of consideration could a motion be made to decrease the remaining time, and then to not less than 10 additional hours.

Mr. SARBANES. Will the majority leader yield on that?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. SARBANES. I take it this would mean that there would be, in effect, even if this process were invoked, 20 hours as the absolute minimum. In other words, 10 hours as it is now; only then, as I understand it, it is subject to the interpretation that a motion to decrease could be made immediately, and then there would be 10 hours.

Mr. ROBERT C. BYRD. Yes.

Mr. SARBANES. Then that would be the end of it.

Mr. ROBERT C. BYRD. Yes.

Mr. SARBANES. The change would preclude that motion from being made until 10 hours had expired.

Mr. ROBERT C. BYRD. Exactly.

Mr. SARBANES. And then the motion could only decrease down to an additional 10 hours. So it guarantees 20 hours at a minimum. Is that correct?

Mr. ROBERT C. BYRD. Precisely. The Senator has stated in 60 seconds that which took me 5 minutes to say and it is exactly the intent of the amendment.

Mr. SARBANES. I think that is very considerate on the part of the majority leader in terms of further insuring a significant amount of time postcloture.

This is after cloture?

Mr. ROBERT C. BYRD. Yes.

Mr. SARBANES. Postcloture for the consideration of the measure, because it would insure 20 rather than 10 hours.

Mr. ROBERT C. BYRD. Yes. I thank the Senator.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, certainly, on behalf of the minority, we have no objection to the amendment. However, we would, I think, like to indicate at this time that at this point we may begin to register some objection and we may have further amendments to offer later in addition to the substitute which has been lodged at the desk.

I say now that our acceptance of the amendment should not be implied as an acceptance of the proposition that a three-fifths vote can limit the debate to 20 hours.

There are many of us who feel that that is unduly restrictive and unduly limits the guarantees to individual Members, and whatever the minority group might be, grouping within the Senate, with respect to the right to debate or offer amendments even in a postcloture situation.

But we have no objection to the amendment and, for our part, will accept it with that understanding.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Mr. President, I send the amendment to the desk and ask that it be stated so it will be in the Record.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from West Virginia (Mr. Robert C. Byrd) proposes an unprinted amendment numbered 4.
>
> On page 3, line 3, beginning with the word "or", strike all through and including the word "At" on line 6 and insert the words "or at".
>
> On page 2, line 7, strike "any remaining time may be reduced" and insert in lieu thereof: "the remaining time may be decreased".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 4) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I will be glad to yield to any other Senator who has an amendment to offer. I want to demonstrate in every possible way my total fairness, objectivity, reasonableness, and sweetness; so if any Senator wishes to offer an amendment, I will yield.

If not, I think we are making great progress.

I have so many goodies here that I am hard put to determine which should be called up first.

UP AMENDMENT NO. 5

Mr. ROBERT C. BYRD. Mr. President, the next amendment I shall offer is one which will demonstrate beyond any peradventure of a doubt that the majority leader really wants to do the right thing always and be fair to those who oppose a measure on which cloture has been invoked.

It would add at the end of the resolution a new paragraph which would provide for conforming changes to be made to changes ordered prior to the reprinting of a bill, after cloture has been invoked, such conforming changes to be limited to lineation and pagination; and that is just what the distinguished Senator has been talking about here a moment ago.

The Senate might proceed to invoke cloture, as it does from time to time, and after cloture has been invoked amendments which were in order prior to the reprinting of a bill no longer are in order because the pages had been changed, or the numbers of the lines had been changed. In that case, through no fault of his own, a Senator who has dutifully followed the rules and had his amendments at the desk in writing, prior to the invoking of cloture and the announcement of such by the Chair, is automatically ruled out. He cannot call up his amendment.

So I will correct that, if the Senate will adopt this amendment, which I now send to the desk, and I ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from West Virginia (Mr. Robert C. Byrd) proposes an unprinted amendment numbered 5:
>
> At the end of the resolution, add a new paragraph as follows:
>
> "If, for any reason, a bill is reprinted after cloture has been invoked, amendments which were in order prior to the reprinting of the bill will continue to be in order and may be conformed and reprinted at the request of the amendment's sponsor. The conforming changes must be limited to lineation and pagination."

Mr. McCLURE. Mr. President, will the Senator from West Virginia yield for a question?

Mr. ROBERT C. BYRD. I yield.

Mr. McCLURE. Mr. President, this tracks very closely what the ad hoc committee had discussed, which is contained also in the substitute offered by the Senator from Alaska, with one difference; and I wonder where the Senator from West Virginia might consider that one difference.

After some discussion, we had deleted the provision that restricts it to pagination and lineation, for the reason that sometimes an amendment or a substitute may change the words, may change the order or structure of a sentence, but not change the meaning, but technically an amendment that might have repeated the original structure or ordering of that sentence would then be out of order.

For that reason, we deleted that reference to lineation and pagination but left in the provision that it can be only a conforming change, a change to conform the amendment to the structure of the bill as it then stands before the Senate.

There are two reasons for this: First of all, if it occurs early, you may have to submit a multiplicity of amendments, trying to anticipate the changes. Second, once cloture has been invoked, you cannot thus amend.

I think it just carries forth the intention the Senator from West Virginia is expressing, without opening it to any kind of mischief.

Mr. ROBERT C. BYRD. I am afraid it would do just that. It would open it up to mischief. It is too ambiguous and too vague, and I think the interpretations and constructions of such an amendment could vary from pole to pole.

We have been going along for years without what I have offered, and Senators simply were just out of luck if the bill were reprinted; and sometimes it was done intentionally so that amendments would be out of order.

By offering this amendment, we correct an obvious inequity. There can be no ambiguity about this. It is clear as to what it does and what it means. I am afraid that to go beyond that, we might open up some other doors. Therefore, I would not want to modify my amendment to include the suggestion offered by the able Senator.

Mr. McCLURE. Mr. President, although I am saddened by the failure of the spirit of comity that had so far enveloped these proceedings this afternoon, to the extent of this modest change I have suggested, it certainly would not be my intention to object to the adoption of the amendment. It goes a long way toward answering one of the serious questions that has been involved, and it is a step in the effort to be fair to all Members in the post-cloture situation.

So I will not object to the amendment. But I do hope that before we have completed the consideration of this matter, the Senate may again—and perhaps, indeed, even the Senator from West Virginia may again—take a look at that proposal, with a view either to finding a way to avoid the mischief which he perceives or to agreeing that it does not have that degree of mischief in it. We will not at this time pursue the matter further, but we have no objection to the adoption of the amendment.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, if any Senator wishes to call up an amendment, I will be glad to yield the floor.

For the time being, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 6

Mr. ROBERT C. BYRD. Mr. President, the amendment I am about to offer, I think, is a good one which should be accepted.

There are those who say that, in view of the fact that the resolution would put a 100-hour cap on a measure or a motion or other matter on which cloture has been invoked, in view of the fact that time for quorum calls and rollcall votes and so on would come out of the 100 hours, lo and behold, at the end of 100 hours there may be a Senator who has been seeking recognition all of this time and he would be denied recognition because the clock would have run its course, the 100 hours would have passed, the sands in the hourglass would all have dropped into the pyramid, and the poor fellow would be left without recourse, 100 hours are gone. Someone thoughtlessly chewed up part of it with quorum calls and rollcall votes. And here is this poor junior Senator from West Virginia, who has been standing on his feet all this time, all that 100 hours, seeking recognition, and he never could get it because the Chair continued to recognize only members of the majority party or only certain Senators there within the party, or certain Senators on either side of the aisle or on one side.

Theoretically, that is correct. In theory that could happen. But in practice I cannot conceive of its happening. I just cannot conceive of its happening.

I think it was ascertained here recently that the maximum number of Senators ever to seek recognition to seek to use their hour after cloture was invoked was something like 27.

So I cannot conceive of a situation in which, cloture having been invoked on a matter, the 100 Senators would desire to use the hour to which each of the 100 Senators was entitled.

Nor can I conceive of any Presiding Officer who would consistently refuse to recognize a Member of the Senate on either side of the aisle who had not been accorded recognition.

On one occasion I was critical of the Vice President, a member of my own party who sat in the chair, because he did not recognize the minority leader. And I think I unduly criticized him. I thoughtlessly took advantage of the fact that the Vice President could not defend himself without permission of the Senate to do so. And I expressed my regrets later to the Vice President for that fact and said if it ever happened again I would try to get unanimous consent of the Senate for the Vice President to speak to explain his position.

On another occasion the distinguished senior Senator from Louisiana criticized the Vice President of the United States at that time, the late Nelson Rockefeller, because the Vice President declined to recognize the late able Senator from Alabama (Mr. Allen).

So there are those on both sides, certainly, on this side of the aisle. I cannot say that any Member on the other side of the aisle would defend my right to recognition, but I have defended theirs from time to time, and I think that in the spirit of fairness that exists in the Senate, on which really the operation of the Senate basically rests, the spirit of comity and fairness would always guarantee that a Member of the Senate would get recognition.

The Chair has discretion in the recognition of Senators. Although he is required by the rules to recognize the first Senator who shall address the Chair, it is within his discretion to decide who is the first Senator to address the Chair. When several Senators address the Chair simultaneously, the Chair has the discretion, and that discretion cannot be appealed.

But I cannot envision unfairness on the part of the Chair in refusing to recognize a Senator who repeatedly stands on his feet and seeks to get recognized.

Now, conceivably 100 hours could go by and a Senator might have had a few of his amendments acted upon and he might still have an amendment remaining, in which case my resolution provides for an extension of the 100 hours if three-fifths of the Senators, the same number who invoke cloture, vote to extend the time; so there is that escape valve. And if it is noted that the distinguished Senator from Idaho (Mr. McClure) has been seeking recognition and he has had one amendment acted upon, he has had two amendments acted upon, he has had a half-dozen acted upon, or he has had none and he has tried to get recognition time and time again and he could not get it, and 100 hours are up, then 60 Senators in this body are going to be fair and they are going to extend that time, if it is only for an hour, so he can call up his amendment, and that provision is in my resolution.

So every Senator is going to get his chance.

I cannot envision a time when the 100 hours would be run and a Senator would not have had an opportunity to call up his legitimate amendments. Now if he has 500 amendments at the desk, or 1,000, and has his staff cranking out 500 more with the promise that after those 500 are produced there will be 500 more, then I can envision 100 hours going by and he will not have an opportunity to call up his 2,000 amendments.

But I do not think there is any rule of equity, justice, and fairness that would require that the Senate have to undergo that kind of trial and tribulation in any event, and that is just what we are trying to get away from here now.

So, to meet that theatrical hypothesis that some Senators have conjured up, I offer the following amendment, which says that no Senator shall call up more than two amendments until every other Senator shall have had the opportunity to do likewise.

This would give every Senator a chance to call up two amendments. He could not call up any more; and if another Senator wanted recognition, that Senator seeking recognition would be able to call up his amendment. And if no other Senator sought recognition, then the same Senator who had just called up two amendments and had them disposed of could call up another one. It at least gives other Senators a chance also to call up their amendments.

So, Mr. President, I send that amendment to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. Robert C. Byrd) proposes an unprinted amendment numbered 6.

At the end of the resolution, add a new paragraph as follows:

"No Senator shall call up more than two amendments until every other Senator shall have had the opportunity to do likewise."

Mr. McCLURE. Mr. President, I wonder if the Senator from West Virginia might illustrate what he thinks procedurally will happen, how this provision will be procedurally handled. Would it be the expectation of the Senator from West Virginia that a Member who has had two amendments called up and acted upon, and then seeks recognition, could not be recognized, if there were any other Senator in the Chamber who had not had two amendments offered and acted upon and was then seeking recognition?

Mr. ROBERT C. BYRD. He could not be recognized to call up another amendment at this point.

Mr. McCLURE. Yes. But it would not entail the necessity of some procedural method to determine whether or not some other Senator wished to call up another amendment.

Mr. ROBERT C. BYRD. No.

Mr. McCLURE. It would simply depend upon whether or not there was some Senator in the Chamber——

Mr. ROBERT C. BYRD. Exactly.

Mr. McCLURE. Seeking recognition which would be the qualification.

Mr. ROBERT C. BYRD. Precisely.

If the Senator from Idaho called up two amendments one after the other and they were disposed of, he would not be required, and no one would be required, to put in a quorum call or a call on the cloakroom lines to find out if Senator

RANDOLPH, my senior colleague, or Senator BYRD of West Virginia wants to call up an amendment.

If Senator RANDOLPH wants to call up an amendment or Senator ROBERT C. BYRD wants to call up an amendment, let them be here to call it up.

Mr. McCLURE. If the Senator had two amendments acted upon and was seeking to offer a third amendment, and there was no other Senator seeking recognition for the purpose of calling up an amendment, he could do so without delay?

Mr. ROBERT C. BYRD. Exactly. The other Senators would have slept on their rights. Presumably no other Senator would be on the floor ready to call up an amendment, so the Senator from Idaho, having had two amendments called up and acted upon, and seeking to call up another amendment, could not call up that amendment until Senator MOYNIHAN, who might be seeking recognition, could call up his amendment. Then after that amendment of Senator MOYNIHAN's was acted upon, and he did not have any other amendment and sat down, if no other Senators sought recognition then the Senator from Idaho could seek and gain recognition and call up a third amendment.

It would prevent a Senator from hogging the floor, calling up amendment after amendment after amendment after amendment without other Senators having a chance to get their amendments acted upon.

Mr. McCLURE. Mr. President, I will not object to the amendment. I do have one concern in my mind. If the bill is a long bill and if at that time we are still going through the bill section by section, ordinarily if you get to the cloture provision and the bill is open for amendment at any point, my only concern would be if, as a matter of fact, you are still proceeding through the bill sequentially, an individual Member's major concern might be to a section that is late in the bill, and that might be the one he wants to call up first, but he would have to wait until everybody else in the Chamber had had their say on the earlier sections before he could ever offer his amendment.

I suspect that may be nearly academic; that probably in every instance when we are in a cloture condition the Member could pick the amendment regardless of where it lies within the bill, and in that manner be able to choose the amendment in which he is most interested regardless of where it may occur in the bill; and if that latter is the practical method, then I do not think there is any real problem. But I can see where there might be if the other situation were in effect.

Mr. ROBERT C. BYRD. I think it would be the practical situation that would obtain as a general rule, and if the Senate is proceeding section by section I do not think he would be any worse off than he is at the present time.

Mr. McCLURE. He would be worse off from the standpoint that he would not dare offer his less important amendments because he would be subject to the invocation of this rule by the time they got to the section that was of most importance to that individual Member, and it might preclude him from offering other amendments in which he was very much interested, but he had to reserve his time and his rights until we get to the end the bill, and then he would be under very—he would be in a very hard dilemma as to when he might offer what amendments, and in what order, because once having offered two he is subject to a rule that he was not subject to before he offered the two amendments.

As I say, that may be academic. However, I can perceive of a time when it may indeed become restrictive, and it may be that with some thought we could find a way around that in the post-cloture situation.

I certainly, for one, will be trying to consider that in the next few days and before we get back on the 19th to continue the amending of this provision.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator. I do not envision a problem, but I certainly will continue to also think about it, and if it develops that there seems to be a problem I will certainly give consideration to any suggestions to ameliorate it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

Mr. McCLURE. Mr. President, without prolonging the discussion, a couple of things have crossed my mind as to the way in which we could do that. After 50 hours of time have elapsed on the measure, that it would be in order to offer an amendment to any section of the bill even though otherwise we would be proceeding through the bill section by section, or something of that nature, so that if you cannot get down to the very end of the time still going through the bill section by section, still not having arrived at the section in which the Senator is really interested, that might be the remedy. The whole 100 hours could have been consumed without ever having gotten to the section of the bill in which the Senator is most interested.

Mr. ROBERT C. BYRD. Mr. President, I do not see——

The PRESIDING OFFICER. Will the Senator have the kindness to withhold? The Chair, for the edification of the Senator from Idaho, and not to lecture but to make the observation, would like to state that it is not normally the practice of the Senate to proceed sequentially on a bill, section by section, save for committee amendments. To do so otherwise requires unanimous consent, and since the normal practice is to amend where it will in whatever order amendments come forward after the committee amendments have been acted upon, the Chair does not see any problem.

I thank the Senator for his courteous attention to the Chair.

Mr. McCLURE. I thank the Chair for his observation. As I said, it may be academic, and maybe it will not occur.

The PRESIDING OFFICER. The Senator is quite correct; he did say that.

Mr. ROBERT C. BYRD. I was just going to say——

The PRESIDING OFFICER. If the Chair could interrupt the Senator once more, the Parliamentarian wishes to make a point that on treaties as in the Committee of the Whole, the matter is taken up section by section for amendment.

Mr. ROBERT C. BYRD. I was going to say just what the Chair said, although not as well and not as articulately, that normally we do not proceed section by section except in dealing with committee amendments unless by unanimous consent resorted to otherwise. But in the case of treaties, there would be that problem.

May we have a vote on the amendment?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, we are making such splendid progress that I am going to run out of amendments at this rate.

The PRESIDING OFFICER. Is the Senator going to move its reconsideration?

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum for the moment before deciding on whether to call up another amendment.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I had expected such violent opposition to the amendments I have called up, I am really somewhat taken aback by the speed with which the Senate has accepted what I had considered to be excellent amendments.

Mr. McCLURE. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. We are trying to illustrate our good faith and our desire to accommodate, our desire to find a solution. We want to demonstrate that. The Senator from West Virginia has certainly demonstrated his measure of sweetness in his disposition on a matter of this kind.

Mr. ROBERT C. BYRD. Mr. President, I stand at this time helpless and almost speechless.

RECESS FOR 30 MINUTES

Mr. President, I ask unanimous con-
I stand at this time helpless and almost

that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 2:57 p.m., recessed until 3:27 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. ROBERT C. BYRD).

COMMUNICATIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-500. A confidential communication from the Assistant Secretary of Defense, International Security Affairs, transmitting, pursuant to law, a report on NATO country defense expenditures for 1978, planned expenditures for 1979, and the percent of real change indicated for the 1978-79 period; to the Committee on Armed Services.

EC-501. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues of the antisatellite weapon system being developed by the Department of Defense; to the Committee on Armed Services.

EC-502. A communication from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend title 37, United States Code, to authorize family separation allowances for members in the pay grade of E-4 and below with dependents; to the Committee on Armed Services.

EC-503. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to improve the protections afforded the public against risks associated with the transportation of hazardous commodities by pipeline; to the Committee on Commerce, Science, and Transportation.

EC-504. A communication from the chairman, Advisory Council on Historic Preservation, transmitting, pursuant to law, a report on the actual and potential effects of surface mining activities on nationally significant natural and historic landmarks; to the Committee on Energy and Natural Resources.

EC-505. A communication from the chairman, United States Nuclear Regulatory Commission, transmitting a draft of proposed legislation to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; to the Committee on the Environment and Public Works.

EC-506. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-507. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to authorize additional appropriations for the Department of State for fiscal year 1979; to the Committee on Foreign Relations.

EC-508. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to authorize appropriations for the Department of State for the fiscal years 1980 and 1981, and for other purposes; to the Committee on Foreign Relations.

EC-509. A communication from the Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting, pursuant to law, a report on civilian positions in the Department allocated or places in grades GS-16, GS-17, and GS-18 during the calendar year 1978, and a report on positions established in the Department to carry out research and development activities requiring the services of specially qualified scientific or professional personnel; to the Committee on Governmental Affairs.

EC-510. A communication from the Governor of the Canal Zone, transmitting, pursuant to law, a report of disposal of foreign excess property (including plant retirements due to age and obsolescence) by the Panama Canal Company and Canal Zone Government for the fiscal year ended September 30, 1978; to the Committee on Governmental Affairs.

EC-511. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Marine Amphibious Forces: A Look at Their Readiness, Role, and Mission," February 6, 1979; to the Committee on Governmental Affairs.

EC-512. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Early Childhood and Family Development Programs Improve the Quality of Life for Low-Income Families," February 6, 1979; to the Committee on Human Resources.

EC-513. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the first of four bimonthly reports on the progress of the Influenza Immunization Program; to the Committee on Human Resources.

EC-514. A communication from the chairperson, National Commission on Digestive Diseases, transmitting, pursuant to law, a report on the use and organization of national resources to effectively deal with digestive diseases; to the Committee on Human Resources.

EC-515. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Correctional Institutions Can Do More to Improve the Employability of Offenders," February 6, 1979; to the Committee on the Judiciary.

EC-516. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders entered in 1,094 cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

PETITIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-39. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations:

"ASSEMBLY JOINT RESOLUTION NO. 7

"Whereas, It is a reprehensible policy that would assume that the moral obligation for the mass murder of over 11,000,000 innocent victims of the "Holocaust" can be eliminated by the passage of time; and

"Whereas, The statute of limitations of the German Federal Republic relating to Nazi war criminals is scheduled to expire on December 31, 1979; and

"Whereas, If such statute of limitations does expire, no investigation of murder, including genocide, committed by Nazi war criminals can be initiated after that date; and

"Whereas, If such statute of limitations does expire, thousands of Nazi war criminals who were actively involved in the calculated and brutal mass murder of millions of innocent victims will be rewarded for having evaded justice; and

"Whereas, Crimes of lesser horror than mass murder and genocide are subject to no statute of limitations either in California or in numerous other jurisdictions; and

"Whereas, It is in the interest of all free people that new generations not be allowed to forget the dangers and consequences of the crime of genocide; and

"Whereas, An international campaign to convince the German Federal Republic to eliminate or extend the current statute of limitations has been initiated by a broad base of concerned organizations and individuals; now, therefore, be it

"*Resolved by the Assembly and the Senate of the State of California, jointly*, That the Government of the United States urge the German Federal Republic and the legislators of that nation to abolish or extend the statute of limitations relating to Nazi war crimes; and be it further

"*Resolved*, That the Legislature requests that the President and Secretary of State of the United States communicate the contents of this resolution on behalf of the people of California to the following officials of the German Federal Republic: the President, the Chancellor, the Ambassador to the United States, Chief Justice of the Supreme Court, and the national legislators; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President of the United States, to the Secretary of State, to the Speaker of the House of Representatives, to the Majority Leader of the Senate, to the Chairman, Senate Foreign Relations Committee, to the National Security Council members, and to each Senator and Representative from California in the Congress of the United States."

REPORTS OF COMMITTEES

The following reports of committees were submitteed:

By Mr. CRANSTON, from the Committee on Veterans' Affairs, without amendment:

S. Res. 66. An original resolution authorizing additional expenditures by the Committee on Veterans' Affairs for inquiries and investigations. Referred to the Committee on Rules and Administration.

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following reports of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1978

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency[1]	Foreign currency	U.S. dollar equivalent or U.S. currency[1]	Foreign currency	U.S. dollar equivalent or U.S. currency[1]	Foreign currency	U.S. dollar equivalent or U.S. currency[1]
Senator S. I. Hayakawa: Japan	Yen	148,020	784.00	307,178	1,627.00			455,198	2,411.00
Elvira Orly: Japan	Yen	148,020	784.00	307,178	1,627.00			455,198	2,411.00
Nancy P. Foster: Japan	Yen	148,020	784.00	257,712	1,365.00			405,732	2,149.00
Nelson C. Denlinger: Japan	Yen	143,465	759.87	257,712	1,365.00			401,177	2,124.87
Phillip L. Fraas: Japan	Yen	135,370	717.00	257,712	1,365.00			393,082	2,082.00
Douglas Jackson: Switzerland	German marks	921.05	545.00	1,206.15	713.69			2,127.20	1,258.69
Total			4,373.87		8,062.69				12,436.56

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

HERMAN E. TALMADGE,
Chairman, Committee on Agriculture, Nutrition, and Forestry.

Dec. 29, 1978.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON ENERGY AND NATURAL RESOURCES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1978

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency[1]	Foreign currency	U.S. dollar equivalent or U.S. currency[1]	Foreign currency	U.S. dollar equivalent or U.S. currency[1]	Foreign currency	U.S. dollar equivalent or U.S. currency[1]
Senator James Abourezk:									
Japan	Yen	18,113	75.00	642	2.66			18,755	77.66
People's Republic of China	Dollar		975.00						975.00
Transportation					[2] 2,897.40				2,897.40
Senator James A. McClure:									
United Kingdom	Pounds	38.26	75.00					38.26	75.00
Libya	Dinars	110.400	375.00					110.400	375.00
Saudi Arabia	Riyals	778.50	225.00					788.50	225.00
Michael D. Hathaway:									
United Kingdom	Pounds	76.13	150.00					76.13	150.00
Libya	Dinars	110.400	375.00					110.400	375.00
Saudi Arabia	Riyals	778.50	225.00					778.50	225.00
Senator Henry M. Jackson:									
Japan	No currency used								
People's Republic of China	Yuan eq	1,014.60	[3] 600.00					1,014.60	600.00
Transportation					1,853.40				1,853.40
Grenville Garside:									
Japan	Yen	11,980	49.97					11,980	49.97
People's Republic of China	Yuan eq	1,014.60	[3] 600.00					1,014.60	600.00
Transportation					1,853.40				1,853.40
Daniel A. Dreyfus:									
Japan	Yen	14,460	60.32					14,460	60.32
People's Republic of China	Yuan eq	1,014.60	[3] 600.00					1,014.60	600.00
Air travel					1,853.40				1,853.40
Winfred O. Craft, Jr.:									
Geneva, Switzerland	Franc	885.05	450.00					885.05	450.00
							27.00		27.00
Air travel					751.00				751.00
D. Michael Harvey:									
Geneva, Switzerland	Franc	737.55	375.00					737.55	375.00
							23.80		23.80
Air travel					751.00				751.00
Grenville Garside:									
England	Pound	224.44	442.16					224.44	442.16
France	Franc	1,891.25	445.00					1,891.25	445.00
Air fare					883.40				883.40
David L. Swanson:									
England	Pound	179.55	353.71					179.55	353.71
France	Franc	2,269.50	534.00					2,269.50	534.00
Germany	Deutsche mark	487.05	255.00					487.05	255.00
Air fare					936.60				936.60
Willis D. Smith:									
England	Pounds	179.55	353.71					179.55	353.71
France	Francs	2,269.50	534.00					2,269.50	534.00
Germany	Deutsche marks	487.05	255.00					487.05	255.00
Air fare					936.60				936.60
Harris N. Miller:									
Egypt	English pounds	210.00	300.00					210.00	300.00
Air fare					[4] 441.00				441.00
Total			8,682.87		13,159.86			50.80	21,893.53

[1] If foreign currency is used, enter U.S. $ equivalent; If U.S. currency is used, enter amount expended.
[2] Via military aircraft, equivalent commercial rate.
[3] Includes travel within People's Republic of China.
[4] All other air fare and per diem paid by outside source.

HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources.

Dec. 28, 1978.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE. COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, EXPENDED BETWEEN NOV. 26 AND DEC. 17, 1978

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar eq ivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Heidi Boucher:									
Belgium	Belgian franc	6,712	222.00					6,712	222.00
Germany	Deutsche mark	712.17	369.00					712.17	369.00
Italy	Lira	255,300	300.00					255,300	300.00
Egypt	LE	262,000	375.00					262,000	375.00
United Kingdom	Pound	214.48	416.00					214.48	416.00
Netherlands	Guilder	347.50	168.00					348.50	168.00
					1,251.00				1,251.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, EXPENDED BETWEEN NOV. 26 AND DEC. 17, 1978—Continued

		Per diem		Transportation		Miscellaneous		Total	
Name and country	Name of currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Mike Gravel:									
Belgium	Belgian franc	6,712	222.00					6,712	222.00
Germany	Deutsche mark	712.17	369.00					712.17	369.00
Saudi Arabia			542.00						542.00
Egypt	LE	105,500	150.00					105,500	150.00
United Kingdom	Pound	155.47	301.00					155.47	301.00
Netherlands	Guilder	173.75	84.00					173.75	84.00
Morocco	Moroccan Dirham	1,800	450.00					1,800	450.00
					[1] 783.15				783.15
Total			3,968.00		2,034.15				6,002.15

[1] Amended report will be filed when State Department determines the balance of travel reimbursement due Senator Gravel.

Signed: JENNINGS RANDOLPH,
Chairman, Committee on Environment and Public Works.

Jan. 31, 1979.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and the second time by unanimous consent, and referred as indicated:

By Mr. HAYAKAWA:

S. 386. A bill to amend and supplement the Federal reclamation laws relating to the furnishing of water service to nonexcess and excess lands; to the Committee on Energy and Natural Resources.

By Mr. STEVENS:

S. 387. A bill to amend title 5 of the United States Code to provide paid leave for a Federal employee participating in certain athletic activities as an official representative of the United States; to the Committee on Governmental Affairs.

By Mr. STEWART (for himself, Mr. Nelson, Mr. Weicker, Mr. Hatch, and Mr. Pressler):

S. 388. A bill to promote the ownership of small businesses by their employees and to provide a means whereby employees can purchase their companies where the companies would otherwise be closed, liquidated, or relocated, and to assure that firms owned wholly or partly by their employees are eligible for all forms of assistance from the Small Business Administration; to the Select Committee on Small Business.

By Mr. TOWER:

S. 389. A bill to amend the Credit Control Act of 1969; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. METZENBAUM (for himself, Mr. Kennedy, Mr. Bayh, Mr. Leahy, Mr. Morgan, and Mr. Baucus):

S. 390. A bill to expedite and reduce the cost of antitrust litigation, and for other purposes; to the Committee on the Judiciary.

By Mr. ROTH:

S. 391. A bill to limit the burden reporting requirements placed on small businesses, to provide for the pilot testing of reporting forms issued or required by the Federal Government, to establish procedures for the reduction of the reporting burden upon small businesses on a continuing basis, and for other purposes; to the Committee on Governmental Affairs.

By Mr. COHEN (for himself and Mr. Hatfield):

S. 392. A bill to provide that polling and registration places for elections for Federal office be accessible to physically handicapped and elderly individuals, and for other purposes; to the Committee on Rules and Administration.

By Mr. DOMENICI:

S. 393. A bill to amend the Railroad Retirement Act of 1974 with respect to annuities for widows and widowers of certain railroad employees; to the Committee on Human Resources.

By Mr. MOYNIHAN (for himself and Mr. Javits):

S. 394. A bill to amend the definition of employee for certain purposes of the Internal Revenue Code; to the Committee on Finance.

By Mr. CHILES (for himself, Mr. Domenici, Mr. Dole, Mr. Glenn, Mr. Bradley, Mr. Pryor, and Mr. Cohen):

S. 395. A bill to require studies and recommendations from the Department of Health, Education, and Welfare with respect to health insurance sold as a supplement to Medicare, to provide penalties for certain sales practices, and for other purposes; to the Committee on Finance.

By Mr. DOLE (for himself and Mr. McGovern):

S. 396. A bill to amend the Internal Revenue Code of 1954 to exempt farm trucks and soil and water conservation trucks from the Highway Use Tax; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 397. A bill to amend the Internal Revenue Code of 1954 to recognize and define theatrical production organizations, to allow cost recovery accounting for theatrical production organizations, to allow the investment tax credit for theatrical production costs, to provide for capital gain treatment upon sale of certain theatrical production rights, to allow for limited nonrecognition of gain realized or income derived by a theatrical production organization, and to provide for capital gain treatment for sales by authors of first theatrical production rights and the initial subsequent sale of ancillary rights; to the Committee on Finance.

By Mr. CHILES (for himself, Mr. Stone, and Mr. Bumpers):

S. 398. A bill to amend section 8e of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, to subject imported tomatoes to restrictions comparable to those applicable to domestic tomatoes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DOLE (for himself, Mr. Pressler, Mr. Stewart, Mrs. Kassebaum, and Mr. Hayakawa):

S. 399. A bill to amend the Federal Crop Insurance Act; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. SCHWEIKER:

S. 400 A bill to relieve the liability for the repayment of certain erroneously made contributions by the United States; to the Committee on the Judiciary.

By Mr. MOYNIHAN:

S. 401. A bill for the relief of the Manhattan Bowery Corporation, of New York, New York; to the Committee on Finance.

By Mr. RIEGLE:

S. 402. A bill for the relief of Samson Kossivi Kpadenou, M.D.; to the Committee on the Judiciary.

S. 403. A bill for the relief of Anita Tavares Dy; to the Committee on the Judiciary.

S. 404. A bill for the relief of Yaeko Howell; to the Committee on the Judiciary.

S. 405. A bill for the relief of Hun Sik Sanderson; to the Committee on the Judiciary.

S. 406. A bill for the relief of Luzbella Y. Imasa, M.D.; to the Committee on the Judiciary.

S. 407. A bill for the relief of Arnaldo Moreno, M.D.; to the Committee on the Judiciary.

By Mr. HELMS:

S. 408. A bill for the relief of Yasmeen Muredali Gillani and Aneela Gillani; to the Committee on the Judiciary.

S. 409. A bill for the relief of Muradali P. Gillani; to the Committee on the Judiciary.

By Mr. BAYH:

S. 410. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and by expanding judicial review, and for other purposes; to the Committee on Governmental Affairs.

By Mr. HARRY F. BYRD, JR. (for himself and Mr. Helms):

S.J. Res. 38. A joint resolution to amend the Constitution of the United States to mandate a balanced budget; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HAYAKAWA:

S. 386. A bill to amend and supplement the Federal reclamation law relating to the furnishing of water service to nonexcess lands; to the Committee on Energy and Natural Resources.

FAMILY FARM LIBERATION ACT OF 1979

Mr. HAYAKAWA. Mr. President, today I am introducing the Family Farm Liberation Act of 1979. This bill is intended to free our family farms from the entanglements of Federal intervention.

The main thrust of this bill is to allow American farmers the opportunity to operate their farms without Federal interference. This bill provides a buy-out provision, which may be chosen by individuals or by water districts. Any individual or water district would opt to own land in excess of the acreage limitation. They would agree to pay the full cost of the water. This would include costs of construction, the interest on that construction, and the costs of operation and maintenance. At the time they agree to pay this unsubsidized cost of water they would be free from all limitations associated with reclamation law. They could own as much land as they wish, in order that these farmers can own and operate economically sound farm units, without the intervention of the Federal bureaucracy.

The Family Farm Liberation Act raises the acreage limitation from 160 acres to 320 acres per person, for those wishing to continue to receive Federal water subsidies. These recipients of the interest-free construction loans would be free from any residency requirement also. I do not think that the Government should have the right to tell people where they can or cannot live simply because they receive Federal moneys for water.

In addition, no person who owns land receiving Federal water subsidies shall be restricted in any way as to how much land they can lease. There has never been any leasing restriction written into any of the Federal reclamation laws currently on the books, and I see no reason to begin now. The Secretary of the Interior, in publishing reclamation regulations in the spring of 1977 took great liberty in including leasing limitations in them. This is a great example of Federal bureaucrats establishing new policy through regulation, policy that was never intended by law. This is why we need a buy-out provision in Federal reclamation law.

This bill I am presenting is very simple—it is intended to liberate our family farms from entanglements with the Federal bureaucracy. I believe that American agriculture is the backbone of this country. Our farms should be able to operate on a free enterprise basis.

Over the last few decades, we have gotten carried away in Washington. Every day the Federal Register publishes many new regulations. Each Federal agency has so many new rules and regulations that it is almost impossible to keep up with them. We need to start heading in a new direction, one of less government. Most bureaucrats are in the habit of keeping themselves in business, promoting new regulations that their agency can enforce. We need to turn this trend around and take control of this regulatory process, which has long been out of hand.

I want to make it clear that under my bill, any individual who wishes to continue owning 320 acres or less is entitled to continue to receive federally subsidized water. That person is free to operate his land in any way he wishes, including in partnership with another farmer or group of farmers. Members of that person's family would also be entitled to 320 acres each of land receiving federally subsidized water.

The equivalency provision in this bill will allow owners to less productive land to make up for that inequity in terms of an increased acreage allotment. This equivalency provision would take into account all factors affecting productivity. These include topography, soil characteristics, adequacy of water supply, crop adaptability, costs of crop production, and length of growing season. Through this provision I hope to make the factors more equal for those who choose to remain under an acreage limitation.

This bill allows people to voluntarily pay the full cost of water, and at the same time free themselves from Federal intervention. They would be free to operate their farms as free enterprise businesses. The idea for this legislation is not brandnew—in fact this philosophy of the buy-out provision has been discussed for over 10 years. In 1968 a committee appointed by Governor Reagan issued a report which advocated the idea of taking away water subsidies in return for freeing farmers from the awesome regulations associated with reclamation law. The members of that Reagan committee are very distinguished members of society, and they deserve credit for their hard work on this subject.

We had hearings on reclamation law in the Senate last year, but many people did not have the opportunity to testify because of time constraints. I hope that this year the Senate Energy and Natural Resources Committee and the House Interior Committee will take the time to very carefully review all angles of this subject.

Up until now the administration has attempted to enforce regulations that would upset 75 years of established farming practices in the West, under the guise of enforcing reclamation law. We must recognize the fact that any Federal dollars spent on irrigation and other water projects are dollars well invested. Reclamation law reform is one of the most important issues to the people of California. I hope to see this issue addressed by the Senate this year.

By Mr. STEVENS:

S. 387. A bill to amend title 5 of the United States Code to provide paid leave for a Federal employee participating in certain athletic activities as an official representative of the United States; to the Committee on Governmental Affairs.

ATHLETIC OPPORTUNITIES ASSISTANCE ACT

Mr. STEVENS. Mr. President, in the last Congress, the distinguished former Senator from Minnesota, Hubert Humphrey, and I introduced a bill which provided leave time and flexible hours for Olympic athletes employed by the Federal Government. Hearings were held on the bill this past fall. At that time, the Civil Service Commission viewed the bill favorably, though they desired some minor modifications.

Today, I am introducing basically the same bill. It entitles an Olympic athlete credit for up to 90 days a year, in which he, as a member of the U.S. team, is preparing for or participating in world, Pan American or Olympic competition.

Until last year, our Government provided no financial support for U.S. teams in the Olympics. A great number of other nations have subsidized their athletic programs for years. The lack of funding has been one of the key impediments to a fully developed sports program.

My bill attempts to help resolve that problem. It does not provide direct Government subsidies. Rather, it gives Federal employees who are athletes the opportunity to continue to participate in major competitions. At the present time, if an individual takes a full-time job, he or she must often forego any serious athletic competition. Many of our college or even high school graduates who happen to graduate in a non-Olympic year must choose between participation in athletics or earning a living. We need to provide a way for athletes to work without foregoing the opportunity to represent the United States in international competition. The cost would be minimal. Testimony at the hearings stated that only one Federal employee would have been benefited by this bill for the 1976 Olympics.

Passage of this bill will certainly open up greater opportunities for a Federal employee to represent this Nation in Olympic competition. No longer will Federal employment bar the athlete from continuing his career in international amateur sports. We also hope passage of this bill will encourage private industry to assist our athletes in a similar fashion.

Mr. President, I ask unanimous consent to have the text of my bill printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 387

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Athletic Opportunities Assistance Act."

Sec. 2. (a) Subchapter II of chapter 63 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"Sec. 6327. Absence While Representing the United States in Certain Competition

"(a) An employee (as defined in section 2105 of this title) is entitled to leave without loss of, or reduction in, pay, leave to which he is otherwise entitled, credit for time or service, or performance, or efficiency rating for each day, not in excess of 90 days in a calendar year, in which he, as a member of the United States team, is preparing for or participating in athletic competition on the world, Pan American or Olympic level in a sport which is contested in either Pan American or Olympic competition.

"(b) For purposes of subsection (a), the Term 'United States team' includes any coach or athlete who is a member of the official delegation of the United States to world, Pan American, or Olympic competition.

"(c) The Civil Service Commission is authorized to issue regulations for the administration of this section.".

(b) The table of sections for chapter 63 of such title is amended by adding at the end thereof the following new item:

"6327. Absence while representing the United States in certain athletic competition.".

By Mr. STEWART (for himself, Mr. Nelson, Mr. Weicker, Mr. Hatch, and Mr. Pressler):

S. 388. A bill to promote the ownership of small businesses by their employees and to provide a means whereby employees can purchase their companies where the companies would otherwise be closed, liquidated, or relocated, and to assure that firms owned wholly or party by their employees are eligible for all forms of assistance from the Small Business Administration; to the Select Committee on Small Business.

SMALL BUSINESS EMPLOYEE OWNERSHIP ACT

• Mr. STEWART. Mr. President, today, along with the distinguished chairman and ranking minority member of the Senate Select Committee on Small Business, and with the strong support of Senator RUSSELL LONG, I am pleased to introduce the Small Business Employee Ownership Act. The bill mandates that all of the assistance the Small Business Administration normally makes available under its 7(a) business loan program and 8(a) procurement assistance program will now also be made available to employee owned companies, companies with employee stock ownership plans (ESOP's) and trusts (ESOT's), and employee organizations which are seeking to purchase their companies when they would otherwise close, relocate, or be sold to an outside interest.

The bill is being introduced because the SBA current regulations discourage employee ownership of business. That is a major error in judgment, however, because employee ownership has been clearly shown to improve company profits and productivity, to provide a means for a retiring businessman to transfer his business, rather than be forced to liquidate it, and because employee purchase of businesses that would otherwise close or relocate has been a very successful and low-cost way to preserve jobs and community business activity. Under current SBA regulations, however, employee stock ownership trusts are ineligible for SBA assistance altogether, and employees seeking to buy their businesses through other financial devices find that they are subject to the same criteria that must be met by individual entrepreneurs—criteria such as individual assets and management experience. These criteria, except for a few employees, are totally inappropriate.

Employee ownership of business is a recent phenomenon, with the large majority of employee ownership plans having been established in this decade. There are now between 1,000 and 3,000 ESOP plans, and at least 100 companies in which a majority of the employees own a majority of the stock. Recently, researchers at the University of Michigan Survey Research Center found that companies wholly or partly owned by their employees were 1.5 times as profitable comparable conventionale firms. The more equity owned by employees, the higher the profits. They also confirmed the results of other studies showing that employee ownership leads to significant increases in productivity and worker satisfaction. Perhaps companies which were planning to close have been saved by employee purchase. According to a Small Business Committee staff study, all of the new companies for which information is available are still in business, and many have become extremely profitable. The Federal Government has made 13 loans to these companies (generally under considerable pressure) and all are being repaid. In these cases, communities would normally have been subject to the costly trauma of a plant closing, and the Government would have been forced to pay unemployment insurance and possibly welfare, public works jobs funds, and a host of other program costs to ameliorate the effects of unemployment. Instead, employee initiative saved the companies, and the Government has not been forced to activate any of these programs. Employee ownership has provided a free enterprise, community based solution to a problem traditionally handled by big government. This is the kind of solution the country needs.

Many of the plant closings have been of subsidiaries of larger companies. Research has shown that many conglomerates purchase companies only to find later that they are not interested in one of the company's plants, or that the company, although profitable, is not returning enough on investment to make the effort worthwhile. In these and similar cases, the conglomerate simply shuts down the company, with little regard for the effects on the community. Yet these plants could continue in operation profitably, and probably would if locally owned. In other cases, lack of employee incentive or corporate mismanagement has made a company unprofitable, but once employee owned, the company returns to profitability. Plant closings and relocations are likely to increase in coming years, business analysts say, in response to the merger trend of the last decades. Employee ownership is one way to ease the impact of these changes.

Employee ownership also helps the small businessman who wants to retire or leave his company. After working a lifetime to build a company, it is tragic that in most cases small businessmen end up liquidating their firms because no buyer can be found, or because the tax problems of a sale are too great. Special tax provisions already in the law, however, provide a sound means for selling to employees—if the employees can get the money they need. By providing that assistance, the Government can help many sound small businesses stay prosperous. This bill also provides that loan guarantees can be made directly to the seller of a business when an installment sale is used, a provision that simply brings SBA policy up to date with current business practices.

Finally, employee stock ownership plans have, in at least a number of cases, proved to be a very effective way for businesses to raise capital. For well-capitalized firms this is not a problem, but it is for many smaller companies. The ESOP tool provides a means to raise the money and use the same dollars to create an employee benefit and employee incentive plan of proven merit.

Of course, the SBA will not be able to help large companies. About half the employee-owned firms are small, however, and a large number of ESOP companies are as well. SBA also should not assist company owners to dump unprofitable companies on their employees. The bill requires that a feasibility study be done to assure that the company can succeed, and it is on the basis of this study that the loan will be made. The individual assets of employees will not be a factor.

The bill also assures that companies or employee organizations receiving assistance under the program will become employee owned within a reasonable period of time and that all employees will have a chance to participate in the ownership plan. Stock must vest to all employees by the end of the loan. Stock distribution plans may not discriminate in favor of higher paid employees, and when stock is distributed according to salary, all amounts over $50,000 will be ignored.

Virtually all assistance under this program will be in the form of loan guarantees, since the main difficulty employees have is in convincing creditors that their idea is sound, Hopefully, in time, private credit sources will come to the realization that employee ownership works and the guarantees will no longer be needed. No new funds are appropriated under this act. No new agency is credited, and no new bureaucrats will be needed to run the program. Despite the modesty of the changes in the law, however, this program could save the Government millions in unemployment related programs. It could give credibility to an idea that has been proven to work. It could help small businesses and their employees, as well as the communities in which they are located. Frankly, I do not think there are any credible arguments against this proposal, and I urge its speedy passage.

I ask unanimous consent that the text of the bill, a summary of the bill, a section-by-section analysis, together with a copy of a summary of the staff study of this issue, be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 388

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Employee Ownership Act".

SEC. 2. The Congress finds and declares that—

(1) employee ownership of firms has been shown to be a successful means of organizing an enterprise and that employee owned firms are likely to have greater productivity rates, better long-range prospects, greater employee and management job satisfaction, and broader distribution of the company's profits and equity than similar non-employee owned firms;

(2) employee ownership of firms provides a means for preserving jobs and business activity where they would otherwise be lost due to company closings, liquidations, or relocations;

(3) employee ownership of firms provides a means of keeping a small business small when it might otherwise be sold to a conglomerate or other large enterprise;

(4) employee ownership provides a means for creating a new small business from the sale of a subsidiary of a large business, when such a subsidiary would otherwise be closed, liquidated, relocated, or sold to another business;

(5) unemployment insurance programs, welfare payments, and job creation programs are less desirable and most costly for

both the government and program beneficiaries than loan programs to maintain employment in firms that would otherwise close, be liquidated, or relocate;

(6) the continued closing of small businesses or the sale of small businesses to conglomerates represents an undesirable and anti-competitive trend towards economic concentration;

(7) the slow growth in productivity in the United States contributes to inflation and balance-of-payments deficits;

(8) the present concentration of capital ownership has created too great a disparity between the very wealthy few and the low- and moderate-income majority; and

(9) by making and guaranteeing loans to employee stock ownership trusts or other employee organizations, the Small Business Administration could provide feasible and desirable methods for the transfer of all or part of a company's ownership to employees, by aiding employee organizations in purchasing small business concerns that would otherwise close, be liquidated, or relocate, or in purchasing subsidiaries of companies which would close, be liquidated, or relocate, and would, if independently owned, be small businesses.

SEC. 3(a). It is the purpose of this act to include as small business concerns any employee owned company which would otherwise be defined as small, or any employee organization, or employee stock ownership plan, established for the purpose of purchasing a business which, when purchased, would otherwise be defined as a small business, and to make such employee owned firms or employee organizations eligible for all assistance available to small business concerns as provided in the Small Business Act.

(b) It is the further purpose of this act to assure that a small business using an employee stock ownership plan which qualifies under the specifications as set forth in this act can obtain assistance from the Small Business Administration through an employee stock ownership trust.

(c) It is the final purpose of this act to assure that the Small Business Administration shall give a high priority to guaranteeing loans to employee owned firms, to employee organizations or employee stock ownership plans seeking to buy their firms, and that such assistance shall be made available by the Small Business Administration on the basis of a firm's future prospects rather than past performance or individual employee-owner assets.

SEC. 4. Section 7 of the Small Business Act is amended by adding at the end thereof the following:

"(m)(1) As used in this subsection, the term—

"(A) 'employee organization' means any organization representing employees of a company which is a small business concern as presently constituted or, if the company is a subsidiary of a large business, would be a small business concern if independently owned;

"(B) 'employee' means any full-time employee of a small business concern;

"(C) 'employee stock ownership plan' or 'ESOP' means a plan described in section 4975(e)(7) cf of the Internal Revenue Code of 1954;

"(D) 'Administrator' means the Administrator of the Small Business Administration;

"(E) 'employee stock ownership trust' or 'ESOT' means a trust created by a small business concern or an employee organization as part of an employee stock ownership plan and which, among other functions, can (i) borrow funds for the purpose of investment in company stock and (ii) can receive contributions of stock from the small business concern or employee organization;

"(F) 'startup and operating costs' means the funds required to acquire ownership of a small business concern and operate it.

"(2)(A) The Administrator is directed to make all assistance available under this section available to employee organizations, employee owned small business concerns, and employee stock ownership trusts which meet the qualifications specified in this subsection.

"(B) Assistance to employee owned business concerns shall be made on the same basis as assistance to non-employee owned firms, except as specifically provided in this act.

"(C) Assistance to small business concerns using an employee stock ownership plan shall be made to the employee stock ownership trust on the same basis as assistance is made to companies not using an employee stock ownership plan, if—

"(i) the company seeking the assistance through an ESOT guarantees to the Administrator that it will be responsible for providing such funds as shall be necessary to the ESOT for the repayment of the obligation incurred by the ESOT;

"(ii) the trustee of the ESOT warrants in writing that funds acquired by the ESOT with the assistance of the Small Business Administration will be used solely for the purpose of purchasing stock in the small business concern adopting the ESOP, provided that nothing in this section shall limit the activities of ESOTs with regard to funds acquired from other sources except as may otherwise be specified by law;

"(iii) all stock issued to the ESOT pursuant to the assistance made available through this subsection fully vests with employees of the small business concern no later than the expiration date of the assistance;

"(iv) a plan certified by legal counsel for the business concern adopting the ESOP is presented to the administrator which assured that notwithstanding any other provisions of law, allocations of stock to participants in the ESOP will ignore all compensation of participants in excess of $50,000 when annual compensation is used as a guide for such allocation, provided that any allocation formula adopted under the ESOP must be one which satisfies the requirements of the Internal Revenue Code.

"(3) Loans to employee organizations, including employee organizations establishing an ESOP and using an ESOT, shall be guaranteed as provided in this section for the purpose of acquiring a small business concern in which the employees work, or for acquiring a subsidiary which, if independently owned, would be a small business concern, and in which the employees work, provided that—

"(A) the small business concern or subsidiary would otherwise close, be liquidated, or relocated, or be purchased by a large business, or the owner and employees agree to a transfer of ownership to the employees;

"(B) an employee organization has completed a feasibility report showing the management capability planned for the new firm, a marketing analysis, and such other features as the Administrator may require;

"(C) at the time the employee organization submits an application for a guarantee or a loan as provided in this subparagraph (B), whichever comes first, the organization provides a plan certified by legal counsel to the Administrator demonstrating that—

"(i) all employees will be offered an opportunity to participate in the ownership plan, and that employees subject to a collective bargaining agreement will be included in such an offering, unless the union representing the employees in the bargaining specifically requests, in writing, exclusion from the plan;

"(ii) at least 50% of the total stock or other asset value of the firm will be owned by at least 50% of the employees by the time the assistance made available from the Administration expires, or any other government assistance made at the same time expires, whichever occurs later;

"(D) in the case of subsidiaries, a plan is provided demonstrating that once the transfer of the subsidiary to the employees is completed, the subsidiary will be an independent business which qualifies as a small business concern.

"(E) In addition to the requirement in subparagraph (C), the organization, at the same time, must provide a plan which is certified by its legal counsel and which would—

"(i) provide that where stock is distributed, it will carry full voting rights and be vested by the expiration of the last government assistance made available at the time the Small Business Administration assistance is made available;

"(ii) enable the concern to retire stock being sold by employees leaving the firm or make the stock available to new emplyees;

"(iii) provide for a periodic review of the mode of company organization and the role employee owners will play in the management of the concern;

"(iv) except in the case of an ESOP, provide a method whereby the loan to the employee organization can be repaid by employee members through a system of payroll deductions should other methods or repayment as may be specified in the loan application be unable to provide the necessary cash; and

"(v) provide adequate management contracts to assure management expertise and continuity.

"(4) Assistance under this paragraph shall be provided on a high priority basis and shall be made when the feasibility study required shows that the future prospects of the firm show a likelihood of an ability to repay any loans guaranteed, and when the Administrator determines that the company will generate sufficient revenues to provide a reasonable assurance of repayment. The individual business experience or personal assets of individual employee-owners shall not be used as loan guarantee criteria, except inasmuch as certain employee-owners may assume managerial responsibilities, in which case business experience or ability may be considered.

"(5) The principal amount of any loan guaranteed under this section may not exceed $1,000,000.

"(6) For the purpose of the feasibility study specified in 3(B), the Administrator is authorized to loan not more than $10,000 to the employee organization, at the same rate as the current cost of money to the government and which shall be repayable within three years, provided that if the feasibility report does not result in an SBA guarantee, the loan shall be considered a grant.

"(7) Nothing in this section affects the status of any ESOP under Sec. 401 of the Internal Revenue Code of 1954.

"(8) The Administrator shall compile a separate list of applications for assistance under this provision, indicating which applications were accepted and which were denied, and shall report periodically to Congress on the status of employee owned firms assisted by the SBA.

"(9) The Administrator is authorized to make the guarantees under this subsection directly to the seller of a small business concern or a subsidiary of a large business that would become a small business upon becoming independently owned, as specified in subsection 4m(3)(D), provided that the guarantees under this subsection must be made in accordance with the provisions of this subsection for employee ownership, and further provided that—

"(A) In guaranteeing assistance under this subsection, the Administrator will guarantee payments on installment sale contracts by the buyer to the seller, provided that no more than 90 percent of the total remaining obligation at the time of default shall be paid;

"(B) In the case of default, the seller will have the option of (1) paying the SBA 90 percent of the total amount paid on the contract at the point of default and exercising his option to reassume title to the business, in which case the SBA will be relieved of any further obligations to the seller, including the obligation to pay 90 percent of the remaining payments on the contract, or (2) assigning to the SBA the option of assuming title to the business and receiving, in a lump sum, 90 percent of the remaining payments due on the contract;

"(C) If the seller should take option 2), the SBA may resell the business or its assets, or may seek another individual to reassume the contract and make the remaining payments to the SBA.

SEC. 5. Definitions of Minority Owned Firms with ESOPs—After the words in Section 8(a) (4) (A) "... at least 51% of the stock is owned by one or more socially and economically disadvantaged individuals;" add the phrase, "or in the case of a company with an employee stock ownership plan, in which 51% of the stock in the company is allocated through an ESOT to one or more socially and economically disadvantaged individuals;"

Summary of the Small Business Employee Ownership Act

This bill would make employee owned businesses, businesses using employee stock ownership plans and trusts (ESOPs and ESOTs), and employee organizations seeking to buy firms which would otherwise close, relocate, or be sold to an outside interest eligible for all assistance normally available under the SBA's 7(a) business loan program and 8(a) minority enterprise contract assistance program. Currently, SBA will make loans and loan guarantees to employee organizations seeking to buy their firms, but only under very restrictive conditions. SBA will make no loans or guarantees available to ESOTs due to a technical interpretation of the law.

The bill would base the loans or loan guarantees for company buyouts by employees on a feasibility study of the future prospects of the company once employee owned. It would require that in any buyout case, feasibility be clear and a plan provided to assure that the company's employees actually will own a majority of the company stock by the expiration of the loan. Stock must be distributed in a way that does not discriminate in favor of higher paid employees. When distributed by salary, amounts over $50,000 per year must be ignored. All stock distributed must vest by the end of the loan.

In order to deal with SBA's objection that ESOTs are technically not small businesses, companies securing SBA backed loans through ESOTs must guarantee that all funds so acquired will be used solely to buy company stock and that the company will make whatever funds are necessary available to the ESOT to repay the loan.

Feasibility study loan funds are provided and the loan guarantee limit under the 7(a) program is raised from $500,000 to $1,000,000.

Section-by-Section Analysis of the Small Business Employee Ownership and Job Preservation Bill

Sec. 1. Title.

Sec. 2. Findings. The Congress finds that employee ownership of business helps to 1) preserve jobs, 2) increase worker productivity and company profits, 3) provide for the continuity of existing small businesses and create new ones from corporate divestitures, and 4) provide a means for broadening participation in the capitalist system. Employee ownership is a desirable alternative to unemployment insurance and other federal programs designed to ameliorate the effects of job loss. Small Business Administration guarantees of loans to employee ownership organizations and employee stock ownership trusts would facilitate employee ownership of business.

Sec. 3. The purposes of this act are to 1) provide that the SBA will make loans to employee stock ownership trusts, 2) assure that in those cases where an employee organization seeks to purchase a company that would otherwise close or relocate, or whose owner agrees to transfer ownership to the employees, the employee organizations, including those using an employee stock ownership trust, will be eligible for all SBA assistance under the Small Business Act, 3) provide that when guaranteeing loans to employee organizations under the circumstances described (2) the SBA will use a feasibility report on the company's future prospects once owned by employees as a basis for determining the soundness of the loan.

Sec. 4. Amendments to Sec. 7(a) of the Small Business Act.

(m) (1) Definitions. Employees are defined as all full-time employees. Employee stock ownership trusts (ESOTs) and plans (ESOPs) are defined.

(m) (2) Authorizes the Administrator of the SBA to make all assistance available under the 7(a) business loan program available to employee owned firms, employee organizations seeking to buy their companies, and to firms or employee organizations using ESOTs, provided that they meet the qualifications established in the Act. In the case of a company using an ESOP, the company must guarantee that it will make available to the ESOT such funds as are necessary to repay the loan guaranteed by the SBA and must further guarantee that the funds loaned to the ESOT will be used solely for the purchase of company stock. A plan certified by legal counsel must also be presented showing that the distribution of company stock to employees through the ESOT will be fully vested, will comply with all IRS requirements (these assure that higher paid employees will not be favored) and, when distributed by salary, will ignore all amounts of annual compensation in excess of $50,000.

(m) (3) Loans will be made to employee organizations, including those using an ESOT, for the purpose of acquiring a small business or a company which, when independently owned, would become a small business, provided that the company would otherwise close, relocate, be sold by a large business, or provided that the owner agrees to sell to employees. The employee organization must complete a feasibility study on the proposed transfer, and must present a plan to the administrator showing that 1) all employees will be offered an opportunity to participate in the ownership plan, and 2) that by the time the loan expires, a majority of the company stock will be owned by a majority of the employees, or 67% of the stock will be owned by employees in the lowest third of the salary distribution. The plan must also provide for the voting rights and vesting of any stock, the periodic review of the mode of company organization, and adequate management contracts. Finally, the plan must enable the company to buy stock from employees when they leave the firm or sell their stock and provide a method of wage deductions in non-ESOP cases where such deductions are necessary to repay the loan.

(m) (4) Assistance under this section will be given a high priority and will be based on the future prospects of the firm rather than the individual assets of employees.

(m) (5) The principal amount that can be guaranteed is $1,000,000.

(m) (6) Feasibility studies required under the act are eligible for $10,000 loans. The loans will be considered grants if the applications are denied.

(m) (7) This bill does not alter the status of ESOPs under the Internal Revenue Code.

(m) (8) The Administrator will report on this program to Congress.

(m) (9) Guarantees under this section may be made directly to the seller of a business when selling under an installment contract, provided that the seller agrees to pay a specified penalty if, after the default of a buyer, he chooses to reassume the contract and resell the business.

The Role of the Federal Government and Employee Ownership of Business

SUMMARY

In the last several years, there has been a growing trend for employees to own substantial equity in the companies for which they work. It has been estimated that there are between 1,000 and 3,000 employees stock ownership plans ("ESOPs") in the country, and in at least 90 cases, employees, through ESOPs or other means, have actually purchased a majority interest in their companies. In part, the popularity of ESOPs has been a result of special tax incentives enacted in the last five years; in part it stems from the belief on the part of many companies that ESOPs provide a unique means of financing growth and providing an employee benefit plan with the same dollars. Similarly, the trend towards employee acquisition of business has partly been encouraged by government loans, 13 of which have been made to date. On the other hand, roughly 70 percent of the employee owned companies have been formed in this decade, so government assistance had usually not been a factor. This report will review the information available on employee ownership of business, with particular emphasis on the role the government has played and might play in the future.

Employee ownership has been sold primarily as a means to increase worker motivation and productivity by giving employees a clearer stake in their companies. A comprehensive study by the University of Michigan's Survey Research Center has confirmed that this argument is valid. In a study of 98 firms, the study found that companies with employee ownership were 1.5 times as profitable as comparable conventional firms. They also found that employee and managerial satisfaction was higher, and that managers reported increased productivity. Other studies of the plywood industry and individual case studies have confirmed these findings, and the plywood studies showed, in addition, that wages were 25 percent higher in employee owned firms than nonemployee owned firms. The higher wages were compensated for by 30 percent greater productivity in the worker owned companies. Finally, the Michigan study showed that the greater the amount of equity owned by employees, the greater the profits.

The most popular form of employee ownership is the employee stock ownership plan. In its typical form, a company establishes an ESOP and the ESOP includes an employee stock ownership trust. The trust secures a loan for company growth, with the company pledging to make whatever funds are necessary available to the ESOT to repay the loan. The ESOT uses the loan funds to purchase company stock, so that the company gets the money from the loan and the trust gets the stock. As the loan is repaid, the stock vests with employees. Contributions to the trust to repay the loan are tax deductible, so that the company can, in effect, deduct both the principal and interest on the loan, instead of the interest only. In addition to this tax benefit, companies making qualified investments can receive an additional 1 percent–1.5 percent credit if the investment is financed through an ESOP.

The benefits and disadvantages of ESOPs have been widely disputed. For the company, there are, in some cases, cheaper ways to borrow, and the issuance of new stock to an ESOT dilutes the value of existing stock. The employee, although he pays nothing for the ESOP (unless there is a contribution plan), may be asked by the company to rely on the ESOP as his employee benefit plan in lieu of something else. If the company succeeds, this will be to his benefit; if it fails, the benefit is worthless. For companies with good prospects without access to other sources of equity capital, however, ESOPs appear to be very useful for financing growth as well as being very beneficial for individual employees. Moreover, the ability to deduct both principal and interest payments on loans makes ESOPs uniquely suited to employee purchases of companies. There is no other means by which this could be accomplished as well in these situations. Finally, ESOPs offer special tax advantages to owners of nonpublic companies who wish to transfer ownership of their companies, either gradually or through an immediate sale, to their employees.

While ESOPs have gained in popularity as a tool for existing companies, employee purchases of companies have gained in popularity in cases where companies would otherwise close. In the last decade, perhaps 50 or 60 such purchases have occurred. In most cases, an ESOP is used, but a variety of other ownership forms, including producer cooperatives and simple direct purchases of companies through the sale of stock to employees and others, have also been used. The motivation for such purchases is generally to preserve jobs that would otherwise be lost when a company plans to close, relocate, or be purchased by an unrelated interest. Roughly 70 percent of the employee purchases since 1971, in fact, have been of conglomerate subsidiaries which were scheduled to close. Most of the rest appear to have been voluntary sales by owners of independent businesses to their employees when the owners were ready to retire. The companies that have been purchased in this way appear to have been very successful, in many cases transforming companies or subsidiaries with poor performance records into profit-makers. Despite their success, however, efforts by employees to purchase their businesses still face enormous obstacles in the areas of financing and simply organizing people around what is still an unconventional goal.

Government policy toward employee ownership has been mixed. On the one hand, the Congress has enacted special tax benefits for ESOPs, and the Small Business Administration, the Economic Development Administration and the Farmers Home Administration have all made loans to employee organizations which have purchased their businesses. The ESOP tax incentives, however, are limited primarily to capital intensive, large companies. Certain so-called incentives for ESOPs, in fact, actually only have the effect of equalizing the treatment of ESOPs with other employee benefit plans. Government loans have been made, but not frequently—SBA has made three, EDA nine, and FmHA only one. The SBA has expressed reluctance to make loans to employee organizations and will not make loans to companies or employee organizations through ESOPs, arguing that the employee stock ownership trust is not formally a small business and therefore does not qualify for a loan. EDA has made more loans, but their legislative mandate is such that they must give priority to companies suffering from the effects of disasters, defense realignments, or government regulations. FmHA officials have expressed enthusiasm for the idea of employee ownership, but their loan program has not been seen, as yet, as a potential source of funding. Even if it were more broadly known that FmHA were favorable, however, only companies in places of less than 25,000 people would be eligible, and even then small business would be encouraged to go to SBA.

In the 95th Congress, a bill was introduced by Congressmen Kostmayer, Lundine and McHugh to create a special program in EDA, with $100 million in loan funds for employee or employee/community organizations seeking to purchase firms that would otherwise close, relocate, or be sold to outside interest. Loans would be granted only if feasibility studies confirmed that the company could make a profit when reorganized. The bill was not acted on, however, and will be reintroduced in the 96th Congress.

In the Senate, Senators Nelson and Long will introduce legislation to mandate that the SBA guarantee loans to ESOTs on a nondiscriminatory basis, and that SBA guarantee loans to employee organizations seeking to purchase their businesses when they would other wise close, relocate, or be sold to unrelated interests. These loans would also be granted on the basis of feasibility studies, without regard to the individual assets of employees, a criterion that, if in effect, would make it all but impossible for employee organizations to secure credit. Senator Nelson also plans to introduce legislation similar to the House bill mentioned above.

Given the lack of enthusiasm and regulatory policy of SBA and the legal limitations on EDA, legislation such as that proposed by Nelson, Long, Kostmayer, Lundine and McHugh is necessary if the government is to take a more active role in encouraging employee ownership. The alternative to this policy would be to allow the businesses to close and to make the variety of transfer payments that are involved when there is extended unemployment, such as occurs when a plant closes. Given the success of employee ownership, it seems much the wiser course for the government to make or guarantee loans, the large majority of which would almost certainly be repaid, then to spend money on various programs designed to ease the impact of unemployment. Of course, such loans should only be made to companies with reasonable prospects for success, and the government should not strive to make loans in every instance. Government encouragement of the concept and practice of employee ownership, however, could convince at least some conventional credit sources to treat it as just another way of organizing a business. That, it appears, would be a very positive development which could significantly increase the productivity, wealth, and job satisfaction of employees, as well as preserve and improve local businesses. Finally, it would accomplish these things within the framework of free enterprise rather than government regulation.●

By Mr. TOWER:

S. 389. A bill to amend the Credit Control Act of 1969; to the Committee on Banking, Housing, and Urban Affairs,

● Mr. TOWER. Mr. President, I am introducing legislation today which would limit the President's authority to impose credit controls. I am introducing this legislation in response to accounts in the press and elsewhere that the President and his economic advisers are considering credit controls as a possible tool in the fight against inflation. The President can impose such controls right now under the Credit Control Act of 1969. In my opinion, this would be a serious mistake. It would seriously disrupt and distort our Nation's financial system, which is the most efficient in the world. Moreover, it would divert attention away from the important steps which need to be taken if inflation is to be brought under control.

The Credit Control Act of 1969 gives the President almost unlimited authority to allocate credit. Under that act, the President can authorize the Federal Reserve Board to regulate "any or all extensions of credit" whenever he determines that is is "necesary or appropriate for the purpose of preventing or controlling inflation generated by the extension of credit in an excessive volume." The authority under this bill is so broad that it could include, among other things, the setting of conditions and terms of credit, the maximum rates of interest, the retention of certain unspecified credit records, and the prohibition or limitation of "any extension of credit under the circumstances the Board deems appropriate."

One can only guess at what form these credit controls would take. It could mean limitations on consumer credit, small business loans or loans to farmers. I do not think anyone knows at this point which groups in our society could be affected, and I do not believe there is anyone capable of establishing credit controls that could second guess the marketplace and be equitable at the same time.

This is a very dangerous law to have on the books, particularly at a time when quick and easy solutions to inflation are being sought. Unfortunately, credit allocation is not a very effective tool against inflation. It merely results in a redistribution in the flow of funds between different groups of lenders and borrowers.

The flow of credit can be pushed down in one area and it will just pop up elsewhere. Moreover, the marketplace is very effective in developing innovative ways of circumventing those controls.

Credit controls have very little effect on the overall volume of money and credit which is the critical factor in causing inflation. As Prof. Karl Brunner of the University of Rochester put it:

> The anti-inflationary argument on behalf of credit allocation is particularly defective. The reallocation of credit among various classes of borrowers exerts at most a marginal influence on aggregate demand for output. . . . Some marginal effects on aggregate demand are not impossible, but such credit controls are a singularly useless device to curb inflation

I do not believe that inflation can be solved by resorting to credit controls. But, it can be brought under control by limitations on the growth of overall money and credit, which the Federal Reserve has authority to do already. This would allow the marketplace to continue distributing credit in an efficient manner. The bill I am introducing today would make sure that credit controls would not be adopted without prior congressional approval. If the President determines that credit controls are needed, he would have to notify Congress of such a determination, and no action could be taken to implement those controls until approved by both the House and the Senate.

Credit controls could be very damaging to our Nation's financial situation, and their imposition is a decision that is too important to be left in the hands of the President.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 389

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (Subsection 205(a) of the Credit Control Act (12 U.S.C. 1904(a))) is amended by striking the period at the end of the subsection and inserting a colon in lieu thereof and adding the following language: "*Provided,* That (i) the President shall transmit to Congress, within seven calendar days of such determination, a report specifying the necessity for regulating and controlling extensions of credit and (ii) the authorization of the Board by the President shall not take effect until approved by a concurrent resolution of the Congress, which resolution shall specify a termination date by which the authorization must be withdrawn by the President or resubmitted to the Congress for approval."

SEC. 2. Section 206 of the Credit Control Act (12 U.S.C. 1905) is amended by striking out "by the President" and "and for such period of time as he may determine." ●

By Mr. METZENBAUM (for himself, Mr. KENNEDY, Mr. BAYH, Mr. LEAHY, Mr. MORGAN, and Mr. BAUCUS):

S. 390. A bill to expedite and reduce the cost of antitrust litigation, and for other purposes; to the Committee on the Judiciary.

ANTITRUST PROCEDURAL IMPROVEMENTS ACT OF 1979

● Mr. METZENBAUM. Mr. President, I am introducing today with Senators KENNEDY, BAYH, BAUCUS, LEAHY, and MORGAN, the Antitrust Procedural Improvements Act of 1979. This bill also has been strongly supported by the administration.

As the new chairman of the Judiciary Subcommittee on Antitrust and Monopoly, I plan to bring the same dedication to the goals of free enterprise as my distinguished predecessors, Senators KENNEDY, Hart, and Kefauver.

At a time when our country is suffering from the effects of runaway inflation, effective antitrust laws, and expeditious enforcement of those laws is critical. Greater competition in the marketplace means lower prices for our consumers and more efficient use of our Nation's resources. President Carter recognized this in his state of the Union message when he called for "improvement and better enforcement of the antitrust laws" to fight inflation.

During this session of Congress, the Antitrust and Monopoly Subcommittee will carefully examine various legislative proposals which seek to strengthen existing antitrust laws with respect to conglomerate mergers and persistent monopoly power. In addition, the subcommittee will attempt to implement several recommendations of the National Commission for the Review of Antitrust Laws and Procedures which call for the repeal of outdated and anticompetitive antitrust immunities.

While these issues demand immediate attention, I believe that our first priority must be to expedite and reduce the cost of enforcing existing antitrust laws. The bill I introduce today is an important first step in this direction.

During the last 6 months, I had the honor of serving as a member of the President's National Commission for the Review of Antitrust Laws and Procedures—a Commission comprised of some of the most respected antitrust scholars and practitioners, representatives of the Government's enforcement and regulatory agencies and nine other Members of Congress.

When the Commission began its work in June of last year, the President emphasized that one of our two principal tasks was to make recommendations for expediting and reducing the costs of antitrust cases. He said then that—

> We have cases that drag out almost indefinitely. They sap away the legal talent of our country that could be more productively used in other efforts. They delay a resolution of judgment and decision which works to the advantage of one party or the other, and quite often against the best interests of the public. So how to deal with this question is one that I believe, if resolved, would have a greatly beneficial effect on the parties to the disputes and on the public itself.

Accordingly, the Commission spent considerable time examining the problem of extraordinary length and excessive cost of antitrust cases. We looked for the causes of the problem and, in our report to the President and the Attorney General, made several recommendations which, if implemented, should expedite and reduce the costs of antitrust litigation.

Detailed testimony from judges, professors, and private practitioners revealed that a large percentage of private antitrust cases take an astounding 5½ years or more, while even the average case takes nearly 4 years. Many Government suits last even longer. The gravity of this problem is strikingly illustrated by the Department of Justice's case against IBM. The suit was filed on January 17, 1969. Today—a decade later—IBM is still in the midst of presenting its defense.

Mr. President, the Commission recognizes that a primary source of the excessive length and expense of major antitrust suits lies in the degree to which the parties seek to obtain thousands of documents from each other. Many times, these requested documents have little or no relationship to the factual situation at hand. This search for documents or "discovery" is governed by the Federal Rules of Civil Procedure. The Commission found that these discovery rules were overbroad and that the parties often used them to delay proceedings.

The Commission proposed a number of changes in this area. They recommended that the courts take more active control of the discovery process, and that rule 26(B) of the Federal Rules of Civil Procedure be changed to narrow the scope of discovery. They also recommended an amendment to the Antitrust Civil Process Act in order to make it clear that the Government can issue a civil investigative demand for documents which had been produced during the course of private lawsuits. Sections 2 and 3 of the Antitrust Procedural Amendments Act of 1979 make the changes to the Antitrust Civil Process Act recommended by the Commission.

These amendments to the Antitrust Civil Process Act will result in substantial savings of Government enforcement resources, because the Department of Justice will not need to duplicate discovery efforts of others as it often must do now. For instance, in the past, some courts have refused to grant the Government access to materials discovered in major private antitrust suits, because of agreements among the parties to restrict disclosure. The concern about protecting truly confidential information is of course legitimate, but these agreements should not be construed to prevent the Justice Department from acquiring these documents. Legitimate concern over confidentiality is satisfied by giving discovery material the same confidential treatment that all other documents produced pursuant to civil investigative demands are given. In addition, under this bill, the person who originally gave up the documents is given notice of the demand before the material is to be delivered to the Government. This gives the affected persons opportunity to challenge the demand in court.

Sections 2 and 3 of the bill also specifically allow "agents" of the Department of Justice to process documents obtained by a civil investigative demand. This is necessary, because advanced automated data processing techniques must be used to organize and retrieve effectively the countless documents and other pieces of information which are part of every major antitrust suit. This task has placed a tremendous burden upon the limited number of employees working at the Department of Justice. The bill, therefore, makes clear that the Department has the power to contract with persons outside of the Department for automated data processing services.

Experienced jurists and litigators testified in detail before the commission about the lengthy delay caused in many antitrust suits by counsel's dilatory practices. In its report to the President and the attorney general, the commission described the multiple practices to which counsel frequently resort to prolong lawsuits:

> Dilatory and abusive conduct occurs far too frequently in complex litigation. Lawyers, particularly in "high stakes" antitrust litigation, too often file meritless claims, defenses, or counterclaims, make excessive or abusive discovery demands, unreasonably resist legitimate discovery requests, provide unresponsive "stonewalling" answers, and unreasonably produce masses of insignificant, nonresponsive information. Other dilatory behavior may take the form of unjustified refusals to stipulate or admit facts,

unwarranted motion practices, mishandling of documents, bad faith claims or privilege or confidentiality, and disruption of depositions.

The commission urged judges and lawyers to increase their awareness and use of existing sanctions and recommended that the sanctions now in the Federal Rules of Civil Procedure and the American Bar Association's disciplinary rule 7–102, together with the corresponding State disciplinary rules, be strengthened. Significantly, the commission also recommended that Congress amend 28 United States Code, section 1927 and sections 4, 4A, and 4(C)(A)(2) of the Clayton Act, 15 United States Code, sections 15, 15A and 15c(A)(2), to increase incentives for parties and counsel to expedite litigation. Sections 4 and 5 of the Antitrust Procedural Improvements Act of 1979 embody these Commission recommendations for statutory change.

Section 4 amends 28 United States Code, section 1927 by expressly making an attorney who engages in conduct primarily for the purpose of delay or increasing costs liable for the excess expenses and attorneys' fees reasonably incurred, because of the dilatory conduct. As section 1927 now stands, the attorney's conduct must be solely for the purpose of delay and reasonable attorney fees attributable to the delay are not recoverable by the innocent party. By liberalizing the intent requirement of section 1927 and expanding the costs which a court may award, the bill encourages counsel to focus on the legitimate issues in the lawsuits and to avoid strategic ploys that do not move the case nearer disposition.

Section 5 of the bill amends sections 4, 4A, and 4C of the Clayton Act to make unsuccessful defendants in antitrust damage suits liable for interest on the plaintiffs' actual damages from the date of service of the complaint to the date of judgment at the prevailing commercial rate at the time of judgment. Prejudgment interest, however, is not trebled under the bill. Allowing for prejudgment interest will provide antitrust defendants with a strong financial incentive to refrain from dilatory litigation activities.

The unavailability of prejudgment interest under current case law, *Transworld Airlines, Inc.* v. *Hughes*, 449 F. 2d 51 (2d cir. 1971), rev'd on other grounds, 409 U.S. 363 (1973), provides a powerful disincentive for defendants to expedite antitrust trials. Defendants now may keep the earnings attributable to the value of the money's use during the litigation period. By permitting an award of interest from the date of service of the complaint to the date of judgment, these amendments, in effect, require that interest attributable to these ill-gotten fruits be paid by the antitrust law violators to the successful plaintiffs.

This amendment recognizes that plaintiffs may also be the cause of protracted litigation. Accordingly a court is permitted to deny or reduce an award of prejudgment interest if the award of all or part of the prejudgment interest is unjustified under the circumstances.

Under common law, courts have long allowed prejudgment interest to successful plaintiffs with liquidated, or sum certain, claims. However, courts have been reluctant to award prejudgment interest to plaintiffs, including plaintiffs in antitrust suits, whose claims are unliquidated until judgment. This reluctance, which stems from practical difficulties, not from substantive policy considerations, has been abating somewhat in recent years.

A recent Federal court opinion noted that awarding prejudgment interest in antitrust suits would require "highly abstruse inquiries as to proper rates and the time from which interest should run." *Transworld Airlines, Inc.* v. *Hughes*, 449 F. 2d 57,80, (2d cir. 1971), rev'd on other grounds, 409 U.S. 363 (1973.) By providing for interest to be calculated at the commercial rate prevailing at the time of judgment and for interest to run always from the date of service of the complaint, the amendment eliminates these practical problems.

In its report to the President, the Commission took full aim at the needless retrying of issues in antitrust suits caused by the failure of section 5(a) of the Clayton Act, 15 United States Code, section 16(a), expressly to allow Federal courts to give prior Government judgments collateral estoppel effect. Collateral estoppel means that issues resolved against a defendant in a prior Government suit are conclusively resolved against the same defendants in a subsequent private suit. Only one district court has ruled that section 5(a) allows Federal courts to give prior Government judgments collateral estoppel effect in subsequent private suits. Several courts have construed section 5(a) not to permit this. In other areas of the law, however, Government judgments are given collateral estoppel effect in subsequent private actions. For example, the Supreme Court held in *Parklane Hosiery Co.* v. *Shore*, docket No. 77–1305 (U.S. Jan. 9, 1979), that a Securities and Exchange Commission judgment in an equitable action may be given collateral estoppel effect in a subsequent private suit. No good reason exists for treating prior Government judgments in antitrust actions any differently.

If a judgment in favor of the Government in the prior suit does not have collateral estoppel effect, a full range of trial witnesses and exhibits on issues already decided will be offered by the plaintiff and the defendant in the subsequent private suit. The burden on courts and litigants will be substantially reduced and trial time measurably shortened if in appropriate circumstances prior Government judgments are given collateral estoppel effect.

The Commission, therefore, recommended that section 5(a) be amended to allow collateral estoppel effect, and section 6 of the Antitrust Procedural Improvements Act of 1979 incorporates this recommendation.

Because of two loopholes in its jurisdiction under section 7 of the Clayton Act, the Department of Justice is unable to challenge some mergers which might have serious anticompetitive consequences. Section 7 of the bill closes these two loopholes.

The first loophole stems from the Supreme Court's decision in *United States* v. *American Building Maintenance Industries*, 422 U.S. 271 (1975) ("ABMI"). The Court held in ABMI that section 7 does not reach a merger involving a firm only "affecting" interstate commerce, although the merger may have the effect of substantially lessening competition or tending to create a monoply. The Court thereby concluded that Congress did not intend for jurisdiction under section 7 to extend to the full scope of the commerce clause. According to the Supreme Court, both firms involved in a merger must "participate directly in the sale, purchase, or distribution of goods or services in interstate commerce" for section 7 to apply.

Section 7 reflects the intense congressional concern about mergers and acquisitions leading to reduced competition and increased concentration in the American economy. The Supreme Court's decision in ABMI restricts the effectiveness of section 7 to deal with this congressional concern.

Expanding section 7 to the limits of the commerce clause, which this bill does, merely places it on equal footing with sections 1 and 2 of the Sherman Act and section 5 of the Federal Trade Commission Act. This is now particularly important, because, under section 7 in its present form, the Department of Justice cannot successfully challenge some mergers which have the effect of substantially lessening competition in the increasingly vital service sector of the economy.

In ABMI, for example, the Supreme Court affirmed a grant of summary judgment to American Building Maintenance Industries, which acquired two of its competitors in the southern California market. The two acquired companies had 7 percent of the market, and American Building Maintenance Industries had 10 percent of the market. Although the two acquired firms derived 80 to 90 percent of their revenues from interstate and international clients, the Supreme Court held they did not meet the "engaged in commerce" jurisdictional test of section 7. This bill will bring mergers of the type at issue in ABMI within the parameters of section 7.

The second loophole in section 7 arises from the use of "corporation" or "corporations" instead of "person" or "persons" in the statute. As a result, mergers involving large businesses which are unincorporated associations are beyond section 7's jurisdiction. There is no good policy reason for section 7 to differ in this respect from section 2 of the Sherman Act, which does cover "persons." The bill therefore substitutes "person" and "persons" for "corporation" and "corporations," respectively.

Mr. President, the time has come for Congress to take action to remove the roadblocks to effective antitrust enforcement created by too lengthy and too costly antitrust litigation. The Antitrust Procedural Improvements Act of 1979 makes significant statutory changes which will expedite and reduce the costs of antitrust cases.

Mr. President, I ask unanimous consent that the text of the Antitrust Procedural Improvements Act of 1979, together with the section-by-section analysis of the bill, the Justice Department's letter of support, and part One, section One, of the report to the President and the Attorney General of the National Commission for the Review of Antitrust Laws and Procedures, which contains the Commission's recommendations for expediting and reducing the costs of litigation, be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 390

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Antitrust Procedural Improvements Act of 1979".

ANTITRUST CIVIL PROCESS ACT AMENDMENTS; DEFINITIONS

SEC. 2. Section 2 of the Antitrust Civil Process Act (76 Stat. 548. 15 U.S.C. 1311) is amended—

(1) in subsection (g), by striking out the semicolon and "and" at the end thereof and inserting in lieu thereof a comma and the following: "and any product of discovery;",

(2) in subsection (h), by striking out the period at the end thereof and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new subsections:

"(i) The term 'product of discovery' includes without limitation the original or duplicate of any deposition, interrogatory, document, thing, result of the inspection of land or other property, examination, or admission obtained by any method of discovery in any litigation or other judicial or administrative proceeding; any digest, analysis, selection, compilation, or any derivation thereof; and any index or manner of access thereto; and

"(j) The term 'agent' includes any person retained or consulted by the Department of Justice in connection with the enforcement of the antitrust laws.".

ANTITRUST CIVIL PROCESS ACT AMENDMENTS; SERVICE REQUIREMENTS FOR A DEMAND FOR ANY PRODUCT OF DISCOVERY

SEC. 3. (a Section 3(a) of the Antitrust Civil Process Act (15 U.S.C. 1312(a)) is amended by adding at the end thereof the following new sentence: "Whenever a civil investigative demand is an express demand for any product of discovery, the Attorney General or the Assistant Attorney General in charge of the Antitrust Division shall cause to be served, in any manner authorized by this section, a copy of such demand upon the person from whom the discovery was obtained and notify the person to whom such demand is issued of the date on which such copy was served.".

(b) Section 3(b) of that Act (15 U.S.C. 1312(b)) is amended by adding at the end thereof the following new sentence: "Any such demand which is an express demand for any product of discovery shall not be returnable until after ten days after a copy of such demand has been served upon the person from whom the discovery was obtained.".

(c) Section 3(c) of that Act (15 U.S.C. 1312(c)) is amended—

(1) by inserting "(1)" immediately after "(c)";

(2) by striking out "(1)" and inserting in lieu thereof "(A)";

(3) by striking out "(2)" and inserting in lieu thereof "(B)"; and

(4) by adding at the end thereof the following new paragraph:

"(2) Any such demand which is an express demand for any product of discovery supersedes any inconsistent order, rule, or provision of law preventing or restraining disclosure of such product of discovery to any person. Disclosure of any product of discovery pursuant to any such express demand does not constitute a waiver of any right or privilege, including without limitation any right or privilege which may be invoked to resist discovery of trial preparation materials, to which the person making such disclosure may be entitled.".

(d) Paragraph (3) of Section 4(c) of that Act (15 U.S.C. 1313(c)(3)) is amended by inserting immediately after "transcripts" the second time it appears, a comma and the following: "and, in the case of any product of discovery produced pursuant to an express demand for such material, of the person from whom the discovery was obtained".

(e) Paragraphs (2) and (3) of Section 4 (c) of that Act (15 U.S.C. 1313(c)(2) and (3)) are amended by striking out the phrase "official or employee" and inserting in lieu thereof "official, employee, or agent" each time it appears.

(f) Section 5 of that Act (15 U.S.C. 1314) is amended—

(1) by amending subsection (b) to read as follows:

"(2)(1) Within twenty days after the service of any such demand upon any person, or at any time before the return date specified in the demand, whichever period is shorter, or within such period exceeding twenty days after service or in excess of such return date as may be prescribed in writing, subsequent to service, by any antitrust investigator named in the demand, such person may file and serve upon such antitrust investigator, and in the case of an express demand for any product of discovery upon the person from whom such discovery was obtained, a petition for an order modifying or setting aside such demand—

"(A) in the district court of the United States for the judicial district within which such person resides, is found, or transacts business; or

"(B) in the case of a petition addressed to an express demand for any product of discovery, only in the district court of the United States for the judicial district in which the proceeding in which such discovery was obtained is or was last pending.

"(2) The time allowed for compliance with the demand in whole or in part as deemed proper and ordered by the court shall not run during the pendency of such petition in the court, except that such person shall comply with any portions of the demand not sought to be modified or set aside. Such petition shall specify each ground upon which the petitioner relies in seeking such relief, and may be based upon any failure of such demand to comply with the provisions of this Act, or upon any constitutional or other legal right or privilege of such person.";

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (d), (e), (f), and (g), respectively;

(3) by inserting immediately after subsection (b) the following new subsection:

"(c) Whenever any such demand is an express demand for any product of discovery, the person from whom such discovery was obtained may file, at any time prior to compliance with such express demand, in the district court of the United States for the judicial district in which the proceeding in which such discovery was obtained is or was last pending, and serve upon any antitrust investigator named in the demand and upon the recipient of the demand, a petition for an order of such court modifying or setting aside those portions of the demand requiring production of any such product of discovery. Such petition shall specify each ground upon which the petitioner relies in seeking such relief and may be based upon any failure of such portions of the demand to comply with the provisions of this Act, or upon any constitutional or other legal right or privilege of the petitioner. During the pendency of such petition, the court may stay, as it deems proper, compliance with the demand and the running of the time allowed for compliance with the demand."; and

(4) in subsection (d), as that subsection has been redesignated by paragraph (2) of this section, by inserting immediately after "such person" a comma and the following: "and, in the case of an express demand for any product of discovery the person from whom such discovery was obtained,".

SANCTIONS FOR ATTORNEY DELAY

SEC. 4. Section 1927 of title 28, United States Code, is amended to read as follows:

"§ 1927. Counsel's liability for excessive costs

"Any attorney or other person admitted to conduct cases in any court of the United States or any territory thereof who engages in conduct unreasonably and primarily for the purpose of delaying or increasing the cost of litigation may be required by the court to satisfy personally the excess costs, expenses and attorney's fees reasonably incurred because of such conduct.".

PREJUDGMENT INTEREST

SEC. 5. (a) Section 4 of the Clayton Act (15 U.S.C. 15) is amended—

(1) by inserting after "sustained," the following: "interest on his actual damages from the date of service of the complaint to the date of judgment at the prevailing commercial rate at the time judgment is entered,"; and

(2) by adding at the end of the section the following new sentence: "The court may adjust interest on actual damages from the date of service of the complaint to the date of judgment if it finds that the award of all or part of such interest is unjust in the circumstances.".

(b) Section 4A of the Clayton Act (15 U.S.C. 15a) is amended—

(1) by inserting after "sustained" a comma and the following: "interest on such actual damages from the date of service of the complaint to the date of judgment at the prevailing commercial rate at the time judgment is entered,"; and

(2) by adding at the end of the section the following new sentence: "The court may adjust interest on actual damages from the date of service of the complaint to the date of judgment if it finds that the award of all or part of such interest is unjust in the circumstances.".

(c) Section 4C(a)(2) of the Clayton Act (15 U.S.C. 15c(a)(2)) is amended—

(1) by inserting after "subsection," the following: "interest on such total damage only from the date of service of the complaint to the date of judgment at the prevailing commercial rate at the time judgment is entered,"; and

(2) by adding at the end of the section the following new sentence: "The court may adjust interest on total damages from the date of service of the complaint to the date of judgment if it finds that the award of all or part of such interest is unjust in the circumstances.".

COLLATERAL ESTOPPEL

SEC. 6. Section 5(a) of the Clayton Act (15 U.S.C. 16(a)) is amended—

(1) by striking out "or by the United States under section 4A,";

(2) by striking out "or to judgments or decrees entered in actions under section 4A"; and

(3) by inserting at the end thereof the following new sentence: "Nothing contained in this section shall be construed to impose any limitation on the application of collateral estoppel.".

MERGER JURISDICTION

SEC. 7. Section 7 of the Clayton Act (15 U.S.C. 18) is amended—

(1) by striking out "corporation" each time it appears in the first and second paragraphs and inserting in lieu thereof "person";

(2) by striking out "corporations" in the second paragraph and in the first sentence of the third paragraph and inserting in lieu thereof "persons"; and

(3) by inserting "or in any activity affecting commerce" after "commerce" each time it appears in the first three paragraphs.

U.S. DEPARTMENT OF JUSTICE,
Washington, D.C. February 7, 1979.

Hon. HOWARD M. METZENBAUM,
Chairman, Subcommittee on Antitrust and Monopoly, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am pleased to provide you with the views of the Department of Justice on your bill entitled the "Antitrust Procedural Improvements Act of 1979".

Your bill contains several important provisions that were recommended by the President's National Commission for the Review of Antitrust Laws and Procedures. In his recent State of the Union Message, President Carter pledged to work closely with the Congress to implement many of the recommendations of that Commission.

Your bill would materially enhance the Antitrust Division's ability to enforce the antitrust laws effectively and would significantly assist in expediting our antitrust investigations. Its provisions would assist the courts in reaching the merits of antitrust cases more swiftly in an efficient and up-to-date manner that would conserve scarce judicial resources. These provisions would also provide necessary disincentives to delay final resolution of such cases. Such provisions would assist in providing timely compensation to parties injured by antitrust violations, would help deter such violations from occurring, and would help restore public confidence in our judicial system.

Taken together, the overall thrust of these provisions would be to advance the effective enforcement of the antitrust laws and to expedite the movement of antitrust cases through the courts. Accordingly, I am happy to express the Administration's enthusiastic support for your legislation. I urge your Subcommittee—and the Congress—to give the bill its early and favorable consideration. A discussion of the bill's most important provisions follows.

I. Amendments to section 5(a) of the Clayton Act: Collateral estoppel:

One important way that antitrust litigation can be expedited is to insure against needless relitigation of issues already determined in prior litigation. Section 6 of the bill would amend Section 5(a) of the Clayton Act, 15 U.S.C. § 16(a), by adding a new sentence that would clearly affirm that that section is not a limitation on the application of the common law doctrine of collateral estoppel with respect to issues determined in antitrust litigation. In addition, section 5(a) would be amended by striking certain references to Clayton Act Section 4A to make clear that final judgments or decrees in government enforcement actions may be afforded full, preclusive effect in subsequent government damage actions under section 4A, and to extend prima facie effect to such damage actions in subsequent litigation. These amendments were recommended by the National Commission for the Review of Antitrust Laws and Procedures, see *Report to the President and the Attorney General of the National Commission for the Review of Antitrust Laws and Procedures* 113–17 and n.21 (January 22, 1979) (hereafter referred to as *"Antitrust Commission Report"*), and are fully supported by the Department of Justice.

A. The application of collateral estoppel to issues previously determined in actions brought under the antitrust laws:

Clayton Act Section 5(a) provides that final judgments or decrees rendered in civil or criminal proceedings brought by the United States under the antitrust laws (other than consent judgments or decrees or judgments or decrees in actions brought by the United States under Clayton Act Section 4A, 15 U.S.C. § 15a) that establish that a defendant has violated the antitrust laws may be used against that defendant in later actions as prima facie evidence of all matters as to which the judgment or decree would be in estoppel between the parties. Prima facie evidence is sufficient, standing alone and uncontroverted, to sustain a judgment on the issues for which it is submitted. However, if a defendant presents rebuttal evidence, the plaintiff may be forced to relitigate some or all of the disputed issues in order to prevail.

An alternative to the prima facie effect provided by Clayton Section 5(a) is collateral estoppel, the equitable doctrine that precludes a party to a prior action from relitigating in a second action those issues actually litigated, decided and necessary to the result in the first action. Application of collateral estoppel achieves finality, certainty, and economy in the utilization of judicial resources and resources of litigants generally, and avoids the possibility of inconsistent results as to similar issues. As an equitable doctrine, collateral estoppel is applied only after the judge presiding over the second action has determined, in light of all relevant circumstances, that its application is fair; *i.e.*, that the above goals are not being achieved at the undue expense of the party being foreclosed from relitigating.

When section 5(a) was introduced as part of the original Clayton Act in 1914, both the Senate and House of Representatives favored granting collateral estoppel effect to government enforcement actions in subsequent private antitrust litigation as a matter of policy. However, Congress ultimately adopted the lesser prima facie standard on the belief that it was the most complete preclusive effect that could be legislated. The cause of Congress' concern was the concept of mutuality of estoppel. It had long been a tenet of the doctrine that collateral estoppel operated only between parties to a prior action or persons in privity with them. Thus, it was believed that in a second action collateral estoppel could not be invoked by a nonparty to the first action since, had the issue been resolved differently, the nonparty would not have been bound by it in the later action. The requirement of mutuality of estoppel had been upheld by the Supreme Court only two years before the Clayton Act was enacted. *Bigelow* v. *Old Dominion Copper Co.*, 225 U.S. 111, 127 (1912). Concerned about the constitutional implications of legislating the use of collateral estoppel by private plaintiffs based on earlier government antitrust enforcement actions to which they had not been parties, Congress substituted prima facie effect for collateral estoppel effect in the version of section 5(a) that was ultimately enacted.

The application of collateral estoppel doctrine has changed significantly since passage of the Clayton Act. Mutuality of estoppel, which was at best a rule-of-thumb approach to preventing unfairness when a nonparty to prior litigation sought to invoke collateral estoppel, has largely given way to a more particularized fairness analysis—a case-by-case, due process-oriented examination by judges to determine whether or not it is fair to give estoppel effect to a particular action. *See, e.g.*, *Bernhard* v. *Bank of America Nat'l Sav. & Trust Ass'n.*, 19 Cal. 2d 807, 122 P.2d 892 (1942); *Federal Savings & Loan Ins. Corp* v. *Hogan*, 476 F.2d 1182 (7th Cir. 1973); *James Talcott, Inc.* v. *Allahabad Bank, Ltd.*, 444 F.2d 451 (5th Cir. 1971); *Brown* v. *R. D. Werner Co.*, 428 F.2d 375 (1st Cir. 1970); *Graves* v. *Associated Transport, Inc.*, 344 F. 2d 894 (4th Cir. 1965); *Bruszewski* v. *United States*, 181 F.2d 419 (3d Cir.), *cert. denied*, 340 U.S. 865 (1950). The Supreme Court ultimately upheld the constitutionality of nonmutual collateral estoppel and approved its use by defendants in *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation*, 402 U.S. 313 (1971). Recognizing that a judicial determination that a party against whom an estoppel was asserted had had a full and fair opportunity to litigate the relevant issues in a prior action provided a significant safeguard to the rights of the estopped party, the Supreme Court stated that "it is apparent that the uncritical acceptance of the principle of mutuality of estoppel . . . is today out of place." 402 U.S. at 350. The Court recently expanded its approval of nonmutual estoppel to include use by plaintiffs against defendants who have fully and fairly litigated issues in a prior action. *Parklane Hosiery Co.* v. *Shore*, 47 U.S.L.W. 4079 (U.S. January 9, 1979). In addition, the Court in *Parklane* held that where collateral estoppel can otherwise be applied to foreclose relitigation of particular factual issues in an action in which a right to jury trial exists, the Seventh Amendment does not require a different result merely because the issues were originally determined in an action in which no jury trial right existed.

However, a substantial possibility exists that antitrust plaintiffs will be unable to take full advantage of this modern trend in estoppel doctrine due to the very language of Clayton Act Section 5(a) that was intended to benefit them. At issue is the intent of Congress in providing, in section 5(a), prima facie effect to antitrust enforcement actions brought by the United States. Congress could have intended either that such actions were to have prima facie effect *only* and were never to have the benefit of the more complete collateral estoppel effect, or that government enforcement actions were to have *at least* prima facie effect but were to have the full, preclusive benefit of collateral estoppel whenever it appropriately could be applied. The federal courts have as yet been unable to determine conclusively congressional intent in this area. *See, e.g.*, cases cited in *McCook* v. *Standard Oil Co.*, 393 F. Supp. 256, 259 (C.D. Calif. 1975). For example, the Supreme Court stated, in *Sam Fox Publishing Co.* v. *United States*, 366 U.S. 683, 690 (1961), that "[Section] 5 of the Clayton Act, . . . making an adjudication of liability in a government suit prima facie evidence of liability in a . . . private suit, would seem to be a definitive legislative pronouncement that a government suit cannot be preclusive of private litigation." However, a lower federal court has recently held to the contrary and applied collateral estoppel effect to a government enforcement action in later private litigation. *Illinois* v. *Huckaba & Sons Construction Co.*, 442 F. Supp. 56 (S.D. Ill. 1977), *appeal docketed sub nom. Illinois* v. *General Paving Co.*, No. 78–1479 (7th Cir. April 13, 1978).

Section 6(3) of the bill would add the following sentence at the end of Section 5(a) of the Clayton Act: "Nothing contained in this section shall be construed to impose any limitation on the application of collateral estoppel." By enacting this legislation, Congress would encourage the use of conclusive, collateral estoppel effect in private antitrust actions based on fully and fairly litigated government judgments or, if circumstances warrant, on private judgments. The Department of Justice agrees that antitrust litigants should be entitled to the same benefits of collateral estoppel that are currently available to other litigants generally, and that congressional action is required to overcome the uncertainty created by section 5(a) respecting the application of collateral estoppel to antitrust litigation.

Collateral estoppel is a flexible, equitable doctrine that is applied only after a court has decided that it is fair to do so on the basis of the facts and circumstances involved in the case before it. This determination of particularized fairness prevents collateral estoppel from being abusive or coercive. Moreover, the availability of collateral estoppel would reduce relitigation of already-determined antitrust issues and thus save scarce judicial resources as well as provide an additional deterrent to violation of the antitrust laws. Therefore, we urge Congress to amend Clayton Act Section 5(a) to clarify that that section does not in any way limit the application of collateral estoppel with respect to issues determined in antitrust litigation.

It should be noted that the availability of collateral estoppel would not mean that antitrust judgments would automatically be given full, conclusive effect in subsequent actions. Application of the equitable doctrine of collateral estoppel in any particular case requires appropriate consideration of fundamental fairness.

While we endorse appropriate use of collateral estoppel, we believe that the prima facie effect established by Clayton Act Section 5(a) should be retained. Questions remain over the proper scope of the application of nonmutual collateral estoppel. For example, the Supreme Court recognzed in *Parklane Hosiery Co.* v. *Shore, supra* at 4082, that equitable considerations may place limitations on the application of offensive collateral estoppel in certain private damage action contexts. Retaining prima facie effect will insure that, at a minimum, prima facie preclusive effect will be accorded to issues previously determined in government antitrust litigation, thereby helping speed the movement of antitrust actions through the courts.

B. Use of collateral estoppel in damages actions brought by the United States under Clayton Act Section 4A:

Section 6(1) of the bill would also amend Section 5(a) of the Clayton Act by deleting the phrase "or by the United States under section 4A,". This amendment would make clear that final judgments or decrees in government enforcement actions may be afforded full, preclusive effect in subsequent government damage actions under Clayton Act Section 4A, 15 U.S.C. § 15a.

At present, Clayton Act Section 5(a) provides that final judgments and decrees in government criminal and civil enforcement actions are to be given prima facie effect in subsequent government damage actions as to all matters respecting which such judgments or decrees would be an estoppel as between the parties. If such judgments and decrees "would be" an estoppel between the government and a defendant, the Department of Justice believes they should actually be given estoppel effect. Accordingly, we support this proposed amendment to remove any ambiguity that may exist and to clarify that full estoppel effect be accorded to goverment enforcement actions in subsequent government damage cases.

C. Prima facie effect of government damage actions:

Section 6(2) of the bill would amend Section 5(a) of the Clayton Act by deleting the phrase "or to judgments or decrees entered in actions under 4A." This amendment would extend prima facie effect to actions brought by the United States under Clayton Act Section 4A in subsequent litigation.

At present, Clayton Act Section 5(a) provides that final judgments or decrees in actions brought by the United States under Clayton Act Section 4A are not entitled to prima facie effect in subsequent litigation. The Department believes that government damage actions should be afforded prima facie effect. We reject the notion that government damage actions are less worthy of preclusive effect than government enforcement actions. In certain instances, an action under section 4A may be the only option available to the Antitrust Division, as where criminal charges would be unwarranted and the violation has been discontinued, making injunctive relief unnecessary. The judgment in such a case should be as entitled to prima facie effect as any other enforcement actions brought by the Justice Department.

Accordingly, we support the proposed amendment to extend prima facie effect to actions brought by the United States under Clayton Act Section 4A.

II. Amendment to 28 U.S.C. § 1027: Sanctions for attorney delay:

Another means by which antitrust litigation can be expedited is to authorize increased sanctions for delay by attorneys conducting such litigation. Section 4 of the bill would modify the "state of mind" requirement for imposing sanctions presently contained in 28 U.S.C. § 1927 for delay by attorneys and would broaden the range of sanctions authorized by the statute for dealing with dilatory behavior.

As recognized by the National Commission for the Review of Antitrust Laws and Procedures, dilatory conduct in a variety of forms continues to be a significant problem in antitrust litigation. It delays the adjudication of legitimate claims and defenses, unnecessarily increases costs to litigants, and squanders limited judicial resources. Moreover, by coercing parties to settle litigation simply to escape needless expense and frustration, and by making it difficult for the less wealthy to protect their interests through the courts, such conduct leads to public cynicism about the judicial system. *Antitrust Commission Report* at 91.

Section 1927 of Title 28, United States Code, allows a court to combat dilatory behavior by imposing resulting excess costs personally on an attorney ". . . who so multiplies the proceedings in any case as to increase costs unreasonably and vexatiously. . . ." The scope of this provision is unclear and has been variously interpreted by the courts. At least one court has viewed the statute as authorizing sanctions only in unusually egregious instances. *See Kiefel* v. *Las Vegas Hacienda, Inc.*, 404 F.2d 1163, 1167 (7th Cir. 1968), *cert. denied*, 395 U.S. 908 (1969). In addition, the section has been narrowly construed to allow imoosition of only "taxable costs" rather than all the added expenses incurred because of the improper conduct. *See United States* v. *Ross*, 535 F.2d 346, 350 (6th Cir. 1976).

The proposed amendment would substantially strengthen section 1927 in two significant ways. First, it would remove the current uncertainty regarding the statute's application by eliminating the requirement of "vexatiousness" and establishing a clear standard authorizing sanctions whenever unreasonable conduct has been undertaken "primarily for the purpose of delaying or increasing the cost of the litigation." Second, the amendment would provide a much more effective and appropriate sanction than does the present statute by expressly allowing imposition of not only excess "taxable costs" but also all excess expenses and attorney's fees reasonably incurred because of the sanctionable conduct. However, the proposed amendment would not alter the fact that the decision to impose such sanctions would remain subject to the sound discretion of the Court.

The proposed amendment, which is identical to that recommended by the National Commission for Review of Antitrust Laws and Procedures, see *Antitrust Commission Report* at 197 and n.13, should assist in reducing unwarranted delay in antitrust litigation. The Department of Justice supports this proposed legislation and urges its enactment.

III. Amendment to sections 4, 4A and 4C of the Clayton Act: Prejudgment interest:

Another means by which to eliminate unwarranted delay would be to authorize courts to award, in appropriate situations, successful antitrust plaintiffs interest on their damage judgments for the period during which the case was being litigated. Section 5 of the bill would amend Sections 4, 4A, and 4C of the Clayton Act, 15 U.S.C. §§ 15, 15a, and 15c, to authorize an award of interest on a successful antitrust plaintiff's actual damages from the date of service of the complaint to the date of judgment, at the prevailing commercial rate at the time judgment is entered. These amendments would apply to private treble damage actions, actions by the United States for single damages, and *parens patriae* suits by State Attorneys General for damages suffered by citizens of their states, respectively. We understand that post-judgment interest would remain available under the general provisions of 28 U.S.C. § 1961.

As recognized by the National Commission for the Review of Antitrust Laws and Procedures, parties, especially defendants, frequently have little or no incentive to expedite litigation, and they sometimes have strong economic incentives to delay. *Antitrust Commission Report* at 101. The ability of judges to award prejudgment interest at prevailing commercial rates would reduce or eliminate the considerable financial benefit that may be available by protracting the litigation and thereby extending the period during which an amount eventually paid to the plaintiff is retained by the defendant for profitable use. However, existing law is unclear as to whether prejudgment interest may be awarded in any types of antitrust cases, and such an award has been denied in at least one treble damage action. *Trans World Airlines, Inc.* v. *Hughes*, 449 F.2d 51, 80 (2d Cir. 1971), *rev'd on other grounds*, 409 U.S. 363 (1973).

The proposed amendments would clearly authorize the award of prejudgment interest in antitrust cases in appropriate instances to eliminate substantial incentives to delay. Such awards would be based upon a plaintiff's established actual damage, not upon a trebled amount. Moreover, awarding such interest at the prevailing commercial rate was deemed necessary by the National Commission for the Review of Antitrust Laws and Procedures to deter delay effectively. *Antitrust Commission Report* at 108, n.28. These amendments are particularly helpful by making awards of prejudgment interest essentially automatic. However, courts would be permitted to disallow such interest where an award might be unjust in the circumstances, for example, because of dilatory conduct by the plaintiff. The Department of Justice believes that these amendments would materially assist in expediting final resolution of antitrust litigation, and would thereby assist in deterring antitrust law violations as well. Accordingly, we support the proposed amendments and urge their enactment.

IV. Amendments to the Antitrust Civil Process Act:

Government investigation and trial of antitrust cases would be expedited and facilitated by amending certain provisions of the Antitrust Civil Process Act to clarify the ability of the government to attain access to information developed in related antitrust litigation and its ability to make use of modern document analysis techniques and other support services.

A. Obtaining products of discovery:

The Antitrust Civil Process Act, 15 U.S.C. § 1311 *et seq.*, permits the Attorney General or the Assistant Attorney General in charge of the Antitrust Division to obtain information, in the form of documentary materials, written answers to interrogatories and oral testimony, that they have reason to believe is relevant to ascertaining whether an antitrust violation has occurred or may be about to occur. Section 3 of the bill contains several provisions that would clarify the ability of the Antitrust Division to issue civil investigative demands (CIDs) for information that has been produced through discovery in litigation. These provisions would also clarify the procedures to be followed by the Antitrust Division and other parties when the Division issues CIDs for such products of discovery.

The bill would expressly provide for the issuance of CIDs for products of discovery. Section 2(3) of the bill would define products of discovery as including any materials in the possession of a party obtained by any method of discovery, together with any indexes, digests, analyses or compilations of the materials so obtained. In addition, whenever the Antitrust Division issues a CID for materials obtained through discovery, the party from whom the materials were originally discovered would receive a copy of the CID and would have at least ten days in which to challenge the CID's validity upon whatever grounds may be available to it. The person receiving the CID would, of course, also retain the right to challenge it.

The bill also provides that CIDs for products for discovery would take precedence over protective orders issued in the course of private litigation. Products of discovery received by the Division pursuant to a CID would be confidential and could be used only in the same manner and for the same purposes as other materials acquired under the Antitrust Civil Process Act. Section 3 of the bill contains the additional safeguard that both the party from whom the materials were demanded and the party from whom the materials were originally discovered could invoke the confidentiality protections currently provided by the Act for materials submitted pursuant to it. Moreover, disclosure of any product of discovery to the Division pursuant to a CID would not constitute a waiver of any privilege, including the privilege relating to trial preparation materials, that the party making such disclosure might have with respect to such materials.

The Division has attempted to obtain products of discovery by serving a CID upon a party having such materials in its possession. However, such efforts have been slowed by the absence of specific procedures in the Antitrust Civil Process Act relating to such materials. The Antitrust Division served a CID on the GAF Corporation in an attempt to obtain products of discovery in GAF's possession as a result of its litigation against the Eastman Kodak Company, which was simultaneously under investigation by the Division. GAF believed itself prohibited from voluntarily producing the desired materials because of a protective order entered in the private litigation, and accordingly resisted complying with the Division's CID for fear of violating that protective order. The Antitrust Division sued to compel compliance with its CID, but enforcement was denied, without resolution of the protective order issue, primarily on the ground that the Antitrust Civil Process Act did not grant the Division authority to obtain products of discovery because the Act did not contain express procedures for protecting the confidentiality of such materials. *United States* v. *GAF Corp.*, 449 F. Supp. 351 (S.D.N.Y. 1978), *appeal docketed*, No. 78-6102 (2d Cir. June 13, 1978).

The proposals embodied in this legislation would ensure the ability of the Antitrust Division to utilize its law enforcement resources effectively and would decrease the time required to institute enforcement actions through clarification of the Division's ability to attain access to materials already produced through discovery in litigation between other parties. In many instances, such parties will have spent considerable amounts of time and resources discovering and organizing materials relevant to an ongoing investigation by the Antitrust Division. If the Division was unable to attain access to such materials, it would be required to duplicate the efforts of these parties with unnecessary expense to the taxpayers and delay to its investigations. In addition, these proposals would protect the confidentiality of such materials and would preserve all rights and privileges with respect to such materials that presently exist. Such proposals were recommended by the National Commission for the Review of Antitrust Laws and Procedures in order to maximize the benefits to be derived from the Antitrust Civil Process Act for the speedy and efficient investigation, and perhaps trial, of antitrust cases. *Antitrust Commission Report* at 53–54.

Accordingly, the Department of Justice supports enactment of such legislation.

B. Use of contractor services:

An examination of the legislative history of the Antitrust Civil Process Act reveals that the goal of Congress, in passing both the original Act and its 1976 amendments, was to provide support to the Division for the "effective and expeditious" enforcement of the antitrust laws. H.R. Rep. No. 94–1343, 94th Cong., 2d Sess. 1 (1976); S. Rep. No. 94–803, 94th Cong., 2d Sess. 1 (1976). *See also* Conference Rep. No. 2291, 87th Cong., 2d Sess. 3 (1962). Indeed, the 1976 amendments were designed to provide the Division with "all the basic investigative tools necessary" to its law enforcement needs, H.R. Rep. No. 94–1343, 94th Cong., 2d Sess. 1 (1976), and "to improve and modernize antitrust investigation and enforcement mechanisms." S. Rep. No. 94–803, 94th Cong., 2d Sess. 1 (1976).

However, certain language contained in paragraphs (2) and (3) of subsection 4(c) of the Act [15 U.S.C. §§ 1313(c)(2), (3)] could arguably be seen as hindering the Division's ability expeditiously and effectively to enforce the antitrust laws by inhibiting its ability to take full advantage of contractor services. As presently written, the statute states that copies of materials obtained pursuant to it may be prepared as required for official use by any duly authorized "official or employee" of the Department of Justice [15 U.S.C. § 1313(c)(2)]. It also states that, with specified exceptions, such material may be made available to a duly authorized "official or employee" of the Department of Justice [*Id.* § (3)]. Use of the phrase "official or employee" in these paragraphs may be argued to limit personnel assigned to the organization, processing, analysis or evaluation of CID materials to those with full-time employee or special government employee status, to the exclusion of contractors working under the direction and/or control of the government attorneys in charge of an antitrust matter.

Section 3(e) of the bill would substitute the phrase "official, employee or agent" for the phrase "official or employee" in paragraphs (2) and (3) of subsection 4(c). In addition, the term "agent" would be defined in Section 2(3) of the bill, for purposes of the Antitrust Civil Process Act, as including "any person retained or consulted by the Department of Justice in connection with the enforcement of the antitrust laws." These amendments would thus clarify the Department's authority to contract for document analysis and consultant services in order effectively and efficiently to process, analyze, evaluate and utilize materials produced pursuant to the Act. Enactment of these proposals would be entirely consistent with, and would further, the policy objectives contained in the Act's 1976 amendments of providing the Division with support services necessary for the effective and expeditious enforcement of the antitrust laws.

Use of contractor services would most frequently occur where a civil antitrust investigation or prosecution required the production and analysis of great numbers of documents or involved complex issues. Such contractors generally would be either specialists in automated document processing and indexing techniques or professionals having particular knowledge or expertise in an industry or a discipline.

In the first instance, the Division has recognized that automated document processing and indexing techniques are necessary to expeditious, effective law enforcement, and that its ability to utilize fully such methods of document analysis for CID materials should be clarified. Not incidentally, we are increasingly opposed by defense trial teams with substantial automated document analysis resources at their command. For a variety of reasons, we have concluded that, in connection with major antitrust investigations and prosecutions, it would generally be preferable to contract for the delivery of such services rather than to utilize Department employees for these purposes. The costs associated with contracting for document analysis services would generally be less than the costs of hiring, training and maintaining a staff to provide those services. In addition, contracting for such services would have the significant advantage of being more flexible than utilizing government employees. Given substantial uncertainty as to the timing and volume of receipt of CID materials, contracting for support services would enable us to adjust changing work schedules quickly, accurately and efficiently to meet our needs with a minimum of delay and loss of resources.

Similarly, where an investigation or prosecution involves complicated issues or subject matter, the use of experts having particular knowledge or experience in those areas may be necessary in order effectively and efficiently to analyze, evaluate and utilize the information received. Again, use of experts is commonplace in complex litigation, and the ability of the Division to utilize such persons as necessary for the effective progress of its investigations and cases should be clarified. It simply would not always be practical or even feasible to hire such persons as employees or special employees of the Department of Justice.

Enactment of the proposed amendments would not introduce any new concepts in antitrust enforcement. The proposal tracks the longstanding "duly authorized agent" language contained in comparable Section 9 of the Federal Trade Commission Act (15 U.S.C. § 49), which provides similar authority to FTC personnel. Moreover, the proposal would not prejudice the purposes of subsection 4(c) of the Antitrust Civil Process Act, as the "agent" would be required to be "duly authorized" to perform the assigned task in the same manner as presently required of the "official or employee" of the Department of Justice. Thus, the responsibility for the proper use of the materials would remain with the antitrust investigator designated to serve as custodian of them. *See* 15 U.S.C. §§ 1313(a), (c)(1). Moreover, the obligation of confidentiality already imposed on a "duly authorized official or employee of the Department of Justice" would also extend to the duly authorized "agent" as well (15 U.S.C. § 1313(c)(3)); thus, safeguards against improper disclosure of CID information would likewise be applicable against such agent. Finally, the Department would impose appropriate measures and take appropriate steps in connection with any service contracts to insure that the security of CID materials is maintained.

In summary, the proposed technical amendments would simply clarify the ability of the Department's Antitrust Division to expeditiously and efficiently process, analyze, evaluate and utilize information produced pursuant to the Antitrust Civil Process Act in connection with its enforcement of the laws. However, unless the Act is promptly clarified, the Division faces possible legal challenge to its use of contractor services, causing, at minimum, severe delays (and the inherent costs) in the challenged proceedings. At worst, if such challenge were successful, the Division would be compelled, without such assistance, to cut back the number and size of the civil antitrust investigations or prosecutions it could initiate because it would be less able, and in some instances totally unable, to bring them to a successful completion. Moreover, the use of contractor services for such proceedings would in most instances be less costly and more efficient than use of Departmental employees with no loss in the security of confidential information. Furthermore, it would not always be practical, or even possible, for the Department to employ the diverse array of professionals with which it may need to consult on a case-by-case basis.

Accordingly, the Department supports enactment of this legislation.

V. Amendments to section 7 of the Clayton Act: Mergers and acquisitions:

At the same time your Subcommittee is considering ways to improve antitrust enforcement, it is important to consider eliminating two jurisdictional limitations contained in Section 7 of the Clayton Act, 15 U.S.C. § 18, that place arbitrary limitations on the Division's ability successfully to challenge certain mergers and acquisitions. Section 7 of the bill would expand the coverage of section 7 to clearly include acquisitions involving partnerships and other unincorporated entities. Section 7 now applies only to acquisitions of the stock or assets of one "corporation" by another. Section 7 of the bill would also apply the anti-merger provisions of the Clayton Act to activities that "affect" commerce. Section 7 now applies only to acquisitions of corporations which are "engaged in commerce." These amendments would not affect the substantive standards governing the legality of stock or asset acquisitions or mergers.

The Department of Justice supports enactment of such legislation.

A. Transactions involving unincorporated entities:

The first two amendments of section 7 of the bill would substitute the words "person" and "persons" for "corporation" and "corporations" in Clayton Act Section 7 so as to prohibit anticompetitive mergers and acquisions by or of any "person". Section 1 of the Clayton Act provides that the word "person" "shall be deemed to include corporations and associations. . . ." This language has been construed expansively by the courts. The proposed amendments would bring within the coverage of section 7 acquisitions involving natural persons, partnerships, associations, and other unincorporated entities. In practice, however, the proposed amendments are not expected to affect significantly persons other than partnerships, since such persons will rarely be involved in acquisitions having the prohibited anticompetitive effects.

These amendments would remove an arbitrary limitation on the jurisdictional scope of Section 7 of the Clayton Act, the major antitrust law used to challenge mergers and acquisitions which are likely to lessen competition. Section 7 is intended to supplement the Sherman Act by preventing increases in economic concentration that could lead to actual restraints of trade. Although the Sherman Act provisions apply to all "persons", section 7 applies only to "corporations." The proposed amendments would eliminate this jurisdictional anomaly.

Anticompetitive economic concentration could occur through acquisitions of and by unincorporated entities. In the accounting profession, for example, 1977 revenues of the "Big Eight" accounting partnerships reportedly ranged from $350 million to $516 million. In 1975, these partnerships reportedly audited 5,769 publicly held firms with total sales of $1,501.6 billion. If a merger between large accounting partnerships substantially lessened competition, the national economy could be significantly affected. Unless existing law were construed flexibly—a result that is by no means certain—the legality of such a merger could be determined by the legal form of the firms involved, not by the substantive effect on competition produced by the merger.

Accordingly, we urge enactment of legislation to eliminate such a potential unwarranted result.

B. Transactions involving firms affecting commerce:

The third proposed amendment to Clayton Act Section 7 contained in section 7 of the bill would apply the antimerger provisions of the Clayton Act to firms whose activities "affect" commerce. This amendment was made necessary by the Supreme Court's decision in *United States* v. *American Building Maintenance Industries*, 422 U.S. 271 (1975). In that case, the Court, interpreting the phrase "engaged in commerce" as used in section 7, held that that statute does not apply to acquisitions of companies whose activities, while clearly *affecting* interstate commerce, are nevertheless basically intrastate in nature. Thus, the bill would expand the applicability of section 7 to "any activity affecting commerce."

This amendment would serve effective antitrust enforcement in a number of respects. First, it would make the jurisdictional reach of section 7 with respect to the "commerce" requirement coextensive with that of the Sherman Act and Section 5 of the Federal Trade Commission Act. The present restrictive interpretation of this section partially defeats the Clayton Act's central purpose, which, as noted above, is to provide a means for halting incipient anticompetitive situations before they develop into restraints and monopolies prohibited by the Sherman Act. Specifically, the current "in commerce" constraint on section 7 may permit major firms to obtain virtual nationwide monopolies by acquiring one local firm after another. The statute's objectives will be seriously undercut if it is not applicable to acquisitions of firms with a localized business, however large or dominant those firms may be. In addition, the "in commerce" limitation on section 7 creates an internal inconsistency in the statute. While its basic proscription is of acquisitions with certain predictable *effects* on competition, it may not be used to challenge some acquisitions of firms whose activities do in fact *affect* commerce. Thus, while such an acquisition may produce the effects proscribed by section 7, the Department of Justice would be helpless to prevent it.

Accordingly, we urge enactment of such legislation.

I am pleased to have this opportunity to provide you with the views of the Department of Justice on the Antitrust Procedural Improvements Act of 1979. Enactment of this legislation would implement several recommendations of the National Commission for Review of the Antitrust Laws and Procedures. I sincerely hope your bill will receive early and favorable action in the Congress, and I stand ready to assist you and your Subcommittee in your consideration of the bill and in securing its enactment.

The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely yours,

JOHN H. SHENEFIELD,
Assistant Attorney General. Antitrust Division.

ANTITRUST PROCEDURAL IMPROVEMENTS ACT OF 1979

(Section-by-section analysis of the legislation)

The bill provides that the short title of the legislation is the "Antitrust Procedural Improvements Act of 1979."

SECTION 2

Section 2 of the bill amends Section 2, the definition section, of the Antitrust Civil Process Act, 15 U.S.C. § 1311, by adding definitions of "product of discovery" and "agent."

"Product of discovery" is defined in Section 2(3) of the bill to include all products of discovery, documentary and otherwise, and all organizational and analytical materials relating thereto. Discovery material obtained in any litigation or other judicial or administrative proceeding is covered by the definition. Section 2(1) includes any product of discovery, as defined in Section 2(3), in the definition of "documentary material" which appears in Section 2(g) of the Antitrust Civil Process Act. Section 2(3) also defines "agent" to cover "any person retained or consulted by the Department of Justice in connection with the enforcement of the Antitrust laws."

SECTION 3

Section 3 expressly gives the Attorney General and the Assistant Attorney General in charge of the Antitrust Division the right to require a person to produce products of discovery for examination pursuant to a civil investigative demand. It sets forth the procedures that the Attorney General or the Assistant Attorney General must follow in issuing the demand and the procedures that a person affected by the demand must follow if he intends to challenge the action of the Attorney General or the Assistant Attorney General. Section 3 also makes clear that a duly authorized agent of the Department of Justice, who is not an officer, member or employee of the Department, may examine material produced pursuant to a civil investigative demand. This change gives the Department express authority to employ outside contractors to analyze and organize documents produced in response to civil investigative demands.

Section 3(a) adds a sentence to Section 3(a) of the Antitrust Civil Process Act, 15 U.S.C. § 1312(a), to require the Attorney General or the Assistant Attorney General, when making an express demand for products of discovery, to notify the person from whom the product of discovery was originally obtained by serving upon him a copy of the demand. Section 3(a) also requires the Attorney General or the Assistant Attorney General to notify the person to whom such express demand is issued of the date on which the copy of the demand is served upon the party from whom the discovery was originally obtained. These requirements assure that all affected parties are notified when an express demand for any product of discovery is issued.

Section 3(b) of the bill adds a sentence to Section 3(b) of the Act, 15 U.S.C. § 1312(b), to give the recipient of an express demand for any product of discovery at least ten days to comply. This allows an affected person time to challenge such demand in court.

Section 3(c) of the bill adds a new subsection to Section 3(c) of the Antitrust Civil Process Act, 15 U.S.C. § 1312(c), which makes clear that an express demand for any product of discovery supersedes a protective order covering such material. The subsection further provides that disclosure of any product of discovery pursuant to such demand does not constitute a waiver of any rights and privileges affecting additional disclosure of such material.

Section 3(d) of the legislation amends Section 4(c)(3) of the Act, 15 U.S.C. § 1313(c)(3), to prohibit disclosure of any product of discovery produced pursuant to an express demand for such material to anyone other than a duly authorized official, employee or agent of the Department of Justice without the consent of the person who produced the product of discovery to the Department and of the person from whom the discovery was originally obtained.

Section 3(e) amends Section 4(c)(2) and (3) of the Act, 15 U.S.C. § 1313(c)(2) and (3), expressly to add duly authorized agents of the Department of Justice to the class of persons who may examine material produced pursuant to a civil investigative demand. This provision is intended to make clear that the Department can contract with outside agents for the document analysis and automated document processing and indexing services which are often necessary to organize effectively the material produced pursuant to demands.

Section 3(f)(1) amends Section 5(b) of the Antitrust Civil Process Act, 15 U.S.C. §1314(b), to require that if a person to whom an express civil investigative demand for any product of discovery is issued intends to challenge the demand, he must file his petition in the district court of the United States for the judicial district in which the proceeding in which such discovery was obtained is or was last pending.

Section 3(f))(2) redesignates subsection (c), (d), (e), and (f) of Section 5 of the Act as subsections (d), (e), (f), and (g) respectively.

Section 3(f)(3) adds a new subsection to Section 5 of the Act expressly permitting the person from whom discovery was originally obtained to challenge an express civil investigative demand for any product of discovery in the district court of the United States for the judicial district in which the proceeding in which such discovery was obtained is or was last pending. The new subsection, designated subsection (c), specifically preserves such person's right to base his petition for an order modifying or setting aside portions of such demand on any constitutional or other legal right or privilege.

Section 3(f)(4) amends Section 5(c) of the Act (redesignated Section 5(d) by Section 3(f)(2) of this bill) to permit the person from whom discovery was originally obtained to petition for a court order requiring the custodian of any product of discovery produced pursuant to an express demand to perform any duty imposed by the Act.

Sections 2 and 3 of the bill make clear that the Attorney General or the Assistant Attorney General in charge of the Antitrust Division can issue civil investigative demands expressly for products of discovery. Courts have on occasion declined to enforce express demands for products of discovery because the Antitrust Civil Process Act does not explicitly authorize demands for such material. The changes made by Sections 2 and 3 of this legislation will eliminate the duplicative and wasteful discovery efforts caused by these court decisions. In addition, other changes made by Section 3 fully protect the rights of persons from whom products of discovery, subject to an express demand, were originally obtained.

Sections 2 and 3 also make clear that the Department of Justice can contract with outsiders to analyze documents and perform document organization and indexing services with respect to materials produced pursuant to a civil investigative demand. Private litigants routinely do this in major antitrust cases. The procedures applicable to further disclosure apply in the same manner to these duly authorized agents as they do to duly authorized officials and employees of the Department of Justice.

SECTION 4

Section 4 of the legislation amends 28 U.S.C. § 1927 to give the federal courts increased authority to sanction attorneys for dilatory litigation practices. Section 4 changes Section 1927 in two respects. First, Section 4 contains a more realistic intent requirement for the imposition of sanctions. Section 1927 now permits a court to require an attorney who "so multiplies the proceedings in any case as to increase costs unreasonably and vexatiously" to pay for certain of such increased costs incurred by other litigants. The language of Section 1927 can be construed to allow the court to assess the attorney for such increased costs only when his actions were solely for the purpose of delay. Section 4 makes clear that a court can require an attorney to pay for increased costs when his conduct is primarily, instead of solely, for the purpose of delay or increasing costs by substituting the following language for the language in Section 1927 quoted above: "engaged in conduct unreasonably and primarily for the purpose of delaying or increasing the cost of litigation."

Second, Section 4 of the bill permits the court to require an attorney who engages in litigation conduct unreasonably and primarily for the purpose of delay to pay for increases in costs other than taxable costs. Section 1927 has been construed to limit an attorney's liability to excess taxable costs. Section 4 gives courts authority to require an attorney to pay all excess costs, expenses, and attorneys' fees reasonably incurred because of the attorney's dilatory conduct.

By providing for a more realistic intent standard under Section 1927 and by expanding the category of increased costs and expenses a court may award, Section 4 of the bill makes Section 1927 a more effective deterrent to dilatory litigation practices by attorneys.

SECTION 5

Section 5 of the bill amends Sections 4, 4A and 4C(a)(2) of the Clayton Act, 15 U.S.C. §§ 15, 15a, 15c(a)(2), expressly to authorize courts to award interest to successful antitrust plaintiffs on their actual damages from the date of service of the complaint to the date of judgment at the prevailing commercial rate at the time of judgment. The award of prejudgment interest is not trebled under Sections 4 and 4C of the Clayton Act, the provisions which authorize private suits and *parens patriae* actions, respectively. Section 5 of the bill does not affect successful antitrust plaintiffs' rights to postjudgment interest under 28 U.S.C. § 1961.

Sections 5(a)(1), 5(b)(1) and 5(c)(1) add language to Section 4, 4A and 4C(a)(2) of the Clayton Act, respectively, which allows the award of interest on actual damages from the date of service of the complaint to the date of filing of the complaint at the commercial rate prevailing at the time of judgment. By setting fixed dates for interest to begin running and for calculation of the rate, Section 5 avoids the practical problems that sometimes make courts reluctant to award interest on unliquidated damages.

Sections 5(a)(2), 5(b)(2) and 5(c)(2) are intended to allow a court to adjust the award of prejudgment interest if the plaintiff has unreasonably prolonged the case.

By permitting awards of prejudgment interest on actual damages, Section 5 provides an incentive for defendants in antitrust suits to refrain from litigation tactics which serve no purpose other than delay. The amount of interest for which they might be liable is a function of the length of the suit.

SECTION 6

Section 6 of the bill amends Section 5(a) of the Clayton Act, 15 U.S.C. § 16(a), to make clear that courts may give collateral estoppel effect to final judgments and decrees entered in favor of the government in criminal and equitable antitrust actions. Some courts have read Section 5(a) to limit the use of government judgments and decrees in criminal and equitable actions to prima facie evidence in subsequent private actions against the same defendants. In other areas of the law, government judgments and decrees are given collateral estoppel effect in appropriate circumstances. Thus, Section 6 of the bill merely directs courts to treat government judgments and decrees in antitrust actions the same as they do government judgments and decrees in other areas of the law for collateral estoppel purposes. The Supreme Court has announced standards in *Parklane Hosiery Company v. Shore*, Docket No. 77–1305 (U.S. Jan. 9, 1979), to prevent unfair application of collateral estoppel.

If a prior government equitable or criminal judgment in an antitrust suit is not given collateral estoppel effect in appropriate circumstances, a full range of trial witnesses and exhibits will be offered by the plaintiff and the defendant in a subsequent private suit. By making clear that Section 5(a) of the Clayton Act does not preclude the application of collateral estoppel, Section 6 of the bill will substantially reduce the burden on courts and litigants and shorten trial time.

SECTION 7

Section 7 of the legislation amends Section 7 of the Clayton Act, 15 U.S.C. § 18, in two respects. First, it allows the Department of Justice to challenge anticompetitive mergers involving business entities other than corporations. Second, Section 7 of the bill allows the Department to challenge anticompetitive mergers involving firms which affect interstate commerce.

Sections 7(1) and (2) substitute "person" and "persons" for "corporation" and "corporations" in the first two paragraphs and the first sentence of the third paragraph of Section 7 of the Clayton Act. There are large business entities in the economy that are not organized in the corporate form. These changes in Section 7 of the Clayton Act extend the prohibition of anticompetitive mergers to mergers involving businesses not organized in the corporate form. The application of other antitrust laws, including Section 2 of the Sherman Act, has always extended to noncorporate business entities.

Section 7(3) makes clear that Section 7 of the Clayton Act reaches mergers involving firms "in any activity affecting commerce." This subsection overrules the Supreme Court's decision in *United States* v. *American Building Maintenance Industries*, 422 U.S. 271 (1975) (*"ABMI"*). The Supreme Court held in *ABMI* that Section 7 of the Clayton Act does not reach mergers involving firms affecting interstate commerce. Under the Supreme Court's construction of Section 7 of the Clayton Act, many anticompetitive mergers, particularly in the important service sector of the economy, may well not be challenged. Like substituting "person(s)" for "corporation(s)", changing Section 7 of the Clayton Act to reach firms affecting commerce makes the statute consistent with other antitrust laws, including Sections 1 and 2 of the Sherman Act and Section 5 of the Federal Trade Commission Act.

These amendments to Section 7 of the Clayton Act close two significant loopholes in the Department of Justice's jurisdiction to challenge mergers which may have the effect of substantially lessening competition or tending to create a monopoly in important markets in the economy.

REPORT TO THE PRESIDENT AND THE ATTORNEY GENERAL OF THE NATIONAL COMMISSION FOR THE REVIEW OF ANTITRUST LAWS AND PROCEDURES

PART ONE: COMPLEX LITIGATION

Section I: Procedure and Management

Introduction

Not all antitrust cases are complex or protracted. Nor are all complex cases antitrust cases. Evidence before the Commission, however, indicates that, on the average, antitrust cases take longer to litigate than other civil litigation; that some antitrust cases absorb enormous resources and time; and that undue delay is a serious problem in a significant number of complex antitrust cases.[1]

The resulting burdens on litigants and the courts are great. Excessive public and private resources are needlessly expended; confidence in antitrust enforcement and the judicial process is weakened; and effective enforcement is impeded. Difficult remedial problems are compounded because the market reflected in the record may have changed substantially by the time the remedial stage is reached. In short, the overall effectiveness of the antitrust laws in promoting a competitive economy is impaired.

Understandably, the Commission has not spent substantial time preparing solutions for those antitrust cases that do not pose special problems of delay. The focus of this Report, including its major conclusions and recommendations, concerns the complex, potentially very large and expensive civil antitrust case. It is the latter, multiyear, sometimes multimillion dollar phenomenon that has caused the greatest public concern and that the Commission has primarily addressed.[2] Most Commissioners also believe, however, that the general principles of litigation management discussed here should have applicability to most civil cases.

Several interrelated factors account for the complexity and length of some antitrust cases. Major antitrust litigation is necessarily complicated because the workings of any important industry, including its competitive relationships, are inevitably complex. The substantive rules of antitrust are in some instances purposely drawn broadly so that certain fundamental, general principles can be applied to changing economic and industrial conditions. Particularly when combined with such broad rules, modern procedural concepts of notice pleading and liberal discovery tend to expand, rather than define, the boundaries of litigation. The sweeping nature of potential relief, including treble damages and divestiture, often make the stakes in antitrust cases huge, so that parties may view litigation as all-out economic war.

Caseload burdens on federal district courts typically are acute. An average of almost 400 civil cases per judgeship are pending at any given time.[3] The strict time limits of the Speedy trial Act[4] for federal criminal cases and the fact that about 90 percent of all civil cases are settled before trial[5] provide incentives for judges to pay greatest attention to cases actually in trial or clearly headed for trial.

Many of these facts are as a practical matter not subject to change. Other related aspects of the problem clearly are.

The Commission believes that the failure of some judges to manage and control complex antitrust litigation adequately is a major component of unreasonable delay in such cases.[6] We recognize that the root of this part of the problem may lie in the adversary system itself. Traditional notions of the judicial role presuppose a largely passive, mediating status for the court, with critical decisions greatly affecting the scope and management of the case left primarily to the tactical initiatives and responses of the parties and their attorneys. In major antitrust suits where potential for protraction is acute, however, an uninvolved, unaggressive judicial posture is a prescription for directionless litigation and excessive delay.

The absence of strong judicial control permits discovery to mushroom and issues to go unfocused; delay and obfuscation are more likely to be adopted as litigation tactics; bitterness and suspicion may more readily develop and persist between counsel. As a result, excessive motion practice and other examples of dilatory or overly litigious conduct proliferate, while incentives for stipulations and other potentially expediting types of behavior are reduced.

Conversely, the Commission believes that early and active judicial involvement and control can substantially reduce undue delay in the big case, and the first section of the Report attempts to spell out more specifically how this result can be achieved.

While stronger judicial management and control may be the single best solution for unreasonably protracted cases, judges clearly are not the sole cause of the problem. Financial incentives operating on private parties contribute to delay. From the defendant's perspective, protracting a case over many years can extend the life of profitable business practices challenged by the suit. Plaintiffs, on the other hand, may hope that the high costs of responding to massive discovery and preparing for possible trial will induce a settlement, even where liability may be in doubt.

Lawyer excesses and inefficiencies surely also contribute to unreasonable delays. Discovery is too often used purposely to protract pretrial or to wear down an opponent rather than to gather relevant information in preparation for trial. Discovery demands frequently are overbroad and repetitious; discovery responses are often dilatory, confusing, and inadequate. Issues are often left unfocused far too long. Unnecessary motions are sometimes brought, causing considerable burden on other parties and the court but without serious prospects of any meaningful relief. Extreme caution or single-minded perseverance by lawyers can also be a factor, producing "the compulsion to leave no stone unturned and no idea unargued."[7] Inadequate preparation, limited resources, and relative inexperience on the part of the government can also produce inefficiencies and delay.

The recommendations below suggest ways of counteracting the various causes of undue delay. Central to our recommendations is the importance of effective judicial control, tailored to the contours of each case and flexibly applied or withheld as the circumstances of each case dictate. Judges, in our view, are in the best position to ensure that litigation is expedited. They have the opportunity and, we believe, the responsibility to see that issues are focused, that discovery is streamlined, that delaying tactics are avoided, and that issues are addressed as soon as they are reasonably framed.

Many of the recommendations below are of complex litigation more effective by involving the judge in the process of establishing schedules and time limits (Chapter Two); controlling discovery (Chapter Three); defining the issues and reducing matters in controversy (Chapter Four); imposing sanctions (Chapter Five); and otherwise expediting the case (Chapter Six). Together, these recommendations should provide a framework within which the judge can bring focus to the case and avoid unnecessary delay.

The recommendations are not necessarily appropriate for every antitrust case, and their use must be tailored to the individual facts of each case, but when delay and complexity are potential problems, application of the recommendations will, we believe, significantly reduce the burdens and expense of litigation. If the recommendations are followed, we believe that even very complex antitrust cases can be successfully tried within the judicial system and the basic substantive framework of existing law.

FOOTNOTES TO PART ONE

[1] For example, 1977 figures of the Administrative Office of the United States Courts showed that, for private antitrust cases reaching trial, the median time between filing and disposition was 44 months and that 10 percent of these cases took longer than 68 months (5.67 years). *See* Submission of James A. McCafferty, Chief, Statistical Analysis and Reports Div., Administrative Office of the United States Courts, to the Antitrust Commission (Aug. 2, 1978) [hereinafter cited as McCafferty Submission] (Time interval from Filing to Disposition of Selected Civil Cases Terminated During the 12 Months Ended June 30, 1970–77, by Method of Disposition). The Commission's Empirical Case Studies Project Report provides more detailed examples from a limited number of specific cases. *See* P. Gerhart, Report on the Empirical Case Studies Project to the National Commission for the Review of Antitrust Laws and Procedures (Jan. 15, 1979).

[2] *See, e.g.*, President's Remarks on Greeting Members of the National Commission for the Review of Antitrust Laws and Procedures, 14 Weekly Comp. of Pres. Doc. 1140 (June 21, 1978); President's Remarks at the 100th Anniversary Luncheon of the Los Angeles County Bar Association, 14 Weekly Comp. of Pres. Doc. 834 (May 4, 1978). Commissioner Blecher feels that some techniques suggested here, while useful for particularly complex cases, could be counterproductive and actually lengthen simpler antitrust litigation.

[3] Annual Report of the Director of the Administrative Office of the United States Courts in Reports of the Proceedings of the Judicial Conference of the United States 186 (1977). The recently enacted Omnibus Judgeship Act of 1978, Pub. L. No. 95–486, 92 Stat. 1629, will substantially increase the number of circuit and district court judges. Nonetheless, with the upward trend in civil litigation expected to continue, the docket pressures on federal court judges will remain heavy.

[4] 18 U.S.C. § § 3161–3174 (1976).

[5] McCafferty Submission, *supra* note 1 (United States District Courts: Civil Cases and Antitrust Cases Filed, Terminated and Pending on June 30, 1962–1977).

[6] Commissioner Fox believes that the amorphous state of the law, and tactical maneuvers or inefficiencies of the lawyers, are the sources of the problem, and that judicial management and control is one of the most effective solutions. She believes that the problem must be dealt with also by directly addressing the root causes: clarifying and simplifying the law and assuring that lawyers of skill, experience and proficiency handle the complex case.

[7] *Antitrust Commission Hearings* 38 (Nov. 14, 1978, afternoon session) (remarks of Commissioner Fox).

Chapter one: Judicial management and control

Virtually all our recommendations for expediting potentially protracted cases require strong judicial control. To this end, we recommend the following:

Recommendations

1. In complex or potentially protracted cases, judicial management should begin early and be applied continuously and actively, based on knowledge of the circumstances of each case.

2. Educational programs for federal judges concerning techniques of effective judicial management should be expanded. Study of techniques of judicial control should be undertaken on a continuing basis.

3. Additional support personnel and relief from other judicial assignments should be available, when necessary, to judges handling complex cases.

4. The Commission does not recommend the creation of a special roster of judges to handle complex antitrust litigation. District courts should consider, however, the possibility of assigning complex antitrust cases to judges whose background, temperament and interests are conducive to the exercise of firm and efficient case management.

5. We do not recommend use of masters or magistrates to supervise the pretrial stages of complex antitrust cases. Direct supervision should be exercised by the district court judge.

The need for effective judicial control of complex antitrust cases

Traditionally, federal judges have served as umpires to resolve disputes brought to them by the litigants. That continues to be an appropriate role in many cases. Greater judicial involvement is required, however, in complex antitrust actions. To ensure more efficient and less costly litigation, the courts should exercise close and continuous control at all stages of complex cases.

In the absence of attentive judicial management, antitrust litigants often lack sufficient motivation to press their claims and defenses efficiently. Given the high stakes of many antitrust cases, the parties may feel that creating delay and exhaustion is a necessary or desirable way to defeat their adversaries.[1] Some attorneys actually specialize in dilatory procedural maneuvers;[2] others, while free of ulterior motives, are nonetheless too cautious or indecisive to face the merits of a lawsuit directly.[3] In addition, there is often little personal financial incentive for attorneys to move a complex case quickly to resolution.[4]

The importance of judicial management and control in expediting complex litigation is shown by nearly unanimous evidence in the Commission's record. For example, an empirical case study done for the Commission found that when the parties lack incentives to expedite the case, judicial control is the single most important factor in eliminating waste and delay. The importance of judicial control is similarly confirmed by statistical data obtained from the Administrative Office of the United States Courts and the Federal Judicial Center. Research shows that much of the expenditure of time and resources in protracted antitrust cases is unnecessary and is traceable directly to inefficient management.[5]

Much of the testimony before the Commission likewise supports the conclusion that effective court control of complex antitrust actions has been too often lacking.[6] Letters and memoranda submitted to the Commission by judges and lawyers underscored the need for improving judicial management of such cases.[7] The literature regarding problems created by big case litigation, going back to at least 1950, is yet another indication that inefficient case control has endured too long. While the earlier literature diverged on the details, much of it stressed the primacy of judicial control. The arrival of the *Manual for Complex Litigation*, with its disavowal of early issue-narrowing practices, may have retarded the implementation of prior-developed judicial management concepts. *The Nature of Effective Judicial Control.*

Effective judicial management must be early, continuous, active and knowledgeable. As soon as a case can be identified as complex,[8] the court should initiate contacts, either formal or informal, with the litigants. Judicial control should continue throughout the litigation. Regular and frequent contacts between court and counsel are indispensable in moving a complex action efficiently toward final resolution.

Effective judicial management should be active, a creative force that steers the litigants toward reasonable assessments of their discovery needs and the strengths and weaknesses of their case. Judicial supervision, of course, should not be so rigid as to stifle cooperation between counsel; rather, the court should encourage and build upon cooperative efforts of counsel. The judge, however, must carefully and independently evaluate the conduct of the parties, imposing such guidelines and restrictions as are suited to the efficient conduct of the lawsuit.

Finally, effective judicial control must be well-informed—the degree and type of judicial control must be tailored to the particular circumstances of each case. Each lawsuit should be viewed organically and the judge, exercising discretion, should apply managerial techniques that appear reasonable and appropriate. Under this approach, no rigid rules should be allowed to dissipate the effectiveness of imaginative and active judicial control of the complex antitrust case.[9] The overriding objective, of course, is to move the case efficiently toward either settlement or a fair trial, the date for which should be early and firmly set.[10]

The court must hold the litigants to the established pretrial schedule, with exceptions granted only for good cause shown, in the interest of justice. Continuous monitoring of the progress of pretrial, together with quick action whenever required, will prevent problems that might otherwise require schedule deviations. In addition, close judicial attention and control can prevent the litigants from abusing the discovery process by dilatory, obstreperous, or unethical conduct.[11] Counsel should be sternly reminded, whenever necessary, of their professional duty to act in the interest of the efficient administration of justice and to avoid dilatory tactics.[12]

The court should also guide the parties in focusing the issues and theories involved in the lawsuit,[13] since this makes both pretrial and trial more efficient.[14]

Facilitating judicial control

Judicial control of complex antitrust litigation may be increased in a number of ways. The most important of these is to sensitize judges to the pressing need to take hold of each phase of complex cases and manage it effectively. Clearly, judicial management is a skill that can be increased by education as well as experience. The Federal Judicial Center already provides valuable educational aid to members of the judiciary. These programs should continue to be expanded and improved regarding special procedures in handling complex antitrust cases.[15]

Our investigations have also disclosed that resources available to judges handling complex cases in some instances may be inadequate. Judges handling complex cases should be provided extra support services, including extra law clerks with longer appointments, and relief from other judicial assignments.[16]

Complex cases should be handled by judges whose background, temperament and interests indicate an ability to exercise firm and efficient controls. Executive Order 12022[17] directed the Commission to consider a special "roster" of judges to manage complex antitrust cases. This idea generated considerable controversy and negative comment. Several witnesses, including a number of judges, expressed concern that unwanted "elitism" among the judiciary would result if a special panel or roster were chosen. Furthermore, implementation of this concept would, according to some observers, provide resources to antitrust cases at the expense of other important cases, such as those involving issues of civil rights or securities regulation.[18] Therefore, the Commission concluded that it would be unwise to establish a special "panel" or "roster" of specially qualified federal judges to hear complex antitrust cases.[19]

Nonetheless, the random assignment of cases to judges may be counterproductive because it does not necessarily result in assignment of cases to judges with the best ability to manage them. Where a district is faced with a potentially very protracted case, it should consider altering its usual random assignment procedures (as some do currently)[20] to make the most effective use of judicial resources. Where necessary, as when a small district is involved or the judges of a district are already overburdened, the Judicial Council of that circuit[21] should be called on to make an intracircuit assignment. This action would be consistent with the Judical Conference's 1971 Resolution regarding special assignment of "protracted, difficult or widely publicized cases."[22] Renewed study and application of that innovative resolution are in order, and its principles should be applied, whenever necessary, on an intracircuit as well as an intradistrict basis.

Judges with particular kinds of experience—such as the handling of multidistrict litigation—should be well-suited to managing complex cases. At the same time, it is clear that prior antitrust experience, or even prior "big case" experience, is not a prerequisite for a judge to be an effective case manager. Other qualities of management and administration also are relevant in making such assignments.

Another idea that led to considerable debate in the Commission's proceedings is the proposal that masters or magistrates be used more extensively in the pretrial management of complex cases.[23] While talented individual masters or magistrates may help in expediting some complex cases, their general use does not appear to offer any substantial hope of expediting pretrial procedures. Unless masters and magistrates are used in close consultation and virtual partnership with judges, their presence in a case may actually add to its complexity and hinder direct supervision by the district judge.[24]

Many good techniques of judicial management are already in use, albeit on an *ad hoc* and scattered basis. Such devices need to be collected and employed more systematically, and this Report is directed to that end. The *Manual for Complex Litigation*, in our opinion, is not in its present form an answer to the problems encountered in complex antitrust litigation. Its overall approach to pretrial is inconsistent with principles of close judicial control that, in our opinion, are vital to the efficient litigation of complex antitrust cases.[25] We therefore hope that the next revision of the *Manual*, expected in 1979, will give careful attention to our recommendations.

FOOTNOTES TO CHAPTER ONE

[1] *See Antitrust Commission Hearings* 7–8, 13 (Sept. 12, 1978, afternoon session) (testimony of William J. Manning, member, Special Committee for the Study of Discovery Abuse, Litigation Section, American Bar Ass'n); Submission of David L. Foster, member, Antitrust Section, American Bar Ass'n, to the Antitrust Commission 4–5 (Oct. 2, 1978) (tabulation of responses to the complex litigation questionnaire) [hereinafter cited as Foster Submission].

[2] *See, e.g.*, Grady, *Trial Lawyers, Litigators and Clients' Costs*, Litigation, Spring 1978, at 5, 6, 58.

[3] Foster Submission, *supra* note 1, at 3–5; *Grady, supra* note 2, at 5, 6, 58.

[4] *Antitrust Commission Hearings* 124 (July 11, 1978) (testimony of Judge Charles B. Renfrew, U.S. District Court, Northern District of California); *id*. at 47–48 (testimony of Stephen D. Susman, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n).

[5] *Id.* at 126–27 (testimony of Judge Charles B. Renfrew). *See id.* at 6, 10–11 (testimony of Joseph F. Spaniol, Jr., Deputy Dir., Administrative Office, U.S. Courts). A study conducted by the Federal Judicial Center revealed that strong judicial control can cut almost in half the time devoted to discovery. *See* P. Connolly, E. Holleman & M. Kuhlman, Judicial Controls and the Civil Litigative Process: Discovery 54–55, tables 19–20 (Federal Judicial Center 1978). In a questionnaire sent out by the ABA Antitrust Section, 100 percent of the respondents stated that lack of judicial supervision was a source of delay. *See* Foster Submission, *supra* note 1, at 1. *See also, id.* at 4–5. A survey of experienced lawyers from the Antitrust Division of the Justice Department yielded similar responses. *See* Submission of the Antitrust Div., Dep't of Justice, to the Antitrust Commission 2–6 (June 21, 1978) (tabulation of responses to the complex litigation questionnaire) [hereinafter cited as Antitrust Division Submission].

[6] *See, e.g., Antitrust Commission Hearings* 13-14, 25-26 (Sept. 12, 1978, afternoon session) (testimony of William J. Manning); *id.* at 60 (July 13, 1978) (testimony of Alan J. Hruska, Co-Chairman, Second Circuit Commission on the Reduction of Burdens and Costs in Civil Litigation); *id.* at 110-11 (July 11, 1978) (testimony of Fred H. Bartlit, Jr., member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n); *id.* at 64-65 (testimony of Denis McInerney, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n).

[7] *See* Submission of David L. Foster to the Antitrust Commission (Sept. 29, 1978) (speech by James T. Halverson to the Conference Board, March 2, 1978, The Litigation Process as a Device for Resolving Complex Competitive Economic Problems 8-13, included as part of follow-up responses of Task Force Panel on Complex Litigation); Submission of Arthur R. Curtis, Esq., Chicago, Illinois, to the Antitrust Commission 1 (Aug. 21, 1978); Submission of Lee Loevinger, Esq., Washington, D.C. and former Ass't Att'y Gen., Antitrust Div., Dep't of Justice, to the Antitrust Commission 4 (Apr. 20, 1978). *See also* Foster Submission, *supra* note 1, at 3-5; Antitrust Division Submission, *supra* note 5, at 2-6.

[8] There are a number of ways in which a complex case can be identified. These include inspection of complaints by the clerk, consultation with counsel, and notification to the clerk by counsel. *Antitrust Commission Hearings* 11 (July 11, 1978) (testimony of Joseph F. Spaniol, Jr.); Manual for Complex Litigation § 0.23 (1977). Fortunately, the Administrative Office of the United States Courts already requires counsel to complete and file a form simultaneously with filing the complaint which discloses the nature of the litigation, including whether it is an antitrust action. The assigned judge, or other court officers, can thus promptly review this form and the complaint to determine whether the case will be a complex one.

[9] *Antitrust Commission Hearings* 18–19 (Sept. 12, 1978, morning session) (testimony of Judge Patrick E. Higginbotham, U.S. District Court, Northern District of Texas); *id.* at 36 (July 11, 1978) (testimony of Fred H. Bartlit, Jr.); *id.* at 67 (testimony of Denis McInerney). *See* Pollack, *Discovery—Its Abuse and Correction* (pt. 2), N.Y.L.J., May 11, 1978, at 3, col. 1; Pollack, *Pretrial Conferences*, 50 F.R.D. 451 (1970).

[10] *Antitrust Commission Hearings* 110–11 (Sept. 12, 1978, morning session) (testimony of Judge Charles R. Weiner, U.S. District Court, Eastern District of Pennsylvania); *id.* at 110–11 (July 11, 1978) (testimony of Fred H. Bartlit, Jr.); *id.* at 144 (testimony of Judge Frederick B. Lacey, U.S. District Court, District of New Jersey). *Contra, id.* at 67 (testimony of Denis McInerney). *See generally* P. Gerhart, Report on the Empirical Case Studies Project to the National Commission for the Review of Antitrust Laws and Procedures 45–46 (Jan. 15, 1979) [hereinafter cited as Gerhart Report].

[11] *See, e.g.*, Ellington, A Study of Sanctions for Discovery Abuse 109–13 (Nov. 27, 1978) (a report submitted to the Office for Improvements in the Administration of Justice Dep't of Justice).

[12] Report of the Special Advisory Panel on Ethical Issues in Complex Antitrust Litigation to the National Commission for the Review of Antitrust Laws and Procedures *passim* (Dec. 4, 1978).

[13] Gerhart Report *supra* note 10, at 14–15, 47–57.

[14] The subject of issue-focusing is treated in detail in Chapter Four, *infra*.

[15] *Antitrust Commission Hearings* 6 (July 13, 1978) (testimony of Joseph L. Ebersole, Deputy Dir., Federal Judicial Center); Submission of Joseph L. Ebersole, Deputy Dir., Federal Judicial Center, to the Antitrust Commission 7–9 (Sept. 28, 1978) (response to follow-up questions).

[16] *See, e.g., Antitrust Commission Hearings* 139–40 (July 11, 1978) (testimony of Judge Alvin B. Rubin, U.S. Court of Appeals for the Fifth Circuit). Judge Rubin suggested that a central resource and research staff could be created to assist judges facing complex litigation, and that it might be linked by computer with the various circuit courts.

[17] Exec. Order No. 12022, 3 C.F.R. 155 (1977), *as amended by* Exec. Order No. 12052, 43 Fed. Reg. 15,133 (1978).

[18] *Antitrust Commission Hearings* 76–82 (Sept. 12, 1978, morning session) (testimony of Senior Judge John Minor Wisdom, U.S. Court of Appeals for Fifth Circuit, and Chairman, Judicial Panel on Multidistrict Litigation); *id.* at 127–28 (July 11, 1978) (testimony of Judge Charles B. Renfrew). *See also* Resolution of the Eleventh Transferee Judges' Conference (Nov. 3, 1978) (opposes special roster of judges for antitrust cases because of perceived tendency to create an "elite" group of judges).

[19] Commissioner Arkins believes that a circuit-wide roster of district judges, who have demonstrated efficiency in handling of complex cases, to whom random assignment of complex antitrust cases could be made, would help assure effective judicial management. The roster should be continuously supplemented by the addition of judges who have successfully handled complex cases as transferee judges by assignment from the Multidistrict Panel.

The Commission notes that listed under the President's Standards for Evaluating Proposed Nominees for United States district court judgeships is the "ability and willingness to manage complicated pretrial and trial proceedings." Exec. Order No. 12097, § 1–201(g), 14 Weekly Comp. Pres. Doc. 1975, 1976 (Nov. 8, 1978).

[20] *See, e.g.*, United States v. Keane, 375 F. Supp. 1201 (N.D. Ill. 1974) (setting out and discussing unpublished assignment procedures); D.N.J. Local R. 11(C)(1); D.D.C. Local R. 3–3(c).

[21] *See* Oliver, *Reflections on the History of Circuit Judicial Councils and Circuit Judicial Conferences*, 64 F.R.D. 201 (1975). *See also* 28 U.S.C. §§ 332, 333 (1976).

[22] Report of the Proceedings of the Judicial Conference of the United States, October 28–29, 1971, at 70–74 (1971) (Resolution on Prompt Disposition of Certain Cases).

[23] Antitrust Commission Staff, *Magistrates and Masters* (Aug. 7, 1978) (options paper submitted to the Antitrust Commission).

[24] *Antitrust Commission Hearings* 53–54 (July 11, 1978) (testimony of James T. Halverson, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n); *id.* at 172–73 (testimony of Judge Charles B. Renfrew); *id.* at 174 (testimony of Judge Alvin B. Rubin); Foster Submission, *supra* note 1, at 11–13.

[25] *See* Chapter Four *infra*. The Commission received comment critical of the approach to pretrial management taken by the *Manual for Complex Litigation. See Antitrust Commission Hearings* 41, 99–100 (July 11, 1978) (testimony of Fred H. Bartlit, Jr.); Foster Submission, *supra* note 1, at 18–20; Submission of Denis McInerney, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n, to the Antitrust Commission 2 (Sept. 13, 1978); Submission of William E. Swope, Director of Operations, Antitrust Div., Dep't of Justice, to the Antitrust Commission 4–5 (Oct. 17, 1978) (response to follow-up questions). *See also* Comment, *Observations on the Manual for Complex and Multidistrict Litigation*, 68 Mich. L. Rev. 303 (1969).

Chapter two: The use of time limits to expedite litigation

This chapter discusses the use of time limits or cutoff dates as a way to avoid undue protraction of complex antitrust cases.

Recommendations

1. Time limits should be regularly used to expedite major phases of complex litigation.
2. Time limits should be established early, tailored to the circumstances of each case, firmly but fairly maintained, and accompanied by other methods of sound judicial management.
3. The regular use of pretrial time limits should be effectuated by amending Rule 16 of the Federal Rules of Civil Procedure to authorize the establishment of time limits and cutoff dates. A local court rule modeled on the one included here should set a preliminary pretrial conference for 45 days after the complaint is served, mandate the establishment of time limits as soon as practicable thereafter, direct the early establishment of a firm trial date, and establish a maximum of 24 months for the completion of pretrial, not as a norm and extendable only in truly extraordinary cases.

The Need for Time Limits

In many complex cases, much pretrial time is consumed by tangential and unfocused activity, by deliberately dilatory behavior, or by periods of inactivity between spasms of more productive effort. The Commission's own investigation indicates that much of what lawyers do during litigation could just as well be left undone. A recent, exhaustive study by the Federal Judicial Center shows that needlessly wasted time constitutes a substantial portion of pretrial in many complex cases.[1] In districts having strong time controls, cases were resolved as much as 50 percent faster than similar actions in other districts with weaker controls.[2]

The use of time limits to expedite judicial and administrative proceedings is now receiving widespread and favorable comment. For example, a special "task force" within the Federal Trade Commission has recommended that time limits be set in litigation before that agency.[3] The Administrative Conference of the United States[4] has suggested the use of time limits to expedite various types of administrative action.[5] Time limits also play an important part in ensuring manageability of class actions under a recent proposal sponsored by the Department of Justice's Office for Improvements in the Administration of Justice.[6] During its hearings the Commission heard much testimony favoring and little opposing the use of time limits as one means of effective judicial control.[7]

The value of time limits lies in their sim-

Footnotes at end of chapter.

plicity and their capacity to stimulate litigants to narrow the areas of inquiry and advocacy to those they believe are truly relevant and material.[8] Time limits not only compress the amount of time for litigation, they also reduce the amount of resources invested in litigation. Litigants are forced to establish discovery priorities and thus to do the most important work first. Time limits may also be imposed on trials so that parties will pare away redundant witnesses and documents while still having wide latitude in putting on their cases.[9]

Using Time Limits Effectively

There are several necessary components to the successful use of time limits. Time limits should encompass relatively large segments of litigation activity, should be determined by the judge as early in the litigations as possible, should be firmly maintained, and must be accompanied by other controls, such as discovery management, issue definition, and effective sanctions.

It is desirable to establish time limits for each major phase of a complex case, so that within each fixed period the litigants are motivated to exercise self-discipline and creative choices between alternatives. In some cases, a judge may want to establish interim deadlines covering portions of discovery activity. The adoption of overall time limits, however, for all major phases of litigation, particularly discovery, is clearly needed.

Time limits should be set early in the litigation. This allows the parties and the court to plan complex litigation rationally from the outset. The Federal Judicial Center has endorsed the early setting of time limits,[10] as do a large number of local rules.[11]

The determination of proper cutoff dates is crucial. Time limits must be realistic. An arbitrarily short time limit will be unjust; one luxuriously long will be ineffective. Therefore, after consultation with counsel, the judge should establish time limits that are appropriate for the particular case, based on an intimate knowledge of the action, common sense, and the court's experience.

Clearly, as the Federal Judicial Center and others have emphasized, a time limit must be firm to be credible.[12] Time limits should be expanded only by court order, and then only on a showing of substantial need and the prior due diligence of the parties. Firmness, of course, does not mean absolute intractability. Even when time limits work credibly and well, situations do arise in which more time is necessary.[13] Failure to adjust time limits to the circumstances or to prevent harassment or oppression would be unreasonable.[14] Extension, however, should be allowed only when demonstrably necessary.

Finally, time limits for complex cases must be combined with other means of judicial control to maximize their effectiveness. Early judicial efforts leading to a clear understanding of the issues can help make tight time periods work more productively. Controls on the scope and responsiveness of discovery are necessary to keep time limits from being used to oppress an adversary. A willingness to employ appropriate sanctions can also help to prevent injustice. Thus integrated with other controls, time limits are an important tool of strong judicial control in complex cases.

Time limits for length of trial, as imposed recently in a large antitrust case,[15] have been rarely used. The power of judges to cut off cumulative, redundant presentations of proof may provide authority for the use of overall limits on trial presentations.[16] As long as the limitations established are realistic and fair, and the judge prevents delaying tactics by hostile witnesses, we believe that trial time limits would also be an appropriate means of expediting litigation.

A New Method for Effective Use of Time Limits

Pretrial time limits have been used sporadically for some years and have been rarely challenged.[17] Time limits now are generally permissible as long as they are reasonable.[18] Several federal districts have local rules authorizing or mandating such limits in one form or another.[19] Some local rules contemplate the establishment of time limits by the judge at an early, preliminary pretrial conference; others allow court personnel to set limits when the complaint is filed. Some local rules simply stipulate the number of days or months allowed for discovery; others provide for no time limits until a pretrial conference held shortly before trial. Only a few local court rules address complex cases specifically; those that do tend simply to double the number of months allowed in noncomplex cases.[20] The existing rules are therefore too diverse and untailored to deal specifically with complex cases. Accordingly, effective and widespread use of time limits in the ways recommended here, although permissible under current law, would be facilitated by changes in existing local rules.

The Commission considered recommending a national rule governing the establishment of time limits, but concluded that such a rule would be too inflexible to allow for existing variations in local practice, particularly in view of the maximum time periods already provided in some districts. Accordingly, we endorse the adoption of a uniform but flexible rule at the district level.

Since an early, preliminary pretrial conference is vital to the Commission's recommendations, we recommend that Rule 16 of the Federal Rules of Civil Procedure be amended to authorize the establishment of time limits and cutoff dates. Time limits and cutoff dates should be added to the six enumerated items now listed in Rule 16 for consideration at a preliminary pretrial conference and should be included among the components of the pretrial order. Our suggested language, set out at the end of Chapter Four, is permissive, not mandatory, but it would encourage courts and litigants to utilize time limits in complex cases. We also recommend that Rule 16 be amended to provide, additionally, for a preliminary pretrial conference if requested by one of the parties.

The Proposed Model Local Rule

The full text of a model local rule is set out at the end of this chapter. Each essential element of the proposal has sufficient flexibility to permit minor adjustments to accommodate local conditions.

The rule would first require that in a potentially complex case a preliminary pretrial conference be held within 45 days of the service of a complaint.[21] As explained in the next chapter, an early, preliminary pretrial conference is vital to the process of making complex cases manageable. Such a conference, or, if necessary, a series of such conferences, should be the forum for ascertaining information and positions necessary to formulate fair and realistic pretrial time limits. Forty-five days should allow counsel time to prepare for the initial conference; indeed the judge may require the parties to meet beforehand to discuss the issues and a discovery schedule. The 45-day period should start to run upon service of the complaint since an answer or other responsive pleading may be delayed.[22] While the preliminary pretrial conference should be held on schedule whether or not the answer or responsive pleading has been served, the filing of answers and other responsive pleadings should not be delayed. An answer or other pleading directly assists the court in formulating realistic pretrial time limits and serves the important function of beginning the process of issue narrowing.[23]

The proposed rule applies only to potentially complex cases. If the local rules now in effect require an early, preliminary pretrial in all civil cases, as do many existing local rules, the designation of a lawsuit as complex would not be necessary. If the applicability of the local rule does depend on a determination of "complexity," the determination should be made quickly by the Chief Judge, the assigned judge or other court personnel.[24] Although not all antitrust cases are complex, a preliminary pretrial conference should be called whenever there is doubt as to the potential complexity of a particular action.

The second major change incorporated in the proposed local rule complements the first. A district judge assigned a complex case may need time to determine appropriate time limits; the proposed rule gives him 30 days after such a preliminary pretrial conference. The object is for the judge to be able to make a considered determination, but to do so with all due speed.

Thirdly, the model rule would articulate a strict standard for extending time periods. Extensions would not be available merely by stipulation of the parties, but would require leave of court. Extensions of time for the personal convenience of counsel would also be limited. A standard requiring both need and due diligence[25] for extensions provides needed flexibility but should ensure that the exception will not become the rule.[26]

While the judge handling a complex case should set a specifically tailored time limit that is not longer than circumstances require, the proposed model local rule should set a ceiling on the judge's discretion by specifying a maximum allowable pretrial period. Such a period should be clearly designated as a maximum, intended only for a few unusual cases, and not as a norm. Of course, the maximum itself may occasionally have to be extended to prevent injustice, but ordinarily it should signal the outer limit of allowable pretrial time. Because we believe that all but a handful of extraordinarily complex cases can be brought to trial within 24 months, we recommend that individual judges and the various district courts consider that period as a practical ceiling on pretrial time. Some Commissioners oppose the use of the 24-month figure or any other specific maximum time in the local rule because they fear that such a maximum could unintentionally become the norm, or even a minimum. These Commissioners believe that each case should have its own time limit, determined by the judge alone.[27] A majority of the Commissioners, however, believe that 24 months is a fair and reasonable specific maximum, based on their own experience and judgment, the pretrial blueprint recently set out in *United States* v. *AT&T*,[28] a highly complex case, and the available statistics on potential time savings in complicated cases.[29]

Finally, the proposed rule would require judges handling complex cases to report any relaxation of established time limits or the maximum 24-month period to their Chief Judge and the appropriate Circuit Council. Testimony before the Commission indicated that analogous reporting requirements have had salutary effects on judges' performance.[30] This requirement would not afford appellate review of the judge's action, but would facilitate administrative supervision and help to highlight any need for assistance that the judge may have.

The text of the model rule we recommend to federal district courts is set forth below.

Text of a Model Local Time Limits Rule

"Time limits for complex civil actions"

(1) Not later than 45 days after the service of the complaint in any civil action deemed to be potentially complex, the judge assigned the matter shall hold an initial pretrial conference. This conference shall be held for purposes of considering any and all matters which may be raised at such confer-

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Footnotes at end of chapter.

ence under Rule 16, of the Federal Rules of Civil Procedure, including the setting of pretrial time limits and cutoff dates. The court may require counsel to meet prior to such conference and either agree on a statement of issues and a plan and schedule of discovery or file a statement that they met and were unable to reach such an agreement.

(2) Within 30 days after the initial pretrial conference required in subsection (1) has been held, or as soon thereafter as is practicable, the judge assigned the matter shall enter an order fixing cutoff dates for the parties to complete discovery and also a trial date. The judge may, in his discretion, include in such order or by any supplemental order such other provisions as he deems appropriate.

(3) The parties and their counsel are bound by the dates specified in said order and no extensions thereof shall be granted without a showing of good cause. Failure on the part of counsel to proceed promptly and diligently with the processes of discovery shall not constitute such good cause. Orders for extensions of time shall be entered only after consultation with, or hearing before the court.

(4) Continuances of time periods pertaining to pretrial processes but not set out in the order specified in subsection (2) and based on the personal inconvenience of counsel shall be strictly limited and allowed only upon a showing of good cause.

(5) Save where manifest injustice would result, the maximum periods of time set out in any order entered under subsection (2) shall not exceed 24 months from the date of service of the complaint. A 24-month time period shall be allowed only rarely, where an action presents potential for extreme and unusual complexity.

(6) A judge assigned a case to which this rule applies shall report to the Chief Judge and to the Circuit Council, in writing, whenever any order is entered pursuant to subsection (3) granting an extension of time or an order is entered pursuant to subsection (2) allowing a time limit in excess of 24 months.

FOOTNOTES

[1] *See* P. Connolly, E. Holleman & M. Kuhlman, Judicial Controls and the Civil Litigative Process: Discovery 62–66 (Federal Judicial Center 1978) [hereinafter cited as FJC Discovery Report].

[2] *Id.* at 68–69.

[3] *See* Working Group, Federal Trade Commission Staff, Report on Complex Antitrust Case Procedures 11–12 (1978) (not necessarily official FTC policy) [hereinafter cited as Working Group Report].

[4] The Administrative Conference of the United States is a body created by statute to serve as a forum for the exchange of ideas about administrative procedure and to develop proposals to ensure that federal regulatory activities do not infringe on private rights and are "carried out expeditiously in the public interest." 5 U.S.C. § 571 (1976).

[5] Administrative Conference of the United States, Recommendation 78-3: Time Limits on Agency Actions (June 7–8, 1978).

[6] *See* Office for Improvements in the Administration of Justice, United States Department of Justice, S. 3475: Bill Commentary (Aug. 25, 1978) (Proposed Revisions in Federal Class Damage Procedures) (not necessarily Department of Justice policy).

[7] Numerous witnesses supported the use of time limits. *See. e.g.. Antitrust Commission Hearings* 27–28 (Sept. 13, 1978, morning session) (testimony of A.G.W. Biddle, President, Computer Communications Industry Ass'n); *id.* at 17–18 (Sept. 12, 1978, morning session) (testimony of Judge Patrick E. Higginbotham, U.S. District Court, Northern District of Texas); *id.* at 110–11 (testimony of Judge Charles R. Weiner, U.S. District Court, Eastern District of Pennsylvania); *id.* at 133–34 (July 13, 1978) (testimony of Chief Administrative Law Judge Daniel H. Hanscom, Federal Trade Commission); *id.* at 75–76 (testimony of Alan J. Hruska, Co-Chairman, Second Circuit Commission on the Reduction of Burdens and Costs in Civil Litigation); *id.* at 118 (July 12, 1978) (testimony of Harold E. Kohn, Esq., Philadelphia, Pa.); *id.* at 37 (July 11, 1978) (testimony of Fred H. Bartlit, Jr., member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n); *id.* at 52–53 (testimony of James T. Halverson, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n); *id.* at 144 (testimony of Judge Frederick B. Lacey, U.S. District Court, District of New Jersey); *id.* at 146, 148 (testimony of Judge Charles B. Renfrew, U.S. District Court, Northern District of California); *id.* at 147 (testimony of Judge Alvin B. Rubin, U.S. Court of Appeals for the Fifth Circuit); *id.* at 191–92 (testimony of John E. Sarbaugh, Chief, Chicago Field Office, Antitrust Div., Dep't of Justice); *id.* at 190 (testimony of William E. Swope, Director of Operations, Antitrust Div., Dep't of Justice); *id.* at 77–78 (testimony of Stephen D. Susman, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n). A few witnesses stressed their reservations about the use of time limits. *See, e. g., id.* at 677 (testimony of Denis McInerney, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n).

[8] *Id.* at 36–39 (July 11, 1978) (testimony of Fred H. Bartlit, Jr.).

[9] Time limits can also be useful in the post-judgment period, in that they might compel a defendant facing injunctive and/or structural relief to think more realistically and creatively about that relief. *See* Chapter 7 *infra*.

[10] FJC Discovery Report, *supra* note 1, at 78–79.

[11] *E.g.*, E.D. Pa. Local R. 7(b)(2); E.D. Va. Local R. 12(3)(a).

[12] *See, e.g., Antitrust Commission Hearings* 116–18 (July 12, 1978) (testimony of Harold E. Kohn); *id.* at 148 (July 11, 1978) (testimony of Judge Charles B. Renfrew); FJC Discovery Report, *supra* note 1, at 82–83.

[13] For example, in the Southern District of Florida, judges granted one discovery deadline extension in 48 percent of the cases with a cutoff date and multiple extensions in 14 percent of such cases. FJC Discovery Report, *supra* note 1, at 73.

[14] *See, e.g.*, Alamance Indus., Inc., v. Filene's, 291 F.2d 142 (1st Cir.), *cert. denied*, 368 U.S. 831 (1961).

[15] SCM Corp. v. Xerox Corp., 77 F.R.D. 10 (D. Conn. 1977).

[16] *Id.* at 13–14 and authorities cited therein.

[17] For example, in Alamance Indus., Inc. v. Filene's, 291 F.2d 142 (1st Cir.), *cert. denied*, 368 U.S. 831 (1961), and Freehill v. Lewis, 355 F.2d 46, 48–49 (4th Cir. 1966), strict time limits were found unreasonable because, in the view of the appellate court, the trial court had completely failed to consider the legitimate and reasonable interests of one or more parties in a later trial date.

[18] Greyhound Lines, Inc. v. Miller, 402 F.2d 134, 144 (8th Cir. 1968); Freehill v. Lewis, 355 F.2d 46, 48 (4th Cir. 1966).

[19] T. Guyer, Survey of Local Civil Discovery Procedures 12–17 (Federal Judicial Center Staff Paper 1977).

[20] Local rules which impose longer discovery ceilings for antitrust, patent, and trademark matters or for complex matters generally include E.D.N.C. Civ. R. 7(E) (eight months from filing of answer for antitrust cases versus four months for other cases); S.D. Tex. Local R. 15(e) (six months versus four months); N.D. Ind. Local R. 12(d) (eight months versus five months).

[21] The Commission's position that 45 days provides adequate time for preparation for this conference is similar to the position of the Working Group Report, *supra* note 3, at 8, which recommends that a preliminary conference be held in FTC cases within 45 days of the filing of the answer to the complaint. Local Rule 7(b) of the Eastern District of Pennsylvania also requires an initial pretrial conference to be held within 45 days of the filing of the complaint.

[22] One study found that few answers are timely filed and that the answer may not be filed until several months after the filing of the complaint. *See* S. Flanders, Case Management and Court Management in United States District Courts 21–23 (Federal Judicial Center 1977).

[23] This is consistent with the import of the Working Group Report, *supra* note 3.

[24] The Administrative Office Form which must be completed and filed by plaintiff's counsel when a complaint is filed discloses the nature of the litigation, including whether it is an antitrust action. The person who determines whether the case is complex can base his decision on a prompt review of this form.

[25] The FJC Discovery Report, *supra* note 1, at 82, also concluded that "[p]ostponements of the cutoff date should be granted only if the moving party shows both active discovery during the initial control period and a specific need for further discovery."

[26] If at least one extension is granted in 85 percent of cases with cutoff dates for discovery and multiple extensions in 60 percent of those cases, as happens in the Central District of California, *id.* at 73, most of the benefits of setting the original schedule are lost.

[27] Commissioner Blecher believes that the 24-month limitation for pretrial may be desirable for government cases where the plaintiff has pre-complaint discovery powers. He believes, however, that such a limitation with respect to private plaintiffs is impractical and potentially oppressive. In private cases, particularly where no prior record has been developed as a result of a previous case, 24 months is simply inadequate. In such cases, the plaintiff may only know that it has been injured and that its injury, *e.g.*, termination of a dealership, appears to be linked to its competitive behavior, *e.g.*, price-cutting. Discovery in these circumstances is the lifeblood of the private case, and restricting it arbitrarily will penalize plaintiffs and unfairly advantage defendants.

[28] United States v. American Tel. & Tel. Co., [1978-2] Trade Cas. ¶ 62,247 (D.D.C. Sept. 11, 1978), *on motion for reconsideration*, [1978-2] Trade Cas. ¶ 62,312 (Oct. 18, 1978).

[29] Figures compiled by the Administrative Office of the United States Courts show that approximately one quarter of the antitrust cases tried in the statistical years 1970–1978 took more than two years from the filing of the answer to trial. Submission of Joseph F. Spaniol, Jr., Deputy Dir., Administrative Office, U.S. Courts, to the Antitrust Commission, Table 4A (Oct. 20, 1978) (attachments to letter to Wendell B. Alcorn, Jr., Spec. Counsel to the Antitrust Commission). These data include many cases in courts without strong judicial management, and the FJC Discovery Report, *supra* note 1, at 55 Table 20, found that strong judicial controls can cut almost in half the length of discovery in cases with a lot of discovery. Accordingly, many of the antitrust cases which took more than two years to get to trial could have been handled in considerably less time. These statistics, combined with the experience in cases like *AT & T*, demonstrate that a goal of 24 months or less between complaint and trial is realistic in all but a small percentage of antitrust cases.

[30] *See Antitrust Commission Hearings* 34 (Sept. 12, 1978, morning session) (testimony of Judge Robert R. Merhige, Jr., U.S. District Court, Eastern District of Virginia); *id.* at 35 (testimony of Judge Jon O. Newman, U.S. District Court, District of Connecticut); *id.*

at 107–08 (testimony of Senior Judge John Minor Wisdom, U.S. Court of Appeals for the Fifth Circuit, and Chairman, Judicial Panel on Multidistrict Litigation).

Chapter three: Control of discovery

Pretrial discovery usually consumes the greatest amount of time spent in complex litigation. This chapter discusses means of curbing wasteful or abusive discovery practices in complex cases, and makes recommendations designed to increase the efficiency of discovery procedures.

Recommendations

1. Courts handling complex cases should exercise effective, direct control over the discovery process. They should balance the burdensomeness of particular discovery activity against its materiality and reduce discovery of tangential, immaterial matters.

2. Application of existing discovery rules by the courts has not resulted in a balanced and reasonable discovery process. Therefore, Rule 26(b) of the Federal Rules of Civil Procedure should be amended to narrow the scope of discovery. Rule 26(c) should be amended to make it clear that the court may, on its own initiative, protect against "annoyance, embarrassment, oppression, or undue burden or expense" related to discovery.

3. Improvements should also be made in the mechanics of written interrogatories, oral depositions, and document production. Procedures authorizing government access to materials discovered in private antitrust actions should be liberalized, and the interest of litigation efficiency should be given greater weight by courts that are requested to grant private parties access to grand jury materials.

Nature of the Discovery Problem

Discovery practices that cause undue delay and unnecessary expense are a major problem in complex cases. The record of the Commission and the Commission's Empirical Case Studies Project [1] make clear the need for discovery reform, particularly in very large antitrust cases.[2] The Rules Committee of the Judicial Conference has been considering extensive revisions to discovery procedures, as have the American Bar Association and other groups.[3] Although lawyers often have greatly different perceptions about which specific practices are the most abusive, depending on whether they ordinarily represent plaintiffs or defendants, there is considerable unanimity that serious discovery abuses exist.

The Report on the Empirical Case Studies Project make clear the magnitude of discovery difficulties in major cases. For example, one recent complex antitrust case [4] consumed four years of pretrial and required a 14-month jury trial. Depositions took 700 days and hundreds of thousands of documents were produced. Over 60 pretrial motions, leading to more than 40 opinions, were filed. Another recently tried private monopolization case [5] resulted in 4½ years of pretrial effort during which 33 hearings were held and 21 written opinions were issued by the court on scheduling and discovery matters. In a still pending government action [6] under Section 2 of the Sherman Act,[7] which was filed in 1969, the plaintiff produced about 26 million pages of documents, of which the defendant selected about 890,000 for duplication. The defendant produced around 4 million pages directly in this action. It also produced approximately 60 million documents to various private parties, many of which were copied and turned over to the United States. The litigants in this case took 1,270 depositions, including over 800 depositions by the defendant on relevant market issues.

Although cases like those described above may be in a class by themselves in terms of size and complexity, available statistical data indicate that a substantial number of other antitrust cases also pose serious problems of delay and expense.[8] In such cases, discovery is frequently carried to excessive lengths. The uso of overly broad, intrusive, repetitious and confusing interrogatories and document requests does little to advance the litigation, and results in wasted time and resources.

Poor responsiveness to discovery can be equally abusive; responses may be delayed, incomplete, and evasive. The adverse impact of such resistance is increased because the party seeking more responsiveness has the burden of moving for an order compelling discovery.[9] Another abuse is to go beyond the scope of the inquiry. This technique consists of providing an opponent with a "flood" of low-grade information, often with the most important items deliberately buried or produced last.[10]

Courts, unfortunately, largely have been resigned to permitting such activity. Since the modern federal rules on civil discovery were enacted in 1938, the prevailing attitude has been that the discovery rules should be construed liberally and left to operate with little or no judicial intervention.[11] See, for example, *Hickman* v. *Taylor*, [12] a leading judicial pronouncement on the philosophy of the discovery rules.[13] This permissive attitude toward discovery appears, however, to have been carried too far with adverse consequences for efficient judicial management. At least in the area the Commission studied, some real tightening up of discovery is required.

Control of Discovery Through Better Management of Its Scope

In the Commission's judgment, there are four separable, but integrally related elements of better control over discovery: more active and informed judicial management; a more sensitive approach toward the scope and burdensomeness of discovery; an early and continuing effort to define issues; and certain "mechanical" improvements in the main discovery devices.

A timely and informed judicial presence, whether through pretrial conferences, "status calls," or informal meetings, sets a better tone for discovery and makes parties aware of their responsibilities. Even without any rule change, close monitoring and attention by the court can make the litigants more cooperative and sanctions less necessary.[14] A judge is by these means able to offer and adopt his own ideas for scheduling and limiting discovery.[15] Although the court should, through consultation with counsel, avoid the imposition of a discovery plan by fiat, uncooperative attitudes or unproductive proposals by the litigants should not be accepted by the court. Efficient discovery processes, in sum, are not promoted by the sort of passive judicial posture that has been traditional in discovery matters.

Past practice in antitrust cases has often favored exceptionally liberal discovery; little concern has been shown for preventing burdensome discovery or prolonged discovery into marginal areas. An example of this permissive attitude is the case of *Maritime Cinema Service Corp.* v. *Movies en Route, Inc.*,[16] where the court stated:

> "[D]iscovery under the Federal Rules, particularly in antitrust cases, is extremely broad, and not limited to the allegations of the pleadings . . . In antitrust litigation discovery is broadly permitted, and the burden or cost of providing the information sought is less weighty a consideration than in other cases." [17]

Courts have often adopted this view because the broad remedial purposes of the antitrust laws are said to require great discovery latitude for those seeking to enforce them.[18]

Not all antitrust courts, however, have abdicated a supervisory role over discovery. Courts do have broad and flexible authority to manage discovery, and some have used their authority to cut off tangential and overly costly inquiries.[19] In *Carlson Cos.* v. *Sperry & Hutchinson Co.*,[20] the court denied discovery into the acquisition or operation of subsidiaries that did not directly engage in a business related to the relevant product market. The court observed:

> "[W]hen the requests approach the outer bounds of relevance and the information requested may only marginally enhance the objectives of providing information to the parties or narrowing the issues, the court must then weigh that request with the hardship to the party from whom discovery is sought." [21]

Too much permissiveness in discovery can and should be redressed by greater judicial sensitivity to the burdens of the process. The materiality of information sought should be weighed against the expected burden of producing it. By this approach discovery of marginally relevant material should be prohibited, or sought through more economical means, or postponed until more fruitful matters have been explored. Judicial control reflecting such a balancing process will not unduly restrict discovery or deny a party important information; rather, it will stress the need for economical choices and alternatives.

Balancing the materiality of the information sought against the burden imposed by the inquiry cannot be done in a vacuum. To make balancing work, courts must appraise relevance and materiality more carefully. Antitrust discovery decisions demonstrate that stemming such unwarranted discovery is both practicable and worthwhile.[22]

Since many courts, however, apparently are reluctant, despite their existing power, to limit discovery, an amendment to Rule 26 (b) of the Federal Rules of Civil Procedure is desirable. The Rule now defines the scope of allowable discovery by providing: "parties may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action." [23]

In the face of this broad standard, many courts apparently feel unable to limit discovery significantly. The Rules Committee of the Judicial Conference and a Special Committee of the Litigation Section of the American Bar Association, among others, support revision of this language to emphasize that courts can and should place reasonable limitations on the scope of discovery.[24]

The Special Committee of the American Bar Association has indicated a preference for defining "relevance" in terms of the issues raised," [25] while the Rules Committee of the Judicial Conference has tentatively chosen, instead, to define "relevance" with regard to the "claims or defenses" of the parties.[26] In both versions, the phrase "subject matter" has been deleted because it has permitted overly broad discovery. While the ABA Committee's version is somewhat more consistent with our recommendations for early issue definition, we support the adoption of either of these approaches, since both appear to be aimed at the same objective: "to direct courts not to continue the present practice of erring on the side of expansive discovery." [27]

Rule 26(c) of the Federal Rules of Civil Procedure is also germane to the effective control of discovery since it authorizes courts to protect litigants or others from "annoyance, embarrassment, oppression, or undue burden or expense." [28] Although this rule has the potential to curb abusive discovery and has been used to facilitate discovery by protecting the confidentiality of privileged information, it has only occasionally been employed to prevent undue burden of expense.[29] Parties served with reasonable and

Footnotes at end of chapter.

potentially abusive discovery demands too often fail to seek judicial protection. If a judge does not know that wasteful and dilatory pretrial techniques are being employed, management controls cannot be applied to remedy the situation. Litigants should give more serious consideration to moving for relief under this rule when faced with unreasonable discovery demands, and courts should be receptive to curtailing such abuses by issuing protective orders. Indeed, the rule should be amended to authorize courts to issue such orders on their own motion, following consultation with counsel, rather than waiting for a motion from one of the parties. Some commissioners, however, believe that courts should take such initiative only in egregious circumstances, where litigants fail to assume their responsibility to invoke rule 26(c) to assure the efficient progress of litigation.

Control of Discovery Through Early and Continuous Issue Definition

To control discovery actively and effectively, judges must be familiar with the issues in the case. A judge who is familiar with the issues can effectively limit the scope of discovery, decisively rule on discovery motions and ensure that discovery responses are forthright. Indeed, the processes of controlling discovery and defining the issues must go together: close monitoring of discovery plans can help a court define the issues; focusing issues can help guide discovery. Our recommendations concerning early issue definition are set out in chapter four *infra*.

Reduction of Inefficiencies Through Improved Discovery Devices

A basic change is needed in the approach toward pretrial discovery prescribed in the *Manual for Complex Litigation*. The *Manual* advocates the use of consecutive waves or layers of discovery, each being confined to a different phase of inquiry. A first wave seeks background information, such as location of documents and witnesses; a second wave seeks information on the merits; and a third wave satisfies remaining discovery needs such as amount of damages suffered. Although this may be a logical sequence for discovery in some cases, it is not an efficient process in most complex antitrust cases since it often leads to repetitious and wasteful pretrial activities.[30] Courts, thus, should avoid the automatic use of such an approach. Judicial management of the overall scope and sequence of discovery should, instead, be based on educated, *ad hoc* determinations by the court.

The court should encourage the litigants to employ discovery devices suited to the particular objective of the inquiry. At the initial, preliminary pretrial conference, the court and counsel should consider setting flexible guidelines for interrogatories and depositions. Continued experimentation by local districts in setting limits on the number of interrogatories and depositions may also lead to greater efficiency.[31] The Rules Committee of the Judicial Conference has proposed an amendment to Rule 33 of the Federal Rules of Civil Procedure that would expressly authorize the promulgation of such local court rules.[32]

Some existing procedural rules themselves raise problems of delay and cost, particularly in complex cases. Examples are Federal Rules of Civil Procedure 33 (governing written interrogatories to parties) and 34 (governing the production of documents and things), which permit the production of masses of disorganized, undesignated documents in response to interrogatories or document requests. This can result in significant delays in complex cases. The Commission has considered proposals designed to overcome this problem by the Rules Committee of the Judicial Conference, the Litigation Section of the American Bar Association, and the Second Circuit Commission on the Reduction of Burdens and Costs in Civil Litigation.[33] These suggested changes would help prevent many serious abuses of the discovery process and we support them.[34]

In accordance with these recommendations, Rule 33(c) of the Federal Rules of Civil Procedure should be amended to require parties who respond to interrogatories by producing business records to specify the documents that are responsive to each interrogatory. This specification should be sufficiently detailed to permit the party seeking discovery to identify, as readily as the party producing the documents, the materials that contain the information sought.

Also, Rule 34 of the Federal Rules of Civil Procedure should be amended to require parties responding to a document request either to label the materials in a manner corresponding to the request or to produce files as they are maintained in the usual course of business. With respect to practice under Rule 34, the Second Circuit Commission has also suggested a promising change.[35] The party serving a document request would be able under the Second Circuit proposal to indicate the sequence in which the materials are desired and would have the right to inspect the files of the other party in the order so indicated (insofar as practicable). This would be an alternative, exercisable at the option of the discoverer, to the current practice of leaving the sequence and details of file searching solely to the discretion of the discoveree. This alternative procedure should prove less burdensome to both the party seeking and the party giving discovery. Where the alternative method is not chosen by the discovery seeker, the court could give objections regarding "burdensomeness" more weight than is presently done under Rule 34. We support a rule change to reflect this proposal.

Improved Procedures for Shared Discovery

Another important cause of unreasonable delay and extraordinary expense, particularly in complex antitrust suits brought by the government, is the denial of access to materials already produced in actions initiated by private parties. Courts have on occasion refused governmental access to such materials because of prior orders protecting such materials from disclosure to nonparties.[36] Such a response forces the government to devote enormous time and resources to duplicate the past discovery of private attorneys general, who are frequently willing but unable to share with the government already discovered materials. Potential defendants have no legitimate interest in wasting the government's time and taxpayers' money in the interest of gamesmanship. Requiring such waste and dissipation of government enforcement resources should be avoided, except upon a judicial determination that it would be grossly unfair or unjust to do otherwise. Potential unfairness or injustice could be prevented through the imposition of reasonable conditions on the government's use of the previously discovered materials.[37]

To dispel the ambiguity that presently exists, we recommend that the Antitrust Civil Process Act [38] be amended to authorize expressly the issuance of civil investigative demands for products of discovery.[39] By "products of discovery" we mean depositions, pre-existing collections of particularly significant documents, indices, digests, analyses, and the like [40] Under the amended law, notice would be given to the party from whom discovery was originally obtained and that party, as well as the recipient of the demand, could raise any objection to production. The confidentiality protection accorded materials submitted to the government under the current Civil Process Act would continue to apply, and the courts would remain empowered to deny production if warranted by the circumstances.[41]

The Commission also heard testimony concerning the need of private antitrust litigants to obtain better access to grand jury material, particularly grand jury transcripts.[42] Disclosure to private parties has often been denied or delayed because of the strong public policy favoring grand jury secrecy. While we favor steps to increase the efficiency of pretrial discovery, we also recognize a need, in some cases, to preserve grand jury secrecy.[43]

Authority to order disclosure of grand jury documents and transcripts presently exists under Rule 6(e) of the Federal Rules of Criminal Procedure. Applications are handled on a case-by-case basis, balancing the need for disclosure against the need for grand jury secrecy. The standard of "particularized need" which the courts have used in ruling on disclosure requests does provide a flexible approach to the problem.[44] We emphasize, however, that the difficulty of obtaining discovery is a particular need that should also be given considerable weight by the courts.[45]

Commissioners Spivack, Blecher and Fox believe that secrecy now afforded antitrust grand jury proceedings is generally not justifiable after an indictment is returned. They would recommend amendment of Rule 6(e), Federal Rules of Criminal Procedure, to provide such secrecy in antitrust cases only where the government demonstrates to the court that there is a particularized need for preserving it. This, they contend, would be fairer to defendants in criminal cases and would significantly expedite treble damage litigation following indictment.

FOOTNOTES

[1] P. Gerhart, Report on the Empirical Case Studies Project to the National Commission for the Review of Antitrust Laws and Procedures (Jan. 15, 1979) [hereinafter cited as Gerhart Report].

[2] *Antitrust Commission Hearings* 29–36 (Sept. 13, 1978, morning session) (testimony of A.G.W. Biddle, President, Computer Communications Industry Ass'n); *id.* at 59 (July 13, 1978) (testimony of Alan J. Hruska, Co-Chairman, Second Circuit Commission on the Reduction of Burdens and Costs in Civil Litigation); *id.* at 124–30 (testimony of Chief Administrative Law Judge Daniel H. Hanscom, Federal Trade Commission); Gerhart Report, *supra* note 1, at 13, 32; Submission of David L. Foster, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n, to the Antitrust Commission 6–7 (Oct. 2, 1978) (tabulation of responses to complex litigation questionnaire) [hereinafter cited as Foster Submission]; Submission of the Antitrust Div., Dep't of Justice, to the Antitrust Commission 5–6 (June 21, 1978) (tabulation of responses to complex litigation questionnaire).

[3] *See* Committee on Rules of Practice and Procedure, Judicial Conference of the United States, Preliminary Draft of Proposed Amendments to the Federal Rules of Civil Procedure (Mar. 1978) [hereinafter cited as Rules Committee Proposed Amendments]; Litigation Section, American Bar Ass'n, Report of the Special Committee for the Study of Discovery Abuse (Oct. 1977) [hereinafter cited as Discovery Abuse Report]; and Submission of Alan J. Hruska, Co-Chairman, Second Circuit Commission on the Reduction of Burdens and Costs in Civil Litigation, to the Antitrust Commission (July 5, 1978) (Proposal for a Volunteer Masters Pilot Program, Apr. 10, 1978) [hereinafter cited as Hruska Submission].

[4] SCM Corp. v. Xerox Corp., Civ. No. 15,807 (D. Conn. Dec. 29, 1978) and SCM Corp. v. Xerox Corp., 77 F.R.D. 10 (D. Conn. 1977).

[5] Berkley Photo, Inc. v. Eastman Kodak Co., 457 F. Supp. 404 (S.D.N.Y. 1978) (memorandum on post-trial motions).

[6] United States v. International Business Machs. Corp., 69 Civ. 200 (S.D.N.Y., filed Jan. 17, 1969).

[7] 15 U.S.C. § 2 (1976).

[8] *Antitrust Commission Hearings* 7 (July 11, 1978) (testimony of Joseph F. Spaniol, Jr., Deputy Dir., Administrative Office of the U.S. Courts); Administrative Office of the United States Courts, 1978 Annual Report of the Director, Table C5A at A-32 and A-33, Table C8 at A-42 (1978).

[9] *Antitrust Commission Hearings* 65 (July 13, 1978) (testimony of Alan J. Hruska); Submission of Thompson, Hine and Flory, Cleveland, Ohio, to the Antitrust Commission 8 (July 28, 1978) (Control of Discovery Abuses).

[10] *Antitrust Commission Hearings* 13 (Sept. 12, 1978, afternoon session) (testimony of William J. Manning, member, Special Committee for the Study of Discovery Abuse, Litigation Section, American Bar Ass'n).

[11] Fed. R. Civ. P. 26(b) was first adopted in 1938 and was intended not to limit discovery, as had been the old Chancery practice, to facts supporting the case of the party seeking discovery. Notes of Advisory Committee on the Original Rules. Rule 26(b) was then amended in 1946 to permit "inquiry into matters in themselves inadmissible as evidence but which will lead to the discovery of such evidence." Notes of Advisory Committee on 1946 Amendment to Fed. R. Civ. P. 26(b). The Committee Note went on to state that "[t]he purpose of discovery is to allow a broad search for facts . . ." *Id.* In the 1970 amendments, the scope of discovery was not changed, but a provision was added whereby discovery could be limited as provided by any of the other rules. *See* Notes of Advisory Committee on 1970 Amendment to Fed. R. Civ. P. 26(b). As discussed *infra*, however, the primary mechanism for control, Rule 26 (c), has been employed infrequently.

[12] 329 U.S. 495 (1948).

[13] In language strongly endorsing an expansionist view of discovery, the Supreme Court stated:

> "[T]he deposition-discovery rules are to be accorded a broad and liberal treatment. No longer can the time-honored cry of "fishing expedition" serve to preclude a party from inquiring into the facts underlying his opponent's case. Mutual knowledge of all the relevant facts gathered by both parties is essential to proper litigation. To that end, either party may compel the other to disgorge whatever facts he has in his possession." *Id.* at 507 (footnote omitted).

[14] Gerhart Report, supra note 1, at 40-42; Ellington, A Study of Sanctions for Discovery Abuse 109-13 (Nov. 27, 1978) (A report submitted to the Office for Improvements in the Administration of Justice, Dep't of Justice).

[15] Judges currently have the power to take part in discovery planning, and should do so. For a recent example of constructive judicial participation, see United States v. American Tel. & Tel. Co., [1978-2] Trade Cas. ¶ 62,247 (D.D.C. Sept. 11, 1978), *on motion for reconsideration*, [1978-2] Trade Cas. ¶ 62,312 (Oct. 18, 1978). *See also* Professional Adjusting Syss. of America, Inc. v. General Adjustment Bureau, Inc., 373 F. Supp. 1225 (S.D.N.Y. 1974); Dolgow v. Anderson, 53 FR.D. 661 (S.D.N.Y. 1971); Prepared Statement by Judge Charles B. Renfrew, U.S. District Court, Northern District of California, Judge Frederick B. Lacey, U.S. District Court, District of New Jersey, and Judge Alvin B. Rubin, U.S. Court of Appeals for the Fifth Circuit, to the Antitrust Commission *passim* (July 11, 1978) (contains a detailed list of suggestions for the increased control of complex cases by trial judges); 4 Moore's Federal Practice ¶ 26.56[1], at 26-142 (1978) ("Antitrust cases are so peculiarly complex, however, that the court is often called upon to fashion some limits . . . ."); 6 C. Wright & A. Miller, Federal Practice and Procedure ¶ 1530 (1970); Manual for Complex Litigation (1977).

[16] 60 F.R.D. 587 (S.D.N.Y. 1973).

[17] *Id.* at 589, 592.

[18] *See, e.g.*, United States v. International Business Machs. Corp., 66 F.R.D. 180, 186, 215 (S.D.N.Y. 1974) (three separate orders) ("[D]iscovery in antitrust litigation is most broadly permitted." *Id.* at 189); Morgan Smith Automotive Prods. Inc. v. General Motors Corp., 54 F.R.D. 19, 20 (E.D. Pa. 1971) (In allowing discovery of information relating to all product lines of automobiles and trucks manufactured by defendant, court stated that "utmost liberality" should be allowed for discovery in civil cases). For the application of traditionally liberal principles of discovery in antitrust litigation, see, *e.g.*, In re Folding Carton Antitrust Litigation, 76 F.R.D. 420 (N.D. Ill. 1977) and FTC v. Lukens Steel Corp., 23 Fed. R. Serv. 2d 1142 (D.D.C. 1977) (allowing discovery of materials dated seven years beyond the reach of the statute of limitations). *See also* Foster Submission, *supra* note 2, at 6 ("Any excessive delay can be principally attributed to the judicial approach to the scope of discovery in antitrust cases and the courts' failure to utilize available techniques to control complex litigation."); Submission of Palmer Brown Madden, and Cass R. Sunstein, Esqs., San Francisco, Cal., to the Antitrust Commission 8-11 (July 20, 1978) [hereinafter cited as Madden and Suntein Submission].

[19] *See* Professional Adjusting Syss. of America, Inc. v. General Adjustment Bureau, Inc., 373 F. Supp. 1225 (S.D.N.Y. 1974) (limiting time and geographic area of discovery); William Goldman Theaters, Inc. v. Metro-Goldwyn-Mayer, Inc., 54 F.R.D. 201 (E.D. Pa. 1971) (refusing to allow nationwide discovery where local conspiracy is alleged); Schenker v. Pepperidge Farms, Inc., 7 Fed. R. Serv. 2d 684 (S.D.N.Y. 1963) (limiting discovery to shorter time period, smaller geographic area, and fewer products than defendant had requested).

[20] 374 F. Supp. 1080 (D. Minn. 1974).

[21] *Id.* at 1088

[22] Madden and Sunstein Submission, *supra* note 18, *passim*.

[23] Fed. R. Civ. P. 26(b).

[24] *Antitrust Commission Hearings* 147-57 (July 13, 1978) (testimony of Harold S. Levy, General Att'y, American Telephone & Telegraph); *id.* at 188-209 (testimony of William Simon, Esq., Washington, D.C.); Rules Committee Proposed Amendments, *supra* note 3, at 6-11; Discovery Abuse Report, *supra* note 3, at 2-33.

[25] Discovery Abuse Report, *supra* note 3, at 2-3.

[26] Rules Committee Proposed Amendments, *supra* note 3, at 6-11.

[27] *Id.* at 10 (quoting with approval Discovery Abuse Report, *supra* note 3, at 3). *See also* Madden and Sunstein Submission, *supra* note 18, at 2.

[28] Fed. R. Civ. P. 26(c).

[29] Such motions as are made to prevent burdensome discovery have usually met a heavy burden of proof. *See, e.g.*, Davis v. Romney, 55 F.R.D. 337, 340 (E.D. Pa. 1972) (compelling reason for granting protective order to preclude discovery of documents not shown); Apco-Oil Corp. v. Certified Transp. Co., 46 F.R.D. 428, 432 (W.D. Mo. 1969).

[30] *See Antitrust Commission Hearings* 41 (July 11, 1978) (testimony of Fred H. Bartlit, Jr., member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n); Foster Submission, *supra* note 2, at 18-20.

[31] Commissioner Atkins wishes to note that Judge Hugh Will, Northern District of Illinois, reports favorably on the experience of that district in limiting to 20 the total number of interrogatories including all subparts, except for cause. Very few requests have been received for leave to file a greater number of interrogatories. Also according to Commissioner Atkins, the Southern District of Florida, where a local rule limits the number of interrogatories to 40, has had similar favorable experience.

[32] *See* Rules Committee Proposed Amendments, *supra* note 3, at 29-32.

[33] *See Antitrust Commission Hearings* 13 (Sept. 12, 1978, afternoon session) (testimony of William J. Manning); *id.* at 63-71, 80-82, 106 (July 13, 1978) (testimony of Alan J. Hruska). Also, after the deadline for submissions, the Commission received a written report generally critical of the rules changes proposed by the Committee on Rules of Practice and Procedure (*see* Rules Committee Proposed Amendments, *supra* note 3). *See* Arizona State University Discovery Conference, Report on the Advisory Committee's Proposed Revision of the Rules of Civil Procedure (Discovery) (Nov. 1978).

[34] *See* Letter from John H. Shenefield, Chairman, Antitrust Commission, to the Hon. Walter R. Mansfield, Chairman, Advisory Committee on Civil Rules, Judicial Conference of the United States (Nov. 30, 1978).

[35] *See Antitrust Commission Hearings* 80-82 (July 13, 1978) (testimony of Alan J. Hruska).

[36] Zenith Radio Corp. v. Matsushita Elec. Indus. Co., [1978-1] Trade Cas. ¶ 61,961 (E.D. Pa. 1976); GAF Corp. v. Eastman Kodak Co., 415 F. Supp. 129 (S.D.N.Y. 1976); Data Digests, Inc. v. Standard & Poor's Corp., 57 F.R.D. 42 (S.D.N.Y. 1972).

[37] *See* the discussion in note 39 *infra* concerning the proposed amendments to the Clayton and Antitrust Civil Process Acts to provide for notice to discoveree, preservation of privileges and immunities, and right of petitions for court order modifying a discovery order based on constitutional or other legal right or privilege.

[38] 15 U.S.C. §§ 1311-1314 (1976).

[39] *See, e.g.*, Submission by Neil E. Roberts, Chief, Evaluation Section, Antitrust Div., Dep't of Justice 3-12 (Mar. 1978) (proposed amendments to Clayton Act § 4 and the Antitrust Civil Process Act). Under the proposed amendment, sections 2 through 5 of the Antitrust Civil Process Act would be amended to provide in principal part that the Department of Justice may issue a civil investigative demand upon any person who may be in possession, custody, or control of any documentary material, "including any product cf discovery obtained by such person in any litigation." In this amendment a "product of discovery" would be defined to "include without limitation the original or a duplicate of any deposition, interrogatory, document, thing, result of the inspection of land or other property, examination, or admission obtained by any method of discovery; any digest, analysis, selection, compilation, or other derivation thereof; and any index or manner of access thereto." The amendment would also contain the following provisions:

> "Whenever a civil investigative demand is issued for any product of discovery, a copy of the demand shall be served upon the person from whom the discovery was originally obtained and the person to whom demand is issued shall be notified of the date on which such copy is served.
>
> ". . . any demand for any product of discovery shall not be returnable until after ten days after notice of said demand has been served upon the person from whom the discovery was originally obtained.
>
> ". . . a demand pursuant to this Act for any product of discovery shall supersede any inconsistent order, rule, or provision of law preventing or restraining disclosure of such product of discovery to any person; and provided further, that disclosure of any product of discovery pursuant to this Act shall not be deemed to constitute a waiver of any right or privilege, including without

limitation any right or privilege which may be invoked to resist discovery of trial preparation materials, to which the person making such disclosure may be entitled."

The amendment would also provide that all materials produced pursuant to the demand would be confidential and could be used only in the manner and for the purposes set forth in the Civil Process Act. Further, a motion to modify or set aside a civil investigative demand directed at a product of discovery could be made by the recipient of the demand or by the person from whom discovery was originally sought in the district court in which the discovery was originally obtained.

[40] Under this amendment a "product of discovery" would be defined to "include without limitation the original or a duplicate of any deposition, interrogatory, document, thing, result of the inspection of land or other property, examination, or admission obtained by any method of discovery; any digest, analysis, selection, compilation, or other derivation thereof; and any index or manner of access thereto." *Id.*

[41] *See* note 39 *supra*. Senator Hatch dissents from the recommendation for modification of procedures authorizing government acces to materials discovered in private antitrust actions.

[42] *Antitrust Commission Hearings* 43–45 (July 11, 1978) (testimony of Stephen D. Susman, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n).

[43] *See* Submission of William E. Swope, Director of Operations, Antitrust Div., Dep't of Justice, to the Antitrust Commission 5–6 (Oct. 17, 1978) (responses to follow-up questions).

[44] Pittsburgh Plate Glass Co. v. United States, 360 U.S. 395 (1959); United States v. Procter & Gamble Co., 356 U.S. 677, 682 (1958); Petrol Stops N.W. v. United States, 571 F.2d 1127 (9th Cir.), *cert. granted sub nom.* Douglas Oil Co. v. Petrol Stops N.W., 98 S. Ct. 3087 (1978).

[45] Certainly the level of "need" required for permitting disclosure should diminish if the reasons for preserving secrecy become less compelling. *See, e.g.,* U.S. Indus., Inc. v. United States Dist. Court, 435 F.2d 18, 21 (9th Cir), *cert. denied*, 382 U.S. 814 (1965); Illinois v. Harper & Row Publishers, Inc., 50 F.R.D. 37, 41 (N.D. Ill. 1969). For example, if grand jury transcripts have previously been disclosed to a witness' employer, the need for secrecy is reduced. Illinois v. Sarbaugh, 552 F.2d 768, 775 (7th Cir.), *cert. denied*, 434 U.S. 889 (1977).

Chapter four: Methods for early focusing and resolution of issues

Early focusing of issues in complex litigation can greatly aid in controlling discovery and simplifying the case. This chapter explores the types and uses of early issue-focusing, including the prompt exchange of "relevant market" contentions and the increased use, where appropriate, of judicial notice. Also addressed is the use of partial and full summary judgment and interlocutory appeals of controlling questions of law.

Recommendations

1. Procedures for early and continuous issue-focusing, including nonbinding statements of fact and contentions of law, should be used aggressively in complex litigation. Rule 16 of the Federal Rules of Civil Procedure, relating to pretrial conferences, should be amended to encourage this issue-focusing process and to strengthen judges' authority to manage and effectuate it.

2. The Department of Justice and the Federal Trade Commission, using pre-complaint investigation powers, should strive to bring well-prepared, well-focused cases that can be tried expeditiously. The government and private litigants should strive to use stipulations to the greatest extent practicable.

3. The parties should exchange their contentions and information concerning relevant market and market shares early in the proceedings. This information should be used by the judge to encourage stipulations or, at a minimum, more rapid resolution of issues involving market allegations.

4. In much antitrust litigation the parties may not significantly disagree on certain relevant facts, such as economic data. Where there is but one acceptable factual interpretation of economic or other evidence, the court should expedite the litigation by taking judicial notice of such facts.

5. Partial summary adjudication or summary judgment itself may expedite litigation by narrowing, resolving, or eliminating issues. While the standards for summary adjudication set forth in Rule 56 of the Federal Rules of Civil Procedure are workable, the utility of summary judgment has sometimes been impaired by overly restrictive judicial construction of Supreme Court precedent. In appropriate antitrust cases, courts should not be reluctant to use summary procedures to narrow or resolve the issues.

6. In certain cases, interlocutory appeal of controlling questions of law can expedite complex antitrust litigation. 28 U.S.C. § 1292 (b) should be employed in such litigation whenever appropriate and practical. Discovery and other pretrial activities generally should continue during such appeals.

Benefits and methods of issue definition

The definition and narrowing of issues promotes controlled discovery by helping to delineate its scope, and helping to outline the legal theories and evidentiary material on which each side intends to build its case. Exchanging and updating statements of contentions and issues can eliminate the waste that occurs when a party drops an issue or changes theories without informing the other side, a practice of which we strongly disapprove.[1] Moreover, when issue-focusing proceeds in conjunction with the refinement of the facts through discovery, areas of substantial agreement may emerge. Such agreed-on facts can be reduced to stipulations or presented in the form of requests to admit prior to trial.[2] The effort expended on pretrial issue definition can also help streamline the evidence and arguments to be presented at trial.[3] Accordingly, issues should be defined in each case to enable the judge to consider facts and law within the context of actual disputes and to limit the litigation to proceedings and activities that are truly relevant and material.

In many complex cases, final definition of the issues will be achieved only after a series of pretrial conferences and substantial discovery.[4] Yet, many authorities believe that early pretrial conferences should at least begin to focus the issues before discovery has progressed significantly.[5] We agree, although we recognize that in some cases little real refinement of the issues can occur until the parties have obtained some discovery. The contrary approach of the *Manual for Complex Litigation*, which recommends that discovery be completed before the issues are defined, is, in our view, generally inefficient and counterproductive.[6] In complex cases, discovery without concurrent issue definition is often conducted without sufficient direction or reasonable scope and can easily become unduly broad and protracted.

An early, preliminary pretrial conference should be the starting point for defining the issues and determining the proper scope and direction of discovery.[7] Subsequent conferences between the court and counsel should be employed to refine and redirect the scope of discovery, as appropriate, for each particular action. In this manner, the issue-narrowing process will not operate to inhibit discovery unduly. Obviously, the degree of specificity that reasonably can be demanded in early attempts to delineate the real issues will vary from case to case. Only a limited amount of information may be available when some private plaintiffs file their complaints, while in government or other private cases, the plaintiffs may already know the facts in considerably greater detail.[8]

In particular, the Commission would emphasize that both the Antitrust Division and the Federal Trade Commission should help solve the protracted case problem by better, earlier focusing of issues in their own litigations. Both the Antitrust Division and the FTC possess considerable pre-complaint investigative powers. Nonetheless, at times complaints have been issued by these agencies that, while perhaps well-founded in the facts and the law, have nevertheless lacked structure and clarity. In addition, government cases have at times been hampered by use of inexperienced legal personnel, rapid turnover of attorneys, and by inadequate support staff and services.

To remedy these shortcomings, the Commission believes that both enforcement agencies should strive consistently to bring cases well enough prepared to allow for a rapid pretrial, as well as a comparatively short trial, with the government's case-in-chief taking the shortest amount of time practicable, usually not more than a few months at most. To facilitate this, we urge Congress and the appropriate officials of both agencies to consider ways of attracting and retaining sufficient legal and support personnel to prosecute cases effectively. We recognize this may require increased financial and personnel support for government cases as well as greater use of pre-complaint investigations to produce well-organized, well-focused cases.

In both government and private cases, constructive issue-focusing activity can be begun early in the case. Various courts now attempt to bring the issues into early focus by requiring timely, written memoranda that concisely state material facts, points of law, and any issues in the pleadings that have been abandoned.[9] The requirement of written submissions, if coupled with close judicial control and management, can cause counsel to present the case in an organized fashion, encourage them to be prepared for pretrial conferences, and induce them to formulate reasonable and adequate discovery plans.[10]

There are a variety of other useful techniques by which the court and counsel can work to narrow issues. Their use depends on a flexible, imaginative approach. Among the best known devices are the exchange of progressively more specific statements of factual and legal positions and proofs [11] and the use and discussion of draft stipulations of uncontested facts.[12] This latter technique can work if paid adequate judicial attention, and if parties refusing to stipulate are obliged to present alternative versions of the facts wherever possible.

Parties should also be moved to stipulate objective facts to the maximum extent possible. Of course, litigants should not be expected to stipulate to questions involving motive, intent, or reasonableness. They should also be permitted to withdraw agreements or stipulations on a showing of good cause—for example, when new facts are ascertained in the course of discovery.

Pretrial proceedings should not become an occasion for special pleading that elaborately states arguments or allegations.[13] The Commission has considered and rejected the concept of "special" or detailed pleading in antitrust cases,[14] and pretrial proceedings should not be used to require this. Written pretrial submissions, however, can foster more useful and continuing clarification of the issues than is achievable by reliance on the complaint and answer alone. Moreover,

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Footnotes at end of chapter.

submissions encourage continuous consideration of the case by the parties and the court.[15] We recommend, therefore, that Rule 16 of the Federal Rules of Civil Procedure be amended to encourage use of such written statements in the course of pretrial proceedings.[16]

Rule 16 should also be amended to clarify judicial authority to define issues unilaterally, where litigants have failed to use reasonable efforts to agree. In many cases the parties will arrive at mutual statements of the legal and factual issues that can be incorporated in a pretrial order.[17] If the parties fail to properly define or reasonably agree about those issues, however, the court should itself restate the issues and resolve the impasse. The authority of courts to define issues in the absence of agreement is not now specifically established by Rule 16 or case law.[18] There is nothing in the language or spirit of Rule 16 or the case law to prohibit it, and courts now have inherent issue-defining power in Rules 12(f) and 56.[19] Nevertheless, Rule 16 should be amended to make this power clear.

Such an amendment is not intended to become an alternate form of summary judgment. Rather, the amendment would enhance judicial management capacity when counsel fail to reach a workable statement of issues. These statements are essential to a productive pretrial, especially discovery, and their creation should not be left to chance. Once again, active judicial management is an absolutely necessary ingredient.

Rule 16 as now written empowers judges, but not litigants, to call pretrial conferences. The need for access to the court mandates that counsel have the ability to initiate a pretrial conference.[20] The Rules Committee's proposed amendment to Rule 26(f) of the Federal Rules of Civil Procedure would have the court hold a pretrial conference, on the subject of discovery, when requested by any party. While this proposal has merit, there is no need, in our view, to limit such a conference to discovery, given the close relationship of discovery and other pretrial activity.[21] It would thus be more appropriate to amend Rule 16 to allow a party to call a preliminary pretrial conference, rather than amending Rule 26 in this fashion. The underlying need is for pretrial conferences to be available at an early stage to parties who experience a need for them.

Early exchange of market information

In some complex antitrust cases proof of relevant markets and market structure involves enormous time and expense.[22] A company often has excellent market information concerning the market in which it operates, and in many cases can readily state market shares with only a small margin of error. Yet an adversary seeking to prove market shares may have to conduct costly, nationwide surveys of all industry members, often in the face of myriad motions for protective orders and other objections by nonparty competitors. Thus, it is often hard for the parties or the judge to get a firm grasp of the case and to understand its dimensions until long after the suit is filed.[23] Even when this process is completed, a plaintiff may get data that is less reliable and complete than the data its adversary had all along.

If market information were exchanged early in the litigation, the parties would be better able to focus their efforts and might well agree to drop some market issues where essential weaknesses of their contentions were exposed. Preliminary market information might be used in early motions to dismiss, for partial summary adjudication, or for interim injunctive relief. The parties would be in a better position to agree on facts or to serve notices to admit, and the judge would be in a better position to press for stipulations.

Within existing law and procedural rules, courts can usefully adopt guidelines for such early exchanges of market contentions. Accordingly, we recommend that in every antitrust case involving proof of markets and market structure, within 20 days after the first pretrial conference but no later than 60 days after joinder of issue, plaintiff be required to serve on defendant its preliminary product and geographic market definition contentions. Within 30 days thereafter defendant would be required to serve on plaintiff the defendant's preliminary contentions of market definition. Within 30 days thereafter each party would serve on the other a statement of its best estimate, with regard to each line of commerce alleged by a party, of: (1) all significant competitors, the allegedly competitive products of such competitors, and their market shares, and (2) the approximate number and size of the remaining competitors. All principal documents on which the estimates and contentions are based should be attached to the statement, along with identification of all persons on whom the producing party substantially relied in arriving at the contentions and estimates. Documents under the custody and control of the parties that pertain to the definition or measurement of any relevant market listed by either party should be available for inspection and copying.

If a party lists an unreasonable number of market definition contentions, the judge should require that party to select the markets most important to it.[24] The opposing party would then respond only with respect to its own markets plus those selected by the adversary as most important. Compliance with this proposal would not preclude either party from pursuing discovery on market issues, but it is likely to obviate much of the need for such discovery.[25] Nor would a party be precluded from later changing its contentions upon a proper showing of underlying data.

This proposal requires no rule change.[26] It is a procedure that judges should implement under present law and its feasibility is aptly demonstrated by such potentially protracted cases as *United States* v. *Amax, Inc.* where the major factual issues were promptly settled by stipulation before trial.[27]

Increased use of judicial notice

The concept of judicial notice permits the trial judge to place uncontroverted facts into the record on a nonadversary basis.[28] By taking such action the trial judge can identify and resolve some factual questions and may provide an instructive foundation of facts about the pertinent industry and market structure. Expanded pretrial use of judicial notice can help overcome the hesitancy of counsel to stipulate the facts that are not substantially disputed. The use of judicial notice to identify those factual issues over which there is no substantial disagreement woud lessen the ability of litigants to obscure the questions really at issue, and thereby expedite the pretrial stage of litigation.

The Supreme Court has made significant use of this doctrine in antitrust cases in analyzing the economic and structural background of various industries, by taking judicial notice of reports by government agencies, as well as economic treatises and professional articles.[29] Such use of judicial notice has been quite important to the ultimate determination of a number of antitrust cases, but current judicial attitudes towards this type of notice are somewhat ambiguous and in need of clarification.

Rule 201 of the Federal Rules of Evidence is the sole evidence rule pertaining to judicial notice.[30] Generally, "two categories of facts clearly fall within the parameters of judicial notice, these being facts generally known with certainty by all reasonably intelligent people in the community and facts capable of accurate and ready determination by resort to sources of indisputable accuracy."[31] A second school of thought would also allow notice of facts that are unlikely to be challenged and are highly reliable, though less than certain.[32] Although the language of Rule 201 leans toward the former, more conservative school, creative use of judicial notice nonetheless need not be precluded.

Operating within present standards for judicial notice, the judge should, after notification of the parties, take appropriate notice where there is but one acceptable fact resolution. Thus employed, the doctrine becomes a tool of judicial management that, along with other techniques discussed elsewhere in this Report, should facilitate the quick and intelligent resolution of factual nondisputes. If, in the future, it becomes clear that Rule 201 is insufficiently flexible for this purpose, then we would recommend an amendment to liberalize that rule.

Summary adjudication

Partial or full summary judgment pursuant to Rule 56 of the Federal Rules of Civil Procedure can also help expedite certain cases through the early determination of appropriate legal questions. The express function of summary judgment is to discern whether a "genuine issue as to [a] material fact" exists, thus removing irrelevant or factually deficient claims and defenses.[33] While there is considerable support for greater use of both summary judgment and partial summary adjudication in complex cases there are fairness problems in overuse of these procedures and many judges are extremely reluctant to employ such devices at all, particularly in antitrust cases.[34]

We recommend summary procedures as a valuable, workable element in the pretrial of much complex antitrust litigation. They can help define the issues, reduce the scope of discovery, shorten the length of trial, and increase the prospect of settlement. We caution, however, that summary disposition must be employed judiciously, and not as a means for bypassing trial or as an excuse for staying other pretrial activity.[35]

By specifying the facts and issues not in substantial controversy, partial summary adjudication may be very similar to an order entered pursuant to Rule 16 following a pretrial conference.[36] Materials prepared for the summary judgment motion can be used as an aid to trial planning, or as the basis for evidentiary presentation at trial. For example, in *United States* v. *Bethlehem Steel Corp.*[37] and *Seligson* v. *New York Produce Exchange*,[38] the parties condensed the record to prepare summary judgment exhibits, while intending to use the exhibits as a major part of the trial evidence if summary judgment were not allowed.[39]

Also, antitrust litigants should give careful consideration to moving for full or partial summary judgment as a means of focusing pretrial and trial. Rule 56 of the Federal Rules of Civil Procedure and the accompanying Advisory Committee notes indicate a uniform summary judgment standard for all cases and no special category for antitrust or other complex actions. Some courts, however, have been much more reluctant to grant summary judgment in antitrust cases. This result, in our opinion, stems from overly restrictive interpretation of certain Supreme Court cases. In *Poller* v. *Columbia Broadcasting System*,[40] the Supreme Court stated:

> We believe that summary procedures should be used sparingly in complex antitrust litigation where motive and intent play leading roles, the proof is largely in the hands of the alleged conspirators, and hostile witnesses thicken the plot. . . . Trial by

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affidavit is no substitute for trial by jury. . . .[41]

This language may have served at the time to correct overly eager use of summary judgment in some antitrust cases, and the Commission is not recommending a return to pre-*Poller* practice.[42] Some cases since *Poller*, however, appear to have gone to the opposite extreme.

Under *Poller* and other Supreme Court decisions, failure by the movant to disprove conclusively a disputed material fact or factual inference requires denial of a motion for summary judgment.[43] This formulation has led to overly strict application in some instances. Some appellate courts have stated, for example, that summary judgment should not be granted if there is the "slightest doubt" as to any material fact.[44] This is an unwarranted gloss on the "genuine issue" requirement. Opinions relying on the slightest doubt standard have been declining, however, and some circuits, including the Second Circuit, have explicitly rejected the more restrictive language found in older cases.[45]

The *Poller* decision, when properly applied, should discourage the use of summary adjudication only where such action encompasses subjective evidence such as motive, intent, credibility, and the like.[46] In assessing the contribution of summary judgment to the expedition of complex antitrust cases, the Commission does not wish to invite the sort of abuses of summary judgment that the *Poller* decision effectively condemned. On the other hand, the appellate courts should more realistically evaluate the availability and proper application of summary judgment.

Since we view the present language of Rule 56 as compatible with more effective use of summary adjudication, we do not recommend a change in the Rule. If, however, future decisions do not enhance the availability of summary judgment, an amendment to the Rule may be needed.[47]

Interlocutory appeal

Readier recourse to interlocutory appeal of controlling legal questions could be very helpful in the earlier determination of certain complex antitrust cases. Resolution of novel legal theories should not await an entire pretrial and trial period only to have the earlier effort declared in vain. When there is "a controlling question of law as to which there is substantial ground for difference of opinion and . . . an immediate appeal from the order may materially advance the ultimate termination of the litigation," Section 1292(b) of title 28, United States Code, allows, early appeals, in the discretion of the trial judge. A "controlling" question need not itself be a "dispositive one," so long as its resolution will indeed "materially advance" the end of the case.[48] Section 1292(b) must be employed with discretion, but it should be used more readily by district and appeals courts handling complex antitrust litigation.

There is considerable scholarly comment that Section 1292(b) has been underutilized.[49] We agree, and urge litigants in private antitrust suits to seek interlocutory appeals of truly key legal issues that are likely to lead to a significantly faster resolution of the action.[50] The statute, appropriately in our judgment, provides that no stay of proceedings shall occur unless specifically so ordered. This provision is important, because use of interlocutory appeal can be counterproductive if discovery and other activity are allowed simply to languish pending resolution of one issue, even a main issue. We therefore recommend against any "stays" of pretrial during interlocutory appeals except in extraordinary situations. An effort to resolve at an early point a controlling question of law should not be made at the expense of all other aspects of pretrial preparation.[51] Use of Section 1292(b) in tandem with vigorous pretrial work should promote economy without fostering delay.

Proposed amended rule 16

(Italics indicates an addition; brackets denote deleted material.)

In any action, the court may, in its discretion, *or upon the request of any party,* direct the attorneys for the parties to appear before it for a conference *or conferences* to consider

(1) The simplification of the issues;

(2) The necessity of desirability of amendments to the pleadings;

(3) The possibility of obtaining admissions of fact and of documents which will avoid unnecessary proof;

(4) The limitation of the number of expert witnesses;

(5) The advisability of a preliminary reference of issues to a master for findings to be used as evidence when the trial is to be by jury;

(6) *The filing of non binding statements and counter-statements of facts and theories of claims or defenses, which shall be used to narrow issues, guide discovery and prevent surprise, but shall not be admissible at trial;*

(7) *The imposition of the sanctions stated in Rule 37(b)(2) against any party for failure to follow orders entered pursuant to Rule 16;*

(8) *The submission of a plan and schedule of discovery;*

(9) *The setting of pretrial time limits, cutoff dates, and a trial date;*

(10) [(6)] Such other matters as may aid in the disposition of the action.

The court shall make an order which recites the action taken at the conference, the amendments allowed to the pleadings, *the time limits and cutoff dates set,* and the agreements made by the parties as to any of the matters considered, and which *defines the legal and factual issues and* limits the issues for trial to those not disposed of by admissions or agreements of counsel; and such order when entered controls the subsequent course of the action, unless modified at the trial to prevent manifest injustice. The court in its discretion may establish by rule a pretrial calendar on which actions may be placed for reconsideration as above provided and may either confine the calendar to jury actions or to non-jury actions or extend it to all actions.

FOOTNOTES

[1] P. Gerhart, Preliminary Report on the Empirical Case Studies Project to the National Commission for the Review of Antitrust Laws and Procedures 14, 47–48 (Jan. 15, 1979) [hereinafter cited as Gerhart Report]; Smith, *Preliminary Particularization of Issues*, 21 F.R.D. 456 (1957).

[2] Requests to admit are governed by Fed. R. Civ. P. 36. Like contention interrogatories, requests to admit are useful pretrial tools. They are more formal alternatives to the statements we have recommended.

[3] Gerhart Report, *supra* note 1, at 14–15; Smith, *Defining the Issues and Establishing a Plan for Trial*, 23 F.R.D. 412 (1958); Comment, *Federal Rule 16—Definition of Issues by the Pre-trial Judge*, 61 Mich. L. Rev. 1566, 1567 (1963).

[4] *See, e.g.*, United States v. American Tel & Tel. Co., [1978-2] Trade Cas. ¶ 62,247, at 75,565–69 (D.D.C. 1978).

[5] *Antitrust Commission Hearings* 99 (Sept. 13, 1978, morning session) (testimony of Professor Philip E. Areeda, Harvard Law School); *id.* at 28–30 (testimony of A. G. W. Biddle, President, Computer Communications Industry Ass'n); *id.* at 79–80 (Aug. 15, 1978) (statement of Commissioner Atkins); *id.* at 95–98 (statement of Commissioner Nicholson); *id.* at 59–60 (July 13, 1978) (testimony of Alan J. Hruska, Co-Chairman, Second Circuit Commission on the Reduction of Burdens and Costs in Civil Litigation); *id.* at 129–31 (July 11, 1978) (testimony of Judge Charles B. Renfrew, U.S. District Court, Northern District of California); Gerhart Report, *supra* note 1, at 14, 47; Judicial Conference Study Group on Procedure in Protracted Litigation, *Handbook of Recommended Procedures for the Trial of Protracted Cases*, 25 F.R.D. 351, 373 (1960). *See also* Life Music, Inc. v. Broadcast Music, Inc., 31 F.R.D. 3, 5 (S.D.N.Y.), *petition for mandamus denied*, 309 F.2d 242 (2d Cir. 1962); Kirkham, *Complex Civil Litigation—Have Good Intentions Gone Awry?*, 70 F.R.D. 199, 204 (1976); Antitrust Section, American Bar Ass'n, *Streamlining the Big Case*, 13 ABA Antitrust L.J. 183, 184, 190–92 (1958); Smith, *supra* note 3, at 413.

[6] Manual for Complex Litigation, introduction, at 3 n.3, § 1.20, at 18 n.19 (1977). *See* Gerhart Report, *supra* note 1, at 75; *Oversight of Antitrust Enforcement: Hearings Before the Subcomm. on Antitrust and Monopoly of the Senate Judiciary Comm.*, 95th Cong., 1st Sess. 246 (1977) (statement of Ira Millstein); Flittie, *Judicial Notice in the Trial of Complex Cases—The Sherman Act § 1 Per Se as a Testing Ground*, 31 Sw. L.J. 819, 825 & n. 38 (1978); Withrow & Larm, *The "Big" Antitrust Case: 25 Years of Sisyphean Labor*, 62 Cornell L. Rev. 1, 25 (1976); Note, *Observations on the Manual for Complex and Multidistrict Litigation*, 68 Mich. L. Rev. 303 (1969).

The *Manual* supports its recommendation against initial briefing of contentions with a citation to Perma Life Mufflers Inc. v. International Parts Corp., 392 U.S. 134 (1968), commenting that "where plaintiffs originally proceeded on one theory before discovering their entitlement to rely on another, early briefing would have clearly been pointless." Manual for Complex Litigation § 1.20, at 18 n.19 (1977). Reliance on *Perma Life* is questionable. In *Perma Life*, a group of franchisees alleged a conspiracy to restrain trade in violation of sections 1 and 2 of the Sherman Act. The district court granted summary judgment for the defendants on the grounds that plaintiffs were voluntary parties to the alleged antitrust violations and were barred from suing under the doctrine of *in pari delicto*. Alternatively, the district court held that plaintiffs could not claim a conspiracy among the defendants because they were in essence a single business enterprise although organized as separate corporations. *See* Perma Life Mufflers, Inc. v. International Parts Corp., [1966] Trade Cas. ¶ 71,802 (N.D. Ill. 1966); Perma Life Mufflers, Inc. 1. International Parts Corp., [1966] Trade Cas. ¶ 71,801 (N.D. Ill. 1966). The Supreme Court reversed, holding that the *in pari delicto* doctrine is not a defense to treble damage actions. The Court also held that doing business through separate corporations rendered them liable on conspiracy grounds. Plaintiffs raised before the Supreme Court the theories that conspiracies also existed between defendant and each plaintiff and between defendant and other franchisees. The Court held that these theories were alleged with sufficient specificity in the complaint to allow plaintiffs to rely on them.

Perma Life thus does not stand for the proposition for which the *Manual* cites it. An attempt at early issue definition might have forced plaintiffs to list their alternate theories of conspiracy more clearly. At worst, the late appearance of the alternate theories had little effect on the litigation, since plaintiffs' primary theories were upheld. Early issue definition might have focused discovery and lessened the "voluminous" record, Perma Life Mufflers, Inc. v. International Parts Corp., 376 F.2d 692, 693 (7th Cir. 1967), which developed between the filing of the complaint in 1960 and the district court's ruling on motion for summary judgment in 1966.

[7] If the initial pretrial conference is conducted within 45 days after service of the complaint, responses to discovery requests will not normally have been due. Responses to interrogatories and document production are not required until 45 days after service of the summons and complaint. Fed. R. Civ. P. 33(a), 34(b). Depositions within 30 days of service on the defendant are by leave of court. Fed. R. Civ. P. 30(a).

[8] *See, e.g.*, Furth, *The Anatomy of a Seventy Millon Dollar Sherman Act Settlement—A Law Professor's Tape-talk with Plantiff's Trial Counsel*, 23 De Paul L. Rev. 865, 874–75 (1974).

[9] *See, e.g.*, C.D. Cal. Local R. 9(e). The Northern District of Ohio has promulgated rules for litigation involving the antitrust or patent laws, damage claims exceeding $1 million, and multiple parties. Discovery is "confined to the genuine issues necessary to a decision of the case," and counsel submit tentative statements "explaining and clarifying the positions taken in the pleadings." A pretrial conference follows for the purpose of "defining the bounds of discovery in accordance with the elaboration and clarification of the issues." The rules specifically provide that a party is not precluded "from changing his position or amending his pleading, where otherwise proper"; the statement of issues is to serve only "as a framework for discovery." N.D. Ohio R. for Complex Litigation 1, 3, 4.

[10] For positive and negative views, see *Antitrust Commission Hearings* 40 (Sept. 12, 1978, morning session) (testimony of Judge Patrick E. Higginbotham, U.S. District Court, Northern District of Texas); *id.*, at 24–25, 39–40 (testimony of Judge Jon O. Newman, U.S. District Court, District of Connecticut); Gerhardt Report, *supra* note 1, at 38–40; Submission of Denis McInerney, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n, to the Antitrust Commission 5 (Sept. 13, 1978) (response to follow-up questions of Antitrust Commission).

[11] *See. eg.*, United States v. American Tel. & Tel. Co., [1978–2] Trade Cas. § 62,247, at 75,565–69 (D.D.C. 1978).

[12] Telex Corp. v. International Business Machs. Corp., 367 F. Supp. 258 (N.D. Okla. 1973), *rev'd on other grounds*, 510 F.2d 894 (10th Cir.), *cert. dismissed*, 423 U.S. 802 (1975). *See also* Gerhardt Report, *supra* note 1, at 48–53.

[13] McCargo v. Hendrick, 545 F.2d 393, 401–02 (4th Cir. 1976); Padovani v. Bruchhausen, 293 F.2d 546 (2d Cir. 1961).

[14] We have studied the "revision of pleading requirements in order to narrow as quickly and precisely as possible the scope of contested issues of fact and law." Exec. Order No. 12022, § 2(a)(1)(ii), 3 C.F.R. 155 (1977). Past experience with code systems and with the civil bill of particulars under Rule 12(e) between 1938 and 1948, demonstrates that in a system of detailed pleading there is an inherent risk of delay and abuse, whether well intentioned or not. 4 Moore's Federal Practice ¶ 26.02[1] (2d ed. 1976); Holtzoff, *A Judge Looks at the Rules After Fifteen Years of Use*, 15 F.R.D. 155 (1953); Stayton & Boner, *The Plastic Code in Operation*, 36 Texas L. Rev. 561, 572 (1958). Moreover, there has been little comment presented to us favoring increased specificity in antitrust pleadings. *See, e.g.*, Submission of the Committee on Trade Regulation, Ass'n of the Bar of the City of New York, to the Antitrust Commission 5 (June 21, 1978). *But see Antitrust Commission Hearings* 153–54, 163, 181–83 (July 13, 1978) (testimony of Harold S. Levy, General Att'y, American Telephone & Telegraph).

The case for creation of a special or detailed system of pleading in antitrust or other complex cases is, in our view, very weak, and hence we do not support such revisions. Any gap in specificity which the present system of notice pleading creates can be remedied by the pretrial statements and conferences we have recommended.

[15] Gerhardt Report, *supra* note 1, at 47–54; McDowell, *Pretrial Procedures: Pretrial v. Procedure*, 4 Antitrust Bull. 675 (1959); Pollack, *Pretrial Procedures More Effectively Handled*, 65 F.R.D. 475 (1974); Wright, *The Pretrial Conference*, 28 F.R.D. 141 (1960).

[16] The text of the proposed amendment is set forth at the end of this Chapter.

[17] Rule 16 requires the court to make an order which "limits the issues for trial to those not disposed of by admission or agreements of counsel." The preparation of a comprehensive final pretrial order is a uniform and desirable practice in complex cases. Gerhart Reports, *supra* note 1, at 54, 63; S. Flanders, *Case Management and Court Management in United States District Courts* 39 (Federal Judicial Center 1977).

[18] Life Music, Inc. v. Broadcast Music, Inc., 31 F.R.D. 3, 5 (S.D.N.Y.), *petition for mandamus denied*, 309 F.2d 242 (2d Cir. 1962), is often cited for the proposition that a judge has authority to define the issues in the absence of agreement. *But see* United States v. International Business Machs. Corp., 68 F.R.D. 358 (S.D.N.Y. 1975); *see also* Padovani v. Bruchhausen, 293 F.2d 546 (2d Cir. 1961).

[19] Rule 12(f) allows the court upon its own initiative to strike any "immaterial" matter from a pleading, which may result in removal of immaterial issues. Summary judgment under Rule 56 also results in the elimination or retention of issues. As to the Court's inherent power, *see* Link v. Wabash R.R., 370 U.S. 626 (1962); Grumbel v. Pitkin, 124 U.S. 131, 144 (1888); MacAlister v. Guterma, 263 F. 2d 65, 68 (2d Cir. 1958); *see also* Comment, *supra* note 3; Note, The Role of the Court in Simplifying the Triable Issues at Pretrial Conference, 72 Yale L.J. 383 (1962). One commentator suggests, however, that such power not be inferred. *See* 3 Moore's Federal Practice ¶ 16.11, at 1119, & n.5 (2d ed. 1978).

[20] Gerhart Report, *supra* note 1, at 29–30.

[21] *See* Letter from John H. Shenefield, Chairman, Antitrust Commission, to the Hon. Walter R. Mansfield, Chairman, Advisory Committee on Civil Rules, Judicial Conference of the United States (Nov. 30, 1978).

[22] It has been estimated that market definitions required 20 to 25% of the trial time in SCM v. Xerox Corp., Civ. No. 15,807 (D. Conn. Dec. 29, 1978), and Berkey Photos, Inc. v. Eastman Kodak Inc., 457 F. Supp. 404 (S.D.N.Y. 1978). In United States v. International Business Machs. Corp., 69 Civ. 200 (S.D.N.Y., filed Jan. 17, 1969), this subject is estimated to be consuming 45 to 50% of the trial. Gerhart Report, *supra* note 1, at Appendix G. *See also Antitrust Commission Hearings* 74, 101–02 (Sept. 13, 1978, afternoon session) (testimony of Fred H. Bartlit, Jr., Esq., Chicago, Illinois); *id.* at 77–80 (testimony of Professor Thomas E. Kauper, University of Michigan Law School, and former Ass't Att'y Gen., Antitrust Div., Dep't of Justice); *id.* at 85–93 (testimony of Judge Frederick B. Lacey, U.S. District Court, District of New Jersey).

[23] *See, e.g.*, United States v. Standard Oil Co., 78 F. Supp. 850 (S.D. Cal. 1948), *aff'd*, 337 U.S. 293 (1949). Justice Frankfurter writing for the court, stated the economic facts in a few pages. 337 U.S. at 295–97. Apparently most of this evidence was introduced at trial on an adversarial basis and created a large record. Flittie, *supra* note 6, at 828–29.

[24] The number should depend upon what is reasonably necessary for the case.

[25] This savings should occur even though proof of conduct is also relevant to proving market shares. *Antitrust Commission Hearings* 79–80 (Sept. 13, 1978, afternoon session) (testimony of Professor Thomas E. Kauper); *id.* at 86–87 (testimony of Judge Frederick B. Lacey).

[26] The exchange of market data proposal was originated by Commissioner Fox and closely follows her ideas.

[27] 402 F. Supp. 956 (D. Conn. 1975). In *Amax*, the government sought to enjoin a merger. The complaint was filed on August 25, 1975, and at a pretrial conference on September 2, 1975, defendants voluntarily agreed to postpone the closing of the merger pending an expedited hearing on the merits. A four day trial was held on September 16–19, 1975. The court noted that the parties "were able to stipulate to uncontested facts and to narrow the issues to the minimum necessary for decision." *Id.* at 958 n.1. The parties stipulated the relevant geographic and product markets. Although they strongly disagreed whether the proposer measure of market shares in one product market should be sales or manufacturing capacity, the parties reached factual stipulations under each of their conflicting theories of measurement. *Id.* at 961 n.15, 964. *See also* Gerhart Report, *supra* note 1, at 55–56.

[28] Flittie, *supra* note 6, at 834. The potential savings to be realized through the use of judicial notice have long been recognized. *See, e.g.*, J. Thayer, A Preliminary Treatise on Evidence at the Common Law 309 (1898); 9 Wigmore on Evidence § 2583, at 585 (3d ed. 1940).

[29] Philadelphia Nat'l Bank v. United States, 374 U.S. 321 (1963) (commercial banking); Tampa Elec. Co. v. Nashville Coal Co., 365 U.S. 320, 332–33 (1961) (annual production, number of producers, sales to particular customers, and consumption in certain geographic areas for coal); Parker v. Brown, 317 U.S. 341 (1943) (California raisin industry); Jay Burns Baking Co. v. Bryan, 264 U.S. 504, 534 (1924) (Brandeis, J., dissenting) (commercial bread production).

[30] Rule 201 governs judicial notice of "adjudicative" facts but not judicial notice of "legislative" facts. The rule does not define either term and leaves explanation to the Advisory Committee Notes. S. Saltzburg & K. Redden, Federal Rules of Evidence Manual 56–68 (2d ed. 1977).

[31] C. McCormick, Evidence § 328, at 758 (2d ed. 1972); E. Morgan, Basic Problems of Evidence 9 (1962).

[32] J. Thayer, *supra* note 28, at 309; 1 J. Weinstein & M. Berger, Weinstein's Evidence ¶ 201[03], at 201–37 (1975); 9 Wigmore on Evidence § 2571 (3d ed. 1940); Davis, *Judicial Notice*, 1969 L.J. & Soc. Ord. 513.

[33] Fed. R. Civ. P. 56(c); Louis, *Federal Summary Judgment Doctrine: A Critical Analysis*, 83 Yale L.J. 745, 769 (1974).

[34] We use the term "partial summary adjudication" to refer to an order entered pursuant to Rule 56(d) or a partial summary "judgment" as to less than the whole case pursuant to Rule 56(a) or (b). 6 Moore's Federal Practice ¶ 56.20, at 56–120 (2d ed. 1976); 10 C. Wright & A. Miller, Federal Practice and Procedure § 2737, at 680–81 (1973). For support of summary adjudication, see *Antitrust Commission Hearings* 133 (July 11, 1978) (testimony of Judge Charles B. Renfrew); Gerhart Report, *supra* note 1, at 57–62; Submission of David L. Foster, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n, to the Antitrust Commission 21 (Oct. 2, 1978) (tabulation of responses to complex litigation questionnaire); 2 P. Areeda & D. Turner, Antitrust Laws §§ 316–317 (1978); Manual for Complex Litigation § 1.80 (1977); Section of Antitrust Law, American Bar Ass'n, Monograph No. 3, Expediting Pretrials and Trials of Antitrust Cases 100–40 (1978); Section of Antitrust Law, American Bar Ass'n, Panel on Improvement in Pretrial and Trial Procedures in Civil Anti-

trust Cases 22–27 (Nov. 18–19, 1977) (transcript of Chicago Conference); Bromley, *Judicial Control of Antitrust Cases,* 23 F.R.D. 417, 421 (1958); Louis, *supra* note 33; Judicial Conference Study Group on Procedure in Protracted Litigation, *supra* note 5, at 389 n.43; Withrow & Larm, *supra* note 6, at 30–36.

As to judicial utilization of summary judgment, see, *e.g.*, Section of Antitrust Law, American Bar Ass'n, Panel on Improvement in Pretrial and Trial Procedures in Civil Antitrust Cases 28 (Nov. 18–19, 1977) (transcript of Chicago conference). *But see* Hays, *The Use of Summary Judgment,* 28 F.R.D. 126 (1962); Withrow & Larm, *supra* note 6, at 31–32 & n.166 (collecting cases).

[35] Submission of Fulbright & Jaworski, Houston, Texas, to the Antitrust Commission (Aug. 7, 1978) (Stays of Discovery in Antitrust Litigation); 2 P. Areeda & D. Turner, *supra* note 34, § 317, at 73.

[36] Clark v. Kraftco Corp., 447 F.2d 933, 936 (2d Cir. 1971); Christianson v. Gaines, 174 F.2d 534, 536 (D.C. Cir. 1949); Leonard v. Socony-Vacuum Oil Co., 130 F.2d 535, 536 (7th Cir. 1942); Notes of Advisory Committee on 1948 Amendment to Fed. R. Civ. P. 56.

[37] 168 F. Supp. 576 (S.D.N.Y. 1958); 157 F. Supp. 877 (S.D.N.Y. 1958).

[38] 378 F. Supp. 1076 (S.D.N.Y. 1974).

[39] *See* Bromley, *supra* note 34; McDowell, *supra* note 15; Reycraft, *Practical Problems Presented in the Trials of Recent Merger Cases,* 4 Antitrust Bull. 635 (1959).

[40] 368 U.S. 464 (1962).

[41] *Id.* at 473.

[42] *Antitrust Commission Hearings* 41–43 (Nov. 30, 1978, morning session) (statement of Commissioner Blecher); 10 C. Wright & A. Miller, *supra* note 34, §§ 2712, at 378, 2732, at 609–10; Lemley, *Summary Judgment Procedure Under Rule 56 of the Federal Rules of Civil Procedure—Its Use and Abuse,* 11 Ark. L. Rev. 138 (1957).

[43] Adickes v. S.H. Kress & Co., 398 U.S. 144 (1970); Norfolk Monument Co. v. Woodlawn Memorial Gardens, Inc., 394 U.S. 700 (1969). *But see* First Nat'l Bank v. Cities Serv. Co., 391 U.S. 253 (1968) (suggesting that the motion be decided on the most probable inference rather than requiring the absence of any dispute).

[44] Cases decided under the slightest doubt standard include: Devex Corp. v. Houdaille Indus., Inc., 382 F.2d 17, 21 (7th Cir. 1967); Armco Steel Corp. v. Realty Inv. Co., 273 F.2d 483, 484 (8th Cir. 1960); Cox. v. American Fidelity & Cas. Co., 249 F.2d 616, 618 (9th Cir. 1957); Doehler Metal Furniture Co. v. United States, 149 F.2d 130, 135 (2d Cir. 1945).

[45] 10 C. Wright & A. Miller, *supra* note 34, § 2725, at 510. As noted, the Second Circuit has explicitly rejected the slightest doubt standard found in some of their earlier cases. Beal v. Lindsay, 468 F.2d 287, 291 (2d Cir. 1972); Dressler v. MV Sandpiper, 331 F.2d 130, 132–34 (2d Cir. 1964).

The significant role that summary adjudication can serve in antitrust litigation is illustrated by cases where it played a leading role. Illinois Brick Co. v. Illinois, 431 U.S. 720 (1977) (The Supreme Court affirmed the district court's grant of partial summary "judgment" against all plaintiffs that were indirect purchasers); Citizen Publishing Co. v. United States, 394, U.S. 131 (1969) (where record establishes a *per se* violation of the antitrust laws summary judgment is proper); White Motor Co. v. United States, 372 U.S. 253 (1963) (grant of summary judgment upheld on the government's price-fixing charges, but vertical restraint issue to be tried); International Salt Co. v. United States, 332 U.S. 392 (1947) (government granted summary judgment enjoining defendant from enforcing lease provisions on its patented machines); Associated Press v. United States, 326 U.S. 1 (1945) (documentary evidence established violation as a matter of law); United States v. Beatrice Foods Co., 344 F. Supp. 104 (D. Minn. 1972), *aff'd,* 493 F.2d 1259 (8th Cir. 1974), *cert. denied,* 420 U.S. 961 (1975); Withrow & Larm, *supra* note 6, at 31 n. 166 (collecting cases).

[46] First Nat'l Bank v. Cities Serv., Co., 391 U.S. 253, 285 (1968); White Motor Co. v. United States, 372 U.S. 253, 259 (1963); 2 P. Areeda & D. Turner, *supra* note 34, § 2732 at 609–17; 6 Moore's Federal Practice ¶¶ 56.15 [1.00], 56.16 (2d ed. 1976).

[47] Dressler v. MV Sandpiper, 331 F.2d 130, 132–134 (2d Cir. 1964); Notes of Advisory Committee on 1963 Amendment to Fed. R. Civ. P. 56.

[48] 7B Moore's Federal Practice § 1292 (2d ed. 1978).

[49] *Id.* at 435.

[50] Section 1292(b) does not apply to government equity suits under the antitrust laws. The amended Expediting Act, 15 U.S.C. § 29(a) (1976), precludes use of § 1292(b) appeals in such suits. United States v. International Business Machs. Corp., 406 F. Supp. 184 (S.D.N.Y. 1975) (denying request for § 1292(b) certification due to the strictures of the amended Expediting Act).

[51] Gerhart Report, *supra* note 1, at 57–62. Interestingly enough, a Senate Report mentioned that the new provision might be applied to statute of limitations defenses in antitrust cases. *See* S. Rep. No. 2434, 85th Cong. 2d Sess. 2–3 (1958), *reprinted in* [1958] U.S. Code Cong. & Ad. News 5255, 5256. The House Report described avoidance of a long trial by resolution of claimant's basic right of action as an appropriate use of the new section. *See* H.R. Rep. No. 1667, 85th Cong., 2d Sess. 1 (1958).

Chapter five: Sanctions and disincentives for dilatory behavior

The use of sanctions against dilatory behavior will sometimes be necessary to make judicial management techniques work effectively. Sanctions also have important deterrence and punishment functions. When used properly, they can be an important and integral part of the process of expediting complex cases, as can professional ethics standards. Moreover, the creation of financial disincentives to delay would help deter recalcitrance.

Recommendations

1. Appropriate sanctions should be used systematically to ensure that other litigation management techniques, including time limits, are effective. Lawyers and judges should increase their awareness and use of the sanctions available to help eliminate dilatory behavior.

2. Certain sanctions should be strengthened. Rule 7(b)(2) of the Federal Rules of Civil Procedure and 28 U.S.C. § 1927 should be amended to incorporate a more realistic "state of mind" requirement, and Section 1927 should be amended to allow recovery of a fuller range of expenses, including attorneys' fees. Rule 37 of the Federal Rules of Civil Procedure should be changed to authorize sanctions for discovery delays caused by excessive and uncooperative conduct, to allow imposition of sanctions without a prior motion by a party, and to highlight the availability of costs under 28 U.S.C. § 1927.

3. Lawyers and judges involved in complex litigation should be more sensitive to actual or potential violations of professional ethics through dilatory or abusive litigation tactics and should be prepared to invoke disciplinary procedures for such violations. The ethical status of some apparently common practices needs to be clarified; law schools and professional associations can begin to do so. As a first step, the American Bar Association's Disciplinary Rule 7–102, and corresponding state disciplinary rules, should be amended to emphasize the obligation to litigate expeditiously.

4. Sections 4, 4A and 4C of the Clayton Act (15 U.S.C. §§ 15, 15a, and 15c) should be amended to mandate an award of interest on the amount of the plaintiff's actual damages, from the date the complaint is served unless the court finds that circumstances make an award of prejudgment interest unjust. The rate of interest to be paid should be the prevailing commercial rate at the time judgment is entered.

The Need for Control over Dilatory and Abusive Litigation Behavior

Dilatory and abusive conduct occurs far too frequently in complex litigation.[1] Lawyers, particularly in "high-stakes" antitrust litigation, too often file meritless claims, defenses, or counterclaims, make excessive or abusive discovery demands, unreasonably resist legitimate discovery requests, provide unresponsive "stonewalling" answers, and unreasonably produce masses of insignificant, nonresponsive information. Other dilatory behavior may take the form of unjustified refusals to stipulate or admit facts, unwarranted motion practice, mishandling of documents, bad faith claims of privilege or confidentiality, and disruption of depositions.

Such conduct postpones or frustrates fair adjudication of legitimate claims and defenses. It unnecessarily increases litigants' costs and wastes scarce judicial resources. Litigation harassment and delay coerce parties into settlement simply to avoid unnecessary expense and frustration, make it difficult for the less wealthy to protect their interests through the courts, and thus lead to public cynicism concerning the judicial system.

Lawyers should fully recognize that dilatory and abusive conduct is not legitimate and will not be tolerated. We believe that lawyers should take more seriously their responsibility to the system of justice, not just to their clients.

The Role of Sanctions in Controlling Unreasonable Litigation Behavior

To be effective, management of complex litigation will sometimes require that meaningful sanctions be threatened or imposed. For example, time limits on discovery may be effective only if appropriate sanctions are available to penalize tardy or inadequate discovery responses. Although time limits contain their own penalty for procrastination, the use of cutoff dates may allow one party to oppress an adversary. Sanctions should therefore be used to prevent a party resisting discovery from providing too little information too late, and to prevent the opposite tactic of responding to a discovery request with a flood of nonresponsive, unimportant documents.[2]

As judges tighten and refine their control of the timing, volume and content of pretrial activity in complex cases, it may become easier for them to recognize and punish uncooperative behavior.[3] Also, more precise judicial controls will, in all likelihood, encourage cooperative conduct and decrease the need for sanctions. Thus, while better judicial management requires more readiness to use appropriate sanctions, it should also make the imposition of sanctions easier and may induce at least some litigants to avoid behavior that would make sanctions necessary.

Dilatory behavior has often gone unchecked because lawyers have been reluctant to request, and judges hesitant to impose, sanctions.[4] Both judges and lawyers should become more aware of the sanctions available and more willing to turn to them in appropriate circumstances. In particular, greater attention should be paid to the various sanctions presently available under Rules 7(b)(2), 36, 37, 41(b), and 56 of the

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Footnotes at end of chapter.

Federal Rules of Civil Procedure, 28 U.S.C. § 1927, the court's contempt power, provisions enforcing bar disciplinary rules, and local court rules. We encourage the courts to take dilatory conduct into account, under existing statutory and inherent authority, in calculating awards of postjudgment attorneys' fees.[5]

District court judges should more vigorously and frequently apply existing sanctions, including awards of costs, where warranted. To avoid undue delay during the litigation, argument and decision concerning sanctions sought during pretrial or trial can be made at the end of the case.[6] Appellate courts should be less hesitant than they often have been in the past to support the imposition of strong sanctions.[7] Many concerns and perceptions contributing to judicial reluctance to impose sanctions lack any real weight when analyzed carefully.[8]

Where necessary, judges should take the initiative in considering the imposition of sanctions. Lawyers have often been reluctant to seek sanctions against fellow attorneys or have delayed seeking sanctions because of the cumbersome, multistep procedure required. In such instances, courts should not tolerate the cost to the judicial system from dilatory conduct that is not promptly remedied.

The reluctance of counsel to seek sanctions should decline if courts become more willing to impose them. At the same time, greater willingness by counsel to seek sanctions is necessary to break the existing circular pattern whereby infrequent judicial imposition of sanctions, caused partially by the infrequency of sanction requests, discourages efforts to seek justifiable sanctions. Counsel should, of course, first try to resolve differences through consultation and cooperation, but, where such efforts are not successful, appropriate sanctions should be sought.[9] In addition, the amendments to Rule 37 of the Federal Rules of Civil Procedure endorsed below should reduce the hesitancy of both judges and lawyers by allowing greater imposition of sanctions without prior violation of a compelling order.

Furthermore, reluctance to punish a client for the wrongful acts of its counsel should not deter a judge from imposing sanctions. If the imposition of sanctions solely on a lawyer, with provision for nonreimbursement by the client, is insufficient or unenforceable in a given context, it is preferable to impose the costs resulting from dilatory conduct on the party employing the attorneys responsible, rather than on the party against whom such tactics were used. In appropriate cases of particularly egregious conduct, courts should resort to the sanctions of dismissal or default judgment.

As recently recognized by the Supreme Court,[10] the imposition of sanctions is important to the deterrence of dilatory conduct. Indeed, in terms of improving the efficacy of our system of justice, it is as important to deter dilatory conduct as it is to redress specific injury and punish particular wrongful conduct.

Increased judicial willingness to impose sanctions need not generate significant adverse effects. Fears that increased willingness to impose sanctions will flood the courts with routine requests for sanctions are overblown. Parties requesting sanctions would still have the burden of showing misconduct and might themselves be penalized for frivolous or unfounded motions. When a judge actively manages a case and has frequent meetings to check litigation progress, sanctions can be imposed quickly and efficiently.[11] Furthermore, the increased but careful use of sanctions should have no "chilling" effect on the assertion of legitimate rights and novel positions. Neither existing rules nor ones proposed herein allow for loose or arbitrary imposition of punishment.

Several amendments to the Federal Rules of Civil Procedure would provide more adequate authority for imposing sanctions. First, Rule 7(b)(2) should be amended, or a new rule adopted, to highlight the availability of sanctions for unwarranted motions (and other court papers besides pleadings) and to incorporate a more appropriate state of mind requirement for their imposition. Currently, Rule 7(b)(2) incorporates the intent requirement of Rule 11, which provides that the signature of an attorney on a pleading:

"* * * constitutes a certificate by him that he has read the pleading; that to the best of his knowledge, information and belief there is good ground to support it; and that it is not interposed for delay. If a pleading is not signed or is signed with intent to defeat the purpose of this rule, it may be stricken as sham and false and the action may proceed as though the pleading had not been served. For a wilful violation of this rule an attorney may be subjected to appropriate disciplinary action. * * *"

Such an "intent" standard has been interpreted to allow the imposition of sanctions only when a motion or other filing has been made *solely* for the purpose of delay. Such an interpretation is unnecessarily restrictive and provides inadequate authority for effectively dealing with dilatory practices. Accordingly, the rule should be amended to make it clear that imposition of appropriate disciplinary sanctions is authorized whenever a motion or other filing is "submitted primarily for delay." [12]

Second, 28 U.S.C., § 1927, which provides for the imposition of costs against an attorney who "so multiplies the proceedings in any case as to increase costs unreasonably and vexatiously," should be modified to incorporate a similar, more adequate intent requirement. In addition, this statute should be amended to allow not only the taxing of the narrow range of "costs" now provided, but also all expenses and attorneys' fees incurred because of the dilatory behavior.[13]

Third, the chief authority for discovery sanctions, Rule 37 of the Federal Rules of Civil Procedure, should be amended along the lines suggested by the Advisory Committee on Civil Rules. We have not considered that part of the Committee's proposal that would require that discovery abuses by government attorneys be reported to the Attorney General.[14] However, we do support the balance of the Committee's proposed amendment, which would highlight the alternative availability of 28 U.S.C., § 1927; explicitly extend Rule 37's own coverage to excessive or abusive discovery demands, as well as failures to make discovery; and give the court broad general authority to impose sanctions for discovery abuse without the need for any prior motion by a party.[15]

Finally, since local rules can be a valuable supplement to other sanctions provisions, rules providing firm sanctions should be seriously considered by federal district courts.

The Desirability of Enhanced Awareness of Professional Ethics Issues in Litigation Practice

Professional ethics are a potentially important, yet seldom emphasized, dimension of the problems raised by complex litigation. To consider these issues, the Commission established a Special Advisory Panel on Ethical Issues in Complex Antitrust Litigation to study that dimension.[16] Based on our record and the independent analysis of the Panel, we urge courts and counsel to become more sensitive to ethical obligations in complex civil litigation.

Some types of litigation behavior, such as deliberate destruction or concealment of evidence, are, of course, clear violations of ethics and of law, and should be dealt with accordingly.[17] Ethical questions raised by many other undesirable litigation practices that are believed to be widely employed are not so easily answered under existing rules and guidelines.[18]

The American Bar Association's Code of Professional Responsibility gives only general guidance. The Code exhorts lawyers to represent their client's particular interest "zealously," while also emphasizing that this should be done within the law [19] and without use of "offensive tactics." [20] A lawyer is not allowed to "assert a position, delay a trial, or take other action on behalf of his client when he knows or when it is obvious that such action would serve merely to harass or maliciously injure another." [21]

The Code of Trial Conduct for members of the American College of Trial Lawyers urges a "specific responsibility" on trial counsel to seek "prompt, efficient, ethical, fair and just disposition of litigation." [22] It imposes affirmative obligations to "avoid unnecessary delays," to eschew use of "dilatory tactics," and (in civil cases) to "stipulate in advance with opposing counsel to all noncontroverted facts. . . ." [23]

These and similar rules, while well-intentioned, are uncomfortably general. We urge the American Bar Association and other professional organizations to study ethical issues arising from complex litigation and attempt a more particularized definition of practices that are unethical. Such guidance is needed, not only to allow punishment for misbehavior, but to give well-meaning practitioners a better opportunity to fulfill their obligations to both client and court.

We endorse, therefore, the recommendation of our Special Advisory Panel on Ethical Issues calling for a change in the American Bar Association's Disciplinary Rule 7–102. The ABA rule, and corresponding state disciplinary rules, should be amended to increase the emphasis on, and make more specific, the affirmative obligation of an attorney to refrain from dilatory conduct.[24] Such an amendment would at least foster greater sensitivity to the ethical imperative of expediting cases. The amendment could be an addition to the rule providing:

"(c) In representation of a client in civil cases, a lawyer shall make every effort consistent with the legitimate interests of his client to expedite litigation, to refrain from dilatory tactics and to avoid unnecessary delays. For this purpose any financial or other comparable benefit that may result to a client from lack of speedy resolution of the litigation shall not be considered a legitimate interest of the client." [25]

We also urge the judge in a complex case informally to impart to the attorneys, at the outset, the standards of conduct that he or she expects to be followed in the litigation. Thereafter, the judge should monitor litigation activity to see that the prescribed standards are followed, and should be ready to hold counsel to them.

Increased awareness by courts and counsel of the ethical obligations involved in the handling of complex antitrust cases will not solve all problems. Ethical rules are seldom clear-cut and are not designed to prevent vigorous advancement of a client's legal positions. Increased ethical sensitivity, however, coupled with other techniques of case management, can begin to reduce the dilatory and obfuscatory practices now apparently flourishing.[26]

A Proposed Financial Disincentive to Litigation Delay

Dilatory behavior can also be countered by incentives to expedite litigation. One incentive would be the award of prejudgment interest. Other powerful incentives, preliminary injunctions or "hold-separate" orders to preserve the status quo, will be discussed in Chapter Seven, *infra*.

Footnotes at end of chapter.

Parties, particularly defendants, often have little or no incentive to expedite litigation; some have economic incentives to delay. Defendants, especially those with fairly clear liability exposure, can garner considerable financial benefit by protracting litigation since such delay increases the period during which any eventual monetary award to the plaintiff can be retained for profitable use. A majority of the Commission believes that awarding interest on damages from the date of service of a complaint, rather than from the actual date of judgment, would provide an incentive to expedite case,[27] or at least remove a possible disincentive to expedition.[28] While this device will necessarily operate as an incentive to defendants, we reiterate our belief that plaintiffs can also be responsible for litigation delay. Accordingly, we urge courts to consider plaintiffs' litigation conduct carefully in awarding postjudgment attorneys' fees. Where warranted, fee awards should be reduced.

Existing statutes and case law do not provide clear authority for awarding prejudgment interest in antitrust cases. Sections 4, 4A and 4C of the Clayton Act, providing for damage suits by private plaintiffs, the federal government, and states suing as *parens patriae*, are silent on the subject of interest.[29] The general federal interest statute allows interest on a money judgment in a civil case from the date of entry of the judgment, calculated at the rate allowed by state law.[30] This statute does not preclude the award of prejudgment interest, but leaves such interest to be governed by the law concerning the compensation awarded to make an injured party whole.[31]

Prejudgment interest has not been allowed in treble damage actions because the multiple damage sums are not compensatory in nature.[32] Treble damages have, in fact, been viewed as more than adequately compensating a plaintiff for its losses.[33] While a treble damage award may handsomely compensate a plaintiff for actual losses, it often offers no particular incentive for a defendant to seek final resolution of the issue. In government cases seeking single damages under Clayton Act Section 4A,[34] prejudgment interest may be available on the basis of general legal principles, but its imposition is discretionary rather than automatic.[35]

In addition to providing a disincentive to delay, a statutory provision for awarding prejudgment interest has the advantage of being essentially self-executing. Interest would be awarded automatically unless the court determined that circumstances would make such an award unjust. For example, if a plaintiff engaged in dilatory tactics or purposeful delay, the court might disallow prejudgment interest. Such a decision would be discretionary with the court and should not itself provoke extensive briefing or hearings.

Finally, prejudgment interest should be based on a plaintiff's actual damages, not treble damages. Although it can be argued that awarding prejudgment interest on the full amount of the judgment would provide an even greater financial disincentive to delay by the defendant, the magnitude of such an award would raise serious questions concerning its fairness and workability. Also, courts might be more inclined to find the award of interest on treble damages to be unjust, and thus defeat the purpose of prejudgment interest.

Commissioners Blecher, Fox, Izard, McClory, Nicholson, Spivack, Wiggins and Hatch believe that automatic awards of prejudgment interest against defendants who lose antitrust cases are no more justifiable than automatic awards of attorneys' fees to defendants who win antitrust cases. Commissioner Seiberling believes that judges should have the discretionary authority to award prejudgment interest only upon a finding of a defendant's acting with a primary purpose being delay.

FOOTNOTES

[1] *See, e.g.*, Submission of Judge Charles B. Renfrew, U.S. District Court, Northern District of California, to the Antitrust Commission 1 (Oct. 3, 1978) (Sanctions: A Judicial Perspective; paper to be published in the California Law Review) [hereinafter cited as Renfrew Submission]; Submission of David L. Foster, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n, to the Antitrust Commission 1–6, 25–26 (Oct. 2, 1978) (tabulation of responses to complex litigation questionnaire).

[2] *See Antitrust Commission Hearings* 67 (July 11, 1978) (testimony of Denis McInerney, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n) (use of firm trial dates to coerce settlement).

[3] *See* C. Ellington, A Study of Sanctions for Discovery Abuse 107, 112 (Nov. 1978) (prepared for the Office for Improvements in the Administration of Justice, Dep't of Justice).

[4] *See, e.g.*, P. Gerhart, Report on the Empirical Case Studies Project to the National Commission for the Review of Antitrust Laws and Procedures 40–42 (Jan. 15, 1979); C. Ellington, *supra* note 3, at 44–45, 52.

[5] *See, e.g.*, Lindy Bros. Builders, Inc. v. American Radiator & Standard Sanitary Corp., 540 F.2d 102, 118 (3d Cir. 1976) (en banc); *cf.* Baughman v. Wilson Freight Forwarding Co., 583 F.2d 1208, 1216 (3d Cir. 1978) (disallowing compensation for hours spent in second trial required solely because of improper closing argument by plaintiff's attorney in first trial).

[6] This proposal was raised by, among others, Stephen D. Susman. *See Antitrust Commission Hearings* 49 (July 11, 1978) (testimony of Stephen D. Susman, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n).

[7] *See, e.g.*, Renfrew Submission, *supra* note 1, at 14–15. A survey of reported appellate decisions on discovery sanctions between January, 1975, and October, 1977, found that appellate courts reversed dismissals or default judgments in 11 of the 24 cases in which the trial court imposed these severe sanctions. M. Werner, Survey of Discovery Sanctions 28 (March 10, 1978) (unpublished student paper at the University of Pennsylvania Law School).

[8] For a more detailed analysis of these matters, *see* Renfrew Submission, *supra* note 1, at 8–17.

[9] Commissioner Atkins notes that in his district, the Southern District of Florida, a local rule requires a statement that counsel have conferred regarding any discovery problem and were unable to resolve their differences before a motion to compel will be considered.

[10] National Hockey League v. Metropolitan Hockey Club, Inc., 427 U.S. 639, 643 (1976) (per curiam).

[11] *See* C. Ellington, *supra* note 3, at 16–17.

[12] This proposed change adopts one portion of a suggestion originally offered by Chief Judge David N. Edelstein of the Southern District of New York in *The Ethics of Dilatory Motion Practice: Time for Change*, 44 Fordham L. Rev. 1069, 1079 (1976). The second prong of the Edelstein suggestion would allow imposition of sanctions for filings where the attorney "knows or should know that substantial delay will result and that the motion if granted will secure very insubstantial relief." A witness before the Commission, Mr. Denis McInerney, suggested a revision of this test. *See* Submission of Denis McInerney, member, Task Force Panel on Complex Litigation, Antitrust Section, American Bar Ass'n, to the Antitrust Commission 6 (Sept. 13, 1979) (responses to follow-up questions). While a minority of the Commission was in favor of adopting some such second test, the majority felt that it would necessarily be too subjective and difficult in application.

[13] Section 1927 should be amended as follows (existing language deleted is in brackets, new language is underscored):

"Any attorney or other persons admitted to conduct cases in any court of the United States or any Territory thereof who *engages in conduct unreasonably and primarily for the purpose of delaying or increasing the cost of the litigation* [so multiplies the proceedings in any case as to increase costs unreasonably and vexatiously] may be required by the court to satisfy personally [such] *the* excess costs, *expenses and attorneys' fees reasonably incurred because of such conduct.*"

[14] *See* Letter from John H. Shenefield, Chairman of the Antitrust Commission, to Hon. Walter R. Mansfield, Chairman, Advisory Committee on Civil Rules, Judicial Conference of the United States (Nov. 27, 1978). Attorney General Bell has argued that a more direct approach would be enactment of proposed legislation repealing Rule 37(f), which would result in the availability of Rule 37 expense and fee award sanctions against the government. Letter from Griffin B. Bell, Attorney General, to Roszel C. Thomsen, Chairman, Committee on Rules of Practice and Procedure of the Judicial Conference of the United States (June 27, 1978); S. 3331, 95th Cong., 2d Sess., 124 Cong. Rec. S11500 (1978).

[15] *See* Committee on Rules of Practice and Procedure, Judicial Conference of the United States. Preliminary Draft of Proposed Amendments to the Federal Rules of Civil Procedure (Mar. 1978). A sanction of expenses, including attorneys' fees, is already available under Rule 37 for excessive or abusive discovery, but its workings are a bit cumbersome. A party faced with an unreasonable discovery request who seeks a protective order under Fed. R. Civ P. 26(c) can be reimbursed the expenses incurred in obtaining such an order. Alternatively, a similarly situated party who simply fails to respond can be reimbursed under Fed. R. Civ. P. 37(a)(4) for the expenses incurred in successfully defending against a motion to compel. Nevertheless, the amendment to Rule 37 proposed by the Advisory Committee would better highlight the availability of sanctions for abusive discovery demands, while allowing their imposition by the court without the prior initiative of a party, in appropriate cases. Such authority to combat excessive or abusive requests might be used most effectively in conjunction with a pretrial conference establishing the permissible bounds of discovery, since such conferences would facilitate determinations of excess or abuse.

[16] *See* Report of the Special Advisory Panel on Ethical Issues in Complex Litigation to the National Commission for the Review of Antitrust Laws and Procedures (Dec. 4, 1978) [hereinafter cited as Ethics Panel Report]. The report contains some 10 well-reasoned recommendations. That we do not specifically restate all of them here should in no way be taken as a disagreement with any of them.

Senator Hatch would "go further than the majority . . . and recommend stronger disincentives directed at spurious suits by plaintiffs."

[17] *See* Ethics Panel Report, *supra* note 16, at 16–18. *See also* 18 U.S.C. §§ 401–402 (criminal contempt), 1505, 1509–10 (obstruction of justice), 2071 (destruction of court records) (1976).

[18] *See* Ethics Panel Report, *supra* note 16, at 18–19, for a detailed listing of questionable discovery, motion and other practices According to the Special Advisory Panel's ethics questionnaire, a majority of the antitrust litigators contacted believed that prac-

tices of this kind raised serious ethical concerns. Moreover, a large majority said that they had encountered what they regarded as unethical behavior during antitrust litigation. *Id.* at 10. It should be noted that the Panel did not find that ethics were at a lower level in complex antitrust litigation than in other sorts of litigation activity. *Id.* at 16. The Panel did find scant evidence of disciplinary measures being taken against such practices. *Id* at 7–8.

[19] ABA Code of Professional Responsibility, Canon 7.

[20] *Id.* DR 7–101(A)(1).

[21] *Id.* DR 7–102(A)(1).

[22] American College of Trial Lawyers, Code of Trial Conduct, preamble (1978) [hereinafter cited as Trial Lawyers Code].

[23] *Id.* Rule 21.

[24] This suggestion follows the Special Advisory Panel's Eighth Recommendation to the Commission. Ethics Panel Report, *supra* note 16, at 29.

[25] *Id.* at 25. This language is partially based on the American College of Trial Lawyers Code. *See* Trial Lawyers Code, *supra* note 22, Rule 21(a) and (d).

[26] Commissioner Fox wishes to associate herself with the entire Report of the Special Advisory Panel on Ethical Issues in Complex Antitrust Litigation, many of whose recommendations are reflected herein. She sees an increasing tension between the sporting theory of litigation and the efficient pursuit of truth and justice. See Wessel, The Rule of Reason (1976). She agrees that:

"Changing the rules of the game is, of course, an undertaking that far transcends antitrust litigation, since these types of practices exist in all litigation. Yet . . . faced with overwhelming evidence that the present system in antitrust and other complex cases generally does not produce effective and speedy justice—we call upon the American Bar Association, and other appropriate organizations, to come to grips with this basic issue of whether such litigation should not be tried on the basis of ethical premises very different from those that presently exist."

Ethics Panel Report, *supra* note 16, at 21–22.

* * * * *

"[S]erious consideration must be given by the bar, particularly in the context of complex cases, to a major reordering of the existing balance between an attorney's duty to his client and his duty to the system of justice in greater favor of the latter. . . ."

Ethics Panel Report, *supra* note 16, at 29.

[27] A minority of the Commission opposes the provision of prejudgment interest. Another minority endorses the use of prejudgment interest, but only on a much less automatic basis.

[28] Prejudgment interest should be set at prevailing commercial rates. While postjudgment interest would remain at the lower "legal interest" rate, setting prejudgment interest at full commercial rates is necessary to the deterrent effect of the prejudgment interest concept. Otherwise, a liable defendant could still be financially somewhat better off by delaying at the prejudgment stages.

[29] 15 U.S.C. §§ 15, 15a, and 15c (1976).

[30] 28 U.S.C. § 1961 (1970).

[31] Louisiana & Arkansas Ry. Co. v. Export Drum Co., 359 F.2d 311, 317 (5th Cir. 1966); Moore-McCormack Lines, Inc. v. Amirault, 202 F.2d 893, 895 (1st Cir. 1953).

[32] Trans World Airlines, Inc. v. Hughes, 449 F.2d 51, 80 (2d Cir. 1971), *rev'd on other grounds*, 409 U.S. 363 (1973).

[33] *Id.*

[34] 15 U.S.C. § 15a (1976).

[35] *See* Memorandum of the United States in Support of Motion for a Ruling that the Jury be Instructed that on a Finding of Liability It May in Its Discretion Award Prejudgment Interest as an Element of Damages if it Finds Such an Award is Necessary to Assure Full and Fair Compensation to the Government, United States v. Pfizer, Inc., No. 4–71 Civ. 403 (D. Minn., filed July 15, 1969) (memorandum filed Aug. 16, 1976).

Chapter six: Other procedural recommendations

The Commission considered several procedural topics in addition to those covered by the preceding chapters. This chapter discusses the use of efficient evidentiary practices to expedite the litigation process,[1] the doctrine of collateral estoppel, the use of separate trials on separable issues, and certain techniques for jury trials in complex cases.

Recommendations

1. Litigants in complex antitrust cases should be required to simplify their trial proofs, to minimize evidentiary disputes, and to organize efficiently their exhibits and other evidence prior to trial.
2. Section 5(a) of the Clayton Act should be amended to make it clear that the statute does not preclude a "collateral estoppel" effect in appropriate cases in addition to the "prima facie" effect now expressly permitted.
3. When confronted with a complex antitrust case, the court should consider the potential advantages of holding separate trials on different issues, for example, by trying liability issues prior to damage issues.

The Need for Streamlined Evidentiary Practices

Executive Order 12022 directed the Commission's attention, among other procedural topics, to possible "amendment of evidentiary practices to expedite introduction of testimony and exhibits at trial." [2] We do not believe that amendments of any evidentiary rules or statutes are necessary at this time. Greater use of certain existing evidentiary techniques is, however, highly desirable. Efficient evidentiary practices not only focus and shorten trials, but may also streamline pretrial discovery and issue-definition. These benefits can accrue whether or not the case is tried before a jury.[3]

Several procedures already recommended in this Report have substantial utility at trial as well as during pretrial. Time limits for presentation of evidence and cross-examination, when set before trial and based on the parties' own realistic assessments of their requirements, can keep the trial moving. Such time limits encourage the parties to decide which witnesses and exhibits are redundant or unnecessary rather than putting the onus for such decisions solely on the judge.[4]

The techniques suggested in Chapter Four, *supra*, for pretrial stipulation, market share determination and judicial notice should also result in useful evidentiary material.[5] If employed successfully, these techniques should create concise evidence that can be read into the record, thus eliminating the need for more cumbersome procedures. Similarly, partial summary judgment procedures under Rule 56(d) of the Federal Rules of Civil Procedure can aid evidentiary efficiency in two ways. First, they indicate which issues not in dispute can be handled summarily at the trial; secondly, they may lead to the creation of exhibits that can be used at trial. This consideration should be particularly true for summaries of statistical material or deposition testimony.

A number of important streamlining evidentiary techniques are available in the *Manual for Complex Litigation* and the new Federal Rules of Evidence.[6] These devices should be routinely employed in complex antitrust cases.

There should, for example, always be a specific listing of proofs and objections thereto prior to trial. The *Manual* recommends such procedures and a number of local rules and individual judges require them as a matter of regular practice.[7] Parties should be compelled to make reasonable listings of their proposed exhibits and witnesses prior to trial, and should be required to state their objections to their opponents' "offers of proof." To the extent deemed practical, the judge should rule on objections prior to trial, and should urge the parties to meet and attempt to resolve such basic issues as the authenticity of documents. As a variant on the practice of exchanging lists of proposed evidence and objections, motions *in limine* for the pretrial exclusion of particular proofs may also be useful.[8] The actual techniques used should be flexible and tailored to the individual case. The goal should be a pretrial winnowing of proofs and arguments over them, so that the trial moves quickly with a sharp focus. The judge who participates actively in pretrial should be able to use the available mechanisms quickly and capably.

Similarly, the judge presiding over a complex antitrust case should strongly encourage the use of summary materials. Summaries are essential, not only for statistical evidence, but also for deposition testimony. The trial judge should not allow litigants to consume trial time, particularly jury time, debating at length about underlying economic figures or reading individual deposition transcripts. Use of summaries is already widely recommended [9] and should be regularly done.

Collateral estoppel

Section 5(a) of the Clayton Act[10] provides that a final judgment or decree entered in a government action in which a defendant was found to have violated the antitrust laws can be used by a plaintiff suing the same defendant as prima facie evidence of an antitrust violation. The prima facie effect, however, extends only to "matters respecting which said judgment or decree would be an estoppel" [11] as between the government and the defendant. Judgments or decrees entered with the consent of the defendant in a prior government suit before testimony is taken, or in an action brought by the government to recover damages to its business or property, do not have such prima facie effect.

A fundamental question exists as to how Section 5(a) of the Clayton Act should be applied. A number of courts have interpreted the statute to limit the prior judgments or decrees to prima facie evidence only, rather than allowing them to have full collateral estoppel effect.[12] On the other hand, at least one district court has held that the statute does not preclude allowing more than prima facie effect to judgments or decrees in government cases.[13]

Giving prior litigated judgments in favor of the government only prima facie effect can cause considerable delay in subsequent actions because it enables the defendant to relitigate previously decided issues. The result, of course, is that both the defendant and plaintiff offer a full range of trial witnesses and exhibits. By contrast, if the prior judgment had greater evidentiary effect, relitigation of already proved violations could be avoided in appropriate cases, thus decreasing the burden on the courts and litigants. The public interest would be further served by facilitating recovery, as in other types of actions.

Some members of the Commission would amend Section 5(a) to require automatic collateral estoppel effect for prior government judgments, except where manifest injustice would result. The majority of the Commission, however, believes that this could lead to unjust results, even with the specified proviso. The defendant in the first case does not frame the complaint, and to a large extent, does not control the issues to be litigated. Also, the complexity of many antitrust cases can make full litigation of

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Footnotes at end of chapter.

all issues in a government suit impracticable. Moreover, the defendant may be less motivated to fully litigate every issue in a government case than in a subsequent treble damage action, where huge amounts of money may be at stake. Conceding relatively minor issues for practical reasons in a prior action might preclude their consideration in subsequent litigation where they assume unanticipated significance.

Therefore, replacing Clayton Act Section 5 (a) with new legislation to make government judgments automatically conclusive in subsequent actions, is not recommended. Instead, the majority of the Commission recommends that Congress amend the statute to make it clear that the prima facie effect afforded prior litigated judgments won by the government does not preclude courts, in their discretion, from applying in antitrust cases the principles of collateral estoppel now applicable in other types of litigation. A defendant who lost either a prior government or private suit could be precluded from relitigating against subsequent plaintiffs those issues fully and fairly contested and necessary to the result in the first action.[14] In this way, the deterrent effect of the antitrust laws will be enhanced and complex antitrust cases can be litigated and adjudicated more efficiently.

In recommending an amendment to Section 5(a) of the Clayton Act to encourage the wider application of collateral estoppel in antitrust cases, we recognize that courts have fairly readily allowed the use of collateral estoppel defensively. Used defensively, the doctrine precludes the relitigation of an issue decided against the plaintiff in a prior suit. The offensive use of collateral estoppel, which arises when a defendant is barred from relitigating issues determined adversely to it, has been less generally allowed, since courts have rightly been sensitive to the potential unfairness of estopping a defendant from relitigating issues that it did not frame. Nevertheless, the risk of unfairness depends on the facts of a particular case, and the Supreme Court [15] and other federal courts [16] have approved the offensive use of collateral estoppel in some circumstances. A particularized inquiry based upon principles of fairness affords protection where an issue that was viewed by the defendant as insignificant in a prior action, and therefore not contested vigorously, becomes critical in a subsequent suit.[17]

The use of collateral estoppel may somewhat increase pressure on antitrust defendants to settle rather than litigate. The potential benefits of an equitable application of estoppel doctrine, including greater judicial finality, the preservation of resources, and increased deterrence, however, are substantial. Under these circumstances, the possibility that an innocent defendant will settle to avoid the potential collateral estoppel effects of an adverse litigated judgment, when that defendant would not have settled under the present prima facie rule, does not outweigh the substantial potential benefits that the reasoned application of estoppel doctrine can have.[18]

Nor does it appear that the broader application of collateral estoppel in antitrust cases will induce defendants to contest insignificant issues and to take unnecessary appeals. Under current law, litigated antitrust cases are generally thoroughly contested, and antitrust defendants now appeal most adverse judgments in any event. Moreover, insignificant issues should be subject to stipulation and, of course, issues not fully litigated should have no collateral estoppel effect.[19] Based on the foregoing considerations, we recommend that Section 5(a) of the Clayton Act [20] be amended as follows (bracketed matter is deleted; italic matter is added):

> Sec. 5(a) A final judgment or decree heretofore or hereafter rendered in any civil or criminal proceeding brought by or on behalf of the United States under the antitrust laws to the effect that a defendant has violated said laws shall be prima facie evidence against such defendant in any action or proceeding brought by any other party against such defendant under said laws [or by the United States under section 4A,] as to all matters respecting which said judgment or decree would be an estoppel as between the parties thereto: Provided, That this section shall not apply to consent judgments or decrees entered before any testimony has been taken [or to judgments or decrees entered in actions under section 4A]. *Nothing contained in this section shall be construed to impose any limitation on the application of collateral estoppel.*[21]

Division of Complex Antitrust Trials into Separate Parts

Holding separate trials on separate issues—such as liability and damages—can substantially shorten and simplify some complex antitrust cases.

Under Rule 42(b) of the Federal Rules of Civil Procedure, a court can order separate trials to avoid prejudice or to promote "expedition and economy." [22] Separate trials may promote efficiency and economy by resolving a dispositive issue, one that either makes further litigation unnecessary—for example, where the verdict upholds an affirmative defense [23]—or one that substantially increases the likelihood of settlement by eliminating fundamental uncertainty.

It is true, of course, that "separation of issues for trial is not to be routinely ordered," [24] but separation should be deemed appropriate where there is no significant overlap between the issues. There may well be antitrust cases where liability can be determined without any detailed evidence on the issue of damages.[25] Other possible candidates for separate trial include issues involving subject matter jurisdiction, patents,[26] impact, the terms of a written agreement, statute of limitations, fraudulent concealment, the *in pari delicto* defense, and the applicability of prior releases.[27]

Obviously, the greater the overlap between separated issues, the greater the potential for prejudice, reversible error, and wasted resources if separate trials are held.[28] Separate trials may also impede efficient litigation if issues are framed too narrowly or evidence is improperly excluded.[29] Moreover, separate trials may burden witnesses who have to testify at both. And, in some cases, the factfinder may be confused rather than aided by separate trials. Consequently, issues should only be separated if the court is satisfied that the potential advantages of doing so outweigh the disadvantages.

Other, broader considerations are also relevant in deciding whether to order separate trials. The Constitution and Rule 42(b) itself may require a "unitary" jury trial on integrally related issues.[30] A difference in the trial format—that is, single trial versus divided trial—may affect the substantive outcome.[31] Finally, the impact on discovery and pretrial are important. If the split trial will actually lead to an earlier disposition of the case, then discovery work can indeed be shortened and more narrowly focused. If the possibility of separate trials leading to a conclusive determination is not strong, however, orders staying discovery on separated issues may be counter-productive.[32]

In conclusion, separate trials can indeed be useful, but only in appropriate circumstances. For those antitrust cases where separable and apparently dispositive issues exist, separation can help to streamline pretrial, can shorten trial and make it more intelligible, and can lead to a quicker conclusion of the litigation. Accordingly, we recommend that judges handling complex antitrust litigation give careful consideration to employing the option afforded by Rule 42(b). In doing so, the judge should resolve the issue of whether the same jury should be used to decide the damage issue if liability is found.

The Role of the Jury

Recent judicial decisions, articles, and testimony before the Commission reflect growing interest in the role of juries in complex antitrust litigation. Evidence about the effect of juries on the length of such litigation is, in our opinion, inconclusive. Furthermore, the constitutional issue of the scope of the jury trial right in complex antitrust litigation is beyond the Commission's mandate. Accordingly, we make no recommendation concerning the role of the jury in complex antitrust litigation.

Even if the role of juries in some antitrust cases is limited, juries will continue to try many antitrust cases, including some that cannot be considered simple, and a number of innovative techniques can help juries understand those cases better. It has proved useful for courts to instruct the jury on the relevant legal issues at the beginning of trial as well as at the end. It may also be useful for courts to refresh juries on the factual and legal relationships of the different parts of the trial, such as evidence and argument on the "relevant" market. Counsel may assist the jury's early understanding of the case by giving more comprehensive and focused opening statements. If the case is to be submitted on interrogatories, a preliminary set of interrogatories may be given to the jury at the start of the trial. These procedures collectively should facilitate the jury's understanding and assessment of the evidence presented.

The parties might provide the jurors with a binder containing important exhibits. During trial, the expanded use of visual aids may contribute to ready comprehension. Jurors may be permitted to take notes during trial and the exhibits, trial transcript (if ready), and jury instructions can be made available in the jury room during deliberations.[33] Counsel should also evaluate the utility of preparing summaries of the evidence for the jury's use.

FOOTNOTES

[1] This topic was specifically referred to in the Executive Order that established the Commission. Exec. Order No. 12022, § 2(a) (1) (v), 3 C.F.R. 155 (1977), *as amended by* Exec. Order No. 12052, 43 Fed. Reg. 15,133 (1978).

[2] *Id.* at § 2(a) (1) (v).

[3] Submission of Martin Frederic Evans, Esq., New York, New York, to the Antitrust Commission 2 (Aug. 8, 1978) (Evidentiary Practices in Complex Antitrust Cases) [hereinafter cited as Evans Submission].

[4] *See* Chapter Two *supra.*

[5] *See* Chapter Four *supra.*

[6] While we do disagree with several aspects of the *Manual for Complex Litigation* (*see e.g.,* Chapter Three *supra*), we believe that its recommendations on preparation of evidence are very useful. Manual for Complex Litigation, §§ 2.70–.71, 3.30–4.70 (1977) [hereinafter cited as Manual]. The Federal Rules of Evidence were enacted in 1975. Federal Rules of Evidence, Pub. L. No. 93–595, 88 Stat. 1926 (1975).

[7] Manual, *supra* note 6, §§ 3.30, 4.20–.21.

[8] Note, *Pretrial Exclusionary Evidence Rulings,* 1967 Wis. L. Rev. 738.

[9] *See* Fed. R. Evid. 1006; Evans Submission, *supra* note 3, at 7–9; Manual, *supra* note 6, §§ 2.71, 4.211.

[10] 15 U.S.C. § 16(a) (1976).

[11] *Id.*

[12] *See, e.g.,* Sam Fox Publishing Co. v. United States, 366 U.S. 683, 690 (1961) (dictum); Purex Corp. v. Procter & Gamble Co., 308 F. Supp. 584, 589–90 (C.D. Cal. 1070), *aff'd,* 453 F.2d 288 (9th Cir. 1971), *cert. denied,* 405 U.S. 1065 (1972); *see also* McCook v. Standard Oil Co., 393 F. Supp. 256, 259–60 (C.D. Cal. 1975).

[13] Illinois v. Huckaba & Sons Constr. Co., 442 F. Supp. 56 (S.D. Ill. 1977), *appeal docketed sub nom.* Illinois v. General Paving Co., No. 78–1479 (7th Cir. Apr. 13, 1978) (oral argument held on November 28, 1978).

[14] In place of the earlier doctrine of mutuality, which was used as a guideline for insuring against unfairness in the application of collateral estoppel, federal courts now generally undertake a more individualized analysis of the particular facts of each case in determining whether allowance of estoppel would be unfair or violate due process. *See, e.g.*, Federal Sav. & Loan Ins. Corp. v. Hogan, 476 F.2d 1182 (7th Cir. 1973); James Talcott, Inc. v. Allahabad Bank, Ltd., 444 F.2d 451 (5th Cir.). *cert. denied,* 404 U.S. 940 (1971); Brown v. R. D. Werner Co., 428 F.2d 375 (1st Cir. 1970); Graves v. Associated Transp., Inc., 344 F.2d 894 (4th Cir. 1965); Bruszewski v. United States, 181 F.2d 419 (3d Cir.), *cert. denied,* 340 U.S. 865 (1950). *See also* Bernhard v. Bank of America Nat'l Trust & Sav. Ass'n, 19 Cal. 2d 807, 122 P.2d 892 (1942). The Supreme Court has approved the non-mutual use of estoppel in Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation, 402 U.S. 313 (1971), and more recently in Parklane Hosiery Co. v. Shore, 47 U.S.L.W. 4079 (U.S. Jan. 9, 1979).

[15] *See* Parklane Hosiery Co. v. Shore, 47 U.S.L.W. 4079 (U.S. Jan. 9, 1979).

[16] *See, e.g.*, Zdanok v. Glidden Co., 327 F.2d 944 (2d Cir.), *cert. denied,* 377 U.S. 934 (1964); United States v. United Air Lines, Inc., 216 F. Supp. 709, 725–29 (E.D. Wash., D. Nev. 1962), *aff'd as to estoppel sub nom.* United Air Lines, Inc. v. Wiener, 335 F.2d 379, 404 (9th Cir.), *cert. dismissed,* 379 U.S. 951 (1964).

[17] Courts have recognized the much more severe fairness and due process concerns that would be raised by applying collateral estoppel against persons who were not represented in the earlier litigation, and such use of estoppel is available, if at all, only in extraordinary circumstances. *E.g.*, Note, *Collateral Estoppel of Nonparties,* 87 Harv. L. Rev. 1485, 1496–97 (1974).

[18] It is also unlikely that allowing collateral estoppel will encourage putative claimants to wait on the sidelines until some plaintiff wins, thereby discouraging consolidation of claims. The first action is often a government enforcement action. Consolidation is usually not feasible. Furthermore, Congress has determined that potential plaintiffs should be able to await the outcome of such an action and accordingly has provided that the running of the statute of limitations is suspended during the action's pendency and for one year thereafter. *See* 15 U.S.C. § 16(i) (1976). When the first action is a private suit, plaintiffs may risk a partial loss of damages as a result of the running of the statute of limitations if they wait on the sidelines. In any event, a court may deny collateral estoppel effect where a later plaintiff "could easily have joined in the earlier action." Parklane Hosiery Co. v. Shore, 47 U.S.L.W. 4079, 4082 (U.S. Jan. 9, 1979).

[19] An additional concern sometimes expressed is the "multiple claimant anomaly." This occurs under principles of collateral estoppel where a defendant prevails in at least one suit but loses a later action by another claimant involving essentially the same facts. The defendant may then be estopped from litigating against subsequent plaintiffs those issues on which he prevailed in the first case but lost in the intervening action. However, this does not appear to be a cause for serious concern here. Antitrust litigation is sufficiently costly that it is unlikely that putative plaintiffs would continue to sue a victorious defendant on essentially the same facts. In any event, the court retains discretion to deny collateral estoppel where the prior judgments have been inconsistent. Parklane Hosiery Co. v. Shore, 47 U.S.L.W. 4079, 4082 (U.S. Jan. 9, 1979).

[20] 15 U.S.C. § 16(a) (1976).

[21] The recommended amendment clarifies the prima facie rule as a minimum standard, which can be triggered by government damage suits as well as enforcement actions. In addition, the proposed amendment would expressly allow the courts to grant collateral estoppel effect, in appropriate cases, as they would in other areas of the law, for issues previously litigated in civil or criminal suits brought by the government or private parties. Finally, the reference to excepting prima facie effect in subsequent government damage actions would be eliminated by the amendment, since retention of that reference would be superfluous.

Senator Hatch dissents from the recommendation for such an amendment.

[22] For a detailed exposition of interpretations of Rule 42(b), see 5 Moore's Federal Practice ¶ 42.03 (2d ed. 1978) and 9 C. Wright & A. Miller, Federal Practice & Procedure §§ 2387–91 (1971).

[23] *See, e.g.*, Kimberly Corp. v. Hartley Pen Co., 237 F.2d 294, 297 (9th Cir. 1956). *See also* Braun v. Berenson, 432 F.2d 538 (5th Cir. 1970).

[24] Notes of Advisory Committee on 1966 Amendment to Fed. R. Civ. P. 42(b).

[25] *See In re* Master Key Antitrust Litigation, 70 F.R.D. 23, 28–29 (D. Conn.), *appeal dismissed for lack of jurisdiction,* 528 F.2d 5 (2d Cir. 1975).

[26] *See, e.g.*, Components, Inc. v. Western Elec. Co., 318 F. Supp. 959, 965–68 (D. Me. 1970) and cases cited therein. *See also* Report of the Attorney General's National Committee to Study the Antitrust Laws 249 (1955), which recommended a separate trial of separable patent and antitrust issues.

[27] These items were selected from a list appearing in Antitrust Section, American Bar Ass'n, Expediting Pretrials and Trials of Antitrust Cases 125–33 (1978) (Monograph No. 3). *See also* Manual, *supra* note 6, § 4.12 (a lengthy and detailed list of potentially separable issues).

[28] *See, e.g.*, Response of Carolina, Inc. v. Leasco Response, Inc., 537 F.2d 1307, 1324 (5th Cir. 1976); United States v. International Business Machs. Corp., 60 F.R.D. 654, 657 (S.D.N.Y. 1973).

[29] Response of Carolina, Inc. v. Leasco Response, Inc., 537 F.2d 1307, 1324 (5th Cir. 1976).

[30] *See* United Air Lines, Inc. v. Wiener, 286 F.2d 302 (9th Cir.), *cert. denied,* 266 U.S. 924 (1961); Hosie v. Chicago & N.W. Ry., 282 F.2d 639, 642–44 (7th Cir. 1960); C. Wright & A. Miller, *supra* note 22, § 2391. One Commission witness, Judge Robert Merhige, suggested that, where permissible, separate juries might hear separate, more manageable segments of the case. *See Antitrust Commission Hearings* 59 (Sept. 12, 1978, morning session) (testimony of Judge Robert R. Merhige, Jr., U.S. District Court, Eastern District of Virginia). A variant on this, to the extent feasible, is to retain the same jury but adjourn the trial for short periods between segments.

[31] One study of jury trials in personal injury cases indicated that defendants won 42 percent of those cases where damages and liability were tried together, but 79 percent of those where liability was tried alone. Rosenberg, *Court Congestion: Status, Causes, and Proposed Remedies,* in The Courts, the Public and the Law Explosion 29, 48 (H. Jones ed. 1965), *cited in* C. Wright & A. Miller, *supra* note 22, § 2390, at 299. There is no indication that similar results need occur in the antitrust sphere.

[32] *See* Submission of Samuel E. Stubbs, Esq., Houston, Texas, to the Antitrust Commission 11–12 (Aug. 7, 1978) (Stays of Discovery in Antitrust Litigation).

[33] P. Gerhart, Report on the Empirical Case Studies Project to the National Commission for the Review of Antitrust Laws and Procedures 17, 72–73 (Jan. 15, 1979); *Those Complex Antitrust Cases,* Wall St. J., Aug. 29, 1978, at 16, col. 4. Some of these techniques were used in: SCM Corp. v. Xerox Corp., Civ. No. 15,807 (D. Conn. Dec. 29, 1978); Berkey Photo, Inc. v. Eastman Kodak Co., Civ. No. 73–424 (S.D.N.Y. June 16, 1978).

By Mr. ROTH:

S. 391. A bill to limit the burden reporting requirements placed on small businesses, to provide for the pilot testing of reporting forms issued or required by the Federal Government, to establish procedures for the reduction of the reporting burden upon small businesses on a continuing basis, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL ADMINISTRATIVE IMPROVEMENTS IN REPORTS ACT

● Mr. ROTH. Mr. President, I am today introducing legislation which, I am hopeful, will go far toward easing the terrible paperwork burdens thrust upon our small business community by the Federal Government. I believe, as do a large majority of the American people, that something must be done, and done quickly to deal with the paperwork problem. Piecemeal actions and band aid repairs can no longer suffice.

The legislation I am submitting today is entitled the "Federal Administrative Improvements in Reports Act of 1979" or the FAIR Act. I carefully chose this title, because I believe it has special meaning. In my view, it is only fair and equitable that the huge Federal bureaucracy makes every possible effort, pursues every conceivable method, of reducing the terrible burden of paperwork thrust upon the small business community. It is not fair to me that a government spending close to $500 billion a year with all of the resources it commands continues to pile upon the shoulders of small businesspersons so many reporting requirements and regulations. In fairness to these entrepreneurs, we in the Federal Government must commit ourselves to the task of making the struggle to succeed in business a little easier.

The small businesses of our Nation are extremely important to its economic health. Forty-three percent of the Nation's gross national product is produced by small businesses of all types. Small businesses account for 64 percent of the total dollar volume generated by wholesaling, 73 percent of that generated by the construction industry. Somewhere between 95 and 99 percent of the businesses in the country can be considered small businesses. Census figures indicate that upwards of 90 percent of the businesses in the United States employ fewer than 50 workers. An equal number of these businesses earn $1 million or less in total annual receipts.

The importance of small businesses to our economy can be seen in the employment opportunities they offer. For the past 8 years, small businesses have accounted for 99 percent of the increased employment in the United States. While total employment rose in those years by 9,853,000, the Fortune 1,000 companies employed only 74,897 of that number, or 0.8 percent. Small businesses added 6.5 million new employees to their payrolls between 1969 and 1976. It is clear from these figures that small businesses are the main hope for the unemployed and underemployed in our national economic recovery. Healthy, growing small businesses are one of the keystones to an expansion of job opportunities.

Small businesses are dynamic and innovative and provide vitality to our economy. It is the small businesses of our Nation that account for an estimated one-half of the new inventions developed in any given year by American businesses. Free from the shackles of corporate bureaucracy, small business people and individual entrepreneurs have come up with such inventions as power steering, the automatic transmission, the zipper, hand-held calculators, and countless others. Their imagination and vigor have kept American technological prowess second to none.

These facts indicate the extent of small business involvement in our national economic development. Big business may be more visible and more vocal, but smaller firms are every bit as active, and in many ways just as important to our Nation. We cannot allow these small businesses to sink in a quicksand pit of Federal paperwork in which the more they struggle, the faster they sink. With over 50 percent of all small businesses succumbing to failure within 2 years of their birth, it is inexcusable for the Federal Government to add more weight to their burdens through countless paperwork requirements.

Though the problem is serious today, it has not gone unexamined through the years. Since 1887, there have been at least nine major commissions or congressional hearings which looked into the paperwork problem in depth. Two lengthy statutes have been enacted in an attempt to stem the flow of reports requirements and to control the growth of paperwork. Countless studies by the General Accounting Office, hundreds of thousands of complaints from citizens, innumerable Executive orders, and agency circulars and study upon study by private institutes and businesses have failed to do anything to reduce the amount of paperwork created by Washington's bureaucrats. Since the time of the first Hoover Commission in 1950, the cost to the Government alone for paperwork has increased by a factor of 30 to over $30 billion. American businesses spent nearly $32 billion in 1976 to comply with Federal paperwork requirements and tragically, small businesses accounted for over $20 billion of this cost. We have studied the paperwork problem to death, tried to circumscribe its growth by law, attempted to corral the paperwork creators in the agencies and railed against the bureaucracy to no avail. The problem keeps growing, in large part, because the production of paperwork helps to justify a larger budget for each agency and provides more support for its existence and growth. We have found that bureaucrats cut paperwork only one way—lengthwise. In short, we have been unable to deal with a problem which has been with us since the bureaucracy began.

What effect do all of these paperwork requirements have on small businesses? We here in the Congress can not really understand the problem since we do not have to face it on a day-to-day, week-to-week basis. The financial impact is obvious but the psychological impact may be even more serious. In our modern society, the most prevalent (many would say the only) contact between the Federal Government and small businesses and citizens is through paper. Indeed, in many parts of the country the only time a citizen notices the Government is when he receives a form to fill out. Small businessmen are risk takers and they know they have taken a big step in relying on themselves for their livelihood. When they are forced to spend precious time filling out forms the purpose of which they cannot understand, they begin to believe their own Government is an enemy. Negative attitudes toward Government can be nurtured by the constantly increasing, burdensome, and unnecessary load of paperwork created in Washington.

A few small businesses can afford to hire an accountant to do their own bookkeeping. But recent surveys have shown that nearly 94 percent of all small business owners do their own records keeping. They seem to be more aware and concerned with the problem because they, unlike large business firms, cannot afford to hire an accountant and must complete Federal forms and reports themselves. In addition, the relative and absolute burden of Federal paperwork on small businesses is much larger than that upon large firms, because there are many more small businesses in existence and because the relative costs, the cost of complying compared to the gross income of the firm, of Federal reporting requirements are much higher for small firms.

The horror stories regarding paperwork have been cataloged at length. The sheer number of these stories should be ample warning to us here in the Congress that the problem is very serious. I have received numerous letters complaining about the general problems of bureaucratic redtape and "too much unnecessary paperwork." But two letters I recently received are particularly noteworthy and disturbing.

In the first letter, a small businessman in my State lamented the fact that he was forced to spend so much of his time filling out Federal forms. He not only received a huge number of forms, he also received forms which were too large to be stored in a standard filing cabinet or fit easily into a typewriter. The Government first deluged him with paperwork and then did not even have the courtesy to send him a standard sized form.

The second letter I received also complained of the tremendous number of forms which must be filled out each year by a small businessman and his two employee firm. His children took note of the long hours he was forced to work on Government paperwork and one of them commented:

> I don't want any part of a business of my own. You don't make that much, you have too many problems, and it would be much easier to work for someone else and let them worry.

I think this letter is an especially sad comment on our Federal Government. It is apparent to me that the paperwork problem has begun to severely hurt our small business community. In reality it hurts each and everyone of us regardless of whether we own a small business. Recent studies including one just completed by the Brookings Institution, indicate that Government regulation and redtape may be partially responsible for the recent decline in American productivity.

Declining productivity has meant rising prices and sluggish business activity. The costs to all of us are enormous, but the tragic fact is that the reporting system we use for compliance with Federal regulations is not very effective. It is often an unfair system as well as ineffective in achieving its goals, heaping the same burdens on small businesses it does on larger firms.

Burdensome Government regulations have many unseen effects. One of the most tragic results of bureaucratic redtape and regulation is the growth of what one authority has called the subterranean economy. A recent study has described this subterranean economy as an "attempt by overstressed small businesses to escape the demands of big government by going underground." These small firms leave the everyday business world and make all of their economic transactions in cash thereby avoiding Government recording, regulation, and snooping. It has been estimated that this subterranean economy generated an illegal GNP of $170 billion in 1976, and it is almost inevitable that rising tax rates and increased Government regulation will continue to drive more and more small businesses in the U.S. economic picture underground. We are literally forcing many small business owners to become fugitives in their own country, afraid of their own Government.

There is no doubt that Government regulations and redtape is a significant small business problem and small business owners have begun to shout, with increasing vigor, that they have becomfed up with Federal encroachment and dilly dallying in their business operations. As of January 1978, 12 percent of the Nation's small firms cited regulation and redtape as their single greatest business problem; only inflation and taxes were cited with greater frequency. In contrast, only 4 short years ago, the same survey revealed that inflation, shortage of fuels (remember the energy crisis), taxes, quality of labor, competition from large businesses, and interest rates, were cited with similar or greater frequency than Government regulation, as the single greatest problem for small businesses. The figures only represent the tip of the iceberg, for more than 40 percent of the small business community consider regulation to be a "major" business problem.

Small business owners spend an average of 58 hours per week running their businesses. How can we expect them to flip through the 70,000 pages contained in the Federal Register each year to find out what new paperwork requirements they are expected to fulfill? Even if they had the time, they frequently lack the knowledge of foreign language necessary to decipher the "legalese" that constitutes the regulations. The burden has become unbearable.

I believe the time has come to take a forceful, direct approach to the paperwork problem. The legislation I am introducing today takes such an approach. It contains two important titles which I believe will have a major beneficial impact on the paperwork problem.

I must emphasize that this legislation will not exempt small businesses from complying with all applicable Federal laws and regulations. Its intent is to streamline and alleviate the paperwork burden borne by small businesses, not exempt them from the requirements of laws and regulations.

The FAIR Act provides for a uniform definition of a small business to expedite the paperwork reduction process provided for under the legislation. There are over 600 definitions of small business in use today, most of them created by bureaucratic sophists at the Small Business Administration. There is a small business definition for every purpose: For Government procurement, loan assistance, investment assistance, Government subcontracting, lease guarantees, uranium prospecting, mining rights, and countless others.

But that is not the whole story. The Government definition of small business for Government procurement purposes, to use a specific example, changes like a chameleon, from product to product. There are different procurement definitions for construction, dredging, janitorial services, research, and development, cargo handling, rug cleaning, computer programing services, freighting, crating, and helicopter services, to name only a few.

There is a further problem with these SBA definitions of small business, one that renders them virtually useless as a means of exempting small businesses from Federal regulations: the SBA definitions are too large.

For instance, the definition of "small" for purposes of Government procurement is any business with $42 million or less in annual recepits. Petroleum, ammunition, and aircraft manufacturers are considered small if they have 1,500 employees or less. Definitions such as these exclude all but the top few firms from benefits intended for small businesses. The confusion resulting from so many different definitions discourages Federal agencies from designing simpler forms for small businesses and reducing the number of reports for which small business persons are responsible. It also makes it extremely difficult for the Congress to legislate paperwork relief statutes.

Title I of my bill provides for a new, action forcing procedure designed to create a workable paperwork reduction process within the agencies and bureaus of the Federal Government. The Title establishes a 3-year time frame in which all agencies responsible for any paperwork requirements affecting small businesses would redesign their requirements with an eye toward eliminating or streamlining forms and reports. Consultation with affected groups would be required and criteria for improving and eliminating forms would have to be developed by each agency. The Office of Management and Budget would assume overall direction of the program and would assist each agency in its efforts.

As each agency completes its review process, it would submit its revised set of new reporting requirements in the form of a single report to the Congress. Either House of the Congress would then have 60 days to accept or reject any form in the report. An important provision in my legislation would also require each agency to reduce the number of new reporting forms required of small businesses by 30 percent in comparison with the number of previously utilized forms. In simple terms, my bill sets a firm goal and forces the agencies to reach that goal.

In addition, the legislation would also allow each agency to resubmit reporting forms initially rejected by the Congress. I believe this provision removes some of the inflexibility in the process and allows the agencies to react to congressional mandates with innovative and improved proposals. Once rejected for a second time, however, the legislation provides that such forms could not be utilized by the agency for at least 1 year and after such time the forms could only be used after they had been thoroughly tested under the provisions of title II of the bill. Through these procedures I believe we can achieve significant reductions in the paperwork burden and simplify the remaining reporting forms we require of small businesses.

At the end of the 3-year review period, all forms which were in use before the last day of the period would be eliminated and could not be used by any Government agency. This provision is the action forcing mechanism in my bill. It is designed to stimulate creative action on the part of the agencies in fulfilling the requirements of this bill.

While this legislation may seem a radical approach, similar efforts have been made at the State level with excellent results. In Minnesota, for example, the State Department of Administration set a goal of reducing the number of forms required to be completed by assistance recipients and businesses by 30 percent in 1 year. The program began in 1977 and at that time there were 35,939 forms in use in the State, including those forms used for interoffice purposes. By the end of the year, only 11,720 forms remained. By setting goals and forcing the bureaucrats to work toward them, real gains were made. In fact, many State agency heads became enthusiastic about the program and discovered that there really were duplications in requirements and unnecessary forms in use. In short, the State set a goal and forced itself to meet that goal. We must do the same if we hope to win the battle against paperwork.

The FAIR Act also creates a new system to control the regrowth of paperwork once we have cut it down to size. Title II of the bill would require the pilot or trial testing of any new Government form before it could be put into use on a regular basis. Each agency would be required to determine whether the paperwork requirements attached to any new regulation would affect a significant number of small businesses. The Office of Advocacy in the Small Business Administration would also be required to review each new paperwork requirement and make the same determination. If either the agency responsible for the regulation or the Office of Advocacy determine the impact of the requirements upon small businesses would be significant, the form in question would have to be pilot tested.

Essentially, pilot testing would allow small businesses the chance to comment on a form before it was issued in its final format. It would test the form in the real world working conditions under which it would be used. Small businesses would have the opportunity to comment on a proposed form directly and could indicate to an agency where they saw duplications or overlaps and could comment on the difficulty of completing the form. The legislation also would require that the pilot test forms would have to be clearly marked "voluntary" and would require that each agency describe th need and uses for which the form was developed. Finally, all information collected through these tests would have to be stored by each agency for at least 2 years providing the Congress with a good source of information on the Federal forms used by the Government. In a sense, the pilot testing program would provide Congress with a window on the problems small businesses experience with Federal paperwork.

In conjunction with the provisions in title I of the bill which require the 3-year review process to be begun anew every 7 years, the pilot testing procedures created by title II will provide for a workable, creative, and flexible paperwork streamlining and reduction process. These two titles together will set goals for reducing paperwork while at the same time forcing the agencies to carefully consider the impact their reporting requirements will have on small businesses.

Mr. President, I believe the comprehensive and carefully conceived paperwork reduction and improvement process provided by the FAIR Act will go far toward reducing the paperwork burden we impose upon our small business community. We have nickeled and dimed the problem for long enough. It is time we took firm and forceful action and made a strong commitment to reducing the Federal paperwork blizzard both now and in the future. My legislation will accomplish these goals and I urge my colleagues to give it thorough consideration.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 391

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That this Act may be cited as the "Federal Administrative Improvements in Reports Act".

FINDINGS AND PURPOSES

SEC. 2. The Congress finds and declares that—

(1) the reports and paperwork required of small businesses by the Federal government have become a severe financial, economic,

and social burden upon the small business community, and such reports and paperwork—

(A) lead to decreased productivity by small businesses and stimulate inflation;

(B) create anger, suspicion, and frustration among small business owners;

(C) are not highly effective in the enforcement of Federal laws;

(D) add to the cost of goods purchased by consumers; and

(E) decrease incentives for investment in and maintenance of new businesses;

(2) there has been extensive study and exhaustive examination of the problems surrounding Federal paperwork requirements, yet little has been accomplished to reduce the burdens imposed by such paperwork; and

(3) it is time for the Congress to take action to significantly and substantially reduce Federal paperwork requirements.

DEFINITIONS

SEC. 3 (a) Notwithstanding any other provision of law, and for the purpose of this Act and its application to all Federal statutes and administrative rules, regulations, orders, licenses, and permits, the term "small business" means any individual or other person, including any sole proprietorship, corporation, partnership, joint venture, governmental entity, or Indian tribe who employs fewer than 50 employees or whose gross receipts did not exceed $1,000,000 in the most recent taxable year.

(b) For the purposes of this Act the term—

"(1) 'agency' has the same meaning as in section 551(1) of title 5, United States Code, including any authority of the Government of the United States within or subject to review by another agency;

"(2) 'reporting form' means any document or written form, including application forms, schedules, questionnaires or similar devices which requires any small business to expend any time or effort in the provision of information to the Federal government including those forms not subject to the Federal Reports Act (44 U.S.C. § 3501 et. seq.); and

"(3) 'rule' has the same meaning as provided in section 551(3) of title 5, United States Code, and includes prescriptive or proscriptive standards of every description.

TITLE I—REVIEW OF REPORTING FORMS

SEC. 101. (a) On the date three years from the date of enactment of this Act, no Federal agency may require any small business to execute or respond to any reporting form in effect on the day before that date.

(b) Within three years of the date of enactment of this Act, each agency head shall review all reporting forms of that agency, and shall design and establish, in accordance with the procedure established in subsection (c), new reporting forms for small businesses which will become effective on the date three years from the date of enactment of this Act.

(c)(1) In designing and establishing new reporting forms under this section, each agency head shall—

(A) Consult as fully as possible with representatives of small business in order to obtain information concerning the impact of such reporting forms on small businesses;

(B) Consider every possibility for reducing the number of new reporting forms required, reducing the length and complexity of new reporting forms and simplifying the recordkeeping requirements of each new reporting form;

(C) Develop criteria for designing new reporting forms which should include, at a minimum, a consideration of the continued need for the reporting form, the type and number of complaints received with respect to previously utilized reporting forms, the burdens imposed upon small business, the need to simplify or clarify language, the need to eliminate overlap or duplication and the length of time since each reporting requirement has been reviewed;

(D) Reduce the total number of new reporting forms required of small businesses by fifty (50) per centum in comparison with the total number of previously utilized reporting forms; and

(E) Submit to Congress a single report containing each proposed reporting form, together with an identification number for each such form, supporting documentation concerning the need for each reporting form and a concise description of how the proposed reporting system significantly reduces the burdens upon small businesses in comparison with the existing reporting system.

(2)(A) The reporting forms contained in the report submitted by the agency head to the Congress pursuant to paragraph (1) may be utilized by the agency head upon the date described in Section 101(b) of this Act if, between the date of transmittal and the end of 60 calendar days of continuous session of Congress after the date on which such reporting forms are transmitted to the Congress, neither House passes a resolution stating in substance that the House does not favor any part or all of the reporting forms submitted under this section.

(B) Any reporting forms not approved by the Congress may be resubmitted for consideration, under the procedures described in subsection (2)(A) above, by the Congress 60 days following the passage of any such resolution provided:

(i) in passing such resolution the Congress has not found the proposed reporting form to be unnecessary or duplicative; or

(ii) in passing such resolution the Congress has not expressly prohibited the agency from resubmitting such reporting form.

(C) Any reporting forms not approved by the Congress upon resubmission of such reporting forms may not be issued by the agency for one year from the date described in Section 101(b) and shall be subject to the provisions contained in Title II of this Act without regard to the limitations of Section 201(a) of such Title.

(D) The provisions of Sections 908, 910, 911, and 912 of Title 5, United States Code, shall apply to any resolution considered under this paragraph. For the purposes of the preceding sentence of this subparagraph—

(i) all references in such sections to "reorganization plan" shall be treated as referring to "reporting forms" submitted under Section 101(c) of the "Federal Administrative Improvements in Reports Act of 1978"; and

(ii) all references in such sections to "resolution" shall be treated as referring to a resolution of either House of Congress, the matter after the resolving clause of which is as following: "That the ——— does not favor ——— of the reporting forms submitted under Section 101(c) of the "Federal Administrative Improvements in Reports Act of 1978", the first blank therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled.

SEC. 102. Seven years from the end of the three year period described in section 101(b), and for every seven years thereafter, the provisions of section 101 shall be implemented by all agencies as defined in sections 3(b)(1).

SPECIAL REQUIREMENTS FOR THE COMMISSIONER OF THE INTERNAL REVENUE SERVICE

SEC. 103. (a) The Internal Revenue Service of the Department of the Treasury shall be considered exempt from sections 101 (a) and (c) of this Act.

(b) In carrying out his responsibilities under section 101(b) in relation to the administration and enforcement of the Internal Revenue Code of 1954, the Commissioner of the Internal Revenue Service shall review all reporting forms for small businesses, especially those which require responses by small businesses at intervals of more than once each year, and in redesigning and establishing new reporting forms for small businesses, shall eliminate reporting forms which require responses by small businesses at intervals of more than once each year unless such reporting forms are absolutely necessary to the administration and enforcement of the Internal Revenue Code of 1954.

(c) After designing and establishing reporting forms for small businesses in accordance with section 101(b), the Commissioner shall take such action as may be necessary to continue to reduce, streamline and simplify the number and size of all reporting forms for small businesses used in the administration and enforcement of the Internal Revenue Code of 1954, and shall consult with groups representative of small business in order to obtain information concerning the effect of any such action on small businesses. The Commissioner shall report to the Congress every two years concerning efforts made to carry out the provisions of this subsection.

(d) In the report required under subsection (c), the Commissioner shall include—

(1) a list and description of all objections made by small businesses to any reporting form used by the Internal Revenue Service;

(2) a description of the efforts made to solicit input from the owners of small businesses;

(3) a list of small businesses or small business groups contracted;

(4) a description of how the comments of small business owners and groups have been utilized in the development of reporting forms for small businesses; and

(5) a list of reporting forms which require responses by small businesses at an interval of more than once each year, and a justification of the need for each such form.

TITLE II—PILOT TESTING PROGRAMS

PROCEDURES

SEC. 201. (a) Whenever any proposed rule becomes final, reporting forms which are required of small businesses pursuant to any such rule shall be subject to the requirements of this section if—

(1) the agency which proposed such rule determines, pursuant to careful analysis, that a significant number of those corporations or general businesses which would be required to complete such reporting forms are small businesses as defined in this Act; or

(2) the explicit language or the legislative history of any public law pursuant to which such report forms are issued or required by an agency, requires such agency to analyze and to take into account the effect of any such rule and its impact on small businesses; or

(3) the Office of Advocacy of the Small Business Administration, after reviewing the paperwork impact such rule would have on small businesses as defined in this Act, believes that the proposed requirements would have serious negative impacts upon such businesses; or

(4) otherwise required by law.

(b)(1) Reporting forms which are described under the provisions of subsection (a) of this section shall be distributed in a pilot test survey to a selected cross sample of all small businesses as defined in this Act.

(2) A survey conducted pursuant to paragraph (1) of this subsection shall accurately reflect the composition of the small business community, as reflected in such statistics of the Bureau of the Census, as would otherwise be subject to the provisions of the rule and should be designed according to the latest available scientific techniques.

(c) If any reporting form is not pilot tested pursuant to the requirements of subsection

(b) of this section before its use or execution is required, the agency which promulgated the rule pursuant to which such reporting form is required shall publish in the Federal Register a notice of explanation as to why such pilot testing has not been conducted and a detailed explanation of the means by which such report is to be executed.

COMPOSITION

SEC. 202. (a) Reporting forms utilized pursuant to section 201(b) of this Act shall be clearly marked as test forms, shall be voluntary in nature and shall be distributed as necessary together with explanations of—

(1) the purpose of the utilization of the test reporting form itself;

(2) how the results of such test surveys of reporting forms would be used to aid Federal agencies; and

(3) how such reporting forms may be beneficial to small businesses.

(b) Each such test reporting form shall include an additional solicitation sheet to be utilized by the agency to determine the problems and advantages which the proposed report may create for small businesses.

(c) Each such solicitation sheet shall provide for the recovery of the following information:

(1) problems a respondent has encountered in executing or fulfilling the requirements contained in the reporting form;

(2) difficulties the respondent may have had in completing or understanding the reporting form;

(3) duplications or overlapping areas of inquiry which the respondent detects between the reporting form and other reporting forms for which the respondent is responsible; or

(4) such other pertinent information as the agency may feel to be useful in analyzing the reporting form.

(d) Each agency shall maintain a complete file of all such responses for a period of at least two years from the date upon which such test reporting forms were distributed.

PUBLICATION

SEC. 203. Information determined pursuant to the pilot test survey authorized by section 201(b) of this Act shall be published in the Federal Register together with an acknowledgement by the agency which promulgated the rule pursuant to which such reporting forms are required of problems identified by small businesses and the steps such agency will take to alleviate such problems.

FEDERAL REPORTS ACT

SEC. 204. (a) All reporting forms, including those not subject to the provisions of the Federal Reports Act (44 U.S.C. § 3501 et seq.), shall be submitted to the Office of Advocacy in the Small Business Administration for review and analysis, and those subject to the Federal Reports Act shall be submitted at the same time such reporting forms are submitted to the Office of Management and Budget for approval pursuant to such Act.

GENERAL OVERSIGHT

SEC. 205. The Office of Management and Budget shall be responsible for the administration of this Act and shall issue such rules and regulations as are necessary for the implementation of this Act. It shall monitor and facilitate the activities of all agencies as they prepare their reports and shall convene interagency meetings as needed to help resolve conflicts and inconsistencies which may arise among agencies as they seek to reduce conflicting or duplicative reporting requirements. The General Accounting Office shall perform the same duties with respect to the independent regulatory agencies.

SEC. 206. In fulfilling its responsibilities pursuant to section 205, the Office of Management shall certify that each agency report submitted to Congress under section 101 of this Act contains no new reporting forms or requirements which are duplicative of others within such agency's reporting system or among the reporting systems administered by other agencies affected by this Act. Such certification shall be contained in each report submitted by the agencies to the Congress pursuant to the requirements of section 101. The General Accounting Office shall perform the same duties with respect to the independent regulatory agencies.●

By Mr. COHEN (for himself and Mr. HATFIELD):

S. 392. A bill to provide that polling and registration places for elections for Federal office be accessible to physically handicapped and elderly individuals, and for other purposes; to the Committee on Rules and Administration.

VOTING RIGHTS FOR THE ELDERLY AND THE HANDICAPPED ACT

● Mr. COHEN. Mr. President, today, joined by my colleague Senator HATFIELD, I am pleased to introduce legislation which will reenfranchise many handicapped and elderly citizens by making polling places and voter registration facilities accessible to persons using wheelchairs and other ambulatory aids.

Most of us take for granted the simple act of voting. Yet, certain groups of persons have been systematically deprived of the right to vote. Among those are the handicapped and elderly who lack the mobility to overcome architectural barriers that have been thoughtlessly placed in their way.

Despite our best intentions in passing laws making Federal buildings accessible to the handicapped and elderly and offering tax incentives to encourage similar changes in other buildings, accessibility to polling and voter registration places remains a problem. A few States, including my own State of Maine, have had the foresight to enact legislation which provides for accessibility to polling places. These laws should serve as a model for comprehensive Federal action.

The exact number of individuals who would benefit from Federal legislation in this area is unknown, but several reliable estimates underscore the magnitude of the problem.

The National Center for Health Statistics reports that there are approximately 1.87 million Americans of voting age whose mobility is restricted as a result of physical handicaps. A large percentage of the Nation's 23.5 million elderly citizens are also affected by structural barriers. The Department of Transportation estimates that, at any one time, more than 2.6 million potential voters are temporarily disabled by serious, but short-term illnesses or injuries. Together these groups represent a significant number of Americans whose ability to exercise their right to vote is threatened by the presence of architectural barriers.

In addition to architectural barriers, another obstacle to political participation by handicapped persons and the elderly is the requirement governing absentee ballot registration and voting procedures. Existing laws, which were designed to protect States from vote fraud, discriminate against the handicapped, and the frail elderly. Many States, for example, require a doctor's statement and often notarization before a disabled individual can vote absentee. These requirements can be expensive, difficult to obtain, and in a sense constitute a poll tax.

The bill I am introducing today directs the Attorney General and the Secretary of Health, Education, and Welfare to jointly develop standards which will insure that all polling places and registration facilities are fully accessible to the elderly and the handicapped. When promulgated, these standards will serve as a guideline for State and local jurisdictions in the selection of polling and registration facilities. States and local jurisdictions which have already adopted standards as stringent as those prescribed by the Attorney General will be unaffected by this legislation.

If no accessible polling place or voter registration site is available in a voting district, the State shall provide for alternative methods of voting and registration. In the case of voting, such alternatives will include setting up accessible voting places outside the voting precinct to which the handicapped or elderly individual is assigned to vote, modification of absentee laws, and "curbside" voting. Likewise, alternatives for voter registration are required.

In addition, the bill requires that paper ballots be available at all Federal election voting sites for the use of persons who are unable to operate a conventional voting machine. Another provision will aid the blind in their attempts to vote. Blind individuals and others who have difficulty in operating a voting machine and marking a paper ballot would be allowed to designate individuals to assist them in the voting booth.

More than 80 percent of the instructions given in voting places and registration sites are verbal. For the deaf and those with hearing difficulties, the bill requires that instructions and directions be written and posted.

Whatever the alternative method of voting or registration selected, public notice shall be given at least 60 days prior to the election or close of registration in order to advise those affected citizens of the options available to them. Handicapped and elderly voters would then have ample opportunity to notify election officials of their intention to vote by an alternative method.

If the Attorney General has reason to believe that a State or political subdivision is not complying with the provisions of this act, he has the authority to bring action in Federal District Court.

Mr. President, voting is one of the most cherished freedoms guaranteed by our Constitution. We in Congress have an overriding obligation to insure that no American is denied this basic right through no fault of his own. The time is at hand to remove the barriers which have made it difficult for the elderly and the handicapped to participate fully in

the political process, and I hope that we can enact this bill into law without further delay.●

By Mr. DOMENICI:

S. 393. A bill to amend the Railroad Retirement Act of 1974 with respect to annuities for widows and widowers of certain railroad employees; to the Committee on Human Resources.

SURVIVOR ANNUITIES FOR WIDOWS AND WIDOWERS

● Mr. DOMENICI. Mr. President, today I am introducing S. 393, which amends the Railroad Retirement Act of 1974 to modify the survivors benefits for widows and widowers of railroad employees.

Annuities are payable to surviving widows and widowers, children, and certain other dependents. Eligibility for survivor benefits depends on whether the employee was insured under the Railroad Retirement Act at the time of death. An employee is insured if he or she has at least 10 years of railroad service and a "current connection" with the railroad industry at the time of retirement or death. In the great majority of cases the "current connection" requirement is met if the employee had some railroad service in at least 12 of the months in the 2½ years before retirement or death.

Currently, over 300,000 widows and widowers are on the Railroad Retirement Board's annuity rolls.

The bill I am proposing today is intended to increase the annuities of widows and widowers by the difference between what they get under current law and what the railroad employee was getting. My bill will include widows and widowers of employees who died before retirement who qualify for survivors benefits under current law.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 393

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Railroad Retirement Act of 1974 is amended by adding at the end the following new subsection:

"(j) With respect to any month in which a survivor's annuity otherwise payable under this Act to a widow or a widower of a deceased employee would be in an amount less than the amount of the annuity under section 3 which would have been payable to such deceased employee if not deceased, the survivor's annuity of such widow or widower shall be increased to an amount equal to the amount of annuity that would have been so payable to that deceased employee. The annuity would continue to be reduced by the amount of social security benefits received. Coverage under this Section would include widows and widowers of employees who died before retirement who qualify for survivors benefits under current law. However, it would exclude supplemental annuity benefits under section 3(e)."

Sec. 2. The amendment made by the first section of this Act shall apply with respect to annuities accruing under the Railroad Retirement Act of 1974, for months beginning as to the date of the enactment of this Act."●

By Mr. CHILES (for himself, Mr. Domenici, Mr. Dole, Mr. Glenn, Mr. Bradley, Mr. Pryor, and Mr. Cohen):

S. 395. A bill to require studies and recommendations from the Department of Health, Education, and Welfare with respect to health insurance sold as a supplement to medicare, to provide penalties for certain sales practices, and for other purposes; to the Committee on Finance.

MEDICARE SUPPLEMENTAL HEALTH INSURANCE INFORMATION DISCLOSURE PROTECTION ACT OF 1979

● Mr. CHILES. Mr. President, today I am introducing a bill to provide protections against unethical and unscrupulous sales of "medi-gap" health insurance policies to older Americans. Senators Dole, Glenn, Bradley, Pryor, and Cohen are joining me as original cosponsors.

Medicare now pays for about 40 percent of the total health case bill for older Americans. The large gaps mean that most older Americans, fearful of illness and escalating health care costs, purchase commercially marketed health insurance to supplement their medicare protection. Some of it is good, and some of it is not.

Two-thirds of those age 65 and over have purchased some form of this insurance, spending at least $1 billion each year. Medi-gap policies pay for about 5 percent of their total health care bill.

Testimony before the Committee on Aging revealed widespread misinformation, unchecked sales of policies with questionable benefits, and callous attitudes toward older Americans fearful of rising health costs

We found gross instances of overselling: One woman had been sold 19 health insurance policies from 9 different companies by 6 different insurance agents in just over 1 year, most of which overlapped or were duplicated and would never be of benefit.

We found some agents "rolling over" policies: They would come back again and again to replace old policies with new ones, receiving a new, higher commission each time.

We found some agents claiming that the expensive policies they were selling covered everything medicare did not, when the policy really provided very little beyond medicare.

We found individuals posing as licensed insurance agents selling worthless pieces of paper as health insurance policies.

We found agents circulating lists of elderly people who were particularly vulnerable and would buy more insurance. In Wisconsin they were called "mooches" or "cripples." In Texas, they were called "goose lists."

Since our hearings, further examples have surfaced in hearings conducted by the House Committee on Aging and through newspaper investigations.

This bill would take what I feel are minimum necessary steps to acknowledge and fulfill our Federal responsibility to prevent these abuses. The magnitude of the problem has been acknowledged by many members of the health insurance industry and by a number of State insurance commissioners. During our hearings, a spokesman for the National Association of Insurance Commissioners made a commitment to develop recommendations for State action, and members of the health insurance industry have been participating in this effort.

I recognize these efforts, and support them. I believe the most effective corrective actions can be taken by the States and by individual insurance companies. The intent of this bill is to support these efforts. Concerned insurance commissioners and representatives of health insurance companies would be fully involved in all actions taken.

First, the Department of Health, Education, and Welfare would be required to develop, and propose for adoption by States, minimum standards for the content and sale of medi-gap policies. Included would be policies designed to supplement medicare, such as "wraparound" policies which commonly pay for medicare deductibles and coinsurance charges; and other policies which are marketed heavily to the elderly, such as dread disease and hospital indemnity policies.

Second, HEW would be required to make a thorough evaluation of the feasibility and effects of a program of Federal certification of medi-gap policies. If a medi-gap policy met standards for benefits, exclusions, premiums, and loss ratios and if other standards for information disclosure, solvency guarantees, and company marketing practices were met, for instance, that policy could be advertised and sold as meeting Federal standards. Misuse or falsification of certification would be subject to penalties.

I would like to have some more evaluation of the effort and costs which would be involved in such a program, and the expected impact, before we fully institute such a measure. If model regulations and standards are uniformly adopted and enforced by all States, for instance, such a Federal program may not be necessary.

Third, the bill provides penalties of up to $25,000 fine or 5 years imprisonment for anyone who misrepresents in any way an association with medicare for the purpose of soliciting business for medi-gap sales.

This is a strong penalty, but it is consistent with existing medicare fraud penalties, and I think we owe the same protection to medicare beneficiaries. It would be a strong deterrent for those insurance agents who imply they are collecting premiums for medicare, or say they need to come to a home to explain changes in medicare, simply to get a foot in the door to sell insurance.

Fourth, HEW would be required to provide comprehensive, timely, and easy to understand information to all medicare beneficiaries on the types of medi-gap policies available, their relationship to medicare and medicaid benefits, and the probable need for such policies.

Virtually every witness during our hearings concluded that a significant amount of abuse could be avoided if medicare beneficiaries were better informed about medicare and the medigap policies being sold. Federal Trade Commissioner Dole concluded that a wide information gap has made it virtually impossible for older Americans to make rational purchase decisions. As Wisconsin State Insurance Commissioner Harold R. Wilde observed: "Millions make a good choice. Millions of others do not."

I believe, and Secretary Califano has agreed, that the Federal Government has a responsibility to improve its medicare information and extend that responsibility to information to help evaluate supplemental insurance.

Fifth, the Federal Trade Commission would be required to undertake a nationwide study of unfair and deceptive practices in medi-gap advertising, solicitation, and marketing practices. The Commission would also be required to assess the relative impact of a number of different State approaches to regulation of medi-gap insurance sales. The activities of the Department of Health, Education, and Welfare and the Federal Trade Commission would be carried out in consultation with each other.

We are not facing a brand new issue, and I do not expect implementation of these provisions to take a long time. I urge my colleagues to see that this bill is passed soon, so we can bring a quick end to the incredibly callous treatment of too many older Americans.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 395

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Medicare Supplemental Health Insurance Information disclosure and Protection Act of 1979".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that significant numbers of the Medicare beneficiaries who have availed themselves of the option, provided for under section 1803 of the Social Security Act, to obtain supplementary health insurance protection, have been subjected to misinformation and unethical sales practices when making purchases of supplementary policies, and that a combination of Federal, State, and private action is necessary to ensure that these beneficiaries have access to complete, timely, and accurate information on the nature and costs of supplementary health insurance. The Congress also finds that increased protection against certain selling practices is necessary.

(b) The Congress finds that Federal responsibility in fully carrying out the provisions of title XVIII of the Social Security Act extends to providing an assurance of the quality of suitable additional insurance protection against health costs not included within the protections offered by title XVIII.

DEFINITIONS

SEC. 3. For the purposes of this Act—

(1) the term "Medicare" means the program of health insurance for the aged and disabled under title XVIII of the Social Security Act;

(2) the term "Medicare eligible person" means a person entitled to benefits under part A or eligible to enroll under part B of the Medicare program; and

(3) the term "Medicare supplemental insurance" means—

(A) any policy of accident or sickness insurance which is designed to supplement Medicare or is advertised, marketed, or otherwise purported to be a supplement to Medicare; and

(B) any other policy of accident or sickness insurance marketed or sold to Medicare eligible persons, including a specific illness or specific benefit or hospital indemnity policy, regardless of whether it is purported to supplement Medicare benefits.

PENALTIES FOR CERTAIN SALES PRACTICES

SEC. 4. Section 1877 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(e) Whoever falsely assumes or pretends to be acting, or misrepresents in any way that he is acting, under the authority of or in association with the program of health insurance established under this title for the purpose of selling or attempting to sell insurance, or in such pretended character demands or obtains any money, paper, document, or thing of value, shall be guilty of a felony and upon conviction thereof shall be fined not more than $25,000 or imprisoned for not more than five years, or both.".

MINIMUM STANDARDS FOR MEDICARE SUPPLEMENTAL INSURANCE

SEC. 5. (a) The Secretary of Health, Education, and Welfare shall develop, for proposed adoption by States, model legislation and regulations concerning proposed minimum requirements for the sale of Medicare supplemental insurance to Medicare eligible persons.

(b) In the development of such model legislation and regulations, the Secretary shall consult with consumers, the Federal Trade Commission, the National Association of Insurance Commissioners, and representatives of the health and accident insurance industry.

(c) The Secretary shall include in such proposal recommendations for minimum national uniform standards for all health insurance policies advertised for sale to, or sold to, Medicare eligible persons.

(d) Recommendations shall address, but not be limited to, minimum benefits required of policies sold as Medicare supplemental insurance; accurate and descriptive labeling of all such policies; the relationship between premiums charged and benefits paid under such policies; policy exclusions and limitations (including limitations on pre-existing conditions) under such policies; and requirements for information disclosure and fair sales practices in the advertising and marketing of such policies.

(e) The recommended minimum national uniform standards shall be made widely available to members of State legislatures and the public.

STUDY OF FEDERAL CERTIFICATION

SEC. 6. (a) The Secretary of Health, Education, and Welfare shall undertake a study of the feasibility and desirability of a program of Federal certification of Medicare supplemental insurance, and report his findings and recommendations to Congress within one year.

(b) The study shall include an assessment of the probable impact of certification on prevention of abuses in the content, premiums, and marketing of Medicare supplemental insurance, and of any additional costs to consumers resulting from certification.

(c) For purposes of the study, the Secretary shall determine the relative impact of certification made available on a voluntary basis to insurance companies wishing to participate in the program, and of a mandatory requirement that all Medicare supplemental insurance sold to Medicare eligible persons meet conditions of certification.

(d) For purposes of the study, the Secretary shall include, to the extent practicable, analyses of the impact of standards for Medicare supplemental insurance which may have been proposed under the provisions of section 5 of this Act. The study shall also include an assessment of the feasibility and desirability of applying standards relating to insurance company marketing practices and such additional requirements for certification as the Secretary may deem appropriate.

INFORMATION FOR MEDICARE ELIGIBLE PERSONS

SEC. 7. (a) The Secretary of Health, Education, and Welfare shall make readily available to all Medicare eligible persons and persons about to become eligible, in easily understandable language, comprehensive information on the types of Medicare supplemental policies available, the relationship of these policies to Medicare and Medicaid benefits, and the probable need for supplemental insurance by Medicare eligible persons.

(b) Such information shall be made readily available in printed form and through other means, such as counseling, where feasible.

(c) The Secretary shall also recommend to Congress other appropriate means of ensuring full disclosure of essential information to Medicare eligible persons who purchase Medicare supplemental insurance.

FEDERAL TRADE COMMISSION STUDY

SEC. 8. (a) The Federal Trade Commission shall undertake a nationwide study of unfair or deceptive acts and practices in the sale of Medicare supplemental insurance to Medicare eligible persons and report its findings to Congress within one year after the date of the enactment of this Act.

(b) The study shall include, but not be limited to, unethical or inappropriate activities in the advertising, solicitation, and sale of such insurance policies by insurance companies or their agents, whether directly employed or acting as independent contractors, and a determination of the relative impact of differing State and regulatory approaches to the sale of such insurance to Medicare eligible persons. The Commission shall recommend to Congress additional actions which should be taken to deter misinformation and unethical or inappropriate activities in the sale of such policies to Medicare eligible persons.

(c) The Commission shall conduct such study in consultation with consumers, the Department of Health, Education, and Welfare, the National Association of Insurance Commissioners, and representatives of the health and accident insurance industry.●

● Mr. DOLE. Mr. President, I am pleased to join my distinguished colleague from Florida, Senator CHILES, in introducing this legislation requiring certain studies and recommendations with respect to supplementary health insurance sold to the elderly.

PLIGHT OF THE AGED

Without question, health care costs are a significant expense and of primary concern to those of our citizens who are elderly. At present, medicare pays only 38 percent of the total health care costs of the elderly. In addition to medicare deductibles and coinsurance, the elderly are required to pay for many types of services that are not reimbursable under the medicare program at this time. Examples of such services are out-patient drugs, eyeglasses, hearing aids, dental care, and most importantly, certain types of long-term care.

The annual amount of out-of-pocket per capita health care expenditure for the elderly reached $403 in 1976. This amount continues to grow and is frightening for the elderly since many are on fixed budgets. The elderly are faced with serious dilemmas: Limited dollars versus escalating health care costs; the increasing risk of illness due to age; and the inability of medicare to finance all services necessary. Because of these dilemmas, many seek out supplementary health care insurance plans to cover the gaps in coverage (and financing) of health care services. These policies are often referred to as "medi-gap" plans.

SUPPLEMENTARY HEALTH INSURANCE

In 1975, it was estimated that 63 percent of all Americans over 65 had some private health insurance coverage for hospital care alone and that 55 percent of all older Americans had some sort of private health insurance to cover physicians' services. Premiums for this type of insurance coverage cost the elderly approximately $1 billion last year.

This type of private insurance, referred to as medi-gap or medicare supplemental insurance, is designed to fill the gaps in the benefits structure of the medicare program and pay service rather than indemnity benefits. Additionally, many elderly also purchase indemnity policies which pay a certain number of dollars per day of hospitalization. The third type of insurance frequently purchased by the elderly is a limited policy which is frequently referred to as a dread disease policy. It pays benefits, often indemnity, only in the event the insuranced individual contracts a certain disease, which is in most instances cancer.

Some of our elderly citizens hold 15, 20 or even more of these policies in an attempt to cover as many costs and services as possible. An estimated 23 percent of those who buy this private health insurance have some unnecessary duplication in coverage. Many other problems with these insurance plans have also been noted.

PROBLEMS WITH SUPPLEMENTARY HEALTH INSURANCE

In hearings held by the Special Committee on Aging of the U.S. Senate and in investigations by the Federal Trade Commission into the private health insurance market to supplement medicare, many unscrupulous and questionable practices came to light. In a document prepared by the staff of the Federal Trade Commission, the following description of some present insurance company practices can be found: "Unscrupulous agents selling door-to-door or mail order advertisements often mislead or frighten them (the elderly) into "loading up" on two or more policies or replacing policies each year—a practice known as "twisting." When they file claims, many of them find that coverage they thought would fill all the gaps in medicare falls short of their expectations. Most supplemental policies would not pay for preexisting conditions or the major gaps in medicare, such as nursing home care, excess provider charges, and prescription drugs."

The report which is summarized in the testimony presented by Elizabeth Handford Dole, Commissioner, FTC, to the Senate Special Committee on Aging, also indicates that inadequate information, ignorance about the real health risks faced by the elderly, nonstandardized coverage, and special limitations for the elderly in these plans all lead to problems. Commissioner Dole, in addition to outlining these difficulties, also notes that the elderly are frequently confronted with policies which pay back in benefits only a relatively low percentage of dollars paid in premiums. Of course, the worse abuse of all are the scare tactics used by some agents to sell these questionable policies.

Mr. President, I ask unanimous consent that Commissioner Dole's testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF ELIZABETH HANFORD DOLE, COMMISSIONER, FEDERAL TRADE COMMISSION

Mr. Chairman and Members of the Committee: Thank you for inviting me to testify here today on behalf of the Federal Trade Commission. I welcome this opportunity, for I share with you a deep personal concern about the problems of the elderly. I am pleased that, thanks to your efforts, the issue of Medicare supplement or "Medigap" insurance is beginning to receive the attention it so urgently needs.

More than half the people in this country aged 65 and over have private health insurance in addition to Medicare. They purchase it because they worry about meeting the medical expenses which Medicare does not cover, and with good reason. On the average, elderly individuals spend $1360 per year on health care, three times as much as the rest of the adult population. In 1976 Medicare paid only 38% of their health care costs.[1]

At this Committee's hearing on May 16, both state officials and consumers told of the abuses associated with the marketing of Medicare supplement insurance. There was testimony that some dishonest agents take advantage of the isolation or phsysical disability of many older people. Some agents engage in "stacking," or selling several policies with overlapping coverages to the same person. Another common marketing abuse is "twisting," or persuading people to cancel their policies and buy new ones which subject them to new exclusions and waiting periods. Some agents also misrepresent that they are from Medicare or Social Security or that the policies they sell have been approved or sponsored by the federal government. The Federal Trade Commission commends those state insurance commissioners who have increased their enforcement efforts in order to put an end to misconduct by agents.

It is also important to recognize that there is such a dearth of consumer information in the Medicare supplement market that it is almost impossible for consumers to make rational purchase decisions; agent misconduct is thus facilitated. A great variety of differing policies effectively precludes buyers from comparing benefits or premiums, resulting in lack of price competition and the sale of duplicate coverage to hundreds of people who are under the impression that they are filling all the gaps in Medicare. Other areas of widespread misunderstanding are the limited nature of Medicare supplement coverage, the relatively high cost of coverage for the initial deductibles compared to insurance against catastrophic medical expenses, and exclusions for pre-existing medical conditions.

This morning I would like to describe some of the common informational problems in the Medicare supplement area, and then review briefly the public policy alternatives and some recent state initiatives. These subjects are discussed at length in a staff report which is nearing completion and which we hope to release to you next month. Finally, I'd like to discuss the possibility of an impact evaluation of various state approaches, conducted perhaps as a cooperative federal-state effort, to determine the most effective method of making Medigap supplement insurance comprehensible to everyone.

Why should the federal government become involved in this area?

First, the Medicare supplement market is a by-product of the federal Medicare program. Supplemental insurance is confusing because Medicare's benefit structure is complicated. Commissioner Harold Wilde of Wisconsin has observed that the federal government has a moral responsibility to cope with the problems Medicare has caused.

Second, there are arguments for a uniform approach to Medicare supplement regulation, which federal study could facilitate. Continuing variation in state standardization regulations carries the spectre of insurers having to market different Medigap policies in every state, with obvious increasing costs. In addition, it would appear that uniformity would benefit consumers by ensuring that the categories for Medigap insurance will be the same should they move to another state. These and other issues should be assessed in the impact evaluation to determine if there are particular reasons why uniformity is desirable in this segment of the insurance market.

Third, most states would not be able to enforce their Medicare supplement regulations against mail order insurers not licensed in their states. Many supplement and indemnity plans are sold by mail.

As you know, the McCarran-Ferguson Act generally immunizes the "business of insurance" from the Sherman, Clayton, and FTC Acts to the extent that such business is regulated by state law. However, federal agencies can make valuable contributions to the deliberations in this important area by undertaking studies and making recommendations to Congress and to the states.

THE COMPLEXITY OF THE MARKET

Three types of health insurance policies are commonly sold to the elderly. "Medigap" or Medicare supplement policies pay service benefits to fill some of the gaps in Medicare;[2] generally they pay some or all of Medicare's initial and daily deductibles and coinsurance.

The second and third types, hospital indemnity and dread diseases policies, may be sold to adults of any age, but many companies emphasize sales to the elderly.[3] Unlike Medigap policies, indemnity policies pay a certain dollar amount per day of hospitalization, typically $20 to $50, to offset daily hospital costs which usually run to $150 or more. Finally dread disease contracts cover only some of the expenses incurred for care of a particular illness, such as cancer.

Even in the Medigap category alone, there is virtually no standardization.[4] Let me give you a few examples. Some Medigap policies cover only the Part A initial and daily hospital deductibles; some place low dollar limits on coverage for the 20% coinsurance under Part B; some cover virtually the full 20% Part B coinsurance, but others only for those medical services rendered in a hospital setting, and not for the same procedures performed outside a hospital. Some sell several policies with piecemeal, but overlapping, coverages. Some mix service and indemnity benefits.

It is difficult enough for anyone to have a thorough understanding of Medicare's complex benefit structure and its gaps. Now add to that the bewildering variety of ways each different insurer fills some of those gaps.

Footnotes at end of article.

Then, when hospital and nursing home indemnity plans and dread disease contracts complicate the picture, comprehension and comparison become almost impossible for consumers.

Confusion caused by the multiplicity of policies often leads consumers to buy two or more policies in an effort to obtain complete coverages. It has been estimated that twenty-three percent of the people over 65 who have private insurance have two or more policies covering hospital costs, resulting in some degree of overlapping coverage.[5] Medigap policies generally include coordination of benefits clauses. This means that in the areas of overlap, only one policy will pay for each gap. For instance, a person who buys three policies which cover the $144 Part A deductible will not receive $432 in the event of hospitalization. Only the first policy will pay $144 in benefits. The buyer has wasted the portion of the second and third premiums which paid for the duplicate coverage of the initial deductible. Those elderly persons who live on fixed incomes can ill afford to spend their money on such worthless duplication.

Both indemnity and dread disease plans will pay benefits in addition to Medicare and any other private insurance, giving "extra cash."[6] However, these policies often produce few benefits in relation to the amount of money invested; they typically have very low loss ratios.

Even the elderly person with only one Medigap policy may have a low value product. Since comparison shopping is foreclosed, many Medicare supplement insurers are not obliged to price or operate competively. Recently the outgoing Chairman of the Board of the Health Insurance Association of America criticized those companies whose loss ratios are "far too low," saying they "give a bad name to the whole industry."[7]

LACK OF INFORMATION

Many people purchase supplemental coverage in the belief that their private insurance will take care of all of the medical expenses Medicare will not pay. Often agents tell their prospects: "This policy will cover everything that Medicare doesn't cover."[8] In reality many Medigap policies exclude from coverage the very same areas which Medicare will never cover: out-of-hospital prescription drugs, most nursing home care, routine physical examinations, eyeglasses, hearing aids, and dental care. Medicare will not pay for the portion of physicians' fees which exceed a "reasonable charge," as determined by the Medicare carrier.[9] We are not aware, either, of any Medicare supplement insurer who will pay those excess charges.

Of course, Medicare's determination of reasonable charges is a measure designed to control costs. We are not suggesting that Medigap insurers should provide reimbursement for excess physicians' charges. Nor do we mean to say that supplemental policies should fill every gap in Medicare. The problem is the common misperception that Medicare supplemental coverage is comprehensive. Actually its role is limited; private health insurance accounts for only 5% of the health care expenses of the elderly. How many people would buy Medigap policies if they knew how incomplete their coverage might prove to be?

Consumers may not realize that some kinds of Medicare supplement coverage are more expensive than others. For example, they pay more for coverage for the initial deductibles than for insurance covering those catastrophic medical expenses which could mean financial disaster. The California Department of Insurance estimates that it costs, on the average, $30 per year to buy insurance for the $60 annual Part B deductible.

It is important that consumers know how much first-dollar insurance coverage really costs them, as well as which Medigap policies provide it and which do not. Some people, however, want first-dollar coverage for health care expenses because it gives them a sense of security, and they may not realize that not all Medigap policies cover the initial deductibles. Once again, the problem is lack of information. And if consumers knew the true cost of first-dollar coverage, perhaps they would not choose it.

Many Medigap policies exclude coverage or require waiting periods before they will cover pre-existing conditions. Under "pre-X" clauses, an insurance company can deny coverage for conditions which existed before the policy went into effect. Since many elderly people have multiple health problems, a policy may lose much of its value if the insurer interprets a pre-X clause strictly to deny claims for any illness which developed out of pre-existing conditions. Some companies insure all applicants regardless of medical history, then deny their claims, citing pre-existing conditions.[10] Because pre-X clauses are not uniform, it may be extremely difficult for the consumer to anticipate what his premium dollar is buying.

POSSIBILITIES FOR GOVERNMENTAL ACTION: STATE APPROACHES

In attempting to solve the consumer information problems in the Medicare supplement area, the states have developed three possible approaches. The first of these is the establishment of minimum standards. California has set a benchmark minimum loss ratio of 55% for Medicare policies.[11] An Illinois statute requires that all such policies delivered in that state must fill certain gaps, including the initial Part A deductible, Part A copayments, and Part B coinsurance.

A second approach is to bring about standardization by establishing categories for policies and requiring that each policy carry an appropriate label. Wisconsin's new rule sets up four benefit levels for Medigap policies, which must now bear the corresponding number. Categories 1 to 3 range from most to least comprehensive. Policies in category 4A supplement only Part A of Medicare, which those in category 4B supplement only Part B.[12] California has also established, in a different way, three categories for Medicare supplement policies, labelling them "in-hospital only", "in-and out-of hospital", and "catastrophic."

The third type of public policy initiative involves efforts to provide information to consumers in order to permit the market to function more effectively. The most common method is a disclosure requirement. Wisconsin requires agents to give out an 18 page booklet and California mandates the use of general one-page disclosure forms. In Oregon, insurers or agents must fill in the blanks on a disclosure chart showing Medicare benefits, gaps, and policy benefits. New Mexico requires a slightly different disclosure chart. In my opinion, a chart would be particularly useful if it could show not only Medicare's coverage and gaps and the policy's benefits and costs, but also the expenses the consumer would still have to pay out-of-pocket.

I should emphasize that these state approaches—minimum standards, standardization combined with labelling, and disclosure requirements—are not mutually exclusive. It may well be that a combination of these regulatory measures would be most effective.

At present, when an agent or an advertisement exaggerates the worth of a Medigap policy, the prospective buyer typically has no where else to turn for impartial information to correct the misunderstanding. Other methods have been suggested besides mandatory written disclosures to assure that buyers get the information they need, such as individualized insurance counseling and consumer education measures to furnish facts which insurers do not generally provide: Medicare coverage and gaps; eligibility for Medicaid;[13] health risk information (e.g., average length of hospital stay for the over-65 age group); and rating of companies' records in handling claims. In addition, non-traditional avenues for increasing consumer awareness, such as the use of television spots, should be explored.

IMPACT EVALUATION

What is needed to ferret out the problems and evaluate the public policy implications of alternative solutions? We believe the answer is an impact evaluation of existing state regulations of Medicare supplement insurance, with central focus on the effectiveness of different regulatory systems in facilitating the purchase of Medicare supplement insurance which meets consumers' needs and expectations.

Considerable groundwork would be necessary to narrow the focus of the study. Basic facts about the Medicare supplement industry, such as total premium volume, are presently unavailable.[14] It is evident that duplicate coverage is a serious problem, but no one knows its precise nature or extent. It would be important to learn from consumers what information they feel is essential to make wise purchasing decisions.

A full-scale impact evaluation would help to answer the complex and important policy questions which abound in the Medicare supplement area: Is it possible to provide complete yet comprehensible explanations of Medicare and the multitude of ways private insurers fill some of its gaps? Is standardization necessary to make the market's offerings understandable? Should public policy try to influence the consumer's choice between costly first-dollar coverage and what economists might call more rational insurance for catastrophic medical expenses? What are the arguments for and against the sale of dread disease or indemnity policies?

An impact evaluation would be timely because several states' regulations have become effective within the past year. As I have already indicated, Wisconsin and California have established totally different systems of standardization and labelling. Oregon and New Mexico have different disclosure requirements, but no regulations involving standards. Illinois sets minimum standards but does not prescribe any particular disclosures. An evaluation should point up the strengths and weaknesses of each state's system and should assess the desirability of a model regulation.

An impact evaluation could also provide information about the effectiveness of various disclosures and recommend follow-up consumer education and counseling measures. And if current debates lead to the establishment of some form of national health insurance, it appears that the results of such a study would be valuable to policy makers since a similar supplemental market might well develop under any system providing a less than comprehensive benefit package. The results of the impact evaluation would be available, of course, for the use of state regulators and legislators, Congress and the public.

How should this impact evaluation be performed? Perhaps a cooperative federal/state effort would be best, with participation by the National Association of Insurance Commissioners, FTC, and HEW. A joint HEW/FTC/NAIC project would bring together different types of expertise, each of which would contribute greatly to such a study. The NAIC and state insurance departments have first-hand experience with insurance regulation

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Footnotes at end of article.

and access to data. In fact, on June 12 the Accident and Health Subcommittee of the National Association of Insurance Commissioners voted to create a Task Force to investigate regulation of health insurance sold to the elderly and identification of other health insurance products "which do not fulfill the public's interest." HEW would contribute knowledge about the Medicare program, and the FTC's expertise in the areas of consumer protection, information disclosure, and competition would be pertinent. We would welcome the opportunity to work with the NAIC and HEW in such an undertaking.

In conclusion, Mr. Chairman, I am convinced that inappropriate medicare supplement insurance purchases can impose severe hardships on the elderly. We must begin now to determine the best approaches for resolving these problems, and I hope that my testimony this morning will make some contribution to that endeavor.

FOOTNOTES

[1] They must pay initial and daily hospital deductibles under Part A, and the initial deductible and 20 percent coinsurance for medical services under Part B. In addition, they must pay the entire bill for certain kinds of care: routine physical examinations; most eye, hearing, and dental care; medical appliances such as eyeglasses, hearing aids, and dentures; out-of-hospital prescription drugs which can be self-administered; and homemakers' services or meals at home, among others. The Medicare program was never intended, of course, to provide complete coverage. Instead, it was meant to serve as a base on which people could build by means of private health insurance and employer retirement plans. *See Medicare Gaps and Limitations*, Hearing Before the Subcom. on Health and Long-Term Care of the House Select Committee on Aging, 95th Cong., 1st Sess. 36 (1977) (Appendix I; "The Aged and their Health Expenditures").

[2] The health insurance industry sometimes designates such Medigap policies as "wrap-around" coverage.

[3] Some companies make a special sales pitch to older women with limited incomes. Commercial Health and Accident Industry, Hearings before the Subcommittee on Antitrust and Monopoly of the Senate Committee on the Judiciary, 92nd Cong., 2nd Sess. 591, 829, 1150 (1972).

[4] *See* generally Health Insurance for Older People: Filling the Gaps in Medicare, Consumer Reports 27 (Jan. 1976).

[5] G. Ellenbogen, Private Health Insurance Supplementary to Medicare (a working paper prepared for the Senate Special Committee on Aging) 7–8 (1974) (1972 Social Security Administration estimate). For another estimate based on the 1974 National Health Survey of 40,000 households, see 52 *Hospitals* (Journal of the American Hospital Association) 20 (May 16, 1978) (In 1974 53.8% of those 65 and older had private hospital insurance in addition to Medicare and 12.1% of those had two or more plans).

[6] Since indemnity and dread disease policies are a fixed dollar amount per day regardless of Medicare coverage, the benefits are not necessarily related to a Medicare patient's need for cash to pay for medical expenses.

[7] Speech by Robert A. Beck, CLU, Chairman and Chief Executive Officer-Elect and President of Prudential Insurance Company of America, to the Health Insurance Association of America, Group Insurance Forum, Chicago, Illinois, May 1, 1978. Mr. Beck said that these low loss ratios "could never be expected to reach a reasonable figure." Sometimes a low loss ratio reflects the fact that a policy has only been in use for a few years; in later years the claims paid out to policy-holders will increase. Apparently, Mr. Beck meant that some supplemental policies will never show a loss experience sufficiently favorable to represent a good value for buyers, because of limited benefits, arbitrary denials of claims, and/or unreasonable expense ratios.

[8] *See, e.g., International Security Life Insurance Co.* v. *Finck*, 475 S.W. 2d 263 (Tex. Civ. App. 1972); *aff'd in part* and *rev'd in part*, 496 S.W. 2d 544 (Tex. 1973).

[9] During the second quarter of 1977, Medicare Part B carriers made some reduction in 80% of the unassigned claims for physicians' services filed with them. They reduced the total dollar amount of unassigned Part B claims filed by 21%. This means that Medicare patients can expect to pay, on the average, 36% of their physicians' bill themselves (20% coinsurance plus roughly 20% of the remaining 80%). Medigap policies which cover the 20% coinsurance under Part B generally pay 20% of the amount the Medicare carrier determines to be reasonable.

[10] Dishonest agents sometimes "clean-sheet" elderly applicants, or encourage submission of their applications without any indication of prior health problems, to ensure that the company will underwrite the risk. Again, the company can deny claims on the basis of pre-existing conditions, a practice known as "post-claims underwriting."

[11] Recently, New Jersey Insurance Commissioner Sheeran banned the sale of more than 100 individual health policies with loss ratios of less than 50%, including many low-value products marketed especially to the elderly.

[12] The major factor which distinguishes categories 1, 2, and 3 is the difference in the lowest permissible dollar limit each may set on claims. Categories 4A and 4B have dollar limits as high as category 1, but each supplements only one part of Medicare. 4B policies may also provide for a large deductible, up to $500.

[13] In most states, Medicaid programs pay for almost all the medical expenses for people whose incomes are low enough to qualify. It is almost always unnecessary and inadvisable for an elderly person who is eligible for Medicaid to buy any private health insurance at all, but many now do.

[14] Estimates of total annual Medicare supplement premium volume range from $0.5 to $1 billion. However, no reliable figure exists because insurance companies are generally not required to separate Medicare supplement experience from the accident and health insurance data they report to state insurance departments.

WHERE GOVERNMENT HAD FAILED

Mr. DOLE. Mr. President, it is additionally difficult for senior citizens to make informed and rational decisions about their need for private health insurance because they lack the appropriate amount and type of information about medicare. A great deal of blame for this problem must certainly be placed on the Government, which has done an inadequate job of informing elderly individuals fully about their medicare benefits. While many individuals may be aware that medicare does not cover everything, they are unsure of what the exact gaps are and how to most rationally fill them with private insurance.

UNITED EFFORT

The Senator from Kansas joins the distinguished Senator from Florida in his effort to form a United Front to combat the problems I have outlined. All the solutions will certainly not fall solely within the appropriate jurisdiction of the Federal Government, nor the insurance industry, nor of the State insurance commissioners. The responsibility for solving the problems with supplementary health insurance must be shared by us all.

The insurance industry itself has begun to address these problems, and they are to be commended for their efforts. Many State insurance commissioners are contributing their thoughts and expertise in helping solve the question of how to prevent abuses in the system while still providing and encouraging the availability of rational and responsive supplementary health insurance.

The legislation we introduce today is built upon our belief in this need for a united front. As Senator Chiles has outlined, our legislation requires studies and recommendations from the Department of Health, Education, and Welfare and the Federation Trade Commission with respect to health insurance sold as a supplement to medicare. The legislation also contains a penalty provision for certain sales practices found to be misleading or abusive. One of the most important responsibilities given to the Federal Government in this legislation will be the development of understandable and complete information on the medicare program for the elderly.

CONCLUSION

We, each of us, have a responsibility to the elderly in our communities to protect them against the type of abusive practices that have come to light with respect to the sale of supplementary health insurance. The Senator from Kansas is hopeful that the legislation introduced today will assist us in these efforts.●

By Mr. DOLE (for himself and Mr. McGovern):

S. 396. A bill to amend the Internal Revenue Code of 1954 to exempt farm trucks and soil and water conservation trucks from the highway use tax; to the Committee on Finance.

HIGHWAY USE TAX EXEMPTION

● Mr. DOLE. Mr. President, I am pleased to join with my distinguished colleague from South Dakota, Mr. McGovern, in introducing legislation to exempt farm trucks and soil and water conservation vehicles from the highway use tax.

SENATE APPROVAL

This legislation is similar to a proposal which the Senate adopted as an amendment to the Revenue Act of 1978. Senators at that time were in agreement that the present law is inequitable to owners of farm use trucks. Unfortunately, the amendment was not included in the conference report and the inequity remains.

Mr. President, the highway use tax is designed to maintain our Federal highway system by having trucks pay a special tax, based on weight. Under current law, the highway use tax is levied on all single unit trucks of 13,000 pounds unloaded weight; on all three-, four-, or more-axled truck/tractors; on two-axled truck/tractors if the unloaded weight is 5,500 pounds or more; and on all combination-type trucks with two axles or more if the unloaded weight is 9,000 pounds or more. Each owner is required to file annually and pay the tax. The current tax ranges between $81 and $240 annually.

FARM VEHICLES

I do not, however, feel that owners of farm-related vehicles need be subject to this tax. Farm trucks are for farm use and do not make extensive use of Federal highways. In general, farm trucks can be found operating in the field or on State and county back roads. Requiring the owners of farm trucks to pay a special tax for the upkeep of the Federal highway system is inherently unjust.

This bill has been carefully drawn to limit the exemption to bona fide farm-owned, not for hire, farm use trucks. The exemption would not apply to vehicles owned or registered in the name of a corporation whose gross receipts for the last taxable year exceeded $950,000 or which derive more than 50 percent of their gross income from activities other than farming.

TAX IS UNJUST

Furthermore, Mr. President, sufficient precedent exists for exempting certain vehicles from the highway use tax. At the present time derrick-drilling trucks and some logging trucks are not liable for the use tax. That exemption is certainly warranted and it seems to me that farm use and soil and water conservation trucks should be granted a similar exemption.

Mr. President, this is not a controversial bill. As I mentioned earlier, the Senate agreed to this bill in the form of an amendment last session. There exists broad support on both sides of the aisle for the elimination of this unfair tax burden on the owners of farm use trucks. I am hopeful that my colleagues will see fit to eliminate this inequity in the near future.●

● Mr. McGOVERN. Mr. President, during the 94th Congress, Senator DOLE and I introduced legislation designed to correct inequities in the manner in which the highway use tax currently applies to vehicles used for agricultural and closely related purposes. At the request of Senator LONG, we withdrew our proposal on the condition that the Finance Committee would carefully study our proposal during their consideration of the next tax bill. As a result, during the last session of Congress the Senate adopted our amendment. Unfortunately, this proposal, as were many others, was dropped from the final package during the House-Senate conference.

Today, we again ask the Senate to correct this inequity.

Since its inception, the highway trust fund has proved an excellent and successful means of generating essential revenues to offset increased road construction and maintenance costs. The highway use tax, which is imposed on most heavy road vehicles, is the source of trust fund revenues. The overwhelming majority of those who pay the use tax are commercial truckers. As regular users of the road system it is entirely appropriate to expect commercial truckers to contribute toward public expenses which are necessary to sustain their own industry.

Unfortunately, for the purposes of tax liability, the Internal Revenue Code fails to distinguish between commercial trucking firms, which use the Federal highway system on a regular basis, and those farmers or ranchers who own heavy vehicles, but seldom use them on Federal highways, and only for agricultural purposes. Consequently, thousands of family farmers are subject to the same use tax burden which applies to large interstate trucking firms.

I am particularly familiar with one case in which the Internal Revenue Service found a farmer fully liable for the use tax on his truck despite the fact that he operated it 90 percent of the time on township roads or on his own farm. To make matters worse, this individual, as well as several others from whom I have heard, had no idea that he might be liable for the tax until he was billed by the IRS some months after he registered the truck. My earlier bill, S. 2897, in the 94th Congress, was intended to exempt farm vehicles from the use tax.

In addition to farm trucks, the IRS has also determined that vehicles used exclusively for soil and water conservation activities are liable for this tax. Even though a survey conducted in 1976 indicated that the average conservation vehicle travels only 3,000 miles per year—and 80 percent of that is traveled on State and county roads—soil and water conservation vehicles continue to be subject to an annual Federal tax of $175. Correction of these inequities is long overdue.

Mr. President, in recent years revenues generated by the highway trust fund have become increasingly important. While our Nation's Interstate Highway System is nearing completion, our interstates and Federal-aid highways are rapidly deteriorating. Repair and maintenance costs for this vast transportation system are rapidly rising.

Ordinarily, I would not propose any further exemptions from the highway use tax. However, I contend, and many of my colleagues agree, that it was never the intent of Congress to impose a tax on a limited category of vehicles seldom operated on our Federal-aid highways, and on the family farmer whose operations bear no resemblance to those of commercial truckers.

It makes no sense to treat farm trucks and conservation vehicles in the same way we treat commercial trucks for highway tax purposes. I cannot believe that it was the intent of Congress in the development of the highway trust fund and highway use taxes, to equate the farmer transporting his own supplies or the small businessman engaged in soil and water conservation activities with long distance truckers moving the Nation's freight.

Our amendment would correct this situation by adding heavy trucks used for farm and soil and water conservation purposes to the list of exemptions from the highway use tax. In order to insure that the exemption is limited to family farmers and small soil and water conservation concerns, the amendment specifically excludes vehicles registered in the name of any corporation with gross receipts for the last taxable year in excess of $950,000 or which derived more than 50 percent of its gross profits in that taxable year from activities other than farming or soil and water conservation activities.

If enacted, this measure will have minimal effect on highway trust fund revenues. Revenue from farm trucks, for example, is so small that the IRS does not bother to segregate income from this source in compiling its own internal data. Regarding soil and water conservation vehicles, Senator DOLE has estimated that an exemption would cost the Treasury approximately $7 million per year. It can be argued that the cost of collecting the tax probably comes to a high percentage of the total revenue generated by this means.

I submit that this tax is little more than a nuisance. It penalizes farmers and small businessmen unfairly, produces minimal revenue and absorbs IRS time and energy which could better be expended elsewhere. More importantly, it is discriminatory and I cannot believe that Congress intended to enact such an unfair and discriminatory tax.●

By Mr. CHILES (for himself, Mr. STONE, and Mr. BUMPERS):

S. 398. A bill to amend section 8e of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, to subject imported tomatoes to restrictions comparable to those applicable to domestic tomatoes; to the Committee on Agriculture, Nutrition, and Forestry.

● Mr. CHILES. Mr. President, I introduce on behalf of myself and Senators STONE and BUMPERS, legislation to amend section 8e of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, to require that imported tomatoes conform with pack-of-container standards under marketing orders.

This bill is identical to legislation introduced in the last Congress which passed the Senate as a separate measure and was also approved by the House as an amendment to the farm bill.

Through this proposed legislation, we are seeking to clarify section 8e of the act with respect to requirements, imposed under marketing order, on the way in which tomatoes are packed for shipping. This amendment is offered to revise the interpretation of section 8e as adopted by the Department of Agriculture, which is inconsistent with the original intent of section 8e.

The difference in the interpretation of section 8e has an impact on whether there is an orderly marketing situation for tomatoes and whether domestic producers are able to effectively compete with imports.

Under marketing order, domestic producers of fresh tomatoes are not permitted to mix different grades or sizes of tomatoes in the same shipping container. Since tomatoes are sold by grade and size, this requirement is quite significant in the pricing and orderly marketing of fresh tomatoes.

Section 8e of the act requires that imports of selected commodities—including tomatoes—meet the same minimum grade, size, quality, or maturity standards imposed on domestic shipments under a marketing order. Its purpose is to insure that market regulation would be of equal benefit to both domestic and foreign producers. It is not the purpose of section 8e to exclude or curtail imports. Rather, its aim is to see that imports and domestic produce are on an equal footing with respect to marketing orders.

The U.S. Department of Agriculture, however, maintains that the prohibition against the mixing of grades or sizes within a container is not a grade or size regulation, but a "pack" regulation. The Department further maintains that pack regulations cannot be imposed on imports under section 8e of the Agricultural Marketing Agreement Act.

As a result of the Department's interpretation, foreign shippers are permitted to ship different grades and sizes of tomatoes in a single container, while U.S. producers must comply with the pack regulation.

A substantial volume of the tomatoes sold in the United States are foreign grown. Because pack restrictions are not applied to these tomatoes, the buyer does not know what he is getting, and the domestic producer is placed at a disadvantage.

I am convinced that the solution to this problem lies in a clarifying amendment to section 8e, which would supply pack regulations to imports. Such a clarification would benefit the grower, shipper, importer, and ultimately, the consumer of tomatoes. Enactment of this legislation would incur no additional cost to the Government. It would not create hardship for other states or for foreign producers, and would not create a trade barrier. It would standardize the sizes and grades of tomatoes offered for sale in the United States, and equalize the competition between domestic and foreign producers.

Mr. President, I ask unanimous consent that the text of the bill we are introducing today be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 398

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8e of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 608e–1), is amended—

(1) by inserting in the first sentence after "eggplants" a comma and "or regulating the pack of any container of tomatoes,";

(2) by inserting in the first sentence after "provisions", each time such word appears, a comma and "and in the case of tomatoes any provisions regulating the pack of any container,"; and

(3) by inserting in the fourth sentence after "classifications" a comma and "and with respect to imported tomatoes such restrictions on the pack of any container,".●

By Mr. DOLE (for himself, Mr. Pressler, Mr. Stewart, Mrs. Kassebaum, and Mr. Hayakawa):

S. 399. A bill to amend the Federal Crop Insurance Act; to the Committee on Agriculture, Nutrition, and Forestry.

FEDERAL CROP INSURANCE EXPANSION ACT OF 1979

● Mr. DOLE. Mr. President, today I am pleased to introduce the Federal Crop Insurance Expansion Act of 1979. This proposed legislation is especially pertinent and timely. The expiration of the crop disaster payments program at the end of this year affords Congress with an excellent opportunity to fashion a new and comprehensive strategy in helping agricultural producers meet the risk of disastrous crop losses resulting from causes beyond their control.

DISASTER PAYMENTS

Almost everyone agrees that our current efforts to alleviate the impact of natural crop disasters are cumbersome, duplicative, inequitable and ineffective.

The disaster payments program which is administered by the agricultural stabilization and conservation service, is limited to producers of upland cotton, wheat, rice, and three feedgrains—corn, grain sorghum, and barley.

The program is meant to alleviate losses when natural disasters or other uncontrollable conditions prevent the specified crops from being planted or result in abnormally low yields.

The program is subject to numerous inconsistencies in payment computations, eligibility requirements and program coverage. The program is also difficult to administer because the provisions are so complicated farmers do not fully understand them. My office is constantly receiving calls from farmers unhappy with the disaster payments program.

CROP INSURANCE IS LIMITED

Additional protection from crop losses is provided by the Federal Crop Insurance Corporation—FCIC. Unfortunately, Federal crop insurance is not available in all agricultural counties nor does it cover all basic commodities in the counties where insurance is available.

In many instances, insurance is not available where it is needed most. Moreover, high premiums and competition from the disaster payments program have kept participation low.

COMPREHENSIVE COVERAGE

The purpose of the Federal Crop Insurance Expansion Act is to replace these current efforts with a new, equitable, and comprehensive system of crop coverage. Specifically—

First, my legislation requires FCIC to expand into all agricultural counties and provide coverage for six basic commodities wherever they are grown commercially. They include wheat, cotton, corn, rice, grain sorghum, and barley.

Second, coverage will include up to 85 percent of a farm's average yield, in contrast to the existing limitation of 75 percent.

Third, FCIC is authorized to offer lower levels of coverage—at reduced premiums—to be selected at the discretion of each producer, depending on the needs of the farmer.

Fourth, the legislation also provides for 33⅓ percent Federal subsidy of the premiums producers pay into FCIC. A premium subsidy of this size, together with the existing Federal payment of the Corporation's operating and administrative expenses, will reduce the cost of insurance to producers and make it a viable and attractive alternative to the disaster payments program.

The Federal premium subsidy will substantially increase the level of Government support, but the expirations of the disaster payments program—which cost $526 million in 1978—will more than offset the Federal subsidy of a nationwide FCIC.

The Department projects an impressive savings if an expanded FCIC were to replace the present crop insurance/disaster payments system. Crop insurance and disaster payments cost the taxpayer a total of $683 million in 1978. In contrast, a nationwide FCIC, operating with 33⅓ percent premium subsidy and assuming a participation level of at least 30 percent, will cost the taxpayer only about $125 to $175 million per annum.

In short, taxpayers will save money and producers will enjoy more comprehensive coverage.

Fifth, this bill excludes hail, fire and lightening coverage from the Federal crop insurance program. The insurance industry already offers such coverage nationwide at highly competitive rates. This legislation does not have the Federal Government directly competing with the private insurance industry.

Sixth, this legislation authorizes the sale of FCIC policies by private agents and provides that Federal reinsurance of private crop insurors will be provided only if the reinsurance deemed necessary is not available from recognized private sources at reasonable costs.

Seventh, the existing provision of law restricting the number of counties eligible for the Federal reinsurance of private insurors of producers of agricultural crops is deleted.

Eighth, a new crop insurance coverage is authorized to insure producers against losses that they may incur when they are unable to plant an agricultural crop because of weather conditions.

Ninth, Federal crop insurance premiums are required to be increased to cover administrative and operating costs of the Corporation, as well as claims for losses and the establishment of a reserve against unforeseen losses.

Tenth, the authorized capital stock of the Federal Crop Insurance Corporation is increased from $200 to $450 million.

Eleventh, a revolving fund in the Treasury is established to be available without fiscal year limitation to the FCIC to carry out the Federal Crop Insurance Act.

Twelfth, the Corporation is authorized to borrow from the Treasury as necessary if moneys available in the revolving fund are insufficient to enable the Corporation to meet its responsibilities under the Federal Crop Insurance Act.

I believe this bill is a sound, equitable, and realistic attempt at providing a protection plan to all producers. I believe it is imperative that crop insurance be dealt with quickly in order to provide the protection needed by farmers with the lapsing of the disaster payment program. Protection must also be there for those producers who are not now covered by the low-yield disaster payment program or the Federal crop insurance program.

Mr. President, I ask unanimous consent that my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 399

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Crop Insurance Expansion Act of 1979".

SEC. 2. Section 504(a) of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"SEC. 504. (a) The Corporation shall have a capital stock of $450,000,000 subscribed by the United States of America, payment for which shall, with the approval of the Secretary of Agriculture, be subject to call in whole or in part by the Board of Directors of the Corporation.".

SEC. 3. The second sentence of subsection (c) of section 505 of the Federal Crop Insurance Act, as amended, is amended to read as follows: "The members of the Board who are not employed by the Government shall be paid such compensation for their services as directors as the Secretary of Agriculture shall determine, but such compensation shall not exceed the daily equivalent of the rate prescribed for grade GS–18 in section 5332 of title 5, United States Code, when actually employed, and be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.".

SEC. 4. Section 507 of the Federal Crop Insurance Act, as amended, is amended—

(1) by striking out ", and county crop insurance committeemen" in subsection (a);

(2) by striking out the comma after the word "title" in subsection (b) and all that follows down through the end of the sentence and inserting in lieu thereof a period;

(3) by striking out subsection (c) in its entirety;

(4) by redesignating subsection (d) as subsection (c) and amending such subsection (as redesignated) to read as follows:

"(c) The Corporation may contract with, and transfer funds to, other agencies and offices of the Department of Agriculture or with the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for assistance in carrying out this title; but any employees of such other agencies and offices responsible for performing functions under this title shall be responsible directly to the Corporation without the intervention of any intermediate office or agency."; and

(5) by redesignating subsection (e) as subsection (d).

SEC. 5. Section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"SEC. 508. To carry out the purposes of this the Corporation—

"(a)(1) shall for the 1979 and subsequent crop years insure producers of wheat, cotton, grain sorghum, corn, rice, and barley, wherever grown commercially, but subject to the limitations herein, and may insure producers of other agricultural commodities wherever grown commercially, subject to the limitations herein, at such time as the Board determines that insurance on any other agricultural commodity has been developed to the point that it can be offered to the producers thereof. The insurance for any commodity shall be offered under any plan or plans determined by the Board to be adapted to the commodity. Such insurance shall be against loss of the insured commodity due to one or more unavoidable causes, including drought, flood, wind, frost, winter-kill, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, plant disease, and such other unavoidable causes, other than hail, lightning, or fire, as may be determined by the Board: *Provided*, That except in the case of tobacco, such insurance shall not extend beyond the period the insured agricultural crop is in the field. Any insurance offered against loss in yield shall cover up to 85 per centum of the average yield for a representative period of years for a farm, or area in which the farm is located, as determined by the Corporation on the basis of recorded or appraised yields, subject to such adjustments as may be necessary to the end that the average yield fixed for farms in the same area, which are subject to the same conditions, may be fair and just. In addition, the Corporation may offer lower levels of coverage to be selected at the option of each producer. Insurance provided under this subsection shall not cover losses due to the neglect or malfeasance of the producer, or to the failure of the producer to reseed to the same crop in areas and under circumstances where the Corporation determines it was practical to so reseed, or to the failure of the producer to follow established good farming practices. For each crop insured, the Corporation shall not offer insurance on any acreage not suited to the production of such crop or in any county where the planted acreage of such crop is below a minimum county acreage as established by the Corporation, except that it may, if it is deemed practical to do so, offer insurance on acreage in such county through the office serving another county which meets the minimum requirement. The Corporation shall report annually to the Congress the results of its operations on each community insured.

"(2) may implement the program set forth in paragraph (1) for crops planted for harvest in 1979, as determined by the Board, consistent with the purposes of this Act, as amended, to insure, or reinsure insurers of, producers of such agricultural commodities under any plan or plans of insurance determined by the Board to be adapted to any such commodity.

"(3) may insure producers against losses that they may incur when they are unable to plant an agricultural crop because of weather conditions. Insurance issued under authority of this paragraph shall be subject to the applicable provisions of paragraph (1) of this subsection.

"(b) may fix adequate premiums of insurance at such rates as the Board deems sufficient to cover claims for crop losses on such insurance, establish as expeditiously as possible a reasonable reserve against unforeseen losses, and sell the crop insurance provided for under this Act through contract arrangements with commercially operated insurance companies. For the purpose of encouraging the broadest possible participation in the crop insurance program 33⅓ per centum of each participant's calculated premium shall be paid by the Federal Government. The remaining 66⅔ per centum of the premium shall be paid by each participant and such premiums shall be collected at such time or times or shall be secured in such manner as the Board may determine.

"(c) may adjust and pay claims for losses under rules prescribed by the Board. In the event that any claim for indemnity under the provisions of this title is denied by the Corporation, an action on such claim may be brought against the Corporation in the United States district court, or in any court of record of the State having general jurisdiction, sitting in the district or county in which the insured farm is located, and jurisdiction is hereby conferred upon such district courts to determine such controversies without regard to the amount in controversy: *Provided*, That no suit on such claim shall be allowed under this section unless the same shall have been brought within one year after the date when notice of denial of the claim by registered mail is sent to the claimant.

"(d) may provide, upon such terms and conditions as the Board may determine to be consistent with section 508(b) and sound reinsurance principles, reinsurance to private insurance companies, or groups or pools of such companies, which insure producers of any agricultural commodity under contracts acceptable to the Corporation: *Provided*, That no application for reinsurance shall be approved unless the Corporation shall have determined that the reinsurance deemed necessary is not available from recognized private sources at reasonable cost.

SEC. 6. The second sentence of section 515 of the Federal Crop Insurance Act, as amended, is amended to read as follows: "The compensation of the members of such committee shall be determined by the Board, but shall not exceed the daily equivalent of the rate prescribed for grade GS–18 in section 5332 of title 5, United States Code, when actually employed, and be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law (section 5703 of title 5, United States Code) for persons in the Government service employed intermittently.".

SEC. 7. Section 516 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"SEC. 516. (a) There is hereby created within the Treasury a separate fund (hereafter in this section called the 'fund') which shall be available to the Corporation without fiscal year limitation as a revolving fund for carrying out the purposes of this title. A business-type budget for the fund shall be prepared, transmitted to the Congress, considered, and enacted in the manner prescribed by sections 102, 103, and 104 of the Government Corporation Control Act (31 U.S.C. 847–849) for wholly owned Government corporations.

"(b)(1) There are authorized to be appropriated to the fund such amounts as may be necessary to restore the expense of the Corporation, including administrative and operating expenses, Federal premium payments, interest, the direct cost of loss adjustment and agents' commissions, but excluding indemnities. All amounts received by the Corporation as premiums, fees, and other moneys, property, or assets derived by it from its operations in connection with this title shall be deposited in the fund.

"(2) The Corporation is hereby authorized to use any funds available to it for administrative and operating expenses subject to limitations that shall be prescribed in applicable Acts: *Provided*, That, the direct cost of loss adjustment for crop inspections and loss adjustments, Federal premium payments, interest expense, and agents' commissions may be considered by the Corporation as being nonadministrative or nonoperating expenses.

"(3) All expenses, including reimbursements to other Government accounts, and payments pursuant to operations of the Corporation under this title shall be paid from the fund. From time to time, and at least at the close of each fiscal year, the Corporation shall pay from the fund into Treasury as miscellaneous receipts interest on its outstanding capital stock and outstanding borrowings from the Treasury, less the average undisbursed cash balance in the fund during the year and Federal premium payments due the Corporation. The rate of such interest shall be determined by the Secretary of the Treasury and shall be not less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States to comparable maturities. Interest payments may be deferred with the approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest. If at any time the Corporation determines that moneys in the fund exceed the present and any reasonably prospective future requirements of the fund, such excess may be transferred to the general fund of the Treasury.

"(c) If at any time the moneys available in the fund are insufficient to enable the Corporation to discharge its responsibilities under this title, it shall issue to the Secretary of the Treasury notes or other obligations in such forms and denominations bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary of the Treasury. Redemption of such notes or obligations shall be made by the Corporation from appropriations or other moneys available under subsection (b) of this section. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, which shall be not less than a rate determined by taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes or other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes or obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

"(d) The Secretary of Agriculture and the Corporation, respectively, are authorized to issue such regulations as may be necessary to carry out the provisions of this title.".

SEC. 8, Section 518 of the Federal Crop Insurance Act is amended by striking out "Sec. 518. 'Agricultural commodity'," and inserting in lieu thereof "Sec. 518. 'Agricultural crop',".●

By Mr. SCHWEIKER:

S. 400. A bill to relieve the liability for the repayment of certain erroneously made contributions by the United States; to the Committee on the Judiciary.

RELIEF OF SIX PENNSYLVANIA LIBRARIES

● Mr. SCHWEIKER. Mr. President, today I am reintroducing a bill for the relief of six Pennsylvania libraries which have been placed in an awkward position by the Federal Government. The Federal Disaster Assistance Administration is demanding from them repayment of $561,066.09 which they received as disaster payments after Hurricane Agnes.

An identical bill to relieve these libraries from repayment was passed by the Senate last September 14 unanimously, after being favorably reported by the Senate Judiciary Committee. The Office of Management and Budget also approved the bill. Unfortunately, in the rush to finish at the end of the last session, the House did not have the time to consider the bill. Therefore, I am reintroducing it today. I would also like my distinguished colleague from Pennsylvania JOHN HEINZ, to be shown as a cosponsor of this bill once again.

Under most circumstances, I would commend the tenacity of our Federal auditors in collecting funds mistakenly given out. Considering the size of this year's Federal budget—almost $500 billion—any sums we might recover would seem prudent. However, the circumstances of these six libraries deserves a closer look. I have included at the end of my statement a summary prepared by FDAA detailing its claims.

Pennsylvania, more than any other State, suffered extensive damage from Tropical Storm Agnes in June 1972. Damage nationwide was so great that Congress wisely adopted for all States hit by Agnes, a special relief package to help individuals and businesses repair or replace their losses. In addition, section 252(a) of Public Law 91-606, which was law at the time of the Agnes disaster, provided Federal assistance to State and local governments to restore public facilities belonging to such State or local governments which were damaged or destroyed by a major disaster.

After the President declared Pennsylvania a major disaster area, making State and local government facilities eligbile for Public Law 91-606 assistance, the Federal Disaster Assistance Administration approved project applications for Federal assistance from a large number of local governments in Pennsylvania. Included among them were applications for damages to these six privately owned library facilities covered by this bill.

Mr. President, I see no evidence of attempted fraud on the part of these libraries. They suffered damages at the hands of Tropical Storm Agnes, were informed they were eligible for disaster relief and their applications for relief were approved by the Government. For example, it was pointed out in 1972 to State and Federal officials that although the Shippensburg Public Library received funds from the borough of Shippensburg and the school district, it was privately owned. But disaster relief aid was still granted.

I cannot dispute the Federal Disaster Assistance Administration when it now claims these six Pennsylvania libraries in fact should not have received funds under Public Law 91-606. The law is clear. Privately owned facilities are not eligible to receive grants. But I am not here today demanding to know who is at fault for this payment error or requesting a significant change in Federal law. I am asking Congress to recognize the tenuous financial position in which these libraries will be placed if they are forced to repay FDAA and am encouraging it to adopt this special relief measure.

I have been informed by FDAA that this is a unique situation. These are the only privately owned libraries nationwide which erroneously received disaster relief payments under section 252(a) of Public Law 91-606.

The roots of the community library system go back to our prerevolutionary period when most libraries were privately owned and looked to community generosity for support. Since then, community libraries, both privately and publicly supported, have made valuable contributions to the United States. They frequently double as community centers and make a variety of educational programs available to the general public which frequently cannot be obtained by the average person because of cost or rarity. I would be greatly distressed if we are to turn our backs on these six libraries and force them to raise over one-half million dollars for Uncle Sam to pay for damages received from the worst disaster in Pennsylvania's history.

Mr. President, I strongly recommend this bill, which has been passed once already, to my colleagues and respectfully urge its early passage. I ask unanimous consent that the text of my bill and fiscal summary be printed at this point in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 400

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 252 (a) of the Disaster Relief Act of 1970, any unit of local government or any of the following privately owned libraries is relieved from any liability for the repayment of contributions erroneously made by the United States for disaster relief activities for the benefit of the following private facilities which were damaged or destroyed by Hurricane Agnes:

(1) the William D. Himmelreich Memorial Library in Lewisburg, Pennsylvania, in the amount of $4,136;

(2) the Milton Library in Milton, Pennsylvania, in the amount of $21,869;

(3) the Shippensburg Public Library in Shippensburg, Pennsylvania, in the amount of $12,827;

(4) the West Shore Public Library in Camp Hill, Pennsylvania, in the amount of $26,772;

(5) the Osterhout Library in Wilkes-Barre, Pennsylvania, in the amount of $457,318; and

(6) the West Pittston Library in West Pittston, Pennsylvania, in the amount of $9,984.

FISCAL SUMMARY—INELIGIBLE LIABILITIES AFFECTED BY TROPICAL STORM AGNES

Project application No.: Library	Cost of restoration	Refund due Federal Government
OEP 340-DR-		
60-1: Himmelreich	$4,136.68	$4,136.68
49-1: Milton	21,869.89	21,869.89
21-7: Shippensburg	12,827.45	12,827.45
21-9: West Shore	26,772.12	26,772.12
40-57: Osterhout, City of Wilkes-Barre	[1] 565,423.42	[1] 446,474.00
40-20: West Pittston	[2] 48,985.95	[2] 9,984.40
Total	680,015.51	561,066.09

[1] $565,423.42 is the approved audited claim for the Osterhout Library. Final payment has not been made, so that only the advance of $446,474 is due the Federal Government.

[2] A claim of $48,985.95 for the West Pittston Library has been received but not audited. The remainder of the West Pittston Borough project application claim has been audited and approved for $23,362.60. The refund due to Federal Government of $9,984.40 reflects the difference between an advance of $33,347 for the library and the final amount of the West Pittston Borough claim.

Note: Funds have been used for general flood restoration work, including debris clearance, structural repair, and the replacement of contents of the libraries.●

By Mr. BAYH:

S. 410. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedure for congressional review of agency rules, and by expanding judicial review, and for other purposes; to the Committee on Governmental Affairs.

ADMINISTRATIVE RULEMAKING REFORM ACT OF 1979

● Mr. DURKIN. Mr. President, I rise today to introduce the Administrative Rulemaking Reform Act of 1979. This legislation represents a comprehensive treatment of the matter of congressional review of regulations promulgated by Federal agencies.

I initiated my efforts in this area in the 94th Congress with the Regulatory Limitation Act of 1975. My colleague from Georgia, Congressman Elliott Levitas, and I joined together in the 95th Congress in introducing the Administrative Rulemaking Reform Act of 1977.

There is no doubt that escalating agency regulation is high on the list of matters troubling Americans. In talking with Georgians from all walks of life, I have found the burdensome regulatory situation to concern them fully as much as do economic and energy problems. Indeed, in many ways the three problems seem interrelated. More and more frequently I am asked to "Do something about those bureaucrats," to bring some measure of accountability to bear on the 40 agencies and 100,000 employees who, though no doubt well meaning, impose unrealistic restrictions on our citizens without regard to the practical consequences.

Federal regulation now touches nearly every aspect of our lives—at home, at work, and even at play. Regulation took a three point five billion dollar chunk of the Federal budget last year.

We all realize that the number and the complexity of issues with which Congress must deal force the delegation of implementation of many laws to regulatory agencies. Mr. President, I do not believe that that delegation of congressional responsibility carries with it an abdication of representative responsibility to the American people. The Congress writes "The Secretary shall have the power to promulgate regulations" into an act and then leaves its practical implementation to faceless, unelected bureaucrats. We have seen the original congressional intent subverted by agency rules and our people deluged and demoralized by an avalanche of ill-conceived, impractical rules. Of the 61,000 pages of the 1978 Federal Register, more than 11,000 pages were devoted to publication of proposed rules and rule amendments and final rules and amendments occupied another 15,000 pages.

When an agency promulgates an off-the-wall rule clearly at odds with reality or congressional intent, the only resource available for correcting the situation is legislation to the contrary. Corrective legislation must frequently take a back seat as other important and timely issues demand Congress attention.

The Administrative Rulemaking Reform Act of 1979 is a mechanism designed to directly address this problem by insuring congressional review of proposed rules and by increasing citizen participation and control over agency rulemaking.

The act reflects several suggestions made by the American Bar Association, especially in the notice requirements. A Federal agency would have to make a reasonable effort (something more than a notice in the Federal Register) to notify those affected by a proposed rule. Where that number is large, representatives of the affected group should be notified. Notification should include not only the text of the rule and the time and place of hearings, but an adequate description of the purpose and subject of the rule as well as a list of those technical or theoretical studies on which the rule rests. These procedures will allow greater, more informed participation by those whose lives and businesses are most affected by agency regulations. The "faceless bureaucracy" will be confronted directly with those who are the object of the rules.

The second major feature of the act subjects many agency rules, except emergency rules, to congressional review. Following hearings, an agency would be required to file the rule with Congress. The rule would not become effective, if within 90 days both Houses of Congress disapproved the rule or if one House disapproved the rule in 60 days and the other failed to take action within 30 days. If one House votes yes and the other no, the rule goes into effect. If within 60 days after filing, no committee of either House reported or was discharged from consideration, the rule would take effect.

Also, either House can require an agency to reconsider and resubmit any rule subject to this act.

Mr. President, my colleague, Congressman Levitas, has taken the lead in this effort to impose some degree of accountability on the regulatory bureaucracy. I want to commend him for his efforts in this area and to express my hope that my colleagues in the Senate will join in the battle to make some sense out of the regulatory process.●

By Mr. HARRY F. BYRD, JR. (for himself and Mr. Helms):

S.J. Res. 38. A joint resolution to amend the Constitution of the United States to mandate a balanced budget; to the Committee on the Judiciary.

(The remarks of Mr. Harry F. Byrd, Jr. when he introduced the joint resolution appear elsewhere in today's proceedings.)

ADDITIONAL COSPONSORS

S. 1

At the request of Mr. Dole, the Senator from Texas (Mr. Tower) was added as a cosponsor of S. 1, the Food and Agricultural Act of 1979.

S. 22

At the request of Mr. Proxmire, the Senator from Indiana (Mr. Lugar) was added as a cosponsor of S. 22, the First Amendment Clarification Act of 1979.

S. 37

At the request of Mr. Proxmire, the Senator from California (Mr. Cranston) was added as a cosponsor of S. 37, a bill to repeal a section of Public Law 95-630.

S. 107

At the request of Mr. Morgan, the Senator from South Carolina (Mr. Hollings), the Senator from South Dakota (Mr. McGovern), the Senator from Alaska (Mr. Stevens), the Senator from Nebraska (Mr. Zorinsky), the Senator from South Carolina (Mr. Thurmond), and the Senator from South Dakota (Mr. Pressler) were added as cosponsors of S. 107, a bill to create a National Agricultural Cost of Production Board.

S. 266

At the request of Mr. Moynihan, the Senator from Florida (Mr. Chiles) and the Senator from Arizona (Mr. DeConcini) were added as cosponsors of S. 266, a bill to amend the Social Security Act with respect to the issuance of social security cards.

S. 267

At the request of Mr. Moynihan, the Senator from Florida (Mr. Chiles) and the Senator from Arizona (Mr. DeConcini) were added as cosponsors of S. 267, a bill to amend title 18, United States Code, to prohibit the counterfeiting and forgery of social security cards, and the sale of such forged or counterfeited social security cards.

S. 333

At the request of Mr. Durkin, his name was added as a cosponsor of S. 333, a bill to combat international and domestic terrorism.

SENATE JOINT RESOLUTION 20

At the request of Mr. Zorinsky, the Senator from South Carolina (Mr. Hollings) was added as a cosponsor of Senate Joint Resolution 20, to increase the price for milk, wheat, corn, soybeans, and cotton to not less than 90 per centum of the respective parity prices thereof, and for other purposes.

SENATE RESOLUTION 65—SUBMISSION OF A RESOLUTION AUTHORIZING EXPENDITURES BY THE SPECIAL COMMITTEE ON AGING

Mr. CHILES (for himself and Mr. Domenici) submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. Res. 65

Resolved, That the Special Committee on Aging, established by section 104 of S. Res. 4, Ninety-fifth Congress, agreed to February 4 (legislative day, February 1), 1977, is authorized from March 1, 1979, through February 28, 1980, in its discretion to provide assistance for the members of its professional staff in obtaining specialized training, in the same manner and under the same conditions as a standing committee may provide such assistance under section 202(j) of the Legislative Reorganization Act of 1946, as amended.

Sec. 2. In carrying out its duties and functions under such section and conducting studies and investigations thereunder, the Special Committee on Aging is authorized from March 1, 1979, through February 28, 1980, to expend $325,305.00 from the contingent fund of the Senate, of which amount (1) not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The Committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at annual rate.

SENATE RESOLUTION 66—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON VETERANS' AFFAIRS

Mr. CRANSTON, from the Committee on Veterans' Affairs, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 66

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Veterans' Affairs is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $279,000, of which amount not to exceed $22,500 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202 (i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 67—SUBMISSION OF A RESOLUTION WITH REGARD TO COOPERATION WITH THE GOVERNMENT OF MEXICO RELATING TO OIL AND NATURAL GAS

Mr. DURKIN submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 67

Whereas, the United States of America is becoming increasingly dependent on imported petroleum and natural gas;

Whereas this dependence is on foreign governments which are using cartel power to raise prices beyond the point of reason;

Whereas continual price hikes for imported petroleum and natural gas are wreaking havoc on all sectors of our economy;

Whereas the foreign governments which supply much of our imported petroleum and natural gas are often unstable;

Whereas New England and other parts of our country may suffer severe economic dislocations because of worldwide oil and natural gas shortages;

Whereas the Government of Mexico recently announced substantial new discoveries of petroleum and natural gas;

Whereas the Government of Mexico is a friendly and stable government which has had a close relationship with the United States of America for many years;

Whereas the Government of Mexico is not a member of any international petroleum and natural gas cartel; and

Whereas, when it is necessary to obtain petroleum and natural gas from abroad, it is desirable for the United States of America to shift its dependence on foreign energy supply sources away from less stable members of international cartels and towards our closest allies who have significant mutual interests in assuring that our Nation has a secure and reasonably priced energy supply: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President and the Secretary of Energy shall make every effort to pursue an active policy of reaching an equitable agreement with the Government of Mexico with regard to securing a share of the newly discovered oil and natural gas for the United States of America.

● Mr. DURKIN. Mr. President, recent developments in Mexico are having increasingly important implications for energy policies in New Hampshire, New England, and other parts of the country. As I pointed out on the Senate floor almost 1½ years ago, Mexico has become a potentially major oil and natural gas producer at a time when major cutbacks in Iranian oil production once again reminds us of the insecurity of our Middle Eastern energy supplies. It is time for this country to take positive and immediate measures to take advantage of energy resources Mexico can offer us, and to stop treating our great neighbor to the South worse than we treat members of OPEC.

That is why I am today submitting a sense of the Senate resolution that President Carter and Energy Secretary Schlesinger pursue an immediate and vigorous policy of securing Mexican oil and natural gas for this country. We must move on this now, before our energy problems get worse. It truly concerns me that we send Cabinet secretaries to Saudi Arabia to treat their Crown Princes as if they were our royalty, and then give our Mexican friends and neighbors the backs of our hands.

This administration had better wake up quickly to some hard realities before New England and other parts of the country begin to suffer severe economic dislocations caused by energy shortages. The recent cutbacks in oil production, including some in Saudi Arabia, mean only one thing for New Hampshire and New England: Oil and gas shortages, people out of work, and cold factories and homes.

Our dependence on any foreign oil—from Mexico, Saudi Arabia, Iran, or any other place in the world—is regrettable. But it is a fact that we must deal with for now. With that before us, it clearly makes more sense for New Hampshire and the rest of the country to obtain our oil and natural gas from our closest and most reliable sources, rather than from OPEC who raised prices over 14 percent, and then tell us they are doing us a favor. With Mexico, a stable and long standing ally, on our border, that is where we should look for supplies.

Of course, not only are we a market for Mexican oil and gas, they are a market for our products. With a large and growing population, an influx of dollars from their oil and gas sales, and cheap transportation costs from American plants, Mexico is a natural outlet for U.S. goods. We are seeing today that Iran, supposedly a great market, has proved to be unreliable, with literally billions of dollars worth of contracts being canceled outright. Mexico's stability, politically and economically, and its longstanding relations with our country make that country a much more dependable outlet for our products.

Up until now, the President and Secretary Schlesinger have indicated at best a lukewarm, and, at worst, a hostile attitude toward Mexican oil and gas imports. It is time for the President to redirect his thinking before he travels to Mexico next week, rather than after his return when it may be too late. I agree with the President that we should not increase our dependence on imports, by bringing in Mexican oil and gas, but there is no reason that Mexican oil and gas cannot be substituted for higher priced and somewhat uncertain Mideast oil.

This will become increasingly important in the next few months as the cutback in Iranian production caused by the riots and strikes there begins to put the squeeze on the New Hampshire and New England consumers. One does not have to be a prophet of doom to realize that the worldwide daily shortfall of 1 to 2 millions of barrels per day of production caused by events in Iran must inevitably lead right back to the homes, jobs, and lives of the people of my State, so critically dependent on energy imports. But New Hampshire and New England are not alone in this problem: It is national and worldwide.

I am glad to see that at least a few people in Washington are beginning to wake up to the facts I put before them 1½ years ago about Mexican energy resources. A major study just completed by the Library of Congress has shown that Mexican resources are of major proportions, rivaling those of Middle Eastern OPEC countries. By next year, Mexico will be easily able to export over a million barrels per day, and even that could double within 10 years. Unless this administration acts immediately and aggressively, I am convinced that those exports will go to friendly competitors rather than to this country where they are sorely needed now.

As a Senator from a region which is dependent on imported oil for 63 percent of its energy, nobody is more suspicious than I of dependence on foreign energy sources. But Mexico's newly discovered energy riches promise to permit us to switch our foreign purchases to a more stable supplier than our present sellers.

My resolution is a simple statement of support for a more aggressive effort to reach agreement with Mexico on this crucial question. It stresses that our long and close alliance, as well as the stability of the Mexican Government, make Mexican oil and natural gas desirable for at least part of our existing burden of foreign imports. As the President is about to leave the United States to visit Mexico, it is important to let him know that the Senate supports his efforts to arrive at an immediate agreement on this issue.●

SENATE RESOLUTION 68—SUBMISSION OF A RESOLUTION TO COMMEMORATE THE 150TH ANNIVERSARY OF THE CITY OF SPRINGFIELD, MO.

Mr. DANFORTH (for himself and Mr. EAGLETON) submitted the following resolution, which was referred to the Committee on the Judiciary:

S. RES. 68

Whereas during 1979 the city of Springfield, Missouri is celebrating its one hundred and fiftieth anniversary:

Whereas in 1829 pioneers cleared the land, and settled their families in the Springfield area;

Whereas the Springfield region became an independent county known as Greene County in 1833;

Whereas Springfield became the permanent seat of justice for all of Greene County in 1835;

Whereas Springfield was the site of the Civil War Battles of Wilson Creek in 1866 and of Springfield in 1863;

Whereas Springfield has become known as the "Queen City of the Ozarks" and is today a center of trade, business and commerce: Now therefore, be it

Resolved, That the Senate recognizes and commemorates the contributions of Springfield, Missouri to the growth of this great nation and joins with the people of Missouri in honoring the city and its people.

SEC. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to the mayor of Springfield, Missouri.

THE SESQUICENTENNIAL OF SPRINGFIELD, MO.

● Mr. DANFORTH. Mr. President, I am happy to join today with my senior colleague from Missouri (Mr. EAGLETON) in introducing a resolution to commemorate the sesquicentennial of our State's third largest city, Springfield.

One hundred and fifty years ago, in 1829, John Polk Campbell and William Fulbright settled with their wives and families near the site of what was to become Springfield's public square. Gifted with the same capacity for extended effort, the same determination and the same spirit of independence that still characterize the people of Missouri's Ozarks, they set to work to make a better life for themselves and their families. In their labors they were soon joined by other settlers who recognized the wisdom of their choice of sites. Within 2 years, Springfield had a primitive log school with a mud floor; within 3 years, it had a larger school with a plank floor and a chimney; within 5 years it was receiving weekly mail service from parts of Missouri and Arkansas; and within 6 years, it had become the permanent seat of justice for Greene County, an independent jurisdiction created by the Missouri Legislature in 1833 with John Polk Campbell as its first clerk.

Perhaps, Mr. President, the character of Springfield was indelibly shaped by these early years of rapid and progressive growth, because certainly, in the ensuing years, Springfield has maintained and enhanced its position as a center of vitality for the entire Ozarks region. Today, this city of approximately 150,000 persons is the site of several outstanding institutions of higher learning; it is the gateway to a tourist region of rugged hills and beautiful lakes that is a national treasure; it is the marketplace of a trade region with annual business of over a billion dollars; and it is one of the fastest growing cities in our Nation.

Mr. President, it is altogether fitting that over the years Springfield has become known as the "Queen City of the Ozarks"; and it is just as fitting that the Senate should join with the people of Missouri in honoring Springfield and her citizens for their contributions over the past 150 years to the growth of our great Nation. I urge the Senate's favorable consideration of this resolution at the earliest possible time.

Mr. EAGLETON. Mr. President, the city of Springfield, Mo., will celebrate the 150th anniversary of its settlement throughout 1979. I am pleased to sponsor this resolution to commemorate the city's sesquicentennial.

In 1829, John Polk Campbell journeyed from Tennessee and staked claim to land in southwest Missouri inhabited by the Osage Indians. Along with John Fulbright and A. J. Burnett, the families worked together to clear the land and build log cabins, pioneering the way for the "Queen City of the Ozarks". By 1833, the population in the region had grown so much that the State legislature designated it as an independent county—Greene County, after the Revolutionary War Gen. Nathanael Greene. John Campbell became the first county clerk, and largely through his efforts, the State legislature named Springfield as the permanent seat of justice for Greene County.

Campbell donated 50 acres of land for the town site, and the county courthouse was built in the center of the public square. By 1835, the city boasted a blacksmith, a dry goods store, a cabinet maker, and a hotel, unique because its proprietor, John Campbell, served everything free of charge. Weekly mail service was already in operation at the cost of 25 cents for an out-of-State letter. Wages were 50 cents a day. The first schoolhouse was built with Joseph Rountree as the first teacher.

From the modest beginning, Springfield has grown to become a thriving center of commerce, industry, transportation, education, and tourism. With a population of 150,000, Springfield is the business and shopping center of a four-State area. The "Queen City of the Ozarks" is the gateway to one of mid-America's favorite vacation areas. The city is the home of a major State university, Southwest Missouri State, as well as several outstanding private colleges.

Springfieldians are understandably proud, both of their 150 years of achievement and of their bright prospects for the future. I know my colleagues will want to join me in paying tribute to Springfield, as its pioneer spirit carries it forward into the 21st century.●

SENATE CONCURRENT RESOLUTION 5—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE IMPACT OF REGULATION Q ON DEPOSITORS AND ACCOUNT HOLDERS WITH SMALL DEPOSITS AND ACCOUNTS

Mr. CRANSTON submitted the following concurrent resolution which was referred to the Committee on Banking, Housing and Urban Affairs:

S. CON. RES. 5

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that, in the administration of interest rate controls under Regulation Q, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board should promptly provide an appropriate method under which the interest rate on small savings deposits and accounts is increased equitably in order to reduce the adverse impact of such Regulation on the holders of such deposits and accounts.

SENATE CONCURRENT RESOLUTION 6—SUBMISSION OF A CONCURRENT RESOLUTION AUTHORIZING THE PRINTING OF THE "BIOGRAPHICAL DIRECTORY OF THE AMERICAN CONGRESS"

Mr. PELL submitted the following concurrent resolution, which was referred to the Committee on Rules and Administration:

S. CON. RES. 6

Resolved by the Senate (the House of Representatives concurring), That there shall be compiled and printed, with illustrations, as a Senate document, in such style and form as may be directed by the Joint Committee on Printing, a revised edition of the Biographical Directory of the American Congress up to and including the Ninety-sixth Congress (1774–1979); and that three thousand five hundred additional copies shall be printed, of which one thousand copies shall be for the use of the Senate, two thousand two hundred copies for use by the House of Representatives, and three hundred copies for use by the Joint Committee on Printing.

SEC. 2. There is hereby authorized to be appropriated for the Joint Committee on Printing such sums as may be necessary for the employment of personnel and the payment of expenses to carry out the provisions of this resolution through January 2, 1981.

AMENDMENTS SUBMITTED FOR PRINTING

AMENDMENT OF RULE XXII OF THE STANDING RULES OF THE SENATE—SENATE RESOLUTION 61

AMENDMENT NO. 57

(Ordered to be printed and to lie on the table.)

(Mr. STEVENS submitted an amendment intended to be proposed by him to Senate Resolution 61, a resolution to amend XXII of the Standing Rules of the Senate.)

Mr. STEVENS. Mr. President, I submit an amendment in the nature of a substitute to Senate Resolution 61, that being the separate resolution that was introduced by the distinguished majority leader, pursuant to the colloquy that took place here yesterday.

This amendment is the work product of the ad hoc committee that was appointed on our side, which I have had the privilege to Chair. It does modify to some extent the provisions that were in that proposed substitute yesterday. Those modifications or changes were made following a lengthy conference with the majority leader and other Senators. We offer it in the hope that it will be considered.

I am offering it today so that it will be printed, and I hope it will be on the desks of Senators tomorrow, in order that we can start discussing it.

I will call it up, of course, after the recess, and am in hopes that the process we follow will lead to substantial support for the concepts that are involved in this substitute.

I might say to my good friend, the distinguished majority leader, that many of the proposals that are in his Senate Resolution 61 are also in this substitute. We have added rather than subtracted from the concepts of the majority leader.

I ask that this amendment be printed and be on the Members' desks.

The PRESIDING OFFICER. The amendment will be printed in order to allow it to be on the Members' desks.

Mr. STEVENS. I also ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 57

Strike all after the resolving clause and insert in lieu thereof the following: (a) The last paragraph of paragraph 2 of Rule XXII of the Standing Rules of the Senate is amended by striking out the first sentence and inserting in lieu thereof the following:

"After cloture has been invoked, no Senator shall be entitled to use more than one hour on the measure, motion, or other matter pending before the Senate, the amendments thereto, and motions affecting the same, except as hereinafter provided.

A Senator shall be charged with the use of all time consumed after he is recognized and until he yields the floor, except the time consumed in roll call votes and one quorum call immediately prior to a vote on final passage. A Senator may yield any of his remaining time to another Senator or may yield it back to the Presiding Officer, in which case the hours of consideration shall be reduced by the time so yielded back, and it shall be the duty of the Presiding Officer to keep the time of each Senator. No Senator may be yielded more than 9 additional hours. If unanimous consent is requested to dispense with the remainder of a quorum call and an objection is heard to the request, the time consumed in the remainder of that quorum call is charged against the time of the objecting Member. If the objecting Senator does not have at least 10 minutes remaining, he may not object to dispensing with further proceedings under the quorum call. If the time required to call a quorum exceeds the balance of the objecting Senator's time, such time shall not be charged against the 100 hours."

(b) The last paragraph of paragraph 2 of Rule XXII of the Standing Rules of the Senate is amended by inserting the following sentence at the end thereof:

"Whenever a Senator indicates an intention to appeal from a decision of the Presiding Officer, that Senator shall be given preferential recognition for that purpose. Any Member may make a point of order that any other Member's pending amendment is violative of the rule, and the Chair shall then rule upon that point of order. Where such point of order is sustained, the amendment or amendments in question shall not then be considered further. A Member moving an amendment or amendments against which a point of order is made and sustained by the Chair may take such appeal en bloc, or such Member may choose those specific amendments which such Member wishes to make subject of the appeal. Such Member shall have a right to one such appeal (including the quorum call on such appeal) without being chargeable against such Member's time for debate."

(c) After the last paragraph of paragraph 2 of Rule XXII of the Standing Rules of the Senate, insert the following:

"After 100 hours of consideration of the measure, motion, or other matter on which cloture has been invoked, which time is the aggregate of the one hour of time to which each Member is entitled, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to estabilsh the presence of a quorum (and motions required to establish a quorum) immediately before a vote on an amendment or the final vote begins.

New amendments in the second degree can be offered after cloture has been invoked if they are germane to the amendment in the first degree to which offered and have been printed and available at each Member's desk for at least 24 hours. Amendments which are otherwise in order may amend the measure or matter in more than one place, if they involve only one substantive issue.

If, for any reason, a measure or matter is reprinted, amendments which were in order prior to the reprinting of the measure or matter will continue to be in order and may be technically conformed to the bill as it then reads when the amendments are called up, and reprinted at the request of any Member.

After cloture is invoked, the reading of all amendments, including House amendments, shall be dispensed with when the proposed amendment has been identified and has been available in printed form at the desk of the Members for not less than 24 hours."

(d) Paragraph 1 of Rules III of the Standing Rules of the Senate is amended—

(1) by inserting "(a)" before "The" in the first sentence;

(2) by striking "The" in the second sentence and inserting in lieu thereof: "Except as provided in subparagraph (b), the"; and

(3) by adding at the end thereof, the following new subparagraph:

"(b) Whenever the Senate is proceeding under paragraph 2, Rule XXII, the reading of the Journal shall be dispensed with."

INTERNATIONAL AND DOMESTIC TERRORISM—S. 333

AMENDMENT NO. 58

(Ordered to be printed and referred to the Committee on Governmental Affairs.)

Mr. DURKIN (for himself, Mr. STEVENS, Mr. HELMS, Mr. CHURCH, Mr. MCCLURE, Mr. DOMENICI, Mr. SCHWEIKER, Mr. GARN, and Mr. RANDOLPH) submitted an amendment intended to be proposed by them, jointly, to S. 333, a bill to combat international and domestic terrorism.

● Mr. DURKIN. Mr. President, I announce my strong support for S. 333, a bill to combat international and domestic terrorism, which has been introduced by my friend and colleague from Connecticut, Senator RIBICOFF. But I wish to state at the same time that I strongly oppose the provision of that bill which requires the tagging of black powder and smokeless powder, and am today submitting with my friend and colleague from Alaska, Senator STEVENS, and Senators CHURCH, HELMS, MCCLURE, DOMENICI, GARN, and Mr. RANDOLPH, an amendment to that bill to exempt black powder and smokeless powder from tagging requirements.

The need for strong legislation to combat terrorism both within this country's borders and abroad, is beyond dispute. Rarely a week goes by without some incident of domestic or international terrorism that might have been prevented by stronger Government action and worldwide cooperation. When a similar bill to the one I am supporting was considered by Congress last year, it received widespread support. The administration, respected authorities on terrorism, and aviation-related groups all gave the measure endorsements. Only the press of Senate and House business at the end of the session kept the bill from becoming law. I hope that Congress will complete action on this bill this year, and that it will be signed into law.

The bill introduced this session, however, contains one provision which is unneeded, unworkable, inflationary, and detrimental to millions of American sportsmen who reload their own ammunition or who shoot antique and reproduction firearms using black powder propellant. That provision requires the tagging of black and smokeless powders. The amendment we are introducing today exempts black and smokeless powders from the tagging provisions. During Senate committee consideration of the antiterrorism bill last session, a similar exemption was written into the bill with my support, the support of Senator STEVENS and many other colleagues.

The list of serious problems with the tagging of black and smokeless powders is well known, and I will not spend a lot of time reviewing it here. The most important problem is that it represents another attempt by the Federal bureaucracy to reach needlessly and without adequate justification into the lives of American citizens. The tens of thousands of New Hampshire sportsmen are peaceful, law-abiding citizens, who certainly should not be bothered and burdened by more unworkable Federal regulations. And I want to assure all the sportsmen in New Hampshire that I will do everything possible in this legislation and any other matter that comes before the Congress to keep the Federal tentacles off their backs and out of their lives. I have opposed all Federal gun control legislation and I will continue to do so.

While tagging of firearms propellants would place a burden upon sport shooters and upon the small businessmen who sell powder, it would do little or nothing to benefit law enforcement. The recordkeeping would be extremely cumbersome and complex, making it difficult to trace powder even with the taggants. And even then, bombers are unlikely to obtain their supplies of powder through legal commerce where registration is at least possible.

The technology for tagging powders is still developing, and presents a great many unknowns. There could be major problems with fouling and clogged barrels caused by the taggants, potentially causing safety hazards to the shooters. On top of this, the financial costs of tagging are projected to be extraordinary, raising the cost of powders by 20 to 30 percent. This inflationary move would certainly require substantial justification, exactly the kind of justification which has not been produced by the Federal bureaucrats.

In sum, Mr. President, while the Federal Government must do everything reasonably possible to fight the ominous cloud of terrorism which potentially threatens each and every one of us, this Congress cannot allow the Federal Government to continue to meddle into the lives of law-abiding citizens at the whim of a few bureaucrats. Tagging black and smokeless powders will not contribute substantially to antiterrorism, but it will pose another threat to the basic freedoms and liberty of the people in our society. That is why I will fight this provision, and urge my colleagues to do so.

I ask unanimous consent that the text of our amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 58

Amendment to section 303.

After subsection "t", add a new subsection "u";

"(u) Black and smokeless powders, manufactured as propellant powders, shall be excluded from the provisions of this section."

Reletter the existing subsection accordingly.●

NOTICES OF HEARINGS

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

Mr. HARRY F. BYRD, JR. Mr. President, the Subcommittee on Taxation and Debt Management of the Senate Committee on Finance will hold hearings on March 12, 19, and 20, 1979 on the carryover basis provisions of the estate tax law.

The hearings will begin at 10 a.m. in room 2227 of the Dirksen Senate Office Building.

The Department of the Treasury will testify on March 12, 1979.

The Congress during the last session agreed to defer the effective date of carryover basis until December 31, 1979. The hearings will focus upon whether or not carryover basis should be repealed or modified, and if modified, what modifications should be made.

The hearings will give the Senate Finance Committee an opportunity to explore in detail the implications and full ramifications of this significant departure from tax law prior to 1976.

Other witnesses who desire to testify at the hearings should submit a written request to Michael Stern, Staff Director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510, by no later than the close of business on March 1, 1979.

The subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length and mailed with five copies by April 13, 1979, to Michael Stern, Staff Director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510.

ADDITIONAL STATEMENTS

RHODESIA AND THE ARROGANCE OF ANDREW YOUNG

● Mr. GARN. Mr. President, the unmitigated arrogance of the U.S. Ambassador to the United Nations, Andrew Young, manifested itself again the other day. Mr. Young saw fit to declare that "only Neofacists in this country would be willing to support the neofascism of the Smith regime" in Rhodesia/Zimbabwe.

Mr. President, this is not the statement of a private citizen—it is the declaration of an official of the United States. Mr. Young's record for embarrassing public utterance in the name of U.S. policy is a disgrace. I remain convinced that Mr. Young should be removed from office for gross incompetence detrimental to the interest of the United States.

By an 85-percent majority vote, white Rhodesians recently passed a referendum to approve a new constitution, drawn up in March 1978, to hold universal suffrage elections in order to bring a form of qualified black majority rule. Elections are now scheduled to be held in April. Is the new constitution perfect? No it is not. I recognize this. But to say that it bears any resemblance to fascism is ludicrous.

The United States and its allies have every reason to work for a peaceful settlement of the Rhodesian problem. Yet, we continue to dismiss the efforts of the internal settlement to accomplish this very objective. Instead, we insist that the guerrilla forces of Robert Mugabe and Joshua Nkomo be made participants in the new government. This administration has, in effect, given these guerrila forces, the so-called Patriotic Front, a defacto veto over the efforts of blacks and whites to avoid a bloody and destabilizing civil war.

With the April elections, the leaders of the biracial internal settlement will have met the two conditions set by Congress for an end to the U.S. economic embargo against Rhodesia/Zimbabwe. I call on my colleagues to insure that we do not go back on our word in this regard. We have already made a tragic error in not backing the internal settlement when it first determined to establish black majority rule. Let us not compound this error by remaining silent as the Carter administration continues to pursue a course that can only lead to disaster.

These points are recognized very well in an editorial in the Washington Star, which I will ask to have inserted in the RECORD in a moment. By contrast, the Washington Post's editorial staff is oblivious to the damage it, and others like it, has caused.

The bloodthirsty nature of the Mugabe and Nkomo guerrillas has been clear from the beginning. Their Marxist and racist rhetoric has never left any doubt as to the nature of any "government" they might establish, if they were successful in coming to power. It would be a regime of blood and horror, similar to a dozen others in Africa. The rule in Africa is one-party autocratic rule, with no civil freedoms, religious repression, and genocidal vendettas against rival tribal factions. There are a few exceptions, and two of them are the governments of South Africa and Rhodesia.

The fact is, Mr. President, that there was never any chance for peace and freedom in the direction of Mugabe and Nkomo. These two worthies have from the beginning shunned every invitation to an all-parties conference, and any invitation to participate in free and supervised elections. They know that neither has a chance of coming to power peacefully, and for that reason they have done everything they can to destabilize the country, in the hopes of coming to power by the gun. When they do, of course, they will have to fight each other, and the result will be a bloody civil war, followed by the familiar autocracy.

The chances of peace under the direction of the Salisbury government were never high. But in that direction there was a chance of success. Had the nations of the world supported the Smith government's efforts to bring blacks into power, to provide for a stable transition to black majority rule, it is possible that Smith could have succeeded. We will never know, because this administration, led by the fatuous Andrew Young, has from the beginning cast its lot with the revolutionary Marxists. The Washington Post editorial is a perfect example of the silliness and the tragedy of this line of thinking. Now that bloody war is inevitable, the Post looks around and asks what happened. I will tell you what happened. America's liberal establishment has let itself be led into the wilderness by Andrew Young and his coterie of displaced civil rights workers. And it will be a bloody road coming home.

Somewhat bewildered, the Post concludes wistfully that there is "blame enough to go around." Indeed there is, and the Post has earned its share. I would like to think that they recognize it, but today's editorial indicates otherwise.

Mr. President, I ask that the editorials from the two Washington papers be printed in the RECORD, and I invite my colleagues to examine them closely, to see where the blame belongs.

The editorial follows:

[From the Washington Post, Feb. 7, 1979]

Dead End in Rhodesia

The British and American foreign secretaries put their heads together on the matter of Rhodesia the other day and came up with nothing. We say this not in derision but with a certain approval. For the several conflicts in Rhodesia—between the multiracial regime in Salisbury and the guerrillas, and among each of these groupings—have produced a degree of violence and fragmentation demonstrably beyond Anglo-American repair.

It is painful to recall that the Carter administration once saw in Rhodesia an exciting opportunity to make the United States both the champion of black majority rule in Africa and the manager of peaceable change. But the administration's diplomacy, as it developed, seemed to focus on the first of these roles—though not openly enough to gain African credit for it—and fulfillment of the second role was made that much more difficult. There is no doubt now that black majority rule is coming, but not peaceably, and not in a context ensuring white minority rights, and not under American patronage, and not in a way that promises to advance other American interests.

The transitional government of Ian Smith has just sponsored a poll in which whites approved a white-written majority rule constitution due to take effect when general elections are held in April. At one point, those elections looked like they might help win international acceptance for the "internal" settlement. But the military deterioration since then has put them in a different light. The elections will be held under military-law conditions in the shrinking fraction of the country where the government's writ runs. Salisbury figures the vote will meet one of the two tests Congress set last year for lifting economic sanctions; it met the second by announcing its availability for negotiations with the guerrillas. But even if Salisbury meets Congress' technical requirements—and it may—what will that avail? Salisbury's talk of elections, the lifting of sanctions, and then somehow a miraculous Western bailout, sounds increasingly like whistling in the dark. The overwhelming fact is the war.

The guerrilias are winning, under the worst imaginable conditions for the future of Zimbabwe—economic devastation, political radicalization, racial conflict, black civil war. Their military advance is sweeping away the whites and the assorted blacks of the transitional regime. There is blame enough all around; the leaders of Rhodesia/Zimbabwe deserve most of it. But what Americans cannot avoid asking is whether things are better or worse for the people of that brutalized country as a result of the administration's exertions in their behalf.

[From the Washington Post, Feb. 6, 1979]

"Neo-facism" in Rhodesia

UN Ambassador Andrew Young recently declared, with even less than his usual regard for the weight of words, that "only neo-fascists in this country would be willing to support the neo-facism of the Smith regime" in Rhodesia.

No doubt Mr. Young would include, as neo-fascism, last week's successful referendum on a new Rhodesian constitution. The vote, after all, was limited to non-black Rhodesians; and the constitution, under which a black-majority government will be elected this spring, reserves considerable power over a five-year transition period to whites.

If Andrew Young spoke for himself alone, and not for the United States, he would be at liberty to mangle the language as he pleased. But he is, in fact, an American official who pretends to be interested in drawing the Rhodesian government into all-party talks with the guerrilla insurgents on the country's future. If this is more than pretense, he approaches it in a curious fashion.

It is not, of course, as if the new Rhodesian constitution were immune to reasoned criticism. It is, one could say, conservative and cautious; and it is open to the practical objection that it may not fully satisfy even the black partners in Mr. Smith's slow-motion movement from white to majority rule.

Even so, the effort is far from contemptible, and far indeed from being "fascist" in flavor, neo- or otherwise. The advent of a government in Rhodesia-Zimbabwe (as it's to be called) in which blacks will have the predominant place is a milestone. It imposes a certain obligation on the U.S. to approach it, approve or not, with some consideration.

A more considerate and receptive attitude would indeed have been appropriate months ago, when Ian Smith first decided to scrap exclusive white rule and negotiate a settlement with the black majority. The Rhodesians thought then that Mr. Smith and his collaborators had met the "six points" on which Dr. Kissinger, as a Ford administration emissary, had implicitly conditioned some relaxation of diplomatic hostility. Even now, one of Mr. Smith's selling points in inducing the embattled Rhodesian whites to accept a new power-sharing constitution has been the stubborn hope that the U.S. may lift economic sanctions.

That is almost certainly a vain hope as long as Ambassador Young is calling the shots on U.S. policy in Africa. But what is the alternative? What, in other words, is the price of Mr. Young's policy? Now as before, it is that the U.S. may be a bystander, and by inaction a collaborator, in the subversion of an elected government in Rhodesia by Marxist guerrillas, hostile to both form and substance of our political values.

If they succeed, there will be many Rhodesians, black and white, who if lucky enough to escape alive will find themselves nostalgic for a bit of what Andrew Young is pleased to call "neo-fascism." ●

A COLLISION OVER TRUCKING

● Mr. TSONGAS. Mr. President, I would like to direct the attention of my colleagues to an editorial which appeared in the Boston Globe on January 29.

I believe that the editorial emphasizes several valid and important points regarding the current controversy surrounding referral of antitrust legislation to eliminate the 1948 antitrust exemption for price fixing in the trucking industry.

The editorial accurately states that the matter is a parliamentary question. I believe that the parliamentarian has ruled correctly. However, even more importantly, I would hope that my colleagues will focus their attention on that ruling and the question of whether or not to abide by the decision of the Parliamentarian, rejecting attempts to confuse the issue by casting the debate as a vote on the issue far down the road: Truck deregulation.

The January 29 Boston Globe editorial follows:

A Collision Over Trucking

The public may get an early reading this year on exactly how committed the U.S. Senate is to stemming inflation when that inflation benefits powerful private interests. The test would be posed by a vote on the question of whether the Senate Commerce Committee or the Senate Judiciary Committee receives jurisdiction over a bill to end the trucking industry's antitrust exemption. While the matter may seem technical, the Senate's decision could substantially influence the future of trucking deregulation—with its potential benefits for consumers.

The jurisdictional fight pits Sen. Edward M. Kennedy, chairman of the Judiciary Committee, against Sen. Howard Cannon, the Nevada Democrat who chairs the Commerce Committee. While Kennedy has expressed a willingness to support a "joint referral" to both committees, Cannon has balked at this notion. The issue may come before the full Senate this week for resolution. And more is at stake than committee "turf."

Kennedy is a supporter of trucking deregulation; in fact, he is the author of the legislation ending the antitrust exemption at the center of current fight. Cannon says only that he has an open mind on the subject; the American Trucking Association and the Teamsters Union are lobbying the Senate furiously for referral of the bill to the Commerce Committee.

In a less political environment, the matter might be considered a parliamentary question. And in that regard, it is interesting to note that the Senate parliamentarian has ruled that the legislation should be sent to Kennedy's committee. And properly so. Other elements of comprehensive trucking deregulation—those involving Interstate Commerce Commission's regulation of routes and entry—are within the jurisdiction of the Commerce Committee. But the Kennedy legislation, which would overturn the current government sanction of private agreements between truckers on pricing, is clearly an antitrust measure.

It is true that the exemption to the antitrust statutes, enacted in 1948, was attached to the Commerce Act. But that was only an effort to end-run House Judiciary Committee chairman Emmanuel Cellar, who was opposed to such doings. And it is true that the Kennedy bill would affect a particular sector of commerce. But any antitrust legislation does that. And the Senate has given the Judiciary Committee responsibility for antitrust legislation no matter what sector of the economy it affects.

As the current parliamentary fight reveals, trucking deregulation will be a tough battle. The $30 billion industry is well organized. And both labor and management gain from the anticompetitive aspects of the business. Only the consumer loses. A decision by the Senate to refer the legislation exclusively to the Commerce Committee would not only violate common sense; it would be a sign that the Senate is not anxious to make the fight to restore competition to the trucking industry.●

STATE DEPARTMENT MEMORANDUM ON TREATY TERMINATION: A REBUTTAL

● Mr. GOLDWATER. Mr. President, as you know, I have filed a lawsuit, together with 25 other Members of Congress, challenging as being unconstitutional, President Carter's attempted abrogation of the defense treaty with Taiwan. In defense of the President's unilateral action, the Department of State has released a lengthy memo arguing that Presidents have terminated treaties before, in situations similar to President Carter's action.

Mr. President, the State Department memo is absolutely wrong. It is a desperate attempt to erect some sort of justification for the President's usurpation of legislative power.

The so-called memorandum is actually a one-sided argument that distorts and twists history and contains many self-contradictions.

First, I would note that the State Department has dredged up only 12 claimed precedents for Presidential treaty termination, and not one of them involves a defense treaty.

Even if the 12 incidents were taken at face value, the State Department does not tell us what legal significance this would have. Of course, the answer is they would have no legal bearing.

A handful of precedents cannot create a Presidential power that does not appear in the Constitution itself. As the Supreme Court said in 1969:

> That an unconstitutional action has been taken before surely does not render that same action any less unconstitutional at a later date.

Thus, the alleged 12 precedents beg the question. For all anyone knows, they were unconstitutional actions, so that these disclosures might be no more than admissions of past illegalities.

In this connection, I might remind my colleagues that Federal courts have decided at least three important issues of power against the President in the past 5 years, although a long line of precedents were argued as a basis for Presidential power in each of these cases. We can all remember the Nixon tapes case where executive privilege was decided against the President. Then there is the impoundment of funds case which the executive branch lost. And, there is the executive veto case, in which the U.S. Court of Appeals for the District of Columbia rejected 38 pocket vetos as not having any legal meaning. The court squarely held that precedents cannot create an Executive power.

Now, if the State Department memorandum were truly that, a fair discussion of all points so that the President and Secretary of State could act on full information, it surely would have discussed exactly what significance the 12 precedents are supposed to have. But there is no mention in the memo about the quite recent Federal court cases which rule that past practice does not make a Presidential power. It is obvious the lawyers at the State Department did not want to bring this question up with their superiors.

Mr. President, turning to the so-called precedents contained in the State Department memo, it is revealing that two of the incidents involved treaties which did not contain notice provisions. Now, I must ask, what are these two examples doing in the memo?

What has happened here is that the State Department has shown its hand. It is not arguing merely that President Carter has implied authority to terminate a treaty when the treaty itself includes a provision for termination upon notice by either party. If that is all the State Department is claiming, it would not have used these two examples in its memorandum.

Instead, it is clear the State Department is asserting a broad power for the President to terminate any treaty he wants, whether the treaty includes a notice provision in it or not.

In other words, the State Department wants the President to have total power over treaties. State has long taken the position that the President can make a treaty by calling it an executive agreement, and now they are saying he can break a treaty, even if it was ratified with the advice and consent of the Senate.

So I would warn my colleagues against allowing the State Department to get away with what is an obvious power grab.

Mr. President, I have mentioned that 2 of the 12 treaties asserted in the State Department list did not contain notice provisions. If we remove these 2 incidents, that leaves 10. Of these treaties, only eight were actually terminated. Presidents withdrew the notice of termination in two cases and there is no proof they would have gone ahead with terminating the treaties.

So that leaves us with only eight incidents. But the terminations of three of these treaties were necessitated by superseding statutes in conflict with earlier treaties. In these situations, the President was acting under the implied authority of congressional statutes. Another treaty termination clearly was authorized under no less than four separate acts of Congress.

Some of the treaties discussed by the State Department were canceled in full agreement with the other countries, which is completely different from the present case where the Republic of China wishes to keep the defense treaty alive.

And, there is no evidence Congress was informed when the President acted on each of these treaties. He notified the foreign countries, but in many cases he neglected to tell Congress. Congress could hardly challenge what it did not know about and a situation where the President acted in secrecy hardly qualifies as a precedent for his independent action.

Mr. President, I have prepared a detailed analysis of the alleged precedents argued in the State Department memo which shows that not one of the incidents back up the President's position. Since the paper relates to an important issue of shared power between the President and Congress, I ask that it be printed in the Record.

The material follows:

Analysis of Presidential Treaty "Terminations" Argued in State Department Memorandum

1. 1815: President Madison's administration exchanged correspondence with the Netherlands which allegedly established that the 1782 Treaty of Amity and Commerce had been annulled.

Analysis: There is strong historical evidence the treaty was not annulled in 1815, but remained in effect assuming the treaty was then annulled, the cause was the wartime destruction of one of the governments and nations, not independent Presidential power. Also, President Madison did *not* give notice of the treaty's termination; the foreign government first denounced the treaty.

Discussion: The Netherlands took the initiative in insisting the treaty of 1782 had expired because of the Napoleonic wars, during which the United Netherlands, with whom the treaty was made, was absorbed into the French Empire, entirely disappearing as a separate nation. After the war, it was transformed into a new nation unlike the original one. According to Samuel Crandall in his *Treaties: Their Making and Enforcement*, the State thus formed "differed in name, territory, and form of government from the state which had entered into the treaty of October 8, 1782, with the United States." (p. 429)

In response to a letter from the government of the new state, in 1815 Secretary of State Monroe appeared to acknowledge the Netherlands' claim that the treaty had been annulled. However, when Monroe became President, he himself repudiated this interpretation. His Secretary of State John Q. Adams argued in 1818 that the 1782 treaty was still operative. (U.S. Foreign Relations 722 et seq. (1873)) In 1831, the Supreme Court of North Carolina enforced the treaty as law in *University* v. *Miller*, 14 N.C. 188, 193.

At most, the incident is a precedent for termination of a treaty *in agreement* with the other government. Obviously, in the present case, the Republic of China wishes the 1954 treaty to remain in effect.

It is true that much later in 1873, the State Department informed the Minister of Holland that "The Treaty of 1782 is no longer binding on the parties." However, the State Department did not claim President Madison had terminated it. Rather, in a list of treaties that have been abrogated, which was prepared and published by the State Department in 1889, the Department included the Netherlands treaty under a category entitled "Treaties with Powers that have been absorbed into other nationalities."

The Department explained the termination of the treaty as follows:

"The principle of public law which causes Treaties under such circumstances to be regarded as abrogated is thus stated: The obligations of Treaties, even where some of their stipulation are in their terms perpetual expire in case either of the contracting parties losses its existence as an independent State, or in case its internal constitution is so changed as to render the Treaty inapplicable to the new condition of things." (U.S. Treaties and Conventions 1776–1887 (1889), at 1236–1236).

2. In 1899, President McKinley gave notice to the Swiss Government of intent "to arrest the operations" of certain articles of the 1850 Convention of Friendship, Commerce and Extradition.

Analysis: The Convention was superseded by a later Act of Congress inconsistent with the earlier treaty. That statute conferred implied authority on the President.

Discussion: The State Department memo itself admits the Presidential notice "may have been necessitated by the Tariff Act of 1897." (p. 9) This admission hardly qualifies the incident as a precedent for notice where there is *no* accompanying legislative action.

Following enactment of the Tariff Act of 1897, the United States entered into an agreement with France under authority expressly granted by that law. The Swiss government thereupon claimed the right to enjoy the same concessions for Swiss imports as granted French products, but without making reciprocal concessions.

The United States rejected the Swiss demand because, in the words of the State Department memo: "It was contrary to U.S. general policy *and to the policy of the Tariff Act* to make trade concessions in the absence of a reciprocal arrangement." (p. 9) Section 3 of the Tariff Act denied the President authority to negotiate trade agreements unless "reciprocal and equivalent concessions may be secured in favor of the products and manufactures of the United States." (30 Stat. 203).

Since Congress had passed a law clearly inconsistent with an earlier treaty, the President was compelled to enforce the later expression of legislative will. Unlike the 1899 incident, there is no subsequent statute which President Carter claims is in conflict with the Mutual Defense Treaty of 1954. To the contrary, there are numerous statutes and treaties which reinforce the purpose of that treaty.

3. In 1920, President Wilson "by agreement" terminated the 1891 Treaty of Amity, Commerce, and Navigation with the Congo.

Analysis: The treaty was terminated following Congressional action affecting that treaty. It was denounced in its entirety by the foreign government, not by notice of the United States.

Discussion: In the Seamen's Act of 1915, Congress ordered President Wilson to notify several countries of the termination of all articles in treaties and conventions of the United States "in conflict with this act." (38 Stat. 1184) The authoriy of Congress to impose this obligation on the President was upheld by the Supreme Court in *Van der Wayde v. Ocean Transport Co.*, 297 U.S. 114, 118 (1936).

In accordance with this statutory mandate, President Wilson notified Belgium of his intention to terminate Article 5 of the 1891 treaty. (The treaty was originally concluded with the independent state of the Congo, which later came under Belgian control. The change of governments further weakens the incident as a precedent for termination of the Mutual Defense Treaty since the identical governmental authorities on Taiwan with whom we made the treaty are still in effective control of the territory covered by that treaty.)

In view of the Congressionally-mandated termination of a substantive article of the treaty, Belgium replied that it wanted to terminate the entire treaty. A month later, Belgium sent a second note instructing the United States that its first note was intended as formal notice of termination of the treaty. In acknowledgement of this notice, the United States regarded the treaty as expiring one year later.

The situation is entirely different from the 1954 Mutual Defense Treaty with the Republic of China. The 1891 treaty was terminated with the agreement of both parties. The Republic of China, however, does not wish to terminate the 1954 treaty.

4. In 1927, President Coolidge gave notice of termination of the 1925 Convention with Mexico on the Prevention of Smuggling.

Analysis: The Convention was terminated during an unsettled period in Mexico which caused a fundamental change in conditions essential to its continued effectiveness. The President did not inform Congress, depriving legislators of an opportunity to challenge his action.

Discussion: In 1927, United States relations with Mexico were unsettled because of alleged religious persecution within Mexico and the confiscation of American-owned private and oil lands. In fact, President Coolidge claimed Mexico was *smuggling* arms and ammunition to revolutionists in Nicaragua, indicating Mexico was not a reliable treaty partner under a Convention relating to the prevention of smuggling.

In the circumstances, it appears changed conditions were a cause of President Coolidge's notice. Under the doctrine of *rebus sic stantibus*, a treaty "ceases to be binding when the basic conditions upon which it was founded have essentially changed." (40 Opinions Attorneys' General 121)

However, in the case of the 1954 Mutual Defense Treaty, President Carter has not invoked *rebus sic stantibus*. Nor could he. For an essential requirement of the doctrine is that the change in conditions must not be the result of action by the party seeking to invoke it. (1969 Vienna Convention on the Law of Treaties, Articles 61, 62; Restatement of the Law 2d, Foreign Relations Law of the U.S., at 467–470 (1965)).

There is another reason the 1927 incident is not a valid precedent. Congress was not informed of the notice at the time and thus it went unchallenged.

5. In 1933, President Roosevelt withdrew the United States from the 1927 Convention for the Abolition of Import and Export Prohibitions and Restrictions.

Analysis: The 1927 Convention was inconsistent with and had a restrictive effect on the National Industrial Recovery Act of 1933. It also was terminated due to a fundamental change in conditions, not the result of any action by the United States.

Discussion: The official papers published in connection with the termination of the 1927 Import-Export Convention prove that the provisions of the National Industrial Recovery Act, a later statute, were instrumental in moving the President to give notice. (U.S. Foreign Relations 784–786 (1933); W. McClure, *International Executive Agreements* 18 (1941)).

The incident stands as no more than an example of the President implementing the latest expression of Congressional intent. Since the President cannot enforce two laws which are in conflict, as the 1927 convention and 1933 statute were, he is compelled to select the one which reflects the current will of Congress.

The U.S. Government notice gave as the reason for withdrawal the fact that several other nations had already withdrawn, thereby defeating the original purpose and assumption for the convention. Eleven countries out of an anticipated original 19 had ceased to be bound by the convention on June 20, 1933, when the United States gave its notice. So our notice stated that while it "had been hoped that the principle embodied in the convention would be widely accepted", the "reverse" has been true.

These circumstances fit the classic example of *rebus sic stantibus*, where a basic set of conditions or expectations were assumed to exist as the basis for carrying out the treaty, but due to changed conditions, those original purposes or expectations are no longer present. When such a fundamental change occurs, the treaty is no longer operative or binding.

The principle was recognized by Mr. Justice Davis, who wrote, in *Hooper* v. *United States*, that a "treaty might be construed as abrogated when material circumstances on which it rested changed." (22 Court of Claims 408 (1887)).

Thus, rather than asserting any general power to withdraw the nation from all treaties having a notice provision, President Roosevelt's 1933 notice itself clearly limits the basis of his action to the change in conditions. As the State Department memo states: "A convention on the abolition of import and export prohibitions and restrictions clearly needed widespread acceptance to be effective . . . " (p. 18)

In contrast to the 1927 convention, there is no change in circumstances which prevents the 1954 Mutual Defense Treaty from being effective. The same regime with which we concluded the treaty remains in effective control of the territory of Taiwan and the Pecadores, regardless of derecognition. The territory governed by the authorities remains a critical and strategic link in the entire chain of Pacific Basin security bases from which the United States supports its national security and the security of allies with whom we have formal defense treaties.

Even if derecognition were viewed as a basic change, it cannot be invoked as a reason for terminating the 1954 treaty. Under customary international law, a nation cannot use a change of conditions as a ground for terminating a treaty if the change is the result of its own action, inconsistent with the original purposes of the treaty.

In any event, President Carter is not asserting changed circumstances as a ground of his notice; he claims implied authority solely under the notice provision of the treaty. Thus, the 1933 incident has no similarity to the present case.

6. In 1933, President Roosevelt gave notice of termination of the 1931 Treaty of Extradition with Greece.

Analysis: The treaty was not terminated. The sole basis for the President's notice was violation of the treaty by the other nation, a charge that has not been made against the Republic of China.

Discussion: The incident is not a precedent for Presidential treaty termination because the treaty was not terminated. President Roosevelt did give notice, but *withdrew* it. Whether he would have completed the termination is speculation; the strongest evidence points to his purpose only of using the threat of termination as pressure for negotiating purposes.

The President's action was initiated because Greece had refused to extradite an individual accused of fraud as required under the extradition agreement. Clearly, his action was founded on the fact the treaty had already been violated by breach of the other party. The President may have power to determine that a treaty has become void in this narrow situation under the ancient principle of traditional contract law whereby a party is released from a contract obligation if the other party is guilty of a substantial breach.

Even so, the principle has no application to the 1954 defense treaty. The Republic of China has not committed any breach of the treaty, nor is any violation on her part alleged. In contrast, the 1933 notice by President Roosevelt clearly identified the violation by Greece of the treaty as the reason for the notice.

7. In 1936, President Roosevelt signed a protocol agreeing with Italy to terminate the 1871 Treaty of Commerce and Navigation.

Analysis: The 1871 treaty had become inconsistent with a later Act of Congress which conferred implied authority upon the President. Also, the treaty was terminated in joint action with the other country by a protocol mutually agreed upon. In contrast, the Republic of China wishes to keep in effect the 1954 defense treaty.

Discussion: President Roosevelt's action in agreeing with Italy to terminate the 1871 treaty arose directly out of and was tied to the 1934 trade law enacted by Congress. That law authorized the President to suspend beneficial duties to imports from any country discriminating against our exports. Since American commerce was being subjected to what the State Department described as "highly prejudicial treatment" by the trade control measures of Italy, the Department warned the President he "would be placed in the position of having to choose between the execution of the act and observance of the treaty."

In order to avoid being forced to breach the treaty or ignore the obvious intent of the statute, the State Department advised the President to notify Italy of our intent to terminate the treaty. (G. Hackworth, 5 Digest of International Law 330–331 (1943)).

Thus, the statute conferred implied authority on the President to terminate the treaty. In the present case, President Carter has no implied or express authority under a separate statute.

Instead of giving the initial, formal notice to Italy of the treaty's termination as suggested, President Roosevelt approved a joint protocol entered into between the United States and Italy announcing the intention of *each* government to terminate the treaty. Thus, the treaty was not cancelled by Presidential notice alone, as is proposed in the case of the 1954 treaty with the Republic of China, but by mutual agreement with the other government.

8. In 1939, President Roosevelt gave notice of termination of the 1911 Treaty of Commerce and Navigation with Japan.

Analysis: The 1911 treaty was clearly terminated pursuant to authority granted by a later treaty. Also, the treaty had become inoperative due to wartime conditions.

Discussion: The termination of the 1911 commercial treaty with Japan is not an example of independent Presidential power. Under the Treaty on Principles and Policies Concerning China of 1922, known as the Nine Power Agreement, the United States was bound to participate with other governments in respecting the territorial integrity of China. But in the early 1930's, Japan repudiated the Kellogg-Briand Pact, which outlawed war "as an instrument of national policy," and withdrew from the 1921 treaty for the limit of naval fleets. After Japanese troops invaded China, by overrunning Manchuria in 1931 and by entering upon all-out war in 1937, it was apparent that Imperial Japan had the same designs in the Far East that Nazi Germany had in Europe.

Accordingly, President Roosevelt made his famous "Quarantine" speech in which he announced on October 5, 1937, that war was becoming a contagion whose spread could be stopped only by a "quarantine" against aggressors. The Japanese made a partial answer to this speech on December 12, 1937, when their planes sunk a U.S. gunboat in the Yangtze River, with the loss of two dead and 30 wounded, and destroyed three American merchantmen.

Consequently, an American embargo was mounted against Japan. In the middle of 1938, the State Department informed all manufacturers and exporters of aircraft and airplane parts that it frowned upon the sale of such commodities to countries such as Japan, which indiscriminately bombed civilians, and the following year this ban was extended to high octane gasoline. These warnings were heeded by the producers, with the result that a virtual embargo on planes, parts, and gasoline was raised against Japan.

In similar fashion, the State Department gradually ended the extension of credit to Japan by American citizens after 1938. Then in 1939, the United States gave Japan the necessary notice for termination of the commercial treaty. Thereafter, shipment of every type to Japan fell off greatly.

Thus, it is undeniable that the notice was an integral part of American policy which took a no-compromise stand on behalf of the territorial integrity of China. Clearly, this policy of morality on behalf of the welfare of China was exactly the type of governmental action contemplated and authorized by the Nine Power Treaty.

The aggression by Japan, even against U.S. vessels, also created a fundamental change in circumstances not the result of our personal actions. Absent a Supreme Court decision of the issue, it is not known whether the President acts legally when he invokes the doctrine of *rebus sic stantibus*, but this principle of international law would at least have given President Roosevelt an additional plausible ground for independent action.

In the present case, neither any asserted authority under a related treaty subsequent in time to the 1954 treaty, nor the principle of *rebus sic stantibus* has been invoked by President Carter.

9. In 1944, President Roosevelt gave notice of denunciation of the 1929 Protocol to the Inter-American Convention for Trademark and Commercial Protection.

Analysis: Denunciation of the 1929 Protocol is at most an example of an international agreement becoming inoperative when the basic conditions upon which it was founded have essentially changed and the change is not the result of any action by the nation deciding to withdraw. Moreover, Congress was not informed of the notice and was denied any opportunity to challenge the action.

Discussion: The notice of denunciation of the 1929 protocol expressly stated that it had failed to serve any purpose. Secretary of State Hull explained the United States had decided to withdraw from the protocol "in view of past ineffectiveness and absence of any evidence of future increased activity."

Accordingly, the situation fits the classic case of invoking the principle of international law known as *rebus sic stantibus*, described in an Attorneys' General Opinion of July 28, 1941, as "a declaration of the inoperativeness of a treaty which is no longer binding because the conditions essential to its continued effectiveness no longer pertain." (40 OP. A.G. 119)

Even so, the incident may have been an improper exercise of power by the President. Assuming for the sake of argument, however, that the notice was legally made, the action can be explained under the principles of ordinary contract law. The principle of *rebus sic stantibus* was known to international law authorities at the time of the Constitutional Convention of 1787. Vattel, Grotius and other writers, whose works were read by several of the Framers, each mentioned that one of the implied conditions inherent in public contracts, such as a treaty, was the right of a government to consider itself no longer bound by the agreement when fundamental conditions assumed as the basis of the contract no longer existed.

There is no similar, well-established principle of international law, however, providing that in a government of divided powers as ours, the Executive alone possesses a general power of treaty termination. The principle of *rebus sic stantibus* does not apply to President Carter's notice affecting the treaty with the Republic of China; nor has he sought to invoke the principle. Rather, he is claiming a general power of terminating any treaty which includes a notice provision, regardless of any special surrounding circumstances.

Moreover, the State Department memo admits at page 27 that there "was no prior or subsequent communication" of the 1944 notice with the Senate or Congress. Thus, the notice was in effect kept secret from Congress and did not present an opportunity for challenge in the courts.

10. In 1954, President Eisenhower gave notice of withdrawal from the 1923 Convention on Uniformity of Nomenclature for the Classification of Merchandise.

Analysis: The United States withdrew from the 1923 Convention because it had been "rendered inapplicable" by a basic change in conditions not the result of our government's actions. Also, termination of the Convention was done with the agreement of other parties.

Discussion: The 1954 notice is a classic example of the application of the principle of international law known as *rebus sic stantibus*, discussed above.

The 1923 Convention relied on use of the Brussels nomenclature of 1913 in statistical reporting of international commerce. In the words of the State Department memo, at page 29, "the Brussels system of 1913 had become outdated."

In 1950, the United Nations Economic and Social Council had urged governments to use a new system known as the Standard International Trade Classification instead of the Brussels system. Then in 1954, the 10th Inter-American Conference of American States adopted a resolution on customs nomenclature which specifically declared that "the Brussels nomenclature of 1913 has become outdated and has thereby rendered inapplicable the Santiago Convention on Uniformity of Nomenclature for the Classification of Merchandise . . ." The resolution urged member nations to abandon the 1923 Convention and adopt the new United Nations-sponsored system.

The United States notice of withdrawal from the convention acted upon the wide agreement of other governments, who were parties to it, that the convention was no longer applicable to current conditions. It is obvious a fundamental change of conditions had occurred. If the basic system of statistical reporting had become "outdated" and governments generally wished to adopt a new system to replace the old, and if governments generally viewed this change as having "rendered inapplicable" the 1923 Convention which utilized the earlier reporting system, these facts surely must constitute a fundamental change in the basic conditions upon which the convention was founded.

Unlike the situation as to the 1923 convention, there is no argument by President Carter that a basic element of the Mutual Defense Treaty with the Republic of China has become "outdated." Nor is there any claim the defense treaty has been "rendered inapplicable." To the contrary, it has an even greater significance to the people and authorities of Taiwan after the recognition of the Peoples Republic of China by the United States; and it remains significant to United States security interests in the Pacific Basin.

Moreover, unlike the situation with the 1923 convention, where there was widespread agreement among parties to the convention that it should be abandoned, here the Republic of China wishes to keep the defense treaty in effect. Whatever the President's power may be to act by agreement with other parties to a treaty in denouncing it, this does not create a general power of unilaterally deciding to withdraw from a bilateral treaty when the other nation does not agree or join his action.

One of the specific defects meant to be corrected by the Framers of the Constitution was the unfaithfulness of the United States under the Articles of Confederation in keeping its treaty obligations. Several of the Framers declared the Constitution was supposed to aid in restoring respect to the United States as a treaty partner. Thus, it is exactly the easy escape from a treaty represented by President Carter's unilateral notice, not in agreement with our foreign treaty partner, that the Framers wanted to prevent.

11. In 1962, President Kennedy gave notice of termination of the 1902 Convention on Commercial Relations with Cuba.

Analysis: The President's action clearly was authorized by several statutes and one other treaty.

Discussion: The termination of the 1902 commercial convention was an integral part of the U.S. economic embargo of Castro Cuba, declared on February 2, 1962, in which we were joined by the Organization of American States. (13 CQ Almanac 295–298, 331, 333 (1962)).

President Kennedy's notice of August 21, 1962, occurred only eight weeks before the naval blockade of Cuba. He had ample authority to impose a trade embargo under provisions of the Foreign Assistance Act of 1961, the Export-Control Act of 1948, the Trading with the Energy Act, and Battle Act of 1954. Termination of the convention was also authorized pursuant to the Inter-American Treaty of Reciprocal Assistance of 1947, which contemplated a "partial or complete interruption of economic relations" as a means of enforcement. Thus, notice of terminating the commercial convention was given pursuant to a national policy authorized and developed with full legislative participation.

Moreover, the notice may have been authorized under implied authority conferred by Congress when it enacted the Tariff Act of 1945 (59 Stat. 410).

Under the specific authority granted by this statute, the United States Government had entered into numerous trade agreements with other nations by executive agreement through the General Agreement on Tariffs and Trade (GATT). Pursuant to authority granted by the same trade statute, the commercial treaty with Cuba had already been suspended by an executive agreement with Cuba. Thus, it is possible the notice of termination would have been made even had the United States not been engaged in an embargo of Cuba.

However, had the notice been given in the absence of the embargo policy, it still would have been authorized by the enabling statute which set in motion the GATT process on the part of the United States. In either event, the President's action was exercised under the authority of Acts of Congress. In contrast, there is no past or current statute which is cited as having any plausible bearing on the notice given by President Carter. His notice was given in the absence of any separate, supporting legislative enactment and rests solely on the President's unilateral and self-serving interpretation of the Mutual Defense Treaty.

12. In 1965, President Johnson gave notice of denunciation of the 1929 Warsaw Convention limiting claims by passengers on international air carriers.

Analysis: Our government's participation in the Convention was not terminated; President Johnson withdrew the notice. It is not a precedent for Presidential termination. The Convention was widely viewed in this country as being outdated and, in fact, was being ignored by American courts. At most, the incident is an example of a treaty becoming inoperative due to changed conditions.

Discussion: The United States did not withdraw from the Warsaw Convention. It is pure speculation to assume President Johnson would have denounced the agreement unilaterally. To the contrary, it appears he used the threat of U.S. withdrawal as leverage in negotiations with other nations leading to acceptance of a protocol to the convention favorable to our wishes for a sizable increase in the ceiling on claims awarded to air passengers. The incident is not a precedent for Presidential termination of a treaty because President Johnson did not actually denounce a treaty.

There was strong support in the Senate and the country for U.S. withdrawal from the convention. An unfortunate tragedy had befallen then Senator Capehart, whose son and daughter-in-law were killed in a plane crash in Jamaica on January 21, 1960, leaving four young children orphaned. The survivors were clearly entitled to recover damages against the grossly negligent airline, however the Warsaw Convention limited liability to $8,300. Lawyers for the airline literally waved the convention in Senator Capehart's face in refusing initially to pay a realistic award to his relatives. Only court proceedings eventually forced the airline to settle at a higher amount.

With the personal experience of one of their colleagues much in mind, many Senators were revolted at the deficiencies in the Warsaw Convention. Their attitude was reinforced by testimony before the Foreign Relations Committee by trial attorneys who demonstrated that the convention was "outdated, archaic" and further that the proposed Hague Protocol to the convention was inadequate in lifting airline liability to a sufficient amount.

It was established at the Senate hearings that American courts had successfully avoided the limits of the convention by developing a judicial principle which allowed exceptions to the convention in cases of "willful misconduct" by an airline. The exception had become the norm in U.S. courts and the convention had been effectively replaced by legal practice. (Hearings on the Hague Protocol before Senate Foreign Relations Committee, 89th Cong., 1st Sess., 1965, at 41, 59).

In this setting, there was a basic change in conditions. The convention had become inapplicable in U.S. courts and outdated as practical matter. Moreover, its original purpose had been met. It was adopted to help fledging airlines, now become strong carriers. If President Johnson had denounced it, his action would have been consistent with the principle of international law known as *rebus sic stantibus*, discussed above. The principle has no application to the defense treaty with the Republic of China. Unlike the history of the Warsaw Convention in the mid-1960's, there is no line of consistent judicial decisions desregarding the defense treaty. There is no similarity between the two situations.

Moreover, as Lee S. Kreindler, Chairman, Aviation Law Section, American Trial Lawyers Association, testified at the Senate Committee hearings: "It should be pointed out that the Warsaw Convention is a 'private law' treaty which only regulates rights and liabilities as between private individuals and corporations. It does not involve real interests of governments as such. Whatever reluctance there might be to withdraw from a public law treaty involving the performance of governmental responsibilities, it does not apply to the Warsaw Convention which only regulates rights between private persons." (Hearings at 106)

Thus there is a critical difference between the Warsaw Convention and the Mutual Defense Treaty. The latter is a "public" treaty involving the performance of governmental duties. Even if, for the sake of argument, the President has power to terminate treaties involving "private rights," it does not follow that he has power to revoke a treaty which involves fundamental policy for the country on a matter of vital interest to all the people.

It is true, 29 Senators joined in sponsoring a Senate Resolution urging President Johnson to denounce the Warsaw Convention. The resolution was introduced several months after he had given notice and anticipated that the notice might be withdrawn. It is wrong to infer from this that the 29 Senators, or a majority of the Senate, believed the President possessed authority to denounce the convention absent legislative action. In fact, the very act of introducing or cosponsoring the legislation was an affirmative action which in the normal process of legislative activity would result, if successful, in a grant of authority or ratification by the Senate of Presidential action as required by the Constitution. From this, the logical conclusion is that the Senators sponsoring the resolution believed legislative participation was necessary to fulfill the decision to denounce the convention.●

TRIBUTE TO JOHN W. SLEDGE

● Mr. MORGAN. Mr. President, I would like to share with the Members of this body an excellent article about an individual who is most dedicated to the welfare of America's farmers. That individual is John W. Sledge who, for the past 5 years, has been president of the North Carolina Farm Bureau Federation. John, who operates a 260-acre farm at Oak City in Martin County, N.C., has had influence on farm policymaking far beyond the borders of North Carolina. Indeed, Mr. Sledge's counsel is sought by people interested in farm issues across this Nation and abroad. Mr. President, everyone who knows John considers him to be informed, tough yet fair. In my 4 years in the Senate, his advice has been most welcome on the many important farm issues that face our Nation. Mr. President, I ask that the January 1979, article on John W. Sledge which appeared in the Flue Cured Tobacco Farmer magazine be printed in the RECORD.

The article follows:

JOHN W. SLEDGE

(By Bill Humphries)

Both as a tobacco farmer and as president of the 160,000-members North Carolina Farm Bureau Federation, John W. Sledge is vitally interested in tobacco. And when he speaks out on the issues affecting tobacco, people listen—including USDA officials and Congressmen.

From its beginnings at Greenville in 1936, the N.C. Farm Bureau has been a strong backer of the tobacco quota and price support program and has provided major input into decisions affecting the evolution of the program over the years.

Sledge, 54, accurately describes himself as "a product of the soil." He also is a skilled administrator and an articulate spokesman for tobacco farmers as well as for producers of other commodities.

"The main thing we've got to do regarding tobacco," he believes, "is to keep ourselves informed.

"We must be vigilant about the problems that come along. We in the producing community, as well as in the total tobacco industry, should make every effort to stand together and work together to ward off anti-tobacco attacks."

Farmers in North Carolina will be producing tobacco for many years to come, says Sledge, and for that reason Farm Bureau "must be in position to try to sustain the the commodity in the most favorable position for those who grow it."

When the "four-leaf" program was being developed by USDA in an effort to reduce the heavy flow of downstalk priming and and nondescript grades into loan stocks, Sledge said the members of his organization had mixed emotions about the plan. For many farmers there was little or no economic incentive to participate. Yet there was a feeling that the entire support program was in jeopardy and some type of adjustment was inevitable.

"We felt it would be easier to accept the four-leaf plan than, say, changes in the support formula which could have been much more far-reaching," he said.

After the experience of the 1978 season, Sledge still has mixed feelings about the four-leaf plan.

"The concept is good," he said. "The real problem in 1978 was the 20 percent overplanting tolerance for those who participated. We took a strong stand on this and said the tolerance ought to be more like 10 percent.

"I think everybody in the industry will tell you now we were right."

He hopes a consensus will be reached that the overplanting tolerance should be reduced to the 10 to 12 percent range for the 1979 season.

"Even though there are questions about the economics of the four-leaf plan, I think the bottom line is a plus for the tobacco program. Any time we can put forth the image that we're taking action to deal with our problems and keep our program on a sound basis, then we're much better off and better able to defend the program against its enemies," thinks Sledge.

As for the size of the 1979 quota, he said at presstime the figures clearly show there is no need for an increase—in fact, possibly some decreases—in the flue-cured tobacco supply during the coming year.

The most important thing: "We must avoid wide fluctuations in the quota level from year to year. Farmers can't make those kinds of adjustments very easily. We ought to stay on top of the supply-demand situation and limit annual changes in the quota.

either plus or minus, to something like five percent or so."

Sledge is concerned about the increase in U.S. imports of "scrap" tobacco. The crux of the problem, he says, is the definition of scrap.

"It used to be floor sweepings. Now it can be groundup good-quality foreign tobacco which competes directly with the tobaccos that we grow."

The U.S. duty rate on regular cigarette leaf is 45 cents a pound, but if such tobacco is shredded, the rate drops to 16.1 cents a pound.

"We'll continue to work on this problem until we find out exactly what the situation is," Sledge says.

What about the outlook for U.S. tobacco exports?

"I'm optimistic, even though many existing trade barriers hinder the movement of American tobacco into world markets," he says. "It's especially encouraging to note the tremendous increase in the value of manufactured products being exported.

"We've got to continue to raise the very best tobacco we know how to raise. This is an absolute must.

"Much has been said about the danger of pricing our tobacco out of the world market. Certainly people are going to buy qualities of tobacco based on price. But we have the quality. And as far as I can determine, we're not pricing ourselves out of the market. We've said this all along, even when others were saying our prices were too high and we should reduce the support formula.

"This past season, market prices generally stayed $15 to $20 above support rates. So actually, the support level is not a real factor as I see it."

As for the smuggling of cigarettes from North Carolina to high-tax states, Sledge said the cause of the problem is not that North Carolina has a low tax of two cents a pack, but that some other states have cigarette taxes exceeding 20 cents a pack. "They ought to recognize they are the ones causing the problem."

New legislation passed by Congress making cigarette smuggling a federal crime, while not an ideal solution, "may have been the best we could come out with at present—and hopefully it will do a little good."

How does Sledge see the future of tobacco?

"We are going to have tobacco as long as anybody presently living is still alive. People are going to be smoking, perhaps to about the extent they are now. We still are seeing some increase in total consumption.

"I really think the events of the past two or three years—some of the exercises we went through—have helped us. The continuing attacks on tobacco have brought the total industry together as never before.

"Tobacco means so much to individual farmers who produce it and to a state like North Carolina, which gets a third of its farm income from this one crop. If all of the cultivable land in North Carolina were planted in crops such as corn and soybeans, the returns still would not equal the returns from tobacco grown on much smaller acreage," he points out.

Will the support program survive? Sledge isn't sure but he's pleased that President Carter has given all-out endorsement to the program. Although the program has cost the government relatively little over four decades, and although government at all levels collects over $6 billion a year in taxes on tobacco products, there still are many people who oppose the program.

"What would happen if we suddenly woke up one morning and learned we no longer had a tobacco program? We in Farm Bureau have tried to address this question. We have some things in mind and hopefully we could implement them.

"It would take some consideration by Congress and would take a lot of money—but we believe some of the things we have in mind would enable us to continue some semblance of the present tobacco program."

A North Carolina trade delegation of 16 tobacco farmers went to England and Europe November 12–24 in an effort to improve sales of Tar Heel tobacco overseas. Sledge was one of the leaders of the delegation.

John William Sledge was born August 20, 1924, on a farm near Bunn, N.C., in Franklin County. While he was still an infant the family moved to a farm at Spring Hope in Nash County, where John grew up. He met Ludell Belflower of Oak City while both were teaching school at Spring Hope in the 1940s. They were married in 1947.

Since 1950 the Sledges have owned and operated a 260-acre farm at Oak City in Martin County. They produce about 12 acres of tobacco, using priming aids and bulk curing barns. Other crops are peanuts and corn. In two years they have developed a farrow-to-finish swine operation of more than 100 sows, in cooperation with a son-in-law, Russell Perkins.

John has one brother, George, who is associate dean of agriculture at the University of Wisconsin. He has four sisters: One is the wife of agronomist Dr. Philip Upchurch of the University of Arizona, two are residents of Raleigh, and the fourth, Joyce, is married to William Griffin of Pollocksville, a leading eastern North Carolina farmer.

John and Ludell Sledge have three daughters. The oldest, Johnsie Lou Perkins, is dean of continuing education at Martin Community College. A second Valeta, who attended N.C. State University and completed a medical technology course at Bowman Gray School of Medicine, Wake Forest University, is married to Dr. Jack Pittman and they live at Roanoke, Va. The third, Nancy, is a student at East Carolina University, Greenville.

John attended Momeyer and Spring Hope schools and Louisburg College. Very active in the Baptist church, first at Momeyer and since 1950 at Oak City, he has served continuously since the age of 16 as either a Sunday school teacher or superintendent, and since the age of 21 as a deacon.

A former director and former president of Martin County Farm Bureau, he served as vice president and member of the North Carolina Farm Bureau until 1970, when he was appointed administrative assistant to President B.C. Mangum. When Mangum retired late in 1974, Sledge was elected to succeed him as president of the federation and all its affiliates.

In 1978 he was elected to the board of the American Farm Bureau Federation. He is a director of Southern Farm Bureau Life Insurance Company.

Sledge has held many positions of responsibility in Martin County. Without opposition he was elected to two terms as a member of the Board of County Commissioners.

He has served at various times as chairman of the State Committee on Vocational Agricultural Education, president of Coastal Plain Development Association, co-chairman of National Farm-City Week in North Carolina, lieutenant governor of Roanoke Ruritan District. He serves on several foundations at N.C. State University and is a member of the Dean's Advisory Committee for the School of Agriculture and Life Sciences. "We're very supportive of the land-grant university because it has meant so much to the farmers of North Carolina, particularly in research, extension and education," Sledge said.

John is 6 feet tall and weighs 155. How does he stay so slim? "I had good parents. Also, I always tell everybody I work real hard and get plenty of exercise and that helps." He and his wife have an apartment in Raleigh but try to get to the farm in Oak City most weekends.

Hobbies? "I don't have a lot of hobbies like hunting and fishing. People tell me I'm a workaholic."

"I'm a farmer at heart, and I look forward to going back to the farm and driving either nails or tractors. In Farm Bureau, our activities are expanding rapidly—in fact, nearly everything has doubled in size or scope in the past five years."

And that's the way John Sledge likes it. Summing up his attitude toward life in general, he says "I just like to see things moving on."●

NATIONAL ENERGY CONFERENCE

● Mr. BAKER. Mr. President, last weekend, February 2–4, the National Conference on Energy Advocacy and the Nuclear Option was held at the Mayflower Hotel. This conference was convened for the purpose of devising a strategy for the development and expansion of all domestic energy sources. It was attended by over 700 individuals.

Although there were several noteworthy speeches, two addresses were particularly insightful and significant. I ask that the texts of the speeches given by the distinguished junior Senator from Idaho (Mr. McClure), and the distinguished chairwoman of the NAACP National Board of Directors, Mrs. Margaret Bush Wilson, be printed in the Record.

The material follows:

Nuclear Energy: The Moral Issue

In the early days of nuclear power, the scare tactic was the threat of atomic power plants becoming atomic bombs. After that nonsense was discredited, the antinuclear types began the campaign about how deadly the radiation was that was emitted by these power plants. This, too, was thoroughly discredited, as was the subsequent scare campaign about how the cooling water discharges would boil our nation's rivers and lakes, destroying all fish and plant life. So, pre-1977, the nation was moving ahead with development of nuclear energy, despite the continuing propaganda efforts and guerilla attacks. But, then the anti-nuclear movement finally discovered a winning combination: (1) stop the breeder reactor program, using phony press releases concerning plutonium, (2) stop spent nuclear fuel reprocessing, while making vague threats about terrorists who somehow are immune to radiation, (3) create serious doubts as the the future availability of spent fuel storage facilities, and (4) cripple the opportunities for our domestic nuclear industry to survive through exports, using the threat of nuclear weapon proliferation while ignoring the reality that such prohibitions actually increase the threat of proliferaton.

I believe that we are all aware of the success that each of these tactics has enjoyed. But, why, we should ask ourselves, do the opponents of nuclear energy continue to successfully advance, even though the facts, data, evidence, and realities concerning nuclear energy discredit their positions? The answer, I believe, lies in Congress.

The proponents of nuclear energy have surrendered the moral issues involved, the opponents have wrapped themselves in the invisible emperor's cloak of righteousness. They have assumed the role of good, while casting the proponents as evil. The validity of this proposition can be demonstrated by talking with some of the men and women who support nuclear energy.

Even while disagreeing with the anti-nuclear crowd, they still ascribe to them pure and sincere motives. They are just "misguided idealists", trying to save mankind, even though they do not have all their facts straight. The supporters, on the other hand, are imagined as being concerned with "only" such self-serving worries as jobs and profits. It is time that the record be set straight. This battle for the survival of nuclear energy cannot be won while conceding the moral position to the opposition.

It is indeed ironic that the moral defense offered for the American nuclear energy program comes from a Russian. Of course, he is no ordinary Russian. He is Andrei Sakharov, a Nobel Peace Prize winner in 1975 and prominent advocate of international disarmament, including the banning of nuclear weapons.

Doctor Sakharov has summarized the issue perfectly, regarding the development of nuclear energy. In his own words, "It is not just a question of comfort or maintaining what is called "the quality of life". It is a more important question—an issue of economic and political independence, of maintaining freedom for your children and your grandchildren."

And that is the decision before us today. Will the United States and its allies have the nuclear energy required during the decades ahead for national independence and military defense, or will we continue our disastrous increasing dependence on outside energy sources?

Continued American independence on Middle East oil does not benefit us or the Arabs or our other allies. It serves the best interest of only one nation—the Soviet Union. Reducing this dependence is essential if we are to maintain our ability to discourage Soviet aggression, not to mention preventing further decay of our dollar and our national economy.

The battle lines have been clearly drawn: breeder reactors, the Barnwell reprocessing plant, nuclear exports, and spent nuclear fuel storage. It is disgraceful, though, that there are those who support the nuclear program, but who still believe that you can negotiate with the opponents of nuclear energy.

Clinch River and Barnwell are not the real targets. The final solution to the nuclear energy problem is, in their eyes, the complete cessation of construction of light water reactors, to be followed by the dismantling of the existing LWR's. The opponents of nuclear energy do not hide this goal. It is there for anyone who does not refuse to face reality. There is, for them, no compromise, short of total destruction of the nation's nuclear energy program.

This anti-nuclear attitude is quite prevalent on Capitol Hill. One Senate staff member, who works on nuclear energy was overheard to say that he "wished they could put wheels on it", referring to a nuclear power plant operating in his home state, and "push it out of the state." Another staff member, working on the House side and holding a senior position on a committee exercising jurisdiction over energy, was quoted as saying that Amory Lovins is "his guru." For those of you who may not be familiar with Mr. Lovins' work—and I strongly suggest you quickly become familiar with it—his position on nuclear energy is quite compatible with Ralph Nader's: in other words, nuclear energy might be preferable to bubonic plague, but not by much.

These individuals, though, have one major advantage over the supporters of nuclear energy: they are embarked on a quasi-religious crusade to rid mankind of the imagined horrors of the atom. This provides a strong moral position, which can easily override the factual arguments and logical presentations of nuclear energy supporters, unless they too believe that their position is morally correct. The supporter of nuclear energy must truly believe that nuclear energy is a moral necessity for mankind and that, without it, future generations will sink even deeper into poverty and, eventually, dictatorship. Shortages of energy will result in shortages of jobs, housing, and food. And, shortages of necessities—even when caused by government action—always result in increased government controls. And, increased government controls will always lead to increased shortages. And, the tragic culmination of such a chain of events is war, as those who are without seek to take from those who have.

Dr. Sakharov understands very well the true nature of the battle over nuclear energy. The question in Congress today is, "Do the supporters of nuclear energy share his understanding?" If they do not, but continue to concede the moral issue to their opponents, then it is only a matter of time before the Congress joins the Administration in performing the final rites over our nuclear energy program.

One American organization which also clearly understands the nature of the battle over energy versus anti-energy is the NAACP. As they so accurately stated in their message of December, 1977, referring to the President's energy plan, "We cannot accept the notion that our people are best served by a policy based upon the inevitability of energy shortages and the need for government to allocate an ever diminishing supply among competing interests."

The NAACP strongly believes that nuclear power is vital for the expansion of our economy. Their concern about the plan was specifically described as "(It) seems to call for a retreat from nuclear energy on the basis that the environmental and safety costs may be too high."

The NAACP disagrees with that pessimistic criticism, as I do. The NAACP believes that the problems posed by nuclear power "can be solved through the dedicated efforts by government, the scientific community and industry working cooperatively together."

I share their positive approach to the need for nuclear energy, as a means to provide the jobs and improve the quality of life desired by all reasonable Americans.

When you debate the issue of nuclear energy, you are actually debating the issue of growth. Growth will be the key issue for the remainder of this century, and it is the resolution of that issue which will determine the lifestyles of most Americans for generations to come. To fully understand the implications of this debate, it is useful to take a look at who the opponents of growth are.

Tom Wolfe has called them the "me generation", and Herman Kahn terms them "the new class". They often call themselves consumerists or environmentalists. Whatever label is used, however, what this group represents is an affluent, politically active, college-educated minority whose influence is far out of proportion to its numbers. This is partly because the members of this group often occupy key positions in the media and in federal agencies through which they can act on their beliefs and publicize them.

What then are they looking to do? First and foremost, the advocates of this "new class" philosophy want to limit economic growth. In a sense this is ironic, as they are the beneficiaries of the growth which has taken place to date. Having reaped the benefits of an expansionary economy, though, they are beginning to question the merit of further expansion. This is because they see such expansion as infringing on their ability to enjoy the material benefits they have been able to acquire. Perhaps I can draw an example which will make this more clear. If, for example, I, as a member of this group have been able to purchase a fast, sleek sports car in which I can experience the joys of motoring, I might not want to see too many more such automobiles on the road, because then there would be a traffic jam which would limit my capacity to enjoy the machine. If I have a cabin on a lake in the woods, I might not want to see others build in my area because they might infringe on my privacy. If I have a home in a comfortable neighborhood, with good schools, I might not want to see further development in my area so that the schools will remain uncrowded. The point is, of course, that one of the characteristics of this "new class" is to want to limit growth so that no one else's enjoyment of the goods of society will infringe on their own.

Hypocritically, the members of this new class choose to couch their selfish desires to limit the amount of goods and services available to the population in moral terms, speaking of husbanding scarce resources and preserving the environment, but this is really a smokescreen. Unfortunately, the smokescreen seems to be working and all too many people believe what they are saying.

Another characteristic of this new class is that while they give lip service to the concept of democracy they actually hold it in contempt. Nowhere was this more dramatically demonstrated than in the instance of the California initiatives related to a nuclear moratorium. The citizens of California voted, by a margin of more than two-to-one against such a moratorium, and yet the State bureaucrats turned around and imposed one anyway. So much for the popular will.

You see, these people honestly believe that they know better than the rest of society. They see themselves as more insightful, intelligent, and perceptive than the rest of the population, and feel that this gives them the right to impose their standards and values on the rest of society—for its own good. What would this value system entail?

On the surface, what new class is advocating is a return to a simpler, less hectic existence. On the surface, at least, it is certainly attractive. It is a pastoral vision, out of late 19th century England, with every man a country squire. The only problem is that during this period every man was not a squire, and their vision bears no resemblance to what the society they advocate would really be like.

What their society, which they term a stable economy, would resemble, would be more akin to the feudal era than to the last period of the industrial revolution. The reason is that an economy which does not grow makes no allowance for upward mobility. Of necessity, it would result in the creation of a permanent underclass. Were it imposed on our economy, those who were only just attaining the American dream would be the ones condemned to that fate.

How then, does the concept of a stagnant economic system relate to the question of energy advocacy? The answer simply is that economic growth has been inextricably linked to the growth of the supply of energy throughout history. The advocates of the stable state economy realize that if they can control the supply of energy, they can control the rate at which an economy is to grow. Energy is the one crucial variable in any economic system. You see, no matter what the cost of energy, a way can be found to pay for it. This lesson has been well learned in both Europe and Japan, both of which experience far higher energy costs than does the United States. In the case of both of these nations, adjustments have been made, and methods of conservation have been instituted.

On the other hand, if energy is not available, nothing can make up for its absence. For this reason, control of the supply of energy is tantamount to control of the economy. This, in turn, would give the Federal Government an unprecedented ability to control individual lifestyles.

The concept of controlling the behavior of the energy-using population, or for controlling behavior generally, is found throughout the actions proposed by the new class.

The key lies in their attitude. As I mentioned earlier, they believe that they know better than the rest of the population, and that their superior knowledge gives them the right to impose their standards, values, and lifestyles on the rest of the population regardless of the wishes of that population. After all, it's for their own good.

This relentless onslaught seems to be progressing on all fronts. Virtually every energy option is under attack. First, nuclear plants came under fire as the harbingers of doom. With their usual restraint and recourse to reason, opponents of the atom claimed that anyone advocating nuclear power or connected with it in any fashion was committing random, willful murder. Shortly thereafter, coal came under attack. Persons advocating coal as a fuel were polluters of the environment, who were going to raise the earth's CO_2 level to the point that the polar icecaps were going to melt. There was always, of course, the benign source of electricity, hydroelectric power. The only trouble with that is there always seems to be an endangered species somewhere near the site of a proposed dam, and no matter how far along the project is, the Endangered Species Act seems to be able to stop it.

Solar energy seems to be acceptable, until you start talking about providing it in large amounts. Then, problems with capital costs and land use seem to arise. The one common factor behind the opposition to a particular energy form seems to be that as long as it remains unfeasible, or in the planning stage, it is all right, but the moment it seems that the option may become practical, it is met with opposition.

On the surface, the picture seems bleak, but there is some good news and some bad news. The bad news is that at present, the opponents of a secure energy future seem to have the initiative. The good news is that you assembled in this room can take that initiative away from them, and just by being here you have taken a giant step in that direction. You have a number of advantages on which you can capitalize. First, the public is really on your side. Virtually every poll taken regarding energy attitudes has demonstrated that, on balance, most Americans favor the development of all energy options, whether they be coal, nuclear, or what have you. This gives you a tremendous edge.

Secondly, the facts are on your side. The opponents of the development of our domestic energy supplies have relied for too long on rhetoric and emotion to convey their message. They simply do not have their facts straight. For the most part, their inaccuracies are so blatant that even the unsophisticated observer can see through them when they are challenged by accurate data.

A third point in your favor is that the American public is basically optimistic. People want to believe that we can solve our problems, and are rapidly tiring of the harbingers of doom who seem to see disaster in every action.

The most important thing to remember is to speak out. The only reason for the current advantage enjoyed by the advocates of the new class philosophy is that too many of us have been complacent. We have stood by and let the other fellow do it. For most of you in this room this is not the case, as you have already been involved in advocacy in some fashion, but that is not enough. Now is the time for you to go out and get your friends, neighbors, co-workers, and others who agree with you to add their voices to the debate. A day should not go by, in which you do not encourage someone to pitch in. You may be surprised to find out just how willing many people will be to help.

Finally, don't let yourself be intimidated by the other side. They love to make statements they don't have to back up. Make them back them up. They love to use figures which have no basis. Challenge them. They love to talk about energy options which will be available in the middle of the next century. Make them talk about the middle of the next decade. If you do this they will quickly be shown up for the frauds that they are.

Most of all, keep heart. It is easy, especially when you are beginning an advocate group, to get the feeling that you are all alone, the sense that somehow you are the odd one on the block. This can be depressing. But if you will stop for a minute, and look around this room, you will see that this is not the case. Everyone in this room is united by a common belief in the development of our domestic resources. Some of you work in the industry, some of you are students, some of you are just interested citizens, but you do share that common bond. You are not alone. Rather, you are the people of vision, and the hope of our nation. For it is your foresight which will insure that our children and grandchildren will continue to enjoy the standard of living and personal freedom which our economic system has created.

FLOATING IN A SEA OF CIRCUMSTANCE

It was only a year ago that a few of us within the NAACP were undergoing a very sound baptism in fire as a result of what some critics felt was our meddling in energy. The energy field, we were scolded, was supposed to have been a highly specialized domain beyond the province of civil rights organizations. We were challenged to prove that minorities, the poor and other socially oriented groups had a vested interest in energy other than paying for heating fuel or gasoline.

Needless to say, the experience was a profound education for persons such as myself about the immense responsibilities of leadership. And, as we seek to confront the economic and social challenges ahead, it is ever more incumbent upon all of us to look seriously at the type of leadership that is required to steer this great nation through the many shoals and barrier reefs that lie hidden beneath the surface of prosperity.

It was partly for these reasons that we welcomed the great awakening that occurred a year ago over the universal implications of a national energy policy. The very fact that the Carter Administration could have prepared an energy plan for the nation without first seeking the views and hearing the concerns of minorities was further, disturbing evidence of the depth of governmental insensitivity to the needs of some segments of society.

Somehow, there are still many Americans who find it incomprehensible that the mere enactment of civil rights laws does not of itself constitute freedom or fulfillment of the civil rights dream. To have a dream is the first step toward full social justice.

But to fulfill that dream, we must have a strategy and a task. The civil rights laws resents is an affluent, politically active, colstruggle for civil rights and equal social justice. These laws not only provide for the protection of individual rights for every American, but they also established mechanisms for the implementation of social and economic goals.

How then do we pursue our task, the fulfillment of our dreams and goals.

Historically, a primary function of the NAACP has been to help shape governmental policy in both the executive and legislative branches. In this regard, we welcomed the subsequent flexibility and resolve that President Carter showed by utilizing the full weight of his office in getting the energy package through Congress last year.

No doubt, you are well aware of the extensive imperfections contained in those bills. But, there are considerable benefits as well. We are confident that, among other things, natural gas producers and industrial users of this energy source welcome the end to the uncertainty over national pricing policy. Furthermore, there is every indication that Midwestern workers will not have to endure the costly layoffs this winter that they experienced in the past as a result of restrictions on natural gas usage by industries.

In fact, the supply picture has improved to such an extent that Energy Secretary Schlesinger is now encouraging industry to use up the present surplus of natural gas as an alternative to higher priced oil. At the same time, the Mexicans and Canadians are burning off their natural gas because prices in the United States are lower than what they are demanding for their product.

Clearly, there is now some chaos resulting from residual pricing imbalances that have led to a wasteful surplus of natural gas in some areas.

While we welcome the abundance of this precious resource, therefore, we must at the same time strongly deplore the lack of planning at home and abroad that is still evident in segments of the energy industry. Too often, as we have seen, especially in recent years, there is little rational relationship between supply, demand and prices. Much of this problem stems from the fact that the U.S. does not have control over many crucial factors involved in supply and pricing.

We are well aware as well that free market forces hardly apply anymore to energy prices. At work, instead, is an archaic system of regulations that are rapidly crumbling by their own weight and the unpredictable nature of forces and developments abroad. Furthermore, the U.S. has for so long been complacent about developing new energy sources that it is now almost at the mercy of fate.

Let us be on guard, therefore, that this temporary surplus in natural gas will not lull us back into complacency. Indeed, we actually doubt that the nation will relax its concern to the extent that it did in the period preceding the 1973 Mideast oil boycott. For one thing is certain. The U.S. has reached the limits of its energy expansion ability. Cutbacks must soon be made in production here at home in natural gas supply.

There is the danger, however, in the rush to counter the recent 14½ percent price increase imposed by the Organization of Petroleum Exporting Countries and to meet the challenges posed by disrupted Iranian oil supplies as well as dwindling supplies here at home, that our national government will pursue policies that over the long run are counterproductive.

So, as the NAACP has been doing for well over a year, we are once more urging the Carter Administration to seek the views and hear the concerns of the most vulnerable segments of the population—minorities, the poor and the aged. We are encouraged by the knowledge that many leaders within the industry recognize the problem and are working along with NAACP units in various regions, such as New England, to devise appropriate proposals and strategies for easing the severe economic burdens that are presently being experienced by some groups. Furthermore, these burdens are certain to increase.

Because the NAACP perceived this danger, its policy statement opposed the oil equalization tax as an unwanted burden on the poor. It is to be expected that the Association will continue to oppose any move to increase oil prices appreciably until, and unless such steps also include provisions to lessen the impact on the poor and lower income groups.

The inability of a large number of the NAACP's constituents to bear the high costs of energy is a very real concern to all of us. Nevertheless, considerable pressure is being placed on President Carter to abandon controls almost indiscriminately, with little or no regard for the poor.

We understand that President Carter will be submitting his Energy Plan II to Congress in April. While the first plan dealt with such specifics as energy availability, pricing, environmental impact, and conservation, Plan II, we understand, will be more concerned with broad national policy. It will pose such questions as the government's role and responsibility for providing subsidies for developing cleaner coal products and for the development of geothermal energy sources, among others.

The questions of energy supply and availability were dealt with in the NAACP's first energy statement. The central thrust of the NAACP's policy is that the national government must be made to lead in ensuring that the country develops abundant, affordable energy supplies that will promote vigorous economic growth.

We continue to stand fully behind that statement. Furthermore, future NAACP energy statements, we are sure, will continue to pursue these issues as well as questions relevant to Plan II.

At the same time, however, let us guard against the misconception that it is only the disadvantaged who will be hurt by sharply rising oil prices. For we are well aware that in such regions as New England, which has its own peculiar supply problems, heating fuel oil companies are equally victims of price instability.

If the customers of fuel oil companies cannot pay their bills, companies have found, they too suffer serious financial losses. Consequently, these companies began pushing Congress last year to pass a $200 million fuel subsidy bill for the poor.

We are also aware that the unstable world oil price situation is one of the primary factors behind the U.S. inflation problem, which last year was more than 9 percent. The 1978 deficit was also a whopping $28.45 billion, even though we imported $3 billion less in oil. But the reality still is that the least able to pay are required to make the greatest sacrifices.

Industry's role in helping to devise solutions to many of these critical problems is well documented. We know that, despite a persisting image of corporate unconcern for social problems, there are many leaders in industry who are genuinely aware of the immense urban and human problems around them.

From our cities to many rural areas, the extensive evidence of poverty is real. Indeed, since the sixties, we have been focusing on the glaring poverty and extensive decay that are destroying the big cities and many smaller ones. These problems have not only gotten worse as cities find themselves increasingly in financial trouble because of a shrinking tax base; but they are also now spreading into many suburban areas. They are more and more finding it impossible to pay for services from their limited resources.

The major problems, however, abound in older cities such as New York, Newark, Pittsburgh and my own hometown, St. Louis.

Because the cities are so close to us, our focus has naturally been on these areas. Indeed, the majority of the nation's black citizens live in urban centers outside the South.

In a recent article, however, The Wall Street Journal reminded us that deep poverty also exists in the South. "Economically," the article said, "the South has risen again; Sun Belt prosperity is radiating through Southern cities and putting many an entrepreneur into the comfortable upper middle class. But the South is distinguished also by a disproportionate proportion of dirt-poor people like Mrs. Wilson—that is, Mrs. Helen Wilson of Mashulaville, Mississippi.

The article proceeded to report that: "The Southern Regional Council's Task Force on Southern Rural Development says the South has about 25% of the nation's land, 33% of the nation's population and 45% of its poor people—some 10 million persons. It is color blind; blacks and whites share deprivation, hunger, malnutrition and chronic illness."

Our main reason for giving this reminder on rural poverty is to note that, yes, America is a land of prosperity. But we must never forget that there are a great many citizens who have not yet bridged the gap between stark deprivation and simple comforts.

So, not only the government, but industries as well are challenged to multiply their efforts to solve these problems. The energy industry, especially, should regard these challenges as new frontiers of opportunity for the development of a variety of energy sources.

The NAACP will continue to seek the support of industry in the search for meaningful and lasting solutions to these grave social and economic problems. A serious concern for industry in recent years has been the growth of the regulatory bureaucracy. This monster—for that is what it often is—has gone well beyond its mandate for protecting the public in too many areas.

So much so, that, many times, instead of serving the public, the regulatory bureaucracy hamstrings it. Quite often, we have seen, regulations function more for the protection of the bureaucracy. They needlessly delay construction plans. They impose many burdensome costs that are non-productive. Consequently, they restrict job opportunities and add to inflation.

The Carter Administration in recent months has given some indication that it is aware of this problem. Repeatedly, the airline industry is held up as a shining example. A reduction of some regulations here has led to welcomed price reductions and permitted a number of inducements for people to fly more.

The trucking industry is also receiving some attention. We trust that the result will be increasing competition and reduced operating costs.

Regulations affecting other key industries serving masses of people also need to be reviewed.

At the same time, let us also stress the grave need for the private sector to increase its implementation of affirmative action programs. We are aware of the dearth of black engineers, scientists, nuclear physicists and other experts in technology. The majority of black college graduates historically have been, and continue to be, in the softer professional fields, especially teaching and religion. Few are in economics, accounting and other business-related fields.

Yet, there are areas where better job opportunities abound. Last year, I had the pleasure of addressing a group of specially selected students from black colleges in a seminar that was sponsored by Citibank. These students were being prepared to work in business and areas such as the banking sector.

The program was an enlightening experience. For it demonstrated so well that when an industry is seriously interested in hiring and promoting minorities, it can find the means to do so.

But not only must the energy industry recruit and train promising minority candidates for middle and management level positions, it must also aggressively recruit the many who are already qualified. In the future, as even more federal dollars are invested in developing new energy sources, it will be all the more incumbent upon these industries to provide greater job opportunities for minorities.

Also upon us at this time is the question of how best to foster mutually beneficial arrangements with Mexico for the development of its extensive oil resources. America's historical neglect of the economic and social needs and interests of its lesser developed neighbors to the South is well known.

Partly as a result of this lack of interest in the past, and exploitation, there is throughout South America and the Caribbean extensive suspicions, if not outright hostility in several areas toward the U.S.

The United States, therefore, must take care that it does not repeat old mistakes. One looming trap relates to this country's needs for immediate replacements for Iranian oil. At the same time, Mexico is well aware that its new oil will greatly accelerate its economic and social development.

But at how fast a pace.

Mexican leaders are very leary of seeing their country turned into another Iran. Pressed to use up its immense oil riches, Iran, under the Shah, embarked on an unbridled path of modernization. Billions of dollars were spent on ultra modern weapons and construction.

However, the masses of the people received little benefit. They were encouraged and pushed into modernization to such an extent that they felt their religious and social customs were being destroyed. Given the long-seething hostility toward the Americanization of Iran, it really boggles the mind that United States intelligence did not detect this developing volcano.

Added to that hostility, of course, was the astronomical inflation that racked the nation. Iran was simply not able to absorb its immense wealth in the short time it was allowed. Consequently, prices spiralled; corruption increased; the people revolted, and the government collapsed.

These are the dangers that Mexico sees and fears. The manner in which the U.S. deals with the Mexican immigration problem will also require care and consummate diplomatic skills.

According to published reports, Mr. Carter has been fully briefed in a Presidential Review Memorandum 41 about the situation along the 1,933 mile border with Mexico. The Washington Post story on this document was helpfully candid. It said, "Perhaps never before in peacetime has a U.S. foreign policy decision reached so deeply into the lives, livelihoods and neighborhoods of Americans as this one will reach into MexAmerica."

MexAmerica, we must explain, is the term being used to describe what is regarded as a hybrid, unique nation within a nation. It is made up of California, Texas, New Mexico, Arizona and Colorado. More than 7 million Mexicans live legally in the area, and there are many millions more living there illegally.

The Carter Administration clearly recognizes Mexico's concerns about the treatment of its citizens who are in this country to work. At the same time, the president and his advisers are giving the Mexican oil connection high priority.

It seems clear, that the administration has accepted the idea of bartering oil for free access to the U.S. job market by the hordes of Mexican unemployed.

Historically, the United States has welcomed immigrants from other lands. We see no reason why this receptivity and welcome should be withdrawn for the Mexicans.

There are, however, several significant differences between the manner in which the bulk of Mexicans are illegally entering the U.S. and the way other immigrants continue to be settled here. It is to be expected that any unrestricted entry by foreign nationals will have a severe, even adverse impact on the job market for Americans who depend on the types of low income work that the newcomers seek.

We sincerely hope, therefore, that in its negotiations with the Mexican government, Mr. Carter ensures that the internal development of our southern neighbor is also a priority discussion item. For it is only by assisting Mexico to develop can we hope to help that nation respond to its own internal social problems.

We live in a rapidly changing world, which, in these times of profound social and economic upheavals, test our will to survive in ways unknown to earlier generations. The American economic system is increasingly showing signs of the strain.

Its inadequacies are glaring. The boom-recession cycles are recurring with troubling frequency. At the same time, hardcore social problems intensify. What are the answers?

As in the past periods of crisis, the fundamental difference between success and failure has been leadership. We have had our George Washington, Abraham Lincoln, Franklin Delano Roosevelt, John Kennedy and Lyndon Baines Johnson. Leaders are made by events. Without a doubt, President Carter's challenge today is the economy. Irrevocably, the foundations of the American economic system are changing. The question of how well, and how smoothly will depend on how perceptive, wise and bold Mr. Carter is.

In discussing the Carter Budget priorities recently, Congressman Barber Conable, ranking Republican on the Ways and Means Committee, observed that, "We float in a sea of circumstances."

Whether we simply drift or are purposefully steered to new and solid foundations is the challenge for America's leaders.●

S. 210—LEGISLATION TO CREATE A DEPARTMENT OF EDUCATION

● Mr. CHILES. Mr. President, I am pleased to be counted among the original cosponsors of S. 210, the bill to create a separate, Cabinet-level Department of Education. This week the Governmental Affairs Committee will be holding hearings on the measure. State and local representatives of government and school boards will be testifying on the bill, as well as national associations of colleges and universities, spokesmen for black organizations, and administration officials. In conjunction with the extensive hearings the 95th Congress held on the issue, this testimony evidences the widespread input we have received and utilized in planning for a Department of Education.

The need for this legislation is clear. Expenditures for the Education Division of the Department of HEW have risen from $8.7 billion in 1977 to an appropriation of $12 billion for fiscal year 1979. In elementary and secondary programs alone, we have appropriated almost $3.5 billion for fiscal year 1979. Federal aid to education programs for the disadvantaged will be $1\frac{1}{2}$ times the 1977 allocation in 1979 and funding of handicapped education programs will have nearly tripled within the same period.

When we look at these figures by themselves, it becomes evident we have made a real commitment to providing every child—including the disadvantaged, the handicapped, the gifted, and the child who has not mastered English—a free, public education.

When we examine these figures in light of the Department of HEW's total spending of about $162 billion in 1978, we see the impossibility of maximizing usage of Federal education dollars without a separate agency to administer these programs, as well as the numerous other education programs scattered throughout 20 other Federal agencies. And if the $12 billion we are going to spend this year for education looks too small in comparison with the total budget for HEW's 300 programs to merit a Cabinet-level department, we should remind ourselves that we are spending more for the Education Division than for five other Cabinet-level agencies.

The 95th Congress put a good deal of hard work and positive effort into the drafting and consideration of a Department of Education bill. Hearings brought together a broad range of individuals and groups committed to improving the quality of education in this country. The issues were debated and discussed, and the consensus which emerged was that there is strong grassroots support, as well as enthusiasm by the educational community, for the creation of a separate Education Department at the Federal level.

The Senate-passed version of the bill reflected the views we heard from parents, teachers, students, school administrators, the handicapped, the poor, and others who are working with or benefiting from Federal education programs. Rather than lumping together every single education-related program, we listened to those who sincerely felt a particular program could best be administered by the agency currently operating it.

For example, the transfer of the Headstart program was opposed by many groups who work with or benefit from these comprehensive services to preschool children. There was widespread fear that putting the program in an education-oriented agency would undermine the progress that has been made toward integrating health and other social services in the readiness program. Even though our original intent in incorporating Headstart in the new Department was not to make it an exclusively educational program, nor to undercut the effective delivery of a wide range of services to preschoolers and their families, we heeded the wishes of Headstart parents and administrators and withdrew the program from the legislation.

The same is true of child nutrition programs. The agricultural community and supervisors of school lunch and breakfast programs let us know their feelings that these activities are best administered by the Department of Agriculture. They saw serious obstacles ahead if the commodities program was to be split off from the rest of child nutrition programs. Again their objections were heeded by retaining these programs under the Agriculture Department's jurisdiction.

The original proposal to transfer the operation of the Bureau of Indian Affairs schools, which serve more than 50,000 Indian children, caused a great deal of controversy. I heard from native Americans in my State who were concerned that opportunities to serve Indian children would be sharply decreased. The new Department of Education legislation reflects the wishes of native Americans and leaves administration of Indian education programs with the Bureau of Indian Affairs.

Each of the aforementioned areas of disagreement and their resolution demonstrates the point I am making: S. 210 is the product of many people—educators, legislators, parents, and specialists in education-related fields—putting their heads together to devise a plan and organizational structure that will give eduction the priority it deserves in this country. The concerns raised by proponents as well as opponents of the legislation have focused on this key question: How can we best serve the needs of students? I would suggest, Mr. President, that this is precisely where the debate should focus. Accordingly, I would strongly suggest that students are best served when the Federal bureaucracy has effectively consolidated its many varied programs in an orderly fashion.

I would strongly suggest that students are best served when effective coordination in education becomes a reality instead of a code word for no action.

I would strongly suggest that students are best served when at the Federal level we orient educational programs in such a manner so as to insure equal educational opportunities for all students and promote a close working relationship with local, State, and private institutions.

At the end of the process, I think we have reached a common understanding that the goal of creating a separate Department was not to undermine our tradition of State and local control of the public schools but to strengthen it, by providing more efficient, effective program administration, eliminating wasteful duplication and paperwork, and focusing on our national education needs and priorities.

The wisdom and guidance of the chairman of the Governmental Affairs Committee, the Senator from Connecticut (Mr. RIBICOFF) has been of particular importance to those who support this legislation. The Senate is indebted to him for his leadership on this issue.

Mr. President, educators as well as other interested persons around the country have a particular concern about our action on this legislation. Congressional commitment to education should at least equal our commitment to the environment, transportation, and energy as well as other legislative initiatives.

The Department of Education bill that has been introduced incorporates the knowledge and experience which was gained over the past two sessions of Congress. It goes even further to protect the rights of State, local, and private education agencies to direct the course of public education in this Nation. The American people are watching us closely to see if we will fulfill the promises we have made to bring about a more responsive, more effective, and more productive Government. I hope we will make good those commitments to streamline the bureaucracy, cut out waste and duplication, and target Federal spending efficiently by passing this legislation to reorganize our education programs.●

ADDRESS BY SENATOR GOLDWATER BEFORE THE AMERICAN INSTITUTE OF ASTRONAUTICS AND AERONAUTICS

● Mr. GOLDWATER. Mr. President, it certainly is not my desire to fill the RECORD with speeches I have made before various groups. However, there are times when I make observations which I wish could be given a little wider circulation because they bear directly on the future of our freedoms and our country. Yesterday, I delivered a speech before the American Institute of Astronautics and Aeronautics raising the question of whether we have not begun to see the twilight of American greatness. Needless to say, my remarks received virtually no attention in the media; and I can only conclude that those who control the media do not share my concern over the future of our Nation or else they believe that the observations of a mere Republican in this day and age are not pertinent enough to be reported.

Whatever the cause, I ask to have my remarks before the AIAA printed in the RECORD.

The remarks follow:

SPEECH BY SENATOR BARRY M. GOLDWATER

At certain times of the day in the nation's capital, the sun strikes the Washington Monument in a way that casts a giant shadow in the direction of the Arlington National Cemetery. To me, this is symbolic and it reminds me of a giant hour glass showing that as the shadow lengthens, time is passing away. I say symbolic because I think of it in terms of our greatness as a nation and the shadows that are now being cast over that greatness and over our position as a leader of the free world. These lengthening shadows dimming and obscuring the honor and the respect and the strength which marked our nation's rise to the number one leader of the free world cause me to wonder if we haven't really already begun to see the twilight of our American destiny.

Here we sit at this early date in the year 1979 with serious questions rising in the minds of many, questions which squarely confront our nation. Will we remain free? Will we ever regain the power and the respect and the honor that we have allowed to dribble through our fingers by following policies of appeasement and timidity? And will we live to see the day when there is again openness and honesty in the dealings between our President and the other nations of the world and with our own people? I say these are questions which must be faced in all truth and while they cannot be answered at a meeting such as this, it is meetings like this repeated across the length and breadth of our country that can have the effect of bringing pressure on the Congress and the President to do something about the miserable and declining position which we now hold in this world.

My friends, a United States that is second in military strength to the Soviet Union cannot possibly guarantee its own future and its own survival let along that of friendly nation-states in other parts of the world. A vast Soviet superiority will enable the Russians to engage in a poker diplomacy which could give her the victory she seeks merely by American default.

Unless drastic steps are taken by the United States and other western powers, the Soviet Union will be able to achieve her aim of world domination without firing a shot or dropping a bomb or releasing a missile. She can achieve that frightening objective merely by the threat of overpowering military might combined with gunboat diplomacy and the use of proxy forces from Cuba and other Communist-controlled states.

So long as the Soviets have terrorist forces that they can train and equip, there is no need for them to soil their hands with the dirty work needed to reduce the West to a position of servitude.

Now, let me briefly run through the events contributing heavily to the trend which has given the Soviet Union the upper hand throughout the world. At the root of much of our troubles are negotiations which have taken place under the Carter Administration in almost complete secrecy—negotiations which have resulted in earth-shaking decisions being made quite evidently on the spur of the moment and without prolonged and mature deliberation.

There is the whole question of China and the precipitous, unilateral moves which President Carter made to curry favor with the communist regime in Peking. This was taken with no prior consultation with the United States Senate and may well have far-reaching and serious effects on the balance of power throughout the world. Let me give you just one possibility. How do we handle the situation if our former allies on Taiwan should suddenly cozy up to the Soviet Union, thereby enabling the Russians to establish a power base which we gave away?

The history of the Soviet expansion throughout the world has been one of moving quickly into power vacuums wherever they exist, and believe me, we created such a vacuum on Taiwan when the President unlawfully abrogated our defense treaty with that government. And who could blame the Taiwanese if they should now decide that the Soviets would make more dependable allies than the United States proved to be?

Remember the great fear of the Taiwanese is grounded in the possibility of an assault by Communist China. What better buffer could they erect to such a contingency than an alliance with the Soviet Union? But if none of this happens, let me say that our treatment of Taiwan, all by itself, has handed the Soviets a great advantage—not only in the Far East, but in every other area of the world where they compete with American influence. The Taiwan sellout was a measure of American expediency. It showed the world that our commitments to the defense of freedom are subject to readjustment and abrogation whenever it suits our government to dishonor them. This has had a disastrous effect on American prestige everywhere, especially in the Middle East and among the NATO allies.

Then there were those secret negotiations at Camp David followed by glowing promises of lasting peace in the Middle East—negotiations which were so secret and complex that we still don't have an accurate picture of what went on, what promises were made, how American commitments were employed. The only thing we do know is that much of what went on involved political window dressing which quickly disappeared when hard bargaining began and the entire operation is more and more beginning to look like a non-productive sham.

We also have negotiations going on in an attempt to reach a SALT II agreement with the Soviet Union. It seems every other week somebody in the Administration says that an agreement is only weeks or days or hours away. Then we wait and nothing happens. And I believe sincerely that it is because the Soviets detect in the Administration's attitude an eagerness that will permit them to take their demands for more concessions just one step further. Even before the talks became serious, we began giving away our hold cards. We jettisoned the B-1 bomber, decided not to produce the so-called neutron bomb, scaled down most of what we had planned to do with cruise missiles, closed our Minute Man III production line and delayed development of the Mobile M-X.

We were forewarned about the overthrow of the Afghanistan government, a move that could prove fatal to any use of the Indian Ocean we have to have. The information on a situation in Iran supplied to the President and his council by the C.I.A. was sufficient and adequate enough for anyone to understand that trouble was coming. This was not, and I repeat, this was not a lack of intelligence, this was a failure on the part of our policy makers to either understand plain English or to have refused to do so. Our position in this world is precarious and it seems that everyone in the world knows it but the President, his State Department and his other close advisors on foreign policy.

And while we were busily cancelling, cutting back and delaying our weapons development and double crossing our allies, what were the Soviets up to? I am indebted to author Joseph Churba for a rundown he gave on this trend in a recent article published in the Washington Star. He points out the following:

1. While the U.S. has developed one ICBM system since 1965, the U.S.S.R. has developed seven.

2. Soviet advances in MIRV (Multiple Reentry Vehicles) technology are rapidly overcoming whatever lead the United States previously had in quality and quantity of nuclear warheads.

3. The Soviets have invested heavily in additional submarine-launch ballistic missiles while the U.S. will not begin modernization of its Polaris-Poseidon force until 1980.

4. The Soviets are now deploying their supersonic bomber, the Backfire, which is capable of delivering weapons anywhere in the U.S. without refueling.

5. Soviets have more naval ships than the U.S. in every category except aircraft carriers and destroyers and more shore-based naval aircraft. They have many ship based anti-ship cruise missiles with both nuclear and conventional warheads. The U.S. is only beginning to deploy its first non-nuclear anti-ship missile.

In addition to all this, the Soviet Union has a tremendous lead in general purpose forces. They have a better than two to one ratio of armed forces and larger inventories of nearly every category of equipment.

And their military budget is believed to be 40 to 60 percent higher than that of the United States.

This massive military buildup is affecting American interests everywhere in the world. It threatens our freedom of the seas, our access to raw materials, our free alliances with great industrial democracies in Europe and the Pacific Basin because you must understand the Soviet Union is not engaged in strictly defensive military preparedness. In a recent White Paper, the British government concluded, and I believe correctly, that the Soviet military posture and building programs are offensive in character and cannot be explained by considerations of defense. And it is perfectly obvious that the Soviet Union is beginning to feel its oats—beginning to exercise its might—is using, threatening and deploying its military power to attain its policy goals.

As Mr. Eugene V. Rostow, Chairman of the Committee on the Present Danger, recently told the Foreign Policy Association, "The Soviet Union has moved forward since 1970 with increasing boldness in Asia, Africa, and the Middle East. Pressures of Soviet policies have been greater since 1970 than ever before. The agreements for peace in Indo-China were torn up in disregard. The Soviets supported aggressive and large scale war in Bangladesh, in the Middle East and in Africa. There has been an alarming slide towards chaos."

Mr. Rostow went on to point out that as things got worse, many writers and politicians kept telling us that they were getting better, that the cold war was over and that we were living in an age of detente, an age in which negotiations had replaced confrontation.

Now, I am sure I don't have to remind you that even when the U.S. enjoyed a clear strategic nuclear advantage, the Soviets were not deterred from erecting serious challenges in the Cuban Missile Crisis and in the Middle East. If they were unafraid to challenge us from a position of inferiority, just think what they can do from their present position of superiority.

In view of Soviet military buildup—a buildup without equal in modern world history—it behooves us to look with great care at any SALT II agreement that is ultimately agreed to by the Carter Administration. Any further concessions on the part of the United States will be nothing short of total disaster. We are at the end of the string in the military sphere and the shadows which I mentioned at the beginning of my talk are indeed lengthening. We are certainly in the twilight of our military strength. The hour is late and the clock is ticking.

No speech of mine touching on our place in the world could possibly be complete without mentioning the disaster which struck our great and valued ally, Iran. And, here, I again fault the Carter Administration for a weak-kneed belated response to a crisis which deeply involved American material and strategic interests. When the Shah of Iran encountered his hour of greatest need, the United States was nowhere in sight. It is true, President Carter and his advisors gave weak lip service to the Shah and then quickly flip-flopped when things began to get rough.

And now they have recognized the new government without a single word of thanks to the Shah of Iran for all he has done to help this country with its energy needs and with the problem of erecting an effective buffer to the Soviet Union in the area of the Caspian Sea. What many Americans don't understand is that our stake in Iran is not confined to oil, it is also vital to our defense needs and to our requirements for adequate intelligence.

For example, it would be very difficult for the United States to verify Soviet compliances with the terms of any future SALT agreement without the valuable observation posts which we have heretofore been able to maintain in Iran.

Much of this adds up to deep trouble in the way the United States is perceived throughout the rest of the world. Everywhere we have failed miserably to propose the kind of policy and the kind of action that once won us the honor and the respect of other nations.

Our whole stupid attitude in Rhodesia and South Africa has made us, together with the British, a diplomatic laughing stock and our efforts have done nothing but strengthen the hands of those who are out to grind axes for the Soviet Union. In the Indian Ocean, in my opinion, the greatest strategic point in the world, we have dillied and dallied and we have yet to finish our desperately needed air base and naval shelter on Diego Garcia. And we stood by helplessly and watched the communists overthrow Afghanistan, thereby guaranteeing the Soviets a route to the Indian Ocean and eventual domination of the Straits of Malacca in a move that could close off the oil lines to the Pacific.

Even in its implementation of the finest facet of President Carter's foreign policy—the insistence on human rights—the Administration has managed to present the world with a picture deeply flawed by favoritism and expediency. The President came into office with a firm dedication to human rights but as things progressed, the world began to understand that this policy was to be applied selectively and with little regard for actual examples of mass repression and trampling of human rights.

In other words, the Administration's insistence on human rights has little to do with reality. For example, throughout the entire negotiations on Chinese recognition, there was no mention ever of Mainland China's miserable, murder-strewn record in this regard. The President who finds so much to complain about in other areas of the world apparently saw nothing wrong in recognizing a communist regime that has killed more people in its short history of control over the teeming millions of that great country than any other collection of dictators or tyrants in the history of the world.

And apparently, the President and his advisors see nothing wrong in the way the Cubans continue to mistreat their people. In fact, I am the first to admit that the President has a laudable policy but he has made a total mockery of it and it has done nothing about restoring the world's faith in America as a nation dedicated to human rights.

In conclusion, let me say that I believe it is much later than we think. The clock on the wall of the Oval Office is ticking away but President Carter does not seem to understand. He does not seem to recognize that our prestige and our strength and our future are slipping away as the Soviet military juggernaut builds ever greater and begins to roll. He does not seem to understand that words and gestures will not take the place of fighting planes and fighting ships and other weapons needed to lend credibility and authority to American policies. He does not seem to understand that even if we had enough power to be arrogant about, there is great doubt throughout the world over whether we would have the will to make effective use of that power in the cause of freedom. I wish sincerely that I could bring you a happier more optimistic message here today. But the facts as I see them are pretty grim and the stakes are as important as our very survival.●

THE LIMITS OF SOVIET INFLUENCE IN AFRICA

● Mr. TSONGAS. Mr. President, one hears, these days, a great deal about Soviet expansionism in Africa. Experts point to the large number of Cuban troops on the continent and speak solemnly of our "defeat" in Angola. One gets the impression from these observations that Soviet influence has swept over the continent without difficulty.

That portrait of Soviet power completely ignores, however, the needs and interests of Africans themselves. The Soviet role in Africa is severely constrained by what Africa states need and what the Soviets have to offer. At times, these two factors have coincided; quite often they have not. The record of Soviet exploits in Africa is therefore a mixture of limited success and frequent failure.

Mr. President, Africans are well versed in the narrow limits of Soviet power and a recent editorial in the Daily News of Nigeria illustrates their point of view clearly.

I ask that the article entitled "From the Daily News of Nigeria", as it appeared in the Washington Post on February 2, 1978, be printed in the RECORD.

EDITORIAL

The situation in Africa at the present time is such that the Soviet Union is losing out to the Americans, not so much because African countries detest socialism, as because the Soviet Union is unwilling to, or incapable of, providing more economic than military aid.

Sudan and Egypt are already sold on the Western way of life. Somalia's problem was a little different, but it boiled down to the same issue of incompatibility of purposes. Ethiopia is still basking in the first phase of military brotherhood, and may yet ask the Russians and Cubans to leave. Mozambique and Angola are already flirting with the West (that's what "nonalignment" usually means). Guinea has decided to mend its fences with France. And Zimbabwe and Namibia are unlikely to go a different course.

It is a truly ironic situation, for what it means is that all Americans have to do is fold their hands and wait for the honeymoon to end before stepping in for the picking. The Americans are, of course, well aware of this, and their protests against Russian incursions into Africa are designed precisely to accelerate the process of disaffecting and disillusionment.

In a quite profound sense, what it does mean is that African nations, often against their own inclination, are being denied all meaningful options in terms of the economic arrangements they have to make for themselves. But it also means that we need not get too starry-eyed about the possible gains to be had from the Russians, at least in terms of our concern for economic development. They would have to modify their policies first.●

PUBLIC AWARENESS PROGRAMS

● Mr. RIEGLE. Mr. President, as chairman of the Subcommittee on Alcoholism and Drug Abuse, I would like to alert my colleagues to an announcement being made today by the Bureau of Alcohol, Tobacco, and Firearms. The Bureau is releasing a progress report calling for a national educational campaign to inform Americans of the dangers that excessive alcohol consumption by pregnant women can present to their unborn children.

The fetal alcohol syndrome causes birth defects including congenital abnormalities, growth retardation, and functional abnormalities. These tragic consequences could be avoided if expectant mothers were aware of the risks they may run by drinking during their pregnancy.

The Bureau's proposal calls for a cooperative governmental and private campaign to raise the level of public awareness of this problem. Although no new funds are requested (other than those already requested by the National Institute of Alcohol Abuse and Alcoholism as part of Secretary Califano's "new initiatives" program), the Bureau believes that through a joint endeavor with the alcohol beverage industry, the incidence of alcohol-related birth defects can be significantly reduced. An integral part of this proposal is the provision that, after a reasonable period of time, the success of the program will be reviewed to see if it has been effective or if other steps, possibly including a warning label on all alcoholic beverage containers, should be taken.

I strongly support this initiative, and I would urge the Bureau to conduct the followup review within a period of months, rather than years. If private groups, including the alcoholic beverage industry, can coordinate their activities with those of the Bureau of Alcohol, Tobacco, and Firearms and with the Department of Health, Education, and Welfare, I am hopeful that we will be able to help pregnant women protect their unborn babies. If the program proves ineffective, however, I would support additional steps, possibly including warning labels.

To carry out the educational program proposed by the Bureau, I would suggest that HEW Secretary Califano consider requiring that all departmental programs involving pregnant women—such as the adolescent pregnancy program currently being launched—include a fetal alcohol information component. I strongly believe that local groups providing pregnancy assistance should make it a point to educate their clients to the risks of drinking during pregnancy. Organizations (such as Planned Parenthood and local health clinics) which conduct pregnancy tests should also be involved in distributing informational materials regarding the fetal alcohol syndrome.

On a related matter, I would also like my colleagues to be aware that the Bureau of Alcohol, Tobacco, and Firearms has recently proposed that labels on alcoholic beverages include a listing of their ingredients. As a strong proponent of ingredient labeling for all foods, I will be closely examining the Bureau's proposal to evaluate whether it would adequately inform consumers of what they are drinking in a reasonable, realistic manner, taking into account seasonal variations and changes in possible components. Of course, I am also concerned that labeling decisions in the alcoholic beverage field are compatible with parallel decisions that this Congress will make in terms of comprehensive food labeling. It is essential if the American consumer is to know what goes into the food we eat.●

QUORUM CALL

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from the State that is almost heaven, West Virginia, suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(Mr. RIEGLE assumed the chair.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PRINT SENATE RESOLUTION 61

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senate Resolution 61 be reprinted overnight with the language that has been added shown in italics and the language that has been deleted shown in stricken-through type.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. So that now, Mr. President, on tomorrow the reprinted Senate Resolution 61 will show the amendments that have been adopted today by voice vote and the language that has been deleted will be in stricken-through type and the language that has been added will be in italics.

ORDER FOR RECESS UNTIL 12 NOON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 noon tomorrow, rather than 11 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the prayer and the approval of the Journal, the two leaders or their designees be recognized, each for not to exceed 5 minutes, and that thereafter Mr. STENNIS, Mr. PROXMIRE, and Mr. PRESSLER be recognized each for not to exceed 15 minutes, after which there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 3 minutes, after which the Senate then resume its consideration of Senate Resolution 61, as amended.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously—before I do this I look around to ascertain whether or not any Senator seeks recognition. I do not want to close off opportunities for debate or for offering of amendments to the resolution. I see no Senator seeking recognition.

I therefore move, Mr. President, that the Senate stand in recess until 12 noon tomorrow, under the order previously entered.

The motion was agreed to, and, at 3:35 p.m., the Senate recessed until tomorrow, Friday, February 9, 1979, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 8, 1979:

DEPARTMENT OF STATE

W. Beverly Carter, Jr., of Pennsylvania, a Foreign Service information officer of class 1, to be Ambassador at Large.

Robert H. Pelletreau, Jr., of Connecticut, a Foreign Service officer of class 3, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Bahrain.

Stephen Warren Bosworth, of Michigan, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Tunisia.

Jonathan Dean, of New York, a Foreign Service officer of class 1, for the rank of Ambassador during the tenure of his service as Representative of the United States of America for Mutual and Balanced Force Reductions Negotiations.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

William Brownlee Welsh, of Virginia, to be an Assistant Secretary of Housing and Urban Development.

Sterling Tucker, of the District of Columbia, to be an Assistant Secretary of Housing and Urban Development.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

Gen. John W. Roberts, U.S. Air Force, (age 57), for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. James Patrick Mullins, [redacted], U.S. Air Force.

The following officers for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10 of the United States Code:

To be major general

Brig. Gen. William P. Acker, [redacted]FR, Regular Air Force.

Brig. Gen. Christopher S. Adams, Jr., [redacted]FR, Regular Air Force.

Brig. Gen. James I. Baginski, [redacted]FR, Regular Air Force.

Brig. Gen. Emil N. Block, Jr., [redacted]FR, Regular Air Force.

Brig. Gen. Bill V. Brown, [redacted]FR, Regular Air Force.

Brig. Gen. Norma E. Brown, [redacted]FR, Regular Air Force.

Brig. Gen. William E. Brown, Jr., [redacted]FR, Regular Air Force.

Brig. Gen. George M. Browning, Jr., [redacted]FR, Regular Air Force.

Brig. Gen. Carl H. Cathey, Jr., [redacted]FR, Regular Air Force.

Brig. Gen. Murphy A. Chesney, [redacted]FR, Regular Air Force, Medical.

Brig. Gen. Philip J. Conley, Jr., [redacted]FR, Regular Air Force.

Brig. Gen. David B. Easson, [redacted]FR, Regular Air Force.

Brig. Gen. Jay T. Edwards III, [redacted]FR, Regular Air Force.

Brig. Gen. Herbert L. Emanuel, [redacted]FR, Regular Air Force.

Brig. Gen. James C. Enney, [redacted]FR, Regular Air Force.

Brig. Gen. Billy B. Forsman, [redacted]FR, Regular Air Force.

Brig. Gen. Irwin P. Graham, [redacted]FR, Regular Air Force.

Brig. Gen. Patrick J. Halloran, [redacted]FR, Regular Air Force.

Brig. Gen. William W. Hoover, [redacted]FR, Regular Air Force.

Brig. Gen. Charles C. Irions, [redacted]FR, Regular Air Force.

Brig. Gen. Robert E. Kelley [redacted]FR, Regular Air Force,

Brig. Gen. James H. Marshall, [redacted]FR, Regular Air Force.

Brig. Gen. Earl T. O'Loughlin, [redacted]FR, Regular Air Force.

Brig. Gen. Leighton R. Palmerton, [redacted]FR, Regular Air Force.

Brig. Gen. Don H. Payne, [redacted]FR, Regular Air Force.

Brig. Gen. Herman O. Thomson, [redacted]FR, Regular Air Force.

Brig. Gen. William R. Usher, [redacted]FR, Regular Air Force.

Brig. Gen. Jack W. Waters, [redacted]FR, Regular Air Force.

Brig. Gen. Larry D. Welch, [redacted]FR, Regular Air Force.

Brig. Gen. William R. Yost, [redacted]FR, Regular Air Force.

The following officers for appointment in the Regular Air Force to the grades indicated, under the provisions of chapter 835, title 10 of the United States Code:

To be major general

Lt. Gen. John G. Albert, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Rufus L. Billups, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Richard C. Bowman, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Edgar A. Chavarrie, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Lynwood E. Clark, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Robert W. Clement, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Charles G. Cleveland, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Thomas E. Clifford, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Lt. Gen. Bennie L. Davis, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Lt. Gen. Charles A. Gabriel, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. John W. Hepfer, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Lt. Gen. Lloyd R. Leavitt, Jr., [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Richard E. Merkling, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Earl G. Peck, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Andrew Pringle, Jr.[redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Lt. Gen. Thomas M. Ryan, Jr., [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Lt. Gen. Winfield W. Scott, Jr., [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. James W. Stansberry, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. LeRoy W. Svendsen, Jr., [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

Brig. Gen. Jack W. Waters, [redacted]FR (brigadier general, Regular Air Force), U.S. Air Force.

To be brigadier general

Brig. Gen. William P. Acker, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Christopher S. Adams, Jr., [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Charles C. Blanton, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Robert M. Bond, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. James R. Brickel, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Bruce K. Brown, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. George M. Browning, Jr., [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Gerald J. Carey, Jr., [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Robert F. Coverdale, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Charles L. Donnelly, Jr., [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. George A. Edwards, Jr., [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Herbert L. Emanuel, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Billy B. Forsman, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Martin C. Fulcher, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. James L. Gardner, Jr., [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Philip C. Gast, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Allison G. Glover, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. James R. Hildreth, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Dewey K. K. Lowe, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. James H. Marshall, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. William B. Maxson, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. James E. McInerney, Jr., [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Waymond C. Nutt, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Earl T. O'Loughlin, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Leighton R. Palmerton, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. John E. Ralph, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Len C. Russell, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Lawrence A. Skantze, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Click D. Smith, Jr., [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Lt. Gen. Thomas P. Stafford, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Jasper A. Welch, Jr., [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. William R. Yost, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

The following officers for temporary appointment in the U.S. Air Force to the grades indicated, under the provisions of chapter 839, title 10 of the United States Code:

To be major general

Brig. Gen. Joseph B. Dodds, [redacted]FR, Regular Air Force.

To be brigadier general

Col. Clarence R. Autrey, [redacted]FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Leon W. Babcock, Jr., [redacted]FR, Regular Air Force.

Col. Robert D. Beckel, [redacted]FR (major, Regular Air Force), U.S. Air Force.

Col. Kenneth H. Bell, [redacted]FR, Regular Air Force.

Col. Harry H. Bendorf, [redacted] FR, Regular Air Force.

Col. Charles E. Bishop, [redacted]FR, Regular Air Force.

Col. John A. Brashear, [redacted]FR, Regular Air Force.

Col. Donald D. Brown, [redacted]FR, Regular Air Force.

Col. Stanford E. Brown, [redacted]FR, Regular Air Force.

Col. Lyman E. Buzard, [redacted]FR, Regular Air Force.

Col. John E. Catlin, Jr., [redacted]FR, Regular Air Force.

Col. Robert D. Caudry, [redacted]FR, Regular Air Force.

Col. William M. Charles, Jr., [redacted]FR, Regular Air Force.

Col. Neil L. Eddins, [redacted]FR, Regular Air Force.

Col. James D. Gormley, [redacted]FR, Regular Air Force.

Col. James I. Granger, [redacted]FR, Regular Air Force.

Col. Jack I. Gregory, [redacted]FR, Regular Air Force.

Col. John J. Halki, [redacted]FR, Regular Air Force, Medical.

Col. Monroe W. Hatch, Jr., [redacted]FR, Regular Air Force.

Col. Delbert H. Jacobs, [redacted]FR, Regular Air Force.

Colonel Ralph H. Jacobson, [redacted]FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Albert J. Kaehn, Jr., [redacted]FR, Regular Air Force.

Col. William L. Kirk, [redacted]FR, Regular Air Force.

Col. Stanley C. Kolodny, [redacted]FR, Regular Air Force, Medical.

Col. Donald P. Litke, 524-38-6925FR, (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Rano E. Lueker, [redacted]FR, Regular Air Force.

Col. William J. Mall, Jr., [redacted]FR, Regular Air Force.

Col. Charles McCausland, [redacted]FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Horace W. Miller, [redacted]FR, Regular Air Force.

Col. Joseph D. Moore, [redacted]FR, (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Richard D. Murray, [redacted]FR, Regular Air Force.

Col. Robert C. Oaks, [redacted]FR (major, Regular Air Force), U.S. Air Force.

Col. Peter W. Odgers, [redacted]FR, Regular Air Force.

Col. Norris W. Overton, [redacted]FR, Regular Air Force.

Col. David L. Patton, [redacted]FR, Regular Air Force.

Col. Attilio Pedroli, [redacted]FR, Regular Air Force.

Col. John L. Pickitt, [redacted]FR, Regular Air Force.

Col. Eugene M. Poe, Jr., [redacted]FR, Regular Air Force.

Col. Gerald L. Prather, [redacted]FR (lieutenant Colonel, Regular Air Force), U.S. Air Force.

Col. Raymond C. Preston, Jr., [redacted]-FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Richard W. Pryor, [redacted]FR Regular Air Force.

Col. Robert H. Reed, [redacted]FR, Regular Air Force.

Col. Albert G. Rogers, [redacted]FR, Regular Air Force.

Col. Carl R. Smith, [redacted]FR, Regular Air Force.

Col. Perry M. Smith, [redacted]FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. James P. Smothermon, [redacted]FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. John H. Storrie, [redacted]FR, Regular Air Force.

Col. Thomas S. Swalm, [redacted]FR, Regular Air Force.

Col. Chester D. Taylor, Jr., [redacted]FR, Regular Air Force.

Col. Donald A. Vogt, [redacted]FR, Regular Air Force.

Col. Rudolph F. Wacker, [redacted]FR, Regular Air Force.

Col. Sarah P. Wells, [redacted]FR, Regular Air Force, Medical.

Col. Harold J. M. Williams, [redacted]FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 35, 831, and 837, title 10, United States Code:

To be major general

Brig. Gen. John B. Conley, [redacted]FG, Air National Guard of the United States.

Brig. Gen. Lloyd W. Lamb, [redacted]FG, Air National Guard of the United States.

Brig. Gen. Orlando Llenza, [redacted]FG, Air National Guard of the United States.

Brig. Gen. Stanley F. H. Newman, [redacted]FG, Air National Guard of the United States.

Brig. Gen. Hal C. Tyree, Jr., [redacted]FG, Air National Guard of the United States.

Brig. Gen. Emory M. Wright, Jr., [redacted]FG, Air National Guard of the United States.

To be brigadier general

Col. William F. Casey, [redacted]FG, Air National Guard of the United States.

Col. Robert J. Collins, [redacted]FG, Air National Guard of the United States.

Col. James E. Cuddihee, [redacted]FG, Air National Guard of the United States.

Col. William A. Free, [redacted]FG, Air National Guard of the United States.

Col. Roy A. Jacobson, [redacted]FG, Air National Guard of the United States.

Col. Lloyd L. Johnson, [redacted]FG, Air National Guard of the United States.

Col. Monroe G. Mathias, [redacted]FG, Air National Guard of the United States.

Col. Charles B. Ocksrider, [redacted]FG, Air National Guard of the United States.

Col. William E. Riggs, [redacted]FG, Air National Guard of the United States.

Col. Frank H. Smoker, Jr., [redacted]FG, Air National Guard of the United States.

Col. Emmett J. Whalen, [redacted]FG, Air National Guard of the United States.

Col. Charles J. Young, Jr., [redacted]FG, Air National Guard of the United States.

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapter 837, title 10, United States Code:

To be major general

Brig. Gen. Bruce M. Davidson, [redacted] FV, Air Force Reserve.

Brig. Gen. Walter R. Longanecker, Jr., [redacted]FV, Air Force Reserve.

Brig. Gen. George W. Miller III, [redacted]FV, Air Force Reserve.

Brig. Gen. Dalton S. Oliver, [redacted] FV, Air Force Reserve.

Brig. Gen. John E. Taylor, Jr., [redacted] FV, Air Force Reserve.

To be brigadier general

Col. Ronald R. Blalack, [redacted]FV, Air Force Reserve.

Col. William L. Copeland, [redacted]FV, Air Force Reserve.

Col. Charles M. Duke, Jr., [redacted]FV, Air Force Reserve.

Col. Wayne E. Garrett, [redacted]FV, Air Force Reserve.

Col. Arthur Gerwin, [redacted]FV, Air Force Reserve.

Col. Vincent P. Luchsinger, Jr., [redacted]FV, Air Force Reserve.

Col. Milton Matter, Jr., [redacted]FV, Air Force Reserve.

Col. John A. Paterson, [redacted]FW, Air Force Reserve.

Col. John D. Roper, [redacted]FV, Air Force Reserve.

Col. Alan G. Sharp, [redacted]FV, Air Force Reserve.

Col. Jerome N. Waldor, [redacted]FV, Air Force Reserve.

Col. Charles T. Yarington, Jr., [redacted] FV, Air Force Reserve.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Charles Curtis Pattillo, [redacted]FR, U.S. Air Force.

The following-named officers under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Lawrence Albert Skantze, [redacted]FR, U.S. Air Force.

Lt. Gen. John J. Burns, U.S. Air Force, (age 54), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

Lt. Gen. James A. Knight, Jr., U.S. Air Force, (age 55), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

The following-named officers under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Evan William Rosencrans, [redacted]FR, U.S. Air Force.

Lt. Gen. Andrew B. Anderson, Jr., U.S. Air Force (age 52), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

In the Army

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Harold Robert Aaron, [redacted], (age 57), Army of the United States (major general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

May. Gen. Richard Hulbert Groves, [redacted], U.S. Army.

The following-named Army Reserve officer for appointment to the grade of brigadier general, Army of the United States, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be brigadier general

Brig. Gen. Carl D. McIntosh, [redacted].

The following-named officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3284, 3306 and 3307:

To be major general

Lt. Gen. Sidney B. Berry, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Homer S. Long, Jr, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Clay T. Buckingham, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Charles I. McGinnis, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. James L. Kelly, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Thomas U. Greer, [redacted], Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Robert G. Gard, Jr., [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Paul F. Gorman, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John C. Faith, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Emil L. Konopnicki, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Paul M. Timmerberg, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Charles K. Heiden, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Hillman Dickinson, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Sinclair L. Melner, [redacted], Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Marvin D. Fuller, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Phillip Kaplan, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Lucien E. Bolduc, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Louis W. Prentiss, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Jack V. Mackmull, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. James H. Merryman, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. William E. Eicher, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. James G. Boatner, [redacted], Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Edward C. Meyer, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. William R. Richardson, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Edward A. Partain, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Ernest D. Peixotto, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Benjamin L. Harrison, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Richard E. Cavazos, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Oscar C. Decker, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John K. Stoner, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

To be brigadier general

Maj. Gen. John D. Bruen, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Jack N. Merritt, [redacted] Army of the United States (colonel, U.S. Army).

Big. Gen. Elvin R. Heiberg III, [redacted] Army of the United States (colonel, U.S. Army).

Maj. Gen. Glenn K. Otis, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. John W. Seigle, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Richard D. Boyle, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Richard D. Lawrence, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Tom H. Brain, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Guy S. Meloy III, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Maxwell R. Thurman, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Jerry R. Curry, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. James J. Lindsay, [redacted], Army of the United States (colonel, U.S. Army).

The following-named Army Medical Department officer for appointment as a major general, Dental Corps, Regular Army and as a major general, Dental Corps, in the Army of the United States, under the provisions of title 10, United States Code, sections 3036, 3040, 3442, and 3447.

DENTAL CORPS

To be major general

Brig. Gen. George Kuttas, [redacted], Dental Corps, U.S. Army.

The following-named Army Medical Department officer for appointment to the grade indicated under the provisions of title 10, United States Code, sections 3442 and 3447.

DENTAL CORPS

To be brigadier general

Col. Hubert T. Chandler, [redacted], Dental Corps, U.S. Army.

The following-named officers for temporary appointment in the Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be brigadier general

Col. Arthur Holmes, Jr., [redacted], U.S. Army.

Col. Johnny J. Johnston, [redacted], U.S. Army.

Col. Joe S. Owens, [redacted] U.S. Army.

Col. Maurice O. Edmonds, [redacted] U.S. Army.

Col. Arthur E. Brown, Jr., [redacted] U.S. Army.

Col. Claude M. Kicklighter, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Wendell H. Gilbert, [redacted], U.S. Army.

Col. Andrew L. Cooley, Jr., [redacted], Army of the United States (lieutenant colonel U.S. Army)

Col. Ronald L. Watts, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Nathan C. Vail, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Scott B. Smith, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Joseph P. Franklin, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Edwin C. Keiser, [redacted] U.S. Army.

Col. Henry J. Hatch, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. William E. Klein, [redacted], U.S. Army.

Col. Zeb B. Bradford, Jr., [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Jack A. Apperson, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Josiah Blasingame, Jr., [redacted], U.S. Army.

Col. Bobby B. Porter, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. David W. Stalings, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Eugene L. Stillions, Jr., [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Thomas W. Kelly, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. James E. Thompson, Jr., [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. John F. Wall, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Dave R. Palmer, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Michael J. Conrad, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Victor J. Hugo, Jr., [redacted] U.S. Army.

Col. Joseph C. Lutz, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert D. Hammond, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Kenneth C. Leuer, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Johnie Forte, Jr., [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. John H. Mitchell, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Anthony F. Albright, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Leonard P. Wishart III, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Edward Honor, [redacted], U.S. Army.

Col. Jerry M. Bunyard, [redacted], U.S. Army.

Col. Colin L. Powell, [redacted], Army of the United States (major, U.S. Army).

Col. Jack O. Bradshaw, [redacted], Army of the United States (major, U.S. Army).

Col. Thomas E. Carpenter III, [redacted], Army of the United States (major, U.S. Army).

Col. George R. Stotser, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert D. Wiegand, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. James E. Drummond, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Homer Johnstone, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard D. Kenyon, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Crosbie E. Saint, [redacted], Army of the United States (major, U.S. Army).

Col. Gerald T. Bartlett, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert J. Donahue, [redacted], U.S. Army.

Col. James E. Moore, Jr., [redacted], U.S Army.

Col. William G. O'Leksy, [redacted], U.S. Army.

Col. Joseph J. Skaff, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. James R. Demoss, [redacted], U.S Army.

Col. Gerald E. Monteith, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. William G. T. Tuttle, Jr., [redacted], Army of the United States (major, U.S. Army).

Col. John M. Brown, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Thomas J. Flynn, [redacted], U.S. Army.

Col. Gerald G. Watson, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Wayne E. Alley, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Hugh R. Overholt, [redacted], U.S. Army.

Col. Richard J. Bednar, [redacted], U.S. Army.

The U.S. Army Reserve officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a), 3371, and 3384:

To be major general

Brig. Gen. Robert Dewey Bay, [redacted].

Brig. Gen. Russell Ivan Berry, [redacted]

Brig. Gen. Allen Earl Stilson, Jr. [redacted]

To be brigadier general

Col. Jimmy Franklin Bates, [redacted]

Col. George Harrison Cate, Jr. [redacted]

Col. Norman Wright Martell, [redacted]

Col. Thomas Milton Moore, [redacted]

Col. Mack Jay Morgan, Jr., [redacted]

Col. Gilbert Gerald Parker [redacted].

Col. James Louis Pelton, [redacted]

Col. Alfred Winston Porter, Jr. [redacted]

Col. Garnet Ray Reynolds, [redacted]

Col. John Ricottilli, Jr., [redacted].

Col. Ronald Doyle Worcester, [redacted].

The Army National Guard of the United States officers named herein for appointment as Reserve commissioned officers of the Army under the provisions of title 10, United States Code, sections 593(a) and 3385:

To be major general

Brig. Gen. John B. (IO) Garrett, [redacted]

Brig. Gen. Joseph Andrew Healy, [redacted]

Brig. Gen. Robert Woodson Teater, [redacted]

Brig. Gen. Robert George Walker, [redacted]

To be brigadier general

Col. James Alexander Baber III, [redacted]

Col. Joaquin Balaguer-Rivera, [redacted].

Col. Dan Bullard III, [redacted].

Col. Bernard Thomas Chupka, [redacted].

Col. William Eugene Doris, [redacted].

Col. Charles Phillip Doyle, [redacted]

Col. James Glynn Fanning, [redacted]

Col. Robert Samuel Ford, [redacted]

Col. Richard George Geith, [redacted].

Col. Joseph Guadalupe Iniguez, Jr., [redacted]

Col. Bruce Jacobs, [redacted].

Col. Hubert Monroe Leonard, [redacted].

Col. Jay Meredith Lotz, [redacted]

Col. Jerome Joseph Mathieu, Jr., [redacted]

Col. Dana Carleton Ramsay, [redacted]

Col. Lawrence Felix Roy, [redacted]

Col. Paul Eugene Staples, [redacted]

The Army National Guard of the United States officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. Robert Lee Childers, [redacted]

Brig. Gen. Francis Alphonse Ianni, [redacted]

To be brigadier general

Col. Lawrence Pierce Flynn, [redacted].

Col. Luis Ernesto Gonzalez-Valez, [redacted]

Col. William Henry Henderson, [redacted]

Col. Leonard Robert Herbst, [redacted].

Col. Stuart Joel Shoob, [redacted]

Col. Dayle Eugene Williamson, [redacted].

Col. Hershel Cleveland Yeargan, [redacted]

IN THE NAVY

Adm. Stansfield Turner, U.S. Navy, (age 55) for appointment to the grade of admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

IN THE AIR FORCE

Air Force list beginning Wilfred K. Abbott, to be colonel, and ending William P. Dubose III, to be major, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Air Force list beginning David R Abel, to be lieutenant colonel, and ending Donald E. Kessell, to be lieutenant colonel, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Air Force list beginning Robert A. Abbott, to be lieutenant colonel, and ending James H. Slepicka, to be major, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Air Force list beginning George H. Aberth, Jr., to be colonel, and ending Frank R. Young, to be captain, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Air Force list beginning Richard B. Almour, to be colonel, and ending Leo E. McFadden, to be colonel, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Air Force list beginning Jon S. Allen, to be colonel, and ending Virginia L. Floyd, to be colonel, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

IN THE ARMY

Army list beginning Albert Abraham, to be colonel, and ending Joseph Saltas, to be first lieutenant, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Army list beginning Byron B. Alexander, to be colonel, and ending Lloyd A Youngblood, to be lieutenant colonel, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Army list beginning Howard T. Prince II, to be colonel, and ending Gerald A. St. Amand, to be captain, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Army list beginning Carl W. Ackerman, to be colonel, and ending Paul J. Sullivan, to be lieutenant colonel, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

IN THE NAVY

Navy list beginning Herbert J. Kendall II, to be lieutenant, and ending Jeffrey L. Roddahl, to be permanent lieutenant (j.g.), and temporary lieutenant, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Navy list beginning Larry E. Baker, to be chief warrant officer, and ending Pamela J. Rhyner, to be lieutenant (j.g.), which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Navy list beginning John W. Dreon, Jr., to be ensign, and ending William B. Humphrey, to be commander, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

IN THE MARINE CORPS

Marine Corps list beginning Ronald G. Horton, to be second lieutenant, and ending Robert W. Smith, to be second lieutenant, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Marine Corps list beginning Ronald E. Anderson, to be second lieutenant, and ending Gary R. Zeller, to be second lieutenant, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

HOUSE OF REPRESENTATIVES—*Thursday, February 8, 1979*

The House met at 11 a.m. and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
February 7, 1979.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Thursday, February 8, 1979.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

Rev. Mladen Cuvalo, pastor, Sts. Cyril and Methodius Church and St. Raphael's Church, New York, N.Y., offered the following prayer:

Heavenly Father, we thank Thee for Thy great blessings bestowed upon the American nation, and pray for divine guidance for this "Forum of the People." We ask Thy protection for all the people of the world, born and unborn, and its nations, independent or not yet independent.

We pray for the Croatian nation which has contributed so many immigrants to America and its sacred cause. We pray for the fulfillment of the divine right of self-determination of nations, with all nations of the world achieving their independence and equality and an end of nations being divided or subjugated to other nations.

We pray for people of all faiths and nations to live in brotherhood, not only in the forthcoming days, but throughout the entire year. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 42. Concurrent resolution providing for an adjournment of the House from February 8 to February 13, 1979, and a recess of the Senate from February 9 to February 19, 1979.

The message also announced that the Vice President, pursuant to Public Law 95-216, appointed Ms. Joyce Miller, of New Jersey, from private life, to be a member of the National Commission on Social Security.

The message also announced that the vice president, pursuant to Public Law 81-754, as amended by Public Law 93-536, appointed Mr. PELL to the National Historical Publications and Records Commission.

The message also announced that the vice president, pursuant to Public Law 94-280, appointed Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation, to the National Transportation Policy Study Commission, in lieu of Mr. Pearson, retired.

REV. MLADEN CUVALO

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, it is indeed an honor for me today to note that the opening prayer in the House today was offered by Father Mladen Cuvalo, pastor of Sts. Cyril and Methodius and St. Raphael's Churches in New York City.

Today marks a day of dual significance. Father Cuvalo has the largest Croatian-American parish in the United States, numbering over 100,000 and hailing from the tri-State area of New York, New Jersey, and Connecticut. It is also the first time in over 200 years that a Croatian-American clergyman has offered the prayer in the House of Representatives. In addition, for people of Croatian heritage everywhere, today holds another special significance as it marks the death of Cardinal Aloysius Stepinac and the 34th year commemoration of the massacre of 29 priests in Croatia, Yugoslavia, on February 8, 1945. Cardinal Stepinac, at the age of 36 became the youngest archbishop in the world and from there went on to become a noted and zealous

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

crusader for the cause of human rights of the oppressed and persecuted of Eastern Europe.

On this day, the anniversary of the death of Cardinal Stepinac, let us renew our solidarity with those persons who suffer religious oppression and persecution. Let us look with real hope toward the Vatican, where for the first time in centuries it has elected a Pope who hails from Poland—another captive nation such as Yugoslavia. The inspirational leadership of John Paul II may well advance the cause of religious freedom throughout the world and we wish him success in this most important work.

Father Mladen Cuvalo's devotion to God and to furthering the cause of religious freedom everywhere is to be commended and it is indeed a privilege for me to present him to my colleagues here today. Father Cuvalo has been in the priesthood for 13 years, having studied theology under the Franciscan Brothers in Sarajevo, Croatia. He has dedicated his career not only to tending the needs of his own parishioners, but to promoting and furthering the noble cause of religious and human freedom is Eastern Europe, most particularly in Yugoslavia. He is an exemplary spiritual leader and one who deserves much praise for the humanitarianism he has displayed for his Croatian brothers both in his community as well as the world over.

REV. MLADEN CUVALO

(Mr. GREEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN. Mr. Speaker, as the Representative for the 18th Congressional District in New York City, I want to welcome Father Mladen Cuvalo to the House of Representatives. I commend my colleague from New York (Mr. BIAGGI) for arranging for Father Cuvalo to become the first Croatian-American clergyman in over 200 years to offer the prayer at the opening of Congress.

As the pastor of Sts. Cyril and Methodius Church and St. Raphael's Church at 502 West 41st Street in New York City, Father Cuvalo serves the spiritual needs of 100,000 Americans of Croatian heritage in the tri-State area of New York, New Jersey, and Connecticut. His ministry has emphasized social service and human rights activities.

In keeping with his concern for human rights and social justice, Father Cuvalo will meet this afternoon with the staff of the Commission on Security and Cooperation in Europe to offer information on the status of religious freedom and religious liberties in Yugoslavia. It is expected that the Commission soon will convene public hearings on religious liberties in Eastern European countries. Father Cuvalo's discussions today will contribute significantly to the work of the Commission in this regard.

Father Cuvalo's appearance before the House of Representatives today symbolically commemorates the 19th anniversary of the death of Aloysius Cardinal Stepinac and the 34th anniversary of the murder of 29 priests at the Franciscan High School and Seminary near Mostar in Croatia, Yugoslavia.

May Father Cuvalo's visit today remind all of us of the importance of religious freedom and renew our commitment to ending oppression of religion wherever it occurs.

☐ 1105

IN DEFENSE OF SECRETARY SCHLESINGER

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute.)

Mr. GONZALEZ. Mr. Speaker, the Secretary of Energy is absorbing a great deal of flak these days—for things that he has said that displease some people—for alleged bad management of his Department—for a host of other complaints, real, and imagined.

But Secretary Schlesinger deserves a bit of defense.

The Department of Energy is new, and it is made up of a great many components, not all of them compatible in their interests and orientation. It would take a genius to draw those agencies into a coherent whole, and even a Cabinet officer with the experience, the wit, the nerve, and the ability of Jim Schlesinger needs a little time to create a new department. Consider Health, Education, and Welfare. It has been around a long time, but I know of no one who says that it is a unified agency. It may in fact be impossible to administer that Department, which is probably why the President wants to create a Department of Education. It is conceivable that managing the Department of Energy is impossible. It is certain that the task is formidable. Secretary Schlesinger deserves a little time to draw his horses into something that resembles a workable team. He should not be judged hastily.

There are those who say that the Department of Energy keeps sending out confused and conflicting signals. That does not reflect incompetence by the Secretary, so much as it reflects the lack of a coherent energy policy for him to administer. In plain words, the confusion in energy policy starts here in Congress, where energy legislation is written. I want the United States to buy Mexican gas, as much as anyone else; the Secretary says that the price is too high and the need not urgent. We may not agree on that point. On the other hand, those who damn him most are also the ones who demand price controls to preserve cheap energy produced from domestic sources. If some members of the Senate demands cheap gas and oil prices, insist on it in statutes—then it is difficult to see how they can candemn the Secretary for not wanting to import expensive energy. The confusion may be more in their minds than his.

There are a great many things about energy policy that I do not like. But there is something I like about the Secretary of the Department of Energy: He is accessible and he is responsive. Not all members of the Cabinet are as readily accessible as he. Not all are willing to talk plainly and give straight yes or no answers, as he is. And not all know what they are doing as well as he does.

We have given Secretary Schlesinger a jumble of agencies and a jumble of unclear policies to administer. It will take a great deal of time before the tangled lines can be worked out. Critics would do well to get off his back.

SALT II SHOULD NOT BE AFFECTED BY SOVIET BEHAVIOR IN OTHER AREAS

(Mr. BINGHAM asked and was given permission to address the House for 1 minute.)

Mr. BINGHAM. Mr. Speaker, the resolution adopted this past weekend by Republican leaders suggests that the attitude of the Congress toward a SALT II agreement should be influenced by the behavior of the Soviets in Africa and elsewhere.

What does this mean? Does it mean that, if a signed SALT II agreement is in the U.S. national interest, the Senate should not ratify it if the Soviets continue to act up in Africa? Conversely, does it mean that, if the Soviet Union should become more docile, we should then enter into a SALT II agreement even if the agreement is not in the U.S. national interest?

Obviously, what I am getting at is that the United States should enter into a SALT II agreement if it is in our national interest, and not otherwise.

The behavior of the Soviets unrelated to SALT may be tolerable or intolerable at any given time; it may change next month or next year. The decision of our Government with respect to SALT, whether it be positive or negative, will have to stand no matter what changes may occur in other Soviet policies. That being the case, we should not be diverted, in our study of SALT, by the shifting scenery of Soviet international politics.

☐ 1110

ABOLISHING WEST GERMANY'S STATUTE OF LIMITATIONS ON NAZI WAR CRIMES

(Ms. HOLTZMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Ms. HOLTZMAN. Mr. Speaker, under present law after December 31, 1979, Nazi war criminals guilty of some of the most heinous acts committed in the history of the world will be able to find a haven in West Germany, free from the threat of prosecution for their crimes. If the Federal Republic of Germany does not act to extend or abolish entirely its statute of limitations governing war crimes, after that date prosecutions will be barred against those who committed atrocities prior to May 8, 1945, against whom proceedings have not been initiated. Those war criminals who thus far have escaped detection and prosecution will be able to live openly in West Germany without fear of punishment.

Mr. Speaker, no arbitrary time limit should prevent the trial of those who participated in the Holocaust. I am therefore, today introducing with my colleague from New York, (Mr. Fish), and a total of 100 cosponsors, a House resolution strongly urging the Government of the Federal Republic of Germany to abolish its statute of limitations governing the prosecution of war crimes, or amend the present statute to allow a period of time sufficient to assure the prosecution of all those responsible for the horrors of the Holocaust.

The text of the resolution follows:

H. Res. —

Whereas the present statue of limitations of the Federal Republic of Germany will prevent the prosecution after December 31, 1979 of those people who committed war crimes prior to May 8, 1945 against whom proceedings have not already been initiated;

Whereas the identification and the prosecution of Nazi war criminals serve to remind the world of the enormity of their crimes and of the need to prevent any repetition of such crimes;

Whereas worldwide efforts to locate and bring to justice those who participated in the Holocaust have recently been intensified;

Whereas the government of the United States is now moving aggressively against people living in this country suspected of war crimes and has enacted legislation to exclude and deport war criminals and has established a Special Litigation Unit within the Department of Justice to direct investigations and prosecutions;

Whereas these intensified worldwide efforts will undoubtedly lead to the discovery of new and important evidence against many suspected war criminals;

Whereas the government of the Federal Republic of Germany has an inescapable obligation to ensure that these worldwide efforts are not diminished or nullified and that all war criminals are brought to justice, and that government recognized this obligation in 1965 and in 1969 by amending the statute of limitations to permit the prosecution of those who participated in the Holocaust; and

Whereas no statute of limitations should preclude the trial of those who participated in the Holocaust: Now, therefore, be it

Resolved, That the House of Representatives—

(1) strongly urges the government of the Federal Republic of Germany to abolish the statute of limitations governing the prosecution of war crimes, or to amend the present statute of limitations to allow a period of time sufficient for the prosecution of those responsible for the horrors of the Holocaust; and

(2) directs the Clerk of the House of Representatives to send a copy of this resolution to the Ambassador of the Federal Republic of Germany to the United States for transmittal to his government.

Mr. Speaker, it is particularly ironic that the West German statute is expiring at a time when worldwide efforts to locate and bring to justice those who participated in the Holocaust have been intensified. Our own government is finally moving aggressively against suspected war criminals living in the United States, and a special litigation unit was established in the Justice Department in August 1977 to direct investigations and prosecutions—a step I originally recommended in 1974. Last year the Congress passed and the President signed into law my bill to bar war criminals from entering the United States and to authorize the deportation of those who are living here now. Other countries are stepping up their efforts as well. The August 28, 1978 issue of the German magazine Der Spiegel reported, for example, that in the last 2 years Poland has gathered sufficient incriminating evidence to indict 170 individuals.

The failure of the German Government to act on the statute of limitations would undoubtedly serve both to diminish these recent worldwide efforts and make useless much of the newly discovered evidence—which may involve individuals against whom proceedings have not been instituted by the December 31 deadline. The Washington Post, in fact, recently reported that the showing of the television program "Holocaust" in West Germany, has resulted in a flood of new allegations against undetected war criminals in West Germany itself. And there have even been allegations that some valuable information is now being intentionally withheld, particularly by Communist countries, to be used to embarrass the West German Government once the statute has expired.

West Germany has twice before—in 1965 and 1969—extended its statute of limitations governing war crimes, apparently recognizing its special obligation to assure that all those who participated in the Holocaust are brought to justice. But according to Der Spiegel, there is a growing reluctance among leaders of all four Bundestag parties to extend the statute of limitations again. For this reason it is vital that the West German leadership be made aware that the world community is watching its response. Several countries, notably Poland and Israel, have already expressed their strong views that the statute should be extended once more or abolished entirely. The United States should add its voice to this call for justice.

Mr. Speaker, the resolution we are introducing today reflects the work of numerous organizations, particularly the American Jewish Congress, the American Jewish Committee, B'nai B'rith, the Harvard Jewish Law Students Association and the Simon Wiesenthal Center for Holocaust Studies, and incorporates several suggestions made by officials at the State Department. It deserves wholehearted support and prompt passage. I urge my colleagues who have not yet joined as cosponsors to do so.

● Mr. BINGHAM. Mr. Speaker, I am pleased to join Representatives Holtzman and Fish in cosponsorship of a resolution urging the West German Government to extend the statute of limitatations governing the prosecution of Nazi war criminals. I have also written Chancellor Helmut Schmidt expressing my strong feelings on this matter.

I do not believe that any statute of limitations should apply to Nazi war criminals. During the Second World War this Nation, alone and in concert with our allies, vowed that the practitioners of genocide would not go unpunished. At the 1943 Moscow Conference we pledged that we "will pursue them to the uttermost ends of the earth and will deliver them to their accusers." At Nuremberg, after the war, the victors put all Nazi criminals on notice that they would not escape justice and the judgment of humanity. How unseemly to speak of a statute of limitations in connection with the slaughter of 18 million men, women, and children. The prosecution of Nazi war criminals should only cease on the day that the last perpetrator of genocide is brought to justice.

I commend Representatives Holtzman and Fish for their sponsorship of this resolution. I am also pleased to note that Representative Holtzman's bill, which will expedite the removal of Nazi war criminals from these shores, is now public law. Her leadership in this area is well recognized. My letter to Helmut Schmidt on this matter follows:

U.S. House of Representatives,
Washington, D.C., February 8, 1979.

Chancellor Helmut Schmidt,
Bundeskanzlerant,
Federal Republic of Germany.

Dear Chancellor Schmidt: I am writing to express my strong belief that the statute of limitations governing Nazi war crimes should not be permitted to expire. As you know, it was the intention of the Allied powers as enunciated at Nuremberg in 1945 and before, that those responsible for the Nazi genocide should not escape prosecution. During the Moscow Conference of October, 1943 the Allies vowed that they would pursue war criminals "to the uttermost ends of the earth." It is, I believe, the moral obligation of he Federal Republic to fulfill that pledge.

I do not believe that any statute of limitations should apply to Nazi war criminals. The murders of six million Jews and millions of others cannot be dealt with as if they were simple cases of manslaughter, and prosecutions must not cease until every surviving killer is brought to trial. There is no statute of limitations for the survivors of the Holocaust who must live every day with their memories of unspeakable horrors and with the loss of relatives, gone forever. There is no statute of limitations for the Jewish people which will forever bear the scars of one-third of its number, gone forever. There is no statute of limitations that governs pain and indescribable grief.

Mr. Chancellor, I urge that the Federal Republic continue its prosecution of Nazi war criminals. No arbitrary statute of limitations should stand in the way of the justice we all seek.

Sincerely,

Jonathan B. Bingham.●

Mr. BUCHANAN. Mr. Speaker, I am joining today in the introduction of the resolution by the gentlelady from New York (Ms. Holzman).

In my judgment, it is particularly appropriate that we act at this time to urge the Federal Republic of Germany to abolish or at least extend the statute of limitations on war crimes.

Within the last several weeks the televised dramatization "Holocaust" was screened in Germany and its showing resulted in numerous calls to those investigating the war crimes with new information and leads.

Our own Government has intensified its efforts in this regard.

But the statute of limitations in West Germany will prevent the prosecution of individuals for war crimes after December 31 of this year.

These are crimes against humanity, Mr. Speaker, and as such should have no statute of limitation.

The German people have acted twice in the past to extend the statute and it is my sincere hope that they will do so again.

The horror and tragedy of the wanton slaughter of millions of innocent people lives with us still. Those who were responsible ought not escape punishment. Time cannot diminish the horror of their crimes and time should not be permitted to erase their legal guilt.

It is my hope, Mr. Speaker, that we will move on this resolution and express our suport to the Government of the Federal Republic of Germany for repeal or extension of the statute of limitations on war crimes.

● Mr. LONG of Maryland. Mr. Speaker, the West German statute of limitations on the prosecution of Nazi war criminals will expire on December 31, allowing the foulest criminals in the history of mankind to escape punishment for the systematic extermination of more than 6 million men, women, children, and babies.

An estimated 150,000 were responsible for these atrocities. Some have been tried and convicted in West Germany, Israel, and other countries. Others are awaiting sentencing or are under investigation. But more than 100,000 murderers remain at large throughout the world.

It is inconceivable that those responsible for such inhumanity should escape not only punishment but even further fear of punishment. Most countries do not apply a statute of limitations to murder cases. It is morally wrong for Germany to apply this limitation to Nazi war crimes.

I wholeheartedly support the resolution introduced by my colleagues, Representatives HOLTZMAN and FISH, to express the sense of the House that the Government of West Germany should abolish its statute of limitations governing the prosecution of war crimes.●

GENERAL LEAVE

Ms. HOLTZMAN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks on the subject of the resolution I am introducing today with the gentleman from New York (Mr. FISH).

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

ABOLISHING WEST GERMANY'S STATUTE OF LIMITATIONS ON NAZI WAR CRIMES

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FISH. Mr. Speaker, with a personal moral committment, I join my colleague from New York (Ms. HOLTZMAN) in the introduction of a House resolution expressing the sense of the House that Government of West Germany should abolish or extend its statute of limitations governing the prosecution for war crimes, due to expire on December 31, 1979.

Some claim the introduction of this resolution results in meddling in the internal affairs of West Germany. I do not see it as such. Rather, I believe this resolution calling for the extension or abolishment of the statute of limitations is a continuation of the world community's obligation, recognized by the Allies after World War II, to bring to justice those who committed crimes—not only against the Jewish community in Europe, but against all mankind.

The possible expiration of the statute of limitations at this time would be most tragic. I draw this conclusion from the fact that there has been an intensification of the efforts to bring these criminals to trial.

I am sure my colleagues in the House would be interested to know that there is a growing sentiment in West Germany to aid in the apprehension of Nazi war criminals. Newsweek, a national news weekly magazine, recently published an article which stated—and I quote:

> Simon Wiesenthal, the dogged Austrian who tracks down Nazi War Criminals has been deluged with tips from West Germany in the past two weeks. The new information comes mostly from TV viewers reacting to a West German screening of "Holocaust," NBC's mini-series about Nazi persecution of Jews. "They felt moved to do something," Wiesenthal says of his informants. "They can't keep silent now."

I hope that the House will expedite its consideration of this important House resolution.

FCC THREAT TO GRAND OLE OPRY

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BONER of Tennessee. Mr. Speaker, on January 22, 1979, the Federal Communications Commission which was created in 1934 to regulate interstate and foreign communications by wire and radio, issued regulations designed to severely cut back to within 100 miles broadcast signals of radio station WSM in Nashville. WSM broadcasts the Grand Ole Opry performances to a nationwide audience and is currently classified as an A-1 station entitled to a clear channel frequency, meaning no other station in the country is allowed to use the same frequency. The FCC proposes to curtail the signals of clear channel stations like WSM to give other stations around the country a chance to broadcast on those frequencies. The impact of such a curtailment on 25 stations including WSM, the Grand Ole Opry, and the country music industry as a whole could be devastating.

I rise today, Mr. Speaker, to introduce legislation designed to amend the Communications Act of 1934 which provides the basic legislative and legal authority for the Federal Communications Commission to promulgate regulations in this area. My legislation simply prohibits the FCC from adopting rules relating to clear channel broadcasting. I feel the proposal to limit the clear channel broadcast range of the existing 25 class A-1 stations to make room for additional local AM stations, is arbitrary, capricious, and beyond the normal regulatory activities of the Federal bureaucracy.

The legislation which I will introduce today seeks to redress this discriminatory Federal regulation and simply provides congressional input and direction into an area that a Federal Government has sought to involve itself. The issue here is not just WSM in Nashville, Tenn. It affects radio stations across the Nation, such as KFI in Los Angeles, Calif., WNBC and WABC, New York, WSB in Atlanta, Ga., WJR in Detroit, Mich., WBAP in Fort Worth, Tex., WHAS in Louisville, Ky., WLS in Chicago, Ill., WHAM in Rochester, N.Y. Today I have issued an invitation for the entire House of Representatives to stand up as one and cosponsor and support this piece of legislation designed to correct the FCC's overregulatory activities.

The Grand Ole Opry began on November 28, 1925, and today, over half a century later, it is the oldest continuous radio program in the United States of America and has never missed weekly broadcast in all these years. The colorful opry cast has grown to over 200 singers, musicians, dancers, comedians and is regularly heard throughout much of the United States, Canada, and overseas. Over 906,934 faithful listeners saw the Grand Ole Opry in 1978 and I understand that an additional 7 to 8 million people across this land see the opry stars as they visit local areas throughout the United States.

Opry fans annually travel an average of 470 miles, one way, to see the performance at the Grand Ole Opry House with a seating capacity of over 4,400. Over 50 percent of the Opry's annual ticket sales are generated in the States of Ohio, Illinois, Indiana, and Michigan. This is not purely regional or a State of Tennessee problem, it is an effort to cut out a vital part of America's music and national tradition. Nashville citizens employed by recording studios, record press plants, talent agencies, trade papers, recording companies and performing rights organizations are a few of the country music industries that are directly affected by the Grand Ole Opry.

This past year, the country music industry in Nashville generated over $1 billion in business and I am proud to say that the Grand Ole Opry is a vital part of this Country Music tradition. I think Judge George D. Hay, an announcer summed it up well when he said:

> The Grand Ole Opry is as simple as sunshine. It has an universal appeal because it is built upon goodwill and with folk music expresses the heartbeat of a large percentage of Americans who labor for a living.

I understand that an organization has been formed in Nashville, Tenn., called Friends of the Grand Ole Opry which has already begun a nationwide campaign to save the listening audiences of this great American tradition. I shall make every effort to generate support for passage of my legislation, both in the Subcommittee on Communications, House Interstate and Foreign Commerce Committee and on the floor of the Congress and shall urge all friends of the Grand Ole Opry to join with me in fighting these Federal Communications Commission regulations.

Every interested person is urged to write to the Federal Communications Commission, FCC Reference Room, 1919

M Street NW., Washington, D.C. 20554 before the April 9 comment period ends.

In addition, I urge all Members and readers of the CONGRESSIONAL RECORD to support the provisions of the bill that I have introduced today as well as any efforts to retain the Grand Ole Opry as a way of life for its large and dedicated listening audience.

A copy of my legislation reads as follows:

H.R. 1913

A bill to amend the Communications Act of 1934 to prohibit the Federal Communications Commission from prescribing rules which would permit duplication of radio broadcasting station assignments on Class I-A clear channels, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part I of title III of the Communications Act of 1934 is amended by adding at the end thereof the following new section:

"CLEAR CHANNEL BROADCASTING STATION ASSIGNMENTS

"SEC. 332. Notwithstanding any other provision of this Act or any other provision of law, the Commission shall not have any authority to prescribe or administer any rule which would—

"(1) authorize or otherwise permit or allow the amount of duplication of radio broadcasting station assignments on Class I-A clear channels to be increased to an amount greater than the amount of such duplication which is authorized under rules of the Commission in effect on February 1, 1979; or

"(2) rescind, repeal, or limit the application of the provisions of section 1.569 of title 47, Code of Federal Regulations, as in effect on February 1, 1979, which prohibit any interference or overlap with Class I-A radio broadcasting stations which operate on unduplicated Class I-A clear channels.".

CONSTITUTIONAL AMENDMENT TO REQUIRE A BALANCED FEDERAL BUDGET

(Mr. RODINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RODINO. Mr. Speaker, a new political wave has been sweeping across America, and it is beginning to break over Washington. It carries urgent pleas for consideration of a constitutional amendment requiring a balanced Federal budget.

We must deal with it. Most important, we must consider the depths of the wave as well as its spectacular surface. We must look beyond its immediate contours and try to foresee its impact—and the consequences of any action we might take in Congress.

I am certain of one characteristic of this movement for a balanced budget: It holds immeasurable implications for the future and uncharted dimensions related to the way in which our Government operates. On this issue, we face a great unknown.

Since last summer, staff members of the House Judiciary Committee and I have devoted considerable study, thought, and discussion to the many proposals advanced and the many resolutions introduced, which differ in detail but all of which call for a constitutional amendment.

I wish to announce that the House Committee on the Judiciary will conduct hearings centered on the basic proposal to amend the Constitution to require a balanced Federal budget each year.

We will prepare for the hearings calmly, carefully, and thoroughly. We will conduct the hearings with a full awareness of the gravity of any action to amend the Constitution of the United States.

We will take the time necessary to assure, in advance, that the hearings will be deliberate, fair, and comprehensive. The hearings will require diligent work and deep thought.

The imperative need is to study, to inquire, to deliberate on the vast implications of this issue—not to decide or rule now, on superficial grounds or capricious political considerations.

No matter how many resolutions are introduced—and more than 50 have been introduced in the House so far in this session—and no matter how many influences are exerted, I will urge that the Judiciary Committee remain an island of reason on this issue.

A constitutional amendment requiring a balanced budget may, ultimately, be a correct action. But I share the spirit of caution in these words, spoken by Abraham Lincoln in 1848, when he was a Member of Congress:

> I wish now to submit a few remarks on the general proposition of amending the Constitution. As a general rule, I think we would much better let it alone. No slight occasion should tempt us to touch it. Better not take the first step, which may lead to a habit of altering it. Better, rather, habituate ourselves to think of it as unalterable. It can scarcely be made better than it is.

Many, many questions will have to be answered before we can act on the proposals to amend the Constitution to require a balanced budget. The Judiciary Committee will examine each question dispassionately.

I have already considered some of the fundamental questions related to this issue, and I do not yet know the answers. I doubt that anyone does.

Would a constitutional amendment requiring a balanced budget work?

Would it be enforceable?

How would the suggested major exception to the requirement—"a national emergency"—be defined?

Is it wise to eliminate the discretion of elected representatives on budget and fiscal matters and replace it with an inflexible rule?

What would be the effects of a Constitutional amendment requiring a balanced budget on inflation? On unemployment? On the Government's ability to engage fiscal policy to prevent recession?

Behind the opinion polls and the press headlines, what do the people of the United States really want? A balanced budget? Reduced government spending? Reduced taxes? Reduced Government services? Reduced inflation rate? All of those or some of them or none of them?

Does the purpose of the people on this require the severe step of amending the Constitution, or are there alternative actions possible?

What would a budget-balancing amendment do to the ability of Congress to perform its responsibilities within our system of representative democracy?

Would an amendment of this type preserve the integrity of the Constitution of the United States, which has served and guided us so magnificently throughout our history?

I will continue to devote study and thought to these and other questions.

The House Judiciary Committee and its staff will prepare as fully as possible for hearings to examine these and many more questions.

Those hearings will, I am confident, provide the basis for calm, logical, informed, and wise judgments.

☐ 1115

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I am delighted that Representative PETER W. RODINO, the distinguished chairman of the Judiciary Committee, on which I serve as the ranking member, is announcing a firm intention to hold hearings on the proposal to amend the Constitution to require a balanced Federal budget.

In so doing, the chairman is responding to a groundswell of public opinion sweeping the country, a tide which is manifest in resolutions thus far received from 25 States asking for action on the balanced budget issue—with more such resolutions certain to come.

In my judgment, a constitutional convention may well not be the best way to proceed, and, therefore, the chairman's promise of congressional action is doubly welcome for providing a means by which the task of amending the Constitution can be dealt with in a more careful and orderly manner.

Behind the scenes, the Judiciary Committee has, in fact, been moving ahead on this issue for some time on a bipartisan basis. Last August, a Committee request for an analysis of the balanced budget concept was made to the Library of Congress. A study by the Public Interest Economics Foundation was commissioned by the committee last fall on the economic issues raised by proposed constitutional amendments to require a balanced budget. Numerous discussions have been held, generally on a bipartisan basis, with experts on the issue from the Brookings Institution, the American Enterprise Institute, the Hoover Institution, the Library of Congress and others.

The responsible course for the Judiciary Committee, which Chairman RODINO's statement gives promise will be followed, will be to schedule early briefing sessions for Members and staff and to follow them up promptly with comprehensive hearings. I am gratified to be able to report that a number of the economists and others with whom we have been meeting have offered the assistance of their organizations in both the briefing and hearing stages of our committee's consideration of the proposed amendment. I am not taking any position as to what form an amendment should take, but I have concluded on the basis of my examination thus far that a constitutional amendment offers the best means of imposing the necessary fiscal discipline on the Executive and the Congress.

Again, I welcome Chairman RODINO's statement and I can assure him of the solid interest and enthusiastic cooperation of the Republican Members on his committee for early hearings—and resolution of this all-important national issue.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, can the distinguished gentleman tell us how soon this might be; is it within the next month?

Mr. RODINO. Without attempting to avoid giving the gentleman a positive response, I might say that because the issue is one of infinite complexity with enormous consequences, I believe we have got to prepare with great care to assure that the hearings will be the kind of hearings that the gentleman and others who are concerned and the American people will require of us.

For this reason, I cannot say at this time precisely when the hearings will take place. I want to assure the gentleman that we will not delay. We will proceed posthaste immediately upon having prepared for this.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield further, the gentleman probably thinks it would be within the next 2 or 3 months?

Mr. RODINO. I have every reason to believe the gentleman's statement is reasonably accurate.

THE INTRODUCTION OF THE BIENNIAL BUDGETING ACT

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PANETTA. Mr. Speaker, today I am reintroducing the Biennial Budgeting Act, a bill I sponsored in the 95th Congress which would switch Congress over to a 2-year budget timetable, in place of our present annual system.

Let me say as a newly elected member of the House Budget Committee that I deeply admire and support the work of the committee. Under our present 1-year system, the crush of work that faces the committee in attempting to responsibly prepare and report out a budget resolution covering more than $500 billion worth of Federal programs is staggering. The committee, under the leadership of the gentleman from Connecticut (Mr. GIAIMO), has in fact been the cutting edge of fiscal restraint in the House.

There can be no doubt that the basic guiding principles of the budget system do work. In the last year, for example, the committee was able to reduce the projected fiscal year 1979 deficit by billions of dollars in the second budget resolution, merely through closer oversight and scrutiny of economic and budgetary fluctuations during the year. The committee and the process met the test: more oversight does and did lead to better control over the size of the budget.

It is with that observation in mind that I propose the Biennial Budgeting Act, which will give Congress a full 6 months of oversight, as well as another 6 months for hearings and markup of specific legislative proposals, before the budget resolution and specific bills actually come before the full House. It is my firm belief that this additional time will greatly help us get a handle on the hundreds of Federal programs and agencies and enable us to begin building a more effective, long-term budgeting system.

I believe that the central thrust of our future budgeting schemes must be around long-range planning. Long-range planning is basic to every good budget system and the Federal Government should be no exception. For example, when a family plans its budget, it allows money each year for relatively fixed costs or easily estimable costs, such as housing, food, clothing, transportation, and then considers on top of that fixed figure what extras or emergencies it should budget for. If the same family used the system we use, it would compute these costs each year as though they were entirely new and unexpected costs, and then recompute the extras, instead of focusing on the "discretionary" costs that it has some real control over. Clearly, such a system would not give a family a proper focus on its budget or on where it hoped to be in a few years. The problem is bogging down each year on relatively unvarying costs and losing perspective on the overall fiscal status.

This is just what we do in Congress. Instead of looking at the long-range costs of a given program, for example, and how those costs fit into our budget plans for the future, we look at the 1-year costs. For new programs, these costs are usually very low at first, giving a distorted picture of their overall impact on the budget in coming years. Of course, once the program is started and costs rise steeply, we are told we must continue with the program, despite its budgetary impacts, because we have already invested a certain sum of money in the program. This is a never-ending cycle.

Obviously, there are unpredictable factors in the budget process that cannot be accurately forecast far in advance. The rate of inflation, the unemployment level, and other key economic indicators fluctuate almost daily and clearly, these factors must be taken into account. However, a great number of budget items do not reflect these economic changes and can be budgeted far in advance.

In addition, even for programs that are sensitive to economic indicators, we can set goals and targets for future years, with built-in allowances for economic contingencies. For example, we can decide a year in advance where we want to be in terms of eligibility standards for certain entitlement programs and incorporate those budgetary impacts in our long-term planning.

In addition, with the increasing popularity of full funding of many large-scale projects, such as weapons systems or water projects, we need to see the impact of yearly payouts for those projects on our budget outlays. For example, it is my understanding that the Congressional Budget Office has determined that the 3-percent real growth contained in the defense function of the President's proposed budget is accounted for by "spinouts" from prior-year authorizations for weapons systems. At the same time, there are some $75 billion in the pipeline of appropriated but unspent defense funds that will show up in coming-year budgets, thus distorting those budgets. Without some kind of long-term budgeting, we face this problem over and over again each year, as though we were encountering it for the first time.

Unless we begin soon to deal in multiyear terms, we are in great danger of losing what control we do have over future budgets. As CBO points out in its 5-year budget projections report to the Congress:

> The Congress has wide discretion over spending that will occur in later years—fiscal year 1982, for instance—but under the present scheme it will adopt no 1982 targets until 1981, by which time its choices will be narrowly circumscribed. In the absence of multi-year budget targets, the short-term consequences of legislative actions tend to overwhelm the longer range considerations.

Fortunately, there are some indications that many involved in the budget process are beginning to recognize the need for longer term planning. Over the objections of many in his administration, the President has imposed a new budgeting system on the bureaucracy that requires 2 year planning beyond the fiscal year for which the formal budget is presented.

In addition, the Senate Budget Committee voted on multi-year targets in its fiscal year 1979 budget consideration. Pursuant to its responsibility under the 1974 Budget Act, the Congressional Budget Office has for several years now been presenting Congress with 5-year budget projections, along with various alternative budgetary scenarios that the Congress might pursue to achieve specified fiscal goals. It is my hope that the House Budget Committee will this year participate in this kind of long-range planning process.

At this point, however, these activities are merely on the plannng level. While we do need to begin gaining experience with long-range budgeting, I believe that, ultimately, the Congress must commit itself to longer term budgets. Without this kind of commitment, it becomes easy for Congress to violate its own budget goals for future years by authorizing seemingly small programs that, taken together, can have major impacts on future year budgets.

This lack of discipline, particularly over future year budgets, is precisely the essence of the problem that faces the Budget Committees each year. We must address it on longer-term bases or we are in danger of winning the battle for fiscal restraint each year and losing the war in future years, as greater and greater proportions of our budgets become "uncontrollable," because of huge, out-year authorizations in prior years that were never accounted for in the budget process.

A biennial budget system, built around 2-year life of each Congress, offers an ideal way to begin committing ourselves to such fiscal discipline and to begin planning for where we want to be in coming years. Besides improving our budgeting and planning capabilities, such a system would allow us sufficient time to examine programs and find areas within current year budgets where responsible cuts and reductions can be made. These reductions, in addition to reasonable controls that we will be able to place on future year budgets, will without doubt return us quickly to sound, effective, and responsible budget-making that will lead our Nation back to economic health.

PRESIDENT CARTER'S FOREIGN POLICY—ROSES FOR THE ENEMY, AND THORNS FOR OUR FRIENDS

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, Communist China's Vice Premier Teng Hsiao-Ping brought everyone's attention to the word "hegemony" during his U.S. visit.

Until recently, our Government leaders had always vigorously opposed Communist "hegemony"—attempts by Soviet Russia, Communist China, and their client regimes to impose totalitarian domination through subversion, force, and violence.

But "hegemony" is Teng's codeword against specifically Soviet totalitarianism.

And since President Carter will not upset the Soviets by publicly criticizing anything Moscow does, he insisted on also adding the redundant word "domination," supposedly to soften the joint statement with Teng at the conclusion of his visit.

This whole episode again demonstrates the President's apparent eagerness to appease Communist powers at all turns, while he is unashamed to kick in the teeth and humiliate long-standing U.S. friends such as Taiwan.

I would like to include at this point in the RECORD a good editorial on this subject from the Phoenix Gazette:

[From The Phoenix Gazette, Feb. 5, 1979]

TOO DOMINATING

A word that sounds almost as foreign to the American ear as Teng Hsiao-ping has become prominent in the news as a result of the Chinese vice premier's visit to the United States.

HEGEMONY—Preponderant influence or authority (as of a government or state): Leadership, dominance. A government or state possessing hegemony. *Webster's Third New International Dictionary*.

This is the Communist Chinese code word for Soviet Union world aggression.

Teng's hosts in America were rather hoping that he would shun use of this term. U.S. officials trying to establish relations with Peking at the same time that they were trying to conclude a strategic arms limitation treaty with Moscow, didn't want Teng saying anything to upset a delicate diplomatic balancing act.

As for Teng, he obviously could care less. He was anything but hesitant about applying the word hegemony to China's Red rivals. And, not only did he get away with it, but he had his Washington hosts joining him.

When Teng began his visit last Monday, Secretary of State Cyrus Vance said no joint communique would be issued. By Thursday, after Teng had "hegemonized" all over the place, President Carter joined Teng in issuing a press communique that, among other things stated: "They reaffirm that they are opposed to efforts by any country or group of countries to establish hegemony or domination over others . . ."

Chalk up another complete capitulation on Carter's part. Since it is synonymous with hegemony, domination would have sufficed in the communique. But no, Carter had to let Teng have his way.

If and when SALT II is concluded and President Brezhnev visits the U.S., we suppose Carter will give him a chance to respond to Teng in kind. This is called even-handed diplomacy.

☐ 1120

TEACHER'S DAY USA RESOLUTION

(Mr. SEBELIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEBELIUS. Mr. Speaker, today I am introducing a resolution to honor and recognize our Nation's teachers by designating the first Friday of March of each year as "Teacher Day, USA."

We have all, I am sure, had a teacher who had a strong influence on our lives in one way or another. A teacher whose dedication and hard work enriched our classroom experiences and our lives far beyond those few years spent in school. By designating a special day to honor our teachers we have the opportunity of paying high tribute to that individual teacher.

Teachers Day could be a day when students at all grade levels would be encouraged to pay tribute to individual teachers through a kind note or word or in many other appropriate ways. Former students may wish to communicate their appreciation to the teacher whom they felt was a strong influence in their lives.

The Teacher Day, USA concept initiated by the Kansas Teachers Hall of Fame has received a tremendous response from the State conventions to the PTA, the Kansas State Legislature, the Retired Teachers Organization, the Kansas-National Education Association and many other groups. I urge my colleagues to support this resolution recognizing the efforts of teachers throughout our Nation.

RESOLUTION ON "LEGISLATIVE AGENDA"

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SHUSTER. Mr. Speaker, it is my honor as chairman of the Republican Policy Committee to report to this House that in its organizational meeting the policy committee unanimously adopted the following resolution:

Whereas, after more than forty years of Democrat domination of Congress, the Democrats and their leadership stand indicted before the American people and before history for inflicting upon the American people the ravages of inflation, the burdens of massive taxation, and the heavy hand of excessive regulation: Now, therefore, be it

Resolved, That the Republican Policy Committee of the U.S. House of Representatives hereby reaffirm the "Legislative Agenda of a Republican House" which was adopted by the Policy Committee of the 95th Congress, as the foundation upon which Republican policy shall be built during this, the 96th Congress.

Mr. Speaker, that Republican agenda calls for permanent tax cuts, for economic growth, for the elimination of excessive regulation, and for a reduction in Government spending. The agenda calls for a balanced budget and a significantly lower tax burden of only 18.6 percent of GNP.

Where do the Democrats and their leaders stand on these issues? The American people have the right to know that Republicans embrace these principles because we believe in them, and not as some political expedient. We urge the American people to measure the performance of their Congressmen not based on rosy rhetoric, but rather on the reality of their voting records in the months ahead.

DO COLLEGE STUDENTS HAVE SENSE?

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COLLINS of Texas. Mr. Speaker, many times when you have visited a college campus, you wonder do college students have any sense. They use five syllable words to confuse you. They will quote Shakespeare. They can amaze you with a mathematical computation. But when it comes to logic and commonsense, they often appear to be completely minus.

I read an interesting article by a young lady named Heather Richardson who is in the class of 1981 at Wellesley College.

My wife showed me this article which appeared in a recent copy of the Wellesley newspaper. This young Wellesley sophomore impressed me with her logical mind. Read some of the key paragraphs of her outspoken statement.

YOU CAN'T BASE FOREIGN POLICY ON MORALITY ALONE

(By Heather Richardson, '81)

A fair assumption is that students do mull over politics, and occasionally include in their thoughts the rather broad topic of foreign policy.

Divestment, of course, has been the predominant issue on campus. Except for the Nestlé Boycott and its infrequent appearances, it seems in fact to be the only international issue of concern. The argument most often given to support divestment is that of morality: it is morally wrong for us to do business with an "oppressive regime." Pragmatists tend to be looked on with scorn, as are those favoring a more tentative course of action. Morality is a definite goal, one which should be reached, apparently, with all the immediacy and public display possible.

The first is one of moral consistency. By their very nature, morals derive their value from continuous application, not just from application wherever they may profitably flourish. Selective morality is no morality at all. If we take the position that our brand of morality is the correct version (quite a presumption in and of itself) and that we should in essence force it on those with whom we deal, then that standard should be uniformly applied.

The individual who can condemn South Africa and not chastise the Organization of African Unity (OAU), is highly subject to a questioning of his "moral" motive. For of the forty-nine member states, only four have anything resembling democratic institutions, the rest being either one-party states or military dictatorships. Furthermore, the president of the OAU is Idi Amin, that compassionate individual who praised Hitler for his treatment of the Jews and, in his own racist fashion, expelled Asians from Uganda and did his best to eliminate all the leading families of the Acholi and Langi ethnic groups. It would be remiss of those protesting Biko's death in a South African prison not to decry the murder of Ijegayehu Asfa-Woosen, the late Emperor Haile Selassie's daughter, who died under almost identical conditions in a prison hospital in Ethiopia last year. To ignore countries which commit even greater crimes, such as Cambodia—three million liquidated at latest count—indicates a heavily weighted double standard.

The second question the individual who protests on moral grounds must ask himself concerns whether or not the *result* of his advocated action would be moral. The road to you-know-where is paved with good intentions. Is advocacy of the annihilation of any tribe, even a white one, moral? Even more, is it wise?

And if you compound their grievances and worsen your own circumstances, economically, politically, and strategically, can you claim the tenuous self-congratulatory satisfaction you received from that protest as sufficient reason?

Certainly I don't pretend to advocate apartheid. Yet I don't condone hypocrisy, the double standard, either. Shouldn't the proponent of human rights go after the worst culprits first, however, as opposed to being swayed by the media?

Interestingly, a survey of the New York Times, The Washington Post, NBC, CBS, and ABC, in 1976 revealed that they discussed human rights in Cambodia 137 times, in South Korea ninety times, while in North Korea once, and in Cuba seven times. In those two newspapers alone, however, there were 513 stories, editorials and columns about human rights in South Africa. It seems, then, that those countries friendly to the United States, which allow our reporters to talk with whomever they please, are rewarded with incessant criticism.

The real world is full of countries that cannot match our expectations. Are we so perfect ourselves as to demand perfection from our friends, particularly when we overlook the shortcomings of our foes?

HONORING THE OUTSTANDING WOMEN OF CENTRAL NEW YORK

(Mr. LEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LEE. Mr. Speaker, it is a tradition of over 30 years' standing—dating back to 1949—for the Syracuse Post-Standard to annually honor central New York's most outstanding women in community service. Since 1953, the Post-Standard has been joined in this public recognition of a select list of women of achievement by the Syracuse Federation of Women's Clubs.

Designation of each year's recipients is made on January 1, followed within a few weeks by a gala luncheon at which the citations and awards are presented—an event which takes place in Syracuse today.

I am privileged to share with you the pride those of us who are part of the central New York community have in the special leadership accomplishments of each of the women of achievement, circle of 1978:

Mildred A. Eggers, all time; Annetta Kaplan, the arts; Hon. Mathilde Bersani, career; Joyce Tabb, communications; Letty Murray, cultural development; Dr. Ruth Stoner, health; Lynn Mehar, Arcenia London, education; mental health; Dr. Sarah Short, nutrition; Gladys Wood, religion; Elizabeth Higbee, communications.

Each of them, along with the guiding spirits behind their public tribute—J. Leonard Gorman, executive editor, and Lois Vosburgh, family living editor of the Post-Standard—have richly earned the salute being given them today.

□ 1125

CHINESE HAVE LOT OF EXPERIENCE IN ORGANIZING SOCIETY

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, I know it will come as a shock to many Members, but I do read the Washington Post. Quite often I glean something educational, interesting, and otherwise beneficial.

I want to call the attention of the Members to the Washington Post of Thursday, February 1, 1979. As a follow-up to the visit of the leader of the Government of the People's Republic of China it had an article on John K. Fairbank, and here is what Mr. Fairbank said:

> "I think the two countries have a lot to offer each other," he says. "We're learning from them in many forms—cuisine for one. And the Chinese have had a lot of experience in organizing society."

Mr. Speaker, I guess that would somewhat be an understatement of the year. I would say they have had a lot of experience organizing society. They have one of the most repressive societies in the world, as indicated by Freedom House and Amnesty International. I have not looked at the Guiness Book of Records. They also hold the record for the extermination of the most people, the record being somewhat between 25 and 50 million, according to the statistics.

So, indeed, they have had a lot of experience in organizing society.

STRONG TIES WITH TAIWAN SHOULD BE ESTABLISHED BY CONGRESS

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, today I am introducing a resolution urging the United States to assure our friends on Taiwan that they have not been abandoned and that it is the intention of the United States to continue on a normal basis our political, economic, cultural, social, and trade relations with their country.

Mr. Speaker, for more than three decades we have shared a close, friendly relationship with these proud people. We cannot at this time turn our backs on one of our most faithful allies. We must continue to offer to the people of Taiwan our assistance in defending their country and assuring that they remain a free people.

Mr. Speaker, last week I, along with the majority of the Members of this body, had an occasion to meet with Vice Premier Teng Hsiao-Ping of the People's Republic of China; and, although I feel it is time for our two great nations to resume normal relations, I do not feel we can do this without first being assured of a secure future for Taiwan.

One of the biggest roadblocks to accomplishing this goal appears to be resolving the question of whether Americans may deal directly with officials and private individuals in Taiwan or only through the official sanction of the Communist People's Republic of China.

Mr. Speaker, I urge the other Members of this body to join me by cosponsoring this legislation which would give our pledge of continued support of political, economic, cultural, social, and trade relations with this great and friendly nation.

THE BEGINNING FARMER'S ENTRY ASSISTANCE ACT

(Mr. DASCHLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DASCHLE. Mr. Speaker, as a lifelong resident of a rural State, South Dakota, I have been a witness to the decline of the family farm and the growing frustrations of young men who without the benefits of inheritance or substantial financial reserves, find it impossible to enter farming on a full-time basis.

The trend in farming today is to larger operations with fewer operators. Since 1954 the number of farms across the United States has decreased from 5.4 to 2.7 million. In my home State of South Dakota, between 500 and 1,000 farmers leave farming annually. Today farmers comprise barely 3½ percent of the total American population.

This is a trend that is leading to large agribusiness corporate investments in farmland, both from domestic as well as foreign corporations. As a result of the speculative nature of these investments, the young family farmer gets priced right out of the market. This is proven by the startling statistic that nationally, farm real estate values have increased 263 percent alone over the period from 1967 to 1977. Again, in South Dakota, the value of farmland doubled between 1974 and 1978. Obviously it requires a massive capital investment to buy land alone, much less machinery, fertilizer and housing.

To me it seems criminal when a qualified individual is denied access to an occupation because he cannot make an initial investment. This is precisely what is happening today in the rural areas of our country. A 1973 USDA study shows capital needs for a technically optimum one-person farm to range from $158,000 for a Louisiana soybean farm to $610,000 for an Indiana corn farm.

Here again, inflation dramatizes the differences, in 1940 it cost $6,000 to start a farm and in 1969 it cost $85,000. In conjunction with the increasingly high break-even point of production it is little wonder that farming is no longer looked upon with enthusiasm as a lucrative business to get into.

Financing for family farming is nonexistent for those just beginning. Present loan authority for family farmers under the Farmers Home Administration is totally inadequate. FHA funding on the whole has never been sufficient to finance all eligible borrowers, much less comprehensive requests for one-half million dollars to start family farmers. Forty-three percent of present FHA loans are made for real estate purchases alone, indicating the partial nature of current funding programs.

More than anything else the inflationary nature of land values and production costs have created a negative atmosphere that allows corporate takeover of farmland which in turn has reduced the ability of young farmers to enter the market. As a result of this situation I am proud to join in sponsorship of the Beginning Farmer's Entry Assistance Act. This act, which accounts for State and regional control, seeks to establish a program within the Department of Agriculture that will provide financial assistance through a new loan program to individuals seeking to establish and operate full-time family farms.

The Secretary of Agriculture through the new program is authorized to guarantee up to 90 percent of the principal and interest on such a loan to those individuals who have met the approval of their appropriate State agency and are qualified under the specifications set forth in the act. Governors of the States seeking to participate in the program must submit an application, subject to the approval of the Secretary.

The act also contains provisions for full oversight capabilities and allows for amendments to the portion of the program administered by the State. Furthermore, existing loan agencies, namely the Farmers Home Administration, are expected to cooperate fully with the State agencies administering the program.

In concluding these remarks, Mr. Speaker, I feel that the Beginning Farmer's Entry Assistance Act will catalyze a resurgence of the family farm and reverse the trend to large corporate farms that is currently taking place. This revitalization of our farm areas and the communities that depend on a strong farm economy, will be of benefit to urban and rural dwellers, alike. Thank you.

CAMPAIGN CONTRIBUTIONS

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DANIELSON. Mr. Speaker, campaign contributions—which are acceptable and which are not—are the subject of frequent discussion among all of us. One aspect which has never been finally settled is whether a person can accept, that is, receive, an unsolicited campaign contribution in a Federal building.

Last year I asked the Select Committee on Ethics for an advisory opinion on the question of the receipt of unsolicited campaign contributions in Federal buildings. I am inserting a copy of the reply that I received from the committee since the information contained therein may be helpful to my colleagues in the future.

SELECT COMMITTEE ON ETHICS,
Washington, D.C., November 1978.

Hon. GEORGE DANIELSON,
Rayburn House Office Building,
Washington, D.C.

DEAR GEORGE: This is in reply to your letter of October 13, 1978, wherein you request an advisory opinion concerning the receipt of campaign contributions in federal buildings.

Specifically, you asked whether it is proper for a Member of Congress to receive a campaign contribution in a federal building when the contribution is offered as a spontaneous act of the donor and not in response to a solicitation by the Member or his agent. As you know, there is a statutory prohibition against the solicitation or receipt of campaign contributions in a federal building (18 U.S.C. 603). It is, of course, beyond the jurisdiction of this committee to render an advisory opinion on the application of this statute to the situation you describe, but the following discussion is provided on an informal basis for your information.

The views of the Department of Justice on the operation of 18 U.S.C. 603 and related statutes are contained in a letter from Patricia Wald, Assistant Attorney General of Legislative Affairs, to Senator Howard Cannon, Chairman of the Committee on Rules and Administration. That letter, dated October 21, 1977, sets forth the following views: ". . . we do not feel that a prosecutable violation of this section (603) results when political contributions are sent unsolicited to a Senator's office, provided the corpus of the donation is transmitted to the Member's political committee as soon as is feasible. On the other hand, violations of Section 603 would occur, in our view, . . . where political contributions are routinely accepted in . . . (a Member's office) and used for political purposes without transmission to a political committee."

In addition, the American Law Division of the Library of Congress has prepared an analysis of 18 U.S.C. 603 and related statutes governing political contributions. That report specifically addresses the question you raise as follows:

"It is not unusual, however, and is often unavoidable that unsolicited campaign contributions will be received through the mail, or a contribution by a supporter will be tendered in person, within a congressional office. When this situation occurs it has been advised that as a practical matter the congressional employee accept the contribution only as a transmittal for subsequent forwarding, as soon as possible, to appropriate campaign personnel outside of the congressional office for actual receipt and acknowledgement of the contribution. When contributions are offered in person within a congressional office, it has further been advised to suggest, when practical, that the contribution be tendered instead to the appropriate campaign committee. . ."

Based on the foregoing, it would appear that a prosecutable violation of 18 U.S.C. 603 would not result when a Member receives an unsolicited campaign contribution in the Capitol or the House office buildings and subsequently transmits the contribution directly to his campaign committee.

If you have any further questions on this matter, please contact the Select Committee staff on ext. 58461.

With best wishes,
Sincerely,
RICHARDSON PREYER,
Chairman.

DISABILITY INSURANCE AMENDMENTS OF 1979

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PICKLE. Mr. Speaker, last September 15 the Social Security Subcommittee of the House Ways and Means Committee approved a bill enacting substantial revisions in the social security disability program.

Today I am introducing a bill similar to that one for the purpose of providing a framework for discussions and action on this subject by the subcommittee this year. I am pleased that the Ways and Means Chairman AL ULLMAN, and the full and subcommittee ranking Republicans Congressman BARBER CONABLE and Congressman BILL ARCHER are joining me in this measure.

The committee has conducted substantial work in the disability field over the past several years and we hope to move rapidly to complete that work through this bill.

Actuarial work requested by the subcommittee indicates that the disability system is performing better than had been expected, and that fewer benefits are being awarded than was earlier projected.

However, an early analysis of that information indicates that the progress is at best fragile and may well prove illusory. In addition, the program has many aspects which have not worked equitably and which have worked as disincentives against people returning to work.

It is imperative I think that we move ahead to enact reforms in the disability area.

I think that many of the recent improvements came about because of the intense activity of the subcommittee in this field in recent years. That momentum must be continued.

Following is a brief discussion of the

bill as it is being introduced. While this version maintains the various reforms, proposals to liberalize benefits have been left out pending further study and discussion.

WORK INCENTIVES

One of the continuing problems in disability is the fact that the amount of benefits received by disability beneficiaries may constitute a substantial work disincentive. Decoupling legislation enacted in 1977 helped to some degree in this regard but many commentators think the disability benefit formula itself still creates a major problem.

Recent actuarial studies in both the public and private sector have indicated that high replacement rates (the ratio of benefits to previous earnings) have constituted a major disincentive to disabled people in attempting rehabilitation or generally returning to the work force. A recent analysis by the social security actuaries has indicated:

> The average replacement ratio of newly entitled disabled workers with median earnings and who have qualifying dependents increased from about 60 percent in 1967 to over 90 percent in 1976, an increase of about 50 percent. During this time the gross recovery rate decreased to only one-half of what it was in 1967. High benefits are a formidable incentive to maintain beneficiary status especially when the value of medicare and other benefits are considered. We believe that the incentive to return to permanent self-supporting work provided by the trial work period provisions has been largely negated by the prospect of losing the high benefits. ("Experience of Disabled-Worker Benefits Under OASDI, 1972–76", actuarial study No. 75, June 1978.)

John H. Miller, probably the most knowledgeable disability actuary in the private sector, points to the role of high replacement rates in recent adverse social security disability experience:

> The evidence is clear that liberal disability benefits induce both an increase in the number of cases approved and the prolongation of disability. From a social and humanistic point of view, we are presented with a dilemma, namely, how we can provide adequate benefits to those unfortunate individuals who become and remain truly disabled, without removing or greatly reducing the incentive to overcome the disability.

There is evidence that high replacement rates increase the incidence rates for private group long-term disability insurance policies. Private insurance plans with replacement rates in excess of 70 percent have disability incidence rates two-thirds higher than the average, and plans with replacement rates below 50 percent have incidence one-third below average. Because of this experience, private insurers generally attempt to limit disability benefits to 50 to 60 percent of gross earnings. In a speech in April in Chicago, Secretary Califano noted the following as one of the danger signs in the disability program:

> SOME BENEFICIARIES RECEIVE EXCESSIVE BENEFITS
>
> Six percent of last year's awards actually increased the disabled person's after-tax income. Almost one-fifth of awards produced earnings replacement rates of more than 80 percent.

The bill attempts to deal with these problems with a number of provisions designed to stimulate work incentives:

First. As to excessive replacement rates the bill would limit total DI family benefits to the smaller of 75 percent of a worker's average indexed monthly earnings (AIME) or 150 percent of the worker's benefits. No family benefit would be reduced below 100 percent of the worker's primary benefit.

Second. To further reduce the disparity in disability benefits between young and older workers, the bill would vary dropout years by age for disability awards after 1979. There would be no dropout years allowed for workers under age 28 and the number of years would gradually rise to 5 dropout years (which is existing law) for workers age 45 and over. However, if a worker provided principal care for a child under age 6 for more than 6 months in any calendar year, the number of dropout years would be increased by 1 for each year but to not more than 5.

Third. The bill extends the trial work period so that benefits would be paid regardless of earnings during the first 12 months of benefit status and then suspended during the next 12 months but benefit eligibility would not be terminated. The present trial work period of 9 months seems to be an insufficient work incentive for work attempts.

Fourth. The bill also provides trial work periods for disabled widows and widowers. There appears to be no justification for the lack of applicability for trial work to this category of beneficiaries.

Fifth. The bill eliminates two work disincentive provisions which relate to the medicare program:

(a) Medicare coverage would be extended for 24 months after a benefit termination for work after the trial work period;

(b) The medicare second waiting period would be eliminated.

Sixth. To further stimulate work efforts for severely disabled individuals there would be excluded from earnings used in determining ability to engage in substantial gainful activity the costs to the worker of any extraordinary work expenses necessitated by a severe impairment. Also authority to waive benefit requirements of title II and XVIII would be authorized so that demonstration projects could be carried out to ascertain alternative methods of treating work activity to stimulate a return to gainful employment by disability beneficiaries. Research findings in this area are urgently needed for enlightened policy determinations.

PROGRAM ACCOUNTABILITY AND UNIFORMITY OF ADMINISTRATION

Concern in this area is not only one of cost control but also one of trying to effectuate more uniformity of administration so that beneficiaries regardless of their place of residence will be treated on an equal basis as to this Federal benefit. The bill attempts to strengthen the Federal-State adjudicative structure and reinstitute more Federal review of State decisionmaking.

This does not prejudice the issue of whether complete federalization may be the more desirable route. The subcommittee and the administration continue to actively explore this alternative, and the latest GAO report in this area recommends that legislation be developed to bring the disability program "under complete Federal management."

As to the State agency operation, the bill requires that the Secretary may enter an agreement with a State only where there is an agency which could efficiently and effectively carry out the required functions. The bill would also have required that the agreement "contain such terms and conditions which will assure effective and uniform administration throughout the United States." The idea is to give a statutory underpinning for the GAO suggestion in its first report on the Federal-State system that more Federal leadership and control could be achieved by the more aggressive use of the Federal-State contract mechanisms. With such authority the Social Security Administration would set and enforce standards for, among other things, quality control, a uniform training program, and model administration structures, personnel requirements, and claims processing procedures.

A corollary provision in the bill is specific authority in the Secretary to terminate an agreement because of unsatisfactory performance or because such an agreement was inconsistent with effective administration. The necessity for this provision is emphasized by the recent action of the Council of State Administrators of Vocational Rehabilitation which has recommended the rejection by the States of some modest amendments of the State-Federal agreement emphasizing uniform standards and administration which had been worked out by a task force of Social Security Administration and State agency personnel. The council stated:

> State directors should be aware that there is no expiration date for the current State-Federal agreement for carrying out the disability determination functions. In fact, there is no legal basis requiring a State to sign the proposed new agreement. States which are dissatisfied with the proposed revision can continue to manage the disability determination function under their current agreement with the Secretary of Health, Education, and Welfare.

The bill would also prohibit what is known as "indirect costs" whereby the parent agency is reimbursed under an HEW formula for the services it renders to the disability determination unit. Although this approach is perhaps appropriate to grant-in-aid programs, it is not for the national social security program supported by the payroll tax. Currently as to "indirect costs" the Social Security Administration has no responsibility in determining whether these costs charged to the disability trust fund are valid. The bill would insert the word "actual" before "costs" in the provision which authorizes reimbursement to the State agency for expenditures under the agreement. It would be our intention that the Social Security Administration in its regular budget process with the State agencies should examine these "indirect costs" charged to the trust fund to see if they are truly ones that should be charged against the disability program.

As to increased Federal review of State agency decisions, budget pressure in 1971–72 to reduce Federal staffing forced the Social Security Administration to take administrative steps which were tantamount to an amendment of the statutory scheme of the disability insurance program. It moved in rapid steps from what had been about an 80-percent review of the State agencies disability allowances prior to their making awards—preadjudicative—to a sample review involving only 5 percent of State cases after the awards were made—postadjudicative.

The social security actuaries have reported:

> We believe that these changes in review procedures have contributed to higher incidence rates since 1977.

The bill returns to the situation existing prior to 1972 as to the review of allowances. The requirement in the bill for increased Federal review on a preadjudicative basis is phased in over a 3-year period so that there can be an orderly increase in the highly trained staff necessary to carry out this purpose.

The subcommittee is also concerned by the lack of followup on the medical condition and the possible work activity of individuals who have been on the rolls for years. The bill provides, therefore, that unless the adjudicator in the State agency makes a finding that the individual is under a disability which is permanent, there will be a review of the status of disabled beneficiaries at least once every 3 years. The bill emphasizes that all existing reviews of eligibility under the law are to be continued and expanded where necessary.

REHABILITATION EXPENDITURES AND PROGRAM EFFECTIVENESS

In recent years the cost effectiveness of the provisions which authorize vocational rehabilitation (VR) expenditures out of the disability trust fund have been questioned. Under existing law, an amount equal to 1.5 percent of disability insurance expenditures is potentially available for vocational rehabilitation expenditures. This is called the beneficiary rehabilitation program (BRP). However, in 1976 the GAO reported that previous estimates of benefit savings because of rehabilitation services were not being realized. The GAO suggested that the administration freeze funding in the program and this has been done for the last couple of years, although some increase in funding has been made available in the current fiscal year.

The bill contains a provision aimed at providing a more permanent solution to this problem. In terms of simplification and better administration, section 14 of the bill would consolidate the VR funding sources for the seriously disabled in the regular VR program. Under existing law the VR agency and counselor may have three potential funding sources for disabled beneficiaries and the required bookkeeping and juggling of differing program rationales has lead to confusion in administration. The approach in the bill also seems appropriate inasmuch as the Congress, following the recommendation of the VR administrators, seems about ready to place the regular VR program in a new Department of Education.

The bill also replaces the BRP program with a much more limited program of disability trust fund contributions for vocational rehabilitation expenditures. It authorizes bonus Federal matching of State regular VR expenditures for those individuals where the rehabilitation results in the actual termination of disability benefits for a 12-month period. The bill provides for an orderly transition to allow for adjustment of the authorization of appropriation for the regular VR program which is within the jurisdiction of the Education and Labor Committee.

The bill recognizes that some persons on the disability rolls will only be able to work in sheltered workshop situations at a wage rate which would not be sufficient to terminate their benefits. Under this, bill, there would be bonus matching for their rehabilitation expenses, but it would be subject to a requirement that they receive wages for the 12-month period after the "rehabilitation" phase of their sheltered workshop experience had been concluded.

The bill also provides that no beneficiary be terminated due to medical recovery if the beneficiary is participating in an approved VR program which the Social Security Administration determines will increase the likelihood that the beneficiary may be permanently removed from the disability benefit rolls.

APPEALS PROCEDURE—MISCELLANEOUS PROVISIONS

The bill also provides a number of provisions which make the disability adjudication and appeals process more effective and equitable:

First. The bill would provide the claimant with a more detailed explanation and rational for the decision and a written summary of the evidence.

Second. The bill would authorize the Secretary to pay all non-Federal providers for costs of supplying medical evidence of record in social security disability claims as is done for SSI disability claims.

Third. The bill would place in permanent law authority for payment of claimant's travel expenses resulting from participation in various phases of the adjudication process.

Fourth. The bill provides that the Secretary's authority to remand a court case to the ALJ be discretionary with the court upon a showing of good cause by the Secretary. The Secretary has absolute authority under existing law and this may have led to laxity in appeals council review. The bill also requires that the court may remand only on a showing that there is new evidence which is material, and that there was good cause for failure to incorporate it into the record in a prior proceeding. Under existing law the court itself, or on motion of the claimant, has discretionary authority "for good cause" to remand the case back to the ALJ. It would appear that although many of these court remands are justified some remands are undertaken because the judge disagrees with the outcome of the case which may be sustainable under the "substantial evidence rule."

Fifth. The bill also requires the Secretary of HEW to submit a report to Congress recommending appropriate time limits for the various levels of adjudication. The Federal courts have imposed such limits at the hearing level and numerous bills have been introduced to set such limits at various levels of adjudication.

The bill requires the Secretary in recommending the limits to give adequate consideration to both speed and quality of adjudication. This would force the administration in program and budget planning to take a harder look at these sometimes conflicting objectives. Congress could then evaluate the recommendations for consistency with the elements it wishes to emphasize and take further action next year.

Sixth. The bill directs the Commissioner of Social Security to carry out a demonstration project to determine the feasibility of giving every applicant who is to receive an unfavorable decision an opportunity to have a personal conference (face to face) with the individual making the decision.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO HAVE UNTIL MIDNIGHT, FRIDAY, FEBRUARY 9, 1979, TO FILE REPORT ON H.R. 1894, TEMPORARY DEBT LIMIT EXTENSION

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight, Friday, February 9, 1979, to file a report, along with any separate or minority views, on the bill (H.R. 1894) to extend the existing temporary debt limit, and for other purposes.

The SPEAKER pro tempore (Mr. GONZALEZ). Is there objection to the request of the gentleman from Oregon?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I do so only to ask the gentleman from Oregon this question: Since the Committee on Rules will consider this next Tuesday, is it the gentleman's expectation that this matter will be before the House next week?

Mr. ULLMAN. If the gentleman will yield, it could be; or the week after. I cannot tell the gentleman exactly. I think our purpose will be to bring it to the House as expeditiously as we can.

□ 1130

It could be up next week; more likely the following week.

Mr. BAUMAN. What is the operative date by which some action must be taken?

Mr. ULLMAN. Well, it is not now going to be able to carry the government through March 31. It looks like about March 9 is the final date that Congress must act on this matter.

Mr. BAUMAN. I thank the gentleman.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I would like to say that it may be up several times in the next week and the following week. I would like to say though, Mr. Speaker, that it is the agreement that we had at the time this bill was considered in our committee, that we would have until Friday night. There is no objection on this side.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS AND ITS SUBCOMMITTEES TO SIT WHILE HOUSE IS IN SESSION DURING 96TH CONGRESS

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means and its subcommittees be authorized to sit while the House is in session during the 96th Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

ELECTION OF MEMBER TO COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. FOLEY. Mr. Speaker, as chairman of the Democratic Caucus and by direction of the Democratic Caucus, I offer a privileged resolution (H. Res. 99) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 99

Resolved, That the following-named Member be, and he is hereby, elected to the following standing committee of the House of Representatives:

Committee on the District of Columbia: FORTNEY H. (PETE) STARK, California, to rank number six thereon.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION OF MEMBERS OF JOINT COMMITTEE ON PRINTING AND JOINT COMMITTEE OF CONGRESS ON THE LIBRARY

Mr. THOMPSON. Mr. Speaker, I offer a privileged resolution (H. Res. 100) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 100

Resolved, That the following named Members be, and they are hereby elected members of the following joint committees of Congress to serve with the chairman of the Committee on House Administration:

Joint Committee on Printing: Mr. HAWKINS of California; Mr. DICKINSON of Alabama.

Joint Committee of Congress on the Library: Mr. NEDZI of Michigan; Mr. BRADEMAS of Indiana; Mr. DEVINE of Ohio, Mr. STOCKMAN of Michigan.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. THOMPSON) is recognized for 1 hour.

Mr. THOMPSON. Mr. Speaker, this is a routine resolution which conforms to the statutes establishing these two joint committees. Section 101 of title 44 of the United States Code establishes the Joint Committee on Printing consisting of "the chairman and two members of the Committee on House Administration." Similarly, section 132b of title 2 of the Code establishes the Joint Committee on the Library consisting of the chairman and four members from the Committee on House Administration. The members are selected from House Administration who have expressed interest in these two areas.

Mr. Speaker, I move the previous question on the resolution.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RULES OF THE HOUSE GOVERNING STANDING COMMITTEES

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point the Rules of Procedure of the Committee on House Administration; and similarly, I ask unanimous consent to insert in the RECORD the Rules of Procedure for the Joint Committee on Printing.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

RULES OF PROCEDURE OF THE COMMITTEE ON HOUSE ADMINISTRATION

(96th Congress)

(Adopted, January 30, 1979)

RULE NO. 1. GENERAL PROVISIONS

(a) The Rules of the House are the rules of the committe and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees. Each subcommittee of the committee is a part of the committee, and is subject to the authority and direction of the committee and to its rules so far as applicable.

(b) The committee is authorized at any time to conduct such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities under Rule X of House Rules and (subject to the adoption of expense resolutions as required by Rule XI, clause 5 of House Rules) to incur expenses (including travel expenses) in connection therewith.

(c) The committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee. All costs of stenographic services and transcripts in connection with any meeting or hearing of the committee shall be paid from the contingent fund of the House.

(d) The committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on the activities of the committees under Rules X and XI of House Rules during the Congress ending at noon on January 3 of such year.

(e) The committee's rules shall be published in the Congressional Record not later than 30 days after the Congress convenes in each odd-numbered year.

RULE NO. 2. REGULAR AND SPECIAL MEETINGS

(a) The regular meeting date of the Committee on House Administration shall be the first Wednesday of every month when the House is in session in accordance with Clause 2(b) of Rule XI of the Rules of the House. Additional meetings may be called by the chairman as he may deem necessary or at the request of a majority of the members of the committee in accordance with Clause 2(c) of Rule XI of the House of Representatives. The determination of the business to be considered at each meeting shall be made by the chairman subject to Clause 2(c) of Rule XI of the House of Representatives. A regularly scheduled meeting need not be held if there is no business to be considered.

(b) If the chairman of the committee or subcommittee is not present at any meeting of the committee or subcommittee the ranking member of the majority party on the committee or subcommittee who is present shall preside at the meeting.

(c) The committee may not sit, without special leave, while the House is reading a measure for amendment under the 5-minute rule.

RULE NO. 3. OPEN MEETINGS

As required by Clause 2(g), Rule XI, each meeting for the transaction of business, including the markup of legislation, of the committee or its subcommittees, shall be open to the public except when the committee or subcommittee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, However*, that no person other than members of the committee, and such congressional staff and such departmental representatives as they may authorize, shall be present in any business or markup session which has been closed to the public. This provision does not apply to any meeting that relates solely to internal budget or personnel matters.

RULE NO. 4. RECORDS AND ROLLCALLS

(a) The result of each rollcall vote in any meeting of the committee shall be made available for inspection by the public at reasonable times at the committee offices, including a description of the amendment, motion, order or other proposition; the name of each member voting for and against, and whether by proxy or in person, and the members present but not voting.

(b) All Committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the member serving as chairman of the committee; and such records shall be the property of the House and all members of the House shall have access thereto.

(c) In order to facilitate committee compliance with Paragraph (e)(1) of Clause 2, Rule XI, each subcommittee shall keep a complete record of all subcommittee actions which shall include a record of the votes on any question on which a rollcall vote is demanded. The result of each such rollcall vote shall be promptly made available to the full committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order or proposition, and whether by proxy or in person, and the names of those members present but not voting.

(d) All subcommittee hearings, records, data, charts, and files, shall be kept distinct from the congressional office records of the member serving as chairman of the subcommittee. Such records shall be coordinated with the records of the full committee, shall be the property of the House, and all members of the House shall have access thereto.

RULE NO. 5. PROXIES

A vote by any member in the committee or in any subcommittee may be cast by proxy, but such proxy must be in writing and in the hands of the chief clerk of the committee or the clerk of the subcommittee, as the case may be, during each rollcall in which such member's proxy is to be voted. Each proxy shall designate the member who is to execute the proxy authorization and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigning his vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum. The member does not have to appear in person to present the proxy.

RULE NO. 6. POWER TO SIT AND ACT; SUBPOENA POWER

(a) For the purpose of carrying out any of its functions and duties under House Rules X and XI the committee, or any subcommittee thereof, is authorized (subject to subparagraph (b)(1) of this paragraph)—

(1) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, and

(2) to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. The chairman of the committee, or any member designated by the chairman, may administer oaths to any witness.

(b)(1) A subpoena may be authorized and issued by a committee or subcommittee under subparagraph (a)(2) in the conduct of any investigation or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. The power to authorize and issue subpoenas under subparagraph (a)(2) may be delegated to the chairman of the committee pursuant to such rules and under such limitations as the committee may prescribe. Authorized subpoenas shall be signed by the chairman of the committee or by any member designated by the committee.

(2) Compliance with any subpoena issued by the committee or subcommittee under subparagraph (a)(2) may be enforced only as authorized or directed by the House.

RULE NO. 7. QUORUMS

No measure or recommendation shall be reported to the House unless a majority of the committee is actually present. For the purposes of taking any action other than reporting any measure, issuance of a subpoena, closing meetings, promulgating Committee orders, or changing the Rules of the Committee, the quorum shall be one-third of the members of the Committee. For purposes of taking testimony and receiving evidence, two Members shall constitute a quorum.

RULE NO. 8. AMENDMENTS

Any Amendment offered to any pending legislation before the committee must be made available in written form when requested by any member of the committee. If such amendment is not available in written form when requested, the chair will allow an appropriate period of time for the provision thereof.

RULE NO. 9. HEARING PROCEDURES

(a) The chairman, in the case of hearings to be conducted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter of any hearing to be conducted on any measure or matter at least 1 week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event the chairman or the subcommittee chairman whichever the case may be shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify the Daily Digest Clerk of the Congressional Record as soon as possible after such public announcement is made.

(b) Unless excused by the chairman, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee, at least 48 hours in advance of his appearance, a written statement of his proposed testimony and shall limit his oral presentation to a summary of his statement.

(c) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the chairman by a majority of those minority members before the completion of such hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(d) All other members of the committee may have the privilege of sitting with any subcommittee during its hearing or deliberations and may participate in such hearings or deliberations, but no such member who is not a member of the subcomittee shall vote on any matter before such subcommittee.

(e) Committee members may question witnesses only when they have been recognized by the chairman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witness in both full and subcommittee hearings shall be initiated by the chairman, followed by the ranking minority party member and all other members alternating between the majority and minority. In recognizing members to question witnesses in this fashion, the chairman shall take into consideration the ratio of the majority to minority members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the members of the majority. The chairman may accomplish this by recognizing two majority members for each minority member recognized.

(f) The following additional rules shall apply to hearings:

(1) The chairman at a hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) If the committee determines that evidence or testimony at a hearing may tend to defame, degrade, or incriminate any person, it shall—

(A) afford such person an opportunity voluntarily to appear as a witness;

(B) receive such evidence or testimony in executive session; and

(C) receive and dispose of requests from such person to subpoena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the committee shall dispose of requests to subpoena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee.

RULE NO. 10. PROCEDURES FOR REPORTING BILLS AND RESOLUTIONS

(a)(1) It shall be the duty of the chairman of the committee to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(2) In any event, the report of the committee on a measure which has been approved by the committee shall be filed within 7 calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the committee notice of the filing of that request.

(b)(1) No measure or recommendations shall be reported from the committee unless a majority of the committee was actually present.

(2) With respect to each roll call vote on a motion to report any bill or resolution of a public character, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the committee report.

(c) The report of the committee on a measure which has been approved by the committee shall include:

(1) the oversight findings and recommendations required pursuant to clause 2(b)(1) of Rule X of the House separately set out and clearly identified;

(2) The statement required by section 308(a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures;

(3) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee; and

(4) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 2(b)(2) of Rule X of the House separately set out and clearly identified whenever such findings and recommendations have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the committee's deliberations on the measure.

(d) Each report of the committee on each bill or joint resolution of a public character reported by the committee shall contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(e) If, at the time of approval of any measure or matter by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than 3 calendar days, commencing on the day on which the measure or matter(s) was approved, excluding Saturdays, Sundays, and legal holidays, in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The report of the committee upon that measure or matter shall be printed in a single volume which—

(1) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and

(2) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (3) and (4) of subparagraph (c)) are included as part of the report. This subparagraph does not preclude—

(A) the immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

(B) the filing by any such committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that committee upon that measure or matter.

(f) If hearings have been held on any such measure or matter so reported, the committee shall make every reasonable effort to have such hearings printed and available for distribution to the members of the House prior to the consideration of such measure or matter in the House.

RULE NO. 11. SUBCOMMITTEE OVERSIGHT

The standing subcommittees of the committee shall conduct oversight of matters within their jurisdiction in accordance with Rule X, clauses 2 and 3 of the Rules of the House of Representatives.

RULE NO. 12. REVIEW OF CONTINUING PROGRAMS; BUDGET ACT PROVISIONS

(a) The committee shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing programs and activities of the Federal Government and the District of Columbia government will be made annually to the maximum extent feasible and consistent with the nature, requirements, and objectives of the programs and activities involved. For the purposes of this paragraph a Government agency includes the organizational units of government listed in clause 7(c) of Rule XIII of House Rules.

(b) The committee shall review, from time to time, each continuing program within its jurisdictions for which appropriations are not made annually in order to ascertain whether such program could be modified so that appropriations therefor would be made annually.

(c) The committee shall, on or before March 15 of each year, submit to the Committee on the Budget (1) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing fiscal year which are within its jurisdiction or functions, and (2) an estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction which it intends to be effective during that fiscal year.

(d) As soon as practicable after a concurrent resolution on the budget for any fiscal year is agreed to, the committee (after consulting with the appropriate committee or committees of the Senate) shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such resolution, and promptly report such subdivisions to the House, in the manner provided by section 302 of the Congressional Budget Act of 1974.

(e) Whenever the committee is directed in a concurrent resolution on the budget to determine and recommend changes in laws, bills, or resolutions under the reconciliation process it shall promptly make such determination and recommendations, and report a reconciliation bill or resolution (or both) to the House or submit such recommendations to the Committee on the Budget, in accordance with the Congressional Budget Act of 1974.

RULE NO. 13. BROADCASTING OF COMMITTEE HEARINGS

The rule for the broadcasting of committee hearings shall be the same as Rule XI, clause 3 of the Rules of the House of Representatives.

RULE NO. 14. COMMITTEE AND SUBCOMMITTEE STAFF

Except as provided in Rule XI, clause 5 (d) of the Rules of the House of Representatives, the staff of the Committee on House Administration shall be appointed as follows:

A. The subcommittee staff shall be appointed, and may be removed, and their remuneration determined by the subcommittee chairman within the budget approved for the subcommittee by the full committee;

B. The staff assigned to the minority shall be appointed and their remuneration determined in such manner as the minority party members of the committee shall determine within the budget approved for such purposes of the committee;

C. The employees of the committee not assigned to a standing subcommittee or to the minority under the above provisions shall be appointed, and may be removed, and their remuneration determined by the chairman within the budget approved for such purposes by the committee.

RULE NO. 15. TRAVEL OF MEMBERS AND STAFF

(a) Consistent with the primary expense resolution and such additional expense resolutions as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel to be reimbursed for any member or any staff member shall be paid only upon the prior authorization of the chairman. Travel may be authorized by the chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee of any subcommittee thereof and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee. Before such authorization is given there shall be submitted to the chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which the travel is to be made and the date or dates of the event for which the travel is being made;

(3) The location of the event for which the travel is to be made;

(4) The names of members and staff seeking authorization.

(b)(1) In the case of travel outside the United States of members and staff of the committee or of a subcommittee for the purpose of conducting hearings, investigations, studies, or attending meetings and conferences involving activities or subject matter under the legislative assignment of the committee or pertinent subcommittee, prior authorization must be obtained from the chairman. Before such authorization is given, there shall be submitted to the chairman, in writing, a request for such authorization. Each request, which shall be filed in a manner that allows for a reasonable period of time for review before such travel is scheduled to begin, shall include the following:

(A) the purpose of the travel;

(B) the dates during which the travel will occur;

(C) the names of the countries to be visited and the length of time to be spent in each;

(D) an agenda of anticipated activities for each country for which travel is authorized together with a description of the purpose to be served and the areas of committee jurisdiction involved; and

(E) the names of members and staff for whom authorization is sought.

(2) Requests for travel outside the United States shall be initiated by the chairman and shall be limited to members and permanent employees of the committee.

(3) At the conclusion of any hearing, investigation, study, meeting or conference for which travel outside the United States has been authorized pursuant to this rule, each subcommittee (or members and staff attending meetings or conferences) shall submit a written report to the chairman covering the activities and other pertinent observations or information gained as a result of such travel.

(c) Members and staff of the committee performing authorized travel on official business shall be governed by applicable laws, resolutions, or regulations of the House and of the Committee on House Administration pertaining to such travel.

RULE NO. 16. NUMBER AND JURISDICTION OF SUBCOMMITTEES

(a) There shall be seven Standing Subcommittees. The jurisdiction of the subcommittees shall be:

Subcommittee on Accounts.—Internal budget matters; expenditures from the contingent fund.

Subcommittee on Libraries and Memorials.—Matters relating to Library of Congress, Smithsonian Institution, House Library, statuary and pictures, acceptance or purchase of works of art for the Capitol, Botanic Gardens and erection of monuments.

Subcommittee on Printing.—Matters pertaining to cost of printing, Government Printing Office, depository libraries, material printed in Congressional Record, executive papers, and authorization for printing Army Engineers' reports.

Subcommittee on Personnel and Police.—Matters pertaining to salary of scheduled House employees and Police, and number of positions.

Subcommittee on Contracts.—Matters pertaining to contracts for goods and services.

Subcommittee on Services.—Matters pertaining to parking facilities, restaurant facilities, barber and beauty shop facilities, and other House services.

Subcommittee on Office Systems.—Matters pertaining to furniture, electrical and mechanical office equipment and other accoutrements for use in the office of members, officers or committees and matters pertaining to the development of management systems for such offices.

(b) The chairman of the committee may appoint such ad hoc subcommittees as he deems appropriate.

(c) The chairman of the committee and the ranking minority member shall serve as exofficio members without vote of all subcommittees of the committee unless either member is appointed as a voting member of any subcommittee.

RULE NO. 17. POWERS AND DUTIES OF SUBCOMMITTEES

Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it. Subcommittee chairmen shall set meeting dates after consultation with the chairman of the full committee and other subcommittee chairmen, with a view toward avoiding simultaneous scheduling of committee or subcommittee meetings or hearings wherever possible. It shall be the practice of the committee that meetings of subcommittees not be scheduled to occur simultaneously with meetings of the full committee. In order to ensure orderly and fair assignment of hearing and meeting rooms, hearings and meetings should be arranged in advance with the chairman through the staff director of the committee.

RULE NO. 18. REFERRAL OF LEGISLATION TO SUBCOMMITTEES

All legislation and other matters referred to the committee shall be referred by the chairman to the subcommittee of appropriate jurisdiction within 2 weeks, unless by majority vote of the members of the full committee, consideration is to be otherwise effected. The chairman may refer the matter simultaneously to two or more subcommittees, consistent with Rule XV, for concurrent consideration or for consideration in sequence (subject to appropriate time limitations), or divide the matter into two or more parts and refer each such part to a different subcommittee, or refer the matter pursuant to Rule X to an ad hoc subcommittee appointed by the chairman for the specific purpose of considering that matter and reporting to the full committee thereon, or make such other provisions as may be considered appropriate. The chairman may designate a subcommittee chairman or other member to take responsibility as "floor manager" of a bill during its consideration in the House.

RULE NO. 19. OTHER PROCEDURES AND REGULATIONS

The chairman of the full committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the committee.

RULE NO. 20. DESIGNATION OF CLERK OF THE COMMITTEE

For the purposes of these rules and the Rules of the House of Representatives, the staff director of the committee shall act as the clerk of the committee.

JCP Committee Rules of Procedure

(96th Congress)

RULE 1. COMMITTEE RULES

(a) The rules of the Senate and House, insofar as they are applicable, shall govern the committee.

(b) The committee's rules shall be published in the *Congressional Record* not later than March 1st after the Congress convenes in each odd-numbered year.

(c) Where these rules require a vote of the members of the committee, polling of members either in writing or by telephone shall not be permitted to substitute for a vote taken at a committee meeting, unless the ranking minority member assents to waiver of this requirement.

(d) Proposals for amending committee rules shall be sent to all members at least one week before final action is taken thereon, unless the amendment is made by unanimous consent.

RULE 2. REGULAR COMMITTEE MEETINGS

(a) The regular meeting date of the committee shall be the second Wednesday of every month when the House and Senate are in session. A regularly scheduled meeting need not be held if there is no business to be considered and after appropriate notification is made to the Ranking Minority Member. Additional meetings may be called by the Chairman as he may deem necessary or at the request of the majority of the members of the committee.

(b) If the Chairman of the committee is not present at any meeting of the committee, the Vice-Chairman or ranking member of the majority party on the committee who is present shall preside at the meeting.

RULE 3. QUORUM

(a) Three members of the committee shall constitute a quorum which is required for the purpose of closing meetings, promulgating committee orders, or changing the Rules of the Committee.

(b) For purposes of taking testimony and receiving evidence, two members shall constitute a quorum.

RULE 4. PROXIES

(a) Written or telegraphic proxies of committee members will be received and recorded on any vote taken by the committee, except at the organization meeting at the beginning of each Congress, or for the purpose of creating a quorum.

(b) Proxies will be allowed on any such votes for the purpose of recording a Member's position on a question only when the absentee committee Member has been informed of the question and has affirmatively requested that he be recorded.

RULE 5. OPEN AND CLOSED MEETINGS

(a) Each meeting for the transaction of business of the committee shall be open to the public except when the committee, in open session and with a quorum present, determines by roll call vote that all or part of the remainder of the meeting on that day shall be closed to the public.

(b) No person other than members of the committee, and such congressional staff and other representatives as they may authorize, shall be present in any business session which has been closed to the public. This provision does not apply to any meeting that relates solely to internal budget or personnel matters.

RULE 6. ALTERNATING CHAIRMANSHIP AND VICE CHAIRMANSHIP BY CONGRESSES

(a) The chairmanship and vice chairmanship of the committee shall alternate between the House and the Senate by Congresses. The senior member of the minority party in the House of Congress opposite to that of the chairman shall be the ranking minority member of the committee.

(b) In the event the House and Senate are under different party control, the chairman and vice chairman shall represent the majority party in their respective Houses.

RULE 7. PARLIAMENTARY QUESTIONS

Questions as to the order of business and the procedures of the committee shall in the first instance be decided by the chairman, subject always to an appeal to the committee.

RULE 8. HEARINGS: PUBLIC ANNOUNCEMENTS AND WITNESSES

(a) The chairman, in the case of hearings to be conducted by the committee, shall make public announcement of the date, place, subject matter of any hearing to be conducted on any measure or matter at least one week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event the chairman shall make such public announcement at the earliest possible date. The staff director of the committee shall promptly notify the Daily Digest of the *Congressional Record* as soon as possible after such public announcement is made.

(b) So far as practicable all witnesses appearing before the committee shall file advance written statements of their proposed testimony at least 48 hours in advance of their appearance and their oral testimony shall be limited to brief summaries. Brief insertions of additional germane material will be received for the record, subject to the approval of the chairman.

RULE 9. OFFICIAL HEARING RECORD

(a) An accurate stenographic record shall be kept of all committee proceedings and actions. Brief supplemental materials when required to clarify the transcript may be inserted in the record subject to the approval of the chairman.

(b) Each member of the committee shall be provided with a copy of the hearings transcript for the purpose of correcting errors of transcription and grammar, and clarifying questions or remarks. If any other person is authorized by a committee member to make his corrections the staff director shall be so notified.

(c) Members who have received unanimous consent to submit written questions to witnesses shall be allowed two days within which to submit these to the staff director for transmission to the witnesses. The record may be held open for a period not to exceed two weeks awaiting the responses by witnesses.

(d) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee. Testimony received in closed hearings shall not be released or included in any report without the approval of the committee.

RULE 10. WITNESSES FOR COMMITTEE HEARINGS

(a) Selection of witnesses for committee hearings shall be made by the committee staff under the direction of the chairman. A list of proposed witnesses shall be submitted to the members of the committee for review sufficiently in advance of the hearings to permit suggestions by the committee members to receive appropriate consideration.

(b) The chairman shall provide adequate time for questioning of witnesses by all members, including minority members, and the rule of germaneness shall be enforced in all hearings.

(c) Whenever a hearing is conducted by the committee upon any measure or matter, the minority on the committee shall be entitled, upon unanimous request to the Chairman before the completion of such hearings, to call witnesses selected by the minority to testify with respect to the measure or matter during at least one day of hearing thereon.

RULE 11. CONFIDENTIAL INFORMATION FURNISHED TO THE COMMITTEE

The information contained in any books, papers, or documents furnished to the committee by any individual, partnership, corporation, or other legal entity shall, upon the request of the individual, partnership, corporation, or entity furnishing the same, be maintained in strict confidence by the members and staff of the committee, except that any such information may be released outside of executive session of the committee if the release thereof is effected in a manner which will not reveal the identity of such individual, partnership, corporation, or entity in connection with any pending hearing or as a part of a duly authorized report of the committee if such release is deemed essential to the performance of the functions of the committee and is in public interest.

RULE 12. BROADCASTING OF COMMITTEE HEARINGS

The rule for the broadcasting of committee hearings shall be the same as Rule XI, clause 3 of the Rules of the House of Representatives.

RULE 13. COMMITTEE REPORTS

(a) No committee report shall be made public or transmitted to the Congress without the approval of a majority of the committee except when Congress has adjourned; Provided, that any member of the committee may make a report supplementary to or dissenting from the majority report. Such supplementary or dissenting reports should be as brief as possible.

(b) Factual reports by the committee staff may be printed for distribution to committee members and the public only upon authorization of the chairman either with the approval of a majority of the committee or with the consent of the ranking minority member.

RULE 14. CONFIDENTIALITY OF COMMITTEE REPORTS

No summary of a committee report, prediction of the contents of a report, or statement of conclusions concerning any investigation shall be made by a member of the committee or by any staff member of the committee prior to the issuance of a report of the committee.

RULE 15. COMMITTEE REPORT TO CONGRESS

The committee shall submit to the House and Senate, not later than January 15th of each odd-numbered year, a report on the activities of the committee during the preceding Congress.

RULE 16. COMMITTEE STAFF

(a) The committee shall have a professional and clerical staff under the supervision of a staff director. Staff operating procedures shall be determined by the staff director, with the approval of the chairman of the committee, and after the notification to the ranking minority member with respect to basic revisions of existing procedures. The staff director under the general supervision of the chairman, is authorized to deal directly with agencies of the Government and with non-Government groups and individuals on behalf of the committee.

(b) The Chairman, on behalf of the majority party's members, shall designate the Staff Director, General Counsel, and Deputy Staff Director for the committee. The Ranking Minority Member, on behalf of the minority party's members, shall be entitled to designate an Assistant Staff Director or Associate General Counsel (Minority) and a Special Assistant (Minority).

(c) All other staff members shall be selected on the basis of their training, experience, and attainments, without regard to political affiliations and shall serve all members of the committee in an objective, nonpartisan manner.

RULE 17. COMMITTEE CHAIRMAN

The chairman of the committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the committee.

AUTHORIZING GROSS COMPENSATION TO MINORITY EMPLOYEE HYDE MURRAY

Mr. ROUSSELOT. Mr. Speaker, by direction of the Republican Conference, I send to the desk a resolution (H. Res. 101) and ask unanimous consent for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

The Clerk read the resolution as follows:

H. RES. 101

Resolved, That pursuant to the Legislative Pay Act of 1929, as amended, the sixth of the minority employees authorized therein shall be Hyde H. Murray, effective immediately until otherwise ordered by the House, to receive gross compensation pursuant to the provisions of House Resolution 119, Ninety-Fifth Congress, as enacted into permanent law by section 115 of Public Law 95-94.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday of next week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RESIGNATION FROM COMMITTEE ON THE BUDGET

The SPEAKER pro tempore laid before the House the following resignation from the Committee on the Budget:

HOUSE OF REPRESENTATIVES,
February 8, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives, The Capitol, Washington, D.C.

DEAR MR. SPEAKER: Effective as of this date, I wish to resign my position on the Committee on the Budget.

Thank you for your attention in this matter.

Sincerely,

CLAIR W. BURGENER,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

RESIGNATION FROM SELECT COMMITTEE ON AGING

The SPEAKER pro tempore laid before the House the following resignation from the Select Committee on Aging:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 2, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House,
Washington, D.C.

DEAR MR. SPEAKER: I hereby notify you of my resignation from the House Aging Committee.

Sincerely,

EDWARD P. BEARD,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

RESIGNATION FROM COMMITTEE ON VETERANS' AFFAIRS

The SPEAKER pro tempore laid before the House the following resignation from the Committee on Veterans' Affairs:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 2, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I hereby notify you of my resignation from the House Veterans' Affairs Committee.

Sincerely yours,

EDWARD P. BEARD,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

ELECTION AS MEMBER OF COMMITTEE ON THE BUDGET

Mr. ROUSSELOT. Mr. Speaker, by direction of the Republican Conference, I offer a privileged resolution (H. Res. 102) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 102

Resolved, That Eldon Rudd, of Arizona, be and he is hereby elected a member of the Committee on the Budget.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. CORCORAN asked and was given permission to revise and extend his remarks.)

Mr. CORCORAN. Mr. Speaker, I take this time in order to ask the acting majority leader what the schedule is for the balance of this week and next week.

Mr. MOAKLEY. Mr. Speaker, will the gentleman from Illinois yield?

Mr. CORCORAN. I yield to the gentleman from Massachusetts.

Mr. MOAKLEY. I thank the gentleman for yielding.

Mr. Speaker, in reply to my good colleague, the program for the House of Representatives for the week of February 12, 1979, is as follows:

Monday, February 12, the House is not in session.

Tuesday, February 13, the House meets at noon to work on a suspension bill, H.R. 1902, the Carson City silver dollar bill.

On Wednesday, February 14, the House is not in session.

On February 15, Thursday, the House meets at 11 o'clock a.m., and there will be a series of House committee funding resolutions.

On Friday the House is not in session.

Any further program will be announced later.

Mr. CORCORAN. Mr. Speaker, I would like to inquire a little further of the acting majority leader. The inquiry I have is with respect to the legislation we are going to consider under suspension. Am I correct in believing there will be only one bill, the so-called Carson City legislation?

Mr. MOAKLEY. If the gentleman would yield, yes. According to the latest information I have, this is the only matter that will be before the House on Tuesday.

Mr. CORCORAN. I thank the gentleman.

FURTHER LEGISLATIVE PROGRAM

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute.)

Mr. ROUSSELOT. Mr. Speaker, will the gentleman from Massachusetts (Mr. MOAKLEY) tell us about the debt resolution. We had a colloquy previously that we may get the debt resolution next week. Is it the leadership's intention to bring it up next week or the following week?

Mr. MOAKLEY. Mr. Speaker, if the gentleman from California would yield, at this moment there is just a possibility we will get it next week.

Mr. ROUSSELOT. Which day?

Mr. MOAKLEY. If it comes next week, probably Thursday.

Mr. ROUSSELOT. Thursday?

Mr. MOAKLEY. Right.

Mr. ROUSSELOT. So the Membership should be made aware that the add-on debt resolution will probably come before the House next Thursday?

Mr. MOAKLEY. It would most likely be called up no earlier than Thursday.

Mr. ROUSSELOT. No earlier than Thursday. So it could still be the following week?

Mr. MOAKLEY. That is right.

Mr. ROUSSELOT. I thank the gentleman.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I am not sure the gentleman from Massachusetts (Mr. MOAKLEY) can answer my question, but under the new Rules of the House which have been changed in many respects, it is my understanding that the Speaker has the sole authority and discretion to postpone votes on suspensions for a period of several legislative days—two, I think it is, under the new rules. I do not know how we in the House will know how the Speaker is going to feel that morning, or whether his breakfast agreed with him, but the possibility exists that the Members could be called back from the netherland all over the place to vote on Tuesday. And the Speaker may decide that the vote would be on Thursday.

□ 1140

That is 1 legislative day.

Is there some way that we are going to be told whether the Speaker is feeling good on a given day or whether votes will be permitted or not?

Mr. MOAKLEY. I have been informed that if there is any clustering or postponing of votes, the House will be informed in advance.

Mr. ROUSSELOT. Before the day of the consideration of the suspension, we will be told when the votes will be?

Mr. MOAKLEY. That is my understanding.

Mr. ROUSSELOT. So we can assume from this announcement there could be a vote on the important matter of the Carson City Silver Dollar on Tuesday and the Debt Limit on Thursday?

Mr. MOAKLEY. That is correct.

FAILURE OF BERMUDA II AGREEMENT DETRIMENTAL TO BOSTON AIR SERVICE

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. MOAKLEY. Mr. Speaker, at a time when our urban areas are struggling to maintain their economic viability, one U.S. city has lost 100 jobs and suffered a blow to vital transportation resources because of the failure of the executive branch to meet the needs of our citizens under the Bermuda II treaty with Great Britain.

Who is reaping the rewards of this failure? The Government of the United Kingdom and its corporate partner, British Airways. Through the Bermuda II agreement, they have worked together to limit United States–United Kingdom air services to the disadvantage of U.S. travelers and shippers, all at the immense profit of British Airways. This anticompetitive, anticonsumer agreement caused Boston to be stripped of service by a U.S. carrier, affecting jobs in Boston, Mass., and New England.

In addition, Boston and New England area passengers pay higher fares, face intolerably high seat factors and are unable to obtain cargo space to send their products to Europe. U.S. inflation is fueled, foreign commerce stifled—and the ripple effects are felt by other U.S. citizens best served through the Boston Gateway—people from Indianapolis, Dayton, Cincinnati, Columbus, Houston, Syracuse, Rochester, Buffalo, and Denver, to name a few.

And who benefits from this situation? British Airways, whose profits for the April-September 1978 period, the first peak season of the restrictive agreement, soared 102 percent while U.S. carriers' share of both the Boston-London and New York-London markets fell below 50 percent.

In an effort to rectify this anticonsumer situation, our New England delegation and local groups like the Massachusetts Port Authority, together with a coalition of elected officials and business and trade interests, have been working for months with the State Department to correct this consumer injustice. We have even located a carrier prepared to make a major concession to the British by putting services into Gatwick rather than Heathrow Airport.

Despite this concession, the United Kingdom and British Airways steadfastly refuse to release their stranglehold on U.S. consumers.

What has the U.S. Government and its negotiating team achieved in rescuing this situation from the Bermuda II debacle. Absolutely nothing. In fact, despite the failure to resolve the problem, our Government has actually rewarded the British for their inflationary, anticonsumer campaign against U.S. citizens.

Unless the British agree at the scheduled February 13–14 talks to permit another U.S. Boston-London carrier in time for the peak summer season, I call on you to join me in insisting upon consultations with the British regarding the continued utility of this Bermuda II agreement.

In addition, we must review the concessions given to the British to help them bail out their Concorde program—such special deals as U.S. landing rights, Concorde aircraft certification, and the authorization of the so-called interchange agreement, all of which allow British Airways to avoid a financial disaster with the Concorde. Why should we do so much for the British when the British ignore our problems and needs. Unless they retreat from their position immediately, we should reopen the issues of landing rights and U.S. certification for the Concorde and move for immediate withdrawal of approval. Finally, in order to regain the U.S. carrier share of the United Kingdom market, I ask for your help in calling upon the U.S. travel industry to actually market non-United Kingdom destinations this summer.

In closing, Bermuda II is incompatible with today's economic environment and other more liberal U.S. supported European agreements. In today's inflationary economy and rising unemployment, the United States simply cannot abide those—United States or foreign—who cause U.S. consumers to pay more for less, those who insist on hiding behind the skirts of monopoly. Mr. Speaker, this is the heart of the President's inflation program. We cannot insist that our citizens accept the Government's direction on domestic inflation while allowing a contradiction such as the Bermuda II agreement to exist.

APPOINTMENT AS MEMBERS OF TECHNOLOGY ASSESSMENT BOARD

The SPEAKER pro tempore. Pursuant to the provisions of section 4(a), Public Law 92–484, the Chair announces, without objection, that the Speaker appoints as members of the Technology Assessment Board the following Members on the part of the House: the gentleman from Arizona (Mr. UDALL); the gentleman from California (Mr. BROWN); the gentleman from Michigan (Mr. DINGELL); the gentleman from Kansas (Mr. WINN); the gentleman from Ohio (Mr. MILLER), and the gentleman from New York (Mr. WYDLER).

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
February 6, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:50 a.m., Tuesday, February 6, 1979, and said to contain a message from the President wherein he transmits the Fourteenth Annual Report on the Status of the National Wilderness Preservation System which covers the calendar year 1977.

With kind regards, I am,

Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

FOURTEENTH ANNUAL REPORT ON THE STATUS OF THE NATIONAL WILDERNESS PRESERVATION SYSTEM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–51)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interior and Insular Affairs and ordered to be printed:

To the Congress of the United States:

I am transmitting herewith the Fourteenth Annual Report on the Status of the National Wilderness Preservation System. This information has been compiled by the Secretaries of Agriculture and the Interior for lands under their respective jurisdiction and covers calendar year 1977.

JIMMY CARTER.

THE WHITE HOUSE, *February 6, 1979.*

GENERAL LEAVE

Mr. CAMPBELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Vermont (Mr. JEFFORDS).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO BE DISCHARGED FROM FURTHER CONSIDERATION OF HOUSE RESOLUTION 88 AND REFERRAL TO COMMITTEE ON HOUSE ADMINISTRATION

Mr. PICKLE. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means be discharged from further consideration of the resolution (H. Res. 88) to provide for the expense of investigations and studies to be conducted by the Committee on Ways and Means, and to re-refer the resolution to the Committee on House Administration.

The SPEAKER pro tempore (Mr. GONZALEZ). Is there objection to the request of the gentleman from Texas?

There was no objection.

A TRIBUTE TO THE LATE HONORABLE NELSON ALDRICH ROCKEFELLER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WYDLER) is recognized for 60 minutes.

GENERAL LEAVE

Mr. WYDLER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order, and to include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WYDLER. Mr. Speaker, I come here today without hesitation or embarrasment to praise Nelson Aldrich Rockefeller. He was a noble man with a truly common touch. One of the most remarkable men I have ever met in my life and one who I can call great without exaggerating or missing the mark. He was a man who was almost President, a position that he longed for since, as he once admitted, there was so little else in his privileged life to long for. Born the heir to one of America's great dynastic names and fortunes, he grew up a statesman of outstanding stature and a politician of astonishing range. But 3½ varied decades in public life brought him no nearer his dream than 15 years as Governor of New York and as Vice President. When he died of a heart attack at the age of 70 last week, he left a place for himself on the American political stage. He directed his gifts and his money to the public and his own political career from the age of Roosevelt to the Presidency of Gerald Ford. Of his contribution to America, Henry Kissinger said, "Nelson Rockefeller was the greatest American I have ever known."

Rocky was brought up to earn his own way. His father, John D., Jr., saw to his upbringing by the stern Baptist principles of thrift, toil, and charity.

His youth was brought into maturity by the stringencies of Dartmouth where, upon graduation, his rewards included a key from Phi Beta Kappa and $2,500 from his father for having got that far without smoking or drinking. He began adult life in the family business, but he became restless in trade and began offering himself and his ideas to Washington. A 1940 report on Latin American conditions caught F.D.R.'s eye and landed Rockefeller his first public job as Coordinator for Inter-American Affairs.

In the years that followed, he helped write the United Nations Charter, worked on Harry Truman's "Point Four Foreign Aid Program," and was present at the creation of the Department of Health, Education, and Welfare under Dwight Eisenhower.

But his restless political eye began wandering and in 1958, he talked himself into the Republican nomination, aided by the conviction in the Party that it was a Democratic year anyway and that the Rockefeller millions might help. He spent 15 years in the Governor's mansion and left a heavy stamp on the State of New York.

Towers rose over the State landscape with his name graven in the cornerstone—the World Trade Center in Lower Manhattan, a State office building in central Harlem, and a billion-dollar mall in Albany. Rocky bulled through the expansion of the State University from 28 campuses to 71 and from 38,000 students to 270,280. He raised 90,000 housing units, 23 mental-health facilities, 109 hospitals and nursing homes, three new model communities, and 55 state parks. His beneficences to the needy reached into his own pocket when 400 plus followers of Martin Luther King, Jr. were jailed for demonstrating in Albany, Ga., and SOS'd for bail money, Rocky's check for $25,000 arrived within 72 hours.

All these achievements are, in fact, the measure of the man.

Of course, anyone's assessment of another person is based primarily on his own contacts. Through a series of circumstances it came to pass that the then Governor discussed with me his philosophy of government and, in fact, of his life. Years ago I was asked by party leaders in Nassau County to run for the position of county executive. At that time I had served a number of years in Congress and was enjoying the position and was not sure if I would enjoy an executive position. My party leaders kept urging me to accept the nomination, but I hesitated. About this time, Nelson Rockefeller invited the entire New York congressional delegation to a dinner in Washington for the purpose of discussing the problems of the State of New York. At the conclusion of the dinner, he was flying back to New York, and as I was returning he invited me to go on his plane. It was, of course, his personal plane. On the flight to New York, we sat alone together and he frankly told me that he had been asked to speak to me and to urge me to accept the nomination for county executive. For the approximately 1 hour flight to New York we discussed this serious decision in my life. I can say now, that he told me to make my own decision and to do what I thought was right for myself. He explained why he so enjoyed being Governor of New York State and why he enjoyed the challenges of an executive position. He said simply he loved to build things; he loved to be able to make decisions and to get things done; he liked to give orders and see that those orders were put into effect. He compared this, of course, to the role of the legislator, which is one of slow, deliberate action, which is often frustrating. In that conversation, I understood the man and the force that was driving him, for he wanted to leave his mark on our country and the world.

Although I decided to stay in the Congress, I know Nelson Rockefeller achieved his own dream of having the power and means of serving the people; of making decisions on their behalf and of seeing them carried out.

These words I say today come after Nelson Rockefeller has died and, too often in our lives, we wait too long to give a person due praise. I am happy, therefore, that more than 2 years ago, when I had finished a very arduous campaign for reelection, in which the Governor again gave me an assist, I wrote him the following letter. It is dated November 9, 1976:

> DEAR NELSON: I just want to say that I have rarely enjoyed a day so much in my life as the one I spent with you in Nassau County. Although it was campaign activity, it proved once again that you are the outstanding campaigner in the United States.
>
> I must add, in addition, that you are one of the great men of this period and it has been an honor and pleasure to know you. I hope you will continue to serve our country as there is much you can do for our nation and the world in the years ahead.
>
> I look forward to seeing and working with you often. With every good wish to you and Happy.
>
> Sincerely yours,
>
> JOHN W. WYDLER,
> *Member of Congress.*

I have written no other letter like this in my life in which I have called a living person "great" to his face, but I meant it for Nelson Rockefeller then and I repeat it publicly now. He was truly a remarkable personality and the only man I know who could have conducted a street corner rally in Harlem at 11 o'clock in his shirtsleeves and speak to a luncheon of international bankers at the Waldorf an hour later and have been totally and completely at home with groups and totally and completely accepted by both.

His wife, Happy, described him simply as a "great guy" and that he was, but he was more—he was a great man and a great guy.

□ 1155

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker, Nelson Rockefeller was a controversial figure in politics, as any honest, vigorous, and uncomprising person must become in these contentious times. His vitality invigorated American public life, as his vision illuminated it. Nelson always liked to look ahead, to design America's future on a wider canvas than most of us dare. He marshaled the best advice available about many aspects of our society, and tried to impart a positive momentum to what he found that was right about countless areas of human concern. As a social engineer he left his mark not just on government, but on America's private institutions as well. America needed his optimism and his dedication. If you assume that the national pool of vitality can only achieve a certain maximum level, all of us should feel perceptibly more vigorous now that Rocky has left us, because he concentrated so much of our national vigor in his own person. I know I drew strength from his example.

Mr. Speaker, in his remarkable eulogy, Henry Kissinger said that Nelson Rockefeller symbolized to us what America symbolizes to the world—wealth, power, caring, the common touch. He was uniquely American, uniquely fine. Like my colleagues, I salute his memory, his courage, his dedication, and the family of which he was the central contributing figure.

We all send our very best to his immediate family at this difficult time for them, since we share their loss.

Mr. WYDLER. Mr. Speaker, I thank the gentleman for his statement.

Mrs. HECKLER. Mr. Speaker, will the gentleman yield?

Mr. WYDLER. I yield to the gentlewoman from Massachusetts.

Mrs. HECKLER. Mr. Speaker, Nelson Rockefeller was that special breed, a man both ahead of and very much a part of his time. The temperature of this Earth is and always will be just a little colder since his passing. For he was, above all, a life force all his own. Warm, intensely human, a man whose interests and abilities were the stuff of several distinguished careers.

Those of us in politics and government were especially fortunate, for we had Nelson among us for four decades. He accepted his first public service assignment from President Franklin D. Roosevelt. And in one way or another he served every single President—Truman, Eisenhower, Kennedy, Johnson, Nixon, Ford—who followed F.D.R. in the White House.

Nelson Rockefeller had a world view and a world grasp as few other public men of his time had. Down through the years he steeped himself in international problems and in the heart beat of individual countries. He had the world population statistics and their impact on the planet's food supply at his fingertips long before that matter ever moved into priority status for others. He was that special breed: A man both ahead of and very much a part of his time.

And he was very much a New Yorker. In his speech patterns, in his heart, in the knowledge of where home really was—he was born to be the Governor of New York for more years than any man since the State's first chief executive, George Clinton, sat in Albany. Nelson knew the Bronx and North Amityville, Rotterdam and Cherry Valley, Buffalo and Corning.

Governor Rockefeller was an insatiable seeker of data. Facts. They were the tools he used to do the great deeds he did. He was one of the environment's strongest allies, a builder of schools and universities, a champion of mass transit. Rockefeller: the optimist. He believed that problems could be solved. Should be solved. By melding the private and the public sector.

He was at once a dynamic leader who millions of Americans including myself felt should have been President of the United States and at the same time a kind and generous man to those of us in politics who sought his counsel and help. He cared about his party in a pragmatic but also very personal way.

I am proud to have know him, to have learned from him, to have been his friend. I hope, Mr. Speaker, that one or both of his young sons will carry on the tradition of public service which Nelson Rockefeller so splendidly set. That would make Nelson Rockefeller proud. It would be his final, touching testimonial to a State and Nation that loved him.

At this moment of loss I send my deepest condolences to those who will feel his loss most personally, his beloved wife Happy, his children and the complete and impressive Rockefeller clan.

Mr. EVANS of Delaware. Mr. Speaker, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from Delaware.

Mr. EVANS of Delaware. Mr. Speaker, I thank the gentleman for yielding to me.

My fellow colleagues, it is difficult to set precise standards in judging an individual's contribution to his fellow man. I suppose historians for years will be judging the contributions that Nelson Rockefeller made to this country and this world. I would suspect that they will judge him as a man who probably contributed more than many of our Presidents, although he never made it to the Presidency, because his contributions were enormous.

They were enormous if judged by the dollars which he so generously contributed; enormous if judged by the positions he held and the exemplary manner in which he carried out the responsibilities as Governor of New York and as Vice President of the United States; enormous if judged by the specific programs he initiated which have improved this country and this world; and enormous if judged by his appreciation for the arts, which do so much to enrich peoples' lives.

Most importantly, he contributed so much to lifting the spirit of the American people and the spirit of the people around this world. I would say that it truly could be said of Nelson Rockefeller that he was a man who contributed more than his fair share of rent here on the planet Earth.

I thank the gentleman for yielding to me.

Mr. WYDLER. I thank the gentleman from Delaware for his remarks.

□ 1200

Mr. McCLORY. Mr. Speaker, will the gentleman yield to me?

Mr. WYDLER. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

I want to commend the gentleman from New York for taking this special order in order that we might have an opportunity to pay tribute to a beloved and great American, Nelson Rockefeller.

Mr. Speaker, in expressing myself today on the floor of the House of Representatives in tribute to Nelson Rockefeller, I want first of all to say that I sense a deep personal loss in his passing.

Many of us in this body were personal friends of Nelson Rockefeller, many others were political allies, still others may have been political rivals or antagonists in the course of his active public and political life. For my part, I am, indeed, a long-time friend. Our relationship goes back to a time in 1926 when we both entered Dartmouth College as members of the freshman class of 1930. Nelson Rockefeller was then, as he was throughout his life, a very natural and a very friendly person who became well liked and respected on the Dartmouth College campus for the individual qualities he possessed and not for any reason of family or economic status with which the Rockefeller family is frequently identified.

Nelson Rockefeller was as active as a student as he was in later life as a business man and as a public figure involved in the political and civic life of his State and of our Nation. He was active on the athletic fields, in the Dartmouth Outing Club, and as the result of hard work he succeeded likewise in the classroom. Nelson Rockefeller and I were initiated as members of the Psi Upsilon Fraternity where together with other friends we enjoyed a close relationship from that time and during later years.

I recall one experience when I borrowed his Dartmouth Outing Club equipment in order to make a winter's hike up Mt. Washington. I recall likewise the visits of his father, John D. Rockefeller, Jr., when he came to Hanover, N.H., to be with Nelson on occasions when parents were welcomed there. It was at the end of my sophomore year that I visited with Nelson Rockefeller and his family in New York City and spent the night at the Rockefeller home at Pocantico Hills. It was there that I first met Nelson Rockefeller's mother and his brothers, Laurance and John.

Mr. Speaker, in recalling the life and career of Nelson Rockefeller it seems most appropriate to observe that he had the advantage of a wonderful home life in which his parents were devoted to their children. It was a wholesome, Christian atmosphere in which he lived and developed, an atmosphere which enabled him to relate throughout his lifetime with people from all walks of life.

Mr. Speaker, in the course of events I had occasion to work closely with Nelson Rockefeller in connection with his confirmation as Vice President of the United States. It was my privilege to introduce him in the proceedings before the House Judiciary Committee upon which I now serve as the ranking member. We conferred almost daily with respect to requirements and details of the committee proceedings. While no more thorough examination into an individual's private life seems ever to have been undertaken, Nelson Rockefeller was forthright and forthcoming. He endured the experience and emerged with even greater respect and glory than when he first entered the committee room.

Mr. Speaker, my wife, Doris, and I enjoyed our contacts with Nelson Rockefeller and his wife, Happy, during the time that he served as our Nation's Vice President. It was on the occasion of a silver anniversary salute to me for my service in the Illinois General Assembly and in the U.S. Congress that Nelson Rockefeller attended and paid honor to me in my 13th Congressional District of Illinois. The reaction to his presence and to his remarks was such that there followed a consensus from the more than 600 guests that this was the most enjoyable political event they had ever attended.

Mr. Speaker, on the occasion of this silver anniversary salute meeting, my wife, Doris, recounted some of my recollections about Nelson Rockefeller as a Dartmouth College classmate in these words:

> My recollection of Nelson Rockefeller as a Dartmouth undergraduate is that he was a very modest, unassuming fellow. He was a good student, elected to Phi Beta Kappa, but he studied hard for the marks he received. There was something we had in common: neither one of us knew how wealthy he was. I seem to recall that during our college days I always had more money than he, because my allowance was larger than his. At one stage in our sophomore year, I was waiting on tables in one of the town's dining clubs. Nelson became one of my customers and I waited on him and my nine other customers for several months. One weekend I decided to travel to New Haven where Dartmouth was playing its annual football game with Yale. But I needed someone to wait on my table over the weekend in order that I could go. Nelson Rockefeller took over. And I gave him $5 credit against the following week's board bill.
>
> At the end of our sophomore year, while we were together on the train to New York, Nelson invited me to spend the night at his family's home in Tarrytown, New York. After dinner together we drove to Tarrytown where Laurance, his brother, was having a party. There I met Nelson's wonderful mother, who was keeping her eye on the young people as they danced and sang. Like her husband, John D., Jr., she gave personal care and attention to her children, and to their growth and development. A wholesome, unaffected household, a home where decency, mutual respect, and good fun prevailed. This is the environment where Nelson Rockefeller learned about people, and life, and love of family, church and country.

Mr. Speaker, my wife, Doris, and I feel greatly privileged that we have known and benefited from Nelson Rockefeller's life and friendship. At the same time, we feel that his influence for good has extended in as wide or wider a sphere than almost any American in our time. I recall a few months ago that Nelson Rockefeller was honored on the floor of this Chamber as a distinguished and honored citizen to whom we paid appropriate tribute. Even more recently, at a reception and ceremony at the Capitol Hill Club, Nelson Rockefeller received verbal tributes from many of his long-time friends and political allies. It was on that occasion that he seemed to me to express fundamental concepts of our great heritage as a nation, concepts which characterized his deeds and actions throughout his long and distinguished political life.

Mr. Speaker, combining his service to his friends, his contributions to his State, Nation, and to the entire world, I can think of no individual American who has given so much, so unselfishly, to so many.

Mr. Speaker, no more genuine or more natural person ever lived. No person in my experience displayed the qualities of unselfish service more completely than Nelson Rockefeller. His service included exceptional talents for leadership, combined a quick mind, broad experience, and an ability to arrive at sound judgments, and a genuine respect for his fellow man regardless of race, color, or station in life.

Mr. Speaker, Nelson Rockefeller's contributions to Dartmouth College are, in my mind, unsurpassed by any other alumnus or benefactor. His public service and leadership in public affairs mark him as one of the great Americans of our entire history.

Mr. Speaker, Nelson Rockefeller's widow, Happy, his children, his brothers, and all who have been part of the intimate family, have been particularly blessed by his life. The rest of us, his close and long-time friends, and his fellow citizens, are grateful for his life, his deeds of love and dedication and his heritage of honor, spiritual faith, and for his many, many gifts of wisdom, inspiration and service.

Mr. Speaker, in behalf of our classmates from the Dartmouth class of 1930, including particularly our former colleague from Pennsylvania, Herman Schneebeli, who was a close friend and one of Nelson Rockefeller's roommates at Dartmouth, I take this occasion to express our friendship, respect, affection and appreciation to Nelson Rockefeller for his gifts to us and to our alma mater, Dartmouth College.

Mr. Speaker, in behalf of my Illinois constituents, I wish to express gratitude for his public service and for his dedication to the principles of our great democratic society, which he loved and worked to preserve.

Finally, Mr. Speaker, in behalf of my wife, Doris, and myself, and all the members of my family, I wish to communicate to his widow, Happy, to his children, and to all members of his family, our affection and deep sympathy.

Mr. WYDLER. I thank the gentleman from Illinois for those very eloquent words on behalf of the former Vice President.

☐ 1205

Mr. Speaker, I thank the gentleman.

I yield to the gentleman from New York (Mr. LENT).

Mr. LENT. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I want to join with my colleague from New York (Mr. WYDLER), and with my other colleagues here today in paying tribute to my great friend Nelson Rockefeller with a strong sense of disbelief. It seems impossible that his vital, forceful, friendly personality will never be with us again. It seems impossible that we will never again hear that gravelly voice exclaim, "Hiya, fella," or feel the friendly slap of his hand on our backs. For Nelson Rockefeller was one of those unique human beings, so filled with energy, enthusiasm, optimism, and vitality; so ebullient and outgoing in his dealings with his fellow men that one came to believe that nothing could extinguish that glowing force of life within him. Therefore, his sudden passing has dealt us all a shock of great force.

Especially is this true of those of us who were privileged to have worked with Nelson during his long and brilliant career in public life. I served in the New York State Senate for five terms during his 15 years as Governor in Albany, N.Y. I campaigned for election on a Rockefeller-led ticket in 1962, 1966, and 1970. During his tenure in Washington, D.C., as Vice President (1974–77), I served in the House of Representatives. I can testify from 15 years of association that he was a superb leader, always able to imbue in those who worked with him some of his excitement in meeting the challenges he faced, and to impart some of his glowing vision of the goals he had set.

And, as with all great leaders, Nelson sought and welcomed advice and counsel. If there were setbacks or defeats, he was the first to rally his supporters and to encourage them to seek ways to overcome those setbacks and defeats. His leadership produced an unsurpassed record of achievement in his four terms as Governor of the State of New York.

Perhaps Nelson Rockefeller's magnificent ability to deal with the complications of government came from his great zest and appetite for political life. I have never met a man in public office who so enjoyed every facet of politics and government. His delight in the challenges offered in debate, in legislative action, in political organization, in dealing with a resisting bureaucracy, and in handling the complicated personal relationships of political life was always evident. As he himself once said, his greatest pleasure in life was to use government effectively to help people. No one used government more effectively to help people than Nelson Rockefeller.

Furthermore, Mr. Speaker, his great zest for politics and government was never dimmed by the great disappointments he suffered in his unsuccessful campaigns for the Presidency. It was in defeat that Nelson Rockefeller displayed his true greatness. For a lesser man, such deep disappointments would have brought intense bitterness, deep resentment and acid cynicism. But Nelson never let defeat sour his outlook, nor sear his friendships. His bubbling optimism and enthusiasm, his enormous vitality were marshaled immediately to meet new challenges.

Mr. Speaker, the loss of this dedicated man is a tremendous one for our Nation and for our State of New York. But for those of us who had the privilege of experiencing his friendship, the loss is even greater. There is an unfillable gap left in our lives. We shall sorely miss Nelson's experienced counsel and guidance, and his warm, undemanding friendship.

My deepest sympathy goes to his lovely wife Happy, his children, and to the other members of the Rockefeller family. I know we all share in their grief and sense of irreplaceable loss.

Mr. WYDLER. Mr. Speaker, I thank the gentleman.

I yield to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Speaker, the United States of America was greatly blessed for 70 years by the life of Nelson Aldrich Rockefeller. His life evidences his commitment to the things he was taught as a child.

Mr. Rockefeller's father and grandfather were rather strict Baptists—and I know a little about them—and one concept that is taught is one of stewardship—that what you have in this world is not really yours to keep, but something that has been placed with you for you to use wisely and for the benefit of mankind.

Nelson Rockefeller was a good steward. Born to greater riches than most of us can comprehend, he did not merely live a life of leisure and consumption. He had to do more, and he realized that what he had to give to the world was not only his money, but his intellect, his energy, and his compassion.

He helped his father and brothers organize various foundations and development associations to help others born not as fortunate as he. He was a renowned patron of the arts, not only of the established, "safe" works, but of new, modern designs of sometimes unknown artists. He gave much to the world of the arts and humanities.

But his greatest gift, his main stewardship, was in the realm of public service. He persuaded his father to put up $8.5 million necessary to acquire the East River site for the United Nations in New York City. He served in various capacities under Presidents Roosevelt, Truman, and Eisenhower.

In 1958, he was elected Governor of New York. His service in this post was so highly regarded that the voters of that State sent him to that office four times—For 15 years, New Yorkers knew no other Governor but Nelson Rockefeller.

Others have chronicled his many accomplishments as the leader of his State, in the field of education, in mental health, and so many other areas. The programs for which he provided leadership will tell his story for years to come.

Of course, his last Government service was as Vice President of the United States. He brought to this office the integrity and competence that characterized his entire career.

He never achieved one goal to which he aspired—the Presidency of this country. His critics complained that he was too ambitious. I believe, however, that Nelson Rockefeller's quest for this goal grew out of his intense desire to serve the country he loved so much.

We will miss Nelson Rockefeller. All of us, whether rich or poor, can learn from his example.

Mr. WYDLER. Mr. Speaker, I thank the gentleman.

I yield to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Speaker, I want to commend the gentleman from New York for taking this time to comment on a great American. "Rocky," as Governor was often a friend and sometimes a strong adversary of the State of Vermont; but he always had my deepest admiration and my deepest respect. I certainly want to share my feelings with the gentleman and with the family.

Though internationally known as a man of material wealth, Nelson Rockefeller was also known as a man of the people, whose intense desire to involve himself in the problem-solving process of issues before all Americans, was his greatest passion.

As one of the Nation's finest public servants, his political career spanned a range of positions few men aspire to, or whose influence left such a lasting impression on policy and the people it touched.

Every President since Franklin Roosevelt, not only respected his talents, but made wide use of his energy and desire to serve the Nation to the upmost. As Governor of New York for four terms, Nelson Rockefeller expanded the State university student population nearly sixfold and nearly doubled campus facilities throughout the State. He increased the State park system by 50 acreas, added 100,000 new housing units, and achieved effective reduction of pollution in upper New York through the construction of 348 sewage treatment plants.

As Vice President, his remarkable statesmanship served all Americans well at a crucial point in the Nation's history, and was perceived by many as a man who could have been one of the finest Presidents we could have ever had, if he had been given the opportunity to serve.

Amidst his government service orientations, Nelson Rockefeller had a longheld interest in the arts and philanthropy, a manifestation of the quality of humanism he possessed, and few men of similar stature share.

In Vermont, the Rockefeller family in the person of Nelson's brother Laurence, has left a lasting impression on the community of Woodstock. Using personal funds, the family helped transform this southern town into one of the most beautiful localities in the State, which is nationally known as a desirable place to both live and visit.

During my tenure as Vermont Attorney General, I had the fortune of personally dealing with then Governor Rockefeller in tackling the pollution problems of Lake Champlain. Together with former Vermont Governor Deane Davis, I grew to respect Nelson Rockefeller's sincere appreciation of this problem and his incomparable abilities at working constructively with his neighbor State in an attempt to reach a common resolution of this dilemma. Unfortunately, this situation eventually had to be resolved in the courts, in spite of the diligent efforts of Nelson Rockefeller to amicably work with officials of the State of Vermont.

Our Nation, having unquestionably benefited from the dedication and vitality of this man, mourns the passing of a vanishing breed of Americans. Those who knew or worked intimately with Nelson Rockefeller, have all expressed in their own way, the love they had for this man whose vision and sensitivity touched their lives daily. The rest of the Nation who knew Nelson Rockefeller by name and achievement, will remember and greatly miss a man whose unpretentious confidence in his ability to get things done, can serve as a model for all Americans. The spirit of this great man whose love of living and people, will remain a force in society we all can draw upon for strength and guidance in our own pursuits.

Mr. WYDLER. Mr. Speaker, I thank the gentleman.

I yield to the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Speaker, I thank the gentleman from New York.

A tireless talent is how I think of Nelson Rockefeller—an extremely gifted man with boundless energy—a man for whom no challenge was too large nor any concern too small.

Though I often found myself holding divergent views philosophically, I had nothing but the highest regard for him as a person and as a public servant.

Though privileged to great wealth and status, he never lost sight of the common man, the man not so fortunate as he. His life's works were directed toward making his State, his country, and this world, a better place to live for one and all. For this we shall be forever grateful.

☐ 1210

Mr. PICKLE. Mr. Speaker, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Speaker, I thank the gentleman for yielding, and I want to compliment him for asking for this time.

Mr. Speaker, our country has lost a devoted American citizen, Nelson Rockefeller. Whoever might disagree with his politics, he could never question Nelson Rockefeller's patriotism. Mr. Rockefeller wanted everything that was best for the United States, in government, in art, in the success of the capitalistic system.

Theodore White speaks in his recent book "In Search of History" of the fact that we are all figuratively put in boxes with labels on it. Nelson Rockefeller was too big to fit in any one box. His box would have to be labeled "politician," philanthropist," "art connoisseur," "statesman," no one label would do. In all these roles Nelson Rockefeller brought an enthusiasm and an interest in quality that was contagious. His spirit will certainly ever be with us urging us constantly on to achieve the very best of which we as a nation and as individuals are capable.

We will all remember the tremendous vitality of Nelson Rockefeller. He loved life and communicated that love of life to everyone so that people sensed it and were drawn to him. He was born into a family of tremendous wealth, but obviously was well taught that wealth, whether in dollars or intelligence, is a trust to be used for the benefit of mankind. The Rockefeller Foundation has made a great contribution to our Nation. We are all richer for having had the gift of his life.

Although Nelson Rockefeller was not a member of the Democratic Party; I feel that he shared many of our ideals. Today people on both sides of the aisle are paying tribute to the man that contributed so much of his life to our Government.

Those of us who were close to former President Lyndon Johnson and the Johnson administration know that there existed a special fondness of President Johnson and Mrs. Johnson for Nelson Rockefeller and his family. In addition, Laurance Rockefeller and his family were close friends of the Johnson family. Time after time the Rockefeller family and the Johnson family have visited, and planned and talked about the future of our country.

The LBJ Grove on the Potomac was largely the recommendation of the Rockefeller family, and it became a reality because the Rockefellers put their endorsement and means to accomplish this beautiful grove of pine trees. Last fall the Friends of the LBJ Library conducted a drive to increase the funding of that trust document. Here again, the Rockefellers were in the forefront to accomplish this objective.

In every way the Rockefellers have been one of the great American families. Though Nelson Rockefeller was from New York, he had many friends and admirers in Texas. He was an all American citizen and statesman. Many of us in this House are saddened but we also remember with deep gratitude the goodness and greatness that was in Nelson Rockefeller.

Mr. WYDLER. Mr. Speaker, I thank the gentleman from Texas (Mr. Pickle).

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from New York.

Mr. KEMP. Mr. Speaker, last week on the floor of the House, I expressed some cf my personal thoughts and recollections on the passing of Nelson Rockefeller. Since that time I have had the great privilege of attending the special memorial services in New York City as part of the official congressional delegation, and would like the opportunity to make some further remarks.

I, like the many other participants in the memorial service, was deeply touched by Henry Kissinger's very personal profile of Nelson Rockefeller. Kissinger recalled that:

> Untypical as he would seem to be, Nelson was quintessentially American. For other nations, Utopia is a blessed past never to be recovered; for Americans it is just beyond the horizon. One has to work with Americans—not listen to them—to experience their faith. One had to work with Nelson Rockefeller to sense his dauntless strength, his pragmatic genius, his unquenchable optimism. Obstacles were there to be overcome; problems were opportunities. He could never imagine that a wrong could not be righted or that an aspiration was beyond reach. Self-pity or rage or resentment were incomprehensible to him. The imperfections of our society were not an excuse for bitterness but a call to duty.
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> He loved his family. He loved his country. And in his mind the two were connected. It is not a simple matter to have great wealth and power in an egalitarian society. But he was proud of his heritage which he interpreted as a summons to honor and duty. He deeply believed that his moral obligation was a privilege. Service was not a favor he rendered to others; they did him honor by permitting him to help.

It was a tribute to the career of one public servant that such a tremendous gathering of citizens and friends were brought together in New York City to remember the best about one of their number. Above all, they recalled Nelson Rockefeller never thought of himself as greater than any of his fellow men; he thrived on personal contact, and it brought out the best in people. All turned out at the Riverside Church in Manhattan to say an affectionate farewell to one of the giants of our times.

However, it would be a serious oversight on our part to forget that among the Presidents, elected representatives, diplomats, civic leaders and statesmen, were the "plain folks" who remembered Nelson Rockefeller. They were the thousands of people outside the church without passes to get inside who remembered the many acts of kindness he rendered, or perhaps recounted the social programs he brought to New York State, or even had the opportunity to personally see in his eyes that he really cared about people. This was the real tribute to Nelson Rockefeller—his constituents who cared enough to say goodby.

Perhaps Kissinger summed it up best when he recalled a statement that was often repeated by Nelson Rockefeller that guided him throughout the trials of public service. The phrase was:

> Never forget that the most profound force in the world is love.

I know that this statement transcended his private beliefs onto his public record. I know it because I could read it on the faces of every person inside that church. Most importantly, it was etched onto the faces of those waiting patiently outside.

We in public life all feel a great sense of loss in his untimely passing, but our loss must be shared with the many private citizens who were touched by Nelson Rockefeller's 70-year journey through life. Mr. Speaker, he loved his family and his country, and to Nelson Rockefeller, his family and his Nation were one and the same.

We will miss him.

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Speaker, I want to compliment the gentleman for setting aside this special order so that we could pay tribute to Nelson Rockefeller for the many, many different roles that he played in the lives of so many of us.

Mr. Speaker, in the past week much has been spoken and written of Nelson Rockefeller, the philanthropist, the leader, the statesman, and he is deserving of all the accolades which have been paid him. But for the moment I would like to speak of Nelson Rockefeller the man, a man who respected all mankind, and valued what each had to offer.

I first met Governor Rockefeller many years ago, while taking my first real active interest in political activities. As a young Republican it was my good fortune to be involved in a program in which the Governor was deeply interested and I had the rare opportunity of working with him. The respect and consideration he showed to me, in spite of my rather minor position, was surprising and created a feeling about Nelson Rockefeller, the man, which I have never forgotten. During the years that passed, I had the privilege of being in contact with him on a number of occasions including some when we were on different sides politically, but still he was always more than friendly and gracious in our relationship.

When I last met with Nelson Rockefeller, his and my status had changed a good deal. I was no longer a fledgling young Republican but a Member of the Congress of the United States, and he was our Nation's Vice President. The exchange was rewarding, as it always was with Nelson Rockefeller. I often reflect on these two specific meetings with Nelson Rockefeller, the first and the last, and the manner in which he treated the neophyte politician and the Member of the U.S. House of Representatives. Interested and respectful of what each had to offer, he had given the obscure young Republican the same warm, friendly consideration that he later gave the Member of Congress.

In Nelson Rockefeller's eyes all men were equal and he took and savored what each had to offer and gave of himself in return. The world has lost a great leader, a statesman, whose contributions were many. But more important, we have lost an extraordinary human being, one who enriched the world by his presence, and in whose absence we are left wanting.

Mr. WYDLER. Mr. Speaker, I thank the gentleman from Florida (Mr. Young) for those very eloquent words.

● Mr. FORSYTHE. Mr. Speaker, I rise with great sadness in tribute to the Honorable Nelson A. Rockefeller. He was such a vital force in shaping our Nation's domestic and foreign policy that it seemed he would always be with us and that we would always benefit from his enlightened guidance. His death was a shock to the Nation and no one can take his place.

I had the honor to work with, and support, Nelson Rockefeller in 1964 and 1968 when he sought the Republican nomination for President. Although I know that the failure to receive the nomination was a great personal disappointment, his dignity and courage in the face of defeat impressed me. He looked to the future and continued to serve as best he could a country which he loved and a country to which he gave unreservedly of himself. It was our loss as a nation that Nelson Rockefeller never had the opportunity to serve as President.

I have nothing but praise for this man who was born to great personal wealth and who chose to lead a life of public service. He never failed to fight for the rights of the underprivileged either here or abroad; nor, when the opportunity presented itself, did he ever fail to attempt to create a better world for all of us.

Nelson Rockefeller has long been one of my heroes and I will miss his presence. I take comfort, however, in knowing that he will serve in the days and years ahead as one of this country's finest examples of a great political leader and statesman. ●

● Mr. RITTER. Mr. Speaker, I would like to add my tribute to those of my colleagues in mourning the death of former Vice President Nelson A. Rockefeller.

The American people have a wide variety of political beliefs, yet sometimes we respect in a leader qualities that go beyond political theory. Such was the case with Nelson Rockefeller—many Americans respected above all his enthusiasm, his energy, and the active way he lived his political life. He was a clear-cut figure in public life; he had that special quality of looking upon Government and politics as exciting fields in which to boldly express conviction. In many ways Nelson Rockefeller was larger than life. He had disappointments and he had opponents. But none could deny that his enthusiasm about being a part of his Government and helping form its policy was remarkable.

He was distinctive, colorful, and tireless. His long career on the State and national levels will be long remembered.●

● Mr. CAMPBELL. Mr. Speaker, like all Americans, I was saddened by the untimely death of Nelson A. Rockefeller. Though I did not always share his views, neither I nor anyone could question his love of and devotion to our Nation. Born to wealth and privilege, Nelson Rockefeller could easily have chosen an easy road in life. Instead, driven by a need to serve, improve and uplift his country, Rocky worked for the people of the United States in Government service for some 35 years.

Nelson Rockefeller has been an outsize presence on our national stage for as long as most of us can remember. And remember him we will: For his belief in the worth and dignity of the individual; for his conviction that the United States has a moral mission in the world and his leadership in international affairs; for his commitment to a strong defense posture to insure continued U.S. freedom and influence.

Although he was never one to avoid controversy, Nelson Rockefeller handled what disagreements he had with a sense of energy, exuberance and extravagance—he was an altogether fair and refreshing friend or foe.

This country will be worse for the loss of Nelson Rockefeller. To his wife and family, I add my expressions of sympathy and support.●

● Mr. GREEN. Mr. Speaker, Nelson Rockefeller was never really defeated. As many have said of him, it was his desire to govern, not to win. Few could doubt the sincerity of his desire to serve. His willingness to step out from a comfortable life into the sometimes thankless world of politics is testimony to his strong character. His many decades of work in government have had a significan effect on all of us.

Citizens of my home State of New York will remember Nelson Rockefeller for his many achievements during his 15-year term as Governor. Students in the State university system, which today boasts more than five times the number of students on nearly three times the number of campuses than on the day he was elected, can thank him for his commitment to providing a quality education for all. Residents statewide can thank him for his concern for the public welfare, and his construction of hundreds of new mental and public health hospitals and nursing homes. His advancement of the arts in New York helped make it an important cultural center. And his behind-the-scences support which led to his father's purchase of the land the United Nations sit on today was more than instrumental in maintaining New York as a city of the world.

On a national scale, the millions who benefit from services provided by the Department of Health, Education, and Welfare can thank him for his important role in establishing that Department and eventually serving as one of its first Under Secretaries in the Eisenhower administration. Nelson Rockefeller will be remembered by minorities for his brave civil rights stand before the 1964 Republican National Convention. This was but one example of his taking a strong position in his efforts to lead his party into a more progressive direction; urging his colleagues to remember the historical truth that republicanism and progressivism are not necessarily exclusive of each other.

Internationally, Nelson Rockefeller devoted his energy to the International Basic Economy Corporation to encourage growth in Latin America. His public service extends as far back as the administration of Franklin Delano Roosevelt, with whom he helped establish the Good Neighbor policy.

Nelson Rockefeller was continually called upon to serve the people of the Nation he loved. In one capacity or another he worked under every President since F. D. R. And when President Gerald Ford stood before a beleaguered nation looking for honest, dedicated, and healing leadership, he called upon Nelson Rockefeller.

His tremendous record of service and achievement was his greatest wealth and our good fortune.●

● Mr. WOLFF. Mr. Speaker, it is with personal sadness that I pay final tribute to the memory of a man who for half a century was one of the most influential statesmen of our time. Nelson Rockefeller spoke of his "great sense of gratitude for the privilege of serving the country" he loved. In this I believe rested the heart of his personal and political commitment. To this he devoted his tremendous energy and vision which so characterized all his efforts in service to the American people.

His was a consuming conviction that vexing problems could be solved, and expansive goals could be achieved through Government planning and activism. Throughout New York State stand monuments to this conviction. Nelson Rockefeller was an individual gifted with a great personal fortune, yet he regarded his fortune as a public trust and his activism became an extension of this belief. It came to generate innovative social welfare programs and the growth of a university system founded upon the ideal of universal higher education in our State. It lead him to accept the Vice Presidency at a difficult period in American history. We were not of the same political party yet it was my privilege to have shared in his vision, and collaborated on a bipartisan basis to work toward the accomplishment of these endeavors.

In his tenure of public service Nelson Rockefeller will be remembered far more as a pragmatist than as an idealist. His occupancy of high State and Federal office was never merely visionary, but constantly sought to translate vision into concrete realities with the United States and its citizens fundamental to his concerns.●

● Mr. DE LA GARZA. Mr. Speaker, I rise today to pay tribute to one of the finest Americans I have ever had the privilege to know—Nelson Rockefeller.

Throughout his long and illustrious career spent in service to the people of his native New York and the country, Nelson Rockefeller exemplified the virtues of dedication, concern, and good humor.

As Governor of New York, Nelson Rockefeller left his mark and vision in that State's trendsetting social programs. As Vice President of the United States, this charismatic leader was crucial in the effort to restore faith and integrity to government.

Many thought that Nelson Rockefeller's great wealth would prevent him from effective political action. They thought he would be too big for the little man. But he showed everyone that his vast wealth was no burden—and that his basic humanity was extraordinarily vibrant and strong.

Mr. Speaker, today we mourn the passing away of a great American. The loss of Nelson Rockefeller will be felt in my own area since he was a ranch owner there.●

● Mr. RANGEL. Mr. Speaker, the death of an esteemed friend and colleague is the occasion for which I rise to speak. The sorrow, dismay, and shock are not sufficient to express my feelings for the loss of Nelson A. Rockefeller, a fine and distinguished American statesman as well as a great New Yorker.

He certainly will be sorely missed in the arena of politics. It is one of the great tragedies in American history that he never obtained the office for which he sought. His was a life dedicated to public service.

He has served seven Presidents, starting with Franklin D. Roosevelt.

His achievements as Governor of New York State were many, including the most extensive educational system of any State of the Union; progressive social programs that benefited every New Yorker and was the model of succeeding programs in almost every State. He lead the State at a time it enjoyed its greatest prosperity.

He assumed the office of the Vice Presidency at a time when his abilities and talents were instrumental in the recovery of world trust and respect in the Executive Office.

I will sincerely miss him as I know all of my colleagues who worked with him on the State Legislature will and I extend a heartfelt sympathy to his wife and family during this time of great sorrow.●

● Mr. REUSS. Mr. Speaker, Nelson A. Rockefeller was a colossus of 20th century public life.

Much of the press coverage of Rockefeller, both while he lived and since his death, has focused on his thwarted Presidential ambitions. That focus slights, however, a career of uprecedented scope to which the Presidential efforts were only incidental.

Rockefeller held public office for most of the past four decades. But his essential influence was his own, and not derivative from election or appointment.

He was an internationalist, and a man not disinclined to see public action as an appropriate response to public problems. Those were philosophies with which his party was not universally comfortable.

But Nelson Rockefeller never shrank from a fight for a good cause, and he won quite a few battles. Not without opposition within the party, the Republican Party and Rockefeller cleaved in the postwar years to a bipartisan, outward-looking foreign policy. And while the GOP was more divided on domestic policy, Rockefeller and the party's progressive wing made sure that no effort was made to dismantle the Nation's structure of social legislation.

In according as much weight to loyalty as to opposition, Rockefeller led the Republican Party by word and by example. His service as Assistant Secretary of State, as Under Secretary of HEW, and as Vice President, were as strong evidence of his willingness and ability to be part of a team, as his four terms as Governor of New York were of his willingness and ability to lead.

Rockefeller's Government service would have been a full career for even a man of extraordinary abilities. But he combined with that career a long record as one of the Nation's foremost patrons of the arts. The Museum of Modern Art, which he served as president and chairman of the board, and the Museum of Primitive Art, which he founded, will be permanent monuments to the role he played in making fine art accessible to all. It was typical of him that, at the time of his death, he had thrown himself into projects to bring to others of more modest means the art he loved and his appreciation of it.

Rockefeller brought to everything he did an energy and a vitality that never flagged. He showed that energy and vitality, not only in living an incredibly full life, but in his obvious enjoyment of whatever he was about. It was this joy—not unlike Hubert Humphrey's—that made him the attractive figure he was to the public and to his friends and colleagues.

Nelson Rockefeller's passing has left a gap in American public life. Only as we strive to fill that gap will we fully realize how great was his contribution and how much we miss him.●

● Mr. PANETTA. Mr. Speaker, today we are commemorating the life of one of the great Americans of our generation. In Nelson Rockefeller, we have lost one of the most forward-looking and idealistic political figures of our time.

This past week, we have been reading that Nelson Rockefeller's life was not quite what it might have been, because he never reached his ultimate goal, the Presidency. Frankly, I believe he achieved something much more important. Nelson Rockefeller proved himself to be a man of principle—a commodity of which our political system is too often in short supply.

Needless to say, there are few of us in this Chamber who did not, at one time or another, disagree with Mr. Rockefeller on an issue or an idea. But foolish would be the person who ever faulted him for any lack of integrity, fairness, or intelligence. Nelson Rockefeller always acted in the finest traditions of service, loyalty, and charity, and the American people owe him a great debt for the example he set over the years.

I know we all extend our sympathy to Mr. Rockefeller's beautiful and courageous wife, Happy, and to his fine children. They have lost a husband and a father. Sympathy is due the entire Nation, too, because we have lost a leader, a man devoted to his country. Let us pray that the spirit he always demonstrated endures for generations to come.

● Mr. MICHEL. Mr. Speaker, the death of former Vice President Nelson Rockefeller came as a shock to all Americans but especially to those of us fortunate enough to have known and worked with him. He was a man of immense vitality and energy and enthusiasm. It is difficult to believe that this man who lived life to the fullest is now dead.

Everyone knows of his great political success, ranging from being elected four times as Governor of New York to ending his political career as Vice President of the United States. And everyone knows that the one position he wanted so very much—President of the United States—he never was granted. But in victory or defeat his characteristic determination and dedication to the principles of his party and his Nation were always the same.

He was at the very heart of the political life of our Nation for 25 years and for many years before that he was recognized as an important public figure.

If I were asked to describe his political philosophy I would use a word he always used: he believed things were "do-able." That was his way of saying that problems can be solved, solutions can be found, progress can be made, disagreement can be negotiated, if we only have the willingness to work hard and have faith in ourselves and our system.

We seem to be entering an age when this kind of optimistic, enthusiastic belief is giving way to a no-growth, gloom-and-doom philosophy of national despair among many influential political and intellectual leaders. Nelson Rockefeller would not have agreed with such a philosophy. He knew that Government could not do all things but he had faith that it could do some things for the benefit of the needy and for the common good. And, of course, he also believed in the value of our free enterprise system. He was a man of double faith, in our political and economic system, a faith curiously absent among many leading figures today.

We need that kind of faith and enthusiasm and dedication. We will miss Nelson Rockefeller not only for the kind of man he was but for what he stood for.●

● Mrs. HOLT. Mr. Speaker, February 2 was a sad day. We were shocked to learn that Nelson Aldrich Rockefeller had passed away. At a time when our Nation was in the throes of a leadership crisis in 1974, he responded to the call of President Ford and served as Vice President of our country.

Born to enormous wealth, Nelson Rockefeller was yet most sensitive to the needs of people. He shunned the business world for a dynamic career in public service, politics, and art.

During World War II, he served under President Roosevelt to secure our mutual security interests in Latin America—an achievement of no mean importance.

The one major feature that most of us will remember about him was his dynamism. Here was an enthusiastic man with ever-widening interests. He lived with vigor and imagination.

Mr. Rockefeller added zest to the public life of our Nation. He provoked political excitement and debate that are essential ingredients for the health of a free society.

We shall miss this dynamic figure who graced the American scene for so many years.●

● Mr. EMERY. Mr. Speaker, Maine mourns the loss of one of her greatest favorite sons, Nelson Rockefeller. Despite an immensely active life, Nelson always demonstrated a keen sense of interest in Maine, her government, and her people.

Was it possible that a man of such wealth and power could reject the withdrawn existence of the elite? Ask any fisherman on Mount Desert Island or the townfolk in Seal Harbor, the community where he lived during the summer months. They remember a vivacious, warm person full of concern and interest, friendships that will not be forgotten in hearts of the Maine people he loved.

Rocky's concern spread far beyond his summer existence to encompass an active awareness of the political affairs of our State. Despite a greater involvement in New York and national politics, Nelson always had time to attend Republican functions, plug for our candidates, and generously contribute to our efforts. When I was elected to Congress by a hairbreadth margin in 1974, my first friend in Washington was the Vice President, when he opened his office up to me as a base of operations before I was sworn in. This small act of friendship was critical in establishing my credibility as a newcomer to Washington and at 26 years old, the youngest Republican Congressman. There was no better friend at a better time than Nelson.

Home for Rockefeller was Maine, or least we thought of it that way. We were proud to know a man so outspoken, colorful, and controversial, a man who was so successful yet so warm and friendly, a man of unimpeachable integrity yet able to get so much done, and a man overflowing with energy, yet capable of insightful reflection. Yes, Maine people were proud to know a man named Rockefeller.●

● Mr. ROTH. Mr. Speaker, I join my colleagues today in a special tribute to a great American, Nelson Rockefeller. He had a long and distinguished career in public service—a span of over 40 years of devotion to this country. In addition to his three and three-quarter terms as Governor of New York, Mr. Rockefeller capped his career as Vice President under Gerald Ford.

As heir to one of America's great fortunes, he could have lived a life of apathy and indolence. Instead, he devoted his life to public issues, evolving into a politician of astonishing verve and range. The example Mr. Rockefeller set in pursuing the public good will remain an everlasting testimony to his memory.

I share the sorrow of my colleagues in the loss of so dedicated an American. His like will not soon be seen again.●

● Mr. HUGHES. Mr. Speaker, we are here today to pay tribute to an outstanding political leader and humanitarian of 20th-century America—Nelson Aldrich Rockefeller.

Governor Rockefeller personified the best in America. Although he was born to incredible wealth and educated in the finest schools, he was not content to sit back and merely enjoy his privileged position. He was far too interested in the dynamics of building, shaping and improving situations and events for that. He was a man who was in love with living.

Because of this enthusiasm, this zest for life, he felt compelled to use his gifts and his money to make the world a better place for those who were not so fortunate. He possessed the true sense of noblesse oblige without any of the pejorative overtones that this phrase can sometimes carry with it.

Everyone who knew Nelson Rockefeller was impressed by his unflagging energy and devotion to doing the right thing. He could be pragmatic and he knew how to expedite but he always tried to do what was right.

He surrounded himself with the brightest and most creative people he could find and he used their expertise whether it was in social programs, the fine arts, or foreign affairs to formulate new initiatives and policies so he could leave the world a better place than he found it. And he succeeded.

In the time since his death many words have been spoken in praise of Nelson Rockefeller. His long time friend and protege, Dr. Henry Kissinger, summed up Nelson Rockefeller's unique qualities eloquently in his eulogy at the Rockefeller

> Untypical as he would seem to be, Nelson was quintessentially American. For other nations, Utopia, is a blessed past never to be recovered; for Americans it is just beyond the horizon * * * One had to work with Nelson Rockefeller to sense his dauntless strength, his pragmatic genius, his unquenchable optimism. Obstacles were there to be overcome; problems were opportunities. He could never imagine that a wrong could not be righted or that an aspiration was beyond reach. Self-pity or rage or resentment were incomprehensible to him. The imperfections of our society were not an excuse for bitterness but a call to duty.

We will miss Governor Rockefeller very much but the many accomplishments of his busy and productive life will remain a constant and fitting memorial to a great man.●

● Mr. DAN DANIEL. Mr. Speaker, last Friday, it was my privilege to attend a memorial service for the Honorable Nelson A. Rockefeller.

In my judgment, this gentleman's greatest contribution and one that has not been fully recognized was his deep commitment to our free-enterprise profit-motivated system which is the primary reason for our country's having reached a state of greatness.

I was profoundly impressed with the eulogy by former Secretary of State Henry A. Kissinger and I respectfully request that his remarks be inserted in the RECORD in order that all Members have an opportunity to read this inspiring tribute.

The eulogy follows:

EULOGY

(By Henry A. Kissinger)

That Nelson Rockefeller is dead is both shattering—and nearly inconceivable. One thought him indestructible, so overpowering was he in his energy, warmth and capacity for love. His buoyant vitality, his deep faith in man's inherent goodness, uplifted all those whose lives he touched. For twenty-five years he had been my friend, my older brother, my inspiration and my guide—matter-of-factly, unobstrusively, intuitively at my side when he was most needed, instilling a sense of confidence and duty, of commitment to the values in which he believed so deeply.

I first met Nelson Rockefeller when as an assistant to the President he called me, a graduate student, to Washington to join one of the panels of experts he was forever setting up to ponder the nation's future. He entered the room slapping backs, caling each of us by the best approximation of our first name he coud remember, at once outgoing and remote. Intoxicated by the proximity of power all of us sought to impress him with our practical acumen and offered tactical advice on how to manipulate events. After we were finished the smile left his face and his eyes assumed the hooded look which showed that we were now turning to the things that mattered. "What I want you to tell me," he said, "is not how to maneuver. I want you to tell me what is right."

"What is right?" For Nelson Rockefeller this was the quintessential question, both naive and profound, at once shaming and uplifting. It was the definition of his integrity. All that was twenty-five years ago. When the phone call came last Friday night it seemed that our relationship had just started. And now it was already ended.

No one who did not have the privilege of experiencing Nelson's selfless dependability, his embracing thoughtfulness, can possibly appreciate how desolate our life has now become. Our lives without him are an unchartered territory; a suddenly stark and hazy future. And yet we would not trade places with anyone; his friendship will be our badge of honor so long as we live.

He permeated our lives. He was always steadfast. He took enormous pride in the accomplishments of his friends especially when they served their nation. When he was Vice President of the United States he was nearly always at the airport when I returned from a foreign mission. He would give me a bear-hug—saying little—and drive off. By these gestures he infused strength and hope and inspiration. Of his friends and associates he asked nothing except that they do their best, keep their faith, love their fellow man and set their sights high in pursuit of honorable goals.

Nelson Rockefeller was a man of many contrasting qualities; ebullient yet withdrawn, gregarious and still lonely, joyful and driven, full of the moment yet always somehow marked by destiny. He could be pugnacious in asserting his beliefs but he respected those who differed with him; he could be hard but never petty; singleminded but never malicious. His enemies were the slipshod and the second-rate.

Nelson always had a marvelous time. Nothing was too trivial for his attention. He would rearrange the furniture in a friend's living room with the same enthusiasm that he rebuilt Albany or threw himself into projects to study the nation's future. He loved caviar and hot dogs. He loved parties and travel and meeting people. And he loved art not only for love of beauty but because it expanded the reach of the human spirit.

He was a noble man who gave succor but asked for no reciprocity. None of us ever heard him complain; he never shared his sorrow, only his inspiration. He considered himself so blessed that he felt he had no right to burden others with the doubts and worries inseparable from the human condition even in a man so strong as himself. It was an extraordinary burden which cumulatively drained him though he would never have admitted it. He was truly his brother's keeper.

Nelson could not express in glib words the wellsprings of his motivations. One had to know him well to understand the tactile manner in which he communicated—the meanings of the nudges, winks and mumbles by which he conveyed his infinite caring. He was an artist; sudden unexpected flashes of insight startled and sometimes astounded one. I have known no public figure who so often reflected about the spiritual. The Brotherhood of Man and the Fatherhood of God was not a cliche for Nelson; it was a call to action, the motive force of his life. He practiced his faith but he was too humble to preach it. He fought against injustice and fostered equality but he thought it unseemly to adopt the clamoring tone of protest; he helped the downtrodden but he thought it demeaning to publicize acts of Christian love.

Untypical as he would seem to be, Nelson was quintessentially American. For other nations, Utopia is a blessed past never to be recovered; for Americans it is just beyond the horizon. One has to work with Americans—not listen to them—to experience their faith. One had to work with Nelson Rockefeller to sense his dauntless strength, his pragmatic genius, his unquenchable optimism. Obstacles were there to be overcome; problems were opportunities. He could never imagine that a wrong could not be righted or that an aspriation was beyond reach. Self-pity or rage or resentment were incomprehensible to him. The imperfections of our society were not an excuse for bitterness but a call to duty.

He was born to leadership. Every decade Nelson had another project: to commission the murals of Rockefeller Center, to inspire a Museum of Primitive Art, to gather the nation's experts to study the problems of coming decades, to expand the State university system, to rebuild the State capital, to survey the problems of Latin America, to define our Critical Choices, to solve the energy problem. His faith in reason and democracy and the human personality was boundless. He never looked back. He often seemed remote because he was already living in a future which most of us had not yet understood.

He loved his family. He loved his country. And in his mind the two were connected. It is not a simple matter to have great wealth and power in an egalitarian society. But he was proud of his heritage which he interpreted as a summons to honor and duty. He deeply believed that his moral obligation was a privilege. Service was not a favor he rendered to others; they did him honor by permitting him to help.

And just as he unabashedly believed it his family's duty to serve their country, so he was convinced that it was his country's duty to vindicate its values by reaching out to the rest of mankind with the message of hope and freedom. Skeptics might scoff at his belief in America's moral mission. But then cynics do not build cathedrals.

He revered his Presidents whether or not he agreed with them. As a patriot, he sought to ease their burden; he winced when associates made unworthy comments about those who in his view had been entrusted with our future and therefore the hopes of mankind. One of the few times he became impatient with me was over a decade and a half ago when I had just seen the then President and reported that I had told him what I thought wrong with some particular policy. Did I offer an answer?, Nelson wanted to know. And when I said no, he chided me: "You should never tell a President that he has problems; he is too overwhelmed by them as it is. Your duty is to offer solutions."

Nelson would be proud that two Presidents have honored him by attending this service. He would be touched at the act of grace of President Carter who in these days of bereavement found the time amidst the cares of his duties for several gestures to ease the family's pain and then to extend the one solace that would have stirred Nelson the most: that his nation understood and appreciated his love and devotion to it.

He would be grateful to President Ford, whom he loved for giving him the opportunity to serve his nation and whom he served with unselfish dedication as Vice President. He defied the cynics who expected him to chafe at the limitations of the office, then stepped aside in mid-term without complaint or slackening in his devotion to his responsibilities. Nelson's ambition was to serve, not to be.

Much has been said or written about the frustration that Nelson experienced because he never achieved the Presidency. This misunderstands the man. His failure to reach the Presidency was in my view a tragedy for the country. What a great President he would have been! How he would have ennobled us! What an extraordinary combination of strength and humanity, decisiveness and vision—a natural born leader. Yet I never heard him express even one word of disappointment. As with everything, he sought the office with zest; but when it eluded him he went on to new challenges, undaunted, resilient, inexhaustible.

In a sense there was something inevitable and even noble in his gallant failure to win the nation's highest office. Here again the myths are wrong. He never succeeded not despite the fact that he was a Rockefeller but because of it. His entire upbringing made him recoil before appearing before the people he wanted to serve as if he were pursuing a personal goal; having been already so privileged he felt that he had no right to ask anything more for himself as an individual. And so this superb campaigner who genuinely loved people eschewed the personal pursuit of delegates. He sought the office by trying to assemble and present to the nation the most sweeping vision of its future and the best blueprints to attain it. He spent days and weeks seeking expert advice for substantive speeches telling the American people about its challenges and how to master them. He had a touching faith in the power of ideas. It is not quite the way our boisterous process works, more geared as it is to personalities than to programs.

And yet in the final accounting it was often Nelson who worked out the agenda which others then implemented as national policy. The intellectual groundwork for many innovations was frequently his. Indeed he continually called the nation's leaders and thinkers to their responsibility, to make their commitments and apply their best efforts to the future of the nation. Destiny willed it that he made his enduring mark on our society in a way that transcends personality—almost anonymously in the programs he designed, the values he upheld and the men and women whose lives he changed.

Nelson was never quite sure that he had done enough to fulfill the moral obligations of his inheritance. This assemblage is the best testimony to how well he succeeded. Legislators and diplomats, the eminent and the humble, Americans and foreigners of all faiths and races and nations are here to pay tribute to the scope of his achievements, the reach of his spirit and above all to the greatness of his heart. This distinguished gathering would tell Nelson the one thing his friends knew better than he: how much he sustained the public life and honor of his country.

As I have thought about my gallant and beloved friend I was first seized by an inexpressible loneliness. And then it occurred to me that his role in our society was symbolic of America's role in the world. Like him we are uniquely strong; like him we are idealistic and a little inarticulate. But if he were here he would tell us: do not look back, do not be afraid or ashamed of your strength; neither hoard it nor abuse it; it is not a burden but God's blessing conferring an opportunity to oppose tyranny, to defend the free, to lift up the poor, to give hope to the disadvantaged and to walk truly in the paths of justice and compassion.

When Nelson was relaxed he did not speak about power but about love. He meant not the sentimental, clinging, demanding emotion which often is a form of selfishness; rather it was the grace of the inwardly strong, an all-embracing feeling that only those who are truly at peace with themselves can dare to articulate.

In recent years he and I would often sit on the veranda overlooking his beloved Hudson River in the setting sun. I would talk more but he understood better. And as the statues on the law glowed in the dimming light Nelson Rockefeller would occasionally get that squint in his eyes which betokened a far horizon. And he would say, because I needed it, but above all because he deeply felt it: "Never forget that the most profound force in the world is love." ●

● Mr. FISH. Mr. Speaker, it is with great personal sadness that I join my colleagues in the House in paying tribute to Nelson Rockefeller, a man who dedicated so much of himself to the well-being of the people of his home State of New York and of the Nation.

I was fortunate as a member of the New York delegation to have worked with Nelson Rockefeller, while he served as our Governor. I also was privileged to serve on the House Judiciary Committee during confirmation of his appointment as Vice President.

Nelson Rockefeller was a true patriot. He worked to better the economic, social, and cultural lives of all Americans. In New York, he expanded the State university system and rebuilt the State capital, while establishing innovative programs to improve the lives of the less-fortunate.

For over four decades Nelson Rockefeller served the public with great industry and ability. Through the years he used his many talents on behalf of the people of New York and the country. He always fulfilled his obligations and responsibilities, never running away from a difficult decision. One could never question his humanity and sincerity, or do less than marvel at his vitality. Even if one did not agree with his policy decisions, it was clear that whatever he did, he did for the good of the people.

As a New Yorker, it will be difficult for me to imagine the arena of New York politics without him as a participant. He was a politician in the true sense of the word. What set Nelson Rockefeller apart from the rest was that he was a statesman. He will be remembered as a great public servant. His love and dedication to the people will serve as an example for generations to come.●

● Mr. MURPHY of New York. Mr. Speaker, throughout the history of America, we have hardly ever been without the name Rockefeller, or so it seems. Ever since the Industrial Revolution brought John D Rockefeller, Sr., into the public eye, the family has been not simply one of America's leaders, but one of its foremost leaders in every field it has pursued.

Such is the case of Nelson Rockefeller, a man with whom I had the distinct pleasure of being associated throughout my entire political career. Although we differed greatly in our political directions, he was still a man whose strength of character, integrity, and vitality surpassed party boundaries. He brought his exuberance and dedication to his personal ideals fully into each area he touched. He felt, as his father once expressed, that it is our responsibility to see in every opportunity, an obligation, and in every possession, a duty.

As a man of great wealth, he was often subjected to challenges from those who questioned his motives for public service. But again, reflecting his father, he would respond that the only question with wealth is what you do with it. He had a tremendous capacity and desire to take on those public obligations, feeling that those who refuse to take part in government condemn themselves, and the people, to living under a bad government which could be considerably better. He had the strength of character to "do what I think is right in this world, and others will follow." He was a leader who could make that concept work.

Nelson Rockefeller used his great capacity to translate his values into public policy. He admitted to having an ambition, not of power, but to "do things, to do useful things, and to do them myself, not to ride on somebody else." He was never above doing the small, seemingly insignificant things which always need to be done, but which somehow are avoided by those who cannot see the value of such groundwork. He was not just a thinker, but a "doer," as he noted when he said that most of the things he had done in his life have been because he had written a memorandum to someone suggesting that someone ought to do something. He never worried about walking through a door which had been opened, and taking on a new challenge.

And in addition to his outstanding national presence, he had a personal commitment to his friends and family which went far beyond that which might be expected of such a man. He was an exuberant, energetic man who was never quite sure that he had done enough to fulfill the moral obligations of his inheritance. And thus, he continued to give, and to do, and to accomplish, and to bring to this Nation an excellence that will be unequaled for a very long time.●

● Mrs. SNOWE. Todav I join my colleagues in paying tribute to a very special and truly great American, the Honorable Nelson A. Rockefeller.

Throughout my lifetime, there have been precious few true statesmen. With the passing of Nelson Rockefeller, America certainly has lost one of them.

I believe all of us share a mutual respect and admiration for this man—for his dedication, for his accomplishments, for his sense of duty, for his unselfishness, and for his spirit. This man—who had so much yet gave so much—possessed the character, the quality, and the energy of which true leaders are made.

In Maine, with the passing of Nelson Rockefeller, we sense a personal loss. As a native son and distinguished summer resident, Nelson Rockefeller gave much to the Maine community and demontrated time and time again to our people the unselfishness and the concern for his fellow man which marked his character.

Mr. Speaker, we have lost a great American. But the spirit of Nelson Rockefeller will remain as an example for all Americans for years to come.●

● Mr. WINN. Mr. Speaker, it is with sadness that I join my colleagues in paying tribute to Nelson A. Rockefeller.

Mr. Rockefeller was a man of principle, a holder of strong and definite views on the issues that face our Nation, and a fighter for what he believed was right.

Nelson Rockefeller visited the Third District in Kansas to lend his support to Republican candidates in the general election campaign of 1968. He was highly respected by party leaders in my district, and was immensely popular with the voters in the Kansas City area. We were more than glad to welcome him when he returned for the Republican National Convention in 1976.

It is typical of his life that he would have attended a program at his son's school, introducing his old friend, Henry Kissinger, and then returned to his office, to die at his desk working on his much loved art collection.

Nelson Rockefeller was a doer, a worker, and the kind of human being who does not come down the road often. We were fortunate to have had him for the years we did. There is no need for a litany of his contributions. We are all well aware they were varied and many, and he will be missed by all segments of our society.

My heartfelt sympathies go to his wife and family.●

● Mr. BOB WILSON. Mr. Speaker, the recent passing of former Vice President Nelson Rockefeller has left us all with a deep sense of loss. He was such a vital force in our world that it is hard to believe that he is really gone.

From his birth, Rockefeller had it all—comfort, ease, privilege, status. His future was assured. But rather than follow a path of idleness and leisure, Rockefeller opted for the arena of politics and a career in public service, and here he made his mark.

Rockefeller served in three administrations, was elected Governor of the State of New York four times, and ended his political career as Vice President under Gerald Ford. He gave fully of his time and boundless energy to public service for over three decades.

Nelson Rockefeller was a man who thought big and dreamed big, who believed in the greatness of this country and its immense future potential. He never lost faith in the innate ability of Americans to innovate and achieve that greatness, that the realization of America's potential lies just around the corner.

He brought an enthusiasm and fervor to the political scene that was rarely seen before. His spirit and optimism were infectious.

Rockefeller wanted America to be the best, was convinced that it could be, and spent his life's energies in pursuit of that goal. He was a unique man and a valued friend. I will miss him greatly, as we all will.●

● Mr. WALKER. Mr. Speaker, I am honored to join with my colleagues in the House of Representatives today to pay tribute to a truly great American, the late Nelson A. Rockefeller. With his recent death, our Nation has lost a valuable and experienced public servant and I take this opportunity to add my expression of deepest sympathy to the Rockefeller family.

Nelson Rockefeller's distinguished public career began with his upset victory in the race for Governor of the State of New York in 1958. He proceeded to serve in that capacity for four terms. His dedication to the principles of democracy was never failing and in December 1974 we were honored when President Ford selected Mr. Rockefeller to serve as Vice President of our country.

I am reminded that on the day he took the Vice-Presidential oath of office, Mr. Rockefeller said:

> I feel a great sense of gratitude for the privilege of serving the country I love.

I suggest that we, as Americans, are deeply grateful to have known Nelson Rockefeller and to have had the benefit of his great wisdom and devotion to our Nation.●

● Mr. VANDER JAGT. Mr. Speaker, our country has lost a great citizen, and I have lost a great friend.

The sudden death of former Vice President Nelson A. Rockefeller came as a great shock and with deep sadness. Our Nation and, for that matter, the world community have lost one of the finest men it has ever been my privilege to know. The great outpouring of glowing comments by world and national leaders has been overwhelming. Unfortunately, as often is the case, the words should have been spoken weeks, months, and even years ago.

I share in that shortcoming, as well. I have tried to think of the right words—moving, meaningful words—as to his passing. Former Secretary of State Henry Kissinger perhaps has said it best when he called Nelson Rockefeller the "greatest man he ever knew." Senator Daniel Patrick Moynihan said it well when he commented that Nelson Rockefeller was a man of great generosity "* * * he gave us so much more than we ever gave to him."

As I pay honor to this wonderful, decent human being, to think of words of my loss, our country's loss, perhaps nothing can come closer than my special associations with him which I have described in chapter VII of my soon to be published book recollecting my personal experiences at the White House during President Gerald Ford's time.

Excerpts from my manuscript follow:

The Vice President

Nelson Rockefeller emerged from these meetings as one of the most irrepressible, zestful and youthful men I have ever known. He could hardly contain his enthusiasm. He was like a one man cheering section for the President and his programs. Often when someone was making a point, particularly to the Vice President's liking, he'd bubble with "Here, Here" or "Amen" or "Good for you" or even applause. He looked at life like a little boy in a candy shop. He was always so enthused and so stimulated and so alert and involved in everything. He was always bubbling over with some experience or conversation he had just had. In one of my very first meetings in January of 1975 Rockefeller corrected me when I addresed him as Mr. Vice President. "To you" he said, "it is Nelson." Then he pulled something from his pocket and grinning like a naughty school boy showed me an angle worm. I was trying to adjust to the spectacle of the Vice President of the United States pulling an angle worm from his pocket at 8:00 in the morning in the Cabinet room when he explained it wasn't a real one. Seems the day before the Rockefeller family had celebrated his son Mark's 8th birthday. Since the young Rockefeller is such an avid fisherman the birthday party theme was built around fishing. The birthday cake was in the shape of a fish and at each place setting was an angle worm. After the party Rockefeller had gone around collecting the angle worms, unable to resist the sort of practical joke possibilities that he had just pulled on me.

Later John Tower came over and told us he had just been named Vice Chairman of the Senate Select Committee for investigating the CIA. Rockefeller was chairman of the executive committee investigating our investigators and could speak on the subject with some authority. He reached into his pocket and pulled out some angle worms and showed them to Tower. "That's what we have," he said to the Senator. "They're in my hand rather than in a can but that's what we have. A can of worms." Rockefeller said that he was going to trace CIA and FBI snooping beginning with Eisenhower and on thru Kennedy, Johnson and Nixon. He said this would show that Nixon merely carried on a practice that started under Eisenhower and had been added to by each successive President. He said, "You know there's great truth to the joke around town that Ike read the funny paper for amusement but Johnson read the smutty stuff about his friends in the FBI files for his amusement. LBJ had a passion for reading the FBI files on Congressmen and other notables."

Sometimes my chair would be directly to Rockefeller's right, and I'd always enjoy those mornings because of the asides and addendums he'd whisper to me. Like the morning we were counting Ford delegates at the upcoming national convention and Rockefeller had just told the President he could count on every one of New York's 97 delegates. "I couldn't put Jim Buckley on the delegation," he whispered to me "because I just couldn't trust him. He's a fine guy but I just couldn't be sure about him and we've got to make sure New York is 100% for Ford." Another morning he was describing to me an appearance the day before at a Senate Committee. "I went over there to greet the Swedish Crown Prince or whatever he is. I haven't paid too much attention to Sweden because I didn't like the way they've treated us in international affairs or their attitudes. In fact, I didn't particularly want to go over there but the Senate has asked me, so I went. Some Senator asked the President of Volvo what we could do in America to correct our problems. I heard the President of Volvo's answer," Rocky said, and quoted him, "You Americans fascinate me. America is the most powerful nation in the world. You have the greatest capacity the world has ever seen. You can do anything you set your minds to. All you have to do is stop contemplating your navel and stop this obsession with what's wrong with America and think about what's right with America. Because there is so much that is right. You can build on that."

Rockefeller said he thought the President of Volvo had put it so well that when he was asked for comments by the Senate Committee at the end he simply told them he agreed with everything the President of Volvo had said and would make that statement his own. "You know," Rockefeller whispered, "the only thing America needs is confidence and pride. We've got to give the countries of the world and our own people confidence that we in Washington know what we're doing. I just love to work on solving problems. That's fun. I don't really like fighting this rear guard action," he said, sweeping his hand over the table over which we had discussed so often how to stave off some Democratic wrong headed action. "I'll do it if I have to, and often we have to, but I really get turned on by trying to solve problems."

No President ever had a more loyal Vice President than Ford had in Rockefeller. Rockefeller's loyalty was so deep that it led him in November of 1975 to remove himself from consideration as Ford's Vice Presidential nominee at the 1976 Convention. Rockefeller had always been like a lightening rod attracting conservative attacks on the Ford Administration. Ever since the 1964 Convention, mentioning Rockefeller to Conservatives was like waving a red flag at a bull.

As I got to know Rockefeller better and better, this conservative hostility puzzled me more and more. On subjects dear to the Conservative's heart like Capital Formation, a strong defense, anti-Communism, free enterprise and resistance to the public sector swallowing the private sector Nelson Rockefeller was as conservative as Barry Goldwater. Rockefeller wasn't just positioning himself politically on these issues. He felt them as passionately as the most rock-ribbed of the Conservatives. But Rockefeller remained anathema to the right and he concluded that by removing himself as an issue he could take some of the wind out of the sails of the billowing conservative tack to dump Ford and replace him with Ronald Reagan. He just didn't want to be "an embarrassment to the President" was the way Rockefeller put it. I was with John Rhodes on that third day of November in 1975 when his phone rang. News of Rockefeller's decision had come over the ticker less than ten minutes before but it was Rockefeller calling to inform Rhodes of his action. Rockefeller was still at the White House having hand delivered his letter to the President. "I thought it over very carefully. I just didn't feel that the President could have a totally free hand with complete freedom of choice as long as I was in the picture. I simply didn't want to be an embarrasment to the President," Rockefeller explained.

Even after the Ford White House so readily and completely embraced Rockefeller's heroic act of political self-annihilation Rockefeller remained totally loyal to Ford, not just ritualistic lip service loyalty but rather he remained the enthusiastic cheer leader for Ford and his programs fighting at our side for every last delegate as though his political future still depended on it. Although Rockefeller had sacrificed himself to avoid any damage to the President where he might hurt, he continued with unabated enthusiasm to serve Ford where he knew he could help. No task was too big or too small for Rockefeller to take on. Even the mundane assignments Rockefeller cheerfully bounded off to perform simply because the President had asked him to. One day the Vice President called and tried to rent the NRCC the fourth floor of the Capitol Hill Club which is the Republican social club of Washington. "What in the world are you doing spending your time renting space like a real estate agent." I inquired increduously.

"The Capitol Hill Club was tottering on the edge of bankruptcy and only a drop away from having its front doors bolted," Rockefeller explained. "The President was asked to help and he assigned me to the task of putting the Capitol Hill Club back on a sound financial basis. I'm here to serve the President. Whatever he wants me to do that's what I do. And right now he wants the Capitol Hill Club bailed out," Rockefeller cheerfully explained. With the help of advice from his personal lawyers, CPAs, and investment counselors together with some Rockefeller twisted arms at fund raisers, the Vice President had the Capitol Hill Club back on a sound financial, business-like, basis within a few months.

Of course, the ultimate irony is that Rockefeller's removal from the Ford team in no way lessened the challenge from the right. Rockefeller had been an excuse, not the reason. At any rate, I doubt if ever a Vice President gave more to an Administration and received less in return than Rockefeller. Although he had every reason to feel slighted and bitter, I never saw the slightest trace of hurt or disappointment and he remained the cheerful, exhuberant Ford advocate to the very end. Not once in the two years did I ever see Rockefeller try to draw attention to himself or make others—or even Ford—aware of credit due him for some Presidential service well performed which is all the more remarkable when one considers that much of the energy of any President's inner circle is directed to winning Presidential favor and notice for services rendered. I don't know what Ford said to Rockefeller upon their leave taking, but I do know that Ford could have spoken no words more appropriate to Rockefeller's service as Ford's Vice President than those of the apostle Paul. "Well done, thou good and faithful servant."

As Rockefeller left the Vice Presidency, he put some 40 years of public service totally behind to plunge with characteristic zest and abandon into a brand new adventure with his private art collection.

America, so much richer and greater because he had served it, might well have said to Nelson Rockefeller and his nearly half century of service to his beloved country, "Well done, thou good and faithful servant." Good Baptist that he is, that simple epitaph might be the most appropriate of all, even for so distinguished a man and proud and gifted leader.●

● Mr. STANGELAND. Mr. Speaker, the unexpected death of former Vice President Nelson A. Rockefeller brings sorrow to the heart of the Nation. We have lost a valued and faithful friend.

Throughout his lifetime, and political career, not only as Vice President, four-term Governor of New York, and Presidential candidate, but also as a humanitarian, Nelson Rockefeller exemplified the image of a man dedicated to the welfare of this great country, and every individual who resides in it.

His honesty, sincerity, and integrity were deeply respected during his lifetime, and these qualities of his charitable personality will be immortalized in the hearts of Americans for many years to come.●

● Mr. SHUSTER. Mr. Speaker, I rise to pay tribute to one of the most distinguished Americans of our time, Nelson Aldrich Rockefeller.

Born to one of the wealthiest families on the face of the Earth, Nelson Rockefeller could easily have led a life filled with ease and pleasure. But that was the farthest thing from his mind as he grew to maturity and devoted his life to the service of his country and his fellow man.

As Assistant Secretary of State under President Roosevelt and President Truman, he demonstrated his concern for the underdeveloped nations of Latin America. Returning to private life he almost singlehandedly was responsible for finding a home for the United Nations, an institution he felt would be able to play a large role in keeping the then newly found peace of the world. Recalled to service by President Eisenhower, he helped organize the new Department of

Health, Education, and Welfare, later being made Under Secretary.

But Nelson Rockefeller would not be satisfied with appointments to prestigious positions, and entered the turbulent world of electoral politics. For the next 15 years, Nelson Rockefeller was to dominate the State of New York as its Governor. Creating a State university system where none had existed, beautifying the State capital at Albany, always Nelson Rockefeller was in the thick of controversy. Whether one agreed or disagreed with him, his zest for life, his extensive and detailed knowledge of his country and the world made him a formidable friend or foe.

Denied the Presidency of the United States three times, he came forward to serve his Nation as Vice President at one of its most critical moments. And he served it well. Truly we shall miss this very big man, a man with a heart who gave his country everything he had. Instead of taking the wide path of enjoyment and ease, Nelson Rockefeller took the road less traveled by, the road of superb public service, and for that our country is forever in his debt.●

● Mr. SHUMWAY. Mr. Speaker, I appreciate this opportunity to pay appropriate tribute to the memory of the late Nelson Rockefeller, a man who has always stood extremely tall in my estimations.

I did not have the privilege, as many of you have had, of a longstanding and close association with Mr. Rockefeller. However, this lack of personal contact in no way alters my high regard for this great American—in fact, that regard could not be higher. His loss will be felt not only by his family and friends, or by those who were privileged to know and work with him through his service as Governor of the State of New York and Vice President of the United States. Rather, that loss will be felt by Americans from all walks of life, because of Nelson Rockefeller it can truly be said that here was a man who cared. He cared about the direction his country was taking; he cared about bettering the lifestyle of our citizens, and he cared about the integrity of the American principle. If ever an individual could be called a sincere philanthropist, that individual would be Nelson Rockefeller.

To me, his name evokes an image of a colorful individual who lived life to the fullest, rather than allowing that life to "happen" to him. Moreover, he extended that vigorous participation in living to all those whose lives he touched.

He will be missed, but more importantly he will be remembered. My family joins with me in extending sincere condolences to all those whom Nelson Rockefeller left behind.●

● Mr. RICHMOND. Mr. Speaker, it was my privilege to have had a long, close, and warm association with the man we honor today, Nelson Rockefeller.

Nelson was a kind, wonderful friend. In public life as in his private life, you could count on Nelson—he always kept his word. He was one of the busiest people I have ever met, yet he was one of the most available. He always had time to talk, to inquire, to listen.

Few people have had Nelson's long record of distinguished service to his State and Nation. Though he was born to great wealth, the considered it a privilege to serve his fellow citizens, especially those least able to help themselves. He approached his career in public life like he approached everything he did, with dedication, drive, and boundless enthusiasm. Above all, he had confidence—in himself, and in the wisdom, patriotism, and fairness of the American people. Nelson believed to an absolute certainty that together he and they would someday achieve the better world he envisioned.

Nelson Rockefeller's name is synonymous, both with philanthropic giving for the welfare of all, and with compassionate leadership to improve the quality of life in our beloved New York, throughout the Nation, and overseas.

When Nelson believed in a concept, he made it become a reality. Without his interest in culture and the arts, without his energy and personal commitment, there would have been no State council of the arts in New York. He, more than anyone in our Nation, put the arts "on the map," and the New York State Council became the blueprint for State and local councils of the arts everywhere.

In addition to his accomplishments in support for the arts, Nelson's achievements as Governor of New York included expansion and improvements in housing, hospitals, schools, the State university system, and public transportation. He served as Governor of New York for 15 years—an achievement in itself.

When the Nation needed stability and absolute integrity in the executive branch in the wake of Watergate, he accepted the Vice Presidential nomination and served with distinction for 2 years.

Mr. Speaker, these are but a few examples of the monumental contributions of this dynamic, sensitive, exuberant, visionary—my dear friend, Nelson Rockefeller.●

● Mr. RAILSBACK. Mr. Speaker, I am proud to join with my colleagues in paying sincere tribute to an outstanding American who was a dedicated public servant and a close personal friend of many of us in the Congress—the late Nelson A. Rockefeller. His recent passing is certainly a great loss to all Americans.

Nelson Rockefeller was a man who loved his country and served it well during a career in public life that spanned four decades. Although I will not now attempt to detail all of his many accomplishments, his record of enthusiastic and unselfish service to his State and Nation in a variety of official stations is an outstanding one.

His personal compassion helped him to recognize the defects in our society; his idealism and optimism encouraged him to seek solutions to these problems; and his intelligence, drive, and personal dynamism enabled him to transform his ideas into concrete realities. His accomplishments were many and varied, and they provide a fitting memorial to this man, a man who found it a stimulating challenge to seek answers to some of the most complex problems facing our Nation.

Nelson Rockefeller was a firm believer in the American democratic process and the two-party system. Although he was unsuccessful in his three attempts to gain the Republican Party's nomination for President, he was always highly respected by his Republican peers as a loyal colleague of the highest personal integrity. As a member of the Republican party, he actively advocated and advanced those policies in which he believed strongly, while compromising when necessary for the sake of the public good. Always he kept sight of his two basic political beliefs: That government existed to serve the people, and that effective problem solving was the fundamental challenge confronting America's public officials.

Mr. Rockefeller's distinguished Government career reached its climax in August 1974 when he was nominated by President Gerald R. Ford to assume the then-vacant office of Vice President of the United States.

As a member of the House Judiciary Committee, I had the privilege of participating that year in Governor Rockefeller's confirmation hearings. During those proceedings the committee investigated his background and credentials before reporting to the House regarding his qualifications for the office of Vice President. After an exhaustive examination, we found him to be a man of high integrity, whose extensive background in business, foreign affairs, and Government service made him eminently qualified to fill the Nation's second highest office. Thus we were pleased to recommend his confirmation to our fellow Members of the House of Representatives. After assuming the Vice Presidency, Mr. Rockefeller went on to play an important role in the Ford administration's efforts to restore public confidence in the integrity of our Government.

Before closing, I would like to recall a passage from Mr. Rockefeller's testimony before the House Judiciary Committee during his confirmation hearings. Although they were spoken in 1974, his words represent a timely challenge to the 96th Congress as we confront a wide variety of pressing national issues. He said:

> This is a time to face up to what needs to be done. This is a time to mobilize the best minds: to develop challenging new concepts; to resolve the conflicts that must, and should, arise in a diverse and democratic system. This is a time to get things done.

As we mourn his passing, I express my confidence that Nelson A. Rockefeller will be remembered as one of the great public figures of our time, as a great citizen of our Nation and above all as a man who got things done. He will be sorely missed and well remembered.●

● Mr. QUILLEN. Mr. Speaker, America has suffered a great loss in the passing of former Vice President Nelson Rockefeller. For two decades Nelson Rockefeller strode the American political stage, and his personality, his leadership, and his achievements have made a permanent impression on our history.

He was born the heir of one of America's great family fortunes, and as a man he devoted himself to public service for the benefit of ordinary people. Nelson Rockefeller cared about America and he cared about people.

Through the years of success and also of defeat on the political stage, Nelson Rockefeller's heart always seemed as big as his smile. His humor and exuberance never failed him. He was a strong man, but also a happy and a joyous man. He will be missed.

My wife joins me in extending deepest sympathy to Mrs. Rockefeller and all the members of the family on this sad occasion.●

● Mr. MURPHY of Illinois. Mr. Speaker, the death of Nelson Rockefeller has removed a prominent figure from our national political scene. Born into a family of name and fortune, Nelson Rockefeller devoted himself to public service for three and a half decades, leaving his mark as Governor of New York, Vice President of the United States, and a two-time Presidential candidate.

Nelson Rockefeller's career dates back to the 1940's, when President Roosevelt picked him to be coordinator for inter-American affairs. Following that appointment, Nelson Rockefeller participated in developing President Truman's point 4 foreign aid program, helped draft the United Nations Charter, and played an important role in creating the Department of Health, Education, and Welfare under President Eisenhower.

Finally in 1958 "Rocky" entered the rough-and-tumble arena of elective politics. Though wealthy, Nelson Rockefeller established himself as one with whom the common man could identify, and consequently won the governorship of New York.

As Governor "Rocky" expanded the State University from 38,000 students to 270,000, built hospitals, State parks, and buildings (such as the World Trade Center). Perhaps the most difficult episode in his career was the tragic uprising at Attica Prison, which occurred in 1971.

After resigning the governorship in 1973, Nelson Rockefeller was selected by President Gerald Ford to serve as Vice President. In that capacity, he headed the so-called "Rockefeller Commission" that investigated improper activities of our intelligence agencies.

After retiring to private life, "Rocky" returned to his great love of art collecting. But as Newsweek magazine reported:

> . . . When a visitor asked last year what he wished most he might have done, he answered bluntly: "Been President."

Mr. Speaker, America has lost one of its most distinguished politicians and philanthropists. Nelson Rockefeller was a powerful force for ideas and change, as well as for preserving our cultural heritage. He will be missed by all of us.●

● Mr. MITCHELL of New York. Mr. Speaker, our Nation was greatly saddened by the death of Nelson Aldrich Rockefeller. He was an individual of boundless energy, limitless vision, and unchallenged devotion to those causes he championed as he tried to find a better way for us all.

Few men in the annals of American history have given more of their time, talent, and resources to the strengthening of the bond of friendship between people and nations. There was no end to his dedication to those activities which he felt would benefit his fellow man and in the process help assure a world at peace and a quality life for all.

Nelson Rockefeller's accomplishments were many. They stand as a living testimonial to his never-ending quest for excellence in all that he undertook. The lives of literally millions of people have been enriched by projects and policies that had his imprint.

He was not a man who had all of the answers. He would have been the first to concede this. But he was an individual who never stopped searching for those answers. And he was not afraid to sail ahead into unchartered waters on his journey. Determination and Nelson Rockefeller were synonymous.

There were successes in his life. Many of them. And there were failures. There were times when all thinking people, friend and foe alike, embraced his philosophy and proudly identified with his approach to a problem; an approach that often led to a sensible, pragmatic solution of widespread benefit. And there were times when he was opposed with every ounce of energy available to those who had a different version, a different approach. There were occasions when I was with him 100 perecnt. And, at times, I was in the opposite camp. I doubt there were few instances when a Rockefeller position on a public issue elicited a neutral response. He was always out front and highly visible on matters important to us all. Neutrality just was not his style.

As a citizen, but more significantly as a New Yorker, a Republican, and a public official, I was permitted an opportunity to be personally associated with this truly remarkable human being. For most of my political career he was the unchallenged head of the GOP in New York. He brought to that role a vigor and vitality that earned for him the respect of ally and adversary. His advocacy was sought; his opposition avoided. At all times, Nelson Rockefeller was a force to be reckoned with.

Although his policies were questioned, his integrity, sincerity, and strong leadership were never doubted.

The legacy of Nelson Aldrich Rockefeller from a distinguished career of public service marked by major accomplishments touches us all and he will be missed. He will be especially missed by the poor, the handicapped, and the needy. He was their undisputed champion.

Mr. Speaker, I would like to close with two quotes which I feel are tailormade to describe the man we are eulogizing today. The first is from George Bernard Shaw who long ago said:

> Some men see things as they are, and ask "Why?" I dream things that never were and ask "Why not?"

And from the pen of Theodore Roosevelt:

> The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood . . . who knows the great enthusiasms, the great devotions; who spends himself in a worthy cause . . . who at the best knows in the end the triumph of high achievement, and who at the worst . . . fails while daring greatly, so that his place shall never be with those cold and timid souls who know neither victory nor defeat.

Nelson Aldrich Rockefeller, you earned our respect, you have our appreciation, you are missed.●

● Mr. MAZZOLI. Mr. Speaker, with the death of former Vice President Nelson A. Rockefeller, the Nation has lost a truly great leader and statesman.

It is a rare individual who combines a commitment to public service with the personal appeal sensitivity to the problems of the needy in the way Nelson Rockefeller did. His dedication to improving the quality of life, first as Governor of New York and then as Vice President, was steadfast and exemplary.

The Nation will miss Nelson Rockefeller's presence on the American political scene.●

● Mr. LOEFFLER. Mr. Speaker, Nelson Rockefeller and I sat together many times in the cabinet room of the White House during the period of my service with President Ford—the Vice President at the table, I at the perimeter of the room.

While I did not always agree with the positions which he espoused, I certainly respected him as a man of principle, of dedication, of honor, and of courage.

I am personally saddened by his loss.

Kathy and I extend to Mrs. Rockefeller and the Rockefeller family our deep and most heartfelt sympathy.●

● Mr. JOHNSON of California. Mr. Speaker, America has lost one of its greatest public servants. Nelson A. Rockefeller was a unique man in American history and this Nation will miss him dearly.

Rockefeller was born to fame and fortune. One of the reasons he has a special place in our hearts is that instead of being satisfied with his state in life, he used the opportunities which came his way by virtue of his birth to help others and improve life for all of us.

The word dynamic is often used to describe Nelson and I feel this adjective is most fitting. He was a man of innovation, of strong will, and of eternal optimism. He was energetic, warm, and dedicated.

Although his interests spanned a wide array of fields, his tremendous vitality and enthusiasm allowed him to make important contributions in each. Nelson was a humanist who was tireless in his efforts to make a better world for us all.

It was my great privilege to know Nelson personally through our work together on the National Commission on Water Quality which he chaired so effectively. He showed great concern for the problems of our Nation's waterways and the environmental effects of their being polluted. He was a strong leader and set an outstanding example for us all.

Much of his life was spent in the public arena. In addition to his notable service as our first appointed Vice President of the United States and as Governor of the State of New York for four terms, Nelson served on numerous task forces and commissions as well as in other positions with the Federal Government. He loved people and loved his country.

Nelson Rockefeller has left this Nation a better place for his having been here, and we all feel a sense of loss as a result of his death. To his wife Happy, his brothers, his sons, and the other members of his family, my wife Albra and I extend our heartfelt sympathy. I will always consider it an honor to have had him touch my life.●

● Mr. GIAIMO. Mr. Speaker, the nation lost a great leader and public servant when our former Vice President, Nelson A. Rockefeller, died.

Born into enormous wealth, Nelson Rockefeller never deviated from what he considered a noblesse oblige. His charitable works are legend. His service as Governor of New York is a record.

Denied the Presidential nomination by his party, he often rejected the idea that he would ever accept the Vice Presidency. Yet, when the Nation's need was clear, he accepted the appointment to that office as an obligation.

Our country benefited greatly from the service of Nelson Rockefeller. We shall all enjoy the legacy he left us. We shall all miss him. And so, we offer our sincerest condolences to his widow and children.●

● Mr. DERRICK. Mr. Speaker, it is my privilege to rise before this body to offer a few words in tribute to the Honorable Nelson Rockefeller.

There is no real way for any of us to address the passing of a national figure. For Nelson Rockefeller was surely dedicated to national service, and I know I need not tell any Member of this Chamber how extensive and unselfish his dedication was. But I would like to use this occasion to hold up his life as a pinnacle anyone in public service could well emulate. We all know that Nelson Rockefeller could have easily passed the political mantle of American life. He chose not to and thereby enriched this Nation with wise counsel and true ability. We shall all miss Nelson Rockefeller very much.●

● Mr. COLLINS of Texas. Mr. Speaker, I thank the gentleman for yielding and wanted to add my appreciation and respect for the great service that Nelson Rockefeller has rendered to our country. We all remember Nelson Rockefeller in so many interesting ways. But of all of his great traits, I admired him most for his generosity. The Rockefeller family has always been such a generous family. From the days of his grandfather, they have carried forward the Baptist tradition of philanthropy, sharing, and have given from the heart to education, health, the arts, and to the humanities. It was said that Nelson Rockefeller was liberal, but he was liberal in the finest sense of the word because he was most liberal with his own money. When you picture Nelson, you always visualize him with that warm Rockefeller smile. For a man that grew up in the most aristocratic of families, he was sincerely down to earth and warm in his relations with people. He liked people.

I recall a conversation a few years ago with Nelson about parades. It always impressed me to see his enthusiasm as he waved and smiled for miles of a parade. He explained that he looked to one side of the street and in the back row chose an interested face. He waved at him and the guy would wave back and everyone around also joined in. As the Governor said, "When this face smiled back and the arm waved, that friend of mine gave me a big lift." When you boil it all down, I guess that everyone, everywhere Nelson Rockefeller saw was a friend to him.

I admired Governor Rockefeller so much as he grew through the years in his perspective of Government. With his deep compassion, he entered politics as a believer that the Government should do everything it could to help everyone. In the past few years he has had an opportunity to observe and witness the experiences that resulted from an overburdened Government. He gradually became more and more conservative. In behalf of the sound U.S. dollar and the need to limit Government expenditures to the Nation's fiscal capacity, he realized that as much as he wanted to see the Government do everything for everybody, that it was more essential for the Government to maintain itself with stability for the future.

To all of the family of Nelson Rockefeller, Dee and I extend our warmest and sincerest sympathy.●

● Mr. CARTER. Mr. Speaker, I, too, was saddened to learn of the death of Nelson Rockefeller.

We in the Republican Party have lost a distinguished statesman whose celebrated exuberance as well as his insightful leadership had enlivened and enlightened our party's politics over the past quarter century. But we in the Republican Party are not the only ones to mourn the passing of Nelson Rockefeller, and that is perhaps the greatest indication of his contributions to his country.

Mr. Rockefeller came to Kentucky during Gerald Ford's campaign for the Presidency. Kathleen and I were the ones to greet him at the Lexington Airport. Though I had known him for many years, I was impressed anew with his understanding, his interest and his warmth.

The last time I saw Nelson Rockefeller was at the last joint session of the House and Senate in 1976. The then-Vice President and Speaker O'NEILL were seated on the podium, and I went by and spoke with Mr. Rockefeller. I told him that President Ford would have been elected had he kept him on the ticket. And Speaker O'NEILL said, "Yes, that's true."

Much mention has been made of Nelson Rockefeller's vain quest for the Presidency. But like another former Vice President who also had aspirations to the Presidency, the late Hubert Humhprey, the fact that Nelson Rockefeller never was elected President does not diminish in any way what he managed to accomplish in the service of his country under two administrations and in countless private endeavors for the public good. And what Nelson Rockefeller accomplished most of all during his 70 years on this earth was to provide a lasting example of selfless public service. We shall miss him and his good counsel.

Kathleen and I offer our sincere condolences to his wife, Happy, and to his children and his family.●

● Mr. BROOMFIELD. Mr. Speaker, I will always remember Nelson Rockefeller as the man who died the way he lived—working with enormous energy and enthusiasm. His forceful presence, his unselfish dedication, and his unmistakable humor will be missed by us all.

Nelson's zest for life was apparent in everything he did. Born of great wealth and nurtured in the arts, he chose the demanding profession of public service. In serving the State of New York, as well as the United States of America, he was an imaginative, enthusiastic, and dedicated statesman. In addition, he always felt a great sense of gratitude for the privilege of serving the State and the country he loved so much.

Nelson Rockefeller's contributions to American Government and to the Republican Party have now become a part of the history of this great land. Having served nearly four terms as the Governor of New York, he became only the second Vice President of the United States to be installed under the 25th amendment of our Constitution. As Vice President—under former President Gerald R. Ford—he played an important role in fostering the faith of the American people in their system of Government.

In serving the American people, Nelson Rockefeller always had a special interest in establishing institutional frameworks for social action and worldwide peace. He was particularly instrumental in the construction of various national security strategies for our country. In his long and distinguished career in public service, Nelson Rockefeller epitomized creativity, dedication, and especially enthusiasm. When he finally departed from the American political scene—to concentrate his last energies on the arts—he offered us all a short but appropriate epitaph: "I did my duty for 15 years and kept my enthusiasm." ●

● Mr. BINGHAM. Mr. Speaker, last week I made some personal comments about the late Governor and Vice President. In connection with this special order today, I would like to insert in the RECORD an editorial broadcast on January 27 over Station WVOX in Westchester County, N.Y., by Mr. William O'Shaughnessy, president. In this editorial Mr. O'Shaughnessy presents one of the most vivid word pictures I have seen of Nelson Rockefeller as an appealing and very human person:

NELSON—A WVOX EDITORIAL OF THE AIR

(By William O'Shaughnessy)

Saturday is a day for blue jeans, and chores around the house, for errands and shopping at the A & P.

It is not the kind of day to get on the radio to announce that Nelson Rockefeller died last night.

He deserves better than our Saturday edition.

But last night Nelson Aldrich Rockefeller, a former member of the Westchester County Board of Health went down at his office in New York. And all night long and into these early morning hours the newspapers and the radio were preparing bulletins and obituaries to tell you this fabulous and zestful man's heart had stopped on him.

In cold, clinical, medical language he had a "massive" heart attack. It would have to be a slammer to take out this particular 70-year-old man.

This weekend, there will be a lot written and broadcast in the national media about Nelson Rockefeller. And if you want an objective, arms-length report—you'd better tune elsewhere for you'll not get an unbiased version here at his hometown station—or indeed from me.

For we were with him at countless political dinners and at ground breakings and dedications. We rode with him in air planes and helicopters and even in golf carts.

It started with Louis Lefkowitz and Jack Gilhooley down at Ratner's on Delancey Street in New York City. And it was outside the Jewish delicatessen in a Puerto Rican neighborhood where I first discovered the Great Squire of Pocantico Hills. As the old Jewish men from the neighborhood looked on—this partician, this aristocrat from Westchester, plowed into a crowd of hispanic faces yelling at him "Senor Rocky."

For over ten years we followed Nelson Rockefeller as he dominated New York State politics—settling garbage strikes, battling with John Lindsay, building colleges and a great state university, pushing bond issues, building roads and expressways.

He was always the best story of the day . . . even just sitting on the dias of the Westchester Republican dinner at the old Commodore Hotel with the late Fred Powers and telling his neighbors: "Good to see you . . . nice to see you . . . Wow . . . you look fabulous!"

He loved to tell them about the time old Boss Ward, the Republican leader, put him on the Westchester Board of Health.

And on Thursday past as Henry Kissinger spoke at this year's county dinner, I was reminded of the time Fred Powers gave him a huge replica of the Sword of Excalibur which the Wilkinson Sword people had made up. And Nelson Rockefeller was like a kid and just loved it.

There were so many nights and speeches and so many trips and so many arrivals at the county airport.

He would come down out of his Gulfstream, exhausted, in the middle of the night. He might finesse an interview with the networks. But he never waved off a WVOX microphone. When he left Albany he gave us the last question at his final press conference as governor. And when we used the occasion to inquire which of his predecessors staring down at us in the Red Room had "inspired" him, NAR said a lot of great men had been governor of New York, but Teddy Roosevelt had inspired him as a young boy.

And there was the time Air Force Two brought a tired Vice President home from a long trip around the world. And as the national press and TV camera crews clamored for interviews, the Governor, as we still called him, made straight for our local station.

And then there was the time we accompanied him on a swing thru the deep South. David Broder and I were watching the Vice President and finishing a drink as Air Force Two, a DC–9, landed with a hell of an abrupt jolt—landing "hot" as the pilots call it—at Columbia, South Carolina. It reminded David Broder and me of our own mortality for a brief, nervous, fleeting moment. But Rockefeller never even winced. He bounded down out of the plane to meet Strom Thurmond and those southern belles in hoop skirts.

On this same trip, down on Mobile Bay, he even charmed old George Wallace and his lady Cornelia. Eastern, patrician, aristocratic, wealthy, yankee Nelson Rockefeller wowed the red necks.

He could never, of course, make the great, formal speech in front of a television camera. But in a room, with a crowd or one-on-one he was superb when he was informal.

In 1968, in Miami, he had just delivered an uninspiring formal speech to the delegates to the Republican National Convention. He didn't come across before the television camera. And then he joined Walter Cronkite in the CBS broadcast booth for a more informal discussion.

The great Cronkite was trying hard to be his usual objective self when Nelson reached over, put his hand on his arm and said: "Just a minute, Walter . . . I'd like to thank you, sir . . . for all that you do. . . . The way you conduct yourself is an inspiration to me . . . and to our country!"

An astonished, but flattered, Walter Cronkite went over like a giant oak.

I'll remember lots of moments with this neighbor of ours. There was the day just before Christmas, in 1974, when he walked into the oval office to be sworn in as Vice President of the United States. And America, which had just been thru Watergate, felt good again about itself, having this extraordinary man at center stage for awhile.

And I remember Gerald Ford, the President, telling me over drinks in the White House: "Don't worry, Bill . . . I agree with you . . . Nelson and I are a good team . . . he'll be on my ticket . . . and we're going to win."

That, of course, was before Bo Calloway and the mean, narrow southerners and the Rockefeller-haters started after him.

Most men would sell their soul for the vice presidency or to sit in the oval office. He took himself out of it—with style and with grace.

And yet on this morning after he died, it is his sense of humor that keeps coming back to me.

I heard him say—on a plane or in a chopper—one day: "My lawyer just sued me!" I didn't understand—until Bobby Douglass, his aide, explained that Louis Lefkowitz, the attorney general, had just brought a suit against Mobil Oil.

And he was in great, good form at his last public appearance here in the county at SUNY Purchase where he showed slides of his art collection to a very toney group—members of the Westchester Arts Council.

He quipped and joked and raised his eyebrows and moved his blocky shoulders and his eyes twinkled and it was vintage Rockefeller. And as he greeted this staid, artsy crowd, an exceptionally well-endowed lady came thru the receiving line—rather falling out of a somewhat revealing dress. Nelson's eyes lit up. And when he noticed that Joe Canzeri and I had also tuned in on the display, the Governor threw a sly, mischievous wink to us (and to Happy standing next to him) and said to the lady: "Wow . . . how are you . . . yes, sir . . . good to see you!"

He was a man of great enthusiasm. He could find humor in almost any situation. But he had to have been hurt by that number done on him and his art reproductions by the reporter in the Times last month.

In the New York Times, James Reston will write a sweet, affectionate column about him—while Anthony Lewis, who shares the same page, will find some way to tell us he never forgave Nelson for Attica. And many Catholics will never understand his stand on abortion. (And, indeed, they wouldn't even pray for him among the formal petitions Sunday at Holy Family Church in New Rochelle. But in the same city, the Christian Brothers of Ireland at Iona Grammer School remembered the soul of Nelson Rockefeller at a mass for fathers and sons.)

There was a big, broad range to his life. He was a high roller who was equally at ease with the Emperor of Japan and the Shah as he was with Meade Esposito of Brooklyn or a Yonkers politician.

As a wealthy man, as a Rockefeller, he had a lot of material things—Kykuit the house at Pocantico, an apartment on Fifth Avenue, his newest project in the desert near Brownsville, Texas. He would sit at "21" and jet off to Dorado for vacations or with Happy to visit an Italian princess named Letitia in Rome.

But he also had great enthusiasm for some of the ordinary pleasures. I discovered this the night we flew to Cleveland to campaign for Governor Jim Rhodes. A busy tour had been arranged—TV interviews, a visit to the publishers of the Plain-Dealer and a political dinner.

Just before the dinner we stopped at a slightly run down Sheraton Hotel which was probably the best Cleveland had to offer. There were anti-abortion pickets outside. And the governor's hosts had laid on the "presidential suite" for a brief rest stop before dinner.

As we cased the room he spotted a portable bar stocked with Dubonnet and milk which suited him just fine. I could have used a Canadian Club. And there also sat a gleaming silver tray with oreo cookies all grandly wrapped in cellophane and with a ribbon.

"Wow . . . said the governor of New York . . . look at that!"

And so there we sat in short sleeves eating oreo cookies, Dubonnet and milk in the presidential suite while the pickets chanted below.

He has his name on great tall buildings now—in Albany and in New York. And he has left around this state a lot of soaring architecture which will remind us and future generations of Nelson Rockefeller.

But I will think of him everytime I see a kid eating an oreo cookie.

In countless editorials over the years, I've tried to tell you on this radio station what he has done for our state and for our nation—his accomplishments. They are many and known to you.

But this morning I think I merely want to say I'm glad he was our neighbor—and a friend.

Nelson . . . you lit up our lives. You were fabulous.

This is a WVOX Editorial of the Air.

This is William O'Shaughnessy.●

● Mr. BAFALIS. Mr. Speaker, it is with a great deal of sadness I rise today to join my colleagues in paying tribute to a distinguished American who recently passed from our midst, the late Nelson A. Rockefeller.

For almost 40 years, Nelson Rockefeller devoted himself and his great energies to public service, from President Roosevelt's coordinator for inter-American affairs to President Ford's Vice President.

In doing so, he turned his back on the life of great privilege to which his family's wealth entitled him. It was not a decision many people would make.

All too many of us—given the opportunity and the wealth to satisfy our every desire—would opt for the life of leisure and indolence. But Nelson Rockefeller rose above that inclination.

Instead, he became a dedicated public servant, a man determined to leave this world a better place than when he arrived, determined to improve the quality of life of all Americans—nay, all peoples of this globe.

During his 15 years as Governor of New York, Nelson Rockefeller presided over a tremendous expansion in that State's university system, saw health facilities and medical care improved greatly, and generally made his home State a better place in which to live.

Few political figures are that successful.

And few political figures will be missed as much as Nelson Rockefeller.●

● Mr. ANDERSON of Illinois. Mr. Speaker, when John F. Kennedy challenged Americans to ask not what their country could do for them but what they could do for their country, he suggested no prototypes to symbolize the quintessential American. Regardless, our success as a Nation can be traced to the many Americans who heeded that call; and among the many, a few have stood out as the paradigms of public service Kennedy hinted at when he urged us to lay aside personal desire for the public good. Nelson Rockefeller was one such example.

Born to circumstances that would have enabled him to lead a life of leisure, detachment, and dilettantism, Nelson Rockefeller instead plunged himself into a career of public service with characteristic verve and enthusiasm. In and out of elected office, both publicly and privately, he devoted his intellect and his energy to building an America that would attain the lofty goals only the most optimistic of us would ever dream possible.

His public service began in the State Department when he helped formulate the Latin American policies of FDR's administration; it continued through his service as Governor of a distinguished State; and it peaked when he agreed to serve a disillusioned nation as its Vice President. Yet, it would be erroneous to imply that his public service ever ended. Even when not in elected office, Nelson Rockefeller was too compelled by his dreams to rest on his accomplishments. In those times, he devoted himself to private endeavors that, being typically Rockefeller in nature, not only sought solutions to our gravest problems but posed questions that many of us were afraid to ask. His national commission on critical choices epitomized these undertakings.

Much was made of Rocky's wealth, his ambition, and his disappointment in not having achieved the Presidency. To criticize his fortune and his personal goals is to fault the very attributes he used to our benefit. Undeniably, Nelson Rockefeller was a man of substantial financial wealth; but he also was blessed with a wealth of ideas, a surfeit of ideals, and an abundance of good humor that he shared unflinchingly.

Truthfully, he never hid his ultimate pursuit, the Presidency, but neither was he consumed by disappointment in never having achieved that goal. His spirit remained undampened, and he continued to reflect the attitude Teddy Roosevelt once exhibited in describing success and failure in public office:

> Far better it is to dare mighty things, to win glorious triumphs, even though checkered by failure, than to take rank with those poor spirits who neither enjoy much nor suffer much, because they live in the gray twilight that knows not victory nor defeat.

Nelson Rockefeller knew both victory and defeat. He lived not in the gray twilight of obscurity but in the bright sunshine of commitment and service. He leaves behind a legacy of accomplishments and also the memory of the raspy voice, the winking eye, and the firm grasp that were distinctive of the man.

In the end, this man of great fortune left us the fortunate ones. It was our good fortune that such a gifted individual, so exceptional a person, sacrificed the privacy and rewards of his personal life to devote himself to our people.

To say that he will be missed now that he is gone is insufficient; rather we should say that we would have been missing even more had Nelson Rockefeller never graced us with his presence.●

● Mr. ABDNOR. Mr. Speaker, few men have had the generosity of spirit—to say nothing of generosity of purse—which marked the life of Nelson Rockefeller.

Although repeatedly turned back in the quest of his greatest personal dream—the Presidency of the United States—Nelson Rockefeller was never discouraged and bore no grudges against those who opposed or disagreed with him.

That he was willing to "try and try again" in convincing those who considered themselves "conservatives" that they had something in common with "liberals" was evidenced during a trip he made to South Dakota in 1974. I had the privilege of traveling with him at that time.

Clearly, he was a man of great energy, great enthusiasm, great expertise in many fields, great generosity with his time, his talent and his wealth, great goals in his vision for America and the American people.

While he may have had some philosophical differences with some Americans, when it came to being a great American, Nelson Rockefeller had few equals.●

● Mr. RHODES. Mr. Speaker, the passing of Nelson Aldrich Rockfeller deprives our country of the zeal and enthusiasm of a man who dedicated his life to public service.

Born to great wealth, he shunned an idle life and threw himself with boundless energy into causes, projects and campaigns for office. During his 15 years as Governor of New York, he worked tirelessly to better its government. He was a builder, who humorously maintained that he had an edifice complex. His projects include a massive mall in Albany, a model of architectural grace and efficiency, to house the State government.

Nelson Rockefeller battled constantly to provide opportunity for youth. He was most proud that during his tenure as Governor, 31 new campuses for the State universities of New York were created, making it the largest university system in the Nation.

His philanthropies were diverse and generous. Behind the ready grin and brash confidence dwelt a sensitive man who had a deep appreciation for beauty, reflected in his collection of art, which he loaned freely to museums.

His embarkation on the stormy seas of politics in 1958 brought a refreshing and often startling candor to the political process. His "hya fella" reached the so-called man on the street, and his unblinking honesty in facing issues and decisions shocked the cynical and blase. He was a doer, a scrapper for the things he believed in, a leader, a mover and shaker.

It was my privilege to have Nelson Rockefeller as a warm, personal friend. He was a devout Republican, who entered the political lists with spirit and vigor, whether running for office, or espousing a party position at our National Convention.

He was a private man, whose accomplishments came in public affairs. He used his talents and resources to the fullest. Our Nation is the richer for his having devoted his career to Government. Few will leave behind a more lasting legacy. For Nelson Rockefeller, his achievements are his monuments.

I extend condolences to his wife, Happy, his six children, his brothers and sister, and to his many grandchildren.●

● Mr. SCHULZE. Mr. Speaker, I would like to take a few moments to join my colleagues in remembering one of our great statesmen, one of New York's finest Governors, an irreplaceable member of the Republican Party, but most importantly, an outstanding American, Nelson Aldrich Rockefeller.

Nelson Rockefeller was a very special American. He served his Nation for over four decades with a love and a dedication matched by few. He was respected by many, not only for his unquestionable integrity and quick wit but for his unending concern for America and his determination to serve as our conscience, when necessary, to keep us on a course of greatness.

When sworn-in as Vice President of the United States in 1974, Nelson Rockefeller said—and I quote:

> I feel great sense of gratitude for the privilege of serving the country I love.

Nelson Rockefeller was a great public servant because of this abiding love for his fellow man and for his country. He continued to fight throughout his life for what he thought was right, and though he did not always win—Nelson Rockefeller always stood for what he thought was best for America.

Few men have been as selfless, or as caring, in their concern for the good of our Nation. His voice will be sorely missed among the leadership of America in the days and months ahead.●

● Mr. CONTE. Mr. Speaker, I am grateful to my good friend, the gentleman from New York, Mr. WYDLER, the dean of New York's Republican delegation for making this time available today for tributes to the late Nelson Rockefeller.

Like many of my colleagues on both sides of the aisle today, I will stand here and say that Nelson Rockefeller was a friend of mine. Our friendship was of longstanding and was born of a deep respect and admiration.

This is not the first time I have stood up to claim that friendship or to enumerate that great man's finest attributes. In 1964, at the Republican National Convention in San Francisco, I stood with Rocky before a crowd that, by and large, did not want to listen to him as he spoke his piece and gave his counsel to the convention, only to be rebuffed.

In 1968, it was in Miami when I again stood as a member of the Rockefeller camp and again we were turned down.

I think Henry Kissinger, in his very moving eulogy at the memorial service for Nelson Rockefeller, expressed what many of us felt and believed strongly.

when he said, "What a great President he would have been. How he would have ennobled us. What an extraordinary combination of strength and humanity, decisiveness and vision—a natural born leader."

We were to be denied that leadership on the national level until when, in 1974, I had another opportunity to stand up in support of my friend, Nelson Rockefeller and urged our colleague-turned-Chief Executive, Gerald Ford, to name him to the Vice Presidency.

I admired Nelson Rockefeller as a personal man—for his deeply held principles, his scrappy attitude, his energy, his vitality and his compassion.

I also respected Nelson Rockefeller as a public man—for his positive approach to people's problems, for his willingness to make that distinctive voice of his heard on the important issues of our times.

That beloved gravelly voice has been stilled, but its impact echoes on in the hearts of those of us who knew him. Yes, we will remember him. But not as the master of a great personal fortune, although he was that. But, rather, and more fittingly, as the servant of a great nation. My wife, Corinne, joins me in extending our deepest sympathy to the Rockefeller family.●

● Mr. BRADEMAS. Mr. Speaker, I wish to add my own to the many tributes being paid to the memory of the Honorable Nelson A. Rockefeller.

Although I met Mr. Rockefeller only a few times, I came to have great respect for his outstanding record of service to the people of the United States.

A man of great personal wealth, Nelson Rockefeller turned his back on a life of ease to plunge into the turbulent world of electoral politics. He served not only as Governor of the State of New York and as Vice President of the United States, but held positions of significant responsibility in the administrations of both Democratic and Republican Presidents.

What I feel sure nearly everyone who observed Nelson Rockefeller will particularly recall about him is that he brought to whatever responsibility he undertook great personal zest and enthusiasm combined with a genuine sense of dedication to the people of our country.

I join in expressing condolences to all of the members of the Rockefeller family on the passing of a man who was a major figure in American life for well over a generation.●

● Mr. DERWINSKI. Mr. Speaker, I join with my colleagues in expressing our sorrow at the untimely passing of Nelson A. Rockefeller. The House is providing a well-deserved tribute to this outstanding leader of our Nation.

Four terms as Governor of New York, the 41st Vice President of the United States and three times a Presidential contender, Nelson Rockefeller's distinguished career represents a lifetime of governmental achievement. He was a man of power and influence, who held fast to his convictions and followed the course in which his judgment and good sense directed him.

The strength of his personality and the controversy of his behavior should not overshadow his skill as a leader and statesman. His colorful life, dramatic career, and numerous achievements made him a striking, unique figure of our time.

Rocky was effective not only by the virtue of his extraordinary capabilities but also because of his warmth and the feeling for life that he expressed in whatever he was doing. He was not afraid to introduce a little humor into a grave situation, or to take a stand on matters of great consequence. His career was marked by a remarkable sense of vision, compassion, objectivity, and total dedication to his country.

The people of America have lost a dedicated public servant who undertook many tasks asked of him with boundless energy, enthusiasm, and effectiveness. Once Nelson Rockefeller was determined to do something, he was relentless in his tireless efforts to achieve his goals. The services performed by Nelson Rockefeller, that of statesman, humanitarian, man of the arts, will be as greatly missed as will his brilliant mind and strong leadership. His long and distinctive leadership has made a lasting impact not only on the State of New York but also on the entire country. Rocky was indeed "one of a kind," and he will be sorely missed.

Mr. Speaker, my wife Pat and I join in extending our deepest sympathy to Happy Rockefeller and the entire Rockefeller family on their loss.●

● Mr. CLAUSEN. Mr. Speaker, I wish to express my deep regret and shock at the sudden death of Nelson Rockefeller, a most respected colleague and dear friend.

Rocky's background made him something of a exception in the political field from the beginning of his twenty year career. Coming from a family of extreme wealth and prestige, he was well acquainted with the benefits of money and power, and this influence set him apart. Even so, he was always politically and personally uncharacteristic in his concern for the well-being of people from all walks of life, and worked to insure Government support for the working citizen.

Nelson Rockefeller was an ambitious politician; but his ambition was grounded more in his love for new experience and challenge, and a desire to make a positive contribution than in desire for power or political glory. When he was appointed Vice President under Gerald Ford, he embraced the office with zeal, intent on doing more with the Vice Presidency than had ever been done before.

Rocky's unfailing interest in new ideas and his desire to lead were an inspiration to us all. There can be little doubt that he contributed greatly to the flexibility of the Republican Party because he was capable of new perspectives at a time when many pressing issues confronted the Nation.

This country will surely not be the same without Nelson Rockefeller. I know my colleagues join with me in paying tribute to a remarkable man and a politician who truly made a difference.●

● Mr. HEFTEL. Mr. Speaker, the accomplishments of Nelson Rockefeller were so numerous and so varied that even a brief contemplation of them would be a humbling experience for any person, especially since they continued with undiminished vigor into the final moments of his life.

But in this hour of mourning for a truly great public servant, I think it is appropriate to place special emphasis upon a certain aspect of his character that is easily overlooked yet which has left an imprint at least as significant as his well-known accomplishments.

It is perhaps more by his defeats, even, than his victories, that Nelson Rockefeller responded most nobly to a challenge thrust upon him by fate. If any name is synonymous the world over with American capitalism, it is Rockefeller. That legacy placed an extraordinary burden upon the man who inherited the Rockefeller name and brought it to the center of the American political arena. That he suffered defeat, and, even more important, that he responded to it with graciousness, good humor, and a renewed commitment to the institutions of American Government, provided an unanswerable argument to the most persistent misguided criticism of our society, a criticism that could only have been effectively answered by the strength of human example. In the most convincing manner conceivable, Nelson Rockefeller proved, once and for all, and perhaps as only he alone could have proved, that moneyed wealth does not rule the institutions of American Government.

Thus, even in defeat, he was triumphant in the cause of his Nation. For that alone, we owe this great man a unique debt of gratitude.●

Mr. WYDLER. Mr. Speaker, there have been many Members of the House who have indicated they would like to participate in this special order. Their remarks are included in these remarks.

In addition, the Vice President of the United States, Mr. WALTER MONDALE, has asked that a statement be included on his behalf.

☐ 1215

Mr. Speaker, both Senators JACOB JAVITS and DANIEL PATRICK MOYNIHAN of New York have statements to be included.

We have statements from former Cabinet members who served with the Vice President: John T. Dunlop, former Secretary of Labor; William E. Simon, former Secretary of the Treasury; Earl L. Butz, former Secretary of Agriculture; Thomas S. Kleppe, former Secretary of the Interior; Carla Anderson Hills, former Secretary of Housing and Urban Development; and William T. Coleman, former Secretary of Transportation.

In addition, we have received statements from the former President of the United States, Richard M. Nixon, and from the current Nassau County Republican Party chairman, Joseph M. Margiotta.

In addition, in this special order we are going to include in full the memorial service remarks that were made by members of the family and by Henry Kissinger, together with a very eloquent statement by Laurance S. Rockefeller that was part of the memorial service.

The statements referred to are as follows:

Statement by Vice President Walter Mondale, February 8, 1979

The Rockefeller all of us remember is the campaigner—hand outstretched, broad friendly grin, enthusiasm and good cheer, boundless energy. He seemed made for American political life—and perhaps that is because during the last quarter century he did so much to shape it. Or perhaps it is because he understood America so well. The bigness of his plans, his generous giving and good works, his enthusiasm for politics, his partisan zeal and limitless patriotism, his sense of duty and love of work—when we think of these qualities, we remember Nelson Rockefeller and we think of America as well.

He had an eagerness for life itself. He liked to travel, and knew many parts of the world, especially Latin America, which early caught his interest (and on which he advised many Presidents). He loved the solitude of eastern Maine, where he had a country house, and also the bustle of Manhattan He loved New York State, which for fifteen years he governed—the second longest tenure in the history of New York's governorship. And he loved art. It was in keeping with his generous heart that he did so much to share this love with his fellow New Yorkers. He helped create one of the finest museums in the world, and as Governor he was steadfast in his devotion to the arts. And after he retired from politics, he began to make reproductions of the art objects in his wonderful private collection, which he wanted to share with the public—and who, knowing Nelson Rockefeller, was surprised?

I did not know him well. But I know that he generously took it upon himself to offer me his help—the benefit of his experience and knowledge—when I followed him in the Vice Presidency. And I will also remember, as all Americans will, the energy and devotion and good will of this man, and will, as they will, miss his presence.

Statement by Senator Daniel P. Moynihan, February 8, 1979

The work of the Rockefeller family is to be seen throughout the world and yet, I suppose, one must be a New Yorker to really know it. In New York, after all, one sees it physically—in the skyline—yet one senses it palpably in the energy that is itself a residue of the extraordinary energies all the Rockefellers expended in our City and our State.

It is not enough to say that Nelson Rockefeller was a man who was larger than the privileged circumstances of his birth. His grandfather had been one of the builders of the modern industrial state, the modern industrial world, the dominant figure in an heroic age of enterprise. And yet there was never a sense communicated to his descendants that the achievements of the founding generation marked a high point which could not be recovered. Instead, there was a sense that there was still work to do.

Nelson Rockefeller did that work, in a way that conveyed what seemed to be more than the ordinary human capacities. Little stood outside his field of vision. Nothing seemed to him beyond the scope of human intelligence and dedication, and thus he became for all public figures a standard by which their own work might be judged. It is hard to describe one's intense personal reaction to such a figure. When I was told of the news of his death, though, one thought came instantly to mind, which I conveyed then to the press: "There was not a more generous man in American politics, and yet we were never as good to him as he was to us. May God bless his soul."

A Tribute to Nelson A. Rockefeller, Made on the Occasion of His 70th Birthday

The Chinese character for "crises" combines the symbols for "opportunity" and "danger." Nothing could illustrate better Nelson's philosophy and profound belief that all problems or crises, regardless of magnitude, are potential opportunities.

His power of positive thinking seems absolutely unlimited!

Nelson is not only a great statesman but he also is endowed with qualities of a truly creative artist.

Statesmanship and artistic ability have one important characteristic in common—the capacity for making order of out chaos!

The principal difference is that an artist works with paint and canvas and a statesman works with people in terms of their political, social and economic problems.

Throughout his lifetime, Nelson has dramatically demonstrated this fantastic ability to be both statesman and artist! To endlessly bring order out of chaos—whether it be within the Family, the State, the Nation, or the World itself!

To sum up my feelings, let me say that I have always loved and admired Nelson as a brother and as a friend for as long as I can remember.—Laurance S. Rockefeller

Eulogy

(By Henry A. Kissinger)

That Nelson Rockefeller is dead is both shattering—and nearly inconceivable. One thought him indestructible, so overpowering was he in his energy, warmth and capacity for love. His buoyant vitality, his deep faith in man's inherent goodness, uplifted all those whose lives he touched. For twenty-five years he had been my friend, my older brother, my inspiration and my guide—matter-of-factly, unobtrusively, intuitively at my side when he was most needed, instilling a sense of confidence and duty, of commitment to the values in which he believed so deeply.

I first met Nelson Rockefeller when as an assistant to the President he called me, a graduate student, to Washington to join one of the panels of experts he was forever setting up to ponder the nation's future. He entered the room slapping backs, calling each of us by the best approximation of our first name he could remember, at once outgoing and remote. Intoxicated by the proximity of power all of us sought to impress him with our practical acumen and offered tactical advice on how to manipulate events. After we were finished the smile left his face and his eyes assumed the hooded look which showed that we were now turning to the things that mattered. "What I want you to tell me," he said, "is not how to maneuver. I want you to tell me what is right."

"What is right?" For Nelson Rockefeller that was the quintessential question, both naive and profound, at once shaming and uplifting. It was the definition of his integrity. All that was twenty-five years ago. When the phone call came last Friday night it seemed that our relationship had just started. And now it was already ended.

No one who did not have the privilege of experiencing Nelson's selfless dependability, his embracing thoughtfulness, can possibly appreciate how desolate our life has now become. Our lives without him are an unchartered territory; a suddenly stark and hazy future. And yet we would not trade places with anyone; his friendship will be our badge of honor so long as we live.

He permeated our lives. He was always steadfast. He took enormous pride in the accomplishments of his friends especially when they served their nation. When he was Vice President of the United States he was nearly always at the airport when I returned from a foreign mission. He would give me a bear-hug—saying little—and drive off. By these gestures he infused strength and hope and inspiration. Of his friends and associates he asked nothing except that they do their best, keep their faith, love their fellow man and set their sights high in pursuit of honorable goals.

Nelson Rockefeller was a man of many contrasting qualities; ebullient yet withdrawn, gregarious and still lonely, joyful and driven, full of the moment yet always somehow marked by destiny. He could be pugnacious in asserting his beliefs but he respected those who differed with him; he could be hard but never petty; singleminded but never malicious. His enemies were the slipshod and the second-rate.

Nelson always had a marvelous time. Nothing was too trivial for his attention. He would rearrange the furniture in a friend's living room with the same enthusiasm that he rebuilt Albany or threw himself into projects to study the nation's future. He loved caviar and hot dogs. He loved parties and travel and meeting people. And he loved art not only for love of beauty but because it expanded the reach of the human spirit.

He was a noble man who gave succor but asked for no reciprocity. None of us ever heard him complain; he never shared his sorrow, only his inspiration. He considered himself so blessed that he felt he had no right to burden others with the doubts and worries inseparable from the human condition even in a man so strong as himself. It was an extraordinary burden which cumulatively drained him though he would never have admitted it. He was truly his brother's keeper.

Nelson could not express in glib words the wellsprings of his motivations. One had to know him well to understand the tactile manner in which he communicated—the meanings of the nudges, winks and mumbles by which he conveyed his infinite caring. He was an artist; sudden unexpected flashes of insight startled and sometimes astounded one. I have known no public figure who so often reflected about the spiritual. The Brotherhood of Man and the Fatherhood of God was not a cliche for Nelson; it was a call to action, the motive force of his life. He practiced his faith but he was too humble to preach it. He fought against injustice and fostered equality but he thought it unseemly to adopt the clamoring tone of protest; he helped, the downtrodden but he thought it demeaning to publicize acts of Christian love.

Untypical as he would seem to be, Nelson was quintessentially American. For other nations, Utopia is a blessed past never to be recovered; for Americans it is just beyond the horizon. One has to work with Americans—not listen to them—to experience their faith. One had to work with Nelson Rockefeller to sense his dauntless strength, his pragmatic genius, his unquenchable optimism. Obstacles were there to be overcome; problems were opportunities. He could never imagine that a wrong could not be righted or that an aspiration was beyond reach. Self-pity or rage or resentment were incomprehensible to him. The imperfections of our society were not an excuse for bitterness but a call to duty.

He was born to leadership. Every decade Nelson had another project: to commission the murals of Rockefeller Center, to inspire a Museum of Primitive Art, to gather the nation's experts to study the problems of coming decades, to expand the State university system, to rebuild the State capital, to survey the problems of Latin America, to define our Critical Choices, to solve the energy problem. His faith in reason and democracy and the human personality was boundless. He never looked back. He often seemed remote because he was already living in a future which most of us had not yet understood.

He loved his family. He loved his country. And in his mind the two were connected. It is not a simple matter to have great wealth and power in an egalitarian society. But he was proud of his heritage which he interpreted as a summons to honor and duty. He deeply believed that his moral obligation was a privilege. Service was not a favor he rendered to others; they did him honor by permitting him to help.

And just as he unabashedly believed it his family's duty to serve their country, so he was convinced that it was his country's duty to vindicate its values by reaching out to the rest of mankind with the message of hope and freedom. Skeptics might scoff at his belief in America's moral mission. But then cynics do not build cathedrals.

He revered his Presidents whether or not he agreed with them. As a patriot, he sought to ease their burden; he winced when associates made unworthy comments about those who in his view had been entrusted with our future and therefore the hopes of mankind. One of the few times he became impatient with me was over a decade and a half ago when I had just seen the then President and reported that I had told him what I thought wrong with some particular policy. Did I offer an answer? Nelson wanted to know. And when I said no, he chided me: "You should never tell a President that he has problems; he is too overwhelmed by them as it is. Your duty is to offer solutions."

Nelson would be proud that two Presidents have honored him by attending his service. He would be touched at the act of grace of President Carter who in these days of bereavement found the time amidst the cares of his duties for several gestures to ease the family's pain and then to extend the one solace that would have stirred Nelson the most: that his nation understood and appreciated his love and devotion to it.

He would be grateful to President Ford, whom he loved for giving him the opportunity to serve his nation and whom he served with unselfish dedication as Vice President. He defied the cynics who expected him to chafe at the limitations of the office, then stepped aside in mid-term without complaint or slackening in his devotion to his responsibilities. Nelson's ambition was to serve, not to be.

Much has been said or written about the frustration that Nelson experience because he never achieved the Presidency. This misunderstands the man. His failure to reach the Presidency was in my view a tragedy for the country. What a great President he would have made! How he would have ennobled us! What an extrordinary combination of strength and humanity, decisiveness and vision—a natural born leader. Yet I never heard him express even one word of disappointment. As with everything, he sought the office with zest; but when it eluded him he went on to new challenges, undaunted, resilient, inexhaustible.

In a sense there was something inevitable and even noble in his gallant failure to win the nation's highest office. Here again the myths are wrong. He never succeeded not despite the fact that he was a Rockefeller but because of it. His entire upbringing made him recoil before appearing before the people he wanted to serve as if he were pursuing a personal goal; having been already so privileged he felt that he had no right to ask anything more for himself as an individual. And so this superb campaigner who genuinely loved people eschewed the personal pursuit of delegates. He sought the office by trying to assemble and present to the nation the most sweeping vision of its future and the best blueprints to attain it. He spent days and weeks seeking expert advice for substantive speeches telling the American people about its challenges and how to master them. He had a touching faith in the power of ideas. It is not quite the way our boisterous process works, more geared as it is to personalities than to programs.

And yet in the final accounting it was often Nelson who worked out the agenda which others then implemented as national policy. The intellectual groundwork for many innovations was frequently his. Indeed he continually called the nation's leaders and thinkers to their responsibility, to make their commitments and apply their best efforts to the future of the nation. Destiny willed it that he made his enduring mark on our society in a way that transcends personality—almost anonymously in the programs he designed, the values he upheld and the men and women whose lives he changed.

Nelson was never quite sure that he had done enough to fulfill the moral obligations of his inheritance. This assemblage is the best testimony of how well he succeded. Legislators and diplomats, the eminent and the humble, Americans and foreigners of all faiths and races and nations are here to pay tribute to the scope of his achievements, the reach of his spirit and above all to the greatness of his heart. This distinguished gathering would tell Nelson the one thing his friends knew better than he: how much he sustained the public life and honor of his country.

As I have thought about my gallant and beloved friend I was first seized by an inexpressible loneliness. And then it occurred to be that his role in our society was symbolic of America's role in the world. Like him we are uniquely strong; like him we are idealistic and a little inarticulate. But if he were here he would tell us: do not look back, do not be afraid or ashamed of your strength; neither hoard it nor abuse it; it is not a burden but God's blessing conferring an opportunity to oppose tyranny, to defend the free, to lift up the poor, to give hope to the disadvantaged and to walk truly in the paths of justice and compassion.

When Nelson was relaxed he did not speak about power but about love. He meant not the sentimental, clinging, demanding emotion which often is a form of selfishness: rather it was the grace of the inwardly strong, an all-embracing feeling that only those who are truly at peace with themselves can dare to articulate.

In recent years he and I would often sit on the veranda overlooking his beloved Hudson River in the setting sun. I would talk more but he understood better. And as the statues on the lawn glowed in the dimming light Nelson Rockefeller would occasionally get that squint in his eyes which betokened a far horizon. And he would say, because I needed it, but above all because he deeply felt it: "Never forget that the most profound force in the world is love."

Remarks of David Rockefeller as Prepared for Delivery on February 2, at Riverside Church, at Memorial Services for His Brother, Nelson A. Rockefeller

We are gathered together here in this beautiful sanctuary of the Riverside Church from many parts of the country and the world, from many sectors of our society, to pay tribute to the memory of Nelson Aldrich Rockefeller. Your being with us means so much to Happy, Laurance and all of us in the family. We have been through a difficult period—with John's recent death and the deaths of Winthrop and Babs only a few years before.

I speak to you today as Nelson's youngest brother and as a member of a large family which he loved and from which he drew strength—a family to which he gave devoted and constructive leadership.

Nelson was a man of action, with a deep belief in the worth and dignity of the individual, in the democratic process, in the American enterprise system, and in the responsibility of the citizen to revere God and help his fellow man. In addition, he loved beauty in nature and in the arts—he loved the companionship of people—he loved life.

These traits represented a synthesis of the qualities of his two grandfathers and his parents, all of whom he greatly admired.

Grandfather Aldrich served for 31 years as United States Senator from Rhode Island—he was majority leader for the last 17 years of his term. He played an active role in the formulation of economic policies of our country at a critical period before and after the turn of the century. Even though Senator Aldrich died when Nelson was a small boy, Nelson's fascination for politics undoubtedly stemmed from the legacy of the man for whom he was named and about whom he heard much from Mother.

Grandfather Rockefeller, a founder of one of America's great industries, lived until Nelson had reached full maturity. They were devoted to one another and saw one another frequently. Nelson's respect for rugged individualism, for creative capitalism, for surrounding himself with able associates clearly came from this intimate association with his Grandfather Rockefeller.

From Father, whose upbringing as a devout Baptist, and whose lifetime devotion to philanthropy led him to pioneer in fields such as education, conservation, race relations and medical research, Nelson learned that opportunity and responsibility go hand in hand. His strong adherence to Judeo-Christian principles and his respect for all religions were deeply imbedded in him by Father and guided his actions throughout his life. For this and a commitment to discipline and hard work, Father provided prime inspiration.

No one had a stronger impact on Nelson's life than Mother. When Nelson was fifteen years old, Mother wrote to him:

"I am eager that you shall be much above the ordinary in character and achievement, the world needs fine men, there is great work waiting to be done. I want you to train yourself to meet any opportunity the future may hold in store for you."

It was she who gave him a love of the visual arts which was a critical element in his creativity and also provided him with joy and relaxation. It was she who imparted to him a concern for people—their qualities, their problems, their aspirations—and who imbued him with a capacity to find people—all kinds of people—a source of unending exhilaration and satisfaction. It was her uncanny intuition and wisdom which gave to Nelson and, indeed, to all of us, subtle guidance and inspiration.

The impact on Nelson of these four powerful and very different personalities gave him a sense of purpose, perhaps even of mission. It made him the strong, magnetic leader he was.

After graduating from Dartmouth College, where these qualities of leadership were already manifest, Nelson joined the family office to work with Father on family affairs. A year or two before, Father had started the construction of Rockefeller Center. Work had hardly begun before the great depression hit the country and the bottom dropped out of the real estate market. With no prior experience, Nelson immersed himself in the building and leasing of Rockefeller Center, and, along with Mother, in selecting works of art to adorn it. He, more than any other person, was responsible for making Rockefeller

Center, described by pundits at the time as a white elephant, a financial success.

At that time, Nelson became deeply engrossed with the Museum of Modern Art, which Mother and two other women had started a short time before. Once again his qualities of leadership, coupled with his interest in the arts and in efficient management, contributed enormously to its becoming the world's preeminent museum of contemporary art.

Nelson was always a champion of family solidarity—something in which Mother also fervently believed. It was Nelson's farsightedness and leadership which brought us together as a family unit—out of which grew many joint initiatives, including the Rockefeller Brothers Fund. Close at his side, and with unswerving devotion and loyalty, in good times and in bad, was my brother Laurance, with whom Nelson always had a very special relationship.

Nelson's career in public service began in 1939, when President Roosevelt asked him to take on a special assignment in relation to Latin America as Co-Ordinator of Inter-American Relations. In this position, he demonstrated his unusual capacity to relate with sensitivity and feeling to peoples of diverse culture and background to make them feel equal "Partners in Progress." Our relations with our Latin American neighbors were never better than during the period when he was Co-Ordinator.

While he cherished the appointive positions he held in government, Nelson felt that only through elective office would he truly represent the people in a democratic society. His four terms as Governor of the State of New York brought him the challenge he was looking for more than any other task he undertook during his life. He relished the matching of wits, the rough and tumble which is inherent in political life.

In reviewing Nelson's accomplishments as Governor, one sees the fulfillment of his heritage—the establishment of the New York State Arts Council, the creation of the Adirondack State Park, and the dramatic expansion of the State University of New York.

His role as Governor was often controversial and provocative, but he showed great vision as a planner, great courage as a doer and he gave of himself without stint.

The climax of Nelson's career as a public servant was the two years he served with President Ford as Vice President of the United States. I am sure that Nelson would have been very touched and honored to think that President Ford, as well as President Carter, were attending this service today.

For us in the family, this is a day of mourning, but also a day of thanks. Our family owes Nelson a great deal for his vision, for his radiant strength, for his initiative in setting goals and for the strong leadership he gave in whatever area he touched. His departure leaves a gap which never will be filled, but his spirit, his patriotism, his determination and his optimism will remain a vibrant force in our lives. We are proud of him as a member of the family. We are proud of his manifold achievements. We are proud of his ability to deal gracefully with disappointment, as well as success Our love for him will never end.

REMARKS OF ANN ROCKEFELLER ROBERTS, AS PREPARED FOR DELIVERY ON FEBRUARY 2, AT RIVERSIDE CHURCH, AT MEMORIAL SERVICES FOR HER FATHER, NELSON A. ROCKEFELLER

"I celebrate myself, and sing myself,
And what I assume you shall assume,
For every atom belonging to me as good belongs to you.
I harbour for good or bad, I permit to speak at every hazard,
Nature without check with original energy."

These words of Walt Whitman[1] speak to me of my father. I can almost hear him saying them to us. He was what he was—exuberant, energetic, extravagant. He was all these things without hesitation, without regret, with conviction, at home as well as in the public eye.

To be his children was not always easy, but he filled our lives with excitement and he challenged us to reach beyond our grasp. Not one of us will ever forget his insistence that we use our playtime to learn languages; his determination that we travel with him in Latin America and work on his projects; his willingness to share his love of art by spending hours with us hanging pictures together, and his wanting us to help build a chicken coop or a garden wall, so as to learn the use of our hands and the dignity of work.

He was energy itself. My mother always felt his presence at home even before she saw or heard him.

After his death, my children and I were startled at how small his body looked. The vibrant spirit that gave power to his presence was gone.

To Father, life was meant to be lived. As we leave this church today, he would want us to get on with it—to go forward, to take our lives in our hands fully and joyfully, as he did.

And so as we share our grief at Father's death, let us listen to Paul's bold comfort to the Romans:[2]

"What then shall we say to this? If God is for us, who is against us? He who did not spare his own Son but gave him up for us all, will he not also give us all things with him?

Who shall separate us from the love of Christ? Shall tribulation, or distress, or persecution, or famine, or nakedness, or peril or sword? . . ."

"No, in all these things we are more than conquerors through him who loved us. For I am sure that neither death, nor life, nor angels, nor principalities, nor things present, nor things to come, nor powers, nor height, nor depth, nor anything else in all creation, will be able to separate us from the love of God. . . ."

REMARKS OF RODMAN C. ROCKEFELLER, AS PREPARED FOR DELIVERY ON FEBRUARY 2, AT RIVERSIDE CHURCH, AT MEMORIAL SERVICES FOR HIS FATHER, NELSON A. ROCKEFELLER

My brother, Nelson, told us in his moving talk at the graveside that the spirit of our father, Nelson, will be with us always.

For seventy years his family, his country and the world lived with, enjoyed and were benefitted by that spirit.

His mother, Abby Aldrich Rockefeller, helped form that spirit, writing to him in September 1929, when he was 21:

"DEAREST NELSON: We can have some talks when we are in Hanover about your future. I am glad if you feel *absolutely sure*. There are so many fine things that it is possible for you to do and so many things that seem necessary for someone to do. I am terribly eager that the high standard of citizenship set by your father shall be maintained by you boys. It seems as if all of you would have to join in the battle for righteousness in all walks of life, business, church, professions and private life, no small or easy job."

A sense of power and of the Christian obligation to dedicate that power to something greater than himself came early in his life.

He was born into a period of revolutional change which continues up until today. World War I was the background of his childhood, the Roaring Twenties influenced his teenage years and he graduated into adulthood with the Depression. He described it well in 1958 in the introduction to the Rockefeller Brothers Panel I Report:

"The world is going through a period of profound and rapid change, placing upon men and nations unusual strains which will endure as far as we can see into the future. After the burst of energies now loose in all realms of life—in basic discoveries, in technology, in population growth, in human expectations—the tide may abate. Or it may be that the wave of change is cumulative and will demand of men hereafter an adaptability and resourcefulness such as we can now only dimly imagine."

Into that world came Nelson Rockefeller, a man of power, of wealth and equipped with the confidence born of that power and wealth.

He loved people and the hurly-burly of political campaigning. We share the image of his first statewide campaign, from Nathan's on Coney Island to Niagara Falls—as he charged into cheering crowds with "Hi ya fella" for everyone he could reach.

He came early to his love of and response to people. He found his first professional political love in Latin America. That warm and genuinely uncritical response of one man to another matched his nature and kindled a lifetime love and respect. In many ways, his six years as Coordinator for Inter-American Affairs and his eleven years beginning the International Basic Economy Corporation were the most enjoyable and fruitful of his lifetime.

This response to the deep human qualities of people everywhere was matched by his instinctive seeking for justice and a greater purpose. His very personal power demanded a framework of law and of purpose.

Dr. Martin Luther King, Jr. told America, "I have a dream . . . ," a dream of universal justice and opportunity. How Nelson Rockefeller responded is best told in his own words. He told the American Jewish Committee in April 1958:

"America is the political expression of our great Judeo-Christian heritage. In the Declaration of Independence, the Constitution and the Bill of Rights, the Founding Fathers sought to make explicit in law what was implicit in the teachings of the prophets and in Christ's teachings as to the sanctity of the human person.

Out of these deeply spiritual beliefs has grown our whole concept of political freedom and the freedom of economic opportunity which has contributed so much to their realization."

In our pluralistic, dynamic society, which so matched his own complex personality, the role of law was one he understood and promoted:

"We cannot have a free society if people don't know the rules. We cannot have a law-abiding society if people don't understand the laws."

To understand the warmth and the depth of my father's spirit one must turn to the role that the appreciation and collecting of art played in his life. A dabbler in painting as a child, under the tutelage of both his parents, his appetite grew rapidly into the collecting of American art and gradually, the objects of all artistic achievement. As said at the opening of the Steichen "Family of Man" photographic show:

"I am sure that all of you have found, just as I have, that recourse to works of art yields a refreshment of spirit that can be attained in no other way. For the artist sees with an eye that is clearer and more penetrating than the vision of ordinary perception; and his craftsmanship communicates to us, with the excitement of new awareness, insights that we may have sensed but were never able to formulate." . . . "Here are the deep personal emotions of men and women and children." . . . "Finally, here is the universal experience of death and loss through death, and the ever-recurring miracle of new birth, new youth, a new stream of life."

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[1] Walt Whitman. "Song of Myself," *Leaves of Grass*.

[2] *Holy Bible*. Romans 8, Verses 31–32, 35, 37–39.

The life of a whole man has unfolded before us, strong, even arrogant; impatient yet wise and foreseeing; integrated in his love of life in all its daily challenge, yet governed by the purposes and the principles he grew up with.

His respect for ideas was as great as his love of ideals. His faith in the efficacy of assembled men and women of proven experience and ability in confronting national problems was proven by the successful use of such distinguished Americans in the Rockefeller Brothers Panel reports in 1958, the Reports to Presidents Truman and Nixon and the Commission on Critical Choices for Americans in 1975. The possibility of progress through rational study and the application of human talent to the solution of human problems was a belief he held deeply. He stated in 1976, before the American Association for the Advancement of Science in Boston, Massachusetts:

"I am convinced that too little attention is given today to these basic interrelationships which have helped to produce the world's greatest standard of living for ordinary men, the greatest individual liberty for people in all walks of life and the greatest economic freedom men and women have ever enjoyed.

"Scientific advancement, economic progress and the quest for freedom have marched together in America for over two centuries."

Again, this process is not an end in itself, but serves man. Before the Pan American Union in 1953, Nelson Rockefeller declared:

"Human welfare is the true goal of economic progress. We share a faith in the inherent dignity and worth of the individual and in the capacity and desire for self-improvement of human beings of whatever nationality, race, creed or color. Basic to this well-being is economic growth and a rising standard of living."

Father was an eternal optimist, a man who saw in public and private service the highest opportunity to fulfill himself and his destiny. He was a politician who was not interested in politics for itself but as a means to govern. In government he saw the fruition of his drives and abilities in the solving of problems. He told the National Press Club in Washington, D.C., in 1976:

"It is time we as a nation give major attention to basic problems. We should seek ways to shape and strengthen our governmental and political structure so as to promote the kind of political consensus upon which democracy depends, and to insure governmental capacity to perform upon which our national survival depends."

His public service is measured over a span of 40 years and six Presidents. His term as Governor of the State of New York was the longest and perhaps the most productive of any since post-colonial days. He never reached the pinnacle of his ambition—the Presidency of the United States, which he so richly deserved. In this, he joins such great Americans as Alexander Hamilton, Daniel Webster and Adlai Stevenson. His service as Vice President, coming as it did after such traumatic times, may be considered by history to be a fitting climax to such a prodigiously productive life.

In the end, one turns back to the beginning to gain a perspective on the life of my father. At the depths of World War II he stated in this church on January 27, 1943:

"One day the noise will subside. One day the murk and stench of war will be cleared away. Weary eyes will search horizons, seeking that with which to build anew. And presently, in awed silence, they will see emerging the ideal of democracy, unchanged, untouched—the Christian vision of universal brotherhood."

I thank God that the world is a better place because Nelson Rockefeller passed by.

Ushers for the Memorial Service for Former Governor Nelson A. Rockefeller on Friday, February 2, 1979

Harry W. Albright, Jr. Former State Commissioner of Banking; President, Dime Savings Bank of New York.

James M. Cannon. Former Special Assistant to Governor Rockefeller; Aide to Senator Howard H. Baker, Jr., (R) of Tennessee.

Joseph Canzeri. President, Greenrock Corporation.

Dana S. Creel. Vice Chairman, Rockefeller Brothers Fund.

William M. Dietel. President, Rockefeller Brothers Fund.

J. Richardson Dilworth. Senior Financial Advisor, Rockefeller Family.

Robert R. Douglass. Former Secretary to Governor Rockefeller; General Counsel, Chase Manhattan Bank.

John French. New York Attorney; Governor Rockefeller's Dartmouth College roommate.

Berent Friele. Aide to Governor Rockefeller since 1940; Specialist in Western Hemisphere Diplomatic Relations.

Nancy Hanks. Rockefeller Brothers Fund Trustee; former Chairman of National Endowment for the Arts.

Wallace K. Harrison. Architect; close personal friend of Governor Rockefeller.

George L. Hinman. Former New York State Republican Committeeman and chief political advisor to Governor Rockefeller since 1957.

Kathleen M. Huldrum. Personal Secretary to Governor Rockefeller.

T. Norman Hurd. Former New York State Budget Director and Secretary to Governor Rockefeller.

Dr. Lindsley F. Kimball. Retired Philanthropic Advisor to the Rockefeller Family.

Mary M. Kresky. Longtime member of Governor Rockefeller's personal staff and former State Government Program Associate.

John E. Lockwood. Retired former Chief Counsel to the Rockefeller Family.

Alton G. Marshall. Former Secretary to Governor Rockefeller; President of Rockefeller Center, Inc.

Hugh Morrow. Longtime associate of Governor Rockefeller in Public Relations field.

Donal C. O'Brien, Jr. Chief Counsel to the Rockefeller Family.

Richard D. Parsons. Personal Counsel to Governor Rockefeller.

Dr. Kenneth Riland. Personal Physician to Governor Rockefeller.

William J. Ronan. Former Director of Port Authority of New York and New Jersey; Secretary to Governor Rockefeller and President, The Nelson Rockefeller Collection, Inc.

Oscar M. Ruebhausen. Close personal friend and longtime counsel to Governor Rockefeller in Latin American affairs.

Arthur R. Taylor. Former CBS president; recently associated with Governor Rockefeller in overseas business ventures.

Ann C. Whitman. Former Personal Secretary to Governor Rockefeller in Albany, and Washington and former Personal Secretary to President Eisenhower.

George D. Wood. Former President World Bank and Policy Advisor to Governor Rockefeller on business and national policies.

[From the CONGRESSIONAL RECORD, May 25, 1978]

Mr. NELSON A. ROCKEFELLER. Mr. Speaker, distinguished present and former Members of Congress, to be recognized by one's peers is always a source of immense satisfaction and pride.

I am deeply grateful to you, the former Members of Congress, for this recognition and honor in the form of a distinguished service award. I would especially like to thank Senator Hugh Scott and former President Gerry Ford, as well as Jim and Bob, my old colleagues and dear friends, for their most generous gesture.

Walter Lippman had some very interesting reflections on the subject of public service. He said:

"Surely the task of statesmanship is more difficult today than ever before in history. The distance between what we know and what we need to know appears to be greater than ever before. Nor can we keep the problem within our borders. Whether we wish it or not, we are involved in the world's problems, and all the winds of heaven blow through our land."

What he said is more true today than ever before. Because you have honored me with your public service award here in these hallowed halls of democracy, I feel compelled to set forth briefly and candidly the realities I see which the American people urgently need to know and understand. I am speaking of those realities which political leaders, quite naturally, are reluctant to state bluntly, on the old theory of "Why should I always be the one who has to bring the bad news?"

However, my own experience shows that the American people are not afraid of the hard realities if they feel someone is being totally honest with them.

The hard reality is that free societies today are facing the most serious challenge to their survival in the history of democracy.

In the past, the ruthlessness of an invading armed force galvanized democratic people into action in the common cause of defending their own freedom and even the freedom of their neighbors. Unfortunately, however, this is not true of the slow, relentless penetration and disruption of free society through subversion, deception, and the carefully laid plans to confuse, divide, intimidate, and undermine the will and the ultimate capacity of free people to either understand or resist the destruction of their own freedom and of free nations throughout the world. Yet, that is exactly what we are witnessing in Africa, in Asia, in Latin America, in Europe; yes, and even in the United States

These are the stark realities of today. This is no time for recrimination or for a search for scapegoats. Rather, it is a time to stand together.

When we Americans understand the problem and make up our minds to deal with it, there is nothing we cannot do. You as Members of this, the world's greatest democratic deliberative body, have the capacity to make this possible. The future of freedom is in your hands, but the hour is later than we think.

I thank you.

[Applause.The Members rising.]

Mr. KORNEGAY. Mr. Speaker, with deep appreciation we yield back the balance of our time.

The SPEAKER pro tempore. Would the Members kindly attend for just a moment, please?

Speaker O'NEILL has asked me to express his regrets that he has not been able to be here during most of this program. He hopes to meet and talk with his former colleagues sometime during the day.

The Chair again wishes to thank the former Members of the House for their presence here today.

Before terminating these proceedings, the Chair would like to invite all those former Members who have not been previously recorded to come to the well and to give the Reading Clerk their names for inclusion in the RECORD.

Good luck to you all.

Statement of The Former President Richard M. Nixon

Nelson Rockefeller inherited great wealth. But, to his eternal credit, instead of sitting on the sidelines, living it up, he plunged into the political arena where he enjoyed great victories and suffered disappointing defeats. His great ability, enormous energy, unfailing good humor, and selfless dedication to public service left an indelible mark for good on the American political scene.

Mrs. Nixon joins me in expressing our deepest sympathy to Mrs. Rockefeller and his family.

Statement of Nassau County Republican Party Chairman Joseph M. Margiotta

I was deeply saddened by the sudden death of former Vice President and Governor Nelson A. Rockefeller.

Governor Rockefeller will be remembered as one of the truly great men of our times. His untimely passing will leave a great void on the American scene. He will be missed.

Having worked in the successful gubernatorial campaigns of the former governor and having worked with him in Albany as a former Assemblyman, I had nothing but great respect for Rockefeller.

Governor Rockefeller had many devoted political followers and I am proud to number myself among them and to have been characterized as a "Rockefeller Man."

He was probably the greatest politician I ever had the privilege of working with. He had true charisma. He would walk into a room full of people and great excitement would flow throughout the room. It was almost like the crackling of electricity. It was always enjoyable to campaign with him.

In addition to his political skills, his accomplishments as Governor of New York State are legendary.

I was honored and privileged to have participated in some of them as an Assemblyman and political leader. He was a true friend of Nassau; always willing to listen to our needs and act if possible. He never said something could not be done. Instead, he said, "let's find out how we can do it." His passing is a great loss.

Statement of John T. Dunlop, Former Secretary of Labor

Nelson Rockefeller had an abiding faith in the destiny of the American people and in their capacity to make the critical choices. Few men have identified so enthusiastically with the nation's interest. To managers and workers, rich and poor, elite and disadvantaged alike, he generated genuine respect and dedication, qualities rare in our times across a wide spectrum of our people.

Statement by William E. Simon, Former Secretary of the Treasury

Nelson Rockefeller's integrity, insight and dedication will always serve as a brilliant example to everyone in public service. He was a truly great American and will long be remembered by his fellow countrymen with deep gratitude and admiration.

Statement of Former Secretary of Agriculture Earl L. Butz

Nelson Rockefeller was one of those rare individuals who completely devoted his life to public service in the interest of his fellow man, his nation, and his world.

Endowed as he was both with material wealth and a keen intellect, he chose to devote his talents and his energies to public service.

The world is better because Nelson Rockefeller lived in it and worked in it.

Statement of Former Secretary of Housing and Urban Development Carla Anderson Hills

The passing of Nelson Rockefeller marks the passing of a great era in American political life. Nelson exuded warmth, compassion, humor, energy, wit, enthusiasm and concern. He loved his fellow man.

All of us, regardless of our political affiliation, learned from him, and we shall sorely miss him.

Statement of Former Secretary of Interior Thomas S. Kleppe

I thank Congressman Wydler for letting me participate in this Special Order for Nelson Rockefeller.

I was not always in the front row as far as Rocky was concerned. When he was seeking the nomination for the Presidency, I was not to be counted then. When it became my privilege to get to know this man personally and to work with him, he earned my total respect and admiration. I believe I became one of his greatest admirers in the Ford Administration. If ever I knew a loyal and honest red-blooded American, Nelson Rockefeller was it.

From time to time, there were allegations that maybe Rocky was something less than totally supportive of President Ford. As one witness, I would categorically deny this and praise him for his contributions to our government and nation.

He was one of a class of Vanishing Americans and he is sorely missed. I like him very much and my wife, Glen, joins me in extending our sympathies to Happy and their entire family.

He was a good man and I am pleased to have called him my friend.

Statement of Senator Jacob K. Javits on the Death of Former Vice President Nelson Rockefeller

His was a big version and a big concept of what the American people were capable of achieving in peace and prosperity for themselves and the world. His extraordinary public services to New York State, to our nation and to his political party are the material of history and will mark him as one of America's most distinguished sons. We will do well to remember his ideas, his teachings and his personal warmth and dynamism. It will help us as individuals and as a people. We have all lost a good friend.

Statement of Former Secretary of Transportation, William T. Coleman, Jr.

In the words of Feste in Twelfth Night, "Some are born great; some achieve greatness, and some have greatness thrust upon them." But there are few for whom all three descriptions apply. Nelson Aldrich Rockefeller was one. Born into a great American family, he plunged into a life of public service with a child-like enthusiasm and wonderment that he never outgrew. Freed by birth from concerns of financial security, he committed his substantial intellectual resources to the cause of better government and a better society. More than any other leader of our time, he was unencumbered by the proxies of special interest or the allurement of political power. He plainly sought to analyze public policy issues on the basis of substance; politics was for him only the means, not the end. He constantly reverted to the basics—the goals and objectives of our society which many times he helped rearticulate and reaffirm as we moved from a self-complacent generation to a confused one.

Rocky's commitment to civil rights and his support of the legal defense of minorities began early and was an unwavering, integral part of his dream for a better America. When the Vice Presidency was finally thrust upon him during one of our nation's darker hours, he brought wisdom, continuity, moderation and compassion to the nation's leadership. As a member of the Ford Cabinet, I often heard him speak out eloquently and forcibly for the cause of civil rights and as the nation's social conscience. He was equally as forceful on our need as a nation to face up to the energy crisis and to think grandly to achieve its solution. He would have been a great President, and had he ever reached this full flowering of his leadership potential, we all would be today a bit more self-confident of our nation's course, a bit more committed to true equality, and a bit more convinced of the integrity and efficacy of our governmental institutions.

My heart goes out to his family who has lost a giant.

[From Newsday, Jan. 31, 1979]

His Guiding Star Was Pragmatism

(By Bob Wiemer)

If pragmatism, the belief in things that work, were an organized religion, Nelson Rockefeller would have been at least archbishop of New York.

Dr. John Knowles, who—appropriately enough—is president of the Rockefeller Foundation, could have been thinking of Rockefeller's years as governor when he penned perhaps the best definition of pragmatism ever written. Said Knowles: "The pragmatist refuses to deal in idealogical absolutes. We pragmatists believe if an idea works it is true. But we believe the truth is plural and contingent and forever in the making."

Rockefeller's policies may sometimes have seemed inconsistent. His late concern for fiscal prudence, for example, was clearly at variance with his earlier passion for borrowing. It wasn't Rockefeller who changed, however; it was the facts available to him. He was always in search of that plural and contingent truth.

One of Rockefeller's biographers quotes Dartmouth President Ernest Hopkins, who observed Rockefeller as an undergraduate.

"He had two particular qualities," said Hopkins. "One, his fearlessness in expressing convictions to which he had come after serious thought, and the other, his willingness to revise his opinion on the submission of new evidence or the acquiring of new acquaintanceship with the facts."

So the most significant statistic arising out of Rockefeller's tenure has nothing to do with the billions he spent or the buildings he built.

During his 15 years in office, Rockefeller named 70 task forces and five temporary commissions. In addition, he called 16 governor's conferences. *These* are the actions that truly define Nelson Rockefeller and characterize his style of government. He was hungry for new ideas and willing, perhaps too willing, to test them.

Although his tenure touched three decades, he was clearly most in tune with the confident pragmatism and high optimism of the '60s, a decade that opened with the election to the presidency of John Kennedy, who shared more than inherited wealth with Rockefeller. Kennedy, too, was a pragmatist, a believer in the ability of men to shape their own destinies by intelligence, vigor and calculated action. They shared the belief that problems could be isolated, studied and broken down into manageable components. It was the task of an executive, then, to select the most practical, feasible "attacks" from an array of "options."

When Rockefeller first entered New York politics, he turned to the dean of the School of Public Administration at New York University, William Ronan, for help in studying the issues and developing a strategy to get the GOP nomination in 1958. Ronan helped prepare the collection of bound and indexed studies of the issues that Rockefeller carried with him on the campaign trail. Ironically, one of the issues of that year was Harriman's fiscal policies: Rockefeller alleged his opponent mismanaged the budget; he was especially critical of Harriman's borrowing.

In 1959, when Rockefeller took office, the state's full faith and credit debt was $912 million. When he left office it was $3.4 billion, and that doesn't count the $6.7 billion debt incurred by semiautonomous agencies and authorities, such as the Urban Development Corp., the State University Construction Fund and the Housing Finance Agency.

Rockefeller will be remembered for the Albany mall, and the gigantic state university system with campuses all across the state. He'll be remembered for his accomplishments in housing, which include the massive Roosevelt Island project—built by the Urban Development Corp. And he'll certainly be remembered for the staggering debt he left behind to accomplish those grand programs.

Every year when the editors of the state journeyed to Albany to hear Rockefeller explain the latest budget, Rockefeller's aides were present, ready with the answers to most questions in the carefully indexed briefing books they carried. No question went unanswered. If the answer wasn't in the books, it would be researched by Rockefeller's staff and answered later.

Arthur Levitt, a Democrat, was the state controller throughout the Rockefeller years. He was consistently critical of the governor's efforts to avoid constitutional limits on borrowing. But he was usually ignored. Each year, Rockefeller would be equipped with charts and bar graphs showing just how each extension of the debt would be handled within an overall fiscal plan.

Much of the borrowing was done by public authorities established during the Rockefeller years. They did not have the power to pledge the full faith and credit of the state. Instead, they offered investors bonds backed only by a tenuous moral obligation. This form of authority borrowing was not new. It was developed by Robert Moses, and it worked. To pragmatists, such as Ronan and Rockefeller, that was the ultimate test.

The late governor was a man with a genius for politics. He was good in a crowd and on a platform, but he was at his best before a hostile audience. So he used the tactic of the town meeting frequently. But there was steel behind his smile and the easy manner.

In 1967, for example, Robert Moses stood in the way of the formation of the Metropolitan Transportation Authority, which was a classic Rockefeller-Ronan response to a problem.

In this case, the bankrupt Long Island Rail Road was near collapse. The MTA was to rescue it with money to renovate and replace the rolling stock and with better management to utilize the new equipment more efficiently.

Rockefeller promised Moses an important role in the new authority. This is how Moses' biographer Robert Caro, the author of "The Power Broker," described what happened: "Rockefeller's promise to Moses had served its purpose well. It had kept Moses quiet for almost a year, persuaded him not to oppose Rockefeller's transportation merger or the referendum which had funded it. The governor's promise had, moreover, persuaded Moses to withdraw the lawsuit which might have invalidated Rockefeller's transportation merger. It had enabled Rockefeller to use his name. And now, having used his name, having gotten everything out of him that he could, the governor threw him away." Instead of an important job, Rockefeller offered Moses a $25,000-a-year post as "consultant."

In 1968, Rockefeller intervened forcefully when the Legislature refused to give the Urban Development Corp. the power to override local zoning codes in order to build low-cost housing for the poor. That idea was not popular in the suburbs, but the governor wanted the legislation, and he twisted arms until he got it. The unpopular and unprecedented grant of power to a state agency did not long remain on the books.

He was similarly tough during the revolt at the Attica Correctional Facility. When the hostage-holding prisoners demanded total amnesty, Rockefeller refused to "set a precedent which would go across the country like wildfire." His steadfastness—in my view—undoubtedly saved lives in other states and other prisons.

But the response angered some influential opinion makers, and some liberals never forgave him. Nonetheless, when he left office he obviously still entertained presidential hopes—as he had ever since 1960. And he approached the challenge in a familiar manner. He formed the National Commission on Critical Choices for Americans, to study the great issues of the day. But he ended up settling for a truncated term as an appointed vice president, and retirement to a hobby, his art business.

Ever the pragmatist, he accepted the harsh reality: There was a greater market for reproductions of his collected art works than for an original Rockefeller.

[From the South Shore (N.Y.) Record, Feb. 1, 1979]

Five Towns Remembers "Rocky"

The Five Towns remembers Nelson Rockefeller. As the country and the State mourn the death of the former vice president and Governor of New York local politicians are looking back.

Congressman John Wydler's most vivid recollection is of a flight from Washington to New York aboard Mr. Rockefeller's private plane. At the time, Mr. Wydler was considering running for Nassau County Executive. "Mr. Rockefeller told me never to serve in the legislative branch. He liked to give orders and get things done."

Despite Rockefeller's advice, Mr. Wydler never entered that race. In 1962, the Governor played a big role in Mr. Wydler's first campaign for congress. "He was running too—for Governor—and he took me under his wing. Wherever we went, he'd single me out and push me forward."

Mr. Wydler's final tribute to the Republican leader—"He was one of the few men I've met in my political life, who was both a great man and a great guy."

Councilman Eugene Weisbein of Hewlett Harbor, spoke to the South Shore Record about Nelson Rockefeller, with his eye on a photograph of them both. The valued picture decorated a wall in the councilman's Mineola office.

"He truly loved to be with people. He enjoyed the political arena and campaigning. What you saw of the man was what he was."

Mr. Weisbein added. "The sum total of Nelson Rockefeller was his honesty and forthrightness. He was dynamic and driving. His public and private personality were one and the same."

The Councilman feels that the late Governor's greatest contribution to New York was his revitalization of the New York State University system. "It was nothing until he stepped in."

As for Peter DeSibio, Republican executive leader of Inwood-North Lawrence, the memories are very personal. "Someone had given me a calendar from 1908—the year I was born. Just a few years ago I had it presented to the Governor In Albany. He too was born in 1908."

Mr. DeSibio accompanied Nelson Rockefeller on many political motorcades. "He was a great man. He should have been president of the United States. His death was a great loss for all the people," said Mr. DeSibio.

[From the Long Island (N.Y.) Graphic and Roosevelt Press, Feb. 5, 1979]

Editorial

He could have lived his life as a dilettante, dabbling in the arts, a patron of those who achieve. He could have indulged a penchant for hedonism, living life for its pleasures alone. He could have been another tenant in yet another ivory tower, following scholarly pursuits away from the maddening crowds, insulated by a great fortune.

But Nelson Rockefeller chose to follow none of the paths that other men of immense wealth have trod. He spent his life and expended his flair for manipulating people and his tremendous energies and dynamism in public service.

An inheritor of the greatest fortune this country has seen amassed, he possessed the rare quality of remaining unawed by expenditures that ran to the billions. By his own admission a frustrated architect, he carved his mind's visions on the citizens and the State of New York. Rockefeller's four terms as chief of state in New York brought a staggering debt, but a State University system unparalleled in its scope and its excellence.

He left, as a part of his heritage, his mark etched in marble on the State's capitol, in the controversial Albany Mall, which brought employment to thousands, and further shook our already unsteady budget. He could have remained wrapped in luxury, but instead, he exposed himself to the vilification of his own party, which denounced his ideals as too "liberal."

Unprepossessing in appearance and stature, yet by nature born to lead, he accepted second place in national government for the good of his country. He left his mark with a permanence.

[From the New York Times, Jan. 28, 1979]

For Nearly a Generation, Nelson Rockefeller Held the Reins of New York State

(By Linda Greenhouse)

He sought the Presidency of the United States three times, and in his final years of public life he served as the nation's 41st Vice-President. But for all his aspirations for national leadership, Nelson Aldrich Rockefeller was a New York institution. He was, it seemed, the eternal Governor.

By the time he left office in Albany in 1973, an entire generation of New Yorkers had reached voting age and entered adulthood scarcely able to remember a time when he was not the state's chief executive. Only New York's first Governor, George Clinton, who served 21 years, held the office longer.

Mr. Rockefeller dominated the state as few men have ever dominated any government. Starting with his upset defeat of the Democratic incumbent, W. Averell Harriman, in 1958, Mr. Rockefeller—a political neophyte whom the Republican leadership had indulged largely because he could finance his own campaign—left his mark indelibly on the economic, political and cultural life of New York.

$1 BILLION ALBANY MAIL PROJECT

His influence was measured not in increments but in quantum jumps: under his leadership, the state university system increased from 38,000 students on 28 campuses to 246,000 students on 71 campuses; the number of state employees nearly doubled, from 102,000 to 183,000; the state budget more than quadrupled, from $2 billion to $8.85 billion; and the tax levy went from $94 to $460 for every man, woman and child in the state.

In the $1.5 billion, gleaming white marble South Mall state office building complex in Albany and in 29 other state office buildings from Hauppauge, L.I., to Buffalo, Mr. Rockefeller left a physical legacy that was among the more controversial aspects of his four administrations.

On Dec. 11, 1973, slightly more than a year before the expiration of his fourth term, Mr. Rockefeller announced that he was resigning in order to devote his time to two organizations he headed, the National Commission on Critical Choices for Americans and the Commission on Water Quality.

WAS EXPECTED TO TRY AGAIN

The move was widely interpreted as a prelude to a fourth try by the Governor for the Presidency, a goal that had eluded him throughout his political life. He cheerfully denied that assessment, saying he wished to keep his options open, and turned over the governorship to Malcolm Wilson, who had been his Lieutenant Governor the entire 15 years.

Mr. Rockefeller did not run again for the Presidency, but his political career was not yet finished. After Gerald R. Ford succeeded to the Presidency with the resignation of Richard M. Nixon at the climax of the Watergate scandal, Mr. Rockefeller was persuaded to become an appointed Vice President and was sworn in on Dec. 19, 1974.

"I feel a great sense of gratitude for the privilege of serving the country I love," he said the day he took office as Vice President.

Mr. Rockefeller was the second Vice President installed under the 25th Amendment, which provides for filling vice presidential vacancies with nomination by the President and confirmation by the Congress. Mr. Ford was the first. He succeeded Spiro T. Agnew as Vice President after Mr. Agnew's resignation in the wake of a bribery scandal.

Mr. Rockefeller served two years under Mr. Ford, who completed Mr. Nixon's second term of office.

WORKED ON ART COLLECTION

Since leaving public life in January 1977, after the Republicans lost the White House, Mr. Rockefeller had focused his energies on his considerable art collection, on writing books on art, on setting his family's financial affairs in order and on providing new direction for the $209 million Rockefeller Brothers Foundation.

Notably, he did not involve himself extensively with politics. On the contrary, in what many observers interpreted as a falling-out with the Republican Party, Mr. Rockefeller sharply diminished his contributions to and fund-raising efforts for G.O.P. causes and candidates. He also stopped attending political dinners and managed often to be out of the country when important political meetings were being held.

Mr. Rockefeller did, however, take on a few peripherally political assignments, lobbying privately for President Carter's Panama Canal treaties, urging the United States Senate to support a $100 billion Government corporation to finance high-risk energy ventures and attempting to attract Middle East oil money to venture capital investments in the West.

In the past two years, he made a couple of trips to the Middle East, describing himself as a mere tourist, and traveled to Iran in 1977 at the behest of the Shah to dedicate an art museum.

Last November, without fanfare, Mr. Rockefeller opened a retail store at 48 East 57th Street displaying expensive, high-quality reproductions of his own art and art-objects collections. Catalogues were made up and the merchandise was sold by mail order, with the store billed as a place where customers could merely get a look at the goods.

What some critics called the "commercialization" of the Rockefeller collections generated some debate in art circles, but the store was a big success. As a result, Mr. Rockefeller decided to make it a permanent operation and was to have announced today that he had taken out a five-year lease.

Last March, Mr. Rockefeller signed a contract with Alfred A. Knopf, the publishers, to produce five books about his extensive art collections, and had spent much of his time since at work on the project.

The first volume, on his extensive primitive art collection, was published last month. Titled "Masterpieces of Primitive Art," it had a text by Douglas Newton, photographs by Lee Boltin and an introduction by Mr. Rockefeller. At the time of his death, Mr. Rockefeller was at work on the second volume in the series.

Since leaving politics, Mr. Rockefeller had made only one foray—a somewhat sentimental journey—back into the limelight, traveling to the state capital last May for the rededication of the Albany Mall as "the Nelson Rockefeller Empire State Plaza."

HIS GREETING WAS POLITICAL ASSET

When Mr. Rockefeller left Albany in 1973, members of both parties found it difficult to imagine life in the state capital without him. Over the years, his magnetic grin and his perennial greeting of "Hiya, fella!" had become the stuff of political cartoons and easy parody, but there was no disputing their value as political assets, and no doubt of the force of his personality.

Those whom he failed to enchant maintained that the public Rockefeller, with the hearty, good-natured ease he projected, was only a facade carefully constructed to mask a crafty, ambitious, thoroughly political nature.

His critics were most vociferous after he refused to go to the scene of a prisoner riot and cellblock takeover at the Attica State Prison in western New York in September 1971 to negotiate the release of guards seized as hostages. The rebel inmates had demanded his presence as a condition for talks.

Instead of going to Attica, however, he ordered the rebellion crushed by force, and 29 inmates and 10 hostages held by prisoners were killed in the ensuing blaze of gunfire and tear gas. Eventually, 43 persons died of injuries sustained in the insurrection and its bloody conclusion.

MANY NEVER FORGAVE HIM

The Governor defended his refusal to go to Attica and his orders to end the uprising forcibly on the ground that it was his "best judgment," but many people—critics and supporters alike—disagreed with the decisions. His political opponents, contending that it showed he lacked compassion, never forgave him, and even some of his supporters and staff aides were hard pressed to defend the decisions.

A commission headed by Robert R. McKay, then dean of the New York University Law School, concluded in 1972 that Mr. Rockefeller should have gone to Attica before ordering the assault to recapture the prison.

Critics of Mr. Rockefeller attacked him in harsh terms again in 1973, when, nearing the end of his administration, the Governor backed a tough revision of the criminal penalties for convicted narcotics pushers and users. Most of the laws survived court tests, but the harshest sentences called for—up to life in prison for heroin sales—have not been widely imposed.

Mr. Rockefeller's ambition was difficult to deny, but to his supporters, his public personality indicated a real enjoyment of people and a disinterested commitment to public service, in the tradition of his philanthropist father.

HOSPITALITY AND LARGESSE

In any event, the private side of Mr. Rockefeller's life was one that only a very few intimate friends ever saw. Casual acquaintances might be invited to a function at the Playhouse, the "public" building with an indoor swimming pool and bowling alleys on the Rockefeller family's 4,180-acre estate at Pocantico Hills, near Tarrytown in Westchester County.

Closer friends and political notables might gain entrance to the Governor's own castle-like home on the estate or to his Fifth Avenue duplex apartment, where they could admire a Matisse mural that the artist, working in France from a scale model, designed to fit around the livingroom fireplace, or an abstract landscape that Fernand Leger came to the apartment to paint. When Meade H. Esposito, the Brooklyn Democratic leader, admired a lithograph in that apartment, Mr. Rockefeller took it off the wall and gave it to him.

But beyond the affable hospitality and largesse, Mr. Rockefeller was a complex man who used his great wealth to protect his and his family's privacy. There were a number of people he called on often for advice, but few among them could consider themselves his intimate friends or confidants. He usually vacationed in the family's retreat at Seal Harbor, Me., or at his large ranch in Venezuela; spent nearly every weekend at the discreetly but very well guarded Pocantico Hills, and was rarely seen in the Executive Mansion in Albany, the Governor's official residence, except to stand on a receiving line.

STYLE OF HIS YOUNGER DAYS

Mr. Rockefeller's associates like to tell how as a young boy he shined the family's shoes and raised rabbits for use in the Rockefeller Institute's laboratories to earn money, and how as an undergraduate at Dartmouth he customarily wore baggy pants and a sweater with holes in it. The point such stories were designed to make was that this scion of one of the world's wealthiest families had an ordinary childhood and grew up considering himself just one of the boys.

But in the light of both the circumstances of his early life and some of the rare personal comments he occasionally dropped, that analysis seems disingenuous at best.

One winter night in the early 1960's, Governor Rockefeller's private plane swept in over Washington, the floodlit White House clearly visible below. "How long has it been, Governor, since you wanted to live in that house?" a passenger asked.

Mr. Rockefeller fingered his glass of Dubonnet thoughtfully for a moment, then replied: "Ever since I was a kid. After all, when you think of what I had, what else was there to aspire to?"

And once, when a dinner partner at a small party he gave complimented him on his skill as a dancer, Mr. Rockefeller answered with a short laugh. "Yes, I had two choices," he said. "I could have become a gigolo or I could become Governor. I chose the latter."

USED TO "GOLDFISH BOWL"

"Being a Rockefeller is like living in a goldfish bowl," he said on another occasion. "The goldfish get used to it and so do we."

He learned early to protect himself from those who might want to use his money or name for their own purposes. As a young man, he served briefly on a civic commission with 20 other persons, none of whom he knew. Before the group disbanded a month later, a third of the members had approached him with a business proposition or other deal.

But if the family name and fortune imposed burdens, they also offered enormous power and instant access to the world's leaders, access that did not depend on a particular Rockefeller's holding public office at a given time. It was Nelson Rockefeller who, out of office in 1946, persuaded his father on a few hours' notice to put up the $8.5 million necessary to acquire the East River site for the United Nations, thus preventing the world organization from building its headquarters in Philadelphia.

Nelson Aldrich Rockefeller was born July 8, 1908, at the family home in Bar Harbor. He was the third of six children of Abby Green Aldrich Rockefeller and John D. Rockefeller Jr., the son of the founder of the Standard Oil fortune. He was named for his maternal grandfather, Senator Nelson Aldrich of Rhode Island, a powerful figure in a national Republican politics.

IMAGE AS "MALEFACTORS"

At the time of his birth, the Rockefeller family was not only rich but also notorious—"malefactors of great wealth," Theodore

Roosevelt once called them. In 1908, the Standard Oil Company was in the midst of massive legal battles, which it eventually lost, against Federal and state attempts to break up the huge monopolistic trust. A typical political cartoon of the day, by Frederick B. Opper, showed a giant thug labeled "Standard Oil Trust" stomping on a small figure identified as "The Public."

The image changed, largely because of the work of Mr. Rockefeller's father. Before he died in 1960 at the age of 86, John D. Rockefeller Jr. gave uncounted millions of dollars for medical research and other charitable and humanitarian endeavors, and the Rockefeller name came to be associated no longer with malevolence but with philanthropy on a previously unmatched scale.

Nelson Rockefeller was educated at the Lincoln School, a "progressive" private school in Manhattan and at Dartmouth College, where he majored in economics, wrote his senior thesis on his grandfather and graduated as a Phi Beta Kappa in 1930.

A few days after graduation, he married Mary Todhunter Clark, the daughter of a prominent Philadelphia family. The couple took a round-the-world cruise financed by Mr. Rockefeller's father as a reward for not smoking. His father and grandfather were abstemious Baptists who neither drank nor smoked, and Nelson Rockefeller usually confined himself to a single glass of Dubonnet.

HEADED ROCKEFELLER CENTER

The young graduate took a job as a clerk in the family bank, then called the Chase National. He later worked in the bank's Paris and London branches. He also worked in the rental department of Rockefeller Center, then newly completed. Mr. Rockefeller was later president and then chairman of the center, resigning when he was elected Governor.

The year of his college graduation he signaled another lifelong interest by joining the board of trustees of the Metropolitan Museum of Art. His mother was one of the founders of the Museum of Modern Art and urged her children to collect and admire modern art. Nelson Rockefeller took her advice to heart, and during his lifetime he assembled one of the world's most spectacular private collections of modern paintings and sculpture and primitive art of all kinds.

He founded the Museum of Primitive Art in 1957 to accommodate his fast-growing collection. For advice on his collection of American and European art, which was especially strong in cubism, futurism and abstract expressionism, Mr. Rockefeller had the services of a "shadow cabinet" of some of the country's leading curators and museum directors. For many years, he employed a full-time curator of his own, Mrs. Carole Uht, who kept his catalogues up to date and kept track of works out on loan and of his voluminous transactions with dealers.

However, Mr. Rockefeller himself was extremely knowledgeable about art, and actively enjoyed his paintings, not only as investments but also as objects of beauty. He served as president of the Museum of Modern Art in 1939.

LECTURE ON A MARC PAINTING

In a lecture he gave at the New School for Social Research in 1967, Mr. Rockefeller commented on his fascination as an art student in college with "Red Horses," a painting by the German artist Franz Marc.

"This is a subject in which the composition, the color, the motion, the strength, constantly keep hitting you," Mr. Rockefeller said. "If you are in a different mood than when you previously saw it, you are going to see a different painting, different portions, with their fine points of variation in color, as viewed through the slightly tinted glasses of a different mood or attitude of the day. Talking now not of this particular painting alone but in general, this always makes such artistry exciting."

He filled the Governor's mansion in Albany with paintings from his collection, many of them abstract works that left his fellow politicians frankly confused. "They had never seen anything like it," he recalled. "You know: 'My son, who's 3 years old, could have done better.' I got the standard reaction. It was delightful."

Only by outright arm-twisting of the Legislature did the Governor get the state to approve a $15 million contribution to Lincoln Center for the Performing Arts to build the New York State Theater there.

A MEETING WITH MORGAN

Once while Mr. Rockefeller was an officer of the Museum of Modern Art, that museum invited the painter William Gropper to do a modern mural for a special exhibition. The painter selected J. P. Morgan as his subject and also included a chorus girl and a man clutching a bulging moneybag. Mr. Rockefeller, who was in his 20's at the time, was mortified, and decided to go see the older man before the exhibition opened and explain what had happened.

As Mr. Rockefeller later recounted the incident, Mr. Morgan told him: "Of course you've got to hang it. Don't give it another thought." Mr. Rockefeller called that exchange "one of the great experiences of my life."

From 1935 until 1940 Mr. Rockefeller was a director of Creole Petroleum, a Standard Oil affiliate with large holdings in Venezuela, where he spent much time. He became fluent in Spanish and acquired a lifelong interest in South America.

In 1940 he joined the State Department as coordinator of Inter-American Affairs, helping to formulate President Franklin D. Roosevelt's "Good Neighbor" policy for Latin America. In 1944 he was named Assistant Secretary of State for the American Republics.

Mr. Rockefeller left Government service in 1945, and the next year helped to found the American International Association for Economic and Social Development, a private, nonprofit group, to work with Latin American governments in agriculture and nutritional research and development.

ADVISER ON POINT FOUR

In 1947 he helped to organize the International Basic Economy Corporation, a profit-making organization, to foster investment in Latin American industrial and agricultural enterprises.

President Harry S. Truman recalled him for a year in 1950 as chairman of the International Development Advisory Board to advise on the Point Four technical aid program.

He served in the Eisenhower Administration as Under Secretary of Health, Education and Welfare from 1953 to 1955, when he became a special assistant to the President for foreign affairs.

Frustrated by the lack of effective power in appointive office, he left government in 1956, looking for a place to run. Two years later, he won the Republican gubernatorial nomination in New York, primarily because the party was looking for a wealthy newcomer willing to make what was seen as a doomed run against Governor Harriman.

Mr. Rockefeller was chauffeured around the state by a fellow Westchester County Republican Malcolm Wilson of Yonkers, a 20-year veteran of the State Assembly. In return, Mr. Rockefeller insisted that Mr. Wilson be given the nomination for Lieutenant Governor. With an expensive media campaign and the tactile, personal campaign style Mr. Rockefeller was to develop into an art form, the Republican ticket won in an upset by 573,000 votes, and the newly elected 50-year-old Governor was immediately projected onto the national political scene as a potential Republican Presidential candidate in 1960.

He made some hesitant overtures toward seeking the nomination, eventually saying that he would accept a draft, but finally backed away from a showdown fight with Vice President Richard M. Nixon, who won the nomination easily.

INCOME-TAX WITHHOLDING

Mr. Rockefeller's first years in Albany meanwhile, were busy ones. Soon after he took office on Jan. 1, 1959, he announced the state's first $2 billion budget together with $277 million in tax increases and the state's first withholding for income taxes. There were howls of protest in the Legislature, but Mr. Rockefeller prevailed.

His fiscal policy during the early years of his administrations was traditionally conservative—pay-as-you-go—with little or no borrowing. Eventually he reversed himself—as he did on many other issues—and came to rely on massive borrowing and record bond issues to finance capital improvements, sewer projects, transportation and other major programs.

The voters twice rejected major transportation bond issues. But he was able to incur an additional $6.7 million in state debt without voter approval by creating semiautonomous agencies such as the Housing Finance Agency and the Urban Development Corporation with the power to issue their own bonds.

Under Mr. Rockefeller, the state got its first sales tax, which had risen to four cents on the dollar by the end of his 15 years. Taxes of various kinds were imposed or increased in 1959, 1963, 1965, 1966, 1968, 1969, 1971 and 1972. The state debt increased from $92 million in 1959 to $3.4 billion by the end of 1973.

A LIST OF ACHIEVEMENTS

However, for their money the voters got a long list of achievements. Among bricks and mortar, in addition to the State University and the Albany mall and other state office buildings, were the construction of 200 water-treatment plants to combat pollution; the construction of 30,000 housing units by the Urban Development Corporation and 60,000 units by the Housing Finance Agency; three new model communities built by the Urban Development Corporation at Lysander near Syracuse, Amherst outside Buffalo, and Welfare Island; 23 new state mental health facilities; 109 voluntary and municipal hospitals and nursing homes constructed or expanded, and completion of the Long Island Expressway, which opened up Long Island to residential and industrial expansion.

In education, there were major increases in state aid to local school districts, state aid to parochial schools—most of which was later declared unconstitutional; state aid to private universities; 235,000 scholar-incentive awards of $100 to $600 annually for students attending private and public colleges in the state, and 75,000 Regents scholarships of up to $1,000 annually. In most of these areas, the Governor blazed new trails.

So, too, did he pioneer in injecting the state into the mass transit business by creating the regional Metropolitan Transportation Authority, which took over New York City's subway system and pumped into it funds for new subway cars and new subway-line construction. He also was largely responsible for creating a State Council on the Arts, which provided about $15 million annually for local cultural events.

As Mr. Rockefeller began preparations for running for a second term, the announcement suddenly came that he and his wife of 31 years were being divorced. They had last been seen together in public on March 3, 1961, when they were rescued by firemen from the Executive Mansion in Albany. A fire almost completely wrecked the interior of the mansion, although no one was injured. The Governor personally paid $58,000 of the $558,000 in the restoration costs.

The Rockefellers had five children: Rodman, Ann (now Mrs. Lionel Coste), Steven, Mary (now Mrs. William J. Strawbridge Jr.) and Michael, Mary's twin brother. Michael was lost and declared dead on an anthropological expedition to New Guinea in November, 1961, the month that his parents' impending divorce was announced. He was 23 years old and, according to most accounts, was the closest of the five children to his father.

Mr. Rockefeller chartered a jet from Honolulu and flew to New Guinea to join in the search, but gave up and returned home after 10 days.

Mrs. Rockefeller was granted a divorce on the grounds of mental cruelty. Some political leaders expected the divorce to hurt the Governor's chances for re-election, but he easily won a second term in 1962 by defeating the Democratic candidate, Robert M. Morgenthau. The margin was 530,000 votes.

The next year, he married Mrs. Margaretta Fitler Murphy five weeks after her own divorce. The new Mrs. Rockefeller, nicknamed Happy, was 19 years the Governor's junior. Her former husband received custody of the couple's children.

Whether it was the divorce and remarriage or the conservative tide in the country that defeated Mr. Rockefeller's second try for the Presidency in 1964 was a subject of lengthy debate. He won Republican primaries in Oregon and West Virginia, but lost the important California primary to Senator Barry Goldwater of Arizona and withdrew his candidacy in favor of Gov. William W. Scranton of Pennsylvania.

BOOED AT 1964 CONVENTION

At the Republican nominating convention in San Francisco, Governor Rockefeller was loudly booed by conservatives when he took the rostrum to denounce the philosophy of the extreme right. He did not campaign for Senator Goldwater, who won the nomination and whose defeat by Lyndon B. Johnson was a major disaster for Republicans in New York State: The party lost a Senate seat, seven seats in the House of Representatives and, for the first time in 25 years, both houses of the State Legislature.

Governor Rockefeller began his campaign for a third term in 1966 by declaring: "I speak as one who has taken himself out of national contention, completely and forever, without reservation." He was reported to have spent between $5 million and $6 million on the campaign, a new national record for a state election, and won with 44.6 per cent of the vote in a four-way race against Frank D. O'Connor, the Democratic candidate; Francis Adams, the Conservative, and Franklin D. Roosevelt Jr., on the Liberal party line.

As the 1968 Presidential elections approached, Governor Rockefeller once again vacillated to the crucial moments. He first declared that he would support Gov. George Romney of Michigan for the Republican nomination. When Mr. Romney withdrew, Governor Rockefeller called a news conference at which it was widely believed he would announce his own candidacy. But he still hung back, waiting 40 more days until May 1968 to announce that he would fight Mr. Nixon for the nomination "right up to the last vote."

NIXON AN EASY WINNER

Mr. Rockefeller campaigned vigorously, but Mr. Nixon easily won the nomination on the first ballot at the Republican National Convention at Miami Beach. Mr. Rockefeller expected to be offered a high Cabinet position in the Nixon Administration, but no serious offer ever came.

Mr. Rockefeller won his fourth term in 1970 by easily defeating Arthur J. Goldberg, the former Supreme Court Justice and chief United States representative at the United Nations, by 688,000 votes, the largest plurality in his career.

Although he was obviously as effective a vote-getter as ever, and showed few signs that he was approaching an age when many men consider retiring from active life, the flow of innovations that had marked Mr. Rockefeller's first decade as Governor seemed to come to an end, replaced instead by an emphasis on holding down state spending and keeping new programs to a minimum.

Typical of this latter period was the Governor's attempt to impose a residency requirement for welfare—a proposal he had assailed when it was suggested by Mr. Goldwater eight years earlier—and his appointment of a welfare "inspector general" to crack down on welfare recipients.

Liberals, who had once considered Governor Rockefeller one of their number, denounced him for these shifts, especially after he refused to go to Attica in 1971. The criticism reached a peak in 1973 when Mr. Rockefeller proposed a revision of the penalties for convicted narcotics sellers that some considered Draconian.

REVERSED STAND ON U.D.C. POWER

Also that year, Mr. Rockefeller reversed an earlier stand and allowed the Legislature to strip the Urban Development Corporation of its controversial power to override local zoning regulations in the construction of low-income housing, a power the Governor had insisted on when he forced the bill creating the U.D.C. through the Legislature, in the wake of the assassination of the Rev. Dr. Martin Luther King Jr. in 1968.

This later period was also marked by Governor Rockefeller's feud with Mayor John V. Lindsay of New York. The relationship between the two reached its nadir in 1973 when Mr. Rockefeller teamed up with Alex Rose, the Liberal Party leader, to try to put across a former Democratic Mayor, Robert F. Wagner, as the Republican-Liberal candidate for Mayor of New York. Eight years earlier, Mr. Rose and Mr. Rockefeller had joined to back Mr. Lindsay, supposedly to rescue the city from the effects of 12 years of Wagner rule.

As Mr. Rockefeller's politics changed over the years, so did his personality. In the early years of his administration, he was often testy and arrogant off camera, despite his public image of ebullience.

But he mellowed considerably, and toward the end of his four terms his private demeanor more closely resembled his public personality. Some attributed the relaxation to the effect of the second Mrs. Rockefeller, who, at least in public, lived up to her nickname, Happy. The couple had two children, Nelson Jr., born in 1964, and Mark, born in 1967.

RETAINED A JAUNTY BEARING

At 5 feet 10 inches tall and about 185 pounds, Mr. Rockefeller had a broad-shouldered, stocky build. His reddish-brown hair turned gray during his 15 years in office, but his bearing remained jaunty. He had a rather flat, high-pitched speaking voice with an accent that seemed to fluctuate between the broad "a" of the upper classes and the twanged, nasal vowels of upstate New York.

Mr. Rockefeller was not at his best when reading a speech. Few people were aware of the problem, but all his life he suffered from an innate tendency to read backward from right to left, a difficulty that may have had its origin in his father's unrelenting effort to change young Nelson from a left-hander to a right-hander. Around the family dinner table, the elder Mr. Rockefeller would put a rubber band around his son's left wrist, tie a long string on it and jerk the string whenever Nelson started to eat with his left hand, the one he naturally favored. Eventually, the boy achieved a rather awkward ambidextrous compromise.

But Nelson Rockefeller could be fluent and effective when, as was his habit, he discarded a prepared speech, promised the reporters present that "Boys, I'll stand behind every word," and spoke extemporaneously. His nickname "Rocky" was purely a convenient political invention. His family and friends always addressed him as "Nelson."

His tireless, tactile campaign style was famous. He nudged and hugged and winked his way through crowds with his "Hiya, fella" or "You're terrific, I want to tell you," leaving beaming voters everywhere he went.

A SURPRISE TO CRONKITE

One of the few spontaneous moments of the Republican National Convention in 1972 occurred when Walter Cronkite invited Mr. Rockefeller to the broadcast booth for an interview. After some minutes of perfunctory questions and answers, the Governor suddenly thrust his hand out toward Mr. Cronkite, grinned and said, "Walter, I just want to tell you, I think you're terrific, fantastic." It took the usually unflappable Mr. Cronkite a few silent seconds before he realized he should take the proffered hand and return the compliment.

On rare occasions, the homey touch fell flat. Once, for example, as he passed a baseball diamond where small boys were playing, Mr. Rockefeller commented on how much he enjoyed the game in his youth. Near him was a boy in shinguards and a chest protector, carrying a big, round glove. "And what position do you play, son?" asked the Governor, putting his hand on the boy's head.

And sometimes there was an outright blunder. He was once asked what he thought of his protégé, Dr. William J. Ronan, head of the Metropolitan Transit Authority. "He's doing a horrendous job," Mr. Rockefeller replied proudly. While reporters tittered, his staff gathered around him in consternation. He emerged to say he had meant to say "terrific." An aide explained that the Governor had always thought "horrendous" was a term of praise.

In his work, his greatest strength, aside from his nearly limitless resources, was an expert, loyal and secure staff. He rewarded competence handsomely, and the men around him worked with the knowledge that when their days on the public payroll were over, there would almost certainly be a position in the far-flung family enterprises

His aides examined issues meticulously, preparing detailed briefing papers on everything from the apple crop to sewage disposal. Mr. Rockefeller was rarely caught short by being unprepared in discussion around the state.

His years as Governor were remarkably free of public scandal. The only major scandal that struck close to home involved L. Judson Morhouse, the Republican state chairman and former Rockefeller political mentor, who was convicted in 1966 of bribing the chairman of the State Liquor Authority, another Rockefeller appointee named Martin Epstein. Although sentenced to three years in prison, Mr. Morhouse was granted executive clemency by the Governor on the grounds of illness.

The day after Mr. Rockefeller announced his intention to resign from office, Perry B. Duryea, Speaker of the Assembly and other Republican figures were indicted by a grand jury on charges of violating the election law in an alleged vote-siphoning scheme. The charge against Mr. Duryea was later dropped, and he unsuccessfully challenged Hugh Carey for the Governorship last year.

OBJECTIVITY STRESSED

Mr. Rockefeller's supporters stressed the objectivity and humanity of his years in power. "When I make a decision," the Governor once said, "I think: 'It's human, it's right, it's neither liberal nor conservative, but it's the right thing to do.' I have as much to 'conserve' as anyone."

To his detractors, he was arrogant, opportunistic and shallow, able to retreat to his mansions and pass out of reach of the consequences of his policies, so sure that his decisions were selfless and free from desire for private gain that he held competing views in utter contempt. They saw him as so isolated by millionaire comforts that he was capable of giving an aide a nickel to make a telephone call.

Like many wealthy people, he never carried money and once had to borrow a dollar from a startled receptionist at the Department of Health, Education, and Welfare to pay a 90-cent taxi fare.

There never was a precise estimate of Mr. Rockefeller's worth. The family fortune was said to be between $6 billion and $10 billion, and Mr. Rockefeller was estimated to have a personal fortune of something like $200 million. He said in the early 70's that his yearly income taxes had not been under seven figures for the past 25 years.

He dressed impeccably, lived with great style and paid many expenses of the governorship out of his own pocket. He had been brought up with the strong belief that money should not be squandered or spent ostentatiously. Yet he felt he owed no apologies or explanation for spending it as he pleased.

One year he presented Mrs. Rockefeller with a new Rolls-Royce that cost $33,000. Since the car was to be used almost exclusively for driving among other Rockefellers at the Pocantico Hills estate, an aide asked only half-facetiously whether the Governor didn't think the purchase a bit extravagant.

"Well, you know, we're getting along," replied Mr. Rockefeller, who was 64 years old at the time. 'It's time to have a little fun."

ROCKEFELLER'S ZEST FOR LIFE IS TERMED THE DRIVING FORCE IN HIS CAREER

(By Francis X. Clines)

Seventy years was not enough for Nelson Rockefeller, a man whose enthusiasm for life in all its public and private passions seemed to dwarf even the family fortune as the key factor in his drive to be remembered as a dominant figure in his part of history.

He talked often of surpassing the 96 years of his grandfather. But he lived as if each new day was his limit, whether he was trying to force the Legislature into some new pet master program or breathlessly merchandising reproductions of his own art treasures. Either way, the master program or the reproduction business drew the same tireless superlatives from the man.

He looked at life with a crinkle-eyed, lantern-jawed optimism. His basic political credo was to sell himself as the ultimate pragmatist who could hire the best minds to study the hardest problems as a prelude to his stepping in and making the decisions for solving them.

A MAN OF GREAT CHARM

In passing, he sprinkled "think tank" minds like Henry Kissinger's on the political landscape, and he added a Medici precaution to modern politics by privately paying his favorite aides hundreds of thousands of dollars in addition to whatever public salary they got.

His critics found the payments consistent with the thread of brass that ran with the gold and the great human charm through the complicated Rockefeller personality.

A characteristic Rockefeller moment in time was a night in 1973, when, flying in a family jet, he was sipping Dubonnet, eating peanuts, and talking of his latest enthusiasm, the "National Commission on Critical Choices," which some said he had brought into being apparently as a public vehicle in a final Presidential bid.

Mr. Rockefeller talked casually of "polling the world." He popped a peanut into his mouth and said, "I'd like to get Mao Tse-tung or one of his henchmen to prepare a paper on the nature of man." Right there, was the classic mixture of ego and hope that was his trademark.

Even the most experienced politicians never realized the power of state government until he took it over and reinvented parts of it. Such Rockefeller creations as the Urban Development Corporation and the Metropolitan Transportation Authority have been criticized lately in the frayed reality of time, but they bear the Rockefeller stamp as attempts to cut through the old political ways and turn social needs into votes.

1964 G.O.P. CONVENTION RECALLED

From a youthful studious scion invited by President Franklin D. Roosevelt into a foreign-affairs project, Nelson Rockefeller evolved into one of the toughest, the most cynical of stump fighters. His 15 years of candidacies for the governorship and the Presidency took him all over the terrain of political philosophy and left him remembered as both hero and goat in the eyes of different political blocs.

A liberal has to picture him standing tall and speaking through boos against the grain of the 1964 Republican Convention's right-wing militancy. But the same liberal also has a memory of the shock when Governor Rockefeller had state troopers retake Attica prison in 1971 with a fusillade of heavy gunfire that took 39 lives of inmates and hostages.

Just so, there are conservatives still angry at Mr. Rockefeller's refusal to support Senator Barry Goldwater as the Republican Presidential candidate in 1964. But these same critics also had the satisfaction of seeing Mr. Rockefeller fly into Arizona nine years later and tell, in a recanting tone, of how he had been too soft on crime and welfare issues.

"I'm not moving to the right," he said back then to the inevitable question of his trying to shed the Eastern liberal image that was such a hindrance in his quest for the Presidency. "I'm just dealing with problems as they come up."

That latter statement comes close to the shifting truth of the type of classic American political life that Mr. Rockefeller led. As Governor, he arrived with a pay-as-you-go budget avowal, but left 15 years later having invented vast new means of floating state debt.

CONSISTENTLY ENTHUSIASTIC

In the same way, he first took on the narcotics problem as a treatment issue, preparing for costly institutions and jobs about the state. But then, as public tolerance was withering, he switched to the "crack down" stance and pushed through a heavy punishment program for drug criminals. In all cases, his enthusiasm carried the votes and the days.

Ultimately, he came to be seen as the consummate politician, vying to fly the topmost pennant in the shifting winds of the issues. But that judgment seems to overlook key facets of the Rockefeller zest for life. In 1962, for example, his private and public passions clashed and he opted on the side of his private life, divorcing his wife and marrying Margaretta Fitler Murphy. He was advised the transaction would hurt his political image, but he wanted this with his consistent enthusiasm.

Through all the disappointment he might have presented to idealogues, Mr. Rockefeller never failed to stir the emotions of other politicians, whether to rub a Mayor the wrong way or leave an entire Legislature awe-struck with his ability to dream up fresh, costly, job-producing, vote-snagging programs. Their envy was bipartisan, particularly since he was not above helping to protect valuable Democrats when the reappointment maps were drawn. But it also was the sheer, begrudging respect of one politician watching a pure artist steal the show.

When he missed the Presidency for the final time, Mr. Rockefeller was the first to show he knew it by withdrawing cleanly from politics, back to the art world where he was nurtured by his mother. As he departed the political life, with his grin only slightly daunted, he offered a bit of epitaph: "I did my duty for 15 years and kept my enthusiasm."

[From the New York Times, Jan. 28, 1979]

PRIVATE RITES TOMORROW TO FOLLOW CREMATION

(By Anna Quindlen)

As messages of tribute and sorrow poured in from across the country, relatives and close friends of Nelson A. Rockefeller gathered at the family's Pocantico Hills estate yesterday to mourn the passing of the 70-year-old former Vice President and four-time Governor of New York, who died of a heart attack Friday night.

A Rockefeller family spokesman said that Mr. Rockefeller's body would be cremated and that a private burial, with family members only in attendance, would be held at 11 A.M. tomorrow in the cemetery at the family estate. The Rev. Marshall L. Smith, pastor of the Union Church in Pocantico Hills, will officiate.

A memorial tribute to Mr. Rockefeller, with family members, associates, close personal friends and national and international dignitaries present, is scheduled for Friday at 11 A.M. in the Riverside Church in Manhattan. William Sloan Coffin Jr., the pastor, will preside.

FAMILY ARRIVES AT ESTATE

Limousines carrying Mr. Rockefeller's wife, Happy, and some of his brothers and children began arriving early in the day at the family estate near Tarrytown in Westchester County, north of New York City. They were joined by stunned Rockefeller staff members and longtime friends. Former Secretary of State Henry A. Kissinger and his wife, Nancy, had been at the estate as weekend guests.

As other relatives flew home from around the world, funeral and burial arrangements were made by Mr. Rockefeller's brother, Laurance, 68, now the eldest surviving member of the family. He spoke briefly with reporters outside his Fifth Avenue apartment in Manhattan.

"To sum up my feelings," he said, his voice quavering, "let me say that I have always loved and admired Nelson as a brother, and as a friend, for as long as I can remember."

Governor Carey yesterday informed the Rockefeller family that he planned a major state tribute and memorial service in Albany at a later date.

Mr. Rockefeller's wife, her pale face drawn, left the family's Fifth Avenue duplex with her son Nelson Jr. for the ride to Pocantico Hills. The couple's other child, Mark, who was 12 years old yesterday, was already at the estate with the Kissingers, longtime friends of the Rockefeller famiy.

David, the youngest of Nelson's brothers, was reportedly flying home from a business trip in the Middle East.

Mr. Rockefeller's body was at a funeral home in Tarrytown.

TRIBUTES FROM NATIONAL FIGURES

Both those who knew and those who had only read about Mr. Rockefeller reacted to the news that he was dead. Western Union reported being flooded with telegrams. Tributes poured in from all of the country's major political figures, including Gerald R. Ford, who had made Mr. Rockefeller his Vice President in 1974.

The staff at Mr. Rockefeller's offices in Rockefeller Center was stunned by the news. Employees recalled that their employer had been as energetic and irrepressible as ever during the day Friday.

Hugh Morrow, a longtime family spokesman, said yesterday that he had been mistaken in announcing early Saturday that Mr. Rockefeller had died at his Rockefeller Center office. Instead, Mr. Morrow said, Mr. Rockefeller was stricken in a brownstone house at 13 West 54th Street, in which he maintained offices. Mr. Morrow said that when he was told that Mr. Rockefeller had died in his office, he assumed it was the office at Rockefeller Center.

The 54th Street building is connected by a private walkway with another brownstone at 22 West 55th, which Mr. Rockefeller used as his New York City headquarters during his four terms as Governor. It is still used by his associates.

EMERGENCY CALL TO POLICE

After Mr. Rockefeller collapsed, he was taken to Lenox Hill Hospital, where efforts to revive him were unsuccessful.

According to Rockefeller aides, Mr. Rockefeller's heart attack occurred at 10:15 P.M. The police reported that the first emergency call to the 911 system was made at 11:16.

Neighbors and passers-by reported that when the ambulance arrived, a woman in an evening dress emerged from 13 West 54th Street and accompanied the attendants as they carried Mr. Rockefeller to the vehicle.

Mr. Morrow, the family spokesman, said he did not "know of any woman" being present when Mr. Rockefeller was stricken. He said the 911 call had been made by an unidentified woman neighbor.

Laurance Rockefeller, looking frail and tired beyond his years, paused under the awning of the building at 834 Fifth Avenue early yesterday to deliver a statement he had prepared about his brother, an adaptation of a speech he had given at a 70th birthday party earlier this year for Mr. Rockefeller, who was Governor of New York for 15 years but whose Presidential ambitions were continually dashed.

Laurance said of his brother, an inveterate art collector whose private holdings were legend: "Nelson dramatically demonstrated this fantastic ability to be both statesman and artist; to endlessly bring order out of chaos—whether it be within the family, the state, the nation, or the world itself."

PRAYER IS QUOTED

Laurance carried with him an illuminated version of "The Prayer of Saint Francis." He said he had taken special solace in its last lines, which said in part: "It is in dying that we are born to eternal life."

The consensus was that Mr. Rockefeller had died the way he had lived—doing, working, moving, never slowed. Mr. Morrow reported that after dinner with his wife and Nelson Jr., Mr. Rockefeller, who recently had started a retail art reproduction business, had returned to work on a book about his extensive collection.

Mr. Rockefeller was a member of a family whose name has become a synonym for wealth and power, but yesterday those in political life mused over the fact that no one in their arena had ever really forgotten Mr. Rockefeller's presence in politics.

LONG A PRESENCE IN ALBANY

Years after he left Albany, he was still a presence there, his administration the standard for others to come, his personality the personification of the can-do consensus builder, a man who could gather support and planning for an entire program by using only a telephone and his own determination.

Mr. Rockefeller was a member of the third generation of a dynasty started by his grandfather, John D.

[From the New York Times, Jan. 28, 1979]

Carter Leads Worldwide Praise For Rockefeller's Achievements

(By Pranay Gupte)

"The nation mourns one of its most distinguished public men," President Carter said yesterday. "Nelson Rockefeller was born to privilege and accepted his privilege as an obligation to serve his state and nation. He sought the highest service, but willingly and ably performed whatever tasks were asked of him by his country."

Mr. Carter's praise for the former Vice President and Governor of New York was one of hundreds of tributes to Mr. Rockefeller that came from around the world, from friends as well as one-time adversaries.

"At a time when our people's trust in their government had been deeply shaken," the President continued, "he accepted appointment to the Vice Presidency, helping to reassure the nation with his own integrity and vigorous optimism. He had special concern for the less fortunate, for the arts, for the processes of government itself, and most of all, for the vision that guided this nation. He drank deeply of life from a full cup."

PRAISED BY FORD AND NIXON

Two of Mr. Carter's predecessors echoed his sentiments. Former President Gerald R. Ford, reached in Amman, Jordan, where he is on a private visit, said: "I have lost one of my closest friends, both personally and politically." Mr. Rockefeller was chosen by Mr. Ford to serve as his Vice President.

Another former President, Richard M. Nixon, said from his home in San Clemente, Calif.: "Nelson Rockefeller inherited great wealth. But to his eternal credit, instead of living it up on the sidelines, he plunged into the political arena, where he enjoyed great victories and suffered disappointing defeats."

Mr. Nixon, a long-time political rival who bested Mr. Rockefeller in the 1960 and 1968 campaigns for the Republican Presidential nomination, added: "His great ability, enormous energy, unfailing good humor and selfless dedication to public service left an indelible mark for good on the American political scene."

Senator Barry Goldwater of Arizona another Republican who defeated Mr. Rockefeller for the G.O.P. Presidential nomination—in a bitter contest in 1964—said: "Although we had our policy differences, there were very few Americans who were more deeply dedicated to their country."

Another Presidential and ideological rival in the Republican Party, Ronald Reagan, gave this assessment: "He brought a lively dimension to American politics."

The man who succeeded Mr. Rockefeller in January 1977, as Vice President, Walter F. Mondale, said: "He chose the most demanding and democratic professions of all, government and politics, which he pursued with legendary energy and enthusiasm."

And W. Averell Harriman, who Mr. Rockefeller succeeded as Governor of New York—after unseating him in 1958—said of Mr. Rockefeller: "He was a true patriot. He was always working to do something constructive which would have lasting benefit to the nation."

Two of Mr. Rockefeller's gubernatorial successors, too, recalled his zest for public service. "As our Governor, he had vision, courage and determination," Governor Carey said. And Malcolm Wilson, the Republican who served as Lieutenant Governor under Mr. Rockefeller, who took over as Governor after Mr. Rockefeller resigned and then who subsequently was defeated by Mr. Carey, said: "I doubt we will ever see his like again."

Perry B. Duryea, Republican of Montauk, L.I., once the Speaker of the State Assembly and who hoped to succeed Mr. Rockefeller—his foe within the G.O.P.—as Governor some day, said: "He was respected by all for his energy, enthusiasm and dedication."

Henry A. Kissinger, the former Secretary of State who was closely associated with Mr. Rockefeller for more than two decades, said: "He was the greatest American I have ever known. His friends will miss him for his sensibility, insight, and loyalty. His family will mourn his infinite capacity for love. The world will be without his faith and compassion."

Mayor Koch, too, recalled the many facets of Mr. Rockefeller's life, which he characterized as a "life of devotion to his family, city, state and country."

"Would that all of us could face our Maker with such a record," Mr. Koch said.

Mr. Koch's predecessor, Abraham D. Beame—who was sometimes involved in political imbroglios with Mr. Rockefeller, especially over the question of state aid to New York City—recalled that Mr. Rockefeller was a "very dear friend despite the fact that we were of different political beliefs." Mr. Beame added: "I think the country will miss him and what he stood for."

One of Mr. Beame's Democratic predecessors, Robert F. Wagner, also mentioned the political differences between himself and Mr. Rockefeller. But, Mr. Wagner said, "We worked together for a fairer distribution of state aid to the city. He was an outstanding public servant."

New York's Congressional representatives, too, reflected on Mr. Rockefeller's service to the state. "He was a part of our lives in so many ways," said Senator Daniel P. Moynihan, Democrat of New York. "There was not a more generous man in American politics. Yet we were never as good to him as he was to us."

Senator Jacob K. Javits, Republican of New York, said: "His extraordinary public service to New York State, to our nation and to his political party are the material of history. His was a big vision and a big concept of what the American people were capable of achieving in peace and prosperity for themselves and the world."

LEFT MARK IN ARCHITECTURE

Mr. Rockefeller's contributions to New York's architecture were noted by Alan Sagner, chairman of the Port Authority of New York and New Jersey. "His vision, enthusiasm and his love for his city and state remain etched not only in our memories but also in the great construction landmarks which stand in his tribute, including our own World Trade Center," Mr. Sagner said. As Governor, Mr. Rockefeller vigorously promoted the building of the center despite intense criticism that such a complex was costly, wasteful and unnecessary.

The tributes also flowed in from those whose personal backgrounds were greatly dissimilar to that of Mr. Rockefeller and yet whose social struggles he often supported.

"Nelson was a friend whose wealth did not bind him to human misery, suffering, and poverty," said James Farmer, a founder of the Congress of Racial Equality. "He was a man of compassion for all people, rich or poor."

"Nelson Rockefeller was a fine and decent man who understood the problems and aspirations of working people, and in every office he held he did his level best to translate their goals to reality," said George Meany, head of the American Federation of Labor and Congress of Industrial Organizations. "America has lost a devoted and distinguished public servant, and the trade-union movement has lost a good friend."

KENNEDY CITES HEALING ROLE

And from a man whose family also is known for possessing great wealth, Senator

Edward M. Kennedy, Democrat of Massachusetts, came a statement noting the variety of Mr. Rockefeller's talents in leadership. "His contributions ranged from foreign policy to his long and constructive leadership of the State of New York. But perhaps his most important role was in helping to restore the faith of the country in its system of government after the Watergate episode."

From the United Nations, Secretary General Kurt Waldheim, noting that Mr. Rockefeller was instrumental in the establishment of the world organization's headquarters in New York, remembered him as a man who had "seemingly limitless energy."

Robert Moses, the master builder of the metropolitan area, summed up the Rockefeller career this way yesterday:

"Nelson was matchless."

[From the Washington Post, Jan. 27, 1979]

ROCKEFELLER DIES OF HEART ATTACK AT 70 IN NEW YORK

NEW YORK.—Former vice president Nelson A. Rockefeller, 70, three times a candidate for the presidency, died tonight of an apparent heart attack while working at his office, a spokesman said.

Spokesman Hugh Morrow said Rockefeller was stricken while working at his desk in Rockefeller Center and was rushed to Lenox Hill Hospital in Manhattan after security personnel tried unsuccessfully to revive him. He was pronounced dead on arrival at the hospital at about 10:15 p.m., Morrow said.

Morrow said Rockefeller was working on a book featuring his extensive modern art collection when he slumped over his desk.

Rockefeller had spent a "normal day at his office today," said Morrow, and his health had been excellent.

Rockefeller's wife, Margaretta, was at the hospital. Morrow described her as "composed".

Rockefeller was elected four times as governor of New York and tried three times to gain the presidency during a lengthy political career.

He was sworn in as vice president on Dec. 19, 1974, and served under Gerald Ford, who completed the term of Richard Nixon.

Since leaving public life after the Republicans lost the White House in 1976, Rockefeller had concentrated his energy on his considerable art collection.

Nelson was the oldest surviving brother of the sons of John Rockefeller Jr.

His brother John D. III, eldest of the third generation of the financial dynasty started by John D. Rockefeller, died last July in an automobile accident on the family estate, Poncantico, in Westchester County. He was 72.

Another brother, Winthrop, died in 1973 after serving as governor of Arkansas for two terms.

Two other brothers, Laurance and David, and a sister, Abby, survive. Laurence, 68, has made his career in philanthropies, especially conservation efforts. David, a giant in American financial circles, is president and chairman of Chase Manhattan Bank.

A nephew, Jay—John D. Rockefeller IV—is governor of West Virginia. He is a Democrat.

Nelson was the family's leading politician, upsetting incumbent New York Gov. W. Averell Harriman in 1958 and going on to serve four terms as governor. During the off-election years of 1964 and 1968 he made futile attempts to win the Republican presidential nomination.

Rockefeller resigned as governor in 1973, saying he would devote his time to the National Commission on Critical Choices for America, a study group he had organized and funded to determine where the world and America were headed so that rational political decisions could be made.

Ford, upon assuming the presidency after Nixon's resignation, persuaded Rockefeller to leave political retirement to become the appointed vice president.

"I feel a great sense of gratitude for the privilege of serving the country I love," he said on the day he took the oath of office.

Rockefeller was the nation's 41st vice president. Rockefeller and Ford were the first two men installed under the Constitution's 25th Amendment, which provides for filling vice presidential vacancies with nomination by the president and confirmation by the Congress.

[From the Washington Star, Jan. 28, 1979]

ROCKY'S NAIVE ENTHUSIASM SET HIM APART FROM PACK

(By Jack W. Germond)

Nelson Rockefeller was a paradox. He was one of the most familiar, and surely most controversial, public figures of our time. Yet he was one of the least accurately understood.

He was, of course, an extraordinarily sophisticated man, as only someone who grows up in New York supported by enormous wealth can be, a man who understood art and wine and high finance and corporate power. But in the political world he entered in mid-life, it was his naive enthusiasm and unconscious arrogance that set him apart from the pack.

Because of the layers of scar tissue he acquired over his 20 years on the political stage, it is easy to forget that Rockefeller burst onto the national scene as an instant superstar. In 1958 he defeated a formidable Democratic incumbent, Averell Harriman, to win the governorship of New York—and become overnight a potential presidential candidate.

But, more to the point, in doing so, Rockefeller touched some chord of hero worship in the electorate and attracted a frenzied popular following probably unmatched by any politician of the last two decades other than Robert F. Kennedy. Everywhere he went in those early days, before that scar tissue began to accumulate, the crowds surged around him, shouting, "Rocky, Rocky, Rocky" and his grin and wave, his "Thanks a thousand, fella" in reply all became staples of the political scene.

Even then the misunderstandings were there. He was adored for his obvious, and genuine, enthusiasm for the commonplaces of political street campaigning—look at Rocky, he's eating a blintz, 200 million dollars in his kick and he's eating a blintz. But what drove him was far less his love for the common experience than a consuming conviction that he could run things better than other people, solve more vexing problems, build bigger monuments.

Indeed, he entered politics in the first place only because he was frustrated by the limits placed on appointive officials. The last straw came while he was serving in the Eisenhower administration, in various subcabinet posts, and was proposed for deputy secretary of Defense with the idea that he eventually would move up to run the huge department. Rockefeller, he would recall later, was bursting with enthusiasm; he could manage the unmanageable Pentagon as no one had done.

But George Humphrey, the conservative secretary of the Treasury, went to Eisenhower and scotched the plan. Rockefeller, he told the president, was "a spender" and, thus, too dangerous in such a sensitive place. "Spender," Rockefeller would say acidly years later. "Now what the hell did that mean? It was just a label, just a word, but I had to get out. I could see if you were going to get anything done, you had to get yourself elected."

Entering politics, he was set apart by the special insulation that his money and position had provided all his life. As a campaigner, he was unconsciously unorthodox, often more candid than he should have been, often forgetting his goal in his zeal for the new experiences. Reporters who traveled with him would laugh among themselves, for example, when he would spend 10 full minutes while touring the state fairgrounds talking to one farmer about the problems in a new law requiring warning lights on manure spreaders.

His own experience was clearly removed from that of many of his constituents. Once campaigning at a factory gate in Elmira during the sixth game of the World Series, he was puzzled when the workers rushed through the gate, ignoring his outstretched hand, to get to their television sets and watch Bob Turley pitch.

His insulation was clear, too, in his first meeting with his advisers after the election. It was apparent that a substantial state tax increase was going to be needed, and they warned him that this would mean that he might have to back away from an implied promise to raise the salaries of state employees. But Rockefeller ignored the warning of political danger and insisted he would have to keep the commitment. Finally, someone came up with a solution. The State would take over the payment of both the employer and employee contributions to the Social Security system, thus avoiding a pay raise while increasing the state workers' "take-home pay."

"What," asked Rockefeller, "is take-home pay'?"

Shortly after he took office, he described a feature of his tax program in these terms, "Now, take an average family with two children earning $25,000 a year . . ." It was, of course, a far from average family in 1959, but Rockefeller was clearly puzzled when reporters burst into laughter.

And he was equally puzzled when the entire political community dissolved into guffaws at his proposal to require that fallout shelters be built into every building, including private homes, in the state. Didn't people understand they would be needed if there was an atomic attack?

Before that first year was out, however, Rockefeller had the political confidence to begin touring the country looking for signs of encouragement for a race against Vice President Richard Nixon for the 1960 Republican presidential nomination.

The public reaction was stunning—all those people shouting "Rocky, Rocky, Rocky" —but the political reaction of Republican regulars was almost universally, if predictably, hostile. In Milwaukee, the party regulars shunted his party to a decrepit hotel. In Los Angeles, they ignored him almost totally. In Chicago, they made a point of avoiding him.

But Rockefeller read it all wrong. What was there in the public reaction was the potential for defeating Nixon in the primaries, despite the party regulars. But he chose to listen instead to advisers on his own staff with no experience in national politics, and at year's end announced he would not be a candidate.

Later the mistake would become clear. In fact, it had been his one best chance, as a fresh face without any scar tissue, and that was clear throughout the political community. Even John F. Kennedy said on several occasions that he would have been a far more formidable opponent than Nixon that year. And years later, drinking Dubonnet on his private plane, Rockefeller would say ruefully: "I know now, but I just didn't know then. It was all new to me."

It was the beginning of a pattern of political behavior. He succeeded repeatedly in New York, winning reelection in 1962, 1966 and 1970, in large measure because of the genius of New York Democrats for choosing remarkably inept candidates as his opponents (Robert Morgenthau in 1962, Frank O'Connor in 1966, Arthur Goldberg in 1970) while fighting zealously among themselves.

But he failed everytime he ventured onto the national stage—a victim of the misperceptions about himself and, just as certainly, his own misperceptions about the country.

From the outset, he was tagged as a "liberal" in the Republican Party when all that conjured up in the conservative core of the party was Tom Dewey and New York smartalecks with fancy ideas. In fact, his "liberalism" was limited to the race issue, then the litmus test for sorting out politicians. And at that he was more Baptist than liberal, moved far more by his mother's ideas of the way people should behave to one another than by any abstract concept of civil rights.

On other issues, he was as Republican and conservative as anyone. He was always a hard-liner on foreign policy (Henry Kissinger was his chief adviser), warning repeatedly against the Soviets "who treat people like cogs in a machine" and who failed to recognize "the brotherhood of man under the fatherhood of God." (His devotion to that particular construction gave rise to the acronym "BOMFOG" to describe the earnest, tediously long Rockefeller speeches.) He was a devoted advocate of a big military budget. And in his early years as governor, he was ardent in his commitment to pay-as-you-go financing.

The truth was that Rockefeller was a pragmatist far more than an ideologue. And he seemed liberal only because he was devoted to government activism as the device through which he hoped to accomplish all the wonderful things he thought the country needed.

But the image of him in his party was of the rich guy who could afford all these costly, liberal ideas and was trying to impose the Eastern Establishment on the plain sensible people elsewhere.

But if the Republicans didn't understand Rockefeller, neither did he understand them. Thus, he never grasped the political impact of his decision to divorce his first wife in 1962 and marry a second 20 years his junior the following year.

In September of 1963, for example, he flew out to Ogle County, Illinois, to attend a traditional Republican corn roast as the first test of public reaction after his remarriage. As the plane flew west, Rockefeller read a column by James Reston in the New York Times saying that his personal life had seriously undermined, perhaps destroyed his political prospects. When he finished reading, Rockefeller passed the column to a reporter riding with him and asked, "Do you agree with that?" And when the reporter replied that he did, Rockefeller shook his head in mock sorrow at his companion's failure to understand the tolerance of the American people. But that afternoon, at the Ogle County corn roast, Republican politicians who had always attended in the past—such as the late Everett McKinley Dirksen—made a point of staying home.

But Rockefeller was nothing if not persistent. He pressed ahead in 1964, suffering one primary defeat after another until reaching Oregon in May. There he finally polled more votes than either Barry Goldwater or Henry Cabot Lodge, largely on the strength of the fact he was the only candidate who campaigned there and a slogan that exploited that compliment to the state: "He Cared Enough to Come."

A week later, however, leading Goldwater in the polls in California, he made another mistaken judgment and surrendered all of his television time on the final weekend and lost the California primary.

His last attempt at the presidency, in 1968, was fiasco upon fiasco. When his choice for the nomination, George Romney, collapsed. Rockefeller sent loud public signals that he was intending to run if enough support could be engendered. Anti-Nixon Republicans from all over the country flocked to New York for meetings in Rockefeller's Fifth Avenue apartment in which they declared their fealty.

But, after several weeks of what seemed to be an elaborate political charade, Rockefeller scheduled a press conference in New York for meetings in Rockefeller's Fifth Avenue office and announced that he would not be a candidate after all.

Then, six weeks later, he compounded the felony by announcing that he had changed his mind and would indeed compete with Nixon. But by then any realistic chance he might have enjoyed had gone up in smoke. By the time, the convention in Miami Beach opened, he was no longer a serious challenge to Nixon's primacy in the party.

To those who knew Rockefeller, what was most puzzling about the whole dance was how he could imagine in March that he could sit by for months and allow Nixon, for whom he rarely disguised his contempt, a free ride to the nomination. And when it was all over and Rockefeller was asked that question, he just shook his head and said, "I know, I know."

But if Rockefeller's political career was characterized by frequent lapses into unreality, it was consistently charged by another quality, unremitting optimism. Nelson Rockefeller always thought there would be another chance to become president, another opportunity to change the world. That was clearly the motive when he resigned from the governorship late in 1973 to position himself for one last fling when Nixon left office in 1976.

And it was clearly the operative factor when, that scenario aborted by Watergate and Nixon's resignation, he acepted with such relish the chance Gerald Ford offered to be vice president. He embraced the office, surrounded as usual by an extraordinarily able staff and determined to make it more than it had ever been. Over the following months, of course, it became apparent that even Nelson Rockefeller was not going to be more than a conventional vice president, shunted aside from many key decisions by the White House staff—and consulted by Ford but rarely genuinely influential with him.

His anger at some Ford advisers, most notably Donald Rumsfeld, and his frustration reached a level that he grasped for ideas on which he would have an impact—at one point even seriously proposing that the United States buy Greenland.

For all of the frustrations, however, Rockefeller made no secret about his anger when Ford decided to drop him from the 1976 ticket. In December of 1975, he went to a meeting of Southern Republicans in Houston, a meeting dominated by the kind of conservatives who had always been hostile to him, and startled them with an angry and profane outburst. And when he left office in 1977, he turned his back totally on politics, in New York or elsewhere.

His bitterness was, in a sense, a misunderstanding, too. In Rockefeller's view, he had done everything over his 20-year career that you could reasonably expect to establish his regularity as a Republican. If he had not done enough for Richard Nixon in 1960 or Barry Goldwater in 1964, surely no one could argue with his devotion to party unity thereafter. If he had seemed too "liberal" early in the game, surely he had changed dramatically when he altered his positions markedly on such issues as welfare and drug law enforcement. If he had shown an unwillingness to be "a player" at first, surely he had been one for Jerry Ford at the end.

But what Nelson Rockefeller could never do was be just one of the boys. He was too confident he was right, too ambitious—and too rich and inevitably different from everyone else.

[From the Washington Star, Jan. 28, 1979]

2 Surviving Brothers Wield Family Power

New York.—With the death of Nelson Rockefeller, two brothers remain from a generation that expanded a financial empire and built a national political base.

Of the six children of John D. Rockefeller Jr. two survive—Laurance, 68, and David, 63. Nelson 70, probably the best-known of the five brothers and a sister, collapsed Friday night in his Rockefeller Center office and was pronounced dead early yesterday.

The family began with John D. Rockefeller, who parlayed a $4,000 investment in a small Cleveland oil company into the largest fortune the nation had seen.

He did it by crushing competition. The Standard Oil trust became synonymous with the worst excesses of the age of the robber barons.

But whether for religious and ethical reasons, as John D. said, or for public relations reasons, as his enemies charged, he gave $500 million to charities, the same amount of money he handed down to his only son, John Jr.

"I believe it is a duty for a man to get all the money he honestly can and to give all he can," the senior Rockefeller once said.

John D. lived 97 years, and even to his death in 1937 he kept meticulous ledgers of his daily spending and required that his son do the same. In his later years, John D. became enshrined in American memory as the man who walked the streets giving away dimes.

John Jr. sparked the restoration of colonial Williamsburg, Va., gave the federal government 15,000 acres of sugar pines for Yosemite National Park and donated hundreds of acres of redwoods for Humboldt State Park in California.

John Jr. reveled in construction, and his greatest achievement may have been Rockefeller Center, a collection of 16 buildings in the heart of Manhattan that was born in the depths of the Depression.

While the family gave money away, it also believed in spending money—living in a manner that some kings would find awesome.

The family's base is Pocantico Hills an estate in Westchester County, N.Y., looking down on the Hudson. About 70 buildings adorn its grounds. One of them, the playhouse, contains gymnasiums, swimming pools and other recreational fixtures, and is where John Jr's children—sons John D. 3d, Nelson, Winthrop, Laurance and David, and daughter Abby—grew up.

Nelson was governor of New York for 15 years and was vice president in Gerald Ford's administration.

John D. 3d, who died in an auto accident last July, became an Asian expert and was instrumental in the building of New York's Lincoln Center for the Performing Arts.

Winthrop died of cancer in 1973. He moved to Arkansas and built a ranch, Winrock Farm, that became a state landmark. He served one term as governor of his adopted state.

Abby, who died in 1976, devoted herself to the arts and was the most private of her generation.

The two remaining brothers both have made their mark in business.

Laurance, 68, developed resorts in Puerto Rico, Hawaii, and the Virgin Islands and invested heavily in Eastern Air Lines and futuristic fields including lasers, computers and nuclear technology.

David, 63, heads Chase Manhattan—the nation's third largest bank. He has turned down bids that he run for mayor or serve as secretary of the Treasury, defense or U.S. ambassador to the Soviet Union.

In the latest generations of Rockefellers, John D. IV, popularly known as Jay, is the Democratic governor of West Virginia, building on the family's strong political base.

David's eldest daughter, Abby, 35, has supported radical causes and has founded an organic toilet firm.

Nelson's son Rodman runs the family ventures in South America, and Winthrop's son Win Paul has taken over his father's holdings in Arkansas.

[From the Washington Star, Jan. 28, 1979]

SERVICES TOMORROW WILL BE PRIVATE—ROCKFELLER TO BE BURIED ON FAMILY ESTATE

(By Jeremiah O'Leary)

Nelson A. Rockefeller will be buried in the family cemetery at his Pocantico Hills, N.Y., estate tomorrow after a private funeral service for family members.

Officiating at the final rites, after cremation, will be the Rev. Marshall L. Smith, pastor of the Union Church in the Westchester County suburban area near the Rockefeller family home.

A memorial tribute for family, friends, associates and national and international figures will be held Feb. 2 at Riverside Church in Manhattan with the Rev. Dr. William Sloane Coffin presiding. A major state tribute and memorial service will be held at a later date in Albany, Gov. Hugh Carey announced.

The death of the four-time governer of New York Friday night at the age of 70 produced an outpouring of condolences for his family and eulogies from political friends and foes alike.

For half a century, Rockefeller's occupancy of high state and national offices and his great personal wealth made him one of the most influential men of his time in politics, diplomacy, business and art. But despite his succession of prestigious government positions, including service as vice president under President Gerald R. Ford from 1974 to 1976, Rockefeller never reached the pinnacle he sought so long—the presidency.

He tried in vain for the Republican presidential nomination three times, but lost to Richard Nixon in 1960 and 1968 and to Sen. Barry Goldwater in 1964.

It was typical of the hard-driving Rockefeller that his fatal heart attack came late at night while he was working at his desk in his office in the family townhouse just off Fifth Avenue in midtown Manhattan. He was writing the second of two volumes on modern art when he was found slumped over his desk at 10:15 p.m. by his bodyguard, William Keogh.

Rockefeller had no previous history of heart illness and his family physician, Dr. Ernest Esakof, said death came instantly. Paramedics tried unsuccessfully to revive him before they took him to Lenox Hill Hospital.

Earlier in the evening, he had had a quiet dinner with his second wife, Happy, and their two sons, Mark, 12, and Nelson Jr., 16 at the family's Fifth Avenue apartment. Before dinner, Rockefeller had gone to Buckley School in Manhattan, where his young sons are students, and had talked with former Secretary of State Henry A. Kissinger who was addressing the student body.

Kissinger was a former aide and adviser to Rockefeller and owed his own meteoric rise from relative obscurity on the Harvard faculty to Rockefeller.

Rockefeller's wife, his brother, Laurance and his oldest son, Rodman, 46, rushed to Lenox Hill Hospital when the word came but they arrived only in time to begin receiving some of the flood of calls and messages of sympathy from friends and admirers. Rockefeller was not breathing when he was carried into the hospital but doctors tried for an hour to revive him.

Besides his wife and the two young sons, Rockefeller is survived by two brothers, Laurance and David, a sister, Abby, and four of the five offspring of his first marriage to the former Mary Todhunter Clark to whom he was married for 31 years. They are: Rodman, who is president of a family-owned business; Steven, who teaches at Middlebury College in Vermont and two daughters, Mary and Ann. Another son, Michael, disappeared while on an anthropological expedition to New Guinea in 1962 and is presumed dead.

President Carter yesterday offered words of praise and sympathy. In a statement from Camp David, the president said:

"Nelson Rockefeller was born to privilege and accepted his privilege as obligation to serve his state and nation. He served unstintingly under many presidents of both parties whenever there was a special task to be done. At a time when our people's trust in their government had been deeply shaken, he accepted appointment to the vice presidency, helping to reassure the nation with his own integrity and vigorous optimism. He knew how to lose with grace and win with enthusiasm."

Former President Ford said in Amman, Jordan, "One cannot adequately express one's sadness when a tragic death occurs. I have lost one of my closest friends. The nation loses a truly great leader who unselfishly devoted his lifetime to helping his country and its people."

Vice President Walter Mondale said Rockefeller "left us with a proud example of a man who gave more to his country than he received."

Ronald Regan, who was often at odds with the more liberal Rockefeller, said he was deeply shocked. Gov. Carey said the nation "mourns the departure of a man of wisdom and courage, energy and vision."

Nixon issued a statement saying Rockefeller's "great ability, enormous energy, unfailing good humor and selfless dedication to public service left an indelible mark for good on the American political scene."

Sen. Edward Kennedy, D-Mass, said Rockefeller's most important role was helping restore the faith of the country after Watergate.

Kissinger called Rockefeller "the greatest American I have ever known."

Rockefeller was a central figure in the financial dynasty started by John D. Rockefeller Sr., and was the family's leading politician. His late brother Winthrop was a two-term governor of Arkansas and a nephew, Jay, is governor of West Virginia.

Rockefeller was born July 8, 1908, at the family's seaside estate in Bar Harbor, Maine, the son of John D. Rockefeller Jr. After graduating from Dartmouth College in 1930, Rockefeller received a bonus of $22,500 from his father for not smoking or drinking.

Rockefeller was involved in the family businesses for a few years, but entered public service in the 1940's when he served as coordinator for Inter-American Affairs under President Franklin D. Roosevelt.

In 1953, he became chairman of the President's Committee on Government Reorganization. He made his first try for elective office in 1958 when he scored a remarkable upset by defeating Democrat Averell Harriman to win his first term as governor.

[From the Washington Star, Jan. 28, 1979]

LBJ WANTED HIM TO BLOCK NIXON BID FOR PRESIDENCY

In 1976, Nelson Rockefeller told two reporters a startling anecdote on condition it never be printed in his lifetime—the story of how retiring President Lyndon Johnson begged him, a Republican, to make one last run for the White House in 1968.

Musing over his long public career, Rockefeller confided that Johnson had called him and Mrs. Rockefeller to the White House in that year when the streets shook with antiwar protest, when Richard Nixon was driving for the GOP nomination and Vice President Hubert Humphrey badly needed Johnson's backing on the Democratic side.

"He told me he could not sleep at night if Nixon was president, and he wasn't all that sure about Hubert either," Rockefeller said. "I told him I'd made a promise to Happy that I would not run again. She would not let me run.

"He said, 'Let me talk to Happy,' and they went off down the hall" for some of the classic personal persuasion that was Johnson's stock-in-trade.

"They came back a half hour later," Rockefeller recalled, "and Lyndon said 'I've talked her into letting you run.' "

That did it. The following Monday Rockefeller, then governor of New York, announced his candidacy. But it was too late. Nixon's powerful campaign rolled over him. Humphrey got the Democratic nod—and wanted Nelson Rockefeller for his running mate.

"I turned him down," Rocky recalled. "Franklin Roosevelt wanted me to be a Democrat (back in the 1940s). It was too late."

[From the New York Times, Jan. 30, 1979]

PRESIDENT AND WIFE WILL ATTEND MEMORIAL SERVICE FOR ROCKEFELLER

(By Robert D. McFadden)

As flags in New York and the Nation's capital fluttered at half-staff, the White House announced yesterday that President and Mrs. Carter would fly to New York City on Friday to attend a nondenominational memorial service for Nelson A. Rockefeller, the former Vice President and four-time Governor of New York who died of a heart attack Friday at the age of 70.

Jody Powell, the President's press secretary, said Mr. and Mrs. Carter would return to Washington immediately after the 11 A.M. service at Riverside Church, on Riverside Drive at 122d Street. Members of the Rockefeller family, close friends and hundreds of national and international dignitaries are expected to attend the service, which will be led by the Rev. William Sloan Coffin, Jr., Riverside's pastor.

Tributes in Congress and from throughout the Nation continued to pour in yesterday for Mr. Rockefeller.

The United States Senate passed a resolution praising Mr. Rockefeller's "illustrious statesmanship," and heard several eulogies to its former presiding officer. Senator Robert C. Byrd, Democrat of West Virginia, and Senator Howard H. Baker Jr., Republican of Tennessee, said that they had been prepared to authorize a lying-in-state ceremony in the Capitol Rotunda, but the Rockefeller family had declined.

TRIBUTE FROM SENATOR GOLDWATER

Senator Barry Goldwater, Republican of Arizona, who defeated Mr. Rockefeller for the 1964 Republican Presidential nomination, said: "While we had political differences, they were never of any great nature. I don't think I've ever known a man who lived in America who so strongly supported American ideals and always put America and the American people at the forefront of his thinking."

Senator Jacob K. Javits, Republican of New York, praised Mr. Rockefeller for dynamism, friendship and warmth. At Mr. Javits' behest, the Senate, by unanimous consent, agreed to submit their tributes for a special memorial document. "We have all lost a good friend," Mr. Javits said.

In Albany, State Senators reflected for more than an hour on their personal moments with the former Governor. Senator

Major R. Owens, Democrat of Brooklyn, recalled that, some years ago, he led a group of angry tenants to Albany to confront Mr. Rockefeller on tenants' issues.

Mr. Rockefeller agreed to see them, Mr. Owens said, and when the meeting was over, the tenants "came out 99 percent meek and convinced this was one of the greatest governors that ever existed."

The State Senate, which passed a resolution yesterday afternoon adjourning out of respect to the memory of Mr. Rockefeller, postponed the official opening of its refurbished chamber because of his death. A reception for 1,500 people and a dinner for 250 to celebrate the $1.3 million restoration of the chamber to its 19th-century appearance had been scheduled tonight, but was put off until next Monday.

The Texas Legislature passed a resolution praising Mr. Rockefeller.

George Meany, president of the American Federation of Labor and Congress of Industrial Organizations, said that with Mr. Rockefeller's death the country had lost a distinguished public servant and the union movement had lost a good friend. He said Mr. Rockefeller "understood the problems and aspirations of working people, and in every office he held, did his level best to translate their goals into reality."

Maxwell E. Greenberg, the national chairman of the Anti-Defamation League of B'nai B'rith, said Mr. Rockefeller was "a symbol of integrity," who had been "a champion of the Jewish state and enjoyed good relations with its leaders and officials."

[From the New York Times, Jan. 29, 1979]

ROCKEFELLER'S FAMILY GATHERS FOR SERVICES

(By Peter Kihss)

The body of Nelson A. Rockefeller was cremated yesterday, and during the morning a service in the nondenominational Union Church near the Rockefeller estate at Pocantico Hills in Westchester County heard a prayer for the former Vice President and four-time New York Governor, who died suddenly Friday night at the age of 70.

Laurance S. Rockefeller, 68 years old, one of the former Governor's two surviving brothers and now head of the family, and his wife attended the services at which the Rev. Dr. Marshall L. Smith prayed for the late leader.

The ashes of Mr. Rockefeller are to be buried privately at 11 A.M. today in the family cemetery on the estate, with Dr. Smith officiating.

Hugh Morrow, Mr. Rockefeller's longtime press secretary, yesterday gave a new account of the circumstances and time of Mr. Rockefeller's death. He indicated that only a minute—rather than an hour, as first reported—elapsed between Mr. Rockefeller's heart attack and an emergency call to the police. [Page B4.]

Yesterday was a day for grief being shared at the estate only by the family members and their most intimate friends, who continued to arrive.

The youngest of whom were once five brothers, 63-year-old David Rockefeller, chairman of the Chase Manhattan Bank, flew into Kennedy International Airport in a private jet and later went by car to the estate. He had been in Sallalah, Oman, on the Persian Gulf.

A family spokesman, George Taylor, said the body of Nelson Rockefeller had been cremated during the day in a Westchester County crematorium.

Mourners for the former Governor arrived at the estate during the day, but unless their license plates were known to the gatekeeper at the high iron picket fence surrounding the 250-acre Rockefeller family estate a score of miles from Manhattan, they were gently turned away.

Just off the curving estate approach, Joseph Canzeri, the family's real-estate manager, charged with working on funeral arrangements, was asked about the newly widowed Margaretta Rockefeller, best known as Happy.

"She's gathered, and understands reality." he said.

At 2:45 P.M., in a maroon sedan, David Rockefeller drew up to the black wrought-iron gates. After three short toots from the car's horn, the twin gates swung open. With a smile and a nod to a bystander, David Rockefeller, 63, passed through.

Many of those turned away at the gate traveled on a few thousand feet, and stopped to enter Union Church, officially situated in North Tarrytown.

The chapel, whose benches might hold 150 worshipers, remained open all day. Visitors wandered in to see and ponder the stained-glass windows by Marc Chagall, dominated by cerulean blues. Eight of the windows were dedicated just 11 years ago yesterday.

One picturing the Crucifixion was a memorial to Michael Clark Rockefeller, Nelson's son, lost in New Guinea. A ninth Chagall design, on the theme of the Good Samaritan, was dedicated later as a memorial to John D. Rockefeller Jr., Nelson's father.

FORMAL TRIBUTE PLANNED

Although today's service on the estate is to be private, a formal memorial tribute has been scheduled for Friday at 11 A.M., in the Riverside Church in Manhattan, heavily financially helped over the years by John D. Rockefeller Jr., who was a noted philanthropist.

With national and international leaders expected, that service is to be led by the Rev. William Sloan Coffin Jr., Riverside's pastor.

Gov. John D. Rockefeller 4th, of West Virginia, known as Jay, was among family arrivals due last night.

Mr. Morrow, the press aide, said Nelson Rockefeller's six surviving children were at his Kikyuit mansion on the estate—Rodman, Ann, Steven and Mary by his first marriage, and Nelson Jr. and Mark.

The old political battles tended to be forgotten. Former Mayor John V. Lindsay, often engaged in sparring with then Governor Rockefeller, said yesterday: "Nelson Rockefeller leaves a mark in history, especially for the betterment of New York State and New York City. He was a great leader, and I and all New Yorkers will miss him terribly."

Former Governor John B. Connally of Texas, now seeking the Republican nomination for President, which eluded Mr. Rockefeller despite his best grasp, told a National Broadcasting Company's "Meet the Press" telecast that Mr. Rockefeller was "one of the most superb public servants that this country has produced in this century."

[From the Christian Science Monitor, Jan. 29, 1979]

ROCKEFELLER: CHAMPION OF CIVIL RIGHTS—A CONSCIENCE OF REPUBLICANS, THIS WEALTHY POLITICIAN WAS ACCEPTED BY THE DISADVANTAGED

(By Godfrey Sperling Jr.)

WASHINGTON.—Although it was sometimes difficult to understand precisely what Nelson Rockefeller was up to—would he run or would he not run for president was a perennial guessing game—it was always clear the former vice-president, who passed away Jan. 26, was more than anything else a conscience of the Republican Party.

Mr. Rockefeller's foes saw him as a defiant figure, a dangerous man. But to those Republicans who said that the party needed to follow a more compassionate course, he was their champion for years.

Some people felt that Rockefeller's "Hi, Fella," his pumping handshake, and his broad, engaging smile, did not quite ring true.

But most reporters who traveled with Mr. Rockefeller marveled at how easily this extremely wealthy man mingled with the man-on-the-street and how readily he was accepted by the poor and the disadvantaged.

AN ADVOCATE OF CIVIL RIGHTS

Like most politicians, he said he "liked people." He genuinely did.

Mr. Rockefeller probably will be remembered more for his courageous leadership in fighting the battle for civil rights than for anything else, including that he finally reached the rung just below his presidential goal.

He was in there, championing this cause long before it was even faintly popular in political circles.

Often, in espousing civil rights, Mr. Rockefeller would literally "take on" the other leaders of his party, particularly at governors' conferences.

Also, during his four-term stint as New York's governor, beginning in 1958, Mr. Rockefeller provided exceptionally strong leadership in support of social programs. In an interview early in the 1960s, he told this reporter that his "greatest pleasure in life" was "to use government effectively to help people."

CONSERVATIVES WERE BITTER

In so doing Mr. Rockefeller won broad popular support in his own state. But he antagonized the conservatives within his party, who bitterly accused him of overspending and of betraying both the GOP and his family background.

Mr. Rockefeller probably came closest to winning his prize, the presidency, when he first looked in that direction in 1959.

To assess his possible support for the presidential nomination in 1960, he made an exploratory trip around the United States, talking with Republican leaders and key GOP functionaries.

But Mr. Rockefeller, new to politics and to the national political scene, made the mistake of lining up interviews with the "wrong" politicians—with the old-time regulars who were against him.

He never talked to the influential GOP moderate leaders who were springing up everywhere at that time and who would have urged him to make the race. So Nelson Rockefeller decided not to run, but polls later showed that had he persisted, the Republican rank-and-file would have supported him over Richard Nixon for the nomination.

HE WITHSTOOD BOOS, HISSES

Further, polls indicated that Governor Rockefeller stood a much better chance of beating John F. Kennedy than did Mr. Nixon.

The Rockefeller political life lasted for 20 years—and was so very eventful that it is difficult to single out the highlights. But to a reporter who watched the Rockefeller saga from close at hand two episodes cannot be overlooked:

At the 1964 national GOP convention in San Francisco Mr. Rockefeller audaciously, even eagerly, confronted the heavily conservative, Goldwater-leaning assemblage and withstood a thunder of boos and hisses for long minutes as he attempted to speak.

Then, always smiling, always keeping his poise, he taunted his party foes, telling them that a Goldwater candidacy meant certain disaster in the fall election. As viewed by Rockefeller's many fans, this was, indeed, a "gutsy" performance. But conservatives never forgave him for it.

In the spring of 1968, when Rockefeller made a belated leap into the presidential race after earlier saying he would not run, his first speech outlined a proposal for ending the war in Vietnam (essentially by a gradual reduction of U.S. involvement there) that eventually was adopted by Richard Nixon after he became president.

Beyond the above instance, one should

not forget the graceful way Mr. Rockefeller, then vice-president, reacted to the GOP pressures that caused him to drop out as a running mate for Gerald Ford in 1976.

BRASH OR "REFRESHING"

Had President Ford insisted on his staying on, Mr. Rockefeller would have stayed on. But without this presidential support, he bowed out quietly—making sure that nothing he said or did would damage the party or the Ford election chances. After the election, Mr. Rockefeller told a reporter, privately, that he thought his presence on the ticket would have won the election for Gerald Ford—by helping to win New York State.

There was something always rather brash —or perhaps "refreshing"—about Nelson Rockefeller. He was always doing the "wrong things" politically, going against the advice of others to do "his thing" long before there were advocates of such independent thinking and acting.

And many people will regret that Mr. Rockefeller never had the chance to apply his unique talents—his boldness, his ingenuity, his independence of action, and his almost stubborn persistence—to the responsibilities of the highest office in the land.

[From the New York Times, Jan. 30, 1979]

Rockefeller Is Buried on the Family Estate; Son, 15, Leads Eulogy

(By Steven R. Weisman)

Pocantico Hills, N.Y., January 29.—The ashes of Nelson Aldrich Rockefeller were buried today in a wooded hilside grave site here after a simple service attended only by members of the Rockefeller family.

The funeral—held under a cloudy sky at a family cemetery on the northwestern edge of the Rockefeller estate—was marked by brief expressions of mourning from Mr. Rockefeller's 15-year-old son, Nelson Jr., and 23-year-old granddaughter, Meile.

"Dad, we know how much you love us, and we want you to know how much we love you and how much we're going to miss you," Nelson Jr. said during the rites. "Your spirit will live with us forever."

After his remarks, Laurance S. Rockefeller, 68-year-old brother of the former Vice President and four-time Governor of New York, turned to the youth and said: "Nelson, you've spoken for all of us."

At the conclusion, the 60 family members in attendance stood next to the burial plot in a sheltered grove of beech, oak, dogwood and maple trees and recited the 23d Psalm together: "The Lord is my shepherd; I shall not want. . . ."

A small bronze urn containing the ashes of Mr. Rockefeller was lowered into the grave, and each family member took a clump of earth and cast it in. The body had been cremated yesterday.

A memorial service for Mr. Rockefeller will be held Friday at 11 A.M. in the Riverside Church in New York City. President Carter is scheduled to attend. Among the speakers will be David Rockefeller, a brother; the Rev. Martin Luther King Sr., and former Secretary of State Henry A. Kissinger.

Among those at the graveside today were Mr. Rockefeller's wife, Happy, the former Margaretta Fitler Murphy; his first wife, Mary Todhunter Clark Rockefeller; his two surviving brothers, Laurance and David; four children from his first marriage and two from his second; 14 grandchildren, and numerous nieces and nephews, including Gov. John D. Rockefeller 4th of West Virginia, and other relatives.

During the service and afterward, the comments by the younger generation suggested that Mr. Rockefeller, who died in New York City Friday night of a heart attack at the age of 70, had dominated his family as robustly as he had dominated public affairs in New York State and the nation for a generation.

"The family is going through a major transition," Steven C. Rockefeller, the former Governor's 43-year-old son, told a cluster of reporters huddled in the chill at the wrought-iron gates to the family's 3,400-acre estate in Westchester County. "Increasingly my generation is having to move into positions of leadership in the family. Where it's all going, nobody can say for sure."

"TREMENDOUS ENERGY" RECALLED

The wistful comments by Steven Rockefeller, a professor of religion at Middlebury College in Vermont, came during the only formal public appearance by any family member during the day. By the time he appeared, the sun had emerged from behind the morning's clouds, and the bearded Mr. Rockefeller—a son who had kept himself aloof from the glare and tumult of his father's career—now squinted before the cameras through gold-rimmed glasses as he spoke evenly of what his father had meant to the family and to him.

With a smile, he talked of his father's "tremendous energy" and then—alluding to the buffeting setbacks of Mr. Rockefeller's career—likened him to a type of Japanese doll that rocks back and forth with a weight at its base. "There's a saying in Japan, 'Seven times down, eight times up,' " Steven Rockefeller said. "Father was that kind of man. You could never put him down."

The son said that he and other family members, secluded from news reporters and from cameras during the funeral, had at first been bothered by the buzz of helicopters wheeling overhead as photographers tried to get pictures of the funeral. "Then I thought," he went on, " 'Well, he's a public figure right to the end, right into the ground.' "

Later Steven Rockefeller added: "I don't think the family is going to have quite the focus it did in the last 20 years or so"—a remark that, in its tentativeness, seemed to echo the sentiments spoken earlier at graveside by Meile Rockefeller, a Williams College senior and daughter of the former Governor's oldest son, Rodman.

"Right now we are looking at the future," she said, according to a text distributed by the family. "There are those of us who are facing it with questions, hesitation and confusion. But we each have the confidence and the direction we have received from granddaddy that will stand us in good stead, no matter what doubts or crises we face."

Thus the main comments of the day came from the younger family members who have not generally shared in the Rockefeller limelight.

FAMILY ASSEMBLES AT MANSION

For young and old, the day began as the family assembled at Kykuit, the three-story, weathered fieldstone mansion built in 1908 on the crest of a hill by John D. Rockefeller, Jr. for his father, the family patriarch. Each succeeding head of the family has lived there, although the former Vice President and his wife had planned to move, in their retirement, to a newly built Japanese-style house nearby. Mrs. Rockefeller will now eventually move there herself, a family spokesman said.

All morning, cars entered and exited through the iron gates at the Pocantico Hills estate. Usually the family members themselves drove the vehicles. Shortly before 11 A.M. a small procession, led by a black Cadillac limousine carrying Mrs. Rockefeller, left the gate and drove through the snow-dappled terrain of the Rockefeller compound to the three-acre family cemetery a mile away.

At the grave site, a few chairs were assembled for some, but most of those in attendance stood as the Rev. Dr. Marshall Smith, pastor of the Union Church in North Tarrytown, conducted the 27-minute service.

It consisted of passages from Revelations 21:3; the Lord's Prayer; Psalm 121; a selection from "The Seasons of Life," by the Swiss theologian Paul Tournier; the Apostle Paul's letters to the Corinthians and to the Romans; a selection written by the contemporary theologian Frederick Buechner, and finally the 23d Psalm.

"Thou Eternal God, before whom the generation rise and fall," Dr. Smith said at the end, "we especially thank thee for thy servant Nelson, for the gift of his life, for thy grace given him, and for all that in him was good and kind and faithful."

The cemetery, abutting the northern end of the Sleepy Hollow Cemetery in North Tarrytown, contains the graves of other family members, including the late Governor's parents, John D. Rockefeller Jr. and Abby Aldrich Rockefeller, as well as John D. Jr.'s second wife, Martha Baird Rockefeller.

To the left of John D. Rockefeller Jr.'s grave, overlooking a low-lying section of rhododendron and pachysandra, criss-crossed by flagstone pathways, lies the graves of John D. Rockefeller 3d, who died last July of injuries in a car accident. Off to the left of his grave lie the burial plots of Jean Mauze and Abby Rockefeller, Mauze, the former Governor's late sister and brother-in-law.

The former Governor's ashes were buried several feet to the right of John D. Jr.'s plot. As with the burial plots nearby, a simple Vermont granite gravestone marks the site. It says:

"Nelson Aldrich Rockefeller. Born Bar Harbor, Maine, July 8, 1908. Died, New York, N.Y., January 26, 1979."

Nelson Rockefeller Dies; Stricken in City Office

New York.—Nelson A. Rockefeller died last night, apparently of a heart attack. He was 70.

The former vice president and four-time New York governor was stricken in his office in Rockefeller Center and was rushed to Lenox Hill Hospital in Manhattan about 10:15 PM, where he was pronounced dead on arrival. He had no history of serious illness.

Rockefeller, the scion of one of America's great dynasties and easily the richest man ever to compete on the national political scene, tried unsuccessfully three times to gain the Republican presidential nomination. Finally, after President Richard Nixon resigned in the wake of the Watergate scandal, Rockefeller was sworn in on Dec. 19, 1974, as the vice president of President Gerald Ford, Nixon's successor. In the 1976 election, Ford picked Sen. Robert Dole of Kansas to replace Rockefeller on the losing GOP ticket. Rockefeller, who had not enjoyed his tenure as vice president, retired to private life.

"I never wanted to be vice president of anything," he said.

Since then, Rockefeller had concentrated his energy on his considerable art collection. His latest venture was the retail sale of reproductions of art works he owns. He printed a catalog before Christmas offering the high-priced and high-quality works.

Rockefeller had been scheduled to speak to the Fifth World Antiques Market Conference today and had planned to announce plans to make his retail art store in Manhattan a permanent operation. He opened the store to promote his reproductions before Christmas, but a statement to be released today said: "We are so heartened by the public response to the collection and our temporary retail store on 57th Street that we have taken a five-year lease . . ."

A Rockefeller spokesman, Hugh Morrow, said that when Rockefeller was stricken, security personnel who were present tried in vain to revive him. Morrow said Rockefeller had spent "a normal day at the office today" and had been working on a book featuring his extensive modern art collection when he slumped over his desk.

Morrow said Margaretta (Happy) Rockefeller rushed to Lenox Hill, where she immediately began receiving calls of sympathy from friends. Morrow described her as "composed."

The White House said President Carter was at Camp David and would have no statement on Rockefeller's death until today. Former Attorney General Louis Lefkowitz, who ran several times with Rockefeller on the statewide ticket, termed the death "a deep personal loss to me. He was like a member of my family."

Gov. Hugh Carey, who was at his Manhattan apartment when he learned of Rockefeller's death, immediately ordered flags on all state buildings lowered to half-staff. During the fall gubernatorial campaign, Carey renamed the enormous office complex in Albany that had been built during Rockefeller's tenure there the Nelson A. Rockefeller Empire State Plaza. Carey said: "With the passing of Nelson Rockefeller, we have lost our great governor and our beloved vice president. We mourn the departure of a man of wisdom and courage, energy and vision, who contributed so much, not only to the state, but to the nation and the world. Happy Rockefeller and members of the family who have given so much to our state, we share your sense of loss with deep gratitude because you have shared with us Nelson Rockefeller's entire life."

Gerald Ford, on a private tour of the Mideast, was reached in Amman, Jordan. His reaction: "One cannot adequately express one's sadness when a tragic death occurs. I have lost one of my closest friends both personally and politically. The nation loses a truly great leader who unselfishly devoted his lifetime to helping his country and its people. The world has lost a statesman with vision, understanding and wisdom."

Former Assembly Speaker Perry B. Duryea Jr., unsuccessful candidate for governor last November, said, "He was a great leader who made an outstanding contribution to New York and the United States. He will be missed by us all." Arthur Levitt, 78, just retired after 24 years as state controller: "I'm shocked . . . This is one of the greatest men I've ever known . . . I always considered him a strong and healthy man. I'm overwhelmed with grief."

Rockefeller, the grandson of oil magnate John D. Rockefeller, was one of the most controversial and powerful of New York's governors. During his one and a half decades as New York's chief executive, he rebuilt the state capital complex in Albany and dramatically altered the course of state government with higher taxes, expanded social programs and what was the nation's toughest drug law.

His personal life was no less controversial. It included divorce, remarriage and the death of a son. He scored an upset victory in the New York gubernatorial election of 1958 over incumbent W. Averell Harriman, another son of a wealthy family. Three years later, in November, 1961, Rockefeller's 23-year-old son, Michael, one of three sons by his first marriage, disappeared while exploring near New Guinea in Southeast Asia. No trace of him was ever found, despite a massive search.

In March, 1962, just as he was to begin his campaign for the second of four terms as governor, Rockefeller was divorced by his wife of 31 years. Mary Todhunter Clark Rockefeller, a Philadelphia-born railroad heiress, went to Las Vegas. Nev., to obtain the decree ending the marriage to which five children had been born. On May 4, 1963, less than 14 months later, Rockefeller marrried the former Margaretta Fitler Murphy, a divorced mother of four who had, with her first husband, enjoyed a personal friendship with Rockefeller and his first wife. Rockefeller and his second wife had two sons.

Rockefeller's personal fortune was undoubtedly a help in his political career. He had a reputation of hiring the best people as aides, paying them lavishly and working them hard. He once was asked by a television reporter how much money he had, and he said he didn't know. He likened his money to silverware in the kitchen cabinet. He didn't know how many forks and spoons he had, but he knew he had enough.

The Rockefeller name became a household word for wealth and power. He was born an heir to both one of history's greatest fortunes and to one of the 20th century's great philanthropic traditions. The "first" Rockefeller was John D., born the son of a small trader at Richford, N.Y., in 1839. When he was 20 years old, the first American oil well was drilled in Titusville, Pa. Four years later, with capital raised through his life-long habit of saving half his salary, no matter how small, young Rockefeller founded a company to enter the oil-refining business.

By 1867, the firm owned two refineries in Cleveland and in 1870 it was converted into a joint stock company and named the Standard Oil Company of Ohio, with John D. as its president.

NELSON A. ROCKEFELLER: 1908–79

For Nelson Aldrich Rockefeller, wealth could never secure what was for him the ultimate prize: the White House.

He was four times elected governor of New York. But he was always the bridesmaid, in three attempts at capturing the Republican nomination for president. A good party man, he accepted second place, an unaccustomed position for a Rockefeller, when Gerald Ford became President in the grim days of Watergate. He became the 41st vice president of the United States on Dec. 19, 1974.

When Ford chose Sen. Robert Dole of Kansas as his running mate in 1976, Rockefeller returned to private life and concentrated his energies on his formidable art collection. It was while working on a book about his collection of modern masters that he slumped over his desk at Rockefeller Center last night. In his long political career Rockefeller was not known to have suffered a serious illness.

Before becoming involved with government in the 1940s, Rockefeller worked at the pursuits of a millionaire—promoting Rockefeller Center in the 1930s, and working with such family-related enterprises as the Chase Manhattan Bank and Creole Petroleum. The last is a Venezualan affiliate of Exxon, and one of the descendants of the Standard Oil Co., his grandfather's creation and the basis for the family fortune.

Rockefeller became the first man to be installed as vice president under the Constitution's 25th Amendment.

The former New York governor took office after the House completed approval of his nomination by a vote of 287 to 128. The Senate had approved him earlier, 90–7.

Rockefeller read a short speech to a crowded chamber illuminated by five banks of television lights: "I feel," he said "a great sense of gratitude for the privilege of serving the country I love."

He went on to thank all those involved in his nomination—the President, Congress and Betty Ford for "great warmth and her courage." "And if you'll forgive me a personal note, my love and admiration to my own gallant wife, Happy," he said.

(In September, 1974, Mrs. Ford underwent a radical mastectomy for removal of a cancerous right breast. In October and November, 1974, Mrs. Rockefeller underwent the same procedure for the removal of both breasts because of cancer.)

Rockefeller ended his remarks on a typically optimistic note, mentioning "tremendous difficulties and unprecdented problems both at home and abroad, but adding that "there is nothing wrong with America that Americans cannot right."

Over the years, Rockefeller's stand on some key matters changed. He gave these indications of his thinking during confirmation hearings:

On economic policy: "I would think generally speaking, that we have got to channel more of our gross national product into capital formation for investment in new production . . . It is essential that the country recognize our national interest and shape its tax structure and incentives in such a way as to result in accumulating the capital to put in."

On federal spending: "We've reached a point where government at all levels has got to economize."

On energy: "There has got to be an aggressive policy for production of energy sources within the country to make us less dependent on outside sources so that we are not in a position to be blackmailed."

Internationally, Rockefeller favored keeping defenses up while dealing with others. He told congressional questioners, "We have to defend our national security."

On the question of detente with the Soviet Union, he said it really is effective only as long as it serves the interests of both parties "If it does not serve it, you had better start to renegotiate the contract."

During confirmation hearings before the Senate Rules Committee and the House Judiciary Committee, Rockefeller put up a stout defense against a series of objections to his qualifications for high office.

He assured Congress he could foresee "no conflict of interest" between his and his family's enormous wealth and the interests of the country. He stressed his claim to "integrity" in every public position he had held.

As for the Rockefeller millions, the financial adviser to the Rockefeller family testified that its assets totaled more than $1 billion. Of this, Nelson Rockefeller's fortune was put in the neighborhood of $180-million. He declared he would put his holdings in a "blind trust."

The Senate Rules Committee found Rockefeller "current in his tax obligations" as a result of an agreement to pay $903,000 in back taxes that became due when the IRS disallowed or reduced some claimed deductions.

The crucial issue in the congressional deliberations was whether his wealth created any conflict of interest.

Most supporters agreed with opponents that Rockefeller demonstrated poor judgment in his more than $2-million in gifts and loans which he said were to keep talented officials in government.

Rockefeller insisted there was nothing wrong with gifts, that they did not buy him influence. But he delivered a written promise not to make any loans or gifts, other than Christmas and similar presents, to any public employee while he served as vice president.

Opponents, supporters and Rockefeller himself agreed during the hearings that his authorization in 1970 of a political book about his gubernatorial opponent, Arthur Goldberg, was a mistake.

In December, 1973, Rockefeller resigned as Governor of New York, saying he would devote his time to the National Commission on Critical Choices for Americans. This was a study group organized and funded by Rockefeller to determine where America and the world were heading so that rational political decisions could be made.

In February, 1975, Rockefeller resigned as chairman of the commission, citing lack of time and possible conflict between his public office and the private commission.

Rockefeller came within striking distance of the White House in a political career that made his name and face perhaps more familiar to the American public than his famous grandfather, oil billionaire John D. Rockefeller Sr.

Using the New York governor's office as a springboard, Rockefeller tried three times to run for President, but was rebuffed by his party on each occasion.

In 1960, he made overtures toward the Republican presidential nomination, but backed away from a showdown fight with the party leaders' choice, Richard M. Nixon, who lost a narrow electoral decision to Democrat John F. Kennedy.

Four years later, Rockefeller mounted an all-out drive for the GOP nomination but was stymied by Barry M. Goldwater in a grueling struggle highlighted by primary battles on both coasts. Goldwater was swamped by Democratic President Lyndon B. Johnson.

After his 1960 disappointment, Rockefeller publicly declared that he never would seek the presidency again. "I've had my chance," he said. "Let others try now."

He sounded convincing enough, but he was to make one more try, in 1968. Again, elements controlling the Republican party preferred Nixon and Rockefeller was set down hard at the GOP National Convention.

After Nixon vanquished Hubert H. Humphrey in the general election, there was speculation that Rockefeller would join the Nixon cabinet. But he never received a solid offer from his longtime political rival and he said he never wanted one—although persons close to Rockefeller confided that he was disappointed. Rockefeller himself insisted that he preferred to stay on as governor and announced plans to seek an unprecedented fourth four-year term in 1970.

He followed through on his pledge, waging a hustling, heavily financed campaign that swamped Democrat Arthur J. Goldberg, the former Supreme Court justice and ex-ambassador to the United Nations. Goldberg had been regarded as his strongest challenger ever, but Rockefeller racked up his biggest plurality in that election.

It was his first gubernatorial victory, breasting a national Democratic trend in 1958, that shot Rockefeller's political star into ascendancy.

After serving in a variety of federal posts under three presidents, the restlessly energetic and ambitious Rockefeller concluded that he could exert no real impact on the course of government unless he won elective office in his own right.

So he returned from the nation's capital to his home state and wangled a gubernatorial nomination that few other Republicans wanted, except possibly for the honor.

The incumbent governor, Democrat W. Averell Harriman, the aging multimillionaire son of railroad tycoon E. H. Harriman, had battled a Republican-ruled State Legislature to a standoff for four years and appeared a shoo-in for a second term. Harriman had presidential ambitions of his own.

Because of the great personal wealth of the contenders, the 1958 campaign was dubbed the "Battle of the Millionaires" and attracted wide attention nationally.

Rockefeller upset Harriman with a razzle-dazzle campaign that contrasted his bubbling, boyish enthusiasm with Harriman's aloof dignity.

On the campaign trail, the 50-year-old Rockefeller, wavy-haired, handsome and a trim, if somewhat stocky 5-foot-10, cut a wide swath through the feminine electorate.

He shook so many hands that he developed calluses on his right hand. He bounced babies and the babies seemed to love it. He danced with elderly women at senior-citizen centers. And he munched happily on blintzes and other gastronomic fancies while touring ethnic pockets in polyglot New York City.

It was a highly personalized style of campaigning that he was to employ with varying success later on the national scene.

After his emphatic upset victory over Harriman, Rockefeller immediately was elevated to the status of presidential possibility. At first he discouraged such talk, pointing out that Nixon, then Dwight D. Eisenhower's vice president, was the undeniable front-runner.

Late in 1959, however, Rockefeller began hop-scotching around the country, travelling in a twin-engined Convair owned by his family to test party sentiment toward a Rockefeller candidacy.

His reception by GOP leaders in most states was polite but cool. Most already were committed to Nixon and seemed to resent Rockefeller's belated intrusion.

Nevertheless, it appeared Rockefeller would pursue his ambitions. But, in December 1959, Rockefeller issued a statement that took political observers by surprise. He said in effect that he would not be a candidate because Nixon had the nomination wrapped up.

Later, political intimates said Rockefeller came to feel he had made the wrong decision, particularly in the light of Nixon's defeat by John Kennedy, who subsequently said he thought Rockefeller would have been a more formidable opponent.

Eight years later, Rockefeller's insistence on re-entering the presidential lists was—in the view of many observers—to cost him his last chance to move into the White House.

In the interval, Rockefeller concentrated on affairs of state government. He had put through a major tax increase in his first year as part of his program to establish New York on a "pay-as-you-go" footing, a fiscal posture he abandoned midway in his second term in favor of massive bond borrowing.

The initial round of tax increases aroused widespread public hostility, but this feeling had dissipated largely as the time for seeking a second term, in 1962, approached.

But then a bombshell burst over Rockefeller's political career—the sudden announcement, in November 1961, that Rockefeller and his wife of 31 years were to be divorced.

Rockefeller had married the former Mary Todhunter Clark, daughter of a socially prominent Philadelphia family, immediately after his graduation from Dartmouth College. They had met in Maine, where both families had summer homes.

Rockefeller was born at the Maine home—at Bar Harbor, on July 8, 1908, the third of six children of John D. Rockefeller Jr. and Abby Green Aldrich Rockefeller. His mother was the daughter of U.S. Sen. Nelson Aldrich of Rhode Island, a major power in the national GOP at the time. Abby named this son after her father.

Young Nelson was reared in a family atmosphere of strong religious convictions (Baptist) and disciplined personal habits—influences that appeared to be reflected in both his public and private life. Accordingly, the breakup of his marriage was completely unexpected. There had been no hint of marital discord.

The Rockefellers had been seen together last on March 3, 1961, where they were rescued from a fire that wrecked the interior of the Executive Mansion in Albany. Neither was injured.

Shortly afterward, "Tod" Rockefeller entered a hospital in New York City for what was described as routine surgery. She dropped from public view afterward.

The reasons for the divorce never were explained, either by Rockefeller or his wife, although the general impression was that Rockefeller initiated the move. When Mrs. Rockefeller obtained the decree, in March, 1962, at Reno, Nev., she charged extreme mental cruelty. In New York State, the only ground for divorce at that time was adultery.

The previous November, just after plans for the divorce were announced, one of the Rockefeller's five children, Michael, 22, disappeared off the coast of New Guinea while on an exploring expedition. The other four, Rodman, Ann, Steven and Michael's twin sister, Mary, all were married and had homes and families of their own. Rockefeller flew to New Guinea to take personal command of searching operations for his son—in vain.

Meanwhile, New York Republican leaders waited anxiously to determine whether the marital breakup would impair Rockefeller's chances of winning a second term. The governor insisted that it should not.

After waging a strong campaign against a relatively unknown Democratic contender, Robert M. Morgenthau, son of onetime Treasury Secretary Henry Morgenthau, Rockefeller emerged an easy winner. But his victory margin was reduced from that of 1958.

A few months after the election, rumors began to circulate that Rockefeller would remarry. The name mentioned was that of Margaretta (Happy) Fitler Murphy, wife of Dr. James Slater Murphy, a virologist at the Rockefeller Institute. The Murphys had been friends of the Rockefellers, and Mrs. Murphy had worked on Rockefeller's 1958 gubernatorial campaign and also in the 1960 presidential sortie.

The rumors heightened when Mrs. Murphy, then 36 and the mother of four young children, obtained a divorce in Idaho in March, 1963 on the grounds of mental anguish. Dr. Murphy received custody of the children.

Five weeks later, the governor, then approaching his 55th birthday, and the former Mrs. Murphy were married in a ceremony attended by a handful of family members and friends at the Rockefeller estate at Pocantico Hills, just north of New York City.

Almost immediately, Rockefeller's stock in presidential-possibility polls tumbled, and Arizona's Sen. Barry Goldwater vaulted to the top of the GOP column. Rockefeller never was able to recoup.

THE 1978 REPORT TO THE NATION OF THE BOY SCOUTS OF AMERICA

(Mr. BUCHANAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BUCHANAN. Mr. Speaker, on yesterday, representatives of the Boy Scouts of America presented to the President of the United States a bound copy of their 1978 Report to the Nation, and then a young man from Birmingham, Erskine Faush, Jr., presented to the Speaker of the House a bound copy for the U.S. House of Representatives.

Scouting in 1978 continued to carry out its purpose of character development, citizenship training, and mental and physical fitness for the youth of this country. It is an organization that has influenced the lives of many Members of this body and thousands of leadership people like us all over the land.

It is my pleasure to include in the RECORD at this time for the edification of the Members the 1978 Report to the Nation of the Boy Scouts of America.

1978 REPORT TO THE NATION OF THE BOY SCOUTS OF AMERICA

During 1978 Scouting continued to carry out its purpose of character development, citizenship training, and mental and physical fitness for the youth of this country. The Boy Scouts of America persisted in its efforts to deliver a balanced program of traditional activities and special events designed to meet the needs of boys and young adults.

One of Scouting's primary lures is outdoor fun and adventure. In Cub Scouting last year, this meant more than 300,000 boys attending 1,800 day camps in 400 councils. Summer camp attracted 436,000 Boy Scouts in 33,000 troops. In addition 21,000 older Scouts and Explorers traveled to the six high-adventure bases of the Boy Scouts of America for rugged outdoor experiences. Membership in the Order of the Arrow, a brotherhood of honor campers elected from troops by fellow members, increased by 2,300 members to 152,000.

Cub Scouts are boys who have completed the second grade and are 7 through 10 years of age. The 10-year-olds meet in separate dens and are called Webelos Scouts. For these boys, safe and healthful practices, sports, and outdoor activities last year received continuing emphasis. The Wolf Cub Scout Book was revised with a simplified text and improved format that an 8-year-old can easily follow. The new Cub Scout is led over the clearly marked trails of the Bobcat and Wolf through the requirements, 12 achievements, and 20 electives—all related to things he likes to do.

Boy Scouts are 10½ years old and have completed the fifth grade or are 11 through 17 years of age. The Boy Scout program was greatly enhanced with the production last year of the ninth edition of the Official Boy Scout Handbook. This completely revised edition, consisting of 576 pages with 1,000 illustrations in full color, was written by William "Green Bar Bill" Hillcourt, well-known author, naturalist, and world Scouter. Geared to the contemporary needs of boys, the Handbook contains practical information on outdoor activities, nature, community service, first aid, and personal fitness. It features many of the Scouting illustrations by the late Norman Rockwell.

In 1978, Scouts earned more than two million merit badges in 120 subjects pertaining to hobbies, vocations, and advanced Scoutcraft. Nearly 24,000 boys scaled Scouting's advancement ladder to achieve the Eagle Award. Age restrictions were eliminated in regard to advancement for the severely handicapped, including the blind, deaf, and emotionally disturbed.

Exploring is the program for 15- through 20-year-old young men and women. The Eighth Annual National Explorer Presidents' Congress was conducted in Washington, D.C., April 12–16. More than 2,100 Explorer post presidents and ship boatswains attended this highlight national event. More than 2,000 Explorer athletes competed in the 1978 National Explorer Olympics at Colorado State University, July 30–August 5. Conducted in cooperation with the United States Olympic Committee and national sports organizations, the National Explorer Olympics provides thousands of young men and women the opportunity to learn and compete in sports.

Additional national events held in 1978 to enrich and add excitement to Exploring were the National Invitational White River Canoe Race, Little Rock, Ark.; National Sea Exploring Sailing Championships, Annapolis, Md., sanctioned by the United States Yacht Racing Union; National Exploring Air Rifle championships, Orlando, Fla., sponsored by the Crosman Arms Company; National Invitational Surfing Conference, Honolulu, Hawaii; National Explorer Winter Games, Duluth, Minn.; and the Reader's Digest-Boy Scouts of America National Public Speaking Contest.

Outstanding Explorers were recognized through a variety of awards programs including James S. Kemper Foundation Scholarships; the U.S. Secret Service Law Enforcement Assistance Award; TRW, Inc. and the Explorers' Club National Exploration Awards; and the Mutual of Omaha sponsored Young American Awards.

The National Court of Honor committee again recognized heroic acts with two honor medals with crossed palms, 26 honor medals, 31 certificates for heroism, and 164 medals of merit. Recognition for service to youth included the presentation of 12 Silver Buffalo Awards, 48 Silver Antelope Awards, and 41 Distinguished Eagle Scout Awards. Local councils also recognized distinguished leadership to youth through the presentation of 2,428 Silver Beaver Awards. The National Eagle Scout Association (NESA) increased its membership by 5,000 Eagle Scouts last year to 46,000. The number of chapters increased to 206. Chapter programs continue to emphasize volunteer Scouting support for units, districts, and councils.

Nineteen-year-old assistant Scoutmaster Mark Leinmiller of Marietta, Ga., was selected to represent Scouting during the 1978–79 scientific research projects on the Antarctic Continent. This selection culminated a nationwide search to select an outstanding youth to follow in the footsteps of Paul Siple in 1928 and Richard Lee Chappell in 1957. The program was cosponsored by the National Science Foundation and the Reader's Digest Association. Leinmiller is part of a scientific party encamped on the Darwin Glacier studying glaciology.

Civic service was also a high priority last year. Scouts began the distribution of five million copies of the booklet How To Save Money by Saving Energy for the U.S. Department of Energy. This was a continuation of President Carter's challenge for Scouting to become deeply involved in energy conservation. The Tom C. Clark Award, in recognition of this Eagle Scout and former Associate Justice of the Supreme Court, was created jointly with the National Park Foundation to recognize Scouting units that complete significant service projects in national parks and wildlife areas as well as any publicly owned park property.

A major emphasis during 1978 was the strengthening of council and district operation. A new functional plan for local councils was offered in January which will result in the more effective involvement of the adult volunteers who give of themselves to Scouting. The Volunteer Training Division was established in the national office with the mission of developing, designing, implementing and evaluating training opportunities for volunteer leadership in every phase of Scouting.

Over 500 Boy Scouts and leaders represented the Boy Scouts of America in official contingents to jamborees and activities in Japan, Mexico, Israel, Canada, Taiwan, Switzerland, Scotland, and Ireland. Countless others took part in patrol and troop exchanges with brother Scouts across the border in Canada and Mexico. The International Camp Staff program reached a new high in participation and area coverage. One hundred thirty overseas leaders from 29 countries served on camp staff in 87 councils and over a hundred camps across America. Each counselor was privileged to take part in a 10-day sightseeing tour after camp duty.

All of these Scouting activities and experiences happened last year because of more than 140 national organizations with whom the Boy Scouts of America joined hands at the community level: PTA's and other educational groups; churches, synagogues, service clubs, and veterans' organizations; fraternal, civic, industrial, and professional associations; and groups of citizens with no other ties except a determination to aid young people. These American institutions provided leadership and meeting places last year for 134,171 Cub Scout packs, Boy Scout troops, and Explorer posts and ships serving 3,303,269 boys and young adults.

From all its activities in 1978 and the years ahead, the Boy Scouts of America pledges all its strength to even greater service to the Nation and its youth.

IN OBSERVATION OF "NATIONAL VOCATIONAL EDUCATION WEEK"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 5 minutes.

Mr. JEFFORDS. Mr. Speaker, I am honored and pleased to introduce today the following "joint resolution" designating the week of February 11 through 17, 1979 as "National Vocational Education Week."

Vocational educational efforts in the public and private sectors span over half a century of service. It was in this month in 1917 that the Federal role in vocational education was firmly established with the passage of the Smith-Hughes Act. I am pleased to note that Vermont was in the forefront of this movement in the early 1900's.

Vocational education has changed and expanded substantially since 1917. Originally, vocational education provided for the promotion of training in specific areas: Agriculture, trade, industrial education, and home economics. These targets have been broadened substantially over the years to include all groups regardless of their vocational or labor force inclination or affiliation.

Vocational education now provided skills training in numerous areas. In addition, the recent amendments to the Vocational Education Act through the Education Amendments of 1976 address issues of sex discrimination and bias in programing; funding problems for the handicapped, the disadvantaged, post secondary vocational education, and American Indians; as well as planning and coordination issues between vocational education and other Federal and State programs that deal with the same or similar matters. This is a far cry from 1917 and warrants even closer attention.

Education in these areas provide a major resource to us that truly has not been fully tapped. Vocational education has been variously praised and denigrated by Government agencies and different sectors of the population at different times during its history. The facts are that vocational education programs now serve around 20 million children and adults in this country and the Federal Government has appropriated well over $600 million this year alone encouraging and providing basic services. States now contribute close to 8 times this amount to carry out their programs.

Aside from employment and training programs, vocational education offers the major publicly-supported educational service that helps enable people with varying needs to gain and improve skills that will hopefully move them into productive employment. In Vermont, for example, over 85 percent of the secondary students who successfully participated in vocational education programs in 1977 are employed or continuing their education after high school.

National recognition of "Vocational Education Week" dates back several years. The theme for this year's commemoration is "Know How Vocational

Education Serves the Nation." This week is especially noteworthy in our usually overregulated bureaucratic experience. While the date and theme are decided nationally, localities themselves plan and carry out their programs for the week having designed them to suit their particular local needs. Perhaps we can learn from this model to rely on our local resources a little more.

Given our Nation's pressing unemployment problems, particularly in the area of youth employment, skills training is a vital asset. We need to know all we can about how vocational education and other training programs benefit the Nation. This week offers that opportunity. Many of the thoughts that spurred the enactment of the original Vocational Education Act are applicable today: A focus on first, the coordination of educational and training projects to decrease unemployment, second, the involvement of private and public sector resources to achieve that end, and third, more efficient use of the taxpayers' dollars in all those efforts.

The coordination and improvement of vocational education and other training programs is a priority for us in this Congress as we try to better serve our citizens with limited spending. I believe that vocational education can serve as a useful historical model in our efforts. I am pleased to commend the educators in Vermont and around the country for the progress made so far and challenge them to stretch our limited tax dollars and transform promise into productivity.

H.J. Res. 195

Joint resolution designating the week of February 11 through February 17, 1979, as "National Vocational Education Week"

Whereas the educational system is the only means by which all citizens are provided with an opportunity to receive training for employment; and

Whereas since 1917 the Federal Government, recognizing the importance of vocational education, has appropriated funds to provide technical assistance to the States to assist in the development of vocational education programs; and

Whereas graduates of vocational education programs enter the work force more easily and progress in employment faster than those who have not had the benefits of vocational education; and

Whereas through their employment graduates of vocational programs make a substantial economic contribution to the nation; and

Whereas vocational education programs foster student organizations which provide an effective means of developing in students leadership qualities and other important personal characteristics: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of February 11 through February 17, 1979, is designated as "National Vocational Education Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

LOBBY REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 5 minutes.

● Mr. RAILSBACK. Mr. Speaker, lobbyists spend $2 billion each year to directly or indirectly influence Washington decisions according to Time magazine. Yet the decisionmakers and the public alike are generally unaware of who is trying to influence whom and why. Such secrecy is inimicable to our system of government and contributes greatly to the public notion that important decisions are made as a result of wining and dining and backroom deals. It further obscures the positive and informational role that the professional lobbyist plays, a role vital to the government process generally and frequently helpful to me personally.

In an attempt to put an end to this secrecy and open the role of the lobbyist to public scrutiny, BOB KASTENMEIER and I will today introduce a lobby reform bill identical to that which overwhelmingly passed the House during the 95th Congress. We understand that this bill wlil be assigned the number H.R. 1979, a number we hope will underscore the importance of moving promptly to secure House and Senate passage of this measure before the end of the year. By our introduction of this proposal we do not mean to suggest that seeking to affect the actions of Government officials is somehow injurious to the policymaking process. We firmly believe that this is a right guaranteed by the constitutional safeguards of free speech, assembly, and petition for redress of grievances. But where special interests seek to assert a major influence the public has a right to know, a right which is not being served by existing law.

More loophole than law, the 1946 Federal Regulation of Lobbying Act falls woefully short of the goal of assuring that virtually all organizations engaged in significant lobbying activities are registered and their activities disclosed quarterly. In fact, while fewer than 2,000 lobbyists are registered under the 1946 law, their actual number has soared from about 8,000 to 15,000 over the past 5 years according to a Time estimate. Specific examples of abuses under current law are equally revealing. Common Cause, the citizens lobbying group which has been at the forefront of lobbying reform efforts, released a study last year of 376 energy-related organizations with Washington representatives and 954 of the individual lobbyists these organizations employed. They found that almost two-thirds of the energy lobbyists were unregistered and only 1 in 10 of the organizations had filed lobbying reports of any kind. In one instance, Mobil Oil ran a full page "advocacy advertisement" soliciting grassroots opposition to then pending energy proposals. This ad cost about $4 million, yet Mobil's lobbying reports for this period showed total expenses of less than $30,000. Such lax filing requirements render the 1946 act meaningless, a rightful target of ridicule and a worthy subject for reform.

Earlier this year the distinguished chairman of the Judiciary Committee, Mr. RODINO, and Mr. DANIELSON, the distinguished chairman of the Subcommittee on Administrative Law and Governmental Relations, introduced H.R. 81, a lobby reform bill identical to that reported out of the full Judiciary Committee last year. I woulld like to take this oportunity to commend both of my colleagues for their diligent efforts in securing House passage of a fair and even-handed disclosure measure during the 95th Congress. Further, I would like to commend them for their continued commitment to this cause. Nevertheless, in my opinion, H.R. 81 falls somewhat short of the mark in at least three areas, areas which are of prime importance to an effective lobby disclosure law.

First, H.R. 81 creates a major loophole by exempting from the act's coverage the reporting of solicitations made by lobbying organizations. Failure to report on these activities would certainly lead to a misleading and incomplete picture of the overall activities of many lobbying organizations. For example, Common Cause now spends approximately 70 percent of its lobbying budget on solicitations. Other organizations—including the AFL–CIO, the chamber of commerce, and the National Rifle Association—are increasingly relying on indirect or grassroots lobbying to exert pressure on public officials. As the president of the chamber of commerce, Richard Lesher, explained, "lobbying that counts is done through the grassroots process." Last Congress, individual Members of Congress were flooded with mailings generated on such issues as common situs picketing, consumer protection, Hatch Act revision, labor law reform, and the Panama Canal, and more can be expected this year.

H.R. 1979, the measure which Congressman KASTENMEIER and I will introduce today, contains a strong solicitation reporting provision. Under it, basic and readily available information must be reported, including identification of the issue on which the organization undertook the grassroots lobbying effort, the means used, the approximate number of organizations or individuals solicited, and, in the case of a major ad campaign, the media outlets used and the amounts expended. For the latter, receipts would clearly be available in the normal course of business; no special calculations would be involved. Reporting would be solely the responsibility of the organization doing the soliciting. There would be no burden placed upon the individuals responding to the solicitation. Grassroots lobbying is where substantial lobbying takes place today, and information about those efforts should be disclosed.

Second, the bill introduced by Congressmen RODINO and DANIELSON does not require reporting by lobbying organizations of their major contributors, those most likely to have the greatest impact on the organizations' decisions. In this respect, the bill represents a step backward from the 1946 act, which requires disclosure of contributions of $500 or more. It invites the establishment of front organizations that mask the real source of lobbying activities. Without disclosure of major contributors, for example, it would be difficult to know that the Calorie Control Council is an organization which receives its principal financial backing from soft drink manufacturers opposing the saccharin ban; or that the Electric Consumers Resource Council is financed by the big electric industry; or that the Natural Gas Supply Committee is supported by the major oil companies. Without a requirement that major contributors to lobbying organizations be disclosed, there will be no way to identify the major backers of Citizens' Choice, Common Cause, or Ralph Nader's Congress Watch—organizations which purport to represent a broad public interest.

During consideration of the lobby bill in the 95th Congress, an amendment was adopted on the House floor which required disclosure of significant contributions in an effective, evenhanded fashion. H.R. 1979's disclosure provision tracts this approach. Only those organizations spending more than 1 percent of their budget on lobbying would be required to disclose contributions.

Disclosure would be limited to those contributions of $3,000 or more, and then only if received from an organization. Individual contributions would never be subject to disclosure. In addition, disclosure in ranges of amounts will be permitted, rather than specific dollar figures. Thus, the magnitude of contributions will be revealed, but proprietary information will not be disclosed as might result if the dues schedule and the precise dues paid to the lobbying organization were made public. To us, the constitutionality of such a requirement is clear. Speaking for the majority, Chief Justice Earl Warren wrote in the 1954 Court decision upholding the constitutionality of the 1946 act:

> Congress has not sought to prohibit (any lobbying activities) . . . It has merely provided for a modicum of information from those who for hire attempt to influence legislation or who collect or spend funds for that purpose. It only wants to know who is being hired, *who is putting up the money, and how much . . ." United States* v. *Harriss*, 347 U.S. 612, 625, 74 S. Ct. 808, 816 (emphasis added).

Indeed, there is ample precedent for such a requirement in the Federal campaign laws which require each of us to disclose our major contributors.

Finally, H.R. 81 as written does not require reporting about individuals who, though they may receive no pay for their services, are the major policy formulators of an organization and are active in arguing their case before public officials. We recognize that on this issue we must be especially wary. We are dealing with important first amendment rights. However, reporting about the lobbying acticivities of a covered organization's chief executive officer, whether paid or unpaid, must be included in any fair lobby reform bill. To provide such coverage, H.R. 1979 will require reporting of the major issues on which these individuals lobbied. This would assure that the public would be able to know of the lobbying activities of such influential persons as Ralph Nader, of Public Citizen, Irving Shapiro, of the Business Roundtable, and the heads of various trade associations who may not be paid. We certainly have no intention of covering the myriad of volunteers who, from time to time, take an active interest in issues before Congress.

In sum, I hope that my colleagues will lend their support to H.R. 1979 and join with BOB KASTENMEIER and me in cosponsoring this measure. Without question, the increasingly knowledgeable and competent Washington lobbyist supplies much practical information vital to the legislative process. For the good of that process and the fulfillment of the public's right to know, however, we sincerely believe that lobby disclosure requirements must be strengthened. We believe our proposal, H.R. 1979, will do just that.

For my colleague's convenience and information, the text of our proposal follows:

H.R. 1979

A bill to regulate lobbying and related activities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Disclosure of Lobbying Act of 1979".

DEFINITIONS

SEC. 2. As used in this Act—

(1) the term "affiliate" means—

(A) an organization which is associated with another organization through a formal relationship based upon ownership or an agreement (including a charter, franchise agreement, or bylaws) under which one of the organization maintains actual control or has the right of potential control of all or a part of the activities of the other organization;

(B) a unit of a particular denomination of a church or of a convention or association of churches; and

(C) a national membership organization and any of its State or local membership organizations or units, a national trade association and any of its State or local trade associations, a national business league and any of its State or local business leagues, a national federation of labor organizations and any of its State or local federations, and a national labor organization and any of its State or local labor organizations;

(2) the term "Comptroller General" means the Comptroller General of the United States;

(3) the term "direct business relationship" means the relationship between an organization and any Federal officer or employee in which—

(A) such Federal officer or employee is a partner in such organization;

(B) such Federal officer or employee is a member of the board of directors or similar governing body of such organization, or is an officer or employee of such organization; or

(C) such organization and such Federal officer or employee each hold a legal or beneficial interest (excluding stock holdings in publicly traded corporations, policies of insurance, and commercially reasonable leases made in the ordinary course of business) in the same business or joint venture, and the value of each such interest exceeds $1,000;

(4) the term "employ" means the utilization of the services of an individual or organization in consideration of the payment of money or other thing of value, but does not include the utilization of the services of a volunteer;

(5) the term "exempt travel expenses" means any sum expended by any organization in payment or reimbursement of the cost of any transportation for any agent, employee, or other person (but not including a Federal officer or employee) engaging in activities described in section 3(a), plus such amount of any sum received by such agent, employee, or other person as a per diem allowance for each such day as is not in excess of the maximum applicable allowance payable under section 5702(a) of title 5, United States Code, to Federal employees subject to such section;

(6) the term "expenditure" means—

(A) a payment, distribution (other than normal dividends and interest), salary, loan (if made on terms or conditions that are more favorable than those available to the general public), advance, deposit, or gift of money or other thing of value, other than exempt travel expenses, made—

(i) to or for the benefit of a Federal officer or employee;

(ii) for mailing, printing, advertising, telephones, consultant fees, or the like which are attributable to activities described in section 3(a), and for costs attributable partly to activities described in section 3(a) where such costs, with reasonable preciseness and ease, may be directly allocated to those activities; or

(iii) for the retention or employment of an individual or organization who makes lobbying communications on behalf of the organization; or

(B) a contract, promise, or agreement, whether or not legally enforceable, to make, disburse, or furnish any item referred to in subparagraph (A);

(7) the term "Federal officer or employee" means—

(A) any Member of the Senate or the House of Representatives, any Delegate to the House of Representatives, and the Resident Commissioner in the House of Representatives;

(B) any officer or employee of the Senate or the House of Representatives or any employee of any Member, committee, or officer of the Congress;

(C) any officer of the executive branch of the Government listed in sections 5312 through 5316 of title 5, United States Code; and

(D) the Comptroller General, Deputy Comptroller General, General Counsel of the United States General Accounting Office, and any officer or employee of the United States General Accounting Office whose compensation is fixed by the Comptroller General in accordance with section 203(i) of the Federal Legislative Salary Act of 1964 (31 U.S.C. 52b);

(8) the term "identification" means—

(A) in the case of an individual, the name, occupation, and business address of the individual and the position held in such business; and

(B) in the case of an organization, the name and address of the organization, the principal place of business of the organization, the nature of its business or activities, and the names of the executive officers and the directors of the organization, regardless of whether such officers or directors are paid;

(9) the term "lobbying communication" means, with respect to a Federal officer or employee described in section 2(7) (A) or (B), an oral or written communication directed to such Federal officer or employee to influence the content or disposition of any bill, resolution, treaty, nomination, hearing, report, or investigation, and, with respect to a Federal officer or employee described in section 2(7) (C) or (D), an oral or written communication directed to such Federal officer or employee to influence the content or disposition of any bill, resolution, or treaty which has been transmitted to or introduced

in either House of Congress or any report thereon of a committee of Congress, any nomination to be submitted or submitted to the Senate, or any hearing or investigation being conducted by the Congress or any committee or subcommittee thereof, but does not include—

(A) a communication made at the request of a Federal officer or employee, or submitted for inclusion in a report of a hearing or in the record or public file of a hearing;

(B) a communication made through a speech or address, through a newspaper, book, periodical, or magazine published for distribution to the general public, or through a radio or television transmission, or through a regular publication of an organization published in substantial part for purposes unrelated to engaging in activities described in section 3(a): *Provided*, That this exemption shall not apply to an organization responsible for the purchase of a paid advertisement in a newspaper, magazine, book, periodical, or other publication distributed to the general public, or of a paid radio or television advertisement;

(C) a communication by an individual for a redress of grievances, or to express his personal opinion;

(D) a communication on any subject directly affecting an organization to (i) a Senator, or to an individual on his personal staff, if such organization's principal place of business is located in the State represented by such Senator, or (ii) a Member of the House of Representatives, or to an individual on his personal staff, if such organization's principal place of business is located in a county (including a city, city-and-county, parish, and the State of Alaska) within which all or part of such Member's congressional district is located; or

(E) a communication which deals only with the existence or status of any issue, or which seeks only to determine the subject matter of an issue.

(10) the term "organization" means—

(A) any corporation (excluding a Government corporation), company, foundation, association, labor organization, firm, partnership, society, joint stock company, organization of State or local elected or appointed officials (excluding any Federal, State, or local unit of government other than a State college or university as described in section 511 (a)(2)(B) of the Internal Revenue Code of 1954, and excluding any Indian tribe, any national or State political party and any organizational unit thereof, and any association comprised solely of Members of Congress or Members of Congress and congressional employees), group of organizations, or group of individuals; and

(B) any agent of a foreign principal as defined in section 1 of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611);

(11) the term "quarterly filing period" means any calendar quarter beginning on January 1, April 1, July 1, or October 1; and

(12) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

APPLICABILITY OF ACT

SEC. 3. (a) The provisions of this Act shall apply to—

(1) any organization which makes an expenditure in excess of $2,500 in any quarterly filing period for the retention of an individual or another organization to make lobbying communications, or for the express purpose of preparing or drafting any such lobbying communication; or

(2) any organization which (A) employs at least one individual who, on all or any part of each of thirteen days or more in any quarterly filing period, or at least two individuals each of whom on all or any part of each of seven days or more in any quarterly filing period, makes lobbying communications on behalf of that organization, and (B) makes an expenditure in excess of $2,500 in such quarterly filing period on making lobbying communications,

except that the provisions of section 4 and section 6 of this Act shall not apply to an affiliate of a registered organization if such affiliate engages in activities described in paragraphs (1) and (2) of this subsection and such activities are reported by the registered organization.

(b) This Act shall not apply to practices or activities regulated by the Federal Election Campaign Act of 1971.

REGISTRATION

SEC. 4. (a) Each organization shall register with the Comptroller General not later than thirty days after engaging in activities described in section 3(a).

(b) The registration shall contain the following, which shall be regarded as material for the purposes of this Act:

(1) An identification of the organization, except that nothing in this paragraph shall be construed to require the disclosure of the identity of the members of an organization.

(2) An identification of any retainee described in section 3(a)(1) and of any employee described in section 3(a)(2).

(c) A registration filed under subsection (a) in any calendar year shall be effective until January 15 of the succeeding calendar year. Each organization required to register under subsection (a) shall file a new registration under such subsection within fifteen days after the expiration of the previous registration, unless such organization notifies the Comptroller General, under subsection (d), with respect to terminating the registration of the organization.

(d) Any registered organization which determines that it will no longer engage in activities described in section 3(a) shall so notify the Comptroller General. Such organization shall submit with such notification either (1) a final report, containing the information specified in section 6(b), concerning any activities described in section 3(a) which the organization has not previously reported or (2) a statement, pursuant to section 6(a)(2), as the case may be. When the Comptroller General receives such notification and report or statement, the registration of such organization shall cease to be effective.

RECORDS

SEC. 5. (a) Each organization required to be registered and each retainee of such organization shall maintain for each quarterly filing period such records as may be necessary to enable such organization to file the registrations and reports required to be filed under this Act, except that, in those situations where a registered organization elects to report as to the lobbying activities of its affiliates pursuant to section 3 (a), such affiliates shall be responsible for maintaining such records as are necessary to enable the registered organization to fully discharge its reporting obligations as they pertain to such affiliates. The Comptroller General may not by rule or regulation require an organization to maintain or establish records (other than those records normally maintained by the organization) for the purpose of enabling him to determine whether such organization is required to register.

(b) Any officer, director, employee, or retainee of any organization shall provide to such organization such information as may be necessary to enable such organization to comply with the recordkeeping and reporting requirements of this Act. Any organization which shall rely in good faith on the information provided by any such officer, director, employee, or retainee shall be deemed to have complied with subsection (a) with respect to that information.

(c) The records required by subsection (a) shall be preserved for a period of not less than five years after the close of the quarterly filing period to which such records relate.

REPORTS

SEC. 6. (a)(1) Each organization which engages in the activities described in section 3(a) during a quarterly filing period shall, not later than thirty days after the last day of such period, file a report concerning such activities with the Comptroller General.

(2) Each registered organization which does not engage in the activities described in section 3(a) during a quarterly filing period shall file a statement to that effect with the Comptroller General.

(b) Each report required under subsection (a)(1) shall contain the following, which shall be regarded as material for the purposes of this Act:

(1) An identification of the organization filing such report.

(2) The total expenditures (excluding salaries other than those reported under paragraph (5) of this subsection) which such organization made with respect to activities described in section 3(a) during such period.

(3) An itemized listing of each expenditure in excess of $35 made to or for the benefit of any Federal officer or employee and an identification of such officer or employee.

(4) A disclosure of those expenditures for any reception, dinner, or other similar event which is paid for, in whole or in part, by the reporting organization and which is held for the benefit of any Federal officer or employee, regardless of the number of persons invited or in attendance, where the total cost to the reporting organization of the event exceeds $500.

(5) An identification of any retainee of the organization filing such report and of any employee who makes lobbying communications on all or part of each of seven days or more, and the expenditures made pursuant to such retention or employment, except that in reporting expenditures for the retention or employment of such individuals or organizations, the organization filing such report shall—

(A) allocate, in a manner acceptable to the Comptroller General, and disclose the amount which is paid to the individual or organization retained or employed by the reporting organization and which is attributable to engaging in such activities for the organization filing such report; or

(B) notwithstanding any other provision of this Act, disclose the total expenditures paid to any individual or organization retained or employed (as described in section 3(a)) by the organization filing such report.

(6) A description of the issues concerning which the organization filing such report engaged in lobbying communications and upon which the organization spent a significant amount of its efforts, disclosing with respect to each issue any retainee or employer identified in paragraph (5) of this subsection and the chief executive officer, whether paid or unpaid, who engaged in lobbying communications on behalf of that organization on that issue. However, in the event an organization has engaged in lobbying communications on more than fifteen issues, it shall be deemed to have complied with this subsection if it lists the fifteen issues on which it has spent the greatest proportion of its efforts. For purposes of this paragraph the term "chief executive officer" means the individual with primary responsibility for directing

the organization's overall policies and activities;

(7) In the case of written solicitations, and solicitations made through paid advertisements, where such solicitations reached or could be reasonably expected to reach, in identical or similar form, five hundred or more persons, one hundred or more employees, twenty-five or more officers or directors, or twelve or more affiliates of such organization—

(a) a description of this issue with which the solicitation was concerned: *Provided*, That the reporting organization may, in its own discretion solely, satisfy this requirement by filing a copy of the solicitation;

(b) a description of the means employed to make the solicitation and an indication of whether the recipients were in turn asked to solicit others;

(c) an identification of any person retained to make the solicitation;

(d) if the solicitation is conducted through the mails or by telegram, the approximate number of persons directly solicited; and

(e) if the solicitation is conducted through a paid advertisement and the total amount expended exceeds $5,000, an identification of the publication, or radio or television station where the solicitation appeared and the total amount expended on any solicitation conducted through one or more such advertisements.

"For purposes of this paragraph, the term "solicitation" means any communication directly urging, requesting, or requiring another person to advocate a specific position on a particular issue and to seek to influence a Member of Congress with respect to such issue, but does not mean such communication by one organization registered under this Act to another organization registered under this Act.

(8) Disclosure of each known direct business relationship between the reporting organization and a Federal officer or employee whom such organization has sought to influence during the quarterly filing period involved.

(9) If any lobbying communication was made on the floor of the House of Representatives or adjoining rooms thereof, or on the floor of the Senate or adjoining rooms thereof, a statement that such lobbying communication was made.

(c) The report covering the fourth quarter of each calendar year shall also include a separate schedule listing the name and address of each organization from which the reporting organization received an aggregate of $3,000 or more in dues or contributions during that calendar year and listing the amount given, where (i) the dues or contributions were expended in whole or in part by the reporting organization for lobbying communications and solicitations and (ii) the total expenditures reported by the reporting organization under subsections (b) (2) and (b) (7) of this section during that calendar year exceed 1 per centum of the total annual income of the organization: *Provided*, That the reporting organization may, if it so chooses, instead of listing the specific amount received, state the amount, in the following categories: (A) amounts equal to or exceeding $3,000, but less than $10,000; (B) amounts equal to or exceeding $10,000, but less than $25,000; (C) amounts equal to or exceeding $25,000, but less than $50,000; (D) amounts equal to or exceeding $50,000.

DUTIES OF THE COMPTROLLER GENERAL

SEC. 7. (a) It shall be the duty of the Comptroller General—

(1) to develop filing, coding, and cross-indexing systems to carry out the purposes of this Act, including (A) a cross-indexing system which, for any retainee described in section 3(a) (1) who is identified in any registration or report filed under this Act, discloses each organization identifying such retainee in any such registration or report, and (B) a cross-indexing system, to be developed in cooperation with the Federal Election Commission, which discloses for any such retainee each identification of such retainee in any report filed under section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434);

(2) to make copies of each registration and report filed with him under this Act available for public inspection and copying, commencing as soon as practicable after the date on which the registration or report involved is received, but not later than the end of the fifth working day following such date, and to permit copying of such registration or report by hand or by copying machine or, at the request of any individual or organization, to furnish a copy of any such registration or report upon payment of the cost of making and furnishing such copy; but no information contained in any such registration or report shall be sold or utilized by any individual or organization for the purpose of soliciting contributions or business;

(3) to preserve the originals or accurate reproductions of such registrations and reports for a period of not less than five years from the date on which the registration or report is received;

(4) to compile and summarize, with respect to each quarterly filing period, the information contained in registrations and reports filed during such period in a manner which clearly presents the extent and nature of the activities described in section 3(a) which are engaged in during such period;

(5) to make the information compiled and summarized under paragraph (4) available to the public within sixty days after the close of each quarterly filing period, and to permit copying of such information by hand or by copying machine or, at the request of any individual or organization, to furnish a copy of such information upon payment of the cost of making and furnishing such copy;

(6) to prescribe such rules and regulations and such forms as may be necessary to carry out the provisions of this Act in an effective and efficient manner; and

(7) to refer to the Attorney General all apparent violations of any provisions of this Act, or any rule or regulation promulgated in accordance therewith.

(b) The duties of the Comptroller General described in subsection (a) (6) of this section shall be carried out in conformity with chapter 5 of title 5, United States Code, and any records maintained by the Comptroller General under this Act shall be subject to the provisions of sections 552 and 552a of such chapter.

ENFORCEMENT

SEC. 8. (a) It shall be the duty of the Attorney General to investigate alleged violations of any provision of this Act, or any rule or regulation promulgated in accordance therewith. The Attorney General shall notify the alleged violator of such alleged violation, unless the Attorney General determines that such notice would interfere with the effective enforcement of this Act, and shall make such investigation of such alleged violation as the Attorney General considers appropriate. Any such investigation shall be conducted expeditiously, and with due regard for the rights and privacy of the individual or organization involved.

(b) If the Attorney General determines, after any investigation under subsection (a), that there is reason to believe that any individual or organization has engaged in any act or practice which constitutes a civil violation of this Act as described in section 11(a), he shall endeavor to correct such violation by informal methods of conferrence or conciliation.

(c) If the informal methods described in subsection (b) fail, the Attorney General may institute a civil action, including an action for a permanent or temporary injunction, restraining order, or any other appropriate relief, in the United States district court for the judicial district in which such individual or organization is found, resides, or transacts business.

(d) If the Attorney General determines, after any investigation under subsection (a), that there is reason to believe that any individual or organization has engaged in any act or practice which constitutes a criminal violation of this Act as described in section 11(b) or 11(c), the Attorney General may institute criminal proceedings in a United States district court in accordance with the provisions of chapter 211 of title 18, United States Code.

(e) The United States district courts shall have jurisdiction of actions brought under this Act.

(f) In any civil action brought pursuant to subsection (c), the court may award to the prevailing party (other than the United States or an agency or official thereof) reasonable attorney fees and expenses if the court determines that the action was brought without foundation, vexatiously, frivolously, or in bad faith.

REPORTS BY THE COMPTROLLER GENERAL

SEC. 9. The Comptroller General shall transmit reports to the President of the United States and to each House of the Congress no later than March 31 of each year. Each such report shall contain a detailed statement with respect to the activities of the Comptroller General in carrying out his duties and functions under this Act, together with recommendations for such legislative or other action as the Comptroller General considers appropriate.

CONGRESSIONAL DISAPPROVAL OF RULES OR REGULATIONS

SEC. 10. (a) Upon promulgation of any rule or regulation to carry out the provisions of section 4, 5, or 6 under the authority given him in section 7(a) (6) of this Act, the Comptroller General shall transmit notice of such rule or regulation to the Congress. The Comptroller General may place such rule or regulation in effect as proposed at any time after the expiration of ninety calendar days of continuous session after the date on which such notice is transmitted to the Congress unless, before the expiration of such ninety days, either House of the Congress adopts a resolution disapproving such rule or regulation.

(b) For purposes of this section—

(1) continuity of session of the Congress is broken only by an adjournment sine die; and

(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the ninety calendar days referred to in subsection (a).

SANCTIONS

SEC. 11. (a) Any individual or organization knowingly violating section 4, 5, or 6 of this Act, or any rule or regulation promulgated in accordance therewith, shall be subject to a civil penalty of not more than $10,000 for each such violation.

(b) Any individual or organization who knowingly and willfully violates section 4, 5, or 6 of this Act, or who, in any statement required to be filed, furnished, or maintained pursuant to this Act, knowingly and willfully makes any false statement of a material fact, omits any material fact required to be disclosed, or omits any material fact necessary to make statements made not misleading, shall be fined not more than $10,000 or imprisoned for not more than two years, or both, for each such violation.

(c) Any individual or organization knowingly and willfully failing to provide or falsifying all or part of any records required to be furnished to an employing or retaining organization in violation of section 5(b) shall be fined not more than $10,000, or imprisoned for not more than two years, or both.

(d) Any individual or organization selling or utilizing information contained in any registration or report in violation of section 7(a)(2) of this Act shall be subject to a civil penalty of not more than $10,000.

REPEAL OF THE FEDERAL REGULATION OF LOBBYING ACT

SEC. 12. The Federal Regulation of Lobbying Act (2 U.S.C. 261 et seq.), and that part of the table of contents of the Legislative Reorganization Act of 1946 which pertains to title III thereof, are repealed.

SEPARABILITY

SEC. 13. If any provision of this Act, or the application thereof, is held invalid, the validity of the remainder of this Act and the application of such provision to other persons and circumstances shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

SEC. 14. There are authorized to be appropriated to carry out this Act $1,600,000 for the fiscal year beginning on October 1, 1979; $1,600,000 for the fiscal year beginning on October 1, 1980; and $1,600,000 for the fiscal year beginning on October 1, 1981.

EFFECTIVE DATES

SEC. 15. (a) Except as provided in subsection (b), the provisions of this Act shall take effect on October 1, 1979.

(b) Sections 4, 5, 6, 8, 11, and 12 shall take effect on the first day of the first calendar quarter beginning after the date on which the first rules and regulations promulgated to carry out the provisions of sections 4, 5, and 6 take effect, in accordance with section 10.●

MOTOR VEHICLE THEFT PREVENTION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 10 minutes.

● Mr. GREEN. Mr. Speaker, today I am introducing the Motor Vehicle Theft Prevention Act of 1979. This bill is similar to H.R. 14252, which I introduced in the 95th Congress.

The Motor Vehicle Theft Prevention Act seeks to improve the physical security features of motor vehicles and their parts, to increase the criminal penalties for those trafficking in stolen motor vehicles and parts, and to curtail the exportation of stolen motor vehicles.

Motor vehicle-related theft is a serious national crime problem. In 1977, 46.2 percent of all larcenies reported involved the theft of a motor vehicle, its contents, or its parts. By comparison, thefts from buildings accounted for 14.1 percent of all larcenies, and shoplifting comprised 9.5 percent of all larcenies.

The Uniform Crime Report for 1977 recorded 968,358 motor vehicle thefts for that year. In addition, there were 998,100 thefts of contents from motor vehicles and 1,210,700 thefts of motor vehicle accessories.

These statistics are shocking, but difficult to comprehend. Perhaps it is more illuminating to consider that a theft of a motor vehicle occurs once every 33 seconds. Moreover, 1 out of every 44 registered motor vehicles either is stolen itself or has its contents or accessories stolen.

The value of property stolen during motor vehicle-related thefts in 1977 amounted to over $2.3 billion. The average value of a stolen motor vehicle was $1,992. The average theft of vehicle contents was $231, and the average theft of vehicle accessories was $128.

The impact of motor vehicle thefts has been felt severely in the State of New York. In 1977, New York State experienced 133,669 motor vehicle thefts. This accounted for 13.8 percent of the national total. New York State was second in this regard to California, which recorded 145,270 thefts, or 15 percent of the national total. In addition to California and New York, eight other States had over 25,000 stolen motor vehicles in 1977. A table which details these data will appear in the RECORD at the end of my remarks.

The New York City metropolitan area suffered 104,147 motor vehicle thefts in 1977. This was 77.9 percent of the total for New York State, or 10.8 percent of the national total.

The New York State Senate Standing Committee on Transportation has been at the forefront of national efforts to develop solutions to the motor vehicle crime problem. With LEAA funding, the New York State Senate Standing Committee on Transportation sponsored the National Workshop on Auto Theft, which was held in New York City on October 3–5, 1978. This was the first national conference of its kind to explore this important issue.

In response to the alarming number of motor vehicle-related thefts, the Federal Interagency Committee on Auto Theft Prevention was formed in March, 1975. The committee is composed of representatives of the Office of Management and Budget and of the Departments of Transportation, Justice, State, Treasury, and Commerce. The Federal Interagency Committee on Auto Theft Prevention, which is coordinating Federal activities relating to motor vehicle theft, believes that legislation at the national level is required to combat this crime more effectively. The bill I am introducing today reflects the work of the Interagency Committee and the recommendations of the Department of Justice.

MOTOR VEHICLE THEFT PREVENTION ACT OF 1979

TITLE I—FINDINGS AND PURPOSES

Title I of the Motor Vehicle Theft Prevention Act of 1979 contains a series of findings and states the purposes of the act. The purposes enumerated in section 102 are to:

(a) improve the locking devices for motor vehicles;

(b) improve the identification numbering systems for motor vehicles and their major components;

(c) increase the Federal criminal penalties for those persons trafficking in stolen motor vehicles and their parts; and

(d) establish regulatory procedures to reduce the opportunity for the criminal to export stolen motor vehicles.

TITLE II—IMPROVED SECURITY FOR MOTOR VEHICLES AND THEIR PARTS

Title II of the bill gives the Secretary of Transportation authority to issue standards whose purpose would be to deter motor vehicle-related thefts. Such standards could require improving the locking devices for the ignition, doors, trunk, and hood of motor vehicles, as well as identification numbering systems for certain key components of the motor vehicle. These measures would make it more difficult for professional thieves to dispose of the stolen motor vehicle or its parts.

Many law enforcement agencies believe that component identification is the best way to help control the "chop shop" problem. "Chop shop" is used to describe experts who steal a motor vehicle and then cut it up for its major parts. These component parts then are recycled into the auto repair business. Component identification would help law enforcement agencies to identify stolen parts, and also would increase the difficulty of successfully retitling a stolen vehicle because of all the additional numbers the thief must alter.

Using the "safety" authority given by the National Traffic and Motor Vehicle Safety Act of 1966, the National Highway Traffic Safety Administration (NHTSA) established the first "antitheft" standard for automobiles manufactured or sold after January 1, 1970. This measure, known as Motor Vehicle Safety Standard No. 114, required the steering column to lock when the ignition key was removed. It is important to note that the existing authority for standard 114 is limited to "safety" matters. Thus, the Department of Transportation presently can require only measures which, while having antitheft benefits, clearly are "safety" oriented. Title II of the Motor Vehicle Theft Prevention Act amends the National Traffic and Motor Vehicle Safety Act of 1966 to give the Secretary of Transportation the authority to "include standards to reduce the theft of the motor vehicle and its parts."

I want to point out that, in issuing standards, the Secretary of Transportation is to take into account: First, the cost of implementing the standard and the benefits attainable as a result of the implementation of the standard; second, the effect of implementation of the standard on the cost of automobile insurance; third, savings in terms of time and inconvenience; and fourth, considerations of safety.

TITLE III—ANTI-FENCING MEASURES

Title III of the bill strengthens the Federal criminal laws as they pertain to professional motor vehicle theft. It contains five amendments to title 18 of the United States Code, plus one amendment to the Master Key Act (39 U.S.C. 3002).

With respect to title 18, title III of the Motor Vehicle Theft Prevention Act of 1979 first makes it a Federal crime to alter or remove any motor vehicle or vehicle part identification number required by the Secretary of Transportation.

Second, it allows forfeiture to the United States of any vehicle or part which has its identification number removed, obliterated, tampered with, or altered.

These two provisions of title III are enforcement provisions that go hand in hand with title II of the bill. Under title II, the Department of Transportation is given the regulatory authority to require identification numbers for certain vehicle component parts. Upon the enactment of title III, it would be a Federal crime to remove or alter the vehicle identification number on any existing or future motor vehicle since such an identification number already is required by Department of Transportation regulations. However, the removal or alteration of a component part identification number would become a Federal crime only for such activities occurring after the effective date of a Transportation Department regulation requiring the component part identification number.

The third amendment to title 18 within title III of the Motor Vehicle Theft Prevention Act adds motor vehicle titles to the definition of "securities" in the National Stolen Property Act (18 U.S.C. 2311). In addition, it states that a motor vehicle title ceases to be a "security" when it "is canceled by the State" of issuance. A blank motor vehicle title also would not be a "security." These provisions would clarify authority for prosecutions for counterfeit title offenses under the National Stolen Property Act.

The fourth element of title III would make it a Federal crime to traffic in motor vehicles or motor vehicle parts which have had their identification numbers required by the Secretary of Transportation removed or altered. "Trafficing" would refer to the buying, receiving, possessing, or obtaining control of the vehicle or component part with the intent to sell, transfer, distribute, dispense, or otherwise dispose of it.

It should be noted that this provision requires that the illegal possession of such a vehicle or part include an intention on the part of the possessor to dispose of the vehicle or part. Thus, it is aimed at dealers and peddlers of such stolen items. It concentrates Federal attention on organized "ring" activities. The individual who knowingly possesses a "hot" vehicle or component part would be the subject of State and local prosecution.

The fifth provision of title III concerning title 18 of the United States Code amends the Racketeer Influenced and Corrupt Organizations Act to include as a racketeering activity trafficking in stolen motor vehicles and their parts. This part of title III is intended to have a deterrent effect upon businesses that engage in the receipt and disposition of stolen vehicles and their parts.

The amendment in title III to the Master Key Act prohibits the mailing of manipulative devices which are designed to open or make inoperable any of the locks on two or more motor vehicles. The provision also prohibits the mailing of any advertisement for such a device and authorizes the U.S. Postal Service to issue a mail stop order in an appropriate case. Violations of this section would be within the investigative jurisdiction of the U.S. Postal Service.

TITLE IV—IMPORTATION AND EXPORTATION MEASURES

Section 401 makes it a Federal crime for anyone to import, export, or attempt to import or export, first, any motor vehicle, vessel, aircraft, or part of a motor vehicle, vessel, or aircraft knowing the same to have been stolen or second, any motor vehicle or part of a motor vehicle with the knowledge that its identification number has been removed, obliterated, tampered with, or altered. Enforcement of this section would rest with the U.S. Customs Service.

Section 403 creates two new sections in the Tariff Act of 1930. Section 626(a) subjects any individual who imports, exports, or attempts to import or export any stolen motor vehicle, vessel, aircraft, or part thereof or any motor vehicle or motor vehicle part having its identification number removed, obliterated, tampered with, or altered, to a civil penalty. Section 626(b) makes any of the above-described conveyances or component parts subject to seizure and forfeiture if they are imported or exported. Section 627(a) authorizes the Secretary of the Treasury to issue regulations concerning the inspection of used motor vehicles to be exported.

Section 404 creates a new section in the Tariff Act of 1930 to give customs officers the same powers of arrest presently possessed by other Federal law-enforcement officials. Under current law, a customs officer has authority to make an arrest without a warrant only for violations of the narcotic drug and marihuana laws and for violations of the customs or navigation laws or any law respecting the revenue under section 581 of the Tariff Act where the violation is committed in his or her presence or where he or she has reason to believe that the person to be arrested has committed or is committing such violation. The customs officer, due to strategic location, often is able to detect fugitive felons entering the United States and violators of other Federal criminal laws such as the statutes prohibiting theft from interstate and foreign shipments and the interstate and foreign transportation of stolen property. The present limited arrest authority for a customs officer is inconsistent with the arrest authority provided other Federal law enforcement officials, and hampers effective enforcement of Federal criminal laws. Section 404 of the bill would permit customs officers to, first, carry firearms, execute and serve search warrants and arrest warrants, and serve subpenas and summonses issued under the authority of the United States, and second, make arrests without warrant for any offenses against the United States committed in their presence or for any felony cognizable under the laws of the United States if they have reasonable grounds to believe that the person to be arrested has committed, or is committing, such a felony.

TITLE V—REPORTING REQUIREMENTS

Section 501 of the Motor Vehicle Theft Prevention Act requires the Attorney General to file a report with Congress 18 months after the passage of the act dealing with developments in the area of vehicle identification of off-road motor vehicles. "Off-road motor vehicle" means any self-propelled vehicle used or designed to run on land but not on rails which is used in the agricultural and construction industries. The report will be prepared in consultation with the Secretaries of Agriculture, Commerce, Transportation, and the Treasury. Section 501 lists 13 areas that are to be included in the report.

Section 502 requires the Attorney General to file five successive annual reports concerning the implementation and effectiveness of titles II, III, and IV of the Motor Vehicle Theft Prevention Act of 1979. The reports are to be prepared in consultation with the Secretary of Transportation, the Secretary of the Treasury, and the Postmaster General.

These, then, are the principal provisions of the Motor Vehicle Theft Prevention Act of 1979. I hope that my colleagues will join with me to work for the enactment of this legislation in the 96th Congress. Let us make passage of such a bill a crime prevention priority.

I commend to my colleagues' attention a resolution on auto thefts adopted by delegates to the 75th annual meeting of the New York State Automobile Association, which was held on July 13, 1978. I also am including a table from the Uniform Crime Reports which lists States with 25,000 or more stolen motor vehicles in 1977:

NEW YORK STATE AUTOMOBILE ASSOCIATION—RESOLUTION ON AUTO THEFTS

More than 133,000 automobiles were reported stolen in New York State in 1976—fully 10 percent of the national total. While the increase in stolen cars has been sharpest in the New York City metropolitan area, auto thefts were also on the rise—and recoveries on the decline—in Buffalo, Albany, Syracuse and suburban communities across the state. New York motorists are paying for these losses in higher insurance premiums for theft coverage which today have reached a staggering 220% above the national average.

Police estimate that 25% of the state's auto theft reports involve fraudulent claims against insurers and 50% represent thefts for the purpose of obtaining parts for vehicles damaged in accidents. The ease with which these phony claims can be made is obviously one of the factors contributing to the worsening problem. More important, the high demand, short supply and rapidly rising cost of crash parts, the lack of a standardized system of marking and tracing vehicle components, and sophisticated new methods for retailing such merchandise have produced what is, in effect, an auto theft "industry."

This low-risk, high-profit "business" will continue to prosper until a concerted effort is made—at all levels of government—to slow its malignant growth.

New York State should take the initiative by enacting proposals now before the Legislature which would: mandate stiffer penalties for individuals who file fraudulent auto theft reports and claims; tighten controls on the distribution of salvage parts; root out unlicensed dismantlers, scrap processors and illegal "chop shops"; require vehicle identification numbers (VIN's) on major components; stiffen penalties for VIN tampering or dealing in parts with altered VIN's, and establish insurance incentives for motorists who install anti-theft devices.

At the federal level, it is imperative that Congress empower the National Highway

Traffic Safety Administration to require manufacturers to stamp major components with VIN's. Moreover, Congress should consider mandating a uniform titling system that would help prevent shipment of stolen cars to states where VIN's are easily altered, documents forged, and cars and VIN's resold. And Congress should also empower the appropriate federal agencies to require that shippers provide clear evidence of title before autos are shipped overseas.

The New York State Automobile Association, therefore, urges the state and federal governments to make these recommendations the basis for a concerted war on auto thefts. This Association pledges its support and its member Clubs pledge their cooperation in measures that will help to alleviate this serious problem.

It is directed that copies of this resolution be sent to the Governor, the New York State Congressional delegaion, all members of the Legislature and other interested agencies and officials.

THE UNIFORM CRIME REPORTS, STATES WITH 25,000 OR MORE STOLEN MOTOR VEHICLES IN 1977

1977 rank	State	1976 rank	1977 thefts	1976 thefts	Numerical change	Percent change	[1] Percent of national 1977 total
1	California	1	145, 270	138, 650	+6, 620	+4. 8	15. 0
2	New York	2	133, 669	133, 504	+27	+0	13. 8
3	Massachusetts	3	65, 922	76, 257	−10, 335	−13. 6	6. 8
4	Illinois	4	59, 446	56, 685	+2, 761	+4 9	6. 1
5	Texas	6	51, 018	43, 871	+7, 147	+16. 3	5. 3
6	Michigan	5	49, 803	55, 821	−6, 018	−11. 8	5. 1
7	Ohio	8	42, 851	40, 421	+2, 430	+6. 0	4. 4
8	Pennsylvania	7	39, 264	41, 303	−2, 039	−4. 9	4. 1
9	New Jersey	9	37, 489	37, 462	+27	+0	3. 9
10	Florida	10	29, 698	28, 605	+1, 093	+3. 8	3. 1
	Total		614, 430	652, 579			63. 5

[1] Total national thefts in 1977 was 968,358.

SHALE OIL PRODUCTION TAX INCENTIVE ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. JOHNSON) is recognized for 5 minutes.

● Mr. JOHNSON of Colorado. Mr. Speaker, today I am introducing a bill to provide a $3 per barrel tax credit for the production of shale oil. I am pleased to report that this particular incentive to encourage the production of synthetic crude oil from oil shale rock, has the publicly stated support of the present administration; the full and enthusiastic support of the shale oil industry; and it has the backing of those of us who recognize the need for our Nation to become less dependent on unreliable supplies of energy from foreign sources.

Unlike other incentives which have been proposed in previous years for shale oil development, this tax credit approach has the advantage of absolutely no risk to the Federal Government for any shale oil ventures that may not prove successful, and absolutely no cost to the Federal Treasury unless and until actual shale oil production begins. There are no massive, direct or indirect Federal grants or loan guarantees involved in this proposal. The Federal Government will not be called on to do anything, to give anything, or to risk anything, unless and until the private sector first invests private capital in the construction of retorting plant facilities and succeeds in actually producing shale oil.

The immediate result of the passage of this $3 per barrel tax credit will be to provide a foundation for a degree of certainty and confidence within the industry, and thus encourage private industry to seek out and obtain the necessary financial backing for the construction and operation of the retoring facilities. The possibility exists that this production incentive would not even be used. This is not an open ended incentive. The tax credit, under the provisions of my bill, begins to phase out when the price of imported crude oil exceeds $20 per barrel. The tax credit would end when the price of imported crude oil exceeds $23 per barrel. According to Department of Energy (DOE) projections, the price of imported crude oil may reach $20 per barrel between 1985 and 1990. Most industry officials agree that the first shale oil plants would not come on line until the mid-1980's. Thus, if the competitive market conditions are such that shale oil can compete in the world market at that time, the tax credit would not come into play. However, if the world price of crude oil does not reach $23 per barrel by the time the first major amounts of shale oil are produced, the tax credit would be available. The point is this, the adoption of the tax credit now provides the necessary and immediate economic stability private industry needs. It will result in investment for construction activities now, and bring the shale oil facilities on line as soon as possible, consistent with the environmental and other Federal, State, and local government requirements which must and will be met.

The shale oil tax credit incentive is the single most positive stimulus presently available to encourage the orderly development of a viable and productive shale oil industry. The entire shale oil industry supports this particular production-oriented incentive. One company has already made a public commitment to immediately begin a $100 million shale oil facility in western Colorado, once the production tax credit legislation is passed by the Congress. The company is already involved in the initial permit process. When one project gets underway, it will provide an additional stimulus for competing companies to do the same.

The administration supported the $3 shale oil tax credit last year when the Senate approved the measure as part of the energy tax portion of the National Energy Act legislative package. Unfortunately, the tax credit did not survive the hectic action on the energy tax bill late in the 95th Congress. Energy Secretary James Schlesinger stated publicly and privately at that time, and has subsequently repeated in recent weeks, that the administration supports the tax credit incentive approach to stimulate the shale oil industry. Other DOE representatives have also stated that position.

Those of us who shudder at the economic and national security dangers inherent in our continued over-reliance on imported crude oil, recognize the contribution a viable commercial shale oil industry can make to our domestic economy and security. During the House Ad Hoc Energy Committee hearings on the energy bill, Defense Secretary Harold Brown testified:

> There is no more serious threat to the long-term security of the United States and to its allies than that which stems from the growing deficiency of secure and assured energy and resources . . . it is of the utmost urgency to plan for an orderly shift from our dependence on natural crude to synthetic fuels.

The present situation in Iran underscores the concern voiced by the Secretary. If the problems in Iran continue, it may well be that the United States will be forced to share our tight supplies of energy with other nations, under the terms of the International Energy Agreements of 1974 and 1975. The only secure source of energy is that which is produced right here at home.

Last year, the United States sent $40 billion overseas, mostly to OPEC nations, to pay for imported crude oil to meet nearly one-half of our domestic requirements. The balance of payments and inflationary impacts are obvious. If at least part of that nearly $40 billion could have been kept here at home by means of increased domestic energy production, we could have realized industrial expansion and created additional job opportunities, and as a result, actually increased the flow of tax revenue into the Treasury. We simply must reduce our reliance on unreliable foreign sources of energy. Shale oil production will assist in that goal. The $3 per barrel tax credit will provide the proper incentive to bring about that necessary production.

In the States of Colorado, Utah, and Wyoming, there are an estimated 600 billion barrels of recoverable shale oil—more than the proven reserves of conventional crude oil in the OPEC Nations—just waiting to be properly developed. That development can and will be accomplished in a responsible manner. The wait has been long, frustrating, and at times disappointing. All that is needed now is the proper economic stimulus, one which does not unduely burden the American taxpayers, and one which will in fact be an investment in our energy future. The $3 per barrel shale oil production tax credit is that proper incentive which is necessary to break down the economic barriers that have hampered shale oil development to date.

The administration supports it, the industry is united behind it, and everyone who truly realizes our serious domestic energy supply situation should support it with vigor, for the benefit of our national security and domestic economy. I ask my colleagues to actively support this proposal, and I urge the Ways and Means Committee to seek administration comments, hold the necessary hearings, and to act on the measure with all deliberate speed:

H.R. 1969

A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for each barrel of oil produced from shale

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Shale Oil Production Tax Incentive Act of 1979".

SEC. 2. CREDIT FOR THE PRODUCTION OF SHALE OIL.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by inserting after section 44C the following new section:

"SEC. 44D. PRODUCTION OF SHALE OIL.

"(a) GENERAL RULE.—

"(1) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(A) the production credit carryovers carried to such taxable year.

"(B) the amount of credit determined under subsection (b) for such taxable year, plus

"(C) the production credit carrybacks carried to such taxable year.

"(2) APPLICATION WITH OTHER CREDITS.—The credit allowed by paragraph (1) for a taxable year shall not exceed the tax imposed by this chapter for such taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43.

"(b) AMOUNT OF CREDIT FOR CURRENT TAXABLE YEAR.—The amount of credit determined under this subsection for the taxable year shall be an amount equal to $3 multiplied by the number of barrels of shale oil produced during the taxable year which are attributable to the taxpayer.

"(c) LIMITATIONS ON CREDIT FOR CURRENT TAXABLE YEAR.—

"(1) CREDIT REDUCED BY PROPORTION OF FEDERAL GRANT FUNDING.—

"(A) IN GENERAL.—The amount of credit determined under subsection (b) shall be reduced by an amount equal to the aggregate Federal shares attributable to the barrels of shale oil taken into account under subsection (b).

"(B) FEDERAL SHARE PER BARREL.—The Federal share attributable to a barrel shall be equal to—

"(i) an amount which bears the same ratio to the amount of credit which (but for this paragraph) would be determined under subsection (b) with respect to such barrel, as

"(ii) the total amount of grants made by the United States which was used to acquire any equipment or facility used in the project which produced such barrel bears to the total cost of all equipment and facilities used in such project.

"(2) CREDIT REDUCED BASED ON INCREASES IN ADJUSTED REFERENCE PRICE.—

"(A) IN GENERAL.—In the case of a taxable year for which the adjusted reference price exceeds $20.50, there shall be substituted for '$3' in subsection (b) the applicable amount determined in accordance with the following table:

"If the adjusted reference price is:	The applicable amount is:
Over $20.50 but not over $21.00	$2.50
Over $21.00 but not over $21.50	2.00
Over $21.50 but not over $22.00	1.50
Over $22.00 but not over $22.50	1.00
Over $22.50 but not over $23.00	.50
Over $23.00	0

"(B) PRESIDENTIAL AUTHORITY TO MODIFY APPLICABLE AMOUNTS IN SUBPARAGRAPH (A).—If the President determines that petroleum is being imported into the United States in such quantities or under such circumstances so as to threaten or impair national security, he may, for such period he deems appropriate, prescribe a dollar amount (not in excess of $3) which shall apply in lieu of the applicable amount which (but for this subparagraph) would apply under subparagraph (A).

"(d) SPECIAL RULES.—For purposes of this section—

"(1) ONLY PRODUCTION WITHIN THE UNITED STATES TAKEN INTO ACCOUNT.—Shale oil shall be taken into account under this section only if it is produced from property which is located within—

"(A) the United States (within the meaning of section 638(1)), or

"(B) a possession of the United States (within the meaning of section 638(2)).

"(2) COMPUTATION OF ADJUSTED REFERENCE PRICE.—

"(A) IN GENERAL.—The Secretary of Energy shall, not later than March 1 of each calendar year, determine the adjusted reference price for such year in accordance with this paragraph. If the adjusted reference price for such year exceeds $20, the Secretary of Energy shall publish in the Federal Register such price and a reasonably complete explanation of the calculations and data on which such determination is made.

"(B) ADJUSTED REFERENCE PRICE.—For purposes of this paragraph, the term 'adjusted reference price' means, with respect to a taxable year, the reference price for the calendar year in which the taxable year begins, multiplied by a fraction the numerator of which is the CPI for such calendar year and the denominator of which is the CPI for calendar year 1978.

"(C) REFERENCE PRICE.—For purposes of this paragraph, the term 'reference price' means, with respect to a calendar year, the average daily market price per barrel during the preceding calendar year for Arabian light crude oil (commercially known as Arabian marker crude oil) having—

"(i) an American Petroleum Institute gravity rating of 34 degrees, and

"(ii) a sulfur content of more than 1.5 percent but less than 2 percent.

For purposes of the preceding sentence, the average daily market price per barrel shall be determined as delivered (including cost, insurance, and freight) at New York City, New York.

"(D) CPI.—For purposes of this paragraph, the term 'CPI' means the Consumer Price Index for all urban consumers, as published by the Department of Labor.

"(3) PRODUCTION ATTRIBUTABLE TO THE TAXPAYER.—Shale oil production from a property shall be attributable to the taxpayer for the taxable year in an amount which bears the same ratio to the total production of shale oil from such property during such year as the amount of the taxpayer's gross income from such property for such year from such production bears to the aggregate gross income from such property for such year from such production. For purposes of the preceding sentence, gross income from a property shall be taken into account to the extent that such income is taken into account under section 613(a).

"(4) FRACTIONS OF A BARREL.—For purposes of determining the amount of credit under subsection (b) in the case of a fraction of a barrel, the dollar amount which (but for this paragraph) would be applicable to such barrel shall be reduced by an amount which bears the same ratio to such dollar amount as the excess of a barrel over such fraction bears to a barrel.

"(e) CARRYBACK AND CARRYOVER OF UNUSED CREDITS.—

"(1) ALLOWANCE OF CREDIT.—If the sum of the amount of the production credit carryovers to the taxable year under subsection (a)(1)(A) plus the amount determined under subsection (a)(1)(B) for the taxable year exceeds the amount of limitation imposed by subsection (a)(2) for such taxable year (hereinafter in this subsection referred to as the 'unused production credit year'), such excess attributable to the amount determined under subsection (a)(1)(B) shall be—

"(A) a production credit carryback to each of the 3 taxable years preceding the unused credit year, and

"(B) a production credit carryover to each of the 7 taxable years following the unused credit year,

and, subject to the limitations imposed by paragraphs (2) and (3), shall be taken into account under subsection (a) in the manner provided in such subsection. The entire amount of the unused production credit for an unused production credit year shall be carried to the earliest of the 10 taxable years to which (by reason of subparagraphs (A) and (B)) such production credit may be carried and then to each of the other 9 taxable years to the extent, because of the limitations imposed by paragraphs (2) and (3), such unused production credit may not be taken into account under subsection (a)(1) for a prior taxable year to which such unused production credit may be carried.

"(2) LIMITATION ON CARRYBACKS.—The amount of the unused credit which may be taken into account under subsection (a)(1) for any preceding taxable year shall not exceed the amount by which the limitation imposed by subsection (a)(2) for such taxable year exceeds the sum of—

"(A) the amounts determined under subparagraphs (A) and (B) of subsection (a)(1) for such taxable year, plus

"(B) the amounts which (by reason of this subsection) are carried back to taxable years preceding the unused production credit year.

"(3) LIMITATION ON CARRYOVERS.—The amount of the unused credit which may be taken into account under subsection (a)(1)(A) for any succeeding taxable year shall not exceed the amount by which the limitation imposed by subsection (a)(2) for such taxable year exceeds the sum of the amounts which (by reason of this subsection) are carried to such taxable year and are attributable to taxable years preceding the unused production credit year.

"(f) OTHER DEFINITIONS.—For purposes of this section—

"(1) BARREL DEFINED.—The term 'barrel' has the meaning given such term by section 613A(e)(4).

"(2) SHALE OIL.—The term 'shale oil' means a liquid hydrocarbon fuel produced from oil shale.

"(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such subpart A is amended by inserting after the item

relating to section 44C the following new item:

"Sec. 44D. Production of shale oil."

(2) Subsection (b) of section 6096 of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44C" and inserting in lieu thereof "44C, and 44D".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1979.

SECTION-BY-SECTION EXPLANATION—SHALE OIL PRODUCTION TAX INCENTIVE ACT OF 1979

(By Mr. JOHNSON of Colorado)

Section 1: Section 1 states the short title of the Act as the "Shale Oil Production Tax Incentive Act of 1979".

Section 2: Section 2 of the bill amends subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954. This part of the Code pertains to income tax credits. The amendment adds a new section 44D—"Production of Shale Oil."

GENERAL RULE

The new section 44D authorizes a credit to be allowed against the tax imposed by chapter 1 of the Code for the taxable year. The amount of the credit for the taxable year is determined by adding together the credit for the taxable year and the production credit carryovers and carrybacks carried to the taxable year. The total credits may not exceed the total tax liability for the taxable year, i.e., the tax credit is nonrefundable.

AMOUNT OF CREDIT FOR CURRENT TAXABLE YEAR

The basic credit allowed under the amendment is an amount equal to $3 multiplied by the number of barrels of shale oil which are attributable to the taxpayer for the taxable year.

LIMITATIONS ON CREDIT FOR THE CURRENT TAXABLE YEAR

Several limiting restrictions are placed on the amount of credit to be allowed. FIRST, the amount of the credit is reduced proportionately by the amount of Federal grant funds, if any, used in the project to the extent attributable to the taxpayer. SECOND, provisions are made for phasing out the credit based on the "adjusted reference price" which is later specifically defined as the price of imported crude oil, adjusted for inflation. The amount of the credit is reduced in fifty-cent increments, beginning when the "adjusted reference price" exceeds $20.50. The subsequent reductions are set forth in a table in the bill. The credit will end when the "adjusted reference price" exceeds $23.00. THIRD, the President is given the authority to set a specific credit amount, not in excess of $3 per barrel, for a given time, if he determines that the importation of crude oil threatens or impairs the national security of the United States.

SPECIAL RULES

Among the special rules is a requirement that in order to qualify for the credit, the shale oil must have been produced within the U.S. or within a U.S. possession.

The special rules also set forth the method of computing the "adjusted reference price." In general, the Secretary of Energy is directed to determine, not later than March 1 of each calendar year, the "adjusted reference price" for such year. If the "adjusted reference price" exceeds $20 per barrel, the Secretary of Energy is required to publish such price along with an explanation of the method and data used to arrive at his determination.

The "adjusted reference price" is defined as the "reference price" adjusted, by means of the Consumer Price Index (CPI), for inflation based on constant 1978 dollars. The "reference price" is defined as the average daily market price of Arabian light crude oil—known commercially as Arabian marker crude oil—delivered, including cost, insurance and freight (C.I.F.), at New York City, New York.

The production attributable to the taxpayer pertains to joint venture projects and properties where more than one taxpayer may be involved. Each taxpayer's production would be figured in proportion to the gross income each taxpayer realizes from such property for the taxable year.

CARRYBACK AND CARRYOVER OF UNUSED CREDITS

The carryback and carryover provisions are patterned after the provisions of the Investment Tax Credit. Their purpose is to allow each taxpayer who has no tax liability for the taxable year, or whose credits exceed the tax liability for the taxable year, to carry the excess credits forward to the succeeding seven taxable years and/or carry the credits back to the previous three taxable years. In each case, the amount of the credit allowed to be carried forward or backward is limited to the total tax liability for each of those taxable years.

OTHER DEFINITIONS

The definition of a "barrel" is cited as being the same as that set forth in section 613A(e) (4), which defines a "barrel" as being equal to 42 U.S. gallons. "Shale oil" is defined as a liquid hydrocarbon fuel produced from oil shale.

REGULATIONS

The Secretary (within the context of the Code) is directed to set forth the regulations necessary to carry out the provisions of the amendment.

TECHNICAL AND CONFORMING AMENDMENTS

Certain technical amendments are included in the bill to make the new section 44D conform with other parts of the Code.

EFFECTIVE DATE

The provisions of the amendment will become effective in the taxable years beginning after December 31, 1979.●

THE GREAT TRAIN ROBBERY—1

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. MARLENEE) is recognized for 5 minutes.

● Mr. MARLENEE. Mr., Speaker, the James boys would be put to shame by the latest train robbery—they are not only holding up the mail car—they are stealing the entire train.

And they are stealing jobs, commodity transport, and the competition that would insure lower utility rates in the Eastern United States with it.

This saga of the "old West" starts out with two competing railroads. The Milwaukee and the Burlington Northern. The Milwaukee was not as big as the Burlington but it did provide competition.

Mr. Speaker, there is one thought on the minds of almost every Montanan who works for or with the Milwaukee—that the fix is on, and has been for some time. In Montana if it looks like a skunk and smells like a skunk we generally give it credit for being one. If one railroad had a plan to dry up would it not cease maintainence, cut down on power, stop advertising, and refuse business?

From all indicated reports, the Chicago, Milwaukee, St. Paul & Pacific Railroad Co. is on very thin financial ground. Some reports disclose that they will not even be able to meet their next payroll. Since December 1977 when the railroad announced bankruptcy many questions have been asked, very few adequately answered by the railroad, by the Interstate Commerce Commission, by the Federal Railroad Administration, or by the trustee.

Point:

Is it not surprising that the same management is intact today that was there when the bankruptcy was caused?

Is it not odd that there are funds available through the ERSA to keep the transcontinental railroad going, sitting at the FRA, but the management will not apply for them?

Does it make sense that a railroad that needs money would not seek out new sources of revenue, do no advertising, actually turn down business?

Why is it that a railroad that admits it wants to end service west of Minneapolis not respond to parties that want to buy it?

Is it not peculiar that companies and employees are denied access to the financial records of this carrier, being told point-blank that they cannot have them?

There are very many well-meaning, dedicated employees and shippers who want to maintain freight competition in the West via a viable Milwaukee road. I will soon be introducing legislation putting more information into the RECORD about the latest, greatest, train robbery.●

A TRIBUTE TO COL. STANLEY GROGAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. MCDADE) is recognized for 5 minutes.

● Mr. McDADE. Mr. Speaker, I would like to call attention today to the outstanding military and civilian career of the late Col. Stanley Grogan, who was born and raised in Scranton, Pa.

Upon completion of high school, Colonel Grogan gained experience in the field of journalism by working as a reporter for various New York and Pennsylvania newspapers before he settled for 5 years at the New York Telegram. When the United States entered World War I in 1917, Stanley Grogan enlisted in the Army. For a year he served as a private with artillery and infantry units in France, and was commissioned in 1918.

Colonel Grogan remained with the Army after the Armistice, serving in various posts until he was appointed public relations officer. In the 1930's he served as chief of Army information in New York. After successfully fulfilling the obligations involved in that post, Colonel Grogan was assigned to organize the War Department Bureau of Public Relations in Washington in 1939. Colonel Grogan directed the expansion of this Bureau's information service to an organization capable of comprehensive public relations efforts.

In 1944, Colonel Grogan became public relations officer of the 5th Army in Italy, where he was awarded the Bronze Star for his efforts in retaliation to an ambush by German troops. Colonel Grogan did not stay behind the lines as other administrators might have. On three different occasions he received the Legion of Merit, a rare honor for an officer. Colonel Grogan's multitude of wartime decorations stems from service in Europe, the Mediterranean, Soloman Islands, South America, New Guinea, Africa, and the Phillippines.

When Colonel Grogan retired from the Army in 1951, he became the Deputy Director of the CIA, in charge of public relations. Colonel Grogan retired from the CIA in 1966, after 15 years of dedicated service.

Colonel Grogan made service to his country a way of life, and he will be sorely missed by all those who came into contact with him.●

BANKS SPEAK OUT AGAINST CONSUMER RIP-OFF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, variable rate mortgages (VRM's) are disadvantageous to consumers, because over the long run rates on these mortgages will inevitably go up, not down. I have often expressed these sentiments ever since this alternative mortgage instrument was first offered just over 3 years ago. But today I am proud to say that these words are not my own. They are those of a mortgage banker.

A recent report in the trade newspaper American Banker reveals that three of California's largest banks have opted not to offer VRM's because they fear a consumer backlash. Unlike the traditional fixed payment mortgage, which has made homeowning a reality for millions of Americans, a VRM's interest rate fluctuates with prevailing market conditions. Over the life of a loan, a borrower's rate of interest can increase as much as 2.5 percent, which translates into thousands of extra dollars in the total payment for a home.

Despite the serious threat to consumers which this type of mortgage poses, financial institutions have hailed the VRM as the savior of the home financing industry. But at least three banks in California, the only State where VRM's are common, dispute these claims. And they do so with good reason. Since this alternative mortgage instrument was first offered, the rates have changed once—in an upward direction which is likely to continue.

Proponents of the variable rate mortgage have reported that consumer reaction to the rate hike was mild, and use this as evidence that the new type of home loan is popular with consumers, who take on the risks of unpredictable interest rates under this system.

But Mr. Paul O'Brien, a vice president of Security Pacific National Bank's mortgage division, says that consumers' attitudes have not been sufficiently tested. The next time rates jump, lenders might hear a "few more grumbles," he predicts. And if the level of interest is raised again, borrowers may begin to express their anger on a full-scale basis.

United California Bank and Crocker National Bank have joined Security Pacific in refusing to offer VRM loans. Representatives of the banks have cast doubt upon claims that VRM's will increase mortgage availability and are therefore beneficial to consumers. Supporters contend that without VRM's, they become locked into fixed payment mortgages at low interest rates, and funds for new loans dry up when the bank's cost of borrowing money becomes prohibitive. Mr. Richard Betchley, an executive with Security Pacific, points out the fallacy of this argument in clear terms. It would take over 5,000 VRM's, he calculates, each going up one-half percent to produce enough funds for just one new loan.

The basis on which changes in the interest rate are determined poses a further threat to unwary consumers according to Mr. Betchley. Variable rate mortgages in California are tied to an index which measures the relative cost of funds to thrift institutions. Historically, this index has not coincided with the level of mortgage interest rates. Between 1974 and 1975 interest rates declined more than 2 percent, but the index rose during the same period. Thus, it is easy to envision a situation in which consumers holding VRM's would receive bigger bills each month while general mortgage rates were reduced.

From the analysis these banks present, it is evident that for consumers, variable rate mortgages are a no-win proposition. Over the past few years, I have made an effort to speak out against this consumer rip-off. This time, I let the banks speak for themselves.●

KING CRIME NO. 3

The SPEAKER pro tempore (Mr. PICKLE). Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, this could very well be labeled my third occasion, and, therefore, labeled "King Crime No. 3."

I have been speaking out on a subject matter that for years has preoccupied and concerned me quite a bit. Things have happened that, more than ever, emphasize the gravity of the situation that continues to afflict the country with respect to organized crime and its success in penetrating and dominating legitimate areas of business, high places and offices in government, from the local to the highest levels, and otherwise finding such roots in our society as to make it now an institutionalized activity of great wealth and success.

□ 1220

Unfortunately in some areas, mine being an example, we see some of the results in the tragic cases that I have addressed myself to, but I think more disturbingly than ever is the direct challenge to the government itself inflicted in the attempted murder of an assistant Federal district attorney in my area, Mr. James Kerr, and then subsequent to that, almost immediately, the case of Sante Bario, who is in a limbo in Santa Rosa Hospital in San Antonio, and who has a history that would defy any James Bond character, but which very, very disturbingly reflects this tie-in between crime and government.

Not unrelated to these other matters, less known citizens in my district who have been hit, murdered, are all part of this tremendous complex, one aspect of which has grown into a billion dollar business just within the last two and a half years, the international trade in stolen motor vehicles and parts.

The murder of an attorney in El Paso, Chagra, is also not unconnected because it is part of this web which is so vast and so deep that I feel in a quite demoralized state of mind that perhaps it is too late really to do anything about it. It may be beyond control; it may be such a reflection of a malaise among us or in America that unless we were to have a rebirth and a reaffirmation of basic principles, I doubt seriously that we are going to be able to extricate ourselves from the clutches of King Crime and his imperious reign.

I wish to introduce into the RECORD at this point the second of three or four articles appearing in the San Antonio Light. I introduced the first into the RECORD on Monday last. This is No. 2, by Saul Friedman, writing for the Knight News Service and appearing in the San Antonio Light on Monday, January 15, 1979.

I will continue to speak out, because I have importuned the highest levels of our executive branch, from the attorney general to the chief of domestic policy for President Carter, in the hopes that we can penetrate the presidential office to a point where we can have from the highest source, the President himself, on a priority basis, a war on crime.

Mr. Speaker, the article follows:

[From the San Antonio Light, Jan. 15, 1979]

KING CRIME—III

INFORMANT BARIO'S DOWNFALL?

(By Saul Friedman)

In 1975, Sante and Pat Bario were divorced and Sante married Joanne, a tiny, dark-haired woman 10 years his junior, whom he had met through Richard Ben-Veniste, an old friend and a former U.S. attorney. After a trip to visit Bario's family in Italy, the newlyweds moved to Mexico City, where Sante was placed in charge of the enforcement section in the Drug Enforcement Administration's (DEA) regional office.

Mexico City was a hot spot, the marijuana and heroin traffic from Mexico to points north was heavy, and DEA, riddled by the suspicion hanging over from Watergate and the target of congressional investigations, was under pressure to make cases and justify its existence.

In addition, DEA, which was just a couple of years old, was at odds with the State Department's interests in Mexico and other federal law enforcement agencies. And Bario was in a bureaucratic war with his regional director, who was replaced.

For a time, Bario was acting director of the regional office and Joanne recalls that her husband "was under tremendous pressures, trying to make cases, maintain relations with Mexican authorities, many of whom were corrupt, and fighting the battles within the office.

Then along came "Claude," who was recommended to Bario as an excellent informant on the basis of previous work with DEA and the Canadian mounties.

In Mexico his name was "Claude Picault." But he also used "Claude Henandez." And both aliases were on his elaborate business card, along with his real name and an "occupation"—"Rene Quintin de Kercadio, freelance reporter . . . hot spot missions."

Although Claude lived in Guadalajara, Mexico, where the DEA says he is now in hiding, he claimed offices in Paris, Rio de Janeiro, Montreal, Hong Kong and Honolulu.

For more than two years, as Claude and Bario worked together setting up narcotics smuggling cases, Joanne recalls, they saw each other often.

"Claude was the kind of man who insinuated himself into our lives, calling at odd hours, coming over to the house, always whining about his money troubles or the problems he was having with his girlfriends," she said. "He tried to give me gifts. He brought things to our son. He came to dinner. He once came to get Sandy's help in getting back some money the Mexicans had taken from him. The DEA helped him get his money. It was $150,000 for helping DEA."

Joanne insisted that Claude, like other informants, was paid large sums routinely with proceeds from narcotics transactions, which he made at the behest of DEA agents. On occasion, she said, Claude told her husband, after the fact, that he had held out, as his profit, portions of narcotics he had purchased for investigative purposes.

DEA officials insist this practice is prohibited by regulations and the law. But the congressional investigations disclosed that DEA and other narcotics agents have paid off informants with narcotics, as well as with cash, in order to make cases.

Nevertheless, Bario had violated the law and regulations by not reporting Claude to DEA officials. And, as Joanne recalled sadly, her husband had given Claude cause for blackmail.

"Claude had his hooks into Sandy," she said.

THE NEED FOR A NATIONAL DEBATE: WHAT KIND OF DEMOCRACY FOR TOMORROW?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 10 minutes.

Mr. PANETTA. Mr. Speaker, a few weeks ago, I sat in the House of Representatives with Members of the 96th Congress and heard the President deliver his state of the Union message. Along with a general outline of his program goals for the coming year, he called upon Congress and the country to join him in building a "new foundation" for American policy both at home and abroad.

A new foundation. That phrase has been very much on my mind as I and other members of the Budget Committee have begun to study the administration's proposals for the next fiscal year. For, while the President is right in his concern over inflation, the elimination of the Federal deficit, the limitations of Government, and the changing national and global realities, he failed to provide the bold reassessment of the future that is essential to any new theme. He failed to provide a vision of the "structure for the future" to place on his "new foundations."

What troubles me is that I do not see this bold reassessment for the future taking place anywhere—in the Congress or in the country at large or in the President's own budget. The program categories—the terms in which the budget is presented—have remained basically unchanged. The budget debate in the Congress in the coming months can be expected to center on a myriad of minor cuts and adjustments in money for all the various existing programs, not on sweeping reassessments of the programs themselves. I believe that sweeping reassessments ought to be made in a great many program areas. In fact, I believe it is time for a major reexamination of the Federal role in our society.

The pressures for change are everywhere. In part, they stem from serious economic issues relating to escalating inflation and taxes, reduced productivity, increased deficits, interest rates, and trade imbalances. In part, they come from a growing frustration with the ability of Government to respond effectively to the needs and concerns of people.

The growth of bureaucracy, red tape and the complexity of government have too often hindered the achievement of the very goals sought by well intended programs supported by a majority of the people. And that same bureaucracy has dulled the incentive of local governent and the private sector to fulfill their crucial roles in a balanced democracy.

But whether the pressures for change are born out of frustration or confusion, out of legitimate concerns or irrational fears, the people in this country are seeking a vision of where this country must go in the future. What is the role of government? What is the proper partnership between Federal, State and local government? What is the role of the private sector? What kind of democracy do we want for tomorrow?

I am not suggesting that we indulge in a simplistic effort to dismantle the Federal Government. I am not suggesting that we will find a free lunch. But I do believe we can find more imaginative, efficient and effective ways of delivering many of the services that government now offers, and I believe we desperately need a more coherent guiding vision for our country for the remainder of this century and beyond.

That vision simply does not exist today. We find ourselves in a state of national confusion. Some talk of returning to the programs of the sixties despite their failures and frustrations. Some talk of returning to the policies of the twenties despite the reality of modern progress and the basic changes that have occurred in our economic and social structures. And some cling to Government programs and structures as they are, even when they are not really doing the job.

Perhaps the most disturbing element of this state of national confusion is the growing erosion of public support for and commitment to public service. Any role in government draws almost universal criticism from a public barraged by reports of fraud and corruption that often fail to recognize the commitment of the thousands of dedicated people in government. If any response to the current crisis is to succeed, if any vision is to be fulfilled, it will demand pride in public service by both those who work for and are served by government.

But how will a new national vision be shaped? To whom should we turn?

Presidential leadership is one important element in this effort. But a President by himself cannot dictate a new vision for a democratic society. That vision must come from the people themselves, hammered out in a myriad of local forums and given final shape and direction by their elected representatives in Congress. It is important, therefore, to look at the Congress and see whether its structure will allow for debate and decision along such fundamental lines.

Congress today does not begin to meet this test. It is swamped with legislative minutiae. It struggles frantically to complete all the complicated steps of the budget process in 1 year, and then starts all over again. Special interests and special constituencies dominate congressional reaction and overreaction. The oversight function—the examination of Government departments and programs to see how well they are working—has fallen by the wayside in the scramble to complete all of this pressing legislative business.

That is why I introduced my proposal in the last Congress for a 2-year or multiyear Federal budget, and I will be introducing it again this year. Basically, handling the budget in 2-year installments will free up time for critical study of current programs and for asking more fundamental questions about the direction and purpose of the Federal Government for the future.

As newly appointed member of the Budget Committee and chairman of the Task Force on Legislative Savings, it will be my responsibility to review the President's budget and help determine the congressional budget. My goal will be to examine and challenge the fundamental structures and assumptions of government.

The people are ready for that kind of national reassessment—for the building of a new foundation not only in rhetoric but in fact. Whether right or wrong, this was the mood that produced proposition 13 and the basis of the movement now for a constitutional convention. Obviously, the danger of such a convention is that it will be dominated by highly emotional single-issue organizations that will stampede a legislature or an electorate into passing measures that are ill-conceived, repressive or narrowly self-serving. While I do not believe a constitutional convention should be sought at this time, I do believe the underlying mood of the public to examine and challenge the process must be mobilized within existing democratic institutions.

Let us ask some sweeping questions in the same enlightened and innovative spirit that brought this country into being. Does it make sense simply to add or subtract a few million here and a few million there from the programs that overlap each other's functions or miss their intended purpose completely? Can we accomplish some of the same worthy goals of old programs through new approaches that are more direct and less costly?

Let us look at entire Federal departments. What is their real function? If their output simply amounts to the distribution of money through grants and loans, could not we accomplish some of the same things more effectively by creating some kind of community development bank for housing, transportation and small business assistance?

Let us look at the Defense Department. There is no getting away from the Federal responsibility for a strong national defense. But what about the way we organize and fund it? We will have a defense budget in the coming year of about $125 billion, and over 50 percent of that amount will go just for personnel. Can we afford to continue that ratio—especially when we already have commitments for $99 billion worth of new arms and equipment in the pipeline for 1981? Should we be considering a revival of the military draft or some broader form of national service as a way of relieving that load?

Let us look at our foreign affairs and our policy of human rights. Do billions of dollars of direct aid and military arms truly implement an effective foreign policy or does it make more sense to turn to improved trade in agricultural goods and other humanitarian services and technologies?

Let us look at our national revenue system and social security system. Our tax laws are so complicated today that even the CPA's are confused. Is it not possible to have a drastic simplification of these systems without abandoning the goals of progressivity and fairness? Why can we not revamp whole structures, rather than tinker a little here and a little there, with the result that programs designed to advance equity result in gross inequity?

Let us look at Government regulation of industry. When we set out to deregulate the airlines, the only objection came from the airlines themselves. They had grown so accustomed to the old system that the idea of competition frightened them. But now that the mission is accomplished, ticket prices are down, passengers are flocking to the airports, and the airlines are rolling in profits. Are there other functions we could turn over to private enterprise?

Perhaps we are not talking about a total restructuring of our society so much as seeking a better balance among and between the various institutions and elements of our society; a balance between Federal, State, and local governments; a balance between the public and private section; a balance between labor and management; growth and environment; progress and stability.

Some of these questions are already being asked. As I said, these are questions for which I have no final answers. Indeed, there may never be final answers to questions of this kind in a society where conditions are perpetually changing. But unless we ask these questions and adjust our policies and institutions to keep in tune with the times, we risk being governed today by the dead hand of the past. We risk losing all respect for government on the part of a people who are supposed to be the government themselves.

I believe we stand today perilously close to that point where public confidence breaks down, and indeed it is time to build a new foundation, a new vision for this country. That cannot be done by a President alone, or by a Congress or a Congressman. It can only be done, if it is to have any validity for the future, with the full participation of the people.

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EXPORT TRADE ARTICLE NO. 1: CHINA NEEDS AMERICAN AGRICULTURE

The SPEAKER pro tempore Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 5 minutes.

● Mr. ALEXANDER. Mr. Speaker, I believe we are all aware of the potentials for trade with the People's Republic of China. For the American farmer these trade opportunities present a special challenge and reward because the Chinese have shown the most interest in American agriculture. As the following editorial points out, and I am sure my colleagues will agree, "no place on earth feeds its people better or grows its foodstuffs better than the United States". The article appeared in the January 12, 1979, issue of the Delta Farm Press and I commend it highly to my colleagues.

[From the Delta Farm Press, Jan. 12, 1979]

CHINA IMPRESSED BY U.S. FARMING EXPERTISE

The recent decision by the governments of the United States and the People's Republic of China to formally recognize one another threw into the bright light of day some of the complexities of living in this day and age.

On the one hand, the decision was a tough one—politically and historically. But the obvious hospitality toward the U.S. by China in the recent past should have shown pretty clearly that that mammoth nation was interested in friendship with this country.

And, even more tellingly, the swarm of Chinese tours that began arriving on these shores within the last 16 months should have been an even more obvious indication that China was warming in her public policy.

And what were the Chinese most interested in? What did they request to see first? What sector of this society did they send the highest-ranking delegation to investigate?

Food.

American agriculture.

The fact that the Chinese put the greatest emphasis on learning more about our crop-raising and processing and transportation capabilities should have been an obvious clue as to a very significant reason the Chinese want—and need—to get to know America and America's farmers better.

Because when it all comes down to it, we wind up with the same old, but true, cliche: Everybody's got to eat. And no place on earth feeds its people better or grows its foodstuffs better than the United States.

And the Chinese seem to know that fact of life.●

THE REGULATORY FLEXIBILITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 15 minutes.

● Mr. KASTENMEIER. Mr. Speaker, I am introducing today along with my colleagues Congressmen BALDUS and HARKIN the Regulatory Flexibility Act, a bill to amend the Administrative Procedures Act to provide that Federal regulations and informational requirements fit the scale of those being regulated, and that fewer, simpler requirements be made of individuals of limited means, small organizations, small businesses, and small governmental jurisdictions.

It will come as no surprise to any Member of this House that Federal regulations have vastly proliferated in the past decade. Their basic intent and purpose has been to improve the quality of life for our people through improving the environment, creating safer working places, and removing hazardous products from commerce. Unfortunately, however noble their goals, the fact is that some of these regulations have had the effect of limiting competition in the marketplace.

Regulations which are poorly designed and have enormous reporting requirements, significant compliance burdens, and impose standard technologies rather than permitting the use of the least expensive means of achieving the standards have the effect of placing small business and small organizations at a great disadvantage in terms of competitiveness. By its very nature, small business is less capable than larger business of discovering what Government regulators expect, understanding what Government regulators expect, and complying with what Government regulators expect. Yet, the way our regulatory process operates, more often than not the same expectations are made of small business as of large business.

An examination of our current regulatory process reveals two clear problems. One, is the heavy burden the reporting requirements placed on small businesses and organizations, and the other is the disproportionate cost to these small enterprises of compliance with Federal regulations.

There seems to be a growing tendency by Government on all levels to demand more and more information of the public. The business community, in particular, is seemingly bombarded with forms, reports, questionnaires, and other information-gathering mechanisms, some requiring information of a questionable necessity and many raising the same questions over and over again—a redundancy which is costly and inefficient.

There are legitimate questions being raised about just how much information the Government need have in order to protect the public and the marketplace. The answer should be no more than is absolutely necessary to faithfully execute the laws. But, the information grab is on and there does not seem to be an end to it all.

There are over 5,000 Federal forms distributed to the public and more than 10 each year for every man, woman, and child in the country.

The Federal Paperwork Commission in its report issued in 1977 estimated that the paperwork burden costs the American taxpayer $100 billion a year.

Of course, not all of this directly affects small business and small organizations, but much of it does.

Small organizations do not have legal or accounting departments to help them meet all of the reporting requirements placed on them. Yet, because there is no differentiation made, a small tool company with 15 employees is often subjected to the same reporting requirements as General Motors. The result is a tremendous and disproportionate burden placed on small organizations that large organizations simply do not face.

Keeping up with the existence of new and changing regulations is difficult enough for the small businessman. Complying with them is another thing and weighs far heavier on the small enterprise.

Small organizations do not have the staff, nor the expertise required to deal with the Federal Government. They do not have the modern technology and data-handling techniques which allow them to respond quickly. Much of the compliance work must be done after hours, when they leave the store or the office. The result is a basic inequity resulting from compliance requirements, placing small business at a definite disadvantage in the marketplace.

Small business spends an estimated $32 billion a year to fill out 10 billion sheets of paper. And, while it is generally assumed that the additional costs of compliance are passed on to the consumer, studies have cast serious doubt on that assumption. A survey by the Small Business Administration of the small business community in 1975 found that about 60 percent of the firms surveyed reported that they were unable to pass on costs mandated by Federal regulations.

Some examples of the impact of the regulatory process on small business presented to the Senate Select Small Business Committee will help illustrate the problem.

An elderly couple in Arizona, proprietors of literally a "ma and pa" auto business, testified that they spend an average of 15 hours a week preparing Federal reports.

A pension plan in Montana with 12 members is subject to the same informational and regulatory requirements as the pension plan of the Carpenter's Union with more than 800,000 members.

The president of a rural Indiana feed and farm supply company testified before the Federal Paperwork Commission that his firm now spends 80 bookkeeping days per year, 120 auditing hours, and 80 legal hours complying with regulations from the Departments of Agriculture, Commerce, Labor, and Transportation, as well as the FCC, the IRS, the EEOC, OSHA, the FDA, the Social Security Administration, and the Census Bureau. He also testified that during the height of one harvest season, the Transportation Department demanded an exhaustive record of every shipping transaction his firm had made in a previous year—and then sent out an investigator when he did not comply at once. He later learned it was a "random survey."

The owner of a machine shop in Iowa, who was unable to complete the Census Bureau's massive MA-200 report on pollution abatement expenditures without changing his entire accounting system, filled out the report as best he could and offered to let the Bureau examine his books. The Bureau threatened punitive action if its specifications were not met in full.

In its 28th annual report, dated February 1, 1978, the Senate Select Committee on Small Business noted:

> Indeed, testimony before the Senate Small Business Committee, the Federal Paperwork Commission, and other bodies concerned about these problems, has turned up repeated instances of Federal rules and information requests being applied so rigidly that privacy rights have been violated, individuals have been harassed, high market entry barriers have been created, and competition has been stifled.

All of this is not to suggest that regulation is bad per se nor that small business should not be subject to regulation. It is to say, however, that the current regulation process is creating a genuine and serious problem in the business community.

The bill I am introducing today may not solve all of these problems, but it should go a long way toward easing greatly the regulation burden placed on small business and small organizations, without compromising the obligation of the Federal Government to protect the health and welfare of the people.

The basic purpose of the bill is to provide the agencies and departments of the Federal Government with the necessary tools to tailor regulations to the size and resources of those being regulated. The intended effect of the bill is to relieve small business, small organizations, small governmental jurisdictions, and individuals of limited resources of some of the regulation and paperwork burden.

The bill proposes a number of approaches to flexible regulations: The establishment of differing compliance and reporting requirements that take into account the amount of resources available to individuals, businesses, organizations, and governmental jurisdictions; exemptions from coverage of the proposed rule, or any part thereof, for such entities whose activities are of a nature which makes their inclusion of minimal value to the realization of the goals of the proposed rule; and other suitable means, such as performance standards rather than standards which impose particular technologies and differing timetables for compliance.

In addition, the bill establishes new procedures to govern the imposition of reporting and recordkeeping requirements on the public by Federal agencies. They must indicate at the time the regulations are originally proposed whether reports will have to be filed by the public, the nature of the reports, the proposed use of the information required, an estimate of the number of persons required to submit or maintain such reports and an estimate of the average amount of time necessary for each person to comply with the requirements.

This bill encourages the agencies to seek alternative regulatory strategies not only from within the Government, but from the public as well. It streamlines the requirements for agency impact statements. It mandates agency consideration of regulatory effects on small cities and towns, as well as on small enterprises and on individuals.

It offers regulatory strategies which go beyond "tiering" but have the same effect: Reducing the burden on those least able to bear it. It imposes strict controls on paperwork requirements. And, it opens the regulatory process further to public participation.

Senators CULVER and NELSON have taken the lead on this issue and introduced such legislation in the Senate during the last Congress as well as last week. The Senate Judiciary Committee approved such a bill and the Senate passed the measure on the last day of the 95th Congress. Although time constraints prevented any further action last year, I am hopeful that we can move this bill forward in both the Senate and the House in the months ahead.●

THE VICTIMS OF CRIME ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

● Mr. RODINO. Mr. Speaker, I am today introducing a bill that will, I hope, be enacted into law this year. It is designed to help States assist innocent victims of crime by compensating them for financial losses resulting from physical injuries.

It has been said with a good measure of truth that a crime victim is victimized twice, once by the wrongdoer and once by the criminal justice system. Crime victims are victimized by the criminal justice system in two ways. First, too few criminals are apprehended. Society, which has a duty to protect its citizenry, has failed to protect against the commission of the wrongful act, and that failure is compounded by the failure to apprehend and punish the wrongdoer.

Second, when the wrongdoer is caught, the criminal justice system operates with an attitude which seems to assign lowest priority to concern for the welfare of the victim. Victims are expected to assist police and prosecutors to the extent of taking time off from work if necessary, because cases are handled by those authorities to suit their schedules, not the victim's. Cases are set for trial and canceled and reset for the convenience of the judge, the lawyers, and the defendant, often with little concern for the convenience of the victim.

If the defendant is convicted, the court fixes a punishment—jail, fine, probation—that vindicates the interest of the Government and that usually does not require the wrongdoer to recompense the victim.

In recent years, there have been attempts to redress this situation and to pay more attention to the welfare of victims. There are programs to deal with the special problems of rape victims, for example. In addition to such special programs, 25 States have established programs to compensate innocent crime victims for unreimbursed losses sustained as the result of the crime committed against them. The States are: Alaska, California, Connecticut, Delaware, Hawaii, Illinois, Indiana, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nevada, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, Tennessee, Virginia, Washington, and Wisconsin.

These programs are not giveaways, and they do not unjustly enrich victims. Victims first have to look to other sources, such as insurance. The State assists victims only to the extent that those sources are inadequate to meet the need of the victim.

These programs, moreover, assist law enforcement. A victim cannot receive compensation unless he or she has promptly reported the crime to the police and cooperated with the reasonable requests of police and prosecutors. It may be for this reason that the law enforcement community strongly endorses victim compensation programs. The Federal crime victim compensation legislation has been endorsed by the International Association of Chiefs of Police, the International Conference of Police Associations, the Fraternal Order of Police, the National District Attorneys Association, Americans for Effective Law Enforcement, and by numerous individual district attorneys and State attorneys general.

Federal legislation has been endorsed by a wide variety of other groups, including the American Bar Association, the National Council on Crime and Delinquency, the National Conference of State Legislatures, the National Retired Teachers Association and American Association of Retired Persons, Americans for Democratic Action, the National Conference of State Legislatures, the National League of Cities and United States Conference of Mayors, and the National Moratorium on Prison Construction.

The bill, which is similar to the legislation approved by the House in the 95th Congress, calls for the Federal Government to reimburse States for half of the money they actually pay to victims. It does not call for reimbursement of the States for their administrative and overhead expenses, so each State will bear most of the cost of its victims compensation program.

The bill sets forth nine criteria that a State must meet in order to qualify for Federal assistance. These criteria have been carefully developed to assure that certain standards are met, while allowing the States maximum flexibility to shape their own programs.

There is one other point that I would like to emphasize. It is the wrongdoer, not a State victim compensation program, who is primarily responsible for making good on the loss caused the victim. The person who commits the crime has a restitutionary obligation to the victim.

My bill recognizes this and seeks to encourage that idea. The legislation requires that, in order to be eligible for Federal assistance, a State must be able to impose a restitution requirement upon persons convicted of a crime.

It is important to keep in mind that the criminal has the primary responsibility for compensating victims, and courts should impose a restitutionary obligation upon convicted wrongdoers whenever appropriate. I am afraid, however, that we cannot rely upon restitution to supplant and do away with the need for victim compensation programs. As a practical matter, restitution will be of no help to most victims. Too few criminals are caught, and of those caught and convicted many are financially unable to make restitution. We cannot expect restitution to help very many crime victims.

Mr. Speaker, the Federal Government presently helps State law enforcement agencies, State prosecutors, State courts, State prisons and jails. It is time for the Federal Government to help States assist another, and equally important, component of the criminal justice system—the innocent victims of crime.

SECTION-BY-SECTION ANALYSIS OF H.R. 1899, THE VICTIMS OF CRIME ACT OF 1979

SECTION 1

Section 1 provides that the short title of the legislation is the "Victims of Crime Act of 1979."

SECTION 2

Section 2 authorizes the Attorney General to make grants to States that have qualified crime victim compensation programs. The amount of a grant that a qualified State program may receive equals 50 percent of the cost of paying compensation to victims of State crimes and 100 percent of the cost of paying compensation to victims of analogous Federal crimes (described in section 7(8)(B) of the bill). Such grants are subject to the availability of amounts appropriated, and grants may be made in advance or by way of reimbursement.

Section 2 also authorizes the Attorney General to prescribe such rules as are necessary to administer the legislation. The Attorney General, however, is prohibited from modifying the disposition of any individual claim that a State program has processed.

SECTION 3

Section 3 establishes a 9 member Advisory Committee on Victims of Crime. The Committee's purpose is to advise the Attorney General with respect to the administration of the legislation and the compensation of crime victims. The Committee will have 9 members. They will serve one year terms and receive only travel and transportation expenses and a per diem allowance while away from their homes on committee business.

Seven of the members of the Committee must be officials of States with qualified victim compensation programs. The purpose of this requirement is to ensure that those directly affected by the administration of the legislation will have a formal and direct method of making their views known to the Attorney General.

SECTION 4

Section 4 sets forth the criteria that a State program must meet in order to qualify for a grant under section 2.

First, the program must offer (a) compensation for personal injury to any person who suffers personal injury as the result of a qualifying crime; and (b) compensation for death to any surviving dependent of any person whose death is the result of a qualifying crime.

Second, the program must offer to aggrieved claimants the right to a hearing with administrative or judicial review.

Third, the program must require that claimants cooperate with appropriate law enforcement authorities with respect to the qualifying crime for which compensation is sought.

Fourth, the State must require that appropriate law enforcement agencies and officials take reasonable care to inform victims about the existence of the State's victim compensation program and the procedure for applying for compensation under that program.

Fifth, the State must be subrogated to any claim that the victim, or a dependent of the victim, has against the wrongdoer for damages resulting from the qualifying crime, to the extent of any money paid to the victim or dependent by the State's victim compensation program.

Sixth, the program must not require a claimant to seek or accept welfare benefits, unless the claimant was receiving such benefits prior to the qualifying crime that gave rise to the claim.

Seventh, the program must deny or reduce a claim if the claimant contributed to the infliction of the death or injury with respect to which the claim is made.

Eighth, the State must be able to require a criminal wrongdoer to make restitution to the victim, or the surviving dependents of the victim, of his crime.

Ninth, the program must not require that any person be apprehended, prosecuted or convicted of the qualifying crime that gave rise to the claim.

Section 4 also provides for a grace period for existing State victim compensation programs to modify their statutes and regulations in order to comply with all of the criteria of section 4. The grace period lasts from the effective date of the legislation until the day after the close of the first regular session of the State legislature that begins after the effective date of the legislation. During the grace period, all existing State crime victim compensation programs are deemed to be qualified for grants under section 2.

SECTION 5

Section 5 provides that certain expenses will be excluded from the cost of a State program when determining the amount of the federal grant. Thus, the State itself pays for all of these expenses. The expenses that are to be excluded are: (1) administrative expenses; (2) awards to victims for pain and suffering; (3) awards to victims for property loss; (4) awards to claimants who failed to file a claim within one year after the crime occurred, unless the appropriate State agency finds good cause for the failure to file within that time; (5) awards to claimants who failed to report the crime to police within 72 hours after it occurred, unless the appropriate State agency finds good cause for the failure to report it within that time; (6) amounts awarded to a victim that exceed $50,000; (7) amounts awarded to a victim covering a loss for which the victim was entitled to be compensated by a source other than the State victim compensation program and the perpetrator of the crime and (8) amounts awarded to a claimant for lost earnings or loss of support that exceed $200 per week.

SECTION 6

Section 6 requires the Attorney General to report annually to the House and Senate Judiciary Committees on the administration of the legislation. The report, which is due not later than 135 days after the end of the federal fiscal year, must provide specified information about each qualifying State program and about the Attorney General's activities in administering the legislation.

SECTION 7

Section 7 defines certain terms used in the legislation.

The term "dependent," for purposes of the legislation, means any dependent as defined by the State for purposes of the State's victim compensation program.

The term "personal injury," for purposes of the legislation, means personal injury as defined by the State for purposes of the State's victim compensation program.

The term "State" means a State of the United States, as well as the District of Columbia, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

The term "compensation for personal injury" means, for purposes of the legislation, compensation for loss resulting from personal injury and includes: (a) reasonable expenses for hospital and medical services; (b) reasonable expenses for physical and occupational therapy and rehabilitation; and (c) loss of past and anticipated future earnings.

The term "administrative expenses" means, for purposes of the legislation, any expenses other than awards of compensation for personal injury and compensation for death. The term also includes attorney's fees when such fees are paid in addition to, and

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Mr. DRINAN. Mr. Speaker, I am today joining the distinguished chairman of the Committee on the Judiciary in sponsoring a bill H.R. 1899, to help States assist crime victims. Passage of this legislation is long overdue, and the Subcommittee on Criminal Justice, which I chair, will handle it expeditiously in order to bring it before the House at an early date.

One of the most important functions of Government is to insure the safety of its citizens and protect them from the criminal acts of those within its jurisdiction. When a citizen is misfortunate enough to be victimized by a criminal act, the Government has failed that citizen, or it has permitted conditions to exist that lead to criminal conduct. The Government may further fail that citizen (and the rest of its citizenry) if it is unable to apprehend and punish the wrongdoer.

When someone has been victimized by a criminal act, that victim should be reimbursed for losses incurred as the result of the crime. Who has the basic obligation to make the reimbursement? The criminal wrongdoer who caused the loss has the basic obligation.

Our judicial system recognizes this and empowers courts, as a part of the criminal sentence, to impose a restitution obligation upon a convicted wrongdoer. Our judicial system also allows the victim to recover in a civil action against the wrongdoer.

These methods of reimbursing victims for the losses they sustain as the result of criminal acts have, regrettably, proven to be inadequate. Many criminal wrongdoers never get caught, and for their victims restitution and civil suit is not even available. Moreover, many of those wrongdoers who are caught and convicted are of such limited financial resources that they cannot reimburse their victims. The victims of those wrongdoers find restitution and civil suit to be meaningless.

We therefore have a class of crime victims for whom restitution by, or civil suit against, the wrongdoer is either unavailable or meaningless. This class, unfortunately, is quite large and constitutes probably the vast majority of all crime victims.

The issue, then, is: Who should bear the loss? The innocent citizen, who through no fault of his or her own, fell victim to the criminal act of another? Or should it be the Government, to whom the innocent victim—indeed all of the citizenry—looks for protection from just such acts?

Some 25 States which have addressed this issue have concluded that they have a responsibility to assist crime victims. They have established programs—relatively modest programs—to compensate victims for certain losses which the victims would otherwise have to bear entirely. They do not compensate all crime victims for all losses. They compensate victims only for those losses caused by physical injury resulting from crime. They do not compensate victims if the loss is recoverable through other sources, such as insurance. They do not compensate victims for loss of property, such as a stolen car.

The legislation which Chairman Rodino and I have introduced will assist these States in that worthwhile endeavor and will encourage other States to establish crime victim compensation programs. It will reimburse States for half of the amounts that they pay to compensate crime victims. It will not reimburse States for their administrative costs.

To qualify for such assistance, the States must meet several criteria. These criteria have been developed in close consultation with States that have programs. They have been carefully drafted to insure that each State has maximum flexibility to shape its own program to meet its own needs and conditions, while at the same time insuring that certain basic standards are met. I am happy to say that the States have responded well to our efforts and have found that they can comply with the criteria with a minimum of change in their present programs.

I am proud to join Chairman Rodino in the introduction of the "Victims of Crime Act of 1979." The legislation will be the subject of hearings by the Subcommittee on Criminal Justice on Wednesday, February 21, 1978, starting at 10 a.m. in room 2237. The hearing will deal with all aspects of the legislation and will focus in particular upon the special needs of elderly crime victims.

The Select Committee on Aging, on which I serve, under the outstanding leadership of the distinguished gentleman from Florida, has been particularly concerned about the problems and needs of elderly crime victims. Last Congress our committee's Subcommittee on Housing and Consumer Affairs, under the able leadership of its distinguished chairman, Mr. Roybal, and distinguished ranking minority member, Mr. Hammerschmidt, issued a report concerning elderly crime victims. That report, entitled "In Search of Security: A National Perspective on Elderly Crime Victimization," recommended enactment of Federal legislation to help States assist crime victims. In addition, the report recommended several provisions to deal with the special needs of the elderly crime victims.

These recommendations, and others concerning special provisions for elderly victims, will be a major area of concern to the subcommittee in its work on the legislation.

The subcommittee will begin its markup of the legislation shortly after the close of hearings. I hope to bring the legislation to the floor for a vote early in the session, and I urge my colleagues to support it.

HOW THE UNITED STATES SHOULD PROCEED ON RHODESIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Diggs) is recognized for 5 minutes.

● Mr. DIGGS. Mr. Speaker, white Rhodesians recently voted overwhelmingly to approve a new constitution which is purported to guarantee black majority rule, but which in fact entrenches continued white minority domination for years to come. It should not go unnoticed that Rhodesia's black majority was not allowed to vote in the referendum on this dubious document (which will not even make it binding on the black prime minister "elected" in April). Yet Ian Smith and his supporters will now launch a campaign in the U.S. Congress to try and force unilateral, de facto recognition of the so-called "internal settlement" by having us lift trade restrictions in violation of United Nations sanctions.

Such a congressionally inspired move would damage, perhaps irreparably, overall United States-African relations, undermining our credibility throughout Africa, and contribute to the very internationalization of the escalating Rhodesian conflict that all interested parties seek to avoid. If the U.S. Congress is going to play a constructive role in the conduct of U.S. policy toward Rhodesia, it must be an informed role based on the merits of the issue, and on an objective reading of the mutual interests of the United States and Africa in seeing a stable situation develop in Southern Africa. The following selections from the New York Times (February 1 and January 30, 1979, respectively) should provide a proper perspective for intelligent congressional action on the Rhodesian issue:

[From the New York Times, Feb. 1, 1979]

No End of Torment: IV

(By Anthony Lewis)

Salisbury, Rhodesia.—What could the United States do now to stop the fighting and encourage a real political settlement in Rhodesia? The question is not of preoccupying concern to Americans; it is not Iran or SALT or China. But the chaos in Rhodesia affects all of southern Africa, and before long there may be scenes of flight and misery that will rouse U.S. opinion.

Ian Smith, leader of Rhodesia's small white minority, has a role in mind for the United States. It is to support his arrangement with internal black leaders for a form of "majority rule" that preserves white influence.

White Rhodesians have just overwhelmingly approved Mr. Smith's plan in a referendum. (The total vote was 67,000, in a country of 6 million people.) In the campaign Mr. Smith told white voters that a crucial aim was to get American backing. Once Rhodesia had accepted majority rule and agreed to go to a conference of all the warring parties, he said, President Carter "is virtually obligated to grant us recognition." Mr. Smith spoke repeatedly of "our strong conservative supporters" in the United States. "They are the light at the end of the tunnel," he said.

One difficulty with Mr. Smith's scenario is that it does not state American law correctly. Congress voted last year to end economic sanctons against Rhodesia if its Government accepted an all-party conference and held free and fair elections among all its people. It said nothing about diplomatic recognition, which is up to the President, not Congress.

There is supposed to be an election on April 20. All blacks will be eligible to vote for the first time, although the white 4 percent of the population will fill 28 percent of the seats. But with guerrillas controlling much of the countryside, and internal political armies intimidating voters, it is questionable if the election will be accepted internationally as "free and fair."

In any event, neither Mr. Smith's referendum nor American diplomacy can magically transform the reality on the ground. Patriotic Front guerrillas, principally those of the movement headed by Robert Mugabe, have made significant gains in recent months. And there is no evident reason to expect that a multiracial government set up after the election would have any greater success against the guerrillas.

The post-April government is in fact likely to be a weak and divided one. The new constitution requires parties that detest and fear each other to govern in coalition, with no strong executive. The resulting regime may have real trouble holding the loyalty of the security forces, white and black.

There have already been signs of restlessness among white soldiers about the idea of fighting for a multi-racial government—which Mr. Smith used to say would not come in his lifetime. Young soldiers jeered him at some election meetings, and chanted: "Will someone tell us why we fight? What once was wrong now is right."

As for black soldiers, who make up the bulk of the army under white officers, they may not find much appeal in a government that has a black prime minister but that cannot deliver much, if any, improvement in black living standards. They will probably also be influenced by intensifying tribal loyalties, reflected in the makeup of the guerrilla forces and the private political armies.

At this point no one can predict the political future with any confidence. Observers with lines into the rural areas believe that Mr. Mugabe now has the greatest popular support, not only because of his military success but because he is from the majority Shona language group. But the other Patriotic Front leader, Joshua Nkomo, has held most of his troops in reserve and might win in a showdown with Mr. Mugabe, as many expect.

The issue in Rhodesia now is not ideology but power. Among the internal black leaders, for example, Bishop Abel Muzorewa is often called a moderate. But a South African newspaper has just reported that radical Libya has trained several hundred soldiers for the Bishop's private army.

In the circumstances, it would be folly for the United States to commit itself to any one party. To support Ian Smith would be to tie America's reputation to a man so hated by blacks in Rhodesia and elsewhere in Africa that almost any solution he backs will lack legitimacy in their eyes. To support one of the black leaders would be to venture into the unknown.

The Anglo-American proposal for a conference of all parties, looking to internationally supervised elections, may become relevant at some point. But it cannot work until some clearer sense of relative power has emerged. In the meantime the U.S. can only watch, and be ready to help save lives if things worsen drastically. Contingency plans are being made for mass evacuation of refugees, and that would necessarily involve American planes.

It may sound cynical to say that America should do nothing. But if we remember Vietnam, we know that intervention, however well-intended, may do terrible harm if it is uninformed. For now, restraint is best for us and for the tormented Rhodesians, black and white.

[From the New York Times, Jan. 30, 1979]

African Policy's Big Test

(By Dick Clark)

Washington.—Few foreign-policy initiatives have represented as sharp departures from the past, contained as many innovative ideas or demanded as much diplomatic skill and patience as the Carter Administration's policy toward Africa.

Whereas over the last two decades, United States policy wavered between the poles of benign neglect and erratic anti-Communism, a fresh start was made in 1977. Midway through President Carter's first term, that policy is now being sorely tested.

High priority was attached to the new Carter policy, which stressed the importance of African-nationalist aspiration and which took a tough stance against racism in Southern Africa.

To give teeth to this policy, concrete plans were formulated with our Western allies to bring majority rule to Rhodesia and Namibia through peaceful negotiations and free elections. After months of patient diplomacy, a United Nations formula acceptable to all the participants in the Namibian conflict seems close to implementation. Similar results, however, have not been forthcoming in the Rhodesian dispute.

It is on this issue that the acid test of Carter's Africa policy is likely to come this year, a product of mounting public criticism over the United States role in the deteriorating Rhodesian situation. While there are some in this country who feel that the Administration has not gone far enough in pressing for a Rhodesian settlement that includes all parties, others—whose views are well-represented in Congress—believe that President Carter has gone too far by insisting on the participation of the guerrilla forces.

Rhodesia, it has been reported in the press, was to tap this sentiment by launching a high-powered lobbying campaign on Capitol Hill to lift economic sanctions. Domestically, the expected Rhodesian sanctions vote will provide a way to measure public confidence in Carter's Africa policy as a whole. It will go to the roots of domestic criticism and to the heart of the debate over the limits of American influence. Internationally, its consequences would reach far beyond the borders of Rhodesia.

Of all the African issues, Rhodesia has the longest history of Congressional concern. In 1977, after many unsuccessful efforts, Congress repealed the Byrd Amendment, which allowed trade with Rhodesia in violation of United Nations sanctions. In 1978, Congress barely resisted an attempt to rescind that repeal by enacting the compromise Case-Javits Amendment, which tied the lifting of sanctions to two conditions: a willingness of the Rhodesian Government to attend an all-parties conference and the installation of a new government chosen through free elections. This year, Congress will decide whether to uphold the balanced formula carefully laid down by the 95th Congress or to lift sanctions unilaterally, bringing the United States full circle to a period when our power and prestige in Africa were minimal.

On the surface, the debate will revolve around the question of which side to support in the tragic conflict. But few members of Congress are familiar with the complexities of the Rhodesian war or have clear perceptions of American interests in the dispute. In reality, the debate will be more of a trial of the Administration's performance, an assessment of the ability of the team that conceived the African policy to defend it against the anti-Administration, anti-terrorist and anti-Soviet impulses that are shaping public attitudes on American foreign policy today. In my view, this is the fundamental issue at stake, not the elements of the conflict itself.

But therein lies the irony of the entire episode. For in the event that sanctions are lifted, it will have little or no impact on the outcome of the Rhodesian controversy. It would come at the 11th hour, when the prospects of peace in Rhodesia and the influence of the United States Government there will be at their lowest point ever. But the damage to American foreign policy will have been done. A sanctions-lifting vote could seriously cripple if not fatally discredit the entirety of Carter's Africa policy, shattering African expectations of America's commitment to racial justice.

The political credibility generated by the Carter Administration in Africa over the last two years stands at the crossroads. It could go up in a puff of smoke by one Congressional vote on the single issue that has traditionally been the bellweather of United States-African relations.●

WILSON PLANS EARLY CONSIDERATION FOR POSTAL REFORM LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Charles H. Wilson) is recognized for 10 minutes.

● Mr. CHARLES H. WILSON of California. Mr. Speaker, on the first day of this new Congress I introduced important legislation which attempts to correct some of the problems facing the troubled U.S. Postal Service.

This legislation, H.R. 79, would reestablish the principle of service to the public as the most important priority for the Postal Service and mandate some much-needed greater accountability for postal management.

In connection with its introduction, I made a detailed statement on the specific provisions of the bill in a speech printed in the January 25, 1979, edition of the Congressional Record on page H313.

At this time I would like to reemphasize my determination to have early consideration for this important measure.

As the newly elected chairman of the Postal Operations and Services Subcommittee of the House Committee on Post Office and Civil Service for the 96th Congress, I intend to schedule hearings on the bill in the very near future.

A synopsis and text of H.R. 79 follows:

Synopsis of "Postal Service Act of 1979"

(Sponsored by Representative Charles H. Wilson)

Sec. 1. Title.

Sec. 2. The Chairman of the Postal Service Board of Governors will be directly appointed by the President and the Chairman will have a newly-created independent staff including a staff director and five additional employees. The Chairman of the Board of Governors is specifically designated as the chief executive officer of the Postal Service with respect to implementing national postal policy.

It is mandated that in the future at least one member of the Board will have direct postal administrative background and one member with postal labor background.

The Postmaster General and Deputy Postmaster General will no longer be members of the Board of Governors.

It is mandated that the Board shall meet at least twice during each calendar month.

Sec. 3. Public service appropriations are increased to $1.1 billion for fiscal year 1980; to $1.2 billion for fiscal year 1981; and to $1.3 billion for the fiscal year 1982 and beyond.

The Postal Service shall send to the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Government Affairs of the Senate a yearly report on postal research and development.

Sec. 4. The phasing of postal rates other than first class and parcel post is extended from 16 to 20 years for non-profit organizations and from 8 to 10 years for commercial rates. The cost involved in "revenue foregone" appropriations to cover this item will be quite small in relation to the full postal financial picture, averaging considerably under $100 million per year through 1984.

Sec. 5. The Postal Rate Commission will be given a budget independent from the Postal Service. Its expenses will be included in the President's budget as a separate item.

Sec. 6. The Postal Rate Commission shall conduct a cost attribution study and use such study as a basis for developing a recommended system of accounts by which the costs of the United States Postal Service can be identified. The Commission shall report its findings and recommendations to the Congress no later than September 30, 1979.

Sec. 7. The Postal Service may establish size and weight limitations for mail matter

Sec. 8. Teaching aids, catalogs of books and eligible educational materials will be charged the library rate.

Sec. 9. It is specified that nothing in the legislation will affect the postal collective bargaining agreements.

A bill to amend title 39, United States Code, to provide that the chairmen of the Board of Governors of the United States Postal Service be appointed by the President, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Postal Service Act of 1979".

ORGANIZATION OF POSTAL SERVICE

Sec. 2. (a)(1) Section 202 of title 39, United States Code, is amended—

(A) in subsection (a)—

(i) by striking out "11 members" and inserting in lieu thereof "9 members";

(ii) by striking out "Nine of the members" and inserting in lieu thereof "The members";

(iii) by striking out the third sentence and inserting in lieu thereof the following new sentence: "The Chairman of the Board of Governors shall be designated by the President from among the members of the Board."; and

(iv) by inserting after the fourth sentence the following new sentence: "Of members of the Board—

"(1) at least one shall be appointed from persons who are specially qualified to serve on the Board by virtue of their education, training, or experience in postal management; and

"(2) at least one shall be appointed from persons who are specially qualified to serve on the Board by virtue of their education, training, or experience in postal labor organizations recognized under section 1203 of this title.";

(B) in subsection (c), by striking out ", who shall be a voting member of the Board";

(C) in subsection (d), by striking out ", who shall be a voting member of the Board"; and

(D) by adding at the end thereof the following new subsection:

"(e)(1) The Board shall have a Director who shall be appointed by the Chairman of the Board and who shall be paid at a rate not to exceed the rate of basic pay payable for grade GS–18 of the General Schedule under section 5332 of title 5, United States Code.

"(2) The Chairman of the Board shall appoint and fix the pay of five additional employees, two of whom shall be clerical employees and paid at a rate not to exceed the rate of basic pay payable for grade GS–10 of the General Schedule under section 5332 of title 5, United States Code, and the other three of whom shall be paid at a rate not to exceed the rate of basic pay payable for the Director.".

(2) Section 402 of title 39, United States Code, is amended—

(A) by striking out the first sentence;

(B) by striking out "the Postmaster General or"; and

(C) by striking out "Governors in their exclusive judgment" and inserting in lieu thereof "Board".

(3) The requirements of the fifth sentence of section 202(a) of title 39 United States Code, as added by paragraph (1)(A)(iv) of this subsection, need not be met with respect to the first 3 members of the Board of Governors of the United States Postal Service appointed after the effective date of this Act.

(b)(1) Section 203 of title 39, United States Code, is amended—

(A) by inserting "with respect to administration and daily operations after "Postal Service each place it appears in such section; and

(B) by inserting "(a)" before "The chief executive" and adding at the end of such section the following new subsection:

"(b) The chief executive officer of the Postal Service with respect to determinations of all policies for postal services is the Chairman of the Board of Governors designated under section 202(a) of this title.".

(2) The heading for section 203 of such title is amended by adding at the end thereof "; Chairman of the Board of Governors".

(3) The table of sections for chapter 2 of such title is amended by inserting "; Chairman of the Board of Governors" before the period at the end of the item relating to section 203 of such title.

(c) Section 205 of title 39, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) The Board shall meet at least twice during each calendar month which begins after the effective date of this subsection.".

APPROPRIATIONS AND ANNUAL REPORT

Sec. 3. (a) Section 2401 of title 39, United States Code, is amended to read as follows:

"§ 2401. Appropriations

"(a) There are appropriated to the Postal Service all revenues received by the Postal Service.

"(b) There is authorized to be appropriated to the Postal Service each year a sum determined by the Postal Service to be equal to the difference between the revenues the Postal Service would have received if sections 3217, 3403–3405, and 3626 of this title and the Federal Voting Assistance Act of 1955 (50 U.S.C. 1451 et seq.) had not been enacted and the estimated revenues to be received on mail carried under such sections and Act.

"(c) As reimbursement to the Postal Service for costs incurred by it in the establishment and maintenance as a public service of a comprehensive nationwide system for the regular and effective delivery of mail matter, and in recognition of the value of the system to the Nation and the public, there is authorized to be appropriated to the Postal Service $1,100,000,000 for the fiscal year ending September 30, 1980, $1,200,000,000 for the fiscal year ending September 30, 1981, and $1,300,000,000 for each fiscal year thereafter.

"(d) The Postal Service shall after the close of each fiscal year for which funds are expended to carry out research and development submit to the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Governmental Affairs of the Senate a report on the activities conducted through the expenditures during that year.

"(e) The failure of the President to request the appropriation of any part of the funds authorized by this section may not be deemed to be a failure of appropriations under section 3627 of this title.

"(f) The rates established under chapter 36 of this title for zone-rated parcels formerly entered under former chapter 67 of this title shall not be more than 10 percent less than the rates for such mail would be if the funds authorized under subsection (c) of this section were not appropriated.".

(b) Section 2003 of title 39, United States Code, is amended by striking out subsection (f).

PHASING

SEC. 4. (a) Section 3626(a) of title 39, United States Code, is amended —

(1) in subparagraph (1), by striking out "sixteenth" and inserting in lieu thereof "twentieth"; and

(2) in subparagraph (2), by striking out "eighth" and inserting in lieu thereof "tenth."

(b) Nothing in subsection (a) of this section shall be construed to authorize a reduction in any rate of postage in effect and being paid on the date of the enactment of this Act.

POSTAL RATE COMMISSION BUDGETS

SEC. 5. Section 3604(d) of title 39, United States Code, is amended to read as follows:

"(d) The Commission annually shall prepare and submit to the President a budget of the expenses of the Commission, including expenses for facilities, supplies, compensation, and employee benefits. The President shall include the budget of the Commission, with his recommendations but without revision, as a separate item in the budget required by section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11) to be transmitted to the Congress.".

COST ATTRIBUTION STUDY

SEC. 6. (a) The Postal Rate Commission shall study alternatives to the method of attributing or apportioning postal costs (including capital investments made by the Postal Service) among each class or subclass of mail or type of mail service established under section 3622(b) of title 39, United States Code. The Commission shall, after the study, provide for the preparation of a recommended system of accounts by which the costs of the United States Postal Service can be identified and associated with the class or subclass of mail or type of mail service, or with the public service function of the Postal Service. The Commission shall report its findings and recommendations to the Congress no later than September 30, 1979. The report of the Commission shall include—

(1) a recommended system of accounts, and

(2) the Commission's estimates of the effects of the alternatives studied on postal volumes, revenues, capital investments, rates, and fees in terms of both overall postal services and each class or subclass of mail or type of mail service.

(b) The Postal Service shall cooperate with the Commission in the conduct of the study under subsection (a) of this section and shall provide the Commission with any information the Commission reasonably deems necessary to carry out that study.

(c) In the conduct of its study under subsection (a) of this section, the Commission is authorized to conduct such proceedings, including hearings, as it deems are warranted, without regard to the provisions of sections 556 and 557 of title 5, United States Code.

SIZE AND WEIGHT LIMITS

SEC. 7. Section 3682 of title 39, United States Code, is amended to read as follows:

"§ 3682. Size and weight limits

"The Postal Service may establish size and weight limitations for mail matter in the same manner as prescribed for changes in classification under subchapter II of this chapter.".

RATES FOR BOOKS, FILMS, AND OTHER MATERIALS

SEC. 8. (a) Section 3683(b) of title 39, United States Code, is amended to read as follows:

"(b) Notwithstanding any other provision of this title—

"(1) any book (including any book published or otherwise issued as a supplement to any other book) which—

"(A) consists exclusively of reading matter, scholarly bibliography, or reading matter with incidental blank spaces for notations; and

"(B) contains no advertising, other than incidental announcements of books;

"(2) any 16 millimeter film, narrow-width film, film strips, transparencies for projection, slides, or microfilm;

"(3) any sound recording;

"(4) any museum materials, specimens, or collections;

"(5) any scientific or mathematical kit, instrument, or other device;

"(6) any teaching aid, guide, map or other interpretative material for use in conjunction with any item specified in one or more of paragraphs (1) through (5); and

"(7) any catalog or similar publication which contains a listing of any item specified in one or more of paragraphs (1) through (6);

may be mailed at the rates currently in effect for mail matter specified in former section 4554(b)(1) of this title in any case in which any such item is mailed to or from any institution, organization, or association specified in subparagraph (A) or subparagraph (B) of former section 4554(b)(1) of this title or to or from any school, college, university, or library.".

(b) The heading for section 3683 of chapter 36 of title 39, United States Code, is amended to read as follows:

"§ 3683. Uniform rates for publications, films, and other materials".

(c) The table of sections for subchapter V of chapter 36 of title 39, United States Code, is amended by striking out the item relating to section 3683 and inserting in lieu thereof the following new item:

"§ 3683. Uniform rates for publications, films, and other materials.".

EFFECT ON COLLECTIVE BARGAINING AGREEMENTS

SEC. 9. Nothing in this Act shall be construed to affect—

(1) any collective bargaining agreement entered into by the United States Postal Service which is in effect on the date of the enactment of this Act;

(2) the authority of the United States Postal Service under chapter 12 of title 39, United States Code, to engage in collective bargaining with respect to any collective bargaining agreement into which the United States Postal Service may enter; or

(3) any obligations entered into by the Postal Service in any future collective bargaining agreement.

LEGISLATION TO AMEND SOCIAL SECURITY ACT WITH REGARD TO MEDICARE REIMBURSEMENTS TO SENIOR CITIZENS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, I have today introduced legislation to assure that medicare reimburses senior citizens properly for their medical expenses.

Medicare is supposed to pay 80 percent of an elderly person's doctor bills and other covered medical expenses. Many of my constituents complained, however, that the reimbursement they actually received was much less than 80 percent of their medical bills.

The reason this occurs is because medicare will pay only 80 percent of a "reasonable charge" for medical care, and that in the great majority of cases the "reasonable charge" for a particular service is far below the physician's actual fee. As a result, most of the time medicare patients do not receive the 80 percent reimbursement which they are led to expect and which Congress intended that they get.

This problem is severe throughout the Nation. In 1976 in 71.7 percent of all medicare claims nationwide, the "reasonable charge" was lower than the physician's actual fee. This resulted in reduced medicare reimbursements—underpayments—of more than $1.3 billion. The average reduced claim was underpaid by $20.51. In other words, more than 70 percent of the time, senior citizens received less than the full 80 percent reimbursement they expected from medicare, and each time this happened it cost the average patient more than $20.

The problem has grown rapidly. In 1974, 63.7 percent of claims nationwide were reduced below the amount claimed. In 1975, there were reductions in 69.2 percent of claims. As the rate of claim reductions has risen, the number of physicians willing to accept assignment of a claim—that is, willing to take the risk of a reduction themselves, rather than put it on the patient—has dropped steadily.

Reduced medicare reimbursements can have a devastating impact on the elderly, most of whom live on small, fixed incomes. I asked the General Accounting Office, as part of a study it conducted for me of the entire "reasonable charge" problem, to gauge this impact in Brooklyn. GAO found that 5.9 percent of Brooklyn medicare beneficiaries—nearly 2,500 people—experienced reduction of $50 or more during a 10-month period. Reductions amounted to $400 or more for 82 persons, and according to the GAO's report, caused them to cut down on food, clothing, or furniture, to borrow from families, to spend their savings, or even to move.

The impact of underpayments is aggravated by the fact that medicare patients cannot learn in advance how much reimbursement they will receive for a particular treatment. Only after patients have been treated and submitted the physician's bill to medicare do they learn whether medicare will pay 80 percent of the bill or considerably less. Thus, for most elderly patients reduced medicare reimbursement comes as a cruel surprise.

The legislation I am introducing today is intended to correct this intolerable situation and assure that senior citizens are compensated fairly for their medical expenses. It responds to the legislative problems identified by GAO, after an 18-month study of medicare, as the cause of many underpayments. It should also make the program simpler, less costly to administer, and less subject to error as well.

First, my bill requires that medicare reimbursements be based on physicians' current fees rather than those charged in the past. Under present law, reasonable charges for the current fiscal year are based on physician fees during the preceding calendar year. GAO said:

> Consequently reasonable charges are based on data which is 6 to 18 months old at the beginning of the fiscal year and 18 to 30 months old at the end of the fiscal year.

Given the rampant inflation in medical cost, this system virtually assure that reasonable charges will be below the actual fees.

The use of outdated fee information penalizes the elderly for inflation. When health costs are rising rapidly it is unreasonable and unfair to reimburse a senior citizen on the basis of fees his physician charged 1 or 2 years earlier. My bill will assure that when medicare determines a physician's "customary charge" for a service, it does so on the basis of current information.

My bill also requires medicare to allow patients to learn in advance, through their physicians, what the reasonable charge for a particular treatment will be. This would prevent surprise, provide patients with a way to detect errors, and most importantly, encourage them to avoid physicians whose fees are unreasonably high. If the purpose of the "reasonable charge" is to keep medical costs down, then allowing patients to choose among doctors on economic grounds would be of major importance in achieving the goal.

Finally, the bill directs the Secretary of Health, Education, and Welfare to conduct pilot projects in order to find better ways to determine benefits under medicare. GAO found that the present process was costly and error prone, in addition to failing to provide adequate reimbursement. In fiscal 1974, administrative costs for medicare health insurance amounted to $360 million—12 percent of program costs. This is a higher rate of administrative cost than in the medicaid, food stamp and welfare programs. In addition, GAO found computer errors in 13 percent of the surgical claims it studied in New York. This rate of error could produce more than $8 million annually in erroneous underpayments—and could also produce substantial, undetected overpayments.

Clearly a method must be found to reimburse senior citizens for their medical expenses which is less costly to administer and more effective than the present system. The pilot projects authorized by my bill would enable the Secretary of Health, Education, and Welfare to identify such a method, and thereby not only improve medicare service, but assist the Congress in planning for a national health insurance program, as well.

The 24 million elderly Americans who depend on medicare health insurance to help them meet their medical expenses have been badly served by the present "reasonable charge" method. The legislation which I am introducing today should lead to a vastly improved medicare program, which will be cheaper to administer, protect both the taxpayer and the elderly patient from artificially inflated fees, and assure that legitimate health care expenses are met.

The text follows:

H.R. 1962

A bill to amend title XVIII of the Social Security Act to make more realistic the determination of reasonable charges under the supplementary medical insurance program, to require that patients be given advance estimates of the reimbursement they will receive for services rendered under such program, and to provide for the conduct of pilot projects to test new methods and procedures for determining reasonable charges under such program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1842(b)(3) of the Social Security Act is amended, effective with respect to services provided after the month in which this Act is enacted, by striking out "person furnishing such services" in the first full sentence following subparagraph (E) and inserting in lieu thereof "person furnishing the particular services involved at the time such services are furnished".

SEC. 2. Section 1842 of the Social Security Act is amended, effective with respect to contracts entered into (or renewed) after the month in which this Act is enacted, by adding at the end thereof the following new subsection:

"(h) Each contract under this section shall provide that enrollees who are to receive services under this part shall be furnished with an estimate of the reasonable charge for each of the services involved prior to the receipt of such services. To the maximum extent feasible, the estimate with respect to each such service shall be made available to the enrollee through the provider of the service."

SEC. 3. Section 1842 of the Social Security Act (as amended by section 2 of this Act) is further amended by adding at the end thereof the following new subsection:

"(i) Notwithstanding any other requirement of this section, the Secretary shall establish and carry out pilot projects, using carriers or other appropriate agents, to test methods and procedures, other than those described in the preceding provisions of this section, for determining reasonable charges. In carrying out such pilot projects, the Secretary shall seek methods and procedures which (1) assure that enrollees are properly reimbursed for their reasonable medical expenses, (2) reduce the number of instances in which the reasonable charge allowed is less than the full charge for a service, (3) provide enrollees with the incentive and opportunity to seek lower cost medical care, and (4) promote the simpler and more efficient administration of benefits under this part. The Secretary shall make such reports and recommendations, and take such other actions, as he may deem appropriate on the basis of such projects and his findings made as a result thereof.".●

IN SUPPORT OF THE LITHUANIAN STRUGGLE FOR SELF-DETERMINATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. MOFFETT) is recognized for 5 minutes.

● Mr. MOFFETT. Mr. Speaker, I would like to take this opportunity to reaffirm my commitment to the Lithuanian struggle for self-determination. In just the past year, there were two blatant examples of the Soviet Government's intolerance toward Lithuanians. After the charade of a fair trial, Lithuanian dissidents Viktoras Petkus and Balas Gajuskas, were convicted and sentenced to prison terms of 15 and 10 years, respectively.

Ironically, Mr. Petkus was convicted for associating with a Lithuanian group which sought to oversee compliance with the Helsinki accords. By signing the accords and subsequent documents, the Soviet Union promised to guarantee the basic human rights of its citizens. That promise has been an empty one—the arrest of Mr. Petkus for seeking enforcement of its principles is a striking example of how it has been flouted. Repression of Lithuanian dissidents such as Mr. Petkus and Mr. Gajuskas is all too commonplace.

This repression has not diminished the Lithuanian people's tenacious resistance to Russification. In this supposedly secular country, the Lithuanians have clung steadfastly to their religious faith and cultural practices. They have recently made even bolder moves to practice Catholicism openly. Hopefully, this effort will be furthered by Pope John Paul II's personal request to Andrei Gromyko for greater religious tolerance.

Violations of the rights of Lithuanians deserve our condemnation. Our vocal support of their fight for self-determination can offer strength to them. Please join me in supporting the staunch resistance of the Lithuanian people to forced assimilation and Russification, in violation of the Helsinki accords.●

CONSUMERS VICTIM OF UTILITY RATE DISPARITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BARNES) is recognized for 5 minutes.

● Mr. BARNES. Mr. Speaker, one of my major legislative priorities in this session of the 96th Congress is to draft legislation to change utility ratemaking practices which result in inefficient use of energy and discriminate against small residential consumers. As a Maryland Public Service Commissioner from 1975 to 1978, I had the opportunity to gain firsthand experience with problems of this kind.

One problem with utility regulation in the United States is that rates charged to consumers may vary widely within a limited geographical area, even though consumers may receive service from the same utility company. In the Washington, D.C., metropolitan area, for example, the Maryland Public Service Commission, the District of Columbia Public Service Commission, and the Virginia State Corporation Commission use different criteria in setting electricity rates charged by the Potomac Electric Power Co. (Pepco) and the Virginia Electric and Power Co. (Vepco). Figures supplied to the Washington Post show that customers using 500 kilowatt hours of electricity in November 1978 were charged $18.81 in the District of Columbia, $27.97 in Fairfax County, Va., and $30.33 in my constituency, Montgomery County, Md. Rates in Maryland appear to be, in effect, pushed up because of the lower rates in the District of Columbia. Suburban users are apparently, as a result, subsidizing utility rates in the district because there is no coordination in regulatory practices among the three jurisdictions.

Mr. Speaker, this is more than just a local problem. There are unquestionably many other areas around the country which experience a similar disparity. That is why I intend to introduce legislation to encourage regional cooperation in setting utility rates. I believe the problem can be approached effectively on the Federal level to encourage our national goals of equity and energy conservation.

I am inserting in the RECORD an article which appeared in the Washington Post on February 4, 1979, which illustrates the effect of electricity rate disparities on my own constituency. The article follows:

ELECTRICITY RATES VARY WIDELY IN AREA

(By Phil McCombs)

Washington area residents are paying vastly different prices for equal amounts of electricity, according to utility company records.

A somewhat typical Montgomery County household using 750 kilowatt-hours of electricity last November was charged $43.68, or nearly 56 percent more than the $28.02 charged the user of 750 kilowatt-hours in the District of Columbia.

Montgomery households paid between 17 percent and 63 percent more than those in the District for the same quantities of electricity, the records for two winter months show.

Residents of Montgomery and the District receive their electricity from the same utility company, Potomac Electric Power Co., known as Pepco.

Utility rates are substantially lower in the District than elsewhere in the area.

Prince George's County residents paid between 21 and 60 percent more than the District for equivalent amounts.

In Fairfax County the residents paid between 22 and 55 percent more; in Arlington County between 8 and 44 percent more; and in Alexandria between 6 and 60 percent more.

Virginia area residents receive their electricity from Virginia Electric and Power Co.—Vepco.

Countrary to claims by some consumer activists, utility company records show that Vepco customers are paying slightly less for equivalent amounts of electricity than the Maryland customers of Pepco.

The large price variations occur because the regulatory commissions in the various local jurisdictions operate independently and apparently give little consideration to rates in neighboring areas.

Rates are determined by complex formulas and procedures that include seasonal adjustments, the passthrough to customers of fuel costs, differing local taxes and other variables—all of these affecting the price a customer will pay.

The statistics in this article and the accompanying chart were provided by Pepco and Vepco at the request of The Washington Post. Some special computer runs had to be made by the companies in order to obtain the data.

In addition, the statistics show that the rates are often lower for customers who use more electricity. In other words, energy conservation seems to be discouraged in some cases.

The new National Energy Act—now the law of the land—sets energy conservation as a major goal for utility companies.

Rates for District of Columbia users are set by the Public Service Commission. It consists of three members appointed by the mayor.

In Maryland rates are set by the state Public Service Commission of five members appointed by the governor.

For Virginia, utility rates are set by the State Corporation Commission—a three-member group established by the Virginia Constitution. The SCC members are elected by the state legislature and the commission is often considered so powerful that it is referred to as a fourth branch of government.

A top regulatory official who declined to be identified said last week that the variations in charges show that Maryland Pepco customers are essentially subsidizing District customers.

That subsidy could run as high as $10 million, according to some calculations.

But Pepco senior vice president Paul Dragoumis said Maryland customers were paying a fair rate and District customers were being subsidized not by Maryland but by Pepco stockholders.

Brian Lederer, the District of Columbia official who represents consumers before the Public Service commission, said that Pepco was not losing money in the District as Pepco claims.

He said that if Maryland customers think they are paying too much, they should take the matter up with the Maryland commission to get rate reductions.

Four years ago in the District, the commission put a lid on the price of 450 kilowatt hours or less used by any residential customer. That price has not changed since. Maryland and Virginia have no such lid—referred to as a "lifeline rate"—for small customers.

The District commission also has been considering Pepco's request for a 15 percent rate increase for a year and a half but approval has not been given. A decision is expected within a few months.

In Maryland, the commission has acted quickly in deciding rate cases. A request by Pepco for a 5.2 percent increase is pending there.

In Virginia, a commission decision on Pepco's request for a 25 percent increase is expected at any time.

The rates shown on the chart apply only to residential and not to commercial customers.

ELECTRIC UTILITY COSTS

[Figures supplied by Potomac Electric Power Co. and Virginia Electric and Power Co.]

Jurisdiction and class of customer	Use of 400 kWh, November 1978	Use of 400 kWh, February 1979	Use of 500 kWh, November 1978	Use of 500 kWh, February 1979	Use of 750 kWh, November 1978	Use of 750 kWh, February 1979	Use of 1,000 kWh, November 1978	Use of 1,000 kWh, February 1979	In December 1978 the average residential customer used (kilowatt-hours)	And paid a bill of	Number of customers in this jurisdiction and class	Percent rate increase requested by comp., pending decision [1]
PEPCO												
District of Columbia residential	15.23	18.37	18.81	22.61	28.08	33.73	37.35	44.97	398	17.41	155,264	15
District of Columbia residential, all electric only			17.75	21.55	25.39	31.07	33.78	41.40	1,295	51.67	5,443	15
Montgomery County residential	25.01	24.39	30.33	29.56	43.68	42.52	54.12	52.58	643	35.76	112,804	5.2
Montgomery County residential, all electric only			25.43	25.19	35.60	35.24	48.69	48.21	1,984	86.76	12,448	5.2
Prince Georges County residential	24.58	23.96	29.80	29.03	42.88	41.72	53.06	51.52	512	28.65	96,587	5.2
Prince Georges County residential, all electric only			25.96	24.66	36.40	34.44	49.75	47.15	2,166	91.08	7,503	5.2
Rosslyn, Va. residential, including all electric	18.15	21.56	21.78	26.04	30.85	37.24	37.47	45.99	169	11.05	2,354	None
VEPCO												
Fairfax County residential, including all electric	23.80	24.73	27.97	29.14	37.53	39.27	46.50	48.83	1,258	58.34	148,400	[2] 20.7
Fairfax City residential, including all electric	23.54	24.40	27.40	28.48	36.25	37.86	44.56	46.71	1,258	55.84		[2] 20.7
Herndon residential, including all electric	23.54	24.40	27.40	28.48	36.25	37.86	44.56	46.71	1,659	68.83		[2] 20.7
Arlington County residential, including all electric	22.04	22.90	25.90	26.98	34.75	36.36	43.06	45.21	705	34.77	41,210	[2] 20.7
Alexandria residential, including all electric	24.44	25.30	28.30	29.38	37.15	38.76	45.46	47.61	705	37.17	22,955	[2] 20.7

[1] With all these percentages, the actual impact on your monthly bill would vary from jurisdiction to jurisdiction and would be slightly less than the full percentage figure because of the way rates are structured.

[2] 8.5 percent of this has already been granted on a temporary basis and is reflected in the rates. If Vepco's rate increase request is granted in full then the remaining 12.2 percent increase would impact on residential customers.

BEGINNING FARMERS ENTRY ASSISTANCE ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, today I am introducing the Beginning Farmers Entry Assistance Act of 1979, which would direct the Federal Government to act as a guarantor of State-administered loan programs to facilitate entry into full-time farming.

Last month, I held a beginning farmers informational seminar in Le Mars, Iowa. At this meeting, which was open to the public, a variety of panelists, including both established and new farmers, bankers, and Federal and State officials, discussed the alarming trend toward increased concentration in farm ownership. It appeared that there was general consensus that obstacles to entry present a serious problem, and that an effort should be made to devise responsible, effective solutions to them. The Beginning Farmers Entry Assistance Act is intended to be part of that effort.

Before proceeding further, I would like to acknowledge the leadership role that has been played by Senator GAYLORD NELSON, chairman of the Senate Small Business Committee, and Senator GEORGE MCGOVERN, second ranking majority member of the Senate Agriculture Committee, in formulating this bill. Their interest in and concern with the welfare of the family farm system of agriculture in this country have been demonstrated time and again, and their latest effort in this regard is especially commendable.

The need for legislation addressing barriers to new entry can be easily demonstrated. A recently released Congressional Budget Office study revealed that, in 1945, the United States had 5.9 million farms. Today, over 30 years later, there are 2.7 million farms. Even more alarming is what one sees when this trend is extrapolated: By the year 2000, there will likely be only 1.6 million farms in the United States if nothing is done to counter the trend toward concentration in American agriculture.

I do not mean to imply that there is a conspiratorial campaign underfoot in the American countryside designed to subvert the family farm system of agriculture and concentrate ownership of farmland in a few corporate hands. In fact, the catalyst for increased concentration of farm ownership in recent years has been the expansion of the highly efficient and successful family farm operator who has purchased land from his neighbors in order to gain the economies of scale that have become an integral part of today's highly mechanized, capital intensive agriculture. Obviously, there has been no intent on the part of these farmers to subvert the family farm system of agriculture. I believe that this tendency for expansion on the part of family farm operators is not as much a cause of the disturbing trend toward increased concentration in farm ownership as it is a symptom of the prevailing environment surrounding American agriculture itself. In fact, according to the above-mentioned CBO report, the Federal Government must bear a great share of the blame because of the way its programs tend to reward, and thus provide incentives for, bigness.

It is no secret that, to own and operate your own farm today, one must have access to large amounts of capital. These capital requirements often prove prohibitive even to those operators who already have their own land (with the increased ability to borrow that ownership brings); for the new entrant who desires to begin his own operation, the capital barriers usually mean failure. It should be of little surprise that while in 1956, 60 percent of all farm purchase transactions went to set up new, distinct farming operations, only 20 to 25 percent of all transactions went for that purpose in 1976.

Mr. Speaker, I believe that the Beginning Farmers Entry Assistance Act takes a responsible approach to this problem. It has been designed in a way that minimizes the role of the Federal Government, allowing State governments to formulate and implement programs that will be most responsive to the needs of the local communities and individual sellers and buyers. I would like to briefly set out the broad parameters of this program in order to clear up any misunderstandings that might exist about it.

First, let me outline what this program would not do. It would not empower the Federal Government to compete with other farmers by allowing it to acquire land and then sell it to prospective new farmers. It would not necessitate massive increases in Federal, or, for that matter, State government outlays, nor would it create new levels of bureaucracy. And finally, this proposal would not add impetus to land inflation; in fact, there is strong evidence that it would help in dampening land price increases.

Simply stated, the bill that is being introduced today would provide Federal guarantees for loans, leases, and sales of land through land sales contracts as a means to assist persons interested in beginning farming who cannot acquire the financial assets from any other source including Farmers Home Administration. As noted above, one of the central elements of this proposal is its utilization of the State governments. To qualify for this program, each State government must submit a State plan to the Secretary of Agriculture for approval. Once this is approved, and the State has met certain other minimal requirements, such as establishing an advisory committee composed of bankers, farmers, agricultural specialists, and others, the State is free to administer the program as it deems appropriate. As long as the State maintains the program in a way that prevents abuse, such as taking steps to insure that the Federal guarantees are not used for speculative purposes, it can continue to receive the guarantee assistance.

I believe that this proposal has been drafted in a way that anticipates and precludes most of the opportunities for abuse. For instance, for an individual to qualify for assistance under this program he must meet the following criteria: He must be a citizen or resident alien of the United States and a legal resident of that State; he cannot have been engaged in farming on a full-time basis within the immediately preceding 10-year period (this condition is qualified in that these individuals who have worked on a farm as a family member or as an employee of a farming operation without exerting any legal control over the operation are still eligible); he must be able to prove that he could not receive the necessary credit assistance from any other source, including FmHA; he must demonstrate that he is qualified to become a full-time farmer and had at least a year of actual farming experience; he must have a net worth of less than $75,000. A State appraisal of the land must have been conducted to provide assurance that the price of the land is fair and reasonable.

There are extensive protections written into the bill so that the Government does not suffer a loss in the event of default on payment by the guarantee recipient. As noted earlier, prohibitions are established to prevent the use of the guarantees for speculative purposes; for example, if the guarantee recipient decides to sell the land within 10 years after the date of purchase, the Secretary shall have the option of repurchasing the land at its original purchase price adjusted for inflation.

The proposal as now drafted authorizes a loan guarantee fund of up to $400 million annually for 4 years; 75 percent of these funds are to be allocated among qualified States according to a formula based on the State's percentage of the total national farm population. The remaining 25 percent of the loan guarantee funds would be distributed to those States who, in the view of the Secretary, have especially meritorious programs. Examples of a meritorious program might be one that includes provisions which would serve as incentives for sellers to keep down the selling price as a result of preferable tax treatment.

I should point out, Mr. Speaker, that the State of Minnesota has been administering a program that has many of the same provisions contained in the proposal I am offering here today. I am sure that my distinguished colleague, Mr. NOLAN, who is one of the prime sponsors of this measure, will be able to more fully elaborate on the impressive successes that the Minnesota program has had during the past several years. It is worth mentioning, however, that the administrative costs of the program have been unusually low, and that only three full-time people are required to manage it in Minnesota.

Mr. Speaker, I am hopeful that the Beginning Farmers Entry Assistance Act will serve to stimulate a thorough examination of the entry issue. As with many issues, there are still many questions to be answered and further debate needed, and I expect that an intensive hearing process will identify refinements and improvements that should be made.

However, one thing is beyond question. The family farm system of agriculture in this country is the backbone of the greatest food production miracle the world has ever seen. The economic and social costs of allowing it to disappear are unthinkable. I would like to urge all my colleagues to look upon the legislation that I am offering here today as one very important dimension of the drive to preserve perhaps the most important American institution of all—the family farm—and to lend it their support.●

NO ROOM FOR SMALL BUSINESS IN DOE'S SOLAR PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 10 minutes.

● Mr. DRINAN. Mr. Speaker, I would like to make my colleagues aware that—contrary to several congressional mandates—the share of solar-related Federal contracts awarded to small businesses markedly declined during James Schlesinger's first year as Secretary of Energy.

This issue has a long history in the House of Representatives. Almost 2 years ago, I joined the gentleman from Iowa (Mr. BEDELL) and 85 other Members of the House in sponsoring H.R. 3984, a bill to guarantee a substantial role for small businesses in the development, demonstration, and marketing of solar energy equipment and energy-related inventions. An identical bill, S. 807, was introduced by 19 U.S. Senators. Title II of this legislation required that at least 20 percent of the funds appropriated to the Energy Research and Development Administration (ERDA) for solar energy programs be extended to small businesses and individual inventors.

At public hearings in 1977 and 1978, spokespersons for the Department of Energy (DOE)—ERDA's successor agency, and the Small Business Administration (SBA) steadfastly denied the need for this legislation. These witnesses cited a memorandum of understanding between SBA and ERDA/DOE which obstensibly provided for significant small business participation in solar energy R.D. & D.; expressing the opinion that this agreement obviated the need for corrective legislation.

Mr. William Parker, ERDA's Deputy Director of Procurement, expressed a similar view at a May 11, 1977, hearing of the House Small Business Subcommittee on Energy, Environment, Safety and Research:

> ERDA is very aware not only of the need for small business involvement and participation in our energy technology development, but we are acutely aware of our responsibility to assure that we are doing everything possible to bring that about. I think our efforts to date have been effective, but I would further assure you of our interest and goals to exceed our past achievements.

Mr. Speaker, the time has come to examine the record.

In response to an inquiry which I made last March, DOE provided me with figures outlining the distribution of solar R.D. & D. funds to small and large businesses for fiscal years 1976 through 1978. The chart provided by the Department for fiscal year 1976 showed 10 percent of the dollar value of Federal solar contracts going to small businesses, 28 percent to large businesses, and the remainder to universities and other agencies of Government. The next chart, for reasons which have never been adequately explained, contained only aggregate data for fiscal year 1977 and fiscal year 1978. It showed 17 percent participation by small businesses, and 34 percent participation by large ones—giving the impression of substantial improvement over the performance of prior administrations.

In July, I asked Mr. Ronald D. Scott, Assistant Director for Heating and Cooling in DOE's Division of Conservation and Solar Applications, to provide me with a separate breakdown of solar contracts between fiscal years 1977 and 1978. After 5 months and dozens of unexplained delays, DOE provided its answer. Between fiscal years 1977 and 1978, the share of solar R.D. & D. prime contract funds awarded to small businesses declined from 17 to 14 percent, while those funds going to large businesses increased from 29 to 34 percent.

Mr. Scott's handling of this matter raises serious questions both about DOE's openness with Congress, and about the integrity and direction of its solar energy programs. First, why did DOE originally misrepresent data to conceal the fact that small business participation had declined under Secretary Schlesinger's stewardship? Second, when this problem was brought to DOE's attention, why did the Department take 5 months to disclose routine information which it is supposed to have readily available? Third, why did the figures initially released to me last April overstate small business participation and fail to correspond with the more detailed information provided by DOE last December?

The changing distribution of solar R.D. & D. funds revealed by DOE unmistakably shows a pattern of favoritism toward the large corporations which increasingly dominate the solar energy field. Interagency agreements and congressional testimony notwithstanding, Mr. Speaker, the figures tell us that Secretary Schlesinger's commitment to maintaining a competitive solar energy market represents no improvement over the dismal attitude which prevailed at ERDA under President Ford.

My exchange of correspondence with DOE on this issue follows:

DEPARTMENT OF ENERGY,
Washington, D.C., April 14, 1978.
Hon. ROBERT F. DRINAN,
House of Representatives,
Washington, D.C.

DEAR MR. DRINAN: Thank you for your letter of March 14, 1978, concerning Mr. Jack Nelson's letter about small business participation in solar energy.

I have enclosed a copy of Mr. Michael Maybaum's response to Mr. Nelson's March 2, 1978 letter, as you requested. It is our intention that should the planning effort described in Maybaum's letter of March 28, result in a public plan, we will contact Mr. Nelson for his suggestions of representative groups of installers, manufacturers, and municipal planners to join with others that we identify to participate in the development of a retrofit program plan.

I would like to emphasize that we are aware of the contribution that small business can make to our programs. The fraction of our funds awarded to small business has been significant, increasing to 17% of the funding for fiscal years 1977 and 1978 combined (see enclosed chart).

I am also enclosing a listing of small business awardees for a series of solicitations at the end of fiscal year 1977. You can see that the list is quite long, and that Massachusetts is well represented.

Your interest in the solar applications programs of the Department of Energy is appreciated.

Sincerely,
RONALD D. SCOTT,
Assistant Director, Heating and Cooling, Office of Assistant Secretary, Conservation and Solar Applications.

Distribution of R. & D. funds

	Percent of total
Fiscal year 1975:	
Government	31
Universities	31
Large businesses	28
Small businesses	10
Fiscal years 1977 and 1978:	
Large businesses	34
Government	26
Universities	18
Small businesses	17
Other non-profits	5

[Summarized from charts enclosed by DOE; other enclosures deleted.]

WASHINGTON, D.C., *July 26, 1978.*
RONALD D. SCOTT,
Assistant Director, Heating and Cooling, Office of the Assistant Secretary, Conservation and Solar Applications Department of Energy, Washington, D.C.

DEAR MR. SCOTT: Thank you for your letter and enclosures of April 14th. The information you provided was very helpful and informative.

I remain concerned, however, about the percentage of DOE Solar Heating and Cooling R&D funds awarded to small businesses. In your letter, you cited a figure of 17 percent small business participation for fiscal years 1977 and 1978 combined. I would appreciate a year-by-year breakdown of R&D funds distribution over this period. In grouping 1977 and 1978 together as you did on your chart and in your letter, one possible implication is that the percentage of awards to small businesses actually was lower in FY 1978 than in FY 1977. I hope that this was not the case.

Thank you for your prompt attention to this request.

With every best wish, I am,
Cordially yours,
ROBERT F. DRINAN,
Member of Congress.

DEPARTMENT OF ENERGY,
Washington, D.C., September 1, 1978.
Hon. ROBERT F. DRINAN,
House of Representatives,
Washington, D.C.

DEAR MR. DRINAN: Thank you for your July 26, 1978, letter requesting further information about the percentage of DOE Solar Heating and Cooling R&D funds awarded to small businesses. You requested a year-by-year breakdown of R&D funds distribution for fiscal years 1977 and 1978.

A detailed breakdown of R&D funds is being prepared in response to your request. This information will be forwarded by letter to you within three weeks. I hope that this will be acceptable.

Please let me know if I may be of any further assistance in the interim.

Sincerely,

RONALD D. SCOTT,
Assistant Director, Heating and Cooling, Office of Assistant Secretary, Conservation and Solar Applications.

DEPARTMENT OF ENERGY,
Washington, D.C., December 4, 1978.

Hon. ROBERT F. DRINAN,
House of Representatives,
Washington, D.C.

DEAR MR DRINAN: This letter is in regard to your July 26, 1978, letter requesting further information about the percentage of Department of Energy (DOE) Solar Heating and Cooling R&D funds awarded to small businesses In follow-up to our initial response of September 1, 1978, the requested FY 1977 and 1978 breakdown of these funds is attached.

Some of the numbers require explanation. In particular, the apparent decrease of small business funding from 17% to 14% between FY 77 and FY 78 does not reflect an actual decrease in the funding rate for new small business contracts. Most of the current R&D contracts are the result of a series of 11 competitive solicitations (PRDA & RFP) released during FY 77. Many of these were incrementally funded, i.e., part FY 78 and part FY 79 funds. Since small business contracts tend to involve smaller projects with lower budgets than large business contracts, many of the small business contracts were fully funded in FY 77 and did not require FY 78 incremental funding. The large business contracts did involve substantial FY 78 increments, and this is the primary reason for the apparent increase in FY 78 funding. The most accurate picture of the current funding patterns is a weighted average of FY 77 and 78.

The increase in government laboratory funding is a consequence of two factors: the R&D Program management decentralization, and the establishment of the Solar Energy Research Institute (SERI). The DOE laboratories have taken on the bulk of contract technical management effort, as the program has grown with no Headquarters staff increase. This has required laboratory funding for support. Since laboratory management requires a balance between R&D and management activities, this has also necessitated an increase in lab R&D funding. This R&D activity, however, is all of great value to the program and well integrated with other activities.

I trust that this information is of use to you. If I or my staff may be of further assistance, please do not hesitate to let us know.

Sincerely,

RONALD D. SCOTT,
Assistant Director, Heating and Cooling Office of Assistant Secretary, Conservation and Solar Applications.

RECIPIENTS OF SOLAR R. & D. PRIME CONTRACT DOLLARS, FISCAL YEARS 19797 AND 1978

[In thousands of dollars]

Program element	Small	Large	N–P	Univ.	Government	Und.	Total
FISCAL YEAR 1977							
Collectors	963	582	381	799	683	0	3, 408
Storage/HEX	66	100	39	202	177	0	584
Heat pumps	0	378	0	0	180	0	558
Cooling	408	2, 507	1, 051	728	342	0	5, 036
Systems [1]	1, 020	768	325	1, 011	104	0	3, 228
Controls	0	0	0	0	60	0	60
Support	50	0	0	190	1, 111	0	1, 351
Undetermined	0	0	0	0	0	775	775
Totals	2, 507	4, 335	1, 796	2, 930	2, 657	775	15, 000
Percent of total	17	29	12	20	18	5	-------

Program element	Small	Large	N–P	Univ.	Government	Und.	Total
FISCAL YEAR 1978							
Collectors	1, 253	3, 252	314	1, 071	1, 105	0	6, 995
Storage/HEX	751	751	64	427	180	0	2, 173
Heat pumps	25	1, 490	0	141	435	0	2, 091
Cooling	235	111	290	91	297	0	1, 024
Systems [1]	299	470	59	735	1, 990	0	3, 553
Controls	0	0	0	10	175	0	185
Support	39	234	0	204	2, 002	0	2, 479
Total	2, 602	6, 308	727	2, 679	6, 184	0	18, 500
Percent of total	14	34	4	14	33	0	-------

[1] Includes passive.

SUMMARY OF FISCAL YEAR 1978 GOVERNMENT FUNDING

Program element	Amount	Lab	SERI	NBS	Other
Collectors (total $1,105)	$300	ANL		100	50—NASA/JPL.
	400	LASL			
	100	LBL			
	125	LLL			
	30	Mound			
Storage (total $180)	70	ANL			
	110	ANL			
Heat pumps (total $435)	240	BNL			
	65	BNL			
	130	BNL			
Cooling (total $297)	25	LASL			
	182	LBL			
	90	LBL			
Systems (total $1,990)	110	E.G. & G		75	50—OPA.
	135	LASL		144	
	400	LASL		150	
	61	LASL			
	160	LBL			
	130	LBL			
	180	LBL			
	225	LBL			
	170	Sandia			
Controls (total $175)	100	LLL			
	75	LASL			
Support (total $2,002)	100	ANL	[1] 337	30	377—Special support projects.
	240	BNL	[2] 79	-------	
	75	LASL	[3] 134	-------	
	400	LASL			
	40	LBL			
	50	LLL			
	140	Sandia			
Total	4, 658	-----------	550	499	477.

[1] Northern Energy Corp.

[2] Public Technology.

[3] Southern States Energy Board. ●

INTERMENT OF VETERANS UNDER PANAMA CANAL TREATY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ROBERTS) is recognized for 5 minutes.

● Mr. ROBERTS. Mr. Speaker, the Panama Canal Treaties, confirmed by the Senate last year, include a number of amendments, conditions, reservations, and understandings—all accepted by the Republic of Panama on June 16, 1978, at the ceremonial exchange of instruments of ratification. One of the most significant reservations, from the viewpoints of the Committee on Veterans' Affairs, requires the negotiation of an agreement under which the American Battle Monuments Commission would maintain a permanent cemetery for the remains of our honored U.S. citizens who have given their lives in defending and maintaining the Panama Canal. The representatives of the two governments concluded this agreement on January 18, this year. In accordance with its own constitutional processes, the Government of Panama must submit the agreement to its national legislative assembly for ratification, and I am informed by the Department of Defense that the Government of Panama will do so quickly. The Government of the United States has completed its constitutional requirements for this agreement, in accordance with the terms of the treaty reservation. I ask that the negotiated agreement, as well as an excerpt from the official remarks made by Panama's representative at the signing ceremony, with regard to the agreement for permanent use of the Corozal Cemetery, be placed in the RECORD.

Agreement Between the United States of America and the Republic of Panama Relative to the Use of Plots of Land Located in the Republic of Panama for Maintaining a Permanent Cemetery

The United States of America and the Republic of Panama, desiring to strengthen their ties of friendship, have agreed upon the following as regards the establishment of a cemetery at Corozal:

ARTICLE I

1. Without prejudice to the provisions of the Agreement in Implementation of Article IV of the Panama Canal Treaty, signed in Washington September 7, 1977, the Republic of Panama grants to the United States of America the exclusive use of the areas identified and described in the maps which constitute Annexes A and B to this Agreement, hereinafter referred to as "the Areas".

2. The United States of America will use the Areas exclusively to maintain a cemetery.

3. The rights which the Republic of Panama hereby confers upon the United States of America are effective upon the date of entry into force of this Agreement and thereafter and, moreover, are without taxation or the imposition of fees or costs.

4. The Republic of Panama likewise grants to the United States of America free access to the Areas for the use set forth in this Agreement.

ARTICLE II

1. The United States of America will use the Areas exclusively for the purposes of the Agreement in Implementation of Article IV of the Panama Canal Treaty of 1977, during the life of that Agreement, and for the purpose set forth in Article I of this Agreement. In carrying out these purposes the United States of America may bury United States citizens or their dependents, erect headstones and boundary walls, take such measures to beautify and maintain the Areas as it deems appropriate, build a commemorative monument and construction roads, buildings (including two residences) and the utilities needed to maintain this cemetery.

2. The flags of the United States of America and the Republic of Panama shall be displayed in the Areas in the manner prescribed by Article VII of the Panama Canal Treaty of 1977.

3. The Republic of Panama will provide the United States of America with uninhibited access to those utilities necessary for the operation and maintenance by the United States of America of the Areas. Upon request of the United States of America, the Republic of Panama will insure that there is made available to the United States of America those utilities necessary for the operation and maintenance by the United States of America of the Areas. The terms and conditions of use, prices, rates and tariffs, as well as priorities, shall not be unfavorable in relation to those applicable to the most favored private user.

4. The Republic of Panama will insure that the Areas remain free from private or public easements or other encumbrances that might hinder their use by the United States of America for the purposes of this Agreement.

5. The Republic of Panama will further the preservation of the dignity and esthetic character of the cemeterial site which shall be maintained in the Areas, prohibiting unsightly or inappropriate structures or activities in the vicinity of the Areas.

6. The United States of America will not allow any third party to use the Areas or any part of them. Moreover, it is agreed that should the Areas or any portion thereof cease to be used for the purposes set forth in Article I of this Agreement, the use of such land shall revert to the exclusive use of the Republic of Panama.

ARTICLE III

1. The United States of America may bury or exhume bodies of United States citizens and their dependents within the Areas, and may transport them to or from the Areas. For purposes of this Agreement, "United States citizens and their dependents" shall be comprised of the following categories of persons:

(a) Persons to whom the United States of America is authorized to provide medical services in accordance with the Panama Canal Treaty and related agreements;

(b) Members of the Armed Forces of the United States of America on active duty, to the extent authorized by applicable United States laws and regulations;

(c) Persons who, prior to the entry into force of this Agreement, have reserved plots in the Areas; and

(d) Persons having close relatives buried in the Areas.

2. It is understood that after noon, Panama time, December 31, 1999, interment of the remains of persons shall take place only with the mutual consent of the appropriate authorities of the United States of America and of the Republic of Panama. Both Parties shall give sympathetic consideration to requests for the interment of the remains of individuals when the remains of close relatives of such individuals are interred in the Areas.

3. The United States of America will take all necessary measures to prevent the operations authorized by this Article from endangering public health.

4. With respect to the movement through Panamanian territory of bodies to be buried in the Areas or removed from them, the United States of America shall not be subject to the laws, regulations or administrative authority of the Republic of Panama concerning movement of bodies.

5. All such burials, disinterments and movements of bodies shall be exempted from all Panamanian taxes.

ARTICLE IV

1. All expenses incurred in carrying out the provisions of Articles II and III shall be borne by the United States of America.

2. Nationals of the United States of America designated by the United States of America to carry out the purposes of this Agreement and their dependents, shall be treated as members of the civilian component and dependents in accordance with the Agreement in Implementation of Article IV of the Panama Canal Treaty of 1977 for all purposes during the life of that Agreement. Thereafter, such nationals and their dependents shall be treated as members and dependents of members of the administrative and technical staff of the Embassy of the United States of America in the Republic of Panama.

3. All supplies, materials and equipment or other removable property utilized by the United States of America in carrying out the provisions of this Agreement, whether procured in Panama or imported, and the Areas, including all non-removable improvements thereon that have been made or shall be made, shall be exempt from all forms of taxation, direct or indirect. The United States of America shall have the same exemption in all undertakings and services which it may order or contract for, in carrying out the purposes of this Agreement. It is understood, however, that this exemption does not mean that the Republic of Panama is obliged to reimburse taxes collected by it prior to the purchase of goods or services on the Panamanian market by the American Battle Monuments Commission or its successor.

ARTICLE V

The terms, conditions and prerequisites for employment of Panamanian nationals by the United States of America under this Agreement shall conform with the general principles of the labor laws of the Republic of Panama.

ARTICLE VI

1. The United States of America hereby designates the American Battle Monuments Commission as the agency to carry out the terms of this Agreement and will inform the Republic of Panama of any successor agency.

2. The American Battle Monuments Commission or its successor shall be exempt from the jurisdiction of the Republic of Panama.

3. Any differences of interpretation which may arise with respect to this Agreement shall be resolved by the Parties through diplomatic channels.

ARTICLE VII

This Agreement shall enter into force on the same date that the Panama Canal Treaty of 1977 and the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal enter into force, or on the date on which the Republic of Panama notifies the United States of America that its Constitutional requirements have been fulfilled, whichever is later.

Signed at Panama, Republic of Panama, this 11th day of January, 1979, in the English and Spanish languages, both texts being equally authentic.

Excerpt From Speech Delivered by Panama's Ambassador to the United States, Dr. Carlos Lopez Guevara, January 11, 1979

The agreement permitting the U.S. the permanent use of the Corozal Cemetery is a clear proof of the Judeo-Christian tradition of both nations. It shows our respect for the dead. There will rest the mortal remains of those who gave their lives; they will rest there with the eternal respect of Panamanians and North Americans, sheltered by the flags of Panama and the United States as a sign of respect and veneration for these human beings.

Additionally, this treaty reservation requires certain actions by the Executive Branch to ensure that the remains of U.S. citizens, now buried in the cemetery to be transferred to Panama, be reinterred in the cemetery to be administered by the American Battle Monuments Commission prior to 1 October 1979, unless the next of kin requests, after being fully advised of the implications, that the remains either not be disturbed or be transported to a selected location in the United States. The President has announced his plan for the reinterments in Executive Order 12115, dated January 19, which I now ask to be inserted into the record.

[Executive Order 12115 of Jan. 19, 1979]

Permanent American Cemetery in the Republic of Panama

By the authority vested in me as President by the Constitution and the laws of the United States of America, including Section 10 of the Act of March 4, 1923 (42 Stat. 1509), as amended (36 U.S.C. 132), and to implement the intent of the United States Senate (124 Cong. Rec. S. 3857 of March 16, 1978) as set forth by Reservations (1) and (3) to the Resolution of Ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, it is hereby ordered as follows:

1–101. The Secretary of State shall take all appropriate steps to complete, prior to the date of entry into force of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, hereinafter referred to as the Neutrality Treaty, the negotiations which have begun with the Republic of Panama for an agreement under which the United States of America would, upon the date of entry into force of such agreement and thereafter, administer as a permanent American cemetery such part of Corozal Cemetery as encompasses the remains of citizens of the United States of America.

1-102. Subject to the conclusion of the agreement referred to in Section 1-101 of this Order, the American Battle Monuments Commission shall administer that part of Corozal Cemetery which encompasses the remains of citizens of the United States of America, in accordance with the terms of the agreement with the Republic of Panama.

1-103. The Governor of the Canal Zone shall, to the extent funds are available, disinter from Mount Hope Cemetery, before entry into force of the Neutrality Treaty, and reinter in Corozal Cemetery the remains of United States citizens, and the remains of members of their immediate family that are buried with them. The Governor shall not remove from Mount Hope Cemetery the remains of any such person whose next of kin timely requests in writing that such remains not be disinterred. The Governor shall transport to the United States for reinterment the remains of any such person whose next of kin timely requests in writing that such remains be transported to the United States for reinterment.

1-104. The Secretary of Defense shall, to the extent funds are available, disinter from Corozal Cemetery and transport to the United States for reinterment the remains of United States citizens, and the remains of members of their immediate family buried with them, whose next of kin requests in writing by April 1, 1982, that such remains be transported to the United States for reinterment.

1-105. Subject to the availability of funds, all the costs incurred in the disinterment, reinterment in Corozal Cemetery, and transportation of remains required by this Order, including the costs of preparation, cremation if requested, and a casket or urn, shall be borne by the United States of America. The costs of reinterment in the United States, including any costs for funeral home services, vaults, plots, or crypts, will be the responsibility of the next of kin making the request, except to the extent otherwise provided by law, including any unused specific entitlements available pursuant to statute.

1-106. (a) The Governor of the Canal Zone shall identify, to the extent feasible, the closest surviving next of kin of each deceased United States citizen buried in the Mount Hope and Corozal Cemeteries, and of such next of kin of each member of the immediate family that is buried with such United States citizen.

(b) The Governor shall provide notice to the next of kin of such deceased buried in Mount Hope Cemetery that the Government plans to remove the deceased to Corozal Cemetery unless the next of kin requests in writing, not later than three months after the first issuance of such notification, either that the remains not be removed from Mount Hope Cemetery, or that the remains be moved to, and reinterred in, the United States in a cemetery or other burial site designated by the next of kin.

(c) The Government shall also provide notice to the next of kin of such deceased who are buried in Corozal Cemetery that the Government will disinter and transport such deceased to the United States for reinterment in a cemetery or other burial site designated by the next of kin, if the next of kin so requests in writing not later than April 1, 1982.

(d) The Governor shall publish the notices provided for in subsections (b) and (c) of this Section in appropriate newspapers, magazines and other periodicals, and utilize such other means of communicating with the next of kin that he finds to be practical and effective.

1-107. The Governor of the Canal Zone shall, before the entry into force of the Neutrality Treaty, fully advise the next of kin of all available options, and their implications, in those cases where a request has been made that remains not be removed from Mount Hope Cemetery.

1-108. The Secretary of the Army shall supervise the planned removal of the remains from Mount Hope Cemetery to Corozal Cemetery and shall ensure compliance with the wishes of any next of kin who, within the time specified in clause B(1) to the Third Reservation to the Neutrality Treaty, objects to such removal.

1-109. As used in this Order:

(a) "Next of kin" means the person whom the Governor of the Canal Zone determines to be the nearest living relative, by consanguinity or affinity, of a person buried at Mount Hope Cemetery or Corozal Cemetery.

(b) "Members of their immediate family" means the spouse, children, mother or father of the deceased United States citizen.

JIMMY CARTER.

THE WHITE HOUSE,
January 19, 1979.

The required letters to the identifiable next of kin have been dispatched and advertisements for placement in several national magazines have been prepared. The Congress has also received a fiscal year 1979 supplemental funding request of $3.9 million, which includes $1.7 million required to reinter the remains of our honored U.S. citizens now buried in the cemetery to be transferred to Panama on October 1st. It is my understanding that the Canal Zone Government will be prepared to carry out this reinterment program, beginning April 20, in accordance with the treaty reservation—provided that Congress moves quickly to approve this request for supplemental funds.

Mr. Speaker, now that the agreement has been signed and the Government is prepared to proceed, I urge the House to promptly consider the related supplemental funding request to insure that our honored dead, civilian and veteran alike, can be given the dignity and respect they so richly deserve.

RULES OF THE COMMITTEE ON WAYS AND MEANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

● Mr. ULLMAN. Mr. Speaker, pursuant to the requirement of rule XI, clause 2(a) of the rules of the House of Representatives, I submit herewith the rules of the Committee on Ways and Means for the 96th Congress and ask that they be printed in the RECORD at this point. These rules were adopted by the committee in open session on January 29 and 31, 1979:

RULES OF THE COMMITTEE ON WAYS AND MEANS FOR THE 96TH CONGRESS

Rule XI of the Rules of the House of Representatives, provides in part:

* * * The Rules of the House are the rules of its committees and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees.

* * * Each subcommittee of a committee is a part of that committee, and is subject to the authority and direction of that committee and to its rules so far as applicable.

* * * Each standing committee of the House shall adopt written rules governing its procedure. Such rules * * *

(1) shall be adopted in a meeting which is open to the public * * *

(2) shall be not inconsistent with the Rules of the House or with those provisions of law having the force and effect of Rules of the House * * *.

In accordance with the foregoing, the Committee on Ways and Means, on January 29 and 31, 1979, adopted the following as the Rules of the Committee for the 96th Congress.

RULE 1. IN GENERAL

Except where the terms "full committee" and "subcommittee" are specifically referred to, the following rules shall apply to the Committee on Ways and Means and its subcommittees as well as to the respective chairmen.

RULE 2. MEETING DATE, QUORUM, AND QUORUM FOR TAKING TESTIMONY AND EVIDENCE

The regular meeting day of the Committee on Ways and Means shall be on the second Wednesday of each month while the House is in session. A majority of the Committee constitutes a quorum for business. Provided, however, that two members shall constitute a quorum at any regularly scheduled hearing called for the purpose of taking testimony and receiving evidence.

RULE 3. SUBCOMMITTEE MEETINGS

Insofar as possible, meetings of the Committee and its subcommittees shall not conflict. Subcommittee chairmen shall set meeting dates after consultation with the Chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of Committee and subcommittee meetings or hearings wherever possible.

RULE 4. SUBCOMMITTEES

All matters referred to the Committee on Ways and Means involving the Internal Revenue Code, except those revenue measures referred to the Subcommittee on Select Revenue Measures under paragraph 3 hereof, shall be considered by the whole Committee and not in subcommittee. The purpose of this is to expedite consideration of these matters.

There shall be six standing subcommittees a follows: Subcommittee on Social Security; Subcommittee on Health; Subcommittee on Public Assistance and Unemployment Compensation; Subcommittee on Trade; Subcommittee on Select Revenue Measures; and Subcommittee on Oversight.

The jurisdiction of such subcommittees shall include:

1. Subcommittee on Social Security shall consist of 9 Members, 6 of whom shall be Democrats and 3 of whom shall be Republicans.

In general, the jurisdiction of the Subcommittee on Social Security will include bills and matters referred to the Committee on Ways and Means which relate to the Federal Old-Age, Survivors' and Disability Insurance System and employment taxes and trust fund operations relating to that system, but shall not include those titles of the Social Security Act involving health benefits, unemployment compensation or welfare matter. The jurisdiction of this subcommittee, more specifically, will include bills and matters involving title II of the Social Security Act, as well as provisions in title VII and title XI of the Act relating to procedure and administration involving the Old-Age, Survivors' and Disability Insurance System.

2. Subcommittee on Health shall consist of 9 Members, 6 of whom shall be Democrats and 3 of whom shall be Republicans.

In general, the jurisdiction of the Subcommittee on Health includes bills and matters which are referred to the Committee on Ways and Means relating to programs which provide payments (from any source) for health care, health delivery systems, or health research. More specifically, the jurisdiction of the Subcommittee on Health includes bills and matters relating to the health care programs of the Social Security Act (including titles V, XI (Part B), XVIII, and XIX thereof) and tax credit (including tax credits where no tax is due) and deduction provisions of the Internal Revenue Code dealing with health insurance premiums and health care costs.

3. Subcommittee on Select Revenue Measures shall consist of 9 Members, 6 of whom shall be Democrats and 3 of whom shall be Republicans.

The jurisdiction of this subcommittee shall consist of those revenue measures which, from time to time, shall be referred to it specifically by the Chairman of the full Committee.

4. Subcommittee on Trade shall consist of 21 Members, 14 of whom shall be Democrats and 7 of whom shall be Republicans.

In general, the jurisdiction of the Subcommittee on Trade will include customs and customs administration including tariff structure, classification, valuation of and special rules applying to imports, and special tariff provisions and procedures relating to customs operation affecting exports and imports; import trade matters, including import impact, industry relief from injurious imports, adjustment assistance, unfair import practices including antidumping and countervailing duty provisions, and import policy relating to dependence on foreign sources of supply; reciprocal trade agreements including multilateral and bilateral trade negotiations involving tariff and nontariff trade barriers to and distortions of international trade; international rules, organizations and institutional aspects of international trade agreements; and special trade-related problems involving market access, export promotion, access to materials in short supply, trade with developing countries, operations of multinational corporations and state trading.

5. Subcommittee on Public Assistance and Unemployment Compensation shall consist of 9 Members, 6 of whom shall be Democrats and 3 of whom shall be Republicans.

In general, the jurisdiction of this subcommittee shall include bills and matters referred to the Committee on Ways and Means affecting those provisions of the Social Security Act relating to welfare matters, i.e., welfare reform, supplemental security income, aid to families with dependent children, social services and child support, and eligibility of welfare recipients for food stamps.

More specifically, the jurisdiction of this subcommittee shall include bills and matters relating to titles I, IV VI, X, XIV, XVI, XVII, XX and related provisions of titles VII and XI of the Social Security Act.

The jurisdiction of this subcommittee will also include bills and matters referred to the Committee on Ways and Means which relate to the Federal-State system of unemployment compensation, and the financing thereof, including the programs for extended and emergency benefits.

More specifically, the jurisdiction of this subcommittee shall include all bills and matters pertaining to the programs of unemployment compensation under titles III, IX, and XII of the Social Security Act, Chapter 23 of the Internal Revenue Code, the Federal-State Extended Unemployment Compensation Act of 1970, the Emergency Unemployment Compensation Act of 1974, and provisions relating thereto.

6. Subcommittee on Oversight shall consist of 9 Members, 6 of whom shall be Democrats and 3 of whom shall be Republicans.

The jurisdiction of this subcommittee shall include all matters within the scope of the Committee but shall be limited to existing law and said oversight jurisdiction shall not be exclusive but shall be concurrent with that of the other subcommittees, and with respect to matters involving the Internal Revenue Code said concurrent jurisdiction shall be shared with the full Committee. Before undertaking any investigation or hearing, the chairman of the Subcommittee on Oversight shall confer with the Chairman of the full Committee and the chairman of any other subcommittee having jurisdiction.

RULE 5. SUBCOMMITTEE CHAIRMEN

Democratic members of the Committee shall have the right in order of full Committee seniority to bid for vacant subcommittee chairmanships. Such bids shall be subject to approval by a majority of those present and voting in the Democratic caucus of the Committee. If the caucus rejects a subcommittee chairmanship bid, the next senior Democratic Member may bid for the position as in the first instance. No member of the Committee who serves on the Budget Committee shall serve as a chairman of a subcommittee. A subcommittee chairmanship shall not be considered vacant while the subcommittee chairman has taken a leave of absence to serve on the Budget Committee.

RULE 6. EX-OFFICIO MEMBERS OF SUBCOMMITTEES

The Chairman and the ranking minority member may sit as ex-officio members of all subcommittees. They may be counted for purposes of assisting in the establishment of a quorum for a subcommittee. However, their absence shall not count against the establishment of a quorum by the regular members of the subcommittee. Ex-officio members shall not vote in the subcommittee.

RULE 7. REFERENCE OF LEGISLATION AND SUBCOMMITTEE REPORT

Every bill, or other matter (except bills concerning the Internal Revenue Code) referred to the Committee or initiated by the Committee shall be referred by the Chairman of the full Committee to the appropriate subcommittee within 2 weeks from the date of its receipt by the Committee unless by a majority vote in the full Committee, consideration is to be by the full Committee. A subcommittee shall, within 3 legislative days of receipt of a bill referral, acknowledge some to the full Committee.

After a bill has been pending in a subcommittee for a reasonable period of time, the Chairman of the full Committee may make a request in writing to the subcommittee that the subcommittee forthwith report the bill to the full Committee with its recommendations. If within 7 legislative days after the Chairman's written request, the subcommittee has not so reported the bill, then there shall be in order in the full Committee a motion to withdraw the original reference of the bill to the subcommittee. If such motion is approved by a majority vote in the full Committee, the bill may thereafter be considered only by the full Committee.

No bill reported by a subcommittee shall be considered by the full Committee unless it has been presented to all members at least 2 legislative days prior to the meeting, together with a comparison with present law, a section-by-section analysis of the proposed change, and a section-by-section justification.

RULE 8. SUPERVISION, DUTIES OF COMMITTEE STAFFS

The staff of the Committee, both professional and clerical, shall be under the general supervision and direction of the Chairman of the full Committee except as provided in Rule XI Clause 5(d) and Clause 6 of the Rules of the House of Representatives concerning committee expenses and staff. Provided, however, that the chairman of each subcommittee shall be entitled to select and designate at least one professional staff member for said subcommittee and at least one clerical staff member for said subcommittee subject to the approval of a majority of the Democratic members of said full Committee. The ranking minority member shall have the right to designate one staff member. Said staff members shall be compensated at a salary commensurate with the responsibilities prescribed by said subcommittee chairman. Compensation shall be provided out of appropriated amounts—rather than statutory amounts allowed each committee.

RULE 9. COMMITTEE BUDGET AND EXPENSES

The Chairman, in consultation with the majority members of the Committee, shall, for each session of the Congress, prepare a preliminary budget. Such budget shall include necessary amounts for staff personnel, travel, investigation, and other expenses of the Committee. After consultation with the minority members, the Chairman shall include an amount budgeted to minority members for staff under their direction and supervision. Thereafter, the Chairman shall combine such proposals into a consolidated Committee budget, and shall present the same to the Committee for its approval or other action. The Chairman shall take whatever action is necessary to have the budget as finally approved by the Committee duly authorized by the House. After said budget shall have been adopted, no substantial change shall be made in such budget unless approved by the Committee.

RULE 10. WITNESSES

Witnesses who are scheduled to appear before the Committee shall file with the clerk of the Committee at least 24 hours in advance of his appearance a written statement of his proposed testimony and shall limit his oral presentation to a summary of his statement unless this provision is waived by the Chairman. Witnesses shall provide sufficient copies of his statement to the clerk for distribution to members, staff and news media.

RULE 11. QUESTIONING OF WITNESSES

Committee members may question witnesses only when recognized by the Chairman for that purpose. All members shall be limited to five minutes on the initial round of questioning. In questioning witnesses under the five minute rule, the Chairman and the ranking minority member may be recognized first after which members may be recognized in the order of their arrival at the hearing. Among the members present at the time the hearing is called to order, seniority shall be recognized. In recognizing members to question witnesses, the Chairman may take into consideration the ratio of majority members to minority members and the number of majority and minority members present and shall apportion the recognition for questioning in such a manner as not to disadvantage the members of the majority.

RULE 12. PUBLICATION OF TENTATIVE DECISIONS

A copy of any tentative or final legislative decision made by the Committee on the subject matter under consideration shall be made available to each member of the Committee by the next meeting of the Committee, or at the latest, by the next day.

RULE 13. AMENDMENT TO PROVISION PREVIOUSLY READ

In the process of reading a bill for amendments, it shall be in order to return to a previously read portion of the bill for the purpose of considering and acting upon amendments thereto. However, if such previously read portion has been adopted by a record vote, the provisions of Rule XVIII of the Rules of the House of Representatives concerning reconsideration shall be applicable except that the term "succeeding day" shall be defined as the next day on which a quorum of the Committee is present.

RULE 14. RECORD VOTES

A record vote on an issue shall be required on the request of a Member which is supported by at least one-fifth of a quorum.

RULE 15. PREVIOUS QUESTION

The Chairman shall not recognize a Member for the purpose of moving the previous question unless the Member has first advised the Chair, and those Members present that this is the purpose for which recognition is being sought.

RULE 16. RECOMMENDATION FOR APPOINTMENT OF CONFEREES

Whenever in the legislative process it becomes necessary to appoint conferees, the Chairman shall recommend to the Speaker as conferees the names of those members of the subcommittee which handled the legislation in the order of their seniority upon such subcommittee and such other committee and subcommittee members as the Chairman may designate. In making recommendations of minority members as conferees the Chairman shall consult with the ranking minority member of the Committee.

RULE 17. RECORDS OF HEARINGS

An accurate stenographic record shall be kept of all testimony taken at a public hearing. Witnesses may, in the presence of a member of the Committee staff and at reasonable times in the office of the Committee, examine the transcript of his own testimony and may make suggestions to the staff to correct grammatical or technical changes as will not substantially alter the record of the testimony. In instances where the witness is from out of town, and where it will contribute to a more complete record and/or expedite the printing of the hearing, the appropriate portion of the transcript may be transmitted to the witness by the staff for correction and immediate reurn. Members shall correct their own testimony and return transcripts as soon as possible after receipt thereof. The Chairman may order the printing of the hearing without the corrections of a witness or Member if he determines that such Member or witness has been afforded a reasonable time to make such corrections and that further delay would impede the consideration of the legislative action which is the subject of the hearing. Witnesses appearing in public hearings, or submitting a statement for the record of a public hearing, or submitting a written comment in response to a request for comments by the Committee from the interested public, must provide the Committee with a list of any clients of that witness (or the firm or association he represents) at whose behest or in whose employ the witness appears. This list shall be retained in the Committee's files and shall be made public unless otherwise directed by the Committee. As to public hearings within the United States, verbal testimony and statements for the record, or written comment in response to a request for comments by the Committee, will be accepted only from citizens of the United States or corporations or associations organized under the laws of one of the 50 States of the United States or the District of Columbia, unless otherwise directed by the Committee or subcommittee involved. Written statements from noncitizens may be considered for acceptance if transmitted through Members of Congress.

RULE 18. TRANSCRIPTS OF OTHER COMMITTEE MEETINGS

An accurate stenographic record shall also be kept of all markup and other meetings of the Committee, whether they be open or closed to the public. This record, marked as "uncorrected," shall be available for inspection by Members of the House, or members of the Committee together with their staffs, at reasonable times and places. This record shall not be published or made public in any way except by a majority vote of the Committee. Before any public release of the uncorrected record, Members must be given a reasonable opportunity to correct their emarks. In instances in which a stenographic record is kept of a conference committee proceeding, all of the requirements of this rule will likewise be observed with respect to such record.

RULE 19. BROADCASTING OF COMMITTEE OR SUBCOMMITTEE HEARINGS

The provisions of House Rule XI 3(f) are by reference specifically made a part of these rules.

RULE 20. PARTY RATIO

The ratio of Democrats to Republicans on any subcommittee of the Committee shall be not less than two Democrats to each Republican.

RULE 21. PROXY VOTING

Voting by proxy shall be permitted in accordance with the manner prescribed in House Rule XI 2(f).

RULE 22. TRAVEL OF MEMBERS AND STAFF

(*a*) Consistent with the primary expense resolution and such additional expense resolution as may have been approved, the provisions of this rule shall govern travel of Committee members and Committee staff. Travel to be reimbursed from funds set aside for the full Committee for any Member or any Committee staff member shall be paid only upon the prior authorization of the Chairman. Travel may be authorized by the Chairman for any Member and any Committee staff member in connection with the attendance of formal or informal hearings conducted by the Committee, its subcommittees, or any other committee or subcommittee of the Congress on matters relevant to the general jurisdiction of the Committee, and meetings, conferences and investigations which involve activities or subject matter relevant to the general jurisdiction of the Committee. Before such authorization is given there shall be submitted to the Chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which the travel is to be made and the date or dates of the event for which the travel is being made;

(3) The location of the event for which the travel is to be made;

(4) The names of Members and Committee staff seeking authorization.

Where travel is in connection with the conduct of Members of the Committee of an informal hearing, the prior approval not only of the Chairman but also of subcommittee chairmen shall be required where the hearing involves any matter within the jurisdiction of one or more of the subcommittees of the Committee.

(*b*) In the case of travel of Members and staff of a subcommittee to hearings, meetings, conferences, and investigations involving activities or subject matter under the legislative assignment of such subcommittee to be paid for out of funds allocated to such subcommittee, prior authorization must be obtained from the subcommittee chairman and the Chairman. Such prior authorization shall be given by the Chairman only upon the representation by the applicable chairman of the subcommittee in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (a).

(*c*) Within 60 days of the conclusion of any travel authorized under this rule, there shall be submitted to the Chairman a written report covering the information gained as a result of the study or investigation, or meeting, conference or hearing attended pursuant to such travel.●

WHITE HOUSE FOREIGN POLICY BRIEFING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. WIRTH) is recognized for 5 minutes.

● Mr. WIRTH. Mr. Speaker, last night a group of other Members and I attended a foreign policy briefing at the White House conducted by President Carter, Secretary of State Vance, Secretary of Defense Brown, and National Security Advisor Brzezinski. It was a fascinating and highly informative session and I would like to share with my colleagues some impressions from that briefing.

First, our foreign policy has over the past 2 years, and must continue to be, marked by a unique flexibility that will allow us to cope with a world that is constantly and rapidly changing. Although we still face a threat from the Soviet Union, the world now consists of over 160 polities, each struggling, each attempting to deal with their own sense of values and priorities. It will be on our successful efforts in dealing with these many policies, and the multiplicity of policy decisions that will result that will determine our own future and that of the world.

Second, and in line with this, must be the development of our foreign policy mechanisms away from a strictly military orientation. We must learn the value of "weapons" such as friendship and nonmilitary assistance in helping others in this world recognize the values for which our country stands. Our commitment to human rights recently has been, and must continue to be a statement of our goals and principles and a signal of the U.S. recognition of those universal values throughout the world.

Mr. Speaker, the world is changing rapidly and, under the Carter administration, our foreign policy has been marked by a welcome acceptance of those changes. We have moved beyond the conventional wisdom of the past into a new and more fluid approach to the world.

Last night's session was an excellent forum, and I want to register with my colleagues my appreciation of the event, my enthusiasm for the directions being taken by the administration as outlined to us last night, and my hopes that we can all work together to achieve the goals we share for a peaceful world in which individuals and nations can express and fulfill themselves.●

RULES OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

(Mr. UDALL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. UDALL. Mr. Speaker, as chairman of the Committee on Interior and Insular Affairs, I submit for printing in the CONGRESSIONAL RECORD the rules adopted by the Committee on Interior and Insular Affairs for the 96th Congress as provided in clause 2(a) of House rule XI:

PART I

RULES OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

A. RULES OF GENERAL APPLICATION

Rule 1. Rules of the House.—The Rules of the House of Representatives are the rules of its Committees and Subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in Committee and Subcommittees. Written rules adopted by the Committees, not inconsistent with the Rules of the House, shall be binding on each Subcommittee. Each Subcommittee of a Committee is a part of that Committee and is subject to the authority and direction of that Committee. Rule XI of the Rules of the House, which pertains entirely to Committee procedure, is incorporated and made a part of the Rules of the Committee which are supplementary to the Rules of the House.

Rule 2. Time, Place of Meetings.—(*a*) While Congress is in session, regular business meetings of the Committee shall be held in the regularly assigned committee room, Longworth House Office Building, beginning at 9:45 a.m. on each Wednesday, except that whenever any party caucus or conference conflicts with such meeting of the Committee, then the Committee shall meet on Thursday or on such other day as may be mutually agreed upon by the Chair and the Ranking Minority Member. Such meeting shall be called to order and presided over by the Chair, or in the absence of the Chair, by the ranking majority member of the Committee present.

(*b*) Special meetings shall be held at the call of the Chair or upon written request of Members of the Committee as provided in Rule XI, Clause 2, of the Rules of the House. When a regularly called party caucus or party conference is scheduled to be in session after 10 a.m. on any day, and the Chair is so advised not later than 12 noon on the preceding day, the regularly scheduled Committee meeting for that day shall be rescheduled as provided in paragraph (a) of this rule.

(*c*) Each meeting of the Committee or any of its Subcommittees for the transaction of business, including the mark-up of legislation, shall be open to the public except when the Committee or Subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public because disclosure of testimony, evidence or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: *Provided however*, That no person other than Members of the Committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or mark-up session which has been closed to the public. This paragraph does not apply to any meeting that relates solely to internal budget or personnel matters.

Rule 3. Agenda for Meetings.—The agenda for Committee meetings, setting out all items of business to be considered, shall be delivered to the office of each member at least two calendar days in advance of the meeting: *Provided*, That this requirement may be waived by a majority vote, a quorum being present.

Rule 4. Adjournment of Meetings.—A motion to adjourn shall not be approved unless the Chair, in his discretion, recognizes a Member for the purpose of making such motion and the motion is approved by a majority of the Members present and voting.

Rule 5. Committee Procedure.—(*a*) The date, time, place and subject matter of all public hearings of the Committee or any of its Subcommittees shall be announced at least 1 week in advance of the commencement of such hearings. If the Committee, or any of its Subcommittees, determines that there is good cause to expedite the hearing, it shall make the announcement at the earliest possible date. Any such announcement shall be promptly published in the Daily Digest.

(*b*) Each hearing conducted by the Committee or Subcommittee thereof shall be open to the public except when the Committee or Subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: *Provided*, That the Committee or Subcommittee may by the same procedure vote to close one subsequent day of hearing: *Provided further*, That two or more Members at a meeting held for the purpose of taking testimony may determine, by a majority vote,

(i) to close such hearing for the purpose of discussing whether testimony or evidence to be received would endanger national security or tend to defame, degrade, or incriminate any person in violation of rule XI, 2(k)(5) of the Rules of the House; or

(ii) to close the hearing as provided in rule XI 2(k)(5) of the House.

(*c*) No Member may be excluded from nonparticipatory attendance at any hearing of the Committee, or its Subcommittees unless the House, by majority vote, authorizes the committee or its Subcommittees, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close such meetings to Members by the same procedures designated in this rule for closing meetings to the public.

(*d*) Each witness who is to appear before the Committee or one of its Subcommittees shall file with the Committee, at least 24 hours in advance of his appearance, a written statement of his proposed testimony and shall limit his oral presentation at his appearance to a brief summary of his argument, unless this requirement is waived by the Committee.

(*e*) The right to interrogate witnesses before the Committee or any of its Subcommittees shall alternate between the Majority Members and the Minority Members. In recognizing Members to question witnesses, the Chairman may take into consideration the ratio of majority and minority party Members present and may recognize two majority party Members for each minority party Member recognized. Each Member shall be limited to 5 minutes in the interrogation of witnesses until such time as each Member of the Committee who so desires has had an opportunity to question the witness.

(*f*) No bill, recommendation, or other matter reported by a Subcommittee shall be considered by the Committee until 2 calendar days have elapsed from the time of the action of the Subcommittee and such action has been reported by the Committee Clerk to all Members of the Committee and, in the case of a bill, a copy has been delivered to the office of all Members so requesting the same, together with a section-by-section comparison with the present law: *Provided*, That this requirement may be waived by a two-thirds vote of a quorum of the Committee Members.

Rule 6. Quorum.—No measure or recommendation shall be reported from the Committee unless a majority of the Members of the Committee is present, but for the purpose of transacting any other Committee business one-third of the Members shall constitute a quorum. Testimony and evidence may be received at any meeting at which there are present two or more Members of the Committee. A quorum, once established, shall be deemed present unless a Member objects to the transaction of business due to the lack of a quorum. When a call of the roll is required to ascertain the presence of a quorum, the offices of all Members shall be so notified and the Members shall have not less than 10 minutes to prove their attendance. The Chair shall have the discretion to waive this requirement when a quorum is actually present or whenever a quorum is secured and may direct the clerk to note the names of all Members present within the 10 minute period.

Rule 7. Proxies.—A vote by any Member in the Committee or in any Subcommittee may be cast by proxy, but such proxy must be in writing. Each proxy shall designate the Member who is to execute the proxy authorization, shall assert that the Member is absent on official business or otherwise unable to attend, and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a Member may authorize a general proxy for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the Member assigning his vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

Rule 8. Subpenas and Oaths.—(*a*) A subpena may be authorized and issued in the conduct of any investigation or series of investigations or activities when authorized by a majority of the Members of the Full Committee, a quorum being present. Authorized subpenas shall be signed by the Chair of the Committee or by any other Member it may designate.

(*b*) The Chair of the Committee, the Chair of any of its Subcommittees, or any Member designated by either, may administer oaths to any witness.

Rule 9. Journal, Rollcalls.—(*a*) The proceedings of the Committee shall be recorded in a journal which shall, among other things include a record of the votes on any question on which a record vote is demanded. A copy of the journal shall be furnished the Ranking Minority Member through the Minority Counsel. A record vote may be demanded by one-fifth of the Members present or, in the apparent absence of a quorum, by any one Member. No demand for a rollcall shall be made or entertained except for the purpose of securing a record vote or in the apparent absence of a quorum.

(*b*) At the beginning of any meeting of the Committee, the Chair may announce to the Committee, in its discretion, that further proceedings will be postponed on any motions on which a recorded vote is ordered or on which the vote is objected to under Rule 6 until immediately preceding the conclusion of the meeting. In such instances, the Committee shall proceed with the consideration of the next regularly scheduled measures or matters until all such business is disposed of or until such time as the Chair announces that the question will be put on the matter deferred. The question on any motion so postponed shall be put by the Chair and shall be disposed of by the Committee, without further debate, as expeditiously as possible. If the Committee adjourns before the question is put and determined on such motion, then the first order of business at the next meeting shall be the disposition of such motion.

(*c*) The result of each rollcall vote in any meeting of the Committee shall be made available in the Committee office for inspection by the public.

Rule 10. Filing of Committee Reports.—*(a)* All Members of the Committee shall be given an opportunity to review each proposed Committee report for at least 2 days (excluding Saturdays, Sundays, and legal holidays) prior to filing.

(b) If, at the time of approval of any measure or matter by this Committee, any Member of the Committee gives notice of intention to file supplemental, minority, or additional views, that Member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) after the copy of the Committee report in substantially final form is completed, excluding formal or technical changes, in which to file such views, in writing and signed by that Member or Members, with the Clerk of the Committee. In the event that substantial or significant changes are made in the Committee report, such Member shall have not more than one calendar day to review such changes and alter his or her views in responding thereto. All such views so filed by one or more Members of the Committee shall be included within, and shall be a part of, the report filed by the Committee with respect to that measure or matter.

Rule 11. Record of Committee Proceedings.—Evidence, testimony, and information relevant to any measure or matter before the Committee will be received for inclusion in the record of proceedings as determined appropriate. A formal transcript need not be made in all instances and the Chair may exercise discretion as to content of the record. A complete record of all Committee actions, which shall include a record of the votes on any question on which a rollcall vote is demanded, shall be kept and retained in the permanent files of the Committee. All printing of proceedings or of other matter shall be subject to general principles promulgated by the Chair as well as by approval in each instance not only by the Chair of the appropriate subcommittee but also by the Chair of the Committee.

Rule 12. Broadcasting of Committee Hearings.—*(a)* It is the purpose of this clause to provide a means, in conformity with acceptable standards of dignity, propriety, and decorum, by which Committee hearings, or Committee meetings, which are open to the public may be covered, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage—

(1) for the education, enlightenment, and information of the general public, on the basis of accurate and impartial news coverage, regarding the operations, procedures, and practices of the House as a legislative and representative body and regarding the measures, public issues, and other matters before the House and its Committees, the consideration thereof, and the action taken thereon; and

(2) for the development of the perspective and understanding of the general public with respect to the role and function of the House under the Constitution of the United States as an organ of the Federal Government.

(b) In addition, it is the intent of this clause that radio and television tapes and television film of any coverage under this clause shall not be used, or made available for use, as partisan political campaign material to promote or oppose the candidacy of any person for elective public office.

(c) It is, further, the intent of this clause that the general conduct of each meeting (whether of a hearing or otherwise) covered, under authority of this clause, by television broadcast, radio broadcast, and still photograph, or by any of such methods of coverage, and the personal behavior of the Committee members and staff, other Government officials and personnel, witnesses, television, radio, and press media personnel, and the general public at the hearing or other meeting shall be in strict conformity with and observance of the acceptable standards of dignity, propriety, courtesy, and decorum traditionally observed by the House in its operations and shall not be such as to—

(1) distort the objects and purposes of the hearing or other meeting or the activities of Committee members in connection with that hearing or meeting or in connection with the general work of the Committee or of the House; or

(2) cast discredit or dishonor on the House, the Committee, or any Member or bring the House, the Committee, or any Member into disrepute.

(d) The coverage of Committee hearings and meetings by television broadcast, radio broadcast, or still photography is a privilege made available by the House and shall be permitted and conducted only in strict conformity with the purposes, provisions, and requirements of this clause. No recording of Committee or Subcommittee proceedings shall be permitted except as authorized pursuant to these rules.

(e) Whenever any hearing or meeting conducted by any Committee of the House is open to the public, that Committee may permit, by majority vote of the Committee, that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, but only under such written rules as the Committee may adopt in accordance with the purposes, provisions, and requirements of this clause.

(f) The following rules shall apply to the Committee and its Subcommittees:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpena by the Committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any Member of the Committee or the visibility of that witness and that Member to each other.

(5) Television cameras shall not be placed on the Committee rostrum or in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the Committee is in session.

(7) Floodlights, spotlights, strobelights and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting by still photography. In the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, on the Committee rostrum or between the witness table and the Members of the Committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

Rule 13. Committee Staffs.—*(a)* Pursuant to Rule XI, Clause 6, of the Rules of the House, the permanent staff of the Committee shall consist of not more than 30 staff members who shall be selected on the basis of fitness to perform the duties of their respective positions as follows:

Three shall be chosen by the Committee from nominations approved by a majority of the members of the minority party of the Committee;

One shall be chosen by the Committee from nominations submitted by the Chair of each of the standing Subcommittees of the Committee;

One shall be chosen by the Committee from nominations submitted by the ranking minority party member of each standing Subcommittee of the Committee; and

The balance of any unfilled positions shall be chosen by the Committee from nominations approved by a majority of the Members of the Majority party Members of the Committee;

The staff members selected by the Majority party shall be assigned such legislative, oversight, and administrative duties and responsibilities as the Chair of the Committee may prescribe and shall assist Committee Members in connection with matters related to Committee business. Each staff member nominated by a Subcommittee Chair shall be under the general supervision and direction of that Subcommittee Chair. The staff members selected by the Minority party shall be under the general supervision and direction of the Minority party Members of the Committee who may delegate such authority as they determine appropriate.

(b) A Subcommittee Chair shall be entitled to select and designate additional staff members, subject to the approval of a majority of the Majority party Members of the Committee, to assist the Subcommittee in carrying out its legislative, investigative and oversight responsibilities. The Minority shall be accorded fair and equitable consideration with respect to the appointment of additional staff, but Minority staffing shall continue to

be approximately one-third Minority representation on the Committee. Such staff members shall be assigned such duties pertaining to Subcommittee business as the Subcommittee Chair or the Minority, respectively, deem advisable and shall be compensated at a salary commensurate with the responsibilities prescribed by such Subcommittee Chair or by the Minority.

(*c*) Notwithstanding paragraphs (*a*) and (*b*) of this rule, the Committee may employ such additional nonpartisan staff as it deems necessary to conduct the administrative and clerical functions of the Committee. Such staff shall be in addition to any staff designated exclusively for the Majority or Minority party and shall be appointed only with the approval of a majority of the Members of the Majority party and with the approval of a majority of the Members of the Minority party. The Chair of the Committee shall establish and assign the duties and responsibilities of such members of the staff and they shall be compensated at a salary commensurate with the responsibilities prescribed.

(*d*) In the event that staff is not otherwise available pursuant to paragraphs (*a*) and (*b*) of this rule, from the funds provided for the appointment of Committee staff pursuant to any primary and additional expense resolution:

(1) The Chair of each standing Subcommittee is authorized to appoint at least one staff member who shall serve at the pleasure of the Subcommittee Chair.

(2) The ranking Minority party Member of each standing Subcommittee is authorized to appoint one staff person who shall serve at the pleasure of the ranking Minority party Member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (*a*) and (*b*) shall be compensated at a rate determined by the Subcommittee Chair pursuant to Rule XI, Clause 5(*d*) of the House of Representatives.

(4) The staff positions made available to the Subcommittee Chair and ranking Minority party Members pursuant to subparagraphs (1) and (2) of this paragraph shall be made available from the staff positions provided under Rule XI, Clause 6 unless such staff positions are made available pursuant to a primary or additional expense resolution.

(*e*) All staff selected pursuant to this rule shall be approved by the Committee and shall not be assigned any duties other than those pertaining to the business of the Committee and its Subcommittees. The staff of a Subcommittee shall be under the general supervision and direction of the Chair of that Subcommittee. The staff assigned to the Minority shall be under the general supervision and direction of the Minority party Members of the Committee who may delegate such authority as they determine appropriate. The staff of the Committee not assigned to a Subcommittee or to the Minority shall be under the general supervision and direction of the Chair of the Committee, who shall establish and assign the duties and responsibilities of such staff members and delegate authority as determined appropriate.

B. SUBCOMMITTEES: JURISDICTION, COMPOSITION, AND POWERS

Rule 14. Subcommittee Rules.—The Rules of the Committee, where applicable, shall be the Rules of its Subcommittees.

Rule 15. Reference of Legislation.—

(*a*) Except for bills, resolution, or matters involving Indians and Indian Tribes which shall be retained for consideration by the Committee unless referred by the Chair to an appropriate standing, select, or special Subcommittee, every bill, resolution, or other matter referred to the Committee shall be referred to the standing Subcommittee having jurisdiction over its principal subject matter within 2 weeks from the date of its referral to the Committee unless the Chair, with the approval of a majority of the Majority Members of the Committee, orders that it be retained for consideration by the Committee or that it be referred to a select or special Subcommittee.

(*b*) A bill, resolution, or other matter referred by the Chair to a Subcommittee may be recalled therefrom by him or her with the approval of a majority for the Committee's direct consideration or for referral to another Subcommittee. The Chair shall so inform, in writing, and such recommendation shall be effective within 1 week if approved by a majority of the Members of the Committee.

(*c*) A bill, resolution, or other matter referred by the Committee to a Subcommittee may be recalled from such Subcommittee at any time by majority vote of a quorum of the Committee for its direct consideration or for reference to another Subcommittee.

Rule 16. Subcommittees.—There shall be the following seven standing Subcommittees of the Committee: Subcommittee on Energy and the Environment, Subcommittee on National Parks and Insular Affairs, Subcommittee on Water and Power Resources, Subcommittee on Public Lands, Subcommittee on Oversight and Investigations, Subcommittee on Pacific Affairs, Subcommittee on Mines and Mining. Additional standing Subcommittees may be created by resolution of the Committee.

Rule 17. Jurisdiction of Subcommittees.—(*a*) The jurisdiction, including legislative, investigative, and oversight responsibilities, of the seven standing Subcommittees shall, subject to alteration as other Subcommittees are created, be as follows:

Subcommittee on Energy and the Environment

(*a*) Recommendations with respect to laws and programs under the jurisdiction of the Committee made by the Council on Environmental Quality in its annual Environmental Quality Report to the Congress.

(*b*) Selected matters and proposals, as referred by the Chairman, involving the environmental impacts of any laws or programs under the jurisdiction of the Committee.

(*c*) Regulation of the domestic nuclear energy industry, including regulation of research and development of reactors and nuclear regulatory research and special oversight functions with respect to nonmilitary nuclear energy and research and development, including the disposal of nuclear waste.

(*d*) Petroleum conservation on the public and other Federal lands and conservation of the uranium supply in the United States.

Subcommittee on national parks and insular affairs

(*a*) The National Park System and its units.

(*b*) Other national units established for the protection, conservation, preservation or recreational development of areas on public domain lands, or on reservations created out of the public domain, or under the jurisdiction of the Department of the Interior.

(*c*) Military parks, battlefields, and national cemeteries administered by the Secretary of the Interior, and parks within the District of Columbia.

(*d*) National outdoor recreation plans and the Land and Water Conservation Fund programs.

(*e*) Preservation of prehistoric ruins and objects of interest in the public domain and other Historic Preservation programs, including the Historic Preservation Fund.

(*f*) Puerto Rico, Guam, the Virgin Islands, American Samoa, Antarctica, the Trust Territory of the Pacific Islands, and the insular possessions of the United States, except matters affecting revenue and appropriations.

Subcommittee on water and power resources

(*a*) Irrigation and reclamation projects and other water resources development programs, including policies and procedures relating thereto.

(*b*) Compacts relating to the use and apportionment of interstate waters.

(*c*) Water rights.

(*d*) Saline water research and development program and water resources research program.

(*e*) Water resources planning conducted pursuant to the Water Resources Planning Act.

(*f*) Programs involving major interbasin movement of water or power.

(*g*) Legislation affecting the use of geothermal resources for the production of water and power.

Subcommittee on public lands

(*a*) Public lands generally, including, but not limited to, lands in Alaska, except units of the national park system, involved in the implementation of section 17(d)(2) of the Alaska Native Claims Settlement Act, as well as measures or matters related to entry, easements, withdrawals, and grazing.

(*b*) Forfeiture of land grants and alien ownership, including alien ownership of mineral lands.

(*c*) Forest reserves created from the public domain.

(*d*) National Wilderness Preservation System.

Subcommittee on Oversight and Investigations

(*a*) General and continuing oversight and investigative authority over activities, policies and programs within the jurisdiction of the Committee.

(*b*) Such remedial legislation resulting from the findings or recommendations of the Subcommittee as may be referred to the Subcommittee by the Chair of the Full Committee, after consultation with the Chair of the principal standing legislative Subcommittee involved.

(*c*) Legislation concerning the transportation of natural gas from or within Alaska.

(*d*) Legislation concerning the disposition of oil transported by the Trans Alaska oil pipeline.

Subcommittee on Pacific Affairs

(*a*) General and continuing oversight and investigative authority over activities, policies and programs in all of the Pacific territories (Guam, Northern Mariana Islands, American Samoa, and the Trust Territory of the Pacific Islands).

(*b*) Such remedial legislation resulting from the findings or recommendations of the Subcommittee as may be referred to the Subcommittee by the Chair of the Full Committee.

Subcommittee on Mines and Mining

(*a*) Mining interests generally.

(*b*) Mineral resources of the public lands.

(*c*) Mineral land laws, and claims and entries thereunder.

(*d*) Geological survey.

(*e*) Mining schools and experimental stations.

(*f*) Proposed long-range domestic minerals programs, including availability of domestic minerals to fulfill all domestic requirements.

(b)(1) In order to enable the Committee to carry out its responsibilities under Rule X, Clause 2 of the Rules of the House, each Subcommittee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that Subcommittee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, each such Subcommittee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that Subcommittee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of that Subcommittee.

(2) Pursuant to Rule X, Clause 2, of the Rules of the House, the Chair of the Committee and the Chair of the Subcommittee having jurisdiction over the matter involved or their respective designees, shall meet with representatives of the Committee on Government Operations to discuss and to assist in coordinating oversight plans of their respective committees.

Rule 18. Party Ratios.—The Chair shall negotiate with the Minority with respect to the size of each Subcommittee, with due regard for the preference of Members for Subcommittee assignments, except that party representation on each Subcommittee shall be no less favorable to the Majority party than the ratio for the Committee.

The Chair, if approved by a majority of the Members of the Majority party, and the Ranking Minority Member, if approved by a majority of the Members of the Minority party, may serve as Members of each Subcommittee.

The size and party representation for each Subcommittee during the 96th Congress shall be as follows:

Subcommittee [1]	Total members	Majority party [2]	Minority party [2]
Energy and the Environment	21	14	7
National Parks and Insular Affairs	22	14	8
Water and Power Resources	12	8	4
Public Lands	18	12	6
Oversight and Investigations	9	6	3
Pacific Affairs	8	5	3
Mines and Mining	12	8	4

[1] The Chair and the Ranking Minority Member of the Full Committee serve as ex officio Members of all Subcommittees, but are voting Members only on the Subcommittees to which they are assigned pursuant to Rule 18.

[2] The Delegates from Guam and the Virgin Islands and the Resident Commissioner from Puerto Rico do not count for purposes of the ratio between the majority and minority parties.

Rule 19. Special or Select Subcommittee.—The Chair is authorized, after consultation with the Ranking Minority Member of the Committee, to appoint such special or select Subcommittees as he deems advisable for carrying out the responsibilities and functions of the Committee. Party representation on each such Subcommittee shall be in the same proportion as that on the Committee.

Rule 20. Powers and Duties of Subcommittees.—Each Subcommittee is authorized to meet, hold hearings, receive evidence, and report to the Committee on all matters referred to it. The Chair of each Subcommittee shall set dates for hearings and meetings of their respective Subcommittees after consultation with the Chair of the Full Committee and of other Subcommittees with a view toward avoiding simultaneous scheduling of Committee and Subcommittee meetings or hearings wherever possible.

Rule 21. Travel.—(a) Subcommittee hearings outside of Washington, D.C., and travel by Members and staff shall be subject to approval by the Chair of the Committee pursuant to regulations promulgated by the Committee on House Administration. Each Subcommittee Chair may, for the purposes of field trips or hearings outside of the District of Columbia, assign any Members of the Committee to that Subcommittee.

(b) Staff members assigned to any Subcommittee may travel in connection with their respective duties only with the approval of the appropriate Subcommittee Chair and with the approval of the Chair of the Committee. Prior to submitting such travel requests to the appropriate Subcommittee Chair, all Minority staff travel shall be subject to such approval as the Minority Members of the Committee deem appropriate. All such travel shall be subject to the regulations promulgated by the Committee on House Administration.

Rule 22. Subcommittee Chair.—(a) The Majority Members of the Committee shall have the right, in order of Full Committee seniority, to bid for Standing Subcommittee Chairs. Any such bid shall be subject to approval by a majority of the Majority Members of the Committee. The Minority shall select a counterpart to the Subcommittee Chair for each of the Subcommittees. The Chair of select and special Subcommittees shall be appointed by the Chair of the Committee, subject to approval by a majority of the Majority Members of the Committee except that no Subcommittee Chair shall be Chair of another legislative Subcommittee of the House.

(b) Members chosen to chair a Subcommittee shall retain a ranking position on not more than one other retained Subcommittee. Any Subcommittee Chair serving on more than two Subcommittees shall be assigned positions on additional Subcommittees only after all other Members are assigned to Subcommittees and their ranking established on such Subcommittee, then the Subcommittee Chairs may serve in the order of their ranking on the Committee.

Rule 23. Duties of Chair Upon Favorable Action by Committee.—Whenever the Committee authorizes the favorable reporting of a bill or resolution from the Committee, the Chair shall report the same or designate some Member of the Committee to report the same to the House and shall use or cause to be used all parliamentary methods to secure passage thereof, without such additional authority being set forth particularly in the motion to report each individual bill or resolution. Without limiting the generality of the foregoing, the authority contained herein extends in appropriate cases to moving in accordance with Rule XXIV, Clause 5, of the said rules that the House go into the Committee of the Whole House on the State of the Union to consider the bill or resolution; and to moving in accordance with Rule XXIV, Clause 2, of said rules for the disposition of a Senate bill or resolution that is substantially the same as the House bill or resolution as reported.

Rule 24. Committee Budget and Expenses.—(*a*) Each Subcommittee Chair and the ranking Minority Members of the Committee shall submit to the Chair a budget for each session of the Congress covering the funding required for staff, travel, and miscellaneous expenses. The Chair shall prepare a consolidated budget for each session of Congress which shall include amounts required for all activities and programs of the Committee and the Subcommittees, except those Committee expenses to be paid from appropriations provided for by statute.

(*b*) Upon approval by the Committee of each such budget, the Chair, acting pursuant to Rule XI, Clause 5, of the Rules of the House, shall prepare and introduce in the House, a supporting expense resolution, and take all action necessary to bring about its approval by the Committee on House Administration and by the House.

(*c*) The Chair shall report to the Committee any amendments to each expense resolution and any changes in the budget necessitated thereby.

(*d*) Authorization for the payment of additional or unforeseen Committee and the Subcommittee's expenses may be procured by one or more additional expense resolutions processed in the same manner as set out herein.

(*e*) Committee members shall be advised of the availability of each monthly report, prepared by the Chair for the Committee on House Administration, which shows expenditures made during the reporting period and cumulative for the year, anticipated expenditures for the projected Committee program, and detailed information on travel.

Rule 25. Recommendation of Conferees.—Whenever in the legislative process it becomes necessary to appoint conferees, Majority Members shall be recommended to the Speaker as conferees as determined by the Majority, and Minority Members shall be recommended to the Speaker as conferees as determined by the Minority. Recommended party representation shall be in the same proportion as that in the Committee.

THE FCC: AN INSIDE VIEW

(Mr. VAN DEERLIN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. VAN DEERLIN. Mr. Speaker, it is possible that the House will be asked to work its will, several months from now, on far-reaching legislation to revamp the Communications Act of 1934. A result of nearly 3 years of staff studies and public hearings, the bill will seek deregulation where possible in both broadcasting and common carrier communications.

Simply stated, the verities of nearly a half-century ago are no longer valid in a new age of technology. Politically appointed Commissioners should no longer be asked to make choices that are better left to the marketplace.

One of the most eloquent voices raised in support of this viewpoint has been that of Margita White, an outgoing member of the Federal Communications Commission. Mrs. White's opinions were well summed up in what she describes as "my last speech" as a Commissioner. It was delivered last week before the Georgia Association of Broadcasters. I ask its inclusion in the RECORD as a helpful guidepost in the move toward a communications law to match our Nation's needs in the 21st century.

THE FCC: AN INSIDE VIEW

(Remarks by Commissioner Margita E. White)

This is my last speech as an FCC Commissioner and hence my last opportunity to speak as an "insider" about the Commission that so directly affects your present and future as broadcasters. That being the case, I would like to share with you today some of my reflections on how the Commission works and why I believe, as I have said before, that only legislation will achieve the public's and broadcasters' goal of removing needless federal regulation.

Although the Federal Communications Commission consist of seven independent members with equal votes, it often is assumed that the Chairman not only is more powerful than the six Commissioners but that the Chairman is the leader and the Commissioners the followers.

That is not surprising when you consider the Commission's voting records. An analysis prepared by my office last summer of the Commission's 502 votes during the 6½ month period between October 25, 1977 and May 31, 1978. Found that the Commissioners voted with the Chairman an average of 98.7% of the time. There were dissenting or split votes on only nineteen of those 502 issues.

But this is not just a current phenomenon. A survey of Commission voting records by the National Citizens Committee for Broadcasting in 1975 found that between July 1974 and April 1975 the Commissioners voted in agreement with Chairman Wiley 97.6% of the time.

The unanimity can be explained in part by the fact that some routine matters, by law, must be voted on by the full Commission. Moreover, differences on some issues may be settled prior to Commission meetings.

In 1975, Nick Johnson suggested that his NCCB figures demonstrated "an unhealthy domination of the FCC's deliberative process by the chairman" and "an incredible lack of independence among the commissioners."

Unaccustomed as I am to agreeing with Nick Johnson, and leaving his adjectives aside, I do agree that the Chairman dominates the Commission and that the Commissioners lack independence.

THE WAY IT WORKS

The lack of dissent is not due to a lack of diligence or intelligence on the part of the Commissioners but rather, for lack of a better phrase, to the way the system works.

The Chairman is dominant for reasons of law and procedure. He selects the General Counsel and other key staff. He and his personal staff meet regularly with bureau and office chiefs to plan and discuss upcoming agenda items. Some draft policy recommendations are submitted to him alone; while the staff is hard put to decline sharing them with Commissioners on request, Commissioners are not informed that they exist. Through these procedures, the Chairman has direct power to influence both the content and timing of recommendations presented to the Commissioners.

This concentration of control in the Chairman's office and the staff's role as advocates of only one side of controversial issues combine to discourage robust debate and inhibit a diversity of viewpoints on the Commission.

During my tenure, I have come to hold the FCC's professional staff in the highest regard. Many, like the very capable Wally Johnson, have devoted their entire professional careers to the Commission's work.

The complexity and sheer number of issues before the FCC obviously require Commissioners to rely heavily on the expertise of the Bureau and office staffs. That is as it should be.

The more difficult question is how heavily we should rely on the policy recommendations of the staff.

I believe we rely too much on those recommendations.

A SINGLE POINT OF VIEW

Unlike the Chairman, the Commissioners rarely have notice of upcoming issues until at the earliest two weeks prior to a meeting when—while the focus is on the current week's agenda—their respective offices begin to receive what usually adds up to 25 to 50 items and several hundred, sometimes thousands, single-spaced pages. The typical agenda item, while summarizing arguments from the various parties, is written to support the staff's recommendation. In a Commission meeting, the bureau chief promotes and defends that conclusion, supported by a platoon of staff experts who have spent weeks, months or sometimes years with the issue and who, even if in disagreement with the bureau's position, are not likely to volunteer a personal view. To the Commissioners, in turn, it is not apparent whether the recommendation reflects a strongly held or unanimous position of the bureau, a position hammered out in a deeply divided bureau, or the acquiescence of the bureau to the Chairman's views.

In preparation for these meetings, a Commissioner or his or her staff of two professionals, the maximum allowed by law, will pursue questions with the bureau staffs or call for the entire file of comments on a particular issue which may require a grocery cart for delivery. But the Commissioner who disagrees with the staff's recommendation faces a tremendous burden in researching the record, articulating arguments—including legal and technical reasons—to support another position and in overcoming the presumption that an expert and impartial staff best can define what is in the public interest. The burden is especially heavy if the staff concludes that the public interest is served best through regulation and a Commissioner's opposing position for self-regulation or less regulation can be interpreted as a pro-industry stance.

To put it another way, the system is stacked against dissent because individual Commissioners lack the time and resources to present thoroughly explored alternatives to many staff recommendations. Their reliance on the staff and insulation from alternatives have been increased by ex parte rules which go beyond court requirements and common sense. As a result, a number of votes which might have been dissents become concurrences, reflecting dissatisfaction rather than disagreement.

One partial solution, which has been supported by most Commissioners and is incorporated in the Communications Act rewrite, is to give individual Commissioners larger professional staffs to provide more independent research on the issues.

Another would be to involve the Commissioners more in policy development and hiring decisions. This would be assisted by restoring the practices of issuing advance calendars of specific issues to be discussed and of holding Commission meetings on staff appointments.

"RUBBER STAMP" PERCEPTION

But the most useful approach, it seems to me, would be for the Commission to apply the principles of some of its regulations to its own procedures. Formats of Commission agenda presentations should be changed to provide reasonable opportunities for the expression of staff views opposing bureau recommendations. The advocacy system of staff recommendations should be modified to require that, when there are reasonable public interest arguments in support of a position contrary to the bureau's, the Commissioners should be presented by the experts with the best case for any and all options along with the bureau's recommendations. (What I am suggesting goes beyond some budding efforts to present the Commission with option papers which, for the most part, simply mention the options dismissed and defend the option supported by the staff.)

The Commission would benefit from the presentation of the full range of adversary positions much as it would benefit from holding more oral arguments. Applying the spirit of the fairness doctrine to the Commission's own proceedings would make the staff more helpful to the entire Commission, would encourage more informed debates on the issues, would reduce any perception that the Commission is a rubber-stamp for its Chairman and, most importantly, would serve the public interest.

It also would help counter the system's built-in incentives to expand regulations.

The staffs of a regulatory agency are, by definition, regulators. Most are lawyers. Their role is to apply not only the statutes but the mountains of regulatory interpretations and rules which implement them. The interpretations expand to cover more and more contingencies; the rules become rigid doctrines which court decisions set further into concrete. Precedent is paramount. Each new case challenges the regulator to fit the facts into the regulatory framework. If they do not fit, the impetus is to make room for them. For with the broad mandate of fitting in what is in the public interest and leaving out what may not be, the safe thing to do is to regulate, to fit the cases within the rules or to issue new rules.

SPARING THE DYNAMITE

The odds are against a Commissioner seeking to stem this momentum. Nevertheless, in two recent cases, a narrow majority of four Commissioners overcame those odds.

The first case came up over a year ago and was covered in a *Washington Star* front page story captioned "Real Blowup Avoided by Common Sense." It began as follows: "In one of those rare instances when common sense prevailed over strict legal interpretation at a federal regulatory agency, a majority of the Federal Communications Commission has decided not to require the owner of a small radio station to blow it up before a license may be granted. The vote was 4–3 with the three lawyers on the FCC voting to require Vincent C. Myles to tear down the tower and dynamite the foundations at his new little station in Montgomery City, Missouri before the agency would issue a construction permit allowing him to build and operate the station."

Some of you may recall the case. The law, of course, requires a construction permit before a station can be licensed. The facts in the case clearly indicated there was no intent to sidestep the law and that the problem was one of misunderstanding between Mr. Myles and the FCC staff, with whom he had been in contact since the beginning. There was no intent to hide information about the construction—there had been a large public ground-breaking ceremony. The community had no service. The Broadcast Bureau recommended, however, that law and precedent required that the construction permit and license be granted only on the condition that the tower first be torn down and the foundations demolished.

To the four non-lawyers on the Commission this simply did not make sense, especially since extensive legal research by my staff found that neither the law nor Congressional intent required demolition. So we voted not to blow up the station.

More recently, in a decision with significant implications for what lies ahead for radio deregulation, the Commission voted 4–3 to waive ascertainment documentation and reporting requirements for seven small radio stations.

THE ASCERTAINMENT PROCESS

To understand this decision, it is necessary to go back to 1973 when the Commission's re-regulation Task Force recommended examination of the effectiveness of the ascertainment process. In March of 1973, the Commission adopted a Notice of Inquiry which asked whether ascertainment requirements should differ for television and radio and be affected by the size of the market, the number of station employees and other variables.

In May of 1975, the Commission issued a further notice which expressed "our strongly felt concern for the regulatory burdens" upon small broadcasters. It concluded that many small radio and TV stations had made a convincing case for the hypothesis that "the broadcaster in the small community knows his town thoroughly" and that the formal record-keeping required by the 1971 primer was excessively burdensome for them. The Commission proposed, on an experimental basis, to test this hypothesis by exempting smaller stations from Commission oversight of their methods of ascertainment and from record-keeping and reporting requirements concerning ascertainment. The exempt stations still would ascertain community needs and prepare annual problems-programs lists to be available in station files and for submission with renewal applications.

In December of 1975, the Commission adopted this experiment. It did not explain how the test was to be conducted except to state it would be a 3-year experiment and that for purposes of the test a small community of license was defined as one with a population of 10,000 or less which is located outside all officially designated Standard Metropolitan Statistical Areas. The SMSA definition was selected for convenience and to exclude "bedroom suburbs." The Commission concluded that "while we do not pretend to be statisticians we believe that the approximately 1900 stations (virtually all radio) that would be exempted . . . is a sufficient sample, constituting some 25% of all commercial radio and TV stations," to make the experiment "meaningful."

In April 1978, the Commission found on its agenda a petition for a waiver from ascertainment documentation from Station WHMI–AM–FM in Howell, Michigan, a community with a population of 5,202 within the Detroit SMSA. The petitioner stated: "Howell is a semi-agrarian community, located 49 miles from the Detroit city limits and in no way do we feel we are a part of metro Detroit. The station's management is as familiar with the community leaders as if Howell were located several hundred miles from Detroit . . . We are a very small market station with a small staff and the documentation places a burden on us."

The Broadcast Bureau recommended denial of the waiver, holding there should be no waivers until the experiment was completed and evaluated.

Four Commissioners, myself included, disagreed. We concluded the facts warranted regulatory relief, that Howell was not a "bedroom suburb", that the circumstances appeared to be unique and that adding one station to a sample of 1900 would have no significant impact on the experiment. The dissenters charged the waiver could "deal a potentially crippling blow to the experiment" and that the majority was not "seeing the forest for the trees."

In November, the agenda included a petition for reconsideration of Howell and seven new ascertainment documentation waiver petitions from very small stations in similar circumstances.

It was at this point that the Commissioners began to express an interest in the experiment which had been initiated before most of us had joined the Commission.

The test was to have a full three-year renewal cycle, running through September 1979. During the two years so far covered, statistics for only 10 percent of exempt radio stations, or 87 stations, and for all 27 exempt TV stations had been compared with statistics for all radio and TV stations whose renewals had come up.

What kind of statistics, you may well ask, could compare the effectiveness of ascertainment? The staff chose four measures. The first three compared the number of inquiries from the Commission regarding deficiencies in annual problems-programs lists, promise versus performance problems and the amount of total nonentertainment programming proposed under our delegation of authority rules. The fourth compared the number of petitions to deny filed against exempt stations and all stations.

A USELESS EXERCISE

The results: Renewal applications for the exempt stations did not generate more questions from Commission analysts than those filed by all stations except that the few exempt TV stations received more queries about their annual problems-programs lists. No petitions to deny were filed against exempt radio stations whereas 2.3 percent of all radio stations were filed against during this period. 3.4 percent of all 29 exempt TV stations were petitioned against (a percentage reflecting a single petition which was part of a mass filing), whereas 15.4 percent of all TV stations were filed against.

The staff members who compiled this information concluded there was no evidence that exempt stations served. Their communities less effectively than non-exempt stations. They also conceded, to their credit, that the assumption that these four measures related to the effectiveness of ascertainment was tenuous at best and that the problems they found appeared to be related more to a lack of understanding by licensees as to what the Commission wants on its forms than to any failure to ascertain and program effectively to their communities.

Clearly the experiment had proven to be a useless bureaucratic exercise and should have been abandoned.

Instead, the bureau came to the Commission not only to defend the experiment but to promise that for the remaining year of the test it would keep detailed records on all the exempt stations to be processed in the same four categories. To cover the obvious outcome of the test, the bureau admitted there was no guarantee of success and asked the Commission to approve a forthcoming proposal to fund a research contract to have an outside consultant study the small market experiment.

In summary, the end is not yet in sight for a deregulatory effort begun six years ago simply to relieve small community broadcasters from the burden of filling in and filing a few forms and to prove the common sense hypothesis that they know their communities. A meaningless experiment is to continue for another year. A recently approved $55,000 study will start the process all over again to evaluate also indications by some social researchers that "because of the stratified social organization of the typical smaller community, such factors as the discouragement of controversy and limited media channels may limit the potential for successful informal ascertainment." In the meantime, the bureau would oppose granting waivers to the very small stations, like the seven who had petitioned us, which the Commission in 1973 had set out to relieve from excessively burdensome paperwork requirements.

THE REGULATORY WEB

Last November, the Commission, in a 4–3 vote, granted the seven waivers and upheld the one for Howell. The dissenters said our action on Howell alone would "jeopardize the statistical reliability of the experiment by skewing the control group of non-exempt stations." They charged further that the seven new waivers would destroy the "statistical foundation" of "an attempt by the Commission to determine if the public interest is *disserved* by elimination of certain of our requirements." (emphasis added)

So far as the "statistical foundation" is concerned, it should be obvious that the experiment will be useless without a "new foundation."

As for the suggestion that the public interest would be "disserved" by deregulation, I submit that is a far cry from the zero-based regulation we've heard so much about.

The overwhelming momentum is for regulators to regulate. Once it has been held that the public interest is served by regulation, the assumption is that the public interest will be "disserved" by deregulation. The system spins the regulatory web further. To unravel the web would be to take it apart strand by strand, precedent by precedent, decision by decision. That is as contrary to the natural instincts of regulators as it would be for a spider to unweave its web.

That is why so many cobwebs are left by both.

And that is why I do not foresee any meaningful deregulation of broadcasting forthcoming from the Federal Communications Commission.

I am well aware that just about everyone has joined the bandwagon for deregulation of radio in recent months. Last October the Chairman of the FCC took the Commissioners and staff by surprise to announce an experimental radio deregulation program in major markets. Some weeks later, he asked the Broadcast Bureau to evaluate all non-technical rules over radio and to classify them into three categories—rules to be retained, rules to be proposed for immediate elimination or change, and rules to be proposed for elimination or modification after data has been collected through experiments in selected radio markets.

The staff currently is preparing proposals for presentation to the Commission.

A premise for these proposals is that radio can be deregulated where it is probable that the marketplace will operate in the public interest.

IT WILL TAKE FOREVER

Given that premise, it is inevitable that rules slated for retention will include not only statutory requirements, such as equal time, but those, such as EEO rules, in areas where the marketplace has been held ineffective. Moreover, given the Chairman's commitment to increase competition through "structural reform of the marketplace," multiple ownership rules not only are likely to be retained but to be expanded, possibly to prohibit AM/FM combinations.

In view of the Chairman's intent to experiment with deregulation in major radio markets and the premise for deregulation, it is obvious that the most controversial rules—those of greatest concern to and burdensome for broadcasters—will fall into the experimental category. These will include rules where the Commission would face the heaviest burden to disprove its previous conclusions that regulations serve the public interest. Minimum performance standards, commercial limitations, and ascertainment would be among the likely candidates. Moreover, since the goal not only is to eliminate rules but to modify them, there is bound to be an interest in experimenting with alternatives, such as access rules to modify the fairness doctrine.

Regardless of what the specific recommendations will be, the more important question is whether the experimental approach will result in deregulation.

The Commission's small market ascertainment experiment does not give cause for much optimism.

The response might be that the Commission, as it confessed in 1975, did not "pretend to be statisticians." The Commission now has economists and statisticians eager to persuade the Commission that they have the expertise to conduct experiments which will show whether the public will be "better off" with or without regulation.

LET THE PUBLIC DECIDE

My rejoinder to that would be: Let the Public decide.

Yet it will not be the public but the Commission which will judge the performance of broadcasters and decide whether the marketplace serves the public interest according to its already established theories, definitions and standards. The goal of deregulation, Chairman Ferris stated in his testimony before the House Subcommittee, is "increasing reliance on competition to achieve regulatory goals." Inevitably, the pressure will be on the experimentally deregulated stations to respond to the same regulatory stimuli to reach the same regulatory results. Like Pavlov's dogs, they will be expected to react as instructed even though the signal has changed. The regulatory bell will continue to condition the broadcaster's behavior.

There are many other problems with the experimental approach, not the least of which is the length of time it will take before conclusions, if any, can be drawn. It has been said, with respect to regulatory delay, that the people are fortunate they don't get all the Government they pay for. But with deregulatory delay, the people will continue to pay for regulations no longer needed while the regulators tinker with the marketplace to make it conform to their social ideas.

Experiments simply will put off forcing the Commission to explain why—in today's competitive environment—regulation of radio is in the public interest.

Experiments also will put off dergulation for all broadcasts, including the small stations the Commission expressed its "strongly felt concern" for unburdening when it started its small market ascertainment experiment.

The time for deregulation is now.

I am convinced that deregulation of radio, as well as television, will come about only through legislation. As I pointed out in Atlanta, you have been warned that what the Congress gives, Congress can take away. But it is likely—as I have tried to explain today—that what the Commission takes away only Congress can give back.

PUZZLED BY BROADCASTERS

I have been puzzled by some broadcasters' reluctance to support the rewrite bill's substitution of the marketplace for the public interest standard and even more by suggestions that the public interest standard be reinserted along with the marketplace standard.

It is the broad public interest standard which has served as an open invitation for any four Commissioners to decide at any time what should be regulated and which has led to the far heavier burden to reverse those decisions.

Specific public interest objectives can be spelled out in the law. But to reinstate the current law's open-ended mandate would be to reverse the rewrite's salutory premise—that the Commission only should regulate to the extent marketplace forces are deficient—and to give statutory authority to the FCC's current premise that the Commission should deregulate only to the extent the marketplace is proven efficient.

As I read the First Amendment, it does not suggest that freedom of speech shall not be abridged except where the government decides the marketplace does not operate in the public interest.

Broadcasters can't have it both ways. The choice is clear. Either the commission will define the public interest and use the marketplace as a regulatory tool or the public will use the *free* marketplace (an adjective seldom heard in declarations of deregulatory intent) to make its own decisions.

IT'S UP TO CONGRESS

I support the second choice. In a free society, the presumption must be that the public is served better through the competitive marketplace of products and ideas than through government regulation. That has been the Commission's premise in moving toward deregulation of the common carrier industries. But when it comes to broadcasting, the Federal Communications Commission—clinging to legal precedents built on an outdated law, propelled by an institutional momentum for ever increasing regulation, and with a mindset that the public interest is "disserved" by eliminating regulations—is unlikely to provide for any meaningful or permanent deregulation.

Experiments may be conducted, new regulations may be substituted for the old, and the rhetoric is sure to continue. Some commissioners and members of the staff will continue to seek less regulation with all sincerity. But only Congress can sweep away the cobwebs of presumptions and precedents that have made the determination of how broadcasters shall serve the public interest the prerogative of seven appointed officials in Washington.

Legislation which helps restore that power to the public itself is in the public interest.

And it is in your interest to support it.●

INTRODUCTION STATEMENT ON BAKE AND TAKE DAY RESOLUTION

(Mr. SEBELIUS asked and was given permission to extend his remarks at this point in the Record.)

Mr. SEBELIUS. Mr. Speaker, over the centuries, wheat bread has become known to mankind as the "staff of life," because of man's dependence upon it. The reverence in which men held wheat and bread over the ages still lives in the Lord's Prayer: "Give us this day, our daily bread"; and in the wafers of the Eucharist. In the Hebrew faith, the eating of unleavened matzoth during Passover also marks the significance of bread in religion.

So many foods today are made from or contain wheat that we take it for granted, an accepted and often unnoticed part of our daily meals. One bushel of wheat will provide about 70 loaves of whole wheat bread, and more than 40 million loaves of bread are sold in the United States each day. Macaroni, spaghetti, noodles, cookies, crackers, cakes, and pastries are a few of the myriad of wheat foods products.

Of the 40-odd essential nutrients, all but six vitamins A, D, B–12, and C, plus sodium and chlorine—can be found in a whole kernel of wheat. Wheat also contains good levels of all the essential amino acids, although it is comparatively low in lysine. Calorie for calorie, it contains a high concentration of 18 nutrients, including important trace minerals. Recent studies have led scientists to believe that the intake of wheat fiber in the human diet, specifically wheat bran, plays an important role in preventing colonic cancer, the second most frequent cause of cancer mortality in this country.

The United States is by far the world's leading exporter of wheat and flour thereby supplying nutritious food to multitudes around the globe. Kansas is easily the leading producer of wheat, and plays a major role in this humanitarian endeavor.

As a reminder of the importance of wheat foods in our lives, and to personally deliver fresh bakery products to the elderly, ill, and shut-in, the Kansas Wheathearts, auxiliary of the Kansas Association of Wheat Growers, have initiated a "Bake and Take Day," that has grown to national proportions. Since its inception in 1971, National Bake and Take Day is now observed on the fourth Saturday in March by an average of 18 States. In fact, President Carter signed Bake and Take Day proclamations twice while he was Governor of Georgia.

Mr. Speaker, it is the earnest wish of the Kansas Wheathearts that this event be observed in every State. As the representative of the largest wheat-producing district in the Nation it is an honor for me to again introduce a concurrent resolution that would make this possible.

THE RULES OF PROCEDURE

(Mr. BOLLING asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BOLLING. Mr. Speaker, clause 2 (a) of rule XI of the Rules of the House of Representatives requires each standing committee of the House as well as select and joint committees, unless otherwise prohibited by law, to publish in the Congressional Record their rules of procedure at the beginning of each Congress. Committee rules must be published no later than 30 days after Congress convenes.

In compliance with this House rule and on behalf of the Committee on Rules, I am submitting today a copy of the rules adopted by the committee at our organizational meeting on January 30, 1979.

They are, basically, the committee rules of the 95th Congress with two changes, one of a technical nature and the other providing for two subcommittees rather than one as in the last Congress.

These committee rules, however, are something of an interim step in the development of rules of procedure for the committee in the 96th Congress. At the organizational meeting, the committee established, and I appointed, a five-member task force to draft permanent rules for the committee for the 96th Congress. The task force, chaired by Mr. Dodd and including in its membership Mr. DERRICK, Mr. BAUMAN, Mr. QUILLEN, and myself, is to complete a comprehensive review of existing committee rules and to submit draft recommendations for committee consideration no later than March 6, 1979.

The committee chose to follow this two-step procedure in order to comply with House rules as well as granting sufficient time for the task force to complete its work. The task force approach allows the committee to thoroughly review its rules vis-a-vis House requirements and to obtain maximum input from committee members. Once the committee adopts permanent rules for the 96th Congress these, too, will be published in the RECORD.

Without further comment, I insert the Rules of Procedure of the Committee on Rules for the 96th Congress in the RECORD:

NINETY-SIXTH CONGRESS—RULES OF PROCEDURE FOR THE COMMITTEE ON RULES, ADOPTED TUESDAY, JANUARY 30, 1979

RULE 1—MEETINGS

(a) The Committee on Rules shall meet at 10:30 a.m. on Tuesday of each week when the House is in session. Meetings and hearings shall be called to order and presided over by the Chairman or, in the absence of the Chairman, by the Ranking Majority Member of the Committee present as Acting Chairman.

(b) A minimum 48-hour notice of regular meetings and hearings of the Committee shall be given to all members except that the Chairman, acting on behalf of the Committee, may schedule a meeting or hearing for the consideration of emergency and/or procedural measures or matters at any time. As much notice as possible will be given to all members when emergency meetings or hearings are called; provided, however, that an effort has been made to consult the Ranking Minority Member. In the event of his absence, an effort shall be made to consult the member next in rank, and so on down the line until an effort has been made with respect to all members of the minority. Copies of bills and reports to be considered for a rule by the Committee are to be sent to members of the Committee at least one day in advance of consideration by the Committee, except in cases of emergencies.

(c) Meetings, hearings, and executive sessions of the Committee shall be open to the public in accordance with clause 2(g) of rule XI of the Rules of the House of Representatives.

(d) For the purpose of hearing testimony on requests for rules, seven members of the Committee shall constitute a quorum.

(e) For the purpose of hearing and taking testimony on matters or measures of original jurisdiction before the Committee, three members of the Committee shall constitute a quorum.

(f) For the purpose of executive meetings, a majority of the Committee shall constitute a quorum.

(g) The following Committee meeting and hearing procedures shall be determined by the Chairman acting on behalf of the Committee, in cooperation with the Ranking Minority Member.

(1) Measures or matters before the Committee which are deemed noncontroversial as to both type of rule and substantive content may be scheduled for consideration by the Committee without hearings.

(2) Measures or matters before the Committee which are deemed noncontroversial as to substantive content but controversial as to type of rule may be the subject of Committee hearings at which time the principal proponents and opponents will be provided an opportunity to testify only as to the type of rule to be granted.

(3) Measures or matters before the Committee which are deemed controversial as to substantive content by a minimum of six committee members will be the subject of Committee hearings at which time all interested Members of Congress, who are proponents or opponents, will be provided a reasonable opportunity to testify.

(h) There shall be a transcript of regularly scheduled hearings and meetings of the Committee which may be printed if the Chairman decides it is appropriate, or if a majority of the members request it.

(i) A Tuesday meeting of the Committee may be dispensed with where, in the judgment of the Chairman, there is no need therefor, and additional meetings may be called by the Chairman, or by written request of a majority of the Committee duly filed with the Counsel of the Committee.

(j) The Committee may permit, by a majority vote on each separate occasion, the coverage of any open meeting or hearing, in whole or in part, by television broadcast, radio broadcast, and still photography under such requirements and limitations as set forth in the Rules of the House of Representatives.

(k) The five-minute rule in the interrogation of witnesses, until such time as each member of the Committee who so desires has had an opportunity to question the witness, shall be followed.

(l) When a recommendation is made as to the kind of rule which should be granted, a copy of the language recommended shall be furnished to each member of the Committee at the beginning of the meeting where such language is to be considered or as soon thereafter as such recommendation becomes available.

RULE 2—VOTING

(a) No measure or recommendation shall be reported, deferred, or tabled by the Committee unless a majority of the Committee is actually present.

(b) A rollcall vote of the members of the Committee may be had upon the request of any member.

(c) The result of each rollcall vote, including the names of Committee members and how they voted on specific issues, shall be available for public inspection at the office of the Committee.

RULE 3—REPORTING

(a) Whenever the Committee authorizes the favorable reporting of a bill or resolution from the Committee, the Chairman or Acting Chairman shall report the same or designate some member of the Committee to report the same to the House, such report to include the totals of any record vote thereon.

RULE 4—COMMITTEE STAFFING

(a) The professional and clerical staffs of the Committee shall serve under the general supervision and direction of the Chairman, who shall establish and assign the duties and responsibilities of the members of the staffs and delegate such authority as the Chairman deems appropriate, with the exception of the minority staff, who shall serve under the general supervision and direction of the Ranking Minority Member of the Committee.

(b) The appointment of staff members of the Committee shall be made as follows:

(1) Each member of the Committee shall be authorized to appoint one (1) staff member;

(2) The Chairman of the Committee, with concurrence of the majority party members, shall be authorized to appoint the remaining staff members authorized under clause 6 of rule XI of the Rules of the House of Representatives;

(3) The Ranking Minority Member of the Committee, with concurrence of the minority party members, shall be authorized to appoint the remaining minority staff members authorized under clause 6 of rule XI of the Rules of the House of Representatives.

(c) Each staff member appointed under subsection (b)(1) shall be paid at a rate of pay of not more than $31,171 per annum.

RULE 5—SUBCOMMITTEES

(a) There shall be two Subcommittees of the Committee to be composed of six members appointed by the Chairman.

(b) The Subcommittee jurisdictions shall be as follows:

(1) Subcommittee Number One which shall be responsible for measures or matters related to the legislative process in the House.

(2) Subcommittee Number Two which shall be responsible for measures related to the rules and procedure of the House.

(c) Measures or matters may be referred to the Subcommittees as follows:

(1) No resolution providing for the consideration of any bill or resolution shall be referred to a Subcommittee.

(2) The Chairman may refer any measure or matter to a Subcommittee or retain such measure or matter in the jurisdiction of the full Committee.

RULE 6—MISCELLANEOUS

(a) The Committee shall have prepared, maintained, printed and published a calendar listing all matters formally before it. Information on this calendar shall include the number of the bill or resolution, a brief description of the measure's contents, including the legislative committee reporting it, and the name of the principal sponsoring Member.

(b) The staff shall prepare, maintain and furnish to the members of the Committee a list of all pending bills or resolutions from other committees concerning which a hearing request has been properly filed with the Committee. This list shall be distributed to the members of the Committee on a regular weekly basis when the House is in session and shall include the number of the bill or resolution, the name of the legislative committee reporting it, the principal sponsoring Member, and the date upon which the request for a rule was filed, along with a brief analysis of the contents of the scheduled measures and a description of the rule requested by the reporting legislative committee, if so requested.

(c) For purpose of this rule, matters formally before the Committee include: bills or resolutions over which the Committee has original jurisdiction, and bills or resolutions from other committees concerning which the chairman or designated member of such committee has requested a hearing in writing and forwarded to the Committee on Rules a copy of such bill or resolution as reported, together with the final printed committee report.

(d) Executive meeting minutes shall be available to Members of Congress in compliance with clause 2(e) of rule XI of the Rules of the House of Representatives.

(e) Upon adoption of the rules and procedures of the Committee at the opening of each Congress, the Chairman may have these rules and procedures printed in an early issue of the Congressional Record.

☐ 1145

GENERAL LEAVE

Mr. DASCHLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from New Jersey, Mr.

Rodino, relative to the introduction of the bill H.R. 1899, the Victims of Crime Compensation Act.

The SPEAKER pro tempore (Mr. Annunzio). Is there objection to the request of the gentleman from South Dakota?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Campbell) to revise and extend their remarks and include extraneous matter:)

Mr. Jeffords, for 5 minutes, today.

Mr. Kemp, for 10 minutes, today.

Mr. Green, for 10 minutes, today.

Mr. Johnson of Colorado, for 5 minutes, today.

Mr. Marlenee, for 5 minutes, today.

Mr. McDade, for 5 minutes, today.

(The following Members (at the request of Mr. Daschle) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Alexander, for 5 minutes, today.

Mr. Kastenmeier, for 15 minutes, today.

Mr. Minish, for 5 minutes, today.

Mr. AuCoin, for 5 minutes, today.

Mr. Rodino, for 5 minutes, today.

Mr. Diggs, for 5 minutes, today.

Mr. Cavanaugh, for 10 minutes, today.

Mr. Levitas, for 10 minutes, today.

Mr. Charles H. Wilson of California, for 10 minutes, today.

Ms. Holtzman, for 5 minutes, today.

Mr. Moffett, for 5 minutes, today.

Mr. Bingham, for 5 minutes, today.

Mr. Barnes, for 5 minutes, today.

Mr. Bedell, for 5 minutes, today.

Mr. Bolling, for 5 mniutes, today.

Mr. Drinan, for 10 minutes, today.

Mr. Panetta, for 10 minutes, today.

Mr. Roberts, for 5 minutes, today.

Mr. Ullman, for 5 minutes, today.

Mr. Weiss, for 60 minutes, on February 15, 1979.

Mr. Drinan, for 60 minutes, February 15, 1979.

(The following Members (at the request of Mr. Panetta) to revise and extend their remarks and include extraneous matter:)

Mr. Wirth, today, for 5 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Van Deerlin, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $965.

Mr. Bingham, to revise and extend his remarks and to follow Ms. Holtzman's remarks.

(The following Members (at the request of Mr. Campbell) and to include extraneous material:)

Mr. Lee.

Mr. Findley.

Mr. Shuster in two instances.

Mr. Clausen.

Mr. Moorhead of California in two instances.

Mr. Gilman.

Mr. Green.

Mr. Young of Florida.

Mr. Whitehurst in two instances.

Mr. Michel in five instances.

Mr. Solomon.

Mr. Rudd.

Mr. Grassley.

Mr. Wydler.

Mr. Stangeland.

Mr. Derwinski in four instances.

Mr. Shumway.

Mr. Anderson of Illinois.

Mr. Symms in two instances.

Mr. Pursell.

Mr. Bereuter.

Mr. Gingrich in two instances.

Mr. Courter.

Mr. Collins of Texas in three instances.

Mr. Hyde.

Mr. Lewis in two instances.

Mr. Johnson of Colorado in two instances.

Mr. Goodling.

Mr. Lent.

Mr. Goldwater.

Mr. Myers of Indiana.

Mr. Hansen in five instances.

Mr. Dornan.

(The following Members (at the request of Mr. Daschle) and to include extraneous material:)

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Ireland.

Mr. Corman in five instances.

Mr. Vento.

Mr. Markey in five instances.

Mr. Heftel.

Mr. Evans of Indiana.

Mr. Fauntroy.

Mr. Rosenthal in two instances.

Mr. Natcher.

Mr. Moffett.

Ms. Oakar in two instances.

Mr. Cotter.

Mr. Udall in three instances.

Mr. Waxman.

Mr. Mazzoli.

Ms. Spellman.

Mr. Nolan.

Mr. Moakley.

Mr. Murtha.

Mr. Murphy of New York.

Mr. Wright in four instances.

Mr. Johnson of California.

Mr. Dingell.

Mr. Conyers.

Mr. Brademas in five instances.

Mr. Wolff.

Mr. Gramm.

Mr. Stenholm.

Mr. Danielson.

Mr. Lehman.

Mr. Simon.

Mr. Drinan.

Mr. Montgomery.

Mr. Boner of Tennessee.

(The following Members (at the request of Mr. Panetta) and to include extraneous material:)

Mr. Wirth.

Mr. Weiss.

Ms. Mikulski.

ADJOURNMENT

Mr. PANETTA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 28 minutes p.m.), pursuant to the provisions of House Concurrent Resolution 42, the House adjourned until 12 o'clock meridian Tuesday, February 13, 1979.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

563. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting a report covering the fourth quarter of fiscal year 1978 on receipts and disbursements pertaining to the disposal of surplus military supplies, equipment, and material, and for expenses involving the production of lumber and timber products, pursuant to section 812 of Public Law 95–111; to the Committee on Appropriations.

564. A letter from the Assistant Secretary of Defense (International Security Affairs), transmitting a report on NATO country defense expenditures for 1978, planned expenditures for 1979, and the percent of real change indicated for the 1978–79 period; to the Committee on Armed Services.

565. A letter from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend title 37, United States Code, to authorize family separation allowance for members in the pay grade of E–4 and below with dependents; to the Committee on Armed Services.

566. A letter from the Assistant Attorney General, Civil Rights Division, transmitting the Attorney General's report for calendar year 1978 on administration of the Equal Credit Opportunity Act, pursuant to section 707 of the Consumer Credit Protection Act, as amended (90 Stat. 255); to the Committee on Banking, Finance and Urban Affairs.

567. A communication from the President of the United States, transmitting reports on international communications policy, international journalistic freedom, and U.S. policy toward Cuba, pursuant to sections 601, 603, and 613 of Public Law 95–426; to the Committee on Foreign Affairs.

568. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on steps taken by the Agency for International Development to alter U.S. development assistance programs because of human rights considerations, pursuant to section 116(d)(2) of the Foreign Assistance Act of 1961, as amended (91 Stat. 537); to the Committee on Foreign Affairs.

569. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to authorize additional appropriations for the Department of State for fiscal year 1979; to the Committee on Foreign Affairs.

570. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to authorize appropriations for the Department of State for the fiscal years 1980 and 1981 and for other purposes; to the Committee on Foreign Affairs.

571. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b (a); to the Committee on Foreign Affairs.

572. A letter from the Chairman, Japan-United States Friendship Commission, transmitting the second annual report of the Commission, covering fiscal year 1978, pur-

suant to section 5(b) of Public Law 94–118; to the Committee on Foreign Affairs.

573. A letter from the Public Information Officer, Occupational Safety and Health Review Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

574. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of two proposed new records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

575. A letter from the Assistant Secretary of Housing and Urban Development for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

576. A letter from the Special Counsel of the Merit Systems Protection Board, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

577. A letter from the Secretary of the Interior, transmitting the annual report for fiscal year 1978 on the Government's helium program, pursuant to section 16 of Public Law 86–777; to the Committee on Interior and Insular Affairs.

578. A letter from the Chairman, Advisory Council on Historic Preservation, transmitting a report on the actual and potential effects of surface mining activities on nationally significant natural and historic landmarks, pursuant to section 9(b) of Public Law 94–429; to the Committee on Interior and Insular Affairs.

579. A letter from the Federal and State Cochairmen, Federal-State Land Use Planning Commission for Alaska, transmitting the Commission's annual report for 1978, pursuant to section 17(a)(8)(A) of Public Law 92–203; to the Committee on Interior and Insular Affairs.

580. A letter from the Secretary of Agriculture, transmitting a report recommending 15 national forest primitive areas of redesignation as class I clean air areas, pursuant to section 164(d) of the Clean Air Act, as amended (91 Stat. 733); to the Committee on Interstate and Foreign Commerce.

581. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the progress of the influenza immunization program; to the Committee on Interstate and Foreign Commerce.

582. A letter from the Secretary of Energy, transmitting notice of the establishment of a photovoltaic systems evaluation and purchase program; to the Committee on Interstate and Foreign Commerce.

583. A letter from the General Counsel, Department of Energy, transmitting notice of various meetings relating to the international energy program to be held in Paris, France, between February 13–19, 1979; to the Committee on Interstate and Foreign Commerce.

584. A letter from the Commissioner, Federal Energy Regulatory Commission, transmitting a proposed regulation to establish a direct purchase program for essential agricultural uses of natural gas; to the Committee on Interstate and Foreign Commerce.

585. A letter from the Secretary, Interstate Commerce Commission, transmitting notice of the Commission's decision to extend the time period for acting on an appeal pending in Finance Docket No. 27620, *Maine Central Railroad Co.* v. *Amoskeag Co., Frederick Dumaine and Dumaines*, pursuant to 49 U.S.C. 10327(k); to the Committee on Interstate and Foreign Commerce.

586. A letter from the Chairman, Securities and Exchange Commission, transmitting the Commission's annual report for fiscal year 1977 and the transition quarter; to the Committee on Interstate and Foreign Commerce.

587. A letter from the Chairperson, National Commission on Digestive Diseases, transmitting the Commission's report on the use and organization of national resources to deal effectively with digestive diseases, pursuant to section 301 of Public Law 94–562, as amended (92 Stat. 3437); to the Committee on Interstate and Foreign Commerce.

588. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

589. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

590. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

591. A letter from the Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting a report on civilian positions in the Defense Department allocated or placed in grades GS–16, 17, or 18 during calendar year 1978, and a report covering the same period on scientific and professional positions established, pursuant to 5 USC 5114(a) and 5 U.S.C. 3104(c), respectively; to the Committee on Post Office and Civil Service.

592. A letter from the Director, Office of Personnel Management, transmitting a report on actions on positions in grades GS–16, 17, and 18 during calendar year 1978, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

593. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a report on the positions in grade GS–17 in his Office during calendar year 1978, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

594. A letter from the Director, Congressional Budget Office, transmitting a report on guidelines for a study of highway cost allocation, pursuant to section 506(b) of Public Law 95–599; to the Committee on Public Works and Transportation.

595. A letter from the Comptroller General of the United States, transmitting a report on the readiness of Marine Corps amphibious forces (LCD–78–417A, February 6, 1979); jointly, to the Committees on Government Operations, and Armed Services.

596. A letter from the Comptroller General of the United States, transmitting a report on education and training programs in Federal and State correctional institutions (GGD–79–13, February 6, 1979); jointly, to the Committees on Government Operations, and the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 or rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTEN: Committee on Appropriations. Report on subdivision to subcommittees of budget totals agreed to in second concurrent resolution on the budget (H. Con. Res. 683) for fiscal year 1979 (Rept. No. 96–1). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ULLMAN:

H.R. 1894. A bill to provide for a temporary increase in the public debt limit, and for other purposes; to the Committee on Ways and Means.

By Mr. PURSELL:

H.R. 1895. A bill to provide for a reduction in the number of Federal employees through voluntary attrition; to the Committee on Post Office and Civil Service.

By Mr. PURSELL (for himself, Mr. Murphy of Pennsylvania, Mr. Whitehurst, Mr. Pritchard, and Mr. Corcoran):

H.R. 1896. A bill to establish a Department of Education; to the Committee on Government Operations.

By Mr. PURSELL (for himself, Mr. Stockman and Mr. Traxler):

H.R. 1897. A bill to amend section 1304 of the Internal Revenue Code of 1954 relating to income tax returns of married individuals; to the Committee on Ways and Means.

By Mr. PURSELL:

H.R. 1898. A bill to provide for payment of national service life insurance benefits with respect to members of the Armed Forces who were killed in action during 1942 without having life insurance in effect and after the expiration of the period provided for gratuitous life insurance benefits for members of the Armed Forces; to the Committee on Veterans' Affairs.

By Mr. RODINO (for himself, Mr. Drinan, Ms. Holtzman, Mr. Mazzoli, Mr. Gudger, Mr. Mikva, Mr. Hyde, Mr. Biaggi, Mr. Bingham, Mr. Blanchard, Mr. Lehman, Mr. Nolan, Mr. Patten, and Mr. Vento):

H.R. 1899. A bill to help States assist the innocent victims of crime; to the Committee on the Judiciary.

By Mr. HAGEDORN (for himself, Mr. Barnard, Mr. Beard of Tennessee, Mr. Hall or Texas, Mr. Abdnor, Mr. Archer, Mr. Badham, Mr. Bafalis, Mr. Bauman, Mr. Bowen, Mr. Butler, Mr. Collins of Texas, Mr. Philip M. Crane, Mr. Devine, Mr. Dickinson, Mr. Dornan, Mr. Grassley, Mr. Guyer, Mr. Hansen, Mrs. Holt, Mr. Kelly, Mr. Kindness, Mr. Lott, Mr. McClory, Mr. McDonald, Mr. Moorhead of California, Mr. Quayle, Mr. Robinson, Mr. Rudd, Mr. Sebelius, Mr. Stangeland, Mr. Symms, Mr. Whitehurst, Mr. Winn, Mr. Coughlin, Mr. Snyder, and Mr. Young of Florida):

H.R. 1900. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. MONTGOMERY:

H.R. 1901. A bill to provide for reactivation of registration and classification under the Military Selective Service Act, to provide for induction of not more than 200,000 individuals per year for training and service in the individual Ready Reserve, to provide for educational assistance for individuals so inducted, and for other purposes; to the Committee on Armed Services.

By Mr. ANNUNZIO (for himself, Mr. REUSS, Mrs. SPELLMAN, Mr. VENTO, Mr. FAUNTROY, Mr. GONZALEZ, Mr. MITCHELL of Maryland, Mr. STANTON, and Mr. EVANS of Delaware):

H.R. 1902. A bill to amend the Bank Holding Company Act Amendments of 1970; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ANNUNZIO:

H.R. 1903. A bill to amend the Electronic Fund Transfer Act to provide that certain provisions of such act shall take effect on June 10, 1979, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. APPLEGATE:

H.R. 1904. A bill to require that direct Presidential primary elections be held throughout the United States on the first Tuesday after the first Monday in May of each Presidential election year; to the Committee on House Administration.

By Mr. ASHBROOK:

H.R. 1905. A bill to amend the Internal Revenue Code of 1954 to prohibit the Internal Revenue Service from terminating for reasons of racial discrimination the tax-exempt status of any organization established for the purposes of educational instruction without proper adjudication by a court of the United States or of any State; to the Committee on Ways and Means.

By Mr. AuCOIN:

H.R. 1906. A bill to limit, and require an annual report with respect to, the level of foreign investment in the U.S. fishing industry, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 1907. A bill to streamline and simplify the generally applicable requirements attached to Federal assistance programs and their implementation; to provide for multiyear funding of certain grant programs; to expedite the processing of applications for Federal assistance involving more than one grant; to extend and amend the law relating to intergovernmental cooperation; and for other purposes; jointly to the Committees on Government Operations and Rules.

H.R. 1908. A bill to amend the Export-Import Bank Act of 1945 with respect to credit to Communist countries, and for other purposes; jointly to the Committees on Banking, Finance and Urban Affairs, and Ways and Means.

By Mr. BAFALIS (for himself and Mr. GEPHARDT):

H.R. 1909. A bill to amend the Internal Revenue Code of 1954 to reduce the rates of excise taxes on transportation by air; to the Committee on Ways and Means.

By Mr. BEDELL (for himself, Mr. NOLAN, Mr. BALDUS, and Mr. DASCHLE):

H.R. 1910. A bill to provide Federal guarantees for State programs designed to assist individuals who, except for their lack of financial means, would be qualified to enter farming on full-time basis; to the Committee on Agriculture.

By Mr. BIAGGI:

H.R. 1911. A bill to prohibit Federal assistance to rental housing projects for the elderly and handicapped if such projects do not allow tenants to have pets; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1912. A bill to amend title XX of the Social Security Act to provide for the reallotment of unused social security funds, in any fiscal year to States which will use such funds during the succeeding year to furnish nutrition services aimed at preventing or reducing inappropriate institutional care; to the Committee on Ways and Means.

By Mr. BONER of Tennessee:

H.R. 1913. A bill to amend the Communications Act of 1934 to prohibit the Federal Communications Commission from prescribing rules which would permit duplication of radio broadcasting station assignments on Class I-A clear channels, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BRODHEAD:

H.R. 1914. A bill to amend the Internal Revenue Code of 1954 to repeal the excise tax on trucks and tractors and parts and accessories for such vehicles; to the Committee on Ways and Means.

By Mr. BROWN of California:

H.R. 1915. A bill to require the Secretary of Agriculture to periodically report to the Congress on the status, condition, and productive potential of privately owned forest lands; to the Committee on Agriculture.

Mr. BROWN of California (for himself and Mr. FORSYTHE):

H.R.1916. A bill to enable freestone peach growers to finance through their own industry a nationally coordinated research and education program to improve their competitive position and expand their markets for peaches; to the Committee on Agriculture.

By Mr. CARTER (for himself, Mr. PREYER, Mr. WALGREN, Mr. ANDREWS of North Carolina, Mr. DUNCAN of Tennessee, Mr. BROYHILL, Mr. VAN DEERLIN, Mr. DAVIS of South Carolina, Mr. MURPHY of Illinois, Mr. ROSENTHAL, and Mr. FUQUA):

H.R. 1917. A bill to amend the Public Health Service Act to establish a clearinghouse for information respecting digestive diseases, to authorize grants to strengthen educational programs in digestive diseases in medical schools, and to establish the National Digestive Diseases Advisory Board; to the Committee on Interstate and Foreign Commerce

By Mr. ANDERSON of California:

H.R. 1918. A bill to amend title 38, United States Code, to provide a service pension for veterans of World War I who have annual incomes of less than $10,000 and for certain surviving spouses and dependent children of veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. COTTER:

H.R. 1919. A bill to amend the Gun Control Act of 1968 to provide for separate offense and consecutive sentencing in felonies involving the use of a firearm; to the Committee on the Judiciary.

H.R. 1920. A bill to require a speedy trial for criminal defendants charged with use of a firearm in the commission of a Federal crime; to the Committee on the Judiciary.

By Mr. DANIEL B. CRANE:

H.R. 1921. A bill to repeal the provisions of title 23, United States Code, relating to a national maximum speed limit of 55 miles per hour; to the Committee on Public Works and Transportation.

By Mr. DANIELSON:

H.R. 1922. A bill to create a Federal Disaster Insurance Corporation to insure the people of the United States against losses due to major natural disaster, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1923. A bill to provide for appellate review of decisions of the High Court of American Samoa; to the Committee on the Judiciary.

H.R. 1924. A bill to provide for payment by the United States for certain medical services and treatment provided to U.S. citizens and permanent residents suffering from physical injuries attributable to the atomic bomb explosions on Hiroshima and Nagasaki, Japan, in August 1945; to the Committee on the Judiciary.

By Mr. DANNEMEYER:

H.R. 1925. A bill to provide for the establishment of a U.S. Liaison Office in the Republic of China and a Republic of China Liaison Office in the United States; to the Committee on Foreign Affairs.

H.R. 1926. A bill to require that a question regarding U.S. citizenship be included in questionnaires used in the decennial census; to the Committee on Post Office and Civil Service.

By Mr. DE LA GARZA:

H.R. 1927. A bill to allow projects conducted under the Rio Grande bank protection project to be undertaken in Starr County, Tex.; to the Committee on Public Works and Transportation.

H.R. 1928. A bill to require authorizations of new budget authority for Government programs at least every 5 years, to provide for review of Government programs every 5 years, and for other purposes; jointly to the Committees on Government Operations and Rules.

By Mr. ERDAHL:

H.R. 1929. A bill to authorize construction of a project for flood control and other purposes on the South Fork Zumbro River at Rochester, Minn.; to the Committee on Public Works and Transportation.

By Mr. FLOOD (for himself, Mr. MURPHY of New York, Mr. DORNAN, and Mr. HANSEN):

H.R. 1930. A bill to provide for the increase of capacity and improvement of operations of the Panama Canal within the framework of continued sovereign control of the canal and the Canal Zone by the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ERLENBORN (for himself and Mr. ASHBROOK):

H.R. 1931. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. FARY:

H.R. 1932. A bill to amend the Home Owners' Loan Act of 1933 to prohibit Federal savings and loan associations from making variable rate and rollover mortgages and to authorize the Federal Home Loan Bank Board to permit such associations to issue graduated payment and reverse-annuity mortgages; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1933. A bill to amend the Labor-Management Reporting and Disclosure Act of 1959 with respect to the terms of office of officers of local labor organizations; to the Committee on Education and Labor.

H.R. 1934. A bill to make additional immigrant visas available for immigrants from certain foreign countries, and for other purposes; to the Committee on the Judiciary.

H.R. 1935. A bill to amend the Gun Control Act of 1968 to provide for separate offense and consecutive sentencing in felonies involving the use of a firearm; to the Committee on the Judiciary.

H.R. 1936. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 1937. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 1938. A bill to amend title XVI of the Social Security Act to provide that supplemental security income benefits shall be payable to a resident alien only if he has continuously resided in the United States for at least 5 years; to the Committee on Ways and Means.

H.R. 1939. A bill to improve congressional oversight of Federal programs and activities by requiring greater specificity in setting program objectives, by requiring continuing information on the extent to which programs are achieving their stated objectives, by requiring periodic review of new authorizations of budget authority and tax expenditures, and for other purposes; jointly, to the Committees on Government Operations and Rules.

By Mr. FORSYTHE:

H.R 1940. A bill to provide that portion of the savings which are realized by the Department of Defense as a result of the closure or realinement of a military base in a community shall be returned to the community for economic recovery and ajdustment; to the Committee on Armed Services.

H.R. 1941. A bill to amend section 1951 of title 18, United States Code, to make it a Federal criminal offense to engage in violence or destruction at or near a construction site or any other place where work or business is carried on; to the Committee on the Judiciary.

H.R. 1942. A bill to limit the authority of States and their subdivisions to impose taxes with respect to income on residents of other States; to the Committee on the Judiciary.

H.R. 1943. A bill to amend title 28 of the United States Code, to provide a civil action for damages against the United States and the U.S. Postal Service with respect to tortuous conduct of the U.S. Postal Service in the delivery of mail matters, and for other purposes; to the Committee on the Judiciary.

H.R. 1944. A bill to require biennial reports to Congress on the effectiveness of Government programs, and for other purposes; to the Committee on Government Operations.

H.R. 1945. A bill to amend section 5520 of title 5, United States Code, relating to the withholding of city taxes from the pay of Federal employees; to the Committee on Post Office and Civil Service.

H.R. 1946. A bill to limit civil service disciplinary actions in certain cases involving the failure of an employee to report as directed for the service of process; to the Committee on Post Office and Civil Service.

H.R. 1947. A bill to amend the Internal Revenue Code of 1954 to provide that trusts established for the payment of product liability claims and related expenses shall be exempt from income tax, and that a deduction shall be allowed for contributions to such trusts; to the Committee on Ways and Means.

H.R. 1948. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurses under medicare and medicaid; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1949. A bill to amend title XVIII of the Social Secretary Act to authorize payment under the supplementary medical insurance program for regular physical examinations; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1950. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription or certification and approved by a Formulary Committee, among the items and services covered under the hospital insurance program; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1951. A bill to amend the Federal Election Campaign Act of 1971 to provide that candidates in general elections for Federal office may mail campaign materials at reduced third-class mailing rates; jointly to the Committees on House Administration, and Post Office and Civil Service.

H.R. 1952. A bill to amend title XVIII of the Social Security Act to include as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; jointly to the Committees Ways and Means, and Interstate and Foreign Commerce.

By Mr. FRENZEL:

H.R. 1953. A bill to improve the operation of the adjustment assistance programs for workers and firms under the Trade Act of 1974; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.R. 1954. A bill to amend part B of title XVIII of the Social Security Act to broaden the coverage of home health services under the supplementary medical insurance program and remove the 100-visit limitation presently applicable thereto, and to eliminate the requirement that an individual need skilled nursing care in order to qualify for such services, to amend part A of such title to liberalize the coverage of posthospital home health services thereunder, to amend title XIX of such act to require the inclusion of home health services in a State's medicaid program and to permit payments of housing costs under such program for elderly persons who would otherwise require nursing home care, to provide expanded Federal funding for congregate housing for the displaced and the elderly, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. GREEN:

H.R. 1955. A bill to improve the physical security features of the motor vehicle and its parts, increase the criminal penalties of persons trafficking in stolen motor vehicles and parts, and to curtail the exportation of stolen motor vehicles and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, the Judiciary, and Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 1956. A bill to provide for permanent tax rate reductions for individuals; to the Committee on Ways and Means.

H.R. 1957. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Ways and Means.

By Mr. HANSEN:

H.R. 1958. A bill to protect the interests and express wishes of the taxpayers of the United States as espoused by the U.S. Senate in its ratification of the Panama Canal Treaty of 1977; to insure domestic harmony; to assist the U.S. Treasury in providing for a balanced Federal budget; to require that all funds used to implement the Panama Canal Treaty of 1977 be expended only with the express consent of the Congress of the United States; and to require that no territory or other property of the United States in the Panama Canal Zone be transferred to the Republic of Panama unless the Congress hereafter enacts legislation which expressly authorizes such transfer; jointly to the Committees on Merchant Marine and Fisheries, and Foreign Affairs.

By Mrs. HECKLER:

H.R. 1959. A bill to amend section 204 of the Federal Water Pollution Control Act to repeal certain grant conditions, and for other purposes; to the Committee on Public Works and Transportation.

By Mrs. HECKLER (for herself and Mr. PEPPER):

H.R. 1960. A bill to amend title 38, United States Code, to establish within the Department of Medicine and Surgery of the Veterans' Administration the position of Assistant Chief Medical Director for Geriatrics, Gerontology, and Extended Care and to establish demonstration centers of geriatric and gerontological research, education, and clinical operations within the Veterans' Administration; to the Committee on Veterans' Affairs.

By Ms. HOLTZMAN:

H.R. 1961. A bill to provide for grants to States for the payment of compensation to persons injured by certain criminal acts and omissions, and for other purposes; to the Committee on the Judiciary.

H.R. 1962. A bill to amend title XVIII of the Social Security Act to make more realistic the determination of reasonable charges under the supplementary medical insurance program, to require that patients be given advance estimates of the reimbursement they will receive for services rendered under such program, and to provide for the conduct of pilot projects to test new methods and procedures for determining reasonable charges under such program; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. HUGHES:

H.R. 1963. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 regarding the issuance of interim permits for ocean dumping, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HYDE:

H.R. 1964. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

H.R. 1965. A bill to establish the energy development facility within the Export-Import Bank of the United States and to foster increased energy exploration and production, to increase U.S. exports, to improve the U.S. balance of trade and for other purposes; jointly to the Committees on Banking, Finance and Urban Affairs, and Foreign Affairs.

By Mr. ICHORD (for himself and Mr. TAYLOR):

H.R. 1966. A bill to amend title II of the Social Security Act, the Internal Revenue Code of 1954, as amended, and the Railroad Retirement Act of 1974 to permit combined reporting of wages by employers for old-age, survivors, disability, and health insurance and income tax withholding purposes on an annual basis, and for other purposes; to the Committee on Ways and Means.

By Mr. JOHNSON of Colorado:

H.R. 1967. A bill to modify the boundary of the White River National Forest in the State of Colorado; to the Committee on Interior and Insular Affairs.

H.R. 1968. A bill to direct the Secretary of the Interior to convey certain lands in Clear Creek County, Colo., to Harold and Doris Harlan; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of Colorado (for himself, Mr. KOGOVSEK, Mr. MCKAY, Mr. DORNAN, Mr. BADHAM, Mr. SYMMS, Mr. DERWINSKI, Mr. BUCHANAN, Mr. GOODLING, and Mr. KRAMER):

H.R. 1969. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for each barrel of oil produced from shale; to the Committee on Ways and Means.

By Mr. JONES of Oklahoma:

H.R. 1970. A bill to amend the Fair Labor Standards Act of 1938 to delay for 2 years the increases in the minimum wage under that act scheduled to take effect in 1980 and 1981, to provide a special minimum wage for the limited employment of youth under the age of 19, to broaden, the authority for the employment of full-time students at a special minimum wage, and retain the 45-percent tip credit; to the Committee on Education and Labor.

By Mr. KASTENMEIER (for himself, Mr. BALDUS and Mr. HARKIN):

H.R. 1971. A bill to amend sections 551 and 553 of title 5, United States Code, to improve Federal rulemaking by creating procedures for regulatory issuance in two or more parts, and for other purposes; to the Committee on the Judiciary.

By Mr. KELLY:

H.R. 1972. A bill to amend the Export-Import Bank Act of 1945 to reestablish government-to-government relations and provide for the defense of the Republic of China (Taiwan); to the Committee on Banking, Finance and Urban Affairs.

H.R. 1973. A bill to amend the Trade Act to reestablish government-to-government relations and provide for the defense of the Republic of China (Taiwan); to the Committee on Ways and Means.

By Mr. LENT:

H.R. 1974. A bill to protect local governments of a State from the imposition of liability based on violations of civil rights; to the Committee on the Judiciary.

H.R. 1975. A bill to amend the Public Safety Officers' Benefits Act of 1976 to eliminate the requirement that parents of deceased public safety officers be financially dependent on such officers in order to qualify for death benefits; to the Committee on the Judiciary.

H.R. 1976. A bill to amend title 39, United States Code, for the purpose of providing that the postage rates for third-class mail matter mailed by a qualified county political committee be the postage rates in effect for third-class mail matter mailed by a qualified nonprofit organization; to the Committee on Post Office and Civil Service.

By Mr. LEVITAS:

H.R. 1977. A bill to provide that, if any hearing is held by the Federal Energy Regulatory Commission in connection with any rule, regulation, or order that would significantly increase rates for natural gas or electricity, one or more hearings shall be held in the State or region directly affected by the rule, regulation, or order; to the Committee on Interstate and Foreign Commerce.

By Mr. LONG of Maryland:

H.R. 1978. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. RAILSBACK (for himself and Mr. Kastenmeier):

H.R. 1979. A bill to regulate lobbying and related activities; to the Committee on the Judiciary.

By Mr. HAGEDORN:

H.R. 1980. A bill to provide for research programs under the Secretary of Agriculture and the Secretary of Energy, to amend the Internal Revenue Code of 1954 to encourage the use of grain-produced ethanol as an alternative fuel for motor vehicles, and to provide guaranteed loans for ethanol-producing facilities; jointly, to the Committees on Agriculture, Interstate and Foreign Commerce, Science and Technology, and Ways and Means.

By Mr. LUNGREN (for himself, Mr. Bonior of Michigan, Mr. Cleveland, Mr. Dannemeyer, Mr. Evans of Delaware, Mr. Gephardt, Mr. Hagedorn, Mr. Hillis, Mr. Hopkins, Mr. Hyde, Mr. Luken, Mr. Mikva, and Mr. Pashayan):

H.R. 1981. A bill to provide coverage under the Federal old-age, survivors; and disability insurance system for all Members of Congress and other officers and employees in the legislative branch of the Government; to the Committee on Ways and Means.

By Mr. McDADE:

H.R. 1982. A bill to authorize the Secretary of the Interior to acquire the Walnut Street Theatre, a national landmark, for inclusion as a national historic site in Independence National Park, Philadelphia, Pa., and for other purposes; to the Committee on Interjor and Insular Affairs.

H.R. 1983. A bill to amend the Small Business Act; to the Committee on Small Business.

By Mr. LEVITAS (for himself, Mr. Pease, Mr. Carr, Mr. Mineta, Mr. Bauman, Mr. Badham, Mr. Benjamin, Mr. Madigan, Mr. Kildee, Mr. Hillis, Mr. Hamilton, Mr. Gephardt, Mr. Gradison, Mr. Edwards of Oklahoma, Mr. Zeferetti, Mr. Murphy of Pennsylvania, Mr. Bedell, Mr. Derwinski, Mrs. Bouquard, Mrs. Spellman, Mr. Hughes, Mr. Hefner, Mr. Conte, Mr. Lloyd, Mr. Lott, Mr. Corcoran, Mr. Neal, Mr. Buchanan, Mr. Burgener, Mr. Cleveland, Mr. Gudger, Mr. Ichord, Mr. Lee, Mr. Coleman, Mr. Dan Daniel, Mr. Robert W. Daniel, Jr., Mr. Marlenee, Mr. Skelton, Mr. Watkins, Mr. Robinson, Mr. Regula, Mr. Forsythe, Mr. Coughlin, Mr. Young of Missouri, Mr. Wyatt, Mr. Montgomery, Mr. Kogovsek, Mr. Long of Maryland, Mr. Dornan, Mr. Evans of Georgia, Mr. Spence, Mr. Walker, Mr. Albosta, Mr. Stokes, Mr. Trible, and Mr. Kramer):

H.R. 1984. A bill to amend the Administrative Procedure Act to require the performance and publication of economic impact analyses in the Federal Register for all proposed and final rules which are subject to the provisions of that Act; to the Committee on the Judiciary.

By Mr. McDONALD (for himself, Mr. Mathis, Mr. Symms, Mr. Lagomarsino, Mr. Guyer, and Mr. Daniel B. Crane):

H.R. 1985. A bill to amend title XI of the Social Security Act to repeal the provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. McHUGH (for himself and Mrs. Spellman):

H.R. 1986. A bill to amend section 1114 of title 18, United States Code, to provide for protection of airport police officers of the Federal Aviation Administration; to the Committee on the Judiciary.

By Mr. MARLENEE:

H.R. 1987. A bill to amend title 38 of the United States Code to remove the time limitation within which programs of education for veterans must be completed; to the Committee on Veterans' Affairs.

H.R. 1988. A bill to repeal section 154 of title 23 of the United States Code relating to the national maximum speed limit; to the Committee on Public Works and Transportation.

H.R. 1989. A bill to amend title 18 of the United States Code to provide mandatory minimum sentences for repeat offenders; to the Committee on the Judiciary.

H.R. 1990. A bill to amend the Controlled Substances Act to provide mandatory minmum sentences for certain drug offenses; to the Committee on Interstate and Foreign Commerce.

H.R. 1991. A bill to amend section 924(c) of title 18 of the United States Code to increase the mandatory minimum penalties applicable to certain firearms offenses; to the Committee on the Judiciary.

H.R. 1992. A bill to provide for minimum fines for certain offenses relating to welfare and unemployment fraud; jointly, to the Committees on Agriculture, Interstate and Foreign Commerce, and Ways and Means.

H.R. 1993. A bill to amend section 107A of the Agricultural Act of 1949 relating to prevented planting and farm disaster payments for the 1980 and 1981 crops of wheat; to the Committee on Agriculture.

H.R. 1994. A bill to amend the Agricultural Act of 1949 for the purposes of directing the Secretary of Agriculture to permit the production of hay on set-asides of acreage on certain farms producing wheat or feed grains; to the Committee on Agriculture.

H.R. 1995. A bill to amend the Meat Import Quota Act of 1964 to define fresh, chilled, and frozen meat, and for other purposes; to the Committee on Ways and Means.

H.R. 1996. A bill to amend the meat import law in order to impose the limitations thereunder if the estimated quantity of imported meat will equal or exceed 100 percent, rather than 110 percent, of the quota for any year; to the Committee on Ways and Means.

H.R. 1997. A bill to amend the meat import law to reduce the amount of meat permitted to be imported into the United States during any calendar year by the amount, if any, by which actual imports during the preceding calendar year exceeded the quota for that year, and for other purposes; to the Committee on Ways and Means.

H.R. 1998. A bill to require that imported meat and meat food products made in whole or in part of imported meat be subjected to certain tests and that such meat or products be identified as having been imported; to require the inspection of imported dairy products and that such products comply with certain minimum standards of sanitation; to require that the cost of conducting such tests, inspections, and identification procedures on imported meat and meat food products and on dairy products, as the case may be, be borne by the exporters of such articles, and for other purposes; to the Committee on Agriculture.

H.R. 1999. A bill to amend Civil Service provisions as they apply to certain employees of the Bureau of Indian Affairs and of the Indian Health Service who are not entitled to Indian employment preference and to modify the application of the Indian employment preference laws as it applies to those agencies; jointly, to the Committees on Post Office and Civil Service, and Interior and Insular Affairs.

By Mr. PANETTA (for himself, Mr. Markey, Mr. Lee, Mr. Edwards of California, Mr. Vento, Mr. Walker, Mr. LaFalce, Mr. Conte, Mr. Coelho, Mr. Burgener, Mr. Skelton, Mr. Forsythe, Mr. Kindness, Mr. Edgar, Mr. Dornan, Ms. Mikulski, Mrs. Spellman, Mr. Whitley, Mr. Hughes, Mr. Gephardt, Mr. Evans of Georgia, Mr. Bedell, Mr. Hutto, Mr. Downey, Mrs. Bouquard, Mr. Roe, Mr. Heftel, Mr. Gore, Mr. Swift, Mr. Carr, Mr. Fazio, Mr. Ertel, Mr. Weiss, Mr. Nolan, Mr. Mathis, Mr. McCloskey, Mr. Glickman, Mr. Stark, Mr. Stockman, Mr. Walgren, Mr. Patterson, Mr. Ottinger, Mr. Albosta, and Ms. Ferraro):

H.R. 2000. A bill to amend the Congressional Budget Act of 1974 to provide for a 2-year budgeting cycle, to provide for separate and timely consideration each of authorizing legislation, budget resolutions, and appropriations, and for other purposes; jointly, to the Committees on Rules, and Government Operations.

By Mr. PEPPER:

H.R. 2001. A bill to establish a program to promote the utilization of spinoffs from space technology in meeting the needs and alleviating the suffering of the elderly; to the Committee on Science and Technology.

By Mr. MINISH:

H.R. 2002. A bill to revise and extend the Renegotiation Act of 1951; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MONTGOMERY (by request):

H.R. 2003. A bill to amend title 10, United States Code, to allow concurrent payment of benefits under the survivor benefit plan for the uniformed services and under the Veterans' Administration dependency and indemnity compensation program without a reduction in the amount of either benefit; to the Committee on Armed Services.

H.R. 2004. A bill to amend title 38, United States Code, to provide that additional compensation for dependents paid to veterans with service-connected disabilities who are receiving compensation may be paid for adopted children who became permanently incapable of self-support before the age of 18, regardless of their age at the time of their adoption; to the Committee on Veterans' Affairs.

H.R. 2005. A bill to amend title 38, United States Code, to provide additional compensation for dependent parents of certain veterans with service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 2006. A bill to amend title 38, United States Code, to provide a $350 per month aid and attendance allowance to veterans who have suffered the loss or loss of use of both hands as a result of a service-connected injury; to the Committee on Veterans' Affairs.

H.R. 2007. A bill to amend title 38, United States Code, to provide additional compensation under section 314(k) of such title to veterans with service-connected heart conditions who have had a heart valve replaced and a pacemaker implanted; to the Committee on Veterans' Affairs.

H.R. 2008. A bill to amend title 38, United States Code, to equalize the rates of disability compensation paid to veterans with service-connected disabilities rated at 50 per centum through 90 per centum; to the Committee on Veterans' Affairs.

H.R. 2009. A bill to amend title 38, United States Code, to permit certain eligible veterans to purchase up to $20,000 of National Service Life Insurance; to the Committee on Veterans' Affairs.

H.R. 2010. A bill to amend title 38 of the United States Code in order to provide mortgage protection life insurance to certain veterans unable to acquire commercial life insurance because of service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 2011. A bill to amend section 110 of title 38, United States Code, to liberalize the standard for preservation of disability evaluations for compensation purposes; to the Committee on Veterans' Affairs.

H.R. 2012. A bill to amend title 38, United States Code, to provide additional compensation for dependents of certain veterans with service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 2013. A bill to amend title 38, United States Code, to establish a presumption that certain chronic or tropical diseases contracted by a prisoner of war within 5 years from the date of his separation from service were incurred in or aggravated by such service, and to provide that bronchial asthma and bronchitis shall be considered chronic diseases; to the Committee on Veterans' Affairs.

H.R. 2014. A bill to amend title 38, United States Code, to provide that any disability which has been continuously rated at or above any evaluation for 10 or more years for compensation purposes shall not thereafter be rated at less than such evaluation, except upon a showing that such rating was based on fraud; to the Committee on Veteran's Affairs.

H.R. 2015. A bill to amend section 312(c) of title 38, United States Code, so as to provide for additional presumptions relating to certain diseases and disabilities of prisoners of war; to the Committee on Veterans' Affairs.

H.R. 2016. A bill to amend title 38, United States Code, so as to provide mustering-out payments for certain members discharged from active duty in the Armed Forces during the Vietnam era; to the Committee on Veterans' Affairs.

H.R. 2017. A bill to amend title 38, United States Code, to include the service connected loss or loss of use of a kidney among the conditions for which veterans may receive additional compensation under section 314(k) of such title; to the Committee on Veterans' Affairs.

H.R. 2018. A bill to amend section 1902 of title 38, United States Code, to extend eligibility for automobile adaptive equipment to certain additional veterans; to the Committee on Veterans' Affairs.

H.R. 2019. A bill to amend title 38, United States Code, to extend eligibility for the Veterans' Administration clothing allowance to certain veterans with skin disorders resulting from service-connected diseases or injuries; to the Committee on Veterans' Affairs.

By Mr. CORMAN (for himself, Mr. Pickle, Mr. Brodhead, Mr. Lederer, Mr. Duncan of Tennessee, Mr. Addabbo, Mr. Akaka, Mr. Andrews of North Dakota, Mr. AuCoin, Mr. Baldus, Mr. Barnes, Mr. Bonior of Michigan, Mrs. Bouquard, Mr. Carr, Mr. Cleveland, Mr. Conte, Mr. Conyers, Mr. Corrada, Mr. Davis of Michigan, Mr. Dellums, Mr. Diggs, Mr. Dixon, Mr. Edwards of California, Mr. Ertel, Mr. Fascell, Ms. Ferraro, Mr. Flood, Mr. Florio, Mr. Ford of Michigan, Mr. Hagedorn, Ms. Holtzman, Mr. Hughes, Mr. Hyde, Mr. Kildee, Mr. Lundine, Mr. McCormack, Mr. Marlenee, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Mitchell of New York, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Nolan, Mr. Oberstar, Mr. Ottinger, Mr. Panetta, Mr. Patten, Mr. Perkins, Mr. Price, Mr. Pritchard, Mr. Rahall, Mr. Richmond, Mr. Rodino, Mr. Roybal, Mr. St Germain, Mr. Sebelius, Mr. Solarz, Mr. Stangeland, Mr. Stanton, Mr. Traxler, Mr. Van Deerlin, Mr. Vento, Mr. Weiss, Mr. Whittaker, Mr. Charles Wilson of Texas, Mr. Winn, Mr. Wolff, and Mr. Zeferetti):

H.R. 2020. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

Mr. MONTGOMERY (by request):

H.R. 2021. A bill to amend title 38, United States Code, to extend from 1 year to 2 years the period during which veterans with service-connected disabilities may apply for National Service Life Insurance; to the Committee on Veterans' Affairs.

By Mr. MONTGOMERY (for himself and Mr. Hammerschmidt) (by request):

H.R. 2022. A bill to amend section 312 of title 38, United States Code, by providing that malignant tumors (cancer) which develop within 3 years from the date of separation from wartime service shall be presumed to have been incurred in, or aggravated, by such service; to the Committee on Veterans' Affairs.

H.R. 2023. A bill to amend section 312 of title 38, United States Code, by providing a 2-year presumptive period of service connection for the psychoses which develop within 2 years from the date of separation from active service; to the Committee on Veterans' Affairs.

H.R. 2024. A bill to amend title 38, United States Code, to enable certain veterans with service-connected disabilities to increase their life insurance coverage under such title; to the Committee on Veterans' Affairs.

H.R. 2025. A bill to amend title 38, United States Code, to provide that payments made to a hospitalized incompetent veteran will not be terminated unless his estate exceeds $3,000, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 2026. A bill to amend title 38, United States Code, to change the minimum disability rating a veteran must have in order to receive additional compensation for dependants from 30 per centum to 10 per centum; to the Committee on Veterans' Affairs.

H.R. 2027. A bill to amend title 38, United States Code, to extend from 1 year to 3 years the period after separation from military service during which the manifestation of epilepsy will be presumed to be service-connected; to the Committee on Veterans Affairs.

H.R. 2028. A bill to amend title 38, United States Code, to provide for additional benefits to certain veterans injured as a result of medical treatment or vocational rehabilitation; to the Committee on Veterans' Affairs.

H.R. 2029. A bill to extend section 3012 of title 38, United States Code, to extend to 120 days the period between notice of, and the effective date for, the reduction or discontinuance of compensation, dependency, and indemnity compensation, or pension; to the Committee on Veterans' Affairs.

H.R. 2030. A bill to amend title 38, United States Code, to provide for the determination of certain unemployable veterans with service-connected disabilities as being totally disabled and to direct the Administrator of Veterans' Affairs to consider age in rating the degree of disability of veterans with service-connected disabilities; to the Committee on Veterans Affairs.

H.R. 2031. A bill to amend title 38, United States Code, to increase the travel allowance paid by the Veterans' Administration for travel by a veteran in connection with a service-connected disability; to the Committee on Veterans' Affairs.

H.R. 2032. A bill to amend title 38, United States Code, to allow persons in addition to guardians to apply for service disabled veterans' life insurance on behalf of mentally incompetent veterans; to the Committee on Veterans' Affairs.

H.R. 2033. A bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the Armed Forces to receive compensation concurrently with retired pay, without deduction from either; jointly, to the Committees on Veterans' Affairs and Armed Services.

By Mr. MOORE:

H.R. 2034. A bill to amend the Agricultural Act of 1949 for purposes of providing that milk shall continue to be supported at not less than 80 per centum of the parity price for milk until October 1, 1981, and for other purposes; to the Committee on Agriculture.

By Mr. MURPHY of New York (for himself, Mr. Breaux, Mr. McCloskey, Mr. Studds, Mr. Bonker, Mr. Forsythe, Mr. AuCoin, Mr. Lowry, Mr. Pritchard, Mr. Bonior of Michigan, Mr. Anderson of California, Mr. Young of Alaska, Mr. Oberstar, Mr. Hutto, Mr. Lent, Mr. Emery, Mr. Dornan, Mr. Evans of Delaware and Mr. Trible):

H.R. 2035. A bill to authorize appropriations for fiscal years 1980, 1981, and 1982 to carry out cooperative programs with the States for the conservation of anadromous fish; to the Committee on Merchant Marine and Fisheries.

By Mr. NOLAN:

H.R. 2036. A bill to amend the Internal Revenue Code of 1954 to allow handicapped individuals a deduction for certain transportation expenses; to the Committee on Ways and Means.

By Mr. OBERSTAR:

H.R. 2037. A bill to amend the Federal Reserve Act to direct the Federal Open Market Committee to regulate the extension of the money supply to achieve steady growth rates of money, to reduce the rate of inflation, and to encourage continued growth of the economy; to the Committee on Banking, Finance and Urban Affairs.

H.R. 2038. A bill to provide for grants to graduate and professional schools for the establishment of programs for minority, low-income, and culturally disadvantaged individuals for the purpose of providing greater access to graduate and professional education for such individuals; to the Committee on Education and Labor.

H.R. 2039. A bill to establish national policies to promote the adoption of Government programs which can be expected to provide the greatest net public benefit and to prevent Government programs from having unreasonable public costs, to establish a system requiring regulatory cost/benefit assessments to be prepared for any proposed legislation or regulation which may have a significant economic impact, and for other purposes; to the Committee on Government Operations.

H.R. 2040. A bill to amend title XIX of the Social Security Act to eliminate Federal payments for abortions under the medicaid program except for abortions to prevent the death of the mother; to the Committee on Interstate and Foreign Commerce.

H.R. 2041. A bill to establish mandatory penalties for use of a firearm during the commission of a felony, and for other purposes; to the Committee on the Judiciary.

H.R. 2042. A bill to amend the Immigration and Nationality Act to permit adoption of more than two children; to the Committee on the Judiciary.

H.R. 2043. A bill to amend the Water Bank Act for the purpose of authorizing the Secretary of Agriculture to adjust payment rates with respect to initial conservation agreements and to designate certain areas as wetlands, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 2044. A bill to amend section 43 of the Internal Revenue Code of 1954 to allow a handicapped person who maintains a household to be eligible for the earned income credit provided under such section; to the Committee on Ways and Means.

H.R. 2045. A bill to amend the Internal Code of 1954 to exempt farmers from the highway use of tax on heavy trucks used for farm purposes; to the Committee on Ways and Means.

H.R. 2046. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from the highway use tax in the case of certain trucks and other vehicles which are used primarily for hauling unprocessed farm and forest products from their place of production to market or mill; to the Committee on Ways and Means.

H.R. 2047. A bill to amend the Internal Revenue Code of 1954 to allow a deduction with respect to that portion of adoption expenses which are properly attributable to medical expenses incurred for the benefit of the adopted child; to the Committee on Ways and Means.

H.R. 2048. A bill to amend part A of title IV of the Social Security Act to provide that the aid to families with dependent children shall be payable with respect to unborn children; to the Committee on Ways and Means.

H.R. 2049. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for retirement savings in the case of individuals who have limited participation under pension plans and to expand the cases in which joint and survivor annuity coverage is to be provided under certain pension plans; to the Committee on Ways and Means.

H.R. 2050. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for certain amounts paid for food and lodging while away from home for purposes of receiving medical care; to the Committee on Ways and Means.

H.R. 2051. A bill to amend the Intergovernmental Cooperation Act of 1968 to improve intergovernmental relationships between the United States and the States and municipalities, and the economy and efficiency of government, by providing Federal cooperation and assistance in the establishment and strengthening of State and local offices of consumer protection; jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

H.R. 2052. A bill to establish a task force to study and evaluate the taxation of real property by State and local governments, the feasibility of Federal taxation and other policies designed to reduce the dependence of such governments on taxation of real property, and the effects of such Federal taxation and other policies so designed on the financing of elementary and secondary public education by such governments; jointly, to the Committees on Ways and Means and Government Operations.

By Mr. PEYSER:

H.R. 2053. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to tenants of houses or apartments for their proportionate share of the taxes and interest paid by their landlords; to the Committee on Ways and Means.

By Mr. PICKLE (for himself, Mr. Ullman, Mr. Archer, and Mr. Conable):

H.R. 2054. A bill to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 2055. A bill to amend title 10, United States Code, to remove the limitation on the percentage of members of the Senior Reserve Officers' Training Corps program appointed in any year as cadets or midshipmen for participation in the financial assistance program who may be appointed from the 2-year Senior Reserve Officers' Training Corps course; to the Committee on Armed Services.

By Mr. RICHMOND (for himself and Mr. Walgren):

H.R. 2056. A bill to amend the Rehabilitation Act of 1973 to require that rehabilitation counselors hired under State plans approved under such act have certain minimum qualifications; to the Committee on Education and Labor.

By Mr. ROBERTS (by request):

H.R. 2057. A bill to amend title 38, United States Code, so as to provide a special pension program for veterans of World War I; to the Committee on Veterans' Affairs.

H.R. 2058. A bill to amend 38 U.S.C. 312(a) so as to provide a 7-year presumptive period for syringomyelia; to the Committee on Veterans' Affairs.

H.R. 2059. A bill to amend title 38, United States Code, to provide for an increase in the aid and attendance allowance for severely disabled veterans with nonservice-connected disabilities; to the Committee on Veterans' Affairs.

By Mr. RODINO (for himself, Mr. Seiberling, and Mr. Hughes):

H.R. 2060. A bill to restore fair and effective enforcement of the antitrust laws; to the Committee on the Judiciary.

By Mr. RODINO (for himself, Mr. Mazzoli, and Mr. McClory):

H.R. 2061. A bill to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes; to the Committee on the Judiciary.

By Mr. ROE:

H.R. 2062. A bill to provide that the United States District Court for the Judicial District of New Jersey shall be held at Paterson, N.J., in addition to those places currently provided by law; to the Committee on the Judiciary.

By Mr. ROE (for himself, Mr. Johnson of California, Mr. Harsha, Mr. Roberts, Mr. Hammerschmidt, Mr. Howard, Mr. Cleveland, Mr. Anderson of California, Mr. Clausen, Mr. McCormack, Mr. Snyder, Mr. Breaux, Mr. Shuster, Mr. Mineta, Mr. Abdnor, Mr. Levitas, Mr. Taylor, Mr. Oberstar, Mr. Stangeland, Mr. Ambro, Mr. Livingston, Mr. Nowak, Mr. Gingrich, Mr. Edgar, Mr. Clinger, Mrs. Bouquard, Mr. Solomon, Mr. Fary, Mr. Lewis, Mr. Hefner, Mr. Young of Missouri, Mr. Bonior of Michigan, Mr. Ertel, Mr. Evans of Georgia, Mr. Flippo, Mr. Rahall, Mr. Applegate, Ms. Ferraro, Mr. Donnelly, Mr. Hutto, Mr. Atkinson, Mr. Albosta, Mr. Leath of Texas, and Mr. Boner of Tennessee):

H.R. 2063. A bill to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for three additional years; to the Committee on Public Works and Transportation.

By Mr. SHUSTER (for himself, Mr. Ertel, Mr. Flood, and Mr. Goodling):

H.R. 2064. A bill for the relief of the Shippensburg Public Library, the Ousterhout Library, the West Pittston Library, the West Shore Public Library, the Milton Public Library, and the Himmelreich Library, and certain units of local government; to the Committee on the Judiciary.

By Mr. SOLOMON:

H.R. 2065. A bill to amend the Internal Revenue Code of 1954 to provide for the indexing of certain assets for purposes of determining gain or loss; to the Committee on Ways and Means.

By Mr. SPELLMAN (for herself, Mr. Barnes, Mrs. Byron, Mr. Fisher, Mr. Harris, Mrs. Holt, and Mr. Mitchell of Maryland):

H.R. 2066. A bill to amend section 181(a)(2) of the Water Resources Development Act of 1976; to the Committee on Public Works and Transportation.

By Mr. STANGELAND (for himself Mr. Frenzel, Mr. Sebelius, Mr. Erdahl, Mr. Guyer, and Mr. Albosta):

H.R. 2067. A bill to implement the International Sugar Agreement, 1977 between the United States and foreign countries, to protect the welfare of consumers of sugar and of those engaged in the domestic sugar industry, and for other purposes; jointly, to the Committees on Agriculture and Ways and Means.

By Mr. STARK (for himself, Mr. Conyers, Mr. Brodhead, Mr. Buchanan, Mr. Lagomarsino, Mr. Edwards of California, Mr. Corrada, Mr. Solarz, Mr. Bedell, Mr. Lehman, Mr. Miller of California, Mr. Nolan, Mr. Forsythe, Mr. Bonior of Michigan, Mr. Mitchell of Maryland, Mr. Burgener, Mr. Richmond, Mr. Dornan, Mr. Whitehurst, Mr. Stangeland, Mr. Moakley, Mr. Florio, Mr. Vento, Mr. Patten, Mr. Green, Ms. Ferraro, Mr. Hollenbeck, Mr. Rahall, Mr. Addabbo, Mr. Rangel, Mr. Dellums, Mr. Drinan, Mr. Emery, Mr. Seiberling, Mr. Dixon, Mr. Guyer, Ms. Holtzman, Mr. McHugh, Mr. Matsui, Mr. Hagedorn, Mr. Akaka, Mr. Walgren, Mr. Flood, Mr. Glickman, Mr. Wolpe, Mr. Price, Mrs. Spellman, Mrs. Schroeder, Mr. Scheuer, Mr. Patterson, Mr. Moffett, and Mr. Baldus):

H.R. 2068. A bill to amend title VI of the Social Security Act to provide that an individual who applies for supplemental security income benefits on the basis of disability shall be considered presumptively disabled if he has received social security or supplemental security income benefits as a disabled individual within the preceding 5 years; to the Committee on Ways and Means.

By Mr. STENHOLM (for himself, Mr. Archer, and Mr. Burlison):

H.R. 2069. A bill to amend the Internal Revenue Code of 1954 to exempt farm vehicles and soil and water conservation vehicles from the highway use tax; to the Committee on Ways and Means.

By Mr. VANDER JAGT:

H.R. 2070. A bill to amend title IV of the Social Security Act to permit the payment of benefits for shelter, utilities, and similar expenses under the AFDC program in cases where the children involved are living with relatives not legally responsible for their support, and to provide a method for determining the amount of such expenses; to the Committee on Ways and Means.

Mr. VENTO:

H.R. 2071. A bill to amend the Water Resources Planning Act of 1965 (Public Law 89-80; 79 Stat. 244) as amended; to the Committee on Interior and Insular Affairs.

By Mr. VOLKMER:

H.R. 2072. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Ways and Means.

By Mr. WAXMAN (for himself, Mr. Bonior of Michigan, Mr. Brodhead, Mr. Conte, Mr. Dellums, Mr. Dixon, Mr. Drinan, Mr. Edgar, Mr. Edwards of California, Mr. Flood, Mr Ford of Tennessee, Mr. Hollenbeck, Mr. Moakley, Ms. Oakar, Mr. Patten, Mrs. Schroeder, Mr. Seiberling, and Mr. Stark):

H.R. 2073. A bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees; to the Committee on Education and Labor.

By Mr. WEISS:

H.R. 2074. A bill to prohibit discrimination on the basis of affectional or sexual orientation, and for other purposes; jointly, to the Committees on the Judiciary and Education and Labor.

By Mr. WHITEHURST:

H.R. 2075. A bill to amend the Internal Revenue Code of 1954 to encourage greater individual savings; to the Committee on Ways and Means.

H.R. 2076. A bill to amend the Internal Revenue Code; to the Committee on Ways and Means.

H.R. 2077. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. CHARLES WILSON of Texas:

H.R. 2078. A bill to provide for the induction of individuals, during the period beginning July 1, 1979, and ending June 30, 1981, for training and service in the Armed Forces; to the Committee on Armed Services.

H.R. 2079. A bill to amend title 28 of the United States Code to establish a Lufkin Division in the Eastern District of Texas, and for other purposes; to the Committee on the Judiciary.

H.R. 2080. A bill to amend title II of the Social Security Act to provide that any individual who is over age 65 at the time of application for benefits thereunder may (if otherwise qualified) be paid such benefits from the month in which he or she attained that age; to the Committee on Ways and Means.

H.R. 2081. A bill to reduce temporarily the rate of duty on ceramic insulators used in spark plugs; to the Committee on Ways and Means.

By Mr. CHARLES WILSON of Texas (for himself and Mr. Hall of Texas):

H.R. 2082. A bill to provide for the tax treatment of interest on obligations issued by the Sabine River Authority of Texas; to the Committee on Ways and Means.

By Mr. CHARLES WILSON of Texas:

H.R. 2083. A bill to authorize the Corps of Engineers to establish and develop separate campgrounds for senior citizens at lakes and reservoirs under the jurisdiction of the corps and to require that such a campground be established and developed at the Sam Rayburn Dam and Reservoir; to the Committee on Public Works and Transportation.

H.R. 2084. A bill to amend titles II and XVIII of the Social Security Act to eliminate the waiting period for disabled individuals to become entitled to coverage under the medicare program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. YATRON:

H.R. 2085. A bill to amend the Internal Revenue Code of 1954 to allow an individual a deduction for blood donations, and to allow an individual to take such a deduction whether or not he itemizes his deductions; to the Committee on Ways and Means.

By Mr. APPLEGATE:

H.J. Res. 191. Joint resolution proposing an amendment to the Constitution of the United States to limit the terms of office of the judges of the Supreme and inferior courts; to the Committee on the Judiciary.

By Mr. FARY:

H.J. Res. 192. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling attendance in schools other than the one nearest the residence and to insure equal educational opportunities for all students wherever located; to the Committee on the Judiciary.

By Mr. GUYER:

H.J. Res. 193. Joint resolution relating to diplomatic relations with the Republic of China; to the Committee on Foreign Affairs.

By Mr. HYDE:

H.J. Res. 194. Joint resolution authorizing the President to proclaim the month of February of each year as American History Month; to the Committee on Post Office and Civil Service.

By Mr. JEFFORDS:

H.J. Res. 195. Joint resolution designating the week of February 11 through February 17, 1979, as "National Vocational Education Week"; to the Committee on Post Office and Civil Service.

By Mr. KEMP (for himself, Mr. Lagomarsino, Mr. Lott, Mr. Mottl, Mr. Guyer, and Mr. Dannemeyer):

H.J. Res. 196. Joint resolution proposing an amendment to the Constitution of the United States to permit citizens through a popular initiative process to propose, repeal, and amend the laws of the United States; to the Committee on the Judiciary.

By Mr. RHODES:

H.J. Res. 197. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. SEBELIUS:

H.J. Res. 198. Joint resolution to provide for the designation of the first Friday of March of each year as "Teacher Day, U.S.A."; to the Committee on Post Office and Civil Service.

By Mr. UDALL:

H.J. Res. 199. Joint resolution to amend the act of October 21, 1978 (92 Stat. 1675; Public Law 95-498); to the Committee on Interior and Insular Affairs.

By Mr. ASHBROOK (for himself and Mr. Bauman):

H. Con. Res. 43. Concurrent resolution to uphold the separation of powers between the executive and legislative branches of Government in the termination of treaties; to the Committee on Foreign Affairs.

By Mr. FARY:

H. Con. Res. 44. Concurrent resolution expressing the sense of the Congress relating to films and broadcasts which defame, stereotype, ridicule, demean, or degrade ethnic, racial, and religious groups; to the Committee on Interstate and Foreign Commerce.

By Mr. SEBELIUS:

H. Con. Res. 45. Concurrent resolution requesting the President to proclaim the fourth Saturday in March of each year as National Bake and Take Day; to the Committee on Post Office and Civil Service.

By Mr. THOMPSON:

H. Con. Res. 46. Concurrent resolution providing for the printing of 3,500 copies of a revised edition of the Biographical Directory of the American Congress up to and including the 96th Congress; to the Committee on House Administration.

By Mr. WHITEHURST:

H. Con. Res. 47. Concurrent resolution calling for a regional conservation treaty to protect northern hemisphere pinnipeds; to the Committee on Foreign Affairs.

By Mr. DINGELL:

H. Res. 103. Resolution to disapprove the proposed exemption of aviation gasoline and kerosene-base jet fuel from the mandatory petroleum allocation regulations (DOE energy action No. 3); to the Committee on Interstate and Foreign Commerce.

H. Res. 104. Resolution to disapprove the proposed exemption of aviation gasoline and kerosene-base jet fuel from the mandatory petroleum price regulations (DOE energy action No. 4); to the Committee on Interstate and Foreign Commerce.

By Mr. GLICKMAN (for himself, Mr. Winn, Mr. Whittaker, Mr. Smith of Iowa, Mr. Leach of Iowa, Mr. Jeffords, and Mr. Stump):

H. Res. 105. Resolution disapproving the final recommendations of the Secretary of Transportation designating the basic route system for the National Railroad Passenger Corporation; to the Committee on Interstate and Foreign Commerce.

By Ms. HOLTZMAN (for herself, Mr. Fish, Mr. Addabbo, Mr. Ambro, Mr. Anderson of California, Mr. Archer, Mr. AuCoin, Mr. Bailey, Mr. Barnes, Mr. Bedell, Mr. Beilenson, Mr. Benjamin, Mr. Bevill, Mr. Biaggi, Mr. Bingham, Mr. Blanchard, Mr. Brodhead, Mr. Buchanan, Mr. Carney, Mr. Cavanaugh, Mr. Chappell, Mr. Conyers, Mr. Corman, Mr. Cotter, Mr. Daniel B. Crane, Mr. Dellums, Mr. Dixon, Mr. Dodd, Mr. Dornan, Mr. Dougherty, Mr. Downey, Mr. Drinan, Mr. Edwards of California, Mr. Fascell, Mr. Fazio, Mr. Flood, Mr. Frost, Mr. Garcia, Mr. Gilman, Mr. Glickman, Mr. Gradison, Mr. Gray, Mr. Green, Mr. Gudger, Mr. Guyer, Mrs. Heckler, Mr. Heftel, Mr. Hollenbeck, Mr. Horton, Mr. Hughes, Mr. Kildee, Mr. Kostmayer, Mr. Kramer, Mr. LaFalce, Mr. Lagomarsino, Mr. Lederer, Mr. Lee, Mr. Lehman, Mr. Lent, Mr. Levitas, Mr. Lewis, Mr. Long of Louisiana, Mr. Long of Maryland, Mr. Lundine, Mr. McHugh, Mr. Marks, Mr. Matsui, Ms. Mikulski, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Moffett, Mr. Moorhead of Pennsylvania, Mr. O'Brien, Mr. Ottinger, Mr. Pepper, Mr. Peyser, Mr. Pritchard, Mr. Rangel, Mr. Reuss, Mr. Richmond, Mr. Roe, Mr. Rosenthal, Mr. Scheuer, Mr. Sensenbrenner, Mr. Shannon, Mr. Skelton, Mr. Solarz, Mrs. Spellman, Mr. Stack, Mr. Stark, Mr. Traxler, Mr. Treen, Mr. Walgren, Mr. Waxman, Mr. Weiss, Mr. Charles Wilson of Texas, Mr. Wolff, Mr. Wolpe, Mr. Yates, and Mr. Zeferetti):

H. Res. 106. Resolution urging the Government of the Federal Republic of Germany to abolish the statute of limitations governing the prosecution of war crimes, or to amend the present statute of limitations to allow a period of time sufficient for the prosecution of those responsible for the horrors of the Holocaust; to the Committee on Foreign Affairs.

By Mr. JEFFORDS (for himself, Mr. Williams of Montana, and Mr. Perkins):

H. Res. 107. Resolution disapproving the final recommendations of the basic route system of Amtrak proposed by the Secretary of Transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. McCLORY:

H. Res. 108. Resolution to encourage cordial relations with Taiwan; to the Committee on Foreign Affairs.

By Mr. MARLENEE:

H. Res. 109. Resolution to disapprove the final recommendations for the basic route system of Amtrak submitted by the Secretary of Transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. WILLIAMS of Montana:

H. Res. 110. Resolution disapproving the final recommendations of the Secretary of Transportation designating the basic route system for Amtrak; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

27. By the SPEAKER: Memorial of the Legislature of the State of New York, relative to recognition of the city of Jerusalem as the capital of Israel; to the Committee on Foreign Affairs.

28. Also, memorial of the House of Representatives of the State of Arizona, relative to gun control; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOWEN:

H.R. 2086. A bill for the relief of Kwan Do Sun; to the Committee on the Judiciary.

By Mr. PHILLIP BURTON:

H.R. 2087. A bill for the relief of Kai Hung Pun, also known as Wah Poon; to the Committee on the Judiciary.

H.R. 2088. A bill for the relief of Chan Chee; to the Committee on the Judiciary.

By Mr. GOODLING:

H.R. 2089. A bill for the relief of Ulrich L. Peters; to the Committee on the Judiciary.

By Mrs. HOLT:

H.R. 2090. A bill for the relief of Sara Padilla Guerrero; to the Committee on the Judiciary.

By Mr. HUGHES:

H.R. 2091. A bill for the relief of Paul Papoulias; to the Committee on the Judiciary.

By Mr. McKAY:

H.R. 2092. A bill for the relief of Jose Roberto Alarcon Navarrete; to the Committee on the Judiciary.

By Mr. RAHALL:

H.R. 2093. A bill for the relief of John Howard Barbour; to the Committee on the Judiciary.

By Mr. SEBELIUS:

H.R. 2094. A bill for the relief of Hector O. Fernandez; to the Committee on the Judiciary.

H.R. 2095. A bill for the relief of Leonides T. Fernando; to the Committee on the Judiciary.

By Mr. CHARLES WILSON of Texas:

H.R. 2096. A bill for the relief of Franklin R. Helt; to the Committee on the Judiciary.

H.R. 2097. A bill for the relief of Miss Julia Hannah Orr; to the Committee on the Judiciary.

By Mr. YOUNG of Florida:

H.R. 2098. A bill for the relief of Antonio Rivera Aristizabal; to the Committee on the Judiciary.

H.R. 2099. A bill for the relief of Martin R. Goodall, his wife Mary and their son, James; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. Albosta, Mr. Cleveland, Mr. Robert W. Daniel, Jr., Ms. Ferraro, Mr. Gray, Mr. Maguire, Mr. Matsui, Mr. Pursell, Mrs. Snowe, Mr. Stark, Mr. Trible, and Mr. Watkins.

H.R. 20: Mr. Trible.

H.R. 39: Mr. Moffett, Mr. Akaka, Mr. Daschle, Mr. Price, Mr. Stokes, and Mr. Levitas.

H.R. 85: Mr. Charles H. Wilson of California, Mr. McCloskey, Mr. Richmond, Mr. LaFalce, Mr. Mitchell of Maryland, Mr. Rangel, Mr. Myers of Pennsylvania, and Mr. Anderson of California.

H.R. 396: Mr. Stangeland.

H.R. 397: Mr. Stangeland.

H.R. 556: Mr. Rousselot, Mr. Collins of Texas, Mr. Winn, Mr. Snyder, Mr. Burgener, Mr. Lagomarsino, Mr. Hyde, Mr. Lott, Mr. Goldwater, Mr. Dan Daniel, Mr. Symms, Mr. Jeffries, Mr. Guyer, and Mr. Dornan.

H.R. 596: Mr. Atkinson, Mr. Clausen, Mr. Dornan, Mr. Downey, Mr. Flood, Mr. Gilman, Mr. Gingrich, Mr. Hagedorn, Mr. Hopkins, Mr. Kelly, Mr. Long of Louisiana, Mr. Roe, Mr. Sensenbrenner, Mr. Shumway, and Mr. Weaver.

H.R. 654: Mr. St Germain.

H.R. 837: Mr. Addabbo, Mr. Ambro, Mr. Anderson of California, Mr. Andrews of North Dakota, Mr. Anthony, Mr. Badham, Mr. Bafalis, Mr. Baldus, Mr. Bedell, Mr. Benjamin, Mr. Bevill, Mr. Blachard, Mrs. Bouquard, Mr. Brodhead, Mr. Buchanan, Mr. Carr, Mr. Chappell, Mr. Clay, Mr. Dan Daniel, Mr. Robert W. Daniel Jr., Mr. Derwinski, Mr. Diggs, Mr. Dixon, Mr. Dornan, Mr. Duncan of Tennessee, Mr. Edwards of California, Mr. Erdahl, Mr. Ertel, Mr. Evans of Georgia, Mr. Fazio, Mr. Forsythe, Mr. Fountain, Mr. Fuqua, Mr. Gingrich, Mr. Ginn, Mr. Glickman, Mr. Goldwater, Mr. Gradison, Mr. Grisham, Mr. Guyer, Mr. Hagedorn, Ms. Holtzman, Mr. Hopkins, Mr. Horton, Mr. Jeffries, Mr. Jenrette, Mr. Johnson of Colorado, Mr. Jones of North Carolina, Mr. Kildee, Mr. Kindness, Mr. LaFalce, Mr. Lagomarsino, Mr. Lee, Mr. Lewis, Mr. Lloyd, Mr. Long of Maryland, Mr. Lott, Mr. Lowry, Mr. Luken, Mr. McCormack, Mr. McDade, Mr. McDonald, Mr. McHugh, Mr. Madigan, Mr. Mitchell of Maryland, Mr. Montgomery, Mr. Murphy of Pennsylvania, Mr. Neal, Mr. Nedzi, Mr. Nichols, Mr. Nolan, Mr. Ottinger, Mr. Panetta, Mr. Pashayan, Mr. Price, Mr. Pritchard, Mr. Richmond, Mr. Robinson, Mr. Rose, Mr. Rousselot, Mr. Santini, Mr. Scheuer, Mr. Sensenbrenner, Mr. Simon, Mrs. Snowe, Mrs. Spellman, Mr. Stokes, Mr. Symms, Mr. Synar, Mr. Thompson, Mr. Walker, Mr. Watkins, Mr. Weiss, Mr. Whitehurst, Mr. Whittaker, Mr. Charles Wilson of Texas, Mr. Winn, Mr. Wolpe, Mr. Young of Alaska, and Mr. Zeferetti.

H.R. 1008: Mr. Benjamin, Mr. Burgener, Mr. Butler, Mr. Dornan, Mr. Erdahl, Mr. Lagomarsino, Mr. McDonald, Mr. Neal, Mr. Roth, Mr. Rudd, Mr. Solomon, Mr. Stanton, Mr. Stockman, Mr. Whitehurst, Mr. Collins of Texas, Mr. Badham, Mr. Edwards of Oklahoma, Mr. Goldwater, Mr. Charles Wilson of Texas, and Mr. Winn.

H.R. 1009: Mr. Chappell, Mr. Robert W. Daniel, Jr., Mr. Dornan, Mrs. Holt, Mr. Ireland, Mr. Kindness, Mr. Kramer, Mr. Lagomarsino, Mr. Robinson, Mr. Whitehurst, Mr. Young of Alaska, Mr. Collins of Texas, Mr. Dougherty, Mrs. Byron, Mr. Forsythe, Mr. Kelly, and Mr. Lederer.

H.R. 1509: Mr. Devine, Mr. Coelho, Mrs. Spellman, Mr. Luken, and Mr. Rose.

H.R. 1542: Mr. Abdnor, Mr. Addabbo, Mr. Akaka, Mr. Anderson of Illinois, Mr. AuCoin, Mr. Badham, Mr. Bedell, Mr. Bonior of Michigan, Mr. Bonker, Mrs. Bouquard, Mr. Brown of Ohio, Mr. Burgener, Mr. Butler, Mr. Carr, Mr. Coleman, Mr. Collins of Texas, Mr. Conte, Mr. Corcoran, Mr. Coughlin, Mr. Davis of Michigan, Mr. Dornan, Mr. Duncan of Tennessee, Mr. Erdahl, Mr. Fascell, Mr. Forsythe, Mr. Frenzel, Mr. Gephardt, Mr. Gingrich, Mr. Grisham, Mr. Guyer, Mr. Hagedorn, Mr. Hanley, Mr. Hollenbeck, Mrs. Holt, Ms. Holtzman, Mr. Horton, Mr. Hyde, Mr. Kastenmeier, Mr. Kildee, Mr. Kindness, Mr. Kramer, Mr. Lagomarsino, Mr. LaFalce, Mr. Leach of Iowa, Mr. Lederer, Mr. Lent, Mr. Long of Maryland, Mr. Lott, Mr. Luken, Mr. McClory, Mr. McCloskey, Mr. McDade, Mr. Marlenee, Mr. Marriott, Mr. Miller of Ohio, Mr. Mineta, Mr. Murphy of Pennsylvania, Mr. Myers of Indiana, Mr. Neal, Mr. Patten, Mr. Patterson, Mr. Pepper, Mr. Pritchard, Mr. Quayle, Mr. Rhodes, Mr. Richmond, Mr. Robinson, Mr. Sabo, Mr. Schulze, Mr. Sensenbrenner, Mr. Solomon, Mrs. Spellman, Mr. Stangeland, Mr. Stenholm, Mr. Symms, Mr. Vento, Mr. Walker, Mr. Whitehurst, and Mr. Charles H. Wilson of California.

H.R. 1603: Mr. Bonker, Mr. Grassley, Mr. Bereuter, Mr. Whittaker, Mr. Goodling, Mrs. Bouquard, Mr. Hagedorn, Mrs. Smith of Nebraska, Mr. Shumway, Mr. Davis of South Carolina, Mr. Jeffries, Mr. Hansen, Mr. Miller of Ohio, Mr. Young of Alaska, Mr. Bowen, Mr. Sawyer, Mr. Sebelius, Mr. Rousselot, Mr. Stangeland, and Mr. Edwards of Oklahoma.

H.R. 1644: Mr. Bennett, Mr. Duncan of Oregon, Ms. Ferraro, Mr. Fountain, Mr. Frost, Mr. Glickman, Mr. Horton, Mr. Leach of Iowa, Mr. Price, Mr. Rose, Mr. Roybal, Mrs. Spellman, Mr. Stokes, Mr. Treen, and Mr. Wolff.

H.R. 1739: Mr. Hall of Texas.

H.R. 1798: Mr. AuCoin, Mr. Pritchard, and Mr. Bauman.

H.J. Res. 6: Mr. Cleveland, Mr. Harsha, Mr. Moore, Mr. Andrews of North Dakota, Mr. Duncan of Tennessee, Mr. Collins of Texas, Mr. Whitehurst, Mr. Burgener, Mr. Young of Florida, Mr. Edwards of Oklahoma, Mr. Corcoran, Mr. Buchanan, Mr. Forsythe, Mr. Young of Alaska, Mr. Kindness, Mr. Regula, Mr. Marriott, Mr. Quayle, Mr. Kelly, Mr. Goldwater, Mr. Badham, Mr. Bauman, Mr. Lee, Mr. Gingrich, Mr. Evans of Delaware, and Mr. Symms.

H.J. Res. 56: Mr. Corcoran, and Mr. Hubbard.

PETITIONS, ETC.

Under clause 1 of rule XXII,

52. The SPEAKER presented a petition of the Latin Chamber of Commerce of the United States, Miami, Fla., relative to the proposed merger and acquisition of National Airlines by Eastern Airlines, which was referred to the Committee on Public Works and Transportation.

EXTENSIONS OF REMARKS

HOW A BILL BECOMES A LAW

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MICHEL. Mr. Speaker, those of us in Congress are so close to the legislative process that we sometimes forget that the way in which a bill becomes law is not clearly understood by many of our fellow Americans. I receive inquiries from time to time about this question. I have prepared a brief summary of the process in the hope it may be useful to anyone who is interested in the machinery of Government.

HOW A BILL BECOMES LAW

Ours is a government "of the people, by the people, for the people." It is not a pure democracy. It is a republic in a democracy. It is a representative democracy.

Our laws are the embodiment of the wishes and wants, the ideas and ideals of the American people as expressed through their Representatives in the Congress: 435 in the House of Representatives and 100 in the Senate. Any Member of the House or Senate may introduce a bill embodying a proposed law or revision of existing laws, at any time when his respective House is in session. When introduced the bill will be entered in the Journal of the House, and the title and sponsors of it printed in the CONGRESSIONAL RECORD of that day.

EACH BILL NUMBERED

Each bill introduced is assigned a number by the clerk of each House and referred to the committee having jurisdiction over the subject matter by the presiding officer, that is, the Speaker of the House or the President of the Senate. Copies of the bill are printed by the Government Printing Office and made publicly available from the congressional document rooms.

Acting through its chairman, the committee decides whether a bill should be taken up by the full Committee or referred to a subcommittee for its initial consideration.

THE DELIBERATIVE STAGE

The committee's deliberations are the most important stage of the legislative process. It is here that detailed study of the proposed legislation is made and where people are given the right to present their views in public hearings. When the chairman has set a date for public hearings it is generally announced by publication in the CONGRESSIONAL RECORD.

Copies of the bill under consideration by the committee are customarily sent to the executive departments or agencies concerned with the subject matter for their official views to be presented in writing or by oral testimony before the committee. The number of witnesses, pro and con, heard by the committee is largely dictated by the importance of the proposed legislation and degree of public interest in it.

TESTIMONY HEARD

The transcript of the testimony taken is available for inspection in the individual committee offices. Quite frequently, dependent on the importance of the subject matter, the committee hearings on a bill are printed and copies made available to the public.

After conclusion of the hearings the committee proceeds to meet in executive sessions (sometimes referred to as "markup" sessions) to discuss the bill in detail and to consider such amendments as any member of the committee may wish to offer. Each committee has its own rules of procedure but they generally conform to the rules of the House itself.

THE COMMITTEE VOTE

By a formal vote of the committee, it decides whether to report favorably to the House the bill with or without committee amendments. A committee report must accompany the bill, setting forth the nature of the bill and reasons for the committee's recommended approval. The report sets forth specifically the committee amendments and, in compliance with the rules of each House, indicates all changes the bill would make in existing law. Any committee member, individually or jointly, may file additional supplemental or minority views to accompany the majority committee report. The committee report, accompanying the bill, is viewed by the courts and the administrative agencies as the most important document as to the intent of the Congress in the proposed legislation.

AFTER REPORTING

When a bill is reported by the committee it is placed on the appropriate calendar. The majority leadership decides how and when the bill will be considered on the floor. In general the bill is allowed to remain on the calendar for several days to enable members to become acquainted with its provisions.

In both the House and the Senate innumerable measures of relatively minor importance are disposed of by unanimous consent. In the Senate, where debate is unlimited, major bills are brought up on motion of the majority leader and in the House are called up under a privileged resolution reported from the Rules Committee which fixes the limits of debate and whether amendments may be offered from the floor. The Rules Committee resolution is called a "rule" for consideration of a bill; a "closed rule" if no amendments are allowed, as is generally the case in tax bills, and an "open rule" if amendments can be offered.

REACHING CONSENSUS

While there are distant differences between the House and Senate procedures, in general a bill is debated at length with the proponents and opponents presenting their views to acquaint the membership, as well as the general public, with the issues involved, and all with a view to arriving at the consensus. Amendments are frequently offered to make the measure more in conformity with the judgment of the majority. In the course of consideration of the bill there are various parliamentary motions, in both the House and the Senate, which may be offered to determine the sentiment of the members with respect to the pending legislation. The measure may be postponed to some future date or referred back to the committee which reported it.

With the conclusion of general debate and the reading of the bill for amendments, the question becomes whether the House or Senate, as the case may be, will pass the bill in its final form. The CONGRESSIONAL RECORD of the day the bill was under consideration will set forth the verbatim debate on the bill and the disposition made of such amendments as were offered.

AFTER PASSAGE

With the passage of a bill by either body it is messaged to the other with the request that they concur. If no action has been taken on the like measure by the body receiving the message the bill is usually referred to the appropriate committee of that body for consideration. Hearings are again held and the bill reported for floor action. On relatively minor or noncontroversial matters the Senate or the House accepts the measure as messaged to it by the other body.

If there are substantial differences between the House and Senate versions of a given bill, the measure is sent to a conference committee which is appointed by the Speaker and the President of the Senate from the ranking committee members of each body having original jurisdiction over the bill. The object of the conference committee is to adjust the differences between the two bodies, and to report back to each its agreement. The report of the conference committee must be in writing and signed by those agreeing thereto and must have the signature of the majority of the conferees of each house.

CONFERENCE REPORT

The report of the conference committee cannot be amended and must be accepted or rejected by each House as it stands. If either House finds itself unable to accept the conference committee report a further conference is usually requested.

When the bill has been agreed to in identical form by both bodies a copy of the bill is enrolled, signed by the Speaker and by the President of the Senate, for presentation to the President. The bill becomes law with the President's signature of approval, or it may become law without his signature if he does not return it, with his objections, to the Congress within 10 days of its presentation to him.

If the President should return the bill, with his objections, to the originating body of the Congress, his veto may be overridden by two-thirds of both the House and Senate respectively voting to have the measure become law the President's objections to the contrary notwithstanding. Both the President's veto message and a record of the vote of the

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

individual Members in the motion to override are required by the Constitution and set forth in the CONGRESSIONAL RECORD.●

THE NATIONAL VIEW OF THE BANK RESERVES PROBLEM

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. REUSS. Mr. Speaker, the House Banking, Finance and Urban Affairs Committee is deep into an issue raised with some urgency a year ago by the Federal Reserve: The erosion of required reserves in the Nation's banking system, reserves which the Federal Reserve views as essential for the effective conduct of monetary policy.

After hearings last year, and after extensive consultation with the Federal Reserve, I introduced on January 15, 1979, H.R. 7, the Monetary Control Act of 1979. We are now in the midst of in-depth hearings on H.R. 7. All interested parties have been invited to react to this proposal, and to offer suggestions for improvement.

Legislation establishing bank reserve requirements in a fair way for all concerned in order to improve the conduct of monetary policy, and do so at minimal cost to the Treasury, is certain to be difficult. It is a complicated issue, extremely important to the banking industry and other segments of the financial world, and to the conduct of a monetary policy that will foster a stable and growing economy. However, because it is little understood by the general public, the success of our legislative effort is more than normally dependent on the willingness of the various segments of the financial community to place national requirements ahead of parochial interests.

Various groups have been meeting to formulate their positions. From what is emerging, there is a real danger that the groups could become polarized into positions that will make legislation more difficult.

Some bankers insist that any system, to be fair, must place reserves on all of the deposits of thrift institutions. Another group of bankers insist that no deposits of thrift institutions be included, not even transactions deposits, for fear it might lead to homogenization of thrifts and banks somewhere down the road.

Some factions want all banks, regardless of size, to be required to post reserves. Others favor legislation exempting small and medium-sized banks, believing their inclusion unnecessary for monetary control purposes and potentially damaging to the dual banking system and private correspondent banking. Still other bankers see these very exemptions as a trip, fearing a future Congress might reduce the exemption once the institutions have been brought into the system. Others, fearing a threat to the dual banking system, want to keep the system essentially unchanged, except to lower the reserve requirements of Federal Reserve member banks. Despite their attachment to fiscal responsibility and balanced budgets, few banks consider the effect of their proposals on the Treasury.

It would be unfortunate if these various positions became locked in stone. This would make our efforts to arrive at a consensus among financial institutions, the public, the Federal Reserve and the Treasury impossible. The Congress has its duty to try to forge a realistic solution in the public interest, whether the interest groups involved are able to reconcile their differences or not.

The bill H.R. 7 proposes a broad-based, and I believe, fair, resolution of the issue. It is very similar to H.R. 14072 of the 95th Congress, formally reported by the House Banking, Finance and Urban Affairs Committee on September 19, 1978. It would provide the Federal Reserve System with the reserves monetary experts believe are necessary to conduct monetary policy effectively, and to assure the continued soundness of the banking system. It includes transactions accounts at all institutions, in the belief that checkable accounts should be treated alike for monetary purposes wherever they exist. It promotes competitive equality among banks of comparable size, by treating all alike for reserve requirement purposes. It exempts small- and medium-sized banks from reserve requirements, on the ground that their participation is not necessary for the effective conduct of monetary policy, and that the exemption will help smaller banks survive in competition with bigger banks. And it keeps the cost to the Treasury down to $117 million in fiscal 1980 and to $13 million by fiscal 1984, by Treasury estimates.

No solution can satisfy the desires of all competing groups. But H.R. 7 comes closer than any alternative so far produced. Industry groups would serve themselves and the public by helping develop support for H.R. 7. To press exclusively for self-serving positions that have no chance of enactment will not, in the end, serve even the banks.●

ANTARCTICA REVISITED: THE DOGS WHO CAME IN FROM THE COLD

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. PICKLE. Mr. Speaker, most of us feel we know the sensation of being cold. We also think we know darkness. Together, cold and darkness make a being want to hunker down, to pull up the covers, to reach out for companionship.

But the words "cold" and "dark" are not words enough to describe winter at the South Pole. It is very cold, and very dark—for 6 months.

It takes a special person to withstand winter at the South Pole; but in the final analysis the South Pole winter resident reacts to the cold and dark there just as you and I do—we react by desiring physical and spiritual warmth.

Many different things can provide us with comfort and love during long winter days, but over the centuries the one that has perhaps proven to be the most unwavering, reliable and loyal is man's dog. Man has always needed dogs; but the need is perhaps greatest in the dark and the cold of wintertime.

On December 12, 1978, the alarm sounded from McMurdo Station, Antarctica. Rita and Dune, two undersized huskies, were threatened. Three hundred human souls, facing the prospect of a winter on the ice, had sent an urgent plea stateside for help for Rita and Dune. Chosen as a spokesperson was Sue Williams, who is from Austin, Tex., in my congressional district.

As fate would have it, I have for a long time maintained a very keen personal interest in our efforts in Antarctica. I have been privileged to visit McMurdo Station and the South Pole, and to dedicate a South Pole station in 1975.

One cannot experience Antarctica and come away unchanged. God's beauty there is untouched and pristine; the landscape there overwhelms man's senses.

At the same time, God's gifts to man are also untouched there. The principles of respect and justice maintained by the residents of Antarctica toward each other and toward their environment in its entirety are uniquely rare, and beautiful to behold. It is unfortunate that this kind of respect is not universal, for the way in which 21st century man directs his perhaps innate urge to exploit that around him for his own personal comfort and aggrandizement will determine whether our species can continue to habitate this Earth.

In a very real way, the Husky dogs Dune and Rita became caught in the battle between man's needs and Antarctica's needs.

The multinational agreement giving basic guidelines for research in Antarctica prohibit the introduction of any nonnative plant or animal to the Antarctica environment that is not essential to the research teams' mission there.

Dogs are not native to Antarctica, but dogs who pull snow sleds can live in Antarctica's climate. Rita and Dune, however, were pets, not work dogs. Based on the rules, Rita and Dune were nonessential, nonnative animals at McMurdo Base, and so had to go.

At this point Sue Williams, along with 300 others, issued a call for help. In her words:

> The issue here is not dogs, but people.

Ms. Williams' plea reached the ears of my office. I called and wrote to Dr. Edward P. Todd, Director of the Division of Polar Programs of the National Science Foundation. Just as my office and his made contact, he was departing for McMurdo Station. I herewith insert a copy of my letter to Dr. Todd:

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 4, 1979.

Dr. EDWARD P. TODD,
Director, Division of Polar Programs, National Science Foundation, Washington, D.C.

DEAR DR. TODD: Considering myself to be the Congressman for McMurdo Station, since

I had such a memorable time there when the new station was dedicated at the South Pole, I am not hesitant to write to you about the controversy that has erupted over Rita and Dune.

One of my constituents, who works at McMurdo, has written to me about the NSF's position that the McMurdo people cannot keep the dogs for the winterover.

Just my sense of loving dogs compels me to say that if there is any way for the dogs to be kept with those who love them, I would ask that this be done.

It is hard to imagine why the dogs would interfere with the mission, and in fact, it would seem that they could be real morale boosters.

Over the years I have learned of apartments and dormitories and the like with no pets rules. But then someone gets a pet, it is loved by all, and it stays. More often than not, the development is a one-time occurrence, and as it will with pets, fate intervenes and they are not residents for long. The important thing is that no harm is done to the "House" rules over the long run in giving the pet a home.

I would predict that the same thing would be the case with Rita and Dune if allowed to stay at McMurdo. Your personal review of this situation would be greatly appreciated.

Sincerely,

J. J. PICKLE.

Shortly after my letter to Dr. Todd, I received the following letter from Mr. Al Fowler, Deputy Division Director of the Division of Polar Programs:

NATIONAL SCIENCE FOUNDATION,
DIVISION OF POLAR PROGRAMS,
Washington, D.C., January 19, 1979.
Hon. J. J. PICKLE,
House of Representatives,
Washington, D.C.

DEAR MR. PICKLE: We are indeed proud of our "Congressman for McMurdo Station" and thank you for your letter concerning the dogs. Earlier this week I had the opportunity to brief Ms. Watkins of your office on the status and plans for "Rita" and "Dune." At this point we expect the saga to have a happy ending. Here are the highlights.

The U.S. Program in Antarctica has observed a long-standing rule of no pets, based on the Agreed Measures under the Treaty. The sled dogs used by New Zealand at Scott Base are an authorized but closely controlled exception under the Agreed Measures. Although the New Zealand rules prohibit the loaning or giving of dogs, it has happened more than once over the years that an ex-Kiwi dog has appeared in residence at McMurdo.

As you have heard from your constituent, there are two dogs currently at McMurdo. While the original transfer was not embellished by formal approval by New Zealand or U.S. program authorities, Dr. Todd has received a request to authorize retaining one or both dogs as a station mascot. When the situation came to his attention he, like you, was inclined to judge in favor of the people and the dogs. The question has also been considered in light of the regulations being developed by NSF pursuant to PL 95-541 implementing the Agreed Measures.

At the present time Dr. Todd is at McMurdo. He had earlier suspended preliminary plans to return the dogs to Scott Base, and now reports that Australia has formally requested that Rita be transferred to Casey Station via a planned LC-130 flight next week. Therefore, all indications are that Dune will be duly authorized to remain at McMurdo as the station mascot and that Rita will be installed as mascot at Australia's Casey Station.

Dr. Todd will return from the ice in mid-February and he will provide you a follow-up report not only on the mascot situation but also on what shapes up to be a very successful season of science and support projects on the ice. I know he will join me in enthusiastic appreciation for your continued interest.

Sincerely yours,

A. N. FOWLER,
Deputy Division Director.

Deputy Director Fowler was going to try to work out a solution. Having been to the South Pole with both Dr. Todd and Mr. Fowler, I knew they would do what was best for Antarctica and the people there.

As a result of our combined efforts, Dr. Todd has overseen the transfer of Rita to be the one base mascot for the Australians, and Dune remains the base mascot at our McMurdo Station.

This story is one of man and his dog triumphing over the bureaucracy. It shows that our Government, and the people who comprise it, do have a heart, and do care.

Senator George Graham Vest perhaps said it best in his closing arguments in the Drum case in 1870. The case involved a man who was sued by his neighbor for damages because the neighbor had shot Drum, his dog, to death. As Senator Vest said:

> A man's dog stands by him in prosperity and proverty, in health and in sickness. He will sleep on the cold ground, when the wintry winds blow and the snow drives fiercely, if only he may be near his master's hand.

Senator Vest's words were so true—and were proven true again in the case of Rita and Dune, who can now come in from the cold—of the South Pole.●

CELEBRATION OF THOMAS ALVA EDISON'S BIRTHDAY—THE GREAT INVENTOR OF OUR TIMES

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. DORNAN. Mr. Speaker, I would like to bring to the attention of my colleagues a man who created a better world for all. His ingenuity has affected our lives in many ways, affording us an easier existence.

What would man do today if he did not have the electric light to read by, write by, live by. Without this notable inventor, the pleasures of listening to records or watching our favorite movie would never have come about. I speak of Thomas Alva Edison. It is his birthday that we celebrate on February 11 amidst the International Centennial of Light, a year-long celebration of the discovery of the incandescent light 100 years ago.

Also, I think it is appropriate to point out to my fellow Members that among Edison's many inventions such as the stock ticker, electric railway, storage battery, disc phonograph, and talking motion pictures, he is responsible for the electrical vote recorder, which in our sphere of activity is certainly indispensible.

I am pleased to join the Thomas Edison Foundation's International Committee for the Centennial of Light in honoring Mr. Edison. I hope on the day of his birth, February 11, we will all take a moment to contemplate and show our appreciation to the spirit which pervaded this man and come to realize the great accomplishments Thomas Alva Edison has given the people of the world.●

BACKHAULING CAN SAVE FUEL AND MONEY

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. LEHMAN. Mr. Speaker, I recently introduced legislation which addresses our Nation's two top domestic priorities, energy and inflation. It deals with the practice known in the trucking industry as "backhauling."

Many of my colleagues may be familiar with the ICC's recent decision to permit shippers with their own trucking operations to provide for-hire services. This means that shippers will no longer have to haul back empty trucks following the delivery of its own merchandise. The result will be less wasted fuel and lower freight costs.

Regardless of the ICC's decision, however, there is still a roadblock to backhauling which arises out of the application of the Robinson-Patman Act to uniform zone pricing markets. My bill is designed to remove this obstacle and enable backhauling to become more widespread.

The uniform zone delivered pricing system provides that the same price shall be charged to all customers located within a given geographical zone. Such a price includes the cost of delivery.

When a wholesale distributor, for example, engages in backhauling, the truck will normally first make a delivery to a retail store. If a supplier of the wholesaler is located in the vicinity of the retail store, the truck will pick up supplies for the return trip to the warehouse of the wholesale distributor. The wholesaler in this case would be justified in expecting some sort of price reduction since the supplier is saved the cost of delivery. This discount is known as a backhaul allowance.

A problem arises, however, because of the Federal Trade Commission's 1967 opinion that granting a backhaul allowance equal to what the supplier would otherwise have to pay for delivery by a common carrier in a uniform zone delivered pricing system would probably be a violation of the Robinson-Patman Act. This law prohibits price discrimination "between different purchasers of commodities of like grade and quality."

In subsequent interpretations, the FTC has stated that a violation would probably not occur if the seller offered the same backhaul allowance to every customer for the identical amount and type of goods. Because the allowance would be the same regardless of the distance traveled by the customer, the close-in customers would have more incentive to backhaul than would those customers farther away within the zone. The seller, faced with the prospect of, in effect, having to subsidize deliveries to the distant customers, is naturally reluctant to offer the maximum economically feasible allowance. The end result of the FTC interpretation is to discourage larger backhaul allowances and thus backhauling itself.

My bill, H.R. 1681, will permit the seller to grant an allowance which reflects the cost savings to the seller. The allowance cannot be greater than the actual transportation costs saved, and such allowances must not be discriminatory. In other words, if the seller wishes to allow only one half of his savings to one customer, he must offer one half to all others.

This legislation will help improve the efficiency of our Nation's delivery system. Savings will accrue to the buyer, the seller, and ultimately the consumer. This is an important step in holding down prices and is a measure that has been encouraged by the National Commission on Productivity and Work Quality, the Federal Energy Administration and a former director of the Council on Wage and Price Stability.

In addition to fighting inflation, this bill will save fuel. Its title, the Diesel Fuel and Gasoline Conservation Act of 1979 gives special prominence to its fuel-saving nature. A 1975 study estimated that the enactment of this legislation could save 100 million gallons of fuel annually in the food industry alone.

The time is right for passage of H.R. 1681. I trust my colleagues will support this bill which is both energy-saving and anti-inflationary.●

THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. LEWIS. Mr. Speaker, 25 years ago the San Bernardino Valley Municipal Water District was nothing more than an idea in the minds of a few farsighted men. Since then, the water district has been one of California's leading water agencies in providing supplemental water, basin management, and regional planning for water resources, weather modification, data collection, distribution, and coordination.

The San Bernardino Valley Municipal Water District was incorporated by the State of California on February 27, 1954, under the Municipal Water District Act of 1911. Its primary function has been to plan and develop a long-range water supply, including the importation and distribution of State project water for the Upper Santa Ana River Basin area within the district. Today, the San Bernardino Valley Municipal Water District is one of the principal members in the Santa Ana Watershed Project Authority, a joint exercise of powers with the objective of improving the quality of water in the Santa Ana River Basin.

The achievements and service of the San Bernardino Valley Municipal Water District are numerable. Therefore, on behalf of the entire California delegation, I would like to extend my highest commendations for the past 25 years of service to the people in their district and throughout the Santa Ana River system, and express my deepest appreciation for the district's leadership and resolution of many vital water matters with the hope that they will continue to do so successfully in the years ahead.●

ACES LEADER PLUGS U.S. WAY

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. GOODLING. Mr. Speaker, I came across an interesting interview in the Harrisburg Evening News of Wednesday, December 6, 1978, by staff writer Mary O. Bradley. The interviewee, Mr. Ralph E. Peters, is president of the central Pennsylvania chapter of Americans for the Competitive Enterprise System, Inc. Mr. Peters, and those with whom he works, realize the importance of informing high school students about the free enterprise system and its prospects for survival. Mr. Peters points out:

> It depends on each and every one of us and the generations that are coming. If they want something for nothing, our system will not work. If they are willing to work and be challenged and motivated . . . I think there's that ray of hope or light at the end of the tunnel.

As a former educator, I am aware of how important it is that young people be exposed to the concepts of free enterprise in all its forms. A sense of awareness of the business system should be encouraged. Efforts to this end can help assure that students will develop the full understanding of the free enterprise system that will allow them to become interested and active participants.

As this important subject should be of interest to my colleagues, I ask unanimous consent that this article be printed in the RECORD.

[From the Harrisburg. (Pa.) Evening News, Dec. 6, 1978]

CAPITALISM "STILL THE BEST"—ACES LEADER PLUGS U.S. WAY

(Ralph E. Peters, president of Berger Associates, is president of the Central Pennsylvania Chapter of Americans for the Competitive Enterprise System Inc., commonly called ACES. He is interviewed by staff writer Mary O. Bradley.)

Q. Is capitalism a dirty word to today's high school students? Why?

A. Yes, it probably is and this is what we're attempting to change through the ACES program. I think it's because of the old proverb of one rotten apple in a whole big bushel of apples. There are some people with the title of businessman who might do something wrong, and then everyone gets painted with the same brush. It's lack of information and knowledge.

Q. Where do students today get their impressions about business?

A. I think you'd have to ask the students themselves, but I would say that from their homes and peer groups, and, frankly, from newspapers and the media. When you're honest in your reporting, and you tell it as it is, sometimes it's a bad situation and that's the way it's reported. The children read this and they don't look at the thousands upon thousands of other businesses that follow the rules and are run honestly and fairly.

Q. Isn't today's student also a consumer?

A. You're absolutely right. This consumerism—the idea of this generation questioning where the past generation didn't question—I think it's wholesome and good.

Q. Is there a better system than the free enterprise system?

A. Nobody has shown me one. In our system we all take our God-given talents and put them to work. If we're successful, there are rewards. It's motivation. In China and Russia today to get production up and to get more material things for their people, they're sort of leaning toward our system, and I think that's interesting.

Q. Does the free enterprise system need to be defended in America today?

A. Yes. It shouldn't (need to) be defended. I think we have to spend some time telling people how the system works—why it's the better system and what their role is in the system.

Q. Then, you don't think it needs to be defended, just explained?

A. Very good.

Q. What is the biggest threat to the American free enterprise system?

A. The biggest current threat to the system is inflation. We certainly have to do our utmost to curb this inflationary trend and get it down to a growth pattern that we all can live with.

And, of course, the other danger is the other "isms"—socialism, communisim, things of this nature. Somebody has the idea that everyone should have everything equally and not necessarily determined by how much effort you put into it, but to get it because it's due you or it's owned to you. I think opportunity is owed to everyone. If you have the opportunity, then it ought to work out for those who produce, work and contribute their talents.

Those that are less fortunate—the invalids and others—should be helped by us. Within our free enterprise system, we can take care of those who need help without going to a socialistic system.

Q. What do you see as a way that the free enterprise system might cope with inflation?

A. I think we can go back to the basics. I think productivity is one answer to it—each of us suffering a little by tightening our belts and demanding less material things. We shouldn't go into debt. We should start reducing and paying off debts, living within our means.

Q. At one point it was thought that communism was the biggest threat to free enterprise from outside the United States. But today, isn't the disgruntled American consumer a pretty powerful nemesis himself?

A. I'm not afraid of communism. I think that thinking persons and thinking young people, once they get the facts in front of them, won't embrace that system. I think they'll stick with the free enterprise system.

Q. But, what about the American consumer?

A. That is the free enterprise system—the consumers challenging. The whole system is based on what is produced for the individual purchaser—the person who wants an object. He selects object one over objects two, three and four because he likes object one, and object one probably adheres to some of the things he's questioning or she's questioning or asking when they go to the store to buy it. I think this consumerism movement—

attacking products which are not up to par and which aren't good products—is the free enterprise system in action.

Q. What are the shortcomings of the business community in either promoting, defending or explaining the free enterprise system?

A. Business people have been so busy doing their business and they have such a tremendous knowledge. I think we're all guilty of thinking that other people know what we know and we don't think they need an explanation. Since we know that it's right, we assume that everybody else thinks it's right. Working on the high school level, I think we just have to do the job of informing them of how it works, why it works and let them form their own judgments on it—not to say to them, "This is the best system because I say so," but "This is how it works. Study it, think about it. Here's another system. Study it. Think about it. Draw your own conclusions." I'm positive that the inevitable conclusion is "I want freedom."

Q. How has ACES met the challenge of helping students along this line?

A. ACES has varied programs, but basically they all work around the high schools. We have high school students coming to the businesses in the area. They tour the business and see how it operates. Before the tour, they have a session in their classrooms explaining the business. At the conclusion, hopefully, the president or one of the top members of the firm will go into the classroom again and answer any questions about the tour. During the whole time, they are explaining the free enterprise system—how it works, how they pay salaries, how so much of the salaries are taxes which go into local and state governments.

We also have contests for the young people. You'd be amazed at the people who have been in business as they've gone through high school. We had one young man last year in Hershey who had his own dairy industry while he was a student. It's absolutely amazing what some of these young people can do. They've really proven the system because they've earned a lot of money through it, and they've worked hard.

Q. ACES aims at the high school student. Are there any programs for the elementary grade student?

A. No. But that is something we are looking into. It's like so many basics today. With so many options and so many bombardments of information coming to people, we feel we should be starting at lower grades and teaching them how it works.

Profits are somewhere around 3 or 4 percent of the total amount of money. People think that profits are 50 percent on anything that's ever sold. I do think we have to start at a younger level and give them some basic examples.

Q. With inflation, with disgruntled American consumers, with increasing government regulation and growth in public payroll, will America's free enterprise system survive?

A. It depends upon each and every one of us and the generations that are coming. If they want something for nothing, our system will not work. If they're willing to work and be challenged and motivated—it seems to me that human nature does want these things—I think there's that ray of hope or light at the end of the tunnel. I have faith that what people really want is the free enterprise system. To me it's freedom.

Q. Do you agree with a lot of sociologists who think that Americans today are looking for cradle-to-grave care from government?

A. With what? Where will it all come from to take care of everyone from the cradle to the grave? I think the only way to work is through our system. You can't have everyone working for government. What are they producing? What services are they rendering? Where do they get their sources of funds if we don't have a free enterprise system? Where does the money come from without business?

I still think it's basic, and I believe in a good day's work for a good day's pay. I want to be free to live the life I want to live and make the decisions I want to make. I think you can only do this under our system. And long may it live.●

THE PERSONAL SAFETY FIREARMS ACT OF 1979

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. DRINAN. Mr. Speaker, of the many vital issues facing Congress, few generate more controversey, more intensive lobbying, and more diametrically opposed points of view than the issue of Federal gun control. Most significantly, however, few issues are more important, more pressing, and more completely related to the quality of life in this country.

I would like to bring to my colleagues' attention, Mr. Speaker, a bill which I recently introduced, the Personal Safety Firearms Act of 1979 (H.R. 286). While a more detailed explanation of this legislation will follow, the Firearms Act can be briefly described as providing for the registration of all firearms and the licensing of all gun owners. In addition, the bill prohibits the sale or delivery of "Saturday night specials," deadly but inexpensive handguns.

Our claim to be a civilized nation cannot be sustained until we enact tough, effective and enforceable Federal gun control laws that will put an end to the tragic and scandalous level of violence that permeates life in America.

We are a people who have become habituated to violence in our daily lives. Nothing symbolizes this fact more than the 25,000 gun deaths that occur in our Nation each year. The annual record of gun-related carnage is a national tragedy and international disgrace. Every year 12,000 homicides, 10,000 suicides, and 3,000 fatal accidents are caused by guns. Another 200,000 people are wounded by firearms resulting in paralysis, sterilization, dismemberment, blindness, deafness, and other disabling effects.

How long will the Congress avoid its clear responsibility to protect the public safety and the general welfare by allowing this gun-related slaughter to continue?

Here are some of the most up-to-date gun statistics available. It is crucial that Congress become aware of this compelling evidence:

There are approximately 50 million handguns in the United States. These handguns are easily concealable and highly lethal, causing accidents and murders by the thousands.

Nearly 3 million new handguns are produced each year in this country; one handgun is sold every 13 seconds.

At the current rates of production, there will be some 100 million handguns by the year 2000.

Handguns are used in over $2\frac{1}{2}$ times as many murders as any other weapon.

Since the passage of the 1968 Gun Control Act, nearly 87,000 Americans have been murdered with handguns; 9,177 in 1977 alone. Millions more have been injured, threatened, assaulted, raped, and robbed at gunpoint.

In 1977 there were an estimated 300,000 crimes involving handguns; and in that same year, 216 children below the age of 14 were murdered in gun violence.

Five billion rounds of ammunition are produced annually in this country by 10 manufacturers.

One out of every 100 deaths in the United States—including natural deaths—is caused by a gun.

On any given day an average of 69 people in the United States are killed by firearms. Of that total, 27, or more than 1 per hour, are killed by a handgun.

Most murders are committed by previously law-abiding citizens, the killer and the victim being acquainted. In only one-fifth of all homicides are offenders strangers to their victims. About 25 percent of murders occur within families.

More people—over 800,000—have been killed in America by privately owned guns since 1900 than the number of Americans who have died in all our wars since the revolution.

The United States has more gun deaths every year than any other country in the world. In fact, the total number of gun deaths in all other free nations is exceeded by the number of gun deaths in the United States alone.

These statistics, and dozens more like them, can no longer be ignored. In poll after poll, the citizens of this country have revealed their overwhelming desire for strong, effective gun control laws. Both the Harris and Gallup polls have found that two-thirds of our citizens favor registration of all firearms and the licensing of all gunowners. The people are weary with the dread of violence. They are outraged by congressional inaction. If we do not act swiftly and forcefully to establish Federal gun control laws, the Congress will have to share the responsibility for much of the violence and suffering caused by the unchecked proliferation and unregulated use of firearms in America.

WHY THE FEDERAL GUN CONTROL ACT OF 1968 HAS NOT WORKED

The Federal Gun Control Act of 1968 was a sadly inadequate compromise law that was virtually emasculated before its passage. It was further weakened by a 1969 law eliminating the act's dealer recordkeeping requirements with respect to the sale of long-gun ammunition. In its major thrust, the 1968 act bans the interstate and mail-order shipment of firearms to individuals and forbids over-the-counter sales to minors. It prohibits the possession of guns by convicted criminals and certain undesirables, and also bars the importation of cheap, concealable foreign handguns, responsible for so much violence in this country.

Unfortunately, however, that 1968 act is fatally flawed with so many loopholes that there are now more cheap, concealable handguns produced in this country than ever before. Some of the most glaring deficiencies in the 1968 Gun Control Act include:

First, the importation of "Saturday night specials" was banned by the law, but the ban did not extend to the importation of their parts. As a result, total domestic assembling and production of these cheap handguns during 1970 exceeded 1 million—a total far higher than the number of foreign guns that annually flowed into this country prior to the 1968 act.

Second, the interstate ban on gun shipments was rendered meaningless by allowing licensed gundealers in different States to ship firearms between themselves with no restrictions. Since it is extremely easy to become a gun dealer, many individuals obtain guns from other States merely by ordering them as "dealers" through other federally licensed sellers.

Third, the 1968 act contains no foolproof safeguards for gun dealers to check the background, or even the identity, of would-be gun purchasers. Neither are the purchasers' background or identity checked by local or State police; fingerprints are not even required. The purchasers' signed statement that he is not a felon, minor, or mental incompetent is almost always accepted after a driver's license is produced.

Fourth, private individuals can transfer ownership or possession of their own legally purchased firearms to anyone within their own State. And "anyone" means anyone—any criminal, juvenile, lunatic, drug addict, or other incompetent who would not otherwise be permitted to purchase a gun. The 1968 law provides no penalty whatsoever for such clearly irresponsible and dangerous private gun transactions.

Even moderate regulations recommended by the Bureau of Alcohol, Tobacco, and Firearms that would have improved the Federal firearms tracing system were not acted upon, even though the 1968 Gun Control Act clearly gives that agency such authority.

Because of these loopholes, firearms are still available, in most instances, to any and all who want them. Whether legally or illegally, the ease with which firearms can be purchased in this country means that Congress has failed to exercise its full authority on the issue of gun control. How many more assassinations, how many more years of increasing gun related crimes, how many more friends, neighbors, even relatives have to be gunned down on the streets and in their homes, before the Congress will clearly see the need to enact tough and comprehensive gun control legislation?

PERSONAL SAFETY FIREARMS ACT OF 1979

I believe that this Nation's tragic and shameful experience with firearms can only be reversed if all firearms are required by law to be registered, and all firearms owners are licensed. In addition, the irrefutable evidence linking handguns to crime must be acknowledged through a total ban on the production, possession and sale of the inexpensive and easily available handguns known as Saturday night specials. These provisions are incorporated in my bill, H.R. 286. Its sections are as follows:

TITLE I: REGISTRATION

The first provision of my bill requires the registration of all firearms—long guns as well as handguns. Firearms newly purchased after the passage of this act must be registered at the time of purchase, and guns already owned must be registered within 6 months.

The purpose of this registration procedure is to locate all guns in circulation, determine their number, and identify their owners. This information will prove to be of invaluable aid to law enforcement agencies in tracing those who commit crimes with firearms. If lost or stolen, registered firearms are more easily identified, and noncommercial transfer of guns will be more thoroughly recorded. This provision also makes registration a prerequisite to the purchase or sale of ammunition, since a valid registration certificate must be shown before a licensed dealer may sell ammunition.

An individual who carries a firearm must have the registration certificate with him at all times while he is carrying the firearm. Violation of the registration provision is a criminal offense punishable by imprisonment for up to 5 years or a fine of $5,000 or both. Therefore, simple possession of an unregistered firearm is an unlawful act, and subjects a violator to criminal penalties even before any other criminal activity takes place.

TITLE II: LICENSING

Licensing all gun owners will mean that for the first time in this country's history, strong and reasonable national standards will determine who will exercise the privilege of owning firearms. The licensing must be provided for either through a Federal program or through a State system which complies with certain minimal standards. A licensed dealer or private individual may not sell firearms or ammunition to any person unless that person has a State or Federal license.

The license will require identification of the holder including the individual's name, address, age, signature, and photograph. Persons who are under indictment, are fugitives from justice, or who have been convicted of a crime punishable by a term of more than 1 year may not receive a license. Similarly, individuals who cannot be relied on to possess or use firearms responsibly because of age, mental condition, alcoholism, drug addiction, or previous violations of firearms laws, are precluded from obtaining a license. All applicants will be thoroughly investigated before receiving a license and the would-be purchaser will no longer be the sole source of information as to his reliability.

As with the registration requirement, violation of the licensing provisions will result in a criminal penalty of not more than 5 years in prison or a $5,000 fine or both.

TITLE III: PROHIBITING SALE OR DELIVERY OF "SATURDAY NIGHT SPECIALS"

The third provision of the bill—the banning of domestic commerce in cheap handguns—is directed toward the elimination of the so-called Saturday night specials. These inexpensive and easily concealable guns have no legitimate sporting purpose; on the contrary, their sole use is in aiding the criminal in his illegal objectives, whether robbery, murder, or rape.

This section will remove from the marketplace any handgun which does not meet the criteria specified. These standards serve to ban all handguns without sporting and safety features delineated in the bill. This ban, though not a total one against handguns, will effectively eliminate the ubiquitous and deadly Saturday night specials.

HANDGUN CONTROL ACT OF 1979

My second bill, the "Handgun Control Act of 1979"—H.R. 285—would make it illegal for any person to import, manufacture, buy, sell, receive, transfer or transport any handgun or handgun ammunition.

Persons wishing to use safe, approved handguns for sporting or recreational purposes can do so provided they belong to a licensed pistol club. These clubs will maintain possession and control of the handguns used by their members, and will be responsible for the storage and safekeeping of such guns. Otherwise, it will be illegal for any person to own, or possess, any handgun or handgun ammunition after 180 days from the effective date of this bill.

Exemptions to these provisions include: Licensed importers, manufacturers, or dealers; State-licensed professional security services; and the U.S. Government, or any State government, and any of their agencies. Also, these provisions do not apply to antiques, handguns manufactured before 1890, or to collectors' items.

This bill also establishes a reimbursement system by which the Secretary may designate Federal, State, and local law enforcement agencies to receive the voluntary delivery of handguns, and to pay the owners of such handguns $25 or the fair market value of the gun, whichever is higher.

Violation of the provisions of this bill will result in a criminal penalty of not more than 5 years in prison, or a fine of $5,000, or both.

This bill, therefore, will substantially reduce the personal dangers and fatalities caused by the criminal and violent behavior of those persons who lawlessly misuse handguns by restricting the availability of such guns for law enforcement and military purposes, and for certain approved purposes including sporting and recreational uses.

I hope the Congress will realize the importance of taking prompt action on the need for strong gun control legislation, as I have suggested above.●

NINE AREAS OF CONCERN IN NATIONAL SECURITY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MICHEL. Mr. Speaker, the Advisory Council on National Security and International Affairs of the Republican

National Committee recently published a position paper on the Carter administration's defense and foreign policy.

This study discloses nine major areas of concern, ranging from unilateral cutbacks in our defense by the Carter administration to the gradual but unmistakable debilitation of our intelligence capability.

As I said, this position paper is the product of an official Republican group. But the wisdom and concern reflected in its pages transcends partisan lines. This is a study that Americans of both major parties can agree with.

At this point I wish to insert in the RECORD, "A Republican Position on National Security and International Affairs."

REPUBLICAN NATIONAL COMMITTEE ADVISORY COUNCIL ON NATIONAL SECURITY AND INTERNATIONAL AFFAIRS

A REPUBLICAN POSITION ON THE CARTER ADMINISTRATION'S DEFENSE AND FOREIGN POLICY

Bipartisanship in support of the President's foreign policy has often served our country well. It has become an American tradition which we Republicans have nurtured, and have practiced constructively for many years. We have recently entered a period, however, when the President's foreign and defense policies have become clearly detrimental: America's reliability as an ally is in doubt, our military capabilities are becoming more inadequate every year, our international economic strength keeps deteriorating, our position in some of the most vital regions of the world is crumbling. The Carter Administration, in a spirit of retreat and resignation, takes this downward drift for granted—with its mistaken polcies it accelerates our decine.

The time has come when Republicans must balance their responsibility as citizens with their tradition of bipartisanship.

Republican statements last year warned of mistaken policies in many areas of foreign affairs. Unfortunately, in almost every area the Administration policies and the situation for the United States have deteriorated further.

(1) The unilateral cut-backs and cancellations of our defense investment programs continue. Initially, the Carter Administration cancelled the B-1 bomber, closed our only ICBM production line for Minuteman III missiles, and slowed down our new land-based missile (the MX); then it deferred the enhanced radiation weapon ("neutron bomb"), delayed the ground- and sea-launched cruise missiles, allowed ground force and tactical air modernization, and drastically curtailed naval shipbuilding. As a direct result of such decisions the gap between American and Soviet military strength is widening. The United States has been consigned to become Number Two by current Administration policies and long-range plan.

(2) Since all these unilateral cut-backs have remained totally unreciprocated by the Soviet Union, they have severely damaged our bargaining strength in arms control negotiations. From what is known of the forthcoming SALT Treaty, it will not only fail to curtail the massive Soviet military build-up, but will also lock U.S. forces into an inferior and strategically unstable position.

(3) The Carter Administration is using its unilateral cut-backs to deceive the American public about the true impact of its SALT Treaty. The Administration has delayed arms programs that the Soviets wanted us to give up (such as the sea-based cruise missile) and now apparently believes it can claim that its SALT Treaty will not hurt us. That is to say, it seeks to cover up the magnitude of its SALT concessions by voluntarily cutting back U.S. programs well before the treaty is completed.

(4) Mr. Carter fails to explain to the American people and to the world that it is the Soviet military build-up which fuels the arms competition. Only the Soviets are racing. Less than two years ago, Mr. Carter sensibly favored genuine and substantial nuclear arms limitations. But as soon as the Soviets opposed him, he lost the courage of his convictions. Now, the Carter Administration has put such unwarranted priority on a new SALT Treaty that it no longer seems to have any convictions about the objectives arms control must serve—the Treaty has become an end in itself.

(5) By letting the Soviet Union overtake us in nearly all aspects of military strength, the Carter Administration invites disastrous setbacks in our foreign policy. Where could we marshall the necessary forces and support if it came to a military contest in the Middle East, for example, or in the Persian Gulf? The fact that the answer to this question is so painfully in doubt cannot fail to have an impact on the outcome of the crisis in Iran. If Soviet pressure should be applied at some future juncture, it may well seem too dangerous to resist. A major setback in Iran would lead to increased danger to Israel and the moderate Arab States in the Middle East.

(6) The way in which Mr. Carter scuttled our longstanding defense treaty with the Republic of China on Taiwan sends a frightening signal to our remaining allies. Which nation, counting on our support, will be sacrificed next? The abrogation of our defense treaty was not only taken without consultation with Congress, but initially the public and Congress were not even told about the one-year moratorium on new arms shipments to Taiwan. Evidently, this dangerous concession to Peking was too embarrassing to admit.

(7) The withdrawal of U.S. forces from South Korea, on which Mr. Carter continues to insist, can only encourage the ruthless dictatorship in North Korea to step up its preparations for aggression. Moreover, this American withdrawal has further undermined the confidence of our Japanese allies in our ability and will to meet our defense commitment to them.

(8) Carter's policy on Africa and toward Castro has encouraged the continued presence of the Cuban Africa Korps, financed and supplied by the Soviet Union. Not surprisingly, the African outposts of Soviet Imperialism are becoming more entrenched. By opposing the moderate blacks in Rhodesia and in other parts of Africa, and by encouraging and sympathizing with the forces of violence, the Carter Administration has made the totalitarian extremists ever more intransigent. The result of the Carter policies: more bloodshed in Rhodesia, the weakening of democratic forces working for genuine racial equality, and the prospect of increasing Soviet intervention throughout Southern Africa.

(9) The Carter Administration has permitted the continued debilitation of our intelligence capability that had been initiated by the Democratic-controlled Congress. The Administration inflicted further damage to the morale of our intelligence organizations and added rigid constraints on their ability to function efficiently and with the requisite secrecy. The decline of our intelligence capabilities has led—and will continue to lead—to disastrous consequences for the United States. Afghanistan fell under Soviet dominance with no advance warning and contrary to administration expectations; the developments in Iran gained momentum totally unanticipated by the Carter Administration; Hanoi defeated Cambodia in a lightning campaign to Washington's utter surprise. Instead of rebuilding our intelligence capabilities—especially the crucial functions of covert intelligence—and defending the need for them in Congress, the Carter Administration still supports new legislation which would further cripple them.

We are confident that the American people will support a sound foreign policy and the necessary defense effort to back it up. What we need is the leadership to provide inspiration and guidance. Over the next two years, we Republicans shall work hard to that end.●

CIVIL DEFENSE—MISSOURI INITIATIVE

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. GEPHARDT. Mr. Speaker, my colleague from Missouri, IKE SKELTON, has written an interesting and comprehensive article for the Journal of Civil Defense, in the February 1979 (Vol. XII—No. 1) issue.

As we are all aware, Congressman SKELTON is extremely concerned with strengthening the civil defense of our Nation, and he has closely followed developments in this area. I recommend that our colleagues in Congress read Congressman Skelton's article for important facts in the field of civil defense.

The article is set forth as follows:

UNDER THE NUCLEAR GUN

(By Congressman IKE SKELTON)

President Carter recently announced that, congress agreeing, he would like to increase our nation's Civil Defense's budget. It is an important step to a Civil Defense Program that I believe will require even more attention—a good deal more attention—before it will be truly effective. On the other hand, it bothers me when some commentators say this upgraded Civil Defense plan is being used to help win Senate approval for the SALT agreements. Civil Defense is not a pawn. Civil Defense is the way to save lives in our nuclear age.

Since the President announced his plans to upgrade Civil Defense, I've read with interest the many newspaper editorials written in response to the President's action. Some are opposed to Civil Defense. Although it is good to offer constructive criticism to Civil Defense, I believe much of the negativism is off target.

In light of the questions raised, let's look at the realities:

Reality one: The major powers on earth have nuclear weapons . . . enough weapons to destroy the lives of millions upon millions of people. It would be a different situation entirely if these governments didn't have these terribly awesome powers . . . but they do. People around the world are literally under the gun 24 hours a day because of nuclear weapons. Also, people who live in high risk areas, such as my District, Missouri's Fourth Congressional District, with its 150 ICBM missiles, are not only constantly under the gun, they are also living on a potential powder keg.

Reality two: In case of an attack against the United States, now and in the near future, our entire population is virtually defenseless. Also, there are ten million Americans living within or near potential prime target or high risk areas. There are very few effective plans for such areas in case of a nuclear attack against the United States.

When you add these two realities, I believe you reach one solution . . . that is take steps to protect ourselves in case the unthinkable happens. That means upgrade civil defense.

For years some circles in our government have subscribed to the mutually assured destruction or M-A-D theory. Briefly, that is the idea that one nuclear power will not attack the other because both are vulnerable and if an attack occurred . . . both would lose too much. That theory is, I believe, open to question because the Soviet Union has a stronger civil defense than we do. According to a recent newspaper editorial in the Scripps-Howard Newspapers: "Soviet Policy seems to be to avoid a nuclear war if possible, but to be prepared to win one if necessary."

The CIA says the Russians have been spending over one *billion* dollars a year on civil defense, with 100,000 people working full time in that field. Right now, we are spending less than 100 *million* dollars a year on civil defense. The effectiveness of the Soviet Civil Defense is debatable, but the fact remains that the Soviets are much more active in this area than is our government.

Contrary to popular opinion, it is not impossible to survive a nuclear attack. Despite the wailings of many commentators, the world will be livable if the unthinkable happens . . . if we start planning now.

Our government is guilty of what I like to call "analytical impotence." We've done little more than discuss the pros and cons of civil defense. We've analyzed ourselves into a position where our civil defense is impotent. We need action and we need it now!!!

I believe it is time to admit that our civil defense is weaker than it should be. We should begin an all-out effort to convince the public, and then convince those in government, that civil defense is extremely critical and must be upgraded in this nuclear age in which we live. I have taken a first step to upgrade our national civil defense by introducing the "Skelton Amendment," which has been signed into law by President Carter.

The purpose of this amendment, which is part of the 1978 Defense Authorization Bill, is to provide for a study of the special civil defense needs of areas in the United States which contain significant elements of the U.S. Strategic Nuclear Retaliatory Forces.

For instance, Missouri's Fourth Congressional District contains 150 Intercontinental Ballistic Missiles (ICBM's). These missiles are situated throughout the district. In some cases, the missiles are actually located in people's backyards, as was pointed out in a 1972 NBC television report.

Fifty areas of the United States collectively contain about ten million people who live in or near potential high risk or prime target areas. These areas include Strategic Air Command Centers, Nuclear Submarine Bases and ICBM sites. It is my opinion that these high-risk areas will be the first to receive a nuclear strike in the event of an attack against the United States. This opinion is shared by the Defense Civil Preparedness Agency (DCPA). As of now, these ten million people are virtually defenseless. It is my understanding that the immediate future holds little hope for truly effective protection in these fifty areas.

This study should be completed in order to—

First: Provide new facts and information about potential prime target areas that are not now available.

Second: Learn what information is already available that can be made applicable to the special needs of these ten million people. Available information should be funneled to a program or programs that are concerned with high-risk areas.

The DCPA informs me that much defense preparedness information is already available. However, this does not solve the problem. Information must be gathered with the foreknowledge that it may be used for the special needs of these ten million people. The information must be localized to these special areas. For example, in response to my question about warning systems, the DCPA sent me an answer which looked at the national warning system. One sentence went thusly:

"The local warning points activate outdoor warning sirens and/or contact radio and television stations to alert the public of an attack or natural disaster."

I know for a fact that several communities in my district do not have warning sirens. I also know for a fact that during the 1972 false alert when all radio and TV stations were given orders to go off the air because a nuclear attack was imminent—none in my district, to my knowledge, went off the air. My point is that DCPA information that is now available deals with general proposals rather than specific, local needs.

Under the Skelton Amendment, no additional fiscal authorization for the study is required. The study is funded from money the Armed Services Committee has authorized DCPA for research and development.

The elements of the amendment are:

(1) A determination of what civil defense evacuation and shelter plans and warning systems are now available or are proposed to be available to these areas.

(2) An evaluation of the effectiveness of these existing evacuation and shelter plans and warning systems.

(3) A determination of the feasibility of establishing more effective evacuation and shelter plans and warning systems for these areas, and a determination of the potential costs and methods of financing.

(4) A detailed analysis of the specific effects of a nuclear attack on each of these areas.

(5) A determination of the need for educating and the most effective methods of educating the public in these areas on civil defense matters.

Let us look at the human side. The United States recently allocated $124 million to harden the ICBM silos at the Whiteman Air Force Base in Missouri. I do not disagree with the need to harden these silos. However, I must raise the following question: If my country can spend more than a tenth of a billion dollars on this project—why cannot it invest more money into protecting the lives of its people? These people did not ask to be subjected to high risk. Their lives and property are in a very special danger. I believe we should study the possibility of providing them with the protection they need.

I believe the fifty areas of the nation which contain the ten million people do deserve this special study. But a general study of the ways to reduce the dangers to all our people should also be undertaken.

Remember, the Skelton Amendment is not the final solution, but it is a first step. As far as my involvement is concerned, it is only the first of many steps. My next step will come in April after I review the results of my amendment.

Expanding civil defense preparedness in this country is facing an up-hill battle. It currently lacks the necessary public awareness. I believe this is our biggest challenge.

Today Americans are concerned about inflation. They have every right to be concerned about their pocketbook. However, I don't think people are saying let's do away with government and government services. I think they are saying . . . let's make government more efficient. Let's get rid of the waste.●

SOLOMON REPORTS ON TAIWAN TRIP

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. SOLOMON. Mr. Speaker, last week I returned from Taiwan. I accepted an invitation by the National Conservative Research and Education Foundation to go on a brief factfinding trip because I was deeply concerned, not so much with the recognition of Communist China, but primarily with our disavowal of Free China on Taiwan. It did not seem logical or consistent with a long honorable history of established American foreign policy to unilaterally sever complete diplomatic relations with people who have been our friends and who have stood by us through many conflicts during the past four decades.

I was disturbed that we should leave such close allies virtually defenseless and alone after they have been a strategic bastion of defense in the long struggle against communism.

Mr. Speaker, I do not dispute the importance of developing our relations with Communist China, but I do feel it could have been accomplished without abandoning our friends.

Meeting the people of Taiwan was a moving experience. This is a society which has adopted American ways. They appear to be an industrious and prosperous nation. I observed that they were still in a state of shock following President Carter's decision to disavow them. I think they were frightened at that prospect, but they also appeared determined to overcome their present dilemma. I think they found some cause for hope in learning by our visit that not all Americans had abandoned them.

Their way of life which we have helped to develop has been a beacon of freedom for many of their countrymen on the mainland of Communist China and as a result a great number of them have sought refuge on Taiwan. I spoke with a number of these people and heard firsthand about the atrocities which have been committed on their families and friends who stayed behind. There was hardly a member of our delegation who was able to fight back the tears upon hearing these unbelievable revelations.

Our briefings with both Taiwanese and American military officials proved disheartening too. The great part of their military equipment is old. They have never received the latest type of fighter aircraft. They do not even have the capability of launching counter air strikes at the mainland.

But, under the arrangement the President has proposed it may not even be necessary for the Communist Chinese to mount a military assault against Taiwan. With the severence of diplomatic relations the flow of any business must go via Peking and it will be just a matter of time before Taiwan is strangled economically. It is important to keep in mind that the United States does more business with Taiwan than it does with the entire Communist bloc of nations. It has taken many years to build a $2 billion annual business with the Soviet Union alone. So while many argue that Communist China presents a great new economic frontier it will take a long time to make up the difference in trade.

With all of these factors not withstanding, I believe, Mr. Speaker, that the most important issue at stake is a moral one. I believe as do other Members of the returning delegation that we must do something to correct the grave error that I believe the President has committed by throwing the 17 million free people of Taiwan to the mercy of the Communist China government. I think the American people and the Congress should take action to insure that Taiwan will continue to be recognized by the United States.

I am hopeful, Mr. Speaker, that my colleagues in the Congress will join those of us who have personally viewed the situation on Taiwan and provide that the independence of this proud and valiant country is maintained. The integrity of American foreign policy and the respect our Nation enjoys among free people demands nothing less.

I assure you, Mr. Speaker, I will continue this fight because I believe it is right.●

A TRIBUTE TO LITHUANIA'S INDEPENDENCE

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Ms. MIKULSKI. Mr. Speaker, February 16 is a day of great importance for individuals of Lithuanian origin because this day commemorates the 61st anniversary of the restoration of the Republic of Lithuania. The proud citizens of this Baltic republic fought bravely for their independence, but in 1940 the Soviet Union, an ally of Nazi Germany at the time, seized and occupied all Lithuanian territory. At the end of World War II, the Soviets refused to restore the independence of Baltic States.

Since that time the citizens of Lithuania have been under foreign rule. The domination of this people by the Soviet Union is a flagrant denial of the principal of national self-determination. Those who have not been able to escape from their homeland have been subjected to political repression, religious persecution, and a denial of their human rights. This situation has been verified by those who have managed to escape; one of the most valiant of whom is Simas Kudirka, who several years ago jumped ship, but was returned to Soviet officials. The cause of getting Simas Kudirka out of jail and seeing to it that he and his family could emigrate to the United States proved to Americans that Lithuanians are dedicated to justice and human rights for their fellow countrymen and women.

To the Lithuanian people I express my continuing sentiments of support on this 61st anniversary celebration of independence. The Lithuanian people in America must continue to speak out on behalf of their countrymen who are unable to do so.●

PROTEST SOUTH AFRICAN "BANNED" CRITIC

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MARKEY. Mr. Speaker, the racist regime in South Africa continues to suppress its vocal opponents through a process called "banning." This practice prohibits an individual who has spoken out against government policies from publishing his or her views.

On a recent visit to South Africa, ROBERT F. DRINAN met with one such "banned" individual, the Reverend Smangaliso Mkhatshwa, a close friend of Steve Biko who died in 1977 under highly suspicious circumstances while in police detention. Congressman DRINAN, in an article published in the February 3, 1979, issue of America, notes that the only avenue available to us, to pressure the South African Government to release this man from his "banning," is to lodge our protests in writing with the South African Ambassador to the United States.

I urge my colleagues to join me in this campaign, by writing to His Excellency Donald B. Sole, South African Embassy, 3051 Massachusetts Avenue, NW., Washington, D.C. 20008. The article follows:

A CALL TO PROTEST

(By Robert F. Drinan)

I talked recently in Johannesburg, South Africa, for almost two hours with a heroic black priest, the Rev. Smangaliso Mkhatshwa. In October 1977, the Pretoria Government issued a nonappealable decree that, for reasons never stated, this priest, the able executive secretary of the bishops' conference of the eight southern African nations, was "banned" for five years. This meant that Father Mkhatshwa, who has his graduate degree in theology from Louvain, could not preach, write or engage in any priestly activities. No newspaper, including Catholic periodicals, may quote him.

The practice of "banning" outspoken persons is an old one in South Africa. And, once "banned," a person seldom if ever gets off the list.

Father Mkhatshwa's offense goes back to his close friendship with Steve Biko, the prominent dissenter against apartheid, who died in 1977 in a jail cell under suspicious circumstances. Biko's death was protested in an overwhelming record vote by the U.S. House of Representatives. In addition, Father Mkhatshwa, jailed for six months after the 1976 student riots in Soweto, advocated a policy of disinvestment in South Africa on the part of American corporations; such advocacy is a crime by decree of the Government of South Africa.

Father Mkhatshwa treats his tragic plight with an almost astonishing good humor. He notes that he can say Mass every day and sometimes—in violation of the law—gives talks to young people. His principal hope is that the dreadful prospect that he will be forever "banned" will rouse protest from Catholic groups around the world. This is his only hope, because now he daily confronts a situation where, as he puts it, the "oppressive machinery is ruthless" and where even some Catholics have been paid to be informers about his activities.

This enormously impressive and dynamic priest recognizes that the possibility of success for massive civil disobedience in South Africa is very slim. He points out perceptively that the continued insistence on apartheid is due mostly to the forces of economic exploitation and that race is used as a rationalization for the incredibily brutal policies of segregating and dehumanizing the blacks. He notes almost continuously to anyone who will listen that it is simply immoral for some 4 million white people to segregate and brutalize 19 million black people.

I spoke with Archbishop Joseph P. Fitzgerald of Johannesberg about the plight of Father Mkhatshwa. This prelate, who is the president of the Southern African Bishops' Conference, concurred in the judgment that only the strongest and most persistent world opinion could possibly induce the security police of South Africa to back down on the techniques they have adopted to silence a troublesome black priest. There are 32 Catholic bishops in South Africa with about 2 million Catholics out of a total population of 24 million. By everyone's agreement, the Catholics—some 90 percent of whom are black—exercise influence disproportionate to their numbers. They know and care deeply about Father Mkhatshwa. They are waiting for their fellow Catholics around the world to protest the denial of this priest's basic rights.

Protests should be sent to South Africa's Ambassador to the United States, His Excellency Donald B. Sole, South African Embassy, 3051 Massachusetts Ave., Washington, D.C. 20008.

I am sending Ambassador Sole a copy of this article. Unless he receives a good deal of mail, he will be able to conclude and so inform the Government of South Africa that Catholics in America don't really care very much about the outrageous way it has treated a 32-year-old black priest, a man with enormous potential to influence the future of the church in all the nations of southern Africa.

Father Mkhatshwa's address, for those who want to write him directly, is 140 Visagie St., Pretoria 0002, South Africa.

(Robert F. Drinan, S. J., is a member of the House of Representatives from the Fourth Congressional District of Massachusetts.)●

TRIBUTE TO ANDREW BIEMILLER

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. PANETTA. Mr. Speaker, I would like to take this opportunity to honor a man who has contributed so much to the democratic process in this country and who serves as an outstanding example for all Americans.

For years, Andy Biemiller has served working people by being a strong advocate, both inside and outside of government, for a wide variety of important social causes. His contributions to the fight against discrimination and poverty demonstrate his staunch commitment to the needs of disadvantaged people throughout our society. And, his list of accomplishments are beyond compare, especially his efforts to gain passage of the Civil Rights Act and medicare. As the author of the first civil rights plan in 1948, Andy set the stage for the acceptance of one of the most important pieces of social legislation in our time. His efforts to achieve a comprehensive health care plan deserve our respect and admiration.

I am glad I have had the privilege of working with Andy over the years and I hope he will continue to give me the benefit of his guidance in the future. ●

BILL TO EXEMPT FARM AND SOIL AND WATER CONSERVATION TRUCKS FROM THE FEDERAL HIGHWAY USE TAX

HON. CHARLES W. STENHOLM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. STENHOLM. Mr. Speaker, as the Congress strives to eliminate inequities in our tax code, I and the other sponsors of this bill, feel one small but glaring inequity deserves our attention. The tax in question is the highway use tax levied on limited-use vehicles employed in farming and in soil and water conservation activities.

The highway use tax was designed to help raise the necessary funds to build and maintain the Federal-aid highway system. It was intended, and has been widely publicized, that highway users should pay the cost of a modern Federal highway system. However, in passing the legislation, Congress also extended the tax liability to all heavy vehicles whether they used the system or not. The current language of the law is so broad that it makes no distinction between long distance commercial haulers and the relatively few vehicles used to grow food and fiber, and to conserve our soil and water resources. This is not an equitable application of our taxing authority.

As a result of various court proceedings, certain similar vehicles have been exempted from the Federal highway use tax based on their limited or special use. Now exempt are derrick-drilling trucks, certain logging trucks, and certain oversized vehicles. These exemptions were established as a result of the following court cases, respectively: Stafford Well Service against U.S.A., 1971; Carl Nelson Logging Co. against U.S.A., 1967; and Rossi against U.S.A., 1963. In both the Stafford and Rossi cases the determining factor was the highway use of the vehicle was incidental to its industrial or special use. The same is true of vehicles involved strictly in limited farming and conservation work.

The average tax paid on these vehicles is $175 a year, and the State use taxes range up to several thousand dollars per year. It is not unusual for an operator to pay $1,000 a year in Federal and State taxes on a vehicle that travels 1,000 miles a year—that averages more than 70 percent of its travel on State and county roads, not Federal. The equivalent tax here is over $1 per mile, while the vehicle rarely, if ever, uses the Federal roads for which it is taxed.

The Joint Committee on Taxation has estimated that annual revenue loss to the Treasury would probably not exceed $7 million, for conservation trucks. Since there are far fewer liable farm vehicles, the total annual loss would probably not exceed $10 million. Yet, this equalizing of the tax liability would reach every sector of our farm community and national conservation effort. It is hoped, too, that more States will follow this precedent if we act, thus increasing the beneficial effects in the field.

Presently six States we are aware of—Texas, Minnesota, Illinois, Kansas, Nebraska, and South Dakota—have provided some kind of similar exemption from State use taxes for these same vehicles. Reports from the administering agencies in every case reveal there are no significant difficulties in controlling the use of the exemption. In many cases, private organizations whose members operate the vehicles work closely with State officials in preventing abuses in these programs.

It is our intent in this legislation to provide an exemption only for that small number of vehicles that strictly deserve it. Consequently, various limitations have been written into the bill. First, it is inherent that a subject vehicle not be let out for hire for general use. Second, any exempted vehicle must be used a clear majority of the time in farming or conservation pursuits. And third, only small locally owned corporations engaging primarily in this kind of work are to be covered. In addition to the restrictive language in the bill, the Internal Revenue Service would be called upon to issue guidelines in the form of regulations to govern the exemption's application.

A firm case can thus be made for the fairness and manageability of this measure. We enthusiastically recommend this bill to our colleagues in the House for timely and positive action.●

ANDY BIEMILLER

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1979

● Mr. RHODES. Mr. Speaker, for the past two decades, the House and Senate have been kept well aware of the legislative positions of organized labor through the untiring work of Andy Biemiller.

As legislative director of the AFL–CIO, he has been a familiar fixture in the halls of Congress. As a former Member of this body, he was effective as a spokesman for labor interests.

While Andy and I often were not on the same side of issues before Congress, he earned a great deal of respect from both sides of the aisle for his forthright presentation of his case. I consider him as a personal friend.

We all will miss him, and wish him the very best for the future.●

THE SCARCITY OF ENERGY AND OUR LAGGING EXPORTS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. HYDE. Mr. Speaker, today I am introducing a bill which addresses two of our country's most serious problems: The scarcity of energy and our lagging export performance.

I am disturbed to see the scramble of foreign governments to bid for a share of Mexico's newly discovered oil reserves. While our Government and U.S. energy companies argue over the appropriate price, government buyers from Japan, France, Germany and elsewhere are locking up increasingly large shares of Mexico's projected output.

I am disturbed that the OPEC oil oligopoly seems as potent as ever, despite the instability which is supposed to characterize cartels. For more than 4 years, OPEC has priced energy resources well above a fair markup over production costs. Every economy in the world has paid the price in severe hardships. Raging inflation, unemployment and massive trade deficits have slowed growth in the industrialized countries and threatened the economic survival of many developing countries.

I think the time has come for us to strike back. I cannot subscribe to any of the radical proposals which some have suggested. It would be wrong to price our food exports to blackmail energy producing countries, and at the same time exacerbate our lagging farm exports.

I do, however, feel that there is room for innovative new approaches to weaken OPEC, reduce U.S. energy costs and to assure us dependable sources of energy supplies.

This is what my proposal attempts to do. It is designed to spur a dramatic increase in foreign energy development while, at the same time boosting our lagging exports. It is based on the premise that the United States will have to continue to import a substantial share of its energy needs for the foreseeable future and that this Government should rightfully play a major role in assuring the adequacy of supply.

The bill has three central features. First, it creates an entirely new arm of the Export-Import Bank. (You will remember that the Eximbank is the Government agency which provides financing for U.S. exports.) The Energy Development Facility, as this new arm will be called, is given a $2 billion set-aside out of Eximbank's existing $40 billion authority with which to back energy related projects in foreign countries. In addition we give Eximbank the authority to cut its rates and terms to make borrowing for energy development more attractive. At the same time we relax the credit worthiness standards so that promising projects in riskier areas will not be turned down.

Second, we give the administration authority to conclude barter agreements with producing countries. The export-for-energy swap arrangements, as I have called them, would work something like this. The President's negotiators would sit down with the producing country and settle on a price and quantity—say a million barrels of crude per day at $14.50 per barrel. The producing country is paid, not in cash but in letters of credit good only for U.S. exports. The Eximbank would administer these letters of credit.

Third, we enable the Eximbank to piggyback onto approved World Bank energy projects, supporting any U.S. exports involved. The hope again is to increase exports and win preferential access to new energy supplies.

In my mind the beauty of this proposal is that it marries a potential solution to two of our Nation's most pressing problems—access to new energy resources and finding new export markets—all at little or no cost to the taxpayer. The barter agreement concept has the added benefit of permitting new energy imports without any damage to the balance of payments. Every dollar's worth of imported oil is matched by a dollar's worth of exports.

These ideas will be considered radical by some. In my judgment the Congress and the country will benefit from a serious discussion of such new ideas. Certainly none of the strategies of recent administrations has made much of a dent in the problems.

I would like to add that we do not consider the bill to be a finished product. We will be circulating it widely among energy experts in Government and industry, and the legislative craftsmen at Eximbank and our own legislative counsel. We hope others will come forward with new proposals and help us work them into this legislation.●

WHO PAYS TAXES?

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. COLLINS of Texas. Mr. Speaker, everyone seems to feel that taxes are mighty heavy on their backs. Many times we get the suggestions up here in Congress to put more taxes on the rich. The facts show that the top 25 percent in the high-pay income are loaded now with 72 percent of the taxes.

An information publication named Enterprise, published by the Fisher Institute, of which Sherrill Edwards is president and Bob Arnold is editor, had a key story.

Quoting from Feedback of Junior Achievement Co., they told who pays the taxes. Here it is, as these young people so concisely summed up the facts. Rich people are paying three-fourths of the taxes. Here is Junior Achievement's summary:

> The income earners in the top 50 percent pay 92.9 percent of the total taxes paid, while those in the lower 50 percent pay 7.1 percent. The individuals in the highest 25 percent pay 72 percent of the taxes, while those in the lowest 25 percent pay 0.4 percent. The top 1 percent account for 18.7 percent of all of Uncle Sam's income taxes.●

TAIWAN RESOLUTION

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WOLFF. Mr. Speaker, I am pleased and honored today to place into the RECORD the names of 88 of my colleagues who have joined with me in cosponsoring House Joint Resolution 167, a joint resolution regarding the peace, prosperity and welfare of the people of Taiwan.

I should also note that this resolution has been introduced in the other body by Senator KENNEDY, Senator CRANSTON, and some 30 of their colleagues.

Mr. Speaker, such broadly-based support for this important and timely resolution has not gone unnoticed, and I am pleased to be able to inform the House today that at Monday's hearing before the Foreign Affairs Committee Secretary of State Vance pronounced House Joint Resolution 167 not incompatible with the administration's policy regarding Taiwan.

Since the language of the resolution is clear, I place House Joint Resolution 167 into the RECORD, with the names of its cosponsors, and to urge its favorable consideration by the House.

COSPONSORS OF KENNEDY-WOLFF RESOLUTION ON TAIWAN AS OF FEBRUARY 7, 1979

Abdnor, James, South Dakota.
Addabbo, Joseph, New York.
Akaka, Daniel, Hawaii.
Baldus, Alvin, Wisconsin.
Beilenson, Anthony, California.
Biaggi, Mario, New York.
Bingham, Jonathan, New York.
Bonior, David, Michigan.
Bouquard, Marilyn, Tennessee.
Brademas, John, Indiana.
Breaux, John, Louisiana.
Buchanan, John, Alabama.
Chappell, Bill, Florida.
Coelho, Tony, California.
Conte, Silvio, Massachusetts.
Davis, Robert, Michigan.
Dixon, Julian, California.
Dornan, Robert, California.
Downey, Thomas, New York.
Duncan, John, Tennessee.
Edgar, Robert, Pennsylvania.
Edwards, Don, California.
Emery, David, Maine.
English, Glenn, Oklahoma.
Erdahl, Arlen, Minnesota.
Fazio, Vic, California.
Flood, Daniel, Pennsylvania.
Foley, Thomas, Washington.
Fountain, L. H., North Carolina.
Gilman, Benjamin, New York.
Gingrich, Newt, Georgia.
Glickman, Dan, Kansas
Goodling, William, Pennsylvania.
Gray, William, Pennsylvania.
Hanley, James, New York.
Hollenbeck, Harold, New Jersey.
Howard, James, New Jersey.
Ireland, Andy, Florida.
Jenrette, John, South Carolina.
Jones, Ed, Tennessee.
Kildee, Dale, Michigan.
LaFalce, John, New York.
Lee, Gary, New York.
Levitas, Elliott, Georgia.
Long, Clarence, Maryland.
Luken, Thomas, Ohio.
Lundine, Stanley, New York.
McHugh, Matthew, New York.
Madigan, Edward, Illinois.
Maguire, Andrew, New Jersey.
Markey, Edward, Massachusetts.
Martin, James, North Carolina.
Mica, Dan, Florida.
Mikulski, Barbara, Maryland.
Mineta, Norman, California.
Mitchell, Donald, New York.
Moorhead, William, Pennsylvania.
Murphy, Austin, Pennsylvania.
Myers, John, Indiana.
Neal, Stephen, North Carolina.
Oakar, Mary, Ohio.
Panetta, Leon, California.
Pease, Donald, Ohio.
Pepper, Claude, Florida.
Price, Melvin, Illinois.
Pritchard, Joel, Washington.
Rahall, Nick, West Virginia.
Richmond, Frederick, New York.
Roberts, Ray, Texas.
Rodino, Peter, New Jersey.
Roe, Robert, New Jersey.
Sabo, Martin, Minnesota.
St Germain, Fernand, Rhode Island.
Sebelius, Keith, Kansas.
Shannon, James, Massachusetts.
Simon, Paul, Illinois.
Solarz, Stephen, New York.
Solomon, Gerald, New York.
Stratton, Samuel, New York.
Van Deerlin, Lionel, California.
Waxman, Henry, California.
Williams, Pat, Montana.
Wilson, Charles H., California.
Wolpe, Howard, Michigan.
Wright, Jim, Texas.
Wylie, Chalmers, Ohio.
Yatron, Gus, Pennsylvania.
Young, Robert, Missouri.

H.J. RES. 167

Regarding the peace, prosperity, and welfare of the people on Taiwan, and the Pescadores, and for other purposes.

Whereas the governments of the United States and the People's Republic of China on January 1, 1979, recognized each other and establish diplomatic relations;

Whereas the President on January 1, 1979, terminated diplomatic relations with the Republic of China and gave notice that on December 31, 1979, the United States will terminate the Mutual Defense Treaty between the United States of America and the Republic of China, pursuant to Article X thereof;

Whereas the American people have had and desire to continue to have extensive, close and friendly relations with the people on Taiwan and the Pescadores (hereinafter "Taiwan");

Whereas the United States has a continuing interest in the peaceful resolution of the Taiwan issue and expects that the Taiwan issue will be settled peacefully by the Chinese themselves;

Whereas in pursuance of its interests in the stability and peace of the area, the United States will continue to provide Taiwan with arms of a defensive character;

Whereas the United States recognizes that an armed attack directed against Taiwan would represent a danger to the stability and peace of the area;

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. The President is directed to inform the Congress promptly of any danger to the interests, concerns, and expectations of the United States in the peace, prosperity, and welfare of Taiwan.

SEC. 2. The Congress finds and declares that it is the policy of the United States to act in accordance with constitutional processes and procedures established by law to meet any danger described under section 1, and otherwise to safeguard the interests, concerns and expectations of the United States.●

POLITICAL PRISONERS IN CUBA

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. JOHNSON of Colorado. Mr. Speaker, I wish to bring to the attention of my colleagues the plight of a former constituent of mine, Mr. Lawrence Lunt, Jr., a political prisoner in Cuba.

The case of Mr. Lunt, and of others in his situation, was recently discussed in Cuba by a delegation of Members of the House and President Fidel Castro. I wish to commend the members of the delegation, headed by Representative JONATHAN B. BINGHAM of the Committee on International Relations, and Representative BENJAMIN A. GILMAN, ranking minority member of the International Relations Subcommittee on Inter-American Affairs, for their continued concern for the American political prisoners, and for their persistent efforts in working toward the release of the prisoners.

President Castro has stated the prisoners can be released when Puerto Rican prisoners involved in a shooting incident in Congress in 1954 are released from U.S. prisons as a humanitarian gesture. I am hopeful action can be taken to secure the release of the Americans in Cuba. So my colleagues might be aware of the facts of Mr. Lunt's case, my correspondence on the case with the administration follows:

NOVEMBER 27, 1978.

Hon. JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: It has been brought to my attention that a former constituent of mine, Mr. Lawrence Lunt, Jr., is at this time still imprisoned as a political prisoner in Cuba.

As you know, Mr. Lunt was sentenced to thirty years imprisonment in 1965, on a charge of political espionage. At the time, Mr. Lunt owned a ranch on the island of Cuba and, as far as I can determine, was attempting to assist refugees leaving that country for the United States. I've been given to understand President Castro has stated that Americans being held as political prisoners in Cuba will not be considered eligible for inclusion in the recent release of political prisoners with Cuban citizenship.

Earlier this year, I believe, during a televised interview, President Castro indicated his willingness to release the few American political prisoners (including Mr. Lunt) at such time as the United States released those persons responsible for the Puerto Rican shooting incident on the Floor of the House in the early 1950's. I've been informed there is a possibility of this action, whether by parole, commutation of sentence, or pardon, within the next year or so.

Would you be kind enough to have someone look into this situation and advise me on the validity of the above. Since I've just now been requested to assist in the matter, any additional information you may provide will be greatly appreciated. Also, any suggestions you may have regarding possible action on my part, any way you think I might help in working toward Mr. Lunt's release, will be appreciated as well.

Although I have been aware of Mr. Lunt's dilemma in Cuba, this is the first opportunity I've had to review the case thoroughly. While recognizing the years of hard work already rendered by the State Department in Mr. Lunt's behalf, I wish to go on record as strongly urging that everything possible be done to effect his release. After all this time, his family is understandably distraught—his children have grown up without him, his wife has been allowed to visit only once a year—and I know any positive action on your part will be extremely helpful to them as they await his return.

Thank you for your attention in this matter. I will look forward to hearing from you at your convenience.

Best regards.

Sincerely yours,
JAMES P. JOHNSON,
Member of Congress.

DEPARTMENT OF STATE,
Washington, D.C., January 3, 1979.

Hon. JAMES P. JOHNSON,
House of Representatives,
Washington, D.C.

DEAR MR. JOHNSON: I have been asked to reply to your letter of November 27 to President Carter concerning Larry Lunt, an American political prisoner in Cuba.

Your information is correct. President Castro has stated that American prisoners will not be included on the lists of prisoners to be released. The Cuban Government's position is that release of Cuban prisoners is an internal matter; release of the American prisoners, on the other hand, must be negotiated with the U.S. Government.

President Castro stated in June that he would release the four American political prisoners, including Larry Lunt, provided the U.S. would release the four Puerto Rican nationalists, including Lolita Lebron. I do not believe any final decision has been made in the matter. I can assure you, however, that every possible consideration will be given to the welfare of Mr. Lunt and the other prisoners who have been separated from their families for so many years.

Should you have any further questions, please do not hesitate to contact Wayne S. Smith in our Inter-American Bureau at (202) 632-9272.

Sincerely,
DOUGLAS J. BENNET, Jr.,
Assistant Secretary
for Congressional Relations.●

TRIBUTE TO FRANK DeLELLO

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. COURTER. Mr. Speaker, I would like to join my friends in Warren County, N.J., today in honoring an American of great service to the county, the State, and the Nation.

Mr. Frank DeLello of Hackettstown, N.J., distinguished himself during the second World War in Army combat duty. Since coming to Hackettstown in 1961, he has made a record of dedicated community service.

He has been elected to the leadership of several service-oriented fraternal organizations, among them the Kiwanis Club, the Fraternal Order of Eagles, and the Knights of Columbus. He has taken an intense interest in his community and his county by serving on the Warren County Tax Board, the Hackettstown Planning Board, the Hackettstown Parking Authority, and as president of the Hackettstown Trade Association.

Frank has also served his party over the years. He has been the chairman of the Warren County Republican Committee for the past 6 years, a 1976 delegate to the Republican National Convention, the sergeant-at-arms of the New Jersey Assembly, and the president of the Hackettstown Republican Club.

So, Mr. Speaker, I join my friends and neighbors in praising a truly exemplary American, Mr. Frank DeLello.●

THE CRIMINAL JUSTICE ASSISTANCE ACT OF 1979

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. CONYERS. Mr. Speaker, I have today introduced the Criminal Justice Assistance Act of 1979, a bill designed to restructure and reauthorize the Federal financial assistance program to State and local criminal justice efforts. This bill would replace the present Law Enforcement Assistance Administration in the Department of Justice with a successor organization to be known as the Bureau of Criminal Justice Assistance, as well as making a number of major organizational and programmatic changes in the Federal aid program to criminal justice.

The Law Enforcement Assistance Administration—LEAA—is now into its 11th year and its 7th billions of dollars. Proposed by the Johnson administration as a categorical aid program devoted largely to research and innovation, the program underwent major changes during Congressional consideration of the proposal, and emerged with the block grant revenue sharing characteristic which has remained the central feature of the program to this date. In its early years it was really not a program at all, but more in the nature of a checkbook with which State and local government—predominantly police departments—purchased law enforcement hardware: Vehicles for land, sea, and air; weapons, particularly riot equipment; gadgetry, including gadgets reminiscent of, if not inspired by, Dick Tracy and Batman of comic strip fame.

As criticism of the wasteful expenditures of the program mounted, and as police department equipment storage facilities overflowed, proponents of the LEAA program recognized that if the program was to survive, it would have to broaden its base of beneficiaries and expand the range of activities for which the Federal funds are spent. We have thus seen, over the last several years, a shift from domination of the program by police expenditures to a more balanced distribution between police, courts, and corrections. As a result, the range of programs and projects funded was also expanded so that LEAA became a "systems improvement" program, under which virtually any expenditure for criminal justice is permitted if it arguably improves the efficiency or capacity of some component of the criminal justice system.

Another major phenomenon in the history of the LEAA program has been its role in the development of a new industry on the criminal justice horizon, that of criminal justice planning. Criminal justice planners, though compensated with Federal dollars, are answerable to governing bodies in State and local government, who are predominantly criminal justice practitioners. More than any other development, the explosive growth of planners has contributed to the entrenchment of the LEAA program as a seemingly permanent and virtually unassailable element on the landscape of Federal programs.

It is these planners, by and large, who are charged with the responsibility of identifying new improvements which are needed, and who orchestrate—hopefully without shedding of blood—the division of the Federal dollars among the various participating units of government and elements of the criminal justice system. They are unique in that, being products of the LEAA program, they are also, with few exceptions, dependent upon the continuation of the Federal program for their very existence. Nonetheless, one of the primary contributions claimed for the LEAA program, that of provision of comprehensive planning and coordination between units of governments and components of the system, has fallen far short of its mark. This is not a result of the shortcomings of the planners, but rather a reflection of the fragmented nature of the criminal justice system and of the limited influence which the LEAA financial contribution can have upon State and local criminal justice decisionmaking.

Although functioning as a form of special revenue sharing for criminal justice, the LEAA program in fact contributes only about 3 percent of the total criminal justice expenditures at the State and local level. A tiny portion of this is earmarked for "comprehensive planning." The reality is that, with few exceptions, State and local policy and decisionmakers do not give this 3 percent contribution control over the 97 percent that is provided from other sources; "comprehensive planning," is, by and large, planning for the Federal funds alone. Thus the present LEAA program is neither a substantial fiscal relief program, nor is it successful in promoting systemwide planning and coordination.

Furthermore, despite the fact that countless studies, including a recent study by the General Accounting Office for the Congress, indicate that evaluation of the programs and projects funded is of such poor quality that we cannot tell which programs are effective, a very high percentage of projects temporarily funded by LEAA are picked up by State and local government when the Federal assistance runs out. The Advisory Committee on Intergovernmental Relations recently placed this pickup rate at 60 percent; one Governor recently told me that the rate in his State was almost 90 percent. While it can be argued that this suggests that State and local government find a high percentage of LEAA programs to be beneficial, it may be that institutional pressures are as much a factor in these pickup rates as is the quality of the programs. We have seen total criminal justice expenditures in the United States more than quadruple during the life of LEAA; we need to consider now how much LEAA programs contributed to that escalation.

Given the lessons we have learned in 10 years and more than six and a half billion dollars, I believe it is time we moved in a new direction in the Federal program of aid to criminal justice. There simply are not enough Federal assistance funds available to be effective if they continue to be used merely to augment criminal justice agency budgets. We need to scale down the rhetoric and the expectations regarding what the Federal Government can contribute to alleviating State and local crime problems. The present formula distribution mechanism should be retained, but Congress should establish a limited number of critical areas of need within which the formula must be used.

The legislation I am introducing addresses many of these problems by designating four national priorities as fundable criminal justice program areas:

Neighborhood-based community anticrime efforts;

Alternatives to traditional incarceration;

Programs to prevent juvenile delinquency; and

Efforts to combat white-collar crime.

Involving people in their neighborhoods and communities in law enforcement efforts is essential if we are going to significantly impact on juvenile and adult crime. This vitally important ingredient of crime prevention—community participation—is most in need of Federal assistance at this time.

I find it deplorable in principle and practice that the United States has one of the highest incarceration rates in the industrialized world, exceeded only by South Africa. Prisons are by far the most expensive, inhumane, and counterproductive remedies to crime and moreover, are unnecessary for the vast majority of offenders. Post-imprisonment recidivism rates of 60 percent and higher suggest that prisons produce more and worsened criminal behavior and certainly fail to help the offender become a positive and contributing member of society. Therefore, one of the priorities of my bill is Federal financing of alternatives to prisons, jails and detention facilities, and alternatives to traditional criminal justice, including community service orders, restitution, 24-hour supervision in the community, group homes, etc.

Youth and young adults under the age of 22 now account for about one-half of all arrests. The crime problem is in many ways a juvenile and youth crime problem. My legislative proposal for restructuring LEAA designates as a priority prevention program aimed specifically at preventing and reducing juvenile crime. The Office of Juvenile Justice and Delinquency Prevention would be continued, but statutory provisions regarding its authority and responsibility would be clarified to establish the Office as a subordinate unit within the Bureau of Criminal Justice Assistance.

A feature of my bill which distinguishes it from other bills on the subject is its emphasis on increasing Federal financial assistance to State and local governments for programs and projects related to white-collar crime. For far too long, we have thought of the crime problem strictly in terms of so-called street crime, such as the FBI's current index crimes. The Subcommittee on Crime began hearings on the subject of white-collar crime in June 1978. Those hearings have demonstrated that white-collar crime is the most all-pervasive, serious and costly crime problem in America today.

In 1974, the chamber of commerce conservatively estimated that the cost to the public of white-collar crimes—excluding price-fixing and fraud against Government programs—was $40 billion annually. When antitrust violations such as price-fixing and fraud against Government programs are included, estimates run as high as $200 billion annually. This compares to $4 billion per year for all so-called property-related index or street crimes. Nevertheless, LEAA has spent less than 4 percent of its money since 1969 on projects related to white-collar crime. Surely, now—when demands are increasingly made that governmental expenditures bear some rational relationship to the relative severity of social problems—such statistics demostrate the necessity for increased Federal criminal justice assistance in the area of white-collar crime.

Indeed, markedly increased emphasis on combatting white-collar crime has been a highlight of recent Justice Department and State and local prosecutors' pronouncements about their new and current crime-fighting priorities.

Within each of these categories, States and localities would still retain ample discretion to allocate funds on whatever percentage basis selected. Formula grants would initially be allocated among the States on the basis of population. Within each State, funds would be divided between the States and localities on the basis of relative criminal justice expenditures. States and localities could fund up to 100 percent of the cost of each project selected under the formula or special emphasis program.

In order to facilitate local implementation, larger units of local government and combinations of smaller units could apply to the State planning agency for a miniblock grant—that is, one grant for the entire 3-year authorization reflecting all project activity, thus lending more stability to the funding process than the submission of individual grant applications and guaranteeing localities a certain fixed amount of funds. The requirement for an annual State plan would be eliminated, and in its place, a 3-year plan would be substituted. The population level to qualify for a miniblock grant is established at 100,000.

State and local planning units would be able to secure Federal planning dollars, but such funds would be derived from that jurisdiction's formula grant allocation. There is no separate planning appropriation and no match requirements. Planners must justify their share of formula grants in competition with action programs. Hopefully, this will insure that only those jurisdictions seriously interested in planning will undertake such efforts.

A separate community anticrime program is established, in addition to the formula grant program, to provide both technical and grant assistance to community groups. These funds would enable communities to help define and alleviate the crime problems facing them, as well as apply for and manage community anticrime funds. Ten percent of the overall Federal assistance would be provided to support these efforts.

The new Bureau of Criminal Justice Assistance would manage a special emphasis discretionary program, funding exemplary programs to improve the quality and fairness of the criminal justice system and reduce the reliance on the justice system as a whole. A portion of these discretionary funds would be awarded by the Bureau itself, since there are a number of national or regional activities that no one State could be expected to fund. Most of these funds would, however, be allocated to the States to distribute within each State as discretionary funds.

Out of recognition of the critical nature of the juvenile justice problem throughout the country, a discretionary grant program for juvenile crime problems is provided. To insure the continued participation of the private sector in these efforts, at least 25 percent of these funds are to be awarded to private nonprofit organizations.

The typical funding cycle under the present block grant program is 3 years, with the local contribution increasing in the second and third years. In recognition of this feature of the present program, transitional funds are to be provided in fiscal years 1980 and 1981 to provide for the orderly change to the new formula grant program. As the transitional funds are reduced, the amount of money allocated to the new program is increased, as is the States' share of the special emphasis funds. The transitional funds may also be used to phase out the Law Enforcement Education Program.

My proposal would create both a separate research institute and statistics bureau within the Department of Justice. The National Institute of Justice would be concerned solely with criminal justice research and would be governed by a 12-member policy board of Presidential appointees designed to insulate the Institute from the political pressures of the Justice Department. The Institute would also be required to evaluate the effectiveness of programs funded by the Bureau of Criminal Justice Assistance and the Bureau of Justice Statistics. The Bureau of Justice Statistics would be responsible for both civil and criminal statistics, and would also be governed by a policy board.

FUNDING AUTHORIZED

	Fiscal year—		
	1980	1981	1982
Community anticrime	50	50	50
Juvenile delinquency	50	50	50
Discretionary:			
Federal	25	25	25
States	25	50	75
New formula grants	100	200	300
Transition block	250	125	0
Administration	20	20	20
National Institute of Justice	25	25	25
Bureau of Justice statistics	20	20	20
Total	565	565	565

Mr. Speaker, for the RECORD, I offer the following section-by-section analysis of the Criminal Justice Assistance Act of 1979:

ANALYSIS OF THE CRIMINAL JUSTICE ASSISTANCE ACT OF 1979

PART A—BUREAU OF CRIMINAL JUSTICE ASSISTANCE

Sec. 101. Section 101 creates a new Bureau of Criminal Justice Assistance within the Department of Justice. The Bureau shall be headed by an Administrator appointed by the President with the advice and consent of the Senate. The duties and functions of the Administrator are specified herein.

Sec. 102. Section 102 creates within the Bureau an Office of Community Anticrime Program. The Office shall dispense technical assistance and grants to nonprofit community groups in crime prevention programs.

Sec. 103. Section 103 establishes within the Bureau the Office of Juvenile Justice and Delinquency Prevention, which shall make grants and enter into contracts to reduce juvenile delinquency. At least 25 percent of such grants and contracts shall involve private, non-profit entities.

Sec. 104. Section 104 authorizes the Administrator to make grants to the states for the following purposes; (1) community anticrime projects; (2) projects to prevent juvenile delinquency; divert juveniles from the traditional juvenile justice system; and provide critically needed alternatives to institutionalization; (3) projects to provide alternatives to incarceration; (4) white-collar crime projects to improve and expand criminal justice system coordination and capacity to detect, investigate, prosecute, combat and prevent white-collar crime and to create a proactive and comprehensive national strategy to fight white-collar crime; and (5) planning projects at the state, regional, and local levels of government.

All planning funds are match-free and shall be derived from the formula allocation to the states and units of local government. Formula grant funds shall be allocated annually among the states according to their respective populations.

Sec. 105. Section 105(a) requires that each state establish a Criminal Justice Coordinating Council for the purpose of preparing a state application and reviewing, accepting, or disapproving applications for formula funds made by other state agencies and units of local government. Several other duties are specified, including the preparation of an annual report, the provision of technical assistance, and the auditing of formula grant projects.

Subsection (b) provides for the establishment of a Criminal Justice Council by state law and specifies the composition of its membership. Representatives of the general public would comprise a majority on the Council.

Sec. 106. Section 106 provides for the allocation of formula grant funds within each state between state agencies and local units of governments. Following further testimony and research concerning various allocation options, a specific allocation formula will be inserted.

Sec. 107. Section 107 requires that each state desiring formula funds shall submit an application to the Bureau for all anticipated activities over the period which appropriations are authorized (3 years). State agencies, units of local government, and combinations of such units desiring formula funds shall also file an application with the Criminal Justice Council. Larger units of local government and combination of smaller units of local government may submit a single three-year application to the Council (mini-block) and such application shall be deemed approved unless the Council finds that the application is inconsistent with Federal law or the priorities established in Section 104. Testimony will be taken on what the appropriate population level for mini-block eligibles should be.

Local government units would have the option of establishing their own criminal justice offices to administer formula funds, and planning grants would be available to support the activities of such offices. The members of local planning offices must be broadly representative of criminal justice and other local government agencies, with at least a majority consisting of members of the general public.

All applications under this part must provide citizens adequate information concerning the nature and scope of proposed programs, including public hearings and the opportunity to participate in the development of applications. Grant recipients would be required to file an annual performance report concerning the impact of their activities.

Sec. 108. Section 108 establishes procedures for the approval of applications submitted by the states to the Bureau of Criminal Justice Assistance. No formula funds could be spent for the purchase of equipment of hardware, or the payment of personnel costs unless such expenditures were incurred as an incidental and necessary part of the program. Construction projects and salary increases would be ineligible to receive such funds as well as projects which have been demonstrated to be ineffective. The Bureau would be required to suspend funding for an approved application that has failed to conform to the statutory objectives of this Act as evidenced by the content of the annual performance report or based on an evaluation of the project.

Sec. 109. Section 109 grants authority to each Criminal Justice Coordinating Council to review formula grant applications submitted by units of local government. Each Council must suspend funding to an outgoing project that has failed to conform to the requirements or statutory objectives of this title as evidenced by the annual performance reports or other such evaluations.

Sec. 110. Section 110 gets forth requirements for the provision of special emphasis grants to any public or private entity. Such grants and technical assistance may be designed to (1) address the issues of community anticrime, juvenile delinquency, alternatives to incarceration and white-collar crime, as enumerated in Sec. 104(b) (1)–(4); (2) improve the quality and fairness of the criminal justice system; (3) reduce the reliance on the criminal justice system as a means of social control; (4) reduce the number of persons under the jurisdiction of the criminal justice system; (5) train criminal justice personnel and citizens who have demonstrated concern in criminal justice; (6) fund innovative projects which have the approval of the National Institute of Justice; and (7) identify, evaluate, and distribute models of successful projects assisted under this part. A portion of these funds is allocated to the states for distribution at their discretion.

Sec. 111. Section 111 authorizes the Bureau to make "transition grants" to provide a smooth transition to the new criminal justice assistance scheme established by this Act.

PART B—NATIONAL INSTITUTE OF JUSTICE

Sec. 201. Section 201 establishes a National Institute of Justice within the Department of Justice.

Sec. 202. Section 202 creates a Board to establish the policies and priorities of the Institute. The Board shall consist of twelve members appointed by the President with the advice and consent of the Senate. All Board members shall serve until their successors are appointed and have qualified. Various duties and powers of the Board are specified herein, including the composition of the Board, the terms of office of each member, and the authority to create formal peer review procedures.

Sec. 203. Section 203(a) provides that the Institute shall be headed by a Director appointed by the President with the advice and consent of the Senate. The Director shall have demonstrated significant expertise in justice research, shall have final authority over all grants and contracts awarded by the Institute, and shall carry out the policies and priorities established by the Board.

Subsection (b) sets out the responsibilities of the Institute. The Institute shall have the authority to make grants and conduct research designed to identify the causes of criminal behavior, develop methods of preventing and reducing crime, improve the quality and fairness of the criminal and juvenile justice systems, insure citizen access to and participation in crime prevention, and devise alternatives to incarceration and the criminal justice system in general.

Among other responsibilities the Institute shall evaluate the effectiveness of programs funded by the Bureau of Criminal Justice Assistance and the Bureau of Justice Statistics.

Subsection (c) authorizes the Director, with the approval of the Board, to request and obtain relevant information from any Federal agency.

Sec. 204. Section 204 requires that recipients of grant assistance provide, whenever feasible, money, facilities, or other services to carry out the purposes for which the grant is sought.

PART C—BUREAU OF JUSTICE STATISTICS

Sec. 301. Section 301 establishes within the Department of Justice a Bureau of Justice Statistics.

Sec. 302. Section 302 creates a Board to establish the policies and priorities of the Bureau. The Board shall consist of twelve members appointed by the President with the advice and consent of the Senate. All Board members shall serve until their successors are appointed and have qualified. Various duties and powers of the Board are specified, including the composition of the Board, the terms of office of each member, and the authority to create formal peer review procedures.

Sec. 303. Section 303 provides that the Bureau shall be headed by a Director appointed by the President with the advice and consent of the Senate. The Director shall have demonstrated significant expertise in statistical programs, shall have final authority over all grants and contracts awarded by the Bureau, and shall carry out the policies and priorities established by the Board.

Sec. 304. Section 304 authorizes the Bureau to enter into grants, contracts, or cooperative agreements designed to improve civil and criminal justice statistics. The Bureau is required to collect, analyze, disseminate, and maintain accessible data systems concerning the prevalence and attributes of crime, juvenile delinquency, and civil disputes at the Federal, state and local levels. Other functions of the Bureau are specified, including the mandate to collect statistics relating to criminal victimization, white-collar crime, civil disputes, and the processing of criminal, juvenile and civil cases.

Among other powers, the Director shall have the authority to request and obtain relevant information from any federal agency.

Sec. 305. Section 305 requires that recipients of grant assistance provide whenever feasible, money, facilities, or other services to carry out the purposes for which the grant is sought.

PART D—ADMINISTRATIVE PROVISIONS

Sec. 401. Section 401 authorizes the Administrator of the Bureau of Criminal Justice Assistance and the Directors of the National Institute of Justice and the Bureau of Justice Statistics, respectively, to establish such rules as are necessary to carry out their functions under this title.

Sec. 402. Section 402 provides general authority under this title for the appropriate Bureau or Institute to terminate, reduce or otherwise limit funds to recipients of assistance under this title who have failed to comply with any provisions of federal law. All recipients of such action shall be entitled to adequate notice, hearing, and appeal procedures.

Sec. 403. Section 403 prohibits the transfer of duties of both Bureaus and the Institute elsewhere in the Department of Justice unless specifically authorized by Congress.

Sec. 404. Section 404 provides both Directors and the Administrator with the authority to select, employ, and compensate personnel pursuant to existing civil service provisions.

Sec. 405 Section 405 authorizes the appropriate Bureau or Institute to reimburse other federal agencies for work performed under this title.

Sec. 406. Section 406 permits both Bureaus and the Institute to obtain the services of experts and consultants in accordance with Title 5, United States Code.

Sec. 407. Section 407 prohibits the discrimination or denial of employment on the basis of race, color, religion, national origin, or sex in connection with any programs funded under this Title.

Before approving any grant or contract in excess of $200,000.00 the appropriate Director or Administrator shall conduct a pre-award review to determine compliance with this section.

Should any program be found in violation with this section, the appropriate Bureau or Institute shall suspend further payment of any funds following proper notice and hearings. Procedures relating to cause of action, notice, appeal, hearings, attorney fees, and resumption funds are included herein.

Sec. 408. Section 408 permits the appropriate Bureau or Institute to maintain such records as it may require recipients of assistance under this title. It authorizes the appropriate Bureau or Institute to obtain access for the purpose of audit and examination to any records of grant recipients. Similar provisions are provided for the general accounting office.

Sec. 409. Section 409(a) prohibits any federal employee or recipient of assistance under this title from revealing any research or statistical information furnished under this title which is identifiable to any person, other than the purpose of the research. Such information shall be immune from legal process unless the person furnishing such information consents. An exception is granted to leqislative bodies.

Subsection (b) requires the appropriate Bureau or Institute to assure the security of all criminal history information collected, stored, or disseminated through assistance under this title. Such information shall be kept reasonably current and shall contain, wherever feasible, disposition date where arrest data is present. A fine of up to $10,000 is provided for violation of this section.

Sec. 410. Section 410 permits one member of the public to inspect all records of recipients of grants, contracts, or cooperative agreements which relate to the performance of that grant, contract, or agreement under this title.

Sec. 411. Section 411 authorizes the Institute or appropriate Bureau to accept the voluntary and uncompensated services of qualified individuals.

Sec. 412. Section 412 prohibits the expenditure of any assistance under this title for land acquisition.

Sec. 413. Section 413 permits the Administrator to waive state liability with respect to Indian tribes, and pursue appropriate legal remedies concerning enforcement of the grant provisions contained in this title.

Sec. 414. Section 414 authorizes sums to be appropriated for fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982. For the fiscal year ending September 30, 1980, $500 million is appropriated, of which 10 percent is authorized for Community Anticrime, 10 percent for OJJPD, 10 percent for Special emphasis grants, 20 percent for formula grants and 50 percent for transition grants. For the fiscal year ending September 30, 1981, $500 million is appropriated, of which 10 percent is authorized for Community Anticrime, 10 percent for OJJDP, 15 percent for Special emphasis grants, 40 percent for formula grants and 25 percent for transition grants.

For the fiscal year ending September 30, 1982, $500 million is authorized, of which 10 percent is authorized for Community Anticrime, 10 percent for OJJDP, 20 percent for Special emphasis grants, and 60 percent for formula grants.

In addition, for each of the fiscal years ending September 30, 1980, 1981 and 1982, $20 million is authorized for the administration of the Bureau of Criminal Justice Assistance (Part A), $25 million for the administration of the Institute (Part B) and $20 million for adminstration of the Bureau of Justice Statistics (Part C).

Sec. 415. Section 415 defines the following terms used in this title: "state," "unit of local government," and "criminal justice."

PART E—CRIMINAL PENALTIES

Secs. 501, 502, 503. Sections 501, 502, and 503 continue to effect prior sections 651, 652, and 653 of the Omnibus Crime Control and Safe Streets Act, as amended, relating to the criminal misuse of funds received from the Bureau of Criminal Justice Assistance, the National Institute of Justice, or the Bureau of Justice Statistics.

Sec. 102. Section 102 amends Section 5314 of Title 5, United States Code, to provide for the schedule of compensation for the Administrator of the Bureau of Criminal Justice Assistance, the Director of the National Institute of Justice, and the Director of the Bureau of Justice Statistics. This section also deletes several administrative positions under the Law Enforcement Assistance Administration.

Sec. 103. Section 103 repeals Titles I and II of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

Sec. 104. Section 104 authorizes the Attorney General to make such rules as to assure tho orderly termination of programs eliminated by this title and the orderly transition to activities initiated by this title.

TITLE II

Secs. 201, 202, 203, 204, 205, 206. Sections 201, 202, 203, 204, 205, and 206 transfer the provisions of the Safe Streets Act that pertain to the public safety officers' death benefit program to the Department of Labor.

TITLE III

Sec. 301. Section 301 establishes that this Act and the amendments made by the Act shall take effect on October 1, 1979.●

WE CAN STOP INFLATION AND LOWER UNEMPLOYMENT AT THE SAME TIME

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. KEMP. Mr. Speaker, the other day I had the opportunity to testify before the House Committee on Ways and Means concerning the administration's proposed "real wage insurance" program. In that testimony, I disputed the administration's assertion that we cannot reduce inflation and unemployment at the same time. I submit those remarks today, because I believe this issue is of interest to all my colleagues.

The remarks follow:

REMARKS OF CONGRESSMAN JACK KEMP ON THE ADMINISTRATION'S "REAL WAGE INSURANCE" PROPOSAL

Mr. Chairman, I am grateful for this opportunity to address the committee on the Administration's "real wage insurance" proposal. "Real wage insurance" is one of the rewards and punishments which are intended to secure compliance with the Administration's program of wage and price guidelines. Before getting to the question of how effectively "real wage insurance" would achieve that compliance, I would like to spend a minute or two on the broader question of the guidelines themselves.

Attempts to stem rising prices by government suasion have been conspicuously unsuccessful, at least as far back as when Roman Emperor Diocletian imposed the death penalty as an incentive for compliance with his wage-price guidelines. Diocletian's famous Edict of A.D. 301 which "commanded cheapness" was followed by thousands of executions, and the economy did not even pause in its course toward ruin. As early as the Code of Hammurabi in the 18th Century B.C., and as recently as today's totally ignored 5-percent official wage standard in the United Kingdom, all experience shows that wage and price controls range from the ineffective to the destructive, depending on the amount of official coercion involved.

Here in the United States, we have had the examples of the wage-price controls of World War II, which produced shortages, dislocations and a black market. We have seen the quick, successive capitulations of the Kennedy wage guidepost, the Johnson price standards, and the mandatory wage and price controls of the Nixon Administration. The current Administration officially concedes the counterproductive nature of mandatory controls, but nevertheless is substituting a rather convincing facsimile under the guise of a "voluntary" program.

The Administration has established a 7-percent guideline for maximum wage increases, and a price guideline calling for a one-half-percent "deceleration" per year, or alternatively, a ceiling on profit increases. The "real wage insurance" program is one carrot among the many sticks intended to enforce the guidelines. The other features outlined by the Administration are sanctions, including the public naming or investigation of those who do not comply, denial of government contracts, removal of import protection, review of government price supports, denial of Export-Import bank credits, and stricter regulation by various federal agencies.

I do not question the good faith behind the Administration's proposals, but the failure to understand what causes inflation means that the Administration's efforts will fail, like all similar efforts in history, after a lot of unnecessary suffering.

Treasury Secretary Michael Blumenthal has explained that "inflation is caused by a number of factors that act together and interact in strange and mysterious ways." President Carter has suggested that inflation is caused by "attitudes and habits." Then there is the circular definition that says inflation is caused by rising prices and wages. In other words, inflation causes inflation. There is even the view that we are simply at the mercy of the gods. '"To get a significant improvement in the inflation rate," says Professor Lester Turow of the Massachusetts Institute of Technology, "the U.S. needs some good luck." None of this is particularly helpful or hopeful.

This almost mystical view of inflation is caused, I think, by the failure of the prevailing theories of inflation—the Keynesian and the monetarist—to explain the facts.

The Administration bases its argument for wage and price guidelines on the Keynesian assertion that inflation is caused by spontaneously rising costs, and specifically, by the cost of labor, or wages.

This theory is very sympathetic to Diocletian's view that "unprincipled greed" is the major contributing factor. Economist Walter Heller blames "strongly organized producer groups—powerful unions, oligopolistic business and politically potent farmers." He explains:

> With each group pushing for a larger slice of the economic pie, it seemed very doubtful that increasing productivity could satisfy those rising claims. Something had to give.
>
> Either full employment had to give way to recession in order to maintain reasonable price stability; or price stability had to give way to inflation to maintain full employment; or economic freedom of choice had to give way to wage-price restraints or controls to reconcile reasonably full employment with reasonable price stability.

The Administration clearly believes in this long-discredited "Phillips Curve" notion that there is a tradeoff between inflation and unemployment. This belief is behind the proposed planned economic slowdown and the calls for "restraint" and "national austerity."

"During the course of an economic recovery, a stage is reached at which the emphasis of macroeconomic policy must switch from efforts to strengthen growth in economic activity to measures that restrain inflation," says the Council of Economic Advisers' Economic Report. "In view of the acceleration in inflation which has occurred, a further reduction of the unemployment rate during 1979 would run some risk of generating excess demand and creating inflationary pressures in labor markets."

"Inflation-fighter" Barry Bosworth goes around saying things like, "these major unions have to be brought back into line"—at a time when workers in general have never felt more threatened, when the typical wage-earner's real after-tax income is no higher than in 1967, and when both labor and capital are suffering massive increases in effective taxation as inflation pushes everyone into higher and higher tax brackets.

One of the larger problems with this theory is that it does not explain how, in a relatively free market, every wage-earner and produecr can demand and receive a monopoly price for his or her goods and services. Recognizing this difficulty, Alfred E. Kahn has suggested to the Joint Economic Committee that, as though by common agreement, "We have experienced a decreasing willingness to rely on and expose ourselves to the function of an uncontrolled open market. The fact is that most people in this country don't like the way a truly competitive economy functions and have found ways of protecting themselves from it."

The idea that we are all causing inflation because we have rejected the workings of a free market which would actually produce lower prices than we have now strikes me as highly improbable. The monetarists seem to come closer to the mark. Under this theory, inflation is a monetary phenomenon, a case of too much money produced by the government and too few goods produced by the economy. The price of goods rises.

Michael E. Trebing explains:

> This view holds that changes in money growth exert a strong influence on total spending in the economy. When people find that they are holding cash balances which are greater than desired, they spend the excess money on real and financial assets and bid up their prices.
>
> The monetary view does not deny existence of a wage-price spiral, but interprets the cost-push analysis as a confusion of the cause and effect relationships of the inflation process. According to the monetary view, the observed patterns of wage and price adjustments are normal responses to excessive money growth. For inflation to persist, the higher prices, no matter where they originate, must be validated by increases in the money supply. With money growth held constant, price increases can be maintained only through reduced production and employment. For such a situation to persist, businesses would have to willingly accept lower profits and labor would voluntarily remain unemployed and refuse to accept employment at lower wages. The empirical evidence does not support such irrational behavior. Only when monetary authorities actively ensure that the spiral is fully augmented through increases in the money supply, will inflation result.

The monetarists, however, believe that although inflation means too much money and too few goods, we can cure inflation with monetary policy alone. They recommend a "quantity rule" for monetary policy: Since long-term increases in productivity have averaged about 3 percent a year, they say, the money supply should be increased by 3 percent every year, come boom, come bust.

Walter Heller complains that this view is too simple. After all, he objects, if we look at the supply of money alone, how can monetarists explain why there can be inflation during a recession when money is held constant? How can a country like West Germany increase its money supply faster than the United States and still have lower inflation?

The problem is with the monetarists' prescription rather than their analysis. There are clearly not one but two ways to reduce inflation—restrain the creation of money, and increase the output of goods. When the supply of goods falls during a recession, the price of goods rises when the amount of money is constant. Likewise, increasing production reduces prices when money is constant.

Relying on monetary policy alone is like setting the hand throttle of a car at 50 miles per hour, and saying the car will reach its destination 50 miles away in one hour. That may happen, but the car will stall going uphill, and race going downhill. Instead of a "quantity rule" for the money supply, we need a "price rule," one which is aimed at maintaining the dollar at a constant price or value. This is like keeping the car at 50 miles per hour whether it is going uphill or down by using the accelerator instead of the throttle. The government should increase the money supply to match economic growth, and reduce it during periods of slack.

This kind of monetary policy would guarantee that there was no inflation, but not that there would be economic growth. For this, we need fiscal policies aimed at stimulating production.

I believe this theoretical perspective is important when judging the merit of the Administration's "real wage insurance" proposal, because the plan is aimed squarely at labor.

Actually, labor is just a handy scapegoat for the government's own inflationary policies. Some workers may gain relative advantages, but they do so only by driving other workers into more competitive labor markets, depressing wages there. Similarly, blaming inflation on big business has no basis in logic or evidence. We had big business and big unions before the late 1960s, but there was barely any inflation, and prior to 1933, none at all. What has happened since to bring inflation is that monetary, tax and regulatory policies have combined to give us too much money and too little production.

The whole idea that political officials should dictate what a person's labor or property is worth, through guidelines of controls, strikes me as morally offensive, politically dangerous, and economically counterproductive even if it worked. But individual wages and prices have nothing to do with the cause of inflation, the decline in the value of money. Wages and prices both rise when there are inflationary pressures, but that doesn't prove that wages push prices, or vice versa—only that both labor and product markets are affected by too much money.

If some wages or prices are held down by government decree, it only means that workers and producers have less incentive to work and produce and fewer of the goods they were producing come into the market. If it were possible to control all the millions of prices in an economy (think about used goods, new fashions, commodities priced in world markets) we would only see chronic excess demand for all goods and widespread shortages of all goods. The empty meat counters and drowned chicks of 1974 are typical of a controlled economy. There was little satisfaction then in knowing that if there had been any meat to buy, it would have been a few pennies cheaper. Once controls were lifted, supplies soared and meat prices fell.

One of my favorite stories along these lines is about the woman who complains to the grocer that he charges $1 for a dozen eggs. "The grocer across town only charges 75 cents," she tells him. "Well, lady, why don't you buy your eggs from him?" The lady says, "Well, he is out of eggs." To which the grocer replies, "Oh, when I'm out of eggs I only charge 70 cents a dozen."

Prices have important work to do, in signaling businessmen about what consumers value most highly. If prices and wages are not free to respond to market signals of supply and demand, there will be no incentive for labor and capital to move to the most promising opportunities. Wage and price restraint distorts these signals, and the result is wasted resources, less production and more inflation.

REAL WAGE INSURANCE

The mechanics of the plan are already familiar to this committee: it offers a tax rebate for qualified workers who accept a raise of 7 percent or less when inflation is higher, equal to earnings times the percent by which inflation exceeds 7 percent.

Here's the Administration's explanation of the program in its simplest form:

RWI would work like this: If you belong to an employee group that has an average pay increase of 7 percent or less, you would qualify for a tax credit equal to your 1979 employment earnings times the amount by which the 1979 inflation rate exceeds 7 percent. For instance: Assume that you belong to a complying group, that your 1979 earnings are $15,000, and that the 1979 inflation rate is 8 percent. You would receive an RWI tax credit of $150—$15,000 times 1 percent (i.e., 8 percent minus 7 percent).

The Administration explains the reasoning: "If one employee group shows restraint, but others do not, that group knows it will be penalized—its wages will be restrained, but prices generally will keep on rising." This is generally in line with the Administration's theory that inflation is caused by workers working and business doing business. Under this theory, the problem is how to get workers to "show restraint"—substitute a supposed "social goal" of earning less for the individual goal of earning more.

The obvious difficulty with this idea has led Labor Secretary Ray Marshall to say publicly what other Administration insiders are reportedly saying privately—that the Administration's anti-inflation efforts can survive without the "real wage insurance" program.

Arguments in favor of the proposal are curiously defensive. Essentially, the strongest argument in its favor seems to be the contention that the program wouldn't make much difference one way or the other. With widespread compliance, the Administration estimates the plan would reduce the inflation rate by only half a percent, and hopes in this case the cost would be kept to $2.5 billion a year. If fewer workers comply, the Administration reasons, then we just won't have to lay out as much of the taxpayers' money.

WHY IT WON'T WORK

Incentives for compliance are not very large—certainly not large enough to attract more than a few workers who would otherwise be in line for raises of more than 7 percent. In an apparent show of no confidence in its own proposal, the Administration has limited "insured" wages of $20,000 a year, and then only up to an inflation rate of 10 percent. On top of that, the tax credit itself is subject to federal income tax.

Twenty thousand dollars is no longer a lot of money. In a year or two, it will be the national median income, and a good number of blue-collar workers would already have no protection under the plan. Even the Congressional Budget Office, which generally subscribes to the Administration's theory of inflation, questions the attractiveness of the incentive:

The Administration's estimate that 21 million workers will accept lower wage increases in exchange for the credit may be somewhat optimistic. The Administration's assumption that the wage restraint exercised by these 21 million workers will reduce the rate of increase in employee compensation this year by 0.7 percent implies a reduction in compensation for these workers of around $6 billion after taxes. Since these 21 million workers will receive only a little over $1.1 billion in real wage insurance after taxes under the Administration's estimate, the Administration is assuming that they will forgo $6 billion in higher wages in exchange for $1.1 billion in real wage insurance.

In other words, aside from those 26 million workers who the Administration says would receive a tax credit but weren't in line for 7 percent pay increases anyway, "real wage insurance" would not prevent a substantial drop in real after-tax income. For most other workers, the primary effect of the plan would be to assure that those who do comply are pushed into higher tax brackets by inflation as fast as those who don't.

But now we get to the crux of the problem: when do workers get to catch up? A raise foregone this near in the name of stopping inflation is also given up for every year from now until retirement. Take the Administration's example of the worker earning $15,000 a year. If the worker accepts a 7 percent raise instead of 10 percent when inflation is 10 percent, a taxable, one-shot credit of $450 is not going to make up for the fact that he has given up $450 a year for say, 30 years until he retires. That's $13,500. In the limiting case, a worker earning $20,000 a year who accepts a 7 percent raise when inflation is 10 percent would receive a taxable credit of $600. But then he loses $18,000 over 30 years.

What happens? Does the worker get to make up with a raise next year? If so, we have a "real inflation deferral" plan. All we guarantee is that workers will have to seek twice as large an increase next year as this year. Holding down wages while devaluing the dollar drives a bigger and bigger wedge between capital and labor, labor and management, causing tension, frustrating the free collective bargaining process, leading to strikes. Look at Britain.

Clearly, the plan won't work. But we should be thankful. All the evidence suggests that the consequences for the United States economy would be worse if the "real wage insurance" proposal somehow worked than if it didn't.

Essentially, the program amounts to paying workers to be less productive. Wage increases include not only inflation, but real increases due to improved production.

The Council of Economic Advisers professes to be mystified by the alarming decline in productivity in the past decade, from 3.3 percent a year in 1947–67, to 1.8 percent from 1967–77, to 0.4 percent—almost zero—last year. Yet the period from 1967 to the present is exactly the period in which inflation caused by the government has pushed the entire work-force into higher tax brackets, and thereby eliminating incentives for being productive. The "real wage insurance" proposal would complete the process by reducing increases in productivity to zero—or below.

The proposal would disrupt economic activity in other ways, too. The plan would penalize workers in smaller growth industries. The larger companies generally offer a higher rate of base pay, with lower yearly increases, and can afford to meet the guidelines. Smaller, growing companies, however, depend on hiring employees away from the larger companies by promising quicker advancement in wages from a lower pay scale. Why run the risk of a job in a smaller outfit when the pay raise will be exactly the same, but from a lower starting salary?

This assumes that the Administration "caps" new jobs. If not, the proposal would encourage a disruptive game of "musical chairs," as people left "capped" jobs for higher paying jobs offered by a competitor, since, "new" jobs are not capped.

BETTER SOLUTIONS

Other concerned members of Congress and I have filed an Amicus Curiae challenging the Administration's legal authority to impose a coercive wage and price program. I intend to pursue these efforts. But we must also offer something better.

Since inflation is a case of too much money created for the amount of goods produced, there is a double reason for the failure of the Administration's anti-inflation program. The Administration neglects the role of monetary policy in stopping inflation, and actually advocates tax increases which discourage production.

The most striking feature of the Administration's centerpiece "anti-inflationary" budget is its proposal to close the "inflationary deficit" by using inflation to cause a massive tax increase by pushing people into higher tax brackets. The plan is to increase spending a moderate amount—7.7 percent in fiscal 1980—but hike taxes by 13.4 percent this year, 10.3 percent in 1980 and 14.5 percent in 1981. Personal income taxes alone are supposed to increase $24 billion in the 1980 budget. Another major source of tax increases is the legislated increase in Social Security taxes. Congressional Budget Office figures figure the sum of these tax increases at $19 billion in 1980, $34 billion in 1981, $51 billion in 1982, $64 billion in 1983, and $76 billion in 1984.

All of this points to a crying need for significant tax rate reduction to narrow the growing wedge between what an employer pays and a worker takes home, between the amount of labor a worker has to perform for the amount of goods he or she can buy. Yet the Administration opposes restraining tax increases, the fastest growing component of the cost of living—in the name of holding down the cost of living.

Indexing the tax brackets to eliminate these future automatic tax increases caused by inflation "would constitute a surrender to the problem (of inflation) rather than a solution to it," according to Treasury Secretary Michael Blumenthal.

To me, the Administration surrendered to inflation when it decided to cash in on it, by claiming from its citizens windfall tax increases of bracket creep. The Treasury calculates that every 10 percent increase in inflation is worth a 16.7 percent increase in revenues.

Doing more than merely preventing some of the worst anticipated tax increases "would be inflationary, expanding the deficit while contributing nothing to wage moderation," Blumenthal says. President Carter agrees: "It would be unwise—and, indeed, very dangerous—to commit ourselves now to any mechanical formula for future (tax) reductions. No such formula will pass the test of budgetary responsibility."

Now, this raises some interesting questions, which shed some light on the gradualism and defeatism one senses in the Administration's rhetoric about reducing inflation. Suppose that, through some stroke of luck, inflation were to disappear tomorrow. Would the budget deficit stay the same, increase, or decrease? Obviously, it would widen, since the Administration would be without the massive inflation-caused tax increases it is counting on to balance the budget. By the Administration's twisted logic, reducing inflation itself does not meet the "test of budgetary responsibility."

Suppose, on the other hand, that inflation continues unabated, as everyone including the Administration predicts. These massive tax increases will continue to brake the economy, veering toward the by now widely predicted recession. A recession would shrink revenues and increase the need for spending on social welfare programs like unemployment, welfare and public jobs programs, to correct the Administration's economic mistakes. Judging by the last recession, a $30 billion deficit would quickly double or triple. Therefore, the Administration will never keep the deficit to anywhere near $30 billion without a substantial cut in tax rates to encourage real economic growth.

The Administration, believe it or not, maintains that "with a little bit of luck" we can slow the economy almost to a standstill—no great trick since it is almost there already—and still avoid recession. But this question is pointless since we are talking about a matter of degree. If the money creation continues as it has in the last year, no matter whether the supply of goods grows more slowly, stops, or falls, the price of goods must rise faster in each case.

Clearly, our priority must be to encourage real economic growth, not to slow the economy. The only way to do that is to reduce effective marginal tax rates on both labor and capital and responsible monetary policy.

Spending all our time squabbling over whether the budget deficit ought to be $30 billion or $32 billion is foolish when the economy is going down the tubes in the meantime. The budget should be balanced through prosperity, not squeezing the American taxpayers.

An anti-inflation plan which is anti-labor and anti-production is no plan at all; in fact, it is worse than no plan at all, because by discouraging economic growth it will only worsen the problem of stagflation with a lot of unnecessary suffering.

Suffering is not the way to end inflation. We can end inflation with responsible monetary policy which guarantees the value of the dollar, by curbing the excessive growth of federal spending, and with regulatory and especially tax policy which provides incentives for real economic growth.●

TAX CENTS TO STOP SMOKING

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. JOHNSON of Colorado. Mr. Speaker, last Saturday, the Washington Post published an editorial by Colman McCarthy, which deserves some thoughtful consideration.

As Mr. McCarthy observes, if the Government is truly committed to discouraging the consumption of cigarettes in the interest of public health, why does Congress not drastically increase the Federal tax on tobacco? The answer is simple—politics. In past Congresses, votes have been more important than the health of constituents.

In reviewing Mr. McCarthy's comments, I hope my colleagues will conclude it would not be that way with the Members of the 96th Congress.

The editorial follows:

TAX CENTS TO STOP SMOKING

(By Colman McCarthy)

Marlboro Country isn't a place I visit often, but the recent report on smoking from the surgeon general brought to mind my most recent trip. I'm talking about the real Marlboro Country—the cancer ward of a local hospital where a friend lay dying after 40 years of cigarettes.

He had cancer of the throat. He could speak for only a few moments at a time. Incredibly, he brought up the subject of cigarettes. He had always been a Chesterfield smoker, he said with pride. They were better than Camels or Luckies. Not only were they "good tasting," but they were associated with first-class radio programs, like the old Chesterfield Supper Club with Perry Como.

My friend was no fool. He sensed the arch irony of this scene: He would be dead soon from cigarettes, but here he was boasting about his brand, as if he had picked a winner early in the game. But then, wanting to let me know that only his throat, not his mind, was destroyed, he said he regretted every cigarette he ever lit.

"If only they weren't so cheap to buy," he said. "I'd have passed it up if it had been an expensive vice."

What my dying friend said he needed for himself and what Joseph Califano, secretary of health, education and welfare, says the country needs for itself is the same: a strong negative attitude about cigarettes. The lethal product currently sells for an average of 54 cents a pack. But only eight cents of that is federal tax, a figure that has not been tampered with since 1951.

Why can't the tax be doubled or quadrupled? Why is such a devastating addiction allowed to be sold so cheaply? The costs of smoking—350,000 lives annually and $18 billion in hospital bills, disability payments, etc.—are carried by more than just smokers. If the federal government wants to raise our outrage against the hazards of smoking, why doesn't it also increase the taxes—and thereby discourage consumption and raise revenues?

Until lately, the taxation approach had been pushed only by the occasional idealist who could persuade a congressman to introduce a bill that everyone knew would go nowhere. But this may be changing.

HEW's Office of Smoking and Health has been quietly exploring the possibilities of an increased tax. It is known already, for example, that teen-aged smokers are more sensitive to price increases than others. Among females aged 12 to 14, the percentage of smokers has increased eightfold between 1968 and 1974. Jeffrey Harris, a medical doctor and a professor at MIT, is researching for HEW the idea of increasing taxes as a possible federal policy. Among teen-agers, he says, "a relatively small price increase may have a significant public health effect because it deters individuals from becoming addicted early in life."

Harris points to past research among smokers of all ages: If prices increase by 25 percent, a 12.5 percent decrease in smoking follows. But as increases go beyond 25 percent, the less reliable is the predicted decrease.

All of this presumes that the federal government wants to turn smoking into an expensive vice. John M. Pinney, the head of the Office on Smoking and Health, says that "although we are very interested in this approach, we know also that it's very complicated. We'd hate to use up a great deal of energy to get only a marginal benefit."

If viewed as a moral issue, the ethics of an increased federal tax are defendable. Some of the revenue could be used to help smokers quit. Surveys reveal that large numbers of them want to, but either lack the strength to go cold turkey on their own or the money to join a group. If federal money goes into programs for victims of other addictions—from alcohol to heroin—is it humane that some 50 million citizens with the tobacco disease be left out?

What is clear as a moral question becomes fuzzy as a political one. Even if a strong case can be made in favor of heavier federal taxes, it would still leave middle-level officials like Pinney and Harris trying to persuade high-level officials to go with the idea. Jimmy Carter assured the tobacco industry last March in North Carolina that it's fine for Califano to protect the nation's health but that he, the president, is committed "to preserve the health and stability of the tobacco industry." That, said Carter, is balance.

It isn't at all. It's politics. It's putting votes before public health.●

THELMA BOTTOM

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. LEWIS. Mr. Speaker, on February 24, 1979, Mrs. Thelma Bottom of San Jacinto, Calif., will be installed as president of the California Association of Educational Office Employees.

In her over 20 years of service to the San Jacinto Unified School District, Mrs. Bottom has served as an elementary school secretary for a decade before becoming the secretary to the district superintendent of the San Jacinto Unified School District until 1977. Presently, Mrs. Bottom is the secretary to the director of the educational services.

Although an outstanding worker, Mrs. Bottom has not stopped there. Her contributions to the Riverside and California Associations of Educational Office Employees have paralled her service to the school district in a way few can match. From 1968 until 1970, she served as president and program chairman of the Riverside California Association of Educational Employees. During her tenure in the California association, she has served as an inservice educational team member, corresponding secretary, first vice president, and now Mrs. Bottom is president-elect.

The California Association of Educational Office Employees is dedicated to the continued search for ideas and methods which will result in more efficient service to schools and the community, and through her dedication Thelma Bottom has epitomized these ideals.●

EVA KIRBY RETIRES

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. CORMAN. Mr. Speaker, it is my pleasure to bring to the attention of my colleagues the dedication and ambitious services of Eva Kirby, retiring principal of North Hollywood High School.

On March 4, Mrs. Kirby will be honored for outstanding leadership during her 32-years of service to the Los Angeles Unified School District.

Mrs. Kirby has contributed enthusiasm, dedication and skills to the betterment of the public school system. A few of her many accomplishments include service on numerous District committees; designer of study diagrams used since 1949 by students in health education and biology; secretary, vice-president, and president of the Senior High School Girls' Vice-Principal Association; and secretary, vice-president, and president of the Junior High School Principals' Association. She has also been a member of the executive board of the Los Angeles Association of Secondary School Administrators and has held membership in the Association of California School Administrators and the National Education Association. The list is nearly endless.

Eva Kirby is a credit to the community. Her presence will be missed by all who had the priviledge to work with her and by the students she nobly served. Mrs. Kirby has said:

> I'm not retiring, I'm just expanding my options for service and involvement. My greatest rewards have come from helping young people grow and achieve, and from helping to estabilsh a school environment conducive to learning, and from encouraging staff, faculty and students to excel and to strive for excellence.

Her service has been longstanding and her contributions many. We owe Mrs. Kirby our deepest gratitude and I personally hope she fully understands our appreciation for all her devoted community services.●

WILLIAM GREIDER TAKES A LOOK AT DEFENSE SPENDING

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. CONYERS. Mr. Speaker, William Greider of the Washington Post has had a remarkable career as a journalist. His writings have been a major source of in-depth knowledge on a variety of issues, including the energy industry, urban poverty, and Government-business relations in general. Recently, he became editor of the Sunday Outlook section, and inaugurated a weekly column, Against the Grain.

Mr. Greider's column of Sunday, February 4 examines the defense industry and its relationship to Government; in particular the historical changes that have given rise to the considerable inefficiency, waste, and inflationary impact within the industry. Among the basic questions he raises is: How does the administration get a handle on the inflation built into defense spending, given political sensitivities and the sheer size and scale of that sector? Other questions are implicit in his analysis: for example, why has the administration seen the need to raise the DOD budget this year by 10 percent, given the expected surplus of $99 billion by the end of fiscal year 1980 that DOD will have accumulated, funds that either have been contracted for, but not spent, or else not yet even contracted for.

William Greider's article ought to be read by all those who seek to restrain inflation.

Against the Grain

(By William Greider)

For children of a certain age, say 40 years and older, the mention of certain names will stir deep feelings, a collection of important memories not shared by those who are too young to remember.

These names are imaginative emblems of a special time in the national history, a period when events were terrible and glorious and more fantastic than most other eras in America's fantastic past. I will mention some of these names:

Grumman Hellcat. Lockheed Lightning. Curtiss P–40. Douglas C–47. Northrop P–61 Black Widow. Vought Corsair. Boeing B–17 Flying Fortress. North American P–51 Mustang. Republic Thunderbolt.

Everyone over 40 recognizes the great airplanes of World War II and the aircraft companies which built them. Each name evokes a brave sense of daring the wild blue yonder. Even children who never flew memorized every name and silhouette in the sky as our contribution to the "war effort."

Those fighter planes and bombers were all propeller-driven, all incredibly small alongside today's behemoth jets. Yet they are still the most convenient statement of America's innate capacities—the resources and imagination and awesome industrial muscle which were mobilized to full potential by that national crisis. It was extraordinary what this country could do, when it needed to do it.

United by the war, politicians put aside the usual arguments over government spending, subsidies, government-financed research, government controls of wages, prices and profits.

The government built a lot of factories and turned them over to private companies to operate. The government ordered airplanes, world without end, and the infant aircraft industry rolled them out in dizzying variety and at heroic production speeds.

MAKING A MARKET

In business terms, World War II made a market for airplanes on which the aircraft companies were able to grow strong. After the war, America had a new industrial giant in place, an industry which would dominate world aircraft sales, commercial and military, for the next generation.

This was our national legacy from World War II—the industrial base for the long prosperity which this nation has enjoyed ever since. Government spending and government risk-taking nurtured the infancy of the great postwar industries—atomic energy, plastics and synthetics, advanced electronics, computers, jet propulsion, among others. Every living American benefitted, one way or another.

And yet this also must be said: Americans are still paying dearly for the glory of those old airplanes. We are paying billions in wasted dollars, consumed by subsidized and unneeded capacity in the aircraft industry. Worse than the wasted dollars, we still tolerate the distorting effect which this excess capacity has on defense planning and U.S. foreign policy. The government and the industry—interwined as they have always been—have a joint stake in selling more and more arms to the world and in endlessly elaborating on America's own arsenal. The alternative, which no one wants to face, requires killing off a few famous old names.

Revisionist historians of the Left would argue that this is what the Cold War is really all about—making markets for the defense contractors of World War II. Their argument goes like this:

> Cold War ideologies conjure fearful visions of World War III, which, thus, justify permanent arms production on a massive scale which, in turn, keeps those factories humming, almost as though World War II never ended.

That version of history is too cynical, too simplistic for most of us, but it touches on something true about U.S. policy today and yesterday. Having raised a mighty industry from infancy, the government lacks the courage to confront its bloated offspring and reduce it to a proper size. To politicians of every stripe, Republican and Democratic, conservative and liberal, that sounds like infanticide and they won't touch it.

EXCESS CAPACITY

What happened to the great names of World War II? A few companies like Curtiss-Wright have moved away from military aircraft sales. Several companies merged (McDonnell and Douglas, Fairchild and Republic) and others were absorbed by huge conglomerates (North American by Rockwell, Vought by LTV, Consolidated Vultee by General Dynamics, Ryan by Teledyne). But that still leaves 12 major airplane manufacturers and five helicopter companies, all bidding furiously for the available business.

To put the problem bluntly, America has too many airplane companies. If two or three of them went out of business, the industry would still have abundant extra capacity for the future. As it is, the aircraft industry is roughly twice as large as it needs to be in order to produce all the commercial and military airplanes needed between now and 1990.

The Defense Department, as the principal customer, picks up most of the cost of this unneeded capacity. Conservatively estimated, maintaining this excess eats up $300 million to $500 million a year. This wasteful government spending—which is pure inflation since it produces nothing—pays for unneeded employees, for idle factories and depots, for the inflated costs of airplanes and helicopters which are manufactured at inefficiently low production rates.

The above facts are not exaggerated claims from antiwar zealots or pacifist nervous-nellies. These facts are from the Pentagon, reported by a special joint study group which courageously explored this sensitive subject and proposed a long list of alternative policies to confront the problem. The report was issued quietly in the last days of the Ford administration and, as far as I can determine, it promptly disappeared beneath the waves.

2,000 FOOTBALL FIELDS

The findings were drawn by colonels and captains, admirals and generals and Defense budget analysts, so one may reasonably assume that they do not approach the aircraft industry with hostility. Here are a few provocative points which their report made:

If all of the aircraft companies geared up for full employment, operating three shifts a day, they would produce four times more airplanes than the United States or foreign customers will need in the next decade. Even operating at one-shift capacity, they would produce too many airplanes.

Even during the "surge" production of the Vietnam war, when both military and commercial orders reached simultaneous peaks, the industry was still operating below its nominal one-shift capacity.

The defense budget pays for something like 30 million square feet in excess factory space. This dead space is equivalent to 2,000 football fields, about a third of it government-owned. It costs about $60 million a year.

Industry and government could close about eight major production centers, save $310 million a year and still have plenty of competition and "surge" capacity in the event of war.

The aircraft industry has become top-heavy with the overhead costs of maintaining nonproduction employes, the managers and engineers and others who do not make airplanes but who plan, design and sell them. In 1975, for the first time, these nonproduction employes outnumbered the production employes.

So what we have is a government-industry relationship which covers itself with elaborate pretensions, complicated rules for procurement which pretend to an arm's-length standard. Behind these functions is the absurd reality—a subsidized marketplace which doesn't make any sense, in economic terms. The government keeps the companies afloat. It stages great contests among them—design competitions and complex bidding games—but ultimately the government must keep them afloat. If the Pentagon falls short in this obligation, Congress or the White House usually step in to save the day.

When Lockheed was on the ropes, the government bailed it out with a loan guarantee. Last year, when Vought was in trouble, Congress ordered a special purchase of Vought planes, even though the Pentagon didn't want them. Every year, it seems, Congress buys more F–14s from Grumman than the Pentagon ordered.

This juggling goes on, season after season, obscured by a lot of fancy theoretical arguments about which new planes are best and which ones fit the defense stategies. Ultimately, the purchases have another strategic goal—keeping each factory open with at least a little "warm production," as the Pentagon calls it.

WORLD SALESMAN

This inefficiency probably hurts the national defense in the long run because it inflates the cost of every airplane the government buys. Stretching out production runs and spreading the orders around means the armed services get fewer planes and each plane costs more delivered at a slower schedule. It pressures the Pentagon into becoming world salesman for the planes because, if Iran, Saudi Arabia or another country puts in an order for F–15s or F–16s, that means more U.S. production and that lowers the overhead costs the Pentagon itself has to pay for each plane.

But here is the devilish part. Despite the government's constant patronage and subsidy, these airplane companies are still extremely insecure. Because there simply isn't enough business to go around. As a result, nearly every season, one or two of them are in serious danger of collapse, belly-up bankruptcy. Meanwhile, several others will be "surging" with big contracts.

From the desperate companies salesmen will scour the world; aided by U.S. diplomats and military officers, in search of foreign buyers. Desperate lobbyists will blanket Capitol Hill, pleading for special consideration, special orders.

This fierce competition explains, in part, why some famous old aircraft names have become tarnished in recent years with scandal. Lockheed, Grumman, Northrop have new connotations for younger citizens: big-time corporate bribery or illegal political slush funds. Ugly corporate behavior flourishes when company survival depends upon political decisions.

Since the government finances the heavy costs of maintaining this extra capacity, the government, in effect, is still taking the risks for the aircraft industry, just as it did in the crisis time of World War II.

If conservative politicians were more alert or more true to their stated principles, they would pounce on this situation, denouncing the Pentagon subsidies as a monstrous distortion of the risk-taking values of a free market. Conservatives, of course, tend to be the most zealous defenders of this particular wedding of government and private industry.

A Forbidden Question

Why do President Carter's inflation fighters duck this problem when the savings could be so enormous? Because it would require them to ask a forbidden political question: Whose airplane factory shall the government close?

Certainly not Sen. Jackson's Boeing or Sen. Tower's General Dynamics. Surely not Sen. Moynihan's Grumman or Sen. Cranston's Northrop. Definitely not Sen. Eagleton's McDonnell-Douglas or Sen. Glenn's Rockwell.

Well, then, how about President Carter's Lockheed? Forget it. Notwithstanding its noble rhetoric, the Carter administration is busy buying airplanes and selling them to U.S. allies.

The awkward reality is that this industry has a natural political base which makes it nearly impossible for Congress or the executive branch to pursue national solutions. A modern pork barrel, sustained by log-rolling in the classic tradition. From the 11 states which have major airframe plants, the House of Representatives draws 198 of its members. Some of those representatives won't vote for every airplane every time, of course, but we haven't yet counted the other political components which go into the airplane—engines, electronics and air bases. When these votes are added, the industry has something close to a permanent majority in Congress. Perhaps this explains why Congress permanently supports bigger defense budgets.●

TAX CREDIT FOR THE ELDERLY

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WYDLER. Mr. Speaker, since the tax period is once again upon us, I would like to share with the older Americans in the "Fabulous Fifth" certain tips on how to avoid overpayment of income tax. In these inflationary times, it is important to every taxpayer, and particularly the older American, to know every means by which he can gain on his tax return. It is important that each person be able to minimize his tax liabilities.

The following material is offered as an assistance to our older Americans:

TAX CREDIT FOR THE ELDERLY

The Tax Credit for the Elderly may be claimed if you are age 65 or older or if you are under age 65 and receive a taxable pension or annuity from a public retirement system. The taxable pension or annuity you receive from a public retirement system must result from your services or from the services of your deceased spouse. The credit is 15 percent of a portion of your income. The amount of income on which the credit is based depends on your age, your filing status, and, if married, the age of your spouse.

If you are age 65 or older, the amount of income on which you can take the credit must be reduced by the amount of social security and certain other tax-free income you receive, and may have to be reduced further by a part of your adjusted gross income.

If you are under age 65 and qualify for the credit, the amount of retirement income on which you can take the credit must be reduced by the amount of social security and certain other tax-free income you receive and by earned income in excess of certain amounts.

You must be a U.S. citizen or resident to claim the credit. A further explanation follows:

The credit for persons age 65 or older is computed on Schedule R (Form 1040). You must be age 65 or older before the end of the tax year to qualify. You are considered to be age 65 on the day before your 65th birthday.

If you are 65 or older but your spouse is under 65 and receives a taxable pension or annuity from a public retirement system, you and your spouse may compute your credit on Schedule R, for persons age 65 or older, or you both may choose to compute your credit on Schedule RP, as explained later under Credit for Persons Under Age 65. You should figure your credit both ways to determine which will result in a larger credit.

Before you figure your credit for the elderly on Schedule R you need to know your initial amount of income for credit computation, the amount of your nontaxable pensions and annuities, and your adjusted gross income limitation.

The initial amount of income for credit computation is:

$2,500 if you are single;

$2,500 if you are married filing a joint return and only one spouse is 65 or older;

$3,750 if you are married filing a joint return and both spouses are 65 or older; or

$1,875 if you are married filing a separate return and you and your spouse lived apart the entire tax year.

Nontaxable pensions and annuities. You must reduce the initial amount of income for credit computation by the total amount of the following nontaxable items:

Pension or annuity payments that are not taxed. (Do not include amounts received as workmen's compensation or accident and health benefits);

The monthly payments from a matured U.S. Government life insurance endowment contract. (Do not include amounts you paid for the contract);

Railroad retirement pension payments (but not supplemental annuities);

Social security payments. (This includes the gross amount of social security benefits before deduction of any amounts withheld to pay premiums on supplementary Medicare insurance).

The amount of social security pension you subtract does not include the lump-sum death benefit payment you may receive as a surviving spouse, or a surviving child's insurance benefit payments you may receive as a guardian.

If you file as married filing a separate return and either you or your spouse or both live in a community property state, the character of social security benefits as separate or as community property is determined by the community property laws of that state.

If you are married filing a joint return, reduce the initial amount of income for credit computation by the total of nontaxable items received by both you and your spouse.

Do not reduce the initial amount of income for credit computation by any of the following:

Amounts treated as a return of your cost of an annuity or pension;

Compensation for injury or sickness;

Disability pensions (including VA service-connected disability compensation);

Proceeds of accident or health insurance policies;

Life Insurance proceeds received upon the death of the insured (including the amount discussed under *Insurance Received in Installments* in Publication 550, available free from your Internal Revenue office);

Basic or supplementary Medicare benefits;

Amounts paid to the estate or to the beneficiaries of an employee by or for an employer because of the employee's death;

Amounts received by beneficiaries of an employees' trust;

Death compensation paid by the Veterans Administration to the surviving spouse of a veteran who died from sickness or injury incurred in active service.

Adjusted gross income limitation. You may have to reduce your initial amount of income for credit computation by part of your adjusted gross income (line 31, Form 1040). To determine this amount divide by 2 your adjusted gross income that is more than:

$7,500 if you are single;

$10,000 if you are married filing a joint return; or

$5,000 if you are married filing a separate return and you and your spouse lived apart the entire tax year.

The credit for the elderly will not be available to you if:

You are single and receive $2,500 or more from nontaxable pensions and annuities, or have adjusted gross income of $12,500 or more;

You are married filing a joint return with only one spouse 65 or older and together receive $2,500 or more from nontaxable pensions and annuities, or have adjusted gross income of $15,000 or more;

You are married filing a joint return with both spouses 65 or older and together receive $3,750 or more from nontaxable pensions and annuities, or have adjusted gross income of $17,500 or more; or

You are married filing a separate return and you and your spouse lived apart the entire tax year and receive $1,875 or more from nontaxable pensions and annuities, or have adjusted gross income of $8,750 or more.

In addition, the credit will not be available to you if the total of the amounts you receive from nontaxable pensions and annuities plus your adjusted gross income limitation is more than your initial amount of income for credit computation.

COMPUTING THE CREDIT

If you are age 65 or older, you use Schedule R (Form 1040) to compute your credit for the elderly. Put your name and social security number in the space provided at the top of Schedule R.

Compute your credit on Schedule R in the following way:

Check the filing status and age box that applies to you and enter on line 1 the initial amount of income for credit computation.

Enter on line 2a the total amount of nontaxable pensions and annuities you receive. If you are married filing a joint return, the amount you enter on line 2a is the total amount of these nontaxable items received by both you and your spouse. See Nontaxable pensions and annuities.

Enter on line 2b one-half of your adjusted gross income (line 31, Form 1040) that is more than $7,500 if you are single; $10,000 if you are married filing a joint return; or $5,000 if you are married filing a separate return.

Add lines 2a and 2b. Enter this amount on line 3 and subtract it from line 1. The balance is entered on line 4.

Your credit is 15% of the amount on line 4 or the tax shown on line 37, Form 1040, whichever is less. Enter the credit on line 7, Schedule R (Form 1040) and on line 39, Form 1040.

EXAMPLES

The following examples illustrate how to compute the credit for the elderly for persons age 65 or older.

Example 1. John Ash is single and 68 years old. He receives the following income for the year:

Social security pension	$1,920
Interest (taxable)	215
Pension (taxable portion)	3,600
Wages from a part-time job	4,045

John's adjusted gross income is $7,860 ($4,045 + $3,600 + $215) and his tax on line 37, Form 1040, is $643. John computes the credit as follows:

Initial amount of income for credit computation	$2,500
Subtract:	
Social security pension	$1,920
One-half of adjusted gross income over $7,500	180
Total	2,100
Balance	400
Tentative credit (15% of $400)	60
Tax from line 37, Form 1040	643
Credit for the Elderly	60

John's credit is $60, since that is less than the $643 tax on line 37 on his Form 1040. See the filled-in Schedule R at the end of this publication.

Example 2. You are 66 years old and your spouse is 64 years old. Neither you nor your spouse receive a taxable pension or annuity from a public retirement system. You file a joint return on Form 1040. Your adjusted gross income (line 31, Form 1040) is $9,630 and your tax on line 37, Form 1040, is $548. Together you receive $1,900 from social security. You compute the credit as follows:

Initial amount of income for credit computation	$2,500
Subtract: Social security pension	1,900
Balance	600
Credit for the Elderly (15% of $600)	90

You do not deduct any of your adjusted gross income from the initial amount of income for credit computation because your adjusted gross income is less than $10,000. Your credit is $90, since that is less than the $548 tax on line 37 of your Form 1040. Enter $90 on line 39, Form 1040.●

PHILLIP BLAIR

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mrs. SPELLMAN. Mr. Speaker, Theodore Roosevelt, our 26th President, advised that the first requisite of a good citizen is that he "be able and willing to pull his own weight."

In just a few days, Mr. Speaker, I will have the distinct pleasure of helping to honor a resident of my district who has not only "pulled his own weight," but has shouldered the burdens of many others. He is Phillip C. Blair.

I want to take just a few minutes today to share with my colleagues some of the contributions made by this outstanding man. For many years, Mr. Blair earned his living as an employee of the Federal Government here in Washington. But his avocation for an even longer period has been the Boy Scouts of America. Phil Blair's retirement last month after an incredible 51 years of volunteer service to Scouting will be marked by many of his longtime friends at a surprise dinner this coming weekend.

A resident of Cheverly, Md., Mr. Blair ended his Scouting career as the institutional representative to Scout Troop and Pack 716 for St. Ambrose Church in his home community. Before that, he was both assistant scoutmaster and scoutmaster of Troop 716 at St. Ambrose. He also organized the Cub Scout Pack at St. Ambrose and organized and led a Scout Troop at St. Frances de Sales Church in northeast Washington.

Twice in Phil Blair's Scouting career, his troops were designated honor troop of the year for the Archdiocese of Washington and in December 1963, he, himself, received the St. George Award for outstanding leadership. This outstanding citizen's involvement in Scouting did not begin with his arrival in the Washington area. For more than 20 years before he moved to Cheverly in 1951, he had been involved in Scouting in one form or another. He began his association with the Scouts as an assistant scoutmaster in Bedford, Mass., and he served as a scoutmaster in Bedford before entering the service in 1940.

Keep in mind, Mr. Speaker, that these achievement—remarkable enough in their own right—all were accomplished while Mr. Blair was donating his spare time, not as part of any employment. His sole recompense was the enjoyment and fulfillment he felt helping make "good boys even better men," as they say in scouting.

Mr. Speaker, I know my colleagues will want to join me in recognizing the many fine achievements of this most dedicated resident of my district. I know, too, they will want to join me in wishing him and his wife, Rita, well in all their future endeavors. And most of all, Mr. Speaker, I know my colleagues will want to join me in offering my heartfelt thanks to Phillip C. Blair for more than a half century of volunteer service to the Boy Scouts of America, during which he has enriched the lives of countless boys, most of whom have grown to manhood with fond memories of this dedicated, remarkable man.●

GOVERNMENT REGULATION AND INTERVENTION IN HEALTH CARE SYSTEM CITED AS REASON FOR HIGH COST OF HEALTH CARE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. SYMMS. Mr. Speaker, I would like to point out an editorial by Mr. Keith B. Leffler, professor of economics at the University of Washington, which was published in the February 2, 1979, issue of the Wall Street Journal and is entitled "Doctors Fees and Health Costs."

With what I consider to be the unwise and unnecessary move toward nationalized health care under the present administration, I would strongly urge my colleagues to consider the economic impact of such a policy and suggest Professor Leffler's excellent editorial be priority reading material.

DOCTORS FEES AND HEALTH COSTS

(By Keith B. Leffler)

In a recent speech before the Association of American Medical Schools, the Secretary of the Department of Health, Education and Welfare, Joseph Califano, announced a new "first tenet" of national policy towards the health care professions.

Secretary Califano proclaimed that the United States faces a severe "oversupply" of doctors in the coming decade. Only last year, the Department of Commerce issued a widely quoted report by its Council on Wage and Price Stability that anticipated the Secretary's annoucement by also emphasizing concern over a surplus of physicians. Both Secretary Califano and the council agree that the "chief effect of physician oversupply is dramatically rising costs." This conclusion is duly noted as being contrary to the laws of supply and demand and the policy makers allege "the forces of supply and demand have been overturned in the market for physician services."

The proclaimed oversupply of doctors and the impotency of the marketplace in controlling the problem has fortunate consequences for HEW.

Secretary Califano emphasizes that the solution to escalating health care costs lies in a "substantive partnership between the federal government and the providers of health care." For over 15 years, the Department of Health, Education and Welfare has actively supported the adoption of an extensive national health insurance (NHI) plan. Presumably such support arises from the personal conviction of HEW staff and also from the beneficial expansion of HEW power and the size that would be a result of the regulatory powers conferred under an NHI plan. Recent interest and debate on NHI has centered exactly on the potential for cost control by direct government intervention in the marketplace

AN INNOCUOUS ALTERNATIVE?

Certainly, the failure of the medical care marketplace to efficiently regulate itself makes government regulation and control seem an innocuous alternative. Yet, it is exactly the growing government intervention into this sector that is responsible for the current high costs of health care. Indeed, just as spraying a fire with gasoline will douse fire only when the laws of physics are repealed, increased government intervention will control health care costs only when the laws of economics are repealed. Politicians have no difficulty with such considerations; they simply announce that supply and demand doesn't work. Yet what is the evidence on this issue? Do the economics of supply and demand explain the costs of health care and also effectively regulate this market?

Until quite recently, the major government concern with the supply of physicians was a shortage believed to be caused by organized medicine's restrictions on medical school accreditation and licensing examinations. Only last year the Federal Trade Commission issued a report emphasizing supply. The theory was that medical groups were seeking to restrict entry to the medical profession as a means of keeping incomes high. It must have come as good news to organized medicine, therefore, to hear Secretary Califano's sugestion that medical school enrollment and foreign physician immigration be restricted.

Only some 15 years ago, the legislative debate preceding the 1965 passage of the Medicare-Medicaid programs centered on the inadequate supply of physicians and the resulting "excessive" cost of medical care to the aged and poor members of society. Subsequent government programs subsidized the consumption of medical care for a substantial portion of American families. The result was greatly increased medical care costs. Just as the 1973 Russian wheat demand pushed up wheat prices, the post-1965 increases in the demand for health care generated rapid health care prices increases.

Since 1965, average family health care expenditures have more than tripled. In the first four years of the Medicare-Medicaid programs, physicians, incomes increased 50%. The forces of supply and demand were clearly at work, though not quite in the fashion government might have hoped.

Extensive national health insurance plans, such as that repeatedly supported by Senator Edward Kennedy, would remove most financial disincentives to the consumption of health care. Medical treatment for minor colds, aches and pains, or hypochondriac reassurance would no longer imply sacrifice of a martini lunch or dinner at McDonald's for the kids. Of course, absorption of medical care financing by the government in no way alters the true cost of a hospital bed or one-half hour of a physician's time, even though the cost is obscured in a myriad of taxes. How then might "government partnership" control cost when the direct impact is only to raise prices? Here the oversupply scenario plays a crucial role.

In traditional supply and demand controlled markets, a greatly increased demand increases price which in turn stimulates supply. In turn, the increased supply eventually controls the high costs that arose from the original demand increase.

Secretary Califano argues that such responses do not apply to the health care sector. This belief is buttressed by reference to studies done both by economists and by the Council on Wage and Price Stability. These studies have shown that a high number of surgeons in an area is accompanied by high per capita surgery rates and high surgical fees. The explanation for physicians' good fortune in having their surplus supply "cause" high prices (and thereby making it necessary for the government partnership to control costs) lies in the notion that doctors individually control their incomes. When surpluses arise, physicians are alleged to simply raise fees and expand demand by prescribing "unnecessary" surgery, diagnostic procedures and follow-up visits.

The presumed passivity of patients to the provision of excessive, expensive medical care rests upon the presence of substantial third party reimbursement for physician care. However, while the government and private insurers on average pay 65 percent of doctors' bills, medical care is still expensive. For all but a morose few, a visit to the doctor is a disagreeable and frequently painful way to spend one's afternoon. We laymen may be somewhat ignorant of the true beneficial results of various medical procedures, but consistently high costs, whether in terms of the dollar bill or in terms of time, inconvenience and pain, will influence our propensity to visit the doctor.

Alternatively, it's argued that rather than expand services, physicians may simply raise fees to reach their desired incomes. Yet, the success of this strategy denies the actual existence of a sizable segment of the population who do pay their own bills.

The facts do, however, persist. Where there are more surgeons, there is more, higher cost surgery; where there are more internists, there are more internal problems.

Rather than the destruction of supply and demand, the explanation may be patently simple. The location of physicians is not determined by lottery. Among other factors, doctors locate where there is a demand for their services. Just as diesel mechanics tend to locate on interstate highways and diesel repairs are highest on these highways, surgeons and surgical rates will be greater where people get the sickest.

In addition, physicians are likely to be somewhat immobile compared to the general population. At a point in time, the area with the highest demand for surgery may simultaneously have the highest surgical fees and also the most surgeons. Again, truck mechanics may be the most prevalent and highest paid along a new highway that is particularly hard on trucks.

Finally, patients react to the presence both of doctors and of the latest in medical technology. Rural patients may flock to cities with the best equipment and the most surgeons. Data relating the usage and the fees of physicians to presence of physicians cannot alone hope to overturn the forces of supply and demand.

Contrary to the oversupply scenario, nearly all facts about the market for physicians suggest a market closely regulated by the classic forces of economics.

For example, the high cost of specialty training in terms of time explains the patterns of physician incomes and fees across specialties quite well. Are we to believe surgeons simply desire higher incomes than internists and internists higher incomes than general practitioners?

COMPARATIVELY LOWER INCOME

Perhaps most suggestive of the actual nature of the medical market is the response of physician incomes to the increasing supply of doctors since 1970—they have not kept pace with inflation. Compared to the average college graduate, physicians earned relatively less in 1976 than they did in 1970. This is exactly the response to increased supply predicted by the laws of economics. Again, are we to believe physicians' desire for income simply fell?

The costs of medical care of 1976 are certainly high and the market has not completely reacted to the rapid substitution of a third party for direct consumer payment. Yet experience with government attempts to generate efficiency and control costs is not encouraging. Prior to attempting the potentially high cost policy of increased government partnership in health care, the government can exploit a number of opportunities to lower the cost of health care.

For example, federal policy discourages for-profit hospitals in which cost saving innovations can personally benefit managers and owners in a large way. Similarly, reimbursement formulas and tax law favor the Blue Cross-Blue Shield plans. These plans are non-profit and also are closely allied with physicians and hospitals that might suffer most from alternative cost saving innovations in health care delivery. Finally, ethical restrictions and state licensing laws limit physician incentives and opportunities to institute low cost health care plans.

In all cases, the government can promote cost savings by removing these impediments to the workings of market forces. The first attempted cure for the ills of our medical care system should be to assist, rather than glove, the invisible hand of Adam Smith.●

CUTTING TAXES AND REDUCING FEDERAL SPENDING

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. GINGRICH. Mr. Speaker, inflation is the root cause of our major economic problems. Low productivity, high taxes, unemployment, the decline of the dollar overseas—all of these problems are caused or aggravated by inflation.

The people in my district, and the people in this country know how inflation and high taxes affect them. They are unable to pay their personal debts at the end of the month because they have less take-home pay. When they go shopping for groceries they have to choose between macaroni and ground beef because their dollars will buy less than they did last month. Older Americans living on fixed incomes cannot fill their shopping carts with nourishing food because inflation robs older Americans of their buying power.

As a father I share the concern of other parents faced with the problem of providing an education for their children. I am also concerned about what kind of future our children will inherit from us. I don't want our legacy to them to be a country in which owning a home is impossible, where their earning power is destroyed by inflation, where they cannot afford to heat their homes or plan for the future.

Mr. Speaker, I'm not one of those people who believe our problems are insolvable. If we dare to, we can tackle the giants of inflation and high taxes. We would be remiss in our duty if we did not.

That's why I am cosponsoring the new Kemp-Roth tax reduction bill. This legislation will lower taxes by 10 percent each year over the next 3 years. Giving people more take-home pay will lessen the burden of inflation and stimulate the growth of our economy. And that will create more jobs.

This bill also establishes a tax indexing system at the end of the 3-year period. Because of inflation, most Americans need pay increases just to stay even. But when they get more pay, they pay even higher taxes, and fall further behind. Under this plan the Tax Code would be tied to the Consumer Price Index making the tax system inflation proof. This will guarantee that a pay increase will mean an increase in take-home pay, and not be lost to higher taxes.

Finally, the Kemp-Roth package includes a resolution to limit the increase in Federal spending to 7 percent a year and lessens the Federal Government's share of the GNP. By putting a limit on the increase in Federal spending this resolution fights the worst cause of inflation—deficit spending.

Last year many Congressmen, both Democrats and Republicans, objected to the Kemp-Roth bill because the cut in taxes was not matched with a cut in spending. The new Kemp-Roth package has this provision. I urge you now to join Jack Kemp, myself, and the other cosponsors in approving this vital legislation.

By cutting taxes and reducing Government spending we can fight inflation and open up more opportunities for our children.●

SIX LIBRARIES IN PENNSYLVANIA

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. SHUSTER. Mr. Speaker, today, I am joined by three of my colleagues from Pennsylvania in reintroducing a bill for the relief of six libraries in the Commonwealth of Pennsylvania that have been notified they must repay funds paid to them for repair of damage inflicted by Hurricane Agnes. My colleagues, Congressmen DAN FLOOD, ALLEN ERTEL, and BILL GOODLING, in whose district five of the six libraries are located, have indicated their support for this measure.

Late in the 95th Congress, the Senate passed this identical legislation by unanimous consent. However, because of the lateness of the session, the House Judiciary Committee was unable to act upon this legislation. Thus, I am reintroducing this legislation today.

I can best relate the problem facing these libraries by explaining the example of Shippensburg Public Library which is located in my district. The Shippensburg Library was heavily damaged in the flood of 1972 and applied along with the local community for Federal disaster assistance from the Federal Disaster Assistance Administration. Their grant was approved and the library received $12,827 in aid. However, subsequent to the payment of the money and their utilization for repair work it was determined by FDAA, on information furnished by the Pennsylvania Attorney General, that the payment did not fall within certain portions of Public Law 91-606, the Federal Disaster Relief Act. In essence, it was determined that the Shippensburg Library was not owned by a State or local government and therefore not entitled to Federal disaster.

The Shippensburg Library was ordered by FDAA to repay all funds received. Obviously, repayment would place a tremendous burden on a small community supported library. Identical situations exist at the Ousterhout Library of Wilkes-Barre, the West Pittston Library of West Pittston, the West Shore Library of Camp Hill, the Milton Public Library of Milton, and the Himmelreich Library of Lewisburg. The total amount of money requested is $532,906. It appears a real possibility that what nature could not do the Federal bureaucracy will do. These libraries face total disaster and in my opinion the communities that will be affected have suffered enough.

Most certainly, I concur with the thoughts of the General Counsel of the Department of Housing and Urban Development which appear in Senate Report 95-1183:

> To require the libraries to reimburse the Government for these grants at this time would only serve to penalize the beneficiaries of their services—the public. In our opinion, this is a case of limited applicability where, because of the unique circumstances involved, the remedy provided by the bill will not establish an undesirable precedent.

I join with my colleagues from the Commonwealth in urging the House to act expeditiously on this legislation and insure the continued operation of these libraries.●

SUNSET LEGISLATION

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. BONER of Tennessee. Mr. Speaker, today I arise to cosponsor a major piece of legislation, H.R. 2, introduced by Congressman JAMES BLANCHARD of Michigan on January 15, 1979, to require authorizations of new budget authority for Government programs at least every 10 years and to provide for the review of Government programs every 10 years. The Sunset Act of 1979 is a continuation of the work which I started while I was a member of the Tennessee General Assembly.

During the 90th General Assembly of Tennessee I introduced Public Chapter 77-452 which was later codified as chapter 29 of title IV, Tennessee Code Annotated. This act provided for the orderly and systemic analysis of all State boards, commissions, agencies, and departments. Further, the act provided that without overt action by the general assembly the respective agency would cease to exist. By this mechanism those agencies which no longer provide for the public good were allowed to have the Sun set on them.

In recent years, the numbers of Federal Government agencies, programs, and regulations have increased considerably. Accompanying this proliferation has been a growing public disenchantment with the responsiveness of administrative efficiency and shear expense of government at all levels. These developments have prompted widespread interest in improving techniques of legislative oversight and an effort to increase government accountability and economy. One such procedure which has been receiving major attention, both State and Federal level, is the sunset approach embodied in Mr. BLANCHARD's Sunset Act of 1979, whereby programs and agencies were automatically terminated on a periodic basis unless explicitly renewed by law. According to its advocates this threat of termination would force Congress and the State legislatures to conduct systematic oversight reviews of existing programs and agencies at regular intervals.

Sunset legislation offers us a workable solution to the present situation so that we can identify programs that are wasteful or no longer useful, make room for more efficient funding or deserving Federal programs.

The bill that I am cosponsoring today is identical to the legislation which I sponsored in Tennessee, with the exception that it excludes certain Federal retirement programs to which individuals have contributed to in anticipation of later returns. Some of the major provisions of this sunset legislation include:

Establishment of an explicit but flexible review schedule and procedure for committees to follow in determining the appropriate funding level for the programs that are authorized.

The requirement that review and possible reauthorization programs of similar roles and scope be scrutinized.

Termination of the funding for any programs that Congress chooses not to reauthorize.

Requiring that all Federal programs with a few notable exceptions be reviewed and reauthorized at least once every 10 years.

Requiring the House Ways and Means Committee, and the Senate Finance Committee to draft a proposal so that Federal expenditures are reviewed.

Definite sunset legislation by this Congress is mandatory. In this age of limited financial resources we must not only show physical restraint but we must also show the wisdom of expending our dollars in those programs that provide the greatest good for our citizens.●

STRANGULATION BY REGULATION

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MYERS of Indiana. Mr. Speaker, every day the grip of excessive Government regulation strangles our private sector's productivity and fuels the fires of inflation. Small and large businesses alike are being forced to commit capital and labor resources to unproductive ends while attempting to comply with these bureaucratic mandates. Some businesses are forced to the point of consolidation or closing their doors. And the American consumer is the one who ultimately has to bear the costs of higher prices for goods and services.

I believe that the economic and inflationary impact of Government regulations should be evaluated with the same religious fervor that some place on environmental impact statements. In an attempt to objectively identify and quantify the costs and benefits of Federal regulations and expenditures, a cost-benefit analysis may be used as an economic tool to determine the impact of the Government action on the economy as a whole. While cost-benefit analysis does not perfectly estimate all variables, it does offer one guideline for evaluation.

Those who believe that the Government should regulate the activities of the private sector often criticize cost-benefit analysis because it sometimes does not support their position. Mr. Peter Schuck does a good job of addressing this issue in his January 28, 1979, article in the Washington Post entitled, "On the Chicken Little School of Regulation." I submit his article at this point for the benefit of my colleagues and the American consumer:

ON THE CHICKEN LITTLE SCHOOL OF REGULATION

(By Peter H. Schuck)

Last week Mark Green, director of Ralph Nader's Congress Watch, attacked the growing disenchantment with federal regulation, and particularly the cost-benefit studies often used to support anti-regulation views. This week Peter Schuck, a former deputy assistant secretary of HEW now at the American Enterprise Institute, challenges many of Green's arguments. Schuck, once an aide to Nader and later Washington director of Consumers Union, will teach law at Yale next fall.

Like Mark Green, I have had nightmares about regulation. But mine are different. In his, you will recall, big business and its minions gang up on Congress to defeat a regulation to end polio. In one of mine, a government agency mandates that children's sleepwear be flame-retardant only to learn—many millions of dollars and perhaps many cancers later—that the chemical that the agency knew would be used to comply was carcinogenic and the sleepwear could not be used.

In another, a government agency mandates that each new vehicle be armed with a costly system that prevents ignition until seat belts are fastened, only to find that consumers are disarming the systems in frustration. In another, a new government agency is created to increase the security of pensions, only to learn that its efforts have succeeded in discouraging the creation of pension plans and in helping to drive many small ones out of business.

In each of my nightmares, the regulatory scheme is preceded by analyses by academic economists, consulting firms, business organizations and the Council on Wage and Price Stability, all warning that the regulations will be costly, inequitable and produce fewer benefits than expected. Each, however, is implemented on a groundswell of righteous indignation fueled by congressional investigations, media exposés and Ralph Nader denunciations of cowardly politicians, passive bureaucrats and greedy corporations locked in unholy alliance against the public interest. And just before I awaken, as the predictions of the economists come true, proponents of the regulations propose not that they be repealed but that the economists be killed.

The difference between Green's nightmare and mine, of course, is that while his is fanciful, as he admits, mine all actually occurred. (In fairness, he does not recommend death for economists, only that nobody listen to them—which to them amounts to much the same thing.)

FALSE CHOICES

Green properly points out that some particular regulatory schemes have been effective, that cost-benefit analysis is still a rudimentary decision-making tool, that opponents of particular regulations often abuse it, that costs are often easier to measure than benefits, and that many of society's most cherished values are not well suited to this sort of analysis.

If his ambitions had been limited to these points, his article would merit applause rather than rebuttal. In fact, however, he has set himself a larger task: to build a case for regulation *in general*.

Like a lawyer representing a defendant already convicted many times in the same court for the same offense, he attempts to discredit some of the witnesses for the prosecution, hoping that the presumption of innocence alone will be enough to get his client off.

In our political-economic system, however, government regulation *in general* should not enjoy a presumption of innocence or effectiveness, however justified a *particular* regulatory program may be. Indeed, this is a lesson which Green and Ralph Nader, in their numerous documentations of regulatory failure, have been at pains to teach us.

From reading Green's article, one would think that regulatory policy is shaped, indeed dominated, by persons who believe that all regulation is bad. Yet the fact is that virtually all participants in these debates—and certainly all those who are taken seriously—agree that regulation is appropriate under conditions of significant market failure (such as public utility monopolies or environmental pollution) or inadequate legal remedies to prevent significant harm (such as occupational health).

Nevertheless, the questions remain: *How* should government regulate? What are the likely *benefits* and *costs* of regulations? Can the regulations be *enforced?* Green suggests throughout that those who are critical of the way in which these questions have been asked and answered in the past are "trying to make citizens hate their government" or are seeking to "abolish" regulation. This inference is as logical as concluding that one who criticizes a proposed merger between two giant corporations is therefore hostile to the free enterprise system, a conclusion that Green would surely resist.

Closely related to the straw man that Green creates is the false choice that he poses: "The choice is between the president as a cost-benefit econometrician or as a tribune for the victims of marketplace abuse." Or, as Green characterizes the issue elsewhere: "Should health and safety regulation be sacrificed to the anti-inflation campaign?"

This reflects a view of the world as one of blacks and whites, either-ors, and goals which do not conflict. Neither the president nor any other policy maker, however, can afford the luxury of seeing the world in that utterly distorted way, but must find some acceptable balance between health goals, anti-inflationary goals, employment goals, capital formation goals and other goals, each of which conflict to some degree. To suggest that such an accommodation is a betrayal of trust, rather than constituting the essence of leadership, is truly to "make citizens hate their government."

FLAWED BUT NECESSARY

In his discussion of cost-benefit analysis, Green begins with two fundamentally sound premises: Cost-benefit studies are usually flawed, often seriously, and they are often used by political actors for political ends. Much like a rookie cop who encounters sin on his new beat. however, Green finds this reality profoundly disturbing and draws the conclusion that cost-benefit analysis is essentially a sham, designed to serve predetermined corporate, anti-regulatory ends.

In truth, however, analysis is an effort to engage in rational decisionmaking, an effort that will always fall short to some extent. Green's critique confuses a process with the products of that process. It is rather like opposing democracy because it permitted Watergate to occur, or opposing sex because it sometimes leads to prostitution, venereal disease and unwanted babies.

If cost-benefit analysis is at best imperfect, which it is, what is the alternative? Green provides confusing signals on this question: He says that "obviously" officials devising regulations should do what sounds suspiciously like cost-benefit analysis (he calls it "impact review"). Yet the entire thrust of his article is that such analysis is pernicious.

In any event, let me offer a few modest suggestions. First, cost-benefit analysis, as a way of addressing complex problems, is inescapable. Although we do not often call it that, we all use it, with varying degrees of sophistication and rigor: The driver trying to decide how fast to drive and what route to take; the worker puzzling about whether to change jobs; the student figuring out whether to go to work or to graduate school; the Congress agonizing over whether to spend more money on jobs programs; the regulator trying to set safety standards, and lobbying groups like Public Citizen deciding on which bills to focus their limited resources. In short, we are stuck with cost-benefit analysis, and the only questions are how well it is done (analysis, after all, is not costless) and how honestly and openly its inevitable limitations are acknowledged.

Second, even when the analysis cannot help us to evaluate regulatory objectives, it can often help us identify the most cost-effective alternative for attaining a given objective (for example, reducing pollution through effluent charges rather than emissions standards).

Third, it is simply not true that the biases in benefit-cost analysis work only in an anti-regulation direction. Proponents of regulation routinely predict large benefits while downplaying costs in an effort to persuade others, and those predictions often turn out to be exaggerated. In short, numbers games are played by all sides—and, to judge by the outpouring of regulations in recent years, the deck can hardly be said to have been stacked against those of Green's persuasion.

Finally, his attack on the notion that "business-dominated cost-benefit studies should control regulatory decisions" is mere wrestling with phantoms. The political process constitutes an important safeguard against the inevitable shoddy and distorted analyses, a safeguard which Green ignores. Regulatory policy is made in an intensely competitive environment in which adversaries have every incentive—and many forums—to pinpoint and publicize the limitations and imperfections of any particular piece of analysis. His own article is replete with examples of this adversary process successfully at work.

Decision makers in the real world do not make decisions primarily on the basis of cost-benefit analyses (although they may haul them out as protective coloration once the decision is made); the limits of such analyses are too well-known to them—though not always to the general public—to permit them to be decisive except in a few extreme cases on which almost everybody would agree, anyhow.

QUALIFIED BENEFITS

Most students of regulation, including those often critical of its particular manifestations, agree that regulation often yields important social benefits. Since Green catalogues them at great length, I can limit myself to pointing out some of the deficiencies in his analysis of benefits.

Regulation does often encourage innovation, as Green points out, but only in a restricted sense of the word. To be sure, a firm can be expected to find the least costly way of meeting a given regulatory standard, but that is innovation only in the sense that a driver presented by a detour sign from taking his accustomed route is engaged in innovation when he takes a different road. The regulation may well elicit a fresh response, but that does not tell us whether the standard itself, the detour, was the best road to have taken.

Moreover, many regulations actually prohibit innovation by prescribing a specific manner in which a standard must be met. In fact, most studies of the subject have concluded that regulation usually inhibits innovation or channels it into frivolous areas (such as the color of airplane fuselages).

Regulation, as Green's example indicates, both creates jobs and destroys jobs; in fact, it usually does both simultaneously. But the jobs which regulation "creates" in one sector (say, manufacture of pollution control equipment) will probably occur at the expense of jobs which existed (or, absent regulation, would have existed) in other sectors (say, in the regulated industry itself or in industries to which the capital used to produce the pollution control equipment would otherwise have flowed). And even a regulation that produces a net gain in jobs is undesirable unless it is the least expensive way to achieve the regulatory objective (a question, by the way, that cost-benefit analysis can help to answer).

Green asserts that regulation often has a beneficial redistributive effect, postulating a regulation that shifts costs "from hard-pressed workers to relatively well-off stockholders." If the world were that simple—if redistributive effects were so easily identified and socioeconomic groups were so easily categorized—social policy making would be almost as easy as Green seems to think it is. In fact, however, a regulation often benefits certain "hard-pressed workers" at the expense of other workers (now even more hard-pressed because unemployed) and equally hard-pressed consumers and small business people.

By the same token, the "relatively well-off stockholder" often turns out to be that same hard-pressed worker; indeed, he and his co-workers now own through their pension plans close to half of the stock in American corporations (according to Peter Drucker), and the percentage is steadily growing. Again, the point is not that regulation does not sometimes have redistributive effects of which Green and I might approve, but only that these effects are very difficult to predict and probably occur (when they do) as much by accident as by regulatory design. If we really wish to redistribute income, there are far better ways to do it than through regulation.

CHICKEN LITTLE REGULATION

Finally, there can be little doubt that some regulations do enhance health and safety. In each case, however, the important questions will be: How much health and safety? For whom? At what cost? To whom? Could the money be more effectively spent in other ways? These difficult questions do not vanish just because Green invokes grisly images of children disfigured by fire and workers suffering from cancer, nor is our effort to answer them aided by reminding us that human life is priceless. Society measures the value of life many times every day, either explicitly (as when a jury must award damages or a person purchases life insurance) or implicitly (as when Congress, regulators or citizens make tradeoffs between safety goals and other goals, as in our refusal to set 30-mile-an-hour speed limits on interstate highways). The logical implication of Green's life-is-priceless litany is that we should spend the entire federal budget on health and safety, yet no one—least of all, the public—seems to think that makes sense.

Green properly warns us against what he calls "the Chicken Little School of Economic Analysis." An equal, if not greater, danger, however, is the Chicken Little School of Regulation, founded on the principle that one need only consult one's ethical precepts in order to know when and how to regulate in areas of complex human and institutional interaction, and that those who believe otherwise lack ethical precepts, are dupes (witting or unwitting) of business propaganda, or both. His article is a primer for this school. Fortunately, the administration and the public appear increasingly disposed to reject its false teaching.●

A REAFFIRMATION OF REPUBLICAN POLICY PRINCIPLES

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. SHUSTER. Mr. Speaker, on Tuesday of this week, the Republican Policy Committee, which I have the honor to chair, held its first meeting of the 96th Congress. At this meeting, Policy Committee members unanimously adopted the following resolution, and I quote:

> Whereas after more than forty years of Democrat domination of Congress, the Democrats and their leadership stand indicted before the American people and before history for inflicting upon the American people the ravages of inflation, the burdens of massive taxation, and the heavy hand of excessive regulation, and
>
> Whereas this legacy of the Democrats is a political failure so devastating and so obvious that it is without parallel: Now, therefore, be it *Resolved*, That the Republican Policy Committe of the U.S. House of Representatives hereby reaffirms the "Legislative Agenda of a Republican House" which was adopted by the Policy Committee of the 95th Congress, as the foundation upon which Republican policy shall be built during this, the 96th Congress.

Mr. Speaker, the legislative agenda points out numerous examples of the record of Democrat broken promises and broken trust. It then details how Republicans would repair the damage and clear away the wreckage of Democrat failure.

Concerning the economy, the Republican agenda calls for permanent tax cuts, expansion of business, more jobs, the elimination of excessive regulation, control of the Federal budget, a reduction in Government spending and a stimulation of exports. The agenda calls for a balanced budget at a significantly lower tax burden of only 18.6 percent of the GNP.

In the commitment to reduce big government, the agenda concentrates on legislative oversight and regulatory reform. In the field of energy, where the Carter administration still has no program, the Republicans spell out ways to bolster supplies, bring about conservation and lessen U.S. dependence on imported fuels.

The agenda commits Republicans to a strong national defense, and to a reversal of the Carter administration's deterioration of our defense capabilities.

On other issues, Republican policy goals pledge to farmers a fair price in the marketplace and elimination of the "Democrat boom and bust cycle" current in American agriculture. In the fields of social security and retirement, Republicans offer a plan to finance the social security system for the next 75 years without massive payroll taxation. The Republican agenda goes on to spell out programs for the cities, education, recreation, the environment, transportation, minorities, veterans and health care.

Where do the Democrats and their leaders stand on these issues? For more than 40 years their opposition to these principles has put the country where it is today. Now we see their half-hearted embrace of Republican principles only because the American people are forcing them to a shotgun wedding. The American people have a right to know that Republicans in the House embrace these principles of limited government because we believe in them, and not as some political expedient.

I urge the American people to measure the performance of their Congressmen, not based on rosy rhetoric, but rather on the reality of their voting records in the months ahead.●

CONGRESSIONAL VETO

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. HAMILTON. Mr. Speaker, an editorial appeared in the January 29, 1979, issue of the Atlanta Journal endorsing the work of Elliott Levitas of Georgia on the congressional veto.

Congressman Levitas has done outstanding work on the congressional veto and on other measures to control the bureaucracy and to make Government work better. It is a pleasure for me to call this editorial to the attention of my colleagues.

The editorial follows:

Making the Law

Lecturing at the University of Kansas, Attorney General Griffin Bell decried the continuing growth of "government by bureaucracy."

He called for a number of reforms, but particularly stressed the danger of unelected bureaucrats having the power to make rules and regulations affecting citizens with the force of law, a danger which has concerned us for some time.

In connection with this problem, Bell said he would urge Congress "to sharply curtail, if not abolish, the so-called 'rulemaking' powers of the independent regulatory commissions."

We find this recommendation confusing, however, in view of the fact that the administration of which Bell is a part has opposed proposals by Rep. Elliott Levitas that would give Congress power to review and veto such regulations. Certainly the Levitas proposal would bring a "curtailment" of runaway bureaucratic lawmaking.

In an interview before his Kansas lecture Bell said he would not be speaking for the administration in the views he presented. But he showed clear understanding of a serious problem, and we think something ought to be done about finding a solution.

We hope Bell's view that something must be done will become the administration's view, and if he doesn't think that Levitas has the best solution to the problem we would like to see the attorney general come forth with an alternative. So far Elliott Levitas is the only person in Washington who has contributed real leadership in dealing with this very real danger to our system of representative government.●

TRIBUTE TO LEO BURKE

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. SHUMWAY. Mr. Speaker, at this time I ask that my colleagues join with me in paying tribute to my constituent, Mr. Leo P. Burke, Jr., Commander of the Department of California American Legion. On Saturday, February 10, Leo will be honored with a "Salute to Leo Burke" by the 11th District American Legion for his many outstanding contributions and civic activities.

Enumerating Leo Burke's many impressive achievements and civic offerings would require that I stand before this body for a very lengthy time indeed. My description of Leo's continual involvement in and concern with the betterment of others will constitute only a broad overview. Nonetheless, I believe that my colleagues will agree that Mr. Burke is a community-minded citizen of the highest order.

Leo Burke has been honored with more than 100 awards and citations for his selfless dedication to improving his community, his State, and his Nation. Additionally, his name appears in the impressive rosters of Who's Who In California, as well as the Who's Who Historical Society.

His present capacity as Commander, Department of California, the American Legion, speaks volumes concerning his ongoing affiliation with this most worthwhile organization. In 1976, Leo served as president and general chairman of the Legion's 11th District Convention, which had over 10,000 individuals in attendance. His efforts surely played a major role in delivering this convention to his hometown of Stockton, Calif.

Leo's contributions to society are by no means limited to this one area, however. Through his tireless efforts, he has certainly enhanced the lifestyle and understanding of individuals and organizations in every area of endeavor: He has aided the older American through his chairmanship of the Senior Citizen of the Year Award panel; youth has benefited from his involvement with the Boy Scouts; education has been furthered by his many efforts, including his presidency of the San Joaquin Delta College board of directors, and we have all benefited from his open and obvious pride in the American ethic and principle.

Leo Burke is concerned about the health, happiness, enlightenment, safety, and dignity of his fellow man. In short, he is truly a man worthy of appropriate recognition. I thank my colleagues for joining in this tribute with me, and I extend to Leo Burke my heartiest congratulations on many jobs well done, as well as my best personal regards.●

LUIS LAINER

HON. HENRY A. WAXMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WAXMAN. Mr. Speaker, recently a "Bet Tzedek" party was held to honor Luis Lainer, who has just completed 5 years of service as the executive director of the Jewish legal services program of Bet Tzedek, a Jewish community law project. Luis was with the program at its inception and has created one of the finest community legal services plans in the country. Previously in the private practice of law, Luis followed his bent toward community service involvement by initiating the law project.

After taking his LL.B. at Yale Law School, Luis received an LL.M. in urban and poverty law at NYU Law School and was admitted to the bar in California in 1969, and in New York in 1970. Luis' general education consisted of an A.B. at Columbia College, with studies at UCLA and the Hebrew University of Jerusalem. For his Jewish studies, he attended the Seminary College of the Jewish Theological Seminary of America and the University of Judaism.

Luis Lainer's selfless devotion to the underprivileged is evidenced by more than his work with Bet Tzedek. He has been legal adviser to Jewish Resources, a nonprofit corporation which provides consultant services for innovative Jewish projects and organizations; a member of the Los Angeles City Attorney's Advisory Committee on Board and Care Homes; and a member of the Task Force on Alternatives to Institutionalization, City of Los Angeles Council on Aging-Long Term Care Committee. He is a member of the Westwood Free Minyan and a member also of the Anti-Defamation League, Pacific Southwest Regional Board. Luis also interests himself in youth activities; he is active in the Los Angeles Hebrew High School and Camp Ramah. His fluency in Yiddish, Spanish, and Hebrew permits him to communicate well with a large portion of southern California's non-English speaking population.

One does not know how to go about offering praise to such a man as Luis Lainer—everything that can be said about him is dwarfed by his accomplishments. I can only ask the Members to join me in an expression of gratitude. The wealth of our country resides in the devotion of such individuals as Luis Lainer. He enriches us all.●

DR. FRANCES WU—HER QUIET DETERMINATION PAYS OFF

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. DANIELSON. Mr. Speaker, one of my most interesting, unselfish, and dedicated constituents is Dr. Frances Wu of Monterey Park. She was recently honored by the Monterey Park (Calif.) Progress, one of the leading newspapers in my Congressional district as its "Woman of the Year."

The following article describing Dr. Frances Wu's determination in obtaining a Federal loan for a senior citizens housing project in Monterey Park best describes the work she has done; it describes a model of good citizenship. I urge my colleagues to read this story about Dr. Frances Wu, the Monterey Park Progress Woman of the Year.

HER QUIET DETERMINATION PAYS OFF

(By Mary Ann Belyea)

Frances Wu is a private person. Ask anyone who knows her, they'll tell you they hardly know her at all. They believe she has a sister living in Taiwan, or is it Hong Kong?

They know she is single, and they'll describe her in the words most often heard in reference to her personality—determined and dedicated.

But they know little about the private Frances Wu. She cannot be led to talk about herself. What she will talk about is her cause.

For the last several years that cause has been to better the plight of the many elderly Chinese who have been uprooted from their native land to find themselves in the middle—and sometimes on the edges—of a society they do not understand, and one that often doesn't understand them.

Certainly it took dedication for Wu to almost single-handedly bring together about 160 elderly Chinese into an organization called the Chinese-American Golden Age Assn.

The family-centered older Chinese, much like Wu, aren't prone to speaking of personal needs. The American custom of people with common cause uniting into a group is alien to their thinking.

They are more accustomed to spending their twilight years in the quiet, respectful care of their children.

Frances Wu could see this. She recognized the need for a change if the Chinese were ever to integrate themselves securely into the strange new culture of their adopted land.

So she wheedled, cajoled, counseled and prodded until the people she loves so much and to whom she is so dedicated, realized that they must become a part of the culture if they are to live their final years in peace and harmony.

In her work with the association, of which she is president, she arranges tours for the elderly Chinese to quiet places, calling on her many years of experience in social work to counsel them and act as their interpreters.

She also aids their children in fulfilling obligations to their elders while at the same time maintaining lives of their own.

It was Wu's sense of dedication and determination that took her to Washington after many months of working around the clock to develop an application for a $4.8 million loan from the U.S. Housing and Urban Development (HUD) Dept. to build a senior citizens housing project in Monterey Park.

Assisted by some local politicians, she went to the capitol with the grant application under her arm and was turned down flat.

Back she came to Monterey Park, again working for hours on details she may have missed the first time.

An associate recalls: "I watched her working so hard and I helped her, but I had to point out to her that it was very improbable that the loan would be granted, since one had already been approved for Lions Manor, another senior citizens housing facility in the city.

"She just smiled at me and went right back to her work."

Wu's determination paid off, as this year she returned to Washington to redraw the HUD application, working closely with Rep. George Danielson (D-Monterey Park) and Sens. Alan Cranston and S.I. Hayakawa.

Made in the name of the association, the HUD loan was approved.

Because of her quiet determination and her achievements, Frances Wu has been named the Monterey Park Progress Woman of the Year.

"She is in a sense an island," a friend said, "because she never complains or confides in anyone about her own life. If she has personal problems, no one knows about them.

"But if she is an island, she's an island that is always reaching out to touch the lives of others in a very positive way.

"You can't know her and not be a better person for it."

Wu, 52, came to Monterey Park with a solid background in helping others. As a young woman in Nanking, she earned her bachelor of arts degree in sociology, then entered McGill University in Montreal where she got her master's in social work.

In 1974 she became a doctor of social work, graduating from USC, where she specialized in administration and gerontology and wrote a research thesis, "Mandarin-Speaking Aged Chinese in the Los Angeles Area."

She chairs the Southern California Senior Citizens Assn., is an adviser for International Senior Citizens Assn., a member of the planning committee for Los Angeles Chinatown Redevelopment project, a consultant in the multi-cultural Ethnic Heritage Oral History Program at East L.A. College, a member of Orange County Chinese Culture Club, the San Gabriel Valley Chinese Cultural Assn., and a director on the boards of Asian Pacific Coalition on Aging and the Chinese Committee on Aging in L.A.

She also chairs the Monterey Park Commission on Aging.

Before coming to California to work on her doctorate, she applied her expertise in social work by working with children in New York, Connecticut and Michigan for many years.

Because she met so many Chinese friends, especially those with elderly parents, she realized how difficult it was for the elderly Chinese to adjust to another way of life.

So she reluctantly decided to leave behind her years of child welfare work to devote her time to the cause of the elderly.

It took her some time to get the Chinese people together, but eventually she organized them into the Golden Age Assn.

Today members participate in field trips, picnics, physical exercise programs, nutritional programs and classes.

Her desire, friends say, is to gently guide her elderly Chinese friends into the American lifestyle until they become an accepted part of the society around them.

That is what she hopes to achieve in the housing project. It should be ready for occupancy two years from now and will be open to low-income senior citizens of all races and creeds.

There's still a lot of red tape and planning to be worked out. Acceptance of the association application by HUD only marks the beginning of a lot of work yet to be done.

But anyone who knows Frances Wu will tell you that as long as she's at the helm, anything is possible.●

A SALUTE AND THANKS TO THE AMHERST BEE UPON THE OCCASION OF ITS 100TH ANNIVERSARY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. KEMP. Mr. Speaker, a wise man once observed that "newspapers are the world's mirrors."

It is no less true that communities reflect the quality of their newspapers and, conversely, newspapers are mirrors of the people and governments they serve.

There is no greater evidence of this relationship than in western New York where Bee Publications and the flagship of that newspaper chain, the Amherst Bee, admirably serve my constituents in the 38th Congressional District and the other people of the region.

On Tuesday next, February 13, these people and honored guests will inaugurate a year-long observance of the 100th anniversary of the first publishing of the Amherst Bee.

The occasion will be the Our Town Dinner jointly sponsored by the Amherst, N.Y., Chamber of Commerce and the Williamsville Rotary Club.

Mr. Speaker, it was prophetic in 1879 when Adam L. Rinewalt wrote in his publisher's salutation in the first edition that:

> No one who has lived here any length of time can fail to see that the town (of Amherst) has reached a new regime that certainly points to prosperity.

In that same first edition, Publisher Rinewalt also promised the townsfolk, which then included farmers as well as villagers, that he would provide them with the latest news, market quotations, railroad timetables, reports on the movements of people and accounts of other happenings as well as facilities for job printing.

Presaging what has become one of the most advanced publishing operations of weekly newspapers in the United States, the fledgling enterprise in 1879 was one of the community's first telephone subscribers, causing the newly opened newspaper office to become a communications center where young men would pick up messages from Buffalo and run to deliver them to houses within the village of Williamsville.

The same telephone which conveyed the messages also was used for news coverage including election results, sports scores and a variety of happenings such as the fire in a Buffalo lumberyard described in an early issue.

One of the early presses was "horse-powered;" that is to say it was turned by a horse driven in a circle.

Just after the turn of the century, Mr.

George J. Measer, Sr., was apprenticed at the Amherst Bee at the princely sum of $2 a week. In 1907, this same George J. Measer, Sr., bought the publication. Until 1965 and his death at the age of 82, he was the publication's dominant figure.

Also playing a vital role both as editor and in the shaping of the Amherst Bee was the newspaper's late editor, Robert S. Measer, the eldest son of Mr. George J. Measer, Sr. For 26 years before his death in 1963, Robert Measer manifested the skills of an outstanding newspaperman and led his staff to heights of uncommon excellence. He is remembered as a man who was keenly interested in people, one who relished writing about them and as an editor who was both quick to criticize and praise his associates.

"His emphasis on fairness—sometimes to the point of frustration—won him approval," the Amherst Bee noted at his passing.

Mr. Speaker, the current publisher of the Amherst Bee, George J. Measer, Jr., is, I am proud to say, my personal friend, and an outstanding and widely respected leader of our community.

From his days as a young boy when his mother, Eugenie Snyder Measer, wrote with what contemporaries recall as her "personal touch," George J. Measer, Jr., has thrived on newspapering and publishing even as his forebears.

Today, his Bee chain encompasses six weekly, suburban newspapers, the original Amherst Bee, the Cheektowaga Bee, the Depew Herald, the Clarence Bee, the Lancaster Enterprise and the Suburban Bee.

Now an offset enterprise, Bee Publications employs the latest in technology and enjoys a staff which, under George Measer's leadership, has garnered numerous newspapering awards. To mention a few, these include first prizes from the New York Press Association in such categories as Best Editorial Page, Best Special Edition, Best Sports, Best Feature, Best Suburban, General Excellence and Greatest Improvement. Mr. Measer, himself, is a past president of the New York Press Association and currently serves, among many other posts, as a director of the National Newspaper Association and as a member of Suburban Newspapers of America. His awards for community service are many, including the Brotherhood Award, the Freedoms Foundation Award, and Community Service Award.

George Measer continues to remain a source of information and counsel to me as an elected representative of the people we both are privileged to serve.

During the 1977 blizzard that put Buffalo and environs on the front pages and television news programs across the Nation, the Amherst Bee faced the prospect of missing its first weekly edition in its 98-year history.

With a fraction of the staff available for editing and production, Trey Measer, vice president in charge of commercial printing and the son of George J. Measer, Jr., was able, during his father's vacation, to work by telephone with managing editor James Schrader and others, to put the Amherst Bee "to bed."

With the help of the State Police, employees trudging to work on foot in record snowfalls and other unusual emergency measures, the edition was printed and delivered to subscribers.

Mr. Speaker, I salute the Amherst Bee and the great people behind it. May it thrive and serve the people of our community and country in the next 100 years and beyond.●

AMERICA, THE NATIONAL CATHOLIC WEEKLY, URGES LIMITS ON ADVERTISING OF CIGARETTES AND RESTRICTIONS ON SMOKING IN PUBLIC PLACES

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. DRINAN. Mr. Speaker, America magazine, the national Catholic weekly, edited by Jesuits, published a strong editorial in its January 27, 1979, issue on the lethal effects of cigarette smoking.

Among other points, the editorial in America stated that President Carter by his silence:

> Has left Mr. Califano alone to take the abuse and even personal vilification of the tobacco lobbies.

America also notes that the Federal Government:

> By continuing its policy of subsidy to tobacco growers rather than incentive for the conversion of tobacco lands to other crops, is in the dubiously moral position of abetting the distribution of a toxic substance to the American people.

The significant and forceful editorial of America magazine follows:

THE MORALITY OF SMOKING

The Surgeon General's report on the lethal effects of cigarette smoking left little room for doubt. The 30,000 research papers contributing to the 1,200-page report offer overwhelming statistical evidence that cigarette smoking can contribute to lung cancer, heart disease, emphysema and birth defects. Dr. Julius B. Richmond, the Surgeon General, called cigarette smoking "the largest preventable cause of death in the United States." Joseph A. Califano, Secretary of Health, Education and Welfare, released the report with the comment that "the cigarette is even more dangerous—indeed, far more dangerous—than was supposed in 1964," when the first Surgeon General's report on smoking was published.

The new report, by affirming that the risk from tobacco is no longer speculation but fact, raises serious questions about the morality of smoking. Is cigarette smoking a matter of personal sin? Over the years, moral theologians have been able to spell out principles for the prudent use of other potentially harmful activities, like drinking alcohol or eating for pleasure, but little has been offered for guidance in the matter of smoking. An after-dinner cigar is far different from a three-pack-a-day addiction, but why or how? Moral culpability for taking such a risk of endangering health and even life is probable at some point, but the when and how are questions quite new to the moralists.

The tobacco industry continues to argue that a statistical convergence does not prove a causal connection between cigarettes and the diseases they are linked to. This is perfectly true. Walking blindfolded into traffic does not cause a fatal accident, but it does increase the statistical probability of one. It is an irresponsible and culpable act. Exposed insulation in a school brings an immediate closing because of the possible carcinogenic quality of asbestos. No school board waits for all the pupils to be stricken before it acts on the basis of mere statistical probability.

While the ethical implications of an individual's decision to smoke are still largely unexplored, other questions seem more easily resolved. Advertisers can no longer maintain that cigarette promotions are morally neutral. While the number of adults going through the agony of breaking a cigarette addiction increases each year, the number of children beginning to smoke goes up too. Seventy-five percent of the 54 million Americans who smoke acquired their habit before the age of 20. Through advertising, the industry directs its effort toward the young with promises of cowboy machismo and coming "a long way, baby."

Finally, the Government, by continuing its policy of subsidy to tobacco growers rather than incentive for the conversion of tobacco lands to other crops, is in the dubiously moral position of abetting the distribution of a toxic substance to the American people. At the same time, it is mounting expensive campaigns to warn the public of the dangers of cigarettes. President Carter, by his silence and ostentatious wearing of a cap with a tobacco grower's emblem on it, has left Mr. Califano alone to take the abuse and even personal vilification of the tobacco lobbies.

Public tobacco policy has acquired a moral dimension. Outright prohibition did not work with alcohol, and it should not even be considered in the case of tobacco. Even if moralists were unanimous in concluding that cigarette smoking is immoral, the Government cannot prevent an individual from making an immoral choice with regard to his own health. However, the Government can phase out subsidies, limit advertising, inform young people and restrict smoking in public areas. Such a strategy would be not only consistent, it would be moral.●

ADMINISTRATION PROPOSES AVIATION FUELS DECONTROL

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. DINGELL. Mr. Speaker, on January 31, 1979, the Secretary of Energy transmitted to Congress energy actions Nos. 3 and 4, which are rules exempting aviation gasoline and kerosene-based jet fuel from mandatory petroleum allocation and price regulations. In accordance with the procedures of section 12 of the Emergency Petroleum Allocation Act of 1973, as amended (Public Law 93–159), and section 551 of the Energy Policy and Conservation Act (Public Law 94–163), these rules are subject to a congressional review period of 15 calendar days, exclusive of days in which either House of Congress is in recess for more than 3 days. Therefore, the review period would end on February 25. If neither House passes a resolution of disapproval during this period, the proposed amendments would be effective on the day following the end of the review period. The President would retain standby authorities which permit the reimposition of controls on these products in the event of changed circumstances.

Today, I am introducing a resolution of disapproval for each energy action. I am doing so to provide a vehicle for the review of the Secretary's proposal. The Subcommittee on Energy and Power, which I chair, has the responsibility for conducting such a review, and today, February 8, 1979, we are conducting a public hearing on the proposal to determine whether the Secretary's proposal is justified and sound. By introducing the resolutions, however, I do not intend to indicate disapproval of the energy actions. The resolutions will provide for an orderly investigation into the merits of the proposed amendments.

To save printing costs, I am not reprinting the letter of transmittal and proposed rule, since the identical transmittal to the Senate can be found on page 1720 of the CONGRESSIONAL RECORD of February 1, 1979.●

THE STRANGE CASE OF THE NONEXISTENT POWERPLANTS

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. IRELAND. Mr. Speaker, when I was first elected to Congress, I was told by many oldtime Washington hands, most of whom are far wiser than I about the ways of this city, that, yes, it sure was nice to be a Member of Congress. You get a big staff, free plane rides, get your picture in the paper now and then; but if you really want to have power and be important, you should become a bureaucrat instead.

Well Mr. Speaker, I am a patriotic American, steeped in the tradition of the power and the glory that is the U.S. Congress, and naturally, being quite excited about being elected, and having the privilege of working with you and our distinguished colleagues, I thought my friends' advice was like most conventional wisdom in politics, well intentioned but slightly off the mark—until recently.

Let me tell you what happened to change my assessment of their analysis.

On November 9 of last year, as part of the National Energy Act, the President signed into law the Power Plant and Industrial Fuel Use Act of 1978.

In an effort to conserve energy, this law prohibits the burning of petroleum and natural gas in new powerplants unless an exemption is obtained from the Department of Energy under the legislation. Currently existing powerplants are permitted to burn petroleum indefinitely, and may use natural gas until 1990.

So far so good. The Congress in its wisdom has worked its will, passed an energy bill and the President signed it into law. Marvelous the American political process is alive and well—but wait. Two weeks later on November 22, the Department of Energy issued "Interim Rules to permit Classification of Certain Power Plants and Installations as Existing Facilities."

The issue here is quite simple. What constitutes an existing powerplant and thus qualifies the facility for an exemption from the costly and time consuming coal conversion process?

Let us look at the law. Under section 103(A) (8) and (9) of the Fuel Use Act, any powerplant which "began construction or acquisition" on or before April 20, 1978, is automatically classified as "an existing electric power plant" without need for any further action on anyone's part. Under part II of the Fuel Use Act, any powerplant so classified is automatically exempt from the coal conversion requirement.

In fact, even powerplants which began construction or acquisition between April 20, 1977, and November 9, 1978, when the act was adopted, must be classified as existing, under section 103(A)(8)(B) if certain standards are met, that is, if the total system reliability would be adversely affected or if a financial penalty would be incurred by changing the fuel source.

Well, that seems clear enough, what's the problem?

The problem is that the law was either unclear or unacceptable to the bureaucrats at the Department of Energy, because their interim rules completely ignore the law and substitute a new test to determine when a power plant is considered to "exist" for purpose of exemption. The new criteria proposed by Department of Energy in its interim rules is the substantial construction test.

According to the DOE for the purpose of coal conversion exemption, a power plant does not exist unless it was substantially constructed by April 20, 1977. And in a sentence that would turn Lewis Carroll green with envy, DOE explains "under these tests, substantial construction does not occur for these power plants until the unit is operational * * *"

Thus, for the DOE substantial construction as stated in the law now means totally operational. What a way with words.

On January 9, 1979, the DOE issued a list which identified 88 powerplants nationwide which may be designated as "transitional," that is, they were not totally operational as of April 20, 1977. That is to say DOE can now cause them to become "nonexistent."

What power. Why should the American public be overly concerned with any threatened energy shortage? The DOE is on the job. Any agency that, with the stroke of a pen and carefully worded phrases, can make 88 powerplants disappear, can probably create that many new plants in the same manner. We shall bring O.P.E.C. to its knees by creative adaptation of bureaucratic regulatory authority.

In my own congressional district in Manatee County we have one of DOE's largest nonexisting powerplants in all of Florida. Acquisition and construction began in 1970, and it became operational in December of 1977, at a cost of just over $125 million. Currently this nonexistent plant is rated at 764 MW of power.

Under these regulations, the DOE will have the authority to shut down all of these 88 powerplants and require them to convert to coal on May 8, 1979. This would cost over $500 million at the Manatee facility alone.

Therefore Mr. Speaker, I would urge my colleagues to get back to their districts quickly and count their powerplants. Even now, the DOE may have made some of their's disappear.

The lights may be going out all over the county on May 8. So you see, Mr. Speaker, it looks as if my friends were right all along. We pass laws, have nice offices and large staffs, but the bureaucrats ignore the laws or change their meaning from what we intended. That's really some kind of power—no pun intended.●

HOME HEALTH CARE FOR THE ELDERLY

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. GONZALEZ. Mr. Speaker, in the last Congress we came very close to enacting into law a bill that would improve and expand home health care services for the elderly. Unfortunately it came too near the end of the session and the differences between the House and Senate bill could not be worked out in conference. Today, I am again proposing a bill that would help keep many of our elderly citizens out of nursing homes but still enable them to obtain the health care they need.

Nursing homes are certainly essential in our society, but unfortunately too many elderly persons have been forced to enter them for lack of alternative health care. According to recent statistics, more than 1 million people over the age of 65 are in a nursing home, although many of these do not need the round-the-clock care provided by nursing homes nor the intensive medical care available, but what they do need is a little skilled assistance to enable them to remain safely and happily in their own homes or those of their families.

We cannot ignore the fact that our elderly population is growing, and people 65 years of age and older, as a group, are subject to high rates of illness and use health care services at a higher rate than any other age group. Thus, as our elderly become a larger and larger percentage of our population there will be a heavier demand on our health care resources which is why it is essential that we develop an alternative means of health care immediately.

There are studies which show that if adequate home health care programs were available 2.5 million elderly could be kept out of nursing facilities. And the sad fact is that many of these people would prefer to remain in their own homes where they are comfortable, and in their neighborhoods among the friends that they know and love. But because of their illness they do not feel secure remaining in their homes or apartments alone, fearing that if they could need medical attention quickly they would not get it. So they end up giving up their freedom and independence for the security that is provided in a nursing home.

The bill I am proposing calls for various changes in our current medicare program including removing the limitation of 100 home health visits currently permitted under medicare part B, expanding home health services covered under medicare to include a full range of medical, homemaker, and other correlative services, and removing the requirement that an individual need skilled nursing care in order to qualify for home health services.

Mr. Speaker, by liberalizing home health care we will not only be caring for the elderly physically but also enabling them to have freedom of choice in their living arrangements. By not forcing them into nursing homes we are allowing them to live their golden years in a familiar, warm environment, surrounded by the things that provide them with many happy memories as well as hopes for a brighter tomorrow. I will encourage the House Ways and Means Committee to act quickly on my proposal and hopefully before the year is out the elderly of our Nation will have health care alternatives.●

PATRICK HAYES HONORED

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MOORHEAD of California. Mr. Speaker, Washington impresario Patrick Hayes was honored during the past week by friends and local citizens on the occasion of his 70th birthday. Patrick Hayes is the founder of the Washington Performing Arts Society. He and his wife, Evelyn Swarthout, who is widely acclaimed as a concert pianist, have contributed much to cultural enrichment in our Nation's Capital. Following is an article that appeared in the Washington Star on Wednesday, January 31, 1979:

PATRICK HAYES: AN IMPRESARIO WHO MAKES A DIFFERENCE

(By Irving Lowens, Special to The Washington Star)

Most people think of the community of the performing arts as a never-never land inhabited solely by creators, re-creators and experiencers. A composer writes a piece of music, a performer plays it, an audience listens to it, and that's that. That's the complete aesthetic experience. That is, however, a totally fictitious situation—in real life, that's simply not the way things happen.

Composers, performers and listeners don't just materialize spontaneously out of the thin air all in the same place. Somebody has to bring them together. The missing member of the community, the one who turns the miracle into a reality, is the humble impresario. It is the impresario who pays the artist, hires the hall and sells the tickets; it is the impresario who acts as the catalyst which makes possible that biochemical reaction called the art work.

There are impresarios and impresarios, but there is only one Patrick Hayes, and Washington can thank its lucky stars that he chose to make this town the center of his activities.

Most of his colleagues look upon themselves as middle men in a business transaction—they make something happen, and that brings them in a fee. For them, being an impresario means being an expert in a specialized field of commodity merchandising. The better they are at gauging the taste of the public, the bigger their financial return, and that's good. They are useful enough people, but that's not the way Pat Hayes plays the game.

For him, being an impresario is a passion and an art. Yes, he has made an honest buck out of wheeling and dealing, but the buck has never been the thing that lured him on. The pot of gold at the end of Pat's rainbow has been the explosion that takes place when great artists make great music for enraptured audiences. If the buck follows, fine; if it doesn't, there will always be another possible miracle to come.

The long Hayes regime in the nation's capital has been marked by daring and imagination. He has not been content to bring us merely the sure winners—just as frequently, he brings us the little known masters of today who turn out to be the bright stars of tomorrow.

He has not been content to bring us only the music we already know and love—he has brought into existence new works, among them Frederic Rzewski's overwhelming piano piece, "The People United Will Never Be Defeated." It was commissioned in 1975 by Hayes' Washington Performing Arts Society for Ursula Oppens, thanks to a grant from the Edyth Bush Charitable Foundation. Harold Schonberg, writing last month in The New York Times, hailed it as a landmark in the history of piano music.

Pat Hayes has not been content to merely accept popular taste and cater to it—he has gone about creating new audiences for the performing arts from the ground up, invading the public schools to get them while they're young and thus to transform the quality of their later life.

He takes the keenest pleasure in being a very public man. He is a born leader, and a most eloquent spokesman for ideas in which he believes. He loves to climb up on that white horse and sally forth to battle like St. George pursuing the dragon, and he fights fair. The role of chivalrous knight is a natural for him. At the same time, he is the ideal American politician, always ready with a quip or a funny story, always the engaging charmer. If he ran for any public office, he would win in a walk.

I know of no man more generally admired in the business sector of the American performing arts world and no figure more universally loved and respected for his aims and accomplishments in his chosen field of activity than Patrick Hayes. I cannot think of a more appropriate time to acclaim the country's most distinguished elder statesman of the arts than his 70th birthday, a time when he is still happy and healthy and active among us. By honoring him, we honor ourselves.●

CHARLES MARSTON

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MICHEL. Mr. Speaker, all too often we neglect to honor men and women whose abilities and dedication help the House of Representatives to serve the people. Charles Marston is one of those public servants. After 34 years of service in the House he is now retiring. I think it is only fitting that we take this opportunity to say thanks for his service to the House and to the Nation.

He began as a page and elevator operator. After 3 years he went to work in the House Press Gallery where he remained for 31 years. During that time he has won the respect, the affection, and the trust of all those who have worked with him.

He hopes to eventually live in the warmer climate of Florida.

My very best wishes go to him. It is with a great deal of regret we bid goodby to a fine public servant.●

LETTER OF COMPLAINT

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. GINGRICH. Mr. Speaker, I commend Chairman BENNETT and the members of the Committee on Standards of Official Conduct, for their prompt handling of my complaint regarding our colleague, Mr. DIGGS.

Last Friday, along with 17 cosigners, I filed a letter of complaint regarding Mr. DIGGS. The letter noted Mr. DIGGS' indictment and conviction for a felony which clearly violated the order of this House. We filed the complaint as the official means of requesting an investigation and recommendation from the committee.

I think every Member should be able to agree on the need for such an investigation. In fact, I view this request as the mildest possible. Congress can do no less. The American people are tired of a system that seems to say there is one standard of justice for them, and one for Congressmen.

There is another pressing reason for an investigation in this particular case. The crimes Mr. DIGGS committed were against the House itself. Like any professional body we should be able to judge and discipline our Members, independent of the judicial system.

For the information of the Members, here is the text of the letter of complaint filed Friday:

FEBRUARY 2, 1979.

CHAIRMAN,
Committee on Standards of Official Conduct,
U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Under the provisions of rule X, clause 4(e)(2)(B) of the Rules of the House of Representatives, the Committee on Standards of Official Conduct may undertake an investigation relating to the official conduct of an individual Member upon receipt of proper complaint.

We are enclosing herewith copy of a Grand Jury Indictment filed in the United States District Court for the District of Columbia on March 23, 1978, in the matter of the United States of America vs. Charles C. Diggs, Jr., citing thirty-five charges involving violation of 18 U.S.C. 1341 (Mail Fraud) and 18 U.S.C. 1001 (False Statement). Mr. Diggs is a Representative in Congress from the State of Michigan.

Also enclosed is copy of the Judgment and

Commitment Order handed down by the U.S. District Court for the District of Columbia on November 20, 1978, finding the defendant guilty as charged in twenty-nine of these charges, with sentence of three years on each count; said sentence to run concurrent by the counts; subject however, to the provisions of Title 18, Section 4205(b)(2).

The conduct leading to the aforesaid Judgment and Commitment Order appears to be in violation of Clause 1, Rule XLIII, Code of Official Conduct, as well as other laws and standards of conduct applicable to Representative Diggs in the performance of his official duties.

Therefore, to assist Members of the House in determining proper, and equitable action to be taken in this matter, I hereby request the Committee on Standards of Official Conduct commence an investigation as expeditiously as possible and to report to the House such findings and recommendations as the Committee may deem appropriate.

(Signed):

Newt Gingrich, Ed Bethune, Charles F. Dougherty, Arlen Erdahl, Wayne Grisham, Dan Lungren, Jerry Lewis, Gerald B. Solomon, Bob Whittaker, Ken Kramer, Lyle Williams, Ron Paul, Richard Gephardt, Doug Bereuter, William E. Dannemeyer, Philip Sharp, Tom Tauke, and Donald Ritter.●

LETTER TO THE EDITOR

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. RAHALL. Mr. Speaker, I would like my fellow colleagues to have the opportunity to read my "Letter to the Editor" concerning the editorial printed in the Washington Post of February 6, 1979, regarding the proposal to restructure the Amtrak system.

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 7, 1979.

EDITOR,
Washington Post,
Washington, D.C.

DEAR EDITOR: I read with great interest your editorial of February 6, "The Dismembering of Amtrak," and must say I find your support of Secretary Adams' recommendations disheartening.

As an original supporter of the Amtrak system, you should indeed recognize the need for passenger-train service not only along the Boston-Washington corridor, but throughout rural regions of our country that lack adequate transportation alternatives.

The Department of Transportation's announced cut-backs, drastically reduce passenger-train service to the State of West Virginia, and in particular the southern portion of the state which I represent in Congress. The curtailment of this service severs an important link to Cincinnati and Chicago, in the west; and to Roanoke, Washington and New York, in the east. With Appalachian highways being what they are and with no air-passenger service in many cities and towns, West Virginia residents will be left to their own means of transportation over long distances. Other rural residents throughout the nation will be faced with a similar situation.

West Virginia is of course not the only state adversely affected by DOT's recommendations. H. Res. 93, which I introduced, and other resolutions to disapprove Secretary Adams' action, has drawn support from numerous Members of Congress from both rural and urban states.

Amtrak is not yet ten years old. Those who believed as you once did, and those who still believe that Amtrak is a worthwhile endeaver, should: admit the system's problems, end the harassment, provide necessary new equipment, add a broader route structure with a more convenient schedule, and undertake a more aggressive marketing campaign. Such a test, in the overall context of transportation expenditures, would cost peanuts.

I agree that Amtrak is not a money maker. As a matter of fact, very few public transportation systems make money, as is evidenced by Metro. However, making money is not the objective, providing a needed public service is.

With warm regards, I am

Sincerely,

NICK J. RAHALL II,
Member of Congress.●

TAX AID FOR THE SEVERELY HANDICAPPED

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. NOLAN. Mr. Speaker, today I am introducing legislation, along with 39 of my colleagues, which would allow a severely handicapped person who is unable to drive a motorized vehicle even with the aid of adaptive equipment, to deduct from gross income commuting expenses incurred while traveling to and from work.

Under current law, the handicapped person is given a deduction for the purchase of a specially designed vehicle, modification of a vehicle (that is adaptive equipment such as hand controls and special chair lifts) and maintenance costs. Thus, if a handicapped person is not severely disabled and is able to transport himself, he is given a deduction covering his transportation expenses.

Yet, a severely handicapped person who is ready and able to work but needs the service of a driver to transport him to and from work is not able, under current law, to deduct this expense from his income.

Enactment of this bill will meet two important objectives. First, this legislation will remedy the existing unfairness in the tax laws by providing the severely handicapped an appropriate deduction. In addition, the bill will facilitate employment of the handicapped individual and encourage that individual to lead an independent, "deinstitutionalized" life.

Congress recently passed the Humphrey-Hawkins bill which specifically directed the Federal Government to make efforts to reduce the substantial unemployment rate among handicapped citizens in this country. This bill will help achieve that result and at a minimal cost. In fact, it has been estimated that this bill will generate revenues as a result of increased employment.

Therefore, I strongly urge my colleagues to support this legislation which will reduce the burden on the employable handicapped.

The following Members are cosponsors:

Mitchell of Maryland, Hyde, Conte, Moakley, Akaka, Miller of Calif., LaFalce, Erdahl, Corrada, Forsythe, Fenwick, Kildee, Wolff, Young of Mo., Rahall.

Richmond, Bonior, Burgener, Lehman, Murphy, Bevill, Madigan, Vento, Hollenbeck, Lagomarsino, Diggs, Williams of Mont., Pepper, Ford of Mich., Mitchell of N.Y., Guyer, McCloskey, Rangel, Weiss, Simon, Flood, Luken, Green, Ottinger.●

BIALYSTOKER SYNAGOGUE

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MURPHY of New York. Mr. Speaker, one of this Nation's most important historical religious landmarks, the Bialystoker Synogogue, has just recently celebrated its 100th anniversary. It has a long and proud history of existence in Lower Manhattan, and is to be congratulated on its centennial celebration, as well as on its confidence in looking forward to a second century of service to the Jewish community of New York.

The Bialystoker Synagogue was originally formed by immigrants from the area around Bialystok, an industrial city of northeastern Poland near the border of Byelorussia. The immigrants organized the Chevrah Anshei Chesed of Bialystok in 1878, in a first floor loft on Hester Street, and moving later to a house on Orchard Street which was converted into a small synagogue.

Another group of Bialystok landsmen organized the Adas Yeshurun Congregation in 1893, located on Grand Street. Both chevras became too small to accommodate all the newcomers, so the Anshei Chesed Congregation bought the Methodist Church and surrounding land at 7–11 Willett Street for $105,000, which was a considerable amount in those early days. They moved in, in 1905, upon payment of $5,000, and proceeded to raise the remaining $100,000 cash, as called for in the agreement, through several programs, including the sale of the surrounding land.

The two chevras merged under the name of Beth Hakneses Anshei Bialystok congregation, and through both bank and private loans, was able to pay off the existing debt.

On September 3, 1905, the building became a Beis Hamikdash M'at (a holy sanctuary), with religious services scheduled over a period of weeks for thousands to participate in.

The mortgage was finally eliminated in 1950, when the synagogue was under the aegis of Rabbi Mitchel S. Eskolsky, with Judge Saul Price as president. Some of the many outstanding renovations include a dome-like ceiling in the synagogue, painted in azure and dotted with gold stars, and surrounded by a depiction of the Hebrew months and their zodiac symbols. The women's sections feature scenes of Israeli holy places painted on the walls, while intricate stained-glass windows abound and intricately carved wooden panels adorn the Aron Ha'kodesh. The three crowns—the Keter Torah, Keter Ke'hunah, and Keter

Malchut—which adorn the top of the ark were imported from Europe early in this century.

According to historical experts, the edifice which houses the synagogue was built in 1826, probably the first house of worship in the United States to be erected of big stones. Both the State of New York and the Federal Government designated the synagogue a landmark in 1972.

Rabbi Yitzchok Singer assumed the spiritual leadership of the synagogue in 1960, and Irving Greher has been the president for the past 7 years. There are four morning daily minyanim, and a very large attendance at the evening services, as well as highly active affiliated groups, a men's club and sisterhood.

During the past century, the Bialystoker Synagogue has developed an enviable record of service to the Jewish community, and has assumed a well-deserved position of leadership in the city. I'm proud to have been associated with this outstanding organization, and we can look forward to witnessing another 100 years of service to the community with as much zeal and devotion as the early organizers and builders had.●

NATIONAL FHA/HERO WEEK

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. NATCHER. Mr. Speaker, 450,000 members will celebrate the week of February 11 as National FHA/Hero Week. FHA/Hero, Future Homemakers of America and Home Economics Related Occupations, is a nonprofit national vocational education organization that maintains the family unit as its central focus. This concept, especially today, should be encouraged and applauded.

FHA/Hero is the designation of two allied chapters. FHA chapters place major emphasis on consumer education, homemaking and family life education combined with exploration of jobs and careers. Hero chapters place major emphasis on preparation for jobs and careers with recognition that workers also fill multiple roles as homemakers and community leaders.

The homemaker role of today has undergone a profound change. Men and women share this responsibility in increasing numbers. FHA/Hero provides the foundation to build upon. The realization that all individuals have leadership potential and the ability to be not only an asset to their community but a vital, caring person is nurtured through development and recognition of personal capabilities.

Functioning as an integral part of the Home Economics Education curriculum that operates within the school system, FHA/Hero provides opportunities at national, State, and local levels for student initiative and direction in planning and carrying out individual and chapter projects based on a philosophy of cooperation. Personal growth, stressing value clarification and decisionmaking is of paramount concern.

In my home State of Kentucky, FHA/Hero has become an essential part of our educational system. It is with a great deal of pride that I can say Kentucky has an enrollment of 12,945 members in 211 chapters, and 11 of these are new chapters that were not affiliated last year. I would like to congratulate Mrs. Agnes Foster, Kentucky State advisor, upon receiving the National Distinguished Service Award for outstanding contributions and continued service to the national organization.

Mr. Speaker, FHA/Hero is our future and the untiring efforts and devotion to principal of this organization deserves the gratitude of the American people.●

RIGHTS: IS CHINA THE EXCEPTION?

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. DERWINSKI. Mr. Speaker, it is interesting to find the administration's record and consistency on human rights being questioned by American journalists, but when the United Nations Association questions President Carter's human rights policy, it adds another dimension to the critique.

In the February issue of the Inter Dependent, the monthly newspaper of the United Nations Association, Michael R. Gordon comments on the application of President Carter's human rights policy with regard to the People's Republic of China. The article follows:

RIGHTS: IS CHINA THE EXCEPTION?

(By Michael R. Gordon)

It had to be one of the most unusual criticisms ever directed at President Carter's human rights campaign. On December 6, Carter declared human rights to be the "soul of American foreign policy." And the following day, a poster sprang up on the walls of Peking's Chang An boulevard chiding Carter for failing to press the cause of human rights in China as vigorously as he has taken the Soviet Union to task.

Citing the worldwide "thirst for human rights," the poster asked Carter, "In your own words, 'Are you really exerting yourself? Why not the best?' "

The questions raised by the poster have long plagued US policymakers concerned with evolving US-China relations.

Ever since the Carter Administration launched its human rights campaign, critics in the US have charged that Washington, with an eye to bettering relations with Peking, has soft-pedaled the cause of human rights in China. And while the widely publicized judicial reforms and outpouring of wall posters in China have stolen the thunder from some of China's severest human rights critics, the Administration's approach to human rights there still draws its share of high-level rebukes.

"Carter's been tepid about human rights in China," says Jerome Alan Cohen, Director of East Asian Studies at the Harvard Law School and an authority on China's legal system. "We haven't been evenhanded. We've gone after individual cases in the Soviet Union, but not in China.

"What's going on in China now is the greatest vindication of the notion that human rights are universal, that everyone wants the same minimum protections. . . . We should deal with this in a positive way: not singling out China, but not omitting them either."

Whatever the merits of these criticisms, what is known about US human rights initiatives on China suggests that Peking has indeed escaped the sort of private importunings the public slings and arrows that have been directed at Moscow's rights record.

Though Administration officials fend off critics by pointing out that Secretary of State Cyrus R. Vance discussed U.S. human rights concerns during his August 1977 trip to Peking, they acknowledge that Vance limited himself to outlining US rights policy "in general terms" and stopped short of criticizing specific abuses in China or expressing interest in the plight of specific individuals. And one State Department official with responsibilities for human rights says that he expects Vance to take much the same approach when he discusses human rights with China's Vice Premier Deng Xiaoping (Teng Hsiaoping)—a matter Vance has vowed to raise during Deng's visit to the US, in spite of Deng's statement that human rights should not be discussed by Washington and Peking because "each has his own interpretation of the question."

Washington, in its public pronouncements on rights in China, has also studiously avoided references to the numerous charges of arbitrary imprisonment, torture, forced labor and political oppression that have been chronicled in Western press reports and by Amnesty International. The day after Amnesty International's November 27 release of a 176-page report on political imprisonment in China, State Department spokesman Hodding Carter 3d responded to reporters' questions about allegations in the report by praising Peking's acknowledgement of "serious violations of human rights."

But while State Department officials privately acknowledge some "inconsistency" between the US approach to rights violations in the Soviet Union and in China, they insist they are far from indifferent about human rights in China and make no apologies for US rights policies.

"I'm not persuaded that we must take the same rhetorical stance toward China as we do toward the Soviet Union," says one US policymaker. "What I'm concerned about is performance, and with China's very dynamic push toward liberalization, it doesn't make sense to apply the same method to these two countries. . . . With China's hierarchical notion of Confucianism and its tradition of emphasizing responsibility to the group over individual rights, it would be oversimplistic to hold China too strictly to Anglo-Saxon standards."

Still, officials say that the US' approach of restrained encouragement is now undergoing review; and some observers predict that the policy is likely to be challenged in the relatively near future, as much by events in China as by critics at home.

The increased presence of Western correspondents and the spread of Western ideas in China, observers say, may foster the development of organized dissident groups like those in the Soviet Union—groups which may cry out in the Western press for the sort of verbal intervention in China's affairs that Washington has scrupulously shunned so far.

The sheer volume of information Westerners are likely to bring out of a more open, modernizing China may also change the face of US rights policy toward Peking, US officials say. "Right now we don't have the kind of coverage on China that we have on the Soviet Union," says Laurent Morin an Asian affairs specialist in the State Department's Bureau of Human Rights and Humanitarian Affairs. Morin notes that even

Amnesty International's report could only come up with a handful of case histories of political imprisonment, but adds, "Eventually we'll start hearing more and more, and then we'll have more of a target."

Washington's triangular relationship with Peking and Moscow, observers say, may also require that the US take a harder public stand toward China to show that it isn't playing any human rights favorites. Indeed, this trianguler relationship has already presented US policymakers with one concrete human rights muddle concerning Peking's quest for most-favored-nation (MFN) status.

Peking, which anticipates an enormous trade deficit with the US, has signaled that it would like this trading status in order that its exports might enter the US at reduced tariff rates. (Most-favored-nation status is already enjoyed by Taiwan, Hong Kong and South Korea, among others of China's export competitors.) But the Jackson-Vanik amendment to a 1974 trade act does not allow granting this status to Communist countries which don't allow free emigration.

Despite his words to Western correspondents that "we don't have this question of emigration," Deng has reportedly indicated that China is willing to undertake a more flexible emigration policy. And reports from Hong Kong note that the US Consulate there is issuing four times as many visas this month as last to legal emigrants from China.

"Clearly something is going on in terms of emigration," says one US official, who notes that the switch may stem from a variety of Chinese concerns, including a decision to allow malcontents to leave the country, a desire to favorably impress Western opinion and the hope that the new wave of emigrants may help supply China with badly needed foreign exchange by sending money to relatives in China.

Whatever happens with Chinese emigration, US officials say that the Carter Administration, endeavoring to be "even-handed" in its dealings with Moscow, does not want to see China granted MFN trading status without the same being done for the Soviet Union.

"It just shows you how complicated the issue of rights in China can be," says one observer. "But dealing with the problem of Chinese emigration may depend just as much on Jewish emigration from the Soviet Union as on what's going on in Hong Kong."●

NATIONAL FHA—HERO WEEK

HON. DAVID W. EVANS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. EVANS of Indiana. Mr. Speaker, I would like to call to the attention of the House the observance of National Future Homemakers of America-Hero Week, February 11–17.

The FHA is a very worthy organization both nationwide and in the State of Indiana. Not only do FHA members explore career opportunities within the field of home economics but they are also given the chance to exercise leadership and creativity, develop organizational skills, learn responsible decision-making, and to gain a greater sense of direction in their lives. I believe this point is particularly relevant as the theme for this year's Future Homemakers of America-Hero Week is "Explore Roles, Set Goals."

In recent years we have gained a greater appreciation for the magnitude of the responsibility of home management. There are fewer roles which are more demanding of one's time, talent, and creativity. I think my colleagues will want to join me in wishing the FHA members well as they focus on their goals for enrichment this week.●

CHEAP DRUGS MAY ENDANGER INNOVATIVE DRUG RESEARCH

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. SYMMS. Mr. Speaker, I would like to suggest that my colleagues in the House take the time to read an excellent editorial published in the February 6, 1979, issue of the Washington Post. The editorial is written by C. Joseph Stetler, president of the Pharmaceutical Manufacturers Association, and is entitled "Paying the Price for Cheaper Drugs."

It is unsettling to me that every year innovative drug research suffers new blows to its already tremulous existence. Mr. Stetler's position is one that merits our consideration and one that I personally concur with.

PAYING THE PRICE FOR CHEAPER DRUGS

The phony issue of brands versus generics is on center stage again.

HEW and FTC have proposed a model state law designed to induce doctors and pharmacists to substitute "less expensive" generic prescription drugs for "expensive" brand names. The model law would supposedly increase competition and provide substantial consumer savings.

The Pharmaceutical Manufacturers Association, whose companies make 90 to 95 percent of the drug supply, oppose this and other federal intrusions into the pharmaceutical marketplace. Why? To explain, we must look at the real world, not the one fabricated by bureaucrats.

"Single-source" drugs—those marketed by only one firm—account for about 55 percent of all prescription drug sales. Thus generic prescribing, or substitution, could only make any difference in price in the remaining 45 percent of sales. Manufacturer list prices are poor guides for retail pricing and often vary significantly from actual transaction prices paid by pharmacies. Price gaps narrow further at the prescription counter. For example, the innovator's brand of the widely prescribed antibiotic, tetracycline, costs about the same on average as generic versions.

Invariably, doctors prescribe and pharmacists dispense products from companies they trust for quality, dependability and service. Thus most generic prescriptions are filled—not with cheap generics, as is commonly believed—but with quality brands or generics from established firms.

This system has worked well. Frequently the consumer can save money because the physician will prescribe or the pharmacist can dispense either a lower-priced brand or generic version.

Government at both state and federal levels has thrust itself into this efficient and highly competitive marketplace with programs that encourage the use of only low-cost "generics." In trumpeting this cheap drug policy, government distorts facts.

For example, in citing cases of absurdly atypical price differentials, it leads consumers to believe that such differentials are usual and widespread. They are not. Where they do exist and the consumer can benefit—and quality can be assured—fine!

Government charges industry with espousing only "expensive" brand names. PMA has never done so. After all, our companies make most of the generic supply as well as most of the brand specialties. The brands versus generic issue is phony because the only thing that matters is the competence of the source and the integrity of the product—not drug nomenclature.

The capabilities of companies vary. A recent study of Food and Drug Administration recalls shows that a sample of research-intensive companies, producing perhaps 80 percent of the drug supply, had one million units recalled in just one year, while a sample of non-research-intensive companies, producing a far smaller percentage of the supply, had 15 million units recalled. The latter group also had 43 times more court actions filed against them.

Government claims that the FDA can assure uniform quality and equivalency. Not so. The agency conducts very few tests for drug equivalency. It cannot provide 100 percent assurances that two chemically equivalent drugs can be safely interchanged. While FDA does a good job in monitoring the safety of a generally excellent drug supply, it has nowhere near the resources to guarantee the quality and bioequivalence of all marketed products at any given time.

Equivalence problems have been reported over the years for many widely prescribed drugs. Just a few months ago, FDA proposed an amendment to antibotic regulations, noting that:

"Data available to the FDA show that there have been batches of tetracycline hydrochloride capsules . . . that met the requirements of official monographs but were not bioequivalent to a reference product."

Our quarrel is not only with awkward and costly schemes that seek to hammer down drug prices, but with a heedless government philosophy that this can be done without social costs. Penalties must be paid if public policy demands and enforces a cheap drug approach. For one thing, it would unfairly advantage commodity-type producers who do no research, practice minimum quality control and provide few services with limited distribution. Any system that would force prices toward commodity-type levels would shrink the funds for research—the most important function of the drug industry.

Last year the research-intensive companies spent $1.3 billion of their own money seeking new products (government provides less than one percent of the industry's R&D). Useful leads do come from NIH and academe, but the resources to develop new therapy come almost exclusively from the industry. It is costly. To research and develop a single new drug entity cost, on average, around $10 million in 1972. Today it runs closer to $50 million. In constant dollars, the rate of pharmaceutical R&D growth has declined in the '70s. Current government policy could accelerate that rate of decline.

The research-based segment of the industry seeks more cost-effective therapy—the best answer to climbing medical costs. Innovative drugs and medical devices reduce the greater costs of surgery, hospitalization, doctor visits and time off the job. For example, one recent new drug—the result of many years of company research—is saving thousands of patients from undergoing ulcer survey. Yet, prescription drugs today account for only eight cents of the health-care dollar, down from around 12 cents in 1967.

In the end, society must choose. It can't have it both ways. Public policy can be based on a drive for lower prices. Or public policy can demand from industry augmented efforts—based on adequate rewards for innovation—to develop better therapies. Without that incentive, those products that might on some tomorrow save health or life—yours and mine—simply won't be there.●

STANDBY SELECTIVE SERVICE ORGANIZATION ERODES

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MONTGOMERY. Mr. Speaker, in 1971 the Congress, amending the Military Selective Service Act of 1967, required that "if at any time calls under this section for the inductions of persons for training and service in the Armed Forces are discontinued because the Armed Forces are placed on an all-volunteer basis for meeting their active duty manpower needs, the Selective Service System, as it is constituted on the date of the enactment of the subsection, shall nevertheless, be maintained as an active standby organization, with first, a complete registration and classification structure capable of immediate operation in the event of a national emergency and second, personnel adequate to reinstitute immediately the full operation of that system, including military reservists who are trained to operate such system and who can be ordered to active duty for such purpose in the event of a national emergency."

As every citizen knows, we have gone to the all-volunteer basis for meeting active-duty manpower needs. What is not so clearly recognized is the failure by the Government, in the interest of false economy, to insist on full compliance with the continued requirement for an active standby Selective Service organization with a complete registration and classification structure capable of immediate operation.

In the past 5 years, from a budget of $96 million with 8,000 employees, these debilitating steps have been taken:

The President's induction authority was allowed to lapse on July 1, 1973;

In fiscal year 1974, preinduction physicals were stopped and classification limited to 500,000 men per year at a budget of $61 million;

In fiscal year 1976 continuous registration was halted and a plan for annual registration developed; classification stopped and the budget was $37.5 million; and

In fiscal year 1977, with a budget of approximately $6 million there was no annual registration; local boards and State headquarters were eliminated and the Selective Service System was reduced to a 100-man planning organization.

With the active Army beginning to have quality problems, the Air Force failing to meet its recruiting goals for the first time, with National Guard and Reserve units dangerously understrength and needing help fast, with the Individual Ready Reserve nearly 500,000 short of Army needs, and a smaller pool of eligible young men from which to recruit and with the Selective Service System in impotent, deep-standby status, the status quo has become unendurable.

Mr. Speaker, to rectify this situation, I am today introducing legislation to revitalize the Selective Service System. As I do, I want to remind my fellow Members of the House that in 1971 the draft was not the inequitable system of manpower procurement it had become during the Vietnam war. Rather, it was as fair a system as could be devised:

A random sequence lottery was in effect;

Occupational, agricultural, student and paternity deferment had been ended. Ninety-five percent of any age group were exposed to the possibility of induction;

Men were exposed to the draft for 1 year only and the lottery system permitted them to make long-range plans;

Men became vulnerable to induction during the 20th year; and

Registrants could appear in person before local and appeal boards.

A good job had been done in reducing the disruptive effects of a military draft. We do not need a totally new law, but we do need to modernize what is now the law of the land.

Mr. Speaker, my measure would require all 18-year-olds, male and female, to register within 6 months of attaining that age; would reestablish immediately Presidential induction authority for the drafting of not to exceed 200,000 individuals annually for the Individual Ready Reserve (not less than 3 months training); would require the exercise of the annual lottery and the classification of registrants, by random sequence number, in order to assure a capability to meet DOD personnel requirements in the event of full mobilization.

The costs of doing this are minimal by today's standards and I remind my colleagues that this is inexpensive insurance to make our defense posture imminently stronger and our deterrence more credible. We cannot continue the present downward drift in our capability to supply adequately trained personnel to our Active Forces in an emergency. To do so is to invite terrible losses of half trained people in inadequately supported units.

I suggest further, Mr. Speaker, that a viable, operating Selective Service System is of itself a sizable contribution to a credible deterrence and will be recognized as such by both friends and adversaries.

Mr. Speaker, I ask unanimous consent that this bill be printed in the Record.●

PROTECTING AMERICA'S ARCHEOLOGICAL HERITAGE

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. UDALL. Mr. Speaker, last week I, along with a number of my House colleagues, introduced H.R. 1825, the Archaeological Resources Protection Act of 1979. This legislation is designed to provide improved protection for important archeological sites found on federally owned public lands. In recent years, the dramatic rise in prices for prehistoric Indian artifacts and other archeological resources has created a large international demand. Coupled with the loopholes in existing law that have made professional looters virtually immune from prosecution; commercial artifact hunting, particularly in the Southwest, has increased at an alarming rate.

The legislation I have sponsored would close the loopholes in existing law and impose stiff penalties for all those convicted hereafter of illegally removing or trafficking in archeological resources from the public lands.

Perhaps nowhere but in my home State of Arizona is the problem so severe; the following articles from the Arizona Republic and the Phoenix Gazette make excellent reading for all those Members concerned with the tragic loss of a great part of our national heritage.

[From the Phoenix Gazette, Apr. 14, 1978]

Legalized Theft

Unless Congress acts with remarkable swiftness to pass a new law against theft of Indian artifacts from federal land, a great archeological treasure will be lost forever.

At this moment, robbers doubtless are digging with a frenzy in Indian ruins all over Arizona because the taking of artifacts is no longer a crime, thanks to federal court rulings.

U.S. District Court Judge William P. Copple dismissed charges the other day against three men accused of stealing artifacts from Tonto National Forest lands, stating that appeals courts rulings in similar cases prohibited their prosecution.

The judge doubtless applied the law in the only way possible, but the effect of the ruling nevertheless is to authorize a massive raid on archeological sites.

The men in the case before Judge Copple were accused of taking bone awls, human skeletal remains and other artifacts, all appraised at a value of $6,000 to $8,000 by an archeologist.

While artifacts do have a dollar value, they are in reality priceless. Somewhere in plunder that will be gouged out of ruins during the court-ordered period of legal theft may be something that would explain what happened to the Hohokam, an ancient civilization that prospered here for years—and vanished.

That information could be of more than passing interest to people here today and those yet to come. Knowledge of the past might easily provide important insight into the future.

Congress can move quickly in an emergency. It is to be hoped that the delegation from Arizona and other states rich in archeological sites can prompt Congress to act within days.

Public Must Save State Heritage

(By Lowell Parker)

Graverobbing always has been considered the lowest of crimes, but in Arizona desecration of Indian graves on reservation and public lands is a way of life for professional scavengers.

What such ghouls find often turns up in expensive shops or on the shelves of private collectors. Most dealers, presumably, are unaware that they are fences for graverobbers, for usually there is no way of knowing that the items are stolen.

Many graves, as well as relics of Indian villages and campsites, are on privately owned land, and the owner has every right to sell whatever he finds. For instance, not the smallest bit of petrified wood can be carried away legally from Arizona's Petrified Forest National Park. But cords of petrified wood are available on privately owned desert.

Hence the stacks of souvenir wood found at curio shops along the state's highways.

In general the graverobbers are skilled at their trade, amateur archeologists who know what they're looking for, where to find it, how to get it and where to sell it.

Reservation police say long steel poles often are used as probes to learn whether booty lies beneath the surface. Obtaining one or two items usually damages an entire site to such an extent that it becomes another page torn out of the book of prehistoric history.

Outnumbered though they are, the official protectors of Arizona's artifact heritage have strong backing in the way of national, state and Indian tribal antiquities acts. Laws against pilferage and the destruction or sale of relics recently have been strengthened and tougher ways of prosecution developed.

If caught, offenders, particularly professional scavengers, now face stiffer penalties, and successful prosecutions are becoming more frequent.

But catching the souvenir hunter, the graverobber or the malicious vandal is a problem of such magnitude that continuing depredations can be halted only by making the public fully aware of what they are doing to their own heritage.

Even stout steel mesh fences around better known sites are no protection against vandalism or forays by professional hunters. They rip them up, usually with the help of an offroad vehicle.

Arizona is particularly plagued by another sort of vandal whose deeds deface scenic features with their graffiti. They are best described by the adage: "Fools' names, like fools' faces, are always seen in public places."

Debbie and Mark, Joe and Susie scrawl their names on scenic rock formations along roadsides. They face severe penalties if caught, but obliterating fools' names, when it can be done, costs the highway department time and money.

Another thoughtless or purely malicious breed not only destroys property but frequently endangers lives.

No accurate figures are available as to the destruction caused by selfstyled "sportsmen" who specialize in blasting away at highway guidance signs and historic site markers with rifles and shotguns. Several fatalities occur each year because of defaced signs or intersection warnings deliberately flattened or uprooted by vandals.

Government agencies are not the only suffers, however. Private property owners, who find their lives and livestock endangered during every hunting season, also are victimized throughout the year by trespassers who deliberately tear down fences and damage outbuildings.

Contractors building segments of the Central Arizona Project in the Phoenix area suffer considerable loss in the way of damaged or stolen machinery and construction materials, according to Bureau of Reclamation officials.

Utility lines, both telephone and power, are prime targets for vandalism by gun. Damage to insulators and other pole-mounted equipment costs utility customers, just as damage on public lands costs the taxpayers. In the case of utility companies, however, money is only part of the cost.

At 1 a.m. last Dec. 29 residents of a 15-square-mile area west of Avondale found themselves without electric service. Some malicious shotgun toter had shattered three insulators on a 12,000-volt line . . . No lights, no heat, businesses temporarily closed, danger and discomfort for seven hours.

Vandalism cost Arizona Public Service Co., just one public utility, about $40,000 in labor and materials last year. What it cost in lost production and other side effects is beyond calculation.

Jail sentences and fines—and no forgiveness for those who know not what they do—help in the war against vandalism.

But there's no decisive victory on such a broad battlefront unless an aroused public gets into the fight, say the guardians of Arizona's unique heritage.

[From the Arizona Republic, Mar. 6, 1978]

ARIZONA'S HISTORY ENDANGERED BY VANDALS

(By Lowell Parker)

Forgive them for they know not what they do.

Well, some of them know not what they do, but a lot of them know full well what they are doing.

That latter category includes the "pros" who are deliberately destroying Arizona's desert and artifact heritage for profit. Their trails of desecration extend throughout the national and state parks, forests and Indian reservations that comprise 84 percent of Arizona.

Their profits are high; their risk not too great and, until recently, their punishment, if caught, seldom fits the crime.

The professionals' depredations, however, probably are no greater than those committed by normally law abiding citizens who think pocketing a shard or two, just for a souvenir, is a harmless pastime.

And then there is a third breed, the worst of all, the malicious vandal.

What people of such ilk are doing to Arizona is beyond the imagination, say the various guardians of the state's vast stretches of public domain. What they do, some willfully, some unthinkingly, is beyond accurate calculation in dollars. But in this case it really isn't the money that counts.

Fact of the matter is that all America, the Southwest particularly, is being robbed of a legacy, a heritage that the land has held for thousands of years. A stone, a bit of pottery, an arrowhead, a bone may or may not have monetary value. But such objects are of immeasurable worth when it comes to tracing America's unwritten past.

In each of the last several years more damage has been done to ancient sites of archaeological and historic significance than in all of 600 years past.

Only in recent years have the sites containing the story of Southwest mankind become easily accessible to almost everyone. Time was when only genuine outdoorsmen, usually respectful of nature and the marks left by earlier civilizations, penetrated on foot the areas now reached on a Sunday afternoon.

Highways, destructive off-road vehicles and a plague of motorcycles now carry vandals, professional scavengers and a horde of thoughtless people into regions once visited only by those hardy enough to work at viewing nature as it once was.

They have created a problem that officials of the National Park Service, the Forest Service, the Bureau of Reclamation, the Bureau of Land Management and keepers of Arizona's public lands find almost beyond them. It's a problem, they say, that can't be whipped without widespread public cooperation.

Desecration on Indian reservations has grown to such an extent that many sites of historic interest now are closed to even the most innocent of visitors.

So large has become the swarm of professional and amateur thieves that many sites on state and national lands no longer are marked.

Few realize that almost the entire face of Arizona is a huge history book, a book measured in acres rather than pages.

"Unauthorized removal or destruction of just one piece of a shattered pot, one bone, is the same as tearing a page out of a book," says Thomas E. White, interpretative specialist in the Phoenix office of the National Park Service. "It breaks the continuity in the story of Southwest mankind."

Arizona's early inhabitants left no written history. One missing item means a missing page in the book of reconstructed history.●

BLOOD BANK OF HAWAII

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. HEFTEL. Mr. Speaker, I recently came across an interesting article in a magazine entitled "Ampersand" which I am delighted to share with my colleagues. The blood bank of Hawaii serves not only as an example of Hawaii's unique problems, being an island State at least four and a half hours away from the mainland, but also of community awareness and responsibility. The blood bank is indeed a source of pride among Hawaii's citizens as it has developed, through community support and participation, into a sophisticated organization, comparable to many well-run blood banks in the country.

The article follows:

BLOOD BANK OF HAWAII

It is an ordinary day in Hawaii, mostly pleasant and peaceful, but with some unsettling situations.

There's been a car accident and three people are injured.

Several people are undergoing surgery, some open heart, at Honolulu hospitals.

Two infants struggle for survival.

Cancer patients begin another round of treatments.

And, at least one poor soul has bleeding ulcers.

Keeping a close and experienced eye on all of this—as it has done for nearly 40 years—is the Blood Bank of Hawaii.

For the people involved in these situations—although they don't know each other and hardly are in a position to give it a thought—share something in common.

On this ordinary day in Hawaii, they all need blood to stay alive.

And, they will get it, along with others who need it, thanks to the Blood Bank of Hawaii.

The situations described above, multiplied several times, are common occurrences to the Blood Bank. Providing this needed blood is considered meeting "normal requirements." Hawaii requires approximately 2,500 pints (units) of blood a month, just to cover everyday situations. To meet this requirement, the Blood Bank draws (collects) from volunteer donors some 100 pints of blood a day, six days a week.

The Blood Bank also is geared for emergencies—an eight-car accident, for example, in which victims are in trauma, or some other catastrophe. It must supply the blood for such emergencies, while continuing to fulfill the State's normal requirements.

In nearly four decades, using various methods including public appeal, the Blood Bank has done exactly that.

In good times and bad, the organization has not let Hawaii down.

Although the Blood Bank is run as a successful business, it is a nonprofit organization whose only objective is to supply Hawaii with blood 365 days a year.

The Blood Bank collects blood from donors throughout the State, processes the blood in its own laboratory, and then distributes it to hospitals to be used in direct patient transfusions. It operates much like a money bank, except that units of blood are the medium of exchange. As it moves blood about and makes "investments," the Blood Bank protects the public against future needs. In doing so, it performs a vital community service.

For the Islands' civilian population, it is the sole collector of and repository for blood. Tripler Medical Center has a similar operation for the military, and these two organizations cooperate to meet all Hawaii's needs.

COMMUNITY SUPPORT

Since 1973 the Blood Bank has received blood on a volunteer basis, and all units are labeled "collected from volunteer donor."

But long before that, when different methods were used to get blood—including paying donors—the Blood Bank had captured public interest. Today it enjoys tremendous community loyalty and support.

Evidence of this is found in the 90,000 people who participate in Blood Bank programs.

The Blood Bank and the community are interdependent. Without support and community participation, the Blood Bank could not exist. Without the Blood Bank, Hawaii would be in a dreadful mess. How could the individual hospitals meet all their blood requirements, much less do this as quickly and efficiently as the Blood Bank? What would happen to this isolated island state without its orderly and daily blood supply close at hand? Imagine the chaos in an emergency.

Says Dr. Julia Frohlich, executive director of the Blood Bank of Hawaii: "The community approach is the key to the success of the Blood Bank of Hawaii. Some people might ask, 'Can't we just fly the blood in when we need it?' Technically we could. But imagine the time lost, and the cost to do this. And, who suffers in the end? The patients needing the blood transfusions, which could be any one of us here in Hawaii."

With community responsibility in mind, she adds: "Why should another community on the mainland supply Hawaii's blood needs, in addition to its own? Why shouldn't Hawaii take care of its own needs? The people of Hawaii apparently believe it is their responsibility for they respond well to the Blood Bank appeals and programs. And, this is the most rewarding aspect of our work—the wonderful relationship we have with the community."

But, good as Hawaii has been, every community needs to be spurred on. The one doing this in Hawaii for many years has been Betsy Mitchell, community relations and donor recruitment director at the Blood Bank.

Known throughout the Islands as the Blood Lady, Mitchell's career and personal commitment is to "make sure all our needs are met every single day without wasting a single drop of blood."

This immensely dedicated woman, the most familiar name in local Blood Bank work, will be examined more closely in an accompanying article. As this is written she is busily seeing to it that enough blood is collected, guided by the philosophy: "Donors are the greatest people who ever lived—if only they get involved. You must reach them, get to them, tell them the Blood Bank story."

BLOOD IS UNIQUE

There is no doubt that Hawaii's cooperation is based partly on people's healthy respect for this unique, essential element called blood that has yet to be duplicated and that always is in demand.

For people need blood all the time. A lucky few may live a lifetime without requiring a blood transfusion. But most will need blood at least once in their lives. And there are so many who require blood frequently and in large amounts.

The need for blood transgresses all boundaries for it makes no distinction as to race, color, creed, age, sex, religious preference or economic status.

And blood links all humanity for it is supplied to human beings only by other humans.

Explains Dr. Frohlich: "Blood cannot be synthetically reproduced, nor have we found a substitute for it. Humans cannot use animal blood. And, although other countries have experimented with blood from the dead or dying, in the United States we use blood only from living, healthy people."

Hawaii's people keep their Blood Bank well stocked for various reasons. The motive may be personal and purely selfish—"I might need blood someday." It might be genuine compassion—"A friend of mine needs it," or "I'd like to think I've helped someone." Or the reason might be practical and businesslike: "There has to be an adequate blood supply in the community and it's good sense and good business for me to donate." Whatever the motive—and all are perfectly legitimate—the results are impressive.

In addition, donating blood can save people money. The Blood Bank of Hawaii offers plans (discussed in more detail later) whereby donors do not pay a cent for blood when they or their families need it. Like everything else in health care, blood is expensive, and one of the Blood Bank's major goals is to keep costs down.

As a new year opens, the Blood Bank of Hawaii is ready to enter an exciting new era. For one thing, it awaits important national recognition. For another, it prepares to build and then move into a modern, new facility . . . actually its first real home. And, in still another area, some major changes are being made in its plans which should benefit the people of Hawaii.

REGIONAL CENTER

According to Dr. Frolich, 25 percent of the blood centers in the United States operate in the same manner as the Blood Bank of Hawaii—as nonprofit, community organizations. Fifty percent are Red Cross centers. The other 25 percent * * * Whole blood is used in cases when large volumes of blood are needed in a hurry, such as for open-heart surgery or accidents. Blood can be broken down into three or four components including red blood cells which is the component most frequently used in transfusions; platelet concentrate for cancer patients undergoing chemotherapy; fresh frozen plasma for coagulation problems; and antihemophilic factor for victims of hemophilia.

Whole blood and its components have varying, but relatively short lifespans. Whole blood and red blood cells must be transfused in 21 days, and platelets in 72 hours. Fresh frozen plasma and antihemophilic factor have a one-year lifespan.

Dr. Frohlich says a new substance which would increase the life of whole blood and red blood cells to 35 days will be available in June 1979. Meanwhile the Blood Bank lab last year got a new cell washer which prepares special units containing only red blood cells. White blood cells, platelets and plasmas are completely removed. These washed units of red blood cells are given to patients who may require multiple transfusions over long periods of time.

In view of all of this, it is understandable that while the Blood Bank can't afford to be out of blood, neither can it be oversupplied. A look at the laboratory's refrigerators shows a carefully monitored supply. And, the Blood Bank regularly transfers components not only from its own laboratory, but between hospitals as various needs arise. It also has a supply of rare blood which it distributes to hospitals as needed.

PLANNING IS IMPORTANT

Blood is collected at the donor center on Dillingham Boulevard and through bloodmobiles which are assigned to different locations on Oahu four days a week. Neighbor Islands also have bloodmobiles and centers for regular, scheduled donations.

The experienced Blood Bank staff knows almost exactly how much blood it can count on from the center and mobiles each day. They also know that 20 percent who show up will not be able to donate for one reason or another, so they count on only 80 percent of the scheduled donors to actually give blood.

It is essential, reminds Mitchell, that companies schedule their employee donors five days in advance for the mobiles. They also should advise the Blood Bank exactly who will be donating. In this way, the Blood Bank can figure what types of blood will come in and schedule their use.

Of necessity, the Blood Bank follows a strict daily routine. Every day as soon as its doors open at 8 a.m., the Blood Bank is advised by all hospitals as to what they have on hand, what is cross-matched (assigned to patients) and what the expected needs are for the day—both planned situations such as surgery and unexpected happenings.

Armed with this information, the Blood Bank checks its refrigerators and then its mobile schedule. It then figures out what can be expected from the donor center. And barring a catastrophe, Hawaii is routinely, but well supplied with blood.

And now the Blood Bank has a bold new plan for emergencies built around volunteer "rescue companies" whose employees can be rounded up in a hurry and from all points in Oahu to donate blood and meet such needs.

NEW HOME

In 1977, when The Queen's Medical Center continued its expansion plans, the building and facilities of the Blood Bank—located there for many years—had to be relocated. The temporary solution was to divide the operation at two sites, with administrative and laboratory functions in the Gold Bond Building on Ala Moana and the donor center at Dillingham Boulevard.

But by 1980, the Blood Bank will have a spacious new home of its own for the first time. Plans are under way to construct a two-story, $900,000 center on 35,000 square feet of leased land adjacent to the donor center on Dillingham. Construction is expected to start in September 1979, but the donor center will continue regular operation.

The new facility will have 13,000 square feet of space and parking for 40 cars. The first floor will be used as a donor center and for supplies and mobile equipment. The second floor will house the laboratory, offices, donor recruitment area, blood inventory equipment, reference lab and two new sections—a blood freezing department (new in Hawaii) and a conference room.

The new building will greatly increase the Blood Bank's efficiency by centralizing all its operations. It will be close to the airport, so that blood can be delivered quickly and easily to Neighbor Islands. In short, it will restore all functions to a full service center—collecting, testing and processing.

Beginning in April 1979, the Blood Bank will appeal to the public for funds to build this new facility. Although it always has asked for blood, the organization has never gone to the community for money before. But, it hopes that the people of Hawaii will want to share in this important new construction.

Although the fund-raising campaign has not yet begun, anyone can start sending donations to the Building Fund, Blood Bank of Hawaii, Gold Bond Building, Ala Moana.

The Blood Bank of Hawaii has developed into a sophisticated organization that stands tall with others throughout the country. And, it adds a spirit of aloha to efficient business practices. Now, more than ever, the Blood Bank deserves all the support it can get from the community it serves so well.●

FEDERAL GRANT SYSTEM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. HAMILTON. Mr. Speaker, I am joining Mr. AuCoin today in introducing a bill which I believe will be an important first step in simplifying the fragmented Federal grant system, a system whose paperwork requirements and general complexity have so confused, discouraged, and burdened the local officials and community leaders who seek to participate in it.

This bill was introduced in the Senate last year by Mr. Roth, Mr. Muskie, and Mr. Danforth. It was strongly supported by the Advisory Commission on Intergovernmental Relations, the National Governors Association, and the National Association of Counties. Although brief hearings were held on the bill in July, the press of legislative business at the end of the session prevented it from getting the attention it deserved. I hope that both House and Senate will give more study to this proposal early in this session.

During the last few years Federal grants-in-aid programs have grown increasingly complex. There has been a fourfold increase in the amounts of grants provided to State and local governments, while the number of categorical programs has increased by 20 percent to 481. An increasing number of requirements have been added to many assistance programs, such as affirmative action, environmental quality, maintenance of effort, public participation, et cetera, all of which require documentation of compliance. The development of new programs have increased duplication and complexity by addressing the same problem area from several different angles—targeting different population groups or types of jurisdictions, varying methods of service delivery, or limiting funding to only one aspect of the problem's solution, such as planning. Variation in program requirements and procedures has increased as each agency independently tries to make its programs efficient and effective.

Numerous efforts have been made over the past few years to improve the grant system—well-known examples being the A–95 review process and the computerized grant information retrieval system "FAPRS"—but they have had only limited success in making the system more understandable and efficient. Local governments still come to me lost in a labyrinth of programs which might possibly fit their needs. Local officials still complain about the cost of preparing applications and administering the program after receiving funds. Many of my constituents, especially those from the smaller communities which have no full-time or professional staff, are asking themselves the question: Is it worth it?

The Federal Assistance Paperwork Reduction Act addresses some of the most pressing management inefficiencies in the grants-in-aid system and provides a response to some of the problems that have so plagued local and State officials involved with Federal aid. In brief, it would:

Provide for a standardization of generally applicable requirements, such as wage and hour rates, equal employment opportunity, and so forth, so that these standards and their implementation will not vary from agency to agency and application to application.

Provide a waiver system under which States and local governments may be exempted from repeatedly documenting compliance with such standards after demonstrating that State or local laws and standards are equivalent to the Federal.

Provide for a study of the benefits of 1-year-in-advance appropriations and 5-year budget projections so that grant recipients could plan more comprehensive programs with greater assurance that they would be funded to completion.

Provide for expeditious handling of applications involving more than one grant, as well as incentives for State and local governments to submit applications utilizing more than one grant program.

Entitle State and local governments to receive upon request information about Federal grants made in their jurisdictions, so that they are more aware of programs for which they are eligible and which are suitable to their area's needs.

Provide for a reduction in the time between award of grant funds and their disbursement by the U.S. Treasury.

The Federal Assistance Paperwork Reduction Act does not have all the answers, but it is a sound first step. I urge that the proposals in this bill be given serious consideration, and that a real effort be made during this Congress to develop additional ideas to make the Federal grant system more efficient and more accessible.●

RENTERS

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. PEYSER. Mr. Speaker, today I am introducing legislation to amend the Internal Revenue Code of 1954 to provide a deduction on Federal income tax on the proportionate share of rent and interest that a renter pays on his principal dwelling place.

There are two important reasons why I believe we need such a bill. First we should eliminate the present gross inequity in Federal tax treatment between the homeowner and dwelling unit renter. For years the homeowner has been allowed to deduct expenditures for property tax and interest on his property. The renter on the other hand has not been afforded this privilege.

This inequity exists despite the fact that the renter pays his or her share of the property tax and interest on the rent charged by the owner.

The result of this situation is that the owner deducts his costs and thus pays a lower income tax than a renter with the same income who cannot deduct these payments.

My bill would eliminate this inequity and put the 35 percent of Americans who rent on a fair and equal basis with the other 65 percent who own their homes.

To give an example relating to the property tax deduction; an average apartment renter in a city in my district, Yonkers, N.Y., pays a proportionate share of property taxes on his apartment of $470. My bill would allow the renter to deduct this amount from his income.

There would be additional savings realized on deductions for interest payments made by the renter.

The effects of this bill would be felt by an even larger percentage of renters earning less than $15,000 per year, as between 40 and 50 percent of this income group rents.

My second reason for introducing this bill is to provide a form of relief in this period of rampant inflation. Everywhere the wage earner turns he or she is confronted with rising costs of heating fuel and other utilities, property taxes, food, and housing.

This bill would provide an immediate reduction in the cost of housing as it would allow deductions on the proportionate share of property tax and interest actually paid by the renter.

The homeowner is provided this relief now, my bill will provide this deduction for the renter.

I urge support for my bill and for the equal tax treatment it will provide between renters and homeowners.●

PAUL CORBIN

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. CLAUSEN. Mr. Speaker, the people of Santa Rosa, Sonoma County and the Redwood Empire suffered a great loss in the recent death of Paul Corbin, the manager of the North Coast Builders Exchange.

Paul Corbin was one of those primarily responsible for the growth of the North Coast Builders Exchange into the largest of its kind in the State. In this development he concentrated not only on attracting new members, but in providing additional membership services. He became a well-recognized leader in the building exchange movement in California and across the Nation and was very incisive in advising on legislation which affected the construction industry.

Paul Corbin was also a dedicated community leader who wrote a weekly column for the city newspaper and was active in church, civic, and social organizations.

He was a man who was both well liked and well respected. We were all richer for having known him, and share in the deep sense of loss felt by his wife Eula and his seven children. I enjoyed a very close personal relationship with Paul Corbin. He was a big man—big in character, integrity, dedication, and commitment to high principles and ethics, as well as his physical stature.

I first met Paul Corbin in Redwood Country—he will always stand tall in the forest of great people like the majestic big trees we both loved so much.

So that my colleagues may know the high esteem in which he was held, I am submitting for the Record articles about him which appeared in the Santa Rosa Press Democrat and the Ukiah Daily Journal.

The articles follow:

[From the Santa Rosa (Calif.) Press Democrat, Nov. 3, 1978]

Business Leader C. P. Corbin Dead at 63

Charles Paul Corbin, manager of the North Coast Builders Exchange, died in a Santa Rosa hospital Wednesday following a long illness. The active businessman was 63.

Corbin, a resident of Santa Rosa since 1954, had been an advertising and business executive most of his life. He joined radio station KSRO in 1959 as a stations relations man and was affiliated with KIEM radio and the Paul Corbin Advertising Agency in Eureka.

He had written a Sunday column, Empire Builders, for the Press Democrat for about twenty years.

Corbin had worked for the North Coast Builders Exchange since 1958 as a field representative and was instrumental in the development of the Mendocino County Contractors Association and the Lake County Contractors Exchange.

He became manager 13 years ago of the largest membership exchange in California, which grew from 400 to 1,000 members under his direction.

Corbin served as secretary for the International Builders Exchange Executives, later becoming first vice president and next in line for the president's position.

A native of Davenport, Wash., he attended Washington State University and was a member of Sigma Phi Epsilon fraternity. He was an Army veteran of World War II.

He was a former member of the Eureka Rotary Club and the Santa Rosa Lions Club, and past president of the Eureka Cancer Society, executive committee member of the Safety Council of Builders Exchanges, Inc.; a member of the American Society of Association Executives, and a charter member of the Redwood Chapter of the Construction Specifications Institute.

He is survived by his wife, Eula Corbin, Santa Rosa; sons Charles Paul Jr., of Mission Viejo, Hans Christopher, Eureka, James Timothy Patrick of Woodbridge, Conn., and Steven Dee, Santa Rosa; three daughters, Terry Lynn of Long Beach, Suzanne Hope of Santa Rosa, and Sally Elizabeth, U.S.A.F.; a sister, Hope St. Angelo, Jackson, Calif.; and four grandchildren.

Services are Saturday at 11 a.m. at the First United Methodist Church, 1551 Montgomery Drive, with interment at Chapel of the Chimes. Eggen and Lance Mortuary are in charge of the arrangements. Donations may be made to the Trustee Memorial Fund of the First United Methodist Church in Santa Rosa.

[Ukiah (Calif.) Daily Journal, Nov. 3, 1978]

Paul Corbin

Funeral services for Charles Paul Corbin, 63, of Santa Rosa, will be conducted Saturday at the First United Methodist Church in that city. Interment, under the direction of Eggen and Lance Mortuary, will be in the Chapel of the Chimes.

Corbin died Wednesday following a long illness.

He had been executive director of the North Coast Builders Exchange for the past 13 years and was widely known throughout this county in his connection with the Mendocino County Contractors Association. He wrote a column for the Ukiah Daily Journal covering construction activity in this area.

Prior to joining the Builders Exchange, Corbin was a resident of Eureka where he operated the Corbin Advertising Agency. He was affiliated with radio station KIEM in Eureka and later with station KSRO in Santa Rosa. He was a past president of the Eureka Cancer Society and a former member of Eureka Rotary and Santa Rosa Lions clubs.

A native of Davenport, Wash., Corbin was born Aug. 30, 1915, and was a graduate of Washington State University. He was an Army veteran of World War II.

In addition to his other affiliations, he was vice president of International Builders Exchange Executives, a member of the executive committee of the Safety Council of Builders Exchanges, and a member of the American Society of Association Executives.

Corbin is survived by his wife, Eula, of Santa Rosa; three sons—Charles Paul Jr. of Mission Viejo, Hans Christopher of Eureka, and James Timothy of Woodbridge, Conn.; three daughters, Suzanne Hope of Santa Rosa, Sally Elizabeth of the U.S. Air Force, and Steven Dee, Santa Rosa; a sister, Hope St. Angelo of Jackson, Colo.; and four grandchildren.

Visitations may be made until 9:30 a.m. Saturday at Eggen and Lance.

The family prefers contributions to the trustee memorial fund of the First United Methodist Church. ●

PITTSBURGH'S RENAISSANCE II

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the famous downtown Pittsburgh "Renaissance" of the 1950's and 1960's is being succeeded by Renaissance II, which greatly expands the area of urban renewal and encompasses many creative and exciting projects. The status of this renewal activity was reviewed by Robert Dickey III, chairman of the Allegheny Conference on Community Development at the organization's recent annual dinner. The Allegheny conference spearheaded the first Renaissance and remains the primary nongovernmental coordinating vehicle for the urban development program.

Pittsburgh's efforts should provide an inspiration to other great cities throughout the country; and so I insert into the Record the pertinent parts of Mr. Dickey's report on the progress—and continuing challenge—of Renaissance II, as well as an editorial from the Pittsburgh Post-Gazette describing Mr. Dickey's speech.

Impressive Roundup

The annual dinner of the Allegheny Conference on Community Development in many ways provides a "State of the Community" assessment of activity and accomplishments—as well as continuing challenges—in Pittsburgh.

Everyone knows that Pittsburgh has picked up steam in recent months in what is called Renaissance II. But it took the annual report Monday night by Robert Dickey III, chairman of the Allegheny Conference, to pull together all the strands and demonstrate the plenitude and diversity of what is going on.

Detailed plans for the first major renovation of Grant Street in 60 years were announced at the dinner. Earlier in the day the Pittsburgh History and Landmarks Foundation said that Freight House, the specialty shopping center at Station Square on the South Side, scheduled to open next Aug. 15, already has attracted 31 businesses.

Mr. Dickey recounted among the events of 1978 the announcement by PPG that it will build a new world headquarters building near Market Square and the proposals received by Allegheny County for a large office building complex across Grant Street from the Grant Building. He described U.S. Steel's announcement of its intention for a major development on the east side of Grant Street from Fifth Avenue to its headquarters building. The Heinz Hall Plaza on Liberty Avenue, announced by the Heinz family, is yet another enhancement of Downtown.

In December a recycling conference will be held to consider methods by which downtown buildings can be rehabilitated for new uses. Penn Central Station is the subject of a special study.

The long-delayed Crosstown thoroughfare again is being studied by the regional planning association. The PATway East is under construction.

Plans for developing the North Shore of the Allegheny River have been completed. "We now are seeking ways to implement the plans," Mr. Dickey said.

A citizens development group has been created in Manchester to carry out development programs in that North Side neighborhood, under contract with the Urban Redevelopment Authority of Pittsburgh.

The Conference is developing a new group of voluntary organizations to assist in controlling health care costs. Finally, and quite important, the Allegheny Conference is "cooperating with the Pittsburgh Board of Education and its staff, as well as the Allegheny Intermediate Unit, to determine the kind of support which private enterprise might contribute for the improvement of the total educational system," Mr. Dickey said.

Harper's magazine in its latest issue contends that the American urban crisis is leaving town—moving to the suburbs. Pittsburgh is cited as a city particularly optimistic and—in a striking phrase—the article's author

talks about "cities that are less fortunate" than Pittsburgh.

To Pittsburghers concerned about the condition of this community and used to having their city badmouthed this may be surprising, welcome praise. Mr. Dickey's roundup of the forward movement taking place in so many ways amply undergirds that assessment of the Steel City.

EXCERPTS FROM THE REPORT OF ROBERT DICKEY III

At this time I would like to share with you a few of the programs of the Allegheny Conference which are making progress as we move into a new period of urban development, now known as Renaissance II.

First and foremost, I must mention the Grant Street Improvement Project. Sometime ago, the Allegheny Conference agreed to assume responsibility for developing preliminary design plans for a bold program to improve and upgrade Grant Street. It is a major entrance to downtown and should in fact be a grand avenue. I hope you had the opportunity to see the very attractive plans in the hall of architecture during the reception. In the process of developing these plans, the Allegheny Conference has worked with the owners of the buildings on Grant Street, with several departments of the city and county, with the Port Authority, and has met frequently with the mayor and the county commissioners. The consultant who has handled most of the work is the environmental planning and design partnership of Pittsburgh.

I have here a report that contains our recommendations for what we hope might be achieved in the rebuilding of Grant Street. While much remains to be done before the project can be undertaken, I would like to state that the Allegheny Conference will do everything it can to help convert this dream to a reality.

I would like to call Mayor Caliguiri to the podium in order to present to him this report of the Grant Street design.

Mr. Mayor, this is a report we jointly have worked long and hard to develop. We present it to you, not as an accomplishment, but as a recommendation. If it is determined that it is feasible to rebuild Grant Street, we will help in every way.

REMARKS BY MAYOR CALIGUIRI

I would like to mention briefly some of the projects that are currently underway in the Pittsburgh area; not to burden you with a long speech, but to give you a sense of the movement and excitement that is at hand as the Pittsburgh region moves toward the future.

I have already mentioned Grant Street.

The city officials and staff are making genuine progress with Renaissance II in the fields of housing development and rehabilitation, neighborhood improvement and economic development.

The conference is developing a new group of voluntary organizations to assist to the fullest extent in the control of health care costs.

We are cooperating with the Pittsburgh Board of Education and its staff, as well as the Allegheny Intermediate Unit, to determine the kind of support which private enterprise might contribute for the improvement of our total educational system.

PPG Industries has announced its intention and is proceeding with plans to build a new world headquarters building in the renewal project area adjacent to Market Square.

Allegheny County has received two proposals for the construction of a large office building complex on property directly across Grant Street from the Grant Building. The county will select one of the proposals, and work on that significant development should proceed.

The United States Steel Corporation has announced its intention for a major development on the east side of Grant Street extending from Fifth Avenue to its headquarters building.

Studies sponsored by the Pittsburgh Regional Planning Association and supported by the Allegheny Conference and several local foundations, are proceeding to determine the best design configuration for the crosstown thoroughfare.

Under the sponsorship of the urban redevelopment authority, and in cooperation with the Allegheny Conference, the Greater Pittsburgh Chamber of Commerce, the North Side Chamber of Commerce, the Pittsburgh History and Landmarks Foundation, the Department of City Planning and others, the plans for the development of the north shore of the Allegheny River have been completed. We are now seeking ways to implement the plans.

The conference completed a master plan for the improvement of Hartwood Acres, a major county regional park. The planning work was performed by Seay and Ridenour and the county now has the final reports. A volunteer group, the Friends of Hartwood, has been formed and will work with the county to assist in implementing specific parts of the master plan.

The Allegheny Conference, with a significant grant from the Sarah Scaife Foundation, designed and is constructing a new service center at the Pittsburgh zoo. This facility, in combination with other work being carried out by the city of Pittsburgh, will be the first phase of what it is hoped will become a significant improvement program for the entire zoo.

In December, there will be a recycling conference to consider methods by which downtown buildings can be rehabilitated for new uses. This will be co-sponsored by the conference and the Pittsburgh History and Landmarks Foundation, in cooperation with the mayor and the department of city planning.

Recently, it was announced that a citizens' development group had been created to carry out the development program in Manchester, under contract with the Urban Redevelopment Authority of Pittsburgh. This is unique and may be an example of how to approach development efforts in other neighborhoods.

In the Hill district, the Phoenix Hills Shop N' Save Shopping Plaza has opened. It is the first major commercial building in that area in many years. Also, ground has been broken for the K. Leroy Irvis Towers, a high-rise apartment building to be completed next year.

The Patway East is under construction and will offer bus service from downtown to the eastern Pittsburgh neighborhoods and suburbs in about two years. The light rail vehicle system is in the design stage and will soon be under construction. It will provide rapid rail service between downtown Pittsburgh and the area to the south.

The conference is cooperating with the Urban Redevelopment Authority and the Pittsburgh History and Landmarks Foundation in a study to determine the feasibility of rehabilitating the Penn Central station for some, as yet unspecified, new use.

The announcement this year of Heinz Hall Plaza is indeed significant. Through the generosity of the Heinz family, this jewel-like park will greatly enhance the downtown area. While at the other end of Liberty Avenue, work continues on the construction of our exposition hall.

We will continue our efforts in manpower development and employment and again will exceed the established goals for the year.

We are concerned about the completion of an adequate highway network to serve Pennsylvania. With the cooperation of all public and private organizations, we must move to repair and renew the bridges which are the vital links in the road network and which are essential to the economic well-being of our area.

I could enumerate many other projects and programs, but time does not permit. I do hope, however, that you catch something of the spirit and excitement that exists in Pittsburgh and the surrounding area.

We believe and hope you agree, that the future is full of promise.●

PROGRESSIVE NATIONAL BAPTIST CONVENTION ADOPTS EIGHT RESOLUTIONS ON SEVERAL AREAS

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. FAUNTROY. Mr. Speaker, the Progressive National Baptist Convention, at its annual midwinter session on January 22–25, 1979 adopted 8 resolutions which I share for review by my colleagues. Representing more than 1,500 member churches with almost 1 million members in 43 States, these resolutions which cover a multitude of areas, represent some thinking and concerns which some of us will be interested in knowing.

The resolutions follow:

RESOLUTIONS ADOPTED BY THE PROGRESSIVE NATIONAL BAPTIST CONVENTION

HUMAN RIGHTS

The Progressive National Baptist Convention, Inc. applauds, approves and supports the President's strong advocacy of human rights as the hallmark of his foreign policy. We commend Mr. Carter for being the first president to bring to the forefront of national and world attention the principles and mandates of the Universal Declaration of Human Rights. We note with dismay, however, that the President's focus on human rights has been selective rather than universal. We, therefore, urge the President and the Departments of State and Justice to pursue the full recognition and realization of human rights in America where political prisoners like Ben Chavis are still unjustly incarcerated. We further urge the full recognition and realization of human rights in Israel as well as in Uganda, in South Africa as well as in the Soviet Union, in Chile, Nicaragua and Iran as well as in Eastern Europe. The President's Human Rights offensive must universally proclaim and promote the right to work, the right to strike, the right to vote, the right to own property, the right of self defense, the right of equality before the law and the right of self-determination for all persons and groups in the world—beginning in America.

AFFIRMATIVE ACTION

The Progressive National Baptist Convention condemns and deplores the U.S. Supreme Court's Bakke decision of June 28, 1978, a day that shall ever live in infamy—when Allan Bakke, the son of Norwegian immigrants, was ordered admitted to the University of California Medical School at Davis. He was accorded a place that had been set aside for a disadvantaged Black student, whose race has suffered 244 years of slavery and 360 years of racial discrimination in America. The long, outrageous history of racial injustice has rendered Black people disadvantaged and under-represented in medicine, law, engineering and all other fields of technological and educational advancement.

This convention takes little comfort in the Supreme Court's weak allowance of the use of race as a legitimate criterion for college and university admission, provided that race is not used exclusively but only in conjunction with other indices of past discrimination such as nationality, economic stratum, sex, age, etc. The Court displayed the Harvard Plan as an example of what would be an acceptable remedy to the problem of racial and other forms of discrimination. In our view, the Harvard Plan is an inadequate remedy because it fails to isolate and combat head-on the unique problem of racial discrimination. Harvard is still very exclusive, very white and very unjust.

Race is the only factor that makes an American citizen permanently unassimilable and frozen into a position of second-class citizenship. All other forms of discrimination are more easily disguised, remedied, obscured and overcome. The Supreme Court's Decision on Bakke has served only to divide, confuse, complicate and weaken the Nation's fight against its most damnable and destructive crime, namely the crime of racial discrimination.

Affirmative Action, focused exclusively on the cause and effect of racial discrimination, is not discrimination in reverse, it is discrimination to reverse a set pattern and custom of historical, racial persecution. The fact that the Court will no longer allow a frontal attack on racial discrimination alone has retarded if not altogether halted the process of compensatory justice in America.

Just as the Supreme Court Decision known as "Pleasy vs. Ferguson" in 1896 obviated everything that had been gained with the passage of the 13th, 14th and 15th Amendments to the Constitution, the Bakke Decision has destroyed the spirit and intention of the omnibus Civil Rights legislation of 1964, which was written and adopted to isolate and destroy racial discrimination in housing, education, employment and capitalistic opportunity.

The Progressive National Baptist Convention, Inc. makes common cause with other persons and groups who are working to mitigate the effects of the Bakke Decision and to destroy the sickness unto death of racial discrimination.

AFRICAN AFFAIRS AND SOUTH AFRICA

Whereas Black America has a very obvious kinship to the domain of the Continent of Africa and in the specific experience of Human and Economic development, we deplore the present Imperialistic and Capitalistic tactics imposed upon Africa in general, and in particular African countries of Southern Africa under Apartheid rule; and, we denounce intervention on the part of Nations that are economic partners of America in their contributions to stabilizing the Apartheid Economy and Exploiting African Resources at the cost of African Blood.

We additionally denounce and deplore present economic postures of exploitative tactics of Japanese and Israeli Governments who have blatantly contributed to the constant demise of African Majority rule through Israeli and Japanese involvement in economic enterprising with White South Africa, and the merchandizing of African Resources for Israeli and Japanese gain; therefore, we affirm our approval of Black African determinism to be free by whatever means necessary, and "we hold this truth to be self evident" in the historical Judeo tradition of the Conquest of Canaan and the American Revolution for Freedom.

We take note and applaud the International Freedom Movement headed by the Dr. Kelly Miller Smith, National Chairman, and urge support of every individual member and every church of the Progressive National Baptist Convention.

INTERNATIONAL RELATIONS

Whereas Black America affirms kinship to Africa in the specific experience of Human and Economic development, and whereas the new positive relationship with China opens up a vast new arena of economic growth, we mandate the American Economic and Political Enterprising system to expedite the following:

To adopt the functional policy of increased technical assistance and services for Black African people in parity to that of planned Economic assistance to China.

To increase an equitable economic development enterprising system between Black Americans and Black Africans in parity to the existing economic development between American White Corporate Powers, China and Israel.

FEDERAL BUDGET

Whereas the USA has willfully reduced its 1978–79 National Federal Budget in Domestic Categorical Programs for the Poor and, has increased the Budget for Military purposes, we resolve this willful act to be totally unacceptable; in contrast to the reality that such budget cuts impact poverty upon the poor, and cushions the pockets of the rich, we demand that the following affirmative posture be adopted in behalf of Black Americans:

1. To increase Federal Contractual Procurement opportunities for Black Americans and Black Business to at least the minimal of Black American proportional contribution to the Gross National Product. (That being $90 Billion.)

2. To increase Black Employment in the Private and Industrial Sector of this Nation that reaps the benefits from Federal Contracts.

3. To facilitate the development of a National Black Citizens Task Force for Budgetary Development for the Poor for the year 1979–80.

PEACE

We petition the Carter Administration to take steps nationally and internationally that would realize peace particularly when it involves limiting the production and sales of nuclear weapons. One of the most welcomed responses to this petition would be the quickest possible ratification of SALT II. We further petition the Administration to proceed to reduce the production and sale of conventional weapons in a SALT III agreement.

We condemn the United States role in supplying either through sales and/or grants arms and ammunitions to repressive regimes in our world. The prospect for peace will be severely shattered if our nation continues to perpetuate the denial of human rights by availing arms to inhumane governments.

NUCLEAR POWERPLANTS

We petition the United States government to seriously reconsider and thoroughly investigate the long-ranged effects of nuclear powerplants on the natural environment and on the human body. Because of recent findings of the lethal dangers of handling nuclear materials and wastes, extreme caution must be exercised so that our earth and its people will not be polluted and destroyed in the desperate attempt to meet our nation's present and future energy needs.

BLACK ECONOMIC DEVELOPMENT

Whereas the PNBC is deeply concerned about the economic plight of the Black community, and

Whereas, PNBC is as much concerned about economic development within the Black community, and

Whereas, local, state and the federal governments are using their bonding powers, tax exempitons, tax incentives, state and federal grants and loans for redevelopment, rehabilitation, the construction of malls, shopping centers, parking lots, hotels, golf courses, etc., and

Whereas these same sources of funding and instruments used in the leveraging of private investments are not being made accessible to the Black community, and

Whereas these brutal, beastly racist practices exist at all levels of government and in the private sector,

Be it therefore resolved that PNBC Churches, through local consortiums and coalitions with other Black Churches, Minority Business Associations, local units of NAACP, SCLC and the Urban League.

1. Join in bringing unrelenting pressure upon all levels of government to make available the resources and technical assistance for the development of Black enterpreneurship and Capitalism.

2. That such pressures would take the form of suits, the filing of complaints with all appropriate agencies at all levels of government including mayors, governors, city and state legislative bodies to gain access to the above mentioned financial resources and assistance. Such pressures would take the form of public exposure of all institutions and entities practicing economic discrimination such as lending institutions and bonding companies.

3. That PNBC Pastors would take the lead in the formation of such coalitions as are necessary to accomplish such goals as are set forth in this resolution as well as the planning of economic development workshops to (a) make known the resources that are available from a variety of sources, both private and governmental, and (b) to develop the skills and techniques to acquire the same.

4. That PNBC Pastors be concerned, not only about Black appointments to jobs, commissions and boards, but about the commitment and willingness of government and business to spell out concrete and workable plans to aid the economic development of the Black community.

5. That PNBC Pastors, in cooperation with others, would not only concern themselves with affirmative action in terms of jobs at airports and new hotels such as the Hyatt Houses and Radissons, but foster Black owned and operated shops within these establishments.

6. That PNBC Pastors and Churches bank funds in local minority owned and operated banks and bring pressure to bear on governmental units to invest and bank funds in the same.

7. That PNBC would deposit its funds in minority banks where available.

NAACP

Whereas the NAACP is the oldest, the most respected, the most effective and the most feared of the Civil Rights Organizations, and

Whereas the NAACP is now in the red in excess of $600,000, and

Whereas in a previous struggle against economic extinction the NAACP had to secure a loan of approximately $800,000 to survive from big labor when the Black Community failed with an inadequate financial response, and

Whereas it is the desire of the PNBC for the NAACP to be sufficiently independent to act with boldness in the cause of liberation, knowing that "the borrower is servant to the lender" (Prov. 22:7).

Be it therefore resolved that

1. Every pastor and church of PNBC become a life member ($500) or a golden heritage ($1,000) member of the NAACP,

2. That each PNBC Pastor and church would form and put to work a membership committee within the local church to secure NAACP memberships

3. That each PNBC Pastor and church join with other Black churches in raising funds annually to be sent directly to the National Office of NAACP beginning this year, 1979. The urgency of the matter cannot be overemphasized. Now is the time these funds should be raised.

4. That PNBC churches seek to raise a minimum of $300,000 annually for the NAACP. The office of the President or his designee would develop a mechanism both for initiating the effort and monitoring it to determine the amount of funds raised through PNBC Churches.

5. That local PNBC Pastors become involved in the leadership and policy development of local and state branches of NAACP to insure the following:

(a) That NAACP branches become more than membership collectors for the mere existence of office holders,

(b) That the leadership roles in the NAACP do not become sole vehicles for selfish political aspiration, and

(c) That local branches and state conferences do not become captives of local and state governments, or pawns of political parties.

RESOLUTIONS COMMITTEE

Dr. Charles G. Adams, Detroit, Michigan.

Attorney L. Clayton Jones, Brooklyn, New York.

Dr. W. J. Hodge, Louisville, Kentucky.

Dr. Nelson H. Smith, Jr., Birmingham, Alabama.

The Rev. Ralph G. Henley, Portsmouth, New Hampshire.

Dr. Thomas L. Brown, Indianapolis, Indiana.

Dr. Otis Moss, Cleveland, Ohio.

RESOURCE CONSULTANTS TO THE COMMITTEE

Dr. Wyatt Tee Walker, New York, New York.

Dr. George Lawrence, Brooklyn, New York.●

A PRAYER FOR ALL PEOPLE

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. GOLDWATER. Mr. Speaker, I recently had the honor to attend a celebration of what we have come to recognize as what is best about the American way of life: A family enterprise successfully accomplishing, flourishing, enriching the economy and society as a whole. The family of Erwin Weder set about years ago to become a viable part of the American business community. They have succeeded, and have provided the rest of us with an outstanding example of what persistence, courage, and faith in God can accomplish. During the course of the program at the Weder's new Redlands, Calif. plant—which is skillfully operated by his daughter Wanda (her brother Donald manages the family facility in Hobart, Okla., while Erwin and his wife Louise administer the family headquarters in Highland, Ill.), Louise Weder offered up a prayer. It could easily be offered on behalf of all people, so I offer it to my colleagues for their thoughtful consideration:

Heavenly Father we are grateful for the many blessings you have bestowed upon us, and for the opportunity to be with these fine friends. Touch the sick and heavy of heart that they may be healed and their burdens lifted. A very special blessing on all those in my apron pocket, you know their needs. Slow us down Lord that we may count our blessings and to begin each new day with this beautiful thought. The Light of God surrounds us. The Love of God enfolds us. The Power of God protects us. The presence of God watches over us. Where ever we are God is. Help us to remember all things are possible when we place our lives in Your care. Guide us that we may join together in prayer and deeds for the preservation of our Christian traditions, our constitutional freedom, our individual sovereignty, our racial self respect and for the redemption of America. Let us remember that America was founded on the basic laws of God. Without a free country we have no choice as to where and how we work, worship, educate our children, or where and how we live. Bless this food to the nourishment of our bodies. Walk with each of us here today, guide us to become better people. See us all safely to our homes again. We ask these things in Thy name.—Amen.●

HAROLD SHORT

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. LEE. Mr. Speaker, this evening in my 33d Congressional District of New York, Mr. Harold Short of Auburn, N.Y., will be honored for his 68 years' service to the Boy Scouts of America. Today, I ask that my colleagues in the House join briefly with me in helping bestow upon Mr. Short the recognition which the Nation, not just his neighbors, should provide.

Mr. Short is, at the age of 83, one of our Nation's oldest living members of the Boy Scouts. He is a pioneer of the movement which has instilled leadership and patriotism through generations of American youth. When the Scouting movement began in 1910, here, Mr. Short started an active career which has never slowed, never failed. Today, his community still recognizes him as a partictipant and contributor without equal.

Long an advocate for the American dream, as well as the American responsibility, Mr. Short served and was wounded in the First World War. He is now in his 67th consecutive year of service to the YMCA, and he remains a dynamic church, service and veterans organization leader.

During a hometown interview, Mr. Short summarized the value of the Scouting experience as one which "develops young men of character to honor their country, church and parents and to respect law and order." Those qualities, he said, "will keep this country safe." Mr. Speaker, I believe every Member of this House would wholeheartedly echo those words.

It is with great pride that I add my voice, and the voice of this House, in saluting Mr. Short on this day.●

TAFT INSTITUTE HELPS TWO-PARTY SYSTEM

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. SIMON. Mr. Speaker, much has been said and written about the current decline of the two-party system, of the increasing influence of single interest groups in eroding the ability of two parties to serve as check and balance against one another, and of the lack of citizen participation in the electoral process.

Much has been said, but words have not always been followed by action toward constructive solutions to these important problems. However, for more than a decade and a half, the Robert A. Taft Institute of Government has worked to promote the values of two strong parties. The Taft Institute is a nonprofit, bipartisan organization which directs its work toward enhancing the understanding of American politics and Government, developing knowledge of supporting the two-party system and creating awareness of the political role and responsibilities of individual citizens. Through annual seminars which have been held at more than 75 campuses in 38 States, the Taft Institute has brought elementary and secondary teachers and those involved in Government together to discuss current issues and problems.

The objectives of the Taft Seminars are as follows:

One, to develop greater understanding and appreciation of the basic principles of the U.S. Constitution.

Two, to develop greater understanding of the American two-party system and the essential roles of the Republican and Democratic parties.

Three, to develop a working knowledge of the processes of government;

Four, to encourage teachers to use their best teaching skills, methods and creativity to instill in their students understanding and appreciation of the fundamentals of democracy and the United States as a free society.

Five, to help teachers to instruct their students more effectively concerning the principles, structures and foundations of Government and the two-party system.

Six, to help teachers develop in their students strong, positive attitudes toward civic responsibility and political involvement.

The Taft Institute has served as an effective bipartisan vehicle for encouraging citizen participation in, and an understanding of, the American political system.

Because of its experience in setting up these programs each year, the Taft Institute is ideally suited to building a larger program to reach many more teachers, students, and individual citizens. Because of the Taft Institute's abilities to coordinate these programs on a national scale and because of the growing urgency with which we must address the decline of citizen participation in the governmental process, I am today introducing a bill, concurrently with my colleague HENRY BELLMON in the Senate, to establish a Federal trust fund of $15 million, the interest from which is to be used on a matching basis with those funds the Taft Institute raises through private contributions for its programs.

The Taft Institute provides a valuable contribution to our political and government processes. Such an investment in an income-generating trust fund to enable the institute to expand its programs nationwide is, I believe, a wise one.

As Henry J. Taylor, a columnist writing about the success of the Taft seminars recently observed:

> Political difference is good democracy. It's political indifference that represents our dangers. The Robert A. Taft Institute of Government is doing its part.

Cosponsors in the House of this bill are:

James R. Jones, Parren J. Mitchell, Clarence J. Brown of Ohio, Butler Derrick, Jerry M. Patterson, James C. Corman, Paul N. McCloskey, Jr., Fernand J. St Germain, Richardson Preyer, William G. Whitehurst.

Edward P. Beard, Nick Rahall, John W. Jenrette, S. William Green, John Buchanan, Ray F. Lederer, Robert K. Dornan, Pat Williams, Tim Lee Carter, Jim Leach, Robert A. Young of Missouri, Thomas A. Luken, Richard L. Ottinger, and John B. Anderson.

H.R. —

A bill to authorize funds for the Robert A. Taft Institute of Government

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Robert A. Taft Institute of Government Trust Fund Act".

DEFINITIONS

SEC. 2. For purposes of this Act, the term—

(1) "Commissioner" means the Commissioner of Education;

(2) "Fund" means the Robert A. Taft Institute Trust Fund established in section 4;

(3) "Institute" means the Robert A. Taft Institute of Government located in New York, New York; and

(4) "Secretary" means the Secretary of the Treasury.

GRANTS FOR DEVELOPMENT

SEC. 3. (a) In recognition of the public service of Senator Robert A. Taft, the Commissioner is authorized to make grants from the Fund established in section 4 to assist in the development of the Robert A. Taft Institute of Government, located in New York, New York.

(b) The total amount of grants under this section in any fiscal year may not exceed the lesser of (1) the total amount of private contributions received by the Institute in the fiscal year prior to the fiscal year in which the grants are made, or (2) the income of the Fund generated in the fiscal year prior to the fiscal year in which the grants are made.

(c) No payment may be made under this Act except upon an application at such time, in such manner, and containing or accompanied by such information as the Commissioner may require.

ESTABLISHMENT OF FUND

SEC. 4. (a) There is established in the Treasury of the United States a trust fund to be known as the "Robert A. Taft Institute Trust Fund". The Fund shall consist of amounts appropriated pursuant to subsection (f).

(b) It shall be the duty of the Secretary to invest such portion of the Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

(c) Any obligation acquired by the Fund may be sold by the Secretary at the market price.

(d) Except as provided in subsection (e), the interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to form a part of the Fund.

(e) Within 30 days after the end of each fiscal year, the Secretary shall determine the total amount of private contributions received by the Robert A. Taft Institute during such fiscal year and the total amount of income generated by the Fund in such fiscal year. If the Secretary determines that the total amount of income generated by the Fund in any fiscal year exceeded the total amount of private contrbiutions received by the Institute in such fiscal year, the Secretary shall transfer from the Fund to the Geenral Fund of the Treasury an amount equal to the difference between the income generated in such fiscal year and the amount of private contributions received in such fiscal year.

(f) There are appropriated to the Fund $15,000,000.

EFFECTIVE DATE

SEC. 5. This Act shall take effect on October 1, 1979.●

STATEMENT ON VLADIMIR SHELKOV

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. PEYSER. Mr. Speaker, I would like to bring the sad and terrible ordeal of Mr. Vladimir Shelkov to my colleagues' attention.

Mr. Shelkov, who is 83 years old and in failing health, is a prolific religious writer and leader of the Seventh-day Adventist Church in the Soviet Union.

The Soviet Government has imprisoned Mr. Shelkov for a total of 24 years during his lifetime. He was most recently arrested in Tashkent, in March 1978, and held incommunicado until this past week. At this very moment, Mr. Shelkov is standing trial for daring to practice the religion of his conscience.

The persecution of Mr. Shelkov violates the United Nations Universal Declaration of Human Rights and the spirit of the Helsinki accords.

I urge you to add your voices to the outcry now being raised against the outrageous and indecent treatment of Vladimir Shelkov.●

JIM KELLIS: THE FIGHTER FROM CHICOS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. ROSENTHAL. Mr. Speaker, Dr. James Kellis has served his country as an intelligence official and defense planner. In times of war as well as peace he has distinguished himself.

He is profiled in a recent issue of the New York Greek-American Monthly Review, and I would like to share this portrait of an outstanding American with all my colleagues by inserting the article in the RECORD at this point:

JIM KELLIS: THE FIGHTER FROM CHICOS

The Carter administration decided their arguments on the attempt to lift the embargo should be based on "security reasons." The U.S. intelligence facilities in Turkey and the geopolitical importance of Turkey are now being emphasized to overcome majority rule, human rights and the rule of law. Carter is using General Alexander Haig Commander of NATO and Ambassador to Turkey Ronald Spier to visit many senators and congressmen and present the Turkish side.

For the past 18 months Dr. James G. Kellis has been trying to counter the security arguments regarding the embargo. Dr. Kellis served as a plans officer in NATO, with particular interest on Italy, Greece and Turkey, while he was a U.S. Air Force Colonel. He also served as the director of the Operations Division of CIA. Kellis has been arguing before congressional committees and the press that the security arguments are exaggerated bv segments of the U.S. government to help lift the embargo. "I am a busy man, and cannot devote full time in Washington to counter the arguments of the Pentagon, CIA and the Department of State. They have about 25 officials devoting their full time to the press and Congress making their case in favor of lifting the embargo," said Kellis. Nevertheless Kellis believes we have to balance the arguments for otherwise biased positions would not serve the best interest of the U.S. Kellis argument is:

"In 1974, the U.S. operated 26 intelligence facilities in Turkey. Since the closing of most of these facilities alternate facilities have been operating to provide the same type of intelligence. The N.Y. Times reported from Iran on July 9, 1978, that most of the intelligence functions formerly performed in Turkey are now performed in Iran. Also similar intelligence facilities operate now in Greece, Cyprus, Israel, Italy, Central Europe and Northern Europe. Reconnaissance satellites and the AWCS aircraft also gather the same type of intelligence formerly collected in Turkey."

"The geopolitical significance of Turkey is being exaggerated to help lift the embargo. Though Turkey has standing armed forces numbering 450,000, they lack the sophistication to stop the Soviet Union, in case of war. The Turkish forces could be overrun by the Soviet Union within 60–90 days unless supported by the U.S. Forces with advanced and sophisticated weapons and equipment. There is also doubt as to how an effective buffer Turkey is in the Middle East. If the Soviet forces intended to attack and capture the Middle East oilfields their more likely attack is to come through Iraq and Iran. In 1973 the Soviet Air Force overflew Turkey in providing arms to Syria and Egypt. The same is happening now in the rearmament of Ethiopia. Soviet warships are permitted to navigate through the Turkish straits in violation of international treaties."

"The Southern flank of NATO could be protected only through the close cooperation of Italy, Greece, Turkey and the United States. Turkey invaded Cyprus and Turkey could reinstate this cooperation by pulling her forces from Cyprus thus reestablishing normal relations with Greece. If the present position of the Carter administration continues there is a likelihood that anti-American elements would eventually prevail in Greece and they would force Greece to pull out of NATO and Western cooperation. Then Turkey will become geographically isolated from the rest of NATO and her position will become untenable."

"Turkish leaders claim because of internal political factors they cannot withdraw from Cyprus as long as the arms embargo continues. Frankly, the political and economic conditions in Turkey have been worsening for the past 18 years. Even if the embargo is lifted there is a serious doubt that progress would be made in Cyprus. Turkey is very dependent on the U.S. and Western Europe for military and economic assistance. We hear that Turkey needs 1.5 billion dollars in military assistance and 2–3 billion dollars in economic assistance. The Turks, traditionally, have been hard bargainers and the U.S. should demand clear concessions before we provide any further assistance."

Kellis has been active, during the past four years, with the American Hellenic Institute (he is on the board of directors) and the Chian Federation (he is the executive vice president under President George P. Livanos) lobbying with the administration and Congress to continue the embargo until meaningful progress is made on the Cyprus and Aegean issues. "The past two months I have been working on the average of 80 hours per week, that is my job and the embargo," said Kellis.

Dr. James Kellis was born in Alexandria, Egypt from parents who came from Chios. He came to the U.S. as a teen-ager finished high school and then entered the U.S. Army Air Corps. He graduated from the U.S. Air Force Institute of Technology and the U.S. Air Force Flying School. This was just before World War II.

During World War II, he was assigned to the OSS (the American intelligence service) and he was parachuted behind the enemy lines in Greece and China. He received many combat decorations and was wounded once. Also participated in the Korean conflict and was promoted to the grade of Colonel, U.S. Air Force at the age of 32.

After the war, while stationed in Washington, he continued his studies and was awarded the M.A. and Ph.D. in political economy from Georgetown University.

In 1948, Kellis was assigned to assist General William Donovan (Note Exhibit D) in the investigation of the murder of the American correspondent George Polk. In this investigation Kellis believed that Greek Security, the CIA and the British Intelligence were trying to cover-up the real murderers and protested. Kellis remarked: "You don't solve your national problems by using unethical practices. You have to be honest and display courage. One of the problems we are faced with the embargo is that the U.S. Government has been encouraged to move to lift the embargo by certain bankers, oil companies and defense manufacturers. These people have used their immense influence to energize NATO, the Pentagon, CIA and the State Department."

Kellis says, he has served in high and very sensitive positions in the U.S. Government and experience taught him to be objective, honest and display courage in pursuing the interest of the United States. "There are many officials in the government who don't agree with President Carter on the embargo, but they are afraid to speak-out," says Kellis.

Kellis lives in Fairfield, Connecticut. He is married to Sophie Kellis and they have two sons, George 28 and Michael 26. He is a member of the AHEPA and a member of the Parish Council of the Holy Trinity Church in Bridgeport, Connecticut. Kellis is a high-level executive of the United Technologies Corporation since 1960. He is also Commissioner of Special Revenue for the State of Connecticut. He was appointed to this position, which administers and regulates race tracks, dog tracks, jai alais and lotteries, by Governor E. Grasso in 1976, after allegations of corruption were surfaced in this area in Connecticut. This is a clear indication of the respect for Dr. Kellis' integrity and competence.

Kellis says he and his family visit Greece and Chios every summer "to seek our roots. We are proud of our ancestry and know how much Greece contributed to America and Western Civilization."●

FRIENDSHIP QUESTIONED

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. DERWINSKI. Mr. Speaker, as the United States embarks on its new relationship with the People's Republic of China, I think it is important to understand the nature of our new association. A kind of euphoria has swept the country this past week with the visits of China's Vice-Premier Teng Hsiao-p'ing. His tour became a major media event and a major public relations coup, leading to the caluculated impression among much of the American public that the United States and the People's Republic of China are indeed close friends, and that the mutually strained relationship that has existed for much of the last 30 years was no more than an unfortunate aberration.

I believe that this is a false impression. I hope this new era between the People's Republic of China and the United States is one of cooperation and will be mutually beneficial. We must recognize, however, that the past hostility between the United States and the People's Republic of China was more than a mere aberration. The People's Republic, as a major Communist state, for many years proclaimed its extreme hostility to the United States and all that it stood for. It encouraged and supported revolution and subversion throughout the world, in many instances against countries closely tied to or allied with the United States. It fought a deadly war against the United States on the Korean peninsula, at the cost of many American and allied lives. Both domestically and internationally, then, the People's Republic of China was for many years legitimately viewed as a threat to American global interests and values.

In the last few years, this impression has changed somewhat, as the People's Republic of China's international attention has turned from Third World subversion to the more serious Soviet threat, and as a more "pragmatic" leadership has taken the helm in Peking. I think that the United States should view it as an important opportunity. At the same time, however, we must recognize that perhaps the "aberration" regarding the People's Republic of China is not the past antagonism which existed with the United States, but rather the current line being taken by Vice-Premier Teng.

On the other hand, there have been many good reasons for our close ties with the Republic of China on Taiwan. The Republic of China shares many of the same values as the United States. These include a commitment to individual economic opportunity, free enterprise, freedom of personal movement, freedom of religion, a commitment to the family as the cornerstone of society, and to a considerable degree of political democracy. It is not coincidence, then, that our relationship with the Republic of China has been a close and a mutually beneficial one for the past 30 years.

This is one reason why I strongly oppose the President's current position on the future of U.S. relations with Taiwan. I do not challenge the new relationship with the People's Republic of China—this may serve a variety of American interests. What I do question is the virtual casting aside of a society with which we have so many mutually reinforcing ties, in favor of a society with which American ties may only be superficial, and thus not long-lasting. I think, at the least, that since American interests now reside in both Chinese states, the United States should maintain some form of official relations with both. I intend to support this position in the upcoming debate on China in the House.

In the immediate wake of the President's normalization announcement, a very interesting and perceptive article appeared in the pages of the San Diego Union titled, "A Long Hard Look at America's New Connection With China." I wish to insert the article at this point, and we hope that the Members will give it their attention:

A LONG, HARD LOOK AT AMERICA'S NEW CONNECTION WITH CHINA

(By Sean Randolph)

One neglected aspect of the U.S. debate on normalizing relations with China concerns the fundamental nature of American interests in both Taiwan and the People's Republic of China. In short, inadequate attention has been paid to the distinction between long-term and short-term interests—a confusion which has blurred the distinction between strategic as opposed to tactical approaches to the China issue.

Alliances should—at least in theory—be based on a certain identity on interests between the parties. It is those interests which bind the partners and which holds the alliance relationship together through the trials and mutual tensions that inevitably arise. The thinner the overlap of interests, the shakier the alliance—and conversely, the more multifaceted and multitudinous the shared interests, the more durable and viable the alliance will be.

In the case of China, Washington and Peking are moving toward a de facto alliance aimed against the nation which stands as the primary threat to both, the Soviet Union. The Chinese, feeling more immediately exposed than the United States, have been particularly adamant in their warnings against Soviet imperialism, and have actively encouraged the closer working relationship with the United States that President Carter confirmed in his address to the world last Friday evening.

That is well and good, as the reality of global strategy today makes it clear that, to the extent that both nations are threatened by Soviet power, they share a mutual interest. A careful and controlled cooperation on a broad level between the United States and China thus appears to be in the interest of both.

Nevertheless, even though the immediate benefits of a normal and perhaps even cordial Sino-American relationship might be substantial, they also have been overstated. The opening of embassies by several European nations in Peking has not brought with it either the increase in contacts with the Peking government or the increased trade and the flow of information at the governmental level that was once anticipated.

The point is, besides giving pause to the Soviets, the benefits deriving from exchanging ambassadors with Peking will rebound more to China than to the United States. Aside from recently discovered oil, the Chinese have little to offer us in the way of trade or payment for our exports. In fact, Peking is already advising that "tens of billions" of U.S. financial aid will be in order.

Small wonder then that the Chinese are willing to soften, at least for now, their previously hard line about U.S.-Taiwan ties.

This is not to say that the United States should not pursue the full normalization of relations with Peking. Quite the contrary. The key question, however, is "at what price?"

In examining what will satisfy both U.S. interests and U.S. commitments, we would do well now to recall how we handled a parallel in the not-too-distant past. At this juncture of U.S.-China relations, it might be well to look back briefly to our historical antecedents, if only to set current American policy in its proper perspective.

Hearkening back to the years before World War II, we remember that the Soviet Union was the bete noire of the international system. From its accession to power in 1917, the Soviet government actively encouraged and abetted the forces of international revolution, proclaiming all the while its unending hostility to the forces of capitalism and imperialism, represented by the United States and West European powers. While some improvement of relations occurred in the late 1920's, the U.S.-Soviet atmosphere remained cool at best and few deceived themselves with the thought that either nation shared any fundamental interests. Relations in fact deteriorated following the establishment of formal diplomatic ties between the two countries in 1933, as American expectations of increased commercial opportunity and greater political harmony were sadly disappointed.

This situation was radically changed by the coming of World War II, which threw both the United States and the Soviet Union together with the industrial democracies of Europe in the struggle against Nazism, Fascism and Japanese imperialism. Almost overnight, Soviet propaganda against the United States was stifled. Likewise, in the United States, vast public relations efforts were made by the Roosevelt administration to improve the public image of the Soviet Union and to extoll its achievements and heroism. Information critical of our Soviet allies was discouraged or suppressed.

Predictably, however, the Soviet-American alliance began to disintegrate soon after the final collapse of Nazi Germany and the capitulation of the Japanese Empire. Having been bound together only by their mutual fear of Nazi Germany, the cement joining the two nations lacked the tensile strength to endure into the post-war period. In the years immediately after the war, the United States struggled vainly to preserve the cooperative cast of Soviet-American relations, making catastrophic concessions to Stalin in Eastern Europe in an attempt to hold the Big Four together. In the process, and in order to ensure Soviet participation in the fledgling United Nations, the political independence of Poland and the Balkan countries was shamelessly compromised at Yalta. At the time, the United States did not think, of course, that it was "sacrificing" Eastern Europe, because it chose to trust its Soviet ally and accept at face value its assurances. By the time the Cold War had fully set in, however, the fate of the East Europeans was sealed, and the alliance to which their fate had been held hostage had long since withered.

The American experience with the Soviet Union prior to and after World War II is not without its parallels in the warming Sino-American relataionship. In both cases, the United States was and is faced with a dangerous adversary which has pledged itself to militant opposition to the United States and its global interests. Through the early 1940's, victory over Nazi Germany became a single and overriding interest shared by the United States and Soviet Union, binding them into a broad cooperative relationship. The absence of other mutual interests which might have served to reinforce that primary tie ultimately led, however, to a deterioration of the relationship, as the fundamental incompatibility of the two political and economic systems reasserted itself. Yet, in the name of that alliance, and before its transitory nature was fully recognized, friends and allies of the West—weaker states in the game of global strategy—were consciously or unconsciously sacrificed.

The point regarding the Republic of China should be obvious, but bears reiterating. While the United States and the People's Republic of China are, in fact, tied together today by antipathy toward a third and highly threatening power, neither nation shares other fundamental interests in common. If and when the Soviet threat should decline, therefore, or more likely, as one or the other nation readjusts its perception of the Soviet Union and its intentions, the bonds uniting the United States and the People's Republic of China will inevitably weaken. A return to antipathy at some point is not unlikely.

This is not to say that such a likelihood should preclude a near-term alliance, based on those mutual interests that clearly do exist. This is obviously sound from a tactical perspective. The fate of Taiwan, however, should not be made to hinge on that relationship. This is because American interests in Taiwan are compatible and of a long-term nature.

The values shared by the United States and Taiwan are multiple and overlapping—values relating to economic opportunity and free enterprise, political expression, and social freedom. These are interests which bind the Republic of China to the United States more closely than is commonly recognized—ties that can be expected to endure through repeated crises and into the indefinite future.

That being the case, the Carter administration should think long and seriously before it sacrifices (under whatever ruberic) America's long-term interests in Taiwan on the altar of near-term tactical expediency. The danger, if it does so, is that a valuable ally will be lost, for only ephemeral gains.●

THE U.S. LABOR DEPARTMENT MEETS DONALD JUNIOR

HON. WILLIAM PHILIP GRAMM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. GRAMM. Mr. Speaker, we in Texas have always prided ourselves on the defense of individual liberties. I am proud that this tradition is carrying over to our youth. Too often Government regulations which are supposed to protect our people have resulted in discrimination against them.

In the words of the late Robert A. Taft:

> Liberty has been the key to our progress in the past and is the key to our progress in the future. If we can preserve liberty in all its essentials there is no limit to the future of the American people.

Our duty is to enhance the opportunities of the American people, and we must move in that direction. Free enterprise and individual freedom are noble causes, and we should return them to their proper place of respect, through less Federal intervention. The following article from the January 26th issue of the Fort Worth News-Tribune tells of a young man's fight to protect his right to work for profit outside of paternalistic Federal guidelines. I believe that we can all learn a lesson from Donald Woodard, Jr.

> David versus Goliath was a preliminary bout compared to the battle of Donald versus the U.S. Department of Labor here this week.
>
> The results were the same—even though Donald didn't have a slingshot.
>
> Donald is Donald Woodard Jr., advertising account executive representing The News-Tribune and he is an independent businessman in the best sense of the word.
>
> The Department of Labor was Joe Noriega, 30, a compliance officer in the Fort Worth area office headed by Curtis Leroy Poer, out of the regional office in Dallas represented by H. J. Menhard, assistant area director.
>
> At issue was whether The News-Tribune was in violation of "Child Labor Requirements in Nonagricultural Occupations— Under the Fair Labor Standards Act."
>
> * * * * *
>
> We got to cover the contest because Donald could—and did—request that we be present when he was interviewed by Noriega.
>
> It was a fair fight. In one corner was Noriega, with the Department of Labor only since June, in the Dallas district only two weeks and making his first investigation in Fort Worth. A graduate in public justice from St. Mary's University in San Antonio, he also was making his first investigation of a newspaper.

In the other corner was Donald, a slender red-head, a junior at Paschal High School, with The News-Tribune two years. It was the first time he had been grilled by a public official.

When asked, Donald told Noriega that his title is account executive with The News-Tribune.

"How long have you had that title?"

"Two years."

"Two years exactly?"

"Two years exactly."

(Donald knew because he's giving a dinner party Saturday to celebrate the anniversary.)

"You have been an employee of The News-Tribune two years?"

"No, sir. I am not an employee. I am an independent agent, like an insurance agent. I represent The News-Tribune," Donald said.

"That's what I mean. There is an employee-employer relationship here."

"No sir, there is not," said Donald.

Noriega reached for a Department of Labor booklet. Donald reached for a dictionary.

"I think you'll accept Webster's definition," Donald said. "It is accepted generally. If you will read it, you will see that I am not an employee. I am an independent agent, self-employed."

"But you sell their product."

"No, sir. I sell advertising and strictly on commission."

"Now, Donald, I am here to protect you . . ." protested Noriega.

"Against what?" Donald demanded.

"The government recognizes that some kids . . ." Noriega started to explain.

"Please, sir, do not call me a kid," Donald said coldly.

"I'm sorry. The government recognizes that certain classifications of employees need protection . . ."

"I am not an employee. And what do I need protection against?" Donald inquired.

"H.O., what the Department of Labor calls 'hazardous occupations,' " Noriega offered.

"There's nothing hazardous about selling advertising unless you make a prospect so mad he throws you out of the office, and I don't," said Donald.

Undeterred, Noriega bored in: "The government protects you as a salesman. It is conceivable you could work all day and not sell an ad and then you wouldn't get any money for your work."

"It is not conceivable, sir," said Donald.

"What is not?"

"That I would work all day and not sell an ad," Donald stated.

"Nevertheless the government wants to be sure you do not work for nothing . . ."

"I don't. I work on commission," Donald pointed out.

"Yes, well. Now as an outside salesman you are entitled to $4.35 an hour. That's one and a half times the minimum wage."

"I don't work by the hour," said Donald.

"But that's what you are to be paid when you spend your time and don't make any sales."

Donald was outraged. "Do you think I would accept money for something that I didn't do? I wouldn't take it. The government couldn't make me take it. That's an insult."

"Now, Donald, that's the law."

I reached for copies of The News-Tribune free enterprise editions published in 1977 and 1978. I turned the pages, showing dozens of full-page and half-page ads.

"Donald sold all these ads," I told the Department of Labor. "He feels very strongly about free enterprise. These advertisers are the biggest and most powerful firms in this area, and Donald sold them all. He really doesn't need the government's protection. In fact he feels very strongly that there is too much government."

Noriega looked hurt, and said: "All right, now we come to your brother, Blake. I understand he's only 15 and he works here too."

"Blake has a contract with Donald that was worked out under their father's guidance," I said. "He's 15 and a freshman in high school and works for Donald after school. Next year he will work in the D.E. program." (Donald Jr. and Blake are the sons of Donald and Wanda Woodard, 3921 Stonehenge).

"Blake's my assistant," Donald said. "He works for me." He excused himself and came back with a business card that read "Donald Woodard & Associates" and under that "Blake Woodard."

"He's only 15?"

"That's right. And he doesn't work for The News-Tribune. He works for me," said Donald. "He sold his share of the free enterprise ads."

Noriega looked pained. "I will have to research Blake."

Donald was puzzled. "What are you going to do to my brother."

"I'm going to research him."

"What for?"

"To establish your relationship."

"I just told you our relationship. We're brothers," Donald said.

"Still, he's only 15."

"What has that got to do with it?"

"He has to be protected."

"From me?" Donald asked indignantly.

"I will research Blake and let you know."

Noriega returned later with Menhard. Their verdict: Donald is indeed self-employed. There is no restriction on his salary. He specifically is not subject to minimum wage and overtime. He is an independent agent. But he could be considered in a hazardous occupation since he now drives a car to make some of his calls, and the government wants to be sure everyone is aware of the hazards the teenager and the various citizens on the streets face when he is behind the wheel.

I could be silent no longer. "Is this the same government that dumped $8.5 million into Fort Worth summer before last and about $6 million this past summer to hire unemployed youth and keep them off the streets?"

"I suppose so," Noriega admitted.

"The same government that put them in the back of pickup trucks and armed them with chain saws and power mowers and paid them to ride around looking for back yards to clean up? Does the Government realize our City Council considers riding in the back of a pickup so hazardous they tried to pass an ordinance making it illegal?"

"Well," Noriega changed the subject briskly. "Now for Blake. He must not be permitted to work more than three hours a day, not after 7 p.m. and never over 18 hours a week during school. During the summer he cān work up to 40 hours but not over eight a day and not past 9 p.m. or before 7 a.m. Can you see to that?"

"No," I replied, "but I can ask Donald to. He works for Donald, you know. Not for me." ●

THE ANNUAL FORECAST OF PUNXSUTAWNEY PHIL

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MURTHA. Mr. Speaker, my most famous constituent is Punxsutawney Phil, the celebrated groundhog and top weather forecaster.

Last Friday, February 2, Mr. Charles M. Erhard, Jr., president of the Punxsutawney Groundhog Club led a procession up to Gobblers Knob where Punxsutawney Phil lives. Joining Mr. Erhard in the official procession were: Paul Jordan, mayor of Punxsutawney; Chief of Police Ron Krolich and members of the police force; and Hank Stankewich, game protector for the area.

This was the 92d year for the annual Groundhog Day. By this time, I am certain you have all seen and heard the results of Phil's morning appearance, but for your information, I wish to insert into the Record, the official proclamation.

The proclamation follows:

> Hear Ye! Hear Ye! To all faithful followers assembled here on Gobblers Knob in Punxsutawney, Pennsylvania, and to all true believers around the world.
>
> I, Charles M. Erhard, Jr., President of the Punxsutawney Groundhog Club, hereby proclaim that his imperial majesty, the prognosticator of all prognosticators, King Philip, has emerged from his snow covered burrow at 7:28 this morning, scampering out amid the blasts of chilling arctic winds only long enough to cast a long, pale shadow. The seer of seers quickly raced back into the comforting warmth of his official residence. So with the powers vested in me as President cf the Punxsutawney Groundhog Club, I hereby proclaim six more weeks of mild winter weather, but take heart for the worst is over!
>
> That's the official word today from the weather capital of the world, Punxsutawney, Pennsylvania, the home of Punxsutawney Phil, the only reliable forecasting groundhog! ●

A DIFFERENT PERSPECTIVE REGARDING FARM PRICES

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. BEREUTER. Mr. Speaker, there has been considerable discussion lately of a 40-percent increase in farm income. That sound pretty impressive, but this 40-percent figure does not mean that farmers are getting rich.

First of all, that figure represents a 40-percent increase from the lowest level of farm income in 5 years. If you are making a hundred dollars a month and get a 40-percent increase, you still cannot go out and buy a tractor.

Second, that 40 percent is a national average. That includes livestock, fruits, vegetables—all farm products. Limes are a pretty good price now. They are at 108 percent of parity. And Temple oranges are at 122 percent. Livestock prices have gone up. But all this masks and distorts a pretty dismal grain income picture. Grain prices have risen very little from some record lows.

According to the USDA publication called Agricultural Prices, farming costs have increased faster than urban living costs. The Consumer Price Index for all urban consumers for December 1978 was 9 percent higher than December 1977, but the index of prices paid by farmers for commodities and services, interest, taxes, and farm wage rate is up 11 percent over January 1978. And, the index of prices paid by farmers for farm production goods and services increased 13 percent above a year earlier.

The other point that has to be made is that in terms of 1967 dollars this $28 billion of 1978 net farm income is worth about $14.4 billion compared with $22.5 billion in 1973 in terms of 1967 dollars. Real farm income is still a long way from that high point.

In spite of a 22-percent increase in farm prices generally, and this 40-percent rise in farm income in 1978, wheat and corn are costing many farmers more to produce than they can sell it for. The cost of production figures that I have are $3.72 for wheat and $2.62 for corn. You cannot make much money losing 50 cents or a dollar on each bushel that you produce.

In fiscal year 1978 about 44 percent of the Agriculture Department's budget outlays went for food distribution programs and 27 percent for farm income stabilization programs. The President's budget proposal for 1980 shows food programs taking almost 60 percent of USDA outlays, with farm income programs dropping to 13 percent, and research, extension, and natural resources programs also taking a cut over fiscal 1979.

These figures would seem to contradict the impression being given by the USDA that the farm income picture is greatly improved and that farmers visiting Washington are just greedy and poor managers.●

IN SUPPORT OF HOUSE JOINT RESOLUTION 92

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WHITEHURST. Mr. Speaker, on January 15, 1979, I introduced House Joint Resolution 92, calling for a wildlife preserve to protect the breeding grounds of the humpback whales in the West Indies. It states:

> That the President shall seek a treaty or other appropriate international agreement establishing a wildlife preserve for humpback whales, in the area encompassing the Turks Islands, Mouchoir Passage, Silver Bank Passage, Navidad Bank, and such additional area as may be necessary to insure the protection of the breeding grounds of the humpback whales.

The humpback whale is one of the largest mammals ever to inhabit the Earth and today is found from the waters of the Caribbean as far north as Labrador and off the Australian coast. The humpback whale is believed to have strong family ties because they roam the migratory paths of the Atlantic Ocean in small groups of between 20 to 30 animals each. It is this family grouping which makes the humpback particularly vulnerable to literal biological extinction. From an original stock of nearly 100,000 animals there exist today only 6,000. The International Whaling Commission recognized the problem and since 1964 the humpback has been protected. However, each member nation of the IWC has its own inspectorate, and it has proved impossible to implement any scheme for international inspection. Furthermore, the threat to this species from nonmember nations must also be considered.

I believe, therefore, that it is imperative that the United States work toward an international agreement to insure proper protection and preservation of this magnificent marine mammal. Such an agreement is essential if we are to prevent the final extermination of the humpback whale, and I hope that my colleagues will see fit to join me in support of House Joint Resolution 92.●

MARIHUANA DECRIMINALIZATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MAZZOLI. Mr. Speaker, I have never found the case for decriminalizing marihuana to be persuasive.

The material I am placing in the RECORD today makes the burden of proof for decriminalization of marihuana even harder to carry.

I commend to the attention of my colleagues the following articles: an interview with Robert L. DuPont, Jr., former Director, National Institute on Drug Abuse, which appeared in the August 7, 1978, U.S. News & World Report, and an article entitled "The Medical View", which appeared in the January 29, 1979, issue of Time magazine.

IS U.S. BECOMING A DOPE-RIDDEN SOCIETY?

Q. Dr. DuPont, are Americans beginning to accept so-called soft drugs, such as marihuana, as a way of life?

A. The answer to that is "Yes." Particularly in the under-30 group, there has been a tremendous increase in the use of drugs of many kinds during the last decade. Within the younger population, there is an increasing tolerance and acceptance of marihuana as a part of life. It is often said about marihuana that we see in this country is a sort of laissez-faire attitude: You do your thing and I'll do mine.

Q. How widespread is the use of marihuana?

A. About 43 million Americans have tried marihuana. Sixteen million are current users—including about 9 percent of high-school seniors who are daily users. That has to be put in the context of the roughly 92 million consumers of alcohol—including 6 percent of high-school seniors who are daily users—and 65 million people who are using tobacco.

Other frequently abused drugs include sedatives—such as the Quaaludes recently in the news—stimulants, tranquilizers and hallucinogens.

Ten years ago, only 1 in 20 American college students had tried marihuana. Today, 11 out of 20 have tried the drug, and 2 out of 20 are using it every day. Probably 15 percent of the auto accidents in this country today are associated with marihuana intoxication.

Q. Do you expect other consequences from such widespread use?

A. Yes, so far we have only seen the tip of the iceberg. We're going to see more evidence of the harmful consequences of marijuana use on health, social activities, family living and work performance as time goes by. Those people going around today emphasizing the benignness of marijuana are going to have a tough time with their consciences.

Q. How widely used is cocaine?

A. After marijuana, cocaine is by far the most widely used illegal drug. About 10 million Americans have taken it at least once, and just under 2 million have taken it within the last month. We have about 400,000 heroin addicts in the country, many of whom became addicted in the 1967 and 1972 epidemics. Heroin use is decreasing now, but it remains our most costly and serious illicit drug problem.

Q. What is the big appeal of drugs of all kinds to so many people?

A. Abused drugs make many people feel good. They are powerful reinforcing substances.

Q. How about the use of illegal drugs by young people who are successful?

A. Many of these people aren't yet sure of where they stand and what they can do. It is especially true of young people who suddenly become successful—such as athletes, singers and actors—who have often risen from fairly modest backgrounds.

A sudden rise in status is extremely unsettling. It usually triggers the feeling that one is magic—that whatever one touches works, and that all the rules that are holding others back don't apply to oneself. So the suddenly successful person often gets involved in a hip, risk-taking lifestyle. That's one reason these people get heavily into drugs.

Cocaine is especially appealing to the newly rich, because they don't care how much money they're putting up their noses. Money stops having value. It's exciting, and they feel terrific.

On a personal level, many of these people are actually quite shy. They appear before great crowds and are adulated and yet they have never done much to sort out their own interpersonal relations. The use of drugs helps them overcome this shyness.

Another thing happens to many of these people. Their sudden success creates a success-anxiety syndrome and they are preoccupied with guilt. They think: "Why did this happen to me and not you?" They worry about it at an unconscious level even if not consciously. Much of what we see is really self-destructive behavior the individual is unconsciously undoing the success he can't account for and doesn't feel secure with. People who are successful often do things which make you say: "How dumb! I can't believe he did that."

Q. How much does this drug-using behavior influence others particularly young people?

A. A great deal. These highly visible successful people are cultural beacons attracting large numbers of others. They're the people young people emulate. This kind of recklessness and drug use has a bad effect on the rest of the population particularly young people.

Q. Why are we being told that there is drug taking in the White House, where people are both successful and presumably secure in their jobs?

A. Many of them are not secure. I have been around the White House for nearly 10 years, and I'm impressed by the fact that the names on the doors are in little containers so that they can be pulled out quickly. Nobody's name is painted on anything, and you rarely go back to the same office from year to year and see the same person in it. They come and go. The average duration in service of a presidential appointee used to be 14 months. It may be a little longer now, but it's still a short period of time.

Q. Why is cocaine in particular so popular?

A. It's glamorous. It's exciting because it involves taking a risk. Furthermore, it's an "up"—producing good feelings, at least for the moment—instead of putting you down as alcohol does, making you sleepy and sort of stupid.

Cocaine is supposed to be the drug of the Inca gods. It's expensive. People who take it emphasize that, like marijuana, it's relatively harmless. You're not likely to die from it, as you might from an overdose of heroin.

The biggest problem with cocaine is wanting more of it, and centering your life around it. Of all the drugs, it is the most powerful in conveying a feeling of well-being. A cocaine user wants more of it all the time, and when he stops taking it, he feels depressed and exhausted. So he tries to go on redoubling what he takes.

Laboratory animals die of exhaustion and seizures following unlimited use of cocaine. It's as if their nervous systems just give out. There have been deaths associated with human cocaine use. And even though we don't understand exactly what is happening, it is clear that frequent use can be damaging.

Despite its glamorous image, cocaine is a dangerous drug, and it can kill.

A. What does cocaine cost?

A. It can cost as little as $2 or $3 for a single dose or up to several thousand dollars a day, depending on the level of use.

Q. Do you think that many Americans underestimate the dangers of marijuana?

A. Absolutely. One of the most distressing facts to me has been the difficulty communicating the risks of marjuana use. Probably no issue was more frustrating to me in five years as director of the National Institute on Drug Abuse.

I have supported throughout that time the decriminalization of the personal possession of marijuana—the substitution of a noncriminal fine for the user of small quantities of the drug. By that means, we establish that marijuana use is prohibited behavior, but we do not use the criminal law and arrest records and tie up the courts to discourage it.

That substitution of a fine for the current criminal penalty is perceived by 90 percent of the public as being soft on pot. But, actually, I am very deeply concerned about the rising levels of marijuana in this society.

Too many people conclude that, because we have increasing levels of marijuana use, we will inevitably move toward legalization. I do not believe this is the way of the future. I can foresee the time when young and old will hold attitudes toward recreational drug use which are similar to those now held toward herbicides, pesticides and food additives—that they are unhealthy and should not be used.

Q. What happens physically to somebody when he starts taking marijuana often?

A. Probably the most serious consequence has to do with his interpersonal relationships and his involvement in what's going on around him. The frequent marijuana user becomes increasingly preoccupied with himself. He doesn't feel the stress anymore of situations that are normal stimuli to problem solving, so that instead of solving his problems with friends, with heterosexual relationships, with work and with family, he simply doesn't care about them anymore. These anxieties that one feels are healthy. They are the stimuli to growth, and without them, people just don't grow.

There's a great myth about the use of many drugs as sex stimulants. The truth is that all drugs do is reduce a person's anxieties about sex, so that one doesn't really care what happens. Actually, sexual performance is often not good after drug use of any kind. Drugs are an unreliable crutch.

Q. Are there also health hazards to marijuana?

A. Yes. The problem is in knowing exactly what the health consequences are. We now have a 4-million-dollar-a-year federal research program on marijuana, and we're learning more about it every year. But the nature of science is that scientists often contradict each other, and the most frequent finding in science is always uncertainty.

In the area of effects of marijuana on the male sex hormone testosterone, for example, there is disagreement among scientists. So the promarijuana people say: "You see, there's no problem." In fact, marijuana does influence the hormone levels of the body, the body's immune response, the way we think and the tissues of the lung. Bronchitis, for example, is common in people who smoke marijuana cigarettes. Furthermore, there is laboratory evidence to show that marijuana is more likely to cause cancerlike lesions than is cigarette smoke.

Its going to take years to sort all that out. My point is this: We already know enough to say that marijuana poses a substantial risk. Anybody who takes that drug and thinks that nothing is happening to his body has lost his mind. Marijuana is a powerful drug that is influencing his entire body.

The other thing people don't understand: Marijuana stays in your body for over a week from a single dose. If a person is only smoking marijuana once a week, his body is continuously exposed to THC—tetrahydrocannabinol, the major ingredient—all the time. That's not true for tobacco or alcohol. We don't know yet what the consequences of that are. But it isn't too bright to expose yourself to this risk.

Q. Do you find age or class patterns in drug taking?

A. Yes. There's a regular pattern, based more on age than economic class. The first drug that is used when one is young is alcohol—mainly beer and wine. If a young person does not use alcohol, he is unlikely to go on further to other drugs. But if he does take beer, the next step usually is cigarettes and/or hard liquor.

The first illegal drug that young people adopt is marijuana. And then there is a hierarchy leading to heroin, which is the end of the line. Only a portion of those who reach any step go on to the next, so that we have 16 million marijuana users but only 500,000 heroin users.

The interesting thing is that when people stop using drugs, they usually go back down these same steps in reverse sequence.

Q. What sort of drug problems are prevalent among Americans over 30?

A. The drug problems of older people are the prescription drugs: Valium and the sedatives and stimulants, as well as tranquilizers other than Valium. These problems are increasingly serious for business and for middle America.

Betty Ford's recent courageous admission of drug-abuse problems is a major milestone for drug-abuse prevention. It has opened the door for hundreds of thousands of Americans to, for the first time, admit their problems and seek the help they need. Drug problems affect all ages in our society, from the newborn infant born addicted because of his mother's drug use to the senior citizen who is drugged with tranquilizers.

THE MEDICAL VIEW

It is used as an aphrodisiac, but Indian monks take it to repress physical desires. Caribbean laborers use it by day as an "energizer," but by night as a sedative. Marijuana is a paradox.

It has been around since at least the 15th century B.C., when it was used in China as an anesthetic, a ritual potion, a condiment and an intoxicant. As it moved on to India and beyond, it was applied to all manner of miseries: allergies, rheumatism, falling hair, tapeworm, leprosy, gonorrhea, failing memory and dandruff. Today marijuana is being considered as a treatment to reduce eyeball pressure in glaucoma patients and to reduce vomiting by cancer patients receiving drug therapy.

Systematic scientific studies of marijuana's benefits or dangers began with the isolation and synthesis in 1965 of the plant's principal psychoactive ingredient—delta-9-tetrahydrocannabinol. But that is only one of more than 100 chemical substances in marijuana, some of which exert their own characteristic effects. Further hampering marijuana studies is the difficulty of screening out such other factors as environmental or genetic influences, and deciding what constitutes long-term use or heavy use. To date, most results have been based on studies of laboratory animals or small groups of healthy young men. Thus little is known about marijuana's effects on the elderly, on pregnant women, and on developing youngsters, an area of particular concern. In addition, the greater strength of the marijuana now being imported from Colombia adds a new dimension to the question.

About the only findings so far that have widespread support are the drug's effects on the heart and the lungs. Marijuana accelerates the rate at which the heart contracts and may temporarily weaken the strength of the contractions, making it potentially dangerous for people with certain cardiac conditions. Smoking pot irritates the lungs and throat and can result in "joint cough." Long-term use may impair the lungs. Other tentative findings:

Immunity. Some studies have shown a marked reduction in white blood cell response, the body's prime defense against infection, in marijuana smokers.

Chromosomes. Human cell cultures from pot users have shown breaks in the chromosomes carrying genetic information, or reduced numbers of chromosomes.

Endocrine Function. Levels of testosterone, the male sex hormone, have been reported to drop with long-term pot intake. While the levels remained within normal range, the drop might reduce potency and fertility.

A number of psychological problems have also been associated with marijuana use. The most common is described as "acute panic anxiety reaction." It is seen most frequently in inexperienced users, but can also follow an unexpectedly high dose. Transient feelings of mild paranoia are fairly common in users, especially those who are anxious about the experience to start with. Prolonged or long-term effects of marijuana use are an area of much dispute. There have been reports of psychotic reactions, personality change, impaired learning ability and development of a chronic lethargy. By no means all doctors are convinced, however, that marijuana is the real cause of these reactions.

If the scientific studies of marijuana are uncertain, the studies on cocaine are even more mysterious. When the drug's active ingredient was chemically isolated in the 1860s, doctors soon found that cocaine was valuable as a local anesthetic. They also found that it acted as a very pleasant stimulant. Young Sigmund Freud used it and advocated it: "The psychic effect consists of exhilaration and lasting euphoria."

Scientists still do not know how it produces its psychic effects, but they believe it somehow causes a buildup of "neurotransmitters," substances that make possible the movement of impulses across nerve endings. It also causes an increase in heart rate and blood pressure, and some of its other consequences are distinctly unpleasant. Prolonged use sometimes causes the nasal tissues to wear away so that the nose itself collapses. Chronic use may lead to a psychosis most resembling alcoholic DTs. Overdoses, particularly when injected, can lead to convulsions, heart and respiratory failure and death.

Neither cocaine nor marijuana in commonly used dosages causes withdrawal symptoms when use is stopped. Many doctors believe, however, that some people can easily become psychologically dependent on the two drugs and the effects they produce.●

NUCLEAR WASTE

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Ms. OAKAR. Mr. Speaker, it is very encouraging to see Americans becoming more energy conscious and conservation minded in the wake of the sharp increases in the cost of imported oil. It is certainly in the long-range interest of our community to intensify our efforts to explore and develop alternative sources of energy, such as coal and solar technology. But it is profoundly disturbing to me to see us charging ahead in the construction of nuclear power plants without pausing to consider the sinister genie we have let out of the nuclear bottle: Nuclear waste. The production of abundant energy by nuclear power plants has not justified our inability to safely dispose of the highly radioactive waste. I am particularly alarmed because the Department of Energy has been considering the Salina Salt Basin under northeastern Ohio as a possible burial site for the nuclear waste now stored in large steel and lead canisters.

I find it incredible and intolerable that the Energy Department would seriously consider burying deadly nuclear garbage underneath a populous metropolitan area. In personal conversations with Energy Department officials, as well as with fellow colleagues representing most of northern Ohio and with State and county officials from Ohio, there has been agreement that nuclear waste is highly toxic and dangerous and should not be buried near populated areas. We also received a letter from the Department of Energy assuring us that our highly populated area would be a poor choice for the storage of nuclear waste. We assumed that written forms of communication meant an end to any consideration. Yet, in defiance of commonsense and the public health and safety, the Energy Department persists in continuing its study on the feasibility of dumping nuclear waste in so-called safe caverns under the most heavily populated part of the State of Ohio.

To emphasize my concerns about the silent danger of nuclear waste, I wish to insert into the RECORD two excellent articles by reporter Al Thompson of the Cleveland Press, on the growing crisis of the safe and permanent disposal of nuclear waste byproducts. This article clearly and persuasively illustrates the danger inherent in our trusting all too naively in the benefits of nuclear power without having understood precisely the original risks.

The articles follow:

[From the Cleveland (Ohio) Press, Jan. 29, 1979]

STORE NUCLEAR WASTE IN OHIO?—UNITED STATES STILL CONSIDERS SALINA SALT BASIN A LIKELY CANDIDATE

(By Alan Thompson, Press-Washington Writer)

WASHINGTON.—The federal government is still considering storing nuclear wastes in northeastern Ohio. The Press has learned.

For some 300 million years a thick layer of salt has stretched benevolently beneath the ground across northeastern Ohio and parts of four surrounding states.

In the most recent millisecond of geologic history—say 100 years or so—the salt has given employment to a handful of miners and done little else save testify to the geologic stability of the region.

Now the Salina salt formation is drawing Ohio inexorably into the debate over a grim byproduct of the nuclear age: What to do with the highly radioactive waste churned out by the nation's military and civilian nuclear power plants?

And despite assurances that all studies have stopped, the Salina salt remains a viable candidate to become an underground dump for spent nuclear fuel, some of which can cause cancer and will be radioactive for between 1000 and 250,000 years.

Vigorous opposition from Governor Rhodes and nearly every politician in northeastern Ohio has caused the Department of Energy to put its investigation of the Salina formation on the back burner.

But a DOE official told The Cleveland Press that that does not mean the federal government has written off the formation.

"Where we have actually started field drillings (in other potential sites), we have not started drilling in Ohio because the state has not been amenable to it," said Christ George, acting chief of DOE's geologic exploration branch. "But so far as we are concerned, the Salina Basin still has some potential . . . Given an opportunity to complete the studies, we'll be able to come to a rational decision."

A decade ago the burning question faced by the nuclear industry was plant safety. Fear of an accident at a nuclear power plant understandably chilled people in the vicinity and was fodder for the antinuclear mill.

That opposition diminished as a growing number of plants swung into operation without incident and demonstrated a remarkable safety record.

Now the waste problem—an inevitable phenomenon of the so-called "nuclear alternative"—threatens to become an even more serious question in the ongoing debate over nuclear power.

At the heart of the issue are three factors: the fission process inevitably produces potentially lethal wastes; there is no way of neutralizing those wastes in existence today, nor is any on the scientific horizon, and the existing storage facilities are filling up.

The commercial nuclear industry developed on the assumption that permanent storage would be handled by the government, and "onsite" storage facilities were constructed to accommodate spent fuel only until it was safe to cart away. Now those facilities are filling up, meaning that sooner or later the wastes will have to be disposed of or the reactors shut down.

"The delay (in dealing with the waste problems) is causing a bottleneck with what you do with the spent fuel waste coming out of the reactors," said George Gleason, general counsel for American Nuclear Energy Counsel. "This is becoming a significant problem because we can total up the figures to show that by 1984 there will not be in existence enough capacity to take care of the spent fuel."

There are about 65 nuclear plants licensed to operate now, and federal officials estimate that figure will jump to about 350 by the year 2000.

A year ago it was estimated there was about 5000 tons of spent fuel in existence in the United States. By the year 2000 the total will climb to 100,000 tons. (Military waste dwarfs the civilian stockpile, and is stored in above ground facilities in South Carolina and Washington.)

With its back against the wall after years of neglect, the government is now seeking a long-term waste disposal policy. As part of that effort an Interagency Review Group is due to submit its recommendations to President Carter within a month.

What worries some observers is that the government is already committed to geologic disposal of that waste—burying it deep underground and hoping it stays there for hundreds of thousands of years—and that like it or not salt is the preferred formation.

"It's my understanding that (the review group's) mandate starting out was pretty much to determine what type of subterranean formation we would use," says Sen. John Glenn (D-O.), a leading Senate spokesman on nuclear issues. "That mandate should be broader.

"Granted it would be ideal if we could just put this stuff underground and never hear from it again. But recent studies indicate that underground there would be the possibility of (the waste) leaching out.

"I think that encapsulated surface storage that we can monitor makes a lot more sense, even if it doesn't put the stuff away for time immemorial."

But if above-ground storage is feasible, there is evidence that below-ground disposal is the direction the government is taking—that a sort of bureaucratic momentum is underway that will be difficult if not impossible to stop.

DOE insists it is too early to even use the word potential to describe the areas it is looking at, but six underground formations have been picked for study in the National Waste Terminal Storage Program begun in 1976.

Of the six, four are salt: the Salina, underlying parts of New York, Ohio, Pennsylvania, Michigan and West Virginia; the interior salt domes of Louisiana, Mississippi and Texas; the Paradox Basin of Utah and Colorado, and the Permian Basin underlying parts of Kansas, New Mexico, Oklahoma and Texas.

Non-salt formations being investigated are under federally owned land in Washington, for basalt, and near Las Vegas, Nev., for various rock formations.

One of the problems with basalt and some other types of rock is that they are volcanic in origin, and it is not considered prudent to put nuclear waste in an area with any potential for volcanic activity.

The huge salt formations, on the other

hand, have been there for millions of years, indicating that they are geologically stable and free of running ground water, which would have washed them away. Salt also would presumably "seal" itself should a fissure appear under the tremendous pressure found at the depths being contemplated.

DOE's Christ George emphasized that no decision has been made on what rock would be the best medium, but says "we have strong feelings that (salt) would be adequate."

Of geologic disposal in general he says: "One of the physical realities is that there is no way to make a radioactive material non-radioactive. There is a profound majority of opinion that says geologic disposal is the most at hand, and of all the things the most readily available."

4x4x4-Foot Cube—A Package of Danger

Washington.—Each year since it went into operation in 1977 the Davis-Besse Nuclear Power Plant west of Cleveland has produced the equivalent of a 4-foot square cube of spent nuclear fuel.

For each Ohioan who uses electricity generated by that plant, the annual waste volume amounts to slightly less than three aspirin-sized tablets, or about half of a pint in a lifetime.

Clearly not much volume, except that the waste generated by plants like Davis-Besse is highly radioactive and some of it will stay that way for between 1,000 and 250,000 years.

What to do with the spent fuel is a technological and political problem that is approaching critical mass in several states and promises to smoulder in others—including Ohio—for years to come.

Ohio popped into the nuclear garbage picture in 1976 when the National Waste Terminal Storage Program identified several major geologic formations for preliminary study as possible locations for future permanent underground waste repositories.

One of them was the Salina Salt Basin, a huge layer of salt deposited some 300 million years ago by the evaporation of a giant set that covered the Midwest.

Studies by the Stone & Webster Engineering Co. isolated areas in the Finger Lakes region of New York State, upper Michigan and Northeastern Ohio as suitable for additional study. The minimum requirements were that the salt be at least 200 feet thick, and that it be at least 1,000 feet below the surface but not more than 3,000 feet below sea level.

Three areas were isolated in Ohio. The first and by far the biggest dips south from Lake Erie at Fairport Harbor, swings east of Middlefield, south to below Ravenna, then angles northwest across the top of Akron to Cleveland's West Side. A smaller area was identified near Orwell, and a crescent-shaped area was picked starting west of Alliance and swinging northeast to near Warren.

The result was an immediate uproar.

In July, in the heat of a political campaign and under enormous pressure from local officials, Governor Rhodes ordered any additional studies of the Salina formation in Ohio stopped.

On behalf of Rhodes, Ohio energy chief Robert Ryan advised federal officials of the opposition from "virtually every local and county official in Northeast Ohio" and ordered "any consideration of Ohio relative to permanent nuclear waste storage be discontinued."

Several months later Sen. Howard Metzenbaum (D-O.) wrote the U.S. Department of Energy (DOE): "I am appalled that DOE would even consider locating a facility of this type in close proximity to one of the nation's most densely populated areas."

Asked recently about Ohio waste disposal, Sen. John Glenn (D-O.) said: "If they go deep geologic, I'm dead set against putting it in a major population area such as Northeastern Ohio. Why would it make any sense to put it in a major population center when we have vast areas virtually unpopulated in the west?"

Adhering to its policy of proceeding only with the cooperation of an individual state, DOE scrubbed plans to go ahead with test drillings, the next step after the preliminary paper studies.

But suspending preliminary drilling in Ohio may not have been much of a sacrifice, because there is a great deal of geological data already available.

Donald Keller, of the Battelle Institute in Columbus, notes that where preliminary drilling is underway it was required because of insufficient basic data. Battelle has a $69 million contract with DOE to manage the federal waste project.

Keller said that where drilling is underway it is because "we had to get some data of our own to have the same data base we already had for the Salina. The (Salina) program has only gone as far as the existing data would permit, and it's just about at the end of that period."

One Senate aide recently noted that so far it has been relatively easy for DOE to accommodate local sensibilities, but that circumstances may get more complicated as the waste crunch worsens.

As the national debate heightens, the notion that the people who reap the benefits of nuclear power ought to accept some of its hazards is sure to emerge. And the Salina Basin in the heart of the Northeast and Midwest, where most of the nation's nuclear plants are and will be located.

Even some citizens of such pro-nuclear states as Nevada are murmuring about the waste problem. Louisiana Gov. Edwin Edwards recently commented that it might be OK to build a repository for waste generated there, but he wasn't so sure about accepting the stuff from all over the country.

Californians have already said they won't license any more plants until the waste problem is solved.

Robert D. Thorne, former assistant secretary for energy technology, noted in a June letter to Ohio energy chief Ryan:

"The power reactors operating or under construction in Ohio and the planned expansion of enrichment facilities at Portsmouth are part of the developing use of the nuclear power option . . . Because so many of these reactors are operating or planned in the eastern half of the United States, we feel it is reasonable to consider possible locations in this area rather than arbitrarily requiring long transportation routes through many states such as Ohio to reach facilities which might be located only in more lightly-populated Western states."

The Interagency Review Group (IRG) which is due to report to President Carter soon on a national waste policy also seems aware of those conditions.

An IRG draft report recommends having two or three repositories operational "within this century, ideally in different regions of the country."

The draft adds that detailed site study requires access to the site, and that states have been more and more reluctant to grant that access. Approaching the states on a regional basis might help put the problem "in a proper national perspective," it notes.

"Regional siting would reduce the transportation requirements and attendant risks, provide redundancy that would hedge against the possibility of operational difficulties causing unexpected repository shutdown, and could assist in repository siting by distributing the burden across more than one location," the draft report notes.

Whatever else, the bureaucrats and technicians are well aware of the political and technological issues that will cloud the debate if geologic disposal is finally decided on.

"People are always fearful of anything that might diminish their property values or render a hazard to themselves or their sons, daughters or grandchildren," said Christ George, acting chief of DOE's geologic exploration branch. "But we are determined that anything we propose to do is safe, is thoroughgoing and based on solid, professional scientific study.

"When we say we are studying the suitabilities, we are talking about a highly sophisticated program. We're not saying 'yea, that looks about right. Dig a hole and dump it in.' " ●

ZEALOUSNESS OF THE BUREAUCRATS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. DERWINSKI. Mr. Speaker, the Economist Newspapers, a leading daily and weekly newspaper chain, serving the Chicago suburban area, is known for its very timely and provocative editorials. In the January 31 edition, the Economist reports on the zealousness of the bureaucrats of the Federal Trade Commission. I wish to insert the editorial at this point:

Will Trade Become a National Nanny?

There may be no clearer example of empire building by government regulators than the Federal Trade Commission's current crusade to dictate the content of television advertising aimed at children.

To save America from the menace of presugared cereals, candy bars and toys that fail to meet a bureaucrat's arbitrary standard of suitability, the FTC is considering:

Banning all television advertising directed at children under eight years of age.

Prohibiting commercials for sugared products that might contribute to tooth decay in children under 12 years of age.

Require advertisers to pay for "nutrition" and "health" ads whose content would be determined by the commission.

In short, the Federal Trade Commission proposes to become, in the words of the Washington Post, a great national nanny.

The legitimate role of parents gets short shrift from the commission. Overlooked is the simple fact that children too young to understand that television commercials are sales pitches rarely do the family shopping. Mom and Dad buy the food. And Mom and Dad are perfectly capable of saying no to a child whose vision of dinner is a dozen candy bars or a box of Fruit Loops.

Has it occurred to the commission that even children who have never watched an hour of television in their lives might still favor a breakfast of ice cream and lollipops? Admittedly, the FTC staff report on which these proposals are based does mention parents. The report suggests that parental disapproval of a child's television-induced gastronomical fantasies fosters "alienation" and "child-parent conflict." Bunk. Any responsible parent finds it necessary to say no to a child a dozen times a day, and does so without producing neurosis

As for tooth decay, even the FTC doesn't pretend that there is a direct correlation between watching television commercials and the incidence of dental cavities.

Another real puzzler is how the commission would square its compulsory health and nutrition advertising with its own staff report's conclusion that "the representation that one food is more healthful than another . . . is false and deceptive." But should the proposal be adopted, it would cost food marketers and consumers tens of millions of dollars to find out.

As if all this were not enough to bury the FTC proposals under an avalanche of ridicule, consider the First Amendment implications of these potential regulations. If the commission, acting on the basis of bogus or nonexistent scientific evidence, can ban or restrict ads for cereal, candy and toys, what form of commercial speech is safe from the Washington censors?

Will asparagus marketers have to include a 30-second homily on the need for a balanced diet as the price for getting their ad on the air? What about potatoes? An undiluted diet of spuds surely must contain its own special treat to health. Are teenagers sufficiently cognizant of these dangers to resist a pitch for french fries? And how is the commission to decide which commercials are beamed solely at seven-year-olds and thus subject to outright prohibition?

There simply is no end to the mischief that might be wrought under the precedent inherent in these proposed regulations.

All this is not to say that the FTC should relax its enforcement of existing law against false and misleading advertising.●

CONGRESSIONAL ETHICS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. HAMILTON. Mr. Speaker, the issue of ethics in the 95th Congress may leave one with two basic impressions. The first is that Members of the House of Representatives understand the Code of Official Conduct and the role of the Committee on Standards of Official Conduct in different ways. The second is that procedures for handling ethics cases in the House need significant improvement.

I. INTERPRETATION OF THE RULES

The principal rule governing the official conduct of Members states in part:

> A Member, officer, or employee of the House of Representatives shall conduct himself at all times in a manner which shall reflect creditably on the House of Representatives (House Rule XLIII, Code of Official Conduct, Clause 1).

The rule defining the jurisdiction of the Committee states in part that the committee shall investigate—

> . . . any alleged violation, by a Member, officer, or employee of the House, of the Code of Official Conduct or of any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, officer, or employee in the performance of his duties or the discharge of his responsibilities . . . (House Rule X, Establishment and Jurisdiction of Standing Committees, Clause 4(e)(1)(B)).

The two rules are clear enough at first glance. The code specifies that a Member should not engage in actions which reflect discredit on the House or adversely affect him in the performance of his duties or the discharge of his responsibilities. The committee sees to it that alleged violations of the code are investigated, assessed and, when necessary, referred to the House for consideration. The two rules ultimately derive their legitimacy from the Constitution, which states that the House—

> . . . may determine the Rules of its Proceedings [and] punish its Members for disorderly behavior . . . (Article I, Section 5).

The idea behind the code and the role of the committee is that of an autonomous legislative body which must itself take account of the official conduct of the legislators who sit in it.

A. ILLEGAL AND UNETHICAL ACTIONS

Unfortunately, Members differ in their interpretations of the two rules. For example, one often hears the claim that the committee should be concerned only with illegal activity by a Member. Those who make this claim take a narrow view of the ethics issue since they seem to be saying that no action other than an illegal one reflects discredit on the House or adversely affects a Member in the performance of his duties or the discharge of his responsibilities.

I have witnessed vehement arguments for this narrow view, but I am not convinced that its proponents have the merits on their side. To take just one example: A survey made by the Commission on Administrative Review showed that 71 percent of the public and 90 percent of all Members were disturbed by a Member's acceptance of a sizable honorarium from a group with an interest in his congressional work. Such a practice is not illegal, but it nonetheless raises questions in the public mind about the integrity of the House and the fitness of Members. The new rules contained in the code since March of 1977, including the restriction on the size of a Member's honorarium, are to be understood in terms of the ethical prohibitions they lay down. They proscribe otherwise legal actions in order to protect the integrity of the House and the fitness of Members. It is now within the purview of the committee to look into actions that are unethical but not illegal. This is as it should be.

Notwithstanding the importance of legal and ethical behavior by a Member, I do not believe that the spirit of the code and the reach of the committee extend to all illegal and unethical actions whatever. Many illegal actions are of no concern at all. For example, if a Member inadvertently turns the wrong way on a one-way street, he has broken the law but has not done anything to justify a committee inquiry. Similarly, many actions that might be considered morally questionable, such as withholding contributions to a needy charity when one could easily afford to make them, fall outside the area of concern. The jurisdiction of the committee with its code does not correspond exactly to that of a court with its law, nor does its role parallel that of a moralist with his precepts. The committee examines only those actions which—whether they are illegal, unethical, or both—reflect discredit on the House or adversely affect a Member in the performance of his duties or the discharge of his responsibilities. In this regard the code and the committee are like the professional standards and the disciplinary board of a medical or bar association. Just as the question for such a board is professional integrity and performance as prescribed by the standards, so the question for the committee is House integrity and Members' performance as prescribed by the code.

B. THE NOTION OF HIGH ETHICAL STANDARDS

There is another interpretation of the rules, and it gives rise to the claim that the code is unfair, because it makes a Member more accountable for his actions than an ordinary citizen would be. Those who make this interpretation are quick to criticize the "high ethical standards" to which a Member must conform. They are willing to overlook lapses and excuse transgressions on the grounds that "anyone can make a mistake." Implicit in such an argument is the idea that the public at large should expect of a Member only what it expects of itself.

I believe that a Member ought to be held more strictly accountable for his work-related conduct than most other people would be. The reason is not that the code somehow embraces unique, extraordinarily high ethical standards, but rather that a Member's job has special features other jobs do not have. The general principle underlying the code—that one not act in a way that reflects discredit on one's organization or adversely affects one's ability to do one's work—obviously applies to people in all kinds of work. Compliance with the principle is a simple test of a person's ability to handle the work that falls to him, whatever that work might be. In this sense, a Member is not being asked to live up to unique ethical standards. A strict accountability for work-related conduct results, however, when the principle is applied to the job of a Member. The public trust of congressional service, with its attendant powers and prerogatives, is such that there are many ways for a Member to damage the reputation of his organization and show himself unfit to carry out his duties. A Member has the formidable task of making the law and providing an example that others live by, so it is with firm justification that the code holds him strictly accountable for his official conduct.

C. CODE ENFORCEMENT BY THE HOUSE

I have frequently heard the argument that ethics cases in the House should be turned over to civil authorities for resolution. While the House rules state that the committee must—

> . . . report to the appropriate Federal or States authorities, with approval of the House, any substantial evidence of a violation, by a Member, officer, or employee of the House, of any law applicable to the performance of his duties or the discharge of his responsibilities, which may have been disclosed in a committee investigation . . .

(House Rule X, Establishment and Jurisdiction of Standing Committees, Clause 4(e) (1)(C).

I do not accept the proposition that consideration by civil authorities should be the end of such matters. The main reason follows immediately from my interpretation of the code and the role of the committee: The House is properly interested in unethical actions as well as illegal ones, yet no court would permit prosecution of a Member unless it were alleged that he had violated a law. Moreover, even when the actions in question are illegal the House is the only good judge of their effects on the House itself. The enforcement of ethical standards and the assessment of the effects of illegal actions on the House are simply not jobs that civil authorities can do.

The inadequacy of turning over all ethics cases to civil authorities has a significance that is not always appreciated. It means that the House should not decline to investigate a case solely on the grounds that evidence is insufficient for a criminal indictment. It means that the House should not fail to take action in a case just because a prosecution or another investigation is going on. Further, it means that the House should not unthinkingly accept the decisions of prosecutors and courts (one way or the other) as final. Where allegations are made concerning discredit to the House or the unfitness of a Member to perform his duties or discharge his responsibilities, the House should be moved to action irrespective of what the civil authorities do.

Enforcement of the code by an independent, nonjudicial commission is often recommended as an alternative to the present scheme of things. The basic idea is that the House should turn over ethics cases to a body having no institional connection with the House. This commission, acting in a way not unlike the committee, would investigate each case to determine whether the code had been violated. Other powers the commission might have, and what its composition would be, are matters of debate.

I believe that there could be advantages in an independent commission, not the least of which would be its position outside the personal and political crosscurrents of the House. However, three potential problems make me reluctant to endorse its establishment at this time. First, the question whether an action reflects discredit on the House or adversely affects a Member in the performance of his duties or the discharge of his responsibilities is best left to current Members who know the institution intimately, because they work in it daily. An independent commission would be little better than a court in this respect. Second, it seems likely that Members would respond more fully to a finding of violation by their colleagues than they would to such a finding by outsiders. Disapproval by peers is especially onerous given the close working relationship that exists among Members in the House. Third, and most critical, there is a profound sense in which an independent commission would be self-defeating. The very existence of the commission would be an admission that the House did not have the resolve and forthrightness to police itself. The implications of such an admission for House integrity would be both clear and painful.

Many well intentioned people suggest that the issue of ethics be left entirely to the voters. If a Member is alleged to have violated the code, they argue, let him explain himself and answer in the next election for whatever he did. On this view, the discipline of the electorate is taken to be a potent threat. Indeed, the remedies of reprimand and censure may seem bland when compared to it.

I do not find myself in agreement with this view. To begin, the discipline of the electorate cannot apply evenly to all Members at all times. Retiring Members need not be troubled by it, and those who enjoy great popularity in their districts will fear it less than others will. Another problem is the extreme complexity of the electoral process. The many issues, the candidates' personalities, and the varying levels of voter knowledge and interest make it improbable that the typical congressional election would ever become a clear-cut referendum on a Member's conduct. Yet another problem is the balancing of remedy with violation. Defeat at the polls may be a fitting remedy for some violations, but it may be too strong a remedy for others. Further, it is apparent that voters do not have the means to sift through all the allegations and information that may be relevant to a particular case. Without a thorough House investigation they would make their judgment largely on the basis of hearsay and innuendo. Finally, a Member's decisions and actions have effects on the entire House, an institution in which all Americans are represented and in which all have a stake. Thus, it is not sufficient to leave the question of a Member's possibly irresponsible conduct solely to the voters in his district.

While the options offered by civil authorities, an independent commission, and an aroused electorate have their good points, I think it best to start with the assumption that the House should police itself. I take this stance in full recognition that the House has been hesitant in the past to judge the conduct of its Members. It is my opinion, however, that any hesitancy or questionable judgment in the past was due in large measure to the incomplete procedures for handling ethics cases. I believe that the House can modify existing procedures or create new ones to help insure that responsible decisions are reached.

It seems to me that procedural change is the correct starting point, but I may be wrong. If it turns out that no improvements in procedures will help, I favor the establishment of an independent commission to enforce the code.

II. POSSIBLE IMPROVEMENTS IN HOUSE PROCEDURES

Since the committee looks into violations of an ethics code rather than violations of criminal law, it need not adhere exactly to all the procedures of criminal trials. Commonsense indicates that some procedures of criminal trials would not apply to committee actions at all, while others would apply only in a limited way. Of course, the committee should avoid any action that would destroy a Member's chances for a fair trial, but beyond that general guideline the committee should have considerable flexibility in choosing how it will pursue an inquiry. As I have noted before, the Constitution gives the House explicit authority to establish what procedures it will. I shall briefly discuss three main areas in which improvements are possible.

A. MEMBERS' KNOWLEDGE OF THE EVIDENCE

Whenever legislation is considered in the House, there is the problem of Members' limited knowledge of the facts. However, the problem is especially troublesome when the House, in its role as ultimate arbiter of a committee recommendation, is assessing a Member's conduct. The action of the House seems odd, because it is so unlike the action of a jury: Those who have the final say in the House, the Members themselves, need not have any familiarity whatever with the case at hand. Members can simply enter the House Chamber and cast their votes without seeing any evidence or hearing any testimony or summation. The action of the House also seems odd, because it is so unlike the typical legislative action by which bills are passed: The facts in an ethics case are unique to that case, and the substance of the case cannot be known by comparison with past cases. Members cannot vote on the basis of party affiliation or political outlook if they are unclear about specifics. It goes without saying that such an arrangement does not guarantee that the best decision will be reached. Outside observers are bothered less by the fact that the House may discipline itself than by the fact that it may do so in ignorance of the basic data.

No one can expect a Member to be well informed about a case after an hour of general debate, especially if the better part of that debate does not touch on the issues in the case. Likewise, no one can expect a Member to spend days or weeks sifting through evidence and listening to testimony as if he were a juror in a trial. The dilemma, then, is one of the need of a Member for key knowledge versus the severe constraints on his time. It is apparent that whatever the procedure is, the House will have to rely very heavily on the committee since it is the committee that has had the legal briefings, taken the depositions, observed the witnesses under pressure of cross-examination, and so on.

One way out of the dilemma would be to make a recommendation of the committee self-executing, thereby transferring primary responsibility for enforcement of the code from the House to the committee. If the House itself were not required to act on a recommendation of the committee, Members' unfamiliarity with a case would matter very little.

Only those Members who knew the case would be called on to adjudicate it, and they would see it through from beginning to end. To insure that the committee did not abuse its power, a number of safeguards could be built into the rules. For example, the composition of the committee could be determined in accordance with guidelines approved by the House and implemented by House leaders. Committee membership (incuding the chairmanship) might be rotated regularly Special efforts could be made so that the committee would always be representative of the House as a whole. Moreover, the committee might be directed to recommend with a two-thirds vote, and the House might be empowered to overturn a committee recommendation by a two-thirds majority. Other safeguards could be created if they were found necessary to check abuses.

The idea that a committee within a house of a legislature might have primary responsibility in ethics cases is not new. While national legislatures which enforce ethics rules (such as the British and Canadian Parliaments) do things more or less as the House does, there appear to be exceptions among State legislatures in the United States. For example, a joint ethics committee in one State legislature automatically fines a member or employee whom it finds in violation, and it may take further action against an employee (suspension, discharge, et cetera) on its own initiative. Moreover, ethics committees in the houses of other State legislatures are empowered to refer certain findings of violation directly to civil authorities. There is an apparently quite workable alternative to the arrangement the House now favors.

I do not support such an alternative for the House at the present time. Members might view it as an unjustifiable delegation of House authority to a committee, and they might fear it no matter what safeguards were adopted. Then, too, one could plausibly argue that a self-executing recommendation of the committee, lacking as it would the direct sanction of the House, might be a less effective tool of code enforcement. Members found by the committee to have violated the code might be more tempted than ever to try to deflect the disgrace with an ad hominem against the committee or particular members on it. The ultimate result could be a climate in which the committee would be totally unable to do its work. Less radical solutions to the dilemma of knowledge versus time are possible, and they should be tried first.

A simple way to increase Members' knowledge of the evidence would be to require the committee to make sure that its findings and recommendations were readily available for study. This could be done by having the committee deliver a detailed summary of its findings and recommendations to each Member's office several days before a case was to be considered on the floor. The summary would be a rather thorough compilation of the main findings of fact (much expanded over the material contained in the reports on the recent resolutions) and should include a careful outline of the precise reasons for the recommendation of one remedy rather than another (something objected to as lacking in the reports on the recent resolutions). Likewise, the committee could be directed to insert such a summary into the CONGRESSIONAL RECORD at least 1 week before floor action. Finally, the committee might be given the option of having its findings read by a clerk when a case was up for debate and vote.

Such measures as these are no panacea, but they would increase the likelihood that Members were acquainted with the evidence. Better knowledge, of course, would lead to more informed judgments and a general debate that focused on the merits of a case. It would also lessen the need for Members convinced by the evidence to rise and expound their views on the floor, something they might be understandably reluctant to do. The publication of a summary in the CONGRESSIONAL RECORD would have its own advantages. It would help the people form a more accurate picture of a case by dispelling misinformation they might have received from baised sources. Political pressure from all interested persons—not just from special interest groups—could then be brought to bear on Members.

B. THE SYSTEM OF REMEDIES

One of the principal aims of the code is to encourage honest and forthcoming conduct by a Member. Consequently, one of my main worries is that the present system of remedies instead encourages an accused Member to distort the facts of his case, misrepresent his role in it, and generally do all that he can to escape House action. Someone who is facing a reprimand or censure also has every incentive to downplay or exaggerate the significance of the House decision when that decision is finally rendered. In trying to determine what actions reflect discredit on the House or adversely affect a Member in the performance of his duties or the discharge of his responsibilities, there are really two sets of actions to be considered: The past violation, and what the Member now does when confronted with that violation. The character of the past violation cannot be altered by the prospective remedy, but the system of remedies can be realined to encourage honest and forthcoming conduct by a Member who is charged with a violation.

I believe that an accused Member should be subject to a lesser remedy if he freely and openly admits to a past violation and does not attempt to downplay its significance. For example, if a Member admits to misusing the frank and does not try to represent his action as a trifling lapse, he might receive a reprimand. However, if that same Member covers up his misuse of the frank or tries to convince his colleagues that such an action means little, he might receive a reprimand and also be the focus of some other remedy. If the issues are the reputation of the House and the fitness of a Member to perform his duties and discharge his responsibilities, irresponsible conduct in the present may be every bit as important as the past violation. Procedures can be modified so that admission of a violation and acceptance of its significance would weigh very heavily in a Member's favor when the committee sent its recommendation to the floor. Admission and acceptance themselves show integrity.

Another improvement in the system of remedies has to do with the kinds of remedies that are available and the pairing of those remedies with kinds of violations. On the latter point, the House obviously could not list the precise remedies beforehand for every conceivable unethical action. Nor does it seem wise for the House to try to do so since rigidly fixed remedies would limit the latitude the House must have to deal with the complexity and variety of circumstances surrounding each case. Nonetheless, the House could set out in a preliminary way the remedies that might be considered for various violations. A consensus of Members and the precedents established by House action would eventually lead to a workable pairing of ranges of remedies with violations.

Many kinds of remedies have been tried or are possible in the future. It is helpful to group them into four classes:

4. DENIAL OF OFFICIAL POWERS AND PREROGATIVES

1. EXPULSION FROM THE HOUSE

A remedy available under the Constitution is the expulsion of a Member who has violated the code. Expulsion, however, is very drastic and should be used only in the rarest of cases. A fundamental tenet of congressional representation, the right of the people to select whomever they wish to represent them in the House, implies that the House should not expel a Member without the most extreme provocation. To my knowledge, expulsion has occurred only three times in the history of the House. The expulsions all took place in 1861 at the beginning of the War between the States.

2. PUBLIC REBUKE

At present the House reprimands or censures a Member who has violated the code. Censure is the more severe of the two remedies since the censured Member must present himself to the House for a formal dressing-down. Censure has been more common as well since reprimand as a weaker remedy has existed only in recent years. In all, 19 Members have been censured, the last in 1921, while only 4 have been reprimanded, all in the past 3 years. Unfortunately, these remedies are essentially symbolic in the sense that they are as serious as colleagues and the public take them to be. I regret that the public does not perceive them as serious, and I doubt that any acceptable changes in procedure would alter this perception.

3. FINANCIAL PENALTIES

The House could impose financial penalties on a Member who has violated the code. This form of remedy might include an attachment of congressional salary and benefits, a charge for the cost of ethics proceedings (as is made in some States), or a simple fine. I acknowledge that financial penalties would not fall with equal severity on all Members. Moreover, I am aware that they are clearly punitive in nature and thus seem more appropriate in a legal context than in a context where ethics is the question. In some instances, however, financial penalties might be advisable, especially if the violation were motivated by a desire for financial benefit. For example, if a Member exceeded the limit on outside earned income he might be fined the excess, or if he engaged in payroll fraud he might be fined the amount of the fraud.

An as yet unformalized remedy is the denial of official powers and prerogatives to a Member who has violated the code. This type of remedy might include the loss of committee or subcommittee chairmanships, important committee assignments, seniority on a committee, seniority in the House, or many other things. Such remedies are generally the emphasis of parliaments in the Scandinavian nations: Legislators found to have engaged in irresponsible conduct there are deprived of privileges and immunities. I want to clarify one point in connection with this final form of remedy. The voters may send whomever they wish to the House, provided that the person meets the constitutional requirements of age, citizenship, and residency. Election to the House, of course, confers certain powers and prerogatives on a person, but none of these do I propose to deny to any Member. I am concerned only with the many powers and prerogatives that cannot be construed as flowing from the voters. These powers and prerogatives are conferred by the House itself or by some entity within the House.

When discussing improvements in the system of remedies, I believe that special attention should be given to the denial of official powers and prerogatives to a Member. There are three main reasons why I think this. First, the prospect of such a denial would be an effective deterrent to those who might be tempted to violate the code. A Member unconcerned with a reprimand might think again before doing something that could result in the loss of major powers or prerogatives. Then, too, powers and prerogatives are common denominators in the House: All Members seek to acquire and keep them. Second, additional remedies are needed if the House is to have greater flexibility in making the remedy fit the violation. The authority to deny a Member various official powers and prerogatives would make very fine distinctions possible. Third, and most central, the denial of official powers and prerogatives is dictated by logic and commonsense in many instances. To find that a Member is in violation of the code is to find that he has reflected discredit on the House or has adversely affected himself in the performance of his duties or the discharge of his responsibilities. What remedy speaks to the violation more directly than a denial of official powers and prerogatives that the House itself, or some entity within the House, has bestowed on him?

Before turning to other matters of importance in the ethics issue, I want to make two final observations about the system of remedies. First, if Members were amenable to the suggestion that financial penalties and denial of official powers and prerogatives are appropriate remedies for some violations, then I would argue that the House should not hesitate to prescribe multiple remedies for a single violation. While the denial of official powers and prerogatives might best receive emphasis, it would often be in the interest of the House to supplement this remedy with others. For example, if a Member were found to have accepted a sum of money in an influence-buying incident, then in certain circumstances he might be stripped of some official power or prerogative, fined the amount of the influence payment he accepted, and publicly rebuked. Past handling of such incidents has not persuaded the public that the House is sufficiently serious about ethics. Multiple remedies, I submit, would be much more persuasive.

Second, I have detected in many Members a misconception of what the House is doing when it enforces the code. This misconception prompts some Members to claim that the House runs afoul of double jeopardy restrictions when it acts against a Member who is charged with a crime. It prompts other Members to favor a minimal remedy (or none at all) on the grounds that a prosecuted or disgraced colleague "has already suffered enough" or "has already paid for his mistake." The primary response of the House to violations of the code, however, is not punishment of an individual. The interest of the House in prescribing a remedy is not reform of a Member's character, and still less is it retribution. Rather, the House is mainly interested in its own integrity and the fitness of its Members. The remedies of reprimand (whose older meaning is "repression"), censure (like "censor", to remove something offensive), and expulsion make sense in this light. In reprimanding, censuring, or expelling a Member, the House acts to repress or remove a threat to its own integrity or to the fitness of its Members. It is absolutely necessary that the House take such action for its own sake since inaction implies that the House does not recognize the threat.

C. HOUSE RESOLVE

I believe that the ethics issue has reached a critical juncture in the House. On the one hand, the 95th Congress was marked by significant advances in ethics reform. Early in the first session the House adopted tough new amendments to the code which, among other things, put strict limits on the outside earned income of Members, required broad financial disclosure, and prohibited the conversion of campaign funds to personal use. An important ethics bill, signed by the President last October 26, made the financial disclosure requirements law and laid down other ethics rules for high Government officials. Moreover, the committee concluded its lengthy investigation of Korean influence-buying by reprimanding three Members, the largest number of formal ethics actions taken at one time in the history of the House. These events and others have raised the expectations of the public.

Still, on the other hand, not every development was one about which the House could boast. Committee members were struck by the fact that during the investigation of Korean influence-buying no Members or House employees voluntarily came forward to assist the committee in its work. Perhaps the most disturbing incident took place last October 13 as the House wrapped up that investigation. When the cases reached the floor for consideration, Members voted to reduce the remedy prescribed in one case from censure to reprimand despite a committee finding that the Member in question had deliberately given false testimony under oath, and despite commanding evidence that the stronger remedy was justified. These events and others have shaken the confidence of the public.

One test of House resolve would be an amendment to the code to require every Member and House employee to disclose any evidence of a violation of the code. The amendment would place the heavy responsibility of code enforcement on everyone in the House so that the committee would not be forced to work on its own, as it was in the investigation of Korean influence-buying. The amendment would mean, for example, that if one Member had evidence of another Member's violation of the code, yet failed to come forward voluntarily to disclose that evidence, both would be in violation of the code. Such a requirement would undoubtedly give rise to problems, but problems should be expected since self-discipline is an inherently difficult task. It should not be left to 12 committee members to carry out a mandate that the House as a whole does not support. The effort to enforce the code should be made by everyone in the House, or it should not be made at all.

No matter how good the code is, and no matter how much Members and House employees assist in disclosing evidence of violations, the code has little value if violators do not face serious consequences. The traditional remedies of reprimand, censure, and expulsion all have their limitations, so closer attention must be given to financial penalties and, what is more critical, to denial of official powers and prerogatives. I believe that the House has delegated to the committee the authority to recommend such remedies (House rule X, Establishment and Jurisdiction of Standing Committees, clause 4(e) (1) (B) states in part that, subsequent to an investigation, the Committee shall "* * * recommend to the House by resolution or otherwise, such action as the committee may deem appropriate in the circumstances * * *"), but I am uncertain how the House as a whole would react. Having a well-considered committee recommendations overturned on the floor is worse than having no recommendation at all, even if the facts of the case are plain for all to see.

In the absence of a committee recommendation in a specific case, it is difficult to see how the House can envince a willingness to prescribe firm remedies. A possible test of House resolve might be a resolution expressing the sense of the House that financial penalties and denial of official powers and prerogatives may be appropriate remedies for violations of the code. Detractors would probably decry the symbolic nature of such a resolution, but sybolism too has its place. If the resolution were passed, at very least the committee could anticipate that strong recommendations would be treated with circumspection on the floor.

If the House balks in its efforts to see that the code is vigorously enforced, then, in my view, it is time to consider abolition of the committee. The House should not be permitted to think that it is serious about ethics when its incomplete procedures for code enforcement say otherwise. As I have argued above, the best way to protect the integrity of the House and the fitness of Members is to have the House to police itself. However, if the House will not take up the challenge it should turn over its ethics cases to an independent commission. My sincere hope is that House action in the 96th Congress will make an independent commission unnecessary.●

"LITTLE BROTHER" IS GONE

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WRIGHT. Mr. Speaker, during the recent adjournment the House of Representatives lost one of its long-time employees, Carl E. Sommers, who was known to several generations of Members. Mr. Sommers died on November 23, 1978, at the age of 67.

Having started as a busboy in the House restaurant in the days before World War II, Mr. Sommers later became a waiter in that restaurant before joining the staff of William "Fishbait" Miller, then Doorkeeper of the House, in 1959. It was Miller who dubbed him "Little Brother."

Also, from the days of Speaker Sam Rayburn until his death Mr. Sommers served as a waiter to the Texas delegation at its weekly luncheons in the Capitol.

He was a man who was universally liked and respected.

Mr. Sommers was born December 27, 1910 and devoted virtually his entire adult life to Federal service, most of it in the Capitol.

But he had a private life, too. He was an active member of Matthews Memorial Baptist Church in Anacostia as well as the Elks Lodge.

He is survived by his wife, Cornelia, one son, one daughter and a grandchild.

In 1976 the U.S. Capitol Historical Society published an article about him which reflected the esteem in which Mr. Sommers was held. It follows:

CARL E. SOMMERS

For almost three decades, Carl Sommers has been a part of the passing scene in the Capitol. His story is like those of many other minor officials whose capacity to adapt has given them notable longevity, and whose longevity has given a sense of continuity to the Capitol that would otherwise be lacking.

Now a clerk in the Doorkeeper's Office, Sommers started out many years ago as a busboy in the House Restaurant. In those pre-World War II days the Congress was in session for fewer months each year, and Capitol workers had to scrounge for work during the recesses. Sommers got his first job at the Capitol after meeting a House Restaurant waiter, who was working, while the Congress was in recess, at the Continental Hotel near Union Station.

Eager to work, and anxious to please, Sommers did not long remain a busboy, becoming first a waiter and then Head Waiter in the House Restaurant. His memories of these less hectic days are interesting. But, in truth, not much different from those one might get in a similar situation today, except that the names are those from another era. Sommers remembers that long time Speaker Sam Rayburn, called "Mr. Sam" by everyone, would always request fresh corn when it was in season, and melted butter instead of the normal butter patties. Other Congressmen and women, whose names conjure up pictures of a by-gone time also depended upon Carl Sommers for special treatment, which he was always pleased to give.

During the recesses, Sommers worked at various jobs. He was a laborer for the Architect's office and worked part-time in the bars and hotels around Washington, the city of his birth.

In 1959 Carl Sommers moved to the Doorkeeper's Office, and it was there that he got the sobriquet, "Little Brother." According to Sommers, Doorkeeper William (Fishbait) Miller would give him encouragement to do a difficult task by saying: "Now your my little brother, get in there and do it." Sommers was quite close to "Fishbait" and felt a personal loss when he was replaced by the present Doorkeeper, James Malloy. But, Sommers enjoys working for Mr. Malloy, and is pleased to be able to retain his job as clerk.

"Little Brother" Sommers expects to retire soon, and looks forward to a well-deserved rest.●

BILL AMENDING INTERNAL REVENUE CODE

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WHITEHURST. Mr. Speaker, it is my pleasure today to introduce the House companion bill to S. 246, which was introduced by Senator BENTSEN in the other body on January 29, 1979. This bill is for the purpose of amending the Internal Revenue Code of 1954 to encourage greater individual savings by excluding from gross income for tax purposes up to $500 of the amount received as interest or dividends on a time or demand deposit (or $1,000 in the case of a husband and wife who file a joint return).

For a more detailed description, let me refer my colleagues to page S769 of the CONGRESSIONAL RECORD for January 29.

We have been rewarding the grasshoppers in this country for some time, now; it seems to me that the ants deserve a break.●

HOUSE BROADCAST PLAN: THE VIDEOTAPE WORM

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. ANDERSON of Illinois. Mr. Speaker, this body is in danger of developing a giant political tapeworm—a parasite that will create an insatiable appetite in House Members to order-up heaping helpings of TV tapes of their floor speeches for distribution to their local media. This political parasite, known in the Latin as incumbentus reelectus, will not only cause Member munchies for instant selfreplays, but will gobble-up gobs of tax dollars as well, through official expenses allowances.

Mr. Speaker, this is not the plot line for some made-for-TV sci-fi bilogical thriller; it is a real-life plot made for the new House TV system. According to a newspaper report this week, the Speaker's House broadcast committee is planning to permit House Members to order videotape copies of their floor speeches for distribution to their local broadcasting stations. I do not think it takes any imagination to foresee where all this will lead: More Members will make more speeches consuming more time for home consumption. The House Chamber will be converted into an annex of the House recording studio for producing self-promotional tapes to insure incumbent reelection.

As one of the earliest and strongest proponents of permitting broadcast coverage of our proceedings, I fully support making our debates available to the people through the news media. But I must strongly object to this scheme to permit Members to spoonfeed their local media at taxpayers' expense.

I have written to the Speaker pointing out that this proposal violates our new House broadcast rule which only authorizes the Speaker to distribute recordings of our proceedings to the news media and prohibits the political use of such tapes. I hope the Speaker will strictly enforce this new rule from the outset before we are destroyed by our own tapeworm.

At this point in the RECORD, Mr. Speaker, I include the newspaper article to which I referred, my letter to the Speaker, and a copy of the new broadcast rule. The items follow:

[From the Washington Post, Feb. 6, 1979]

ON CAPITOL HILL

House leaders have assured concerned members that when television of House floor proceedings begins later this month, members will not be permitted to get videotapes of their floor speeches immediately and ship them back home for self-serving same-day use on hometown TV.

Republicans complained recently that when the House began permitting radio broadcasting last year, members were permitted to get tapes of their floor speeches for use back home.

A group of junior Democrats, fearing that this practice, especially when expanded to TV, would be considered by the public as another misuse of the process, met with O'Neill asking that it be forbidden.

Rep. Leon E. Panetta (D-Calif.), one of those present, said O'Neill opposed the practice. An ad hoc committee making arrangements for House television plans to deal with the issue by forbidding members to obtain TV tapes until one day after their speeches are delivered, thus removing spot news value.

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 7, 1979.
Hon. THOMAS P. O'NEILL, Jr.,
U.S. House of Representatives,
Washington, D.C.

DEAR TIP: Your broadcast committee's plan to permit Members to order TV tapes of their floor speeches is in clear violation of the new House broadcast rule.

Under the new broadcast rule, the Speaker is only authorized to "provide for the distribution of such broadcasts and recordings thereof to news media," and moreover, the use of such broadcasts and recordings is clearly prohibited "for any political purpose." (Rule I, clause 9(b)(1)&(3)). Certainly House Members cannot be considered part of the news media, and obviously any use of these tapes by them would be construed as being political.

As I have already indicated to you, permitting Member access to TV tapes of their own floor speeches will only distort and prolong our proceedings by encouraging more and longer speeches for home consumption. Such access will also lay us open to the very justifiable charge that we are giving ourselves but one more incumbent protection device at taxpayers' expense. Not only has the new broadcast system been purchased with tax dollars, but now, under the tape access plan, Members may use their official expense allowances to buy tapes of their own floor speeches at $100 a throw and up, and then mail these at taxpayers' expense to their local broadcast stations under the government frank. I am certain that this will be viewed as one more revolting development contributing to the taxpayers' revolt.

I would hope you will use your authority to enforce this new rule by making it quite clear at the outset that Member access to tapes of floor proceedings is flatly prohibited and limited to the news media.

Very truly yours,
JOHN B. ANDERSON,
Member of Congress.

HOUSE BROADCAST RULE

RULE I

"Duties of the speaker"

Clause 9

9. (a) He shall devise and implement a system subject to his direction and control for closed circuit viewing of floor proceedings of the House of Representatives in the offices of all Members and committees and in such other places in the Capitol and the House Office Buildings as he deems appropriate. Such system may include other telecommunications functions as he deems appropriate.

(b)(1) He shall devise and implement a system subject to his direction and control for complete and unedited audio and visual broadcasting and recording of the proceedings of the House of Representatives. He shall provide for the distribution of such broadcasts and recordings thereof to news media and the storage of audio and video recordings of the proceedings.

(2) All television and radio broadcasting stations, networks, services, and systems (including cable systems) which are accredited to the House radio and television correspondents' galleries, and all radio and television correspondents who are accredited to the radio and television correspondents' galleries shall be provided access to the live coverage of the House of Representatives.

(3) No coverage made available under this clause nor any recording thereof shall be used for any political purpose.

(4) Coverage made available under this clause shall not be broadcast with commercial sponsorship except as part of bona fide news programs and public affairs documentary programs. No part of such coverage or any recording thereof shall be used in any commercial advertisement.

(c) He may delegate any of his responsibilities under this clause to such legislative entity as he deems appropriate.●

TRIBUTE TO LESTER EDELMAN

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. JOHNSON of California. Mr. Speaker, Lester Edelman, one of the most brilliant and dedicated legislative experts I have encountered in my 20 years in Congress, has left the Committee on Public Works and Transportation as of February 3, to become Chief Counsel of the U.S. Army Corps of Engineers.

Mr. Edelman, who has served as counsel to the committee since 1968, will be sorely missed by all of us who have had the opportunity to work with him, but our sense of loss is tempered by the knowledge that his talents and energies will continue to be devoted to the public interest in his new capacity.

Lester Edelman has spent virtually all of his professional career in public service. Born in Cambridge, Mass., he attended Boston College and received his law degree from Boston University in 1954. Three years later, he won his master's degree from the Columbia University Law School—an academic record which admirably prepared him for the career of service he had already chosen.

Prior to joining the staff of the Committee on Public Works, Mr. Edelman served with the U.S. Army Corps of Engineers in a number of highly important capacities. His first assignments with the Corps included that of counsel for the minuteman ballistic missile program, and assistant counsel at the Engineers' North Central Division and the Detroit and Chicago districts.

In 1962 he was brought to Washington as assistant general counsel for legislation and assistant to the general counsel for civil works at the office of the Chief of Engineers. He served there with distinction until 1968, when he joined the committee.

As counsel to the committee, Mr. Edelmans' responsibilities extended over the entire range of the committee's very extensive jurisdiction, but with particular emphasis on legislative matters within the areas of water resources development and water quality.

It is no exaggeration to say, Mr. Speaker, that the landmark legislation enacted in the area of water resources over the past decade owes much to the wise counsel and legislative expertise which Mr. Edelman contributed to the efforts and deliberations of our committee members. In fact, the quality and detail of every piece of legislation which has passed through this committee in the past 10 years is due in large part to Les Edelman's careful scrutiny and legislative craftsmanship.

To cite but a few of the legislative accomplishments in which Mr. Edelman played a chief role during his committee service, I would call the attention of the House to the Monumental Federal Water Pollution Control Act of 1972; the Water Resources Development Acts of 1968, 1970, 1974, and 1976; the Clean Water Act of 1977; the National Dam Inspection Act of 1972; the Deep Water Ports Act of 1974 . the Disaster Relief Acts of 1970 and 1974, and Uniform Relocation Assistance and Land Acquisition Policies Act. Individually and collectively, these enactments to which Mr. Edelman contributed so much represent a tremendous step forward in the protection and preservation of our priceless water resources and the well being of our fellow countrymen.

Les Edelman personifies the very best in congressional staff work. His attention to detail, his firm grasp of complex substantive issues, his uncanny sense of compromise among many different positions and points of view, and his understanding of congressional practices and procedures make him a model for others to follow.

Mr. Edelman now returns to the Corps of Engineers where he began his career of public service and all of us, members and staff of the Committee on Public Works and Transportation, wish the very best to him, his lovely wife Joan, and his children, Ellen and Benjamin, in this new chapter of their lives.

We know that in his new capacity he will add distinction to an already distinguished record and invaluable service to the Nation he has served so long and so well.●

ALEXANDER GRAHAM BELL ON ALCOHOL FUELS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. FINDLEY. Mr. Speaker, recent events overseas have shown us the potential unreliability of our supply of oil imports. And they point to the need for Government policies that will develop the possibility of large-scale use of gasohol to cover for a future shortage of liquid energy. It is interesting to note that the inventor of the telephone, Alexander Graham Bell, recognized the advantages of alcohol as a fuel in 1917.

Now a company that bears his name is experimenting with the use of alcohol fuel. Illinois Bell will be using gasohol, a mixture of 10 percent alcohol and 90 percent gasoline, in 15 of its vehicles. The firm will be testing the likelihood that gasohol will improve mileage and reduce maintenance costs.

Such programs to provide information that can benefit the Nation as well as the company itself deserve commendation. And it is appropriate to look at the words of Alexander Graham Bell, spoken over 60 years ago to the graduating class at McKinley Manual Training School in Washington, D.C.:

> On every hand we see the substitution of machinery and artificial modes of power for animal and manpower. There will therefore be plenty of openings in the future for young bright mechanical engineers working in this direction.
>
> There is, however, one obstacle to further advance, the increasing price of the fuel necessary to work machinery. Coal and oil are going up and are strictly limited in quantity. We can take coal out of a mine, but we can never put it back. We can draw oil from subterranean reservoirs but we can never refill them again. We are spendthrifts in the matter of fuel and are using our capital for our running expenses.
>
> In relation to coal and oil, the world's annual consumption has become so enormous that we are now actually within measurable distance of the end of the supply. What shall we do when we have no more coal or oil?
>
> Apart from water power (which is strictly limited) and tidal and wave power which we have not yet learned to utilize, and the employment of the sun's rays directly as a source of power, we have little left, excepting wood, and it takes at least twenty-five years to grow a crop of trees.
>
> There is, however, one other source of fuel supply which may perhaps solve this problem of the future. Alcohol makes a beautiful, clean and efficient fuel, and, where not intended for consumption by human beings, can be manufactured very cheaply in an indigestible or even poisonous form. Wood alcohol, for example, can be employed as a fuel and we can make alcohol from sawdust, the waste product of our mills.
>
> Alcohol can also be manufactured from corn stalks and in fact from almost any vegetable matter capable of fermentation. Our growing crops and even weeds can be used. The waste products of our farms are available for this purpose and even the garbage from our cities. We need never fear the exhaustion of our present fuel supplies so long as we can produce an annual crop of alcohol to any extent desired.
>
> The world will probably depend upon alcohol more and more as time goes on, and a great field of usefulness is opening up for the engineer who will modify our machinery to enable alcohol to be used as a source of power.●

GOVERNING IN AMERICA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report from December 6, 1978, into the CONGRESSIONAL RECORD:

GOVERNING IN AMERICA

An alarming fact is acknowledged by most public officials and observers in the media today: America is becoming increasingly hard to govern. Naturally, these officials and observers cite many problems to explain what is happening.

One of the primary problems is surely the confused jurisdiction of government. The administration of big cities has been fragmented to the point that there are scores of governing bodies in major metropolitan areas. County government has risen in importance as populations have spilled over city boundaries into outlying regions. Layers of administration tend to pile up at the local level as special purpose districts are created to provide residents with water, sewer, transportation, and a dozen other services. At the same time, state officials have reacted vigorously to the public's demand for new and better services. Complex federal initiatives, directed either from Washington or by state and local agencies, have proliferated at a rapid pace. The confusion of federal, state, regional, and local jurisdiction nearly defies description, but behind it all is a general trend toward more federal responsibility. Washington is already straining under the burden.

Another problem is a basic change in the character of government. In response to the enormous growth of regulation, federal and state legislators have become people's advocates who must be more sensitive than ever to constituent needs. They set aside state, national, and international issues in order to focus on local concerns. They seek what is good for their districts and neglect what is good for the country. The problem is compounded by the new organizations that have formed around single interests or causes. The lobbying efforts of these groups have intensified, and through their political action committees they contribute generously to candidates who are "right" on their issues. Their work has had the positive effect of getting people actively involved in government, but it has had its drawbacks too. At a time when each election produces a lower voter turnout, special interest groups gain in stature and influence because their members do not fail to cast their ballots.

There are other problems that make it more difficult to govern in America. Some people say that there is a visible lack of confidence in public officials from the President down. Stemming as it may from Vietnam and Watergate, this lack of confidence seems to be mirrored in the voter who has turned inward to confront his own personal worries. It is characteristic of the inward-looking voter that he considers the effect of government policy on himself and his family alone, to the detriment of his community and country. Other people complain about the apparent lack of leadership at the national level. They point to a President who does not easily achieve his goals, a Congress that is pulled apart by lobbyists of all persuasions, and a bureaucracy that cannot be moved in constructive ways. Still other people place the blame on issues that are too complex. They wonder whether anyone can get the nation back on track. One commentator summed it up nicely when he said, "There is no glue holding the country together anymore."

The result of all these problems, say the experts, is a government that cannot mold a consensus, administer programs in an efficient way, or carry out the reforms that the voters seem to want. Because of complicated government practices and procedures, legislators who concentrate on narrow local demands, and single-minded special interest groups, inflation is fed, genuine needs go unmet, and almost every issue becomes controversial.

As might be anticipated, there is no general agreement on what is needed to make America more governable. I myself think a reduction in the size and scope of government would help. The next Congress should see to it that government programs do what they are intended to do. Also, methods must be found to encourage legislators to be more responsive to their broader constituencies. Political parties, which historically have put together coalitions representing large portions of the electorate, must be strengthened. To accomplish this, we might consider the public financing of congressional elections and political parties. Such financing would reduce the influence of special interest groups over incumbents and make elections more competitive. Finally, we must think about a strong Presidency as the best advice to pull together the different threads of our national life.

Government reorganization may be very useful, but I do not think that it will get to the heart of the matter. At the risk of sounding presumptuous, let me suggest that an item of highest priority is a change in attitude. Although we rightly pride ourselves on a sense of diversity and pluralism in this country, we need to emphasize within that diversity and pluralism our fundamental unity. We are all in the American adventure together, for better or worse. We must also determine with greater precision what the federal government should do, and then leave to other levels of government, private agencies, and individuals the things they are better able to do. In this way we will relearn the values of self-restraint and self-reliance.

(A series of articles in the New York Times provided information for this newsletter.)●

JEWISH COMMUNITY RELATIONS COUNCIL OF NEW YORK EXPRESSES CONCERN FOR SOUTHEAST ASIAN REFUGEES

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. GREEN. Mr. Speaker, the Jewish Community Relations Council of New York recently brought to my attention a resolution they adopted unanimously expressing concern for the plight of Southeast Asian refugees, particularly the "boat people."

The hardships and struggles of the "boat people" today bring to mind the similar circumstances that befell Jewish refugees both during the Holocaust and after World War II when they sought to enter the land called Palestine. The resolution passed by the Jewish Community Relations Council of New York recalls this and emphasizes that "special efforts must be undertaken immediately under the leadership of the United States to insure that history does not repeat itself."

The Immigration and Naturalization Service has indicated that the number of Indochinese refugees to be admitted to the United States will be increased to 50,000 by end of April. This should help to relieve the growing refugee emergency in Southeast Asia.

During the 95th Congress, legislation (Public Law 95-412) was enacted to abolish existing hemispheric quotas for immigration to the United States and to replace these quotas with a single worldwide ceiling of 290,000. I was among those who voted in favor of this legislation, which also established a Select Commission on Immigration and Refugee Policy.

The Commission is instructed to study

and evaluate "existing laws, policies, and procedures governing the admission of immigrants and refugees to the United States and to make such administrative and legislative recommendations to the President and the Congress as are appropriate," not later than September 30, 1980. It has been almost 30 years since such a systematic review of our immigration policy has ben undertaken. Hopefully, the Commission will recommend measures to respond to refugee crises of the kind occurring in Indochina.

Other nations also should be encouraged to step forward to offer assistance to the Southeast Asian refugees. I share the view of the Jewish Community Relations Council of New York that the United States should secure the involvement and aid of other countries which are in a position to help Southeast Asian and other refugees.

The members of the Jewish Community Relations Council of New York are to be commended for their compassion and empathy for the "boat people." The council's resolution, which follows, calls upon all of us to uphold the deep-rooted tradition of support for victims of political oppression which truly is our American heritage.

Resolution on Vietnamese Boat People

The Jewish Community Relations Council of New York is deeply concerned with the plight of thousands of Southeast Asian refugees who have been forced to flee their homelands. We note with particular dismay the group of more than 2500 people plying the Pacific Ocean in search of a safe haven. Reports of their tragic situation and the refusals of so many countries to allow them refuge recalls the desperate voyage in 1939 of the "St. Louis". With over 900 Jewish refugees on board, the boat was denied entry to many countries, including the United States. The soul-searing memory of hundreds of thousands of our brethren who could have been saved prior to World War II and the many boats of Jewish survivors who were turned away from Palestine after the war, compels us to speak out strongly at this time.

We appreciate the efforts of our government in the past and are mindful of the hardships that accompany an influx of refugees. However, we feel that special efforts must be undertaken immediately under the leadership of the United States to ensure that history does not repeat itself.

We applaud the government of Israel for their efforts in granting asylum to a group of "boat people" plucked from Asian waters by an Israeli freighter last year and their recent decision to grant asylum to more refugees. We hope that other countries will emulate this example.

This country has a deep-rooted tradition of support for victims of political oppression and has, in recent years, resettled large numbers of Hungarians, Cubans and Vietnamese.

We believe it is now time to mobilize all available resources, public and private, for a comprehensive international humanitarian rescue program.●

MR. SAM

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WRIGHT. Mr. Speaker, that great Texan, Sam Rayburn, was far too busy during his lifetime to write his memoirs. But he did write thousands of letters, deliver hundreds of speeches, and grant many interviews. From this voluminous body of material H. G. Dulaney, director of the Sam Rayburn Library in Bonham, Tex., and Dr. Edward Hake Phillips, professor of American history at Austin College in Sherman, Tex., have assembled what is, in fact, both his autobiography and an anthology of his political views. It is entitled "Speak, Mr. Speaker" and was published by the Sam Rayburn Foundation.

Praises for the book have been pouring in from reviewers across the country. I have in hand one such review from my own hometown newspaper, the Fort Worth Star-Telegram, in its issue of January 21, 1979. The critic is Clair Eyrich. I am sure my many colleagues who served with "Mr. Sam", as well as those who merely know of his career in the House and his accomplishments as Speaker, will find it of interest. The book review follows:

Mr. Sam—As Seen Through His Own Eyes

Speak, Mr. Speaker, by Sam Rayburn, compiled and edited by H. G. Dulaney and Edward Hake Phillips; Sam Rayburn Foundation.

The golden years of Texas influence in Washington belonged to the times when Sam Rayburn was the speaker of the House of Representatives.

From his comfortable office with the deep leather chairs and Oriental rugs, the heavy crystal chandelier and the painting of bluebonnets by Porfirio Salinas, Mr. Sam wielded a power second to none in the Congress of the United States—a power that perhaps equaled that of Lyndon B. Johnson as Senate majority leader, a power he was not afraid to exercise in his own way and according to a code of ethics that set a standard of excellence that caused many critics to observe that Watergate could never have happened if Mr. Sam had been in Washington.

The New York Times once commented acerbly, "Sam Rayburn doesn't own the Capitol." But he didn't need to own it; with his abilities, and his clout on Capitol Hill, Mr. Sam remained for decades a most influential figure at the center of world events as well as Democratic party politics.

To H. G. Dulaney, director of the Sam Rayburn Library in Bonham, a personal friend and longtime aide of the late speaker, the only way to tell the Sam Rayburn story is in the words of the speaker himself.

In conjunction with Dr. Edward Hake Phillips, professor of American history at Austin College in Sherman, he has put together a book of great importance in "Speak, Mr. Speaker." With enlightened and poetic chapter headings by MacPhelan Reese of Bonham, a member of the library staff, the book is much more than a tribute to Mr. Sam's 40 years of laboring in Washington to translate high purpose, passion and patriotism into "a better life for all mankind."

It is a distillation of a lifetime of thought and action—and the thousands of historic documents in the classic Sam Rayburn Library, where the spirit of the late speaker seems to hover in a setting chosen by himself for its simplicity and beauty, and the relics it houses of a long career in Texas and Washington.

By way of introduction, the compilers cite the words of Eric Severeid: "A few have learned to love Sam Rayburn, many to like him, all have learned to respect him."

The book will add another dimension to this public image. Fully indexed for reference use as well as hours of happy reading of the speaker's own terse and eloquent contributions to American statesmanship, the 478 pages in large format contain many of the things for which Mr. Sam would have liked to be remembered—if he had ever had the time to get them all together. The authors have done a superb job of selection and editing that does full justice to a man who, chiefly through words, was one of the major powers in Congress and a world figure with a track record that leaves lesser Washington leaders behind.

The great man comes through these pages not only as a voice lucid in the wilderness of American political pronouncements. He is a warm and eloquent personality unafraid to express his feelings to friends and about friends, aware of those to whom he was a symbol of power—and of those who voted to keep him in power.

No one knew this side of the speaker better than Dulaney, and with a sure instinct for the right passage, the right expression, he molds an image of American political influence at its best and the use of prestige at its most fascinating. There is scarcely a quote in the entire collection that does not have the mark of a special genius for getting things done, always with the best interests of the nation in mind.

Present-day leaders are finding it difficult to equal Mr. Sam in the alliance of power with sheer political skill and popular appeal. Mr. Sam is a hard act for anyone to follow, including the present crop of influential Southerners at the seat of power.

Power, in Mr. Sam's gentle but strong hands, was never damaging, and the coalitions he formed remained high in purpose and achievement. The potential may be there for newer leaders on Capitol Hill to assume the role of unquestioned leadership to the extent that Mr. Sam did.●

GOLDWATER PREPARES HIS CHINA CASE

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. RUDD. Mr. Speaker, one of the great constitutional issues facing our Nation is the President's recent unilateral abrogation of the 1954 Mutual Defense Treaty between the United States and the Republic of China.

I am proud to have joined with Senator Barry Goldwater, the distinguished senior Senator from Arizona, along with other colleagues in both Houses of the Congress, in a lawsuit challenging the President's authority to abrogate this treaty without prior consultation or approval of the legislative branch, his coequal partner in the treaty process.

One of the best short newspaper columns that I have read concerning Senator Goldwater's lawsuit was written by Ben Cole, bureau chief of the Arizona Republic, our State's largest daily newspaper.

One paragraph of that column neatly summarizes the terrible danger of the President's precipitous action to repudiate our defense treaty with Taiwan—

> Goldwater will tell the court that if this logic could be sustained, every treaty the nation makes could be abrogated on the whim of the president at the moment. A dovish president might without recourse junk the NATO pact, and a hawkish chief executive could scrap the Nuclear Test Ban agreement—all without consulting Congress.

Mr. Speaker. I would like to include Mr. Cole's good column at this point in the Record:

[From the Arizona Republic, Jan. 9, 1979]

GOLDWATER PREPARES HIS CHINA CASE

(By Ben Cole)

WASHINGTON.—Sen. Barry Goldwater has set the stage for an historic legal drama with his suit to block abrogation by President Carter of the 1955 Mutual Defense Treaty with the Republic of China.

Goldwater and his colleagues on one side and the administration on the other only agree on one point: It is, indeed, a "threshold case" with far-reaching consequences in American foreign affairs.

Both sides are going into court convinced of the virtue of their cause. The administration will be fighting to maintain the historic concept of presidential sovereignty. The senator will insist with equal vehemence on the constitutional doctrine of coequality of powers.

If the judiciary takes up the case, it will be asked to fulfill a basic duty of declaring what the Constitution says on the issue.

First of all, Judge Oliver Gasch must decide whether he is going to accept the case at all.

Goldwater and his colleagues filed their petition Dec. 9, 1978, before the ex-FBI agent who sits on the U.S. District Court for the District of Columbia. As of this writing, the State Department had not yet filed any reply.

The government can be expected to challenge the standing of Goldwater and his fellow plaintiffs to bring the suit. Administration lawyers will argue that the president has sovereign immunity against challenges to his ministerial acts.

To this, Goldwater will answer that the court, when President Nixon was compelled to produce the Watergate tapes, ruled the occupant of the White House is not above the law.

The administration also will argue that if the issues are to be raised at all, the proper plaintiff should be the whole Senate and that some authorizing resolution would be necessary.

Goldwater then will rebut by citing the suit taken by Sen. Edward M. Kennedy, D-Mass., against the Nixon administration's impoundment of appropriated funds. Kennedy established that his standing in court was his right to vote upon the expenditure of funds.

Moreover, Goldwater will tell the court that his fellow plaintiffs, Strom Thurmond of South Carolina and Carl Curtis of Nebraska, were present and cast affirmative votes Feb. 9, 1955, when the Taiwan treaty was ratified 65 to 6. Hence, they have a direct legal interest in maintaining the treaty.

One way or another, Goldwater expects to convince the court of his and his associates' standing to bring the lawsuit.

Once the case is taken up, basic constitutional questions will be raised.

The Constitution deals with the treaty-making power in half a sentence: "He shall have the power, by and with the consent of the Senate, to make treaties, provided two-thirds of the senators present concur; . . ."

Goldwater will declare that as a party to the treaty, the Senate should be asked to advise and consent when it is terminated.

The State Department has already compiled a long list of treaties terminated by other presidents without Senate approval. Goldwater, however, says violations of the law in the past cannot justify continued violations.

The administration will then argue that the Senate, by ratifying the treaty, accepted the clause providing for its termination with a year's notice by either party.

Goldwater will tell the court that if this logic could be sustained, every treaty the nation makes could be abrogated on the whim of the president at the moment. A dovish president might without recourse junk the NATO pact, and a hawkish chief executive could scrap the Nuclear Test Ban agreement—all without consulting Congress.

The administration can be expected to warn that forcing a president to go to the Senate before terminating a treaty would put him at a disadvantage in relation to other heads of state. Goldwater then would reply that such a question of policy must turn on what the respective constitutions of the countries require. He will insist the U.S. Constitution does indeed compel the president to get Senate concurrence when treaties are ended.

The case, once begun, would most certainly go all the way through the Supreme Court.

What happens if Goldwater wins? It is difficult to say. The recognition of Red China Constitution does indeed compel the presidential prerogative. Yet Red China might decide, should Goldwater win, that the terms of renewed diplomacy with the United States are broken. She then might withdraw her ambassador.

At least, that is what Goldwater hopes.●

CARDINAL STEPINAC DAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. GILMAN. Mr. Speaker, today marks the anniversary of the death of the martyred Cardinal Stepinac on February 10, 1960.

Mr. Speaker, the spirit of human rights has taken on an important dimension in both political and religious developments the world over. During a time when Soviet Jews are being persecuted and arbitrarily convicted for merely desiring to emigrate to Israel, when South Americans are being tortured and shot for political sentiments that simply urge education reform and equitable employment opportunities, when European industrialists are kidnaped and their respective countries abused by terrorists that seek to violently overthrow an entire social structure, we need to turn to examples set by those courageous individuals who were, and still are, not afraid to speak out or act in defense of those people being victimized. Cardinal Stepinac was one such courageous individual.

Aloysius Stepinac was born of a peasant family of Croation heritage in 1897, and following many years of intensive education as well as a stint in the Serbian Army, was ordained in 1924, and became bishop coadjustor of Zagreb in 1937.

On April 28, 1941, following the German invasion of Yugoslavia, Dr. Ante Pavelic, head of the Ustashi Nationalist Group, was established as head of the independent State of Croatia. Archbishop Stepinac announced from the pulpit of the cathedral on Easter Sunday 1941, the founding of this new state. His devotion to this declaration required his constant attention over the years, yet he was also consistently engaged in helping to relieve the suffering of Jews, Slovenes, and many other victims of persecution.

In 1945, he and his fellow bishops sent out a pastoral letter drawing attention to the many bishops, priests, and laymen killed or imprisoned; on the official press' perpetual attack on the clergy to which no rebuttal was allowed; on the confiscation of church property; and on the suppression of ecclesiastical teachings in public schools. Although the letter was never published, Archbishop Stepinac's constant outspokeness on that and other crucial matters, instigated his own show trial in 1946 which resulted in a sentence to 16 years hard labor and loss of civil and political rights, for allegedly collaborating with the Communists.

However, his popularity with the people earned him a conditional release and being named cardinal. Nevertheless, the sentence left him restricted to a life of silence, stripped him of his title and responsibilities, and left him under house arrest in his hometown Krasci. Not to be intimidated, Cardinal Stepinac continued in his struggle to abridge the schism between church and state and remained an unyielding prisoner until his death of natural causes on February 10, 1960.

Mr. Speaker, I urge my colleagues to join with me and the 2,500,000 American Croatians who wish to pay tribute to a man whose dedication to the preservation of fundamental human rights was permeated by his every course of action. May Cardinal Stepinac serve as a beacon of hope for those suffering similar persecution and be an example for all of us who are actively participating in the struggle for human rights around the world.○

FEDERAL ASSISTANCE PAPERWORK REDUCTION ACT

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. AUCOIN. Mr. Speaker, I am introducing today a bill which is a small but important first step toward reshaping our system of Federal assistance to local governments. I am joined in this effort by my colleague from Indiana, Mr. HAMILTON.

Our Federal grant system has become a confusing maze of conflicting requirements, burdensome paperwork, and poor interagency coordination. The time has come to streamline grant administration, cut away at wasteful and duplicative red-tape and force Federal agencies to cooperate with each other and with local governments.

No longer can we afford to have an ineffective system of assistance to local governments. They need help today more than ever before. And in a time of budget austerity, it is doubly important to make what we have work better.

To achieve that goal the Congress must not only change the structure of the Federal grant system. We must also change the Federal Government's approach to local assistance. We need to rediscover confidence in individuals, private enterprise and public bodies to act in the public interest without Federal hand holding. I am confident that local governments can utilize Federal assistance to carry out activities which help to achieve Federal goals—and do it without the paternal oversight of the Federal Government. All local governments need is a chance to do what they know best how to do.

This bill puts us on the road to some needed reforms. It requires the executive branch to establish uniform procedures for complying with the myriad of Federal grant requirements such as equal opportunity, enviromental protection et cetera. At the present time each agency has its own procedures for meeting those requirements. Too often the requirements of one agency come into conflict with those of another. Almost always, the differences among agencies cause needless headaches and massive paperwork for local officials.

The bill also establishes the framework for advance appropriations for Federal assistance programs. One of the biggest problems for local governments, especially for small communities, is that funding availability changes from year to year. Comprehensive development programs—the kinds of programs that are most effective—require long range planning. That kind of planning is impossible without some knowledge of future fund availability.

This legislation will also facilitate joint funding of projects and require greater coordination by Federal agencies with State governments for grants to local governments.

Mr. Speaker in the weeks to come I will be introducing other legislation to improve Federal programs for local governments. These bills will improve assistance to small rural communities and reshape some housing programs in rural areas to better meet their unique needs. The bill that I am introducing today will lay the foundation for these future efforts.●

ABE MARTIN, COACH AND PHILOSOPHER

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WRIGHT. Mr. Speaker, one of Fort Worth's most beloved citizens and one of the Nation's most respected athletic directors is dead. He was Abe Martin, for 14 years the head football coach at Texas Christian University and for another 9 years its athletic director. He retired in 1975.

Here was a man who epitomized sportsmanship. He never demeaned an opponent or another institution. He stuck by the rules. And he saw his players as human beings first and athletes second.

When he died last month at the age of 70 Abe was eulogized by many who had known him and followed his career. Among them was Pat Truly of the Fort Worth Star-Telegram. It is such a moving tribute to such a remarkable man that I want to share it with my colleagues. The column by Pat Truly follows:

ABE BELIEVED IN THE VALUES

Sometimes this is a heck of a depressing business.

Newspapers not only chronicle people's lives (and basically that IS their business), but the ends of those lives.

It hurts to call a Jim Swink and be the one to tell him that Abe Martin is dead. It hurts that Abe is gone.

The thing is that cold facts and figures, the public successes and failures that make up the outward record of a life and a career are sometimes a small part of the story of that life.

HE RUBBED OFF

What does a man believe? What mark does the extension of that belief leave on others?

A few years ago, when Abe had been out of active coaching for some time, we talked about doing a book together. Abe's idea was that he had something to say about football.

That's about as far as it went, and it's a shame.

Abe not only had something to say about football, but about life. And when he didn't say it, he demonstrated it.

I think it means something that an unusually large number of men who came from other places to play football for Abe Martin at TCU have remained in Fort Worth and hewed for themselves good lives and prosperous careers in any number of directions—doctors, dentists, lawyers, businessmen, teachers.

And I think most of them (nothing is unanimous except Russian elections) would agree on reflection that some of Abe Martin rubbed off on them.

"A lot of guys have stayed here," agrees one of Abe's former players. "He created a family for them. He always had time for his boys. There was nothing more important, to Abe, than one of his boys, and he'd drop anything for him."

"He was never shocked by anything his kids did," says Mazie Varley, who was Abe's secretary for many years, "and because of that they trusted him."

In the case of Abe Martin, there was a basic, overriding faith in the value of college athletics, and the value of the individuals involved, that colored his every act.

Abe didn't feel he was doing a boy a favor by giving him a chance to play ball in college and thus get an education.

He felt college athletics was doing them BOTH a favor.

There's a lot of lip-service paid to the eternal values to be derived from athletics. Abe believed it, down to the core.

"He always seemed to have the entire person in mind," says Marvin Lasater, who played for Abe and then worked for him, "not just the football player but the human being."

Lasater recalls when a teammate in the late 1950s came up against a bad disciplinary problem. He was about to be kicked out of school.

"He wasn't a starter, either," he says. "But Abe brought him before the team and discussed the problem with us. We were together, we backed him, Abe backed him, and he got another chance. He'd have done the same for his top quarterback or a last-team guard. He was concerned about the individual.

"He was always positive, always encouraging. He made people believe in themselves and he rubbed off on people. They came to have faith in others, because he had faith in them. He never preached about it, he just set an example.

"Probably Abe's greatest quality was the ability to understand what the other person was going through. To have empathy. And he was enough of a country philosopher that he could talk to anybody and make them understand."

MORE THAN VICTORY

Last year Lasater called Abe to invite him to watch a peewee football game that Lasater's son Jeff was playing in. Abe came, and enjoyed the game.

"But then," says Lasater, "he wrote Jeff a letter, telling him he hoped he achieved all his goals. Encouraging him. There was no reason for him to do that, except he believed in it. I'll tell you, that letter made Jeff feel like a real stallion."

You see, just to write, "Othol H. Martin, 1908–1979, coach, athletic director," isn't enough. Three conference championships and five bowl teams doesn't tell it. Abe was more than that, more than victory on the field of play.

"Abe," says Lasater with a cracking voice, "was something else."●

PRISONERS OF FEAR

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. BIAGGI. Mr. Speaker, police estimate that the fear of being robbed, raped or murdered keeps 100,000 older persons in the city of New York prisoners in their own homes. Certainly, prompt action is necessary to correct this tragic situation, and I strongly urge that this issue be given high priority during the 96th Congress.

Unfortunately, since this is something that does not affect all segments of our population, very little attention has been given to this problem. Recognizing the need to bring this tragedy to the public's attention, Michael Daly of the New York Daily News recently spent 3 days with one of these prisoners in her Coney Island, N.Y., apartment and published a series of articles describing his experience. The "prisoner" is an 83-year-old widow named Jennie, who has not stepped foot outside her 2-room apartment since being mugged 3 times during a 15-month period.

At this point, I would like to insert the second of Mr. Daly's articles—the first of which appeared in the January 31 RECORD:

[From the New York Daily News, Jan. 24, 1979]

NO EXITS FOR JENNIE—FEAR HAS BOLTED HER DOORS

(By Michael Daly)

It is 8:23 a.m. and, sitting at the white enamel table in the kitchen, Jennie Kelly raises a blue china cup to her lips. Her hand trembles slightly as she hooks her upper lip over the edge of the cup and sips the tea. A drop of tea rolls off her chin and falls onto the front of her flannel robe. As she sets the cup back in the saucer, the tremor spreads from her hand to her right leg. She raises her heel from the floor and the leg shakes faster. Her right hand grabs her knee as she raises her left index finger to her lips.

"Listen," Jennie says. "Listen to how quiet it is."

At each pause of the day, Jennie tells you, this silence slams in her face like a vault door. The stillness turns the two rooms into a crypt and Jennie is reminded that the apartment will only be filled with her voice, her footsteps, her breathing, that for another day she will go no farther than the front door and see no farther than the vacant lots that sprawl beneath her window.

"Do you ever think of suicide?" Jennie is asked.

"Sometimes" she answers. "I think if I had somebody to kill myself with, I might turn on the gas. But I can't stand the idea of lying here alone until somebody smells the body. That's more lonely than I am now. The way things are, I at least have me."

It is 9:32 a.m.

Returning to the kitchen, Jennie fills a plastic bucket with warm water and ammonia. Placing two towels on the black and white linoleum to cushion her knees, Jennie kneels and scrubs the floor with slow, circular motions of the sponge.

EVERYTHING SPOTLESS

"I know," she says, "it's already clean. I wash it every day. I keep everything spotless. It makes me feel better." Jennie then scours the kitchen sink, wipes the shelves in the cupboards, cleans the racks in the refrigerator, and rinses the laundry soaking in the bathtub. As she sweeps the bedroom floor, Jennie suddenly stops and takes a deep breath, shaking her head as she exhales.

"After all this, I never know if I'm depressed or tired," Jennie says.

It is 8:45 a.m.

Pointing with the brush toward the kitchen, Jennie asks you to leave the bedroom while she dresses. When you return 10 minutes later, she is standing in front of the mirror, smoothing the wrinkles on the front of her dress. Crumpled at the shoulders, the black material stretches across Jennie's abdomen and falls loose to the middle of her calves. Swollen blue veins snake up from her ankles, vanishing under the lace-trimmed hem. Licking her right index finger, Jennie bends over to wipe a spot off the bodice of the dress.

"Aren't I a sight," Jennie says. As she smiles, the lines of her face relax and you realize that this is the expression recorded by the deep wrinkles that radiate from her month and eyes. This, you realize, is not a face used to imprisonment.

"But I have to keep myself up," Jennie says. "I have to dress and brush my hair and take care of myself. If I don't, I'm finished. There's nothing harder to do than to keep doing while there's nothing to do. The one thing I don't want to do is to die here alone. Not until I have to, anyway."

This is the 16th Saturday of the 83-year-old widow's confinement in a two room apartment in Coney Island. After she was first attacked a year and a half ago, Jennie no longer went out at night. Two months later, a second mugging left her too afraid to venture farther than the corner grocery. Then, last September, the terror came to Jennie's doorstep. Beaten to the floor by a teenager wearing blue sneakers, Jennie knew she would never step outside her third-floor apartment again.

Like tens of thousands of other elderly people in this city, Jennie Kelley had become a prisoner in her own home.

It is 8:28 a.m.

SHUFFLES TO BEDROOM

Pushing the cup to the center of the table, Jennie shuffles 12 paces into the bedroom and stops in front of a full length mirror framed with mahogany. Reaching over to the dresser, she uncaps a one-ounce bottle of Joy perfume. Craning her neck, she places a drop of the perfume in the hollow between her collarbones. The smell, Jennie tells you, is a charm against the silence.

Placing the bottle back on the dresser, Jennie stands in front of the mirror and pulls five bobby pins out of the tight knot of hair at the back of her head. A few flicks of the bonehandled brush, and the thick white hair cascades over her shoulders, framing her milky blue eyes.

Signing the letter "Your friend still in Coney Island," Jennie folds the onion skin and slips it into an envelope. Her nephew will mail it on Wednesday, when he comes with the groceries.

"I wrote letters to the mayor and the President and Sen. Moynihan in the fall," Jennie says, pointing to a piece of White House stationery taped to the refrigerator door. "The White House was the only answer."

"In acknowledging your message to President Carter, I want to thank you for giving us the opportunity to consider your views," staff assistant Landon Kite wrote. "We find it helpful to know the frank and candid opinion of all our citizens."

ASKED FOR HELP

"What was your message to President Carter?" you ask Jennie.

"Help," Jennie says.

It is 1:10 p.m.

Pulling a cardboard box from under the table, Jennie fishes out a Dec. 16 issue of Newsweek magazine. Licking her fingers between each page, Jennie leafs through the magazine until she comes to a Marlboro ad with a picture of a cowboy on a horse dragging a Christmas tree through a snowstorm.

It is 11:51 a.m.

Propping the broom by her single bed, Jennie paints a thin line of mascara on her eyelids and walks over to the kitchen table. She turns the radio to WHN, a country music station, and takes a pad of onion skin paper and a blue ball point pen from the table drawer.

"My friend, Elizabeth, who moved to a nursing home in Queens likes country," Jennie says. "So I play it while I write her letters. The only song I like is one about a woman named Lucille who leaves her man with the children. I never had children, but I like the song."

"When did you last see Elizabeth," you ask Jennie.

"About a year," Jennie says. "Before I was afraid." Her knotted fingers wrapped around the pen, Jennie neatly lettered the first four lines of the letter.

"A newsman is here who wants to know what it is like to live alone and be afraid to go outside," Jennie wrote. "I told him it is not very exciting."

"I collect pictures I like," Jennie tells you as she snips the photograph out of the magazine, carefully trimming the edges. "Especially snow and water skiing pictures." Other prisoners have also collected magazine pictures.

It is 2:06 p.m.

Ushering you to a blue armchair in the bedroom, Jennie sits down in an adjacent chair covered with a frayed brown slipcover.

HER HUSBAND'S FAVORITE

"The blue chair is the one my husband liked to sit in," Jennie says. "Before they took him to the hospital for him to die. That was four years ago and it seems much longer. Sometimes I'm afraid I will forget him. So much has changed, and I spend so much time worried about myself."

Jennie picks up an .001 gauge crochet needle and a ball of navy blue yarn. To the rhythm of the stitches, she leads you through a labyrinth of memories, beginning with the day she met her husband on a Manhattan bound IRT train, to her defeat in the final round of the Brighton Beach Bridge Championship of 1943.

"When nobody's here," Jennie tells you, "I talk what I remember to myself. The tongue slows down my thoughts and stops me from going crazy."

It is 4:41 p.m. Jennie shuffles into the kitchen to take a final look out the window. Night is falling and the dark mounds of rubble rising from the snow-covered vacant lots remind Jennie of sleeping cattle. On the far side of the lot, under a streetlight, a man in a black fur hat is changing a flat tire. As he bends down to tighten a lug nut, a mongrel starts up and snips at his pants leg.

"That's one thing I don't have to worry about any more," Jennie says. "Flat tires."

SHATTERED BUILDINGS

Standing behind Jennie, you peer beyond the car with the flat tire at the dark rows of shattered three and four-story walk-ups and abandoned storefronts. Turning away from the window and facing Jennie's prim two rooms, the neat rows of dishes, the gleaming wood floors, the polished doorknobs, you step back 20 years, to before the forces of greed and poverty laid Coney Island to waste, to a time when Coney Island was a thousand apartments like Jennie's.

Closing the blue cotton curtain, Jennie assembles her burglar alarm, 24 Budweiser cans, at the base of the window. Crossing the room, she picks up a pencil and makes an 'X' on the Sat., Jan. 6 box of the Williamsburg Savings Bank calendar that hangs on the back of the front door.●

FUSION—THE FUTURE

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. PURSELL. Mr. Speaker, 2 years ago I arrived in Washington with the subject of energy as one of my highest priorities. In that regard, I have viewed development of new energy sources to take the place of fossil fuels as the central issue we face in guaranteeing our Nation an adequate energy supply for the future. While promoting research into a wide variety of energy sources—including oil shale, coal gasification, geothermal, solar, and others—I have concentrated most on fusion because I believe it offers our best hope for a virtually inexhaustible new energy base that is economically sound and environmentally clean.

During the course of the 95th Congress, I shared with my colleagues a series of articles and other items regarding laser fusion and its probability of meeting our growing energy needs. Meanwhile, interest in this important subject has been increasing both within and outside of Congress. Accordingly, I intend to continue doing what I can to bring the latest developments in this area to the attention of the general public and my fellow Members of Congress.

The latest issue of National Review is devoted to the nuclear-power problem. Among the items featured is one entitled "Fusion—The Future," which was authorized jointly by the chairman of a leading New York investment management firm (Arthur Gray, Jr.), the head of the nuclear engineering program at the University of Illinois at Urbana (George Miley), and an energy consultant (Mr. George Brumlik). Today, I would like to share this timely and convincing article.

[From the National Review, Feb. 2, 1979]

FUSION—THE FUTURE

The history of man is a record of progress directly tied to a continuing reduction in the cost of energy. From the discovery of fire and the wheel, to the harnessing of coal, oil, and natural gas for the generation of electricity, man's material lot has improved in direct proportion to the cost and availability of energy.

Now that fossil fuels have reversed their curve of cost efficiency, and other sources of energy (winds, tides, solar energy, fission, geothermal and hydroelectric power) have become economically attractive only in comparison to the ever-increasing cost of fossil fuels, we must look to what is the cheapest source of future energy in our universe—fusion.

Having low-cost energy available once again is not a dream, but a reality whose timing depends on us. Nature has stored on the earth's surface vast amounts of energy in the form of nuclei of isotopes of light elements—hydrogen, helium, lithium, boron. These abundant materials can be made to burn in nuclear fusion reactions, wherein they will release a *million* times more energy than a comparable weight of burning coal or oil. The magnitudes involved here are so fantastic that their meaning escapes us. If the price of oil dropped from $15 to $3 a barrel, the stock market would skyrocket; yet the energy provided by a million truckloads of oil can be replaced by the energy contained in a single truckload of fusion fuel.

What then would be the cost? The accessibility and abundance of the raw materials used in fusion fuels—isotopes of hydrogen and the other light elements mentioned above—make their cost essentially negligible. Construction of small, compact power plants could cost a fraction of present-day utility systems, if they could be mass produced with suitable confinements. And by placing them wherever they were needed, we could slash transmission costs. As the price of electric power then fell, electricity could replace oil and gas in heating and suburban transportation—another important saving. Fossil fuels could then be reserved for chemical feedstocks.

The single major expense involved in fusion energy is the enormous research and development outlays still required to bring the technology to fruition.

CUTTING TIMETABLES

Research will be needed to explore the questions of which element represent the best fusion fuels, and what means of confinement are most economical. The cost of this research, however, is a one-time investment, because of the abundance of the fuels; whereas the costs of oil exploration, which are currently far greater than the proposed outlays for the fusion effort, have to be carried on continuously as old wells dry up.

Fusion energy seeks to duplicate on earth a process which takes place in the sun. (When we speak of using "solar energy," we are talking about capturing this energy after it has traveled over ninety million miles to reach earth. That is neither very efficient, nor very cheap.) In fact, we have already duplicated the solar process here on earth. We have burned deuterium and tritium and lithium isotopes; but we had to use a fission reaction involving uranium and plutonium as a match. Result: the hydrogen bomb. Now we must find a safer match and learn how to produce a controlled fusion reaction.

At fusion temperatures, matter forms a gas of free ions and electrons called a "plasma." When such conditions persist, confinement is obviously a key problem. A normal containment vessel cannot be used, since the hot plasma, would melt material walls. At present, two sophisticated approaches—*magnetic* confinement and *inertial* confinement—are being pursued.

Magnetic confinement experiments, in most cases, make use of the "Tokomak" concept, originally developed in Russia [see also "Meanwhile, in the Soviet Union . . . " by Wil Lepkowski, p. 168] and now being advanced at various Department of Energy laboratories including the Princeton Plasma Physics Laboratory and the Oak Ridge National Laboratory. The Tokomak employs magnetic fields in a closed configuration shaped like a large doughnut. An alternative approach, called "mirror" confinement, uses magnetic fields to reflect plasma particles that would otherwise escape from the ends of an open cylindrical field; it is being developed at the Lawrence/Livermore laboratories, among other places. Dr. Melvin Gottlieb, director of the Princeton Plasma Physics Laboratory, believes that at least 15 years could be cut from the present timetables for development of magnetic confinement by initiating a full-scale research effort now.

Inertial confinement, the second major technology, involves heating a small fuel pellet with a laser or a charged particle beam so rapidly that the inertia of individual ions keeps the plasma together as fusion occurs. Inertial confinement is being pursued at the Los Alamos Scientific Laboratories and the Sandia National Labora-Rochester in New York State, the Lawrence/Livermore laboratories in California, and KMS Fusion Corporation in Ann Arbor, Michigan. Dr. John Emmet, Division Leader of the Laser Fusion Team at Livermore, is every bit as optimistic as Dr. Gottlieb.

There are yet other approaches to the harnessing of fusion which would be entitled to adequate funding. The Russians are exploring avenues of their own, some of which may be unknown to us. Meanwhile, fusion research has made remarkable strides in recent years. Experimental devices now being built at Princeton and Livermore are expected to "break even"—to produce as much energy through fusion as they consumed in heating the "plasma"—by the early 1980s.

How much will it cost us if present trends continue, and the fusion era is delayed?

The Department of Energy has targeted the year 2025 for the employment of the first commercial fusion reactors. The United States is importing $1 billion worth of oil each and every week of the year. By 2025 we will have expended well over a trillion dollars on oil imports. (This is more, by way of comparison, than the total value of all securities currently listed on the New York Stock Exchange.) Clearly, the date selected by the Department of Energy is far too late.

CAPITALIZED COSTS

America must not expend hundreds of billions of dollars on foreign oil while it has cheap and plentiful fusion fuel at hand. The time has come to stop flirting with fusion, and to demand of our leaders a total national commitment to get us back on the track toward inexpensive energy. We must not accept the current schedule; we must plan instead to have a fusion economy in place by the year 2000.

We cannot afford to have foreigners standing in line to buy American industries and securities with weakened dollars (which they have been doing to the tune of over $150 billion in the last five years).

These problems could be avoided by increasing the funds available for fusion research. The United States now spends $500 million a year on fusion research. At the same time we spend $4.5 billion a year on the NASA space effort. We should be willing to invest on a comparable level in a program which would result in saving the American economy. Let us increase the funding of our national laboratories, and put an end to the underfinancing of the research departments of our universities and high-technology companies that occurs because of inflation, unfortunate tax policies, and misdirected government allocation of funds. In May 1978, Takeo Fukuda, the then-Prime Minister of Japan, volunteered to contribute $1 billion to the United States fusion effort over the next five years as part of a program to redress the balance of payments, now in Japan's favor. Our government continues to procrastinate. It has been rumored that we would go along with a much smaller effort, partly devoted to coal research—in which the Japanese, who have no coal reserves, are understandably not very interested.

America has been lagging in high technology innovation—a pattern which has become a major concern of the present Administration. A properly funded fusion program could reverse the present downward trend and open a myriad of new innovations, the benefits of which will accrue to all Americans.

The Administration has every right to be concerned with continuing high federal deficits. Certain expenditures, however, can face the most rigid scrutiny. There is no reason why money appropriated for the fusion program could not be capitalized over a twenty- or thirty-year period, exactly as when a corporation builds a new plant. The investment will be returned, in money and quality of life, to our children and children's children a hundred-fold.●

SALT TALKS CONTINUING

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. DERWINSKI. Mr. Speaker, there has been a great deal of discussion in official circles over the resumption of the SALT talks, now that the administration has spent the previous week entertaining the current Vice Premier of China, Teng Hsiao-p'ing.

One of the well-known spokesmen on the international scene is Dr. Joseph A. Mikus. He draws from his practical background in international diplomacy in his recent article, "SALT and Detente—An Entangling Soviet Strategy." I wish to insert his article for the Members' attention.

SALT AND DETENTE—AN ENTANGLING SOVIET STRATEGY

On January 14, 1979, I carefully listened to the Meet the Press Program on TV channel 4 with Senator Howard H. Baker. In it the latter gave some details about his recent discusisons with the leaders of the Soviet Union in Moscow. This exchange of ideas was centered on SALT II, the conclusion of which Leonid Brezhnev considers of highest priority. He allegedly said should the United States and the Soviet Union fail to come to an agreement on this issue, it would mean the end of détente and a return to the cold war.

This, of course, would bring no change, since the cold war continues anyway and détente is for the Soviets only a cover-up of their expansionist policy all over the world. If they really believed in détente, why would they incite now the Communists in Iran?

In spite of SALT I, détente, and the Helsinki Final Act, the Soviet Union has not abandoned its objectives. The political chess-game, in which the Russians are accomplished masters, is going on without the slightest change. Now, after our recognition of China's Government, the Soviet Union may be even more eager to entangle us in an agreement in order to obtain a commitment that would limit our freedom of action, or that would freeze "the current imbalance and reinforce permanent Soviet superiority"[1] for decades to come. This must remind us of the general Soviet strategy, which consists in tightening hands of Soviet partners or their potential opponents.

In East-Central Europe, the Communists successfully applied the strategy of the National Front, i.e., of a coalition government, in which the Communist Party retained the right of veto against the potential proposals of other political parties. Thus, any opposition was made impossible. This strategy, which on February 25, 1948 led to the communist take-over in Czecho-Slovakia, was amply explained by Prof. Dr. Joseph Kalvoda in his book *Czechoslovakia's Role in Soviet Strategy*, University Press of America, 4710 Auth Place, S.E., Washington, D.C. 20023.

By the same type of strategy, the Soviet Union has managed to reduce to subservience all its satellites, with which it has military and economic agreements: the Warsaw Pact and the COMECON. One has to keep in mind that these are not voluntary institutions such as the NATO or the Common Market are. The Khrushchev policy, applied in 1956 in Hungary and the Brezhnev Doctrine, imposed upon Czechoslovakia in 1968, prove it.

SALT and détente are, in short, the same type of devices. Shall we abandon our freedom of action, such as the production of electronic bombs, for the sake of our agreement with the Soviet Union, we shall, willy-nilly, be a victim of Finlandization.

Our only strategy toward the Soviet Union will ultimately remain in adopting the policy of self-determination as originally formulated by President W. Wilson not only for Africa, where, in spite of a tribal social structure, we have been promoting "national states", but also in East-Central Europe, the Soviet Union itself, and elsewhere in the world. The current conflicts between communist countries, such as Ethiopia-Somalia, Viet-Nam-Cambodia, and the Soviet Union-China clearly prove that national interests of those countries are more important than the solidarity of the world proletariat.

Moreover, the Kissinger policy of détente has sinned by an excessive fear of an atomic war danger. This has nearly paralyzed our decision-making process toward the Soviets, even though there are three Western atomic powers plus China against them. The real danger is, however, in the disproportion of the Soviet and our conventional weapons.

Therefore, we shall return without delay to a compulsory military service and increase our effectives at least to 3 million men. Such a step would not only somewhat rectify the present imbalance, but would also reduce our unemployment rate, not to speak of the educational meaning of the military service for our young generation, many members of which are idle and indulge in criminality.

Finally, our unilateral concessions to the Soviet Union shall be stopped. The latter owes the United States or our industries allegedly $16 billion. Shall we, in this indirect way, finance the Soviet fomented "wars of national liberation" and revolutions in the world? Has this policy anything in common with common sense?●

THE F-16 GOES OPERATIONAL

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WRIGHT. Mr. Speaker, last month marked the start of a critical period for the F-16 multimission fighter, the newest aircraft in the Air Force inventory.

On January 6 the first operational F-16 was turned over to the 388th Tactical Fighter Wing in Utah. By year's end 64 are scheduled to be delivered to that unit.

Then on January 26 the first F-16 assembled in Europe was delivered to the Belgian Air Force. Production is continuing for the four European nations which are participating in this trailblazing program.

The January issue of Air Force magazine contains an interesting article reporting on the remarkable performance and acceptance of this aircraft. The article follows:

THE F-16 GOES OPERATIONAL

(By Bonner Day)

January marks the start of a critical period for the F-16 multi-mission fighter, the newest aircraft in the Air Force inventory.

At Hill AFB, Utah, the first operational aircraft is scheduled to be turned over to the 388th Tactical Fighter Wing on January 6. By the end of the year, sixty-four are to be delivered, of a total of seventy-eight that will be assigned to the unit.

And on January 26, the Belgian Air Force is to accept its first model of the plane assembled in Europe.

Since the first flight of the prototype in February 1974, the F-16 has been flown by test pilots. Now the F-16 moves into the hands of those responsible for flying and maintaining it in combat, the operations people.

So far, the plane has been hailed as one of the big successes in Air Force R&D history.

Test pilots are impressed with its flight performance. NATO diplomats regard it as a model in efforts to put standard sophisticated weapons in the hands of NATO allies. Defense Department managers cite it as evidence that modern, sophisticated weapons can be developed without the technological problems and massive cost overruns that occurred in many Pentagon programs during the 1960s. Defense officials are pleased with the cost of the F-16, which has remained substantially lower than the price of the F-15 and F-14, the other two major fighter aircraft entering the US inventory.

SUCCESSFUL TESTING

Before the scheduled turnover of operational F-16s, the aircraft was tested extensively at Edwards AFB, Calif. The joint test team consisted of pilots from General Dynamics, Air Force Systems Command, Air Force Test and Evaluation Center, Tactical Air Command, and pilots from the air forces of the four participating European countries.

The aircraft's performance, propulsion, stability, and control were primary objectives of the tests. But test pilots were also charged with exploring the plane's ability to perform air-superiority and support missions. Ground testing involved extensive evaluation of repair and maintenance operations.

At the test center, two prototype F-16s and eight preproduction versions, by mid-November, had flown more than 2,100 flights totaling some 2,600 hours.

One test pilot, Col. James G. Rider, formerly director of the F-16 Joint Test Force at Edwards AFB and now assistant deputy commander for operations for the F-16 at the 388th Tactical Fighter Wing, has flown more than 320 hours in the aircraft. (*See Air Force Magazine, October '76, for a pilot report on the YF-16 by Colonel Rider.*)

In a recent interview with Air Force Magazine, Colonel Rider said that no significant changes were made in the plane as a result of flight and other tests of the preproduction model. Overall, he said, the production model is proving to be as efficient in flight as the prototypes were.

Colonel Rider's greatest praise is for the high Gs the plane is capable of withstanding. "The plane is built for the Gs necessary for tight and hard maneuverability. But the cockpit environment—the side stick controller and the thirty-degree inclination of the seat—also makes it possible for the pilot to actually use the higher Gs that are available." Colonel Rider says that seven Gs in an F-16 feel like five Gs in another airplane.

Test pilots also have found that the electronic flight control system, the so-called "fly-by-wire" feature, is as impressive to fly as it promised to be in design studies. Colonel Rider says this feature makes it virtually impossible for the plane to go into an out-of-control spin.

Early concerns about the engine's performance have been resolved. The aircraft is equipped with the Pratt & Whitney F100 engine, which produces twenty-five percent more power per pound of engine weight than the best previous fighter engine. The same engine powers the F-15.

Though some of the engines in F-15s have experienced stall-stagnation problems over the past six years, Air Force and Pratt & Whitney officials say the faults are being corrected and will not be a factor in the F-16. Engine stalls already have been reduced to less than two per 1,000 flight hours. The engine in the F-16 is expected to have a stall stagnation rate between .4 and .2 per 1,000 engine flight hours, which Air Force experts say is acceptable.

COSTS AND BENEFITS

Defense officials have been less pleased with the added costs associated with multinational production. There is general agreement, however, that the increased cost has been more than made up in other benefits. Six months after the US decision to buy the F-16 was announced in January 1975, four European governments signed a memorandum of understanding with the US to buy and coproduce the aircraft. The five countries agreed that the US would buy at least 650 of the planes, and the European countries would buy 348. Of this total, Belgium would buy 116; the Netherlands, 102; Norway, seventy-two; and Denmark, fifty-eight.

The Europeans will pay a share of the development costs for the aircraft and its support equipment. This amounts to more than one half million dollars per aircraft. In addition, more than $1 billion has been added to US exports because of the European buy, which translates into at least 50,000 additional American jobs.

But Defense officials say less tangible benefits were the key to the decision to coproduce the plane. Says one Air Force officer: "From the NATO point of view, the joint production contract is the most important thing that ever happened in aircraft procurement."

Because the plane is being built and flown in Europe as well as the US, spare parts and repair facilities will be more readily available. Air Force planners can foresee times when aircraft down at allied airfields can be repaired and rearmed immediately, without the need to call men and equipment from a US base. In a war, the advantages of commonality would be multiplied, Air Force experts say.

The five NATO members are working together, not only on testing the plane, but on tactics to address the Warsaw Pact threat.

The management of the F-16 program is extremely complex, and the division of responsibilities, contracting, and multinational decision-making have presented many problems. But Air Force officers say the experience gained in the F-16 program now can be used in future multinational projects.

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[1] "170 Retired Top Military Officers Warn Carter of a Soviet Challenge", The New York Times, January 12, 1979.

The plan calls for the four European nations to produce ten percent of the procurement value of the first 650 US Air Force aircraft, forty percent of the procurement value of aircraft purchased by the European countries, and fifteen percent of the procurement value for planes sold to other countries.

Two other countries have already signed up: Iran wants to buy 160, and Israel, seventy-five. Other countries have indicated a desire to buy the F-16, if the US Administration permits.

In addition to the assembly plant in Fort Worth, Tex., final airframe assembly lines have been established in Belgium and the Netherlands. The first Belgian Air Force plane was assembled at the Belgian plant.

The procurement value of the planned buy of 348 aircraft to the four European countries is $2.8 billion with a "not-to-exceed" contract unit price of $6.09 million, in 1975 dollars. The Air Force estimates that over the life of the longer US purchase program the unit price will average $10.76 million, which would mean a total program acquisition cost of $15 billion.

MILITARY MISSIONS

But while Defense Department officials see diplomatic and financial benefits, the military advantages of the plane weigh more heavily with Air Force officers. The Air Force pilots who have flown the plane are the most impressed, praising its flight controls in particular.

Already, the F-16 has become an integral part of the NATO strategy to counter the buildup of Soviet Air Forces in Europe. U.S. policymakers decided on a mix of F-15s which are more sophisticated but also more expensive, and the simpler F-16s, in an effort to retain NATO's qualitative advantage and partially offset the Soviet and Warsaw Pact numerical advantage in aircraft.

The F-16 will have two major roles as it is deployed in Europe. It is designed to augment the F-15 in achieving air superiority in the opening stages of a war. Once NATO forces gain control of the air, the F-16 would supplement the F-111, F-4 and A-10 aircraft in air-to-ground missions.

Because it will eventually replace the Air Force F-4, which has a nuclear strike role, the F-16 will also be equipped to conduct nuclear missions.

In nine years, the F-16 thus has grown from a study of modern aerospace technology to multibillion fighter program that is vital to U.S. and NATO defense.

IRELAND IN 1979—CONTINUING PROBLEMS BUT HOPE ON THE HORIZON

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

• Mr. BIAGGI. Mr. Speaker, the beginning of 1979 finds the Ad Hoc Congressional Committee for Irish Affairs active and flourishing. On February 1, our executive committee voted unanimously to have the ad hoc committee sponsor a peace forum later in 1979. The forum would invite all shades of political thought to come to this Nation to discuss peace. It constitutes the most dramatic American initiative to date for promoting the cause of peace and justice in Ireland. An announcement about a date will be forthcoming.

As Chairman of the ad hoc committee I am pleased that our membership has again surpassed the 100 mark. We expect to be very active not only with respect to the peace forum issue but also on behalf of working for the convening of congressional hearings on other facets of the Irish question. Certainly one of the most fundamental problems in Ireland continues to be rampant violations and deprivations of human and civil rights.

Since Congress adjourned I have made two trips to Ireland. On the first, I was accompanied by my colleague on the ad hoc committee, Mr. GILMAN. While there we met with some 25 different political parties, paramilitary organizations, church leaders as well as peace and labor groups to assess their sentiments about the peace forum. We found not only considerable interest but also support and it was on that basis that I recommended to the executive committee that we sponsor the peace forum.

On this same trip, both Congressman GILMAN and myself visited prisons in Northern Ireland which had been cited as havens for human rights abuses. I visited the Long Kesh facility where the most celebrated cases of human rights violations are occurring in the so-called H Block wing. Here some 300 prisoners have been protesting the elimination of the political status category for crimes. I met with one of these so-called "blanket men" a young man who had seen no visitors for 15 months. I was disturbed greatly by his appearance but found his spirits to be high. I came back from this trip with a renewed commitment to having our administration exert pressure on the United Kingdom to cease these practices and restore human and civil rights.

Recently, Amnesty International issued its 1978 report in human rights conditions around the world. I wish to include in the RECORD the reports on the United Kingdom and the Republic of Ireland. I should point out that last year Amnesty International released a report describing inhumane conditions involving 78 prisoners housed at the Castlereagh barracks. The ad hoc committee has submitted about one-fourth of the cases from the report into the RECORD and will complete the work early in the 96th Congress.

We engage in this activity for one simple reason—to get our administration to apply a consistent standard in its human rights policy. What we do in East Timor we should do in Ulster—violations of human rights are wrong no matter where they are practiced. To apply pressure to some nations and ignore others is nothing more than selective morality.

In addition, the ad hoc committee recognizes that peace in Ireland remains an impossibility until there is restoration of human and civil rights in Ireland. We learned firsthand how continued violations of prisoners rights serves as a motivating factor for violence. This does not in any way justify violence—but it is important to establish the fact that violence in Northern Ireland is both institutional and civilian in nature. The United Kingdom will continue its barbaric policies as long as the administration remains uninterested. While I respect the longstanding nature of the United States-United Kingdom relationship—I do not feel we can continue to overlook their poor record on human rights.

Mr. Speaker, at this point in the RECORD I wish to insert the reports on the United Kingdom and the Republic of Ireland from the Amnesty International report.

I do wish to close on a hopeful note—I believe that the decision by the Ad Hoc Congressional Committee for Irish Affairs to conduct an Irish peace forum offers new hope for peace and justice in Ireland. We offer ourselves as a completely neutral sponsor favoring no solution nor group. Rather our interest is setting into motion the peace process for Ireland: a process which must involve the Irish people from the outset to the conclusion. They must determine their own future not the United States. However, it is our firm belief that the peace forum could serve to provide the impetus to move Great Britain and the Irish Republic off dead center on Northern Ireland.

The information follows:

No prisoners of conscience were under adoption by Amnesty International in the United Kingdom during the period 1977-78, although the organization continued to take an active interest in the case of a former adoptee, Pat Arrowsmith.

Pat Arrowsmith was arrested in 1973 and served approximately nine months of an 18 months' prison sentence under the Incitement to Disaffection Act 1934. The charge against her was that she had distributed leaflets to troops, "endeavouring to seduce them from their duty or allegiance" in relation to service in Northern Ireland. Her application to the European Commission on Human Rights, alleging that her conviction was in violation of those articles of the European Convention on Human Rights which guarantee freedom of expression and freedom to manifest a belief, was declared admissible in May 1977. Pat Arrowsmith was represented by the Legal Adviser in the International Secretariat of Amnesty International and Howard Levenson, a solicitor, on behalf of the British National Council for Civil Liberties.

During the course of 1977, Amnesty International received serious allegations of maltreatment by members of the Royal Ulster Constabulary (RUC) of people arrested in connection with terrorist offences in Northern Ireland. On 28 November 1977, Amnesty International sent a mission to Northern Ireland to investigate these allegations. The members of the mission were Douwe Korff, a Dutch lawyer, Jorgen Kelstrup, a Danish doctor and Amnesty International member, and a member of the Research Department in the International Secretariat. The delegates were joined on 1 December 1977 by a second Danish doctor, Inge Lunde.

The mission stayed in Northern Ireland until 8 December 1977. While there, its members met the Deputy Secretary of State, a representative of the Attorney General's office, a representative of the Attorney General's office, the Chief Constable and the Deputy Chief Constable of the RUC, the Head of the RUC Complaints Branch and members of his staff, members of the Police Federation of Northern Ireland, and the Director and Deputy Director of Public Prosecutions. In addition, it met the Chairman, Secretary and other members of the Northern

Ireland Police Authority, doctors under contract to the Authority, members of the Police Surgeons' Association, and the Head of the Police Complaints Board. The mission was offered—and accepted—the opportunity to visit Castlereagh Police Holding Centre in Belfast, to which a large number of allegations of maltreatment related.

The delegates in addition obtained direct testimony from 52 people who alleged that they had been maltreated while in police custody, mostly during the course of 1977. The delegates examined medical reports on 13 of the 52 cases, and five people agreed (at the delegates' request) to have a further more thorough examination by the medical members of the mission. As well as obtaining testimony directly from the 52 people already mentioned, the delegates collected detailed information (including medical reports) about a further 26 cases of alleged maltreatment. The mission met doctors, lawyers and other individuals who were able to provide evidence relating to the allegations of maltreatment. It met also organizations concerned with civil liberties.

The report of the mission was forwarded to the British Government for comment on 2 May 1978. Amnesty International issued it on 13 June 1978, under the title *Report of an Amnesty International Mission to Northern Ireland (28 November–6 December 1977)*.

In the report Amnesty International concluded that suspected terrorists had been maltreated by the RUC sufficiently often to warrant a public inquiry into the matter. (The evidence presented to the mission did not suggest that uniformed members of the RUC were involved.) The mission found also that legal measures which have eroded the rights of suspects held in connection with terrorist offences have helped to create the circumstances in which maltreatment had taken place. In addition the evidence indicated that the machinery for investigating complaints of police assaults during interviews is inadequate.

On the basis of these conclusions, Amnesty International recommended to the Government that a public and impartial inquiry be established both to investigate the allegations of maltreatment, and to consider the rules relating to interrogation, detention and admissibility of statements, and the effectiveness of the machinery for investigating complaints against the police over assaults during interviews. The organization recommended also that, pending the establishment and the report of such an inquiry, immediate steps should be taken to ensure that people interviewed by the RUC on suspicion of terrorism were protected against possible maltreatment. Measures to this end should include right of access to lawyers at an early stage of detention.

On 8 June 1978, in response to Amnesty International's request for an impartial and public inquiry into the allegations of maltreatment the Government of the United Kingdom announced that, having examined Amnesty International's report, it had decided to set up an independent and public committee of inquiry into police practice and procedure in Northern Ireland as regards the interrogation of people suspected of terrorist offenses. It would be within the terms of reference of the committee of inquiry to consider also the effectiveness of the machinery for dealing with complaints against the police, but not to review the rules relating to the admissibility of confessions in the special non-jury courts in which terrorism cases are tried in Northern Ireland.

The Government said also that individual allegations of maltreatmet would not be investigated by the committee of inquiry. Instead, it invited Amnesty International to give to the Northern Ireland Director of Public Prosecutions (DPP) the names of the 78 people whose allegations of maltreatment were dealt with in the *Report* of the mission. The DPP would then examine these complaints with a view to prosecuting identified police officers if the evidence justified it. The Government stated that the DPP would furthermore report on the "general findings and conclusions" of his examination of these cases to the Government and the committee of inquiry.

In a public statement on 13 June 1978, Amnesty International expressed regret that the terms of reference of the Government's committee of inquiry did not include examination of individual complaints of maltreatment. It repeated its recommendation that a committee of inquiry be established which would have access to all relevant data regarding any individual complaints of maltreatment, not only those made by the 78 people whose testimony is in the Amnesty International *Report*. In particular, the committee should have direct access to police doctors' reports and to the complaints files of the DPP, and should not have to rely on a report of the general findings and conclusions of the DPP. Amnesty International further proposed that provision should be made for members of the public to testify in private before the Committee, and called for the full report of the committee to be made public. The Government subsequently stated that it would not change the terms of reference of the committee as set out in its statement of 8 June.

On 18 June, following the kidnapping the previous day of a police constable, William Turbitt, who had been wounded in an ambush by the Provisional Irish Republican Army (IRA),[1] and the abduction of a Roman Catholic priest, Father Hugh Murphy, by a Protestant para-military group as hostage for the return of the constable, Amnesty International issued a statement appealing for the release of the two men and condemning the kidnappings and threats to maltreat and kill the victims. The priest was subsequently released unharmed, but on 20 June the IRA announced that the police constable had been "executed" for his role in the "British war machine". Post mortem examination of Constable Turbitt's body indicated that he died soon after capture of the wounds inflicted on him in the ambush.

On 18 January 1978, the European Court of Human Rights judged that interrogation practices used by the security forces of the United Kingdom in Northern Ireland in 1971 were "inhuman and degrading" but not torture". This reversed a ruling by the European Commission on Human Rights that these practices constituted "torture". Following this judgment, Amnesty International, which in 1971 had condemned these interrogation techniques as "torture", issued a statement expressing concern and disappointment that the European Court had arrived at this decision despite its own stated consideration that "the five techniques were applied in combination, with premeditation and for hours at a stretch. They caused, if not actual bodily injury, at least intense physical and mental suffering . . . and also led to acute psychiatric disturbances during interrogation."

On 17 May 1978, Amnesty International wrote to the Secretary of State for Northern Ireland regarding conditions in Long Kesh (Her Majesty's Prison The Maze), Northern Ireland, where over 300 prisoners convicted of terrorist offences are carrying out a prolonged protest in order to be granted "political" status. The prisoners concerned refuse to wear prison uniform or do prison work and have consequently been confined for prolonged periods in cells, with no exercise and no reading or writing or other occupation. They are now refusing to clean their cells or use the proper facilities for hygiene. Amnesty International is investigating the situation.

Ireland (the Republic of)

During the year covered by this report (July 1977–June 1978), Amnesty International has been concerned over anti-terrorist legislation and the rights of suspects detained by the police in the Republic of Ireland. In June 1977, the organization sent a mission to Dublin to investigate these matters and an Amnesty International submission to the Irish Government followed, in August 1977.

Amnesty International's submission, the contents of which are described in the *Amnesty International Report 1977*, gave details of allegations that people detained by the *Garda Siochana* (Irish police) on suspicion of involvement in terrorist or other politically motivated offences, had been maltreated. Amnesty International called for a full, impartial and public inquiry into these allegations. The cases of alleged maltreatment which the submission described involved people who had been arrested, most of them during 1975 and 1976, under the Offences Against the State Act (1939 and 1972) or under the Emergency Power Act (1976). On 4 October 1977, the Irish Government announced that it would not renew the section of the Emergency Powers Act under which suspects could be detained by the police for up to seven days without being charged. The Offences Against the State Act continues to operate: it covers a wide range of offences related to terrorism, provides for police detention of suspects for 48 hours without charge, and for the establishment of special non-jury courts to try people charged under the Act.

Amnesty International has no prisoners in the Republic of Ireland under adoption as prisoners of conscience.

In October 1977, the Minister for Justice, Gerard Collins, made a public statement that, after considering Amnesty International's request for an impartial inquiry into allegations of police brutality, the Irish Government had appointed a three-member Committee of Inquiry to consider ". . . what additional safeguards are necessary for the protection against ill-treatment of persons in *Garda* custody and for the protection of members of the *Garda Siochana* against unfounded allegations of such ill-treatment". The Minister stated that the Committee would not have a mandate to inquire into specific allegations of maltreatment: these should be investigated through the normal procedure of bringing criminal prosecutions against identifiable police officers in the courts.

Amnesty International wrote to the Minister for Justice on 17 October 1977, welcoming the establishment of a Committee of Inquiry into safeguards for people in police custody but criticizing the Committee's terms of reference as being too narrow. It urged that the Committee's mandate be extended to include investigation of specific past complaints of maltreatment, to reach conclusions as to whether the complaints were justified, and to make their findings public. In this and in subsequent correspondence with the Irish Government, Amnesty International expressed the view that the normal procedure for bringing police officers accused of maltreatment before the criminal courts would not reveal the extent of maltreatment, because of the difficulty of fulfilling the courts' requirement for proof beyond reasonable doubt of the guilt of individual officers.

On 8 December 1977, Alfred Heijder, a member of Amnesty International's International Executive Committee, and Douwe Korff, a Dutch lawyer who had taken part in the Amnesty International mission to Dublin, testified on behalf of the organization to the Committee of Inquiry appointed by the Irish Government, on the general issue of safeguards for suspects in police custody. Among the recommendations made by Amnesty International to the Committee were those people who were detained should have prompt access to solicitors of their own choice before interrogation; that no statement or confession made by a suspect in police custody should be used in evidence unless made in the presence of a solicitor; that detained people should have medical examinations at regular intervals while in police custody. In May 1978, the Committee of Inquiry sent the Irish Government a confidential report of its findings and recommendations. The contents of this report have not been made public. During the past year there has been a decrease in the allegations of police maltreatment of suspects received by Amnesty International. However, Amnesty International is still concerned by the fact that there has as yet been no public inquiry into specific past complaints.●

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[1] The military wing of the Republican movement which opposes British rule in Northern Ireland and supports a reunification of Northern Ireland and Southern (the Republic of) Ireland. They resort to terrorism in order to achieve this aim.

FUNDING FOR THE ANADROMOUS FISH CONSERVATION PROGRAM

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MURPHY of New York. Mr. Speaker, the legislation I introduced today with other members of the Merchant Marine and Fisheries Committee would authorize appropriations for the next 3 fiscal years to implement the Anadromous Fish Conservation Act. This legislation would insure that funding will continue to be available to the Secretaries of Commerce and the Interior for carrying out the programs established by the act.

The Secretaries are authorized to enter into cooperative agreements with any State containing anadromous fish, any of the States adjoining the Great Lakes or Lake Champlain that contain fish that ascend streams to spawn, and any non-Federal interests concerned with the conservation of such fish. Presently, there are 26 States participating in this program. Anadromous fish are those species of fish which begin their life in fresh water, migrate to salt water, and return to fresh water usually the stream of their birth to spawn.

Programs conducted under the act have contributed to the development of facilities for producing or enhancing fish populations and have also helped to provide unobstructed waterways and healthy spawning grounds for the use of various species, including the Atlantic salmon, shad, striped bass, steelhead, Arctic char, sheefish, five different species of the Pacific salmon, and the Dolly Varden trout.

The program is carried out on a 50-50 matching fund basis, except when the Secretary enters into a cooperative agreement with two or more States, in which case the Federal share is increased to 66⅔ percent. No State can receive more than $1 million per year.

The present authorization under the act, which expires at the end of fiscal year 1979, is for a total of $20 million for the two Secretaries combined. Since the act was passed in 1965, over $60 million has been distributed by the Federal Government. The economic benefits which have accrued to the participating States are valued at approximately $44.6 million. Perhaps even more importantly, the program has provided a valuable service for both commercial and recreational fishermen, a service for which they have often expressed their appreciation.

The authorization for funds to implement this program is contained in section 4(a) of the act. The legislation I introduced would extend the authorization for 3 additional years at a constant level of $20 million for each of fiscal years 1980, 1981, and 1982.

In past years, insufficient funds have been appropriated to cover all of the projects proposed by the States. Of the $20 million authorized each year, only slightly over $5 million has actually been allocated to the States. With last year's inclusion of Lake Champlain under the coverage of the act and with the leftover unfunded projects, I feel sure there is a need for the funds authorized by the legislation.●

TO LIMIT LEVEL OF FOREIGN INVESTMENT

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. AuCOIN. Mr. Speaker, today I am introducing a bill to limit the level of foreign investment in the U.S. fishing industry and require an annual report on the nature of that investment and its effect on the development of a strong domestic fishing industry.

Since the implementation of the Fishery Conservation and Management Act (200-mile act) on March 1, 1977, the American fishing industry has experienced tremendous change. That law imposed fees on foreign nations for the right to fish in U.S. fishing waters and limited foreign fishing to a surplus of each fishery not harvested by American fishermen. The law also set up a structure for developing conservation plans necessary for the rebuilding of this badly overused resource. The evidence is already mounting on the fundamental success of the 200-mile act—preliminary fishery management plans have provided increased protection for many overfished stocks and there has been a significant drop in the catch taken by foreign vessels in our zone. It is clear the United States has begun to recover control of this important domestic industry.

However, in spite of the fact that the 200-mile act was designed to control the level of foreign access to U.S. fisheries, foreign interests have energetically sought to circumvent the intentions of the act by investing heavily in the U.S. fishing industry. I do not oppose foreign investment in this industry as a matter of course. In fact, on the Oregon coast fishermen are working with foreign processing vessels in joint venture arrangements. Here is an example where foreign involvement has created new opportunities for the U.S. industry. But the kind of furtive business activity which is now being exposed goes beyond this.

The result is an avoidance of the foreign fees imposed by the 200-mile act to fund important fishery management programs, a total circumvention of the priority system used to allocate this limited resource to U.S. fishermen, a loss of revenue to fish-related domestic industries (most notably the food processing industry), and a funneling of American resources abroad at the expense of our economy while we continue to hold onto the illusion that we have regained the economic and social benefits of U.S. control over our commercial fishing industry.

I believe my bill will provide the necessary legislation to insure that foreign fishing interests continue to be regulated as originally mandated in the legislation. No one knows exactly how successful this investment activity has been. The most recent study of foreign investment in the U.S. commercial fishing industry was done in 1974 when the 200-mile law was still being viewed by foreign interests as a mere possibility, not a real threat to their historic dominance of our fish resources. Yet, in the face of the possible enactment of such a law, between 1970 and 1974, foreign investments in our industry doubled, increasing 30 percent during 1974 alone. There is substantial evidence that foreign interests have continued buying into our industry at an alarming rate following enactment of the 200-mile law.

This bill makes several important changes which will result in a reasonable, not isolationist, regulation of foreign investment in the U.S. commercial fishing industry:

First. In enacting the law reserving priority rights to American fishermen, we did not anticipate that a U.S. company wholly owned or controlled by foreign interests could easily meet the legal requirements to fish under the allocation expressly reserved for the U.S. industry. This first part of my bill amends the basic vessel documentation laws of the United States to require that fishing vessels satisfy the same citizenship requirements now imposed on all other seagoing vessels documented in the United States. The citizenship test for corporate vessel ownership is the one used in section 2 of the Shipping Act of 1916. Applying this definition of ownership would limit the 49 percent or less, foreign corporate investment in U.S.-documented fishing vessels.

Second. The second part of the bill is designed to monitor certain indirect business arrangements which could result in foreign interests accessing U.S. allocated fish. Some of these business contracts may not necessarily be detrimental to U.S. interests. This section of the bill sets up on an approval process to evaluate certain types of transactions whereby control of a U.S.-documented fishing vessel, and its priority allocation rights could be transferred to noncitizens.

Third. The last part of the bill requires an annual report regarding the level of foreign investment in the U.S. fishing industry. Similar to the Agricultural Disclosure Act passed in the last Congress, this reporting requirement will, for the first time, give us accurate information on foreign involvement in U.S. harvesting, processing, and fishing vessel construction and repair operations so that we can begin to assess the overall impact which foreign investments have had on the U.S. fishing industry and whether that investment has adversely effected the development of this important domestic industry.●

ENDING DISCRIMINATION ON THE BASIS OF SEXUAL ORIENTATION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WEISS. Mr. Speaker, I am today introducing legislation that will remedy one of the most pervasive forms of discrimination to be found in our Nation. My bill will also reinforce the constitutional guarantee of the right to privacy since this fundamental freedom is undermined whenever an individual's sexual orientation becomes the basis for discrimination.

A person's sexual orientation should not be regarded as legitimate grounds for bias any more than should skin color or religious expression.

Homosexual men and women are to be found in every occupation and institution in our Nation. They are doctors, lawyers, professors, carpenters, clerks, secretaries, writers, government workers, and streetsweepers. They are rich and poor, black and white, city dwellers and rural residents. There are some 20 million of them in the United States and, like most Americans, they obey the law and work hard.

But unlike other minority groups, homosexuals do not have legal recourse when they encounter discrimination. A man or woman may meet every possible criterion for housing or employment and yet if he or she is a homosexual an apartment or job can be denied him or her simply on the basis of personal, private sexual orientation.

I believe most Americans oppose this form of bias just as strongly as they reject discrimination directed against racial and religious minorities. Indeed, Californians voted overwhelmingly—by a 1.1 million margin—in November to reject proposition six, a measure to bar homosexuals from teaching in public schools. Liberals and conservatives, from Tom Hayden to Ronald Reagan, opposed proposition six.

They recognized, as I hope this Congress will do, that homosexuality is not a sufficient reason to relegate a person to the status of second-class citizen. I urge my colleagues to join me in cosponsoring this legislation to amend the Civil Rights Act so that we may eliminate discrimination against homosexuals in housing, employment, education, and public accommodations.

When we address the issue of rights for homosexuals we are in fact talking about human rights. Let us make 1979 the year when our Nation no longer sanctions discrimination based on the private sexual orientation of millions of Americans.

Please call Sandy Rivo of my staff at 55635 if you wish to become a cosponsor.

The bill follows:

H.R.—

A bill to prohibit discrimination on the basis of affectional or sexual orientation, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Civil Rights Amendments Act of 1979."

PUBLIC FACILITIES

SEC. 2. Section 301(a) of the Civil Rights Act of 1964 (42 U.S.C. 2000b(a)) is amended by inserting after "religion," the following: "affectional or sexual orientation,".

FEDERALLY ASSISTED OPPORTUNITIES

SEC. 3. Section 601 of the Civil Rights Act of 1964 (42 U.S.C. 2000d) is amended by inserting after "color," the following: "affectional or sexual orientation,".

EQUAL EMPLOYMENT OPPORTUNITIES

SEC. 6. (a) Sections 703(a), 703(b), 703(c), 703(d), 703(e), 703(j), 704(b), 706(g), and 717(a) of the Civil Rights Act of 1964 (42 U.S.C. 2000e-2, -3, -5, -16) are amended by inserting after "sex," each place it appears the following: "affectional or sexual orientation."

(b) Section 717(c) of such Act (42 U.S.C. 2000e-16) is amended by inserting ", affectional or sexual orientation," after "sex".

(c)(1) Section 703(h) of such Act (42 U.S.C. 2000e-2) is amended by inserting after "sex," the first place it appears the following: "affectional or sexual orientation."

(2) Such section 703(h) is further amended by inserting ", affectional or sexual orientation," after "sex" the second place it appears.

INTERVENTION AND PROCEDURE

SEC. 7. Section 902 of the Civil Rights Act of 1964 (42 U.S.C. 2000h-2) is amended by inserting after "sex" the following: ", affectional or sexual orientation,".

HOUSING SALE, RENTAL, FINANCING AND BROKERAGE SERVICES

SEC. 8. (a) Section 804 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation and for other purposes," (42 U.S.C. 3604), is amended by inserting after "religion," each place it appears the following: "affectional or sexual orientation,".

(b) Section 805 of such Act (42 U.S.C. 3605) is amended by inserting after "religion," the following: "affectional or sexual orientation,".

(c) Section 806 of such Act (42 U.S.C. 3606) is amended by inserting after "religion," the following: "affectional or sexual orientation,".

PREVENTION OF INTIMIDATION

SEC. 9. Section 901 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes," (42 U.S.C. 3631), is amended by inserting after "religion," each place it appears the following: "affectional or sexual orientation,".

DEFINITION

SEC. 11. As used in amendments made by this Act, the term "affectional or sexual orientation" means male or female homosexuality, heterosexuality, and bisexuality by orientation or practice.

TO PREVENT MISINTERPRETATION

SEC. 12. No amendment made by this Act shall be construed to permit or require—

(1) the determination that discrimination exists to be based on any statistical differences in the incidence of persons of a particular affectional or sexual orientation in the general population as opposed to in the activity wherein such discrimination is alleged; or

(2) the fashioning of any remedy requiring any sort of quota for the activity wherein such discrimination is alleged for persons of any particular affectional or sexual orientation.●

NATION'S BUSINESS CLIMATE

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. COTTER. Mr. Speaker, Mr. Thomas Murphy, chairman of General Motors Corp., recently spoke to the Greater Hartford Chamber of Commerce about our Nation's business climate. His remarks were refreshingly upbeat, especially in light of the dismal economic forecasts which flood the news almost daily.

I submit his entire speech for the RECORD as a model of the cooperation we as a Nation need between leadership in government and leadership in industry.

REMARKS BY THOMAS A. MURPHY, CHAIRMAN, GENERAL MOTORS CORP.

Thank you very much, Henry (Henry R. Roberts, chairman, Connecticut General Life Insurance Company).

This has been a delightful day for me here in the Insurance City, and I'd like to thank you and the Chamber for the warm welcome and the gracious hospitality I've enjoyed.

I'm particularly gratified by this large and responsive turnout tonight. It may be that this is the usual gathering for your Annual Banquet, but I think I recognize more than a few familiar faces from General Motors and from our dealer organization here. It's the type of spontaneous outpouring of General Motors people that happens every time their chairman is on the program. They're a loyal bunch—at least I hope they are—and I really do appreciate their coming out.

This visit to Central Connecticut has been something of a sentimental journey—a return to original roots might be a better way to put it. Much of the country's early history began here, of course. I needn't remind you of that. Hartford is filled with beautiful reminders of America's past and memorials to some of its most distinguished early citizens.

But an important part of General Motors began in this area, too. The New Departure-Hyatt Bearings Division started in a small room at the end of a clock shop in the city of Bristol over 90 years ago. That makes New Departure-Hyatt GM's oldest U.S. division, and we're very proud of it. It's grown up to be one of the world's largest makers of ball bearings.

Today its Bristol plant is involved in making an all-new design ball bearing for our brand-new front-wheel-drive cars.

Even the division's new general manager, Lester Lanning, has roots that grow deep in Connecticut's past. Lanning's father, Lester Lanning, Sr., used to play semi-professional baseball here in Hartford. He pitched for a team called the Hartford Polis (POE'-lie).

Among its star hitters was a player called Babe Ruth. The Babe didn't stay too long in Hartford. But they sure used to play some exciting ball.

I've been excited today by the vital spirit I see alive everywhere in this city. It's there in Constitution Plaza, in all the new company-headquarters buildings, in the Civic Center Complex, and in the rebuilding of the Center's coliseum. Hartford really learned what it was to have the roof fall in when the coliseum came down about a year ago. But the people of Hartford knew what revitalization was long before most other cities had even heard the word. So you stepped right in and started rebuilding—barely after the last brick had fallen. It was a testament to the unbreakable, unbeatable spirit of this city—a spirit other cities, despairing of their own urban decay and social problems, would do well to follow.

Your experience having the roof fall in isn't too far from what some people have been saying about by subject matter tonight: our national economy and the continuing threat of inflation.

We are already 25 days into the new year, and since this is a business audience, I assume most of you are familiar with the very wide variety of projections that have been made about the probable course of our economy during 1979.

The consensus seems to be decidedly pessimistic. In fact, it is extremely difficult to find an economist anywhere who will permit himself to be quoted about the future of our economy with anything but gloom. Just the other day, for example, the Associated Press quoted a very positive statement by a financial analyst—but, significantly that analyst asked not to be identified.

Economists seem to be indulging in a deadly kind of competition, trying to outguess each other about *when* the roof will fall in or the bottom finally fall out—plunging our country back into another economic recession. Some are busily predicting the end of the world—which puzzles me: why predict something where, if you are right, you won't be able to tell someone else, "I told you so."

As I say, it is a deadly game. For example, those economists who had predicted a recession in 1978 have hardly broken stride. They were proven wrong; 1978 was an excellent year for our country. In fact, it's been said that the economists have predicted twelve of the last five recessions accurately. But they feel no reason to apologize for the negative, and depressing, and possibly self-fulfilling effect their unfounded and erroneous predictions of gloom could have had on the decisions made by American business leaders, on those in government who are responsible for setting our fiscal and monetary policies, and on the psychology of the American consumer. These determined doomsayers simply move the date of their imagined recession forward a few quarters and attempt to save face by predicting that the recession—when it comes—will be all the worse for the delay. That was the thrust of the lead article in the Wall Street Journal earlier this month—a shining example of making favorable economic news seem unfavorable. And consider this classic headline from Friday's Detroit News: "Economy's rise triggers alarm."

Well, we at General Motors read the same economic reports, charts, and graphs these doomsayers do, and we find no such forbidding prospects. On the contrary, we find strong favorable signs—for example, what was first reported to be a 0.5% decline in retail sales for October, was subsequently found to be a 1.3% increase. In November, the increase rose to 2%. And with record Christmas buying, December was up a further 1%. For 1978 as a whole, retail sales increased more than 11%

All of this seems to fly in the face of those who have been telling us that the consumer is not in a buying mood and that the consumer-led recovery may be running out of steam. Automobile sales remain strong and new housing starts are surprising everybody by running at a brisk annual rate of about 2 million.

At the same time, the business community seems to be paying more attention to what is happening in the marketplace than to what is being said by professional economists and emphasized in the media. The good news gets little space for the most part, though there is an occasional article of a positive nature. According to Business Week, for example, new orders for industrial supplies and equipment have gone through the roof in recent months, running some 22% ahead of the same period last year. The magazine ran down a long list of accelerating business activity, from capital spending and machine tool orders to carefully controlled inventory levels. And it concluded that, "If executives were as worried about the future as the surveys seem to say, they would be cutting back new bookings and advance planning, not accelerating them. But businessmen are placing the orders for new equipment because they can see the sales volume to keep that equipment busy."

And that conclusion, ladies and gentlemen, closely approximates our own at General Motors. More people are employed in our country today than ever before—a record of nearly 96 million, an increase of over 7 million in just the last 2 years. Furthermore, there is a rising level of disposable income in their hands. The Commerce Department reported just last week that the gross national product rose by a robust 6.1 percent seasonally adjusted annual rate in the fourth quarter of last year. That was considerably higher than the 5 percent rate most government economists had predicted for the period. We don't think that rate of increase will be sustained throughout the new year. There will be a slowing in the rate of increase, but far from falling into a recession, we expect the nation's rate of term average—somewhere in the neighborhood of 3 percent.

It is on that basis—what we consider the hard evidence of the marketplace and actual economic performance—that we have predicted another record sales year for the automobile industry.

As most of you know by now I'm sure, our industry is just coming off a really banner year—the best calendar year for U.S. sales in our history. A record of approximately 15.4 million cars and trucks were sold—about 4 percent more than the previous record of 1977. And we're very proud to report that over 7 million of those sales were made by our General Motors dealers.

It was the first time GM sales in the U.S. have ever surpassed the seven-million mark in a single year. All our car and truck divisions had a hand in setting that record—Buick, Cadillac, Oldsmobile, and Pontiac all reported new highs. Chevrolet achieved a combined record of car and truck sales. And GMC Truck & Coach set a commercial vehicle record.

Now, General Motors is forecasting still another excellent calendar year in 1979. We expect industry sales in this country to increase again and reach about 15.5 million units in 1979. This should include sales of about 11.5 million passenger cars and more than 4 million trucks. What's more, we expect domestic automakers to continue to improve their sales relative to foreign manufacturers, just as they did in 1978.

At General Motors, much of the credit for this success in competition belongs to the successive waves of new, more fuel-efficient GM products we have been introducing in recent years. And our all-new front-wheel-drive compact cars to be introduced on April 19 should spark still more customer interest. These new models will replace the present Nova, Phoenix, Skylark, and Omega cars and will weigh about 800 pounds less and be 30% better on fuel economy.

In short, we're very bullish on the future at General Motors. And behind that bullishness is the unshakeable belief that our automobile industry in this country is still a growing one. Acting on that belief, we made capital expenditures of more than $4.5 billion in 1978—by far the heaviest investment we have ever made in a single year. And we are projecting even heavier spending in 1979 and beyond—more than $5 billion annually.

But, as we enter this new year, we are not ignoring the uncertainties our economy faces. Some of them are enormous—the cost and availability of energy, for example; our deficits in overseas payments and trade; and, overshadowing all other problems, inflation.

When we predict another year of continued, although moderate, economic growth for the United States, we do so in the belief that the President's anti-inflation program will win the support that is absolutely essential for its success—the leadership of those in his own Administration in setting monetary, fiscal and legislative policies that will reduce spending and our Federal deficit; the cooperation of Congress in budgetary affairs: the cooperation of the independent agencies in reducing the inflationary impact of unnecessary regulation; the cooperation of organized labor in negotiating new contracts; and the cooperation of business in restraining costs, increasing efficiencies, and in keeping price increases within the established guidelines.

There are already signs that some in government agencies and others in organized labor do not seem to have the same concern about inflation that most of us do. They place their own interests and the special interests of their various constituencies above the national interest by ignoring opportunities to contribute to the struggle.

Our chief hope is that the majority—and especially those in positions of the greatest public responsibility and influence—will counterbalance the influence of the dissidents and give the President's program their full and enlightened support.

It should be clear by now to every American that inflation is his or her greatest enemy today, that a reversal in the rising cost of living will benefit everyone in American society—old and young alike, the welfare recipient as well as the job holder, the retiree as well as the employee, the investor as well as the worker. There is no more important objective in our country today, since the attainment of all other objectives will depend upon success in this one.

We think the President has displayed great political courage in addressing this problem—in drawing up his budget and vetoing legislation which had the support of his own political party's leadership but which he felt would result in inflationary public spending. He has made a good start, but it is only a start. The demands on his courage and on his leadership abilities will increase tremendously over the coming weeks and months—and even years, since inflation is a disease that will probably take as long to cure as it did to germinate, fester, and mature. Regardless of our own political persuasions, we all owe the President our strongest support in his continuing efforts—for only in their continued and consistent application can the program succeed.

He will be accused of breaking campaign promises, of being insensitive to environmental and social problems, of betraying the liberal traditions of his Democractic Party and of organized labor. He has already come under heavy criticism of this sort, and more is sure to come before the Presidential election in 1980. But Mr. Carter has pledged to make the hard choices, to stick with his battle against inflation even if it costs him the Presidency.

We have great confidence in our President in this battle. This is a *war* we are engaged in, and if we are going to win it, we will have to subordinate all other objectives to the single, overriding objective of victory. We must insist on, we must demand—indeed, we must pray for—the kind of inspired leadership in both public and private life that will recognize inflation for the scourge that it is, that will never lose sight of the absolute necessity of defeating it, and that will resist all efforts to place other interests over the national interest. Unless America is blessed with strong and courageous leadership of this magnitude, we will never prevail over inflation. We will continue to be victims instead of victors.

But we are confident that we have such leadership—in many parts of government, in many parts of organized labor, in many parts of the business community. What remains is for the majority of the American people to encourage this leadership, to get behind it and support it, and to demonstrate that we are willing to accept the degree of sacrifice asked of each one of us. We must not allow our common resolve to be dissipated into the splintered causes of special interest groups playing adversary roles.

Too often today, the major elements of society are cast in the role of adversaries: labor interests versus business; business against the government regulatory bodies.

And beyond those broad groupings, there seems an infinite number of smaller, special interest groups: the Blacks, the Hispanics, and the American Indians—or native Americans; women, welfare mothers, and senior citizens; the handicapped, the gay liberationists, students, and children; even the champions of the unborn and those who demand their right to die in a dignified manner. The profusion of such groups is so great and their voices at times so shrill that it seems our society is tearing itself apart.

Meanwhile, the adversary relationship between groups has itself become something of a sacred cow. Even to question it is thought to defile democracy. Out of some twisted sense of politics the contention of factions is looked upon as democracy in its highest and purest form. In contrast, unity and cooperation between people are denigrated as cop-outs, cowardly compromises, and capitulations to the status quo.

There are efforts to persuade the average citizen that virtually everyone is his adversary; that our American system no longer works; that the citizen is no longer represented in any real sense by his elected officials; that individual citizen action within the system is useless and destined to failure; and that to protect himself the average citizen must align himself within a special-interest group, and that he must trust no one except this or that so-called "public advocate."

Now this is clearly wrong. This adversary climate of "me against them" and "us against the world" is clearly destructive of those bonds of mutual trust that have traditionally bound our pluralistic society together. The magnificent political system which we have carefully developed and improved upon has proved itself time and time again in our history. It has shown itself to be elastic enough to accommodate all legitimate demands and to assure the rights and privileges of every citizen. And it will continue to do so today, if we let it, and if we work for it.

Despite the popular and sometimes prevailing view, I believe our society is not hopelessly divided. Despite our differences and our special pleadings, I think the broad majority of our people remain united in their basic beliefs. Behind the special interests, beneath the muscle groups lies a strong connective tissue drawing us all together in the common body of our country. We must do all we can to nurture this unity. And we must curb the restrictive practices of special interests which would prevent us from making the most of our economic resources.

Certainly we will still have disagreements. But if we are to continue in our task of building our nation and keeping it—and its economy—strong, then all of us must be ready to put aside our petty arguments and join together when unified action is needed. Unified action is very much needed, now.

Now is the time to reaffirm our common ties, reemphasize our shared beliefs, retrace our common roots.

As I say, this battle against inflation is war. Nothing less than a single-minded, total commitment will assure victory. So, let labor and management put their narrow suspicions aside; let our special interest groups recognize that their primary interest is the national interest; and let us all unite as we have in the past, whenever our nation has been challenged as seriously as it is being challenged right now.

If we do this, then inflation will be curbed without recession and without widespread unemployment for the first time in our history. Victory will be shared by all Americans, and it will be among the sweetest and most rewarding victories we have ever known.

Thank you very much.●

OLDER AMERICANS TAKE NOTICE—IT'S TAX TIME AGAIN

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. YOUNG of Florida. Mr. Speaker, inflation takes a big bite out of everyone's pocketbook, but it especially hits our Nation's elderly living on small, fixed incomes. Because of my deep concern for older Americans, I would like to submit a checklist of itemized deductions which could prove to be of great assistance to senior citizens. The checklist was prepared by the Senate Special Committee on Aging, and although it is not intended to be comprehensive for every conceivable tax situation. Members of Congress might well wish to share it with their constituents to insure that they are provided with the most up-to-date information:

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3% of your adjusted gross income (line 31, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 31, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expenses (subject to 3% limitation):

Abdominal supports (prescribed by a doctor).

Acupuncture services.

Ambulance hire.

Anesthetist.

Arch supports (prescribed by a doctor).

Artificial limbs and teeth.

Back supports (prescribed by a doctor).

Braces.

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs.

Chiropodist.

Chiropractor.

Christian Science practitioner, authorized.

Convalescent home (for medical treatment only).

Crutches.

Dental services (e.g., cleaning, X-ray, filling teeth).

Dentures.

Dermatologist.

Eyeglasses.

Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).

Gynecologist.

Hearing aids and batteries.

Home health services.

Hospital expenses.

Insulin treatment.

Invalid chair.

Lab tests.

Lipreading lessons (designed to overcome a handicap).

Neurologist.

Nursing services (for medical care, including nurse's board paid by you).

Occupational therapist.

Ophthalmologist.

Optician.

Optometrist.

Oral surgery.

Osteopath, licensed.

Pediatrician.

Physical examinations.

Physical therapist.

Physician.

Podiatrist.

Psychiatrist.

Psychoanalyst.

Psychologist.

Psychotherapy.

Radium therapy.

Sacroiliac belt (prescribed by a doctor).

Seeing-eye dog and maintenance.

Speech therapist.

Splints.

Supplementary medical insurance (Part B) under Medicare.

Surgeon.

Telephone/teletype special communications equipment for the deaf.

Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.)

Vaccines.

Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).

Wheelchairs.

Whirlpool baths for medical purposes.

X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

TAXES

Real estate.

State and local gasoline.

General sales.

State and local income.

Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, truck, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal socities are limited to 20% of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7 cents per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amounts paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

INTEREST

Home mortgage.

Auto loan.

Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Point—deductible as interest by buyer where financing agreements provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

MISCELLANEOUS

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—You may claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

PRESIDENTIAL ELECTION CAMPAIGN FUND

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the President Election Campaign Fund.

ADDITIONAL INFORMATION

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

OTHER TAX RELIEF MEASURES

Filing status:	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Exemption for Age.—Beside the regular $750 exemption, you are allowed an additional exemption of $750 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1979, you will be entitled to the additional $750 exemption because of age for your 1978 Federal income tax return.

"Zero Bracket Amount." — The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10% of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ dependending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RF.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20% credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

ENERGY TAX ACT

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; and electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditure in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydorgen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

SENATE—*Friday, February 9, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. PAUL S. TSONGAS, a Senator from the State of Massachusetts.

PRAYER

The Reverend Ronald J. Degges, assistant minister in education, North Chevy Chase Christian Church, Chevy Chase, Md., offered the following prayer:

Let us pray:

Most merciful God, whose spirit of love and truth is ever before us and whose sovereignty is unmatched, we beseech Thee to guide these Thy servants of the U.S. Senate. Give understanding, where nought but cloudiness and confusion reside; humility, where arrogance and boastfulness rule; and charity, the greatest of all Thy gifts.

We pause this moment to give Thee joyful thanks for the power and strength Thou hast made known to us.

We pray for peace among all people and nations, split by ancient pride and wrongs remembered. Disarm us, break the hold of hate on our hearts, and draw us from every race and nation to live together in brotherhood, as children of one Father.

In spite of all those things which would normally separate us from Thee, may Thy love, the all-consuming quality, the very core of our existence, stand firm in our lives.

Help us, O God, to look squarely at the injustices present and battling within our inner souls, within our Nation, and within our world, doing everything possible to bring justice to bear on them.

Hear our prayers, God of Grace, and help us to enact them, working ever for Thy peace and justice, mercy and purpose in all we do today; through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 9, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAUL E. TSONGAS, a Senator from the State of Massachusetts, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. TSONGAS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings to date be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield back my time under the order.

Mr. GARN. Mr. President, I yield back my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Mississippi (Mr. STENNIS) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may retrieve the time I yielded back.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GARN. Mr. President, I ask unanimous consent that I may retrieve my time that I yielded back.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, in order to protect Mr. STENNIS, who has the first order and is chairing a hearing but is coming shortly, I understand, I suggest the absence of a quorum and I ask that it be charged against my time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GARN. Mr. President, I ask that it be charged to both our times.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MODIFICATION OF DESIGNATED ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the period for the transaction of routine morning business be implemented at this time, without prejudice to the orders which have been secured for Senators to speak.

I think I should say that when orders are secured in advance for Senators to speak, it is hoped that they would come to the floor if at all possible. Sometimes it is not possible, and when it is not, we try to juggle things around so as to accommodate them. But if it becomes a habit or the rule rather than the exception, the program is discommoded and Senators are discommoded.

So I think we ought to say here that Senators, whenever possible, should be on hand to be recognized when their order comes up. That is the purpose of getting the order.

The ACTING PRESIDENT pro tempore. Is there objection?

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. So I ask unanimous consent that morning business transpire now, without prejudice to those orders, so that Senators may still have their orders following morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Is there morning business?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WASHINGTON'S FAREWELL ADDRESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of George Washington's Farewell Address for this year occur on February 19, instead of on February 22, as provided in the order of the Senate on January 24, 1901.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there will be business transacted on that day following the reading of Washington's Farewell Address. That has been the norm in recent years since I have been here. The reading of the address does not constitute the business of the day. There will be business transacted and rollcall votes can occur or may occur. I hope Senators will plan their schedules accordingly.

Mr. President, I suggest the absence of a quorum.

The ACTING PRSEIDENT pro tempore. Will the Senator withhold?

Mr. ROBERT C. BYRD. I withdraw that suggestion.

APPOINTMENT BY THE VICE PRESIDENT

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the Vice President, pursuant to the order of the Senate of January 24, 1901, as modified February 9, 1979, appoints the Senator from Virginia (Mr. WARNER) to read Washington's Farewell Address on Monday, February 19, 1979.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, am I recognized?

The ACTING PRESIDENT pro tempore. The Senator from Mississippi is recognized for 15 minutes.

Mr. STENNIS. I thank the Chair.

Mr. President, I especially thank the leadership on both sides of the aisle for their arrangements so that I could take care of another official matter where we had witnesses summoned, the Secretary of the Navy and others, who needed badly to be somewhere else this afternoon.

Mr. President, I am speaking briefly this morning about a matter I have had on my mind a long time. I want briefly to outline some of my thoughts on the subject.

THE NEED FOR SELECTIVE SERVICE

Mr. STENNIS. Mr. President, in June 1973, the selective service system and the power to induct our young people for mandatory military service was discontinued. In the almost 6 years which have passed since that time, the Defense Department in general, and the Army in particular, have been endeavoring to fill their manpower requirements without the benefit of selective service.

I do not mean to eliminate the other services by mentioning the Army, but the Army has had to struggle more, in a way, than the others services. All have tried their best.

Even though I strongly opposed the halting of the inductions, I have steadily and even vigorously supported the all-voluntary service concept since it was instituted. After all these years, though, I have reached the conclusion, both through observation as well as a result of repeated inquiry and study, that the so-called all-volunteer force system, under which all the military services now operate, is clearly the weakest link in the vital chain of our military security. We are simply not getting manpower in the numbers and with the quality that the military requirements of this Nation demand. We must turn our attention to this matter in an urgent way.

As I said some time ago, when I turned in the final version of the military appropriations bill back in mid-October, that bill provides the largest number of dollars ever appropriated by the U.S. Congress in one bill in peace or war. I felt certain then in my own mind that the weakest part of the whole program was the question of enough of the right kind of personnel. That is not meant as any reflection on anyone that is in any service, not at all, or any unit of the service. I have a high respect for the American military uniform and I think that those who wear that uniform, from private to general officer, are entitled to appreciation and respect. They are going the way of honor and service and face a mission and a challenge that is equal to any.

So this is a hard list of qualifications and ability and talent and dedication and discipline—self-discipline as well as unit discipline—that I am talking about. We have units in all the services that are capable in every way. Do not look upon the military as being soft to the core, but there is a certain softness about the volunteer system itself and what it produces that we must rid ourselves of.

It is fair to say that the success or failure of the all-volunteer concept is measured by the ability of the military to attract and recruit people with the necessary qualifications and to train and retain them both for the Active and Reserve Forces. We must look at it in terms of recruiting the necessary numbers, and equally important, getting the needed "quality" of recruits and matching needed skills. I would like to stress that being a member of the military service is not merely a job.

We get off in debate here sometimes about what is fair to one group or another group. In looking at military service, let us not think in terms of its being a job. It is much more than a job. It is serving the country in a mission which is and will continue to be vital to our national security. Let me sum it up in a very few words: This is not a job we are talking about, it is a mission.

I am impressed with the sincerity and dedication with which the services have tackled this problem.

I have followed it from the beginning. I have been around to the bases and to the units in training, including the recruits in basic training. I went all the way up the line. The services have worked at the all-volunteer concept with real zeal and perseverance. I have personally observed this. They have given it an all-out effort. In short, I am satisfied that they have done their best. On the other side of the coin, the Congress has given the all-volunteer system the needed support and has backed the military fully. In short, I believe that the military has now had a full and fair opportunity to determine by trial and error whether the all-volunteer system will work.

I regret to say again that, on the record before us, I am forced to the conclusion that the all-volunteer concept has failed its test and has proved not to be the answer to either our peacetime or our wartime military manpower requirements. I believe that the time has come now to end the experiment. There are several reasons for this.

The Army continues to have serious difficulty in meeting its recruiting quotas in terms of numbers.

I personally know the present Army Chief of Staff. I am not a particular friend of his, there is certainly no close connection with him on my part, but I know he not only has military training and talent and outstanding achievement, but that he is a man of tremendous moral force, and spiritual values mean something to him. He has put his all into this job.

I know there are some figures, incidentally, that can be produced which show a bright picture in the quality of enlistees. I do not want to discredit enlistees, but I know on the whole, all is not well.

That is no reflection on them at all. It is the condition we are talking about.

The difficulty in meeting manpower requirements is particularly pronounced in the case of the National Guard and other Reserve components. These are faced with severe manpower shortages. This is particularly important since the Reserve component is the critical pool that is needed for quick mobilization during wartime.

The quality of the enlisted forces in the military is a matter of growing concern. I know that figures can be produced which show a bright picture in the quality of the enlistees, but I have a gut feeling that all is not well. This is particularly true since, in the absence of a Selective Service System, a disproportionate number of lower income and less privileged recruits are attracted.

Without the pressure of the Selective Service System, there are no draft-induced recruits for the Navy, Air Force, Marine Corps, or Army. These services consequently find it increasingly difficult to meet their enlistment quotas. The same thing applies with even more force to the National Guard and other Reserve components as I have already mentioned.

We have followed this year after year. We have given them inducements, enlistment inducements, reenlistment inducements, and additional types of inducements, dollarwise and others. This applies to the Reserves, of course.

Those Reserve services have illustrious careers. The National Guard is older than the Constitution, older than the Declaration of Independence. The Reserves are, too, in a way. They have been a part of all the history of our Government. Still, they do not have the prestige, nor the influence, nor the ability, to attract enough of the type of men that they need as volunteers.

Discipline is a continuing problem. We can say what we want to, but with any group of men or women anywhere, no matter what it is called, we do not have a military unit unless we have the necessary discipline.

I do not know why it is, but it is not a military unit unless it is based upon discipline. Some of that has to be self-discipline, but it must be discipline that prevails on sunshiny days and on dark rainy days, at 2 o'clock in the morning as well as high noon.

"Volunteering out" by virtue bad conduct or dishonorable discharges is an all too frequent occurrence.

The retention of trained and skilled personnel by reenlistment is not satisfactory. Despite what are termed favorable trends, the services have not reached their objectives in the fields of attrition and reenlistment.

There is some exception and some of the services have come very near reaching objectives, but none, as I understand it, has reached its full objectives in the field of attrition and reenlistment.

Of course, in comparison with the selective service system, the all-volunteer system is tremendously costly. If it was an unqualified success it would be worth the money but not so, in my opinion, under existing circumstances.

That is what I believe, but it is just not that unqualified success.

As to the money, I would be willing right now to support appropriations that will put still more money in the volunteer system if it has any reasonable assurance of getting the desired result. I would support the idea of putting the same amount of money on fewer men. I am satisfied that if we concentrate on quality enough and get the right types, then fewer people can do the job better than the 2 million we have now.

So I am not taking my stand on the grounds of money, although I think we ought to do our best to save money in the military just like any other department, and the committees ought to try to save money and pass on these figures originally.

I will go a long way trying to save money, but this is not a money question with me. It is a question of quality and knowing what our military people will do under the pressure. That is where the necessity for discipline comes in.

Finally, the absence of the machinery for registration and selection which would be provided by selective service means that we have no means for mobilizing rapidly the millions of persons we would need in the event of a wide-scale war. Many, many valuable months would be lost in gearing up, calling, and training the necessary personnel. This could mean the difference between defeat and victory. The inability to produce sufficient manpower during mobilization to meet wartime requirements is perhaps the most serious problem of the all-volunteer concept.

To restate the situation, I believe that for the total military force to be able to perform its prescribed role, it must be manned with sufficient quality soldiers who have the requisite qualities, skills, vigor, motivation, and discipline to serve their country honorably and effectively in peace and in war. This is not now true under the existing all-volunteer concept. Therefore, I believe it is now time for us to reconsider and, after careful appraisal and study, to move to a new type of selective service which will be fair and equitable to all. I see a need to be innovative and to search for new procedures in this field rather than merely returning to the old systems which have been tried and found wanting.

Now, I am not talking about a selective service system like the one we abandoned. I want one that is built from the ground up on the basis of fairness and equity and fair treatment for all concerned.

As far as I am concerned, those that are not qualified mentally and physically, of course, cannot qualify anyway. But we are going to have to meet this problem and we may as well face up to those hard decisions that go with making it a fair and impartial, truly a selective service.

I know that the need for selective service and the authority to induct persons into the military is not now generally understood or recognized by the American public or even by the Congress. There is a need for public information in this area. We should proceed, therefore, only after exhaustive hearings which develop all of the facts and thoroughly explore all of the possible alternatives. Since, as I stated at the beginning of this statement, I believe that the all-volunteer system is the weakest link and the possible achilles heel in our military security, I believe that we should proceed to a full and complete study and examination of this very serious problem just as soon as possible.

I am satisfied, Mr. President, that we are faced with another situation. We have to go to get the group that is more knowledgeable in this field than any other now, our people in the military service, and we have to find a way for them to be released and be more free to let us know what is going on.

I do not mean they are conceding wrongdoing, but I am stating what the true situation is.

It is a general situation with military men. Of course, there is no influence on the President of the United States. I do not want to decrease his power as Commander in Chief one bit. I like what the Constitution says.

Until we get the freedom of our military men of experience to testify—a method worked out some way—we are not going to get enough of the truth to know what the right conclusion is. I think that can be worked out. I believe in living within the Constitution, not trying to run over it. They must be permitted to speak freely.

Also, we cannot travel along on a flat tire of discipline. If we are not going at this matter with the idea of giving the military services the authority and responsibility of instilling discipline into the minds and hearts and backbone of these people, then we might just as well quit.

I know we can do this, because it has been done many times before, and that is the real America, anyway. That is the real America that we have known, and that is the America we have to rebuild.

I emphasize that I am not holding back anything with reference to the military services. They have worked hard. They have worked faithfully. They have tried to make a go of the present law. There are many ramifications to this matter. I did not intend to cover all of them today. There are a lot of additional facts.

I want to emphasize that I know there is a feeling here among many Members as to this need, and many people are not fully informed. I mean by this that the people as a whole are not fully informed. This is a possible problem. We can solve this one. We have others to which there is no quick solution, but we can solve this one. I am sure that if we try hard, there is time.

There is nothing like a mutiny in the services—I do not want to leave an intimation of that kind. But this matter must be and can be adjusted; we must start before it is too late.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

The Chair announces that the Senator from Wisconsin had the first previous order. In the absence of the Senator from Wisconsin, the Chair recognizes, without objection, the Senator from South Dakota.

Mr. FORD. Mr. President, will the Senator yield me 1 minute?

Mr. PRESSLER. I yield.

Mr. FORD. I thank the Senator.

CAUTION SUGGESTED IN REVISION OF THE SOCIAL SECURITY PROGRAM

Mr. FORD. Mr. President, the house of representatives of the Commonwealth of Kentucky has petitioned Congress and the President of the United States to consider with extreme caution any revision of the social security program which would be detrimental to the elderly, the poor, and the disabled.

I ask unanimous consent that house resolution No. 14 of the house of representatives of the Kentucky General Assembly be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

House Resolution No. 14

Whereas, the elimination of lump sum death benefits would pose an untimely and unfair hardship upon thousands of families across these United States; and

Whereas, the curtailment of aid to students aged 10 through 21 would deprive many communities of talented young people who without this legislation would not be able to further their education; and

Whereas, the present program provides benefits for all students regardless of their economic status; and

Whereas, eliminating the minimum benefit formula that gives a special retirement advantage to low wage workers would deprive these people of the bare necessities; and

Whereas, we believe that the government of the United States should not sacrifice the poor, the elderly, and the disabled in order to immediately balance a long-time deficit budget; and

Whereas, the Social Security System was established to provide assistance to persons of low income, the curtailment of any program aiding the elderly, the poor, and the disabled would be contrary to the intent of the Social Security Program;

Now, therefore,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this body urges the Congress and the President of the United States to cautiously and emphatically consider any proposal. to the federal budget which would effectively curtail or diminish benefits to the elderly, poor, or disabled citizens across this country.

Section 2. That this body endorses the continuance of Social Security benefits to students aged 10 through 21 on an eligibility-need basis.

Section 3. That this body affirms its endorsement of the President's avowed goal of limiting the budget deficit, yet encourages the President to maintain the stability of existing social programs.

Section 4. That copies of this resolution be sent by the Secretary of State to the members of Congress from Kentucky.

Section 5. That a copy of this resolution be sent by the Secretary of State to the President of the United States.

EULOGY TO SENATOR TOM GARRETT

Mr. FORD. Mr. President, when we look back on our paths to the U.S. Senate, each of us can recall a few individuals who had a special influence on our lives, and for whom we have a special feeling.

For me, one such person was Tom Garrett, a long and close personal friend and majority leader of the Kentucky State Senate, who passed away last Sunday at the age of 57. His untimely death was a shock and source of great personal sadness.

Tom Garrett's career as a legislator spanned 18 years, and at the time of his death he was the senior member of the State senate. We served together in that body, and he was first selected as majority leader during my administration as Governor.

His skills as a legislator were extraordinary, and he commanded the respect of others regardless of party affiliation because of his ability and his dedication to duty.

In recent days, he has been eulogized as a man of fairness, honesty, integrity and high professionalism. Tom, indeed, was a man possessed of all those attributes, but when I think of him I remember most of all his intense loyalty to the people he represented for many years and to the Commonwealth he so faithfully served.

He was a good man and a good friend. I will miss him, and I extend my heartfelt sympathy to his wife, Helen, and his family.

THE FARMERS IN WASHINGTON

Mr. PRESSLER. Mr. President, I should like to make a few brief remarks regarding the farmers in Washington, the tractors, and the situation with which we are faced.

I have counseled the farmers at all times to obey the law, to petition their Government in an orderly fashion. Irrespective of the short-term controversies, I think it is very important that we look to some of the problems in our rural areas and also to the consumers' interests involved in this situation.

Yesterday, in the Budget Committee, Mr. Blumenthal testified in answer to some of my questions regarding wage insurance. Rural America was left out. In the trade package that will be coming before us in April, the largest concessions we are making are in the area of farm products.

There was the veto of the beef bill last year. There is a feeling in rural America that many of the programs by the Federal Government with respect to aging and other matters do not reach rural areas.

As a member of the Small Business Committee and as a member of the Congressional Rural Caucus in the House, before I came to the Senate, I observed frequently that our national programs, be they transportation programs or tax programs, do not encourage the development of industry in smaller towns and rural areas.

We seem to have national programs to move people into our large cities, and Congress has adopted programs and policies that are encouraging concentration in our society.

I believe that the discussions this week have a deeper and a more serious nature than just the immediacy of farm prices, although that certainly is part of it.

In many European countries, small independent farmers have been preserved. It certainly is in the interests of consumers to preserve the farms. If we have corporate agriculture, we will then have the possibility of price fixing, the same as we have on the part of some of the trusts that seem to dominate many industries in our country. The opportunity for the small independent farmer or the small independent businessman is becoming less and less in our country, and we are giving way to bigness more and more.

Perhaps the demonstrations by the farmers and their tractors are a manifestation of the feelings of frustration about many things, some of which are not being articulated as well as they should. I fear that some of the violations of the laws this week perhaps have done as much damage as good, but I hope that is outweighed by the farmers who have followed the law in getting across their message.

However, the message is much deeper, because it is the concept that small towns and rural America are getting a low priority. The concept of national programs, be they transportation or tax or whatever else, has encouraged our people to move more and more into the congested centers of population.

I make this statement at this time because I think the farmers and their tractors are a reflection of this and that the question is much broader in terms of our national policy. It certainly involves immediate farm prices, but it also involves the direction in which our country wishes to go with respect to rural areas and small towns.

Mr. President, I yield whatever time I have remaining under the special order to the distinguished Senator from Pennsylvania (Mr. SCHWEIKER).

Mr. HELMS. Mr. President, before the Senator does that, will he yield me 1 minute?

Mr. PRESSLER. I yield.

Mr. HELMS. Mr. President, I congratulate the Senator from South Dakota for what I believe to be his maiden speech in the Senate. I have not had the privilege of hearing him speak before, but I look forward to hearing him often in the months and years to come. He is a welcome addition to this body and a very able and conscientious Senator. I welcome him to the Senate, and I congratulate him on his remarks.

As to the farmers who are visiting Washington this week, and presumably for some time to come, I thoroughly agree with the Senator that America had better pay attention to them. We may not fully agree with their tactics, but they are delivering an important message to us, as the Senator has said, with reference to the value of the family farm, whence came much of the moral and spiritual base of this country, in addition to the economic aspects and in addition to the production of food and fiber in abundance for all Americans.

The Senator has stated the case in an excellent fashion, and I congratulate him. Again I say that I look forward to working with him in the Senate.

Mr. PRESSLER. I thank the Senator.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized.

(The remarks of Mr. SCHWEIKER in connection with the introduction of legislation are printed under Statements on Resolutions.)

SPECIAL ORDER

The PRESIDING OFFICER (Mr. LEVIN). The Senator from Wisconsin is recognized for 15 minutes under the previous order.

HUMAN RIGHTS AND THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, on February 12, the U.N. Commission on Human Rights will be meeting in its 35th session. It is an international body established by the United Nations to deal with the violations of basic human rights. The agenda this session will consider the question of human rights violations in Chile, South Africa, Cyprus, and Arab occupied territories.

Being one of the 32 members of the commission, our voice, the voice of the United States, should have the strength that embodies our national principles. But will it, Mr. President? Will it?

Our views on human rights are morally significant. The President has clearly stated that human rights will have a top priority in our foreign policy. A priority which is long overdue. But can it?

There is an obstacle blocking this noble and essential pursuit, an obstacle which for 30 years has weakened our stance on human rights. It is the need to ratify the Genocide Convention.

Mr. President, while we sit here, atrocious violations of human rights are being committed all over the world. Can we in a clear conscience overlook the most fundamental right of any human being? Is not the example of the systematic extermination of 6 million Jews by the Nazis, a list of names that alone would stretch 200 miles, cause to reconsider this indispensable treaty?

Eighty-three nations have joined a chorus which resoundingly condemns this most horrible and destructive act. We look on silently, unwilling to pledge our convictions. Let us not enter a fourth decade of indecision and irresponsibility. The 35th U.N. Commission on Human Rights is a perfect opportunity for us to ratify that which is of the utmost consequence: the Genocide Convention.

Mr. President, on another matter.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

Mr. PROXMIRE. I am delighted to yield to my friend, the majority leader.

REPEAL OF NOTICE REQUIREMENT UNDER THE RIGHT TO FINANCIAL PRIVACY ACT OF 1978

Mr. ROBERT C. BYRD. Mr. President, this matter has been cleared on the other side of the aisle.

I ask unanimous consent that the Senate proceed to the consideration of S. 37 and that there be a time limitation thereon of not to exceed 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 37) to repeal a section of Public Law 95–630.

There being no objection, the Senate proceeded to consider the bill.

Mr. PROXMIRE. Mr. President, to my knowledge there is no controversy over S. 37. It was reported unanimously by the Committee on Banking, Housing, and Urban Affairs following a hearing on February 2.

The bill would repeal the notice requirement contained under section 1104(d) of the Right to Financial Privacy Act. That section, which will become effective on March 10, 1979, would require every creditor and financial institution to notify all of their customers of their rights under the Right to Financial Privacy Act. This act was added by the House as title XI to the Financial Institutions Regulatory and Interest Rate Control Act of 1978 which passed the Congress on the last day of the 95th Congress. The financial privacy title was never formally considered by the Senate Banking Committee.

I think all of us can remember the chaotic situation and the enormous amount of legislation that passed in the last minutes and, of course, it is remarkable there is so little correction needed, but here is a correction that is needed.

Mr. President, in its report on S. 37 the Senate Banking Committee takes the position that the benefits of the disclosures required under section 1104(d) are small compared to the enormous estimated cost of sending a notice to all customers of all financial institutions. These costs have been estimated to approach $1 billion.

In the committee's view, these notices are totally unnecessary since the act already requires a Federal agency to provide a person with an extensive disclosure of his rights under the Privacy Act at least 10 days prior to the time his financial records are to be obtained. These notices will adequately inform consumers of their legal rights at the precise time they most need to be informed—that is, when a Federal agency attempts to gain access to their financial records. Since the act already provides for notice of rights at time of access, the committee sees no reasons why financial institutions should be put to the enormous expense of sending out close to one billion notices to all of their customers. At a time when we are seeking to cut down on unnecessary regulation in order to curb inflation we need to be especially sensitive to imposing new requirements on industry. The passage of S. 37 will prevent a senseless cost from being imposed on industry—and a cost that will ultimately be paid by consumers in the form of higher prices and interest rates.

This measure would save those higher costs and higher interest rates and higher prices.

I think, as I say, it is completely noncontroversial. Every member of the Banking Committee, Republican and Democrat, is aware of the bill. It was considered at a hearing. We have discussed it, and it is unanimously favored by the committee, and I am delighted that the distinguished majority leader has called this measure up.

I am very hopeful it can be passed now. It is very important that it be passed now because, as you know, we are going out today for a week. When the House returns it is essential that they pass it early in March, and it is necessary that they have this before them as early as possible so that this action at the present time is vital.

Mr. HELMS. Mr. President, I have a small problem about this, and only a small problem, and I suggest the absence of a quorum.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the time for the quorum call not be taken out of the time of either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered. Is the Senator from Wisconsin reporting this bill from committee?

Mr. PROXMIRE. I am sorry, I missed that.

The PRESIDING OFFICER. Is the Senator from Wisconsin reporting this bill from committee?

Mr. PROXMIRE. Yes. The answer is, yes.

There being no objection, the bill (S. 37) was ordered to be read a third time, was read the third time, and passed as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1104(d) of Public Law 95-630 is repealed.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. MOYNIHAN. I move to lay that motion on the table

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I thank the Chair and I yield back the remainder of my time.

(The following proceedings occurred later in the day and are printed at this point by unanimous consent.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a resumption of the period for the transaction of routine morning business for not to exceed 30 minutes with Senators permitted to speak during that period not to exceed 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE RETIREMENT OF DR. WALTER GRADY BISHOP

Mr. THURMOND. Mr. President, one of the outstanding physicians in South Carolina, Dr. Walter Grady Bishop, retired recently after a distinguished career spanning more than 50 years.

Dr. Bishop began his medical career in his native Spartanburg County, S.C. After a short time he moved to nearby Greenwood, starting out in a small hospital, where he practiced until his retirement.

The early part of Dr. Bishop's career was spent in a time of extreme hardship and economic deprivation for the entire Nation. As a physician, Dr. Bishop was in almost constant contact with the penurious living conditions of many of his patients and often worked under the most adverse conditions.

Like other doctors sympathetic to the plight of so many people in this era, Dr. Bishop only charged a patient what he thought he could afford. As is often the case when there is a shortage of currency, barter became common, and Dr. Bishop often received payment in the form of chickens, pigs, or vegetables.

Beginning his practice before the days of specialization, Dr. Bishop was, in the real sense of the word, a general practitioner. He treated many kinds of illnesses, from typhoid fever to a simple cold, and he performed many types of surgery. Over his long and distinguished career, Dr. Bishop delivered over 1,000 babies in South Carolina.

Throughout his life, Dr. Bishop has been a public spirited man always willing to help his community and his Nation. For many years he ably served as the physician for Lander College in Greenwood and as the Greenwood County physician. During World War II Dr. Bishop left his home to serve America in the U.S. Army.

Dr. Bishop has done much for the medical profession in Greenwood. When he first moved into the small South Carolina town of Greenwood, it boasted only one 30 bed hospital and 10 doctors. Now, due largely to Dr. Bishop's efforts, Greenwood has a fine hospital and over 60 doctors. Great strides have been made in medicine during the 50 years Dr. Bishop has practiced, and his outstanding work has helped pave the way for better medical service to South Carolinians.

Dr. Walter G. Bishop is a dedicated, selfless physician, and his long, illustrious career will always be remembered by the thousands of people he has helped throughout his life.

Mr. President, in order that I may share a newspaper article concerning Dr. Bishop's retirement, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DR. BISHOP: HE DELIVERED MORE THAN 1,000 BABIES

An ad for an anesthetist on a bulletin board in Spartanburg brought Dr. Walter Grady Bishop Sr. to Greenwood when he was 25.

He's 79 now and, after practicing here more than 50 years, delivering more than 1,000 babies and participating in numerous surgical operations, Dr. Bishop has closed his offices in the Scurry Clinic.

Although his wife, the former Martha Thurmond of Edgefield (sister of South Carolina's senior senator, Strom Thurmond) said he'll spend his retirement gardening, fishing and attending to the Black Angus cattle on his son's farm, Dr. Bishop said he planned to while away the days "right here" in a comfortable-looking leather easy chair in the den of the couple's home on Grace Street Extension.

But it may not be that easy for him. Our interview was interrupted by a telephone call from a former patient, apparently insisting the doctor see her.

"How's your cancer?" Dr. Bishop asked. Then gently, but firmly, he instructed her to make an appointment with another physician and settled into the easy chair to reminisce about the early days of his career.

Upon his graduation from medical school, Dr. Bishop returned to his native Spartanburg County to go into practice with an eye, ear, nose and throat specialist. He didn't like it. After a week, he accepted the job at the Greenwood hospital.

The 30-bed facility was on a knoll at Edgefield and West Creswell, now the site of several newly-constructed doctors' offices. Dr. Bishop's duties included examining patients prior to admission, performing laboratory work, administering anesthesia and preparing patient progress reports.

During those times, the late 1920's, Greenwood had only eight to 10 doctors, Dr. Bishop recalled. Ninety Six had two doctors, and Hodges and Ware Shoals, one each.

"When I started practicing here, house calls were two dollars and a half," Dr. Bishop said. Of course, if the house was in, say Kirksey, the fee jumped to $5. Office visits were $2, tonsillectomies, $25 and deliveries, $30.

"His policy was always not to charge a patient more than he could afford to pay," Mrs. Bishop said.

Payment frequently came in the form of a live chicken or a bag of potatoes or a smoked ham. "People couldn't pay. They always wanted to give me something because they couldn't pay," Dr. Bishop said.

During his 52-year career, Dr. Bishop has treated "every kind of illness I know."

When he first arrived in Greenwood, a wave of typhoid fever was receding and "pneumonia caused more deaths than anything." At that time the only treatment for pneumonia was to draw fluid from the lungs with a needle.

With the advent of, first sulfa drugs and later, penicillin, pneumonia became less of a threat. "Now heart trouble is the top (killer)," Dr. Bishop said.

Medical trends have come and gone during Dr. Bishop's career. As a young anesthetist he accompanied a local surgeon on periodic trips to Beaufort to perform mass tonsillectomies. The team would remove 50 to 75 tonsils a day.

Dr. Bishop recalls that the PTA's of the Beaufort schools would sponsor the clinics, converting a gymnasium into a ward where the young patients spent the night.

"The kids were just tickled to death. They weren't scared a bit. It was just kind of a picnic with them," he said.

"I enjoyed those clinics. I'd do it just for the fun of it."

Back in the "good old days," much "doctoring" was done at the patient's home. Mrs. Bishop recalls driving her husband, in a blinding rain, to Coronaca, where he was met by a man with a mule who led him to the patient's house.

"The water was up to the belly of the mule," Dr. Bishop said.

Dr. Bishop also remembers performing surgery at the home of a patient, stretching her out on her dining room table in Troy for the operation.

Nearly all babies were delivered at home, a trend whose return Dr. Bishop deplores. The risk of infection is too great, he said.

Even with house calls, Dr. Bishop managed to see 40 to 50 patients a day at his office on a "first come, first served" basis. Persons who looked particularly ill or who had a noisy baby were worked in ahead of others.

During a medical career that included not only hospital work and private practice but also a stint as a doctor in the army during World War II and long tenures as physician for Lander College and Greenwood County, Dr. Bishop has been sued only once—by a prisoner, who also named the sheriff and magistrate in the action. The courts threw it out.

Dr. Bishop was serving with the U.S. Army in Monroe, N.C., in the early 1940's when a tornado ripped through Greenwood. He returned home to view the damage. The storm "tore up" the operating rooms at the old hospital on Edgefield Street.

"That's about the worst accident I've seen here in Greenwood," he remembers.

In 1952 Self Memorial Hospital was completed, and since then Dr. Bishop's home town has flourished as a medical community.

"It's very much of a medical center now," he said.

And he should know. He figuratively laid the foundation upon which it was built.

ARTICLES ON YOUTH IN THE MARCH AND JUNE 1978 EDITIONS OF THE AMERICAN LEGION MAGAZINE

Mr. THURMOND. Mr. President, no veterans organization in America supports a stronger program for our Nation's youth than the American Legion. The American Legion's Americanism and children and youth programs sponsor a variety of meaningful activities in communities across our Nation that emphasize responsible citizenship, good sportsmanship, civic pride, and patriotism among our youth.

Last year the national commander of the American Legion, the Honorable Robert Charles Smith of Louisiana, wrote two interesting articles concerning youth and youth problems, which were published in the March and June editions of the American Legion Magazine.

Mr. President, I commend these articles to my colleagues and request unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

PROTECT OUR YOUTH AGAINST DRUG ABUSE

Today's youth are beset with many interrelated problems. They come in many different forms and degrees of complexity. In this month's message, I want to briefly discuss two such areas which should deeply concern every American and do involve The American Legion through its Children & Youth Program. They are: child abuse and teenage drinking. Although these issues are often dealt with separately, a closer look will show an intertwining nature.

Consider this: Parent comes home drunk. Parent physically abuses other family members, especially the children. One of the children is 15 years old. To escape such an atmosphere, the child often stays away from home. Child befriends other youth who have similar problems. They gather together. At one such meeting, they try drinking to further escape reality and continue the practice. Years later, child becomes a parent. Current statistics show that based on childhood experiences, this new parent will probably have a drinking problem and will most likely physically abuse his children. This unfortunate situation presents a vicious cycle that continues to perpetuate itself.

Very briefly, let's look at each problem separately: Conservatively, the United States Children's Bureau places the annual incidence of child abuse at about 50,000 to 70,000 cases. During the next five to 10 years, such cases of maltreatment will probably top 1.5 million. There will be some 50,000 deaths. Most fatalities will be children three years old or younger.

Although all states have laws requiring medical practitioners to report suspected cases of child abuse, the appalling nature of this problem still demands increased national attention. This sickening blight on our society must be challenged by many if we can ever hope for a brighter future.

Part of the challenge can be met by learning the facts about child abuse, helping abuse victims and their parents with your time, resources and understanding and by supporting legal and social efforts to combat child abuse.

Concerning the issue of teenage drinking, it is disturbing to note that 70 percent of this age group drink beverage alcohol to some extent. Immediately, the question comes to mind—Why do teenagers drink?

Unfortunately, parental influence and example is the number one cause. Not realizing the effect of social drinking on their youngsters is a major blunder by many parents.

Peer pressure. Haven't we all felt this as adults? It is even greater during the teenage years when acceptance of any kind is important.

Rebellion against authority. Another major pressure point that parents can control.

Emotional disturbances. Such things as anxiety, insecurity, extreme self-consciousness and lack of self-confidence.

These reasons alone do not justify why nationwide, more teenagers (and even preteenagers) are drinking than ever before. What is more tragic is that a significant number of these young drinkers are misusing alcohol in ways that often disrupt their lives and threaten the health and safety of themselves and others. We adults should be jarred into action just by reading of the increase in drunk driving fatalities and arrests for alcohol-related offenses involving youth.

To prevent irresponsible drinking, our children must develop healthy attitudes starting in early childhood. These attitudes can be developed most effectively within our families if we, as parents, are prepared to react honestly and openly and through well-planned alcohol education programs in our schools—each supporting the other!

As adult citizens of this great Nation, we must join together in positive ways to combat the atrocity of child abuse and teenage drinking. The very stability of our future is at stake and what better insurance can we invest in than direct involvement with our youth.

We of The American Legion can be most helpful through our Children & Youth programs in needed preventive efforts. The avenues of service are open and always in need of your interest and support. One step beyond caring is Action! Motivate your concerns. Direct your efforts in the form of organized, constructive programs geared to help overcome these threats to our society.

OUR YOUTH—OUR FUTURE

Everyone has heard of the "generation gap" and many have become embroiled in debate over its effects on society. It is created by individuals on opposing sides who have lost contact with each other. Each faction believes the other is wrong and consequently, they should not be trusted. If this concept became the attitude of every American, we would indeed be in a sorry state. We are fortunate in this country that only a few have allowed their imagination to rule their thinking.

If we were to separate for a moment the "older" society from "younger" society and ask them identical questions, you might expect results to differ significantly. True? Not always.

During the summer of 1977, "Who's Who Among American High School Students" conducted a national survey of 50,000 members of the younger society. The following samples will give you their attitudes on certain subjects which may surprise you:

54 per cent indicated they wanted their tax dollars in the coming year to be spent for defense.

77 per cent felt the national budget for defense should be kept about the same or increased.

88 percent have never used illegal drugs.

62 per cent believe marijuana should not be legalized.

79 per cent said they believed in the two-party system and would support it during their lifetime.

This indicates the youth of our Nation do want to believe in the United States. It is also proof our youth programs can and do instill a personal obligation to accept an active part in the duties and responsibilities of American citizenship.

In the wake of February, "Americanism Month," and with the advent of April, "Children and Youth Month," The American Legion can stand proud of its programs for youth. Through these efforts, we have stressed the importance and worth of our young people. Such associations have been helpful and are needed to dispel the generation gap myth. Adult care and leadership in our youth programs have also helped to shape attitudes concerning day-to-day living as a productive American citizen.

Through established Americanism and Children and Youth programs, we have been doing this for years. We must continue to do so, but it has now become necessary to expand our involvement and include total education within the community. We must re-unite the community in support of education goals that are compatible with our objectives; we need to work toward the restoration of family authority, with schools and government once again serving as back-up to the family; and youth must be given active participating roles in community responsibilities, with adults working with youth rather than for them.

As we move through this third century of freedom and democracy, we need only look at our history to note the many different attitudes which helped mold this country. Although there were differences, one attitude prevailed—the hope of greatness.

Each year thousands of you volunteer your time and energy to help serve our youngest generation. Through this annual contact, you have served many needs and have been recognized by the youth as one who understands and cares. This healthy situation is the answer to any separation of generations. In the many years to come, if we keep our priorities in order, we will remain a leader in shaping the American attitude.

S. 423—THE DISPUTE RESOLUTION ACT OF 1979

Mr. FORD. Mr. President, I send to the desk for introduction a bill, and ask unanimous consent that it be considered as having been read the first and second times.

The **PRESIDING OFFICER.** The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 423) to promote commerce by establishing a national goal for the development and maintenance of effective, fair, inexpensive, and expeditious mechanisms for the resolution of consumer controversies, and for other purposes.

The **PRESIDING OFFICER.** Is there objection to the second reading of the bill?

Mr. HELMS. Mr. President, this has been approved by our side.

The **PRESIDING OFFICER.** Without objection, the bill will be considered as having been read a second time.

Mr. FORD. Today I am introducing a measure to be known as the Dispute Resolution Act. This legislation, which is cosponsored by Senators KENNEDY, DANFORTH, BAYH, and METZENBAUM will greatly accelerate the development of effective, fair, inexpensive, and efficient means to resolve numerous small civil disputes. As chairman of the Consumer Subcommittee, I have been deeply concerned by the numerous serious problems that consumers have brought to my attention which too often cannot be appropriately resolved due to the lack of adequate dispute resolution mechanisms. This legislation will foster the development and improvement of small claims courts, arbitration, mediation, and conciliation programs in order to assure the public adequate means to obtain justice in these important areas.

The need for strengthening and improving existing procedures for resolving such disputes has been strongly endorsed by those experts who have closely examined this issue. The Honorable Griffin Bell, for example, has stated:

> Constitutional guarantees of human rights ring hollow if there is no forum available for their vindication. Statutory rights become empty promises if adjudication is too long delayed to make them meaningful, and when the value of the claim is consumed by the expense of asserting it.

Mr. Shepherd Tate, president of the American Bar Association, in a recent letter emphasized the importance of this legislation by writing:

> The American Bar Association is convinced that your legislation would provide the two tools needed by citizens and government institutions at the state and local level to improve their access to forums to help resolve everyday disputes. First, your bill would establish in the Department of Justice a resource center for the collection and dissemination of information about the usefulness of such existing dispute resolution mechanisms as mediation, arbitration, fact-finding and small claims courts. This clearing-house would provide an inexpensive means of assisting state and local governments to utilize effective approaches to dispute resolution and avoid pitfalls which may have occurred elsewhere.
>
> Second, the legislation would establish a modest—$15 million per year—program to help state and local governments and citizen groups to establish new, or improved existing minor dispute mechanisms which the citizens of that jurisdiction determine to be best suited to their needs.

Mr. Tate concluded:

> One of the more important, and one of my priorities as Association president, is the prompt enactment of the proposed Dispute Resolution Act.

Business organizations also have a very strong interest in assuring that small claims are expeditiously and inexpensively resolved and a number of business organizations communicated last year with the Commerce, Science, and Transportation Committee in favor of legislation to accelerate the development of dispute resolution mechanisms in the States.

In drafting this legislation we have been cognizant and responsive to a recommendation of the National Institute of Consumer Justice that a modest infusion of Federal funds would stimulate local and State jurisdictions already strapped financially to improve and create alternative forums for resolution of disputes. This legislation seeks to provide incentives whereby the States and localities can respond to their unique needs with the most up-to-date solutions. A number of experiments have already taken place in some very successful small claims courts and other sources of arbitration and mediation mechanisms have been operating for several years. They have demonstrated both the need for the bill and the success of the kind of programs that could be implemented under it. This legislation will provide the following extremely necessary improvements to the resolution of disputes:

First. A coordinated program to strengthen dispute resolution mechanisms including small claims courts, arbitration, mediation, and conciliation efforts in the country;

Second. Development of a Dispute Resolution Resource Center to facilitate the systematic exchange of information to the States and localities concerning the improvement of existing and development of new dispute resolution mechanisms.

Third. Comprehensive surveys of existing systems will also be undertaken in order to help determine what mechanisms have been effective and ineffective in the past.

Fourth. Modest levels of financial assistance to strengthen existing systems and to develop new dispute resolution systems.

This legislation has been given extremely careful scrutiny over the last several years. Similar legislation has been introduced in the last three Congresses and has passed the Senate in the last two Congresses. In the last Congress detailed hearings were held by the Senate Commerce, Science, and Transportation Committee. Subsequent to these hearings literally hundreds of hours were spent in consultation with outside experts, interested groups, Senators and staffs of the Senate Commerce, Science, and Transportation Committee, the Senate Judiciary Committee, and other interested Senators in refining and improving this document. In this regard, Senator KENNEDY and Senator MCCLURE's efforts were particularly noteworthy. Finally, an amended bill, cosponsored by Senator KENNEDY and myself, was introduced and passed unanimously last session. The legislation I introduce today is identical to that bill.

Mr. President, in light of the long history surrounding this legislation and its widespread support in the business, consumer, and academic communities, I urge that the Congress act rapidly to institute these provisions into law.

Mr. KENNEDY. Mr. President, I am pleased to cosponsor today, with my distinguished colleague and friend from Kentucky, the Dispute Resolution Act of 1979.

This act is the result of the efforts of many Members of this body as well as outside private and public interest groups. As a result, during the last Congress, the Senate unanimously passed an identical bill. However, in the closing hours of the 95th Congress, although a majority of the Members of the House approved the bill, the necessary two-thirds vote could not be mustered, and the House failed to approve this legislation.

The act focuses on a crucial problem in our present judicial system—providing easy access to justice for all Americans in the resolution of minor civil disputes. According to a 1976 American Bar Association survey, two-thirds of our citizens now lack this access—a freedom intended by our founders to be the right of all and not the privilege of a few.

In 1850 Abraham Lincoln offered the following advice:

> Discourage Litigation. Persuade your neighbors to compromise whenever you can. Point out to them how the nominal winner is often the real loser—in fees, expenses, and waste of time. As a peacemaker, the lawyer has a superior opportunity of being a good man.

Throughout history, Lincoln's words have found tangible meaning for those who seek redress through judicial processes. Litigation is not always a viable vehicle nor is the court room always the most appropriate forum—especially for resolving minor disputes—which is fair, expeditious, and inexpensive.

One hundred and twenty-five years ago, Charles Dickens described a judicial system—

> which so overthrows the brain and breaks the heart, that there is not an honorable man among its practitioners who would not give—who does not often give—the warning, "suffer any wrong that can be done you rather than come here!"

Many of our citizens who have attempted to resolve their disputes through litigation might well repeat this same advice to others today.

Judicial institution designed to resolve disputes between citizens have generally not fulfilled their function. They have not answered the needs of people who are either distrustful of the judicial process or intimidated by its formality. Many persons may not need or want such a process for the adjudication of their disputes. Chief Justice Warren Burger recently noted this fact when he said:

> The notion that ordinary people want black-robed judges, well-dressed lawyers, and fine paneled courtrooms as settings to resolve their disputes is not correct. People with problems, like people with pains, want relief, and they want it as quickly and as inexpensively as possible.

The judicial process has not answered the needs of people who cannot afford lawyers, and who lack the knowledge enabling them to represent themselves. It has not answered the needs of people who can neither afford nor understand the long delays of courtroom procedure. Too often the end result of these failings is an exhaustion not only of finances, but of patience, courage, and hope. In 1913, Roscoe Pound, then dean of Harvard Law School focused on the problem of an individual with a small grievance, commenting:

> May it not be that we have been assuming too lightly that what is unprofitable for the lawyer is unprofitable for the law? It is a de-

> nial of justice in small causes to drive litigants to employ lawyers, and it is a shame to drive them to legal aid societies to get as a charity what the state should give them as a right.

Small claims courts may not be the only effective means of resolving minor disputes. Many States, localities, private businesses, and neighborhood groups have established innovative and very successful programs for resolving disputes without resort to the courts. Although we must be careful to insure that the fundamental legal rights of our citizens are not compromised, these alternatives can be effective means for providing access to justice where none exists. They often provide a quick, inexpensive, and fair resolution of disputes—a resolution which in most cases satisfies the parties.

Private industry has also been an advocate of arbitration proceedings for customers dissatisfied with their products or procedures. A large percentage of customers using such arbitration procedures have been satisfied with the outcome even some who did not prevail. Consumers have a chance to voice their complaint and the ear of a neutral party deciding the issue in a fair and expeditious manner.

There are approximately 20,000 businesses in the United States now using various methods of arbitration in the settlement of consumer disputes. Five years ago, the Better Business Bureau began a nationwide consumer arbitration program which is in most cases free and voluntary. Since that time more than 2,300 cases have resulted in an arbitration hearing. Of the 23,000 cases in which the Bureau has offered arbitration, more than one-third were settled after the consumer and the business had agreed to arbitrate, but before a hearing took place. Awards from this process average about $100 with the three largest complaint categories being home improvement, car repair, and appliance purchases. According to the vice president of the Counsel of Better Business Bureaus, more than 6,000 arbitrators have been trained in this nationwide program, and less than one-half of 1 percent of their awards have been challenged.

On November 23, 1977, the Department of Justice provided funding through LEAA for three neighborhood justice centers in Los Angeles, Calif., Atlanta, Ga., and Kansas City, Mo. awarding approximately $200,000 for each project. Additionally a grant of $350,000 went to the institute for research to conduct an evaluation of the three centers.

Each of the centers is operated by a director and four staff persons. Between 20 and 34 volunteer mediators, with 48 to 70 hours of training, assist in mediation and arbitration. The volunteer mediators are assigned to particular cases according to their expertise or background. In each of the three cities the young lawyers section of the local bar association provides free legal advice to mediators on individual cases. Judging from statistics collected between the time the centers opened and June of 1978, they have proved to be a useful mediation device.

Of 1,908 cases processed, 399 were referred, 642 were not resolved, 206 were resolved prior to hearing, 458 hearings were held, and 388 of these cases were resolved at those hearings.

One of the most successful programs in the country is located in my own State of Massachusetts. The urban court program in Dorchester, which has been in operation since December 1975, was used as a model for the neighborhood justice centers which I just mentioned.

A majority of the cases handled by the urban court program are referred to it by the local courts. The rest of the cases either are referred by the police or come to it because of the program's reputation in the community.

In the 2 years of its existence, the program has handled approximately 1,000 cases; 300 of those cases were withdrawn by the parties prior to a hearing. Of the 680 cases in which hearings were held, 525, or 77 percent, were settled; 87 percent of those cases which were settled remained so after 3 months.

The urban court program mediates a wide range of disputes, as the following table indicates:

	Percent
Intrafamily disputes	33
Disputes among friends	23
Neighborhood disputes	21
Landlord-Tenant disputes	8
Merchant-customer disputes	3
School-related disputes	1
Other	11

This program is administered by three full-time staff members, and the mediation is done by volunteers who receive a small stipend for the 2½ to 3½ hours each of these hearings takes.

The urban court program provides not only an invaluable service to the community and a good model for others to imitate, but also gives testimony to the theory that alternative methods of dispute resolution can and will become an increasingly effective and essential part of our system of justice.

Unfortunately, the number of such successful programs are few. Lack of adequate funds, lack of technical assistance, lack of qualified personnel, and lack of publicity about the program within the community have defeated many similar programs throughout the country. The Dispute Resolution Act of 1979 is an attempt to expand the successful efforts I have just described by encouraging the States and others to experiment with various dispute resolution mechanisms which will provide all persons convenient access to justice that is fair, effective, inexpensive, and expeditious.

This legislation will equalize the opportunities for dispute resolution by expanding the forums which provide such opportunities. The programs and experiments funded under this act could easily dovetail with or complement existing mechanisms such as our small claims courts. Access problems could be remedied by extending the operating hours to evenings and weekends, by establishing mediation centers in locations convenient to those that will make use of them, and by making these centers informal and comfortable to those who would feel ill at ease in the formal courtroom setting. Qualified paralegal personnel should be made available to assist in preparing, filing, and handling the cases. A communitywide information program should be undertaken in areas where the dispute resolution programs are located.

This legislation embraces an idea whose time is long overdue. The Dispute Resolution Act carries the longstanding support of the Department of Justice, the Department of Commerce, the American Bar Association, Congress Watch, many members of the State judiciary, a number of highly respected scholars, and many of my distinguished colleagues. We owe a debt of gratitude to all of these people who have turned this idea into a workable plan. We have a clear need, we have a clear plan, and now we must make this legislation a reality. "Equal justice under law" is the principle on which our judicial system was founded. It is the responsibility of this Congress to make "Equal access to Justice" a fundamental part of that ideal.

Mr. President, I ask unanimous consent that the letter from S. Shepherd Tate, the president of the American Bar Association, endorsing the Dispute Resolution Act, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN BAR ASSOCIATION,
Washington, D.C., January 15, 1979.

Hon. TED KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: With the 96th Congress having just begun, I write to express our hope and expectation that this will be a legislative session marked by the implementation of many important improvements in our justice system. One of the more important, and one of my priorities as Association president, is the prompt enactment of the proposed Dispute Resolution Act.

You and Senator Ford are to be complimented for your successful advocacy of this legislation last year, and for working with your colleagues toward the unanimous approval of this legislation for the second consecutive Congress. The beginning of the 96th Congress this week presents you with another opportunity to modestly assist states and localities in the development of new, and the improvement of existing, forums for the resolution of many important, though relatively minor, disputes.

The American Bar Association is convinced that your legislation would provide the two tools needed by citizens and government institutions at the state and local level to improve their access to forums to help resolve everyday disputes. First, your bill would establish in the Department of Justice a resource center for the collection and dissemination of information about the usefulness of such existing dispute resolution mechanisms as mediation, arbitration, fact-finding and small claims courts. This clearing-house would provide an inexpensive means of assisting state and local governments to utilize effective approaches to dispute resolution and avoid pitfalls which may have occurred elsewhere.

Second, the legislation would establish a modest—$15 million per year—program to help state and local governments and citizen groups to establish new, or improve existing minor dispute mechanisms which the citizens of that jurisdiction determine to be best suited to their needs.

The wisdom of the bill's limited and balanced approach has attracted the support of the Justice Department, U.S. Chamber of Commerce, the Consumer Federation of America and various organizations of judges and lawyers. The ABA is pleased to be a part of this distinguished and diversified group of supporters.

The Association congratulates you on the manner in which the bill pending in the last Congress was carefully prepared to respond to the interests of liberals and conservatives, Republicans and Democrats. As president of the ABA, I heartily encourage you to reintroduce the Dispute Resolution Act and offer the Association's full support in working toward prompt Senate approval.

Sincerely,

S. SHEPHERD TATE.

Mr. FORD. Mr. President, having cleared the matter with the majority leader, I object to any further proceedings on the bill at this time.

The PRESIDING OFFICER. Objections having been heard to further proceedings on the bill after its second reading, under the provisions of paragraph 4 of rule XIV the bill will be placed on the calendar.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not morning business is closed.

AUTHORIZATION FOR CERTAIN ACTION DURING RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the legislative holiday going over until Monday, February 19, at 12 noon, the Vice President of the United States, the President pro tempore of the Senate, the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions, and that during the same period the Secretary of the Senate be authorized to receive messages from the President of the United States and from the other body, if there be such messages, and that they may be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 61—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

The PRESIDING OFFICER. The pending business before the Senate is Senate Resolution 61.

Mr. ROBERT C. BYRD. Mr. President, the Senate has before it now Senate Resolution 61, as amended. I had thought that the distinguished assistant Republican leader (Mr. STEVENS) would be ready to call up his substitute today. But I now find I was mistaken. He does not intend to call it up until Monday, after the Senate returns from its legislative holiday.

It has been printed, however.

I do not think he would object if I should ask unanimous consent that it be printed in the RECORD. Mr. President, I understand that there will be no problem with that, so I ask unanimous consent that Mr. STEVENS' substitute to Senate Resolution 61 be printed in the RECORD in order that Senators may have an opportunity to study it during the holiday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS' proposed substitute is as follows:

AMENDMENT NO. 57

Strike all after *Resolved* and insert in lieu thereof the following:

(a) The last paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by striking out the first sentence and inserting in lieu thereof the following:

"After cloture has been invoked, no Senator shall be entitled to use more than one hour on the measure, motion, or other matter pending before the Senate, the amendments thereto, and motions affecting the same, except as hereinafter provided.

"A Senator shall be charged with the use of all time consumed after he is recognized and until he yields the floor, except the time consumed in rollcall votes and one quorum call immediately prior to a vote on final passage. A Senator may yield any of his remaining time to another Senator or may yield it back to the Presiding Officer, in which case the hours of consideration shall be reduced by the time so yielded back, and it shall be the duty of the Presiding Officer to keep the time of each Senator. No Senator may be yielded more than nine additional hours. If unanimous consent is requested to dispense with the remainder of a quorum call and an objection is heard to the request, the time consumed in the remainder of that quorum call is charged against the time of the objecting Member. If the objecting Senator does not have at least ten minutes remaining, he may not object to dispensing with further proceedings under the quorum call. If the time required to call a quorum exceeds the balance of the objecting Senator's time, such time shall not be charged against the one hundred hours.".

(b) The last paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by inserting the following sentence at the end thereof: "Whenever a Senator indicates an intention to appeal from a decision of the Presiding Officer, that Senator shall be given preferential recognition for that purpose. Any Member may make a point of order that any other Member's pending amendment is violative of the rule, and the Chair shall then rule upon that point of order. Where such point of order is sustained, the amendment or amendments in question shall not then be considered further. A Member moving an amendment or amendments against which a point of order is made and sustained by the Chair may take such appeal en bloc, or such Member may choose those specific amendments which such Member wishes to make subject of the appeal. Such Member shall have a right to one such appeal (including the quorum call on such appeal) without its being chargeable against such Member's time for debate."

(c) After the last paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate, insert the following:

"After one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, which time is the aggregate of the one hours of time to which each Member is entitled, the Senate shall proceed without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before a vote on an amendment or the final vote begins.

"New amendments in the second degree can be offered after cloture has been invoked if they are germane to the amendment in the first degree to which offered and have been printed and available at each Member's desk for at least twenty-four hours. Amendments which are otherwise in order may amend the measure or matter in more than one place, if they involve only one substantive issue.

"If, for any reason, a measure or matter is reprinted, amendments which were in order prior to the reprinting of the measure or matter will continue to be in order and may be technically conformed to the bill as it then reads when the amendments are called up, and reprinted at the request of any Member.

"After cloture is invoked, the reading of all amendments, including House amendments, shall be dispensed with when the proposed amendment has been identified and has been available in printed form at the desk of the Members for not less than twenty-four hours.".

(d) Paragraph 1 of rule III of the Standing Rules of the Senate is amended—

(1) by inserting "(a)" before "The" in the first sentence;

(2) by striking "The" in the second sentence and inserting in lieu thereof: "Except as provided in subparagraph (b), the"; and

(3) by adding at the end thereof, the following new subparagraph:

"(b) Whenever the Senate is proceeding under paragraph 2, Rule XXII, the reading of the Journal shall be dispensed with.".

Mr. ROBERT C. BYRD. Mr. President, I will ask unanimous consent that Senate Resolution 61, as amended, be printed in the RECORD, but not at this point.

Mr. President, I would welcome the introduction of amendments to Senate Resolution 61 by any Senators today who wish to offer amendments.

In looking about the Senate floor I welcome any Senator present to offer an amendment to the resolution, to debate it, and possibly act on it today. I will be glad to yield the floor to any Senator who wishes to offer an amendment to the resolution at this time.

Does any Senator wish to offer an amendment to Senate Resolution 61 at this time?

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. MOYNIHAN. I just wish to say that I am one of the many Members of this body who has followed with growing admiration and confidence the atmosphere of cooperation and careful consideration of this most important matter by both sides of the issue, and on both sides of the aisle.

Our majority leader needs no congratulations from as junior a Member of this body as myself. He knows of our affection and respect for him, but I hope he would know that it has even increased. For we have long known him as a master of the existing rules, and now we begin to see him as a person whose understanding of the importance of procedure goes well beyond mere mastery of its details, to the fact that the life of this institution depends upon rules that make it possible for us to work our will in order to reach decisions.

President Kennedy, as the majority leader well knows, used that wonderful phrase, "To govern is to choose."

When times got difficult in the White House for the President, when people espoused widely varying points of view, and when his administration was divided or his own mind was divided, he would remind himself and those with him that "To govern is to choose."

That is the ultimate responsibility. In the case of the U.S. Senate you choose when you vote, and, as the majority leader reminds us, the central act of democracy is that of voting.

We could not be too much in his debt, and he could not be more modern in his concerns, owing to one point which I would like to introduce into this debate, which is perhaps not sufficiently attended to.

With the weight of modern government, and perhaps with some of the changes we have made that we need not have made, some of the functions we have assumed that we need not have assumed, in this Nation of more than 250 million people with worldwide responsibilities, government has become a full-time procedure in the United States.

It used not to be. As a matter of fact, I have often felt that one of the most regrettable decisions ever made by this Government was when Alexander Hamilton agreed to move the Capital from the city of New York to this malarial swamp on the banks of the Potomac, and Thomas Jefferson in turn agreed to have the Federal Government assume the debts incurred by the State of New York during the Revolutionary War.

He agreed to it, not to increase the influence of the Federal Government, which became the ultimate effect, but to get the seat of government down here in a swamp which turned malarial in April, so that all the Congressmen would leave the city and would not come back until November when the threat of malaria subsided.

Perhaps Senators will recall with differing degrees of reverence or affection Roosevelt's 100 days. Our distinguished Presiding Officer (Mr. Levin) is perhaps not old enough to recall them, but he has heard the phrase.

Why has that period recalled by some as the most constructive and by others as the most destructive moment in our history become known as "the 100 days"? Because that is how long Congress was in session when Roosevelt was first here. They came in in March and went home in June. The whole structure of government as different when, in 100 days, we could enact the New Deal and go home in June. That Senate could leave the arrangements for extended debate to the most random kind of procedure. There was nobody, for practical purposes, in the history of the U.S. Senate who had ever run out of time.

I would like to repeat that: For practical purposes, in the 150 years up until that time, no Senator had ever run out of time. They always adjourned with another 2 or 3, or 4, 5, 6, or 7 months left in the calendar year, with their work done.

In such a setting, unrestricted debate was not only an honorable provision, but a practical one. If someone wanted to be heard longer on a subject that he cared about, as Senators should, he could say, "Let's not go home; it is June 15, we can stay here until June 17, and you can finish hearing me."

But now we face so often the situation that it is December 15, and the calendar year ends and the work to be done has not been accomplished. At that point, unlimited debate changes its nature. It is not a means of making certain that full consideration is given to a subject; it becomes a weapon to prevent full consideration, which means that the Senate cannot work its will, and the Government does not choose. And thwarting the capacity to choose thwarts the democratic purpose; that has never been the function of this body, and will not be as long as the Senator from West Virginia serves as its majority leader.

Having said that, let me also say, as a member of the committee appointed to negotiate with the minority, whose rights the majority holds in trust, that we could not have met with men who more shared our concern, or who did so more responsibly.

I am very much looking forward to the proposal of the minority whip, who is a man for whom we have genuine respect and, beyond that, great affection.

I do not wish to prolong this, because the majority leader is sometimes short of patience with people being pleasant to him. Bad news is the only kind of news he likes, and that is the only kind he usually gets; but I want him to know that he has won yet more respect from this body for this demonstration of his fundamental respect for the democratic process.

Mr. ROBERT C. BYRD. I thank the able Senator for his comments. They are timely and most helpful.

Whereas I had intended to have some comments with respect to the substitute by Mr. Stevens, I will not make those comments in his absence, and certainly not while his substitute is not pending.

I yield to the distinguished Senator from Maine.

Mr. MUSKIE. Mr. President, I thank the distinguished majority leader for yielding, and I rise not for an extended statement, but simply to indicate my support of what the distinguished majority leader is trying to do.

It was 20 years ago last month that I first came to the Senate, and the pending issue on the very first day was the question of modifying rule XXII to liberalize the possibilities of closing off debate.

The reform that was proposed by the then majority leader, Lyndon Johnson, was to change the two-thirds requirement from a constitutional two-thirds to two-thirds of those present and voting.

That was regarded as a revolutionary change by those who opposed it, as one that would destroy the Senate as an institution.

Well, we adopted the change. The whole focus of our attention at that time was to preserve the right to free debate in the Senate while still permitting the Senate to do its work.

For 20 years now I have watched us continuing our preoccupation with that dilemma and that challenge. Rule XXII was subsequently reformed again to the present requirement that 60 Senators can close off debate, to be followed by the same procedure that we adopted 20 years ago. But what we have seen developing, Mr. President, is more opportunities for extended debate, without any way of limiting it—more than existed when I came here 20 years ago.

In other words, it is possible today, notwithstanding our efforts to put in place a cloture rule that would enable the Senate to do its work as well as preserve debate, to thwart the will of the Senate. We have taken steps backward rather than forward. It is now possible for a minority—and I am not picking on any particular minority; it may be a minority that does not exist, in terms of an issue, today—any minority could tie the Senate up absolutely into knots for indefinite periods after cloture has been invoked. That was never possible when I first came here, but it is possible today.

I heard this defended as a preservation of individual Senator's rights. The point I would like to make, Mr. President, is that no Senator has unlimited right. Any Senator who seeks to preserve unlimited rights for himself to that extent erodes the rights of 99 other Senators.

Although this is an institution of individual Senators, and we pride ourselves on the fact that it is, comity must prevail. If it cannot be done without being codified to some degree, then we must codify comity.

If each of us is to have rights, they ought to be equal rights.

The way the present situation works, as I see it and as I have experienced it for 20 years, is that the cloture rule in its development on the floor of the Senate has reached the point where any Senator who wants to be tough enough and ruthless enough, and, yes, with all respect, Mr. President, nasty enough, can use the threat of filibuster to absolutely deprive another Senator from having the Senate give consideration to a legislative proposal in which he believes deeply.

When any Senator in this body has a right which is that unlimited, then we are not a Senate of 100 Members with equal rights. We are a Senate subject to the possible tyranny of a single Member.

That is the way I have seen it proceed.

There are those who say, "It is too bad but that is what has developed. But if you modify it in any way, you change the shape of the institution." I have heard that argument before. We have changed its shape in a very unfortunate way.

I was delighted to be in the Chamber when Senator Moynihan presented his observations. He drew another historical aspect upon this issue. He is quite right. There is just so much time in the calendar year. We have now reached the bottom of time. There is no more left. I have been here when the Senate was in session on New Year's Eve, on New Year's Eve with the work of the Senate uncompleted. The prospect of reaching the end of a calendar year with important work which cannot then be completed before the year is over is frightening.

There is another aspect to all of this which I find disturbing. When I first came here in 1959, debate on the Senate floor was meaningful. Almost every afternoon Senators would assemble in substantial numbers to debate legislation, to debate issues. They would often go into the evening hours—7, 8, 9:30. There was real debate with a lot of Senators involved.

I have seen that decline over the years. I think the country is worse off for it, and I think the Senate is worse off for it.

But, Mr. President, to the extent that we permit the filibuster rule to operate in such a way that the time of the Senate is occupied or could be occupied for days on end, weeks on end, in frustrating, often harassing, emotion-generating haggling over procedures which are being used to prevent the Senate from voting, to that extent are we further robbing ourselves of time for meaningful debate on a host of issues that ought to be meaningfully debated.

I remember many of these occasions in the last 3 or 4 years when I would wander over, if I happened to have a free afternoon or a free couple of hours, in the midst of one of those so-called filibusters or threatened filibusters, or interminable debates, and I would sit for a little while and say to myself, "What am I going to learn from this? What is going on is simply killing time to prevent the Senate from coming to a vote."

Nobody used those occasions for meaningful debate, because nobody listened. They are interested in only one thing: Preventing decisions, not improving the quality of decisions. Just preventing decisions.

Mr. MOYNIHAN. Will the Senator yield?

Mr. MUSKIE. I will yield in a moment.

If we continue the present rule, we are going to see more of that and less time for meaningful debate, even less than we have had in recent years.

I yield.

Mr. MOYNIHAN. I would like to offer a statistic in support of the statement of the distinguished Senator from Maine. In the first half of the century of the cloture rule, 52 years, to be exact, cloture was voted 45 times. Since 1970 it has been voted 95 times.

In 1935, in the unreconstructed Senate, you might say, the one filibuster lasted 6 days. In the 1978 reform Senate, the reform filibusters lasted 62 days. Those are 62 days in a 12-month calendar.

I thank the Senator for having heard what I said. In the past, the Senate had unlimited debate, but never in history did it run out of time. That is what has changed in our present situation. I do not presume to comment, but that was a marvelous statement by the Senator from Maine.

Mr. MUSKIE. I thank the Senator from New York.

As the distinguished majority leader or my good friend from Louisiana would say, it is not the kind of exercise which has attracted my interest over the years. Sometimes when I am involved in a debate with my good friend from Louisiana, I wish I were an expert on the rules, because it is sort of a one-sided battle when I disagree with the involved use of the rules. I respect those who know them. I think the rules are terribly important.

Let me point out that another thing has happened in the last 20 years that to me is oddly directly in conflict with what I have just described. In other words, the opportunity for tying up the Senate with delay, my first point, has been enhanced by the reform of the cloture rule, not limited but enhanced. One can delay the Senate longer, more effectively, more frustratingly, with less contribution to enlightenment on the issue than when I came here. At least in the filibusters of those days our friends from the South came to the Senate floor with speeches, on a subject about which they felt deeply, the civil rights issue of that time, and although from time to time you heard nongermane speeches, you heard a lot of germane speeches, many of them pulled out of the files having been given years before.

Nevertheless, they were relevant and they did contribute to the dialog. Now, we just get this frustrating other business. But, accompanying this has been the growth in the use of the unanimous-consent agreement. I do not know if Lyndon Johnson was the first to use the unanimous-consent agreement in order to expedite the work of the Senate, but he certainly gave it impetus and developed it as a constant tool of the leadership to get the work done and to limit debate more drastically than any proposal to reform rule XXII than I had ever heard. The unanimous-consent agreements that we agree to routinely limit Senators' rights to speak more drastically than any reform of rule XXII I have ever heard.

Why do we use it? Why did it come into use? Because of the difficulty of closing off debate with rule XXII, no other reason. So we got around the rule by unanimous-consent agreements.

The distinguished majority leader (Mr. ROBERT C. BYRD) has been a master at using it, getting parties to come together in comity, in a give-and-take spirit, to limit debate in that ad hoc kind of way. That has been fine. There is one shortcoming. That is when it comes to those really controversial issues. The majority leader becomes, then, the prisoner of the institution and of any Member of it who wants to block the legislation and thus blocks unanimous-consent agreements and leaves us with an ineffective rule XXII to get to a decision. It is sort of ironic to me that, over this 20-year period, the constant efforts we have made to reform rule XXII in order to bring free debate under a rational kind of limitation has not worked. As a matter of fact, the result has been the contrary and, out of frustration, we have adopted another technique that works up to a point, but not when it is needed the most.

So, I think the time has come, Mr. President, and I know that the majority leader must have, these last few days and weeks, felt rather lonely in his fight to do what I suspect most Senators feel needs to be done. We are disagreeing about means and we are suspicious of particular language, and we are worried that there may be something in Senator BYRD's language that is a sleeper, that will deprive us of some rights in the future that we do not want to be deprived of. On the other side, Senator STEVENS may have some language that we suspect is a sleeper that we do not perceive, so we are having difficulty in reaching accommodation on what exactly ought to be done.

But I suspect a substantial majority in the Senate would like something to be done to make this a more rational and orderly kind of institution so we can make the decisions that need to be made; that nobody will be cut off from the right to speak; that we can even have prolonged debate provided there is credibility in the assurance of the rules that eventually we will have the right to make a decision.

It is easy to make those points in generalities. It is much more difficult to codify. But I just wanted to say to my good friend, BOB BYRD, that I am not indifferent to what he has been trying to do. I am not one of the experts to whom we should turn to try to write whatever new rules we have, but I am certainly going to try to learn in these next few days and weeks. He will find me in full support of his objective and I shall devote as much time as I can with my other responsibilities to do so and to say so. I thought this might be a good day to add my 2 cents worth.

Mr. HELMS. Mr. President, I always feel enriched and privileged to hear the thoughts of my friend from Maine and my friend from New York. And it is always enlightening and most enjoyable to associate with the distinguished majority leader.

I was thinking just now that I may, in one respect, be a senior among my peers here, certainly those on the floor at this moment. I was a very small part of the Senate in the early 1950's, not as a Senator but as administrative assistant to two Senators from my State. I knew some of the great ones of that time—Walter George and Dick Russell, Harry Byrd, Sr., Bob Taft, and so forth.

There was a degree of comity in the Senate then that I sometimes think does not really exist today. I find myself wondering why, because personal affection among Senators is here. I do not think there is a Member of the Senate that does not have an abiding affection for the distinguished majority leader. I have a particular affection for him, because, among other reasons, he was born in my State. I am sorry he left North Carolina, but I tell the folks back home that we really have three Senators from North Carolina—Senator MORGAN, JESSE HELMS, and the Honorable ROBERT C. BYRD.

I say to my friend from Maine and to my friend from New York that what they have said in the way of statistics and dates may provide the basis for an assessment that we ought to consider, that perhaps the problem today is the result of a mistake that was made some years ago when the Senate tampered with the two-thirds vote then required to shut off debate. I am persuaded that if the two-thirds vote to impose cloture were still in existence, comity in the Senate would take care of it, just as it did before the two-thirds rule was abandoned. In the early 1950's, I say to my friend from Louisiana, there was no disposition to drag out a matter after cloture had been voted. Is that his recollection?

He is nodding his head, Mr. President.

There are a lot of things that could be done, without creating resentments, let alone apprehensions, concerning the proposed rule changes. For example, rollcall votes could be avoided when they are not necessary simply by increasing the number of Senators required for a sufficient second. That would instantly eliminate a lot of the activity that has caused a problem in the past couple of years.

For my part, I have always felt the ballgame was over when cloture was voted. And I have not often participated in any of the extensions of time. But others feel differently precisely because the requirement for shutting off debate first had been cut, first from the constitutional two-thirds to two-thirds of those present and voting, and then to the existing constitutional three-fifths.

In any event, I hope my friends understand that the motivation of this Senator—and I say this with all the sincerity I possess—is to protect the right of the minority. I have no other motivation and I think no other motivation is worthy. I am glad that the situation has developed as it has, wherein we are dealing only with postcloture and the distinguished majority leader has agreed to adjourn the Senate when a vote has been taken on that, or the question is otherwise resolved. I think we are on our way to an accommodation of both sides and I, for one, appreciate the distinguished majority leader's meeting with us the other day in his office. It was a healthy thing.

Mr. President, I do think that it is essential to bear in mind that the more we tamper with the rules, the more risk we run in doing infirmity to a system that is vitally important to this Nation.

The convenience of Senators is way down the list, as far as I am concerned. We are paid year round and if we have to be in on New Year's Eve in order to do the business of the Senate, that is fine, although I do not relish it. But we must maintain a system wherein the rights of the minority are protected.

I was thinking here while the Senator from New York was speaking so eloquently, suppose the majority should shift—I am not speaking in any partisan sense, I am speaking in the philosophical sense—and, to use an extreme hypothesis, that a move was made to cut off all funds to the State of New York.

Now, he would want to use every device, and I am sure he would want to hold this Senate in session until his last gasp to prevent that sort of thing.

Mr. MOYNIHAN. Will the Senator allow me to respond?

Mr. HELMS. Yes, gladly.

Mr. MOYNIHAN. Indeed, I would wish to talk about that matter until a reasonable person would be satisfied that every Member of this Chamber knew what was at issue. But after a reasonable period, I hope I would simply "Vote." Because, in the end, that is how we make decisions in a democracy.

Perhaps, I will add, when the Senator from Maine spoke of being here on New Year's Eve, he did not speak, nor did the Senator suggest that he did, of the inconvenience entailed, but rather of the fact that on New Year's Eve we had run out of time, we could no longer choose.

What the majority leader is trying to do, and what the Senator would want him to do, is to enable the Senate to work its will.

As a matter of fact, I was under the impression that funds for New York had been cut back or cut off years ago, and there was some historic arrangement we had around here. I have been trying to draw attention to it without success.

But I do thank the Senator from North Carolina for suggesting what is, in any event, an ancient and honored tendency of this body which, as much as I deplore, I shall never seek to frustrate by talking any longer than is appropriate to the message I would have to convey.

Mr. HELMS. I will say that the Senator does not anticipate that he will ever see the necessity of that. Certainly, he has not yet.

But the time may come when there is a measure before the Senate and a majority vote against the Senator's point of view will cause the Senator to say, "My Lord, why did I vote to make it easier to shut off debate?"

Now I return to my original thesis that the trouble may well have begun when the Senate tampered with the two-thirds vote in the first place. That mistake washed out a great deal of the comity of the Senate, and there's no doubt in my mind about its having created the problem we're wrestling with today.

I knew Dick Russell very well. I had a personal association with him which I shall always treasure. I know how he felt about this Senate, and I feel precisely the same way. But the Senate did not have this sort of thing in those days when the Senate required a two-thirds vote to shut off debate.

But that is water over the dam and I acknowledge it, Mr. President. I am simply saying that there are two sides to this thing. There is not one worthy side saying, "Let's get on with the Senate's business," and an unworthy side that says, "Let's don't get on with the Senate's business." The implications are far more serious than that.

There are two sides with clearly worthy motivation and, hopefully, in a few days, after we return from the recess, we can resolve the situation satisfactorily with regard to postcloture.

Mr. MOYNIHAN. Will the Senator yield to me?

Mr. HELMS. Yes.

Mr. MOYNIHAN. I would simply like to say that it is scarcely for me to presume to speak for anyone more than myself in this matter, but the Senator from North Carolina should know we have heard with true appreciation the courtesy and the comity of his remarks.

Mr. HELMS. I thank the Senator. As he knows, I feel precisely the same way about him.

Mr. MOYNIHAN. And that we fully share his purposes and look forward to finding a common resolution of them.

I would like to thank him personally for his kindness.

Mr. HELMS. I thank my good friend. I say again, I greatly enjoy my relationship with him, and with all other Members of this Senate.

I thank the Chair. I yield the floor.

Mr. LONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, I am pleased to see that the majority leader is seeking to reach a decision on the postcloture filibuster aspects of his proposed rules change first, and that he will leave as a second order of business the matter of the so-called precloture rule.

Now, when I came to the Senate and participated in many of the southern filibusters of that day, we always felt that when cloture was voted that was the end of it, that we could offer amendments and we had 1 hour to talk, but that the filibuster was over, that we would vote and state our position and go on from there.

If we had thought at that point that it was possible by dilatory tactics to continue the matter indefinitely, we might have engaged in such tactics. But it was our thought that the purpose of that rule was to bring the matter to a vote, and we felt that those who were trying to pass the measure would insist on construing the rule in such a fashion that it would bring the matter to a conclusion after cloture was voted.

Now, the postcloture filibusters that have been developed in recent years really exploited a potential in the rules that most of us never realized was there in the earlier days. It can be, in large measure, controlled by making precedents, as we did at the time we were debating the gas pricing bill, so that the way the rules are construed after cloture would be less favorable to those who were delaying matters than it would be prior to cloture.

But that, Mr. President, is not the best way of changing our procedure, that is, by changing our precedents, by ruling, or in one case different than a prior rule, or by appealing from the ruling of the Chair and overruling the Chair to set precedents that had not been set before.

That is not the orderly way to change the rules and our precedents. The orderly way to do it is the way the majority leader is trying to do it, that is, to bring the matter before the Senate, let everybody discuss it, let everybody propose his suggestions, and then to vote on what we think is the best approach.

Now, the Senator's proposal, in my judgment, is a very good one.

After cloture has been voted, we are assured of at least 10 hours of debate. A motion at that point can be made that we would limit any further debate to 10 more hours. If 60 Senators wanted to vote that way, we would then have a total of 20 hours of debate.

Some amendments have been suggested that I think make good sense, such as the fact that during that period of time, no Senator should be permitted to monopolize the time by continuing to offer his amendments, have them voted on, and suggesting the absence of a quorum, and things of that sort, to the exclusion of other Senators. It was suggested that after a Senator had had the opportunity to have all his amendments considered, other Senators should be recognized, until they had their opportunity to offer their amendments. That is a very good suggestion.

I hope we will consider amending the proposal of the majority leader to say that 1 hour could be yielded by other Senators to the manager of a bill. I say that because if you assume that 50 Senators have amendments they want to offer and each has an hour, a Senator would like to use his 1 hour as the best expert on his amendment, speaking for it. Ordinarily, the person who would be expected to speak against it would be the manager of the bill. The manager of the bill might be compelled to limit his time, so that he would be using only 1 minute to the other side's solid 1 hour explaining their side of the matter.

While it is true that, on occasion, unanimous consent has been given to permit someone to yield some of his time to the manager of the bill, I believe it would make for a far better rule if the person who is managing the bill for the Senate were permitted to have 1 additional hour yielded from those Senators who were not going to use their full time.

It may be that some time should be made available to the majority leader and the minority leader on a similar basis. I know the problems of a manager of a bill in that respect. In managing bills under cloture, it has been my burden on occasion to have to find other committee members and plead with them to take the majority leader's seat and debate various amendments that would be offered; and in some cases they were not as prepared to debate it as was the manager of the bill or the chairman of the committee. But because one did not have the time to do it, he had no choice but to find someone else to debate that matter on behalf of the committee.

Perhaps the Senator could support such an amendment when we get down to the nitty-gritty of this proposal. I would hope that could be considered.

(Mr. BAUCUS assumed the chair.)

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Louisiana has made two very worthwhile proposals during his present statement.

The first one was that no Senator should be able to call up more than two amendments until other Senators had the same opportunity. That is an excellent suggestion. Yesterday, I modified my resolution to include that proposal. I had heard the Senator mention that before, and I knew of his interest in it. So on yesterday I amended my resolution to say that no Senator shall call up more than two amendments until every other Senator shall have had the opportunity to do likewise.

With respect to the second suggestion that the distinguished Senator has mentioned—and which he has mentioned to me before—I am prepared to offer an amendment to my own resolution that would allow other Senators to yield to each the manager and the ranking manager—and to each the majority leader and the minority leader, not to exceed a total of 2 hours.

I am prepared to offer that amendment and will do so today. I knew of the Senator's interest in this regard and his concern. He and I have discussed this resolution and the problems that are concomitant to amending Senate rule XXII so as to deal with the postcloture situation.

So I am implementing those suggestions, and I thank the Senator.

I also express appreciation to the Senator for what he has said with regard to my efforts to amend the postcloture section of the rules. I am not attempting to change the constitutional three-fifths that are required to invoke cloture. The Senator does not want to see that changed. He and I have discussed that before.

I am not attempting to do anything with the exception of dealing with postcloture once cloture has been invoked.

I thank the Senator for what I construe to be a very supportive statement. He is making suggestions as to possible modifications of my resolution. I am listening carefully. One of his suggestions already has been put into effect, and I am prepared to put the second one into effect now. I want the Senator to know that I am grateful for his observations.

Mr. LONG. I thank the distinguished Senator.

Mr. President, it seems to the Senator from Louisiana that, more and more, the Senate is going to find that cloture is a good way to do business on occasion, quite apart from simply trying to shut down the debate and pressing for an immediate vote.

There have been such instances in managing revenue bills. Last year was a good example. The Senate wanted to conclude its work, wanted to vote on the pending amendments, and wanted to go home. We had been around here a long time. So the Senate voted for cloture.

As a matter of fact, the Senator from Louisiana was asking for cloture. He had signed the motion and had urged others to do likewise, and he was very surprised that the Senate did vote cloture the first time. He thought we would have to try two or three times to vote cloture. But the Senate was of the opinion that we should get down to business, reduce the conversation to a limit, and do a great deal more voting.

Also, the Senate was ready to agree to a germaneness rule. Incidentally, at that point there was some fighting against cloture just on that basis. Senators wanted to offer an amendment or amendments not germane to the bill, and they felt that they would be foreclosed from offering their amendments on an appropriate bill if the cloture motion was agreed to. But the Senate felt that we should go ahead and pass that big revenue bill. It was a tax cut, but there were controversial phases of it. So Senators felt that we should go ahead and do business, and therefore they voted for cloture.

The principal reason for voting cloture on that occasion, as my good friend the majority leader recalls, was that the Senate wanted to be germane. Senators wanted to get down to the business of taxes and the things that the committee had reported and to amend them in ways that were relevant to the bill; but they were ready to vote or to limit that bill to the kind of thing that had been recommended to it.

By doing that, we managed to get on with the business. I think about half the amendments thereafter were ruled out of order because they were not germane. They involved everything the mind of man could imagine. Some of them were tax matters, but they did not involve anything that was in that bill. That being the case, as I recall, we were through with that bill in less than a week. I think that about 3 days after we voted for cloture, we were through with it.

Senators had probably 80 hours still available to them that they could have used to make speeches or to have rollcall votes or to suggest the absence of a quorum, and to do many other things. The point was that they were not interested in using all that time.

The way we expedited the procedure was to achieve germaneness. If we do not have any other way to limit a bill to the things that are germane to that bill, cloture does offer us that opportunity.

I hope very much that the majority leader will persevere in trying to give the Senate the opportunity to stay germane to a particular subject because when you wander all over the whole outdoors and get involved in everything the mind of man can conceive to bring in here and quarrel about on a revenue bill, for example, it could take forever—it could take months—while if you simply do one thing at a time and keep your attention on what you are trying to do, you can get just a great deal of good legislating done.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ROBERT C. BYRD. In Senate Resolution 9 I had proposed that a Senator could move to preclude any nongermane amendments from being in order to any measure, and if such motion is supported by three-fifths vote, then no nongermane amendment would be in order to such measure.

Unfortunately, the pending resolution before the Senate does not include that motion. But the pending resolution that is before the Senate does not alter the present cloture rule which requires that no nongermane amendments be in order once cloture is invoked.

Mr. LONG. So after cloture is voted, the amendment would have to be germane.

Mr. ROBERT C. BYRD. Exactly.

Mr. LONG. Those are good changes.

Mr. President, I knew what it feels like to feel strongly that I am right about matters. I am sure everyone who served here for a while has had that same feeling. This Senator, even when he was one of the junior Members of this body, feeling outraged about something that was going on, made up his mind he would stand in the gap as long as he could and keep the Senate in session for 3 days without the help of a single additional Senator. He just stood there and debated and once in a while suggested the absence of a quorum and then proceeded to start talking again just to keep the Senate in session for 3 days.

And yet when one looks at that type of thing from retrospect, he says, "What did I achieve by doing all that?" It takes a very egotistical person to think what he did really was justified. Keeping the Senate in session for 3 days only to be voted down by an overwhelming vote really achieved nothing and was a waste of the Senate's time and money.

I can fully appreciate how strongly Mr. Abourezk and Mr. METZENBAUM felt when they engaged in a post-cloture filibuster in the previous Congress and kept us in around the clock. Each poor bedraggled soul, so weary he was dropping from exhaustion, would drag himself up to some little couch to get a moment's rest and no sooner would he get asleep than the bells would ring, and he would be dragged in here for a rollcall vote. It is a wonder it did not shorten the lives of some Senators, particularly some older Members, who went through that torture. That went on around the clock.

May I say that the old fashioned filibuster where someone would take the floor and speak for 4 or 5 hours at a time was an act of mercy compared to what we went through when we were coming in here voting every half hour. What was achieved? Those Senators who felt dedicated and felt that anything they did to defeat the bill would be justified can look back on it and say, "Well, we did our best, but look what happened. The bill was passed anyway."

They made no meaningful contribution to it. They might have shortened the lives of themselves and some of their colleagues by doing all this. But nothing was gained, other than to say someone received a lot of publicity out of it. Aside from that, nothing was gained whatever.

We ought to put it beyond the capacity of any single Senator just to put Members of the body through excruciating torture hour after hour, day after day, when nothing is going to be achieved.

That is the kind of thing that the Senator is trying to do here, and in my judgment the kind of rule that the Senator from West Virginia (Mr. ROBERT C. BYRD) is trying to achieve, especially in the post-cloture area, will be a big benefit to the minority side of the aisle just as it is to the majority side because sometimes when a Senator is resisting a bill he feels a good faith obligation to resist as strenuously and as doggedly and determinedly as he knows how to do. A rule that says, "Here is what you can do and this is all you can do," at least gives him the basis in good conscience to tell his constituents and to tell everybody that agrees with him that one did everything that person could do.

He did everything. He fought as long as the rules gave him any right to speak. He made every motion he had a right to make up until the clock ran out on him and at that time he was required to take his seat or else if he had not taken his seat, they had to send for the Sergeant at Arms and strap him down perhaps, as it has been done in some court trials, and perhaps even gag him, so that the vote could be had. But one did his best and he was not able to prevail making his case.

That is how it should be after cloture has been invoked, and I would hope that all Senators would in good faith now join and give us a rule where each of us is limited but where the Senate is really doing what a substantial majority wants in passing a bill that can be considered in an orderly fashion, with everyone offered an opportunity to be heard.

The suggestion that is before us, I think, also tends to put pressure on Senators to call up their best amendments first. Every Senator would be entitled to have 2 of his amendments considered before any other Senator could have 3, 4, 5, or 10 amendments considered. That would mean that to be sure that time was not used out before he had his chance to offer an amendment he would tend to offer his better amendments first. I think this would again tend to cause us to consider the more thoughtful meritorious amendments and tend to drop by the wayside those that made less sense.

I congratulate the majority leader on the effort he has made to change the rules, and I hope all Senators, in the spirit of bipartisan cooperation, will help the majority leader to write a very good rule. I appreciate the opportunity to be a part of it.

Mr. ROBERT C. BYRD. Mr. President, I am deeply indebted to the distinguished Senator from Louisiana for his very eloquent statement, and to have his expression of support for this resolution is indeed gratifying and extremely meaningful.

The Senator from Louisiana has been a Member of the Senate longer than just about any other Senator, I can say, and he has lived through the days when there were the old civil rights filibusters. He can speak with authority on that subject where many of us cannot, and he is an authority on the Senate rules.

I appreciate the suggestion that he has made to me in our private discussions of this rules change, and I appreciate greatly his supportive statement here today.

UP AMENDMENT NO. 7

Mr. President, I send to the desk an amendment but before doing so let me state what this amendment does.

This amendment would provide that a Senator may yield all or part of his 1 hour to the majority or minority floor managers of the measure, motion, or matter, or to the majority or minority leader, but each Senator specified shall not have more than 2 hours so yielded to him and may in turn yield such time to other Senators. This would mean that the managers of the bill—if Senator LONG is managing a bill out of his Finance Committee, of which he is chairman, and the ranking member—each of those Senators could be yielded time by other Senators without unanimous consent but only up to a maximum of 2 hours. The Senator from Louisiana would have 1 hour to begin with so he would then have 2 hours additionally, making him a total of 3 hours. For all these many years under cloture once it is invoked, the manager of the bill has had only 1 hour and if any additional time were yielded to him it had to be done by unanimous consent. The majority leader, likewise, only had 1 hour. The minority leader only had 1 hour. So this is, I think, a very important liberalization.

Mr. LONG. Mr. President, will the Senator yield at that point,

Mr. ROBERT C. BYRD. I yield.

Mr. LONG. It seems to me that, on reflection over this amendment, it might be well to further amend it, and I think that the Senator would want to think about it and so would others, to make sure that additional time yielded to the manager of a bill or the minority manager of the bill would not make it possible for them to have more time in speaking against an amendment than the sponsor of the amendment would have speaking for it.

No one is seeking, and I know I would not, and I do not know of anybody else on the bill who would seek, to have an advantage as to the amount of time. He would not seek to have more time than the sponsor of the amendment. But where he has to, perhaps, state the committee position on 50 different amendments, and each Senator has 1 hour to speak for his amendment, the additional time would be needed in order to just let the managers of the bill have a fair chance to explain what the committee position and attitude was with regard to the amendment being offered to the committee bill.

Mr. HELMS. Or vice versa, the other way around.

Mr. LONG. That is right.

The whole purpose of this amendment and the need for clarification—and this Senator would vote for clarification—should be to give each side an equal chance to be heard. That is the objective we seek to obtain with that amendment.

Mr. ROBERT C. BYRD. Yes. Each of the two leaders would have a maximum of 2 hours yielded by other Senators, which would give each of the two leaders a maximum then of 3 hours, and they could, in turn, yield to Senators if need be, or they could also yield the time back to the Chair.

My amendment would also provide that a Senator may yield back all or part of his 1 hour right after cloture is applied. He can stand up and say, "Mr. President, I yield back my hour," or "I yield half of my time back." In that event the overall time for the consideration of the measure, motion, or matter shall be reduced by the amount yielded back.

We start out with a 100-hour cap. And if 20 Senators, once cloture is invoked, yield their time back, then the cap is reduced to 80 hours.

But other Senators who want to yield to the managers of the bill and to the two leaders could do so without unanimous consent up to a maximum of 2 hours to each of those four individuals.

So, Mr. President, I send the amendment to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from West Virginia (Mr.

ROBERT C. BYRD) proposes an unprinted amendment numbered 7:

At the end of the resolution, add a new paragraph as follows:

"Notwithstanding other provisions of this rule, a Senator may yield all or part of his one hour to the majority or minority floor managers of the measure, motion, or matter or to the Majority or Minority Leader, but each Senator specified shall not have more than two hours so yielded to him and may in turn yield such time to other Senators. A Senator may also yield back all or part of his one hour, in which event, the time for consideration of the measure, motion, or matter shall be reduced by the amount of time yielded back."

Mr. HELMS. Mr. President, I have a problem with the 2 hours, not so much as it may apply to this Senator, but in response to the wishes of other Senators who have served, as I do, on the ad hoc committee, and I hope the Senator will not press for approval of the amendment this afternoon but, perhaps, have it the pending business.

I do have a problem with the 2 hours and, perhaps, we can negotiate that out.

Mr. ROBERT C. BYRD. Mr. President, I will not press for action on the amendment this afternoon.

Mr. HELMS. I thank the Senator.

Mr. ROBERT C. BYRD. Although it is early—2:30 in the afternoon. On this side of the aisle we can produce virtually a quorum today. I really do not understand why, we should not go ahead and vote.

Mr. HELMS. If the Senator does not mind a rollcall vote I would be delighted. I am here.

Mr. ROBERT C. BYRD. Yes. I would not mind a rollcall vote. It is perfectly all right with me.

Mr. HELMS. It suits me.

Mr. ROBERT C. BYRD. No Senators have been assured that there would not be rollcall votes. As a matter of fact, I wrote a letter to the Senators on my side of the aisle indicating that rollcall votes could be expected at any time beginning with yesterday and extending through today and on the day that George Washington's Farewell Address will be delivered and daily thereafter, so I am prefectly happy to have a rollcall now to decide it.

Mr. HELMS. It suits me.

Mr. ROBERT C. BYRD. I think it is a good amendment.

Mr. HELMS. Well, as I say, I have no problem except for the 2-hour provision.

Mr. ROBERT C. BYRD. Does the Senator want less? [Laughter.]

Mr. HELMS. I am sure the Senator jests. No, to be honest with the Senator, I do not feel privileged to suggest a figure other than 2 hours, except that I would object to any less. But I think we might well get the Senators here and let them evaluate it for themselves.

Mr. ROBERT C. BYRD. All right. Shall I put in a live quorum?

Mr. HELMS. I think that would be a good idea.

Mr. ROBERT C. BYRD. All right. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, after having discussed the amendment and its implications with the distinguished majority leader and with my friend from Louisiana (Mr. LONG), I do not think I have any objection to this amendment, and I am perfectly willing to have it voice-voted.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS and Mr. LONG moved to lay the motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I wonder if I might direct a question to the distinguished majority leader.

Mr. ROBERT C. BYRD. Yes.

Mr. HELMS. Implicit in this amendment we just agreed to, I assume that the distinguished majority leader intended that in the event of the absence of the minority leader, let us say the assistant minority leader or whoever happened to be acting minority leader could have that time yielded to him?

Mr. ROBERT C. BYRD. Yes. I did not put the word "designee" in there for what should be obvious reasons, but the Senator is quite right in bringing up the question.

If the minority leader is out of town, obviously the acting minority leader is acting in his stead with his full authority, rights, and powers, and it would be my intention and should be the intent shown in the legislative history now that the acting minority leader would be standing in the stead of the minority leader, and could thus be the recipient of the additional time.

Mr. HELMS. I thank the Senator for making that legislative history.

Mr. ROBERT C. BYRD. I thank the Senator for asking the question.

Mr. President, the motion to reconsider that vote was laid on the table, was it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President. I send to the desk another amendment—first, let me see if any other Senator wishes to offer an amendment. I do not wish to be charged with monopolizing the floor. I will be very glad to sit down and let other Senators have their chances, and I do so.

UP AMENDMENT NO. 8

Mr. ROBERT C. BYRD. Mr. President——

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. No other Senator wishing to offer an amendment, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) offers an unprinted amendment numbered 8:

On page 2, line 11, strike out "ten" and insert "twenty".

Mr. ROBERT C. BYRD. Mr. President, as Senators will readily concede, the majority leader is a most reasonable man. As Dizzy Dean said, it is "all right to boast if you have done it." So the majority leader is a reasonable man, and a very patient individual. When Vice Premier Teng was visiting in our country, he spoke of the patience of the Chinese people. I, too, have lots of patience, and I want to be very reasonable.

For that reason, I have offered to amend my own resolution, Resolution No. 61.

In that resolution, I have provided that once cloture had been invoked, a nondebatable motion supported by three-fifths of the Senators elected and sworn could further reduce the time after 10 hours of consideration. The constitutional majority, in other words, three-fifths of those Senators elected and sworn, could, by nondebatable motion, further reduce the time, but not below 10 hours.

I will read the pertinent part of the resolution:

The amount of time specified in the preceding sentence may be increased or at any time after 10 hours of consideration the remaining time may be decreased (but to not less than 10 hours), by the adoption of a motion, decided without debate, by three-fifths affirmative vote of the Senators duly chosen and sworn.

My amendment that I have just sent to the desk would provide that, once there had been consideration for 10 hours on a measure, or a matter on which cloture had been invoked, then a three-fifths constitutional majority of Senators could move that the remaining time, to wit, the remaining 90 hours, let us say, could be further reduced, but to not less than 20 additional hours.

Let us say 10 hours of consideration had been had and 90 hours remain. Such a motion would allow a further reduction from the 90 hours down to 80 hours, 70 hours, 60 hours, 50 hours, 40 hours, 30 hours, 25 hours, or to 20 hours, but there is the cutoff. The motion could not reduce it below 20 hours. This would assure the Senate that it would have at least 30 hours overall for consideration on the measure or matter on which cloture had been invoked.

What a generous offer. What a reasonable offer.

Mr. HELMS. Giving the store away.

Mr. ROBERT C. BYRD. Giving the store away.

When one considers that Lincoln's Gettysburg Address only required 3 minutes, or thereabouts, 30 hours is a long time for

Senators to spend in the consideration of a measure.

Remember, they will have all of 2 days, once the cloture motion is offered, before the vote on the cloture motion occurs. So there is considerable time, I am saying, after the cloture motion has been offered and before the cloture has been invoked. Ten hours must thereafter be utilized if Senators want to utilize the time, and then the constitutional three-fifths can lower the time again. But beware, there must still be at least a 20-hour guarantee in addition to the 10 hours that have already run—20 hours guaranteed to those who want to utilize it before the final vote would come.

If no Senators want to utilize the time, the Chair would put the question and the ball game would be over. But that is the way it is now. Senators are allowed up to 1 hour each under the present cloture rule, but if they do not want to use it, the Chair puts the question and the vote is taken.

I think this is a very generous gesture on my part, and I would hope there would be no objection to this effort on my part to walk the extra mile. I have been asked for my cloak and I have shed it. I hope no one will ask me additionally for this beautiful suede vest that I wear today and my gold watch and chain. But I have gone the extra mile. That is what we are told to do, to walk the extra mile. So without anyone's having complained about the 10 hours, just very generously, graciously, and magnanimously I am offering to increase the minimum from 10 to 20 hours. That is the purpose.

Mr. HELMS. Mr. President, I am simply overwhelmed. I wonder if the distinguished Senator, bearing in mind that he and I feel pretty much the same about postcloture, but realizing that his amending his resolution effectively cuts off any consideration for a different period, would entertain a unanimous-consent request by the Senator from North Carolina that he be allowed to modify his resolution in that regard?

Mr. ROBERT C. BYRD. No, I would not. I might even want to withdraw my amendment.

Mr. HELMS. The Senator's magnanimity just ran out?

Mr. ROBERT C. BYRD. Yes.

Mr. HELMS. Mr. President, personally, I, of course, have no objection to this amendment. I cannot speak for others on either side of the aisle who may be in disagreement with me about it but, inasmuch as no Senator has advised me of his opposition to this amendment, and I imagine that what we are saying here is going by speaker to each senatorial office, I am not constrained to oppose it at all. I do think it is an improvement on the Senator's resolution.

Mr. ROBERT C. BYRD. I say to the distinguished Senator from North Carolina, his magnaminity and graciousness are only matched by his wisdom.

Mr. HELMS. I thank the Senator.

Let us vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HELMS. I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I am going to suggest a brief recess, because I may bring on some more goodies before the day is over. I just want to retire to my office and ponder them, because I do not want to be overly generous; it can get to be too much of a good thing. If no Senator seeks the floor, I shall move to recess.

Mr. MATSUNAGA. Mr. President.

Mr. ROBERT C. BYRD. I see my good and dear and true friend from Hawaii, a man who wears a perpetual smile——

Mr. HELMS. And who is also generous.

Mr. ROBERT C. BYRD. Not only generous, but also a gentleman. A man who is clean on the inside, a man who is clean on the outside; a man who neither looks up to the rich nor down on the poor; a man whose compassionate heart goes out to the young, the old, the maimed; a man who is too honest to cheat and too honorable to lie: that man is a gentleman. I speak of none other than my friend from Hawaii.

Mr. HELMS. Mr. President, I say if that does not gain for the majority leader a case of fine pineapple, nothing will.

Mr. MATSUNAGA. I thank the distinguished majority leader for yielding and for his most generous comments. While, out of sheer modesty, I cannot quite agree with the Senator from West Virginia, I bow to the wisdom and accept his words as the ultimate truth. [Laughter.]

Mr. President, I rise in strong support of the effort being made by the majority leader to change the rules of the Senate, and I commend him for the leadership he has demonstrated in this regard.

The Senate, needless to say, is a great institution. It is an institution which has been termed "the greatest deliberative body in the world," and it is so. It is so because the Senate has jealously guarded against any attempt to abolish the history-long institution called "filibuster." As a Member of the House of Representatives for 14 years, I used to envy the Senators whenever I was forced to cut my arguments by the House's 5-minute rule. But what the majority leader and those who are of his thinking are trying to do here today is not to eliminate that cherished senatorial privilege of filibuster; it is only to cut off that additional postcloture filibuster, which was never intended to be. That, as my colleagues well know, was best illustrated in the last Congress during the debate on the energy bills, wherein, after cloture had been duly invoked, amendment after amendment was offered and the time was not counted against the allotted 100 hours by such maneuverings. We witnessed a filibuster after a filibuster had been duly foreclosed.

It is absolutely necessary that we adopt the rules as propsed by the majority leader, if this body is to function as effectively as the other body. The fact that with 435 Members, the House is able to expedite its consideration of measures before it much more than a body of only 100 Senators must—give us reason to pause, to think, and ask ourselves, "What are we doing wrong here?" The changing of the rules as proposed by the majority leader will correct that wrong. Adoption of Senate Resolution 61 and Senate Resolution 9 will correct a major defect in the Senate Rules and permit us to conduct our Nation's business as our constituents rightfully expect us to do. I, therefore, urge adoption of the rule changes now pending.

Mr. President, I ask unanimous consent at this time to proceed out of order.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. MATSUNAGA in connection with the introduction of legislation are printed under Statements on Introduced Bills and Joint Resolutions.)

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS FOR 20 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 20 minutes.

There being no objection, the Senate, at 3:06 p.m., recessed until 3:26 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BRADLEY).

(At this point the Senate transacted further routine morning business which is printed earlier in today's RECORD, by unanimous consent.)

RECESS FOR 30 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, at 3:45 p.m., the Senate took a recess for 30 minutes.

The Senate reassembled at 4:15 p.m., when called to order by the Presiding Officer (Mr. PRYOR).

The PRESIDING OFFICER. The majority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair.

The distinguished junior Senator from Arkansas is presiding over the Senate with a degree of dignity and efficiency and skill that is "so rare as a day in June." I want to compliment him.

I want to say this about the entire new class, it is an excellent class of Senators. They are on the floor most of the time. They are at their posts of duty. They are attentive. They are eager to familiarize themselves with the rules and precedents. I do not think I have seen a class in my 20 years here that has shown greater perspicacity, dedication, and eagernesss.

I predict that they will all distinguish themselves in the service of the Senate and the people they represent.

RECESS FOR 30 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 4:16 p.m., recessed until 4:46 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Matsunaga).

The PRESIDING OFFICER. The Chair recognizes the distinguished majority leader.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that all statements today in relation to Senate Resolution 61 be placed in the Record together so that they are not separated by extraneous matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. The readers of the Record can then get the full import of the actions of the Senate today and the contents of statements of Senators by reading them all together in one section of the Record.

UP AMENDMENT NO. 9

Mr. ROBERT C. BYRD. Mr. President, I have another perfecting amendment which I shall offer.

The original resolution, Senate Resolution 61, in my judgment, for all practical purposes need not have been amended but little. Yet, because of various theoretical arguments, I have amended it, with the consent of the Senate, in a number of ways.

For example, Mr. President, as was incorrectly stated in the Washington Post this morning, and I read therefrom:

> Byrd's proposal would permit the Senate by a vote of 60 Members to force a vote on a bill 10 hours after cloture has been voted.

Mr. President, that statement was inaccurate even before I amended the measure on yesterday because, prior to the time I amended the measure yesterday, it provided that after, and only after, 10 hours of consideration a constitutional majority could further reduce the remaining time, but not to less than 10 hours, which meant that with the 10 hours to begin with, and with the reduction of time to not less than 10 hours subsequent thereto, there would be a total of 20 hours rather than 10 hours.

I suppose inaccuracies in interpretations arise from not carefully reading the language in the resolution and carefully thinking about what one has read.

So the statement that "Byrd's proposal would permit the Senate by a vote of 60 Members to force a vote on a bill 10 hours after cloture has been voted" was inaccurate. I am saying only that it was an inadvertence, but it was still inaccurate.

There were at least 20 hours guaranteed—if the time were needed—before a vote on the measure could occur after cloture had been invoked. But on yesterday, I amended the resolution to make indubitably clear the fact that the motion to reduce the time could occur only after 10 hours had transpired, and that there would then be another minimum of 10 hours. So that was made unquestionable yesterday, guaranteeing 20 hours. Nevertheless, today's news story failed to accurately reflect this.

Now, today, in order to meet certain theoretical situations in which perhaps 10 hours in addition to the guaranteed 10 hours might not be enough, I have further amended the resolution so that in addition to the first 10 hours, which are guaranteed, three-fifths of the Senate could reduce the remaining time further, but not to less than 20 hours.

Also, there were many Senators who were concerned that in a hypothetical situation it would be possible, theoretically, for a Senator to be completely shut out from offering an amendment; that the Chair might refuse to recognize him and would, instead, continue to recognize other Senators to call up their amendments; and that at the end of 100 hours, or whatever the cap may be in a given situation, a Senator might not have had the opportunity to call up his amendment because he could not get recognized.

So to meet that hypothetical situation, which is highly theoretical and most unlikely to happen, I amended the measure yesterday to provide that no Senator shall call up more than two amendments until every other Senator shall have had the opportunity to do likewise.

In other words, Mr. Helms stands, he calls up two amendments, they are acted on, and he seeks recognition again to call up another amendment. The Chair will then say, "Does any other Senator seek recognition to call up an amendment?" And if Senator Sarbanes, who is on the floor, should say, "Yes, Mr. President, I ask for recognition; I have an amendment," the Chair would not then recognize Mr. Helms; Mr. Sarbanes would be recognized, and he could call up as many as two amendments.

And if Mr. Sarbanes then wanted to offer a third amendment, the Chair, before again recognizing Mr. Sarbanes, would say, "Does any other Senator seek recognition to call up an amendment?" And if Mr. Helms then again arose and said, "Yes, Mr. President, I seek recognition," the Chair would not yet recognize Mr. Helms—because he has already had two amendments called up. The Chair would say, "Does any other Senator seek recognition to call up an amendment?"

Then, if no other Senator sought recognition, the Chair would recognize one of these two illustrious Senators to call up a third amendment.

So that theoretical problem went up in smoke, and that hypothetical flaw was cured.

Then there were those who felt that if a bill were reprinted after cloture had been invoked, amendments which were in order prior to the reprinting would not be in order, perhaps, because of changes in the numbering of pages and lines.

That was a valid criticism, and it could be very real; so that very real flaw was cured.

Now there are those who are yet concerned, and who say, "Well, 100 hours may pass, and a Senator may not have had an opportunity to speak."

It is highly unlikely. Highly unlikely. In the course of 100 hours—6,000 minutes, stretching over a period of at least 4 days, 4 nights, and 4 hours—surely every Senator could have had an opportunity to obtain recognition if he sought it.

But walking, again, the extra mile, I have prepared an amendment which will guarantee even the most recreant Senator that he shall have had at least 10 minutes before the final vote occurs. Even the most reticent—and there are Senators who are reticent about seeking recognition, especially when other Senators are seeking recognition at the same time. Some are reticent; some are shy; some are not accustomed to the rough and tumble of vying for recognition; and there are Senators who are hesitant to speak except in the most dire extremity.

To protect those Senators, therefore, I have prepared an amendment which would say, in essence, that, when the curtains on the 100-hour cap have been drawn and night has fallen on the debate, that poor Senator who, during those 100 hours, had been denied recognition or had been reluctant to seek the attention of the Chair, could then with temerity timidly rise to his feet and get recognition, and would be allowed to speak for up to a total of 10 minutes inclusive, which means that if perchance he had spoken for only 3 minutes during the 100 hours, he could then rise and address the Chair in a stentorian voice and say, "Mr. President, although the 100 hours are gone, I have only had 3 minutes, and I wish to speak."

He would be guaranteed—guaranteed—by the rules, engraved in the rule book, inscribed on the stone tablets, he would be assured of 7 additional minutes.

I can picture a situation with a Senator from West Virginia, with a great controversial matter pending, 100 hours had gone by, and the vote came. The people in West Virginia looked in that Congressional Record and they did not see a word, not a word. Not one word did Senator Byrd have to say in that 100 hours of debate. Or perchance they saw a few words and there was a little bullet there. If they knew what that bullet meant, they would just say, "Well, he did not actually say that. Where was he?" Poor Senator Byrd, reticent, shy, hesitant to assert his rights, had not had the opportunity, had not gotten recognition, or having sought recognition had been preemptorily denied his right to speak by an arbitrary chair.

This amendment is for his protection.

What would the people say about that Senator? They would look all through the Record. Ten days of debate and Senator Byrd did not say a word. But this amendment is going to guarantee that Senator Byrd will have the opportunity before that gavel goes down and the Chair announces that vote, to at least deliver himself of a 10-minute oration. Who knows, that 10-minute oration may change the course of the stream of history.

So I offer this amendment, Mr. President, which reads as follows:

> Notwithstanding any other provision of this rule, any Senator who has not used or yielded at least 10 minutes, is, if he seeks recognition—

He has to seek recognition. He cannot be over at Charlestown at the racetrack and get 10 minutes. No other Senator can say, "Well, Senator Byrd has not had his 10 minutes and he is downtown."

> guaranteed—

Guaranteed. Not promised, not assured, but guaranteed.

up to 10 minutes, inclusive, to speak only.

The Chair cannot then deprive that poor little Senator from West Virginia of his right to speak, to be heard, in his representation of the people of the mountain State that is almost heaven. The Senator will be heard. The sound of his voice will reverberate through those mountains and valleys down there for 10 minutes.

This is not going to be a gag rule. Once the 100 hours are up, the Senator who has been denied recognition during the course of that time or during whatever the total time is—30 hours, 40 hours, 50 hours, in the wisdom of the Senate—that Senator, if he has not been recognized, would be assured that he will have at least a total overall of 10 minutes.

If he has already spoken for 15 minutes, he is not guaranteed any more time. If he has spoken 11 minutes he is not guaranteed any more time. If that Senator has spoken for 4 minutes or if he has yielded 4 minutes to another Senator, and the 100-hour curtain goes down, he can be guaranteed an additional 6 minutes to speak, but only for his personal use and only for a speech.

What could be fairer than that? What could be more considerate? What could be more magnanimous? But he must use it to speak only. He cannot at that point offer amendments or make motions or points of order. He has had his chance because the Chair has gone all around the Chamber time and time again and asked, "Does some other Senator seek recognition to offer an amendment?"

So he could use it just to speak—that is all—just to speak, but not to yield to another Senator.

I send the amendment to the desk, Mr. President, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an unprinted amendment numbered 9.

At the end of the resolution, add a new paragraph as follows:

"Notwithstanding any other provision of this rule, any Senator who has not used or yielded at least ten minutes, is, if he seeks recognition, guaranteed up to ten minutes, inclusive, to speak only."

The PRESIDING OFFICER. Does the Senator from North Carolina seek recognition?

Mr. HELMS. Mr. President. I am absolutely awe-struck by the magnanimity of the Senator from West Virginia. He has freedom of mobility to be generous and he certainly is, after the question of a cap has been established in postcloture. Certainly, I have no objection to his amendment to this resolution. He is a generous man and I thank him.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, I have three or four stylistic amendments, and I say to the distinguished Senator that they are only stylistic. He may prefer his wording, but he may recall my reference to Miss Annie Lee, my English teacher.

Mr. ROBERT C. BYRD. I should like to hear the story again.

Mr. HELMS. When I was in high school, oh, she was death on split infinitives and things of that sort. I guess it is in memory of Miss Annie that I offer these stylistic amendments. If the majority leader has any serious objection to them, I shall withdraw any or all of them.

UP AMENDMENT NO. 10

On page 2, if the distinguished majority leader will follow me, line 16 strike the comma at the end of the line. One line 17, strike the words "specified above," and insert 'offered in accordance with the procedure described above."

I send the amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated. The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes unprinted amendment No. 10.

Mr. HELMS. Inasmuch as I have just read it, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. ROBERT C. BYRD. I should like to hear the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 2, line 16, strike the comma at the end, and on line 17 strike "specified above" and insert: "Offered in accordance with the procedure described above".

Mr. ROBERT C. BYRD. No; the Senator and I are talking about two different things. The words "specified above," in my language, refer to the word, "time." The Senator's language goes to the word, "motion." So there is quite a difference.

Mr. HELMS. The Senator is correct.

Mr. President, inasmuch as the distinguished majority leader has made that distinction, I withdraw the amendment.

The amendment was withdrawn.

Mr. HELMS. I should like to offer a second amendment. If he will follow me, on page 2, line 19, strike the words, "If, for any reason," and insert in lieu thereof the following: "if for whatsoever reason."

It may be a distinction without a difference, but it seems to me "whatsoever" might be a little more appropriate.

The PRESIDING OFFICER. Will the Senator send his amendment to the desk?

Mr. HELMS. I will, but I shall withhold asking the clerk to state it until the majority leader has had time to think about it.

Mr. ROBERT C. BYRD. Of course, the Senator can only offer that by unanimous consent because he attempts to amend language that has already been amended.

Mr. HELMS. Going further than that, if the majority leader has any objection, I shall withdraw it, of course.

Mr. SARBANES. Will the Senator yield for a moment?

Mr. HELMS. Certainly.

Mr. SARBANES. I am at a loss to understand the reason for the word change.

Mr. HELMS. I said at the outset it was purely stylistic. I do not prefer one word over the other. The Senator may prefer the other. There is a possibility that it is a distinction without any difference.

Mr. SARBANES. Does the Senator see any difference in meaning between "whatsoever" and "any"?

Mr. HELMS. It is a little broader.

Mr. SARBANES. I guess we had different English teachers, I might say to the Senator.

Mr. HELMS. I did not hear the Senator's comments.

Mr. SARBANES. I say to the Senator, I guess we had different English teachers, because I must say the phraseology "for whatsoever reason" would have sent my English teacher up the wall.

What was the name of that English teacher of the Senator's, that he referred to?

Mr. HELMS. Miss Annie Lee. The Senator will restrain himself from saying anything critical about the lady.

Mr. SARBANES. No, no, I do not want to do that.

Mr. HELMS. I will say to the Senator in all good humor that my friend, the majority leader, has looked around this Chamber today when, for most of the day, only he and I have been present. He has said, "Does any Senator have any amendment?"

There I was, that poor little old recreant North Carolina Senator, and I did not have an amendment. I wanted him not to be able to say on Monday: "I stood in this Chamber and I looked around at Senators and said, 'Does anybody have an amendment?' "

So I do have an amendment. I would not say it is substantive.

I withdraw that amendment, Mr. President.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. HELMS. I thank the Chair from the bottom of my heart.

If the majority leader will look on page 2, line 23, and strike the word "the" and insert the word, "such," that is another stylistic suggestion.

Mr. ROBERT C. BYRD. I really see nothing wrong with that change, but the Senator will have to have unanimous consent to amend that which has already been amended.

Mr. HELMS. I shall say again that if the Senator has any objection at all, I shall gladly withdraw it.

Mr. ROBERT C. BYRD. I believe that the simpler we can keep this resolution, the better. It is a little like the Constitution. If the founders had attempted to write in too much detail, it would not have been a living document for all ages and for all times. I do not see any purpose in the amendment. Consequently, I do not think the Senator would want to press a meaningless amendment.

Mr. HELMS. It is not entirely meaningless, but I shall withdraw the amendment.

I thank the Senator.

Mr. ROBERT C. BYRD. I think it is meaningless in this context. Perhaps not meaningless, but it serves no purpose.

Mr. HELMS. I think that borders on being absolutely correct.

Mr. President, at least the RECORD will show that the distinguished majority leader did not look around the Chamber all afternoon long and plead for amendments and find none.

The PRESIDING OFFICER. The RECORD will so show.

Mr. HELMS. I thank the Chair.

Mr. President, I yield the floor.

ORDER TO REPRINT SENATE RESOLUTION 61

Mr. STEVENS. Mr. President, because of a prior commitment, I had to be out of Washington during most of the day. I note that the majority leader has had Senate Resolution 61 reprinted as amended following the amendments of yesterday. I wonder if my good friend would make the same request now that the amendments that have been adopted today also be incorporated in another printing, to be dated today?

Mr. ROBERT C. BYRD. Yes, Mr. President. In answer to the suggestion by the distinguished acting Republican leader, I ask unanimous consent that there be a reprint of Senate Resolution 61 to show all amendments that have been made to the original; that new language be shown in italics; and that language deleted be indicated by stricken-through type.

I further ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the reprinting of Senate Resolution 61 as amended.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 11

Mr. STEVENS. Mr. President, if I may ask the distinguished majority leader, I note that on page 2, line 19, the reference is to a bill being reprinted after cloture. In the version that we had previously discussed informally, we had talked about a measure which would have included the executive calendar. I wonder if that is an intentional limitation as to the reprinting of the amendment.

Mr. ROBERT C. BYRD. I think the Senator has justifiably called attention to a flaw in the resolution.

Mr. STEVENS. I think if the majority leader wishes to consider that——

Mr. ROBERT C. BYRD. I will, by unanimous consent, modify the amendment in that particular if the Senator wishes me to do it.

Mr. STEVENS. Yes, I urge the Senator to do so, and the same amendment would be——

The PRESIDING OFFICER. The Chair will make this inquiry. Is the Senator proposing to change the word "bill" to "measure" wherever the word "bill" appears?

Mr. ROBERT C. BYRD. Mr. President, I want to make the correction, but I do not want to specify at this moment precisely the language that should go in.

But the Senator is correct, it should not be left with the word "bill" only as it appears twice.

Mr. STEVENS. Measure or matter, I think that was the phrase I used in my amendment.

But I am pleased the majority leader will take cognizance of that.

I might ask my good friend from West Virginia about one other item, I understand in my absence there has been an amendment adopted which does deal with the yielding of time to the managers of the bill or to the majority and minority leaders.

It has been my hope we would have some time that could be yielded to those who were not the managers, taking into account that often cloture is, in fact, voted against those who are seeking to amend a bill.

We have a very, very controversial subject that affects my State that is going to be coming before the Senate. I doubt seriously that either Senator from Alaska will be the manager of that bill. Therefore, I am concerned that it would not be possible after cloture to be yielded time unless the Senator was, in fact, either one of the managers of the bill or the majority or minority leader.

I do not have an amendment to offer. I know it would not be in order, anyway. But I urge my good friend to consider that problem to see whether there is not some way that some time could be added to the time of an individual Senator or Senators who are not in, we might say, the establishment role pertaining to any particular measure.

I would urge him over this nice period we have coming up to think about this because I think it will be a very difficult problem for the Senate if time can be yielded only to those of us who have responsibilities of managing the Senate as opposed to those who are critical of the process.

Mr. SARBANES. If the Senator will yield for a question, Did the amendment that was adopted contain the further provision that those four named persons to whom time might be yielded could, in turn, yield it to others?

Mr. ROBERT C. BYRD. That is the intent.

Mr. SARBANES. I thought the amendment said they could, in turn. In other words, I could yield time to the—well, let us leave the managers of the bill one side to deal with the hypothetical on the assumption they would be opposed to some minority position.

But I could yield it to the leader and he could yield it to some Senator who is in opposition, I take it?

Mr. ROBERT C. BYRD. May I say to my friend from Alaska, the distinguished Senator from Maryland has ably stated the scenario that would occur, which would guarantee that any other Senator who needed additional time, could be yielded that time either by the majority or minority leader.

I hesitated to go beyond that to say "designees" because when we start going beyond that, where do we draw the line?

I did make legislative history in answer to a question from Senator HELMS today to the effect that if the minority leader, let us say, is not present, then the acting minority leader would stand in his stead and could be yielded that time.

So, if the two leaders are yielded a maximum of 2 hours each, and the two managers are yielded a maximum of 2 hours each, any one of those four Senators, or more than one of those four Senators, all four of them for that matter could yield additional time in order to meet the needs that might exist for such time by other Senators.

Mr. STEVENS. As the Senator knows, I have taken a position, as long as there is a cap, the yielding of time within that cap will really facilitate the conclusion of the matter before the Senate, and it seems to me again that we have witnessed the occasions when those who have led the filibuster find they have lost at the time of cloture and then have legitimate substantive issues they wish to raise. They have put on a battle and they have lost, yet they have substantive issues they wish to raise.

I would think they ought to be involved in this as in a situation where they are under a normal time agreement if we have an amendment, if we present the amendment we have time, and the majority leader has the opposition, unless he is in agreement, in that case the time shifts across the aisle.

This time agreement, voted in by cloture, in effect, does not take into consideration the time a Member must have if he is going to raise the amendment, but the yielding of time was meant to get that potential still within the cap.

I would urge my friend over the recess to consider the problem with regard to those people who really might need substantial amounts of time to pursue their cause on legitimate substantive issues within the time cap.

Mr. ROBERT C. BYRD. Well, I feel that the amendment which I have offered will adequately take care of any necessities that might arise.

Up to this time, we have always seen the majority and minority leaders both acting in a very fair way to yield time to the opposition, if need be, and the managers of the bill will do likewise, and by allowing the additional 2 hours to be yielded to each of those four Senators, each of them will then have under his control, if there is the 100-hour cap, they would each have up to 3 hours, and I think they would yield that time to meet those conditions.

But if we allow time to be yielded to any Senator by another Senator, and even under Senate Resolution 6, that can still be done by unanimous consent, but without unanimous consent there would be additional flexible time that could be utilized by the four Senators who in all instances I am sure are going to be fair with their colleagues, and that ought to meet the needs of any Senator, as far as I can foresee.

But I do agree with the Senator on his first point and I ask unanimous consent, Mr. President, to strike on page 2 the word "bill" on line 19, and on page 2 the word "bill" on line 21, and insert in lieu thereof in both instances the words "measure or matter."

The PRESIDING OFFICER. Is there

objection? Without objection, it is so ordered.

The amendment (UP No. 11) is as follows:

> On page 2, lines 5, 19 and 21, strike out "bill" and insert in lieu thereof "measure or matter"

Mr. STEVENS. Mr. President, I thank the Senator from West Virginia.

Over the recess, we will try even further to bring the proposed substitute I offered for myself and the Senator from Utah yesterday so that it will meet the amendments that have been brought forward by the distinguished majority leader.

I think we are coming closer together, and I hope the matter will be resolved soon after we return.

Mr. ROBERT C. BYRD. Mr. President, let me make sure that this last amendment has been correctly added. It will now read:

> If, for any reason, a measure or matter is reprinted after cloture has been invoked, amendments which were in order prior to the reprinting of the measure or matter will continue to be in order.

And so forth. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair, and I thank the distinguished Senator from Alaska.

Mr. President, I have no other perfecting amendments to offer today.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. SARBANES. Mr. President, I simply want to say that I believe this matter of rules changes now pending before the Senate is of the utmost importance. I particularly appreciate the efforts the majority leader has made over the last 2 days to respond to concerns that have been raised with respect to the provisions contained in Senate Resolution 61.

I must say that I think many of the concerns were really theoretical and would not actually have occurred in practice. On the other hand, I can understand that Members, as they face the question of changing the rules and how we are to proceed, are giving thought to every sort of hypothetical situation. I believe that the amendments which the majority leader has now made to Senate Resolution 61 are very forthcoming in responding to those concerns.

It is imperative that the Senate address this matter of rules changes if we are to function in a reasonable way as an institution. The impediments we have experienced in the recent past to the Senate's effort to conduct its business, make it clear that we run the very high risk that we will not be able to function as an institution. We have seen it happen, and we know that it can and will occur again and again.

In addition, the threat of the postcloture, and I emphasize post-cloture, filibuster even if it does not actually take place, impacts negatively on our ability as a Senate. I take a great deal of pride in the concept of the Senate as a thoughtful collective body but it will be increasingly difficult, if not impossible, for us to function in this manner if we do not have sensible rules.

As I understand it, we are dealing only with post-cloture situations. In other words we are dealing only with situations in which 60 Members of the Senate, an extraordinary majority, three-fifths of the entire membership of the Senate, have reached the decision that the cloture rule should be invoked.

In such instances, once cloture has been invoked, the proposal before us guarantees, at the very minimum, an additional 30 hours on the measure or matter—10 hours before you could even make a motion to reduce down the 100 hours; and then that motion would have to provide at the minimum at least an additional 20 hours, and could of course provide more. So there is an absolute guarantee of 30 hours, and that reduction could only come about by another extraordinary majority—namely, three-fifths.

Of course, coupled with that is the possibility that three-fifths of the Senate could add on more time above the 100 hours, if they thought the measure or matter before the Senate justified doing that. So it seems to me that that is a very reasonable accommodation.

I see further protection for individual Senators in a combination of amendments: First, the amendment that says no Senator shall call up more than two amendments until each other Senator has had an opportunity to do likewise. This well insures every Member of the Senate of the opportunity to call up an amendment. It means that a small number of Senators or even one Senator cannot proceed to call up amendment after amendment after amendment and therefore block out other Members from the opportunity to call up their amendments.

Second, the amendment that was just added provides that, regardless of the 100 hours cap, if a Member has not either used or yielded to another Senator at least 10 minutes of time—he or she is guaranteed, over and above the 100-hour limitation, 10 minutes in which to debate the measure, in which to speak to the measure. That is time, over and above the hundred hours, if it becomes necessary to do that.

All those measures seem to me to be an effort to meet questions that have been raised; to insure that each Member of the Senate, in the postcloture period—this is not precloture; this is after cloture has been voted—is going to be protected in terms of being able, on the one hand, to offer amendments or, on the other hand, to engage in some debate, if he or she wishes to do so.

I commend the majority leader for his efforts to respond to concerns that have been raised and to shape Senate Resolution 61, which is now before the Senate.

Of course, the fact that Senate Resolution 61 is before us instead of Senate Resolution 9, in itself represents an effort to move forward with respect to the rules changes. We are dealing now only with the postcloture aspect of the rules.

The unanimous-consent agreement that was reached a few days ago provided that the Senate would consider only post-cloture aspects of the rules. As I understand it, that agreement made germane only amendments that deal with that aspect of the rules—namely, postcloture aspects of the rules.

So all we are dealing with now are postcloture aspects of the rules, what provision will apply once 60 Members of the Senate have voted to invoke cloture. So it is only what follows after you have obtained that extraordinary majority of 60 votes required to invoke cloture provisions.

I regret, Mr. President, that this is an extraordinarily important matter to which the Senate will be addressing itself when it returns from the recess. What is at issue is whether the Senate is going to be able to fashion rules that will enable this body to function as an institution and to meet the problems that come before us. If we are able to proceed in a sensible way, and I believe the majority leader has chartered a reasonable course, then the country and every one of the 100 Members of this body will benefit.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Maryland for his very lucid explanation of the changes, and the impact of those changes, that have been made by way of the amendments adopted yesterday and today to Senate Resolution 61. He has performed a service in so doing. There is nothing I can add to what he has said, insofar as the portent of the amendments is concerned.

Mr. President, I ask unanimous consent that Senate Resolution 61, as amended, be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Senate Resolution 61, as amended, reads as follows:

S. RES. 61

> *Resolved*, That paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by inserting at the end thereof new paragraphs as follow:
>
> "After no more than one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins. The one hundred hours may be increased, or at any time after ten hours of consideration, the remaining time may be decreased, but to not less than twenty hours, by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn, and any such time thus agreed upon shall be equally divided between and controlled by the Majority and Minority Leaders or their designees. However, only one motion to reduce time and only one motion to extend time, specified above, may be made in any one calendar day.
>
> "If, for any reason, a measure or matter is reprinted after cloture has been invoked, amendments which were in order prior to the reprinting of the measure or matter will continue to be in order and may be conformed and reprinted at the request of the amendment's sponsor. The conforming changes must be limited to lineation and pagination.
>
> "No Senator shall call up more than two

amendments until every other Senator shall have had the opportunity to do likewise.

"Notwithstanding other provisions of this rule, a Senator may yield all or part of his one hour to the majority or minority floor managers of the measure, motion, or matter or to the Majority or Minority Leader, but each Senator specified shall not have more than two hours so yielded to him and may in turn yield such time to other Senators. A Senator may also yield back all or part of his one hour, in which event the time for consideration of the measure, motion, or matter shall be reduced by the amount of time yielded back.

"Notwithstanding any other provision of this rule, any Senator who has not used or yielded at least ten minutes, is, if he seeks recognition, guaranteed up to ten minutes, inclusive, to speak only.

Mr. ROBERT C. BYRD. Mr. President, I also ask unanimous consent that beginning with the paragraph numbered 2 of rule XXII, the remainder of that rule be printed in the RECORD, with the insertion at the appropriate place therewith of Senate Resolution 61 as amended.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The material is as follows:

RULE XXII

* * * * *

"After *no more than* one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins. The one hundred hours may be increased, or at any time after ten hours of consideration, the remaining time may be decreased, but to not less than twenty hours, by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn, and any such time thus agreed upon shall be equally divided between and controlled by the Majority and Minority Leaders or their designees. However, only one motion to reduce time and only one motion to extend time, specified above, may be made in any one calendar day.

"If, for any reason, a measure or matter is reprinted after cloture has been invoked, amendments which were in order prior to the reprinting of the measure or matter will continue to be in order and may be conformed and reprinted at the request of the amendment's sponsor. The conforming changes must be limited to lineation and pagination.

"No Senator shall call up more than two amendments until every other Senator shall have had the opportunity to do likewise.

"Notwithstanding other provisions of this rule, a Senator may yield all or part of his one hour to the majority or minority floor managers of the measure, motion, or matter or to the Majority or Minority Leader, but each Senator specified shall not have more than two hours so yielded to him and may in turn yield such time to other Senators. A Senator may also yield back all or part of his one hour, in which event the time for consideration of the measure, motion, or matter shall be reduced by the amount of time yielded back.

"Notwithstanding any other provision of this rule, any Senator who has not used or yielded at least ten minutes, is, if he seeks recognition, guaranteed up to ten minutes, inclusive, to speak only.".

2.[1] Notwithstanding the provisions of rule III or rule VI or any other rule of the Senate,[2] at any time a motion signed by sixteen Senators, to bring to a close the debate upon any measure, motion, other matter pending before the Senate, or the unfinished business, is presented to the Senate, the Presiding Officer shall at once state the motion to the Senate, and one hour after the Senate meets on the following calendar day but one, he shall lay the motion before the Senate and direct that the Secretary call the roll, and upon the ascertainment that a quorum is present, the Presiding Officer shall, without debate, submit to the Senate by a yea-and-nay vote the question:

"Is it the sense of the Senate that the debate shall be brought to a close?"

And if that question shall be decided in the affirmative by three-fifths of the Senators duly chosen and sworn—except on a measure or motion to amend the Senate rules, in which case the necessary affirmative vote shall be two-thirds of the Senators present and voting[3]—then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

Thereafter no Senator shall be entitled to speak in all more than one hour on the measure, motion, or other matter pending before the Senate, or the unfinished business, the amendments thereto, and motions affecting the same, and it shall be the duty of the Presiding Officer to keep the time of each Senator who speaks. Except by unanimous consent, no amendment shall be proposed after the vote to bring the debate to a close, unless the same has been submitted in writing to the Journal Clerk prior to the end of the vote.[4] No dilatory motion, or dilatory amendment, or amendment not germane shall be in order. Points of order, including questions of relevancy, and appeals from the decision of the Presiding Officer, shall be decided without debate.

3. The provisions of the last paragraph[5] or rule VIII (prohibiting debate on motions made before 2 o'clock)[3] shall not apply to any motion to proceed to the consideration of any motion, resolution, or proposal to change any of the Standing Rules of the Senate.

Mr. ROBERT C. BYRD. This will enable Senators who read the RECORD to see precisely what Senate rule XXII beginning with the paragraph numbered 2 would contain if Senate Resolution 61, as amended to date, were to be adopted and incorporated therein as of the close of business today.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Thank you, Mr. President.

Mr. President, I have watched and listened for many days to the efforts being made here, and as a freshman Senator I must say I am very, very delighted and impressed with the care, consideration, and concern that is given to each of the Members of this Senate.

I have watched the majority leader bend over backwards to be fair and considerate to the minority and to all of the Members of the Senate, and I cannot tell you how proud I am, prouder than ever, to be a Member of the U.S. Senate.

And I, in particular, have been treated very well by the majority leader as has the entire freshman class.

Before I came to the Senate, I watched the Senate tied up by dilatory motions, or miniscule amendments, not able to do its work, even though 60 Senators or two-thirds of the Senators at an earlier time in our history, wanted to invoke cloture. And I always felt as an outsider how sad that was, that a body of this greatness, which is unique in the world, could not, even with that kind of a consensus, finally work its will, and how one Senator, or a very small number of Senators, could, at the end of a session particularly, tie up this Senate; how just a few Senators, through the use of dilatory motions, could stop this Senate from ultimately acting and carrying out the will of the people of this country. I join the majority leader in his effort to stop the postcloture filibuster.

I believe there should be a cap, as the majority leader has proposed and, as a matter of fact, I could support that cap even if it were shorter than 100 hours. I have no problem with the length of the cap. For that matter I would support and will support the majority leader on other portions of Senate Resolution 9. I do not think there ought to be a filibuster allowed on the motion to proceed. One filibuster is enough and protects the rights of everyone sufficiently. One cloture motion, if passed, should finally allow this Senate, in the words of the majority leader, to work its will.

I have but one concern and I think the majority leader has tried to address it. I know others have expressed this same kind of concern. The concern that I have expressed has to do with what happens if at the end of the cap, whatever it is—whether it is 20 hours or 50 hours, or 100 hours—what happens if at the end of that cap a Senator wishes to make motions, which the Senator has not been able to make, because that time period has been totally consumed, strategically or otherwise, by other Senators. One effort which the majority leader has made, and I fully support him on, to correct this problem, is his two-motion limitation amendment. I think that is an effort in the right direction and it is intended to try to stop the problem I describe from occurring. But I read the rule and without the benefit of the experience that the other Members of this body have, it still seems to me that through the use of the same kind of strategy which was used last year it would be possible for a few Senators to totally use up that cap through the making of dilatory motions. I am not talking about amendments. I am not talking about two amendments. I am talking about the use of dilatory motions. This Senate was tied up for I do not know how many days in previous years through the use of dilatory motions because the votes thereon are not considered a part of a Senator's 1 hour time limit. I presume that dilatory motions could be used to use up the 100 hours or the 30 hours in the proposed cap. I think that history indicates that it can be used up quite easily and that would leave or could leave one or more Senators, with amendments to call up on the pending matter, unable to call those amendments up even though he or they may have been here every day seeking to be recognized.

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[1] As amended, S. Jour. 173, 81–1, Mar. 17, 1949.

[2] As amended, S. Jour. 37, 86–1, Jan. 12, 1959.

[3] As amended, S. Res. 4, 94–1, Mar. 7, 1975.

[4] As amended, S. Res. 268, 94–2, Apr. 6, 1976.

[5] Refers to second paragraph of rule VIII, which rule has since been amended by the addition of a third paragraph.

I am not talking here, Mr. President, about a majority which seeks to stop a few people from talking. I am talking, for instance, about the use of dilatory actions as part of strategic effort to use up that 100-hour cap, which would prevent serious amendments from being called up from someone who has been waiting to call up those amendments.

As the majority leader said on February 8, there is a possibility that at the end of 100 hours there may be a Senator who has been seeking recognition all this time who would be denied recognition, because the clock will have run its course.

That is the fear and the only fear I may say that I now have. It is something that I want to look at, more closely over the recess, with the help of the majority leader and the staff and others.

Again, it is not the fact of the cap. I support it. I could support a lower cap. My concern is what happens if that 100 hours is used up for purely strategic reasons, legitimate reasons, leaving serious motions to call up amendments before the Senate, which as I understand the 10-minute speaking amendment which has been added today by the majority leader, could not be called up during that 10-minute time.

Thank you very much, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator.

I also wish to say for the record here that the Senator has already made a fine contribution to the debate and to the action on the matter that is pending. Mr. LEVIN wrote to me a letter some days ago expressing his concern that at the end of the 100 hours it conceivably could be that a Senator who had been seeking recognition would not have an opportunity to speak and he would, therefore, be shut out. So because of that concern expressed in that letter, and the concerns of others who have expressed themselves likewise—but I think that is the only letter I have received from any Senator expressing that concern and laying it out very clearly—because of these legitimate concerns I offered the amendment guaranteeing that any Senator would have at least 10 minutes in which to speak.

So the Senator has expressed his concern. He has done it effectively, and he has done it in a way that brings credit to himself, because he made a contribution which resulted in the amendment that was offered.

Now, as to the Senator's fears with respect to dilatory amendments, dilatory motions and so on, they are already prohibited under the rule, and no change is being made in that part of the rule. It was for that reason that I asked that there be printed in the RECORD the entire rule XXII with the exception of paragraph No. 1—which merely states the precedence of motions—so that all Senators would have before them the complete rule. I myself sometimes have a tendency to lose sight of what is in the rest of the rule, which is not being touched at all by Senate Resolution 61, and it is well that we view Senate Resolution 61 in the context of the entire rule.

That being the case, then we can be assured that—and I am reading from the rule—"No dilatory motion, or dilatory amendment, or amendment not germane shall be in order."

That phraseology has been played around with a little bit by some Senators from time to time. But some very strong precedents have been established recently, within the past Congress, which will help to deal very effectively with those dilatory motions and dilatory amendments.

So, now we have added the two amendments which the distinguished Senator from Maryland (Mr. SARBANES) has just very succinctly and cogently explained—the one dealing with the 10-minute guaranteed time, and the other guaranteeing that other Senators will have an opportunity to offer their amendments before a Senator who has already offered two amendments can be recognized again.

With those two amendments, and with the verbiage of the existing rule—which will not be touched—and the precedents which are very strong, I believe that we have laid down ample guarantees that all Senators will have their day in a fair, equitable way once cloture has been invoked and before the final vote comes.

I congratulate the Senator and I welcome his kind words and his support.

SENATE RESOLUTION 72—SUBMISSION OF A RESOLUTION TO PERMIT THE WITHDRAWAL AND RELEASE OF CERTAIN DOCUMENTS, PAPERS, OR OTHER INFORMATION PERTAINING TO POSSIBLE CRIMINAL ACTIVITIES

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. NUNN, I send a resolution to the desk. This resolution, as I understand it, has been cleared on both sides of the aisle, and I find that to be the case.

The resolution releases documents from the Committee on Governmental Affairs to the Department of Justice.

I ask unanimous consent that the Senate proceed to the consideration of the resolution.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The first assistant legislative clerk read as follows:

To permit the withdrawal and release of certain documents, papers or other information pertaining to possible criminal activities.

Mr. ROBERT C. BYRD. Mr. President, before the resolution is agreed to, I submit a statement on behalf of Mr. NUNN in explanation of the resolution and I ask that it be printed in the RECORD prior to the vote.

The PRESIDING OFFICER. Without objection, the statement will be printed in the RECORD prior to the adoption of the resolution.

● Mr. NUNN. Mr. President, this resolution permits the withdrawal and release of documents, testimony and other information obtained by, and in the possession of, the permanent Subcommittee on Investigations of the Committee on Governmental Affairs.

By letter of January 15, 1979, the U.S. Attorney's Office, northern district of Georgia, requested that the subcommittee supply copies of statements and materials received by subcommittee staff during the course of a subcommittee investigation into personnel corruption at the U.S. penitentiary at Atlanta, Ga., which matters were focused upon as part of an authorized inquiry into the U.S. penitentiary-Atlanta. The U.S. Attorney's Office is pursuing the criminal prosecution of certain employees at the penitentiary. These employees, and their activities, were the subject of subcommittee hearings in Atlanta, Ga., on September 28, 1978 and October 2, 1978.

Pursuant to rule XXX of the Standing Rules of the Senate, and the privileges of the Senate, such information, documentation, statements and testimony may not be released without a resolution of the Senate.●

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution (S. Res. 72), together with its preamble, was agreed to as follows:

Resolved,

Whereas, United States Department of Justice, through the Office of the United States Attorney for the Northern District of Georgia, is carrying out an investigation of alleged criminal activities of certain individuals employed at the United States Penitentiary-Atlanta; and

Whereas, the Office of the United States Attorney for the Northern District of Georgia has formally requested by letter dated January 15, 1979, that the Subcommittee transmit to the United States Attorney for the Northern District of Georgia certain statements, materials, and other pertinent documents in the possession of the Subcommittee; and

Whereas, certain of the requested information relevant to the inquiry of the United States Attorney was obtained by the Subcommittee in executive session testimony and certain of the information was obtained by Subcommittee staff in the course of their duties as employees of the Permanent Subcommittee on Investigations; and

Whereas, by the privileges of the Senate of the United States and by Rule XXX of the Standing Rules of the Senate, executive session testimony and information secured by staff employees of the Senate pursuant to their official duties may not be revealed without the consent of the Senate: Therefore, be it

Resolved that the Permanent Subcommittee on Investigations is authorized, in the discretion of and at the direction of its Chairman, to provide the United States Attorney for the Northern District of Georgia, with all or portions of copies of executive session testimony transcripts, statements and such other documents as shall be pertinent to alleged illegal activities of certain individuals currently under investigation by that office.

SEC. 2. The Secretary of the Senate shall transmit a copy of this Resolution to the United States Attorney for the Northern District of Georgia, attention Julie E. Carnes, Assistant United States Attorney.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REMOVAL OF INJUNCTION OF SECRECY—EXECUTIVE J, 96TH CONGRESS, IST SESSION; AND EXECUTIVE K, 96TH CONGRESS, 1ST SESSION

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the convention with the French Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates, inheritances and gifts, signed at Washington, November 24, 1978—executive J, 96th Congress, 1st session; and a protocol to the convention with the French Republic with respect to taxes on income and property of July 28, 1967, as amended by the protocol of October 12, 1970, together with a related exchange of notes, signed at Washington on November 24, 1978—executive K, 96th Congress, 1st session; both of which were transmitted to the Senate today by the President of the United States.

I ask that the treaties be considered as having been read the first time, that they be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's messages be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The messages of the President are as follows:

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the Convention between the United States of America and the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Estates, Inheritances and Gifts, Signed at Washington, November 24, 1978. For the information of the Senate, I also transmit the report of the Department of State with respect to the Convention.

The Convention would replace the estate tax convention between the United States and France which entered into force on October 17, 1949.

The Convention is the second such convention negotiated since the Foreign Investors Tax Act of 1966. The first such convention was signed with the Netherlands and entered into force in 1971. Others are under negotiation.

A principal feature of this Convention is a rule under which a citizen of one State residing in the other State is not considered domiciled in that other State for purposes of its estate or inheritance tax jurisdiction unless he has lived there for five or the prior seven years. This provision is beneficial to U.S. businessmen living in France.

Another provision exempts, reciprocally, stock and debt obligations of portfolio investors domiciled in the other State. This provision benefits especially French portfolio investors in the United States.

I recommend that the Senate give early and favorable consideration to the Convention and advise and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *February 9, 1979.*

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, a Protocol to the Convention between the United States of America and the French Republic with Respect to Taxes on Income and Property of July 28, 1967, as amended by the Protocol of October 12, 1970. The Protocol, together with a related exchange of notes, was signed at Washington on November 24, 1978. For the information of the Senate, I also transmit the related exchange of notes and the report of the Department of State with respect to the Protocol.

The Protocol breaks new ground by providing for the first time that the country of residence (France) and the country of citizenship (United States) share the responsibility to avoid double taxation of expatriate U.S. citizens.

Early ratification of the Protocol is essential as a new French law which takes effect on January 1, 1979, may otherwise subject U.S. citizens living in France to double taxation. The Protocol provides for retroactive effect, upon entry into force, to January 1, 1979.

The accompanying exchange of notes clarifies the treatment by France of certain income and expenses of U.S. citizens resident in France. It also points out certain issues of continuing concern for which no current solution could be found.

I recommend that the Senate give early and favorable consideration to this Protocol and advise and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *February 9, 1979.*

AUTHORIZATION FOR THE COMMITTEE ON THE BUDGET TO HAVE UNTIL 7 P.M. TODAY TO FILE A RESOLUTION AND REPORT THEREON

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Budget may have until 7 p.m. today to file a resolution and a report thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that, pursuant to the provisions of section 4(a), Public Law 92-484, the Speaker has appointed Mr. UDALL, Mr. BROWN of California, Mr. DINGELL, Mr. WINN, Mr. MILLER of Ohio, and Mr. WYDLER as members of the Technology Assessment Board, on the part of the House.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. NELSON, from the Select Committee on Small Business, without amendment:

S. Res. 69. An original resolution authorizing additional expenditures by the Select Committee on Small Business for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 37. A bill to repeal a section of Public Law 95-630 (Rept. No. 96-5).

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Res. 73. An original resolution authorizing additional expenditures by the Committee on the Budget for inquiries and investigations. Referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PELL, from the Committee on Rules and Administration:

Max L. Friedersdorf, of Indiana, to be a member of the Federal Election Commission.

John Warren McGarry, of Massachusetts, to be a member of the Federal Election Commission.

(The above nominations from the Committee on Rules and Administration were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. CHURCH, from the Committee on Foreign Relations:

Leonard Woodcock, of Michigan, to be Ambassador Extraordinary and Plenipotentiary of the United States to the People's Republic of China.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee, Leonard Woodcock.

Post, Peking.

Nominated January 18, 1979.

Contributions, amount, date, and donee:

1. Self, $76, 1977, Citizens for Good Government; $100, 1977, Century Fund, Michigan Democratic Party; $100, 1977, Committee for Canadian Treaties; $100, 1977 Democratic Party, President's Club; $100, 1978, Democratic National Committee; $100, 1978, Michigan Democratic Party; $10, 1978, UAW-CAP; $100, 1978, Democratic National Committee, President's Club.

ORDER FOR STAR PRINT—S. 315

Mr. HART. Mr. President, I ask unanimous consent to make certain technical corrections in S. 315, which will be submitted for the Record. I ask unanimous consent that the bill be star printed with these corrections.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

The corrections are as follows:

In the title: strike "To amend the Internal Revenue Code of 1954 to reduce for a 5-year period the taxes on transportation of persons and property by air" and insert "To amend the Internal Revenue Code of 1954 to reduce the taxes on transportation of persons and property by air."

On page 2, line 3 strike "beginning on July 1, 1980 and ending on June 30, 1981" and insert "beginning on October 1, 1979 and ending on July 1, 1980".

On page 2, line 10 strike "beginning on July 1, 1980 and ending on June 30, 1981" and insert "beginning on October 1, 1979 and ending on July 1, 1980".

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and the second time by unanimous consent, and referred as indicated:

By Mr. CANNON (by request):

S. 411. A bill to improve the protections afforded the public against risks associated with the transportation of hazardous commodities by pipeline; to the Committee on Commerce, Science, and Transportation.

By Mr. CANNON:

S. 412. A bill to amend the Internal Revenue Code of 1954 to provide a reduction in the taxes imposed on the transportation of persons and property by air; to the Committee on Finance.

By Mr. CANNON (for himself, Mr. Inouye, Mr. Exon, and Mr. Goldwater):

S. 413. A bill to provide assistance to airport operators to prepare and carry out noise compatibility programs, to provide assistance to assure continued safety in aviation, to provide assistance to aircraft operators to aid them in complying with noise standards, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BAYH (for himself, Mr. Dole, Mr. Bellmon, Mr. Cochran, Mr. DeConcini, Mr. Garn, Mr. Hatch, Mr. Hatfield, Mr. Lugar, Mr. Mathias, Mr. Matsunaga, Mr. McGovern, Mr. Metzenbaum, Mr. Schmitt, and Mr. Thurmond):

S. 414. A bill to amend title 35 of the United States Code, to establish a uniform Federal patent procedure for small businesses and nonprofit organizations, to create a consistent policy and procedure concerning patentability of inventions made with Federal assistance, and for other purposes; to the Committee on the Judiciary.

By Mr. Pell:

S. 415. A bill to amend section 402 of title 23, United States Code, relating to highway safety programs, in order to require certain provisions in such programs to discourage driving while under the influence of alcohol; to the Committee on Commerce, Science, and Transportation.

By Mr. HOLLINGS:

S. 416. A bill to make uniform with the general requirements of the Federal Food, Drug, and Cosmetic Act certain provisions relating to the labeling and notification of colored margarine and colored oleomargarine; to the Committee on Human Resources.

By Mr. DOLE:

S. 417. A bill to amend the Trade Act of 1974 to prohibit the extension of nondiscriminatory treatment to the products of any country not a party to certain treaties relating to the control and non-proliferation of nuclear weapons; to the Committee on Finance.

By Mrs. KASSEBAUM (for herself and Mr. Schmitt):

S. 418. A bill to provide wheat and feed grain producers the opportunity to receive parity prices for the 1979 and 1980 crops, and to provide cotton producers the opportunity to receive parity prices for the 1979 crop; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. SCHMITT (for himself and Mr. Domenici):

S. 419. A bill to amend the Internal Revenue Code of 1954 to provide tax incentives for investment in small corporations doing research in the area of energy development and conservation; to the Committee on Finance.

By Mr. WILLIAMS (for himself and Mr. Javits):

S. 420. A bill to strengthen State workers' compensation programs, and for other purposes; to the Committee on Human Resources.

By Mr. INOUYE (for Mr. Talmadge (for himself, Mr. Inouye, Mr. Nunn, and Mr. Matsunaga)):

S. 421. A bill to provide for demonstration projects for training and employment of recipients of benefits, under programs of Aid to Families with Dependent Children, as homemakers and home health aides; to the Committee on Finance.

By Mr. INOUYE:

S. 422. A bill to authorize reduced postage rates for certain mail matter sent to Members of Congress; to the Committee on Governmental Affairs.

By Mr. FORD (for himself, Mr. Kennedy, Mr. Danforth, Mr. Bayh, and Mr. Metzenbaum):

S. 423. A bill to promote commerce by establishing a national goal for the development and maintenance of effective, fair, inexpensive, and expeditious mechanisms for the resolution of consumer controversies, and for other purposes; placed on the calendar.

By Mr. MATSUNAGA (for himself and Mr. Inouye):

S. 424. A bill to extend the period for duty-free entry of a 3.60 meter telescope and associated articles for the use of the Canada-France-Hawaii Telescope Project at Mauna Kea, Hawaii; to the Committee on Finance.

By Mr. WILLIAMS (for himself and Mr. Pell):

S. 425. A bill to end the use of steel-jaw, leghold traps; to the Committee on Environment and Public Works.

By Mr. McGOVERN:

S. 426. A bill to name a certain Federal building in Huron, South Dakota, the Hubert H. Humphrey Building; to the Committee on Environment and Public Works.

By Mr. THURMOND:

S. 427. A bill to require a health warning on the labels of bottles containing certain alcoholic beverages; to the Committee on Commerce, Science, and Transportation.

By Mr. STENNIS (for himself and Mr. Tower) (by request):

S. 428. A bill to authorize appropriations for fiscal year 1980, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes; to the Committee on Armed Services.

S. 429. A bill to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. INOUYE:

S. 430. A bill for the relief of Kimiko Tengan Watanabe and Richard Kiyoshi Uyehara; to the Committee on the Judiciary.

S. 431. A bill for the relief of Mrs. Bernice Gouveia White and Mrs. Mildred Gouvcia Castagno; to the Committee on the Judiciary.

S. 432. A bill for the relief of Mr. Andres B. Pasion; to the Committee on the Judiciary.

S. 433. A bill for the relief of Mrs. Araceli Geroso Gushiken; to the Committee on the Judiciary.

S. 434. A bill for the relief of Peter Francis Berdzar; to the Committee on Armed Services.

S. 435. A bill for the relief of George Kiyotaka Oga; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CANNON (by request):

S. 411. A bill to improve the protections afforded the public against risks associated with the transportation of hazardous commodities by pipeline; to the Committee on Commerce, Science, and Transportation.

PIPELINE SAFETY ACT OF 1979

Mr. CANNON. Mr. President, today (at the request of the administration) I introduce a bill, the Pipeline Safety Act of 1979, which addresses many of the concerns that have been raised over the adequacy of Federal regulation of the safety of liquefied natural gas (LNG) and liquefied petroleum gas (LPG). This legislation was prepared by the Department of Transportation in response to concerns expressed by the Commerce Committee and our House counterparts that public safety was not adequately protected and that the Department should take a more active role to assure the safe transportation and storage of these fuels. At a Commerce Committee hearing which I chaired this morning, Transportation Secretary Brock Adams explained the provisions of the bill and its effects on the existing regulatory framework. He also reviewed a long-awaited set of proposed regulations relating to LNG facility siting and safety.

Last year, the committee held 3 days of hearings to receive public testimony from representatives of the affected industries, State and local government, and concerned citizens' groups concerning the inadequacies of the current regulatory system and to solicit legislative recommendations for the improvement of that system. In addition, within the last year and a half, the Office of Technology Assessment and the General Accounting Office have both published reports indicating the need for regulatory improvement. In the closing days of the 95th Congress the House passed a bill which dealt with LNG and LPG safety issues, but that bill was not accepted by the Senate.

In response to these expressions of congressional concern, the Department of Transportation has prepared this legislation. The bill consists of two titles: Title I, which amends the Natural Gas Pipeline Safety Act (NGPSA), clarifies and expands DOT's authority over LNG and natural gas transportation safety; title II, entitled the "Hazardous Liquids Pipeline Safety Act," replaces the antiquated Transportation of Explosives Act (TEA) and establishes a statutory framework similar to the NGPSA to regulate the transportation of hazardous liquids, such as petroleum and its byproducts (including LPG).

Title I amends the Natural Gas Pipeline Safety Act to:

First, clarify DOT's authority to regulate the safety of LNG facilities before they begin operation;

Second, expressly provide the Secretary with pre-construction approval authority for pipeline facilities;

Third, clarify that safety standards applicable only to new pipeline facilities (e.g., those relating to design and construction) can be made applicable to existing facilities that are considered hazardous to life and property;

Fourth, leave in place the existing policies on pre-emption, criteria for establishing standards, and procedures for granting waivers. Any state may adopt more stringent safety standards for intrastate pipeline transportation if those standards are compatible with the Federal standards issued under NGPSA;

Fifth, strengthen and expand the enforcement powers of the Secretary;

Sixth, authorize such sums as may be necessary for the fiscal years ending September 30, 1980 and 1981.

Title II would:

First, repeal the Transportation of Explosives Act (18 U.S.C. 831–835);

Second, establish regulatory authority over the transportation and storage of hazardous liquids which move by pipeline;

Third, give the Secretary authority to promulgate safety standards and to assure compliance of covered facilities with these standards. (This bill applies to new and existing facilities to the same extent as the NGPSA.)

Fourth, establish a State enforcement program so that the appropriate agency within a State would be certified to enforce the Federal standards (similar program to NGPSA's); and

Fifth, provide the same inspection, record-keeping, administrative and judicial remedies as NGPSA.

Mr. President, I commend the Department of Transportation for their efforts in drafting this bill to deal with this important matter of public policy. I, along with my colleagues on the Commerce Committee, will hold additional hearings on this bill expeditiously, so that the full Senate can have the benefit of a complete hearing record when considering the legislation. I can assure interested persons that they will have ample opportunity to comment.

I ask unanimous consent that the text of the bill, the letter of transmittal, and the section-by-section analysis be printed in the Record.

Also, Mr. President, I mentioned earlier in my statement that the Department of Transportation would be publishing in the Federal Register a notice of Proposed Rulemaking on New Federal Safety Standards for Liquefied Natural Gas Facilities. That notice appears on page 8142 of the Federal Register dated Thursday, February 8, 1979 (vol. 44—No. 28). I ask unanimous consent that a Department of Transportation summary of that proposed rulemaking be printed in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 411

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Pipeline Safety Act of 1979".

TITLE I—NATURAL GAS

SHORT TITLE

Sec. 101. This title may be cited as the "Natural Gas Pipeline Safety Act Amendments of 1979".

DECLARATION OF POLICY

Sec. 102. The Congress finds that more effective realization of the purposes of the Natural Gas Pipeline Safety Act of 1968, especially as it relates to the transportation of liquefied natural gas, requires that Act to be amended to expressly provide the Secretary of Transportation with pre-construction design approval authority for pipeline facilities, to improve the investigation and enforcement powers of the Secretary, and to clarify and update existing provisions of the Act.

REFERENCES TO NATURAL GAS PIPELINE SAFETY ACT OF 1968

Sec. 103. Except as otherwise expressly provided, whenever in this title any reference, amendment, or repeal is expressed in terms of a reference or amendment to, or repeal of, a section or other provision, it shall be considered to be made to a section or other provision of the Natural Gas Pipeline Safety Act of 1968, as amended, 49 U.S.C. 1671 et seq.

DEFINITIONS

Sec. 104. (a) Section 2(2) is amended by inserting "(including liquefied natural gas)" immediately after "natural gas".

(b) Section 2(4) is amended to read as follows:

(4) "Pipeline facilities" includes, without limitation, new and existing pipe, rights-of-way and any equipment, facility, or building used or intended for use in the transportation of gas or the treatment of gas during the course of transportation, but rights-of-way as used in this Act does not authorize the Secretary to prescribe the location or routing of any pipeline facility;".

(c) Section 2(8) and 2(9) are amended by srtiking out "Federal Power Commission" and inserting in lieu thereof "Federal Energy Regulatory Commission".

STANDARDS

Sec. 105. (a) Section 3 is amended to read as follows:

"REGULATIONS GOVERNING TRANSPORTATION OF GAS AND PIPELINE FACILITIES

Sec. 3. (a) General. The Secretary shall issue, in accordance with the provisions of section 553 of Title 5, United States Code, including an opportunity for informal oral presentation, Federal safety standards for the transportation of gas and pipeline facilities. The standards shall apply to each person who engages in the transportation of gas or who owns or operates pipeline facilities. The standards shall be practicable and designed to meet the need for safe transportation of gas and may govern any safety aspect of that transportation and of pipeline facilities which the Secretary considers necessary or appropriate.

(b) Criteria. In prescribing standards under this section, the Secretary shall consider—

(1) relevant available pipeline data;

(2) whether the standards are appropriate for the particular type of pipeline transportation or facility;

(3) the reasonableness of any proposed standards; and

(4) the extent to which the standards will contribute to public safety.

(c) Pre-Construction Approval. In prescribing standards under this section, the Secretary may require, in his discretion, that any construction associated with a new or existing pipeline facility not begin until he approves that construction, and then only to the extent that the construction is in accordance with the applicable standards prescribed under this section and such other terms and conditions as the Secretary determines are appropriate to assure that the facility will be constructed and operated in compliance with those standards.

(d) Existing Facilities. Except as provided under section 10(b) of this Act, any standard issued under this section affecting the design, installation, construction, initial inspection, and initial testing shall not be applicable to pipeline facilities in existence on the date it is adopted.

(e) Preemption. Any State agency may adopt additional or more stringent safety standards for intrastate pipeline transportation if those standards are compatible with the Federal standards issued under this Act. No State agency may adopt or continue in force any safety standards applicable to interstate transmission facilities.

(f) Waivers. Upon application by any person engaged in the transportation of gas or the operation of pipeline facilities, the Secretary may, by order, after notice and opportunity for hearing and under such terms and conditions and to such extent as he deems appropriate, waive in whole or in part compliance with any standard compliance with any standard established under this Act, if he determines that waiver of compliance with such standard is not inconsistent with gas pipeline safety. The Secretary shall state his reasons for any such waiver. A State agency, with respect to which there is in effect a certification pursuant to section 5(a) or an agreement pursuant to section 5(b), may waive compliance with a safety standard in the same manner and under the same conditions as the Secretary, provided such State agency gives the Secretary written notice at least sixty days prior to the effective date of the waiver. If, before the effective date of a waiver to be granted by a State agency, the Secretary objects in writing to the granting of the waiver, any State agency action granting the waiver will be stayed. After notifying such State agency of his objection, the Secretary shall afford such agency a prompt opportunity to present its waiver, with opportunity for hearing, and the Secretary shall determine finally whether the requested waiver may be granted.

(g) Cooperation and Consultation. (1) Whenever the establishment of a standard or action upon application for waiver under the provisions of this Act, would affect continuity of any gas services, the Secretary shall consult with and advise the Federal Energy Regulatory Commission or State commission having jurisdiction over the affected pipeline facility before establishing the standard or acting on the waiver application and shall defer the effective date until the Federal Energy Regulatory Commission or any such commission has had reasonable opportunity to grant the authorizations it deems necessary.

(2) In any proceedings under section 7 of the Natural Gas Act (15 U.S.C. 717f) for authority to establish, construct, operate, or extend a gas pipeline which is or will be subject to Federal or other applicable safety standards, any applicant shall certify that it will design, install, inspect, test, construct, operate, replace, and maintain the pipeline facilities in accordance with Federal and other applicable safety standards and plans for maintenance and inspection. Such certification shall be binding and conclusive upon the Federal Energy Regulatory Commission unless the relevant enforcement agency has timely advised the Commission in writing that the applicant has violated safety standards established pursuant to this Act.

(3) Upon request, the Secretary shall furnish to the Federal Energy Regulatory Commission any information he has concerning the safety of any materials, operations, devices, or processes relating to the transportation of gas or the operation of pipeline facilities.

(4) The Secretary is authorized to advise, assist, and cooperate with other Federal departments and agencies and State and other interested public and private agencies and persons, in the planning and developing of (1) Federal safety standards, and (2) methods for inspecting and testing to determine compliance with Federal safety standards.

(5) The Secretary is authorized to consult with, and make recommendations to, other Federal departments and agencies, State and local governments, and other public and private agencies or persons, for the purpose of developing and encouraging activities, including the enactment of legislation, to assist in the implementation of this Act and to improve State and local pipeline safety programs.".

(b) The Act is amended by striking out sections 7 and 13.

ADVISORY COMMITTEE

Sec. 106. The Act is amended by striking out section 4. Section 4 is reserved.

STATE SAFETY PROGRAMS

Sec. 107. (a) Section 5(a) is amended—

(1) by striking out "Except for the fourth sentence of section 3(b), section 12(b), and except as otherwise provided in this section, the provisions of this Act" and inserting in lieu thereof "Except for section 10(b) and except as otherwise provided in this section, the authority of the Secretary under this Act to prescribe safety standards and enforce compliance with such standards".

(2) by striking out "excavation" in clause (4) and inserting in lieu thereof "demolition, excavation, tunneling, or construction";

(3) by striking out, in clause (5), "sections 9 and 10" and inserting in lieu thereof "sections 8(a) and 10(a)".

(4) by striking out, in clause (5), "; except that a State agency may file a certification under this subsection without regard to the requirement of injunctive and monetary sanctions under State law for a period not to exceed five years after the date of enactment of this Act".

(5) by amending clause 5(ii) to read as follows: "all accidents or incidents reported during the preceding twelve months by each such person involving personal injury requiring hospitalization, fatality, property damage exceeding $5,000 (whether or not sustained by a person subject to the safety jurisdiction of the State agency) and any other accident which the State agency considers significant."

(b) Section 5(b) is amended by striking out paragraphs (3) and (4).

(c) Section 5 is further amended by striking out subsection (f); redesignating subsections (c), (d), and (e) as (d), (e), and (f) respectively; and adding a new subsection (c) to read as follows: "(c) The Secretary is authorized to conduct whatever monitoring may be necessary of any State program established by certification or agreement under this section to assure that such programs are being carried out in compliance with such certification or agreement. State agencies shall cooperate fully in a system of Federal monitoring of their programs".

ENFORCEMENT POWERS

Sec. 108. (a) The Act is amended by redesignating section 8 as section 7; by striking out sections 9 and 10: and by adding new sections 8, 9, and 10 to read as follows:

"PENALTIES

Sec. 8. (a) Assessment of Civil Penalties.—Any person who is determined by the Secretary of Transportation to have violated any provisions of this Act or any regulation or order issued thereunder including any order issued under sections 9 or 10(b) of this Act, shall be liable to the United States for a civil penalty of not more than $1,000 for each violation for each day that violation persists, except that the maximum civil penalty shall not exceed $200,000 for any related series of violations. The amount of the penalty shall be assessed by the Secretary by written notice. In determining the amount of the penalty, the Secretary shall consider the nature, circumstances, and gravity of the violation and, with respect to the person found to have committed the violation, the degree of cupability, any history of prior violations, the effect on ability to continue to do business, any good faith in attempting to achieve compliance, and such other matters as the Secretary believes justice may require.

(b) Collection of Civil Penalties.—Except as provided by subsection (c), a civil penalty assessed under subsection (a) may be recovered in an action brought by the Attorney General on behalf of the United States in the appropriate district court of the United States or, prior to referral to the Attorney General, it may be compromised by the Secretary. The amount of the penalty, when finally determined (or agreed upon in compromise), may be deducted from all sums owed by the United States to the person charged. All penalties collected under this subsection shall be deposited in the Treasury of the United States as miscellaneous receipts.

(c) When a civil penalty of not more than $1,500 has been assessed under subsection (a), the matter may be referred for collection of the penalty directly to the Federal Magistrate of the jurisdiction wherein the person liable may be found, for institution of collection procedures under supervision of the district court, if the court has issued an order delegating such authority under section 636 (b) of Title 28, United States Code.

(d) Criminal Penalties (1) Any person who willfully violates a provision of this Act or a regulation or order issued thereunder including any order issued under sections 9 or 10(b) of this Act, shall, upon conviction be subject, for each offense, to a fine of not more than $25,000, imprisonment for a term not to exceed 5 years, or both.

(2) Any person who willfully injures or destroys, or attempts to injure or destroy any interstate transmission facility, shall, upon conviction, be subject for each offense, to a fine of not more than $15,000 or imprisonment for a term not to exceed 15 years, or both."

COMPLIANCE ORDERS

Sec. 9. The Secretary may issue orders directing compliance with this Act or any regulation issued thereunder. The district courts of the United States shall have jurisdiction, upon petition by the Attorney General, to enforce such orders by appropriate means.

SPECIFIC RELIEF

Sec. 10. (a) General. (1) The Attorney General, at the request of the Secretary, may bring an action in an appropriate district court of the United States for equitable relief to redress or restrain a violation by any person of a provision of this Act or a regulation issued thereunder. Such district courts shall have jurisdiction to determine such actions and may grant such relief as is necessary or appropriate, including mandatory or prohibitive injunctive relief, interim equitable relief, and punitive damages.

(2) In any proceeding for criminal contempt for violation of a mandatory or prohibitive injunction issued under this subsection, which violation also constitutes a violation of this Act, trial shall be by the court or, upon demand of the accused, by a jury. Such trial shall be conducted in accordance with the practice and procedure applicable in the case of proceedings subject to the provisions of rule 42(b) of the Federal Rules of Criminal Procedure.

(b) Hazardous Pipeline Facilities. (1) If the Secretary finds after reasonable notice and an opportunity for hearing, that any pipeline facility is hazardous to life or property, he shall, by order, require the person operating the facility to take necessary corrective action. Such corrective action may include suspended or restricted use of the facility, physical inspection, testing, repair, replacement, or other action, as appropriate. The district courts of the United States shall have jurisdiction, upon petition by the Attorney General, to enforce orders issued under this subsection by appropriate means.

(2) The Secretary may waive the requirements for notice and hearing under this subsection and provide for expeditious issuance of an order under this subsection in any case in which he determines that the failure to do so would result in the likelihood of serious harm to life or property. (b) Section 6 is amended by striking out the existing heading and inserting in lieu thereof "JUDICIAL REVIEW OF STANDARDS AND ORDERS" and by inserting the words "standard or" immediately before the word "order" wherever it appears in subsections (a), (b) and (c).

ADMINISTRATION

Sec. 109. Section 12 is amended to read as follows:

"POWERS AND DUTIES OF THE SECRETARY

Sec. 12. (a) General. The Secretary is authorized, to the extent necessary to carry out his responsibilities under this Act, to conduct investigations, make reports, issue subpoenas, conduct hearings, require the production of relevant documents, records, and property, take depositions, and conduct, directly or indirectly, research, testing, development, demonstration, and training activities.

(b) Records. Each person who engages in the transportation of gas or who owns or operates pipeline facilities shall establish and maintain such records, make such reports, and provide such information as the Secretary may reasonably require, and shall submit such reports and shall make such records and information available as the Secretary may request, to enable him to determine whether such person has acted or is acting in compliance with this Act and the standards or orders issued under this Act.

(c) Inspection. Officers, employees, or agents authorized by the Secretary, upon presenting appropriate credentials to the person in charge, are authorized to enter upon, inspect, and examine, at reasonable times and in a reasonable manner, the records and properties of persons to the extent such records and properties are relevant to determining whether such persons have acted or are acting in compliance with this Act and the standards or orders issued under this Act.

(d) Public Availability of Accident Reports. Accident reports made by any officer, employee, or agent of the Department of Transportation shall be available for use in any civil, criminal, or other judicial proceeding arising out of such accident. Any such officer, employee, or agent may be required to testify in such proceedings as to the facts developed in such investigations. Any such report shall be made available to the public in a manner which need not identify individuals. All reports on research projects, demonstration projects, and other related activities shall be public information.

(e) Protection of Trade Secrets. All information reported to or otherwise obtained by the Secretary or his representative pursuant to subsection (a), (b), or (c) which information contains or relates to a trade secret referred to in section 1905 of Title 18 of the United States Code shall be considered confidential for the purpose of that section, except that such information may be disclosed to other officers or employees concerned with carrying out this Act or when relevant in any proceeding under this Act. Nothing in this section shall authorize the withholding of information by the Secretary or any officer, employee, or agent under his control, from the duly authorized committees of the Congress.".

APPROPRIATIONS AUTHORIZATION

Sec. 110. Section 15 is amended by redesignating it as section 14 to read as follows:

"APPROPRIATIONS AUTHORIZED

"Sec. 14 (a) There are authorized to be appropriated $4,206,000 for the fiscal year ending September 30, 1980, and such sums as may be necessary for the fiscal year ending September 30, 1981, for the purpose of carrying out the provisions of this Act and the Hazardous Liquid Pipeline Safety Act of 1979, except that the funds appropriated pursuant to this subsection shall not be used for Federal grants-in-aid.

"(b) There are authorized to be appropriated $2,820,000 for the fiscal year ending September 30, 1980, and such sums as may be necessary for the fiscal year ending September 30, 1981, for the purpose of carrying out the Federal grants-in-aid provisions of section 5(d) of this Act".

CLERICAL AND CONFORMING AMENDMENTS

Sec. 111. (a) Section 14 is amended by redesignating it as section 13; by striking out "March 17" and inserting in lieu thereof "June 15" and; by striking out "3(e)" in paragraph a(13) and inserting in lieu thereof "3(f)".

(b) Sections 16 and 17 are amended by redesignating them as sections 15 and 16 respectively.

(c) Section 16(f), as redesignated, is amended by striking out "minimum".

(d) The Mineral Leasing Act of 1920, as amended (30 U.S.C. 185) is amended by striking out sections 28(w)(3) and 28(w)(4).

TITLE II—LIQUID PIPELINE SAFETY

SHORT TITLE

Sec. 201. This title may be cited as the "Hazardous Liquid Pipeline Safety Act of 1979".

DECLARATION OF POLICY

Sec. 202. It is declared to be the policy of Congress in this title to improve the ability of the Secretary of Transportation to protect the Nation adequately against the risks to life and property which are inherent in the transportation of hazardous liquids by pipeline in or affecting interstate or foreign commerce.

DEFINITIONS

Sec. 203. As used in this title,

(1) "Person" means any individual, firm, joint venture, partnership, corporation, association, State, municipality, cooperative association, or joint stock association, and includes any trustee, receiver, assignee, or personal representative thereof;

(2) "Hazardous liquid" means a substance or material which is in liquid form (excluding liquefied natural gas) when transported by pipeline facilities and which, as determined by the Secretary, may pose an unreasonable risk to life or property when transported by pipeline facilities. For the purpose of this title "hazardous liquid" includes but is not limited to, petroleum, petroleum products, and any other liquid that is flammable, corrosive, or toxic;

(3) "Transportation of hazardous liquids" means the movement of hazardous liquid by pipeline or its storage in or affecting interstate or foreign commerce;

(4) "Pipeline facilities" includes, without limitation, new and existing pipe, rights-of-way and any equipment, facility, or building used or intended for use in the transportation of hazardous liquids or the treatment of hazardous liquids during the course of transportation, but rights-of-way as used in this title does not authorize the Secretary to prescribe the location or the routing of any pipeline facility;

(5) "Interstate pipeline facilities" include pipeline facilities that, either on their own or by connection with other pipeline facilities, are used to move hazardous liquids in interstate or foreign commerce.

(6) "Intrastate pipeline facilities" means pipeline facilities which are not interstate pipeline facilities.

(7) "Interstate or foreign commerce" means commerce between any point in a State and any point outside thereof, or between points within the same State, but through any place outside thereof.

(8) "State" includes each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico; and

(9) "Secretary" means the Secretary of Transportation.

REGULATIONS GOVERNING TRANSPORTATION OF HAZARDOUS LIQUIDS AND PIPELINE FACILITIES

Sec. 204. (a) General. The Secretary shall issue, in accordance with the provisions of section 553 of Title 5, United States Code, including an opportunity for informal oral presentation, Federal safety standards for the transportation of hazardous liquids and pipeline facilities. The standards shall apply to each person who engages in the transportation of hazardous liquids or who owns or operates pipeline facilities. The standards shall be practicable and designed to meet the need for safe transportation of hazardous liquids and may govern any safety aspect of that transportation which the Secretary considers necessary or appropriate.

(b) Criteria. In prescribing standards under this section, the Secretary shall consider—

(1) relevant available pipeline data;

(2) whether the standards are appropriate for the particular type of pipeline transportation or facility;

(3) the reasonableness of any proposed standards; and

(4) the extent to which the standards will contribute to public safety.

(c) Pre-Construction Approval. In prescribing standards under this section, the Secretary may require, in his discretion, that any construction associated with a new or existing pipeline facility not begin until he approves that construction, and then only to the extent that the construction is in accordance with the applicable standards prescribed under this section and such other terms and conditions as the Secretary determines are appropriate to assure that the facility will be constructed and operated in compliance with those standards.

(d) Existing Facilities. Except as provided under section 210(b) of this title, any standard issued under this section affecting the design, installation, construction, initial inspection, and initial testing shall not be applicable to pipeline facilities in existence on the date it is adopted.

(e) Preemption. Any State agency may adopt additional or more stringent safety standards for intrastate pipeline facilities and the transportation of hazardous liquids associated with those facilities, if those standards are compatible with the Federal standards issued under this title. No State agency may adopt or continue in force any safety standards applicable to interstate pipeline facilities or the transportation of hazardous liquids associated with those facilities.

(f) Waivers. Upon application by any person engaged in the transportation of hazardous liquids or the operation of pipeline facilities, the Secretary may, by order, after notice and opportunity for hearing and under such terms and conditions and to such extent as he deems appropriate, waive in whole or in part compliance with any standard established under this title, if he determines that a waiver of compliance with such standard is not inconsistent with pipeline safety. The Secretary shall state his reasons for any such waiver. A State agency, with respect to which there is in effect a certification pursuant to section 205(a) or an agreement pursuant to section 205(b) may waive compliance with a safety standard in the same manner and under the same conditions as the Secretary, provided such State agency gives the Secretary written notice at least sixty days prior to the effective date of the waiver. If, before the effective date of a waiver to be granted by a State agency, the Secretary objects in writing to the granting of the waiver, any State agency action granting the waiver will be stayed. After notifying such State agency of his objection, the Secretary shall afford such agency a prompt opportunity to present its request for waiver, with opportunity for hearing, and the Secretary shall determine finally whether the requested waiver may be granted.

(g) Cooperation and Consultation. (1) The Secretary is authorized to advise, assist, and cooperate with other Federal agencies and State and other interested public and private agencies and persons, in the planning and developing of (1) Federal safety standards, and (2) methods for inspecting and testing to determine compliance with Federal safety standards.

(2) The Secretary is authorized to consult with, and make recommendations to, other Federal agencies, State and local governments, and other public and private agencies or persons, for the purpose of developing and encouraging activities, including the enactment of legislation, to assist in the implementation of this title and to improve State and local pipeline safety programs.

STATE CERTIFICATIONS AND AGREEMENTS

Sec. 205. (a) Except for section 210(b) and except as otherwise provided in this section, the authority of the Secretary under this title to prescribe safety standards and enforce compliance with those standards shall not apply to intrastate pipeline facilities or the transportation of hazardous liquids associated with those facilities, when the safety standards and practices applicable to same are regulated by a State agency which submits to the Secretary an annual certification that such State agency—

(1) has regulatory jurisdiction over the safety standards and practices of intrastate pipeline facilities and the transportation of hazardous liquids associated with those facilities;

(2) has adopted, as of the date of the certification, each Federal safety standard established under this title which is applicable to intrastate pipeline facilities and the transportation of hazardous liquids associated

with those facilities or, with respect to each such Federal safety standard established within one hundred and twenty days before the date of certification, is taking steps pursuant to State law to adopt such standard;

(3) is enforcing each such standard;

(4) is encouraging and promoting programs designed to prevent damage to pipeline facilities as a consequence of demolition, excavation, tunnelling or construction activity;

(5) has the authority to require record maintenance, reporting, and inspection substantially the same as are provided under section 212 and the filing for approval of plans of inspection and maintenance described in section 211 and that the law of the State makes provision for the enforcement of the safety standards of such State agency by way of injunctive and monetary sanctions substantially the same as are provided under sections 208(a) and 210(b). Each annual certification shall include a report, in such form as the Secretary may by regulation provide, showing (i) name and address of each person subject to the safety jurisdiction of the State agency; (ii) all accidents or incidents reported during the preceding twelve months by each such person involving personal injury requiring hospitalization, fatality, or property damage exceeding $10,000 (whether or not sustained by a person subject to the safety jurisdiction of the State agency), together with a summary of the State agency's investigation as to the cause and circumstances surrounding such accident or incident; (iii) the record maintenance, reporting, and inspection practiced by the State agency to enforce compliance with such Federal safety standards, including a detail of the number of inspections made of pipeline facilities by the State agency during the preceding twelve months; and (iv) such other information as the Secretary may require. The report included with the first annual certification need not show information unavailable at that time.

(b) With respect to any intrastate pipeline facilities or transportation of hazardous liquids associated with those facilities for which the Secretary does not receive an annual certification under subsection (a), the Secretary may, by agreement with a State agency authorize such agency to assume responsibility for, and carry out on behalf of the Secretary as it relates to those facilities or associated transportation, the necessary actions to—

(1) establish an adequate program for record maintenance, reporting, and inspection designed to assist compliance with Federal safety standards; and

(2) establish procedures for approval of plans and inspection and maintenance substantially the same as are required under section 211.

Any agreement executed pursuant to this subsection shall require the State agency promptly to notify the Secretary of any violation or probable violation of a Federal safety standard which it discovers as a result of its program.

(c) A certification which is in effect under subsection (a) shall not apply with respect to any new or amended Federal safety standard established for intrastate pipeline facilities or transportation of hazardous liquids associated with those facilities pursuant to this title after the date of such certification. The provisions of this title shall apply to any such new or amended Federal safety standard until the State agency has adopted such standard and has submitted an appropriate certification in accordance with provisions of subsection (a).

(d) If after receipt of annual certification under subsection (a), the Secretary determines that the State agency is not satisfactorily enforcing compliance with Federal safety standards, he may, on reasonable notice and after opportunity for hearing, reject the certification or take such other action as he deems appropriate to achieve adequate enforcement including the assertion of Federal jurisdiction. When such notice is given by the Secretary, the burden of proof shall be upon the State agency to show that it is satisfactorily enforcing compliance with Federal safety standards.

(e) Any agreement under subsection (b) may be terminated by the Secretary, if after notice and opportunity for a hearing, he finds that the State agency has failed to comply with any provision of such agreement. Such finding and termination shall be published in the Federal Register and shall become effective no sooner than fifteen days after the date of publication.

(f) The Secretary is authorized to conduct whatever monitoring may be necessary of any State program established by certification or agreement under this section to assure that such programs are being carried out in compliance with such certification or agreement. State agencies shall cooperate fully in a system of Federal monitoring of their programs.

JUDICIAL REVIEW OF STANDARDS AND ORDERS

SEC. 206. (a) Any person who is or will be adversely affected or aggrieved by any standard or order issued under this title may at any time prior to the sixtieth day after such standard or order is issued file a petition for a judicial review with the United States Court of Appeals for the District of Columbia or for the circuit wherein such petitioner is located or has his principal place of business. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary or other officer designated by him for that purpose.

(b) Upon the filing of the petition referred to in subsection (a), the court shall have jurisdiction to review the standard or order in accordance with Chapter 7 of Title 5 of the United States Code and to grant appropriate relief as provided in such chapter.

(c) The judgment of the court affirming or setting aside, in whole or in part, any such standard or order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of Title 28 of the United States Code.

(d) Any action instituted under this section shall survive, notwithstanding any change in the person occupying the office of the Secretary or any vacancy in such office.

(e) The remedies provided for in this section shall be in addition to and not in substitution for any other remedies provided by law.

COMPLIANCE

SEC. 207. (a) Each person who engages in the transportation of hazardous liquids or who owns or operates pipeline facilities shall—

(1) at all times after the date an applicable safety standard established under this title takes effect comply with the requirements of such standard;

(2) file and comply with a plan of inspection and maintenance required by section 211; and

(3) permit access to or copying of records, and make reports or provide information, and permit entry or inspection, as required under section 212.

(b) Nothing in this title shall affect the common law or statutory liability of any person.

PENALTIES

SEC. 208. (a) ASSESSMENT OF CIVIL PENALTIES.—Any person who is determined by the Secretary to have violated any provisions of this title or any regulation or order issued thereunder including any order issued under sections 209 or 210(b) of this title, shall be liable to the United States for a civil penalty of not more than $1,000 for each violation for each day the violation continues, except that the maximum civil penalty shall not exceed $200,000 for any related series of violations. The amount of the penalty shall be assessed by the Secretary by written notice. In determining the amount of the penalty, the Secretary shall consider the nature, circumstances, and gravity of the violation and with respect to the person found to have committed the violation, the degree of culpability, any history of prior violations, the effect on ability to continue to do business, any good faith in attempting to achieve compliance, and such other matters as the Secretary believes justice may require.

(b) COLLECTION OF CIVIL PENALTIES.—Except as provided by subsection (c), a civil penalty assessed under subsection (a) may be recovered in an action brought by the Attorney General on behalf of the United States in the appropriate district court of the United States or, prior to referral to the Attorney General, it may be compromised by the Secretary. The amount of the penalty, when finally determined (or agreed upon in compromise), may be deducted from all sums owed by the United States to the person charged. All penalties collected under this Subsection shall be deposited in the Treasury of the United States as miscellaneous receipts.

(c) When a civil penalty of not more than $1,500 has been assessed under subsection (a), the matter may be referred for collection of the penalty directly to the Federal Magistrate of the jurisdiction wherein the person liable may be found, for institution of collection procedures under supervision of the district court, if the court has issued an order delegating such authority under section 636(b) of Title 28, United States Code.

(d) CRIMINAL PENALTIES.—(1) Any person who willfully violates a provision of this title or a regulation or order issued thereunder including any order issued under sections 209 or 210(b) of this title, shall, upon conviction be subject, for each offense, to a fine of not more than $25,000, imprisonment for a term not to exceed 5 years, or both.

(2) Any person who willfully injures or destroys, or attempts to injure or destroy any interstate pipeline facility, shall, upon conviction, be subject for each offense, to a fine of not more than $15,000 or imprisonment for a term not to exceed 15 years, or both.

COMPLIANCE ORDERS

SEC. 209. The Secretary may issue orders directing compliance with this title or any regulation issued thereunder. The district courts of the United States shall have jurisdiction, upon petition by the Attorney General, to enforce such orders by appropriate means.

SPECIFIC RELIEF

SEC. 210. (a) GENERAL.—(1) The Attorney General, at the request of the Secretary, may bring an action in an appropriate district court of the United States for equitable relief to redress or restrain a violation by any person of a provision of this title or a regulation issued thereunder. Such district courts shall have jurisdiction to determine such actions and may grant such relief as is necessary or appropriate, including mandatory or prohibitive injunctive relief, interim equitable relief, and punitive damages.

(2) In any proceeding for criminal contempt for violation of a mandatory or prohibitive injunction issued under this subsection, which violation also constitutes a violation of this Act, trial shall be by the court or, upon demand of the accused, by a jury. Such trial shall be conducted in accordance with the practice and procedure applicable in the case of proceedings subject to the provisions of rule 42(b) of the Federal Rules of Criminal Procedure.

(b) HAZARDOUS PIPELINE FACILITIES. (1) If the Secretary finds after reasonable notice and an opportunity for hearing, that any pipeline facility is hazardous to life or property, he shall, by order, require the person operating the facility to take necessary corrective action. Such corrective action may include suspended or restricted use of the facility, physical inspection, testing, repair, replacement, or other action, as appropriate. The district courts of the United States shall have jurisdiction, upon petition by the Attorney General, to enforce orders issued under this subsection by appropriate means.

(2) The Secretary may waive the requirements for notice and hearing under this subsection and provide for expeditious issuance of an order under this subsection in any case in which he determines that the failure to do so would result in the likelihood of serious harm to life or property.

INSPECTION AND MAINTENANCE

SEC. 211. (a) Each person who engages in the transportation of hazardous liquids or who owns or operates pipeline facilites shall file with the Secretary or, where a certification or an agreement pursuant to section 205 of this title is in effect, with the State agency, a plan for inspection and maintenance of each facility used in that transportation and owned or operated by that person, and any changes in that plan, in accordance with regulations prescribed by the Secretary or appropriate State agency. A plan required by this subsection shall be practicable and designed to meet the need for pipeline safety.

(b) If the Secretary or appropriate State agency finds that a plan filed under this section is inadequate to achieve safe operation of pipeline facilities, the Secretary or appropriate State agency shall, after notice and opportunity for a hearing, require the plan to be revised. In determining the adequacy of a plan filed under this section, the Secretary or appropriate State agency shall consider—

(1) relevant available pipeline safety data;

(2) whether the plan is appropriate for the particular type of pipeline transportation;

(3) the reasonableness of the plan; and

(4) the extent to which such plan will contribute to public safety.

POWERS AND DUTIES OF THE SECRETARY

SEC. 212. (a) GENERAL. The Secretary is authorized, to the extent necessary to carry out his responsibilities under this title, to conduct investigations, make reports, issue subpoenas, conduct hearings, require the production of relevant documents, records, and property, take depositions, and conduct, directly or indirectly, research, testing, development, demonstration, and training activities.

(b) RECORDS. Each person who engages in the transportation of hazardous liquids or who owns or operates pipeline facilities shall establish and maintain such records, make such reports, and provide such information as the Secretary may reasonably require, and shall submit such reports and shall make such records and information available as the Secretary may request, to enable him to determine whether such person has acted or is acting in compliance with this title and the standards or orders issued under this title.

(c) INSPECTION. Officers, employees, or agents authorized by the Secretary, upon presenting appropriate credentials to the person in charge, are authorized to enter upon, inspect, and examine, at reasonable times and in a reasonable manner, the records and properties of persons to the extent such records and properties are relevant to determining whether such persons have acted or are acting in compliance with this title and the standards or orders issued under this title.

(d) PUBLIC AVAILABILITY OF ACCIDENT REPORTS. Hazardous liquid pipeline accident reports made by any officer, employee, or agent of the Department of Transportation shall be available for use in any civil, criminal, or other judicial proceeding arising out of such accident. Any such officer, employee, or agent may be required to testify in such proceedings as to the facts developed in accident investigations. Any hazardous liquid pipeline accident report shall be made available to the public in a manner which need not identify individuals. All reports on research projects, demonstration projects, and other related activities shall be public information.

(e) PROTECTION OF TRADE SECRETS. All information reported to or otherwise obtained by the Secretary or his representative pursuant to subsections (a), (b), or (c), which information contains or relates to a trade secret referred to in section 1905 of Title 18 of the United States Code shall be considered confidential for the purpose of that section, except that such information may be disclosed to other officers or employees concerned with carrying out this title or when relevant in any proceeding under this title. Nothing in this section shall authorize the withholding of information by the Secretary or any officer, employee, or agent under his control, from the duly authorized committees of the Congress.

ANNUAL REPORT

SEC. 213. (a) The Secretary shall prepare and submit to the President for transmittal to the Congress on June 15 of each year a comprehensive report on the administration of this title for the preceding calendar year. Such report shall include—

(1) a thorough compilation of the leak repairs, accidents, and casualties occurring in such year with a statement of cause whenever investigated and determined by the National Transportation Safety Board;

(2) a list of Federal hazardous liquid pipeline safety standards established or in effect in such year with identification of standards newly established during such year;

(3) a summary of the reasons for each waiver granted under section 204(f) during such year;

(4) an evaluation of the degree of observance of applicable safety standards for the transportation of hazardous liquids and pipeline facilities including a list of enforcement actions, and compromises of alleged violations by location and company name;

(5) a summary of outstanding problems confronting the administration of this title in order of priority;

6) an analysis and evaluation of research activities, including the policy implications thereof, completed as a result of Government and private sponsorship and technological progress for safety achieved during such year;

(7) a list, with a brief statement of the issues, of completed or pending judicial actions under the title;

(8) the extent to which technical information was disseminated to the scientific community and consumer-oriented information was made available to the public;

(9) a compilation of—

(A) certifications filed by State agencies under section 205(a) which were in effect during the preceding calendar year, and

(B) certifications filed under section 205 (a) which were rejected by the Secretary during the preceding calendar year, together with a summary of the reasons for such rejection; and

(10) a compilation of—

(A) agreements entered into with State agencies under section 205(b) which were in effect during the preceding calendar year, and

(B) agreements entered into under section 205(b) which were terminated by the Secretary during the preceding calendar year, together with a summary of the reasons for each such termination.

(b) The report required by subsection (a) shall contain such recommendations for additional legislation as the Secretary deems necessary to promote cooperation among the several States in the improvement of hazardous liquid pipeline safety programs.

(c) The Secretary is authorized to submit one annual report in satisfaction of the report requirements of this section and of section 13 under the Natural Gas Pipeline Safety Act of 1968, as amended.

CITIZENS CIVIL ACTION

SEC. 214. (a) Except as provided in subsection (b), any person may commence a civil action for mandatory or prohibitive injunctive relief, including interim equitable relief, against any other person (including any State, municipality, or other governmental entity to the extent permitted by the eleventh amendment to the Constitution, and the United States) who is alleged to be in violation of this title or of any order or regulation issued under this title. The district courts of the United States shall have jurisdiction over actions brought under this section, without regard to the amount in controversy or the citizenship of the parties.

(b) No civil action may be commenced under subsection (a) with respect to any alleged violation of this title or any order or regulation issued under this title—

(1) prior to the expiration of 60 days after the plaintiff has given notice of such alleged violation to the Secretary (or to the applicable State agency in the case of a State which has been certified under section 205(a) and in which the violation is alleged to have occurred), and to any person who is alleged to have committed such violation; or

(2) if the Secretary (or such State agency) has commenced and is diligently pursuing administrative proceedings or the Attorney General of the United States (or the chief law enforcement officer of such State) has commenced and is diligently pursuing judicial proceedings with respect to such alleged violation.

Notice under this subsection shall be given in such manner as the Secretary shall prescribe by regulation.

(c) In any action under subsection (a), the Secretary (with the concurrence of the Attorney General) or the Attorney General may intervene as a matter of right.

(d) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or at common law to seek enforcement of this title or any order or regulation under this title or to seek any other relief.

(e) In any action under this section the court may, in the interest of justice, award the costs of suit, including reasonable attorney's fees and reasonable expert witnesses fees, to a prevailing plaintiff. Such court may, in the interest of justice, award such costs to a prevailing defendant whenever such action is unreasonable, frivolous, or meritless. For purposes of this subsection, a reasonable attorney's fee is a fee (1) which is based upon (A) the actual time expended by an attorney in providing advice and other legal services in connection with representing a person in an action brought under this section, and (B) such reasonable expenses as may be incurred by the attorney in the provision of such services, and (2) which is computed at the rate prevailing for the provision of similar services with respect to actions brought in the court which is awarding such fee.

(f) For purposes of this section, a violation of any safety standard or practice of any State shall be deemed to be a violation of this title or of any order or regulation under this title only to the extent that such standard or practice is not more stringent than the comparable Federal safety standard.

CONFORMING AMENDMENTS

SEC. 215. (a) Section 112(c) of the Hazardous Materials Transportation Act (49 U.S.C. 1811(c)) is amended by striking out "Chapter 39 of Title 18, United States Code" and inserting in lieu thereof "the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. ——— et. seq.)

(b) Sections 831–835 of Chapter 39 of Title 18, United States Code are repealed.

EFFECTIVE DATE

SEC. 216. The provisions of this title shall take effect on the date of enactment.

SAVINGS PROVISIONS

SEC. 217. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges which have been issued, made, granted, or allowed to become effective under the provisions of Chapter 39 of Title 18, United States Code repealed by this title and which are in effect at the time this title takes effect, shall continue in effect as though issued, made, granted, or allowed to become effective under the authority of this title, according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary, by any court of competent jurisdiction, or by operation of law.

(b) Suits, actions, or other proceedings pending upon the date of enactment of this title shall not be affected by the provisions of this title and shall be completed as if this title had not been enacted, unless the Secretary makes a determination that the public safety otherwise require.

THE SECRETARY OF TRANSPORTATION,
Washington, D.C.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith is a bill:

"To improve the protections afforded the public against risks associated with the transportation of hazardous commodities by pipeline."

The bill contains two titles, one which amends the Natural Gas Pipeline Safety Act of 1968, and one which proposes new law for the safety regulation of hazardous liquid pipeline transportation.

TITLE I

The Natural Gas Pipeline Safety Act of 1968, as amended (49 U.S.C. 1671 et seq.) (NGPSA) provides the authority for the Department's current gas pipeline safety programs. We believe, after a decade of experience, that a more effective realization of the purposes of the NGPSA requires that Act to be amended as proposed in Title I of the enclosed bill.

Title I not only clarifies and updates existing provisions of the NGPSA (including authorizing appropriations to carry out the Department's pipeline safety programs during fiscal years 1980 and 1981), but also provides needed improvements in the Department's ability to assure that gas pipeline facilities are constructed and operated in a manner that minimizes the risks to life and property. The more important amendments will accomplish the following:

1. Clarify that pipeline facilities intended to be used for the transportation of gas are subject to the jurisdiction of the NGPSA. The NGPSA authorizes the Secretary to prescribe safety standards for, among other things, the design, installation, construction, initial inspection, and initial testing of pipeline facilities. However, some may question whether the Secretary can enforce (by civil penalty or otherwise) those standards prior to a facility being put into service. By broadening the definition of "pipeline facilities" in the NGPSA to include facilities "intended for use", the bill clarifies the Secretary's authority to ameliorate safety hazards associated with a nonoperating gas pipeline facility or one that is still under construction before it becomes operational and creates the potential for actual hazards.

2. Expressly provide the Secretary, in prescribing standards under the NGPSA, with discretionary authority to require that any construction associated with a new or existing pipeline facility not begin until he approves that construction. Approval would be contingent on compliance with applicable safety standards and such other terms and conditions as the Secretary determines are appropriate to assure compliance with such standards.

It has not been the practice of the Department to pass on whether facility design standards issued under the NGPSA are being complied with before construction of a facility begins. In recent years however, the environmental and safety concerns associated with the location, construction (including extension and replacement), and operation of certain major pipeline facilities, especially those used or intended for use in the import and export of liquefied natural gas, have led the Department to conclude that approval of facility design before construction begins is warranted in specific cases. Because some may question whether the NGPSA currently provides the Secretary with authority to delay construction pending his review and approval of facility design, it is proposed under Title I to expressly provide that authority.

Under the proposed amendment, the Secretary is given discretion in exercising this authority because of the realization that relatively few pipeline facilities warrant this kind of close scrutiny and the need to assure that commensurate safety benefits will be derived from the exercise of this authority. It is intended that the Secretary, in exercising this approval authority, will follow guidelines and procedures established through the rulemaking process, and do so expeditiously in order not to delay the construction of any badly needed energy facility.

3. Improve the enforcement and investigative powers of the Secretary by:

Amending the civil penalty collection procedure to permit the Secretary to go directly to a Federal Magistrate for collection of penalties up to $1,500.

Adding criminal penalties as a sanction against willful violation of the NGPSA or regulation or orders issued thereunder, and for willful destruction or attempted destruction of interstate gas transmission facilities.

Providing the Secretary with authority to issue orders directing compliance with the NGPSA or regulations issued thereunder.

Expressly providing the Secretary with authority to issue subpoenas and require production of property. The absence of such authority has frustrated, on several occasions, the Secretary's responsibility to expeditiously and effectively carry out gas pipeline compliance and accident investigations. For example, the Department has experienced operator reluctance and refusal to release property (usually a pipe segment) that the Department considers relevant to determining the cause of pipeline accidents.

4. Terminate, as unnecessary, the inspection and annual report requirements of sections 28(w)(3) and 28(w)(4) of the Mineral Leasing Act regarding pipeline facilities on Federal lands.

TITLE II

Title II of the enclosed bill proposes new law to provide the Department with improved tools to adequately carry out its safety regulatory responsibilities relating to the transportation of hazardous liquids by pipelines.

The Department currently regulates hazardous liquid pipelines under the Transportation of Explosives Act (18 U.S.C. 831–835) (TOEA). Unlike the NGPSA for gas pipelines, the TOEA was developed before the need for Federal pipeline safety law became evident. The TOEA was not written with pipeline safety in mind and in fact does not even use the word pipeline in its provisions, although it applies to pipelines because of its general applicability to hazardous materials transportation. The Department believes that effective improvement of the Secretary's liquid pipeline safety programs requires the enactment of legislation specifically pertaining to such programs.

The Department further believes that the safety regulation of hazardous liquid pipeline transportation would be best carried out within the same administrative and legal framework as the safety regulation of gas pipeline transportation. However, at present there are substantial differences between the framework under the TOEA for regulating hazardous liquid pipelines and that provided for by the NGPSA for gas pipelines. For example, the Department lacks jurisdiction under the TOEA to:

Regulate storage of hazardous liquids;

Regulate intrastate pipeline transportation of hazardous liquids; or

Impose civil penalties for violation of hazardous liquid pipeline safety standards.

Such administrative impediments do not exist for gas pipelines under the NGPSA.

Because the Department considers the NGPSA (as it is proposed to be amended under Title I) to be a comprehensive piece of legislation and believes that the same administrative and legal framework should be established for the safety regulation of both gas and hazardous liquid pipeline transportation, the new safety law for hazardous liquid pipeline transportation proposed in Title II is patterned very closely after the NGPSA as it is proposed to be amended under Title I of the bill.

It is the opinion of the Department that enactment of the proposed legislation would have no significant environmental or economic impact.

The Office of Management and Budget has advised that the enactment of the proposed legislation is consistent with the President's program.

Sincerely,

BROCK ADAMS.

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED "PIPELINE SAFETY ACT OF 1979"

TITLE I

Section 101. Section 101 of the bill provides that Title I of the proposed Act (hereinafter referred to as Title I) shall be cited as the "Natural Gas Pipeline Safety Act Amendments of 1979".

Section 102. Section 102 provides that the purpose of Title I is to amend the Natural Gas Pipeline Safety Act of 1968 (hereinafter referred to as the NGPSA) to more effectively realize the purposes of the NGPSA, especially as it relates to liquefied natural gas.

Section 103. Section 103 provides that, except as otherwise expressly provided, any references, or amendments made under Title I shall be considered references or/and amendments to provisions of the NGPSA.

Section 104. Section 104 amends several definitions in section 2 of the NGPSA.

While the applicability of the NGPSA has always extended to liquefied natural gas (LNG), the definition of "Gas" in section 2(2) does not expressly include LNG. For clarification only, section 2(2) is amended to expressly include LNG.

The term 'Pipeline facilities" is now defined in section 2(4) in terms of facilities "used in the transportation or treatment of gas". Section 104(b) will amend that definition to include facilities "intended for use" in the transportation or treatment of gas.

The NGPSA and existing liquid pipeline

safety legislation authorizes the Secretary to prescribe safety standards for, among other things, the design, installation, construction, initial inspection, and initial testing of pipeline facilities. However, as pointed up during construction of the Trans Alaska Pipeline, some initially questioned whether the Secretary can enforce (by civil penalty or otherwise) those standards prior to a facility being used in transportation. By broadening the definition of "pipeline facilities" in the NGPSA to include facilities "intended for use", the Secretary's authority to ameliorate safety hazards associated with a non-operating gas pipeline facility or one that is still under construction before it becomes operational and creates the potential for actual hazards, is clarified. The need for this clarification with regard to liquid pipeline facilities is addressed in Title II of the proposed Act. As under the present Act, nothing in this revised definition is intended to affect the authority of any other agency, derived from any other statute, with regard to the location of pipeline facilities.

Sections 2(8) and 2(9) are amended to reference the Federal Energy Regulatory Commission rather than the Federal Power Commission. This reflects organizational changes made by the Department of Energy Organization Act.

Section 105. Section 105(a) completely rewrites section 3 of the NGPSA in a manner that—

Deletes mandates under sections 3(a) and 3(b) that have expired by their own terms.

The mandates of sections 3(a) and 3(b) regarding establishment of interim and minimum standards within three and twenty-four months respectively, after enactment of the NGPSA are no longer applicable, in that the Secretary has long since complied with the mandates by publication of such standards in 49 CFR Parts 191 and 192.

Deletes, as unnecessary, the provisions under sections 3(c) and 3(d).

By requiring compliance with section 553 of Title 5, United States Code, including an opportunity for informal oral presentations, when issuing standards and granting waivers to standards under proposed sections 3(a) and 3(f), the rulemaking procedures required by existing sections 3 (c) and (d) are fully addressed.

Expressly provides the Secretary with preconstruction approval authority for pipeline facilities.

Proposed section 3(c) would expressly provide the Secretary, in prescribing standards under section 3, with discretionary authority to require that any construction associated with a new or existing pipeline facility not begin until he approves that construction. Approval would be contingent on compliance with applicable safety standards and such other terms and conditions as the Secretary determines are appropriate to assure compliance with such standards.

In implementing the NGPSA, the Secretary has promulgated standards for, among other things, the design of pipeline facilities. However, it has not been the practice of the Secretary to pass on whether these standards are being complied with before construction of a facility begins. In fact, some may question whether the NGPSA currently provides the Secretary with authority to delay construction pending his review of facility design. In recognition that the environmental and safety concerns associated with the location, construction (including extension and replacement), and operation of certain major pipeline facilities, especially those used or intended for use in the import and export of liquefied natural gas, may be shown to warrant specific approval of the facility design before construction of the facility begins, proposed section 3(c) expressly provides the Secretary with authority to require such approval.

The Secretary is given discretion in exercising this authority, as he has under the present Act, because of the need to assure that commensurate safety benefits will be derived from its exercise and because relatively few pipeline facilities warrant this kind of close scrutiny. It is expected that the Secretary, in exercising this approval authority, will follow guidelines and procedures established through the rulemaking process.

It should be noted that this amendment to the present law (to expressly provide DOT with this pre-construction authority) as well as all other amendments proposed by this legislation, will not prevent the Department of Energy (DOE) and the Federal Energy Regulatory Commission (FERC) from exercising all of its authority pursuant to the Natural Gas Act or other pertinent legislation.

Also, this amendment is not intended to create delays for the pipeline industry. As under the present Act, DOT will work to complete its pre-construction activities prior to the conclusion, if not the advent, of any DOE/FERC proceeding regarding a particular pipeline facility. Also, to further assure expeditious Federal review of pipeline facilities, DOT will work closely with DOE and FERC and will participate in DOE and FERC proceedings whenever appropriate. Lastly, DOT intends to take all steps to promote the development of cooperative agreements with DOE/FERC to assure the coordination of Federal pipeline safety activities.

Clarifies that safety standards generally applicable to new pipeline facilities, can be made applicable to existing facilities that are considered hazardous to life or property—

Existing section 3(b) provides, in part, that standards for design, installation, construction, initial inspection, and initial testing shall not be applicable to pipeline facilities in existence on the date it is adopted.

Proposed section 3(d) leaves this prohibition intact except when the Secretary, under the authority of proposed section 10(b), determines that an existing facility is hazardous to life or property (proposed section 10(b) incorporates the principal now addressed in the fourth sentence of existing section 3(b)).

While it can be argued that existing section 3(b), read as a whole, already provides this exception, it is appropriiate that the issue be clarified at this time.

Retains, in proposed subsections 3(a), 3(b), and 3(f), the existing section 3 provisions dealing with preemption, criteria for establishing standards, and procedures for granting waivers. An editorial change made to the procedures for granting waivers is worth mentioning. By expressly requiring that waivers be issued by order (this requirement is consistent with the intent of existing subsection 3(d) which this bill proposes to delete), it is made clear that operators who violate waiver conditions are subject to the enforcement provisions of the NGPSA. This change also makes clear that any person adversely affected or aggrieved by waiver issued under section 3(f) can take advantage of the judicial review provided for under section 6.

Incorporates without change the provisions of certain other NGPSA sections under section 3—

Sections 7, 13(b), 13(c), and 13(d) of the NGPSA, dealing with cooperation needed between the Secretary and other Federal agencies, State and local governments, and other public and private agencies or persons to carry out the purposes of the NGPSA, especially as it relates to development of and compliance with pipeline safety standards, are more appropriately addressed in section 3.

Section 105(b) amends the NGPSA by striking out sections 7 and 13. However, as stated above, the provisions of sections 7, 13(b), 13(c), and 13(d) are incorporated in proposed section 3. The redesignation of these sections is not intended to result in any change in the construction of their substantive language, or to in any way affect the authority of DOE and FERC under the National Gas Act or other pertinent legislation. The authorities of the Secretary regarding research, development, testing, and training, that are currently addressed in section 13(a) are incorporated in proposed section 12 entitled Powers and Duties of the Secretary.

Section 106. Section 106 repeals section 4 of the NGPSA, abolishing the Technical Pipeline Safety Standards Committee.

In March of 1977, the Department of Transportation conducted an extensive review of all of its 30 then existing advisory committees. The review was done as part of a government-wide zero-based analysis of advisory committees required by the President. The Department of Transportation concluded that the technical pipeline safety advisory committee should be abolished for the following reasons:

1. That the advisory committee's responsibilities and membership permitted certain industry representatives to have an advantage in shaping DOT regulations. It was felt that this "preemptive" ability to influence government decisions on sensitive safety regulations was improper;

2. It was determined that DOT had the in-house expertise to be able to write safety regulations without having to call upon members of the pipeline industry at an early drafting stage. However, it was recognized that at the time the advisory committee was established DOT may not have had this expertise and, therefore, the advisory committees' technical assistance was needed; and

3. There are appropriate public procedures through the regulatory process (NPRMs, public hearings, conferences, Federal Register notices) which permit industry representatives to fully express their views and concerns about safety regulations.

Section 107. Section 107 amends section 5 of the NGPSA in several ways. Section 107 (a) (1) amends the opening language of section 5(a) to more accurately reflect the intent of the NGPSA that, with certain exceptions, pipeline facilities subject to a section 5(a) State jurisdiction are not subject to Federal regulation and enforcement.

Section 107(a) (2) amends section 5(a) (4) to require State agencies certified under section 5 to encourage and promote programs to prevent damage to pipeline facilities as a consequence of demolition, excavation, tunneling, or construction activities. The existing language only addresses damages resulting from excavation activity.

Section 107(a) (3) makes editorial changes to section numbers in section 5(a) (5).

Section 107(a) (4) deletes language in section 5(a) (5) which has expired by its own terms.

Section 107(a) (5) proposes to amend the reporting and investigation requirements imposed on State agencies certified under section 5 of the NGPSA. Currently, under section 5(a) (5) (ii), State agencies investigate and report on accidents or incidents involving personal injury resulting in hospitalization, fatality, or property damage exceeding $1,000. The proposed amendment increases the level of property damage required to trigger the State reporting requirement to $5,000 (whether or not such damage was sustained by a person subject to the safety jurisdiction of the State agency). In addition, the State agency would be required, notwithstanding the extent of injury to persons or property, to investigate and report on any accident which the agency considers significant.

The increase to $5,000 more accurately reflects the extent of property damage considered serious enough to require the commitment of limited State agency resources to completing required investigations and reports. The added parenthetical clarifies that State agencies are to accurately report the full extent of property damage as opposed to only that damage suffered by a pipeline operator. The added requirement that State agencies investigate and report any accident which the agency considers significant assures that the Department will not fail to receive useful data on significant accidents that do not result in serious person injury, fatality, or extensive property damage.

Section 107(b) deletes sections 5(b)(3) and 5(b)(4) of the NGPSA. Deleting paragraph (3) is proposed to reflect the fact that State agencies working with the Secretary under a section 5(b) agreement are not involved in a compliance program beyond carrying out inspection activities. The closing sentence in existing section 5(b), which is retained here, expressly provides that if a violation or probable violation of Federal standards is discovered by such inspection, the 5(b) State agency is to notify the Secretary who will then pursue the appropriate compliance action. Because of that mandated procedure and because existing section 5(b)(1) already requires the establishment of an inspection program, paragraph (3) need not be retained.

While paragraph (4), dealing with Federal monitoring of State programs, is deleted from section 5(b), the authority for such monitoring is addressed in proposed new section 5(c).

Section 107(c) proposes to add a new section 5(c) dealing with the Secretary's authority to monitor State programs. This new section incorporates the provisions of existing section 5(b)(4) and appropriate portions of existing section 12(b). Existing sections 5(c)–5(e) are redesignated to reflect the addition of new section 5(c). Also, existing section 5(f) has expired by its own terms and has been deleted.

Section 108. Section 108(a) amends the NGPSA by redesignating section 8 as section 7; by deleting sections 9 and 10; and by adding new sections 8, 9, and 10.

The redesignation of section 8 reflects the incorporation of section 7 provisions in proposed section 3(g).

The enforcement authorities under proposed new sections 8, 9, and 10 are not to suggest that the authorities under existing sections 9 and 10 are wholly inadequate, but rather that existing authorities need to be simplified in their presentation, clarified, and expanded upon.

Proposed section 8(a), except for certain editorial changes, provides for assessment of civil penalties in the same manner as existing section 9(a).

Proposed sections 8(b) and 8(c) establish procedures for the collection of civil penalties. If the Secretary is unable to collect a civil penalty through compromise, the Secretary may refer the matter for collection of the penalty, depending on the amount, either to the Attorney General for district court action or directly to a Federal Magistrate. Authority for the Secretary to go directly to the Federal Magistrate for collection of relatively small penalties (up to $1,500) is proposed in recognition of the already strained resources of the Department of Justice and the understandable reluctance by Justice to commit those resources to cases that, when viewed individually, are not considered significant in nature.

Proposed section 8(d) provides new criminal penalties for willful violation of the NGPSA or regulations or orders issued thereunder, and for willful destruction or attempted destruction of interstate gas transmission facilities. For the former offense, a person would be subject to a fine of not more than $25,000 or imprisonment for not more than 5 years, or both. For the latter offense, a person would be subject to a fine of not more than $15,000 or imprisonment for not more than 15 years, or both. The addition of criminal penalties gives recognition to those situations that require more onerous sanctions than civil penalties.

Proposed new section 9 authorizes the Secretary to issue orders directing compliance with the NGPSA or regulations issued thereunder. Upon petition by the Attorney General, the United States district courts can enforce such orders by appropriate means.

It is recognized that in certain situations the issuance of a compliance order would be more effective than the assessment of monetary penalties in ultimately achieving compliance with the NGPSA or regulations issued thereunder. The following are examples of such situations.

When an otherwise appropriate civil penalty may be too burdensome on the alleged violator. The burden may be created when the violator must pay both the penalty and the cost necessary to achieve compliance, which may result in a substantial risk that he may be put out of business. Most typically, this situation arises with gas distribution systems owned and operated by small municipalities located in the south and southwestern U.S.

In cases where the evidence does not warrant or fully support a civil penalty, issuance of a compliance order permits the formal establishment of a precise description of the noncompliance or violation and provides the evidentiary framework for follow-up inspections. Failure to meet the terms of the compliance order could lead to a more supportable civil penalty assessment or Government action to seek court enforcement of the terms.

As a method of closing out old cases, which because of their age may take them unacceptable to the U.S. Attorney's office for prosecution, the compliance order enables the Government to recognize violations and impose formal sanctions of record thereon.

Section 107 also proposes a new section 10. Proposed section 10(a) provides the means by which the Secretary can seek equitable relief to redress or restrain a violation by any person of a provision of the NGPSA or a regulation issued thereunder. The Attorney General, at the request of the Secretary, may bring such an action in an appropriate United States district court, with such courts having jurisdiction to determine the action and grant whatever relief is necessary or appropriate, including mandatory or prohibitive injunctive relief, interim equitable relief, and punitive damages. This goes beyond the existing specific relief provision (section 10(a)) of the NGPSA that only provides for injunctive relief to restrain violations of the Act or regulations issued under the Act. Like existing section 10(b), proposed section 10(a) assures any person charged with criminal contempt for violation of a mandatory or prohibitive injunction to demand a trial by jury. The matters addressed in existing sections 10(c) and (d) are provided for by the Federal Rules of Civil Procedure and are therefore not included in proposed section 10(a).

Proposed section 10(b) provides that if the Secretary finds after reasonable notice and an opportunity for hearing that any pipeline facility is hazardous to life or property he shall by order, require the person operating the facility to take necessary corrective action, including suspended or restricted use of the facility, physical inspection, testing, repair, replacement, or other action, as appropriate. The Secretary may waive notice and opportunity for hearing and provide for expeditious issuance of an order in any case in which he determines that the failure to do so would result in the likelihood of serious harm to life or property.

"However, consistent with practice under the present Act, the Secretary would, when time permits, consult with other affected agencies before issuing an order."

Currently, the authority of the Secretary to remedy hazardous facilities is found in section 3(b) of the NGPSA. Proposed section 10(b) expands the current language by adding the requirement for notice and hearing, by spelling out the kinds of corrective action the Secretary may require, and by providing district courts with the jurisdiction, upon petition by the Attorney General, to enforce orders requiring corrective action.

Section 108(b) of Title I amends section 6 of the NGPSA to clarify that the opportunity for judicial review made to persons adversely affected or aggrieved by an order issued under the NGPSA is also available to persons adversely affected or aggrieved by a standard issued under the NGPSA.

Section 109. Section 109 amends section 12 of the NGPSA by rearranging, clarifying and expanding on the current administrative powers and duties of the Secretary under sections 12 and 13(a).

Proposed section 12(a) auhorizes the Secretary, to the extent necessary to carry out his responsibilities, to conduct investigations, make reports, issue subpoenas, conduct hearings, require the production of relevant documents, records, and property, take depositions, and conduct directly or indirectly, research, testing, development, demonstration, and training activities. The addition of authority to issue subpoenas and require production of property is in recognition that such authority is needed to effectively carry out compliance and accident investigation activities. The authority to conduct, research, testing, development and training activities is currently addressed in section 13(a) of the NGPSA.

Proposed section 12(b) incorporates, with minor changes, the language in existing section 12(a) pertaining to the obligation of persons engaged in the transportation of gas or who own or operate pipeline facilities to establish, maintain, and make available, records, reports, and other information that the Secretary considers necessary to determine whether such persons have acted or are acting in compliance with the NGPSA and the standards or orders issued under the NGPSA.

Proposed section 12(c) combines, in one section, the current authority of the Secretary under existing sections 12(a) and 12(b) to inspect records and facilities.

Section 12 is further amended by redesignating existing sections 12(c) and 12(d) as sections 12(d) and 12(e) respectively.

Section 110. Section 110 amends section 15 of the NGPSA by redesignating it as section 14 and by authorizing appropriations for fiscal years ending September 30 1980 and September 30, 1981, such sums as may be necessary to carry out the provisions of both the NGPSA and the Hazardous Liquid Pipeline Safety Act of 1979 (Title II of the enclosed bill). This is consistent with past practice whereby the Department uses the authorization authority of the NGPSA to support both the gas and liquids pipeline safety programs. A separate appropriation is authorized to carry out the Federal grants-in-aid provisions of section 5(d) (as redesignated) of the NGPSA.

Section 111. Section 111 contains amendments of a clerical and conforming nature. Two are of some significance:

The date for submittal of the Annual Report under section 14 (redesignated as section 13) of the NGPSA is changed from

March 17 to June 15 to permit sufficient time for the collection and development of data and the processing coordination, and printing of the Report.

The Mineral Leasing Act of 1920, as amended (30 U.S.C. 185) is amended by striking out sections 28(w)(3) and 28(w)(4). Sections 28(w)(3) and (4) read as follows:

"(3) Periodically, but at least once a year, the Secretary of the Department of Transportation shall cause the examination of all pipelines and associated facilities on Federal lands and shall cause the prompt reporting of any potential leaks or safety problems.

(4) The Secretary of the Department of Transportation shall report annually to the President, the Congress, the Secretary of the Interior, and the Interstate Commerce Commission any potential dangers of or actual explosions, or potential or actual spillage on Federal lands and shall include in such report a statement of corrective action taken to prevent such explosion or spillage."

Under these provisions, the responsibility of the Secretary runs to all pipelines on Federal lands whether they be owned or operated by private operators or by Federal agencies.

For pipeline facilities on Federal lands owned or operated by private operators or carriers, the examination and reporting required by section 28(w)(3) and the information sought by the report required by section 28(w)(4) is already carried out or provided for under the mandates of other Federal law and regulation. Federal gas and liquid pipeline safety regulations (contained in 49 CFR Parts 191, 192, and 195), which are applicable to private operators or carriers but not Federal agencies, require the annual examination of and reporting on all privately owned or operated pipeline facilities, including those on Federal lands. In addition, the regulations require prompt reporting and correction of significant failures associated with such facilities. While required reports do not presently differentiate between facilities on Federal and non-Federal lands, the Department of Transportation has already instituted rulemaking to require such a differentiation. It is expected that this rulemaking will become final in April of this year.

Information from the above reports and from other sources is used to develop the Annual Report for gas pipelines required by section 14 of the NGPSA. This report has, since 1974, included relevant data on liquid pipelines regulated under the authority of the Transportation of Explosives Act (18 U.S.C. 831–835).

By viewing the inspection and reporting required by regulation together with the Annual Report required by the NGPSA, it becomes apparent that the matters currently or soon to be addressed by these requirements are substantially the same matters addressed by sections 28(w)(3) and 28(w)(4) of the Mineral Leasing Act, to the extent those sections relate to privately owned or operated pipeline facilities.

Neither the NGPSA or the Transportation of Explosives Act, or the regulations issued those Acts apply to pipeline facilities owned or operated by Federal agencies. However, after submitting four annual reports regarding Federally-owned or operated facilities under the requirement of section 28(w)(4), the Department of Transportation believes that the commitment of Federal resources necessary to develop such annual reports is not justified by the safety benefits derived from such reports.

The only Federal agencies that own and operate pipeline facilities on Federal lands are the General Services Administration and the Department of Defense (DOD). The pipelines owned or operated by these agencies total approximately 5,500 miles of which approximately 5,000 miles is under the control of DOD. Information received from these agencies over the past four years indicate that there is little or no safety problem with these pipelines. Furthermore, the DOD estimated in 1975 that it would cost them approximately $400,000 annually to gather and report the information on these pipelines in support of DOT's obligation to meet the requirements of sections 28(w)(3) and 28(w)(4).

The 5,500 miles of Federally controlled pipeline on Federal lands are insignificant when compared with approximately 1,750,000 miles of privately owned or operated hazardous gas and liquid pipelines in this country over which DOT has safety jurisdiction. Because of the insignificant amount of Federally owned or operated pipelines, and the absence of any significant safety problems on those pipelines, DOT believes that the considerable costs associated with complying with sections 28(w)(3) and 28(w)(4) of the Mineral Leasing Act are not commensurate with the safety benefits derived from that exercise.

TITLE II

Section 201. Section 201 of the bill provides that Title II of the proposed Act (hereinafter referred to as Title II) shall be cited as the "Hazardous Liquid Pipeline Safety Act of 1979".

Section 202. Section 202 provides that the purpose of Title II is to improve the ability of the Secretary of Transportation to protect the Nation adequately against the risks to life and property which are inherent in the transportation of hazardous liquids by pipeline in or affecting interstate or foreign commerce. The Secretary presently regulates hazardous liquid pipelines under the Transportation of Explosives Act (18 U.S.C. 831–835) (TOEA) which was developed before the need for pipeline safety became evident. The TOEA was not written with pipeline safety in mind and in fact does not even use the word pipeline in its provisions.

Title II section:	Section of NGPSA, as amended by title I
204 parallels	3
206 parallels	6
207 parallels	7
208 parallels	8
209 parallels	9
210 parallels	10
211 parallels	11
212 parallels	12
213 parallels	13
214 parallels	16

The analysis of sections 204 and 206–214 will correspond to the analysis of those NGPSA sections, and therefore, need not be repeated here. The remaining sections under Title II (sections 203, 205, 215, 216, and 217) are discussed below.

Section 203. Section 203 contains definitions which describe the persons, hazardous liquids, transportation, and facilities covered.

Persons covered

Each person who engages in the transportation of hazardous liquids or who owns or operates pipeline facilities comes within the jurisdiction of Title II. The jurisdiction extends to operations of public bodies, but it is not intended that the provisions apply to Federally operated facilities, including the military.

Hazardous liquids covered

Hazardous liquid is defined as meaning a substance or material in liquid form (excluding liquefied natural gas) which may pose an unreasonable risk to life or property when transported by pipeline facilities. While hazardous liquid is defined to expressly include petroleum, petroleum products, and any other liquid that is flammable, corrosive, or toxic, it is intended that the Secretary have the authority to classify, by regulation, other liquids as hazardous if it meets the risk criteria stated above. This definition is consistent with current authority under the TOEA and regulations issued thereunder.

Transportation covered

The term "transportation of hazardous liquids" is defined as the movement of hazardous liquid by pipeline or its storage in or affecting interstate or foreign commerce.

In the NGPSA, the "transportation of gas" is defined in terms of the gathering, transmission or distribution of gas by pipeline or its storage. However, those terms are not fully applicable to hazardous liquid transportation. For instance, there are no pipeline distribution systems for hazardous liquids. The phrase "movement . . . by pipeline", in proposed section 203 is intended to mean all aspects of any pipeline transportation in or affecting interstate commerce. It should be noted that storage of hazardous liquid in or affecting interstate commerce is included in the coverage of Title II. However, as under the NGPSA, it is not intended that safety authority over storage facilities extend to storage in marine vessels.

Pipeline facilities covered

The term "pipeline facilities" is defined to include any new or existing pipe, rights-of-way, and equipment, facilities, or buildings used or intended to be used in the transportation of hazardous liquids or the treatment of hazardous liquids during the course of transportation. There is a qualification contained in this definition which provides that the term "rights-of-way" does not authorize the Secretary to prescribe the location or routing of any pipeline facility.

The term "interstate pipeline facility" is defined to include pipeline facilities that, either on their own or by connection with other pipeline facilities, are used to move hazardous liquids in interstate or foreign commerce. It is intended that an intrastate pipeline facility be classed as an interstate pipeline facility if it is physically part of a pipeline system that moves hazardous liquids in interstate or foreign commerce.

The term "intrastate pipeline facility" is defined to mean those facilities which are not "interstate pipeline facilities".

Other definitions

Other definitions are included in this section covering what is meant by "interstate or foreign commerce"; "State" (includes District of Columbia and the Commonwealth of Puerto Rico); and "Secretary".

Section 205. In the belief that States could effectively assist the Department in carrying out its hazardous liquid pipeline safety responsibilities, section 205 provides States with the opportunity to exercise safety authority over intrastate hazardous liquid pipeline facilities similar to that which currently exists under the NGPSA for intrastate gas pipeline facilities. However, unlike the NGPSA, section 205 does not establish a Federal grant-in-aid program to assist the States in carrying out those safety activities.

Section 215. Section 215 provides for conforming amendments to other laws.

If Title II of this bill becomes law, the Transportation of Explosives Act (18 U.S.C. 831–835), which currently authorizes the Secretary's hazardous liquid pipeline safety programs, will no longer be utilized. Because of that and because hazardous liquid pipelines are the only mode of transportation still regulated under the TOEA, section 215 proposes the repeal of sections 831–835 of Chapter 39 of Title 18, United States Code.

Section 215 also proposes to amend section 112(c) of the Hazardous Materials Transportation Act (49 U.S.C. 1811(c)) (HMTA) to reflect the repeal of the TOEA. Section 112(c) excepts pipelines regulated under the TOEA from the provisions of the HMTA. Because hazardous liquid pipelines are proposed to be regulated under the provisions of Title II, it is proposed to replace the reference to the TOEA in section 112(c) with a reference to Title II.

Section 216. Section 216 provides that Title II shall take effect on the date of enactment.

Section 217. While section 215 of Title II proposes to repeal sections 831–835 of Chapter 39 of Title 18, U.S.C., it is necessary to provide continuity for the hazardous liquid pipeline safety programs being carried out under the authority of those sections. Section 217(a) provides that all orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges which have been issued, made, granted, or allowed to become effective under sections 831–835, which are in effect at the time Title II takes effect, shall continue in effect as though issued, made, granted, or allowed to become effective under the authority of Title II, according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary, by any court of competent jurisdiction, or by operation of law.

Section 217(b) provides that judicial and quasi-judicial proceedings pending upon the date of enactment of Title II be completed as if Title II had not been enacted, unless the Secretary makes a determination that the public safety otherwise require.

NOTICE OF PROPOSED RULEMAKING ON NEW FEDERAL SAFETY STANDARDS FOR LIQUEFIED NATURAL GAS FACILITIES

The NPRM (Docket OPSO-46, Notice 4), issued February 5, 1979, proposes establishment of a set of comprehensive Federal safety standards governing siting, design, and construction of new LNG facilities and parts of existing facilities that are replaced, relocated, or significantly altered.

Standards for operation, maintenance, and security of new and existing LNG facilities will be proposed in a separate NPRM to be issued in March 1979.

Current DOT standards for LNG facilities consist of an incorporation by reference of the 1972 edition of National Fire Protection Association Standards No. 59A.

The NPRM proposes a number of significant changes to the current standards. The new standards would require:

Use of greater land area to protect nearby populations against heat radiating from a fire at the facility site.

Use of greater land area or an ignition system to protect surrounding populations against the hazards of a gas cloud traveling downwind from an LNG spill.

More detailed geological investigation of a proposed site (based on Nuclear Regulatory Commission standards.)

Stronger design of storage tanks, dikes, and other critical components to guard against the effects of earthquakes, flooding, and high winds. Facilities would be prohibited in active seismic areas.

Better design of impounding systems (diked areas) to contain a major spill of LNG.

More stringent storage tank design and testing to minimize the possibility of a catastrophic failure.

New construction procedures, qualification of construction personnel, and testing control systems.

Annualized costs projected over the next 20 years, based on existing facility designs and sites, range from $29 million to $54 million per year, depending on the number of facilities to be built (between 6 and 64 facilities.) Costs could be reduced below these levels by using available design and siting options, and would be significantly lower ($6 million per year for minimum case) if an operator does not purchase or lease land to provide a safe vapor dispersion zone. (A zone could be provided by local government land controls, or alternatively where a zone is impractical, safety may be provided by an approved ignition system.)

By Mr. CANNON:

S. 412. A bill to amend the Internal Revenue Code of 1954 to provide a reduction in the taxes imposed on the transportation of persons and property by air; to the Committee on Finance.

AIR TRANSPORTATION TAX REDUCTION ACT OF 1979

Mr. CANNON. Mr. President, today I have the extreme pleasure of introducing a tax reduction bill which will provide air travelers with lower fares without any concomitant belt tightening of needed aviation improvements. This luxury is possible because of the over $2 billion surplus in the airport and airway trust fund.

I am hopeful that the Committee on Finance will give expeditious consideration to this tax relief measure.

By Mr. CANNON (for himself, Mr. INOUYE, Mr. EXON, and Mr. GOLDWATER):

S. 413. A bill to provide assistance to airport operators to prepare and carry out noise compatiblity programs, to provide assistance to assure continued safety in aviation, to provide assistance to aircraft operators to aid them in complying with noise standards, and for other purposes; to the Committee on Commerce, Science, and Transportation.

AVIATION SAFETY AND NOISE ABATEMENT ACT OF 1979

Mr. CANNON. Mr. President, I am pleased today to introduce on behalf of Senators INOUYE, EXON, GOLDWATER, and myself the Aviation Safety and Noise Abatement Act of 1979. As I told my colleagues last week this bill is a sorely needed piece of legislation from two perspectives. First we must move to improve the level of aviation safety at both major airports and the smaller fields which feed traffic to major hubs. Second we must begin a Federal effort to provide meaningful relief to the 7 million Americans who are severly impacted by aircraft noise.

This bill attacks the aviation safety problems with modest funding increases for airport development and navigational aids. Last year's tragedy in San Diego underscored the need to improve reliever airports for general aviation aircraft and the need to accelerate the introduction of more sophisticated navaids at major terminal airports.

I remind my colleagues concerned with the budget impact of any program that the funds being spent in this bill come from the airport and airway trust fund. This fund is fed by user taxes; has always enjoyed a surplus of revenues over expenditures; and currently enjoys an unobligated surplus of over $2 billion. Inflation, in fact, is fueled by the existence of this surplus due to the interest (over $100 million per year) which the General Treasury is required to pay the fund.

To go one step further, I stand ready to reduce the budget impact of this bill to zero by adding a provision authorizing the use of trust fund moneys for FAA's agency's draw on General Treasury funds. However, in return for such an amendment I seek an assurance from the administration that it will support this bill and its safety improvements. Too often in the past administrations have sought to fund operation of FAA at the expense of needed safety improvements. I am willing to meet both goals, but not one at the expense of the other.

The second important purpose of this bill is to begin addressing the noise problem which exists around many of our major and small airports. The bill provides a two-pronged attack on the problem by assisting airport operators on land acquisition, and by improving the level of aircraft noise relief established under the FAR 36. Title I in the bill provides planning and acquisition funds for airport operators willing to implement landside compatibility programs. Title III of the bill makes improvements on the current noise regulation by encouraging replacement with newest, quietest technology aircraft in lieu of retrofitting existing aircraft to achieve a meaningless noise reduction. While the current noise regulation has a number of glaring deficiencies perhaps the most absurd is that one jet aircraft which does not meet FAR–36 can be replaced with a new jet which does, and yet the new jet can be noisier than the older airplane. Therefore, a reasonable man might ask, Why not permit the older aircraft to continue operating rather than forcing inefficient and meaningless retrofit of the aircraft?

Title III of this bill seeks to bring some rationality to the noise rule. This title also provides standby authority for the CAB to impose a ticket surcharge in the unlikely event that airline profits nosedive to the point that the airlines cannot meet the noise regulation. Implementation and adjustment of the charge are left up to the CAB. This section is an insurance policy for compliance with the noise rule, whatever its final form.

This bill is a needed piece of legislation which will improve safety, reduce aircraft noise impact, improve the noise rule, and provide an assurance that a rational noise rule will be met. And, of equal importance in these economic times, these meritorious improvements will be made at no cost to the general taxpayer or the traveling public.

In conclusion, I wish to note the cooperation of the House Public Works Committee in developing this legislation. We have worked closely with the House committee during the recess so that we may hopefully introduce compatible legislation. This bill addresses two problems which cannot wait for leisurely resolution. I thank the House Public Works for their cooperation and constructive input.

Mr. President, I thank the Senator for yielding to me.

I thank the Senator from Pennsylvania.

By Mr. BAYH (for himself, Mr. Dole, Mr. Bellmon, Mr. Cochran, Mr. DeConcini, Mr. Garn, Mr. Hatch, Mr. Hatfield, Mr. Lugar, Mr. Mathias, Mr. Matsunaga, Mr. McGovern, Mr. Metzenbaum, Mr. Schmitt, and Mr. Thurmond):

S. 414. A bill to amend title 35 of the United States Code, to establish a uniform Federal patent procedure for small businesses and nonprofit organizations, to create a consistent policy and procedure concerning patentability of inventions made with Federal assistance, and for other purposes; to the Committee on the Judiciary.

UNIVERSITY AND SMALL BUSINESS PATENT PROCEDURES ACT

● Mr. BAYH. Mr. President, today I am pleased to be reintroducing, along with my very able colleague from Kansas, Senator Bob Dole, the University and Small Business Patent Procedures Act. As my colleagues know, we introduced similar legislation late last year which received substantial bipartisan support in the last Congress. I am pleased that our colleagues Senators Bellmon, DeConcini, Garn, Hatch, Hatfield, Lugar, Mathias, Matsunaga, McGovern, Metzenbaum, Schmitt, and Thurmond have joined as cosponsors of this bill.

Lately there has been a great deal of evidence that America is falling behind in its traditional role of international leadership in technological innovation. Some examples of this disturbing trend are the facts that—

Importation of foreign manufactured goods are second only to foreign oil imports as the biggest drain on U.S. dollars. In the first half of 1978 we suffered a $14.9 billion deficit on this importation;

The number of patents issued each year has steadily declined since 1971;

The number of U.S. patents granted to foreigners has risen since 1973 and now accounts for 35 percent of all patents filed in the United States;

Investment in research and development over the past 10 years, in constant dollars, has failed to increase;

American productivity is growing at a much slower rate than that of our free world competitors;

Small businesses, which have compiled a very impressive record in technological innovation, are receiving a distressingly low percentage of Federal research and development money;

The number of patentable inventions made under federally supported research has been in a steady decline.

There are a number of theories on the cause of this trend, but one area where progress could be made immediately is with inventions arising from federally supported university and small business research.

The bill that we are introducing strikes a careful balance between the rights of the Federal Government to use for itself and the public good inventions arising out of research that the Federal Government helps to support, and the equally important rights of the inventor and the public to see that the inventions receive their full potential in the marketplace and reach the people they may benefit. This bill will allow universities, nonprofit organizations, and small businesses to obtain limited patent protection on discoveries they have made under Government-supported research, if they spend the additional private resources necessary to bring their discoveries to the public. Experience has shown that unless inventors, universities, small businesses, and the private sector generally are given sufficient incentives to work together and bring inventions to the public, new technology is likely to languish.

The problem is substantial in HEW, the Department of Energy, the Department of Agriculture, and the National Science Foundation. But this problem is especially serious in the field of biomedical research programs where delays by the agencies in granting patent waivers for new drugs and processes have condemned many people to needless suffering. Unless universities and small businesses receive the rights to retain patent rights on these inventions, valuable discoveries wind up wasting away on the funding agency's shelves benefiting no one.

The Departments of Energy and HEW frequently take months, and in some cases even years, to review these petitions for patent rights. Many inventions could make singificant contributions to the health and welfare needs of our country if they were utilized. When the Government decides to retain patent rights on these inventions there is a very great chance that they will never be developed. Of the 30,000 patents that the Government presently holds, less than 4 percent are ever successfully licensed. This is very little return on the billions of dollars that we spend every year on research and development.

Another problem that this legislation addresses is the distressingly low percentage of Federal research money that goes to small businesses. The Office of Management and Budget released a study which said that firms with 1,000 employees or less are credited with almost half of the industrial innovations made between 1953 and 1973. This same study estimated that 16 small technology firms created 25,558 jobs for American workers during this 20-year period. In light of these facts it is very disturbing to me that small business receives less than 4 percent of the Federal research and development expenditure. One major reason that many of these innovative small companies have avoided Federal grants is the uncertainty over whether or not they will be allowed to retain patent rights on resulting inventions. The University and Small Business Patent Procedures Act would end this uncertainty.

I hope that my colleagues in the Senate will give this bill very serious consideration and will join us in supporting this important legislation. I would also like publicly to thank the many patent experts and organizations who submitted suggested improvements in the bill during the recess and who have enabled us to introduce a much improved piece of legislation this year.

I would like to ask for unanimous consent to include in the Record the text of the bill, along with the following materials at the conclusion of my remarks:

A section-by-section analysis of the bill.

An editorial which appeared in the November 17, 1978, Science magazine entitled "Science in the Political Economy."

My letter to the editor of Science which appeared in the January 12, 1979, issue.

An editorial which appeared in the June 30, 1978, Science magazine entitled "Patent Policy Versus Innovation."

An article by Mr. Sheldon E. Steinbach, "Establishing an Equitable Patent Policy," which explains the unique problems of university research.

A report to the Office of Management and Budget entitled "Small Firms and Federal Research and Development" which details the contributions that small businesses could make to innovation and suggestions for getting more small businesses involved in federally supported research.

And finally, two articles from the Washington Post, "Waning of Innovation Is Seen" which appeared on November 11, 1978, and "U.S. Seen Losing Technological Edge in Some Industries," which appeared on November 24, 1978.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

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Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "University and Small Business Patent Procedures Act".

Sec. 2. Amendments of Title 35, United States Code, Patents.—Title 35 of the United States Code is amended by adding after chapter 17, a new chapter as follows:

"Chapter. 18.—PATENTABILITY OF INVENTIONS MADE WITH FEDERAL ASSISTANCE

"Sec.
"200. Policy and objective.
"201. Definitions.
"202. Disposition of rights.
"203. March-in rights.
"204. Return of Government investment.
"205. Preference for United States industry.
"206. Confidentially.
"207. Uniform clauses.
"208. Domestic and foreign protection of federally owned inventions.
"209. Regulations governing Federal licensing.
"210. Coordination of Federal licensing practices.
"211. Restrictions on licensing of federally owned inventions.
"212. Precedence of chapter.
"213. Relationship to antitrust laws.

"Sec. 200. Policy and Objective.—It is the policy and objective of the Congress to use the patent system to promote the utilization of inventions arising from federally supported research or development; to encourage maximum participation of small business firms in federally supported research and development efforts; to promote collaboration between commercial concerns and nonprofit organizations, including universities; to ensure that inventions made by non-profit organizations and small business firms are used in a manner to promote free competition and enterprise; to promote the commercialization and public availability of inventions made in the United States by United States industry and labor; to ensure that the Government obtains sufficient rights in federally supported inventions to meet the needs of the Government and protect the public against nonuse or unreasonable use of inventions; and to minimize the costs of administering policies in this area.

"SEC. 201. DEFINITIONS.—As used in this chapter—

"(a) The term 'Federal agency' means any executive agency as defined in section 105 of title 5, United States Code, and the military departments as defined by section 102 of title 5, United States Code.

"(b) The term 'funding agreement' means any contract, grant, or cooperative agreement entered into between any Federal agency and any person for the performance of experimental, developmental, or research work funded in whole or in part by the Federal Government. Such term includes any assignment, substitution of parties, or subcontract of any type entered into for the performance of experimental, developmental, or research work under a funding agreement as herein defined.

"(c) The term 'contractor' means any person that is a party to funding agreement.

"(d) The term 'invention' means any invention or discovery which is or may be patentable or otherwise protectable under this title.

"(e) The term 'subject invention' means any invention of the contractor conceived or first actually reduced to practice in the performance of work under a funding agreement.

"(f) The term 'practical application' means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are to the extent permitted by law or Government regulations available to the public on reasonable terms.

"(g) The term 'made' when used in relation to any invention means the conception or first actual reduction to practice of such invention.

"(h) The term 'small business firm' means a small business concern as defined at section 2 of Public Law 85–536 (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration.

"(i) The term 'nonprofit organization' means universities and other institutions of higher education or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)) and exempt from taxation under section 501(a) of the Internal Revenue Code (26 U.S.C. 501(a)).

"SEC. 202. DISPOSITION OF RIGHTS.—(a) Each nonprofit organization or small business firm may, within a reasonable time after disclosure as required by paragraph (c)(1) of this section, elect to retain title to any subject invention: *Provided, however,* That a funding agreement may provide otherwise (i) when the subject invention is made under a contract for the operation of a Government-owned research or production facility, or (ii) in exceptional circumstances when it is determined by the agency that restriction or elimination of the right to retain title to any subject invention will better promote the policy and objectives of this chapter. The rights of the nonprofit organization or small business firm shall be subject to the provisions of paragraph (c) of this section and the other provisions of this chapter.

"(b)(1) Any determination under (ii) of paragraph (a) of this section shall be in writing and accompanied by a written statement of facts justifying the determination. A copy of each such determination and justification shall be sent to the Comptroller General of the United States within thirty days after the award of the applicable funding agreement. In the case of determinations applicable to funding agreements with small business firms copies shall also be sent to the Chief Counsel for Advocacy of the Small Business Administration.

"(2) If the Comptroller General believes that any pattern of determinations by a Federal agency is contrary to the policy and objectives of this chapter or that an agency's policies or practices are otherwise not in conformance with this chapter, the Comptroller General shall so advise the head of the agency. The head of the agency shall advise the Comptroller General in writing within one hundred twenty days of what action, if any, the agency has taken or plans to take with respect to the matters raised by the Comptroller General.

"(3) At least once each year, the Comptroller General shall transmit a report to the Committees on Judiciary of the Senate and House of Representatives on the manner in which this chapter is being implemented by the agencies and on such other aspects of Government patent policies and practices with respect to federally funded inventions as the Comptroller General believes appropriate.

"(c) Each funding agreement with a small business firm or nonprofit organization shall contain appropriate provisions to effectuate the following:

"(1) A requirement that the contractor disclose each subject invention to the Federal agency within a reasonable time after it is made and that the Federal Government may receive title to any subject invention not reported to it within such time.

"(2) A requirement that the contractor make an election to retain title to any subject invention within a reasonable time after disclosure and that the Federal Government may receive title to any subject invention in which the contractor does not elect to retain rights or fails to elect rights within such time.

"(3) A requirement that a contractor electing rights file patent applications within reasonable times and that the Federal Government may receive title to any subject inventions in the United States or other countries in which the contractor has not filed patent applications on the subject invention within such times.

"(4) With respect to any invention in which the contractor elects rights, the Federal agency shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States any subject invention throughout the world, and may, if provided in the funding agreement, have additional rights to sublicense any foreign government pursuant to any existing or future treaty or agreement.

"(5) The right of the Federal agency to require periodic reporting on the utilization or efforts at obtaining utilization that are being made by the contractor or his licensees or assignees: *Provided,* That any such information may be treated by the Federal agency as commercial and financial information obtained from a person and privileged and confidential and not subject to disclosure under the Freedom of Information Act.

"(6) An obligation on the part of the contractor, in the event a United States patent application is filed by or on its behalf or by any assignee of the contractor, to include within the specification of such application and any patent issuing thereon, a statement specifying that the invention was made with Government support and that the Government has certain rights in the invention.

"(7) In the case of a nonprofit organization, (a) a prohibition upon the assignment of rights to a subject invention in the United States without the approval of the Federal agency, except where such assignment is made to an organization which has as one of its primary functions the management of inventions and which is not, itself, engaged in or does not have a substantial proprietary interest in the manufacture or sale of products or the use of processes that might utilize the invention or be in competition with embodiments of the invention (provided that such assignee shall be subject to the same provisions as the contractor) (b) a prohibition against the granting of exclusive licenses under United States Patents or Patent Applications in a subject invention by the contractor for a period in excess of the earlier of five years from first commercial sale or use of the invention or eight years from the date of the exclusive license excepting that time before regulatory agencies necessary to obtain premarket clearance unless, on a case-by-case basis, the Federal agency approves a longer exclusive license. If exclusive field of use licenses are granted, commercial sale or use in one field of use shall not be deemed commercial sale or use as to other fields of use; (c) a requirement that the contractor share royalties with the inventor; and (d) a requirement that the balance of any royalties or income earned by the contractor with respect to subject inventions, after payment of expenses (including payments to inventors) incidental to the administration of subject inventions, be utilized for the support of scientific research or education.

"(8) The requirements of sections 203, 204, and 205 of this chapter.

"(d) If a contractor does not elect to retain title to a subject invention in cases subject to this section, the Federal agency may consider and after consultation with the contractor grant requests for retention of rights by the inventor subject to the provisions of this Act and regulations promulgated hereunder.

"(e) In any case when a Federal employee is a coinventor of any invention made under a funding agreement with a nonprofit organization or small business firm, the Federal agency employing such coinventor is authorized to transfer or assign whatever rights it may acquire in the subject invention from its employee to the contractor subject to the conditions set forth in this chapter.

"SEC. 203. MARCH-IN RIGHTS.—With respect to any subject invention in which a small business firm or nonprofit organization has acquired title under this chapter, the Federal agency under whose funding agreement the subject invention was made shall have the right, in accordance with such procedures as are provided in regulations promulgated hereunder to require the subject inventor, an assignee or exclusive licensee of a subject invention to grant a nonexclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonabe under the circumstances, and if the contractor, assignee, or exclusive licensee refuses such request, to grant such a license itself, if the Federal agency determines either—

"(a) that such action is necessary because the contractor or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use; or

"(b) that such action is necessary to alleviate health or safety needs which are not reasonably satisfied by the contractor, assignee, or their licensees; or

"(c) that such action is necessary to meet requirements for public use specified by Federal regulations and such requirements are not reasonably satisfied by the contractor, assignee, or licensees; or

"(d) that such action is necessary because the agreement required by section 205 has not been obtained or waived or because a licensee of the exclusive right to use or sell any subject invention in the United States is in breach of its agreement obtained pursuant to section 205.

"Sec. 204. Return of Government Investment.—(a) If a nonprofit organization or small business firm receives $250,000 in after tax profits from the licensing of any subject invention within a period of ten years following disclosure of the invention, the United States shall be entitled to a share, to be negotiated, of up to 50 per centum of all net income during said period from licensing received by the contractor above $250,000: *Provided, however,* That in no event shall the United States be entitled to an amount greater than that portion of the Federal funding under the funding agreement under which the subject invention was made which was expended on activities related to the making of the invention.

"(b) In addition, if a nonprofit organization or small business firm receives after tax profits in excess of $2,000,000 on sales of products embodying or manufactured by a process employing a subject invention, during a period of ten years commencing with commercial exploitation of the subject invention, the Government shall be entitled to a share, to be negotiated, of all additional income accruing from such sales up to the amount of the portion of the Government funding under the funding agreement under which the invention was made which was expended on activities related to the making of the invention less any amounts received by the Government in accordance with paragraph (a) of this section 204.

"(c) The Director of the Office of Federal Procurement Policy is authorized and directed to revise the figures of $250,000 and $2,000,000 in paragraphs (a) and (b) of this section at least every three years in light of changes to the Consumer Price Index or other indices which he considers reasonable to use.

"Sec. 205. Preference for United States Industry.—Notwithstanding any other provision of this chapter, no small business firm or nonprofit organization which receives title to any subject invention and no assignee of any such nonprofit organization shall grant to any person the exclusive right to use or sell any subject invention in the United States unless such person agrees that any products embodying the subject invention or produced through the use of the subject invention will be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by the Federal agency under whose funding agreement the invention was made upon a showing by the small business firm, nonprofit organization, or assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States.

"Sec. 206. Confidentiality.—Federal agencies are authorized to withhold from disclosure to the public information disclosing any invention in which the Federal Government owns or may own a right, title, or interest (including a nonexclusive license) for a reasonable time in order for a patent application to be filed. Furthermore, Federal agencies shall not be required to release copies of any document which is part of an application for patent filed with the United States Patent and Trademark Office or with any foreign patent office.

"Sec. 207. Uniform Clauses.—The Office of Federal Procurement Policy, after receiving recommendations of the Office of Science and Technology Policy, may issue regulations which may be made applicable to Federal agencies establishing standard funding agreement provisions required under this chapter.

"Sec. 208. Domestic and Foreign Protection of Federally Owned Inventions.—Each Federal agency is authorized to—

"(1) apply for, obtain, and maintain patents or other forms of protection in the United States and in foreign countries on inventions in which the Federal Government owns a right, title, or interest;

"(2) promote the licensing of inventions covered by federally owned patent applications, patents, or other forms of protection obtained with the objective of maximizing utilization by the public of the inventions covered thereby;

"(3) grant nonexclusive, exclusive, or partially exclusive licenses under federally owned patent applications, patents, or other forms of protection obtained, royalty-free or for royalties or other consideration, and on such terms and conditions, including the grant to the licensee of the right of enforcement pursuant to the provisions of chapter 28 of this title as determined appropriate in the public interest;

"(4) make market surveys and other investigations for determining the potential of federally owned inventions for domestic and foreign licensing and other forms of utilization, acquire technical information, and engage in negotiations and other activities for promoting the licensing and for the purpose of enhancing their marketability and public utilization;

"(5) undertake all other suitable and necessary steps to protect and administer rights to federally owned inventions on behalf of the Federal Government either directly or through contract;

"(6) transfer custody and administration, in whole or in part, to the Department of Commerce or to another Federal agency, of the right, title, or interest in any federally owned invention for the purpose of carrying out the provisions of paragraphs (1) through (4), without regard to the provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471); and

"(7) designate the Department of Commerce as recipient of any or all funds received from fees, royalties, or other management of federally owned inventions authorized under this chapter.

"Sec. 209. Regulations Governing Federal Licensing. — The Administrator of General Services is authorized to promulgate regulations specifying the terms and conditions upon which any federally owned invention may be licensed on a nonexclusive, partially exclusive, or exclusive basis.

"Sec. 210. Coordination of Federal Licensing Practices.—The Secretary of Commerce is authorized in cooperation with other Federal agencies to—

"(1) coordinate a program for assisting all Federal agencies in carrying out the authority set forth in section 208;

"(2) publish notification of all federally owned inventions that are available for licensing;

"(3) evaluate inventions referred by Federal agencies, and patent applications filed thereon, in order to identify those inventions with the greatest commercial potential and to insure promotion and utilization by the public of inventions so identified;

"(4) assist the Federal agencies in seeking and maintaining protection on inventions in the United States and in foreign countries, including the payment of fees and costs connected therewith;

"(5) accept custody and administration, in whole or in part, of the right, title, and interest in any invention for the purposes set forth in paragraphs (1) through (4) of section 208, with the approval of the Federal agency concerned and without regard to the provisions of the Federal Property and Administrative Service Act of 1949 (40 U.S.C. 471);

"(6) receive funds from fees, royalties, or other management of federally owned inventions authorized under this chapter, but such fund shall be used only for the purposes of this chapter; and

"(7) undertake such other functions directly or through such contracts as are necessary and appropriate to accomplish the purposes of this title.

"Sec. 211. Restrictions on Licensing of Federally Owned Inventions.—(a) No Federal agency shall grant any license under a patent application on a federally owned invention unless the person requesting the license has supplied the agency with a plan for development and/or marketing of the invention.

"(b) A Federal agency shall normally grant any license under a patent or patent application on a federally owned invention unless the person requesting the license has supplied the agency with a plan for development and/or marketing of the invention.

"(b) A Federal agency shall normally grant the right to use or sell any federally owned invention in the United States only to a licensee that agrees that any products embodying the invention or produced through the use of the invention will be manufactured substantially in the United States.

"(c)(1) Each Federal agency may grant exclusive or partially exclusive licenses in any invention covered by a federally owned domestic patent or patent application only if, after public notice and opportunity for filing written objections, it is determined that—

"(A) the interests of the Federal Government and the public will best be served by the proposed license, in view of the applicant's intentions, plans, and ability to bring the invention to practical application or otherwise promote the invention's utilization by the public;

"(B) the desired practical application has not been achieved, or is not likely expeditiously to be achieved, under any nonexclusive license which has been granted, or which may be granted, on the invention;

"(C) exclusive or partially exclusive licensing is a reasonable and necessary incentive to call forth the investment of risk capital and expenditures to bring the invention to practical application or otherwise promote the invention's utilization by the public; and

"(D) the proposed terms and scope of exclusivity are not greater than reasonably necessary to provide the incentive for bringing the invention to practical application or otherwise promote the invention's utilization by the public.

"(2) A Federal agency shall not grant such exclusive or partially exclusive license under paragraph (1) of this subsection if it determines that the grant of such license will tend substantially to lessen competition or result in undue concentration in any section of the country in any line of commerce to which the technology to be licensed relates, or to create or maintain other situations inconsistent with the antitrust laws.

"(3) First preference in the exclusive or partially exclusive licensing of federally owned inventions shall go to small business firms submitting plans that are determined by the agency to be within the capabilities of the firms and as likely, if executed, to bring the invention to practical application as any plans submitted by applicants that are not small business firms.

"(d) After consideration of whether the interests of the Federal Government or United States industry in foreign commerce will be enhanced, any Federal agency may grant exclusive or partially exclusive licenses in any invention covered by a foreign patent application or patent, after public notice and opportunity for filing written objections, except that a Federal agency shall not grant such exclusive or partially exclusive license if it determines that the grant of such license will tend substantially to lessen competition or result in undue concentration in any section of the country in any line of commerce to which the technology to be licensed relates, or to create or maintain other situations inconsistent with the antitrust laws.

"(e) The Federal agency shall maintain a record of determinations to grant exclusive or partially exclusive licenses.

"(f) Any grant of a license shall contain such terms and conditions as the Federal agency determines appropriate for the protection of the interests of the Federal Government and the public, including provisions for the following:

"(1) periodic reporting on the utilization or efforts at obtaining utilization that are being made by the licensee with particular reference to the plan submitted: *Provided*, That any such information may be treated by the Federal agency as commercial and financial information obtained from a person and privileged and confidential and not subject to disclosure under the Freedom of Information Act;

"(2) the right of the Federal agency to terminate such license in whole or in part if it determines that the licensee is not executing the plan submitted with its request for a license and the licensee cannot otherwise demonstrate to the satisfaction of the Federal Agency that it has taken or can be expected to take within a reasonable time, effective steps to achieve practical application of the invention;

"(3) the right of the Federal agency to terminate such license in whole or in part if the licensee is in breach of an agreement obtained pursuant to paragraph (b) of this section; and

"(4) the right of the Federal agency to terminate the license in whole or in part if the agency determines that such action is necessary to meet requirements for public use specified by Federal regulations issued after the date of the license and such requirements are not reasonably satisfied by the licensee.

"Sec. 212. Precedence of Act.—(a) This chapter shall take precedence over any other Act which would require a disposition of rights in subject inventions of small business firms or nonprofit organizations contractors in a manner that is inconsistent with this chapter, including but not necessarily limited to the following:

"(1) section 10(a) of the Act of June 29, 1935, as added by title 1 of the Act of August 14, 1946 (7 U.S.C. 427i(a); 60 Stat. 1085);

"(2) section 205(a) of the Act of August 14, 1946 (7 U.S.C. 1624(a); 60 Stat. 1090);

"(3) section 501(c) of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 951(c); 83 Stat. 742);

"(4) section 106(c) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1935(c); 80 Stat. 721);

"(5) section 12 of the National Science Foundation Act of 1950 (42 U.S.C. 1871(a); 82 Stat. 360);

"(6) section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182; 68 Stat. 943);

"(7) section 305 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2457);

"(8) section 6 of the Coal Research Development Act of 1960 (30 U.S.C. 666; 74 Stat. 337);

"(9) section 4 of the Helium Act Amendments of 1960 (50 U.S.C. 167b; 74 Stat. 920);

"(10) section 32 of the Arms Control and Disarmament Act of 1961 (22 U.S.C. 2572; 75 Stat. 634);

"(11) subsection (e) of section 302 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 302(e); 79 Stat. 5);

"(12) subsection (a)(2) of section 216 of title 38, United States Code;

"(13) section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5901; 88 Stat. 1878);

"(14) section 3 of the Act of June 22, 1976 (42 U.S.C. 1959d, note; 90 Stat. 694);

"(15) subsection (d) of section 6 of the Saline Water Conversion Act of 1971 (42 U.S.C. 1959(d); 85 Stat. 161);

"(16) section 303 of the Water Resources Research Act of 1964 (42 U.S.C. 1961c-3; 78 Stat. 332);

"(17) section 5(d) of the Consumer Product Safety Act (15 U.S.C. 2054(d); 88 Stat. 1211);

"(18) section 3 of the Act of April 5, 1944 (30 U.S.C. 323; 58 Stat. 191); and

"(19) section 8001 of the Solid Waste Disposal Act (42 U.S.C. 6981; 90 Stat. 2829).

The Act creating this chapter shall be construed to take precedence over any future Act unless that Act specifically cites this Act and provides that it shall take precedence over this Act.

"(b) Nothing in this chapter is intended to alter the effect of the laws cited in paragraph (a) of this section or any other laws with respect to the disposition of rights in inventions made in the performance of funding agreements with persons other than nonprofit organizations or small business firms.

"(c) Nothing in this chapter is intended to limit the authority of agencies to agree to the distribution of rights in inventions made in the performance of work under funding agreements with persons other than nonprofit organizations or small business firms in accordance with the Statement of Government Patent Policy issued by the President on August 23, 1971 (36 Fed. Reg. 16887), agency regulations, or other applicable regulations or to otherwise limit the authority of agencies to agree to allow such persons to retain ownership of such inventions.

"Sec. 213. Relationship to Antitrust Laws.—Nothing in this chapter shall be deemed to convey to any person immunity from civil or criminal liability, or to create any defenses to actions, under any antitrust law.".

Sec. 3. Amendments to Other Acts.—The following Acts are amended as follows:

(a) Section 156 of the Atomic Energy Act of 1954 (42 U.S.C. 2186; Stat. 947) is amended by deleting the words "held by the Commission or".

(b) The National Aeronautics and Space Act of 1958 is amended by repealing paragraph (g) of section 305 (42 U.S.C. 2457(g); 72 Stat. 436).

(c) The Federal Nonnuclear Energy Research and Development Act of 1974 is amended by repealing paragraphs (g), (h), and (i) of section 9 (42 U.S.C. 5908 (g), (h), and (i); 88 Stat. 1889-1891).

Sec. 4. Effective Date.—This Act shall take effect one hundred and eighty days after the date of its enactment, except that the regulations referred to in section 2, or other implementing regulations, may be issued prior to that time.

Section-by-Section Analysis of the University and Small Business Patent Procedures Act

Outlined below are the most important features of the bill:

Section 202: Provides that each nonprofit organization (defined in the bill to include universities) and small business shall have a reasonable amount of time to elect to retain title to subject inventions. The federal agency may retain title if the invention is made under a contract for operation of a government owned research or production facility, or in exceptional circumstances when it is determined that restriction or elimination of the right of the contractor to retain title to a subject invention would better promote the policy and objectives of this bill.

Section 202(b): Provides that whenever the funding agency determines that it should retain title to a subject invention a copy of this decision shall be sent to the Comptroller General. The Comptroller General will then review this decision and inform the head of the agency of his determination as to whether or not this retention of title is justified. The Comptroller General will also submit an annual report to the House and Senate Committees on the Judiciary on agency implementation of this bill.

Section 202(c): Provides that each funding agreement shall contain provisions to: (1) insure the right of the federal government to receive title to any subject invention not reported to it within a reasonable time; (2) insure the government's right to receive title to inventions when the inventor does not intend to file for patent rights; (3) guarantee that the agency shall have a nonexclusive, nontransferable, paid-up license to use the invention; and (4) insure the right of the funding agency to require periodic reports on the utilization or efforts at obtaining utilization of the subject invention.

Section 202(c)(7): Prohibits nonprofit organizations from assigning rights without the approval of the federal agency; prohibits granting such rights in excess of the earlier of 5 years from the date of first commercial use, or 8 years from the date of invention, whichever comes first; requires that the organization have some sort of royalty sharing agreement with the inventor; and says that all proceeds shall be used to support scientific research or education.

Section 203: Gives the federal agency the right to require the subject inventor or his assignee to grant additional licenses if the agency feels that sufficient steps are not being taken to achieve commercialization. Additional licensing may also be required to alleviate health and safety needs, or under provisions for public use as specified by federal regulations.

Section 204: Provides that if the patent holder receives $250,000 in after-tax profits from licensing any subject invention during a ten-year period, or receives in excess of $2,000,000 on the sale of products embodying of manufactured by a process employing the subject invention within the ten year period, that the government shall be entitled to collect up to 50 percent of all net income above these figures until such time as the amount of government research money has been repaid.

Section 205: Specifies that any title holder to a subject invention or his assignee shall not grant to any person the exclusive right to use or sell any subject invention in the United States unless that person agrees that any products embodying the subject invention or produced through its use shall be manufactured substantially within the U.S. unless this provision is waived by the funding agency.

Section 208: Will allow federal agencies to grant exclusive, partially exclusive, or nonexclusive licenses on government owned patents to achieve commercialization; the Department of Commerce is authorized to receive patents held by other agencies and to make the necessary steps to determine the market potential of the patent and to receive any fees or royalties due to the government.

Section 211: Says that after public notification of the government patents available for licensing the agency will then require that potential licensees submit plans outlining how the invention will be developed and marketed. If the agency determines that the granting of an exclusive or partially exclusive license will not lessen competition it will give first preference in its licensing to qualified small businesses.

Section 212: States that all contractors not covered under this bill will continue to operate under the existing agency programs.

Science in the Political Economy

Although scientific research in the United States is not planned and managed after the fashion of controlled economies, it is still highly sensitive to ups and downs in the political economy. For one thing, government provides half of all the financial outlays that go into research and development. This makes for both stability and instability, for good times and lean times, and we will be reminded of the facts of life as the government plods toward its war on inflation in an environment of rising taxpayers resistance to public spending. Science, politics, and economics all shade into one another in a score of ways.

One problem is that science is still perceived in government as a discretionary activity buried in a vast and relatively uncontrollable budget. The concept of research as investment gained respectability only this year in President Carter's 1979 Budget Message, and an idea like this has a burdensome prehistory to overcome. Although there are good reasons to believe that the President's Science Adviser and the Office of Management and Budget will continue to view scientific research in this light, the going will get rough when research must compete with powerful client-oriented categories of the budget under the stresses of rationing.

Another problem is the battered state of the political economy itself. Considering the worsening of inflation coupled with low economic growth and lagging productivity, economic logic strongly argues for budgetary restraint and a reduced deficit. If double-digit inflation materializes by the time the 1980 budget is locked up, it will take very heavy doses of appropriations to make up for inflation and allow real budget increases for R&D. Science might be fortunate to escape with a cost of living increase. In short, hard days lie ahead and the scientific community may be in for a refresher on the linkage between resources for science and the capacity limits of the larger political economy.

Given all this, it needs to be said again that more money is not the only strategy by which government can advance science and innovation. There has been an unwise and unthinking tendency to look solely at the curve of federal R&D funding as a kind of Dow-Jones clue to the health of science. Other factors are just as important to the vitality and productivity of R&D. If budget dollars are to be scarce, government can help to the utilization of the R&D it has funded by overhauling its static patent policies. It can make existing research dollars stretch farther by simplifying rather than adding to the dog's breakfast of methods, procedures, and controls that are now imposed on university research at such formidable costs to productivity. Government can apply the brakes to the profusion of regulations that retard risk-taking and innovation in industrial R&D. In doing these things, government would reduce inflationary pressure and free budget dollars that are being drawn off from research into defensive administration. The view from this quarter is that genuine progress in these directions would go a long way toward making austere R&D budgets more acceptable.

For the longer run, the function of science and innovation in the performance of the political economy calls for closer examination. As far as the indicative evidence takes us, it appears that industrial growth and competitiveness owe a great deal to scientific and technological vitality. That lesson has not been lost on the developing countries, and the People's Republic of China is the latest and largest of the world's political economies to stake its future on the promises of science and technology. Closer to home, the celebrations of General Electric's centennial and AT&T's three-quarters of a century tell us a great deal about the convergence of scientific creativity, managerial skill, and entrepreneurship in generating growth with productivity. What matters in the end is not so much the quantity of R&D as the conditions and the environment that stimulate or constrain discovery and use. There is a message here for the architects of the political economy.

TECHNOLOGICAL INNOVATION

I was extremely interested in William D. Carey's editorial "Science in the political economy" (17 Nov. 1978, p. 703). I agree with the assessment that the budget restraints we are facing make it critical that the money spent by the federal government for research and development bring the greatest possible return. Not only should we be selective in our research funding, but we must also create the best climate for bringing the fruits of federal research to the people in the form of new products and technology. Unfortunately, the present policy of federal government retention of patent rights on inventions arising out of federally supported research has resulted in many promising inventions being left to gather dust on the shelves of government agencies. Less than 4 percent of the patents held by the government are ever successfully licensed. This is not a very good return for the billions of dollars we spend on R. & D.

There is another trend that has been commented upon in the past in *Science* and is succinctly expressed by this headline, which appeared in the Washington *Post* on 24 November 1978: "U.S. Seen Losing Technological Edge in Some Industries." Because the government provides such a large percentage of all the R & D expenditures in the United States, an inefficient policy which stifles inventiveness hurts our companies who need new technological ideas to compete successfully with increasingly tough foreign businesses.

In the last Congress, I joined a bipartisan group of senators in introducing a bill we feel will answer at least part of these problems. This legislation, the University and Small Business Patent Procedures Act, will allow universities, small businesses, and non-profit institutions in most cases to retain patent rights for those inventions and processes if they are willing to spend the necessary private funds to develop and market a final product. At the same time, the bill will protect the legitimate rights of the government to enjoy the fruits of the research it helped to fund.

There are now 20 statutes and regulations in effect that give contradictory instructions to the agencies about their ability to grant patent petitions. Sometimes, even within the same agency, there can be different policies among various divisions. The result has been that researchers face a costly maze of confusing rules, many of which require the agency that helped fund the research to also retain the patent rights for any inventions arising from it.

Early in the next Congress, Senator Robert Dole (R-Kan.) and I again will lead the bipartisan effort to pass this legislation. I realize that getting the most out of our R & D money and the problem of our slumping rate of technological innovation are extremely complex areas. This bill would be an important first step in turning this situation around.

PATENT POLICY VERSUS INNOVATION

The United States is engaged in a massive research and development effort which, measured in current dollars, is edging close to the level of $50 billion annually, counting outlays in both the federal and the private sector. The budget for R & D in government calls for more than $28 billion in the next fiscal year. There is no doubt that the R & D input is strong. The *output* side may be a very different story.

We support R & D to learn something that we do not know, and to make use of what we learn. Like any other type of investment, R & D is expected to yield returns. In the case of government-financed R & D the question arises. Are the investors getting full and timely return? Are the results of federally funded R & D finding their way into the market?

The evidence, as usual, seems mixed. About 8,000 inventions are said to be generated each year from government-financed R & D many of which are patentable. Not enough of these apparently reach the market. Some 30,000 government-owned patents are piled up awaiting takers. To that extent, the national economy is not being enriched and utilization is forestalled. It is a baffling situation until one realizes that the blockage occurs largely in the government's patent policy.

The government operates on the proposition that the economic rewards from federally funded R & D should be captured by the government, or shared only grudgingly with others, since public funds were used. The view prevails that if rights to the discovery were released to private developers on an exclusive basis unreasonable private enrichment could occur. There is scant evidence to support these apprehensions, but the doctrine is riveted into government's thinking. The effect is that the market incentive to develop government-financed discoveries is circumscribed and inventions are isolated from normal risk-taking and pursuit.

It is not hard to see how this can inhibit the prospects for pass-through of discoveries from biomedical research or energy-related R & D. We see a prodigious R & D enterprise, fueled by tax dollars, constrained from diffusing its results because of a public policy barrier. Throughout the enterprise, discoveries sit stranded and aging. Meanwhile, we search for clues as to what is wrong with U.S. technological innovation, and how it is that foreign industry can undercut American competitiveness and employment.

As usual, public policies are muddled, conflicting more often than complementing one another. In the new study ordered by President Carter of the problems assailing industrial innovation, a fresh opportunity is provided to reexamine both the premises and the consequences of government patent policies. There is ample evidence that the costs of producing and marketing an invention are many times as great as the outlays on the R & D that led to the invention. Not many developers will take these risks with inventions resulting from federal R & D, in the absence of clear ownership.

It begins to appear that we have thought of "science policy" too much in terms of stimulating R & D and too little in terms of liberating its results. The benefits of federally funded R & D are hard enough to realize without the added drag of a dubious policy on patents. A public which is regularly lectured on the promise and performance of science may not be grateful to learn that government's rules are blocking research applications. That could be far more harmful to science than the Golden Fleece awards.

Public policy, if wisely designed, can stimulate economic pursuit of government-financed inventions while at the same time minimizing the risk of abuses. What is clear is that the present patent policies will not get us innovation, nor health and energy benefits, nor economic growth, nor trade competitiveness. We can hardly make the case that R & D contributes significantly to the nation's economy if, at the same time, we isolate its results from utilization. Here is a notable "Catch 22" in federal R & D policy, and it is time to bring it into the open.

ESTABLISHING AN EQUITABLE PATENT POLICY

(By Sheldon E. Steinbach)

Inventions resulting from federally funded research constitute a valuable national resource. The large amount of federal funds supporting research dictates the necessity of examining the government's patent policy in order to ensure that inventions are delivered to the public and that the equities of all parties are protected. Because of their special mission, colleges and universities have unique patent concerns that warrant detailed exploration, particularly with regard to ownership of patent rights on inventions developed on campus under federal contracts and grants.

The federal government sponsors research in universities to expand the boundaries of existing knowledge in areas or on problems deemed to be in the public interest or to be related to national goals. Universities are free to publish research results, which are generally made available to all. The right to publish is normally preserved in the negotiation of grants and contracts, as is the sponsoring agency's right to receive certain reports.

Generating inventions is almost never the main objective of research conducted with federal funds; rather, an invention is generally an incidental by-product of the research activity, largely attributable to serendipity, to the personal creativity of the investigator backed by his years of professional training and experience, and to the scholarly environment and research resources provided by the university. When patentable discoveries are made, the equities to be considered include those of the inventor, the university, and, very properly, the financial sponsors.

When a patentable invention is made by an investigator in an academic institution with the help of federal funds, rarely are the federal funds the sole or even the major element contributing to the invention. Beyond the critical contribution of the investigator, the university itself virtually always helps to finance the laboratories, equipment, and personnel contributing to an invention. It also provides a scholarly atmosphere and often the infusion of funds obtained from nongovernment sources. Accordingly, each of the parties has a claim in equity.

A policy that assigns patent rights to the government for all federally supported research, however large or small the federal contribution, eliminates the universities' ability to recognize the equities of other sponsors and contributions of the institutions themselves. Because inventions resulting from federally sponsored research involve equities of the government, the contractor (on his own behalf or as the result of intermingled funds derived from other than federal agency sources), and the inventor. many factors must be considered in making a decision about where the primary right in such inventions should be vested. In making that decision, however, only one consideration should be paramount—that being in whose hands will the vestiture of primary rights serve to transfer most quickly and economically the invention technology to the public for its use and benefit.

Educational institutions are, of course, not organized to manufacture, produce, or market a patentable invention. Accordingly, if university-generated inventions are to be used, such institutions must interest those in the industrial world who have the commercial capability for invention and marked development, which the university lacks. Interesting the right parties is often a difficult task because few inventions coming out of university research offer readily recognizable prospects of a large market or a high return on investment. University-based inventions, because they most often correlate with the results of basic research, tend to be at best in the early stages of development, and therefore they require a substantial capital in order to develop the invention enough to be marketable.

At the same time, universities are in a unique position objectively to seek the best qualified industrial developer and, under appropriate licensing arrangements, to monitor the diligence of the developmental efforts. If universities cannot furnish, if appropriate, an exclusive license to developers for a limited period and thereby secure the investment of necessary capital, inventions resulting from government contracts are less likely to be developed to the point of marketability, and thus the public is less likely to receive the benefits from such inventions, or at least may not receive them as quickly as otherwise would be the case.

WHAT HAPPENS WHEN DELAYS ARE ENCOUNTERED?

When the right to seek patents resides in universities, appropriate patent applications can be filed promptly and negotiations can be begun immediately with prospective developer/licensees with the assistance of the inventor. When this right does not exist at the time of contracting, but must await a determination after the invention has been identified, substantial time is usually required to prepare the necessary documentation for the sponsoring agency and for the agency in turn to make a determination. While awaiting the outcome of such administrative process, the invention lies dormant, with the attendant risks that the inventor's interest in assisting in the development becomes attenuated and that intervening rights of others may foreclose successful transfer of the invention to the public.

Because deadlines for domestic and foreign patent applications are affected by publication of patentable ideas in scientific journals, delays in determining the disposition of rights to an invention can result either in delay of publication of research results or risk of expiration of the time limit in which patent applications can be filed. Neither choice is beneficial to the public interest.

Although the university's primary motivation in filing and prosecuting applications for patents is the timely promotion of actual availability of new products or processes to the general public, if, in the course of such transfer, income to support further research at the institution can be generated, the public benefits a second time.

The public benefits from university-generated patents through the efforts of agencies that offer inducement to those who can recast the fruits of basic research into a useful form. Mere exclusivity in patent rights does not automatically create artificially high prices for related products, and royalties usually represent only a very small fraction of the retail price of marketed goods. Moreover, one must face the inescapable conclusion that the development of inventions under a reasonable government patent policy will benefit the public by making available products that would otherwise not have been available at any price.

Without some degree of exclusivity, private sources are unlikely to have sufficient incentive to develop a product or process. Indeed, the investment required to make a product or process marketable and actually to market it is almost always far greater than the investment in the original research.

To bring an invention to public use, further development or engineering is usually required, such as testing or screening a prototype of the new product or process. Before the efforts and expenses incident to testing or screening are undertaken, investors want to know who has the title to or ownership of the invention (that is, the right secured to inventors and their assignees or licensees, for limited times, as provided in the Constitution). Sometimes, prospective licensees have refused to undertake the testing, screening, or development of inventions unless the licensor granted an exclusive license for commercial sale or use. In some cases, no alternative has been available, and, in the absence of an exclusive license, the use of the product, process, or machine has been denied to the public. Universities usually do not possess the resources, critical facilities, or controls necessary to bring drug products, for example, through the clinical testing stages to marketability. Thus, it is imperative that universities be able to interest through appropriate licensing arrangements those organizations which have those facilities and control capabilities.

Because government personnel would not be as intimately familiar with an invention as those who have developed it in a university, they would be in a much less favorable position to ascertain or pursue the commercial marketability of an invention. The time that would have to be invested in such activity could well cause a significant reduction in invention disclosures from university researchers, with a consequent reduction in public access to potential fruits of research. Thus, the primary result of the economic stimuli afforded by a realistic licensing policy is a public benefit—the production and introduction of a goods or service that otherwise might not become available in the context of our free enterprise system.

Under the policies of some government agencies, the agency, on behalf of the government, normally asserts its rights to ownership of any inventions and patents generated in the course of research sponsored and funded by the agency. But regulations do exist under which such right can be waived to the contractor or grantee. If an institution desires to acquire title to a particular invention, it must request a waiver in accordance with the regulations of such agency. Granting a waiver generally depends on a determination by the agency, based on evidence submitted by the contractor or grantee, that the invention will be more adequately and quickly developed in the public interest if title to the invention is waived to the contractor of grantee. Such waivers are given with a reservation of a license to the government to practice the invention for governmental purposes and with other provisions which adequately protect the public interest.

An alternative to the "waiver" approach is the "Institution Patent Agreement" approach, available since 1968.[1] This approach, endorsed by a 1968 GAO Report,[2] permits the grantee institution to retain title and to administer the principal ownership rights in inventions made under department grants and awards, clearly defines the rights of the parties with respect to such inventions, and sets forth general guidelines governing the licensing of inventions. It includes limitations on the duration of exclusive licenses to be granted; it reserves a royalty-free license to the government for governmental use; and it provides other appropriate safeguards to protect the public interest. These latter safeguards include a reservation to the government of the right to require the granting of additional licenses on a royalty-free basis or on other terms that are reasonable under the circumstances, where such licenses are necessary to fulfill public health, welfare, or safety requirements.

With the assistance of inventors, the universities are in a better position than the federal government to transfer technology to the public through the economy. A government "title" policy, however, would preclude the university from recognizing the equities of others, including inventors and nongovernmental sponsors, and would fail to acknowledge the benefits that now accrue to the tax-paying public for its contribution to the institutions' research efforts.

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[1] Institutions Patent Agreement Governing Grants and Awards from the Department of Health, Education, and Welfare," HEW Standard Form Rev. August 26, 1968.

[2] See Report to the Congress, Comptroller General of the United States, Problem Areas Affecting Usefulness of Results of Government-Sponsored Research in Medicinal Chemistry (Washington: Government Printing Office, 1968).

Consequently, qualified universities that have developed a technology transfer capability should be given, with the award of a contract or grant, a first option to title in inventions generated with federal funds on their respective campuses with appropriate safeguards to prevent abuse of patent rights retained by any such institution and to minimize any anticompetitive effects.

SMALL FIRMS AND FEDERAL RESEARCH AND DEVELOPMENT

INTRODUCTION

There is increasing concern that the capability of the United States to continue its historic successes in technology is in a serious decline. While astonishing achievements have occurred since World War II, there is now considerable evidence that product innovation has either leveled off or declined in many industries. Predictions of a weakened military posture and a less favorable economic position in world trade are associated with analyses showing that the U.S. is losing a significant part of its capability to invent new products essential for the country's defense and for its international sales market.

Analysis of technological capability is an exceptionally complex matter affected by many diverse factors involving individual and organizational motivations, economics, and governmental actions. Since the Federal Government is the biggest source of research and development (R&D) ($26.3 billion proposed for expenditure in 1978), Government acquisition procedures have a large impact on the country's utilization of its best technical and management talents.[1] One part of this problem—the role and difficulties of the small firm in selling R&D to the Government—was given particular attention by an ad hoc interagency panel under Mr. Jacob Rabinow, nationally known inventor, lecturer and writer, in 1976. The Panel was composed of representatives from the National Science Foundation, Department of Defense, National Space and Aeronautics Administration, Energy Research and Development Administration, Small Business Administration, and the Office of Federal Procurement Policy.

To assist the Rabinow Panel in its inquiry, the services of Mr. William K. Scheirer, an economist, were obtained to perform a literature search and analysis of the role of small firms in fulfilling Government contractual requirements for research and development. Significant findings of Mr. Scheirer are summarized below. His report, with an extensive bibliography, is available for inspection at the National Technical Information Service, Department of Commerce, as Report Number OMB/OFPP/CA-77/1 and in the Office of Federal Procurement Policy.

SUMMARY OF REPORT OF WILLIAM K. SCHEIRER

Importance of small R&D firms

Many analysts believe that small firms have a better record for innovation than large firms. Richard Morse recently wrote that "a disproportionate number of innovative ideas emanate from our smaller technically based companies."[2] The reasons for this phenomenon are varied. Some believe that managers of small R&D firms have a greater incentive to innovate while conversely, in some cases, the marketing plans of large firms dictate that technical improvements to their products be held to a minimum. There also is a possibility that researchers in large firms tend to overspecialize to a greater extent than researchers in small firms. Mr. Rabinow has observed that, "when one narrows his specialization, he probably comes up with fewer ideas. If one loads the dice in favor of a certain art, one cuts off analogous arts, which I think are important. The more an inventor can pull out of related and unrelated arts, the more original his ideas are likely to be."

Empirical evidence indicates that in a comparison of firms with less than 1,000 employees and those with over 1,000 employees:

Firms with less than 1,000 employees accounted for almost one-half of major U.S. innovations during 1953–73.

The ratio of innovations to sales is about one-third greater in firms with less than 1,000 employees.

Firms of less than 1,000 employees have a ratio of innovations to R&D employment which is approximately four times greater.

The cost per R&D scientist or engineer is almost twice as great in firms of over 1,000 employees.

Federal Government utilization of small firm capabilities

A striking disparity appears to exist between the capabilities of small technology based firms and their utilization by Federal agencies. Data collected by the National Science Foundation and supplemented by the Office of Federal Procurement Policy shows that only eight percent of Federal R&D contract awards to industry and only about three and one-half percent of obligations to all R&D performers[3] were made to small firms in FY 1975; that Government R&D obligations to industrial firms vary from less than one-half of one percent for the Department of Agriculture to 62 percent for the Department of Defense; and that reliance on industry for Federal R&D has declined from 59.6% in 1966 to 50.7% in 1976 in current dollars.

The overwhelming percentage of the dollars in Federal R&D goes to development as opposed to research (basic and applied). Although the industry share of development is substantial, most of this goes to large businesses capable of performing very large development contracts. On the other hand, in the research area where its capability is high, small firms lose awards to colleges and universities, federally funded research and development centers (FFRDCs), as well as to large firms.

Summary conclusions reached are that (i) Federal agencies tend to use sources other than industrial firms for basic and applied research; (ii) a significant portion (64%) of Government R&D is for development normally involving large industrial firms; and (iii) the percentages of both total expenditures for R&D and R&D contract awards to small firms are very low.

Small firm impediments

As indicated above, large firms are favored in the award of development contracts on the basis that they are essential for the production phase of the program. However, this is not the only restriction to a greater use of small firms. Mr. Scheirer found that policies and procedures followed by Federal buying activities also restrict the use of small technology based firms. Following are some of the more significant impediments encountered by small companies:

It is difficult to identify and respond to Government R&D requirements. On a competitive basis, large firms have a greater capability to determine what the Government is interested in researching and to unravel the complexities of "Requests for Proposals" for R&D work.

Preparation of proposals is expensive and time-consuming to a point frequently exceeding the capabilities of small firms.

A bias in favor of large firms can exist when awarding R&D contracts. The tendency is to consider awards to large well-established firms "safer" than to small firms.

Funding for Federal R&D work frequently lacks stability. This condition strains the financial capabilities of small firms.

Submittal of unsolicited proposals is frequently discouraged.

Burdensome administrative requirements for contract solicitation, evaluation, award, and performance impair the ability and desire of small firms to compete for R&D contracts.

Conclusions

Though the responsibility for retention of a high technology capability in the United States is shared by both the private and public sectors, the large annual Federal expenditures for R&D places a unique responsibility on Federal agencies. New techniques must be devised to encourage innovation by all sources, with particular emphasis on small R&D firms. In the placement of R&D work, Government managers should carefully consider the ultimate beneficial effect of using small firms and not give undue consideration the immediate security that may appear to exist by awarding R&D contracts to large firms.

RECOMMENDATIONS OF AD HOC INTERAGENCY PANEL

The interagency panel chaired by Mr. Rabinow developed the following recommendations based on its analysis of this problem:

1. Federal agencies should develop formal programs which encourage the increase of Federal R&D awards to small technology based firms.

2. Large research and technology programs should be divided where feasible into discrete parts to permit solicitation of proposals, and award of contracts to small technology based firms in lieu of making a limited number of awards with consolidated requirements that only large firms can accomplish.

3. Subcontracting to small firms should be encouraged in contract solicitations, source selection criteria, and negotiations for R&D work. A prime contractor's record in subcontracting to small technology based firms should be a factor in fee awarded in award fee and incentive type contracts.

4. Intensive efforts should be made by Federal agencies to reduce or compensate for impediments experienced by small technology based firms. These efforts may include but not be limited to the following:

a. Early identification and publication of agency R&D requirements.

b. Coordination of R&D requirements with Small Business representatives early in the acquisition process.

c. Use of the Commerce Business Daily to provide advance information on anticipated contractual requirements for R&D.

d. Providing methods for small technology based firms to obtain an understanding of requirements which may not be possible through the written solicitation. For example, some buying activities currently provide research and technology libraries, catalogs for technical requirements, and special briefings to explain their research and technology needs.

e. Providing sufficient time for firms to prepare and submit proposals.

f. Reducing to the extent feasible the time and supplemental data required between receipt of proposals and award of contracts.

g. Providing agency R&D points of contact for small firms.

5. Agency policies and procedures should

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[1] Op Cit.

[2] "A Government Takeover of R. and D.?" Richard Morse, Pres., MIT Development Foundation, N.Y. Times, Dec. 19, 1976.

[3] Industry, in-house laboratories, educational institutions, and federally financed R&D centers.

encourage unsolicited proposals. Contracts should be awarded for research and technology efforts based upon the merit of such proposals without converting the requirements to competitive solicitations.

6. The agencies, including the Small Business Administration, should use more technically trained personnel to serve as advocates for and advisors to small technology based firms. Special emphasis should be given by such persons to the advance procurement planning process for R&D requirements.

7. Profit-making firms should not be excluded from making proposals or receiving awards on R&D work that is not assigned to in-house laboratories.

8. Agencies should consider allowing greater amounts of independent research and development and bid and proposal costs than currently authorized when negotiating contracts with small technology based firms.

9. Methods should be developed for collecting and reporting data on small business share of R&D contract awards.

10. Establish small business set-aside programs (similar to those existing for supplies).

[From the Washington Post, Nov. 16, 1978]

WANING OF INNOVATION IS SEEN

(By Bradley Graham)

It is hardly a matter of doubt anymore: America's ability to innovate just isn't what it used to be. And a panel of distinguished researchers and professionals says America herself is to blame.

In a somber forum Tuesday night sponsored by the National Academy of Sciences, six representatives of business, government and academia added their concern to that expressed by others in recent months over the disturbing realization that something's happened to Yankee ingenuity.

Signs of America's innovative spirit on the wane are everywhere, the panelists noted. Among the evidence cited was:

The declining growth rate of the U.S. economy and only minimal gains in productivity.

The worsening U.S. balance of trade caused in part by increasing imports of foreign-manufactured goods.

The decreasing number of U.S. patents issued to U.S. inventors and an increase in patents issued to foreign inventors.

The declining amount of real dollars being spent on research and development by industry and the high degree of concentration of the R&D that is done in a few industries and a few companies.

"These indicators are distressing", said Elmer B. Staats, U.S. comptroller general. Stressing the historical importance of technological innovation in powering America's economic growth, Staats warned that unless specific steps are taken to stimulate innovation, Americans can expect their standard of living to stagnate and their competitive ranking in the world to weaken.

How has the U.S., which once placed a premium on inventiveness and made national heroes out of its pioneers, reached this state of affairs? Although no one could offer a complete explanation, the panelists generally agreed that government actions were largely to blame—specifically, restrictive tax and regulatory policies, along with complex and confused antitrust and patent laws, that together have eliminated financial incentives for industrial innovation and have discouraged investment in R&D.

"Innovations affect the economy, but the reverse is also true," declared Ivar Giaever, a Nobel Laureate who supervises R&D for General Electric and the panel moderator. "The economic climate affects the amount of innovation, and the climate recently has not been encouraging."

In addition to legal impediments and financial disincentives, the waning of U.S. innovation also has been attributed to business managers' defeatist attitude and lessened inclination to take risks.

Business leaders on the panel conceded that U.S. companies are focusing more on short-term results in their planning, preferring to concentrate on innovations that will improve existing processes and reduce costs rather than yield a major breakthrough. But they said this is simply the result of having to cope with a more uncertain marketplace.

"As much as anything, it is uncertainty that affects industry's inclination to invest in innovations," stated N. Bruce Hanay, vice president of Bell Telephone Laboratories.

President Carter appointed a 28-agency task force last spring to spend a year studying the innovation dilemma, and a spokesman for the National Academy said a report on Tuesday's panel would be forwarded to the study group. The panel left no doubt what its major recommendation would be.

"We must restore incentives, or remove disincentives, for entrepeneurs to take risks," concluded Ralph Landau, chairman of Halcon International. "Our industry is good at invention and entrepreneurship if you give it a chance."

UNITED STATES SEEN LOSING TECHNOLOGICAL EDGE IN SOME INDUSTRIES

(By Thomas O'Toole)

The United States has lost its world leadership role to Japan in optics, electron microscopes and stainless steels. Korea and Taiwan threaten U.S. leadership in man-made fibers, long the private province of the American chemical industry. American domination of the world's nuclear power industry has ended. Sweden, France, West Germany and Canada are now major forces in this high-technology business.

Is the United States losing its edge in technology? Is it suffering what some call an "innovation recession?" While there are signs that the U.S. has never been stronger technologically, there are other signs that the United States is lagging badly behind the rest of the world.

"There are trends that are worrisome," White House science adviser Frank Press said in an interview. "The research investments of American industry are up . . . but what are they spending it on? They are not developing the kinds of new products they were famous for."

One of the most striking examples of lagging U.S. technology lies in home video tape recorders business, where sales this year have doubled and are on the way to reaching $1 billion. Not one of the 12 machines sold in America today was made in America, even though the U.S. broadcast industry pioneered the device. They are produced in Japan, even those trademarked RCA, GE, Zenith, Magnavox and Sylvania.

"The Japanese brought the machine down in size and price so the consumer could afford it," and an RCA executive who asked not to be named. "Sony and Panasonic focused all their technology on this machine and they now own the hottest market there is in the television industry today."

There are other signs to cause concern. The three largest chemical companies in West Germany last year introduced more new products than the five largest chemical companies in the United States. This is the first time that has happened since World War II. Japan now casts the largest steel ingots in the world, surpassing what American steel companies could do five years ago.

"The SST is French and British, the fast breeder [reactor] is French and Russian and the cameras we carry, the TV sets we watch and the cassettes we listen to are Japanese," says General Electric Co.'s Dr. Ivar Giaever, a Nobel laureate in physics. "It's no wonder we're all worried."

So worried is the White House that it has split 100 technological leaders into six task forces to assess where the United States stands among the world's innovators. Their conclusions will be passed on for review to 28 federal agencies and then to universities and other interested groups for comment.

"If we're losing our edge, we want to know where we're losing it and why we're losing it," said Press. "What I think this study will show is that we're strong in high technologies like aircraft and computers and not so strong in middle-level technologies like chemicals and electrical machinery."

Statistics tell a confusing tale. Fewer patents were granted by the U.S. Patent Office to Americans last year than at any time in the past 15 years, but in the field of electronics, where invention is commonplace, fewer scientists are applying for patents.

"An invention in electronics can be obsolete in the two or so years it takes to be patented," said Science magazine this week. "By that time, the company filing the patent can have lost whatever edge it had by developing the thing in the first place."

The Commerce Department points out that American exports of products requiring a low or middle level of technology grew from $14 billion in 1968 to $36 billion in 1974. But Japanese exports of similar products grew from $9 billion to $35 billion while Germany raised its export total from $16 billion to $54 billion in the same period.

At the same time, the United States came out well in the battle for exports labeled "technology intensive." The U.S. total was $9.6 billion in 1968 and $26.6 billion in 1974. Japan's total in 1974 was $13.2 billion and West Germany's was $22 billion.

The National Science Foundation points out that the United States dominates the worldwide electronics industry despite Japan's take over of the radio and television markets. The pocket calculator is an American invention. So is the digital watch, whose sales last year were almost $2 billion worldwide. Digital watches now make up one third of the $2.8 billion U.S. watch market.

"A lot of people fussed when the European airbus made inroads into the jetliner market the United States once had to itself," the NSF's Dr. Alton Bean said. "But don't forget the engines on that airbus are American and don't forget that the airbus is a twin-engined wide-body jet designed for the European market. The tri-jet the United States makes still has most of the wide-body market."

Nevertheless, there are still disquieting signs of a U.S. innovation recession. The question is why. Massachusetts Institute of Technology President Jerome B. Wiesner blames it on the thaw in the Cold War and a new skepticism in the Congress about spiraling research budgets, especially in the field of medicine and health.

"There were two things that made research grow in this coutnry in the 1950s and 1960s—"The Cold War and Congressional support of national health research," Wiesner said.

The end of the Apollo program that put 12 men on the moon is also a cause of research decline, as is the end of the Vietnam war, where American weaponry was often inspired by Pentagon research. Some scientists believe the antinuclear movement and increasing hostility toward technology are also behind the innovation recession.

Many blame an outdated patent policy that does not provide enough protection to inventors and federal regulation that slows new product development.

More subtle reasons include impatience to wait the 5 to 10 years for a new product to develop from research. N. Bruce Hannay, vice president of research for Bell Telephone Laboratories explained: "I see on the research scene a greatly shortened time horizon. As a result, there is a decline in the effort on major innovation that produces an entirely new class of technology or a new class of service." ●

● Mr. DOLE. Mr. President, today, Senator BIRCH BAYH, myself, and several of our colleagues are introducing the University and Small Business Patent Procedures Act. This bill aims at facilitating the transfer to the private sector of technology from the federally funded innovation stage. More specifically, it allows universities, nonprofit organizations, and industry to obtain limited patent protection on discoveries they have made under Government-supported research. It also establishes a uniform policy to replace the multiplicity of statutes that now regulate the granting of patent rights throughout governmental agencies.

PROBLEM

Under the present Federal patent policy, the Government generally retains the rights to inventions it has neither the financial resources nor the expertise to develop into marketable products. The taxpayers invest in research without receiving dividends in the form of products available to them. The problem is particularly serious at agencies such as HEW where inventions for potential cures of cancer, arthritis, and hepatitis sit on the shelves unused, while millions of Americans are subjected to needless suffering.

EFFECTS OF GOVERNMENT PATENT POLICY

The Government's policy of retaining ownership of invention rights has hindered collaboration with the private sector. Nonexclusive licensing is clearly anticompetitive in that it discourages the promotion of inventions. The Government research grants represent only a small fraction of the product development cost which exceeds the funds contributed by the Government toward the initial research by a factor of at least 10 to 1.

The development process is risky as well as expensive. Is it any question, then, that industry is reluctant to engage in development and marketing unless provided with a modicum of protection through the granting of patent rights for a limited period of time? Particularly vulnerable are small businesses, which lack the financial resources and market power to engage in the development process of Government-supported inventions, without the protection of short-term exclusive rights. Traditionally, innovative and creative programs have emanated from small businesses and companies which, in turn, have engendered job creation and promotion. Xerox and Polaroid were small concerns when they developed xerography and the Polaroid camera. By deemphasizing the needs of smaller firms, the present policy has a negative impact on this process and the economy at large.

ECONOMIC FACTORS

The deterrent factor that the Government places in the path of American business—the refusal to grant patent rights—is removed in the case of foreign firms whose government policies, by establishing a strong collaboration with the private sector, guarantee the development of inventions to which equal access is insured through our Freedom of Information Act. As a result, American research is made available to foreign and domestic firms alike.

That we have lost our leadership role to Japan in the fields of electronics and shipbuilding is no accident. Our trade deficit with Japan amounts to $13 billion. Annual growth is 3 percent in the United States, 8 percent in Japan, Our newly established ties with China make the People's Republic a candidate for emulation of the Japanese example. With a population of 900 million people, China could become, through the potential development of U.S. technology, a most formidable competitor.

It is essential that the U.S. Government make available to U.S. firms the same incentives enjoyed by foreign industry. The answer to foreign competition lies, not in an increase of export subsidies, but in an increase in productivity. And only through a genuine partnership of Government and the private sector can productivity be raised.

Such is the objective of our bill. Patents are crucial in the development of technology. More technology means more business and more business translates into more jobs, a decrease in inflation and a strengthening of the dollar.

IN SUPPORT OF EXCLUSIVE RIGHTS

The time has come to abandon our outdated patent policy. What is at stake is insuring dissemination of technology while reducing the amount of redtape and bureaucracy for maximum benefit to the public. We must use all possible incentives, including exclusive rights, in order to increase the flow of technology from the Government R. & D. programs into the commercial sector and the consumer. The uncertainty now fostered by a multiplicity of statutes and incoherent regulations must be replaced by certainty in the form of a uniform policy providing incentives and guaranteeing protection to contractors. A committee appointed by President Carter to study the problems of U.S. industry has recently released the results of its study. Their recommendation is that title be with the contractor. Their conclusion concurs with an earlier study conducted by the Federal Council for Science and Technology, the Harbridge House Report, which indicated that the enforcement of exclusive patent rights stimulates research.

AIM OF THE BILL

The bill that we are introducing today goes a long way in meeting President Carter's objectives, as spelled out in his state of the Union address to this Congress, that "we reduce Government interference and give (the American economic system) a chance to work" so that we can "reassert our Nation's technological leadership." If we have lost that leadership role, it is not because American genius has suddenly dried up. It is, in fact, alive and well, if languishing on the bureaucratic shelves of Government agencies. A patent policy that will provide incentives and encouragement to industry could be a turning point in our ability to compete. That is what we propose today.●

Mr. MATSUNAGA. Mr. President, I am very pleased to join Senator BAYH, Senator DOLE and others in introducing the University and Small Business Patent Procedures Act.

As noted earlier by my distinguished colleagues on both sides of the aisle, the purpose of this bipartisan measure is to encourage the maximum utilization of inventions arising from Government-supported university and small business research.

In a nutshell, the bill addresses a serious and growing problem. Recently, it has been brought to the attention of Congress that literally hundreds of valuable medical, energy, and other technological discoveries are sitting unused under Government control. The reasons for this sad circumstance are twofold. First, the Government lacks the resources necessary for development and marketing of new technologies derived from Government funded research. And second, the Government has been adamantly unwilling to relinquish patent rights that would encourage and stimulate private industry to develop these discoveries and make them widely available to the public.

At first glance, I suspect that many hardworking American taxpayers may react negatively to this proposal, harboring the thought that it is just another Government giveaway at the taxpayers' expense. After all, one might reason, why should the Government use my money to fund costly research and then make the resulting technologies available for private profit?

Upon closer examination, however, the inevitable conclusion one reaches is that this is a remarkably good bill, that it makes a lot of sense, and that its passage will eminently serve a public purpose and the common good.

The key to this conclusion is found in the little-known fact that product development and marketing of new-found technologies is 10 times more expensive than the actual cost incurred for the initial research. This bill recognizes that fact and provides what I believe are both adequate safeguards to protect the Government's own investment, as well as necessary incentives to encourage universities and small businesses to proceed with marketing and development.

Mr. President, the University and Small Business Patent Procedures Act is, in my judgment, a good bill and it deserves to be passed.

Mr. SCHMITT. Mr. President, my distinguished colleagues, Senators BAYH and DOLE, today introduced the University and Small Business Patent Procedures Act. As a cosponsor of this bill, I wish to commend my colleagues for their effort and offer my support for this legislative initiative.

The United States has recently experienced a disturbing decline in the rate of technological innovation and economic productivity. Integrally related to this decline is the failure of the Federal Government to formulate a consistent policy and procedure concerning the patentability of inventions made with

Federal assistance. Too often, Federal patent policies are ineffective, conflicting, counterproductive, and operate to discourage innovation and commercial development. The scope of this problem is particularly acute when the Federal contractor is a small business firm or nonprofit organization.

The University and Small Business Patent Procedures Act would address this critical national problem by encouraging maximum participation of small business firms in federally supported research and development efforts and by promoting greater collaboration between commercial concepts and nonprofit organizations.

Mr. President, prior to the conclusion of the 95th Congress I introduced a bill, the Science and Technology Research and Development Utilization Policy Act, which shares many of the goals and objectives of the bill introduced today although more broadly focused. I have since circulated my bill for comment and I will shortly introduce a revised version incorporating many of the thoughtful comments and suggestions.

Again, I commend my Senate colleagues, Senators BAYH and DOLE, for their leadership in this area and I look forward to working with them toward the establishment of a Federal patent policy which promotes the commercialization and public availability of inventions made in the United States by domestic industry and labor.

By Mr. PELL:

S. 415. A bill to amend section 402 of title 23, United States Code, relating to highway safety programs, in order to require certain provisions in such programs to discourage driving while under the influence of alcohol; to the Committee on Commerce, Science, and Transportation.

THE ALCOHOL-IMPAIRED DRIVER ACT OF 1979

● Mr. PELL. Mr. President, "if you drink, don't drive!" How many times has each of us heard those words in our life? Actually, the slogan first appeared in 1933 when the National Safety Council mounted a highway safety campaign in anticipation of repeal of prohibition.

Unfortunately, 35 years of concern over drinking and driving have produced little or nothing in terms of positive results.

The cold facts remain the same: every year more than 50,000 people die in traffic accidents and at least half of these accidents are related to alcohol. Until a few years ago most of us blamed these highway deaths on the casual drinker who had done too much celebrating at a party or on the way home from work. Now, however, recent studies indicate that alcoholics are involved in two-thirds of the deaths due to alcohol-related crashes. A survey of the Department of Transportation on alcohol safety action projects indicates that alcoholics constitute as much as 5 percent of the driving population.

Even more disturbing is the increase of alcohol-abuse among our young people and the stark rise in alcohol-related traffic deaths in the 18 to 21 age group.

We also must consider the fact that there are more than 10 million unlicensed drivers on America's highways—untold numbers of them problem drinkers who are time bombs waiting to explode on the highway.

We could have the safest vehicles and the safest highway construction, yet unnecessary tragedy would continue. The reason is that the safety of even the most cautious driver depends upon the sobriety and caution of other drivers. Highway safety is much like a chain—it is only as strong as the weakest link.

Unfortunately, the record indicates that efforts to identify and rehabilitate the drinking driver have failed. The chances of arrest and punishment are too slight for the social drinker to serve as a deterrent. Not enough drivers realize that only a small amount of alcohol produces impairment.

Driving is only one of the many areas in the lives of alcoholics where their lives are out of control. Present efforts have failed to stop alcoholics from driving.

According to a recent Baylor College of Medicine article, the United States has a rate of alcohol-related traffic fatalities as high as any country in the world, even though the overall fatality rate based on vehicle mileage—is the lowest of any country.

After 35 years of slogans reminding drinkers not to drive, we need to impose stiffer penalties for drunken driving. I am aware of the reluctance of many of my colleagues to impose national standards on the States, however, this is a situation which cries out for the Federal Government to set minimum standards for the States to follow in handling drunken drivers.

The bill I am introducing today, the Alcohol-Impaired Driver Act, attacks the drunk driving problem in two ways: It requires States to enact stricter laws for those convicted of driving while intoxicated, and to establish comprehensive treatment programs for those referred by the courts or other authorities.

This means that a State's Federal highway safety funds would be cut off if that State did not enact laws providing for a jail sentence of at least 10 days or a comparable term of acceptable alternative service for those convicted of driving while under the influence of alcohol.

Under my bill, judges would have the choice of meting out jail sentences in appropriate instances; or ordering comparable alternative sentences—for example, working in hospitals, work camps, public service jobs—and requiring attendance at alcohol safety classes.

These are minimum standards. There can be no suspended sentences, no probation in lieu of jail. Of course, a State can add on other sanctions such as fines, license suspensions, or can extend jail terms to comport with local standards. However, each State will be required to have the minimum standards called for in the bill.

The other aspect of the bill requires States to provide for participation in an alcohol safety program by convicted drunken drivers and other chronic problem drinkers referred by the courts and other authorities.

I believe this approach is simple yet effective. While mandating deterrent criminal statutes and alcohol safety programs, the bill takes into account local views on the question by permitting State flexibility in the sentencing process.

This combination of strong punishment to deter social drinkers and treatment to deal with problem drinkers is what we need to attack the drunken driving menace. In the same way, we are protecting all highway users—drivers, passengers, pedestrians, cyclists and others—who are threatened by the drunken driver.

I first introduced this proposal late in the 94th Congress, shortly after two members of my own staff suddenly and tragically were slain in separate accidents by drunken drivers in other cars. The memory of Elizabeth Powell and Stephen Wexler is a constant reminder to me of the senseless waste of human life that goes on day in day out on our highways.

Congressional action in this area is long overdue. My proposal has generated considerable public interest and support since it was first introduced, and I ask each of you to consider the need for this type of legislation and the merits of my proposal. Too often our response to the cold facts of carnage on the highways is to reassure ourselves that since we do not drink and drive, we have nothing to worry about. As I learned through the painful loss of valued staff members, nothing could be further from the truth. Let us resolve to enact strong deterrent legislation and protect the innocent driver and passenger from senseless loss of life simply because he or she is in the wrong place at the wrong time.●

By Mr. HOLLINGS:

S. 416. A bill to make uniform with the general requirements of the Federal Food, Drug, and Cosmetic Act certain provisions relating to the labeling and notification of colored margarine and colored oleomargarine; to the Committee on Human Resources.

● Mr. HOLLINGS. Mr. President, today, I am introducing a proposal to simplify the Food, Drug, and Cosmetic Act by improving its requirements for the labeling and notification of margarine. This proposal is a technical adjustment in the act that would bring section 407 of the Food, Drug, and Cosmetic Act into line with the policies developed by the Food and Drug Administration in recent years, and to make the enforcement and compliance with the notification requirement easier.

This legislation is not going to promote margarine, to mandate the use of margarine, or to cause any decrease in consumer protection. Instead, it will enhance consumer protection by modernizing the overly complicated and special requirements for margarine in section 407 of the act.

Present law requires that an eating place do two things to notify patrons when it is serving margarine. It must post a sign on the wall or make a statement in the menu, and it must identify each serving by appropriate labeling or by a triangular shape. My bill would continue to require notice, but only suitable notice that is prominently and conspicuously displayed or labeled in such a manner as to render it likely to be read and understood by the ordinary individual being served. This change was heard in 1971 by the Subcommittee on Health of the Committee on Labor and Public Welfare. No objection was made then nor has one been made since. There has been ample time to consider it. The agencies concerned have all approved it. The National Restaurant Association had no objection. The American Heart Association and a number of farm and processor organizations approved.

Also, this bill would continue for margarine the act's requirement that foods label their name conspicuously, but would remove the unnecessary and special requirement on margarine, that the letters be as large as any other on the label. Thus, it brings margarine in this respect into line with other foods.

Finally, the bill would remove the reqiurement, also obsolete and nonuniform, that margarine inner wrappers bear the product name in a 20-point type—which under FDA rules triggers other labeling that becomes burdensome. Instead my bill would put margarine where other foods are under FDA's rules on inner unit labeling.

All of the above provisions in my bill have been approved by the Senate as part of the Federal Food Inspection Act of 1973 and the Consumer Food Act of 1975. While the House did not act on these bills, the notification in eating places proposal has been passed by the House on two occasions.

In summary this bill is a simple technical change which has two objectives: First, to provide better consumer protection by making the law easier to comply with and to enforce; and second, to simplify in one respect the burden of regulations on our expanding and important eating-out industry.

I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 416

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 407 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 347) is amended by—

(1) deleting "in type or lettering at least as large as any other type or letter on such label" in subsection (b)(3) thereof,

(2) deleting "in a wrapper which bears the word 'oleomargarine' or 'margarine' in type or lettering not smaller than twenty-point type" in subsection (b)(4) thereof, and inserting in lieu thereof "in a separate wrapper", and

(3) amending subsection (c) thereof to read as follows:

"(c) No person shall serve colored margarine or colored oleomargarine at a public eating place, whether or not any charge is made therefor, unless a suitable notice or identification that such colored margarine or colored oleomargarine is served is prominently and conspicuously displayed or labeled in such manner as to render it likely to be read and understood by the ordinary individual being served in such eating place.".●

By Mr. DOLE:

S. 417. A bill to amend the Trade Act of 1974 to prohibit the extension of nondiscriminatory treatment to the products of any country not a party to certain treaties relating to the control and nonproliferation of nuclear weapons; to the Committee on Finance.

RESTRICTING CHINA'S MOST FAVORED NATION ELIGIBILITY

● Mr. DOLE. Mr. President, on January 1, the United States officially recognized the People's Republic of China. The Chinese people have much to gain, just as we do, through our new relationship. But with full membership in the world community also comes full responsibility. The Chinese were able to obtain normalization without any preconditions and now the talks begin for expanded trade in which the People's Republic of China will greatly benefit. Before they begin to reap the benefits of normalization, I think we should make clear our position concerning the responsibilities we would like to see the Chinese undertake. I am speaking about the necessity of the Chinese to become a signatory of the Limited Test Ban Treaty of 1963 and the Nuclear Nonproliferation Treaty. Today, I am introducing a bill that requires such initiative by the Chinese before their products can be eligible for most-favored-nation status.

CONCERNING THE TEST BAN TREATY

Since the People's Republic of China entered the "nuclear club" by detonating their first nuclear device in 1964, there have been 25 subsequent explosions. Ranging in yield between 20 kilotons and 20 megatons these nuclear explosions create enormous radioactive clouds that are carried within a few days across the North American Continent. Radioactive particles suspended in these clouds eventually reach the farmlands of this country endangering the health of all Americans.

A report released after the September 26, 1976 detonation urged the dairy farmers of Connecticut not to allow their cows to graze on the land because dangerous levels of radioactive 131–iodine were found in the milk. This was the result of a relatively small-yield nuclear detonation. How much radioactivity can be expected from the larger explosions? Depending on weather conditions a strong storm occurring soon after a powerful explosion could be expected to cause high levels of radioactive materials.

China continues as the only nation in the world that engages in atmospheric explosions since France stopped in 1974 We in Congress have an excellent opportunity to express to China and the world our firm resolve and sincere belief in the international efforts toward arms control and nuclear nonproliferation. The Chinese people stand to gain substantially through trade with the United States. However, we cannot be so overwhelmingly helpful and conciliatory to a country which periodically showers our country with radioactive materials.

NUCLEAR NON-PROLIFERATION

In statements prior to and following nuclear detonations the Chinese have consistently ridiculed our efforts along with those of the Soviet Union toward disarmament and arms control. In Huang Hua's speech before the U.N. Assembly for disarmament he denounced both the Nonproliferation Treaty and the Test Ban Treaty as hampering the development of nuclear technology in other countries. The signing and adherence to the Nonproliferation Treaty is not a hollow act, but rather another one of the many responsibilities that nations must respect in order to create a safer, more secure world. All other nonmarket countries to whom we have extended most favored nation status have realized their obligations and are signatories to both treaties.

FAIR AND EQUAL TREATMENT

Although China's immigration policy may qualify for most-favored-nation status under the Jackson-Vanik amendment, should the United States treat China more favorably than we treat the Soviet Union at this time? The administration has expressed the desire to treat both countries equally and this legislation provides substantial support for such a policy. Already in the House of Representatives, 50 Congressmen have signed a letter urging China to sign these treaties. I urge the Congress to look seriously toward this measure and see the importance of this legislation to the health of Americans and the stability of the world.●

By Mrs. KASSEBAUM (for herself and Mr. SCHMITT):

S. 418. A bill to provide wheat and feed grain producers the opportunity to receive parity prices for the 1979 and 1980 crops, and to provide cotton producers the opportunity to receive parity prices for the 1979 crop; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURAL PARITY EQUITY ACT OF 1979

● Mrs. KASSEBAUM. Mr. President, during the past few days, this Nation has witnessed American farmers taking serious action to dramatize a serious problem. We cannot dispute the fact that their message is an important one and that their problems must be resolved.

Grain farmers are experiencing an economic crunch and the farm programs we have now do not meet their need.

Farm families are being caught in a serious price-cost squeeze. When we look at economic figures from the U.S. Department of Agriculture, we find that farmers continue to be paying higher prices while receiving inadequate income. From 1974 to 1977, the USDA index of prices received by farmers declined by 9 index points. In that same period, USDA figures showed the index of prices paid by farmers, including interest, taxes, and wage rates, increased by 38 index points. The past year has seen a moderate increase in prices received, but still inflation drives farmers' costs higher and higher.

Mr. President, this economic crunch is why I am introducing today legislation that is realistic and should be given serious consideration by this body. My legislation is a revision of the flexible parity concept endorsed by the Senate last year.

My flexible parity concept allows producers the opportunity to receive parity prices for farm commodities, while managing the supply so that excess stocks would not be acquired by the Government.

This legislation provides a schedule of established target prices for wheat, feed grains, and upland cotton which increases with the amount of cropland set-aside from production. As a higher percent of a farmer's acres are diverted, the higher the target price the farmer is eligible for.

The decison is where it belongs—in the hands of the farmer. There is a great variance in costs of production among farmers and no two farms will have exactly the same input costs. With this legislation, the farmer can select the target price and corresponding set-aside that will provide him his production costs and a fair return on investment.

A set-aside is needed so that there will not be an imbalance between crops produced and demand. Through the target price, farmers receive the increased income that is needed but the Government does not acquire large stocks of grain. A Government-held stockpile would be costly to the taxpayer and could be used against the producer in the marketplace.

Using parity prices for January of 1979, if the set-aside was 20 percent, a farmer would qualify for $3.74 on wheat. If he elected to set-aside 40 percent, he would be eligible for a $4.48 target price. This is 66⅔ and 80 percent parity, respectively. A target price of 100 percent parity could be attained by setting aside 50 percent of planted acres.

The flexible parity price schedule is a 2-year program that should provide short-term economic benefits to farmers. The legislation also establishes an agricultural cost of production board so that future price support levels can be based on actual costs as supplied by working farmers.

USDA needs direct farmer input into the agricultural policymaking process. This legislation creates that through a framework of a 16-member board composed of agricultural producers who will annually report to the Secretary of Agriculture. In this manner, we can obtain accurate, reliable figures from those who know them best. This will allow us to set future target price levels so that a fair return on investment is obtainable, which will maintain a viable food production industry and sustain the family farm.

I have been openly criticized for not wholeheartedly endorsing legislation that would guarantee the farmer 90 percent of parity for the price of his crops.

I did not support this legislation because I feel it is unfair to the farmer to promise something that will not happen. I could have supported this legislation and after it was scuttled in committee or beaten on the floor of the Senate, I could turn to the farmer and say, "I did all I could." But, I think that is a dishonest way to approach my job. I am interested in more than good intentions. I am interested in results.

It is the responsibility of our elected officials to provide an honest, deliberative discussion of the issues. The new focus in agricultural policy is going to have to be one of long-term stability. No one cares for the health of the farming economy more than I. And I believe that the legislation I have introduced today is a good beginning toward a more equitable farming program. I very much look forward to working with the farmers that fill our town today. I look forward to working with the farming community in my State of Kansas, and I look forward to working with the Members of this body in forging legislation that will provide our farming community a fairer price for their products.●

By Mr. WILLIAMS (for himself and Mr. JAVITS):

S. 420. A bill to strengthen State workers' compensation programs, and for other purposes; to the Committee on Human Resources.

NATIONAL WORKERS' COMPENSATION STANDARDS ACT OF 1979

Mr. WILLIAMS. Mr. President, I am today introducing the Federal Workers' Compensation Standards Act of 1979. I am pleased that the Senator from New York (Mr. JAVITS) has joined with me in sponsoring this important legislation.

Compensating those workers who are injured, killed, or diseased on the job traditionally has been the subject of the laws of the States. These laws were enacted in each of our States between 1910 and 1948, and reflected a compassionate concern for those working men and women who are disabled as a result of their employment.

While these laws were born in the spirit of compassion, they have regrettably fallen woefully behind the times. In many cases, they now constitute a cruel hoax on America's workers.

The need to revise our workers' compensation laws was recognized in 1970, when the Congress established the National Commission on State Workmen's Compensation Laws. The National Commission was charged with the responsibility of studying the current status of the compensation system "to determine if such laws provide an adequate, prompt, and equitable system of compensation."

The members of the National Commission were appointed from among our Nation's outstanding experts in the field of workers' compensation, and represented labor, employers, the insurance industry, the legal profession, Government, and the academic community.

The Commission's thorough and well reasoned report was issued in 1972, and was a complete and comprehensive analysis of the status of our workers' compensation laws. The report highlighted the deficiencies of the workers' compensation system and drew up a series of 84 recommendations for needed improvements; 19 of these recommendations were deemed by the Commission to be "essential."

The Commission's report urged that the States move promptly to modernize their laws, by adopting at the very least the 19 "essential" recommendations. Further, the Commission suggested that if the States were substantially unsuccessful in reforming their laws by June 30, 1975, Federal legislation would be in order.

The States have, indeed, made significant improvements in their compensation laws, but, when the National Commission's June 30, 1975 deadline was reached, no State had met the 19 "essential" recommendations. And, even today, 3 years later, the same situation still exists.

Most States are far short of this modest goal. As of January 1, 1979, on the average—State laws complied with only 11.96 of the 19 "essential" recommendations.

Mr. President, this is more than a scorekeeping exercise. The deficiencies of State laws translate themselves into real hardship for our injured, maimed, and diseased workers.

In 20 of our States a worker who is permanently and totally disabled can receive benefits of as little as $25 per week or less.

In several other States, a permanently and totally disabled worker can only receive benefits for a fixed period of time—in some instances, less than 7 years. This means that a worker who is permanently and totally disabled, at age 20, may receive no workers' compensation benefits beyond his 27th birthday.

In some States, if a worker is killed on the job, his widow can receive no more than $90 per week, no matter how many children she must support and irrespective of her ability to find work.

In some States, the widow of a worker who was making $250 per week and is killed on the job, can receive no more than $25,000 in death benefits—less than 2 years gross pay of the deceased worker.

Some States have limitations on the amount of medical benefits which will be paid by workers' compensation—in one instance, as low as $1,000.

In some States, whole classes of workers are totally excluded from workers' compensation benefits.

Mr. President, these are the facts—facts that demonstrate just how far we as a nation have fallen behind in providing fair and compassionate treatment for those who suffer from work-related disabilities.

During the past several years, the Committee on Human Resources has carefully studied our workers' compensation system. And the bill which I am introducing today is the result of our careful evaluation of these problems.

This bill is the product of an evolution in approaches toward establishing a fair and equitable workers' compensation system for our Nation. It represents a reasonable and effective means of remedying the weaknesses in current law, and restoring elementary fairness to disabled workers and their families. It is based on the recommendations which the National Commission made nearly 7 years ago. However, it is not a mere recitation of those recommendations since it does not reflect all 84 recommendations of the National Commission. Indeed, my bill does not even adopt all 19 "essential" recommendations. Rather, it addresses only those weaknesses of our current compensation system which are in the greatest need of reform; and only those weaknesses which lend themselves to correction through the use of Federal standards.

In sum, this bill deals with only those reforms which are absolutely necessary to bring elemental justice to the victims of industrial tragedies and to bring reform where the need has been amply demonstrated.

My legislation is clearly a Federal standards bill and does not call for Federal interference with the administration and implementation of the basic workers' compensation laws of the States. Indeed, the States, under my proposal, will continue to administer their own workers' compensation laws.

Mr. President, the legislation which I am introducing today would insure a basic benefit for death or total disability of not less than two-thirds of the employee's average weekly wage. This is the figure that the National Commission, the majority of the States, and most commentators have agreed is a fair and equitable benefit to enable the victims of industrial injury and their survivors to adequately provide for themselves and their families.

My bill provides a minimum benefit for death or total disability of 50 percent of the statewide average weekly wage, and a maximum benefit of 150 percent of the statewide average weekly wage. These provisions, based on the National Commission's recommendations, will insure adequate, but not extravagant compensation of all victims.

This bill insures that adequate benefits are paid to survivors of those who die as a result of an industrial accident or disease.

The bill requires that workers' compensation pay for all medical expenses resulting from work-related injury or disease. This provision eliminates those unreasonable limitations which currently apply to medical payments, and which sometimes require medical costs to be paid by employer's medical plans, medicare or out of workers' savings.

My bill provides that workers' compensation pay for the costs of physical rehabilitation. In this way, injured workers can be returned promptly to the job roles and taken off the compensation roles.

My bill eliminates the artificial restraints on compensation of occupational disease, so that all claimants would have the opportunity to prove that such a disease is job related so that they may be eligible for compensation benefits.

Mr. President, this bill contains numerous other provisions to improve the benefits and the administration of our workers' compensation system in order to insure basic fairness to disabled workers and their families. I will not detail them at this time, but I ask unanimous consent that the text of this bill be printed in the RECORD, together with a section-by-section analysis of the bill, at the conclusion of our remarks on this bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibits 1 and 2.)

Mr. WILLIAMS. Mr. President, one of the most serious problems that has confronted us in drafting Federal workers' compensation standards legislation is how such standards are to be enforced. Workers' compensation has traditionally been the province of the States and it is my belief that the administration and enforcement of these laws should remain with the States.

Earlier workers' compensation bill introduced during the 93d and the 94th Congresses were criticized as going beyond the mere setting of Federal standards, and as being an actual usurpation of State prerogatives by the Federal Government. This criticism has given me great concern. I, for one, believe that a compensation law that is administered and enforced at the State level, where it can be responsive to the needs of the people will best serve all parties affected.

For that reason, the enforcement mechanism in S. 3060, which I introduced during the last Congress, established an enforcement scheme that left the States free to administer their own compensation laws. The adjudication of claims and the development of decisional law was solely within the jurisdiction of the existing State systems, and the decisional law, as it developed in the States was to be in all but exceptional cases, dispositive of the basic questions presented in any compensation case. In short, under last year's bill, there was to be no Federal law of workers' compensation.

This statutory scheme won the endorsement of our Nation's outstanding academic experts on workers' compensation and we have retained the same enforcement mechanism in the bill which I have introduced today. This provision is one which is reasonable, realistic, and workable, and which secures the basic rights of claimants while at the same time constitutes the least possible interference with our State workers' compensation programs. It is important to note that this bill creates no Federal workers' compensation agency and no Federal interference with the rights of the States to develop and enforce their own laws.

Mr. President, workers' compensation legislation will be expensive. This is because workers' compensation benefits have fallen so far behind the needs of today's workers. However, I have carefully reviewed previous bills and the recommendations of the National Commission, and I believe that I have succeeded in paring down this legislative proposal to only those elements which are absolutely necessary to insure fairness and justice to disabled workers and their families.

And, while there will be additional costs to employers as a result of my bill, I believe that these costs are modest in comparison with those of previous proposals, and that they are costs which our economy can well afford to bear.

Indeed, our economy now bears the costs of industrial accidents and diseases. When workers' compensation does not adequately provide for disabled workers, then our other social systems must take up the slack. Where benefits or coverage is inadequate, our workers and their families must dig into their own savings to pay those costs, and as a last resort, they are paid for by our already underfunded welfare programs.

The results of this bill will be to shift some of the current costs of industrial accidents and diseases to our workers' compensation system, and away from the social security system, the welfare system, the medicare system, the employer health benefits plan system, and from the private savings of the victims of industrial accidents and diseases.

Mr. President, our national system of State workers' compensation laws was inadequate in 1970 when the National Commission was established. It was inadequate in 1972 when the Commission issued its report. It was inadequate in 1975 when the National Commission's deadline for State improvements was passed, and, it is inadequate now.

As long as our workers' compensation laws are inadequate, workers and their families will suffer. It is saddening that so many of our working citizens are disabled every year due to industrially related causes. It is even more saddening that, in addition to bearing the terrible tragedy of maimed limbs, missing fingers, and debilitating disease, these workers must bear the further hardship of a compensation system which is inadequate to meet their medical and living expenses.

The deficiencies of our workers' compensation laws are a national tragedy. We cannot let this tragedy continue. This bill is not a rich man's bill. It is not a bill which will provide benefits that will make disabled workers wealthy. It only provides elementary justice and equity for the maimed and diseased workers of our Nation. It is a bill which our Nation can and must afford.

Mr. JAVITS. Mr. President, once again I am pleased to join with Senator WILLIAMS, chairman of the Labor and Human Resources Committee, in introducing legislation to establish Federal minimum standards for State workers' compensation laws. Today's bill is a further step in a process which began almost 10 years ago with the establishment of the National Commission on State Workmen's Compensation Laws pursuant to an amendment to the Occupational Safety and Health Act which I authored. Senator WILLIAMS and I arrive at this point in essential agreement on the basic features of an effective minimum standards bill, although one important aspect to which I will address myself later in my comments today requires an amendment by me.

The National Commission's 1972 report has served as the basic framework for the consideration of workers' compensation reform efforts since that time. The Commission was comprised of 18 members drawn from business, labor, insurance, Federal and State agencies, and members of the public. Those 18 members unanimously concluded that—

> State workmen's compensation laws are in general neither adequate nor equitable. While several states have good programs, and while medical care and some other aspects of workmen's compensation are commendable, strong points too often are matched by weak.

The National Commission made 84 recommendations for minimum standards for all State workers' compensation programs. It deemed 19 of those standards as essential, and its report recommended that if the States did not meet those 19 essential recommendations by July 1, 1975, the Congress should promptly act to adopt Federal legislation embodying the 19 essential recommendations in the form of a Federal minimum standards law.

Unquestionably, since the issuance of the National Commission's report, and under the threat of proposed Federal legislation, the States have made significant improvements in their workers' compensation laws. However, with each passing year it has become more certain that the States will not voluntarily act to improve their laws up to the point where all States meet substantially the 19 essential recommendations of the National Commission.

According to information compiled by the Department of Labor, the general compliance ratio with the 19 essential recommendations of the National Commission was approximately 55 percent as of April 1975. According to the latest figures furnished by the Department of Labor, the compliance ratio on January 1, 1979, was approximately 63 percent. Given the fact that the Commission was composed of a broad spectrum of members representing labor, business, insurance, and the public, and that the Commission's views with respect to the 19 essential recommendations were unanimous, this overall record of compliance is, at the very least, disappointing. In my view it is utterly dismal.

Furthermore, the record of State compliance with the Commission's key recommendations in the benefit area is even worse than the overall compliance record. Thus, only 26 States have complied with recommendation 3.8 calling for a maximum weekly benefit on temporary total disability to be at least 100 percent of the State's average weekly wage by July 1, 1975; and only 20 States comply with recommendation 3.23 calling for the maximum weekly benefits for permanent total disability to be at least 100 percent of the State's average weekly wage by July 1, 1975; and 20 States comply with recommendation 3.23 calling for the maximum weekly benefits for death to be at least 100 percent of the State's average weekly wage by July 1, 1975. That means that a substantial number of workers or their families in most States will not receive decent income replacement of two-thirds of their lost wages, even if they are totally disabled or killed from work-related causes.

Mr. President, I ask unanimous consent that the tables prepared by the Department of Labor be printed in the Record at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 3.)

Mr. JAVITS. Another development which has underscored the need for improvement in existing State laws is the developing body of knowledge concerning the prevalence and severity of occupationally caused diseases. The failure of State workers' compensation laws to recognize the existence of coal workers' pneumoconiosis—black lung as it is more commonly known—and to provide reasonable compensation for its unfortunate victims, has already led to one massive Federal program, costing billions of dollars, to provide compensation for the victims of that terrible disease. We also know that despite published estimates that hundreds of thousands of American workers are the victims of occupational disease, relatively few occupational disease cases are actually handled through the workers' compensation system. Partly this is due to arbitrary exclusions or other irrational requirements embodied in some State laws as to duration of exposure and recency of employment, but it is also in large part attributable to the lack of a defined, cohesive standard or set of standards by which the compensability of occupational disease can be determined. More often than not, occupational disease cases are determined with reference to what particular physicians may say in individual cases, rather than to any generalized body of knowledge or standards.

This situation has led to a number of legislative proposals for special treatment similar to the Federal black lung program for the victims of such diseases as byssinosis and asbestosis. Also, some commentators, including a former Republican Assistant Secretary of Labor for Employment Standards, John Read, have called for serious study of the possibility of splitting off occupational disease from the existing State workers' compensation system and the establishment of a separate Federal compensation system to deal with the occupational disease problem.

My own approach to the occupational disease problem, as well as to the general problem of the inadequacy of State workers' compensation laws in other areas, is to resist any Federal takeover of all or part of the existing State system. Rather, the approach used in previous bills cosponsored by myself and Senator Williams is in line with the National Commission's recommendations of establishing Federal minimum standards for State laws, with an enforcement mechanism providing the least possible Federal intrusion into the State system, and then only when the State law fails to meet established Federal standards.

As this legislation has evolved, the approach to enforcement of the Federal standards has been considerably modified in order better to accomplish the objective of minimizing any possible Federal intrusion into the traditional role of the States in administering the workers' compensation system.

The current bill embodies the same approach used in S. 3060 introduced in the last Congress under which it would be absolutely impossible for the Federal Government ever to "take over" any State workers' compensation system. Under the bill, if a State did not meet Federal minimum standards, and a worker was deprived of compensation due under Federal standards, the worker could file a claim for supplemental compensation with the Benefits Review Board in the U.S. Department of Labor after exhausting all remedies at the State level. Such a claim could only be filed where the State law has previously been determined by the Secretary of Labor not to meet Federal standards.

The major point of the legislation is, of course, the Federal minimum standards themselves. The standards embodied in the current bill follow closely the 19 "essential" recommendations of the National Commission on State Workmen's Compensation Laws. They thus can hardly be characterized as too idealistic or visionary. Virtually all the witnesses who have testified before the Labor and Human Resources Committee on predecessor bills have agreed that the 19 "essential" recommendations should be met by all State laws. The following is a brief summary of the more important standards:

First. No maximum limitations on total benefits for death or temporary or permanent total disabiilty;

Second. No maximum limitation on the type or extent of medical care or rehabilitation services;

Third. Totally disabled workers must be paid not less than 66⅔ percent of the average weekly wage, or 80 percent of their spending earnings, subject to a maximum of no less than 100 percent of the statewide average weekly wage;

Fourth. Full coverage of occupational disease, with no arbitrary exclusions or limitation based on duration or recency of exposure;

Fifth. Subject to approval and direction of the State agency, free choice of physicians by the injured worker;

Sixth. Supervision and direction by the State agency of medical and rehabilitation services with the proviso that benefits may be denied to an injured worker who refuses to undergo available and appropriate rehabilitation;

Seventh. Death benefits at the same rate as total disability benefits, but subject to a limited permissible offset against widows benefits payable under social security law;

Eighth. A waiting period of not more than 3 days with retroactive benefits paid after 14 days; and;

Ninth. In the area of occupational disease, the bill also provides for the development of advisory standards for determining occupational causation of disease based on the recommendations of special committees which must be set up to study each disease. Annual certification of State laws by the Secretary of Labor will not depend on compliance with the advisory occupational disease standards, but will include an evaluation of the extent to which the States have complied with them. Moreover, the Secretary will make periodic reports to the Congress on compliance with these advisory standards and will make legislative recommendations as to their being enacted on a mandatory basis. Finally, the bill also eliminates certain arbitrary barriers to compensation in occupational disease cases which have in many cases barred meritorious claims.

Those who are familiar with the development of this legislation since Senator WILLIAMS and I introduced our first bill on this subject in 1973 will note there are three major differences between the standards embodied in the current bill and those embodied in S. 3060 introduced last year.

First, we have agreed to eliminate from this bill the provision requiring that benefits be adjusted automatically to reflect annual changes in the average weekly wage in the State. Although benefit escalation would provide an important protection for workers' compensation beneficiaries against the chronic inflation that this Nation has suffered for too many years, we recognize that the current Federal efforts to combat the inflationary spiral may make it difficult to index federally mandated benefits in an area heretofore untouched by Federal law.

Instead we call for a study of the desirability and feasibility of providing automatic benefit adjustments and an annual report of the economic effect of the failure to provide adjustments. This, of course, in no way prevents those States which have adopted automatic benefit increases from continuing to do so, nor does it prevent other States from voluntarily adopting this protection for workers disabled by industrial accidents and disease and the survivors of those who have died from them.

Second, we have reduced somewhat the ceiling on benefits in total disability and death cases from 200 percent of the applicable State average weekly wage to 150 percent of the average wage. In doing so, however, I wish to point out that this issue should be reviewed by succeeding Congresses in light of the desirability of fully replacing at least two-thirds of a totally disabled worker's prior wages. Workers' compensation benefits, after all, are not intended to be a welfare program, or even to be needs tested. Workers' compensation is intended, rather, to replace income on the basis of the expectancy of the injured or ill worker, or the survivors, for income at the career level reached by that worker.

Third, the bill in which I have joined with Senator WILLIAMS provides for advisory, rather than mandatory occupational disease standards. It is in this connection that I am submitting an amendment to the bill which will provide authority for mandatory occupational disease standards.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 4.)

Mr. JAVITS. From the inception of this legislation, nearly 6 years ago, I have stated my strong belief that one of its most important provisions is the authority to establish occupational disease standards by which claims in every State can be determined on an equitable and uniform basis. The record of the Labor and Human Resources Committee is filled with evidence that the State workers' compensation system has simply not adjusted to the realities of the dangers created by exposure to carcinogenic and other hazardous substances in the workplace. These hazards all too often produce serious and often fatal diseases which sometimes manifest themselves only many years after initial exposure.

I am well aware that objections have been lodged to this aspect of the bill on the grounds that it grants excessive discretion to the Secretary of Labor to promulgate occupational disease standards and that it might ultimately be too costly for the workers' compensation system to bear. The standard-setting procedures set forth in my amendment have been carefully drawn to assure not only due process for affected parties but a systematic procedure to produce the most sound and equitable standards possible. This process will clearly require a number of years to produce any significant number of standards in light of the fact that so much remains to be learned about causation and other relevant factors in determining compensability in occupational disease cases. But, I firmly believe that we must begin the process in earnest now.

Mr. President, I am well aware that this bill will be scrutinized more than ever in terms of its cost. Yet, in my view, we must also recognize that this legislation cannot be finally evaluated in money terms alone. What is ultimately involved is the moral responsibility of Government to see to it that the tragic victims of occupational injury and disease receive reasonable compensation in the basic no-fault system which workers' compensation embodies.

I emphasize, in this connection, that workers' compensation is a replacement for a tort system, which provided unlimited recovery, based on fault. While I would not wish to go back to the tort system, certainly if the Government is to take away an unlimited right of recovery, it has a responsibility to substitute for it a decent and humane system which will not require the victims of industrial accidents and exposure to toxic chemicals in the workplace to go on welfare in order to survive. I believe that we must enact legislation which embodies the absolutely essential ingredients of any decent State workers' compensation law, which have been agreed to by virtually everyone who has any connection with the workers' compensation system, as exemplified in the National Commission's unanimous report.

I wish to emphasize that enactment of this legislation should be a very high priority for the Labor and Human Resources Committee during this session of Congress, and that we are quite serious about advancing this bill ahead in the very near future. In previous years, this legislation has taken a back seat to other bills involving such important matters as increases in the minimum wage and labor law reform.

I have every reason to believe that starting today this bill will finally receive the priority attention it has deserved all along and that hundreds of thousands of workers and their families who are victims of industrial accidents, deaths and disease will not have too much longer to wait before receiving the Federal guarantee which is rightfully theirs of decent and human treatment through the workers' compensation system.

EXHIBIT 1

S. 420

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Workers' Compensation Standards Act of 1979".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) many thousands of American workers are killed or permanently disabled and millions more are incapacitated from injuries and disease arising out of and in the course of their employment;

(2) injuries, diseases, and deaths arising out of and in the course of employment, constitute a burden upon interstate commerce and have a substantial adverse effect upon the general welfare;

(3) work-related injuries and diseases frequently occur during the worker's most productive years which often results in hardship for dependents and families;

(4) the vast majority of these injured and ill workers, and their families, are dependent on State workers' compensation systems for economic security, medical treatment, rehabilitation, and reemployment assistance when they suffer an injury, disease, or death arising out of and in the course of their employment;

(5) American workers and the national interest are best served by an adequate, prompt, and equitable workers' compensation system;

(6) many existing State workers' compensation laws do not provide an adequate prompt and equitable system of compensation for injuries, diseases, or deaths arising out of and in the course of employment;

(7) the basic national objectives for a comprehensive workers' compensation system include (A) broad coverage of employees and work-related injuries and diseases; (B) substantial protection against interruption of income; (C) provision of prompt and adequate medical care and rehabilitation services in order to correct work-related injuries and to restore such injured workers to gainful employment; (D) encouragement of safety and health protection; and (E) an effective system for delivery of benefits and services;

(8) the National Commission on State Workmen's Compensation Laws, in its 1972 report, found that existing State workers' compensation laws did not meet minimum standards of adequacy and fairness;

(9) although in recent years there have been improvements in many State workers' compensation laws, to a great extent existing State workers' compensation laws still fail to meet the minimum standards recommended by the National Commission on State Workmen's Compensation Laws; and

(10) the improvements that are necessary to insure that a prompt, adequate, and equitable system of workers' compensation is available to all American workers can

and should be achieved without delay, and there is a need for the Federal Government to encourage and assist the States in meeting this responsibility and to establish Federal minimum standards for State workers' compensation programs which assure adequacy, promptness, and fairness, while at the same time maintaining the primary responsibility and authority for workers' compensation in the States.

(b) It is the purpose of this Act through the exercise of the power of Congress to regulate commerce among the several States and with foreign nations, and to provide for the general welfare, to—

(1) establish minimum standards for workers' compensation programs for employees throughout the Nation;

(2) establish appropriate procedures for providing employees with workers' compensation benefits in accordance with such standards in a State which does not meet such standards;

(3) encourage and provide technical and financial assistance to the States to make improvements in existing workers' compensation systems—

(A) to provide all workers and their families an adequate, prompt, and equitable system of workers' compensation;

(B) to restore disabled workers through medical and vocational rehabilitation services to the fullest possible physical, mental, and economic usefulness; and

(4) accomplish the foregoing objectives in such a way as to maintain the primary authority and responsibility for workers' compensation in the States.

DEFINITIONS

SEC. 3. For the purposes of this Act—

(1) the term "Secretary" means the Secretary of Labor;

(2) the term "Advisory Commission" means the National Workers' Compensation Advisory Commission established under this Act;

(3) the term "employer" means any person engaged in commerce or an industry affecting commerce, but shall not include the United States, or any State or political subdivision thereof;

(4) the term "person" includes one or more individuals, labor unions, partnerships, associations, firms, insurance funds, mutual companies, corporations, companies, joint-stock companies, trusts, unincorporated organizations, societies, trustees, trustees in bankruptcy, or receivers;

(5) the term "employee" means any individual employed by his or her employer or any individual who is treated as an employee for purposes of the workers' compensation law of any State, except that such term does not include—

(a) any individual who does not receive wages as defined in section 3121(a) of the Internal Revenue Code (26 U.S.C. 3121);

(b) any individual employed in domestic service in or around a private home by any employer who did not during any calendar quarter in the same or previous calendar year, employ one or more household domestic workers for compensation of $1,000 or more; or

(c) any individual employed as an agricultural laborer by any employer who did not during any calendar quarter during the preceding calendar year employ more than thirty work-days of agricultural labor. For the purposes of this subsection, "work-day" means any day during which an employee performs any agricultural labor for not less than one hour. The person who operates a farm shall be deemed to be the "employer" of agricultural workers employed on that farm for the purposes of this Act, except where another person within the definition of "employer" in subsection (3) of this section has agreed in writing with the operator to accept workers' compensation responsibility and has informed the Secretary of his intention to accept such responsibility when applying for a Registration Certificate under the Farm Labor Contractor Registration Act of 1963, as amended; or

(d) any individual whose employment is covered by (i) subchapters I and II of chapter 81 of title 5, United States Code, (ii) the Act entitled "An Act relating to the liability of common carriers by railroad to their employees in certain cases", approved April 22, 1908 (35 Stat. 65, 45 U.S.C. 51–60), (iii) the Longshoremen's and Harbor Workers' Compensation Act (33 U.S.C. 901–950) and extensions thereof, or (iv) section 20 of the Act entitled "An Act to remove certain burdens on the American merchant marine and encourage the American foreign carrying trade, and for other purposes", approved June 26, 1884 (46 U.S.C. 688);

(6) the term "physician" means a person licensed to provide health care services, and includes but is not limited to surgeons, podiatrists, dentists, clinical psychologists, optometrists, chiropractors to the extent specified in the Federal Employees' Compensation Act (5 U.S.C. 8101(2)), and osteopathic practitioners within the scope of their practice as defined by State law, and any other individual licensed to provide health care services reimbursable without referral from a physician under the workers' compensation law of any State;

(7) the term "compensation" means benefits made available under the applicable State workers' compensation law or pursuant to entitlements created by this Act, to the disabled employee or to the survivors of a deceased employee, and shall include, but not be limited to—

(a) "monetary benefits" paid to disabled employees or their survivors;

(b) "medical benefits" including payments for or provision of services of physicians, hospital care, nursing care, ambulance, prosthetic devices, and other related services, drugs, medicines;

(c) "rehabilitation benefits" including payment for or provision of medical and vocational services to reduce disability and to restore the physical, mental, and vocational functioning of a disabled worker;

(8) the term "statewide average weekly wage" means the average weekly earnings of workers on private payrolls within the State, as determined under the Federal Unemployment Tax Act (26 U.S.C. 3304);

(9) the term "State workers' compensation agency" means that agency, court, or official designated in each State as responsible for the administration or enforcement of the workers' compensation program within such State;

(10) the term "State workers' compensation law" means the law or laws of a State which provide compensation for death or disability resulting from injuries (including diseases) arising out of and in the course of employment or other similar test of work relatedness applicable under such law.

STANDARDS FOR WORKERS' COMPENSATION BENEFITS

SEC. 4. The minimum standards for State workers' compensation laws shall be as follows:

(a) All employers and employees as defined in this Act shall be covered, and coverage shall be compulsory, rather than elective.

(b)(1) Monetary benefits payable for total disability or for death shall be not less than 66⅔ per centum of the employee's average weekly wage subject to the following limitations:

(A) During the one-year period commencing January 1, 1982, with respect to disability or death occurring during such year, the maximum weekly benefits payable shall not be less than 100 per centum of the statewide average weekly wage during the first four of the last eight calendar quarters preceding January 1, 1982.

(B) During the one-year period commencing January 1, 1984, and for every year thereafter, the maximum weekly benefits payable with respect to disability or death shall be not less than 150 per centum of the statewide average weekly wage during the first four of the last eight calendar quarters preceding January 1 of the year in which the death or disability occurs.

(C) Minimum weekly monetary benefits for permanent total disability and death during any one-year period shall be at a rate not less than 50 per centum of the statewide average weekly wage during the first four of the last eight calendar quarters preceding January 1 of such year or the employee's actual weekly wage, whichever is less.

(D) The maximum and minimum weekly benefits provided herein which are in effect on the date of the occurrence of the disability or death shall be applicable for the full period for which benefits are payable with respect to such disability or death.

(2) For the purpose of paragraph (1) of this subsection, payment of benefits at the rate of 80 per centum of the spendable earnings of a totally disabled or deceased employee shall be deemed to be not less than 66⅔ per centum of such employee's average weekly wage if spendable earnings are not less than the employee's gross average weekly wage reduced by an amount determined to reflect amounts which would be withheld from such wage under Federal and State income tax laws and under subchapter A of chapter 21 of the Internal Revenue Code of 1954 (relating to social security taxes) if the amount withheld were determined on the basis of the reasonably anticipated liability of such employee for tax for the taxable year in which such payments are made without regard to any itemized deductions but taking into account the maximum number of personal exemption deductions allowable.

(c)(1) Monetary benefits in the case of death at not less than the rate specified in subsection (b) of this section (including the maximum limits specified therein) shall be payable to the deceased employee's surviving spouse for life or until remarriage, with at least two years' benefits payable upon remarriage, except that if there is one or more surviving child, at least 50 per centum of the benefits payable under this paragraph shall be payable to such surviving children (share and share alike), such benefits to be payable to each child until at least age eighteen (or age twenty-five if the surviving child is a full-time student in an accredited educational institution), or for life if any such surviving child is physically or mentally incapable of self-support at the time of the death of the employee provided the compensation need not continue if such child becomes capable of self-support. If there is no surviving spouse, the amount of benefits payable to any surviving children shall include the amount which would otherwise have been payable to such surviving spouse.

(2) State law may provide an offset of death benefits against the survivor's insurance benefit payable under the Social Security Act, but only to the extent that such death benefits are reduced by no more than 5 per centum of the surviving spouse's share of the survivor's insurance benefits under the Social Security Act for each $10 of the deceased employee's average weekly wage in excess of $100, and further provided that in no case shall the reduction exceed 50 per centum of the surviving spouse's share of the survivor's insurance benefits under the Social Security Act.

(d) There shall be no time or dollar maximum limitation on the total amount of compensation payable in case of death or total disability.

(e) There shall be no time or dollar maximum limitation on the type or extent of medical benefits determined to be necessary by the State workers' compensation agency in any case.

(f) There shall be no exclusion of any disease and compensation due to disease shall not be denied on the basis that a disease (1) is not peculiar to or characteristic of a particular occupation or employment; (2) is not the result of an accident, or the onset of such disease was unrelated to any accident or accidental occurrence; (3) does not appear on a list of compensable diseases where exclusion from the list renders a disease conclusively noncompensable, or appears on a list of diseases which are conclusively noncompensable if such disease might, under some circumstances, arise out of and in the course of employment; or (4) is an ordinary disease of life or is a communicable disease, if the risk of contracting such a disease is increased by the nature of the employment. Nothing in this section shall preclude any State from including in its law, rebuttable presumptions concerning the circumstances under which particular diseases may be found to have arisen or not to have arisen out of and in the course of employment.

(g) A disabled employee shall be entitled to prompt rehabilitation services subject to the supervision and approval of the State workers' compensation agency. The State workers' compensation agency shall determine the appropriate rehabilitation services in each case to accomplish to the extent possible the objectives of restoring the physical, mental, and vocational functioning of the disabled employee, and his or her return to employment, consistent with the nature of the disability incurred. The State law may permit a maximum time limit on rehabilitation of not less than two years. Expenses incident to rehabilitation shall be considered a part of the rehabilitation benefits and shall not be borne by the disabled employee. Rehabilitation benefits are additional benefits and shall not reduce or replace any other available compensation.

(h) At such time as a disabled employee is able to resume work, the employer shall take reasonable steps to reemploy such employee in the same position or occupation such employee held prior to the disability, or if the employee is unable to perform the duties of his or her former position or occupation, to any other available position for which such employee is qualified, unless taking into consideration all the relevant circumstances, requiring such reemployment would constitute an undue hardship on the employer.

(i) Subject to the approval, direction, control and supervision of the State workers' compensation agency, a disabled employee shall be entitled to select a physician for diagnosis and treatment from among all physicians licensed by the State, or from a group or panel of physicians designated previously by the State workers' compensation agency.

(j) Compensation may be denied by reason of an injured worker's refusal to accept medical or rehabilitation service ordered by the State worker's compensation agency, except where such refusal is based on a choice, made in good faith, of treatment through prayer or spiritual means.

(k) Whenever employment requires travel travel between States or between the United States and, any other country, an injured or ill employee or the eligible survivors of such employee may claim benefits under the worker's compensation law of a State if the employment was principally localized in that State; or the employee was hired or appointed in that State; or the injury, disease, or death for which benefits are claimed occurred in that State. This section shall not be construed as authorizing recovery of compensation under more than one States' law.

(l) The waiting period for monetary benefits shall be not longer than three days and the period for qualifying for retroactive benefits during such waiting period shall be not longer than fourteen days.

(m) An original claim for compensation for disability or death may be filed within two years after the onset of disability or death. The time for filing a claim or notifying the employer of the injury (or disease) shall not begin to run until the employee has a compensable disability and is aware, or by the exercise of reasonable diligence should have been aware, of the causal relationship of the compensable disability to the employment. There shall be no time limitation on the filing of a claim based on recency of employment, unless the Secretary promulgates a standard under section 5 which includes such a time limit.

(n)(1) No compromise or release of any compensation shall be effective unless approved by the State workers' compensation agency, based on a determination by such agency that such compromise or release is in the best interest of the claimant, and will not adversely affect any program of rehabilitation.

(2) No compromise or release of medical or rehabilitation benefits shall be effective unless approved by the State workers' compensation agency, based on the evaluation of a physician designated by that agency that the compromise and release will sufficiently provide for future medical and rehabilitation care necessitated by the employees' injury or disease, and a determination by the agency that such compromise and release is otherwise in the best interest of the employee.

(3) No waiver, release, or similar instrument relating to future coverage or compensation under any State workers' compensation law that is executed prior to the occurence of any injury or death shall be effective under any circumstances. Any waiver, release or similar instrument which does not comply with the provisions of this paragraph shall be void.

PROPOSALS FOR THE COMPENSATION OF OCCUPATIONAL DISEASE

SEC. 5. (a) The Secretary of Health, Education, and Welfare is authorized and directed to undertake studies of employment-related diseases for the purpose of developing and recommending proposals for appropriate standards for (i) determining whether particular diseases arise out of and in the course of employment; (ii) establishing criteria for diagnosing diseases; and (iii) establishingg criteria for determining whether death or disability is due to such diseases. In determining subjects for and design of studies pursuant to this section, the Secretary of Health, Education, and Welfare shall give priority to the recommendations of the Secretary of Labor and the National Workers' Compensation Advisory Commission established under section 17 of this Act (hereinafter called the "Advisory Commission"). In carrying out the studies required by this section, the Secretary of Health, Education, and Welfare shall consult with the Director of the National Institute of Occupational Safety and Health and such other public and private organizations as are appropriate with respect to employment related diseases. The results of such studies shall be published and distributed to the States, and shall be furnished to the Secretary of Labor.

(b) The Secretary may develop recommended standards for (i) determining whether diseases arise out of and in the course of employment; (ii) establishing the criteria for diagnosing such diseases; and (iii) establishing criteria for determining whether death or disability is due to such diseases or for modifying or revoking such standards. Such recommendations may include reasonable rebuttable presumptions wherever appropriate.

(c)(1) Such recommended standards shall be developed in accordance with the following paragraphs:

(2)(A)(i) When the Secretary receives a recommended standard from the Secretary of Health, Education and Welfare pursuant to subsection (a), and determines not to propose a recommended standard based on that recommendation, the Secretary shall within sixty days after receipt thereof, publish in the Federal Register his determination not to do so and his reasons therefore.

(ii) Whenever the Secretary, upon the basis of studies or recommended standards published under subsection (a) or other information or studies submitted to him by an interested person or by a State or on the basis of information developed by the Secretary, determines that a standard should be proposed to establish minimum standards relating to occupational disease compensation, the Secretary shall prepare a recommended standard and shall appoint an advisory committee composed of not less than three medical, scientific, or other experts of suitable experience, training, or education related to the subject matter of the proposal.

(B) When the Secretary has determined to propose a recommendation for consideration by an advisory committee, the Secretary shall forward it to the advisory committee established to consider each proposal, and shall provide the committee all pertinent information developed by the Secretary or the Secretary of Health, Education and Welfare, or otherwise available to the Secretary, including the results of research, demonstrations, and experiments. The advisory committee shall consider such proposal and shall determine (i) whether in the advisory committee's opinion the standard is consistent with available scientific and medical knowledge concerning the subject matter of the proposal and (ii) the advisory committee's recommendations for modifications of such proposal to make it consistent with available scientific and medical knowledge concerning the subject matter of the proposal or otherwise to improve the proposal. The advisory commitee shall submit a report of its consideration of such proposal to the Secretary within one hundred and eighty days of the date of its appointment or within each shorter period as may be prescribed by the Secretary, but in no event may such period be less than ninety days.

(3) Within sixty days of the receipt of the report of the advisory committee, the Secretary shall determine whether to solicit public comment on the recommended standard. If the Secretary determines to do so, he shall publish that determination and the recommended standard in the Federal Register. If he determines not to recommend said standard, he shall publish that determination in the Federal Register, and his reasons therefor. In either event, the Secretary shall at the same time forward a copy of the advisory committee's report to the Advisory Commission.

After publication of a recommended standard in the Federal Register, the Secretary shall afford interested persons a period of thirty days after such publication in the Federal Register to submit written data or comments on the proposal. Such comment period may be extended by the Secretary upon finding of good cause, which the Secretary shall publish in the Federal Register.

(4) On or before the last day of the period provided for the submission of written data or comments under subparagraph (4)(A), any interested person may file with the Sec-

retary written objections to the recommended standard, stating the grounds therefor and requesting a public hearing on such objections. If the Secretary determines that a public hearing on such proposal would assist in developing pertinent information about such proposal and its subject, the Secretary shall, within sixty days after the last day for filing such objections, publish in the Federal Register a notice specifying the proposal to which objections have been filed and a hearing requested and specifying a time and place for such hearing. Any hearing under this subsection for the purpose of hearing relevant information shall commence within sixty days after the date of publication of the notice of hearing. Hearings shall be conducted by the Secretary, who may prescribe rules and make rulings concerning procedures in such hearings to avoid unnecessary costs or delay. A verbatim transcript shall be taken of any such hearing and shall be available to the public.

(5) Within one hundred and eighty days after the closing of the record of any such hearing, or, in the case of a recommended standard concerning which a public hearing was not held, within one hundred and eighty days after the period for filing such objections has expired, the Secretary shall publish such proposed standard in its original or modified form in the Federal Register as an advisory standard for compensation of death or disability due to disease arising out of and in the course of employment, or shall publish in the Federal Register the determination not to do so and the reasons therefor.

(6) Any advisory standard published pursuant to this section shall be based on and shall be consistent with available scientific and medical knowledge.

(7) The Secretary may require by subpoena the attendance of witnesses and the production of evidence in connection with any proceeding initiated under this section. If a person refuses to obey a subpoena under this subsection, a United States district court within the jurisdiction of which a proceeding under this subsection is conducted may, upon petition by the Secretary, issue an order requiring compliance with such subpoena.

(d)(1) Any such advisory standard published in the Federal Register pursuant to this section shall immediately upon publication become applicable as an advisory standard which may be considered by each State workers' compensation agency with respect to determining the compensation of death or disability due to disease arising out of and in the course of employment. In any subsequent review of the workers' compensation law of a State made by the Secretary of Labor pursuant to section 7 of this Act, the Secretary shall evaluate and note the extent to which the law of such State complies with the advisory standard; however, the Secretary shall not make any certification of State compliance or non-compliance with any such advisory standard by a State. In determining the extent of compliance with any such advisory standard by the State, the Secretary shall evaluate the statutory law of the States, and the administrative and judicial interpretation of the law by the State workers' compensation agency and the courts of such State.

(2) The Secretary's annual report filed pursuant to section 16 of this Act shall note the extent of State compliance with any advisory standard published pursuant to this section.

(3) Three years after the publication of the first such advisory standard, and at least every three years thereafter, the Secretary shall evaluate the compliance by the States with all published advisory standards, and shall forward to the Congress a report of the degree of such compliance and the Secretary's recommendation with respect to any of the published advisory standards which should be considered by the Congress as mandatory federal standards for the compensation of death or disability due to diseases arising out of and in the course of employment. The Secretary shall at that time forward to the Congress the report of the advisory committees which considered any such standards and the record of any public hearings which may have been held in connection with the Secretary's consideration of any such advisory standard, and any medical, scientific or other data relevant to such standards. The Secretary may, in addition, recommend to the Congress alternative means of establishing mandatory occupational disease standards, including the delegation of comprehensive standard-setting authority.

(e) In developing and considering any recommended standard for compensation of death or disability due to disease, the Secretary shall determine the estimated number of individuals who are employed or formerly employed and who may be affected by the disease or diseases which are the subject of the recommended standard, and the estimated cost of providing compensation pursuant to such recommended standard. The Secretary shall also consider the adequacy and effectiveness of the workers' compensation system to compensate the victims of such disease or diseases, and shall consider alternative methods of providing such compensation which may be more effective in providing fair and adequate compensation. The Secretary shall include such information in the report to the Congress made pursuant to paragraph (d)(3) and may propose alternative methods of providing such compensation in lieu of or in addition to any proposal to provide such compensation through the workers' compensation system of the states.

STUDY OF COMPENSATION OF PARTIAL DISABILITIES AND OF BENEFIT ADEQUACY

SEC. 6. (a) The Secretary shall conduct a study of the compensation of partial disabilities arising out of and in the course of employment. In conducting such study, the Secretary shall compare the efficiency, effectiveness, and adequacy of the means by which the several States compensate partial disabilities arising out of and in the course of employment. In connection with such studies, the Secretary may enter into contractual arrangements with one or more States or political subdivisions thereof, other Federal agencies, or private agencies; and may establish experimental programs to test the efficiency, effectiveness, and adequacy of various means of compensating partial disability arising out of and in the course of employment. Not later than three years following the date of enactment of this Act, the Secretary shall make a written report to the Congress on his study of the compensation of partial disability. Such report shall contain recommendations for legislation to amend this Act to provide minimum Federal standards for State workers' compensation laws relating to the compensation of partial disabilities due to injury or disease arising out of and in the course of employment.

(b) The Secretary shall conduct a study of the desirability and feasibility of a federal minimum standard requiring periodic adjustment of benefits for death or total disability to reflect changes in the statewide average weekly wage. In considering this matter, the Secretary shall evaluate the adequacy of workers' compensation benefits, the availability of other sources of compensation for those receiving death or total disability benefits as a result of work related causes, and shall consider the effect of inadequate workers' compensation benefits on other compensation programs. Such study shall also include an estimate of the cost of providing periodic benefits adjustment for those receiving death or total disability benefits, and small evaluate the feasibility of alternative procedures for providing such adjustment of benefits. Not later than three years following the enactment of this Act, the Secretary shall make a written report to the Congress on the results of this study, including recommendations for legislation to amend this Act to provide such adjustments. The Secretary's annual report filed pursuant to Section 16 shall include a report on the economic effect of the failure to require adjusting benefits to reflect changes in the statewide average weekly wage.

(c) The Secretary shall consult with the Advisory Commission concerning the studies and reports required by this section.

CERTIFICATION AND SUPPLEMENTAL COMPENSATION

SEC. 7. (a) On or before the effective date of section 4 of the Act, the Secretary of Labor shall review the workers' compensation law of each State to determine whether such law meets the applicable standards for State workers' compensation programs contained in section 4 of this Act. If the Secretary determines that State law meets all of the requirements of section 4, the Secretary shall so certify and the State law shall be deemed fully certified during the period covered by such certification.

(b) If the Secretary finds that the law of any State fails to meet one or more of the standards of section 4 of this Act, the Secretary shall certify the State law only to the extent that it meets such standards, and the Secretary shall specify those standards which the State law fails to meet. During any period in which the State law has not been fully certified, any employee shall be entitled to receive from his or her employer, with regard to any inquiry or disease arising out of and in the course of employment with such employer, compensation in accordance with the provisions of this Act with which the State is not in compliance (hereinafter referred to as "supplemental compensation").

(c) After initial review provided by subsection (a), the Secretary shall annually review the workers' compensation law of each State, including the judicial and administrative interpretations of the law, to determine whether it meets the requirements of section 4 of this Act. Pursuant to such reviews, the Secretary shall modify the certifications previously issued under subsection (a) as appropriate.

(d) Except with respect to section 4(f), in certifying a law of a State as meeting the requirements of section 4, the status of any individual as an employee or independent contractor, whether death of injury has been suffered, whether an injury or death arose out of and in the course of employment, and the degree of disability, if any, shall be determined solely by State law.

ENFORCEMENT OF SUPPLEMENTAL COMPENSATION

SEC. 8. (a)(1) Any claimant who is aggrieved by an order or award of a State workers' compensation agency, insofar as it fails to award compensation at least equivalent to supplemental compensation may within ninety days after such order or award becomes final file a petition for review of the State workers' compensation agency's order or award, insofar as it fails to award such compensation, with the Benefits Review Board (hereinafter referred to in this section as the "Board") established in section 21 of the Longshoremen's and Harbor Workers' Compensation Act, as amended or as it may be amended from time to time (Act of March 4, 1927) (hereinafter referred to as the "Longshore Act").

(2) For the purpose of this section, the order or award of a State workers' compensation agency shall become final for the purpose of paragraph (1) on the date on which no appeal or review of such order or award

shall be available to any party subject to such order or award or any further appeal or review would be futile.

(b) State law shall govern the determination of the status of any individual as an employee or an independent contractor, and the determination of whether death or injury (including disease) has been suffered, wheather an injury (including disease) or death arose out of and in the course of employment, and the degree of disability, if any.

(c) (1) In review proceedings under this section, the decision of the Board shall be based upon the evidence in the record before the State workers' compensation agency except that the Board, in its discretion, may (i) in any case in which the State workers' compensation agency has refused to assert jurisdiction over the claim, refer the case to the Office of Workers Compensation Programs of the Department of Labor for processing in accordance with the provisions of the Longshore Act, or (ii) in any case where the State agency has refused to assert jurisdiction over the claim or has otherwise precluded the introduction of such evidence permit the parties to submit additional relevant evidence in a hearing before an administrative law judge in accordance with sections 19 and 21 of the Longshore Act.

(2) Where new evidence is not submitted, the findings of fact by the State workers' compensation agency, insofar as they involve eligibility for supplemental compensation shall be conclusive if supported by substantial evidence on the record as a whole. Findings of fact and conclusions of law in the determination of the State workers' compensation agency on issues covered solely by State law shall be conclusive, and not subject to review in any proceeding under this section.

(3) Where the Board finds that the employer has failed to provide supplemental compensation to which the petitioner is entitled, the petitioner shall be awarded such compensation together with the reasonable costs and expenses of litigation, including reasonable attorney's fees.

(4) Any order issued by the Board shall be enforceable and reviewable in accordance with section 21 of the Longshore Act.

(5) Any award of the Board shall be automatically modified to take into account subsequent orders or awards of the State workers' compensation agencies with respect to issues solely covered by State law. With respect to issues not solely covered by State law, procedures for the modification of Board awards or orders shall be in accordance with section 22 of the Longshore Act, except that references in that section to "the deputy commissioner" shall mean "the Board" and the word "his" in the first sentence of that section shall be read "its" and shall refer to the Board.

(6) Sections 14, 17, 18, 19, 21, 21a, 23, 24, 25, 26, 27, 31, 34, 35, 38, and 39 (a) and (c) of the Longshore Act shall be applicable with respect to claims for supplemental compensation payable under this Act during any period in which the workers' compensation law of that State is not fully certified. The Secretary shall by regulation modify the provisions of section 14 of the Longshore Act to conform the payment of supplemental compensation to the payment schedule of the applicable State's law, and may by regulation modify the applicability of any other of the foregoing provisions as appropriate to carry out the purposes of this Act.

EMPLOYMENT DISCRIMINATION

SEC. 9. No person shall discharge or in any manner discriminate against any employee because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or related to this Act or has testified or is about to testify in any such proceeding or because of the exercise by any employee on behalf of himself or others of any right afforded by this Act. Any employer who violates this section shall be liable to a penalty of not less than $100 or more than $1,000, as may be determined by the Secretary. All such penalties shall be paid to the Secretary for deposit in the special fund as described in section 44 of the Longshore Act, and if not paid may be recovered in a civil action brought in the appropriate United States district court. Any employee so discriminated against shall be restored to his employment and shall be compensated by his employer for any loss of wages (including fringe benefits) arising out of such discrimination: *Provided*, That if such employee shall cease to be qualified to perform the duties of his employment, he shall not be entitled to such restoration and compensation. The employer alone and not his carrier shall be liable for such penalties and payments. Any provision in an insurance policy undertaking to relieve the employer from liability for such penalties and payments shall be void.

EXCLUSIVITY AND THIRD PARTY LIABILITY

SEC. 10. (a) The compensation to which an employee is entitled under the applicable State workers' compensation laws and the supplemental compensation, if any, to which he or she may be entitled under this Act, shall constitute the employee's exclusive remedy against the employer, the employer's insurer or any collective-bargaining agent of the employer's employees and any employee, officer, director, or agent of such employer, insurer, or collective-bargaining agent (while acting within the scope of his or her employment) for any illness, injury, or death arising out of and in the course of his or her employment.

(b) (1) Notwithstanding any other provision of this law, or any other law, in any liability action against a third party brought as result of illness, injury or death arising out of and in the course of employment, this section shall govern the rights of the employee (or his or her representative or survivors) and the employer or insurance carrier, the collective bargaining agent, and the third party.

(2) For the purpose of this section, liability actions against third parties shall include but not be limited to all actions brought for or on account of personal injury, disease, physical or mental impairment, disability, or death caused by or resulting from the manufacture, construction, design, formula, preparation, assembly, testing, warning, instruction, marketing, packaging, or labeling of any product. It shall include, but not be limited to, all actions for damages based upon the following theories: strict products liability; negligence; breach of warranty, express or implied; breach of or failure to discharge a duty to warn or instruct, whether deliberate, negligent, or innocent; misrepresentation, concealment, or nondisclosure, whether fraudulent, negligent, or innocent.

(3) Any judgment against a third party in a liability action described in this section shall be reduced by an amount equal to the amount paid to the injured employee or his or her survivors as compensation pursuant to any State workers' compensation law and any supplemental compensation paid pursuant to this Act and the present value of all future compensation and supplemental compensation payable.

(4) No employer, or insurer of such employer shall have any lien upon any judgment rendered in any such third party liability action brought as a result of any illness, injury or death arising out of or in the course of employment with such employer, nor any right of subrogation in connection with any such third party liability action.

(5) No third party may maintain any action for indemnity, contribution or other monetary damages against any party immune from suit by the employee by subsection (a) based on the liability of such third party to any employee of such employer as a result of any action described in this Section.

EMPLOYER RESPONSIBILITY FOR ELECTIONS AND INSURANCE

SEC. 11. (a) Every employer shall be responsible for payment of all supplemental compensation which may be payable to its employees under section 8 of this Act.

(b) Every employer shall secure the payment of supplemental compensation payable under section 8 of this Act—

(1) by insuring and keeping insured the payment of such supplemental compensation with any stock company or mutual company or association, or with any other person or fund, while such person or fund is authorized to insure workers' compensation or supplemental compensation under the laws of the United States or of any State, or by the Secretary, to insure payment of supplemental compensation under this Act; or

(2) by qualifying as a self-insurer under the law of each State with respect to which the employer has not satisfied the requirements of paragraph (1) of this subsection, except that the Secretary may, by regulation, impose additional or alternative conditions on qualification for self-insurance in the event that the Secretary finds that the qualification requirements in a State are insufficient to assure the payment of supplemental compensation provided by this Act.

(c) (1) Any employer not subject to a State workers' compensation law because such law fails to comply with section 4(a) of this Act shall, where permitted, elect coverage under such law so as to provide coverage under the State law to each individual who is an employee of such employer.

(2) If the Secretary has not certified under section 7 that a State law is in compliance with section 4(a), employers in the State who are permitted to elect such coverage under the State law but who have not done so, shall be subject to a civil penalty not to exceed $25 per employee for each day of noncompliance in a suit brought by the Secretary.

(d) Each contract of insurance under which workers' compensation benefits are provided to or for the employees of any employer shall be deemed to provide benefits in accordance with the minimum standards contained in section 4 of this Act. The Secretary may by regulation provide for exceptions to or exemptions from this subsection consistent with the purposes of this Act.

(e) Each contract of insurance which provides coverage for comprehensive personal liability, either alone or as part of a homeowner's or tenant's policy, shall be deemed to provide benefits in accordance with the minimum standards contained in section 4 of this Act with respect to domestic employees to the extent that such employees are entitled to workers' compensation under this Act, unless the employer has otherwise secured payment of such compensation pursuant to this section.

GRANTS TO STATES

SEC. 12. (a) The Secretary is authorized during the fiscal year of enactment of this Act, and the two succeeding fiscal years, to make grants to any State to assist such State—

(1) in identifying needs and responsibilities in the area of workers' compensation.

(2) in developing programs for meeting the requirements of section 4,

(3) developing and publishing a guide to the evaluation of disability,

(4) establishing one or more disability evaluation units to assist in the determination of the degree of disability,

(5) utilizing the services of impartial physicians in the evaluation of impairment and the degree of impaired workers,

(6) establishing systems for the collection of information concerning workers' compensation as provided in section 13 of this Act,

(7) increasing the expertise and enforcement capabilities of personnel engaged in workers' compensation programs, or

(8) otherwise improving the administration and enforcement of State workers' compensation laws consistent with the objectives of this Act.

(b) The Governor of the State shall designate the appropriate State agency for receipt of any grant made by the Secretary under this section.

(c) Any State agency designated by the Governor of the State desiring a grant under this section shall submit an application therefor to the Secretary.

(d) The Secretary shall review the application, and shall approve or reject such application, and, if the application is rejected, shall promptly inform the Governor and the applicant of the reason for the rejection.

(e) The Federal grant shall not exceed 66⅔ per centum of the total cost of the projects described in the application. In the event the Federal share for all States under such subsection is not the same, the difference among the States shall be established on the basis of objective criteria.

(f) There is hereby authorized to be appropriated for the fiscal year of enactment, the sum of seventy-five million dollars, to be available without fiscal year limitation; and for each of the following four fiscal years such sums as are necessary for the purpose of carrying out the provisions of this section.

STATISTICS

SEC. 13. (a) The Secretary shall develop and maintain a program of collection, compilation, and analysis of workers' compensation data in order to carry out the purposes of this Act.

(b)(1) The Secretary shall, by regulation, require that the following reports be submitted to the State workers' compensation agencies with respect to claims for injuries or illnesses arising out of and in the course of employment except with respect to claims for medical benefits only in each State—

(A) A report by the employer within a reasonable time of the injury or illness which identifies the employer and the employee; states the date, time, and place of the accident or the exposure; gives a brief explanation of the occurrence of the injury or exposure; describes the injury or illness dates of diagnosis and initial treatment, dates of lost time and return to work; identifies physicians and hospitals involved in treatment and the insurance carrier, if any; and provides such additional information required by the Secretary's regulations.

(B) A prompt report by the employer or the employer's insurance carrier, after the first compensation payment or denial of the claim, which identifies the employee, the employer, the carrier, if any; the dates of injury or illness and diagnosis; the amount of the compensation paid, specifying the date and amount of the first compensation payment; the employee's average weekly wage if less than the applicable maximum; the nature and extent of the disability; the medical payments to date; and, if the case has been closed or the claim denied, the total compensation, and the reason for closing the case or denying the claim.

(C) A prompt report by the employer or the employer's insurance carrier, after the last compensation payment, which identifies the employer, the employee, the carrier, if any; provides pertinent data concerning the compensation specifying monetary, medical, and rehabilitation benefits paid; provides information concerning the nature and duration of the impairment and disability; and states the reason for the termination of benefits and closing of the case. The Secretary may by regulation require the filing of periodic reports with respect to claims continuing two years after the first compensation payment.

(2) In promulgating regulations with respect to reports required under this section, the Secretary shall consider and evaluate the reporting requirements of the several States with the objective of developing and encouraging the adoption of a uniform data collection and reporting system under this Act.

(3)(A) The Secretary's regulations shall require that all reports required by paragraph (1) of this subsection be filed with the State workers' compensation agencies. The Secretary shall further require, as a condition of any grant made for the purpose of assisting the State to improve their data collection processing, that such agencies shall periodically, but no less frequently than annually, submit to the Secretary a report analyzing workers' compensation cases in such States, based on the data contained in the reports required by the Secretary's regulations issued pursuant to paragraph (1) of this subsection. The analyses of the State workers' compensation agencies shall contain such information as the Secretary shall prescribe by regulation.

(B) With respect to any State which does not agree to collect data and provide analyses of workers' compensation cases as provided in this section, the Secretary's regulations shall require that all reports required by paragraph (1) of this subsection be filed directly with the Secretary.

(c) The Secretary shall annually file with the Congress and make available to the public, a report and evaluation of workers' compensation information compiled pursuant to this section.

(d) The Secretary may make grants to States as provided in section 12 to assist them in developing programs for the collection and evaluation of data and reports required by regulations of the Secretary issued pursuant to this section.

RESEARCH

SEC. 14. (a) The Secretary is authorized to engage in research and to engage in such pilot projects and demonstration programs as the Secretary shall deem warranted, for the purpose of—

(1) developing recommendations for improving the workers' compensation programs of the several States and the compensation program under this Act;

(2) developing recommendations for means of more economically assuring that workers will have the benefits described in section 4; and

(3) monitoring and promoting academic study of workers' compensation and the development of improvements to the workers' compensation program of the several States and the workers' compensation program under this Act.

(b) The Secretary shall conduct a study of the adequacy of the workers' compensation system for compensating individuals for disability or death due to occupational diseases, including the availability and cost of providing such coverage through traditional insurance or self-insurance. Such study shall also include particular attention to work-related diseases characterized by long latency periods between exposure to toxic substances or other harmful physical agents and the onset of disability or death, including the feasibility and desirability of providing such coverage through reinsurance pools, trust funds, or other means of apportioning liability. The Secretary shall submit his report, together with his recommendations to the Congress no later than two years after enactment of this Act.

(c) In carrying out his functions under this Act, the Secretary, with the consent of any State or political subdivision thereof, accept and use the services, facilities, and employees of the agencies of such State or political subdivision thereof, with or without reimbursement.

AUDITS

SEC. 15. (a) Each recipient of a grant under this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant, the total cost of the project or undertaking in connection with which such grant is made or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate the administration of such grants.

(b) The Secretary and the Comptroller General of the United States, or any of their fully authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients of any grant under this Act which are pertinent to such grant.

ANNUAL REPORT

SEC. 16. Within one hundred and twenty days following the convening of each regular session of each Congress, the Secretary shall prepare and submit to the President for transmittal to the Congress a report upon the subject matter of this Act, the progress toward achievement of the purpose of this Act, and the needs and requirements in the field of workers' compensation.

ADVISORY COMMISSION

SEC. 17. (a) There is hereby established a National Workers' Compensation Advisory Commission (hereafter in this section referred to as the "Advisory Commission") to be composed of nine members appointed by the Secretary from among persons who by reason of training, education or experience are qualified to carry out the functions of the Advisory Commission. Three members shall be appointed from among representatives of employees; three members shall be appointed from among representatives of employers, one of whom shall be a representative of insurers; and three members shall be representatives of the general public, one of whom shall be a representative of State governments. The Secretary shall designate one of the public members to serve as Chairman or Chairwoman. Five members of the Commission shall constitute a quorum. The terms of office of the members of the Commission shall be three years, except that of the members first appointed, three members shall be appointed for a term of one year, three members shall be appointed for a term of two years, three members shall be appointed for a term of three years.

(b) The Commission shall—

(1) monitor the progress of the States in making improvements in their workers' compensation laws and in meeting the standards provided in section 4;

(2) monitor the administration of the workers' compensation programs in the States;

(3) provide technical and other assistance to the Secretary in improving the implementation of this law and the administration of the workers' compensation program, including recommendations to the Secretary of administrative or legislative action necessary to improve workers' compensation programs.

(c)(1) The Commission or any authorized subcommittee or members thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings, take such testimony, and sit and act at such times and places as the Commission deems advisable. Any members authorized by the Commission may administer oaths or affirmations to witnesses appearing before the Commission or any subcommittee or members thereof.

(2) Each department, agency, and instrumentality of the executive branch of the Government, including any independent agency, is authorized to furnish to the Commission, upon request made by the Chairman or Chairwoman, such information and assistance as the Commission deems necessary to carry out its function under this section.

(d) Subject to such rules and regulations as may be adopted by the Commission, the Chairman or Chairwoman shall have the power to appoint and fix the compensation of an executive director, and such additional staff personnel as is deemed necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title, and procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code. The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conduct of surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

(e) Members of the Commission shall receive compensation for each day they are engaged in the performance of their duties as members of the Commission at the daily rate prescribed for GS–18 under section 5332 of title 5, United States Code, and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Commission.

SEPARABILITY

SEC. 18. If any provisions of this Act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

EFFECTIVE DATE

SEC. 19. (a) The provisions of section 4 of this Act shall take effect two years after the date of enactment of this Act, and shall apply to deaths or disabilities occurring thereafter.

(b) Except as otherwise provided, all other provisions of this Act shall take effect immediately upon enactment.

EXHIBIT 2

SECTION-BY-SECTION ANALYSIS

SECTION 1—SHORT TITLE

This section provides that the Act may be cited as the National Workers' Compensation Standards Act of 1979.

SECTION 2—FINDINGS AND DECLARATIONS OF PURPOSE

Section 2(a) provides that the Congress finds and declares that—

(1) many thousands of American workers are killed or permanently disabled and millions more are incapacitated as a result of job-related injuries and diseases;

(2) job related injuries and diseases are a burden on interstate commerce and have an adverse impact on the general welfare:

(3) job-related injuries or diseases often occur during a worker's most productive years, and cause hardships for the worker's dependents and family;

(4) a vast majority of workers who are killed, or suffer job-related injuries or illness, depend on State workers' compensation systems for economic assistance to themselves and their families, and for medical benefits, rehabilitation and reemployment assistance;

(5) American workers and the national interest are best served by an adequate, prompt and equitable workers' compensation system;

(6) many existing State workers' compensation systems do not provide an adequate, prompt equitable system for compensation of job-related injuries, diseases or deaths;

(7) the basic national objectives for a comprehensive workers' compensation system include (a) broad coverage of employees and job-related injuries and illnesses; (b) substantial protection against interruption of income; (e) delivery of prompt and adequate medical care and rehabilitation services to injured or ill workers; (d) encouragement of safety and health protection; and (e) an effective delivery system for benefits and services;

(8) the 1972 Report of the National Commission on State Workmen's Compensation Laws found that many State workers' compensation laws did not meet minimum standards of fairness and adequacy;

(9) despite recent improvements in State workers' compensation laws, State laws still fail, to a great extent, to meet the minimum standards recommended by the National Commission; and

(10) the improvements necessary to establish prompt, adequate and equitable systems of workers' compensation for all American workers can and should be achieved without delay; and Federal legislation establishing minimum standards of workers' compensation programs is needed to encourage and assist the States in meeting this responsibility while at the same time maintaining the primary responsibility and authority for workers' compensation in the States.

Section 2(b) provides that it is the purpose of this Act, through the exercise of the power of Congress to regulate interstate commerce and to provide for the general welfare, to—

(1) establish minimum standards for workers' compensation throughout the nation;

(2) ensure that workers compensation benefits in accordance with such standards will be provided in States which do not provide such benefits under State law;

(3) encourage and assist the States to make improvements in their compensation laws—

(a) to provide workers and their families with adequate, prompt and equitable workers' compensation;

(b) to restore disabled workers, through medical and vocational rehabilitation to the fullest possible physical, mental and economic usefulness; and

(4) accomplish the foregoing in a manner which will maintain the primary authority and responsibility for workers' compensation in the States.

SECTION 3—DEFINITIONS

This section defines the following terms which are used in this Act:

(1) Secretary.
(2) Advisory Commission.
(3) employer.
(4) person.
(5) employee.
(6) physician.
(7) compensation.
(8) statewide average weekly wage.
(9) State workers' compensation agency.
(10) State workers' compensation law.

SECTION 4—STANDARDS FOR WORKERS' COMPENSATION BENEFITS

Section 4 establishes the following minimum standards for programs of compensation for job-related death or disability—

(a) Coverage of all employers and employees must be compulsory.

(b)(1) This paragraph establishes minimum monetary benefits for death or total disability of not less than 66⅔ percentum of the employee's average weekly wage but permits the establishment of limitations on this minimum benefit, as stated in subparagraphs (A) and (B). However, these limitations may not reduce benefits below the floor established in subparagraph (C).

(A) During the year commencing January 1, 1982, maximum weekly benefits for deaths or disabilities occurring during that year may be set as low as 100 percentum of the statewide average weekly wage for the first four of the eight calendar quarters preceding January 1, 1982.

(B) During the year commencing January 1, 1984, and for every calendar year thereafter, maximum weekly benefits for deaths or disabilities occurring during any calendar year eshall be no less than 150 per centum of the statewide average weekly wage during the first four of the eight calendar quarters preceding January 1 of that year.

(C) Notwithstanding the maximums permitted by subparagraphs (A) and (B), minimum weekly monetary benefits in any calendar year shall be at least 50 percentum of the statewide average weekly wage during the first four of the last eight calendar quarters preceding January 1 of such year, or 100 percentum of the employee's actual weekly wage, whichever is less.

(2) This paragraph provides that, as an alternative to the maximum limitation on benefits permitted under paragraph (1), a maximum limitation on monetary benefits of 80 percentum of the employee's spendable earnings may be provided. Spendable earnings are the employee's gross average weekly wage less applicable Federal and State income and social security taxes the employee would pay if he or she claimed the maximum possible number of exemptions.

(c)(I) In cases brought on account of a job related death, this section provides that monetary benefits at the rate provided in subsection (b) must be paid to the surviving spouse for life, unless the spouse remarries. In the event the surviving spouse remarries, two year's benefits are payable upon remarriage and benefits to the spouse may be terminated. However, 50 per centum o fthe benefits must be paid to surviving children, until they are 18 years old (25 years old if the child is a full-time student in an accredited educational institution), or for the child's life in the case of a child who is incapable of self-support. If there is no surviving spouse, the surviving children shall receive monetary benefits at the rate provided in subsection (b) for the period of their eligibility.

(2) State law may provide for the reduction of death benefits paid to survivors who also receive survivor's benefits under the Social Security Act, but any reduction under this subsection must be limited to 5 percentum of the survivor's Social Security benefit for each $10 of the deceased employee's average weekly wage which exceeds $100, and in no event will the reduction exceed 50 percentum of the survivor's social security benefit.

(d) There is to be no time for total dollar limitation on the compensation payable for death or total disability.

(e) There shall be no time or total dollar limitation on the type or amount of medical benefits determined to be necessary by the State workers' compensation agency.

(f) No disease shall be excluded from coverage (1) because it does not typically occur as a result of a particular employment; (2) is not connected with an accidental occurrence; (3) is on a list of conclusively non-compensable diseases or is not on a list of conclusively compensable diseases; or (4) is an ordinary disease of life or is a communicable disease if the risk of contracting such diseases was increased by the nature of the employment. In addition, the determination of compensability of any disease covered by a section 5 standard shall be determined in accordance with that standard. State law may establish rebuttable presumptions concerning the compensability of diseases as long as the presumptions do not conflict with section 5 of this Act.

(g) Disabled employees are entitled to prompt rehabilitation services subject to the supervision and approval of the State workers' compensation agency. The State workers' compensation agency shall determine appropriate rehabilitation in each case, with the purpose of restoring the physical, mental and vocational functioning of employees and their return to employment consistent with the nature of their disabilities. Rehabilitation benefits, including expenses incident to rehabilitation, are additional benefits and may not reduce other available compensation. State law may permit a maximum time limitation on rehabilitation services, but the maximum limit may not be less than two years.

(h) Employers are required to take reasonable steps to return their employees to their former positions when they are able to return to work. When an employee is unable to perform the duties of his or her previous position, their employer is required to provide employment in another position for which they are qualified, unless under all relevant circumstances, reemployment would constitute an undue hardship on the employer.

(i) A disabled employee is entitled to select a physician for diagnosis and treatment from among all licensed physicians or when a group or panel has previously been designated by the State workers' compensation agency, from that group or panel.

(j) Compensation may be denied by reason of a disabled employee's refusal to accept medical or rehabilitation services ordered by the State workers' compensation agency, except where such refusal is based on a good faith choice of treatment through prayer or spiritual means.

(k) Where employment requires travel between States, or outside the United States, an injured or ill employee or survivor may claim benefits under the laws of the State in which the employment was principally located, where the employee was hired, or where the injury, disease or death occurred; but compensation may not be recovered more than once for any one occurrence.

(l) The waiting period for benefits shall be no more than three days, and the period for qualifying for retroactive benefits shall be no more than 14 days.

(m) A claim for compensation may be filed within two years of the death or disability; however, the time for filing a claim or notifying the employer of an injury or disease shall not begin to run until the employee has a compensable disability and is aware, or through the exercise of reasonable diligence should have been aware, of the casual relationship between the disability and the employment. There shall be no time limitation on the filing of a claim based on recency of employment, except where the Secretary includes such a limitation in a standard under section 5.

(n)(1) Compromises, waivers or releases of compensation, shall be effective only if approved by the State workers' compensation agency, upon a determination that such is in the best interest of the claimant and will not adversely affect any program of rehabilitation.

(2) Requires that compromises or releases of medical or rehabilitation benefits may be effective only if they are approved by the State workers' compensation agency. The agency's approval is to be based on the evaluation of a physician designated by the agency, and its determination that the compromise or release adequately provides for future medical and rehabilitation case and is otherwise in the employee's best interest.

(3) Waivers, releases or similar instruments relating to future coverage or compensation executed prior to the occurrence of any death or disability will not be effective under any circumstances. Any compromise, waiver or release which does not comply with the provisions of this paragraph shall be void.

SECTION 5—OCCUPATIONAL DISEASE STANDARDS

Section 5(a) authorizes and directs the Secretary of HEW to undertake studies of employment-related diseases for the purpose of recommending appropriate standards for determining (1) whether a disease arose out of and in the course of employment; (2) whether an employee has a particular disease; and (3) whether death or disability was due to a particular disease. In determining subjects for and the design of such studies, the Secretary of HEW is required to give priority to the recommendations of the Secretary of Labor and the Advisory Commission. The Secretary of HEW is also required to consult with the Director of the National Institute for Occupational Safety and Health and with appropriate organizations of employees and employers. The studies shall be published and furnished to the States and to the Secretary of Labor.

Section 5(b) authorizes the Secretary to recommend standards for determining (1) whether a particular disease arises out of and in the course of employment; (2) whether an employee has a particular disease; and (3) whether death or disability is due to a particular disease. Recommendations may include reasonable rebuttable presumptions.

Section 5(c)(1) provides that such recommendations shall be developed in accordance with the following provisions:

Section 5(c)(2)(A)(i) provides that when the Secretary has received a recommendation from the Secretary of HEW under subsection (a) but determines not to prepare a proposal, he is required to publish his reasons in the Federal Register within 60 days after receiving the recommendation. (ii) When the Secretary, on the basis of studies or information submitted to him in writing or developed by himself, determines that a proposal should be made establishing minimum standards for occupational disease compensation, the Secretary shall prepare a proposal and shall appoint an advisory committee composed of at least three persons with medical, scientific or other expertise related to the subject matter of the proposed rule.

Section 5(c)(2)(B) The Secretary shall provide the advisory committee with the proposal and with all pertinent information from the Secretary of HEW or otherwise available to the Secretary. The advisory committee is required to submit a report to the Secretary giving its recommendations and stating its determination whether or not the proposal is consistent with available scientific and medical knowledge which is related to the subject of the proposal and its recommendations to make it consistent with available scientific and medical knowledge or to otherwise improve the proposal. The committee is required to submit its report to the Secretary within 180 days, but the *Secretary* may require the report to be submitted earlier, as long as the committee is given at least 90 days.

Section 5(c)(3) The Secretary may publish the proposal in the Federal Register either in its original form or as modified upon the recommendation of the advisory committee. If, on the basis of the Advisory Committee's report, the Secretary determines that the proposal should not be promulgated, he is required to publish that determination in the Federal Register. The Secretary must make this determination within 60 days of receipt of the advisory committee's report. When the Secretary publishes a proposal in the Federal Register, interested persons must be given 30 days to submit written data or comments; and the Secretary may extend this period for good cause with notice in the Federal Register.

Section 5(c)(4) provides that during the period for public comment, an interested person may file written objections, stating the grounds therefore, and requesting a public hearing and that the Secretary shall, within sixty days following the close of the public comment period, publish in the Federal Register the standard to which objection has been filed, and the time and place for any such hearing. Any hearing shall commence within sixty days of the publication of the notice, and shall be conducted by the Secretary who may prescribe rules and procedures for the hearing, to avoid unnecessary costs and delay. A verbatim transcript shall be taken of the hearing, and shall be made available to the public.

Section 5(c)(5) provides that within 180 days after the closing of the record of any such hearing, or if no hearing was held, within 180 days after the close of the public comment period, the Secretary shall publish in either its original or modified form in the Federal Register, such proposal as an Advisory Standard for the compensation of death or disability due to occupational disease; or shall publish his reasons for not publishing such advisory standard.

Section 5(c)(6) requires that any advisory standard so published be based on and consistent with available scientific and medical knowledge.

Section 5(c)(7) authorizes the Secretary to require attendance of witnesses and production of evidence by subpoena; and authorizes the appropriate U.S. District Court to issue an order requiring compliance with such subpoena upon petition of the Secretary.

Section 5(d)(1) provides that any such advisory standard shall immediately upon publication in the Federal Register be applicable as an advisory standard for the compensation of death or disability due to disease arising out of and in the course of employment. In any subsequent review of the state workers' compensation laws made by the Secretary pursuant to section 7, the Secretary shall note the degree of state compliance with the advisory standards based on the statutory law of the state and the judicial or administrative interpretation of that law, but the Secretary shall make no certification of state compliance or non-compliance with the advisory standards.

Section 5(d)(2) requires the Secretary, in his annual report to the Congress pursuant to section 16, to note the extent of state compliance with the advisory standards.

Section 5(d)(3) provides that three years after publication of the first such advisory standard pursuant to this section, and at intervals of at least three years thereafter, the Secretary shall evaluate the compliance by the States with all advisory standards theretofore published, and shall forward a report to the Congress on the degree of such compliance. At the same time, the Secretary is to recommend to the Congress, which, if any, of the advisory standards should be considered by the Congress for enactment as mandatory standards for the compensation of death or disability due to occupational diseases. Simultaneously with such report, the Secretary shall forward to the Congress the reports of the advisory committees which considered such standards, and any other pertinent information which the Secretary may have which would be helpful to the Congress in considering such proposals. The Secretary may also recommend alternative means of setting mandatory occupational disease standards to the Congress, including the delegation of comprehensive standard setting authority.

Section 5(e) provides that in considering any recommended standard for compensation of death or disability due to occupational disease, the Secretary shall determine the estimated number of individuals who are employed or formerly employed and who may be affected by such disease and the estimated cost of providing compensation pursuant to such recommended standard, and shall consider alternative methods of providing fair and adequate compensation to such individuals which would be more effective. The Secretary is required to forward such information to the Congress in connection with any recommendation for legislative enactment of such proposals as mandatory standards, and may propose alternative methods of providing such compensation.

SECTION 6—STUDY OF COMPENSATION OF PARTIAL DISABILITIES

Section 6(a) directs the Secretary to conduct a study of the compensation of partial disabilities arising out of and in the course of employment, and to compare State programs of compensation for partial disabilities. The Secretary is authorized to contract with States or political subdivisions thereof, with other Federal agencies, and with private groups, and may establish experimental programs, to test various means of compensating partial disabilities. This provision also requires the Secretary to submit a written report to the Congress on the study of compensation of partial disabilities within three years. The report must include recommendations for legislation to amend this Act to provide minimum standards for compensation of partial disabilities.

Section 6(b) requires the Secretary to conduct a study of the effect of not periodically adjusting benefits to reflect changes in the statewide average weekly wage. The Secretary is to evaluate the adequacy of workers' compensation benefits and the availability of other sources of compensation, and is to consider the effect of inadequate workers' compensation benefits on other compensation programs. Any such study shall also include the estimated cost of periodically adjusting compensation benefits, and shall consider alternative means of providing such benefits adjustments. The Secretary shall make his report including legislative recommendations to the Congress three years after the enactment of this Act, and shall also include in his annual report to the Congress, pursuant to section 16, a report on the economic effect of not automatically adjusting such benefits.

Section 6(c) requires the Secretary to consult the Advisory Commission concerning these studies and reports.

SECTION 7—CERTIFICATION AND SUPPLEMENTAL COMPENSATION

Section 7(a) provides that on or before the effective date of section 4, the Secretary shall review the workers' compensation law of each State to determine whether they meet the applicable standards of section 4. If a State's law meets all the requirements of section 4, the Secretary shall so certify and the State law shall be deemed fully certified during the period of such certification.

Section 7(b) states that if the Secretary finds that the law of a State fails to meet one or more of the standards in section 4, the Secretary shall certify the State law only to the extent that it meets these, and the Secretary shall specify the standards which the State law fails to meet. During any period in which the State law is not fully certified, employees shall be entitled to receive supplemental compensation from their employers in accordance with this Act under any standard with which the State law is not in compliance.

Section 7(c) requires the Secretary to review the workers' compensation laws of the States annually, including judicial and administrative interpretations of those laws, to determine whether they meet the requirements of section 4, and to modify previous certifications, as appropriate.

Section 7(d) provides that, when the Secretary certifies whether or not a State law meets the requirements of section 4, determinations of the status of a person as an employee or independent contractor, whether death or injury has been suffered, whether an injury or death arose out of and in the course of employment, and the degree of disability, if any, shall be made solely by State law, except as provided by section 4(f).

SECTION 8—ENFORCEMENT OF SUPPLEMENTAL COMPENSATION

Section 8(a)(1) gives any claimant who is aggrieved by a final order or award of a State workers' compensation agency 90 days to file a petition for review with the Benefits Review Board (herein called "the Board") established in section 21 of the Longshoremen's and Harbor Workers' Compensation Act, seeking review of the order or award insofar as it fails to award compensation at least equivalent to supplemental compensation.

Section 8(a)(2) states that for the purpose of this section, an order or award of a State workers' compensation agency shall become final, and appealable to the Board under this subsection, on the date on which no State appeal or review of such award shall be available to any party, or upon a showing that pursuit of a State appeal would be futile.

Section 8(b) provides that State law shall govern the determination of the status of any individual as an employer or independent contractor, and shall govern the determination whether an injury, death or disease arose out of and in the course of employment, and the determination of the degree of disability.

Section 8(c)(1) provides that in review proceedings, the decision of the Board shall be based on the evidence in the record before the State workers' compensation agency, except that, in cases where the State agency has refused to assert jurisdiction, the Board has discretion to refer the case for processing in accordance with the Longshore Act; and, in any case, the Board may permit the parties to submit additional relevant evidence in a hearing before an Administrative Law Judge under sections 19 and 21 of the Longshore Act where the State workers' compensation agency has precluded the introduction of such evidence.

Section 8(c)(2) provides that where new evidence is not submitted, the findings of fact by the State workers' compensation agency with respect to eligibility for supplemental compensation shall be binding upon the Board if supported by substantial evidence on the record as a whole; and that the State agency's findings of fact and conclusions of law with respect to issues covered solely by State law shall be binding upon the Board and shall not be subject to review in any proceeding under this section.

Section 8(c)(3) provides that where the Board has found that the employer has failed to provide supplemental compensation to which the petitioner is entitled, the petitioner shall be awarded such compensation together with any other relief to which he or she may be entitled, plus reasonable litigation costs and expenses and reasonable attorney's fees.

Section 8(c)(4) provides that orders of the Board shall be enforceable and reviewable in accordance with the provisions of section 21 of the Longshore Act.

Section 8(c)(5) provides that awards of the Board shall be modified automatically in accordance with subsequent orders or awards of State agencies with respect to issues solely covered by State law. Board orders may be modified in accordance with the provisions of section 22 of the Longshore Act.

Section 8(c)(6) makes sections 14, 17, 18, 19, 21, 21a, 23, 24, 25, 26, 27, 31, 34, 35, 38, and 39(a) & (c) of the Longshore Act applicable with respect to claims for supplemental compensation during any period in which the workers' compensation law of such State is not fully certified; requires the Secretary to promulgate regulations modifying the applicability of section 14 to conform the payment schedule for supplemental compensation to the schedule of compensation payments under applicable State laws; and permits the Secretary to modify the applicability of any of the foregoing provisions by regulation in order to carry out the purposes of the Act.

SECTION 9—EMPLOYMENT DISCRIMINATION

Section 9 prohibits employment discrimination against any employee because he or she has filed a complaint or instituted or participated in any proceeding under this Act or related to this Act. The section provides a civil penalty as determined by the Secretary, of not less than $100 or more than $1,000. Such penalties are enforceable by civil action in the appropriate U.S. District Court and are to be paid into the special fund established by Section 44 of the Longshore Act. The Section further provides that discriminates shall be restored to their former employment and compensated for any loss of wages, or fringe benefits, with the proviso, however, that employers are not obligated to reinstate discriminates who are no longer qualified to perform the duties of their employment. The section makes void any provision of an insurance policy which undertakes to relieve the employer from liability for payments and penalties under this section.

SECTION 10—EXCLUSIVITY AND THIRD PARTY LIABILITY

Section 10(a) provides that workers' compensation, including supplemental compensation, shall constitute an employee's exclusive remedy against his or her employer. The employer's insurer and any collective bargaining representative of the employer's employees, and any employee, officer, director or agency of such employer, insurer or collective bargaining representative (while acting within the scope of their employment) for any injury, illness or death arising out of and in the course of employment.

Section 10(b)(1) provides that, notwithstanding the provisions of this or any other law, in any liability action brought against a third party as a result of work-related illness, injury or death, the rights of employees or their representatives, the employer, or insurance carrier, any collective bargaining agent, and the third party, shall be governed by the provisions of this section.

Section 10(b)(2) defines liability actions for the purpose of this section to include all actions brought for or on account of personal injury, disease, physical or mental impairment, disability, or death caused by or resulting from the manufacture, construction, design, formula preparation, assembly, testing, warning, instruction, marketing, packaging or labeling of any product. Such actions include actions based on the theories of strict product liability negligence, breach of warranty (either express or implied), breach of or failure to discharge a duty to warn or instruct (whether deliberate, negligent or innocent), misrepresentation, concealment, or nondisclosure (whether fraudulent, negligent or innocent).

Section 10(b)(3) requires that any judgment against a third party in an action described in this section shall be reduced by the amount of compensation and supplemental compensation received by the plaintiff, or survivors and the present value of all future compensation payments awarded.

Section 10(b)(4) prohibits employers and their insurers from obtaining liens against any judgment rendered in an action described in this section brought by employees of the employer; and prohibits employers and their insurers from obtaining subrogation in connection with any such third party action.

Section 10(b)(5) prohibits third parties from maintaining any action for indemnification, contribution or other monetary damages against any party immune from suit under section 10(a), in any action described in this section.

SECTION 11—EMPLOYER RESPONSIBILITY FOR ELECTION AND INSURANCE

Section 11(a) establishes the responsibility of every employer to provide payment of supplemental compensation which may be payable to its employees under section 8.

Section 11(b) requires every employer to secure payment of supplemental compensation by:

(1) insuring and keeping insured the payment of such supplemental compensation with any insurance company, association, person or fund who is authorized to issue such insurance by the United States or any State or by the Secretary; or

(2) qualifying as a self-insurer under the law of each State with respect to which the employer has not satisfied the insurance requirements, except that the Secretary may, by regulation, impose additional self-insurance requirements if the Secretary finds that the qualification requirements of a State are insufficient to assure payment of supplemental compensation.

Section 11(c)(1) requires employers who are not subject to the workers' compensation law of any State because that State's law does not comply with the standard for coverage of employees and employers to elect, where permitted, coverage under the State law.

Section 11(c)(2) provides that if the Secretary has not certified a State workers' compensation law as complying with the standard for coverage of employees and employers, employers in such State who are permitted to elect coverage under the State law and have not done so shall be subject to a civil penalty not to exceed $25 per employee for each day of noncompliance in a suit brought by the Secretary.

Section 11(d) provides that each contract for insurance providing workers' compensation benefits shall be deemed to provide benefits in accordance with the minimum standards of section 4; and permits the Secretary to by regulation provide for exceptions and exemptions consistent with the purposes of the Act.

Section 11(e) provides that each contract of insurance providing coverage for comprehensive liability shall be deemed to provide benefits in accordance with the minimum standards of section 4 with respect to domestic employees of the insured, unless the insured employer has otherwise secured payment of such benefits.

SECTION 12—GRANTS TO STATES

Section 12(a) authorizes the Secretary, during the year of enactment and the two succeeding fiscal years, to make grants to States to assist them in identifying needs and responsibilities in the area of workers' compensation; developing programs for meeting the requirements of section 4; developing and publishing a guide to the evaluation of disability, establishing disability evaluation units; utilizing the services of impartial physicians in evaluating impairment and the degree of impairment; establishing systems for the collection of data; increasing the expertise and enforcement capabilities of personnel; or otherwise improving the administration and enforcement of the workers' compensation laws of the State consistent with the objectives of this Act.

Section 12(b) provides that the governor of each State shall designate the appropriate State agency for receipt of any grant under this section.

Section 12(c) provides that any designated State agency which desires such a grant must submit an application to the Secretary.

Section 12(d) requires the Secretary to review applications for grants and approve or reject them; if a grant is denied the Secretary is required to inform the applicant and the Governor of the State of the reasons for the denial.

Section 12(e) limits the Federal share of each project funded by a State grant to 66⅔ per centum of the cost of the project described in the application, and provides that, if the Federal share for all States is not the same, the differences among the States must be established by objective criteria.

Section 12(f) authorizes an appropriation of $75 million for the fiscal year of enactment, to be available without fiscal year limitation, and such sums as are necessary in succeeding fiscal years for the purposes of this section.

SECTION 13—STATISTICS

Section 13(a) directs the Secretary to develop and maintain a program for the collection, compilation and analysis of workers' compensation data in order to carry out the purposes of this Act.

Section 13(b)(1) directs the Secretary to issue regulations requiring that the following reports be submitted to the State workers' compensation agencies with respect to benefit claims for job-related injuries or illnesses, except with respect to claims which are for medical benefits only:

(A) a report by the employer within a reasonable time of the injury or illness which identifies the employer and the employee, states the date, time and place of accident or exposure, briefly explains the occurrence, describes the injury or illness, dates of diagnosis and initial treatment, dates of lost time and return to work, identifies the treating physicians and hospitals, identifies the insured, and provides additional information required by the Secretary;

(B) a prompt report by the employer or insurer after the first compensation payment or denial of the compensation claim; identifying the employee, employer, and carrier; the dates of injury or illness and diagnosis; the amount of compensation paid, indicates the date and amount of the first compensation payment; states the employee's average weekly wage if less than the applicable maximum and the nature and extent of the disability; the medical payments to date; and, if the case has been closed or denied, the total compensation and the reason for closing the case or denial of the claim;

(C) a prompt report by the employer or carrier after the last compensation payment which identifies the employer, employee and carrier; provides pertinent data concerning the compensation, specifying monetary, medical and rehabilitation benefits paid; provides information concerning the nature and duration of the impairment or disability; and states the reason for terminating benefits or closing the case. The Secretary is authorized to require by regulation, the filing of periodic reports with respect to claims continuing 2 years after the first compensation payment.

Section 13(b)(2) requires the Secretary, in promulgating regulations concerning reports, to consider and evaluate the reporting requirements of the several States with the objective of developing and encouraging the adoption of a uniform data collection and reporting system.

Section 13(b)(3)(A) states that the Secretary's regulations shall require that the reports be filed with the State workers' compensation agencies; and further requires the Secretary, as a condition of any grant to assist States in improving their data systems, to require that the State periodically, but no less frequently than once annually, submit reports to the Secretary, containing such information as the Secretary shall require by regulation, analyzing the workers' compensation cases based on the data contained in the reports filed with the State.

Section 13(b)(B) states that in any State which does not agree to collect data and provide periodic analysis of workers' compensation cases, the Secretary's regulations shall require that all reports required by paragraph (1) shall be submitted directly to the Secretary.

Section 13(c) requires the Secretary to file an annual report with Congress evaluating information compiled under this section, and to make the report available to the public.

Section 13(d) authorizes the Secretary to make grants to States pursuant to section 12 to assist them in developing programs for the collection and evaluation of data and reports required by the Secretary's regulations pursuant to this section.

SECTION 14—RESEARCH

Section 14(a) authorizes the Secretary to engage in research, pilot projects and demonstrations, as warranted for the purpose of—

(1) developing recommendations for improving the States' workers' compensation programs;

(2) developing recommendations for means of more economically assuring that workers will receive the benefits described in section 4; and

(3) monitoring and promoting academic study of workers' compensation and the development of improvements to the workers' compensation programs of the States and the program under this Act.

Section 14(b) requires the Secretary to conduct a study of the adequacy of the workers' compensation system, including the availability and cost of insurance or self-insurance for workers' compensation. The study must include, in particular, consideration of compensation for work-related diseases characterized by long latency periods and the feasibility and desirability of providing insurance coverage for them through reinsurance pools, trust funds or other means of apportioning liability. The Secretary is required to submit his report to the Congress no later than 2 years after enactment of this law.

SECTION 15—AUDITS

Section 15(a) requires that recipients of grants under this Act keep records, as prescribed by the Secretary, concerning the use of the granted funds, the cost of the project, and the amount and sources of other funds used.

Section 15(b) requires that the Secretary, the Comptroller General of the United States, and their representatives be given access to the records of grant recipients for the purpose of auditing the use of funds granted under this Act.

SECTION 16—ANNUAL REPORT

Section 16 requires the Secretary to submit an annual report to Congress, within 120 days following the convening of each regular session of Congress, concerning the progress made toward achievement of the pur-

poses of this Act and any additional need or requirement in the field of workers' compensation.

SECTION 17—ADVISORY COMMISSION

Section 17(a) establishes a National Workers' Compensation Advisory Commission (the Commission) which is to be composed of nine members appointed by the Secretary from among persons qualified to carry out the functions of the Commission. The members are to serve terms of 3 years, except that three of the initially appointed members shall be appointed for a term of 1 year, three shall be appointed for a term of 2 years, and three shall be appointed for a term of 3 years. Three members shall be appointed from among representatives of employers, one of whom shall be a representative of insurers; and three from among representatives of the general public, one of whom shall be a representative of State governments. The Secretary is required to designate the Chair of the Commission from among the public members. Five members of the Commission shall constitute a quorum.

Section 17(b) requires the Commission to monitor the progress of the States in complying with this law; to monitor the administration of workers' compensation programs in the States; and to provide assistance and advice to the Secretary in improving the operation of workers' compensation programs.

Section 17(c)(1) authorizes the Commission, or a Subcommittee authorized by the Commission, to meet, hold hearings, and take testimony at such times and places as the Commission deems advisable. Witnesses appearing before the Commission may be required to testify under oath or affirmation administered by the Commission.

Section 17(c)(2) authorizes Departments, Agencies and instrumentalities of the Executive Branch of the government including independent agencies to give the Commission information and assistance as the Commission finds necessary in carrying out its responsibilities under this section.

Section 17(d) authorizes the Commission acting through its Chair, to appoint and fix the compensation of an executive director and such additional staff personnel as it deems necessary, without regard to the provisions of Title 5, U.S. Code, governing appointments in the competitive service, and without regard to the provisions of Chapter 51 and Subchapter III of Chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum for GS-18 of the General Schedule under Section 5332 of such title, and to procure temporary and intermittent services to the same extent as authorized by section 3109 of Title 5, U.S. Code. The Commission is also authorized to enter into contracts for the conduct of research or surveys and the preparation of reports, and for other activities necessary to the performance of its responsibilities.

Section 17(e) provides for compensation of members of the Commission, on a daily basis, at the rate prescribed for GS-18 employees under Section 5332 of Title 5, U.S. Code. Members of the Commission are also entitled to reimbursement for travel, subsistence and other necessary expenses.

SECTION 18—SEPARABILITY

Section 18 provides that, if any provision of this Act, or its application shall be held invalid, the remainder of the Act, or its application in other circumstances, shall not be affected.

SECTION 19—EFFECTIVE DATE

Section 19(a) provides that the provisions of Section 4 of this Act shall take effect 2 years after the date of enactment and shall apply to deaths or disabilities occurring thereafter.

Section 19(b) provides that, except as provided in Section 19(a), all provisions of this Act shall take effect immediately upon enactment.

EXHIBIT 3

TABLE 1.—EIGHT RECOMMENDATIONS RELATING TO COVERAGE

State	Recommendation No.								
	2.1(a)	2.1(b)	2.2	2.4	2.5	2.6	2.7	2.11	2.13
Total States meeting	49	34	37	14	1	31	24	26	52
Alabama	X	X					X	X	X
Alaska	X		X					X	X
American Samoa	NA	NA	NA	NA	NA	NA	NA	NA	NA
Arizona	X		X	X		X	X	X	X
Arkansas	X	X				X			X
California	X	X	X	X		X	X		X
Colorado	X		X	X		X		X	X
Connecticut	X		X	X					X
Delaware	X	X	X					X	X
District of Columbia	X	X	X			X	X		X
Florida	X					X		X	X
Georgia	X							X	X
Guam	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hawaii	X	X	X	X		X		X	X
Idaho	X	X	X			X		X	X
Illinois	X	X	X					X	X
Indiana	X	X	X			X		X	X
Iowa	X		X			X		X	X
Kansas	X					X	X	X	X
Kentucky	X		X			X	X	X	X
Louisiana	X	X	X	X				X	X
Maine	X		X			X	X		X
Maryland	X		X			X	X		X
Massachusetts	X	X	X	X					X
Michigan	X	X		X		X	X		X
Minnesota	X	X	X				X		X
Mississippi	X	X							X
Missouri	X	X				X	X	X	X
Montana	X	X	X	X		X			X
Nebraska	X	X	X			X	X	X	X
Nevada	X	X	X			X			X
New Hampshire	X	X	X	X	X	X	X	X	X
New Jersey		X	X	X		X	X	X	X
New Mexico	X	X				X		X	X
New York	X	X	X						X
North Carolina	X							X	X
North Dakota	X	X	X			X			X
Ohio	X		X	X		X	X		X
Oklahoma	X	X	X			X	X		X
Oregon	X	X	X	X		X			X
Pennsylvania	X	X	X					X	X
Puerto Rico	X	X	X	X		X	X		X
Rhode Island	X	X					X		X
South Carolina								X	X
South Dakota	X		X						X
Tennessee	X						X		X
Texas		X	X						X
Utah	X	X	X			X	X		X
Vermont	X		X				X	X	X
Virginia	X								X
Virgin Islands	NA	NA	NA	NA	NA	NA	NA	NA	NA
Washington	X	X	X			X	X	X	X
West Virginia	X	X	X			X	X		X
Wisconsin	X	X				X	X	X	X
Wyoming	X	X	X						X

TABLE 2.—NINE RECOMMENDATIONS RELATING TO INCOME BENEFITS

State	Recommendation No. 3.7	3.8	3.11	3.12	3.15	3.17	3.21	3.23	3.25(a)	3.25(b)	3.25(c)	3.25(d)
Total States meeting	48	26	51	47	24	36	32	20	17	12	19	7
Alabama	X		X	X		X						
Alaska	X	X	X	X	X	X	X	X		X	X	
American Samoa	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Arizona	X		X	X		X						
Arkansas	X		X	X		X						
California	X		X	X			X					
Colorado	X		X	X		X	X					
Connecticut	X		X	X		X	X		X			
Delaware	X		X	X		X	X					
District of Columbia	X	X	X	X	X	X		X				
Florida			X			X						
Georgia	X		X	X		X	X					
Guam	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hawaii	X	X	X	X	X	X			X	X	X	
Idaho			X			X						
Illinois	X	X	X	X	X	X	X	X				
Indiana	X		X	X			X					
Iowa	X	X	X	X	X	X	X	X				
Kansas	X		X	X			X					
Kentucky	X		X	X		X						
Louisiana	X		X	X		X			X	X	X	
Maine	X	X	X	X	X	X	X	X				
Maryland	X	X	X	X	X	X	X	X	X	X	X	
Massachusetts	X	X	X	X	X						X	X
Michigan	X			X		X	X					
Minnesota	X	X	X	X	X	X		X	X		X	
Mississippi	X		X	X								
Missouri	X		X	X			X		X	X	X	
Montana	X	X	X	X	X	X	X	X	X	X	X	X
Nebraska	X		X	X		X	X		X	X	X	X
Nevada	X	X	X	X	X	X	X	X				
New Hampshire	X	X	X	X	X	X	X	X			X	X
New Jersey	X		X	X								
New Mexico	X	X	X	X	X		X	X				
New York	X		X	X		X	X					
North Carolina	X	X	X	X	X	X	X	X				
North Dakota	X	X	X	X	X	X	X		X	X	X	
Ohio	X	X	X	X	X	X	X	X	X	X	X	X
Oklahoma	X		X	X					X	X	X	
Oregon	X	X	X	X	X	X			X		X	
Pennsylvania	X	X	X	X	X	X		X				
Puerto Rico			X						X		X	
Rhode Island	X	X	X	X	X	X	X	X	X		X	
South Carolina	X	X	X	X	X		X	X				
South Dakota	X		X	X		X	X		X	X	X	
Tennessee	X		X	X								
Texas	X		X	X			X		X	X	X	X
Utah	X	X	X	X		X	X					
Vermont	X	X	X	X	X		X	X				
Virginia	X	X	X	X	X		X	X				
Virgin Islands	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Washington			X			X						
West Virginia	X	X	X	X	X		X	X	X		X	X
Wisconsin	X	X	X	X	X	X	X	X				
Wyoming	X	X	X			X						

TABLE 3.—TWO RECOMMENDATIONS RELATING TO MEDICAL BENEFITS

State	Recommendation No. 4.2	4.4
Total States meeting	52	46
Alabama	X	X
Alaska	X	X
American Samoa	NA	NA
Arizona	X	X
Arkansas	X	X
California	X	
Colorado	X	X
Connecticut	X	X
Delaware	X	X
District of Columbia	X	X
Florida	X	
Georgia	X	X
Guam	NA	NA
Hawaii	X	X
Idaho	X	X
Illinois	X	X
Indiana	X	X
Iowa	X	X
Kansas	X	
Kentucky	X	X
Louisiana	X	X
Maine	X	
Maryland	X	X
Massachusetts	X	X
Michigan	X	X
Minnesota	X	X
Mississippi	X	X
Missouri	X	X
Montana	X	X
Nebraska	X	X
Nevada	X	X
New Hampshire	X	X
New Jersey	X	
New Mexico	X	X
New York	X	X
North Carolina	X	X
North Dakota	X	X
Ohio	X	X
Oklahoma	X	X
Oregon	X	X
Pennsylvania	X	X
Puerto Rico	X	X
Rhode Island	X	X
South Carolina	X	X
South Dakota	X	X
Tennessee	X	X
Texas	X	X
Utah	X	X
Vermont	X	X
Virginia	X	X
Virgin Islands	NA	NA
Washington	X	X
West Virginia	X	X
Wisconsin	X	X
Wyoming	X	X

SUPPLEMENT: PENDING CHANGES

[The following changes in State laws, affecting accordance with the 19 essential recommendations of the National Commission, were enacted and approved on or before Jan. 1, 1979, to become effective after that date.]

State	Effective date	Maximum weekly compensation for total disability and death will equal—
Alaska	Jan. 1, 1979	166.6 percent of State average weekly wage.
	Jan. 1, 1981	200 percent of State average weekly wage.
Iowa	July 1, 1979	166⅔ percent of State average weekly wage.
	July 1, 1981	200 percent of State average weekly wage.
Oklahoma[1]	Jan. 1, 1980	$110.
	Jan. 1, 1981	66⅔ percent of State average weekly wage.
South Dakota	July 1, 1979	100 percent of State average weekly wage.

[1] Compensation shown for Oklahoma pertains only to permanent total disability and death, not to temporary total disability.

ESSENTIAL RECOMMENDATIONS OF THE NATIONAL COMMISSION ON STATE WORKMEN'S COMPENSATION LAWS

R2.1 Coverage by workmen's compensation laws be compulsory and that no waivers be permitted.

R2.1(a) Coverage is compulsory for private employments generally.

R2.1(b) No waivers are permitted.

R2.2 Employers not be exempted from workmen's compensation coverage because of the number of their employees.

R2.4 A two-stage approach to the coverage of farmworkers. First, as of July 1, 1973, each agriculture employer who has an annual payroll that in total exceeds $1,000 be required to provide workmen's compensation coverage to all of his employees. As a second stage, as of July 1, 1975, farmworkers be covered on the same basis as all other employees.

R2.5 As of July 1, 1975, household workers and all casual workers be covered under workmen's compensation at least to the extent they are covered by Social Security.

R2.6 Workmen's compensation coverage be mandatory for all government employees.

R2.7 There be no exemptions for any class of employees, such as professional athletes or employees of charitable organizations.

R2.11 An employee or his survivor be given the choice of filing a workmen's compensation claim in the State where the injury or death occurred, or where the employment was principally localized, or where the employee was hired.

R2.13 All States provide full coverage for work-related diseases.

R3.7 Subject to the State's maximum weekly benefit, temporary total disability benefits be at least 66⅔ percent of the worker's gross weekly wage.

R3.8 As of July 1, 1973, the maximum benefit for temporary total disability be at least 66⅔ percent of the State's average weekly wage, and that as of July 1, 1975, the maximum be at least 100 percent of the State's average weekly wage.

R3.11 The definition of permanent total disability used in most States be retained. However, in those few States which permit the payment of permanent total disability benefits to workers who retain substantial earning capacity, the benefit proposals be applicable only to those cases which meet the test of permanent total disability used in most States.

R3.12 Subject to the State's maximum weekly benefit, permanent total disability benefits be at least 66⅔ percent of the worker's gross weekly wage.

R3.15 As of July 1, 1973, the maximum weekly benefit for permanent total disability be at least 66⅔ percent of the State's average weekly wage, and that as of July 1, 1975, the maximum be at least 100 percent of the State's average weekly wage.

R3.17 Total disability benefits be paid for the duration of the worker's disability, or for life, without any limitations as to dollar amount or time.

R3.21 Subject to the State's maximum weekly benefit, death benefits be at least 66⅔ percent of the worker's gross weekly wage.

R3.23 As of July 1, 1973, the maximum weekly death benefit be at least 66⅔ percent of the State's average weekly wage, and that as of July 1, 1975, the maximum be at least 100 percent of the State's average weekly wage.

R3.25(a) Death benefits be paid to a widow or widower for life or until remarriage, and (b) in the event of remarriage two years' benefits be paid in a lump sum to the widow or widower (c) Benefits for a dependent child be continued at least until the child reaches 18, or beyond such age if actually dependent, or (d) at least until age 25 if enrolled as a fulltime student in any accredited educational institution.

R4.2 There be no statutory limits of time or dollar amount for medical care or physical rehabilitation services for any work-related impairment.

R4.4 The right to medical and physical rehabilitation benefits not terminate by the mere passage of time.

Source: *Report of the National Commission on State Workmen's Compensation Laws*, U.S. Government Printing Office, 1972.

EXHIBIT 4

AMENDMENT NO. 59

Strike Sec. 5 and insert the following:

OCCUPATIONAL DISEASE STANDARDS

SEC. 5. (a) The Secretary of Health, Education, and Welfare is authorized and directed to undertake studies of diseases which are or may be employment-related for the purpose of recommending appropriate standards for (i) determining whether particular diseases arise out of and in the course of employment; (ii) establishing criteria for diagnosing diseases; and (iii) establishing criteria for determining whether death or disability is due to such diseases. In determining subjects for and design of studies pursuant to this section, the Secretary of Health, Education, and Welfare shall give priority to the recommendations of the Secretary of Labor and the National Workers' Compensation Advisory Commission established under section 17 of this Act (hereinafter called the "Advisory Commission"). In carrying out the studies required by this section the Secretary of Health, Education, and Welfare shall consult with the Director of the National Institute of Occupational Safety and Health and such other public and private organizations as are appropriate with respect to diseases that may be employment related. The results of such studies shall be published and distributed to the States, and shall be furnished to the Secretary of Labor.

(b) The Secretary may by rule promulgate, modify, or revoke standards for (i) determining whether diseases arise out of and the course of employment; (ii) establishing the criteria for diagnosing such diseases; and (iii) establishing criteria for determining whether death or disability is due to such diseases. Such standards may include reasonable rebuttable presumptions wherever appropriate.

(c)(1) Such standards shall be promulgated, modified, or revoked in accordance with section 553 or title 5, United States Code (without regard to any reference in such section to sections 556 and 557 of such title), and in accordance with the provisions of the following paragraphs:

(2)(A)(i) Whenever the Secretary, upon the basis of studies published under subsection (a) or other information or studies submitted to him by an interested person or by a State or on the basis of information developed by the Secretary, determines that a rule should be promulgated to establish a minimum standard with regard to an occupational disease consistent with the purposes of this Act, the Secretary shall prepare a proposed rule, and shall appoint an advisory committee composed of not less than three medical, scientific, or other experts with suitable experience, training, or education related to the subject matter of the proposed rule.

(ii) When the Secretary receives a recommendation from the Secretary of Health, Education, and Welfare pursuant to subsection (a), and determines not to propose a rule based on that recommendation, the Secretary shall, within sixty days after receipt thereof, publish in the Federal Register his determination not to do so, and his reasons therefor.

(B) The Secretary shall forward the proposed rule to the advisory committee established to consider such rule, and shall provide the committee all pertinent information developed by the Secretary or the Secretary of Health, Education, and Welfare, or otherwise available to the Secretary, including the results of research, demonstrations, and experiments and shall publish notification of such action in the Federal Register. The advisory committee shall submit to the Secretary its report which shall state (i) whether in the advisory committee's opinion the proposed rule is consistent with available scientific and medical knowledge concerning the subject matter of the proposed rule, and (ii) its recommendations for modifications of such rule to make it consistent with available scientific and medical knowledge concerning the subject matter of the proposed rule or to otherwise improve the proposed rule. The advisory committee shall submit its report to the Secretary within one hundred and eighty days from the date of its appointment or within such shorter period as may be prescribed by the Secretary, but in no event may such period be less than ninety days.

(3) The Secretary may publish in the Federal Register, any proposed rule, in either its original or modified form which has been determined by the advisory committee to be consistent with available scientific and medical knowledge concerning the subject matter of the proposed rule. If on the basis of the advisory committee's report, the Secretary determines that a proposed rule should not be promulgated, the Secretary shall publish his determination to that effect in the Federal Register. In either event, the Secretary shall at the same time, forward a copy of the advisory committee's report to the Advisory Commission.

(4)(A) In the event that the Secretary publishes a proposed rule in the Federal Register, the Secretary shall afford interested person a period of thirty days after any such publication to submit written data or comments on the proposed rule. Such comment period may be extended by the Secretary upon a finding of good cause, which the Secretary shall publish in the Federal Register.

(B) On or before the last day of the period provided for the submission of written data or comments under paragraph (3), any interested person may file with the Secretary written objections to the proposed standard, stating the grounds therefor and requesting a public hearing on such objections. Within sixty days after the last day for filing such objections, the Secretary shall publish in the Federal Register a notice specifying the standard to which objections have been filed and a hearing requested, and specifying a time and place for such hearing. Any hearing under this subsection for the purpose of hearing relevant information shall commence within sixty days after the date of publication of the notice of hearing. Hearings required by this subsection shall be conducted by the Secretary, who may prescribe rules and make rulings concerning procedures in such hearings to avoid unnecessary costs or delay. A verbatim transcript shall be taken of any such hearing and shall be available to the public.

(5)(A) Within one hundred and eighty days after the closing of the record of such hearing, the Secretary shall promulgate and publish in the Federal Register such rule or his determination not to promulgate a rule together with his reasons therefor as he deems appropriate.

(B) In the case of a proposed rule of which objections requesting a public hearing have not been filed, the Secretary, within one hundred and eighty days after the period for filing such objections has expired, shall promulgate and publish in the Federal Register the rule as proposed or in modified form, or his determination not to promulgate a rule together with his reasons therefor.

(C) Any rule promulgated pursuant to this section shall be based on and shall be consistent with available scientific and medical knowledge concerning the subject matter of the rule.

(6) The Secretary may require by subpena the attendance of witnesses and the production of evidence in connection with any proceeding initiated under this section. If a per-

son refuses to obey a subpena under this subsection, a United States district court within the jurisdiction of which a proceeding under this subsection is conducted may, upon petition by the Secretary, issue an order requiring compliance with such subpena.

(d) (1) Any standard promulgated under this section shall be effective as a minimum standard for State workers' compensation laws pursuant to section 4 of this Act two years after its final promulgation, and shall govern the determination of compensation due to deaths or disabilities occurring thereafter.

(e) Any person or State adversely affected by a standard promulgated under this section may, at any time prior to the sixtieth day after the promulgation of such standard, file a petition challenging the validity of such standard with the United States Court of Appeals for the District of Columbia Circuit or the circuit wherein such person resides or maintains his principal place of business. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. No objection that has not been urged before the Secretary shall be considered by the court, unless the failure or neglect to urge such objection shall be excused for good cause shown. The validity of any standard shall not be subject to challenge on the grounds that the time limitations in this section have been exceeded.

(f) Concurrently with the development of any proposed standard pursuant to this section, the Secretary of Labor shall conduct a study to determine the extent to which there are individuals who are employed or formerly employed who may suffer from the disease covered by the proposed standard, but whose claims would not be covered by such standard because their disability occurred prior to the effective date of the standard, and who as a result may not receive fair and adequate compensation. Any such study shall include an estimate of the number of such individuals, and recommendations with respect to appropriate means of compensating such individuals. The Secretary shall submit his report, together with his recommendations, to the Congress no later than one year after the final promulgation of any standard pursuant to subsection (c) (5) of this section.

Strike the last sentence of Sec. 4(f) and insert the following: "In addition, the determination of compensability of any disease covered by a standard promulgated pursuant to section 5 shall be determined in accordance with such standard. Unless contrary to a standard issued pursuant to section 5 of this Act, nothing in this section shall preclude any State from including in its law, rebuttable presumptions concerning the circumstances under which particular diseases may be found to have arisen or not to have arisen out of and in the course of employment."

Strike Sec. 7(d) and insert the following:

"(d) For the purpose of determining whether a state law complies with the minimum standards contained in section 4 or standards promulgated pursuant to section 5, such standards shall not be deemed to impose minimum requirements with respect to matters which are merely subsidiary or related to the primary subject matter of the standard, including, without limitation, the determination of the status of any individual as an employee or an independent contractor, the average weekly wage of any individual, the degree of disability, if any, and the determination of whether death or injury (including disease) has been suffered and whether such death or injury arose out of and in the course of employment."

Strike Sec. 8(b) and insert the following:

"(b) State law shall govern the determination of all issues in the case except for matters specifically covered by the particular standards in section 4 with respect to which the state law has not been certified, and on which the petition for review is based. Such issues include, without limitation, the determination of the status of any individual as an employee or an independent contractor, the average weekly wage of any individual, the degree of disability, if any, and the determination of whether death or injury (including disease) has been suffered and whether such death or injury arose out of and in the course of employment."●

By Mr. INOUYE (for Mr. Talmadge (for himself, Mr. Inouye, Mr. Nunn, and Mr. Matsunaga)):

S. 421. A bill to provide for demonstration projects for training and employment of recipients of benefits, under programs of Aid to Families with Dependent Children, as homemakers and home health aides; to the Committee on Finance.

DEMONSTRATION PROJECTS FOR TRAINING AND EMPLOYMENT OF AFDC RECIPIENTS AS HOMEMAKERS AND HOME HEALTH AIDES

● Mr. INOUYE. Mr. President, on behalf of Senator Talmadge, myself, and Senators Nunn and Matsunaga, I am introducing today legislation which should have significant and beneficial effects in dealing with three major problems in our health and welfare programs.

I ask unanimous consent that Senator Talmadge's introductory statement appear at this point, and that the text of the amendment appear at the conclusion of my remarks:

Senator Talmadge's Statement

The bill is virtually identical with that approved by the Committee on Finance in the last Congress. Unfortunately, we were unable at the time to complete Congressional action because of the closeness of adjournment.

The merits of the proposal are clear. First, the bill establishes a means whereby many thousands of older and disabled people will be assisted in remaining at home rather than being moved into high-cost nursing home and intermediate care facilities.

Second, it establishes a program whereby many thousands of women now on the welfare rolls can be formally trained as homemakers and home health aides to provide supportive services to maintain the independent living capacity of thousands of other people who would otherwise require Medicaid paid for institutional care.

And, if experience elsewhere becomes the pattern here, the large majority of these trained people will ultimately be removed from the welfare rolls because they will have become gainfully and usefully employed self-respecting members of the health professions.

Finally, properly implemented, enormous savings in Medicaid and welfare costs should result as people leave the welfare rolls and others are kept out of high-cost nursing homes.

The Federal and State Governments who fill in the amounts on the checks—and, most importantly, the taxpayers who sign those checks—should all have their burdens reduced.

Let us put the problem—and the opportunities—in perspective.

Long-term institutional care costs for Medicaid are greater than those for hospital care.

In fiscal 1979, upwards of an estimated $8 billion will be spent for skilled nursing home and intermediate care facility services.

It is estimated that as many as 40 percent of those in institutions do not necessarily have to be there—and would not be there if proper alternative supportive services were available.

The legislation we propose would encourage the availability of those services by means of taking people off the welfare rolls—training them—and then using these new homemakers and home health aides to meet what has been a largely unmet need.

Basically, the amendment would authorize demonstration programs in twelve States for up to five years.

Interested States would apply to and be selected by the Secretary of HEW.

It is expected that priority would be given to States, such as Georgia and my own State of Hawaii which have demonstrated active interest and effort in supporting the concept and in developing and encouraging this proposal.

The States of Florida, Michigan, New Jersey and New Mexico have also indicated strong desire to participate in a program which would take people off the welfare rolls and also keep people out of costly nursing homes.

Full responsibility for the program would be given to the State health services agency designated by the Governor.

That agency could subcontract for various aspects of its program where appropriate, but complete responsibility for training and operation would reside in the one agency.

Individuals eligible for training and employment would be only those coming from the AFDC rolls or who were on AFDC within six months of application for the program.

The people would be trained in a formal program of some 10 or 12 weeks duration and paid reasonable allowances during such training.

The program would be established by the State and be utilized unless the Secretary found it inadequate or inappropriate.

The Secretary would be expected, where requested, to assist a State in developing its training program.

Following completion of training, they would be employed by public and nonprofit agencies and organizations—such as State or local health departments—to provide supportive services to the aged, disabled, retarded and others who might reasonably be expected to require institutional care in the absence of those services.

A Veterans Administration facility could, at its option, apply for participation in the program so as to enhance services to our veterans.

Services would be provided to those for whom the care was not reasonably and actually otherwise available.

These people could not be employed under this program to provide care in hospitals or similar institutions.

They are not intended to be a reservoir of subsidized labor for hospitals.

However, public and nonprofit hospitals might well employ these people as outreach workers to facilitate timely discharge of hospitalized patients.

However, subsequently, they might well leave this program and be employed on a nonsubsidized regular basis, as was the case in New Mexico which pioneered this type of program.

The numbers of people in a State eligible for training, and employment would be limited only by their ability to be trained and employed and the number of those in need of home health and homemaker services.

The Secretary is expected to establish safeguards to assure that the program, as well as those trained and employed, are not improperly exploited.

Those eligible to receive the care and services would include all individuals whose income was within 200 percent of the State's standard of need and who might reasonably be expected to require institutional care without the supportive service.

It should also be understood that the large majority of Medicare beneficiaries would, because of this income standard, be potentially eligible for these homemaker and home health services.

However, while Medicare program costs should be moderated as a result, these services, unless otherwise qualified for reimbursement, would not be a regular Medicare benefit.

The reason for establishing the eligibility level above the State's needs standard is because of the high probability that an individual, even with income somewhat above the needs standard, would become a Medicaid recipient when he required skilled nursing home or intermediate care.

States might also make the services of these home health aides and homemakers available to individuals above these income limits with a sliding scale of fees charged.

States would be eligible for 90 percent Federal matching for the program costs.

Such amounts would be paid from funds authorized from Medicaid.

No net cost is assumed inasmuch as the reduction in Medicaid costs resulting from the prevention or postponement of expensive care in institutions should more than offset the costs of training and provision of home health and homemaker services.

It is anticipated that hospital stays may also be shortened—or even avoided—because of the availability of these services.

And, to the extent that those trained ultimately find regular employment in the health care field—outside of this program—we will have relieved the welfare burden.

Mr. President, we have a unique opportunity here to reduce the welfare rolls, enhance the self-respect and income of those providing necessary care and to keep many thousands of Americans out of high-cost institutions."

Mr. INOUYE. Mr. President, the legislation we are introducing today will aid a group of people whose contribution to the Nation's economic stability has been overlooked for far too long. I refer to the American homemaker, who traditionally has provided the foundation on which our economy is built. Although she receives no monetary reward for her services, the woman who stays home to care for her husband and their children is invaluable to our national labor force. Yet, when she becomes displaced because of the death of a spouse or because of divorce or separation, her past service to her family and her country go unrecognized. Because of her prolonged absence from the labor force, she is at a disadvantage when circumstances force her to compete in the job market with younger, more experienced men and women.

Mr. President, an increasing number of homemakers are displaced in their middle years from their family role and left without any source of financial security. These displaced homemakers are often subject to discrimination in employment because of age, sex and lack of recent paid work experience. To make matters worse, many of these women are ineligible for social security benefits or welfare assistance and desperately need to find work. I believe we owe a tremendous debt to this Nation's displaced homemakers and this bill would be one step toward repaying that debt.

This bill would give displaced homemakers a boost in their efforts to reenter the work force or to enter it for the first time by offering a tax credit to employers who hire them. It would amend the Internal Revenue Code of 1954 to add displaced homemakers to the list of people already targeted to benefit from this program, such as economically disadvantaged youth, welfare recipients, Vietnam-era veterans from economically disadvantaged families and economically disadvantaged ex-convicts. The current law provides employers with $3,000 credit per trainee for the first year and $1,500 for the second.

Mr. President, we ask unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 421

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Health, Education, and Welfare is authorized to enter into agreements with States, selected at his discretion, for the purpose of conducting demonstration projects for the training and employment of eligible participants as homemakers or home health aides, who shall provide authorized services to elderly or disabled individuals, or other individuals in need of such services, and to whom such services are not otherwise reasonably and actually available or provided, who would, without the availability of such services, be reasonably anticipated to require institutional care.

(b) For purposes of this section the term "eligible participant" means an individual who has voluntarily applied for participation and who, at the time such individual enters the project established under this section, has been certified by the appropriate agency of State or local government as being eligible for financial assistance under a State plan approved under part A of title IV of the Social Security Act and as having continuously received such financial assistance during the ninety-day period which immediately precedes the date on which such individual enters such project and who, within such ninety-day period, had not been employed as a homemaker or home health aide.

(c)(1) The Secretary shall enter into agreements under this section with no more than twelve States. Priority shall be given to States which have demonstrated interest in providing services of the type authorized under this section.

(2) A State may apply to enter into an agreement under this section in such manner and at such time as the Secretary may in his judgment prescribe through formal regulatory process or by other appropriate and expeditious means.

(3) Any State entering to an agreement with the Secretary under this section must—

(A) provide that the demonstration project shall be administered by a State health services agency designated for this purpose by the Governor (which may be the State agency administering or responsible for the administration of the State plan for medical assistance under title XIX of the Social Security Act);

(B) provide that the agency designated pursuant to subparagraph (A) shall, to the maximum extent feasible, arrange for coordinating its activities under the agreement with activities of other State agencies having related responsibilities;

(C) establish a formal training program, which meets such standards as the Secretary may establish to assure the adequacy of such program, to prepare eligible participants to provide part-time and intermittent homemaker services or home health aide services to individuals who are elderly, disabled, or otherwise in need of such services, be reasonably anticipated to require institutional care;

(D) provide for the full-time employment of those eligible participants who successfully complete the training program with one or more public agencies (or, by contract, with private bona fide nonprofit agencies) as homemakers or home health aides, rendering authorized services, under the supervision of persons determined by the State to be qualified to supervise the performance of such services, to individuals who are elderly, disabled, or otherwise in need of such services, who would, without the availability of such services, be reasonably anticipated to require institutional care, at wage levels comparable to the prevailing wage levels in the area for similar work;

(E) provide that such services provided under subparagraph (D) shall be made available without regard to income of the individual requiring such services, but that a reasonable fee will be charged (on a sliding scale basis) for such services provided to individuals who have income in excess of 200 percent of the needs standard in such State under the State plan approved under part A of title IV of the Social Security Act for a household of the same size as such individual's household;

(F) provide for a system of continuing independent professional review by an appropriate panel, which is not affiliated with the entity providing the services involved, to assure that services are provided only to individuals reasonably determined in need of such supportive services;

(G) provide for evaluation of the project and review of all agencies providing services under the project;

(H) Submit periodic reports to the Secretary as he may require; and

(I) meet such other requirements as the Secretary may establish for the proper and efficient implementation of the project.

(4) The number of participants in any project shall not exceed that number which the Secretary determines to be reasonable, based upon the capability of the agencies involved to train, employ, and properly utilize eligible participants. Such number may be appropriately modified, subsequently, with the approval of the Secretary.

(5) Any contract with a private bona fide nonprofit agency entered into pursuant to paragraph (3)(D) shall provide for reasonable reimbursement of such agencies for services on a basis proportionate to the amount of time allocated to individuals eligible to receive such services under this section (and, in case such agency is an institution, the amount of the reimbursement shall not exceed the amount of reimbursement which would have been payable if the services involved had been provided by a free-standing agency).

(6) For purposes of this section, a facility of the Veterans' Administration shall, at the request of the Administrator of Veterans' Affairs, be considered to be a public agency. In the case of any such facility which is so considered to be a public agency, of the costs determined under this section which are attributable to such facility, 90 percent shall be paid by the State and 10 percent by the Veterans' Administration.

(d)(1) For purposes of this section, authorized homemaker and home health aid services include part-time or intermittent—

(A) personal care, such as bathing, grooming, and toilet care;

(B) assisting patients having limited mobility;

(C) feeding and diet assistance;

(D) home management, housekeeping, and shopping;

(E) health-oriented record keeping;

(F) family planning services; and

(G) simple procedures for identifying potential health problems.

(2) Such authorized services do not include any services performed in an institution, or any services provided under circumstances where institutionalization would be substantially more efficient as a means of providing such services.

(e) (1) Agreements shall be entered into under this section between the Secretary and the State agency designated by the Governor. Under such agreement the Secretary shall pay to the State, as an additional payment under section 1903 of such Act, for each quarter, an amount equal to 90 percent of the reasonable costs incurred (less the Federal share of any related fees collected) by such State during such quarter in carrying out a demonstration project under this section, including reasonable wages and other employment costs of eligible participants employed full time under such project (and, for purposes of determining the amount of such additional payment, the 10 percent referred to in subsection (c) (6), paid by the Veterans' Administration, shall be deemed to be a cost incurred by the State in carrying out such a project).

(2) Demonstration projects under this section shall be of a maximum duration of four years, plus an additional time period of up to six months for planning and development, and up to six months for final evaluation and reporting. Federal funding under this subsection shall not be available for the employment of any eligible participant under the project after such participant has been employed for a period of three years.

(f) For purposes of title IV of the Social Security Act, any eligible participant taking part in a training program under a project authorized under this section shall be deemed to be participating in a work incentive program established by part C of such title.

(g) For the first year (and such additional immediately succeeding period as the State may specify) during which an eligible participant is employed under the project established under this section, such participant shall, notwithstanding any other provision of law, retain any eligibility for medical assistance under a State plan approved under title XIX of the Social Security Act, and any eligibility for social and supportive services provided under the State plan approved under part A of title IV of such Act, which such participant had at the time such participant entered the training program established under this section.

(h) The Secretary shall submit annual reports to the Congress evaluating the demonstration projects carried out under this section, and shall submit a final report to the Congress not less than six months after he has received the final reports from all States participating in such projects.

(i) The Secretary shall, and is hereby authorized to, waive such requirements, including formal solicitation and approval requirements; as will further expedite and effect the implementation of this act.●

By Mr. INOUYE:

S. 422. A bill to authorize reduced postage rates for certain mail matter sent to Members of Congress; to the Committee on Governmental Affairs.

MAIL MATTER SENT TO MEMBERS OF CONGRESS

● Mr. INOUYE. Mr. President, I rise today to introduce a bill to provide for the issuance of a special 1-cent postage stamp to be used for correspondence with Members of Congress.

Mr. President, ours is a democratic Government—a representative Government and thus, by definition, one dependent on the continuing operation of a two-way communication system between the people of this country and their elected Representatives.

Each Member of the Congress is directly responsible to those people in his State or district whom he represents. He must not only keep communication channels open but, more importantly, he must be responsive to the concerns he receives through these channels. The most practical means of transmitting these constituent concerns is through the mail. It is most difficult for many of us to imagine ourselves in a situation where the desire to express an opinion is frustrated because we must think twice about spending money on a postage stamp. Unfortunately, we must face the fact that many of our Nation's citizens are forced to consider the purchase of a 15 cent postage stamp for the purpose of expressing a grievance, an opinion or idea, as something beyond their means.

The issuance of a 1-cent stamp for this purpose would effectively remove this prohibition and allow all citizens to apprise their Representatives and Senators of their individual thoughts and position on the issues facing our Nation. This measure would amend the Postal Reform Act of 1970 to provide for the issuance of these 1-cent stamps to be sold at U.S. Post Offices. The bill also authorizes appropriations necessary to account for the difference in postal revenue resulting from the sale of 1-cent stamps as opposed to prevailing postage rates for mail matter addressed to Congressmen which does not exceed 4 ounces in weight.

Recognizing the necessity of open communication between elected officials and the people, Congress adopted the franking system allowing congressional communication between elected officials to constituents. We have neglected, however, to provide our constituents with a convenient and affordable means of access to their Senators and Congressmen. It is difficult to overstate the importance of this concept of indivdual expression. Each and every citizen has the right and the responsibility to participate in the democratic system, through both the ballot box and through correspondence with their representatives between elections.

Because the effective operation of our political system is dependent upon open communication, I am hopeful that this bill will receive the early approval of the Congress.

Mr. President, I ask unanimous consent to have printed in the Record the text of the bill I have introduced today.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 422

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 32 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 3219. Mail matter sent to Members of Congress

"(a) Any person may send any piece of mail matter, not exceeding four ounces in weight, for postage of 1 cent to (1) any Member of the Senate representing the State, and (2) the Member of the House of Representatives representing the district, in which such person resides, if that person uses a special stamp issued by the Postal Service for any such matter. The Postal Service shall issue special 1-cent stamps to be used in sending such matter, and such stamps shall only be sold at post offices.

"(b) For the purposes of this section—

"(1) 'district' includes Puerto Rico and the District of Columbia;

"(2) 'Member of the House of Representatives' includes a Representative, Delegate, and Resident Commissioner; and

"(3) a Member of the House of Representatives elected at large from a State having more than one district shall be considered a Member elected from each district of that State."

(b) The analysis of such chapter is amended by adding immediately below item 3218 the following new item:

"3219 Mail matter sent to Members of Congress.".

(c) Section 2401(c) of such title is amended by inserting after "3217" a comma and "3219".

(d) This Act is effective January 1, 1980.●

By Mr. FORD (for himself, Mr. Kennedy, Mr. Danforth, Mr. Bayh, and Mr. Metzenbaum):

S. 423. A bill to promote commerce by establishing a national goal for the development and maintenance of effective, fair, expensive, and expeditious mechanisms for the resolution of consumer controversies, and for other purposes; placed on the calendar.

(The remarks of Mr. Ford when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. MATSUNAGA (for himself and Mr. Inouye):

S. 424. A bill to extend the period for duty-free entry of a 3.60 meter telescope and associated articles for the use of the Canada-France-Hawaii telescope project at Mauna Kea, Hawaii; to the Committee on Finance.

CANADA-FRANCE-HAWAII TELESCOPE PROJECT

Mr. MATSUNAGA. Mr. President, today I am introducing a bill with my senior colleague (Mr. Inouye) to extend the period for duty-free entry of a 3.60 meter telescope and associated articles for the use of the Canada-France-Hawaii telescope project at Mauna Kea, Hawaii.

A recent article in the New York Times acclaimed the island of Hawaii as a developing world astronomy center. The article reported that American astronomers as well as astronomers from foreign nations are developing one of the world's most important observation sites on Mauna Kea on the big island of Hawaii. The observation conditions in Hawaii are unsurpassed anywhere in the Northern Hemisphere, and three great telescopes are being erected on the summit of Mauna Kea—meaning "White Mountain," because, believe it or not, in sunny Hawaii, the top of Mauna Kea is nearly always covered with snow—to develop the site's observing facility.

One of these instruments is an optical telescope with a 144-inch mirror being built as a joint project by Canada, France, and the United States. The project is a nonprofit international cooperative undertaking by the Centre National de la Recherche Scientifique of France, the National Research Council of Canada, and the University of Hawaii. The memorandum of understanding among the three parties establishes the Canada-France-Hawaii Telescope Corp.—a nonprofit organization incorporated under Hawaiian law—to assume responsibility for the construction and operation of the telescope.

In 1974, the National Science Foundation and the National Aeronautics and Space Administration both reported that the project would benefit the U.S. scientific community as well as provide astronomers in France and Canada with a unique site for an optical telescope. The Department of State also expressed support for the project, stating that it would be a valuable international cooperative undertaking conferring real benefit to U.S. scientists.

Import duties would have added unnecessary cost and complications to this project. To relieve the project of this burden, the Congress in Public Law 93-630 permitted the duty-free entry of the 3.60-meter telescope and the laboratories, equipment, and installations, necessary for its operation, imported into the United States by June 30, 1980.

In 1973, this project was estimated to cost $18 million. Today, because of rising cost, the project will amount to $29 million. France and Canada will provide the amount equally. Of the $26 million already committed as of October 1, 1978, about $7.5 million has been committed in the United States. Thus, our country has already received a substantial economic return from the project. Moreover the completion of the project in several years will thrust Hawaii into the forefront of astronomical study.

At the date of the second status report by the Canada-France-Hawaii Telescope Corp. in 1978, the dome and dome equipment was near completion, the telescope mechanical parts and control system had already reached Hawaii, and the primary and secondary mirrors were near completion and ready for shipment in the present year. However, the need to design and construct the instrumentation during a period of fast changing technology has delayed completion of the instrumentation package. It is likely that the instrumentation package will not be completed for shipment before the expiration of June 30, 1980, deadline established by Public Law 93-630 for duty-free entry.

Back in 1974, the Congress provided duty-free entry of the telescope and associated articles for the project so as to benefit the American scientific community and facilitate this international scientific venture. I believe that the same reasons compel us now to extend the date for duty-free entry of these items to June 30, 1982.

The reasons are all the more compelling now since most of the telescope has been designed, constructed, and assembled, and will be in full operation within a couple of years. I therefore urge my colleagues to approve this bill.

By Mr. WILLIAMS (for himself and Mr. PELL):

S. 425. A bill to end the use of steel-jaw, leghold traps; to the Committee on Environment and Public Works.

END THE USE OF STEEL-JAW, LEGHOLD TRAPS

● Mr. WILLIAMS. Mr. President, millions of animals are trapped in the United States every year. Most of them are caught in the inhumane and unnecessary steel-jaw, leghold trap.

This device is designed to snap shut upon the paw or leg of an animal that steps into it. The closing force of the trap often causes immediate injury, which is compounded as the animal struggles to escape. The trapper may not return for hours, or even days, during which time the animal may die from starvation, exposure, or predation. Occasionally, the animal may even chew off its own paw to escape, only to die from blood loss or gangrene.

Since an animal's nervous system is very similar to that of humans, there is no doubt that animals feel pain. The pain they suffer in the jaws of the steel trap is severe, and it should not be tolerated by our society.

Furbearing animals and predators are the primary targets of this trap. However, the number of "non-target" animals that fall victim to it may well exceed the number of target animals trapped. Endangered species are sometimes included in this tragic waste of wildlife. Thomas J. Harper, a U.S. Game Management agent, reported that some 2,500 eagles were accidentally trapped in northwestern Nevada during a recent winter. Between 700 and 1,000 hawks, owls, and other birds of prey met the same fate. In addition, there are hundreds of well-documented cases of household pets being caught in steel traps. Children, too, have been injured in them.

Proponents of commercial trapping contend that steel traps are needed to control wildlife populations. In fact, animals have their own population control mechanisms, even in the absence of natural predators. The rates of birth, mortality, and movement of wildlife vary naturally according to the availability of food and space. Indeed, the wildlife management goal of "maximum sustainable yield" is designed to exploit these natural phenomena. According to proponents of maximum sustainable yield, trapping stimulates the birthrate of a "harvestable" species, thus producing an annual "surplus" of animals which may be trapped without affecting the base population. Similarly, if trapping is discontinued, compensating changes in the birthrate and other natural factors will keep the population in check.

But while on the one hand trappers claim they only take "surplus" animals, they contend on the other hand that they help to control wildlife diseases by reducing wildlife populations. The inconsistency between the two claims is obvious. It is, therefore, not surprising that trapping has been ineffective in controlling rabies or any other disease. Furthermore, primary carriers of rabies—bats and skunks—are rarely or never trapped. Several authorities state categorically that trapping is unnecessary in the control of wildlife diseases. For example, the Council on Environmental Quality has declared:

> The contention that rabies increases dramatically when steel leghold traps are banned seems entirely without merit.

And the National Research Council Subcommittee on Rabies recommended:

> Persistent trapping or poisoning campaigns as a means to rabies control should be abolished.

In any case, the purpose of commercial trapping has little to do with disease control or wildlife management. Rather, its purpose is to catch the animal whose pelt commands the highest price in the marketplace. Unfortunately, the fur in fashion may belong to the scarcest species, not the one that is overpopulated or disease ridden. Any correlation between fur fashions and wildlife management goals is purely coincidental.

In response to the growing public awareness of the needless cruelty of the steel-jaw, leghold trap, several States and a number of other nations have restricted or banned its use. My own State of New Jersey has banned it in urbanized counties, because of the danger it poses to pets and children. I believe it is time that this inhumane device was banned throughout the United States.

For this reason, I am introducing a bill to prohibit the interstate shipment or importation of steel-jaw, leghold traps. It would also prohibit the shipment of animal furs or other products from States or countries which have not banned these traps.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 425

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

SECTION 1. (a) It is hereby declared to be the public policy of the United States to discourage the needless maiming and suffering inflicted upon wild animals by the use of steel-jaw, leghold traps; and

(b) In furtherance of this general policy, it shall also be the public policy of the United States to prohibit, among other things, the manufacture, sale, interstate shipment, and use of steel-jaw, leghold traps in the United States.

SEC. 2. (a) No fur, leather, or other byproducts, whether raw or in finished form, shall be shipped into interstate or foreign commerce if such fur, leather, or other byproducts come from animals trapped in any State or foreign country which has not banned the manufacture, sale, and use of steel-jaw, leghold traps.

(b) The Secretary of State shall ban all imports of fur, leather, or other byproducts from animals from any and all foreign countries which have not banned the manufacture, sale, and use of such steel-jaw, leghold traps.

CURRENT LIST

SEC. 3. The Secretray of State shall compile, publish, and keep current a list of foreign countries which have not banned the manufacture, sale, and use of steel-jaw, leghold traps.

PENALTIES

SEC. 4. Anyone shipping or receiving fur, leather, or other byproducts in contravention of section 2 of this Act shall, for the first offense, be fined not more than $1,000; for the second or subsequent offenses, he shall be fined not more than $5,000 and imprisoned for not more than two years.

SHIPMENT OF TRAPS

SEC. 5. Whoever delivers, carries, transports, or ships by any means whatever, in interstate or foreign commerce, any steel-jaw, leghold trap or whoever receives, acquires, or purchases, knowingly, any such trap so delivered, carried, transported, or shipped, shall for the first offense, be fined not more than $1,000; for the second or subsequent offenses, he shall be fined not more than $5,000 and imprisoned for not more than two years.

DEFINITIONS

SEC. 6. As used in this Act, the term—

(1) "State" includes each of the several States of the United States, the District of Columbia, and the territories and possessions of the United States; and

(2) "interstate or foreign commerce" shall have the same meaning as that provided by section 10 of title 18, United States Code.

EFFECTIVE DATE

SEC. 7. The provisions of this Act shall become effective one year after the date of its enactment.●

By Mr. McGOVERN:

S. 426. A bill to name a certain Federal building in Huron, S. Dak., the Hubert H. Humphrey Building; to the Committee on Environment and Public Works.

HUBERT H. HUMPHREY FEDERAL BUILDING

● Mr. McGOVERN. Mr. President, today I am introducing legislation to name the Federal building in Huron, S. Dak., the Hubert H. Humphrey Building, in honor of my distinguished friend, Senator Humphrey, who lived and worked in the city of Huron for many years.

This bill was introduced in the last session of Congress, shortly after the death of our good friend and colleague, and shortly after the dedication of the Federal building. I would very much like to see quick action taken by the Environment and Public Works Committee to report this particular bill in tribute to a great American. The city of Huron has expressed strong support for this action, which is seen as appropriate and bipartisan. It commemorates a national leader who learned his love and loyalty for this country as he lived through those terrible years of the Dust Bowl in South Dakota.

I know that Hubert remembered those times in Huron as being difficult, because he recounted them that way in his autobiography. But his natural exuberance overcame the depression caused by seeing the dust storms crush the economies of rural States and lead him into battle against the damage that was done.

As he moved from mayor of Minneapolis, to Senator, Vice President, and Presidential candidate, Hubert Humphrey worked with and for every group that needed a friend in politics—the old, the young, the disadvantaged, the farmers, and the business people. Huron, S. Dak., like almost every other community in this country, includes in its population representatives of each of those groups, so I see no more fitting honor than to name the Federal building, in a city where he lived and worked, for a man who never forgot that city or those people.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 426

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Office Building located at 200 Fourth Southwest, in Huron, South Dakota, shall hereinafter be known as, and is hereby designated as, the "Hubert H. Humphrey Building". Any reference in any law, regulation, document, record, map, or other paper of the United States to such a building shall be considered to be a reference to the Hubert H. Humphrey Building.●

By Mr. THURMOND:

S. 427. A bill to require a health warning on the labels of bottles containing certain alcoholic beverages; to the Committee on Commerce, Science, and Transportation.

● Mr. THURMOND. Mr. President, I rise today to introduce legislation that will require a health warning label for all bottles of alcoholic beverages containing more than 24 percent alcohol by volume. The warning would read as follows:

> Caution: Consumption of alcoholic beverages may be hazardous to your health, may be habit-forming, and may cause serious birth defects when consumed during pregnancy.

Alcoholism and alcohol abuse are recognized as one of the Nation's most serious health problems. Alcohol has become a much-abused drug just as cocaine, heroin, barbiturates, and amphetamines. The consequences of alcohol abuse is today a serious national problem in terms of the number of individuals affected, cost to society, and damage to the body.

There are an estimated 9.3 to 10 million problem drinkers in the adult population. This figure represents 7 percent of the 145 million adults 18 years of age or older now living in the United States.

The problems related to misuse of alcohol are increasing and have reached major proportions. The economic cost to our society alone is estimated by the National Institute on Alcohol Abuse and Alcoholism (NIAAA) at $43 billion annually, with $19.6 billion attributable to lost productivity; $12.7 billion to alcohol-related health care costs; $5.1 billion to motor vehicle accidents; $0.43 billion to fire losses; $2.8 billion to violent crime; and $1.9 billion to social response programs to alcohol abuse.

Alcoholism is a disease that can strike at any social or economic level, and the result is tragic. No one really knows how many lives it has ruined, or how many homes it has broken, or how many healthy people it has adversely affected. According to a recent study by NIAAA, each alcohol abuser affects approximately four members of society either directly or indirectly. The abuser's behavior often harms not only himself, but also his family, employer, and society at large.

Alcohol has a profound effect on the quality of life of those persons with a drinking problem. Many illnesses can be related to excessive alcohol consumption. Among these are emotional disorders and chronic progressive diseases of the nervous system, liver, heart, gastrointestinal tract, and other bodily organs and tissues. In 1975, liver cirrhosis caused by alcohol abuse ranked as the sixth most common cause of deaths in the United States. Life expectancies of persons whose alcohol abuse is not successfully treated are as much as 10 to 12 years shorter than those of the general public. Clinical studies consistently show that various types of alcohol problems in males are associated with mortality rates two to six times higher than rates in the general population. It is estimated that alcohol related deaths may run as high as 205,000 per year. This figure represents 11 percent of the 1.9 million deaths in 1975.

Alcohol abusers are also subject to a disproportionate number of violent deaths. From 10,000 to 15,000—40 to 70 percent—of all homicides are alcohol related. Also, more than one-third of suicides involve alcohol, and disproportionately high numbers of people with drinking problems commit suicide. In 1975, as many as 10,000 suicides were related to alcohol use and up to 8,400 alcoholics committed suicide. The latest data on police arrests show that 38 percent of all arrests were alcohol related. further emphasizing the violent conduct caused by alcohol consumption.

Mr. President, the people of our Nation deserve to be warned of the addictive nature of alcohol and the risks to health and life created by excessive drinking. All of us are aware of the dangers of drinking and driving. Thirty to 50 percent of annual motor vehicle fatalities are associated with alcohol. In a report to Congress last year by the Department of Transportation, it was stated that more than 23,000 individuals died in automobile crashes in which the driver had been drinking. The mixing of alcohol and automobiles has become a killer of major proportions, and it is high time that we warn drinkers of the hazards which result from the use of alcohol.

Mr. President, alcohol problems are no longer limited to adults. Seventy-four percent of in-school teens are drinkers. There are an estimated 3.3 million problem drinkers among youth in the 14 to 17 age range—19 percent of the 17 million persons in this age group. A recent study by NIAAA found that the proportion of teenage problem drinkers increases steadily with each successive grade in school. While 5 percent of seventh grade boys and 4.5 percent of seventh grade girls are problem drinkers, nearly 40 percent of 12th grade boys and 20 percent of 12th grade girls are problem drinkers. The concern over increased alcohol consumption by our youth is heightened by the observation that early drinking behavior predicts drinking habits in later life. A recent study showed that those who were problem drinkers in college were most likely to be problem drinkers and least likely to be abstainers 25 years later. Mr. President, the youth of our Nation need to be warned of the addictive nature of alcohol before it is too late.

An even more disturbing problem was recently documented in the NIAAA report which revealed that use of alcohol by women during pregnancy may result in a pattern of abnormalities in the children. These birth defects are termed "the fetal alcohol syndrone (FAS)." Mr. President, the expectant mothers of our Nation need to be warned of this danger to their unborn child.

Children also feel the effects of alcohol abuse by the acts of their intoxicated parents. A recent report to the Congress on alcohol and health by the Department of Health, Education, and Welfare noted that a large number of child-abusing parents have histories of drinking problems. Excessive drinking has been implicated in child abuse, child molesting, and marital violence.

Mr. President, there are now over 10 million alcoholics and problem drinkers in the United States. Doing something about this growing problem is what this bill is all about. If such a warning label deters a potential alcoholic from taking his first drink, or prevents a casual drinker who drives from having "one for the road," or prevents a pregnant woman from drinking an alcoholic beverage, then this legislation will be effective and worthwhile.

Mr. President, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 427

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(e) of the Federal Alcohol Administration Act (49 Stat. 982, as amended; 27 U.S.C. 205(e)), is amended by inserting the following new paragraph immediately before the last full paragraph of such section:

"It shall be unlawful to sell or ship or deliver for sale or shipment, or otherwise introduce in interstate commerce or foreign commerce, or receive therein, or to remove from customs custody for consumption, any bottle containing a beverage having more than 24 per centum of alcohol by volume, unless the label of such bottle contains the following statement: 'Caution: Consumption of alcoholic beverages may be hazardous to your health, may be habit forming, and may cause serious birth defects when consumed during pregnancy.' Such statement shall be located in a conspicuous good legible type in contrast by typography, layout, or color with other printed matter on the label."●

By Mr. STENNIS (for himself and Mr. TOWER) (by request):

S. 428. A bill to authorize appropriations for fiscal year 1980, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selective Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes; to the Committee on Armed Services.

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1980

● Mr. STENNIS. Mr. President, by request, for myself and the senior Senator from Texas (Mr. TOWER), I introduce, for appropriate reference, a bill to authorize appropriations for fiscal year 1980, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the RECORD immediately following the bill.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 428

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Defense Appropriation Authorization Act, 1980".

TITLE I—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated for fiscal year 1980 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, as authorized by law, in amounts as follows:

Aircraft

For aircraft: for the Army, $946,400,000; for the Navy and the Marine Corps, $3,967,900,000; for the Air Force, $7,931,200,000, of which $250,200,000 is authorized to be appropriated for the United States contribution of its fiscal year 1980 share of the cost of the acquisition by the North Atlantic Treaty Organization of an Airborne Early Warning and Control System (AWACS).

Missiles

For missiles: for the Army, $1,250,500,000; for the Navy, $1,548,300,000; for the Marine Corps, $20,500,000; for the Air Force, $2,288,600,000.

Naval Vessels

For naval vessels: for the Navy, $6,173,800,000.

Tracked Combat Vehicles

For tracked combat vehicles: for the Army, $1,692,500,000; for the Marine Corps, $13,000,000.

Torpedoes

For torpedoes and related support equipment: for the Navy, $267,200,000.

Other weapons

For other weapons: for the Army, $196,400,000; for the Navy, $158,000,000; for the Marine Corps, $18,700,000;

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. Funds are hereby authorized to be appropriated for fiscal year 1980 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $2,927,000,000;

For the Navy (including the Marine Corps), $4,489,341,000;

For the Air Force, $5,005,100,000;

For the Defense Agencies, $1,120,000,000, of which $33,400,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

TITLE III—ACTIVE FORCES

SEC. 301. For fiscal year 1980, each component of the Armed Forces is authorized an end strength for active duty personnel as follows:

(1) The Army, 774,000;
(2) The Navy, 528,000;
(3) The Marine Corps, 189,000;
(4) The Air Force, 559,000.

TITLE IV—RESERVE FORCES

SEC. 401. (a) For the fiscal year 1980, the Selected Reserve of each Reserve component of the Armed Forces shall be programed to attain an average strength of not less than the following:

(1) The Army National Guard of the United States, 355,700;
(2) The Army Reserve, 197,400;
(3) The Naval Reserve, 48,900;
(4) The Marine Corps Reserve, 33,600;
(5) The Air National Guard of the United States, 92,500;
(6) The Air Force Reserve, 57,300;
(7) The Coast Guard Reserve. 11,700.

(b) Within the average strengths authorized in subsection (a) each component of the Armed Forces is authorized, as of September 30, 1980, no more than the following numbers of Reserve component members serving on full-time active duty for the purpose of organizing, administering, recruiting, instructing, or training the Reserve forces.

(1) The Army National Guard of the United States, 6,244;
(2) The Army Reserve, 4,288;
(3) The Naval Reserve, 207;
(4) The Marine Corps Reserve, 67;
(5) The Air National Guard of the United States, 1,560;
(6) The Air Force Reserve, 681.

(c) The average strength prescribed by subsection (a) of this section for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year; and units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of individual members.

TITLE V—CIVILIAN PERSONNEL

SEC. 501. (a) For fiscal year 1980, the Department of Defense is authorized an end strength for civilian personnel of 985,146.

(b) The end strength for civilian personnel prescribed in subsection (a) of this Department of the Army, the Department of the Navy, (including the Marine Corps), the Department of the Air Force, and the agencies of the Department of Defense (other than the military departments) in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within sixty days after the date of enactment for this Act on the manner in which the initial allocation of civilian personnel is made among the military departments and the agencies of the Department of Defense (other than the military departments) and shall include the rationale for each allocation.

(c) In computing the authorized end strength for civilian personnel there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in school campaign, the temporary summer aid program and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Whenever a function, power, or duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense, or from another department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(d) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized by subsection (a) of this section but such additional number may not exceed 1¼ percent of the total number of civilian personnel authorized for the Department of Defense by subsection (a) of this section. The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under the authority of this subsection.

TITLE VI—MILITARY TRAINING STUDENT LOADS

SEC. 601. (a) For fiscal year 1980, each component of the armed forces is authorized an average military training student load as follows:

(1) The Army, 74,468;

(2) The Navy, 61,913;

(3) The Marine Corps, 22,618;

(4) The Air Force, 43,249;

(5) The Army National Guard of the United States, 14,616;

(6) The Army Reserve, 6,328;

(7) The Naval Reserve, 906;

(8) The Marine Corps Reserve, 3,156;

(9) The Air National Guard of the United States, 1,958;

(10) The Air Force Reserve, 1,276.

TITLE VII—GENERAL PROVISIONS

SEC. 701. Section 811(a) of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94–106, 89 Stat. 531) is amended to read as follows:

"(a) Beginning with the quarter ending December 31, 1979, the Secretary of Defense shall submit to the Congress quarterly written selected acquisition reports for those major defense systems which are estimated to require a total cumulative financing for research, development, test, and evaluation in excess of $75,000,000 or a cumulative production investment in excess of $300,000,000. The report for the quarter ending December 31 shall be submitted within 20 days after the President transmits the Budget to Congress for the ensuing fiscal year; the other three reports shall be submitted within 30 days after the end of each fiscal year quarter. If preliminary reports are submitted, then final reports shall be submitted to Congress within 15 days after the submission of the preliminary reports."

SEC. 702. Section 811(a) of the Department of Defense Appropriation Authorization Act, 1978 (Public Law 95–79, 91 Stat. 323) is repealed.

SEC. 703. There is authorized to be appropriated to the Department of Defense for fiscal year 1980 an amount not to exceed $10,000,000 for the purpose of providing assistance for the 1980 Olympic winter games as authorized by section 816(a) of the Department of Defense Appropriation Authorization Act, 1979 (Public Law 95–485, 92 Stat. 1611); *Provided*, That the costs for pay and non-travel related allowances of members of the Armed Forces of the United States shall not be charged to appropriations made pursuant to this authorization. Except for funds used for pay and non-travel related allowances of members of the Armed Forces of the United States, no funds may be obligated or expended for such purpose unless specifically appropriated for such purpose.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

GENERAL COUNSEL OF THE
DEPARTMENT OF DEFENSE,
Washington, D.C., January 26, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is forwarded herewith legislation "To authorize appropriations for fiscal year 1980, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes."

In accordance with the Congressional Budget Act of 1974, we are also submitting herewith, as separate legislation, a similar request for authorization of appropriations for fiscal year 1981.

These proposals are part of the Department of Defense legislative program for the 96th Congress and the Office of Management and Budget has advised that enactment of the proposals would be in accordance with the program of the President. These proposals are being sent to the Speaker of the House of Representatives.

Title I provides procurement authorization for the military departments and Defense agencies and for the United States share of the cost of the acquisition of the Airborne Early Warning and Control System by the North Atlantic Treaty Organization in amounts equal to the budget authority included in the President's budget for fiscal year 1980.

Title II provides for the authorization of each of the research, development, test and evaluation appropriations for the military departments and the Defense agencies in amounts equal to the budget authority included in the President's budget for fiscal year 1980.

Title III prescribes the end strengths for active duty personnel in each component of the Armed Forces as required by section 138 (c)(1) of title 10, United States Code, in the numbers provided for by the budget authority and appropriations requested in these components in the President's budget for fiscal year 1980.

Title IV provides for average strengths of the Selected Reserves of each Reserve component of the Armed Forces as required by section 138(b) of title 10, United States Code, in the numbers provided for by the budget authority in appropriations requested for the Department of Defense in the President's budget for fiscal year 1980. Within the average strengths of the Selected Reserve, title IV also prescribes end strengths for Reserve component members on full-time active duty for the purpose of administering the Reserve forces.

Title V provides for civilian personnel end strengths for each component of the Department of Defense as required by section 138 (c)(2) of title 10, United States Code, in the numbers provided for by the budget authority in appropriations requested for the Department of Defense in the President's budget for fiscal year 1980.

Title VI provides for the average military training student loads as required by section 138(d)(1) of title 10, United States Code, in the numbers provided for this purpose in the President's budget for fiscal year 1980.

Title VII of the fiscal year 1980 proposal requests three general provisions that would: (1) amend the requirement for the submission of selected acquisition reports for major defense systems required by section 811(a) of the Department of Defense Appropriation Authorization Act, 1976 by increasing the dollar levels above which reports must be submitted and changing the reporting date for the first report each calendar year, (2) repeal the ceilings on the numbers of high ranking military and civilian personnel established by section 811(a) of the Department of Defense Appropriation Authorization Act, 1978, and (3) provide authorization for appropriations to support for 1980 Olympic winter games.

Sincerely,

DEANNE C. SIEMER.●

By Mr. STENNIS (for himself and Mr. TOWER) (by request):

S. 429. A bill to authorize appropriations for fiscal year 1979, in addition to amount previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes; to the Committee on Armed Services.

DEPARTMENT OF DEFENSE SUPPLEMENTAL APPROPRIATION AUTHORIZATION ACT, 1979

● Mr. STENNIS. Mr. President, by request, for myself and the senior Senator from Texas (Mr. TOWER), I introduce, for appropriate reference, a bill to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the RECORD immediately following the bill.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 429

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Defense Supplemental Appropriation Authorization Act, 1979".

TITLE I—PROCUREMENT

SEC. 101. In addition to the funds authorized to be appropriated under title I of the Department of Defense Appropriation Authorization Act, 1979, funds are hereby authorized to be appropriated during fiscal year 1979 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, and other weapons, as authorized by law, in amounts as follows:

(1) For aircraft: for the Air Force, $259,500,000, of which $85,100,000 is authorized to be appropriated for the United States contribution of its fiscal year 1979 share of the cost of the acquisition by the North Atlantic Treaty Organization of an Airborne Early Warning and Control System (AWACS), as specified in the Multilateral Memorandum of Understanding Between North Atlantic Treaty Organization Ministers of Defense on the NATO E-3A Cooperative Programme, signed by the Secretary of Defense on December 6, 1978.

(2) For missiles: for the Army, $27,800,000.

(3) For Naval vessels: for the Navy, $834,700,000.

(4) For other weapons: for the Navy, $24,000,000.

SEC. 102. The Department of Defense is authorized to implement until concluded the Multilateral Memorandum of Understanding Between NATO Ministers of Defense on the NATO E-3A Cooperative Programme, signed on December 6, 1978 by the Secretary of Defense, in accordance with the provisions of the text thereof and the reservations of the parties thereto. In addition, the Department of Defense may make a commitment to the North Atlantic Treaty Organization for the United States share of estimated termination liability.

TITLE II—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

SEC. 201. In addition to the funds authorized to be appropriated under title II of the Department of Defense Appropriation Authorization Act, 1979, funds are hereby authorized to be appropriated during fiscal year 1979 for the use of the Armed Forces for research, development, test, and evaluation, as authorized by law, in amounts as follows:

(1) For the Army, $73,600,000.

(2) For the Navy, $38,000,000.

(3) For the Air Force, $386,600,000.

(4) For the Defense Agencies, $24,500,000.

GENERAL COUNSEL OF THE
DEPARTMENT OF DEFENSE,
Washington, D.C., January 25, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is forwarded herewith legislation, "To authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes."

This legislation is being submitted in order to authorize additional appropriations for strategic and readiness programs of the Department of Defense and to permit the United States to participate in the cooperative North Atlantic Treaty Organization program for the acquisition of an Airborne Early Warning and Control System (AWACS).

This proposal is part of the Department of Defense Legislative program for the 96th Congress and the Office of Management and Budget has advised that enactment of the proposal would be in accord with the program of the President. Identical legislation is being sent to the Speaker of the House of Representatives.

Title I provides additional fund authorization for the Army, Navy and Air Force for items that will increase the readiness of the Armed Forces. A major element of this request is authorization of funds for the Navy for a fleet guided missile frigate and a guided missile destroyer, a new ship type that has been designated as the DDG-993. These ships will maintain the Navy's anti-air warfare capability. Also, the Aircraft procurement authorization authorizes the appropriation of funds for the fiscal year 1979 incremental United States share of the cost of the acquisition of an AWACS by the North Atlantic Treaty Organization. Authorization for the fiscal year 1980 and 1981 contributions is being transmitted by separate legislation.

Section 102 of the proposal authorizes the Department of Defense to implement the NATO "Multilateral Memorandum of Understanding between North Atlantic Treaty Organization Ministers of Defense on the NATO E-3A Programme". This Memorandum has been signed by all NATO participants other than Belgium which is expected to sign in the near future. The Memorandum will govern the cooperative program that is designed to give NATO an enhanced warning and detection capability and improved maritime surveillance capability. United States participation in this program will require the United States to waive or absorb, on a reciprocal basis, some of the charges for services rendered, such as the 3% administrative surcharge, normally associated with foreign military sales cases and gives the Department authority to waive these charges and to assume certain contingent liabilities specified in the Memorandum. Section 102 also authorizes the Department of Defense to make a commitment to NATO for the United States share of estimated termination liability under contracts for the program.

Title II of the bill authorizes the appropriation of Research, Development, Test and Evaluation appropriations for strategic and readiness programs as indicated in the budget for fiscal year 1980 transmitted to Congress by the President. The largest item in this title is for the M-X missile program. These funds will be used to initiate full-scale engineering development of the M-X missile program, to explore alternative basing modes for the M-X missile, and to accelerate the acquisition of tooling and missile subsystems for the flight test program.

In accordance with usual practice, the Committee on Armed Services will be furnished with additional information that it may require in connection with this request.

Sincerely,

DEANNE C. SIEMER.

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. MUSKIE, the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. JOHNSTON), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Michigan (Mr. RIEGLE), the Senator from Pennsylvania (Mr. SCHWEIKER), and the Senator from Massachusetts (Mr. TSONGAS) were added as cosponsors of S. 2, a bill to require authorizations of new budget authority for Government programs at least every 10 years, to provide for the review of Government programs every 10 years and for other purposes.

S. 3

At the request of Mr. HELMS, the Senator from Louisiana (Mr. JOHNSTON), the Senator from Nebraska (Mr. ZORINSKY), the Senator from North Carolina (Mr. MORGAN), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 3, a bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution.

S. 12

At the request of Mr. DOLE, the Senator from Nevada (Mr. LAXALT), the Sentor from Arizona (Mr. DECONCINI), the Senator from Alaska (Mr. STEVENS), and the Senator from Utah (Mr. HATCH) were added as cosponsors of S. 12, a bill to provide for cost of living adjustments.

S. 15

At the request of Mr. LEVIN, the Senator from New York (Mr. JAVITS) and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 15, a bill to amend the Consumer Credit Protection Act to prohibit discrimination on the basis of geography in the issuance and use of credit cards.

S. 29

At the request of Mr. HATCH, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 29, a bill to repeal the Davis-Bacon Act.

S. 43

At the request of Mr. HATCH, the Senator from Arizona (Mr. DECONCINI) and the Senator from Idaho (Mr. MCCLURE) were added as cosponsors of S. 43, the Natural Ski Patrol System Recognition Act.

S. 93

At the request of Mr. NELSON, the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of S. 93, a bill to require that Federal agencies publish certain statements during the rulemaking process, and for other purposes.

S. 104

At the request of Mr. SCHMITT, the Senator from North Carolina (Mr. MORGAN) was added as a cosponsor of S. 104, the Regulation Reduction and Congressional Control Act.

S. 110

At the request of Mr. NELSON, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 110, a bill to provide for depreciation simplification and reform for small business.

S. 123

At the request of Mr. INOUYE, the Senator from Mississippi (Mr. COCHRAN), the Senator from Arizona (Mr. DECONCINI), the Senator from Montana (Mr. MELCHER), the Senator from Maryland (Mr. SARBANES), and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 123, a bill to amend the Social Security Act to provide for the payment under medicare of services by psychologists.

S. 233

At the request of Mr. CANNON, the Senator from Louisiana (Mr. LONG), the Senator from Kentucky (Mr. FORD), the Senator from Virginia (Mr. WARNER), the Senator from New York (Mr. JAVITS), and the Senator from Nevada (Mr. LAXALT) were added as cosponsors of S. 233, a bill to amend the International

Travel Act of 1961 to authorize additional appropriations, and for other purposes.

S. 299

At the request of Mr. Culver, the Senator from Hawaii (Mr. Matsunaga), the Senator from Arizona (Mr. DeConcini), the Senator from South Dakota (Mr. McGovern), the Senator from Mississippi (Mr. Cochran), the Senator from North Dakota (Mr. Burdick), the Senator from Indiana (Mr. Lugar), the Senator from New York (Mr. Moynihan), the Senator from New Jersey (Mr. Williams), and the Senator from Alabama (Mr. Stewart) were added as cosponsors of S. 299, a bill to amend sections 551 and 553 of title 5, United States Code, to improve Federal rulemaking by creating procedures for regulatory issuance in two or more parts, and for other purposes.

SENATE JOINT RESOLUTION 1

At the request of Mr. Bayh, the Senator from Michigan (Mr. Levin) was added as a cosponsor of Senate Joint Resolution 1, to provide for the direct election of the President and Vice President of the United States.

SENATE JOINT RESOLUTION 20

At the request of Mr. Zorinsky, the Senator from Texas (Mr. Tower) was added as a cosponsor of Senate Joint Resolution 20, to increase the price for milk, wheat, corn, soybeans, and cotton to not less than 90 per centum of the respective parity prices thereof, and for other purposes.

SENATE JOINT RESOLUTION 22

At the request of Mr. Garn, the Senator from Missouri (Mr. Eagleton) was added as a cosponsor of Senate Joint Resolution 22, proposing an amendment to the Constitution for the protection of unborn children and other persons.

SENATE RESOLUTION 69—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE SELECT COMMITTEE ON SMALL BUSINESS

Mr. NELSON, from the Select Committee on Small Business, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. Res. 69

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by section 134(a) of the Legislative Reorganization Act of 1946, as amended, and S. Res. 58, Eighty-first Congress, agreed to February 20, 1950, as amended and supplemented, in accordance with its jurisdiction under such Senate resolution, the Select Committee on Small Business is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency, and (4) to procure the temporary services (not in excess of one year) or intermittent services of individuals, consultants, or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946, as amended.

Sec. 2. The expenses of the Select Committee under this resolution shall not exceed $327,000, of which amount not to exceed $7,000 may be expended for the procurement of the services of individual consultants, or organizations thereof.

Sec. 3. The Select Committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

Sec. 4. Expenses of the Select Committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Select Committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 70—SUBMISSION OF A RESOLUTION AUTHORIZING EXPENDITURES BY THE SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. MELCHER submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. Res. 70

Resolved, That in carrying out the duties and functions imposed on it by section 105 of Senate Resolution 4, Ninety-fifth Congress, agreed to February 4 (legislative day, February 1), 1977, as amended, and in exercising the authority conferred on it by such section, the Select Committee on Indian Affairs is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund to the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The expenses of the committee under this resolution shall not exceed $622,949.00, of which amount not to exceed $12,000.00 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 71—SUBMISSION OF A RESOLUTION RELATING TO THE IMPORTANCE OF A STRONG AND INDEPENDENT DEPARTMENT OF AGRICULTURE

Mr. McGOVERN (for himself, Mr. Talmadge, Mr. Huddleston, Mr. Stone, Mr. Zorinsky, Mr. Melcher, Mr. Stewart, Mr. Boren, Mr. Helms, Mr. Young, Mr. Bellmon, Mr. Dole, Mr. Lugar, Mr. Cochran, Mr. Jepsen, Mr. Morgan, Mr. Exon, Mr. Hayakawa, Mr. Boschwitz, Mrs. Kassebaum, Mr. Pryor, Mr. Baucus, and Mr. Pressler) submitted the following resolution, which was referred to the Committee on Governmental Affairs:

S. Res. 71

Whereas a strong and vigorous agricultural economy, as well as an abundance of food and fiber at reasonable prices, is essential to the welfare of the Nation;

Whereas the President is considering various reorganization proposals that would affect the U.S. Department of Agriculture;

Whereas the Department of Agriculture administers an integrated and comprehensive system of programs designed to protect American agriculture and the economic viability of rural America;

Whereas the Nation's renewable natural resources on both public and private lands have been enhanced and protected by the Department of Agriculture;

Whereas the Department of Agriculture is the lead agency in the development of a sound food and nutrition policy;

Whereas the Department of Agriculture performs a number of vital functions and services for the Nation's farmers and consumers, including programs that provide price and income protection for farmers, conserve and enhance the soil and water for forestry and food production, protect the safety and wholesomeness of the Nation's food supply, promote economic stability in rural communities, and enhance the nutritional well-being of all Americans through research, education, and food distribution;

Whereas farmers and consumers rely on a strong and independent Department of Agriculture: Now, therefore, be it

Resolved, That it is hereby declared to be the sense of the Senate that in any governmental reorganization, the Department of Agriculture should not be changed in any way that would diminish its ability to perform any of its vital functions.

Sec. 2. The Secretary of the Senate shall transmit copies of this resolution to the President and the Secretary of Agriculture.

ANY GOVERNMENT REORGANIZATION SHOULD PROVIDE FOR A STRONG USDA

● Mr. McGOVERN. Mr. President, I rise to submit Senate Resolution 71, on behalf of myself and Mr. Talmadge and 20 other Members of the Senate.

The resolution concludes that in any reorganization of the Federal Government, it is essential that the Department of Agriculture not be changed in any way that would diminish its ability to perform any of its vital functions.

The resolution points out that a strong and vigorous agricultural economy, as well as an abundance of food and fiber at reasonable prices, is essential to the welfare of the Nation.

It says that USDA administers an integrated array of programs designed to protect American agriculture and the viability of rural America, and that natural resources on both public and private lands have been enhanced and protected by the Department. And it adds that the Department is the lead agency in the development of a sound food and nutrition policy.

These governmental functions have been performed well by USDA since the administration of Abraham Lincoln.

At present, the White House is considering at least two reorganization plans which could have serious impacts on the U.S. Department of Agriculture, possibly impairing its ability to carry out its mission. The sponsors of the resolutions sincerely hope that the implications of these changes will be seriously considered.

The signers of the resolution are not alone. Last week a number of concerned organizations, calling themselves the friends of USDA, jointly signed a resolution on behalf of USDA. I ask unanimous consent that that resolution be included in the RECORD at this point.

Mr. President, as viewed by many of us on Capitol Hill, the President's reorganization project has spent a great deal of money and manpower, but has paid the President back with proposals which the Congress defeated with a bipartisan effort during the Nixon administration. It would be wasteful to send the PRP recommendations to Congress, and I hope that the President can be convinced not to do so.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JOINT STATEMENT OF FRIENDS OF USDA ON USDA REORGANIZATION

We are opposed to any action on the part of the Administration that would weaken the Department of Agriculture as the primary deliverer of services to rural America.

While we agree with the Administration that there should be increased efficiency in government, we do not believe that the reorganization plans relating to the U.S. Department of Agriculture that have been proposed, would achieve this objective.

On the contrary, it is our opinion that if these proposals were implemented they would have the opposite effect, and, as a result, seriously impair the Federal government's capability to serve the interests of rural America, both farm and non-farm.

Therefore, we oppose transferring major functions of the USDA to other departments and agencies whose orientation and sympathies make them much less qualified than the Department of Agriculture to implement these programs in rural areas.

If the renewable nature resources, conservation, food and rural development components of USDA were removed, we believe the Department would lose its cabinet-level status, which in turn, would be a major setback not only for rural people, but for the nation as a whole.

Recent history demonstrates that while agriculture is still the mainstay of the rural economy, it no longer provides sufficient employment opportunities required to stabilize the populations of rural communities. Thus, we have seen the migration of millions of displaced farmers and rural residents to urban centers contributing to the problems of the cities and severely weakening the viability of smaller communities.

In 1972, Congress added the mission for rural development to the USDA's responsibilities which we believe was a logical complement to its agricultural mission in view of the need to strengthen all segments of rural America.

Doubtlessly, USDA could and should improve its efficiency and effectiveness in discharging its program responsibilities. This can be accomplished without demembering the department. And, we believe, that it is a much sounder course of action for the Administration to undertake than reassigning these programs to other departments, which experience has shown have never been able to serve the needs of rural areas as effectively as has USDA.

We therefore urge the Administration and the Congress to keep intact and strengthen the Department of Agriculture as an alternative to reorganization proposals that would destroy it.

Signature organizations:

Center for Community Change.
National Limestone Institute, Inc.
Housing Assistance Council.
The National Grange.
National Council of Farmer Cooperatives.
Cooperative League of the USA.
Rural America.
National Farmers Union.
Public Lands Council.
National Association of the State Departments of Agriculture.
Food Research and Action Center.
National Rural Electric Cooperative Association.
The American Forestry Association.
The Children's Foundation.
Green Thumb, Inc.
National Cattlemen's Association.
National Rural Water Association.
National Association of Counties.
Associated General Contractors of America.
Mid-Continent Farmers Association.
Independent Bankers Association of America.
National Milk Producers Federation.
National Association of Towns and Townships.
National Association of Wheat Growers.
U.S. Beet Sugar Association.
National Farmers Organization.
National Rural Housing Coalition.
National Association of Home Builders.
Community Nutrition Institute.
National Association of Conservation Districts.
Poultry & Egg Institute of America.
National Turkey Federation.
National Agricultural Aviation Association. ●

REORGANIZATION OF USDA

● Mr. HELMS. Mr. President, if the family farm is to remain a going concern we must have a Department of Agriculture that is strong, full of vitality, and absolutely dedicated to the interests of farming, of farmers themselves, and of agriculture in general.

USDA cannot do the job the Congress intends if it participates in a game of bureaucratic musical chairs.

It is my understanding that the various proposals would remove the vital functions of the Soil Conservation Service, the Soil, Snow and River Basin surveys to place them into a new Department of the Interior. The Forest Service would be removed from USDA in its entirety and transferred to a new Department of Natural Resources.

And, the rural development functions of the Farmers Home Administration would be transferred to a renamed Department of Housing and Urban Development, with the eventual abolishment of the Farmers Home Administration all together.

Such proposals are not practical—or reasonable. They will place the farmer at an even greater disadvantage than he now enjoys, and is entirely unacceptable.

I certainly support the resolution and commend Senator MCGOVERN for bringing it before us.●

SENATE RESOLUTION 73—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON THE BUDGET

Mr. MUSKIE, from the Committee on the Budget, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 73

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on the Budget is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,395,100, of which amount not to exceed $80,500 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202 (i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE CONCURRENT RESOLUTION 7—SUBMISSION OF A CONCURRENT RESOLUTION LIFTING SANCTIONS AGAINST ZIMBABWE-RHODESIA

Mr. SCHWEIKER (for himself and Mr. DECONCINI) submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. CON RES. 7

Whereas Section 27 of Public Law 95–384, the International Security Assistance Act of 1978, provides for the lifting of sanctions against Zimbabwe-Rhodesia contingent upon a Presidential determination that the interim Executive Council of Rhodesia has demonstrated its willingness to participate in, and negotiate in good faith at, an all-parties conference and that a government has been installed chosen by free elections, and

Whereas the Executive Council has unanimously agreed to participate in, and negotiate in good faith at, an all-parties conference held under international auspices, on all relevant issues, and

Whereas the leaders of the Patriotic Front have rejected all invitations extended by the United States and Great Britain to participate in said conference, and

Whereas the Executive Council of Rhodesia has scheduled for April 20, 1979, the conduct of free elections in which all political and population groups will be allowed to participate freely, and has invited the presence of impartial outside observers to monitor said elections, and

Whereas pursuant to the scheduled conduct of said elections and consistent with the objective of black majority rule, a referendum was held on January 30, 1979, on the proposed constitution for a black majority government in Zimbabwe after April 20, 1979, said referendum being approved overwhelmingly, and

Whereas the leaders of the Patriotic Front have publicly denounced both the constitutional referendum and the scheduled elections and have vowed to disrupt the latter by intimidation, terrorism, or military attack: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), that it is the sense of the Congress of the United States that—

(1) the President of the United States should make a finding of Rhodesian compliance with that provision of Section 27 of Public Law 95–384, the International Security Assistance Act of 1978, which calls for a demonstrated willingness on the part of the Executive Council to participate in, and negotiate in good faith at, an all-parties conference held under international auspices, on all relevant issues;

(2) the President should likewise find that approval for the Constitution which will effectuate the transfer of power to a black majority government installed through free elections on April 20, 1979, has been secured;

(3) the President should, contingent upon the completion of the transition process to a black majority government installed by free elections held on April 20, 1979, and attended by impartial outside observers, revoke sanctions against Zimbabwe within ten days of said elections.

Mr. SCHWEIKER. Mr. President, the goal of a government in Zimbabwe-Rhodesia based on black majority rule has long commanded the interest of the international community. Despite past frustrations in attempts to achieve this objective, as well as complications in the current transition process, installation of a black majority government chosen by free elections is nearing realization. These elections are scheduled to be conducted April 20 in accordance with the mandate of the Salisbury agreement to transfer power to the black majority within a constitutional framework. Moreover, the Constitution under which the new leaders will govern was approved overwhelmingly in a referendum held January 30. With a 75-percent turnout of all registered voters, the Constitution was endorsed by 85 percent of the vote.

It would be especially tragic if the United States were to give less than full support to a fledgling experiment in constitutional democracy on a continent where individual national governments are predominantly autocratic, and where tribal rivalries and the difficult adjustments of post-colonial societies make fertile ground for exploitation by antidemocratic forces.

The United States originally imposed sanctions against Rhodesia to symbolize our aversion to the practices of the white minority government. The lifting of these same sanctions has been made conditional upon the transition to a black majority government, steps toward which have already successfully been taken and whose culmination awaits the April 20 balloting.

Section 27 of the International Security Assistance Act of 1978 specifies that sanctions against Zimbabwe-Rhodesia shall not be enforced upon a Presidential determination that (a) the Interim Executive Council of Rhodesia has demonstrated its willingness to negotiate in good faith at an all-parties conference held under international auspices on all relevant issues, and (b) a government has been installed in Zimbabwe chosen by free elections in which all political and population groups have been allowed to participate freely.

The Executive Council has clearly fulfilled the first precondition, although its efforts to enlist the participation of the patriotic front leaders in an all-parties conference were uncompromisingly rebuffed. Vowing to disrupt the scheduled elections by whatever means possible, the patriotic front has committed itself to the destruction of the democratic government which will emerge from the constitutional processes now unfolding.

Under such circumstances (which unfortunately have been influenced in part by the diplomatic initiatives of the Anglo-American powers), the survival of a democratic Zimbabwe depends in no small measure on an expression of support from the United States which likewise affects Zimbabwe's future economic viability.

Given the unyielding opposition of the Patriotic Front to any solution not based on its own terms, the present formula offers the best hope for the development and survival of constitutional democracy in Zimbabwe. It is the most efficacious means for justly achieving majority rule while protecting and promoting minority rights.

The resolution I am submitting today, cosponsored by Senator DeConcini, is intended to facilitate the successful completion of the transition process to black majority rule. Besides directing the President to make a finding of Rhodesian compliance with the first precondition set forth in section 27, it calls upon the President to make a determination of full Rhodesian compliance with all preconditions no later than 10 days after the elections and to revoke sanctions within that time period.

Prompt passage of the resolution is intended to convey to all parties concerned our continued abiding interest in the development of a democratic Zimbabwe and to reassure the members of the Executive Council that the efforts they have made (and must still make) and the risks accepted are fully justified.

The survival of a democratic Zimbabwe is both morally compelling and politically imperative in a volatile part of the world notable for the absence of regimes which reflect democratic values and respect basic human rights.

If efforts to achieve a constitutional democracy incorporating black majority rule fail now, or are permitted to flounder because the United States did not actively support this settlement with the timely lifting of sanctions after all preconditions had been met, the probability is strong that Zimbabwe would ultimately be ruled by forces hostile to the West and to the concept of democratic government.

Strategically, such a development would be adverse to our interests. Politically and morally, it would be contrary to the principles and values we believe in most deeply.

For these reasons, I believe the resolution being introduced merits the support of the Congress of the United States and the attention of the President in our mutual quest to promote a Zimbabwe consistent with our values and compatible with our interests.

AMENDMENTS SUBMITTED FOR PRINTING

NATIONAL WORKERS' COMPENSATION STANDARDS ACT OF 1979—S. 420

AMENDMENT NO. 59

(Ordered to be printed and referred to the Committee on Human Resources.)

Mr. JAVITS submitted an amendment intended to be proposed by him to S. 420, a bill to strengthen State workers' compensation programs, and for other purposes.

(See Mr. Javits' remarks earlier in the Record when S. 420 was introduced.)

NOTICES OF HEARINGS

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing, and Urban Affairs will hold 2 days of hearings, February 20 and 23, 1979, to consider the intended monetary policies for 1979 by the Federal Reserve Board.

These hearings will be the first held pursuant to the requirements of the Humphrey-Hawkins Act. The Federal Reserve will be submitting to the Congress a written report on its monetary policy plans and objectives for 1979. For the first time the Federal Reserve Board will be required to explain the relationship between its intended policies and the short-term economic goals of the President. Those economic goals for employment, unemployment, production, real income, productivity, and prices appear in the Economic Report, as required by the Humphrey-Hawkins Act. In explaining the relationship of its intended policies to the short-term economic goals, the Board is expected to provide the Congress with a full discussion concerning the extent to which the Federal Reserve's intended policies would help to achieve those goals.

On February 20, Chairman Miller will be the sole witness before the committee. On February 23, the committee will have four witnesses: Prof. Franco Modigliani, economics department, Sloan School of Management, Massachusetts Institute of Technology; Dr. Allen Sinai, director, financial economics, Data Resources, Inc.; Mr. H. Erich Heinemann, vice president, Morgan Stanley & Co., Inc.; and Prof. Edward J. Kane, Everett D. Reese professor of banking and monetary economics, Ohio State University.

The hearings will begin each day at 10 a.m. and will be held in room 5302 of the Dirksen Building. Anyone desiring additional information about the hearings should contact Steven M. Roberts of the committee staff at 224–7391.

COMMITTEE ON THE JUDICIARY

● Mr. KENNEDY. Mr. President, on behalf of the Committee on the Judiciary, I wish to give notice that a public hearing has been scheduled for Tuesday, February 27, 1979, at 9:30 a.m., in room 2228, Dirksen Senate Office Building, on the following nominations:

Robert E. Keeton, of Massachusetts, to be U.S. district judge for the District of Massachusetts, vice a new position created by Public Law 95–486, approved October 20, 1978;

Phyllis A. Kravitch, of Georgia, to be U.S. circuit judge for the fifth circuit vice Lewis R. Morgan, retired;

John Joseph McNaught, of Massachusetts, to be U.S. district judge for the District of Massachusetts vice a new position created by Public Law 95–486, approved October 20, 1978;

David Nelson Sutherland, of Massachusetts, to be U.S. district judge for the District of Massachusetts, vice a new position created by Public Law 95-486, approved October 20, 1978;

John G. Penn, of Maryland, to be U.S. district judge for the District of Columbia, vice Joseph G. Waddy, retired;

Abraham D. Sofaer, of New York, to be U.S. district judge for the Southern District of New York, vice Marvin E. Frankel, resigned;

Rya W. Zobel, of Massachusetts, to be U.S. district judge for the District of Massachusetts, vice new position created by Public Law 95-486, approved October 20, 1978.

Any persons desiring to offer testimony in regard to this nomination shall, not later than 48 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

This hearing will be before the full Judiciary Committee.●

SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION AND FEDERAL SERVICE

● Mr. GLENN. Mr. President, I wish to announce that the Governmental Affair's Subcommittee on Energy, Nuclear Proliferation, and Federal Services will hold oversight hearings on the subject of the 1980 census. The hearings will begin at 10 a.m. on February 20 in room 1318 of the Dirksen Senate Office Building and will continue on February 21 at 10 a.m. in room 1114 Dirksen Senate Office Building.●

ADDITIONAL STATEMENTS

CREDIT RATINGS AND RIGHTS

● Mr. LEVIN. Mr. President, I invite the attention of Senators to yet another, more recent, indictment of the use of geographical location in determining a person's credit worthiness.

I have in my possession three articles which I would like to share with the Members at this time.

This is also a message, Mr. President, to those who persist in preserving the clearly erroneous notion that credit scoring systems, in which one's neighborhood is a determinant factor, are fair and accurate methods of assessing a person's acceptability for credit.

Mr. President, discrimination due to geographic area is one of the major complaints about the credit card point score system. Last year, the Federal Trade Commission received thousands of complaints alleging credit discrimination. The percentage of persons claiming geographic location is not yet known. But the FTC is examining allegations that geographic location has been the primary reason for denying credit even when the applicant is told that other factors are paramount.

The following articles were written by individuals who have spent a good deal of their time looking into the practice of credit card redlining. Noel Capon is a visiting lecturer at the Graduate School of Business Administration at Harvard University and an associate professor of management at the Graduate School of Management at UCLA. Professor Capon has given several speeches on the subject of credit scoring and has written articles on discrimination in the screening of credit card applicants. I am submitting for the Record two of Professor Capon's articles: "Discrimination in Screening Credit Applicants," written for the May-June, 1978, Harvard Business Review and "Credit Ratings and Rights" in the December 17, 1977, edition of the Washington Post. In these two articles, Professor Capon points out other evils that arise out of discrimination on the basis of where the applicant's home is located.

Miranda Spivack, Washington correspondent for Newhouse News Service and former reporter and editor for the Portland, Maine, newspapers, has done an informative piece that cites examples of geographic discrimination. Ms. Spivack reveals the results of her investigation in a January 21, 1979, New Orleans Times Picayune article.

Mr. President, I submit these articles for printing in the Record:

The articles are as follows:

Credit Ratings and Rights

(By Noel Capon)

It was reported a few months ago that a Detroit couple with a combined yearly income of over $50,000 had been refused a credit card because of their Zip Code. They are two of a growing number of Americans who are daily being denied credit by major retailers, banks and credit-card companies on the basis of such arbitrary factors as their occupation, the age of their automobile, whether they have a telephone and whether they rent or own their home.

Such criteria are used in point-scoring systems that have been developed by taking a sample of applicants who have been awarded credit and, through computer analysis, identifying those characteristics that discriminate statistically betwen good and poor credit risks. Points are allocated for each characteristic. For example, a home phone may be worth 10 points, no phone 2 points; owning or purchasing a home 20 points, renting 8 points; living in one part of town 25 points; living in another part of town 8 points, and so on.

An applicant for credit supplies the required demographic data on an application form. If his total point score is less than a preset target, credit is automatically denied, regardless of his prior payment performance. A score greater than the target score may earn credit automatically, or additional credit performance data may be sought before a decision is made.

Point-scoring systems were legitimized by the Equal Credit Opportunity Act (ECOA). In prohibiting discrimination on the basis of race, color, religion, national origin, sex, marital status and age, Congress prescribed use of "demonstrably and statistically sound, empirically derived" point-scoring systems to eliminate subjective judgments by credit managers. Such "objective" systems, however, may be as problem-ridden as the subjective systems they were intended to replace.

First, point-scoring systems may discriminate on illegal bases if the characteristics utilized act as surrogates for others that are illegal. Thus, Zip Code and the own/rent criteria may discriminate against minorities because of the tendency of minority groups to live in close geographic proximity and as a result of historical illegal discrimination in the granting of mortgage loans. Occupation and length of employment may discriminate against women, since they have historically been barred from certain occupations and because of their lower employment stability than men as a result of pregnancy and child-rearing. Furthermore, while sex and race are immutable and thus illegal discriminators, residence and occupation, it can be argued, are equally central to an individual's life. A person may be unable to better qualify for credit. Thus, use of such group classifications may well violate the constitutional guarantees of equal protection and due process.

Second, point-scoring systems typically are developed on the basis of biased samples. The pool of "goods" and "bads" used in designing the system is not the applicant pool but merely a sample of those previously granted credit on a subjective basis. Applicants rejected for credit, perhaps illegally if the system predates ECOA, can never figure in the system's parameters. Although statistical-augumentation procedures are employed by creditors, their goal is to infer the payment habits that previously rejected applicants would have had if they had been granted credit. This is an impossible task and thus bias and possibly illegal discrimination are built directly into the point-scoring systems themselves.

Further many point-scoring systems are *not* all that objective. Restrictions on the point values for the various characteristics are frequently inserted to incorporate the biases of those who are granting credit. For example, management might specify that a person renting a home cannot score more points than a person owning a home, irrespective of the data. Also, many creditors permit overriding the system and granting credit at management's discretion if a rejected applicant complains, a practice that implicitly invalidates the system.

Some point systems, while "objective," are characterized by counterintuitive point assignments. For instance, the relationship between the time the applicant has been at his current address and points assigned may be curvilinear, very short or very long times get more points than medium ones. Thus, if an individual has recently, moved, the greater residence stability he achieves with the passage of time, the less credit worthy he becomes! Further, an applicant with moderate residence and employment stability, who has been denied credit, might be advised to move his residence to become more credit worthy, a prescription that appears counter to the objective of ECOA that such systems serve an educational function for denied applicants.

The root issue is that point-scoring systems are statistically predictive but lacking in explanatory power. An individual may change his residence, but his credit worthiness does not really change. Point scoring is equivalent to basing college admissions on some statistically predictive characteristic, such as father's occupation, rather than such accepted explanatory characteristics as grades and aptitude scores. If the denied applicant's father changed his job, the applicant would be no more suited for college than before; however, an improvement in high school grades would be important.

Research has shown that some proportion of applicants who have been denied credit on the basis of point-scoring systems in fact have good credit records. In denying credit to such persons, creditors unjustly injure the applicants' reputations. Further, their good performance record, which can be viewed as an earned property right, is of no use to them.

Use of point scoring systems may be efficient for creditors, but in making credit decisions on the basis of demographic characteristics creditors are employing factors that really have nothing to do with an individual's credit worthiness. There is an issue here of an individual's right to be treated on the basis of his own performance. Specifically, we must ask whether the costs that creditors save by using point-scoring systems are balanced by the cost to society of abridging the individuals right to be evaluated in the credit decision, on the basis of his own performance in meeting financial obligations.

DISCRIMINATION IN SCREENING CREDIT APPLICANTS

(By Ncel Capon)

Not long ago it was reported that a Detroit couple having a combined annual income of more than $50,000 had been refused a credit card on the basis of the zip code of the area where they lived.

That is one instance of a credit decision made by use of a point-scoring system (usually administered through a computer). Use of these systems by banks, retailers, and other large creditors is widespread.

Although this example is extreme, it is typical of a practice that rejects applicants in spite of any history they may have of paying their bills on time. This practice subjugates a decision based on individual performance to a decision made on the basis of assignment to groups that are determined on characteristics not directly related to credit performance. This practice abridges a fundamental right: the right to be treated as an individual.

The use of point scoring has been growing since it was legitimized by Congress in passing the Equal Credit Opportunity Act of 1974 (ECOA), and the amendments to it in 1976. By embracing an objective approach, the legislators sought to eliminate subjective judgments by credit managers that discriminated on the basis of race and other characteristics.

As a result, they accepted a procedure that, it turns out, enables a creditor to discriminate arbitrarily against individuals.

HOW IT WORKS

Credit managers differ little from managers in other fundamental areas in their efforts to devise efficient and cost-effective techniques to improve performance. The point-scoring approach is faster and much cheaper than any other.

The point-scoring system is developed by taking a sample of persons who have previously been awarded credit and, through computer analysis, identifying those characteristics that discriminate statistically between good and bad risks. The creditor allocates points to levels of each characteristic.

Having a home phone may be worth, say, 10 points, and no phone, 2 points; owning or purchasing a home, 20 points, and renting, 8 points; living in one part of town, 25 points, and in another part, 8 points. Other characteristics typically employed are occupation, age of automobile, years on the job, and years at present residence.

A credit applicant supplies the required data on an application form. If his or her total point score falls below a present target score, the person is automatically denied credit irrespective of the payment history. A score greater than the target score may earn credit automatically or the creditor may seek payment data before making a decision.

A main problem with this procedure pertains to the manner in which it is developed. Rather than taking a representative sample of applicants, granting them credit, and developing the system based on their payment behavior companies typically use as the pool of "goods" and "bads" a sample of persons previously granted credit on some subjective basis. Applicants rejected for credit, perhaps illegally if the system predates ECOA, do not figure in the calculations.

Devisers of scoring systems, aware of the problem of biased samples, have developed statistical augmentation procedures designed to infer the payment habits of previously rejected applicants, had they been granted credit. But this exercise can only be conjecture. So bias and possibly illegal discrimination are built into the scores.

Furthermore, such scoring is not totally objective. In most systems, for instance, the occupational category consists of crude aggregates of groups. "Production worker" may be an umbrella phrase for vocations ranging from lathe operator to dressmaker to TV repairer. In some systems, the definitions of occupations seem awry. In one system I studied, the occuptional group "teamsters" was given the lowest possible point value.

To incorporate their attitudes toward risks, credit grantors often distort objectivity by imposing restrictions on the point values of applicants' characteristics. Management may specify, for example, that under no circumstances can a person renting his home ever score higher than a person owning or purchasing his home, or that young applicants can never score more points than old applicants, irrespective of the data. This weighting insulates the credit grantors' biases from change and raises them to an institutional level, concealed under the banner of scientific objectivity.

A retailer's value allocation for two consumer characteristics

Time at present address	*Points*
Less than 6 months	39
6 months to 1 year, 5 months	30
1 year, 6 months to 3 years, 5 months	27
3 years, 6 months to 7 years, 5 months	30
7 years, 6 months to 12 years, 5 months	39
12 years, 6 months or longer	50
Not answered	36
Time with employer	
Less than 6 months	31
6 months to 5 years, 5 months	24
5 years, 6 months to 8 years, 5 months	26
8 years, 6 months to 15 years, 5 months	31
15 years, 6 months or longer	39
Homemakers	39
Unemployed	29
Not answered	29

In addition, many creditors permit overriding of the system and granting of credit at management's discretion if a rejected applicant complains. This practice obviously invalidates the system and discriminates against those who meekly accept denial of credit.

In purely objective systems where the point values are "free floating" (subject to no weight restrictions), assignment of points can also establish unreasonable standards. The *Exhibit* shows part of the point assignment list actually employed by a major retailer.

Periods of very short or very long duration receive more points than those of medium duration. Thus the more stability an applicant gains in terms of residence and employment (up to a point), the less creditworthy he becomes. A person, with moderate residence or employment stability who is denied credit might be advised to change his domicile or job in order to improve his credit standing.

WHO IS CREDITWORTHY?

That such relationships might be established probably did not occur to the legislators of ECOA or the drafters of Regulation B, which implements the act. The regulation's suggestions for notification of rejected applicants are framed in terms of a positive relationship between creditworthiness and stability.

While ECOA proscribes the use of race, color, religion, national origin, sex, and marital status as characteristics in credit decision making, if the characteristics actually employed act as surrogate variables for those that are illegal, then the system is discriminating illegally. Consider these examples:

Zip code criteria may discriminate against minorities because of the tendency of members of those groups to live in proximity to one another.

An own/rent living accommodation value may similarly discriminate as a result of decades of bias in the granting of mortgage loans.

Women may receive illegally unfair treatment through use of the occupation characteristic, since they have historically been barred from certain occupations, as well as through use of "time with employer," since as a group they have less employment stability than men because of pregnancy and child rearing.

Point-scoring systems are statistically predictive but lacking in explanatory power. A person may change his job or residence, but his creditworthiness does not change. The situation is analogous to that of a college making admissions decisions on the basis of a statistically predictive characteristic like a father's occupation rather than on explanatory characteristics such as grades and aptitude scores. If the denied applicant's father changed his job, the applicant would be no more suited for college than before. An improvement in high school grades, however, would be important.

Furthermore, the criteria for selection of characteristics for point-scoring systems are unclear. If statistical predicton is the sole criterion, should blondes be more favorably treated than brunettes, or golfers more favorably treated than tennis players, if the data turn out that way?

Research has shown that of the applicants denied credit on the basis of point scores, a proportion in fact have good payment records. Denial of credit to persons who have responsibly handled their financial affairs unfairly injures their reputations. Furthermore, their good payment records, which can be viewed as an earned property right, are of no use to them.

The characteristics employed in point-scoring systems have very little to do with an individual's creditworthiness. The fundamental issue is whether the savings that creditors achieve in using these systems are balanced by the costs to society of abridging the individual's right to be treated on the basis of his performance in meeting his financial obligations.

GEOGRAPHIC CREDIT CHECK BATTLED

(By Miranda Spivack)

WASHINGTON.—A white Atlanta woman living in a predominantly black neighborhood recently applied for an Amoco gasoline credit card and was turned down, in part because of the company's "adverse credit experience in your immediate geographic area." The woman, Claire Cherry—a divorced $13,000-a-year typesetter—is suing.

A black Washington couple with a combined income of $28,000 and already possessing American Express and Carte Blanche credit cards also was denied an Amoco card. In its rejection letter, the oil company noted bad credit experience in their neighborhood.

The practice, known as "credit card redlining," may soon be illegal if legislation to be introduced recently by two Michigan congressmen becomes law.

Sen. Carl Levin and Rep. Bill Brodhead, both Democrats, will ask their colleagues to amend the Equal Credit Opportunity Act to outlaw the use of geographic location in assessing creditworthiness. The law already bans the use of sex, race, color and national origin.

The practice came to their attention two years ago when an inner city Detroit couple was denied a Mobil credit card despite a combined income of $50,000. Levin, then president of the Detroit City Council, was unsuccessful in getting the Michigan Legislature to prohibit credit redlining.

Claire Cherry's case hasn't gone to trial, but her lawyer, Robert Schwind, said he discovered in pretrial proceedings that Amoco had "redlined" several areas in Atlanta which are predominantly black or have a significant black majority.

"Only those areas that are almost exclusively white" were excluded from the zip code list of neighborhoods whose residents the oil company says have been poor credit risks.

Levin says geographic location of a credit applicant should be irrelevant.

And a spokesman for Brodhead says the decision to grant credit should be "based on the ability to manage financial affairs and nothing else."

An Amoco spokesman, Carl Meyerdirk, said the oil company believes it is valuable to use geographic location of a credit applicant in analyzing creditworthiness.

No one is rejected just because of their geographic location, but it is one of the negative factors used in deciding whether to issue a credit card. The Federal Trade Commission has been investigating credit practices since 1976, focusing on mortgages, credit cards and insurance. Redlining of entire sections of a city or town is a very significant aspect of the investigation, an FTC spokeswoman says.

The Equal Credit Opportunity Act, while not mentioning geographic location as an illegal criterion, could be applied through provisions barring the use of race if the effect of redlining is to deny credit to residents of whole, racially-homogeneous sections of a city, according to Levin.

Jean Newman, one of about 15 FTC lawyers working on the credit investigation, said the commission received about 11,000 complaints last year alleging credit discrimination. There are no precise figures available on how many of those complaints involved geographic criteria.

She said investigators also are examining allegations that creditors use geographic location of an applicant as the primary reason for rejection but tell applicants that other factors were paramount.

There are no statistics available on the frequency of credit card "redlining" according to the Justice Department, the FTC and the congressional offices drafting the legislation.

The practice is alleged to be widespread, involving utility companies, retailers, banks and the oil companies.

Bill Moroney, a spokesman for the American Bankers Association—which represents 14,000 banks, 90 percent of them involved in issuance of VISA and Master Charge cards—says he doesn't think redlining occurs with those two cards. "It is unnecessary, it doesn't make sense, and it would be too costly for the banks to screen applicants by their zip codes," Moroney said.

The Community Reinvestment Act, which went into effect last November, discourages banks and savings and loans from "redlining" in all of their services, but it doesn't forbid the practice flatly.

Maryland is the only state which has passed a law against credit card redlining. It forbids financial institutions and retailers from using the applicant's home address as the "sole reason" for rejecting a credit application. But the Maryland law doesn't forbid the use of geographic location entirely.

Robert Schwind, the Atlanta lawyer representing Claire Cherry, says: "Perhaps there are a number of deadbeats who don't pay their bills. But a credit applicant shouldn't be judged on the failure of their neighbors."

Redlining, Schwind notes, "could have the effect of discouraging people from living in racially integrated neighborhoods." ●

THE ADMINISTRATION'S REORGANIZATION PROPOSALS

● Mr. DOLE. Mr. President, many Kansans are very concerned about the administration's reorganization proposals. The Kansas congressional delegation has received many inquiries and letters of concern.

Many of these letters have been about the proposals to remove some of the rural economic development programs from the U.S. Department of Agriculture.

The Kansas congressional delegation feels very strongly about this issue and have sent a letter to the President expressing our feelings ont his subject.

I wish to bring this letter to the attention of my colleagues. I submit the full text of the letter signed by the five Congressmen and two Senators from Kansas for the RECORD.

The letter follows:

U. S. SENATE,
Washington, D.C. January 25, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The seven members of the Kansas congressional delegation are writing to express our views and concerns about the administration's reorganization proposals which seek substantial modification in economic development programs.

We are particularly concerned that executive reorganization of the U.S. Department of Agriculture's economic assistance programs, as recently proposed by the Office of Management and Budget, will be detrimental to continued rural development.

Our principle objection is to the transfer of the Farmers Home Administration's (FmHA) programs to an expanded and renamed Department of Housing and Urban Development. This move would result in a diminution of attention, efficiency, and effectiveness in an already inadequate national commitment to encourage rural development.

Rural America contains a quarter of the nation's people and 87 percent of its land. On this land the food for 215 million people is grown and harvested. Its land and people will produce the energy, the timber, and the minerals that sustain the rest of America. Economic development for rural America is quite clearly economic security for all Americans.

The Rural Development Act of 1972 mandated that the Department of Agriculture give direction and assistance to rural development. The impetus that gave rise to that mandate has not diminished and we see no rationale to reduce or obscure the commitment to fulfill that mandate.

Rural America finally has an agency, FmHA, able to work with rural citizens and take the leadership in rural economic development. Kansans vehemently object to losing this visible and effective system.

Congress gave the USDA the lead in rural development because HUD and other agencies were not responsive to rural needs. Congress expanded FmHA (with strengthened housing programs, water and sewer credit authority and related business credit resources) because of its continued successes in rural development. FmHA may require internal improvement or additional resources but there is nothing to support a proposal for radical reorganization.

Through its rural development programs the FmHA has been playing a vital role in the development of rural Kansas. Almost $200 million a year is now being pumped into the Kansas economy through these programs. The FmHA is well known by Kansas citizens and its services are accessible through 40 local county offices and six district offices.

This network brings FmHA close to the local people. There is no other agency of government that makes development loans that can match this delivery system. With the broad range of programs now offered by FmHA, rural citizens have a one-stop office that can deliver farm loans, community loans, housing loans and business and industry loans.

The FmHA has financed some 130 rural water districts in Kansas. This type of development would not have taken place if the water program had been under the jurisdiction of HUD. The transfer of the water and sewer program to HUD at this time would be detrimental to the interests of Kansas.

If you believe that the entire national rural development effort must be concentrated in a single department, then we recommend that that department be a strengthened U.S. Department of Agriculture.

As members of Congress we applaud your administration's intention to make government more efficient and responsive. We do not believe the OMB's proposal as it relates to rural development will make government any better or any more efficient. The proposal will not save tax dollars. It will not improve services for rural citizens and it is not acceptable to the rural leaders of Kansas. We urge that you reject this proposal.

Respectfully,
BOB DOLE,
U.S. Senator.
NANCY KASSEBAUM,
U.S. Senator.
LARRY WINN,
Third District.
KEITH SEBELIUS,
First District.
DAN GLICKMAN,
Fourth District.
JAMES JEFFRIES,
Second District.
BOB WHITTAKER,
Fifth District. ●

PROPOSED REGULATIONS REDUCING MEAT IN THE SCHOOL LUNCH PROGRAM

● Mr. EXON. Mr. President, I invite the attention of the Senate to a matter which is of great concern to the welfare of our children. The U.S. Department of Agriculture's Food and Consumer Services, under the direction of Assistant Secretary of Agriculture Carol Tucker Foreman, has initiated regulations allowing for the substitution of 50 percent of the protein which is provided our children through the school lunch program to come from plant sources.

Mr. President, this is of great consternation to me as a father and a grandfather, to think that the school age children of this Nation could be denied meat in their school diets which is so essential to their health and growth during these formative years. Although I am no expert in the area of nutrition, I do know that meat is the only source of protein which provides all of the nine essential amino acids required by the human body which our children have the greatest need for in order to grow and mature into healthy adults.

Nutritionists have noted that B vitamins essential to the human nervous system are found in animal food sources. One of these B vitamins, B–12, is only found in animal food sources. Mr. President, if meat is reduced or removed from our school lunch programs, deficiencies could occur restricting the the normal growth of our children.

Along with these complete amino acids, zinc and iron are also found in meat.

Should school lunch menus reduce or delete animal food sources, zinc and iron deficiencies could result, especially in those children from low-income families who may not receive adequate amounts of meat at home. After all, Mr. President, one of the primary purposes behind the school lunch program was to insure these children from poor backgrounds at least one well-balanced and highly nutritional meal a day. Under these proposed regulations, this purpose would be lost.

It is confusing to me, Mr. President, that the Food and Consumer Service, which is full of experts on child nutrition, could promulgate such regulations knowing full well that no vegetable food source can supply the essential amino acids, zinc and iron, which meat can. Furthermore our schools would be required to add skilled dietitians well versed in vegetable proteins to see that meals prepared under these proposed guidelines met all the nutritional needs of our children. In my State, and I am quite sure in every State, there exist small school systems which do not now have, nor could they obtain in the future, this type of individual to handle this highly technical matter; whereas, now our school personnel who prepare food are fully aware of the nutritional value of meat in the diets of our children.

Mr. President, we have all been exposed to the studies by noted experts in the field of human nutrition and have eye-witnessed accounts of young people who suffer from malnutrition. These accounts are shocking as they point to the results that inadequate diets produce. Not only are the undernourished children physically deformed, but also, their resistance to disease is nearly nonexistant. This could happen to our school children if these nonsensical regulations take effect.

I am asking that every Member of the U.S. Senate contact Assistant Secretary Foreman today, expressing their outrage with these proposed regulations and insisting that they be withdrawn from consideration. No Member of this body will regret their actions knowing that they will have assured the continuation of school lunch programs which meet the nutritional needs of our school children.

Furthermore, I am requesting that the attached letter to Ms. Foreman be printed in the Record.

The letter is as follows:

United States Senate,
Washington, D.C., February 9, 1979.

Hon. Carol Tucker Foreman,
Assistant Secretary for Food and Consumer Services, U.S. Department of Agriculture, Washington, D.C.

Dear Ms. Foreman: I am writing to express my outrage with the proposed regulations to allow for the substitution of 50 percent of the protein which is provided our children through the school lunch program to come from plant sources.

It is of great concern to me that your division could promulgate regulations which have the potential of reducing the amount of meat in our school children's diets which are so essential to their health and growth during these all-important formative years. Without the nutritional elements found in animal food sources, our children face the possibility of malnutrition and disease. I find this totally unacceptable in this day and age of high quality and abundant animal food sources.

I am sure you know that meat contains all nine essential amino acids which cannot be derived from plant substitutes. B vitamins, especially B-12, are also contained in this food source and are critical to the healthy growth and development of the nervous system. Necessary elements of zinc and iron are found as well in these highly nutritious animal food sources. Reducing by 50 percent the intake of this food jeopardizes the health of all our children let alone those who come from low income families and are forced to rely on this well balanced school lunch to supplement what they are unable to get at home.

I must strongly oppose these proposed regulations and insist that at the close of the public comment period on February 15th, you withdraw them from further consideration.

Sincerely,
J. James Exon, *United States Senator.*●

SENATE STEEL CAUCUS

● Mr. HEINZ. Mr. President, on Wednesday, February 8, the Senate Steel Caucus met with chief executives of several major steel companies to hear testimony on current industry problems. This meeting followed a session Tuesday with Treasury Under Secretary Solomon discussing the current state of the industry from the administration's point of view.

The meeting was well attended both by Senators and members of the public, and I would like to bring the statements of the industry executives to the attention of my colleagues. The Steel Caucus in the Senate is planning an active year, under the leadership of Senators Randolph, Bayh, Glenn, and myself, and I hope these statements will help senators acquaint themselves with the current state of the industry and encourage them to involve themselves in future caucus activities.

Mr. President, I ask that an agenda of the February 8 meeting and the statements by steel executives be printed in the Record.

The material follows:

Agenda for Senate Steel Caucus Meeting

Meeting called to order by Senator Jennings Randolph, Chairman.

Remarks and presentations by the following chief operating officers of major U.S. steel companies:

Mr. Lewis W. Foy, chairman, Bethlehem Steel Corp., Bethlehem, Pa., general overview, transportation, trade situation.

Mr. Foy is also Chairman of the American Steel and Iron Institute (AISI).

Mr. George A. Stinson, president and chief executive officer, National Steel Corp., Pittsburgh, Pa., environment.

Mr. Thomas C. Graham, president and chief executive officer, Jones & Laughlin Steel Corp., Pittsburgh, Pa., raw materials.

Mr. David M. Roderick, president, United States Steel Corp., Pittsburgh, Pa., capital formation.

Mr. W. J. De Lancey, president and chief executive, Republic Steel Corp., Cleveland, Ohio, energy.

Mr. M. T. Anthony, president and chief executive officer, Kaiser Steel Corp., Oakland, Calif., West Coast problems.

Mr. William H. Knoell, president and chief executive officer, Cyclops Corporation, Pittsburgh, Pa., speciality steel.

Opening Statement of Lewis W. Foy

My colleagues and I are very grateful for this opportunity to discuss the present state of the steel industry and some of the key issues that are confronting us: capital formation; environment; energy; raw materials; freight transportation; the impact of West Coast steel imports; specialty steel trade policy; and the MTN.

I'd like to start off with an overview of the industry's economic position and the import situation.

INDUSTRY ECONOMIC POSITION

Judging by recent newspaper headlines, one might assume that last year was a "bonanza" for the steel industry, and happy days are here again.

Preliminary figures indicate that steel industry net income for 1978 will be about $1.4 billion. That's a big improvement over 1977's dismal showing, but what does it mean? It would represent returns of about three cents on a sales dollar and about 8 percent on equity. Similar returns back in 1968 created enough concern to convince the Administration to negotiate the VRAs that reduced steel imports from 18 million tons in 1968 to 14 million tons the following year.

We estimate that retained earnings, depreciation, and depeletion produced an industry net cash flow last year of about $2.5 billion. But capital expenditures were about $3 billion. The balance came from borrowings, and industry debt remains at or near peak levels.

Please note that the industry's capital spending last year fell $1 billion short of the judgment in the Solomon Report that we should be investing about $4 billion annually just to modernize and update present facilities, without any provision for expansion of capacity.

So much for the "bonanza" year of 1978. We're still at or near the bottom of the Citibank list of 40 major industries in terms of return on shareholders' equity. We have a long way to go.

STEEL IMPORTS

Imports have had a lot to do with our problems. The steel industry is extremely sensitive to changes in volume. That's why other nations have benefitted from exports; that's why we've been harmed by imports.

In spite of TPM, imports rose 9.5 percent in 1978 over 1977, to an all-time record of 21.1 million tons. This means that imports averaged 20 million tons a year for the last two years after averaging about 14 million tons over the previous four years. If imports have indeed moved to a higher plateau, there are profound implications for the industry and its workers, as well as for the international economic position of the United States.

Our nation's steel trade deficit last year was about $6 billion. That's shocking, but the worst is yet to come. By 1985, unless we soon start expanding our domestic steelmaking capacity, 25 to 30 million tons of steel imports could be entering the U.S. market annually. That would mean an outflow of $12 to $15 billion a year, and a huge increase in our steel trade deficit.

As an industry, we're dismayed by the massive invasion of our domestic market during 1977 and 1978, essentially because of the lack of an effective national response to unfair trade practices in steel. In view of our continuing national trade and balance of payments problems, I don't believe that the Congress or the Executive Branch of our Government can afford to be indifferent to this situation.

Last year, in spite of the TPM, and while imports from Japan declined 17 percent, imports from the EEC rose more than 9 percent, Canadian imports increased 25 percent, and "All Other" imports rose 75 percent.

In vivid contrast to American policies, the EEC effectively restricted imports and promoted exports. The EEC exported an estimated 26.5 million net tons of steel mill products in 1978, while importing only 9.7

million net tons, thereby creating a net favorable steel trade balance of more than $5 billion. As we've often said, the TPM has given the Europeans a "license to dump," and they've taken full advantage of it.

Granted that the import figures for December were encouraging, I see no justification for complacency. The trade outlook has to be viewed realistically, and without positive steps by the government, we can't expect imports to decline much from last year. The fact is that the big U.S. market, with its virtually unfettered access, acts like a magnet to the world steel industry.

The less-developed countries are steadily expanding their steelmaking capacity, displacing imports from the industrial nations, including the EEC and Japan. Since EEC domestic demand is not expected to increase very much this year, and they're losing many of their traditional export markets, we can expect EEC producers to try very hard to increase, or at least maintain their present export level to this country.

These developments are very disturbing to the Japanese, who are limping along at a capacity utilization rate that's below 70 percent, and are threatening to abandon restraint.

These factors give us little justification for expecting a substantial decline in imports this year, unless a concerted effort is made by the Administration and the Congress.

STATEMENT ON STEEL TRADE POLICY BY MR. L. W. FOY

We come to the final and perhaps the most important item on our agenda today: the steel industry's positions on current steel trade policy and the results of the multilateral trade negotiations.

Current steel trade policy

Two Administration programs specifically address steel trade problems. These are the TPM and the OECD Steel Committee.

TPM

Summarizing the AISI position, we still hope the TPM can be made to work effectively. If properly administered, we think the TPM should substantially reduce imports from their high levels of the past year. On January 30, the AISI submitted a paper to the Treasury Department urging the Department to implement certain changes in the TPM. That statement is available for your review. We very much hope that the Caucus will support our recommendations.

OECD steel committee

In October, 1975, our industry presented to the Special Trade Representative a detailed proposal for conducting steel sector negotiations in the MTN.

Essentially, the AISI proposal called for the creation of a standing Steel Committee within the GATT framework, and establishment of an international safeguard system for steel that would permit countries to obtain prompt and effective relief from market disruption by imports.

This proposal was ultimately rejected by STR on the grounds that our trading partners were adamantly opposed to steel sector negotiations as part of the MTN.

Subsequently, the U.S. Government moved successfully to establish an International Steel Committee within the CECD as an alternative to sector negotiations in the MTN. The Committee's mandate authorizes consultations on steel trade matters, and establishes guidelines for actions by governments to deal with crisis conditions in their steel industries. Particularly important is a commitment that such actions should not shift the burden of adjustment to other countries.

Although not what we had originally sought, the industry fully supports the Steel Committee as a significant step toward resolution of the long-standing problems in steel trade among countries.

The AISI hopes this new International Steel Committee will not bog down in endless and pointless research, but instead will address urgent steel trade problems. Our industry has pledged to work closely and cooperatively with the Government in achieving positive results from the OECD Steel Committee. We urge you to request that the Administration keep the Caucus fully informed on the activities of the OECD Steel Committee through the domestic advisory process which is to be established. We hope you will support our objectives through the work of the Committee.

Results of the multilateral trade negotiations

The trade negotiations cover two areas of concern to us: tariff cuts and the non-tariff codes.

Tariff cuts

Our current information is that the U.S. steel tariff cut offer is now in the range of 25 percent to 30 percent, which would result in an estimated average U.S. steel tariff after the negotiations of about 4.3 percent. We are advised Japan has offered only a 12 percent reduction in its applied tariff rate, which would result in an average Japanese tariff of 5.1 percent. Reportedly, the EEC is offering a 30 percent reduction, which would give them a 4.8 percent average tariff following the negotiations. It appears the U.S. would end up with lower tariffs on steel products than any of its major steel trading partners.

Ironically, the same countries that have engaged in bilateral quota and price agreements protecting their home markets, while flooding the U.S. market with imported steel, are not even willing to reduce their steel tariffs to the same level that the U.S. has offered. This situation is totally incomprehensible to us. We do not understand why the United States has offered larger cuts on steel tariffs than our trading partners.

Accordingly, in concluding the U.S. negotiation on tariff cuts, we hope you will urge the Administration to take the following positions:

Proposed U.S. reductions in steel tariffs shall not be greater than the reductions being offered by our major trading partners;

At the conclusion of negotiations, average steel tariffs of the U.S., EEC, and Japan will be comparable. Certainly, U.S. tariffs should not be lower than those of the EEC and Japan.

Negotiation of non-tariff codes

This is the most important aspect of the multilateral trade negotiations. After reviewing preliminary results of the Code negotiations, the steel industry fears that they will result in a weakening of U.S. domestic laws designed to deal with unfair trade practices. We do not believe these Codes will eliminate the wholesale dumping, subsidization, and other unfair trade practices that characterize world steel trade.

We'll now comment briefly on the more significant Codes:

SUBSIDY (COUNTERVAILING DUTY) CODE

This Code explicitly prohibits the use of export subsidies but these are not the steel industry's main problem. We're much more deeply concerned about domestic or internal subsidies that distort trade.

The Code obligation against internal subsidies is weak (signatories shall "seek to avoid" causing serious prejudice through their use and should take their "possible adverse effect" into account in formulating policies and practices).

Several serious shortcomings of the Code: *The Illustrative List of Export Subsidies* appears to sanction the European system of rebating value-added taxes on exports;

The definitions of such critical terms as "material injury", "serious prejudice", "adverse effects", are broadly defined in the Code and one can only speculate how these terms will be defined in domestic legislation.

Reportedly, the "material injury" test may be inserted in the U.S. Antidumping statute, making its injury test a much tougher one than exists today.

SAFEGUARD CODE

Under the provisions of this Code we are concerned that imports would have to be the "principal cause" of injury. This is a much tougher causal test than is contained in section 201 of the Trade Act, the U. S. safeguard provision. We are also advised that the "principal cause" test may be inserted into the U. S. Antidumping Act, significantly weakening it. In addition, there is no provision in the Code for regional injury.

GOVERNMENT PROCUREMENT CODE

The Code would require substantial federal Buy American provisions to be phased out. Clearly, the United States should not open its doors without assurance that other countries will do the same. We are concerned that most of our federal procurement would be open to foreign suppliers on a non-restricted basis, while vast blocs of purchasing through companies owned by foreign governments would not be, since many of them are excluded under the Code's entity coverage definitions.

RECOMMENDATIONS

1. The Antidumping Act must not be amended in any way that would weaken its substance or enforcement producers, or would require domestic complainants to meet a greater burden of proof than exists today with respect to causality, injury, or definition of industry.

2. Under the Subsidy/Countervailing Duty Code.

"Material injury" must be defined in domestic implementing legislation to mean any injury greater than *de minimis*.

"Causation" must be defined in domestic implementing legislation to make clear that subsidized imports need not be a *principal* cause of injury.

Internal subsides must be reachable under the Code.

INDUSTRY LEGISLATIVE PROGRAM

Our government and the steel industry face critical times ahead as pressures mount to weaken U.S. unfair trade statutes by bending them into conformity with the Codes. Moreover, the Codes' language and implementing legislation could create major uncertainties of both substance and administration.

It is essential that American industry have clear and fair recourse against unfair import practices under U.S. trade statutes. With this in mind, we have developed detailed legislative proposals for improvement of our unfair trade statutes. We understand that these proposals will shortly be issued as a Committee print by the Trade Subcommittee of the House Ways and Means Committee. More than 30 industries, the AFL-CIO, and several major national unions have endorsed a Congressional review of these proposals.

In addition, Senator Danforth and several co-sponsors have recently introduced a bill that contains many of the improvements that we support. Moreover, other proposals relating to trade matters have been or will be introduced in the House and Senate.

As the MTN and implementing legislation are addressed by the Congress this session, we hope you will support our proposals and the bills in which they will be incorporated. We are at a critical juncture in U.S. trade policy. We need and hope for the full support of this Caucus in the months ahead.

STATEMENT ON TRANSPORTATION POLICY BY MR. L. W. FOY

One of the subjects you'll be dealing with during this session is freight transportation. I want to assure you that this a matter of profound importance to the steel industry. Transportation is a big factor in the cost of producing steel, and it's also a very significant part of the delivered cost of steel products to our customers, frequently as much as 10 percent on large-volume products.

An important segment of the trucking industry exists primarily to serve the steel industry, and as much as 85 percent of the regulated traffic on our inland waterways is for the steel industry.

But today I want to concentrate on the interdependence of the steel industry and the railroads. Virtually all of the raw materials that come in by land come in by *rail*, and somewhere between one-third and one-half of the total tonnage of finished products is shipped by rail. On the other side of the coin, the railroads depend on the steel industry for about 25 percent of their tonnage in the northeastern part of the country, and nearly 20 percent nationally.

The legislative proposals being recommended by the Administration and other interest will have far-reaching effects. For the most part, they're essential in order to strengthen the railroad industry which we depend on so heavily.

However, any and all measures designed to bolster the nation's railroads should be founded on two basic principles. First, those measures should enable the railroads to survive as viable private entities. And second, they should treat commodity flows that are captive to their service in a manner that's both nonprejudicial and nondiscriminatory.

Any such measures are bound to cost money, and my industry will pay its share. But at the same time we have to be mindful that financing a healthy railroad system mustn't put an undue burden on those who are already contributing a fair share of total revenues. Steel industry traffic is generally quite profitable to the railroads.

Most of us tend to take our freight transportation system pretty much for granted, but the fact is that it's absolutely vital to our national economy. Tremendous investments, both human and financial, have been made in reliance on our existing transportation system. But the interests of the railroads have, by regulation, been subordinated to other considerations.

Any legislation that suddenly removes commodity and geographic subsidies that have resulted from past practice, if not carefully drawn, has the potential for severe disruption or injury, and could cost jobs. I urge you to proceed with care, and I hope you'll never hesitate to call on our industry experts for counsel, advice, and support.

CAPITAL FORMATION OUTLINE

I. Steel manufacturing capital intensive.

II. Recent reliance on internal cash flow plus debt—new equity not feasible.

III. Industry has had to continue to spend heavily in the face of declining earnings.

A. AISI estimates industry spent $2 billion in 1978 with internal cash flow of $2.5 billion and borrowing of $.5 billion.

B. Results of 1978 were better than 1977 but still a subpar return and insufficient capital generated.

C. Value of depreciation ravaged by inflation—long depreciable life assigned to steel—still has not been reduced.

D. Sharp increase in debt/equity ratio (45 percent)—borrowing power approaching limit without expansion of equity.

IV. Industry capital needs cannot be covered by cash generation and new debt.

A. AISI study and Solomon report indicate a short fall of $1 billion per year.

B. Steel capability has declined and will continue until profitability improves.

V. Capital formation requires government action which will:

A. Permit good earnings when markets are strong—no more de facto controls.

B. Effectively administer trade laws to prevent dumping—must face European problem.

C. Weigh the economic impact of environmental and other regulations against benefits sought.

D. Adopt tax policy which will encourage investment in productive facilities—must recover our investment as quickly as our foreign competitors.

VI. Survival of the steel industry is at stake.

CAPITAL FORMATION AND THE STEEL INDUSTRY

Steel manufacturing is one of our country's most capital intensive industries. The replacement or rebuilding of steelmaking facilities requires greater expenditures than that required in most other manufacturing operations. In recent years, the industry has had to rely upon retained earnings, depreciation, and depletion, and new borowings to provide its necessary capital. The sale of equity as a source of new capital has been virtually ruled out because of the industry's relatively low profitability over an extended period of years.

In 1977, the industry just about broke even; total earnings of AISI companies was only $23 million, about one-sixth that of the largest hamburger chain. Earnings in 1978 recovered from this low point but still represent a substandard return on equity. We estimate the 1978 return on equity will be about half that earned by the average manufacturing company. Depreciation as a source of capital has been particularly ravaged by inflation. Our own estimates indicate that by the time we have recovered one dollar in tax depreciation, replacement cost has risen by three dollars. I'm sure you are all aware that the Treasury has assigned to our industry one of the longest depreciable lives in use, and despite the recommendation made in the Solomon report issued over a year ago, has failed to shorten it.

The industry has continued to borrow heavily in order to raise capital, and debt to equity ratios have risen in recent years to a point where debt expansion may no longer be a viable source of additional capital. As recent as 1975 debt was 33 percent of equity, by the end of 1977 it had climbed to 45 percent.

An AISI study indicates, and the Solomon report confirms, that the capital generated by the steel industry will fall short of industry requirements by over $1 billion per year during the next six years.

Improved profits are the key to our industry's ability to raise the capital it needs. U.S. steel industry capability has actually declined the past few years; and until returns in the steel business become considerably more attractive, this trend will continue.

Adequate capital formation must be provided if our industry is to meet the steel needs of our economy and provide employment opportunities to our growing labor force. In order to avoid encumbering our industry in its pursuit of capital, certain government policies of the past must be avoided in the future. First, the industry must be permitted to earn good profits when market conditions permit. This means an end to the informal price controls imposed on the industry since the early 1960's. Second, the government must promptly and effectively address the questionable trade practices of foreign steel producers and their home governments. Our domestic market is the most lucrative and least restricted steel market in the world, and it has been abused by foreign producers for a long time. The problem of European dumping, in particular, must be squarely faced. Third, we need sound and consistent environmental policies which weigh the benefits being sought with their economic impact. And fourth, we must have a federal tax policy that promotes capital formation by increasing the incentive to invest in productive facilities. Our industry should be permitted to recover its capital investments at least as quickly as the foreign producers with whom we compete in world markets.

In the future, our industry faces a substantial task in efficiently producing its products and providing the employment opportunities expected of it. The industry must earn the profits, which in turn will make available the capital necessary for its survival.

[In millions of dollars]

	1977	1976	1975	1974	1973
1. Industry income	23.2	1,337.4	1,594.9	2,475.2	1,272.2
2. Industry capital expenditures	2,858.0	3,253.0	3,179.0	2,115.0	1,400.0
3. Environmental capital expenditures	535.0	489.0	453.0	NA	NA
Conclusion: While industry profits declined sharply since 1974, capital spending rose dramatically, exceeding $3,000,000,000 in 1975 and 1976, a 50-percent increase over 1974. Environmental expenditures took about 20 percent of total capital expenditures in 1977.					

	1977	1976	1974	1970	1968	1965
4. Industry percent debt to equity	45.0	38.6	28.5	39.6	36.5	25.9
Conclusion: Expansion of debt has far outpaced equity growth in the past 10 yr.						

STATEMENT BY FRED TUCKER FOR GEORGE A. STINSON

At our last appearance before you in September and on numerous other occasions we have mentioned the tremendous economic impact of environmental control regulations. We have also discussed the threat that these regulations offer to the operation of limited life facilities and new construction. These problems have not abated in any way. They have, in fact, accelerated upon implementation of the Clean Air Act Amendments passed by the 95th Congress. If the Trigger Price System worked and effectively reduced imports to an acceptable level, I quite frankly don't know if we could expand to meet domestic market needs under present and anticipated environmental regulations.

Our immediate problem, which also affects all other industry, public works projects and support grants for States and local governments, is embodied in the 1977 amendments to the Clean Air Act. The Act places an embargo on all new construction in non-attainment areas as of June 30, 1979, where State Implementation Plans have not been approved by the EPA. These new plans were to be submitted to EPA for approval on January 1, 1979. To date seven States have complied with this legal date. Of the so-called steel states, only Colorado and Utah are among the seven. There is every reason to believe that several steel states will fail to meet the EPA approval deadline of June 30, 1979. This is an urgent, but by no means the only, problem in the Clean Air Act that needs to be corrected early in the 96th Congress.

We have been urging the appropriate Congressional Committees to hold oversight hearings on air and water quality legislation early in this new session. We want these Committees to look at the existing laws and regulations, not with the objective of changing environmental goals, but instead to unscramble the regulatory maze that has resulted in delay, harassment by no-growth environmental groups in the courts and, in some cases, wasteful utilization of limited economic resources resulting in little or no environmental improvement. Where lower cost solutions exist to meet environmental objectives, state and local officials should be instructed to permit implementation of these solutions. We appear to have a situation wherein the majority of Congress, industry and the public have agreed upon the objectives but the laws, regulations and court rulings stifle accomplishment of those objectives.

The following are examples of air and water issues which we believe the Congress should investigate in oversight:

(1) *The bubble concept.*—On January 18, 1979, EPA published a proposed guidance document to the States on total plant compliance permits in air. We believe the Congress should explore this cost-saving technique in both air and water and endorse and expand its application.

(2) *Limited life facility.*—Congress should consider and give guidance to EPA on the application of air and water regulations to old limited life facilities. Our trading partners throughout the world provide special enforcement strategies for these plant operations and we believe the U.S. should do the same.

(3) *Air quality standards.*—The recent amendments to the Air Act require Air Quality Standards Revisions by the end of 1980. The Congress should determine how these revisions will affect State Implementation Plans.

(4) *Replacement in kind.*—Congress should examine whether EPA Regulations are stifling technological improvements in basic industry by requiring overly stringent control for replacement facilities.

(5) *Water quality.*—Congress should reconsider the economic advisability of requiring all streams, regardless of their use, to meet fishable/swimmable water quality.

These are a few of the more important issues that need Congressional oversight. There are ways to meet national objectives at lower cost. We have had numerous meetings with EPA to discuss these alternatives and find that, in many cases, EPA believes it is prohibited by law or court opinion from implementing these cost effective measures. Congress should examine these options and determine whether legislative remedies are needed.

STATEMENT BY THOMAS C. GRAHAM ON RAW MATERIALS

The ability to produce steel depends in part on the ability to purchase and process a large number of raw materials. The industry is presently concerned with developments in two important markets, scrap and molybdenum.

I. SCRAP

Recycled iron and steel scrap is an essential ingredient used in steelmaking. In the Basic Oxygen Furnace scrap is combined with hot metal (molten pig iron) on roughly a 30–70 percent basis. Close to 25 percent of the 137 million tons of raw steel poured in 1978, however, was produced in electric furnaces, which require a 100 percent scrap charge.

As domestic and world steel production improved over the second half of 1978, so did demand for scrap generally and U.S. scrap in particular. Exports in 1978 were 46 percent higher than those of 1977, and rising. Much of the increase can be attributed to a tripling of exports to Japan, by far the largest importer in 1978.

As scrap exports increased, so did scrap prices in the United States. Currently the price for the most common grade used by the industry is 41% higher than that in effect in the third quarter of 1978.

An increase in steelmaking costs of this magnitude poses great difficulties for steel products, as you might imagine. If current prices hold, without rising further in 1979, the steel industry and other scrap consuming industries will have sustained an additional cost impact of $1.4 billion by year-end.

This problem requires the immediate attention of the U.S. Government. We have already petitioned the Commerce Department and requested that export controls be imposed, as stipulated under the Export Administration Act of 1969. The Act states that it is the policy of the United States, ". . . to use export controls . . . to protect the domestic economy from the excessive drain of scarce materials and to reduce the seriously inflationary impact of foreign demand." In our view this criteria has been met. Exports in the fourth quarter of 1978 ran at an annual rate exceeding that of the record year of 1973, when controls were last imposed.

It is ironic that in the U.S., the world's largest scrap exporter, would allow itself to fall into a position whereby a domestic shortage developed even as exports increased. With inventories at a three-year low, prices rising, and exports increasing, we feel some actions must be taken to safeguard U.S. interests.

Export controls are even more compelling in view of the country's focus on energy problems. The 17 million BTU's of energy contained in every ton of scrap should, when economically feasible, benefit this country. We note with alarm that foreign scrap shipments in the fourth quarter alone were equal to 8.4 million barrels of oil. If a portion of that scrap can be used in the U.S., it should be the policy of the U.S. to insure that it is available, but not at prices which are escalating 41 percent in four months.

II. MOLYBDENUM

In addition to problems experienced in the scrap market, the industry is concerned over developments in the molybdenum market. Molybdenum is used, primarily by the steel industry, in the production of high strength, heat resistant steel alloys and stainless steels.

The U.S., which accounts for approximately 70 percent of world production, exports over half of what it mines. A world shortage of this material has led domestic producers to allocate existing supplies to foreign and domestic customers, even as demand for the material has increased.

Why should the U.S., the most important supplier to the world, experience a severe domestic shortage as a consequence of molybdenum producer policies? At the very least, exports should be monitored to detect changing patterns in foreign and domestic shipments, in the event export controls become necessary.

Thank you. We hope the Caucus will support our efforts to have scrap exports controlled and molybdenum exports monitored.

REMARKS OF MARK T. ANTHONY TO CONGRESSIONAL STEEL CAUCUSES, FEBRUARY 7, 1979

Thank you. I am Mark T. Anthony, President and Chief Executive Officer of Kaiser Steel Corporation.

I will confine my remarks to the impact of imports on the Western steel industry. The Western steel market comprises seven states* and consumes about 9 percent of all the steel used in the United States. Steel consumption in the Western market has grown from 6.3 million tons in 1959 to about 9.9 million tons in 1978. In the same 20 years, annual imports have increased exactly the same amount, 3.6 million tons, and thus have taken all of the growth in our market.

As most of you know, import penetration on the West Coast historically has been about double the national level. This penetration actually accelerated in 1978 to 44 percent, up from 38 percent in 1977. The volume of imported steel to our market went from a record level of 3.3 million tons in 1977 to 4.4 million tons in 1978. This increase of 1 million tons to our seven states' market compares with an increase of 800,000 tons to the rest of the United States. And yet our market is only 9 percent of the national market. Eighty percent of this increased tonnage hit our market in the first four months of the year in a rush to beat the TPM effective date. Since May, monthly imports have been up and down, without a discernible pattern.

There are two alarming features about the 1978 increase. First, the volume alone has a severe impact on western producers when added to the cumulative effects of import growth in recent years. Steel mills are particularly volume sensitive and at a certain level, a relatively small volume shift can have dramatic effects on earnings. Second, none of the 1978 increase came from Japan, our natural competitor. Instead, it came from European and other non-Japanese steelmakers. Because of high production and transportation costs, these producers have no comparative advantage in the Western market and are not natural suppliers to it.

Because of this intolerable additional volume coming from non-Japanese sources in early 1978 our company was very critical of the TPM last year. The TPM permits European steel to be sold at trigger prices even though those prices are below European home market prices. If this dumping were stopped, the volume would go down, and we would be injured less.

Notwithstanding that fundamental criticism, we are beginning to see some improvements. The first quarter 1979 trigger prices are at a level that enabled us to mount a regional program of price discounts to meet import competition on certain products. Our bookings are strong and we are quite encouraged that the program will succeed in regaining market share this quarter. However, the 7 percent trigger price increase for first quarter was calculated entirely on currency adjustments. As the dollar continues to strengthen against the yen, the old TPM problems will re-emerge. I will mention only one. Because of the way the TPM calculates freight, European steel sells for less in

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*Washington, Oregon, California, Arizona, Nevada, Utah, Idaho.

Los Angeles than it does in New York. We have requested the Treasury Department to correct this inequity.

Legislatively, we favor strengthening and streamlining the antidumping law. The Antidumping Act must not be amended in any way that would weaken its enforcement or require domestic complainants to sustain greater burdens of proof.

ATTACHMENT TO REMARKS OF MARK T. ANTHONY TO CONGRESSIONAL STEEL CAUCUSES, FEB. 7, 1979

WEST COAST IMPORTS—DECEMBER 1978

Product	West coast imports—December 1978 (thousands of net tons)				Year-to-date change. 1978–1977	
	December		Year-to-date			
	1978	1977	1978	1977	Tons	Percent
Plate	17.2	31.7	468.1	288.6	+179.5	+62
Structural shapes	30.2	32.7	412.3	345.3	+67.0	+19
H.R. bars	17.8	18.4	210.7	194.4	+16.3	+8
Reinforcing bars	1.1	3.9	34.5	31.3	+3.2	+10
Semifinished	1.1	.7	7.5	6.5	+1.0	+15
Hot rolled sheet	24.7	44.3	659.1	85.9	+273.2	+71
Hot rolled strip	.4	1.5	15.5	14.7	+.8	+5
Cold rolled sheet	33.3	31.9	572.3	444.0	+128.3	+29
Cold rolled strip	.1	.3	2.4	2.9	−.5	−17
Galvanized sheet	34.8	31.7	565.2	383.5	+181.7	+47
Tin and black plate	2.6	5.0	139.8	142.9	−3.1	−2
Chrome plate	.6	.9	24.0	30.1	−6.1	−20
Std. and line pipe	52.8	31.2	512.7	383.5	+129.2	+34
Total KSC products	216.7	234.2	3,624.1	2,653.6	+970.5	+37
Non-KSC products	29.6	62.7	695.4	657.2	+38.2	+6
Total steel mill products	246.3	296.9	4,319.5	3,310.8	+1,008.7	+30
Imports share of estimated 7 Western States (percent)	37	44	44	38		
Percent west coast national	18	14	20	17		
National imports	1,372.0	2,086.5	21,138.0	19,306.7	+1,831.4	+9
Imports share of estimated U.S. market (percent)	15	23	18	18		

Note: West coast imports in December were 246,000 net tons, the 2d lowest month of the year. The year total however, was 4,320,000 net tons, a new record in absolute tons, and market penetration at 44 percent was also a new record. As has been the pattern for most of the year Kaiser Steel's products, with the exception of tin plate, have shown the greatest increases.

PRESENTATION BY W. H. KNOELL

Late last fall, the United Steelworkers and some 22 specialty steel companies—generally the smaller companies in the industry, although the group does include a number of the major steel producers that have specialty products—petitioned the International Trade Commission for a three-year extension of the quantitative restraints on imports of specialty steels. The issue is currently before the ITC and hearings will be held in March. We are hopeful it will find its way to the President in late spring. We are and will be soliciting your support.

On the first chart, you can see the rapid increase in penetration of imports in the domestic specialty steel market over a period of years. Imports dropped off in 1974 and then started up at an even more dramatic rate in 1975. After hearings three years ago the limitation program, indicated by the step line on the same chart, was put into place. At that time, the President conditioned removal upon a successful international agreement to moderate steel trade. As we all know, there is no such agreement—either successful or unsuccessful.

Over the past thirty months there has been a partial recovery in specialty steel. Employment has increased. Production and productivity have increased. Companies have once again been committing capital dollars to specialty steel. Profits are up, although they still remain well below the average for all manufacturing industries. And, contrary to the predictions of many, prices have been stable. The restraints have not been inflationary.

There have been several studies on this point, but let me refer you to the one issued last year by the Department of Labor. It concludes that the domestic industry has expanded, improved its plants, increased productivity and employment, and obtained a larger market share without significant increases in prices. Indeed, specialty steel has been ANTIinflationary over the period.

The quantitative restraint program has worked exactly as was contemplated by Congress in 1974 when the Legislation was passed. That it HAS worked is the argument which will be used by those urging removal of the limitations. We feel this is illogical in that the results which have flowed were the results which were intended.

Look at the second chart and you can see what has happened in 1976, 1977, and 1978 to the specialty products NOT covered by quotas. Look at the rate of increase and compare it with the products covered by the restraint program. This is what will happen to the industry again if the limits are removed.

The underlying problem in specialty steel is exactly the same as it is in carbon steel and in so many other industries: UNFAIR TRADE PRACTICES—government ownership and subsidies—foreign steel companies which do not have to meet the free marketplace test of profitability in order to survive.

Next on the Agenda, Lew Foy will review the overall steel trade problem and present to you our recommendations for change in our unfair trade laws to make it possible for ANY industry—carbon steel, specialty steel, or ANY type of manufacturer—to effectively deal with unfair foreign trade.

To remove the quantitative restrictions on specialty steel before any viable alternative is in place to deal with unfair trade would be wrong. And, it would be the wrong signal to our world trading partners at a time when we are trying to come to grips with the fundamental issue of how different economic systems—ours based on free competition and most of the rest of the world's based on political and social issues—are of interface in trade across international boundaries.

STATEMENT OF WILLIAM J. DELANCEY

ENERGY COMMENTS

I want to make a brief status report on matters of Congressional interest with respect to the ability of the steel industry to continue effectively with its efforts to conserve energy.

Energy conservation is not, of course, something new to the steel industry which, as the consumer of some 5 to 6 percent of all energy used in the U.S., has for many years had a strong interest in reducing this cost component as much as possible. The National interest in energy conservation is superimposed on this background, and in the middle of 1977 the Department of Energy set a target for the industry of a 9 percent reduction by 1980 in total energy consumed per ton of steel shipped, as compared with the base year of 1972.

I am pleased to report that a preliminary survey at this time indicates that goal was reached by the end of 1978, a year ahead of schedule. We want to continue to show improvement in this important area, but progress is dependent on several factors which I would like to identify for you:

First. Substantial reductions in energy consumption can be accomplished only by making major capital expendtures such as are involved in the expanded use of continuous casting or in the increased use of electric steelmaking furnaces. Meaningful energy savings can also be realized by the installation of waste heat boilers and converting to more efficient recuperators. A steel company cannot make investments of this magnitude, however, unless it has adequate profitability. Our profitability in turn has been and will be significantly affected by developments within the purview of the Congress, such as—

The extent to which our profitability is adversely affected by dumped imports,

The cost penalties of environmental and OSHA mandates in excess of what is reasonably required for health purposes and,

The extent to which the tax laws encourage the installation of energy-saving facilities.

In short, whether the industry has the financial capability to make the investments resulting in further energy conservation will depend on the operation of factors which are quite germane to the Congressional oversight.

Second. We are becoming increasingly aware of the significance of the role of the Department of Energy in drafting regulations which will increase our costs without any commensurate gains in energy conservation. We continue to be concerned about incremental pricing of natural gas. We can see that in the steel industry incremental pricing will not achieve an intended objective of forcing conversion from gas to alternate fuels in those parts of the operations where there is no substitute economically or technologically available. In these instances, the only result will be increased costs.

I respectfully suggest that Congress is entitled to know whether the laws it has passed recently in the energy area will be achieving in practice the desired results in terms of equity, efficiency, and conservation.

Third. Environmental control facilities are often large consumers of energy. I also respectfully suggest that Congress would be entitled to review the question of whether the health benefits capable of being actually realized from environmental standards and timetables warrant the energy drain which is involved.

In summary, the steel industry wants to be as efficient as possible in its use of energy, recognizing that in so doing it can improve its costs and competitive position vis-a-vis overseas competitors. To this end, we ask your aid in assessing the manner in which the various governmental functions are being performed in relation to this objective, and as future developments dictate we would like the opportunity to present more definitive statements on selected subjects.●

SPEAK, MR. SPEAKER

● Mr. MUSKIE. Mr. President, the Sam Rayburn Library in Bonham, Tex., has compiled and made available in printed form a substantial portion of the writings and talks of Sam Rayburn. The book, titled "Speak, Mr. Speaker," is arranged as an autobiography.

The editors, H. G. Dulaney, Edward Hake Phillips, and MacPhelan Reese, set out to present the most important and timeless statements made by this great statesman in his many, many letters, interviews and speeches. The result is what one reviewer described a "living history."

Included are reflections on the business of politics and American life during the half-century Sam Rayburn served his country, analyses of the events and ideas which shaped him and his country.

I commend the book to the attention of my colleagues. Mr. President, I ask that two reviews of the book be printed in the RECORD.

The reviews are as follows:

MR. SAM: A "FUR" PIECE FROM FLAG SPRINGS

(By William D. Bedell)

On Dec. 24, 1933, in the hard days of the Great Depression, Rep. Sam Rayburn wrote to W. P. Hobby, then president of The Houston Post:

"You are correct, I think when you say that it is the hope of some elements in our society to break down the faith of the people in the President. Some of our people want everything static and always preach that any movement that goes forward is socialistic and destructive . . ."

In the hard, early days of World War II, Rayburn said:

"The Members of Congress are today under attack, and it seems that in some quarters there is a studied effort to destroy the faith and confidence of the American people in their elected Representatives. There has never been a dictatorship built up in any land until the faith and confidence of the people had been destroyed in the legislative branch."

Three associates at the Sam Rayburn Library in Bonham have here put together a big book that is in many places timely, that breathes with humanity, and that exudes the irresistible charm of politics.

It consists predominantly of the written and spoken words of Sam Rayburn, Democrat of Texas—member of the State Legislature, 1907–1913; member of Congress, 1913–1961 (48 years); Speaker of the House, 1940–1961 (with two two-year timeouts as Minority Leader).

Public awareness of Mr. Sam was highest in the brief, urgent times when he served in 1948, 1952 and 1956 as permanent chairman of the Democratic National Convention. He appeared then as a stern man, scowling a lot, impatient, his eyes peering into the lights, his bald dome shining. He was aware of the harsh image he cast.

"When I am transacting any kind of business," he said, "I am serious and cannot help looking and acting so. I am not a bad humored man, and have gotten so much out of life that I am happy every day."

This book shows most of the time the happy side of Mr. Sam, the positive side. It shows him as a compassionate man, a man concerned with the verities. In 1950, when he was 68 years old, he said:

"When I was a boy around Flag Springs, we thought that we had all the good people, and especially the pretty girls. Our radius span was about three miles on horseback, in a wagon or in a buggy. But when there was a meeting, we talked to the boys and girls over in Nubbin Ridge or Brawley's Pond, pretty good boys and girls. When our horizon was widened we thought the people over the county were pretty good folks, too. Then our vision broadened more and then we believed the people over the state were pretty good. The boys and girls in that community found out also that we did not have a monopoly on identity, on patriotism, or on love of country. They have found out, as I have found out, that in every nook and cranny of America there are good men and women who are fixing their faces in thought, planting their feet in the right direction, teaching the good lessons of life and citizenship."

Mr. Sam, who learned farm life first hand in the back land of Fannin County and "just missed being a tenant farmer by a gnat's whisker," was constantly concerned with the plight of the farmer and other underdogs.

He also was constantly concerned (and in this the book reaches its heights) in the Congress of the United States. Listen:

". . . You shouldn't tie yourself to just one district . . . you should try to vote . . . the greatest good to the greatest number . . ."

"It appears I cannot live without this life for it is my very self . . ."

". . . It (Washington, D.C.) is a selfish, sourbellied place . . . Remember, I am not tired of this . . . for it is my life, my whole life."

"I still can't realize I'm speaker. It's a 'fur' piece from Flag Springs."

"I have always wanted responsibility because I want the power responsibility brings. I hate like hell to be licked. It almost kills me."

"You can't really say how you lead. You feel your way, receptive to those rolling waves of sentiment. And if a man can't see and hear and feel, why then, of course, he's lost."

Mr. Sam could see and hear and feel. Mr. Sam could lead. He could also teach. (He still can, 17 years after his death in 1961 at age 79.) Anyone who reads this book will get a magnificent lesson from a master teacher in what it is to be an American in the 20th century.

GREATEST OF GREAT SPEAKERS

(By Margaret W. Reid)

"This is not a Biography—it is an Autobiography," the editors tell us on the title page of this impressive, well-organized, inspirational book of over 400 oversized pages. For several years these editors have worked in the Sam Rayburn Library in Bonham, selecting "the most important and timeless statements made by this great statesman in his many, many letters, interviews, and speeches."

Mature readers, especially Democrats, well remember that Sam Rayburn (1882–1961) served as Speaker of the House of Representatives longer than any other person—almost 17 years. And for 49 consecutive years he was a member of the House, sometimes as minority leader. Mr. Sam, as he was called, never had time and was too modest—to write an autobiography, but the editors have arranged his letters and talks (his own and those to and about him chronologically, to give readers his life story from childhood and youth in Texas to his apprenticeship in state and national politics on to the realization of his long-time ambition—to be Speaker of the U.S. House of Representatives. Details of his effective leadership in times of war, depression, and reconstruction make up the greater part of the volume. Photographs of the Rayburn home and the Sam Rayburn Library, both in Bonham, and reproductions of newspaper cartoons add vividness.

Rayburn was one of eleven children and was five when his farming family moved to Texas from Tennessee. "I just missed being a tenant farmer by a gnat's whisker," he once said, displaying his sense of humor and wit. He went to a one-room, one-teacher, country school, and he credits Joseph Weldon Bailey with inspiring him to choose politics as a career. One rainy day young Sam walked to town "over a gummy road to hear Bailey's magnificient speech, which he delivered in a covered 'tabernacle' of the Evangelical Church . . . When I saw all those rich townfolk in storebought clothes, I decided to stay outside. I found an open flap and listened attentively for two hours. I can still feel the water dripping down my neck. . . . It must have been under the spell of Bailey's oratory that I decided to become some day Speaker."

Sam went to East Normal College, got a job ringing bells, moping floors. He dropped out, taught school, but always went back to Commerce, due to the influence of Professor W. L. Mayo, "one of the greatest benefactors to humankind that I have ever known."

When he was 24, Rayburn voted for the first time and ran for election to the Texas House. He was elected three times, eventually became Speaker. "I muddled through that first session as Speaker of the Texas House of Representatives by God, by desperation, and by ignorance." While in Austin, Rayburn attended classes at the Law School of the University of Texas.

In 1912, Rayburn was thirty and ran for U.S. Congress from the 4th District. His five months of campaigning paid off, and he was sworn in by Champ Clark at the beginning of the Wilson Administration.

The new Congressman called himself a conservative, and he went to work "cleaning up the mess in the Nation's front yard." Some of the laws he drafted and pushed through Congress in the second and third decades of this century included The Truth in Securities Law, The Securities Exchange Act, and the Utility Holding Company Act. In 1937 he was made majority leader, and in 1940 he was elected Speaker, "a place second only to the Presidency."

Headings of some of the 28 chapters which describe Rayburn's colorful career include Baptism of Fire (his first term as Speaker); The Truman Miracle; Kortan Conflict, Cap'n Ike and Mr. Sam; Johnson and Kennedy. One of Mr. Sam's most important acts was his saving go to the Selective Service Act just before WWII. It passed by a single vote—203 to 202. The Houston Post commented: "Before any member could change his mind, the Speaker banged his gavel and declared the result. Had the measure lost, a million men would have been discharged from the U.S. Army whose strength then was 1,400,000. The Japanese struck four months later."

"Speak, Mr. Speaker" is living history,

packed with significant quotations by and about this nation's leaders, enriched with editorial comments from newspapers. This review can only suggest content. The editors have done a superlative job. The Speaker emerges as the great person he really was.

H. G. Dulaney is director of the Sam Rayburn Library, Dr. Edward H. Phillips is professor of history at Austin College, and MacPhelan Reese, whose introductions to each chapter provide continuity and stimulate interest, is a member of the Library Staff.

Thf Sam Rayburn Library,
Bonham, Tex., October 2, 1978.

Hon. Edmund S. Muskie,
U.S. Senate,
Washington, D.C.

Dear Senator Muskie: I hope that you have received your copy of the book, "Speak, Mr. Speaker."

If you think it merits it, I would appreciate it if you will mention this in the Senate. The book sells for $12.50 and to libraries and colleges for $11.25, postage paid. Any profit made from the sale of this book goes into the Sam Rayburn Library Fund.

By the way, the book has received good reviews over the country and I am enclosing two of them.

With kindest regards.

Sincerely,

H. G. Dulaney.●

EDUCATION-WORK LINKAGES IN YOUTH EMPLOYMENT PROGRAMS

● Mr. JAVITS. Mr. President, next year the Congress will reconsider the programs authorized under the Youth Employment and Demonstration Projects Act (YEDPA) enacted originally in 1977 as Public Law 95–93 and recently extended in Public Law 95–524—the CETA amendments—through fiscal year 1980.

There are, as my colleagues know, many important provisions included in YEDPA, all aimed at developing new approaches to preparing unemployed and disadvantaged young people for work. YEDPA was the product of a strong bipartisan effort of the 95th Congress, which included, in the Senate, Senator Williams and myself, respectively the chairman and then ranking minority member of the Human Resources Committee—I was and continue to be also the ranking minority member of the Subcommittee on Employment, Poverty and Migratory Labor—Senator Nelson, as chairman of that subcommittee; the late Senator Hubert Humphrey; Senator Randolph and Senator Stafford, respectively the chairman and the ranking minority member of the Public Works Committee, and Senators Baker and Bellmon, Domenici, McClure, and others. And in the House, we had the benefit of great contributions from among others, Representative Hawkins, Representative Perkins, Representative Quie, now Governor of Minnesota, and Representative Sarasin. We had the benefit of very close cooperation between the White House and the Congress in formulating the YEDPA bill and most agreed that the result, an amalgam of different ideas and approaches, represented our then-current best thinking on the employability development of low-income youth.

Among other matters, I focused my attention on drafting provisions that would encourage greater collaborative efforts between local CETA officials and local education agencies. For some time I have believed that we need to provide incentives for manpower and education to work together to design programs that would facilitate the transition of young people from school to work.

Accordingly I proposed that a percentage of the allocated youth employment and training program (YETP) funds be setaside by prime sponsors, to be earmarked for programs for in-school youth. Programs under this authority were to be operated jointly by local education agencies and CETA prime sponsors, thereby combining the best of both institutions in preparing youth for the world of work. I hoped we could have an expansion in locally initiated education/work programs for disadvantaged youth as a result of this idea, perhaps along the lines of work/study/training for secondary school youth.

In the President's budget for fiscal year 1980, the administration has requested increased budget authority of some $300 million, or about 60 percent, for the YETP programs, of which the so-called Javits 22 percent set-aside is an integral part. This means that significant new funding will be available in fiscal year 1980 for the jointly administered in-school youth work/study programs.

In my judgment, reported experience under this program since 1977 demonstrates that the greater budget authority is fully justified by the effectiveness of these programs. The National Council on Employment Policy, which has been reviewing the implementation of YEDPA since its inception, published a report on the CETA-LEA agreements late last year which is most instructive on the subject. In addition, the Labor Department's Office of Youth Programs, which is ably headed by Robert Taggart, has looked at the experience with CETA-education agency relationships under YEDPA.

Mr. President, since both of these reports are so helpful in gaining a greater understanding of both the need for improving the linkages between education and work and of our experience under YEDPA, I ask that appropriate excerpts be printed in today's Record.

The material follows:

Improving Job Opportunities for Youth: A Review of Prime Sponsor Experience in Implementing the Youth Employment and Demonstration Projects Act

(By Gregory Wurzburg)

"Improving Job Opportunities for Youth" is taken from The Unfolding Youth Initiatives: Prime Sponsor Experience in Implementing the Youth Employment and Demonstration Projects Act. That report consists of case studies, prepared by 10 Field Associates under subcontract to the National Council on Employment Policy, and an overview prepared by Gregory Wurzburg, Project Director for the evaluation.

The Unfolding Youth Initiatives is the second in a series prepared for the National Council on Employment Policy, under contract with the Employment and Training Administration, U.S. Department of Labor. The Field Associates and Project Director are encouraged to express their judgments freely. The observations and analysis in that report are their own.

Preparation and dissemination of "Improving Job Opportunities for Youth" was also supported, in part, by an ongoing grant from the Ford Foundation to the National Council on Employment Policy. The observations and analysis, while based on the case study findings, are those of the author.

For readers interested in referring to the individual case studies, a limited number of copies of the full report is available from the Office of Policy, Evaluation and Research in the Employment and Training Administration, U.S. Department of Labor, The Report code is MEL 78–13.

The National Council on Employment Policy is a private nonprofit organization of academic who have a special interest and expertise in the area of manpower. The Council is primarily concerned with furthering research on employment and training problems and assessing related policy issues.

This evaluation was reviewed by the Youth Evaluation Committee of the Council, but does not necessarily represent the views of the Committee members or the Council members.

Curtis Aller, San Francisco State University.

Bernard E. Anderson, Chairman, University of Pennsylvania.

Vernon Briggs, University of Texas.

Rupert N. Evans, University of Illinois.

Rashi Fein, Harvard University.

Marcia Freedman, Columbia University.

Charles C. Killingsworth, Michigan State University.

Sar A. Levitan, Chairman, Executive Committee, The George Washington University.

Garth L. Mangum, University of Utah.

S. M. Miller, Boston University.

Marion Pines, Baltimore Metropolitan Manpower Consortium.

Michael Piore, Massachusetts Institute of Technology.

R. Thayne Robson, University of Utah.

Philip Rutledge, National Institute of Public Management.

Phyllis A. Wallace, Massachusetts Institute of Technology.

Gregory Wurzburg, Executive Director.

On Leave:

Eli Ginzberg, National Commission for Manpower Policy.

Ernest Green, U.S. Department of Labor.

Juanita Kreps, U.S. Department of Commerce.

Ray Marshall, U.S. Department of Labor.

William J. Spring, The White House.

SUMMARY AND RECOMMENDATIONS

The experience of prime sponsors so far suggests, on balance a significant record of success in implementing YEDPA and achieving its goals. Local experiences also suggest some measures that might be pursued at the federal and local levels in order to improve performance even more.

(1) *Knowledge Development.* YEDPA marked a new emphasis on prime sponsor involvement in evaluation, research, and demonstration activities. The stress on creating a new prime sponsor role in these areas naturally brought with it a need for a great deal of guidance. It also brought with it the realization that in the first year accomplishments would be limited. On the positive side, it appears that many prime sponsors did increase evaluation activities. A minority tried out new approaches, directly in response to the call for knowledge development. A handful attempted structured local experiments. It is almost certain that these types of activities were far more prevalent than they would have been in the absence of the emphasis on local knowledge development. These developments may help prepare a base for absorbing the lessons of nationally directed discretionary knowledge development activities. They may also lead to improvements locally.

It is doubtful, however, that local knowledge development activities will substantially improve overall understanding of youth problems and programs. There is uneven capacity among prime sponsors to undertake this function. There continues to be a good deal of confusion about the substance and form that knowledge development should take. The Department of Labor provided too little guidance about how prime sponsors might approach knowledge development. In the face of the ambiguous, open-ended knowledge development requirements, many prime sponsors did very little, or tried only to respond to what local officials thought that DOL officials wanted. Others attempted to set up excessively sophisticated research projects that, by attempting to do too much, probably will accomplish very little.

The Department could remedy this situation by providing more technical assistance, directly to prime sponsors, or indirectly, by facilitating communication among prime sponsors. The Department should also assure that there is some minimum degree of agreement among the regional offices, with respect to what knowledge development is, and what is allowable in the name of knowledge development. Further guidance on knowledge development should encourage a link between what is being labeled as "knowledge development," and other evaluation/monitoring activities.

(2) The site reports suggest that supervision and job enrichment have been given heavy emphasis by CETA prime sponsors; to the extent that these factors affect the impact of work experience, the new youth programs have produced major improvements. YCCIP, which was designed as a well-supervised work experience with limited enrichment, has been linked with other programs to provide more than work experience alone.

Under YCCIP and YETP, prime sponsors are giving much attention to career exploration for youth through actual work experience and through more structured occupational information channels. The accent on placing youth in career-related jobs is proving to be impractical. Some youths have not thought about career plans. Others have either, what might be considered unrealistic plans, or plans for jobs that do not fit in with the youth jobs that are available. The emphasis on career-related jobs is also premature for many youths, in the sense that they have only the vaguest notions about the world of work. Before they can appreciate the differentiating details of different kinds of jobs, they need to understand the common requirements of all jobs.

On the other hand, vocational exploration classes and counseling seem to be more effective mechanisms for providing exposure to different career options. To the extent that career exploration is emphasized, prime sponsors should be encouraged to provide it through counseling and classroom experience. The highest priority in any job development campaign should be on work experience that teaches, at a minimum, basic work habits, and the importance of those habits.

While prime sponsors have increased emphasis on private sector linkages, and while their efforts have had positive effects in few cases, continued emphasis is needed. Prime sponsors should be encouraged, more than they are already, to attempt to establish a strong bond with private sector interests. More practically, they should be encouraged to evaluate job slot development plans with reference to how much of what is learned in a certain job is transferrable to private sector employment.

(3) Prime sponsors have followed the regulations requiring youth membership on youth advisory councils. However, the advisory council appears to be a poor vehicle for increasing youth participation in prime sponsor affairs. The councils themselves are often mere figureheads, and youths on the councils are not participating very much. Some sponsors are experimenting with alternative modes of participation, and are enjoying some degree of success.

Although Departmental guidance on increasing youth participation is not limited to youth advisory councils, there should be more emphasis on prime sponsors experimenting with other forms of participation.

(4) The YEDPA legislation provides prime sponsors with a degree of latitude in choosing who to enroll in youth programs. However, the Employment and Training Administration has gone beyond the legislation in emphasizing targeting on youth most in need. Prime sponsors have responded positively, by consistently aiming services for economically disadvantaged youths. There may be some force of habit in effect, but local pressures for serving those most in need are also persuasive. Enrollments should be monitored to see whether prime sponsors continue to concentrate on serving economically disadvantaged youth. If/when there is a shift in targeting, further monitoring should be undertaken to determine whether there is a reasonable basis for such shifts.

Prime sponsors are seriously underenrolling females in YCCIP projects. It is not clear whether this is due to relatively few females in the YCCIP applicant pool or to discrimination in job placements. In either case, prime sponsors should be encouraged to undertake more outreach activity, so that female enrollments in YCCIP can be raised.

(5) Substitution of YEDPA resources for Title I resources is not proving to be a serious problem. In fact, there has been a remarkable degree of utilization of other services and programs to enrich the youth initiatives. However, substitution of YEDPA resources for non-CETA resources could prove to seriously diminish the impact of the new funds. There is little that can be done, legally, to control that kind of substitution. But where legal recourse is limited, moral suasion might be more effective.

One way to increase the interests of local sponsors and non-CETA institutions in minimizing substitution is to give them a stake in the action. This, unfortunately, is easier said than done. Sponsors are already being encouraged to build links with other agencies and private sector interests. But this should be pushed even more, on the grounds that a broader local base of participation will better assure a broader constituency interested in stretching YEDPA resources to the maximum. It would be naive to assume that a coherent sense of purpose among many players could be developed, or that this alone will prevent substitution. But since the substitution phenomenon is so nebulous and difficult to control at times, more effective solutions may not be feasible.

(6) Community based organizations are thoroughly involved in the youth program delivery matrix. Although performance differentials are hard to detect, the CBOs do broaden the base of local participation. The current provisions giving them special consideration in the selection of program delivery agents, and including them in the planning process should be retained.

(7) YEDPA shows promise for altering institutional roles and relationships at the local level. The role of local schools is central to this effort. In spite of the rushed implementation, CETA–LEA agreements have been negotiated and programs are in place. Even in areas with little history of CETA–LEA cooperation, the separate CETA and LEA communities are talking with one another, and joint efforts are underway. Nevertheless, there are some obvious limitations on how much change the Department of Labor can leverage in LEAs, by using prime sponsors. LEAs are not accustomed to receiving guidance from CETA prime sponsors. Under the best of conditions, prime sponsors can hope to affect local education policy only marginally. In some of the worst cases, LEAs and sponsors do not speak at all.

For these reasons, the Department of Labor should explore alternate channels for affecting education decisionmaking at the local level. Until those other channels for communication are identified and utilized, many schools will fail to meet the needs of youths who could otherwise be served under cooperative arrangements with LEAs and prime sponsors, even through the LEAs alone.

One of the significant patterns that seems to be emerging is the presence of LEAs where CETA-private sector links exist. It is possible that LEAs may provide the missing piece necessary to complete productive relationships between public sector CETA agencies and private sector employers. The Department of Labor should examine CETA activities that involve private sector ties, to see whether LEAs play an integral role. The Department should also study some of its exemplary CETA–LEA projects to evaluate their private sector links where they exist, and to estimate the feasibility of such links where they do not exist.

THE NATIONAL PICTURE

The Youth Employment and Demonstration Projects Act was enacted to serve a number of ambitious goals, including institutional change and sound experimentation. But perhaps the most persuasive reason for passing YEDPA was the interest in reducing unemployment among youth, among minority youth in particular. Once YEDPA became law, there was a strong national pressure for creating a great number of employment and training opportunities over a relatively brief period of time.

Given the scale and complexity of the new youth programs, the pace of YEDPA implementation represents a major accomplishment. Between December 1977 and June 1978, 225,000 employment and training positions have been created for youth under YEDPA; 20,700 under the Young Adult Conservation Corps, 19,200 under the Youth Incentive Entitlement Pilot Projects, 163,900 under the Youth Employment and Training Programs' formula funded efforts, 17,400 under Youth Conservation and Improvement Projects' regular programs, and an estimated 4,000 with discretionary YETP and YCCIP money. The job creation effort already comes close to equalling in numbers, and will soon exceed the two and one-half year build up of in-school and out-of-school Neighborhood Youth Corps activities in the 1960s.

This rapid expansion was not achieved without a great deal of stress, particularly for prime sponsors trying to complete the public service employment expansion. The internal complexity of YETP and YCCIP, and the interfaces that they mandate between prime sponsors and other local institutions, exacerbated the inherent difficulties of program implementation. Prime sponsors experienced delays in getting local plans completed and approved. The process of negotiating agreements with local education agencies was frequently a protracted one.

TABLE 1.—END OF MONTH ENROLLMENTS FOR YEDPA (DOES NOT INCLUDE ENROLLMENTS IN PROJECTS FUNDED WITH YCCIP AND YETP DISCRETIONARY FUNDS)

	Month (1978)					
	January	February	March	April	May	June
YETP	18,917	50,014	88,771	122,928	154,635	163,900
YCCIP	1,807	5,569	10,645	12,073	15,251	17,400
YIEPP	INA	INA	8,712	15,566	22,000	19,200
YACC	8,159	9,598	11,409	12,851	16,540	20,700
Total	INA	INA	119,537	163,418	208,426	221,200

Some prime sponsors met the December start up date originally set by the Department of Labor. But although overall program enrollment has lagged by those early ambitious standards, enrollment should be considered good by any other standards. It might be considered ideal, in light of recent shifts in national policy which deemphasize spending on employment and training programs for youth.

Because many prime sponsors did not begin implementation until late winter, end of quarter enrollments recorded on March 31st were low, for YETP especially. They were 69 percent of plan for YCCIP and 53 percent of plan for YETP. But the apparent poor showing is mitigated when the basis for the planned enrollments is considered.

YEDPA was authorized for one year when it was enacted in August, 1977. It was funded initially for $1 billion, as part of President Carter's economic stimulus package. A supplemental appropriation of $500 million was anticipated, and so enrollment projections were based on spending a total of $1.5 billion by the end of fiscal 1978, which could then be maintained in fiscal 1979.

However, in the face of national unemployment edging downwards, prime sponsor delays in implementing YEDPA, and the almost certain extension of the Youth programs beyond September, the $500 million supplemental appropriation was never made. But prime sponsors were instructed to retain their enrollment plans, using money saved by slow implementation to build enrollments in the latter part of the year.

In the period from March 31st to April 30th, prime sponsors continued their buildup. By the end of April, they were 71 percent of plan for both YCCIP and YETP. But by then, many prime sponsors were expressing concern over funding beyond September 30, 1978.

Late in the spring, the Department of Labor, reacting to budget revisions for fiscal 1979, reversed its emphasis on pushing prime sponsors to spend all their funds in fiscal 1978. Since then, the Office of Youth Programs has advised the Department of Labor regional offices to revise downward overall prime sponsor spending to 73 percent of the fiscal 1978 allocations. Enrollment targets reflecting this recent development have not been formulated yet. But, although actual enrollments were far short of planned enrollments, prime sponsors reacted quickly. In June, the YCCIP and YETP enrollment increases were less than a fifth of the May increases.

Field work for this interim report was cut off before prime sponsors had reacted to the mandate for a lower spending level. Consequently, the material that follows does not report on the adjustments individual sponsors made. It is impossible to say whether the sudden drop in enrollment growth is due to policy changes or to a natural leveling off process that occurred as prime sponsors approached their targets. In fact, it appears that the impacts of this on-again, off-again approach were probably minimized because enrollments in most prime sponsor areas were below plan. Early pressure was needed to get them to the 73 percent spending level. Certainly, however, the mixed signals have not contributed to orderly planning. The case studies do report on how particular prime sponsors reacted to earlier DOL directives, and the shape that local activities have taken so far.

CHANGES IN INSTITUTIONAL RELATIONSHIPS

The isolation theme is persistent in elements of youth employment problems: isolation of schools from employers, isolation of youths from school, isolation of the CETA system from schools, and isolation of youths from work. The toll of this isolation is high. Schools and employers have faulty perceptions about what each other does, and have unrealistic expectations about what each other might do for students. Youths too frequently have unrealistic career goals, have few ideas about how to fulfill the realistic ones, and have distorted views of employment and the world of work. Economically disadvantaged youth suffer the effects of isolation even more. Frequently concentrated in substandard schools and in labor surplus areas, an education leaves them with nothing more than a diploma, and little prospects for decent employment.

The isolation theme is significant for what it implies about the real impact that schools, employers, and youth themselves can have on the problems of youth employment, when they act alone. Singly, they can do very little. CETA can have little luck with job development and placement programs for persons who cannot read. The most civic minded employer will go bankrupt hiring unskilled and uneducated workers for jobs demanding persons skilled in crafts. The most advanced high school is bound to perform poorly in placing youths in jobs if it does not heed the needs of employers.

Recognizing the gulf separating important players with a role in solving youth employment problems, the Congress and the Department of Labor have fashioned YEDPA as a tool for institutional change. Provisions in YETP and YCCIP were designed, not just to improve the capabilities of schools and the CETA establishment to provide more support *within* their systems, but to encourage the kinds of institutional interaction necessary to facilitate the transition for youth between educational institutions and employment and training establishments, and employers and the world of work. Furthermore, prime sponsors are encouraged to establish linkages with unions and private businesses for providing services and for providing jobs. Plans for these linkages are supposed to be included in prime sponsor youth plans.

The biggest emphasis on institutional linkages, though, is between local education agencies (LEAs) and CETA prime sponsors. Although YEDPA sponsors did not presume a total absence of CETA-LEA cooperation, they did presume that in most areas, linkages were incomplete. To foster institutional ties, a minimum of 22 percent of each sponsor's YETP allocation is reserved for programs operated under the authority of agreements between prime sponsors and LEAs. Sponsors are additionally encouraged to gain cooperation of LEAs in arranging for academic credit for YETP and YCCIP work experience.

In the first report on YEDPA experience at the local level, prime sponsors, almost universally, were found to be interested in, and in the process of arranging CETA-LEA agreements. By mid-spring, details of most of the agreements had been resolved, programs were in place and they were operating. However, all has not been smooth sailing from there. Developing and implementing the LEA agreements has raised many problems. There are question marks about next year. Much stands in the way of a fully productive relationship between local CETA agents and the LEAs, although some significant first steps have been made.

MAKING THE CONNECTION BETWEEN CETA AND LOCAL SCHOOLS

Cooperation between prime sponsors and local schools is not an untried concept. In many areas, there is a history of joint efforts that pre-dates CETA. CETA sponsors in Chicago and Cook County have been talking and working with educators there for years. The school system in both areas has acted as program agent many times. The same is true in Atlanta, Marin County, San Francisco and Oakland to name a few. Some schools are as tuned into CETA as the prime sponsors. In Detroit, one CETA official noted "[t]he Board of Education knew how much YEDPA money we were getting before we did." (Peter Kobrak, Page C–40).

Most prime sponsors, however, started with no established links. They and their respective local schools had operated in relative isolation, in spite of their supposed common interest: preparing youths for adulthood. A few primes started with strikes against them: a history of bad feelings between prime sponsors and LEAs. School districts in Sonoma have been hostile towards CETA for years and have shown little inclination to serve some of the prime YEDPA targets: dropouts, potential dropouts, and other problem youths. There were bad feelings between LEAs and the CETA office in Charlotte arising from a scandal over the misuse by a few individuals of CETA summer funds.

In cases where there have been few precedents for CETA–LEA cooperation, the substance of the agreements is still at a very tentative stage. Policy seems to have taken a backseat for the moment, to more pressing operational matters of hammering out the framework for LEA agreements, appointing persons to administer programs and identifying and enrolling program participants. As the programs encompassed by the agreements are established, there is certain to be more attention to the large policy issues. Then changes may be made. This is not to say that joint CETA–LEA activities are devoid of substance. Some have been carefully considered. But some of the policy issues behind the interest in institutional change have not been very well articulated by local planners, and change appears to be, to some extent, the product of chance.

In a few areas, officials seem to have a grasp for the significance of strong links between the manpower establishment and the education establishment. In North Carolina, the full State Board of Education and the North Carolina Employment and Training Council sat down together for the first time ever. Governor James Hunt took part in the meeting, urging cooperation "to help coordinate a state-wide effort to forge an unbroken link for youths between school and work." (R. C. Smith, Page H–19). Schools in North Carolina Balance of State are receiving approximately 60 percent of the sponsorship's YETP allocation. The Balance of State prime sponsor is also closely monitoring LEA activities and is pushing joint program activities and services tied to other CETA programs. The state has also gone so far as to include a provision explicitly prohibiting LEAs from supplanting YEDPA funds for state or local funds.

Sensitivity to the need or to the potential for closer CETA–LEA ties is not universal, however. The first reaction of the Oregon State Department of Education to one county's proposal for augmenting its CETA–LEA project was discouraging. The State Department of Education objected to a proposal for a career exploration and experience component. As a departmental committee put it, the objection was based ". . . not so much on the proposal itself as on the involvement of CETA in the project." The feeling was that such a connection "endangered the possibility of program success, and greatly limited its transportability." (Bonnie Snedeker, Page I–18). After some strong reaction to the committee report, a new letter was issued, retracting the earlier statement and affirming the belief of the department and the committee that "such linkages to various segments of the community are vital to vocational education in the state." (Bonnie Snedeker, Page I–18).

For the most part, there was an absence of a persuasive state role either encouraging or hindering LEA connections with CETA. The forum for establishing the CETA–LEA contact was usually at the local level, or between local (or county schools) and balance of state CETA offices.

Keeping in mind the usual cautions against generalizing about anything as decentralized and decategorized as CETA and the educational system, some patterns do emerge from the CETA–LEA experience so far. CETA–LEA agreements fall into two general groups. Those that set up LEAs as relatively autonomous program agents, and those that set up the LEAs as integral cogs in a coordinated system attempting to ease the transition of youths from school to work. The implications for institutional change vary between the two groups.

One characteristic of the autonomous LEA program agents, is the lack of concern for dropouts or graduates who lack even basic reading and math skills. Many of these persons find themselves getting little out of CETA job training, because of their poor education history. A hope of YEDPA sponsors was that CETA–LEA agreements would be instrumental in providing this population with a second shot at basic education opportunities. Frequently, this is not happening within the independent LEA programs. They are limited to expanding services or providing new services to students already within the school system. Marin County schools, receiving 40 percent of the county's YEDPA allocation, is focusing entirely on students, because both the LEA and CETA officials feel in-school youth have been shortchanged. Part of the rationale, however, in concentrating on in-schoolers is to prevent dropouts. Schools in the Grand Rapids consortium, receiving nearly half of the YETP allocation, are serving only current students. Dropouts go through a different channel and are served by community based organizations. A similar approach is followed in Kalamazoo. The comments of one Kalamazoo CBO staffer imply that the schools will continue the pattern: "Once he's out of the system, the schools feel that he's not their problem anymore." (Peter Kobrak, Page C–46).

By concentrating on students still in the system, it is not clear that the LEAs running autonomous programs are contributing in any substantial way to achieving the broad goal of encouraging change in institutional relationships, or the more specific objective of bringing youth back to school. They do not appear to be doing much to change the nature of the institutional linkage between schools and employers, nor are they systematically complementing the service capability of prime sponsors.

However, even where schools are running relatively autonomous and isolated programs, there is solid evidence that there is at least one internal institutional change: the emphasis on bringing economically disadvantaged students into the mainstream of ongoing programs. The YETP-targeted youths are being included in career exploration, vocational training, and cooperative/distributive education programs in which they had not been participating before. The danger—and this will bear watching—is that schools will just go through the motions of enrolling them without taking the effort to provide the extra services these youths may need. If the schools have the capability and the interest in providing extra support, the newly enrolled youths may succeed. Some schools do show signs of taking this commitment seriously. Many schools are first providing youths with counseling and guidance services, and some work experience before they place them in more demanding cooperative education programs. But for the schools lacking the capacity to handle the special needs of some underachievers, the isolation from the extensive CETA support services may prove fatal to the effort.

In some areas, prime sponsors and schools are working out agreements that reflect a team approach. The implications for institutional change in those cases seem much more promising. Sometimes this strategy is deliberate. The Muskegon consortium requires all its contractors to enroll a proportion of dropouts, with the idea that they can be brought back into the educational system. The larger CBO contractor there is placing enrollees in a summer school program. One of the schools is enrolling dropouts in its Adult Education program. One of the consortium goals is to start dropouts in high school completion programs in September. The careful attention of the consortium's administrators to the role of LEAs as more than autonomous contractors provides promise for a comprehensive education-employment-training network for youth.

In other areas, that kind of network appears to be developing, but it appears to be more as a function of chance. In Sonoma County, there is a history of hostility between the school districts and CETA. Furthermore, the schools have not served potential dropouts well, and have ignored the plight of dropouts and problem students. This is showing signs of changing. Sonoma has a new CETA administrator, and the LEA agreement appears to be bringing schools and the CETA establishment together. The Coos County Intermediate Education District in the Oregon Balance of State prime sponsorship is developing a new program model linking high school occupational curricula to a program of career employment opportunities. The program, designed for high school dropouts and other non-students, consists of two components: enrolling youths in high school, GED programs, or community colleges, and placing them in individualized work experience slots. Portland school districts are running a work experience program for in-schoolers and out-of-schoolers, that steers dropouts towards reenrolling. Drawing on a history of earlier cooperation with the prime sponsor, the schools are also offering extensive career development assistance services.

In areas like Portland, it appears that the kind of CETA–LEA linkages that national policymakers are hoping for, are already well on the way to being forged. In other areas, prime sponsors and LEAs seem a little further back in a process that could lead to substantially new relationships between the two. But a blueprint for change is lacking. In Cook County, for example, it appears that the prime sponsor is not succeeding in developing a jointly sponsored comprehensive system of service delivery. Despite prime sponsor encouragement to have the schools serve dropouts, only 1 out of the 5 agreements available for study provided for any services to dropouts. Only 1 of the other 4 was geared to provide remedial education. Neither prime sponsors nor LEAs are providing much leadership for strategic planning. Where leadership is present, the LEAs and/or prime sponsors are experiencing little success in steering other players towards building a system of complementary services. This syndrome—so prevalent among the prime sponsors included in this study—appears to be characteristic of first year operations. The notion of a blueprint for overall strategy may be premature. In the press to implement a large and complex program, prime sponsors and LEAs alike were swamped with a host of administrative demands. The development of LEA agreements consumed a great deal of time, and some prime sponsors used up the reservoir of good will just getting their feet in the door. They were not in the position to pursue some of the larger policy objectives that entailed complicating the already confusing administrative maze. In short, some of the goals national policymakers have attached to CETA–LEA agreements will have to wait. But with schools and CETA officials at least on talking terms, further refinements in the specific provisions of CETA–LEA agreement seem much more feasible now then they did a year ago.

Although progress to date, and the potential for further progress, is encouraging, prime sponsors and LEAs have encountered some common problems in negotiating CETA–LEA agreements: distrust, differences in standards, differences in perspective, and differences in organizational objectives. They are the kinds of differences inherent in the nature of changing institutional relationships. Short of changing human nature, there is little that can be done about many of these difficulties. They are part of the "ordeal of change."

There were also the inevitable time pressures that prime sponsors find themselves working with whenever a new CETA program is established. The planning process was telescoped into a few weeks and prime sponsors had to advertise for program contracts, review bids, and select performers, in a short period of time. Adding to the misery of prime sponsors were other CETA mandates, such as expanding public service employment quickly. Many also found it politically dangerous to ignore opportunities to apply for YEDPA discretionary money and YIEPP grants. Nearly all prime sponsors passed their deadlines for negotiating LEA agreements, with nothing on paper. The sponsors themselves were too busy, and the LEAs were not accustomed to moving quickly. Yet in spite of the difficulties and delays, the agreements have been completed for the programs ending September 30, 1978.

Negotiating details for the following year should prove easier in many respects. Prime sponsors will be contending with ongoing programs, and some basic formats for LEA–CETA cooperation have been established. The first year's experience, however, has highlighted some basic problems. They all trace back to the incompatibility between the prime sponsors' federally-linked program year and the LEAs' school year.

CETA runs on a fiscal year beginning October 1st. Schools usually operate on a fiscal year starting January 1st or July 1st. They also have an academic year that runs from September to June. The differences in the calendar have led to a number of problems. First, schools have difficulty hiring qualified persons they would otherwise be able to pick if the planning years were compatible. As it stands now, a school employee working in a YEDPA job must risk being out of work from October through December (or June, depending on the school's fiscal year) if YEDPA funding does not come through in October. Some schools are gambling, hiring persons, with commitments to keep them at least into January. This approach gives them more programming flexibility and permits greater program expansion. But any interruption in funding would be very disruptive, forcing layoffs and effectively isolating the new programs.

Other schools are not risking those hazards, and are instead, simply adding the YEDPA load to current teaching, counseling, and administrative loads. By using the same persons in the YEDPA activities as are in regular school programs, the latter strategy sometimes assures better integration of employment and education programs. But in the schools where employees already have heavy workloads, the extra burdens represent a hardship for teachers, counselors and administrators, and force them to give too little attention to YEDPA enrollees. Local decisionmakers have to balance the strengths and weaknesses of the minimal change approach, with the high costs of errors that are inherent in the former strategy.

Another problem arises from the lengthy lead-time that schools take for programming and budgeting. For example, schools in Muskegon and Kalamazoo traditionally complete planning in early spring—just as YEDPA planning for fiscal year 1979 was starting. This is leaving little time for careful program development.

Schools are also encountering difficulty in coordinating class schedules for in-schoolers participating in YEDPA. Schedules for the fall semester are made up in the summer or spring, before YEDPA work and service schedules can be established. The summer vacation schedules for school personnel complicate the problem. This means that schedules must be juggled after the semester starts, a difficult and time consuming task.

In many areas the difficulty of synchronizing YEDPA activities to the school year is not expected to be a serious problem. In some areas, though, it is dimming the prospects of any joint efforts by prime sponsors and the schools. One CETA official noted emphatically: "It could be the difference in the long run between YEDPA's success and failure." (R. C. Smith, Page H-20).

CETA AND THE PRIVATE SECTOR

CETA has been criticized frequently for its emphasis on the public sector: training enrollees for public sector jobs and placing jobless persons in public service employment. With five of every six jobs being in the private sector, there is merit to the criticism. In fact, no one has deliberately stood in the way of CETA-private sector cooperation. There is great sentiment among CETA supporters at the national and local levels, favoring a closer prime sponsor tie to the private sector—businesses and unions. But neither labor market conditions nor the institutional orientation of CETA, on one hand, or private employers, on the other hand, have fostered much cooperation.

YEDPA was written to encourage prime sponsors to change their orientation, making them more attractive, and receptive, to private sector interests. The first interim report of YEDPA at the local level demonstrated that prime sponsors are taking the initiative; but that private sector interests for the most part, are not responding. There has been no dramatic change since that time. Neither does there seem to be much promise for any breakthrough, similar to the breakthrough with LEAs that now seems possible.

However, there is scattered evidence of some genuine contact, dialogue, and action. The progress is hardly a quantum leap, but it could presage the kind of modest, undramatic breakthrough that will mark change on this front. In Durham-Orange, local employers and other private sector representatives are cooperating with the prime sponsor and the local schools, in putting together a resource directory of experts to be used for career planning. In Cobb County, the training contractor, Industrial Technology Career Center, is associated with Lockheed. It is hoped that the connection may improve private sector placements in general. The City of Portland is contemplating buying training for CETA participants from major firms in the area. The Mayor of Portland is actively involved, trying to persuade corporate executives to back the youth programs. Two projects in Oregon have had substantial success with private businesses. In one project, half the YETP enrollees are in private sector OJT slots, thanks to an ambitious selling job by the project counselor. A YCCIP solar heating project has had the effect of stimulating private investment in the solar heating business. The new commercial activity should be able to absorb the YCCIP enrollees ready for placement in unsubsidized employment. In Lane County, LEA staff are expecting to be able to develop OJT contracts and to place YETA enrollees in private sector jobs. The feeling among LEA staffers is that they will have more success than the CETA system alone, ". . . because they represent a stable mainstream institution." (Bonnie Snedeker, Page I-19).

There may be a degree of bias in the judgment of the Lane County educators. But, it seems significant that so many of the cases of private sector links involve schools. This may be one more spillover from progress on the CETA-LEA front.

With a few notable exceptions, unions remain only peripherally involved with YEDPA. San Francisco's largest YCCIP project was union initiated and is union supported. It is a Painters' Apprenticeship program which would appear to have potential as a model, were it not for the fact that the conditions there, especially the union interest, seem to be more the ideal than the norm. In Oakland, after some initial union resistance, there is union support for its YCCIP programs. The unions plan to submit proposals for their own YCCIP project in FY 1979. However, unions, for the most part, continue to provide little affirmative support for YEDPA at the local level. More often than not, they make themselves heard only when their interests seem to be threatened.

The connections of YEDPA-related programs to private sector interests still have a long way to go. Private employers are frequently suspicious of CETA red tape. Child labor laws and insurance regulations frequently make it more difficult to hire youths, and put a damper on the willingness of private employers to get involved. Of course, the effects of a sluggish economy are critical. One attempt in Clark County to develop ten on-the-job training positions failed because no commitments could be made. But some basic institutional prejudices persist and also stand in the way of progress. An LEA project in Cook County that was going to rotate youths through private sector jobs was rejected by the DOL regional office. An industrial representative who was chairman of one youth planning council, resigned when state and federal officials told him that the youth programs were intended only to provide economic relief and assure constructive use of enrollees' time. The officials were not interested in his thoughts, as a representative of that area's largest employer, about what youths need to prepare themselves for employment.

Where biases like these persist in the CETA establishment, the youth initiatives can have only limited impact as tools for forging closer private sector links.

IMPACTS OF YEDPA ON EDUCATION/CETA RELATIONSHIPS AT THE LOCAL LEVEL: FIVE CASE STUDIES

AN OVERVIEW

The Youth Employment and Demonstration Projects Act (YEDPA) seeks to improve cooperation and coordination between the education and employment and training systems in order to better integrate work and education, to improve the quality of in-school programs, to encourage school completion and to ease the transition from school to work.

Under the Youth Employment and Training Programs (YETP) section of YEDPA, which provides funds to Comprehensive Employment and Training Act (CETA) prime sponsors throughout the country to provide comprehensive services for youth, specific linkages are mandated. Not less than 22 percent of the funds allocated under YETP to each prime sponsors is to be used for programs for in-school youth under the terms of agreements between prime sponsors and local education agencies. Further, the law states that no program of work experience for in-school youth shall be supported under YETP unless there is an agreement which shall "set forth assurances that participating youths will be provided meaningful work experience, which will improve their ability to make career decisions and which will provide them with basic work skills needed for regular employment."

The regulations further delineate this mandate by defining LEA's and outlining broad parameters for these agreements. The local education agency is defined as "a public board of education or other public authority legally constituted within a State for either administrative control over, direction of, or service to public elementary or secondary schools in a city, county, township, school district or other potential subdivision of a State."

Since these agreements are a new institutional feature and the format is not specified in the law, the regulations leave considerable flexibility. Prime sponsors with more than one LEA have the responsibility for allocating funds among them. The prime may work with only one, or several LEA's independently, or a consortium. The agreements may be financial or nonfinancial.

The format for the agreements is relatively open-ended. They are to describe activities, services, and delivery approaches, to guarantee that there will be no substitution for existing funding, to assure that job information, counseling, guidance and placement services are provided with any work experience activity, and where possible, to provide a policy framework for the awarding of academic credit for competencies derived from work experience. A technical assistance guide was prepared to suggest some possible considerations and elements for CETA/LEA agreements. This was the result of extensive consultation with educators and officials in HEW. To provide an incentive for cooperation, $15 million of YETP discretionary funds were also set aside for competitive grants to prime sponsors for exemplary in-school programs.

The effectiveness of YETP in promoting coordination and cooperation at the local level between the education and employment and training systems, as well as YETP's impact on in-school programs, are being assessed from a number of perspectives:

1. YETP and YCCIP programs are being studied in a sample of prime sponsor areas on a continuing basis. LEA/CETA relationships are a major focus of the case studies. These provide descriptive and analytic information covering a range of local conditions.

2. A stratified sample of fiscal 1978 LEA/CETA agreements are being assessed to determine their content and to develop a model agreement format.

3. LEA/CETA relations are being analyzed under studies being contracted by HEW in coordination with DOL.

4. Linkage problems will be assessed by the National Association of State Boards of Education under YEDPA funding.

To supplement these assessments and to provide detailed information in a timely fashion, the Department of Labor's Office of Youth Programs and the Department of Health, Education and Welfare's Office of Education participated in onsite reviews of CETA/LEA programs in five locations. Site visits were conducted in April 1977, 8 months after the signing of YEDPA and approximately 4 months after program startup. Sites of varying program quality were selected to look at what happened with respect to development and implementation of youth programs pursuant to CETA/LEA agreements. The major question was why some communities were successful and others were not in promoting institutional change.

Based on the very limited reviews, global comments cannot be made with validity, and the following summary of impressions and findings must be considered very tentative:

1. In the five areas studied, YEDPA has contributed to improved CETA communication with the public schools. In some cases, YEDPA has provided the impetus for the communication. Even in cases where relationships were already well established,

linkages have been intensified. Four months after program startup, many of the initial apprehensions about the leverage, role and impact of prime sponsors on school programs had subsided.

2. YEDPA provides a great opportunity for the education and employment/training communities to have substantial impact on the quality of education and training for youth. In the small sample reviewed, several prime sponsors had made or at least initiated significant improvements in program quality, based on cooperation and coordination.

3. As might be expected, the cooperativeness of previous relationships, the size of the community, and the degree of prior preparation contributed to what happened in the development of CETA/LEA programs. It appears that smaller communities where staff on both sides were familiar with each other and where new program ideas had been developed but not implemented, generated the more innovative programs.

4. The lack of time for comprehensive planning and program development affected most sites. Haste affected the quality of agreements and programs. There were delays in the implementation of efforts which departed from traditional policies. There has been an evolutionary process in the months since YEDPA's implementation.

5. YETP is reaching students who would not otherwise be served. The case studies suggest that existing in-school programs linking education and work would sometimes screen out all disadvantaged youth and certainly do not reach the universe of need. The ability to hire additional school counselors and staff has contributed to the ability of schools to offer services to additional youth, particularly transitional services for students who are not college-bound. Of course, the overall number of disadvantaged youth being served in in-school programs has increased with the advent of YETP. Most school officials would like to see even broader coverage of these students.

6. Program regulations hinder the broad exposure of youth to private sector job opportunities. Most schools offer some vocational training and work experience programs for students. Some states even require that schools train students in a skill before graduation. Many of these existing programs utilize the private sector, but if they do, they frequently "cream" from the eligible population to find youth most likely to be accepted by private employers. The private sector usually offers greater opportunities for placement after graduation. If work experience is to continue for in-school participants, more consideration should be given to opening up private sector work experience opportunities under YETP.

7. The areas of academic credit, scheduling, extended school day, vacation and graduation requirements deserve much more attention. Many opportunities for youth are missed because of administrative restraints. Because of the wide variation in State and local laws, school administrators and principals, it is difficult to generalize except to suggest that much more could be accomplished if school regulations were relaxed. In many instances, it appears that school principals and staff are not certain about legal requirements, particularly academic credit for work experience and can do more to encourage and institute changes which would benefit all students.

8. Generally, most school and prime sponsor officials felt that more money was required to meet the needs of all deserving youth. Local education agencies felt that the 22 percent setaside limited their ability to negotiate for funds. Other prime sponsors wanted greater flexibility in use of funds. While a setaside of some amount appears to be useful in facilitating cooperation and coordination of programs, it has some limitations. It seems that LEA's must demonstrate effectiveness in program implementation to be in a position of greater bargaining leverage with prime sponsors.

The case studies which follow provide insights into the types of changes which are occurring at the local level. They represent the results of 2-day site visits by a two member team—one from the Department of Health, Education and Welfare and one from the Office of Youth Programs, Department of Labor. In all the sites, a standard interview instrument was used. There were interviews with CETA and LEA staff at all levels, particularly school officials involved in career information, alternate education programs and occupational training, as well as vocational educators. Worksite supervisors and participants were also interviewed. The aim was to distill a variety of perspectives on local developments and to assess them from an interagency viewpoint. Not surprisingly, there is a great deal of variability within and between sites. However, there is no question that change is occurring, that it is substantial in some cases, and that it is in the directions desired by the authors of YETP.●

ELECTORAL IRREGULARITIES IN SIKKIM

● Mr. PELL. Mr. President, this coming spring elections will be held in Sikkim, the small Himalayan kingdom that was absorbed by India in 1975.

The incorporation of Sikkim took place under highly dubious circumstances, and it now appears that the pro-New Delhi Party that controls the Sikkimese Legislature will be returned to power under circumstances as dubious as those surrounding Sikkim's loss of independence. Last fall, new electoral rolls were prepared and posted for public information. I understand close examination of those rolls reveals that the names of many eligible Sikkimese are missing while large numbers of Indians who settled in Sikkim after annexation are recorded along with family members, many of whom have never been in Sikkim.

The Indian Government is always quick to respond to critics, such as me, that the annexation of Sikkim was accomplished with the support of the Sikkimese people through a referendum. I have always disputed the fairness of that referendum, but if India wishes to have any credibility at all about the willingness of the Sikkimese people to be part of India, then it is important for India to be very scrupulous about how elections in Sikkim are conducted.

It is my hope that the Government of India will examine carefully how the Sikkimese election is being conducted and take the necessary action to insure that those irregularities that have occurred are corrected. As the world's most populous democracy, it is important for India to demonstrate that even a tiny corner of that vast nation will have a fair opportunity to choose a local government that truly reflects the will of the Sikkimese people.●

A MIDDLE EAST ALTERNATIVE

● Mr. HEINZ. Mr. President, I have recently read Steven Spiegel's article in the January issue of Commentary, entitled "Toward a Middle East Alternative," and I believe a careful reading of it will prove most useful in understanding the global implications of recent Middle Eastern events.

Mr. Spiegel in his article advocates the development of a cooperative system of those nations in the Middle East that are both closely alined with the United States and share similar interests. These countries, which would include Egypt, Israel, Saudi Arabia, and Jordan, are most concerned with the maintenance of political and economic stability within their region. Their fear of Soviet encroachment is strong and has been recently fueled by the events in Afghanistan, Iran, Turkey, and South Yemen.

Mr. Spiegel's article is most thought provoking in that it views the Middle Eastern conflict between Israel and her neighbors as only one of many issues in that troubled region that must be resolved. This article is worthy of Senators' attention and I ask this to be printed in the RECORD.

The article follows:

TOWARD A MIDDLE EAST ALTERNATIVE

(By Steven L. Spiegel)

A peculiarity of the Camp David accords is that they lend themselves to two opposing visions of the future of the Middle East. In the first vision, held by the Carter administration, the accords are a critical vehicle, but the core of the conflict in the area is the Palestinian issue and therefore an Egyptian-Israeli peace must be linked to a resolution of the future of the West Bank and Gaza. In the second vision, held by many of the administration's critics, an Egyptian-Israeli peace can stand by itself and the Palestinian issue is only one of a host of problems in the area that American policy should confront in the immediate future. To the proponents of the latter vision, a Cairo-Jerusalem rapprochement opens new opportunities for American policy and should be pursued as the basis for developing a new strategy.

In this sense the two documents which make up the Camp David accords are contradictory and coexist uneasily, for they suggest competing strategies. To the administration, Camp David presented the opportunity to produce a comprehensive settlement. When Jordan, Saudi Arabia, and the West Bankers demurred, the accords themselves became less useful and the primary aim became to protect Washington's position among pro-American Arabs and to convince them that Camp David constituted the kind of approach in which their interests could be satisfied. To the critics, Egyptian-Israeli relations were always central, not merely a step toward the resolution of other issues. The most important aim, for these observers, was to achieve a Cairo-Jerusalem peace treaty and then move to the structuring of a different order in the region.

These two positions are thus divergent in philosophy, outlook, and the policies they prescribe. They have been, and are likely to remain, at the heart of the national debate over American Middle East policy. The direction of American policy in the area, the fate of American interests, and perhaps the next American election will be determined by the outcome of the national discussion which is currently proceeding. The stakes are thus very high and rhetorical confrontation has been and will continue to be fierce.

Both sides agree as to the nature of the problems the United States faces in the Middle East: energy, Soviet encroachment, the vulnerability of pro-American and oil-rich regimes to radical assault, the Arab-Israeli conflict, the Palestinian issue, Lebanon, Iran. But each side places these issues in a different context, with a resulting difference in priorities and emphasis.

To the administration, East-West (or Soviet-American) issues are giving way to North-South (or have vs. have-not) questions in international affairs. Economic matters (both among the Western allies and between the West and the developing nations) are becoming more interdependent. The Third World's claims against the West for a greater share of wealth must be taken seriously and accommodated. As the President put it at the 1977 Notre Dame commencement, in his most significant foreign-policy address thus far: "We know that a peaceful world cannot long exist one-third rich and two-thirds hungry."

The administration's Middle East policy follows from this view of the world. The emphasis on economic factors and Third World ideology leads to a diminished focus on the Soviet threat and a heightened concern that anti-American regimes or movements may undermine pro-American oil producers. For the first time since World War II, an American administration sees energy and not Moscow as the central global challenge facing the United States in the Middle East.

Given Saudi Arabia's crucial world role in energy and finances, this perspective leads to a strong reliance on Riyadh as the linchpin of American policy. Saudi Arabia is closely associated with the United States, but the common view is that Washington's failure to resolve the Arab-Israeli conflict will lessen Saudi interest in the American connection and also unleash radical forces (particularly Palestinian) against the regime in Riyadh. The way, then, to keep the Saudis satisfied and safe (and therefore to keep the energy problem manageable) is to resolve the Arab-Israeli conflict. Such a settlement must, in this view, include a major resolution of the Palestinian question. As Zbigniew Brzezinski wrote in 1975: "It is impossible to seek a resolution to the energy problem without tackling head-on—and doing so in an urgent fashion—the Arab-Israeli conflict. Without a settlement of that issue in the near future, any stable arrangement in the energy area is simply not possible." And since the Palestinians have become a rallying cry for "progressive" Third World forces at the UN and elsewhere, this orientation fits neatly into the general conception of world affairs prevalent among the Carter team.

This Weltanschauung explains why the administration at first favored the "Geneva" approach involving a conference of all parties to the conflict under the joint chairmanship of the United States and the Soviet Union. Syria was wooed because of its connection with both moderates and radicals. Including the PLO would have protected the Saudis from accusations of having deserted the Arab cause if they supported American policy. And involving Moscow would have made it easier to arrive at the kind of comprehensive settlement which, it was thought, would protect pro-American clients even at the price of increased Soviet influence in the area.

It was the failure of these efforts that prompted the Sadat visit to Jerusalem. Given its ideological blinders, it is not surprising that the administration initially responded with coldness and bewilderment to the visit. Only after the debate unleashed in this country over the sale of advanced jets to Egypt and Saudi Arabia did the administration come to terms with the reality that no other option than the Sadat initiative existed for promoting peace in the area. Out of the fear that the failure of this initiative would result in a new war—with the dreaded cycle of Israeli victory, Arab oil embargo, energy-supply disruption, gas-station lines—the Camp David strategy was conceived. But Camp David was undertaken as a desperate means not only or even primarily of keeping the Egyptian-Israeli negotiations alive; it was seen as a way of saving the original comprehensive approach.

Thus President Carter said plainly in his speech to Congress at the conclusion of the summit: "I have already invited the other leaders of the Arab world to help sustain progress toward a comprehensive peace." A few days later Carter suggested what that comprehensive peace was about:

There are three elements that no Arab leader would ignore, nor on which they would yield, including Sadat. One is Israeli withdrawal from the West Bank-Gaza Strip territory; secondly, a return of eastern Jerusalem to Arab sovereignty, possibly excluding the Hebrew University area, and probably excluding the Jewish holy places, particularly the Wailing Wall. And the third one is a resolution of the Palestinian question, "in all its aspects."

On these three points, over which the Israelis were just as unlikely to yield, the President thus indicated where his influence was to be exerted. And in case anyone had any doubt, the Assistant Secretary of State for Near East and South Asian Affairs, Harold Saunders, was soon sent to Amman with replies to King Hussein's questions about the accords. The answers he brought with him were rumored to contain assurances that Israeli settlements on the West Bank would be withdrawn as part of any future peace agreement—a report which gained substance when Saunders met with Arab notables in Jerusalem and commented that the United States regarded the eastern half of the city as "occupied territory." Reports also circulated in Washington that American officials would like to revise the September 1975 agreement with Israel in which—among other promises—the then Secretary of State, Henry Kissinger, had agreed not to deal with the PLO unless it recognized Security Council Resolution 242 and the right of Israel to exist. This rumor, too, seemed confirmed in an obscure report (never denied) which appeared in the *Jordan Times* of Amman in mid-October, based on what the reporter claimed was a series of interviews with "senior American Mideast experts." According to one such official, "We can get some PLO people into the negotiations, but not the big names."

It was clear by now that U.S. officials feared that once an Egyptian-Israeli peace treaty was signed, the chances of moving on toward a comprehensive settlement would be lost. They were therefore trying to set up a series of preconditions which would force continued Israeli concessions over the West Bank. One official told the Jordan Times:

"What we want to do is start an irreversible process in the West Bank which would be tantamount to ending the Israeli military occupation in most of its visible forms. We are trying to create a new reality on the ground in the Middle East to which all people would have to react." As part of this process, commitments made to Israel at Camp David were being interpreted in their weakest light and the United States was remaining tough on aid to Israel for the removal of heavy equipment from the Sinai to the Negev and the building of two new air bases there.

Many critics in Congress and elsewhere have found these administration efforts perplexing and misguided. To these critics, American policy in the Middle East should be designed to contain the Soviet Union, not Israel. They are concerned about Soviet encroachments in Afghanistan, Ethiopia, and South Yemen, and about radical anti-Western nationalists like Libya's Qaddafi, who are willing to cooperate with the spread of Soviet power in the Persian Gulf. This seems to them a greater threat to the energy supplies of the West than a future oil embargo. They are thus more prone to emphasize strategic and geopolitical factors (such as who will maintain control of the critical Straits of Hormuz, gateway to the oilfields) than to ask who has how many dollars in Swiss banks.

In this light, Israel is seen as an asset because of its political stability, its unswerving opposition to Soviet power, and the utility of its intelligence sources throughout the area. Iran is also viewed as essential to American interests, less for its oil production and reserves (surpassed by Saudi Arabia) than because of its pivotal strategic location, its protective military role in the Persian Gulf. If Iran were to be radicalized, either cooperation or competition with Iraq would arise. Either way, pressures would increase on the Saudis for more hawkish policies on questions of international finance within OPEC and the regime in Riyadh would be threatened by radical forces within and without its borders. Already, moves toward the Soviet Union in Ethiopia, Afghanistan, and South Yemen have cast a shadow over the politics of the Gulf. "It can happen here," becomes a prominent whisper among political elites.

From this perspective, the administration's ideological preoccupation with the Palestinian question has clouded its perception of, and damaged its ability to deal effectively with, the more serious threat to American interests in the Middle East. Iran, where the only alternatives being considered seem to be all-out military intervention or occasional verbal outbursts by the President in favor of the Shah, is one example. Lebanon is another.

In Lebanon, a Syrian hegemony would lead to a future confrontation with Israel and would increase tension on the "eastern front"—especially if an Iraqui-Syrian rapprochement should proceed. Yet in Lebanon a counterbalance exists in the form of the Christian forces seeking, with Israeli assistance, to maintain their identity and continued independence. If the Christians hold out and force the Syrians out of Lebanon, which has become Syria's Vietnam, then the basis for a resolution of the conflict founded on the stalemate among existing forces will have been established. But if this occurs, it will be in spite of rather than because of American policy. The Carter administration tends to see the Christians as an aristocracy fighting to maintain its position and wealth in the country, and little concern has therefore been expressed about the consequences if the Soviet-armed Syrians and their Muslim allies within the country emerge victorious. Thus at a critical moment in late September, when the Syrian "peacekeepers" were bombing Christian neighborhoods in Beirut, the White House exerted the full weight of its political influence in Congress behind $90 million in economic aid for Syria. Simultaneously, it allowed discussions to proceed on the sale to Damascus of four L–100 jets—which is the civilian equivalent of the much vaunted C–130 of Entebbe fame. As also in the case of the potential threat to the Persian Gulf, American actions convey signals, and here Washington's willingness to countenance a major Syrian role in Lebanon was a conclusion that key regional leaders were bound to draw. The Russians were having their revenge for Camp David, with American assistance.

Again, from this perspective, the Palestinian issue was another arena where the wrong signals were being conveyed. The Palestinian question is certainly important and must be confronted by American policy, but critics of the administration argue that this problem should be placed in the context of other, more pressing Middle East issues. Even if the West Bank/Gaza entity which the administration advocates does comes into existence, the problems will remain—energy, Iran, the future of the Persian Gulf, Lebanon, a growing Soviet presence, the fragility of oil-rich pro-American regimes. As Elie Kedourie has written:

"It by no means follows that a settlement—even a pro-Arab settlement—of the Arab-Israeli conflict will necessarily safeguard American interests in Saudi Arabia. Such a settlement will not do away with radicalism and instability in the Arab world, and will thus by no means lessen the threat to the present Saudi regime. It may even, conceivably, increase it. . . ."

The critics of the administration have an alternative approach of their own: it is more activist, less defeatist, and paradoxically more comprehensive in its approach to the Middle East as a whole. Because it is propounded by individuals who are out of power and disparate in motive and ideology, if often appears less coherent. But that appearance is deceptive.

So far as the Arab-Israeli conflict is concerned, this alternative strategy would first have been designed to encourage the rapid signing of an Egyptian-Israeli peace treaty and then to encourage the Jordanians and the West Bankers to negotiate with Israel on the basis of the first model. Thus, Egypt would have been pressed to leave the West Bank/Gaza issues until later while proceeding with plans for positive acts of normalization with Jerusalem. Israel would have been rewarded for its Sinai concessions with ample aid to cover the expensive move to the Negev and would have been encouraged to adopt the Egyptian-Israeli normalization as a model for the future resolution of issues on other fronts. The Jordanians, the West Bankers, and the Saudis would have been informed, in no uncertain terms, that the United States expected them to participate in negotiations with Israel on precisely this basis.

The second element of this strategy envisions the promotion of Egyptian-Israeli normalization as a top priority. Some advocates of this approach have gone so far as to recommend that the United States set up a kind of Marshall Plan for the Middle East based on those countries willing to cooperate in moves toward regional integration and therefore beginning, if necessary, only with Cairo and Jerusalem. At the heart of these suggestions is the realization that a stable relationship between Egypt and Israel cannot develop without positive and concrete steps that create an irreversible process which will withstand political differences and changes in leadership. The advocates of this strategy also recognize that unless Egyptian-Israeli contacts succeed, the Middle East peace process is likely to end abruptly because the Israelis will be disillusioned with contacts with their Arab neighbors and the moderate Arabs will have no model on which to base future dealings with Israel except support for terrorism and war.

But for this alternative strategy the Arab-Israeli conflict is only one element of a wider geopolitical context, and it addresses itself to the other elements as well. Thus it would involve a new approach toward Lebanon aimed at achieving a stalemate through support for Christian self-sufficiency followed by a negotiated reconcilation. In Iran, it would mean greater emphasis on the pivotal strategic role of the country, a higher priority given to preserving a pro-American regime. In the Persian Gulf as a whole, it would mean recognition of the strategic dangers inherent in the Soviet role in such peripheral countries as Ethiopia and Afghanistan, and it would mean plans devised for countering the negative momentum created by these Russian gains. These plans would be pursued short of military intervention but in a manner that could check the political and psychological defeatism which promotes unfavorable political adjustments by local regimes and movements. For even if current Soviet objectives are limited and circumscribed, Moscow is bound to gain from a tide of local anti-Western nationalism (as, for example, it has done in Libya despite the anti-Communism of Qaddafi's regime).

The main instrument would be to develop a "cooperative system" among countries of the area willing to align themselves with the United States—Iran, Turkey, Israel, Egypt, Saudi Arabia, Jordan, Oman, Morocco, Tunisia, the Sudan. Several proponents of this strategy have suggested a multilateral alliance, but a formal mechanism reminds participants too much of Dulles' pactomania and may be politically provocative to countries associated with the USSR. Instead, American diplomacy could simply encourage contacts and informal coordination among friends of Washington. There are precedents. For example, in 1971 Sadat saved the current Sudanese regime from a pro-Communist coup by flying home loyal Sudanese troops stationed along the Suez Canal. In the summer of 1977, Israel passed Sadat information on a planned Libyan-sponsored coup in both Egypt and Saudi Arabia.

A "cooperative system" would serve several purposes. First, it would place new Arab-Israeli contacts in a wider context which could well deepen and solidify them. Second, it would demonstrate an American determination to exercise a newly-regained activist role in defense of American security interests in the entire area. Third, it would serve as a warning to radical movements and regimes that those countries which stand with the United States would be prepared to resist, as a group, assaults on their integrity and security. Fourth, it would create a framework in which interested countries in the area could help each other as they saw fit to withstand mutually perceived dangers. (Sadat's fear of Soviet-Cuban encroachments in Africa—a fear Begin could comprehend—seems to have been one of the factors leading to his Jerusalem visit.) Fifth, a cooperative system would avoid the pattern of the Nixon era when individual states were singled out for "proxy status," thereby exposing them to charges of subservience to Washington without the countervailing protection of regional cooperation.

Most important, a cooperative system would allow Washington to make detailed plans with local participants to withstand what must be recognized as an inevitable onslaught on the Persian Gulf regional structure. Much as NATO was organized to provide stability in the key world crisis a generation ago, so too even a more informal Middle East regional system could strengthen local leaders sufficiently to deter assaults against them.

At Notre Dame, President Carter told us:

"It is a new world, but America should not fear it. It is a new world, and we should help to shape it. It is a new world that calls for a new American foreign policy—a policy based on constant decency in its values and on optimism in its historical vision."

Ironically, however, the President's policies in the Middle East are based on pessimism and a historical vision rooted in the old world we have known since 1948. The actions of his administration reflect an inability to perceive the implications of the dramatic changes which are occurring as a result of Sadat's visit to Jerusalem or to adjust to the challenges posed by the political vulnerability of the Persian Gulf.

Ironically, too, it is the critics of Carter's administration who have heeded the President's words. They have correctly sensed the opportunity which the new Egyptian-Israeli connection provides for addressing the Arab-Israeli problem in particular and the Middle East structure as a whole. But they have also understood that a mixture of impatience over the Palestinian question, pessimism over American power, and passivity in the face of threats to critical American concerns will only result in lost opportunities and a deteriorating American position.●

A STRONG DOSE OF REALITY ON AMERICA'S STRATEGIC CAPABILITY

● Mr. HART. Mr. President, in the discussion about a SALT II agreement, there has been considerable rhetoric about the allegedly diminishing strategic capability of the United States to inflict sufficient "post-strike" damage to the Soviet Union. In the welter of statistics comparing "throw-weight," "MIRVability" and war-head stockpiles, we may forget the awesome destruction which can be inflicted by a single ballistic missile.

The article "A Submarine That Can Destroy Russia," which appeared in the February 12 issue of U.S. News & World Report, serves as a sobering reminder of both the immense power of our diversified nuclear arsenal and the rationale for seeking limitations on unrestrained production and deployment of nuclear weapons.

I submit the article for printing in the RECORD and urge my colleagues to read it.

The article follows:

A SUBMARINE THAT CAN DESTROY RUSSIA

As Russia and the U.S. move toward a new strategic-arms-limitation agreement, President Carter is intent on delivering this reassuring message to the nation:

> Whatever the final terms of a SALT II accord, America has more than enough power to deal with any nuclear threat that the Russians could conceivably pose in the years ahead.

Even if a Soviet attack succeeded in destroying all 1,054 of America's land-based intercontinental missiles—a theoretical capability by 1985 despite a SALT II treaty—Carter maintains that U.S. nuclear might at sea is capable of destroying Russia many times over.

President Carter made this specific point in his state-of-the-union message to Congress—

> The destructive power now carried by a single missile-launching submarine is enough to devastate every large and medium-sized city in Russia.

SPELLING IT OUT

This claim was no exaggeration. Experts point out that each of the nation's Poseidon submarines carries 16 missiles and each missile can carry up to 14 warheads, every one of them twice as powerful as the 20-kiloton bomb (equivalent to 20,000 tons of TNT) that leveled Hiroshima. Thus each Poseidon submarine carries enough firepower to wreak havoc in more than 200 Soviet cities.

To reach all the target cities. one submarine would have to sail long distances between shots. But with one submarine in the Pacific and one in the Mediterranean, even using the normal loading of only 10 warheads to a missile, there would be more than enough weapons to strike. with one blow, every city of more than 100,000 population, with extras left over for the bigger cities, such as Moscow.

At this time, the U.S. has 31 Poseidon submarines that operate from Atlantic ports at Charleston, S.C.: Holy Loch, Scotland, and Rota, Spain, and 10 older Polaris submarines that operate in the Pacific out of Guam. Roughly half the subs are at sea at any one time, moving slowly and quietly on patrol or remaining silently on station at sea. Each has two 140-man crews, a blue crew and a gold crew, and they take turns on two-month undersea patrols.

As a practical matter, American nuclear weapons are aimed at Soviet military and industrial targets rather than at cities as such. But a hypothetical. if unrealistic, attack on Russia's major cities provides a vivid illustration of the power of nuclear weapons.

The order to attack would probably come from the President's flying command post It would be passed through a fleet of Navy communications planes to one sub on station in the eastern Mediterranean and another dispatched to the northwestern Pacific, off Japan.

A scenario for such an attack: Seconds after the presidential order has been decoded and checked for accuracy, a small rocket is ignited and boils a pool of cooling water at the bottom of the first missile canister. The steam hurls the missile upward to the surface. At that point, the first-stage-rocket motor ignites, propelling the 65,000-pound missile on its way, with a range of up to 2,880 miles. Other missiles follow at intervals of about 20 seconds.

As each missile reaches the top of its trajectory and begins to drop down toward Russia, the nose cone points at the first target in its computerized memory and gives the first nuclear warhead a tiny push. One after the other, the warheads are sent toward their targets. They can be dispersed over hundreds of miles. To illustrate: If an attack on the U.S. were mounted from a Poseidon submarine, a single missile could put a warhead on Independence Hall in Philadelphia, another on the Empire State Building in New York and hit eight other targets as well.

The Poseidon warheads, the smallest weapon in the U.S. strategic arsenal, carry the equivalent of only 40,000 to 50,000 tons of TNT. Yet here's what each of those "small" weapons can do:

Exploded between 1,000 and 2,000 feet above the ground, it would create a huge fireball. Blast and fire would destroy all the buildings and kill everyone within a radius of 1½ miles—an area of 7 square miles. Winds of 400 miles an hour, stronger than any hurricane, would rush away from the point of explosion, stripping trees of their branches and bark, crushing buildings, hurling people and automobiles through the air.

Then as a mushroom cloud rose into the sky, the winds would rush back in again, adding to the damage. Everything within 3 miles of ground zero—a total of 28 square miles—would be severely damaged, if not destroyed.

DEVASTATING SPEED

Allowing for the flight time of the 32 missiles fired by the two submarines, all this destruction would occur within about half an hour after the order fire had been issued. Nearly 9,000 square miles of urban area—bigger than the entire state of Massachusetts—would lie in ruins. A quarter of all the buildings would be destroyed and two thirds of them severely damaged. One quarter to one third of all the people in these densely populated cities would lie dead. In ensuing days, many more would die of radiation sickness.

The two missile-launching submarines capable of destroying every medium and large Soviet city constitute only a fraction of America's strategic nuclear power. In addition, the U.S. has 39 other submarines, 376 bombers and 1,054 land-based missiles—carrying a total of 9,200 warheads.

There seems little doubt that this U.S. nuclear arsenal will, in Carter's word, remain "overwhelming," whatever the Russians do to expand further their own military attack force.●

WETEYE BOMB TRANSFER

● Mr. GARN. Mr. President, the proposed transfer of Weteye bombs, chemical nerve-agent weapons, from Rocky Mountain Arsenal in Denver, Colo., to the Tooele Army Depot in Utah, is an issue of particular concern to my constituents in Utah.

In a recent article published in Clubwoman magazine (December 1978), this issue was discussed at some length. I believe it especially important to make part of the public record the views of several women who live and work in the Tooele area and are members of the Utah's Federation of Women's Club. Before I ask to have their remarks printed in the Record, however, I would like to state my position on this contentious issue.

A primary consideration to the Army in any move of lethal chemical munitions is the safety of all persons involved. The Army has successfully moved lethal chemical munitions since they were first introduced in 1917. Most moves of any significance were made between 1948 and 1969. During that period, the Army relocated approximately 26,000 tons of chemical munitions by rail and truck without incident or accident. An effort to upgrade storage and provide better security for chemical munitions has been underway for several years. In conjunction with this effort, the Army has conducted four major chemical munitions movements involving rail, truck and air. There have been no accidents, incidents, or exposures of any participants or citizens during relocation activities. I am confident that the Army's fine record in these matters will be maintained, and that the transfer and storage of the Weteye bombs will be conducted at the highest levels of public health and safety.

Mr. President, I ask unanimous consent that the Clubwoman article, "Weteye Bomb: Hometown Issue for Tooele Clubwomen," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record.

Weteye Bomb: Hometown Issue for Tooele Clubwomen

What if the six o'clock news carried a controversial plan to move chemical nerve-agent bombs near you for storage? How would you react? The clubwomen of Tooele, Utah, and their community face just such a situation.

Weteye bombs contain a chemical, GB, which acts on the central nervous system. Whether or not they should be moved by the U.S. Army from their present storage site at the Rocky Mountain Arsenal in Denver, Colorado, to the Tooele (Utah) Army Depot is a subject of national controversy. The issues are environmental safety and national defense preparedness. The GFWC has no position on the Weteye bomb decision. However, it has, over the years, passed resolutions supporting efforts both to insure a clean environment and to maintain a strong national defense.

But how does the decision to move the Weteye bombs and the resulting controversy affect clubmembers who live with it directly and daily? Before the clubwomen speak, here is the background.

BACKGROUND

The Weteye bomb was developed in the late 60's by the U.S. Navy. The Army, however, is responsible for the storage and handling of chemical weapons. In 1973, the Secretary of the Army decided to destroy the Weteye bombs, planning to replace them with safer, more easily handled binary weapons.

In the binary system, individually safe chemicals are kept separate and mixed into deadly combinations after they are fired. However, while the United States has the necessary technology, a facility to produce binary weapons has not been built.

Therefore, in 1976, the Army reversed its position. It decided that the Weteye bombs, as necessary deterrents, should be retained, and be moved from their storage place at the Rocky Mountain Arsenal on the edge of Denver to the Tooele Army Depot. The Tooele facility, unlike Rocky Mountain, has adequate storage space, is in a less densely populated area, has a chemical agents munitions destruction system (CAMDS), and has personnel trained primarily to handle chemical arms.

Plans for the move, for which environmental impact studies were made, call for the 896 bombs to be flown by C141 from Denver to Dugway Proving Ground in Utah and transported from there to Tooele by truck.

In May, 1977, the Governor of Utah, the Hon. Scott M. Matheson, voiced his concern over the move. He was joined by the Governor of Colorado and others. They believe that the bombs should not be moved because of the danger of accident; and that, because they are unnecessary, they should be detoxified and eliminated. Leakage of the chemicals is of particular concern.

As a result, the move, scheduled for last summer, has been delayed. All the bombs have been checked, discovered leakages have been taken care of, and assessment has been made of the possibility of further leakage.

Both the Army and the Department of Health, Education and Welfare have conducted separate tests. They feel the move can be made in safety. The Defense Department is expected to decide shortly if and when the bombs should be moved.

But the controversy continues nonetheless.

THE POLITICIANS SPEAK OUT

The Hon. Scott M. Matheson, Governor of Utah: "My concerns are for the health and safety of the people along the route of operation. The slightest error could translate into enormous loss and that chance of error, no matter how minute, argues convincingly against the transfer.

"I remain, as always, unalterably opposed to that move and will at this point examine my remaining options, and, if I can find any that are feasible, practical and achievable, I'm going to continue to fight it. That includes the possibility of court action."

Senator Orrin G. Hatch, R. Utah: "I do not share the Governor's opposition to the move. I share the concern of lack of information from the Army. If the Weteye bombs need to be stored, Tooele is the best place for them. I would rather have them detoxified, destroyed and replaced with a newer more up-to-date arsenal "

Senator E. J. Garn, R. Utah: "While I feel a special sensitivity to the safety involved, I must be guided by the results of the scientific evaluation group . . . I am entirely confident that the shipment will be conducted safely and that the storage can be maintained at the highest requirements of public health and safety."

HOW UTAH CLUBWOMEN FEEL

Through GFWC Visual Arts Chairman, Ruth Barker, who lives in Ogden, Utah, the Clubwoman has asked Tooele clubwomen how they personally feel:

La Dean J. Long (Mrs. John D.) Supervisory Administrative Clerk, Tooele Army Depot; UFWC President, 1970–1972: "Since December 1950, I have been employed by the Civil Service Commission in Tooele, Utah. I began my career as an administrative clerk at Deseret Chemical Depot in St. John, Utah, now the South Area of Tooele Army Depot.

"Our country was involved in the Korean war and Deseret Chemical was shipping and storing combat ammunition and chemicals. Only employees working directly with them knew the types and the risk involved. They were well trained and very skilled in the storage and handling of materials.

"All these years, small arms, combat vehicles, missiles and items of chemical warfare have been received, demilitarized, remodeled, stored, and shipped to combat zones without incident. Just recently, this area because of its remoteness, was selected as the site to receive, store and eventually demilitarize Weteye bombs and others. More than three billion dollars have been spent by our government to build facilities required for this mission. Every precaution has been exercised and every employee has been trained in everything concerning their own safety and security as well as that of others.

"I think it is all right for the Governor of Utah to be concerned about the situation. But I also think he should be equally concerned about other matters in the state, such as creating new jobs, and let those trained for many years in chemical warfare storage and demilitarization operations take care of these matters. These people are the best. Safety is their number one concern.

"It would be safer to move, store, and demilitarize these bombs in the desert in Tooele County than to demilitarize them in or near the city limits of Denver. We, the employees of Tooele Army Depot, have lived and worked with this for more than twenty-five years and will continue to as long as safety is the number one concern."

Betty J. Smith, UFWC clubwoman: "I feel we have the largest storage area in the Western United States here at Tooele Army Depot. This move could assure the future of the Depot. As far as being safe, it has been so far. As long as security precautions are taken, it should remain so."

Mrs. Andrew T. Roberts, UFWC Third Vice President: "I support the United States Army policy of retaining the Weteye missiles in this nation's arsenal. I also firmly believe the safest, most economical storage site is the Tooele Army Depot. My reason for this position is that it was originally created for the storage of chemical munitions . . . . I do not approve the actions of Utah Governor Matheson and feel these munitions should be moved from Denver to the Tooele Army Depot as rapidly as possible."

Beverly White, State Representative, Past President, Tooele Women's Club, UFWC: "I say bring it . . . Once a woman asked me how I could sleep nights with all that practically in my backyard. I told her that I haven't lost one night's sleep worrying about it."

Pam Roberts, Tooele Civic League, UFWC Home Life Chairman: "I feel like so many other women in Tooele that the Weteye bomb should be moved here. It is one of several jobs the depot is highly qualified for. We should let the people trained to do these jobs do them."

Mrs. Thomas G. Baker, UFWC Visual Arts Chairman: "These comments mirror the general feeling of the women who live in the Tooele area. Men and women who live and raise their families there are most dedicated to the responsibility placed upon the employees and other trained personnel responsible for our country's munitions in the Western part of the United States. It is hoped that the intense loyalty to this responsibility shows through on the printed page." ●

WILDLIFE ORGANIZATION POINTS OUT FLAWS IN REORGANIZATION PLAN

● **Mr. McGOVERN.** Mr. President, for more than a year the Committee on Agriculture, Nutrition, and Forestry has attempted to work with the staff of the President's reorganization project with respect to a proposed reorganization of the natural resources functions of the Federal Government.

This work, unfortunately has fallen on deaf ears. It appears the PRP staff decided at the outset—notwithstanding public opinion or any other consideration—that they would propose the creation of a department of natural resources built around the Department of the Interior.

By and large the nearly 2,000 comments received by the White House were opposed to the creation of a department of natural resources.

The committee has attempted to work with the PRP staff in a positive manner. During the course of this work, the committee sought out the opinions of many respected persons with regard to the possible impact of natural resources reorganization

Among the responses received was one from the Wildlife Management Institute, one of the Nation's oldest and most respected conservation organizations. The thoughtful comments of Mr. Daniel Poole, the president of the Wildlife Management Institute, reflect the lack of critical detail that flawed the work done by the PRP staff.

Mr. President, I ask unanimous consent that Mr. Poole's letter be included in the RECORD at this point.

The letter follows:

WILDLIFE MANAGEMENT INSTITUTE,
Washington, D.C., January 31, 1979.

This letter responds to your request in behalf of the Committee for comments on how the President's Staff Proposal for Natural Resources Reorganization may affect fish and wildlife programs of the several agencies covered by that groups analysis. Our reaction is based on the staff paper, dated 16 December 1978, that has been distributed widely.

Our evaluation is hampered by the reports lack of detail, as well as by its unsubstantiated findings and generalized conclusions. On balance, the reorganization suggestion would appear to create as many or more problems as the staff analysis suggests would be resolved. Some could be substantial, including in the subject area of fish and wildlife.

Our reaction should not be construed as suggesting that some realignment of federal natural resources agencies is unnecessary or undesirable. Rather, some adjustments could be beneficial, particularly in water resources and public lands areas, and in strengthening fish and wildlife programs within the agencies themselves. Also, some of the duplications and contradictions many acknowledge to exist can be eased without injury to the basic mission and integrity of the agencies involved. A number simply require stronger Administration commitment and direction.

It is our understanding that a submitted reorganization plan would be cleared to proceed unless the House or Senate adopts a resolution of disapproval. While neither body may amend the reorganization proposal, the Administration, should it desire, can amend the plan within the first 30 days following submission. Should that happen, such amendment likely would reflect compromises that are being made to gain support for reorganization. In such a situation, the public and the several committees having jurisdiction over certain programs of the agencies involved would be dealing with a moving target inasmuch as the time for examination of the revised proposal would be limited. This would be a poor substitute for structured committee hearings on specific legislation to address identified shortcomings.

Under the proposal, one of the five contemplated administrations in the renamed Department of the Interior would be Parks, Recreation, Heritage and Wildlife (page 5). The Fish and Wildlife Service has many responsibilities, but the agency does not and, for valid reasons, should not have responsibility for fish and wildlife habitat on the millions of acres administered by the Forest Service and the Bureau of Land Management, which would be grouped in a Land Resources Administration, And, the latter two agencies should have no role in the National Wildlife Refuges, which could be regarded as Land Resources under the proposal inasmuch as the refuge system could include 75–80 million acres after the Alaska d–2 issue is resolved. The proposal offers no assurance on this point, however. It refers instead to "cross-cutting" administrative responsibility, which raises the specter of general chaos.

Our concern is heightened by the language of the report (page 5): "As the Department of Natural Resources' internal organization and the many policies, methods and procedures are developed following its initial formation the field structure elements will become more evident" (emphasis supplied). We believe that the framework of the internal organization, etc., should be well understood beforehand in order to avoid future aggravation and controversy, particularly at the field level. This issue is clouded further by the frequent public reference of Administration officials to functionalized resources management, and by the impending politicization of resources agencies brought on by the Civil Service Reform Act.

Note also, on page 8, the thought of sharing "staff and services in functions that are common to all four land-managing agencies—BLM, FS, Fish and Wildlife Service and National Park Service." What does this mean? The best resources programs are those where agency responsibilities run with the land. Chaos would result from parcelling functional responsibilities for resources on the same unit of land. Wildlife enhancement is a function of vegetative management (timber and forage), and cannot be separated without problems and loss of priority.

Again, on pages 5 and 6, Overall Improvements Made Possible by the Proposal, the following benefits are claimed:

A. "Policy and case decisions that are balanced and in the overall public interest." The suggestion is that an enlarged resources department "will benefit from a wide range of public constituencies which should enable the Department to balance special interest biases in the overall public interest."

If this is true, then we ask why the present Department of the Interior has not been able to resolve the following controversies, all of which involve fish and wildlife and all of which fall solely within responsibilities of the Departments' agencies: impending destruction of substantial acreage of fish and wildlife habitat by the Garrison Diversion Project; obstruction of the Fish and Wildlife Service's management programs for migratory wildlife in North Dakota; inability to mount a satisfactory Animal Damage Control Program; failure to promulgate regulations to implement the Fish and Wildlife Coordination Act of 1958; inability to use the Departments' scientific expertise in the U.S. Geological Survey to identify hydrological data and relationships in proposed projects—such as Cache River in Arkansas or the Atchafalaya Basin in Louisiana—as a basis for balancing ecological values, including fish and wildlife, and physical developments; the Departments' failure to obtain staffing and appropriations to bring the fish and wildlife habitat program of the Bureau of Land Management up to even minimum levels; overgrazing on certain wildlife refuges; and overgrazing (as documented) on 80 percent of public domain rangelands.

B. "A Cabinet level spokesman for natural resources." There now are two Cabinet-level spokesmen—the Secretaries of Interior and Agriculture. One would be lost under the proposal.

On page 7, Public Land Resources, it can be argued that the Fish and Wildlife Service also is a "multiple-purpose land management agency" along with the Bureau of Land Management and the Forest Service. Under regulation, timber harvesting is permitted on some refuges, as are grazing, haying, mineral leasing, agriculture, recreation and other uses. And, as with refuges and national parks, the Bureau of Land Management and the Forest Service administer special limited-use areas such as primitive, natural and wilderness areas.

On page 8, cited "problems" are that "Planning and implementation are split" and "Duplicative staffs are required, *especially in wildlife and recreation*" (emphasis supplied). These charges come as a surprise. Many conservation and environmental organizations, with encouragement from the present and previous Administrations, have sought (1) increased funding and manpower ceilings for the Forest Service and the Bureau of Land Management for these programs, and (2) improved resources plannng authority (and capability) for each agency.

In terms of funding for the Forest Service's fish and wildlife habitat program on 187 million acres, the Administration requested the following:

FY 1978. 46 percent of Resources Planning Act Goals (Congress provided 71 percent).

FY 1979. 54 percent of Resources Planning Act Goals (Congress provided 62 percent).

FY 1980. 60 percent of Resources Planning Act Goals.

In terms of staffing, the Forest Service has one professional fish and/or wildlife biologist for every 534,000 acres of land and water.

The Bureau of Land Management, with about 470 million acres, has this record of Administration requests for its fish and wildlife habitat programs:

FY 1978. Administration requested $6.4 million (Congress provided $6.4 million).

FY 1979. Administration requested $8.1 million (Congress provided $12.1 million).

FY 1980. Administration requested $13.5 million.

As professional staff, the Bureau of Land Management has one wildlife biologist for every 2 million acres of land, and one fisheries biologist for every 83,000 acres of lakes and 12,000 miles of streams.

In our view, wildlife staffs of the two agencies are not "duplicative." They are practically nonexistent and appear headed for extinction under the proposal. No recent Administration has supported these programs anywhere near the extent required In fact, one national conservation organization has brought suit against the Administration on this point as it relates to the Resources Planning Act. If those who already have the authority to offer such support fail to do it, how will reorganization help bring it about?

Page 9. Ocean and Atmospheric Resources:

The National Oceanic and Atmospheric Administration and the Fish and Wildlife Service each have legal responsibilities, as noted, for reviewing dredge and fill permits, marine mammals, threatened and endangered species and anadromous fisheries. It is not clear how this "duplication" would be eliminated, or how research, fish stock assessments, stocking, environmental studies and fish hatchery management would be handled.

Page 14. Natural Resources Sciences:

Research essential to fish and wildlife and their habitats now is being done by the Fish and Wildlife Service, the National Park Service, the Forest Service, and the Bureau of Land Management. Some is mission-oriented while other has a much broader application. It is impossible to determine what is contemplated under the proposal. The absence of such understanding makes the proposal all the more questionable.

Finally, the Fish and Wildlife Service, the Bureau of Land Management and the Forest Service have many long-standing cooperative agreements with state fish and wildlife agencies. These involve data collection, planning, program implementation, law enforcement, habitat development and protection, and other necessary activities. These agreements have evolved over the years, and the relationships of federal and state interests generally are well understood. It is not possible to evaluate the effect of the reorganization proposal on them. Additionally, it is impossible to conceive how the suggested reorganization would integrate with existing organic acts.

Some of these questions may be answered in time. But, based on years of experience, we see no reason, in the absence of detailed explanation, to presume that the public's interest in fish and wildlife automatically will be safeguarded.

Sincerely,

DANIEL A. POOLE,
President.

Mr. McGOVERN. Mr. Poole is not the only person expressing deep reservations over any attempt to create a Department of Natural Resources.

Others who have indicated to us that they will strongly oppose such a move include:

The American Farm Bureau Federation.

The National Grange.

The National Farmers Union.

The National Association of Conservation Districts.

Six former Secretaries of Agriculture, representing both political parties, including Earl Butz, Orville Freeman, and Charles Brannon.

The National Association of State Foresters.

The National Forest Products Association.

The National Cattlemen Association.

The American Forestry Association.

The Forest Farmers Association.

The American Motorcyclists Association.

The National Association of Counties.

The National Association of Manufacturers.

The National Waterways Conference.

The Association of State College and University Research Organizations.

The International Snowmobile Industry Association.

The American Horse Council.

The National Rural Electric Cooperative Association.

The National Rural Housing Coalition.

The National Ski Areas Association.

The National Lumber and Building Materials Dealers Association.

The American Institute of Timber Construction.

The National Agricultural Chemicals Association.

The National Association of State Departments of Agriculture.

The Industrial Forestry Association.

The Northwest Timber Association.

The Western Timber Association.

The Western Forest and Conservation Association.

The Cousteu Society.

The American Plywood Association.

The Public Lands Council.

The Southern Forest Products Association.

The Federal Timber Purchasers Association.

The Lumbermen's Club of Memphis.

The Virginia Forestry Association.

The Texas Forestry Association.

The Alaska Loggers Association.

The Inland Forest Resource Council.

The Southern Forest Service Retirees Association.

The Western Environmental Trade Association.

The South West Idaho Chapter of the Society of American Foresters.

The Idaho Legislature.

The Colorado Legislature.

The Texas Forest Service.

The Alabama Forestry Commission.

The Southeastern Lumber Manufacturers Association.

The Florida Agricultural Advisory Council.

The Department of Natural Resources, State of Washington.

The Appalachian Hardwood Manufacturers, Inc.

Southern Forest Industries.

The Missouri School of Forestry, Fisheries and Wildlife.

The Auburn University School of Agriculture.

The Vermont Department of Agriculture.

The Florida Department of Agriculture and Consumer Services.

Mr. President, added to this impressive list are dozens of major corporations and distinguished individuals, such as Mr. Paul M. Dunn, former president of both the American Forestry Association and the Society of American Foresters; Mr. Henry Clepper, former executive secretary of the Society of American Foresters; Wildred R. Woods, former president of the American Forestry Association; Mr. Sam Broadbent, retired forestry analyst for the Office of Management and Budget; Mr. Gordon D. Fox, an international renewable resources consultant; Mr. Richard McArdle, former Chief of the Forest Service; Mr. Ed Crafts. formerly Deputy Chief of the Forest Service and Director of the Bureau of Outdoor Recreation; and Mr. Boyd Rasmussen, formerly Deputy Chief of the Forest Service and Director of the Bureau of Land Management.

Mr. President, when one examines this enormous body of opposition to the creation of a department of natural resources, one is forced to question the openmindedness of the President's reorganization project. Surely they can see and hear that there is little support for what they want to do.●

TRIBUTE TO NELSON ROCKEFELLER

● Mr. PERCY. Mr. President, I am deeply saddened by the death of my longtime friend and political ally, Nelson A. Rockefeller.

I wish to express my heartfelt sympathy to his wife, Happy, and their children and the entire Rockefeller family. He was truly a remarkable man who championed many causes, both in public and private life.

As we pause to pay tribute to this political legend, one fact stands out above all others: There was no man in America who would have had to give so little of himself to succeed, yet there was no man among us in public life who gave more of himself for the benefit of us all. His lineage was a gift, but he accepted it with grace, nurtured it with commitment, and shared it with dignity.

Nelson Rockefeller always looked to the individual and the potential of the individual as the great hope of America. This was exemplified time and again through courageous stands to support minorities who wanted equal rights and help workers fight to obtain fair wages.

Even when some people in his own party opposed his points of view, he came forward without hesitation or concern for personal gain. He spoke out for what he believed in without reluctance. History has proven him right on many scores, including his judgments about his political party. He learned the value of this principle from his grandfather and his father, and he passed it on to the next generation.

It is often said that timing is everything in public life. There was a time when it appeared that Nelson Rockefeller would be President of the United States, and I was proud to work to make this possible. Although he never achieved this goal, his leadership, strength, and innovation have benefited our country in countless ways.

He had worked for every President since Franklin Roosevelt. He served as Governor of New York for 15 years, and he capped his public career as Vice President. His collective contribution in service to his fellow citizens was spectacular.

I, personally, owe him a special debt of gratitude. There are few men who had greater influence on my political career. In 1957 he appointed me to the Rockefeller brothers' study project. The proposed 6-month project, which was conducted under the extraordinary direction of Henry Kissinger, was subsequently extended and completed 3 years later resulting in a remarkable document, "Prospects for America."

This opportunity and exposure eventually lead to my appointment as platform chairman of the Republican Party in 1960. Service on these projects fostered a long association and friendship with Nelson Rockefeller which I deeply value. That relationship was laid in concrete over 11 years ago, too, when my daughter, Sharon, married his nephew, Jay Rockefeller.

As Abraham Lincoln once said about the death of a close friend and national statesman:

> His long and eventful life is closed. Our country is prosperous and powerful; but could it have been quite all it has been, and is, and is to be, without him?

When applying that quote to describe Nelson Rockefeller, the answer is "no."

Because of his character, compassion, energy, and enthusiasm, Nelson Rockefeller has touched the lives of millions of people from all walks of life, including the neglected and the weak as well as those more capable of making their own way.

We are a better nation and a better people, because of Nelson Rockefeller. He will be sorely missed.●

UNEMPLOYMENT AND CRIME

● Mr. WILLIAMS. Mr. President, the past decade has brought some of the most serious economic fluctuations in our history and, in recent recession, produced some of the highest unemployment rates since the Depression era of the 1930's. These circumstances have given increasing importance to the connection between unemployment and steadily rising crime rates during the same period.

Two studies conducted in the mid-1970's demonstrated a striking statistical relationship between the level of unemployment and prison populations. One study was commissioned by the Federal Bureau of Prisons in March 1975; the other was conducted by the Congressional Research Service in April 1974. Although neither study established a definite causal relationship between unemployment and crime, the data clearly showed that, during periods of sustained high unemployment, the number of property-related crimes, and subsequent convictions increased substantially.

In addition, the studies showed that the impact of unemployment is felt most severely in urban areas and poverty neighborhoods where jobs are scarce, economic opportunities dissolve quickly, and those with marginal skills are left behind. For the poor in these areas, a hope in the future is most often tied to a hope for economic opportunity. The individuals without that hope are caught in a predicament of economic despair, and they are the ones who dominate the statistics of violence and crime.

Now, more recent studies have begun to examine head-on the effect of high unemployment as a factor in forcing individuals to criminal acts as economic alternatives.

Jobs play a crucial role in everyone's life. They provide security, self-respect, and self-identity. Our work-oriented society most often defines an individual by what he or she does for a living. When so few jobs are available, an individual can maintain the basic motivations to persist in a job search for only so long before discouragement and hopelessness win out, and an income from crime seems to be an increasingly attractive alternative.

We have seen a clear picture of the human toll exacted from the jobless in this country during the recent recession in terms of financial ruin, broken families, the alienation of youth from the work force, lost opportunities, and the wreckage of individual lives. The recession strained our national Treasury with substantial increases in Federal unemployment and welfare assistance. Then, the fundamental decision on the part of the President and the Congress to provide a stimulus to the economy through direct job creation and employer tax incentives brought a measure of stability to the economic recovery over the last 2 years.

The President now has projected an unemployment rate of 6.2 percent in fiscal 1980 as a basic economic assumption in his budget proposals. This forecast of continued high unemployment lays a profound responsibility on the 96th Congress to create jobs and increase economic opportunities for the unemployed. The availability of jobs for those who need them is perhaps our best barometer of social health and an indispensable factor for restoring confidence in the Nation's economy.

The wide-ranging effects of unemployment have been acknowledged in numerous publications by business organizations, government, labor organizations, civil rights groups, and religious groups alike. The November 1978 issue of the AFL–CIO Federationist contains a timely article on the relationship between crime and unemployment in America.

I urge my colleagues to review the article written by Barbara Becnel, an economist in the AFL–CIO Department of Urban Affairs, which, I believe, makes an important contribution to our understanding of the effects of unemployment on the lives of the urban poor, in particular, and jobless Americans everywhere. It makes a strong case for continued efforts on the part of Federal policymakers to create more jobs.

I ask unanimous consent that the article be printed in the RECORD.

The article follows:

THE CRIME-UNEMPLOYMENT CYCLE

(By Barbara Becnel)

A segment of the U.S. society lives on the edge of the economy, where legitimate opportunities practically don't exist.

This fringe of society is found, for the most part, in the nation's urban areas. They make up an army of unemployed persons—where private sector jobs are simply not available and where there are not enough public sector jobs to go around. In addition, they are young. For many, the search for economic survival leads to a life of crime. In effect, crime becomes their employment. There are few alternatives.

These young people are victims; victims of an economy that is failing to provide the most basic of needs—jobs at decent wages for all those who are able and willing to work.

Further, they are without the economic and social support systems which their middle-class counterparts have for many years beyond high school. They are able to return home several times while preparing for a career, and before becoming independent. During the years of their education they may also be able to obtain part-time jobs and, therefore, work experience that will prove beneficial in years to come.

Such is not the case for many of the urban youth residing in high unemployment areas. Frequently, their families are experiencing severe economic hardship and are thus unable to help their offspring. Moreover, it is not unusual for the young unemployed person to be viewed by the family as an economic burden. Hence, these young people must be able to survive on their own. Unfortunately, jobs are scarce in most urban centers, and where there are jobs it is highly likely that the skills required will not match those of the inner city residents. The result is that many young people are entering adulthood without ever having had the opportunity to obtain valuable work experience and skills.

One result of long periods of joblessness has been high crime rates, particularly in the number of property crimes—robbery, burglary, larceny or auto theft—committed by youthful offenders. In addition, across the country, inner city youths are between 10 and 20 times more likely than other young people to be arrested for violent criminal offenses. Sustained unemployment breeds frustration, anger and despair. It promotes an explosive environment.

And a youth caught committing an offense is often stigmatized and further estranged from the labor market. Employability drops another notch.

Thus the link between crime and unemployment is critical. Unemployment contributes to crime; crime contributes to unemployment—the cycle is vicious.

This vicious cycle is reflected by an analysis undertaken in 1974 by two economists, Harold Votey and Llad Phillips. They found many youth crimes are committed in response to a lack of economic opportunities, and that youth crime rates varied not only with unemployment rates but with labor force participation rates as well. When there is a drop in labor force participation rates—the proportion of the civilian non-institutional population that is employed or actively seeking work and therefore officially counted as part of the labor force—it means that the ranks of the discouraged workers have increased. In other words, youths have given up their job search in frustration because of one job turndown after another.

This is patricularly alarming in light of the low labor force participation rates of black youths. By 1976, their participation rates had reached the point where only two of every five even made an effort to obtain a job. Even when participation rates reached record highs for all young men and women, black youths in the inner city were still maintaining significantly lower participation rates than their white counterparts. To illustrate, in July 1978, the labor force participation rate for white persons 16–21 years of age was 76.8 percent. For minorities the rate was only 63.8—a gap of 13 percentage points.

Numerous other studies confirm the relationship between crime and unemployment. One, commissioned by the congressional Joint Economic Committee, shows the cumulative impact of a rise in unemployment that occurred during 1970.

That year, unemployment rose by 1.4 percentage points to 4.9 percent. The study shows that the 1.4 percent increase was associated with a 5.6 percent increase in state prison admissions and an 8 percent increase in homicides from the period 1970 through 1975. Worse, these percentages are subject to a multiplier effect in subsequent years because the statistics cited reflect only the impact of the 1970 increase in unemployment. The subsequent years' increase in unemployment is expected to approximately triple the above quoted percentage increase in state prison admissions and homicides.

Records from an organization called the Pennsylvania Program for Women and Girl Offenders (PPWGO) provide additional statistics:

98 percent of the women offenders that are provided services by PPWGO are unemployed at the time of their arrest, and

during the period 1971–73, approximately 45 percent of women in the Pennsylvania state prison or on state probation had been convicted of economic crimes such as theft, larceny and forgery;

almost half were first convictions.

An analysis of many variables that affect the size of the federal prison population has been conducted by the Federal Bureau of Prisons. And of all the variables examined this study shows unemployment was related the most positively to the federal prison population. The analysis noted that when the unemployment rate for men 20 years old or over moved—either up or down—the federal prison population increased or decreased respectively. However, the change in prison population was not immediate, with an approximate 15-month lag between the arrest, conviction and actual confinement in a federal penitentiary.

Another study, by Duke University's Center for Justice Policy, also established the clear link between crime and unemployment. This study found that parolees who were able to obtain employment were less inclined to continue in criminal pursuits than parolees who remained unemployed. This finding has significant policy implications since research shows that the unemployment rate for ex-offenders is nearly three times the overall rate of employment.

A job plays a crucial part in everyone's life. Having a job determines not only the type of life, but to a large extent how a person is seen or defined by the outside world. Indeed, a job frequently determines how a person sees or defines him or herself.

A former U.S. Commissioner of Education, Terrel H. Bell, succinctly outlined the meaning of employment in the following statement:

"Work in America is the means whereby a person is tested as well as identified. It is the way a youngster becomes an adult. Work shapes the thoughts and life of the worker. A change in atmosphere and lifestyle can be effected by an individual by simply changing the way he or she makes a living. For the most of us in adult life, being without work just is not living," Bell said.

Employment is particularly critical to the 16–24 year old. It is during this period that career patterns will be established—legitimate or illegitimate.

Yet precisely that age range is experiencing the highest rates of unemployment, and is engaging in a disproportionate number of criminal acts, particularly property offenses.

Public policy has too often been left dependent on "the law" to change anti-social behavior that is caused by economic deprivation. In other words, society has too often opted to cure crime by dealing with the results and ignoring the causes.

When people are denied the chance to grow and prosper because of inadequate economic opportunities they can be expected to suffer and to therefore react to the stress in a way that is abnormal and unacceptable in the general social framework. Crime is only one of many outcomes. Suicide, alcoholism and drug addiction are others.

Thus, age is a key factor with regard to both crime and unemployment. To illustrate, during the first seven months of this year the unemployment rate for youths between the ages of 16 to 19 averaged 16.4 percent. For young people in the 20 to 24 age category, the unemployment rate was 9.9 percent. The national average for all age groups, however, was 6.1 percent.

Further, the most recent data from the Justice Department shows that arrests for the 16 to 19 age group accounts for approximately 50 percent of all property crimes—offenses of burglary, larceny-theft and automobile theft—even though they made up only 43 percent of those charged with criminal offenses. Further, this age group represents only 17 percent of the total population.

Race is also an important factor to be considered when analyzing both the potential and accused offender populations. Blacks have always recorded unemployment rates that far exceeded the national average and, therefore, the average of their white counterparts. For example, in 1977 the unemployment rate for black males and females 20 years and older was 10.9 percent. The unemployment rate for whites in that same age category was 5.4 percent.

The rate for black youths is appalling—approximately 2.75 times the rate for whites the same age. The unemployment rate for blacks in the 16 to 19 year age group was 41.1 percent in 1977. For whites that same age the rate was 15.4 percent.

In addition, blacks are overrepresented in the number of arrests for both violent and property crimes. A little more than 47 percent of the arrests for violent criminal acts—murder, forcible rape, robbery and aggravated assault—were of black people. For property crime arrests the percentage is lower, approximately 31 percent. Whites were underrepresented in both criminal categories—averaging 50 percent of those arrested for violent crimes and 67 percent of those arrested for crimes against property, although whites make up 72 percent of the persons charged with all criminal offenses.

Offenders also come from marginal occupations, where higher levels of unemployment are common.

Nonfarm laborers, for example, averaged a 12 percent unemployment level during 1977 and a 13.7 percent level in 1976. The national average was 7 and 7.7 percent, respectively. For operatives (except transport) the rate was 9.5 percent in 1977 and 10.8 in 1976. Service workers, another high unemployment occupation experienced a 1977 rate of 8.2 percent, having recorded 8.7 percent in the previous year. Not surprisingly, releasees from federal prisons were heavily represented in these same occupations. Approximately 50 percent of the releasees from federal prisons held unskilled or service jobs prior to incarceration. Additionally, federal prisons have an over-representation of inmates whose previous occupation have been that of a laborer. In general, incoming prison populations can be characterized by their unemployment status, their irregular work history, low income levels and marginal—in and out of the labor force—work patterns.

Additionally, both potential and accused offenders have disproportionately high inner city residences. High rates of unemployment, low skill levels, large concentrations of youth and high crime rates are in abundance in urban areas. In fact, nowhere can this link between crime and unemployment be seen more clearly than in inner cities, and nowhere has the effect been more devastating.

The unemployment rate of central cities has increased precipitously in recent years, moving from 4.8 percent in 1970 to 8.9 percent in 1978. These high rates can in part be attributed to the large concentration of unemployed blacks that are housed in inner cities. Indeed, nearly 60 percent of unemployed blacks live in central cities as compared to 27 percent of unemployed whites.

Justice Department data show that the rate of arrests per 100,000 inhabitants is quite high for cities with populations over 250,000. For example, in the violent crime category the arrest rate per 100,000 was 382. In other words, for every 100,000 residents in a city with a population of over 250,000, 382 were arrested for committing violent crimes. The corresponding arrest rate for suburban areas was 137 per 100,000 inhabitants; and for rural areas 128 as of 1976, the most recent year available.

Arrest rates for property crimes were much higher, registering 1,100 per 100,000 for cities with a population of 250,000 or more; 753 for suburban areas; and 407 for rural areas.

Certainly, the concentration in urban areas of distressing, high-crime conditions has played a major role in the decision of many firms to leave urban areas, which in turn, further exacerbates the job shortage and feeds the appalling conditions that prompted the firms' flight.

Accompanying this flight has been a loss in annual personal income for cities. In the two-year period 1976–77, alone, central cities lost

$18.1 billion in aggregate annual personal income. In general, those that are leaving the city have higher incomes than those that are left in central cities.

Thus, the unemployed, low income, unskilled urban dweller who is a potential, if not already accused offender, must be provided meaningful economic alternatives to crime. On the whole, however, existing policy and programs have yet to provide those alternatives.

Basically, current programs can be broken down into two major categories:

Programs that make crime more costly to the offender; and

Programs that provide employment and training for the offender.

With few exceptions, there is very little emphasis being placed on programs designed to deter the potential offender.

It's a popular concept that making punishment severe and swift is a sure-fire way of eliminating high crime rates. Many economists have translated this concept into a cost-benefit analysis which suggests that by increasing the cost of crime—making sentences more harsh and swift—to the criminal, it will reduce crime rates.

But this approach only gets at those persons that commit crimes and are apprehended and convicted. So a measurable reduction in the crime rate will come about only if a small number of crimes go unsolved. Also, this approach has the critical flaw of not dealing with the person outside of the mainstream economy—the fringe person, or potential offender. If anything, the swift and sure punishment approach will probably succeed at making the potential offender improve his or her defenses against getting caught, since the root reason for committing the crime—lack of economic alternatives—will still exist.

The experience with employment and training programs for offenders has been numerous and varied. Nonetheless, this approach recognizes the need for an offender to be provided with economic stability. However, these programs also have problems—such as training that provides no employment or only marginal and low paying employment with limited, if any, upward mobility.

Successful employment and training programs must provide not only jobs for ex-offenders, but also potential for advancement to jobs of some quality. In fact, reducing recidivism may hinge on the issue of the kind of jobs made available.

In a study conducted by George Pownall and Daniel Glaser, parolees were observed to be considerably selective in the type of employment they were willing to accept. This held true even though the labor market held out few, if any, quality jobs to parolees. Still, parolees were loath to accept low-quality, deadend jobs. These observations were reconfirmed by research undertaken by economist Philip Cook of Duke University.

In Cook's 1973 study of parolees from Massachusetts penitentiaries, it was observed that parolees over the age of 25 tended to remain on a job longer if the pay was relatively high. Further, Cook discovered that parolees stayed on the job one month longer for every extra $7 per week they were paid.

The AFL–CIO Human Resources Development Institute (HRDI) has taken note of the direct link between recidivism and the quality of jobs—and is thus one of the exceptions to the rule. HRDI—the manpower arm of the AFL–CIO—offers a wide range of employment assistance programs for ex-offenders. Further, HRDI's programs acknowledge the ex-offenders need for a decent, well paying job. One such program—Job Development and Placement—places more than a thousand ex-offenders a year in jobs. Moreover, the jobs are primarily with companies that have union collective bargaining agreements. And studies have shown that union jobs pay higher wages than comparable non-union jobs. Moreover, union jobs offer stability and potential.

HRDI has representatives in more than 50 cities that work with employers on job development for offenders. These representatives also work with employers to revise employment practices that bar ex-offenders from being able to obtain employment. In New York state alone, ex-offenders are barred from more than 40 occupations. Such policies restrict even further the already limited employment opportunities of ex-offenders.

In addition, HRDI has established an offender job counselling program that enables HRDI representatives to work with prisoners and the courts in assessing an ex-offenders future employment plans. Ex-offenders are helped in determining their skill level and are assisted in locating training if needed.

HRDI also provides a job referral service to newly released inmates throughout the nation. Prior to an inmate's release, HRDI staff in the city where the penal institution is located contacts an HRDI representative in the city where the released inmate is returning. The HRDI staff in that city, upon the release of the prisoner, helps the former inmate obtain a job.

Additionally, HRDI serves as an innovative program developer for labor groups and companies interployment and earnings for the program participants.

Thus solutions based on the opening up of economic opportunities are successful because they deal with the cause of crime, instead of the crime itself. The alternative to this type of approach—doing nothing—carries a cost that is far too high, a cost this nation cannot afford to bear.

Yet, this truism has to a large extent been ignored. The argument used to defend a do-nothing policy is best described by the following excerpt from Edward Banfield's book, The Unheavenly City:

"So long as the city contains a sizable lower class, nothing can be done about its most serious problems. Good jobs may be offered to all, but some will remain chronically unemployed. Slums may be demolished, but if the housing that replaces them is occupied by the lower class it will shortly be turned into new slums. . . . If, however, the lower class were to disappear . . . the most serious and intractable problems of the city would disappear with it."

Thus Banfield and his followers view class status, in and of itself, as the cause of crime and other socially deviant behavior. By taking such a position, society is let off the hook. Clearly, solutions based on Banfield's premise ignore the necessity of an economy that provides adequate opportunities for all Americans.

However, Banfield's lowerclassness theory should not be dismissed, insofar as it does represent the thinking of many policy makers. The oft-repeated accusation says that the poor and less fortunate are that way because they want to be and because they are lazy and immoral and don't really want a job.

These arguments can be countered by observing facts. A recent event in New York City provides an excellent example of how desperately the poor and jobless want and need to be employed, and how they want to better themselves.

The International Brotherhood of Electrical Workers announced that it was accepting applications for 500 apprentice openings. Over 1,000 men and women showed up, standing in line for as long as four days, literally camping out on the sidewalks for less than a 50–50 chance that they would obtain employment. One of the applicants was a mother of six children who had been on welfare for 16 years.

Another illustration can be found in New York City's handling of its summer jobs program funded under the federal Comprehensive Employment and Training Act (CETA). The demand for jobs by minority poor was so high that New York Mayor Edward Koch was forced to institute a lottery. There are many such examples that could be cited.

Thus the evidence shows an army of unemployed and discouraged workers not only able, but willing to better themselves if only the opportunity presented itself. But, in fact, the jobs, the opportunities are not there.

Furthermore, to make matters even worse, an August 1977 report issued by the Long Island Consumer Action Organization found that the poor and the jobless could expect to be thwarted in the most common of job search methods—that of looking in the "Help Wanted" section of the newspaper.

The report showed that 80 percent of the "Help Wanted" ads in four New York newspapers were deceptive, misleading, or the jobs were not available. Discrepancies included the "bait-and-switch" tactic—come-on ads that lure people in for jobs that are different from those that are advertised.

Much is lost by the lack of a comprehensive jobs policy that attacks the root cause for socially deviant behavior. The cost of the alternative—that of doing nothing—is immense both in economic terms and in human deprivation.

In purely economic terms, the cost of maintaining a high level of unemployment, thereby limiting economic opportunity, is staggering. Dr. M. Harvey Brenner of Johns Hopkins University has gathered data on the topic, and estimates that the 1.4 percent increase in unemployment sustained from 1970–75 alone has cost the nation $210 million from the increase in imprisonment in state institutions; and has cost $434 million resulting from the increase in homicides.

These cost estimates were calculated by including foregone incomes of deceased or incarcerated workers, as well as direct money outlays for prison maintenance.

And this does not take into account the other social pathologies caused by lack of economic opportunity—suicides, state mental hospital admissions and heart disease. When these are tallied the economic loss to the nation is an additional $1.5 billion. And again, the situation is really much worse than the numbers reveal since there is a multiplier effect, and the figures just quoted only relate to the 1.4 percent sustained increase in unemployment that occurred during 1970. Since then, the unemployment rate has sustained many additional increases; thus, these dollar figures would be significantly higher if the calculations were brought up to date.

However, the human tragedy reflected by the social ills that were measured to determine monetary value is the most important cost for maintaining an economy that does not provide opportunities for all. It is the high crime rate, the increase in drug and alcohol addiction, the breaking down of the family, the frustration and the despair that are immeasurable, yet is the most serious cross to bear.

Which brings us full circle. Again, the key ingredient needed to reduce the level of crime, to rebuild the nation's urban economic base, and to restore the nation's confidence is jobs. Jobs that reduce unemployment and increase purchasing power are essential to a national environment in which crime rates are low, and in which people and communities thrive and prosper. Providing economic opportunities for all Americans is, in fact, the only answer.●

THE YEAR OF REGULATION

● Mr. PERCY. Mr. President, I want to call the attention of my colleagues to an excellent column which recently appeared in the National Journal and subsequently in the Washington Post on the subject of regulation and regulatory reform.

The article, by regulatory specialist, Timothy B. Clark, notes that in the midst of all the protests and publicity about the administration's new budget, the press has generally overlooked the fast growth of sentiment in the country, and I believe here in Congress as well, for cutting down on burdensome Government regulation. We must exercise fiscal responsibility; we must practice austerity on the budget side during the coming session of Congress. But, equally important, we must assure that our efforts to cut back on Federal spending, and to balance the Federal budget, are not frustrated by actions we take—or fail to take—in the area of regulation. Federal regulation now costs at least $100 billion a year, and new regulations are issued by the dozens every day. We must begin to get control of the process.

Senator RIBICOFF and I, and several of our colleagues, have introduced legislation to carry out the recommendations made in the final volume of the Governmental Affairs Committee report on Federal regulation. We intend to give it expeditious action. In addition, I, along with Senate Majority Leader BYRD and Senator RIBICOFF, will soon reintroduce the Regulatory Reform Act of 1979. This measure, which I first introduced in the 94th Congress, provides a specific mechanism for review and "sunset" of regulatory agencies by Congress. It passed the Senate in modified version as an amendment to S. 2—Sunset Act—last fall and will be considered this year in conjunction with other regulatory reform proposals under the jurisdiction of the Governmental Affairs Committee.

I commend Mr. Clark and the National Journal for providing an incisive look at what should truly be the year of regulation, and want to make note of the fact that the Journal, in conjunction with the American Enterprise Institute, will sponsor a major conference on Federal regulation on May 21 and 22 in Washington, D.C.

I ask unanimous consent that the article be printed at this point in the RECORD.

The article follows:

THE YEAR OF REGULATION

To the Chinese, 1979 is the year of the sheep. To domestic liberals, it will be the year of the budget. To a small but growing number of people in and outside the federal government, however, 1979 promises to be the year of regulation.

On the front pages of the nation's newspapers, news of the freshly fashionable Chinese and of hot disputes over President Carter's austerity budget for fiscal 1980 will predominate. But regulatory issues, usually relegated to the business pages, will be found increasingly in the main news sections—even occasionally on the front page, if only below the fold.

This prediction is prompted, at least in part, by a report released in mid-January by the Senate Governmental Affairs Committee, the sixth and final volume in a two-year study of federal regulation.

If 1979 is to be the year of regulation, or more specifically, of regulatory reform, it will be the result of congressional and Administration perceptions of the public mood. Proposition 13, said the Senate report, is an important "indicator of a groundswell of public uneasiness with the present course of goverment and the consequent burdens that are imposed on citizens." Coincidental events within a few weeks of the June 6 passage of the California tax reduction initiative could not help but reinforce the public's worries about "the cost and efficiency of government," the report continued. It cited headline-making events like these:

On June 15, the U.S. Supreme Court ruled that the Endangered Species Act required abandonment of the Tellico Dam project, at a cost of $53 million, to protect a three-inch fish known as the snail darter.

On June 16, the government announced that 13 federal agencies spent $36 million in three years to comply with provisions of the Freedom of Information and Privacy Acts.

On June 22, The New York Times reported that the efforts of the Occupational Safety and Health Administration (OSHA) to protect workers were largely a failure, and that losses attributable to sickness and injury continue to skyrocket, costing the economy an estimated $5 billion a year.

There were other examples, and "with news such as that appearing day after day," said the report, "it is little wonder that there is a deepening public concern about the effectiveness of government programs, particularly those which attempt to regulate business activities."

In 1978, that concern began to filter into the consciousness of policy makers in the White House, in Congress, in think tanks and in academic groves and, to an ever-increasing degree, in leading business groups. A short recital of the highlights makes the point.

Just about a year ago, President Carter appointed a Regulatory Analysis Review Group, led by his economic and budget advisers, to recommend cost-cutting steps in forthcoming major regulations. He followed that in March by issuing an executive order requiring all agencies to prepare detailed "regulatory analyses" of contemplated major actions, assessing alternatives, including dropping the proposal. In early summer, he personally intervened to reduce the costs of an OSHA regulation to protect textile workers from disease caused by cotton dust. And in October, he appointed the heads of major regulatory agencies to a new U.S. Regulatory Council, whose job it is to achieve better coordination and cut costs.

And the Administration, first on its own and then by successfully pressing for legislation, deregulated the airlines to a significant degree—cutting costs for travelers and boosting profits for the airlines.

The Commerce Department, meanwhile, commissioned a number of studies of new approaches to regulation—including the development of a "regulatory budget" whose aim would be to give Administration officials control over the inflationary impact of costly regulations.

In academic circles, Murry L. Weidenbaum of Washington University in St. Louis updated his study of the costs of federal regulation, predicting that the private and public sectors would spend at least $100 billion on compliance in 1979. The American Enterprise Institute for Public Policy Research got rolling with its new bimonthly magazine, *Regulation*, which is now required reading among regulatory specialists.

Business, which complains more loudly than anyone else about the costs of regulation, began to get organized. The Business Roundtable commissioned a year-long study by Arthur Andersen & Co. of the costs to 40 companies of complying with the regulations of six federal agencies. And the Ford Motor Co. issued a comprehensive study of the effects of regulation on its operations.

We can look for more in 1979. On Feb. 1, the Regulatory Council will complete its first major task, publishing a "calendar" of major upcoming regulations. About two weeks later, the Commerce Department will publish the results of its own study of regulatory costs, putting public and private expenditures this year at $150 billion to $200 billion. In the near future, too, the Business Roundtable will make a splash with its cost study. And the Administration will push for regulation of the trucking and railroad industries.

But if 1979 is to be the year of regulation, it will be because Congress makes it so.

The issuance of the Senate committee report was one important sign. By a unanimous vote, the committee recommended that each regulatory agency publish estimates of costs, benefits and other impacts of all of its proposed rules, in effect expanding upon and giving a statutory base to Carter's executive order.

"Today, people are questioning what government can and should do," said committee chairman Abraham Ribicoff, D-Conn., "That questioning, combined with persistent high inflation, has increased our awareness of the need to carefully reexamine federal regulation."

So if 1979 is the year of regulatory reform, it will be because Congress, which has the last word, perceives a popular message to pass legislation to reduce, not increase, the burden of regulation.●

ADDRESS BY SENATOR STEVENSON AT THE ANNUAL CONFERENCE OF THE INSTITUTE FOR SOCIOECONOMIC STUDIES

● Mr. MOYNIHAN. Mr. President, on December 13, our esteemed colleague, the distinguished junior Senator from Illinois delivered an address of the foremost importance on "Economic Interdependence—the World at a Crossroads" at the annual conference of the Institute for Socioeconomic Studies. His learned and provocative observations on the world economy and on the place of the United States in that economy should command our attention. To that end, and so that they may also have the wider audience that they deserve, I request that the text of his remarks be printed in the RECORD.

The address follows:

ECONOMIC INTERDEPENDENCE—THE WORLD AT A CROSSROADS

(By ADLAI E. STEVENSON)

In the 70's fundamental change occurred in the U.S. economy, and its relation to the world, which is still unrecognized, let alone acted upon. Food prices rose with wheat sales to the Soviet Union. Energy price increases rippled out to inflate the price of every commodity and service at every stage in its production and distribution. The monetary systems forged at Bretton Woods collapsed. In the 70's international liquidity increased at five fold the rate of the 60's. And the nation suffered double digit inflation, recession and high unemployment. This phenomenon of simultaneous inflation and economic stagnation is significant in itself—but more so as a symptom of change to which other nations, more disciplined and pragmatic, are adjusting more readily than we. This is a highly competitive interdependent world for which the appropriate policies and institutions are not devised.

Bismarck once said "God holds His hand quite particularly over fools, drunkards and the United States of America." If not withdrawn, God's hand now shelters others. The development of the United States was fueled by something more than the genius proclaimed by orators each fourth of July. It was fueled by labor from Africa and Europe, by abundant raw materials, including oil, and seemingly endless frontiers. For a time recently the United States virtually controlled the world's capital. Its technology was preeminent. All that is abruptly changed.

Now economic interdependence is more than a cliche. We are left to compete in a highly competitive world with many of our natural advantages, if not God's hand, withdrawn. Nations are each dependent on others for food and energy, for markets and supplies, for technology and capital—and this nation is no exception. The U.S. must scramble for its share of the world's resources and markets. And it is left to do so with a government intimidated by new ideas and the public reaction to the grossness of recent years. The dollar has declined like a barometer of world confidence in our ability to discipline ourselves and compete. A few weeks ago, the world was close to the brink of financial panic, only to be pulled back by emergency measures to rescue the dollar.

The dollar's value will continue to be buoyed by self-fulfilling expectations of its continued use against major currencies. And next year the American balance of payments deficit may be somewhat reduced by gold sales and lower growth rates in the U.S. than in some nations abroad. But our measures are reflective and anachronistic. They deal with symptoms and rarely address the phenomena which gave rise to the necessity for them. High interest rates and indiscriminate budget cuts will retard investment, add costs to the production of goods and services and force recession which will be followed by more budget deficits.

Without some attention to increased productivity and the institutions of world commerce, these measures offer a high risk of inflation, recession and political instability. The economic and political imponderables of an undisciplined world increase the risk of failure for policies modeled on abstractions from the 18th century.

I sense that the contest of ideas in America is between those improbable bedfellows who would return to the stand pattism of the 50's and those activists who would enlarge upon the welfare statism of the 60's—and that both are wrong or premature. Some attention ought to be paid the foundations of the economic system or it will not sustain social progress or national defense.

In the late 60's the United States acted with vision, as it had not twenty years earlier. It led the rebirth of the free world. More than any other nation, the United States created the institutions of trade and finance which brought the world a measure of sustained peace and prosperity.

Now the world is again at a crossroads. World population may increase by fifty percent before the end of the century. Already much of mankind is living close to the margins of existence, as sources of food and fuel are depleted or priced out of reach. Nations, dependent on each other, are moved by economic expediencies and animosities spawned by history and ideology to seek independence. The invisible hand of Adam Smith has become the visible hand of government subsidizing exports and restricting imports. Cartels in the U.S. and other interests stand the law of supply and demand on their head. Much of the world acknowledges no such thing as a free market. And where the price mechanism is relied upon to allocate goods and resources, other factors are at work. The price mechanism does not automatically redress a balance of payments deficit, as was confidently predicted by the theoreticians when the dollar was unlinked from gold.

Western Europe had a two percent growth rate last year. Growth rates will not be high enough to prevent unemployment from rising in nearly every market country next year. Inflation rages the world trade is stagnant. International debt has quintupled since the oil price hikes in 1973. The credit requirements of nations and industries exceed the resources of official and commercial credit facilities. Consumer debt at home has reached $300 billion, much of it incurred in anticipation of inflation. Investment in productive enterprise and innovation is flagging the world over. And payments deficits are aggravated by the continued failure of nations to conserve energy and expand energy supplies. This is not a condition which will be improved by twelve percent interest rates and indiscriminate budget cuts for everything except defense.

In the 20's the United States failed to offer the world economic leadership and invited world depression—and depression with all the inadequacies of the first war's settlement, led to the next war.

We could acquiesce in the economic and political turbulence of which Iran is a portent—We could act to restore U.S. authority in the world—not with irrelevant and debilitating response systems. The U.S. could act to renew the institutions of world finance and trade, and broaden the framework for global cooperation. We could gear up to meet the foreign economic competition abroad and at home and win.

Reform of the international monetary systems began with American leadership at Bretton Woods. That leadership needs to be renewed. International exchange uncertainties are depressing world commerce. Facilities for the financing of payments deficits are limited. American leadership could develop a universal monetary system which included the OPEC surplus countries and the nonmarket countries. It would bring down artificial barriers between East and West, bring in OPEC surpluses and move the world toward freely convertible currencies and a universal medium of exchange. Over reliance on the dollar or any other national currency exposes world commerce to excessive fluctuations and uncertainty. What is more, policies appropriate to the reserve status of the dollar can conflict with our domestic objectives of growth and employment. The impact of twelve percent interest rates on capital formation, consumer spending and housing may soon make this point clearer than it is today.

We could realize this objective of a reformed global monetary system more easily than our limited vision permits us to understand.

An enlightened American would once again lead an effort to assure capital for the production of raw materials, manufactures and other goods and services in the world. The World Bank's program to stimulate energy research and production in the developing countries is a step in the right direction. The United States could join with other nations in new institutional means of investing capital and technology world-wide in the production of energy. It is, however, still preoccupied with an illusory notion of energy independence.

Sweden and Canada have established foundations which facilitate the application of technology to the development of the least developed nations. The United States could join that effort. Better yet, it could lead it.

We might with more vision implement the demand management policies of the past with global supply management policies for the future and come to grips with the dominant causes of inflation—and the dangers of depression. Contrary to the logic of demand management, inflation accompanies unemployment in this era. With some imagination, growth might be associated with stable prices. Investment in the production of essential goods and services is an altogether more promising means of controlling inflation than decreasing demand for them. It also is the key to practical stability and the nation's security. Iran should remind us that the instability of a critical regime is rooted more so in the indigenous sources of dscontent than the external sources of subversion which exploit them.

In 1953 Japan had two percent of international exports. Today it has seven percent. In the same period the U.S. share of exports declined from twenty percent to twelve percent. And now a new wave of competition looms from LDCs and non-market countries combining high technology, low labor costs and priorities that rank social welfare benefits and environmental protection behind development. China is moving to harness its natural resources and 800 million disciplined, industrious people to its economic development.

The U.S. is reacting to foreign economic competition—but perversely.

This year the Congress passed legislation to undermine the trade negotiations by taking textiles out of them. Congress is pressured to follow the British course of protecting and subsidizing failing industries at the expense of all industry, dragging the country down instead of moving ahead, as do the Japanese, to develop new markets, new products and new industries.

A forty percent tariff cut would generate about $125 billion in additional trade for the industrial countries alone. The United States would net a gain of about 120,000 jobs. Reductions in barriers to agricultural trade and a reduction of non-tariff barriers would add hundreds of billions of dollars more in economic benefits for all participating countries. But we may go the other way. And even if the Tokyo Round is completed and approved, it will be time for another. This battle of reciprocal advantage versus reciprocal disadvantage never ends. An enlightened America will seek to bring more nations into the negotiations and more items of commerce, and develop the institutional means of disciplining the world through the review of complaints about unfair trade practices, disclosure of such practices and means of enforcing codes of fair trade.

Instead of protecting ourselves from foreign competition we could set out to meet it and benefit from it. Competition rewards efficiency and stimulates innovation. In this age of administered prices, foreign competition is sometimes the only effective competition. It is deflationary.

Conventional wisdom attributes the trade deficit to oil imports. Obviously an oil bill of $40 billion is a major cause of that deficit. But other nations more dependent on foreign sources of raw materials, including fuels, run trade surpluses. And if you eliminate the U.S.-OPEC trade deficit, you find that the United States trade is still in deficit. Dependence on more expensive foreign oil will grow. And so will foreign competition. In 1976 the United States ran a $17 billion trade surplus in manufactured goods; now it is running a trade deficit in manufactured goods. The United States can't compete with cheap labor or raw materials anymore—or by controlling the world's supply of capital. It can compete by retaining its capacity for technological innovation, developing and producing competitive products and marketing them aggressively.

The opportunities are large, but the vision and the will are short. Labor seeks protection. Business seeks more export subsidies. The Administration seeks to take them away. And only the farmers seem aware of the global dimension of the market—and they would price themselves out of it.

The U.S. is asleep. You might ponder what it could do if it awoke. It would be a more credible negotiator in trade talks if it demonstrated that it was not only prepared to protect its own markets from unfair trade—

but also prepared to penetrate foreign markets with its exports.

Exports are the province of the largest American corporations, though the benefits trickle down. Small corporations are left out, except as suppliers to the large. Already there is scarcely an American product that is any longer unique in the world. The quality of American products is sometimes inferior. Our global marketing is often weak, especially when compared to the Japanese trading companies and German chambers of commerce. American productivity is weighed down by unnecessary transactional and societal costs. Our rate of productivity gain is lower than in any other industrialized country except Britain. Between 1975 and 1978, productivity increased by over twenty percent in Japan—by two percent a year in the U.S. Foreign governments go all out to pay the oil bill and beat us with barriers to our imports, subsidies for their exports and support for development of export industries. In the United States the effort to develop a comprehensive export policy is only now beginning.

This effort is hindered by the consuming notion that every affliction of mankind can be cured by another law or the withholding of American patrimony from errant nations. The Congress has difficulty resisting the temptation to legislate the conduct of foreign policy for which it is neither competent nor intended by the Constitution. Thus, U.S. participation in the World Bank and regional development banks is subject to well-intentioned but mischievous human rights restrictions. The IMF has been similarly threatened, as is the ExIm Bank. MFN and credits for non-market countries are linked to assurances with respect to their emigration policy. Now environmentalists are seeking to subject ExIm-supported exports to environmental impact statement requirements. Thirty years ago we led the effort to create the economic institutions of the world. Now, like others, we seek to politicize them.

The efforts to condition U.S. participation in world commerce upon the extraterritorial reach of U.S. laws and social priorities and the opposition of business to them imply that the economic, political and moral purposes of the U.S. do not coincide. A more hopeful and ultimately more humane basis from which to proceed is to recognize that such interests can converge. The anti-boycott law effectively reconciled the protection of American sovereignty with a recognition of its economic interests in the Middle East. Instead of conditioning trade with non-market countries on their emigration policies, MFN and credits could be subjected to periodic review in Congress and the Executive branch implying that the continued availability of both would depend on Soviet conduct and a broader range of U.S. interests. Both political and economic objectives could be served by a process which normalized the commercial relationship while making it clear that the extent of that relationship depends upon a continuing accommodation of political interests in the world. It is imprudent for one side, be it business, the environmentalists, or the Jewish community, to go all out to beat the other. One side and, therefore, at least one interest of the United States is likely to be defeated unnecessarily. A more accommodating and pragmatic outlook is necessary if we are to stop inflicting damage to our inseparable economic and strategic interests.

The competitiveness of the United States in this competitive world will require a good deal more than Exim Bank and Commodity Credit Corporation credits and the tax incentives which are most commonly mentioned.

In the name of competition, anti-trust laws sometimes prevent effective competition by the U.S. in the global marketplace. We ought to permit trading companies which could represent small as well as large American businesses throughout the world, absorbing exchange rate fluctuations as a day-to-day basis and meeting foreign competition everywhere. The commercial banks could be involved in a major effort to educate businesses, especially the small businesses, to the opportunities and methods of exporting, servicing and facilitating their export transactions. The United States could package large export transactions including everything from nuclear power plants to Catepillar tractors. Trading companies with government cooperation facilitated by a new Department of Trade could help put such package together. And such a Department, consolidating international trade and investment responsibilities, would help centralize accountability and elevate the job to one of prominence and authority in the United States, as in other nations.

Agricultural policy should be reviewed. Instead of paying farmers to decrease the production of food, while supporting food prices at artificial levels, farmers could be encouraged to produce food at price levels determined by the market. As it is, we react to last year's surplus, instead of tomorrow's hunger and price food out of world markets. Farmers could be supported with cash payments while food prices were allowed to find a market level with deflationary consequences at home, as well as enlarged market opportunities for meat and grain producers abroad.

Technology is the basis of our ability to compete. The most technology-oriented industries, aerospace for example, are the most competitive and export-oriented. Instead of subsidizing non-competitive industries along the British line the government might with more wisdom assist in the development of new industries, new products and new manufacturing processes as do more aggressive nations. U.S. investment in R & D is declining in relations to the other countries, and U.S. industry has been shifting investment from innovation to product improvement with an eye to next month's profit and loss statement instead of the next decade's. In the 1960's hundreds of small technology oriented companies were formed each year in the U.S. By 1977, the number had reached zero. To retain our technological preeminance requires tax incentives for capital formation and R & D and institutes to combine the research efforts of government, academia and industry.

A recommitment by government to basic science and industrial innovation, including the commercialization of new technology, is essential if the United States is to compete and benefit mankind where best it can. Next year the space shuttle will be launched—but in our doldrums we do not know what to do with it. With no more money, but with more imagination, space could be routinely utilized for the benefit of earth. Or else we give it over to the Russians.

The adversarial relationship between industry, labor and government could be put behind us as in other countries. While the Japanese government is combining and subsidizing its electronic data processing industry, the United States is trying to break up IBM—which next year will encounter the fourth generation of Japanese computers.

It is time the U.S. awoke, puts its house in order and gave itself and the world the leadership of which it is capable. We have wandered like Gulliver into the land of Lilliputia and are tied down by strands of minutiae, reorganization plans, webs of regulation and zero base budgets. The growth industries of America are the law and accounting firms and gambling businesses and government itself. We are not exalted to high levels of endeavor by zero base budgets and Propositions 13. We would with more imagination restore the old entrepreneurial spirit now under assault from impersonalized forces of government, labor and business and the animating Jeffersonian ideals of excellence and individual freedom now threatened by an egalitarian ethic. We seek to redistribute profit at some risk of no longer making it.

The capacity of democratic governments everywhere to act decisively is in doubt. The governments of most industrialized nations are weak. In the third world they are often unstable and susceptible to forces of internal dissatisfaction and sometimes external subversion. And we are preoccupied with unproductive and unuseable weapons systems and economic and political orthodoxies better suited to the past than the turbulent and interdependent world in which we live.

The nation is presented with choices not unlike those if faced in the 20's and 40's. It could choose to protect itself from foreign economic competition. That choice in the 20's was the proximate cause of world depression which led to the disarray of the democracies and the next war. Or it could move to meet the competition of food, adapt anti-trust laws to a global market. It could recommit itself to basic science and technological innovation. New frontiers in space could be pushed back with the American space shuttle and that benign environment utilized routinely for the benefit of mankind. It could move as it did in the late 40's to build world institutions of trade and money and development. It could recognize that it is ultimately more hopeful for mankind to increase the production of essential commodities and services than to decrease the demand for them. There is no limit to what the U.S. could do with ingenuity and entrepreneurship—and an emboldened government.●

ENERGY CONSERVATION GUIDE

● **Mr. HART.** Mr. President, one of the questions I frequently get from constituents is, "Where can I get more information about energy conservation?" The question comes from homeowners interested in upgrading insulation, local officials looking for financial and technical assistance, small businessmen trying to get into the burgeoning conservation and many others.

The answers to such a seemingly simple question can be hard to come by, but now the task may be a little easier—thanks to an easy-to-use guide to Federal energy conservation programs prepared by the Environmental Study Conference.

As Cochairman of ESC and on behalf of House Cochairman Jim Jeffords, I submit a newly updated guide to be printed in the Record.

GUIDE TO FEDERAL ENERGY CONSERVATION

(By Tee Cowperthwaite and Ken Murphy)

The goal of this Fact Sheet is to help congressional offices help their constituents—average citizens, businessmen, local officials and others—sort through the maze of federal programs aimed at promoting energy conservation.

The programs described here range from education and technical assistance to grants, loans and tax credits. It does not deal extensively with research and development. Solar energy programs are covered in a separate ESC Fact Sheet.

The contacts listed are the key officials congressional offices should call for assistance. All telephone numbers are area code 202 unless otherwise noted.

USER INDEX

This index lists programs according to the specific groups or individuals who may benefit. Many programs are listed more than once.

Homeowners

Internal Revenue Service, Residential conservation tax credits.

Department of Energy, Energy Extension Service, Residential Conservation Service, appropriate technology grants, technology and information dissemination, and, energy education.

Housing and Urban Development community development block grants, and section 312 loans.

Community Services Administration.

Veterans Administration

Department of Agriculture, Farmers Home Administration, and Extension Service.

Tennessee Valley Authority, home insulation loans and certified heat pump installation.

Consumer Product Safety Commission.

Federal Trade Commission.

Renters

Internal Revenue Service, Residential conservation tax credits.

Department of Energy, Energy Extension Service, Residential Conservation Service, Energy education.

Community Services Administration,

Department of Agriculture, Farmers Home Administration, Extension Service.

Tennessee Valley Authority Home insulation loans.

Low-income/elderly handicapped

Department of Energy, Energy Extension Service, weatherization grants, residential Conservation Service, and consumer impact/citizen participation.

Housing and Urban Development, community development block grants, and section 312 loans.

Community Services Administration.

Department of Agriculture, Farmers Home Administration, and Extension Service.

Health, Education, and Welfare, grants for programs on aging.

Schools/hospitals/nursing homes

Department of Energy, schools, hospitals, public buildings grants, faculty development, educational materials development, and workshops/seminars.

Health, Education, and Welfare, energy conservation in health care, energy and education, and environmental education.

Business/industry

Internal Revenue Service, Business energy tax credits.

Department of Energy, Energy Extension Service, Residential Conservation Service, appropriate technology grants, Federal energy center, energy conservation in transportation, industrial conservation, industrial energy reporting, energy analysis and diagnostic centers, small business energy cost reduction, and workshops/seminars.

Housing and Urban Development, product research dissemination, and loan insurance for multi-unit housing.

Department of Commerce, energy conservation, professional services grants, energy conservation outreach/promotion, and maritime industry conservation.

Small Business Administration, energy loans and small business training.

Department of Agriculture, Food Safety and and Quality Service.

General Services Administration.

Tennessee Valley Authority, waste heat utilization and cogeneration.

State/local governments

Department of Energy, State energy conservation, supplemental state program, Energy Extension Service, weatherization grants, schools, hospitals, public buildings grants, appropriate technology grants, energy conservation in transportation, Project Conserve, and local government energy conservation.

Housing and Urban Development, community development block grants and product research dissemination.

Community Services Administration.

Department of Commerce, energy conservation and professional services grants.

General Services Administration.

ACTION.

Rural/agricultural users

Department of Energy, Energy Extension Service and appropriate tchnology grants.

Community Services Administration.

Department of Agriculture, Office of Energy, Farmers Home Administration, Extension Service, Rural Electrification Administration, Forest Service, Agricultural Stabilization Service, and Soil Conservation Service.

Tennessee Valley Authority, waste heat utilization.

Builders/architects/engineers

Department of Energy, Energy Extension Service, Residential Conservation Service, appropriate technology grants, technology and information dissemination, and Workshops/seminars.

Housing and Urban Development, loan insurance for multi-unit housing.

Department of Commerce, energy conservation.

Tennessee Valley Authority, super saver electric homes and certified heat pump installation.

General Services Administration.

INTERNAL REVENUE SERVICE

Residential insulation and conservation tax credit

Homeowners and renters are eligible for a non-refundable tax credit of 15 percent of the first $2000 spent on purchasing and installing conservation equipment, for a maximum $300 credit.

Qualifying equipment includes insulation, caulking and weatherstripping, modified flue openings, storm doors and windows, automatic furnace ignition systems and clock thermostats.

Property claimed for credit must be installed between April 20, 1977, and December 31, 1985, in the taxpayer's principal residence already in existence on April 20, 1977. New homes do not qualify. Condominiums and cooperatives are eligible when they are the principal residence. Vacation homes are not included.

If the authorized credit exceeds the tax owed, it may be carried forward on future tax returns through 1987.

The appropriate form (No. 5695) and a booklet explaining the credits are available from regional IRS offices.

Congressional contact: Walter Woo, Legislation and Regulation Division, Office of the Chief Counsel, Room 4311, 1111 Constitution Avenue, N.W., Washington, D.C. 20224. 566-3734.

Business energy tax credits

Businesses can qualify for a 10 percent investment tax credit for new equipment that uses a fuel or feedstock other than oil or gas or that increases efficient fuel use. This credit may be claimed in addition to the current 10 percent credit allowed for investments in business property. The credit is not available to utilities. Except for solar equipment, the credits are non-refundable and cannot be carried forward.

Qualifying equipment includes:

Boilers and other combustors that use coal or an alternative fuel.

Modifications to permit existing equipment to burn a fuel that is less than 75 percent oil or gas.

Equipment for producing synthetic liquid, gaseous or solid fuels.

Pollution control equipment required for the above equipment.

Solar or wind equipment to provide heat, cooling or electricity for an existing or new building or industrial or commercial process.

Equipment that recovers or reduces waste industrial heat, recycles solid waste, or produces oil from shale rock or methane gas from geopressurized brine.

To discourage industrial use of oil and gas, the National Energy Act denies the existing 10 percent investment credit and accelerated depreciation to businesses that install oil or gas boilers, except where required by air pollution rules.

Rapid depreciation would be permitted for oil and gas boilers that are retired before the end of their useful life to be replaced by boilers using other sources of energy.

Contact: Bob Bley, Legislation and Regulation Division, Office of the Chief Counsel, Internal Revenue Service, Room 4108, 1111 Constitution Avenue, N.W., 20224. 566-3373.

DEPARTMENT OF ENERGY

State energy conservation

One of the Department of Energy's major conservation efforts is called the State Energy Conservation Program and was established on December 22, 1975, by the Energy Policy and Conservation Act and amended in 1976, by the Energy Conservation and Production Act.

The aim of the so-called SECP program is to reduce energy consumption projected for 1980 by 5 percent. All 50 states, the District of Columbia, Puerto Rico, Guam, American Samoa and the Virgin Islands are participating. They received a total of $112.5 million in federal grants through fiscal year 1978, and $58 million in appropriations will be available in FY 1979.

The main eligibility requirement is preparation of a base plan and a supplemental plan, each with certain required measures.

The base plan must include five elements:

Mandatory lighting efficiency standards for non-federal public buildings. The minimum standards are the so-called 90-75 standards established by the American Society of Heating, Refrigeration and Airconditioning Engineers (ASHRAE).

Mandatory thermal efficiency standards for new and existing residential and non-residential buildings. They are based on the ASHRAE 90-75 levels.

Mandatory programs to promote the availability and use of carpools, van pools and public transportation.

Mandatory energy efficiency standards governing the procurement practices of a state and its political subdivisions.

Mandatory regulations, which, to the maximum extent practicable and consistent with safety, permit motor vehicles to turn right at a red light after stopping.

The supplemental plan must include procedures for:

A continuing public education effort on implementing energy conservation measures.

Insuring effective intergovernmental coordination.

Encouraging and carrying out energy audits or inspections of energy systems in buildings and industrial plants.

In addition, a state may initiate other appropriate measures to conserve energy, such as oil and gas burner inspections, utility audits of homes, bans on master metering in new multi-unit dwellings, comprehensive state/local government energy management plans, driver education programs, truck fleet efficiency programs and colocation, which involves placing industrial plants needing heat near power generating plants so that steam can be shared through cogeneration.

Program administration is largely decentralized, with plan review, approval and funding authorities delegated to the 10 DOE regional offices. These offices serve as the primary liaison with state personnel. Overall coordination, clearinghouse functions, preparation of technical assistance materials, workshops, etc., have remained at national headquarters. Contact: John Rivera, Director of State Grant Programs, Conservation and Solar Applications, 1200 Pennsylvania Ave., N.W., Room 6433, Washington, D.C. 20461. 633-8650.

Supplemental State programs

Other DOE programs to help state and local governments include assistance in developing energy purchasing strategies that will save energy. The Office of State Specific Programs provides information and technical help. Contact: Michael Willingham, Acting Director, Office of State Specific Programs, Conservation and Solar Applications, 1200 Pennsylvania Ave., N.W., Room 6454, Washington, D.C. 20461. 633-8641.

Another program encourages the recovery, refining and re-use or acceptable disposal of discarded used oil. Technical assistance is provided to states, local governments, civic and community groups and public interest groups through such organizations as the Conference of Mayors and National Association of Counties.

The program is funded through the SECP and contributions from state and independent organizations. Contact: Doris Ellerbe, Office of State Specific Programs, Conservation and Solar Applications, 1200 Pennsylvania Ave., N.W., Room 6454, Washington, D.C. 20461. 633-8656.

Energy extension service

This DOE program provides energy saving advice and information to individuals, small private firms, local governments, architects, savings and loan officers, farmers, tenants and homeowners. The EES was established by the National Extension Service Act of 1977. Ten states have received pilot grants of about $1.1 million each and have started providing services. Grants of $30,000 have been awarded to the remaining states to prepare for participation in a nationwide program.

The Extension Service aims to reduce the impact of fuel shortages and price increases on small consumers through such services as building audits, specialized training, workshops and an energy hotline. The states design and operate the program, while DOE provides guidance and technical assistance. There is no funding available for an activity if it duplicates other state energy conservation programs. Funds may be used to create new programs or to supplement existing programs.

The program takes its impetus from the Agricultural Extension Service, but rather than relying on land grant universities and federal extension agents, EES works through governors' offices and existing state and local organizations.

Another objective of the program is to provide feedback to DOE and other decision makers regarding institutional and technological barriers to the adoption of energy-saving measures.

The Carter administration requested $25 million for FY 1979 to extend this program to all 50 states, but Congress provided only $15 million in appropriations to continue the pilot effort for another year. Contact: Judith M. Liersch, Director, Energy Extension Service, Intergovernmental and Institutional Relations, 8G-031 Forrestal Building, 1000 Independence Ave., S.W., Washington, D.C. 20585. 252-6243.

Proposed consolidation

The Carter administration has proposed consolidating and changing the major federal energy conservation program administered by the states under the Energy Policy and Conservation, Energy Conservation and Production, and Energy Extension Service Acts. The administration plans to send Congress early this year a state energy management and planning bill to carry out the consolidation. Contact: Michael Powers, Acting Director, or Robert A. Plunkett, Office of Planning and Policy, Office of the Assistance Secretary for Conservation and Solar Applications, Mail Stop 2221-C, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 376-9041.

Weatherization grants

Starting in FY 1979, DOE will be totally responsible for the federal weatherization grant program to help low-income people, particularly the elderly and handicapped, make home repairs and energy conserving improvements. The maximum grant expenditure per dwelling is $800. A total of $199 million is appropriated for FY 1979.

States subgrant the fund to community-based organizations, particularly community action agencies, to carry out the program at the local level. DOE estimates that over 390,000 low-income dwellings were weatherized by the end of the FY 1978 program year. Contact: Mary M. Bell, Director, Weatherization Assistance Program, Conservation and Solar Applications, Room 6445, 12th and Pennsylvania Ave., N.W., Washington, D.C., 20461. 633-8683.

Schools, hospitals and public buildings grants

A total of $300 million in appropriations is available in FY 1979 to help schools and hospitals pay for energy conservation and solar equipment. These grants can cover up to 50 percent of costs. Eligible schools include public and private, non-profit elementary and secondary schools, colleges and universities.

A separate grant program finances energy audits for public buildings, including units of local governments and non-profit nursing homes, community health centers, neighborhood health centers and orphanages. A total of $32.5 million in appropriations is available in FY 1979. Contact: Michael Willingham, Acting Director, Office of State Specific Programs, Conservation and Solar Applications, Room 6454, 1200 Pennsylvania Ave., N.W., Washington, D.C. 20461. 633-8641.

Residential conservation service

Created by the National Energy Act, this program requires electric and gas utilities to inform customers of potential conservation and solar improvements and provide cost estimates.

Upon request, utilities must inspect customers' residences to determine which improvements would be cost-effective. They must provide a list of lenders, suppliers and contractors and must offer to act as a "project manager," arranging installation and financing. Utilities may bill the customer on his monthly statement and offer to make financing arrangements so that the customer can spread out repayment.

Utilities generally are barred from installing or financing conservation measures themselves, with two exemptions: First, utilities may finance and install three particularly cost-effective improvements: furnace efficiency modifications, electrical or mechanical furnace ignition systems that replace standing gas pilot lights, and local management devices—primarily meters which measure energy consumption at different times during the day so that customers can get reduced rates for off-peak power use. Second, utilities may make loans not exceeding $300 for purchase or installation of other specified conservation measures.

States may extend the provisions of this program to cover home heating suppliers, primarily oil dealers. They also may apply to DOE for a three-year exemption from the act's general prohibition on installation and financing by utilities. Contact: Bill Methea, Residential Conservation Service, Division of Community Systems, Office of the Assistant Secretary for Conservation and Solar Applications, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 376-1964. Or Jim Tanck, same address. 376-4708.

Appropriate technology grants

This program encourages the development and demonstration of small-scale, decentralized energy systems that use local, renewable resources. It is administered out of the 10 DOE regional offices.

Individuals, local non-profit organizations and institutions, state and local agencies, Indian tribes and small businesses are eligible for support.

Grants of up to $50,000 are available for support of a broad variety of technologies, including solar heating and cooling, energy conservation, biomass, wind and small hydroelectric power generation.

Contact: Ann Hegnauer, Conservation and Solar Applications, Division of Buildings and Community Systems, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 376-4711.

Conservation education

Energy conservation is promoted through public service announcements, pamphlets and booklets, citizen training workshops and public opinion surveys. Documents produced by this program are available upon request through DOE regional offices, state energy offices and chief state school officials. Contact: D. Robert Jordan, Acting Director of Marketing and Education, Conservation and Solar Applications, 1200 Pennsylvania Ave., N.W., Washington, D.C. 20461. 633-8616.

Federal Energy Center

This is a multi-agency project that promotes energy conservation in the business sector by demonstrations, distribution from publications, films and exhibits of energy conservation materials ranging from "promotional" to direct technical assistance. DOE manages the program with participation from the National Bureau of Standards, Environmental Protection Agency and others. Contact: Joseph Cooper, Conservation and Solar Applications, Office of Business Assistance Programs, Room 1050, 666 11th Street, N.W., Washington, D.C. 20001. 724-3452.

Energy conservation in transportation

DOE has a collection of programs focused on improving transportation systems efficiency and vehicle performance. One program promotes commuter ridesharing. Other programs are designed to improve the energy efficiency of intercity and urban passenger and freight transport and provide technical assistance on various transportation alternatives to states implementing energy conservation plans. Vehicle performance programs distribute vehicle gas mileage ratings, promote improved fuel utilization by commercial trucks and buses and educate motorists on conservation techniques for automobiles.

The DOE regional office is the first point of contact for assistance. Headquarters contact: Sidney Berwager, Acting Associate Assistant Administrator for Transportation, Office of Assistant Secretary for Conservation and Solar Applications, Room 6517, Pennsylvania Ave., N.W., Washington, D.C. 20461. 633-9041.

In addition, DOE manages an electric vehicle demonstration program involving the private sector and federal, state and local governments. Awaiting appropriations is a loan guarantee program for the electric vehicle industry. Contact: Tom Calhoun, Financial Incentive Specialist, Transportation Energy Conservation Division, Mail Stop 2221C, Department of Energy, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 376-4747.

Technology and information dissemination

The objective here is to provide a communication link between the Division of Buildings and Community Systems and end-user groups, such as builders, architects, engineers, code officials and residential consumers. This is achieved by the development and dissemination of information in the form of technical, non-technical and "how-to" publications, exhibits and other visual material, educational and pilot outreach programs, and workshops and seminars. Contact: Mary-Lynn M. Wrabel, Division of

Buildings and Community Systems, DOE, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 376–4669.

Project conserve

DOE has available to anyone a model questionnaire for residential energy audits and a computer program for processing responses. Participants, primarily states, local governments and utilities, send out mass mailings of the questionnaires to single-family dwellers to help them calculate cost-effective energy conserving investments. Contact: Carol Norris, Buildings and Community Systems, Conservation and Solar Applications, 20 Massachusetts Ave., N.W., Washington, D.C. 20461. 633–9266.

Industrial conservation

DOE's industry energy conservation office has assumed programs from the former Energy Research and Development Administration, the Federal Energy Administration and the Department of Commerce. Functions of this office include:

Development and demonstration of new, more energy-efficient industrial technologies, procedures and processes. Development work is both industry-specific and cross-industry in nature.

Promoting commercialization of existing underutilized conservation technologies and procedures, through publications, technical assistance, workshops, energy audits and other means. Contact: Tom Gross, Industrial Programs, Office of Assistant Secretary for Conservation and Solar Applications, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 376–4115.

Industrial energy reporting program

Corporations report energy efficiency improvement to trade associations or directly to the federal government. Some are required to report by the Energy Policy & Conservation Act, while others report strictly on a voluntary basis. Contact: Tyler Williams, Office of Business Assistance Programs, Trade and Industries Division, Conservation and Solar Applications, 666 11th Street, N.W., Room 1050, Washington, D.C. 20001. 724–3448.

Energy analysis and diagnostic centers

This program primarily helps small and medium-sized industrial firms improve energy efficiency through audits and technical assistance. Under contract with DOE, three universities provide the audits and analyses. They are Georgia Institute of Technology, University of Pittsburgh and University of Tennessee. Contact: Erik Haldane, Business Awareness and Outreach Programs, Office of Business Assistance Programs, Conservation and Solar Applications, 666 11th Street, N.W., Washington, D.C. 20545. 724–3455.

Faculty development

Grants and contracts are awarded to colleges and universities to support energy-related training for college, high school and elementary school teachers. Contact: Chris Kjeldsen, Program Manager, Education Program Division, Intergovernmental and Institutional Relations, 400 1st Street, N.W., Room 307–RB, Washington, D.C. 20545. 376–9211.

Energy education

This program provides information to the public through organized groups such as the League of Women Voters, Steelworkers Union, National Council of Churches and Alliance to Save Energy. The information deals with energy conservation for the homeowner and renter, national energy problems and options and the role of the public in energy policy development. A grant program helps nonprofit membership organizations promote public awareness of energy-related matters. A total of $600,000 will be available for FY 1979. Contact: Richard Stone, Public Education Specialist, Education Programs Division, Intergovernmental and Institutional Relations, Room 8G031, 1000 Independence Ave., S.W., Washington, D.C. 20585. 252–8464.

Small business energy cost reduction

This program provides technical assistance to help small businesses reduce both energy costs and consumption. This primary technical assistance tool is in the form of guidebooks.

Guidebooks have been completed for eight sectors: laundry and dry cleaning, commercial printing, automobile dealers, apartment building operations, gasoline service stations, automotive repair, retailing and florists (both retail and greenhouse operations). Cost reduction recommendations, based on representative energy audits of actual firms, are now being prepared in four additional sectors: furniture manufacturing, wholesaling, baking (wholesale and retail) and dairies.

Trade associations, which co-sponsor the program, publish and distribute the guidebooks, and many have sponsored energy cost-reduction workshops through their state and local affiliates. Additional outreach efforts have begun in conjunction with State Energy Offices and the Energy Extension Services. Contact: Jane L. Miller, Program Manager, Office of Small Business, Conservation and Solar Applications, DOE, Room 3128, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 367–4020.

Educational materials development

Energy education materials and activities are developed for schools and youth groups, and an energy education newsletter is published for educators. DOE's Technical Information Center and educational associations are the delivery mechanisms. Contact: Don Duggan, Education Programs Division, Intergovernmental and Institutional Relations, Room 8G031, 1000 Independence Ave., S.W.,

Consumer impact and citizen participation

These two divisions in the Office of Consumer Affairs try to get the public, particularly the poor, elderly, minorities and handicapped, involved in federal energy programs. The citizen participation division sponsors public meetings and briefings and publishes a consumer briefing summary on DOE activities.

The consumer division tries to get the consumer point of view across with the department. Contact: Richard Moorer, Intergovernmental and Institutional Relations, Office of Consumer Affairs, Room 8G031, Independence Ave., S.W., Washington, D.C. 20585. 252–5877/252–5866.

Workshops/seminars

DOE cooperates with universities, trade associations and government agencies to disseminate conservation information to local audiences of engineers and business managers through workshops, seminars and conferences. Contact: David Hoexter, Office of Business Awareness and Outreach Programs, Conservation and Solar Applications, 20 Mass. Ave., N.W., Washington, D.C. 20545. 724–3454. Washington, D.C. 20585. 252–6484.

Local government energy conservation

This program provides technical assistance and information upon request to local government officials, state energy offices and DOE regional offices. In addition, the office conducts workshops and provides workshop materials. Contact: Faith Lambert, Office of State Specific Programs, Conservation and Solar Applications, 1200 Pennsylvania Ave., N.W., Room 6454, Washington, D.C. 20461. 633–9492.

Publications branch

This program develops non-technical publications reflecting both DOE programs and scientific concepts in the energy field for the general public. Contact: John Sullivan, DOE, Intergovernmental and Institutional Relations, Office of Public Affairs, Room 7203, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 376–9892.

Exhibits branch

This office coordinates the development, design, construction and operation of exhibits for general and special audiences.

About 350 programs a year reach around 10 million people in fairs, shopping centers and special symposiums. Contact: John Bradbourne, Jr., Chief of Exhibits Branch, Office of Public Affairs, Room A1–5024, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 353–5441.

Audiovisual branch

This program produces and distributes DOE audiovisual material to the public. Contact: John Moser, Room A1–5017, Office of Public Affairs, 20 Massachusetts Ave., N.W., Washington, D.C. 20545. 353–5365.

DOE regional offices

Region I: Harold Keohane, Analex Building, Room 700, 150 Causeway St., Boston, Mass., 02114. 617–223–3701. Covers Connecticut, Maine, New Hampshire, Massachusetts, Rhode Island, Vermont.

Region II: Robert Low, 26 Federal Plaza, Room 3206, New York, N.Y., 10007. 212–264–1021. New York, New Jersey, Puerto Rico, Virgin Islands.

Region III: Bernard Snyder, 1421 Cherry St., 10th Floor, Philadelphia, Pa., 19102. 215–597–3890. Delaware, Maryland, Pennsylvania, Virginia, West Virginia, District of Columbia.

Region IV: Roy Pettit, 1655 Peachtree St., N.E., 8th Floor, Atlanta, Ga., 30309. 404–881–2838. Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee.

Region V: Robert Bauer, 175 West Jackson Blvd., Room A–333, Chicago, Ill., 60604. 312–353–0540. Illinois, Indiana, Minnesota, Michigan, Wisconsin, Ohio.

Region VI: Curtis Carlson, Jr., P.O. Box 35228, 2626 W. Mockingbird Lane, Dallas, Tex., 75235. 214–749–7345. Arkansas, Louisiana, New Mexico, Oklahoma, Texas.

Region VII: Mary O'Halloran, 324 East 11th St., Kansas City, Mo., 64106. 816–374–2061. Iowa, Kansas, Missouri, Nebraska.

Region VIII: Charles Metzger, P.O. Box 26247 Belmar Branch, 1075 South Yukon St., Lakewood, Colo. 80226. 303–234–2420. Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming.

Region IX: William Arntz, 111 Pine St., Third Floor, San Francisco, Calif., 94111. 415–566–7216. Arizona, California, Hawaii, Guam, American Samoa, Nevada.

Region X: Jack Robertson, 1992 Federal Building, 915 Second Ave., Seattle, Wash., 98174. 206–442–7280. Alaska, Idaho, Oregon, Washington.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Community development block grants

This program channels funds to units of local government to help low- and moderate-income people improve their homes, including weatherization projects. Any city over 50,000 people has an automatic entitlement to funds. Smaller communities must apply to the HUD area offices. The community's mayor or the chief executive is the contact for individuals or neighborhood groups. Contact: Jim Broughman, Entitlement Cities Division, Assistant Secretary for Community Planning and Development, Room 7276, 451 7th St., S.W., Washington, D.C. 20410. 755–6300. Jim Forsberg, Director, Small Cities Program, same address. 755–6306.

Section 312 loans

Director federal loans are available for home rehabilitation at 3 percent interest for 20 years, with a maximum of $27,000 per unit. The cost of insulation, storm doors and windows, heat pumps, among other energy saving items, can be financed by Section 312 loans. Eligible applicants should live in urban renewal areas, code enforcement areas or areas designated for rehabilitation under the Community Development Block Grant Program, as well as Urban Homesteading areas under Section 810. The local office administering community development programs is the first point of contact.

Contact: Robert I. Dodge, III, Director, Office of Urban Rehabilitation and Community Reinvestment, Room 7282, 451 7th St., Washington, D.C. 20410. 755-6322.

Product research dissemination and transfer

This program is designed to disseminate HUD-sponsored research results in energy conservation to industry, state and local government and the public through publications, workshops, exhibits and other means. Contact: Heather Aveilhe, Program Analyst, Office of Policy Development and Research, 451 7th St., S.W., Room 8126, Washington, D.C. 20410. 755-5544.

Loan insurance for multi-family housing

Under the National Energy Act, the Federal Housing Administration has the authority to insure loans to owners of private multi-family housing to make energy saving improvements. Government loan insurance is available for loans to install energy conservation equipment or solar energy systems or to convert an apartment building from a master electric meter to individual meters, which measure the electricity use of each apartment separately. Many multi-family property owners find it difficult to get this type of financing, and government insurance is expected to make it easier to obtain.

The interest rates on such loans are to be set by HUD at a level no higher than necessary to meet market demands.

This program expands HUD's existing authority to insure loans to multi-family property owners for general improvements under Section 241 of the National Housing Act by adding energy saving measures to the list of eligible improvements. Contact: Michael C. Wells, Program Analyst, Office of Housing, Room 9160, HUD 451 7th Street, S.W., Washington, D.C. 20410. 755-7330.

Other HUD programs

Three additional HUD programs authorized by the National Energy Act must await supplemental appropriations before going into operation. The authorized, but unfunded, programs are:

$25 million in grants for federally assisted (rent subsidized) private multi-family housing and co-ops to improve energy efficiency. These grants are aimed at housing for elderly, handicapped and moderate-income residents.

$10 million in grants for energy-conserving improvements in low-income public housing. For both of the above, contact: Michael C. Wells, Program Analyst, Office of Housing, Room 9160, HUD Building, 451 7th St., S.W., Washington, D.C. 20410. 755-7330.

$3 billion in federally subsidized loans to help low- and moderate-income homeowners make energy conservation improvements. The loans, at $2500 maximum per home, would be available at reduced interest rates through the Government National Mortgage Association (NGMA) to families whose incomes fall beneath the median family income in their area. An additional $2 billion in un-subsidized loans would be made available to all income brackets if HUD determined that credit was otherwise unavailable to meet the president's energy conservation goals. Contact: James Kozuch, Government National Mortgage Association, Room 6204, HUD Building, 7th and D Sts., S.W., Washington, D.C. 20410. 755-5593.

COMMUNITY SERVICES ADMINISTRATION

The Community Services Administration, formerly the Office of Economic Opportunity, has several special programs to help the millions of households at poverty levels who suffer special hardship due to increased fuel or electrical costs.

CSA's energy conservation services include:

Crisis intervention assistance to prevent hardship or danger to health due to fuel shut-offs, through grants, loans, fuel vouchers or stamp programs, payment guarantees, mediation with utility companies or fuel suppliers, financial counseling, maintenance of emergency fuel supplies, warm clothing, blankets and temporary quarters. In addition to normal funding, $200 million a year was added to this program for a special crisis intervention program to help the poor through the cold winters in 1977 and 1978. This funding will continue at the same level in FY 1979.

Dissemination of energy conservation information and education programs and representing the poor's interests in public proceedings.

Transportation projects to help the poor get to essential services and jobs.

Energy and agriculture projects that include research and demonstration activities designed to lower the energy intensiveness of agriculture with special emphasis on helping low-income small farmers stay in business and helping low-income consumers choose less expensive food products.

Alternative energy resource development that emphasizes non-fossil fuels or renewable energy sources like wind, solar and methane digesters and improved conservation equipment and practices. As part of the alternative energy resource development, the National Center for Appropriate Technology develops and supports locally oriented technologies geared to the needs and resources of low-income people and communities. Its research and small grants program supports community experiments and demonstrations. NCAT regionally based field representatives are the point of contact for communities. Contact: Edwin Kepler, NCAT, P.O. Box 3838, Butte, Mont. 59701. 406-723-6533 or 723-5474.

A consulting role in the federal weatherization grant program. CSA helped run the program up until the beginning of FY 1979, when Congress transferred it totally to DOE.

In addition, CSA offers weatherization and emergency utility payments for migrant farmworkers through such organizations as the National Association of Farm Organizations. Weatherization assistance is also available to Indians through the Administration on Native Americans, a part of HEW.

CSA's programs generally are carried out by the community action agencies, which have 90 local programs covering 90 percent of the nation's low-income people. Other grantee organizations include the State Economic Opportunity Officers and the Administration on Aging local agencies. Funding goes through the CSA regional offices, where an energy coordinator is responsible for program guidance, reporting and quality control and for developing regionally funded training and technical assistance programs. CSA's budget for FY 1979 for all programs except crisis intervention totals $65 million. OMB, however, is reviewing this funding level and may recommend a reduction. In any case, OMB's decision will not affect the $200 million crisis intervention fund. Contact: Dick Saul, Chief, Energy Programs, CSA, 1200 19th Street, NW., Washington, D.C. 20506. 632-6503.

VETERANS ADMINISTRATION

The Veterans Administration's direct and guaranteed home loan program can be used to finance a variety of conservation improvements, including insulation, caulking, weatherstripping, storm doors and windows, and furnace modifications. Direct loans are available in housing credit shortage areas at an interest rate established by the administrator and an amortization period generally of 25 years.

The maximum direct loan amount, established by statute, is currently $33,000. The VA loan guarantee benefits may be used for guaranteed or direct loans to eligible veterans for the purchase of either new or existing homes and for completing home improvements. Contact: R. C. Coon, Director, Loan Guarantee Service, Department of Veterans Benefits, Washington, D.C. 20420. 389-2332.

DEPARTMENT OF COMMERCE

Energy Conservation

NBS provides technical information on reducing energy waste to industry; federal, state and local governments; trade and standard organizations; technical, engineering and professional societies; and consumer and public interest groups. The program, supported by other federal agencies, including CSA, DOE and HUD, publishes technical reports, data, laboratory and field demonstration evaluation guidelines, handbooks and general information publications. Contact: Jack Snell, Director, Office of Energy Programs, National Engineering Laboratories, NBS, Washington, D.C. 20234. 921-3275.

Professional services grants

Run by the Economic Development Administration, this program helps local governments develop energy conservation programs and use alternative energy sources, as well as assists local industry in retrofitting for energy conservation and conversion to other fuels. These services are available through the 210 Economic Development Districts covering about two-thirds of the nation's counties. To be eligible, districts must have developed an overall economic plan. A maximum $20,000 grant is available to each district. The total budget is limited. Contract: Bernard Richert, Acting Chief of Program Development Division, EDA, Office of Development Organizations, Room 6815, 14th and Constitution Avenue, N.W., Washington, D.C. 20230. 377-5103.

Energy conservation outreach and promotion

This Commerce Department program promotes energy conservation as good business practice and provides information to businesses at their request to help energy management planning. Contact: J. Raymond DePaulo, Deputy Assistant Secretary for Field Operations, Industry and Trade Administration, Room 4808, 14th and Constitution Avenue, N.W., Washington, D.C. 20230. 377-3641

Maritime industry conservation

These Maritime Administration programs help exchange energy conservation methods within industry and conduct on-site discussions and forums to increase industry awareness of the need for energy conservation. Contact: James Rosapepe, Fuels and Energy Specialist, Room 3723, Code M3702, Maritime Administration, 14th and E Streets, N.W., Washington, D.C. 20230. 373-5213.

SMALL BUSINESS ADMINISTRATION

Energy loans

The Small Business Administration can make direct loans, or guarantee bank loans, to small energy-oriented businesses under the new solar and renewable energy sources loan program created by PL 95-315, enacted July 4, 1978.

The loans will be available to designers, manufacturers, distributors, marketers, installers or servicers of energy conservation and renewable resources equipment using solar energy, wind, biomass, hydroelectricity or industrial cogeneration. Energy conservation equipment will be defined by DOE and is expected to include insulation, individual utility meters, storm windows, improved heating ventilation and air-conditioning controls. The loans will be available through local SBA offices for plant construction, conversion, expansion or start-ups as well as acquisition of equipment and facilities.

Although the law authorized $30 million in direct loans for FY 1979, only $5 million was appropriated. SBA therefore will stress maximum bank participation in each loan under its guarantee program. The maximum loan available under the guarantee program is $500,000 at interest rates negotiated between the borrower and lender, subject to an SBA maximum (11.25 percent as of November 1, 1978). If unable to obtain a guaranteed loan, an applicant may apply for a direct loan which is limited to $350,000 at an interest rate based upon the cost of money to the Federal Government (7⅜ percent for FY 1979).

SBA has authority to make similar loans under an interagency agreement signed with DOE's predecessor, the Energy Research and Development Administration. For FY 1978, SBA allocated $2 million for energy-related loans. Contact: Evelyn Cherry, Chief, Special Project Division, Office of Financing, SBA, 1441 L Street, N.W., Washington, D.C. 20416 653–6696.

Small business training

This program assists small business owners and managers in reducing energy costs by providing training and counseling. Seminars and individual counseling by the Service Corps of Retired Executives are available through the SBA district field offices working with DOE. Contact: Johnnie Albertson, Chief of Business Management Training, SBA, 1441 L Street, N.W., Washington, D.C. 20416. 653–6337.

DEPARTMENT OF AGRICULTURE

Office of Energy

This office serves as a focal point for all USDA energy and energy-related matters. Contact: Weldon Barton, Director, Office of Energy, Office of the Secretary, USDA, Room 226–E, Administration Building, Washington, D.C. 20250. 447–2455.

Farmers Home Administration

The Farmers Home Administration provides a variety of energy conservation-related loans and grants targeted for rural areas:

Home weatherization loan guarantees of up to $1,500 through rural electric cooperatives and public utilities for low- and moderate-income families that are members of a rural electric co-op, in good credit standing and need FmHA credit to pay for home weatherization improvements.

Home improvement repair loans and grants through FmHA county offices, up to a maximum of $5,000, with a 1 percent interest rate. Full grants are offered to persons 62 years or older with no repayment ability.

Home ownership loans to buy, build, repair, improve or rehabilitate rural homes and rural rental housing to build, purchase or repair apartment-style housing through county offices.

A $25 million weatherization grant program was authorized in the recently passed National Energy Act. It is targeted at low-income rural families, both owners and renters. No appropriation has been approved, but one may be included in a supplemental appropriations bill.

FmHA has just started a program to set insulation standards for all the homes and rental housing units it finances.

Contact: Gordon Cavanaugh, Administrator, Farmers Home Administration, USDA, Room 5014, South Agriculture Building, Washington, D.C. 20250. 447–7967.

Extension Service

This program, linked administratively with the Science and Education Administration and the 71 land-grant colleges, has offices in every county in the U.S., providing information and assistance emphasizing energy conservation in homes, on farms and related businesses, farm families, non-farm rural residents, communities, urban residents, and farm commodity and related agribusiness organizations. Contact: Charles W. McDougall, Assistant to the Deputy for Extension, Science and Education Administration, USDA, Room 332 Administration Building, Washington, D.C. 20250. 477–3304.

Rural Electrification Administration

REA has issued two policies requiring certain energy conserving activities by its electric distribution borrowers as a condition for future loans.

One would require the board of directors of electric distribution cooperatives to adopt official policies on energy conservation. They would be required to submit with loan applications reports on the efforts of the cooperative to conserve energy in operation of its own facilities and to assist its members to use electric energy efficiently.

As a part of power requirement studies, the other policy would require more exact data on the energy requirements of previously unserved members.

REA is preparing an energy conservation manual for its electric distribution borrowers to assist them in planning and developing conservation programs. Contact: Harlan M. Severson, Assistant to the Administrator, Rural Electrification Administration, USDA, Room 4324, South Agriculture Building, Washington, D.C. 20250. 447–4246.

Forest Service

Conservation activities of the Forest Service are aimed at improved wood frame house construction; more efficient harvesting, management and transportation; improved forest products processing; weatherization in housing; and substitution of wood and treated wood for more energy-intensive material. Contact: John R. McGuire, Chief, Forest Service, USDA, Room 3008, South Agriculture Building, Washington, D.C. 20250. 447–6661.

Agriculture Stabilization and Conservation Service

The agricultural conservation program helps finance two farming practices with substantial energy conservation benefits: conservation tillage, which yields savings in labor, fuel and machinery, and windbreaks for reducing fuel and animal feed bills.

ASCS also has a pilot energy-saving loan program in 35 counties in 9 states to encourage wet storage and acid treatment for corn and sorghum, as well as facilities for solar grain drying systems. Contact: Stewart Smith, Associate Administrator, Agricultural Stabilization and Conservation Service, USDA, Room 207–W, Administration Building, P.O. Box 2415, Washington, D.C. 20013. 447–6215.

Soil Conservation Service

SCS provides technical assistance on several soil and water conservation practices that contribute to energy conservation. They include minimum tillage, conversion of marginal cropland to pasture and hay, use of windbreaks and shelterbelts, proper irrigation water management, crop rotations with legumes, organic waste and crop residue management, improved drainage, terracing and contour farming and proper management of grazing lands. Contact: William M. Johnson, Deputy Administrator for Technical Services, USDA, Soil Conservation Service, P.O. Box 2890, Washington, D.C. 20013. 447–3905.

Food and Nutrition Service

In connection with FNS nutrition programs, energy education materials and conservation techniques and advice are disseminated to the public. Contact: Frank Gearde, Jr., Director, Administrative Division, Food and Nutrition Service, USDA, Room 792, 500 12th Street, S.W., Washington, D.C. 20250. 447–8974.

Food Safety and Quality Service

This office encourages industry to save energy through its regulatory programs and works to get industry to use efficient food processing equipment. Contact: Sydney J. Butler, Acting Administrator, Food Safety and Quality Service, USDA, Room 332–E, Administration Building, Washington, D.C. 447–7025.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Energy conservation in health care

HEW's Division of Energy Policy and Programs helps develop, stimulate and implement energy management principles in health care services delivery. Contact: Burt Kline, Director, Division of Energy Policy and Programs, Bureau of Health Facilities, Compliance and Conversion, Health Resources Administration, Public Health Service, DHEW, Hyattsville, Md. 20782. 436–7263.

Energy and Education Action Center

This program provides information about sources of federal education funds for energy-related activities, prepares a data base for conservation-focused curricula and helps educators develop increased awareness of energy problems in schools and colleges. The delivery mechanisms include technical assistance, teacher and administrator in-service training, clearinghouse capacities, an information hotline and others. Contact: Edward Stephan, Office of Education, Reporter Building, Room 514, 300 7th Street, S.W., Washington, D.C. 20202. 472–7777.

Environmental education

This program offers financial assistance through competitive grants for the development of educational resources that increase public understanding of problems of environmental quality in the context of quality of life. Energy problems are frequently selected as the focal issue for projects. Grants are available for resource material development, personnel development, elementary and secondary programs and community education. Budget: FY 1979, $3.5 million. Contact: Walter Bogan, Director, Office of Environmental Education, Room 2025, 400 Maryland Avenue, S.W., Washington, D.C. 20202. 245–9231.

Grants for State and community programs on aging

As one of several missions, this program helps older low- and moderate-income consumers reduce their energy expenses through grants, loans and technical information offered by HEW, CSA, DOE and other agencies.

There are 56 state units on aging, 590 area agencies on aging, and 1200 nutrition projects at the local level through which these services are channeled.

Contact: Dr. Eric West, Chairman, Ad Hoc Interagency Energy Task Force, Administration on Aging, 330 Independence Avenue, S.W., Room 4751, Washington, D.C. 20201. 472–3045.

GENERAL SERVICES ADMINISTRATION

GSA has developed several programs to reduce the amount of energy consumed by GSA buildings, vehicles and equipment and has promulgated regulations to encourage energy-efficient procurement practices. Among GSA's efforts are:

Design, construction, operation and retrofit of federally owned buildings to increase their energy efficiency.

Applying federal policies to the operation of GSA-leased buildings and to new buildings designed specifically for lease to GSA.

Demonstrating use of solar energy for hot water, heating and cooling in federal buildings.

Publishing energy conservation booklets.

Acquiring fuel efficient passenger automobiles and light trucks for use in the Interagency Motor Pool system (IMPS) and for other federal agencies.

Cooperating with the Department of Energy in testing certain fuel economy devices and electric vehicles within the IMPS.

Using a "life-cycle costing" procurement policy, which emphasizes energy-efficient products and equipment.

GSA achieved an overall federal passenger motor vehicle fleet average of 19.3 miles per gallon (MPG) for FY 1977, compared with the nationwide 18 mpg standard. Also, GSA has achieved a 33 percent reduction in energy use in GSA-owned buildings since 1973. GSA is responsible for 215,000,000 square feet of space in 2500 federally owned buildings and about 84,000,000 square feet of leased space in 7500 separate buildings. Contacts: Buildings—Ray Whitley, Acting Director, Energy Conservation Division, Public Buildings Service, 18th & F Streets, N.W., Washington, D.C. 20405. 566–1735; Overall Federal Supply Service Activities—Loence E. Gaiter, Confidential Assistant to the Commissioner, (FG), Federal Supply Service, Room 1138, Crystal Mall Building 4, Washington, D.C. 20406. 577–0393; Motor Vehicles—I. W. Rhodes. Director, Motor Equipment Services Division (FZM), Room 314, Crystal Mall address, 577–8565; Appliances and Equipment—Arnold H. Brogan, Director, Value Management Division (FCV), Management Planning and Program Analysis Office, Room 1123, Crystal Mall address. 557–8616.

TENNESSEE VALLEY AUTHORITY

TVA has initiated a number of innovative energy conservation programs. The states in the TVA service area are Tennessee, Virginia, North Carolina, Alabama, Georgia, Kentucky and Mississippi. Among the programs are:

Home insulation loans

TVA offers free home energy surveys to any residential consumer who requests them. Customers heating electrically may obtain interest-free loans of up to $2,000 with a seven-year repayment for attic insulation, floor insulation, storm windows, weatherstripping and caulking, and insulated doors. For those who only cool electrically, loans are available for the above except for floor insulation and storm windows.

After insulation and weatherization, consumers can receive a low-interest loan for the purchase and installation of a heat pump, with a repayment period of up to 10 years.

Super saver electric homes

This program is designed to upgrade the energy efficiency of new all-electric homes. TVA staff works with the 160 local distributors of TVA generated power in encouraging builders, contractors and consumers to meet Super Saver standards when building new homes. TVA is considering an expansion of this activity into a certification program, including inspection of new homes.

Certified heat pump installation

TVA offers training courses to insure knowledgeable installation and quality servicing of heat pumps—"the most cost-effective form of solar heating now available for TVA's climate," according to TVA. Participating dealers and contractors can be certified. Heat pump installations are inspected.

Waste heat utilization

This program is aimed at turning waste heat into industrial process steam and using it in agricultural applications. The agricultural uses include heated greenhouse soil, which results in doubled yields; biorecycling, which combines waste heat and manure to produce aquatic organisms valuable for livestock feed; improving sludge digestion by producing high rates of organic solid destruction; and controlling temperatures in feeding confined animals. Contact: Bary Goss, Manager of Biology Projects, Energy Research, TVA, Chattanooga, Tenn. 37401.

Cogeneration

Cogeneration involves sharing steam between a power generating plant and other uses, such as providing heat or industrial process steam. TVA is planning a survey of industries in the region to determine the possibility for industry/utility cogeneration. Contact: Jim Ward, Assistant Director, Load Management and Energy Conservation, Office of Power, TVA, Chattanooga, Tenn. 37401. (615) 755–3591.

ACTION

A small number of Volunteers in Service to America are assigned to communities to initiate weatherization and other conservation activities. Volunteers also are assigned to energy conservation projects, such as construction and maintenance of solar greenhouses and reform of utility rate structures. Contact: Nora Manning, Legislative Research Specialist, Room M401, 806 Connecticut Avenue, N.W., Washington, D.C. 20525. 254–8070.

CONSUMER PRODUCT SAFETY COMMISSION

The commission is developing a cellulose home insulation safety rule to protect against the dangers of fire, cancer, irritation and poisoning. The commission also supplies consumer tips and hazard information in the form of fact sheets and news releases. Contact: Mike Finstein, Media Relations, 1111 18th Street, N.W., Washington, D.C. 20207. 634–7780.

FEDERAL TRADE COMMISSION

This spring, the commission will issue a rule requiring disclosure of the R-values (resistance to heat flow) of various types of insulation materials. This will help consumers make informed decisions on purchasing and installing insulation through specific labeling and advertising requirements and through test requirements set by the American Society of Testing and Materials, to which each manufacturer must adhere. Contact: Bill Rothbard, Staff Attorney, Bureau of Consumer Protection, Room 6716. Federal Trade Commission, 1101 Pennsylvania Avenue, N.W., Washington, D.C. 20580. 724–1524.

ESC will update this Fact Sheet as appropriate. If you have any suggestions for improvement or know of other programs not mentioned here, please let us know.

In addition, FSC would like to expand this to include major non-federal conservation programs aimed at helping states, local governments, individuals, small businessmen and industry save energy.●

YANKTON, S. DAK.'S NEW LIVESTOCK AUCTION

● Mr. McGOVERN. Mr. President, for several decades the Yankton, S. Dak., livestock auction was an integral part of the active community of Yankton, a medium-sized town in southeastern South Dakota. Several years ago the heavy hand of the Environmental Protection Agency issued an ultimatum to either move out of town or close up.

This livestock auction was currently operated by an oldtime South Dakota family, Mark Ryken and his son Larry, friends of mine all during my public life. The Rykens are of sturdy stock and were not inclined to buckle under because of the EPA. So they moved out of town and constructed one of the most modern and up-to-date facilities in the Nation. The January 1979 issue of the Farm Journal recognized the uniqueness of this new facility and featured it under title of "Slick for Cattle, Easy on Buyers." The first sale day handled over 5,000 animals in a 5-hour period. Mr. Ryken says that in his old facility, it would have taken 10 to 12 hours to handle these numbers.

Mr. President, in recognition of the Rykens' efforts, I ask that the article to which I have referred be printed in the RECORD following my remarks.

The article follows:

NEW AUCTION: SLICK FOR CATTLE, EASY ON BUYERS

(Pictures not printed in RECORD)

Once upon a time a town grew around a livestock auction. But then the Environmental Protection Agency got "wind" of a problem and gave the auction's owner an ultimatum: "Either move out of town or close." The owner moved. Today the town boasts of having one of the country's finest new auction facilities just three miles outside the city limits.

A fairy tale beginning, but nevertheless the true story of Yankton, S.D.'s new livestock auction. Owner Larry Ryken remembers well the 1974 run-in with EPA which forced him to close the old Yankton auction barn and build a bigger, better facility north of town. And big it is—40 acres of auction to be exact. Seven and a half acres under one roof. But there's more to this auction than size. Acres of covered pens can keep 10,000 cattle, 6,000 slaughter hogs and 4,000 feeder pigs shielded from extreme weather at the same time (below). It means less stress on livestock and that benefits both buyer and seller. The new building, 640'x480', also includes a sales arena which seats 450. A 20'x50' computerized scale acts as the sales ring. Its 100,000-lb. capacity lets cattle be sold in larger bunches (above left).

Other features include "spook-proof," solid steel unloading chutes (above right) arranged so two trucks can unload at the same dock.

No need to wait in long rows at the docks, either. There are 20; two especially designed for pickups and trailers; two designed for double deck unloading; eight for trucks and semis.

The entire enclosed area has a concrete floor. Its 700 pens and 1,358 gates are constructed of pipe and steel rods. The gate system is designed for smooth flow of livestock from unloading docks to receiving pens, through the sales ring and back into holding pens after they're sold. The first sale saw 5,432 cattle sell in just over five hours. "That would have required a 10 to 12 hour sale in the old facility," says Ryken.●

ANTHONY LORI ELECTED DEPARTMENT COMMANDER OF THE AMERICAN LEGION, NEW JERSEY

● Mr. WILLIAMS. Mr. President, I would like to take a moment to call my colleagues' attention to the achievements of one of my constituents, Mr. Anthony Lori.

This outstanding citizen, recently elected department commander of the American Legion for the State of New

Jersey, has dedicated the past 26 years of his life to the American Legion. He has held every post from houseman and booking agent to commander and has been active at the local, county, and national level.

In addition, Mr. Lori has contributed many hours of his time to civic and fraternal groups including the fire department, the battleship *New Jersey* Historical Society, the New Jersey Civil Service Association, and New Jersey Weights and Measures Association.

A Korean war veteran, Mr. Lori has dedicated his life to serving his community and his country, and well deserves the confidence and admiration of the 76,000 veterans in New Jersey which he now represents. I want to applaud his hard work and efforts on behalf of veterans and the citizens of New Jersey.●

MENDING FENCES WITH MEXICO

● Mr. CHURCH. Mr. President, I was pleased to see in Monday's Washington Post of January 15, that the senior Senator from Maryland has authored a very thoughtful and perceptive article on U.S. relations with Mexico.

In this article, Senator MATHIAS discusses several bilateral issues, including two recent incidents which have had a dramatic but disheartening impact on our relations with the people and Government of Mexico. First, he draws attention to the decision to lengthen and strengthen the fence along a portion of the Texas-Mexican border. Then he focuses attention on the Energy Department's ruling, recently reiterated by Secretary Schlesinger, to halt the sale of Mexican natural gas in the United States.

Mr. President, as Senator MATHIAS makes clear, the foreign policy ramifications of these decisions will continue to be felt for a long time to come, unless remedial action is quickly forthcoming. The central problem is obviously one of policy coordination. And with respect to Mexico, the long and the short of it is—there is no overall policy; there is no coordination. Underscoring the danger of the situation, the distinguished Senator from Maryland points out:

> The time has long passed when each separate department of the U.S. government could afford the luxury of its own individual uncoordinated Mexican foreign policy. When the Department of Energy rejects a gas deal with Mexico the negative repercussions across the range of our relations with Mexico could hobble us for years to come.

Mr. President, on the more positive side, I want to join with Senator MATHIAS in welcoming the administration's decision to undertake a complete review of United States-Mexican relations. This review is in the final stages of preparation. Hopefully, it will arm President Carter with those recommendations that are necessary for both a successful visit to Mexico and the establishment of a meaningful dialog and relationship between our two countries long after his return.

Finally, in the months ahead I hope the Committee on Foreign Relations will have an opportunity to undertake its own review of U.S. policy toward Mexico. I believe such a review would be helpful not only to the Senate and the Congress as a whole, but to the entire Nation as well.

Mr. President, I ask that Senator MATHIAS' article "Mending Fences with Mexico" be printed in the RECORD.

The article follows:

MENDING FENCES WITH MEXICO

Robert Frost's neighbor stubbornly maintained that "good fences make good neighbors." But Frost wasn't convinced. And neither am I. Some fences make bad blood, and we are building that kind of fence along the Rio Grande.

It is symptomatic of the way U.S. policy toward Mexico is managed that the contract for the lengthening and strengthening of the fence on the Texas-Mexican border was announced by the U.S. Immigration and Naturalization Service without any advance notice to our ambassador in Mexico City. What proved to be a traumatic blow to neighborly feelings, one which dominated the Mexican news for many days, was tossed into the diplomatic thicket as carelessly as a child might toss a match into a pile of leaves.

Similarly, a year ago the Department of Energy intervened at the last minute to put a bureaucratic roadblock in the way of the purchase of Mexican natural gas by U.S. energy companies. The gas deal had been negotiated at length between Pemex, the official Mexican petroleum agency, and private U.S. companies. The Mexican government's long-range energy plan had been based on the sale and export of natural gas and the alternative consumption of more oil at home. Economic and other considerations had been calculated and the construction of the pipeline to the U.S. border had begun. The whole fabric of this agreement was rent when an abrupt, unilateral ruling was issued by the Department of Energy in Washington on the stated ground of objection to price. In that one decision, years of a positive, mutually beneficial relationship with the Mexicans were jeopardized. The president of Mexico, one of the friendliest in recent history, was left, by his own description, "hanging by his paint brush" when we knocked over the ladder. And Mexicans generally have been given reason to wonder whether our vaunted "free-enterprise" system is a reality or a myth.

So whether it is building fences on the Rio Grande, or buying gas or oil from south of the border, it is time to get our act together.

In the first place we have to ask whether building fences is an effective answer to the problem of illegal immigration from Latin America into the United States. It may be easier and cheaper to help by giving would-be migrants a reason to stay home.

It is estimated that about 800,000 Mexican workers move silently and invisibly across the border every year. Some work a while and return to their homes and families. Some remain in the United States. The facts are not well known and are hard to prove. No one knows what the cumulative illegal immigration now amounts to, but it is surely many millions.

The U.S. government's response to the situation has been feeble and ineffective. We have neither welcomed these visitors as a supplement to our work force and tried to regularize their activities nor have we been able to deny them entry or jobs.

Government indecision is reinforced by the attitude of organized labor. The unions are fearful that any move to regulate and control the alien workers will also legalize them, so they have opposed any move in that direction. At the same time, labor has taken no interest in developing other solutions.

The subject is a painful one for the Mexican government, which does not discuss it very freely. The government exposes its sensitivity quietly for several reasons. Any brutal action to expel resident aliens and to repel migrant workers would be an ethnic insult with serious political impact. On the practical side, the Mexicans working in the United States are a significant source of dollars and one that Mexico cannot afford to lose just now. So governmental enthusiasm for keeping people home cannot be counted on as a deterrent.

In the past, problems such as these have been allowed to fester because the effort and cost of finding solutions was greater than the potential benefit. Now that is all changed as Mexico's population tops 65 million, as her economy grows and as she discovers some of the earth's largest reservoirs of energy—both gas and oil.

Let us look at the changes. The ties that bind Mexico and the United States are becoming increasingly important; we must not ignore them. Oil is only one of the more obvious. As Mexico adds to its oil production, it could become a secure source of energy for the United States. At present, we take the bulk of Mexico's 500,000 barrels per day in oil exports. As these exports increase, Mexican oil will pose a very attractive alternative to our dependence on imported Middle East oil. Events in Iran only underscore the dangers of this dependence on distant sources of energy.

It is estimated that Mexico could provide as much as 30 percent of our import needs by 1985. Even if Mexican oil does not flow directly to the United States, the very existence of a major new petroleum source entering the market cannot help but have a positive effect on world energy supplies and prices.

Oil is not, however, the only issue that binds our two nations together.

Mexico is the fifth largest trading partner of the United States. In 1977, $9 billion in goods and services were exchanged by our two countries. The Mexican government is attempting to stimulate and diversify Mexico's export capabilities. The U.C. market is an important factor in this effort. Problems arise, however, to the extent that Mexican exports compete with U.S. domestic production. But these are problems that can be worked on and eased.

I do not have answers to all the questions pending between our two nations. But answers must be found, and to find them the United States must devote far more attention in the future to its critical Mexican relationship than it has in the past.

I welcome the administration's current review of U.S./Mexican relations. I believe it vital, however, that we develop a mechanism for coordinating our government's dealings with Mexico. The time has long passed when each separate department of the U.S. government could afford the luxury of its own individual, uncoordinated Mexican foreign policy. When the Department of Energy rejects a gas deal with Mexico, the negative repercussions across the range of our relations with Mexico could hobble us for years to come.

On the question of illegal immigration, I want to reiterate what I said following my visit to Mexico in 1977. Rather than simply applying unilateral regulations designed only to stem and reverse the tide of illegal immigrants, the United States should consider ways to encourage the government of Mexico to initiate large-scale labor-intensive development programs in Mexico's rural areas, where most of the migrants originate. It seems clear that the government of Mexico will need significant outside help if it is to address the task of absorption and resettlement without incurring massive social and political unrest. Relief measures that could be considered include the exemption of the products of a Mexican rural development-resettlement plan, from U.S. tariffs or other trade restrictions for a given period. While this idea could become unwieldy in practice (how to discriminate between "new development" products and others for example), efforts should be made to find and establish concrete economic incentives for Mexicans to remain within their own development areas.

On this increasingly difficult issue, Mexican/U.S. relations are at a threshold. There are no easy solutions, indeed there may be only partial solutions. But one thing is certain: The problem cannot be satisfactorily resolved by unilateral measures. Legislation, not reinforced by strong and effective programs to provide relief for persons who may be returned across the border, will create a grave threat to the stability of Mexico—a stability that is of vital concern to our own country.●

HAWAII'S SUGAR PRODUCTION

● Mr. INOUYE. Mr. President, since the demise of the Sugar Act in 1974, it has become increasingly evident that many of Hawaii's sugar growers have been drastically affected by the lack of a new sugar bill. This is especially so for the small independent growers of sugar.

A Hilo coast sugar processing cooperative was established in 1971 and 400 independent growers became members. In cooperation with C. Brewer & Co., Ltd., these independent growers cultivated 8,000 acres of sugar land and shared in the returns.

However, by 1976, 36 independent growers had dropped out of the sugar business. Since then an additional 17 growers have dropped out. This has been accompanied by a reduction of almost 800 acres in land devoted to sugarcane.

Given the continued low price of sugar, it is estimated that in 1979 another 20 growers comprising 10 farms will drop out of the sugar business. This decrease in independent growers has occurred just at the Hilo Coast Processing Co. alone. Small independent cane growers have also significantly diminished in Hawaii's other sugar plantation areas.

In almost every case economic hardship has been the experience of independent growers and sugar companies that remain in the sugar business. This is particularly true for the small sugarcane farmer. For example, in 1978, a small farmer with 10 acres of land which produced 100 tons of sugar incurred losses on their sugarcane of $4,000 on the average. The per ton of sugar loss in 1978 was $40. In one particular instance an independent grower with the Hilo Coast Processing Co. who harvested 200 acres of sugarcane in 1978, or some 1,600 tons of sugar, incurred a staggering loss of $222,200.

These high losses for the small independent growers at Hilo Coast Processing come at a most difficult time. It has come at a time when the United Caneplanters Cooperative at Hilo Coast Processing was forced to obtain a loan from Hawaii's State government for $1,200,000 to meet payments on renovation of the Hilo Coast Processing sugar mill. Now with independent farmers dropping out of the cooperative a smaller group of farmers has to carry an increasing amount of the debt. The tragic thing is that those farmers who could best afford the loss because of supplemental sources of income have turned over their fields either to growers or to Mauna Kea Sugar Co. Those farmers of Hilo Coast Processing with less flexibility incur an additional burden and have to hang on in the hope that the price of sugar will increase in the next crop year. For many, a very real alternative is bankruptcy in the near future.

The world sugar surplus still hangs over the market. Effective Federal action to protect our domestic growers from being forced out of sugar still awaits us. The failure to find an acceptable compromise in the closing hours of the 95th Congress cannot be permitted to stand as an excuse for delay.

Sugarcane in Hawaii is a 2-year crop or longer. It is 6 years between new plantings. Our growers must have an early decision so that they can make long-term commitments. Their alternatives are few.

When the news reporters write about Hawaii's sugar, they tend to think of big, sometimes multinational corporations with broadly distributing interests. But what happens to sugar is of importance not just to them but to the 12,000 workers in Hawaii directly or indirectly dependent upon sugar employment, to the almost 400 sugar growers of Hilo Coast Processing and to other small growers in my State.

Mr. President, I request permission to have printed in the Record two editorials which appeared in Hawaii's leading newspapers last week. The common theme running through both editorials is that the sugar producers along the Hilo coast are in extreme economic trouble and that their economic viability relies on their obtaining a fair market price for their sugar. The alternative is a major economic failure on the Hilo coast either this year or next with all the social costs that would entail.

The editorials referred to follow:

HILO COAST DILEMMA

The plight of Hilo coast sugar operations and proposals by C. Brewer & Co. and independent growers for state aid there pose another problem for the Legislature.

It involves perhaps 3,000 jobs in the Big Island area, questions about the health of the sugar industry, and even memories of Kohala, the last big plantation to die and the site of a costly state-county failure to find alternatives.

First of all, there is no doubt the Hilo coast situation presents a critical problem. A high-cost production area due to weather and other factors, it has been in growing trouble since sugar prices started dropping from the world highs of a few years ago.

Where there were four plantations, there is now one. The number of independent cane growers has dropped from 400 to around 300. Brewer, which operates its own Mauna Kea Sugar Co. plantation, and the other growers are losing $7 million a year.

The ultimate fate of all sugar here depends largely on factors away from Hawaii. They include the price of sugar (which may go up if predicted world shortages develop in a few years), hopes for an international agreement to regulate production, and what steps the Carter administration and Congress take to protect the U.S. industry from low-priced imports.

But for now the fate of the Hilo coast operations depends on cutting costs and riding out the rough time in hope of better days ahead. The alternative is a major economic failure on the Hilo coast either this year or next with all the social costs that would entail.

Brewer and the growers went to the Legislature this week with the message their cost-cutting measures will not be enough. They plan to ask the state for help in geting costly federal environmental requirements eased, for more low-interest loans to growers, and for financial aid for the electricity-generating plant fueled partly by sugarcane waste and thus an alternate-energy resource.

At one point, the figure of $5 million was advanced as the total which state assistance in all forms might cover of the $7 million annual losses.

Remarks by legislators indicate the Kohala experience comes up in two ways. One is an unpleasant memory of an after-the-failure salvage operation that costs more than $6 million in taxpayer money. Nobody wants "another Kohala," especially one that might call for funds year after year.

But the second such consideration is that this is an effort to do something before a failure, to hold on and give it the best try possible for survival if conditions brighten.

The situation is complicated now because the sugar industry is in negotiations with the ILWU and wants special consideration for troubled plantations, including Mauna Kea.

Still, it's obvious the Hilo coast situation offers another challenge with a pricetag for the Legislature in a year when fiscal conservatism is everybody's watchword.

INFLATION THREATENS ISLE SUGAR INDUSTRY

As if to underline the inflation-fighting theme of the president's State of the Union address, the Labor Department reports that consumer prices rose 9 percent in 1978. That is a grim figure, the worst since 1974, when we had the oil embargo followed by soaring oil prices.

The figure for Hawaii is even worse—9.4 percent.

Nobody can be happy with that news, but it may please our sugar producers least of all. The worse inflation gets, the less likely Congress is to give them the price supports they need to stay out of the red.

The plight of the industry has been described to state legislators, and it is serious. Growers on the east coast of the Big Island are losing as much as $7 million a year and say they may not survive.

To complicate matters, the industry is facing demands for new increases in negotiations with the ILWU. The union has called for a raise of 60 cents per hour for all workers, including employees of distressed companies. The ILWU says it will ignore the 7 percent ceiling for wage increases in the president's voluntary guidelines.

Low sugar prices, inadequate government protection from foreign competition, and high union contract demands add up to a difficult situation. As Hawaii has learned, talk about closing sugar plantations is sometimes no idle threat. It could happen again, creating the same sort of problems that we saw most recently in Kohala—maybe worse.

The sugar growers have asked the Legislature for help, but nothing the state can do is likely to relieve the problems resulting from Congress' failure to act and the union contract demands, with the high rate of inflation worsening the pressure.

If anybody here needs a reason to fight inflation, the fate of the sugar industry is a good one.

JAY SOLOMON

● Mr. PELL. Mr. President, one of the signs of vitality in our system of Government has been the influx of citizens from private life who come to Washington and bring fresh thinking and new leadership—much in the way Cincinnatus served as the ideal citizen-soldier in ancient Rome. President Carter recognized the wisdom of this idea in staffing his administration, bringing in many new faces who have lent creativity and strength to the Federal Government.

Of particular importance have been those appointees who have brought to their new jobs the knowledge and virtues of our private enterprise system. They have gained success in the private sector and now they are applying those same sound principles to government service. I can think of no finer example of such an individual than GSA Administrator Jay Solomon.

What Jay Solomon has done in his brief tenure here in Washington is startling. He has attacked the roots of a scandal that many people thought impossible to fight—corruption and waste within the General Services Administration. In doing so, he has done in a short period what others work a lifetime for—restoring public confidence in the ability of Government to function openly, efficiently, and honestly.

This sizable accomplishment stems from the application of the principles Jay Solomon mastered in his years as a successful businessman. He has demanded cost-savings and efficiencies for taxpayers just as surely as he sought them for shareholders. He has required strict accountability, he has found people to work with him who appreciate and understand sound business principles, and he has made the massive agency work.

I have personally seen an improved responsiveness within GSA since Jay Solomon took office. For example, longstanding impediments to the transfer of Rhode Island's former Navy lands to the State were removed shortly after the new administration began. Money was freed up to complete long-postponed environmental impact statements and the way was cleared to return these valuable lands to productive use.

I am sure other States have experienced similar efficiencies from GSA under Jay Solomon's leadership. But he is to be most highly commended for tackling the serious problem of corruption and dealing with it openly and frankly. This openness has won him the respect and gratitude of the American people, because it has been essential to exposing the deep-seated problems that have so long festered within the GSA.

Mr. President, Jay Solomon has set an example which I hope will be followed by others in the private sector—that an individual can make a difference in Government; that he or she can apply the principles learned in the private sector to Government managerial problems; and that fresh leadership can bring inspiration to a nation, just as Cincinnatus did for Rome years ago.●

DEFENSE SPENDING—A PERSPECTIVE

● Mr. NUNN. Mr. President, in recent weeks, much has been written and said about the aggregate level of the upcoming fiscal year 1980 Federal budget and especially that portion for our national security. Even before the President's budget was submitted to Congress, we heard complaints that defense spending will command too large a portion of the budget at the expense of other programs. Now the President has submitted a fiscal year 1980 budget request of $135 billion for the Department of Defense. At the outset, I believe it is important to frame this issue in the proper perspective. Before Congress decides the appropriate level of defense spending, we need to know where defense spending has been and where we are now compared to our major potential adversary. Any objective evaluation should start from an established baseline and should address the threats we face, our resources and our proposed responses.

DEFENSE SPENDING—REDUCED BURDEN ON U.S. TAXPAYERS

Certainly decisions about allocations of overall Government spending must include defense which represents a significant portion of the budget. Within the total framework of Government spending, however, major changes have occurred.

Net public spending by all levels of government—Federal, State, and local—has absorbed an increased share of our total economy. Since 1965, the proportion of our gross national product devoted to Federal, State, and local governmental spending has increased from 28 to 34 percent. That 6-percent increase has been financed by tax increases at every governmental level and a dramatic rise in the Federal deficit. I believe that deficit spending feeds inflation and must be reduced. I believe the tax level is too much of a drain on the average taxpayer and the level of Government is too large. That is why I support reductions in the tax burden associated with the reductions in Federal spending.

There is much more to governmental spending than the defense budget. Since 1965, spending on domestic and social programs has increased from 17 percent of the Federal budget to 26 percent—or a 9-percent increase of the GNP. Defense spending has decreased from 7 percent of the GNP to 5 percent. Thus, that increase of 9 percent of the GNP for domestic and social programs has been financed by reducing defense spending by 2 percent of the GNP, by increasing the Federal deficit by 3 percent of the GNP and by increasing taxes by 4 percent of the GNP.

Over the same period, Government employment patterns have also shifted away from defense. There has been an increase in Government employment but there has been a large decrease in relative defense employment to offset these other Government activities. In 1965, 17 percent of the American labor force was employed by Federal, State, and local government. Now the Government employs about 18 percent of the labor force. However, in 1965 some 29 percent of all Government workers were employed by defense whereas now only 17 percent of Government workers are in the defense sector.

This shift in Government employment is continuing. In the fiscal year 1978 Federal budget, defense employment was to decline by 15,000 and other agency employment was to increase by 59,000 for a net increase of 44,000. The new Civil Service Reform Act requires that Federal employment be reduced to the level of September 30, 1977. That will be accomplished according to the new budget submission by an overall reduction since September 30, 1977 of 27,000 jobs in DOD and an identical increase of 27,000 jobs in other agencies.

In comparing strictly levels of Federal spending, defense represented about 40 percent of Federal expenditures in 1965 and about 26 percent of all Federal, State, and local governmental spending. Now defense represents less than 25 percent of the Federal budget and less than 16 percent of all governmental spending.

It is also important to take a close look at how our Federal spending practices have changed since 1965 with the advent of a tremendous increase in social programs. There is no question that Federal spending has increased in all areas, including national defense; however, as social and domestic programs have proliferated, the percentage increases in spending in these areas offer some shocking statistics. For example, in 1965, Federal budget outlays for health were $1.7 billion; however, by 1978, expenditures for health had risen to $43 billion, a percentage increase of 2,463.15 percent. Likewise, our Federal expenditures for housing programs during the same period rose from $288 million to $8 billion, an increase of 2,813.19 percent. Similarly, our expenditures for social service programs increased by 1,918.88 percent; welfare by 750.30 percent, and jobs programs by 1,665.62 percent. Defense spending, however, in the same 1965–78 period rose from $49,578,000,000 to $105,186,000,000, a percentage increase of only 112.16 percent.

I certainly am not advocating that any program should be entitled to a fixed proportion of our GNP or labor force, or be sacrosanct from careful budgetary scrutiny. I have never been a proponent of the theory that the best way to solve a problem is by throwing money at it. Unfortunately, the Federal Government has often adhered to this philosophy, and our budget deficit has ballooned to a dangerously inflationary level in our efforts to accommodate all of these programs, many of which are duplicative, outdated, poorly administered and easily subject to fraud and abuse.

In his first annual report, the HEW inspector general found over $6 billion that was actually wasted in HEW. Although I do not believe it is possible to merely slash that much money off the top of the HEW budget to account for this waste, I do believe that such figures should prompt a careful congressional review of actual programs, their need, efficacy and efficiency. With the President's budget as a guide, I hope that Congress will begin a careful and indepth review of our Federal programs in an effort to weed out the unnecessary and duplicative, as well as the fraud and abuse. If Congress demonstrates this type of fiscal responsibility, we can move toward a balanced budget while improving the important and effectual services to our citizens.

My main point is that current defense programs represent a much lower burden on American taxpayers than is commonly recognized. Concomitantly, this reduction in defense spending has facilitated increased funding of other Government programs. I believe those who advocate reducing defense spending to allow for increases in other programs have overlooked the shift in Government spending and employment patterns that have already taken place.

However, these numerical comparisons and statistical data should not be the determinant of how we allocate for defense spending. The defense budget represents the foundation of our national security policy, and arguments over total dollar amounts or a particular percentage of growth mask the real issues that must be addressed.

As the budgetary debate begins, one of the primary issues that must be faced in the defense area, is the relentless expansion of Soviet military power and how we in America choose to respond to it.

EXPANDING SOVIET POWER

Over the past 15 years, the Soviet Union has expanded its military capability, both qualitatively and quantitatively. It has transformed itself from a regional into a global military power which could be used directly against the citizens of our country. While I do not believe the Soviet Union has achieved military superiority over the United States, if present trends in the military balance are permitted to continue unchecked, the prospect of Soviet military superiority will become a real one.

The most prominent aspect of the Soviet military buildup has been the elimination of our strategic nuclear superiority which, since 1945, formed the linchpin of American security. In 1965, the United States enjoyed a decisive strategic nuclear advantage over the U.S.S.R. This advantage allowed us to offset Soviet preponderance in other kinds of military forces.

Since 1965, however, in a largely successful drive to "catch up" with the United States—if not to achieve superiority themselves—the Soviets have built and deployed entirely new families of highly destructive and increasingly accurate strategic nuclear missiles capable of devastating the United States. Aided by a strategic force budget twice as large as ours (despite a gross national product only half that of the United States), the Soviets have introduced no fewer than eight new strategic ballistic missiles, compared to only two for the United States during the same period.

In numerical terms, a United States 4-to-1 advantage in 1965 in land-based intercontinental ballistic missiles has shifted to a 1.3-to-1 Soviet advantage; similarly, the dramatic American advantage in submarine-launched ballistic missiles has disappeared and is today a Soviet advantage of approximately 37 percent. Our strategic bomber advantage has declined from 5-to-1 in 1965 to 3.5-to-1. Our 4-to-1 advantage in nuclear megatonnage in 1965 has reversed to a Soviet 2-to-1 advantage, although our continuing lead in deliverable warheads and in delivery accuracy to some extent offsets Soviet superiority in throw-weight. However, this lead is rapidly diminishing.

In short, the attainment of a rough parity with the United States in strategic armaments is the principal fruit of the Soviet program. This means that the capacity of our strategic nuclear forces to deter potential Soviet aggression has been sharply reduced, and that we can no longer rely on these forces to make up for our deficiencies in other segments of the military balance.

Interestingly enough, strategic programs are often the principal focus of congressional debate on the defense budget although this budget category contains only about 8 percent of the total defense budget.

CONVENTIONAL FORCES

In the realm of conventional forces, whose importance has increased in an era of strategic nuclear stand-off, Soviet expansion has been no less spectacular. Manpower trends since the mid-1960's have been no less adverse to the United States than trends in strategic forces.

The Soviet Union and their Warsaw Pact allies have always maintained substantially larger ground forces than those of the United States and NATO. Since 1965, the Soviet Army has been dramatically expanded and modernized. Some 30 divisions (1 million men) have been added for a total of 170 divisions (4.4 million men) compared to a drop in active U.S. manpower from 2.7 million to 2.1 million organized into 19 divisions. Although the bulk of these additional divisions have been deployed in the Far East, the Soviets have not been idle in the European theater.

Indeed, the Soviets have fundamentally redesigned their army with a focus on a blitzkrieg strategy which is evident in an enormous expansion in firepower and in the complete mechanization of all but a few specialized divisions. As Secretary of Defense Harold Brown stated recently:

> For some years, the Soviets have stressed in their military doctrine the advantages of short preparation times, tactical surprise (preceded by cover and deception), mass, concentrated firepower and shock to break through the enemy's defenses, and rapid movement to exploit the breakthroughs. With each passing year, their capability to conduct this modern form of blitzkrieg has come closer to matching their doctrine. Large quantities of self-propelled artillery and tanks, the BMP armored fighting vehicle, river-bridging equipment, organic and mobile air defenses, and their newer aircraft with a deep-strike mission give them much of the capability for rapid offensive action. In addition, their ability to move their forces speedily into position for an attack is now estimated to be greater than we had previously thought. As a consequence, we now characterize the Warsaw Pact as having three major levels of attack.

To be more specific, since 1965, the Soviets have deployed two new tanks and a new infantry fighting vehicle into their army; in contrast, the U.S. Army today continues to rely on tanks and armored personnel carriers whose basic designs were developed in the early 1960's. The Soviets have also built and deployed artillery and air defense weapons which are widely regarded as superior, in both numbers and quality, to those available to the United States. Against deployed NATO forces, the Soviets and their Warsaw Pact allies maintain a 3-to-1 advantage in artillery and a better than 2-to-1 advantage in tanks.

SOVIET NAVAL EXPANSION

In 1965, the oceans of the world were for the most part still an "American lake." The United States had a clear margin of some 200 to 300 major surface combatant ships, but today there are approximately 230 Soviet major combatants compared to 180 for the United States.

The Soviet Navy was, in 1965, also primarily a defensive force. Today, by virtue of a heavy investment in submarine and antiship cruise missiles, it poses a grave threat to our major warships. Although U.S. ships are larger and more capable than Soviet vessels, the Soviets numerical advantage could, in time of war, permit greater dispersion and therefore enhance survivability. To do so, however, the Soviets would be compelled to get their more numerous ships out of the Baltic and Black Seas and the Sea of Japan before hostilities erupted; no Soviet shipbuilding program can surmount Russia's age-old geographical obstacles to easy access to the high seas. There are indications that Soviet activities in Southeast Asia and the Middle East may lead to military bases which would reduce this disadvantage.

The Soviet Air Force has also been fundamentally restructured with the apparent aim of acquiring a powerful offensive force capable of carrying the air war deep into Western territory. The rapid introduction on a large scale of a host of longer range, heavier payload aircraft—such as the Backfire bomber—has greatly reduced the traditional advantage in tactical air power enjoyed by the United States and its allies. The technologically superior and combat-experienced U.S. tactical air forces continue to possess greater staying power than those of the Soviet Union.

In sum, it is readily apparent that if present trends in the United States-Soviet military balance continue and the traditional U.S. military advantages over the Soviet Union continue to erode, the security of the United States and its allies will be increasingly jeopardized.

No one can predict Soviet intentions, but it is clear that the Russians are doggedly and steadily increasing their military capabilities year after year to a point that far exceeds legitimate requirements for the defense of their country.

U.S. RESPONSE

It is against this background and the recognition of the shift in defense spending patterns that this year's defense debate should be conducted. This debate must address fundamental issues: The missions we expect our Armed Forces to carry out; the forces that are needed for those missions; the support needed for those forces; the efficiency with which the Defense Department manages those forces and their support; and the resources required to pay for it all.

For fiscal year 1979, the defense budget now stands at over $125 billion. This is a large sum of money, but it is less in real dollars than the defense budget of 1965, after inflation is taken into account.

In 1965, we allocated 7 percent of our gross national product to defense; this year we are devoting about 5 percent.

As a result, we now have smaller forces in being and we are buying fewer weapons. The previous comparisons dramatically illustrate the U.S. decline in numbers of personnel, ships, aircraft, and strategic forces while the Soviets have persistently increased their defense expenditures and military forces.

In weapons procurement, the fiscal year 1979 defense budget included 436 fighter/attack aircraft, compared with 583 in 1965—a 25-percent reduction. Since 1965, the number of new ships or conversions in the annual budget has decreased from 49 to 13—a 73-percent reduction. There are similar reductions in attack submarines, helicopters, tactical transports.

Using the same 1965 comparison, Soviet defense spending has grown at an average annual rate of approximately 4 to 5 percent and has consumed between 11 to 13 percent of the Soviet GNP.

The most startling comparison between the United States and Soviet spending is the enormous difference in levels of capital investment. Any defense budget must provide, on the one hand, for pay and operating expenses of the forces in being and, on the other hand, for investment for weapons modernization and replacement. Over 70 percent of Soviet defense spending is devoted to capital investment; that is for the purchase of new weapons and for research and development. The other 30 percent is for operating expenses. In stark contrast, the cost of operating existing U.S. forces gobbles up a staggering 61 percent of the defense budget, leaving only 39 percent for investment to buy equipment and facilities for the future.

The framework of our response to the increased Soviet threat must be a sharp increase in our capital investment and in research and development. To provide for this increase in investment, we need to increase the defense budget and to increase the military capability we get from the dollars we spend.

Inflation, growing manpower costs, and the rising unit costs of equipment have increased defense spending substantially in recent years while denying us the payoff of larger military forces or additional quantities of equipment. For example, the 1979 budget is about 2½ times higher than that for 1965, but it supports 500,000 fewer men and women in uniform, 149,000 fewer civilians, 483 fewer ships, and 6,500 fewer aircraft. About 57 percent of the current defense budget is required for manpower costs.

We must take steps to turn part of these costs into financing more investment and increased military capability, but much of this is necessarily a long-term proposition.

In summary, as we begin to debate the President's fiscal year 1980 budget request, we are faced with fundamental issues concerning our national security and arguing over a particular number or abstract percentage will not address those issues. The Soviets are not impressed by statistical analysis. Our response must be an increased effort for defense, in partnership with our allies, with priority to investment in needed procurement and improvements.

We can and should improve the efficiency of our military forces but we cannot expect these efficiencies alone to meet the increases necessary for the needed level of defense spending. We can and should take steps to decrease Federal spending and to control inflation, but we must recognize that we have already reduced the burden on taxpayers for defense and must tell the American people what our realistic needs are in light of the Soviet capabilities.

There are those who clearly feel that our social programs should assume priority over our legitimate defense needs. I reject this argument.

The first priority of our Nation must be our own national security and survival.●

UTILITY LIFELINE RATES

● Mr. HART. Mr. President, in the fall of 1977, the Senate adopted an amendment I sponsored to assist the elderly in meeting the spiraling cost of home energy by requiring utilities to provide a basic amount of electricity to senior citizens at the lower rates that it affords its large industrial consumers.

Unfortunately, this provision of the Senate utility rate reform bill was weakened in conference to merely say that State and local utility regulators must consider the implementation of lifeline rates.

The problems surrounding the increasing cost of home energy are particularly acute for senior citizens. The vast majority of America's elderly must exist on low, fixed incomes. They are particularly susceptible to hypothermia—the inability to maintain normal body temperature. And a number of other medical conditions related to the aging process are exacerbated by lowered room temperatures.

Recent studies indicate that many senior citizens now spend more than 30 percent of their disposable income on home energy needs—often at the expense of food and other necessities.

In my own State of Colorado, overall heating costs for homeowners using natural gas have risen 26.3 percent since the winter of 1978. At the same time, social security benefits—the principal source of income for many senior citizens—rose only 6.5 percent.

This problem was underscored in a particularly poignant way in a letter I recently received from a constituent, Mr. Herbert Whitfield.

Mr. President, I ask that Mr. Whitfield's moving letter be printed in the Record at this point.

The letter follows:

Denver, Colo.

Dear Senator: I sure hope you can get a bill thru Congress to help us elderly folks on our Utility Bills.

I'm 79 yrs of age, yesterday I Paid a Gas & Light Bill of $89.27 for 2 weeks in December and 2 weeks in January. My rent is $150.00 a month. My Social Security Check each month is $255.00 so the Gas & Light Bill of $89.27 & my $150.00 Rent left me with $15.73 for groceries for a month. I had to draw money out of my Savings for food.

Hope you read this to members of the Senate.

Thanking you.

Respectfully,

Herbert Whitfield.

Mr. HART. Mr. President, the Senate recognized the glaring need for implementation of a lifeline rate 2 years ago when it first adopted the lifeline concept. In the interim, conditions have worsened and the need for this legislation has grown more urgent.

In the coming weeks, I will be introducing a bill to establish a comprehensive national lifeline rate, which will include both natural gas and electricity. I hope my colleagues will join me in this effort to provide both adequate and affordable home energy for the Nation's senior citizens.●

EULOGIES FOR FORMER VICE PRESIDENT ROCKEFELLER

● Mr. PERCY. Mr. President, I ask unanimous consent that excerpts from eulogies at the Memorial Service for former Vice President Rockefeller, as published in the New York Times, on February 3, 1979, be printed in the Record.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

Excerpts From Eulogies at Memorial for Rockefeller

(By Ann Rockefeller Roberts)

He was what he was—exuberant, energetic, extravagant. He was all these things and more without hesitation, without regret, with conviction at home as well as in the public eye.

To be his children was not always easy. But he filled our lives with excitement, and he challenged us to reach beyond our grasp. Not one of us will ever forget his insistence that we use our playtime to learn languages; his determination that we travel with him in Latin America and work on his projects; his willingness to share his love of art with us by spending hours together hanging pictures, and his wanting us to help build a chicken coop or garden wall so as to learn the use of our hands and the dignity of work.

He was energy itself. My mother felt his presence at home even before she saw or heard him.

After his death, my children and I were startled at how small his body looked. The vibrant spirit that gave power to his presence was gone.

To father, life was meant to be lived. As we leave this church today he would want us to get on with it, to go forward, to take our lives in our hands fully and joyfully as he did.

BY RODMAN C. ROCKEFELLER

My brother, Nelson Jr., told us in his moving talk at the graveside that the spirit of our father, Nelson, will be with us always.

For 70 years his family, his country and the world lived with, enjoyed, and were benefited with that spirit.

He was born into a period of revolutionary change which continues up until today. World War I was the background of his childhood, the Roaring Twenties influenced his teen-aged years, and he graduated into adulthood with the Depression.

Into that world, came Nelson Rockefeller, a man of power, of wealth, and equipped with the confidence born of that power and wealth. He loved people and the hurly-burly of the political campaign.

We share the image of his first statewide campaign, from Nathan's on Coney Island to Niagara Falls, as he charged into cheering crowds with "Hiya, fella" for everyone he could reach.

An eternal optimist

To understand the warmth and the depth of my father's spirit, one must turn to the role that appreciation and collecting of art played in his life. As he said at the opening of the Family of Man Exhibition: "I am sure that all of you have found, just as I have, that recourse to works of art yields a refreshment of spirit that can be attained in no other way, for the artist sees with an eye that the vision of ordinary perception cannot see."

The life of a whole man has unfolded before us, strong, even arrogant, impatient, yet wise and foreseeing, integrated in his love of life in all its daily challenge, yet governed by the purposes and the principles he grew up with.

Father was an eternal optimist, a man who saw in public and private service the highest opportunity to fulfill himself and his destiny. He was a politician who was not interested in politics for itself but as a means to govern. In government, he saw the function of his drives and ambitions in the solving of problems.

BY DAVID ROCKEFELLER

I speak to you this morning as Nelson's youngest brother and as a member of a large family, which he loved and from which he drew strength: a family to which he gave devoted and constructive leadership.

Nelson was a man of action, with a deep belief in the worth and dignity of the individual, in the Democratic process, in the American enterprise system and in the responsibility of each citizen to revere God and to help his fellow man.

He loved beauty and nature and the arts. He loved the companionship of people. He loved life.

In the family, this is a day of mourning—but it's also a day of thanks. Our family owes Nelson a great deal for his vision, for his radiant strength, for his initiative in setting goals and for the strong leadership he gave to every area that he touched.

His departure leaves a gap that will never be filled. But his spirit, his patriotism his determination and his optimism will remain a vibrant force in our lives.

BY HENRY A. KISSINGER

That Nelson Rockefeller is dead is both shattering and nearly inconceivable. One thought him indestructible, so overpowering was his energy and his deep faith in man's inherent goodness.

For 25 years, he had been my friend, my older brother, my inspiration and my teacher.

I first met Nelson Rockefeller when, as an assistant to the President, he called me, a graduate student, to join one of the panels of experts he was forever setting up to ponder the nation's future.

He entered the room, slapping backs, calling each of us by the best approximation to our first name that he could remember, at once outgoing and remote.

Intoxicated by the proximity of power, all of us sought to impress him with our practical acumen and offered tactical advice on how to manipulate events. After we were finished, the smile left his face and his eyes assumed the hooded look which showed that we were now turning to things that mattered.

"What I want you to tell me," he said, "is now how to maneuver, I want you to tell me what is right." And what is right for Nelson Rockefeller, this was the quintessential question, both naive and profound at once shaming and uplifting. It was a definition of his integrity.

Quintessentially American

Nelson Rockefeller was a man of contrasting qualities, ebullient and yet withdrawn, gregarious and lonely, joyful and driven, full of the moment, yet somehow marked by eternity. He could be pugnacious in asserting his beliefs, but he respected those who differed with him. He could be hard but never petty, single-minded but never malicious. His enemies were the slipshod and the second-rate. Nelson always had a marvelous time. Nothing was too trivial for his attention.

He would rearrange the furniture in a friend's living room with the same enthusiasm that he rebuilt Albany or threw himself into projects to study the nation's future. He loved caviar and he loved hot dogs. He loved parties, and travel and meeting people.

Nelson was truly his brother's keeper. Nelson could not express in flip words the wellsprings of his motivations. One had to know him well to understand the tactile manner in which he communicated the meanings of the nudges, the winks and mumbles by which he conveyed his infinite caring.

He was an artist with sudden, unexpected flashes of insight that startled and sometimes astounded one.

Nelson Rockefeller was quintessentially American. To other nations, Utopia is a blessed past never to be recovered. For Americans, it is just beyond the horizon. One has to work with Americans, not listen to them, to experience their faith.

An ambition to serve

Skeptics might scoff at his belief in America's moral mission, but then cynics do not build cathedrals.

He revered his Presidents, whether or not he agreed with them. As a patriot, he sought to ease their burden. He winced when associates made unworthy comments about those who, in his view, had been entrusted with our future and, therefore, the hopes of mankind.

Nelson would be proud that two Presidents have honored him by attending this service. He would be touched at the act of grace of President Carter, who found time amidst the care of his duties for several gestures to ease the family's bereavement and then to extend the one solace that would have stirred Nelson the most—that his nation understood and appreciated his love and devotion to it.

He would be grateful to President Ford, whom he loved and whom he served with unselfish dedication as Vice President. He refuted the cynics who expected him to chafe at the limitations of the office, then stepped aside in midterm without slackening in his devotion to his responsibility. Nelson's ambition was to serve, not to be.

A tragedy for the country

Much has been said or written about the frustration Nelson experienced because he never achieved the Presidency. This misunderstands the man. His failure to reach the Presidency was, in my view, a tragedy for the country. What a great President he would have been! How he would have enobled it! What an extraordinary combination of strength and humanity, decisiveness and vision!

Yet, I never heard him express even one word of disappointment. As with everything, he sought the office with zest. But, when it eluded him, he went on to new challenges, undaunted, resilient, inexhaustible. In a sense, there was something inevitable and even noble in his gallant failure to win the nation's highest office. And, here again, the myths are wrong.

He never succeeded, not despite the fact that he was a Rockefeller, but because of it. His entire upbringing made him recoil before appearing to the people he wanted to serve as if he were pursuing a personal goal. Having been already so privileged, he felt that he had no right to ask anything for himself as an individual. And so this superb campaigner, who genuinely loved people, eschewed the personal pursuit of delegates.

He sought the office by trying to present to the nation the most sweeping vision of its future and the best blueprints to attain it. He had a touching faith in the power of ideas. It is not quite the way our boisterous political process works, more geared, as it is, to personalities than to programs.

In recent years, he and I would often sit on the veranda overlooking his beloved Hudson River in the setting sun. I would talk more, but he understood better. And, as the statutes on the lawn glowed in the dimming light, Nelson Rockefeller would occasionally get that squint in his eyes, which betokened a far horizon, and he would say, because I needed it, but, above all, because he deeply felt it, "Never forget that the most profound force in the world is love."

BY MARTIN LUTHER KING SR.

So God, our Father, we lift up our hearts and souls to Thee in prayer. Grant, oh God, that we shall now come to see that our friend has fallen on a sleep; it isn't a dream, it's real. Grant that the family and all of us will come to grips with this and face it.

We thank Thee that we're not home yet. We tarry for a while here, but one day we shall all get home. Thou has given us a beautiful world. It may well be that we have not been good attendants as we might have been, but we thank Thee for the beauty of this world. We thank Thee for the life that was so beautifully lived among us, as has been said by each speaker.

Now God, now God, we will wait, we will wait. We will keep faith. We will keep on looking up despite what we meet. Sometimes, we feel our portion is more than it ought to be, but Thou does know what is best for all of us.●

PRESERVING THE 55 MPH SPEED LIMIT

● Mr. PERCY. Mr. President, I would like to draw the attention of my colleagues to an editorial which appeared in the Washington Post on February 3, 1979. This editorial, entitled "55 mph Saves Lives", underscores the importance of this law as an energy conserving and safety measure. A particularly compelling statistic brought forth in the editorial is the fact that approximately

36,000 lives have been saved in the last 5 years as a result of the lower speed limit. Energy conservation aside, this should be sufficient reason for the Congress to stand fast in its commitment to the 55 mph speed limit.

Mr. President, I ask that the Washington Post editorial be printed in the Record.

The editorial follows:

55 MPH Saves Lives

On those long stretches of open highway in the West, the difference between driving at 55 mph and 65 mph is substantial. It cuts the length of time needed to travel 100 miles by about 17 minutes, no small saving when you consider the distance from Cheyenne to Rock Springs or from Casper to Jackson. So it is not surprising that a majority of the members of Wyoming's Senate has grown tired of the federally imposed 55-mph speed limit. It is boring, as well as difficult, to hold a high-powered car down to that speed when you are going to be driving all afternoon or all day, across that state.

What is surprising is that the Wyoming senators seem prepared to give up $51 million in federal funds to raise the state's speed limit to 65. It may be, of course, that they think Congress will back down and repeal the law cutting off highway funds from states that permit speeds higher than 55. That might happen—although it should not—if enough other states reject the higher limit. Several other legislatures have proposals like the Wyoming bill before them.

Congress imposed the 55-mph limit in 1974 as a fuel-conservation measure, which it is; federal officials estimate it conserves about 9 million gallons of gasoline a day. But the speed limit has also turned out to be a major public health measure, perhaps the most effective life-saver ever passed by Congress. The best estimate is that it has helped save the lives of about 36,000 people in the last five years.

That reduction in highway fatalities has come about despite the reluctance of some states to enforce the 55-mph limit and despite the refusal of many drivers to abide by it. Proponents of raising the speed limit claim most of the reduction is due to things like seat belts and safer cars. But the facts are that accidents happen at 65 mph that would not happen at 55 mph, and that the odds of surviving a crash are many times better when you are driving within the legal limit than when you are exceeding it by any significant margin.

On that basis alone—never mind the continuing energy crisis—repeal of the existing limit by Congress or by any state, would be foolhardy. The polls show 70 percent of the public think 55 is a reasonable limit. The evidence is that it keeps people alive and well who would otherwise be killed. Seventeen minutes per 100 miles is not a high price to pay for those lives.●

JOHN SPARKMAN ON UNITED STATES-SOVIET RELATIONS

● Mr. CHURCH. Mr. President, when John Sparkman announced last year that he planned to retire from public office, it was difficult, if not impossible, to accept that decision without regret or sorrow. He was after all as much a part of the Senate as any man could have been or hoped to be. For more than 40 years, holding national office first in the House and then in the Senate, John Sparkman convincingly served the people of Alabama, the Congress and the Nation. His gentlemanly dedication to honesty, fair play, and commonsense will forever stand as an inspiration and a reminder to all of us.

Yes, there can be no doubt that the Honorable John Sparkman paid his dues and he paid them in the only way he knew how—by serving the public interest and by serving it well, 24 hours a day, day-in and day-out, for more than 4 decades.

Mr. President, just prior to Senator Sparkman's retirement and return to private life and the practice of law, he sought to focus increased public attention on the whole complex issue of U.S. relations with the Soviet Union. This effort, under his guidance while serving as Chairman of the Foreign Relations Committee, comprised a broad, wide-ranging study of the Soviet Union and United States-Soviet relations. Some 80 recognized experts and scholars participated in the study and their views and insights on Soviet intentions and capabilities and U.S. policy responses are contained in the committee print entitled, Perceptions: Relations Between the United States and the Soviet Union. Chairman Sparkman, on behalf of the committee, released this document on January 1.

I earnestly commend this publication to my colleagues and to the American people at large. Its primary purpose was to draw attention to intricacies of the Soviet Union and the complexities of United States-Soviet relations—without losing sight of the competitive, adversary nature of this relationship. This was a tall order, but I believe the committee and its former chairman can be genuinely proud of a job well done.

Mr. President, of special interest in this volume are the introductory remarks of John Sparkman himself. I wish to call particular attention to them because I believe they focus on certain facets of the United States-Soviet issue which are all too frequently overlooked. For example, in an effort to provide Americans with a more balanced view of Soviet society and Soviet capabilities, the distinguished Alabama statesman observes:

> In judging Soviet achievements, we must guard against perceiving more than is there. It is true that militarily the Soviet Union is exceptionally strong. But it is also true that politically, economically and socially it exhibits many of the characteristics of a developing country.

Continuing on from his vantage point of 43 years in public life, Senator Sparkman notes:

> Aside from its military might, the Soviet Union has a long way to go to achieve the standard of living enjoyed throughout the non-communist industrial world. The Soviet leadership knows this. The Soviet people know it, too.

Finally, John Sparkman—the citizen, the patriot, the statesman—offers this advice and counsel:

> With a more accurate perception of the Soviet Union, Americans may demand of their Presidents that they be as willing to "sit down" with the Russians as they have been to "stand up" to them. This is a policy option that makes common sense. The American people should insist upon it.

Mr. President, I request that the full text of Senator Sparkman's introductory remarks to the study mentioned above be printed in the Record.

The remarks follow:

Introduction

As Chairman of the Senate Committee on Foreign Relations, a position I have been honored and privileged to hold since 1974, I strongly support the Committee's decision to undertake a broad review of United States relations with the Soviet Union. It comes at a critical juncture, a time when relations between our two countries are seesawing up and down; a time when the future course of a relationship is as murky as it is unsettling; and a time when both countries are endeavoring in earnest to put the finishing touches on a new Strategic Arms Limitation Agreement.

Despite the irritating delays in the birth of a SALT II accord, I am as confident as I am hopeful that such an accord will be reached and forwarded to the new Congress early in the next session. As the most controversial issue of recent years, its consideration will consume a great deal of time and effort by both the Committee and the Senate.

The decision that is rendered on SALT II will be momentous. Its significance will go far beyond the issue of arms control and nuclear restraint. For better or worse, it will serve to chart the course of United States-Soviet relations for the foreseeable future. Its impact will be felt in Europe, among NATO and Warsaw Pact countries alike, in the Middle East, in Africa, and in China and the Far East.

Because of the global significance of the SALT issue, I am strongly persuaded that, just as war is too important to be left to the generals, SALT is too important to be considered exclusively in an arms control context.

Congress' decision on SALT will be based primarily upon perceptions of the Soviet Union, its leaders and the future course of United States-Soviet relations. Thus, the purpose of this compendium of essays is to help sharpen our perceptions and achieve a greater measure of accuracy. As the SALT issue gains momentum next year, I hope the Committee, the Congress and the public will use this collection of essays as a foundation for reaching a more informed judgment about the Soviet Union and United States-Soviet relations.

ORIGIN OF THE PROJECT

On June 9, 1978, the Foreign Relations Committee met in executive session with CIA Director Stansfield Turner for the purpose of reviewing intelligence data and evidence relating to Administration charges about Cuba's role in the so-called Shaba II incident. Despite the lack of conclusive evidence on the nature and degree of Cuban involvement, the meeting prompted the Committee to focus on the larger issues of Soviet interests and activities in Africa and of United States-Soviet relations in general. As a result of the Committee's discussion of these issues and the prospect of considering a SALT II agreement in early 1979, the staff was asked to develop a study that would encompass a broad review of United States-Soviet relations. The Committee staff prepared a study outline which was distributed to Members and subsequently approved by the Committee August 15, 1978.

This volume is the product of that decision. It contains 79 concise essays on fifteen topics designed to explore Soviet interests, attitudes, objectives and capabilities and U.S. policy responses. These essays range from economic conditions and cultural forces in the Soviet Union to Soviet conduct in multilateral institutions; from the Soviet

Union's civilian and military bureaucracies to its influence in the Third World; and from the accuracy of U.S. perceptions about the Soviet Union to the soundness of U.S. policy-making procedure.

Each essay in this volume was prepared by a recognized expert in the field. Moreover, every effort was made to bring together a balanced group of contributors on each topic in order to ensure a fair and equitable presentation of views. To underscore the efforts that were made in this regard, 121 experts were initially contacted and invited to participate. Of these, 79 accepted the Committee's invitation and their contributions comprise the bulk of this volume.

In addition to the essays, there is included at the outset a staff summary. The summary follows the outline of the study, (which also serves as the basic table of contents appearing on page IX), and includes, prior to each separate topic, an essay-type question which each contributor was asked to use for guidance purposes in the preparation of the essay itself. The summary is not intended as a comprehensive review or statement of the experts' views. Rather, it is intended as a reference or guide.

Indeed, the essays constitute the real significance of this volume. For the most part they are brief and purposefully so; the goal was to obtain expert and scholarly insight, not verbiage and rhetoric.

On behalf of the Foreign Relations Committee, I want to thank each of the experts and scholars who contributed to this project. They have done their work exceptionally well and performed an important public service.

Finally, I express my appreciation to the members of the Committee staff who assisted on this project and, at the Committee's direction, made it a priority matter. Robert H. Dockery served as project coordinator for the staff group who included George W. Ashworth, Pauline H. Baker, Janice O'Connell, Ralph Nurnberger, and John Ritch.

REFLECTIONS ON THE SOVIET UNION AND UNITED STATES-SOVIET RELATIONS

In reflecting on United States-Soviet relations and my service in the United States Congress, I am struck by the fact that my tenure on Capitol Hill coincides in large part with the period since the restoration of normal diplomatic relations between the United States and the Soviet Union. Diplomatic relations were resumed 45 years ago, in 1933, I was elected to the House of Representatives 3 years later.

This juxtaposition provides a framework for my own thoughts and views. My perspective, like that of many Americans, has changed from time to time depending on the course of events during this period. Indeed to many, myself included, the hallmark of the United States-Soviet relationship has been its changing nature and its increasing intensity.

After the Bolshevik Revolution, there were no formal relations between our two countries for sixteen years. When the stalemate was broken in 1933, the residue of hostility toward Soviet Marxism-Leninism made the relationship tenuous at best. This situation changed considerably with Hitler's decision to open a second front in World War II. Out of necessity, the United States and the Soviet Union developed a working relationship for the purpose of defeating a common enemy. Once the enemy had been defeated, however, the new relationship disintegrated almost as quickly as it had been established. Cooperation, necessitated by the war, gave way to the suspicion and mistrust that had been held in check during the war years. The uneasy alliance soon gave birth to the Cold War.

Looking back over the Cold War, it is obvious that many mistakes—compounded by misunderstandings, misconceptions and plain bad luck—were made on both sides. Finding the way back has not been easy. The road to genuine détente is strewn with the debris of the past. As psychologists say, there is much "excess baggage" on both sides of the relationship.

The Soviet Union, the largest nation in the world, encompasses one-sixth of the planet's land mass. It incorporates fifteen republics stretching from western Europe to Alaska. It houses 260 million people. It is multi-racial and multi-lingual. It lives with 1000 years of history, a history highlighted by authoritarian rule, mass suffering, invasion and conflict. The Soviet Union is a military superpower with a troubled past and an uncertain future.

On the other hand, the United States is concentrated in an area less than half the size of the Soviet Union. Its 220 million people constitute a relatively cohesive population, drawn primarily from western Europe. Its historical experience encompassing 350 years is marked by a pioneering spirit, individualism, political democracy and geographic security. By contrast, the United States is a full-fledged superpower in every respect, with a settled past and a bright future.

Despite the historical and ideological gulf that separates our two nations, there is an obvious commonality of interests, in a word, survival. Having gone to the brink of war during the Cuban missile crisis, the United States and the Soviet Union have found ways to work together in some areas of mutual concern, the control of nuclear weapons being the most prominent and highlighted by the Limited Nuclear Test Ban Treaty, 1963; the Nuclear Non-Proliferation Treaty, 1970; the ABM Treaty and SALT I agreement, 1972; and waiting in the wings, SALT II and perhaps a Comprehensive Test Ban Treaty.

The overall value of these achievements, each modest of itself, is significant. But to a very large extent, these military arrangements distort the image of each nation. Both societies possess far more than military power, although this aspect tends to be the focal point of attention on each side. Nevertheless, any citizen of the United States would be offended by a description of America couched in militaristic terms. Reversing the situation, it is not difficult to imagine that any citizen of the Soviet Union, confronted with a similar description of his country, would be similarily offended. This is another way of saying that efforts by "us" or by "them" to depict the other as a nation dedicated to military conquest have seldom, if ever, served the interests of either.

The lesson to be learned here should be self-evident. It is the need for a measure of empathy in our relationship—a willingness to put ourselves in the other man's shoes. Unless American policy-makers and Soviet leaders both have this capacity, there can be no lasting basis for understanding.

First and foremost, it is a matter of perceptions—let us hope, of changing perceptions. Experience has proven all too often that there is a vast discrepancy between perceptions and reality. The perceptions most Americans held of the Vietnam conflict changed dramatically between the mid-1960's and the early 1970's. Similarly, perceptions of the People's Republic of China and of Africa have changed considerably in recent years. Perceptions of the Panama Canal have also undergone substantial change in a relatively short period of time.

The essays contained in this volume provide individual perceptions or distinct impressions of various aspects of the Soviet Union and United States-Soviet relations. Separately, they tell but one part of the story, reminiscent of the blind men asked to describe the elephant. Collectively, they tell quite a different story, more complex, thorough and accurate.

With respect to the Soviet Union, this is not an easy task. And for reasons known best to themselves, the Soviets make the task infinitely more difficult than it need be. Aside from the secretive nature of the society, there is the added difficulty of distilling reality from rhetoric, a chore made even more arduous by the news media's proclivity to dramatize the one and downplay the other.

For example, many Americans will recall Nikita Khrushchev's warnings in 1956: "Whether you like it or not, history is on our side. We will bury you." That remark was spread over the front page of major newspapers throughout the country. It also served as the basis for a number of "commentaries" and "news analyses" in many of our leading magazines and journals. Contrast this "incident" and the widespread attention it received with the following news agency story which appeared on page 20 of the November 1, 1978 edition of the *Washington Post*. This brief report, with a Moscow dateline, told the story of a button shortage in Siberia: "Trousers without fly buttons have been issued to workers on the new trans-Siberian railway because of a button shortage, the Soviet party newspaper Pravda said here yesterday." The report went on to note, "Last month, Pravda reported that toothbrushes were unobtainable in certain parts of Siberia."

While most Americans will long remember Khrushchev's bellicose remarks, it is unlikely that many ever saw the other story. Rhetoric vs. Reality—underscoring the seemingly ridiculous contradictions which the Soviet Union often exhibits as if plagued by some congenital defect. In this instance, there is the bombastic pledge: "We will bury you," from a country that is unable to produce enough trouser buttons or toothbrushes. Or, there is the contradiction between the Soviet Union's great achievements in space, beginning with the Sputnik launching of 1957, and its recognized failure in meeting basic human needs—food and shelter. Or, there is the contradiction between its highly advanced military technology and its relatively underdeveloped industrial capability. Or, on another level, there is the boast about Moscow's having the largest hotel facility in the world, but visitors routinely report that trying to get a meal there turns out to be a bureaucratic, cumbersome and laborious task. Similarly, there is the pride of the Soviet Union in hosting the 1980 Olympics, co-existing with the traditional suspicion of foreigners and a less than enthusiastic welcome for them.

Summarizing the contradictory nature of the Soviet Union, James Billington of the Wilson Center noted recently, "The basic contradiction in the Soviet Union is the relatively simple contrast between outward power and inner weaknesses." By way of explanation, Billington observed, "Outwardly it is the last, the largest and the most powerful of the great multinational empires of the pre-modern era. Inwardly it is a land of disturbed emotions—born of suffering, impacted by silence, uncleansed by sunlight."

Unfortunately, too many Americans for too long have focused exclusively on the strength of the Soviet Union—its military prowess and outward strength. And from this they have demanded of one President after another that the United States be prepared militarily to "stand up" to the Soviets. More properly, Americans should focus on *both*—the strengths of the Soviet Union *as well as its weaknesses*. To the extent we do not, we suffer from myopia and help perpetuate the myth of the Soviet Union as a superpower equal in status to our own. Looking at the complete picture—strength vs. Weakness—it is obvious the Soviets are not ten feet tall.

In judging Soviet achievements, we must guard against perceiving more than is there.

It is true that militarily the Soviet Union is exceptionally strong. But it is also true that politically, economically and socially it exhibits many of the characteristics of a developing country. Aside from its military might, the Soviet Union has a long way to go to achieve the standard of living enjoyed throughout the non-communist industrial world. The Soviet leadership knows this. The Soviet people know it, too. Americans should also.

With a more accurate perception of the Soviet Union, Americans may demand of their Presidents that they be as willing to "sit down" with the Russians as they have been to "stand up" to them. This is a policy option that makes common sense. The American people should insist upon it.●

THE RIGHTS OF THE MINORITY

● Mr. SCHMITT. Mr. President, yesterday's Wall Street Journal contained an editorial concerning Senate Resolution 9. The editorial sounded a warning to all Senators particularly those Senators in the minority—be it a partisan or ideological minority about the proposed changes. As the article pointed out, what may seem as "a few technical sounding rule changes" are in fact significant changes in the rules which have protected the rights of the minority for so long.

Mr. President, the American political system is based on majority rule but has numerous safeguards for the protection of minority rights. We are being asked to dismantle a section of the network which protects minorities.

The argument has been made that a minority of Senators as little as one or two can thwart the will of the Senate and of the Nation. This is simply not the case. Virtually all legislation which did have popular support did eventually become law. It may have taken a little longer and may have changed somewhat, but there is safety in time. Often legislators need additional time to study a bill and its effects. On the other hand, extended debate is a safeguard against special interest legislation which may have the support of a majority of the Congress but is opposed by an overwhelming majority of the country.

Mr. President, if the intent of the proponents of Senate Resolution 9 is to democratize our legislative system, then I suggest that the problem is more serious than rule 22 of the Senate rules.

Consider this example. A bill is introduced in the Senate which passes it by a vote of 100 to 0. The House then votes for its passage unanimously 435 to 0. The legislation is signed into law by the President. This bill has the unanimous support of every federally elected official, clearly the voice of the people. Yet, 5 members of the Supreme Court can invalidate this law and void the will of the Nation. Should this be allowed to happen? Perhaps we should also change this aspect of our constitutional system. And while we are at it, why should the President, one man, be allowed to veto a bill which has the support of the majority of the Senate and the House.

Mr. President, I do not advocate changing the system which has worked so well for almost 200 years. There are times when it is frustrating to me that one or a small handful of individuals, whether in the courts, or the White House, or the Senate, can delay or even prevent the passage of a bill which I favor. At the same time, I understand that if the bill is important and if it is for the good of the people, it will stand the test of time. Perhaps, Mr. President, I have a great deal of confidence in reason, discussion, and the will of the American people.

Mr. President, I ask that the editorial "A Senate Power Play" which appeared in The Wall Street Journal of February 6, 1979, be printed in the RECORD.

The editorial follows:

A SENATE POWER PLAY

As a new and unpredictable Congress jockeys to organize itself, we find ourselves interested in a dubious bit of maneuvering by Senate Majority Leader Robert Byrd.

Senator Byrd this week will try to get action on a few technical sounding rule changes of a type that could produce significant changes in the quality of the Senate's legislative output. Not surprisingly, the technical changes Mr. Byrd has in mind would give more power to the Senate majority leader. While there is something to be said for orderly legislative processes, there is a great deal more to be said, in our view, for Senate resistance to the majority leader's proposals. We see little point, particularly in the light of the legislative experiences of the last two years, in weakening the independence of the Senate in assessing the legislative initiatives coming out of the White House and Tip O'Neill's House of Representatives.

Mr. Byrd would do just that with Senate Resolution 9, a proposal to change Senate rules "to expedite the work of the Senate." Fundamentally, the resolution would reduce the amount of time Senators have to consider each piece of legislation, meaning of course, that they would become more dependent upon the interpretations of the leadership. The resolution would put new limitations on debate, make more matters non-debatable and reduce the ability of individual Senators to offer amendments and force compromises.

Proposals to "streamline" the Senate's rules have arisen in the past when a President couldn't get his way, powerful special interest groups were stymied, or an ambitious majority leader saw an opportunity. But they have been hard to get past the Senate. Two years ago, Mr. Byrd made a proposal similar to Resolution 9, but had to withdraw it for lack of support. We suspect the new attempt stems both from the usual political instincts and from the frustrations the White House and the Democratic congressional leadership have experienced in getting legislation past the Senate. The fact that the Senate has often in these cases protected the country against legislative blunders and excesses does not enter into their calculations. As Senator Byrd in effect told his colleagues last September, he would like to have the powers of the Speaker of the House.

Strangely enough, his chances may have been improved by the last election, despite the diminished confidence in congressional leadership expressed by the public. He might, for example, get support from Senate liberals, who see their position weakening in the Senate as a whole. The liberals may figure their legislative chances are better with the leadership than the full Senate, particularly when they can enlist enough outside pressure groups to also bring the White House into their camp.

The liberals are, however, in something of a quandary. If they are an emerging minority as some people suspect, they may be helping to set up a system that can run over them in the future.

As to the Republican minority, its leadership seems to be more interested in compromises than in protecting the prerogatives of the minority and individual Senators.

If Mr. Byrd succeeds in changing the rules, it will result in more laws being passed. But as Mr. Byrd said back in 1970 when he was just a Senator from West Virginia and his perspective was different, "We should not measure the contribution of a Congress by the number of bills and resolutions that have been enacted into law by that Congress. As Voltaire said: 'A multitude of laws in a country, like a great number of physicians, is a sign of weakness and malady.' "

Considering the legislative proposals this administration has come up with, we don't welcome the prospect of a Speaker of the Senate spinning the crank on a legislative mill. We encourage the Senate to remain a deliberative body.●

ORDER OF PROCEDURE ON MONDAY, FEBRUARY 19, 1979

Mr. ROBERT C. BYRD. Mr. President, on Monday, when the Senate returns on the 19th, George Washington's Farewell Address will be read by Mr. WARNER. Following that, I ask unanimous consent that there be a period for the transaction of routine morning business for a period not to exceed 1 hour with statements limited therein to 15 minutes each; that Mr. PROXMIRE be accorded the first 15 minutes in that morning business period.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. It would then be automatic, as I understand it, Mr. President, that the Senate would at that time resume consideration of Senate Resolution 61, as amended.

The PRESIDING OFFICER. At the end of morning business, the Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, I want to reiterate, as I stated in my letter on yesterday, and as I said on the floor previous to this moment, it has been the custom of the Senate, certainly in recent years, to conduct business and to conduct rollcall votes, if necessary, following the reading of Washington's Farewell Address, and that will be the case in this instance.

Senators are alerted to the possibility, and even the likelihood, of rollcall votes on Monday, February 19.

As the Senator from Maryland (Mr. SARBANES) pointed out, we have Monday, Tuesday, and Wednesday, and no later than 6 p.m. on Thursday the 22d, hopefully, in which to debate Senate Resolution 61, amend it and adopt it.

I would certainly hope that, by the hour of 6 p.m. on Thursday of that week, the Senate will vote up or down on Senate Resolution 61, as amended.

I believe if that is done the Senate will have done itself credit by working its will on the resolution.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, am I to understand that Senate Resolution 61, as amended, will be available to

Senators tomorrow, showing the amendments that have been made to date in that resolution?

The PRESIDING OFFICER. By previous order of the Senate, the Senator is correct.

Mr. ROBERT C. BYRD. All right, I thank the Chair.

And Senate Resolution 61, as amended to date, will appear in the RECORD separately, and will also appear in the RECORD in the context of rule XXII, beginning with paragraph numbered 2?

The PRESIDING OFFICER. The Senator is correct. Under the previous order it has been so designated.

Mr. ROBERT C. BYRD. I thank the Chair.

RECESS UNTIL MONDAY, FEBRUARY 19, 1979

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the provisions of House Concurrent Resolution 42, that the Senate stand in recess until 12 o'clock meridian on Monday, February 19, 1979.

The motion was agreed to; and at 5:59 p.m., the Senate recessed until Monday, February 19, 1979, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 9, 1979:

THE JUDICIARY

Martin F. Loughlin, of New Hampshire, to be U.S. district judge for the district of New Hampshire, vice a new position created by Public Law 95-486, approved October 20, 1978.

David O. Belew, Jr., of Texas, to be U.S. district judge for the northern district of Texas, vice a new position created by Public Law 95-486, approved October 20, 1978.

NATIONAL COUNCIL ON THE HUMANITIES

A. D. Frazier, Jr., of Georgia, to be a member of the National Council on the Humanities for the remainder of the term expiring January 26, 1982, vice John Hope Franklin, resigning.

DEPARTMENT OF STATE

The following-named persons for reappointment in the Foreign Service as Foreign Service officers of class 3, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Arthur H. Brunetti, of California.
Garrett Courtney Burke, of Washington.
Peter Walter Colm, of the District of Columbia.

For appointment as a Foreign Service officer of class 3, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

Harvey A. Buffalo, Jr., of Arkansas.

For reappointment in the Foreign Service as a Foreign Service officer of class 4, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

John Michael McIntyre, of Illinois.

For appointment as a Foreign Service officer of class 4, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

Donald Gene Johnson, of Virginia.

For promotion from a Foreign Service officer of class 6 to class 5:

Frank S. Parker, of Colorado.

For appointment as Foreign Service officers of class 5, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Charles Bonin Angulo, of Virginia.
Elizabeth Bowen, of West Virginia.
Barbara Hemingway, of Connecticut.

For promotion from Foreign Service officers of class 7 to class 6:

Gary Roy Alexander, of California.
Phyllis Sachiko Anderson, of California.
John H. Andre II, of Michigan.
John H. Bargeron, Jr., of Pennsylvania.
Catherine Barry, of Illinois.
William M. Bellamy, of California.
Marsha-Lynn Bellavance, of Utah.
Anthony Benesch, of Maryland.
Richard A. Boucher, of Maryland.
Paul Michael Bunge, of the District of Columbia.
Stuart Z. Chiron, of the District of Columbia.
Donald Barry Coleman, of California.
Francis Marion Davenport III, of New Hampshire.
Carl E. Dorris, of Oklahoma.
John Francis Fogarty, of California.
Thomas Frank Foulger, of California.
Marc I. Grossman, of California.
Douglas Alan Hartwick, of Washington.
Carolyn I. Heskin, of North Dakota.
John Martin Hoover, of Virginia.
Robert Steven Hyams, of New York.
Kevin Lawrence Kearns, of New York.
John Louis Klekas, of Utah.
Jimmy J. Kolker, of South Dakota.
Michael A. Leu, of Missouri.
Lee R. Lohman, of Pennsylvania.
Donald Roy Lyman, of Florida.
Robert M. Marshall, of New Jersey.
William Vincent McLeese, of Louisiana.
Martha McLogan Morrow, of Michigan.
Gregory David Miller, of Conneticut.
Geoffrey Henry Moore, of Georgia.
Roger Christopher Nottingham, of Indiana.
Allen E. Nugent, of New Jersey.
Thomas M. Okada, of California.
John O'Leary, of Illinois.
Keith Powell II, of Oregon.
T. Dennis Reece, of Indiana.
Nicholas James Ricciuti, Jr., of Massachusetts.
Vladimir Peter Sambaiew, of New Jersey.
Emil M. Skodon, of Illinois.
Timothy Einar Skud, of Washington.
Robert J. Smolik, of California.
Joseph A. L. St. John, Jr., of Florida.
Karen Brevard Stewart, of Florida.
Curtis A. Stone, of Washington.
Thomas David Sutton, of Pennsylvania.
James Webb Swigert, of Vermont.
A. Gregory Thielmann, of Iowa.
Donald Paul Trader, of Georgia.
Donald Royal Tyson, of California.
Joseph Lacy Warner, of Florida.
Mark W. Willis, of Massachusetts.
David Thomas Wolfson, of Maryland.
William Braucher Wood, of New York.
Ronnie D. Woody, of Virginia.

For appointment as Foreign Service officers of class 6, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Francis Edward Matthews, of Pennsylvania.
Bernice Ann Powell, of Michigan.

For appointment as a Foreign Service information officer of class 6, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

John Eric Lundin, of New Jersey.

For promotion from Foreign Service officers of class 8 to class 7:

John Charles Boehm, Jr., of Texas.
Lawrence James Goodrich, of Michigan.
Laurie A. Johnston, of Virginia.
Eileen Ann Riley, of the District of Columbia.
Tanya M. Russ, of Florida.
Michael James Senko, of Maryland.
Stuart Lee Spoede II, of Texas.
Laurence D. Wohlers, of Washington.

For appointment as Foreign Service information officers of class 7, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Martin E. Adler, of the District of Columbia.
Mark L. Asquino, of Rhode Island.
Kenneth E. Bader, of Florida.
Joseph J. Brennig, of Pennsylvania.
David N. Cohen, of Ohio.
Carol Doerflein, of New Jersey.
Jack Glenn Feldman, of the District of Columbia.
Mary Jo Furgal, of Illinois.
Richard C. Lundberg, of New York.
Howard Stephen Shapiro, of Texas.
Francis B. Ward III, of New York.

For appointment as Foreign Service information officers of class 8, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Alan D. Schroeder, of Kansas.
Stephen A. Seche, of Massachusetts.
Holly Stewart, of the District of Columbia.
Charles H. Walsh, Jr., of New York.

Foreign Service Reserve officers to be consular officers of the United States of America:

Monroe E. Aderhold, of Florida.
John Richard Stevenson, of Ohio.
James E. Taylor, of Tennessee.

Foreign Service Reserve officers to be consular officers and secretaries in the Diplomatic Service of the United States of America:

Robert George Anders, of Virginia.
Robert C. Bergin, of Virginia.
Donna M. Blair, of Louisiana.
Paul F. Clarke, of Virginia.
Bruce W. Farcau, of Virginia.
William Lee Fitzgerald, of Maryland.
Antoinette S. Marwitz, of Virginia.
Donald J. Musch, of Virginia.
Louis L. Ollivier, of Virginia.
Robert R. Phillipson, of Virginia.
Addison E. Richmond, Jr., of Virginia.
Earle St. Aubin Scarlett, of California.
Gary B. Spitzel, of Virginia.

Foreign Service Reserve officers who are candidates for appointment as Junior Foreign Service officers to be consular officers and secretaries in the Diplomatic Service of the United States of America:

Edward M. Alford, of Virginia.
Jonathan Frederick Anderson, of Colorado.
Janet Stoddard Andres, of Virginia.
Christine Elaine Arquit, of New York.
Cynthia Saylor Banerjee, of Arizona.
William Rivington Brownfield, of Texas.
Matthew James Burns III, of Massachusetts.
James Philip Callahan, of Florida.
John Albert Cloud, Jr., of Virginia.
Donald J. Cooke, of Ohio.
Clark Harris Crook-Castan, of New Hampshire.
James Gray Davis, of Virginia.
Peter Richards de Castro, of Illinois.
David B. Dunn, of California.
Michael A. Goldschmidt, of Illinois.
Andrew Lewis Allen Goodman, of Illinois.
June Elizabeth Heil, of Missouri.
Willis E. Hume, of Ohio.
James George Jatras, of Pennsylvania.
Alan L. Keyes, of Massachusetts.
Daniel Kiang, of New York.
Bonnie J. Knoll, of Pennsylvania.
Susan Johnson Lamanna, of the District of Columbia.
Mark Joseph Lijek, of California.
Gerald J. Loftus, of Pennsylvania.
John Rosato Maiorino, of New Jersey.
Jack Richard McCreary, of California.
Ronald Sol Mlotek, of Ohio.
John Mohanco, of Pennsylvania.
Elizabeth A. Molinar, of Virginia.
Patrick S. Moon, of Oklahoma.

Richard I. Queen, of Michigan.
Kevin L. Richardson, of New Jersey.
John Robert Riddle, of Texas.
Francis T. Scanlan, Jr., of Louisiana.
David Miner Sloan, of California.
Richard Henry Smyth, of Alabama.
Bernarr L. Stadius, of Hawaii.
Joseph D. Stafford III, of Florida.
Leslie Sternberg, of Maryland.
Steven J. Valdez, of Wisconsin.
Philip R. Wall, of Washington.
Thomas Evans Wallin, of New York.
Richard Hamilton Weeks, of New York.
Howard C. Wiener III, of Ohio.
Herbert Yarvin, of California.

Foreign Service Reserve officers to be secretaries in the Diplomatic Service of the United States of America:

Richard Lee Corbin, of Virginia.
George Woody Cunningham, of Tennessee.
Remo Ray Garufi, of New Jersey.
George C. Jenkins, of Montana.

Foreign Service staff officer to be a consular officer of the United States of America:

Raymond A. Boneski, of New Jersey.

IN THE COAST GUARD

The following-named lieutenant commanders of the Coast Guard Reserve to be permanent commissioned officers in the Coast Guard Reserve in the grade of Commander:

David Bernstein
Lewis A. Lassetter, Jr.
Gary R. Werberger
Albert A. Wickley, Jr.
Wallace S. Pawley
Vincent G. Dipasqua
Everett C. Merritt
Charles T. Burlingame
Daniel M. Pecoraro
Frederick A. Smith
Henry D. Casey
John S. Williams, Jr.
Jesse D. Turnbaugh
Alan R. Young
Bernard C. Taylor
Donald O. Hagler
Carl E. Kunkel
Joseph F. Pinarchick
Phillip M. Levi, Jr.
Gary D. Liming
James O. Poole
Brian C. Thomas
Lynn W. Hall
Harry W. Brown
Richard J. Kiessel
Jon P. Ryan
William C. Heming
John T. Mason
Robert D. Markoff
Herbert M. Hurst
George H. Geller
Martin E. Johanson
Phillip C. Johnson
Robert C. Sanderson, Jr.
Robert E. Myers
Clifton C. Demartini
Robert B. Martin
Norman W. Lemley
Lawrence J. Porter
Robert E. Sloncen
John L. Fults
James E. Tasker
Ras R. Friend
William F. Hampton
Paul W. Faulhaber
Foster S. Buchtel
Robert E. Waters
Cameron Ervin
Evlan B. Harris
Sumner L. Thompson
Harvey S. Hawn
Michael T. Brock
Ernest A. Parada
David E. Buerle
Donald C. Mozzochi
Michael V. Leahy
Carl M. Trovato
Donald L. Pulket
Robert L. Girvin
Richard L. Skok
William H. Maddox, Jr.
John F. Bichner
Jack S. Wilder

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Subject to qualifications provided by law, the following for permanent appointment to the grades indicated in the National Oceanic and Atmospheric Administration:

To be commanders

Robert C. Roush
Ronald L. Sellers
Albert E. Theberge, Jr.
Arthur N. Flior
Lloyd K. Thomas
Robert E. Hunt, Jr.
Richard K. Muller
Donald L. Suloff
Roger P. Hewitt
Thomas W. Richards
Steward McGee, Jr.
Ronald J. Smolowitz
Andrew N. Bodnar, Jr.
Dean R. Seidel
Nicholas A. Prahl
Gerald B. Mills
Dennis Pepe
Frederick J. Jones
Lewis A. Lapine

To be lieutenant commanders

Terry M. Laydon
David Pasciuti
Dennis J. Sigrist
Thomas L. Meyer
John B. Nelson
David M. McConaghy
Edward B. Christman
Douglas G. Hennick
Craig P. Berg
Charles D. Mason

Robert J. Pawlowski
George D. Vose
Bryan K. Mezger
Dennis M. Kuhl
Robert G. Williscroft
Terrance D. Jackson
Edward D. Gullekson
Christine S. Carty
James D. Sarb
David H. Peterson
Duane C. Simpson
Joanne Parker
Kenneth W. Perrin
Francesca M. Cava
Richard W. Ellis
Cheryl A. Cavin
Constantine E. Mericas
Gary M. Albertson
Evelyn J. Fields
Donald A. Dreves
John A. Withrow
William D. Otto

To be lieutenants

Howard A. Jemison III
David H. Minkel
John P. Rubino
Walter P. Latimer
Susan J. Ludwig
Stephen C. Jameson
E. Scott Varney
Gary M. Barone
Gary A. Van Den Berg

To be lieutenants (junior grade)

Lewis D. Consiglieri
Robert B. Crowell
Charles B. Greenawalt
John F. Novaro
Michael E. Henderson
Karen L. Cox
Steven E. Tullis
Steven S. Snyder
John C. Bortniak
William L. Hiscox
John T. Moakley
Derek C. Sutton
John D. Wilder
Michael McCluskey
Marianne Molchan
Douglas G. Brockhouse
Paul M. Daugherty
John W. Blackwell
Steven P. DeBow, Jr.
Steven M. Miller
Timothy D. Rulon
Michael F. Matta
Lyle B. Fox, Jr.
Robert M. Mandzi
Paul L. McGrath
Robert E. King

To be ensigns

Richard R. Behn
Erik N. Birk
Ronald K. Dutton, Jr.
James C. Gardner, Jr.
Judith Gray
Eleanor S. Hotton
James L. Long
Robert W. Maxson
Cythnia McFee
Kevin P. McNeill
Gary D. Petrae
Eric Secretan
Michael J. Willis

IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade of major general under the provisions of title 10, United States Code, sections 5769 and 5780:

Kenneth L. Robinson
Robert E. Haebel
Lawrence F. Sullivan
Francis X. Quinn
William H. Fitch
Alfred M. Gray, Jr.
Leo J. Leblanc, Jr.

The following-named officer of the Marine Corps Reserve for permanent appointment to the grade of major general under the provisions of title 10, United States Code, sections 5769 and 5780:

Keith A. Smith

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force.

MEDICAL CORPS

To be major

Magnuson, Arthur W., [redacted]

To be captain

Cramer, Frederick S., [redacted]
Lainof, Kerry W. [redacted].
Riddle, Forrest H., Jr. [redacted]

DENTAL CORPS

To be captain

Lachat, Jerry D., [redacted].

To be first lieutenant

Beck, Brian W., [redacted].
Golden, Gary J., [redacted].
Kretzschmar, Samuel L., [redacted].
Seifert, John H., [redacted].
Weichel, Erwin, [redacted].

The following persons for appointment as Reserve of the Air Force, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Capellan, Teresa T. [redacted].
Carroll, Mark G., [redacted].
Conner, Robert A., [redacted].
Cramer, Earl H., [redacted].
Falcone, Italo J., [redacted].
Giles, Forrest D., [redacted].
Harned, Bert W., [redacted].
Jerofke, Alfred M., [redacted].
MacPhail, Albert A., [redacted].
Oliver, Richard T., [redacted].
Pagaduan, Dominador C., [redacted].
Parrot, Donald J., [redacted].
Pena-Cornielle, Severina, [redacted].
Pevey, Willard J., [redacted].
Pizarro-Lago, Jose M., [redacted].
Ralph, James W., [redacted].
Rawers, Robert K., [redacted].
Schulhoff, Diane I., [redacted].
Simpson, Charles L., [redacted].
Suver, Phillip J., [redacted].
Thomann, Ariel J., [redacted].
Thomas, Robert G., [redacted].
Tyson, John T., [redacted].
Vinoski, Bernard B., [redacted].
Weilepp, George W., [redacted].

DENTAL CORPS

To be lieutenant colonel

Anselmo, Joseph A., [redacted].
Colburn, James F., [redacted].
Hecht, Arnold, [redacted].
Hickory, John E., [redacted].

The following officer for appointment as Reserve of the Air Force (ANGUS) in the grade indicated, under the provisions of sections 593 and 8351, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Flynn, Samuel F., [redacted].

The following officer for appointment as a Reserve of the Air Force (ANGUS), in the grade indicated, under the provisions of sections 593, 8351, and 8392, title 10, United States Code.

LINE OF THE AIR FORCE

To be colonel

Stapp, Roy E., [redacted].

The following officers for promotion in the Air Force Reserve, under the provisions of sections 593 and 8376, title 10, United States Code.

Lieutenant colonel to colonel

MEDICAL CORPS

Bass, Dwight R., [redacted].

Major to lieutenant colonel

LINE OF THE AIR FORCE

Augustyniak, Daniel A., [redacted].
Baber, Jerry W., [redacted].
Cain, David E., [redacted].
Dwyer, Denis J., [redacted].
Fisher, Darell R., [redacted].
Flowers, Robert E., [redacted].
Gregg, Hugh D., [redacted].
Hamada, Richard K., [redacted].
Higbie, Richard M., [redacted].
Hoffman, Peter V. [redacted].
Ibsch, William H., [redacted].
Kamper, William A., [redacted].
Koles, Wayne, [redacted].
Logan, Edward C., [redacted].
Masek, Edward V., [redacted].
McCarty, Michael L., [redacted]

Mitchell, Timothy L., [redacted].
Murphy, Thomas D., [redacted].
Norman, Charles M., [redacted].
Remley, Carl E. [redacted].
Svoboda, Leroy E. [redacted].
Taggart, Edmund J. O., [redacted].
Wesselhoeft, Adolf J., [redacted].
Wilcox, Robert J. [redacted].

CHAPLAIN CORPS

Keane, Thomas F., [redacted].

MEDICAL CORPS

Davis, William M. [redacted].
Herrera, Christian Y., [redacted].
Pardo, Jorge M., [redacted].
Restituto, Norberto R., [redacted].

Major to lieutenant colonel

NURSE CORPS

Beavers, Barbara J., [redacted].
Harnit, Joanne M., [redacted].
King, Maureen A., [redacted].
Sheeley, Juanita K., [redacted].

BIOMEDICAL SCIENCES CORPS

Benson, Edward H., [redacted].

The following named Air Force officer for reappointment to the Active List of the Regular Air Force, in the grade of colonel, Regular Air Force, under the provisions of sections 1210 and 1211, title 10, United States Code, with active duty grade of temporary major general, in accordance with sections 8442 and 8447, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

Steel, Maxwell W., Jr., [redacted].

The following Air Force officer for appointment as permanent professor, U.S. Air Force Academy, under the provisions of section 9333(b), title 10, United States Code.

Monroe, Joseph, [redacted].

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a), title 10, of the United States Code, as amended:

To be lieutenant colonel

LINE OF THE AIR FORCE

Maj. Richard N. Allen, [redacted].
Maj. Jerry E. Beck, [redacted].
Maj. Robert L. Bowers, [redacted].
Maj. Jeffrey W. Boyken, [redacted].
Maj. Jacob J. Braig, [redacted].
Maj. Charles M. Butler, [redacted].
Maj. Stewart R. Byrne, [redacted].
Maj. Walter G. Cawein, [redacted].
Maj. David N. Chalk, [redacted].
Maj. Kenneth H. Christgen, Jr., [redacted].
Maj. John A. Cloyd, [redacted].
Maj. Lester W. Cory, [redacted].
Maj. Charles N. Dawson, [redacted].
Maj. Karl H. Doll, [redacted].
Maj. Yeadon D. Dorn, Jr., [redacted].
Maj. James A. Dougherty, [redacted].
Maj. Nelson E. Durgin, [redacted].
Maj. John J. Elsner, [redacted].
Maj. Frederick D. Feinstein, [redacted].
Maj. Buddy D. Frye, [redacted].
Maj. Kenneth E. Gathright, [redacted].
Maj. Bernard D. Giere, [redacted].
Maj. Richard W. Godfrey, [redacted].
Maj. Edward R. Goyette, [redacted].
Maj. Robert W. Gruenhagen, [redacted].
Maj. Harold E. Guerry, [redacted].
Maj. Edward J. Haerter, [redacted].
Maj. David J. Haslam, Jr., [redacted].
Maj. Roger L. Hatton, [redacted].
Maj. Robert L. Healy, [redacted].
Maj. Harold L. Hoffman, [redacted].
Maj. Leonard W. Houston, [redacted].
Maj. Peter G. Hoyt, [redacted].
Maj. James N. Hudgins, [redacted].
Maj. Thomas L. Jackson, [redacted].
Maj. James E. Johnson, [redacted].
Maj. James H. Johnson, [redacted].
Maj. Troy G. Judd, [redacted].
Maj. John B. Kalka, [redacted].
Maj. Terrance J. Kane, [redacted].
Maj. Gene A. Katke, [redacted].
Maj. George W. Keefe, [redacted].
Maj. Philip G. Killey, Jr., [redacted].
Maj. Alfred S. Kilpatrick, [redacted].
Maj. Robert L. Kohles, [redacted].
Maj. Larry M. Lemke, [redacted].
Maj. Michael R. Mangano, [redacted].
Maj. John J. McDermott, Jr., [redacted].
Maj. James R. McKinney, [redacted].
Maj. Joseph L. McLaughlin, Jr., [redacted].
Maj. Michael J. Meehan, [redacted].
Maj. Marshall H. Messimer, Jr., [redacted].
Maj. Henry L. Miller, [redacted].
Maj. Joseph K. Morton, [redacted].
Maj. Richard M. Pierce, [redacted].
Maj. Ray A. Pilcher, [redacted].
Maj. Darwin M. Puls, [redacted].
Maj. Robert J. Rahill, [redacted].
Maj. Norman H. Rahn, Jr., [redacted].
Maj. John B. Riederich, [redacted].
Maj. Donald E. Ryan, [redacted].
Maj. Jack R. Sanford, [redacted].
Maj. Richard R. Sawyer, [redacted].
Maj. Ronald T. Schmitt, [redacted].
Maj. Harold C. Sheads, Jr., [redacted].
Maj. Billy C. Shermer, [redacted].
Maj. Clarence V. Smith, [redacted].
Maj. Harold L. Stoikes, [redacted].
Maj. Willard D. Stutz, [redacted].
Maj. Gerald W. Swartzbaugh, [redacted].
Maj. William F. Troy, [redacted].
Maj. Kurt J. Ulrich, [redacted].
Maj. Guadalupe Villarreal, [redacted].
Maj. Sidney I. Wells, [redacted].
Maj. William R. Weeks, [redacted].
Maj. Fred D. Womack, [redacted].

JUDGE ADVOCATE

Maj. Drennan A. Clark, [redacted].
Maj. Reese L. Harrison, Jr., [redacted].

CHAPLAIN

Maj. John H. Hebl, [redacted].
Maj. Gerald H. Maddox, [redacted].
Maj. Joe D. Sergeant, [redacted].

MEDICAL CORPS

Maj. Richard R. Constant, [redacted].
Maj. Stephen C. Gladwin, III, [redacted].
Maj. John D. Harrah, [redacted].
Maj. Donald G. McMillan, Jr., [redacted].
Maj. Thomas W. Messervy, [redacted].
Maj. Milton G. Mutchnick, [redacted].
Maj. Philip R. Reid, [redacted].
Maj. Jon A. Shiesl, [redacted].
Maj. Ralph S. Smith, Jr., [redacted].
Maj. Clifton K. Thigpen, [redacted].
Maj. Richard B. Yules, [redacted].

MEDICAL SERVICE CORPS

Maj. Henry H. Hays, [redacted].
Maj. Edward R. Hommel, [redacted].
Maj. Jack A. King, [redacted].
Maj. Stanley Stewart, [redacted].

IN THE NAVY

The following-named commanders of the U.S. Navy for temporary promotion to the grade of commander in the line and various staff corps, as indicated, pursuant to title 10, United States Code, sections 5787c and 5791, subject to qualification therefor as provided by law:

LINE

Beck, Melvin D.*
Burck, Clarence W.*
Cameron, John F.*
Holden, Harry F., Jr.*
Horn, Maurice D., Jr.*
Martin, Michael L.*
Norrell, Billy E.*
Tow, James D.*

SUPPLY CORPS

Deane, Thomas J., Jr.*

CIVIL ENGINEER CORPS

Bare, James C.*

The following-named lieutenant commanders of the U.S. Navy for temporary promotion to the grade of lieutent commander in the line and various staff corps, as indicated, pursuant to title 10, United States Code, sections 5787c and 5791, subject to qualification therefor as provided by law:

LINE

Culberson, Jerome J.*
Frame, Daniel A.*
Payton, John D.*
Hennessy, Raymond M.*
Wolfe, Albert G.*

SUPPLY CORPS

Verbic, Alan R.*

CIVIL ENGINEER CORPS

Davis, William L.*

The following-named lieutenant of the U.S. Navy for temporary promotion to the grade of lieutenant in the line, pursuant to title 10, United States Code, sections 5769 and 5791, subject to qualification therefor as provided by law:

Carson, Theodore M.

The following-named lieutenants of the line, of the U.S. Navy for appointment in the various staff corps, as indicated, as permanent lieutenants (junior grade) and temporary lieutenants, pursuant to title 10, United States Code, sections 5582(b) (Supply Corps), 5578(a) (Judge Advocate General's Corps), and 5791, subject to qualification therefor as provided by law:

SUPPLY CORPS

Berg, Roland D.
Domoslay, Steven D.
Horrigan, Thomas R.

JUDGE ADVOCATE GENERAL'S CORPS

Carlson, Raymond H.
Davidson, Bruce B.
Horne, Martin W.
Horton, Steven W.
Oliver, John T.
Thomas, Robert B., Jr.
Vienna, Kevin R.
Wynne, Larry D.

The following-named lieutenant (junior grade) of the line of the U.S. Navy for appointment in the Civil Engineer Corps, of the U.S. Navy, as a permanent ensign and temporary lieutenant (junior grade), pursuant to title 10, United States Code, sections 5582(b) and 5791, subject to qualification therefor as provided by law:

Brown, Paul M.

The following-named lieutenants (junior grade) of the line, of the U.S. Navy for appointment in the Judge Advocate General's Corps, as permanent lieutenants (junior grade), pursuant to title 10, United States Code, sections 5578(a) and 5791, subject to qualification therefor as provided by law:

Lord, Michael W.
Saccoccio, Louis J.

The following-named ensign of the line, of the U.S. Navy for appointment in the Civil Engineer Corps, of the U.S. Navy, as a permanent ensign, pursuant to title 10, United States Code, sections 5582(b) and 5791, subject to qualification therefor as provided by law:

Raney, Carl D.

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*Ad interim.

EXTENSIONS OF REMARKS

HANDICAPPED AND HARD TO REACH YOUTH

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mrs. CHISHOLM. Mr. Speaker, I am pleased to have the opportunity to participate in this forum today to discuss a topic which has served as the central focus of my professional and political career—the future of our youth. My remarks this afternoon summarize a more detailed written statement which covers both handicapped and hard-to-reach, unemployed young people.

As I understand the function of today's forum, panelists and witnesses will help surface priorities which may be taken into consideration during the allocation of a $9 million Department of Labor demonstration grant program to service handicapped and hard-to-reach unemployed teenagers. The Department of Labor program is funded under YEDPA, the Youth Employment and Demonstration Project Act. The primary goals of the YEDPA program are "to employ and increase the future employability of young persons, to help coordinate and improve existing career development, employment and training programs and to test different approaches to solving the employment problems of youth."

The YEDPA programs represent an important shift in the Federal youth employment effort. This legislation recognizes that the problems of jobless teenagers, particularly minority and poor teenagers, cannot be viewed in isolation from other aspects of economic and social development. The YEDPA approach stresses linkages between education, job training, planning, experimentation, as well as local and private training initiatives. Therefore, the thrust of my testimony today will emphasize the extent to which these linkages exist and require reinforcement to form an improved combined collective impact; I will also pinpoint gaps in this system which need to be bridged.

Because of the constraints caused by current economic conditions, it is essential to focus on what is most worth doing in job training, and how best to achieve these objectives. I believe that the two forums scheduled over the next several days will underscore the absolute necessity for closer cooperation among educational institutions, labor and public employment agencies, and stronger connections with forces outside of the traditional job training community. Let me outline several factors which may present special opportunities for YEDPA financed projects to work cooperatively with other sectors of our society to help stimulate new approaches to the serious youth unemployment problem confronting this Nation.

In the decade that I have served in the Congress, 6 of those years as a member of the House Education and Labor Committee, I have observed that the gap between education and work is largely the result of social, cultural, and economic changes which are altering both the way we treat youth and our perception of them. Perhaps to a greater extent than any of our other social institutions, this Nation's schools are being drastically altered by these changes. Today we are engaged in an intense debate and reexamination of the goals and effectiveness of our educational institutions. We know full well that millions of children leave our schools each year unable to cope with the realities of today's highly competitive labor market.

Sadly though, the most important policy matters affecting these educational institutions, in my opinion, too frequently involve politics, power, and protection of turf. This Nation's classrooms have become the new battleground—not so much of a war against illiteracy and unemployment—but a struggle to enforce the civil rights revolution of the 1960's and 1970's. We must understand that the struggle for equity in educational and employment opportunities continues for black and brown children and has now been expanded to include exceptional children with physical or learning disabilities.

MINORITY STUDENTS IN SPECIAL EDUCATION

For too long, the most vulnerable children in our public institutions, poor minority children with special educational needs have had no advocate at the national level to voice their concerns. Today I want to speak forcefully and vociferously on behalf of the millions of children included in this silent constituency. We have recognized for a long time that the subtle interplay between racial discrimination and discrimination against the disabled has worked in a most insidious manner to produce a significant overrepresentation of minority children in classes for the educable mentally retarded.

Some experts have suggested that special education provides a new vehicle for discrimination against children on the basis of race and language. For example, recent evaluations have shown that assessment procedures and testers are frequently culturally biased. Other studies demonstrate that black and hispanic students may be disproportionately enrolled in the most restructive special education school programs in some local districts. Yet, I have only recently begun to detect a sensitivity and interest in the concerns of poor and minority youngsters among the predominately white, middle income exceptional children's lobby which functions here in Washington.

While I support the goal of this forum to guarantee the employability of handicapped youth, we cannot allow this laudable concern to obscure our responsibility to protect black and brown children from misclassification as special education students.

On the other hand, to the extent that handicapping conditions result from birth defects associated with poor prenatal health care, inadequate nutrition or other factors closely related to low economic status, minorities have a legitimate stake in efforts to expand education and employment opportunities for exceptional children.

THE IMPACT OF HANDICAPPED LEGISLATION ON THE WORKPLACE

The real impact of the legal mandates written into section 504 of the Rehabilitation Act of 1973 and the Education for All Handicapped Children Act of 1975 (Public Law 94–142) are just now beginning to be felt at the local level. Predictably, the media and some school officials have overreacted out of fear and ignorance to what they term the "considerable burdens" imposed by the mainstreaming concept. Just yesterday I saw on a headline in the Washington Post which read "Mainstreaming of Handicapped Squeezes Budget."

Nevertheless, the national commitment to implement the promise of these Federal laws insuring access to an appropriate education for all children cannot be ignored. The issue for this panel today is how to build upon the current mainstreaming and accessibility activities of school systems in order to better prepare the workplace for the future job-seeking clientele now matriculating in grade school.

The potential role for youthwork and other similar organizations in the effort to eliminate barriers to participation in the labor market is virtually unlimited. Significantly, accessibility to federally assisted programs is one of the prominent features of section 504, and there are a variety of options available to youthwork to fulfill this legal command. For instance, funding could be channeled to publicly supported training facilities or facilities were federally funded programs are located to modify and retrofit employment sites to remove architectural barriers and render these buildings accessible to disabled people.

I believe, however, that a more profitable allocation of YEDPA funds might involve development of model employment training projects which would increase the knowledge base about work and education transition programs for exceptional children. Successful models could then be replicated in other locals. A peer counseling project employing handicapped youth, for example, would foster implementation of section 504, while also creating meaningful job opportunities for disabled youngsters. Project employees would also generate valuable informa-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

tion about the specific types of supportive services required to retain disabled youth in entry-level jobs. A YEDPA-sponsored clearinghouse to collect information about employment opportunities and model job programs for handicapped young people should also be examined.

To encourage use of the new targeted jobs credit provision which includes a specific eligibility category for disabled persons, guidelines could be drafted to require all participating employers to match YEDPA-funded training slots with an equal number of positions drawn from the target groups listed in the tax law.

In my brief remarks about disabled youth this afternoon, I have attempted to stimulate thought about challenges open to job-training sponsors who are willing to creatively confront new situations. Through YEDPA and other federally funded programs, we have a unique opportunity to expand the horizons of the handicapped young adults and build new relationships among various institutions in our society to serve disabled people as they integrate in the work force. I hope this opportunity is explored.

YOUTH UNEMPLOYMENT

Let me now turn to another aspect of the youth unemployment problem which I find particularly disturbing. Over the last several years the labor force participation rate, which is a measure of those who are both unemployed and looking for work, has been increasing for white youth but progressively declining for black teenagers. The unemployment rates of white youth tend to more closely correspond with fluctuations in the economy at large. But for black youngsters, unemployment and labor force participation cannot be explained merely by changes in the state of the economy.

Information which I have received indicates that at no time in the last 20 years has the unemployment level for white teens risen higher than 17 percent, while unemployment among black teenagers has remained at 25 percent or more since 1958.

My friends, we run the danger of permanently excluding a generation of black youngsters from participation in the job market. Where are these youth who are no longer in school, looking for work, or receiving public assistance? They are in our streets creating record levels of violent crimes; they are crowding our juvenile penal institutions as multiple offenders; they are young mothers trying to raise infants and at the same time complete maturation themselves; and they are drug addicts and alcoholics who have used these substances to escape the hopelessness and drudgery of their daily lives. We must all share responsibility for the shortcomings of these youth, and together we must work to develop meaningful employment options for these teenagers.

There is much which could be said on the subject of youth unemployment. My comments this afternoon highlight only a few areas which should be considered in establishing priorities to address this massive problem.

THE 1980 BUDGET

By reducing the so-called momentum in Federal spending so that the Federal deficit is reduced to $30 billion or less, President Carter hopes to use his proposed 1980 budget to make a significant dent in the inflationary trend of this Nation. Although there are divergent points of view regarding what impact a reduction in the Federal deficit will have on slowing inflation, considering the Jarvis-Gann tax revolt mentality that is sweeping in the Nation, the President's response is at least popular. The idea is that there is too much fat in the Federal budget and the taxpayer is not getting his money's worth. Although I recognize the difficult choices facing the administration, and the problem high inflation presents to the American people, I do not believe the President's approach solves America's economic woes.

Implicit in the administration's 1980 budget is the assumption that inflation is more of a serious threat to the economy than is unemployment. Absent from the President's discussion of his proposed budget is an honest, in-depth analysis of the kind of unemployment this Nation is experiencing. The pockets of high unemployment, especially among youth, has created disparities which resemble an economic caste system. To allow this disparity to persist, the President, in effect, supports the trade-off theory of unemployment and inflation; that a certain level of unemployment must be tolerated in order to fight inflation.

Although the American people have witnessed a high rate of unemployment and an increase in inflation in the last 10 years, the President insists on using this discredited trade-off theory in an attempt to stabilize the economy. The President's willingness to employ this approach shows a basic disregard for the fundamental message of the Humphrey-Hawkins Act. This law states that a truly healthy economy will both produce jobs and limit inflation for all segments of our society.

One factor in the President's decreased emphasis on reducing unemployment is the growing public perception that unemployment does not hurt as much as it use to. In May 1978, the Gallup poll found that three times as many Americans thought inflation was the Nation's most serious problem, than a year before. Over half, 54 percent, cited inflation as the No. 1 problem, while 18 percent pointed to unemployment. The 18 percent represented a substantial drop from 24 percent who gave unemployment as the most pressing problem in October 1977.

Although the Labor Department estimates that the 1977 overall unemployment rate in the Nation dropped 1.4 percentage points in 1978, we must be conscious that the unemployment rate is a national average which conceals vast differences among sub groups of the population. Teenagers face the worst unemployment problems of all. The unemployment rate for those aged 16 to 19 is 14.2 percent, as against a 4.8 percent rate for the population 20 years and older.

In May, 16.5 percent of youths were jobless, but the decline from 16.5 to 14.2 percent, is attributed to the success in providing temporary summer jobs. In New York City alone, only 1 in 5 of the half million jobseekers between the ages of 16 and 19 were employed in 1976; among black teenagers, the figure was 1 in 10, according to jobs for youth's annual report.

Concentration of unemployment among minorities and young people, and in certain communities has helped to lower the profile of unemployment in the public consciousness. When the unemployed person is black and a teenager from the central city, the problem is less immediate to a middle-class suburbanite. These sometimes hidden pockets of the structurally unemployed, compounded with the public perception that unemployment is getting better, produced a willing market receptive to the President's sales pitch on the budget.

Unfortunately, the President's 1980 budget emphasizes income assistance over job training. It is generally acknowledged by such experts as the Congressional Budget Office that training can increase marketable skills, alleviate structural problems in the labor market, contribute to enhanced productivity, and if targeted to minorities, could reduce the unemployment differential between whites and nonwhites.

Yet, in the CETA program, the Government's primary training mechanism, the President has proposed to reduce title VI public service employment jobs by at least one-seventh. Prime sponsors under title VI will be cut aproximately 24 percent in fiscal year 1980. In fiscal year 1976, 45 percent of CETA public service employees enrollees were low income, 40 percent were minorities, and 22 percent were under 22-years-old.

The training provided by PSE employment help to equalize the opportunities available to youth, minorities, and low income. It also reduces the cost of uncontrollable transfer payments and entitlement programs such as welfare, medicaid, and unemployment compensation, which comprise the bulk of the Federal budget. Nevertheless, the President claims to be saving the taxpayer's money through cutting these job training programs. I contend that the tax cost will be greater if those who could once benefit from PSE jobs are unemployed.

In anticipation of strong liberal and minority groups opposition to the administration's fiscal conservatism as it impacts upon the structurally unemployed, the President has supposedly redirected more money toward the economically disadvantaged and long termed unemployed. In actuality, the President has not recommended any increases in the YEDPA program under CETA; he has decided to cut the Young Adult Conservation Corps and use the remaining supplemental 1979 summer youth jobs authority to increase the youth employment and training program under YEDPA.

The President has also recommended that 250,000 jobs be cut from the summer youth job program for fiscal year 1980. One of the methods that the administration has chosen to reduce the demand for these jobs is to prohibit program eligibility for 14-year-olds. If Congress should decide not to go along with cuts in funding and eligibility for the youth programs, the youth unemployment and training segment of YEDPA which funds youth work may not get any increase over fiscal 1979 funding.

In summary, the President's 1980 budget as it relates to youth unemployment gives at best, superficial treatment to this structural problem.

All of the administration's hocus pocus with columns of figures on a tally sheet cannot disguise the administration's attempt to balance the budget in the backs of the poor.

I should also point out that the administration has attempted to justify reductions in CETA youth employment jobs by relying on the employment tax credit enacted last year. While I am optimistic about the potential for private sector employment initiatives, I must also emphasize voluntary nature and broader eligibility categories of the tax credit provision. We must closely monitor the implementations of this tax credit to determine if the legislation is sufficiently targeted on needy disadvantaged youth.

KAISER AGAINST WEBER

This case, which is currently pending in the Supreme Court, involves the question of whether an employer and union in the absence of proof of past employment discrimination may adopt a race conscious affirmative action program to increase the preparation of black workers in skilled craft jobs. Of course, the implications of this lawsuit extends far beyond the facts of the case, since the result could jeopardize affirmative action efforts which have recently allowed young black and Hispanic workers to obtain access to unions and jobs which formerly excluded them. While no one can predict the result to be reached by the Court in this case, we must be mindful that job training alone cannot overcome the legacy of years of discrimination which still pervades many of our industries and unions.

INADEQUACY OF EDUCATION

A recent article in the New York Times pointed out that—

> In many ways the most powerful force in higher education in recent years has been the job market.

I believe this observation applies to many elementary and secondary school programs as well. As many of you are aware, the quality of public school education is closely related to the employment training program. The soaring jobless rate among teenagers is a strong indication that many schools are failing to prepare students for employment before they drop out or are graduated from high school. Those of us concerned about the employment opportunities available for minorities especially are beginning to demand that school systems transmit marketable employability skills to our students. I am convinced that vocational education is pivotal to the development of these specific employment skills.

VOCATIONAL OR CAREER EDUCATION

Because of the rise in unemployment today, something called "career education" is beginning to take hold. Whereas many once viewed vocational schools as second rate institutions or "dumping grounds" for students who did not quite measure up to the rigors of an academic program, a number of colleges now allow credit for occupational skills. This developing trend in the popularity of vocational education may produce closer cooperation between formal education and the workplace. For example, I am aware that many young job trainees are discovering after completing their programs that they are only prepared to seek employment in fields where job opportunities are shrinking or even nonexistent. Interaction between employers and educational personnel has convinced some institutions that more collaboration counseling would benefit students particularly females and minorities.

I want to share some statistics from New York City with you which show that over a tenth of the 300,000 high school students in the city are enrolled in full time vocational instruction, with nearly 20,000 more students participating in vocational classes. I should point out that these vocational schools consistently have better attendance rates than academic high schools, and almost 50 percent of the graduates go on to post secondary education.

We must also recognize that vocational education amounts to more than just teaching job skills. For some students from poor families, vocational education provides an opportunity for these youth to learn first-hand the nature of work and good work habits such as punctuality and cooperation. Often poverty and unemployment deny poor parents an opportunity to serve as role models for their children and thereby transmit information about desirable work habits. Thus vocational training is especially useful to low income youngsters. Cooperative education programs in schools allow students a chance to test ecademic and vocational skills in the real marketplace. On-the-job experience should make these students more attractive to prospective employers and increase the likelihood of these students obtaining and keeping permanent jobs.

COMPETENCY TESTING

Let me shift this discussion for a moment to the topic of competency based education. A growing number of States are including mandates for minimum competency testing in their education programs. While we all support the concept of quality in education, we must also recognize that there is evidence that disproportionate percentage of black and Hispanic students may be adversely affected by competency test requirements. For example, prior effects of unequal educational opportunities and the discriminatory tests may cause black and Hispanic to score lower than their white counterparts.

Since failure to pass competency tests often means retention at grade level or denial of a diploma, these examinations could serve as an additional screening device to disqualify minority youth for employment opportunities.

JOB SITE LOCATION

As many of you probably know, the 12th Congressional District is probably the most blighted urban area represented in the U.S. Congress. I represent a diverse community which is predominantly black and Puerto Rican, but also includes strong Polish, Hassidic, Italian, and West Indian enclaves. Sections of my district in areas such as Brownsville and East New York literally appear to be war ravaged. Once proud communities such as Bushwick, where neat wooden frame houses stood, have fallen victim to arson. It is tragic to see how block after block has been razed by arson.

The deteriorating housing stock is but a symptom of the general economic decay which affects so much of urban America. Businesses have largely closed down, and sections once bustling with manufacturing and other industries have closed down. Unemployment of young people has risen above 40 percent in my district, and juvenile crime has increased accordingly.

I am concerned that the youthwork initiatives be relevant and applicable to the problems which these young people face, and suited to the communities which they are attempting to serve. It is important that job application sites be located strategically in the communities that are to be served. Last year riots nearly occurred as a result of too many desperate youth converged upon sites that were not equipped to handle the heavy demand. Many youths began lining up outside the center's door at 2 or 3 o'clock in the morning, several hours before they were scheduled to open. These situations promote more havoc than help.

It is equally important that programs be coordinated with the community action agencies, schools, and churches in the area.

CONCLUSION

There are many other important issues which time does not permit me to discuss such as the need to emphasize development of marketable skills rather than make work assignments for teenagers, and the need to develop more accurate and localize job inventories. But I hope I have conveyed the importance of combining school and the workplace to bring general and vocational education into harmony and devise new forms of education/training for those youth who are now unemployed.●

THE NIXON DOCTRINE IN ITS PUREST FORM: WILLIAM SHAWCROSS ON THE "LOSS" OF CAMBODIA

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Ms. HOLTZMAN. Mr. Speaker, the op-ed page of Tuesday's New York Times (February 6) contained an interesting analysis of the political history of Cambodia during the last decade. The author, William Shawcross, is the author of a soon to be published volume entitled "Side Show: Kissinger, Nixon and the Destruction of Cambodia."

Shawcross points out the significant role of Mr. Nixon and Mr. Kissinger in creating the climate which fostered political instability, and facilitated the suffering of hundreds of thousands of Cambodians who were caught in the military and political crossfire.

I would like to share this article with my colleagues:

WHO "LOST" CAMBODIA?

(By William Shawcross)

LONDON.—Prince Norodom Sihanouk, the former ruler of Cambodia, said recently: "There are only two men responsible for the tragedy in Cambodia. Mr. Nixon and Dr. Kissinger." This seems a provocative analysis but it requires examination. First because the Cambodians themselves deserve an explanation of the wasteland their country has become. Second because there is a popular belief, which Richard M. Nixon and Henry A. Kissinger naturally encourage, that their management of foreign policy was remarkably more successful than that of the Carter Administration.

Through the 60's, Prince Sihanouk kept his weak country out of the Vietnam war by compromise; he allowed Hanoi base camps inside his border with South Vietnam and also ignored many small-scale American attacks on them. In March 1969 Mr. Nixon began large-scale secret B-52 bombing of the base camps. The Communists spread further into Cambodia, clashing with the Sihanouk army, whose generals became more and more disaffected with his compromises. In March 1970 his Prime Minister, Gen. Lon Nol, overthrew him.

Mr. Kissinger maintains that the coup was an unwelcome surprise. In fact, the Central Intelligence Agency (which I do not believe arranged the coup and which reported very well from Cambodia from 1970–75) had detected its preparation. After the coup, Washington made no attempt to have Mr. Sihanouk returned; he allied himself with Hanoi and his former enemies, the Cambodian Communists or Khmer Rouge. A few weeks later, the United States invaded Cambodia, spreading the war across the country. Then Hanoi began to build up the Khmer Rouge for the first time, while Washington gave unremitting support to Lon Nol, a dreamy incompetent who tolerated official corruption.

As early as August 1970, the C.I.A. station chief in Phnom Penh warned that Lon Nol was incompetent and that complaints were not widespread that the generals ran the war "from their Mercedes cars and restaurants while the young people, civilians and soldiers, are dying each day." Nonetheless, the White House underwrote Lon Nol while traditional Khmer society disintegrated and about half the population (3.5 million) became refugees.

Prince Sihanouk asserts that American policy forced Cambodians into the Khmer Rouge. This argument ignores the enormous importance to the Khmer Rouge of the Prince's own alliance with them. But it is true that in March 1970 the Khmer Rouge were insignificant, numbering only some 2,000 or 3,000, and were subsequently formed in the crucible of the war. In January 1971, the Defense Intelligence Agency warned that "the Communist infrastructure will probably continue to grow."

During the war, Mr. Nixon and Mr. Kissinger consistently disregarded Prince Sihanouk in Peking and argued that Hanoi controlled the Khmer Rouge. In fact, the C.I.A. reported from the start that there were serious frictions between the two allies. One station report in the summer of 1972 related that one Khmer Rouge slogan was "We all agree to die together in order to get the VC/NVA [Vietcong/North Vietnamese Army] out of Cambodia." But Mr. Kissinger insisted in 1973 that Hanoi could deliver the Khmer Rouge to the negotiating table, and to encourage them, the White House conducted—until Congress ended it in August 1973—a huge bombing campaign against Cambodia. It destroyed the agricultural system and hardened the Khmer Rouge.

Throughout the second half of 1974, Ambassador John Gunther Dean kept warning Mr. Kissinger of the Khmer Rouge's increasing violence and pleaded for a "control solution" to avoid outright Communist takeover. Mr. Kissinger paid inadequate attention, arguing that he could not "negotiate from weakness." In April 1975, Mr. Dean's worst fears were realized: The Khmer Rouge, about 70,000 now, won uncontrolled victory.

The problems any government would then have faced were noted by the United States Agency for International Development team from Phnom Penh: "Cambodia slipped in less than five years from a significant exporter of rice . . . to the brink of starvation . . . if ever a country needed to beat its swords into plowshares in a race to save itself from hunger, it is Cambodia . . . prospects that it can do so are poor . . . slave labor and starvation rations for half the nation's people . . will be a cruel necessity for this year, and general deprivation and suffering will stretch over the next two or three years."

Faced with such difficulties and menaced by Cambodia's ancient enemy Vietnam, the Khmer Rouge—a callow xenophobic group without real experience of government—refused international food aid and began to rule by terror. Mr. Kissinger often called them "murderous." True, but whose policies nurtured the murderers and finally allowed them to win control of a desolated country? Those who cast nostalgic glances back toward the Nixon-Kissinger stewardship might remember that Mr. Nixon called his Cambodia policy "The Nixon Doctrine in its purest form." ●

FINANCIAL REPORT OF THE CONGRESSIONAL STEEL CAUCUS: QUARTERLY STATEMENT OF EXPENSES AND FUND BALANCE FOR PERIOD ENDING DECEMBER 31, 1978

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. BENJAMIN. Mr. Speaker, in accordance with Executive Committee Order No. 1, I am respectfully submitting herewith the quarterly financial report of the Congressional Steel Caucus for insertion in to the RECORD. The report is as follows:

QUARTERLY REPORT—FUND BALANCE STATEMENT, U.S. HOUSE OF REPRESENTATIVES, CONGRESSIONAL STEEL CAUCUS

Fund balance statement

Total revenues (clerk hire and membership dues)	$40,416.09
Less expenses:	
January	----------
February	2,000.00
March	3,574.20
April	3,287.25
May	3,312.75
June	3,057.15
July	3,006.34
August	3,240.95
September	3,060.16
October	3,788.23
November	3,403.22
December	7,051.41
Total caucus expenses	38,781.66
Unexpended revenues	1,634.43
Interest deposit	+114.64
Total unexpended revenues as of Dec. 31, 1978	1,749.07

QUARTERLY REPORT—STATEMENT OF EXPENSES, U.S. HOUSE OF REPRESENTATIVES, CONGRESSIONAL STEEL CAUCUS

Salaries	$31,250.28
Travel	----------
Stationery	608.80
Printing	660.95
Postage	56.00
Telephone	343.34
Publications	238.53
Equipment	2,375.01
Miscellaneous	3,248.75
Total expenses for 1978	38,781.66

CONGRESSIONAL STEEL CAUCUS MEMBERS WHO HAVE PAID DUES AS OF DECEMBER 31, 1978

Joseph Gaydos, John Seiberling, Tom Bevill, Douglas Walgren, W. C. Daniel, Bill Young, Thomas Kindness, Robert Walker, Gus Yatron, Edward Pattison, Robert Duncan, Ralph Metcalfe, Barbara Mikulski, Charles Carney, Allen Ertel, Frank Evans, Benjamin Gilman, Donald Mitchell, Robert Mollohan, Donald Pease, Thomas Railsback, Robert Roe, Clarence Long, William Walsh.

Jim Weaver, David Evans. John Dent, Michael Myers, John Cavanaugh, E. Thomas Coleman, Philip Ruppe, E. G. Shuster, Morgan Murphy, James Oberstar, Henry Nowak, Edward Patten, Frank Annunzio, Morris Udall, Austin Murphy, John Murtha, John Jenrette, Gary Myers, James Hanley, Ralph Regula, Stanley Lundine, Martin Russo, Robert Michel, Joseph Addabbo.

Samuel Stratton, George Brown, John Buchanan, Leo Zeferett, James Mann, Robert McClory, Robert McEwen, Gunn McKay, Marc Marks, John Murphy, Thomas Luken, Douglas Applegate, Carl Pursell, Mary Rose Oakar, William Moorhead. George O'Brien, Fred Rooney, Clarence Miller, Elwood Hillis, Joseph Le Fante, Ronald Mottl. William Harsha, Adam Benjamin, Ted Risenhoover.

Shirley Pettis, David Cornwell, Kenneth Holland, Joseph Ammerman, John Dingell, Tom Corcoran, Jim Lloyd, Richard Ichord, Floyd Fithian, Bob Gammage, William Ford, Daniel Flood, Peter Kostmayer, Raymond Lederer, Walter Flowers, Clarence Brown, Nick Joe Rahall.●

HOUSE OF REPRESENTATIVES—*Tuesday, February 13, 1979*

The House met at 12 o'clock noon.

Mr. John V. Stevens, Sr., president, Church State Council of Seventh-day Adventists, Westlake Village, Calif., offered the following prayer:

Higher than the highest human thought can reach, Father, is Your ideal for us, Your children. So lift us above besieging selfish interests and pressures, changing mores and movements, unprecedented fiscal and social unrests. In this calm moment, may we see beyond our desperation and become like You. Over the clamorings and crises and change, help us remember that the world's greatest want is the want of men and women who will not be bought or sold; who in their inmost souls are true and honest; who do not fear to call sin by its right name; whose conscience is as true to duty as the needle to the pole; who will stand for the right though the heavens fall. Help us be those men, those women. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 37. An act to repeal a section of Public Law 95-630.

The message also announced that pursuant to section 8002 of the Internal Revenue Code of 1954, the following members of the Committee on Finance have been chosen by such committee to serve as members of the Joint Committee on Taxation for the 96th Congress: Mr. Long, Mr. Talmadge, Mr. Ribicoff, Mr. Dole, and Mr. Packwood.

And that the Vice President, pursuant to Public Law 92-484, appointed Mr. Mathias to the Technology Assessment Board, in lieu of Mr. Case, retired.

☐ 1205

INTRODUCTION OF BILL TO REMOVE CAP ON SHELTER DEDUCTIONS UNDER FOOD STAMPS FOR SENIOR CITIZENS AND DISABLED

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, unless the Congress acts immediately, there are going to be tens of thousands of senior citizens and disabled people in our country who will be drastically hurt, and I know it is not the intent of the Congress to let this happen.

What is happening, Mr. Speaker, is that on March 1, 1979, the regulations governing food stamps are being changed under the 1977 farm bill, and the effect is going to be that senior citizens and disabled people will no longer be able to deduct the full amount of their rent in order to qualify for food stamps. The maximum under the law is now going to be an $80 deduction.

In my own area in Metropolitan New York, nearly 14 percent of our senior citizens are going to be dropped from the eligibility list; 55 percent are going to be drastically reduced.

Mr. Speaker, these are people who are now receiving $45 and $50 in food stamps and who have incomes totaling $200 and $210 a month. They are in desperate need.

I have introduced a bill this noon, Mr. Speaker, that will remove that cap. All it will do is remove the cap on the housing requirement, and, fortunately, if we do that, we will be able to restore the amount of food stamps these poor senior citizens and disabled people throughout the United States need.

MAJORITY LEADER'S REMARKS AT F-16 DELIVERY CEREMONY IN BRUSSELS

(Mr. de la GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. de la GARZA. Mr. Speaker, recently I had the great honor of accompanying our majority leader, the gentleman from Texas, Jim Wright, to Brussels, Belgium, for the delivery of the first F-16 fighter plane to the NATO armed forces. I am proud to say that the prime contractor of this wonderful airplane is the General Dynamics Co., of Fort Worth, Tex. It is also a cooperative effort between the NATO countries and American enterprise.

Our distinguished majority leader made the principal speech at the ceremonies, and I know that my colleagues would like to read the speech that he made. I, therefore, include it herewith as part of my statement.

Remarks of Congressman Jim Wright

F-16 DELIVERY CEREMONY

January 26, 1979.

My feelings today are like those of a doting uncle as he gazes through the maternity ward window at his infant niece. He knows in his mind that he really had nothing to do with her birth, but he feels in his veins a tingle of vicarious paternity.

Surely among this crowd I am not alone in that sensation. Success has many parents; failure is an orphan. And the F-16 has many self-confessed uncles and aunts.

Never before in history has the handiwork of so many people, employed by so many companies dispersed throughout so many nations been drawn together to perfect one common product to serve their common security.

Literally tens of thousands of people in Western Europe and the United States have pooled their labors to produce the F-16. The 9,400 skilled workmen at the Fort Worth plant of General Dynamics, in the congressional district that I serve, are linked in a chain of common effort with other Americans employed by 4,700 separate subcontractors in 48 states and the District of Columbia.

These in turn have placed more than $1.5 billion in major subcontracts with no fewer than 30 European coproducer firms which perform by virtue of an educated and productive working force of thousands of western Europeans.

Very soon, as production rates increase, it will be common to see all F-16s comprised of some indispensable components produced in each of the five partner countries—Belgium, Denmark, The Netherlands, Norway and the United States.

And so this sophisticated model of modern technology which we have come here to witness is profoundly symbolic of several basic truths of modern society.

The relatively small F-16, with one engine and one pilot, can carry 15,000 pounds of bombs—quite considerably more than the B-17, with its four engines and crew of 10, which flew over Europe in World War II.

Its compact size reminds us that the fate of western civilization depends less upon the size than upon the ability of our military establishments, less upon the quantity than upon the quality of our arms—and less upon the number than upon the skill and dedication of our people.

The impressive technological advances which this aircraft embodies should remind us of the ever-accelerating pace of scientific progress, and of the impelling need to keep our free human and social institutions responsive enough to stay abreast of that progress and its sometimes unavoidable dislocations.

The F-16 is a less expensive aircraft than its recent predecessors. The superb cost-effectiveness which it achieves, after decades of staggering unit-cost growth, may mean we have seen there's a limit to wealth. Resources are finite. The future belongs to those who can learn to do better with less.

More important than these is the lesson it tells of the inescapable interdependence of our community of the free. What we could not do singly we increasingly must do together. The planet Earth has shrunk in a fantastic compression of time. For purposes of either transportation or rapid communication, the Texas city in which I live is closer today to Brussels or Paris—or even Moscow or Peking—than it was to our own state capitol when this century began.

In the American frontier of that earlier era, the prevalance of raw physical danger bred a code of conduct and a vocabulary all its own. There was a word that a man would apply to a good and dependable friend. It bespoke a condition of equality. That word was never used lightly but reserved as an expression of a kind of rough endearment

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☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

for one on whose friendship a man could rely. The word was "partner," spelled with a "t" and pronounced with a "d."

In this F-16 enterprise, our NATO relationship has grown and matured. No longer one of seller and buyer, of customer and supplier, the relationship is that of partner.

And so it must be in the defense of our freedoms and in the promotion and protection of peace on earth.

MRS. TRUMAN CELEBRATES 94TH BIRTHDAY TODAY

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, today, there is a lady in Independence, Mo., who is spending a quiet day at home. It is her birthday, but she refuses to celebrate with pomp and ostentation.

Today, Mrs. Harry S Truman is 94 years of age. This fine American lady is observing her birthday as she is living her life, with quiet dignity.

I know that all of my colleagues join me in wishing Mrs. Truman all the best today and in the days ahead.

FURTHER DUPLICITY BY THE ADMINISTRATION ON THE TAIWAN ISSUE

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, administration officials have now admitted that U.S. negotiators never even tried to obtain assurances from Communist China that the mainland Communists would not attempt to take Taiwan by force.

This is despite repeated public statements by the President that such assurances were sought—statements that he must have known to be untrue.

Moreover, it has now been revealed that the Chinese Communists informed our negotiators that they should not proceed on diplomatic relations with Peking under the assumption that force would not be used against Taiwan.

They are quoted as stating—

> They are a bunch of reactionaries on Taiwan and we might have to take Taiwan by force.

This news has further lessened the credibility of the United States throughout the world, and undermined trust in the word of our leaders.

Mr. Speaker, this is just additional evidence of the imperative need for Congress to require continued U.S. arms sales and military protection for the Republic of China.

I would like to include in the Record at this point Friday's front-page story outlining the facts about the administration's untrue statements on the Taiwan matter:

[From the Washington Post, Feb. 9, 1979]

U.S. Did Not Press the Taiwan Issue

(By Martin Schram)

Q. Mr. President . . . did you at any point ask the Chinese to provide a binding, written pledge that they would not try to seize Taiwan by force? And if you did request that, why didn't you get it? And if you didn't, why didn't you ask for it?

A. Yes. One of our goals in the negotiation was to get a public commitment on the part of China that the differences with Taiwan would be resolved peacefully. This was not possible to achieve. . . .

JAN. 17 NEWS CONFERENCE

The answer should have been no, officials now concede.

The Carter administration never asked the mainland Chinese for a formal assurance that they would not try to take Taiwan by force, according to informed officials at the White House and the State Department.

The officials stressed in private conversations that it was always an "implicit" objective of the United States to obtain a formal commitment from the People's Republic of China not to use force against Taiwan once the United States recognized China and severed diplomatic ties with Taiwan. And thus, they said, they believe Carter was technically correct to state that this was "one of our goals" and that it proved "not possible to achieve."

But even if it was technically accurate, the president's carefully worded answer left an impression that had little to do with the truth. He had been asked if his administration pressed China specifically on this issue. And the truth, as disclosed by these informed officials, is that Carter administration negotiators did not.

Neither presidential national security affairs adviser Zbigniew Brzezinski, nor Secretary of State Cyrus R. Vance, nor Ambassador to China Leonard Woodcock—nor Carter himself—ever specifically pressed for a formal assurance from the Chinese, the officials said in interviews.

The Chinese historically maintained that they could never give an assurance of refraining from the use of force against Taiwan because they considered the question a matter of "sovereignty," the Carter officials said. "This was the officially stated Chinese position from 1955 on," one official said. "They had made this clear publicly many times."

In April 1977, a National Security Council document known as Presidential Review Memorandum 24 set a goal for the normalization of relations the obtaining of a specific commitment from Peking that there would be no use of force against Taiwan. This was to be in exchange for the United States ending its defense treaty with Taiwan.

But PRM-24 was reviewed again in June and July by the president and his top advisers, one official said. And they decided then that it was unrealistic to expect that China would give a public assurance on this

When Vance went to Peking in August 1977, his instructions called for him to obtain "tacit or explicit" assurance from the Chinese about Taiwan, the official said, "Vance did discuss the matter with the Chinese" according to this official, "but he did not ask them for a specific statement on it."

And, it has not been specifically raised since.

Instead, according to the officials, the U.S. negotiators—Brzezinski, Vance, Woodcock, and, in an Oval Office session Sept. 19, the president—spoke in terms of American expectations and assumptions.

As one official explained, "We would say to the Chinese: 'We have our expectations . . . We are proceeding on the assumption that Taiwan will be dealt with peacefully. Do you understand that?' "

The official said that there were times in the negotiations when the Chinese would respond that the U.S. negotiators "should not proceed on that assumption."

According to the official, the Chinese would say, "They are a bunch of reactionaries on Taiwan and we might have to take Taiwan by force."

At all times the Chinese stressed in the negotiations that Taiwan is a matter of Chinese sovereignty. "So for us," said one official," the question became what would they say after making that statement?

"Would they continue to say, ' . . . and we may have to take Taiwan by force'? Or would they say, 'We expect that we will be able to reunite Taiwan with the mainland peacefully. That is what we want.' "

Eventually, the officials said, the Chinese incorporated into their response this latter statement of a desire to handle reunification peacefully.

And that became the basis upon which the United States pressed for the completion of the normalization process.

"The final outcome of that," as Carter went on to say in his Jan. 17 press conference reply, "was that we would make a unilateral statement that we expect any differences between Taiwan and China to be resolved peacefully, and the agreement was that the leaders in China would not contradict that statement."

And that is precisely what came to pass.

Brzezinski, who was the dominant force in wrapping up the normalization agreement for Carter, defends the decision. To Brzezinski it is a matter of foreign policy, not domestic politics. And, as he sees it the decision makes sense because Peking had maintained for years it would never give such an assurance; it really makes no difference anyway because China is not now militarily capable of militarily taking Taiwan, and will not be able to for some time without the greatest military risk to its own forces.

"What do you think—that the Chinese are going to come across the water to attack in thousands of junks?" Brzezinski asked a reporter at one point, after being questioned on the matter.

As Brzezinski sees it, the normalization of U.S.-Chinese relations was one of the most important events in modern globall affairs. And it was, he believes, far too significant to risk jeopardizing over a concern about an invitation of Taiwan that he feels realistically cannot and will not take place.

Thus, when the Chinese came back to the United States and said they accepted the latest American terms for normalization, the Carter administration raced to get the matter completed before the end of last year. They did not consider reopening the matter of Taiwan.

□ 1210

CONSUMER OPPOSITION TO ALASKAN OIL EXPORT

(Mr. CLAUSEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. CLAUSEN. Mr. Speaker, during the 95th Congress, I participated in several hearings addressing the possible exchange or export of Alaskan oil. Based on those hearings, I concluded such action would be unwise and most unwanted by the American people. A temporary export or exchange would have a negative effect upon proposed domestic oil pipelines, the American maritime industry, the U.S. taxpayer supported Panama Canal Company, and the American consumer. An export or exchange would appear to waiver from an independent energy policy.

I believe the Iranian oil situation has sent those of us in Congress a strong message. It is time the United States develops a domestic energy base with a viable energy distribution system. An effective domestic energy distribution network, including pipelines, railroads, and tankers is the vital part needed for an overall energy program throughout our Nation to address domestic energy requirements. The only solution to our present dependence on foreign oil cartels is American energy independence.

Mr. Speaker, this past Saturday the Consumer Federation of America adopted a policy statement opposing the export or swap of Alaskan oil. This consumer group at its annual meeting addressed our foreign dependence within the policy statement on Energy and Natural Resources. As to Alaskan oil, the group specifically stated:

> . . . The Consumer Federation of America opposes the export or swap of Alaskan oil unless it can be shown that such an export or swap would be in the national interest and would not jeopardize national security . . .

Mr. Speaker, a temporary export or exchange of Alaska North Slope crude oil prior to the completion of at least one major west to east domestic pipeline system would be against our best national, economic, and security interests.

I am submitting for the RECORD the Consumer Federation of America policy statement opposing the export or swap of Alaska oil.

The statement follows:

> The United States' gross dependence on OPEC oil forces consumers to pay artificially high prices for energy, fuels inflation and the decline of the dollar by contributing to a massive persistent trade deficit, and leaves the nation vulnerable to supply disruptions instigated by the OPEC nations for political or economic purposes. Yet national energy policy has neither been as forceful nor as expeditious as possible in reducing this dependence; indeed many policies reinforce our dependence. United States policy should be directed toward increasing domestic supplies of energy for domestic use. The national energy transportation system should be improved to make possible a more efficient and equitable distribution of domestic fuel supplies. The Consumer Federation of America opposes the export or swap of Alaskan oil unless it can be shown that such an export or swap would be in the consumers' interest and would not jeopardize national security. In addition to the creation and development of national alternatives to foreign oil, the following immediate initiatives should be taken:
>
> A. Creation of a Federal oil importing agency which would purchase the nation's import needs by securing sealed bids from oil producing nations . . .
>
> C. Encouragement of greater productions of oil from non-OPEC oil producing nations . . .

RESERVE REQUIREMENT SIMPLIFICATION ACT OF 1979

(Mr. STANTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. STANTON. Mr. Speaker, today I am introducing a bill entitled the "Reserve Requirement Simplification Act of 1979." This action reflects my continued concern with the decline in Federal Reserve membership and the ability of the Fed to control monetary policy. I am offering this proposal to ensure that the Congress will consider the full range of alternative solutions to this problem.

Chairman William Miller was kind enough to furnish me a copy of a letter he wrote to the President of the American Bankers Association on January 12, 1979. The Chairman started the letter with the following sentence:

> Consideration of legislation designed to improve monetary policy and to promote greater competitive equality among financial institutions will be the first priority of the House and Senate Banking Committees this year, and proposed bills have already been made public by Senator Proxmire and Congressman Reuss.

The Chairman, as usual, was correct. Our committee, for the last month, has been in the process of listening to proposals from the chairman of our committee and suggested improvements to this legislation by the Federal Reserve Board.

Mr. Speaker, I am convinced that the legislation that has been already presented to the committee would accomplish the desired goal, as stated by Chairman Miller in the above paragraph. However, I was under the impression that the main purpose of considering legislation was to improve the Federal Reserve Board's ability to conduct monetary policy. At the same time it was almost universally agreed that the way to improve monetary policy was to stop the outflow of membership from the Federal Reserve System that has been accelerating in recent years. This is the main cause of the continuing decline in the proportion of deposits subject to Federal Reserve requirements. I, personally, never felt that it was the purpose of this legislation to equally "promote greater competitive equality among financial institutions." My solution directs itself to the first goal. The later goal of the legislation, I am willing to leave for another day.

During the last few months, I have come to the conclusion that mandatory universal reserves for all deposit categories could disrupt the competitive balance between financial institutions, the dual banking system, and the structure of bank regulatory agencies. Therefore, my bill seeks to relieve the burden of membership by reducing the existing level of reserve requirements and paying interest on a portion of reserves for current members only. Also, it seeks to improve monetary control by establishing uniform requirements for each deposit category.

If this were 1913, and we were establishing a new Federal Reserve System, mandatory universal reserves for all deposit categories might be the most logical approach for achieving monetary control. However, given today's financial structure and the present role of reserves as a monetary policy tool, such a requirement could create more problems than it would solve. Additionally, I do not favor the exemption provision incorporated in H.R. 7. By treating large and small banks differently, H.R. 7 builds needless inequities into the financial system.

The major difference between my proposal and H.R. 7 is that since my bill affects only existing member banks, it offers a simpler solution to this complex problem. Virtually every member bank will benefit from the reserve reduction and interest payment provisions in my bill. These provisions will greatly relieve the current burden of membership and should stop the growing attrition of member banks.

The significant features of my Reserve Requirement Simplification Act of 1979 are as follows:

First. A reduction in the existing level of reserve requirements for existing member banks;

Second. An authorization for the Fed to pay interest at the portfolio rate on the first $6 million in reserve balances held at the Fed;

Third. The establishment of uniform reserve requirements for each deposit category;

Fourth. A provision requiring the Fed to prepare and publish a fee schedule for Federal Reserve Bank services;

Fifth. A provision for additional reporting on monetary data by all financial institutions; and

Sixth. An authorization for the Fed to increase the amount of interest paid provided that any increase is subject to a one House veto.

This new approach would address the problem of membership attrition along the following lines. First, large banks receive a significant though not excessive reduction in their reserve burden. Banks over $100 million now hold reserves against demand deposits from 12¾ to 16¼ percent. The new proposal would levy a 10 percent reserve requirement on demand deposits and transaction accounts. Second, banks under $100 million currently hold reserves against demand deposits from 7 to 11¾ percent. The new proposal of 10 percent would reduce the burden for the larger of these banks. In addition, payment of interest on the first $6 million of reserves (approximately equivalent to reserves held for a $50 to $60 million bank, as in the Fed's proposal) would provide an additional incentive for all banks, especially small ones to remain in the Fed. Finally, paying the Fed portfolio rate of return to small banks is the best, riskless investment available to them. Fed studies indicate that while in the short run (as is the case now) the Fed funds rate may exceed the Fed's portfolio rate. However, over the long run business cycle, these two rates are very close with the Fed portfolio rate often exceeding the Fed funds rate. Thus, for a long run riskless investment, the Fed portfolio rate provides an attractive rate of return.

The cost of this approach is well within the range established by the Treasury Department. Treasury has stated that it would accept a cost of only $200 million or less per year. The cost of the reserve reduction and interest payment associated with my bill has been calculated to be under $200 million.

There follows a section-by-section analysis of the Reserve Requirement Simplification Act of 1979 and cost impact statements.

Section-By-Section Analysis of the Reserve Requirement Simplification Act of 1979

SHORT TITLE: THE RESERVE REQUIREMENT SIMPLIFICATION ACT OF 1979

Section 2—Reporting requirements

This section authorizes the Federal Reserve to collect through appropriate regulatory and supervisory agencies current liability and asset data needed for monetary control purposes from all depository institutions.

Section 3—Reserve requirements

This section provides for (1) a reduction in reserve requirements for member banks; and (2) uniform reserve requirements for each category of deposits.

A uniform reserve requirement structure would simplify the Fed's ability to control monetary policy. Lower reserve requirements would help to alleviate the cost burden of Federal Reserve membership.

Demand deposits: Present, 7–16¼; H.R. 7, 8–10* (9 initially); Stanton, 5–10* (10 initially).

Short-term time (less than 180 days): Present, 3–8; H.R. 7, 3–8 (8 initially); Stanton, 3–8 (7 initially).

Long-term time (over 179 days): Present, 1–4½; H.R. 7, 1–3 (1 initially); Stanton, 0–3 (1 initially 3).

Savings deposits: Present, 3; H.R. 7, 1–3 (3 initially); Stanton, 1–3 (3 initially).

These reserve requirements imposed by this section are to be phased in over a 4-year period.

Section 4—Pricing of services

This section requires the Board to prepare and publish for public comment a set of pricing principles and proposed fees for Federal Reserve Bank services. Those are to be formulated in accordance with a general policy that requires recovery of all costs, including imputed taxes and return on capital.

Section 5—Interest on reserves

This section authorizes the Fed to pay interest on the first $6 million of reserve balances held at the Fed. The rate of interest is equivalent to the rate of return on the Fed's portfolio (current 6.5%). Additionally, the Fed is granted the authority to adjust the amount of interest paid provided that any increase in the amount of interest paid is subject to a one-House veto.●

PERMISSION TO PUBLISH IN THE RECORD WRITTEN RULES GOVERNING COMMITTEE PROCEDURE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that, notwithstanding the provisions of clause 2(a), rule XI, all committees may have until March 1, 1979, to publish in the Record the written rules governing committee procedure.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

READING OF GEORGE WASHINGTON'S FAREWELL ADDRESS

Mr. BRADEMAS. Mr. Speaker, I ask uanimous consent that on Monday, February 19, 1979, George Washington's farewell address may be read by a Member to be designated by the Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE REPORT ON H.R. 1894, DEBT LIMIT TEMPORARY INCREASE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight, Tuesday, February 13, 1979, to file its report, along with any separate or minority views, on the bill H.R. 1894, to provide for a temporary increase in the public debt limit, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was n oobjection.

ADJOURNMENT TO THURSDAY, FEBRUARY 15, 1979

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 a.m. on Thursday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DESIGNATING MR. COURTER TO READ GEORGE WASHINGTON'S FAREWELL ADDRESS ON FEBRUARY 19, 1979

The SPEAKER. Pursuant to a special order agreed to on Tuesday, February 13, 1979, the Chair designates the gentleman from New Jersey, Mr. Courter, to read George Washington's Farewell Address immediately following the approval of the Journal on February 19, 1979.

APPOINTMENT AS MEMBERS OF JOINT ECONOMIC COMMITTEE

The SPEAKER. Pursuant to the provisions of 15 U.S.C. 1024(a), the Chair appoints as members of the Joint Economic Committee the following Members on the part of the House:

Mr. Bolling of Missouri;
Mr. Reuss of Wisconsin;
Mr. Moorhead of Pennsylvania;
Mr. Hamilton of Indiana;
Mr. Long of Louisiana;
Mr. Mitchell of Maryland;
Mr. Brown of Ohio;
Mrs. Heckler of Massachusetts;
Mr. Rousselot of California; and
Mr. Wylie of Ohio.

REPORT OF MEMBERSHIP IN INTERNATIONAL WHALING COMMISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Merchant Marine and Fisheries:

To the Congress of the United States:

On December 14, 1978, Secretary of Commerce Kreps certified to me, pursuant to the Pelly Amendment to the Fishermen's Protective Act of 1967, that nationals of Peru, Chile and the Republic of Korea were conducting whaling operations in a manner that diminishes the effectiveness of the International Whaling Commission conservation programs.

Under the Pelly Amendment, such a certification must be followed by a report to the Congress. I am pleased to transmit the attached report which indicates that all three of these nations are becoming members of the International Whaling Commission and will therefore voluntarily become subject to its conservation programs. Thus, I am not at this time imposing sanctions against these nations.

Jimmy Carter.

The White House, *February 13, 1979.*

PROPOSAL TO ESTABLISH A DEPARTMENT OF EDUCATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–52)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Government Operations and ordered to be printed:

To the Congress of the United States:

I am sending to the Congress today my proposal to establish a Department of Education.

There is a compelling need for the increased national attention a separate Cabinet department will bring to education issues. Our Nation's pluralistic education system, considered the most competent and open in the world, faces many problems and challenges: a decline in public confidence in the quality of education; unacceptably high rates of high school dropouts and of young people who lack basic educational tools and specific skills for productive employment; and increasing demands for retraining and learning opportunities.

The primary responsibility for education in our Nation lies with State and local government. The Federal government has a limited, but critical responsibility to help public and private institutions meet these challenges: to ensure equal educational opportunities; to increase access to postsecondary education by low and middle income students; to generate research and provide information to help our educational systems meet special needs; prepare students for employment; and encourage improvements in the quality of our education. The achievement of each of these goals will be enhanced by a new Department of Education.

Through our legislative and budget initiatives of the past two years, this Administration has given high priority to meeting these educational commitments. My budget for FY 1980 provides for $13.3 billion in education outlays, about a 45 percent increase above the level when I came into office. Last year, we established a legislative framework, the Middle Income Student Assistance program, to help solve one of our major education problems—the growing cost of a college education. The establishment of a Cabinet Department of Education will reflect the continued high priority my Administration places on education.

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*Includes automatic transfer and NOW Accounts

A Department of Education will bring our Nation's educational challenges and the Federal government's role in meeting them to the forefront of domestic policy discussion. Such discussion is vital to an activity that directly affects 60 million students, teachers and educational employees and constitutes a $120 billion public and private enterprise.

Establishing a separate Department will create, for the first time, a Cabinet-level advocate for education with direct access to the President, the Congress, and the public.

Second, it will give Federal education programs the full-time, high-level leadership and management that they cannot receive in a structure so large and complex as the Department of Health, Education, and Welfare. This will allow the Federal government to fulfill its responsibilities in education more effectively. It will eliminate duplication in the administrative and staff support activities within the Office of the HEW Secretary and the Education Division. It will allow improved financial management and more efficient administration of education programs. Separation of the education functions from HEW will also promote improved management of its closely-related health and welfare responsibilities.

Third, it will provide greater accountability. Submerged beneath HEW's dominant functions of health and welfare, Federal education programs lack full-time accountability at the Cabinet level. With a separate Department of Education, one Cabinet member will report directly to the President and be accountable to the Congress and the American people for the conduct of Federal education policies.

Fourth, it will provide simpler, more reliable, and more responsive support to states, localities, public and private institutions, giving them a direct line of Cabinet-level contact with the Federal government.

Fifth, the new Department will allow better coordination of education programs with related Federal activities, such as employment programs and research. It will also allow high-level consideration of the impact of other Federal policies, such as tax and energy, on education institutions and students.

Under the proposal I am submitting today, the Department of Education will include more than 150 programs and 16,200 employees. With a budget of more than $13 billion, this Department will be larger than five other Departments including Energy, Commerce, Justice, Interior and State.

In addition to the 140 programs in the Education Division of the Department of Health, Education, and Welfare, the new Department of Education will handle educational activities now carried out by several other departments. These include: the U.S. Department of Agriculture School, certain science education programs of the National Science Foundation, the overseas dependents' schools of the Department of Defense, the college housing loan program of the Department of Housing and Urban Development, the Law Enforcement Education and the Law Enforcement Internship Program of the Department of Justice, and the Migrant Education programs of the Department of Labor.

The proposed legislation establishes within the Department of Education separate Offices for Civil Rights, Elementary and Secondary Education, Postsecondary Education and Educational Research and Improvement, each headed by an Assistant Secretary. It establishes an office to administer functions related to the education of overseas dependents of Department of Defense personnel, an Inspector General, and a 20-member Intergovernmental Advisory Council on Education, appointed by the President, to promote better relations with the various levels of government and private institutions.

I urge the Senate and the House of Representatives to act promptly on this important proposal.

Jimmy Carter.

The White House, *February 13, 1979.*

☐ 1215

CARSON CITY SILVER DOLLARS

Mr. ANNUNZIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1902) to amend the Bank Holding Company Act Amendments of 1970.

The Clerk read as follows:

H.R. 1902

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 205(a) of the Bank Holding Company Act Amendments of 1970 (84 Stat. 1769; 31 U.S.C. 317e note) is amended by deleting the second sentence thereof and substituting the following: "The Administrator is authorized to sell such coins as may remain by negotiations at such prices, including fixed prices, in such manner, and upon such terms and conditions as may be deemed proper by the Administrator.".

Sec. 2. The amendment made by the first section of this Act shall take effect upon the date of its enactment.

The SPEAKER. Is a second demanded?

Mr. EVANS of Delaware. Mr. Speaker, I demand a second.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BAUMAN. Under clause 2 of rule XXVII, as amended by the Democratic Caucus and the House on the first day, the pending measure has not been available to the House for 1 full legislative day. I only ask this for future reference.

Precisely how long does a measure have to be available in order to remove the right to have a vote on the second, and would a vote on the second be in order today, for instance?

The SPEAKER. This bill has not been available for 1 legislative day, but the rule requires availability for 1 legislative day.

Mr. BAUMAN. So that a vote on the second could be demanded by tellers?

The SPEAKER. The gentleman is correct.

Mr. BAUMAN. Could I also ask the Speaker whether or not copies of the report on the bill must be available for 1 legislative day under this rule?

The SPEAKER. Only the measure to be voted on must be available.

Mr. BAUMAN. As reported by the committee?

The SPEAKER. Available in the form as proposed to be passed. If reported and called up by the committee with amendments then available in that form. Otherwise, available as introduced.

Mr. BAUMAN. I thank the Speaker.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Illinois (Mr. ANNUNZIO) will be recognized for 20 minutes, and the gentleman from Delaware (Mr. EVANS) will be recognized for 20 mintues.

The Chair recognizes the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Speaker, I yield whatever time he may consume to the distinguished chairman of the full Committee on Banking, Finance, and Urban Affairs, the gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, H.R. 1902 amends legislation passed in 1970 (Public Law 91-607) to permit the sale, under flexible terms, of nearly 1 million rare silver dollars. According to the Congressional Budget Office this sale will result in receipts to the Government of approximately $20 million. This legislation is necessary because the original law which provided for the sale of these coins placed severe restrictions on the terms of the sale. These restrictions made it impossible to sell all the coins in an economical manner.

These silver dollars were produced at the Carson City Mint in Nevada in the 1800's and it was thought they had been melted down during World War I for their silver content. However, a General Accounting Office audit in 1964 found that nearly 3 million of the Carson City silver dollars had not been melted down, and had never been circulated.

Public Law 91-607 provided that the coins be sold in accordance with a sales plan which would make it possible for many individuals to buy the coins directly from the Government. An elaborate bidding procedure was established, and an individual could buy only one coin per category. To market these coins GSA received an appropriation of $10 million.

Nearly 2 million of the original 3 million coins were sold from 1972 through 1974. These sales generated net revenues of $55.3 million after accounting for a sales cost of $8 million.

Sales were discontinued in 1974 because of their high costs and diminishing returns. These declines indicated that the market had become temporarily saturated and that the sales method was unduly cumbersome.

Without a change in the law GSA will need a sizable appropriation to sell the remaining coins under the required terms and conditions. H.R. 1902 will eliminate the need for this additional appropriation.

The bill is drafted to provide the flexibility to allow various methods of sale in order to respond to changing market conditions. GSA believes that these methods will meet the goals of the Joint Commission on the Coinage without the expense of the complex procedures of earlier sales.

The bill is supported by the administration, GSA, and the Office of Management and Budget.

Mr. ANNUNZIO. Mr. Speaker, I thank the distinguished chairman of the full committee for his very significant and important statement, and I now yield myself such time as I may consume.

☐ 1220

Mr. Speaker, I hope it is significant that the first bill to come before the House of Representatives this year is not a bill that will cost the taxpayer money but rather one that will not only save money, but may well provide $20 million of income to the U.S. Treasury. I realize that every bill that we will be dealing with this year cannot offer such benefits, but I hope that this legislation represents a good starting point for cutting Government spending.

Mr. Speaker, H R. 1902 represents two types of savings. This legislation would allow the General Services Administration to sell approximately 978,000 rare silver dollars minted in Carson City, Nev., in the late 1800's. Previously, the GSA has sold some 2 million of these dollars and the sales have generated some $55 million to the taxpayers. However, the conditions under which the previous dollars were sold are not adequate for disposing of the remaining stock. For example, the legislation establishing the earlier sales limited buyers to purchasing only one coin. The earlier sales also were conducted on a bid basis.

Under the legislation before us today the General Services Administration will be able to dispose of the coins without the restrictions set by earlier legislation. The coins will be sold at predetermined prices and for the most part there will be no limit on the number of coins that an individual purchaser may buy. In addition, the legislation will allow the GSA to sell the coins to Federal organizations such as the Smithsonian and to State and local museums for public display. It is anticipated that through this legislation the General Services Administration will receive approximately $20 million which will be turned over to the Treasury Department.

Legislation identical to H.R. 1902 was passed in late September of last year by unanimous votes in both the House and Senate. In this body the legislation was sponsored by the gentleman from the District of Columbia, Mr. FAUNTROY, who at that time was chairman of the Subcommittee on Coinage and Historic Preservation.

When the legislation was before the Senate a nongermane amendment dealing with imports of textiles was added and consequently President Carter vetoed the bill. The veto was directed solely at the tariff provision and had nothing to do with the Carson City silver dollar portion of the legislation.

I know of no opposition to this legislation either within the executive branch, the legislative branch, or among coin collectors. I have received letters from both the Treasury Department and the General Services Administration supporting H.R. 1902.

Mr. Speaker, the second savings to the taxpayers generated bv H.R. 1902 is in the method under which it is being brought to the floor.

Since hearings were held only a few months ago on an identical bill and it was passed by both the House and Senate unanimously, new hearings would have resulted in an additional cost to the taxpayers. It would have been necessary to print those hearings and to file a printed report all of which would have cost thousands of dollars more, not to mention the man-hours that would have been necessary to produce the hearings and the accompanied documents.

Instead, we are using the report from the previous Congress on the legislation since there have been no changes in any positions on the legislation.

I realize that this is an unusual procedure. However, if it will result in saving thousands of dollars of taxpayers' money as is being demonstrated here today, then I am in favor of using more unusual procedures.

Mr. Speaker, I urge passage of H.R. 1902.

Mr. EVANS of Delaware. Mr. Speaker, I yield such time as he may consume to the distinguished ranking minority member of the full committee, the gentleman from Ohio (Mr. STANTON).

Mr. STANTON. Mr. Speaker, I thank the distinguished gentleman from Delaware for yielding.

Mr. Speaker, the Carson City silver dollar is part of our American heritage. It has numismatic appeal and inherent value, and therefore should be made available to everyone to buy.

Under the existing sales plan laid down by the Joint Commission on Coinage, it would not be economically prudent to sell the remaining silver dollars. Furthermore, it would be a mistake to melt down the coins as some have suggested. This bill simply gives the Administrator of the General Services Administration the authority to sell the remaining coins as he sees fit. Nevertheless, the value of previously purchased Carson City silver dollars should be protected, inasmuch as GSA stated in previous sales that these silver dollars were "good investments." So the Administrator should stay within certain general guidelines when he exercises his discretion.

I urge my colleagues to vote for H.R. 1902.

☐ 1225

Mr. EVANS of Delaware. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would first like to congratulate the distinguished subcommittee chairman, the gentleman from Illinois (Mr. ANNUNZIO), for the fine work that he has done on this bill and to tell him that I look forward to working with him over the next several years on the Subcommittee on Consumer Affairs.

Mr. Speaker, we have no objections on this side of the aisle to this bill. I think we should move with dispatch on this matter. There is no question about the fact that the Treasury needs some help, and anything we can do along those lines we should certainly proceed with rather swiftly. This legislation will not cost the taxpayer 1 cent. In fact, the Government could earn as much as $20 million in sales from these coins.

This bill is a good way to begin the 96th Congress, Mr. Speaker, and I urge the House to give its approval to the measure.

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Delaware. Of course, I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Speaker, I thank the gentleman from Delaware (Mr. EVANS) for yielding.

I want to commend him for his help and assistance on this legislation; and I, too, look forward to working with him during the 96th Congress on legislation coming before the Subcommittee on Consumer Affairs.

Mr. EVANS of Delaware. Mr. Speaker, I thank the gentleman from Illinois (Mr. ANNUNZIO).

Mr. STANTON. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Ohio.

Mr. STANTON. Mr. Speaker, I appreciate the gentleman's yielding.

I asked for this time just to pose a question as to a little legislative intent here.

Is it the understanding of the subcommittee and is it the subcommittee's intention that while we are giving a lot of authority here to the General Services Administration with regard to the sale of these coins, we do expect them to follow pretty well the outline as set forth by J. Solomon before our subcommittee, in which statement he set up five specific steps which they will follow? Is that the chairman's understanding?

Mr. ANNUNZIO. Mr. Speaker, if the gentleman will yield, I want to assure the ranking member of the full committee, the gentleman from Ohio (Mr. STANTON), that we will follow the guidelines as set out not only by the Coinage Commission, but by GSA and Mr. Solomon himself.

Mr. STANTON. Mr. Speaker, I appreciate the gentleman's response.

Mr. EVANS of Delaware. Mr. Speaker, I was rather impressed with Mr. Solomon's sales program with respect to the Carson City dollars, not only in giving more discretion and flexibility with regard to sales so that we might maximize the dollars to the Treasury, but also in protecting those who had previously purchased the Carson City dollars. Numismatists need that protection, particularly in light of the fact that the GSA said that the coins were a good investment. However, I think it is important to establish these minimum guidelines because one never knows when administrators are going to change, whether it be in GSA or anywhere else.

Mr. ANNUNZIO. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois (Mr. ANNUNZIO) that the House suspend the rules and pass the bill H.R. 1902.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1902, the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE TRUE BACKGROUND OF THE KOREAN WITHDRAWAL DECISION

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. STRATTON) is recognized for 5 minutes.

Mr. STRATTON. Mr. Speaker, the House is well aware that I have frequently spoken out, here on the floor as well as elsewhere, in opposition to the decision of the Carter administration to withdraw troops from Korea. Like General Singlaub, and virtually every other expert on Asian affairs, civilian as well as military, I strongly believe that this decision is a serious mistake and could increase the chance of war in Korea.

Moreover, the House Armed Services Committee has gone on record strongly to put congressional restrictions on troop withdrawals from Korea in the light of our constitutional obligations insofar as declarations of war are concerned. Unfortunately, the House never fully accepted this suggestion, but did agree to a "sense of Congress" expression that such withdrawals involved military risks and should not be continued until prior consultation with Congress had been undertaken.

In addition, Mr. Speaker, the Investigations Subcommittee of the Armed Services Committee, which I serve as chairman, issued a detailed report last April setting forth these views in fuller detail and especially calling attention to the fact that this important and hazardous military decision was never "staffed out" by the Joint Chiefs of Staff, as any serious military decision should be handled. After all, the law provides that the Joint Chiefs are the President's "principal military advisers"—which means that their advice should at least be sought. Instead, the President made his decision before he was inaugurated, and the only role his top military advisers were allowed to play was to comment on the timetable for implementing that decision.

General Singlaub, a dedicated military professional, tried to blow the whistle on this serious error, and got canned for his efforts. Apparently it is OK for other Government employees, like Mr. Fitzgerald, to blow the whistle; the new civil service reform bill protects them. But that protection does not somehow extend to whistle blowers in uniform when national security is involved. They are still second-class citizens.

In any event, Mr. Speaker, I want to call the attention of the House today to an amazing article that appears in the March 1979 issue of Harper's magazine, not a publication that is generally regarded as a shill for the military-industrial complex. This article, written by Michael A. Ledeen and entitled "Trumping Asian Allies," takes the same view of the Korean withdrawal decision as our committee took. But in addition it makes several other grave charges, which I believe deserve to be examined carefully by this House, especially since we have just learned that the intelligence used by the State Department and the administration over the past 2 years to justify the Korean troop withdrawals has been seriously deficient—underestimated by about 33⅓ percent.

The first of these charges is that the Korean decision was part of "a secret plan designed to bypass consultation within the Government and the military, and with Congress and allied governments. Like the Nixon administration that preceded it, the new regime was prepared to resort to secret and unilateral decisions when its convictions were at stake. The South Korean decision was prepared by a small transition team, most of whose members moved into the second echelon of the Carter administration after January 20 * * * ."

The second charge is even more ominous; namely, that in concert with the withdrawal of ground troops from Korea the Carter administration was also planning "the withdrawal of American nuclear weapons" from South Korea. Mr. Ledeen goes on to say:

> This group, along with a few other people, formulated the secret replacement of American tactical nuclear weapons in South Korea with dummy warheads and the withdrawal of all ground forces as soon as possible.

Mr. Speaker, this is the first public reference I have seen to the planned withdrawal of American nuclear weapons from South Korea.

I believe these charges, both of them, deserve to be answered fully and candidly by the Carter administration. We simply cannot afford to play Russian roulette with our national security in Asia under the mistaken notion that as long as we maintain deterrence in NATO we are safe.

And most assuredly, we cannot countenance any strategic plan that could increase the risk of war, being carried out deliberately in a way that would bypass the Congress and the constitutional requirements of our Government.

Under leave to extend my remarks I include the article from Harper's by Mr. Ledeen and urge its careful perusal by my colleagues:

TRUMPING ASIAN ALLIES—WHILE DEALING FROM THE BOTTOM OF THE DECK

(By Michael A. Ledeen)

Jimmy Carter's decision to open diplomatic relations with the People's Republic of China on terms favorable to the PRC was consistent with his previous venture into Asian diplomacy. Even before his inauguration, Carter was planning a dramatic step in keeping with his advisers' ideological predilections: the withdrawal of American nuclear weapons and military personnel from South Korea. Like the China decision, the move in South Korea was taken by a small group of "experts" who were determined to act in secrecy and in defiance of public and Congressional opinion. Like the China decision, the move in South Korea was determined without consultation with our allies, and without serious consideration of the action's effect on the strategic balance. And like the China decision, the move in South Korea increased the chances of war even though it was portrayed as a step toward peace.

As a candidate, Carter promised an "open administration," yet while the country awaited his inauguration, the President-elect prepared a secret plan designed to bypass consultation within the government and the military, and with Congress and allied governments. Like the Nixon Administration that preceded it, the new regime was prepared to resort to secret and unilateral decisions when its convictions were at stake. The South Korea decision was prepared by a small transition team, most of whose members moved into the second echelon of the Carter Administration after January 20: Richard Holbrooke, managing editor of *Foreign Policy*, who became Assistant Secretary of State for Pacific and East Asian Affairs; Ed Deagle, who hoped to be Secretary of the Army, but actually went to the Rockefeller Foundation; Les Gelb of the *New York Times*, now director of Political-Military Affairs at the State Department; and Dr. Peter Bourne, the former head of the White House drug program. This group, along with a few other people, formulated the secret replacement of American tactical nuclear weapons in South Korea with dummy warheads, and the withdrawal of all ground forces as soon as possible. The President approved the plan before Inauguration Day. By the time the new Administration assumed office, an order was on its way to the Joint Chiefs of Staff to act on the decision.

In the months following, South Korea was the subject of intense debates in Washington, ranging from accusations of cash payments to Congressmen to the issues raised by the Administration's attempt to withdraw troops. But the clandestine plan to remove American nuclear warheads from South Korea, which has yet to come to public attention, presaged both the style and the substance of Carter's Asian policy. It showed that the President and his staff were so definite in their analysis of the world, so set in their ideological ways, that they felt it unnecessary to discuss their decisions with those who had spent a lifetime studying the problems in question, or with those allies—above all, Japan—directly affected by the American action. As a result, when public and international support was lacking for the programs of the new government, Carter and his aides simply took matters into their own hands. Far from initiating a new era of American policy, the government has continued the secrecy and arrogance that candidate Jimmy Carter roundly denounced in the campaign of 1976. The announcement of "normalization" in late December was simply the most recent demonstration of how Carter makes decisions.

The commitment to withdraw from South Korea emerged not only in the attempt to replace nuclear warheads with dummies, but also in the National Security Council's Presidential Review Memorandum No. 13 (known as PRM-13), which circulated in mid-March, 1977. Most PRMs solicit opinions from the various branches of the government on major policy questions, so that the President can have the broadest possible spectrum of expert opinion. But PRM-13 began with a declaration of intent: the President had decided to withdraw American troops. The PRM requested only recommendations for the best and speediest implementation of the decision. No discussion of the basic issue was invited.

The decision to withdraw from South Korea was probably made two years before Carter was even elected. In meetings at the Trilateral Commission and at the Brookings Institution, Carter heard that the presence of American forces in South Korea was a risk and might lead the United States into another Asian war. People like Gelb, Holbrooke, Bourne, and Barry Blechman—formerly of Brookings, now in the Pentagon—encouraged the candidate in his conviction that if American troops were withdrawn, the United States could avoid fighting in Asia, neatly avoiding the crucial issue that American forces were required to deter aggression and that alliances required a willingness to fight a war if challenged. Thus, although the President or his aides have never provided motivation for Carter's decision, it appears that the overriding concern was the urge to avoid another Vietnam-type war by withdrawing United States forces and weapons. If these actions triggered a new war in Korea by upsetting the balance of power, that would be acceptable, provided that American soldiers were not involved.

Thus, within two-and-a-half months of taking office, Carter had instructed the military to remove American nuclear weapons and requested plans for the withdrawal of American troops from South Korea. These decisions were made unilaterally, and without consultation with American military, diplomatic, and strategic experts, or with Asian and other allies. No effort was made to negotiate matching reductions from North Korea, or even to obtain promises of nonbelligerency from the government of Kim Il Sung.

The China decision bears the same trademark as the Korea plan. When the President had learned that there was considerable Congressional opposition to normalization with the People's Republic unless Taiwan was given strong security guarantees, he switched to covert negotiations with the PRC, and the discussion of the terms of normalization was restricted to a handful of people, all of whom shared the President's bias on the matter. The Department of Defense, which is responsible for Taiwan's security as long as the mutual-defense pact exists, was not—even in a general way—consulted on withdrawal. And leading State Department officers were in the dark as late as the afternoon of December 15, the day of the President's announcement. Indeed, that day a group of them told a high-ranking representative of an allied country that it would be unthinkable for the President to recognize the People's Republic without an extended national debate.

Just as the President wished to withdraw from South Korea without obtaining anything in return from the North, so the normalization with the PRC was achieved without extracting any concessions for Taiwan. Not only did the representatives of the PRC refuse to make any statement about their peaceful intentions in that dispute, but the United States privately guaranteed the PRC that it would not make new arms sales to Taiwan in the twelve months following normalization. Hence, in a single stroke the United States removed its own deterrence, in the form of a mutual-defense treaty, and gravely compromised Taiwan's ability to defend itself, by promising to end the arms-sales program. The significance of the defense treaty with Taiwan was the ability of the heirs of Chiang Kai-shek to buy arms from the United States, and whatever the legal status of the treaty in the next year, it becomes a scrap of paper if we refuse to sell new weapons to Taiwan.

The Administration failed to negotiate an arrangement that would have been more satisfactory to our allies and to domestic critics. And the normalization decision—like the Korea plan—was reached in a way designed to provoke heated reaction at home and abroad. The President's decision to proceed in this manner indicates an unwillingness to learn from the past in light of the reaction to the Korea plan a year and a half before.

The Korea plan consisted of the covert elimination of American nuclear weapons and the parallel withdrawal of American ground forces. The nuclear initiative collapsed rather quickly. The Joint Chiefs were so appalled by the instructions to sneak the nuclear warheads out of South Korea that they mustered a counterattack, even though the military is notoriously timid and inept at bureaucratic infighting. The generals made it clear that if the President persisted, they would spread the decision all over Washington, with catastrophic effects for the new Administration. The weapons remained.

The scheme to remove American troops was more successful. In the first place, Carter's advisers rightly judged that it would be difficult for opponents of the policy to fight a decision that appeared to be sanctioned by the responses to PRM-13. The pressure tactic of asking for advice on implementation rather than for opinions on the soundness of the Presidential decision itself effectively thwarted opponents in the Pentagon and the Department of State. Nonetheless, some opposition did emerge, most notably from Carter's Director of the Central Intelligence Agency, Stansfield Turner. On at least two occasions, Admiral Turner expressed reservations about the withdrawal: in testimony before the Senate Foreign Relations Committee in June, 1977, and in a personal memorandum to the President during the discussions of PRM-13. Turner was the only senior member of the Administration to try to get Carter to face the question: Could U.S. forces be withdrawn from South Korea without risking war in the area? The other senior official to express reservations about the President's ideas on Korea was National Security Adviser Zbigniew Brzezinski, who sent a note to Carter suggesting a delay in the withdrawal of the nuclear warheads, but the memo came back with a brusque note from the President: "Get them out . . . quickly."

For the most part, Carter's appointees accepted his decision and concentrated on implementation. But they did not feel inclined to "go public." There was no attempt to justify the move to either the Congress or the two allies most immediately involved: South Korea and Japan. From February through June there were efforts by civil servants, military men, and civilians to dissuade the Administration from its course, but these efforts merely slowed implementation. The policy was unaltered. The President was intent on convincing the government to go along with his view, although at no stage did Carter or his aides explain precisely why they wanted to withdraw. This pattern was repeated in the case of normalization with China: when the decision was announced there was general bafflement. In each decision, the motivation remained puzzling.

The lack of justification fatally weakened the Korea policy. Since no coherent rationale was ever offered, both Congress and the allies became concerned, prompting the Administration to adopt a masquerade of consultation. The parody began with Vice-President Mondale's spring, 1977, trip to Japan, where he asserted that American forces could be withdrawn without any ill effects. Badly equipped to discuss strategy, the Vice-President did not make a persuasive case. The "consultations" continued with the June missions to South Korea of General George Brown, chairman of the Joint Chiefs of Staff, and State Department Undersecretary Phillip Habib to Seoul. But by then the troop withdrawals envisaged had been scaled down and stretched out.

The Japanese were the first of our allies to comprehend Carter's Asian policy. It is no accident that steps have recently been taken in Tokyo to build a Japanese defense force big enough to protect the country without depending on American help. Prior to the Carter decisions, such a step would have been unlikely for a country that has been resolutely opposed to large military expenditures since the end of the second world war.

Despite Japanese dismay and the certainty that powerful members of Congress would be angry about sudden troop reductions in South Korea, the plan was formulated in detail by April. It called for the withdrawal, by 1983, of between 25,000 and 30,000 American soldiers. Then there would be token American ground forces in Korea, aside from some 6,000 men in Panmunjom Joint Security Area to run communications, installations, and various intelligence units. When the South Koreans objected—and their protests were supported by some Americans, including Major General John K. Singlaub in South Korea, whose complaints about Administration policies led to his dismissal—the government first announced that it would leave the combat troops of the Second Division untouched until 1982 (instead of taking out the Second Bridgade in 1980), and in late April, 1978, the Pentagon announced that only one combat battalion, and not a full brigade, would be taken out of the Second Division.

Thus, the entire hullabaloo had produced the withdrawal of a combat unit of a mere 1,000 men. Yet in order to withdraw those men the Carter Administration had compromised the fragile sense of security in Northeast Asia that had been slowly pieced together after the American defeat in Vietnam. For our Asian allies had learned that Jimmy Carter's government was capable of withdrawing from at least part of the area without warning, without consultation, and without seeking anything in return from our rivals.

Discussions with those involved in the Korea decision, as well as the evidence that has surfaced thus far about the normalization with the People's Republic, suggest that the President does not realize that his decisions entail the potential for war. In the Korean case, American nuclear weapons were designed for three major roles: to deter an attack from North Korea; to enhance the safety of American troops throughout the Orient by guaranteeing that no enemy attack could overrun allied positions before American troops had the chance to fight; and to contribute to America's overall nuclear deterrent. Although the American nuclear weapons in South Korea have small payloads and relatively short ranges, they can still destroy some Soviet targets east of Lake Baikal.

At a time when the strategic balance is shifting perceptibly in favor of the Soviet Union, a sudden American retreat sends the world a political message. It demonstrates that the United States is disengaging from another area of potential conflict and abandoning another ally. Against the backdrop of events in Ethiopia, Afghanistan, Yemen, and Iran, the decisions in Korea may have actually increased the risk of a new Korean war. In fact, both the withdrawal from Korea and the one-sided accommodation with Peking were viewed with profound concern by the military in Tokyo and Washington (and almost certainly in Peking and Western Europe as well), because of the likelihood that potential aggressors would be encouraged to invade unprotected areas.

In spring, 1975, American military intelligence discovered that the North Koreans had drilled a tunnel under South Korean lines. The tunnel extended 173 feet and was hacked out of solid granite, and its internal dimensions were two yards high by two yards wide. It was designed for infiltration by enemy forces, and testified to the preparations for war by North Korean dictator Kim Il Sung. Most analysts believed that the presence of American forces was an effective deterrent precisely because the North Koreans knew that any attack against the South would automatically bring the Americans into the conflict; however, the President evidently wished to remove the possibility that Americans would fight in Korea. These signals can only encourage the North.

Subsequent events have demonstrated the accuracy of this appraisal. A few months ago a new North Korean tunnel was discovered (the third such tunnel found since the end of the Korean war), and the latest estimates of North Korean military strength have increased two- to threefold over those of a year or two ago. Under the circumstances, many Administration members are questioning the wisdom of Carter's decision to withdraw.

But even if war does not break out, the Carter decisions on Korea and on China mean that South Korea and Taiwan will probably "go nuclear." If these two countries are convinced that the United States will not fight for and with them, they will have to provide their own defense. Taiwan knows that the mutual-defense treaty will end in a year, and that arms shipments from the United States will be curtailed. South Korea knows that the President gave orders to eliminate American nuclear weapons from its soil, and that the plan was limited with reluctance. Both countries have every reason to push ahead with crash nuclear programs. Indeed, it would be folly for them to hope for a reprieve in Washington. Thus, decisions that the American President conceived as steps toward peace paradoxically point toward war.

Like so many of Carter's unilateral initiatives, those to withdraw from South Korea and to expand relations with the People's Republic have caused confusion in world politics. In the Orient, where the United States is trying to convince the People's Republic that its interests are in an alliance with the West, this shift—paradoxically—could drive the Chinese back into the Soviet bloc. If a change in the balance of power imperiled the Chinese, prudent leadership might be compelled to make accommodations with the Russians. The United States should not be so foolish as to believe that recognition of Peking will blind Chinese leaders to geopolitical realities. But Carter's policies are not part of an overall strategic design, nor are they linked to other developments. Each is considered a sacred goal.

To avoid U.S. involvement in an Asian war was also significant in the plan to secretly remove American nuclear weapons from South Korea. Former Arms Control chief Paul Warnke opposed the presence of atomic weapons in Korea, and the President shared the fear that they might lead the U.S. into a Korean conflict. Carter's visceral aversion to atomic arms surfaced in his decisions to delay full-scale development of the neutron bomb, to cancel the B–1 bomber, and to postpone the M–X missile system. Similarly, the plan to sneak American nuclear weapons out of Korea was designed without considering the importance of the arms as a deterrent. The decision was based on an overriding goal: to eliminate nuclear weapons.

The decision to send an ambassador to Peking was equally narrow-minded. Given the strategic shift in favor of the Soviet Union, nobody can dispute the wisdom of turning to the People's Republic to help contain Soviet expansion. By forging a diplomatic alliance with China, the West can deflect at least a portion of Soviet military might to the eastern boundaries of Russia, thus lessening the military and political pressure on Western Europe and the danger of a land war in the West. But the United States has not "played the China card"; the People's Republic of China has played the American card. China is not a military threat to the Soviet Union. If the Russians attacked China tomorrow, there would be little doubt about the outcome. The only unknown would be how much damage the Soviets inflicted. Thus, the Chinese hope to obtain aid from the West for defense against the Soviets. Thus, the Chinese need American aid—something they stress in private conversation—whatever the state of formal diplomatic relations between the two nations.

Shock diplomacy of the Carter ilk, secretly arrived at, jeopardizes our alliances. At a moment when Carter is presumably trying to convince moderates in Iran to take grave risks based on American promises, the precedents of South Korea and Taiwan must scare the Iranians. The same applies to Messrs. Sadat and Begin, who are similarly being asked to believe U.S. guarantees for their safety.

In addition, the Korean and Chinese decisions demonstrate an arrogance of power that recalls the worst of the Nixon years. Jimmy Carter promised an open Administration, yet two of his important decisions were veiled in secrecy and intrigue, and designed to bypass public debate and full consultation with involved parties. One democratic safeguard is that Presidential impulses are tempered by the wisdom and experience of those who have spent years studying specific problems. And one fundamental ingredient of an alliance is that decisions affecting all are, at a minimum, discussed before enactment. Yet both the Korean and Chinese decisions were taken without the benefit of such consultation, and bore the imprint of ideologically structured amateurishness. As a Turkish general recently remarked, "The trouble with having the United States as an ally is that you never know when the Americans are going to stab themselves in the back."

WHY DEFICIT FINANCING CAN BE A MAJOR CAUSE OF INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. ROUSSELOT) is recognized for 10 minutes.

● Mr. ROUSSELOT. Mr. Speaker, there is a never-ending debate here in Congress over the causes of inflation, and what we in Congress can do to end the wage-price spiral that has engulfed the Nation. During the past several Congresses, I have introduced and reintroduced a balanced-budget resolution because I have maintained that the Federal Government's deficit spending can be a major cause of inflation. It is gratifying to see that the call of necessity for a balanced Federal budget is gaining momentum across the Nation and that even leaders of the Democratic Party are being awakened by the taxpayers' protest to see the link between rising prices and rising deficits. Notably, Governor Brown of my own State of California is calling for a constitutional convention to draft a constitutional amendment requiring a balanced budget.

The fact is that the U.S. Congress now has the power to restrain increases in Federal spending, reduce deficits, and balance the budget. But, the majority in Congress apparently need this mandate from the people in order to perform more responsibly. If such a convention were convened, and I am not opposed to this action, I sincerely hope that the amendment would include a provision to restrict the Federal Government's ability to balance the budget by raising taxes. It is not and it has not been our intention to balance the budget by raising taxes, but it has been our intention to stem the growth in the size of the Federal Government because as we have seen a burgeoning Federal Government inevitably leads to burgeoning Federal deficits.

There are two main reasons for opposing Federal deficits. First, deficit financing can be a major contributor to inflation if the deficit is financed by the Federal Reserve Bank's printing presses. When this occurs the money supply increases, but the supply of goods and services in the economy does not. As a consequence, the price level rises because there is too much money circulating in the system compared to the number of goods and services available for sale.

Said in another way, consumers, with more freshly printed paper money in their pockets, are willing to pay more for the products they desire in the marketplace, and producers, knowing of this willingness, charge more. Producers charge more, but do not produce more, because as each and every consumer tries to buy extra products with their extra cash, prices will rise as producers try to get as high a price as possible for each individual item that is already available for sale. This is the way supply and demand works in the marketplace. Therefore, it should be evident that deficit financing does not increase economic activity, although Keynesian economists believe this to be true. Rather, the creation of extra paper dollars, in excess of the amount needed to conduct the normal transactions required in the economic marketplace, merely drives up prices.

The second reason for opposing deficit financing is that if the Federal Reserve Bank did not finance the Government's borrowing, then the deficit would have to be financed with funds borrowed from the private sector. These are funds that would otherwise be used to promote economic expansion in the private economy. Such funds are vital to the creation of new capital and new jobs on our society, but unfortunately, very often these funds are used to finance Government programs of dubious repute. Our economy has been suffering from a capital shortage as a result. The decline in our Nation's productivity is testimony to this fact.

The effect deficit financing has specifically on inflation was discussed in an excellent article which appeared in the January 1979 edition of Reader's Digest entitled "What Really Causes Inflation." The article, authored by Ralph Kinney Bennet points out that controlling the money supply and the size of the Federal deficit is a necessity if we are to be successful on controlling inflation in our economy.

It is a myth, Mr. Bennet points out in his article, to believe that rising wages cause inflation, or that OPEC causes inflation, or that we can control wages and prices, while we continue to wantonly print money. We must recognize, as Mr. Bennet has recognized, that "prices and wages are primarily signals of the changing balance of supply and demand that takes place daily in billions of transactions in the American marketplace." In other words, when the price of one item rises faster than other items this is a natural reflection of changing supply and demand conditions in the marketplace.

For example, if the OPEC oil cartel were to increase the price of oil, then the price of oil would rise relative to the prices of all other goods and services in the economy. We would all be poorer to the extent that we could no longer purchase as much oil and all the items we were accustomed to purchasing before the price increase. But the price increase, by itself, should not be considered inflationary. Inflation means that all prices are increasing, not due to changing conditions in the marketplace, but rather because the exchange rate between the common denominator, paper money, and "all" the other goods and services available in the economy has changed for the worse. There is more money in circulation, but not more goods and services. All prices must rise when this happens, but oil prices will rise even faster because of OPEC's price raising actions.

Unfortunately we have been suffering from the worst of both worlds in recent years. The oil cartel has been increasing prices; this has meant a decrease in the purchasing power of American salaries and wages. Simultaneously the Federal Government has run huge deficits which has resulted in excess money creation. So we have became poorer in two ways. We are poorer because of the oil price increase, and we are poorer because of the depreciation of the dollar. The depreciation of the dollar has meant that all prices in the economy have risen and as prices have risen, wages and salaries have risen, and as wages and salaries have risen, taxes have risen because of our steeply progressive tax code. Now we are on a treadmill of rising deficits and rising deficits and rising taxes, a treadmill that can only be halted by cutting the growth in Federal spending. If we fail to curtail Federal spending then surely we will deficit-finance and tax ourselves into economic oblivion.

There is however an alternative course of action for us to follow. If we index the tax code and restrict the Congress ability to finance a deficit or to raise taxes by requiring, say, a three-fifths majority in favor of such actions, then we can balance the budget and actually reduce many of the spending programs which are now heavily influenced by competing special interest groups. If we follow this course of action, one which I am sure many will agree is a wise course, then we can restore fiscal integrity to the Government, and gain respect from the people. We would also find ourselves in a much better position to cut the heavy burden of taxes that is destroying economic incentive and productivity in our society. Mr. Speaker, I am inserting the Reader's Digest article into the Congressional Record and call it to the attention of my colleagues as pertinent to their decisions as Members of that legislative body of Government that is charged with the power to conrtol our Nation's pursestrings.

The article follows:

What Really Causes Inflation?

(By Ralph Kinney Bennet)

How did the three-bedroom house that sold for $33,000 back in 1969 become a $96,000 house today? How could a family sedan that cost $3110 a decade ago now come in a smaller size costing $6474? How is it that the man who retired in 1969 with a $9000 annual pension and maximum Social Security benefits (benefits up 118 percent over the past ten years) now has 36 percent less buying power than he had then?

Inflation is the answer, of course. But what exactly is inflation? What causes the phenomenon that silently robs us of our living, that in the past 40 years has shrunk the value of the dollar to 20 cents?

To understand inflation, one must first understand what is being "inflated." It isn't prices (although they certainly are rising) and it isn't wages (also rising). It is the supply of money—currency and bank credit. The real wealth of the nation is the goods and services produced by its people. Money—coined or printed by the government—is merely a convenient symbol of that wealth. We give part of our wealth to the government in taxes. But the government has been spending vastly more wealth than we give it—to date, over $766 billion more. In addition, it has run up future financial commitments (Social Security, pensions, loan guarantees) in excess of $7 trillion—more than $71,000 per taxpayer.

How can government spend more than we give it? Usually by "monetizing" its debts, by printing more symbols than there is real wealth. That basic law of economics—the more there is of something, the cheaper it becomes—applies to dollars, too. As former Secretary of the Treasury William E. Simon puts it, "The American dollar is being debased by its own government. The real problem with the dollar is that we're printing too many of them."

This is the root cause of inflation—more money poured into the economy than the economy is worth.

Only when we accept this basic truth can we deal intelligently as citizens with the myths about inflation put abroad daily in press, classroom and government. Here are three of the most pernicious:

Myth 1. Rising wages and prices "cause" inflation. Secretary of the Treasury W. Michael Blumenthal perpetuated this myth when he listed among the factors causing inflation "wage settlements that substantially exceed the productivity and real growth of the economy, [and] price increases that bring unjustified excess profits."

In our competitive system, prices and wages are primarily signals of the ever-changing balance of supply and demand that takes place daily in billions of transactions in the American marketplace. If there is only so much money (and credit) in the system, a business cannot ignore supply and demand by arbitrarily raising its prices or by giving in to excessive wage demands. If its prices are too high, people will buy elsewhere. If wage demands are too high. business must refuse to pay them or hire fewer workers at the new rate. Competition itself, then, is supposed to keep a rein on prices.

But this real discipline of the marketplace has been circumvented by government. To pay its bills and finance a broad list of social goals, including "full employment," government generally inflates the money supply. It thereby abets higher wages and prices by fostering the notion that it will always create enough money to pay for them.

And once the money supply has been increasing rapidly for some time, prices seem to have an upward life of their own. Instead of saving, people "buy now," hoping to beat future price raises. Unions seek contracts with cost-of-living clauses. Banks lending money to be paid back in steadily cheapening dollars insist on higher interest rates.

If rising wages, in and of themselves, were inflationary, then West Germany should have one of the most inflationary economies. German workers' wages increased 236 percent in the decade 1967–77, but the inflation rate averaged about four percent annually because the government kept the money supply in balance with the real productive wealth of the economy. U.S. workers during the same period saw their wages increase 101 percent, a rise nearly outpaced by inflation averaging over six percent a year. The fact is, wages for the most part are reacting (in some cases over-reacting) to government-caused inflation.

What about rising prices? It is still popular to characterize the cataclysmic rise in oil prices since the oil embargo of 1973 as a major cause of inflation. But this is simply not true. The high oil prices added to our financial burdens. But they were clearly not the author of inflation.

Consider the experience of Japan and West Germany during the embargo. Unlike the United Statts, both countries were almost entirely dependent on foreign oil. But during the embargo, both pursued prudent fiscal policies, holding down budget deficits and keeping a tight rein on the money supply. Result: inflation in both nations declined, while soaring to 12.2 percent in the United States as politicians cranked out printing-press money to finance continued deficits ($130.9 billion from 1973 through (1976). This, is not an Arab hand on the oil spigot, was the reason for the rising American inflation.

Myth 2. Wage and price controls will "cure" inflation. This popular delusion feeds on the first myth. "Price controls have been imposed repeatedly for more than 2000 years," notes Nobel Prize-winning economist Milton Friedman. "They have always failed." Roman emperor Diocletian used capital punishment in a futile effort to enforce controls in A.D. 301. Thousands died, and the economy was nearly wrecked.

In 1775, the Continental Congress sought to finance our infant government's debt by authorizing the issue of an almost worthless paper money. A disastrous inflation followed. The Pennsylvania legislature sought to stem it with price controls. Many farmers and businessmen refused to sell at the controlled prices Shortages developed. The army wintering at Valley Forge in 1777–78 could not get badly needed supplies. The army's misery, wrote John Adams, was due largely to "that improvident Act for limiting prices . . . [which] if not repealed will ruin the state and introduce a civil war."

Historical experiences like these underscore the well-known deficiencies of wage and price controls. Such controls . . .

Create shortages. Many businesses cannot or will not produce at the artificially set prices.

Result in a lowering of quality. Former "standard" features on a product become costly extras.

Are consistently circumvented. Black markets spring up.

Require a large and expensive bureaucracy to administer them. During World War II—our longest flirtation with controls—the Office of Price Administration (OPA) employed 65,000 bureaucrats who directed an additional 325,000 "price-control volunteers."

But, worst of all, while controls may create an illusion of being effective, they only temporarily hold down wages and prices, while the tremendous pressure of inflation continues to build up. Once the controls are lifted, the market spurts to find its natural level, and a more pronounced and damaging inflation is usually the result.

This country's most recent attempt at controls—the Nixon Administration's "Phase I, II, III and IV" program begun in August 1971—built up pressure for one of the worst inflationary explosions in U.S. history. The rate of growth of consumer prices had been in decline at the time the controls were instituted. This was the result of a cutback in money supply in the waning days of the Johnson Administration. But during the period of controls the Consumer Price Index began a steep climb, reaching almost 13 percent by mid-1974. The disaster was compounded by a harrowing confluence of events—a worldwide crop failure and the Arab oil embargo. Some people still entertain the idea that these factors caused the inflation of 1973 -74. The fact is that the Nixon controls were a facade behind which government spending increased sharply.

Why then do governments return to wage and price controls, frequently with popular support? (A recent Gallup poll showed about half the respondents in favor of some form of controls.) The outcry for controls, contends Friedman, "is based on neither experience nor analysis but simply on the 'for God's sake let's do something' syndrome." However, controls are not the answer when they are imposed by a government that at the same time goes deeper into debt while printing more money to pay the bills.

Myth 3. Inflation is "everybody's business." According to President Carter, "It's a myth that government itself can stop inflation. Success or failure in this overall effort will largely be determined by the actions of the private sector."

While the President's assertion coincides with some theories of inflation, it contravenes the clear evidence of economic history and practical experience. As Friedman points out, "Government has an effective printing press on which it can turn out green pieces of paper, and as a result government and government alone is the source of inflation." The steady downward trend of the dollar since 1940, notes economic writer Henry Hazlitt, has been accompanied by an awesome growth of American money supply. At the beginning of 1940, U.S. currency and bank deposits totaled $52.7 billion. By January 1978, currency and bank deposits totaled $815.9 billion, an increase of 1448 percent.

Inflation in Western European countries has been routinely running high with two dramatic exceptions—West Germany and Switzerland. West Germany has kept its inflation rate around four percent; Switzerland, below two percent in recent years. Both countries have displayed the political courage and citizen discipline to keep a tight rein on their budgets and on the growth of their money supply.

In the postwar era there have been three major instances of inflation being brought under control. West Germany did it in 1948—refusing to "spend" its way to prosperity by running up huge deficits. The United States did it in 1953, under President Dwight D. Eisenhower, whose prudent fiscal policies led to an inflation rate during his Administration of 1.4 percent a year. France accomplished the feat in 1958, when Charles de Gaulle halved the government's budget deficit. In each case, control was achieved by dramatic cuts in government spending and a concomitant dialing down of the money machine.

Unfortunately, neither France nor the United States stuck to its guns. That old predilection of politicians—to give (social benefits) without taking (taxing)—asserted itself. Americans now face a $500-billion-plus budget (more than $60 billion of which the government can pay for only by turning out more phony money) and surging inflation that reached an annual rate of almost ten percent last summer.

The anti-inflation plan unveiled by President Carter last October imposes wage and price guidelines on business and labor as if they were the cause of the problem. "The President did recognize the role of the budget deficit," comments Hazlitt. "But he did not promise to eliminate it—he promised only to reduce it over a period of years. This was practically an assurance that our inflation will be continued."

Clear away the myths and one discovers that the way to stop inflation is to literally stop inflation—stop inflation of the money supply beyond the real ability of this country to produce; stop pretending that we have more money than we really do; stop running huge deficits that can be financed only with fiat dollars.

The United States cannot expect a painless extrication from the inflation in which it has found itself for almost 40 years. A broad range of programs will have to be cut back; unemployment is likely to increase temporarily. But, as economic historian and monetary expert Donald Kemmerer warns, "a nation that does not stop an inflation simply because it is politically painful to do so is essentially declaring bankruptcy."

HOW MONEY IS "CREATED" OUT OF NOTHING

On the third Tuesday of every month, the Federal Open Market Committee meets in Washington, D.C., for what may be the world's most exhaustive economic briefing.

The committee, composed of the seven members of the Federal Reserve Board and five of the presidents of the nation's 12 regional Federal Reserve Banks, sifts data on major aspects of the economy. (Federal spending, accounting for nearly a quarter of the Gross National Product, must weigh heavily in these data.) The committee then seeks to estimate how much growth of money and credit—or restraint of growth—the economy needs.

If the committee estimates that the money supply should grow, it gives the Open Market Desk of the New York Federal Reserve Bank "target ranges" for the creation of new money. Here, much simplified, is what happens.

The seeds from which this new money will grow are "bank reserves"—mere digits on the books of the New York Fed—and a stack of federal securities. The securities are not backed by gold bullion or fresh bills in a vault somewhere. They are fancy sheets of paper representing faith in the U.S. government.

The New York Fed buys, say, $100 million of these securities from a dealer in the "open market." A private purchaser would pay for such securities with real funds already in the economy. But the Fed merely credits $100 million in new "reserves" to the account of the securities dealer's bank—Bank A. The bank must leave 16 percent of this in its reserve account at the New York Fed (the percentage could be as low as seven, depending on the size of the bank). It lends out the remaining $84 million—perhaps to a business building a new plant.

The $84 million loaned out began as nothing but figures on paper. In the process of being loaned, it has become money. The $84 million finds its way into other banks, which return a required portion of it to their reserve accounts and lend out the rest. Each loan is in fact the creation of new money, and the initial $100 million grows and grows: Bank A lends out $84 million, which finds its way into . . . Bank B, which lends out $71 million, which finds its way into . . . Bank C, which lends out $60 million, which finds its way into . . . Bank D, which lends out $50 million. . . .

In the end, the initial $100 million of reserves will have been returned to the Fed as security for the commercial bank loans. But by that time more than $600 million in new money will have been put into the economy.●

CANCEL THAT AMBULANCE CALL—I THINK I'LL WALK

● Mr. GOLDWATER. Mr. Speaker, a few days ago I happened to stumble across an editorial cartoon by the very talented Art MacNelly of the Richmond News Leader. In this brilliant commentary on the proposals to institute national health insurance, the victim of a traffic accident is depicted summoning an ambulance from a roadside telephone booth. Just outside the phone booth two ambulances have collided head on—one driven by Jimmy Carter, the other by TED KENNEDY. The victim, with an expression of exasperation, is quoted as saying, "Cancel that ambulance call * * * I think I'll walk."

It seems to me, Mr. Speaker, that our constituents share the same attitude as the poor accident victim in the telephone booth. They do not want Government to come to their rescue when they need medical attention. They have seen Government try time and again to provide the solutions to their problems. For Uncle Sam to don a surgical gown will certainly not provide the solution to our health care needs.

The battlelines are now being drawn here in Congress on the issue of a national health insurance program. While all of us know the importance of making an effort to stem the high cost of health services, we also know that Washington is not the place to start looking for answers.

Recently, a widely read newspaper in my congressional district, the Valley News, published a series of articles on the hospital industry in the San Fernando Valley. This thoroughly researched report made a good case for implementing changes through the private sector in the way our hospitals are administered. At the same time, the team of writers who put this series together, Mike Castro and David Walker, make the point that Government is probably doing more harm than good in trying to hold down hospital costs. Inflationary policies formulated at this end of the spectrum actually make it more expensive for patients to receive quality health care. For Government to venture even farther in this direction is wrong, and this is why I cannot lend my support to a comprehensive national health insurance plan.

This is not to say, Mr. Speaker, that Government does not have an appropriate role in trying to stem the high cost of health care. Proposals on the order of the Long-Talmadge catastrophic plan are more reasonable than the grandiose schemes being pushed by the

White House, HEW, and Senator KENNEDY.

While Art MacNelly's cartoon is quite humorous, there is a sad dimension to it. If Congress is of the unsound judgment to pass a national health insurance proposal, I think there will be a lot of us in phone booths telling the operator to, "Cancel that ambulance call * * * we'll walk." ●

ARTS AND HUMANITIES TAX REFORM ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 5 minutes.

● Mr. GREEN. Mr. Speaker, today I am introducing the Arts and Humanities Tax Reform Act of 1979. The bill amends the Internal Revenue Code to disregard, in the valuation for estate tax purposes of certain items created by the decedent during his or her life, any amount which would have been ordinary income if such item had been sold by the decedent at its fair market value; to allow a charitable deduction based on the fair market value of such items; and to establish new guidelines for deducting the business use of a residence.

ARTS AND HUMANITIES TAX REFORM ACT OF 1979

SECTION 2—VALUATION OF CREATIVE PROPERTY FOR ESTATE TAX PURPOSES

Section 2 of the Arts and Humanities Tax Reform Act provides that when an artist dies, his or her work will be valued for estate tax purposes at the cost of the materials in the work, rather than at fair market value. The "work" or creative property includes any copyright, any literary, musical, or artistic composition, any letter or memorandum, or any similar property which was held by the decedent at the time of his or her death, and which was created by the personal efforts of the decedent.

This section is similar to H.R. 12004 (H.R. 7896), which I cosponsored with Congressman FRED RICHMOND in the 95th Congress. Presently, artists' heirs are faced with estate taxes which are assessed on the full fair market value of the inherited work of art or other creative property. As my colleague from New York (Mr. RICHMOND) has brought to the attention of the House of Representatives, America is losing thousands of valuable works of art each year as artists destroy their unsold works to protect their heirs from disastrous financial obligations. Section 2 of the Arts and Humanities Tax Reform Act rectifies this situation by valuing the creative property for estate tax purposes at the cost of the materials in the creative work. The provisions of section 2 would apply to the estates of decedents dying on or after January 1, 1979.

I want to point out that "qualified creative property" does not include any property which was held by a decedent who was at any time an officer or employee of the United States or of any State or political subdivision of a State, and which was created by the decedent in carrying out his or her official duties.

SECTION 3—VALUATION OF CREATIVE PROPERTY FOR CHARITABLE DEDUCTION PURPOSES

The curious "flip side" of present law is that while creative property is valued for estate tax purposes at fair market value, it is valued for charitable deduction purposes at the cost of the materials in the work. Section 3 of the Arts and Humanities Tax Reform Act allows artists to take a charitable deduction based on the fair market value of the creative work.

The objective of this change in the tax law is to stimulate artistic creativity and to encourage the sharing of that creativity with the public. It would provide a tax incentive for the donation of more works of art to nonprofit, tax exempt art centers, museums, libraries, and other organizations.

Creative works should be exhibited—not locked up in studio closets. I believe that permitting charitable deductions of art at fair market value will encourage our national resources of creativity to be tapped, instead of capped.

The fair market value charitable deduction would not be available for property contributed by any officer or employee of the United States or of any State or political subdivision of a State whose personal efforts created the property while he or she was carrying out official duties. Thus, public officials would not be able to take advantage of this charitable deduction for gifts of their papers or other historical memorabilia.

SECTION 4—BUSINESS USE OF HOME

Under current law, a taxpayer is not entitled to deduct any expenses attributable to the use of his or her residence for business purposes unless the expenses are attributable to a portion of the home or structure used exclusively and on a regular basis as: First, the taxpayer's principle place of business; or second, a place of business used by patients, clients, or customers in meeting or dealing with the taxpayer in the normal course of business.

This has worked a hardship on artists, writers, freelancers, and others involved in creative endeavors who seek to deduct the "business" use of their homes, apartments, and lofts. Accounts have been brought to my attention of Internal Revenue Service officials requiring partitions to be built through apartments so that work areas could be separated from areas for personal activities. In the case of a small residence, it often is impossible to designate a portion that is used exclusively as a principal place of business.

Section 4 of the Arts and Humanities Tax Reform Act strikes out "exclusively," and replaces it with "used to a substantial extent." The new "substantial extent" test is intended to permit the residential business deduction to be available to those who perform most of their work at the place where they also live.

Since it is difficult to make provision by statute for the variety of possible working and living arrangements involving the business use of a residence, section 4 requires the Secretary of the Treasury to prescribe regulations to implement the "substantial extent" test within 90 days of enactment of the Arts and Humanities Tax Reform Act.

In addition, within 120 days after enactment of this act, the Secretary of the Treasury is to submit to the House Committee on Ways and Means and to the Senate Finance Committee recommendations for legislation which provide objective statutory standards which the Secretary believes should apply in lieu of the "substantial extent" test. This would permit Congress and the Treasury Department to work together to fashion a new standard if the "substantial extent" guideline cannot be implemented satisfactorily.

The Arts ad Humanities Tax Reform Act of 1979 is designed to change those provisions of the tax laws which burden the American creative community and impede the development of our cultural resources. I believe that public policy should foster the arts and humanities and provide encouragement for creative achievement. My bill seeks both to remove current tax disincentives to creativity and to provide new tax incentives for artistic accomplishment.

I commend to my colleagues' attention the following editorial from the Wall Street Journal of November 11, 1977. Unfortunately, the need for tax reforms cited in this editorial still is timely.

In addition, the text of the Arts and Humanities Tax Reform Act of 1979 follows for the benefit of my colleagues:

THAT MONA LISA FROWN

It makes us shudder every time we're reminded that Arizona artist Ted DeGrazia last year burned paintings of his valued at $1.5 million rather than bankrupt his family through death taxes. We're shuddering again because the New York Post reminded us of that hideous event in a report on attempts to get the tax laws changed.

Since 1969, when Congress changed the law to its present form to prevent politicians from taking tax deductions for gifts of historical memorabilia, artists have been getting slammed posthumously by Internal Revenue. New York cartoonist Charles Saxon has advised his family to destroy everything he's done and left behind after his death. Selby Kelly, widow of Pogo creator Walt Kelly, was almost wiped out after he died and IRS swooped down.

The problem is that the tax collectors can put an estimate on all the paintings left in the attic and demand estate taxes on the spot. Because of the 1969 law, an artist can't take a tax deduction by gifting some of the paintings to a museum. If you sold a painting for $5,000 and have 100 more in the attic, IRS can tack $500,000 to your estate and demand greenbacks. Your widow might have to sell everything and the house too, as Mrs. Kelly did, just to pay the tax bill.

Various bills have been introduced in Congress to relieve artists' heirs. But they are all puny. Our lawmakers are only good at protecting the estates of lawyers. The law should require IRS, once it has valued every canvas and sketch, to collect its taxes in kind and auction off the work the widow gives it. Either that, or go back to the pre-1969 law. Or it will not only be Mr. DeGrazia giving us the creeps.

H.R. 2113

A bill to amend the Internal Revenue Code of 1954 to disregard, in the valuation for estate tax purposes of certain items created by the decedent during his life, any amount which would have been ordinary income if such item had been sold by the decedent at its fair market value, to allow a charitable deduction based on the fair market value of such items, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Arts and Humanities Tax Reform Act of 1979".

SEC. 2. VALUATION OF CREATIVE PROPERTY FOR ESTATE TAX PURPOSES.

(a) IN GENERAL.—Part III of subchapter A of chapter 11 of the Internal Revenue Code of 1954 (relating to gross estate) is amended by inserting after section 2032A the following new section:

"SEC. 2032B. VALUATION OF CERTAIN ITEMS CREATED BY THE DECEDENT.

"(a) GENERAL RULE.—If the decedent was (at the time of his death) a citizen or resident of the United States, then, for purposes of this chapter, the value of qualified creative property shall be determined under subsection (b).

"(b) VALUE OF QUALIFIED CREATIVE PROPERTY.—For purposes of subsection (a), the value of qualified creative property of the decedent shall not include any amount which would have been ordinary income if such property had been sold by the decedent at its fair market value (determined at the time of the valuation of such property).

"(c) QUALIFIED CREATIVE PROPERTY DEFINED.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified creative property' means any copyright, any literary, musical, or artistic composition, any letter or memorandum, or any similar property—

"(A) which was held by the decedent at the time of his death, and

"(B) which was created by the personal efforts of the decedent.

"(2) CERTAIN PROPERTY EXCLUDED.—The term 'qualified creative property' does not include any property—

"(A) which was held by a decedent who was at any time an officer or employee of the United States or of any State or political subdivision of such State, and

"(B) which was created by the decedent in carrying out his official duties as such an officer or employee."

(b) QUALIFIED CREATIVE PROPERTY NOT TREATED AS PERSONAL OR HOUSEHOLD EFFECT FOR CARRYOVER BASIS RULES.—Subsection (f) of section 1023 of such Code (relating to special rules and definitions) is amended by adding at the end thereof the following new paragraph:

"(6) PERSONAL OR HOUSEHOLD EFFECT.—For purposes of this section, the term 'personal or household effect' does not include any qualified creative property (as defined in section 2032B(c))."

(c) CLERICAL AMENDMENT.—The table of sections for such part III is amended by inserting after the item relating to section 2032A the following new item:

"Sec. 2032B. Valuation of certain items created by the decedent."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying on or after January 1, 1979.

SEC. 3. VALUATION OF CREATIVE PROPERTY FOR CHARITABLE DEDUCTION PURPOSES.

(a) IN GENERAL.—Subsection (e) of section 170 of the Internal Revenue Code of 1954 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end thereof the following new paragraph:

"(4) SPECIAL RULE FOR CERTAIN PROPERTY CREATED BY THE TAXPAYER.—

"(A) IN GENERAL.—The reduction under paragraph (1)(A) shall not apply to any charitable contribution of property—

"(i) which is a copyright, a literary, musical, or artistic composition, a letter or memorandum, or similar property, and

"(ii) which is contributed by a taxpayer whose personal efforts created such property.

"(B) EXCEPTION.—Subparagraph (A) shall not apply to any property—

"(i) which is contributed by any officer or employee of the United States or of any State or political subdivision of such State whose personal efforts created such property, and

"(ii) which was so created by such officer or employee in carrying out his official duties."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1978.

SEC. 4. BUSINESS USE OF HOME.

(a) IN GENERAL.—Paragraph (1) of section 280A(c) of the Internal Revenue Code of 1954 (relating to exceptions for certain business or rental use; limitations on deductions for such use) is amended by striking out "exclusively used" and inserting in lieu thereof "used to a substantial extent and".

(b) REGULATIONS.—The Secretary of the Treasury or his delegate shall, not later than 90 days after the date of the enactment of this Act, prescribe regulations to carry out the amendment made by subsection (a).

(c) RECOMMENDATIONS FOR LEGISLATION.—The Secretary of the Treasury or his delegate shall, not later than 120 days after the date of the enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate recommendations for legislation which provide objective statutory standards, which the Secretary believes should apply in lieu of the standard added by the amendment made by subsection (a), for not disallowing under section 280A(c)(1) of the Internal Revenue Code of 1954 a deduction in cases where a portion of a dwelling unit is used for business purposes on other than an exclusive basis.

(d) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1978.●

FEDERAL ASSISTANCE PAPERWORK REDUCTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 15 minutes.

● Mr. AUCOIN. Mr. Speaker, I introduced on February 8 a bill which is a small but important first step toward reshaping our system of Federal assistance to local governments. I am joined in this effort by my colleague from Indiana, Mr. HAMILTON.

Our Federal grant system has become a confusing maze of conflicting requirements, burdensome paperwork, and poor interagency coordination. The time has come to streamline grant administration, cut away at wasteful and duplicative redtape and force Federal agencies to cooperate with each other and with local governments.

No longer can we afford to have an ineffective system of assistance to local governments. They need help today more than ever before. And in a time of budget austerity, it is doubly important to make what we have work better.

To achieve that goal the Congress must not only change the structure of the Federal grant system. We must also change the Federal Government's approach to local assistance. We need to rediscover confidence in individuals, private enterprise and public bodies to act in the public interest without Federal hand holding. I am confident that local governments can utilize Federal assistance to carry out activities which help to achieve Federal goals—and do it without the paternal oversight of the Federal Government. All local governments need is a chance to do what they know best how to do.

This bill puts us on the road to some needed reforms. It requires the executive branch to establish uniform procedures for complying with the myriad of Federal grant requirements such as equal opportunity, environmental protection, and so forth. At the present time each agency has its own procedures for meeting those requirements. Too often the requirements of one agency come into conflict with those of another. Almost always, the differences among agencies cause needless headaches and massive paperwork for local officials.

The bill also establishes the framework for advance appropriations for Federal assistance programs. One of the biggest problems for local governments, especially for small communities, is that funding availability changes from year to year. Comprehensive development programs—the kinds of programs that are most effective—require long-range planning. That kind of planning is impossible without some knowledge of future fund availability.

This legislation will also facilitate joint funding of projects and require greater coordination by Federal agencies with State governments for grants to local governments.

Mr. Speaker, in the weeks to come I will be introducing other legislation to improve Federal programs for local governments. These bills will improve assistance to small rural communities and reshape some housing programs in rural areas to better meet their unique needs. The bill that I introduced last week will lay the foundation for these future efforts.

FEDERAL ASSISTANCE PAPERWORK REDUCTION ACT

Mr. HAMILTON. Mr. Speaker, I joined Mr. AUCOIN February 8 in introducing a bill which I believe will be an important first step in simplifying the fragmented Federal grant system, a system whose paperwork requirements and general complexity have so confused, discouraged, and burdened the local officials and community leaders who seek to participate in it.

This bill was introduced in the Senate last year by Mr. ROTH, Mr. MUSKIE, and Mr. DANFORTH. It was strongly supported by the Advisory Commission on Intergovernmental Relations, the National Governors Association, and the National Association of Counties. Although brief hearings were held on the bill in July, the press of legislative business at the end of the session prevented it from getting the attention it deserved. I hope that both House and Senate will give more study to this proposal early in this session.

During the last few years Federal grants-in-aid programs have grown increasingly complex. There has been a fourfold increase in the amounts of grants provided to State and local governments, while the number of categorical programs has increased by 20 percent to 481. An increasing number of requirements have been added to many assistance programs, such as affirmative action, environmental quality, maintenance of effort, public participation, et cetera, all of which require documentation of compliance. The development of new programs has increased duplication and complexity by addressing the same problem area from several different angles—targeting different population groups or types of jurisdictions, varying methods of service delivery, or limiting funding to only one aspect of the problem's solution, such as planning. Variation in program requirements and procedures has increased as each agency independently tries to make its programs efficient and effective.

Numerous efforts have been made over the past few years to improve the grant system—well-known examples being the A-95 review process and the computerized grant information retrieval system "FAPRS"—but they have had only limited success in making the system more understandable and efficient. Local governments still come to me lost in a labyrinth of programs which might possibly fit their needs. Local officials still complain about the cost of preparing applications and administering the program after receiving funds. Many of my constituents, especially those from the smaller communities which have no fulltime or professional staff, are asking themselves the question: Is it worth it?

The Federal Assistance Paperwork Reduction Act addresses some of the most pressing management inefficiencies in the grants-in-aid system and provides a response to some of the problems that have so plagued local and State officials involved with Federal aid. In brief, it would:

Provide for a standardization of generally applicable requirements, such as wage and hour rates, equal employment opportunity, and so forth, so that these standards and their implementation will not vary from agency to agency and application to application.

Provide a waiver system under which States and local governments may be exempted from repeatedly documenting compliance with such standards after demonstrating that State or local laws and standards are equivalent to the Federal.

Provide for a study of the benefits of 1-year-in-advance appropriations and 5-year budget projections so that grant recipients could plan more comprehensive programs with greater assurance that they would be funded to completion.

Provide for expeditious handling of applications involving more than one grant, as well as incentives for State and local governments to submit applications utilizing more than one grant program.

Entitle State and local governments to receive upon request information about Federal grants made in their jurisdictions, so that they are more aware of programs for which they are eligible and which are suitable to their area's needs.

Provide for a reduction in the time between award of grant funds and their disbursement by the U.S. Treasury.

The Federal Assistance Paperwork Reduction Act does not have all the answers, but it is a sound first step. I urge that the proposals in this bill be given serious consideration, and that a real effort be made during this Congress to develop additional ideas to make the Federal grant system more efficient and more accessible.

FEDERAL ASSISTANCE PAPERWORK REDUCTION ACT—SECTION-BY-SECTION ANALYSIS

TITLE I—ADMINISTRATION OF GENERALLY APPLICABLE FEDERAL ASSISTANCE REQUIREMENTS

Sec. 101. Amends the Intergovernmental Cooperation Act of 1968 by adding a new Title VII—ADMINISTRATION OF GENERALLY APPLICABLE FEDERAL ASSISTANCE REQUIREMENTS.

Sec. 701. Statement of Purpose indicates that it is the intention of this title to encourage simplification, standardization and more uniform compliance in the administration of national policy requirements which have become generally applicable to federal assistance programs.

Sec. 702. The Definitions cover (a) "generally applicable requirements," (b) "assistance recipient," and (c) "assistant recipient."

Sec. 703. Assignment of Designated Agencies lists nine types of generally applicable requirements, and directs the President to designate a single rule-making agency to establish standard rules and regulations in each of the nine areas. Provides for the designation of rule-making agencies in new subject areas, either through authorizing legislation or presidential assignment.

Sec. 704. Promulgation of Standard Rules and Regulations establishes procedures and timing for issuance of standard rules and regulations by the designated agencies. Directs each such agency to prepare amendments to its rules and regulations to reflect new legislation and changing conditions.

Sec. 705. Role Of The Federal Departments And Agencies In Achieving Compliance assigns the federal department administering assistance programs cited by the approved rules and regulations the responsibility for securing compliance with the respective rules and regulations. Permits the designated agencies to render assistance to the administering agencies as they carry out their compliance responsibilities. Establishes a process by which recipient governments may certify that they are in compliance with State and local requirements that are equivalent to the standard rules and regulations.

Sec. 706. Congressional Consideraiton provides a procedure somewhat similar to by which Congress may expeditiously approve or disapprove legislation designed to remove impediments to the formulation of standard rules and regulations.

Sec. 707. Reports And General Oversight provides for biennial reports by the designated agencies to the President and Congress concerning the fulfillment of their responsibilities under this title; provides for OMB or other agency designated by the President to oversee and facilitate administration of the Title.

Sec. 708. Effective Date upon enactment.

TITLE II—ADVANCE APPROPRIATIONS

Sec. 201. Amends Title IV of the Congressional Budget Act of 1974 by requiring the Congressional Appropriations Committee to consider whether spending authority for Federal financial assistance, as defined in the Intergovernmental Cooperation Act of 1968, should be provided at least one fiscal year in advance of the fiscal year in progress, and by requiring that such Committees should periodically report to their respective Houses their recommendations concerning changes in the provisions governing spending authority or budget authority.

SEC. 202. Amends Section 201 of the Budget and Accounting Act of 1921 by providing that the budget may include requests for new budget authority for advance appropriation programs and their estimated outlays for the next succeeding year. Also, if new budget authority is authorized for an advanced appropriation program for any following year, it may include a request for new budget authority for advance appropriation programs and their estimated outlays for any such following year.

SEC. 203. Amends Section 301(d) (7) of the Congressional Budget Act of 1974 to include three year projections of new budget authority and outlays and a statement of any significant changes in the proposed levels of Federal financial assistance, as defined in the Intergovernmental Cooperation Act of 1968.

SEC. 204. Clarifies the relationship of Sections 201 and 203 with respect to the rules of the House and Senate.

TITLE III—JOINT FUNDING SIMPLIFICATION

SEC. 301. Amends the Joint Funding Simplification Act of 1974 to direct and encourage federal agency participation in identifying potential uses of joint funding and implementing these arrangements, and to facilitate assistance recipient use of joint funding by establishing joint management funds which will account for funds as though derived from a single federal assistance program or appropriation.

TITLE IV—MISCELLANEOUS

SEC. 401. Amends Section 201 of Title II of the Intergovernmental Cooperation Act of 1968 by authorizing pertinent officials of recipient local governments to request information on grant funds coming into their respective jurisdictions. OMB is required to oversee compliance with this provision.

Sec. 402. Amends Section 202 of the Intergovernmental Cooperation Act of 1968 by extending its authorization permitting the deposit of grant funds in other than a separate bank account to local grant recipients.

Sec. 403. Amends Section 203 of the Intergovernmental Cooperation Act of 1968 by providing for expeditious transfer of grant funds to local as well as State recipients. It also relieves local governments as well as States of accountability for interest earned on grants pending their disbursement.

Sec. 404. Amends Section 204 of the Intergovernmental Cooperation Act of 1968 to extend its single department or agency waiver authorization to any single State or local government department, agency, multimember board or commission, or a single bureau, division, other organizational unit, or specific officer within a department, agency, or multimember board or commission of State or local government; appropriate local as well as State officials are authorized to request such a waiver.

Sec. 405. Amends Title II of the Intergovernmental Cooperation Act of 1968 by adding a new section which standardizes statutory maintenance of effort provision: the State and local recipient's expenditures will be no less than the average spent for the previous two years for the aided activities; this minimum may be waived by the federal agency head in certain hardship cases; and the minimum requirement may be reduced proportionate to any general reduction in the recipient's expenditures ordered by the recipient government's chief executive or legislative body.

Sec. 406. Amends Title II of the Intergovernmental Cooperation Act of 1968 by adding a new section which makes Federal assistance funds subject to regular State and local government budgeting and appropriations processes.●

IN COMMEMORATION OF GEN. THADDEUS KOSCIUSZKO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, February 12 marked the 233d anniversary of the birth of Gen. Thaddeus Kosciuszko, Polish patriot and soldier, who made great and noble contributions to the cause of American independence. Although he was not a native American, General Kosciuszko's heroic and selfless actions during America's struggle for independence were held in such great esteem that he was given the rights and privileges of an American citizen and the rank of brigadier general.

In recognition of Kosciuszko's invaluable assistance to our Nation during its first years as an independent country, I cosponsored House Concurrent Resolution 359 last year, which authorized the Secretary of the Interior to accept donations of markers to be placed at sites of his service to our country. This legislation passed both the House and the Senate, and at no cost to the taxpayers, the historical markers will be provided by individuals and organizations interested in perpetuating the memory of this great man.

Thaddeus Kosciuszko was born in Mereczowczyzna, Poland, in 1746 and studied in the Corps of Cadets in Warsaw for 4 years. In 1769 he entered the French Higher Military School where he studied military strategy and engineering. In 1776 he offered the abilities he had acquired to the Continental Congress, in the hope that he could contribute to America's quest for independence.

Kosciuszko's first important service as a military engineer occurred at the Battle of Saratoga. The British plan was to isolate New England from the other colonies. By helping to defeat this strategy and force the surrender of Britain's General, "Gentleman Johnny" Burgoyne, he helped bring France and Spain into the struggle, because they felt that the colonies now had the potential to win.

General Kosciuszko's talent lay in his ability to make use of an area's terrain for defense purposes, and this led him to recommend that fortifications be built in the area of West Point. The British were forced to change their plans, because the fortifications were obviously impregnable. Kosciuszko was the victor because the British had to abandon the North and the Hudson Valley, and attempt their defeat of the colonies from the South.

General Kosciuszko, whose next assignment was in the South, continued to use the same tactics that had been successful at the Battle of Saratoga, and again the British forces were routed. They retreated to Yorktown to wait for reinforcements from the sea. The British Navy, meanwhile, was being defeated by the French Indies fleet at the Battle of Chesapeake Capes, and this sealed the fate of the British forces at Yorktown. The French Fleet and Continental Army surrounded and forced the surrender of the British general, Charles Cornwallis.

The brave and resourceful actions of General Kosciuszko were not overlooked by America's Founding Fathers. He became a true friend of Thomas Jefferson, whom he made executor of his will. George Washington said of him, "there is one in Philadelphia whom I am told is clever, but him I have never seen. I would take the liberty to mention that I have been informed that the Engineer of the Northern Army is a gentleman of science and merit. From the character I have of him, he is deserving of notice."

Perhaps the highest compliment paid to Kosciuszko was by his commanding officer, Gen. Horatio Gates, who said, "let us be honest, the military skill of General Kosciuszko is as responsible for the victory of the revolutionary war as it was at the battle of Saratoga."

After returning to his homeland of Poland to contribute to his countrymen's courageous but tragically futile attempt to remain independent, General Kosciuszko returned to America, where he landed at Philadelphia on August 18, 1797. His health had been broken by his continuous fight for freedom, and he was crippled. The American people, in deep appreciation of his gallant efforts in their cause for independence, showered General Kosciuszko with such love and affection, that before long he had regained his ability to walk.

As a final act of gratitude and respect, Gen. George Washington himself nominated General Kosciuszko for membership in the Order of the Cincinnati, which had been formed by the officers of the Continental Army. His induction into the Order was the highest compliment the Continental Army could award.

I am proud to join Polish-Americans in the 11th District of Illinois whom I am honored to represent, and all over this Nation, who are commemorating the birth of Thaddeus Kosciuszko, a great and true friend of the United States. His name will forever remain a symbol of courage for Americans, and people all over the world, who are dedicated to the cause of freedom.●

GAO'S POSITIVE RESPONSE TO SELECT COMMITTEE RECOMMENDATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS), is recognized for 15 minutes.

● Mr. BROOKS. Mr. Speaker, during the 95th Congress, the select committee conducted an extensive study of the General Accounting Office's services to the Members and committees of the House. In House Report 95–1317, the committee identified a number of areas in which GAO analytical and evaluative functions could be improved. Select committee recommendations were designed to: Increase the timeliness of GAO reports, improve agency relationships with Congress, develop its capacity to provide both "quick response" assistance and more comprehensive evaluations of interdepartmental programs and agencywide operations, encourage closer collaboration with other congressional support agencies, broaden the distribution of GAO reports, improve staff training, and others.

The Comptroller General's response to the select committee's recommendations has been both prompt and constructive. For this reason, GAO—which is the Congress primary source of oversight support—has set an exemplary example for other governmental organizations in responding to oversight evaluations.

The Comptroller General of the United States has informed me of the numerous actions which have been taken, and which are underway, within the General Accounting Office in response to the recommendations of the Select Committee on Congressional Operations. I believe our colleagues will find General Staats' letter of considerable interest.

As a part of my remarks, Mr. Speaker, I include the Comptroller General's letter, and commend it to the attention of our colleagues.

COMPTROLLER GENERAL OF THE
UNITED STATES,
Washington, D.C., January 12, 1979.

HON. JACK BROOKS,
Chairman, Select Committee on Congressional Operations, House of Representatives.

DEAR MR. CHAIRMAN: I want to bring you up to date on activities within the General Accounting Office which are responsive to the recommendations contained in your Committee's report (No. 95–1317) on the assessment of our services to the Congress. The report focused primarily on GAO work responding to specific congressional requests but parts of it are applicable to GAO self-initiated work as well. The attachment details the actions completed or underway in this regard.

The generally high marks given to GAO services are gratifying. By the same token, we are aware that improvements in our operations can enhance the quality of our services to the Congress, its committees, and Members. The Committee's report provides useful guidance on how this can be done and our annual report for fiscal year 1978 acknowledges the benefits we obtained from your Committee's assessment.

I would also like to highlight that our Task Force on Improving GAO's Effectiveness took a comprehensive look at GAO's policies and practices to identify ways to eliminate or reduce barriers to timely completion of our work. Based on the Task Force's findings, a number of actions have been taken to improve the timeliness and relevance of our efforts. These actions involve—

Improving working relationships with the Congress;

Adopting a project team approach for carrying out assignments;

Using the most effective and least costly reporting medium in satisfying the needs of intended users;

Allowing greater flexibility in the quality control process governing GAO reports;

Developing a more meaningful accountability system; and

Providing for greater recognition of staff contributions.

Of special significance is a renewed emphasis in our program planning process calling for periodic consultation with cognizant congressional committees so that their concerns and priorities are given adequate recognition in our work plans.

Action has also been taken on another matter of special interest to you. I refer to changes made in our policy on obtaining agency comments. Our policy now (1) provides operating divisions more flexibility in deciding whether formal written comments are needed, (2) directs that a tougher stance be taken regarding the time allowed agencies to respond to a draft report, and (3) calls for a more vigorous followup when there are indications that an agency is not going to adhere to our specified time frame for receipt of its comments. I have also written the Director, OMB, seeking a change in Circular A–50 that would require the agencies to improve their cooperation with us in this matter.

In summary, we are making a number of changes which we feel will address the concerns expressed by your Committee. Change in any organization requires persistent staff effort and management attention; I assure you that this attention will not be lacking.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

Mr. Speaker, I include at this point in the RECORD my remarks and extraneous material:

MONTHLY LIST OF GAO REPORTS

The monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The December 1978 list includes:

NATIONAL DEFENSE

The Navy's Submarine Launched Ballistic Missile Force is Highly Ready. LCD–78–429A, December 21.

Millions of Dollars Can Be Saved By Improved Management of Aircraft Carrier Inventories. LCD–78–221, December 22.

The Navy Overhaul Policy—A Costly Means of Insuring Readiness For Support Ships. LCD–78–434, December 27.

U.S. Military Equipment Prepositioned in Europe—Significant Improvements Made But Some Problems Remain. LCD–78–431A, December 5.

What Are The Capabilities of the Selective Service System? FPCD–79–4, December 14.

The Key to Improving Maintenance of Army Equipment: Commanders Must Motivate Their Personnel. LCD–78–428, December 22.

Army's Requirements For War Reserve Materiel Can Be Reduced Without Impairing Combat Effectiveness. LCD–78–422A, December 14.

Letter reports

Some overseas nonappropriated fund employees are denied cost-of-living allowances. FPCD–79–6, November 29.

Newport News Shipbuilding and Drydock Company disagrees with GAO's "Statement of Facts" concerning the company's financing claims. PSAD–78–137, October 6.

Problems in contractors' systems of estimating and billing costs to the Navy. LCD–79–300, December 13.

Results of a questionnaire survey evaluating procedures and controls over revenue and expenditure transactions at Army finance and accounting stations in Europe. FGMSD–79–8, December 20.

Air Force screening practices to identify special educational and medical problems for dependents going overseas are more effective than the Army's. HRD–79–22, December 28.

INTERNATIONAL AFFAIRS

State Department's Office of Inspector General, Foreign Service, Needs to Improve Its Internal Evaluation Process. ID–78–19, December 6.

ENERGY

The United States And International Energy Issues. EMD–78–105, December 18.

Letter reports

More time and evaluation are needed for appropriate decisions on future use and management of the National Petroleum Reserve in Alaska. EMD–79–13, December 5.

NATURAL RESOURCES AND ENVIRONMENT

How To Dispose of Hazardous Waste—A Serious Question That Needs To Be Resolved. CED–79–13, December 19.

Projected Timber Scarcities In The Pacific Northwest: A Critique Of 11 Studies. EMD–79–5, December 12.

Water Quality Management Planning Is Not Comprehensive And May Not Be Effective For Many Years. CED–78–167, December 11.

AGRICULTURE

Regulation Of Retailers Authorized To Accept Food Stamps Should Be Strengthened. CED–78–183, December 28.

Formulated Grain-Fruit Products: Proposed Restrictions On Use In School Breakfast Program Should Be Reevaluated. CED–79–12, December 26.

Proposed Changes In Meat And Poultry Net Weight. Labeling Regulations Based On Insufficient Data. CED–79–28, December 20.

COMMERCE AND HOUSING CREDIT

Customs' Classification Of Imported Vehicles—A Controversial Issue. GGD–79–19, December 13.

Adjustment Assistance To Firms Under The Trade Act of 1974—Income Maintenance Or Successful Adjustment? ID–78–53, December 21.

Letter reports

The Postal Service's Area Mail Processing Program may not be maximizing its savings. GGD–79–20, December 22.

TRANSPORTATION

Need For Uniform Security Measures In-Transporting Arms, Ammunition, And Explosives. LCD–78–237, December 21.

Letter reports

Effective cost estimating procedures and guidelines should be developed for METRO. PSAD–78–141, December 22.

COMMUNITY AND REGIONAL DEVELOPMENT

Letter reports

New policies and plans to provide better statistics on the Nation's Spanish origin population. GGD–79–5, December 7.

EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

Letter reports

Did the Department of Labor use improper practices to favor a certain contractor for Indian programs? HRD–79–28, December 8.

HEALTH

A Federal Strategy Is Needed To Help Improve Medical and Dental Care In Prisons And Jails. GGD–78–96, December 22.

More Protection From Microwave Radiation Hazards Needed. HRD–79–7, November 30.

Labor Needs To Manage Its Workplace Consultation Program Better. HRD–78–155, December 18.

Recommended Dietary Allowances: More Research and Better Food Guides Needed. CED–78–169, November 30.

Savings To Champus From Requirement To Use Uniformed Services Hospitals. HRD–79–24, December 29.

INCOME SECURITY

Liberal Deposit Requirements of States' Social Security Contributions Adversely Affected Trust Funds. HRD–79–14, December 18.

The Federal Government's Severance Pay Programs Need Reform. FPCD–78–68, December 7.

Letter reports

In fiscal year 1977 the Social Security Administration made overpayments of about $75 million. HRD–79–26, December 11.

Duplicate payments for dependent children and improper application of the earnings test under the student benefits program of the Social Security Administration. HRD–79–27, December 22, 1978.

VETERANS BENEFITS AND SERVICES

Much More Could Be Done For Veterans In Employment And Training Programs. HRD–78–166, December 29.

Improvements Needed In Implementation Of The Veterans' Educational Assistance Program. HRD–78–148, November 30.

ADMINISTRATION OF JUSTICE

Privacy Act of 1974 Has Little Impact on Federal Contractors. LCD–78–124, November 27.

GENERAL GOVERNMENT

State And Local Government Productivity Improvement: What Is The Federal Role? GGD–78–104, December 6.

Development Of A National Productivity Clearinghouse. FGMSD–79–4, December 12.

The Labor Department Should Reconsider Its Approach To Employment Security Automation. HRD–78–169, December 28.

Audit Of The United States Capitol Historical Society For The Year Ended January 31, 1978. GGD–79–2, December 5.

Examination Of The Financial Statements Of The Panama Canal Company And The Canal Zone Government For Fiscal Period 1977, Transition Quarter, And 1976. ID–78–61, November 30.

Letter reports

The 1980 census—estimated to cost $1 billion—will not yield better data. GGD–79–7, November 9.

Improvements in the management of the Navy's ADP program have been slow. LCD–78–107, December 1.

Major objectives of activities financed by the Civil Service Commission's revolving fund have not been achieved. FPCD–78–93, December 12.

Comments on proopsed impoundments of FY 1979 budget funds. OGC–79–4, December 21.

The Monthly List of GAO Reports and/or copies of the full texts are available from the U.S. General Accounting Office, Distribution Section, Room 1518, 441 G Street, N.W., Washington, D.C. 20548. Phone (202) 275-6241.●

COST SAVINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ROBERTS) is recognized for 5 minutes.

● Mr. ROBERTS. Mr. Speaker, traditionally the Committee on Veterans' Affairs has routinely requested reports from the department or agency of jurisdiction on all bills introduced and referred to the committee. Many of the proposals are similar in purpose. The man-hours required in submitting these reports and the handling and printing of such reports are costly.

In our efforts to reduce Federal spending in both the executive and legislative branches, we have taken a hard look at our current practice. So that cost-savings may be realized immediately, I have decided to only request agency and departmental reports on bills when the subject matter is scheduled for subcommittee or full committee consideration or when specifically requested by the author or a cosponsor of the bill introduced.

I am sure such procedure meets with the approval of all Members of the House.●

DECISIONS ABOUT THE FUTURE OF SOCIAL SECURITY SHOULD NOT BE MADE IN THE BUDGET PROCESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, controlling Federal spending is a nearly unassailable proposition. The President has called for a "policy of restraint" in Federal spending which is reflected in his "austere and lean" fiscal 1980 budget. The administration's goal is admirable as long as the burden of austerity is fairly distributed and the proposed reductions are appropriate to the budget process. One of the most controversial and confusing aspects of the administration's budget is the proposal for changes in the social security program.

I, like other Members of Congress, have already received hundreds of letters protesting the changes. These proposals have engendered a good deal of misunderstanding and alarm.

The administration, in its budget request, has called for elimination of the $255 lump-sum death payment, the $122 minimum benefit paid workers with low earnings, the student's benefit paid to children of deceased workers and termination of a parent's benefit when a child reaches age 16 rather than at the present age of 18. It is estimated by the administration that these and proposed changes in the disability program, if enacted, would save the social security system $500 million in fiscal 1980.

PROPOSED SOCIAL SECURITY CUTS WILL NOT REDUCE FEDERAL SPENDING

Any contention that these changes will alter inflation or reduce Federal spending is open to question. If enacted into law, the changes would mean a savings to the social security trust funds but not in general revenues. Furthermore the propsals would not even insure a reduction in the payroll tax, which is the financing mechanism for the social security program. To understand why social security funds are included in the Federal budget at all, we must go back to 1969 when the social security trust funds were included as a part of the united Federal budget. This was done for the sake of macroeconomic analysis and because surpluses in the trust funds could give the appearance of a reduced operating deficit in the Federal budget. Even in this 1980 unified Federal budget, inclusion of trust funds holds to $29 billion a deficit that would otherwise total $49 billion.

The inclusion of the social security trust funds in the budget figures has led to some misunderstanding that social security funds are in fact intermingled with general revenues. They are not. In scrutinizing the validity of the proposed changes as budget cuts, it should be kept in mind that social security benefits are not a magnanimous expenditure by the Federal Government for the aged and disabled, but are instead an entitlement from the social security trust funds based on contributions to the system. To avoid misunderstandings in the future, Congress should act to separate the social security trust funds from the unified Federal budget.

PROPOSED REDUCTIONS HAVE NOT BEEN JUSTIFIED

Last week the Select Committee on Aging, on which I serve held a day of hearings on the proposed changes in social security benefits. In the course of our committee's hearing, Social Security Commissioner, Stanford Ross, attempted to allay our fears about the hardships and concern these changes would cause widows, children, low-paid beneficiaries and all of us who have a stake in the social security program.

We were told that many of those receiving the benefits slated in the budget for termination really did not need them. One example given was the increased participation of women in the work force which it was argued has diminished the justification for paying a parent's benefit through age 18. I cannot accept the implied assumption that women are therefore better off financially. Increased participation of women in the work force may be due to economic necessity and we know that salaries for women are still far below those paid men.

Curtailments were justified, in the Commissioner's words, "because of the relatively low social priority involved in each of them in today's world." It was pointed out that programs like supplemental security income and the basic educational opportunity grant obviate the need for maintaining a death benefit, minimum benefit and students' benefit in the social security program since such needs could be met by these programs. This rationale gives rise to two questions: Should social security benefits be based on need and why did not Congress consider dispensing with the death benefit, minimum benefit and student benefit when enacting subsequent programs if these later programs were intended to respond to the same need as social security?

PROPOSALS DO DAMAGE TO THE INTEGRITY OF THE SOCIAL SECURITY SYSTEM

Proposing changes in social security benefits as a part of budgetary reductions is an unfortunate and unwise policy. The 1971 Advisory Council on Social Security cautioned against just such action when it said:

> The Council urges that policy decisions relating to social security benefit payments and financing be governed by program purposes rather than by overall federal budget objectives. . . .

A little over a year ago Congress called for a National Commission on Social Security to undertake a comprehensive review of the social security program objectives, the fiscal status of the trust funds, possible inequities and alternatives to the current program and method of financing. The Commission's recommendations are due in 1981. We should wait for the report mandated by Congress, before proceeding to change the benefit structure.

Most importantly, the proposed changes would mean a break from what most of us accept as the philosophy of social security. Since its inception, the cornerstone of social security has been a trust by the worker that his or her contributions, via the payroll tax, were buying certain protections. This generation of workers like generations in the past, assume the program will keep faith with its promise of certain benefits.

Commissioner Ross stated that the changes are necessary to preserve the financial integrity of the system. Yet in fiscal 1980 the savings from these cuts would amount to only one-half of 1 percent of the estimated total social security program cost. For the last couple of years Congress has been enmeshed in a debate over how to best preserve the financial integrity of the system through ways other than increasing the payroll tax. The Democratic Caucus recently voted for a resolution which requests the Ways and Means Committee to come up with a plan whereby the payroll tax can be rolled back. Changes in the benefit structure are neither the first nor best option.

We will not enhance trust in social security if we act at this time out of questionable economic expediency to make certain changes in benefits which the Social Security Administration has unilaterally decided are of "relatively low social priority." What assurance could we give the American worker that in future years another Administration in formulating its budget, won't decide certain other benefits are of low social priority and thus dispensable?

Nelson H. Cruikshank who is Counsellor to the President on Aging and Chairman of the Federal Council on Aging expressed to our committee his great concern over the proposed changes in social security. Former Secretary of Health, Education, and Welfare, Wilbur J. Cohen, who is a member of the National Commission on Social Security, strongly criticized the Administration's proposals as did former Social Security Commissioner, Robert M. Ball. These distinguished experts on social security were unanimous in their view that the proposed changes in social security benefits are ill-advised and will undermine faith in the program.

I hope that Congress will heed their concerns and act quickly to reject the administration's proposals.●

EAST-WEST TRADE: A POSITIVE DEVELOPMENT IN WORLD AFFAIRS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 15 minutes.

● Mr. BINGHAM. Mr. Speaker, last fall the Brookings Institution published another in its series of tripartite reports by experts from the European Community, Japan, and North America. This report was entitled "Economic Relations between East and West: Problems and Prospects." Because of the timeliness of the topic and the quality of the analysis, I want to share part of this report with my colleagues.

The report covers developments and prospects in East-West trade, technology transfer, financing and the debt problem, and institutional issues arising from the fact that the nonmarket economics participate in few multilateral financial institutions. The authors' conclusion is upbeat, and, I think, sound:

> We consider that the broadening and deepening of East-West economic relations since the 1950's is a positive development in world affairs. Trade is a normal aspect of international life. Although it should not be expected to reduce, much less to eliminate, the wide political divergences between East and West, it is a useful and gainful link between differing political and economic systems.

As chairman of the Subcommittee on International Economic Policy and Trade, which has spent a good deal of time dealing with the issue of East-West technology transfer, I was particularly interested in the chapter on that subject. In contrast to those who raise all kinds of fears about the dire consequences of transferring technology to the East, the authors make the following salient points:

First, imported technology constitutes too small a fraction of total machinery investment in the Eastern countries to make a significant difference for the growth of their economies.

Second, several factors diminish the impact of imported technology on the rate of growth. Scarce resources must be expended to pay for the technology. Domestic factors must be combined with the technology and are thus taken away from other areas of the economy. The returns from imported technology are reduced by the rigidities imposed by the economic systems in the Eastern countries. And, since imported technology has been designed for use in Western economies, it cannot be readily adapted to the nonmarket economies.

Third, technology transfers to the East are likely to increase, not reduce, Western product markets in the East, and are unlikely by themselves to hurt Western competitiveness in third markets, as is often feared.

Fourth, the Soviet Union already has or is capable of producing pretty much anything it needs in the military and aerospace areas. The West can delay or increase the cost of Soviet acquisition of militarily significant technology, but cannot deny it to the Soviet Union altogether.

The authors also make the point that withholding technology exports is unlikely to increase the bargaining power of the West in noneconomic issues. This is so principally because imported technology is not as important to the Soviets as are their political objectives, and in any case is available from so many sources and through so many channels that it cannot be readily controlled for political purposes.

I urge my colleagues' careful attention to the entire report, and I include the chapter on technology transfer at this point:

3. TECHNOLOGY TRANSFER

Technology—the knowledge and techniques applied to production—can be transferred from one country to another in various ways or combinations of ways. One simple way is through the supply of information and knowledge—publications and personnel, technical assistance, and so forth. A second is through the licensing for a fee of production processes or advanced techniques. A third is through the sale of machinery and equipment embodying advanced technology. A fourth is through the sale of advanced production processes such as the construction of turnkey plants. A fifth is the transfer not only of production processes and equipment but also of the related systems of management and marketing as well as technical personnel. This is frequently done in the form of joint ventures.

The export of technology is commonly seen as having implications different from those stemming from the export of commodities generally. A machine embodying advanced technical development (or the blueprints for such a machine) is thus seen as giving the buyer greater potential returns than can be had from the import of other goods. Having already realized on their investment in research and development, companies may be ready to sell (or license) their technology for fees that are much less than the benefits in productivity gains accruing to the buyer, particularly to one located in a technologically less advanced economy. If the imported technology can be copied and spread widely through the economy, the gains to the importing country may conceivably be multiplied manyfold. This may be especially important when the initial holder of the technology cannot establish his own production facilities in the buyer's market, as is largely true in the case of Eastern countries.

The flow of technology is primarily from West to East. The West's advantage in technology arises in part from its consisting of a large pool of nations, which are also more industrially advanced. But the major factor is that the organization and systems of incentives in the centrally planned economies are less suited to invention, innovation, and the diffusion of technology than in private enterprise economies. Typically, central planning has been preoccupied with quantity rather than quality or cost targets; the tendency is to avoid the disruptions associated with introducing new methods; lack of competitive pressure and poor communication and cooperation between research and development organizations and the users of technology are additional hindrances to technological change. The result is a lag in the development and spread of technology, a lag that persists despite the capability for doing better. That such a capability exists is shown by the USSR's performance in the military and aerospace industries, where organizational and incentive arrangements are clearly more conducive to technological innovation and advance.

Eastern European interests in imports of technology has been enhanced by the desire to raise rates of economic growth. The purchase of technology is seen as a way of introducing new products and processes developed in the West, some of which could further the process of modernizing Eastern economies. The growth slowdown of the late 1960s probably heightened this interest, particularly in the USSR, which, unlike its neighbors, has experienced a continuing decline in its growth rate, as shown by the following official Soviet data.[1]

Change in real national income

(Percent)

1950–55	11.4
1955–60	9.1
1960–65	6.5
1965–70	7.7
1970–75	5.7
1975–80 (projected)	4.7

Concern about economic growth led to attempts at economic reform by all the Eastern nations, but in most instances the aim of reform was merely to make central planning less cumbersome. More fundamental changes being introduced in Czechoslovakia were cut short by the Warsaw Pact invasion in 1968. Hungarian reform measures appear to have fallen short of goals and constitute an uneasy "middle way" between centralized and decentralized planning.

Many Western observers view the present Eastern interest, especially that of the Soviet Union, in importing technology as reflecting the failure of the economic reforms as well as the need to compensate for the slowdown in the growth of the labor force. This may well be the case, although the Soviet Union unquestionably would be importing technology even if its system had been effectively reformed. Trade in technology is worldwide—even the United States imports many kinds of technology, some from the USSR.

To what extent is the import of technology likely to affect the future rate of growth in the Eastern economies? Not very much for the Soviet Union; perhaps somewhat more for some of the small CMEA countries like Poland. Imported technology makes up a very small fraction of total annual investment outlays, a situation that seems unlikely to change in the foreseeable future. Soviet imports of machines have amounted to less than 2 percent of total machinery investment. Even if one assumes that the productivity of such imports is two or three times as great as the productivity of new domestic machinery, the effect on the rate of growth would only be marginal. In the case of Poland, where imported machinery investment is said to have amounted to almost a quarter of total machinery investment in 1971–75, the effect on the rate of growth may have been materially greater.[2]

Even when the volume of imports is relatively large, the potential impact of imported technology on the rate of growth may be grossly overstated. First, even if imports are obtained at favorable prices, the resources that must be used to pay for them offset the putative gains. Second, imported machinery or techniques must be combined with domestic factors—labor, materials, management skills—to be useful. It is thus inappropriate to attribute the full gain in productivity to imported technology. Third, the same factors that tend to hamper domestic innovation and technical advance in the domestic economy also affect the returns from imported technology. Finally, technology imported from abroad usually has been adapted to the organizational systems and management skills of Western economies, not to the quite different environment of nonmarket economies. For example, a student of Soviet manpower problems cites the instance of imported chemical plants that were originally designed to require 91 auxiliary workers for maintenance and repair work. This requirement was revised upward in the USSR, first to 430 auxiliaries and then, after the equipment was put into operation, to 732.[3]

A further consequence of the rigidity that characterizes centrally planned economies is their inability to spread technology effectively through the economy. This rigidity has also limited the updating and improvement of imported technology, which has been done, for example, in Japan. The developers of a new technique or item of equipment commonly seek to reap the benefits for themselves until a further technical advance takes place. An importing nation thus gets products or processes that are already outdated in the originating country. In itself, this built-in lag may be of smaller consequence if the import is succeeded by local adaptations and improvements. This, however, has not been the case in the Eastern countries.

Is there reason to believe that imported technology will affect the internal organization of the Eastern economies? In our view, very litle. In fact, a primary reason for importing technology may have been to avoid making more fundamental changes to improve the efficient organization of the economy. Any substantial organizational change would involve changes in the political power structure, as evidenced by the abortive Czechoslovakian reform in 1968.

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[1] Abram Bergson, "The Soviet Economic Slowdown," *Challenge* (January-February 1978). These official figures are well above Western estimates of Soviet GNP growth rates.

[2] Stanislaw Gomulka, "Growth and the Import of Technology: Poland, 1971–1980," *Cambridge Journal of Economics*, vol. 2 (March 1978), pp. 1–16.

[3] Murray Feshbach and Stephen Rapaway, "Labor Constraints in the Five-Year Plan," in *Soviet Economic Prospects for the Seventies: A Compendium of Papers Submitted to the Joint Economic Committee*, 93 Cong. 1 sess. (Government Printing Office, 1973), p. 488.

So far, the effect of technology transfers on the importing countries has been discussed. The other side of the issue is the effect on the exporting countries. A major concern in some quarters in the West is that by exporting technology to the East, the West is not only reducing its product markets in the East but also is creating competition for itself in third markets as well as in its domestic markets. Such concern seems to be largely unwarranted. In a trillion dollar trading world, entailing many dynamic changes over time, the disturbances emanating from this source are unlikely to be significant in the foreseeable future, especially in the light of the difficulties that nonmarket economies have in exporting to market economies. Finally, to the extent that imported technology does increase exports of goods and services from the East, the Eastern countries will be better able to pay for additional imports. The effect will be to increase trade in both directions, and any loss of markets through Eastern competition is apt to be offset by the expenditure of increased export earnings in the West.

The foregoing conclusions about both the importers and the exporters of technology are conditioned by the methods available for technology transfer. If these can be made more efficient, the benefits for both sides may increase. In recent years, for example, industrial cooperation agreements have been developed with a number of Eastern countries. In a few cases these are joint ventures with Western producers. But experience suggests that politically motivated rigidity in the nonmarket economies will limit further developments such as these, particularly in the USSR.

When everything is taken into account, the basis for special concern about the export of technology to the East, as contrasted with exports of the general range of goods and services, appears to be quite narrow. There remains, however, the possibility that withholding technology exports might increase the bargaining power of the West in noneconomic issues. This seems doubtful for several reasons. First, the technology in demand in the East is usually available from many nations and through a variety of channels, varying from technical publications to turnkey plants. Thus, the feasibility of gaining the cooperation of suppliers of technology, which are competing with each other, to organize an effective monopoly is low. At best such an attempt, for most types of technology, would only delay, rather than deny, access. Further, such arrangements would not only run up against antitrust laws in many Western countries; they might also have adverse repercussions by monopolizing markets in Western economies if they were organized. Given the relatively modest gains accruing to the East, particularly the Soviet Union, from imported technology and its strong commitment to political objectives, its seems unlikely that significant concessions on noneconomic issues could be gained by using technology as a bargaining chip.

From the standpoint of bargaining power, the West probably has more powerful instruments. For example, if the aim were to exert maximum economic and political pressure on Eastern countries, controls on the export of wheat and other grains offer the best prospects. The Soviet Union in particular is subject to periodic crop failures that must be compensated for by importing grain or reducing livestock herds. Of these alternatives the second is clearly the worse, for it will eventually require an unpopular and perhaps politically risky cut in meat consumption. Soviet authorities acted accordingly in choosing to spend scarce foreign exchange on grain imports when crops were bad in 1972 and again in 1975. If grain could be withheld by Western exporting countries, the USSR would have no choice but to accept the risk of living with a serious shortage of meat.

Technology closely related to military capabilities presents the most sensitive issues. Weapons, or equipment suitable only for the production or operation of weapons generally, are not exported to the Eastern countries. But there is a wide range of goods—it is difficult to think of exceptions—that bear in greater or lesser degree on the ability of a nation to build up its military strength. To single out the exports that are directly and substantially related to Western security interests calls for highly sophisticated assessments, with emphasis on economic as well as technical considerations. (Conspicuously unmilitary products like feed grains may be very high among Eastern European imports when ranked in order of essentiality.) In the USSR, military research and development and production have the highest priority in the use of scientific workers, skilled manpower, materials, and equipment and must meet the highest quality standards—all this in contrast to the civilian economy. With a far less developed economy than those of the advanced industrial states, the USSR has shown that it can keep up with, and even surpass, the West in some of the critical dimensions of military and aerospace performance. The implication is that there is not much in these areas that the USSR does not have or could not produce if it was considered necessary. In effect the West can delay the acquisition or increase the cost to the USSR of some items by prohibiting exports; but to "deny" anything of high and direct military importance is not likely to be feasible for very long.

Data processing is a military-related field that has attracted much attention on this score. Computers of course play an important role in military technology. Restrictions on their export would appear to have considerable justification on strictly defense or security grounds. But when a group of experts in computer and military technology (command-control, logistics, research and development, guidance, intelligence, avionics, and antiballistic missile systems) considered this issue, agreement was unanimous that except for the ABM systems, on which opinions differed, the USSR's computer capability was adequate to its tasks (the ABM in this context may be seen as typical of the next generation of highly sophisticated weapons). To the extent that the best Soviet computer, the BESM-6, fell short of meeting needs, greater use of time, labor, and other resources enabled the Russians to produce "achievements comparable to those of the West's more computer-intensive defense policy." Furthermore, "the U.S. military seldom uses large computers more sophisticated than the Soviet BESM-6; when it does, there is little evidence of substantial difference in capabilities from those the Soviets obtain or would desire, given their defense policies." [4] In short, a sufficiently strict export control system might deny to the USSR least-cost solutions to military data-processing problems, but it probably could not prevent the Soviet military from achieving satisfactory solutions. If this is so in the case of advanced computer technology, it seems likely that the same judgment applies in other fields.

Much of what has already been said about trade in technology with Eastern Europe is applicable to China as well. Compared with the Soviet Union or most of Eastern Europe, to be sure, China is technologically backward—not so backward, however, that it has not been able, largely unaided, to build and test a nuclear weapon and to achieve the capability to deliver it by missile.

It is undoubtedly true that access to Western technology will help China overcome some of the obstacles to economic advance. At the same time, China has the handicaps common to centrally planned economic systems. Also, shortages of technically skilled manpower and of other requirements for facilitating the installation and operation of advanced equipment are likely to hamper China. These limitations were seriously aggravated by the cultural revolution. If, under its new leadership, China were to place greater emphasis on incentives and organizational efficiency, the effect of imported technology could be made greater than now seems likely.

The most acute technological deficiencies, from the Chinese point of view, probably are in military items such as aircraft, where the existing stock consists overwhelmingly of outdated Soviet equipment. To correct these deficiencies quickly would require large purchases of end products, and is likely to be foreclosed in the short run by current balance-of-payments policy, so long at least as China chooses to limit its borrowing abroad to medium-term credits for industrial plants.●

RULES OF THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT OF THE 96TH CONGRESS

(Mr. BENNETT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BENNETT. Mr. Speaker, pursuant to the provisions of rule XI 2(a) of the Rules of the House of Representatives, I submit for printing in the CONGRESSIONAL RECORD the rules adopted on February 7, 1979, by the Committee on Standards of Official Conduct for the 96th Congress:

RULES OF THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT, 96TH CONGRESS

Rule 1. Scope and Authority.—These rules govern the procedures to be followed by the Committee on Standards of Official Conduct, and are adopted under the authority of Rule XI 2.(a) of the Rules of the House of Representatives, 96th Congress.

GENERAL PROCEDURES

Rule 2. Meetings.—(a) The regular meeting of the Committee shall be the second Wednesday of each month, except when the House is not meeting on that day. When the Chairman determines that there is sufficient reason, he may call a meeting on additional days. A regularly scheduled meeting need not be held when the Chairman determines there is no business to be considered.

(b) Insofar as practicable, notice will be provided seven days in advance of meetings. However, the Chairman is authorized to waive such time period at his discretion, for good cause.

Rule 3. Quorums.—(a) A quorum for the purpose of taking Committee action consists of seven Members of the Committee. Except as provided in Rule X 4. (e)(2)(A) of the House of Representatives and Rules 8(a), 9(c), and 13 of these Rules of Procedure, action may be taken by the Committee by a simple majority, a quorum being present.

(b) Two members of the Committee shall constitute a quorum for taking testimony and receiving evidence.

Rule 4. Subcommittees.—(a) The Chairman may establish subcommittees and may assign to them such functions as he may deem advisable. The membership of each subcommittee shall provide equal representation for the majority and minority parties. The Chairman may refer any bill, resolution, or other matter before the Committee to an appropriate subcommittee for consideration or investigation and may recall any such bill, resolution, or other matter from the subcommittee to which it was referred.

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[4] Robert Klitgaard, *National Security and Export Controls* (Santa Monica, Calif.: Rand Corp., 1974), pp. 46–47.

(b) The Chairman and the ranking minority member of the Committee shall be ex officio members of each subcommittee and may vote on any subcommittee action.

(c) Any member of the Committee may sit with any subcommittee, but only regular members of the subcommittee, the Chairman and the ranking minority member of the Committee may vote on any matter before the subcommittee.

(d) So far as applicable, the Rules of the House of Representatives and the Rules of the Committee on Standards of Official Conduct shall be the rules of each subcommittee, but each subcommittee may prescribe additional rules not inconsistent therewith.

COMPLAINTS FROM OUTSIDE THE COMMITTEE

Rule 5. Complaints.—(a) A complaint filed under Rule X 4.(e) (2) (B) of the Rules of the House of Representatives shall be in writing and under oath, setting forth in simple, concise and direct statements:

(1) the name and legal address of the party filing the complaint (henceforth, the complainant);

(2) the name and position or title of the Member, officer, or employee of the House of Representatives alleged to be in violation of the Code of Official Conduct or any other law, rule, regulation, or standard of conduct (henceforth, the respondent);

(3) the nature of the alleged violation, including, if possible, the specific section of the Code of Official Conduct or any other law, rule, regulation, or standard of conduct alleged to have been violated;

(4) the facts alleged to give rise to the violation.

Where facts are alleged upon the information and belief of the complainant, the complaint shall so state, and set forth the basis for such information and belief.

(b) All documents in the possession of the complainant that are relevant to and in support of the allegations shall be appended to the complaint.

(c) A complaint by a Member of the House of Representatives may be transmitted directly to the Committee. A complaint by an individual not a Member of the House may be in writing, to accept it for that purpose. If a complaint by an individual not a Member of the House is submitted to three Members of the House who refuse, in writing, to transmit the complaint, the complainant may transmit the complaint directly to the Committee, provided an affidavit is attached, stating under oath, the names of the Members to whom the complaint was submitted and by whom it was rejected.

Rule 6. Complaint Processing.—(a) (1) The staff shall examine each complaint for compliance with Rule X 4. (e) (2) (B) of the Rules of the House of Representatives and Rule 5 of these Rules of Procedure.

(2) Complaints determined to be in compliance shall be transmitted to all Committee members and the respondent by the staff within 5 days. The transmittal shall include the date upon which the complaint was received, a statement that the complaint conforms to House and Committee Rules, and a statement that the complaint has been placed on the Committee's agenda for consideration not later than at its next regularly scheduled meeting.

(3) Complaints determined not to be in compliance with House and Committee rules shall be returned immediately to the complainant with a general statement that the complaint is not in compliance and a copy of the appropriate rules for filing complaints. The complainant may resubmit the complaint in the proper form. The respondent shall be notified of the action taken.

(b) At the first scheduled meeting after a complaint has been placed on the Committee agenda, the Committee shall determine whether the alleged violation is within the Committee's jurisdiction, and, if so, whether the allegations merit further inquiry. The complainant, and the respondent, shall be notified, in writing, of the action taken by the Committee.

Rule 7. Answer, Motions, and Preliminary Staff Inquiry.—(a) (1) If the Committee determines that the allegations merit further inquiry, a copy of the complaint and these Rules of Procedure shall be sent to the respondent with notice that he has 21 days to respond to the complaint, either by way of answer or motion. Any answer or motion shall be in writing, signed by the respondent or his counsel, and shall be limited to the following:

(A) An admission or denial, under oath, of the allegations set forth in the complaint, including negative and affirmative defenses thereto, and any other relevant information, including supporting evidence which the respondent may desire to submit;

(B) An objection to the complaint on the grounds of improper form or failure to state facts constituting a violation of the Code of Official Conduct or other applicable law, rule, regulation, or standard of conduct;

(C) An objection to the jurisdiction of the Committee to investigate the complaint;

(D) An objection to the participation of any member of the Committee in an investigation of the complaint on the grounds that the Member cannot render an impartial and unbiased decision in the case. (The Committee member against whom the objection is made shall be the sole judge of his qualifications.) A motion under this subparagraph (D) is not in lieu of an answer.

Any motion submitted pursuant to this Rule shall be accompanied by a memorandum of points and authorities. Except for good cause shown, no other pleadings or motions will be considered by the Committee, nor will answers or motions not submitted within such 21-day period be considered.

(2) The staff shall submit a written response to the Committee with respect to any motions submitted pursuant to clauses (a) (1) (B) and (a) (1) (C) of this Rule, and a copy of such response shall be furnished to the respondent and the complainant. The Committee shall pass upon such motions as soon as practicable and notice of the decision shall be furnished to the respondent and the complainant. If the motions are denied, the respondent will have 14 days to answer the complaint.

(b) Within 30 days after receipt of the answer, or of its due date if no answer is submitted, the staff shall conduct a preliminary inquiry and prepare a report of its findings and recommendations. For this purpose, the staff may serve written interrogatories on the respondent or his counsel. The interrogatories shall be answered within 14 days. Failure of the respondent to answer shall be cited in the report.

(c) Time limitations imposed by clauses (a) and (b) of this Rule may be extended when in the discretion of the Chairman such extension would facilitate a fair and complete inquiry, and may be shortened when the Chairman determines that there are special circumstances compelling expedition.

Rule 8. *Decision Whether To Undertake Investigation.*—(a) As soon as practicable following completion of the preliminary inquiry report, the Committee shall act, by the vote of a majority of the members of the Committee, either to:

(1) undertake an investigation through an investigative hearing;

(2) defer action pending completion of any judicial proceeding; or

(3) dismiss the complaint.

(b) In determining whether to undertake an investigation relating to the official conduct of the respondent, the Committee shall consider, among other matters, whether:

(1) there is credible evidence of his violation of the Code of Official Conduct or any law, rule, regulation, or other standard of conduct applicable to him in his official capacity;

(2) the suspected violation is of the type that might warrant administrative or disciplinary action by the House; and

(3) there are not other circumstances, such as the pendency of a related criminal investigation or judicial proceeding that may justify deferring or declining action by the Committee.

(c) The complainant and respondent shall be notified in writing of the action taken.

COMMITTEE INITIATIVE

Rule 9. Investigations on the Committee's Initiative.—(a) Notwithstanding the absence of a complaint filed in accordance with Rule X4.(e) (2) (B) of the House of Representatives, the staff shall present to the Committee any evidence available to it reasonably indicating that any Member, officer, or employee of the House may have committed a violation of the Code of Official Conduct or any law, rule, regulation, or other standard of conduct applicable to him in his official capacity. Evidence developed during any study conducted by or on behalf of the Committee, including evidence obtained in connection with legislative or general oversight hearings, may be used for this purpose. Any other probative evidence may also be used. The staff shall specify the section of the Code or of any other law, rule, regulation or standard of conduct that was apparently violated.

(b) If the Committee determines, on the basis of evidence submitted to it under clause (a) of this Rule, that there is reason to believe that a violation has taken place, the Committee may direct the staff to transmit to the Member, officer, or employee (henceforth, the respondent) a plain and concise statement of the alleged facts and a reference to the provisions which may have been violated. The respondent shall have 21 days to respond. The response shall be in the form provided for by Rule 7(a) (1), except that the denial of any alleged fact in the statement of alleged violation which is not supported by sworn testimony need not be submitted under oath.

(c) Further proceedings shall conform to the procedures specified in Rule 7(a) (2), (b), and (c) and Rule 8 of these Rules of Procedure.

INVESTIGATIVE HEARING PROCEDURES

Rule 10. Investigative Hearings.—(a) An investigative hearing shall be held to receive evidence upon which to base findings of fact and recommendations, if any, to the House. The Committee may require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. Depositions, interrogatories and sworn statements taken under Committee direction may be accepted into the Committee record. The procedures set forth in Rule XI 2.(k) of the Rules of the House of Representatives shall apply to hearings under this Rule.

(b) Prior to setting a hearing date and issuing subpoenas for witnesses, the Committee shall resolve the scope and purpose of the hearings. A copy of this statement of scope and purpose shall be furnished to all witnesses. During the course of the hearings the Committee may expand or contract the scope in light of evidence received.

(c) (1) The order of the investigative hearing shall be as follows:

(A) The Chairman shall open the hearing by stating the Committee's authority to conduct the investigation, the purpose of the investigation and its scope. The Committee shall then determine in accordance with Rule XI 2.(g) or 2.(k) (5) of the Rules of the House of Representatives whether to receive the testimony of specific witnesses in executive session.

(B) Testimony from witnesses and other evidence pertinent to the matter under investigation shall be received in the following order whenever possible: (i) witnesses and other evidence offered by the Committee staff or the complainant, (ii) witnesses and other evidence offered by the respondent, (iii) rebuttal witnesses.

(C) The Committee counsel or authorized staff member shall examine each witness. The Committee members may then question the witness under the five-minute rule. The respondent or his counsel may then cross-examine the witness. Redirect and recross may be permitted in the Chairman's discretion With respect to witnesses offered by the respondent, a witness shall be examined first by the respondent or his counsel, and then may be cross-examined by Committee counsel or authorized staff member, Committee members may then question the witness under the five-minute rule. Redirect and recross may be permitted in the Chairman's discretion.

(2) Testimony of all witnesses shall be taken under oath. The form of the oath shall be: "Do you solemnly swear (or affirm) that the testimony you will give before this Committee in the matter now under consideration will be the truth, the whole truth, and nothing but the truth, so help you God?" The oath shall be administered by the Chairman or Committee member designated by him to administer oaths.

(d) The investigative hearing shall consist of two phases, unless the Committee determines that a single phase is more appropriate. The first phase shall be for the purpose of obtaining probative evidence upon which the Committee can base its findings and conclusions. The second phase shall be for the purpose of making recommendations for action. Evidence offered solely as a reflection of the respondent's character or which tends to mitigate the charges against the respondent shall be received only during the second phase.

(e) The Committee may adopt by resolution any special investigative procedures deemed necessary to a particular investigation. Copies of such supplemental procedures shall be furnished to the respondent and all witnesses.

Rule 11. Admissibility of Evidence.—(a) The object of the hearing shall be to ascertain the truth. Any evidence that is relevant and probative shall be admissible, unless privileged or unless the Constitution otherwise requires its exclusion. Objections going only to the weight that should be given to evidence will not justify its exclusion.

(b) The Chairman or other Member presiding shall rule upon any question of admissibility of testimony or evidence presented to the Committee. The Chairman or other Member presiding may limit the presentation of repetitious evidence. Rulings shall be final unless reversed or modified by a majority vote of the Committee members present.

Rule 12. Witnesses.—(a) A subpoena to a witness shall be served sufficiently in advance of his scheduled appearance to allow him a reasonable period of time, as determined by the Committee, to prepare for the hearing and to employ counsel should he so desire.

(b) Except as otherwise specifically authorized by the Chairman, no member of the Committee or staff shall make public the name of any witness subpoenaed by the Committee before the date of his scheduled appearance.

(c) Witnesses at investigative hearings may be accompanied by their counsel for the purpose of advising them concerning their constitutional rights and to raise objections to procedures or to the admissibility of testimony and evidence. Counsel for a witness other than the respondent shall not be permitted to engage in oral argument with the committee. After a witness has testified, his counsel may submit to the committee, in writing, any questions he wishes propounded to his client and any request for additional witnesses or other evidence. Such request may be granted at the committee's discretion.

(d) The respondent may apply to the Committee for the issuance of subpoenas for the appearance of witnesses or the production of documents on his behalf. The application shall be granted upon a concise showing by the respondent that the proposed testimony or evidence, is relevant and not otherwise available. The application shall be denied if not made at a reasonable time or if the testimony or evidence would be merely cumulative.

(e) Each witness subpoenaed by the Committee may sign appropriate vouchers for travel allowances and attendance fees, which may be obtained from the Committee staff.

(f) Each witness appearing before the Committee shall be furnished a printed copy of the Rules of the Committee and the pertinent provisions of the Rules of the House applicable to the rights of witnesses.

Rule 13. *Findings, Conclusions, and Recommendations.*—After completion of the investigative hearings, the Committee, by the affirmative vote of a majority of its members, shall adopt an appropriate resolution, report, or recommendation, which shall be made public and furnished to the complainant, if any, unless a majority of the members of the Committee determines that there is good cause not to do so.

OTHER RULES

Rule 14. Broadcasting of Committee Proceedings.—(a) Whenever any hearing or meeting by the Committee is open to the public the Committee may permit, by majority vote of the Committee, that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any such methods of coverage, under the following rules prescribed in Rule XI 3. (f) of the House of Representatives:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the Committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to Rule XI 2. (k) (5) of the House of Representatives relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed position, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the Committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the Committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the Committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

Rule 15. Confidentiality of Certain Committee Records.—(a) The Chairman of the Committee shall, with the approval of the Committee, establish such procedures as in his judgment may be necessary to prevent the unauthorized disclosure of any information or testimony received by the Committee or its staff.

(b) Unless otherwise authorized by the Committee, the contents of a complaint and the fact of its filing shall not be disclosed publicly by any Member of the Committee or by the staff unless or until the Committee directs service of a copy of the complaint on the respondent under Rule 7(a) (1) for the purpose of obtaining a formal response or directs transmission of a statement of alleged facts and violation under Rule 9(b) for that purpose.

Rule 16. Changes in Rules.—The Rules of the Committee on Standards of Official Conduct may be modified, amended, or repealed, by a majority vote of the Committee, provided that prior written notice of the proposed change has been provided each member of the Committee.

PRINTING OF RULES OF THE COMMITTEE ON ARMED SERVICES

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, in accordance with clause 2(a) of rule XI of the Rules of the House of Representatives, I submit herewith for printing in the

CONGRESSIONAL RECORD the rules of the Committee on Armed Services which were adopted by the committee in open session on Friday, January 26, 1979:

COMMITTEE RULES

RULE 1. MEETING DATE

(a) The Committee on Armed Services will meet every Tuesday at 10 a.m., and at such other times as may be fixed by the chairman or by the written request of members of the committee, pursuant to House rule XI, clause 2(c).

(b) A Tuesday meeting of the committee may be dispensed with by the chairman, but such action may be reversed by a written request of a majority of the members.

RULE 2. SUBCOMMITTEE MEETING DATE

Insofar as possible, meetings of the committee and its subcommittees shall not conflict. Subcommittee chairmen shall set meeting dates after consultation with the chairman with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings wherever possible.

RULE 3. SUBCOMMITTEES

The Committee on Armed Services of the House of Representatives shall be organized to consist of the following standing subcommittees:

The Procurement and Military Nuclear Systems Subcommittee which shall have legislative jurisdiction over the annual authorization for procurement of aircraft, missiles, tracked combat vehicles, and the procurement category, other weapons; military application of nuclear energy, including research and development related thereto; intelligence matters related to national security; and related legislative oversight. The subcommittee also has oversight responsibilities with regard to international arms control and disarmament.

The Seapower and Strategic and Critical Materials Subcommittee which shall have legislative jurisdiction over procurement and construction of naval vessels; sealift; antisubmarine warfare; disposal of naval vessels; strategic and critical materials necessary for the national defense; and related legislative oversight.

The Investigations Subcommittee which shall have legislative jurisdiction over Armed Services Procurement Regulations and related procurement matters; organization of the Department of Defense, including proposed reorganizations; commissaries and exchanges, clubs and related nonappropriated funds activities of the Armed Forces; naval petroleum reserves; and related legislative oversight; and investigative authority in relation to the committee's general oversight responsibilities.

The Research and Development Subcommittee which shall have legislative jurisdiction over annual authorization for research and development; airlift; and related oversight.

The Military Installations and Facilities Subcommittee which shall have legislative jurisdiction over military construction; real estate acquisitions and disposals; housing and support facilities; base closures; real estate generally; civil defense; and related legislative oversight.

The Military Personnel Subcommittee which shall have legislative jurisdiction over authorized strengths; active-duty and reserve training; recruiting; Reserve Officers' Training Corps; Selective Service; military justice; enlistments and separations; awards; academies; human relations; medical care; and related legislative oversight.

The Military Compensation Subcommittee which shall have legislative jurisdiction over pay and allowances; promotion; retirement; and related legislative oversight.

RULE 4. PRECEDENCE

Chairmen of standing subcommittees who sit on a second subcommittee shall rank behind other members serving on that subcommittee as their primary subcommittee assignment.

RULE 5. PANELS OF THE FULL COMMITTEE AND SUBCOMMITTEES

(a) The chairman may designate a panel of the committee drawn from members of more than one subcommittee to inquire into and take testimony on a matter or matters that fall within the jurisdiction of more than one subcommittee and to report to the full committee.

(b) The chairman of a standing subcommittee may designate a panel of such subcommittee to inquire into and take testimony on a specific matter within the jurisdiction of that subcommittee and to report to the subcommittee for further reference to the full committee as may be appropriate.

(c) No panels so appointed shall have legislative jurisdiction.

RULE 6. REFERENCE OF LEGISLATION AND SUBCOMMITTEE REPORTS

(a) The chairman shall refer legislation and other matters to the subcommittee of appropriate jurisdiction within 2 weeks unless, by a majority vote of the members of the full committee, consideration is to be by the full committee.

(b) Bills shall be taken up for hearing only when called by the chairman of the full committee or subcommittee, or by a majority vote of a quorum of the full committee or a subcommittee.

(c) The chairman of the full committee, with approval of a majority of the members voting, a majority of the committee being present, shall have authority to discharge a subcommittee from consideration of any bill, resolution, or other matter referred thereto and have such measure or matter considered by the full committee.

(d) Reports and recommendations of a subcommittee shall not be considered by the full committee until after the intervention of 3 calendar days from the time the report is approved by the subcommittee and printed hearings thereon are available to the members, except that this rule may be waived by a majority vote of a quorum of the committee.

RULE 7. PUBLIC ANNOUNCEMENT OF HEARINGS AND MEETINGS

The full committee and each subcommittee shall make public announcement of the date, place and subject matter of the full committee or subcommittee hearing at least 1 week before the commencement of the hearing. However, if the full committee or subcommittee determines that there is good cause to begin the hearing sooner, it shall make the announcement at the earliest possible date. Any announcement made under this rule shall be promptly published in the Daily Digest.

RULE 8. MEETINGS AND HEARINGS OPEN TO THE PUBLIC

(a) Each committee or subcommittee meeting for the transaction of business, including the markup of legislation, shall be open to the public except when the committee or subcommittee, in open session and with a majority being present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however,* That no person other than members of the committee and/or subcommittee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public.

(b) Each hearing conducted by the full committee or subcommittee shall be open to the public except when the full committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. Notwithstanding the requirements of the preceding sentence, a majority of those present, there being in attendance no less than two members of the committee or subcommittee, may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security, or would tend to defame, degrade, or incriminate any person. If the decision is to close for national security reasons, the vote must be by rollcall vote and in open session, there being a majority of the committee or subcommittee present. Otherwise, if the decision is to close because the testimony may tend to defame, degrade, or incriminate any person, the vote may be by a majority of those present, there being in attendance no less than two members of the committee or subcommittee. However, if the committee or subcommittee elects to receive such testimony in open session, it may do so only if a majority of the members of the committee or subcommittee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person. No member may be excluded from nonparticipatory attendance at any hearing of the full committee or subcommittee, unless the House of Representatives shall by majority vote authorize the full committee or subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to members by the same procedures designated in this rule for closing hearings to the public: *Provided, however,* That the full committee or the subcommittee may by the same procedure vote to close one subsequent day of hearing.

RULE 9. BROADCASTING OF COMMITTEE HEARINGS AND MEETINGS

(a) In accordance with the provision of rule XI, clause 3, Rules of the House of Representatives, it is the purpose of this rule to provide a means, in conformity with acceptable standards of dignity, propriety, and decorum, by which committee or subcommittee hearings or meetings, which are open to the public may be covered, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage. In that regard, the provisions of rule XI, clause 3(a)–(d) are specifically incorporated herein by reference.

(b) The chairman of the full committee or the chairmen of the subcommittees are authorized to determine on behalf of the full committee or its subcommittees respectively whether hearings or meetings which are open may be broadcast, unless the committee or its subcommittees respectively by majority vote determine otherwise.

(c) In accordance with rule XI, clause 3(f), the following provisions shall apply to the broadcasting of committee or subcommittee hearings or meetings which are open to the public:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the re-

quest of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to clause 2(k)(5) of rule XI of the Rules of the House of Representatives, relating to the protection of the rights of witnesses.

(3) No more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing room shall be in accordanec with fair and equitable procedures devised by the executive committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or its subcommittees or the visibility of that witness and that Member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee or subcommittee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee or its subcommittees.

(10) Photographers shall not place themselves in position which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobstructive manner.

RULE 10. QUORUM

A majority of the full committee or subcommittee shall constitute a quorum for reporting or tabling a measure or recommendation. A quorum for the purpose of taking testimony and receiving evidence by either the full committee or any subcommittee shall be not less than two. A quorum for taking any other action shall be not less than one-third of the members of the full committee or subcommittee, unless otherwise indicated in the committee rules.

RULE 11. THE FIVE-MINUTE RULE

(a) The time any one member may address the committee or subcommittee on any bill, motion or other matter under consideration by the committee shall not exceed 5 minutes and then only when the member has been recognized by the chairman, except that this time limit may be exceeded by unanimous consent. Any member, upon request, shall be recognized for not to exceed 5 minutes to address the committee or subcommittee on behalf of an amendment which the member has offered to any pending bill or resolution.

(b) When a meeting is originally convened the members present will be recognized by the chairman in the order of seniority. Those members arriving subsequently will be recognized in the order of their arrival. In any case, when members are recognized, a 2 to 1 party ratio will be observed by the chairman.

RULE 12. SUBPENA AUTHORITY

The full committee, and all subcommittees, may require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. Any such subpena may be authorized and issued by the committee, or subcommittee, in the conduct of any investigation or a series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. The power to authorize and issue subpenas under this rule may be delegated to the chairman of the committee pursuant to such rules and under such limitations as the committee may prescribe. Authorized subpenas shall be signed by the chairman of the committee or any member designated by the committee.

RULE 13. WITNESS STATEMENT

(a) Any prepared statement to be presented by a witness to the committee or a subcommittee shall be submitted to the committee at least 48 hours in advance of presentation and shall be distributed to all members of the committee or subcommittee at least 24 hours in advance of delivery. If a prepared statement contains security information bearing a classification of secret or higher, the statement shall be made available in the committee room to all members of the committee at least 24 hours in advance of delivery; however, no such statement shall be removed from the committee offices. The requirement of this rule may be waived upon a majority of the full committee or any subcommittee a quorum being present.

(b) The full committee and each subcommittee shall, insofar as is practicable, require each witness who is to appear before it to file with the committee (in advance of his or her appearance) a written statement of the proposed testimony and to limit the oral presentation at such appearance to a brief summary of his or her argument.

RULE 14. ADMINISTERING OATHS TO WITNESSES

The chairman of the committee, or any member designated by the chairman, may administer oaths to any witness.

RULE 15. QUESTIONING OF WITNESSES

(a) When a witness is before the committee or subcommittee, members of the committee or subcommittee may put questions to the witness only when they have been recognized by the chairman for that purpose.

(b) Members of the committee or subcommittee who so desire shall have not to exceed 5 minutes to interrogate each witness until such time as each member has had an opportunity to interrogate such witness; thereafter, additional time for questioning witnesses by members is discretionary with the chairman.

(c) Questions put to witnesses before the committee or subcommittee shall be pertinent to the bill or other subject matter that may be before the committee or subcommittee for consideration.

RULE 16. VOTING AND ROLLCALLS

(a) Except as otherwise provided in these rules, voting on a measure or matter may be by record vote, voice vote, or unanimous consent.

(b) Voting on reporting annual authorization bills shall be by record vote.

(c) A rollcall of the members may be had upon the request of five or more members present, in the case of subcommittees, on the request of one-fifth of a majority.

RULE 17. PROXY VOTE

A member may vote by special proxy, which must be in writing, shall assert that the member is absent on official business or is otherwise unable to be present at the meeting of the committee, shall designate the person who is to execute the proxy authorization, and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto. A member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum. A proxy may be used in subcommittee or full committee. All proxies must be filed with the staff director and be available for inspection at any time.

RULE 18. PRIVATE BILLS

No private bill will be reported by the committee if there are two or more dissenting votes. Private bills so rejected by the committee will not be reconsidered during the same Congress unless new evidence sufficient to justify a new hearing has been presented to the Congress.

RULE 19. SUPPLEMENTAL, MINORITY, ADDITIONAL OR DISSENTING VIEWS

If, at the time of approval of any measure or matter by the committee, any member of the committee gives timely notice of intention to file supplemental, minority, additional or dissenting views, that member shall be entitled to not less than 3 calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the staff director of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter.

RULE 20. POINTS OF ORDER

No point of order shall lie with respect to any measure reported by the full committee or any subcommittee on the ground that hearings on such measure were not conducted in accordance with the provisions of the committee rules; except that a point of order on that ground may be made by any member of the full committee or subcommittee which reported the measure if, in the full committee or subcommittee, such point of order was (a) timely made and (b) improperly overruled or not properly considered.

RULE 21. PUBLIC INSPECTION OF COMMITTEE ROLLCALLS

(a) The result of each rollcall in any meeting of the committee shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order, or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those members present but not voting. With respect to each record vote by the committee on each motion to report any bill or resolution of public character, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the committee report.

(b) In the event of such a rollcall vote or votes, when a member is in attendance at any other committee, subcommittee, or conference committee meeting during that time, that circumstance shall be so recorded in the rollcall record, upon timely notification to the chairman from that member.

RULE 22. PROTECTION OF NATIONAL SECURITY INFORMATION

(a) All national security information bearing a classification of secret or higher which has been received by the committee or a subcommittee of the Committee on Armed Services shall be deemed to have been received by the committee in executive session and shall be given appropriate safekeeping.

(b) The chairman of the full committee shall, with the approval of the full committee, establish such procedures as in his judgment may be necessary to prevent the unauthorized disclosure of any national security information received by the committee classified as secret or higher. Such procedures shall, however, insure access to this information by any member of the committee or any other Member of the House of Representatives who has requested the opportunity to review such material.

RULE 23. COMMITTEE STAFFING

The staffing of the full committee and the standing subcommittees shall be subject to the appropriate rules of the House of Representatives, including, among other things, the provisions of rule XI, clause 5(d).

RULES OF COMMITTEE ON FOREIGN AFFAIRS SUBMITTED FOR PRINTING

(Mr. ZABLOCKI asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ZABLOCKI. Mr. Speaker, pursuant to rule XI, clause 2 of the rules of the House, I submit the rules of the Committee on Foreign Affairs adopted January 31, 1979, for printing in the Record:

RULES OF THE COMMITTEE ON FOREIGN AFFAIRS, 96TH CONGRESS

(Adopted January 31, 1979)

1. GENERAL PROVISIONS

The Rules of the House, and in particular the committee rules enumerated in Clause 2 of Rule XI, are the rules of the Committee on Foreign Affairs, to the extent applicable. Each subcommittee of the Committee on Foreign Affairs (hereinafter referred to as the "Committee") is a part of the Committee and is subject to the authority and direction of the Committee, and to its rules to the extent applicable.

2. DATE OF MEETING

The regular meeting date of the Committee shall be the first Tuesday of every month when the House is in session pursuant to Clause 2(b) of Rule XI of the House. Additional meetings may be called by the Chairman as he may deem necessary or at the request of a majority of the Members of the Committee in accordance with Clause 2(c) of Rule XI of the House of Representatives.

The determination of the business to be considered at each meeting shall be made by the Chairman subject to Clause 2(c) of Rule XI of the House of Representatives.

A regularly scheduled meeting need not be held if there is no business to be considered.

3. QUORUM

For purposes of taking testimony and receiving evidence, two Members shall constitute a quorum.

One-third of the Members of the Committee shall constitute a quorum for taking any action, with the following exceptions: (1) reporting a measure or recommendation, (2) closing Committee meetings and hearings to the public, and(3) authorizing the issuance of subpenas.

No measure or recommendation shall be reported to the House unless a majority of the Committee is actually present.

4. MEETINGS AND HEARINGS OPEN TO THE PUBLIC

(a) Each meeting for the transaction of business, including the markup of legislation, of the Committee or a subcommittee shall be open to the public except when the Committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public. No person other than members of the Committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This subsection does not apply to open Committee hearings which are provided for by subsection (b) of this rule or any meeting that relates solely to internal budget or personnel matters.

(b)(1) Each hearing conducted by the Committee or a subcommittee shall be open to the public except when the Committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. Notwithstanding the preceding sentence, a majority of those present, there being in attendance the requisite number required under the rules of the Committee to be present for the purpose of taking testimony—

(A) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate paragraph (2) of this subsection; or

(B) may vote to close the hearing, as provided in paragraph (2) of this subsection.

Whenever it is asserted that the evidence or testimony at an investigatory hearing may tend to defame, degrade, or incriminate any person—

(A) such testimony or evidence shall be presented in an executive session, notwithstanding the provisions of paragraph (1) of this subsection, if by a majority of those present, there being in attendance the requisite number required under the rules of the Committee to be present for the purpose of taking testimony, the Committee or subcommittee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person; and

(B) the Committee or subcommittee shall proceed to receive such testimony in open session only if a majority of the Members, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person.

(3) No Member of the House may be excluded from nonparticipatory attendance at any hearing of the Committee or a subcommittee unless the House of Representatives by majority vote authorized the Committee or subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to Members by the same procedures designated in this subsection for closing hearings to the public.

(4) The Committee or a subcommittee may by the procedure designated in this subsection vote to close one subsequent day of hearing.

5. ANNOUNCEMENT OF HEARINGS AND MARKUPS

Public announcement shall be made of the date, place, and subject matter of any hearing or markup to be conducted by the Committee or a subcommittee at least 1 week before the commencement of that hearing or markup, unless the Committee or subcommittee determines that there is good cause to begin such meeting at an earlier date. Such determination shall be made with respect to any hearing or markup by the Chairman or subcommittee chairman, unless the Committee or subcommittee, by majority vote, shall determine otherwise.

Public announcement of all hearings and markups shall be made at the earliest possible date and shall be published in the Daily Digest portion of the Congressional Record.

Members shall be notified by the Chief of Staff, whenever it is practicable, 1 week in advance of all meetings (including markups and hearings) and briefings of subcommittees and of the full Committee.

The agenda for each Committee and subcommittee meeting, setting out all items of business to be considered, including a copy of any bill or other document scheduled for markup, shall be furnished to each Committee or subcommittee Member by delivery to the Member's office at least 2 full calendar days (excluding Saturdays, Sundays, and legal holidays) before the meeting. The requirement of this paragraph may be waived by a majority vote of the Members of the Committee or subcommittee voting, a quorum being present.

6. WITNESSES

A. Interrogation of witnesses

Insofar as practicable, witnesses shall be permitted to present their oral statements without interruption, questioning by the Committee Members taking place afterward. After completing his questioning, the Chairman shall recognize the ranking majority and then the ranking minority Member, and thereafter in recognizing Members present, he may recognize two majority Members and one minority Member alternating in that order, giving preference to the Members on the basis of their arrival at the hearing, and taking into consideration the ratio of Members actually present. A Member desiring to speak or ask a question shall address the Chairman and not the witness in order to insure orderly procedure.

Each Member may interrogate the witness for 5 minutes, the reply of the witness being included in the 5-minute period. After all Members have had an opportunity to ask questions, the round shall begin again under the 5-minute rule.

The Chairman shall take note of Members who are in their chairs when each day's hearing begins and, insofar as practicable, when the time occurs for interrogation, shall recognize each such Member ahead of all others.

B. Statements of witnesses

So far as practicable, each witness shall file with the Committee, 48 hours in advance of his appearance, a written statement of his proposed testimony and shall make a brief oral summary of his views.

7. PREPARATION AND MAINTENANCE OF COMMITTEE RECORDS

An accurate stenographic record shall be made of all hearings and markup sessions. Members of the Committee and any witness may examine the transcript of his or her own remarks and may make any grammatical or technical changes that do not substantially alter the record. Any such Member or witness shall return the transcript to the Committee offices within 5 calendar days (not including Saturdays, Sundays, and legal holidays) after receipt of the transcript, or as soon thereafter as is practicable.

Any information supplied for the record

at the request of a Member of the Committee shall be provided to the Member when received by the Committee.

Transcripts of hearings and markup sessions (except for the record of a meeting or hearing which is closed to the public) shall be printed as soon as is practicable after receipt of the corrected versions, except that the Chairman may order the transcript of a hearing to be printed without the corrections of a Member or witness if the Chairman determines that such Member or witness has been afforded a reasonable time to correct such transcript and such transcript has not been returned within such time.

8. EXTRANEOUS MATERIAL IN COMMITTEE HEARINGS

No extraneous material shall be printed in either the body or appendixes to any Committee or subcomittee hearing, except matter which has been accepted for inclusion in the record during the hearing. Copies of bills and other legislation under consideration and responses to written questions submitted by Members shall not be considered extraneous material.

Extraneous material in either the body or appendixes to any hearing to be printed which would be in excess of eight printed pages (for any one submission) shall be accompanied by a written request to the Chairman, such written request to contain an estimate in writing from the Public Printer of the probable cost of publishing such material.

9. PUBLIC ANNOUNCEMENT OF COMMITTEE VOTES

The result of each rollcall vote in any meeting of the Committee shall be made available for inspection by the public at reasonable times at the Committee offices, including a description of the amendment, motion, order or other proposition; the name of each Member voting for and against, and whether by proxy or in person, and the Members present but not voting.

A rollcall vote shall be ordered on any question at the request of 20 percent of those present.

10. PROXIES

Proxy voting is permitted in the Committee only under the following conditions:

The proxy authorization—

(a) Shall be in writing;

(b) Shall assert that the Member is absent on official business or is otherwise unable to be present at the meeting of the Committee; and

(c) Shall be limited to a motion to report a bill or a resolution.

Each proxy to be effective shall be signed by the Member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies are not counted for a quorum.

11. PRIOR APPROVAL OF REPORTS

No Committee, subcommittee, or staff report, study, or other document which purports to express publicly the views, findings, conclusions, or recommendations of the Committee or the subcommittee may be released to the public or filed with the Clerk of the House unless approved by a majority of the Members of the Committee or subcommittee, as appropriate. In any case in which Clause 2(1)(5) of House Rule XI does not apply, each Member of the Committee or subcommittee shall be given an opportunity to have views or a disclaimer included as part of the material filed or released, as the case may be.

12. STAFF SERVICES

The Committee staff shall be selected and organized so that it can provide a comprehensive range of professional services in the field of foreign affairs to the Committee, the subcommittees, and all its Members.

The staff shall include persons with training and experience in foreign affairs who have a variety of backgrounds and skills so as to make available to the Committee services of individuals who have a firsthand acquaintance with major countries and areas and with major aspects of U.S. overseas programs and operations.

It is intended that the skills and experience of all members of the Committee staff shall be available to all Members of the Committee.

(a) The professional and clerical employees of the Committee, except those assigned to the minority or to a subcommittee as provided below, shall be appointed, and may be removed, by the Chairman with the approval of the majority of the Members of the Committee. Their remuneration shall be fixed by the Chairman within the ceilings set in Clause 6(c) of Rule XI, and they shall be under the general supervision and direction of the Chairman. Staff assignments are to be authorized by the Chairman or by the Chief of Staff under the direction of the Chairman.

(b) The professional and clerical staff assigned to the minority shall be appointed and their remuneration determined as the minority Members of the Committee shall determine within the general ceiling in Clause 6(c) of Rule XI: *Provided, however,* That no minority staff person shall be compensated at a rate which exceeds that paid his or her majority party staff counterpart. Such staff shall be under the general supervision and direction of the ranking minority Member with the approval or consultation of the minority Members of the Committee.

(c) In the matter of subcommittee staffing:

(1) The chairman of each standing subcommittee of this Committee is authorized to appoint one staff member who shall serve at the pleasure of the subcommittee chairman.

(2) The ranking minority Member of each six standing subcommittees on this Committee is authorized to appoint one staff person who shall serve at the pleasure of said ranking minority Member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (1) and (2) shall be compensated at a rate determined by the subcommittee chairman not to exceed (A) 75 per centum of the maximum established in Paragraph (c) of Clause 6 of Rule XI of the Rules of the House or (B) the rate paid the staff member appointed pursuant to subparagraph (1) of this paragraph.

(4) No member shall appoint more than one person pursuant to the above provisions.

(5) The staff positions made available to the ranking minority party members pursuant to subparagraph (2) of this paragraph shall be made available from the staff positions provided under Clause 6 of Rule XI of the Rules of the House.

13. NUMBER AND JURISDICTION OF SUBCOMMITTEES

(a) The full Committee will handle the markup and reporting of general legislation relating to foreign assistance (including development assistance, security-related aid, and Public Law 480 programs abroad) or relating to the Peace Corps. Regional subcommittees will have responsibility with respect to foreign assistance as follows:

(1) The annual legislative programs of foreign assistance for each region shall be referred to the appropriate subcommittee for review and legislative recommendations, within a time frame to be set by the Committee.

(2) Those subcommittees shall be responsible for ongoing oversight of all foreign assistance activities affecting their region.

(3) Those subcommittees shall have the responsibility of annually reporting to the full Committee, on a timely basis, the findings and conclusions of their oversight, including specific recommendations for legislation relating to foreign assistance.

(b) There shall be eight standing subcommittees. The names and jurisdiction of those subcommittees shall be as follows:

A. Functional subcommittees

There shall be four subcommittees with functional jurisdiction:

Subcommittee on International Security and Scientific Affairs.—To deal with national security and scientific developments affecting foreign policy; strategic planning and agreements; war powers and executive agreements legislation; Arms Control and Disarmament Agency; security aspects of nuclear technology and materials; oversight of military aspects of foreign policy and foreign intelligence; and oversight of State and Defense Department activities involving arms transfers, arms export licenses, administration of security assistance, arms sales, foreign military training and advisory programs, and conventional arms control.

Subcommittee on International Operations.—To deal with Department of State and International Communication Agency operations and legislation; the diplomatic service; international education and cultural affairs; foreign buildings; parliamentary conferences and exchanges; protection of American citizens abroad; and international broadcasting.

Subcommittee on International Economic Policy and Trade.—To deal with measures relating to international economic and trade policy; measures to foster commercial intercourse with foreign countries; export administration; international investment policy; trade and economic aspects of nuclear technology and materials; legislation pertaining to and oversight of the Overseas Private Investment Corporation; commodity agreements; and special oversight of international financial and monetary institutions, the Export-Import Bank, and customs.

Subcommittee on International Organizations.—To deal with oversight of, and legislation pertaining to, the United Nations, its related agencies, and other international organizations; implementation of the Universal Declaration of Human Rights and other matters relating to internationally recognized human rights generally; the American Red Cross; international environmental policy; and oversight of international fishing agreements.

B. Regional subcommittees

There shall be four subcommittees with regional jurisdiction: Subcommittee on Europe and the Middle East; Subcommittee on Asian and Pacific Affairs (including South Asia); Subcommittee on Inter-American Affairs; and the Subcommittee on Africa.

In addition to the responsibilities provided by subsection (a) of this rule, the regional subcommittees shall have jurisdiction over the following:

(1) Matters affecting the political relations between the United States and other countries and regions, including resolutions or other legislative measures directed to such relations.

(2) Legislation with respect to disaster assistance outside the Foreign Assistance Act, boundary issues, and international claims.

(3) Legislation with respect to region- or country-specific loans or other financial relations outside the Foreign Assistance Act.

(4) Resolutions of disapproval under section 36(b) of the Arms Export Control Act, with respect to foreign military sales.

(5) Oversight of regional lending institutions.

(6) Identification and development of options for meeting future problems and issues relating to U.S. interests in the region.

(7) Environmental, population, and energy affairs affecting the region.

(8) Base agreements and regional security pacts.

(9) Oversight of matters relating to parliamentary conferences and exchanges involving the region.

(10) Concurrent oversight jurisdiction with respect to matters assigned to the functional subcommittees insofar as they may affect the region.

14. POWERS AND DUTIES OF SUBCOMMITTEES

Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full Committee on all matters referred to it. Subcommittee chairmen shall set meeting dates after consultation with the Chairman of the full Committee and other subcommittee chairmen, with a view toward avoiding simultaneous scheduling of Committee or subcommittee meetings or hearings whenever possible. It shall be the practice of the Committee that meetings of subcommittees not be scheduled to occur simultaneously with meetings of the full Committee.

In order to insure orderly and fair assignment of hearing and meeting rooms, hearings and meetings should be arranged in advance with the Chairman through the Chief of Staff of the Committee.

The Chairman and the ranking minority Member of the full Committee may attend the meetings and participate in the activities of all subcommittees, except for voting and being counted for a quorum.

15. REFERRAL OF BILLS BY CHAIRMAN

All legislation and other matters referred to the Committee shall be referred by the Chairman to the subcommittee of appropriate jurisdiction within 2 weeks, unless by majority vote of the majority party Members of the full Committee, consideration is to be otherwise effected. The Chairman may designate a subcommittee chairman or other Member to take responsibility as "floor manager" of a bill during its consideration in the House.

16. PARTY RATIOS ON SUBCOMMITTEES AND CONFERENCE COMMITTEES

The majority party caucus of the Committee shall determine an appropriate ratio of majority to minority party Members for each subcommittee: Provided, however, That party representation on each subcommittee or conference committee shall be no less favorable to the majority party than the ratio for the full Committee. The Chairman of the full Committee and the ranking minority Member are authorized to negotiate matters affecting such ratios including the size of subcommittees and conference committees.

17. SUBCOMMITTEE BUDGETS AND RECORDS

(a) Each subcommittee shall have an adequate budget to discharge its responsibility for legislation and oversight.

(b) In order to facilitate Committee compliance with Paragraph (e)(1) of Clause 2, Rule XI, each subcommittee shall keep a complete record of all subcommittee actions which shall include a record of the votes on any question on which a rollcall vote is demanded. The result of each rollcall vote shall be promptly made available to the full Committee for inspection by the public at reasonable times in the offices of the Committee. Information so available for public inspection shall include a description of the amendment, motion, order, or other proposition and the name of each Member voting for and each Member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those Members present but not voting.

All subcommittee hearings, records, data, charts, and files shall be kept distinct from the congressional office records of the Member serving as chairman of the subcommittee. Such records shall be coordinated with the records of the full Committee, shall be the property of the House, and all Members of the House shall have access thereto.

18. MEETINGS OF SUBCOMMITTEE CHAIRMAN

The subcommittee chairman shall meet on a regularly scheduled basis to be determined by the subcommittee chairmen, but in any event not less frequently than once a month. It shall be the practice at such meetings to review the current agenda and activtities of each of the subcommittees. Each majority party Member of the Committee shall have the right to attend such meetings.

19. ACCESS TO CLASSIFIED INFORMATION

It shall be the policy of the Committee to afford access to classified information under its control for its own Members and other Members of the House of Representatives.

Authorized persons.—In accordance with the stipulations of the House Rules, all Members of the House shall be construed to be persons authorized to have access to classified information within the possession of the Committee.

Members of the Committee staff shall be construed to be authorized access to classified information within the possession of the Committee (1) when they have the proper clearances, and (2) when they have a demonstrable "need to know". The decision on whether a given staff member has a "need to know" will be made on the following basis:

(a) In the case of the full Committee majority staff, by the Chairman, acting through the Chief of Staff;

(b) In the case of the full Committee minority staff, by the ranking minority Member of the Committee, acting through the Minority Staff Director;

(c) In the case of subcommittee majority staff, by the Chairman of the subcommittee;

(d) In the case of the subcommittee minority staff, by the ranking minority Member of the subcommittee.

No other individual shall be considered authorized persons, unless so designated by the Committee Chairman.

Designated persons.—Each Committee Member is permitted to designate one member of his or her staff as having the right of access to classified information in the "confidential" category. Such designated persons must have the proper security clearance and a "need to know" as determined by his or her principal. Upon request of a Committee Member in specific instances, a designated person also shall be permitted access to information classified "secret" which has been furnished to the Committee pursuant to section 36(b) of the Arms Export Control Act, as amended. Designation of a staff person shall be by letter from the Committee Member to the Committee Chairman.

Location.—Classified information will be kept in secure safes in the Committee rooms. All materials bearing the designation "top secret" must be kept in the main Committee offices, 2170 Rayburn House Office Building. "Top Secret" materials may not be taken from that location for any purpose.

Materials bearing designations "confidential" or "secret" may be taken from Committee offices to other Committee offices and hearing rooms by Members of the Committee and authorized Committee staff in connection with hearings and briefings of the Committee or its sub-units for which such information is deemed to be essential. Removal of such information from the Committee offices shall be only with the permission of the Chairman of the full Committee, under procedure designed to insure the safe handling and storage of such information at all times.

Notice.—Notice of the receipt of classified documents received by the Committee from the Executive will be sent promptly to Committee Members. The notice will contain information on the level of classification.

Access.—Except as provided for above, access to classified materials held by the Committee will be in the main Committee offices in a designated "reading room". The following procedures will be observed:

(a) Authorized or designated persons will be admitted to the reading room after inquiring of the Chief of Staff or an assigned staff member. The reading room will be open during regular Committee hours.

(b) Authorized or designated persons will be required to identify themselves, to identify the documents or information they wish to view, and to sign the Classified Materials Log, which is kept with the classified information.

(c) No photocopying or other exact reproduction, oral recording, or reading by telephone, of such classified information is permitted.

(d) The assigned staff member will be present in the reading room at the option of the authorized person. Such staff member will be responsible for maintaining a log which identifies (1) authorized and designated persons seeking access, (2) the classified information requested, and (3) the time of arrival and departure of such persons. The assigned staff member will also assure that the classified materials are returned to the proper location.

(e) The Classified Material Log will contain a statement acknowledged by the signature of the authorized or designated person that he or she has read the Committee rules and will abide by them.

Divulgence.—Any classified information to which access has been gained through the Committee may not be divulged to any unauthorized person in any way, shape, form, or manner. Apparent violations of this rule should be reported to the Chairman of the full Committee at once, and by him to the full Committee as promptly as possible.

Other regulations.—So long as they do not conflict with any of the rules herein set down, the Chairman of the full Committee may establish other regulations and procedures as in his judgment may be necessary to safeguard classified information under the control of the Committee. Members of the Committee will be given notice of any such regulations and procedures promptly. They may be modified or waived in any or all particulars by a majority vote of the full Committee. Furthermore, any additional regulations and procedures should be incorporated into the written rules of the Committee at the earliest opportunity.

20. BROADCASTING OF COMMITTEE HEARINGS AND MEETINGS

When requested by the Superintendent of the House Radio and Television Gallery and upon approval by the Committee or its subcommittees, all Committee and subcommittee hearings which are open to the public may be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any such methods of coverage; *Provided* That such request is submitted to the Committee or its subcommittees not later than 4 p.m. of the day preceding such hearings.

The Chairman of the full Committee or the chairman of the subcommittees are authorized to determine on behalf of the full Committee or its subcommittees respectively whether hearings which are open may be broadcast, unless the Committee or its subcommittees respectively by majority vote determine otherwise.

Such coverage shall be in accordance with the following requirements (Section 116(b) of the Legislative Reorganization Act of 1970; Clause 3(f) of Rule XI of the Rules of the House of Representatives):

(a) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(b) No witness served with a subpena by

the Committee shall be required against his will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to Clause 2(k) (5) of Rule XI of the Rules of the House of Representatives, relating to the protection of the rights of witnesses.

(c) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among cameras permitted in a hearing room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(d) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any Member of the Committee or its subcommittees or the visibility of that witness and that Member to each other.

(e) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(f) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the Committee or subcommittee is in session.

(g) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing room, without cost to the Government, in order to raise the ambient lighting level in the hearing room to the lowest level necessary to provide adequate television coverage to the hearing or meeting at the then current state of the art of television coverage.

(h) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(i) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the Members of the Committee or its subcommittees.

(j) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(k) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(l) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery Committee of Press Photographers.

(m) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

21. SUBPENA POWERS

A subpena may be authorized and issued by the Committee or its subcommittees, in accord with House Rule XI; Clause 2(m), in the conduct of any investigation or series of investigations, only when authorized by a majority of the Members voting, a majority of the Committee or subcommittee being present. Pursuant to House Rules and under such limitations as the Committee may prescribe, the Chairman may be delegated the power to authorize and issue subpenas in the conduct of any investigation or series of investigations. Authorized subpenas shall be signed by the Chairman of the Committee or by any Member designated by the Committee.

22. RECOMMENDATION FOR APPOINTMENT OF CONFEREES

Whenever the Speaker is to appoint a conference committee, the Chairman shall recommend to the Speaker as conferees those Members of the Committee who are primarily responsible for the legislation (including to the fullest extent feasible the principal proponents of the major provisions of the bill as it passed the House), who have actively participated in the Committee or subcommittee consideration of the legislation, and who agree to attend the meetings of the conference.

23. OTHER PROCEDURES AND REGULATIONS

The Chairman of the full Committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the Committee. Any additional procedures or regulations may be modified or rescinded in any or all particulars by a majority vote of the full Committee.

RULES OF THE COMMITTEE ON GOVERNMENT OPERATIONS

(Mr. BROOKS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BROOKS. Mr. Speaker, pursuant to clause 2(a) of rule XI of the House of Representatives, herewith are submitted for publication in the CONGRESSIONAL RECORD the Rules of the Committee on Government Operations, which were adopted on February 1, 1979:

RULES OF THE COMMITTEE ON GOVERNMENT OPERATIONS

U.S. HOUSE OF REPRESENTATIVES

96th Congress

Rule 1.—Application of Rules

Except where the terms "full committee" and "subcommittee" are specifically referred to, the following rules shall apply to the Committee on Government Operations and its subcommittees as well as to the respective chairmen.

[See House Rule XI, 1.]

Rule 2.—Meetings

The regular meetings of the full committee shall be held on the second Tuesday each month at 10 a.m., except when Congress has adjourned. The chairman is authorized to dispense with a regular meeting or to change the date thereof, and to call and convene additional meetings, when circumstances warrant. A special meeting of the committee may be requested by members of the committee in accordance with the provisions of House Rule XI, 2(c) (2). Subcommittees shall meet at the call of the subcommittee chairmen. Every member of the committee or the appropriate subcommittee, unless prevented by unusual circumstances, shall be provided with a memorandum at least three calendar days prior to each meeting or hearing explaining (1) the purpose of the meeting or hearing; and (2) the names, titles, background and reasons for appearance of any witnesses. The minority staff shall be responsible for providing the same information on witnesses whom the minority may request.

[See House Rule XI, 2(b).]

Rule 3.—Quorums

A majority of the members of the committee shall constitute a quorum, except that two members shall constitute a quorum for taking testimony and receiving evidence and one-third of the members shall constitute a quorum for taking any action other than the reporting of a measure or recommendation. Proxies shall not be used to establish a quorum. If the chairman is not present at any meeting of the committee or subcommittee, the ranking member of the majority party on the committee or subcommittee who is present shall preside at that meeting.

[See House Rule XI, 2(h).]

Rule 4.—Committee Reports

Bills and resolutions approved by the committee shall be reported by the chairman in accordance with House Rule XI, 2(l).

Every investigative report shall be approved by a majority vote of the committee at a meeting at which a quorum is present. Supplemental, minority, or additional views may be filed in accordance with House Rule XI, 2(l) (5). The time allowed for filing such views shall be three calendar days (excluding Saturdays, Sundays, and legal holidays) unless the committee agrees to a different time, but agreement on a shorter time shall require the concurrence of each member seeking to file such views. A proposed report shall not be considered in subcommittee or full committee unless the proposed report has been available to the members of such subcommittee or full committee for at least three calendar days (excluding Saturdays, Sundays, and legal holidays) prior to the consideration of such proposed report in subcommittee or full committee. If hearings have been held on the matter reported upon, every reasonable effort shall be made to have such hearings available to the members of the subcommittee or full committee prior to the consideration of the proposed report in such subcommittee or full committee.

Rule 5.—Proxy Votes

A member may vote by proxy on any measure or matter before the committee and on any amendment or motion pertaining thereto. A proxy shall be in writing and be signed by the member granting the proxy; it shall show the date and time of day it was signed and the date for which it is given and the member to whom the proxy is given. Each proxy authorization shall state that the member is absent on official business or is otherwise unable to be present; shall be limited to the date and the specific measure or matter to which it applies; and, unless it states otherwise, shall apply to any amendments or motions pertaining to that measure or matter.

[See House Rule XI, 2(f).]

Rule 6.—Roll Calls

A roll call of the members may be had upon the request of any member.

[See House Rule XI, 2(e).]

Rule 7.—Record of Committee Actions

The committee staff shall maintain in the committee offices a complete record of committee actions including a record of the rollcall votes taken at committees business meetings. The original records, or true copies thereof, as appropriate, shall be available for public inspection whenever the committee offices are open for public business. The staff shall assure that such original records are preserved with no unauthorized alteration, additions, or defacement.

[See House Rule XI, 2(e).]

Rule 8.—Subcommittees; Referrals

There shall be seven subcommittees with appropriate party ratios which shall have fixed jurisdictions. Bills, resolutions, and other matters shall be referred by the chairman to subcommittees within two weeks for consideration or investigation in accordance with their fixed jurisdictions. Where the subject matter of the referral involves the jurisdiction of more than one subcommittee or does not fall within any previously assigned jurisdiction, the chairman shall refer the matter as he may deem advisable. Bills, resolutions, and other matters referred to subcommittees may be reassigned by the chairman when, in his judgment, the subcommittee is not able to complete its work or cannot reach agreement thereon.

[See House Rule XI, 1(a)(2).]

Rule 9.—Ex Officio Members

The chairman and the ranking minority member of the committee shall be ex officio members of all subcommittees. They are authorized to vote on subcommittee matters; but, unless they are regular members of the subcommittee, they shall not be counted in determining a subcommittee quorum other than a quorum for the purpose of taking testimony.

Rule 10.—Staff

Except as otherwise provided by House Rule XI, 5 and 6, the chairman of the full committee shall have the authority to hire and discharge employees of the professional and clerical staff of the full committee and of subcommittees subject to appropriate approval.

Rule 11.—Staff Direction

Except as otherwise provided by House Rule XI, 5 and 6, the staff of the committee shall be subject to the direction of the chairman of the full committee and shall perform such duties as he may assign.

Rule 12.—Hearing Dates and Witnesses

The chairman of the full committee will announce the date, place, and subject matter of all hearings at least one week prior to the commencement of any hearings, unless he determines that there is good cause to begin such hearings at an earlier date. In order that the chairman of the full committee may coordinate the committee facilities and hearing plans, each subcommittee chairman shall notify him of any hearing plans at least two weeks in advance of the date of commencement of hearings, including the date, place, subject matter, and the names of witnesses, willing and unwilling, who would be called to testify, including, to the extent he is advised thereof, witnesses whom the minority members may request. The minority members shall supply the names of witnesses they intend to call to the chairman of the full committee or subcommittee at the earliest possible date. Witnesses appearing before the committee shall, so far as practicable, submit written statements at least 24 hours in advance of their appearance.

[See House Rule XI, 2(g)(3), (g)(4), (j), and (k).]

Rule 13.—Open Meetings

Meetings for the transaction of business and hearings of the committee shall be open to the public or closed in accordance with Rule XI of the House of Representatives.

[See House Rule XI, 2(g) and (k)].

Rule 14.—Five-Minute Rule

A committee member may question a witness only when recognized by the chairman for that purpose. In accordance with House Rule XI, 2(j)(2), each committee member may request up to five minutes to question a witness until each member who so desires has had such opportunity. Until all such requests have been satisfied, the chairman shall, so far as practicable, recognize alternately on the basis of seniority those majority and minority members present at the time the hearing was called to order and others on the basis of their arrival at the hearing. Thereafter, additional time may be extended at the direction of the chairman.

Rule 15.—Investigative Hearings; Procedure

Investigative hearings shall be conducted according to the procedures in House Rule XI, 2(k). All questions put to witnesses before the committee shall be relevant to the subject matter before the committee for consideration, and the chairman shall rule on the relevance of any questions put to the witness.

Rule 16.—Stenographic Record

A stenographic record of all testimony shall be kept of public hearings and shall be made available on such conditions as the chairman may prescribe.

Rule 17.—TV, Radio, and Photographs

When approved by a majority vote, an open meeting or hearing of the committee or a subcommittee may be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, subject to the provisions of House Rule XI, 3. In order to enforce the provisions of said rule or to maintain an acceptable standard of dignity, propriety, and decorum, the chairman may order such alteration, curtailment, or discontinuance of coverage as he determines necessary.

Rule 18.—Additional Duties of Chairman

The chairman of the full committee shall:

(*a*) Make available to other committees the findings and recommendations resulting from the investigations of the committee or its subcommittees as required by House Rule X, 4(c)(2);

(*b*) Arrange such meetings, designate participants and submit such reports to the House as may be necessary to carry out the coordination of oversight activities and reporting requirements under House Rule X, 2(c);

(*c*) *Direct such review and studies on the* impact or probable impact of tax policies affecting subjects within the committee's jurisdiction as required by House Rule X, 2(d);

(*d*) Submit to the Committee on the Budget views and estimates required by House Rule X, 4(g), and to file reports with the House as required by the Congressional Budget Act;

(*e*) Authorize and issue subpenas as provided in House Rule XI, clause (2)(m)(1), in the conduct of any investigation or activity or series of investigations or activities within the jurisdiction of the committee; and

(*f*) Prepare, after consultation with subcommittee chairmen and the minority, a budget for the committee which shall include an adequate budget for the subcommittees to discharge their responsibilities.

ILLINOIS SENATE SUPPORTS SNOW EMERGENCY AMENDMENT

(Mr. McCLORY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. McCLORY. Mr. Speaker, during the last half of January, northern Illinois experienced one of the worst blizzards in recorded history.

Millions of Illinois residents gallantly battled fierce winds, subzero temperatures, and waist-high snow drifts. Conditions were so severe, in fact, that on January 16, 1979, President Carter declared a snow emergency for 22 counties (later 24 counties) in northern Illinois. This entitled local units of government and the State to two-thirds Federal assistance to pay for clearing roads for emergency access in order to save lives and to protect public safety and health.

Mr. Speaker, unfortunately the supplemental assistance was not effective until 12:01 a.m. on January 16, 1979, or almost 3½ days after the blizzard conditions developed.

Illinois communities that raced around the clock to clean off the snow from highways and major streets will be denied their fair share of this Federal assistance, while those communities that were not as zealous will proportionally receive more in the Federal assistance because a disproportionate share of their clean-up efforts occurred after the day of declaration went into effect.

The amendment to the Federal Disaster Relief Act of 1974 recently introduced in the Senate by my Illinois colleagues, Senator CHARLES H. PERCY and Senator ADLAI E. STEVENSON III would resolve that inequity. I have introduced similar legislation in the House, as have my Illinois colleagues, Congressmen JOHN ANDERSON, PHIL CRANE, GEORGE O'BRIEN, MORGAN MURPHY, MARTIN RUSSO, ED DERWINSKI, HENRY HYDE, SIDNEY YATES, ABNER MIKVA, JOHN ERLENBORN, TOM CORCORAN, BOB MICHEL, TOM RAILSBACK, CARDISS COLLINS, and DAN ROSTENKOWSKI, as well as Congressmen DELLUMS of California, BOB YOUNG of Missouri, VENTO of Minnesota, MARLENEE of Montana, STANGELAND of Minnesota, ERTEL of Pennsylvania, MAVROULES of Massachusetts, AKAKA of Hawaii, BEVILL of Alabama, HAMILTON of Indiana, CORRADA of Puerto Rico, BEARD of Rhode Island, SAM HALL of Texas, RAHALL of West Virginia, LEACH, KINDNESS of Ohio, FORSYTHE of New Jersey, SOLARZ of New York, COLEMAN of Missouri, TAUKE of Iowa. MOAKLEY of Massachusetts, AUSTIN MURPHY of Pennsylvania, NATCHER of Kentucky, and BENJAMIN of Indiana.

As you can see, there is widespread support for this amendment. At this time I am pleased to introduce a resolution passed by the Illinois Senate on January 31, 1979, supporting this amendment and commending our Illinois Senators:

SENATE RESOLUTION No. 7

Whereas, Twenty-two northern counties of the State of Illinois experienced an extreme snow emergency in January of 1979; and

Whereas, The President of the United States invoked Section 301 of the Disaster Relief Act of 1974 at 12:01 a.m. on Tuesday, January 16, 1979; and

Whereas, Many communities in Illinois incurred substantial snow removal costs on the 13th, 14th, and 15th of January 1979; and

Whereas, Section 301 of the Disaster Relief Act of 1974 as currently written cannot cover snow removal costs for those days; and

Whereas, The two United States Senators from Illinois, Senator Adlai E. Stevenson III and Senator Charles H. Percy, along with Senator Richard G. Lugar and Senator Birch Bayh have introduced S. 188 in the Ninety-Sixth Congress which would provide for retroactive financial assistance for snow removal by the federal government in those twenty-two counties of Illinois dating from January 1, 1979; therefore be it

Resolved, by the Senate of the Eighty-First General Assembly of the State of Illinois, that we commend Senators Stevenson and Percy for their sponsorship of S. 188 and efforts to relieve the unusual financial burden imposed on Illinois communities by snow emergency; and be it further

Resolved, That the Senate of the Eighty-First General Assembly express our support for the passage of S. 188 by the Congress of the United States and that a suitable copy of this resolution be transmitted to each member of Congress from the State of Illinois.●

SPORTS ANTITRUST REFORM ACT OF 1979

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, I am today introducing the Sports Antitrust Reform Act of 1979 (H.R. 2129). The bill has two principal objectives: To repeal baseball's antitrust exemption and to make it illegal for any pro sports team in a large metropolitan area to refuse to permit other teams to play in that area.

In 1922, the Supreme Court ruled that baseball was not an interstate business and, therefore, was exempt from the antitrust laws. Since then, other sports have sought similar antitrust immunity, but the courts have recognized that these sports are obviously engaged in interstate commerce and are subject to the antitrust laws. Nonetheless, as recently as 1972, the Supreme Court—while admitting that baseball's antitrust exemption is "an aberration"—refused to overturn its 1922 decision which judicially created baseball's antitrust exemption. Repeal of baseball's exemption, the Court held, must come from Congress.

I introduced a bill in 1976 to repeal the baseball exemption, and the Justice Department quickly endorsed that bill. In January 1977, the House Select Committee on Professional Sports concluded that—

> Adequate justification does not exist for baseball's special exemption from the antitrust laws and that its exemption should be removed in the context of overall sports antitrust reform. H. Rept. 94-1786 at p. 60.

My bill would accept the invitations for congressional action which have been made by the Supreme Court and the House Select Committee on Professional Sports.

In addition, the Sports Antitrust Reform Act of 1979 would address the issue of a teams' having "exclusive territorial rights" entitling it to prevent other teams from playing that sport within a specified distance from its city. Two actual cases should suffice to explain the nature of the problem. First, the owners of the Baltimore Orioles have the "right"—pursuant to an agreement with all the other owners of American League baseball teams—to prevent any other American League owner from locating a team and playing in Washington, D.C. Second, the owners of the Los Angeles Rams are moving their National Football League team to Anaheim and they have indicated that they will exercise their "right" to prevent any other NFL team from playing in the Los Angeles area.

City officials and residents of Washington and Los Angeles are justifiably outraged over the refusal by the Baltimore Orioles and soon-to-be Anaheim Rams to permit new teams to play in R. F. Kennedy Stadium in Washington or in the Coliseum or other excellent facilities in the Los Angeles area. Because of the unjustified territorial restrictions—monopoly rights—asserted by teams like the Orioles and Rams, cities like Washington and Los Angeles stand to lose millions of dollars annually in taxes and revenues.

Historically, professional sports leagues have sought to justify these territorial restrictions by arguing that a geographic area cannot support more than one team in any sport. In a study prepared for the Brookings Institute, however, the distinguished economist Roger Noll refuted these arguments and established the fact that metropolitan areas with population in excess of 2 million can readily support at least two teams in particular sports, with both teams making healthy profits.

The Sports Antitrust Reform Act of 1979, therefore, would prohibit any exclusive territorial rights by sports owners except where the population of the "home territory" is less than 2 million. Under the bill, therefore, the cities of Washington and Los Angeles could actively seek professional sports franchises despite the objections of teams which operate in nearby cities. In that regard, the bill would strip professional sports owners of some of their unfair monopoly power. The bill would have the effect of requiring franchise location decisions to be based on real economics, not greed. Many cities with the capability of supporting professional teams are unfairly stymied by leaguewide monopoly agreements granting each team certain exclusive territorial rights. My bill would—and Congress should—remove those artificial restrictions which deprive many fans of the opportunity to enjoy their favorite sports and which deprive many cities of the opportunity to collect revenues and taxes.

Mr. Speaker, the text of the Sports Antitrust Reform Act of 1979 follows these remarks:

H.R. 2129

A bill to repeal baseball's antitrust exemption, to prohibit certain territorial restrictions in professional sports, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Sports Antitrust Reform Act of 1979".

SEC. 2. The Clayton Act (15 U.S.C. 12 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 27. (a) As used in the antitrust laws, the words 'trade or commerce' shall be deemed to include the interstate business of any organized professional sport, including baseball.

"(b)(1) It shall be unlawful for any person engaging in or conducting an organized professional team sport of baseball, football, basketball, hockey or soccer, directly or indirectly to grant, possess or exercise an exclusive right to engage in, conduct or exhibit games of such organized professional team sport in any geographic area except in a home territory in which there are less than 2 million residents.

"(2) As used in this subsection—

"(A) The term 'person' includes any individual, partnership, corporation or unincorporated associat'on or any combination or association thereof, or any professional sports league.

"(B) The term 'home territory' means the city or county or other geographic jurisdiction in which an organized professional sports team is located and plays its home games, and such term includes the area within 75 miles in every direction from the boundary or corporate limits of such city, county or jurisdiction."●

SOVIET MILITARY DOCTRINE AND SALT II

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, the United States and the Soviet Union appear to be on the verge of reaching a SALT II agreement. There is little doubt that the treaty will be subject to intense scrutiny in Congress. Much of the debate will concern the technical characteristics and capabilities of weapons systems, but a key feature must also be an analysis of the military doctrines which provide the decisionmaking foundation for the development, procurement, deployment, and operations of these weapons systems.

Unfortunately, the level of the public debate on Soviet military doctrine has been inadequate. We will need to improve our understanding of the substance and process of Soviet military decisionmaking in order to appraise realistically the impact of the SALT II treaty on American national security. A major part of this effort must be to understand the factors which Soviet planners must take into consideration. An obvious example is the Sino-Soviet conflict. What role does China play in Soviet military thinking? How does it influence Soviet force structure decisions? Deployment decisions? Procurement decisions? There is always a danger that Soviet forces deployed against China could be shifted to the European front. But this does not automatically mean that Soviet troops deployed against China are as threatening to Western Europe as are Warsaw Pact forces.

An equally important question concerns Soviet attitudes toward deterrence and so-called war fighting capability. These are very different doctrines in theory. But in practice could they both be defensive doctrines? This will be an important issue in the coming SALT debate.

The Brookings Institution is currently engaged in a study of Soviet strategic doctrine which will include a perceptive analysis of the Soviet view of deterrence. The study, authored by Robert Berman and John Baker, will move us away from simplistic notions about "war fighting" and instead move us into the real world of military decisionmaking.

A portion of this study has been released in the recent Arms Control Association newsletter in an article on the role of the Soviet Backfire bomber in Soviet strategic and theater modernization doctrines. I believe it is a significant contribution to improving our understanding of the relation between Soviet weapon characteristics and military doctrine. It should help Congress debate the impact of SALT II on American national security with a realistic assessment of the Backfire instead of relying on "worst case" scenarios which no military planner would endorse.

The authors argue that:

First. Most analyses of the Backfire are inaccurate because they fail to examine overall Soviet military strategy, which is quite different than ours, reflecting their different geopolitical situation;

Second. Soviet strategic nuclear strategy is not that of "war fighting," but of denial; that is, the Soviets seek to neutralize or disrupt an adversary's capability of attacking.

Third. Given this analysis of Soviet nuclear strategy, the most useful weapon to fulfill such a mission is still the land-based ICBM. Manned bombers are too slow for such a time-critical mission; and

Fourth. The Backfire, therefore, is designed principally for regional tactical missions—not for intercontinental strikes against the U.S. mainland.

The authors also point out that misunderstanding Backfire could result in diversion of air defense dollars from defense of NATO and U.S. naval forces in order to build air defenses in the United States.

The full text of the article follows these remarks:

BACKFIRE PLAGUES SALT

(By Robert P. Berman and John C. Baker)

(One of the final points of controversy in the SALT II negotiations has been the role of the Soviet Backfire bomber: is it a long-range bomber which threatens the U.S. or merely a theater weapon deployed against Western Europe and China? The U.S. delegation has contended that Backfires could be used for intercontinental strikes, thus should be counted as delivery vehicles for nuclear warheads. The Soviets say no. The impasse may be solved by a special letter from Soviet party leader Leonid Brezhnev guaranteeing against deployment of the bomber in an intercontinental configuration.

(Robert P. Berman and John C. Baker are researchers at the Brookings Institution in Washington, D.C., where both are involved in a study of Soviet strategic forces. In this article, Berman and Baker warn against simple comparisons of the Backfire with U.S. bomber forces, and place the aircraft in the appropriate contexts of Soviet strategic doctrine and the modernization of Soviet theater forces.)

Judging the role and mission of the Soviet bomber NATO authorities call Backfire has been a nagging issue for Western defense analysts and SALT negotiators in recent years. Western intelligence first noticed plans for Backfire in 1969, and the plane entered operational service with the Soviet Long-Range (LRA) and Naval Aviation (SNA) units in 1974. Since then, Backfire has been replacing TU-15 Badger and TU-22 Blinder aircraft. For every two Backfires that enter service, about three Badgers or Blinders are retired. Presently some 115 Backfire bombers are divided about equally between Long Range and Naval Aviation. Production is now estimated at about 30 per year, but could rise slightly in the future. Eventually some 450 Backfires could be in service; split either 100/350 or 190/260 between the SNA and the LRA.

A simple comparison of Backfire to the U.S. bomber force and its capabilities cannot properly evaluate the military significance of the aircraft. Backfire's importance must be weighed in the context of overall Soviet military strategy.

REGION WORRIES SOVIETS

Certain fundamental influences have shaped the distinctive development of Soviet military policy in general, and Soviet strategic forces in particular. The most basic of these influences stems from Russia's position as a large continental nation separated from powerful neighbors by long and relatively accessible borders. The geopolitical position of the Soviets accounts for their continuing preoccupation with developments in areas contiguous to their eastern and western boundaries. Potential threats from both China and Western Europe have given the Soviet government, like Imperial Russia, an ingrained fear of the possibility of a two-front war. Various historical experiences, particularly World War II, have fostered visceral Soviet apprehensions of military action by West Germany or Japan. Today the Soviets have the added worry of continuing hostility from China.

One result of this situation has been the development of a Soviet regional strategic perspective that reflects a great deal of sensitivity toward political developments and military threats along the periphery of the U.S.S.R.

Not surprisingly, this orientation is more analogous to that of other continental states than to the peculiar strategies developed by a transoceanic nation like the United States. The Soviets do not, like the United States, limit their strategic weapons systems or operations to those needed for deep-strike capabilities. The Soviets have a broader conception than the U.S. of what weapons are strategically important.

Soviet military planning assumes that strategic operations in wartime would be carried out in many theaters. The theaters might be on the ground, maritime or intercontinental, and the Soviets rank various theaters as primary or secondary according to their military, political and economic significance. The Soviet definition of an intercontinental theater of operations includes not only the continents on which the warring countries are located, but the open ocean in between.

The proximity of potentially hostile states to the U.S.S.R. may explain the relatively high threat perceptions held by the Soviet political and military leadership. While it is uncertain how this factor actually affects Soviet strategic force levels and targeting requirements, the geographical proximity of the U.S.S.R. to its potential adversaries probably increases the level of forces it maintains and assigns against local areas. America's remoteness from its enemies relieves U.S. military leaders of planning to counter local threats.

DOCTRINE OF DENIAL

An approach to modern warfare rooted in traditional military concepts also helps explain the distinctive Soviet strategic doctrine. Many analysts have characterized U.S. doctrine as one designed for deterrence, while Soviet strategy is based upon warfighting. Such an overdrawn distinction hinders more than helps to understand Soviet military doctrine, however, since both sides actually seek deterrence and maintain forces that could be brought to bear in case of a failure of deterrence.

The real difference between U.S. and Soviet doctrines is not deterrence versus warfighting, but rather between different approaches to both deterrence and hedging against its lapse. The two concepts differ mainly by implying distinct types of capabilities necessary for each country to establish a credible deterrent.

American strategic doctrine seeks deterrence through the threat of punishment, while Soviet strategy emphasizes deterrence through a denial capability. By deterrence through punishment, the U.S. seeks to deter an attacker from launching a first strike by maintaining a capability guaranteeing the attacker that he will suffer unacceptable damage in a retaliatory strike. By comparison, Soviet deterrence through denial doctrine seeks to deter an attacker by convincing him that he could not carry out a successful attack, and therefore would gain no advantage by striking first. While the U.S. punishment doctrine places priority upon a capability to inflict heavy destruction on the adversary's society, the Soviet denial doctrine requires the best capability possible for neutralizing and disrupting an adversary's attack.

DISTINCTIVE WEAPONS

Since the strategic doctrines of punishment and denial imply different means to achieve a credible deterrent, they have differing target priorities, requiring distinctive weapons. Strategic forces supporting a punishment doctrine must be able to inflict inevitable and unacceptable retaliation upon the enemy, especially upon his urban areas and industrial capability. A wide range of strategic forces is necessary to provide a high degree of confidence that sufficient retaliation upon the enemy's society can be achieved. Bombers, submarine- and ground-launched intercontinental ballistic missiles are therefore virtually interchangeable for a punishment targeting doctrine. Thus the United States relies upon a mutually supporting triad of ICBMs, SLBMs and bombers.

By contrast, the primary mission of forces in a denial strategy is to prevent the enemy's strategic forces from successfully carrying out their missions. Weapons that can rapidly and effectively neutralize or degrade the enemy's primary attack forces are thus of first importance. Currently, the most effective type of weapons for deep strikes against time-urgent enemy offensive force targets are land-based ballistic missiles. Long-range bombers and sea-based ballistic missiles are less suitable to the Soviets for attacking offensive targets in the U.S., primarily due to the long flight time of bombers and the submarine-launched missiles' currently lower accuracy.

BOMBERS: LOCAL MISSIONS

While long flight times preclude bombers from flying deep-strike missions against the United States under the Soviet denial doctrine, the same doctrine gives bombers a well-defined role to play in the land and sea regions surrounding the U.S.S.R.

Soviet bombers are found in both Long Range Aviation, under Air Force control, and Naval Aviation units. Long Range Aviation has over 600 bomber aircraft. Some 80 percent of these are earmarked for regional missions and the remainder for long-range functions. Naval Aviation has about 350 medium-range strike aircraft. In addition, numerous bomber-support aircraft serve electronic warfare, reconnaissance, and air-to-air refueling missions. In the case of Naval Aviation, additional aircraft perform conventional naval duties like anti-submarine warfare.

Interestingly enough, the number of tanker aircraft is quite small compared to U.S. Strategic Air Command stocks, again highlighting the Soviet emphasis upon regional operations. Tankers compose almost 60 percent of the SAC force, while tankers make up only 7 percent of the Soviet Long Range Aviation force.

MODERNIZATION IS CONTINUOUS

The Soviet bomber force has been modernized continuously since the mid-1950s. Both the LRA and SNA utilized the TU-4 *Bull*, a look-alike to the U.S. B-29, for long-range bombing in the early 1950s. LRA *Bulls* no doubt provided an attack capability against military targets in Europe as well as the Far East. Probably equipped with only conventional capabilities, SNA *Bulls* were assigned to attack harbor installations in these same areas.

The TU-16 *Badger*, replacing the *Bull*, became operational with LRA in 1954 and SNA in 1959. Faster, and carrying a larger payload than the *Bull*, the *Badger's* denial mission for the LRA involved striking at airbases and other military targets in NATO and the Far East that might hinder a Soviet offensive. The *Badger* also took on a new mission for the SNA. In addition to the threat posed by SAC bombers, by 1956 the Soviet Union was also vulnerable to attacks from nuclear-armed aircraft aboard carriers in the Mediterranean Sea and Sea of Japan. To combat this threat and deny the U.S. its advantage in wartime, *Badger* aircraft were programmed to strike these high-value targets at the onset of a global war.

A supersonic replacement for the *Badger*, the TU-22 *Blinder*, appeared in 1959. Despite a high dash speed, the *Blinder's* small combat load and a shift of defense resources in the Soviet Union to missile-building limited its introduction into both LRA and SNA.

BOMBER ROLES DWINDLING

The numbers of TU-20 *Bear* and MYA-4 *Bison* bombers that entered service in 1956 were similarly limited in their strike versions. The reasons for the limitation are relevant to understanding *Backfire* today. As Soviet planners have integrated new technologies into military strategy, the role of bombers in strikes against the U.S. has been reduced. The total number of *Bears* and *Bisons* has remained at about 200 since the early 1960s, despite earlier forecasts of a force of over 500 bombers. *Bears* are still produced today, but only for anti-submarine warfare.

The Soviet Air Force, concerned perhaps about its future in competition with the ground-force dominated Strategic Missile Troops, has sought ways to improve its capabilities. One such effort was developing stand-off missiles, attempting to evade enemy air defenses and, incidentally, allowing the Air Force to get on the missile bandwagon. In another attempt to carve out a strategic mission, in 1962 air force bombers began overflying U.S. aircraft carriers, a function eventually shared with Navy bombers.

LRA has also played an expanded role in building land-based forces. Medium-range ballistic missiles are useful for the Soviets to strike targets as deep as Britain or Spain. But, if a war in Europe were to be fought successfully, the Soviets would have to effectively neutralize numerous nuclear-capable strike aircraft at airbases in Central Europe, as well as mobile tactical missiles in Germany. Manned aircraft are the only weapon system currently capable of the precision needed for such strikes.

Thus, by the early 1960s, the Soviet military had deployed a large medium-range bomber force for use by LRA and SNA. Over 1800 *Badgers* and 200 *Blinders* were built in that period. Through accidents and obsolescence less than half that total number remain today.

DECADE OF NEGLECT

But in the interim decade between 1959 (when the *Blinder* first flew) and 1969 (when *Backfire* was noticed) the theater forces did not modernize as might have been expected. In the decade following the regional theater buildup which emphasized bombers, Soviet military procurement centered on ICBMs for delivering deep nuclear strikes. The investment in missiles is traceable in part to a shift in threats to the U.S.S.R. between the mid-1950s and early 1960s, and Soviet methods of dealing with the changing threat.

Indeed, limited production of the *Blinder* and the inadequacies of the never-deployed SS–14 and SS–15 medium-range missiles left the regional theater forces with large numbers of elderly bomber and missile systems. The medium-range, soft sited SS–4 and SS–5 missiles were vulnerable to preemption, while the high-flying TU–16s and TU–22s equipped with marginal electronic countermeasures were open to interception.

Clearly, given the importance of the regional theaters to the Soviet military, by 1969 it appeared that modernization programs would be needed to increase force capabilities. The bomber of the 1970s would have to be capable of attacking aircraft carrier task forces, air bases in Europe and the Far East, pre-positioned equipment stocks in Germany and mobile missiles such as the Pershing. Given the age of the *Badger* force, the *Backfire* was a logical replacement designed to meet the high-intensity combat environments a Soviet military planner must face today.

The *Backfire* bomber has been developed and deployed to fill regional Soviet military strike requirements. Fitting it out to fly intercontinental missions would compromise the excellent performance characteristics of the aircraft at medium ranges and low altitudes, and would threaten the interbureaucratic eminence in Soviet military policy of ballistic missiles for deep strikes against the United States. No technological barrier prevents the Soviet Union from building a deep-strike heavy bomber. They have made a choice not to build such a bomber, and have invested instead in modernizing the medium-bomber force, a process which has been an important element of Soviet military procurement since the mid-1950s.

DANGERS OF MISCONSTRUAL

Viewing *Backfire* as a deep-strike bomber rather than a regional weapon incorrectly assumes that the Soviets have military requirements similar to those of the United States, therefore threats from Europe or the Far East assume minor importance. Misunderstanding *Backfire* could result in a diversion of air defense dollars now allocated for the defense of NATO and U.S. naval forces in order to build air defenses against the plane for the continental United States. More seriously, pressure to include *Backfire* in SALT II tradeoffs, while promising little effect on real military capabilities, has nonetheless risked U.S. concessions on issues like forward-based systems which might not otherwise have been raised.

SALT III may include negotiations on regional weapons—the U.S. forward-based systems in Europe, U.S. Pershing missiles, and Soviet SS–20 missiles. Discussions about limiting the Soviet *Backfire* bomber properly belong in that context.●

THE DANGERS AND FALLACIES IN THE ALARMIST APPROACH TO SALT II AND SOVIET STRATEGIC WEAPONS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, the opponents of a new SALT II Treaty have in recent weeks been waging a compaign based on misinformation and deliberate falsification. Articles have appeared in the Economist of London, Newsweek, and the Congressional Record which purport to show that by the early 1980's, under a SALT II Treaty the Soviet Union will have gained "strategic superiority" over the United States. Specifically, it has been repeatedly charged that the Soviets will be able to destroy the U.S. land-based ICBM force and therefore will be able to back the United States down in some new political crisis.

Even if one gave full credence to the alleged "Minuteman vulnerability" problem, it is obvious to me that no Soviet leader in his right mind would attack U.S. ICBM's unless he was sure he could destroy not only all of our Minuteman but also all or nearly all of our strategic submarine and bomber forces as well. The fact is that the Soviets could not do it now, or in 1985, or at any other time in the foreseeable future.

For the foreseeable future, both the United States and the Soviet Union would be destroyed as functioning industrial societies in the event of all-out thermonuclear war. There is no way under the SALT I Treaty or the proposed SALT II Treaty, that the Russians can gain "strategic superiority" over us, nor we over them.

Mr. Speaker, I ask unanimous consent to have the attached article by Walter Pincus, "The Soviet Strategic 'Advantage,'" from the Washington Post of February 5, 1979, printed in the Record. This article skillfully points out the dangers and fallacies in the alarmist approach to SALT II and Soviet strategic weapons.

[From the Washington Post, Feb. 5, 1979]

THE SOVIET STRATEGIC "ADVANTAGE"

(By Walter Pincus)

The closer we get to a new SALT II agreement, the more popular it becomes to play war games with the present and future capabilities of U.S. strategic weapons and those of the Soviet Union. Who wins these war games depends, obviously, on what's being counted in—or out. When the agreement's critics are playing, quite naturally, the Russians always win.

But that's in large part due to the fact that, in the critics' calculations, key elements in the U.S. force are conveniently forgotten or underplayed. We have seen good examples of this in two recent critical analyses of the pending SALT agreement. Or perhaps I should say one-and-a-half recent analyses, because the second fed on the first for a good part of its information.

The first was the Dec. 30, 1978 lead editorial in the prestigious Economist of London, which proposed that the period covered by SALT II "could be the beginning of seven singularly dangerous years" because of what it alleged were serious Soviet advantages over the United States.

The second was a Jan. 22, 1979 Newsweek column by George Will which, using selections from the Economist article, went on to say that Soviet weapons development since the mid-1960's had gone on unanswered by the United States.

Both of these analyses of strategic forces give the Soviets more and the United States less than each deserves.

The Economist, for example, focuses on three "large future problems" for the United States.

The first is the "large imbalance in Russia's favor described in part as ". . . by 1985 the United States will be behind Russia both in the overall total and in the most important sub-categories" of missiles. The "most striking example is 'modern large' missiles where the Russians will be allowed to keep their 308 huge 10-warhead SS18s but the Americans will have none at all."

To start from the last first, the Soviets do not now have "308 huge 10-warhead SS18s," and they probably never will.

The most recent intelligence reports indicate slightly more than 100 SS18s existed after four years of installation, and a good number of them had only one warhead. U.S. intelligence experts expect that SS18s *may* eventually take the place of all the 308 SS9s that once existed, but there is no certainty of that. And as for the warheads, two of the three versions of the SS18s have only one warhead, and though the 8–10 warhead version is expected to be the "largest number" deployed, it will be far from the only one.

The United States has never had a "modern large" missile such as the SS9 and its successor, the SS18—but that was because it chose not to build one. That choice still stands. Even the proposed MX ICBM would be "small" by these standards.

Where the Soviets went for big rockets that could deliver heavy warheads, U.S. advanced technology permitted small, more accurate warheads to be built.

As U.S. missile accuracy increases, the need for a large warhead—which always was marginal in these most powerful of weapons—diminishes to almost zero. A 350-kiloton warhead delivered on target will destroy an enemy missile silo just as well as a two megaton warhead that is 10 times larger.

The Economist then enlarged the Soviet advantage by presenting a 1985 estimate of the total amount of destructive power that could be dropped on the United States, deriving from it advantages such as "a lead of 3 to 2 in their ability to destroy protected targets."

At a time when either side, because of accuracy, would need only one or two missiles to knock out the other's missile silo, what difference will it make if they have three to do that job and we have two?

Finally The Economist points to the political advantages to the Soviets "even if these figures [on missiles] were not militarily important . . ." If American nuclear power, it says, "is seen to be getting smaller than Russia's"—thanks in part to faulty analyses such as this—"public opinion in these allies will grow more nervous . . . and nervousness could crack the alliance."

Of course, in making the United States weak, The Economist left out the one major missile area where the United States remains far ahead—total warheads.

Its numbers analysis also totally ignored the vast qualitative advantage of U.S. nuclear subs over Soviet versions and the U.S. bomber fleet armed with cruise missiles.

The second "and most dangerous place for . . . mistrust to grow" over SALT II, according to The Economist, is the fact that the treaty doesn't say anything about Soviet SS20 missiles aimed at Western Europe nor Russia's "Europe-busting (Backfire) nuclear-bombing aircraft."

The editorial also reports the SALT II three-year limitation on deployment of a ground-launched nuclear cruise missile and suggests the Soviets will successfully "bully Mr. Carter or his successor into prolonging" it.

The Economist, in its analysis of how bad the European situation looks, makes no mention of U.S. nuclear systems there that for almost 20 years have been able to strike the Soviet Union and are not limited by SALT I or SALT II—in particular U.S. and NATO allied forward-based tactical fighter planes, more than 200 of which are always on 15-minute alert at the end of run-ways armed with nuclear bombs.

No mention was made, either, of the U.S. aircraft carriers in the Mediterranean that have fighter-bombers that could be armed nuclear for Soviet homeland strikes. Nor did it include the U.S. Poseidon submarines assigned to the European theater whose missiles with their 10 or 14 nuclear warheads could also reach Russia.

In its handwringing over the cruise missile limitation, The Economist left out that the United States is building and testing not only a 1,500-mile cruise missile but also an extended-range Pershing missile. The new Pershing, with its 1000-mile range, would not be limited by SALT II if its production and deployment were somehow needed within the next three years.

Finally, The Economist wailed that the "biggest problem" with SALT II was that it "may leave the United States itself vulnerable to a surprise Russian attack."

Needless to say, this idea hinges on a theoretical Russian ability by the early 1980s "to destroy virtually all of America's land-based missiles in a single half-hour cataclysm, while still keeping quite a lot of its own missiles in reserve, ready for a second blow."

In the first place, it would take more than two hours for the so-called Soviet first strike—time enough for any president to determine an attack had started and make a response using untouched land-based missiles.

Secondly, the United States would still have its sub-based deterrent force—a factor never once mentioned in the entire Economist editorial. Since the submarines are never mentioned, the main element of the U.S. nuclear force does not have to be dealt with.

George Will, using The Economist, and a smattering of other sources, develops a theory that since the mid-1960s, the United States "has based arms-control policy on the hope that the Soviet buildup is merely a reaction to U.S. arms, and can be restrained by unilateral U.S. restraint." The resulting American weakness, Will argues, stems from failing to match Soviet increases.

To support this thesis, Will overlooks the substantial advances in U.S. strategic weapons development that have taken place since the mid-'60s and continue to this time.

For example, he makes no mention of the American development of more than one warhead on its missiles—the so-called MIRVing which was developed in the late '60's, announced and deployed in the 1970s.

He leaves out the sharply increased accuracy of U.S. guidance systems and the decision in the early 1970s to make 300 of our land-based missiles so precise and powerful that they could knock out Sovet missiles.

Also ignored by Will is development of the Trident I long-range sub-launched missile, the highly accurate, bomber-launched cruise missile, the development of the MX missile and the Trident II and a variety of strategic defensive systems that keep us far ahead of the Soviets.

Will accuses American liberals of being blind to Soviet weaponry: he and The Economist are playing the same game, but with the formidable U.S. force.●

□ 1230

GENERAL LEAVE

Mr. CLINGER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Vermont (Mr. Jeffords).

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

GENERAL LEAVE

Mr. SABO. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and include therein extraneous material on the subject of the special order today by the gentleman from Oregon (Mr. AuCoin).

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Brodhead (at the request of Mr. Wright), for today, on account of illness.

Mr. Railsback (at the request of Mr. Rhodes), for the week of February 12, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Stratton, for 5 minutes, and to include extraneous matter.

Mr. White, for 60 minutes, on February 15, 1979.

(The following Members (at the request of Mr. Clinger) to revise and extend their remarks and include extraneous material:)

Mr. Jeffords, for 5 minutes, today.
Mr. Rousselot, for 10 minutes, today.
Mr. Goldwater, for 5 minutes, today.
Mr. Green, for 5 minutes, today.

(The following Members (at the request of Mr. Sabo) and to revise and extend their remarks and include extraneous matter:)

Mr. AuCoin, for 15 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Brooks, for 15 minutes, today.
Mr. Roberts, for 5 minutes, today.
Mr. Alexander, for 60 minutes, today.
Mr. Drinan, for 5 minutes, today.
Mr. Bingham, for 15 minutes, today.
Mr. Annunzio, for 60 minutes, on February 15.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Clinger) and to include extraneous matter:)

Mr. Moorhead of California.
Mr. Stangeland.
Mr. Carter in two instances.
Mr. Lagomarsino in two instances.
Mr. Abdnor in two instances.
Mr. Sebelius.
Mr. Wydler.
Mr. Collins of Texas in two instances.
Mr. Spence.
Mr. Rousselot.
Mr. Fish.

(The following Members (at the request of Mr. Sabo) and to include extraneous material:)

Mr. Pease.
Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Brown of California in 10 instances.
Mr. Annunzio in six instances.
Ms. Holtzman in 10 instances.
Mr. Jones of Tennessee in 10 instances.
Mr. Boner of Tennessee in 10 instances.
Mr. Minish.
Mr. Hamilton in two instances.
Mr. Rosenthal.
Mr. Natcher.
Mr. Waxman in two instances.
Mr. Roberts.
Mr. Benjamin.
Mr. Dingell.
Ms. Mikulski.
Mr. Fary.
Mr. Lehman.
Mr. Perkins.
Mr. Conyers.
Mr. Brodhead.
Mr. Patten.
Mr. Nedzi.
Mr. Ambro.
Mr. Ratchford.
Mr. Flippo.
Mr. Biaggi.
Mr. Smith of Iowa.

ADJOURNMENT

Mr. SABO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly

(at 12 o'clock and 38 minutes p.m.), under its previous order, the House adjourned until Thursday, February 15, 1979, at 11 o'clock a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees and interparliamentary groups concerning the foreign currencies and U.S. dollars utilized by them during January 1 and September 26, 1978, in connection with foreign travel are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

	Date			Per diem [1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S currency [2]
Hon. David R. Bowen	3/26	[3] 3/25	Portugal				698.00				698.00
Hon. Floyd J. Fithian	3/27	3/30	Italy		225.00						225.00
	3/30	3/31	Tunisia		63.07						63.07
	3/31	4/2	Switzerland		150.00		70.03				220.03
Transportation provided by Department of Defense.							765.59				765.59
Hon. James P. Johnson	3/27	3/31	Italy		300.00						300.00
	3/31	4/2	Switzerland		150.00		70.03				220.03
Transportation provided by Department of Defense.											682.35
Hon. Edward R. Madigan	3/18	3/20	Japan		150.00						150.00
	3/20	4/1	Peoples Republic of China.		975.00						975.00
	4/1	4/2	Hong Kong		75.00						75.99
Eugene Moos	6/5	6/10	United Kingdom		450.00						450.00
	6/11	6/15	Switzerland		375.00						375.00
	6/16	6/23	United Kingdom		600.00						600.00
Hon. Richard Nolan	6/11	6/13	Mexico		225.00		347.00				572.00
Hon. Frederick W. Richmond	1/3	1/4	Japan		51.81		2.66				54.47
	1/4	1/16	People's Republic of China		975.00						975.00
Transportation provided by Department of Defense.							2,897.40				2,897.40
Hon. James Weaver	1/3	1/4	Japan		45.51		2.66				48.17
	1/4	1/16	People's Republic of China		975.00						975.99
Transportation provided by Department of Defense.							2,897.40				2,897.40
Committee total					5,785.39		10,419.20				16,204.59

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Departure from Washington for Portugal after completion of committee business to meet delegation.

Dec. 8, 1978.

THOMAS S. FOLEY,
Chairman, Committee on Agriculture.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26. 1978

	Date			Per diem [1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]
Hon. Joseph P. Addabbo	1/4	1/5	Sweden		75.00		28.29				
	1/5	1/7	U.S.S.R		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
Transportation							[3] 2,310.00				
Total					1,050.00		3,078.76				4,128.76
Hon. Joseph P. Addabbo	2/15	2/18	Israel		225.00		2,033.00				2,258.00
Hon. Bill Alexander	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/12	U.S.S.R		525.00		158.80				
	1/12	1/18	Israel		375.00		[3] 2,310.00				
Total					975.00		2,479.79				3,472.79
Hon. Bill Alexander	8/20	8/22	West Germany		225.00						
	8/22	8/26	Switzerland		150.00		1,515.00				
Total					375.00		1,515.00				1,890.00
Hon. Mark Andrews	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
Transportation							[3] 2,310.00				
Total					1,050.00		3,078.76				4,128.76
Hon. Max Baucus	4/12	4/13	Canada		150.00		136.08				286.08
Hon. Tom Bevill	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	France		150.00						
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
Transportation							[3] 2,310.00				
Total					1,050.00		2,896.02				4,036.02
Hon. Robert Duncan	6/30	7/2	Egypt		150.00						
	7/2	7/5	Saudi Arabia		225.00						
	7/5	7/9	Somalia		203.86		38.25				
	7/9	7/11	Italy		150.00		49.41				
Transportation							2,507.00				
Total					728.86		2,594.66				3,323.52

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. John J. Flynt	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
Transportation							[3] 2,310.00				
Total					1,050.00		3,078.76				4,128.76
Hon. John J. Flynt		8/16	United States		50.00						
	8/17	8/18	Switzerland		75.00						
	8/18	8/19	Belgium		75.00						
	8/19	8/20	Iraq		75.00						
	8/20	8/21	Saudi Arabia		75.00						
	8/21	8/22	North Yemen		75.00						
	8/22	8/23	Saudi Arabia		75.00						
	8/23	8/27	England		300.00		1,686.40				
	8/27		United States		50.00		[3] 365.45				
Total					850.00		2,051.85				2,901.85
Hon. Jack Kemp	5/25	5/28	Switzerland		300.00		1,736.05				2,036.05
Hon. Clarence Long	1/2	1/3	United States		50.00						
	1/3	1/6	Haiti		165.00						
	1/6	1/9	Guatemala		165.00						
	1/9	1/11	Honduras		165.00						
	1/11	1/13	El Salvador		105.00		840.00				
Total					650.00		840.00				1,490.00
Hon. Joseph McDade	3/9	3/13	England		150.00		1,393.00				1,543.00
Hon. Gunn McKay	1/1	1/4	Scotland		300.00		501.48				
	1/4	1/5	England		75.00		[3] 271.00				
	1/5	1/6	Spain		75.00		[3] 206.40				
	1/6	1/9	Germany		125.00		1,729.00				
Total					575.00		2,707.88				3,282.88
Hon. Robert H. Michel	3/24	3/25	Japan		75.00		15.00				
	3/25	4/5	People's Republic of China		825.00		[3] 2,897.40				
Total					900.00		2,912.40				3,812.40
Hon. Clarence Miller	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.08				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
Transportation							[1] 2,310.00				
Total					1,050.00		3,078.76				4,128.76
Hon. John Myers	1/3	1/4	Japan		75.00						
	1/4	1/7	Philippines		225.00						
	1/7	1/9	New Guinea		150.00						
	1/9	1/12	Australia		300.00						
	1/12	1/15	Singapore		225.00						
	1/15	1/17	Malaysia		75.00						
	1/17	1/20	India		300.00						
	1/20	1/22	England		150.00						
Total					1,500.00		4,036.00				5,536.00
Hon. George O'Brien	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		221.00		53.85				
Transportation							[3] 2,310.00				
Total					971.00		3,078.76				4,049.76
Hon. Ralph Regula	1/3	1/5	United Kingdom		225.00		[3] 271.00				
	1/5	1/6	Spain		75.00		[3] 206.40				
	1/6	1/9	Germany		140.00		1,514.00				
Total					440.00		1,991.40				2,431.40
Hon. Robert L. F. Sikes	1/8	1/10	Panama		225.00						
	1/10	1/11	Colombia		75.00						
	1/11	1/14	Nicaragua		225.00		435.00				
Transportation							[3] 413.00				
Total					525.00		848.00				1,373.00
Hon. Robert L. F. Sikes		8/16	United States		50.00						
	8/17	8/18	Switzerland		150.00						
	8/18	8/19	Belgium		75.00						
	8/19	8/20	Iraq		75.00						
	8/20	8/21	Saudi Arabia		75.00						
	8/21	8/22	North Yemen		75.00						
	8/22	8/23	Saudi Arabia		75.00						
	8/23	8/24	Egypt		75.00						
	8/24	8/25	Libya		75.00						
	8/25	8/27	Italy		150.00						
	8/27	8/29	South Africa		150.00						
	8/29	8/30	Rhodesia		75.00						
	8/30	8/31	South Africa		75.00						
	9/1		United States		50.00		4,732.25				

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name o. Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Transportation							[3]365.45				
Total					1,225.00		5,097.70				6,322.70
Hon. Neal Smith	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
Transportation							[3]2,310.00				
Total					1,050.00		3,078.76				4,118.76
Hon. Louis Stokes	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.74				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/16	Morocco		225.00		53.85				
Transportation							[3]2,310.00				
Total					975.00		3,078.76				4,053.76
Hon. Charles Wilson	Information not yet received.										
George Allen	1/3	1/5	United Kingdom		200.00		[3]271.41				
	1/5	1/6	Spain		75.00		[3]206.40				
	1/6	1/11	Germany		300.00		1,454.00				
Total					575.00		1,931.40				2,506.40
George Allen	3/22	3/24	Turkey		225.00						
	3/25	3/26	Greece		150.00						
	3/27	3/29	Italy		225.00		[3]640.00				
	3/30	4/2	Spain		300.00		1,685.00				
Total					900.00		2,325.00				3,225.00
George Allen	7/4	7/8	Panama		300.00		339.00				639.00
George Allen	8/19	8/23	Japan		375.00		[3]300.00				
	8/23	8/29	Korea		450.00						
	8/29	8/30	Guam		75.00						
	8/30	9/2	Hawaii		225.00		2,338.00				
Total					1,125.00		2,638.00				3,763.00
Donna Brother	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	France		150.00						
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
Transportation							[3]2,310.00				
Total					1,050.00		2,986.02				4,036.02
Donald L. Denton	8/20	8/23	Colombia		225.00						
	8/23	8/27	Peru		375.00						
	8/27	8/31	Bolivia		300.00						
	8/31	9/4	Chile		300.00		1,162.40				
Total					1,200.00		1,162.40				2,362.40
Jimmy R. Fairchild	3/22	3/24	Turkey		225.00						
	3/25	3/26	Greece		150.00						
	3/27	3/29	Italy		225.00						
	3/30	4/2	Spain		300.00		1,685.00				
							[3]640.00				
Total					900.00		2,325.00				3,225.00
Jimmy R. Fairchild	7/4	7/8	Panama		300.00		339.00				639.00
Merwyn C. Greer	1/7	1/10	Austria		225.00		382.72				
	1/10	1/13	France		300.00		282.63				
	1/13	1/19	England		375.00		397.81				
							1,517.64				
Total					900.00		2,580.80				3,480.80
Aubrey Gunnels	1/5	1/8	Bahamas		225.00		291.60				516.60
Richard Malow	8/20	8/24	Austria		281.25						
	8/24	8/28	Netherlands		375.00						
	8/28	8/29	Germany		75.00						
	8/29	8/31	France		150.00		1,330.16				
Total					881.25		1,330.16				2,211.41
Dempsey B. Mizelle	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
							[3]2,310.00				
Total					1,050.00		3,078.76				4,128.76

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
John Osthaus	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
							[3]2,310.00				
Total					1,050.00		3,078.76				4,128.76
Edwin Powers	Information not yet received.										
Donald E. Richbourg	1/4	1/6	Haiti		100.00						
	1/6	1/9	Guatemala		150.00						
	1/9	1/11	Honduras		150.00						
	1/11	1/13	El Salvador		100.00		783.00				
Total					500.00		783.00				1,283.00
Austin Smith	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
							[3]2,310.00				
Total					1,050.00		3,078.76				4,128.76
Austin Smith	2/15	2/18	Israel		225.00		2,111.00				2,336.00
Donald Smith	1/1	1/4	Scotland		225.00		501.48				
	1/4	1/5	England		75.00		[3]271.00				
	1/5	1/6	Spain		75.00		[3]206.40				
	1/6	1/11	Germany		325.00		[3]128.50				
	1/11	1/13	Belgium		100.00		1,454.00				
Total					800.00		2,561.38				3,361.38
Donald Smith	7/18	7/21	Panama		300.00		509.00				809.00
Charles Snodgrass	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/12	Yugoslavia		150.00		92.74				
	1/12	1/14	Spain		150.00		67.74				
	1/14	1/17	Morocco		300.00		53.85				
							[3]2,310.00				
Total					1,050.00		3,078.76				4,128.76
Hunter L. Spillan		8/20	United States		75.00						
	8/21	8/24	Austria		225.00						
	8/24	8/28	Netherlands		375.00						
	8/28	8/29	Germany		75.00						
	8/21	9/1	France		225.00						
	9/1	9/5	England		300.00		1,304.10				
Total					1,275.00		1,304.10				2,579.10
George Urian	1/4	1/5	Sweden		75.00		28.99				
	1/5	1/7	U.S.S.R.		150.00		158.80				
	1/7	1/10	Austria		225.00		366.64				
	1/10	1/13	France		300.00						
	1/13	1/19	England		375.00		185.02				
							[3]2,310.00				
Total					1,125.00		3,049.45				4,174.45
Committee total					34,596.11		97,809.50				132,405.61

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Travel by military aircraft. Costs shown are comparable 1st class commercial rates.

JAMIE WHITTEN,
Chairman, Committee on Appropriations.

Jan. 25, 1979.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SURVEYS AND INVESTIGATIONS STAFF, HOUSE APPROPRIATIONS COMMITTEE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Victor Antleman	9/9	9/16	West Germany		600.00		1,488.00				2,088.00
Richard Atwell	9/9	9/16	West Germany		600.00		1,515.00				2,115.00
George C. Baird	3/12	3/22	West Germany		806.25		1,515.00				2,321.25
Charles Bolz	3/18	3/31	West Germany		1,050.00		1,515.00				2,565.00
James B. Denny	8/5	8/13	England		637.50						
	8/13	8/16	Spain		243.75						
	8/16	8/18	Italy		150.00						
	8/18	8/22	West Germany		300.00		1,895.80				3,227.05
Edwin C. Eads	5/25	6/3	Columbia		712.50		793.00				1,505.50
	6/26	7/8	Philippines		937.50						
	7/8	7/10	Malaysia		150.00						
	7/10	7/15	Indonesia		431.25						
	7/15	7/17	Thailand		112.50						
	7/17	7/18	Hong Kong		112.50		3,173.13				4,916.88
	8/20	8/31	Ivory Coast		900.00		1,769.00				2,669.00

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SURVEYS AND INVESTIGATIONS STAFF, HOUSE APPROPRIATIONS COMMITTEE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[3]	Foreign currency	U.S. dollar equivalent or U S. currency[3]	Foreign currency	U.S. dollar equivalent or U.S. currency[3]
Louis E. Eisenwine	3/12	3/22	West Germany		806.25		1,515.00				2,321.25
Donald J. Fitzgerald	3/11	3/14	Italy		262.50						
	3/14	3/18	Turkey		318.75						
	3/18	3/26	West Germany		581.25						
	3/26	4/2	England		543.57		1,798.00				3,504.25
Anthony J. Gabriel	3/12	3/18	West Germany		543.75		1,515.00				2,058.75
Michael O. Glynn	3/11	3/14	Italy		262.50						
	3/14	3/18	Turkey		318.75						
	3/18	3/26	West Germany		581.25						
	3/26	4/2	England		543.75		1,798.00				3,504.25
John G. Goedtel	8/5	8/13	England		637.50						
	8/13	8/16	Spain		243.75						
	8/16	8/18	Italy		150.00						
	8/18	8/22	West Germany		300.00		1,895.80				3,227.05
Ramon E. Gonzalez	5/21	5/29	Honduras		656.25						
	5/30	6/3	Bolivia		525.00		1,944.41				3,215.66
	6/25	7/8	Philippines		1,012.50						
	7/8	7/17	Malaysia		712.50						
	7/17	7/19	Hong Kong		150.00		2,952.93				4,827.93
Don L. Hubbard	3/18	3/24	England		487.50						
	3/24	4/4	West Germany		768.75		1,515.00				2,771.25
J. Brian Hyland	6/25	7/8	Philippines		1,012.50						
	7/8	7/10	Malaysia		150.00						
	7/10	7/15	Indonesia		431.25						
	7/15	7/17	Thailand		112.50						
	7/17	7/18	Hong Kong		112.50		3,131.00				4,949.75
Lawrence R. Keller	3/18	3/29	West Gernamy		881.25						
	3/29	3/31	Belgium		187.50		1,482.00				2,550.75
William A. Kish	3/18	3/24	England		487.50						
	3/24	4/4	West Germany		768.75		1,515.00				2,771.25
John C. Layton	5/21	5/29	Honduras		656.25						
	5/30	6/3	Bolivia		525.00		1,944.41				3,125.66
	6/26	7/1	Pakistan		431.25						
	7/1	7/9	India		600.00						
	7/9	7/10	Malaysia		75.00						
	7/10	7/16	Indonesia		431.25						
	7/16	7/17	Thailand		75.00						
	7/17	7/18	Hong Kong		75.00		3,268.10				4,955.60
	8/19	8/20	England		75.00						
	8/20	8/30	Malawi		825.00						
	8/31	9/1	England		112.50		1,699.00				2,711.50
Charles T. McComas	3/18	3/31	West Germany		1,031.25		1,515.00				2,546.25
Richard F. McEliece	3/18	3/29	West Germany		881.25						
	3/29	3/31	Belgium		187.50		1,482.00				2,550.75
John J. Radican	9/9	9/16	West Germany		600.00						
	9/16	9/20	England		281.25		1,515.00				2,396.25
David A. Schmidt	3/11	3/14	Italy		262.50						
	3/14	3/18	Turkey		318.75						
	3/18	3/22	West Germany		200.00		1,798.00				2,579.25
William B. Soyars, Jr	3/18	3/19	England		112.50						
	3/19	3/21	Italy		150.00						
	3/21	4/4	West Germany		1,050.00		1,669.00				2,981.50
Joe C. Sparks	5/21	5/28	Honduras		525.00						
	5/28	6/3	Colombia		468.75		1,162.70				2,156.54
	6/26	7/1	Pakistan		431.25						
	7/1	7/9	India		600.00						
	7/9	7/10	Malaysia		75.00						
	7/10	7/16	Indonesia		431.25						
	7/16	7/17	Thailand		75.00						
	7/17	7/18	Hong Kong		75.00		3,268.10				4,955.60
	8/19	8/20	England		75.00						
	8/20	8/30	Malawi		825.00						
	8/31	9/1	England		112.50		1,699.00				2,771.50
Raymond E. Talley	9/9	9/16	West Germany		600.00						
	9/16	9/20	England		281.25		1,515.00				2,396.25
Edward F. Tennant	6/26	7/8	Philippines		937.50						
	7/8	7/17	Malaysia		712.50						
	7/17	7/19	Hong Kong		150.00		3,138.00				4,938.00
	8/20	8/31	Ivory Coast		900.00		1,769.00				2,669.00
Leonard M. Walters	5/21	5/26	Honduras		375.00		607.67				982.67
	6/25	6/30	Philippines		525.00		2,733.00				3,258.00
R. W. Vandergrift	3/18	3/19	England		112.50						
	3/19	3/21	Italy		150.00						
	3/21	4/4	West Germany		1,050.00		1,669.00				2,981.50
James S. VanWagenen	8/5	8/13	England		637.50						
	8/13	8/16	Spain		243.75						
	8/16	8/18	Italy		150.00						
	8/18	8/22	West Germany		300.00		1,895.80				3,227.05
Committee total					42,068.75		69,073.85				111,142.60

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Jan. 23, 1979.

JAMIE WHITTEN,
Chairman, Committee on Appropriations.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 197

MASTER COMPILATION JANUARY-SEPTEMBER, 1978 FOREIGN TRAVEL

Name of Member or employee	Per diem[1]		Transportation		Other purposes		Total	
	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S currency
Visit to Spain and Germany to investigate military construction matters		1,663.53		4,994.10		409.49		7,067.12
Delegation to examine policy decision to withdraw U.S. forces from Korea		4,972.46		13,783.87		1,951.19		20,707.52

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1, AND SEPT. 26, 1978

MASTER COMPILATION JANUARY–SEPTEMBER, 1978 FOREIGN TRAVEL—Continued

Name of Member or employee	Per diem [5]		Transportation		Other purposes		Total	
	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Fore gn currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Study mission to Asia sponsored by International Relations Committee		3,590.93		9,332.52		776.52		13,699.97
Visit to Geneva to observe SALT negotiations		750.00		1,934.00		293.22		2,977.22
Delegation to Russia		15,825.00		58,364.07		3,909.85		78,098.92
Delegation to Switzerland to participate in SALT and CTB talks		4,500.00		35,715.49		3,462.82		43,678.31
Delegation to Europe to review NATO standardization and interoperability and readiness		5,282.87		22,011.23		2,606.51		29,900.61
Military Compensation Subcommittee visit to review financial plight of enlisted personnel in Europe		1,220.02		6,570.97		373.70		8,164.69
Individual members and staff travel		1,200.00		4,328.40				5,528.40
Visit to Puerto Rico, Panama, and Colombia for onsight briefings in preparation for fiscal year 1980 military construction hearings		900.00		9,694.08				10,594.08
Committee total		39,904.81		166,728.73		13,783.30		220,46.84

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Dec 4, 1978.

MELVIN PRICE,
Chairman, Committee on Armed Services.

VISIT TO SPAIN AND GERMANY TO INVESTIGATE MILITARY CONSTRUCTION MATTERS, JAN. 3–11, 1978

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent, or U.S. currency [2]
Whitehurst, G. William	1/3	1/4	England								
	1/4	1/5	Spain	7,104	88.03						88.03
	1/5	1/11	Germany	660	225.50		1,664.70				1,890.20
Scrivner, Peter C	1/3	1/4	England								
	1/4	1/5	Spain	12,104	150.00						150.00
	1/5	1/11	Germany	1,081.50	525.00		1,664.70				2,189.70
Tsompanas, Paul L	1/3	1/4	England								
	1/4	1/5	Spain	12,104	150.00						150.00
	1/5	1/11	Germany	1,081.50	525.00		1,664.70				2,189.70
									409.49		409.49
Committee total					[3] 1,663.53		[4] 4,994.10		[5] 409.49		7,067.12

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Expenses paid by committee as authorized under H. Res. 972, 95th Cong., 2d sess.

[4] Transportation paid by Army.

[5] Official expenses paid by Army for group.

Dec. 4, 1978.

MELVIN PRICE,
Chairman, Committee on Armed Services.

DELEGATION TO EXAMINE POLICY DECISION TO WITHDRAW U.S. FORCES FROM KOREA, JAN. 3–13, 1978

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Beard, Robin L	1/3	1/4	Japan	18,052.67	75.00						75.00
	1/4	1/8	Korea	121,930	300.00						300.00
	1/8	1/9	Japan	18,052.67	75.00		1,889.12				1,964.12
Daniel, Robert W., Jr	1/3	1/4	Japan	18,052.67	75.00						75.00
	1/4	1/8	Korea	121,930	300.00						300.00
	1/8	1/10	Japan	36,105.34	150.00						150.00
	1/10	1/11	Taiwan	5,692.55	150.00						150.00
	1/11	1/13	Philippines	1,106.25	150.00		2,328.66				2,478.66
Stratton, Samuel S	1/3	1/4	Japan	51,158	212.54						212.54
	1/4	1/8	Korea	88,100	185.00						185.00
	1/8	1/10	Japan								
	1/10	1/11	Taiwan	3,892.55	102.66						102.66
	1/11	1/13	Philippines	706.55	95.76		2,328.66				2,424.42
Won Pat, Antonio B	1/3	1/5	Japan	54,158	225.00						225.00
	1/10	1/12	Taiwan	5,692.55	150.00						150.00
	1/12	1/14	Philippines	553.13	75.00		215.33				290.33
Hughes, Peter C	1/1	1/4	Japan	54,157.50	225.00						225.00
	1/4	1/8	Korea	144,000	300.00						300.00
	1/8	1/10	Japan	54,157.50	225.00						225.00
	1/10	1/11	Taiwan	5,692.55	150.00						150.00
	1/11	1/13	Philippines	1,106.25	150.00		2,364.78				2,514.78
Lally, John F	1/3	1/4	Japan	18,052.67	75.00						75.00
	1/4	1/8	Korea		253.00						253.00
	1/8	1/10	Japan	36,105.34	150.00						150.00
	1/10	1/11	Taiwan		148.50						148.50
	1/11	1/13	Philippines	1,106.25	150.00		2,328.66				2,478.66

See footnotes at end of table.

DELEGATION TO EXAMINE POLICY DECISION TO WITHDRAW U.S. FORCES FROM KOREA, JAN. 3–13, 1978—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Dempsey, Shirley B., official House reporter.	1/3	1/4	Japan	18,052.67	75.00						75.00
	1/4	1/8	Korea	144,000	300.00						300.00
	1/8	1/10	Japan	36,105.34	150.00						150.00
	1/10	1/11	Taiwan	5,692.55	150.00						150.00
	1/11	1/13	Philippines	1,106.25	150.00		2,328.66				2,478.66
									[3] 1,874.82		1,874.82
									[4] 76.37		76.37

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Official expenses paid by Army for group.

[4] Expenses paid by committee as authorized under H. Res. 972, 95th Cong., 2d sess.

[5] Transportation paid by Army.

MELVIN PRICE,
Chairman, Committee on Armed Services.

Dec. 4, 1978.

STUDY MISSION TO ASIA SPONSORED BY INTERNATIONAL RELATIONS COMMITTEE, JAN. 3–22, 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivllent or U.S. currency[2]
Badham, Robert E	1/3	1/4	Japan	17,875	75.00						75.00
	1/4	1/7	Philippines	1,659.38	225.00						225.00
	1/7	1/9	New Guinea	108.32	140.93						140.93
	1/9	1/12	Australia	263.02	300.00						300.00
	1/12	1/15	Singapore	524.25	225.00						225.00
	1/15	1/17	Malaysia	172.50	75.00						75.00
	1/17	1/20	India	2,415	300.00						300.00
	1/20	1/22	England	77.12	150.00		3,584.87				3,734.87
Mitchell, Donald J	1/3	1/4	Japan	17,875	75.00						75.00
	1/4	1/7	Philippines	1,659.38	225.00						225.00
	1/7	1/9	New Guinea	115.32	150.00						150.00
	1/9	1/12	Australia	263.02	300.00						300.00
	1/12	1/15	Singapore	524.25	225.00						225.00
	1/15	1/17	Malaysia	172.50	75.00						75.00
	1/17	1/20	India	2,415	300.00						300.00
	1/20	1/22	England	77.12	150.00		3,584.87				3,734.87
Won Pat, Antonio B	1/12	1/14	Singapore	349.50	150.00						150.00
	1/17	1/20	India	2,415	300.00						300.00
	1/20	1/22	England	77.12	150.00		[3] 2,162.78				2,312.78
									[4] 776.52		776.52
Committee total					[5] 3,590.93		[3] 9,332.52		776.52		13,699.97

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Transportation paid by Army.

[4] Official expenses paid by Army for group.

[5] Expenses paid by committee as authorized under H. Res. 972, 95th Cong., 2d sess.

MELVIN PRICE,
Chairman, Committee on Armed Services.

Dec. 4, 1978.

VISIT TO GENEVA TO OBSERVE SALT NEGOTIATIONS, JAN. 23–30, 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hillis, Elwood H	1/13	1/26	Switzerland	451.60	225.00						225.00
	1/26	1/30	Germany	630.00	300.00		422.00				722.00
Klein, Adam J	1/23	1/25	Switzerland	451.60	225.00		1,512.00		293.22		1,737.00
Committee totals					[3] 750.00		[4] 1,934.00		[3] 293.22		2,977.22

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Expenses paid by committee as authorized under H. Res. 972, 95th Cong., 2d sess.

[4] Transportation paid by Navy.

MELVIN PRICE,
Chairman, Committee on Armed Services.

Dec. 4, 1978.

DELEGATION TO RUSSIA, MAR. 23–APR. 3, 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S currency[2]
Breckinridge, John B	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/2	Switzerland	141.55	75.00						75.00
	4/2	4/3	Ireland	40.28	75.00		[3] 2,582.01				2,657.01

See footnotes at end of table.

DELEGATION TO RUSSIA, MAR. 23-APR. 3, 1978—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Carr, Bob	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	3/29	Russia	1,687.05	300.00		[3] 1,452.43				1,752.43
	3/29	4/1	Switzerland	564.00	300.00		[4] 2,438.08				2,738.08
Hillis, Elwood H	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/2	Switzerland	141.55	75.00						75.00
	4/2	4/3	Ireland	40.28	75.00		[3] 2,582.01				2,657.01
Holt, Marjorie S	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/2	Switzerland	141.55	75.00						75.00
	4/2	4/3	Ireland	40.28	75.00		[3] 2,582.01				2,657.01
Ichord, Richard H	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/2	Switzerland	141.55	75.00						75.00
	4/2	4/3	Ireland	40.28	75.00		[3] 2,582.01				2,657.01
Leggett, Robert L	3/23	3/25	Denmark	843.60	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/3	Ireland	80.56	150.00		[3] 2,727.80				2,877.80
Mollohan, Robert H	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/3	Ireland	80.56	150.00		[3] 2,727.80				2,877.80
Montgomery, Gillespie V	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	3/30	Russia	2,108.85	375.00		[3] 2,224.83				2,599.83
Price, Melvin	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/3	Ireland	40.28	150.00		[3] 2,727.80				2,877.80
Schroeder, Patricia	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	3/30	Russia	2,108.85	375.00		[3] 1,775.73				2,150.73
Spence, Floyd D	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/3	Ireland	80.56	150.00		[3] 2,727.80				2,877.80
Stratton, Samuel S	3/25	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/2	Switzerland	141.55	75.00						75.00
	4/2	4/3	Ireland	40.28	75.00		[3] 2,582.01				2,657.01
Stump, Bob	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/3	Ireland	80.56	150.00		[3] 2,727.80				2,877.80
Whitehurst, G. William	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/3	Ireland	80.56	150.00		[3] 2,727.80				2,877.80
Wilson, Bob	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/2	Switzerland	141.55	75.00						75.00
	4/2	4/3	Ireland	40.28	75.00		[3] 2,582.01				2,657.01
Wilson, Charles H	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/3	Ireland	80.56	150.00		[3] 2,727.80				2,877.80
Won Pat, Antonio B	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/2	Switzerland	141.55	75.00						75.00
	4/2	4/3	Ireland	40.28	75.00		[3] 2,582.01				2,657.01
Ford, John J	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/2	Switzerland	141.55	75.00						75.00
	4/2	4/3	Ireland	40.28	75.00		[3] 2,528.01				2,657.01
Klein, Adam J	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/2	Switzerland	141.55	75.00						75.00
	4/2	4/3	Ireland	40.28	75.00		[3] 2,582.01				2,657.01
Shwiller, Seymour	3/23	3/25	Denmark	843.50	150.00						150.00
	3/25	4/1	Russia	2,952.35	525.00						525.00
	4/1	4/2	Switzerland	141.55	75.00						75.00
	4/2	4/3	Ireland	40.28	75.00		[3] 2,582.01				2,657.01
In country transportation for the entire group							[5] 5,558.30				5,558.30
Miscellaneous expenses for the entire group									[5] 3,909.78		3,909.85
Committee total					[5] 15,825.00		58,364.07		3,909.85		78.098.92

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Transportation paid by Air Force.

[4] Transportation paid by Army.

[5] Expenses paid by committee as authorized under H. Res. 972, 95th Cong., 2d sess.

MELVIN PRICE,
Chairman, Committee on Armed Services.

Dec. 4, 1978.

DELEGATION TO SWITZERLAND TO PARTICIPATE IN SALT AND CTB TALKS, MAY 25–31, 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Badham, Robert E	5/25	5/31	Switzerland	886.30	450.00		3,581.92				4,031.92
Beard, Robin	5/25	5/31	Switzerland	886.30	450.00		3,581.92				4,031.92
Breckinridge, John B	5/25	5/31	Switzerland	886.30	450.00		3,581.92				4,031.92
Dickinson, William L	5/25	5/31	Switzerland	886.30	450.00		3,478.21				3,928.21
Treen, David L	5/25	5/31	Switzerland	886.30	450.00		3,581.92				4,031.92
Wilson, Chas H	5/25	5/31	Switzerland	886.30	450.00		3,581.92				4,031.92
Cooper, Thomas E	5/25	5/31	Switzerland	886.30	450.00		3,581.92				4,031.92
Hughes, Peter C	5/25	5/31	Switzerland	886.30	450.00		3,581.92				4,031.92
Klein, Adam J	5/25	5/31	Switzerland	886.30	450.00		3,581.92				4,031.92
Mills Alvin E., House reporter	5/25	5/31	Switzerland	886.30	450.00		3,581.92				4,031.92
Miscellaneous expenses incurred by entire group									3,462.82		3.462.82
Committee totals					[3] 4,500.00		[4] 35,715.49		[3] 3,462.82		43,678.31

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Expenses paid by committee as authorized under H. Res. 972, 95th Cong., 2d Sess.

[4] Transportation paid by Air Force.

MELVIN PRICE,
Chairman, Committee on Armed Services.

Dec. 4, 1978.

DELEGATION TO EUROPE TO REVIEW NATO STANDARDIZATION, INTEROPERABILITY AND READINESS, JULY 2-8, 1978

Name of Member or employee	Date			Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]
Breckinridge, John B	7/2	7/3	France		74.75						74.70
	7/3	7/4	England		74.00						74.03
	7/4	7/6	Germany	305	149.00						149.00
	7/6	7/7	Switzerland	162.05	73.48						73.43
	7/7	7/8	Belgium	2,375	74.72		[2] 2,052.73				2,127.40
Carr, Bob	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/4	England	40.05	75.00						75.00
	7/4	7/5	Germany	155.25	75.00						75.03
	7/5	7/6	Switzerland	279.90	75.00						75.00
	7/6	7/7	Netherlands	167.55	75.00						75.00
	7,7	7/8	Belgium	2,425	75.00		[3] 2,052.73				2,127.75
Daniel, W. C	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/4	England	40.05	75.00						75.00
	7/4	7/6	Germany	310.50	150.00						150.08
	7/6	7/7	Netherlands	167.55	75.00						75.05
	7/7	7/8	Belgium	2,425	75.00		[3] 2,052.73				2,127.70
Stump, Bob	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/4	England	40.05	75.00						75.00
	7/4	7/6	Germany	310.50	150.00						150.00
	7/6	7/7	Netherlands	167.55	75.00						75.00
	7/7	7/8	Belgium	2,425	75.00		[3] 2,052.73				2,127.70
White, Richard C	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/4	England	40.05	75.00						75.00
	7/4	7/6	Germany	310.50	150.00						150.00
	7/6	7/7	Netherlands	167.55	75.00						75.00
	7/7	7/8	Belgium	2,425	75.00		[3] 2,052.73				2,127.73
Whitehurst, G. William	7/2	7/3	France	301	70.62						70.62
	7/3	7/4	England	39.14	74.09						74.09
	7/4	7/6	Germany	212.00	104.36						104.36
	7/6	7/7	Netherlands	107.55	48.90						48.90
	7/7	7/8	Belgium	2,425	38.95		[3] 2,052.73				2,091.68
Cofer, Williston B., Jr	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/4	England	40.05	75.00						75.00
	7/4	7/6	Germany	310.50	150.00						150.00
	7/6	7/7	Netherlands	167.55	75.00						75.00
	7/7	7/8	Belgium	2,425	75.00						75.00
	7/8	7/12	Germany	618	300.00						300.00
	7/12	7/14	Spain	11,610	150.00		[3] 3,312.84				3,462.84
Hahn, Thomas S	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/4	England	40.05	75.00						75.00
	7/4	7/6	Germany	310.50	150.00						150.00
	7/6	7/7	Netherlands	167.55	75.00						75.00
	7/7	7/8	Belgium	2,425	75.00						2,127.73
West, Michael A	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/4	England	40.05	75.00						75.00
	7/4	7/6	Germany	310.50	150.00						150.00
	7/6	7/7	Netherlands	167.55	75.00						75.00
	7/7	7/8	Belgium	2,425	75.00		[3] 2,052.73				2,127.73
White, Justus P., Jr	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/4	England	40.05	75.00						75.00
	7/4	7/6	Germany	310.50	150.00						150.00
	7/6	7/7	Netherlands	167.55	75.00						75.00
	7/7	7/8	Belgium	2,425	75.00		[3] 2,052.73				2,127.73
Mills, Alvin E., official House reporter.	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/4	England	40.05	75.00						75.00
	7/4	7/6	Germany	310.50	150.00						150.00
	7/6	7/7	Netherlands	167.55	75.00						75.00
	7/7	7/8	Belgium	2,425.00	75.00		[3] 2,052.73				2,127.73
									[4] 2,606.51		2,606.51
							[5] 223.82				223.82
Committee total					[5] 5,282.87		22,011.23		2,606.51		29,900.61

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Transportation paid by Army.

[4] Official expenses paid by Army for group.

[5] Expenses paid by committee as authorized under H. Res. 972, 95th Cong., 2d sess.

MELVIN PRICE,
Chairman, Committee on Armed Services.

Dec. 4, 1978.

MILITARY COMPENSATION SUBCOMMITTEE VISIT TO REVIEW FINANCIAL PLIGHT OF ENLISTED PERSONNEL IN EUROPE, JULY 2-8, 1978

Name of Member or employee	Date			Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Davis, Mendel	7/6	7/7	Germany		150.00						150.00
	7/7	7/8	Belgium	2,245	75.00		[3] 1,535.00				1,610.00
Nichols, Bill	7/6	7/7	Germany	112.34	54.80						54.80
	7/7	7/8	Belgium	1,300	40.22	[3] 1,535.00					1,575.22
Emmerichs, Robert M	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/7	Germany	768.75	300.00						300.00
	7/7	7/8	Belgium	2,425	75.00		[1] 1,594.50				1,669.50
Spence, LeRoy J	7/2	7/3	France	337.50	75.00						75.00
	7/3	7/7	Germany	768.75	300.00						300.00
	7/7	7/8	Belgium	2,425	75.00		[3] 1,594.50				1,669.50
									373.70		373.70
							[4] 311.97				311.97
Committee total					[4] 1,220.02		6,570.97		[5] 373.70		8,164.69

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Transportation paid by Army.

[4] Expenses paid by committee as authorized under H. Res. 972, 95th Cong., 2d Sess.

[5] Official expenses paid by Army for group.

MELVIN PRICE,
Chairman, Committee on Armed Services.

Dec. 4, 1978.

INDIVIDUAL MEMBERS AND STAFF TRAVEL—OFFICIAL COMMITTEE BUSINESS JANUARY-SEPTEMBER 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Downey, Thomas J	7/8	7/8	Switzerland		225.00		881.00				1,106.00
Shumate, James F., Jr	8/28	9/1	Germany	600	300.00		3,405.00				3,705.00
	9/1	9/5	England	152.47	300.00						300.00
Tsompanas, Paul L	7/24	7/28	Greece	1,3762.50	375.00		42.40				417.40
Committee total					[3] 1,200.00		[4] 4,328.40				5,528.40

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Expenses paid by committee as authorized under H. Res. 972, 95th Cong. 2d sess.

[4] Transportation paid by Air Force.

MELVIN PRICE,
Chairman, Committee on Armed Services.

Dec. 4, 1978.

VISIT TO PUERTO RICO, PANAMA, AND COLOMBIA FOR ONSIGHT BRIEFINGS IN PREPARATION FOR FISCAL YEAR 1980 MILCON HEARINGS, SEPT. 4-6, 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Dickinson, Wm. L	9/4	9/6	Panama		225.00		2,423.52				2,648.52
Cofer, Williston B., Jr	9/4	9/6	Panama		225.00		2,423.52				2,648.52
Marshall, Ralph	9/4	9/6	Panama		225.00		2,423.52				2,648.52
Tsompanas, Paul L	9/4	9/6	Panama		225.00		2,423.52				2,648.52
Committee total					900.00		9,694.08				10,594.00

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

MELVIN PRICE,
Chairman, Committee on Armed Services.

Dec. 4, 1978.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Thomas L. Ashley	3/24		Switzerland				720.00				720.00
Hon. Gary Brown	12/29/77	1/1/78	Cuba	233.08	300 00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
Hon. Silvio Conte	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
Theodore Doremus	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
Michael Flaherty	12/26/77	1/1/78	Cuba	407.89	525.00		327.63			407.89	852.63
	1/1	1/3	Costa Rica	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
Hon. Harold Hollenbeck	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	392.65
	1/1	1/4	Colombia	8,541	225.00	1,730.48	45.59 395.00			10,271.48	665.59
Hon. Henry Hyde	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		334.94			2,562	634.94
Hon. John LaFalce	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134.550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
Gerald McMurray	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
Hon. Joseph Minish	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59

See footnotes at end of table.

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S currency [3]
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.92			2,562	442.94
Hon. William S. Moorhead	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
Hon. Stephen L. Neal	1/3	1/4	Japan	15,113	62.58	642	2.66			15,755	65.24
	1/4	1/16	People's Republic of China		900.00						900.00
Paul Nelson	12/26/77	1/1/78	Cuba	407.89	525.00		327.63			407.89	852.63
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/21	1/15	Costa Rica	2,562	300.00		142,94			2,562	442,94
Graham Northup	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/2	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
James Orr	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		763.26			4,785	1063.26
Hon. Henry Reuss	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/2	1/12	Colombia	29,872	786.93	2,000	347.31			31,872	1134.24
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
	3/24	3/25	Japan	17,182	75.00					17,182	75.00
	3/25	4/5	People's Republic of China.		825.00						825.00
David Secrest	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
Hon. J. William Stanton	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
John Stark	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	255.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
David Weil	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.82
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.59
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.93
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
Hon Charles Wilson (Texas)	12/29/77	1/1/78	Cuba	233.08	300.00		62.95			233.08	362.95
	1/1	1/3	Colombia	5,694	150.00	1,730.48	45.59			7,424.48	195.59
	1/3	1/6	Argentina	134,550	225.00	57,900	96.82			192,450	321.89
	1/6	1/8	Chile	4,215	150.00	811.87	28.59			5,026.87	178.53
	1/8	1/12	Brazil	4,785	300.00		186.93			4,785	486.92
	1/12	1/15	Costa Rica	2,562	300.00		142.94			2,562	442.94
Committee total					28,149.51		12,519.09				40,668.60

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Nov. 29, 1978.

HENRY S. REUSS,
Chairman, Committee on Banking, Finance, and Urban Affairs.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE BUDGET, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]
William Lehman, MC	3/24	3/25	Japan	17,182	75.00	3,436	15.00				90.00
	3/25	4/5	Peoples' Republic of China		825.00		[3] 2,897.40				3,722.40
Wendell Belew, staff	6/30	7/2	Egypt	105	150.00	3,585	2,507.00				2,657.00
	7/2	7/5	Saudi Arabia	776.05	225.00						225.00
	7/5	7/9	Somalia	824.90	133.18	237.50	38.25				171.34
	7/9	7/11	Italy	1,275	150.00	420	87.66				237.66

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE BUDGET, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
John F Cove, staff	6/30	7/2	Egypt	150	150.00	3,585	2,507.00				2,657.00
	7/2	7/5	Saudia Arabia	776.05	225.00						225.00
	7/5	7/9	Somalia	1,783	288.20	237.50	38.25				326.45
	7/9	7/11	Italy	1,275	150.00	420	49.41				199.41
Robert Leggett, MC	6/30	7/2	Egypt	105	150.00	3,585	2,507.00				2,657.00
	7/2	7/5	Saudia Arabia	776.05	225.00						225.00
	7/5	7/9	Somalia	1,856	300.00	237.50	38.25				338.25
	7/9	7/11	Italy	1,275	150.00	420	49.41				199.41
Committee total					3,196.38		10,734.63				13,931.01

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Transportation to and from China was by U.S. Air Force aircraft. Cost shown would be equivalent to commercial rate.

Nov. 29, 1978.

Signed: ROBERT N. GIAIMO,
Chairman, Committee on the Budget.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON EDUCATION AND LABOR (SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES, SUBCOMMITTEE ON LABOR STANDARDS, SUBCOMMITTEE ON ECONOMIC OPPORTUNITY), U.S. HOUSE OF REPRESENTATIVES, JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S currency [3]
Augustus F. Hawkins	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Edward Beard	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Joseph LeFante	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Carl Pursell	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Susan Grayson	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Carole Schanzer	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Ike Andrews	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Gordon Raley	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Pat Sullivan	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Julie Domenick	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Hugh Duffy	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Chris Cross	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Nat Semple	8/21	8/23	England	75–75	150.00						
	8/23	8/27	France	1.305	300.00						
	8/27	8/29	Sweden	667.50	150.00						
	8/29	9/03	Germany	909	450.00						
Committee total					13,650.00						
JAN. 3 AND SEPT. 25. 1978											
Hon. John Ashbrook	6/19	6/24	Switzerland	843	450.00		865.06				
Transatlantic airfare and ground transportation							967.00				2,282.06
Donald Baker	6/16	6/29	Switzerland	1,987.65	1,050.00	23.20	12.30				
			Plus (U.S. dollars)		75.00						
Transatlantic airfare and ground transportation							1,528.92				2,666.22
James M. Stephens	6/17	6/29	Switzerland	1,852.50	975.00	85.5	45.00				
Transatlantic airfare and ground transportation							723.40				1,743.40
Committee total					16,200.00						20,341.68

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Note: At the time the report was filed, the Treasury Department had not yet submitted to the committee the local transportation and per diem costs incurred during this trip. This report is compiled from receipts provided to the Member or staff member, but is incomplete. The overseas transportation costs were not available at the time of this report.

Jan. 24, 1979.

CARL D. PERKINS,
Chairman, Committee on Education and Labor.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT OPERATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Ted Weiss	1/7	1/11	Hungary	7,818.75	375.00		552.40		28.20	7,818.75	955.60
Hon. John W. Jenrette, Jr	1/3	1/4	Japan	17,875	75.00					17,875	75.00
	1/4	1/7	Manila	1,659.38	225.00					1,659.38	225.00
	1/7	1/9	New Guinea	115.32	150.00					115.32	150.00
	1/9	1/12	Australia	263.02	225.00					263.02	225.00
	1/12	1/15	Singapore	524.25	225.00					524.25	225.00
	1/15	1/17	Malaysia		150.00						150.00
	1/17	1/20	India	2,415	300.00					2,415	300.00
	1/20	1/22	England	77.12	150.00					77.12	150.00
Transportation provided by U.S. military.											
James E. Lewin	1/30	2/3	Mexico	8,475	375.00		347.00			8,475	722.00
Total					2,250.00		899.40		28.20		3,177.60
Earl F. Rieger	2/12	2/16	Ecuador	7,833	300.00		[2]1,233.80			7,833	1,533.80
	2/16	2/21	Peru	48,750	375.00					48,750	375.00
	2/21	3/1	Brazil	9,837	600.00					9,837	600.00
Richard C. Barnes	2/12	2/16	Ecuador	7,833	300.00		[3]1,233.80			7,833	1,533.80
	2/16	2/21	Peru	48,750	375.00					48,750	375.00
	2/21	3/1	Brazil	9,837	600.00					9,837	600.00
Craig J. Gehring	2/12	2/16	Ecuador	7,833	300.00		[3]1,233.80			7,833	1,533.80
	2/16	2/21	Peru	48,750	375.00					48,750	375.00
	2/21	3/1	Brazil	9,837	600.00					9,837	600.00
Guadalupe R. Flores	2/12	2/16	Ecuador	7,833	300.00		[3]1,233.80			7,833	1,533.80
	2/16	2/21	Peru	48,750	375.00					48,750	375.00
	2/21	3/1	Brazil	9,837	600.00					9,837	600.00
Total					5,100.00		4,935.20				10,035.20
Hon. Jack Brooks	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00					29,250	225.00
	3/31	4/2	Brazil	3,790.10	225.00					3,790.10	225.00
Hon. John W. Jenrette, Jr	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00		[5]391.00			29,250	616.00
Hon. John N. Erlenborn	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00					29,250	225.00
	3/31	4/2	Brazil	3,790.10	225.00					3,790.10	225.00
John E. Moore	3/26	3/28	Ecuador	3,916.50	150.00			[4]2,871.50	109.98	[6]6,788	259.98
	3/28	3/31	Peru	29,250	225.00			14,278	110.60	[1]43,528	335.60
	3/31	4/2	Brazil	3,790.10	225.00			1,592.80	94.56	[6]5,382.90	319.56
Elmer W. Henderson	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00					29,250	225.00
	3/31	4/2	Brazil	3,790.10	225.00					3,790.10	225.00
Total					2,775.00		391.00		315.14		3,481.14
Lynne Higginbotham	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00					29,250	225.00
	3/31	4/2	Brazil	3,790.10	225.00					3,790.10	225.00
Craig J. Gehring	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00					29,250	225.00
	3/31	4/2	Brazil	3,790.10	225.00					3,790.10	225.00
Guadalupe R. Flores	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00					29,250	225.00
	3/31	4/2	Brazil	3,790.10	225.00					3,790.10	225.00
Earl F. Rieger	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00					29,250	225.00
	3/31	4/2	Brazil	3,790.10	225.00					3,790.10	225.00
Total					2,400.00						2,400.00
Shirley B. Dempsey	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00					29,250	225.00
	3/31	4/2	Brazil	3,790.10	225.00					3,790.10	225.00
James L. George	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00					29,250	225.00
	3/31	4/2	Brazil	3,790.10	225.00					3,790.10	225.00
James L. McInerney	3/26	3/28	Ecuador	3,916.50	150.00		(4)			3,916.50	150.00
	3/28	3/31	Peru	29,250	225.00					29,250	225.00
	3/31	4/2	Brazil	3,790.10	225.00					3,790.10	225.00
Richard C. Barnes	3/30	4/2	Brazil	5,053.50	300.00		[4, 5]510.00			5,053.50	810.00
Total					2,100.00		39,702.00				41,802.00
James E. Lewin	4/5	4/7	Canada	225.26	225.00		134.78			225.26	359.78
Benjamin L. Palumbo	4/12	4/16	Canada	412.50	375.00		141.13			412.50	516.13
Bruce R. Butterworth	4/12	4/16	Canada	412.50	375.00		141.13			412.50	516.13
Rachel Halterman	4/12	4/16	Canada	412.50	375.00		141.13			412.50	516.13
Hon. Clarence Brown	6/23	6/24	Switzerland	98.10	49.40		[7]593.72			98.10	643.12
	6/24	6/25	Belgium	2,369.00	75.68					2,369.00	75.68
	6/25	6/29	Germany	6.00	.30					6.00	.30
	6/29	7/1	England	80.10	150.00					80.10	150.00
Total					1,625.38		1,151.89				2,777.27
Total for Committee on Government Operations					16,250.38		47,079.49		343.34		63,673.21

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Transportation cost provided by U.S. military for entire trip.

[4] Transportation provided by U.S. military airlift: Total cost delegation travel $39,192 (cost per seat $1,781.45).

[5] Transportation provided by U.S. military.

[6] Embassy delegation control room.

[7] Transportation provided by military airlift space available and commercial aircraft (District of Columbia to New York to Frankfurt, to London, to District of Columbia).

JACK BROOKS,
Chairman, Committee on Government Operations.

Dec. 8, 1978.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON HOUSE ADMINISTRATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Frank Thompson	2/23	2/26	Canada				38.88				38.88
Hon. Mendel Davis	2/23	2/26	Canada				38.88				38.88
Owen Goldfarb	2/23	2/24	Canada		25.00		168.00				193.00
Hon. Charles Rose	7/23	7/25	Canada		225.00		134.91				359.91
Neal Gregory	7/23	7/25	Canada		225.00		132.16				357.16
Joan Teague	7/23	7/25	Canada		225.00		132.16		2.75		359.91
Owen Goldfarb	8/20	8/23	Canada		112.50		338.88				251.38
Committee total					812.50		783.87		2.75		1,599.12

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Dec. 4, 1978.

FRANK THOMPSON, Jr.,
Chairman, Committee on House Administration.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, U S HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S currency[2]
T. Glidden	2,27	3/2	Panama		255.00		322.40				547.40
	3/2	3/6	Guatemala		225.00		351.55				576.55
J. Rogers	2/26	3/2	Panama		300.00		265.50				565.50
	3/2	3/6	Guatemala		225.00		323.17				548.17
C. Kish	3/27	4/1	Switzerland		375.00		779.00				1,154.00
J. Santini	7/2	7/6	Austria		300.00		1,003.00				1,303.00
W. Shafer	7/2	7/6	Austria		300.00		1,003.00				1,303.00
Committee total					1,950.00		4,047.62				5,997.62

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Oct. 13, 1978.

Signed: MORRIS K. UDALL,
Chairman, Committee on Interior and Insular Affairs.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Beilenson, A. C.	6/10	6/13	Cuba	9,320.85	165.00		206.00			9,320.85	371.00
Commerical transportation							259.84				259.84
Belknap, P.	7/10	7/14	England	198.15	375.00					198.15	375.00
Berdes, G.	1/2	1/4	Tunisia	61.200	150.00		47.24			61.200	197.24
	1/4	1/6	Syria	877.50	225.00					877.50	225.00
	1/6	1/9	Egypt	144.180	205.00					144.180	205.00
	1/9	1/11	Saudi Arabia	337	97.40					337	97.40
	1/11	1/13	Jordan	47.250	150.00					47.250	150.00
	1/13	1/15	Iran	10.553	150.00		8.85			10.553	158.85
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Total					1,967.40		1,741.36				3,708.76
Bierman, E.	1/2	1/4	Tunisia	59.200	145.10		47.24			59.200	192.34
	1/4	1/6	Syria	585	150.00					585	150.00
	1/6	1/9	Egypt	129	184.29					129.00	184.29
	1/9	1/11	Saudi Arabia	259.50	75.00					259.50	75.00
	1/11	1/13	Jordan	44.900	142.60					44.900	142.60
	1/13	1/15	Iran	10.553	150.00		8.85			10.553	158.85
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Binghzm, J.	1/2	1/4	Tunisia	41.200	125.49		47.24			41.200	172.73
	1/4	1/6	Syria	576	150.00					576	150.00
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	519	150.00					519	150.00
	1/11	1/13	Jordan	47.250	150.00					47.250	150.00
	1/13	1/15	Iran	10.553	150.00		8.85			10.553	158.85
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
Total					2,697.48		1,331.61				4,029.09
DOD							1,219.43				1,219.43
Brady, J.	1/2	1/4	Tunisia	48.57	119.05		47.24			48.57	166.29
	1/4	1/6	Syria	585	150.00					585	150.00
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	259.50	75.00					259.50	75.00
	1/11	1/13	Jordan	47.25	150.00					47.25	150.00
	1/13	1/15	Iran	10,553	150.00		8.85			10,553	158.85
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Brennan, K.	9/9	9/16	Ivory Coast	116,800	535.78					116,800	535.78
	9/16	9/17	Kenya	102,946	136.72					102,946	136.72

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
	9/23	9/24	Kenya								
	9/17	9/23	Seychelles	3,060	450.00					3,060	450.00
	9/24	9/27	Zambia	231.41	287.68					231.41	287.68
Commercial transportation							2,593.00				2,593.00
Total					2,729.23		5,087.95				7,817.18
Brenner, A	3/27	3/31	Italy	187,300	218.81					187,300	218.81
	3/31	4/2	Switzerland	282	150.00	131.66	70.03			413.66	220.03
DOD							682.35				682.35
Broomfield, W	1/2	1/4	Tunisia	61.200	150.00		47.24			61.200	197.24
	1/4	1/6	Syria	585	150.00					585	150.00
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia								
	1/11	1/18	Jordan	44.25	135.66					44.25	135.66
	1/13	1/15	Iran	10,533	150.00		8.85			10,533	158.85
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Buchanan, J	3/7	3/11	Switzerland	554.10	300.00		523.85			554.10	823.85
Commercial transportation							1,515.00				1,515.00
Total					1,929.47		4,066.95				5,996.22
Burke, J. H	1/2	1/4	Tunisia	40	98.04		47.24			40	145.28
	1/4	1/6	Syria	576	150.00					576	150.00
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	135.50	39.16					135.50	39.16
	1/11	1/13	Jordan	47.25	150.00					47.25	150.00
	1/13	1/15	Iran	10,553	150.00		8.85			10,553	158.85
	1/15	1/18	Israel	3,523	225.00					3,523	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Burke, J. H	7/3	7/13	People's Republic of China	1,286.93	750.00					1,286.93	750.00
	7/13	7/15	Hong Kong	696	150.00					696	150.00
DOD							1,640.87				1,640.87
Total					2,162.20		2,916.39				5,078.59
Cavanaugh, J	1/2	1/4	Tunisia	25.76	63.14		47.24			25.76	110.38
	1/4	1/6	Syria	576	150.00					576	150.00
	1/6	1/9	Egypt	57	81.43					57	81.43
	1/9	1/11	Saudi Arabia	51	14.75					51	14.75
	1/11	1/13	Jordan	45.05	140.78					45.05	140.78
	1/13	1/15	Iran	10,003	142.19		8.85			10,003	151.04
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Challenor, H	3/21	3/21	England								
	3/22	3/22	Tanzania	367.25	46.91					367.25	46.91
	3/22	3/25	Mozambique	5,137.50	159.10	3.60	112.06			5,141.10	271.16
	3/25	3/28	Zambia	184	225.00					184	225.00
	3/28	3/29	Kenya	587	75.00					587	75.00
	3/29	3/30	Zaire	60	75.00					60	75.00
	3/30	4/2	Nigeria	146.21	225.00					146.21	225.00
	4/2	4/2	Germany	152.25	75.00					152.25	75.00
Total					1,923.30		1,387.58				3,310.88
	4/3	4/4	Cuba	56.89	75.00	67	80.00			123.89	155.00
	4/4	4/5	Jamaica	101.11	75.00		222.56			101.11	297.56
Commercial transportation							2,782.70				2,782.70
Chester, J. C	3/27	3/30	Italy	192,600	225.00					192,600	225.00
	3/30	3/31	Tunisia	30.97	75.00					30.97	75.00
	3/31	4/2	Switzerland	282	150.00		70.03			282	220.03
DOD							765.59				765.59
Clawson, D.[3]	1/2	1/4	Tunisia	44.67	109.50		47.24			44.67	156.74
	1/4	1/6	Syria	585	150.00					585	150.00
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	259.50	75.00					259.50	75.00
	1/11	1/13	Jordan	47,250	150.00					47,250	150.00
	1/13	1/15	Iran	10,533	150.00		8.85			10,533	158.85
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Total					1,909.50		5,196.40				7,105.9
Collins, C	7/24	7/26	Gambia								
	7/26	7/28	Senegal	33,000	150.00					33,000	150.00
	7/28	7/30	Upper Volta	29,730	134.51					28,730	134.51
	7/30	8/2	Mali	72,600	165.00					72,600	165.00
	8/2	8/3	France	326.25	75.00					326.25	75.00
Commercial transportation							1,514				1,514.00
Danielson, G	1/3	1/4	Japan	17,873	75.00		19.15			17,873	94.15
	1/4	1/7	Philippines	1,659.38	225.00		83.35			1,659.38	308.35
	1/7	1/9	Papua, New Guinea	115.32	150.00		69.07			115.32	219.07
	1/9	1/12	Australia	263.02	300.00		43.54			263.02	343.54
	1/12	1/15	Singapore	524.25	225.00		55.84			524.25	280.84
	1/15	1/17	Malaysia	172.50	75.00		35.43			172.50	110.43
	1/17	1/20	India	2,415	300.00		53.37			2,415	353.37
	1/20	1/22	England	77.12	150.00		13.33			77.12	163.33
	1/20	1/20	Iran[4]				4.59				4.59
DOD							1,553.44				1,553.44
Total					2,024.51		3,445.11				5,469.62
de la Garza, E	7/3	7/13	People's Republic of China	1,286.93	750.00					1,286.93	750.00
	7/13	7/15	Hong Kong	696	150.00					696	150.00
DOD							1,640.87				1,640.87
Diggs, C. C	3/21	3/21	England								
	3/22	3/22	Tanzania	587.25	75.00					587.25	75.00
	3/22	3/25	Mozambique	9,687.50	300.00	3.60	112.06			9,691.10	412.06
	3/25	3/28	Zambia	184.80	225.00					184.50	225.00

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
	3/28	3/29	Kenya	587	75.00					587	75.00
	3/29	3/30	Zaire	60	75.00					60	75.00
	3/30	4/2	Nigeria	146.21	225.00					146.21	225.00
	4/2	4/2	Germany	152.25	75.00					152.25	75.00
	4/3	4/4	Cuba	56.89	75.00	67	80.00			123.89	155.00
	4/4	4/5	Jamaica	101.11	75.00		167.00			101.11	242.00
Commercial transportation							2,782.70				2,782.70
Diggs, C. C	8/25	8/25	Belgium	2,375	75.00					2,375	75.00
	8/25	8/28	Guinea	1,250	62.50					1,250	62.50
	8/29	9/1	Kenya								
Commercial transportation							2,820.00				2,820.00
Total					2,237.50		7,602.63				9,840.13
Dodd, C. J.[5]	1/2	1/4	Tunisia	13.20	76.47		47.24			31.20	123.71
	1/4	1/6	Syria	504.47	129.35					504.47	129.35
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	519	150.00					519	150.00
	1/11	1/13	Jordan	44.75	140.96					44.75	140.96
	1/13	1/15	Iran	10,553	150.00		8.85			10,553	158.85
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Fascell, D	1/2	1/4	Tunisia	41.92	102.76		47.24			41.92	150.00
	1/4	1/6	Syria	585	150.00					585	150.00
	1/6	1/9	Egypt	15,750	225.00					15,750	225.00
	1/9	1/11	Saudi Arabia								
	1/11	1/13	Jordan	47.25	150.00					47.25	150.00
	1/13	1/15	Iran	9,929	141.15		8.85			9,929	150.00
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	81.08	150.00					81.08	150.00
Total					2,465.69		1,331.61				3,797.30
DOD							1,219.43				1,219.43
Findley, P	1/2	1/4	Tunisia	61.20	150.00		47.24			61.20	197.24
	1/4	1/5	Syria								
	1/6	1/9	Egypt	146.25	208.93					146.25	208.93
	1/9	1/11	Saudi Arabia	65	18.79					65	18.79
	1/11	1/13	Jordan	47.25	150.00					47.25	150.00
	1/13	1/15	Jordan	735.36	191.50					735.36	191.50
	1/15	1/18	Israel	2,270	145.00					2,270	145.00
	1/18	1/20	Ireland	79.04	152.00					79.04	152.00
DOD							1,219.43				1,219.43
Findley, P	3/18	3/20	Japan	27,524	83.32					27,524	83.32
	3/20	4/1	People's Republic of China		975.00		208.61				1,183.61
	4/1	4/2	Hong Kong	345.75	75.00					345.75	75.00
Commercial transportation							1,296.08				1,296.08
Fortier, D	2/1	2/3	France	920.50	195.85					920.50	195.85
Commercial transportation							1,449				1,449.00
Fortier, D	3/27	3/31	Italy	198,700	232.13					198,700	232.13
	3/31	4/2	Switzerland	282	150.00	131.66	70.03			413.66	220.03
Total					2,727.52		5,509.82				8,237.34
DOD							682.35				682.35
Fountain, L. H	7/3	7/13	People's Republic of China.	1,286.93	750.00					1,286.93	750.00
	7/13	7/15	Hong Kong	696	150.00					696	150.00
DOD							1,640.87				1,640.87
Friedman, G	5/1	5/5	El Salvador	319.35	127.72					319.35	127.72
	5/5	5/9	Honduras	200	100.00					200	100.00
	5/9	5/13	Colombia	10,034	260.08	2,280	60.00			12,314	320.08
Commercial transportation							540.00				540.00
Galey, M. E	5/13	5/21	Switzerland	1,039.50	525.00					1,039.50	525.00
Commercial transportation							1,133.00				1,133.00
Gilman, B. A	1/2	1/4	Tunisia	57.90	141.92		47.24			57.90	189.16
	1/4	1/6	Syria	585	150.00					585	150.00
	1/6	1/9	Egypt	142.24	203.21					142.24	203.21
	1/9	1/11	Saudi Arabia	219.50	63.44					219.50	63.44
	1/1	1/13	Jordan	42.25	134.15					42.25	134.15
	1/13	1/15	Iran	9,553	135.79		8.85			9,554	144.64
	1/15	1/18	Israel	3,210.30	205.00					3,210.30	205.00
	1/18	1/20	Ireland	110.88	214.00					110.88	214.00
Total					3,160.31		4,112.31				7,272.62
DOD							1,219.43				1,219.43
Gilman, B. A	4/21	4/23	South Africa		150.00						150.00
Commercial transportation							2,507.00				2,507.00
Guyer, T	1/3	1/4	Japan	17,873 00	75.00		19.15			17,873.00	94.15
	1/4	1/7	Philippines	1,659.38	192.50		83.35			1,659.38	275.85
	1/7	1/9	Papua New Guinea	115.32	128.14		69.07			115.32	197.21
	1/9	1/12	Australia	263.02	225.00		43.54			263.02	268.54
	1/12	1/15	Singapore	524.25	195.54		55.84			524.25	251.38
	1/15	1/17	Malaysia	172.50	75.00		35.43			172.50	110.43
	1/17	1/20	India	2,415.00	300.00		53.37			2,415.00	353.37
	1/20	1/20	Iran[4]				4.59				4.59
	1/20	1/22	England	77.12	150.00		13.33			77.12	163.33
DOD							1,553.44				1,553.44
Guyer, T	7/3	7/13	People's Republic of China	1,286.93	750.00					1,286.93	750.00
	7/13	7/15	Hong Kong	696.00	150.00					696.00	150.00
DOD							1,640.87				1,640.87
Total					2,391.18		7,298.41				9,689.59
Harding, K.[5]	1/2	1/4	Tunisia	30.60	75.00		47.24			30.60	122.24
	1/4	1/6	Syria	487.50	125.00					487.50	125.00
	1/6	1/9	Egypt	105.00	150.00					105.00	150.00
	1/9	1/11	Saudi Arabia								
	1/11	1/13	Jordan	44.80	140.00					44.80	140.00
	1/13	1/15	Iran	5,276.25	75.00		8.85			5,276.25	83.58
	1/15	1/18	Israel	1,957.50	125.00					1,957.50	125.00
	1/18	1/20	Ireland	241.25	125.00					241.25	125.00

See footnotes at end of table.

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
DOD							1,219.43				1,219.43
Holstine. J. D	1/3	1/4	Japan	17,873	75.00		19.15			17,873	94.15
	1/4	1/7	Philippines	1,659.38	225.00		83.35			1,659.38	308.35
	1/7	1/9	Papua New Guinea	115.32	150.00		69.07			115.32	219.07
	1/9	1/12	Australia	187.02	212.60		43.54			187.02	256.14
	1/12	1/15	Singapore	365.25	156.63		55.84			365.25	212.47
	1/15	1/17	Malaysia	345.00	150.00		35.43			345.00	185.43
Total					1,784.23		1,581.90				3,366.13
	1/17	1/20	India	2,365	293.79		53.37			2,365	347.16
	1/20	1/20	Iran [4]				4.59				4.59
	1/20	1/22	England	77.12	150.00		13.33			77.12	163.33
DOD							1,553.44				1,553.44
Holstine, J. D	7/6	7/11	Thailand	7,612.50	375.00					7,612.50	375.00
	7/11	7/15	Hong Kong	1,736.25	375.00					1,736.25	375.00
DOD							2,307.89				2,307.89
Hyndman, P. V	7/6	7/11	Thailand	7,612.50	375.00					7,612.50	375.00
	7/11	7/15	Hong Kong	1,653.25	357.07					1,653.25	357.07
DOD							2,307.89				2,307.89
Jewell, K.[5]	1/2	1/4	Tunisia	32.20	81.37		47.24			32.20	128.61
	1/4	1/6	Syria	576	150.00					576	150.00
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	259.50	75.00					259.50	75.00
	1/11	1/13	Jordan	47.25	150.00					47.25	150.00
	1/13	1/15	Iran	10,553	150.00		8.85			10,553	158.85
Total					2,757.23		6,296.60				9,053.83
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Johnson, V. C	1/4	1/10	France	1,701.25	365.96					1,701.25	365.96
	1/12	1/13	France								
	1/10	1/11	Sweden	707.65	150.00					707.65	150.00
	1/11	1/12	Norway	391.70	75.00					391.70	75.00
Commercial transportation							1,645.00				1,645.00
Jones, E	2/19	2/25	Switzerland	970.40	429.84					970.40	429.84
Commercial transportation							751.00				751.00
Majak, R	1/4	1/10	France								
	1/12	1/13	France	2,401.25	514.90					2,401.25	514.90
	1/10	1/11	Sweden	707.65	150.00					707.65	150.00
	1/11	1/12	England	38.41	75.00					38.41	75.00
Commercial transportation							1,645.00				1,645.00
Majak, R	5/3	5/6	Germany	465.75	225.00	132.83	64.80			598.58	289.80
	5/6	5/8	Czechoslovakia	300	27.93					300	27.93
	5/9	5/10	Hungary	1,615	85.45	3,793.04	200.69			5,408.04	286.14
Total					2,549.08		5,525.92				8,075.00
	5/10	5/12	Poland	4,950	150.00	1,020.98	30.66			4,980.66	180.66
Commercial transportation							1,151.00				1,151.00
Mann, J. L	4/3	3/11	Switzerland	966.80	525.00					966.80	525.00
Commercial transportation							1,515.00				1,515.00
Mann, J. L	9/9	9/16	Ivory Coast	107,800	489.91					107,800	489.91
	9/16	9/17	Kenya	735.10	97.60					735.10	97.60
	9/23	9/24	Kenya								
	9/17	9/23	Seychelles	2,830	438.00					2,830	438.00
	9/24	9/27	Zambia	196.10	160.73					196.10	160.73
Commercial transportation							2,593.00				2,593.00
Mattas, H	1/2	1/4	Tunisia	30.70	75.25		47.24			30.70	122.49
	1/4	1/6	Syria	452.50	116.03					452.50	116.03
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia								
	1/11	1/13	Jordan	47.25	150.00					47.25	150.00
	1/13	1/15	Iran	10,553	150.00		8.85			10,553	158.85
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	79.58	153.59					79.58	153.59
Total					2,956.11		5,345.75				8,301.86
DOD transportation							1,219.43				1,219.43
Meyner, H.[6]	1/2	1/4	Tunisia				47.24				47.24
	1/4	1/6	Syria								
	1/6	1/9	Egypt								
	1/9	1/11	Saudi Arabia								
	1/11	1/13	Jordan								
	1/13	1/15	Iran				8.85				8.85
	1/15	1/18	Israel								
	1/18	1/20	Ireland								
DOD							1,219.43				1,219.43
Nelson. C. D	1/3	1/4	Japan	14,970.15	65.24		19.15			14,970.15	84.39
	1/4	1/7	Philippines	755.91	102.15		83.35			755.91	185.50
	1/7	1/9	Papua New Guinea	109.62	142.36		69.07			109 62	211.43
	1/9	1/12	Australia	504.98	216.73		43.54			504.98	260.27
Total					526.48		2,710.06				3,236.54
	1/12	1/15	Singapore	439.72	188.72		55.84			439.72	244.56
	1/15	1/17	Malaysia	274	119.13		35.43			274	154.56
	1/17	1/20	India	1,579.97	196.27		53.37			1,579.97	249.64
	1/20	1/22	England	106.61	103.50		13.33			106.61	116.83
	1/20	1/20	Iran [4]				4.59				4.59
DOD							1,553.44				1,553.44
Nelson, C. D	7/3	7/13	People's Republic of China	1.719	750.00					1.719	750.00
	7/13	7/15	Hong Kong	696	150.00					696	150.00
DOD							1,640.87				1,640.87
Palmer, E. J	1/3	1/4	Japan	17,875	75.00		19.15			17,875	94.15
	1/4	1/7	Philippines	749.38	101.27		83.35			749.38	184.62
	1/7	1/9	Papua New Guinea	88.32	116.62		69.07			88.32	185.69
	1/9	1/12	Australia	263.02	300.00		43.54			263.02	343.54
	1/12	1/15	Singapore	482.25	206.97		55.84			482.25	262.81
	1/15	1/17	Malaysia	172.50	75.00		35.43			172.50	110.43
Total					2,382.48		3,663.25				6,045.73

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
	1/17	1/20	India	1,329	154.53		53.37			1,329	207.90
	1/20	1/20	Iran[4]				4.59				4.59
	1/20	1/22	England	77.12	150.00		13.33			77.12	163.33
DOD							1,553.44				1,553.44
Palmer, E. J	7/3	7/13	People's Republic of China	1,286.93	750.00					1,286.93	750.00
	7/13	7/15	Hong Kong	696	150.00					696	150.00
DOD							1,640.87				1,640.87
Pease, D. J	1/3	1/4	Tunisia	30.14	73.87		47.24			30.14	121.11
	1/4	1/6	Syria	415.50	106.54					415.50	106.54
	1/6	1/9	Egypt	107.64	153.77					107.64	153.77
	1/9	1/11	Saudi Arabia								
	1/11	1/13	Jordan	39.11	122.22					39.11	122.22
	1/13	1/15	Iran	8,935	127.01		8.85			8,935	135.86
	1/15	1/18	Israel	1,821.15	116.29					1,821.15	116.29
	1/18	1/20	Ireland	45.82	88.12					45.82	88.12
DOD							1,219.43				1,219.43
Total					1,992.35		4,541.12				6,533.47
Pettis, S. N	1/2	1/4	Tunisia	49.65	121.71		47.24			49.65	168.95
	1/4	1/6	Syria	441.52	113.21					441.52	113.21
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	259.50	75.00					259.50	75.00
	1/11	1/13	Jordan	47.25	150.00					47.25	150.00
	1/13	1/15	Iran	10,553	150.00		8.85			10,553	158.85
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD					1,219.43						1,219.43
Pettis, S. N	3/27	3/31	Italy	256,800	300.00					256,800	300.00
	3/31	4/2	Switzerland	282	150.00		70.03			282	220.03
DOD							682.35				682.35
Popovich, T.	1/2	1/6	Switzerland	551.90	275.20	33.80	40.88			585.70	316.08
	1/7	1/10	France								
	1/12	1/13	France	1,395	300.00	672	144.52			2,067	444.52
	1/10	1/11	Germany	61.20	28.37					61.20	28.37
	1/11	1/12	Netherlands	172.07	75.00					172.07	75.00
Total					3,632.92		993.87				4,626.79
	3/28	4/2	Senegal	22,240	96.03					22,240	96.03
Commercial transportation							1,831.80				1,831.80
Prz ystup, J	1/3	1/4	Japan	4,250	17.83		19.15			4,250	36.98
	1/4	1/7	Philippines	860.38	117.03		83.35			860.38	200.38
	1/7	1/9	Papua New Guinea	75.32	58.00		69.07			75.32	127.07
	1/9	1/12	Australia	183.02	208.75		43.54			183.02	252.29
	1/12	1/15	Singapore	290.25	124.57		55.84			290.25	180.41
	1/15	1/17	Malaysia	172.50	75.00		35.43			172.50	110.43
	1/17	1/20	India	1,198	148.82		53.37			1,198	202.19
	1,20	1/20	Iran[4]				4.59				4.59
	1/20	1/22	England	68	66.02		13.33			68	79.35
DOD							1,553.44				1,553.44
Ryan, L. J	1/2	1/4	Tunisia	61.20	150.00		47.24			61.20	197.24
	1/4	1/6	Syria	585	150.00					585	150.00
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	519	150.00					519	150.00
	1/11	1/13	Jordan	47.25	150.00					47.25	150.00
Total					1,737.05		3,810.15				5,547.20
	1/13	1/15	Iran	10,553	150.00		8.85			10,553	158.85
	1/15	1/18	Israel	3,523.50	225.00					3,523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1,219.43				1,219.43
Ryan, L. J	3/27	3/30	Italy[7]	192,600	225.00				662.10	192,600	887.10
	3/30	3/31	Tunisia[7]	30.975	75.00				35.49	30.975	110.49
	3/31	4/2	Switzerland[8]	282	150.00		70.03		385.95	282	605.98
DOD							765.59				765.59
Salvia, J. M	3/27	3/30	Italy	125.500	146.61					125,500	146.61
	3/30	3/31	Tunisia	25.930	62.79					25.930	62.79
	3/31	4/2	Switzerland	282	150.00		70.03			282	220.03
DOD							765.59				765.59
Salzberg, J	2/19	2/24	Switzerland	685.75	363.50					685.75	363.50
Commercial transportation							751.00				751.00
Total					1,772.90		3,650.52		1,083.54		6,506.96
Solarz, S. J	1/3	1/4	Japan	12,813	53.06	642	2.66			770.13	55.72
	1/4	1/16	People's Republic of China.		975.00						975.00
Commercial transportation[10]							2,897.40				2,897.40
Solarz, S. J	3/24	3/26	Tanzania	580.90	74.19	1,497	184.81			2,077.90	259.00
	3/26	3/26	Mozambique (few hrs)								
	3/27	3/29	Zambia	168.59	225.00					168.59	225.00
	3/29	4/1	South Africa	260.37	300.00		42.00			260.37	342.00
	4/2	4/3	Greece	715.50	19.39	1,200	32.52			1,915.50	51.91
	4/3	4/3	Cyprus	17	42.00					17	42.00
	4/3	4/5	Turkey	1,850	74.00					1,850	74.00
Commercial transportation[9]							2,375.90				2,375.90
Solarz, S. J	6/10	6/13	Cuba	169.47	225.00		206.00			169.47	431.00
Charter plane							259.84				259.84
Solarz, S. J	7/5	7/6	England	118.73	75.00					118.73	75.00
	7/6	7/9	Ireland	120.06	225.00					120.06	225.00
	7/9	7/10	England	118.73	75.00					118.73	75.00
Commercial transportation							206.00				206.00
Total					2,362.64		6,207.13				8,569.77

See footnotes at end of table.

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Soriano, R. L.	3/27	3/30	Italy	116, 398	135.98					116, 398	135.98
	3/30	3/31	Tunisia	30. 975	75.00					30. 975	75.00
	3/31	4/2	Switzerland	282	150.00	131.66	70.03			413.66	220.03
DOD							765.59				765.59
Spalatin, I. J.	1/2	1/4	Tunisia	61. 200	150.00		47.24			61. 200	197.24
	1/4	1/6	Syria	576	150.00					576	150.00
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	237	68.50					237	68.50
	1/11	1/13	Jordan	37.68	117.75					37.68	117.75
	1/13	1/15	Iran	10, 553	150.00		8.85			10, 553	158.85
	1/15	1/18	Israel	3, 523.50	225.00					3, 523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1, 219.43				1, 219.53
Ward, J.	8/25	8/25	Belgium	2, 028	64.04					2, 028	64.04
	8/25	8/28	Guinea	600	30.00					600	30.00
	8/29	9/1	Kenya	1, 063.50	140.00					1, 063.50	140.00
Commercial transportation							2, 820.00				2, 820.00
Total					1, 906.57		4, 931.14				6, 837.41
Whalen, C. W	1/3	1/4	Japan	10, 991	45.51	643	2.66			11, 634	48.17
	1/4	1/16	People's Republic of China.		975.00						975.00
DOD							2, 897.40				2, 897.40
Whalen, C. W	3/28	4/2	Senegal	20, 740	89.55					20, 740	89.55
Commercial transportation							1, 831.80				1, 831.80
Whalen, C. W	7/24	7/26	Gambia								
	7/26	7/28	Senegal	33, 000	150.00					33, 000	150.00
	7/28	7/30	Upper Volta	17, 500	79.19					17, 500	79.19
	7/30	8/2	Mali	60, 000	136.36					60, 000	136.36
	8/2	8/3	France	278.75	64.08					278.75	64.08
Commercial transportation							1, 514.00				1, 514.00
Winn, L. Jr	1/2	1/4	Tunisia	35.70	87.50		47.24			35.70	134.74
	1/4	1/6	Syria	576	150.00					576	150.00
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	352.09	101.76					352.09	101.76
	1/11	1/13	Jordan	47.25	150.00					47.25	150.00
	1/13	1/15	Iran	10, 553	150.00		8.85			10, 553	158.85
Total					2, 403.95		6, 301.95				8, 705.90
	1/15	1/18	Israel	3, 523.50	225.00					3, 523.50	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1, 219.43				1, 219.43
Winn, L., Jr	3/27	3/31	Italy	256, 800	300.00					256, 800	300.00
	3/31	4/2	Switzerland	282	150.00	131.66	70.03			413.66	220.03
DOD							682.35				682.35
Winn, L., Jr	7/3	7/13	People's Republic of China.	1, 286	750.00					1, 286	750.00
	7/13	7/15	Hong Kong	696	150.00					696	150.00
DOD							1, 640.87				1, 640.87
Wolff, L. L.	1/3	1/4	Japan	17, 875	75.00		19.15			17, 875	94.15
	1/4	1/7	Philippines	1, 659.38	225.00		83.35			1, 659.38	308.35
	1/7	1/9	Papua, New Guinea	115.32	150.00		69.07			115.32	219.07
	1/9	1/12	Australia	263.02	300.00		43.54			263.02	343.54
	1/12	1/15	Singapore	524.25	225.00		55.84			524.25	280.84
	1/15	1/17	Malaysia	172.50	75.00		35.43			172.50	110.43
	1/17	1/20	India	2, 415	300.00		53.37			2, 415	353.37
	1/20	1/20	Iran [4]				4.59				4.59
Total					3, 150.00		3, 977.02				7, 127.02
	1/20	1/22	England [10]	77.12	150.00		13.33	841.73	1, 628.57	918.85	1, 791.90
			DOD				1, 553.44				1, 553.44
Wolff, L.L.	7/3	7/13	People's Republic of China.	1, 286.93	750.00					1, 286.93	750.00
	7/13	7/15	Hong Kong	696	150.00					696	150.00
			DOD				1, 640.87				1, 640.87
Zablocki, C. J.	1/2	1/4	Tunisia [11]	61. 200	150.00		47.24		261.62	61. 200	458.86
	1/4	1/6	Syria	576	150.00					576	150.00
	1/6	1/9	Egypt	157.50	225.00					157.50	225.00
	1/9	1/11	Saudi Arabia	259.50	75.00					259.50	75.00
	1/11	1/13	Jordan	47.25	150.00					47.25	150.00
	1/13	1/15	Iran	10, 553	150.00		8.85			10, 553	158.85
	1/15	1/18	Israel	3, 523	225.00					3, 523	225.00
	1/18	1/20	Ireland	116.58	225.00					116.58	225.00
DOD							1, 219.43				1, 219.43
Total					2, 400.00		4, 483.16		1, 890.19		8, 773.35

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent: if U.S. currency is used, enter amount expended.

[3] Traveled under the auspices of the Committee on International Relations.

[4] Bus Transportation to residence of Prime Minister while plane was refueling.

[5] Traveled under the auspices of HIRC.

[6] Did not accept any per diem, only transportation expenses.

[7] Control room expenses for entire delegation of 15.

[8] Control room expenses for entire delegation of 6.

[9] White House provided military transportation to and from PRC.

[10] Total control room and miscellaneous expenses for delegation of 17 in England.

[11] Total control room and miscellaneous expenses for delegation of 22 in Tunisia.

CLEMENT J. ZABLOCKI,
Chairman, Committee on International Relations.

Dec. 8, 1978.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Henry A. Waxman	3/23	3/25	Denmark	84, 350	150.00						150.00
	3/26	4/1	U.S.S.R.	2, 952.35	525.00						525.00

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S currency[2]
	4/2	4/3	Ireland		75.00						75.00
Total											750.00
Brian R. Moir	7/15	7/23	England	312.90	600.00		1,393.00				1,993.00
Ronald D. Coleman	7/15	7/23	England	312.90	600.00		1,393.00				1,993.00
Committee total											4,736.00

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Dec. 5, 1978.

HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
John Conyers, Jr	7/30	8/3	Costa Rica	2,562	300.00		519.00			2,562	819.00
Joshua Eilberg	8/27	9/1	Great Britain	189	375.00	85.76	166.49			274.75	541.49
	9/1	9/2	Ireland	77.25	150.00	30.80	60.00			108.05	210.00
							1,393.00				1,393.00
Total					525.00		1,619.49				2,144.49
Hon. Hamilton Fish, Jr	8/27	9/1	Great Britain	183	375.00	71	166.50				541.50
	9/1	9/3	Ireland	115.68	225.00	46.50	90.00				315.00
							1,115.00				1,115.00
Total					600.00		1,371.50				1,971.50
James R. Mann	1/3	1/4	Japan	17,873	75.00					17,873	75.00
	1/4	1/7	Philippines	1,659.38	225.00					1,659.38	225.00
	1/7	1/9	New Guinea	115.32	150.00					115.32	150.00
	1/9	1/12	Australia	263.02	300.00					263.02	300.00
	1/12	1/15	Malaysia	524.25	225.00					524.25	225.00
	1/15	1/17	Malaysia	172.50	75.00					172.50	75.00
	1/17	1/20	India	1,813.50	225.00					1,813.50	225.00
	1/20	1/22	England	77.12	150.00					77.12	150.00
Estimated cost of military transportation, $5,080.											
Total					1,425.00						1,425.00
James R. Mann	3/23	3/25	Denmark	843.50	150.00					843.50	150.00
	3/25	4/1	Russia	2,952.35	525.00					2,952.35	525.00
	4/1	4/2	Switzerland	141.55	75.00					141.55	75.00
	4/2	4/3	Ireland	80.56	150.00					80.56	150.00
Estimated cost of military transportation $2,247.54.											
Total					900.00						900.00
James R. Mann	8/24	8/28	Mexico	8,475	375.00		318.00			8,475	693.00
Charles Wiggins		9/9	Germany			602	305.58			602	305.58
		9/9	England			114.35	222.41			114.35	222.41
	9/12	9/14	Ireland	115.53	225.00					115.53	225.00
Total					225.00		527.99				752.99
Garner J. Cline	7/6	7/9	Thailand	6,090.00	300.00					6,090.00	300.00
	7/9	7/12	Malaysia	525.50	225.00					525.50	225.00
	7/12	7/15	Hong Kong	1,044.00	225.00					1,044.00	225.00
							495.10				495.10
Estimated cost of military transportation, $257.28.											
Total					750.00		495.10				1,245.10
Garner J. Cline	8/27	9/1									
	9/2	9/5	Great Britain	307.69	600.00	163.00	316.49			470.69	916.49
	9/1	9/2	Ireland	77.25	150.00	30.80	60.00			108.05	210.00
							1,393.00				1,393.00
Total					750.00		1,769.49				2,519.49
Arthur Endres	7/6	7/9	Thailand	6,090.00	300.00					6,090.00	300.00
	7/9	7/12	Malaysia	525.50	225.00					525.50	225.00
	7/12	7/15	Hong Kong	1,044.00	225.00					1,044.00	225.00
							495.10				495.10
Estimated cost of military transportation, $257.28.											
Total					750.00		495.10				1,245.10

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 ANDSEPT. 26, 1978—Con.

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hayden Gregory	7/30	8/4	Costa Rica	3,202.50	375.00		613.00			3,202.50	988.00
Steven Raikin	7/31	8/5	Costa Rica	3,843.00	450.00		572.00			3,843.00	1,022.00
Peter Regis	8/2	9/1									
	9/2	9/5	Great Britain	207.69	600.00	163	316.49			470.69	916.49
	9/1	9/2	Ireland	77.25	150.00	30.80	60.00			108.05	210.00
							1,393.00				1,393.00
Total					750.00		1,769.49				2,519.49
Committee total					8,175.00		10,070.16				18,245.16

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expende d.

PETER W. RODINO, Jr.,
Chairman, Committee on the Judiciary.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MERCHANT MARINE AND FISHERIES COMMITTEE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Baffa, Susan	7/1	7/7	England		525.00		1,459.00				1,984.00
Batey, Gregory	5/8	5/10	Switzerland	437.62	225.00		751.00				976.00
Bauman, Robert	1/5	1/11	Panama		490.00		719.00				1,209.00
Biaggi, Mario	3/29	3/30	Switzerland		150.00		1,437.00				1,587.00
Cassani, Rudolph	6/14	7/8	England		1,125.00		821.00				1,946.00
	2/3	2/17	England		1,275.00		588.00				1,863.00
Corrado, Ernest	1/5	1/11	Panama		490.00		719.00				1,209.00
	6/12	6/17	Italy	323,250	375.00		1,742.00				2,117.00
	6/17	6/22	Germany	940.50	450.00						450.00
	6/22	6/30	England	323.45	600.00						600.00
Dornan, Robert	8/20	8/21	Finland		75.00						75.00
	8/21	9/3	U.S.S.R.		[3] 731.00		1,046.00				1,777.00
	8/25	8/26	Astrakhan	91.11	[3] 140.93						140.93
Everett, Ned	8/19	8/21	Finland	608.55	150.00						150.00
	8/21	9/3	U.S.S.R.		[3] 624.00		1,046.00				1,670.00
	8/25	8/26	Astrakhan	91.11	[3] 140.93						140.93
Heyward, Francis	2/4	2/12	England		675.00		683.00				1,358.00
Howell, Martin	5/31	6/2	New Guinea		150.00						150.00
Total					8,391.86		11,011.00				19,402.86
	6/2	6/4	Austriala	132.06	150.00						150.00
	6/4	6/10	Fiji Islands		450.00						450.00
	6/10	6/13	New Zealand	219.81	225.00						225.00
	6/13	6/16	Australia	198.01	225.00						225.00
	6/16	6/19	Indonesia	93,265.00	225.00						225.00
	6/19	6/20	Singapore	174.75	[4] 75.00						75.00
	8/7	8/10	Mexico	6,680.00	300.00		347.00				647.0)
	8/19	8/21	Finland	608.55	150.00						150.00
	8/21	9/3	U.S.S.R.		[3] 731.00		1,032.00				1,762.00
	8/25	8/26	Astrakhan	91.11	[3] 140.93						140.93
Leggett, Robert	8/19	8/21	Finland	608.55	150.00						150.00
	8/21	9/3	U.S.S.R.		[3] 731.00		1,046.00				1,777.00
	8/25	8/26	Astrakhan	91.11	[3] 140.93						140.93
Losh, Ronald	5/8	5/13	Switzerland	875.25	450.00		751.00				1,201.00
Mallon, Lawrence	3/25	4/1	Switzerland		525.00		711.00				1,236.00
	4/1	4/4	England		225.00						225.00
Mannina, George	8/21	9/3	U.S.S.R.		[3] 624.00		1,153.30				1,777.30
	8/25	8/26	Astrakhan	91.11	[3] 140.93						140.93
Total					5,658.79		5,039.30				10,698.09
McCloskey, Paul	6/24	6/30	England		450.00		821.00				1,271.00
	3/31	4/1	Switzerland		150.00		422.32				572.32
Morris, W. Patrick	6/23	7/1	England		600.00		1,104.00				1,704.00
	2/9	2/18	England	307.29	600.00		1,365.00				1,965.00
Murphy, John M	2/10	2/16	England		450.00		1,376.00				1,826.00
Norling, Richard	6/28	7/6	England	320.42	600.00		418.00				1,018.00
Perian, Carl	2/10	2/17	England		525.00		1,393.00				1,918.00
Perian, Julia	2/10	2/17	England								
Pollock, Howard	4/22	5/6	Switzerland		750.00		427.00				1,177.00
Ruppe, Philip	6/26	6/29	England		300.00		1,449.00				1,749.00
Still, Frances	8/19	8/21	Finland	608.55	150.00						150.00
	8/21	9/3	U.S.S.R.		[3] 624.00		1,513.00				2,137.00
	8/25	8/26	Astrakhan	91.11	[3] 140.93						140.93
Wescctt, Jackie	8/19	8/21	Finland	608.55	150.00						150.00
	8/21	9/3	U.S.S.R.		[3] 624.00		1,046.00				1,670.00
	8/25	8/26	Astrakhan	91.11	[3] 140.93						140.93
Total					6,254.86		11,334.32				17,589.18

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Committee trip to Finland and the U.S.S.R./Astrakhan from Aug. 20 through Sept. 3, 1978. In connection with this trip, actual expenses prepaid to Intourist by committee. No per diem allowed. For Astrakhan portion, U.S. Embassy, Moscow, paid direct to airline as Astrakhan is not a regular stopover for tourists. The payment includes hotels and meals from Astrakhan and return.

[4] Traveler was not provided counterpart funds in Singapore.

Dec. 18, 1978.

JOHN M. MURPHY,
Chairman, Committee on Merchant Marine and Fisheries.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON POST OFFICE AND CIVIL SERVICE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Gail E. Weiss[3]	8/21	8/23	England	75	150.00			0	0	75	150.00
	8/23	8/27	France	1,305	300.00			0	0	1,305	300.00
	8/27	8/29	Sweden	667.50	150.00			0	0	667.50	150.00
	8/29	9/3	Germany	909	450.00			0	0	909	450.00
Herman G. Thompson	8/21	8/23	England	75	150.00			0	0	75	150.00
	8/23	8/27	France	1,305	300.00			0	0	1,305	300.00
	8/27	8/29	Sweden	667.50	150.00			0	0	667.50	150.00
	8/29	9/3	Germany	909	450.00			0	0	909	450.00
Hon. William L. Clay[3]	8/21	8/23	England	75	150.00			0	0	75	150.00
	8/23	8/27	France	1,305	300.00			0	0	1,305	300.00
	8/27	8/29	Sweden	667.50	150.00			0	0	667.50	150.00
	8/29	9/3	Germany	909	450.00			0	0	909	450.00
E. David Minton	8/28	8/31	England	150	300.00			0	0	150	300.00
Transatlantic transportation						584	1,168.00			584	1,168.00
Michael J. Ferrell[4]	9/3	9/10	England	266.47	525.00			0	0	266.47	525.00
	9/10	9/13	Germany	447.75	225.00			0	0	447.75	225.00
Hon. William Lehman[5]	9/7	9/10	England	152.47	300.00			0	0	152.47	300.00
Committee total					4,500.00		1,168.00		0		5,668.00

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Transatlantic and intercountry transportation provided by Department of Defense. DOD has not furnished transportation costs to committee as yet. Local transportation costs have not yet been furnished to committee.

[4] Transatlantic and intercountry transportation costs have not yet been furnished to committee. Local transportation costs have not been furnished to committee.

[5] Transportation costs from Bonn, Germany, to London, England, and return to Bonn, Germany, have not yet been furnished to committee. Local transportation costs have not yet been furnished to committee.

Dec. 21, 1978.

ROBERT N. C. NIX,
Chairman, Committee on Post Office and Civil Service.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Howard, James J	1/4	1/8	Japan	88,597	375.00		3,094.10				3,469.10
	1/8	1/11	Hong Kong	690	150.00	211.20	47.08				197.08
	1/11	1/13	Singapore	524.35	225.00	186.20	79.91				304.91
Roe, Robert A	1/4	1/8	Japan	88,597	375.00		3,094.10				3,469.10
	1/8	1/11	Hong Kong	690	150.00	211.20	47.08				197.08
	1/11	1/13	Singapore	524.35	225.00	186.20	79.91				304.91
Shuster, Bud	1/4	1/8	Japan	88,597	375.00		3,094.10				3,469.10
	1/8	1/11	Hong Kong	690	150.00	211.20	47.08				197.08
	1/11	1/13	Singapore	524.35	225.00	186.20	79.91				304.91
D' Amico, Salvatore	1/4	1/8	Japan	88,597	375.00		3,014.10				3,389.10
	1/8	1/11	Hong Kong	690	150.00	211.20	47.08				197.08
	1/11	1/13	Singapore	524.35	225.00	186.20	79.91				304.91
	1/14	1/16	Hungary	4,473	225.00	1,887.50	94.94				319.94
Ence, Ron K	1/4	1/8	Japan	88,597	375.00		3,014.10				3,389.10
	1/8	1/11	Hong Kong	690	150.00	211.20	47.08				197.08
	1/11	1/13	Singapore	524.35	225.00	186.20	79.91				304.91
	1/14	1/16	Hungary	4,473	225.00	1,887.50	94.94				319.94
Mahan, David	8/30	9/1	Canada	225	191.25		199.80				391.05
Ziegler, Charles	8/30	9/1	Canada	225	191.25		199.80				391.05
Committee total					4,582.50		16,534.93				21,117.43

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; If U.S. currency is used, enter amount expended.

Dec. 8, 1978.

HAROLD T. JOHNSON,
Chairman, Committee on Public Works and Transportation.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RULES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

NOTE: There was no travel by Members or staff of the committee outside the United States to be reported to the Committee on House Administration by the Committee on Rules during this period.

JAMES J. DELANEY,
Chairman, Committee on Rules.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE AND TECHNOLOGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Mr. Doran paid his own airfare		12/30/77	United States								
	12/31/77	1/1	Ireland								
	1/1	1/2	France								
	1/2	1/2	Belgium								
	1/2	1/4	Germany								
	1/4	1/4	Italy								
	1/5	1/9	Israel[3]	2,310	150.00				20.00	2,310	170.00

See footnotes at end of table.

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem[1]: Foreign currency	Per diem[1]: U.S. dollar equivalent or U.S. currency[2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency[2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency[2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency[2]
	1/10	1/13	South Africa	172.50	150.00				30.00	172.50	180.00
	1/13	1/15	Rhodesia								
	1/15	1/16	South Africa								
	1/16	1/19	Kenya								
	1/19	1/21	England								
	1/21		United States								
Wydler		1/6	United States				[4]768.00		8.50		776.50
	1/7	1/10	Austria	3,467.80	[4]225.00			(4)	366.64	3,467.80	591.64
	1/10	1/12	Yugoslavia	2,731.50	[4]150.00			(4)	92.74	2,731.50	242.74
	1/12	1/14	Spain	12.120	[4]150.00			(4)	67.74	12,120	217.74
	1/14	1/17	Morocco	956.25	[4]225.00			(4)	53.85	956.25	278.85
	1/17		United States				[5]768.00				768.00
Wells		1/25	United States				1,515.00		30.40		1,545.40
	1/26	2/4	Switzerland	1,483.15	750.00				254.44	1,483.15	1,004.44
	2/4		United States								
Wydler		3/28	United States				916.00				916.00
	3/28	4/1	U.S.S.R	324.00	225.00		[5]123.02			324.00	348.02
	4/1	4/2	Switzerland	141.55	75.00		[5]276.80	50.34	47.60	141.55	449.74
	4/2	4/3	Ireland	80.56	150.00		[5]334.46			80.56	484.46
	4/3		United States				[5]727.87				727.87
Dugan		3/28	United States				955.00		18.00		973.00
	3/28	4/1	U.S.S.R	324.00	225.00		[5]123.02		6.70	324.00	354.72
	4/1	4/2	Switzerland	141.55	75.00		[5]276.80		129.50	141.55	481.30
	4/2	4/3	Ireland	80.56	150.00		[5]334.46			80.56	484.46
	4/3		United States				[5]727.87				727.87
Shacknai		4/13	United States								
	4/13	4/16	Canada		225.00		141.13		31.25		397.38
	4/16		United States								
Dornan		5/25	United States				[5]911.90				911.90
	5/25	5/27	Switzerland	295.45	150.00					295.45	150.00
	5/27		United States				[5]829.00				829.00
Milford		6/20	United States				224.72				224.72
	6/20	6/21	Canada		75.00				37.85		112.85
	6/21		United States						17.00		17.00
Wells		6/23	United States[6]								
	6/24	7/4	Austria						68.50		68.50
	7/4		United States						53.00		53.00
Committee total					3,150.00		9,953.05		1,384.05		14,487.10

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Counterpart funds.

[4] U.S. State Department funds.

[5] DOD (military transportation) funds.

[6] Transportation/per diem paid for by symposium sponsor.

Oct. 31, 1978.

OLIN E. TEAGUE,
Chairman, Committee on Science and Technology.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem[1]: Foreign currency	Per diem[1]: U.S. dollar equivalent or U.S. currency[2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency[2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency[2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency[2]
Thomas Ewing	1/10	1/15	Asia, Hong Kong		450.00		[3]2,671.00		39.80		3,160.80
Jeffrey Harris	1/10	1/15	Asia, Hong Kong		450.00		[3]2,671.00		83.60		3,204.60
Robert A. Bermingham	6/5	6/8	Greece		225.00		[3]1,112.00		22.62		1,359.62
	6/8	6/9	Switzerland		75.00				12.48		87.48
Harry Gossett	6/5	6/8	Greece		225.00		[3]1,112.00		5.43		1,342.43
	6/8	6/9	Switzerland		75.00				23.10		98.10
James E. Coleman, Jr	8/28	9/2	France		375.00		[3]973.00		65.26		1,413.26
Committee total					1,875.00		8,539.00				10,666.29

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Round trip.

Oct. 13, 1978.

JOHN J. FLYNT, Jr.,
Chairman, Committee on Standards of Official Conduct.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON VETERANS' AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem[1]: Foreign currency	Per diem[1]: U.S. dollar equivalent or U.S. currency[2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency[2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency[3]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency[3]
David E. Satterfield III, MC	1/7	1/11	Philippines	2,212.50	300.00					2,212.50	300.00
	1/11	1/13	Republic of China	7,053.10	150.00					7,053.10	150.00
	1/13	1/14	Japan	17,948	75.00					17,948	75.00
							2,519.60				2,519.60
John Paul Hammerschmidt, MC	1/7	1/11	Philippines	2,212.50	300.00					2,212.50	300.00
	1/11	1/13	Republic of China	5,638.80	150.00					5,638.80	150.00
	1/13	1/14	Japan	17,948	75.00					17,948	75.00
							2,490.58				2,490.68
Francis Stover, staff	1/7	1/11	Philippines	2,212.50	300.00					2,212.50	300.00
	1/11	1/13	Republic of China	8,538.80	225.00					8,538.80	225.00
	1/13	1/14	Japan	17,948	75.00					17,948	75.00
							2,519.60				2,519.60
Total					1,650.00		7,529.88				9,179.88
David E. Satterfield III, MC	8/20	8/22	France	967.50	225.00					967.50	225.00
	8/23	8/24	Belgium	4,725	150.00					4,725	150.00
	8/25	8/26	Luxembourg	2,400	75.00					2,400	75.00

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON VETERANS' AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency
	8/28	8/20	Germany	301.50	150.00					301.50	150.00
							1,486.00				1,486.00
Total					600.00		1,486.00				2,086.00

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Dec. 8, 1978.

RAY ROBERTS,
Chairman, Committee on Veterans' Affairs.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Barber B. Conable	7/5	7/7	Switzerland	276	150.00		947.00				1,097.00
Refund				82	43.40						43.40
Hon. James C. Corman	3/27	3/30	Italy	192,600	225.00		44.14				269.14
	3/30	3/31	Tunisia	30,975	75.00		5.92				80.92
	3/31	4/2	Switzerland	282	150.00		95.77				245.77
									70.91		70.91
Transportation by Department of Defense.							765.59				765.59
	8/21	8/28	England	265.14	525.00		290.10				815.10
	8/28	9/3	Germany	1,055.25	525.00		378.26				903.26
Hon. Bill Frenzel	6/13	6/15	France	690	150.00		624.57				774.57
	6/15	6/17	England	80.65	150.00						150.00
Hon. Sam M. Gibbons	3/27	3/31	Italy	256,800	300.00		44.14				344.14
	3/31	4/2	Switzerland	282	150.00	131.68	95.77				245.77
									35.42		35.42
Transportation by Department of Defense							682.35				682.35
Hon. James R. Jones	1/3	1/9	Japan	107,240	450.00		140.00				590.00
							263.00				263.04
Transportation by Department of Defense							1,448.70				1,448.70
Hon. James G. Martin	3/27	3/31	Italy	256,800	300.00		44.14				344.14
	3/31	4/2	Switzerland	282	150.00	131.68	95.77				245.77
									35.42		35.42
Transportation by Department of Defense							682.35				682.35
Hon. Richard T. Schulze	7/1	7/5	Switzerland	558.30	300.00		935.00				1,235.00
Hon. Fortney H. Stark	12/31	1/2	England	38.65	75.00		92.17				167.17
	1/2	1/5	Austria								
	1/5	1/8	Hungary	1,491	75.00		122.48				197.48
	1/8	1/12	Rumania	3,564	300.00		44.75				344.75
Refund					150.50						150.50
	1/12	1/20	Switzerland	456.55	225.00						225.00
	1/20	1/22	France								
							1,885.00				1,885.00
	8/21	8/24	England	75.75	150.00		51.10				201.10
	8/24	8/28	Norway	1,585.95	300.00						300.00
	8/28	9/3	Sweden	1,335	300.00						300.00
							1,643.40				1,643.70
Hon. William A. Steiger	4/3	4/4	Switzerland	141.55	75.00						75.00
	4/4	4/6	Belgium	6,930	225.00		8.00				233.20
	4/6	4/7	France	675	150.00						150.00
Refund					75.00						75.00
							751.00				751.00
Hon. William A. Steiger	6/29	7/1	Switzerland	280.03	150.00		935.00				1,085.00
Hon. Charles A. Vanik	4/2	4/4	Switzerland	283.05	150.00						150.00
	4/4	4/5	Belgium	4,620	150.00						150.00
							584.60				584.60
M. Kenneth Bowler	8/21	8/28	England	265.14	525.00		290.10				815.10
	8/23	9/3	Germany	1,055.25	525.00		378.26				903.26
Michael J. Calhoun	3/30	4/2	England	157.69	300.00						300.00
	4/2	4/4	Switzerland	283.05	150.00						150.00
	4/4	4/6	Belgium	6,930	225.00		8.00				233.00
	4/6	4/7	France	337.50	75.00						75.00
Refund					75.00						75.00
							719.20				719.20
	6/1	7/31	Switzerland	8,578.45	4,575.00		935.00				5,510.00
Loren C. Cox	1/3	1/11	Japan	142,986	600.00		1,365.00		27.95		1,992.95
Allen C. Jensen	8/21	8/28	England	265.14	525.00		290.10				815.10
	8/28	9/3	Germany	1,055.25	525.00		378.26				903.26
Harold T. Lamar	3/30	3/31	England	78.84	150.00						150.00
	3/31	4/4	Switzerland	566.10	300.00						300.00
	4/4	4/5	Belgium	6,930	225.00						225.00
Refund					150.00						150.00
							751.00				751.00
Harold T. Lamar	6/11	6/16	Belgium	14,670	450.00		879.00		16.00		1,345.00
John K. Meagher	1/3	1/10	Japan	142.986	600.00		1,379.38		51.00		1,030.28
	3/29	4/3	Switzerland	705.55	375.00		184.00		75.35		634.35
							751.00				751.00
	7/1	7/9	Switzerland	1,116.6	600.00		493.68		24.50		1,118.18
							935.00				935.00
David B. Rohr	1/22	1/25	Switzerland	602.10	300.00		19.00		51.00		370.00
							751.00				751.00
David B. Rohr	3/30	3/31	England	78.84	150.00						150.00
	3/31	4/4	Switzerland	566.10	300.00						300.00
	4/4	4/6	Belgium	6,930	225.00		8.00				233.00
	4/6	4/7	France	675	150.00						150.00
	4/7	4/8	Belgium								
Refund					75.00				31.65		31.65
											75.00
							846.40				846.40
	4/30	5/3	Switzerland	441	225.00						225.00

See footnotes at end of table.

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	5/3	5/6	Germany	465.75	225.00						225.00
							751.00		68.20		819.20
	6/1	8/11	Switzerland	8,578.45	4,575.00		843.00		30.00		5,448.00
Nancy A. Shalett	6/1	7/28	Switzerland	8,578.45	4,575.00		843.00		49.89		5,467.89
Refund					254.30						254.30
Mary Jane Wignot	3/8	3/19	Switzerland	1,690.20	900.00		751.00				1,651.00
Refund				281.70	150.00						150.00
Committee total					27,301.80		28,249.65		567.29		56,118.74

[1] Per Diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Note: The above report is based on available information.

AL ULLMAN,
Chairman, Committee on Ways and Means.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT COMMITTEE ON AGING, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

None.

CLAUDE PEPPER,
Chairman, Committee on Select Committee on Aging.

Jan. 19, 1979.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT COMMITTEE ON ASSASSINATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
W. Brown	1/11	1/13	Jamaica		187.50		337.00		14.35		538.85
H. Leap	1/11	1/13	Jamaica		187.50		337.00				524.50
E. Evans	3/24	3/31	Portugal		600.00		683.00		12.50		1,295.50
A. Hausman	3/24	3/31	Portugal		600.00		683.00		15.00		1,298.00
G. Cornwell	3/30	4/4	Cuba		450.00		438.33		4.25		892.58
G. Blakey	3/30	4/4	Cuba		450.00		438.33				888.33
C. Dodd	3/30	4/4	Cuba		450.00		433.33		5.00		888.33
E. Lopez	3/30	4/4	Cuba		450.00		438.33		2.25		890.58
R. Preyer	1/31	4/4	Cuba		280.00		719.93		3.00		1,002.93
L. Stokes	3/30	4,4	Cuba		450.00		438.00		11.53		899.86
R. Edgar	4/13	4/14	Canada		75.00		168.00				243.00
E. Evans	4/13	4/14	Canada		93.75		171.36		29.08		294.19
A. Hausman	4/13	4/14	Canada		93.75		171.36		29.83		294.94
M. Kreidman	4/13	4/14	Canada		93.75		171.36		1.50		266.61
E. Evans	5/7	5/16	Canada		693.75		636.30		67.80		1,397.85
A. Hausman	5,7	5/16	Canada		693.75		474.91		58.30		1,226.96
M. Kreidman	5/7	5/16	Canada		693.75		554.85		67.87		1,316.47
A. Hack	5/7	5/17	Canada		693.75		446.70		6.60		1,147.05
G. Cornwell	5/30	6/7	Mexico		618.75		242.00		83.85		944.60
D. Hardway	5/30	6/7	Mexico		637.50		344.00		5.00		986.50
H. Leap	5/30	6/7	Mexico		618.75		242.00		21.60		882.35
E. Lopez	5/30	6/7	Mexico		637.50		344.00		14.00		995.50
J. Cullings	5/31	6/11	Mexico		956.25		579.84		114.98		1,651.07
G. Hamilton	5/31	6/11	Mexico		881.25		381.65		145.42		1,408.32
A. Hausman	5/31	6/10	Mexico		787.50		437.00		122.53		1,347.03
L. Parisi	5/31	6/11	Mexico		918.75		567.56		162.05		1,648.36
G. Fonzi	6/1	6/8	Venezuela								
			Puerto Rico		562.50		419.00		18.00		999.50
A. Gonzales	6/1	6/8	Venezuela								
			Puerto Rico		562.50		419.00		56.73		1,038.23
A. Hausman	6/24	6/28	Portugal		300.00		821.00		69.50		1,190.50
E. Evans	7/29	8/5	England		525.00		418.00		105.50		1,048.50
R. Lindley	7/29	8/11	England		1,012.50		539.28		19.00		1,570.78
C. Rogovin	7/29	8/12	England		1,050.00		804.43		84.94		1,939.37
H. Leap	8/7	8/12	Mexico		412.50		407.00		71.55		891.05
E. Lopez	8/7	8/12	Mexico		412.50		407.00		69.25		888.75
S. Brady	8/16	8/17	France		112.50		283.45		33.77		429.72
R. Preyer	8/24	8/29	Cuba		412.50		635.14				1,047.64
G. Blakey	8/24	8/29	Cuba		412.50		669.14		5.00		1,086.64
E. Lopez	8/24	8/29	Cuba		412.50		669.14				1,081.64
E. Evans	9/24	9/26	Canada		175.00		132.16		14.50		321.66
A. Hausman	9/24	10/5	Canada		806.25		233.66		48.79		1,088.70
A. Hack	9/24	10/5	Canada		806.25		233.66		35.79		1,075.70
Committee total					21,267.50		17,970.53		1,630.61		40,868.64

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

LOUIS STOKES,
Chairman, Select Committee on Assassinations.

Oct. 13, 1978.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Les Aspin, Member of Congress	3/27	3/28	United Kingdom	38.91	75.00					38.91	75.00
	3/28	3/30	Denmark	843.50	150.00					843.50	150.00
	3/30	4/1	Italy	191,700	225.00	130,740	205.63			322,440	430.60
	4/2	4/7	Yugoslavia	976.20	54.03					976.20	54.00
Loch Johnson, staff	3/27	3/28	United Kingdom	38.91	75.00		825.80			38.91	900.80
	3/28	3/29	Denmark	843.50	150.00					843.50	150.03
	3/29	3/31	Norway	803.25	150.00					803.25	150.03

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

	Date			Per diem[1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Diane La Voy, staff	3/31	4/4	Germany	609.00	300.00					609.00	300.00
	4/5	4/7	Spain	11,940	150.00					11,940	150.00
	8/6	8/15	Germany	1,522.50	750.00					1,522.50	750.00
	8/16	8/23	United Kingdom	336.23	600.00					336.23	600.00
Total					2,679.03		1,031.43				3,710.46
Les Aspin, Member of Congress			Europe		504.03		205.63				709.66
Loch Johnson, staff			Europe		825.00		825.80				1,650.80
Diane La Voy, staff			Europe		1,350.00						1,350.00
Total					2,679.03		1,031.43				3,710.46

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Nov. 29, 1978.

EDWARD P. BOLAND,
Chairman, Committee on Intelligence.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT COMMITTEE ON CONGRESSIONAL OPERATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 3 AND SEPT. 26, 1978

Pursuant to H. Res. 420 of the 95th Cong., Members or staff of the Select Committee on Congressional Operations have no authority to travel outside the continental United States.

JACK BROOKS,
Chairman, Select Committee on Congressional Operations.

Oct. 13, 1978.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, AD HOC COMMITTEE ON ENERGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

	Date			Per diem[1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. curiency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
John Anderson	7/4	7/9	Italy	320.625	375.00			35.937	42.58	356.562	417.58
	7/9	7/16	Greece	14,469.45	450.00						450.00
							946.80				946.80
Committee total					825.00		946.80		42.58		1,814.38

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollars equivalent; if U.S. currency is used, enter amount expended.

Note: A bill has not been received from the Treasury Department for the per diem allowance for Congressman Anderson during his official stay in Greece. A bill for miscellaneous expenses has not been received; $450 is an estimated amount.

THOMAS L. ASHLEY,
Chairman, Ad Hoc Committee on Energy.

Dec. 4. 1978.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

	Date			Per diem[1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Charles Rangel	1/3	1/4	Japan	17,873	75.00					17,873	75.00
	1/4	1/7	Philippines	1,659.38	225.00					1,659.38	225.00
	1/7	1/9	Papua, New Guinea	115.32	150.00					115.32	150.00
	1/9	1/12	Australia	263.02	300.00					263.02	300.00
	1/12	1/14	Singapore	524.25	225.00					524.25	225.00
	1/14	1/17	Malaysia	172.50	75.00					172.50	75.00
	1/17	1/20	India		225.00						225.00
	1/20	1/22	England	77–12	150.00					77–12	150.00
Thomas Vogel	1/3	1/4	Japan	17,873	75.00					17,873	75.00
	1/4	1/7	Philippines	1,659.38	225.00					1,659.38	225.00
	1/7	1/9	Papua, New Guinea	115.32	150.00					115.32	150.00
	1/9	1/12	Australia	263.02	300.00					263.02	300.00
	1/12	1/14	Singapore	524.25	225.00					524.25	225.00
	1/14	1/17	Malaysia	172.50	75.00					172.50	75.00
	1/17	1/20	India		225.00						225.00
	1/20	1/22	England	77–12	150.00					77–12	150.00
Joseph Nellis	1/3	1/4	Japan	17,873	75.00					17,873	75.00
	1/4	1/7	Philippines	1,659.38	225.00					1,659.38	225.00
	1/7	1/9	Papua, New Guinea	115.32	150.00					115.32	150.00
	1/9	1/12	Australia	263.02	300.00					263.02	300.00
	1/12	1/14	Singpaore	524.25	225.00					524.25	225.00
	1/14	1/17	Malaysia	172.50	75.00					172.50	75.00
	1/17	1/20	India		225.00						225.00
	1/20	1/22	England	77–12	150.00					77–12	150.00
J. Herbert Burke	2/17	2/21	The Netherlands	835	375.00					835	375.00
	2/21	2/23	Germany	306	150.00					306	150.00
	2/23	2/26	England	114.50	225.00					114–50	225.00
William Lawrence	2/17	2/21	The Netherlands	835	375.00	505.44	258.00			1,350.44	633.00
	2/21	2/23	Germany	306	150.00					306	150.00
	2/23	2/26	England	114.50	225.00	22.95	41.59			137–45	266.59
Daniel Stein	2/22	2/23	Germany	306	150.00					306	150.00
	2/23	2/27	Spain	612	300.00					612	300.00
Charles Rangel	7/3	7/13	People's Republic of China.	1,286.93	750.00					1,286.93	750.00
	7/13	7/15	Hong Kong	696	150.00					696	150.00
James Mann	7/7	7/11	Thailand	6,090	300,00					6,090	300.00
	7/11	7/16	Hong Kong	1,736.25	375.00					1,736.25	375.00
Billy L. Evans	7/6	7/11	Thailand	7,612.50	375.00					7,612.50	375.00
	7/11	7/16	Hong Kong	1,736.25	375.00					1,736.25	275.00
Joseph Nellis	7/6	7/11	Thailand	7,612.50	375.00					7,612.50	375.00

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
William Lawrence	7/11	7/16	Hong Kong	1,736.25	375.00					1,736.25	375.00
	7/6	7/11	Thailand	7,612.50	375.00					7,612.50	375.00
	7/11	7/16	Hong Kong	1,736.25	375.00	9,260	[3] 2,000.00			10,996.25	2,375.00
Committee total					10,050.00		2,299.59				12,349.59

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Indicates estimate, proper documentation not returned by staff member.

LESTER L. WOLFF,
Chairman, Committee on Narcotics Abuse and Control.

Dec. 8, 1978.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, AD HOC SELECT COMMITTEE ON OUTER CONTINENTAL SHELF, U.S. HOUSE OF REPRESENTATIVES, EXTENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Terris, Bruce	1/9	1/11	Japan		225.00		1,801.32				
	1/16	1/18	Jakarta		187.50						
Belsky, Martin	1/12	1/16	Nassau		540.45		181.00				
Committee total					952.95		1,982.32				

[1] Per Diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JOHN M. MURPHY,
Chairman, Ad Hoc Select Committee on OCS.

Dec. 19, 1978.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SELECT COMMITTEE ON POPULATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Michael Teitelbaum, staff	4/1	4/15	United Kingdom					26.92	49.53	26.92	49.53
	5/16	5/23	United Kingdom			141	255.18			141	255.18
	5/17	5/19	France		225.00	254	53.73			245	278.73
James H. Scheuer, Member of Congress	5/17	5/19	France		225.00						225.00
Michael Teitelbaum, staff	8/30	9/8	United Kingdom	15	29.10	13.38	25.96	5.60	10.86	33.98	65.92
Committee total					479.10		334.87		60.39		874.36

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amoun expended.

JAMES H. SCHEUER,
Chairman, Committee on Population (Select).

Dec. 7, 1978.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SPECIAL COMMITTEE ON SOUTHEAST ASIA, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
G. V. Montgomery	8/20	8/21	Philippines	552.38	75.00					552.38	75.00
	8/21	8/25	Vietnam		375.00						375.00
	8/25	8/26	Laos		30.29						30.29
	8/26	8/27	Philippines		0						0
	8/18	8/28					8,016.77				8,016.77
J. T. Broyhill	8/20	8/21	Philippines		75.00						75.00
	8/21	8/25	Vietnam		239.86						239.86
	8/25	8/26	Laos		75.00						75.00
	8/26	8/27	Philippines		0						0
	8/18	8/28					8,016.77				8,016.77
G. E. Danielson	8/20	8/21	Philippines		75.00						75.00
	8/21	8/25	Vietnam		375.00						375.00
	8/25	8/26	Laos		19.84						19.84
	8/26	8/27	Philippines		0						0
	8/18	8/28					8,016.77				8,016.77
J. P. Murtha	8/20	8/21	Philippines		75.00						75.00
	8/21	8/25	Vietnam		202.14						202.14
	8/25	8/26	Laos		75.00						75.00
	8/26	8/27	Philippines		0						0
	8/18	8/28					8,016.77				8,016.77
W. H. Moore	8/20	8/21	Philippines		75.00						75.00
	8/21	8/25	Vietnam		67.24						67.24
	8/25	8/26	Laos		75.00						75.00
	8/26	8/27	Philippines		0						0
	8/18	8/28					8,016.77				8,016.77
S. B. Hall	8/20	8/21	Philippines		75.00						75.00
	8/21	8/25	Vietnam		294.31						294.31
	8/25	8/26	Laos		75.00						75.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SPECIAL COMMITTEE ON SOUTHEAST ASIA, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S.dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
	8/26	8/27	Philippines		0						0
	8/18	8/28					8, 016. 77				8, 016. 77
I. Skelton	8/20	8/21	Philippines		75. 00						75. 06
	8/21	8/25	Vietnam		204. 46						204. 40
	8/25	8/26	Laos		75. 00						75. 00
	8/2C	8/27	Philippines		0						0
	8/18	8/28					8, 016. 77				8, 016. 77
A. B. Won Pat	8/20	8/21	Philippines		75. 00						75. 07
	8/21	8/25	Vietnam		201. 74						201. 74
	8/25	8/26	Laos		75. 00						75. 00
	8/26	8/27	Philippines		0						0
	8/18	8/28					5, 292. 39				5, 292. 39
H. R. Vance	8/20	8/21	Philippines		75. 00						75. 00
	8/21	8/25	Vietnam		252. 22						252. 22
	8/25	8/26	Laos		75. 00						75. 00
	8/26	8/27	Philippines		0						0
	8/18	8/28					8, 016. 77				8, 016. 77
F. Burnett	8/20	8/21	Philippines		75. 00						75. 00
	8/21	8/25	Vietnam		366. 02						366. 02
	8/25	8/26	Laos		75. 00						75. 00
	8/26	8/27	Philippines		0						0
	8/18	8/28					8, 016. 77				8, 016. 77
B. G. Larson	8/20	8/21	Philippines		75. 00						75. 00
	8/21	8/25	Vietnam		375. 00						375. 00
	8/25	8/26	Laos		75. 00						75. 00
	8/26	8/27	Philippines		0						
	8/18	8/28					8, 016. 77				8, 016. 7
C ommittee total					4, 503. 12		85, 460. 09				89, 963. 21

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

G. V. MONTGOMERY,
Chairman, Special Committee on Southeast Asia.

Nov. 12, 1978.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, U.S. GROUP, INTERPARLIAMENTARY UNION, MEETING ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, VIENNA, AUSTRIA, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Del Clawson	5/3	5/9	Austria		600. 00		2, 601. 20				3, 201. 20
Joe Skubitz	5/3	5/9	Austria		600. 00		3, 350. 00				3, 950. 00
Guy Coriden	5/3	5/9	Austria		600. 00						600. 00
Delegation expenses							35. 12		472. 64		507. 76
Committee total					1, 800. 00		5, 986. 32		472. 64		8, 258. 96

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

LEE H. HAMILTON,
Cochairman, U.S. Group, Interparliamentary Union.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, U.S. GROUP, INTERPARLIAMENTARY UNION, SPRING CONFERENCE, LISBON, PORTUGAL, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency[1]	Foreign currency	U.S. dollar equivalent or U.S. currency[1]	Foreign currency	U.S. dollar equivalent or U.S. currency[1]	Foreign currency	U.S. dollar equivalent or U.S currency
David R. Bowen:									
Portugal	U.S. dollars		160. 54						160. 54
M. Caldwell Butler:									
England	do		228. 84		998. 62				1, 227. 46
France	do		513. 62						513. 62
Portugal	do		483. 14						483. 14
La wrence Coughlin:									
England	do		200. 17		1, 003. 90				1, 204. 07
France	do		578. 72		8. 28		. 98		587. 98
Portugal	do		426. 70		7. 42		14. 57		448. 69
E de la Garza:									
England	do		173. 22		998. 62				1, 171. 84
France	do		629. 30						629. 30
Portugal	do		520. 00						520. 00
Edward Derwinski:									
England	do		180. 67		998. 62				1, 179. 29
Luxembourg	do		127. 60		135. 00				262. 60
France	do		441. 61						441. 61
Portugal	do		615. 33				56. 37		671. 70
Joseph Fisher:									
England	do		128. 21		998. 62				1, 126. 83
France	do		277. 03						277. 03
Portugal	do		185. 64						185. 64
Robert McClory:									
England	do		175. 26		1, 003. 62				1, 178. 88
France	do		409. 15				6. 14		415. 29
Portugal	do		365. 25		4. 25		13. 09		382. 59

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, U.S. GROUP, INTERPARLIAMENTARY UNION, SPRING CONFERENCE, LISBON, PORTUGAL, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
J. J. Pickle:									
England	do		169.02		998.62				1,167.64
France	do		475.88						475.88
Portugal	do		247.62						247.62
Richardson Preyer:									
England	do		172.98		499.31				672.29
France	do		624.70				44.15		668.85
Portugal	do		246.94				5.19		252.13
Lionel Van Deerlin:									
England	do		383.78		998.62		2.05		1,384.45
France	do		526.38				55.48		581.86
Portugal	do		404.57						404.57
Edmund Henshaw:									
England	do		280.33		998.62				1,278.95
France	do		479.15				17.85		497.00
Portugal	do		479.75						479.75
Vance Hyndman:									
England	do		130.63		998.62				1,129.25
Luxembourg	do		107.61		127.93				235.54
France	do		162.96						162.96
Portugal	do		308.46						308.46
Diane Stoner:									
England	do		142.06		998.62				1,140.68
France	do		201.08				69.19		270.27
Portugal	do		154.44						154.44
David Schiele:									
England	do		137.71		998.62				1,136.33
France	do		251.31						251.31
Portugal	do		241.73				31.98		273.71
Subtotal			13,149.09		12,775.91		317.04		26,242.04
Transportation:									
England	do				705.49				705.49
France	do				447.38				447.38
Switzerland	do				184.00				184.00
Portugal	do				2,422.88				2,422.88
Gratuities:									
France	do						40.64		40.64
Portugal	do						200.00		200.00
Overtime (Embassy personnel):									
England	do						143.88		143.88
Portugal	do						482.32		482.32
Xerox: Portugal	do						85.00		85.00
Official calls: Portugal	do						9.90		9.90
Wireless file: Portugal	do						150.00		150.00
Miscellaneous: Portugal	do						34.72		34.72
Total			18,611.75		16,535.66		1,463.50		36,610.91
Delegation expenses:									
Official meals:									
England	do		355.42						355.42
France	do		555.49						555.49
Switzerland	do		196.50						196.50
Portugal	do		711.40						711.40
Inflight	do		1,957.26						1,957.26
Control room:									
England	do		719.59						719.59
France	do		357.61						357.61
Portugal	do		609.39						609.39

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

LEE H. HAMILTON,
Cochairman, U.S. Group, Interparliamentary Union.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, NORTH ATLANTIC ASSEMBLY DELEGATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [3]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dolla equivalen or U.S currency
Jack Brooks	1/25	1/26	France	705	150.00		1,449.00				
	1/26	1/27	United Kingdom	37-97	75.00						
Andy Ireland	1/25	1/26	France	705	150.00		1,449.00				
	1/26	1/27	United Kingdom	37-97	75.00						
Peter Abbruzzese	1/25	1/26	France	705	150.00		1,449.00				
	1/26	1/27	United Kingdom	37-97	75.00						
Delegation expenses									41.62		
Total					675.00		4,347.00		41.62		
Phillip Burton	5/25	5/27	Belgium	7,312	225.00		1,297.68				
	5/27	5/31	Spain	24,330	300.00						
Robert Garcia	5/25	5/27	Belgium	7,312	225.00		1,297.68				
	5/27	5/31	Spain	24,330	300.00						
Del Clawson	5/25	5/27	Belgium	7,312	225.00		1,297.68				
	5/27	5/31	Spain	24,330	300.00						
Baltasar Corrada	5/25	5/27	Belgium	7,312	225.00		1,297.68				
	5/27	5/31	Spain	24,330	300.00						
Peter Abbruzzese	5/25	5/27	Belgium	7,312	225.00		1,297.68				
	5/27	5/31	Spain	24,300	300.00						
Wanda Yamane	5/25	5/27	Belgium	7,312	225.00		1,297.68				
	5/27	5/31	Spain	24,330	300.00						

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, NORTH ATLANTIC ASSEMBLY DELEGATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Bob Wilson	5/26	5/27	Belgium	7,312	225.00		1,297.68				
	5/27	5/31	Spain	24,330	300.00						
Chris Dodd	5/25	5/26	Belgium	7,312	225.00		1,302.00				
William Goodling	5/25	5/27	Belgium	7,312	225.00		1,361.00				
Charles Rose	5/25	5/27	Belgium	7,312	225.00		1,361.00				
Delegation expenses (control room, telephone and local overtime)									1,383.72		
Committee total					4,350.00		14,468.76		1,383.72		20,202.48
Committee total					5,025.00		18,815.76		1,425.34		

Dec. 8, 1978.

PHILLIP BURTON,
House Delegation, North Atlantic Assembly.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SUBCOMMITTEE ON INTERNATIONAL ORGANIZATIONS—INVESTIGATION OF KOREAN-AMERICAN RELATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND SEPT. 26, 1978

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dolla equivalen or U.S currency [3]
Freedman, G. L	7/21	7/22	Hong Kong	348	75.00					348	75.00
	7/23	7/24	Singapore	343.54	150.00					343.54	150.00
	7/24	7/25	Philippines	544.75	75.00					544.75	75.00
Commercial transportation							2,158.73				2,158.73
Sulc, L. B	7/21	7/22	Hong Kong	348	75.00					348	75.00
	7/23	7/24	Singapore	343.54	150.00					343.54	150.00
	7/24	7/25	Philippines	550.75	75.00					550.75	75.00
Commercial transportation							2,222.32				2,222.32
Committee total					600.00		4,381.05				4,981.05

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Dec. 8, 1978.

CLEMENT J. ZABLOCKI,
Chairman, Committee on International Relations.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

597. A communication from the President of the United States, transmitting a report on his decision to modify the recommendation of the U.S. International Trade Commission for import relief for the wooden and plastic spring clothespin industry, pursuant to section 203(b)(2) of the Trade Act of 1974 (H. Doc. No. 96–53); to the Committee on Ways and Means and ordered to be printed.

598. A communication from the President of the United States, transmitting requests for supplemental appropriations and appropriations language for fiscal year 1979 and an amendment to the request for appropriations for fiscal year 1980 (H. Doc. No. 96–54); to the Committee on Appropriations and ordered to be printed.

599. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of February 1, 1979, pursuant to section 1014(e) of Public Law 93–344 (H. Doc. No. 96–55); to the Committee on Appropriations and ordered to be printed.

600. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report of a violation of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

601. A letter from the Deputy Secretary of Defense, transmitting the annual report of the Reserve Forces Policy Board for fiscal year 1978, pursuant to 10 U.S.C. 133(c)(3); to the Committee on Armed Services.

602. A letter from the Deputy Secretary of Defense, transmitting notice of the approval of annual compensation for certain officers and employees of various Federal contract research centers in excess of $45,000, pursuant to section 407(b) of Public Law 91–121; to the Committee on Armed Services.

603. A letter from the Secretary of Housing and Urban Development, transmitting an interim report on housing displacement, in partial response to the requirement of section 902 of Public Law 95–557; to the Committee on Banking, Finance and Urban Affairs.

604. A letter from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting the first annual report on activities under the Education for All Handicapped Children Act of 1975, pursuant to section 618(d)(1) of the Education of the Handicapped Act, as amended (89 Stat. 792); to the Committee on Education and Labor.

605. A letter from the Secretary of State, transmitting a report on the viability of the planned withdrawal of certain U.S. ground combat forces from the Republic of Korea, pursuant to section 23(d) of Public Law 95–384; to the Committee on Foreign Affairs.

606. A letter from the Director, U.S. Arms Control and Disarmament Agency, transmitting the arms control impact statements on the fiscal year 1980 weapons programs, pursuant to section 36 of the Arms Control and Disarmament Act, as amended (89 Stat. 758); to the Committee on Foreign Affairs.

607. A letter from the Administrator, Agency for International Development, Department of State, transmitting a determination that it would further the foreign policy interests of the United States to provide a commodity import program loan to Zambia from funds of the Southern Africa Program of the Economic Support Fund, together with a waiver of the prohibition against such use of the funds, pursuant to section 533(b) of the Foreign Assistance Act of 1961, as amended (92 Stat. 735); to the Committee on Foreign Affairs.

608. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of license for the export of certain defense articles sold commercially to the Federal Republic of Germany (Transmittal No. MC–9–79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

609. A letter from the Assistant Secretary of State for Congressional Relations; transmitting notice of the proposed issuance of a license for the export of certain defense articles sold commercially to the Federal Republic of Germany (Transmittal No. MC–10–79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

610. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Leonard Woodcock, and by members of his family, pursuant to section 6 of Public Law 93–126; to the Committee on Foreign Affairs.

611. A letter from the Director, Defense Security Assistance Agency, transmitting a report estimating the number of officers and employees of U.S. Government and U.S. civilian contract personnel in foreign countries for assignment in implementation of sales and commercial exports under the Arms Export Control Act as of September 30.

1978, pursuant to section 36(a)(7) of the act; to the Committee on Foreign Affairs.

612. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112 b(a); to the Committee on Foreign Affairs.

613. A letter from the Deputy Assistant Secretary of the Interior, transmitting notice of a proposed new records system for the Fish and Wildlife Service, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

614. A letter from the Public Printer, transmitting his annual report for fiscal year 1978; to the Committee on House Administration.

615. A letter from the Secretary of the Interior, transmitting the biennial report on continuing studies of the quality of water of the Colorado River Basin, pursuant to section 15 of the Act of April 11, 1956, section 15 of Public Law 87-483, section 6 of Public Law 87-590, and section 206 of Public Law 93-320; to the Committee on Interior and Insular Affairs.

616. A letter from the Secretary of the Interior, transmitting a report on activities carried out by the Geological Survey during calendar year 1978 in areas outside the national domain, pursuant to section 2 of Public Law 87-626, as amended (88 Stat. 1971); to the Committee on Interior and Insular Affairs.

617. A letter from the Deputy Assistant Secretary of the Interior for Indian Affairs, transmitting a proposed plan for the use and disposition of the Bois Forte Band of Chippewa Indian judgment funds awarded in docket No. 18-D before the Indian Claims Commission, pursuant to section 2(a) of Public Law 93-134; to the Committee on Interior and Insular Affairs.

618. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1980, 1981 and 1982; to the Committee on Interstate and Foreign Commerce.

619. A letter from the Chairman, Railroad Retirement Board, transmitting a draft of proposed legislation to amend the Railroad Retirement Act of 1974 with respect to the computation of certain annuity amounts; to the Committee on Interstate and Foreign Commerce.

620. A letter from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to amend title 5, United States Code, to provide survivor benefits to certain dependent children; to the Committee on Post Office and Civil Service.

621. A letter from the Administrator, Environmental Protection Agency, transmitting the biennial report on the costs of construction of publicly-owned wastewater treatment facilities needed to carry out the provisions of the Federal Water Pollution Control Act, and estimates of those costs on a State-by-State basis, pursuant to section 516(b)(1) of the act; to the Committee on Public Works and Transportation.

622. A letter from the Director, National Science Foundation; transmitting a draft of proposed legislation to authorize appropriations for the National Science Foundation for fiscal years 1980 and 1981; to the Committee on Science and Technology.

623. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Act of June 18, 1934, regarding the submission by the Foreign-Trade Zones Board of annual reports to Congress; to the Committee on Ways and Means.

624. A letter from the Comptroller General of the United States, transmitting a report on the readiness of conventional U.S. air forces in Europe (LCD-78-430, February 12, 1979); jointly, to the Committees on Government Operations, and Armed Services.

625. A letter from the Comptroller General of the United States, transmitting a report on the antisatellite weapon system being developed by the Defense Department (PSAD-79-12, February 7, 1979); jointly, to the Committees on Government Operations, and Armed Services.

626. A letter from the Comptroller General of the United States, transmitting a report on the Trident and SSN-688 submarine construction programs (PSAD-79-18, February 9, 1979); jointly, to the Committees on Government Operations, and Armed Services.

627. A letter from the Comptroller General of the United States, transmitting a report on the air- sea-, and ground-launched cruise missiles program (PSAD-79-19, February 12, 1979; jointly, to the Committees on Government Operations and Armed Services.

628. A letter from the Comptroller General of the United States; transmitting a report on the Army's General Support Rocket System program (PSAD-79-31, February 13, 1979); jointly, to the Committees on Government Operations, and Armed Services.

629. A letter from the Comptroller General of the United States; transmitting a report on the advanced intercontinental ballistic missile weapon system (PSAD-79-40, February 8, 1979); jointly, to the Committees on Government Operations, and Armed Services.

630. A letter from the Comptroller General of the United States; transmitting a report discussing how effective early childhood and family development programs can improve the quality of life for low-income families and children (HRD-79-40, Feb. 6, 1979); jointly, to the Committees on Government Operations, Education and Labor, Interstate and Foreign Commerce, and Ways and Means.

631. A letter from the Comptroller General of the United States, transmitting a report on U.S. Wetlands policy and an evaluation of the Department of Agriculture's Water Bank Program (PAD-79-101, Feb. 8, 1979); jointly, to the Committees on Government Operations and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on Oct. 15, 1978, the following report was filed on Jan. 2, 1979*]

Mr. BROOKS: Select Committee on Congressional Operations. Report on Survey of Activities of the Select Committee on Congressional Operations during the 95th Congress, 1977-78 (Rept. No. 95-1843). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 1894. A bill to provide for a temporary increase in the public debt limit, and for other purposes. (Rept. No. 96-2.) Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABDNOR:

H.R. 2100. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committee on Ways and Means.

By Mr. ANDREWS of North Dakota:

H.R. 2101. A bill to authorize the Three Affiliated Tribes of the Fort Berthold Reservation to file in the Court of Claims any claims against the United States for damages for delay in payment for lands claimed to be taken in violation of the U.S. Constitution, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 2102. A bill pertaining to the inheritance of trust or restricted land on the Standing Rock Sioux Reservation, North Dakota and South Dakota; to the Committee on Interior and Insular Affairs.

By Mr. ARCHER:

H.R. 2103. A bill to amend the Internal Revenue Code of 1954 to provide for the indexing of certain assets; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 2104. A bill to amend the Shipping Act, 1916, to promote trade stability and independent action in foreign oceanborne commerce of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. BRINKLEY:

H.R. 2105. A bill to amend title 38, United States Code, to establish a program of education assistance for certain members of the Selected Reserve of the Ready Reserve of any of the Armed Forces to be funded in part through contributions by participants in the program; to the Committee on Veterans' Affairs.

By Mr. CARTER:

H.R. 2106. A bill to establish a program for the inspection of schools for the presence of asbestos materials, to provide funds for the testing and evaluation of potential hazards, to create a loan program to assist in the containment or removal of imminent hazards to health and safety, and for other purposes; to the Committee on Education and Labor.

By Mr. CLAUSEN:

H.R. 2107. A bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to stone mining operations or to sand and gravel mining operations; to the Committee on Education and Labor.

By Mr. CONYERS:

H.R. 2108. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to improve the Federal system of assistance to the criminal justice system, and for other purposes; jointly, to the Committees on the Judiciary, and Education and Labor.

By Mr. COTTER:

H.R. 2109. A bill to amend the Internal Revenue Code of 1954 to delay the provision which increases the unemployment tax to States which have not repaid unemployment compensation loans under title XII of the Social Security Act; to the Committee on Ways and Means.

By Mr. ECKHARDT (for himself, Mr. ARCHER, Mr. LELAND, and Mr. PAUL):

H.R. 2110. A bill to modify the project for navigation at Houston Ship Channel (Greens Bayou), Tex., to maintain a 40-foot project depth in Greens Bayou; to the Committee on Public Works and Transportation.

By Mr. FAZIO:

H.R. 2111. A bill to extend the service area for the Sacramento Valley Canals, Central Vallejo project, California, and other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FLIPPO (for himself, Mr. BEVILL, Mr. BUCHANAN, Mr. DICKINSON, Mr. EDWARDS of Alabama, Mr. SHELBY, and Mr. NICHOLS):

H.R. 2112. A bill to authorize the Secretary of the Army to convey additional real property of the United States to the Alabama Space Science Exhibit Commission for use as a permanent site for the Alabama Space Science Exhibit; to the Committee on Armed Services.

By Mr. GREEN:

H.R. 2113. A bill to amend the Internal Revenue Code of 1954 to disregard, in the valuation for estate tax purposes of certain items created by the decedent during his life, any amount which would have been ordinary income if such item had been sold by the decedent at its fair market value, to allow a charitable deduction based on the fair market value of such items, and for other purposes; to the Committee on Ways and Means.

By Mr. JONES of Tennessee:

H.R. 2114. A bill to authorize the Secretary of Agriculture to establish a program to use volunteers for soil and water conservation, and for other purposes; to the Committee on Agriculture.

By Mr. KILDEE (for himself, Mr. Edwards of California, Mr. Guyer, Mr. Bonior of Michigan, Mr. Conte, Mr. Glickman, Mr. Ford of Michigan, Mr. Corrada, Mr. Lederer, Mr. Dornan, Mr. Mitchell of Maryland, Mr. Weiss, Mr. Murphy of Pennsylvania, Mr. Wolpe, Mr. Murtha, Mrs. Spellman, and Mr. Solarz):

H.R. 2115. A bill to protect the privacy of medical records maintained by the United States, programs assisted by the United States, or insurance companies engaged in business in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. LLOYD:

H.R. 2116. A bill to amend the Occupational Safety and Health Act of 1970 to exempt employers of 10 or fewer regular employees, to require the issuance of warnings to employers of 25 or fewer regular employees for the first instance violations, and to bar the assessment of penalties where fewer than 10 violations are cited; to the Committee on Education and Labor.

By Mr. MINETA:

H.R. 2117. A bill to amend the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

H.R. 2118. A bill to provide for bicycle facilities in public buildings, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. MOORHEAD of California:

H.R. 2119. A bill to amend title 18, U.S. Code, to revise the scope and applicability of the post-employment conflict of interest provisions with respect to officers and employees of the executive branch; to the Committee on the Judiciary.

H.R. 2120. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. NEDZI (for himself and Mr. Whitehurst) (by request):

H.R. 2121. A bill to authorize certain construction at military installations, and for other purposes; to the Committee on Armed Services.

H.R. 2122. A bill to authorize construction at military installations, and for other purposes; to the Committee on Armed Services.

By Mr. PATTEN:

H.R. 2123. A bill to grant a Federal charter to the National Opportunity Camps; to the Committee on the Judiciary.

H.R. 2124. A bill authorizing the removal of a rock ledge and certain other material in the Arthur Kill at Perth Amboy, N.J.; to the Committee on Public Works and Transportation.

H.R. 2125. A bill to amend title XVIII of the Social Security Act with respect to the types of transportation for patients which may be included in the definition of medical and other health services under such title; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce. Means, and Interstate and Foreign Commerce.

By Mr. PEYSER:

H.R. 2126. A bill to amend the Food Stamp Act of 1977 to eliminate certain restrictions on excess shelter expense deductions with respect to households which are composed entirely of persons who are age 65 or older or who are recipients of benefits under title XVI of the Social Security Act; to the Committee on Agriculture.

By Mr. PRITCHARD:

H.R. 2127. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $300 of interest received by an individual during any taxable year; to the Committee on Ways and Means.

By Mr. PRITCHARD (for himself and Mr. Blanchard):

H.R. 2128. A bill to authorize the Secretary of Housing and Urban Development to undertake, on an experimental basis, programs providing neighborhood self-help development funds; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SEIBERLING:

H.R. 2129. A bill to repeal baseball's antitrust exemption, to prohibit certain territorial restrictions in professional sports, and for other purposes; to the Committee on the Judiciary.

By Mr. SEBELIUS:

H.R. 2130. A bill to provide for the establishment of a National Agricultural Production Cost and Statistical Standards Board for the purpose of implementing and standardizing cost of production information as it relates to agricultural production; to the Committee on Agriculture.

By Mr. SMITH of Iowa:

H.R. 2131. A bill to amend the Agricultural Act of 1949 as amended by Public Law 95–113 to provide a target price for feed grains which more fairly represents their average market value compared to wheat; to the Committee on Agriculture.

By Mr. STAGGERS:

H.R. 2132. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. STANTON:

H.R. 2133. A bill to amend the Federal Reserve Act to reduce certain reserve requirements in order to facilitate the implementation of monetary policy, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 2134. A bill to modify the project for Ashtabula Harbor, Ohio, to authorize the enlargement of a turning basin; to the Committee on Public Works and Transportation.

By Mr. TRAXLER:

H.R. 2135. A bill to amend title 18 of the United States Code to increase the sentences for certain gun-related offenses and to extend the mandatory nature of such sentences to certain additional gun-related offenses; to the Committee on the Judiciary.

H.R. 2136. A bill to amend title 38, United States Code, to treat individuals who were serving as cadets or midshipmen at one of the service academies on December 31, 1976, as veterans of the Vietnam era for purposes of entitlement to educational assistance under chapter 34 of such title; to the Committee on Veterans' Affairs.

H.R. 2137. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the credit for the elderly, and to eliminate the adjusted gross income limitation applicable to such credit; to the Committee on Ways and Means.

H.R. 2138. A bill to provide for the monthly publication of a Consumer Price Index for the aged and other social security beneficiaries, which shall be used in the provision of the cost-of-living benefit increases authorized by title II of the Social Security Act; to the Committee on Ways and Means.

H.R. 2139. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

By Mr. WYLIE:

H.R. 2140. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Ways and Means.

By Mr. CLAUSEN (for himself and Mr. Lagomarsino):

H.J. Res. 200. Joint resolution requiring studies of certain grants; to the Committee on Government Operations.

By Mr. EVANS of Georgia:

H.J. Res. 201. Joint resolution raising the price support levels for milk, wheat, corn, soybeans, and cotton to 90 per centum of the respective parity prices therefor, and for other purposes; to the Committee on Agriculture.

By Mrs. HOLT:

H.J. Res. 202. Joint resolution proposing an amendment to the Constitution of the United States for the purpose of limiting the power of Congress to tax or increase the public debt; to the Committee on the Judiciary.

By Mr. LAGOMARSINO (for himself and Mr Clausen):

H.J. Res. 203. Joint resolution requiring studies of certain grants; to the Committee on Government Operations.

By Mr. MOTTL:

H.J. Res. 204. Joint resolution proposing an amendment to the Constitution of the United States to provide that the total expenditures of the Government of the United States may not exceed the total revenues received by such Government in any fiscal year except in time of war or economic emergency declared by the Congress; to the Committee on the Judiciary.

By Mr. RANGEL (for himself, Mr. Akaka, Mr. Biaggi, Mr. Bingham, Mr. Blanchard, Mr. Bonior of Michigan, Mr. Brodhead, Mr. Phillip Burton, Mrs. Chisholm, Mr. Clay, Mr. Conte, Mr. Conyers, Mr. Corman, Mr. Corrada, Mr. Dellums, Mr. Diggs, Mr. Dixon, Mr. Downey, Mr. Drinan, Mr. Edwards of California, Mrs. Fenwick, Mr. Guarini, Mr. Green, Mr. Hawkins, Mr. Heftel, Ms. Holtzman, Mr. Kildee, Mr. Kogovsek, Mr. Lehman, Mr. Long of Louisiana, Mr. McHugh, Mr. Martin, Mr. Mikva, Mr. Mitchell of Maryland, Mr. Murphy of Illinois, Mr. Panetta, Mr. Pepper, Mr. Price, Mr. Richmond, Mr. Roe, Mr. Rosenthal, Mr. Scheuer, Mr. Simon, Mr. Stark, Mr. Stokes, Mr. Weiss, Mr. Van Deerlin, Mr. Flood, and Mr. Garcia):

H.J. Res. 205. Joint resolution authorizing the appropriation of funds for the acquisition of a monument to Dr. Ralph J. Bunche and its erection in United Nations Plaza Park in New York City; to the Committee on House Administration.

By Mr. CLAUSEN:

H. Con. Res. 48. Concurrent resolution expressing the sense of Congress that the new regulations of the Department of Labor with respect to the health and safety training of miners places an undue burden on small operators; to the Committee on Education and Labor.

By Mr. BENNETT:

H. Res. 111. Resolution providing funds for the expenses of the Committee on Standards of Official Conduct; to the Committee on House Administration.

By Mr. DELLUMS:

H. Res. 112. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on the District of Columbia; to the Committee on House Administration.

By Mr. KEMP:

H. Res. 113. Resolution designating May 3 as "Polish Constitution Day"; to the Committee on Post Office and Civil Service.

By Mr. PERKINS (for himself, Mr. Thompson, Mr. Ashbrook, and Mr. Erlenborn):

H. Res. 114. Resolution providing funds for the expenses of a welfare and pension plans task force under the jurisdiction of the Committee on Education and Labor; to the Committee on House Administration.

By Mr. PRITCHARD:

H. Res. 115. Resolution amending the Rules of the House of Representatives to prohibit Members of the House from using official congressional stationery to raise funds if such funds are to be used to influence governmental policy or affect governmental elections; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII.

29. The SPEAKER presented a memorial of the Legislature of the State of Idaho, relative to preventing proposed Internal Revenue Service regulations regarding the elimination of tax exempt status of private schools from becoming effective; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LLOYD:

H.R. 2141. A bill for the relief of Dolores Hernandez Macapinlac; to the Committee on the Judiciary.

H.R. 2142. A bill for the relief of Roberto Ang Castillo and Hermenigilda Turla Castillo; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 2143. A bill for the relief of Edward S. Wiley; to the Committee on the Judiciary.

By Mr. McCLORY:

H.R. 2144. A bill for the relief of Linnie Harris; to the Committee on the Judiciary.

By Mr. MITCHELL of Maryland:

H.R. 2145. A bill for the relief of Florette Ivoree Gayle; to the Committee on the Judiciary.

By Mr. PEASE:

H.R. 2146. A bill for the relief of Sidney G. Kanouse; to the Committee on the Judiciary.

By Mr. SENSENBRENNER:

H.R. 2147. A bill for the relief of Lt. Col. Kenneth J. Sawyer; to the Committee on the Judiciary.

By Mr. STANTON:

H.R. 2148. A bill for the relief of Col. (Doctor) Paul A. Kelly; to the Committee on the Judiciary.

By Mr. WHITE:

H.R. 2149. A bill for the relief of Horizon Corp. and Horizon Properties Corp.; to the Committee on the Judiciary.

H.R. 2150. A bill for the relief of Harding C. Hays and Imogene D. Hays; to the Committee on the Judiciary.

H.R. 2151. A bill for the relief of Frank C. Koper; to the Committee on the Judiciary.

By Mr. PEASE:

H. Res. 116. A resolution to refer the bill (H.R. 2146) for the relief of Sidney G. Kanouse to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 90: Mr. Annunzio, Mr. Barnard, Mr. Biaggi, Mrs. Boggs, Mr. Bowen, Mr. Cleveland, Mr. Corrada, Mr. Coughlin, Mr. Daschle, Mr. Dixon, Mr. Donnelly, Mr. English, Mr. Erdahl, Mr. Fazio, Ms. Ferraro, Mr. Fithian, Mr. Flood, Mr. Fowler, Mr. Gaydos, Mr. Glickman, Mr. Gray, Mr. Guyer, Mr. Hall of Ohio, Mr. Hefner, Mr. Howard, Mr. Johnson of Colorado, Mr. Leach of Iowa, Mr. Lloyd, Mr. Maguire, Mr. Mathis, Mr. Mavroules, Mr. Montgomery, Mr. Nowak, Mr. Oberstar, Mr. Patten, Mr. Patterson, Mr. Regula, Mr. Rinaldo, Mrs. Spellman, Mr. Stokes, Mr. Stratton, Mr. Tauke, Mr. Traxler, Mr. Trible, Mr. Udall, Mr. Watkins, Mr. Whitten, Mr. Charles Wilson of Texas, Mr. Wolff, and Mr. Young of Florida.

H.R. 96: Mr. Zeferetti, Mr. Whitehurst, Mr. Stockman, Mr. Huckaby, Mr. Harsha, Mr. Cleveland, Mr. Collins of Texas, Mr. Abdnor, Mr. Jenkins, Mr. Florio, Mr. Nichols, Mr. Lagomarsino, Mr. Burgener, Mr. Mottl, Mrs. Bouquard, Mr. Guyer, Mr. Ginn, Mr. Taylor, Mr. Symms, Mr. Montgomery, Mr. Dornan, Mr. Lott, Mr. Bevill, Mr. Hillis, Mr. Addabbo, Mr. Broyhill, Mr. Hyde, Mr. Young of Alaska, Mr. Hall of Texas, Mr. Walker, Mr. Ireland, Mr. Hughes, Mr. Jeffries, Mr. Buchanan, Mr. Kramer, Mr. Carter, Mr. Pashayan, Mr. Hagedorn, Mr. McKay, Mr. Dannemeyer, Mr. Erlenborn, Mr. Beard of Tennessee, Mr. Flood, Mr. Robinson, Mr. Shumway, Mr. Robert W. Daniel, Jr., Mr. Sawyer, Mr. Grassley, Mr. Gingrich, Mr. Rudd, Mr. Snyder, and Mr. Evans of Delaware.

H.R. 114: Mr. Rudd and Mr. Leach of Louisiana.

H.R. 204: Mr. Derwinski, Mr. Gramm, Mr. Bevill, Mr. Frenzel, Mr. McDonald, Mr. Conte, Mr. Devine, Mr. Young of Alaska, Mr. Ichord, Mr. Archer, Mr. Robinson, Mr. Neal, Mr. Hollenbeck, Mr. Snyder, Mr. Pepper, Mr. Evans of Georgia, Mr. Lott, Mr. Solomon, Mr. Dan Daniel, Mr. John L. Burton, Mr. Luken, Mrs. Bouquard, Mr. Carr, Mr. Fazio, Mr. Charles Wilson of Texas, Mr. Kildee, Mr. Symms, Mr. Loeffler, Mr. Guyer, Mr. Gingrich, Mr. Gilman, Mr. Rose, Mr. Stokes, Mr. Hansen, and Mr. Rousselot.

H.R. 276: Mr. Richmond, Mr. Edwards of California, Mr. Ottinger, Mr. Weaver, Mr. Markey, Mr. Wolff, Mr. Corman, Mr. Scheuer, Mr. McHugh, Mr. Carr, Mr. Vento, Mr. Weiss, Mr. Green, Ms. Holtzman, Mr. Seiberling, Mr. Rangel, and Mr. Kildee.

H.R. 283: Mr. Kildee, Mr. Bonior of Michigan, Mr. Markey, Mr. Udall, Mr. Stewart, Mr. Dixon, Mr. Young of Missouri, Mr. Mitchell of Maryland, Mr. Richmond, Mr. Marlenee, Mr. Matsui, Mr. Hanley, Mr. Conyers, Mr. Kogovsek, Mr. Waxman, Mr. Moffett, Mr. Conte, Mr. Frost, Mr. Van Deerlin, Mr. Seiberling, Mr. Wolpe, Mr. Traxler, Mr. Stark, Mr. Lederer, Mr. Weaver, Mr. Gray, Mr. Shannon, Mr. Buchanan, and Ms. Ferraro.

H.R. 290: Mr. Ottinger, Mr. Downey, Mr. Addabbo, Mr. Akaka, Mr. Bedell, Mr. Bonior of Michigan, Mr. Bonker, Mr. Corrada, Mr. D'Amours, Mr. Edwards of California, Mr. Fascell, Mrs. Fenwick, Mr. Ford of Tennessee, Mr. Gephardt, Mr. Hollenbeck, Ms. Holtzman, Mr. Howard, Mr. Hughes, Mr. LaFalce, Mr. McHugh, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moffett, Mr. Murphy of Pennsylvania, Mr. Nowak, Mr. Pursell, Mr. Richmond, Mr. Seiberling, Mr. Solarz, Mrs. Spellman, Mr. Vento, Mr. Weiss, and Mr. Wolff.

H.R. 365: Mr. Livingston, Mr. John L. Burton, Mr. Abdnor, Mr. Davis of Michigan, Mr. Fazio, Mr. Gingrich, Mr. Hagedorn, Mr. Moorhead of California, Mr. Moorhead of Pennsylvania, Mr. Shumway, and Mr. Trible.

H.R. 601: Mr. Rhodes, Mr. Butler, Mr. Hyde, Mr. Hughes, Mr. Brown of Ohio, Mr. Robinson, Mrs. Holt, Mr. Devine, Mr. Miller of Ohio, Mr. Goldwater, Mr. Collins of Texas, Mr. Dornan, Mr. Burgener, Mr. Lagomarsino, Mr. Lewis, Mr. Moore, Mr. Solomon, Mr. Badham, Mr. Symms, Mr. Livingston, Mr. Robert W. Daniel, Jr., Mr. Lee, Mr. Corcoran, Mr. Applegate, Mr. Charles Wilson of Texas, Mr. Rudd, Mr. Gilman, Mr. Whitehurst, Mr. Spence, Mr. Guyer, Mr. Buchanan, Mr. Stangeland, Mr. Murphy of Pennsylvania, Mr. Dickinson, Mr. Snyder, Mr. Leath of Texas, Mr. Winn, Mr. Goodling, Mr. Hillis, Mr. Sebelius, Mr. Dougherty, Mr. Whittaker, Mr. Rousselot, and Mr. Young of Alaska.

H.R. 742: Mr. Conte, Mr. Ottinger, Mr. Ford of Tennessee, Mr. Diggs, Mr. Murphy of Pennsylvania, Mr. Rodino, Mr. Solarz, Mr. Moakley, Mr. Hagedorn, Mr. Richmond, Mr. Emery, Mr. Frost, Mr. Edwards of California, Mr. Downey, Mr. Benjamin, Mr. Flood, Mr. Hughes, Mr. AuCoin, Mr. Weaver, Mr. Buchanan, Mr. Corrada, Mr. Bonior of Michigan, Mr. Wolff, Mr. Mitchell of Maryland, Mr. Price, Mr. Jeffords, Mr. Akaka, Mr. Skelton, Mr. Edgar, Mr. Markey, Mr. Dellums, Mr. Pritchard, Mr. Vento, Mr. Bingham, Mr. Pease, Mr. Gonzalez, Mr. Lehman, Mr. Kildee, Mr. Weiss, Mr. Waxman, Ms. Holtzman, Mr. Anderson of California, and Mr. Conyers.

H.R. 743: Mr. Conte, Mr. Ottinger, Mr. Ford of Tennessee, Mr. Diggs, Mr. Murphy of Pennsylvania, Mr. Rodino, Mr. Solarz, Mr. Moakley, Mr. Hagedorn, Mr. Richmond, Mr. Long of Maryland, Mr. Frost, Mr. Edwards of California, Mr. Downey, Mr. Benjamin, Mr. Flood, Mr. Hughes, Mr. AuCoin, Mr. Weaver, Mr. Buchanan, Mr. Corrada, Mr. Bonior of Michigan, Mr. Wolff, Mr. Mitchell of Maryland, Mr. Price, Mr. Jeffords, Mr. Akaka, Mr. Skelton, Mr. Edgar, Mr. Markey, Mr. Dellums, Mr. Pritchard, Mr. Vento, Mr. Bingham, Ms. Holtzman, Mr. Gonzalez, Mr. Lehman, Mr. Kildee, Mr. Weiss, Mr. Waxman, Mr. Anderson of California, Mr. Emery, and Mr. Conyers.

H.R. 744: Mr. Conte, Mr. Ottinger, Mr. Ford of Tennessee, Mr. Diggs, Mr. Murphy of Pennsylvania, Mr. Rodino, Mr. Solarz, Mr. Moakley, Mr. Hagedorn, Mr. Richmond, Mr. Long of Maryland, Mr. Frost, Mr. Edwards of California, Mr. Downey, Mr. Benjamin, Mr. Flood, Mr. Hughes, Mr. AuCoin, Mr. Weaver, Mr. Buchanan, Mr. Corrada, Mr. Bonior of Michigan, Mr. Wolff, Mr. Mitchell of Maryland, Mr. Price, Mr. Jeffords, Mr. Akaka, Mr. Skelton, Mr. Edgar, Mr. Markey, Mr. Dellums, Mr. Pritchard, Mr. Vento, Mr. Bingham, Ms. Holtzman, Mr. Gonzalez, Mr. Lehman, Mr. Kildee, Mr. Weiss, Mr. Waxman, Mr. Anderson of California, Mr. Emery, Mr. Pease, and Mr. Conyers.

H.R. 758: Mr. Alexander and Mr. Oberstar.

H.R. 1320: Mr. Markey, Mr. Lundine, Mr. Wolpe, Mr. Horton, Mr. Pease, Mr. Zeferetti, Mr. Luken, Mr. Flood, Mr. Davis of Michigan, Mr. Skelton, Mr. Dingell, Mr. Cleveland, Mr. Roe, and Mr. Kogovsek.

H.R. 1435: Mr. Kildee, Mr. Corrada, Mr. Buchanan, Mr. Richmond, Mr. Studds, and Mr. Carter.

H.R. 1460: Mr. Bingham, Mr. Lagomarsino, Mr. Corrada, Mr. Vento, Mr. Addabbo, Mr. Rahall, Mr. Mitchell of Maryland, Mr. Richmond, Mr. Ottinger, Mrs. Bouquard, Mr. Guyer, Mr. Rangel, Mr. McHugh, Mr. Leh-

MAN, Ms. HOLTZMAN, Mr. PEPPER, Mr. GEPHARDT, Mr. HOWARD, Mr. STARK, Mr. DORNAN, Mr. LUKEN, Mr. CHARLES WILSON of Texas, Mr. LEDERER, Mr. LONG of Maryland, Mr. LUNDINE, Mr. AKAKA, Mr. RODINO, Mr. CLEVELAND, Mr. DUNCAN of Tennessee, and Mr. ROSE.

H.R. 1600: Mr. WHITEHURST, Mr. LAGOMARSINO, Mr. RAHALL, Mr. WALKER, Mr. DANNEMEYER, Mr. ABDNOR, Mr. CONTE, Mr. HYDE, Mr. ERTEL, Mr. SENSENBRENNER, Mr. HOWARD, Mr. SEBELIUS, Mr. LLOYD, Mr. LOTT, Mr. KINDNESS, Mr. MURPHY of Pennsylvania, Mr. BURGENER, Mr. ROBINSON, Mr. WATKINS, Mr. CHAPPELL, Mr. MCCLORY, Mr. DAVIS of Michigan, Mr. LEDERER, Mr. BADHAM, Mr. SOLOMON, Mr. WINN, Mr. ROSE, Mr. GUYER, Mr. WAMPLER, Mr. COLLINS of Texas, Mr. MATHIS, Mr. GARCIA, Mr. YOUNG of Alaska, Mr. EDWARDS of Oklahoma, Mr. ZEFERETTI, Mr. GUDGER, Mr. STANGELAND, Mr. WALGREN, Mr. ANDREWS of North Dakota, and Mr. HAGEDORN.

H.R. 1735: Mr. MOAKLEY, Mr. BONIOR of Michigan, Mr. LEDERER, Mr. WHITEHURST, Mr. BINGHAM, Mr. SOLARZ, Mr. ADDABBO, Mr. RICHMOND, Mr. LAFALCE, Mr. BEARD of Rhode Island, Mr. DRINAN, Mr. COTTER, Mr. SCHEUER, Mr. OTTINGER, and Mr. MOFFETT.

H.R. 1739: Mr. CHARLES WILSON of Texas.

H.R. 1986: Mr. FISHER.

H.R. 2036: Mr. MITCHELL of Maryland; Mr. HYDE, Mr. CONTE, Mr. MOAKLEY, Mr. AKAKA, Mr. MILLER of California, Mr. LAFALCE, Mr. ERDAHL, Mr. CORRADA, Mr. FORSYTHE, Mrs. FENWICK, Mr. KILDEE, Mr. WOLFF, Mr. YOUNG of Missouri, Mr. RICHMOND, Mr. BONIOR of Michigan, Mr. BURGENER, Mr. LEHMAN, Mr. MURPHY of Pennsylvania, Mr. BEVILL, Mr. MADIGAN, Mr. VENTO, Mr. HOLLENBECK, Mr. LAGOMARSINO, Mr. DIGGS, Mr. WILLIAMS of Montana, Mr. PEPPER. Mr. FORD of Michigan, Mr. MITCHELL of New York, Mr. GUYER, Mr. MCCLOSKEY, Mr. RANGEL, Mr. WEISS, Mr. SIMON, Mr. FLOOD, Mr. LUKEN, Mr. GREEN, Mr. OTTINGER, Mr. MOFFETT, Mr. DAVIS of Michigan, Mr. HUGHES, Mrs. SPELLMAN, Mr. CARR, Mr. WINN, Mr. BLANCHARD, Mr. SCHEUER, Mr. SEIBERLING, Mr. BUCHANAN, Mr. DOWNEY, and Mr. RAHALL.

H.J. Res 167: Mr. AKAKA, Mr ANDERSON of California, Mr. BINGHAM, Mr. BONIOR of Michigan, Mrs. BOUQUARD, Mr. BREAUX, Mr. CHAPPELL, Mr. CLEVELAND, Mr. CONTE, Mr. DODD, Mr. DORNAN, Mr. DOWNEY, Mr. DUNCAN of Oregon, Mr. EDGAR, Mr. FAZIO, Mr. FOLEY, Mr. GLICKMAN, Mr. GOODLING, Mr. GRAY, Mr. JENRETTE, Mr. MADIGAN, Mr. MAGUIRE, Mr. MARTIN, Mr. MILLER of Ohio, Mr. MINETA, Mr. MITCHELL of New York, Mr. MYERS of Indiana, Mr. OBERSTAR, Mr. PANETTA, Mr. PRICE, Mr. RANGEL, Mr. ROBERTS, Mr. ROSE, Mr. SHANNON, Mr. SOLARZ, Mr. STOKES, Mr. VAN DEERLIN, Mr. WAXMAN, and Mr. ZEFERETTI.

H.J. Res. 74; Mr. APPLEGATE, Mr. BADHAM, Mr. BAFALIS, Mr. BURGENER, Mr. CHAPPELL, Mr. COLEMAN, Mr. COLLINS of Texas, Mr. DAN DANIEL, Mr. DERWINSKI, Mr. DEVINE, Mr. DONNELLY, Mr. DORNAN, Mr. DOUGHERTY, Mr. GOLDWATER, Mr. GRISHAM, Mr. GUYER, Mr. HALL of Texas, Mr. HYDE, Mr. LOTT, Mr. LUKEN, Mr. MARTIN, Mr. MOAKLEY, Mr. MONTGOMERY, Mr. ROBERTS, Mr. RUSSO, Mr. ROUSSELOT, Mr. SHUMWAY, Mrs. SPELLMAN, Mr. STOCKMAN, Mr. SYMMS, Mr. WALKER, Mr. WHITEHURST, Mr. WYLIE, and Mr. ZEFERETTI.

H. Res. 34: Mr. BUCHANAN, Mr. CAVANAUGH, Mr. CLINGER, Mr. CONTE, Mr. DIXON, Mr. DORNAN, Mr. EDWARDS of Oklahoma, Mr. EVANS of Georgia, Mr. FINDLEY, Mr. GUARINI, Mr. HOLLENBECK, Mr. HUGHES, Mr. JOHNSON of Colorado, Mr. KOGOVSEK, Mr. LENT, Mr. LUKEN, Mr. MATSUI, Mr. MAZZOLI, Mr. MONTGOMERY, Mr. MURPHY of Pennsylvania, Mr. RAHALL, Mr. RATCHFORD, Mr. ROE, Mr. SANTINI, Mr. SIMON, Mr. SPENCE, Mr. WHITEHURST, Mr. WOLPE, and Mr. MCCORMACK.

H. Res. 107: Mr. BUCHANAN, Mr. CONTE, Mr. FOWLER, Mr. GORE, Mr. MARLENEE, Mr. RAHALL, and Mr. STANGELAND.

PETITIONS, ETC.

Under clause 1 of rule XXII,

53. The SPEAKER presented a petition of the city council, Boston, Mass., relative to the allocation from the 1979-80 Community Development Block Grant Funds for a new Federal building in the city of Boston, which was referred to the Committee on Government Operations.

EXTENSIONS OF REMARKS

THADDEUS KOSCIUSZKO

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. FARY. Mr. Speaker, distinguished colleagues, today is the 233d anniversary of the birthday of a Polish patriot who fought for liberty in America, Thaddeus Kosciuszko. His commitment to the ideals of freedom and liberty brought him to this country. The enthusiasm he found here for those same ideals, inspired him to return to Poland where he led an uprising against the partitioning of his own country by Russia, Prussia, and Austria.

Kosciuszko was born on February 12, 1746. He graduated from the Royal Military School in Warsaw with a degree in military engineering having specialized in fortifications. After continuing his studies in Paris, he heard of the beginning of the Revolutionary War and decided to join the Americans. To the cause of American Independence, he contributed both his talents as a military engineer and his enthusiasm for liberty for all men.

As an engineer, Kosciuszko helped to fortify Philadelphia and, when his talents were recognized by the American generals, built fortifications along the Hudson River, at Saratoga, and at West Point. The latter stands as a lasting memorial to his genius. He was also a valiant soldier and, after the war, was made a brigadier general by Congress, given a large piece of land in Ohio and his back pay, which amounted to about $12,000. This, and the funds from the sale of his land, he used to help found a school for freed black people that was one of the first of its kind.

Kosciuszko used the experience he had gained in America when he returned to Poland in 1784. He worked for reform in his homeland which resulted in the constitution of May 3d, 1791. With some similarities to the American Constitution, Poland's established a constitutional monarchy, granted tradespeople equal rights with the nobility, and improved the condition of the serfs. However, in 1793, Poland was partitioned by Russia, Prussia, and Austria.

With his mind, as always, full of the ideas of freedom and equality for all men, Thaddeus Kosciuszko initiated a revolt against Russian domination on March 24, 1794, with the following words:

> In the presence of God, and in the presence of the whole of mankind, and more particularly before you, Nations, in which freedom is treasured above all earthly goods, I declare that, exerting our indisputable right to resist tyranny and armed oppression, we join our forces as brothers and fellow citizens, inhabitants of one country, sons of one Motherland and swearing to one another to spare no sacrifices and to use every means with which only the holy love of freedom can supply those who rise in despair to defend her. . . . The liberation of Poland from the army of oppression, the restoration and security of her whole boundaries, the suppression of all tyranny and usurpation, foreign and domestic, the establishment of national liberty and the independence of the Republic—that is the sacred aim of our uprising.

Kosciuszko was imprisoned by the Russians and subsequently released but was never allowed to return to his homeland.

Todav, Thaddeus Kosciuszko lies buried in Krakow among Polish kings and heroes. Because he loved freedom for all regardless of class or race, his heart is buried where he spent the last days of his life, in free Switzerland. We can remember him with respect and allow that memory, of Thaddeus Kosciuszko and of our American Founding Fathers, to inspire us to work toward and pray for liberty for all men.●

THE 61ST ANNIVERSARY OF LITHUANIAN INDEPENDENCE

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. BRODHEAD. Mr. Speaker, on February 16, we commemorate an important day for all freedom-loving people: The 61st anniversary of the Declaration of Independence of Lithuania. I am happy to join with those of Lithuanian origin in celebrating this significant occasion.

The struggle for Lithuanian freedom has been long and difficult. Years after declaring its independence and taking its place among the nations of the world, Lithuania was invaded in 1940 by the Soviet Union, an ally of Nazi Germany at the time. After World War II, the Soviets refused to restore independence to Lithuania and the other Baltic States.

In spite of these setbacks, courageous Lithuanians continue their quest for freedom. The Nobel prize-winning human rights organization, Amnesty International, reports that Lithuanian citizens are currently being imprisoned for such so-called "crimes" as expressing

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

nationalist sentiments in books and leaflets. The Soviet Union has blatantly and consistently disregarded its obligations to the people of Lithuania under international agreements it has approved, including the United Nations Charter, the Universal Declaration of Human Rights, and the Helsinki Final Act.

The people of Lithuania and other captive nations have, in a sense, been bearing a burden for those of us fortunate enough to live in the free world. By their courage, perseverance and great sacrifices, they have helped all of us to understand how precious freedom is. They have earned our lasting gratitude as well as our prayers and support.●

OMNIBUS SMALL BUSINESS BILL

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. SMITH of Iowa. Mr. Speaker, this morning I have submitted a list of an additional 50 Members of the House who are cosponsoring H.R. 90, the 1979 omnibus small business bill. This brings the total number of cosponsors of this measure to 136.

For the benefit of my colleagues who have not had an opportunity to examine this bill in detail, I am attaching a summary of its major provisions. The committee will be acting upon the bill this month and I urge all of my colleagues to examine it and to support it and to show their support by cosponsoring this major small business bill.

The summary of the bill follows:

HIGHLIGHTS OF H.R. 90, OMNIBUS SMALL BUSINESS BILL AND AUTHORIZATIONS THROUGH FISCAL YEAR 1982

TITLE I. PROGRAM FUNDING AND AMENDMENTS

1. (Sections 101 and 102) Authorizes funds and sets maximum program levels for all SBA programs, including the new solar loan program, through Fiscal Year 1982:

[In millions of dollars]

	1979[1]	1980	1981	1982
Direct loans	657	695	764	840
Guaranteed loans	3,754	4,114	4,530	4,978
Nonphysical disaster loans	330	220	242	267
Surety bond guarantees	2,200	2,700	3,500	4,000
Pollution control bonds	300	100	110	125

[1] Existing law and basically unchanged in this bill.

2. SBA Salaries and expenses (Sections 101 and 102).

Authorizes salary and expense amounts through Fiscal Year 1982 and "earmarks" certain of these amounts:

[In millions of dollars]

	1979	1980	1981	1982
Procurement	17.0	18.7	20.6	22.6
Management and technical assistance	25.6	29.4	33.0	36.1
Research and advocacy	2.3	2.5	2.8	3.1
Minority enterprise	17.0	17.2	17.4	17.6
Data management	4.5	7.4	8.0	9.2
Small business development centers	8.0	18.0	20.0	22.0
Other	125.6	138.8	152.2	167.4
Total	200.0	232.0	254.0	278.0

3. Authorizations.

To support these SBA activities, the following amounts are authorized to be appropriated: 1979 $1.635 billion, 1980 $1.616 billion, 1981 $1.789 billion, 1982 $1.943 billion.

4. Disaster loan interest rates (Section 113). For disasters occurring between October 1, 1978 and October 1, 1982

A. Homeowner, 3% for first $55,000. Average cost of money to government (currently 7⅜%) on amounts above $55,000.

B. Other, 5% on first $250,000. Average cost of money to government on amounts above $250,000.

5. Small Business Indicative Data Base (Sections 101–102).

Direct SBA to compile a listing of small businesses so that SBA can inform them of possible sources of Federal assistance or exporting opportunities.

TITLE II—SMALL BUSINESS DEVELOPMENT CENTERS

The bill extends through fiscal year 1982 the pilot program authorizing comprehensive small business development centers to provide management and technical assistance to small business. The program is patterned after the successful agricultural extension service and when fully implemented in the mid-1980's is expected to be funded at $75 million. State plans for the centers are to be developed, but are not limited to university participation. Grants will be on a matching 50/50, Federal/private funding formula based on the percentage of population served by each center. Grants may be made directly to each applicant. Each applicant must qualify under the SBA approved State plan. A National Small Business Development Center Advisory Board will be appointed by the Administrator of SBA to evaluate the CBDC program. The bill authorizes $8.65 million for fiscal year 1979, $18.65 million for fiscal 1980, $20.65 million for fiscal year 1981 and $22.65 million for fiscal year 1982.

TITLE III—WHITE HOUSE CONFERENCE ON SMALL BUSINESS

Sets up a framework for a White House Conference on Small Business to be held by June, 1980. The White House Conference will be preceded by state and regional small business meetings to include all interested small business concerns. $5 million is authorized for the Conference.●

WYDLER SPONSORS SENIOR CITIZEN INTERN PROGRAM

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. WYDLER. Mr. Speaker, once again, I am sponsoring my senior citizen intern program for older Americans in our fabulous Fifth Congressional District.

Anyone involved in senior citizen affairs is painfully aware of the impact of Federal policies and legislation on the lives of our older Americans. Because of constant changes in these policies and laws, I have found it extremely helpful—to me and to the senior citizens of our area—to provide this senior citizen intern program as an open line of communication between the Federal Government and our senior citizens.

My senior citizen intern program is designed to enable two residents from within the fabulous fifth, who are 65 years of age or older and are nominated by their senior citizen organization, to spend 2 weeks in Washington. While in Washington, the two seniors from our area will join other senior interns from around the country, learning about Federal programs and policies affecting all older Americans. The program also enables me to work closely with our senior citizen representatives and gain from them an even deeper awareness of their special concerns.

Every senior citizen club in the Fifth Congressional District is invited to nominate one or two persons, regardless of sex, who have been active members of their group and who would be interested in serving as senior citizen interns representing our district. All members of senior citizen clubs and organizations are eligible to be nominated.

The recommendations of the senior citizen organizations will be referred to an impartial panel of judges consisting of active senior citizen leaders in our area, which will select the two senior citizen interns. Those selected will spend 2 weeks in Washington, D.C., from May 7 through May 18. They must be prepared to pay their own room and board while in Washington, as well as their transportation expenses, as checks will not be issued to them until sometime in early June.

While in Washington, the senior citizen interns will maintain an active schedule of morning and afternoon sessions with White House, departmental, agency, and congressional leaders, learning the "nuts and bolts" of Federal programs affecting the elderly. I will benefit from their insight into the effectiveness of these programs and, after their internship, the interns will return to the fabulous fifth to share their newly acquired knowledge with members of their own, and other, senior citizen groups.

Nomination forms for the senior citizen intern program have been distributed to all senior citizen clubs and organizations in the fabulous fifth. All nominations must be in my office at 150 Old Country Road, Mineola, N.Y., by Thursday, March 22, as the judges are scheduled to make their selections shortly thereafter.

The senior citizen intern program has proven to be of real value to our congressional district and I hope that every senior citizen organization in the district will participate in this very worthwhile program.●

FUTURE FARMERS OF AMERICA

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. NATCHER. Mr. Speaker, the week of February 17 through 24 will be celebrated as National Future Farmers of America Week. The theme of this celebration is "FFA—A Golden Past—A Brighter Future," a well chosen and timely theme.

The future of farming became a national issue last year, and rightly so. Agriculture is basic to the stability of our economy, and the Future Farmers of America program provides, not only the encouragement, but the training and expertise so vital to the continuance of this great industry.

There are over one-half million members enrolled in Future Farmers of America, and, I am happy to say, my home State of Kentucky enjoyed a record membership last year.

Members of this organization are students studying vocational agriculture guided by alumni who are willing to give their time and energies in an advisory capacity. The students learn not only the rudiments of successful farming but new concepts and technological advances that enables our agriculture industry to meet todays demands.

Future Farmers of America concerns itself with community needs. Chapters are involved in activities which are designed to improve and enhance local communities and promote a better understanding of agriculture.

To the Future Farmers of America, thank you for your industry and seriousness of purpose and congratulations—it is through organizations such as yours that America will indeed share in your brighter future.●

TRIBUTE TO HON. WILEY P. GORDON

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. FLIPPO. Mr. Speaker, the death of Wiley P. Gordon has deprived the senior citizens of Alabama with the servvice of one of the finest leaders and spokesmen for the Alabama League of Aging Citizens. As president of the Alabama Pension Foundation, Mr. Gordon provided outstanding leadership within the senior citizens' community in the battle for better health programs, better mental health facilities, adequate housing, and recreational programs to serve the elderly in Alabama. His prominent role in improving the health, welfare, and lives of senior citizens will serve as a lasting memorial to his life's work. The contributions of Mr. Gordon have been summarized succinctly and concisely in the following poem entitled, "An Everlasting Tribute," written by Mr. Rubin Morris Hanan.

Mr. Speaker, I include the tribute to Wiley P. Gordon with my remarks:

AN EVERLASTING TRIBUTE, HON. WILEY P. GORDON, ONEONTA, ALA.

Did someone say 'new beginning'?
And should it end in the first inning
For one so devoted, so loyal, so true
Who seemed always to know when and just what to do;
One who arduously worked most unceasingly
For his beloved State of Alabama
And the sick, the maimed and the poor elderly?
Did this slogan we heard represent a new era
That we were expected to toast with Champagne and Madeira,
Then before we get down to the big task ahead
Find indispensable loved ones, dispensable and dead?
Sure there must be a reason we can't see right now.
Let's praise God in His wisdom; He'll show us somehow.
The challenge now greater, the task has begun;
Without the Honorable Wiley P. Gordon
The job must be done.
We all can take pride in the roles he has played in the Legislature and the League,
As we recall knowingly the contribution he's made to
Alleviate human suffering, pain and hunger.
The unending assignments which he undertook has earned
Him a page in that Golden Book,
He so cherished it.
In tribute let's show courage; he would wish to be strong—
Let a better Alabama forever be our favorite song.
May God grant eternal rest to you in your sojourn on His Closer side.
Relatives, friends, mourners, well-wishers all remember,
God plays a good hand we throw the ball.
We mourn his passing and pay tribute to his greatness that
Is rooted in goodness,
Life that reflects its Creator.●

THE HERITAGE AND HERB BRIN

HON. HENRY A. WAXMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. WAXMAN. Mr. Speaker, it is a signal honor to be the means of calling to your attention a most noteworthy event: the silver anniversary celebration of the Los Angeles regional edition of Heritage (Southwest Jewish Press) published and edited by Herb Brin. This happy anniversary will also be celebrated by the paper's three sister editions which serve San Diego, Orange County, and central California.

Inscribed above the masthead of Heritage are the words "Justice, Justice Shalt Thou Pursue * * *." In following this Biblical injunction, Heritage harks back to earlier and tougher American journalism when an editor imprinted his personality on every page of his journal. The personality and character of Heritage is that of Herb Brin, who graduated from the rough and tumble school of Chicago journalism to become one of the most honored Jewish newspapermen in our country. Under his guidance, Heritage has ranged the world to cover the triumphs and tragedies of the Jewish people, from Israel and behind the Iron Curtain, from Tehran and from Madrid.

While Heritage's first responsibility is to the Jewish community, it is not an ethnocentric journal. Herb Brin's burning sense of justice extends to persecuted and disadvantaged people of any origin in America and in the rest of the world.

Heritage may well boast of its quality, having won many awards for journalistic excellence, which include the coveted Smolar Award (three citations), Anti-Defamation League's Communication Award, and Sigma Delta Chi (two citations) among many others.●

SHORTER WORKWEEK LEGISLATION INTRODUCED

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. CONYERS. Mr. Speaker, one of the chief methods for keeping unemployment in check during the Depression was the adoption of the 40-hour workweek. This was accomplished by the Fair Labor Standards Act of 1938, which reduced the standard workweek from 48 to 40 hours, a cut of 35 percent. During the past 30 years, however, the workweek has remained substantially unchanged, despite the frequency of massive unemployment, large-scale technological displacement of human labor, and considerable gains in productivity. We ought to look at reducing the working week and spreading employment among a greater number of workers, once again, as a means to reducing joblessness without sacrificing productivity.

The conventional methods of coping with unemployment and inflation by tinkering with fiscal, monetary, and budgetary policies and of offsetting price increases by adding to unemployment have proved to be greatly inadequate. The same worn-out, ineffectual policies that did not work in the past are now being applied to current problems. The upshot of these policies has been both higher rates of unemployment and higher inflation rates. We have to find other ways that are both more efficient and more equitable.

On February 1, 1979, I reintroduced the Fair Labor Standards Amendments of 1979. This bill—

Raises the premium rate for work in excess of 40 hours, or overtime work, from time-and-a-half to double-time;

Requires employers to obtain the consent of employees in scheduling overtime;

Reduces by stages the standard workweek from 40 to 35 hours over a 4-year period;

Maintains in force for their duration existing collective bargaining agreements, and provides for adjustments in income standards through the bargaining process; and

Empowers the Secretary of Labor to waive the overtime consent provision in cases of demonstrable economic emergency.

More than 40 years have passed since the Fair Labor Standards Act of 1938, which established the 40-hour week and the overtime rate of pay. Though the major rationale of the overtime provision was to spur new employment, the provision has proved ineffectual, as the costs to employers of hiring, training, and paying the fringe benefits of new workers have overtaken the cost of paying out premium rates for overtime. In the last several years as many as 20 million wage and salary workers have been employed in excess of 40 hours a week.

During the past few decades, moreover, production employment has decreased significantly, as a result of technology and productivity gains. It is estimated, for example, that 13.6 million production workers today are producing a few hundred percent more than roughly the same number produced back in 1955. Yet these productivity gains have not been accompanied by commensurate gains in production-related employment: that is, in the 30-year period (1947–77), the total number of wage and salaried industrial workers rose 27 percent; and the work force on the production line increased a mere 9 percent. Productivity gains have permitted a sharing of the dividends mainly in the form of increased income; yet there is growing evidence of a public preference for increased leisure time as well, which makes possible the spreading of work through the reduction in the workweek.

There is, to be sure, no single, all-embracing solution to cyclical and structural unemployment. These amendments to the Fair Labor Standards Act offer the good prospect of checking unemployment, without sacrificing productivity. They can form an important part of the Humphrey-Hawkins Full Employment and Balanced Growth Act, as we move toward implementation of this law.

In order to provide more background information on shorter work week legislation and of its economic and social advantages, I recommend for reading the following statement entitled, "Facts and Figures on Unemployment and the Shorter Work Week," prepared by Nathan Spero, a distinguished economist with the United Electrical, Radio & Machine Workers of America. The statement follows:

FACTS AND FIGURES ON UNEMPLOYMENT AND THE SHORTER WORK WEEK

(By Nathan Spero)

INTRODUCTION

After nearly four years of so-called recovery, unemployment still remains at high levels, machines remain idle and factories are closed for good for want of demand.

The Administration and employers are unwilling or unable to cope with this situation. They flounder around in their use of fiscal, monetary, budgetary, and tax policies, seeking to balance higher unemployment against lower inflation, the net result of which is both higher unemployment and higher inflation.

In the first 40 years of this century, unemployment was kept in check by shortening the work week 35 percent. One of the major instruments in overcoming the great depression of the 1930's was shortening the work week from 48 to 40 hours.

For the past 30 years the work week has remained substantially unchanged. In view of the inability of government and industry to cope with unemployment, working people must once again begin to look to the shorter work week, and with no reduction in pay, as an instrument for putting America back to work.

The employers are far wealthier today, their profits are enormously greater, than during the first half of the century when sharp cuts in the work week were won.

THE UNEMPLOYMENT SITUATION

The current situation

As of January, 1979, after 46 months of recovery from recession, the official government unemployment rate stood at 5.8% of the labor force, with at least 5,883,000 jobless. It has stayed at about this level since August, 1978. Despite the large size of the problem described by the official figures, the real problem of unemployment is dramatically understated by the government.

The true unemployment rate is 8%, or more—40% higher than the official rate. This includes persons not counted by the government as unemployed, who have given up an active job search because they don't see any prospect of immediate employment; and the part-time joblessness of persons working in part-time jobs because they can't find full-time work.

Unemployment worsening in post-war world

The inability of the economy to provide jobs has grown worse in the past 30 years, even when measured during periods of relative prosperity. The present official unemployment rate is far higher during the current recovery from the previous recession, than during expansion peaks in the period since World War II. For example, at the end of the long economic expansion that lasted from February, 1961 through December, 1969, the official jobless rate was 3.5%. At the end of the last expansionary period, running from November 1970 through November, 1973, the unemployment rate registered 4.8%. Today, after a much longer recovery period, the rate stands at 5.8%. Comparison of the six previous expansionary periods since World War II shows that the economy is less and less able to create an adequate supply of jobs, as a function of upturns during normal business cycles.

The structural unemployment problem has also worsened. The monthly average unemployment statistics, as of January 1979, illustrate the problem:

[In percent]

January 1979:	
Overall average	5.8
White adult	5.1
Black adult	11.2
White teenage	13.7
Black teenage	32.7

In the past 10 years the disparity in jobless rates between black and white Americans has worsened, not improved. Ten years ago the ratio was 2 to 1; today it is 2.3:1. Since 1968 the black teenage jobless rate has increased 12%.

HOW THE EMPLOYERS AND POLITICIANS COVER-UP THEIR FAILURE TO PROVIDE JOBS

How do the employers and government explain their inability to put America to work?

1. *The official government unemployment statistics radically understate the true unemployment situation.* As we have seen, the true unemployment rate is 40 percent higher than the official government figures, while the true number of unemployed is 30 percent higher.

2. *They say that unemployment is not really that serious because so much of the unemployment is among teenagers and women who are only secondary earners in a family.* This attitude condemns to poverty and despair millions of young Americans who should be our hope for the future. It ignores the census statistics which show that women must work to support themselves or to supplement low family incomes.

The claim that new young and women workers are not employable because they lack skills does not wash. During World War II millions of such unskilled workers were trained almost overnight to acquire skills, such as machine tool operators, etc.

3. *They claim that it would be inflationary to undertake program that would provide full employment.* But despite the high unemployment, there has also been inflation.

The government goes along with company propaganda that so-called union's greed in seeking higher wages causes inflation and union wage drives can be cooled by a large dose of unemployment. This theory hasn't worked out because it is wrong. Since 1965, the increase in the real purchasing power of the average worker's wages has been pitifully small. Between 1965 and June 1977, a twelve-year period, the purchasing power of the average worker's weekly wage has gone up just 4.5 percent, hardly a cause for inflation.

One must, therefore, look elsewhere to find the reason for inflation. A major factor in inflation has been monopoly pricing in basic industries like auto, steel, and oil, where companies raise prices even during periods of falling demand, in order to maintain profit margins.

4. *As unemployment continues to mount, companies and the government keep raising the rate of unemployment at which they say "full employment" will be achieved.* During the early 1950's, when the rate of unemployment was 2.9 percent, it was generally agreed that the full employment rate was 2.5 percent. As unemployment kept rising, the companies and government, and this included Democratic and Republican parties, also raised their full employment goals to 4 percent and then to 5 percent. The Nixon-Ford administration set the full employment rate at 5 percent, and President Carter's goal four years from now in 1981 is 4.75 percent, just a shade under Nixon-Ford.

5. *They say that the vitality of the economy should be judged by the large number of employed, rather than the relatively small number of unemployed.* This is the newest wrinkle to cover up the miserable jobless situation. But no sleight of hand manipulation of the statistics can cover up the grim truth that one in every ten American workers is unemployed.

Working people will no longer be satisfied with excuses for doing nothing about the horrendous job situation. This is a message that union, black and other minority leaders have brought to Carter.

THE JOB-CREATING POTENTIAL OF THE SHORTER WORK WEEK

As of August 1977, there were over 34,500,000 full-time workers who worked 40 hours. There were over 20,500,000 workers on longer work weeks. There were also 5,500,000 full-time workers working 35–39 hours a week. (U.S. BLS, Employment and Earnings, September 1977).

If the work week of the 55,000,000 working 40 hours or more was cut by one hour, 1,400,000 new jobs would be added.

If the work week of these 55,000,000 workers was reduced by 5 hours, establishing the 35- to the 32-hour, 4-day week, then 13,750,000 jobs would be created.

If the work week were reduced by 8 hours to the 32-hour 4-day week, then 13,750,000 new jobs would be added.

A cut of 10 hours a week per worker establishing the 30-hour week would result in 18,300,000 new jobs.

Of the various reductions in the work week described above the 35 hour week with its creation of 7,850,000 jobs seems to meet the urgent need of quickly providing work for the 8,850,000 jobless workers. The 1,000,000 jobless slots left unfilled would represent the so-called "frictional" unemployment of workers between jobs.

However, it is clear that additional reductions in the work week will be necessary in the future to provide jobs each year for 1,800,000 new young and women workers and for the approximately 2,400,000 workers displaced by technological developments.

Holiday and vacations no substitute for the shorter work week. Every union member considers it important to fight for and win improvements in holidays, vacations and paid leaves of absence. But as the experience of postwar negotiations has demonstrated, these holiday and vacation improvements have added few jobs and are not a substitute for the shorter work week.

A study published in the August 1976 issue of the U.S. Dept. of Labor's *Monthly Labor Review* states that there was "a decline from 58.4 hours a week in 1901 to 42.0 hours in 1948, and little or no change since." After adjustments in average weekly hours for the growth in vacations and holidays, the work week declined to 0.7 hours, from 41.6 hours in 1948 to 40.9 hours in 1975, creating few jobs.[1]

Some unions, of course, will do better than the average. The UAW-Auto "Scheduled Paid Personal Holiday Plan" calls for a total of 12 additional paid holidays off distributed during the second and third years of the contract UAW leaders say that when effective, it will increase the auto work force 2.5 percent the first year plus 3.5 percent the second year. The increase in jobs of over 6 percent is still considerably less than the 14.5 percent job increase resulting from the 35-hour week.

THE ECONOMIC COSTS OF UNEMPLOYMENT

High unemployment levies heavy costs, but some of the heaviest cost of all, the suffering and mental anguish of jobless workers cannot even be measured. What cost can one assess to the hopelessness of millions of young workers who despair of finding a job at a living wage; or to the desperation of jobless workers and their families forced to live on government welfare handouts in rat-infested slums, their children handicapped educationally by inferior slum schools.

But dollars-and-cents costs can be ascribed to the lost production arising from unemployment, the loss to the government in tax revenues and added unemployment compensation and welfare payments, and to the unemployment-related increase in deaths, physical and mental illnesses, alcoholism and drug addiction and crime.

Unemployment-related production losses

According to the Joint Economic Committee of Congress:

"Over the period 1970–1976, inclusive, the total of annual unemployment shows that the economy lost about 38 million man years of potential employment. That figure does not count the additional millions of discouraged workers who dropped out of the labor force because of the absence of job opportunities. The production loss is equally staggering, coming to a cumulative total of about $600 billion in 1972 prices. Simple arithmetic shows that the typical family of four has lost about $12,000 to underutilization of resources in the seven years prior to 1977. This waste continues in 1977 as the economy stumbles along below its potential." (*The 1977 Midyear Review of the Economy*)

The $600 billion loss of production in 1972 prices amounts to $803 billion in mid-1977 prices. It comes to $21,000 for each man-year of unemployment during the seven-year period 1970–76. Thus, the production losses per unemployed worker per year are far greater than the cost of paying the $11,700 a year in wages to each unemployed worker who is brought back to work as a result of the shorter work week.

Unemployment-related revenue losses to the government

In addition, unemployment is a major drain on the federal budget, causing huge budget deficits.

According to the Joint Economic Committee of Congress, "Every percentage point in the unemployment costs the U.S. Treasury an estimated $17 billion—$12 billion in lost tax revenues and $5 billion in food stamps, unemployment insurance, and other support programs." (*1976 Joint Economic Report*)

This cost per unemployed worker amounts to $18,279 dollars. Again far more than the cost of putting an unemployed worker back to work as a result of the shorter work week.

The "human" costs of unemployment

The cost of unemployment extends beyond the financial loss to the unemployed, the loss to the nation as a whole measured in terms of a diminished output of goods and services. Unemployment also creates stressful situations for laid-off workers and their families—and stress has long been known as a major contributor to a variety of physical and mental illnesses.

A study prepared for the Joint Economic Committee of Congress analyzed medical data covering a 35 year period in order to isolate the incidence of stress-caused physical and mental illness attributable to unemployment.[2]

From this medical data the study works up the "human" costs of unemployment. The following table shows the increase in illness and social pathology arising from a one percent increase in unemployment.

Physical and mental illness or indicators of mental illness and increase resulting from a one percent change in unemployment

[In percent]

Suicide	4.1
State Mental Hospital Admissions	3.4
Males	4.3
Females	2.3
Homicide	5.7
State Prison Admissions	4.0
Death from Cirrhosis of the Liver	1.9
Death from Cardiovascular Renal Disease	1.9
Total Death	1.9

The author of the study notes that the findings merely scratched the surface because of the limited data. For example, he had no way of determining the increase in cases of cirrhosis and cardiovascular disease that did not result in deaths. In addition, many other maladies are equally stress-related but insufficient data prevents calculation of how unemployment effects them.

A momentary value can be attached to the "human costs" of this aspect of unemployment. Illness and death reduce the ability of our nation to produce goods and services. There are costs associated with mental hospital and state prison admissions, and the treatment of illnesses. During the period from 1970 to 1975, these costs attributable to the 1.4% increase in employment that began in 1970 and that remained through 1975 amounted to $6.6 billion.

ECONOMIC ADVANTAGES OF SHORTER WORK WEEK

The expansion of workers' purchasing power, as a result of a shorter work week and full employment, could cause firms to operate at close to full capacity instead of at the present 86% of full capacity level. Increased sales, and the more efficient operations that result when the economy is in high gear, would together strongly stimulate profits.

Nor would government revenues suffer in the long run. The increased demand has a multiplier effect on other industries, producing an even larger increase in demand and sales, thus stimulating the lagging capital goods industries and helping rescue industries such as steel. As pointed out earlier, every one percent in the unemployment rate costs the federal government roughly $17 billion in lost taxes and extra costs associated with unemployment benefits and welfare spending.

The greatest benefit would be to the unemployed—blacks, other minorities and whites, teenagers and women who would be salvaged from the dust heap to which the employers have consigned them. Employment at union wages would reduce alcoholism, and drug addiction, prevent premature deaths, help overcome the crime wave, slash the prison population, thus freeing the billions of dollars the government spends coping with these social evils for badly underfunded housing, education, health and mass transit programs.

The shorter work week is good for the employed. Full employment is good for organizing, it gives workers the spirit to fight against employer excesses such as speedup and rate cutting.

It is good for family life. At one time the work of one breadwinner in a family was expected to support the family. Now the husband and wife must work to keep the family going. Where 40 hours a week was needed in a family, 80 hours a week is now necessary. Counting the time travelling to and from work, about an hour per day for each, brings the family work week to 100 hours. Shortening the work week enables parents to spend more time with their children, provides additional time for shopping, cooking, and other household chores, therefore strengthening family life.●

LINER SHIPPING IMPROVEMENT ACT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. BIAGGI. Mr. Speaker, I introduce today the "Liner Shipping Improvement Act of 1979." This bill is designed to create more equitable competitive conditions in our Nation's liner shipping industry, by increasing the responsiveness of all carriers.

There is wide recognition of the need to modernize the maritime policy governing the transport of our liner imports and exports. This bill will achieve three fundamental improvements in that policy.

First, it will obligate both U.S. flag and foreign flag ocean carriers who provide frequent service in the U.S. foreign trades to participate in Federal Maritime Commission-approved agreements, with attendant neutral-body policing requirements to attack malpractices. Thus, this amendment will provide for even-handed treatment as between foreign and U.S. flag carriers. At the same time, such participation will curtail the costly "dumping" of excess foreign ships into the U.S. liner trades—a practice that has inflated transport charges. Such uniformity of treatment will also correct the "skimming" of our trades by opportunistic cross-traders.

Second, the bill will require a given independent liner operator of any size in our trades to submit to a review of his activities by a nongovernmental neutral body of his choice. It would anomalous, indeed, to require neutral-body enforcement by all members to agreements—which include virtually all U.S. flag carriers—and not extend this neutral-body enforcement requirement to operators entering our trade on a less frequent service basis.

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[1] The study uses hours of non-student men in nonagricultural industries as the "most reliable indicator" of hours.

[2] Dr. M. Harvey Brenner, *Estimating the Social Costs of National Economic Policy: Implications for Mental and Physical Health, and Criminal Aggression*, Vol. No. 1, Paper No. 5, 94th Cong., 2nd Sess., October 26, 1976.

Finally, but an equally significant advantage, is a requirement of the bill that all agreements must allow their members the ability to set their own rates and tariff rules independently through the orderly mechanism of due notice to the other agreement members whenever a proposal for a change in the tariff rate or rule is not acceptable to the membership as a whole. Such flexibility and responsiveness will assure our exporters and importers that reasonable and innovative ocean transport competition will not be stifled.

I have introduced this bill early in this session in order that these urgently needed reforms can move forward independent of a needed overall review of the provisions of the Shipping Act, in the context of the current liner ocean-shipping environment.●

NATIONAL INVENTORS DAY

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. PATTEN. Mr. Speaker, in paying tribute on February 11, 1979, to the millions of inventors on National Inventors Day, we pay particular tribute to Thomas Alva Edison. His birthday was well chosen as the date to honor inventors. The name Edison and the term inventor are virtually synonymous.

Edison's most memorable invention was the first practical incandescent light bulb in 1879. However, 10 years earlier, he invented the stock ticker and in 1877, the phonograph. The development of his phonograph has brought everything from Bach to the Beatles to your living room. During this time he was actively working in his industrial research laboratory—an approach toward research which Edison perfected. This approach is recognized by many as his greatest contribution. Researchers engaged in technical studies have used Edison's method since its development. Scientists in today's high technology continue to use this method.

This impressive scientist received more than 1,000 patents, the most awarded any individual. With the incandescent electric lamp as his most valuable discovery and by perfecting electric generation, distribution, and measurement systems, Edison turned the world of modern science around. His genius led us into the modern technological era as we know it today. Edison's inventions were boundless. Many of the power and communication capabilities existing today are a reflection of the work and dedication of Edison. His inventions have also included the electric railway, the motion picture camera, talking motion pictures, the storage battery, and the miner's lamp.

The career of Thomas Alva Edison has enhanced the lives of U.S. citizens and millions of people throughout the world. It is only fitting that we Americans pay tribute to a man who brought light into darkness by his inventions at research labs around the country and in particular at Menlo Park, N.J.●

ANOTHER ARGUMENT AGAINST COURT-ORDERED BUSING

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. MOTTL. Mr. Speaker, I would like to share with my colleagues an editorial on magnet schools and court-ordered busing which appeared in the Cleveland Plain Dealer on February 12.

As you know, I have introduced House Joint Resolution 74 which seeks a constitutional amendment to ban court-ordered busing and would preserve the neighborhood school concept.

In the editorial, no less an authority than Dr. James Coleman—the architect of court-ordered busing—says flat out that such busing does not work.

The editorial follows:

SCHOOLS' OPPORTUNITY

Through the failure to open four magnet schools on time this month must be viewed as a setback, the Cleveland Board of Education should continue to press forward with the concept. Voluntary desegregation using such schools is the best thing that could happen to Cleveland while the system is under a stay order by the U.S. Court of Appeals (6th Circuit).

It would appear from the stay order that the school system has no legal requirement to attempt to desegregate the schools while the stay is in effect. But as Supt. Peter P. Carlin has stated, the system does have both a moral and a legal obligation to provide pupils with quality, integrated education. No lawsuit, such as the one by the NAACP, changed that. The obligation has been there all along.

So the board is correct in its moves toward "magnet" schools, which deserve a chance to succeed. The response by thousands of Cleveland parents is an indication that they too welcome the chance to have some choice over where their children go to school.

One of the champions of the magnet school approach—schools designed to offer specialized programs and theoretically to attract pupils of both races voluntarily from througout the system—is James S. Coleman, a University of Chicago professor who is considered a turncoat by many advocates of large-scale busing to achieve racial balance in the schools.

Coleman was author of a 1966 report often cited as justification for busing children to integrated schools. He is one of the nation's experts on the effects of attempts to desegregate large systems like Cleveland's.

Since his initial findings on the merits of racial balance, whatever the costs, Coleman has been convinced from his research that busing on a forced basis is not working. He has said new incentives, such as magnet schools, must be found to make desegregation work.

There are two key points to Coleman's position:

Instead of eliminating segregation, busing has driven whites away, leaving central cities with a proportionately larger black population. Integration, he says, has not automatically improved the achievement levels of disadvantaged black children.

Instead of forcing parents to send their children to other schools, systems should be desegregated by offering incentives to the parents and by letting them choose their children's schools. Coleman says both blacks and whites should have that choice. He pointed out that many black parents, at great expense, are sending their children to Catholic and other privately run schools. And he says that there is nothing inherently wrong with an all-black school as long as its pupils attend the school by choice.

Coleman contends desegregation should be fostered by offering magnet schools, and by allowing children to go to any school they want, even those outside the school district; the district would be paid by state vouchers for education.

Because of the federal stay order, Cleveland's school system has an opportunity to try at least part of Coleman's plan. It is an opportunity that should be used to fullest. Magnet schools could eventually play a major role both in the desegregation of the system and in improving the quality of education.●

DR. DAVID LIEBER

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. WAXMAN. Mr. Speaker, on Sunday, January 28, 1979, the University of Judaism offered a tribute dinner to Dr. David Lieber of Los Angeles. The event celebrated the establishment of the David Lieber School of Graduate Studies and was held in conjunction with the 79th International Convention of the Rabbinical Assembly.

Dr. Lieber, a vice chancellor of the Jewish Theological Seminary of America, is the president of the University of Judaism, the seminary's west coast branch in Los Angeles, and also holds the title of "Samuel A. Fryer Professor of Bible." Dr. Lieber is a member of the Near Eastern Language Department of UCLA.

David Lieber received his B.A. degree (magna cum laude) from the College of the City of New York in 1944, where he was elected to Phi Beta Kappa. He earned a B.H.L. degree from the Jewish Theological Seminary of America in 1944, and was ordained a rabbi in 1948. Columbia University awarded him a M.A. degree in 1947, and he obtained the degree of doctor of Hebrew literature in 1951 at the Jewish Theological Seminary of America. Dr. Lieber pursued graduate studies at Columbia University, the University of Washington at Seattle, and at UCLA.

A spiritual leader of Sinai Temple in Los Angeles from 1950 to 1954, Dr. Lieber also served as a chaplain in the U.S. Air Force and was university chaplain for the B'nai B'rith Hillel Foundation at the University of Washington and at Harvard University. In 1956 he was appointed dean of students at the Univeristy of Judaism, a position he held until he assumed the presidency of the university in 1963.

A former member of the board of directors of the Association of Professors of Jewish Studies, Dr. Lieber also served on the executive council of the Rabbinical Assembly. He has written many articles, which have been published in "Commentary," "The Christian Century," "The Reconstructionist," "Conservative Judaism," "The Torch," and "Jewish

Education." He is listed in both "Who's Who in America" and "Who's Who in Israel."

Dr. David Lieber does his community and his faith honor. His many years of dedicated service have enlightened and enriched all of those fortunate enough to have studied with him. I know that my colleagues will wish to join with me in offering our tribute to this distinguished scholar, community leader, and spiritual guide.●

TAX LIST FOR OLDER AMERICANS

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. ABDNOR. Mr. Speaker, the annual chore of filing our annual income tax return is now upon us. Young or old, we must cope with the ever-changing tax requirements, including provisions of the 1978 tax law which included a number of tax relief sections.

Many of these new provisions are of particular interest to older Americans who have been severely victimized by skyrocketing inflation. Living on fixed incomes, they must make every penny count and take advantage of every opportunity to save.

In the interest of helping them save on their tax bills, I commend to their attention the newly revised list of itemized income tax deductions recently prepared by the Senate Special Committee on Aging.

The list follows:

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A Revised Checklist of Itemized Deductions for Use in Taxable Year 1978)

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and dental expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3% of your adjusted gross income (line 31, Form 1040).

Insurance premiums

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

Drugs and medicines

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 31, Form 1040).

Other medical expenses

Other allowable medical and dental expenses (subject to 3% limitation):

Abdominal supports (prescribed by a doctor).

Acupuncture services.

Ambulance hire.

Anesthetist.

Arch supports (prescribed by a doctor).

Artificial limbs and teeth.

Back supports (prescribed by a doctor).

Braces.

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs.

Chiropodist.

Chiropractor.

Christian Science practitioner, authorized.

Convalescent home (for medical treatment only).

Crutches.

Dental services (e.g., cleaning, X-ray, filling teeth).

Dentures.

Dermatologist.

Eyeglasses.

Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).

Gynecologist.

Hearing aids and batteries.

Home health services.

Hospital expenses.

Insulin treatment.

Invalid chair.

Lab tests.

Lipreading lessons (designed to overcome a handicap).

Neurologist.

Nursing services (for medical care, including nurse's board paid by you).

Occupational therapist.

Ophthalmologist.

Optician.

Optometrist.

Oral surgery.

Osteopath, licensed.

Pediatrician.

Physical examinations.

Physical therapist.

Physician.

Podiatrist.

Psychiatrist.

Psychoanalyst.

Psychologist.

Psychotherapy.

Radium therapy.

Sacroiliac belt (prescribed by a doctor).

Seeing-eye dog and maintenance.

Speech therapist.

Splints.

Supplementary medical insurance (Part B) under Medicare.

Surgeon.

Telephone/teletype special communications equipment for the deaf.

Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.).

Vaccines.

Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).

Wheelchairs.

Whirlpool baths for medical purposes.

X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

Taxes

Real estate.

State and local gasoline.

General sales.

State and local income.

Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchases of the following items: automobiles, trucks, motorcycles airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20% of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Home mortgage.

Auto loan.

Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

Casualty or theft losses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—You may claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

Presidential election campaign fund

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

Additional information

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

Other tax relief measures

	Required to file a tax return if gross income is at least—
Single (under age 65)	$2,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Exemption for Age.—Besides the regular $750 exemption, you are allowed an additional exemption of $750 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, you will be entitled to the additional $750 exemption because of age for your 1978 Federal income tax return.

"Zero Bracket Amount."—The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

Multiple Support Agreements.—In general a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10% of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses. Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20% credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040 line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information see instructions for Form 1040 or 1040A.

Energy Tax Act

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solor, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditures in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

THOMAS ALVA EDISON

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. MINISH. Mr. Speaker, Sunday marked the 132d anniversary of the birth of Thomas Alva Edison. Adding to the occasion's significance is the fact that 1979 has been designated International Centennial of Light, in honor of the 100th anniversary of Edison's invention of the incandescent light bulb.

Mr. Speaker, we in New Jersey take a certain extra pride in the fact that Edison performed most of his important experiments in our State. Additionally, his home and main laboratories were located in the town of West Orange, which is in the district I have the honor of representing.

Since 1973, National Inventors Day also has been celebrated on February 11. This is fitting since the name Edison and the term "inventor" are almost synonomous. In his lifetime, Thomas Edison received 1,093 patents, the most awarded to any individual by the U.S. Patent Office. In 1882—his most prolific year—Edison was awarded an average of two patents per week.

Among his principal inventions are the electrical vote recorder; the stock ticker; wax paper; the microphone; the phonograph; the incandescent electric light; the electric railway; the motion picture camera; the alkaline storage battery, and the talking motion picture. In addition, Edison is credited with developing the industrial research laboratory—the team approach to solving scientific and technological problems. This method is still used by today's industrial, academic, and Government researchers in their technological studies.●

CONGRESSIONAL VETO ACT

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. BONER of Tennessee. Mr. Speaker, today, I rise to cosponsor a major piece of legislation, the Administrative Rule Making Reform Act, H.R. 1776, introduced by Hon. ELLIOTT LEVITAS of Georgia, which will improve agency rulemaking by expanding the opportunities for public participation; by creating procedures for congressional review of agency rules; and by expanding judicial review of the process. The bill that I have cosponsored today will give the Congress the right to review, and, if necessary, veto in advance, any rule or regulation promulgated by unelected bureaucrats.

Congressional veto of administrative rules and regulations is not a new idea. This body has in the past particularly shown strong support for this concept. In the 94th Congress, the House Judiciary Committee reported to the House a bill applying a congressional veto of administrative rules and regulations for all Federal departments. This bill was debated on the floor, however failed by two votes, 265 to 135, to receive the necessary two-thirds for passage. That support was bipartisan in nature, with 165 Democrats and 100 Republicans joining in voting for the bill.

In the 95th Congress, no comprehensive bill was reported for consideration by the House. However, 186 Members of the House cosponsored a bill providing for a congressional veto of administrative rules and regulations.

On at least five separate occasions, congressional veto amendments, patterned after the comprehensive bill, were approved on the House floor relating to various agencies, such as HUD or FTC. In addition, similar amendments were offered during committee and subcommittee consideration of legislation, such as the Department of Education Organization Act and the Surface Transportation Assistance Act.

The most noteworthy votes on this issue were taken on the FTC conference report. Although the House passed an amendment providing for congressional veto of FTC regulations by a 2 to 1 majority, 272 to 139, the Senate refused to accept this provision in conference. On two separate occasions, the House voted to reject the FTC conference report because it did not contain the congressional veto of FTC regulations. The first vote was 145 to 255; the second was 175 to 214. That two-time rejection of the conference report constituted an unprecedented action by the House and firmly established this body as the leader in the fight for regulatory reform.

The procedure set forth in the bill I am cosponsoring provides that when a regulation or rule is adopted under the Administrative Procedures Act, it will be referred to the Congress for 60 days before it becomes effective. If, during that 60-day period, either the House or the Senate adopts a resolution of disapproval, which is not rejected by the other body within 30 days, the rule in whole or part stands vetoed.

While some critics have described this as a one-House veto, it is not. It is a modified one-House veto. Since both Houses could participate in the process, the principle of bicameralism is respected.

This proposal contains a retroactive provision which will permit either House of Congress to review regulations previously adopted and, if necessary, refer them back to the administrative agency for reconsideration under the procedures of congressional veto.

Congressional veto of administrative rules and regulations addresses a central and most serious question: Who makes the laws of this country? Is it the elected officials or the unelected bureaucrats who rule by administrative fiat?

Time and time again, the administrative agencies have usurped the authority of Congress through their quasi-legislative process of rulemaking. We have seen our legislative efforts frustrated and distorted when the implementing rules and regulations are published. The administrative agencies have oftentimes promulgated rules and regulations which are oppressive, arbitrary, or go clearly beyond the intent of Congress in passing the enabling act. Once past that little phrase, "The Secretary shall have the power to promulgate regulations * * *," it is anyone's guess how far the administrative agency will go or, indeed, how lenient it will be.

This legislation will force Congress to draft proposed bills more carefully and to spell out its intent more clearly.

Congress is far too lax in delegating authority broadly and without guidelines to administrative agencies. When hard decisions have to be made, we pass the buck with vaguely worded statutes. Who can, or should, vote against clean air, or safe cars, or nondiscrimination? But when the implementing regulations are published requiring cars to be equipped with expensive equipment; or EPA imposes a parking ban on cities; or EEOC refuses to let a police department ask potential employees if they have a criminal record, one wonders whether the value of these stringent regulations outweighs the actual benefits. We must realize that the Congress has the ultimate responsibility for administrative rules that flow from enabling acts, and that they in turn are responsible to the people who elected them.

Moreover, the public will have a larger voice in the rulemaking process. Access to Members of Congress, and even to Senators, is far easier than access to anonymous, faceless bureaucrats. I will readily admit that most Federal administrators are hardworking, dedicated people who do their job and serve the citizens faithfully and well. Some few, however, are zealots who in some elitist way think they—not the people and the elected Congress—run the country.

This legislation is not primarily a liberal or conservative issue—it crosses ideological lines. The support for this type of legislation should come from every political spectrum. It is just—the time is right—let us not delay further.●

BILL CLEMENTS—GOVERNOR OF TEXAS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. COLLINS of Texas. Mr. Speaker, this year marks a great step forward for the State of Texas. For the first time since the Civil War, Texas has a Republican Governor. Everyone appreciates the opportunities inherent in the competition of a two-party system.

With the election of Bill Clements as Governor, Texas is now a viable two-party State. The Texas Legislature got underway in January, and Clements set the pace with his inspirational inaugural address.

I want to share with you this historical message which was delivered on the Texas Capitol steps in Austin:

THE INAUGURAL ADDRESS OF THE HONORABLE WILLIAM P. CLEMENTS, JR.

Lieutenant Governor Hobby, Mr. Speaker, members of the Sixty-Sixth Texas Legislature, distinguished officials and guests, my fellow Texans:

An Inauguration traditionally marks the beginning of a new administration, and any beginning requires an awareness and an understanding of the past.

So, an Inauguration is a time when we must pause to reflect on our past before embarking on the future.

An Inauguration also is a time to offer thanks and I would like to begin by thanking our Divine Leader who is the fountainhead of our very existence.

The first Governor of the State of Texas, the Honorable J. Pinckney Henderson, said in his Inaugural Address of 1846:

"Who can look back upon our history, and not be fully and deeply impressed with the consideration that the arm of Deity has shielded our nation, and His justice and wisdom guided us in our path? It is therefore our duty, in deep humility, to make our acknowledgements for His many favors."

As your public servant, I want to thank you for the trust you have placed in me and for the opportunity you have given me to represent you.

This being the first time I have ever taken the oath of public office as an elected official, I take it with extreme seriousness and with a keen awareness of its meaning and obligations.

To take this oath is an honor because to be your Governor is to be the leader of the most exceptional state in the union, a state made great by its people.

This Inauguration would be incomplete if we do not stop to publicly thank our outgoing elected leaders for their contributions to this state.

As a citizen, I want to thank Governor Dolph Briscoe for his six years of distinguished and unselfish service to this state.

He will be remembered as the Governor who successfully fought the creation of any new state taxes.

And, he will be remembered as the Governor who took the first steps toward returning the tax-generated surplus in our state treasury back to its rightful owners.

This is Governor Briscoe's legacy to Texas, and it's one he can be proud of and one this state will always appreciate.

As your Governor, I too have goals for Texas and I am committed to making our state government accountable to the taxpayers.

I want to conduct government in a business-like manner, with elected officials and government leaders responsible to the taxpayers just as a board of directors and company officials are responsible to the stockholders.

You will hear voices during my administration expressing doubts about some of my proposals. But, I will persist, we will prevail.

I will persist because I believe that you, the people, have made clear your desire for better government and for less government.

I will persist with my plans to return to you, the taxpayers, one billion dollars of the state's surplus. I will persist with my plans to give you long-term, constitutional safeguards—including the right of initiative and referendum—to protect against excessive taxation and wasteful government spending.

I will persist with my plans to reduce the size of our state bureaucracy.

And, I will persist with my plans to improve the quality of our education system so that we can give our children the basic building blocks they need to develop meaningful careers.

I will persist with these and many other priorities because I believe you have clearly stated that we must persist, together.

I believe we will be successful because these are issues and concerns that cut across partisan lines. These are not just Republican issues or Democrat issues. These are Texas issues and the people of Texas are the ultimate beneficiaries.

I believe we will be successful because Texans have elected a unique leadership team to address these issues and concerns.

This Inauguration, where a Republican governor takes office with a Democratic lieutenant governor, stands as living proof of the independent thinking of the people of this state.

I am uplifted and encouraged by that kind of spirit, and in that expression from the people of Texas, I see the clear message that I must be a governor who puts quality, excellence, achievement, and the best interests of this state, above partisan loyalties.

We have a healthy blend of leaders, who like myself, are assuming the responsibilities and challenges of elective office for the first time; and, we have leaders like Lieutenant Governor Bill Hobby and House Speaker Bill Clayton who have dedicated many years of their lives to public service.

This leadership team is one of enthusiasm and experience, but foremost, it is one of dedication and unity of purpose.

As public servants, we all were elected by the people of Texas and we must be responsive to the needs and concerns of the same electorate.

The challenge to government is to help people deal with their needs and concerns. I believe our founding fathers provided us with the framework for doing this.

I believe this framework is often overlooked and that we often forget the words upon which our state and our nation were founded.

These are not the words of demagogues for demagogues are quickly forgotten. History has proven the value and meaning of these words and they bear repeating.

For Texans, these words are found in the first three sections of Article One, the Bill of Rights, in the State Constitution.

The first section states: "Texas is a free and independent state, subject only to the Constitution of the United States, and the maintenance of our free institutions and the perpetuity of the union depends upon the preservation of the right of local self-government, unimpaired to all the states."

This Bill of Rights is saying that while we must work with other states and with the federal government for the betterment of the entire nation, we must be vigilant and protect our independence as a sovereign state.

For when the federal government weakens the power and independence of the states, the union itself is weakened.

In recent years, we have seen a disturbing trend toward the creation of a new branch of the federal government, the regulatory branch, a branch that doesn't include you and me among its constituency.

It is not elected by anyone and, in fact, is accountable to no one.

By an excessive and improper transfer of authority to these regulatory agencies, the congress and the president have further removed government from the reach of the people and further weakened the power of the states.

This must not be condoned by Texans. We must assert our rights and our spirit at every opportunity.

And, at the same time, we must take steps to ensure that our state government does not usurp the rights of individuals or of local governments within our boundaries.

The best government is that government which is closest to the people. The second section of the Bill of Rights in our state constitution speaks to that relationship between the people and their government.

It states, "All political power is inherent in the people and all free governments are founded on their authority, and instituted for their benefit, the faith of the people of Texas stands pledged to the preservation of a Republican form of government, and, subject to this limitation only. They have at all times the inalienable right to alter, reform or abolish their government in such manner as they may think expedient."

Those are potent words and they create a straightforward message. That message is this: Power in this state and in this nation rests not with political parties, not with governmental institutions, not with elected leaders, but with the people.

Like many other citizens, I have seen the governmental bureaucracy and some politicians trying to infringe on our rights as individuals.

We have seen the consequences of such infringement by government in other parts of the United States. When excessive intrusion by government into the lives of individuals is permitted, government becomes an economic master and the people become its slaves.

Texas, though, has had the benefit of more enlightened leaders through the years. We are still in the position of being able to control our state government, but warning signs are present and we must be aware of them.

Now is the time for us to set firm limits on our government. Now is the time for us to emphatically state that we want our government to serve us, not to dominate us.

In controlling government, in making it our servant, we must proceed without diminishing the rights of any citizen.

Section three of the Bill of Rights in our state constitution says: "All free men, when they form a social compact, have equal rights, and no man, or set of men, is entitled to exclusive separate emoluments, or privileges, but in consideration of public services."

That same section also says: "Equality under the law shall not be denied or abridged because of sex, race, color, creed, or national origin."

The greatest strength of Texas long has been the vitality and diversity of its people. They came to this land as Indians, as Spaniards, as Frenchmen, as Englishmen, as Germans, as blacks, as browns, as whites, as people from many different backgrounds. And, they are still coming.

Yet when they arrive, they become Texans, people bound together by a common quest for a better life for themselves and for their children and grandchildren.

We must respect the rights of all Texans. Regardless of their cultural background. And, we must continually work to safeguard those rights. We must see that equal opportunity is a reality for all of our citizens.

People came here because this was the land of opportunity. It still is today.

Texas was a frontier then and it is today. It is a frontier in the sense of unparalleled economic opportunity. It is a place where people can realize their dreams and aspirations—and a place where free enterprise can flourish—without laboring under the yoke of a burdensome government.

It's not difficult to explain these vast opportunities, but it is becoming increasingly difficult to protect them and extend them to all Texans.

By being ever mindful of these three sections in the Bill of Rights—by stepping back to that firm foundation of government outlined in our state constitution—our steps forward in the future will be steadier and longer.

These three sections in our state constitution help form what will be a guiding philosophy of my administration.

Condensed to its most basic form, my philosophy is this: The proper function of government is not to guarantee prosperity for its citizens; rather, it is to guarantee them the opportunity to achieve prosperity.

Putting our government into its proper perspective is a job too large for me, or Lieutenant Governor Hobby, or Speaker Clayton, or the members of the legislature, or for any public official, without the direct involvement of the citizens of Texas.

You, too, have a responsibility to help achieve good government, and that responsibility goes beyond voting on election day.

When we as individuals, and as a state are silent—when we let others make decisions for us without stating our beliefs—we forfeit some of our freedom.

When we stand up and speak out, when we express our desires and concerns, then and only then, will we have effective government.

I am confident we can achieve that kind of effective government because the people of Texas are the state's most outstanding natural resource.

I am confident, too, that we can achieve the abundant potential with which our state has been endowed.

Now is the time for us to begin. I ask all of you to join with me, to put the best interests of Texas at the forefront of your thoughts.

We must be diligent, we must be bold, we must be energetic.

All of us, all Texans, must lock arms and work together. We must shape a new alliance of greatness, an alliance that will perpetuate and enhance the blessings our Almighty God has bestowed on our state.●

THE BUSINESS OF AGRICULTURE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report from December 20, 1978, into the CONGRESSIONAL RECORD:

THE BUSINESS OF AGRICULTURE

The face of American agriculture is changing. Farms are becoming fewer in number, larger in size, and more specialized and efficient in production. Agriculture is now a capital-intensive, high-technology, mass-production enterprise.

These are the outstanding facts of agriculture today:

Farm population. In 1945 there were 5.9 million farms and a farm labor force of nearly 11 million people, but today there are 2.7 million farms and about four million farm workers. In 1977 only one in every 28 Americans lived on a farm, compared with one of 21 in 1970 and one of three at the turn of the century. Small farmers who have not kept up with the sweeping changes in agriculture are continuing to leave the land, and big farmers who skillfully use credit and agricultural science are gaining an ever larger share of the market.

Farm size and sales. The agricultural sector of the American economy still includes many sizes and types of farms, many different marketing practices and arrangements, and substantial variations in level, source, and stability of sales. Although 70% of all farms yield up to $20,000 in products each year, the remaining 30% take in no less than 90% of all cash receipts from agriculture. In fact, farms grossing $100,000 or more each year take in 53% of all cash receipts from agriculture even though they constitute a mere 6% of all farms.

Family farms. An estimated 90% of all farms today are family farms, and they play a leading role in the production of food and fiber. Fears that the family farm would be wiped out by agri-business have proven to be unfounded. Corporations with more than ten stockholders account for less than 2% of all farm sales. Even farms large enough to be incorporated are generally operated by families.

Farm income. Net farm income will hit $25 billion this year, the third highest figure on record. However, the purchasing power of those dollars is about what it was ten years ago. Inflation has doubled the price of American farmland since 1972, and a tractor that cost $16,000 in 1974 may cost twice that now.

Farm productivity. The high productivity of the American farmer is reflected in the fact that, on the average, he feeds 59 people. By comparison, the average Western European farmer feeds 20 people. In the world at large, the average farmer feeds five people.

The typical modern farm demands sophisticated managerial skills and a capital investment of a half-million dollars or more. It requires the farmer to make intricate decisions as he vigorously competes with others for a limited amount of arable land. High interest rates, soaring property values, complex machinery, new fertilizers and pesticides, and the logistics of large-scale operations are among the factors the farmer must consider if he wishes to improve his farm's profits and productivity. These factors also make it difficult for the small operator to expand and even more difficult for the new farmer to make a go of it. The successful farmer must be a specialist who knows his way through the complicated maze of commodity laws and private markets. He must also know about the major advances that are part of the technological revolution in agricultural science. Far from being a pampered ward of the government, the farmer is a high-risk entrepreneur. A mistake or two, such as rapid expansion when crop prices are falling, can easily ruin him.

Keeping up with the many skills of the trade—and, of course, watching the weather—are not the only tasks confronting the farmer. He encounters many other kinds of uncertainties, not the least of which are the uncertainties of government farm policy. In recent years that policy has encouraged the creation of big farms. Commodity programs, which have been used to support and stabilize farm prices and income, have prompted the expansion of farms. So too have government-subsidized credit increases. Federal tax laws have attracted capital into farming and have brought about rapid mechanization and capital-intensive agriculture with high land values and fewer farms. Research and extension services have tended to direct more attention to the problems of large farms, putting a lesser emphasis on the problems of small operators.

A basic question for policy makers is whether to accelerate, continue, or decelerate the shift toward consolidation and specialization in the agricultural sector. A number of tools are available to policy makers to implement their choices and control the consequences that those choices have. The tools include commodity programs, export initiatives, farm credit, tax laws, and agricultural research. Beyond the actions of policymakers, however, there are economic factors to be considered. My own view is that the fundamental trends in agriculture are determined in large measure by economic factors, and that government policy should not be aimed at reversing the trends. Rather, the government should work to ensure a fair income for farmers, economic prosperity for rural communities, and ample food at reasonable prices for consumers. The government should also work to keep federal expenditures for agriculture at acceptable levels.●

ROCKEFELLER

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WYDLER. Mr. Speaker, I include with the tributes to the late Honorable Nelson Aldrich Rockefeller the statement of Caspar W. Weinberger, former Secretary of Health, Education, and Welfare:

STATEMENT OF CASPAR W. WEINBERGER, FORMER SECRETARY OF HEALTH, EDUCATION, AND WELFARE

With the death of Nelson Rockefeller, the Nation lost part of its great heritage.

Despite the wealth to which he was born, he scorned the leisure and the purposeless activity that sometimes accompanies wealth into the third generation.

Nelson Rockefeller worked ceaselessly for the benefit, the improvement, and the progress of his fellow men.

In both his public and private activities, he always ran as hard as the newest youth on the job. But his was not the dour work ethic. He approached all tasks with joyousness, energy, and great vitality and enormous effectiveness. But what struck one most was the joyousness he brought to all his tasks. He knew and relished every detail—he was better prepared and knew more than any of his skilled staffs—and he loved every minute of it.

He had great warmth and humanity. He was a hard fighter, a great winner, and, although he hated to lose, he lost with grace and generosity. Indeed, grace and charm characterized all his actions.

He was an American, looked up to and admired around the world and, in an era when there are sadly so few of whom that can be said, he will be missed almost as greatly abroad as he is at home.

It is particularly sad that he had to go when he and his unique talents were most needed. But we were lucky indeed that Nelson Rockefeller so enriched the country for so long by his public service, the generosity that is inbred in his family, and by his happy spirit.

His inspiration and his examples may well be his greatest gifts to his country and to the world.●

TRIBUTE TO LT. COMDR. ROBERT G. HUGHES

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. LONG of Louisiana. Mr. Speaker, I wanted to take this opportunity to share with my distinguished colleagues a few remarks in memory of Lt. Comdr. Robert Garfield Hughes. Commander Hughes was the son of a close friend of mine, known also to many of you, Rear Adm. William C. Hughes. Bill Hughes has had a distinguished career in the Navy and his son, Bob, was carrying on the highest standards of the family tradition.

Bob Hughes was a graduate of the U.S. Naval Academy and was commissioned an ensign in June 1967. A year later he completed his flight training. Between September 1969 and December 1972 he flew numerous combat missions. He was such a proficient pilot, that he was designated an air combat maneuvering instructor.

Lt. Comdr. Hughes has been awarded the Silver Star and the Navy Commendation Medal, as well as numerous other commendations for gallantry and outstanding performance of duty.

Late in January, his jet was involved in a mid-air collision over the ocean off the coast of California, and Lt. Comdr. Hughes was killed at the age of 33. Thirty-three years is very young to have received the honors this young man had bestowed on him. I have no doubt that he was slated for the highest leadership positions in the Navy.

The worth of a life is best measured, not in years, but in commitment, and courage, and integrity and service. Bob's life was very valuable indeed, but I think we all mourn most the loss of potential when young people are denied the completion of a full life span. This is a tribute really, not only to Bob, but to all young people who do their very best for the time given to them. We are truly grateful.●

REVENUE SHARING

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mrs. SNOWE. Mr. Speaker, as a member of the Subcommittee on Intergovernmental Relations and Human Resources of the House Government Operations Committee which will be considering reauthorization of the revenue-sharing program, I found the following editorial in the Washington Star noteworthy, and I commend it to my colleagues' attention:

KEEP REVENUE SHARING

It may seem hypocritical for states to urge that the federal government balance its budget while their governors work to keep the federal "revenue sharing" program going.

And to a certain extent it is. The federal budget would be more than balanced if the flow of U.S. treasury funds to state and local governments were cut off. This flow will amount to some $80 billion for fiscal 1979, more than twice the anticipated $37 billion federal deficit.

But as a practical matter all federal aid isn't going to be eliminated, so the question comes down to where savings might best be made. We agree with the governors that the "revenue sharing" program is not the appropriate place to look first for cuts.

The revenue sharing program—which provides about $6 billion a year to state and local governments—is, in our opinion, one of the more successful fiscal ventures of the federal government. The money comes with few strings attached and therefore doesn't require a large cadre of Washington bureaucrats and social planners to tell state and local officials in minute detail how they can spend it and to lay down an ever bigger maze of red tape before the checks can be disbursed.

Yet Sen. Lloyd Bentsen, D-Tex., introduced legislation last week to eliminate $2.28 billion that would go to state governments under revenue sharing in fiscal 1980. He would continue that portion of funding that goes to county and municipal governments.

Senator Bentsen reasons that since the federal government is running a deficit and states collectively are showing a surplus for the current fiscal year, the federal government is justified in discontinuing their share of the revenue sharing program.

Predictably, governors are upset. Vermont Gov. Richard Snelling, an official of the National Governors' Association, claims that Senator Bentsen's argument is misleading. He points out that most of the states are required by law to have balanced operating budgets, which means that they must budget for a small year-end balance to protect against contingencies. He also notes that, unlike the federal government, most states have separate capital budgets and that they *do* go into debt for capital expenditures.

What no doubt also hurts governors is that Senator Bentsen's proposal seems to presuppose that city and county officials are more efficient than state officials at getting more bang out of the federal buck, a highly questionable assumption considering what's happened in Cleveland, New York City and other cities on the edge of bankruptcy.

The governors take the position that the proper way to save money in federal aid programs is to eliminate programs that produce little or no good, and to cut down on red tape and unnecessary administrative costs of the ones remaining.

Governor Snelling, in a letter to Senator Bentsen, said that the federal government's fiscal problems are not caused by the $2 billion a year that has gone to the states over the past eight years through the revenue-sharing program but rather "by the inability of Congress, with its more than 300 committees and subcommittees, to control hundreds of billions of dollars in narrow, categorical grant programs, each supported by special interest groups and federal bureaucracies."

The governors are on the right track. But instead of consolidating federal aid programs, as the governors suggest, Congress keeps creating more categorical grant programs. Since 1975, the number has increased from 442 to 492, each with its own lobbying groups inside and outside the federal government and each with its own congressional committee and subcommittee protectors.

If Senator Bentsen is serious about cutting down on federal aid costs to balance the budget, he ought to try taking on some of those special interests and congressional power sources who allow wasteful categorical grant programs to continue.●

THE HONORABLE PAUL NITZE—THE RELATIONSHIP OF THE STRATEGIC NUCLEAR BALANCE TO THE GENERAL MILITARY AND POWER BALANCE

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. SPENCE. Mr. Speaker, the limitation of strategic arms is a public policy issue that is at once complicated and of overriding importance to the Nation's security. I am inserting in the RECORD an address by the Honorable Paul Nitze delivered February 8, 1979, at a seminar dealing with strategic and regional security issues. Mr. Nitze, a former Deputy Secretary of Defense, Secretary of the Navy, and SALT negotiator succinctly states the concerns shared by many who have followed developments in the SALT II negotiations. I believe his statement to be a useful examination of the differences between the goal of strategic weapons limitation, which we all share, and the specifics of the SALT II provisions, about which many, including myself, have grave doubts.

THE RELATIONSHIP OF THE STRATEGIC NUCLEAR BALANCE TO THE GENERAL MILITARY AND POWER BALANCE

At all times since World War II the Soviet Union has had superior conventional nonnuclear forces on the European Central front and on its northern and southern flanks. This has been due, in part, to geography, the USSR enjoying the central position and interior lines, and, in part, to the greater effort they and the Warsaw Pact have made than has NATO.

In the years up to the early 1950s this Soviet conventional superiority was offset by the U.S. nuclear monopoly. Later the conventional deficiency was in large measure offset by U.S. theater nuclear weapons. Today the U.S. theater nuclear superiority has disappeared, and it has proved necessary to assign a number of our POSEIDON submarines to cover targets of interest to NATO. As the Soviets deploy increasing numbers of SS–20 MIRVed missiles, BACKFIRE, and other high performance theater bombers, more and more of our surviving strategic nuclear forces will be called upon for assignment to the theater mission.

For most of the post-World War II era the U.S. Navy has enjoyed unchallenged control of the seas. This assured that we could project our power, wherever needed, on the periphery of the Eurasian landmass. The Soviet Union had no comparable power-projection capability. Today they, together with their associates in the so-called "camp of peace and freedom," are on the way to developing such a capability. Even now their intermediate-range nuclear weapons, such as the SS–20s and the BACKFIRES, provide an umbrella arching out some two to three thousand miles from the Soviet borders over Europe, the Middle East, South Asia, and China.

The willingness of either side to use conventional or theater nuclear weapons in a confrontation not involving the territory of the other is importantly affected by the confidence it has in the quality of its strategic forces relative to those of the other side.

The Soviet leaders have a full understanding of the potential destructiveness of nuclear weapons. If this were not so they would not have demanded such enormous sacrifices from their population to create the forces they are creating. Nor would they have persisted year after year in a civil defense program some ten times as elaborate and costly as the civil defense program the Executive Branch is now considering. They do not want a nuclear war. The best way to avoid a nuclear war is to have overwhelming superiority. As Clausewitz put it, the aggressor never wants war, he would prefer to enter your country unopposed.

But the Soviet Union does propose that no important decisions be made in the world without its aims and ambitions being taken fully into account. And beyond that, much of what they do, and what they say to internal audiences within Russia, is consistent with the hypothesis that they aspire to world hegemony.

The Chinese Communists, who know the Kremlin well, tell us that the current focus of Soviet strategy is on Western Europe, that they aim to outflank Europe by achieving dominance over the Middle East, that they propose to outflank the Middle East by achieving controlling positions in Afghanistan, Iran, and Iraq on one side, South Yemen, Eritrea, Ethiopia, and Mozambique on the other, and by achieving the neutrality of Turkey to the north. Concurrently, they are attempting to encircle China by pressure on Pakistan and India, by alliance with Vietnam and dominance over North Korea. Even in Cuba they are putting their finger in our eye.

In pursuing their global strategy they use, in connection with each specific objective, the lowest level of pressure or of violence necessary to achieve that objective. The purpose of their capabilities at the higher levels of potential violence, all the way up to all-out nuclear war, is to deter, and if necessary control, escalation by us to such higher levels.

The significance of the SALT II negotiations, which have been going on for more than six years, is that through them we have been attempting to put a cap on both sides' capabilities at those higher levels.

THE ORIGINAL U.S. OBJECTIVES FOR SALT II

Enough is now known about what has already been agreed in SALT II to judge the extent to which the original objectives of the U.S. side for SALT II have been achieved.

Specifically, our aim, when we began the negotiations six years ago, was a treaty of indefinite duration, to parallel the ABM Treaty. This treaty was to provide:

Limits on offensive nuclear capabilities equal for both sides.

Terms assuring "crisis stability," that is, a situation where, in a crisis threatening war, there would be no significant advantage to the side striking first, preempting, or launching from under indications of attack.

Limits calling for, consistent with, true reduction in offensive nuclear armaments and their capabilities and in related expenditures.

The limits should be verifiable, meet the legitimate concerns of our allies, and be low enough to be economically and politically feasible for the United States to attain.

In sum, the agreements should be such as to redume the risks of nuclear war and the weight of nuclear armaments on world politics.

Finally, for there to be a valid agreement, the terms must be acceptable both to the Soviet leadership and to two-thirds of the United States Senate.

For reasons to be considered in a minute, the terms, now all but finally agreed, meet none of these original objectives, except perhaps the last.

THE SUBSEQUENT NEGOTIATING CASUALTIES

The first casualty, abandoned in 1974, was the hope for a treaty of indefinite duration paralleling the ABM Treaty. We settled in 1974 for a short term pact to end in 1985; a time when the strategic relationship between the two sides is likely to be least favorable to the United States.

The second casualty was equality. Notwithstanding the equal limits to 2,400—and later 2,250—on strategic nuclear delivery vehicles, and to 820 on MIRVed ICBM launchers, neither the actuality of equality nor the appearance, if one takes a second look, is preserved. To illustrate:

Within the permitted number of ICBM launchers, the Soviet Union is permitted more than 300 very large ICBMs of the latest type. Our side—none.

It will be impossible for the U.S. to have more than 550 MIRVed ICBM launchers at the time the treaty lapses; probably fewer. The Soviet side almost certainly will have deployed its full 820.

We are permitted to have no more than three warheads on each of our MIRVed ICBMs. The Soviet Union is permitted and is expected to have deployed four, six, and ten warheads on each of its SS–17s, –19s, and –18s, respectively. The U.S. will be permitted to test a new ICBM missile with up to ten warheads during the period of the treaty. However, we will almost certainly not be able to deploy such a missile within that time period.

The Soviet BACKFIRE bombers, and comparable U.S. bombers, will be exempt from the count of strategic launchers. The USSR will have 300 to 400 BACKFIRE bombers by 1985. Our side will have no similar planes by 1985 beyond its presently less proficient and much less numerous FB–111s.

The third casualty, and the most worrisome, is "crisis stability." Over the past fifteen years it would not have profited either side to attack first. It would have required the use of more ICBMs by the attacking side than the attack could have destroyed. By the early 1980s that situation will have changed. By that time, the Soviet Union will be in a position to destroy 90 percent of our ICBMs with an expenditure of a fifth to a third of its ICBMs. Even if one assumes the survival of most of our bombers on alert and our submarines at-sea the residue at our command after a Soviet initial counterforce attack would be strategically out-matched by the Soviet Union's retained war-making capability.

The fourth casualty has been true reductions. Although the number of Soviet launchers will decline from around 2,500 to 2,250 during the term of the treaty, the more significant indices of nuclear power will rise dramatically; particularly on the Soviet side, but on our side as well. The number of Soviet warheads will have increased some threefold; ours by a half. The area destructive capabilities of Soviet weapons will have increased by a half; ours by a quarter. The capability of their weapons to knock out hardened targets, such as missile solos, will have increased ten-fold; if our cruise missiles, still under development, fulfill present expectations, ours will have increased four-fold. The sponsors of SALT II do not anticipate that SALT II will warrant a reduction in our expenditures on nuclear forces, nor that the Soviets will reduce theirs.

By 1985, under the limits of SALT II and taking into account the current programs of the two sides, it will be virtually impossible for the United States to avoid a situation in which our prompt counterforce capability against hardened military targets (silos; command, control and communication centers; storage depots; and shelters for leadership personnel; etc.) will be less than an eighth that of the Soviet Union. This will be compounded by the fact that they will have double the number of hard targets, each, on the average, twice as hard as ours.

A bad agreement, even if wholly verifiable, is still a bad agreement. In addition, however, the extent to which the strategically signficant terms of SALT II will be vertifiable remains very much in doubt.

In sum, I believe SALT II, as now envisaged, will not reduce the risks of war. I believe it will dramatically increase the risks of war, particularly if it reinforces a judgment that we are militarily stronger than the USSR at a time when we are not. War and defeat arise from just such gross misjudgments of relative military capabilities by the weaker of two opposed powers. On the other hand, a subsequent, more realistic reevaluation of the balance at a time when it is too late to reverse trends, could result in forced accommodation to the Soviet Union.●

NELSON A. ROCKEFELLER

HON. CHARLES PASHAYAN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. PASHAYAN. Mr. Speaker, much has been said and written about the many achievements of Nelson A. Rockefeller. After a very full and productive life the list seems endless. In my mind, however, I will always remember him in his service to the Nation as Vice President.

He once said that he never wanted to be No. 2 of anything. He had fought long and hard on several occasions to win nomination to the Nation's highest office, yet he had always declined the role of running as the second man on a party ticket.

That all changed, however, during a very critical period in our history.

Through the wise foresight of President Gerald Ford, Nelson Rockefeller was appointed Vice President under the provisions of the 25th amendment to the Constitution. By placing duty to country above all else, Vice President Rockefeller assumed office with unquestioned integrity and with great vigor. Although he served for only a matter of months, he has firmly secured a place in American history.●

DISTORTIONS OF POLITICAL LANGUAGE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. LAGOMARSINO. Mr. Speaker, my colleague in the Senate, the Honorable DANIEL PATRICK MOYNIHAN, recently authored an article concerning the distortion of political language. I think it succintly states a growing problem of the characterization of various political entities by journalists in today's press.

The article follows:

[From the Washington Post, Nov. 21, 1978]

DISTORTIONS OF POLITICAL LANGUAGE

On Sunday, Oct. 1, an American newspaper began its report on a battle in Lebanon as follows: "Syrian peacekeeping troops pounded rightwing Christian militias in and around Beirut yesterday . . . in the worst explosion of fighting since the Lebanese civil war . . . " supposedly ended two years ago. This is at once a startling and a familiar sentence.

The terms have no relation to reality, yet they have become commonplace. The invasion of Lebanon by Syrian and PLO forces becomes a Lebanese "civil war." The Syrian invasion forces become "peacekeeping troops." The people defending Lebanon's constitutional arrangements become "rightwing Christians."

This is but one unhappy example of a dangerous trend in the way we discuss political developments, especially in international affairs. Fred C. Ikle has coined the term "semantic infiltration" to describe it.

Simply put, semantic infiltration is the process whereby we come to adopt the language of our adversaries in describing political reality. The most brutal totalitarian regimes in the world call themselves "liberation movements"; it is perfecty predictable that they would misuse words to conceal their real nature. But must we aid them in that effort by repeating those words? Worse, do we begin to influence our own preceptions by using them?

In recent months, the foreign policy of the Carter administration has been bedeviled by a seeming inability to distinguish the proper meaning of political words.

During the summer, State Department spokesmen took to calling the pro-Soviet military organizations in southern Africa "liberation forces." Even as the State Department proclaimed its neutrality in the conflicts there, its very choice of words—its use of the vocabulary of groups opposed to our values—undermined the legitimacy of the pro-Western political forces in the area.

We pay for small concessions at the level of language with large setbacks at the level of practical politics.

There is no better illustration than the current controversy over the support the United Nations has been providing for the grotesquely misnamed Palestine Liberation Organization. The PLO operates at the United Nations under a "cover" voted for it back in 1975—the "Committee on the Exercise of the Inalienable Rights of the Palestine People."

On June 28, the Senate, without a single objection, adopted an amendment I had proposed to reduce the American contribution to the United Nations by our proportionate share of the Palestinian committee's budget. The United States pays about a fourth of U.N. expenditures, so we were, in effect, contributing about $200,000 to a PLO organization whose principal purpose is the dissemination of vicious antidemocratic, anti-Israeli, anti-American propaganda. Just this month, 27 of my colleagues in the Senate joined me in a letter to the president urging, over again, that the funds be withheld.

To understand the committee, simply remember it was created by the General Assembly on Nov. 10, 1975, the same day of the notorious resolution declaring Zionism to be a form of racism.

That venomous episode, of course, was the most brazen and ominous instance of the perversion of language in recent memory. And so it was necessary to warn at the time that this was but the beginning, that the totalitarian states were succeeding in destroying the language of human and political rights, that the very states that were enthusiastic supporters of the Soviet-inspired resolution on Zionism would inevitably find themselves victims of the same tactic.

With repressing predictability, the U.S. Department of State chose not to see an issue where one was clearly present. Apparently, there is no inclination to raise this matter at the United Nations directly, and a wholly misleading calm thus settles over the organization.

What else happens during this supposed era of good feelings? One example: Just last month, on Sept. 12, the "Decolonization Committee" of the U.N.'s General Assembly voted 10 to 0 (with 12 abstentions) to condemn the relationship between the United States and Puerto Rico. The Cuban resolution declared the United States was guilty of colonialism in Puerto Rico, of stifling political expression, of holding political prisoners.

Now the 10 states who voted to condemn us were, without exception, dictatorial regimes—the Soviet Union, Iraq, Syria, Cuba, China, Bulgaria, Tanzania, Afghanistan, Chile, Czechoslovakia. All are guilty of what they falsely accuse the United States. Since when, for example, does the Soviet Union believe in the "inalienable right to self-determination and independence"?

For several years, I have maintained that we need to become far more sensitive to these distortions of political language that are everywhere around us.

The costs of inattention seem to escape even those among us who pride themselves on their "hardheadedness" in matters of geopolitics and military strategy. Surely, Soviet gains in Afghanistan or in Ethiopia or in some other place are visible. Their gains in the realm of political discourse may be less obvious, but nonetheless important over the long term. Consider: When the question of Puerto Rico was before a committee of the United Nations, not one country concluded that its interests could be served by identification with the United States.

These episodes are not isolated events. Rather, they are inseparable from a larger process under way since totalitarian power became a major factor in world politics. The totalitarians seek to supplant the West's political culture with their own system. In order to do it, they understand they must seize the symbols and the vocabulary of progress.

The irony is that, while democratic symbols are far the most powerful in the world, the antidemocratic forces are somehow able to seize them, much as George Orwell described in his fable "1984."

Along about 1950, for example, Stalin's Russia had come almost to own the word "peace" in international debate. The more receptive the world becomes to Soviet linguistic imperialism the more will the nations of the world begin to accommodate themselves to Soviet strategic aspirations. In this way, the process of strategic accommodation can be effectively hidden—mostly from the future victims of Soviet imperial advance.

There was a time when the isolation of the Soviets and their sympathizers in the world body was one of the central facts of international politics. But precisely because of a peculiar American insensitivity to the problem of "semantic infiltration" these past years, the situation is now reversed. International politics seems, increasingly, to be a realm where totalitarian concepts of politics and economics are prominent, if not dominant.

That the Soviets will seek to seize control of the language of politics is obvious; that our own foreign affairs establishment should remain blind to what is happening is dangerous.

We think of the U.N. Charter as a protection for us against possible aggressors. But the real value of the system is not so much to a great power like the United States, rich in resources and military potential, but to the small nations of the world that must ultimately rely on the protections the world community affords them.

I recall very well that, in Nov., 1975, the poor African country of Somalia sponsored the anti-Zionism resolution. Its co-sponsors were Cuba and Libya, and all acted on the behest of Russia. The government of Somalia was carefree, even arrogant, in the way it was willing to allow the United Nations to destroy the language of political rights.

But, in late 1977, Somalia itself became a victim of Soviet ambition—and thereby a victim of its own willingness to distort the U.N. Charter. Indeed, when Somalia was bombed by the Soviet-made airplanes of neighboring Ethiopia in the name of "national liberation," no one seemed interested in Somalia's plight. And so it goes.

Yet there are opportunities for a reversal of these trends, but surely they require a willingness to recognize the problem.

It happens that tomorrow, the U.N. Educational, Scientific and Cultural Organization meeting in Paris, may well have the critical vote about the U.N.'s position on the "mass media." What is this about? For several years, the Soviets and their adherents have been attempting to secure passage of a U.N. declaration that would declare that governments have primacy in the matter of news reporting and news gathering.

Moreover, the draft declaration they originally prepared made it plain that the mass media have no true purpose save to advance the foreign policy objectives of the totalitarian states. It is, indeed, an outstanding instance of the process of "semantic infiltration"; the totalitarians seek to destroy freedom of the press by invoking the principle of freedom of the press. That draft declaration thus became a threat to every news-gathering and and news-disseminating organization in the free world. Efforts are under way to defang it, and tomorrow's scheduled vote may well determine their fate.

Meanwhile, the leaders of our communications industry remain far in advance of our government on these points. It is encouraging, for instance, that the five-person U.S. delegation to the UNESCO meeting includes a journalist, William Attwood, Newsday's board chairman. Publishers and editors from around the world increasingly have come to sense their common danger. There is, above all, in the American press, a fighting tradition that the totalitarian states will soon discover if they persist in provoking us.●

THE NEED TO AMEND THE ETHICS LAW

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. MOORHEAD of California. Mr. Speaker, I am most encouraged about the recent concern reflected in the Washington Post and elsewhere, over the adverse effects of the conflict of interest provisions in the new "Ethics in Government Act." Specifically, in a February 5 editorial, the Post described the new restrictions on postgovernment employment as "punitive and misguided to a degree almost bound to cause an exodus of decent and valuable people from office." The Post concludes: "bad law is bad law," and urges rectifying amendments. Today I am introducing legislation to repeal the 1-year- no-contract provision and to modify the overly restrictive provision dealing with a former official's association with a particular matter. At this time, I want to take this opportunity to insert the full text of the Post's fine editorial into the RECORD, and urge my colleagues consideration.

THOU SHALT NOT—WHAT?

The good news is that people in Congress and the executive branch have, over the past several years, got rid of the defective notion that conflict-of-interest is something a person might be afflicted with on the way *into* government, but not on the way out. For it used to be that almost no mind was paid to what a person did by way of exploiting his government connection once he had gone on to the private afterlife, just as long as he had been more or less stripped of relevant assets—and dignity and privacy—before taking federal office. Now that is different. A great deal of attention is paid to the manner in which people depart government service and how they behave once gone. And that brings us to the bad news: As seems to be the American way in these matters, the nation has evidently once again overdone it, crafting a statute governing the post-governmental life of federal officials that is punitive and misguided to a degree almost bound to cause an exodus of decent and valuable people from office.

We are not using the word "punitive" metaphorically here. Three punishable crimes are established in the statute (the Ethics in Government Act of 1978) whose labryrinthine terms are only now beginning to become clear to the wide variety of individuals who will come under its jurisdiction. Roughly, these involve: 1) a strengthening of the terms of a lifetime ban (already in effect) against almost any federal employee's representing outside interests in cases before government concerning matters with which he had had a substantial personal connection while in office; 2) a sort of yearlong limbo for top-level executive-branch officials and military officers who will be barred from having any professional dealings with their former agencies or place of work for the first 12 months after they have left office; and, 3) a provision that these same top officials may not, for two years after leaving office, "aid, assist, counsel, advise or assist in representing" anyone before the government on a matter for which he had responsibility, even indirectly.

This last one is the big potential troublemaker. It does not just require that a person avoid fishy or even remotely questionable contact with government himself after leaving office. Practically speaking, for many people this could also cut off for two years the opportunity to work for almost anyone who had almost anything to do with their former employer. Hale Champion, the undersecretary of HEW, observed the other day that this would pretty much cut him off from any reasonable employment opportunities when he leaves office, and the same is probably true for countless others—especially scientists, educators and technicians.

The big furor in government about this now concerns the fact that unless individuals have left office by July 1 of this year, they will come under the new act's terms. So there is considerable heaving and hoing about what to do to tame the trouble. Naturally, by way of making the thing "reasonable"—this is always what happens—the legislators put in certain explanations and refinements and exceptions which, as always, only have made matters more complicated. What is it exactly that thou shalt not do, if thou happens to be an affected GS–17? No one can be entirely sure. An Office of Government Ethics (Orwell would surely have called it the Ministry of Virtue) has been established to sort matters out. Presumably in the regulations it is scheduled to issue, the ethics office can in some measure modify the harshness of the law. But felonies—two years and $10,000—are felonies. And bad law is bad law. We think the administration and Congress should start urging a rational and generous interpretation of the "regs" on this law as an immediate step—and that Congress, with administration support, should start cranking out some amendments to undo the over-reactive and under-intelligent aspects of the law itself—and fast.●

A CALL FOR A BILATERAL COMMISSION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. BROWN of California. Mr. Speaker. I would like to call to the attention of my colleagues an article that recently appeared in the Washington Post by a distinguished Mexican author Carlos Fuentes. Sr. Fuentes, whose many novels have been prosaic of the past and prophetic of the future, echoes to this Nation on the eve of our Mexican encounter, a message of heed. "Listen Yankee, Mexico is a Nation, Not an Oil Well."

The message, a call for mutual respect and understanding is not a new one, for the history of our relations with Mexico is one fraught with paternalism and misunderstanding. But the context is changed now that it is known that Mexico is poised on a sea of oil. The potential for Mexican production and export of oil and natural gas raises untold possibilities of Mexico as the new Saudi Arabia, of a Mexico unburdened by unemployment of balance-of-payments problems, and, more important to us, of a United States free from the tyranny of the OPEC producers. Or, conversely, the potentials exist for a Mexico as another Iran. The key to the Mexican success is their ability to develop their oil potential in a way that is supportive and complementary to their overall economy. The key to our "success" is in our ability to understand their dilemma and to assist them in overcoming the major impediments to their growth.

This can be accomplished through an ongoing discussion and a cooperative effort between the two nations. Sr. Fuentes' proposal for a bilateral commission is one suggestion that has raised the most potential for such mutuality of effort. I join with Sr. Fuentes, as I believe many of my colleagues do, in calling for such a commission.

LISTEN YANKEE, MEXICO IS A NATION, NOT AN OIL WELL

(by Carlos Fuentes)

MEXICO CITY.—On St. Valentine's Day, Presidents Jimmy Carter and José López Portillo will meet on this "high metaphysical valley," as the writer Alfonso Reyes once called it. The American president will be sandwiched between the visits of Pope John Paul II and the president of France, Valery Giscard d'Estaing. This is a bit like playing the Phyllis Diller role, following Sophia Loren and preceding Brigitte Bardot.

John Paul was welcomed by millions of people; in an era of resurgent spiritual movements, he has shown (to the horror of Mexico's official but minority Jacobinism) that the southern neighbor of the United States might be as swayable as Iran by its deep and ancient religious commitments. And Giscard represents the nation most admired by Mexicans for its intellectual and cultural achievements. Besides, he has proven to be both a practical and respectful economic partner and one of the few statesmen of world stature in today's barren landscape.

Giscard's message has been, in effect, that progress is no longer what it used to be. An era of exceptional growth ended in 1973; oil prices, demography and, "perhaps, even more, spiritual evolution," will temper the excesses of the splashy and splurgy brand of progress the West and its dependent oligarchies in the Third World knew between Bretton Woods and the Arab oil embargo. Behind Giscard's wise observations and pragmatic policies looms a new reality: that of combining future growth with the reappearance of cultural factors as a determining force in national and world affairs.

Against all hopes and forecasts, the rediscovery of the cultural facts of life has been embodied by nationalism. Marx would turn in his grave; more than one multinational executive swivels in his chair. But from Algeria to Tanzania to China to Canada, the national aspiration, the need to embody the culture in a national state and a national society, is still the strongest moving force as the world plunges towards the 21st century. Culture has triumphed over economic determinism and national interests have overcome ideology.

The presidents of Mexico and the United States will discuss less than metaphysical realities when they meet on the same stage where Montezuma once received Cortés for the merging of the New and the Old Worlds. Mr. Carter would do well to dwell not only on energy, trade and immigration, but on the larger issues at hand. These have to do, in reality, with the cultural substance and the national identity of Mexico, with the viability of the Mexican state and the respect due to the design for the future which is universally known in Mexico as the "national project."

Mexico is heir to ancient civilizations. The Indian world is as alive as the rich strains of Renaissance, Enlightenment and modern industrial culture. Carter, in fact, will be visiting one of the truly polycultural nations of today's world. Mexico's existence since 1810, when the parish priest Miguel Hidalgo declared independence from Spain, has been one long struggle for identity and integrity; for territorial integrity in the 19th cenutry, against American "Manifest Destiny" and European imperial ambitions; and for national identity through the revolutionary movement of the first 40 years of this century.

The United States, as both the hegemonic power within the Hemisphere and Mexico's immediate neighbor to the north, has played the leading role in Mexican foreign relations. Half our national territory was lost to the armies of Zachary Taylor and Winfield Scott in 1948—against the protests of a lone congressman, Abraham Lincoln, and a stubborn philosopher, Henry David Thoreau, who, like Edmund Wilson a century later, refused to pay taxes that would finance an unjust war. The Mexican Revolution was misunderstood, harassed, menaced and undermined by the United States in an attack of the provincial blindness which seems to afflict American foreign policy when it encounters (as encounter it must) what it had ignored.

Down Graham Greene's "lawless roads" traveled the thundering denunciations of Secretary of State Kellogg, Sen. Albert Fall (before his name became his destiny: He was convicted in the aftermath of Teapot Dome) and the dusty hoofs of Pershing's punitive-expedition fruitlessly searching for Pancho Villa in the land and among the people who invented modern guerrilla warfare, having decided, after the defeats at Churubusco and Chapultepec, never to wage academic war again. Although Engels urged the United States to take over all of Mexican territory in the name of industrial progress, Winfield Scott knew better: He had seen the lurking eyes of ambush and the dark suction of protracted occupation on heavily populated, emotionally hostile and culturally alien territory.

THE IMPORTANCE OF OIL

No Marxist, certainly, is today advising the United States to consider a Mexican takeover. Yet, for the first time since the 1830s, Mexico has become strategically important to the United States. Then, it meant achieving, at the expense of Mexican territorial integrity, the continental unity which would prepare the emergence of the United States as a world power. Today, it means assuring an uninterrupted supply of oil and gas from a nearby source. Energy from Mexico can even be transported overland, and drawn from a friendly, stable nation. No more fears of Middle East flareups, Arab blackmail, OPEC boycotts or unforeseen holy men toppling the amiable, if somewhat brutal, shah of Iran.

Mexico is there and Mexico has 40.1 billion barrels of proven oil reserves, 44.6 billion barrels of probable reserves and 200 billion barrels of potential reserves. Mexico, furthermore, is not a member of OPEC. And the United States, by 1985, will be facing a daily internal demand of 22.5 million barrels a day. It will only be producing about half that amount. Thus, it will be forced to import 50 percent of its needs. And Mexico is so near to the United States, no matter how far from God . . .

John Paul II may have shortened the traditional distance between Mexico and God, but many Mexicans feel that, in the case of a real crisis, the United States would perfunctorily abolish the space between themselves and Mexico. Did not Secretary Kissinger, in 1974, menace the Arab states with military intervention if U.S. energy requirements were not met? This saber-rattling never fooled anybody. You don't send in the Marines to rape the Seven Sisters. The difference between the halls of Montezuma and the shores of Tripoli is that Mexico owns its oil resources totally and manages all the elements of its industry, from exploration to exportation. It would take the Marines to divert Mexico from its national energy policies in order to become the servile supplier of American needs dictated by American gluttony and American whim.

The American public should recall that, in 1938, President Lázaro Cárdenas nationalized all the holdings of American, British and Dutch oil companies in Mexico, in compliance with Article 27 of the Mexican Constitution. London and The Hague broke off diplomatic relations with Mexico City. In spite of the thunder from the right, Franklin D. Roosevelt refused to follow suit. Ably counseled by two exceptional American statesmen, Undersecretary of State Summer Welles and Ambassador Josephus Daniels, FDR decided to face the challenge and respect Mexico's sovereign decision. In so doing, he prompted the American and Mexican publics to digest one hundred years of adversary relationship and placed the American national interest where it truly lay: in Mexican partnership during World War II, when the Avila Camacho government, without yielding an inch in the matter of oil nationalization, provided the Roosevelt war administration with anti-Fascist militancy, strategic raw materials and that same cheap labor force which comes in so handy in times of needs and is so easily dismissed when the local police forces of Texas or California decide to sneer at Carter's human rights campaign inside his own corral. Also, thanks to the Roosevelt-Cardenas policies, Mexico became the United States' fourth trading partner in the world and the first in the Western Hemisphere.

A QUESTION OF RESPECT

As Carter and López Portillo prepare to meet, a challenge as great as the one faced by their predecessors 40 years ago looms before them. This challenge is not composed solely of the material factors of the problem—energy, trade and immigration. It also surpasses the supposed choice among three approaches to U.S.-Mexico's policy: an ad hoc, issue-by-issue stance; a resurrection of the so-called "special relationship," which never existed in reality; or a frankly protectionist or even punitive.

What is at stake is not a negotiating procedure or even this or that component of a hypothetical negotiation, important as any of the three issues in question indisputably are. In his now classic "Diplomacy for a Crowded World," George Ball warned the U.S. that, "The problems one can predict between the United States and Mexico foreshadow those we will face with many other countries. They are problems for which we are not prepared—psychologically, emotionally, or in terms of concrete plans and programs."

As in 1938, the challenge consists in knowing whether the United States will respect Mexico's "national project." Mexico is a proud nation which does not accept paternalistic solutions recommended, much less imposed, from abroad.

Furthermore, the national project now taking shape in Mexico does not depend on oil. Rather, oil depends on the national project. In 1982, Mexico hopes to expand its present production of 1.4 million daily barrels to 2.5 million, of which 1.5 would be reserved for internal consumption, following the unwritten rule set down by the 1938 nationalization: that oil is a nonrenewable resource and must be used primarily for internal development. Another 1 million barrels a day would be left over for exportation. Half of that amount already has been committed through long-term contracts with France, Spain, Japan and Israel—all actively negotiating with Mexico while Energy Secretary James Schlesinger was playing the arrogant bully and Sen. Adlai Stevenson III stupidly blocked credits for the sale of Mexican natural gas to the United States.

Mexico would be happy to sell the remaining 500,000 daily barrels to the United States, considered, in López Portillo's words, "a natural but not a privileged client." But will American hunger for oil be content with what amounts to 5 percent of its foreseeable oil imports for 1985? Why shouldn't Mexico go whole hog and raise its production to Persian Gulf levels of 5, 7, even 10 million barrels a day?

Simply because, answers Mexico's able young minister for industrial developement José Andrés de Oteyza, by setting a ceiling on production at 2.5 million barrels per day, and limiting exports to 1 million a day, Mexico will achieve a spectacular but healthy growth of 10 percent a year. The Mexican state will double its income (this is the argument against rabid Mexican conservationists who would not export a single barrel of oil) and be able to invest heavily in four essential growth sectors (oil, steel, electricity and fertilizers) which will act as engines for an overall plan to decentralize industry, banish new factories from Mexico City, attract development toward the border and coastal areas and stimulate the reallocation of population near food-producing zones and in labor-intensive agro-industrial projects.

The conservationists' attitude would deprive the state of the resources for this policy. But uncontrolled production would trigger uncontrollable inflation, an abnormal development of up to 15 percent where a booming oil industry would deform an otherwise enfeebled economy, create the temptation to subsidize mendacity and assure the prompt exhaustion of the wells. Mexico would soon sacrifice both its potential riches and its very important advantage over most oil-producing countries of the Third World: Mexico, since 1920, has been establishing an infrastructure capable of absorbing oil revenue and using it wisely for both social and productive goals.

Beyond that limit lies the Abudabization of Mexico.

A NEW RELATIONSHIP

If the national project is respected by the United States and well administered by Mexico, many of the irritants in the relations between the two countries will be modified, notably the amount and nature of Mexican immigration to the United States.

Both countries coexist under the mixed system of modern capitalism. As is true between the south and the north of Europe, the free flow of the labor market is natural and sound: Mexican labor represents a collective aid to the American economy; it takes jobs from no one and pays its own way through taxes considerably higher than the social services it receives. Conversely, Mexico allows the free flow of capital. The vast U.S. investment in Mexico ($5.5 billion in 1978) is not hampered by hand-slicing fences, brutal cops or other measures applied by the United States to the flow of labor. In fact, an American investor is even free to decapitalize the Mexican economy by repatriating all of his earnings, which are usually gained in the most dyanmic and quickly profitable sectors of the Mexican economy.

If the United States cannot be patient enough with Mexico's labor problem, Mexico can also lose patience with the problem of American capital. The Mexican government, under the Constitution, has the authority to apply to private property the modalities dictated by the public interest. Exclusion of foreign investment from certain sectors, a ban on repatriation of profits, can be among them. Two can tango.

But this would lead us directly to confrontation politics. Mexicans do not believe in a sudden change of heart in American policy. Superpowers behave cynically, but they should not behave stupidly. Relations with Mexico are a challenge to the imagination of U.S. policymakers because the world will judge and forecast Washington's attitudes toward the vast majority of the human race by its dealings with its southern neighbor.

The 2,000-mile frontier between the two countries, it should be recalled, is also the boundary between the United States and Latin America as a whole, and between the world's strongest economic and military power and the Third World. The United States has no closer contact with what is alien, different and challenging to its assumptions. Cuba is separated by those famous 90 miles. In 1979, the Latin American countries nearest to, yet most alienated from, the United States will be negotiating the nature of their relations with the United States into the coming century. If Cuba, because of its close association with Soviet bloc, gets more respect and understanding from the United States than Mexico, which has remained a close American trade, labor and financial partner, the lesson will not be lost on the rest of Latin America or the vast reaches of the Third World.

While on a visit furthering diversified economic relations and political support in Japan and China last year, López Portillo declared that Mexico stood very low in the lists of U.S. "priorities" or respect. Since the Mexican president uttered these words, U.S. public opinion and, presumably, the White House, have become aware of the Mexican priority.

Jorge Diaz Serrano, the dynamic and efficient head of Petróleos Mexicanos (Pemex), the state oil enterprise, is aware of how far too much "priority" can go. He recently warned the audience of the CBS Evening News that the Mexican people would not tolerate foreign interference in decisions affecting the nation's oil and gas resources. In conversation with this writer, he added that American officials had grossly underestimated Mexican resilience to pressure during the ill-fated negotiations in Washington last year, when Schlesinger and Stevenson, in what was certainly not their finest hour, blocked gas sales and pipeline credit. Now the United States must approach Mexico under less favorable conditions and in a more bitter atmosphere.

The American tendency to blackmail through tradeoffs on issues that only become confused and debased in the process does not enhance understanding. The economic, social and humane need for an open border cannot be linked to oil and gas supply.

A BINATIONAL COMMISSION?

Misunderstanding in these matters should be avoided. Perhaps the time is ripe for some kind of permanent high-level commission on Mexican-American relations, designed to negotiate further where negotiation is called for and eliminate friction points. I wonder how much Presidents Carter and López Portillo can truly negotiate in Mexico City come Valentine's Day without hurting each other's national pride or interests. Given the itchy nature of the relationship, a fully empowered commission could negotiate without going public, while retaining direct and immediate access to both the American and the Mexican chief executives.

Neither country lacks men of caliber to head such a commission. I think, on the American side, of George Ball, or Elliot Richardson, who has shown a remarkable rapport with his Mexican colleague, Jorge Castaneda, at the Law of the Sea Conference, or the quiet, flexible and infinitely knowledgeable attorney, William D. Rogers, the former Undersecretary of State. Mexico could field any of the richly experienced men of its senior diplomatic tradition, not to speak of its three most brilliant young statesmen: Porfirio Mufioz Ledo, former secretary of labor and education; Carlos Tello, former secretary of the budget; and Mario Moya Palencia, former secretary of the interior.

If, as Ball says, the Mexican problem foreshadows all others, it is imperative that there exist a body capable of giving the appropriate danger signals when unreflective and even brutal attitudes emerge uncontrolled. Mexico has a sorry experience in the matter: Operation Intercept, commercial restrictions, cotton dumping, last October's Tortilla Wall for Berlin-on-the-Rio-Grande) were all sprung as surprises on a deteriorating, and far from "special," relationship.

President López Portillo will try to make President Carter realize that Mexico is a nation, not an oil well. It is up to Mexico to determine its nationhood. Its big pluses are there: the strong development of its public sector in general and its oil industry in particular; the capacity of its administrative cadres; the diversification of its economy; its sound infrastructure; the catholicity of its intellectual debate on the history and destiny of the nation; its justifiable cultural pride. But there are also its flagrant minuses: corruption; a disruptively unjust pattern of distribution of wealth; a voraciously antisocial entrepreneurial class; a seemingly uncontrollable demography; a lack of sufficient channels for public debate.

The great catastrophes of U.S. foreign policy have come about through a mixture of cultural ignorance and political impatience. The isolation of the U.S.S.R. greatly abetted Stalinism. Ambassador Spruille Braden, by opposing him, virtually put Juan Perón in power in Argentina. Three decades were lost before the Middle Kingdom and its "celestial bureaucracy" were perceived as cultural structures of an ancient civilization, and not the result of Marxist conspiracy. Tens of Thousands died before it was understood that Vietnam's historical mission has been to contain Chinese expansionism. Nixon's blind intervention in Cambodia destroyed that nation's fabric for years to come.

Let not these mistakes take place in Mexico. The price would be far higher. Mexico must sort out its own national priorities without external pressures; otherwise, it could go down the drain of explosion or repression and the United States could end up with a Cuba, an India or a Chile on its doorstep.

Carter can be sure of a warm welcome in Mexico; my countrymen are past masters at colorful receptions for foreign visitors. Less overwhelming than the pope's, less glamorous than Giscard's, the American president's visit will be translated into an appropriate media event. But it would be sad if all Carter picked up in Mexico was the 1.5 percent of the vote which Hispanics could grant him in the 1980 election.

The Mexican Valentine, if thorny, holds a challenge for statesmanship. It is the same challenge Franklin Roosevelt rose to: the recognition that the national interest of the United States lies in respect for and recognition of Mexico's national project, complex culture and historical identity. If this was true in 1938, it has become urgent in 1979.●

SMALL BUSINESS TAX RELIEF ACT OF 1979

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. ABDNOR. Mr. Speaker, I would like to commend my colleague, Mr. SCHULZE on his authorship of the Small Business Tax Relief Act of 1979. I supported this legislation in the 95th Congress and have again joined in sponsoring this vital measure.

In my State of South Dakota, virtually all firms can be classified as "small businesses." The men and women who operate these businesses are truly among the hardest working people in America, they have become part of the Nation's "forgotten middleclass."

In recent years the Federal Government has burdened our small businesses with unnecessary and costly regulations. They have constantly been asked to make sacrifices under the guise of controlling inflation. Despite doing more than most for their country, these enterprising people do not ask for special treatment or Federal handouts. They only ask to be treated responsibly and be allowed to operate their businesses in a competitive market, free from Government intervention.

I believe the Small Business Tax Relief Act of 1979 addresses the problems of our business community and am happy to lend my support to it. It is not a "free lunch," but rather provides for many reasonable and long-overdue reforms.

Mr. SCHULZE has previously provided a detailed analysis of this proposal which can be found in the CONGRESSIONAL RECORD of January 29. Therefore, I will only briefly highlight the main points of this bill today. Again, I thank Mr. SCHULZE for his sponsorship of this bill and urge my colleagues to join me in lending our support to it.

In brief, the Small Business Tax Relief Act would—

First. Provide for a tax free "rollover" of a small business if all profits from the sale of said business are reinvested in another small business within 18 months;

Second. Increase the amount of additional first-year depreciation which may be deducted from the present $10,000 to $25,000;

Third. Provide for the rapid amortization (36 months) of certain changes or improvements to plant and equipment which are required by Federal law or regulations;

Fourth. Increase the dollar limit for qualifying small Domestic International Savings Corporations (DISC's);

Fifth. Permit the sole proprietor to choose the cash or accrual method of reporting income for tax purposes;

Sixth. Require the IRS to credit or refund to employers their proportionate share of social security overpayment for employees who have been employed by two or more employers during the year; and

Seventh. Grant a $5 tax credit for each form or document which a small business is required to file under Federal law.●

WORLD WAR I VETERANS PENSION

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. ANDERSON of California. Mr. Speaker, I have introduced H.R. 1918, to provide a pension for veterans of the First World War and their widows.

Almost 5 million American soldiers fought in World War I. Only half a million of them are still alive. We have never honored our historical responsibility to these veterans.

From the beginning of this Nation, through the Spanish-American War, our Government provided an old-age pension to all wartime veterans in just recognition of their service in defending our freedoms.

After World War II, we realized a need to compensate soldiers much sooner after their service, and established home loans, educational benefits, and a variety of other programs.

The veterans of World War I have been left empty handed in the middle of this transition. We in Congress are to blame.

In the last session, 219 Members cosponsored a World War I pension bill. We altered the budget to allow funds for such a program. Fifty Members testified before the Veterans Committee favoring this pension. I believe our support led to the changes in the overall pension program which we voted last year, and which became law.

But still, more than 60 percent of our World War I veterans are eligible for no benefits from the Veterans' Administration, because their incomes are too high. Too high at $4,800 per year. How many people do you know who can survive on $4,800? Would their lifestyle make you proud knowing that you were responsible for it?

Do not these veterans deserve better? Each day we postpone this legislation, 200 of these valiant men will die, in need and forgotten—forgotten by the country which they did not forget in its time of need. I submit that this country owes these veterans not just a pension, but its very existence.

My bill would provide $150 a month, with a $10,000 annual limit on outside income, to these veterans and widows. It is hardly a magnificent sum. But, it will make a substantial difference to most of these veterans. It will make a moral difference to all of them whether they receive it or not.

The Veterans of World War I organization, and the Veterans of Foreign Wars have long struggled for this proposal. We welcome the organized support for the first time this year, of the American Legion.

We would also welcome the cosponsorship and efforts of Members of the 96th Congress. This pension is long overdue and time is running out.●

THE 61ST ANNIVERSARY OF REPUBLIC OF LITHUANIA

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. BENJAMIN. Mr. Speaker, for the past 2 years, I have risen before this body to commemorate the anniversary of the independent Republic of Lithuania. Tomorrow we celebrate the 61st anniversary of this Republic and the 728th anniversary of the formation of the Lithuanian state.

From the time of the unification of Lithuania in 1251 by King Mindaugas, the country has distinguished itself with the development of a unique cultural and ethnic identity steeped in the ideals of freedom. After the third partition of Lithuania in 1795 until the early 20th century, the citizens of this country suffered through the attempts of the czarist government to totally eradicate the language and culture of the Lithuanians. When the republic was finally established on February 16, 1918, the struggle against oppression had been won and the freedom-loving spirit and culture of the Lithuanians had endured.

For the next two decades, this sweet freedom was enjoyed and the country flourished under a new constitution and progressive reforms.

Then, tragically, on August 3, 1940, 300,000 Soviet troops ended what had been the hope and dream of every Lithuanian — a free and independent republic. The oppression which began on that fateful day only intensified with time. New and old forms of oppression appeared — deportation, repopulation, torture, censure, and psychiatric treatment.

The Soviets speak of freedom and progress. Where is there room for such ideals in a country that only 6 months past sentenced dissident Viktoras Petkus to 15 years for daring to join a group to monitor the Helsinki accords? The list of victims of the Soviet's disregard for justice and human rights is seemingly endless and embodies many groups, but the repression in Lithuania is especially poignant and a source of consternation to the Soviet Government.

While the Soviet's repression is extended to all aspects of individual rights, it also encompasses the squelching of all religious influence in a state which professes unfettered freedom of religion. The vast majority of the Lithuanian people have clung fiercely to the Catholic faith and their children have absorbed this tradition in spite of continual harassment. In addition, new hope has been given to this most important institution with the election last October of the first Pope from a Communist country.

Pope John Paul II announced that there would no longer be a silent church because it would begin to speak with the voice of the Pope. These words inspired the Lithuanian Catholic Church to a new movement pledged to defend the rights of believers within the Soviet Union. The goal of the Catholic Committee for the Defense of the Rights of Believers is to establish legal and practical equality between believers and atheists. The establishment of the committee is the first independent church reaction in the Soviet Union to the election of the new Pope.

In addition, the Pope is seeking to restore the five ancient Lithuanian dioceses with bishops and increased numbers of clergy to administer the faithful.

Perhaps one of the most remarkable aspects of the dissident movement in the U.S.S.R. today is the way in which it has united Orthodox Christian, Jew, Catholic and agnostic in the common cause of human rights. This combining of forces has caused a renewed hope—hope that through these efforts Lithuania will once again cast off the yoke of oppression and enjoy true freedom; hope that Americans of Lithuanian descent will once again be allowed to visit and enjoy the richness of their homeland.

Not to be forgotten are the heroic efforts of the Lake County Lithuanian American Council—a group to which I have had the privilege of speaking on previous occasions. This group, under the leadership of its president, Albert G. Vinick, has served as an important unifying force for all Lithuanian Americans. In addition, and in cooperation with other chapters, the council has successfully smuggled and published underground materials from the U.S.S.R. so that citizens of our country may be aware of the true nature of Soviet oppression.

I invite my colleagues to read a publication of the Lithuanian American Community which is edited by Dr. Thomas Remeikis from Calumet College in Hammond, Ind. The Violations of Human Rights in Soviet Occupied Lithuania is an annual report—now in its eighth year—which consists mainly of underground materials, selected from the rather voluminous samizdat press and other underground sources. The reports contain not only documentation of specific Soviet violations of human rights, but also underground materials pertaining to the struggle for democratic, national, and religious rights in general, as well as essays and articles on selected problems of national and religious life under the Soviet regime.

These efforts, combined with an annual celebration of the Lithuanian Independence Day, have served to symbolize hope for all nations dominated by a foreign power.

I implore my colleagues to unite in opposition to the Soviet violation of the Lithuanian peoples' human rights and I ask that they join me today to honor these people for their perseverance in their continued struggle.●

STATE SENATOR EDWARD T. HALL OF MARYLAND

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. BAUMAN. Mr. Speaker, during the recent congressional recess, the State of Maryland lost a respected and articulate leader. State Senator Edward T. Hall of Calvert County, the minority leader in the Maryland Senate where I served from 1970 to 1973, passed away last November. At his death, he had just been reelected to his sixth 4-year term.

Ed Hall was a firm believer in the right of individuals to run their own lives without government interference. He served 20 years in the Maryland Senate as an effective, determined advocate of the interests of his people. He was known by all for his concern, warmth, and good will to friend and foe alike. His marvelous booming voice did credit to the art of oratory, and he literally became a legend in the statehouse in Annapolis and throughout the State.

Ed Hall was a personal friend of mine. I shall miss him, as will all who knew and respected him. I extend my sincere sympathies to his wife, Irma, his family, and the people of Maryland's 30th District.

Mr. Speaker, I would like to insert in the RECORD the following article from the Baltimore Sun dealing with Senator Hall's career in public service.

CALVERT'S SENATOR HALL, EX-GOP LEADER, DIES

State Senator Edward T. Hall, a former Senate minority leader who was known as "Mr. Republican" in Calvert county, died yesterday evening at the Johns Hopkins Hospital, less than a week after he suffered a heart attack following his re-election to a sixth term in office.

The 62-year-old Republican whose booming voice became his trademark in the Senate chambers was initially hospitalized at Calvert Memorial Hospital in Prince Frederick, Md.

He was transferred Sunday to the medical intensive care unit at the Johns Hopkins Hospital when his condition worsened, according to a hospital spokeswoman. He died at 5:01 P.M.

Aris T. Allen, the Annapolis physician and state Republican chairman who has been mentioned as one of Mr. Hall's possible successors, last night called Mr. Hall "a man with a big voice and a big heart."

"He had a tremendous voice. He rarely needed an amplifying system," added Mr. Allen. He said he had "no thought at all" to the possibility that he might be a successor to Mr. Hall.

Senator Hall had a history of heart trouble.

"We can fill the vacancy, but we can never replace Ed Hall." David M. King, chairman of the Republican State Central Committee for Calvert County, said last night. "He was an institution down here."

Senator Hall, of Huntingtown in Calvert county, who had served in the Senate longer than any of his colleagues except Frederick C. Malkus, Jr. (D., Middle Shore), collapsed in the early morning hours last Wednesday as he was shaking hands at a victory party following the election.

Mr. Hall had been elected to his sixth term in the state's 30th district Senate race over George M. Nutwell, the Democratic candidate. Mr. Hall's last victory was his closest since he was elected to the Senate in 1958.

The senator, known for his staunchly conservative views and his close ties to his home county's strong tobacco and utility interests, was Senate minority leader from 1963 to 1974.

Mr. Hall's critical condition throughout the last week prompted speculation on possible successors in the district that covers all of Calvert county, Annapolis and southeastern Anne Arundel county.

Mr. Hall, who often spoke of his belief in an "Eisenhower doctrine" of limiting governmental control over citizens, was first elected to the Senate without any prior political service.

Over the next 20 years, he acquired a reputation as a powerful spokesman for the industries that dominated rural Calvert county. First it was tobacco and, later, the utilities that tremendously increased the tax base of the county.

Mr. Hall was born August 15, 1916, in Huntingtown. He attended local public schools and the Ottmar Merganthaler School of Printing in Baltimore.

After working briefly on his family's tobacco farm, Mr. Hall started the Calvert Independent in 1940 with a partner whom he later bought out. The weekly paper, which now has circulation of 6,200, carried a story of his re-election in its current edition.

Ellen R. Gauthier, the newspaper's editor, said Mr. Hall helped prepare the paper's election coverage before leaving for the party in St. Leonard, where he collapsed last week.

In the Senate, Mr. Hall was an early champion of slot machines, which helped generate the income that Calvert county needed to supplement its small scale agricultural and Bay-related business. He staunchly resisted legislation that eventually outlawed slots in the 1960's.

Politically, Mr. Hall survived repeated attempts by Anne Arundel county Democrats to dislodge him from a district in which they were numerically superior by his ability to win the Calvert county vote from both Democrats and Republicans.

Mr. Hall was a former chairman of the board of directors of Calvert Memorial Hospital and of the Calvert County Nursing Center.

The senator was a former member of the Calvert County Chamber of Commerce. He belonged to the county's Board of Trade and the Lions Club.

He is survived by his wife, Irma, and a step-son, Roger McConkey, both of Huntingtown; a sister, Amanda Sweney, of Forest Heights, Md., and two brothers, Dorman Hall and Reverty Hall, both of Huntingtown.●

VOCATIONAL EDUCATION WEEK

HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. PERKINS. Mr. Speaker, the second week in February is traditionally observed in schools throughout the Nation as Vocational Education Week. Vocational education is our longest standing federally supported education program, having started with the Smith-Hughes Act of 1917.

Vocational education has gained new prominence and recognition in the past decade, as a result of the Vocational Education amendments of 1968 and the recent amendments of 1976. Today, over 15 million students are being served in vocational programs at the secondary, postsecondary, and adult levels. This is more than double the enrollment of 1968. Federal expenditures under the Vocational Education Act have increased from $262 million in 1968 to $674 million for 1980. By 1976, State and local dollars were matching the Federal dollar nearly 10 to 1, for a total Federal/State/local expenditure of $5.1 billion.

The Vocational Education Amendments of 1976 provided for greater involvement of vocational education in the planning and operation of CETA programs. The new CETA legislation provides for even greater coordination between vocational education and CETA training programs to meet the needs of disadvantaged youth. This spring, the Subcommittee on Elementary, Secondary, and Vocational Education, and the Subcommittee on Employment Opportunities, chaired by Mr. HAWKINS, will begin joint oversight hearings focusing on the coordination between vocational education and CETA prime sponsors, and the impact of this relationship in dealing with the problem of youth unemployment.

Meanwhile, with more than one-third of the Nation's high school students taking vocational subjects, and more than 50 percent of community college enrollment in occupational programs, there can be no doubt that vocational education is having a tremendous impact on the lives of millions of students.

I ask unanimous consent to have printed at this point in the RECORD a resolution by the National Advisory Council on Vocational Education commemorating the observance of Vocational Education Week.

RESOLUTION ON VOCATIONAL EDUCATION WEEK

Whereas, February 1 through February 17, 1979 is observed as Vocational Education Week; and

Whereas, Federal support of vocational education has continued uninterrupted since 1917; and

Whereas, Congress has repeatedly reemphasized the commitment to vocational education in the Vocational Education Act of 1963, and the Amedments of 1968 and 1976; and

Whereas, Business, industry, and labor have demonstrated strong support for, encouragement of, and cooperation with vocational education at secondary, postsecondary, and adult levels; and

Whereas, the American public, through the support at the state and local levels, has demonstrated its desire for expanded and improved programs of vocational education; and

Whereas, as a result, more than one-third of the nation's high school students take vocational subjects, and more than fifty percent of the nation's community college enrollment is in occupational programs, for a total enrollment of over 15 million students;

Therefore be it resolved, that the National Advisory Council on Vocational Education urges that appropriate action be taken by the Administration and the Congress in continued support and recognition of the accomplishments of vocational education in America, during this week, and throughout the year.●

ASBESTOS IN SCHOOL BUILDINGS

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. CARTER. Mr. Speaker, I am today introducing legislation to help alleviate the health risks created by the presence of asbestos in school buildings.

Asbestos was used extensively in schools built between 1946 and 1973 for insulation, fireproofing, acoustical, and even decorative purposes. This material, especially in a sprayed form, is easily damaged and the fibers are thus released into the air. Inhalation of asbestos fibers, even in very small amounts, has been statistically linked to increased incidence of lung cancer, mesothelioma, asbestosis, and various gastrointestinal cancers.

Asbestos is presently regulated in the workplace, but nonworkplace environments such as schools are not regulated. Given the long latency period (up to 40 years) for development of asbestos-related diseases, however, it is our school-aged children who face the greatest risk from exposure.

In my district, more than 50 percent of the school districts which responded to a State survey indicate preliminary evidence of the presence of asbestos in their buildings. This preliminary evidence is based primarily on visual examination of ceiling types, for asbestos-containing ceiling materials are fairly easily identified.

The existence of asbestos in schools is by no means limited to Kentucky however; reports from several other States indicate that this is a widespread phenomenon.

To their credit, several Members of Congress recognized this problem early and have proposed varying solutions. I have reviewed these alternatives carefully, and I submit that the legislation I am introducing today represents the best means by which the Federal Government can assist schools to deal with the asbestos problem.

By this legislation I am proposing that the Government pay half the cost of surveying and testing buildings and that it set up an asbestos hazards control loan program from which school districts could borrow, at no interest, up to one-half the cost of the mitigation or removal of asbestos which poses an imminent hazard to the health and safety of children or employees of the schools.

I commend to my esteemed colleagues the approach taken in this legislation to help schools with an asbestos problem. I believe that it is the best approach and hope that we can obtain swift action by the Congress on it.

Asbestos presents a very serious health hazard. Eliminating the hazard from school buildings would reduce the occurrence of several fatal diseases. There is no need for panic about the existence of asbestos in schools, but there is need for decisive action. This legislation is the first step in a process which would insure a healthier and safer environment for our school children.●

OUR FORMER COLLEAGUE, MAX McCARTHY, FORESAW IRANIAN CRISIS

HON. LUCIEN N. NEDZI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. NEDZI. Mr. Speaker, we are frequently told these days that events in Iran caught the United States and everyone else by surprise. That assertion, while substantially true, also serves as a convenient excuse for our policymakers and intelligence community.

The fact remains, however, that what passes for an "intelligence assessment" is nothing more mysterious than simply a political judgment.

A small group of American professors, specialists on Iran, did indeed warn against the U.S. embrace of the Shah. So did a former colleague of ours, Max McCarthy, a three-term Democratic Congressman—1965–70—from Buffalo.

Mr. McCarthy served as press attaché at the U.S. Embassy in Tehran in 1975–76. He is presently with the Washington bureau of the Buffalo Evening News.

The July 9, 1978, Washington Post, Outlook section carried a perceptive piece by Mr. McCarthy entitled, "Iran's Rising Opposition." It foresaw the crisis and is worth rereading today.

Under leave to extend my remarks in the RECORD, the article follows:

[From the Washington Post, July 9, 1978]

IRAN'S RISING OPPOSITION—MUST U.S. CHOOSE BETWEEN THE SHAH AND THE SOVIETS?

(By Max McCarthy)

The Shah of Iran, in an interview in the June 26 issue of U.S. News & World Report, concedes that protests against his regime have increased but defiantly boasts: "Nobody can overthrow me. I have the support of 700,000 troops, all the workers and most of the people . . . I have the power."

Some well-informed Iranians here in Washington, others in Iran and a number of Americans familiar with the internal situation there think the shah may be whistling in the dark. They seriously question his assessment of the degree of support he enjoys. Should they, rather than the monarch, prove correct, there is a possibility that U.S. troops would be required to save his throne for him.

By personally approving the promotion of all officers from the rank of major or its equivalent on up, by paying handsome salaries to all officers and by providing them with the latest and most sophisticated weapons and equipment, the shah until recently was able to maintain almost total control over his burgeoning military establishment and internal security forces.

But a number of recent events have raised doubts about just how firm his control over his forces is at this time.

Late last year, for instance, Maj. Gen. Ahmed Mogharebi was charged with having spied for the Soviet Union. Sources with ties to the palace report that the shah was so depressed over the treason of a trusted and high-ranking officer that he secluded himself for several days. When he emerged, he ordered that the general be executed immediately. As a result. Mogharebi was killed before torture could extract from him the names of his fellow plotters.

"The regime never discovered the identities of Gen. Mogharebi's co-conspirators," Nasser G. Afshar, Washington-based publisher of the anti-Communist and anti-shah Iran Free Press, recently told me. "They still are in their key posts within the Iranian military. It is only a matter of time before they attempt to carry out Mogharebi's plan for a pro-Soviet coup d'etat."

Early this year, a high-ranking official of Savak (the Iranian secret police), Ali Naqi Rabbani, was condemned to death by a military court for spying for the Soviet Union. The investigation that led to Rabbani's arrest, according to Afshar, disclosed that approximately 18 other high officials of Savak and other sections of the government of Iran were working for the KGB (the Soviet secret police).

Another severe jolt involving Savak, on which the Shah relies heavily to deal with the political problems of one-party rule, came in early June when, following a general strike that shut down Tehran and three other cities, the shah fired the head of Savak, his friend and long-time confidant, Gen. Nematollah Nasseri.

An Iranian who formerly lived in the northern city of Tabriz told me that Iranian police "turned their backs" on rioters and that insurgent elements actually controlled that city for "five or six hours" during a mid-February uprising there.

COMPLAINTS AND HARASSMENT

The Shah's claim that he enjoys the support of "all the workers and most of the people" is also subject to question.

During a trip to Iran last April I heard widespread complaints about "guns rather than butter" priorities, political corruption, traffic congestion, pollution, poor sanitation, inflation, the decline in Iranian agriculture and industrial production as well as shortages or erratic supplies of water, roads, communications and electric power.

Education is scarce: The number of Iranians of high school age actually in high school declined from 30 percent in 1976 to 20 percent this year. The country has a severe housing shortage, with 6.7 million families but only 5.3 million urban and rural housing units, less than half of which have piped water. A common sight is families living in tents pitched in holes in the ground.

Despite talk of "human rights" which most observers ascribe to President Carter's influence, opposition leaders are harassed. On April 19 I visited the home of Rahmataollah Moghaddam-Maragheh, a member of the Iranian Committee for the Defense of Freedom and Human Rights, and saw a crater and other evidence of a bomb thrown into his property 10 days earlier. The homes of three of his colleagues on the committee, which includes prominent academic and professional figures, also were bombed. Another member sustained an explosion at his law office. Still another was forcibly taken from his dental clinic, a sack placed over his head, and severely beaten. Their explanation for these acts of violence was that they had sent a telegram to the government in behalf of some 200 political prisoners who staged a hunger strike to demand improved prison conditions.

Dariush Foruhar, a lawyer who heads the Union of the National Front Forces, a coalition of opposition parties, recalled how Iran's dissident elements were united and galvanized into action after police invaded Tehran's Qasr Prison on March 15. The police officers, not the prison guards, beat up the fasting prisoners, Foruhar said, adding that mothers, sisters and other relatives of the inmates also were beaten when they showed up outside the prison, the nearby military tribunal and Tehran University.

Foruhar said the regime surrendered to the prisoners' initial demands four weeks after the strike began when it was faced with nationwide protests, sympathetic hunger strikes by young people, pleas from clergy and intellectuals and the threat of the striking prisoners to abstain from water as well as food. The regime gave in, he explained, because it feared that the prisoners' deaths might have provided the spark to set off the Iranian political powder keg.

An Iranian employe of the American Embasy, Reza Amini, told of tape cassettes containing recorded sermons by Moslem clergymen being secretly circulated throughout the country. He said the messages were being listened to by thousands of persons and their content relayed to thousands of others. The basic message of one of the sermons by exiled clergyman Ayatollah Ruholla Khomeini calls for a "religious crusade" to topple the shah.

THE OVERLOOKED MIDDLE GROUND

Most of the opposition leaders I spoke with emphasized that they are willing to see the monarchy retained but under the terms of the 72-year-old Iranian constitution which is still technically in effect. It provides for a largely ceremonial constitutional monarch; an independent judiciary; free press, assembly, political activity and elections. Under the provisions of the 1906 document, decisionmaking is vested in a freely elected parliament, from whose members would be chosen a prime minister with executive power.

One opposition leader told me:

"The average Iranian cannot forget the

fact that the dictator responsibile for most—if not all—of his miseries was put on the throne by the United States in 1953. But despite this universal sentiment. America and its democratic traditions are admired by Iranians.

"Whatever legitimacy the shah might pretend to have comes from abroad, principally the United States. Iranians of all descriptions, even the shah's supporters, attach to the U.S. word an importance far beyond the true leverage Washington can apply in Tehran.

"Thus, President Carter is in the unique position of being able to save Iranians from the claws of a CIA-imposed despot by practically empty words.

"A single statement from the White House, to the effect that the United States will not intervene in internal Iranian affairs, where peoples' right to choose their government is concerned, is enough to put the shah to flight."

Most Iranians are reluctant to speak so openly with Americans out of fear that their true feelings will find their way to Savak. In Tehran this year I found U.S. diplomats more remote from Iranians than ever. One embassy official did not know that the huge Qasr Prison—focal point of the hunger strike by political prisoners which was one of the most dramatic opposition moves in recent years—is located in the heart of Tehran, just a short distance from his home. Off the job, he said, he and his fellow diplomats play tennis and poker and have picnics with each other, their spouses and children. No Iranians are invited.

This increasing isolation of the official American community may well affect the accuracy of its reports to Washington on the current state of Iranian public opinion and its estimates of the degree of support the shah enjoys. Two U.S. officials told me that our current ambassador, William Sullivan, who served as ambassador to Laos during the Vietnam war, is continuing to urge the Carter administration to maintain its all-out support for the shah.

If that support is continued and if the intensifying hatred of the shah among Iran's Moslem clergymen, professional classes, former politicians and students produces armed rebellion against the Peacock Throne, we will be faced again with the prospect of the shah's overthrow. Secretary of Defense Harold Brown already has been discussing the possible "dispatch of appropriate U.S. forces to the scene [the Persian Gulf] in support of friends," and 100,000 U.S. troops are being trained for possible intervention in the Gulf.

President Carter also has talked about having "quickly deployable forces—air, land and sea" available for this and other contingencies.

But the Carter administration is overlooking a fundamental distinction and a third option. While Iran and its oil are vital to the United States and its allies, Iran and the shah are not synonymous. For the United States to have to choose between the shah and the Soviets would be the worst kind of choice.

Responsible, non-Communist opposition leaders such as Moghaddam told me they see no difficulty in achieving a reconciliation of Iranian democratic aspirations and the United States' national interest. They stress that their program calls for nothing more than what the United States now enjoys: a freely elected democratic government based on a constitution.

They believe that they can head off pressures which otherwise might lead to a Communist coup d'etat or a revolution and that they and their program represent a middle ground between the shah and the Soviets, a third choice for the United States in Iran.●

NAZI WAR CRIMES NOT SUBJECT TO STATUTE OF LIMITATIONS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. LEHMAN. Mr. Speaker, the West German statute of limitations for Nazi war crimes is due to expire on December 31, 1979. Unless the Federal Republic of Germany can be urged to extend its deadline, only one generation will have barely passed since the systematic murder of millions of people.

Should perpetrators of the most brutal crimes against humanity be allowed to go scot free because these Nazi war criminals have managed to hide from prosecution? Such an out should not be permitted by law until every Nazi war criminal is apprehended and held responsible for the crimes committed under the Nazi regime.

Representatives HOLTZMAN and FISH have introduced a House resolution to express the sense of Congress that the West German Government extend the statute of limitations. I am pleased to join with many of my colleagues cosponsoring this resolution and will work for its speedy passage.

The time to forget these crimes has not yet come if it is to come at all. We cannot afford to relax our awareness or to ignore our knowledge of the truth as long as humanity continues to commit crimes against humanity.

I would like to bring my colleagues' attention to an informative article about the statute of limitations written by David Geller of the American Jewish Committee which appeared in the February 9, 1979 issue of the Jewish Floridian.

[From the Jewish Floridian, Feb. 9, 1979]

STATUTE OF LIMITATIONS: WHAT'S IT ALL ABOUT?

(By David Geller)

Existing West German legislation under which Nazi war criminals are prosecuted is due to expire at the end of 1979.

The original West German law for prosecution of Nazi war criminals envisaged a halt to such prosecution in 1965, twenty years after the end of World War II. Protests then—including a meeting between Morris B. Abram, the president of the American Jewish Committee who had served on the prosecuting staff of the Nuremberg Trials, and the then West German Federal Minister of Justice—resulted in a Bonn decision to start the twenty-year count not from 1945 but 1949, when the Federal Republic was established, making 1969 the new cut-off date. In 1968, the UN General Assembly adopted a Convention on the Non-Applicability of Statutory Limitations to War Crimes and Crimes Against Humanity.

The wording, however, was unacceptable to West Germany and to most European and American countries. In 1969, further meetings with Jewish leadership as well as world pressure resulted in an additional ten-year extension of the Statute of Limitations, making the deadline December 31, 1979.

At the same time, as a trade-off to internal pressure which opposed the extension, a new amendment to the German Penal Code was adopted whch, in effect, categorized the so-called "desk murders" that is, those who had signed death certificates or brought about murder without actually committing murder itself, as accessories only. This meant that only Nazis charged with premeditated murder, who comprised about 5 percent of the known war criminals, would be subject to prosecution.

There is considerable sympathy among West German government and church leaders for an extension of the Statute of Limitations. They feel that Germany can never close the books on the terrible crimes committed during the Nazi period. There is also concern that East European countries may be withholding evidence with the aim of releasing it after the 1979 cut-off date for propaganda purposes.

On the other hand, there are those today in Germany who have serious reservations about extending the Statute of Limitations for a variety of reasons including: 1) an unwillingness to change an old German legal tradition; 2) an unwillingness to continue what they feel is self-flagellation imposed by foreign pressure.

The chief spokesman for this point of view is Franz Josef Strauss, a leader of the ultraconservative Bavarian Christian Socialist Union, who, in effect, has called for a general amnesty; 3) the conviction rate has dropped and will continue to drop drastically because, after 35 years, it is extremely difficult to prove that a crime was committed beyond a shadow of a doubt; 4) wherever some judicial action has been taken on an individual case, the prosecution of that case will continue in any event after Dec. 31, 1979. At the present time, there are about 4,700 West Germans awaiting sentencing or under investigation for war crimes.

Official West German sources have released the following statistics for the investigation and prosecution of genocidal crimes in the Federal Republic (excluding Allied adjudications) for the period May, 1945, to January 1, 1978:

Investigations: 82,667. Trials ending in sentences: 6,425. Presently pending investigations: approximately 600.

A further analysis indicates that from 1945 to 1964, 9.9 percent of all alleged Nazi criminals were found guilty. From 1965 to 1976, the figure was only 1.5 percent.

In an effort to resolve the political and legal questions being raised, Herbert Wehner, the leader of the Social Democratic Caucus in the German Parliament, has suggested that the basic German law be changed to abolish the statute of limitations on all murder. This would make German law consistent with that of the U.S. and most West European countries. When the Parliament will take up the Statute of Limitations issue, Wehner's proposition will be an important element of the debate.

In the meantime, the Israeli Knesset on November 21, 1978, made a strong appeal to the West German government not to permit the Statute of Limitations to apply to Nazi war crimes. A massive post card campaign bearing the statement by Simon Wiesenthal—"Moral obligation has no time limit"—has been in effect for several months, coordinated by the Simon Wiesenthal Center for Holocaust Studies at Yeshiva University in Los Angeles. The cards are addressed to West German Chancellor Helmut Schmidt.

Survivor groups and virtually all other Jewish organizations will be carrying on a vigorous and public campaign urging the West German government to extend the Statute. While acknowledging the West German government's firm adherence to democratic tradition, they assert that to allow the Statute of Limitations to expire would constitute a grave injury to the memory of the millions of victims of the Nazi terror.

They warn that the expiration of the Statute would have a morally corrosive effect on the youth of the world as well as the youth of Germany.

They agree with Chancellor Helmut Schmidt who, in his speech at a Crystal Night ceremony November 9, 1978, asserted that while two-thirds of the present German population were either born after the war or were children during the war, "Germans have to carry the political inheritance of the guilty and draw the consequences; that is our responsibility."●

THE PRIDE OF FARMINGDALE, N.Y.

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. AMBRO. Mr. Speaker, a senior high school in my congressional district on Long Island last fall performed an athletic feat of extraordinary achievement. I would like to bring it to the attention of this Chamber. In particular, I would like to draw the attention of our colleagues to that which occurred last season at Long Island's Farmingdale High.

Their football team marched to an undefeated, untied and unscored upon season. The Dalers—as they are called—set Nassau County and New York State records while becoming county and State champions and being ranked No. 3 in the Northeast. The team's achievement is a first in the history of Nassau County—and, may very well be a first in the history of New York State.

Head Coach Don Snyder and Assistant Coaches Bob Mulligan and Irv Apgar have molded a truly awesome football power. Always a contender for county and State honors, Farmingdale High this season has probably produced the greatest football team in New York high school history.

I am proud to represent such an outstanding group of young athletes. There were simply too many individual super stars and too much extraordinary personal achievement to single out individual players. So, it is fitting that we congratulate each of them. Such recognition of individual players may be viewed as inconsistent with the accomplishment—for in every respect, the record compiled by this group was a team effort. But a team is, after all, made up of people. To be unscored upon is something which the entire defensive unit—not any single player or handful of players—achieves. And to compile this record requires the commitment of all members of a team:

> Rich Abshire, Rick Bartlett, Rich Bayer, Chris Beatrice, John Brown, Tony Caliendo, captain Anthony DeTroia, Stu Fast, Ray Flood, Ron Heller, Len Insalaco, Steve Kirk, Andy Kramer, Phil Lonigro, Steve Makely, Tom McCaffrey, Joe McConville, and Mike Mormino.
>
> Brian Murphy, Bill Naslonski, Jim O'Brien, Cocaptain John O'Sullivan, Cosmo Parella, Jody Peck, Bill Proefriedt, Tom Quinn, Cocaptain Joe Ryan, Art Seeberger, Bill Selock, Bruce Sharp, Buddy Sichler, Tom Soluri, Tony Tardalo, John Vatter, and Cocaptain Jim Vella.

This team would have no trouble meeting those terms laid down by a great football coach—Vince Lombardi:

> All I demand is total commitment to excellence and victory, for that is what life is all about.

The 1978 Farmingdale High School football team understands completely "what life is all about." I would ask every Member of this House of Representatives to join me in saluting these fine athletes—most of whom still have their glory days in front of them at schools many of you represent.●

HAMILTON FISH AT 90—STILL A CIVIL RIGHTS ACTIVIST

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. FISH. Mr. Speaker, at the conclusion of my remarks appears the text of a resolution adopted by the New York Republican State Committee appealing to all Republicans to work for the return of black voters to the party of Abraham Lincoln and Theodore Roosevelt.

The significance of this resolution is that its author, my father, Hamilton Fish, was in his 90th year at the time. His call for his party to assure for minorities "equal rights, opportunities, justice, and a square deal" is but the latest manifestation of a guiding principle of a long lifetime. His is a straight forward belief that all Americans regardless of race have the same rights and liberties without reservations of any kind.

Fifty members of our family heard this articulated again together with his passion for freedom, in my father's remarks at his 90th birthday celebrated at a dinner in New York on December 7, 1978.

My father grew up aware of and proud that his grandfather as Secretary of State had promulgated the ratification of the 15th amendment to the U.S. Constitution, despite the fact that his own home State of New York had attempted to rescind its prior ratification.

During World War I, he served as an officer in the 369th Infantry Regiment composed of black volunteers. Overseas by the end of 1917, his unit was attached to the Fourth French Army with headquarters at Challon. Armed with French rifles, machineguns, and helmets, it served on the frontlines longer than any other American regiment incurring heavy casualties. The regiment flag was decorated with the French Croix de Guerre. My father also was awarded America's Silver Star.

The exploits of the 369th are the subject of a documentary film "Men of Bronze" which appeared on the Public Broadcasting Network last year across the Nation.

On the occasion of my father's 90th birthday, W. Montague Cobb, president of the NAACP, wrote him:

> It is my recollection that when you served in France in the A.E.F. as an officer in the 369th Infantry, you acquired deeper perceptions of civil rights problems and henceforth were always an advocate of equal justice for all in our great country.

It is no wonder that when he entered the Congress in 1920, the first bill he introduced authorized the return of the body of an unknown soldier for burial at Arlington Cemetery. This was the last bill signed into law by Woodrow Wilson on March 4, 1921. At the burial service of the Unknown Soldier on November 11, 1921, my father was delegated by the War Department to represent all our Armed Forces and placed the only wreath on this national shrine.

Chairman of the Committee of Three that wrote the preamble to the American Legion constitution, he incorporated his creed of equality and justice in its text.

Hamilton Fish served in Congress from New York, 1920–45. In a career that found him in the forefront of great and controversial issues of the time, he was an outspoken advocate of civil rights. Generations before the term "human rights" was broadly known, he called for antilynching legislation and was successful in broadening opportunities for blacks to serve in all branches of our Armed Forces. Clarence Mitchell, for many years the NAACP's Washington representative, recalls that at the outset of World War II, he turned to my father for help in desegregating the Armed Forces.

On September 6, 1940, in the House debate on the draft bill, Hamilton Fish introduced an amendment that—

> There shall be no discrimination against any person on account of race, creed or color.

The text of the resolution adopted unanimously by the Republican State Committee in Albany, N.Y., on September 22, 1978, follows:

> Resolved by the Republican State Committee of New York, that we urge all Republican office holders in the State from the lowest to the highest, to use their outspoken and determined influence to welcome the Black men and women voters of New York State back into the Republican Party and assure them of equal rights, opportunities, justice and a square deal.
>
> Further Resolved that the Republican Party of New York State will welcome Blacks into our ranks as equals in the fight for a better economic America with drastic curbs on our ruinous inflation that is harmful to the Black people. And we also invite them to help us restore confidence, employment, prosperity, progress and peace in the United States regardless of race, color or creed.●

STATEMENT OF CHAIRMAN AL ULLMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED ON H.R. 1894, THE PUBLIC DEBT LIMITATION AND DEBT MANAGEMENT BILL

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. ULLMAN. Mr. Speaker, on February 13, 1979, the Committee on Ways and Means ordered favorably reported to the House, H.R. 1894, to provide for a temporary increase in the public debt limit, and for other purposes.

I take this occasion to advise my Democratic colleagues as to the nature of the rule that I will request for consideration of H.R. 1894 on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a modified closed rule with respect to H.R. 1894.

It is our intention to request that the portion of the bill dealing with the amount of the temporary debt increase and the date with respect to the increase will be an open rule; the portion of the bill dealing with the interest rate on savings bonds will be closed, except for one alternative proposal to be presented by Mr. VANIK of Ohio; and the portion of the bill dealing with long-term bond authority will be closed.

We further expect to request 1 hour of general debate, equally divided, one-half hour on Mr. VANIK's motion, if offered, equally divided, and pro forma amendments on the amounts and date of the debt.

It is my hope to go to the Rules Committee as soon as possible as it is important that this bill be brought up at an early date.●

TRIP TO IRELAND—NOVEMBER 14–17, 1978—PART I

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. BIAGGI. Mr. Speaker, I wish to report to my colleagues on the results of a trip which I took to Northern Ireland as chairman of the Ad Hoc Congressional Committee for Irish Affairs during the week of November 12, 1978. I was accompanied on the trip by an able and valuable member of the ad hoc committee, my colleague BEN GILMAN. Also traveling with us were my legislative assistant, Robert Blancato, Robert Bateman, national historian for the Ancient Order of Hibernians, and Dr. Fred Burns-O'Brien, deputy national director of the Irish National Caucus.

The trip was taken for one basic reason: to assess the sentiments in Ireland for a peace forum which the ad hoc committee would sponsor. The idea originated in the summer and was warmly endorsed by a number of leading Irish-American organizations. The proposed forum would be a first-time opportunity for all parties to the dispute in Ireland to meet and discuss lasting solutions for a peaceful Ireland. The ad hoc committee as the sponsor would be totally neutral, neither favoring groups nor positions. We entered the trip with the never-changing position that the final solution in Ireland must come directly from the Irish people.

The trip commenced in Belfast on the morning of November 14. Before that day was over, we had consumed some 14 hours in meetings with at least 12 groups. Our meetings were conducted with leading political parties, paramilitary groups, church, peace, and labor leaders. One of the most important things we learned was of the growing sentiment among all levels in the North in favor of a British declaration of intent to withdraw its presence from the North. Some groups felt decidedly stronger about it and have been advocating it much longer. However for a number of other groups, it constituted a major "rethink." In the past, such a development was viewed with great fear by groups, especially the Protestants. The conventional belief was that the British presence, especially the military presence, was necessary to protect the Protestant population from civil war with the Catholics. Yet we learned that the level of sectarian-based violence had diminished dramatically in the previous 18 months to the point that the fear of a "bloodbath" were the British to leave seemed remote. What this "rethink" has done is establish the British presence as an objectionable common denominator on both sides, thus the impetus for a declaration of intent. It is the contention of the ad hoc committee that the peace forum could provide the basis for a united front to pressure Great Britain to declare its future intentions in Northern Ireland. We knew before we left and our beliefs were confirmed by the trip—peace would be impossible in Ireland until the British presence had been removed in a phased and orderly fashion.

During our first day, we met with leaders and representatives of major Protestant political groups: The Official Unionist Party, the Ulster Independent Association, and the two major Catholic political parties, the Social Democratic Labor Party and the Irish Independence Party. Also that same day we met with an important figure from the clergy, the Rev. Bill Arlow of the Irish Council of Churches. Finally in this same day, we met with the largest of the Protestant paramilitary organizations. The peace forum was the main point of discussion with all of these groups. We found considerable interest and support. It was by no means unanimous. Several of the parties expressed their disagreement with any forum where paramilitaries would be permitted to attend. Other reservations were expressed, especially concerning the issue of representation by Great Britain. We assured all those we met that the peace forum would invite all parties to the dispute in Ireland and would seek to hear all shades of political thought. We also stressed again that the ad hoc committee as the sponsor of the forum would remain totally neutral in its work, favoring neither positions nor groups. We concluded the first day with a sense of strong optimism that the peace forum was a sound idea that could evoke considerable support from a cross section of groups.

Perhaps the most dramatic moment of the entire trip also occurred on the first day when we met with approximately 75 relatives of prisoners incarcerated in various prisons in Northern Ireland. These relatives, whose emotions ran the gamut from anger to fear to resignation, crowded into our hotel room to present us with their individual stories. The meeting was organized by Father Raymond Murray of Armagh, a leading human rights figure in Northern Ireland and a man who had addressed the ad hoc committee at its October 12, 1978, meeting. Father Murray, in conjunction with Father Dennis Faul, comprise the Association for Legal Justice, a respected human rights organization whose recent publication, "The Castlereagh File," provided much of the background for the report written by Amnesty International last year about the same Castlereagh prison.

The cases presented by these relatives were most shocking and seemed more befitting of a totalitarian nation, not of one which has long prided itself as a vanguard of democracy and liberty; namely, Great Britain. Many of these people at the meetings had young sons in prison, others had husbands, still others had fathers. Common to many of these prisoners was the fact that they had not seen their families for some time. Also common to all was their tragic physical state which had deteriorated terribly since their incarcerations. We were advised that the spirits of the prisoners were high, and their relatives told us that our work here in America was a source of great inspiration to them. At this same meeting, Father Murray also presented us with an additional 100 other written cases of human rights abuses in the prisons which we brought back with us and presented along with our impression of this meeting at a December 3 conference with Assistant Secretary of State Patricia Derian, President Carter's Assistant Secretary for Human Rights and Humanitarian Affairs.

I have stated repeatedly that human rights violations are the root cause of much of the violence which occurs in Northern Ireland. I have also stated that there can be no peace until the restoration of human and civil rights is completed. The members of the ad hoc committee feel that if our administration were merely to apply the same standard to Great Britain that they do to other nations where human rights violations occur, the problem could be remedied in short order. Unfortunately, silence has been the cornerstone of the administration's human rights policy in Ireland. The peace forum would most certainly focus appropriate attention on these conditions in Ireland with an eye toward improving the status quo.

The other main development during our first day was the sudden and dramatic renewal of violence. Remarks made earlier in the week by Secretary of State Roy Mason were given as the justification for the renewal. By the end of the day, some 39 bombs had exploded making it the single most concentrated violence in Northern Ireland in the past 10 years. We deplore all forms of violence whether it be institutionally or civilian induced. We also deplore the provocations which generate violence. Violence impedes progress, promotes polarization, and prolongs suffering. Restraint is needed by all sides.

In subsequent issues of the RECORD the

following days of the trip will be discussed as well as the activities of the ad hoc committee since the trip. At this point, I do wish to advise my colleagues that on February 1, 1979, the executive committee of the ad hoc committee voted unanimously to sponsor the peace forum based in large degree on the results of this trip and a later one taken in January 1979.●

DEFENSE SECRETARY'S ARMS SALES PROMISES VIOLATE THE LAW

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. ROSENTHAL. Mr. Speaker, Defense Secretary Harold Brown's promise to sell U.S. jet fighters, tanks, and other arms to North Yemen and Sudan appears to violate the intent and the spirit of the Arms Export Control Act as passed by the Congress.

All too often, U.S. administrations have attempted to box in the Congress by making prior unauthorized commitments and then presenting the Congress with a choice of approving an arms sale it may oppose or forcing the Government to go back on its word and renege on a commitment.

Commitments to sell such arms can only be made in accordance with section 36(b) of the Arms Export Control Act. Under this law, requests are submitted by the administration to the Congress and no commitments may be made by our Government until the period of congressional review has expired.

I have today written to the President expressing my deep dismay over Secretary Brown's action, which I consider unacceptable.

The Secretary's announcement is all the more disturbing, because of its context. He was in Saudi Arabia in an effort to assure that government and other Persian Gulf allies that we would help them prevent the same upheavals that have shaken Iran.

We saw all to clearly in Iran that the world's most sophisticated arms cannot prevent—and may, indeed, encourage—the type of threat that brought down the shah and which Saudi Arabia fears most. A better solution must be found.

My letter to the President follows:

WASHINGTON, D.C.,
February 12, 1979.

Hon. JIMMY CARTER,
The President,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Published reports today of American commitments to sell nearly half a billion dollars worth of jet fighters, tanks and other arms to North Yemen and Sudan are most alarming. Such public commitments as the Secretary of Defense has reportedly made during his visit to Saudi Arabia violate the intent and the spirit of the Arms Export Control Act as passed by Congress. Under Section 36(b) of that law, all such requests must be submitted to the Congress for consideration and no commitments may be made by the U.S. government until the period of Congressional review has expired.

All too often, U.S. administrations have attempted to box in the Congress by making prior unauthorized commitments and then presenting the Congress with a choice of approving a sale it may oppose or forcing the government to go back on its word and renege on a commitment. This practice is not acceptable.

When the Secretary of Defense or any other American official discusses the sale of weapons and weapons technology, he must make it clear that all such sales are subject to Congressional review. This policy must also be made clear to those "unnamed defense officials" who travel with the Secretary and anonymously brief the press on promised U.S. arms sales.

These latest developments are disturbing not only because they are in conflict with the Arms Export Control Act and because they do not appear to be in accord with your own longstanding policy of arms transfer restraint, but they appear to contradict the lessons learned so tragically in Iran.

The Defense Secretary's commitments were made in the context of assuring Saudi Arabian and Persian Gulf allies that we would help them prevent the same upheavals that have shaken Iran. Yet we saw all too clearly in Iran that the world's most sophisticated arms cannot prevent—and may indeed encourage—the type of threat that brought down the Shah and which Saudi Arabia fears most.

Sophisticated arms are not the solution to the ills which beset a feudal kingdom and spark revolution. We saw that in Iran and we do not need a replay on the other side of the Persian Gulf.

If we truly wish to retain the friendship and the resources of the Saudis, as I agree we should, then better and more effective means must be found.

With best personal regards.

Sincerely,

BENJAMIN S. ROSENTHAL,
Member of Congress.●

VA HOSPITAL SYSTEM, AN ENDANGERED SPECIES

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. ROBERTS. Mr. Speaker, the major veterans organizations, whose members serve as volunteers in Veterans' Administration hospitals across the Nation, are becoming increasingly alarmed about the quality of medical care being provided to eligible veterans.

The most recent expression of that concern appeared in the January 31, 1979, issue of the American Legion's National Legislative News Bulletin. I ask that the article be reprinted in the RECORD.

The article follows:

VA HOSPITAL SYSTEM, AN ENDANGERED SPECIES

What numbers 172, is visited by millions of people every year, and is on the endangered species list? Snail darter . . . bald eagle . . . wrong—its the VA hospital system.

As reported last month, the House Committee on Veterans Affairs sent a questionnaire to all VA hospital and clinic directors to determine how they perceived their mission and the impact budget and personnel cuts are having on their respective facilities.

From what we can gather through informal conversations with HCVA staff, the responses portray a disorganized and demoralized system. Many of the directors feel they are "rudderless", without sources for direction and assigned a job ridiculously impossible of accomplishment with the resources allocated to them. Some are threatening to quit if things are not turned around at an early date while others are telling the Committee that geography often dictates the quality of care a veteran can expect to receive.

PRIMARY PROBLEMS

Staff shortages;

Breakdown in communications between VA Central Office and the field stations;

Inability to plan under the present organizational arrangement;

A consensus that arbitrary decisons are being made by anonymous Central Office Department of Medicine and Surgery operations and budget employees with little, if any, practical knowledge of the various medical facilities' real needs.

VA medical system braces for personnel, funding cuts

The Legion has learned through nationwide telephone calls to 28 medical districts that VA medical care programs could lose up to 7,000 employees and still face subsequent budget cuts for patient care.

In the January edition of "U.S. Medicine", the VA's Chief Medical Director, Dr. James Crutcher, was quoted as saying, "I have the responsibility to make sure whatever reductions take place do not adversely affect the missions of the Department."

Crutcher also indicated that he plans to carry out "the President's guidance on inflation" and the FY '80 budget will have "no adverse affects on DM & S".

The American Legion and many Members of Congress disagree with Dr. Crutcher's assessment. Immediately following President Carter's submittal of the FY '80 budget to Congress, National Commander Jack Carey urged the President to "reverse the VA decision" eliminating staff personnel. Carey also cautioned the President that elimination of full funding for veteran medical care programs "would adversely affect the VA's ability to care for the more than 75,000 veterans currently being treated in hospitals operated by the VA".

For years the Office of Management and Budget has slowly but surely been chipping away at the VA's medical program. A little over 20 years ago the VA had over 120,000 operating beds. The President's 1980 budget will reduce the operating beds to 86,700. The construction of new and replacement hospitals has not kept pace with bed closures. While the bed closures have taken place, the average daily number of patients in VA hospitals have dropped from approximately 112,000 per day to an estimated 72,500 in Fiscal Year 1980.

The Legion is well aware of the rationale behind certain bed closings based on privacy standards, health and safety requirements, and increased patient turnover rate, but as stated before we cannot understand or justify the reasoning behind the magnitude of these bed closings. If this trend continues, how long will a separate VA hospital system be justified? There is speculation that some type of National Health Insurance could be enacted during the 96th Congress. Should the reduction of VA hospital beds, patients, and staff cutbacks continue, the VA medical program could, as recommended by the recent National Academy of Sciences' study, be phased in the general delivery of health services in communities across the country.

What does the future hold?

Dr. Crutcher said he has made it clear to VA physicians that it is up to their professional judgment to decide who should be referred to other sources of care and who should be kept in VA facilities. Crutcher went on to say, "We have a limit on the number of patients we can afford."

The Legion believes that a proper mix of service-connected and nonservice-connected patients must exist in our VA hospitals in order to attract qualified physicians and other health services personnel. Without this "mix" we feel the affiliation the VA hospital system currently enjoys with community hospitals will be destroyed.

Hopefully, regional congressional hearings will be held this year to focus attention on a number of issues relating to funding, declining average daily patients, and apparent breakdowns in communication between VACO and hospital directors. Local veteran organization leaders, former hospital patients and certain VA directors should be invited to "tell it like it is" when the proposed congressional hearings are held.

As one VA director told us, "Thank God we have the veterans' organizations carrying our concerns to Congress."

The American Legion has pointed out many times that the easiest way to reduce the demand for care, bed occupancy, and operating beds is to reduce "the flow of dollars" into the VA medical program.

We strongly recommend that readers share this message with their Senators and Congressmen. The American Legion is not crying wolf . . . time is short. Unless this greatly reduced money flow is reversed, the medical system will eventually become extinct.●

TAIWAN HEADACHE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the following article by Ferdinand Mendenhall, "Carter is Facing Taiwan 'Headache,'" discusses the reaction of the American people to President Carter's decision to recognize the People's Republic of China and abrogate the 1954 defense treaty with the Republic of China (Taiwan):

SHAFTS BY THE LAMPLIGHTER—CARTER IS FACING TAIWAN "HEADACHE"

(Chuang-Tzu: "Everyone knows the usefulness of the useful, but no one knows the usefulness of the useless.")

To judge from the mood of the American public—and among members of Congress as well—President Carter's abrogation of our treaty with the Province of Taiwan which is the Republic of China, is in for some real tough sledding. This, in connection with his decision to set up formal relationship with the People's Republic of China, as we know.

Those of you who have visited Taiwan, and/or have followed the course of our Taiwan relationship, know that the Nationalist Chinese have built their province on the principle and practice of a democratic government and a system of free enterprise paralleling the life style of the U.S. Concurrently, they have relied fully on the friendship and cooperation of the U.S. in building up and maintaining their stature in that wise.

Supplementing the reaction in Taiwan following Mr. Carter's pronouncement, we have received a letter from friends in the China External Trade Development Council, giving their views and that of their countrymen, sent from the capital city of Taipei just last week, which reads:

"We are confident that you who are our true friends and who have been associated with us for a long time, share our shock, dismay and outrage over the perfidious actions of the Carter administration in recognizing the Communist regime on the Chinese mainland and severing diplomatic relations with the Republic of China as of January 1, 1979.

"This misguided decision of Mr. Carter, who was known as the champion of human rights, not only jeopardizes the human rights of more than 17 million free Chinese in Taiwan but also betrays a long time true and tested ally and a major trade partner with a bilateral volume of more than seven billion U.S. dollars, in 1978, an amount which is more than the total of America's trade with the Soviet Union and the Chinese Communists put together.

"To ensure the continuous growth of our bilateral trade which is, of course, beneficial to both of our two peoples, we sincerely hope that you will support our cases and convey our feelings by writing to your business associates, congressmen and other influential persons in the United States voicing that the United States must provide concrete and specific measures to ensure that our trade routes will remain open.

"We also hope that appropriate legislation will be passed by your Congress to ensure the continuation of the existing treaties and agreements and negotiation of new commercial relationship between our two countries and, above all, continuous supply of necessary modern weaponry for our defense as well as maintaining security and prosperity in this area, which are very essential to the business interest of our two countries.

"We would also like to express our appreciation for everything you have done for us in the past and extend our hope for your continuous efforts and cooperation for the never-ceasing expansion of our mutual trade as well as our mutual welfare.

"Anticipating your understanding and timely support to our righteous cause, we remain very sincerely yours ______."

This letter bears the personal signatures of K. H. Wu, secretary general; Stanley S. T. Wang, deputy secretary general; Robert H. C. Yang, director, Market Development Dept.; Y. C. Dunn, director, Manufacturers-Traders Services Dept.; Paul Lee, director, Exhibition and Publicity Dept.; Yu-Tien Hsu, director, Trade Information Dept.; Liu Cheng-Chi, director, Publications Dept.; Y. S. Yu, director, General Administration Dept.; S. A. Ring, director, Office of the Comptroller, and Yung Tsu-Hu, executive secretary, Overseas Marketing Research Dept.

Following Mr. Carter's announced "decision," we stated we had no objection to U.S. trade, cultural and athletic exchanges with the People's Republic of China (mainland China), even as we deal with the Soviet Union—BUT that we disagree completely with any endeavor to alter our long relationship with Nationalist China. We don't vary from that stand one whit. And we find that our fellow Americans on every side hold to that belief.

Further, some time ago, the U.S. helped shuffle Taiwan out of the United Nations as way was made for the People's Republic to take a seat in the international tribunal. Since the Soviets are members, there is no reason why Communist China should not belong—but NOT at the expense of ditching Taiwan, which is an independent state in its own right. So our nation was willing to commit the faux pas of all modern diplomacy by letting go a friend which always stood with us and voted with us, although we have been privy to the admission of a gaggle of pint-size, newfound outfits which, on being admitted with our cooperating nod, have consistently turned around and voted against us time after time. How stupid can we be?

This writer feels there is going to be a real donnybrook over the matter once Congress gets into action. After criticizing other nations for shelving treaties and other pacts of trust, we are doing nothing more or less than destroying our credence among other countries of the world if we fail to stand by Taiwan's side. We can do this and still trade with the People's Republic.

Mr. Carter is quite an embattled man on several fronts at this time. If he is using this as a means to strengthening his presidential stature (and looking forward to the 1980 national convention), we'd say he is choosing a very poor way to invite voters into his corner of the ring.—Mendenhall.●

A CREATIVE APPROACH TO PEACE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. BROWN of California. Mr. Speaker, as we enter into the work of the 96th Congress, it is useful to consider the broader goals of our Nation. First and foremost among these goals must be world peace. The type of world peace we can all endorse is a peace which is more than the absence of war; it is a situation where the conditions which breed war are also absent. This timeless goal of the world's people may not occur in this century, but its active pursuit should be a major part of our own agenda.

There are immediate steps which can be taken which can contribute to world peace. One such step, and the focus of my comments today, is the utilization of our satellite technology to create an unclassified global information system. Just such a system was proposed by President Valery Giscard d'Estaing of France in his address to the United Nations Special Session on Disarmament. France has since returned to the negotiating table on disarmament, specifically pursuing its proposal to establish an "international satellite monitoring agency."

The French proposal has been discussed in the United States for many years before there was a "French" proposal. While this discussion has had no official endorsement, it has had considerable unofficial encouragement; much of it from Government and former Government officials. One of the most recent publicized statements on this subject was by Dr. Edward Teller, the "Father" of the U.S. H-bomb.

The main spokesman for the American proposal has been Howard Kurtz, who long ago recognized the creative potential of satellites to encourage peace. Since the mid-1960's, Howard has been patiently trying to get the President of the United States and his national security advisers to share his vision. In my own discussions with many of these same advisers, I find much sympathy, but little interest in having the United States lead in this field.

Mr. Speaker, at this time I would like to place in the RECORD two items from the winter 1978–79 issue of the CoEvolution Quarterly. The first item is a letter by former Apollo astronaut, and presently Gov. Jerry Brown's science adviser, Russell Schweikart to the editor of the CoEvolution Quarterly, reflecting on the views of Howard Kurtz, and the relevance of these views to the present world situation. The second item is an unsolicited draft speech that Howard and his late wife Harriet wrote for the President of the United States to use some day.

I highly commend both of these items to my colleagues attention. The articles follow:

WINTER 1978-79 COMMENTARY BY RUSSELL SCHWEICKART

DEAR STEWART: I am delighted that you have chosen this issue of *CQ* to highlight Howard Kurtz's vision of space as an instrument of world peace. It is most timely.

In the last six months a series of events has occurred triggering within me disappointment, frustration and concern bordering on alarm. I see a red warning light flashing on the control panel signaling trouble ahead unless immediate attention is given to the situation.

What concerns me is the growing militarization of space, and concomitant blurring of the heretofore clear distinction between the civil and military space programs. Subtly related to this concern is the astounding omission of an operational civil remote sensing satellite system (or even a commitment to one in principle) in President Carter's just-announced space policy.

Without going into detail, let me simply refer those interested to the rapidly increasing number of technical articles and papers on anti-satellite weapons, particle beam and laser space weapons, etc. in the technical trade journals. The appearance of articles such as these historically reflect official though not always publicly announced) interest or policy. The first evidence of this shift appeared as the classified Presidential Review Memorandum (PRM) 23 back in May of 1978. It is not available to the public, the press or even the Congress (except in unclassified briefing form) because of its security classification but it raised wide concern among many of those who became aware of its contents and implications. The most recent evidence of the reshaping of space policy is the President's carefully-worded, heavily-caveated space policy statement which, while not actually applying the scalpel, sets up the civil space program for cutback while calling for the potential merging of civil weather satellites, etc., with the military. All in the name of economy, of course.

I believe this shift of national policy in the way the U.S. will develop and utilize the space environment should be of concern to everyone, but it is of special concern to me. I became a NASA astronaut in 1963 with the words of John F. Kennedy ringing in my ears, "We set sail on this new sea because there is new knowledge to be gained and new rights to be won, and they must be won and used for the progress of all people. For space science, like nuclear science and all technology, has no conscience of its own. Whether it will become a force of good or ill depends on us, and only if the United States occupies a position of preeminence can we help decide whether this new ocean will be a sea of peace or a new, terrifying theater of war . . . Space can be explored and mastered without feeding the fires of war, without repeating the mistake that man has made in extending his writ around this globe of ours."

My ten days in orbit around the Earth on Apollo 9 converted that hopeful challenge of JFK's into a life-long commitment to see that the development of this new ocean of space proceeds in a life-enhancing and ennobling manner. The exciting and challenging opportunities in space exploration and development should call forth the best in us as intelligent and loving beings—not the worst as fearful and suspicious animals.

But lest I be branded a wildly idealistic anti-militarist, let me move back toward the (co-evolutionary) middle. I do not believe for a moment that the military will not be or even should not be in space. In fact, global stability has been enhanced if not preserved in recent years by the "spy" satellites of both the U.S. and USSR which has substituted (in part) real information for fearful or self-serving speculation. And although it seemed almost trivial to many, I believe President Carter significantly opened the door to forthright discussion of global security when he acknowledged publicly the use of and benefits derived from intelligence-gathering satellites.

What bothers me and what dominated the total life of Howard and Harriet Kurtz (Harriet died in 1977) is the unbelievable opportunity which the federal government has ignored which could save billions of tax dollars, enhance national security and global stability, provide valuable information on global resources and environment conditions, and stimulate a vital but sadly declining U.S. industry.

I refer not to some airy-fairy futuristic concept but to the NASA Landsat satellites which have produced hundreds of thousands of earth images since 1972 which have been utilized by hundreds of nations around the world for environmental monitoring, crop production forecasting, forest and crop disease monitoring, resource surveying and many other beneficial uses.

The opportunity available is to unilaterally establish a global environmental monitoring and information system which would make high-quality, dependable, timely data available at a very low cost to anyone who wanted it. The groundwork for this capability has been well laid by the experimental Landsat satellites, especially such stickey issues as the policy of open data availability. More than 100 nations, including Russia and China, have bought Landsat images from the EROS Data Center, Sioux Falls, South Dakota, the principal U.S. archiving and distribution center. In addition, Brazil, Argentina, Italy, Zaire and others have built or begun to build their own satellite receiving stations and obtain (or will be obtaining) data directly from the satellites.

But the satellites are still maintained on an experimental basis with no commitment to continuation and very little improvement permitted in resolution (ability to see small objects) or timely delivery of data. Despite the recommendations of innumerable councils, interagency committees, study groups, commissions and panels to the contrary, President Carter declined to commit to an operational system, relegating it once again to an experimental limbo and establishing yet another interagency task form.

Howard Kurtz has argued for years that a global system of this kind would not only benefit all nations in terms of resource management and environmental monitoring, but would also enhance global security and mutual trust in a way no weapon system (offensive or defensive) could ever hope to do. If the resolution were improved slightly and all nations were given direct access to the satellite data, speculation about the action or perceived or real enemies would be replaced by knowledge, not just by the two contending parties, but by all, thereby enhancing everyone's security.

The technology exists for such a venture though the data handling and processing requirements would stretch our inventiveness (another benefit). But how about the cost? Less, I would venture, by an order of magnitude, than the same increment in national security available by adding additional life-destroying weapons to our already substantial arsenal. For example, the whole system could be designed and put into operation for less than one-tenth the cost of the nuclear aircraft carrier which was the subject of a recent confrontation between the President and the Congress. Would another aircraft carrier, in addition to the twelve we already have, enhance our security more than a global information cooperative which would cost one-tenth as much? I can't find any absolute yardstick to measure by but I seriously doubt it.

More important—the information system is life-enhancing, benefits all people, reduces international tensions, would be used continuously to serve people, and emphasizes our planetary interdependence. The defense system is life-threatening, benefits only us, increases tensions, would hopefully never be used and emphasizes national differences and distrust.

This is the vision Howard Kurtz has carried into the offices of government officials and dignitaries, into editorial rooms and onto occasional interview shows. He and Harriet totally dedicated themselves to this single goal. They had and still have no organization to fund their efforts. For years they spent their personal savings, they attended every Congressional hearing on NASA's programs, they gathered information incessantly and wrote and talked to all who would listen, and Howard now continues the effort alone.

I am awed and inspired by this dedicated man of vision whom I came to know during my work with NASA in Washington, D.C. And I thank you, Stewart, for bringing to the *CQ* family a man who has given himself fully to JFK's vision of a vast new ocean which must be mastered by us for the benefit of all people.

Sincerely,
RUSSELL L. SCHWEICKART,
Assistant to the Governor for Science and Technology.
SACRAMENTO, CALIFORNIA.

DRAFT OF A PROPOSED SPEECH BY THE PRESIDENT OF THE UNITED STATES

I am addressing mankind tonight. I will use every means at my command to have this message brought home to every man, woman and child in every country on Earth. What I have to say may be a matter of life or death for every human being. I hope they listen carefully. This is a message of hope.

In 1945 when the United Nations was chartered in San Francisco, many people believed that war had ended and mankind had entered a new era of peace. This was a tragic delusion. History's endless parade of war after war has continued. The potential horror of war has grown worse, not better. We are living in a new historic age of anxiety.

In 1945, that same year, the first atomic bomb was exploded. This signalled the dawn of an era of exploding research and development and escalating progress in science and technology, in hundreds or thousands of new and different fields. Civilization has been projected into the Nuclear Age, and now into the Space Age, and now into even newer technological ages.

As a result, the strategic power under the command of the Head of State of a modern major nation is beyond easy vision or description. There hardly are words to explain. But I can tell you this: It used to be thought that only God could command the power to destroy mankind in the twinkling of an eye. But today the leaders of several nations command the power to launch the war that could annihilate world civilizations.

Yet the great rivers of new knowledge coming from the research and development centers cannot be dammed up within the boundaries of any one nation. Within ten years perhaps thirty nations will command this power of death for mankind. By that time the weapons of total annihilation will be so cheap that criminal elements may obtain this power to hold mankind for ransom. Breakthroughs in chemical and biological and nuclear warfare will magnify and compound the forces of destruction.

This is a new historic time of dread. In this new age no nation ever again will find positive national security and political independence by use of its power to destroy human life. In this new age an attempt to destroy an enemy can destroy mankind. All nations have moved into a common chamber of danger. The world is like a room filled with gas, in which men who strike matches endanger the lives of everyone in the room.

WE MUST CREATE NEW HISTORY

We must create new history. It no longer is safe to merely relive old history.

From all we can learn from old history there will always be an impulse toward war and aggression between nations. The challenge of the future is to remove the danger from that impulse ... to prevent this impulse of hostility from expressing itself in war ... to make war impossible between nations.

There will always be war and aggression between nations until there is created a global safety authority of some kind, with the strength and the authority to maintain the common good of national security and political independence for all nations.

Historians and political scientists find no precedent for such a Global Safety Authority. But before 1940 there was no precedent for atomic bombs . . . and before recent times there was no precedent for many of the miracles of modern medical science.

We live in an age that breaks precedents. We need not be enslaved by historical precedents of war and catastrophe.

Scientists and engineers tell us that we have within reach the means to produce the food, clothing, housing, warmth, health, education and welfare for more than the six billion human beings predicted as world population by the 2000. But nations are not producing to meet these human needs, because today the world spends nearly $200 billion a year on an escalating arms race, producing anti-human forces of destruction.

Nations have learned the secrets of the Power of Death for mankind because they have invested their human and natural resources in massive mobilizations for the specific purpose of learning these secrets.

I say to every man, woman and child in every nation, that the time has now come for a massive mobilization of human and natural resources for the purpose of learning the secrets of the power of safety and well-being for the people of all nations. If we believe that the intention of creation is toward greater life for the family of mankind, then let us begin to direct the forward march of science and technology toward such a greater purpose. I believe in the future of mankind.

The Heads of State of more than one hundred and twenty sovereign nations on earth now have it within their power to begin to create a Global Safety Authority, within a revised and more effective United Nations. The function of this Authority will be to guard the national security and political independence of all nations, freeing the productivity of nations to meet the human needs of their citizens.

I hold before the world the long range vision of a stronger United Nations. At the base of this future United Nations will be a Global Safety Authority. The purpose of this Authority will be to maintain positive control over all power of destruction. It will have power to maintain public inventory of all war material and personnel. It will have authority to act to stop unauthorized war production. It will have power to maintain public inventory of all movement toward mobilization for war. It will have authority to stop such mobilization. It will have power and authority to prevent violation of one nation's borders by the forces of any other nation, large or small. It will have authority to divert any inter-nation conflict to proper courts of inter-nation conflict law.

I hold before the world the long-range vision of a stronger United Nations in which man will maintain dominion over the forces of destruction. Instead of living in ever-increasing fear of the anti-human force of advancing science and technology, man's increasing knowledge will be redirected to feed the hungry, clothe the naked, heal the sick, educate the illiterate, and free the patrotic people of every nation to work toward their own national goal in their own national way, free from the dread of war or domination by any foreign power.

THE SEARCH FOR ANSWERS

Will it ever be possible to trust the national security and political independence of the United States to a stronger United Nations with monopoly control over global armed forces management? Will it ever be possible for all nations to trust their national security and political independence to such a remodeled United Nations? Will the American people ever find reason to believe that this global United Nations power will not come under the control of communists, or any other group with intentions to dominate the world? Will the people of all other countries ever find reason to believe that global United Nations power will not come under the control of American political power?

I do not know that answer to these questions. I am proposing that a long period of serious research and exploration begin today, in search for the answers to these questions of the future safety and well-being of mankind.

To the rising generation of young men and women in every nation we declare open for exploration and pioneering a new generation of creativity and invention to dwarf any era in past history.

This will be the most complex and difficult problem governments ever have faced and determined to master. Making the Earth safe from war will be a far more challenging task than making outer space safe for human transit. I hereby make a personal commitment, and a commitment of my administration, to the task of providing world leadership toward the long-range goal of developing the global safety systems, and the new political checks and balances and restraints required to transform the present United Nations into a more effective instrument of safety and prosperity for all nations.

We propose an initial ten-year program to develop and operate a demonstration model, or prototype experiment of a Global Safety Authority, so that all governments can begin to learn the real problems of defending their citizens from enemy threat or attack in the new historic age of total danger.

I say, let the national security leadership of all nations begin thinking and experimenting beyond the strategiy of defense, and beyond the strategy of deterrence, to explore a new future strategy of prevention more appropriate to the age of global danger. Let us create new history more in keeping with the danger man has created.

WHAT WE CAN DO

We propose a long-range program of development and experiment and testing to find the ways that such a protective war prevention system can be made to work.

Black and terrifying, the escalating danger of global war today looms above mankind like a thunderstorm of death. But beyond that dark horror, I see a white light of hope. I believe that man can create global safety systems in time.

I propose four giant strides forward on the road to the permanent end of war between nations. I propose four giant strides forward on the road to lasting peace and prosperity. I propose four giant strides forward in the creation of a demonstration model of a Global Safety Authority. These will be four giant strides forward toward a stronger, more effective, and greater United Nations of the future. One day, when and if our efforts succeed, the present United Nations will evolve into a world security organization capable of guarding the national security and political independence of every nation.

I am preparing to issue directives to the appropriate departments of my government, and preparing to seek the full support of the Congress and of the American people, for four large-scale development projects:

FIRST

First Stride: All-Nation Space Stations. I propose construction of a new series of reconnaissance satellites. The use of these surveillance space stations will be made available to all nations. All nations will be invited to develop surveillance systems for experimental installation in these orbiting laboratories. All nations will be given full access to all information inputs and outputs from these global surveillance systems, that all national defense establishments, all regional defense establishments, and the United Nations Military Staff Committee can gain protracted experience in working together to test the effectiveness, and to establish the future requirements for a Global Safety Authority intelligence capability. Through these satellites we may begin to find answers to the question: Can a future United Nations Safety Force be made dependable and effective?

SECOND

Second Stride: All-Nation War Alarm System. I propose the construction of an advanced global command and control headquarters, near the United Nations Headquarters, with duplicate synchronous display centers in the capitals of all cooperating nations, and in the headquarters of all regional defense organizations. This center will be open to the public of all nations and to the governments of all nations. The large illuminated display walls in this prototype global command center will be connected by direct communications lines to the national command center in the Pentagon in Washington. The people of the world can begin to see the global surveillance and intelligence capabilities the United States already possesses, to be able to exert command and control today over military forces spread across more than half the earth. No information which would be detrimental to the security of the United States will be passed to these public exhibitions, but the world can begin to see the emerging reality of global command and control systems to bring armed forcse management for the world eventually to the new United Nations Global Safety Authority. Every other nation will be invited to connect its national command center to this world display. No other nation will be expected to divulge information to jeopardize its own security. But all nations will gain practical experience in the interface problems of the successful operation of a future war safety control system of world dimension. The people of all nations will begin to see the open experiments which may one day lead to the development of the systems of security which will mean no more war for mankind.

THIRD

Third Stride: War Prevention Conferences. I propose a continuing series of multinational War Prevention Conferences. Military and political leaders of all participating nations can begin to hammer out the requirements and force structures for the future Global Safety Authority. They can analyze and experiment with unprecedented new political checks and balances which will be required to make certain that this all-nation safety constabulary cannot become a tyrant over the minds of men, or the governments of independent nations, and that it cannot be captured by any one political power clique to be used to conquer the world. These War Prevention Conferences will be held on many levels, outside of official channels of the United Nations. They will be held with individual nations, or with groups of individual nations, or with regional defense organizations. Free discussion will be encouraged from every source where new ideas may emerge to help solve this problem which has been insoluble throughout the ages. Can a Global Safety Authority be made effective, and safe to the point that the people of all nations will trust their national safety to this mobilization for the prevention of war? The world will be waiting for answers to this question.

FOURTH

Fourth Stride: All-Nation War Prevention Games. I propose a continuous series of multinational war prevention games. Where war games are used to develop military proficiency in waging war, these war prevention games will be utilized to develop and test the increasing proficiency in preventing war throughout the world in the new historic era. A purpose of these games will be to allow the public and press of all nations to see that nations are making serious efforts to solve the problem of war, and what progress is being made toward this great and grave objective.

I repeat that all nations are invited to cooperate in these four giant strides forward toward peace and prosperity for all nations.

But the United States offers to lead in this ten year demonstration model experiment no matter what nation or nations hold back at this point. We expect nations to be suspicious of our motives. We invite nations to work with us to satisfy these suspicions. We will earn their confidence.

We will use every means at our command to see that the people of all nations are kept fully informed as to the progress being made toward the global protective systems which one day will bring peace and prosperity to all nations.

No nation will be expected to weaken its present defense force or posture during these experiments. No patriotic people will be asked to give us their pride in their own native land, or swear allegiance to a massive single world government. National governments once again will concentrate on the prosperity of their citizens, instead of on preparations to kill and be killed in war with their neighbors. There will be a common defense force for all.

TOWARD DEVELOPMENT AND RENEWAL

Man now has gained the knowledge and skill to feed the hungry of the world, to heal the diseased of the world, to educate the illiterate of the world, to provide housing for those with inadequate shelter, if only he can learn how to bring the plague of war under positive control.

These four giant strides forward toward a more effective United Nations will allow the people of the world to hope once again. There will be hope that history's endless parade of wars eventually will be brought under control. There will be hope that the world's resources today committed to production of anti-human power of death, can be redirected toward production of pro-human goods and services. There will be hope that increasing nuclear power will be controlled and harnessed to peaceful purposes, instead of to the chain-reaction of terror. There will be hope for peace in the space age instead of dread of war.

I believe that man can gain dominion over the man-made dangers of modern technology, and that man does not have to live in fear of the new products of science and technology.

I believe that every people on earth can find security and prosperity in a revised and strengthened United Nations, in time. I believe man now has the inventiveness and creativity to begin to transform the United Nations into an effective world security organization, bringing safe prosperity within reach of all nations.

Each nation can work out its own independent path toward its own independent vision of a Great Society. This can become a Great Planet. I hope that every man, woman and child around the world who hears this message will tell his neighbors, and his friends, that the time now has come to take giant strides forward toward peace and prosperity for all nations.●

INTRODUCTION OF THE NATIONAL FUEL ALCOHOL AND FARM COMMODITY PRODUCTION PROGRAM OF 1979

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. BEDELL. Mr. Speaker, two of the most dominant items in the news in recent days have been the political chaos in Iran, along with the cutoff of oil flow from that country, and the presence of thousands of disgruntled farmers in Washington protesting their economic dilemma. These two seemingly disparate issues share a common thread, and it is this bond of commonality that forms the foundation of a measure I am introducing today entitled "the National Fuel Alcohol and Farm Commodity Production Act of 1979."

The situation in Iran underlines the folly, both in national security and economic terms, of the U.S. dependence upon foreign sources for nearly half of its petroleum supplies. The fact that current agricultural policy depends upon the outlay of hundreds of millions of taxpayer dollars simply to induce the most efficient producers in the world to idle acreage underlines the need for the development of additional outlets for the production from American croplands.

Mr. Speaker, the National Fuel Alcohol and Farm Commodity Production Act addresses both of these issues in a way that acknowledges the interdependence that exists between them. It would, if enacted, take a giant stride toward getting a handle on both of these critical problems by promoting farm income improvement and by stimulating the development of a viable domestic alcohol fuels industry.

First, the proposal would promote the construction and operation of privately owned alcohol fuels plants by, among other things, making available federally guaranteed loans and secure, reasonably priced supplies of feed stocks for at least the initial startup period. It is designed in a way that would facilitate the disengagement of the Federal Government from the support function within a reasonably short period of time.

Second, the proposal would improve farm sector income by creating a significant outlet for agricultural commodities that are now in such surplus that market prices for these commodities are way below the farmer's cost of production. The measure would provide for the disengagement of the Federal Government from its present "production adjustment" activities, characterized primarily by the current set-aside program. There is a possibility that the program I am proposing would initially necessitate slightly higher Federal outlays in comparison to what is now spent annually on the feed grain program.

However, it would be very shortsighted not to look beyond these first few years to the budgetary and fiscal benefits that would be sure to result from implementation of the program. Clearly, it makes a great deal more sense to shift Government spending to productive applications, such as establishing a viable private sector alcohol fuels industry, than to spend hundreds of millions of dollars annually to do nothing more than pay farmers not to produce. Such a shift would be more an investment that would generate substantial dividends in the long run. Within a relatively short period of time, this "investment" would generate returns in the form of significantly reduced oil imports (along with a reduction in inflation that they generate); increased domestic employment; a more stable and healthy agricultural economy; and important national security gains in the form of reduced dependence on foreign sources of supply.

Mr. Speaker, while my proposal is not necessarily complicated, it requires more space and time than we have here to explain its elements in full detail. In testimony I prepared for the Agriculture Committee hearings held this week dealing with the farm program, I went into the detail that is necessary to explain the scope of the measure. I would be more than happy to make copies of that presentation available to anyone who desires further information on my proposal. In this statement, however, I will merely sketch the general parameters of the legislation.

The National Fuel Alcohol and Farm Commodity Protection Act is directed exclusively at the feed grain provisions of the current farm program. There is little doubt that the concept underlying my proposal can, and should be expanded to include other agricultural commodities. In fact, it is my intention to work with any of my colleagues who might be interested in expanding the legislation to commodities like wheat, sugar, sugar beets, and others that can be used as feedstocks for alcohol fuels production.

Basically, my proposal would abolish the existing feed grain program. The current set-aside/land diversion controls would be eliminated. Each producer would be guaranteed $2.50 per bushel for every bushel of corn he produced, with a $2.10 loan. The established price of $2.50 per bushel would be adjusted each year in relation to the cost of production index contained in current law.

To be eligible for the income protection, each producer would be required to meet two conditions. First, he must adhere to certain basic soil conservation and best management practices put forth by the Secretary. This provision is designed to prevent the plowing up of marginal land, and to deal with the alarming soil and water degradation of our Nation's resources base. Second, each participating producer must agree to make available to the Secretary a full 10 percent of his total production. On this portion of his production, the producer will receive the established price; on the remaining 90 percent of his production, however, he is free to take advantage of the market price or the established price, whichever is higher.

The legislation would direct the Secretary to utilize this 10-percent takeover of corn for one purpose, and one purpose only—as feed stock for private alcohol fuels plants that produce ethanol primarily for use as an extender for unleaded gasoline (gasohol). The Secretary would be authorized to charge plants no more than 50 percent of the established price for this takeover corn. This subsidized price virtually guarantees the ethanol plants of being able to sell their product at a profit. The Secretary is authorized to enter into contracts with these plants, not to exceed 5 years. This will provide the incentive needed to establish a private alcohol fuels industry by reducing the uncertainty on the supply side.

Further incentive for ethanol plant construction would be afforded by a provision which would authorize the Secretary to make available federally guaranteed loans to qualified applicants; $600 million would be authorized to establish a seed fund for this purpose. Included in the language is the requirement that a 1-cent tax must be paid on every gallon of ethanol produced from any plant that has either received a loan guarantee or the Federal Government-subsidized feed stock. The receipts from this tax are to go back into the seed fund to be used for reducing the need for Government outlays for further guarantees, as well as to cover any defaults that might arise.

Mr. Speaker, my proposal has been careful to address the potential distortion of the existing protein supplement market that could arise from an unregulated marketing of the byproduct from the ethanol production process called DDG's (dried distiller's grains). It also recognizes the fact that the technology exists that can transform, by way of a "front-end" fracturization unit, the feed stock into a high protein concentrate that can be made suitable for human consumption, without compromising the fuel production output. In this way, the program would not interfere with, but enhance, the U.S. role as a reliable food aid supplier.

In summary, Mr. Speaker, I believe that the National Fuel Alcohol and Farm Commodity Production Act of 1979 is worthy of serious consideration as a new direction in agricultural policy. It takes the holistic approach that is needed if this country is to meet the new challenges that confront it by recognizing, and taking advantage of, the interdependencies that exist between agriculture and energy. Several crucial objectives are met: Stable and improved agricultural commodity prices; improved natural resource conservation practices; the establishment of a foundation for a noninterruptible, environmentally benign, and renewable liquid fuel supply; and Federal Government disengagement from its historical agricultural production adjustment and price support activities. Admittedly, the leadtimes required for total implementation of this proposal, even after enactment, mean that any meaningful contribution to the solution of our national agricultural and energy problems is at least 2 to 3 years away. Consequently, I would urge my colleagues to support this measure so that its consideration and refinement can be expeditiously completed.●

NATIONAL AGRICULTURAL COST OF PRODUCTION BOARD

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. SEBELIUS. Mr. Speaker, I do not think I need remind anyone that the American farmer is still experiencing price problems. Today, nothing could be more true than the old adage:

> The farmer buys retail, sells wholesale, and pays the freight both ways.

We need only to look back to 1974. Using 1967 as a base year, the index of prices farmers received was 191. The prices farmers paid was 164. By November of last year, the prices received had increased by 12 percent to 214. However, the prices paid increased by 41 percent or 231 on the 1967 index.

What this means is that grain farmers in particular are simply going further into debt. The price for the three staple grains produced in my district—wheat, milo and corn—has been below the cost of production for 2½ years. Farmers have had to rely on modest target price deficiency payments for additional income to stay in business.

Mr. Speaker, I was a supporter of the target price concept when it was first enacted into law. I am in favor of its market-oriented approach. However, its value hinges on accurate cost of production figures. It is this area where we are experiencing problems. Nearly every farmer's cost of production is different. Furthermore, the USDA and agricultural economists at various universities compute the cost of production differently.

The U.S. Department of Agriculture has been diligently computing the cost of production for various crops since 1974. Nevertheless, agricultural enterprise accounting is one of the most neglected and underdeveloped areas existing in the field of cost accounting. The neglect exists because it is obvious that the average farmer does not have enough time to devote to administrative detail in his farming operation. As a result, there is a shortage of cost analysis in the farming industry.

The provisions in the 1973 and 1977 agricultural acts mandated the Secretary of Agriculture to conduct cost of production studies, but the directions and methodology were sketchy as to the standards to be used. Consequently, some of the resulting cost figures have been questioned, especially by individual farmers.

In the case of wheat, the first survey occurred in 1975 when about 4,000 farmers were asked what their costs were for the 1974 crop. For the next 4 years, 1975 through 1978, USDA economists and statisticians have been updating the cost of production according to price changes in machinery and variable expenses.

However, the USDA has not checked the cost of production changes with farmers except for informal visits. Mr. Speaker, I submit a farmer survey every 4 years is not enough. In addition, the 1978 survey of some 6,000 farmers will be shortchanged by the Office of Management and Budget's directive that the USDA interviews be limited to 1 hour per farmer.

In view of the obvious need for better production cost analysis, I am introducing this bill today to provide for the establishment of a National Agricultural Production Cost and Statistical Standards Board for the purpose of implementing and standardizing cost of production information as it relates to production of the major food grains, feed grains, sugar cane and beets, cotton, tobacco, and livestock and livestock products such as hogs and milk.

A board of this type, manned by 16 qualified people, could detect inconsistencies which develop during the refining of data into viable cost figures for the major commodities that rely on USDA figures for price supports. This board would also address the problem of standardization of cost of production methodologies among the USDA, land grant universities, and farm organizations.

In my view, a lack of coordination and uniformity among these groups has impaired the credibility of much of the current cost data. There is a feeling in farm country that many of these studies are biased in terms of proving a political point rather than presenting a true cost picture for a particular commodity. This is one reason why my bill designates that no more than half of the 16 members of the board be of the same political party.

Mr. Speaker, in my view, we cannot wait for accurate cost of production figures until 1981 when we are writing another farm bill. We need this information now for more precision and accuracy in agricultural statistics and in determining agricultural policy.●

TRIBUTE TO BOBBI FIEDLER

HON. ROBERT K. DORNAN

OF CALIFORNIA

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1979

● Mr. DORNAN, Mr. GOLDWATER, and Mr. MOORHEAD of California. Mr. Speaker, on March 2, 1979, a community dinner is being planned to honor Los Angeles School Board Member, Bobbi Fiedler. We wish to take this opportunity to extend special thanks to this very dedicated woman who has done so much to improve the quality of education in the Los Angeles School District. The following outlines some of Bobbi Fiedler's many accomplishments on behalf of the people of Los Angeles and especially the young people of that community.

Mr. Speaker, we, as Representatives from the Los Angeles area, would like to take this opportunity to bring to our colleagues' attention a dynamic woman whose quiet dedication and unfailing willingness to get involved have made a positive contribution to her community and the educational system in the Los Angeles area.

Bobbi Fiedler is currently a member of the Los Angeles Board of Education, and while she has often worked in the limelight, she has also willingly accepted the responsibility for countless hours of hard work at those volunteer jobs which are often thankless and unglamorous. Bobbi Fiedler typifies that grand and unique American institution, "the volunteer." Without the Bobbi Fiedler's of this country, there would be no community spirit; no community activities; no cohesive society—there would be only people living in the same vicinity, but no "community." It is to this very issue that Bobbi has dedicated herself in the last several years.

Bobbi has managed a home and family and multiple careers. She has served as PTA Drug Abuse Chairman; PTA Parent Education Chairman and as a member of the Valley Interfaith Council—Drug Abuse Committee. She has been a leader for the Cub Scouts, Brownie Scouts and Girl Scouts, and has been active with the Mid-Valley Girls Softball League and the Encino Little League. Through all these activities, Bobbi learned and recognized the importance of the community as an extension of the home. She understands that adults working with children create a better environment for character development than children left to their own devices, and she understands that community involvement creates not only a feeling of belonging, but an acceptance of responsibility and concern for those around us.

In a society that has become more and more transient, Bobbi realizes how much more important those institutions which represent stability have become, and that the hub of a stable community is its school system. It was for these reasons that Bobbi became a driving force in establishing BUSTOP, and later became the organization's executive director. While there has been much controversy surrounding the busing issue in Los Angeles, BUSTOP has been in the forefront in trying to find acceptable alternatives to massive busing and to fighting the court order which needlessly places children on buses for over 3 hours a day.

BUSTOP has worked within the system and on an issue in which feelings run high; it has led a nonviolent opposition to the court orders. In our judgment, this is, indeed, a high tribute to those who have organized and worked on this effort. BUSTOP has, and is, waging a hard fight against Los Angeles' court ordered busing, but it has resisted the temptation to drag the issue into the muck of violence which has plagued other cities in the same quandry. For this, we all owe Bobbi Fiedler a special thanks.

Bobbi's friends and neighbors are hosting a special dinner in her honor on March 2, and we would like to join her well-wishers in paying tribute to a lifetime of giving, helping, and involvement.●

HOUSE OF REPRESENTATIVES—*Thursday, February 15, 1979*

The House met at 11 a.m.

The Reverend Tomas Ziuraitis, Dominican priest, Dominican Monastery, Lithuanian American Community of Metropolitan Washington, Washington, D.C., offered the following prayer:

In the name of the Father, and of the Son, and of the Holy Spirit. Amen.

God bless America, this great country of human rights, and all who are commemorating the 728th anniversary of the formation of Lithuanian principalities into one kingdom and who are now commemorating the 61st anniversary of the reestablishment of the Republic of Lithuania in the year 1918.

Almighty God, eternal justice and love, Your Son came to bring freedom to all peoples, we now ask You to bestow freedom and independence upon Lithuania and all captive nations.

Graciously grant this hope and plea through Your holy name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

REV. TOMAS ZIURAITIS

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANNUNZIO. Mr. Speaker, it is a genuine pleasure to welcome to our Nation's Capitol Rev. Tomas Ziuraitis, who offered the opening prayer today. He was born in Lithuania and studied in France, Germany, Belgium, and Austria, and earned his doctor of philosophy degree at the Catholic university in Salzburg. During the postwar years he was chaplain of Lithuanian refugees in Austria and Germany.

Father Ziuraitis came to the United States in 1949, where he taught at various colleges and served as chaplain at two convents in New Jersey. In 1962, Father Ziuraitis was transferred to the Dominican Monastery in Washington, D.C., where he conducts missions and retreats and pursues scholarly studies.

Dr. Ziuraitis is a member of the Lithuanian Roman Catholic Academy of Arts and Sciences, the Joint Baltic American Committee, and the National Advisory Board of the American Security Council.

SENATOR MUSKIE SPEAKS ON PROPOSALS TO BALANCE THE BUDGET BY CONSTITUTIONAL AMENDMENT

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, one of the wisest, most experienced and highly respected persons in American life is the distinguished senior Senator from Maine, the Honorable Edmund S. Muskie.

Senator Muskie, who is chairman of the Senate Budget Committee, delivered an address this week at the National Press Club in Washington, D.C., on proposals to balance the budget through amending the Constitution of the United States.

Because I believe all Members of the House and Senate will want to read Senator Muskie's address on this occasion, I include the text of his address, delivered on February 13, 1979, at this point in the Record:

Remarks of Senator Edmund S. Muskie

In 1930—Franklin Delano Roosevelt confided to a friend—"It's becoming harder and harder for an honest fellow with a wife and children and nineteen servants to make a decent living."

In 1979, for families and governments alike, it is still often difficult to make ends meet. And the rush is on for a quick-fix approach to the government's fiscal dilemma.

Mathematicians have a saying—solutions can't be found until problems are stated correctly.

This afternoon, I don't expect to find the solution to the difficulties we face in balancing the budget. I do hope to state the problem correctly. I hope to raise some serious questions. I hope to start some serious people thinking—particularly about the growing demand for a new constitutional convention.

That movement has attracted much attention—but little careful thought. It is considered too casually by proponent and foe alike.

To be sure, some legislatures have reviewed this proposal with appropriate deliberation. But in many statehouses, prudence has given

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☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

way to panic. Resolutions to change the Constitution of the United States are introduced at noon and adopted before dinner. Sometimes without a single hearing—without a review of alternatives—without as much debate as a new state song would engender—they endorse a substantial revision of the fundamental law of the land.

They have lost their grip on the enormity of what they are doing. And they have taken the wrong way out of a troublesome dilemma.

A VERY POOR SOLUTION

I am convinced that a constitutional amendment is a very poor solution to our current fiscal difficulties. It is unworkable, counterproductive, and even harmful. But it is not the caricature some critics suggest. It is a very serious proposal indeed. It deserves very serious review.

A mandated balance is not the only issue. There are many variations on the theme. Some propose a balanced budget statute. Others invent formulas to limit federal spending. Still others hope that Congress will produce an amendment for ratification by the states. All of these proposals are dangerous and poorly thought through. But the most alarming prospect of all is a new constitutional convention.

It's an uncharted course to an unknown destination. A balanced budget amendment is only one potential result. There are other popular crusades—to outlaw guns—to outlaw gun control—to make abortion a right—to make abortion a crime—to ban forced busing—to endow forced busing with a specific constitutional sanction.

Many passionate causes are deeply rooted in our nation. Many are well supported. Many are well financed. Many are eager to readjust the underpinnings of the United States of America.

A CONSTITUTIONAL CONVENTION?

At a constitutional convention, could the readjustments be limited? No one really knows. The Attorney General thinks so. The American Bar Association agrees. But there is only one precedent. And it is not a comforting one.

The only convention we've ever had was called to revise the Articles of Confederation. But the delegates didn't stop at the revision. They scrapped the system. They built a new one. And what would prevent a wholesale recasting of the document they devised? Not the Constitution itself—it simply says that Congress "Shall call a convention for proposing amendments." And depriving the states of Senate representation is the only amendment specifically ruled out. Hopefully, the agenda would be limited.

If a runaway convention exceeded the limits thought to be imposed by those who convene it and three-fourths of the legislatures, responding to the kinds of popular pressures now being generated, were to ratify the result, who could say no?

How many of us are willing to gamble that our national compass would not be disoriented? How many even perceive the risk?

There are too many questions here—and not enough answers.

We should not expose our Constitution to the prospect of substantial revision when there are other, less imposing alternatives. Neither should we trivialize it with money management schemes—particularly those which can do no good and a great deal of harm.

THE BUDGET AND THE ECONOMY

A mandated federal budget balance is just such an ill-considered contrivance. And it is largely the product of a basic misperception. The relationship between the deficit and the economy is a very close one indeed. But it is not a one-way affair. A bad budget can unbalance the economy. But a bad economy can also unbalance the budget. And no amendment could possibly cope with that.

When unemployment goes up only one percentage point—the deficit swells by some 20 billion dollars—20 billion dollars in lost tax revenues and increased social welfare costs—20 billion dollars drained from the federal purse without a single spending spree.

In times of severe recession, the impact on the budget can be devastating. We've had some recent experience.

In October, 1974, President Ford unwrapped his "Whip Inflation Now" Program. He pledged to hold the deficit to 9 billion dollars in fiscal 1975. But fate and recession intervened. Just 3 months later, the President revised that estimate to 35 billion dollars, and sent the Congress a fiscal 1976 recommendation for a 52 billion dollar deficit.

The men who made the WIN buttons lost their jobs—along with 2 million other Americans.

A year ago January, President Carter proposed a budget with a 60 billion dollar deficit. We worked hard to trim it—and by September, we had cut that deficit to 38 billion. But interest rates went up. Inflation pushed higher. And from September to January, the deficit increased by 5 billion dollars—when Congress wasn't even in session.

Constitutional amendments can't balance the economy. Resolutions passed in Richmond or Topeka can't dictate policy in Riyadh or Tehran. Decisions made in Washington's caucus rooms aren't always supported in the board rooms of New York.

PRUDENT FISCAL MANAGEMENT

Are we helpless then? Certainly not. Prudent fiscal management can work through the economy and lead us back to a steadier course. We are doing that job right now. But a suddenly imposed requirement for an immediate balance—or for one to be forged in the unknowable future—would have some very regrettable consequences.

Over the years, economists of nearly every persuasion have testified before our Committee. They have agreed on little more than this—you can't always catch a deficit with radical spending cuts and tax increases. That may only make it run faster.

For fiscal 1980, the President projects a 29 billion dollar deficit. But a 29 billion dollar spending cut would not bring the budget into balance. It would ripple through the economy with a tax revenue loss of many billions of dollars.

It would take a cut of at least 45 billion to put the books in balance. And that would cost more than a million American jobs. It might have an impact on inflation, but it would leave the economy far weaker than before. And where would we look for a cut of that magnitude?

Of course, a budget can be balanced by raising taxes as well as by cutting expenses. And some insist that closing loopholes would match our debits with credits.

In 1932, Herbert Hoover tried that. He rushed to balance the budget with a drastic hike in taxes. The rest is tragic history. Things got very much worse. Purchasing power had been drained from the economy exactly when it should have been injected.

1932 was not a good year for the economy. 1932 was not a good year for Herbert Hoover.

But there is a third option. When the economy is growing, taxes rise faster than spending. And unless you enact a tax cut, increased spending never catches up with revenues. So you juice up spending. You stimulate inflation. You push people into higher brackets. Your tax revenues go up. And you point with pride at a balanced budget.

That is the stuff of conservatives' nightmares. And that is yet another way to meet a balanced budget mandate.

All of these potential consequences are unattractive indeed. But perhaps the very worst result would be a failure of flexibility in times of economic downturn. Economists of every respected school agree that increased federal spending or tax cuts producing a deficit may well be the only way to boost employment, generate investment, stimulate demand, accumulate capital, and prevent a downturn from deepening into a depression.

A mandated balance would blunt our sharpest fiscal tool. And that is why thoughtful advocates are quick to point to escape clauses.

But no escape clause could be framed quite cleverly enough. How would recession be defined? Who would announce its arrival? Who would be willing to lead the escape when the signs of a trend appeared. Would two-thirds of the Senate vote to abandon a constitutionally mandated balanced budget for a deficit unless the roof was caving in? Would we have time to pop the parachute before we hit the ground?

QUESTIONS WITHOUT ANSWERS

There are too many questions with no good answers—too many holes in the theory.

And so—some map a more sophisticated route to balance. They suggest that spending should be limited to a fixed percentage of GNP, or that growth in spending should be tied to GNP growth. But have they asked the right questions?

Our Constitution does only two things. It blueprints the structures by which we govern ourselves. And it defines the human rights we respect. Do we really want to devalue that currency with algebra and bar graphs?

We wouldn't even know where to begin the equation. Which magic number would we pick? To whose projections would we tie it? The President predicts a 3.2-percent GNP growth rate for 1980. But the Congressional Budget Office says 3.9 percent. This difference of seven-tenths percent in the growth of federal spending represents three and a half billion dollars.

Perhaps we should go to a prominent private sector forecaster. But Wharton Econometrics says 1.3 percent and Chase says 4.1.

It is sometimes proposed that the number be tied to last year's growth. But like generals preparing to fight the last war, politicians preparing to deal with last year's realities are poorly prepared indeed.

Should we be writing a guessing game into the Federal Constitution? Should we bind tomorrow's needs to yesterday's performance? How can we make good practical sense out of bad theoretical blueprints?

Too many questions with no good answers—too many holes in the theory.

THE CITIES AND STATES

Perhaps the most ironic twist is the role of the states in the budget balancing controversy. 25 of them are leading us into a serious mistake. And they will pay the biggest price. If Congress must suddenly chop the deficit, it will land in the laps of the states. That is not a threat. It's a matter of arithmetic.

Where would the cuts be made? Where would we find that 45 billion dollars this year? Let me refer you to the charts we've prepared.

Our cities and states are drawing on Washington for every conceivable need—from the health and education of their children to the wages of the men who trim the statehouse lawn.

Over the last thirty years, federal grants-in-aid to state and local governments have grown five times faster than the gross national product.

In fiscal 1980, the average state expects to receive one billion, six hundred and fifty-nine million dollars from Washington. The legislatures seem to be unaware of the consequences an overnight balance would bring.

During its 1975–76 session, the Pennsylvania legislature passed its call for a balanced federal budget. That was Resolution 236. Resolution 235 demanded a renewal of revenue sharing.

When the Oregon legislature passed its amendment resolution, a "whereas" clause suggested that "a balanced budget would lessen the need for increased state and local taxes." That's an odd theory—particularly in view of the fact that Oregon got one billion, seventy-five million dollars from Washington in fiscal 1978.

We could save 31 billion—2 billion more than the President's projected deficit—merely by killing revenue sharing, education grants, EPA sewage construction, community development block grants, and the CETA program.

Is that what they want in the legislatures? Do they think the Congress would slash its own perception of national needs before it touched the states? And if we did exempt the states from surgery, what would be left to cut? Social security? National defense?

There is 82.9 billion dollars in the President's budget for grants to state and local governments. In 1978, the states ran a combined surplus of 29 billion—a figure that matches the President's deficit for fiscal 1980. An appealing solution to the balance dilemma leaps very quickly to mind.

It would be easy to ask, "Who's deficit is this?" and the states would not be pleased with the answer.

Of course, if we look to the states' example, we needn't make cuts at all. We can get into balance merely by following their long-standing and well accepted method of accounting. If we put capital investments in a separate accounting category, we'd have a much smaller deficit today. And it wouldn't make a lot of difference to our income, our outflow, or the state of the economy.

That is what the states do. That's what General Motors does. That is accepted practice.

It would also be easy to balance the budget by removing various programs from it. The federal government already spends some 12 billion dollars through agencies that are not counted in the budget totals. More programs could be moved into the dark. Or, more use could be made of federal guarantees and similar devices.

The Budget Committee is determined to bring such programs under the budget's umbrella. Only then will we have a full honest picture of real federal government activity. A balanced budget requirement would surely tempt the Congress to go the other way.

Creative accounting could provide us a meaningless paper balance, but is there any point in one? Is there any good reason for attaching a charade to the Constitution of our country?

The answers are clear. So are the holes in the theory.

THE NEW CONGRESSIONAL BUDGET PROCESS

We've been perfecting a different theory since 1975—a new Congressional budget process. It was forged in reaction to 37 years of deficit spending in the 54 years between 1920 and 1974. It was established because that record was flatly unacceptable. And for the first time in its history, Congress took explicit steps to reverse that record of deficits.

For the first time in its history, Congress established a standing committee with one exclusive mission—to set a fiscal plan—to hold the Congress to it—to pull us back from those irresponsible deficits.

Contrary to the popular rhetoric, we have made tremendous progress. And ours is no simple task.

In the popular imagination, the budget resembles an hourglass, with assets and liabilities neatly stacked at opposite ends. If an imbalance develops, what could be simpler than tilting the glass until the sands even out?

But the budget is better compared to a watch. When it runs too fast or slow, a violent jolt may relieve frustration. But it will not repair a delicate mechanism. One has to determine which moving parts to lubricate—which gears to tighten—which counterweights to adjust.

We've been making those judgments. And the record is more impressive than rhetoric.

In our first year of 1975, recession prevailed—and George Meany demanded a hundred billion dollar deficit. We held it to 66 billion. And five years later, we are keeping the pressure on.

In 1975, the deficit was 3 percent of GNP. But in 1980, it is projected at 1.2 percent.

In 1980, the level of Federal spending will be 30 billion dollars lower than it would have been if Washington took the same percentage of GNP as it did in 1975.

And during the four years of the Congressional budget process, our spring budget resolutions have called for spending targets at an average of 28 billion dollars below the requests submitted by the authorizing committees.

WE CAN DO BETTER STILL

That's not good enough. We can do better still. We intend to. And we already have all the statutes, formulas and amendments we need to get the job done. We are asking the right questions. We are sealing the holes in a workable, flexible theory. Why scrap a proven system for one that defies a working diagram? Why graft an irresponsible scheme to the fundamental law of the land?

As one Supreme Court justice said, our Constitution is not a rubber ball to be tossed about and played with by each succeeding child. It embodies the essence of our system. There is no room in it for yesterday's whim or tomorrow's fancy.

In the long run, that is the centrally important concern. But in the near term, there is nothing attractive about the federal deficit. This is not a pro-deficit Congress. I am not a pro-deficit Budget Chairman. This is not a pro-deficit speech. But we don't need fiscal handcuffs to wipe the deficit out. We need fiscal discipline. We need to make informed, prudent judgments about hundreds of separate spending choices. We need the will to make those judgments stick. If we have that will, no formula is necessary. If we don't, no formula will work.

AN ANALYSIS OF PRESIDENT CARTER'S FISCAL YEAR 1980 BUDGET

Mr. Speaker, at this point in the RECORD, I insert an appendix to Senator MUSKIE's address, an analysis of President Carter's proposed budget for fiscal year 1980:

An analysis of President Carter's fiscal year 1980 budget

[In billions of dollars]

	Fiscal year 1980 outlays
Contributory insurance and retirement programs:	
Social security	115.2
Railroad retirement	4.5
Federal employee retirement and insurance	14.0
Unemployment assistance	11.4
Medicare	32.1
	177.2
Defense and veterans programs	146.2
Net interest payments	46.1
Grants to State and local governments:	
Sewage treatment plant construction	3.6
Federal-aid highways	6.8
Urban mass transit	2.4
Community development block grants	3.3
Elementary and secondary education	3.4
Other education programs	3.7
Social services	3.0
Employment and training assistance	6.3
Temporary employment assistance	2.6
Youth, aging, and vocational rehabilitation programs	1.6
Medicaid	12.4
Other health programs	2.2
Unemployment assistance	1.8
Public assistance (primarily AFDC)	6.7
Child nutrition and special milk programs	2.6
Subsidized housing programs	3.4
General revenue sharing	6.9
All other programs	10.4
	82.9
Welfare costs in the States assumed by the Federal Government:	
Food stamps	6.5
Supplemental security income program	6.3
Earned income credits in excess of tax liability	1.7
Black lung benefits	1.5
Subsidized housing programs	1.7
All other programs	0.6
	18.3
Other Federal activities:	
Foreign affairs	8.2
Space and scientific research	5.5
Energy	7.3
Environmental cleanup and development	6.9
Farm price supports and research	3.9
Transportation	7.3
Education and training	7.9
Health care, research, and training	6.8
Administration of justice	3.9
All other programs, net	3.3
	60.9
Total fiscal year 1980 outlays	531.6

NOTE.—Details may not add to totals because of rounding.

INTRODUCTION OF BILL LIMITING PROPERTY AND CASUALTY AND LIFE INSURANCE ACTIVITIES OF BANK HOLDING COMPANIES

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, it was on the night of October 5 last year that this House had the opportunity to record its will on an issue in so overwhelming a way as to leave no one in doubt as to the desire and intent of its Members on the matter of restricting the activities of bank holding companies in certain insurance related pursuits. By a 252 to 72 vote, this House said "no" to expanded bank holding company insurance activities.

Unfortunately, a quirk of legislative necessity prevented this mandate from taking the form of law. At the last moment, title XIII of FIRA was cut from the compromise package of banking reforms which ultimately passed. However, the record shows and loudly echoes today the sentiments of those in the House who strongly supported the cause of bank separation from nonbank related commerce, particularly property and casualty insurance.

At that time and on that occasion late on the Saturday evening prior to adjournment, a bond was made, a promise was given that this issue was not to go unredressed. Today, Mr. Speaker, with the enthusiastic cosponsorship of Mr. St Germain, I am starting the process by which that pledge will be redeemed. The text of a bill follows—a bill seasoned by the passage of time, aged to its prime in the coolness of objective regard. It picks up where we left off last fall, only with a more refined and sharply honed precision, to get done the job which needs doing.

This effort bridges the time gap since last October and provides a continuity on this issue which should expedite its consideration by the Subcommittee on Financial Institutions Supervision, Regulation, and Insurance and by the full Banking Committee. The forceful backing of a majority of those committees and the sense of purposeful commitment of their respective chairmen give me hope that we can have a bill such as I offer today back before the House in this session at an early date.

For many years in the courts and last year in Congress it has been argued persuasively that, because of a bank's ability to tie, directly or indirectly, the sale of insurance to an extension of credit, bank holding company insurance activities are not in the public's interest. Furthermore, the power of financial institutions which control enormous amounts of depositor's capital places special responsibilities on the banks' use of that capital, and places most competing small businesses at an immediate, usually noncompensable, disadvantage.

Congress, of course, has long recognized this problem, and the consequent need for a separation between banking and other forms of commerce. Most recently, primarily because of the insurance agents cases, Congress has also become more sensitive to the vulnerability of a variety of other businesses which face the possibility of unrestricted bank entry.

It should not go unsaid, Mr. Speaker, that some of these other enterprises have as good a case and as strong a need as do the insurance agencies for a legislated protection from the intrusive conduct of large bank holding company expansionism. I would not be at all surprised, therefore, to find that others would seek solace and find sympathy for a relief similar to the insurance prohibition contemplated by my bill.

It should come as no news that Congress already has deliberately and wisely constructed a restrictive regulatory framework within which banks must operate. That framework, enunciated in the Bank Holding Company Act of 1956, and in the 1970 amendments to that act, explicitly contemplates restrictions on bank holding company nonbanking activities. Those restrictions have been steadily eroded, not by Congress' desire to see an expansion of bank holding company nonbanking activities, but because of the Federal Reserve Board's overgenerous interpretation of existing law.

If Congress intended its legislated control over banks' unique financial power to mean anything, they can begin to restore that meaning by supporting this bill. And if Congress believes, as I do, that the public interest would not be served by the elimination of large portions of a thriving and competitive insurance agency small business, they will act quickly to have this legislation signed into law.

Sensing the urgency of this cause would not be hard for any of our colleagues who have heard from the insurance companies, agents, and interested private parties already on this matter. To our other colleagues I want to communicate that same enthusiasm for deliberate but expeditious consideration and adoption of this needed legislation. A relief provided too late would be an injustice, a victory awarded posthumously would be a mockery.

In the months since the 95th Congress adjourned, circumstances have conspired to increase the danger to insurance agents of bank entry into the business. In addition to a Supreme Court decision in 1978 not to hear the insurance agents cases, and since the short-circuited effort to obtain legislative relief in the 95th Congress, the Federal Reserve Board announced in December the scheduled expiration next year of a limited grandfather clause. This will require bank holding companies to submit applications to continue in, or to divest nonbanking activities, including insurance, already engaged in when current law took effect 10 years ago. Moreover, the Federal Reserve Board rejected a House and Senate Banking Committee request in October to impose a moratorium on processing bank applications to engage in insurance activities.

These events make the swift, unhampered consideration of this bill crucial to the survival of many thousands of small business men and women who make their living as insurance agents. Furthermore, decisive action on this bill will lay the groundwork for more comprehensive, also urgently needed, bank holding company reform legislation.

I urge my colleagues to waste no time in completing legislation most supported by record vote only 4 months ago.

Mr. Speaker, I include the full text of my bill and the accompanying explanation be included in the Record:

H.R. 2255

A bill to amend the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(8)) is amended by striking the period at the end of the first sentence thereof and adding the following: ", but for purposes of this subsection it is not closely related to banking or managing or controlling banks for a bank holding company to provide insurance as a principal, agent or broker except (i) where the insurance is limited to assuring repayment of the outstanding balance due on a specific extension of credit by a bank holding company or its subsidiary in the event of the death or disability of the debtor; or (ii) any insurance agency activity in a place that (A) has a population not exceeding 5,000 (as shown by the last preceding decennial census), or (B) the bank holding company, after notice and opportunity for a hearing, demonstrates has inadequate insurance agency facilities; or (iii) any insurance activity engaged in by a bank holding company or any of its subsidiaries pursuant to an application which was approved prior to June 6, 1978; or (iv) any insurance agency activity engaged in by a bank holding company, or any of its subsidiaries which bank holding company has total assets of $50 million or less, provided, however, such bank holding company and its subsidiaries may not engage in the sale of life insurance or annuities except as provided in (i) or (ii) above."

EXPLANATION OF BANK HOLDING COMPANY INSURANCE PROHIBITION

During the 95th Congress, both the House of Representatives and the Senate voted overwhelmingly to amend the Bank Holding Company Act of 1956 ("BHC Act") specifically to prohibit bank holding companies from engaging in certain insurance activities. The House vote came in connection with the Financial Institutions Regulatory Act of 1978 (H.R. 13471); the Senate vote came in connection with H.R. 8389.

The accompanying bill is almost identical to that which was overwhelmingly approved just a few months ago. It contains a technical amendment in the grandfather clause which states more clearly the intent of the legislation.

The legislation would amend Section 4(c)(8) of the BHC Act to prohibit bank holding companies from engaging as principal, agent, or broker in insurance activities with certain exceptions.

Exception (i) would permit bank holding companies to continue to underwrite and sell credit life and credit accident and health insurance, lines of insurance which have historically been offered by lenders. This exception (i) is identical to that previously adopted by the 95th Congress.

Exception (ii) would permit bank holding companies and their subsidiaries to sell insurance in communities having a population not exceeding 5,000. The purpose of this exception is to confer upon bank holding companies the same authority currently available to national banking associations under the National Bank Act. *See* U.S.C.A. § 92 (1970). In addition, exception (ii) would permit bank holding companies to sell insurance in other communities upon demonstration, after notice and opportunity for a hearing on the record, that the community has no adequate insurance agency facilities. This exception (ii) also is identical to that adopted by the 95th Congress.

Exception (iii) is the bill's grandfather provision. It would permit bank holding companies to continue to engage in those insurance activities for which they received Federal Reserve Board approval prior to June 6, 1978.[1] The provision does not, however, contemplate any expansion of insurance authority received prior to June 6, 1978 after that date. Exception (iii) contains minor technical changes from the language adopted by the 95th Congress making it clear that insurance activities engaged in by bank holding companies after the 1970 Amendments pursuant to the limited grandfather provision contained in Section 4(a)(2) of the BHC Act are *not* covered by the exception. As such, such activities are subject to the general prohibition of the bill, unless Federal Reserve Board approval to retain the activities was obtained prior to the grandfather date.

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[1] June 6, 1978 is the date on which the Financial Institutions Subcommittee of the House first voted favorably upon a bank holding company insurance prohibition, thereby placing bank holding companies on notice of possible prohibitive legislation.

Exception (iv) would exempt from the insurance prohibition bank holding companies with total assets of $50 million or less. This exception, however, would not permit such holding companies to sell or underwrite life insurance or annuities except as provided in exceptions (i) or (ii). Exception (iv) is identical to that adopted by the 95th Congress except for addition of the word "total" for absolute clarity.●

□ 1105

VOLUNTARY JOB PRESERVATION AND COMMUNITY STABILIZATION ACT

(Mr. KOSTMAYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOSTMAYER. Mr. Speaker, today with my colleagues STANLEY LUNDINE and MATTHEW MCHUGH of New York I am introducing the Voluntary Job Preservation and Community Stabilization Act of 1979. This bill is identical to legislation we introduced March 1, 1978, and which received the support of some 70 Members of the House.

The bill was the subject of a field hearing under the auspices of the Economic Stabilization Subcommittee in Jamestown, N.Y., last November. The subcommittee has scheduled a second hearing on employee-owned firms for February 27 in Washington.

We authored this legislation in response to the problems of plant shutdowns which in the past decade have hurt increasing numbers of Americans and threatened the economic stability of their communities. When a firm closes, employees often lose more than their jobs. The economic hardship and uncertainty can wreck families, affect mental health, and cause extended personal suffering. Idleness may last for months and many workers require substantial retraining before they are again employable. The costs to society are staggering.

We see examples of this phenomenon time and time again. In my own State of Pennsylvania, Philadelphia has lost at least 40,000 manufacturing jobs in the last 10 years, and Pittsburgh and other cities in Pennsylvania have suffered similar losses. New England's manufacturing employment has declined 9 percent in the last 10 years and that of the Midwest declined 14 percent between 1960 and 1975. New Jersey has lost 115,000 factory jobs since 1969 and heavily industrialized regions like Michigan and Ohio lost nearly 200,000 each in plant shutdowns in relatively the same period.

Plant shutdowns affect smaller towns and rural areas just as much as cities, and contrary to popular opinion, the so-called Sunbelt States are not the major beneficiaries of the new jobs by attracting runaway plants with generally lower wages and nonunionized workforces. Our research shows, for example, that between 1971 and 1976 only about 9 percent of plant relocations were to the Sunbelt. Many jobs go overseas. The South is also losing jobs overseas, and it is clear that net gains in total employment in the South are masking the effects of many plant shutdowns taking place there. Plant shutdowns are truly a national problem and job preservation should be a common concern to all regions.

Plant closings take place with painful abruptness. Generally, the law does not require a firm to give notice to its employees or the community and very often there is insufficient time to consider alternatives or plan for the consequences. The Federal and State government response is limited. The Government can spend money on unemployment compensation, welfare or expensive job training programs, but these are only short-term solutions, however, and do not combat the basic problem—preserving jobs. When a plant closes, a ripple effect goes through the business community, the tax base disappears, and an area's economy can be devastated for years.

We believe one alternative to plant closings is ownership by the employees or the residents of the affected community. Where plants would otherwise be abandoned, our bill would help interested groups of employees and community residents purchase the firms and try to run them profitably. Recognizing that such ownership arrangements will not always be feasible, we believe the approach can help blunt the impact of plant shutdowns in many areas.

The bill has four purposes:

First. To preserve jobs.

Second. To encourage employee and community participation in ownership of firms that would otherwise have closed.

Third. To support and strengthen the local economy that would be seriously damaged by the plant shutdown.

Fourth. To develop and test the value of a new strategy for the preservation of jobs.

The act builds on successful experiences with employee and employee-community ownership concepts. In a number of areas, these arrangements have saved jobs, maintained viable economic enterprises, and strengthened local economic conditions.

The legislation would facilitate this process by making loans to organizations of employees and community residents that plan to purchase plants in danger of closing down or moving elsewhere. The loans would be used to arrange the purchase, to cover start-up and initial operating costs, and to allow the employees to acquire stock in the new firm.

The act authorizes the expenditure of $100 million in the first year with appropriations rising gradually to $177 for the seventh year. Toward the end of this period, the Secretary of Commerce is directed to make a study and to report to Congress on the cost effectiveness of this program in comparison with other measures designed to deal with the problems of unemployment.

The act establishes no new bureaucracy. Implementation of the program is assigned to the Economic Development Administration, the Federal agency which has had the greatest experience in preserving jobs through assisting transfers to employee ownership, but which now lacks sufficient loan authority and legislative direction to undertake the type of program we are proposing.

This is not a giveaway program. It is just one example of an alternative legislative solution which recognizes that the big government approach is no longer feasible or realistic for handling every complex economic and social problem. The threat of long-term inflation, deficit budgets, and burdensome taxation requires that we enable and encourage the most efficient and sensible nongovernmental solutions. We must begin to phase in as much as is possible citizen, cooperative, and local solutions involving minimal Government resources. In utilizing this approach, the bill authorizes two kinds of loans; to the newly constituted firm and to individual employees for the purpose of enabling them to buy stock in their own enterprise. The company itself would be responsible to the Federal Government for collecting principal and interest payments on the loans granted employees. In order to qualify for such loans, employees are required to agree to payroll deductions under terms and conditions to be established by the Secretary of Commerce.

The Economic Development Administration is to be responsible for furnishing technical assistance to the group forming the new company on financial, legal, engineering, and organizational problems. No loans are to be authorized except when a feasibility study indicates that there is a reasonable chance that the company can become a viable economic enterprise .

Finally, Mr. Speaker, I might note that this legislation counters the major problem facing our country today—inflation. Economists seem to agree that inflation has been fueled by a disturbing nationwide downward trend in productivity. The United States now trails other Western industrial democracies and its trading partners in productivity. In the past decade, productivity—generally defined as output per hour worked—has advanced at a snail's pace: about 1.6 percent annually against 3.2 percent between 1947 and 1967. Experience shows that employee ownership can increase productivity.

This point was acknowledged by the President's former anti-inflation adviser Robert Strauss in hearings before the Senate Finance Committee last year. Mr. Strauss correctly pointed out that:

> Employee ownership can be a meaningful long-term measure to dampen inflation since "people perform better if they have a piece of the action."

VOLUNTARY JOB PRESERVATION AND COMMUNITY STABILIZATION ACT

(Mr. LUNDINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNDINE. Mr. Speaker, at our subcommittee hearing in Jamestown last November, we learned about the experiences of several employee-owned firms. We heard new evidence of how this approach, by increasing worker participation and changing the structure of decisionmaking, can dramatically improve industrial performance.

One panel of witnesses described the purchase of a specialty steel plant in Dunkirk, N.Y., by a group of management employee investors in 1976. After 15 years of heavy losses, the previous owner—Allegheny Ludlum—was ready to close down the operation. Nearly 2,000 workers would have lost their jobs.

In this case, employee ownership was really the only alternative to liquidation. The group negotiated with Allegheny Ludlum for a year, eventually agreeing on a purchase price of $26 million. While the new owners obtained sufficient credit from local sources to finance initial operating expenses, they could not get a longer term loan to cover the purchase. A company witness testified:

> With no past history of our own and an extremely poor past history under the prior owners, it was absolutely impossible to obtain any long-term financing.

Ultimately, the Dunkirk group was able to meet its financing requirements with the help of a $10 million loan from the Commerce Department's Economic Development Administration. The new company, Al Tech Specialty Steel Corp., significantly increased its operating capacity and hired several hundred additional workers. Productivity increased by 9 percent a year. Despite considerable pressure from imports and other difficulties, Al Tech made profits in each of its first 2 years in business.

What was different about employee ownership, that enabled Al Tech to revitalize an enterprise that Allegheny Ludlum was about to abandon? A major factor, apparently, was the ability to make decisions quickly and "call the shots" for the benefit of Al Tech alone. Extensive capital improvements undertaken by the new firm would never have occurred under Allegheny Ludlum, the Al Tech witnesses testified. Even relatively simple changes—such as installing a national Watts line for the sales office to replace a cumbersome teletype system—would never have been made.

In Al Tech's case, EDA's investment in employee ownership will have substantial payoffs. Over the life of its $10 million loan, the company is expected to pay principal and interest totaling $18 million. Al Tech employees have already paid more than $10 million in Federal income taxes in the last 2 years, and the company estimates it will pay over $1 billion in wages during the 25-year term of the loan.

Another panel discussed the case of the Mohawk Valley Community Corp., an employee-community-owned manufacturer of library furniture in Herkimer, N.Y. Recounting their efforts to purchase the company from Sperry Rand in 1976, the Herkimer witnesses stressed the need for technical as well as financial assistance.

The key hurdles in this case involved stock registration requirements. After failing to obtain a clearance from the Securities and Exchange Commission, the group turned to registration under New York State laws and was eventually able to raise the $1.8 million in equity it needed through a State approved stock offering. The State also enabled the purchasers to meet their downpayment by permitting the issuance of promissory notes to employees that could later be redeemed in stock.

Despite the difficulties of arranging the purchase, the new firm is encouraged by its prospects. In 1977, the Mohawk Valley Community Corp. made a profit of $340,000 on sales of $11.8 million. While sales slumped somewhat last year, the company is actively developing new markets and considers the setback a temporary one.

We also heard from the Jamestown Metal Products Co., which became an employee-owned firm in 1973. The former owner—a conglomerate called AVM—was about to close the plant, forcing employees to mobilize resources fast. Within a month, however, the purchase plan was drawn up, and nearly three quarters of the company's 120 employees participated in the acquisition.

Company officials recalled their initial struggles to stay in business. Right away, the new firm was faced with a steel shortage and unrealistic pricing arrangements inherited from AVM. About $3 million of its orders, for example, had been contracted before the severe inflation of 1973. But the company weathered the unprofitable years without layoffs and began developing new product lines. Gradually business revived: sales have expanded by 55 percent since 1973 and the book value of Jamestown Metal Products stock has more than tripled.

Nationally, one of the most stunning success stories involved the South Bend Lathe Co. in South Bend, Ind. After 5 years of losing money on the plant, the conglomerate owner—Amsted Industries—was prepared to shut down. Four hundred and twenty jobs were at stake.

With the help of a low interest loan from the Commerce Department and credit from private lending institutions, the shutdown was prevented and a new 100 percent employee-owned corporation took control of South Bend Lathe in 1975. Business rebounded quickly: waste was cut, absenteeism and turnover rates declined, morale was higher than ever. In its first year, the company showed pre-tax profits of 9 percent on sales of $18 to $20 million. And profits have stayed high ever since.

In each of these cases, transition to a form of employee or employee-community ownership proved a constructive way to cope with impending plant shutdowns and save jobs. But the approach need not be limited to cases of economic emergency, and can be viewed as one aspect of a broader effort to encourage worker investment and participation in decisionmaking.

Recent research on employee-owned firms offers additional evidence of their potential to improve business performance. In a major study completed last year for the Economic Development Administration, researchers at the University of Michigan's Survey Research Center concluded that employee ownership enhances profitability by strengthening workers' motivation to do a good job. With a new financial stake in their enterprise, both workers and managers are encouraged to explore ways to increase productivity and make the business run better. In many of the cases I am familiar with, cooperative labor-management efforts to restructure the workplace, develop skills, and generally improve the quality of working life contributed heavily to success.

Significant obstacles to employee ownership remain, despite the promise of the concept. Among our witnesses at the Jamestown hearing was a panel from North Tonawanda, N.Y., which described an unsuccessful attempt by employees to purchase the International Paper Company in 1976. A key factor in this case was the willingness of the seller to negotiate seriously with the prospective employee purchasers. More often, however, the buyers simply cannot make the necessary financial arrangements in time. Technical and legal requirements may pose further complications, which employee groups cannot handle without professional assistance.

The Federal Government can clearly play a more active role. Our bill would begin on a small scale, with $100 million in loan authority. But it should establish a Federal commitment to help interested groups pursue this alternative, and provide new evidence that these ownership arrangements are good practical investments for employees and their communities.

VOLUNTARY JOB PRESERVATION AND COMMUNITY STABILIZATION ACT

(Mr. McHUGH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. McHUGH. Mr. Speaker, as Congressmen KOSTMAYER and LUNDINE have pointed out, employee and employee-community ownership of firms that would otherwise close down is becoming increasingly popular. In many cases it is a practical alternative for coping with a very real problem that many communities face in these times of economic stress, and for that reason I am pleased to join with them in reintroducing our bill.

Some may ask why this legislation is necessary. If employee and employee-community ownership has been emerging as a response to corporate divestitures in recent years, why do we need new legislation?

The answer is that employee and employee-community groups often face numerous obstacles when they seek to purchase firms that corporate managers are planning to close down or transfer. At the same time, there is no single agency within the Federal Government to which they can turn to obtain the help necessary to overcome these obstacles.

This legislation is designed to provide employees and residents of a community with the assistance they need, and to provide that assistance in a timely manner.

Mr. Speaker, transfers of ownership to

an employee or employee community group are not easily managed. As we have examined those cases where such a transfer has occurred, we have found that it took extraordinary efforts and exceptional leadership to keep the firm in operation and thus save jobs.

Moreover, for every successful case, we have found many others where employees and residents of a community have tried and failed, not because the firm could not be operated profitably but because there was no technical assistance available at the critical time or because the prospective purchasers lacked sufficient capital to purchase it.

In 1977, for example, the New York based owners of Kasanof's bakery in Boston decided to close the firm down. Although the employees were interested in purchasing the bakery and keeping it in operation, the efforts failed for a variety of reasons, including their inability to raise funds quickly enough to keep their buying option open. As a result, one of the largest employers in Boston's Roxbury section was forced to close down. Both the community and the workers were the losers.

To be sure, the Economic Development Administration has done some work in this field. However, even in those cases in which EDA loans were extended, this help was provided only as a last resort and only under special circumstances.

The fact is that EDA cannot now provide very much help to employee and employee-community groups. While it is authorized in certain cases to help the existing owners of a firm who are seeking to avoid shutting their firm down, it lacks both the mandate and the funds to help workers and community residents purchase a firm if the current owners have decided to give up. And, as my colleagues have pointed out, corporate managers often base their decisions on factors other than whether the firm could continue to operate profitably.

Our bill would offer employees and residents of a community assistance similar to that which is now provided to the existing owners in certain circumstances. As I have already suggested, that assistance is desperately needed.

For example, EDA officials have told us that they have received hundreds of inquiries regarding the possibility of its providing financial and technical support for transfers to employee and employee community groups. However, these same officials have been very frank to say that most of these inquiries have never moved beyond this initial stage because the agency lacks the mandate and the funds.

That is likely to remain the case without the enactment of this legislation. Because it has no formal mandate to do so, and lacks sufficient funds even if the mandate did exist, EDA has no plans to provide the help which employee-community groups need. This bill would enable that agency to provide basis.

By establishing a pilot program designed to provide loans and technical assistance to employee and employee-community groups, we would be helping to solve the two most serious obstacles these groups now face, namely, the need for technical assistance on how to manage such a transfer and the need for capital to purchase the plant. If not a complete answer to all of the problems these groups face, our bill provides a good starting point.

Mr. Speaker, we believe that our bill is in the best tradition of American free enterprise. It would not impose decisions from Washington upon local communities. Rather, it is designed to encourage and support voluntary local initiatives.

Our bill would not require a local community to pursue this alternative when a firm closes down. It would provide employees and residents with necessary assistance if they would like to pursue this alternative.

Our bill would not require employees and residents of a community to adopt a particular form of ownership and control. It would only aid them in making an informed choice among all of the options available to them under the laws of their State.

Finally, this bill would not require the Secretary of Commerce to provide help in cases where a transfer of ownership is not likely to be successful. It would merely give the Secretary the tools to provide such help in situations with reasonable prospects of success.

Mr. Speaker, there is increasing evidence that we cannot look to our largest corporations to provide significant numbers of new jobs for our economy. As the House Small Business Subcommittee on Antitrust, Consumers, and Employment reported last year, less than 1 percent of the new jobs created between 1969 and 1976 were generated by the 1,000 largest U.S. corporations. That is why this bill is so important. As Prof. William F. Whyte of Cornell has suggested: "It is just as important to preserve existing jobs as to create new jobs."

Given the economic impact a plant closing can have on a community and on the lives of the employees directly affected, we believe that the Federal Government has a responsibility to actively search for new approaches to preserving jobs that already exist. The achievements which my colleagues have documented suggest that this is one promising new strategy.

That is why I am so pleased that the Economic Stabilization Subcommittee of the House Banking, Finance and Urban Affairs Committee has agreed to hold hearings on our bill. Its interest, and the support of the members who have cosponsored our bill in the past, is very encouraging.

At this point, Mr. Speaker, I would like to insert into the RECORD a section-by-section analysis of our bill.

The section-by-section analysis follows:

SECTION-BY-SECTION ANALYSIS

SECTION 1

Short title: "Voluntary Job Preservation and Community Stabilization Act."

SECTION 2

Declaration

(1) Unemployment is a serious problem that causes grave economic loss and social suffering to individuals, their families, communities, and the nation.

(2) Federal initiatives to reduce unemployment should be multi-faceted, not limited to temporary compensation nor to expensive job training programs.

(3) Experience and research have shown that in some cases employee or employee-community purchase of industrial, manufacturing, business, and agricultural concerns that would otherwise close down can save jobs, maintain viable economic enterprises, and strengthen the local economy.

(4) However, these groups face numerous obstacles in purchasing such concerns at the present time.

SECTION 3

Purposes

(1) To save jobs and stabilize communities by facilitating employee or employee-community purchase of concerns that would otherwise close down or relocate.

(2) To support the local tax base by maintaining viable concerns through federal loans and technical assistance.

(3) To test an alternative to unemployment insurance (and other methods of dealing with unemployment).

SECTION 4

Definitions

(Self-explanatory for the most part.)

SECTION 5

Federal assistance

(a) Existing EDA regional offices, working in cooperation with appropriate state and local agencies, will identify firms in danger of closing down or relocating.

(b) In those cases where firms may be able to be kept in operation profitably, EDA will furnish information about this program to employees and the local community.

(c)(1) Loans for technical assistance, start-up and operating costs will be provided to employee or employee-community organizations that have had an application for funds approved (as provided for under Section 6).

(c)(2) An organization made up of employees and community residents who wish to apply for a loan to purchase a plant that is about to shut down must meet the following requirements:

(A) Incorporate under the laws of the State in which the plant is located.

(B) Certify that a form of ownership has been adopted by the members of the organization after full consideration of their alternatives under state law.

(C) Certify that the organization allows for the inclusion of new employees in ownership and participation, and provides a method of disposing of stock if there is no longer an association with the concern, guaranteeing the organization the right of first refusal.

(D) Agree to serve as the administrative agent of the federal government for collecting loans and interest payments from employee members of the organization through a system of wage deductions acceptable to the Secretary.

(d) EDA will make loans to the employees of the organization that has an application approved so that they can acquire stock in the concern. First, employees must make a good-faith effort to secure the loan from financial institutions in the community and must agree in writing to allow the organization to serve as administrative agent of the federal government for collecting the loans through a system of wage deductions. No loan to an employee shall be for longer than ten years or for more than $15,000, and no loan will be forgiven.

SECTION 6

Applications

(1) An employee or employee-community organization that wishes to purchase a concern that would otherwise close down may

apply to the Secretary of Commerce for loans and technical assistance provided for under this Act.

(2) The Secretary, acting through EDA, will conduct a feasibility study within 60 days after receiving an application to determine whether reasonable grounds exist to expect that the proposed transfer would be successful.

(3) If the feasibility study is positive, the Secretary may make loans for technical assistance, start-up and operating costs to the organization. The rate of interest to be charged on such loans shall be no greater than the prevailing rate within the community, and there shall be no forgiveness on such loans.

(4) Loans to employee members of employee or employee-community organizations to allow them to purchase stock in the new concern (as provided for under Section 5) shall also be made at this time.

SECTION 7

Waiver of Securities Act of 1933

This section allows the Secretary of Commerce to exempt employee or employee-community organizations from select provisions of the Securities Act of 1933 to facilitate the purchase of the plant.

SECTION 8

Coordination of Federal programs

This section provides that the Economic Development Administration, the Small Business Administration, and the Department of Housing and Urban Development shall give priority in making loans to organizations receiving assistance under the Act.

SECTION 9

Report

EDA will evaluate the success or failure of the program and report to Congress at the end of three years and again after seven years.

SECTION 10

Authorization for appropriations

Appropriations are authorized for seven years. For the first year the authorization level will be approximately $100 million. Each succeeding year the amount may be increased by ten percent over the previous year.

FOOD STAMP PROGRAM

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, this past Tuesday I mentioned and brought out to the House the problem facing our senior citizens and our disabled people in this country under the food stamp program. This program on March 1 is going to be radically altered to a point that is going to make it nearly impossible for many of our seniors to survive in this year ahead.

I am going to give another example today of a senior citizen who happens to be a diabetic 79 years old. Her total income is $250 a month. Out of that income, she pays $156 rent, $34 for utilities and $10 for phone bills. She has been receiving $34 a month in food stamps, which is certainly not a tremendous amount. Starting on March 1 her food stamps will be reduced to $10 a month.

Mr. Speaker, we can address this problem by eliminating the $80 ceiling on rent that can be deducted and keep the deduction at the same level it is today. We are going to have well over 1 million people in this country badly affected by the change on March 1.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair announces that, pursuant to the provisions of clause 9(a), rule I, closed circuit viewing of House floor proceedings will resume effective Monday, February 19, 1979.

The Chair would stress that under clause 9, rule I, the closed circuit system to Members' offices is for viewing purposes in Members' offices only, and is not to be utilized for commercial or political purposes. The Chair requests the cooperation of all persons concerned to assure that the dignity and integrity of the proceedings of the House are upheld.

The Chair's Informal Advisory Committee has informed the Chair that a system for complete and unedited audio and visual broadcasting and recording of House proceedings will be available beginning in early March. The Chair will announce his full implementation of that system in the near future.

APPOINTMENT AS MEMBERS OF BOARD OF DIRECTORS OF GALLAUDET COLLEGE

The SPEAKER. Pursuant to the provisions of section 5, Public Law 420, 83d Congress, as amended, the Chair appoints as members of the Board of Directors of Gallaudet College the following Members on the part of the House:

Mr. BONIOR of Michigan and Mr. BUCHANAN of Alabama.

APPOINTMENT AS MEMBERS OF THE FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

The SPEAKER. Pursuant to the provisions of section 1, Public Law 372, 84th Congress, as amended, the Chair appoints as members of the Franklin Delano Roosevelt Memorial Commission the following Members on the part of the House:

Mr. MURPHY of New York;
Mr. HOWARD of New Jersey;
Mr. FISH of New York; and
Mr. GREEN of New York.

ALL-VOLUNTEER FORCE

(Mr. BOB WILSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOB WILSON. Mr. Speaker, during our initial deliberations on the 1980 budget, one concern which has already come to the fore in the defense arena is the all-volunteer force—its costs, success to date, and prospects for the critical years ahead. Like many other Members, I am still in the process of digesting the Defense Department's massive tome on the AVF issued at the end of 1978 and of analyzing the many conflicting reports and predictions currently being generated with respect to the future of our Nation's military manpower. We are again approaching a crossroads in terms of a volunteer or conscripted military force, as well as some type of required "national" service, and I feel it is important that we air and debate a wide variety of alternatives.

Aside from the obvious question of how we will obtain a sufficient quantity and quality of young men and women to meet the requirements of our Armed Forces in the 1980's, 1990's, and the 21st century, there is an even more immediate question—how do we retain those high-caliber personnel already on board who, for a variety of reasons, are abandoning military careers.

In his January 5, 1979, report to the House Armed Services Committee, the Secretary of the Navy advised that the Navy is currently short about 17,000 skilled petty officers with 9 to 16 years of service. Aside from the critical gap in leadership this causes, these petty officers are also the backbone of the Navy's technical proficiency. Unfortunately, the Navy is by no means the only service which has been faced with a substantial downturn in reenlistments—both first-term and subsequent.

Those we are losing are often the individuals in the most highly skilled occupations in whom we have invested months and generally years of training. Obviously, the reasons are myriad. One primary factor is the competition from the civilian job market. The problem, however, transcends just the opportunity for a better-paying job.

From my conversations with young men and women in the services, I find considerable skepticism relative to the Government's ability and determination to meet its commitments to them in terms of pay, retirement, medical care, and so forth. My purpose today is not to discuss at length the "benefits erosion question," but rather to indicate the general malaise which seems to pervade much of the force, with a predictable impact on retention.

I also find that personnel leaving the service cite—with increasing frequency—the fact that they face a cutoff of their Vietnam-era GI bill educational benefits in the not too distant future. They want to assure they have at least the opportunity of using the educational entitlement provided for their battlefield colleagues who did not choose to make a career in the military service of their country.

My feedback from conversation and correspondence is apparently not an isolated observation. In her report to the Senate Armed Services Committee, incorporated in the Defense Department's AVF report, Assistant Secretary of the Air Force Antonia Chayes noted:

> The 31 December 1989 termination date for the old G.I. Bill works at cross-purposes with our retention goals which will, in turn, generate increased recruiting requirements.

In expressing Department of the Navy views on AVF alternatives, Bernard Rostker, Principal Deputy to the Assistant Secretary for Manpower and Reserve Affairs, cited the need to eliminate "legislative incentives to separate," specifically the December 31, 1989, cutoff date for use of Vietnam-era educational benefits:

> This legislation [P.L. 94-502] provides a strong incentive for experienced careerists to leave the service in order to take advantage of previously earned educational benefits.

This "negative bonus" can be eliminated at minimal costs by extending eligibility for benefits for a minimum five years from the member's date of separation from active duty.

I am, therefore, today introducing legislation which would give military personnel entitled to educational benefits under the pre-1976 GI bill a period of 6 years from their release from active duty in which to use their educational benefits entitlement, even if they leave the service after the December 31, 1989, termination of the Vietnam-era program. With 6 years, the individual will have an opportunity to use his or her full 45-months of education and will have approximately a year's "grace period" in which to get relocated, attend to family problems, establish or shore up finances, and so forth. The 6-year time limitation does not extend the program for an inordinate period of time for the Government, but it does give the individual some degree of flexibility for unanticipated crises and financial obligations.

Why extend the program now—1989 is a decade away? As previously noted, rates for both first-term and subsequent reenlistments are already plummeting. As we enter the early 1980's, that trend can be expected to escalate rapidly. If Congress waits until 1988 or 1989, it will, frankly, be too late. Ironically, those individuals who will leave in order to use their educational benefits will be the most highly motivated and the best trained—in other words, the cream of our midcareer force.

I urge my congressional colleagues to look at this retention disincentive in 1979, while there is still time to correct a major part of the damage. A decade from now will be too little, too late, and we will all be the losers for it.

□ 1110

THE PRESIDENT'S FAILURE IN IRAN

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, on the last day of 1977, President Carter toasted the Shah of Iran at a New Year's Eve celebration. The President praised the Shah's "great leadership," called Iran "an island of stability," and referred to the "respect and admiration and love which our people give to you."

Little more than 13 months have passed since the President spoke those words. The Shah has fled from Iran and a new, anti-American government is now in power. Everywhere I go the questions come fast and furiously. What gives—where is this administration taking us?

The administration's handling of foreign affairs is so inept, so incompetent, so totally lacking in consistency or direction that it has now become dangerous to our national security.

CRISIS IN IRAN

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, I feel a deep sense of outrage at the events which took place at the American Embassy in Iran yesterday. The inept handling of this situation from the first rumblings of revolution to the sacking of our Embassy is a severe, personal blow to the American people.

Congress and the American people are experiencing a combination of consternation and outrage over this latest indignity. We have every right to know why this situation has been permitted to deteriorate, and why our Government failed to prepare itself for these contingencies. I ask Mr. Speaker:

Why was our Embassy in Iran not more heavily guarded, in view of the threat which has obviously existed for several months?

Where were our Marine reinforcements?

What was happened to our expensive intelligence-gathering apparatus?

This "Valentines Day Massacre" touches me, personally, with the cold-blooded wounding of Sergeant Kraus of Lansdale, Pa., after being ordered to surrender by the Ambassador, Sergeant Kraus was disarmed, knocked to the ground, and shot at point-blank range with his own weapon.

How can we ask young Americans, like Sergeant Kraus, to serve our country without support and with indecisive leadership? How many more young men, like Sergeant Kraus, will be sacrificed on the altar of the administration's inept foreign policy?

INFLATION—THE OVERRIDING CONCERN OF ALL AMERICANS

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, today the overriding concern of all Americans is the inflation with which they have been forced to live. In recent years concern about inflation has been transformed into fear. If we, as their representatives, do not do something quickly to stop this destructive process, this fear will turn to panic.

Not one Member of this House publicly endorses inflation as a proper economic policy. We all denounce the evil that it brings, and yet the inflation continues at an unprecedented rate.

If all our colleagues are well intended, as I sincerely believe, why are we so unsuccessful in providing an economy with falling or stable prices?

I would like to suggest to you and to my colleagues that perhaps the conventional definition of inflation is incorrect. If it could be shown that our basic assumption about the cause of inflation is wrong, it would help us to understand why the concerted efforts of Republicans, Democrats, liberals, and conservatives, have failed so miserably in the past 10 years, in accomplishing anything whatsoever in restraining the destructive forces of inflation.

THE 61ST ANNIVERSARY OF DECLARATION OF INDEPENDENCE OF LITHUANIA

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, I want to join my colleague from Illinois (Mr. ANNUNZIO) in welcoming here today as the Chaplain of the House Father Ziuraitis, and to indicate that I intend to participate in the special order which the gentleman from Illinois has taken today in commemorating the 61st anniversary of the Declaration of Independence of the nation of Lithuania.

We all know that the Lithuanians, Latvians, and Estonians, have been suppressed and oppressed—by the Soviet Union. It is heartening that these people continue to preserve their great heritage and culture, and to express their aspirations, hopes and prayers for a restoration of freedom and independence for their beloved Lithuania and for the other Baltic nations of Lithuania, Latvia, and Estonia.

SIXTY-FIRST ANNIVERSARY OF INDEPENDENT LITHUANIA

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, tomorrow, February 16, 1979, is the 61st anniversary of the establishment of an independent state of Lithuania. Lithuanians throughout the world—including a large number of Lithuanian-Americans—remember this date as a milestone in their nation's struggle for independence and self-determination. The democratic state of Lithuania, which adopted a constitution preserving freedom of the individual, was short-lived, however, for in 1940 it was invaded by the Soviet Union and declared a constituent republic of the U.S.S.R. This was carried out despite the explicit provisions of the 1920 peace treaty signed by the Soviets recognizing Lithuania as a free and independent state, and renouncing any rights of sovereignty over it.

The past 39 years of Soviet domination have not wiped out the spirit of the freedom-loving people of Lithuania. The Helsinki accord of 1975, signed by the Soviet Union, guaranteed them certain rights, and on this 61st anniversary of the founding of their republic we must renew our faith that these rights and pledges will some day be honored.

A CONTINENTAL DOLLAR

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COLLINS of Texas. Mr. Speaker, when I was a boy, I frequently heard the expression "as sound as a dollar." If you were in good health, they would say you were "sound as a dollar."

Today we all know the dollar is sick, but America and Congress seem to lack the courage to face the facts.

I recently read an interesting speech made by Ira E. Corn, Jr., of Dallas who is a noted American historian, economist, and successful businessman. He spoke concerning the similarities between 1978 and 1778 with particular reference to the experience of the Continental dollar.

Do you remember how the Continental dollar dropped to where it was eventually redeemed for only 1 penny on a bond to take care of a dollar of paper money? The dollar dropped from 100 to 1.

Corn's conclusion is the country must face up to its responsibility of taxation to have a balanced economy. I agree completely with the balanced budget and sound economy with Government spending. However, the answer is to reduce spending, as we have too much excessive taxation already on our backs. Back in 1961 we were spending less than $100 billion. This year we will probably see Congress spend $500 billion.

The courage and perseverance of our forefathers in winning our battle for independence is an inspiration. But at that same time they learned a lesson about a loosely handled dollar. The U.S. experience with the dollar is a factual history of 1778. Now as we look at 1978 we see where we stand, and we are heading into 1979 and 1980.

With 42 cents out of every dollar going to taxes today, the way to strengthen the dollar is not to raise taxes. We need to cut down on excessive Government spending that is going beyond the 42 cents expenditure.

Let me give you some of the highlights of the Continental dollar experience that Corn discovered as he compared 1778 to 1978.

Not the First Time—1778 vs. 1978

In 1778, General George Washington faced an invading army to his front while behind him an impotent and fractured government staggered from crisis to crisis, refusing to face up to realities and putting off the inevitable day of fiscal and monetary reckoning. Facing his own realities as well as incredible obstacles forced George Washington to become the greatest fund-raiser in history.

And the results—rampant inflation—almost destroyed Washington's army and the new nation it represented.

We tend to think that only in the Sixties and Seventies of *this* century have Americans "lost their way," discovered self-doubt and found their government unable to cope with economic, political and military dilemmas. Events each day provide educational—and chilling—parallels to the struggles unfolding 200 years ago when our infant American Republic fought to be born and to survive. And today, our central government exercises powers that the Continental Congress of 1778 would hardly have dreamed of, nor even considered seeking.

Yet, today's government, likewise seems to stagger from crisis to crisis, unable to deal with political, economic and military dilemmas facing us at home and around the world, unwilling to face realities, and incapable of coping with its own inabilities. Let's look at some of the events of 1775–1781 and look for today's parallels.

It was in 1778 that the Continental Congress began to wake up to the disaster caused by unsupported paper money and the attempts to control price rises. Sheer knowledge by the public of the facts—in both 1778 and in 1978—explains the results.

The First Continental Congress has dissolved itself after a brief session ending October 22, 1774, without taking any practical steps to prosecute the approaching American Revolution. Congress had issued its "Declarations and Resolves" setting forth rights claimed by the Colonists and petitioning for their inherent rights as English subjects of the British Crown and also for redress of grievances listed. Most hoped for reconciliation.

Instead, hopes faded as Parliament refused even to receive Colonial emissaries. British troops increased military activities in New England, and on April 19, 1775, General Gage sent his Redcoats from Boston to seize the Colonists' munitions at Concord, leading to the "shot heard 'round the world" and the Battles of Lexington and Concord.

Some of the delegates to the Second Continental Congress already were en route to Philadelphia. Officially, that new body opened its deliberations there on May 10, 1775. Most members of the First Congress returned. Noteworthy additions included Benjamin Franklin and Thomas Jefferson.

The Second Congress also had no authority to levy taxes and even refused to debate whether Congress should seek powers to tax in support of the national defense effort. Its delegates knew that the 13 colonies' legislatures were strongly against giving taxing authority to the Continental Congress.

While the British occupation tightened in New England, the Second Continental Congress unanimously named George Washington as Commander-in-Chief on June 15, 1775. Although most of the initial military action involved the New England militia, Washington, a Virginian, was elected without opposition.

Washington proved to be the right man at the right time for the job. He retained the trust and confidence of his soldiers throughout their ordeals, which he shared with them. He effectively exhorted, cajoled, and otherwise inspired and pressured both his troops and the Congress to achieve the essentials for victory. He became almost a "beggar"—if a brilliant one—on behalf of his troops and the cause of independence.

Washington also wrote to John Hancock, then President of the Congress, seeking aid for the troops:

"Being only provided for a summer's campaign, their clothes, shoes, and blankets will soon be unfit for the change of weather which we every day feel. At present we have no tents for more than two-thirds—many of them old and worn-out; but if we had a plentiful supply, the season will not admit of continuing in them long. The case of our sick is also worthy of much consideration. Their number, in the returns, forms at least one forth of the army. Policy and humanity require they should be as comfortable as possible."

Congress knew it had to act, taking the only practical measure open—one for which it had no authority whatever: It began to issue paper currency.

Congress' initial issue of "Continentals" was to have been for $2 million, but another $1 million was authorized even before it had been accomplished.

Estimates of the sums issued by years:

1775	6,000,000
1776	19,000,000
1777	13,000,000
1778	63,500,300
1779	90,052,380

Wiser heads attempted to stop the escalation. Benjamin Franklin said, "After the first emission I proposed that we should stop, strike no more, but borrow on interest those we had issued. This was not then approved of and more bills were issued."

Pork rose from 4 cents to 8 cents per pound. By November, 1777, commodity prices were 480 percent above the pre-war average. The Pennsylvania Legislature decided to try a "period of price control, limited to domestic commodities essential for the use of the Army."

Quickly, the controlled items, the most essential, became unavailable; prices for uncontrolled goods shot sky high. Congress recommended that regional conventions be held to set prices for particular areas. New England and the middle states held such conventions, but the states south of Maryland did not.

States passed laws to counteract growing refusal to accept Continentals in payment at controlled prices. The same goods would sell when paid for in specie (hard money). Pennsylvania provided penalties—up to banishment—for refusal to accept Continentals.

In February, 1778, the Pennsylvania Assembly appointed commissioners "in every city of the state with full power to purchase or to seize, at stated prices, all provisions necessary for the army." But appeals to patriotism, accompanied by increasing threats of more force, failed to bring out the necessary provisions. The farmers would not trade the fruits of their hard labors for paper money which bought less and less.

As the market broke down under refusals to give up goods for paper of ever-declining acceptance, military forces had to intensify impressment from the surrounding populace.

The self-defeating policy of attempting price controls was abandoned. By June of 1778, the act of "regulating the several articles on the price lists" was wholly suspended. After that date the military commissary agents were instructed "to give the current price . . . let it be what it may, rather than the army should suffer . . . and the intended expedition be retarded for want of it."

Of course, the end of price regulations did not halt inflation. Neither had the regulations. And Congress continued to refuse to consider the only effective action: acquiring—and using—the power to tax.

Each year that passed with Congress refusing to seek authority to collect taxes resulted in further sharp declines in the value of its paper currency.

While the Declaration of Independence was adopted early in July, 1776, the Articles of Confederation proposed at the same time were not adopted by Congress until November 15, 1777, and not ratified by the States until later (March 1, 1781).

While confidence and morale had been rising as a result of early skirmishes, such as Lexington, Concord, Bunker Hill, and others, plus the Declaration of Independence, Congress could do nothing to sustain the euphoria. The smashing victory over Burgoyne in late 1777 had no effect on the declining value of the Continental. And the states would not permit effective action.

The troops in the field suffered most of the consequences. The poverty suffered by Washington's troops should not be attributed to any general conditions in the American colonies during this period of relative prosperity, of no droughts, and no crop failures. More than 80 percent of the economy was agrarian. Industry, though small, was booming with the population growing rapidly.

All the fighting took place along the sea coasts, affecting less than 15 percent of the inhabitants. The other 85 percent, in effect, got a free ride. They paid no national taxes and few local ones. The cost was borne by the soldiers and those citizens forced to take the paper currency, which turned out to be "not worth a Continental"—a term used for 150 years thereafter to describe a person or object considered worthless.

By January, 1777, the Continental's value in relation to specie was down 33 percent; in January 1778 it was down 75 percent, and in January 1779 it had dropped to 90 percent below face value. Then it went down "like a collapsed balloon," as historian George Trevelyan wrote.

"In June of that year $50 were paid in Philadelphia for two pairs of shoes, and $60 for two silk handkerchiefs. Fish-hooks, in that piscatorial city, cost half a dollar apiece. In October 1780 beef sold in Boston for $10 a pound, and butter for $12. Samuel Adams, who was not a dressy man, paid $2,000 for a hat and a suit of clothes."

Despite partial redemption and retirement after 1779, and despite efforts to enforce laws on the acceptance of the currency at par value, Continental currency collapsed in May, 1781; two months later, only hard money was used in the market. Under the funding act of 1790 the old Continental issues were accepted at the rate of 100 to 1 in U.S. bonds.

Today's similarities become obvious. Congress, although possessing the power to tax to fully support the dollar, refuses to do so. Although the American people lost the right to own gold for use as money in 1933, the nominal backing of the dollar with gold owned by the government was continued, at least on a percentage basis.

In 1968 Congress eliminated the final requirement of 25 percent gold backing on March 19, 1968. On March 17, 1968, a two-tier price system was established, by which the U.S. and six western European nations agreed in Washington to stop buying and selling gold in the international markets, retaining an "official" monetary price of $35 per ounce but leaving the private market price to fluctuate according to supply and demand.

The dollar printed today by the U.S. Government has finally become the same kind of dollar that was printed by the Continental Congress, purely paper currency. As a result, we have dollars thought to be not so good chasing tremendous numbers of goods—goods with well-recognized value.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. PANETTA) laid before the House the following communication from the Clerk of the House of Representatives:

FEBRUARY 14, 1979.

Hon. THOMAS P. O'NEILL, JR.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 1:22 p.m. on Wednesday, February 14, 1979, and said to contain a message from the President wherein he transmits the Sixth Special Message for Fiscal Year 1979 under the Impoundment Control Act of 1974.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

SIXTH SPECIAL MESSAGE FOR FISCAL YEAR 1979 UNDER THE IMPOUNDMENT CONTROL ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-56)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report revisions to three previously transmitted deferrals increasing the amount deferred by $33.8 million. These revisions to existing deferrals involve programs in the Departments of Transportation and the Treasury and the International Communication Agency.

The details of the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *February 14, 1979.*

LEGISLATIVE PROGRAM FOR WEEK OF FEBRUARY 19, 1979

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I have taken this time for the purpose of inquiring of the distinguished majority whip the program for the balance of this week and next week.

Mr. BRADEMAS. If my friend the gentleman from Illinois, the distinguished minority whip (Mr. MICHEL) will yield, the program for the week of February 19, 1979, is as follows:

On Monday, the House meets at noon. There is no legislative business but there will be the reading of Washington's Farewell Address.

On Tuesday, the House is not in session.

On Wednesday the House meets at 3 p.m. to consider a series of 10 House administration funding resolutions for House committees.

On Thursday, February 22, the House meets at 11 a.m. to consider House Concurrent Resolution 3, our Merchant Marine March.

On Friday, February 23, the House is not in session.

The House will adjourn by 5:30 p.m. on Thursday.

Any further program will be announced later.

□ 1120

Mr. MICHEL. Might I make this inquiry: I see no reference to the debt ceiling legislation which will have to be considered here quite soon.

Can the gentleman enlighten me on that subject?

Mr. BRADEMAS. If the gentleman will yield further, that measure will be taken up either Tuesday, February 27, or Wednesday, February 28, under the present plan of the leadership.

Mr. MICHEL. Mr. Speaker, I thank the gentleman from Indiana.

Mr. BRADEMAS. I thank the gentleman from Illinois, Mr. Speaker.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY COMMITTEE ON FOREIGN AFFAIRS

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96-12) on the resolution (H. Res. 98) to provide for the expenses of investigations and studies to be conducted by the committee on Foreign Affairs, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY COMMITTEE ON ARMED SERVICES

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96-5) on the resolution (H. Res. 60) to provide for the expenses of investigations and studies to be conducted by the Committee on Armed Services, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY PERMANENT SELECT COMMITTEE ON INTELLIGENCE

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96-11) on the resolution (H. Res. 96) to provide for the expenses of investigations and studies to be conducted by the House Permanent Select Committee on Intelligence, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY COMMITTEE ON VETERANS' AFFAIRS

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96-3) on the resolution (H. Res. 35) to provide for the expenses of investigations and studies to be conducted by the Committee on Veterans' Affairs, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY COMMITTEE ON EDUCATION AND LABOR

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96-10) on the resolution (H. Res. 92) to provide for the expenses of investigations and studies to be conducted by the Committee on Education and Labor, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96-6) on the resolution (H. Res. 85) to provide for the expenses of the investigations and studies to be conducted by the Committee on Banking, Finance and Urban Affairs, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR FUTHER EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON SMALL BUSINESS

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–4) on the resolution (H. Res. 45) to provide funds for the further expenses of the investigation and studies of the Committee on Small Business, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY COMMITTEE ON WAYS AND MEANS

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–8) on the resolution (H. Res. 88) to provide for the expenses of investigations and studies to be conducted by the Committee on Ways and Means, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY COMMITTEE ON HOUSE ADMINISTRATION

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–7) on the resolution (H. Res. 87) to provide for the expenses of investigations and studies to be conducted by the Committee on House Administration, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–9) on the resolution (H. Res. 91) to provide for the expenses of investigations and studies to be conducted by the Committee on Public Works and Transportation, which was referred to the House Calendar and ordered to be printed.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday of next week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ADJOURNMENT TO MONDAY, FEBRUARY 19, 1979, AND ADJOURNMENT FROM MONDAY NEXT TO WEDNESDAY, FEBRUARY 21, 1979

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next, and that when the House adjourns on Monday next, it adjourn to meet at 3 p.m. on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

□ 1125

CONGRATULATIONS TO PEOPLE OF LITHUANIA ON THEIR 61ST ANNIVERSARY

(Mr. STRATTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. STRATTON. Mr. Speaker, once again I am delighted to join today with my colleagues and with people throughout the world to commemorate tomorrow February 16 as the anniversary of the Independence Day of Lithuania.

Since 1940, this small Baltic nation has been dominated by the Soviet Union, after Hitler and Stalin struck a pact that sold into bondage the free nations of Lithuania, Latvia, and Estonia, to say nothing of the people of Poland.

To move for Lithuanian independence from Russia actually began back in the 1880's. Finally, after years of struggle and with the defeat of Tsarist Russia, Lithuania declared her independence on February 16, 1918.

The next 20 years saw a great cultural revival in Lithuania. Literature, music, and dancing flourished throughout the nation. But this free and good life for Lithuania was not long to be, and cannot really come again until Soviet control over this separate country has been relinquished.

As a point of law, the Soviet Union really has no right to control Lithuania. The Soviets actually signed a treaty with Lithuania on July 12, 1920, and in that treaty renounced all claims to Lithuania. To quote from the treaty, the Soviet Union agreed without any reservation the sovereignty and independence of the state of Lithuania, were recognized and, furthermore, all territorial claims to Lithuania were "voluntarily and forever renounced." Another promise broken.

Free people everywhere should always remember the sacrifices Lithuania has made that she might secure liberty. In the years 1940 to 1952 more than 30,000 freedom fighters lost their lives on the plain of battle with Soviet warlords. All these brave people sought was that they and their children's children might be able to live in a land of freedom and not a land of serfdom.

Reminiscent of the Nazi persecution of the Jewish people, some 350,000 Lithuanians, we are told, have been sent to labor camps in Siberia, because of their desire for freedom and independence.

Yet even today the struggle for Lithuanian independence continues. It continues in large part, because Lithuania is a nation whose belief in God Almighty has never been shaken.

In 1972 more than 17,000 Lithuanians petitioned the United Nations for the restoration of religious freedom. The people of Lithuania continue to attend their churches despite all the obstacles the Russians have placed in the path of simple worship.

Despite Soviet rules forbidding religious instruction, religious publications, charity work, the ordination of new clerics to replace the old, and discouraging church attendance, Lithuania is still clearly a Christian nation.

I am proud that last August I was honored for my efforts on behalf of the cause of Lithuanian freedom, by being given the Father John C. Jutt Friend of Lithuania Award by the Knights of Lithuania. So once again I reaffirm my dedication to the cause of Lithuanian freedom, and call upon my colleagues in the House, and on all Americans, to reaffirm their own commitments to hasten the day when the land and people of Lithuania shall once again bask in the sunshine of liberty.

LITHUANIAN INDEPENDENCE DAY

The SPEAKER pro tempore (Mr. Panetta). Under a previous order of the House, the gentleman from New York (Mr. Weiss) is recognized for 60 minutes.

Mr. WEISS. Mr. Speaker, at this time I would like to yield to my distinguished colleague, the gentleman from Illinois (Mr. Annunzio).

□ 1130

A TRIBUTE TO ARCHBISHOP OSCAR ROMERO OF EL SALVADOR AS A NOMINEE FOR THE NOBEL PEACE PRIZE

The SPEAKER pro tempore (Mr. Panetta). Under a previous order of the House, the gentleman from New York (Mr. Weiss) is recognized for 60 minutes.

Mr. WEISS. Mr. Speaker, I would like to commend and applaud my distinguished colleague, Mr. Drinan, for the leadership he has taken in bringing the work of Archbishop Oscar Arnulfo Romero y Galdames—or as he is simply known Archbishop Oscar Romero—of El Salvador to the attention of the Congress. Congressman Drinan ventured into El Salvador in 1977 as part of a fact finding mission on the human rights practices of El Salvador. Through the work of Congressman Drinan, 21 of our colleagues joined us in signing a letter to the Nobel Peace Prize Committee nominating the archbishop for the Nobel's cherished prize for peace activism. I am delighted to be given this special time on the House floor to discuss this important nomination for the 1979 prize awards.

Archbishop Oscar Romero, a telegraph operator's son, has risen from the anonymity of an obscure diocese in the interior of El Salvador to worldwide renown. The 60-year-old Catholic leader has stood up in the face of some 40 years of repression and violence in El Salvador to rally nonviolent peasant revolt.

The year 1931 was when the last free election occurred in this tiny Latin American country. At that time a liberal reform oriented leader came to power and promised to share the land with the people. This was too much for the powerful elite—now only 1.9 percent of the population; but owning almost 60 percent of all the lands—and they enlisted the support of the military to oust the reformists and institute the repressive practices which have come to dominate El Salvador today.

In 1968 the Catholic Church began publicly to ally itself with the rural peasants and developed what is becoming known today as "liberation theology"—wedding the moral power of the church to the social goals of the populous. From 1974 to 1976 Luis Chavez was archbishop and attempted to follow liberation theological practice by issuing a number of pastoral letters protesting violations of human rights within El Salvador. But as a reaction to this progressive move the wealthy elite again summoned the repressive force of the military and Archbishop Chavez was ousted. At this point the mild-mannered Oscar Romero, who many regarded as a spiritualist rather than an activist, was appointed in hopes that the church would be seen and not heard.

But immediately Archbishop Romero sent a signal that this would not be the case. He began a campaign for the welfare of the peasants. He refused to attend the inauguration of President Humberto Romero (no relation to him) who was installed as the new dictator in July 1978.

Soon after Archbishop Romero's appointment in February 1977, two grotesque executions took place. First Father Rutilo Grande, a popular priest, along with two of his parishioners were mercilessly submachine-gunned down. He was on his way to support a protest by workers of the unfair contracts which bound them to the rich private landowners. Then in May 1977, Father Alfonso Navarro and a teenaged boy were shot while talking in a parish house in San Salvador.

Archbishop Romero's reaction was swift and decisive to these horrendous murders—he closed all Catholic schools and colleges for 3 days and held a special mass in front of the National Cathedral in the major city of San Salvador. One hundred thousand people attended this important mass. For the peasants the Catholic Church, under Archbishop Romero's leadership, was a vehicle to express their opposition to the repressive Romero regime.

In order to negate the impact of the Catholic Church the Romero regime has resorted to the most deplorable tactics. President Romero and the national press has labled members of the activist church subversives or Communists. The current government has tacitly if not openly given support to right wing paramilitary or vigilante groups—most notably ORDEN—which carry out the horrible executions like those I just described as well as abducted peasants who express discontent with Romero and his regime.

In the face of this violence and terrorism Archbishop Romero has always counseled his followers to be nonviolent. He rejects violence and refuses to endorse armed revolt. He has risked his own life in criticizing the Romero regime and protesting to the world the regime's heavy-handed tactics. He set up his own permanent human rights monitoring committee and prompted the Organization of American States (OAS) to make two onsite inspections of human rights conditions. The report of OAS is anticipated very soon.

The conditions that prevail in El Salvador are not too different than other Latin American governments where the wealthy elites are teamed up with a repressive military junta. Guatemala, Chile, Argentina are three countries that come to mind. I wrote President Carter last year protesting the conditions in Guatemala where a violent assassination squad much like ORDEN has free reign—the ruling junta refusing to take decisive action.

The struggle of the people of El Salvador and the courageous determination of Archbishop Oscar Romero has not received enough attention in our country, or for that matter the world. This inattention in itself may facilitate the kind of radical abuse of human rights which we see today. Inhumanity and terror predominate the social atmosphere as a result.

Amnesty International, the Nobel Peace Prize winning human rights monitoring group, reports that the wealthy ruling elite of El Salvador exports cash crops abroad while 73 percent of Salvadorean children under 5 years old suffer from malnutrition.

This is totally unacceptable and we must encourage and promote respect in El Salvador with all our diplomatic and economic resources for human rights.

Archbishop Romero deserves global recognition for his responsible leadership. Similar to Martin Luther King—as the Times of London stated—Archbishop Romero has stood for peace and justice through nonviolence. That is why 118 Members of the British Parliament and 23 Members of the House have nominated him for the Nobel Peace Prize in 1979.

The material follows:

[From the Washington Post Magazine, Sept. 10, 1978]

FROM HERE TO ETERNITY—HOW A PRIEST-CONGRESSMAN AND THE PRESIDENT OF GEORGETOWN UNIVERSITY HAVE TRIED TO STOP MURDER, BUT NOT NECESSARILY REVOLUTION, IN TINY EL SALVADOR

(By Georgie Anne Geyer)

On Feb. 14, 1977, a scene as strange as any from the 12th century was acted out in the cathedral of San Salvador in Central America.

The cathedral, a vast and empty barn of a place with none of the gilt and marble of the Old World, was jammed with nearly 10,000 crying, singing, chanting, stricken people. The building, thrusting eight empty but vigorous stories toward heaven, had been left deliberately unfinished to symbolize the church's dedication not to its own glory but to the suffering of the people.

The seething masses seemed to sense that. Intently and passionately, they clung from balconies, from stairways and from rafters.

In the minds of many were the killings—the murders of two priests, the killing of so many peasants in the countryside. And in many minds, there were thoughts of all those who had been exiled.

As he was about to award a great honor to Salvador's unimposing Archbishop Oscar Romero, Georgetown University's President Timothy Healy that day had other thoughts.

"The wonder of it is that the archbishop survives," Father Healy remembered thinking afterwards. "Against him is arrayed every force in Salvador. There is literally nothing that prevents the blow of the fool who would strike him down."

That was why Healy, a glib, robust priest with an amiable, cultured face, had come to El Salvador's capital city to give the little, dark-skinned archbishop an honorary degree from Georgetown. He was trying to prevent the "blow of the fool." He was trying to focus the center of power in the world, Washington, D.C., and the power of one of the greatest Jesuit universities of the world, to help a simple parish priest who, to be honest about it, had attracted no attention at all before being named archbishop of the Latin nation's 4.2 million people.

The ceremony was as simple as it was imposing. In his praise of the middle-aged man who is a hero to many Salvadoreans and as likely a candidate for martyrdom as Thomas Becket in the 12th century, Father Healy began, "It is seldom easy for us to understand what God 'needs,' what he asks of those men and women on whose shoulders he lays the weight of His Church. He gives us hints, and probably the principal hints are the time and place where he puts us.

"In North America," Healy went on, "the nation precedes the church in time and in our people's consciousness. For us, the greater risk is that civil religion blocks out revelation. But in both our nations, balance is everything. Ideally, the claims of politics and faith are complementary. In the practical world of limited men, with limited vision and limited resources, faith and politics can frequently collide."

The audience was noiseless in face of the honor being bestowed upon all of them as Healy ended with a quote from Thomas More: "God made plants for their simplicity, animals for their innocence, but he made him man to serve him wittily in the tangle of his mind."

The archbishop then spoke of "the cause of Christian humanism" which had been developing in the church, and the important new emphasis of "beginning with the realities of this world" where we must implant His kingdom *now*. He spoke of how the honorary degree showed solidarity with the sufferings of Salavadorean peasants. Then he pleased everyone by taking off his cape and putting on his honorary robe.

As they walked out of the cathedral, the American and Salvadorean priests were alternately stopped by the passionate mob of humans and carried along by it. The Rev. Robert Mitchell of Georgetown University recalled later with an irony touched by awe that "the scene . . . had little resemblance to more traditional ceremonies for honorary degrees."

But Father Healy, a robust Irish Catholic whose hearty, puckish face contains the wisdom and freshness of all the vales of Ireland, had the last word. "We are 1978," he mused later, sitting in his elegant university office, "and we're right back to 1170. And we wonder how we got there."

At precisely 5 p.m. last Jan. 10, the Rev. Robert Drinan, Democratic congressman from Massachusetts, called upon another important but unrelated Romero—one President-General Carlos Humberto-Romero. They met in Romero's office at the presidential mansion in San Salvador. The meeting was not friendly, despite the beauty of the old colonial building and its vast courtyard.

At one point the president arose in a rage and stalked across the large office to his desk. From a top drawer he withdrew a picture of the murdered Father Rutilio Grande. The peasants who loved Father Grande had, in a reproduction of the picture, put a crown around his head, as though he were already officially sanctified. But the words underneath read, "Our Government Has Done This to Us."

"How can they do this to me?" President Romero demanded, livid with anger.

And, he must have wondered, how could yet another Washington priest be "interfering"? Father Drinan, already an alumnus of an Amnesty International investigation in Argentina and a tall, dark man with the piercing eyes of a Shakespearean devil, had gone to Salvador at the request of the archbishop to investigate.

The drama between the two men takes form:

Drinan: I have talked with dozens of people in the countryside, and they tell me a grim tale of intimidation and harassment by forces responsible to the government. As a matter of fact, it is intimidation against the Catholic Church. The National Guard and the ORDEN [a right-wing group] tell people not to attend mass or go near the priests because they are Communists.

Romero: If you have gone . . . and heard these things, I think you should go to other places and other churches where the people of ORDEN themselves have suffered and where FECCAS and UTC [church-related peasant groups] commit degradations and intimidate the people. Some people have even been killed.

Drinan: I recognize that there has been violence by the other side, but I am speaking of something different. The government of El Salvador . . . is making it difficult or impossible for masses of the people to participate in religious services. This is the denial of a basic human right. The government is trying to divide the church. That is what you are trying to do right now. You are harassing the archbishop.

Romero: [with growing impatience] I have tried to seek an understanding with the clergy. I have talked to Father Jerez of the Jesuit Order and others. I provided security when they were threatened. I have gone and talked with priests . . . I have invited the archbishop. He came here, and we talked. He asked for the return of all the exiled priests. I said I could not do this because my colleagues and associates listen to the priests' broadcasts over radio stations and would put pressure on me not to allow them to return. I invited the archbishop to fill any vacancies with priests from abroad. I said to give me a list of the vacancies and of the candidates to fill them. We would investigate and decide who can come.

Drinan: [angrily] That is interference in the Church. It is not for a president to say who is a good priest and who is a bad priest.

Romero: [slowly, with impatience] Yes it is, if they interfere in the business of the government!

It is a typically busy day at the big, white, tropical-style American embassay in Salvador. Surrounded by lush gardens and a high fence, watched over by armed guards, the embassy foyer nevertheless is filled with Salvadoreans passively waiting for visas to leave their population and violence-doomed country.

Inside, an officer is upset. The ambassador, Frank Devine, must wear a bulletproof vest this day because a veiled bit of intelligence has come that "someone" might attack him that day. Who?

He shakes his head.

It could be so many people. Almost like a child's chant, he says it could be the right, it could be the left, it could be the government, it could be the guerrillas, it could be the "ins," it could be the "outs," it could be the Marxists, it could be the Catholics.

Perhaps the strangest part of the violence in this country is that it is all so frighteningly anonymous. In sprawling hot San Salvador, with its dialetic of shanty slums and elegant walled houses, nobody really knows who the murderous, rightist White Warriors or the leftist guerillas or the BPR (Popular Revolutinary Block) or the others really are. Unlike many revolutionary or prerevolutionary situations, the Salvadorean groups rarely take credit for their terrorism or attempt to explain their actions.

An American embassy officer in San Salvador finds it puzzling. "It is singularly disorganized," he said. "The country is in the process of breakdown, and it has about run its course. The mysteriousness is a function of breakdown. Nobody knows what's going on. I've never seen a country harder to know."

The problems of El Salvador in 1978 began in 1931. That year, the only free elections in the entire history of this little mestizo country were held and the liberal reformer Arturo Araujo came to power, frightening the "14 families" who had always ruled.

The military "solved" that problem by immediately taking over for the wealthy, only to be met by a massive peasant uprising in the coffee-growing region in the west. The upper-class Salvadorean "memory," therefore, is haunted by machete-wielding peasants arising like fearful shadows out of the land.

Hundreds died before the revolt was over. And that revolt was the first in the Western Hemisphere in which Communists played a significant role.

In the years following the revolt, the rest of Latin America went through change after change. Salvador stagnated and abnormal extremes of wealth and poverty became the status quo. Even today, the average per capita income is estimated at $440 a year, and 2 percent of the population owns 60 percent of the land. And there is another problem: Salvador, the smallest nation in Latin America, is also the most densely populated, with 550 persons per square mile.

The Catholic Church, not blind to such social conditions in Latin America, held an extraordinary conference in Medellin, Colombia, in 1968. Historically, one of the three pillars of the Establishment in Latin America, along with the military and the aristocracy, the church suddenly aligned itself with the poor and even with revolution. A "theology of liberation" and even a "theology of violence," hung from the church's tattered edges, catching even the most fervid radicals within its web.

With an unusually high number of foreign—especially European—priests, Salvador became a testing ground for the Medellin documents. And so, through the church, groups such as FECCAS (the peasant organization) and the umbrella group BPR and others were formed. All were illegal, because Salvadorean law prohibits such organizing.

The government, fearing all attempts at change equally, hated them quite as much and perhaps even more than the true Marxist groups—the Soviet-line ERP (Revolutionary Army of the People) and the Maoist-Castroite FPL (Farabundo Marti Brigade). By 1977, the country was in flames.

Marxist groups assassinated Foreign Minister Mauricio Borgonovo Pohl, a former president and the rector of the National University. The government's paramilitary groups—the White Warriors and ORDEN, a group numbering in the 60,000s—retaliated. Activist priests Rutilio Grande and Alfonso Navarro were murdered last year. Several score more priests were exiled.

Throughout the violence was the eerie specter of anonymity. The rector was assassinated in front of 200 eyewitnesses. When the investigation came, there were no witnesses.

Then, in July last year, the mysterious White Warriors told the Jesuits, who comprise the largest order in Salvador, that 33 Jesuits would be systematically murdered unless they left the country immediately. At that point the archbishop and the American priests, along with many American Protestant clergymen, decided to act.

The passion with which they acted suggests a spiritual and a psychological dimension that is even more fascinating than the actual situation. Why should these two Irish-American priests, settled so comfortably in the lap of world power, become so obsessed with primitive, unimportant Salvador?

For Drinan, tall and dark and gaunt, the motivations seem to be two: a concern for human rights and the camaraderie he felt for his old Jesuit colleagues. Born in Boston, he had always been concerned with human rights and his Amnesty trip to Argentina two years ago had filled him with compassion for the people of Latin America and anger at injustices there. In addition, there were his Jesuit missions in Brazil, Jamaica and Honduras where some of his former classmates are among the approximately 850 clergy and nuns who have been harassed, tortured or murdered in the last 15 years.

For Healy, who sits atop the bluff in Georgetown in one of the most beautiful offices in Washington—a French Gothic room circa 1890 with cherry wood paneling and exquisite stained glass windows—the motivations are more complicated. The son of an Australian father and a Texan mother (with a lot of Irish blood mixed all through), he went to Woodstock College before getting his doctor of philosophy degree at Oxford.

He is also a Renaissance man of sorts. He trap-shoots. He loves good jazz and is known to tipple a few. He teaches poetry to medical students to bring body and spirit together.

When you talk to him about Salvador, he talks with a passion about the "underground church," or the "original church" or the "church of the catacombs." One has the feeling Father Healy has found in Salvador and the archbishop a deeper dimension to his faith.

Then there is, as one of Healy's top aides put it, "the Jesuit in him coming out." The Jesuits have been, after all, in the forefront of action and change within the church. They founded schools, missions and churches and moved on to leave the dull, day-to-day administration of their structured flocks to others less involved in adventure.

Last spring, in response to the threats of Jesuits being murdered, Healy, along with Protestant churchmen, urgently requested a meeting with Secretary of State Cyrus Vance to ask that the U.S. make the strongest possible protest to the Salvadorean government.

Vance responded immediately. The plea was precisely in line with the new human rights policy and passion of the Carter administration.

Personal meetings between State Department officials and Salvadorean officials here and in El Salvador led to the threats being called off. The U.S. responded to apparent improvement by finally granting a held-back $90 million loan. But the violence in the countryside and in the city continued.

By February 1978 with spurious elections in the offing, the opposition political coalition had called a rally for their candidate, Col. Ernesto Claramount. Into the massive throng on Feb. 28 went security forces and ORDEN thugs. Five deaths were officially reported, but eyewitness observers say that more than 100 were slaughtered.

An American journalist who was there said, "I was kept out of the plaza, so I could only hear the screaming and the shooting. Then, when it was over, I got in and found it literally covered with blood, although the bodies had been removed. But perhaps the most horrible thing was when I returned again an hour after that to find they had hosed down the plaza and there was a chill as though nothing had happened at all."

The massacres continued. Villages were attacked. Individual peasants simply "disappeared," never to return. The State Department's human rights division named El Salvador one of the worst human rights violators in the hemisphere, if not the world.

The struggle in El Salvador is not simply one of violence and human rights. The conflict has overtones of some of the most complicated ideological and theological problems of our time.

A leading Jesuit in San Salvador, for instance, tried to explain the difficult path facing an activist church in the midst of Marxist politics and revolution.

"Our Christian faith has in part the concern for justice of the old prophets," he said. "It is the same as Jesus Christ in front of the social problems of his times. This goes back to the sources of the Bible. It is not only the pragmatism of the faith but justice. And the cost is very high.

"I distinguish politics in terms of parties, and that is not particularly Christian. But a Christian who works at the front of social problems is another thing. Here, we enter the area of justice, and that is really biblical."

Could a system be "sinful," as many of the Jesuits who lean toward a Marxist interpretation of history say? The priest paused. "In our work it is very important to distinguish a personal sin from a structural sin. The system is of such a type that it can form a person in sin. Sure, there is a little of Marxism in this, but we believe that this idea of sin is what Christ meant when he talked about the world as sin.

"Here, the idea of a system and the structure as sinful means . . . that the system can make one sinful, too."

Such thoughts bring up the question of whether a Christian can also be a Marxist. Or whether some of the Salvadorean priests are already Marxists.

Father Mitchell, a theologian, does not find those questions altogether relevant. The archbishop, he said, works "from clear facts and clear injustices. Although there is a liberal theology in the background, he is not working explicitly out of it. He is aware of the Marxist and the liberal analysis, but he is not using it. The injustices and discrepancies are so obvious. The theology he's in is quite faithful to [the pope], Vatican II and Medellin."

Then he added thoughtfully, "If you take the whole idea that there can be 'sinful' structures, then that opens up the possibilities of there also being 'graced' structures. Perhaps it is not sin in the same sense in which we know it, but you can see where selfishness, greed and pride can become encased in cultures and in laws and in economic systems so the thing is positively unjust. It is original sin extended to society. Therefore, the whole idea of grace and redemption is extended to it. Structures can share in grace and redemption. Structures which help people to live a just life have grace."

And Father Healy said, "Didn't the early attitudes toward the Roman Empire treat the system as evil?"

Heady stuff for a primitive country that never distinguished itself in the world for its intellectual, cultural or moral excellence. But then, the priests would add mystically that God always chose the poorest in whom to make his messages known.

Napoleon Duarte, the enormously popular former Christian Democratic mayor of San Salvador who was elected president in 1977 and immediately deposed by the military, said there are three political "fronts" that have emerged: 1.) the priests and Marxists who work together, 2.) the Christians who believe violence is the only solution but not Marxists, and 3.) those looking for a solution somewhere "between humiliation and violence."

"They all go to meetings and provoke the police," Duarte said. "People are ready to kill, and they want people to be killed. At the moment the Marxist ideology is not important to them. What is important is how to get the rich scared. The leaders, however, are the products of the Marxist mind, and the priests have much the same concerns. I would say they're all frustrated and confused but feel there is no other means to solve the people's condition."

Which might cause one to wonder if the priests and the Protestant clergy raising their voices in Washington have done any good.

They have.

With the help of the State Department and others, they have certainly stopped the killing of the priests, although there still are bitter complaints that American officials haven't put enough pressure on the Salvadorean government about the continued "disappearances" of poor peasants. The priests also believe that American Embassy officials in San Salvador haven't done enough. Embassy staff, on the other hand, think they have gone very far, such as holding up that $90 million loan until the government reigned in the rightist terrorists.

So the tension between the churchmen and the U.S. government continues, though both want the same thing. The differences are a matter of degree and tactics.

Meanwhile, however, the government and church positions have made Western democracy and Christianity respectable among the Salvadoreans.

As to outside forces, Cuban policy there seems to be, as in neighboring Nicaragua, to support guerrilla morale and to provide advice, but not to give money or military help. The Cubans seem to want guerrillas in Central America to support moderate, coalition candidates to decrease the likelihood of "Yanqui" intervention.

The Vatican, meanwhile, is another question. The priests say the apostolic nuncio in Salvador is against the archbishop. He purposely did not attend the honorary ceremony for the archbishop and has spoken out against the Jesuits in ways that many feel is historically untenable. The Vatican itself, however, has not acted—the Jesuits in Salvador feel they have fed enough of their own information back to Rome to balance the nuncio's negative reports.

American priests, in addition to sincere concern for their brethren, have found inspiration, perhaps even salvation, in the situation.

"It is in Latin America these days that it is a tremendously exciting thing to be a priest," Healy said, sitting in the so-different splendor of his Georgetown office overlooking the meandering Potomac. "It is not in North America. It is still true that those of us of intellectual words do not know the front line. Those pastors, like Romero, remind us that the church is the people of God first. Here is the reality, and it is a good reminder to me. I've been hearing these footsteps all my life."

Drinan had a similar reminder. The usually dry and outspoken churchman speaks with awe about going out one night to the countryside where Father Grande had been killed. The peasant families had chosen an isolated plot to hold the eucharist, a place where the police could not find them in a vast sugar plantation.

"Like the early Christians in the catacombs and the Catholics in the Reformation period in England, we celebrated the eucharist," he said. "Simple peasants came up to embrace me, while others watched on the lookout. They told me, 'My husband disappeared, my brother disappeared . . .' It is a torment, but it is so beautiful."

The tragedy Healy sees in El Salvador is one that should speak with particular poignancy to U.S. Catholics reared on the memories of suffering Ireland. In a speech last St. Patrick's Day, he said, "The echoes of Ireland are too numerous to deny. We are talking of an agricultural people [in El Salvador] who starve to death on rich land while they farm it. We are talking of distant and absentee landlords who suck the land dry, return nothing to it or the people, and live a safe and protected distance from their oppressed peasants. The only ally they lack is famine—since you can't blight cotton. We are talking of a government tied totally to the power structure and quite content to let the peasants starve if it keeps the rich happy.

"Finally, we see what we have seen so often in Ireland and among the Irish outside of Ireland. When the government looks the other way and the police and the army and the rich and the powerful are all against the little people, the only voice left is that of the church. It has made martyrs before. It may, God help us, make more in El Salvador. If it does, the church and her crown of thorns will be recognizable to every Irishman any place on the face of the earth."

HOUSE OF COMMONS,
London SWIA OAA, October 1978.

STORTINGETS NOBEL COMMITTEE,
Drammencveien 19,
Oslo, Norway:

We would like to strongly recommend Archbishop Oscar Arnulfo Romero y Galdames, Archbishop of San Salvador, El Salvador for the Nobel Peace Prize.

There is growing international awareness and concern over the increasing and widespread violations of human rights in so many countries throughout the world. Those who have the courage to speak out against abuses of human rights often run very grave risks. Archbishop Romero is an inspiring example of such a person. Since his appointment as Archbishop, he has consistently and uncompromisingly denounced the numerous arbitrary arrests, detentions, tortures, disappearances and killings taking place in El Salvador today. As a committed man of peace, he has rejected violence from whatever quarter and has advocated social and economic reforms to remove the injustices of El Salvador's poverty-ridden feudal society. Almost alone he has become the champion of the poor and the defenceless. As a result he is subject to daily vilification in the press and elsewhere as insane, subversive, as a man who "sells his soul to the Devil".

On the thirtieth anniversary of the UN Declaration of Human Rights, we feel that Archbishop Romero is a particularly suitable candidate for the Nobel Peace Prize and we hope that the Committee will take his candidature into serious consideration.

Yours sincerely,

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THE 1979 NOBEL PEACE PRIZE NOMINATION

A letter signed by 118 Members of Parliament and Peers of all parties was sent today to the Nobel Committee in Oslo nominating Archbishop Oscar Arnulfo Romero, Archbishop of San Salvador in Central America for the 1979 Nobel Peace Prize.

Archbishop Romero has been nominated because of his courageous stand in defence of human rights. Since his appointment as Archbishop he has consistently and uncompromisingly denounced the numerous arbitrary arrests, detentions, tortures, disappearances and killings taking place in El Salvador today. Almost alone he has become the champion of the poor and the defenceless. As a result he is subject to regular vilification in the press and elsewhere as insane, subversive, as a man who "sells his soul to the Devil".

He is a committed man of peace and has rejected violence from whatever quarter and has advocated social and economic reforms to remove the injustices of El Salvador's poverty-ridden feudal society. In recognition of his stand for human rights, he was awarded an honorary doctorate earlier this year by the University of Georgetown, Washington.

The 118 signatories to the nomination (77 Labour, 27 Conservative, 11 Liberal and 3 others) include from the Labour Party, Deputy Party Leader Mr. Michael Foot, Mrs. Shirley Williams, Minister for Education, Mr. Eric Varley, Minister for Industry, Mr. Tony Benn, Minister for Energy, Mr. Stan Orme, Minister of Social Security, Mr. Roy Hattersley, Minister for Prices and Consumers Affairs, Mrs. Judith Hart, Minister for Overseas Development, Mr. Peter Archer, Solicitor-General, Mr. Frank Allaun, current Chairman of the Labour Party. The Conservative signatories include Mr. Norman St. John-Stevas, Shadow Leader of the House, Mr. Mark Carlisle, Shadow spokesman on Education, Mr. John Moore, Vice-Chairman of the Conservative Party and Mr. Peter Walker and Lord Carr of Hadley, former Cabinet Ministers in the Heath administration. The Liberal signatories include the Party Leader, Mr. David Steel and Deputy Leader John Pardoe. 13 signatories are Privy Councillors.

The nomination has been supported by Trade Union Leaders Mr. Joe Gormley (NUM), Mr. Alex Kitson (TGWU), Mr. Jim Slater (NUS), Mr. Sam McCluskey (NUS), Mr. Danny Crawford (UCATT) and Mr. Ray Buckton (ASLEF).

A full list of signatories, together with a copy of the letter to the Nobel Committee is attached. Also enclosed is a background article on Archbishop Romero which appeared in Time magazine of July this year.

For further information contact: Mr. Kevin McNamara M.P., House of Commons; Mr. Gerry Wade, Tory Reform Group; and Mr. Julian Filochowski, Ol–935–5260.

WASHINGTON, D.C.,
January 26, 1979.

NOBEL PEACE PRIZE COMMITTEE,
Drammensevien 19,
Oslo, Norway.

DEAR MEMBERS OF THE COMMITTEE: We write to you to nominate Archbishop Oscar Arnulfo Romero y Galdames, Archbishop of San Salvador, El Salvador for the Nobel Peace Prize.

In a nation notorious for its disregard of basic human rights, Archbishop Romero stands out as an eloquent and unshakable opponent of oppression and violence. In calling for social and economic reform and in condemning government sanctioned violence that has taken the form of widespread "disappearances", arbitrary arrests, murder and torture, Archbishop Romero has become the most prominent spokesman in El Salvador for peace and justice.

He has persevered in pursuit of these noble ends despite the ongoing villification campaign that has been waged against him. An individual of unsurpassed courage and integrity, Archbishop Romero has not allowed government persecutors to frighten him into silence or submission. He has remained a forthright and compelling advocate of human rights, nonviolence, and social progress—setting a standard in defense of human liberty which can be applied not only in Latin America, but throughout the world.

Because we believe that Archbishop Romero's conduct is an inspiring example for men and women everywhere who cherish freedom, we are proud to join with many people from various nations in asking that you give serious consideration to awarding Archbishop Oscar Arnulfo Romero y Galdames the Nobel Peace Prize.

Sincerely,

Members of Congress: Robert F. Drinan, Walter E. Fauntroy, Richard L. Ottinger, William S. Moorhead, William J. Stanton, Berkeley Bedell, Thomas J. Downey, Millicent Fenwick, Frederick W. Richmond, Stanley N. Lundine, Baltasar Corrada, William S. Green, Frank J. Guarini, Nicholas Mavroules, Don Edwards, William M. Brodhead, Robert W. Edgar, Tom Harkin, Stephen J. Solarz, Edward J. Markey, Ted Weiss, Vic Fazio, and Michael E. Lowry.

□ 1135

Mr. DRINAN. Mr. Speaker, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Massachusetts.

Mr. DRINAN. I thank the gentleman for yielding.

Mr. Speaker, my colleagues from New York (Mr. WEISS) and I have called this special tribute to the El Salvador Archbishop, Oscar Romero, at a particularly timely moment in the history of this Central American nation. Recent events in El Salvador, and at the Conference of Latin American Bishops in Puebla, Mexico, have brought into focus the continuing polarization between the dictatorial regime in San Salvador, and the people of El Salvador.

The current crisis in El Salvador has only begun to be fully understood by the American people. Yet the continued need for a resolution to the grave human rights violations in that country goes on. El Salvador's human rights record is one of the worst in this hemisphere, with the outlook for improvement—bleak. In the "Report on Human Rights Practices in Countries Receiving U.S. Foreign Aid," recently released by the Department of State, numerous types of violations were cited. Detailed accounts of torture of prisoners by security guards, degrading treatment of prisoners, arbitrary arrests and imprisonments, frequent judicial delays, unwarranted searches of homes and religious sanctuaries, restricted freedom of speech, restricted freedom of the press, and restricted freedom of the right of assembly are cited in the report. Further, untold numbers of administrative improprieties, manipulation, and fraud have impaired the political process. In light of the fact that the El Salvador Government is a signator to the American Convention on Human Rights ratified in June 1978, clearly the human rights situation in El Salvador in nothing more than deplorable.

During the summer of 1978, the national guard detained two priests, and two church workers; one disappeared for a time and the other three were badly beaten. In July 1978, heavily armed security forces searched an urban Jesuit household for evidence of subversion and then invaded a rural parish house in an attempt to arrest a local priest. And only very recently, on January 20, a fourth priest was murdered when a band of armed militia units stormed a peaceful, nonviolent, nonpolitical meeting in a parish hall. Through a completely reliable source, and with the assistance of the Washington Office on Latin America, an eyewitness account of this deplorable event has been recorded. I have inserted the report into the RECORD on January 25, 1979, on page 1079. And in an article which appeared in the February 10, 1979, issue of America, Father James R. Brockman, S.J., explores the events in El Salvador firsthand. I am inserting this article into the RECORD at this time:

PERSECUTION IN EL SALVADOR

(By James R. Brockman)

Four parish priests have been murdered in less than two years in the San Salvador archdiocese. In March 12, 1977, Father Rutilio Grande, S.J., died in an ambush between the towns of Aguilares and El Paisnal, along with an old man and a boy. On May 11, 1977, Father Alfonso Navarro and a teen-aged boy were shot while talking in a parish house in San Salvador. Last November 17, security forces killed Father Ernesto Barreda and reported that he died in a shoot out with urban guerrillas in his parish on the outskirts of San Salvador. The archdiocese suggests, however, that he was killed elsewhere and his body taken to the scene of the battle. After the shoot out, an extremist captured with a wound in his throat appeared on television answering questions in writing for the police and journalists. The police later declared that he died of a bullet in the head during the skirmish, and so the only witness to Father Barreda's death disappeared.

Two days ago, Father Octavio Ortiz, pastor of San Francisco Parish, was with a group of teen-aged youths in a retreat house owned by the archdiocese next to the rectory of San Antonio Parish. They were making a "Christian initiation course" with the help of a nun and a laywoman. At about 6 A.M., while all were still sleeping, security forces surrounded the building and sealed off the neighborhood. With an armored car, they broke down the door of the retreat house, named El Despertar, "The Awakening," and entered in a hail of gunfire. Father Ortiz and four of the boys died, the priest of a crushed skull (perhaps the armored car ran over him), the boys of causes that I have not yet learned. Today's newspapers show two bodies on the roof of the building, where the boys may have fled from the bullets or where the police may have placed them.

For the police suggest that the boys were on the roof to shoot at the police. No guns are visible in the photos, however, and the police story is part of an amazing tale told by the security forces of a police patrol peacefully investigating a report of "something strange" going on in the retreat house and meeting gunfire from the building, of returning the fire and entering to find a terrorist training center, complete with a store of firearms and a mimeograph for turning out subversive literature.

The archdiocese immediately denied the Government version of the killings, and yesterday, in a funeral Mass concelebrated at the Cathedral of San Salvador, the Archbishop called it "a lie from beginning to end." He went on to contradict flatly President Carlos Humberto Romero, who a few days before had told Mexican journalists that there is no persecution of the church in El Salvador. "There is persecution of the church," said the Archbishop. The presence of the bodies on the cathedral steps, he said, "shows how untruthful that is." His

> words could also be translated: "Shows what a liar he is," referring to the President. However, I hesitate to interpret his words so strongly. Either way, once again battle lines seem to be drawn between the two Romeros. The softspoken Archbishop seems an unlikely man for such a role. Two years ago, the Government and the ruling class fought for his appointment, and priests and others committed to a pastoral approach of identification with the poor fought against it. But a few weeks after his installation, high-powered bullets cut down Rutilio Grande on the road to El Paisnal, and for Oscar Romero the shots were like the bolt that struck on the road to Damascus. Now he is clearly the moral leader of the church in El Salvador, loved by countless thousands of the ordinary people, for whom he speaks and who listen to his words each week on the Catholic radio, YSAX, and supported by his clergy, who know that any of them could be the next victim.
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> In his homily at yesterday's Mass, he summed up the state of things when he said: "The conflict is not between the Government and the church. The conflict is between the Government and the people. The church is with the people, and the people are with the church, thanks be to God." The Government and the ruling class it represents persist, however, in seeing themselves as beseiged by an army of terrorists, whom "Marxist" priests abet. Several groups of extremists who presently hold four kidnapped men has frustrated efforts to find them. The Archbishop and the clergy, however, never cease to condemn such tactics and appeal for the release of the captives and against violence. But their appeals for the release of political prisoners, for an end to killing of peasants, for a more equitable social order, are "subversive" and "Communist" to the rulers and to the newspapers that support them. The newspapers, while mentioning the archdiocese's version of the killings and printing pictures of yesterday's concelebration (in two of which America's correspondent appears), nevertheless give greater prominence to the Government's version and carry such banner headlines as "Five Killed in Confrontation" (today's La Prensa Grafica), and "Four Dead in Armed Clash" (yesterday's El Diario de Hoy). Today's El Diario de Hoy places next to the photo of the concelebration an unrelated story headed: "John Paul II Attacks Marxism Again."
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> Among El Salvador's five other bishops, Archbishop Romero can count on support only from Bishop Arturo Rivera of Santiago de Maria. His own auxiliary, Marco Rene Revelo, opposes him and was pointedly absent from yesterday's concelebration. It is Bishop Revelo that the bishops have elected to attend the Puebla conference. But Archbishop Romero will also be there, albeit without a vote, as a member of the papal commission for Latin America. In his homily yesterday, he asked his people permission to go to Puebla. Those of us who saw their faces and heard their applause do not doubt that he takes with him their support and their hopes.

In January 1978, I accompanied Prof. Thomas Anderson, one of the foremost scholars in North America on El Salvador, and John McAward, director of the international programs of the Unitarian-Universalist Service Committee, on an investigatory mission to El Salvador. During that trip I had the honor of meeting the Archbishop Oscar Romero. I was deeply impressed with this leader by his tremendous strength and commitment to a more righteous, egalitarian society in his country. Since my visit, I remain convinced that the United States must become fully aware of the events in that nation, and of the remarkable efforts of the archbishop in cultivating human rights.

To honor this special archbishop, who has remained vigilant in the face of great odds, over 20 Members of this body have joined me in nominating the archbishop for the Nobel Peace Prize. This nomination serves as a symbol to the people of El Salvador that the world has not forgotten, nor forsaken their efforts to achieve their rights of fundamental political expression. This nomination will serve as a sign of our gratitude to Archbishop Romero for his lead role in the struggle to secure these rights. I call on my colleagues at this time to join in praise of Archbishop Romero, and to wish him every success in his future endeavors.

Mr. WEISS. Mr. Speaker, again I want to commend our distinguished colleague for the tremendous leadership role he has asserted in this, as well as numerous other human rights efforts in this country and other parts of the world.

□ 1145

Mr. CORRADA. Mr. Speaker, will the gentleman yield?

Mr. WEISS. I will be delighted to yield to the gentleman from Puerto Rico.

Mr. CORRADA. Mr. Speaker, I wish to join my colleagues today in bringing to the attention of all the Members of the House of Representatives the work that is being done by Archbishop Oscar Romero of El Salvador. As a cosigner of a letter nominating Archbishop Romero for the Nobel Peace Prize, I praise his commitment to the cause of human rights and a decent living for the people of El Salvador and all people throughout Latin America and the world.

The continued polarization which exists between the poor and the rich in that country has led to violence; just last January 20, another priest was killed and the violence shows no sign of abating. As the recently concluded Third Conference of Latin American Bishops held at Puebla, Mexico, continues to make clear, the job of a priest in Latin America is multidimensional, for they often have to deal not only with the spiritual well-being of their parishioners, but also with the day-to-day problems of subsisting which they face.

Archbishop Romero is an example of a priest who has been able to balance both obligations in order to lead his people toward a better life and I urge my colleagues to join me in recognizing his efforts.

Mr. WEISS. Mr. Speaker, I want to thank my distinguished colleague from Puerto Rico for the excellent comments he has made.

□ 1145

Mr. DRINAN. Mr. Speaker, will the gentleman yield?

Mr. WEISS. I yield to the distinguished gentleman from Massachusetts (Mr. DRINAN).

Mr. DRINAN. Mr. Speaker, I commend the gentleman from New York upon one of the finest statements, if not the finest statement I have ever heard about the deplorable situation in El Salvador. As a person who has been very familiar with the plight of this tragic country, I commend my friend, the gentleman from New York (Mr. WEISS).

I know that he is going to continue in his crusade to do all that we can, all within our power, to bring about freedom and liberty in that country.

Mr. WEISS. I thank the distinguished gentleman from Massachusetts.

I am honored to be associated with him in this endeavor.

● Mr. LEHMAN. Mr. Speaker, I wish to join my colleagues in endorsing the nomination of Archbishop Oscar Arnulfo Romero of El Salvador for the Nobel Peace Prize.

El Salvador has one of the poorest human rights records in the Western Hemisphere, and Archbishop Romero has demonstrated remarkable courage in standing up to its brutal regime and defending the rights of the poor.

In the face of countless acts of violence committed against the peasants and the priests who have tried to help them, the Archbishop has responded as a true man of peace. He seeks a nonviolent solution to the enormous political and economic problems of El Salvador. His call for social and economic reforms, however, have met with charges of Communist subversion. His condemnation of tortures and unjust arrests have met with increased persecution of his church.

The Government of El Salvador has attempted in vain to discredit him. The increased international recognition of Archbishop Romero's moral courage and integrity will strengthen his efforts to achieve greater social justice for the people of El Salvador.

He is truly deserving of the prestigious Nobel Peace Prize and merits our support and admiration.●

● Mr. ROYBAL. Mr. Speaker, I would like to take this opportunity to add my words of support for Archbishop Oscar Romero and his nomination for the Nobel Peace Prize. As Archbishop of San Salvador, he has been an outspoken critic of government repression against the peasantry of his country—El Salvador.

El Salvador is Central America's smallest, most crowded country and is typified by a polarization of the rich and poor, the military and civilian. A resulting series of battles has caused the death or disappearance of hundreds of peasants, a number of wealthy businessmen, a government minister and at least two priests. Violations of human rights have been rampant and Archbishop Romero has surfaced as one of the few voices calling for social reform and an end to repression.

Until more just economic and social structures are created, the violence can be expected to continue. And despite the increasing threat of personal danger, Archbishop Romero has continued to speak out against injustice and to aid peasants in need. He has taken a clear stand against violence in expressing his concern for social justice.

Archbishop Romero's efforts to assist the impoverished people of El Salvador regain "their inherent human dignity" are, indeed, worthy of recognition. He is a champion of the poor and the defenseless and is, in my opinion, an excellent candidate for the Nobel Peace Prize.●

CONGRESSMAN WHITE COSPONSORING HOUSE JOINT RESOLUTION TO AMEND U.S. CONSTITUTION TO ESTABLISH BALANCED FEDERAL BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. WHITE) is recognized for 60 minutes.

● Mr. WHITE. Mr. Speaker, today I address the House both as Congressman RICHARD C. WHITE of the 16th Congressional District of Texas and as chairman of DRO, the Democratic Research Organization. I am joined here by several of my DRO colleagues to announce that I have introduced today, on behalf of myself and 44 other cosponsoring Democratic Members of the House who are members of DRO, a House joint resolution to amend the U.S. Constitution to establish a balanced Federal budget as the norm for managing the Federal Government's fiscal affairs, while providing the flexibility to handle situations when a balanced budget is not feasible.

After long, careful and thorough review of our budgetary situation together with the remedies available, the cosponsors of this proposed amendment and I have reached the conclusion that a constitutional amendment is the only effective way to make a balanced Federal budget the norm. Let me explain how we arrived at this view.

In late 1975 and 1976 the DRO Committee To Investigate a Balanced Federal Budget conducted hearings on this matter. Approximately 40 witnesses were heard from the President's Cabinet, Congress, academia, the Federal Government, and the business world. We studied these 1,600 pages of testimony carefully. Then, in mid-1978, I, as chairman of DRO, again contacted those witnesses who had appeared before the committee to get the further benefit and updating of their views. Only at the culmination of this lengthy process did we reach the conclusion that a constitutional amendment was the only effective remedy. On August 16 and 17, 1978, the committee report on these DRO hearings was published in the RECORD.

Let us look again at the record. Since 1961 the Federal budget has been in deficit every year except one. Conventional economic wisdom holds that budget deficits are beneficial to stimulate the economy in bad economic times, and that, correspondingly, good economic times should produce surplus budgets. Yet, a continuous chain of large budget deficits both in good times and bad has become the general rule since 1971.

We all know that large budget deficits fuel the fires of inflation and that the interest costs of the debt are staggering. The relationship between the deficits and inflation is unmistakable. Since the mid-1960's the U.S. economy appears to have suffered a permanent shift toward higher rates of inflation. Price increases averaged less than 2 percent a year from 1950 through 1964, but this average yearly rate of inflation almost tripled to 5.5 percent in the next 12 years. In 1978, it was about 9 percent. During the 1950-65 period, the Federal deficit averaged only $2.6 billion a year. Large deficits occurred during recessions, but the budget moved back toward balance or even to small surplus in periods of prosperity and rapid growth.

After the mid-1960's, all that changed. Federal deficits became much larger, and the budget usually did not move back to balance or surplus during upswings in the economy. Federal deficits averaged $23 billion a year from 1965 to 1978, which is almost nine times the average deficit for the previous 15 years. During the current fiscal year, when the economy is more than 3 years into a strong recovery, a $39 billion budget deficit is contemplated. The real problem is the lack of a responsible and disciplined fiscal policy.

Speaking of the need for fiscal responsibility, former Federal Reserve Board Chairman Arthur Burns made the following comment in an interview in the July/August 1978 issue of Public Opinion magazine:

> I think we need to introduce some firm discipline into the management of fiscal affairs. Simple majority government has led us into the position in which we now find ourselves—with deficits persisting year in and year out, with inflation itself accelerating in this country at a time when the rate of inflation is diminishing in most other parts of the world. The legislating of deficits by simple majority rule has led to a depreciation of the dollar in foreign exchange as well as in domestic markets. It has led to great uncertainties about the future of free enterprise in our country. It has led also to a lowering of our national prestige.
>
> Whether the rule should be a two-thirds majority in order to run a deficit, or a 60 percent majority, I don't much care. But in view of the experience that we have gone through, something more than a bare majority is needed to regain responsibility in financial and economic management.

Faced with this situation, we have no alternative but to make balanced Federal budgets the norm.●

● Mr. NELSON. Mr. Speaker, it is truly an honor for me, as a new member of this body, to rise to indicate my support for and sponsorship of the House joint resolution requiring a balanced Federal budget introduced by my distinguished colleague, RICHARD C. WHITE of Texas. With the passage of this resolution, the Congress will be taking the next logical step in its effort to build a budgetary process which is manageable, effective, and most importantly, credible to the men and women paying the bills, the American taxpayer.

This amendment, supported by 45 Members of this body, would require a balanced Federal budget, except when we declare a national emergency because of war or economic disaster.

With the creation of the Congressional Budget Office, and the establishment of the Senate Budget Committee and the House Budget Committee, on which I am privileged to serve, the Congress has provided a method for obtaining the information on which budgetary decisions should be made. That process, although still in its infancy, seems to be working well. No longer must we solely rely on information supplied by the executive branch—information which in the past has so often been self-serving. We must now commit ourselves to taking the next step toward fiscal responsibility. The Federal deficit is, in my view, a major cause of the inflation which is gripping our Nation. It must be stopped in all but the most dire circumstances.

We must no longer ask ourselves only if the people of this country want a program, we must now ask if they can afford a program.

The history of this country over the past 40 years has amply demonstrated that the temptation for legislators not to say "No" to groups continually asking for more funding is simply too great to be overcome through the exercise of self-discipline and self-restraint.

We talk a lot about balancing the Federal budget, but when the time comes to cut spending, we do not respond. I have, therefore, come to the conclusion that the only way to bring spending under control and to balance the budget as soon as possible is to impose the discipline this Congress needs by way of a constitutional amendment.

Mr. Speaker, this resolution will force the United States to live within its means. Yet it preserves the ability of the Congress to respond in times of war or economic disaster when unusual measures are necessary to assure the stability of our free market economy.

The country is demanding restraint in spending. Only with the restrictions provided in this amendment can the people be assured of that restraint.●

● Mr. DE LA GARZA. Mr. Speaker, today's special order for the resolution proposing a constitutionally balanced Federal budget is an event worth celebrating. Only a prior, personal commitment prevents my being in Washington to share in the historic occasion—but this statement is a reminder that I am with you in spirit, if not in body.

It is said that all good things come to those who wait. Well, I and all who share my deep concern for the fiscal integrity of our beloved Nation have waited a long time indeed. After working toward this end for so long, now our time has come.

Recent events have indicated that the people have had enough of local and State government spending programs and taxes with ever-upward spiraling costs that are driving up inflation to where it is oppressive to everyone who works for a living—and even those who do not. The same would apply to the Federal Government.

Although I have never been a big spender, neither have I been an irresponsible budget cutter for publicity's sake. I believe, as a Member of the House, that I have used a discerning eye and exercised considerable prudence in reaching final judgment on every program, proposal, or appropriations measure which came before me. So as I applaud the actions of so many I also caution them in their rush to judgment. The scalpel, not the meat ax, should be employed with skill.

But the sentiment to which the people themselves are now giving expression throughout the country was very much on my own mind way back in 1965, when, on January 4—my very first day in Congress—I introduced the first of eight joint resolutions—spanning a period of 15 years—that called for the balancing of the Government's books. I could not get cosponsors, or hearings, many of my colleagues laughed, but we continued our efforts. And look where we are today.

Though then a lonely voice in the wilderness, I had determined that only an amendment to the Constitution, mandating pay-as-you-go Government—such as we have in the State of Texas—would serve to bring Federal spending under control. And so I introduced in the House a resolution proposing a constitutional amendment to provide that Government appropriations should not exceed Government revenues, except in time of war or national emergency.

In the years that followed, other voices were raised, and in each succeeding Congress, they grew louder in their plea for national fiscal sanity. Now dozens of similar congressional resolutions stand beside mine—and I am pleased to add my name to this one, as well as my support.

Mr. Speaker, I urge that this Congress now consider a proposal whose time has clearly come. The cosponsors of this measure come from both sides of the aisle, and from all over the country. In the present climate, three-fourths of the States should have no trouble at all in transforming an income-outgo resolution into the next amendment to the Constitution of the United States. It is not so lonely any more.●

● Mrs. HOLT. Mr. Speaker, when I first came to Congress more than 6 years ago, among the first bills I introduced was a proposed constitutional amendment to require a balanced Federal budget except in times of national emergency. I have continued to sponsor and cosponsor such legislation until this very day, and I am pleased that many States of the Union are demanding such action.

Placing constitutional limits on the power of the Federal Government to incur debt is an extremely important goal. Immense Federal borrowing in the capital markets is an inflationary force.

However, there are difficulties in addressing this problem in terms of balancing the budget. First, there is the issue of off-budget borrowing that will run to $12 billion in 1979. Secondly, there is the question of how to prepare a balanced budget when the desired result depends on estimates of revenues and outlays affected by changing economic conditions. We also face the issue of how to define a national emergency. And I am constantly aware that a budget can be balanced by increasing the tax burden, a prospect which alarms me.

It is doubtful whether these concerns can be adequately resolved in a constitutional amendment to require a balanced Federal budget, but we can achieve our goals by other means in a constitutional mandate. I have prepared an amendment which I believe solves some of the major difficulties inherent in the balanced-budget approach, but would bring us to that same result. My amendment says:

> Congress shall not make any change in tax law that would increase the revenue of the Federal Government, or take any action that would have the effect of increasing the public debt, except by affirmative vote of not less than two-thirds of all Members elected to each House of Congress.

This amendment would cover off-budget borrowing. It controls congressional action on taxes and debt without relying on estimates based upon economic variables. The condition of national emergency is defined by the requirement for a two-thirds vote, which would be extremely difficult to obtain except under conditions of true national emergency.

I have asked for cosponsors on this constitutional amendment. I hope that many Members who have sponsored or cosponsored balanced budget amendments will join me in cosponsoring this formulation that would bring us to the same result.●

● Mr. ICHORD. Mr. Speaker, the legislation which the members of DRO have introduced today is the product of 3 years of intense research on the part of myself and my colleagues in the Democratic Research Organization. In 1975, DRO established an Ad Hoc Committee To Investigate a Balanced Federal Budget at my request. As its chairman, I took testimony from 39 expert witnesses including William E. Simon, then-Secretary of the Treasury; Dr. Arthur Burns, Chairman of the Board of Governors of the Federal Reserve System; Dr. Alan Greenspan, Chairman of the President's Economic Advisers; Elliot Richardson, Secretary of Commerce; Carla Hills, Secretary of Housing and Urban Development; Roderick Hills, Chairman of the Securities and Exchange Commission; James J. Needham, chairman of the board of directors of the New York Stock Exchange; Alice Rivlin of the Congressional Budget Office; Elmer Staats, Comptroller General; Dr. Leon W. Taub, vice president of Chase Econometric Associates; and numerous other representatives of government, academia, and business. Consistently and convincingly, the testimony of these witnesses advocated one step toward a health economy: a balanced Federal budget.

And then came 1978. An inflation rate of 9 percent, an unemployment rate of 6 percent, and an fiscal year 1978 budget deficit of $48.8 billion combined to burden the American public with one of the financially toughest years in recent memory. And, symbolized by proposition 13, the public mandate has also been consistent and convincing: a balanced Federal budget.

In response to urging from both the experts and the public, as well as a growing number of State legislatures (currently the number is 27), DRO established a second committee to develop language for a constitutional amendment, which I also chaired. Again with the guidance of respected economists, we devised an amendment which would require a balanced Federal budget except in times when a deficit would be necessary or desirable. We defined the areas of Federal expenditures which would be affected by the amendment, and we set forth a process through which any deficit—anticipated or unanticipated—would be swiftly reduced. It is this legislation which nearly 50 DRO members proudly introduce today.

Mr. Speaker, the Nation now has a national debt of $781.1 billion with an interest charge of $57 billion for the next fiscal year. We are currently considering a fiscal year 1980 deficit of $29 billion which, together with off-budget items, could swell to twice this size. The experts tell us that deficits lead to inflation and to unemployment and to lowered productivity and investment. And the public tells us that these figures which we juggle so casually translate into human costs as well.

It is high time that we face reality. We can no longer labor under the illusion that Government spending can solve every problem—that deficit spending will continue to gallop to the rescue and support us forever in this manner to which we have become so accustomed. Deficits are a cause, not a cure, of inflation. And if inflation is allowed to continue, the one dream which we want to sustain—that of competition for every citizen in a climate of freedom and opportunity—will be eroded slowly but surely.

Mr. Speaker, our wants exceed our resources. A budget staffed to the brim with goodies for specified constituencies may pacify some folks, but a budget trimmed down to the necessities promises to take the edge off inflation and higher taxation for us all. And until we prove that we have learned this economic lesson, we will continue to spawn hundreds of special interest groups that stamp their feet like spoiled children when they do not get a large enough piece of the Federal pie.

After 3 years of study of the problem of achieving a balanced budget, I can well understand the reluctance of certain economists to mandate fiscal constraints which in their view would tie the hands of the Congress and the Executive, making it more difficult to respond to emergencies; to prime the pump when the economy is slow; or to take the opposite steps when the economy is too hot. They are merely stating the ideal and we all know what the ideal is. The political reality is that the Congress and the President have only balanced the budget one time in the last 19 years and the politically sophisticated know that the chances of doing so in the future are almost impossible without some kind of mandatory fiscal restraint. Everyone knows that what we are doing is wrong but those who would correct our misdeeds do not want to reduce spending for their own favorite projects. The result is we continue on an economic merry-go-round year after year.

My district, like yours, is full of frustrated taxpayers who see their hard-earned and sorely needed dollars being spent for exactly what they need the least—bigger, greedier, inflationary Government. As they struggle once again this year to balance their own personal budgets against the cruel odds of high taxes, high costs, and decreasing purchasing power, let us take steps to pass legislation which will make a balanced Federal budget and a healthier economy a norm, not a luxury. Then, and only then, will we regain our distinction as a Union made of ideals—not appetites.●

LITHUANIAN INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 60 minutes.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ANNUNZIO. Mr. Speaker, it was a privilege to reserve this special order in commemoration of Lithuanian Independence Day and I want to thank all of the Members who are joining me today to help focus attention on the plight of the Lithuanian people who continue to struggle, to pray, and to work for the day when Lithuania can once again enjoy liberty.

Sixty-one years ago, on February 16, 1918, a courageous people proclaimed to the world its right to stand proudly among free countries. The very brief time—less than a quarter of a century—that the Lithuanian people enjoyed the privilege of living in independence has left an important impression on the Lithuanian people, and the years of Communist domination and Nazi occupation have made their love of freedom all the more keen.

Lithuania has been known to history for almost a 1,000 years. During the Middle Ages, education and religious toleration were encouraged, and as a result, the people of Lithuania enjoyed more freedom than their neighbors in adjoining areas. Her people have been strong in faith and spirit surviving as a cultural and political entity during long periods of foreign domination.

One of the first duties of the representatives of the Lithuanian people after they signed the Declaration of Independence of Lithuania on February 16 was the adoption of a national flag for the new state. The new national flag of three horizontal bars symbolized the natural beauty of the Lithuanian countryside as well as the courage of its people. At the top was a bar of deep yellow, symbolic of the golden rye fields and agricultural wealth of the land. In the middle came a rich green stripe, a reminder of the abundant forests and natural resources of Lithuania. The deep red bar at the bottom of the flag symbolized the blood shed by Lithuania's sons in the defense of freedom.

Mr. Speaker, the text of the national anthem of Lithuania follows as published in a booklet entitled, "Lithuania," published by the Lithuanian American Council of Chicago, Ill.:

NATIONAL ANTHEM OF LITHUANIA

Lithuania, our country,
Land of might you'll ever be;
Through the ages your fond sons
Have gathered strength from thee.
Lithuania, your children
Paths of righteousness shall tread;
For their native land they'll labor
Earth's aspiring aims they've bred.
Fount of light, may your bright sun
Pierce all that's in darkened sheen,
Show us Truth's noble way,
And we'll follow in your gleam.
In our hearts, Lithuania,
Love for you will dwell fore'er
Spirit of the world is soaring
Caught in your exalted glare.

Under the brutal domination of Soviet communism, the Lithuanian people have been under intense pressure to forsake their history and traditions, and to this day, Lithuanians have proudly resisted outside pressures and remain faithful to their language, culture, and religion.

Mr. Speaker, excerpts on the lack of religious freedom in Lithuania from a publication by the Lithuanian Roman Catholic Religious Aid entitled, "In Defense of Human Rights" follows, as well as an excerpt on cultural freedom from a publication by the Lithuanian American Community entitled, "The Violations of Human Rights in Soviet Occupied Lithuania:"

EXCERPT FROM "IN DEFENSE OF HUMAN RIGHTS"

In 1940, when the Soviet Union occupied Lithuania by force, 85.5% of the country's more than 3 million inhabitants were Roman Catholic, 4.5% Protestant, 7.3% Jewish, 2.5% Orthodox, and 0.2% of other persuasions.

In the two archdioceses and four dioceses were: 708 churches, 314 chapels, 73 monasteries, 85 convents, three archbishops, nine bishops, 1271 diocesan priests, 580 monks, of whom 168 were priests. Four seminaries had 470 students. There were 950 nuns.

Nuns cared for 35 kindergartens, 10 orphanages, 25 homes for the aged, two hospitals, a youth center, and an institute for the deaf-mute.

There were 18 Catholic primary schools, and the same number of Catholic high schools. Religion was taught in all public schools.

Catholic organizations numbered about 800,000 members. In 1935, there were 28 Catholic magazines and newspapers, with a total circulation of 7,000,000.

On June 15, 1940, the Red Army marched into Lithuania; the independent government was replaced by a puppet regime.

On July 14–15, rigged elections were staged. On July 21, with the Red Army surrounding the assembly house, the new People's Diet "unanimously" declared Lithuania a Soviet Socialist Republic.

On June 25, 1940, the Church was declared separate from the state, and the representative of the Holy See was expelled.

Parish lands were confiscated, clergy salaries and pensions were cut off, and their savings confiscated. Churches were deprived of support. Catholic printing plants were confiscated, and religious books destroyed.

On June 28, 1940, the teaching of religion and recitation of prayers in schools was forbidden. The University's Department of Theology and Philosophy was abolished, and all private schools were nationalized. The seminaries at Vilkaviskis and Telsiai were closed, and the seminary at Kaunas was permitted to operate on a very limited scale. The clergy were spied upon constantly.

On June 15, 1941, 34,260 Lithuanians were packed off in cattle-cars to undisclosed points in the Soviet Union. After World War II, the mass deportations resumed and continued until 1953.

Relaxation of pressure on religious believers soon revealed that the Lithuanian people were still deeply religious. It was decided in the mid-fifties to resume the attack. The principal means of attack would be unlimited moral pressure, since physical terror seemed only to strengthen and unify the faithful.

In 1972, the *Chronicle of the Catholic Church in Lithuania*, clandestinely published in that country, began to reach the free world at irregular intervals. Primarily intended to keep Catholics in Lithuania informed of the situation of the Church there, these Lithuanian *samizdat* also serve as a constant appeal to the free world not to forget the plight of a people struggling against overwhelming odds to defend their religious beliefs and to regain their basic human rights.

EXCERPT FROM "THE VIOLATIONS OF HUMAN RIGHT IN SOVIET OCCUPIED LITHUANIA"

The situation of the Lithuanian language is difficult. Five times as many Russians are living in Lithuania today than prior to World War II, especially in Vilnius and Klaipeda. Therefore, in some offices it is impossible to make oneself understood in Lithuanian, for instance, in the Vilnius railway station in some post offices, on the street with the policemen on duty, etc. In Latvia, where on the eve of the war there were eighteen Lithuanian schools, they have all been closed. Many lands, recognized as part of Lithuania by the peace treaty between Lithuania and the Soviet Union, signed on July 12, 1920, today are under the Belorussian administration. Lithuanians are autochthonous in those lands. They have no Lithuanian schools, while in Apsas and Vydziai the churches have been closed; the church of Pelesa, built by Lithuanians after World War I, has been transformed into a warehouse, its towers have been razed, while Rector Vienazindis was imprisoned in 1950. Consequently, Lithuanians in Belorussia have no schools, no churches, and Lithuanian priests are not allowed to take up residence there.

The census data indicate that the number of Russians and of Poles in Lithuania is about equal, but various advertisements, slogans, posters, booklets, etc. in Vilnius are in two languages—Lithuanian and Russian—only. There is a Russian drama theatre in Vilnius, Russian-language classes are set up in Lithuania's higher education establishments, while the Polish language is allowed only in the Vilnius Pedagogical Institute.

The smaller national minorities are faring even worse. During the war, the Jews suffered more than any other inhabitants in Lithuania. Prior to World War II. they had 122 primary schools, three grammar schools, and 14 high schools. At present, the Jews do not have a single school, or a press of their own, although, according to the 1970 census data, there were 16,000 of them in Vilnius alone, and 4,000 in Kaunas. Twenty-four thousand declared themselves as Belorussians in Vilnius, but they do not have their own school and the Belorussian religious services were also abolished in churches in the postwar years. When private schools were forbidden after the war, the Karaites suffered a special loss, because the *Kenese* (Karaite place of worship. Ed.) of Trakai had a parochial school attached to it; the Tatars also suffered a wrong with the closing of their mosques and schools.

The Lithuanians in Latvia are given the explanation that, if they want to study in Lithuanian, they must go to Lithuania, but the Russians are not told that their children should go to Russian to learn Russian. The Ministry of Education has specified that the curriculum of the senior class in Lithuanian high schools contain only four weekly hours of Lithuanian language and five hours of the Russian language. The same Ministry manages to demand and obtain a fluency in Russian from all Lithuanian graduates, but the same Ministry is helpless to make the same Russian graduates to learn at least a little Lithuanian. The publishing houses have even gone further: in some Lithuanian books Russian texts are now being printed without a Lithuanian translation. Various administrative officials and the press have begun talking about the bilingualism of Lithuanians—the Lithuanians are alleged to like Lenin's language. But what is to be done if in Lithuania itself it is impossible to communicate in Lithuanian?

Today, only old maps of Europe show Lithuania as a distinct entity, but the newer ones display her territory as part of the Soviet Union. However, the U.S. Government and other great Western powers have steadfastly maintained a policy of nonrecognition of the forcible annexation of Lithuania. All Americans must continue to encourage the heroic Lithuanian people in the continuing struggle for freedom and must speak out against the Soviet policies of Russification and their brutal attempts to absorb the Baltic States and destroy them as peoples.

It is for this reason that I introduced a House concurrent resolution, the text of which follows:

HOUSE CONCURRENT RESOLUTION

Expressing the sense of the Congress with respect to the illegal annexation by the Soviet Union of Estonia, Latvia, and Lithuania.

Whereas the United States does not recognize the illegal annexation by the Soviet Union of the Baltic nations of Estonia, Latvia, and Lithuania;

Whereas the United States as a member of the United Nations has pledged, in article 55 and 56 of the United Nations Charter, ". . . to take joint and separate action . . ." to promote "universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion";

Whereas the House of Representatives Select Committee to Investigate Communist Aggression of the 83rd Congress thoroughly investigated the seizure of the Baltic nations by the Soviet Union and, in its Third Interim Report, concluded, "The evidence is overwhelming and conclusive that Estonia, Latvia and Lithuania were forcibly occupied and illegally annexed by the U.S.S.R.";

Whereas the United States, as a signatory to the Final Act of the Conference on Security and Cooperation in Europe, endorsed Principle VIII, relating to equal rights and self-determination of peoples, which states, ". . . all people always have the right, in full freedom, to determine, when and as they wish, their internal and external political status, without external interference, and to pursue as they wish their political, economic, social and cultural development. . ." and, "The participating States . . . also recall the importance of the elimination of any form of violation of this principle."; and

Whereas the House of Representatives in the 94th Congress, by adopting H. Res. 864 reaffirmed the United States policy with respect to the Baltic nations (and thereby urged positive actions): Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that—

(1) the President should enter into negotiations with the Soviet Union to secure the withdrawal from Estonia, Latvia, and Lithuania of all military forces and political, administrative, and police personnel not under the auspices of those respective countries;

(2) another purpose of such negotiations should be to secure the release of political prisoners of Estonian, Latvian, and Lithuanian nationality from prisons, labor camps, psychiatric institutions, and other detention centers within the Soviet Union and their return to the countries of Estonia, Latvia, or Lithuania, as the case may be;

(3) the President should instruct the United States delegation to the preparatory meeting of the 1980 Madrid meeting of the Conference on Security and Cooperation in Europe to present as specific agenda items—

(A) the illegal seizure and annexation of Estonia, Latvia, and Lithuania by the Soviet Union, and

(B) the denial by the Soviet Union of self-determination and territorial integrity to Estonia, Latvia, and Lithuania by the Soviet Union; and

(4) the President should make every effort to gain the support and cooperation of all nations in achieving the objectives of the negotiations set forth in paragraphs (1) and (2) and in securing the agenda items set forth in paragraph (3).

Mr. Speaker, I proudly join with Americans of Lithuanian descent in my own 11th district, which I am honored to represent, in the city of Chicago, and all over this country as they share with Lithuanians everywhere the fervent prayer that their bravery and strength of character will soon be rewarded, that right will triumph over injustice, and that Lithuania will be free once more.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I would be happy to yield to my colleague, the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I appreciate what our friend, the gentleman from Illinois (Mr. ANNUNZIO) has done to bring to the attention of the House of Representatives, as he has done in such a constructive way, the desires of the people in Lithuania to be free. The gentleman from Illinois has always been a strong supporter of the concepts of freedom for those who presently find themselves behind the Iron Curtain. My colleague has been a champion of the many people who are literally in chains under oppressive dictatorships and further, he knows that the people in Lithuania look to America for the concepts of freedom and liberty and for support in the hope that some day they will again be a free people and live under true independence.

Mr. Speaker, I would like to join my colleagues and the Lithuanian-American community in commemorating the 61st anniversary of Lithuanian Independence Day. It is my wish that one day Lithuania will again be a free and autonomous nation and that her heritage of heroism, bravery, and dedication to the right of freedom will continue to be a source of inspiration for all of the oppressed peoples of the world.

It was after World War I that an independent Lithuania emerged as a free nation and declared her independence from a long history of Russian and German rule. The small country's declaration marked the beginning of a fight for freedom and resulted in an independent nation, truly capable of achieving tremendous social and economic strides.

Today, no flags of independence are flying. The country's independence was seized in 1940 by the Soviet Union and she has remained under Communist dominance for the past 39 years without any opportunity for the self-government she once enjoyed and prospered under. Miraculously, Lithuanians still remember their freedom and they have continually resisted Soviet attempts to destroy their strong unity and identiy. An ardent desire for autonomy survives in Lithuania today which is reflected in the way the people steadfastly adhere to their cultural heritage which embraced the value of freedom. It is deplorable that the Soviet Union continues to deny Lithuanian citizens the right to exercise the principle of self-determination and continues to suppress their human rights. As Lithuanians struggle to practice the freedom their declaration of independence once gave them—their culture, literature, customs, and religion, they live in constant fear of Soviet retaliation for these efforts.

As our Nation champions the cause of freedom and human rights throughout the world, let all Americans, Mr. Speaker, show compassion to Lithuanians and hope that some day they will be allowed to realize their God-given rights we enjoy and they once declared.

I thank my colleague for taking this time to bring to the attention of the House a recognition of this important day and what it means as a symbol for freedom.

Mr. McCLORY. Mr. Speaker, will the gentleman yield to me?

Mr. ANNUNZIO. I would be pleased to yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I am pleased to participate in the special order.

On the occasion of the 61st anniversary of the Declaration of Lithuanian Independence, I wish to give assurances of my continuing support of the efforts of the citizens of Lithuania and of all Lithuanian Americans. Their ongoing struggle to help their homeland of Lithuania once again to regain her freedom and independence from Russia is an example to us all of unquestioning commitment to a worthy goal.

I am proud of the Lithuanians who reside within the 13th District of Illinois, including my friend, Ed Skalisius and my District Administrative Assistant, Dee Kweder Griesheimer. They not only persist in their efforts to keep alive the great traditions and culture of their country, but also earnestly strive to assist their fellow countrymen to regain that valued privilege of liberty which we in this country hold so dear.

I have read the resolution which the Joint Baltic American National Committee has proposed with respect to the feelings of and the efforts by the United States to assist these courageous and freedom-loving people. It is my understanding that Congressman ED DERWINSKI is planning to introduce a similar resolution soon, and I plan to support and be an original cosponsor of that resolution.

Mr. Speaker, it seems as if the hardships the Lithuanians have undergone in the past 61 years have only strengthened their determination to be free from Russian oppression. As the Lithuanians in my district and throughout the world commemorate this great occasion, I urge them to continue their valiant and dedicated efforts in behalf of the great citizens of this small but important Baltic country.

Mr. ANNUNZIO. Mr. Speaker, I appreciate the contributions of my good friends, the gentleman from California (Mr. ROUSSELOT) and the gentleman from Illinois (Mr. MCCLORY). I am sure that the Lithuanians throughout the entire world will be grateful for their encouraging remarks.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I am pleased to yield to my distinguished colleague, the gentleman from Ohio.

TAIWAN—A BIPARTISAN ISSUE FOR THE 1980 ELECTIONS

● Mr. ASHBROOK. Mr. Speaker, some idea of the severe and intensive opposition which followed the sellout of Taiwan by this administration can be gleaned from recent remarks of National Commander in Chief Eric Sandstrom of the Veterans of Foreign Wars. Recalling President Franklin Roosevelt's observation when Benito Mussolini invaded helpless France in 1940 that the hand that held the dagger plunged it into the back of its neighbor, Commander Sandstrom stated:

> The Republic of China has been accorded the diplomatic equivalent of Mussolini's 1940 action.

Fortunately, the VFW does not intend to indulge in handwriting and commiserating over this tragic action but is looking to the 96th Congress for corrective action on a bipartisan basis. The use of the 7th Fleet "as a shield and guarantor of the Republic's safety" is one specific recommendation by the VFW national commander.

A bipartisan approach to the Taiwan question is, of course, the only way to go as the responsibility for Free China's present tragic state must also be shared on a bipartisan basis. A Democrat administration presided over the fall of Chiang Kai-shek and the mainland in 1949; Republican leaders softened up free world opposition to Red China by visits to Peking; and it remained for the present administration to effect a Jekyll-Hyde transformation of a barbarian regime into one of respectability by diplomatic recognition, while at the same time rendering our longtime friend and ally a geopolitical nonentity.

In true bipartisan fashion Congressman John F. Kennedy in 1949 criticized his own Democratic administration when the Nationalist government fell:

> This is the tragic story of China whose freedom we once fought to preserve. What our young men had saved, our diplomats and our President have frittered away.

Present-day "diplomats and our President" have again further crippled our Taiwan ally and the present home of the free Chinese by helping to remove Taiwan as a recognized state among the family of free nations.

There are almost 30 million veterans in the United States, many of whom were the "young men" cited by John Kennedy in the above-mentioned quote. Concerned veterans, and concerned voters in general, would do well by adopting Commander Sandstrom's directive for the future and getting their message through to Congress:

> We will work in a bipartisan way with members in the 96th Congress who share our sense of outrage and betrayal.

I insert at this point the VFW press release of December 18, 1978, along with the exchange of letters between Commander Sandstrom and Secretary of State Cyrus Vance.

V.F.W. LEADER: "THE HAND THAT HELD THE DAGGER . . ."

WASHINGTON, D.C.—Mr. Eric Sandstrom, decorated Marine Corps veteran who serves as National Commander-in-Chief of the Veterans of Foreign Wars of the United States, today recalled, as applying to President Carter's betrayal of Free China, some words spoken in 1940 by President Franklin D. Roosevelt on the occasion of Benito Mussolini's invasion of prostrate France: "The hand that held the dagger plunged it into the back of its neighbor."

"The Republic of China," Mr. Sandstrom continued, "has been accorded the diplomatic equivalent of Mussolini's 1940 action.

"The Preisdent chose a wekend during the Christmas season with Congress out of session to announce his cave-in to all three Communist Chinese pre-conditions for recognition. His almost covert message, of necessity, spared us any mention of 'human rights' on the Communist Mainland.

"As far as the V.F.W. is concerned:

"We will work in a bi-partisan way with members in the 96th Congres who share our sense of outrage and betrayal.

"We will seek to initiate prompt and practical military steps to assure the security of Free China; for but one example, using the U.S. Seventh Fleet as a shield and guarantor of the Republic's safety."

Mr. Sandstrom concluded by noting:

"I attach hereto copies of recent correspondence, initiated by me, on this matter with Secretary Vance. I note with sadness Mr. Vance's now hollow assurance that 'it is not the intention of the U.S. government to abandon Taiwan.'

"If the English language has any use as a conveyor of meaning, that is *exactly* what President Carter has done.

"Finally, the England of the 19th century earned the description of being 'Perfidious Albion' because of the mechanical way in which allies were either sought or shed. We Americans, to this point, have stood by our pledged word. Our people, unlike this Administration, are not cynical.

"I close with a question for the so-called 'realists' who abandoned Free China: how do you think Menachem Begin views American assurances today? And, can you 'realistically' blame him?"

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
October 5, 1978.

Hon. CYRUS VANCE,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: There has developed a pattern of U.S. conduct towards our friends and allies from the Republic of China that may not have been brought to your official attention.

My Washington staff, at my request, has investigated the range of U.S.-Republic of China official contacts and reported to me the following chronology:

(a) ROC Ambassador Shen, among other envoys, met with President Carter at a White House reception which was held for the Diplomatic Corps immediately after the President's inauguration. Since that formal occasion, Ambassador Shen has not had a private audience with the President.

(b) On September 10, 1977, you received Ambassador Shen at the State Department after your August visit to Mainland China. Since then, we have no evidence of any further contact between you and the ROC Ambassador.

(c) Prior to Mr. Brzezinski's visit to Mainland China (May 20–25, 1978), Ambassador Shen tried several times (through Michael Oksenburg of the NSC) to meet with Mr. Brzezinski, but our ally was told that Mr. Brzezinski had no time to spare before his trip. Instead, I understand that Mr. Oksenburg promised Mr. Brzezinski would see Ambassador Shen soon after Mr. Brzezinski returned. Nothing has happened.

(d) Incredibly, no Senior American military official has seen fit to visit the U.S. Taiwan Defense Command since Admiral McCain's period as CINCPAC, some years back.

This pattern apparently pre-dates the current Administration. For but one example, it was only following vigorous V.F.W. objections that former Vice President Rockefeller was added to the U. S. delegation that journeyed to the Republic of China to attend the funeral of President Chiang Kai-Shek.

I understand the geo-strategic imperatives that undergird our emerging relationship with Mainland China—principally the 45 Soviet Divisions along the Sino-Soviet frontier which, I suspect, caused the Mainland Chinese to approach us in the first instance.

Two things strike me as being certain:

(1) The Mainland Chinese will develop not respect, but contempt, for an America that does not meet its obligations; and,

(2) We will never make new friends by betraying old allies.

Throughout this period I have been deeply impressed by the magnificent display of correctness and good manners provided by our friends from the Republic of China. We are losing by not listening to them.

I regret that our members and posture have not been equally admirable.

I urge you to:

(a) Meet with Ambassador Shen;

(b) Arrange an appropriate meeting between the Ambassador and President Carter; and,

(c) Permit and encourage the U. S. Military—notably CINCPAC—to visit the Republice of China on Taiwan as a matter of high importance to the command.

I look forward to hearing from you on this matter of central importance.

Sincerely,

ERIC SANDSTROM,
National Commander-in-Chief.

THE SECRETARY OF STATE,
Washington, D.C., October 27, 1978.

Mr. ERIC SANDSTROM,
National Commander-in-Chief, Veterans of Foreign Wars of the United States,
Washington, D.C.

DEAR MR. SANDSTROM: Thank you for your letter about the United States Government's China policy and our relations with the Republic of China. Let me respond to the points you raised.

Ambassadors do not meet with the President as a matter of course. Nonetheless, Ambassador Shen has had access to a number of senior Department of State officials. I have met with him, as have the Under Secretary for Political Affairs and the Assistant Secretary for East Asia and Pacific Affairs. Because the State Department is in close and frequent contact with the Embassy of the Republic of China, I do not believe its representatives have encountered any obstacles to the conduct of business with our Government.

Concerning your assertion that "no Senior American military official has seen fit to visit the US Taiwan Defense Command since Admiral McCain's period as CINCPAC," it is a fact that a number of flag and general rank officers have recently visited Taiwan. For example, Vice Admiral Foley (Commander, Seventh Fleet) was there in September, Major General Poston (Commander, 13th Air Force) visited in January and August of this year, and Brigadier General Schwarzkopf (CINCPAC Deputy Director for Plans) was there this month.

Finally, I want to assure you unequivocally that it is not the intention of the US Government to "abandon" Taiwan. The President and I believe that it is most important for peace in East Asia and in the world that the United States achieve a normal relationship with the People's Republic of China.

However, as we have both said many times, in pursuing improved relations with Peking, the Administration has no intention of ignoring the wide range of mutually beneficial relations we maintain with Taiwan or jeopardizing the prospect that the people on Taiwan will continue to live peacefully and prosperously.

Sincerely,

CYRUS VANCE.●

Mr. ANNUNZIO. Mr. Speaker, I thank my colleague, the gentleman from Ohio (Mr. ASHBROOK), the ranking minority member of the Committee on Foreign Affairs, for his very excellent statement, and I deeply appreciate his joining all of us today in paying tribute to the Lithuanian people.

● Mr. BUCHANAN. Mr. Speaker, today we commemorate the 61st anniversary of the declaration of independence of Lithuania as we have commemorated it for too many years—with deep sorrow.

In Lithuania today, there is no independence, except in the hearts and minds of the people who seek to be free. There is no independence from the tyranny of Moscow which seeks to eradicate the cultural heritage of a proud people. Nor is there independence from a government in Moscow which has used its might to stifle religious expression.

Daily, Lithuanian citizens seek the rights guaranteed them by the Soviet Constitution and by the Final Act of the Conference on Security and Cooperation in Europe. Daily these rights are blatantly violated. The people of Lithuania are denied their basic rights while in their country. At the same time, they are often prohibited from exercising their right to emigrate.

Mr. Speaker, it is my prayer that one day we can truly celebrate a Lithuanian independence day on which the people of Lithuania will be free not only in mind and in spirit but in fact.

This is a goal to which we ought to commit ourselves and our Nation.

For too long in too many nations strong and proud peoples have been subjugated—peoples whose contributions to the future of the world would be tremendously enhanced by their freedom. Lithuania is such a nation.

Perhaps one day the light which did shine 61 years ago today will truly shine again. If that is the case, the world will truly be a brighter place.●

● Mr. FORSYTHE. Mr. Speaker, as Americans, we live in a country where we have the right to live and express ourselves freely, without fear of government reprisal. Our freedom is so much a part of our lives that we sometimes take it for granted, forgetting that it was won as a result of our forefather's steadfast refusal to accept the rule of an unfair government.

We also sometimes forget that in other countries of the world the rights which we enjoy are denied. We are free to celebrate our Independence Day with patriotic speeches, fireworks, parades, and picnics, but tomorrow Lithuanians will not be able to celebrate the 61st anniversary of their Declaration of Independence from the Soviet Russian Empire on February 16, 1918. Their freedom is only a memory and a dream of the future.

Lithuanians enjoyed just 22 years of freedom from Soviet domination before the Soviet Army invaded and again annexed their country in 1940. Since the Soviet takeover, this once proud and free people have endured an oppressive and tyrannical government. In an effort to destroy the Lithuanians' sense of unity and identity, the Soviets have removed many Lithuanians from the country. Yet the drive and determination of the Lithuanian people to reestablish a free and independent state where they may preserve their historic, religious, cultural, and linguistic heritage lives on.

Lithuanians are a brave people who serve as a source of inspiration for all the world's oppressed peoples. I salute their valiant struggle to regain their freedom and hope that they may soon be freed from oppression. Their plight also serves as an example of what the loss of freedom represents and a warning that those of us who are fortunate enough to live in a free state must continually guard against the loss of freedom and also work to uphold the rights of all peoples who suffer from tyranny.●

● Mr. LENT. Mr. Speaker, I am proud to join my distinguished colleagues today in observing the 61st anniversary of Lithuania's Declaration of Independence.

In this day of extensive public concern over basic human rights, we must never forget that national peoples also have basic rights. Preeminent among these is the right to self-determination and self-governance, free from foreign oppression. In the last 60 years, however, Lithuania has enjoyed but two decades of independence. Caught between Nazi Germany and Stalinist Russia, Lithuania's independence, though courageously defended, was finally ground into oblivion by the Soviet Union's onslaught.

Not content with the forcible annexation of Lithuania, the Soviet Union embarked on an even more brutal policy of subjugation. In case after case, helpless people whose one desire was to live in peace under their own government, were torn from their families and shipped to the Soviet Union's bleak gulag archipelago. There, many would vanish in the trackless wastelands of Siberia, victims of numerous incidents of gross inhumanity.

Yet despite this blatant oppression, which surely would have broken less resolute people, the Lithuanians have struggled to maintain their national character and their hopes for the day when, once again, the light of freedom will shine throughout their land.

Though the circumstances prompting our observance today are tragic, the courage of the Lithuanian people should serve as a reminder that as long as freedom-loving peoples suffer the mantle of aggression, the struggle for human rights, both national and individual, must continue. Let us hope that liberty, the very essence of democracy, will one day soon prevail in Lithuania.●

● Mr. ZABLOCKI. Mr. Speaker, I wish to join my colleagues and my friends throughout the Lithuanian-American community and commend them for their laudable efforts in commemorating the 61st anniversary of their independence.

It has been 61 years since the Lithuanian people displayed their high degree of respect for human dignity and fundamental freedoms by declaring their independence from Soviet Russia.

In the years between 1918 and 1940, Lithuania attempted to develop its economic and social sectors while keeping its basic respect for man in the forefront. Lithuania's adherence to the principles of individual freedom, however, failed to impress its neighbor. The tragic historical domination of Lithuania by Russia was reimposed by the Soviets in an action designed to forestall an attack by Nazi Germany.

Despite continued Soviet dominance in recent decades, Mr. Speaker, the commitment to individual freedom and national sovereignty continues in Lithuania today. Human rights activitists including Balys Gajauskas, Viktorus Petkus, Jonas Petkevicius, and countless others courageously express the Lithuanian yearning for democratic freedoms. The samizdat publications, including Ausra, the Chronicle of the Lithuanian Catholic Church, Varpas, and others provide an unofficial alternative to the monotonous, Soviet-controlled media, which stifles free speech and debate and alters accurate reporting of internal conditions in Lithuania.

This continued commitment to individual rights and fundamental freedom reflects the remarkable spirit of the Lithuanian people, who continue undaunted in this commitment even in the face of continued Soviet domination. I offer my personal and sincere commendation for this commitment, and hope that the yearning of all Lithuanians for a restoration of human rights will soon be fulfilled.●

● Mr. LUNGREN. Mr. Speaker, I would like to join my colleagues today in commemorating the 61st anniversary of the founding of the Republic of Lithuania.

This tiny Baltic State enjoyed freedom in this century for only a short time.

The independent Republic of Lithuania was established on February 16, 1918 and was extinguished when 300,000

Soviet troops overran the country in 1940.

Lithuania never again enjoyed republican freedoms, or its own autonomous government.

Today, that short lived period of independence is still a bright memory for many Americans of Lithuanian descent, who will not let the world forget that their country is one of the Captive Nations of Eastern Europe.

The Captive Nations—Latvia, Lithuania, and Estonia, were all taken over by the Soviets, who depopulated these countries of their native inhabitants in order to quell dissent.

Once a people experience the beginnings of free government, however, not even violence and terror will subdue that memory.

Hopefully, the stubborn refusal of the Lithuanian people to give up hope of freedom will serve as a beacon to others in the world, and help us appreciate here in the United States the precious freedoms we enjoy.●

● Mr. HALL of Ohio. Mr. Speaker, February 16 will commemorate 61 years since Lithuanian declared her independence. Unfortunately, only for a brief period since that time has she actually been free. As we pay tribute to this courageous state, we are reminded of our own country's struggle for independence.

During the 20 years since 1918 in which Lithuania was a democratic state, the nation experienced great cultural and intellectual growth. This golden era brought advancements in the areas of agriculture, literature, and opera.

Unfortunately, since the Soviet takeover in 1940, the brave Lithuanians have experienced severe oppression. But the determination of these great people have enabled them to continuously persist in their goal of freedom. Their spirit is uncrushable. Recognizing the persistence of this attitude, we can anticipate Lithuania's ultimate victory.●

● Mr. GOLDWATER. Mr. Speaker, it is with pleasure that I join my colleagues in extending warmest regards to the Lithuanian people on the eve of their 61st independence day.

In 1918, Lithuania proclaimed independence from Russia and Germany, and established a democratic government. Shortly thereafter, a peace treaty was signed with the Soviet Union under which the Soviets recognized "without any reservation the sovereignty and independence of the State of Lithuania" and "voluntarily and forever renounced" any rights over the Lithuanian people and territory. This treaty, however, was disregarded following the Hitler-Stalin pact, and by 1940 Lithuania was once again under Soviet control. Since that time, the Soviet Government has consistently oppressed traditional Lithuanian customs and culture, and sought to stifle dissent from established party policies. I am happy to report, however, that the spirit of Lithuania could not be dominated, and that increasing protest has yielded some measure of relief from this oppression.

Mr. Speaker, the Soviet Union, the United States, and many other nations signed the 1975 Helsinki accords seeking a new recognition of human and national rights. The Soviets have dishonored this agreement through the continuing suppression of these rights in Lithuania and the other Baltic States. Now it is our duty to encourage fulfillment of the ideals embodying the "spirit of Helsinki." Accordingly, I applaud the determination of the Lithuanian people to reclaim their national heritage. The strength and perseverance of their spirit should be an inspiration to our own.●

● Mr. THOMPSON. Mr. Speaker, in the past I have addressed this Chamber commemorating the anniversaries of Lithuanian Independence Day and expressing the sense of outrage felt worldwide concerning Soviet violations of human rights in that country. We all hoped that the 1975 signing of the Helsinki accords would finally force the Soviet Union to bestow upon its citizenry the basic and fundamental rights enumerated in its constitution. Sadly, this has not been the case.

On February 16, 1979, Americans of Lithuanian origin and descent will celebrate the 61st anniversary of Lithuanian independence, and once again I come before this Chamber to extend my very best wishes to the people of Lithuanian and to all Americans of Lithuanian descent. I wish that I could report some major progress of human rights in that and other Eastern European countries under the domination of the Soviet Union. While the Helsinki accords have increasingly focused world attention upon the violation of human rights made by the Soviet Union, it has only encouraged Moscow to crack down upon dissidents demanding compliance to the treaty.

Lithuanian dissidents have helped spearhead this movement and at the same time have suffered the consequences of their brave actions. Political and religious persecution continues unbated today. Dissidents have increasingly been harrassed and interrogated by the Soviet KGB. If they are arrested, their trials become a mockery of justice.

The people of Lithuanian have struggled long and hard to maintain their sense of cultural identity and independence in the face of continued Soviet pressure to do otherwise. Americans of all backgrounds support this struggle of the Lithuanians and will continue to demand that the Soviet Union comply with the Helsinki accords.●

● Mr. GUARINI. Mr. Speaker, Americans of every national origin today reflect on the 61st anniversary of the reestablishment of an independent Lithuania. The American-Lithuanian community can be especially proud that despite the adversities of cultural, political and economic oppression, Lithuania remains a distinct and vibrant political community. The Lithuanian people continue to resist the suffocation of Soviet assimilation despite all official efforts to suppress Lithuanian national identity and self-expression.

Today is a time for reflection, but it is even more a time for hope. Hope that Lithuanians around the world will continue to call attention to this important day in human freedom. Hope that Lithuanians will continue to resist the illegal occupation of their territory and interference in their lives by an imperial power. And, above all, hope that Lithuania will once again be free to decide its own national welfare and destiny.

The United States has never recognized Lithuania and her sisters Estonia and Latvia as Soviet entities, and America should continue this policy of self-determination in Eastern Europe. Our own Nation was born in self-determination, and we must never forget our revolutionary heritage. Let our example, both painful and glorious, stand as a monument to freedom of national choice. Let us plot own own course and, yes, make our own mistakes. We demand no less for ourselves and we should demand no less for others. May Lithuania again enjoy those freedoms which many in America have come to regard as routine, and may the Lithuanian people keep that spirit which will make those freedoms a reality.●

● Mrs. HOLT. Mr. Speaker, I am proud to participate in this observance of Lithuanian Independence Day, which is a day of mourning for freedom lost.

We think today of the great and ancient civilizations of Eastern Europe which have been conquered by the Russian Empire and endure the tyranny imposed by the Kremlin.

Some, like Poland, Czechoslovakia, and Hungary, retain the legal status of independence while they are held by threat of overwhelming military power in the grasp of the Soviet despotism.

Others, such as Lithuania, Latvia, and Estonia, have literally been swallowed into the Soviet Union, which brutally attempts to stamp out any spirit of national independence.

We honor Lithuania today. We honor those Lithuanians who keep the flickering hope of independence alive in their suffering land. We honor those who have given their lives for Lithuanian independence.

But we also remember the patriots of the other captive nations and their unceasing quest for independence, and we should be thankful for the freedom we enjoy and strengthen our determination to defend it.●

● Mr. DOUGHERTY. Mr. Speaker, today is the 61st anniversary of Lithuanian independence. We mark that independence best by sharing one of the goals of Ausra, one of the remaining journals of Lithuanian culture, and look to the future of this and other Captive Nations. That future depends upon the continued and expanded exercise of Lithuanians' basic human rights—the right to their language, their religious heritage, their literature, their music—rights essential to the maintenance of an independent national character.

Despite the crushing weight of Soviet domination for over 40 years, Lithuanians have struggled to maintain their national character. Ethnically distinct from their oppressors, many Lithuanians have been deported from their homeland to even the eastern parts of Soviet Asia, splitting families in the process. One of the last peoples to convert to Catholicism in Europe, Lithuanians close affiliation with the Catholic faith endures in the face of outright elimination of their religious institutions. Possessed of one of the oldest Indo-European languages to survive upheavals in European migrations, and foreign occupations, Lithuanians must tolerate continuing pressures to abolish the use of their native tongue.

Testimony to Lithuanians' persistence and desire to maintain their cultural identity is the high rate of listening in Lithuanian to broadcasts of overseas radio stations. Statistics indicate that especially frequent listeners are those under 30 years of age, and the better educated segments of the population. And all Lithuanians constitute a larger than normal population of those preferring broadcasts in their native language rather than Russian, the so-called official language.

Most disappointing is the complete subjugation of Lithuanian political institutions, and discouragement of learning in studies of Lithuanian history and literature. Lithuania, historically an important independent state in Eastern Europe, in modern times has known only a brief flourishing of political liberty and self-determination. Nonetheless, Lithuanians have kept alive and intact their national character even today. The restoration of the rights of national existence, and of other basic human rights, must be accorded a high place in Western policy toward Lithuania. Lithuanians have earned it because, as Father Svarinskas has said: "In Lithuania, everybody is a dissident."

The expansion of these basic human rights necessary to the identity of the Lithuanian national character must be supported by the United States. We have never recognized the bloody takeover of that nation by the Red Army in 1940. We have pursued the development of human rights in Lithuania through the vehicle of the Helsinki agreements. We must now take steps to further aid Lithuanian liberty.

This can best be accomplished by heeding the advice of expatriate Lithuanian Tomas Venclova:

> If the Soviet leaders are convinced that protests about persecutions in Lithuania are not merely a temporary expedient of the West, but will lead to a consistent and steadfast policy on the part of the West, they will have no choice but to recognize this. * * *

Americans everywhere share the sentiments of Tomas Venclova. Congress has repeatedly expressed its ongoing dedication to the struggle for Lithuanian freedoms. We in Congress will lead a "consistent and steadfast policy" of opposition to the suppression of the Lithuaian national character. We will encourage all Lithuanians and Lithuanian-Americans to keep the torch of liberty burning brightly by the courageous examples modern Lithuanians offer us.●

● Mr. COUGHLIN. Mr. Speaker, I am pleased to join my colleagues in recognition of the 61 anniversary of Lithuanian independence, celebrated to commemorate the brief flicker of independence in 1918, so quickly and sadly extinguished in 1940. But we can take heart at this time with the spirit of the Lithuanians and all the Baltic peoples in their resistance to Soviet domination. These people wish only to pursue their customs without being forced to lose their distinctive character to the ways of the Soviet Union—to carve out a meaningful existence, free of Soviet constraints and restrictions.

The Lithuanian people have struggled valiantly, provoking revolts in the late 1800's and the early 1900's, and regaining their freedom. The proud spirit of these people has never succumbed, and their dream of independence continues to flourish. Their spirit and their desire for freedom will not be easily diminished. Today, we renew our support and encouragement to them in their struggle for self-determination.

It is particularly important that we understand the significance of the Baltic nations and the importance of the maintenance of their distinctive cultural and ethnic identies. The Soviet Union has forced numbers of Baltic peoples to move into central Russia, and forced emigration of Russian peoples into the Baltic States, thereby lessening their national cohesiveness and cultural uniqueness. Despite these attempts to dilute the language, religion and culture of the Baltic people, they continue to speak in their own tongues, worship in their own way, and maintain their own distinctive customs. In light of the many obstacles before them, the efforts of these people are truly remarkable.

The free exercise of human rights has always been the example set by the United States. We should reach beyond example setting, however, and see to it that the theme of human rights is felt around the world. The support of people, like ourselves, in the free countries of the West is imperative to the spirit and high hopes of the Baltic people who yearn for their freedom. We must affirm continuing support for Lithuanian independence and the independence of her sister states. As a people who cherish liberty as much as we, the gallant Lithuanians have suffered hardship and loss in their struggle to determine their own destiny. Their cause must not be abandoned. Today, we pause to remind ourselves of our good fortune to be able to live in this free land, and hope that some day, the people of Lithuania may also be able to enjoy these same freedoms.●

● Mr. WALGREN. Mr. Speaker, tomorrow, February 16, marks the 61st anniversary of the declaration of independence of Lithuania. On this day, I wish to commend the bravery and determination of the Lithuanian people. After 123 years of Russian domination, at the close of World War I, Lithuania became a sovereign and independent state.

They adopted a republican form of government based on strong democratic principles. In 1920, Russia recognized Lithuania as an independent nation, dissolving any rights of sovereignty over her. However, their independence was short lived. After only two decades of freedom, Lithuania was again taken over by the Red army during the Second World War.

The people suffered greatly under Soviet occupation. Many were deported to Siberia; others who were political prisoners were executed. Following Soviet occupation, Nazi Germany moved in and overtook Lithuania. Almost all Lithuanian Jews were executed by the Nazis. When the Nazis lost control, Lithuania was retaken by the Soviet Union and all of Lithuania was occupied.

Since then the Lithuanian people have been subjected to immense cruelties. All who practice religion are persecuted for their beliefs. Human rights are virtually nonexistent.

Through all of this, the people of Lithuania have continued in their quest for independence. They have not given up hope that they will again someday be a free nation. On this day, let us reaffirm our stand that basic human rights be the inherent right of all people. Let us remember today that the rights we so often take for granted are the same rights that other people struggle all their lives to obtain. Today we commemorate such people, those of Lithuania who have never given up and have maintained their freedom loving spirit in their battle for independence. We offer them our support and blessings.●

● Mr. HOLLENBECK. Mr. Speaker, it is an honor for me to take this opportunity and join my colleagues in commemorating the 61st anniversary of Lithuanian independence. On this day in 1918, the Lithuanian people broke a long period of Soviet domination and declared themselves an independent nation.

Oppressed for centuries because of their geographical location, Lithuanians have suffered invasions from the East by the Russians and from the West by Teutonic knights. They have demonstrated incredible spiritual and ethnic strength by surviving these continued attacks.

Ever since this gallant Baltic country was incorporated into the Soviet Union by the Russians, the Lithuanians have struggled to throw off the chains of their conquerors. Thousands of these freedom fighters have sacrificed their lives in an attempt to secure independence for their beloved country. From 1944 to 1952 alone, approximately 50,000 Lithuanian freedom fighters gave their lives as part of an organized resistance movement. However, the cessation of armed guerrilla warfare has not resulted in the end of resistance against Soviet domination. Rather it has created the impetus for the introduction of passive protest.

Even today, Lithuanians are risking and sacrificing their lives in defiance of the Communist regime. The protests of the Lithuanian people against the denial of their right to national self-determination, and religious and political freedom continues despite Soviet oppression. With this in mind we must attempt to match the courage of Lithuania by reaffirming our dedication to the principles of self-determination and human rights.

As a nation, it is our obligation to confront the Soviet Government with the fact that despite being cosigners of the Helsinki Accords, they have blatantly ignored many of the provisions guaranteeing human rights. We must continue to speak out against the denial of human rights and not succumb to any temptations which permit us to neglect the inhumane treatment of those less fortunate throughout the world. Instead, we should continue to fight vigorously for those rights to which all people are entitled.

On this day as all others, we should extend whatever support we can to the people of Lithuania and their dreams for freedom. Let us all hope for the day in the future when our Lithuanian friends can celebrate their renewed independence as a nation free from outside domination and oppression.●

● Mr. PEYSER. Mr. Speaker, it is a privilege to be here today to commemorate Lithuanian Independence Day. During the past two decades we have heard much talk of civil and human rights; but it is sometimes forgotten that national rights are an integral part if not the basis of all other rights.

National rights define the right of a people to retain its ethnic, cultural, religious and linguistic identity. It is the very basis from which a nation can begin to address the problem of granting to its citizens the human and civil liberties they absolutely deserve.

The Lithuanian people enjoyed this national right from 1918 until 1940 when they were forcibly occupied and illegally annexed to the U.S.S.R.

During their 22 years of independence Lithuania made considerable progress in its social, cultural and economic life. A constituent assembly was elected in 1920 and a democratic constitution was adopted. Lithuania was also the first post-World War I European country to institute a radical land reform program. As a result, 717,968 hectares were redistributed to the farm population; about 89 percent of the rural population became landowners.

In 1940 the Soviet Union invaded Lithuania ending its brief modern nationhood. There followed a new colonial era for this proud people. Mass deportation of thousands of dissidents was reported by the Lithuanian Red Cross. Western books and publications were forbidden, land was nationalized and many churches were either closed down or converted for other uses.

Despite the drastic measures taken by the Soviet Union in its efforts at domination and Russification, the proud nationalism and uniqueness of Lithuania survives today.

The United States supports the Lithuanians in their drive for national self-determination by refusing to recognize the illegal Sovit invasion. Our country continues to recognize the diplomatic missions from the last independent Lithuanian Republic, along with the Latvian and Estonian missions.

For our part we are here today to offer our support for this small but vital country and to recognize its continuing struggle for nationhood. A right which is basic to all other rights.●

● Mr. HAMMERSCHMIDT. Mr. Speaker, it is perhaps less difficult to be courageous and expressive in a society which encourages its people to vocalize and indicate the extent to which they cherish freedom and liberty.

Although even in a free society, its people must be always alert and watchful in safeguarding those freedoms, it takes a very special sense of courage to continue the struggle for human and religious freedom when none exists.

And, so it is with the people of Lithuania, whose independence as a nation became nonexistent in 1940, when the Soviet Union invaded and absorbed the Baltic States of Estonia, Latvia, and Lithuania.

February 16 marks the 726th anniversary of the coronation of Mindaugas as the first Christian King of Lithuania. It is an anniversary of considerable significance. It reminds us that, for two centuries following that coronation, Lithuania was a powerful force for freedom throughout Eastern Europe. Not only did Lithuania enjoy broad political, cultural, and commercial relations with her neighbors, but in her belief in independence through strength, she also kept in check the German drive to the east, and the assaults of the Mongols and Tartars against the west.

Through subsequent subjugation, born of the duplicity of the Czarist Russia of the 18th and early 19th centuries, the people of Lithuania never lost their Christian faith nor their burning desire to again be free. That moment came, appropriately enough, on February 16, 1918. For the next 2 years, Lithuania again made marked progress in economic, social, and scientific fields. Then, in the World War II year 1939, the great people of Lithuania again fell victim to international greed and duplicity, this time through the signing of the infamous Molotov-Ribbentrop Pact with which Hilter-ruled Nazi Germany and the Stalin-ruled Soviet Union drew their blueprint for the division of Eastern Europe between them.

Little more than a year later the famous Lithuanian flames of faith and freedom were dimmed anew. Supported by armor and air power, a Saviet Red Army force of 300,000 rolled into, and over, that essentially agrarian land. Yet, to keep these people in check, it became necessary for the Kremlin to station 1 armed soldier there for every 10 or 12 inhabitants, as Lithuania was ruthlessly absorbed into the Soviet Union.

But, again, the incredible character of the Lithuanian people, with their tremendous faith, and their undying dedication to freedom showed itself. This was documented no better than in the 1954 report to the Select Congressional Committee on Communist Aggression, chaired with such great distinction by the late Honorable Charles J. Kersten of Wisconsin.

That chilling report contained a document which, drafted and executed by Soviet General Ivan Serov, listed more than 100 categories of people as subject to arrest, deportation, and mass human extermination. Carried to the extreme, that heinous Red plan provided for the elimination of virtually every man, woman, and child except a member of the Communist Party of unquestioned reliability.

By the time the Kersten report was issued, Soviet occupation of Lithuania was in its 14th year. Her people had been submitted to one of the most brutal occupations in modern history. One-sixth of the population had been shipped, in chains, to Russia or Siberia. Others had been killed outright. The Catholic Church, to which 85 or 90 percent of the Lithuanian people belonged, had been severely persecuted. Armed guerrilla resistance had ended. Passive resistance had taken over. It continues today, driven by devoted religious feeling, fierce national pride, and that equally fierce Lithuanian desire for freedom.

In 1975, preceding the European Security Conference in Helsinki, several of my colleagues joined with me in introducing a resolution that it be U.S. policy that the Soviet annexation of Lithuania (as well as Latvia and Estonia) should in no way be honored with U.S. recognition.

As my colleagues know, of course, this resolution was passed unanimously by this body and, in turn, by the Senate. Then, both before and after the Helsinki Conference, then-President Ford reaffirmed that policy. Consequently, the non-Communist Chargé d'Affaires of the Lithuanian Legation here in Washington, like his Latvian counterpart here, and Estonian counterpart in New York, remains recognized by our Government as the true representative of his people.

Together with his Latvian and Estonian colleagues in freedom, the Lithuanian Chargé d'Affaires continues to provide us with valuable insights with which we can compare the Soviet promise at Helsinki with the Soviet performance in Lithuania and in her Baltic sister states.

Monitoring that performance, officially, for our Government, of course, is our Commission on Security and Cooperation in Europe. Established by the Congress, the Commission is, as my colleagues know, composed of six Members of the House, and six Members of the Senate, with one member each from the Departments of State, Defense, and Commerce.

The Commission has advised us that, in the Soviet Union, the initiatives of some citizens, in particular the brave actions of Viktoras Petkus, "in support of (Helsinki) Final Act compliance have been answered by acts of repression," and that such acts "are jeopardizing progress toward the overall goals of the Final Act."

Sadly, that information, coupled with information from the Lithuanian American Council, the Lithuanian Human Rights Commission, and the Joint Baltic Committee, leaves no doubt that much remains to be done before the Soviet promise of freedom is matched by Soviet performance.

The undaunted spirit and the determination of the people of Lithuania have somehow filtered through the iron wall of Soviet domination. By commemorating the occasion of their former independence as a nation, hopefully, the support and encouragement of the American people will permeate that iron wall and will clearly indicate to the Lithuanian people that they are being seen and heard, clearly and loudly, by a nation which remembers.

I know that on this meaningful 726th anniversary of the Mindaugas coronation, my colleagues join me in the hope and prayer of the Lithuanian people that freedom—true freedom—will, one day, be returned to that great and noble country, as well as to her Baltic sister states.●

● Mr. ROYBAL. Mr. Speaker, February 16, 1979, marks the 61st anniversary of Lithuania's establishment as a modern Republic. Established in 1918, the modern Republic of Lithuania was overrun by Nazis 22 years later when Lithuania was declared a constituent republic of the U.S.S.R.

The Lithuanian people, while under Communist domination, continue to actively work for the restoration of individual human liberties which they enjoyed between 1918 and 1940. While the dedication to human freedom symbolized by the brief existence of the Republic of Lithuania has been suppressed, it should serve to remind us just how important the intangible freedom really is.

Even those Lithuanians who have left their homeland, continue the quest for Lithuania's freedom. The pride and peace-loving nature of these people has become part of their national heritage and I want to commend Lithuanians throughout the world for their strength and determination as they continue their course toward freedom and independence.●

● Mr. BROOMFIELD. Mr. Speaker, superior force may hold a people prisoner, but it cannot capture their dreams, hopes, and aspirations. This fact is reaffirmed every day as the people of Lithuania reject Soviet efforts at Russification and continue to maintain their religion, their culture, their identity, and their dream of once again being free.

This month, we in the Congress join with Lithuanian Americans across the country, and with the people of Lithuania in observing February 16 as the anniversary of their independence.

The commemoration of Lithuania's independence, however, is markedly different from our Fourth of July celebration. For unlike our country, the sovereign nation of Lithuania presently exists only in the hearts and the minds of her people, and of people, everywhere, who cherish freedom.

Sixty-one years ago, the people of Lithuania, along with their Baltic neighbors, Latvia and Estonia, fought and won their independence from Russia to reestablish themselves as sovereign nations. Under this independence, Lithuania flourished and experienced progress in all areas—land reform was instituted, industries reestablished, transportation facilities expanded, social legislation enacted, and educational institutions enlarged.

Yet this new independence was to last for only 22 years. In a swift and brutal move, Soviet forces rolled over these nations and imposed their tyrannical yoke in 1940.

Only the people of these Baltic nations know the true cost of these 39 years of subjugation. We have seen glimpses of the cost in terms of the lives lost through the Soviet's extermination practices and the exile of the people to Siberia. We were reminded of the tyranny being experienced when we saw the unsuccessful escape attempt of the Lithuanian sailor, Simas Kudirka, and the self-immolation of Romas Kalanta. Most recently, we witnessed the charade of a "fair" trial as Lithuanian dissident, Viktoras Petkus, was sentenced to a prison term of 15 years. His crime was that he was a member of a Lithuanian group which tried to oversee compliance by the Soviet Union to its human rights commitments made under the Helsinki accords.

Mr. Speaker, if the people of Lithuania, Latvia, and Estonia were really part of the Union of Soviet Socialist Republics, the evidence clearly shows that the Soviet Union is not living up to its pledge, under the Helsinki accords, to guarantee human rights to her people. However, by its continued subjugation of these sovereign Baltic nations, an even greater injustice than the breaking of her pledge is being perpetrated—the Soviet Union is denying the most basic principle of self-determination to these people.

During these past 19 years ,we have never recognized these nations as part of the Soviet Union, and we must never do so. The people of Lithuania and the other Baltic States have clung to their hope of freedom. As we commemorate their brief independence, let us once again reaffirm our support of their aspirations and express our hope that they may celebrate the next independence day as free and independent nations.●

● Mr. ROE. Mr. Speaker, on February 16, 1979, Americans of Lithuanian origin and descent throughout the United States will commemorate the 61st anniversary of the reestablishment of an independent Lithuania and the 728th anniversary of the founding of the Lithuanian State. I wish to join my colleagues and the Lithuanian American community in commemorating this anniversary observance of Lithuanian Independence Day and salute the people of Lithuania who steadfastly cling to the richness of their cultural heritage and seek freedom of expression, religion and basic individual human rights in the country of their birth.

As we reflect on the history of the Lithuanian, we look to the country of Lithuania situated at the southern end of the eastern coast of the Baltic Sea, right at the European continent's geographic center. Historians tell us it emerged as a unified state in the early decades of the 13th century and became internationally recognized as the Kingdom of Lithuania in A.D. 1251.

After centuries of vast expansion eastward and southward, in 1569 Lithuania became a partner in the Polish-Lithuanian Commonwealth, which lasted till 1795 when it was partitioned between Austria. Prussia, and Russia. Lithuania fell under the Russian rule.

Lithuania succeeded in reestablishing its independence in 1918, at the end of World War I but was occupied again in 1940 by the armed forces of Russia, now known as the Soviet Union.

In the past the Congress was instrumental in establishing the Commission on Security and Cooperation in Europe (Public Law 94-304) to monitor international compliance with the Helsinki agreements. We also reaffirmed our Nation's policy of nonrecognition of the legality of the 1940 incorporation into the Soviet Union of the independent states of Lithuania, Latvia, and Estonia. I was pleased to sponsor and vigorously support these congressional resolutions.

Mr. Speaker, we are all agreed that there is a continuing need for concerted action in mustering world opinion as a viable force in achieving universal understanding and agreement on basic human rights principles to eliminate government controls that dominate the personal freedoms of the individual to live and worship in the land of his or her choice and stifle the independence and sovereignty of a nation of people.

Mr. Speaker, on behalf of the people of my congressional district and the State of New Jersey, I join in the annual observance of our Lithuanian heritage and trust that through our mutual endeavors and responsibilities that we will strive to continue to achieve international understanding and agreement that will eliminate the oppression of people and restore "human rights" and the rights of self-determination by the people of Lithuania and other captive nations of the world.●

● Mr. SENSENBRENNER. Mr. Speaker, thank you for allowing me this opportunity to speak on the anniversary of the Lithuanian Independence Day.

It was February 16, 1918, that the Baltic State of Lithuania declared its autonomy from the long period of Russian hegemony and German occupation it had suffered during World War I. This tiny state was again destined to fall under Soviet domination; Lithuania was declared a constituent republic of the U.S.S.R. in 1940. Having fallen into Nazi hands, Lithuania was reoccupied by the Soviet Union in 1944, and has been considered a component republic by the Soviet Union ever since. The United States never recognized the incorporation of Lithuania or any other Baltic States into the Soviet Union.

Soviet policy implementation during the Stalin years forced a dramatic change in the composition of the Lithuanian population. Some 80,000 Lithuanians fled to West Germany when the Soviets took over the Baltic region in 1944. An additional 60,000 were found in East Germany and deported during 1945 and 1946. Their passive resistance to the collectivization of agriculture brought the deportation of some 60,000 Lithuanians in 1949. The death of Stalin eased these displaced people, and about one-third of those who had been deported were permitted to return to their homeland. Yet, this cannot erase past cruelties committed by the U.S.S.R., nor the continuing effort by the Soviets to destroy the Lithuanian national spirit.

The Soviet constitution supposedly guarantees freedom of religion. Yet in the past 3 years, the Soviets have greatly increased terrorist tactics perpetrated against the faithful and all readers of religious publications. The most vitriolic attacks have been leveled against readers of chronicles of the Catholic Church. The Lithuanian population is 90 percent Catholic, and this group has lost their jobs, or worse, because of their religious tenents.

Lithuania is a travesty of international justice. The U.S.S.R. signed the Helsinki agreement, yet Lithuania has yet to be granted any human rights that were called for in the agreement. Soviet authorities prohibit the speaking of Lithuanian in public. Reading materials are controlled and censored by the Government. The citizens of Lithuania are subject to unexplained and unwarranted searches. In late 1977, reports leaked out of the Soviet Union telling of thousands of Lithuanians rampaging the streets of Vilnius, shouting anti-Soviet and nationalist slogans. Police cars were set on fire, windows were smashed, and Soviet propaganda banners were torn down. Soviet troops patrolled the streets to restore order.

It is good to be reminded today that this noble country, which was once free, is not the subject of the violent repression of the Soviet Union. The 1 million Lithuanians living in this country have certainly not forgotten this fact. For it is only by remembering their repression that we can strive to alleviate the conditions of this satellite of Soviet hegemony that we can prevent further encroachment of this hegemony. And, perhaps, one day it will be possible for us to be commemorating another day of Lithuanian independence from the U.S.S.R.●

● Mr. PANETTA. Mr. Speaker, I would like to join my colleagues in commemorating the 61st anniversary of Lithuanian independence.

The restoration of the Republic of Lithuania is a high point in Lithuanian history, and it is painful for us to realize the suffering that has occurred there under foreign domination over the past four decades. The Lithuanians are a brave people who yearn for freedom, and the massive violation of human rights that occurs simply by this denial of political freedom is an outrageous indignity.

This is a day to remember past independence and to look forward to and work for the day when the Lithuanian people will be free to form their own, independent government. Only then will this annual event be the real celebration it ought to be.●

● Mr. CONABLE. Mr. Speaker, the 61st anniversary of Lithuanian independence on February 16 again reminds us of the pursuit of independence not realized in Lithuania for nearly 40 years. At a time when the cause of human rights has been raised as a guiding principle of American foreign policy, it is appropriate that we once again call to the attention of all the sad plight of the people of Lithuania, a nation occupied by the Soviet Union in 1940 and still held under the yoke of Soviet domination.

Because the Lithuanian people have been unwilling to abandon the ideal of national integrity which illuminated their national integrity which illuminated their existence for a brief 22 years, they have been systematically uprooted and dispersed from their homeland in an attempt to destroy their identity. More than one-fourth of the population has been relocated, many dying in the process. The continued dedication of Lithuanians and other Baltic peoples to the struggle for freedom must command the respect and admiration of freedom-loving people everywhere.

To further the hopes and efforts of these courageous people, I sincerely hope that we will implement the provisions of House Concurrent Resolution 416 and reaffirm our commitment to Lithuanians who continue to strive toward the realization of liberty, independence and human dignity in the face of totalitarian oppression.●

● Mr. LEDERER. Mr. Speaker, I would like to take this opportunity to ask my colleagues to rise and join with me in accordance with the special order to commemorate Lithuanian Independence Day.

Mr. Speaker, for 22 years, Lithuania was a free and independent state which made great strides in modernization, raising the standard of living, and so forth. For 22 years, the people of Lithuania were able to live their lives as they saw fit, under their laws, their customs and in their culture. Much of this progress and heritage has either been destroyed or repressed by the Soviet Government.

Mr. Speaker, the United States does not recognize the unlawful occupation of Lithuania or any of the Baltic States by the Soviet Union. This action is in clear violation of the wartime agreements among the allies. Furthermore, the so called "plebiscite" to incorporate Lithuania into the Soviet Union was a farce, supported solely by the rifles of the Red Army.

Mr. Speaker, on this day, the 60th anniversary of the restoration of independence to the Republic of Lithuania, I feel that we, as members of an institution which epitomizes the belief in freedom, should rise and commemorate this great day, and pray for the time when a free Lithuanian nation will again be a reality.●

● Mr. BLANCHARD. Mr. Speaker, Friday, February 16, marks the 61st anniversary of Lithuanian independence. This day serves as another reminder of the need for Congress and all people of the free world to support the cause of bringing freedom back to the people of Lithuania and the entire Baltic region.

The Lithuanian people today long to recapture two very basic rights: The right to independence and self-determination as a nation, and the right to open and freely-chosen religious worship. We in the free world almost take these rights for granted. Yet they are valued as the single most important goal by those people who have had these freedoms taken away.

The people of Lithuania have not enjoyed those freedoms for 61 years. They have been subjected to forceful domination by the Soviet Union since 1940. Even the Lithuanian language, which is one of the oldest known to man, is subjected to Russification efforts by the Soviet Union.

Yet, these people have continued to demonstrate a strength of spirit and commitment to their goal of a free and independent Lithuania. Men and women like Viktors Petkus, Balys Gajauskas, and Nijole Sadunas to name only a few, continue to speak out for their national and religious rights, even though they have faced unjust persecution as a result of their bravery.

We must show our support for these brave individuals and others like them who continue to strive so valiantly for their rights. We cannot forget those who seek only to reestablish their national rights within a free and independent country where their religious practices are not subect to government control.

I will be hosting a reception on Friday, February 16, at 2 p.m. in room 2128 of the Rayburn Building to commemorate Lithuanian Independence Day. All of my colleagues are invited to attend. A number of Americans of Lithuanian heritage will be present to participate with Members of Congress in a flag exchanging ceremony to signify our strong support in the struggle to bring self-determination back to the Baltic States. I urge all of my colleagues to continue with renewed efforts to lend their support for the goal of a free and independent Lithuania and Baltic region.●

● Mr. WOLFF. Mr. Speaker, I would like to bring to the attention of my colleagues the 61st anniversary of the proclamation of independence by the Republic of Lithuania to be observed on February 16. Lithuania was once a proud nation which now suffers under the yoke of the Soviet Union. Lithuania's sad history should serve to remind us that there are still many people in various parts of the world who cannot call themselves free.

The Lithuanian nation attained its hard won independence in 1918 only to lose this independence in 1940 when it was seized by the Soviet Union and renamed the Lithuanian Soviet Socialist Republic. This Soviet domination may sound the death knell for the ethnic identity of an entire people. The Lithuanian culture and language is so severely restricted and repressed as to be in danger of being finally extinguished. This type of political and cultural sublimation represents an incalculable loss to people everywhere.

While we certainly must continue to seek an easing of tensions with the Soviet Union, we must not forget the many people who suffer under this type of severe repression. The recent final document of the Belgrade conference on the Helsinki accords, which made no mention whatsoever of human rights, illustrates the lack of seriousness with which the Soviets approach basic human freedoms. We must not forget that there are many in the world who do not enjoy the fruits of freedom and are not accorded basic human rights and civil liberties.

I call upon my colleagues to join me in commemorating the Lithuanian proclamation of independence. Let us not forget these proud people.●

● Mr. HANLEY. Mr. Speaker, I rise to join my distinguished colleagues in observing the 61st anniversary of the independence of Lithuania, a time to pay tribute to the endeavors of a courageous people.

The Lithuanian quest for independence is the story of a dauntless peoples' continuous fight for freedom from the powerful Russian Empire. In 1940, a mere two decades after their declaration of independence, the Lithuanian Republic lost its precious freedom. Soviet troops overran Lithuania, and Lithuania was absorbed into the Soviet Union. Thousands of Lithuanians were forced to flee their beloved homeland to seek refuge in foreign havens while others were incarcerated in Siberian prison camps.

Nonetheless, the efforts of the Soviets to obliterate the identity of the Lithuanians were futile. The Lithuanians will never forget who they are, and will always demand that their descendants share in so proud a heritage.

Sixty years after their independence was first announced, in 1978 the Lithuanian populace throughout the world observed for the first time the anniversary of the Declaration of Lithuanian Independence. This annual celebration exists as a bright symbol of hope for all Lithuanian-Americans and is especially encouraging to the oppressed native masses still seeking freedom from tyranny.

In empathy for a cause close to the core of American democratic sentiment we salute the noble efforts of the Lithuanian people toward human rights and their inalienable right to self-determination.●

● Mr. RODINO. Mr. Speaker, Friday, February 16 marks the anniversary of the reestablishment of an independent Lithuania and the 728th anniversary of the founding of the Lithuanian state. The proud history of Lithuania reveals a people who have been devoted to individual liberties and national self-determination. However, their fundamental right to national independence has been denied since 1940.

As the world's leader in the call for human rights, America cannot ignore the denial of basic personal and political freedoms which Lithuanians endure.

Mr. Speaker, I am proud to join my fellow Americans of Lithuanian descent in commemorating Lithuanian Independence Day and to call attention to the Lithuanian struggle.●

● Mr. PRICE. Mr. Speaker, I rise today to join my colleagues in commemorating the 61st anniversary of Lithuania's Declaration of Independence.

On February 16, 1918, the people of Lithuania declared their land free of the tyranny of the Russian czars. Now, 61 years later, these people still labor under a harsh regime not of their own choosing. For some nations so long a period of domination by foreign rulers would ultimately cause the people to lose their own identity as a nation and take on the character of the dominating power. Lithuanians and Lithuanian-Americans are proud to say that this is not the case in their country. For despite years of hardship, years of poverty and even of forcible displacement, Lithuania is still a nation in its own right. In the hearts and minds of those within and without the borders of Lithuania, the land still lives free.

Today I would like to join with all those of Lithuanian ancestry in voicing my hope that the day will soon come when their nation will be free in word and deed as well as in spirit. I say that I hope the day is coming soon, but even if it is not, let me give warning to those people and nations who grow in strength and territory by seeking to enslave smaller nations that the people of Lithuania will not give up. They have fought for their freedom for 61 years and they will fight for another 61 or 161 years until that goal is reached. For freedom knows no time limit.●

● Mr. HUGHES. Mr. Speaker, February 16, 1979, marks the 61st anniversary of Lithuanian independence from foreign domination. For over a century, from 1795 to 1915, the people of Lithuania courageously withstood subjugation and political domination by the Russians. Then, during World War I, this Soviet oppression was succeeded by the devastation of German occupation.

But in 1918, the Lithuanian fervor for freedom was forever affirmed. The brave people of this struggling nation cast off their yoke of oppression, and declared their homeland to be a sovereign state. International recognition of the Republic of Lithuania was formally granted when nations around the world, including the Soviet Union, signed the Peace Treaty of 1920.

Each year, we Americans joyfully recall our nation's independence day, the Fourth of July, with fireworks and festivities; for the brave people of Lithuania, however, there will be no national celebrations. The Lithuanians mark the recognition of their anniversary of independence with silent contemplation and tears. For, in 1979, Lithuanian independence remains little more than a vivid memory for some, and a dream for others.

In 1940, after only 22 years of freedom, the promise of Lithuanian autonomy was inexorably broken by the Soviet Union. During World War II, Soviet forces again invaded Lithuania, their troops occupied Lithuanian territory, and the Lithuanian homeland was forcibly incorporated into Soviet boundaries. Soviet suppression called an abrupt halt to the great strides which Republic of Lithuania had made both economically and culturally in this short time.

The people of Lithuania cannot be denied their national identity. Despite the Russification process, the steadfast Lithuanians continue to retain their own language, their religious preferences, and their unique culture and heritage. In an effort to support the Lithuanian struggle for freedom, the United States refuses to acknowledge a permanent incorporation of the Republic of Lithuania into the U.S.S.R. While the Russians continue to maintain control over Lithuanian territory, the people of this courageous nation remain free in spirit.

On the 61st anniversary of Lithuanian independence, let the United States again affirm its national commitment to the inalienability of basic human rights for all. The strength of the Lithuanian dissidents may serve as a beacon to oppressed individuals throughout the world.

I urge the Soviet Union, and all of the signatory nations, to comply with the Helsinki Accords, which set forth the principles of individual liberty and basic human rights. I salute the courageous people of Lithuania, and share their hope that once again they will be granted the right to self-determination and individual freedom that we in the United States so dearly love.●

● Mr. BAILEY. Mr. Speaker, the basic freedoms enjoyed by Americans, the right to worship as we see fit, to choose our governmental representatives, to speak out on public issues, and many others are denied to the courageous people of Lithuania.

Therefore, it is entirely fitting that on this day, February 15, 1979, the U.S. Congress, representing the American people, commemorate Lithuanian Independence Day. This is a symbol of hope for all Lithuanian-Americans and especially for those struggling to gain independence for Lithuania.

As freedom loving Americans, we condemn the continued oppression of the Lithuanian people, the callous disregard for their human rights. We sincerely hope that the will of the Lithuanian people is heard so that they can again enjoy the benefits of freedom and self-determination.●

● Mr. PEPPER. Mr. Speaker, as we pause in our great body's day-to-day business to remember the fate of a small nation on the Baltic Sea, called Lithuania, I would like to caution ourselves that, in our time of modern changes and proliferating political priorities, those unable to learn from history may, more than ever, be prone to its repetition.

When Joseph Stalin's armies invaded Lithuania during the Second World War, they were in the process of rolling back Hitler's invasion of the Soviet Union. When Hitler was finally beaten with our help Lithuania remained under the yoke of Russian Communist occupation, ending an era of distinctive culture and independence for the Lithuanian people.

For hundreds of years, the Russian Tsars had relentlessly enlarged their territory to establish predominance over the Eurasian continent and gain valued access to the oceans of the world. At the expense of China, of Poland, of Austria, of Rumania, of Turkey, of Iran, of the Tartar and Mongol peoples, and others, was this process accomplished. Lithuania remembered is evidence of those nations totally submerged by Russia until a real respect for other people, other ways of life may make itself felt in the U.S.S.R. and be translated into policy. In our time, following Lithuania's capture, Russian imperialism has been seen to involve itself in Cuba, in Africa, in Somalia, then Ethiopia, in Afghanistan, in Czechoslovakia, and in most of the other farflung troublespots of the world, most recently Indochina.

The Soviet Union's continuance of Tsarist territorial opportunism and utter lack of respect for individual desires of the world's nations and their striving for independence have kept the Baltic nations imprisoned and made them a symbol of the Russian empire's intemperance and greedy traditions. Let us hope that we may learn this lesson from the past and thus avoid panic as well as ruin in our future dealings with the Soviet

Union. May we command the wisdom and experience to help alleviate the fate of Lithuania's people and aid in the hopeful creation of a peaceful and plentiful future for all the nations willing to live together in a constructive, more tolerant world, yet in the distant future.●

● Mr. HOWARD. Mr. Speaker, on February 16, 1979, Lithuanians around the world commemorate the 61st anniversary of the declaration of independence of Lithuania.

Today, in honor of this anniversary, I would like to reiterate my support of the position of the United States in regard to national sovereignty and human rights. Military occupation and broad scale ravaging may well be buried in the Lithuanian past, but so, too, are the freedoms of thought, speech, and national self-determination. It is with hope that the Lithuanian people may again enjoy those human rights that the 61st anniversary of their independence is hereby commemorated.

Lithuanians across the globe have maintained the heritage, culture, and faith of their forefathers. Lithuanian nationalism has found a variety of expressions, especially in recent years. More and more, overt assertions of identity have come to the fore in that area, proving again that ethnicity and nationalism are perhaps the most powerful forces at work in the world today.

The rulers of the Soviet Union would do well to note that truth, and accept it. In the history of the world, there has never been a country that would voluntarily renounce its own freedom and independence and submit itself to the control of a foreign ruler. But that is exactly what the Kremlin is trying to tell the world, claiming that the Baltic States joined the Soviet Union voluntarily. How ridiculous such a claim sounds when we observe scores of nations emerging from colonial rule and insisting on their right to self-determination and independence.

The ideas of individual liberty and representative government are no more distinctly illustrated than in the efforts of Lithuanians to preserve the heritage established in their once-free Baltic State. However, denationalization continues today as great numbers of non-Baltic peoples are by Soviet Government direction moved into the Baltic States—severely altering the national, cultural, and economic life of those non-Russian areas.

And so, on this 61st anniversary of Lithuanian independence, I condemn the Soviet Union's suppression of human rights in Lithuania, as well as the denial of the principle of self-determination for Baltic peoples. I hope that Lithuanians will have freedom, self-government, and release from Soviet domination in the near future. Then, they may attain their national goal, independence—this time permanently.●

● Mr. CAVANAUGH. Mr. Speaker, we are commemorating today that date in 1918 when the people of Lithuania proclaimed the reestablishment of Lithuanian independence after 123 years of oppression under the Czars of Russia. Less than 2 years later even the Soviet Union recognized the Lithuanian Republic and voluntarily relinquished all sovereignty claims formerly possessed against this tiny nation. That noble existence ended 22 years later when on January 15, 1940, the Soviet Union under force of arms reoccupied Lithuania under the guise of the Mutual Assistance Treaty of 1939. When World War II ended, Lithuania as well as its Baltic neighbors of Latvia and Estonia—with Western acquiescence—became the Soviet spoils of war.

Even though the Lithuanian people have little in common with their Slavic neighbors, the Soviet Union since reoccupation has forced assimilation upon these Baltic people by eradicating all elements of their separate national identity as well as their independent nation state. The Soviets have killed, imprisoned, or deported tens of thousands of Lithuanians and have totally repressed all political dissent. The Lithuanian language is one of the primary targets of this eradication of identity. Lithuanian is an ancient language with its roots in the proto-Indo-European family of languages and should never be confused with the Russian language with its Slavic origins.

Finally, religion, especially Roman Catholicism, has become a special target of Soviet attack. In 1940 when the Soviet Union occupied Lithuania 85.5 percent of the country's more than 3 million inhabitants were Roman Catholic. Despite nearly 40 years of Soviet oppression of religious expression, Lithuania today still has the greatest number of Roman Catholics in the Soviet Union and the only remaining seminary for training priests in the Latin Rite, even though they have not had a bishop since 1947.

The Lithuanian people have remained faithful to their language, their religious beliefs, and their national identity. Though world attention is presently focused on other troubled areas, the Lithuanian flame of nationality still burns. We honor today not only that date in 1940 when Lithuanian independence was declared, but that continuing goal of a free and independent Lithuania. The silent struggle continues.●

● Mr. YATRON. Mr. Speaker, I would like to join my colleagues and the Lithuanian American community in commemorating the 61st anniversary of Lithuanian Independence Day which will fall on February 16. It is most fitting that the U.S. Congress pay tribute to the people of Lithuania who steadfastly cling to a cultural heritage which reflects the values of bravery, heroism, and dedication to the cause of freedom that is a source of inspiration for all the oppressed peoples of the world.

Sixty-one years ago, after World War I, the proud people of Lithuania valiantly proclaimed their right to stand among the free people of the world. Lithuania had emerged from the ruins to begin rebuilding her land, establishing her own government, and in essence determining her own destiny. This progression was halted by the Stalinist Soviets who ruthlessly seized Lithuania in 1940.

While under Soviet domination for the past 39 years, Lithuania has not been given the opportunity to govern itself. However, the people of this country have resisted persistent Soviet attempts to destroy their unity and identity and a strong desire for individual freedoms and self-determination survives in Lithuania today.

Today the Soviets believe that the Helsinki Accord of 1975 legitimizes their sovereignty over Lithuania. While tanks and missiles may give them physical control, the Russians cannot rule the minds and spirits of the Lithuanian people.

On this day, let us condemn Soviet domination of a land that reminds us of how essential and how precious freedom truly is, and what its loss can signify. And let us remember that as long as there are free Lithuanians—like the millions of Lithuanian-Americans—there will always be a free Lithuania.●

● Mr. FARY. Mr. Speaker, distinguished colleagues, the association between Poland and Lithuania has been a long and, for the most part, a happy one. Today, the association of the two nations continues and so does the friendship between Lithuanian-Americans and Polish-Americans in this country. So, it is appropriate that Poles all over the world commemorate this 61st anniversary of Lithuanian independence with their Lithuanian neighbors.

The Polish and Lithuanian nations have shared much in the past. In 1386, Poland's Queen Jadwiga married the Grand Duke of Lithuania, Jagiello, converting him and his countrymen to Roman Catholicism. In 1569, the two countries were legally united under one ruler. This harmonious union lasted until the late 18th century when Russia, Prussia, and Austria took it upon themselves to partition Poland, removing her from the map of Europe. With the last partition, in 1795, Lithuania was engulfed by Russia. Just as the two countries had shared a period of expansion and well-being, they shared captivity, Russification, and suppression of their unique cultures.

With the First World War came the end of Russian influence and, on February 16, 1918, a congress of 200 Lithuanian delegates proclaimed their country an independent, sovereign state. Under Marshal Joseph Pilsudski, the Polish army helped to maintain that status by driving out the Red Army which took over Vilnius, the capital city, in 1919. Once again, Poland's situation paralleled her neighbor's and both enjoyed a short period of freedom that lives in the memories of both peoples.

Unfortunately, the divorce of Lithuania from Poland caused disagreement over Vilnius. Lithuanians considered it their capital city even though the population was predominantly Polish. However, this was the only blot on an otherwise longstanding friendship.

The Second World War brought with it the end of that short period of freedom from domination that had been marked by a renaissance in the arts and by social reform. Because Lithuania was forcibly annexed by Russia, the United States continues to recognize only the independent Lithuanian Government. Poland's path has diverged from Lithuania's in that, since World War II, Poland is no longer an independent state.

Nevertheless, Poles and Lithuanians still maintain close ties. Because the printing of religious books is forbidden in Lithuania, Polish Bibles and religious books are imported into Lithuania for use by the persecuted church there. So, just as the two nations were once joined by the marriage of Jagiello to Jadwiga and subsequent Christianization, they are connected once again today by their common religion.

The continuing friendship between these nations is reflected by the Lithuanian-American and Polish-American communities in this country. In Chicago, which has the largest Lithuanian population outside Lithuania, the Poles and Lithuanians are neighbors, carrying on the long association of the two peoples.

Therefore, it is fitting that Polish-Americans observe Lithuanian Independence Day with the neighboring Lithuanian-Americans, because the two nations have a common history. Unlike the Poles, Lithuanians both in their native country and outside it can hope for independence once again. We can only hope that one day, they will be able to celebrate Lithuanian Independence Day with true joy and thanksgiving for the realization of their dream of an independent, free homeland.●

● Mr. LAGOMARSINO. Mr. Speaker, I would like to take this time to express my gratitude to Representative ANNUNZIO for taking the time to commemorate Lithuanian Independence Day.

It is important that we in Congress and in this Nation continue to express our strong support for the freedom of Lithuania, and of the other Eastern European nations that remain under the domination of the U.S.S.R. The United States must continue to stand by Principle VIII of the Final Act of the Conference on Security and Cooperation in Europe, which states that—

> . . . all peoples always have the right, in full freedom, to determine, when and as they wish, their internal and external political status, without external interference, and to pursue as they wish their political, economic, social and cultural development . . .

I continue to endorse and support legislation which would call upon the President to do all that he can to see that Lithuania, and other Eastern European countries which were forcibly occupied by the Soviet Union after World War II, are again given the right to self-determination and territorial integrity.●

● Mr. MOAKLEY. Mr. Speaker, today I would like to share with my colleagues a few words commemorating Lithuanian Independence Day.

The peoples of Lithuania have been in a constant struggle. They yearn to regain the independence that was granted in 1918 and taken away by the Soviet Union in 1940.

We, in the United States, may have a hard time relating to their struggle. For the basic freedoms, which are taken for granted here, are forbidden in Soviet-dominated Lithuania.

The rights to speak and gather freely are denied. The opportunity to elect their own leaders is not granted and those who exercise their right to worship are harassed.

I think it is important for us to pause and reflect upon the repression and persecution that is part of everyday life in the Soviet's Lithuania.

But we must also do more. We must speak out against these injustices and work to gather support to bring change about in Lithuania. We must work to help preserve Lithuanian identities, language, and culture.

Our Nation bust be the leader and champion the cause of oppressed peoples throughout the world. We should advocate the principles of liberty and democracy incorporated in our Constitution and the Declaration of Independence for all captive nations.

Lithuanian Independence Day serves as a perfect opportunity to express our support for the freedom-loving people of this Baltic nation. Let it be known that America stands by all those who still seek to be free.●

● Mr. DINGELL. Mr. Speaker, I join with my colleagues in the House in observing the commemoration of Lithuanian Independence Day.

The struggle for human rights continues in Lithuania. It is a bitter struggle recorded in a sacrifice of a courageous people.

Against crushing miseries of war and foreign domination, the Lithuanian people have remained steadfast in their commitment to those principles of national self-determination and individual freedom which were proclaimed in their homeland over a half century ago. Neither the military might of the Red Army nor the cruel Communist oppression that followed has dimmed the spirit of freedom living in the hearts of these proud people. Through endurance and unity they have preserved their national identity and perpetuated the traditions of a rich cultural heritage.

In Congress, let us today join with voices raised across the land calling for the liberty of all mankind, and let us give strength to the living hope of independence in Lithuania.●

● Mr. ANDERSON of California. Mr. Speaker, we are here today to commemorate a memorable date in a long struggle, a struggle that continues even as we speak.

Sixty-one years ago tomorrow, on February 16, 1918, independence was restored in Lithuania; a proud land that had been suffering under foreign occupation and oppression for the previous 120 years. That reclaimed freedom, which we are celebrating today, was not long-lasting. It could not withstand the tyrannical might of 300,000 Soviet troops that stormed the country in August of 1940.

But even this was not sufficient to crush the spirit of the brave Lithuanian people. In June 1941, Lithuanian patriots rose up and overthrew their Soviet oppressors, establishing a provisional government. This represents the last period that Lithuania was free. Six weeks later, the Nazi troops of Germany crushed out that freedom.

Today, the Soviet Union claims Lithuania as one of its "Republics." So the struggle goes on. And so long as it does, those of us who are free to speak our minds can not be quiet. Only through reminding the world of this continued oppression, can we hasten the day when there will be a new Lithuanian Independence Day for us to celebrate.●

● Mr. MINISH. Mr. Speaker, February 16, 1979, is a date commemorated around the world by persons of Lithuanian descent as the 61st anniversary of an independent Lithuania. It is also the 728th anniversary of the founding of the Lithuanian state.

It is fitting that we pause for a few moments to ponder the fate of these freedom-loving people.

At one time, Lithuania was the largest

At one time, Lithuania was the largest nation in Europe. Hundreds of years ago the Lithuanian people gave birth to, and nourished, a body of cultural excellence that mankind still can cherish.

As we all know, the people and state of Lithuania were illegally annexed by the Soviets after World War II. It is one of the tragedies of our times that more than 3 million Lithuanians live today in bondage to the Soviets. Even so, the Lithuanian people have remained independent in spirit. But the cost of their fight has been high. Repression of those who speak out for human rights and independence is the toll exacted by the Russian communists. Freedom to practice their Catholic religion is denied the Lithuanians, although more than half the population strives to attend regular mass.

Finally, we in America, who often take our freedom for granted, must strongly and loudly condemn the Soviet Union's suppression of human rights and freedom of self-determination for all under its iron rule.●

● Mr. RUSSO. Mr. Speaker, no country stands free of problems and we certainly have our share. Problems can be rated according to degree, however, and we in America sometimes become so inundated with our own worries that we forget about other countries having far more serious ones. One such country is Lithuania where, unlike our own, liberty remains only a hope and free expression a dream.

In the United States, the Statue of Liberty stands tall as a symbolic reminder of our cherished ideas of life, liberty, and the pursuit of happiness. Lithuania also has a Statue of Liberty in its capital city, but it stands for a short-lived freedom whose final flicker was extinguished 39 years ago. After having been subject to Russian oppression for more than 120 years, Lithuanians finally rid themselves on November 18, 1918, from this power-thirsty nation, only to be overcome by her again 22 years later.

It is the anniversary of this short-lived yet dearly held freedom that we, in the House of Representatives, celebrate today in honor of all Lithuanians. The United States formally declared in 1940 that it refused to recognize the forced incorporation of Lithuania and its two neighbors, Estonia and Latvia, into the Soviet Union.

Historically, the Lithuanian polity and economy have been interrupted, discouraged and ruined many times from onslaughts of invading armies fighting for dominance of Northeast Europe. Despite this, however, the Lithuanian people have survived, managed to retain their particular way of living, and done it with a pride and a dignity we in America understand intimately. To keep a culture alive is a most formidable exercise, one which Lithuanians keep striving to do. For their courage and fortitude they are to be praised and appreciated.

On August 1, 1975, the United States, Russia, and 33 other nations signed the Final Act of Helsinki. If I may for a moment, I would like to cite a passage from that accord:

> The participating states will respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, without distinction as to race, sex, language, or religion.

This passage may sound familiar to my colleagues, because of its similarity to our forefather's pledge to human rights made over 200 years ago. We must not forget the importance of that pledge and the positive affects it may have on individual expression. We must continue to condemn any nation that suppresses such free expression in countries such as Lithuania and work to encourage Lithuania's self-determination as a national entity.

I ask all of my colleagues here today to continue to support Lithuania's Declaration of Independence as we remain firm in our recognition of Lithuania, its people, and their culture.●

● Mr. DODD. Mr. Speaker, too often we, in America, take for granted our autonomy as a nation. In Lithuania, freedom is a memory that is being kept alive through the conviction and dedication of that country's citizens whose patriotic spirit has not diminished despite continued Soviet oppression.

Friday, February 16, marks the 61st anniversary of Lithuanian independence but, unlike our enduring heritage of self-determination, Lithuania's independence was cut short by a Soviet takeover in 1940.

For the past 39 years the Lithuanian people have struggled against political, religious, and cultural repression by the Soviets who have persisted in carrying out an ethnocentric policy that has as its aim the complete eradication of Lithuanian traditions and political beliefs.

Untold numbers of Lithuanian and Russian protesters have been arrested and imprisoned for voicing their opposition to Soviet domination of Lithuania and violations of human rights that are consistently committed against Lithuanians who refuse to deny their heritage.

In celebrating Lithuanian Independence Day, we would do well to recall the principles of the Helsinki agreements that were designed to insure that the elemental human rights of all people are protected.

Article VII of the Helsinki Act states that—

> They will promote and encourage the effective exercise of civil, political, economic, social, cultural, and other rights and freedoms all of which derive from the inherent dignity of a human person and are essential for his free and full development.

Twenty-four years have passed since the Helsinki articles were agreed to by the Soviet Union, and it is painfully obvious to Lithuania and other Baltic nations that their "inherent dignity" has been vilified by the Soviet Union for nearly a quarter of a century.

This month, Americans celebrate the birth of two of their Nation's most illustrious Presidents. One, George Washington, was the commander of our revolution for freedom from colonialization. The other, Abraham Lincoln, was the proponent of a national ethic of equal rights and free-thinking that has shaped our political, social, and cultural standards for scores of years.

Now, more than ever, we must not forget that liberty, justice, and equality are not just constitutional criteria that are endemic to our country. They are universal rights that the people of Lithuania adhere to and believe in as a nation.

February 16 will not be a true independence day for Lithuania until the voices of all sovereign nations join together in support of a free Lithuania and an end to the violations of human rights that are being perpetrated by the Soviets there.

We must make a concerted effort to see that the covenants of the Helsinki accord are complied with as they were originally intended, so that this will be a year of new hope for the people of Lithuania.●

● Mr. RATCHFORD. Mr. Speaker, I rise today to join my colleagues and those who cherish freedom worldwide in observing the 61st anniversary of Lithuanian independence.

To serve the needs and interest of our people in these great halls is surely a uniquely American experience, but one which we all must be proud of. However, it is with great sorrow that we must remember the peoples still behind the Iron Curtain unable to enjoy the same freedoms that are so much a part of our own heritage.

Many times have I shared with my Lithuanian-American friends the rich language and customs of a great people. On this occasion we must recall the many relatives and friends of American citizens who continue to carry the torch of freedom despite continuing Soviet repression and persecution.

The litany of this valiant country is one from which we can all learn. It was on February 16, 1918, that the Lithuanian people declared themselves an independent nation after 110 years of Russian domination, and a short period of German rule. It was only 21 years later that Lithuania again fell prey to Soviet domination, and on August 3, 1940, they occupied the country and declared it a Soviet republic with a Communist government.

Lithuania was briefly occupied by Nazi troops during World War II, only to be reoccupied by the Soviets and the Red Army to this day. This little country and its great people have for so long now experienced Soviet oppression, but we should remember our own American experience. Through our forefathes declared their independence in 1776, it was not until 1783 that we were actually free from the British and our country began to take on its own form.

Lithuania has long struggled to be a free and independent nation in the world community, while enslaved by the Soviets with no self-government, religious freedoms, and no human rights. Thousands were killed in guerrilla fighting and today still countless thousands more have been sent to Siberian labor camps for their political/religious beliefs, or as punishment for resisting Soviet rule.

No longer, Mr. Speaker, can we ignore the sacrifices these people have made that embrace the very same ideals of freedom and justice that are so very dear to all Americans. So on this the eve of the 61st anniversary of Lithuanian independence, I implore all that seek peace and justice throughout the world not only to learn from the Lithuanian experience, but to work stridently toward freedom and true independence for all peoples in the Baltic region who must live their lives as prisoners of conscience for ideals they have fought for with all their energies for so long.●

● Mr. DERWINSKI. Mr. Speaker, today, we salute the indomitable spirit of a proud people who have struggled to preserve their cultural heritage, national language, and their historic religious faith against the attacks of Soviet totalitarianism. It is especially fitting for us to pay tribute to the brace people of Lithuania and to the many contributions made to our country by Lithuanian-Americans.

The Republic of Lithuania was established as an independent nation on February 16, 1918. These freedom-loving people enjoyed their independence from the Soviet Russian Empire for only 22 years. In June 1940, the Soviet Union invaded and occupied the Baltic States and Lithuania was forcefully annexed into the Union of Soviet Socialist Republics. Earlier in its history, Lithuania had suffered under Czarist Russian rule.

However, no amount of repression has succeeded in stifling the Lithuanians' yearning to reestablish their nation as a free and sovereign state. Their heroic and inspiring struggle, despite massive persecution and suppression of their human rights, has proved their undaunted determination to overcome Soviet domination.

As we are painfully aware, the Soviet Union has denied religious freedom, and there is no indication that persecution of religious suppression in Lithuania is abating. It is compounded by official Kremlin interference against the Roman Catholic Church, which has played a major role in Lithuanian history and is symbolic of Lithuanian nationhood. Periodically stories of religious persecution and suppression of human rights break through the Soviet curtain, appearing in articles in the Catholic Chronicle, but we may be sure that there are many such violations which do not become known publicly.

When we as a nation consider the plight of various peoples around the world who face a deprivation of basic human rights, too often we neglect to emphasize the struggle for freedom in Lithuania and her sister Baltic States as well as the other non-Russian nations within the U.S.S.R. Yet, the United States has consistently refused to sanction the forcible occupation of Lithuania and its Baltic neighbors. We must continue to be vocal in our objections to all Soviet violations of human rights in Lithuania and in the other captive nations. We must strive to focus world attention on these constant transgressions.

Although the oppressive Soviet occupation denies Lithuanians their political rights as well as their religious freedom and restricts their economic and cultural development, they have continued to preserve their unity and strong sense of national consciousness. It is appropriate on this occasion of the 61st anniversary of their declaration of independence, that we pay tribute to the devotion by the Lithuanian people to the reestablishment of an independent and free nation.

As we pause to mark this anniversary, we must also recognize the many contributions made to the development of the United States and the preservation of its ideals of freedom and liberty by the more than 1 million Americans of Lithuanian descent.

Here in the United States, Lithuanians are a well organized and a hard working ethnic group who are deeply interested in maintaining their cultural background. When the time comes for the restoration of freedom for their homeland, they will be in a position to make a positive contribution to the progress of that nation.

The United States must continue to support the aspirations for freedom, independence, and national self-determination of all captive peoples. To this end, we remain committed and we must not waiver from our responsibility.●

● Mr. HYDE. Mr. Speaker, tomorrow is the occasion of the 61st anniversary of the declaration of independence of Lithuania.

Russia signed a peace treaty with Lithuania on July 12, 1920, recognizing it as an independent nation and pledging itself to renounce forever all rights of sovereignty. The treaty stated:

> In conformity with the right declared by the Russian Soviet Federated Socialist Republic that all peoples have the right to free self-determination, including the right of full secession from the State of which they were a part, Russia recognizes without any reserve the sovereignty and independence of the State of Lithuania with all juridical consequences resulting from such recognition, and voluntarily and forever renounces all sovereign rights possessed by Russia over the Lithuanian people and territory. The fact that Lithuania was ever under Russian sovereignty does not place the Lithuanian people and their territory under any obligation to Russia.

Centuries of Russian imperialism and attempts at domination came briefly to an end for Lithuania with World War I. With the defeat of Germany and the turmoil of revolution in Russia a 20-member national council proclaimed her independence on February 16, 1918. It is this anniversary we celebrate today. Although a Red Army tried to enforce a Communist government, they were driven back and signed the solemn pledge I have quoted above.

Tragically, after only two decades of independence, Lithuania again fell under Russian domination during World War II, and was declared a constituent republic of the U.S.S.R. in August 1940. Following the German attack on the Soviet Union 10 months later, Lithuania was in Nazi hands until reoccupied by the Soviet Army in 1944. When the tide of the war turned against Germany, Lithuania returned not to independence, but to Soviet domination.

The United States has never and will never recognize the forcible Soviet annexation of this great nation. We must continue to protest in the strongest possible terms the oppressive measures of the Soviet Union against the Lithuanian nation.

Today I salute my constituents of Lithuanian descent, and Lithuanian-Americans throughout our country who have contributed to our American dream. We pray that their own dream and the dream of those they left behind in their motherland for a free and independent Lithuania may soon become a reality.

America, as the leader of the free world, must not and will not forget the plight of the Lithuanian people who have had their sovereignty violated and their freedom suppressed. The legitimate goals and aspiration of the Lithuanian people to win back their freedom as an independent state are shared by us all.●

● Mr. ADDABBO. Mr. Speaker, just 2 months ago we commemorated the 30th anniversary of the Universal Declaration of Human Rights. Tomorrow, February 16, Lithuanians throughout the world will celebrate the 61st anniversary of the Declaration of Independence of Lithuania. Yet despite the brave and courageous struggles of these people and others of the Baltic States, Lithuania is not now free, nor are her people afforded the basic rights of human dignity that we in this country have enjoyed for over 200 years.

In 1918, Lithuania rejected the specter of Communist oppression, declared herself free, and set out to establish and follow her own culture, literature, customs, and religious beliefs. Despite Russian control and repeated Soviet attempts at armed subjugation her citizens have persisted in proclaiming their own heritage. For this strength of will they are saluted.

It is relatively easy to let the matter rest there, but I have spent some time reading the latest report on the violation of human rights in Lithuania, and know that we must do more than help Lithuanians celebrate. We must encourage their search for self-determination and condemn their oppressors for unlawful aggression against the sovereign and individual rights of a free people.

Consider the abolishment of Catholic parishes, and the suppression of religious texts. Consider the cases of the Jurgutiene family, separated since 1974, because the Soviets will not allow Marija and her daughter to emigrate to the United States to join their husband and father, the Vasilyev family that is constantly harassed by the KGB, because they belong to a Christian community, and many others who are denied visitation and reunification rights. Consider, too, the long list of dissenters who have been incarcerated for exercising freedom of thought or conscience.

I urge my colleagues to take this opportunity to renew our country's pledge to exercise responsible leadership in the human rights field. And personally, I offer my hopes and prayers to the Lithuanian people that their next Declaration Day will find them free once again.●

● Mr. RINALDO. Mr. Speaker, I am pleased to take this opportunity today to join my colleagues in commemorating the 61st anniversary of the independence of Lithuania.

Sixty-one years ago this month, the people of Lithuania proclaimed their independence and established their own government at the close of World War I. Lithuania became a free, independent, and peaceful nation.

This freedom, however, was to be shortlived. Twenty years later, the Second World War began and the Soviet Union aggressively began its intimidation of this tiny Baltic nation by concentrating its troops along the Lithuanian-Soviet border. On June 15, 1940, all pretense was shattered when the Red Army invaded Lithuania and began an occupation which continues to this day. During the past 39 years, Lithuanian patriots have been executed, imprisoned, or deported. Mock elections have also been held with candidates whose only loyalty is to the Communist dictators in Moscow.

Despite its adoption of the Helsinki Accords and numerous other international agreements which call upon the Soviet Union to respect the civil, religious, and political rights of all peoples, the Communist government in Moscow persists in suppressing the rights of Lithuanians.

But it is a symbol of their strength as a people that they have not been broken. Their struggle to regain their freedom deserves our respect and our support, and I am especially pleased that, each year, my colleagues and I have the opportunity to register our unity with the Lithuanian people.

Mr. Speaker, the valiant and courageous struggle which continues in Lithuania should serve notice to us all that our freedoms are not to be taken lightly, and no people is more deserving of a new birth of freedom than the citizens of Lithuania.●

● Mr. ASHBROOK. Mr. Speaker, as one who has for years watched successive administrations, both Democrat and Republican, ignore for the most part the plight of the peoples living today under Communist tyranny, I am glad for this opportunity to remind the citizens of our free land that there are forms of modern slavery existing today in foreign lands. The celebration of Lithuanian Independence Day is an excellent case in point.

It was in June 1941, that mass deportations of Lithuanians, along with thousands of their Baltic neighbors in Latvia and Estonia, were shipped to Siberia in one of the grossest violations of human rights by the Soviets at that time. In the following years still more guiltless people of Lithuania were sent eastward to Northern Russia, Western and Eastern Siberia, and Kazakhstan. One can hardly imagine the suffering of these people as they labored in the slave labor camps, in the mines, and in the forests. Starvation, disease, and the brutally cold weather accounted for the deaths of many slated to die far from their native land. It has been estimated that the Communists either murdered or deported 350,000 people from Lithuania—approximately 10 percent of the population of that tragic nation.

As I have done in the past, I will introduce legislation asking that our Ambassador to the U.N. take steps to have placed on the agenda the issue of self-determination for Lithuania, Latvia, and Estonia. These three of the captive nations are especially significant as the United States has—at least up to the present time—refused to recognize the incorporation by the Soviets of these Baltic States. It is not likely to happen since Andrew Young is a cream puff when it comes to dealing with his friends, the Communists. Lithuanians cannot agree with our Ambassador who maintains that Communists never were a threat to them. Lithuanians know better. He might brand them as "Fascists" if they resist communism too vociferously.

Like the thrilling escape of Simas Kudirka several years ago and his eventual return to the United States, all measures and activities which publicize the plight of the captive nations serve to keep hope alive in those living under tyranny. This legislation, unsuccessful in the past, helps to say to the people of Lithuania that we have not forgotten them.●

● Mr. MURPHY of Illinois. Mr. Speaker, today we are commemorating Lithuanian Independence Day, the day on which an independent Lithuanian Republic was established some 71 years ago. Tragically, Lithuania has been denied its freedom and independence by the Soviet Union for the last 39 years. This deprivation of human rights began with the Soviet Union's invasion and occupation of that country in June 1940. Today, even after the Helsinki and Belgrade Conferences, Soviet repression continues. Lithuanians who attempt to exercise their basic human rights are still thrown into Soviet prisons. While these prisoners of conscience number in the thousands, only a few of their names ever reach the West.

Mr. Speaker, as we observe Lithuanian Independence Day, our hearts go out to the Lithuanians who yearn for the same freedoms we in America are so privileged to enjoy. Perhaps our sympathy stems from the belief that "No one can be perfectly free till all are free," as Herbert Spencer once said.

Perhaps someday the Soviet Union will realize that what truly cements human beings to one another is not Marxism, but their common desire to enjoy life, liberty, and the pursuit of happiness. Until that day comes, we will lend our support to all Lithuanians in the hope that they can eventually live in freedom and independence.●

● Mr. BIAGGI. Mr. Speaker, I rise today in honor of the 61st anniversary of the Declaration of Independence of Lithuania. This day is remembered by myself and the entire Congress as a tribute to the millions of freedom-loving people in Lithuania and captive nations throughout the world. Hopefully, our words today will offer encouragement to the captive nations and reaffirm our commitment to human rights for all people.

On February 16, 1918, the date which we are commemorating today, the Republic of Lithuania declared its independence from Russian enslavement. Tragically, this freedom was to be short-lived. In June 1940, the Soviet army invaded and regained control of Lithuania. Since that time, the proud people of Lithuania have been forced to endure severe repression. Families have been disbanded and deported, an unknown number have been executed, and the industrial wealth of the nation has been exploited.

Yet, despite the suffering they have endured for almost four decades, the spirit of Lithuanian freedom fighters has never faltered, and I am confident that with a renewed commitment on our part, they will triumph in the end.

Despite our continued expressions of support for the peoples of Lithuania and other captive nations, very little has been done to improve the plight of these oppressed people. The message appears clear—we must go beyond mere expressions. We must take more definitive actions. The results of our human rights policy will not be measured by the number of speeches delivered, but instead by our ability to advance the cause of freedom in the captive nations.

Mr. Speaker, today we stand in honor of a courageous people who have long sought the opportunity which we have been blessed to enjoy for more than two centuries. I am hopeful that tomorrow, these words will be reinforced by effective action.

Let me add Mr. Speaker that while the world is so supportive of improved relations between the United States and its main Communist adversaries, we must be ever vigilant about expansionist tendencies by both the Soviet Union and the People's Republic of China. Perhaps the most important United States-Soviet issue in 1979 will be the SALT II talks. We must recognize that this issue transcends more than just discussion about weaponry and strategic balances. It should be used by the United States to force additional concessions from the Soviets about releasing their stranglehold on its captive nations. This would make this a humane agreement.

Mr. Speaker, at this time I would like to insert a statement which appeared in a report published by the Lithuanian-American Community of 1978, entitled "The Violations of Human Rights in Soviet Occupied Lithuania." This statement details just one of the many tragic human rights violations against Lithuanian citizens:

THE CASE OF MARIJA JURGUTIENE

To all people of good will in the free world.

To the President of the United States of America, Mr. Jimmy Carter.[1]

From Marija Jurgutiene, residing in the Lithuanian Republic of the USSR, in the city of Vilnius, Zirmūnai Street, No. 75, Apt. 100.

A STATEMENT

I, Marija Jurgutiene, together with my thirteen-year old daughter Daina have consistently, since December 16, 1974, requested permission to come to the United States of America, the permanent residence of my husband and the father of my daughter, Aloyzas Jurgutis (6542 S. Fairfield Ave., Chicago, Ill. 60629, USA).

My husband, Aloyzas Jurgutis, was a senior lecturer at the State Conservatory of the Lithuanian Republic of the USSR, in the Department of Choral Conducting. On May 8, 1974, my husband went to Yugoslavia as a tourist, where he decided to change his permanent place of residence. Since 1974 he has been residing in the United States of America.

I have requested the Lithuanian SSR OVIR three times for an exit visa, by filling out all the necessary forms, but have received only the following unreasonable replies:

1. In March of 1975—treason;

2. April 21, 1976—we do not have the means;

3. December 24, 1976—rejection (of the request).

I then addressed myself to:

1. The Central Committee of the Communist Party of the USSR on February 12, 1977, on October 26, 1976, on June 2, 1976, and on May 8, 1976;

2. The General Secretary of the Central Committee of the Communist Party of the USSR L. I. Brezhnev on December 12, 1976, on January 17, 1976, and on September 1, 1975;

3. The Chairman of the Presidium of the Supreme Soviet Nikolai V. Podgorny on November 12, 1976, May 10, 1975, April 17, 1975, and September 29, 1974;

4. The First Secretary of the Lithuanian Communist Party P. Griskevicius on June 15, 1976;

5. The 25th Congress of the Communist Party on February 8, 1976 (I wish to note that until now I have not received any replies to my requests);

6. OVIR (Visa) Division of the Soviet Union's Ministry of Internal Affairs on February 12, 1977, and March 9, 1977;

7. The Human-Rights Committee on Geneva on November 17, 1976, on May 10, 1976, on January 20, 1976, and on October 20, 1975.

My request to reside together with my lawful husband, and of my daughter with her true father, is considered a crime by my national government.

I am constantly threatened by word and in writing that I will be sent to prison, my apartment will be confiscated, and my daughter will be expelled from school because she has no right to be in a Soviet school. On May 30, 1974, my apartment was searched. On September 22, 1974 I was discharged from my librarian position at the society "Znanie". From May 30, 1974, to February 1, 1975, I was constantly called by the KBG for interrogations. In June of 1974 my 11-year old daughter, Daina, was also interrogated. All correspondence with my husband was, and still is, prohibited. On March 30, 1975, without any warning, my telephone was disconnected. I was called several times by the police to explain why I am not working. On July 29, 1976 my apartment was searched again. I have been under constant surveillance throughout this time.

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[1] Text of the statement received through private sources. In a subsequent statement to the Presidium of the Supreme Soviet of the USSR, dated May 24, 1977, M. Jurgutiene renounced her Soviet citizenship and demanded permission to leave the Soviet Union. Text of the latter statement will be found in *Aušra*, No. 9 (1977). **The intransigence of the Soviet regime appears to be due to the defection of Aloyzas Jurgutis, for which his wife and daughter are being punished.**

What can be more natural than the union of a family? This is a vitally important question for our family. I wish to live together with the man to whom I have promised my destiny. I ask only that which is an undeniable right of every human.

Since the indicated facts are a denial of human rights and is a violation of the Helsinki Accords. I feel I have a right to inform you of these violations. Since I have exhausted all possibilities in my country, I appeal to you to help me in search of my human rights.

Marija Jurgutiene.

Vilnius, *March 10, 1977.*●

● Mr. CLEVELAND. Mr. Speaker, today we pause to commemorate Lithuanian Independence Day. This proud people has been subjugated by the Communist leadership of the Soviet Union since 1940.

Frequently, we hear about Communist-inspired harassment, censorship, interference with religious practice, and the denial of many other basic human rights. Such inhuman treatment has been inflicted upon the Soviet people themselves and, even more so, upon those populations subjected to that totalitarian regime. The people of Lithuania have suffered greatly in this regard.

Despite such great personal suffering, Lithuanians continue to persevere courageously in the hope that self-determination and freedom will soon be theirs. Such courage should spur us to confirm our solidarity with this noble struggle. We must commit ourselves anew to the goal of a peaceful world, a world in which self-determination for all peoples becomes a delightful reality.

Further, the plight of the captive Lithuanian nation should prompt us to pause and to refresh our memories concerning the many blessings which this great Nation of ours affords. Having been so refreshed, we can then rededicate our energies and our minds to fostering a new world order, one in which human dignity is recognized and human freedom no longer shackled.

Mr. Speaker, our forefathers gave us the gift of liberty. Dare we do anything less than to share this great gift? ●

● Ms. FERRARO. Mr. Speaker, I rise today to commemorate Lithuanian Independence Day. Although an independent nation for a brief 22-year period, the Lithuanian people have through their efforts to regain their freedom been an inspiration to the freedom-loving peoples of the world. Since 1940, the Lithuanian people have lived under the occupation of the Soviets, Nazis, and most recently the Soviets again. Despite these hardships the Lithuanian people have never given up the hope that they will one day regain that which is rightfully theirs, a free and independent nation.

The Soviet Union's illegal annexation of Lithuania along with the other two Baltic Republics of Estonia and Latvia in 1944, was an act that has never been recognized either by our Nation or much of Western Europe. Of course, it is an act that has never been accepted by the Lithuanian people themselves. The spirit of freedom is alive in Lithuania, it lives despite all attempts by the Soviet Union to repress and extinguish it. I join my colleagues in celebrating the Lithuanian spirit, and in drawing inspiration from the determination of the people of Lithuania.●

● Mr. McHUGH. Mr. Speaker, it is a privilege for me to salute the Lithuanian people on the anniversary of their declaration of independence. Their history, full of great accomplishments and great sorrows, is a paradigm of the human spirit's resilient longings to be free and nurtured in a beloved homeland.

Since ancient times, the Lithuanians have inhabited the same Baltic region; they were mentioned by the Roman historian Tacitus in the first century A.D. Their language is the oldest in its forms of the world's living languages, a fact which has made them keenly aware of their individuality. In the middle ages, they controlled land from the Baltic to the Black Sea, and played an important part in the shaping of modern Europe. Their rich cultural heritage, their strong religious faith, and their willingess to fight for national self-determination were among the characteristics which motivated them to declare an independent state in 1918, at the conclusion of the First World War.

The period of independent national life that ensued from 1918 to 1940 should never be regarded as some kind of historical accident that was tragically cut short. Rather, Lithuania's modern political independence was the culmination of centuries of strong national consciousness, a consciousness intensified still further by the Czarist domination of 125 years that immediately preceded the 1918 Declaration of Independence. During that period of Czarist oppression, the occupying Russian forces attempted to weaken the Lithuanians' sense of national identity by forbidding use of the Lithuanian language in the schools, as well as the printing of books in the Lithuanian language. But that kind of attempt to obliterate Lithuania's culture only made the Lithuanians more determined to retain their identity and achieve conditions under which it could flourish. They kept their language, culture and religious traditions alive under great duress. Despite all the Czarist attempts at conditioning in the schools, their children continued to learn to know and love the ancient and enduring ways of their motherland right in their own homes.

Just as the Lithuanians perservered in cherishing their heritage throughout the 19th century Czarist occupation, they have—predictably—been heroic since 1940 in nurturing their national identity, their language, culture, and religion, their intense national pride, and above all their determination to be free again. The Soviet forces that overran Lithuania in 1940 and have ruled there since then have never been able to subdue the people's will. This was demonstrated through long years of partisan fighting in the 1940's and early 1950's. It has been evident in demonstrations within the Soviet-managed factories, the appearance of underground newspapers and dissident journals, the brash unwillingness of Lithuanian youth to be "sovietized." And there are always special people in recent years to remind us that Lithuania is still, in the ancient phrase, a "land of heroes." Remember the student, Romas Kalanta, who immolated himself so that the world would remember Lithuania's longing to be free. Remember the sailor, Simas Kudirka, whom no prison bars could contain. Remember the prisoner, Victoras Petkus, whose spirit no Soviet court can ever convict.

Mr. Speaker, the story of Lithuania covers some two millenia of human history, and it is consistently a story of a people who have amply proven their right to be free and self-determining. The United States has never recognized the forcible incorporation of Lithuania and her sister Baltic countries, Estonia and Latvia, into the Soviet Union. Through our consistent policy in support of the Baltic countries' legitimate claim to independence and self-determination, we demonstrate that our concern for human rights is paralleled by our commitment to national rights as well.

I rejoice at the vitality, courage, and perseverance of the Lithuanian people, who continue to inspire freedom-loving people everywhere. I am confident that the essential history of Lithuania—a history of freedom—will repeat itself yet again.●

VIETNAMESE PAYMENT FOR LEGITIMATE AMERICAN CLAIMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. Jeffords) is recognized for 5 minutes.

● Mr. JEFFORDS. Mr. Speaker, today I am introducing legislation with Congressman Bingham which will allow American citizens who have had their property and businesses expropriated by the Government of Vietnam to file claims with the U.S. Government's Foreign Settlement Claims Commission. The claims will then be adjudicated by the Commission, and, when and if normal diplomatic relations are reestablished, the Vietnamese Government will be obliged to pay the claims in a formula agreed to as part of the normalization process.

As the situation now stands, Americans who have had property expropriated by the Socialist Republic of Vietnam cannot even file claims because the Foreign Settlement Claims Commission lacks authority to accept and adjudicate them. The amendments we are proposing to the International Claims Settlement Act of 1949 will remedy this situation.

The Commission will then have legal authority to determine the validity of claims as it has already done in relation to Yugoslavia, Poland, Bulgaria, Romania, Hungary, Czechoslovakia, China, East Germany, and Cuba.

Final agreements which have resulted in significant payments to the American claimants by the countries involved have been signed by the Governments of Yugoslavia, Poland, Bulgaria, Romania, and Hungary. Negotiations are currently underway with Czechoslovakia and initial contacts have been made with the East German Government. Though the Commission has finished adjudicating claims against Cuba, no negotiations with the Cuban Government on this issue have taken place.

Perhaps the most striking example of the value of the Claims Settlement program will become visible later this month when Treasury Secretary Blumenthal will travel to China to continue negotiations and hopefully conclude an agreement which will be beneficial to the American claimants.

The Chinese example is illustrative because many of the claims which will soon be settled were filed a decade ago. I do not see any immediate improvement in our relations with Vietnam on the horizon, but it would be foolhardy to predict what our relationship might be in 10 or 20 years. It is important to give Americans the opportunity now to file their claims before personal memories and corporate records become further dispersed.

In closing, there are three points which I wish to stress. First, this bill specifically does not commit the U.S. Government to pay any claims which may be filed. To the contrary, the claims will ultimately be paid by the Vietnamese Government. The American taxpayers will not be presented with a bill for payment. Second, this bill is not designed to pave the way for rapid normalization of relations with Vietnam. What might happen in terms of diplomatic relations is another matter which will be determined by a variety of factors. Congress must have an important role to play in making that decision. Simply, this is a bill to aid American citizens with legitimate claims.

Third, we should understand that while many large corporations will probably file claims, American businessmen who had relatively small businesses in Vietnam will also benefit from this legislation.

In fact, my interest in this matter was stimulated by a Vermont constituent who first began a machinery sales business in Saigon in 1952 and had to abandon it as Saigon fell to the North Vietnamese in 1975.

A full survey of blocked Vietnamese assets in this country has never been conducted, but initial Treasury Department estimates put the figure at nearly $100 million. The amendment we are proposing today will open the way for a full cataloging of these blocked assets. At some point in the future, should no agreement be reached with the Vietnamese, Congress will have the opportunity to determine whether the blocked assets should be liquidated to pay the claims. This would be a drastic step and one which I am not prepared to recommend at this time. I would prefer to see the assets distributed as part of ultimate agreement negotiated with the Vietnamese authorities. However, we should prepare ourselves for the future.

I urge your support for this legislation.●

● Mr. BINGHAM. Mr. Speaker, I am pleased to join with my colleague from Vermont (Mr. Jeffords) in introducing legislation which represents the first step toward obtaining the fullest possible restitution for Americans whose private property was taken by the Government of the Socialist Republic of Vietnam when the Government of South Vietnam fell.

The Subcommittee on International Economic Policy and Trade, which I have the honor to chair, has legislative jurisdiction over U.S. claims against foreign governments for nationalized or expropriated property, and it is my intention to give active consideration to this proposal in the near future.

Mr. Speaker, many obstacles remain in the path toward obtaining payment from the Government of Vietnam for private American property that government now controls. We currently have no diplomatic relations with Vietnam, and indeed we unilaterally embargo all trade and financial transactions with Vietnam. Furthermore, of course, the recent invasion of Cambodia by Vietnamese military forces has complicated and severely dampened for the time being any progress that might have been made toward restoring diplomatic relations with Vietnam so that negotiations of concrete issues such as U.S. claims could get underway.

It is none too soon, however, to get our own records in order as to just what American property was lost to the Vietnamese and how much that property was worth. Such records will become the basis of the total claim which the U.S. Government will someday present to the Vietnamese Government as a basis for negotiation and settlement.

The difficult task of reviewing and validating such claims is vested by existing statutes in the Foreign Claims Settlement Commission—a Commission, appointed by the President, which has had extensive experience in establishing U.S. private property claims against foreign governments and assisting in the payment of restitution to claimants when settlements are reached. In the past 35 years, the Foreign Claims Settlement Commission and its predecessor agencies have adjudicated and validated such claims against virtually all of the countries of Eastern Europe, as well as against China and Cuba. Settlements have actually been reached with Yugoslavia, Poland, Bulgaria, Romania, and Hungary. Our claims against the Peoples' Republic of China, which are now under negotiation, are based upon the work of the Foreign Claims Settlement Commission.

There are widely differing views in the Congress, about when and how fast we should move toward normalization of relations with Vietnam. I personally feel that we should be prepared to lift our embargo of Vietnam as soon as the Vietnamese are willing to reestablish diplomatic relations. One reason I have felt that this should be done promptly is to avoid a long delay in gaining restitution for Americans—both corporations and individuals—who suffered losses of private property in Vietnam.

Whatever one's position on normalizing relations with Vietnam, however, I believe we can all agree that we expect restitution from Vietnam for private American property it has nationalized or expropriated. The legislation we are introducing today reaffirms our commitment to the principle of restitution for American private property, and would start the process of obtaining compensation for Americans who lost property in Vietnam by specifically authorizing the Foreign Claims Settlement Commission to examine all claims by Americans against Vietnam and to determine the validity and exact amount of those claims.

This legislation is clearly in our self-interest. It makes no concession to Vietnam, nor does it place any burden on U.S. taxpayers to pay for private U.S. losses in Vietnam. On the contrary, it reaffirms our expectation that the Vietnamese Government will have to pay for American property it has taken.

I want to congratulate the diligent work of my colleague, Mr. Jeffords, in helping to prepare this proposed legislation, and I urge my colleagues in the House to support it after full and careful consideration has been given to it by the Committee on International Relations.●

LITHUANIAN INDEPENDENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. Young) is recognized for 5 minutes.

● Mr. YOUNG of Florida. Mr. Speaker, on February 16, Lithuanians throughout the world commemorate the 61st anniversary of the declaration of independence of Lithuania. It is important that Americans take time to memorialize the plight of the Baltic people who have been overcome by the ruthless tyranny of the Soviet Union.

Lithuania, Latvia, and Estonia exemplify the true meaning of human rights. In fact, no part of the world represents a more serious denial of human rights, including the right of self-determination, than the imprisoning of the Baltic people.

Soviet repression has been consistent and harsh. Human rights have been violated in numerous ways and these violations are continuing. This ongoing repression makes it incumbent upon us to uphold our heritage of a free and open society and we must champion the cause of self-determination for the Baltic people. The United States must continue to support the aspirations for freedom, independence, and national self-determination of all peoples. We cannot accept foreign domination by any nation over another nation. To this end we remain committed and we must not waiver from our responsibility.●

ARCHBISHOP OSCAR ROMERO OF EL SALVADOR

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New Jersey (Mrs. Fenwick) is recognized for 5 minutes.

● Mrs. FENWICK. Mr. Speaker, the citizens of El Salvador are living everv day in a system which flagrantly violates their civil and human rights. The injustices they are forced to endure make a dark picture of governmental persecution, but one figure rises above all this suffering as an advocate of the poor and the defenseless. Archbishop Oscar Arnulfo Romero y Galdames, the Roman Catholic archibishop of El Salvador, has been steadfast in his defense of the rights of his people, and in his criticism of the military government which has waged a campaign against the exercise of those rights. Arbitrary arrests, detentions, torture, and mysterious disappearances have become the order of the day—gross violations of human rights documented by such impartial international watch groups as Amnesty International, the Inter-American Human Rights Commission, the Geneva-based Commission of Jurists, and the Washington Office on Latin America.

Last month I joined 22 other Members of Congress in nominating Archbishop Romero for the Nobel Peace Prize. Despite attempts from many quarters to vilify and discredit him, he has demonstrated uncomprising courage, tenacity and forthrightness in continuing to speak out for his people. He has earned the support of freedom-loving people everywhere, and deserves consideration for the Nobel Prize.●

CRIME SUBCOMMITTEE SCHEDULES HEARINGS ON LEAA AND WHITE-COLLAR CRIME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Conyers) is recognized for 5 minutes.

● Mr. CONYERS. Mr. Speaker, the Subcommittee on Crime, which I chair, will continue its hearings, which began during the latter part of the 95th Congress, on proposals to reauthorize and reorganize the Law Enforcement Assistance Administration. To this end, we will hold a hearing on this subject on February 20, 1979, at 9:30 a.m., in room 2237, Rayburn House Office Building.

The subcommittee in its attempt to comprehensively evaluate the operations of the LEAA program has also scheduled field hearings for February 22 in Detroit, Mich.; February 23 in Chicago, Ill.; and February 26 and 27 in San Francisco, Calif. While in San Francisco, the subcommittee will also take testimony from a number of witnesses on the subject of white-collar crime.

Individuals wishing to testify or submit a statement for the record should address their request to the Subcommittee on Crime, House Committee on the Judiciary, 207E Cannon House Office Building, Washington, D.C. 20515.●

OIL IMPORT PURCHASING AUTHORITY ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Bingham) is recognized for 30 minutes.

● Mr. BINGHAM. Mr. Speaker, the victory of the Khomeini forces in Iran, the continuing cutoff cf Iranian oil, and the coming 14.5-percent hike in OPEC oil prices, all serve to remind us that the "energy crisis" is still with us. Last month the subject of energy warranted no more than 12 words in the President's state of the Union message. Today administration figures speak of gasoline rationing, bans on Sunday driving, and a situation "prospectively more serious" than the 1973–74 oil embargo. We are warned that gasoline could soon be costing us $1 per gallon at the pump. Oil shortages (either real or contrived) and higher prices (always real) seem to be our destiny. It is a destiny we seem to accept with entirely too much equanimity. I propose that we begin to fight back.

I am introducing legislation which would begin to put the United States in control of its own energy fate. The Oil Import Purchasing Authority Act of 1979 would authorize the U.S. Government (through the Department of Energy) to act as the sole purchasing agent for all petroleum and petroleum products imported into the United States. In this capacity, the Department of Energy could maximize the U.S. bargaining position by soliciting sealed bids from those oil-producing nations seeking access to the U.S. market. Such competitive bidding, by OPEC and non-OPEC states, might well have a divisive impact on the OPEC cartel and could lead to a reduction in the price of imported oil.

Legislation similar to this was considered in 1975 (Public Law 94–163). At that time Congress did enact a proposal authorizing the President to submit to Congress a plan granting the Federal Government the exclusive right to purchase foreign oil. I would delete this discretionary authority and mandate establishment of an import authority.

This legislation would help break the OPEC stranglehold. The importing of oil to this country would no longer be the special province of multinational oil companies, themselves captives of the OPEC cartel. Today energy decisions vitally affecting the United States, are made, not by the U.S. Government, but by Gulf, Texaco, Mobil, Socal, and their sister companies. They decide (following OPEC) to raise prices and they decide when to restrict sales. It need hardly be said that the 70 to 90 cents we are now paying for a gallon of gasoline is not a price dictated by market conditions but rather by the oil companies which import the oil, then refine it, and finally sell it to us. The companies' price and supply decisions are not made on the basis of our national interest but out of concern for corporate profits and the companies' interests in the oil states. Despite their American sounding names and their familiar corporate logos, the major oil companies have long been under the inevitable domination of the oil states. The OPEC cartel has fixed the price of oil and the oil companies have carried out the OPEC price policy. The most flagrant example of the oil companies' servitude to the OPEC states—or, to be more polite, their identity of interests—came during the 1973 Yom Kippur war and the ensuing oil embargo. According to the Senate Foreign Relations Subcommittee on Multinational Corporations, the oil companies enforced the Arab oil embargo of the United States and our allies. Not surprisingly, the oil companies tried to block the U.S. arms airlift to Israel. When the boycott finally was lifted, the oil companies joined in the decision to quadruple the prices of oil. Clearly the oil companies have interests which conflict with those of the United States.

The importation of oil is, simply, too important to be left to multinational companies. Oil supply and pricing decisions are crucial questions of public policy and should be made by our Government and not by corporate chieftains. OPEC is a coalition of governments and only a strong central government authority can stand up to it. Those who argue that a government importing authority would deal a blow to free enterprise are not realistic. There is no free enterprise in imported oil. What we have is a cartel of producing nations and a friendly coalition of oil companies. I would prefer having our key energy decisions made by our Government.

One more point must be made. This bill would not add to the taxpayers' burden, and it would not create any large new bureaucarcy. Funds from the U.S. Treasury would be used to pay for the oil but would be paid back by refiners who purchase the oil. The Department of Energy would not take possession of any oil. Its role would be to insure a fair bidding procedure and an equitable allocation of oil.●

COSPONSORS OF TAX EQUITY ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Corman) is recognized for 5 minutes.

● Mr. CORMAN. Mr. Speaker, on January 15, I introduced H.R. 1040, the Tax Equity Act of 1979. Twenty-three Members of the House have now joined me as cosponsors. They are: Mr. Anderson of California, Mr. Bolling, Mr. Conte, Mr. Conyers, Mr. Corrada, Mr. Danielson, Mr. Dellums, Mr. Dixon, Mr. Drinan, Mr. Edwards of California, Mr. Johnson of California, Mr. Maguire, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Nolan, Mr. Rodino, Mr. Rosenthal, Mr. Roybal, Mrs. Spellman, Mr. Studds, Mr. Seiberling, Mr. Weaver, and Mr. Won Pat.●

CONCERN FOR SAFETY OF AMERICANS STILL IN IRAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HUGHES) is recognized for 5 minutes.

● Mr. HUGHES. Mr. Speaker, during the current unrest and upheaval in Iran, all Americans were deeply concerned for the safety and well-being of our fellow countrymen who are still in Iran on assignment for our Government or as representatives of the business community or for other purposes.

Our concern for these individuals is not based on any misplaced sense of nationalism or militarism, but rather, on a universal humanitarian concern for people whose lives or safety may be seriously endangered by turmoil within another nation.

I was deeply disturbed to learn, therefore, that our NATO ally and military partner, Turkey, refused our request to station a small force of 69 marines and 6 helicopters in Turkey in case they were needed to protect the lives and safety of Americans in Iran, or to facilitate the evacuation of Americans.

Mr. Speaker, this small force could not possibly be regarded as a threat to Iran or anyone else. Such a group, by its very nature, could serve only humanitarian purposes and not represent a hostile or aggressive force. One would think that Turkey would readily open its doors in friendship to this small force. Instead, we were forced to locate these marines at other stations.

Of course, no nation has an obligation to accept our Armed Forces, regardless of the size or purpose of such forces. By the same token, however, this occurrence raises the broader question of the strength of our ties with Turkey, and the good intentions of the Turkish Government toward our Nation. I also recall the intensity of the effort made last year to win congressional approval of lifting the arms embargo to Turkey, much of which was based on the essential and irreplaceable nature of our bases in Turkey.

It is deeply disturbing to me that these bases were not even available for our use in a mission that could not conceivably be regarded in any way other than humanitarian.●

TAIWAN LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 5 minutes.

● Mr. ZABLOCKI. Mr. Speaker, 2 months ago today the President announced his decision to recognize the People's Republic of China as the Government of China, and to derecognize the Republic of China on Taiwan. He stated that the United States-People's Republic of China "normalization" would take effect January 1, 1979, that Embassies would be established March 1, 1979, and that the Mutual Defense Treaty between the United States and the Republic of China would be terminated as of the end of this year.

Mr. Speaker, I voiced at the time of the President's announcement my dismay at the President's failure to consult meaningfully with the Congress in advance of his decision. I also stated my concern about giving in to Peking's demands on conditions for recognition and about the lack of strong assurance about the future security of Taiwan, our longtime friend and ally.

We in the Congress are now faced with a most difficult task. The President has asked for legislation which would implement the President's decision with respect to continuing relations with Taiwan, by carrying these forward on a nongovernmental basis. We have been asked to act on this legislation promptly. The Foreign Affairs Committee accordingly has been holding hearings at the full and subcommittee level over the past 2 weeks.

It is apparent that the President's action has put us in Congress under the gun, legislatively speaking. We need to act to protect America's interests in Taiwan and to assure the Taiwanese people that we are not pulling the rug out from under them in the haste to "normalize" with Peking. We have to do this in a way which will not run against the President's understanding with the People's Republic of China, we are told; and at the same time we are pushed to get the implementing legislation to the White House by March 1 if possible so there will not be a damaging hiatus in our relations with Taiwan following the closing of our Embassy there.

It has been increasingly obvious as the committee hearings proceeded that the administration's proposed legislation was deficient in many respects. We need assurances for the future security, peace, and freedom of the 18 million people of Taiwan that the legislation does not provide. We need greater provision for the uninterrupted continuation of the multibillion-dollar business and commerce between the United States and Taiwan which is so important to both sides. We need to have a stronger framework for carrying on the everyday dealings between the citizens of the United States and Taiwan.

Because of these shortcomings in the administration's proposed bill, draft legislation which is designed to meet the needs cited above is being prepared by the Foreign Affairs Committee staff and myself. This committee print will be offered to the members of the Foreign Affairs Committee for consideration in markup next week. It is my hope that such a bill will meet the approval of the Members. In my opinion it will fully provide for the authorities requested by the President, and at the same time will be a constructive embodiment of the policy we must now adopt toward our friend, Taiwan.●

□ 1150

THE 100TH ANNIVERSARY OF THE SAN LUIS OBISPO AREA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, I would like to take this opportunity to extend my congratulations to all of the people associated with a very important institution in my district—the San Luis Obispo General Hospital. Yesterday was the 100th anniversary of the admittance of the hospital's first patient, and in those 100 years, the residents of the San Luis Obispo area have enjoyed superior medical care.

Of course, the anniversary coincides with Valentine's Day, and everyone likes to think of the hospital as the "Hospital With a Heart." All of the hospital's employees—doctors, nurses, technicians, aides—are responsible for this attitude, and it makes for a great source of comfort and care for people in my district.

At a time when we must look very hard at every Government program to eliminate waste, I think it is very important that we remember those public institutions that do serve the public interest. Quality health care is one of the most basic services Government can provide to people, and places like the San Luis Obispo General Hospital make a high level of health care for all a reachable goal.

Again, my congratulations to the hospital and all its employees. Let us all hope that the "Hospital With a Heart" continues to provide care to the residents of the San Luis Obispo area for yet another century.●

SUGAR STABILIZATION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. FOLEY) is recognized for 5 minutes.

● Mr. FOLEY. Mr. Speaker, I am privileged to be joining with the gentleman from Oregon, Mr. ULLMAN, chairman of the Committee on Ways and Means, the gentleman from Texas, Mr. DE LA GARZA, newly elected vice chairman of the Committee on Agriculture, and a number of our distinguished colleagues in the House in introducing the International Sugar Stabilization Act of 1979. We do so in the very firm belief that this legislation does not recognize the needs of only one segment of our society to the detriment of others but, rather, that it will serve to the advantage of each of us in this Chamber and those not present who send us here to speak for them.

As one of the world's largest and most important sugar consuming and importing nations, the continued survival and viability of the U.S. sugar industry and the stability of the global market are clearly in our best interest. Recognizing this and the fact that efforts to date have been unsuccessful in meeting this dual objective, those of us who have been working together on this problem believe that legislation mandating a comprehensive sugar policy and program is sorely needed.

For too long, we as a nation have sat calmly by and watched our domestic production base, our safety net against future hard times and escalating world sugar prices, if you will, fall into serious jeopardy while other sugar producing countries enrich themselves at our expense.

The legislation we offer today proposes to rectify this situation by providing long-overdue authority for U.S. participation in the cooperative International Sugar Agreement as a means of fostering the stability of global sugar supplies and prices, which impact directly on U.S. consumers and producers alike; by providing modest protection for sugar producers consistent with the International Sugar Agreement; and by insuring that those who labor in the production of sugar share equally in the benefits to be derived in terms of improved wages and working conditions.

The International Sugar Stabilization Act of 1979 builds on agreements arrived at after months of discussion in 1978 and offers some changes in the 1978 sugar bill designed to insure equitable treatment of producers and consumers of sugar as well as favorable consideration by the House. Specifically, our bill—

Provides for U.S. implementation of its rights and obligations under the International Sugar Agreement;

Establishes a complementary domestic program providing an assured return to producers of 15.75 cents per pound for 1978 crop raw sugar. This assured return is made up of two elements: A price objective of 15.25 cents per pound to be achieved by raising the price of imported sugar (and, thus, the domestic price) through import duties and, if necessary, quotas. Producers would then receive up to one-half cent per pound in supplemental payments. If for any reason a limitation were ever imposed on the direct payments program, payments would be abolished; and the market price objective would be enhanced by one-half cent to maintain the assured return.

Allows for adjustments in the price objective each year to reflect changes in the cost of production, with an absolute ceiling of 7 percent in any year, consistent with the President's anti-inflation guidelines, and a supplemental payment of up to one-half cent;

Leaves the Secretary of Agriculture discretionary authority to operate a price support loan program; and

Mandates minimum wage levels and other protections for sugar cane and sugar beet workers.

We are pleased to note that this bill has been drafted jointly by members of both the Committee on Agriculture and the Committee on Ways and Means in an effort to minimize any differences of approach between the two and to expedite its consideration. We sincerely believe that the situation is critical and that actions such as those we collectively recommend must be forthcoming.●

INTRODUCTION OF H.R. 2155

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. MINETA) is recognized for 5 minutes.

● Mr. MINETA. Mr. Speaker, during the past year I have become aware that the General Services Administration has interpreted the 1972 amendments to the 1959 Public Buildings Act in such a way as to allow them to exceed in certain instances the $500,000 limit in that act without seeking congressional approval. I believe the Congress must exercise its responsibility for this program to the fullest and that GSA must be directed in the most unambiguous terms possible to submit these projects to the Congress. The legislation I am introducing today would accomplish exactly that.

There are two issues here, both involving buildings leased by the GSA. The 1972 amendments provided that leases over $500,000 annually must be submitted to the Congress for approval (40 U.S.C. 606). The GSA interpretation has been that leases entered into at less than $500,000 can subsequently be added to, so that they provide more space and at more than $500,000, all without seeking prospectus approval from the Congress. We end up with a case like the one in San Francisco, where GSA is now leasing space in one building at a gross annual rent of $1.38 million (which would put the net annual rent at about $1 million) and yet has never sought congressional approval.

It is true that the GSA sought an opinion of the GAO in this matter, and in his response (B–176843) the Comptroller General stated that "we are aware of no legal basis on which to object to the proposed treatment of amendments to existing leases." This opinion was predicated on the additional space lease rather than as an amendment to the existing lease, and on GSA seeking such additional space on a good faith basis and taking "whatever precautions are necessary to prevent the splitting of a space requirement for purposes of evading the requirements (to submit a prospectus)." The distinction between lease amendments and separate supplemental lease agreements may have been lost in practice. But apart from the issues of lease amendments versus supplemental leases and good faith versus bad faith, the main point is that we should not have major commitments of Federal resources to one lease without some kind of congressional control and accountability. The bill I am introducing today would specify that a prospectus must be submitted for congressional approval under the 1959 act at whatever point the lease for all federally leased space in a building exceeds $500,000.

The second issue involves the GSA interpretation of the 1972 amendments to the effect that repair and alterations projects to leased buildings do not require congressional prospectus approval no matter how much the cost. Aside from the fact that this legal interpretation has at best a tenuous connection to the statute, it is clearly absurd that we would have greater control over Federal spending for repairs and alterations in federally owned buildings than we do in privately owned buildings. In fact, it should be just the opposite. The bill I am introducing today would, therefore, require repair and alteration projects over $250,000 in leased buildings to be submitted for congressional approval. This would be in addition to the present practice of submitting prospectuses for repair and alteration projects over $500,000 in federally owned buildings.●

TAX EQUITY FOR TENANTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

● Mr. HARRIS. Mr. Speaker, today I am introducing the tenant's tax justice bill which allows tenants to claim their share of local and State property tax payments for Federal income tax purposes.

Tenants rent single family homes, townhouses, garden apartments, and high rises and, through their rent, they pay property taxes on their dwelling units. However, unlike homeowners who may deduct their property taxes, tenants are not afforded the same opportunity. The tax laws discriminate against the taxpayer who rents and this inequity will be corrected by the passage of this bill.

Under the bill, a tenant may claim a credit of 25 percent of the proportionate share of the property taxes paid. This share is determined by multiplying the total property taxes paid on the building by the ratio of the floor space rented by the tenant to the total rental floor space in the building, excluding common areas. For example, if someone rented for 1 year an apartment with 5,000 square feet of floor space and there was a total of 50,000 square feet of floor space in the building, the proportionate share would be 10 percent of the building's property tax. If the total property tax paid by the owner was $6,000 then the tenant's share is $600, and the credit which the tenant can claim is 25 percent of $600, or $150. A tenant is allowed to claim the credit for only the portion of the year during which he actually rents the apartment. In the example above, if the tenant had only rented the apartment for 6 months then his share of the property tax is $300 and his credit is $75.

In past Congresses, the concept of allowing tenants to claim their property tax payments received widespread attention from the national news media and several organizations. Among those who expressed favorable interest in the concept included the National Tenants Association, the American Association of Retired Persons, Apartment Life magazine, the National Apartment Association, the National Council of Senior Citizens, and the National Federation of Retired Federal Employees. At the moment, the California State Legislature is conducting hearings on a similar proposal.

The benefits of the passage of this bill are many:

Property tax relief for tenants would make the income tax system more progressive in that it would lessen the tax burden on low income taxpayers. According to a Congressional Research Service study, over 79 percent of household rental units were occupied by families with incomes under $15,000 in 1974;

A tax credit for tenants would encourage individuals to live in rental units and help reverse the suburban flight which is partially responsible for the deterioration of our center cities. Revitalization of our center cities is an important national priority, and the tax system should not be allowed to exacerbate the problem as it currently does;

A tax credit is both a more equitable and more progressive way of providing property tax relief than is an itemized deduction. Over 85 percent of income tax returns filed by individuals with incomes under $10,000 in 1974 claimed the standard deduction, hence, most would have been ineligible for an itemized deduction. The deduction ignores the nonitemizing low-income taxpayer while a credit can be claimed by nonitemizers as well as itemizers;

A tax incentive for rental housing would spur apartment unit construction and help bring down the high unemployment rates experienced in the construction industry;

The bill discourages "instant condominiums" by removing an artificial tax stimulus to apartment conversion—simply, those who rent will no longer lose the right to claim their property tax payment;

The bill makes partners of property owners and tenants in keeping local property taxes under control. Many landlords support this concept because in addition to enhancing rental markets, the bill makes the tenants realize what portion of the rent is not "rent" at all, but a property tax payment. The landlord is currently caught in the middle—the local government raises taxes, but because the landlord collects the tax in the rent, he is "blamed" for increasing rents. Under this bill, it is clear that the landlord is merely acting as a collection agent for the local government.

The opportunities and demands of American life have made us a more mobile society. At the same time escalating costs and rising mortgage rates have priced many citizens out of the "home ownership" market. This fact is documented by the National Home Builders Association's somber prediction that new housing starts will decline by approximately 20 percent in 1979. According to the Congressional Research Service, 36 percent of all American families rent their homes and there is no doubt that that figure will continue to escalate.

Public policy has discriminated against tenants for too long; genuine tax reform requires that we treat the Nation's tenants with fairness and equity. It is for that reason that I am introducing the tenant's tax justice bill.●

CONSUMERS' ENERGY HEARINGS ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, each day brings more frustration to Americans who are being asked to accept and pay for energy cost decisions made in Washington, many miles away from home. To begin with, it is bad enough to know that, for the most part, oil prices are being set by a foreign cartel with little concern for the American consumer. However, I think it is inexcusable when our own Government does not actively encourage the participation of citizens in making major electric and gas rate decisions over which it does have some control. I am speaking about multimillion dollar wholesale and interstate price decisions on electric power and natural gas.

The way the Federal Energy Regulatory Commission (FERC) is set up and operates in the Department of Energy does not encourage or facilitate participation by the people at home who pay the bills, or by the local rural electric cooperatives, the power and light company and the local gas company that are forced to pass on these charges. It is unfair to ask citizens to be inconvenienced and to pay for the cost of traveling to Washington to have their voices heard, assuming they would be invited to attend the hearings.

For that reason, and to change this situation, I have introduced the Consumers' Energy Hearings Act of 1979 (H.R. 1977) to require that these Washington hearings be moved to the areas of the country affected by the increases. It calls for no new hearings where no hearings were required before. What it does say is that if FERC is going to hold hearings which could result in a significant rate increase, a person who is going to be affected by it can petition FERC to have the hearing moved to that area. It would then become an open proceeding with interested consumers being able to attend and participate and have their views heard directly by the people making the decisions.

This legislation attempts to facilitate consumer involvement in these Washington-based decisions which are then binding on the States and localities. Even the elected State public serivce commissions can do nothing more than accept these Federal decisions because wholesale and interstate increases are within Federal jurisdiction, and public service commissions deal only with the intrastate rates. I know of State public service commissions that simply, automatically pass on these Federal-level increases to consumers in the State. When the homeowner receives his or her utility bill, he or she will at least know what is behind the euphemisms "surcharge" or "adjustment" that appear on these bills and really mean Washington decides, you abide. This bill will give consumers a chance to be heard on these important pocketbook decisions.●

RULES OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

(Mr. JOHNSON of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. JOHNSON of California. Mr. Speaker, pursuant to rule XI, clause 2 (a), of the Rules of the House of Representatives, the Rules of the Committee on Public Works and Transportation are submitted for publication in the CONGRESSIONAL RECORD.

RULES FOR THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, 96TH CONGRESS (1979-80)

(Adopted February 7, 1979)

RULE NO. I.—GENERAL PROVISIONS

(a) The Rules of the House are the rules of the committee and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees. Each subcommittee of the committee is a part of the committee, and is subject to the authority and direction of the committee and to its rules so far as applicable.

(b) The committee is authorized at any time to conduct such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities under Rule X of House Rules and (subject to the adoption of expense resolutions as required by Rule XI, clause 5 of House Rules) to incur expenses (including travel expenses) in connection therewith.

(c) The committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee. All costs of stenographic services and transcripts in connection with any meeting or hearing of the committee shall be paid from the contingent fund of the House.

(d) The committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on the activities of the committee under Rule X and XI of House Rules during the Congress ending at noon on January 3 of such year.

(e) The committee's rules shall be published in the Congressional Record not later than 30 days after the Congress convenes in each odd-numbered year.

RULE NO. II.—REGULAR AND SPECIAL MEETINGS; OPEN COMMITTEE MEETINGS

(a) Regular meetings of the committee shall be held on the first Tuesday of every month to transact its business unless such day is a holiday, or Congress is in recess or is adjourned, in which case the Chairman shall determine the regular meeting day of the committee for that month. The Chairman shall give each member of the committee, as far in advance of the day of the regular meeting as the circumstances make practicable, a written notice of such meeting. If the Chairman believes that the committee will not be considering any bill or resolution before the full committee and that there is no other business to be transacted at a regular meeting, the meeting may be cancelled, delayed or deferred until such times as, in the judgment of the Chairman, there may be such matters which require the committee's consideration. This paragraph shall not apply to meetings of any subcommittee.

(b) The Chairman may call and convene, as he considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purpose pursuant to that call of the Chairman.

(c) If at least three members of the committee desire that a special meeting of the committee be called by the Chairman, those members may file in the offices of the committee their written request to the Chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman does not call the requested special meeting to be held within 7 calendar days after the filing of the request, a majority of the members of the committee may file in the offices of the committee their written notice that a special meeting of the committee will be held, specifying the date and hour thereof, and the measure or matter to be considered at that special meeting. The committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee that such meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

(d) If the Chairman of the committee or subcommittee is not present at any meeting of the committee or subcommittee, the ranking member of the majority party on the committee or subcommittee who is present shall preside at that meeting.

(e) The committee may not sit, without special leave, while the House is reading a measure for amendment under the five-minute rule.

(f)(1) Each meeting for the transaction of business, including the markup of legislation, of the committee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by roll call vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however,* that no person other than members of the committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open committee hearings which are provided for by clause 4(a)(1) of House Rule X or by subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by the committee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by roll call vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives.

Notwithstanding the requirements of the preceding sentence, a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony.

(A) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate clause (g) (5) of Rule VII, or

(B) may vote to close the hearing, as provided in clause (g)(5) of Rule VII.

No member of the House of Representatives may be excluded from nonparticipatory attendance at any hearing of the committee or any subcommittee, unless the House of Representatives shall by majority vote authorize the committee or a particular subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to members by the same procedure designated in this subparagraph for closing hearings to the public; Provided, however, that the committee or subcommittee may by the same procedure vote to close one subsequent day of hearing.

RULE NO. III.—RECORDS AND ROLL CALLS

(a) There shall be kept in writing a record of the proceedings of the committee and of each subcommittee, including a record of the votes on any question on which a roll call is demanded. The result of such roll call vote shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order or proposition, and whether by proxy or in person, and the names of those members present but not voting. A record vote may be demanded by one-fifth of the members present.

(b) All committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the member serving as Chairman of the committee; and such records shall be the property of the House and all members of the House shall have access thereto.

RULE NO. IV.—PROXIES

(a) A vote by any member in the committee or in any subcommittee may be cast by proxy, but such proxy must be in writing. Each proxy shall designate the member who is to execute the proxy authorization and shall be limited to a specific measure or matter and any amendments or motion pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigning his vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

(b) Proxies shall be in the following form:

Hon. ________________,
House of Representatives,
Washington, D.C.

Dear ______________: Anticipating that I will be absent on official business or otherwise unable to be present, I hereby authorize you to vote in my place and stead in the consideration of _______________ and any amendments or motions pertaining thereto.

________________,
Member of Congress

Executed this the _____ day of ______________, 19____, at the time of __________ p.m./a.m.

RULE NO. V.—POWER TO SIT AND ACT; SUBPOENA POWER

(a) For the purpose of carrying out any of its functions and duties under House Rules X and XI the committee, or any subcommittee thereof, is authorized (subject to subparagraph (b)(1) of this paragraph)—

(1) to sit and act at such times and places within or without the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, and

(2) to require, by subpoena or otherwise, the attendance and testimony of such books, witnesses and the production of such records, correspondence, memorandums, papers, and documents

as it deems necessary. The Chairman of the committee, or any member designated by the Chairman, may administer oaths to any witness.

(b)(1) A subpoena may be issued by the committee or subcommittee under subparagraph (a)(2) in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. Such authorized subpoenas shall be signed by the Chairman of the committee or by any member designated by the committee. If a specific request for a subpoena has not been previously rejected by either the committee or a subcommittee, the Chairman of the committee, after consultation with the ranking minority members, may authorize and issue a subpoena under subparagraph (a)(2) in the conduct of any investigation or activity or series of investigations or activities, and such subpoena shall for all purposes be deemed a subpoena issued by the committee. Whenever a subpoena is issued under this subparagraph, as soon as practicable thereafter, the Chairman shall notify all members of the committee of such action.

(2) Compliance with any subpoena issued by the committee or subcommittee under subparagraph (a)(2) may be enforced only as authorized or directed by the House.

(c) Each witness who has been subpoenaed, upon the completion of his testimony before the committee or any subcommittee, may report to the office of counsel of the committee, may report to the office of counsel of the committee, and there sign appropriate vouchers for travel allowances and attendance fees. If hearings are held in cities other than Washington, D.C., the witness may contact the counsel of the committee, or his representative, prior to leaving the hearing room.

RULE NO. VI.—QUORUMS

(a) One-third of the members of the committee or a subcommittee shall constitute a quorum for taking any action other than the closing of a meeting pursuant to subparagraph (f) of committee Rule II, the authorizing of a subpoena pursuant to subparagraph (b) of committee Rule V, the reporting of a measure or recommendation pursuant to subparagraph (b)(1) of committee Rule VIII, and the actions described in subparagraph (b), (c) and (d) of this Rule.

(b) A majority of the members of the committee or a subcommittee shall constitute a quorum for the reporting of a measure or recommendation.

(c) A majority of the members of the committee or a subcommittee shall constitute a quorum for approval of any of the following actions:

(1) Construction, alteration, purchase or acquisition of a public building involving an expenditure in excess of $500,000 and lease of space at an average annual rental in excess of $500,000 (section 2 of P.L. 92–313, 40 U.S.C. 606).

(2) Survey investigation of a proposed project for navigation, flood control, and other purposes by the Corps of Engineers (section 4 of the Rivers and Harbors Act of March 4, 1913, 33 U.S.C. 542).

(3) Construction of a water resources development project by the Corps of Engineers with an estimated Federal cost not exceeding $15,000,000 (section 201 of the Flood Control Act of 1965, as amended).

(4) Continuation of the authorization of a water resources development project to be constructed by the Corps of Engineers where such project has been recommended for deauthorization pursuant to the provisions of section 12 of the Water Resources Development Act of 1974.

(5) Deletion of water quality storage in a Federal reservoir project where the benefits attributable to water quality are 15 percent or more but not greater than 25 percent of the total project benefits (section 65 of the Water Resources Development Act of 1974).

(6) Authorization of a Soil Conservation Service watershed project involving any single structure of more than 4.000 acre feet of total capacity (section 2 of P.L. 566, 83rd Congress, as amended).

(d) Two members of the committee or subcommittee shall constitute a quorum for the purpose of taking testimony and receiving evidence.

RULE NO. VII.—HEARING PROCEDURES

(a) The Chairman, in the case of hearings to be conducted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter of any hearing to be conducted on any measure or matter at least one week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event the chairman or the subcommittee chairman whichever the case may be shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify the Daily Digest Clerk of the Congressional Record as soon as possible after such public announcement is made.

(b) So far as practicable, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee, at least 2 working days before the day of his appearance, a written statement of his proposed testimony and shall limit his oral presentation to a summary of his statement.

(c) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the Chairman by a majority of those minority members before the completion of such hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(d) Upon announcement of a hearing, to the extent practicable the Clerk and Staff Director shall cause to be prepared a concise summary of the subject matter (including legislative reports and other material) under consideration which shall be made available immediately to all members of the committee. In addition, upon announcement of a hearing and subsequently as they are received, the Chairman shall make available to the members of the committee any official reports from departments and agencies on such matter.

(e) All other members of the committee may have the privilege of sitting with any subcommittee during its hearing or deliberations and may participate in such hearings or deliberations, but no such member who is not a member of the subcommittee shall vote on any matter before such subcommittee.

(f) Committee members may question witnesses only when they have been recognized by the chairman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witness in both full and subcommittee hearings shall be initiated by the chairman, followed by the ranking minority party member and all other members alternating between the majority and minority. In recognizing members to question witnesses in this fashion, the chairman shall take into consideration the ratio of the majority to minority members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the members of the majority nor the members of the minority. The chairman may accomplish this by recognizing two majority members for each minority member recognized.

(g) The following additional rules shall apply to investigative hearings:

(1) The Chairman at an investigative hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The Chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) Whenever it is asserted that the evidence or testimony at an investigatory hearing may tend to defame, degrade, or incriminate any person,

(A) such testimony or evidence shall be presented in executive session, notwithstanding the provisions of clause (f) (2) of Rule No. II, if by a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony, the committee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person; and

(B) the committee shall proceed to receive such testimony in open session only if a majority of the members of the committee, a majority being present, determine that such evidence or testimony will not tend to defame, or incriminate any person.

In either case the committee shall afford such person an opportunity to voluntarily to appear as a witness; and receive and dispose of requests from such person to subpoena additional witnesses.

(6) Except as provided in subparagraph (5), Chairman shall receive and the committee shall dispose of requests to subpoena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions witout the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee.

(10) No major investigation by a subcommittee shall be initiated without approval of a majority of such subcommittee.

RULE NO. VIII.—PROCEDURES FOR REPORTING BILLS AND RESOLUTIONS

(a) (1) It shall be the duty of the Chairman of the committee to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(2) In any event, the report of the committee on a measure which has been approved by the committee shall be filed within 7 calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the Chairman of the committee notice of the filing of that request.

(b) (1) No measure or recommendation shall be reported from the committee unless a majority of the committee was actually present.

(2) With respect to each roll call vote on a motion to report any bill or resolution of a public character, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the committee report.

(c) The report of the committee on a measure which has been approved by the committee shall include

(1) the oversight findings and recommendations required pursuant to clause 2(b) (1) of Rule X of the House separately set out and clearly identified;

(2) the statement required by section 308 (a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures;

(3) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee; and

(4) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 4(c) (2) of Rule X of the House separately set out and clearly identified whenever such findings and recommendations have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the committee's deliberations on the measure.

(d) Each report of the committee on each bill or joint resolution of a public character reported by the committee shall contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(e) If, at the time of approval of any measure or matter by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The report of the committee upon that measure or matter shall be printed in a single volume which—

(1) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and

(2) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (3) and (4) of subparagraph (c) are included as part of the report.

This subparagraph does not preclude—

(A) the immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

(B) the filing by any such committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that committee upon that measure or matter.

(f) (1) All committee and subcommittee prints, reports, documents, or other materials, not otherwise provided for under Rule VIII, that purport to express publicly views of the committee or any of its subcommittees or members of the committee or its subcommittees shall be approved by the committee or the subcommittee prior to printing and distribution and any member shall be given an opportunity to have views included as part of such material prior to printing, release and distribution in accordance with subparagraph (e) of this rule.

(2) No committee or subcommittee document containing views other than those of members of the committee or subcommittee shall be published without approval of the committee or subcommittee.

RULE NO. IX.—OVERSIGHT

(a) In order to assist the House in:

(1) its analysis, appraisal, and evaluation of (A) the application, administration, execution, and effectiveness of the laws enacted by the Congress, or (B) conditions and circumstances which may indicate the necessity or desirability of enacting new or additional legislation, and

(2) its formulation, consideration, and enactment of such modifications or changes in those laws, and of such additional legislation, as may be necessary or appropriate, there shall be in conformity with Rule XV a Subcommittee on Oversight and Review.

(b) The Subcommittee on Oversight and Review and the appropriate subcommittee with legislative authority shall cooperatively review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the committee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, the Subcommittee on Oversight and Review and the appropriate subcommittee with legislative authority shall cooperatively review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of the committee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of the committee. The Subcommittee on Oversight and Review shall in no way limit the responsibility of the subcommittees from carrying out their oversight responsibilities.

(c) The Subcommittee on Oversight and Review and the appropriate subcommittee with legislative authority shall cooperatively review and study on a continuing basis the impact or probable impact of tax policies affecting subjects within the jurisdiction of the committee.

RULE NO. X.—REVIEW OF CONTINUING PROGRAMS; BUDGET ACT PROVISIONS

(a) The committees shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing programs and activities of the Federal Government and the District of Columbia government will be made annually to the maximum extent feasible and consistent with the nature, requirements, and objectives of the programs and activities involved. For the purposes of this paragraph a Government agency includes the organizational units of government listed in clause 7(d) of Rule XIII of House Rules.

(b) The committee shall review, from time to time, each continuing program within its jurisdiction for which appropriations are not made annually in order to ascertain whether such programs could be modified so that appropriations therefor would be made annually.

(c) The committee shall, on or before March 15 of each year, submit to the Committee on the Budget (1) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing fiscal year which are within its jurisdiction or functions, and (2) an estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction which it intends to be effective during that fiscal year.

(d) As soon as practicable after a concurrent resolution on the budget for any fiscal year is agreed to, the committee (after consulting with the appropriate committee or committees of the Senate) shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such resolution, and promptly report such subdivisions to the House, in the manner provided by section 302 of the Congressional Budget Act of 1974.

(e) Whenever the committee is directed in in a concurrent resolution on the budget to determine and recommend changes in laws, bills, or resolutions under the reconciliation process it shall promptly make such determination and recommendations, and report a reconciliation bill or resolution (or both) to the House or submit such recommendations to the Committee on the Budget, in accordance with the Congressional Budget Act of 1974.

RULE NO. XI.—BROADCASTING OF COMMITTEE HEARINGS

(a) It is the purpose of this clause to provide a means, in conformity with acceptable standards of dignity, propriety, and decorum, by which committee hearings, or committee meetings, which are open to the public may be covered, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage—

(1) for the education, enlightenment, and information of the general public, on the basis of accurate and impartial news coverage, regarding the operations, procedures, and practices of the House as a legislative and representative body and regarding the measures, public issues, and other matters before the House and its committees, the consideration thereof, and the action taken thereon; and

(2) for the development of the perspective and understanding of the general public with respect to the role and function of the House under the Constitution of the United States as an organ of the Federal Government.

(b) In addition, it is the intent of this clause that radio and television tapes and television film of any coverage under this clause shall not be used, or made available for use, as partisan political campaign material to promote or oppose the candidacy of any person for elective public office.

(c) It is, further, the intent of this clause that the general conduct of each meeting (whether of a hearing or otherwise) covered, under authority of this clause, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, and the personal behavior of the committee members and staff, other Government officials and personnel, witnesses, television, radio, and press media personnel, and the general public at the hearing or other meeting shall be in strict conformity with and observance of the acceptable standards of dignity, propriety, courtesy, and decorum traditionally observed by the House in its operations and shall not be such as to—

(1) distort the objects and purposes of the hearings or other meeting or the activities of committee members in connection with that hearing or meeting or in connection with the general work of the committee or of the House; or

(2) cast discredit or dishonor on the House, the committee, or any member or bring the House, the committee, or any member into disrepute.

(d) The coverage of committee hearings and meetings by television broadcast, radio broadcast, or still photography is a privilege made available by the House and shall be permitted and conducted only in strict conformity with the purposes, provisions, and requirements of this clause.

(e) Whenever any hearing or meeting conducted by any committee of the House is open to the public, that committee may permit, by majority vote of the committee, that hearing or meeting to be covered, in whole or in part, by television broadcast, and still photography, or by any of such methods of coverage, but only under such written rules as the committee may adopt in accordance with the purposes, provisions, and requirements of this clause.

(f)(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to subparagraph (g)(5) of Rule VII, relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level necessary to provide adequate television coverage of the hearing or the meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

RULE NO. XI.—COMMITTEE AND SUBCOMMITTEE BUDGETS

(a) The Chairman, in consultation with the chairman of each subcommittee, the majority members of the committee and the minority membership of the committee, shall, for each session of the Congress, prepare a consolidated committee budget. Such budget shall include necessary amounts for staff personnel, for necessary travel, investigation, and other expenses of the full committee and its subcommittees.

(b) Authorization for the payment of additional or unforeseen committee and subcommittees' expenses may be procured by one or more additional expense resolutions processed in the same manner as set out herein.

(c) The Chairman or any chairman of a subcommittee may initiate necessary travel requests as provided in Rule XIV within the limits of the consolidated budget as approved by the House and the Chairman may execute necessary vouchers thereof.

(d) Once monthly, the Chairman shall submit to the Committee on House Administration, in writing, a full and detailed accounting of all expenditures made during the period since the last such accounting from the amount budgeted to the full committee. Such report shall show the amount and purpose of such expenditure and the budget to which such expenditure is attributed. A copy of such monthly report shall be available in the committee office for review by members of the committee.

RULE NO. XIII.—COMMITTEE AND SUBCOMMITTEE STAFF

(a) The professional and clerical staff assigned to the minority shall be appointed and their remuneration determined in such manner as the minority members of the committee shall determine within the budget approved for such purposes; Provided, however, that no minority staff person shall be compensated at a rate which exceeds that paid his or her majority party staff counterpart.

(b) The professional and clerical employees of the committee not assigned to a subcommittee or to the minority under the above provision shall be appointed, and may by removed, and their remuneration determined by the Chairman.

(c) The professional and clerical staff assigned to the minority shall be under the general supervision and direction of the ranking minority party member of the full committee who may delegate such authority as he determines appropriate.

(d) The professional and clerical staff of the committee not assigned to a subcommittee or to the minority shall be under the general supervision and direction of the chairman, who shall establish and assign the duties and responsibilities of such staff members and delegate such authority as he determines appropriate.

(e) It is intended that the skills and experience of all members of the committee staff shall be available to all members of the committee.

(f) (1) The chairman of each standing subcommittee of this committee is authorized to appoint one staff member who shall serve at the pleasure of the subcommittee chairman.

(2) The ranking minority member of each standing subcommittee on this committee is authorized to appoint one staff person who shall serve at the pleasure of the ranking minority party member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (1) and (2) shall be compensated at a rate determined by the subcommittee chairman not to exceed (A) 75 per centum of the maximum established in paragraph (c) of clause 6 of House Rule XI: Provided, however, a staff person apponted by a ranking minority member shall be compensated at a rate not to exceed that paid his or her majority party staff counterpart.

(4) Subparagraphs (1), (2), and (3) shall apply to six subcommittees only, and no member shall appoint more than one person pursuant to the above provisions.

(5) The staff positions made available to the subcommittee chairmen and ranking minority party members pursuant to subparagraphs (1) and (2) shall be made availalbe from the staff positions provided under clause 6 of House Rule XI unless such staff positions are made available pursuant to a primary or additional expense resolution.

(6) Except as provided by the above provisions, the professional and clerical members of the subcommittee staffs shall be appointed, and may be removed, and their remuneration determined by the subcommittee chairman in consultation with and with the approval of a majority of the majority members of the subcommittee, and with the approval of the chairman.

(7) The professional and clerical staff of a subcommittee shall be under the supervision and direction of the chairman of that subcommittee.

RULE NO. XIV.—TRAVEL OF MEMBERS AND STAFF

(a) Consistent with the primary expense resolution and such additional expense resolutions as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel to be reimbursed from funds set aside for the full committee for any member or any staff member shall be paid only upon the prior authorization of the chairman. Travel may be authorized by the chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee of any subcommittee thereof and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee. Before such authorization is given there shall be submitted to the Chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which the travel is to be made and the date or dates of the event for which the travel is being made;

(3) The location of the event for which the travel is to be made;

(4) The names of members and staff seeking authorization.

(b) In the case of travel of members and staff of a subcommittee to hearings, meetings, conferences, and investigations involving activities or subject matter under the legislative assignment of such subcommittee to be paid for out of funds allocated to such subcommittee, prior authorization must be obtained from the subcommittee chairman and the Chairman. Such prior authorization shall be given by the Chairman only upon the representation by the applicable chairman of the subcommittee in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (a) and in addition thereto setting forth that subcommittee funds are available to cover the expenses of the person or persons being authorized by the subcommittee chairman to undertake the travel and that there has been a compliance where applicable with Rule VII of the committee.

(c) (1) In the case of travel outside the United States of members and staff of the committee or of a subcommittee for the purpose of conducting hearings, investigations, studies, or attending meetings and conferences involving activities or subject matter under the legislative assignment of the committee or pertinent subcommittee, prior authorization must be obtained from the Chairman, or, in the case of a subcommittee from the subcommittee chairman and the Chairman. Before such authorization is given, there shall be submitted to the Chairman, in writing, a request for such authorization. Each request, which shall be filed in a manner that allows for a reasonable period of time for review before such travel is scheduled to begin, shall include the following:

(A) the purpose of the travel;

(B) the dates during which the travel will occur;

(C) the names of the countries to be visited and the length of time to be spent in each;

(D) an agenda of anticipated activities for each country for which travel is authorized together with a description of the purpose to be served and the areas of committee jurisdiction involved; and

(E) the names of members and staff for whom authorization is sought.

(2) Requests for travel outside the United States may be initiated by the Chairman or the chairman of a subcommittee (except that individuals may submit a request to the Chairman for the purpose of attending a conference or meeting) and shall be limited to members and permanent employees of the committee.

(3) At the conclusion of any hearing, investigation, study, meeting or conference for which travel outside the United States has been authorized pursuant to this rule, each subcommitte (or members and staff attending meetings or conferences) shall submit a written report to the Chairman covering the activities and other pertinent observations or information gained as a result of such travel, when requested by the Chairman.

(d) Members and staff of the committee performing authorized travel on official business shall be governed by applicable laws, resolutions, or regulations of the House and of the Committee on House Administration pertaining to such travel.

RULE NO. XV.—NUMBER AND JURISDICTION OF SUBCOMMITTEES

(a) There shall be 6 standing subcommittees. All proposed legislation and other matters related to the subcommittees listed under standing subcommittees named below shall be referred to such subcommittees, respectively:

(1) Subcommittee on Aviation

(2) Subcommittee on Economic Development

(3) Subcommittee on Oversight and Review

(4) Subcommittee on Public Buildings and Grounds

(5) Subcommittee on Surface Transportation

(6) Subcommittee on Water Resources

(b) The committee may provide for such additional subcommittees as determined to be appropriate; Provided, however, that such additional subcommittees are approved by a majority of the majority members on the committee.

RULE NO. XVI.—POWERS AND DUTIES OF SUBCOMMITTEES

(a) Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it or under its jurisdiction. Subcommittee chairmen shall set dates for hearings and meetings of their respective subcommittees after consultation with the chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of full committee and subcommittee meetings or hearings wherever possible.

(b) Whenever a subcommittee has ordered a bill, resolution, or other matter to be reported to the committee, the chairman of the subcommittee reporting the bill, resolution, or matter to the full committee, or any member authorized by the subcommittee to do so, may report such bill, resolution, or matter to the committee. It shall be the duty of the chairman of the subcommittee to report or cause to be reported promptly such bill, resolution, or matter, and to take or cause to be taken the necessary steps to bring such bill, resolution, or matter to a vote.

(c) In any event, the report of any subcommittee on a measure which has been approved by the subcommittee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the subcommittee, for the reporting of that measure. Upon the filing of any request, the clerk of the committee shall transmit immediately to the chairman of the subcommittee notice of the filing of that request.

(d) All committee or subcommittee reports printed pursuant to legislative study or investigation and not approved by a majority vote of the committee or subcommittee, as appropriate, shall contain the following disclaimer on the cover of such report:

"This report has not been officially adopted by the Committee on (or pertinent subcommittee thereof) and may not therefore necessarily reflect the views of its members."

(e) Bills, resolutions, or other matters favorably reported by a subcommittee shall automatically be placed upon the agenda of the committee as of the time they are reported and where practicable shall be considered by the full committee in the order in which they were reported unless the committee shall by majority vote otherwise direct. No bill reported by a subcommittee shall be considered by the full committee unless it has been delivered to the offices of all members at least 48 hours prior to the meeting, unless the chairman determines that such bill is of such urgency that it should be given early consideration. Where practicable, such bills, resolutions, or other matters shall be accompanied by a comparison with present law and a section-by-section analysis of the proposed change.

RULE NO. XVII.—REFERRAL OF LEGISLATION TO SUBCOMMITTEES

(a) Each bill, resolution, investigation, or other matter which relates to a subject listed under the jurisdiction of any subcommittee named in Rule XV referred to or initiated by the full committee shall be referred by the Chairman to the subcommittee of appropriate jurisdiction within two weeks, unless, by majority vote of the majority members of the full committee, consideration is to be by the full committee.

(b) Referral to a subcommittee shall not be made until three days shall have elapsed after written notification of such proposed referral to all subcommittee chairmen, at which time such proposed referral shall be made unless one or more subcommittee chairmen shall have given written notice to the Chairman of the full committee and to the chairman of each subcommittee that he intends to question such proposed referral at the next regularly scheduled meeting of the committee, or at a special meeting of the committee called for that purpose at which time referral shall be made by the majority members of the committee. All bills shall be referred under his rule to the subcommittee of proper jurisdiction without regard to whether the author is or is not a member of the subcommittee. A bill, resolution, or other matter referred to a subcommittee in accordance with this rule may be recalled therefrom at any time by a vote of the majority members of the committee for the committee's direct consideration or for reference to another subcommittee.

(c) In carrying out Rule XVII with respect to any matter, the Chairman may refer the matter simultaneously to two or more subcommittees, consistent with Rule XV, for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any subcommittee after the first), or divide the matter into two or more parts (reflecting different subjects and jurisdictions) and refer each such part to a different subcommittee, or refer the matter to a special ad hoc subcommittee appointed by the Chairman (from the members of the subcommittee having legislative jurisdiction) for the specific purpose of considering that matter and reporting to the full committee thereon, or make such other provisions as may be considered appropriate.

RULE NO. XVIII.—SIZES AND PARTY RATIOS ON SUBCOMMITTEES AND CONFERENCE COMMITTEES

(a) To the extent that the number of subcommittees and their party ratios permit, the size of all subcommittees shall be established so that the majority party members of the committee have an equal number of subcommittee assignments; Provided, however, that a member may waive his or her right to an equal number of subcommittee assignments on the committee; and provided further, that the majority party members may limit the number of subcommittee assignments of the Chairman and the subcommittee chairman in order to equalize committee workloads.

(b) On each subcommittee there shall be a ratio of majority party members to minority party members which shall be no less favorable to the majority party than the ratio for the full committee. In calculating the ratio of majority party members to minority party members, there shall be included all *ex officio* voting members of the subcommittees.

(c) Following shall be the sizes and majority/minority ratios for subcommittees:

(1) Subcommittee on Aviation: (26 members) (17 majority; 9 minority).

(2) Subcommittee on Economic Development: (23 members) (15 majority; 8 minority).

(3) Subcommittee on Oversight and Review: (23 members) (15 majority; 8 minority).

(4) Subcommittee on Public Buildings and Grounds: (23 members) (15 majority; 8 minority).

(5) Subcommittee on Surface Transportation: (27 members) (18 majority; 9 minority).

(6) Subcommittee on Water Resources: (27 members) (18 majority; 9 minority).

(d) The full committee Chairman shall recommend to the Speaker as conferees the names of those members (1) selected by the majority party members of the committee in a manner determined by them, and (2) selected by the minority. Provided, however, that recommendations of conferees to the Speaker shall provide a ratio of majority party members to minority party members which shall be no less favorable to the majority party than the ratio for the full committee.

RULES OF THE COMMITTEE ON EDUCATION AND LABOR

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, pursuant to clause 2(a) of rule XI of the rules of the House, and at the request of the chairman, I submit the rules of the Committee on Education and Labor for printing in the RECORD:

COMMITTEE ON EDUCATION AND LABOR, 96TH CONGRESS, RULES OF THE COMMITTEE ON EDUCATION AND LABOR

INTRODUCTION

The rules of the Education and Labor Committee of the U.S. House of Representatives have been promulgated and adopted in conformity with House Resolution 5 of the Ninety-sixth Congress, and are consistent with the rules adopted by the Democratic Caucus of the Members of the U.S. House of Representatives for the Ninety-fifth Congress and in other respects preserve those provisions of the rules and reforms governing the Committee for the previous Congress.

Paragraph (k)(2) of clause 2 of rule XI, Rules of the House of Representatives, provides that a copy of the committee rules and clause 2 of rule XI shall be made available to witnesses before the committee.

This print is furnished in accordance with that requirement.

RULE 1. REGULAR AND SPECIAL MEETINGS.—(a) Regular meetings of the committee shall be held on the second and fourth Tuesdays of each month at 9:45 a.m., while the Congress is in session. When the Chairman believes that the committee will not be considering any bill or resolution before the committee and that there is no other business to be transacted at a regular meeting, he will give each member of the committee, as far in advance of the day of the regular meeting as the circumstances make practicable, a written notice to that effect and no committee meeting shall be held on that day.

(b) The Chairman may call and convene, as he considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purpose pursuant to that call of the Chairman.

(c) If at least three members of the committee desire that a special meeting of the committee be called by the Chairman, those members may file in the offices of the committee their written request to the Chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the Chairman of the filing of the request. If, within three calendar days after the filing of the request the Chairman does not call the requested special meeting to be held within seven calendar days after the filing of the request a majority of the members of the committee may file in the offices of the committee their written notice that a special meeting of the committee will be held, specifying the date and hour thereof, and the measure or matter to be considered at that special meeting. The committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee that such meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

(d) All legislative meetings of the committee and its subcommittees shall be open. No business meeting of the committee, other than regularly scheduled meetings, may be held without each member being given reasonable notice. Such meeting shall be called to order and presided over by the Chairman, or in the absence of the Chairman, by the ranking majority party member of the committee present.

RULE 2. QUESTIONING OF WITNESSES.—Committee members may question witnesses only when they have been recognized by the Chairman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witnesses in both committee and subcommittee hearings shall be initiated by the Chairman, followed by the ranking minority party member and all other members alternating between the majority and minority party. In recognizing members to question witnesses in this fashion, the Chairman shall take into consideration the ratio of the majority to minority party members present and shall establish the order of recognition for questioning in such a manner as not to place the members of the majority party in a disadvantageous position. The Chairman may accomplish this by recognizing two majority party members for each minority party member recognized.

RULE 3. RECORDS AND ROLLCALLS.—Written records shall be kept of the proceedings of the committee and of each subcommittee, including a record of the votes on any question on which a rollcall is demanded. The result of each such rollcall vote shall be made available by the committee or subcommittee for inspection by the public at reasonable times in the offices of the committee or subcommittee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those members present but not voting. A record vote may be demanded by one-fifth of the members present or, in the apparent absence of a quorum, by any one member.

RULE 4. STANDING SUBCOMMITTEES, SIZE, RATIO AND JURISDICTION.—(a) There shall be eight standing subcommittees with the following jurisdictions:

(1) Subcommittee on Elementary, Secondary and Vocational Education.—Education from preschool through the high school level and vocational education.

Including, but not limited to: Elementary and secondary education generally, vocational education, school lunch and child nutrition, adult basic education, migrant and agricultural labor education, and overseas dependent schools.

The Subcommittee on Elementary, Secondary and Vocational Education shall consist of 15 Members, 10 from the Majority and five from the Minority.

(2) Subcommittee on Labor-Management Relations.—Relationship between employer and employee and their representatives.

Including, but not limited to: Labor-management relations generally, Bureau of Labor Statistics, pension reform (ERISA), and Service Contract Act.

The Subcommittee on Labor-Management Relations shall consist of 18 Members, 12 from the Majority and six from the Minority.

(3) Subcommittee on Employment Opportunities.—Comprehensive employment and training, work incentive and equal employment opportunities.

Including, but not limited to: Comprehensive Employment and Training Act, equal employment opportunities, Humphrey-Hawkins, displaced homemakers, Wagner-Peyser (employment services), Youth Conservation Corps, Young Adult Conservation Corps, import trade impact, plant relocation impact, Farm Labor Contractor Registration Act, and WIN.

The Subcommittee on Employment Opportunities shall consist of 10 Members, seven from the Majority and three from the Minority.

(4) Subcommittee on Postsecondary Education.—Education beyond the high school level.

Including, but not limited to: Higher education generally, education professions development, postsecondary student assistance, arts and humanities, museums, and library services and construction.

The Subcommittee on Potsecondary Education shall consist of 16 Members, 11 from the Majority and five from the Minority.

(5) Subcommittee on Health and Safety.—Workers' health and safety.

Including, but not limited to: Occupational safety and health, mine health and safety, youth camp safety, and migrant and agricultural labor health and safety.

The Subcommittee on Health and Safety shall consist of nine Members, six from the Majority and three from the Minority.

(6) Subcommittee on Select Education.—Special education programs.

Including, but not limited to: Alcohol and drug abuse, education of the handicapped, rehabilitation, environmental education, National Institute of Education, migrant and agricultural labor day care, child adoption, child abuse, domestic violence, domestic volunteers, ACTION (excluding volunteer older Americans programs).

The Subcommittee on Select Education shall consist of 12 Members, eight from the Majority and four from the Minority.

(7) Subcommittee on Labor Standards.—Wages and hours of labor.

Including, but not limited to: Davis-Bacon Act, Walsh-Healey Act, Fair Labor Standards Act (including child labor), workers' compensation generally, Longshoremen and Harbor Workers' Compensation Act, Federal employees compensation.

The Subcommittee on Labor Standards shall consist of nine Members, six from the Majority and three from the Minority.

(8) Subcommittee on Human Resources.—All matters dealing with programs and services for the elderly, for the elimination of poverty and for the care and treatment of children, exclusive of education programs.

Including, but not limited to: Economic Opportunity and Community Services Acts (Headstart, Community Services, etc.), Juvenile Justice and Delinquency Prevention, Runaway Youth Act, early childhood services, nutrition programs for the elderly, and older Americans.

The Subcommittee on Human Resources shall consist of eight Members, five from the Majority and three from the Minority.

(b) The Majority party Members of the Committee may provide for such special and select subcommittees as determined to be appropriate.

RULE 5. EX OFFICIO MEMBERSHIP.—The Chairman of the Committee and the ranking Minority party Member of the Committee shall be ex officio members of each Subcommittee established pursuant to Rule 4."

RULE 6. SPECIAL ASSIGNMENT OF MEMBERS.—To facilitate the oversight and other legislative and investigative activities of the committee, the Chairman of the committee may, at the request of a subcommittee chairman, make a temporary assignment of any member of the committee to such subcommittee for the purpose of enabling such member to participate in any public hearing, investigation, or study by such subcommittee to be held outside of Washington. Any member of the committee may attend public hearings of any subcommittee and shall be afforded an opportunity by the subcommittee chairman to question witnesses.

RULE 7. SUBCOMMITTEE CHAIRMANSHIP.—The majority party members of the committee shall have the right, in order of full committee seniority, to bid for subcommittee chairmanships. Any such request shall be subject to approval by a majority of those present and voting in the majority party caucus of the committee. Members so elected shall be chairman of their respective subcommittees.

RULE 8. SUBCOMMITTEE SCHEDULING.—Subcommittee chairmen shall set meeting dates after consultation with the Chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings wherever possible. Available dates for subcommittee meetings during the session shall be assigned by the Chairman to the subcommittees as nearly as practicable in rotation and in accordance with their workloads.

RULE 9. SUBCOMMITTEE RULES.—The rules of the committee shall be the rules of its subcommittees.

RULE 10. COMMITTEE STAFFS.—Except as provided in Rule XI, clause 5(d) of the Rules of the House of Representatives, the staff of the House Committee on Education and Labor shall be appointed as follows:

A. The subcommittee staff shall be appointed, and may be removed, and their remuneration determined by the subcommittee chairman in consultation with and with the approval of the majority party members of the subcommittee within the budget approved for the subcommittee by the full committee;

B. The staff assigned to the minority shall be appointed and their remuneration determined in such manner as the minority party members of the committee shall determine within the budget approved for such purposes by the committee;

C. The employees of the committee not assigned to a standing subcommittee or to the minority under the above provisions shall be appointed, and may be removed, and their remuneration determined by the Chairman in consultation with and with the approval of the majority party members of the committee within the budget approved for such purposes by the committee.

RULE 11. SUPERVISION, DUTIES OF COMMITTEE STAFFS.—The staff of a subcommittee shall be under the general supervision and direction of the chairman of that subcommittee. The staff assigned to the minority shall be under the general supervision and direction of the minority party members of the committee who may delegate such authority as they determine appropriate. The staff of the committee not assigned to a subcommittee or to the minority shall be under the general supervision and direction of the Chairman, who shall establish and assign the duties and responsibilities of such staff members and delegate authority as he determines appropriate.

Staff members shall be assigned to committee business and no other duties may be assigned to them.

RULE 12. HEARINGS PROCEDURE.—(a) The Chairman in the case of hearings to be conducted by the committee and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter of any hearing to be conducted on any measure or matter at least one week before the commencement of that hearing unless the committee or subcommittee determines that there is a good cause to begin such hearing at an earlier date. In the latter event the Chairman or the subcommittee chairman whichever the case may be shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify the Daily Digest Clerk of the Congressional Record as soon as possible after such public announcement is made.

(b) So far as practicable, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee, at least 24 hours in advance of his appearance, a written statement of his proposed testimony and shall limit his oral presentation to a summary of his statement.

(c) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the Chairman by a majority of those minority party members before the completion of such hearing, to all witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

RULE 13. MEETINGS—HEARINGS—QUORUMS.—(a) Subcommittees are authorized to hold hearings, receive exhibits, hear witnesses, and report to the committee for final action, together with such recommendations as may be agreed upon by the subcommittee. No such meetings or hearings, however, shall be held outside of Washington or during a recess or adjournment of the House without the prior authorization of the committee Chairman or a majority of a quorum of the subcommittee: *Provided*, That where feasible and practicable, 14 days notice will be given of such meeting or hearing.

(b) One-third of the members of the committee or subcommittee shall constitute a quorum for taking any action other than amending committee rules, closing a meeting from the public, reporting a measure or recommendations, or in the case of the committee authorizing a subpoena. For the enumerated actions a majority of the committee or subcommittee shall constitute a quorum. Any two members shall constitute a quorum for the purpose of taking testimony and receiving evidence.

(c) In the absence of the chairman of the committee or a subcommittee, the ranking majority party member present shall preside.

Rule 14. Subpoenas.—A subpoena may be authorized and issued by the Committee or subcommittee in the conduct of any investigation or series of investigations or activities, only when authorized by a majority of the Members of the full Committee voting, a majority being present. Authorized subpoenas shall be signed by the Chairman of the Committee or by any Member designated by the Committee.

Rule 15. Reports of Subcommittees.—(a) Whenever a subcommittee has ordered a bill, resolution, or other matter to be reported to the committee, the chairman of the subcommittee reporting the bill, resolution, or matter to the committee, or any member authorized by the subcommittee to do so, may report such bill, resolution, or matter to the committee. It shall be the duty of the chairman of the subcommittee to report or cause to be reported promptly such bill, resolution, or matter, and to take or cause to be taken the necessary steps to bring such bill, resolution, or matter to a vote.

(b) In any event, the report, described in the proviso in paragraph (*d*) of this rule, of any subcommittee on a measure which has been approved by the subcommittee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the subcommittee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the subcommittee notice of the filing of that request.

(c) All committee or subcommittee reports printed pursuant to legislative study or investigation and not approved by a majority vote of the committee or subcommittee, as appropriate, shall contain the following disclaimer on the cover of such report:

"This report has not been officially adopted by the Committee on Education and Labor (or pertinent subcommittee thereof) and may not therefore necessarily reflect the views of its members."

(d) Bills, resolutions, or other matters favorably reported by a subcommittee shall automatically be placed upon the agenda of the committee as of the time they are reported and shall be considered by the full committee in the order in which they were reported unless the committee shall by majority vote otherwise direct: *Provided*, That no bill reported by a subcommittee shall be considered by the full committee unless it has been in the hands of all members at least 48 hours prior to the meeting, together with a comparison with present law and a section-by-section analysis of the proposed change.

Rule 16. Proxies.—(a) A vote by any member in the committee or in any subcommittee may be cast by proxy, but such proxy must be in writing and in the hands of the chief clerk of the committee or the clerk of the subcommittee, as the case may be, during each rollcall in which they are to be voted. Each proxy shall designate the member who is to execute the proxy authorization and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the members assigning his vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

(b) Proxies shall be in the following form:

Hon. ______________.
House of Representatives,
Washington, D.C.

Dear ___________: Anticipating that I will be absent on official business/or otherwise unable to be present, I hereby authorize you to vote in my place and stead in the consideration of ———— and any amendments or motions pertaining thereto.

__________,
Member of Congress.

Executed this the ______ day of __________, 19__, at the time of __________ p.m./a.m.

Rule 17. Authorization for Travel.—(a) Consistent with the primary expense resolution and such additional expense resolutions as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel to be paid from funds set aside for the full committee for any member or any staff member shall be paid only upon the prior authorization of the Chairman. Travel may be authorized by the Chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee or any subcommittee thereof and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee.

Before such authorization is given there shall be submitted to the Chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which the travel is to be made and the date or dates of the event for which the travel is being made;

(3) The location of the event for which the travel is to be made;

(4) The names of members and staff seeking authorization.

(b) In the case of travel of members and staff of a subcommittee to hearings, meetings, conferences, and investigations involving activities or subject matter under the legislative assignment of such subcommittee to be paid for out of funds allocated to such subcommittee, prior authorization must be obtained from the subcommittee chairman and the Chairman. Such prior authorization shall be given by the Chairman only upon the representation by the appropriate chairman of the subcommittee in writing setting forth those items enumerated in (1), (2), and (4) of paragraph (*a*) and in addition thereto setting forth that subcommittee funds are available to cover the expenses of the person or persons being authorized by the subcommittee chairman to undertake the travel and that there has been a compliance where applicable with Rule 12 of the committee.

(c)(1) In the case of travel outside the United States of members and staff of the committee or of a subcommittee for the purpose of conducting hearings, investigations, studies, or attending meetings and conferences involving activities or subject matter under the legislative assignment of the committee or pertinent subcommittees prior authorization must be obtained from the Chairman, or, in the case of a subcommittee, from the subcommittee chairman and the Chairman. Before such authorization is given, there shall be submitted to the Chairman, in writing, a request for such authorization. Each request, which shall be filed in a manner that allows for a reasonable period of time for review before such travel is scheduled to begin, shall include the following:

(A) the purpose of the travel;

(B) the dates during which the travel will occur;

(C) the names of the countries to be visited and the length of time to be spent in each;

(D) an agenda of anticipated activities for each country for which travel is authorized together with a description of the purpose to be served and the areas of committee jurisdiction involved; and

(E) the names of members and staff for whom authorization is sought.

(2) Requests for travel outside the United States may be initiated by the Chairman or the chairman of a subcommittee (except that individuals may submit a request to the Chairman for the purpose of attending a conference or meeting) and shall be limited to members and permanent employees of the committee.

(3) The Chairman shall not approve a request involving travel outside the United States while the House is in session (except in the case of attendance at meetings and conferences or where circumstances warrant an exception).

(4) At the conclusion of any hearing, investigation, study, meeting or conference for which travel outside the United States has been authorized pursuant to this rule, each subcommittee (or members and staff attending meetings or conferences) shall submit a written report to the Chairman covering the activities of the subcommittee and containing the results of these activities and other pertinent observations or information gained as a result of such travel.

(d) Members and staff of the committee performing authorized travel on official business shall be governed by applicable laws, resolutions, or regulations of the House and of the Committee on House Administration pertaining to such travel, including rules, procedures and limitations prescribed by the Committee on House Administration with respect to domestic and foreign expense allowance.

(e) Prior to the Chairman's authorization for any travel the ranking minority party member shall be given a copy of the written request therefor.

Rule 18. Oversight—(a) In order to enable the Committee to carry out its responsibilities under Rule X, clause (2) of the Rules of the House of Representatives, each subcommittee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that subcommittee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, each such subcommittee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that subcommittee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of that subcommittee.

(b) The Chairman of the committee, consistent with Rule 4, from time to time in order to fulfill the committee's responsibility under Rule X, clause (3)(c) of the Rules of the House of Representatives, shall assign matters to subcommittees for reviewing, studying, and coordinating, on a continuing basis, all laws, programs, and Government activities dealing with or involving domestic educational programs and institutions, and programs of student assistance, which are within the jurisdiction of other committees.

(c) The Chairman of the committee, consistent with Rule X, clause (2)(d) of the

Rules of the House of Representatives, shall from time to time assign matters to subcommittees for reviewing and studying on a continuing basis the impact or probable impact of tax policies affecting subjects within the jurisdiction of the committee.

Rule 19. Referral of Bills, Resolutions, and Other Matters.—(a) Each bill, resolution, or other matter which relates to a subject listed under the jurisdiction of any subcommittee named in Rule 4 referred to the Committee shall be referred to the subcommittee of appropriate jurisdiction within two weeks, unless, by majority vote of the majority party members of the committee, consideration is to be by the full committee.

(b) In carrying out paragraph (a) with respect to any matter, the Chairman may refer the matter simultaneously to two or more subcommittees, consistent with Rule 4, for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any subcommittee), or divide the matter into two or more parts (reflecting different subjects and jurisdictions) and refer each such part to a different subcommittee, or refer the matter, pursuant to Rule 4, to a special ad hoc subcommittee, appointed by the Chairman (from the members of the subcommittees having legislative jurisdiction) for the specific purpose of considering that matter and reporting to the committee thereon, or make such other provisions as may be considered appropriate.

(c) Referral to a subcommittee shall not be made until three days shall have elapsed after written notification of such proposed referral to all subcommittee chairmen, at which time such proposed referral shall be made unless one or more subcommittee chairmen shall have given written notice to the chairman of the full committee and to the chairman of each subcommittee that he intends to question such proposed referral at the next regularly scheduled meeting of the committee, or at a special meeting of the committee called for that purpose at which time referral shall be made by the majority members of the committee. All bills shall be referred under this rule to the subcommittee of proper jurisdiction without regard to whether the author is or is not a member of the subcommittee. A bill, resolution, or other matter referred to a subcommittee in accordance with this rule may be recalled therefrom at any time by a vote of the majority members of the committee for the committee's direct consideration or for reference to another subcommittee.

Rule 20. Committee Reports.—(a) All committee reports on bills or resolutions shall comply with the provisions of clause 2 of Rule XI of the Rules of the House of Representatives.

(b) No such report shall be filed until copies of the proposed report have been available to all members at least 36 hours prior. No material change shall be made in the report distributed to members unless agreed to by majority vote: *Provided*, That any member or members of the committee may file, as part of the printed report, individual, minority, or dissenting views, without reference to the preceding provisions of this rule.

Rule 12. Budget and Expenses.—The Chairman, in consultation with the majority party members of the committee shall, for each session of the Congress, prepare a preliminary budget. Such budget shall include necessary amounts for staff personnel, for necessary travel, investigation, and other expenses of the committee and after consultation with the minority party membership, the Chairman shall include amounts budgeted to the minority party members for staff personnel to be under the direction and supervision of the minority party, travel expenses of minority members and staff, and minority party office expenses. All travel expenses of minority party members and staff shall be paid for out of the amounts so set aside and budgeted. The chairman of each standing subcommittee, in consultation with the majority party members thereof, shall prepare a supplemental budget to include funds for each additional staff, and for such travel, investigations, etc., as may be required for the work of such subcommittee. Thereafter, the Chairman shall combine such proposals into a consolidated committee budget, and shall present the same to the committee for its approval or other action. The Chairman shall take whatever action is necessary to have the budget as finally approved by the committee duly authorized by the House. After said budget shall have been adopted, no change shall be made in such budget unless approved by the committee. The Chairman or the chairman of any standing subcommittee may initiate necessary travel requests as provided in Rule 16 within the limits of their portion of the consolidated budget as approved by the House, and the Chairman may execute necessary vouchers therefor.

Once monthly, the Chairman shall notify the committee, in writing, that a full and detailed accounting of all expenditures made during the period since the last such accounting from the amount budgeted to the committee is available to every Member in the office of the Clerk of the Committee. Such report shall show the amount and purpose of each expenditure and the budget to which such expenditure is attributed.

Rule 22. Recommendation of Rule for Appointment of Conferees.—Whenever in the legislative process it becomes necessary to appoint conferees, the Chairman shall recommend to the Speaker as conferees the names of those members of the subcommittee which handled the legislation in the order of their seniority upon such subcommittee and such other committee members as the Chairman may designate with the approval of the majority party members. Recommendations of the Chairman to the Speaker shall provide a ratio of majority party members to minority party members no less favorable to the majority party than the ratio of majority members to minority party members on the full committee. In making assignments of minority party members as conferees the Chairman shall consult with the ranking minority party member of the committee.

Rule 23. Broadcasting of Committee Hearings.—(a) When any hearing or meeting of the committee or a subcommittee is open to the public, that hearing or meeting may be covered in whole or in part by television broadcast, radio broadcast, and still photography, or by other such methods of coverage. Such coverage of hearings and meetings is a privilege made available by the House and shall be permitted and conducted only in strict conformity with the purposes, provisions and requirements of clause 3 of Rule XI of the rules of the House of Representatives.

(b) The general conduct of each hearing or meeting covered under authority of this clause and the personal behavior of committee members, staff, other government officials and personnel, witnesses, television, radio and press media personnel, and the general public at the hearing or other meeting, shall be in strict conformity with and observance of the acceptable standards of dignity, propriety, courtesy, and decorum traditionally observed by the House.

(c) Persons undertaking to cover committee hearings or meetings under authority of this rule shall be governed by the following limitations:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to clause 2(k)(5) of Rule XI of the Rules of the House of Representatives, relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

Rule 24. Changes in Committee Rules.—A proposed change in these Rules shall not be considered by the committee unless the text of such change has been in the hands of all Members at least 48 hours prior to the meeting in which the matter is considered.

RULES OF THE COMMITTEE ON VETERANS' AFFAIRS

(Mr. ROBERTS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROBERTS. Mr. Speaker, pursuant to the requirement of rule XI, clause 2(a) of the rules of the House of Representatives, I submit herewith the rules of the Committee on Veterans' Affairs for the 96th Congress and ask that they be printed in the RECORD at this point. These rules were adopted by the committee in open session on February 8, 1979:

COMMITTEE ON VETERANS' AFFAIRS, RULES OF PROCEDURE, 96TH CONGRESS

RULES OF PROCEDURE

Rule I—General Provisions

The Rules of the House are the rules of the committee and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees. Each subcommittee of the committee is a part of the committee, and is subject to the authority and direction of the committee and to its rules so far as applicable.

Rule II—Meetings

(a) The regular meeting day for the full committee shall be at 10 a.m. on the second Tuesday of each month, and at such other times and in such places as the chairman may designate; however, a regular Tuesday meeting of the committee may be dispensed with by the chairman.

(b) The chairman may call and convene, as he considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purpose pursuant to the call of the chairman.

(c)(1) Each meeting for the transaction of business, including the markup of legislation, of the committee or each subcommittee thereto shall be open to the public except when the committee or subcommittee, in open session and with a quorum present, determines by roll call vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however:* That no person other than members of the committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by the commitee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a quorum present, determines by roll call vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: *Provided, however:* That the committee or subcommittee may be the same procedure vote to close one subsequent day of hearing.

Rule III—Records and Roll Calls

There shall be kept in writing a record of the proceedings of the committee and of each subcommittee including a record of the votes on any question on which a roll call is demanded. The result of each such roll call vote shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and the names of those members present but not voting. A record vote may be demanded by one-fifth of the members present or, in the apparent absence of a quorum, by any one member. With respect to each record vote by the committee to report any bill or resolution, the total number of votes cast for and the total number of votes cast against the reporting of such bill or such resolution shall be included in the committee report.

Rule IV—Quorums

A majority of the members of the committee shall constitute a quorum of the committee for business and a majority of the members of any subcommittee shall constitute a quorum thereof for business: *Provided,* That any two members shall constitute a quorum for the purpose of taking testimony and receiving evidence.

Rule V—Hearing Procedures

(a) The chairman, in the case of hearings to be conducted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter of any hearing to be conducted on any measure or matter at least one week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event, the chairman or the subcommittee chairman, whichever the case may be, shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify the Daily Digest Clerk of the Congressional Record as soon as possible after such public announcement is made.

(b) So far as practicable, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee, at least 48 hours in advance of his or her appearance, a written statement of his or her proposed testimony and shall limit his or her oral presentation to a summary of the statement.

(c) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the chairman of a majority of those minority members before the completion of such hearing, to call such witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(d) All other members of the committee may have the privilege of sitting with any subcommittee during its hearings or deliberations and may participate in such hearings or deliberations, but no such member who is not a member of the subcommittee shall vote on any matter before such subcommittee.

(e) Committee members may question witnesses only when they have been recognized by the chairman that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witnesses in both full and subcommittee hearings shall be initiated by the chairman, followed by the ranking minority party member and all other members alternating between the majority and minority. In recognizing members to question witnesses in this fashion, the chairman shall take into consideration the ratio of the majority to minority members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the members of the majority.

Rule VI—Oversight

(a) In order to assist the House in:

(1) Its analysis, appraisal, and evaluation of (A) the application, administration, execution, and effectiveness of the laws enacted by the Congress, or (B) conditions and circumstances which may indicate the necessity or desirability of enacting new or additional legislation, and

(2) its formulation, consideration and enactment of such modifications or changes in those laws, and of such additional legislation, as may be necessary or appropriate, the various subcommittees, consistent with their jurisdiction as set forth in Rule VIII, shall have oversight responsibilities as provided in paragraph (b).

(b) Each subcommittee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that subcommittee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated.

In addition, each such subcommittee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that subcommittee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of that subcommittee.

(c) Each subcommittee shall review and study on a continuing basis the impact or probable impact of tax policies affecting subjects within its jurisdictions.

Rule VII—Broadcasting of Committee Hearings

Broadcasting, either by radio or TV of all open committee hearings and meetings shall be permitted when, in the judgment of the chairman, in consultation with the ranking minority member, such action is warranted. Photographs shall be permitted during hearings of the full committee and subcommittees as the chairman decides.

All coverage shall be subject to the following provisions:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed

in positions which obstruct unnecessarily the coverage of the hearing or meeting by other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Sttanding Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

Rule VIII—Number and Jurisdiction of Subcommittees

(a) There shall be five standing subcommittees as follows: Compensation, Pension, Insurance, and Memorial Affairs; Education, Training and Employment; Medical Facilities and Benefits; Housing; and Special Investigations. All proposed legislation and other matters related to the subcommittees listed under standing subcommittees named below shall be referred to such subcommittees, respectively:

Compensation, Pension, Insurance and Memorial Affairs: Compensation, pensions of all the wars of the United States, general and special, and life insurance issued by the Government on account of service in the Armed Forces; cemeteries of the United States in which veterans of any war or conflict are or may be buried, whether in the United States or abroad, except cemeteries administered by the Secretary of the Interior, and burial benefits.

Education, Training and Employment: Education of veterans, vocational rehabilitation, and readjustment of servicemen to civilian life.

Medical Facilities and Benefits: Veterans' hospitals, medical care, and treatment of veterans.

Housing: Veterans' housing programs.

Special Investigations: Investigative authority over matters that come within the jurisdiction of more than one legislative subcommittee, and that are referred to the subcommittee by the chairman for investigation and appropriate recommendations.

(b) The chairman and the ranking minority member shall serve as ex-officio members of all subcommittees and shall have the right to vote on all matters before the subcommittee.

Rule IX—Powers and Duties of Subcommittees

(a) Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it or under its jurisdiction. Subcommittee chairmen shall set dates for hearings and meetings of their respective subcommittees after consultation with the chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of full committee and subcommittee meetings or hearings wherever possible.

(b) Whenever a subcommittee has ordered a bill, resolution, or other matter to be reported to the committee, the chairman of the subcommittee reporting the bill, resolution, or matter to the full committee, or any member authorized by the subcommittee to do so, may report such bill, resolution, or matter to the committee. It shall be the duty of the chairman of the subcommittee to report or cause to be reported promptly such bill, resolution, or matter, and to take or cause to be taken the necessary steps to bring such bill, resolution, or matter to a vote.

(c) In any event, the report of any subcommittee on a measure which has been approved by the subcommittee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the subcommittee, for the reporting of that measure. Upon the filing of any request, the clerk of the committee shall transmit immediately to the chairman of the subcommittee notice of the filing of that request.

RULES OF THE COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

(Mr. REUSS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. REUSS. Mr. Speaker, as chairman of the Committee on Banking, Finance and Urban Affairs, I submit herewith for printing in the CONGRESSIONAL RECORD the rules of the Committee on Banking, Finance and Urban Affairs, which were adopted on January 31, 1979, in accordance with clause 2(a) of House rule XI:

COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, COMMITTEE RULES, 96TH CONGRESS, 1979–80

RULES FOR THE COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

Rule No. I.—General provisions

(a) The Rules of the House are the rules of the committees and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committee and subcommittees. Each subcommittee of the committee is a part of the committee, and is subject to the authority and direction of the committee and to its rules so far as applicable.

(b) The committee is authorized at any time to conduct such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities under rule X of House Rules and (subject to the adoption of expense resolutions as required by rule XI, clause 5 of the House Rules) to incure expenses (including travel expenses) in connection herewith.

(c) The committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee. All costs of stenographic services and transcripts in connection with any meeting or hearing of the committee shall be paid from the contingent fund of the House.

(d) The committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on the activities of the committee under rules X and XI of House Rules during the Congress ending at noon on January 3 of such year.

(e) The committee's rules shall be published in the Congressional Record not later than 30 days after the Congress convenes in each odd-numbered year.

Rule No. II.—Regular and special meetings: Open committee meetings

(a) Regular meetings of the committee shall be held on the first Tuesday of each month while the Congress is in session. When the chairman believes that the committee will not be considering any bill or resolution before the full committee and that there is no other business to be transacted at a regular meeting, he will give each member of the committee, as far in advance of the day of the regular meeting as the circumstances make practicable, a written notice to that effect and no committee meeting shall be held on that day.

(b) The chairman may call and convene, as he considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purpose pursuant to that call of the chairman.

(c) If at least three members of the committee desire that a special meeting of the committee be called by the chairman, those members may file in the offices of the committee their written request to the chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the chairman of the filing of the request. If, within 3 calendar days after the filing of the request, the chairman does not call the requested special meeting to be held within 7 calendar days after the filing of the request, a majority of the members of the committee may file in the offices of the committee their written notice that a special meeting of the committee will be held, specifying the date and hour thereof, and the measure or matter to be considered at that special meeting. The committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee that such meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

(d) If the chairman of the committee or subcommittee is not present at any meeting of the committee or subcommittee the ranking member of the majority party on the committee or subcommittee who is present shall preside at that meeting.

(e) The committee may not sit, without special leave, while the House is reading a measure for amendment under the 5-minute rule.

(f) (1) Each meeting for the transaction of business, including the markup of legislation, of the committee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day be closed to the public: *Provided, however,* That no person other than members of the committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open committee hearings which are provided for by clause 4(a) (3) of House Rule X or by subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by the committee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: *Provided, however,* That the committee or subcommittee may by the same procedure vote to close one subsequent day of hearing.

(g) No person other than a Member of Congress, committee staff, or a person from a Member's staff when that Member has an amendment under consideration, may walk in or be seated at the rostrum area of the committee unless the chairman, the chairman of the subcommittee, or a majority of the committee determines otherwise.

Rule No. III.—Records and rollcalls

(a) There shall be kept in writing a record of the proceedings of the committee and of each subcommittee, including a record of the votes on any question on which a rollcall is demanded. The result of each such rollcall vote shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those members present but not voting. A record vote may be demanded by any three of the members present or, in the apparent absence of a quorum, by any one member. With respect to each record vote by the committee to report any bill or resolution, the name of each member voting for and voting against the motion to report, and whether by proxy or in person, and the names of those members present but not voting, and the names of those members absent, shall be included in the committee report.

(b) All committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the member serving as chairman of the committee; and such records shall be the property of the House and all Members of the House shall have access thereto.

Rule No. IV.—Proxies

(a) No vote by any member of the committee or any of its subcommittees with respect to any measure or matter may be cast by proxy unless a proxy authorization is given in writing by the member desiring to cast a proxy, which authorization shall assert that the member is absent on official business or is absent due to personal illness and is thus unable to be present at the meeting of the committee or subcommittee and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto. Each proxy to be effective shall be signed by the member assigning his/her vote and shall contain the date and time of the day that the proxy is signed. No proxy shall be voted on a motion to adjourn or shall be counted to make a quorum or be voted unless a quorum is present.

(b) Proxies shall be in the following form:

Hon.________________________,
House of Representatives,
Washington, D.C.

Dear__________________________: I will be absent on official business/due to personal illness and thus unable to be present at the meeting of the committee or subcommittee. I hereby authorize you to vote in my place and stead in the consideration of __________ __________ and any amendments or motions pertaining thereto. The official business that necessitates my absence is________________.

____
Member of Congress.

Executed this the ______ day of ______ ______, 19__, at the time of ________ p.m./a.m.

Rule No. V.—Power to sit and act; subpena power

(a) For the purpose of carrying out any of its functions and duties under House Rules X and XI the committee, or any subcommittee thereof, is authorized (subject to subparagraph (b) (1) of this paragraph)—

(1) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings.

(2) In the case of such hearings which are to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary, such hearings must be authorized by a vote of a majority of the members of the full committee, a majority being present. The chairman of the committee, or any member designated by the chairman, may administer oaths to any witness.

(b) (1) A subpena may be authorized and issued by the committee under subparagraph (a) (2) in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. The power to authorize and issue subpenas under subparagraph (a) (2) may be delegated to the chairman of the committee pursuant to such limitations as the committee may prescribe. Authorized subpenas shall be signed by the chairman of the committee or by any member designated by the committee.

(2) Compliance with any subpena issued by the committee under subparagraph (a) (2) may be enforced only as authorized or directed by the House.

(c) Each witness who has been subpenaed, upon the completion of his testimony before the committee or any subcommittee, may report to the office of counsel of the committee, and there sign appropriate vouchers for travel allowances and attendance fees. If hearings are held in cities other than Washington, D.C., the witness may contact the counsel of the committee, or his representatives prior to leaving the hearing room.

Rule No. VI.—Quorums

A majority of the members of the full committee or subcommittees shall constitute a quorum of the full committee or subcommittees for the reporting of a measure or recommendation: Provided, that the number of members constituting a quorum for the taking of any action other than the reporting of a measure or recommendation shall be one-third of the members of the committee or subcommittee, and any two members shall constitute a quorum for the purpose of taking testimony and receiving evidence.

Rule No. VII.—Hearing procedures

(a) The chairman, in the case of hearings to be conducted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter at least one week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event the chairman or the subcommittee chairman whichever the case may be shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify all members of the committee and the Daily Digest Clerk of the Congressional Record as soon as possible after such public announcement is made.

(b) So far as practicable, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee, at least 24 hours in advance of his appearance, 100 copies of his proposed testimony and may be required to limit his oral presentation to a summary of his statement.

(c) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the chairman by a majority of those minority members before the completion of such hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(d) Upon announcement of a hearing, the Clerk and Staff Director shall cause to be prepared a concise summary of the subject matter (including legislative reports and other material) under consideration which shall be made available immediately to all members of the committee. In addition, upon announcement of a hearing and subsequently as they are received, the chairman shall make available to the members of the committee any official reports from departments and agencies on such matter.

(e) All other members of the committee may have the privilege of sitting with any subcommittee during its hearings or deliberations and may participate in such hearings or deliberations after members of the subcommittee have been given an opportunity to participate, but no such member who is not a member of the subcommittee shall vote on any matter before such subcommittee.

(f) Committee members may question witnesses only when they have been recognized by the chairman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witnesses in both full and subcommittee hearings shall be initiated by the chairman, followed by the ranking minority party member and all other members alternating between the majority and minority. In recognizing members to question witnesses in this fashion, the chairman shall take into consideration the ratio of the majority to minority members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the members of the majority.

(g) The following additional rules shall apply to investigative hearings:

(1) The chairman at any investigative hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) If the committee determines that evidence or testimony at an investigative hear-

ing may tend to defame, degrade, or incriminate any person it shall—

(A) receive such evidence or testimony in executive session;

(B) afford such person an opportunity voluntarily to appear as a witness; and

(C) receive and dispose of requests from such person to subpena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the committee shall dispose of requests to subpena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may review and photostat a copy of his or her testimony given at a public session or, if given at an executive session, when authorized by the committee.

Rule No. VIII.—Procedures for reporting bills and resolutions

(a)(1) It shall be the duty of the chairman of the committee to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(2) In any event, the report of the committee on a measure which has been approved by the committee shall be filed within 7 calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the committee notice of the filing of that request.

(b)(1) No measure or recommendation shall be reported from the committee unless a majority of the committee was actually present.

(2) With respect to each record vote by the committee to report any bill or resolution, the name of each member voting for and voting against the motion to report, and whether by proxy or in person, and the names of those members present but not voting, and the names of those members absent, shall be included in the committee report.

(c) The report of the committee on a measure which has been approved by the committee shall include—

(1) the oversight findings and recommendations required pursuant to the last sentence of clause 2(b)(1) of rule X of the House separately set out and clearly identified;

(2) the statement required by section 308 (a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures;

(3) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee;

(4) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 2(b)(2) of rule X of the House separately set out and clearly identified whenever such findings and recommendations have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the committee's deliberations on the measure.

(d) Each report of the committee on each bill or joint resolution of a public character reported by the committee shall contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(e) If, at the time of approval of any measure, matter or any report or submission to be made to the House or to the Committee on the Budget under subclauses (g), (h), and (i) of clause 4 of Rule X of the Rules of the House of Representatives by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than 3 calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. No report shall be filed until the chairman has consulted with the ranking minority member of the committee and the chairman of the subcommittee from which the legislation emanated or would have emanated. The report of the committee upon that measure or matter shall be printed in a single volume which—

(1) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and

(2) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (3) and (4) of subparagraph (c)) are included as part of the report. This subparagraph does not preclude—

(A) the immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

(B) the filing by any such committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that committee upon that measure or matter.

(f) If hearings have been held on any such measure or matter so reported, the committee shall make every reasonable effort to have such hearings printed and available for distribution to the Members of the House prior to the consideration of such measure or matter in the House. This subparagraph shall not apply to—

(1) any measure for the declaration of war, or the declaration of a national emergency, by the Congress; or

(2) any executive decision, determination, or action which would become, or continue to be, effective unless disapproved or otherwise invalidated by one or both Houses of Congress.

Rule No. IX.—Oversight Subcommittee

(a) In order to assist the House in:

(1) its analysis, appraisal, and evaluation of (A) the application, administration, execution, and effectiveness of the laws enacted by the Congress, or (B) conditions and circumstances which may indicate the necessity or desirability of enacting new or additional legislation, and

(2) its formulation, consideration, and enactment of such modification or changes in those laws, and of such additional legislation, as may be necessary or appropriate, there shall be established in conformity with rule XV an Oversight Subcommittee.

(b) The Oversight Subcommittee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the committee, and the organization and operation of the Federal agencies and entities which have responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, the Oversight Subcommittee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of the committee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of the committee. The Oversight Subcommittee shall in no way limit the responsibility of the subcommittees from carrying out their oversight responsibilities.

(c) The Oversight Subcommittee shall review and study on a continuing basis the impact or probable impact of tax policies affecting subjects within the jurisdiction of the committee.

Rule No. X.—Review of continuing programs; Budget Act provisions

(a) The committee shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing programs and activities of the Federal Government and the District of Columbia government will be made annually to the maximum extent feasible and consistent with the nature, requirements, and objectives of the programs and activities involved. For the purposes of this paragraph a Government agency includes the organizational units of government listed in clause 7(d) of Rule XIII of the House Rules.

(b) The committee shall review, from time to time, each continuing program within its jurisdiction for which appropriations are not made annually in order to ascertain whether such program could be modified so that appropriations therefor would be made annually.

(c) The committee shall, on or before March 15 of each year, submit to the Committee on the Budget (1) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing fiscal year which are within its jurisdiction or functions, and (2) an estimate of the total amount of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction which it intends to be effective during that fiscal year.

(d) As soon as practicable after a concurrent resolution on the budget for any fiscal year is agreed to, the committee (after consulting with the appropriate committee or committees of the Senate) shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such resolution, and promptly report such subdivisions to the House, in the manner provided by section 302 of the Congressional Budget Act of 1974.

(e) Whenever the committee is directed in a concurrent resolution on the budget to determine and recommend changes in laws, bills, or resolutions under the reconciliation process it shall promptly make such determination and recommendations, and report a reconciliation bill or resolution (or both) to the House or submit such recommendations to the Committee on the Budget in accordance with the Congressional Budget Act of 1974.

Rule No. XI.—Broadcasting of committee hearings

Any meeting or hearing that is open to the public may be covered in whole or in part by radio or television or still photography, subject to the requirements of Rule XI, clause 3 of the Rules of the House of Representatives. At all such meetings or proceedings, coverage by radio, television or still photography will be allowed unless specifically forbidden by a record vote of the committee or subcommittee. The coverage of any hearing or other proceeding of the committee or any subcommittee thereof by television, radio, or still photography shall be under the direct supervision of the chairman of the committee presiding at such hearing or other proceeding and, for good cause, may be terminated by him/her.

Rule No. XII.—Committee and subcommittee budgets

(a) The chairman, in consultation with the majority members of the committee shall, for each session of the Congress, prepare a preliminary budget. Such budget shall include necessary amounts for staff personnel, for necessary travel, investigation, and other expenses of the full committee, and after consultation with the minority membership, the chairman shall include amounts budgeted to the minority members for staff personnel to be under the direction and supervision of the minority, travel expenses of minority members and staff, and minority office expenses. All travel expenses of minority members and staff shall be paid for out of the amounts so set aside and budgeted.

(b)(1) The chairman of each subcommittee, in consultation with the majority members thereof, shall prepare a budget to include funds for staff, travel, investigations, and miscellaneous expenses as may be required for the work of the subcommittee.

(2) The chairman of each subcommittee shall control the funds provided for in the subcommittee budget.

(c) The chairman shall combine the proposals of each subcommittee with the preliminary budget of the full committee into a consolidated committee budget, and shall present the same to the committee for its approval. The chairman shall then take all action necessary to bring about its approval by the Committee on House Administration and by the House.

(d) Authorization for the payment of additional or unforeseen committee and subcommittees' expenses may be procured by one or more additional expense resolutions processed in the same manner as set out herein.

(e) The chairman, the ranking minority member of the full committee, or any chairman of a subcommittee may initiate necessary travel requests as provided in Rule XIV within the limits of their portion of the consolidated budget as approved by the House, and the chairman may execute necessary vouchers thereof.

Rule No. XIII.—Committee and subcommittee staff

(a) The professional and clerical staff assigned to the minority shall be appointed and their remuneration determined in such manner as the minority members of the committee shall determine within the budget approved for such purposes by the committee; provided, however, that no minority staff person shall be compensated at a rate which exceeds that paid his or her majority party staff counterpart.

(b) The professional and clerical employees of the committee not assigned to a subcommittee or to the minority under the above provision shall be appointed, and may be removed, and their remuneration determined by the chairman in consultation with and with the approval of the majority members of the committee within the budget approved for such purposes by the committee.

(c) The professional and clerical staff assigned to the minority shall be under the general supervision and direction of the minority members of the committee who may delegate such authority as they determine appropriate.

(d) The professional and clerical staff of the committee not assigned to a subcommittee or to the minority shall be under the general supervision and direction of the chairman, who shall establish and assign the duties and responsibilities of such staff members and delegate such authority as he determines appropriate.

(e) It is intended that the skills and experience of all members of the committee staff be available to all members of the committee.

(f)(1) The chairman of each standing subcommittee of this committee is authorized to appoint one staff member who shall serve at the pleasure of the subcommittee chairman.

(2) The ranking minority member of each standing subcommittee on this committee is authorized to appoint one staff person who shall serve at the pleasure of the ranking minority party member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (1) and (2) shall be compensated at a rate determined by the subcommittee chairman not to exceed (A) 75 per centum of the maximum established in paragraph (c) of clause G of the House Rule XI; provided, however, a staff person appointed by a ranking minority member shall be compensated at a rate not to exceed that paid his or her majority party staff counterpart.

(4) Subparagraphs (7) and (2) and (3) shall apply to six subcommittees only, and no member shall appoint more than one person pursuant to the above provisions.

(5) The staff positions made available to the subcommittee chairmen and ranking minority party members pursuant to subparagraphs (1) and (2) shall be made available from the staff positions provided under clause 6 of House Rule XI unless such staff positions are made available pursuant to a primary or additional expense resolution.

(6) Except as provided by the above provisions, the professional and clerical members of the subcommittee staffs shall be appointed, and may be removed, and their remuneration determined by the subcommittee chairman in consultation with and with the approval of a majority of the majority members of the subcommittee, and with the approval of a majority of the majority members of the full committee, wihin the budget approved for the subcommittee.

(7) The professional and clerical staff of a subcommittee shall be under the supervision and direction of the chairman of that subcommittee.

Rule No. XIV.—Travel of members and staff

(a) Consistent with the primary expense resolution and such additional expense resolution as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel to be reimbursed from funds set aside for the full committee for any member or any staff member shall be paid only upon the prior authorization of the chairman. Travel may be authorized by the chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee of any subcommittee thereof and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee. Before such authorization is given there shall be submitted to the chairman in writing the following:

(1) The purpose of the travel:

(2) The dates during which the travel is to be made and the date or dates of the events for which the travel is being made;

(3) The location of the event for which the travel is to be made;

(4) The names of members and staff seeking authorization.

(b) In the case of travel of members and staff of a subcommittee to hearings, meetings, conferences, and investigations involving activities or subject matter under the legislative assignment of such subcommittee to be paid for out of funds allocated to such subcommittee, prior authorization must be obtained from the subcommittee chairman, the ranking minority member of the full committee whenever minority staff is involved, and the chairman of the full committee. Such prior authorization shall be given by the chairman only upon the representation by the applicable chairman of the subcommittee in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (a) and in addition thereto setting forth that subcommittee funds are available to cover the expenses of the person or persons being authorized by the subcommittee chairman to undertake the travel and that there has been a compliance where applicable with Rule VII of the committee.

(c)(1) In the case of travel outside the United States of members and staff of the committee or of a subcommittee for the purpose of conducting hearings, investigations, studies, or attending meetings and conferences involving activities or subject matter under the legislative assignment of the committee or pertinent subcommittee, prior authorization must be obtained from the chairman or, in the case of a subcommittee from the subcommittee chairman and the chairman. Before such authorization is given, there shall be submitted to the chairman, in writing, a request for such authorization. Each request, which shall be filed in a manner that allows for a reasonable period of time for review before such travel is scheduled to begin, shall include the following:

(A) the purpose of the travel;

(B) the dates during which the travel will occur;

(C) the names of the countries to be visited and the length of time to be spent in each;

(D) an agenda of anticipated activities for each country for which travel is authorized together with a description of the purpose to be served and the areas of committee jurisdiction involved; and

(E) the names of members and staff for whom authorization is sought.

(2) Requests for travel outside the United States may be initiated by the chairman or the chairman of a subcommittee may be initiated by the chairman or the chairman of a subcommittee (except that individuals may submit a request to the chairman for the purpose of attending a conference or meeting).

(3) At the conclusion of any hearing, investigation, study, meeting or conference for which travel outside the United States has been authorized pursuant to this rule, each subcommittee (members and staff attending meetings or conferences) shall submit a written report to the chairman covering the activities and other pertinent observations or information gained as a result of such travel.

(d) Members and staff of the committee performing authorized travel on official business shall be governed by applicable laws, resolutions, or regulations of the House and the Committee on House Administration pertaining to such travel.

Rule No. XV.—Number and jurisdiction of subcommittees

(a) There shall be nine standing subcommittees as follows: Subcommittee on Domestic Monetary Policy; Subcommittee on Housing and Community Development; Subcommittee on Economic Stabilization; Subcommittee on Consumer Affairs; Subcommittee on International Development Institutions and Finance; Subcommittee on Financial Institutions Supervision, Regulation and Insurance; Subcommittee on International Trade, Investment and Monetary Policy; Subcommittee on General Oversight and Renegotiation; and Subcommittee on the City. All proposed legislation and other matters related to the subcommittees listed under standing subcommittees named below shall be referred to such subcommittees respectively.

Subcommittee on Domestic Monetary Policy

The jurisdiction of the Subcommittee on Domestic Monetary Policy extends to all matters relating to monetary policy and agencies which directly or indirectly affect monetary policy, including the effect of such policy and other financial actions on interest rates, allocation of credit, and the structure and functioning of domestic and foreign financial institutions.

Further, the jurisdiction of the Subcommittee on Domestic Monetary Policy extends to all private foundations and charitable trusts.

Subcommittee on Housing and Community Development

The jurisdiction of the Subcommittee on Housing and Community Development extends to all matters relating to housing and mortgage credit (except programs administered by the Veterans' Administration), including mortgage and loan insurance pursuant to the National Housing Act; FHA mortgage interest rates; rural housing; housing assistance programs, secondary mortgage market programs and all other activities of FNMA, GNMA, and FHLMC; private mortgage insurance; housing construction and design standards; housing-related energy conservation; housing research and demonstration programs; financial and technical assistance for nonprofit housing sponsors; counseling and technical assistance; regulation of the housing industry (including landlord-tenant relations); real estate lending powers of financial institutions (including regulation of settlement costs); and interest charges for members of the Federal Home Loan Bank System.

The jurisdiction of the subcommittee further extends to matters relating to community development and community planning, training and research, including community development block grants; urban renewal; model cities; rehabilitation loans and grants; neighborhood facilities grants; open space land and urban beautification grants; water and sewer facilities grants; public facilities loans; national, urban or community development banks; advance acquisition of land programs; new communities assistance programs; national urban growth policies; comprehensive planning (including land use and areawide programs); community development training and fellowships; and urban research and technologies.

Further, jurisdiction of the subcommittee extends to flood insurance and related land use controls, urban property protection and reinsurance, crime insurance, and regulation of interstate land sales.

Also, the jurisdiction of the subcommittee includes FHA property improvement loans under title I of the National Housing Act which can be used to finance the preservation of historic structures; community development block grant funds authorized under title I of the 1974 Housing Act which can be used to finance the acquisition and preservation of historic properties; and section 701 comprehensive planning grants to public bodies which can be used to finance surveys of historic sites and structures.

Subcommittee on Economic Stabilization

The jurisdiction of the Subcommittee on Economic Stabilization shall extend to all matters relating to financial aid to all sectors and elements within the economy, all matters relating to economic stabilization, and all defense production matters as contained in the Defense Production Act of 1959, as amended, and all related matters thereto.

Subcommittee on Consumer Affairs

The jurisdiction of the Subcommittee on Consumer Affairs shall include all matters relating to consumer credit, including those matters in the Consumer Credit Protection Act dealing with truth-in-lending, extortionate credit transactions, restrictions on garnishments, reports of the National Commission on Consumer Finance, and fair credit reporting. The jurisdiction shall further include collection practices, discrimination in the extension of consumer credit, creditor remedies and debtor defenses, Federal aspects of the Uniform Consumer Credit Code, and credit cards.

The jurisdiction of the subcommittee shall further extend to matters relating to the price of consumer goods, services, and commodities; the rationing of consumer products; and hoarding.

Further, the subcommittee's jurisdiction extends to all matters relating to coins, coinage, currency and medals, including commemorative coins, commemorative medals, proof and mint sets and other special coins, Coinage Act of 1965, gold and silver, including coinage thereof (but not the par value of gold), gold medals, counterfeiting, and currency denominations and designs.

Subcommittee on International Development Institutions and Finance

The jurisdiction of the Subcommittee on International Development Institutions and Finance extends to all matters relating to all multilateral development lending institutions, including activities of the National Advisory Council on International Monetary and Financial Policies as related thereto; and monetary and financial developments as they relate to the activities and objectives of such institutions.

Subcommittee on Financial Institutions Supervision, Regulation and Insurance

The jurisdiction of the Subcommittee on Financial Institutions Supervision, Regulation and Insurance extends to all agencies which directly or indirectly exercise supervisory or regulatory authority in connection with, or provide deposit or other insurance for financial or other institutions, the establishment of interest rate ceilings on deposits, and all auxiliary matters affecting or arising in connection with the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union Share Insurance Fund, the Federal Home Loan Bank Board, the Federal Reserve Board and System, the National Credit Union Administration, and the Comptroller of the Currency, together with those activities and operations of any other agency or department which relate to both domestic or foreign financial institutions.

Further, jurisdiction extends to and includes, with respect to financial institutions and the department and agencies which regulate or supervise them, all activities relating to and arising in connection with the matters of chartering, branching, mergers and acquisitions, consolidations, and conversions.

Subcommittee on International Trade, Investment and Montary Policy

The Subcommittee on International Trade, Investment and Monetary Policy shall have jurisdiction over all matters within the jurisdiction of the committee relating to international trade, including but not limited to the activities of the Export-Import Bank.

Further, the jurisdiction of the subcommittee shall extend to international investment policies, both as they relate to U.S. investments for trade purposes by citizens of the United States and investments made by all foreign entities in the United States.

Further, the subcommittee shall have jurisdiction over the International Monetary Fund, its permanent and temporary agencies, and all matters related thereto.

Subcommittee on General Oversight and Renegotiation

The Subcommittee on General Oversight and Renegotiation shall assist the House Committee on Banking, Finance and Urban Affairs in appraising the administration of the laws and regulations under the jurisdiction of the committee and present such recommendations as deemed necessary to the appropriate subcommittee(s) of the committee.

Further, the subcommittee shall exercise continuing oversight of the execution by the administrative agencies concerning any of the laws the subject matter of which reside within the jurisdiction of the committee and shall study all pertinent reports, documents and data pertinent to the jurisdiction of the committee and make the necessary recommendations or reports thereon to the appropriate subcommittee(s) of the committee.

Further, the subcommittee shall have full jurisdiction over the Renegotiation Act of 1951, as amended.

Subcommittee on the City

The Subcommittee on the City shall be a non-legislative subcommittee to study, investigate, report on and make recommendations concerning the problems of the cities.

(b) The committee may provide for such additional subcommittees as determined to be appropriate; Provided, however, that such additional subcommittees are approved by a majority of the majority members on the committee.

(c) A member serving as chairman of any subcommittee on this committee shall not also serve as the chairman of a subcommittee on any other standing committee; Provided, however, that this provision shall not apply to members serving as subcommittee chairman on the Budget Committee; House Administration Committee; Joint Committees; or on the Small Business Commmittee who served as a subcommittee chairman on the Select Committee on Small Business as of October 8, 1974.

Rule No. XVI—Powers and duties of subcommittees

(a) Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it or under its jurisdiction. Subcommittee chairmen shall set dates for hearings and meetings of their respective subcommittees after consultation with the chairman and other subcommittee chairmen and with a view toward avoiding simultaneous scheduling of full committee and subcommittee meetings or hearings whenever possible.

(b) Whenever a subcommittee has ordered a bill, resolution, or other matter to be reported to the committee, the chairman of the subcommittee reporting the bill, resolution, or matter to the full committee, or any member authorized by the subcommittee to do so, may report such bill, resolution, or matter to the committee. It shall be the duty of the chairman of the subcommittee to report or cause to be reported promptly such bill, resolution, or matter, and to take or cause to be taken the necessary steps to bring such bill, resolution, or matter to a vote.

(c) No bill or joint resolution approved by a subcommittee shall be considered by the committee unless such measure, as approved, has been made available to all members at least two calendar days prior to the meeting, accompanied by a section-by-section analysis of such measure. The provisions of this paragraph may be suspended by the committee by a two-thirds vote or by the chairman, with the concurrence of the ranking minority member of the full committee.

(d) All committee or subcommittee reports printed pursuant to legislative study or investigation and not approved by a majority vote of the committee or subcommittee, as appropriate, shall contain the following disclaimer on the cover of such report.

"This report has not been officially adopted by the Committee on Banking, Finance and Urban Affairs (or pertinent subcommittee thereof) and may not therefore necessarily reflect the views of its members."

(e) Bills, resolutions, or other matters favorably reported by a subcommittee shall automatically be placed on the agenda of the committee as of the time they are reported and shall be considered by the full committee in the order in which they were reported unless the chairman, after consultation with the ranking minority member and appropriate subcommittee chairman, otherwise directs: Provided, that no bill reported by a subcommittee shall be considered by the full committee unless each member has been provided with reasonable time prior to the meeting to analyze such bill, together with a comparison with present law and section-by-section analysis of the proposed change, and a section-by-section justification.

Rule No. XVII.—Referral of legislation to subcommittees

(a) Each bill, resolution, investigation, or other matter which relates to a subject listed under the jurisdiction of any subcommittee named in Rule XV referred to or initiated by the full committee shall be referred to the subcommittee of appropriate jurisdiction within 2 weeks unless, by majority vote of the majority members of the full committee, consideration is to be by the full committee.

(b) Referral to a subcommittee shall not be made until 3 days shall have elapsed after written notification of such proposed referral to all subcommittee chairmen, at which time such proposed referral shall be made unless one or more subcommittee chairmen shall have given written notice to the chairman of the full committee and to the chairman of each subcommittee that he intends to question such proposed referral at the next regularly scheduled meeting of the committee, or at a special meeting of the committee called for that purpose at which time referral shall be made by the majority members of the committee. All bills shall be referred under this rule to the subcommittee of proper jurisdiction without regard to whether the author is or is not a member of the subcommittee. A bill, resolution, or other matter referred to a subcommittee in accordance with this rule may be recalled therefrom at any time by a vote of the majority members of the committee for the committee's direct consideration or for reference to another subcommittee.

(c) Committee reports shall be filed at such time as the committee shall determine with reasonable time allowed for members to file supplemental, individual, dissenting or other views.

(d) In carrying out Rule XVII with respect to any matter, the chairman may refer the matter simultaneously to two or more subcommittees, consistent with Rule XV, for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any subcommittee after the first), or divide the matter into two or more parts (reflecting different subjects and jurisdictions) and refer each such part to a different subcommittee, or refer the matter pursuant to Rule X to a special ad hoc committee appointed by the chairman (from the members of the subcommittee having legislative jurisdiction) for the specific purpose of considering that matter and reporting to the full committee thereon, or make such other provisions as may be considered appropriate.

Rule No. XVIII.—Sizes and party ratios on subcommittees and conference committees

(a) To the extent that the number of subcommittees and their party ratios permit, the size of all subcommittees shall be established so that the majority party members of the committee have an equal number of subcommittee assignments: Provided, however, that a member may waive his or her right to an equal number of subcommittee assignments on the committee: and provided further, that the majority party members may limit the number of subcommittee assignments of the chairman and the subcommittee chairmen and the minority party members may limit the number of subcommittee assignments of ranking minority party members in order to equalize committee workloads.

(b) On each subcommittee there shall be a ratio of at least two majority party members for each minority party member. In calculating the ratio of majority party members to minority party members, there shall be included all ex officio voting members of the subcommittees.

(c) Following shall be the sizes and majority/minority ratios for subcommittees:

(1) Subcommittee on Domestic Monetary Policy: total—9. Majority—6. Minority—3.

(2) Subcommittee on Housing and Community Development: total—27. Majority—18. Minority—9.

(3) Subcommittee on Economic Stabilization: total—18. Majority—12. Minority—6.

(4) Subcommittee on Consumer Affairs: total—9. Majority—6. Minority—3.

(5) Subcommittee on International Development Institutions and Finance: total—15. Majority—10. Minority—5.

(6) Subcommittee on Financial Institutions Supervision, Regulation and Insurance: total—18. Majority—12. Minority—6.

(7) Subcommittee on International Trade, Investment and Monetary Policy: total—18. Majority—12. Minority—6.

(8) Subcommittee on General Oversight and Renegotiation: Total—12. Majority—8. Minority—4.

(9) Subcommittee on the City; Total—9. Majority—6. Minority—3.

(d) The full committee chairman, or a member designated by a majority of the majority members on the committee, shall recommend to the Speaker as conferees the names of those members (1) selected by the majority party members of the committee in a manner determined by them, and (2) selected by the minority party members of the committee in a manner determined by them. Provided, however, that recommendations of conferees to the Speaker shall provide a ratio of at least two majority party members for each minority party member.

SALES REPRESENTATIVES PROTECTION ACT

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MIKVA. Mr. Speaker, today I am introducing the Sales Representatives Protection Act together with Congressman CHARLES ROSE and Congressman BILL BRODHEAD. The bill is designed to protect sales representatives from unjustifiable termination by the business firms they represent. Sales representatives are an independent businessmen and women who do not have the benefits of workman's compensation, unemployment compensation, company sponsored retirement or pension plans, and are not eligible to bargain collectively.

The vast majority of salesmen and women work long, hard hours attracting and maintaining customers for the business firms they represent. However, they are not protected from wrongful termination from their accounts by their principals, nor are they protected from a reduction in their sales territories, which cuts their income. Finally, they are not protected from such other inequities as the conversion of their accounts to accounts serviced directly by the principal.

The bill establishes certain minimum standards to protect sales representatives from unfair conduct by their principals. The bill does not establish any regulations of any kind, nor does it interfere with the right of principal and sales representative to enter into a mutually agreeable contract. Rather, the bill permits sales representatives to bring an action in court to obtain an indemnity when they are terminated unfairly, or when they have their territories or commission rates cut without good cause.

The commissioned sales representatives serve as important assets to the American economy. They fulfill the American competitive spirit, bringing lower prices for the consumer, and adding strength and substance to our economy. It is clear that many businesses derive their profits from the hard work, and sacrifices of their commissioned representatives. We think fair and equitable public policy requires that these men and women be protected from arbitrary and unfair termination of their accounts, reductions in their sales territories without compensation, or reductions in their commission rates.●

INTRODUCING LEGISLATION TO AMEND THE TRADE FAIR ACT

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MIKVA. Mr. Speaker, today I am introducing legislation to amend the Trade Fair Act. This act allows the Secretary of Commerce to request the Secretary of the Treasury to waive duties and import taxes on goods coming into this country, if those goods are for display at fairs that the Secretary of Commerce deems to be "in the public interest." Trade fairs are excellent forums for merchants from this country and other countries to show off their expertise, display their technical prowess and foster an increase in trade. The Trade Fair Act was enacted to encourage such activities and I support that purpose.

I am troubled, however, that this act embraces a kind of trade fair that I do not support and that I do not believe, in any way, serves "the public interest." That is a trade fair to promote the sale of arms. We ought not allow this act to provide an incentive for the arms trade. We ought to rewrite the act to demonstrate our commitment to arms reduction. Therefore, the amendment I offer today would disallow the Secretary of

Commerce to request a waiver for any military goods or other related hardware.

I am troubled also, that such an arms fair is planned for Rosemont, Ill., on February 18–22. Its name, "Defense Technology '79," disguises its purpose. Its sole purpose is to promote and encourage the sale of military goods and other related hardware. This is totally antithetical to the stated goal of the administration for arms reduction. It is totally contrary to the views of a majority of Americans. And it is totally contrary to the moral imperative that arms reduction, not arms sales, is the philosophy that the Congress should encourage.

Let me emphasize that this legislation is not parochial in its nature. Certainly part of my intention is to discourage the fair in Rosemont, Ill., but this legislation would discourage such a fair anywhere else in this country. We can ill afford to provide incentive for arms proliferation. We must, instead, provide incentives for arms reduction. We must make it clear that trade fairs that seek to promote arms sales do not have the blessing of this or any other Congress.●

THE FOREIGN INTELLIGENCE INFORMATION PROTECTION ACT OF 1979 H.R. 1068

(Mr. McCLORY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● **Mr. McCLORY.** Mr. Speaker, the United States is today suffering from a problem which seriously affects our Nation's security. The disclosure of sensitive, classified information—be it through espionage or the so-called leak—is undermining the vitally important mission of the departments and agencies of our government engaged in foreign intelligence and counterintelligence activities.

The state of the law allows those who steal or leak classified information to believe that their crime cannot be prosecuted—that they will go unpunished. Unfortunately, in many cases this is the all too real, sad truth. In most cases the law requires that sensitive intelligence information—in addition to that which the defendant is charged with disclosing—be disclosed in open court. As more and more culprits get away with their underhandedness, others feel safe to pursue the same course. The law is actually engendering abuse of our national security classification system.

Mr. Speaker, in order to help solve this problem, I have introduced the Foreign Intelligence Information Protection Act of 1979, H.R. 1068.

My bill would simplify the prosecution of those who commit espionage—that is, clandestine communication of classified information to a foreign power. No longer would sensitive national security information have to be publicly disclosed in order to bring a foreign spy to justice.

Mr. Speaker, the bill would also establish a new system for handling classified information dealing with our most sensitive secrets involving so-called intelligence "sources and methods". Any unauthorized disclosure of this information by a person with lawful access would likewise be punishable without necessitating further public disclosure of classified information.

Finally, the bill would establish special protection for those brave men and women who work for the United States covertly in foreign countries, often at great risk to their personal safety. Any disclosure of information which could lead to the identity of such a person—when the disclosure could prejudice that person's life or physical safety—would be subject to criminal penalties.

Mr. Speaker, this is essential legislation which I hope will be favorably acted upon during the 96th Congress. The Subcommittee on Legislation of the Permanent Select Committee on Intelligence, of which I am a member, has already held seven hearings to generally inquire into the problems in prosecuting espionage and "leaks". After listening to the testimony of those both within and without the government, I strongly believe that we must act to provide statutory solutions. Therefore, I am hopeful that the Intelligence Committee will schedule early hearings on H.R. 1068 and that it may be promptly enacted into law for the protection of our Nation and for the strengthening of our intelligence capabilities.

A section-by-section analysis of this bill follows:

SECTION-BY-SECTION ANALYSIS OF THE "FOREIGN INTELLIGENCE INFORMATION PROTECTION ACT OF 1979"

INTRODUCTION

This bill is designed to simplify existing law regarding disclosure of classified information, and, in specific, highly sensitive areas, expand existing law. The bill covers classic espionage (i.e. covert transmission of classified information to a foreign power), unauthorized disclosure of so-called "sources and methods" information by a person with authorized access to the information, and disclosure of information which could lead to the identity of an individual who has a secret relationship with one of our intelligence agencies where such disclosure could put the individual's life in danger.

Section 1

This section sets out the short title of the bill—the "Foreign Intelligence Information Protection Act of 1979".

Section 2

Statement of findings.—This section sets out the need for the legislation. While recognizing the public's interest in access to government information, new laws must be enacted to better protect from disclosure to foreign powers extremely sensitive information which directly relates to our national security.

Section 3

Title V—Protection of foreign intelligence information.—This section amends the National Security Act of 1947 by adding to it an additional title. The title contains eight sections.

Definitions.—Section 508 includes eight definitions: "Authority" means at the direction of the President or pursuant to a statute or an Executive order, or pursuant to a lawful demand of a congressional committee.

"Classified information" means information that is designated and clearly marked or represented pursuant to statute or Executive order as requiring a specific degree of protection against unauthorized disclosure for reasons of national security, or information derived therefrom.

"Communicate" means to impart, transfer, convey or otherwise make available to another.

"Disclose" means to communicate (as defined above) or to release by publication.

"Foreign power" includes foreign governments, factions of foreign nations, international terrorist groups, foreign based political organizations, entities directed and controlled by foreign governments, and anyone acting on behalf of the above.

"Knowingly acts" means to act with knowledge or reason to know of all of the elements of the criminal offense involved.

"Lawful access" means to have access to classified information as a result of a contractual arrangement with the government (e.g. as an employee) or otherwise pursuant to a statute or an Executive order.

"Sensitive intelligence information" means classified information which is designated and clearly marked or represented as sensitive intelligence information because it relates to: particularly sensitive or sophisticated methods of collecting foreign intelligence; a source of foreign intelligence; a particularly sensitive or sophisticated method of analysis of foreign intelligence; a method of defense against the intelligence activities of foreign powers; or the identity of an individual or entity which has a secret relationship with a government intelligence agency.

Designation of sensitive intelligence information.—Section 501 empowers the Director of Central Intelligence (DCI) to designate certain information as "sensitive intelligence information" (see definition above) and, as appropriate, remove such designation. Further, the DCI shall delegate this authority to other appropriate officials, and, in consultation with interested government agencies, develop and issue regulations for the implementation of the authority. This section also provides that the designation of "sensitive intelligence information" may only be removed by the DCI, by those to whom the DCI has delegated such authority, or by action taken pursuant to the Rules of the Senate or the House.

Espionage.—Section 502 establishes as an offense: (1) communication of classified information to a foreign power; and (2) collection of classified information on behalf of a foreign power. The government is not required to prove that the classification was proper, but section 506 requires that the Attorney General and the Director of Central Intelligence certify that the information was properly classified. This offense is punishable by a fine up to $20,000 or imprisonment for up to the defendant's life, or both.

Unauthorized disclosure of sensitive intelligence information.—Section 503 establishes as an offense the unauthorized disclosure of "sensitive intelligence information" by a person having or having had lawful access to the information. The government must prove that the defendant had lawful access to the information, that the information was designated as "sensitive intelligence information"—without going behind the designation—and that the defendant knowingly disclosed the information without authority. Section 506 requires that before prosecution, the Attorney General and the Director of Central Intelligence must certify to the correctness of the designation. Punishment for the offense ranges up to $10,000 or imprisonment for 20 years, or both.

Unauthorized disclosure of classified information.—Section 504 establishes as an offense disclosure of information which has been properly designated as classified information by a person having or having had lawful access to it. The government must prove that the individual had lawful access, that the information was, in fact, subject to classification and was properly designated as classified information, and that the defendant knowingly disclosed such information without authority. The penalty for this offense ranges up to $10,000 or imprisonment for 10 years, or both.

Unauthorized disclosure of the identities of certain individuals.—Section 505 establishes as an offense the unauthorized disclosure of the identity of any individual or entity as being or having been secretly associated with a U.S. intelligence agency where such disclosure could prejudice the life or physical safety of the individual or entity identified. The penalty for such an offense ranges up to $5,000 or imprisonment for 5 years, or both.

Prosecution.—Section 506 requires in a prosecution brought under section 502 that both the Attorney General and the Director of Central Intelligence (DCI) certify in writing to the court that at the time of the commission of the offense the information the defendant is charged with disclosing was properly designated as "classified information". Likewise, in a prosecution brought under section 503, the Attorney General and the DCI must both certify in writing to the court that at the time of the commission of the offense the information the defendant is charged with disclosing was properly designated as "sensitive intelligence information".

Jurisdiction.—Section 507 establishes federal jurisdiction over an offense established by this title if the offense is committed in the United States or if the person who committed the offense is a citizen or a permanent resident alien.●

FEDERAL SENTENCING LAWS REQUIRE MODERNIZATION

(Mr. McCLORY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. McCLORY. Mr. Speaker, much has been written on the subject of sentencing. We have been told over the years that judges are often too lenient, that they give probation or short-term confinement too easily. We have been told that Federal and State correctional facilities are too often inadequate to cope with the problems of today's criminal community, that rehabilitation has become a joke. We have also been told that wealth and influence play too great a role in creating a different brand of justice for those who have ready access to it. In the end, we are told that, whatever we do, the crime rate continues to escalate with no end in sight.

I do not presume to be an expert on sentencing, but I have read a good deal about it. One problem constantly surfaces: there rarely seems to be any consistency to sentencing. For example, in 1974 an interesting experiment was conducted in New York's Second Judicial Circuit, one of the most respected in the country. Fifty different judges were given specific facts from actual cases and asked to recommend sentences applying the discretionary ranges available under current Federal law. As a result, the recommendations of these 50 Federal judges varied widely for the same crime. In fact, they ranged from 20 years imprisonment and a $65,000 fine to 3 years imprisonment with no fine. I find this situation intolerable, but unavoidable if current discretionary ranges continue to exist.

As many of you know, "judge-shopping" has become a fine art in the Federal and State courthouses around the country. Lawyers hope against hope that they will get Judge A, the reasonable or lenient judge, rather than Judge B, the "hangin' judge." Some judges have a bias against drug offenders and, therefore, apply harsh sentences while, in the case of white collar offenders, their anger turns to forgiveness if only partial restitution is made. Please understand that my comments are not meant as criticism of the judiciary. On the contrary, judges are simply human beings operating within the wide range of discretion we in the Congress have seen fit to give them. In the final analysis, we have made it inevitable that society has once again became the victim of our inclination to farm out our decisions to others. I cannot understand how society can be expected to maintain its faith in the criminal justice system when the punishment it metes out often defies logic and reason. It is our responsibility to remedy that disparity.

The bill I will introduce today takes a giant step in that direction. Its principal purpose would be to set up a U.S. Commission on Sentencing within the judicial branch. Its membership would include not only judges but practicing attorneys and other criminal justice personnel. Its purpose would be to promulgate and distribute very specific sentencing guidelines for use by the sentencing court in determining its sentence, including probation. My bill requires that, in setting these guidelines, the Commission consider a defendant's age, mental and emotional condition, physical condition, role in the offense, prior criminal history and the degree of his dependence upon criminal activity for a livelihood. My bill also contains a sunset provision which would result in the abolition of the Commission within 6 years of its creation.

Once the Commission's recommendations are generated, the other portions of my legislation would apply. A Federal court, in deciding to impose a term of imprisonment within the range determined as fair by the Commission, must consider not only the Commission's guidelines but also such factors as the community's need to be protected from any future criminal offenses committed by the accused and his need for educational or recreational training. In any case in which the court imposes a penalty, whether it is a term of imprisonment or a fine, it must state, in open court and on the record, the reasons and rationale underlying its decision. Under current law no reasons need be stated; a defendant can be sentenced to prison for a month or the rest of his life and never know precisely why.

My bill, for the first time, also provides for appellate review of sentences issues by the trial court. Under current law sentences are virtually nonreviewable because of the level of discretion practiced by the trial court. My bill would provide for potential review by the Court of Appeals with harsher standards applied for sentences issued outside the Commission's guidelines. In time, case law will develop which will assist judges in giving similar sentences for similar crimes.

My hope is that we in the Congress make the sentencing procedures utilized by the Federal courts more uniform and therefore more fair. I believe it is imperative that those who must face punishment under our criminal justice system be treated fairly and predictably. They should know what penalties they will face for what offense. Their future freedom and, conversely, society's safety, should not depend upon the luck of the draw.●

BILL TO REVERSE THE ILLINOIS BRICK SUPREME COURT DECISION

(Mr. McCLORY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. McCLORY. Mr. Speaker, today, I am introducing a bill to reverse the Supreme Court decision in Illinois Brick Co. against Illinois, a decision which greatly impaired the ability of consumers, businesses and governments to collect damages resulting from antitrust violations.

I am offering this measure so that it will be before the Judiciary Subcommittee on Monopolies and Commercial Law for consideration by members and witnesses at the hearing expected later this month. Representative PETER RODINO, the chairman of the Judiciary Committee on which I serve as ranking member, has already introduced an Illinois Brick bill, H.R. 2060, which differs in significant respects from the bill which I am introducing today. H.R. 2060 is identical with S. 300, introduced in the other body by the chairman of its Judiciary Committee, Senator EDWARD KENNEDY.

With one exception my bill is precisely the same as H.R. 11942, the Illinois Brick bill which was ordered reported by a 21 to 12 vote of the Judiciary Committee on June 20, 1978, but which was not considered by the House before the end of the 95th Congress. I have deleted the so-called Pfizer amendment, because it deals with a subject significantly different from the issues raised by the Illinois Brick decision.

A most important difference between last year's committee bill and this year's Rodino-Kennedy bill is in the provison on assessment of aggregate damages, and I believe that the former deals with this critical mater with much greater precision and in a more responsible manner.

In the committee bill it is stated that, except as provided for parens patriae actions, "damages shall not be assessed in the aggregate against the defendant but shall be assessed only on behalf of any person who makes a valid damage claim." This is squarely in accord with the rationale and justification for the the rationale and justification for the reversal of the Illinois Brick decision—the need to compensate victims of antitrust violations for their injuries. The intent and clear meaning of the committee bill is to provide that damages may be assessed only to satisfy real claims of real victims (and then only to the extent that the purchases are satisfactorily proven to the court or a master). While this language expressly repudiates the concept of aggregate assessment, the language in the Rodino-Kennedy bill is much more obscure and deficient on this subject. The Rodino-Kennedy bill states that, except as provided in parens patriae cases, "a defendant shall not be required to pay damages except to persons on whose behalf a valid claim is presented to the court." Not only does this provision lack the express repudiation of aggregate damage assessment, but it conceivably could be read to authorize precisely such action. In the committee bill, it is clear that the individual valid damage claim precipitates the assessment; in the Rodino-Kennedy bill the assessment is precipitated by the presentation of valid claims which arguably could be aggregated.

Two other significant provisions which were in the committe bill but which were deleted in the Rodino-Kennedy bills are sections providing for the discretionary award of a reasonable attorney's fee to a prevailing defendant upon a finding by the court that the plaintiff purchaser or seller or his attorney acted in bad faith, vexatiously, wantonly, or for oppressive reasons and providing that the court, before approving a settlement in a Clayton section 4 class action, shall determine attorneys fees acting as a fiduciary for those persons on whose behalf action was brought.

Both of these provisions are important to deter suits brought by irresponsible plaintiffs or attorneys attracted by the "deep pocket" of the defendant.

Another deletion in the Rodino-Kennedy bill is of the "cap" provision which specified that an indirect purchaser may recover damages only with respect to the amount of initial overcharge proved to be passed on to him. Changing this admits the unwelcome possibility that an indirect purchaser could recover from the defendant for the additions to the initial overcharge which were added by intermediate purchasers after the price-fixed product was sold by the defendant and passed from its control. Little can be said for being ambiguous on this point to the possible detriment of the defendant.

In addition to the above deletions of important provisions in the committee bill, the Rodino-Kennedy bill advances some mischief on its own. Whereas the committee bill conferred on defendants the right to prove that the plaintiff did not himself absorb the injury but instead passed it on to others in the chain of manufacture, production, or distribution, the Rodino-Kennedy bill limits this right significantly yet incomprehensibly. Under this new provision, defendants are allowed to speak the truth about plaintiff's injury only "in the discretion of the court, in order to avoid duplicative liability."

This is such a sharp departure from the committee's approach last year that I must confess some puzzlement. I am troubled by the necessary implied result that plaintiffs can recover for injuries they did not suffer. Was it not to overturn that principle that the committee reported its bill last year? I am also troubled by the idea that the decision to allow the defense—which in some cases may dictate where millions of dollars will flow—is expressly laid to the "discretion" of a judge. One might ask what it would mean to limit the defense to cases where it is needed to avoid duplicative liability without injecting judicial discretion and then ask what change is effectuated by the grant of such discretion. According to canons of construction, the addition of "discretion" must give some new meaning to the provision. While many possibilities abound, none appear salutary to me.

Last year, the committee position was quite clear. It opposed aggregation of damages both horizontally and vertically. Horizontal aggregation occurs when a plaintiff collects the damages that ought to be paid to another at the same level in the chain. Vertical aggregation occurs when a plaintiff collects the damages that ought to be paid to another below the plaintiff in the chain. Vertical aggregation was mandated by the Supreme Court in Illinois Brick as a simplifying device. Horizontal aggregation has been espoused by consumer groups for similar reasons. The business community has generally denounced horizontal aggregation while vigorously defending vertical aggregation.

The committee bill rejected aggregation in either mode. Conceivably, the Rodino-Kennedy bill accepts aggregation both horizontally and vertically.

I look forward to the comments of scholars and antitrust practitioners when the Subcommittee on Monopolies and Commercial Law begins its hearings at the end of this month.

GENERAL LEAVE

Mr. CLINGER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Vermont (Mr. Jeffords).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Clinger) to revise and extend their remarks and include extraneous material:)

Mr. Jeffords, for 5 minutes, today.

Mr. Kemp, for 10 minutes, today.

Mr. Rousselot, for 60 minutes, today.

Mr. Ashbrook, for 10 minutes, today.

Mr. Young of Florida, for 5 minutes, today.

Mrs. Fenwick, for 5 minutes, today.

(The following Members (at the request of Mr. Stack) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.
Mr. Conyers, for 5 minutes, today.
Mr. Volkmer, for 5 minutes, today.
Mr. Bingham, for 30 minutes, today.
Mr. Corman, for 5 minutes, today.
Mr. Hughes, for 5 minutes, today.
Mr. Zablocki, for 5 minutes, today.
Mr. Cavanaugh, for 5 minutes, today.
Mr. Panetta, for 5 minutes, today.
Mr. Weaver, on February 21, 22, 26, and 27 for 10 minutes each.

(The following Members (at the request of Mr. Stack), to revise and extend their remarks, and to include extraneous matter:)

Mr. Foley, today, for 5 minutes.
Mr. Mineta, today, for 5 minutes.
Mr. Harris, today, for 5 minutes.
Mr. Levitas, today, for 5 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Clinger) and to include extraneous matter:)

Mr. Forsythe.
Mr. Sawyer.
Mr. Clausen.
Mr. Lewis.
Mr. Solomon.
Mr. Rinaldo.
Mr. Wydler in two instances.
Mr. Rousselot in two instances.
Mr. Bob Wilson.
Mr. Paul in two instances.
Mr. Rudd.
Mr. Michel in three instances.
Mr. McCloskey.
Mr. Carter in four instances.
Mr. Derwinski in two instances.
Mr. Frenzel in three instances.
Mr. Symms.

(The following Members (at the request of Mr. Stack) and to include extraneous matter:)

Mr. Pepper.

Mr. Murphy of Illinois.

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.
Mr. Ireland.
Mr. Bedell.
Mr. Pease.
Mr. Peyser.
Mr. Hamilton.
Mr. Rahall.
Mr. Volkmer.
Mr. Bailey.
Mr. Fary.
Mr. Roe in three instances.
Mr. Nowak in five instances.
Mr. Ertel.
Mr. Drinan in 10 instances.
Mr. Kostmayer.
Mr. AuCoin.
Mr. Wolff.
Mr. Zablocki.
Mr. Ottinger.
Mr. Conyers in two instances.
Mr. Simon.
Mr. Long of Maryland in three instances.
Mr. Gray.

(The following Members (at the request of Mr. STACK) and to include extraneous matter:)

Mr. HARRIS.
Mr. GEPHARDT.
Mr. LEVITAS.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 37. An act to repeal a section of Public Law 95-630; to the Committee on Banking, Finance and Urban Affairs.

ADJOURNMENT

Mr. STACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 51 minutes a.m.), under its previous order, the House adjourned until Monday, February 19, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

632. A letter from the Assistant Secretary of Defense (Comptroller), transmitting selected acquisition reports and SAR summary tables for the quarter ended December 31, 1978, pursuant to section 811(a) of Public Law 94-106; to the Committee on Armed Services.

633. A letter from the Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting a final environmental impact statement for the disposal of surplus Federal military properties at the Quonset Point Naval Air Station, Davisville Construction Battalion Center and Newport Naval Base, Rhode Island, pursuant to section 610 of Public Law 94-431; to the Committee on Armed Services.

634. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting the Base Structure Annex to the Defense manpower requirements report for fiscal year 1980, pursuant to section 302 of Public Law 94-361; to the Committee on Armed Services.

635. A letter from the Associate Director of Legislative Liaison, Department of the Air Force, transmitting the semiannual report covering the period July 1 through December 31, 1978, on Air Force experimental, developmental and research contracts of $50,000 or more, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

636. A letter from the Secretary of the Treasury, transmitting the report of the International Bank for Reconstruction and Development/International Monetary Fund Joint Committee on Staff Compensation Issues, pursuant to section 2 of Public Law 95-435; to the Committee on Banking, Finance and Urban Affairs.

637. A letter from the Secretary of Commerce, transmitting the first annual report on the review of export control country policy, pursuant to section 4(b)(2)(A) of the Export Administration Act of 1969, as amended (91 Stat. 235); to the Committee on Foreign Affairs.

638. A letter from the Chairman, Advisory Commission on Intergovernmental Relations; transmitting the 20th annual report of the Commission, pursuant to section 5(3) of Public Law 86-380; to the Committee on Government Operations.

639. A letter from the Acting Secretary of the Interior, transmitting a report on appropriate Federal actions to mitigate the economic impacts of expansion of the Redwood National Park, and the annual report on the management of additions to the park, pursuant to sections 102(a) and 104(a), respectively, of Public Law 95-250; to the Committee on Interior and Insular Affairs.

640. A letter from the Chairman and members, U.S. Commision on Civil Rights, transmitting a report on the status of school desegregation across the Nation, pursuant to section 104(c) of Public Law 85-315, as amended; to the Committee on the Judiciary.

641. A letter from the Secretary-Treasurer, Congressional Medal of Honor Society of the U.S.A., transmitting the annual audit report of the Society for calendar year 1978, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

642. A letter from the Secretary of Transportation, transmitting the annual report for calendar year 1978 on the Coast Guard's use of authority to designate and rent inadequate quarters, lease housing and hire quarters, pursuant to 14 U.S.C. 475(e); to the Committee on Merchant Marine and Fisheries.

643. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on Potomac River streams draining the Alexandria area, Virginia, in response to a resolution of the House Committee on Public Works adopted October 5, 1966; to the Committee on Public Works and Transportation.

644. A letter from the Administrator of General Services, transmitting an amendment to the approved prospectus for the Post Office and Courthouse, New Haven, Conn., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

645. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Interstate Commerce Commission, Customs, and Connecting Wing, Washington, D.C., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

646. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Everett McKinley Dirksen Federal Building, Chicago, Ill., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

647. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the U.S. Post Office and Courthouse, Scranton, Pa., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

648. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Post Office and Courthouse, 5th Avenue and 9th Street, Huntington, W. Va., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

649. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting the Agency's annual 5-year plan for research, development, and demonstration, pursuant to section 5 of Public Law 94-475; to the Committee on Science and Technology.

650. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to continue the work of the President's Commission on Pension Policy to develop a national retirement income policy in the United States, and for other purposes; jointly, to the Committees on Armed Services, Education and Labor, Post Office and Civil Service, and Ways and Means.

651. A letter from the Comptroller General of the United States, transmitting a report on the sale of unfit and misbranded food to the public by the food salvage industry (HRD-79-32, February 14, 1979); jointly, to the Committees on Government Operations, Agriculture, and Interstate and Foreign Commerce.

652. A letter from the Comptroller General of the United States, transmitting a report on the Navy's Surveillance Towed Array Sensor program (PSAD-79-35, February 14, 1979); jointly, to the Committee on Government Operations, and Armed Services.

653. A letter from the Comptroller General of the United States, transmitting a report on the Army's Roland Missile program (PSAD-79-28, February 14, 1979); jointly, to the Committees on Government Operations, and Armed Services.

654. A letter from the Comptroller General of the United States, transmitting a report on the Office of Education's program for strengthening developing institutions of higher education (HRD-78-170, February 13, 1979); jointly, to the Committees on Government Operations, and Education and Labor.

655. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting the Commission's annual report on domestic safeguards for fiscal year 1978, pursuant to section 209(d) of Public Law 93-438, as amended (92 Stat. 2949); jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

656. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a draft of proposed legislation to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Foreign Affairs.

657. A letter from the Secretary of Transportation, transmitting the fourth annual report on activities under the Deepwater Port Act of 1974, pursuant to section 20 of the act; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BRADEMAS: Committee on House Administration. House Resolution 35. To provide for the expenses of investigations and studies to be conducted by the Committee on Veterans' Affairs with an amendment (Rept. No. 96-3). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 45. To provide for the further expenses of the investigations and studies of the Committee on Small Business with an amendment (Rept. No. 96-4). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 60. To provide for the expenses of investigations and studies to be conducted by the Committee on Armed Services with an amendment (Rept. No. 96-5). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 85. To provide for the expenses of the investigations and studies to be conducted by the Committee on Banking, Finance and Urban Affairs. with an amendment (Rept. No. 96-6). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 87. To provide for the expenses of investigations and studies to be conducted by the Committee on

House Administration with an amendment (Rept. No. 96–7). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 88. To provide for the expenses of investigations and studies to be conducted by the Committee on Ways and Means with an amendment (Rept. No. 96–8). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 91. To provide for the expenses of investigations and studies to be conducted by the Committee on Public Works and Transportation with an amendment (Rept. No. 96–9). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 92. To provide for the expenses of investigations and studies to be conducted by the Committee on Education and Labor with an amendment (Rept. No. 96–10). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 96. To provide for the expenses of investigations and studies to be conducted by the House Permanent Select Committee on Intelligence, with an amendment (Rept. No. 96–11). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 98. To provide for the expenses of investigations and studies to be conducted by the Committee on Foreign Affairs, with an amendment (Rept. No. 96–12). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AuCOIN:

H.R. 2152. A bill to amend the Internal Revenue Code of 1954 to allow a charitable deduction for certain crops furnished by farmers to certain tax-exempt organizations; to the Committee on Ways and Means.

By Mr. BEDELL:

H.R. 2153. A bill to authorize the Secretary of Agriculture to guarantee loans for the construction and operation of fuel alcohol plants, to provide for a secure supply of feedstocks for the operation of such plants, to amend the Agricultural Act of 1949 with respect to the set-aside program for feed grains, and for other purposes; to the Committee on Agriculture.

By Mr. BENNETT (for himself, Mr. Brinkley, Mr. Mollohan, Mr. Spence, Mrs. Byron, Mr. Fazio, Mr. Emery, Mr. Trible, and Mr. Dougherty):

H.R. 2154. A bill to revise the Strategic and Critical Materials Stock Piling Act, to require that appropriations for the acquisition of strategic and critical materials be authorized by law, to establish a national defense stockpile transaction fund, and for other purposes; to the Committee on Armed Services.

By Mr. MINETA:

H.R. 2155. A bill to amend the Public Buildings Act of 1959 relating to leased space; to the Committee on Public Works and Transportation.

By Mr. BINGHAM:

H.R. 2156. A bill to provide that all petroleum imported into the United States after September 1, 1979, shall not be available for purchase other than by the Government of the United States; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. BRINKLEY (for himself, Mr. Buchanan, Mr. Ginn, Mr. Gingrich, Mr. Lott, Mr. Nichols, and Mr. Skelton):

H.R. 2157. A bill to amend the Federal Civil Defense Act of 1950 to allow Federal civil defense funds to be used by local civil defense agencies for natural disaster relief, and for other purposes; to the Committee on Armed Services.

H.R. 2158. A bill to amend title 10, United States Code, to allow supplies under the control of departments and agencies within the Department of Defense to be transferred to the Federal Emergency Management Agency as if it were within the Department of Defense and to amend the Federal Civil Defense Act of 1950 to authorize the Federal Emergency Management Agency to loan to State and local governments property transferred to such agency from other Federal agencies as excess property; jointly, to the Committees on Government Operations and Armed Services.

By Mr. CARTER:

H.R. 2159. A bill to strengthen and improve the early and periodic screening, diagnosis, and treatment program, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CARTER (for himself, Mr. Conte, Mr. Weiss, Mr. Murphy of Pennsylvania, Mr. Yatron, Mr. Oberstar, Mr. Lederer, Mr. LaFalce, Mr. Boland, Mr. Smith of Iowa, Mr. Quillen, Mr. Richmond, Mr. Zeferetti, Mr. Simon, Mr. Stockman, Mr. Corrada, Mr. Whitehurst, Mr. Studds, Mr. Rodino, Mr. Lott, and Mr. Thompson):

H.R. 2160. A bill to amend the Public Health Service Act to establish a clearinghouse for information respecting digestive diseases, to authorize grants to strengthen educational programs in digestive diseases in medical schools, and to establish the National Digestive Diseases Advisory Board; to the Committee on Interstate and Foreign Commerce.

By Mr. CONABLE:

H.R. 2161. A bill to amend title II of the Social Security Act to provide that payments of aid to families with dependent children which are made to an individual during any period while he is awaiting a determination of disability for social security purposes shall be recovered from the amount of any disability benefits subsequently awarded to the extent that such benefits are paid on a retroactive basis for months in that period; to the Committee on Ways and Means.

By Mr. CONABLE (for himself and Mr. Rangel):

H.R. 2162. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain employees' trusts organized to invest in real estate; to the Committee on Ways and Means.

By Mr. COTTER:

H.R. 2163. A bill to authorize the Secretary of Health, Education, and Welfare to establish a grant program designed to develop methods of prevention and treatment relating to domestic violence, and for other purposes; jointly to the Committees on Education and Labor, Interstate and Foreign Commerce, and the Judiciary.

By Mr. ROBERT W. DANIEL, JR.:

H.R. 2164. A bill to terminate the authorization for a portion of the Norfolk Harbor and Thimble Shoal Channel, Virginia, improvement project; to the Committee on Public Works and Transportation.

By Mr. DEVINE:

H.R. 2165. A bill to repeal the Metric Conversion Act of 1975 and to amend the declaration of purposes of the Metric Education Act of 1978; to the Committee on Science and Technology.

By Mr. DICKINSON:

H.R. 2166. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. DRINAN:

H.R. 2167. A bill to amend the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 to extend relocation assistance to persons displaced as the result of real property acquisitions by private persons for federally assisted programs or projects, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ERDAHL:

H.R. 2168. A bill to modify the project for flood protection at Winona, Minn.; to the Committee on Public Works and Transportation.

By Mr. FASCELL:

H.R. 2169. A bill to amend section 8e of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, to subject imported tomatoes to restrictions comparable to those applicable to domestic tomatoes; to the Committee on Ways and Means.

By Mr. FISHER:

H.R. 2170. A bill to provide for the reimbursement of legal expenses incurred by the city of Fairfax with respect to a 1971 entry and search by employees of the Federal Government; to the Committee on the Judiciary.

By Mr. FITHIAN:

H.R. 2171. A bill to deauthorize the Lafayette Dam and Reservoir, Wabash River, Ind.; to the Committee on Public Works and Transportation.

By Mr. FOLEY (for himself, Mr. Ullman, Mr. de la Garza, Mr. Rostenkowski, Mr. Akaka, Mr. Bafalis, Mrs. Boggs, Mr. Breaux, Mr. Brown of California, Mr. Coelho, Mr. Corrada, Mr. Fuqua, Mr. Heftel, Mr. Holland, Mr. Huckaby, Mr. Jenrette, Mr. Jones of North Carolina, Mr. Leach of Louisiana, Mr. Long of Louisiana, Mr. Mathis, Mr. McCormack, Mr. Moore, Mr. Stenholm, Mr. Traxler, and Mr. Treen):

H.R. 2172. A bill to implement the International Sugar Agreement, 1977, between the United States and foreign countries, to protect the welfare of consumers of sugar and of those engaged in the domestic sugar industry, and for other purposes; jointly, to the Committees on Agriculture, and Ways and Means.

By Mr. FRENZEL:

H.R. 2173. A bill to extend for an additional period the existing tax treatment of certain activities of certain private foundations; to the Committee on Ways and Means.

By Mr. GAYDOS:

H.R. 2174. A bill to establish a program of drug benefits for the aged; to establish a Drug Benefits Council and other appropriate management controls to provide for the efficient administration of such program; and to require the conducting of certain studies and experiments, to enhance the capability of the Secretary of Health, Education, and Welfare to administer such program, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 2175. A bill to provide property tax relief to low-income elderly homeowners through direct reimbursements; to the Committee on Ways and Means.

H.R. 2176. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 2177. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, and hearing aids among the items and services for which payment may be made under the supplementary medical insurance program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 2178. A bill to provide medicare coverage for orthopedic shoes or other supportive devices prescribed by a physician for correction or treatment of abnormalities of the feet or legs which cause serious detrimental medical effects; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. GEPHARDT:

H.R. 2179. A bill to amend the Internal Revenue Code of 1954 to treat as public charities certain organizations which operate libraries; to the Committee on Ways and Means.

By Mr. GIAIMO:

H.R. 2180. A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (House Docket 96-46) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 2181. A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (House Document 96-46) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 2182. A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (House Document 96-46) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 2183. A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (House Document 96-46) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 2184. A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (House Document 96-46) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 2185. A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (House Document 96-46) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 2186. A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (House Document 96-46) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 2187. A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (House Document 96-46) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 2188. A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (House Document 96-46) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

H.R. 2189. A bill to rescind certain budget authority contained in the message of the President of January 31, 1979 (House Document 96-46) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. GONZALEZ:

H.R. 2190. A bill to amend title 5, United States Code, to provide for the reclassification of positions of U.S. Border Patrol agents; to the Committee on Post Office and Civil Service.

By Mr. HARRIS (for himself, Mr. Addabbo, Mr. Bingham, Mr. Bonior of Michigan, Mr. Brodhead, Mr. Carr, Mr. Clay, Mr. Conyers, Mr. Coughlin, Mr. Diggs, Mr. Fascell, Ms. Ferraro, Mr. Florio, Mr. Green, Mr. Gudger, Mr. Guyer, Mr. Hollenbeck, Ms. Holtzman, Mr. Horton, Mr. Hughes, Mr. Hyde, Mr. Kildee, Mr. LaFalce, Mr. Lehman, Mr. Maguire, Ms. Mikulski, Mr. Mikva, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Mottl, Mr. Nolan, Mr. Ottinger, Mr. Patten, Mr. Pepper, Mr. Price, Mr. Rangel, Mr. Richmond, Mr. Rinaldo, Mr. Rosenthal, Mrs. Spellman, Mr. Vento, Mr. Walgren, Mr. Walker, Mr. Waxman, Mr. Weiss, Mr. Charles H. Wilson of California, Mr. Winn, Mr. Young of Missouri, Mr. Zeferetti, Mr. Patterson, and Mr. Panetta):

H.R. 2191. A bill to amend the Internal Revenue Code of 1954 to allow individuals a refundable tax credit for a portion of the rent which they pay on their principal residences and which is attributable to real property taxes; to the Committee on Ways and Means.

By Mrs. HECKLER:

H.R. 2192. A bill to amend the Safe Drinking Water Act to authorize grants for the purchase, construction, and modification of certain drinking water treatment facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HILLIS:

H.R. 2193. A bill to amend the Internal Revenue Code of 1954 to repeal the changes made by the Tax Reform Act of 1976 in the sick pay exclusion; to the Committee on Ways and Means.

By Mr. HOLLAND:

H.R. 2194. A bill to amend the Public Health Service Act to establish a clearinghouse for information respecting digestive diseases, to authorize grants to strengthen educational programs in digestive diseases in medical schools, and to establish the National Digestive Diseases Advisory Board; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLLAND (for himself and Mr. Jenkins):

H.R. 2195. A bill to provide for the reform of the administrative and reimbursement procedures currently employed under the medicare and medicaid programs, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. HOWARD (for himself, Mr. Duncan of Tennessee, Mr. LaFalce, Mr. Guyer, Mr. Corcoran, Mr. Roe, Mr. Bevill, Mr. Vento, Mr. Murphy of Illinois, Mr. Corrada, Mr. Price, Mr. Patten, Mr. Ginn, Mr. Shannon, Mr. Donnelly, Mr. Cheney, Mr. Pepper, Mr. Rahall, Mr. de la Garza, Mr. Coelho, Mr. Williams of Montana, Mr. Erdahl, Mr. Scheuer, Mr. Diggs, Mr. Young of Missouri, Mr. Florio, Mr. Preyer, Mr. Zeferetti, Mr. Weiss, and Mr. Addabbo):

H.R. 2196. A bill to establish a congressional award program for the purpose of recognizing excellence and leadership among young people; to the Committee on Education and Labor.

By Mr. HOWARD (for himself and Mr. Bingham):

H.R. 2197. A bill to amend the Clean Air Act to authorize assistance to States for purposes of reducing asbestos levels in the interior of school buildings; to the Committee on Interstate and Foreign Commerce.

By Mr. HOWARD:

H.R. 2198. A bill to amend the Internal Revenue Code of 1954 to increase the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

By Mr. HUCKABY:

H.R. 2199. A bill to designate certain lands in the State of Alaska as units of the National Park, National Wildlife Refuge, Wild and Scenic Rivers and National Wilderness Preservation Systems and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Merchant Marine and Fisheries.

By Mr. JEFFORDS (for himself and Mr. Bingham):

H.R. 2200. A bill to amend the International Claims Settlement Act of 1949 to allow recovery by U.S. nationals for losses incurred in Vietnam; to the Committee on Foreign Affairs.

By Mr. KASTENMEIER:

H.R. 2201. A bill to amend title 28, United States Code, to make clear that State or Federal prisoners who are otherwise eligible for Federal habeas corpus relief may not be denied such relief on the ground that such State or Federal Government provided an opportunity for a full and fair litigation of a constitutional claim, and for other purposes; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. Rodino, Mr. Brooks, Mr. Edwards of California, Mr. Danielson, Mr. Drinan, Mr. Hughes, Mr. Gudger, Mr. Santini, Mr. Beilenson, Mr. Bennett, Mr. Jacobs, Mr. Akaka, Mr. McClory, Mr. Railsback, Mr. Butler, and Mr. Sawyer):

H.R. 2202. A bill to abolish diversity of citizenship as a basis of jurisdiction of Federal district courts, to abolish the amount in controversy requirement in Federal question cases, and for other purposes; to the Committee on the Judiciary.

By Mr. KOSTMAYER (for himself, Mr. Lundine, and Mr. McHugh):

H.R. 2203. A bill to preserve jobs and stabilize communities by facilitating employee, or employee-community, ownership of concerns that would otherwise close down or move out of the community, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. McCLORY:

H.R. 2204. A bill to restore effective enforcement of the antitrust laws; to the Committee on the Judiciary.

H.R. 2205. A bill to amend title 18, United States Code, so as to establish certain guidelines for sentencing, establish a U.S. Commission on Sentencing, and for other purposes; to the Committee on the Judiciary.

By Mr. McCLOSKEY (for himself, Mr. Bonior of Michigan, Mr. Bingham, Mr. Lott, Mr. Beard of Tennessee, Mrs. Fenwick, Mr. Charles Wilson of Texas, Mr. Simon, Mrs. Schroeder, Mr. Addabbo, and Mr. Coelho):

H.R. 2206. A bill to establish a National Service System under which the young people of the United States shall have the choice of either entering voluntary military or civilian service or being subject to induction into military service by random selection; jointly, to the Committees on Armed Services, Education and Labor, and Veterans' Affairs.

By Mr. MARKEY (by request):

H.R. 2207. A bill to improve the protections afforded the public against risks associated with the transportation of hazardous commodities by pipeline; jointly, to the Committees on Interstate and Foreign Commerce and Public Works and Transportation.

By Mr. MIKVA:

H.R. 2208. A bill to exempt certain defense-related articles from the preferential tariff treatment accorded to articles imported for exhibition at trade fairs; to the Committee on Ways and Means.

By Mr. MIKVA (for himself, Mr. Rose, and Mr. Brodhead):

H.R. 2209. A bill to correct inequities in certain sales representatives practices, to provide protection for certain sales representatives terminated from their accounts without justification, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MINISH:

H.R. 2210. A bill to revise the Interstate Land Sales Full Disclosure Act; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MOAKLEY:

H.R. 2211. A bill to establish an Interagency Committee on Arson Control to coordinate Federal antiarson programs, to amend various provisions of the law relating to programs for arson investigation, prevention, and detection, and for other purposes;

jointly, to the Committees on Banking, Finance and Urban Affairs, and the Judiciary.

By Mr. MOLLOHAN:

H.R. 2212. A bill to amend the Public Health Service Act to revise and extend title XII of that act relating to emergency medical services; to the Committee on Interstate and Foreign Commerce.

By Mr. MOORHEAD of California:

H.R. 2213. A bill to amend the Immigration and Nationality Act to prevent the illegal entry and employment of aliens in the United States, to facilitate the admission of aliens for temporary employment, and for other purposes; to the Committee on the Judiciary.

H.R. 2214. A bill to amend the Internal Revenue Code of 1954 to prevent tax deductions for the salary of aliens illegally employed in the United States and to amend the Social Security Act to limit benefits under the aid to families with dependent children program and under the medicaid program to citizens and lawfully admitted aliens; to the Committee on Ways and Means.

By Mr. MOTTL:

H.R. 2215. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Ways and Means.

By Mr. MURPHY of New York:

H.R. 2216. A bill to amend section 1625 of the Public Health Service Act to authorize grants under that section to be made to nonprofit private hospitals; to the Committee on Interstate and Foreign Commerce.

By Mr. MURPHY of New York (for himself and Mr. Davis of South Carolina):

H.R. 2217. A bill to revise and reform the Federal law applicable to drugs for human use and to establish a National Center for Clinical Pharmacology within the Department of Health, Education, and Welfare; to to the Committee on Interstate and Foreign Commerce.

By Mr. MURPHY of New York (for himself, Mr. Breaux, Mr. McCloskey, Mr. Forsythe, Mr. Bowen, Mr. AuCoin, Mr. Emery, Mr. Akaka, Mr. Dingell, Mr. Studds, Mr. Pritchard, and Mr. Dornan):

H.R. 2218. A bill to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal year 1980, 1981, and 1982; to the Committee on Merchant Marine and Fisheries.

By Mr. MURPHY of New York (for himself, Mr. Breaux, Mr. McCloskey, Mr. Forsythe, Mr. Hughes, and Mr. Emery):

H.R. 2219. A bill to designate certain lands in the State of Alaska as units of the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes; jointly, to the Committee on Interior and Insular Affairs, and Merchant Marine and Fisheries.

By Mr. PEASE:

H.R. 2220. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for political contributions to candidates for Congress which is more limited than the existing tax credit for such contributions; to the Committee on Ways and Means.

H.R. 2221. A bill to amend the Federal Election Campaign Act of 1971 to provide for financing of general election campaigns for the House of Representatives, and to amend the Internal Revenue Code of 1954 to provide a tax credit for political contributions to candidates for Congress which is more limited than the existing tax credit for such contributions; jointly to the Committees on House Administration and Ways and Means.

By Mr. THOMPSON (for himself and Mr. Ashbrook):

H.R. 2222. A bill to amend the National Labor Relations Act to clarify the scope of its coverage; to the Committee on Education and Labor.

By Mr. PEPPER (for himself and Mr. Winn):

H.R. 2223. A bill to amend the Railroad Retirement Act of 1974 with respect to annuities for widows and widows of certain railroad employees; to the Committee on Interstate and Foreign Commerce.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 2224. A bill to amend the Military Selective Service Act to provide greater flexibility for the Armed Forces in training Reserve officers ordered to active duty for training for not more than 6 months by removing requirement that they be ordered to active duty for not less than 3 months; to the Committee on Armed Services.

By Mr. ROBERTS (by request):

H.R. 2225. A bill to amend title 38 of the United States Code in order to make benefits under chapter 41 of such title (relating to job counseling, training, and placement services) available, in the case of veterans, only to those who served during a period of war, the Korean conflict or the Vietnam era; to the Committee on Veterans' Affairs.

H.R. 2226. A bill to amend title 38 of the United States Code to promote the care and treatment of veterans in State veterans' homes; to the Committee on Veterans' Affairs.

By Mr. ROBERTS (for himself and Mr. Hammerschmidt):

H.R. 2227. A bill to establish the Veterans' Administration as an executive department to be known as the "Department of Veterans' Affairs"; to the Committee on Government Operations.

By Mr. ST GERMAIN:

H.R. 2228. A bill to amend the Food Stamp Act of 1977 to waive the limitation on the amount of the excess shelter expense deduction for households which are composed entirely of persons who are age 65 or older or who receive benefits under title XVI of the Social Security Act; to the Committee on Agriculture.

H.R. 2229. A bill to amend the National Bank Act, to refund to the Comptroller of the Currency funds held as successor to closed national bank receiverships, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SATTERFIELD (by request):

H.R. 2230. A bill to amend title 38, United States Code, to extend eligibility for medical care benefits under the Veterans' Administration CHAMPVA program to dependents and survivors of any veteran having a permanent service-connected disability rated at 80 per centum or 90 per centum; to the Committee on Veterans' Affairs.

H.R. 2231. A bill to amend section 612(b) of title 38, United States Code, to authorize outpatient dental treatment for those veterans otherwise eligible for medical services; to the Committee on Veterans' Affairs.

By Mr. SATTERFIELD (for himself, Mr. Roberts, and Mr. Hammerschmidt):

H.R. 2232. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to contract for the furnishing of private health care to veterans when such health care is authorized by a Veterans' Administration physician as necessary for the treatment of medical emergency; to the Committee on Veterans' Affairs.

H.R. 2233. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to provide outpatient medical services for any disability of a veteran of World War I as if such disability were service-connected; to the Committee on Veterans' Affairs.

H.R. 2234. A bill to amend title 38, United States Code, to extend the authorization for certain expiring health care program of the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SATTERFIELD (for himself and Mr. Hammerschmidt) (by request):

H.R. 2235. A bill to amend section 612(e) of title 38, United States Code, so as to provide that any disability of a veteran of World War I shall be, for the purposes of medical treatment, considered a service-connected disability; to the Committee on Veterans' Affairs.

H.R. 2236. A bill to amend title 38, U.S. Code, so as to provide that the term "veteran" as used in section 613 shall include a person who died in the active military, naval, or air service; to the Committee on Veterans' Affairs.

H.R. 2237. A bill to amend title 38, U.S. Code, to eliminate a disincentive to certain disabled veterans to continue their educations; to the Committee on Veterans' Affairs.

H.R. 2238. A bill to amend title 38, U.S. Code, to provide medical services and hospital care abroad for certain catastrophically disabled veterans; to the Committee on Veterans' Affairs.

H.R. 2239. A bill to amend title 38, U.S. Code, to authorize the Administrator of Veterans' Affairs to provide medical services to any veteran with a service-connected disability who is 80 years old or older; to the Committee on Veterans' Affairs.

H.R. 2240. A bill to amend title 38, U.S. Code, to provide medical care for parents of a deceased veteran who are in receipt of dependency and indemnity compensation; to the Committee on Veterans' Affairs.

H.R. 2241. A bill to amend title 38, U.S. Code, to extend eligibility for medical care benefits for survivors and dependents of veterans under the Veterans' Administration CHAMPVA program to survivors and dependents who are eligible for hospital insurance benefits under part A of title XVIII of the Social Security Act; to the Committee on Veterans' Affairs.

H.R. 2242. A bill to amend title 38, U.S. Code, to provide outpatient dental treatment for veterans with permanent and total service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 2243. A bill to amend title 38, U.S. Code, to provide for an increase in the benefits payable for certain home improvements and structural alterations which are necessary or appropriate for the home health care of certain veterans with service-connected disabilities, and for an addition to the types of improvements and alterations for which those benefits are payable; to the Committee on Veterans' Affairs.

H.R. 2244. A bill to amend title 38, U.S. Code, to provide dental services in Veterans' Administration facilities to any veterans who was a prisoner of war for more than 180 days; to the Committee on Veterans' Affairs.

By Mr. SAWYER:

H.R. 2245. A bill to require the Federal Bureau of Investigation to classify the offense of arson as a part I offense for purposes of the uniform crime reporting program and the uniform crime reports for the United States; to the Committee on the Judiciary.

H.R. 2246. A bill to amend title 39, United States Code, relating to local governments mailing matters of public interest at reduced rates; to the Committee on Post Office and Civil Service.

By Mr. SIMON:

H.R. 2247. A bill to amend title 39, United States Code, for the purpose of reorganizing the U.S. Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SIMON (for himself, Mr. Jones of Oklahoma, Mr. Mitchell of Maryland, Mr. Brown of Ohio, Mr. Derrick, Mr. Patterson, Mr. Corman, Mr. McCloskey, Mr. St Germain, Mr. Preyer, Mr. Whitehurst, Mr. Beard of Rhode Island, Mr. Rahall, Mr. Jenrette, Mr. Green, Mr. Buchanan, Mr. Lederer, Mr. Dornan, Mr. Williams of Montana, Mr. Carter, Mr. Leach of Iowa, Mr. Young of Missouri, Mr. Luken, Mr. Flood, Mrs. Spellman, and Mr. Scheuer):

H.R. 2248. A bill to authorize funds for the Robert A. Taft Institute of Government; to the Committee on Education and Labor.

By Mrs. SNOWE:

H.R. 2249. A bill to terminate the authorization of the Dickey-Lincoln School project, Saint John River, Maine; to the Committee on Public Works and Transportation.

By Mr. TRAXLER (for himself, Mr. Brodhead, Mr. Nedzi, Mr. Ford of Michigan, Mr. Blanchard, Mr. Bonior of Michigan, Mr. Albosta, Mr. Dingell, Mr. Diggs, Mr. Wolpe, Mr. Conyers, and Mr. Carr):

H.R. 2250. A bill to amend the Internal Revenue Code of 1954 to make permanent certain rules relating to travel expenses of State legislators; to the Committee on Ways and Means.

By Mr. VENTO:

H.R. 2251. A bill establishing a National Domestic Development Bank, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BOB WILSON:

H.R. 2252. A bill to amend title 38 of the U.S. Code to allow eligible veterans to receive certain educational assistance during the 6-year period following their last discharge or release from active duty even if such period extends beyond December 31, 1989; to the Committee on Veterans' Affairs.

By Mr. CHARLES H. WILSON of California (for himself, Mr. Addabbo, Mr. Bevill, Mr. Burgener, Mr. Holland, Mr. Hollenbeck, Mr. Long of Maryland, Mr. Lott, Mr. Martin, Mr. Murphy of Pennsylvania, Mr. Price, Mr. Simon, Mr. Whitehurst, Mr. Whitley, Mr. Charles Wilson of Texas, Mr. Winn, and Mr. Won Pat):

H.R. 2253. A bill to amend the Immigration and Nationality Act and the Social Security Act to require that specific alien and citizenship information be provided prior to the issuance of a social security card, to require that social security cards which cannot be duplicated be issued, to require that these cards be presented to employers by prospective employees before obtaining employment, to provide penalties against employers for violating the provisions of the act and for other purposes; jointly, to the Committees on Ways and Means, and the Judiciary.

By Mr. WYDLER:

H.R. 2254. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for income tax purposes of expenses incurred by an individual for transportation to and from work; to the Committee on Ways and Means.

By Mr. HANLEY (for himself and Mr. St Germain):

H.R. 2255. A bill to amend the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries; to the Committee on Banking, Finance, and Urban Affairs.

By Mr. BRINKLEY:

H.J. Res. 206. Joint resolution proposing an amendment to title I of the Agriculture Act of 1949, as amended, to raise the price support levels for milk, wheat, corn, soybeans, and cotton to 90 percent of the respective parity prices therefor, and for other purposes; to the Committee on Agriculture.

By Mr. CONABLE:

H.J. Res. 207. Joint resolution proposing an amendment to the Constitution of the United States providing for the election of the President and Vice President; to the Committee on the Judiciary.

By Mr. FITHIAN:

H.J. Res. 208. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. FORSYTHE:

H.J. Res. 209. Joint resolution designating the week of May 14 through May 20, 1979, as "National Diabetes Week"; to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York (for himself, Mr. Thompson, Mr. Fish, Mr. Howard, and Mr. Green):

H.J. Res. 210. Joint resolution to authorize and direct the Franklin Delano Roosevelt Memorial Commission to proceed with the construction of the Franklin Delano Roosevelt Memorial, and for other purposes; to the Committee on House Administration.

By Mr. RUSSO:

H.J. Res. 211. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. WEISS (for himself and Mr. Ottinger):

H.J. Res. 212. Joint resolution to renounce the first use of all nuclear weapons and to conclude treaties with all nations renouncing the first use of all nuclear weapons; to the Committee on Foreign Affairs.

By Mr. WHITE (for himself, Mr. Applegate, Mr. Barnard, Mr. Bennett, Mr. Bevill, Mrs. Bouquard, Mr. Breaux, Mr. Byron, Mr. Chappell, Mr. Dan Daniel, Mr. de la Garza, Mr. Fountain, Mr. Fuqua, Mr. Ginn, Mr. Gramm, Mr. Hall of Texas, Mr. Hance, Mr. Hefner, Mr. Holland, Mr. Hubbard, Mr. Huckaby, Mr. Ichord, Mr. Ireland, Mr. Jenrette, Mr. Jones of Tennessee, Mr. Jones of North Carolina, Mr. Leach of Louisiana, Mr. Leath of Texas, Mr. McDonald, Mr. Mathis, Mr. Montgomery, Mr. Mottl, Mr. Neal, Mr. Nelson, Mr. Nichols, Mr. Pickle, Mr. Rose, Mr. Runnels, Mr. Satterfield, Mr. Simon, Mr. Skelton, Mr. Stump, Mr. Watkins, Mr. Whitley, and Mr. Wyatt):

H.J. Res 213. Joint resolution proposing an amendment to the Constitution of the United States to provide that the level of total outlays of the United States for any fiscal year shall not exceed the level of total receipts of the United States for such fiscal year and for the disposition of unanticipated deficits; to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H.J. Res. 214. Joint resolution proposing an amendment to the Constitution of the United States to insure that due process and equal protection are afforded to an individual with respect to the right to life; to the Committee on the Judiciary.

By Mr. ANNUNZIO:

H. Con. Res. 49. Concurrent resolution expressing the sense of the Congress with respect to the illegal annexation by the Soviet Union of Estonia, Latvia, and Lithuania; to the Committee on Foreign Affairs.

By Mr. COUGHLIN:

H. Con Res. 50. Concurrent resolution expressing the sense of the House with respect to the Baltic States; to the Committee on Foreign Affairs.

By Mr. PEPPER:

H. Con. Res. 51. Concurrent resolution to seek the resurrection of the Ukrainian Orthodox and Catholic Churces in Ukraine; to the Committee on Foreign Affairs.

By Mr. FOLEY (for himself and Mr. Wampler):

H. Res. 117. Resolution to provide funds for the expenses of the investigations and studies to be conducted by the Committee on Agriculture; to the Committee on House Administration.

By Mr. FOLEY (for himself and Mr. Mikva):

H. Res. 118. Resolution to establish a Select Committee on Committees; to the Committee on Rules.

By Mr. GIAIMO:

H. Res. 119. Resolution disapproving the deferral of budget authority relating to uranium enrichment services (deferral numbered D79–48) which was proposed by the President in his special message of January 31, 1979, transmitted to the Congress under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H. Res 120. Resolution disapproving the deferral of budget authority relating to summer youth employment assistance (deferral numbered D79–50) which was proposed by the President in his special message of January 31, 1979, transmitted to the Congress under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H. Res. 121. Resolution disapproving the deferral of budget authority relating to interstate transfer grants (deferral numbered D79–51) which was proposed by the President in his special message of January 31, 1979, transmitted to the Congress under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. GOLDWATER:

H. Res. 122. Resolution to amend the rules of the House to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. HANLEY:

H. Res. 123. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Post Office and Civil Service; to the Committee on House Administration.

By Mr. MINISH:

H. Res. 124. Resolution requesting the President not to propose to the Congress the exemption of motor gasoline from petroleum price control regulations; to the Committee on Interstate and Foreign Commerce.

By Mr. ST GERMAIN:

H. Res. 125. Resolution creating a select committee to conduct an investigation of the nationalization of the oil industry; to the Committee on Rules.

By Mr. VANDER JAGT:

H. Res. 126. Resolution expressing the sense of the House of Representatives that the major television networks should take such steps as may be necessary to use line 21 of the television vertical blanking interval to provide captioning of programs for hearing impaired individuals; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

30. By the SPEAKER: Memorial of the Legislature of the State of New York, relative to full funding of all programs under the Older Americans Act; to the Committee on Appropriations.

31. Also, memorial of the Legislature of the State of Mississippi, relative to the public service of the Hon. Jamie L. Whitten; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GEPHARDT:

H.R. 2256. A bill for the relief of the Jewish Employment Vocational Service, St. Louis, Mo.; to the Committee on the Judiciary.

H.R. 2257. A bill for the relief of Ebinger Electronics, Inc., to the Committee on the Judiciary.

By Mr. HILLIS:

H.R. 2258. A bill for the relief of Gaudiosa M. Etulle; to the Committee on the Judiciary.

By Mr. KOSTMAYER:

H.R. 2259. A bill for the relief of Jean Pierre Baer; to the Committee on the Judiciary.

By Mr. BAILEY:

H.R. 2260. A bill for the relief of Eleftherios Pistentis; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 29: Mr. Panetta, Mr. Stark, Mr. Roe, and Mr. Scheuer.

H.R. 42: Mr. Annunzio, Mr. Roe, Mr. Scheuer, Mr. Seiberling, Mr. Wolff, Mr. Anderson of California, and Mr. Markey.

H.R. 43: Mr. Barnes, Mr. Blanchard, Mr. Bingham, Mr. Bonior of Michigan, Mr. Brodhead, Mr. Phillip Burton, Mr. Carr, Mr. Corcoran, Mr. Corrada, Mr. Corman, Mr. Dornan, Mr. Edwards of California, Mr. Hollenbeck, Mr. Leland, Mr. McCloskey, Mr. McCormack, Mr. Moakley, Mr. Mottl, Mr. Price, Mr. Rangel, Mr. Rodino, Mr. Scheuer, Mr. Stark, Mr. Vento, Mr. Weaver, Mr. Weiss, Mr. Zeferetti, Mr. Waxman, Mr. Anderson of California, and Mr. Long of Maryland.

H.R. 44: Mr. Bedell, Mr. Blanchard, Mr. Bingham, Mr. Bonior of Michigan, Mr. Brodhead, Mr. Phillip Burton, Mr. Carr, Mr. Corcoran, Mr. Corrada, Mr. Corman, Mr. Dornan, Mr. Edwards of California, Ms. Ferraro, Mr. Leland, Mr. McCloskey, Mr. McCormack, Mr. Moakley, Mr. Mottl, Mr. Price, Mr. Rangel, Mr. Rodino, Mr. Scheuer, Mr. Stark, Mr. Vento, Mr. Weaver, Mr. Weiss, Mr. Zeferetti, Mr. Waxman, Mr. Anderson of California, and Mr. Long of Maryland.

H.R. 45: Mr. Barnes, Mr. Bedell, Mr. Blanchard, Mr. Bingham, Mr. Bonior of Michigan, Mr. Brodhead, Mr. (Phillip) Burton, Mr. Carr, Mr. Corcoran, Mr. Corrada, Mr. Corman, Mr. Dornan, Mr. Edwards of California, Mr. Hollenbeck, Mr. Leland, Mr. McCloskey, Mr. McCormack, Mr. Moakley, Mr. Mottl, Mr. Price, Mr. Rangel, Mr. Rodino, Mr. Sabo, Mr. Scheuer, Mr. Stark, Mr. Vento, Mr. Weaver, Mr. Weiss, Mr. Zeferetti, Mr. Waxman, Mr. Long of Maryland, and Mr. Anderson of California.

H.R. 46: Mr. Blanchard, Mr. Bingham, Mr. Bonior of Michigan, Mr. Brodhead, Mr. Phillip Burton, Mr. Corcoran, Mr. Corrada, Mr. Corman, Mr. Dornan, Mr. Edwards of California, Mr. Leland, Mr. McCloskey, Mr. Moakley, Mr. Mottl, Mr. Price, Mr. Rangel, Mr. Rodino, Mr. Scheuer, Mr. Stark, Mr. Vento, Mr. Weaver, Mr. Weiss, Mr. Zeferetti, Mr. Long of Maryland, and Mr. Anderson of California.

H.R. 54: Mr. Goldwater, Mr. Frenzel, Mr. Ashbrook, and Mr. Rudd.

H.R. 81: Mr. Nelson.

H.R. 85: Mr. Stack, Mr. Breaux, Mr. Addabbo, Mr. Wolff, Mr. Howard, Ms. Holtzman, Mr. Seiberling, Mr. Mineta, Mr. Scheuer, Mr. Rahall, Mr. Weiss, and Mr. Downey.

H.R. 120: Mr. Udall.

H.R. 596: Mr. Anthony, Mr. Lehman, and Mr. Stokes.

H.R. 622: Mr. Benjamin, Mr. LaFalce, Mr. Sabo, Mr. Hollenbeck, Mr. Long of Maryland, Mr. Clinger, and Mr. Dornan.

H.R. 628: Mr. Archer, Mrs. Fenwick, Mr. Fisher, and Mr. McHugh.

H.R. 656: Mr. Edwards of California, Mr. Moakley, Mr. Maguire, Mr. Mitchell of Maryland, Mr. Rodino, Mr. Akaka, Mr. Mineta, Mr. Kildee, Mr. Bonior of Michigan, Mr. Perkins, Mr. Young of Missouri, Mr. Weiss, Mr. Roe, Mr. Murphy of Pennsylvania, Mr. Stark, Mr. Markey, Mrs. Spellman, Mr. Studds, Mr. Hollenbeck, Mr. Downey, and Mr. Waxman.

H.R. 953: Mr. Murphy of New York, Mr. Blanchard, Mr. Pursell, and Mr. Winn.

H.R. 1008: Mr. Buchanan.

H.R. 1040: Mr. Conte, Mr. Corrada, Mr. Dixon, Mr. Moakley, Mr. Murphy of Pennsylvania, Mrs. Spellman, and Mr. Weaver.

H.R. 1071: Ms. Holtzman, Mr. Patterson, Mr. Stark, Mr. Garcia, Mr. Mathis, Mr. Charles H. Wilson of California, Mr. Flood, Mr. Rangel, Mr. Bonior of Michigan, Mr. Pursell, Mr. Shannon, Mr. Donnelly, Mr. Ford of Tennessee, Mr. Neal, Mr. Rahall, Mr. Hance, Mr. Thompson, and Mr. D'Amours.

H.R. 1104: Mr. Weiss.

H.R. 1114: Mr. Applegate, Mr. Baldus, Mr. Biaggi, Mr. Bowen, Mr. Corrada, Mr. Diggs, Mr. Fish, Mr. Flood, Mr. Gilman, Mr. Ginn, Mr. Harris, Mr. Hefner, Mr. Hillis, Mr. Howard, Mr. Jeffords, Mr. Jones of North Carolina, Mr. Jones of Tennessee, Mr. Kostmayer, Mr. Leach of Iowa, Mr. Lederer, Mr. Lehman, Mr. Long of Louisiana, Mr. Lundine, Mr. Markey, Mr. Mathis, Mr. Mattox, Mr. Mavroules, Mr. Miller of California, Mr. Moakley, Mr. Moffett, Mr. Myers of Pennsylvania, Mr. Natcher, Mr. Preyer, Mr. Railsback, Mr. Rangel, Mr. Rousselot, Mr. Roybal, Mr. Shannon, Mr. Stark, Mr. Stratton, Mr. Vento, Mr. Walgren, Mr. Weaver, Mr. Weiss, Mr. Williams of Montana, Mr. Winn, Mr. Wirth, Mr. Yatron, Mr. Young of Missouri, and Mr. Zeferetti.

H.R. 1297: Mr. Van Deerlin, Mr. Bingham, Mr. Blanchard, Mr. Boland, Mr. Bonior of Michigan, Mr. Brodhead, Mr. John L. Burton, Mr. Corrada, Mr. Cotter, Mr. Drinan, Mr. Edgar, Mr. Edwards of California, Mrs. Fenwick, Mr. Gibbons, Mr. Hollenbeck, Mr. Solarz, Mr. Vento, Mr. Waxman, Mr. Yates Mr. Jacobs, Mr. Kastenmeier, Mr. Lloyd, Mr. Markey, Ms. Mikulski, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moffett, Mr. Moorhead of Pennsylvania, Mr. Murphy of Illinois, Mr. Ottinger, Mr. Pepper, Mr. Pursell, Mr. Rangel, Mr. Richmond, Mr. Rodino, Mr. St Germain, Mr. Scheuer, Mr. Whitehurst, Mr. Zeferetti, Mr. Kostmayer, Mr. Russo, Mr. Weiss, Mr. Conyers, Mrs. Spellman, Mr. Roe, Mr. Dellums, Mr. Patten, Mr. Horton, Mr. Flood, Mr. Stark, Mr. Ford of Tennessee, Mr. Buchanan, Mr. Winn, and Mr. Florio.

H.R. 1460: Mr. Forsythe, Mr. Weiss, Mr. Hollenbeck, Mr. Gudger, Mr. Kildee, Mr. McKinney, and Mr. Mineta.

H.R. 1481: Mr. Seiberling and Mr. Long of Maryland.

H.R. 1516: Mr. Drinan; Mr. Buchanan; Mr. AuCoin; Mr. Collins of Texas; Mr. LaFalce; Mr. Fascell; Mr. McCloskey; Mr. Whitehurst; Mr. Forsythe; Mr. Ertel; Mr. Guyer; Mr. Weaver; Mr. Hollenbeck; Mr. Kogovsek; Mr. Mica; Mr. Seiberling; Mr. Rangel, and Mr. Grisham.

H.R. 1522: Mr. Akaka; Mr. Brodhead; Mr. Downey; Mr. Hughes; Mr. Ichord; Mr. Jeffords; Mr. Mitchell of Maryland; Mr. Murphy of Pennsylvania; Mr. Rangel; Mr. Solarz; Mr. Stark, and Mr. Whitehurst.

H.R. 1523: Mr. Akaka; Mr. Bedell; Mr. Brodhead; Mr. Burgener; Mr. John L. Burton; Mr. Carr; Mr. Corrada; Mr. Dixon; Mr. Downey; Mr. Drinan; Mr. Edwards of California; Mr. Forsythe; Mr. Gore; Mr. Guarini; Ms. Holtzman; Mr. Hughes; Mr. Hyde; Mr. Jacobs; Mr. McHugh; Ms. Mikulski; Mr. Mikva; Mr. Mineta; Mr. Mitchell of Maryland; Mr. Moakley; Mr. Moffett; Mr. Murphy of Pennsylvania; Mr. Ottinger; Mr. Rangel; Mr. Richmond; Mr. Seiberling; Mr. Solarz; Mr. Stark; Mr. Studds; Mr. Vento; Mr. Weiss, and Mr. Zeferetti.

H.R. 1524: Mr. Barnes; Mr. Bonior of Michigan; Mr. Dornan; Mr. Downey; Mr. Edwards of California; Mr. Ford of Michigan; Mr. Gephardt; Mr. Guyer; Mr. Hollenbeck; Ms. Holtzman; Mr. Howard; Mr. Hughes; Mr. Markey; Mr. Mineta; Mr. Mitchell of Maryland; Mr. Ottinger; Mr. Rangel; Mr. Rodino; Mr. Scheuer; Mr. Seiberling; Mr. Stark; Mr. Studds; Mr. Vento; Mr. Waxman, and Mr. Zeferetti.

H.R. 1597: Mr. Whitehurst, Mr. Solomon, Mr. McDonald, Mr. Lagomarsino, Mr. Lewis, Mr. Sawyer, Mr. Railsback, Mr. Michel, Mr. Trible, Mr. Stump, and Mr. Grassley.

H.R. 1598: Mr. Whitehurst, Mr. Solomon, Mr. McDonald, Mr. Lagomarsino, Mr. Lewis, Mr. Sawyer, Mr. Railsback, Mr. Michel, Mr. Trible, and Mr. Stump.

H.R. 1605: Mr. Patten, Mr. Goodling, Mr. Guyer, Mr. Pease, Mr. Mitchell of New York, Mr. Luken, Mr. Charles Wilson of Texas, Mr. Wolff, Mr. Hefner, Mr. Roe, Mr. Scheuer, Mr. Weiss, and Ms. Ferraro.

H.R. 1612: Mr. Ambro, Mr. Clay, Mr. Corrada, Mr. Donnelly, Mr. Dornan, Mr. Downey, Mr. Garcia, Mr. Goodling, Mr. Hollenbeck, Mr. Lehman, Mr. Ottinger, Mr. Patterson, Mr. Pease, Mr. Rangel, Mr. Vento, and Mr. Young of Florida.

H.R. 1613: Mr. Ambro, Mr. Clay, Mr. Corrada, Mr. Donnelly, Mr. Dornan, Mr. Downey, Mr. Garcia, Mr. Goodling, Mr. Hollenbeck, Mr. Kindness, Mr. Lehman, Mr. Ottinger, Mr. Patterson, Mr. Pease, Mr. Rangel, Mr. Vento, and Mr. Young of Florida.

H.R. 1643: Mr. Murphy of Pennsylvania and Mr. Davis of Michigan.

H.R. 1644: Mr. Scheuer, Mr. McCormack, Mr. Brown of Ohio, Mr. Howard, Mr. Weaver, Mr. Swift, Mr. McKinney, and Mr. Williams of Montana.

H.R. 1711: Mr. Barnes, Mr. Bonior of Michigan, Mr. Conyers, Mr. Downey, Mr. Edwards of California, Mrs. Fenwick, Mr. Forsythe, Mr. Frenzel, Mr. Hughes, Mr. Kildee, Mr. Long of Maryland, Mr. Long of Louisiana, Mr. Lundine, Mr. Mitchell of Maryland, Mr. Neal, Mr. Nolan, Mr. Ottinger, Mr. Pease, Mr. Pepper, Mr. Rangel, Mr. Richmond, Mr. Sabo, Mr. Scheuer, Mr. Walgren, and Mr. Weiss.

H.R. 1741: Mr. Beilenson, Mr. Moakley, Mr. Conte, Mr. Drinan, Mr. Whitehurst, Mr. John L. Burton, Mr. Fascell, Mr. Dornan, Mr. Hughes, Mr. Rodino, Mr. Young of Missouri, Mr. Scheuer, Ms. Ferraro, Ms. Holtzman, Mr. Peyser, Mr. Weiss, and Mr. Dicks.

H.R. 1852: Mr. Mathis, Mr. Hyde, Mr. Badham, Mr. Lagomarsino, Mr. Stratton, and Mr. Burgener.

H.J. Res. 100: Mr. Murtha, Mr. Pepper, Mr. Mavroules, Mr. Drinan, Mr. Corrada, Mr. Jenkins, Mr. Simon, Mr. AuCoin, Mr. Dixon, Mr. Cheney, Mr. Waxman, Mr. Bonior of Michigan, Mr. LaFalce, Mr. Akaka, Mr. Addabbo, Mr. Weiss, Mr. Fazio, Mr. Murphy of New York, Mr. Long of Maryland, Mr. Richmond, Mr. Hopkins, Mr. Flood, Mr. Evans of Delaware, Mr. Scheuer, Mr. Walgren, Mr. Jenrette, Mr. Kildee, Mr. Beard of Rhode Island, Mr. Stark, Mr. Gilman, Mr. Stokes, and Mr. Panetta.

H.J. Res. 122: Mr. Weiss.

H.J. Res. 145: Mr. Addabbo, Mr. Beard of Tennessee, Mr. Corrada, Mr. Cotter, Mr. Dornan, Mr. Flood, Mr. Frost, Mr. Hightower, Mrs. Holt, Mr. Lee, Mr. Luken, Mr. Lungren, Mr. Mitchell of Maryland, Mr. Murphy of Pennsylvania, Mr. Murphy of New York, Mr. Murphy of Illinois, Mr. Pepper, Mr. Rousselot, Mr. St Germain, Mr. Scheuer, Mr. Stark, Mr. Symms, Mr. Vento, Mr. Waxman, and Mr. Weiss.

H. Con. Res. 34: Mr. Bailey, Mr. Lott, Mr. Rahall, Mr. Nichols, Mr. Luken, Mr. Heftel, Mr. Fazio, Mr. Swift, Mr. Lee, Mr. Edgar, Mr. Campbell, Mr. Jenkins, Mr. Glickman, Mr. Daniel B. Crane, Mr. Wolpe, Mr. Gradison, Mr. Cleveland, Mr. Roe, Ms. Mikulski, Mr. STOKES, Mr. BROWN of California, Mr. VENTO, Mr. BLANCHARD, Mr. SYMMS, and Mr. RUDD.

H. Res. 84: Mr. AKAKA, Mr. BEARD of Rhode Island, Mr. BLANCHARD, Mr. BONIOR of Michigan, Mr. BREAUX, Mr. BRODHEAD, Mr. BUCHANAN, Mr. CARR, Mr. CAVANAUGH, Mr. CLEVELAND, Mr. COELHO, Mr. DORNAN, Mr. DOWNEY, Mr. FITHIAN, Mr. FORSYTHE, Mr. FRENZEL, Mr. GUYER, Mr. HUGHES, Mr. KOSTMAYER, Mr. LAFALCE, Mr. LEDERER, Mr. LONG of Maryland, Mr. LUKEN, Mr. LUNDINE, Mr. LUNGREN, Mr. MARKEY, Mr. MATHIS, Ms. MIKULSKI, Mr. PATTERSON, Mr. RANGEL, Mr. RICHMOND, Mr. ROSE, Mr. SCHEUER, Mr. STARK, and Mr. WAXMAN.

PETITIONS, ETC.

Under clause 1 of rule XXII,

54. The SPEAKER presented a Petition of the City Council, New Bedford, Mass., relative to the ban on catching yellowtail flounder west of 69 degrees west; to the Committee on Merchant Marine and Fisheries.

EXTENSIONS OF REMARKS

NORTHERN TIER PIPELINE MAY HARM WILDLIFE REFUGE

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. BONKER. Mr. Speaker, the Dungeness National Wildlife Refuge in Washington State is the latest entry on a long list of key natural resource areas that may be adversely affected by the proposed Northern Tier crude oil pipeline.

"May" be affected could seem scant cause for alarm. However, the Northern Tier consortium has not been noted for firmness of plans or precision of detail since it first made public plans to construct a supertanker oil port at Port Angeles, Wash., to serve a major new pipeline to Clearbrook, Minn.

Members of the House may recall, for example, the sense of urgency that Northern Tier proclaimed in 1977 and 1978 to justify expedited Federal review of its plans. Members may not know that shortly thereafter the pipeline sponsors revised 60 percent of the project's 1,557-mile route, thereby throwing the ongoing review process into shambles. Those who have closely followed the development of the Northern Tier proposal have come to expect the unexpected and to suspect each aspect of the project that is not defined and assessed in firm and specific terms.

The Dungeness National Wildlife Refuge protects a fragile, narrow sandspit that supports 246 bird species and provides outstanding recreation opportunities for many people. The Northern Tier project includes a tank farm that would require stabilization of the base of a nearby shoreline bluff. Recent studies suggest that the erosion of the bluff may be a major source of sand and gravel that replenishes and sustains the spit as wave and tidal action continually remove material from it.

Nearby Port Angeles demonstrates the folly of idle tampering with the dynamics of such a sandspit. The excellent deepwater harbor that attracted Northern Tier to Port Angeles is protected by Ediz Hook, a natural spit created and formerly maintained by adjacent river and shoreline erosion. River dams and a shoreline bulkhead disrupted this process, forcing the Corps of Engineers to assume nature's role and stabilize the Hook at a recent cost of $6 million.

Eric Pryne, a staff reporter for the Seattle Times, discussed the threat to Dunegess Spit in a series of articles, which follow:

A SPAT OVER DUNGENESS SPIT

(By Eric Pryne)

SEQUIM, CLALLAM COUNTY.—When Polly Ball and her husband, Claude, retired in 1965, they chose this area because it reminded her of the Northern California Coast where she grew up.

Mrs. Ball soon discovered a feature on the Olympic Peninsula that the California Coast doesn't offer—Dungeness Spit.

"What a bonus," she said. "I fell in love with the place."

Dungeness Spit has become important to others who have retired in Clallam County. Homer Frazier lives on the bluff overlooking it.

"At night when it's quiet, I can hear the waves hitting the shore," he said. "It's probably as loud as a freeway, but I tell people it's not the same at all."

Every month Karl Greubel walks the spit, keeping track of the kinds of ducks, gulls, geese, songbirds, loons, herons, eagles, falcons—246 species in all—that frequent Dungeness.

Others fish, or dig clams, or just sit on a log and watch the surf thunder ashore. And, when they aren't on the spit, they fight what they perceive to be threats to its geological and biological balance.

First a housing development, then a resort, then a marina. Now they're fighting the Northern Tier Pipeline Co.

Northern Tier wants to build a 1,500-mile oil pipeline from Washington to Minnesota, using crude oil which would be unloaded and stored at Port Angeles, 15 miles west of Sequim.

Local environmentalists have been asking questions about oil spills and air pollution since the proposal first surfaced three years ago. Lately they've started to ask questions about Dungeness Spit, too.

Some government officials share their concern. The issue is a complicated one, which focuses on the geological process that shaped the spit, and how Northern Tier's plans might affect that process.

Dungeness Spit owes its existence to erosion of the high, steep cliffs along the Strait of Juan de Fuca to the west. Waves slap into the cliffs, tear away tiny particles of dirt and eventually wash them ashore at Dungeness.

The Spit took thousands of years to form. Vern Wray, resident supervisor of the wildlife refuge at Dungeness, said it's still growing. And the continuous flow of sediment from the west helps the spit "heal" itself when it is breached by a storm.

The bluffs that provide that sediment haven't been disturbed much by man. The Northern Tier project would be the first major alteration.

The company plans to unload incoming oil tankers at Ediz Hook in Port Angeles, then pump the crude oil through two parallel pipelines, under the floor of the strait, six miles east to a tank farm on a promontory called Green Point.

To get from the beach to the tanks at Green Point, the pipelines must climb a 120-foot cliff.

To accomplish that, Northern Tier's plans call for excavating 120,000 cubic yards of dirt from the cliff face. This would form a sloping "notch"—40 feet wide at the bottom, 325 feet wide on top—for the pipes. The cut would be filled later.

(A Northern Tier engineer, Ken Berryman, said a consultant is examining whether a narrower notch is feasible.)

The notch is what most concerns environmentalists and some federal officials.

"We're concerned that it could destroy Dungeness Spit." said Rex van Wormer of the Fish and Wildlife Service. "They're going to have to stabilize that bluff to keep it from eroding. And if they keep material from the cliff from getting into the water, it's going to alter the natural patterns."

Van Wormer, the federal Geological Survey and environmentalists like Polly Ball contend there simply isn't enough data to predict exactly what's likely to happen to Dungeness Spit if Northern Tier's project goes ahead.

"We've been studying this a long time," Berryman said. "We can't foresee any adverse impacts." .

In its application to the State Energy Facility Site Evaluation Council last year, Northern Tier conceded its project could have some effect. But the company, using consultant studies, made these points:

A comparison of maps drawn in 1863 and 1961 indicates the cliff the notch would cut through is regressing only about 3 inches a year.

Because the erosion rate is so slow, a 400-foot barrier of boulders at the base of the cliff will be the only erosion protection needed.

The Green Point bluff doesn't contribute much material to Dungeness Spit anyway. Aerial photographs show the spit gets most of its sediment from cliffs farther east.

But Ralph Keuler, shorelines specialist for the Geological Survey, said bluffs as far west as Morse Creek, west of Green Point, contribute material to Dungeness. No one is certain exactly which segments of cliff contribute how much sediment to Dungeness, he said.

Keuler also said he would be "very surprised" if the Green Point cliff erodes only 3 inches a year. The average for bluffs in the area is 20 to 40 inches, he said.

The Bureau of Land Management's draft environmental-impact statement on the Northern Tier proposal, published last month, doesn't say much about Dungeness Spit.

But it does note that Northern Tier's statement that the bluff is "relatively stable" conflicts with State Department of Ecology reports that geologic deposits in the bluff are "unstable and susceptible to slumping or sliding."

More studies are needed, the impact statement adds. That theme is echoed by others.

"They (Northern Tier) damn well better know what's going to happen before they do something that drastic," said Bruce Fox-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

worthy of the Geological Survey. "And we don't think they do."

"There's no solid data," Van Wormer agreed. "We understand the principles, but not the specifics."

Both agencies are preparing responses to the draft environment-impact statement. Van Wormer said his office may suggest that Northern Tier build its tank farm at another site.

If Dungeness Spit does begin to erode, he said, one of the first impacts will be destruction of eelgrass beds in the protected inner bay. Waterfowl depend on eelgrass for food. Clam and oyster beds also could be affected.

"There are too many natural values (at Dungeness) to take a chance," Van Wormer said.

Dungeness Spit: Pipeline Firm's Plan Upsets Residents

Sequim, Clallam County.—Local residents fighting the Northern Tier Pipeline Co.'s plans for an oil port and tank farm at nearby Port Angeles now have another battle cry: "Save the Spit!"

They aren't sure Dungeness Spit is in danger. But they aren't taking any chances.

The spit, a few miles northwest of Sequim, is the longest natural sandspit in the world. It curves into the Strait of Juan de Fuca like a barbed fishhook, stretching five miles to a Coast Guard lighthouse at its tip.

It's been a national wildlife refuge since the time of President Wilson, and it's also a popular recreation area. Last year 80,000 people visited the spit to hike, picnic and watch the birds through their binoculars.

Northern Tier's oil port at Port Angeles would be more than 10 miles west of the spit. The company's proposed tank farm, while closer, still is five miles from Dungeness. So what's the threat?

Not oil spills or air pollution or any of the concerns usually associated with petroleum, opponents say.

Their biggest worry is that the Northern Tier project could reduce the flow of waterborne sediment that constantly replenishes Dungeness. The "nourishment" keeps the strait from eroding the spit and, eventually, washing it under.

The opponents admit they don't have much solid information. But at the same time, they contend, Northen Tier doesn't have much evidence to reassure them, either.

"They're changing something that man has never messed with before—and no one knows what's really going to happen," said Polly Ball, a director of the Washington Environmental Council and Olympic Peninsula Audubon Society. She lives in Sequim.

Northern Tier disagrees. Ken Berryman, an engineer, is convinced the project's impact on Dungeness Spit will be negligible.

"We've had consultants study the situation, and we think sufficient information is available," he said.

But two government agencies also are concerned about Northern Tier's impact on the spit, and are preparing responses to the federal environmental-impact statement on the project which probably will express those concerns.

"The delicate balance the spit depends on has been there for hundreds of years, as far back as you want to go," said Rex Van Wormer, a wildlife biologist with the federal Fish and Wildlife Service.

"A change in that balance could have an impact on the spit—no one is really sure. And, with us, Dungeness Spit is not negotiable."

A Lesson Learned From Ediz Hook

When opponents of the Northern Tier Pipeline Co. worry about the effects the proposed oil port could have on Dungeness Spit, they point to nearby Ediz Hook as an example of how man can inadvertently destroy a sandpit.

Ediz Hook, like Dungeness, is a natural spit. It protects Port Angeles' deepwater harbor.

For millenia the hook was fed by sediment from the west—some carried down the Elwha River, most from seaside cliffs eroding under constant pressure from the Strait of Juan de Fuca.

Then two dams were built on the Elwha and a bulkhead was built to protect a water-supply pipeline along the shore between the river and Port Angeles.

The result? The natural flow of materials to Ediz Hook was cut off, and the hook started to erode. In 1937, Port Angeles began a continuing battle to keep it from washing away.

Five winters ago a storm breached Ediz Hook, destroying part of the road and temporarily isolating the Coast Guard Station at the tip.

Last year, the Army Corps of Engineers completed a $6 million project to stabilize Ediz Hook and protect the harbor which the Corps said is "essential to commerce and industry in Clallam and Jefferson Counties."

"So you can see why we're a little gunshy about Dungeness," said former Clallam County Commissioner Rosemary Cockrill. "Ediz Hook will never be the same." ●

TRAGEDY ON THE CHESAPEAKE BAY

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. BAUMAN. Mr. Speaker, last weekend the residents of Tilghman Island, on the Chesapeake Bay, experienced a profoundly tragic loss. Five watermen, all members of one family, were lost in the icy bay waters. They were all aboard one of the most modern fishing boats on the bay, captained by Garland Phillips. Mr. Phillips was one of the best known, and most beloved, of the bay's hardy watermen.

The watermen of the Chesapeake Bay are a rapidly disappearing breed, literally risking their lives almost every day to harvest our seafood and reveling in the freedom of being as one with nature. This particularly sad loss serves to underscore the perils and hardships of the watermen's lives. But it also demonstrates their great love of life on the water, a devotion to their way of life that overcomes the dangers of unforgiving seas.

Mr. Speaker, at this time I would like to insert in the Record an article that appeared in the Washington Post dealing with this tragedy.

Icy Death for Bay Stalwarts

Maryland Marine Police Coast Guardsmen and private searchers gathered in three boats off Tilghman Island in the Chesapeake Bay yesterday. Shortly after noon they sent divers through the ice and into the frigid water.

Sixty feet down the divers found the sunken wreckage of the Hay Russ IV, Garland Phillips' 50-foot workboat. They didn't have time to look for bodies. According to Larry Simns, head of the Maryland Watermen's Association, the boat was ringed with fishing nets that had broken loose when it went down. The divers dared not penetrate it with ice reforming on the surface.

There still is no confirmation of death, but mourners on Tilghman Island have about given up hope that they will see Garland Phillips, 46, and his crew of four again.

The boat went down Friday evening in high winds. The five men are lost and presumed drowned. On Tilghman, where all five lived all their lives, the mood is somber.

"We lost a good bunch of people," said Russell Dize. "It's the most tragic thing that's ever happened here."

Phillips had been a waterman all his life, as had the four family relatives that were with him Friday—George Cummings, 65, his uncle; Muir Cummings, 30; Rusty Cummings, 26, and T. R. Cummings, 19, all Phillips' first cousins.

The loss of Phillips will be felt beyond the waterman's haven of Tilghman, which is on the Eastern Shore about 20 miles south of the Bay Bridge.

Phillips was among the last and best of a declining breed. He was a Chesapeake drift fisherman. For about six months each year, starting at the end of November, he was a waterborne nomad, following the fish as far north as Chesapeake City at the head of the bay and as far south as Crisfield at the bottom end of Maryland waters.

Drift fishermen fight a ceaseless battle with the weather. "It's probably the hardest and most dangerous job on the bay," said Simns, who has done it. "You have to travel so far and carry so much net, and you catch the most fish when the conditions are worst."

Drift fishermen call whatever port is nearest the fish home. They sometimes sleep aboard their boats for days and even weeks at a stretch. Each cold morning they wake before dawn and watch to see if ice will lock them in port.

If they can get out, they go.

Once there were many more drift netters. As many as 50 boats cruised the winter bay in pursuit of rockfish 10 or 15 years ago. But declining stocks of the prized table fish have turned drifting into work for only the most dedicated. Only 15 or 20 drift boats are working now.

Phillips ran the queen of the fleet. His 50-foot fiberglass Hay Russ IV was the sturdiest, most powerful, best equipped of the winter fishing boats, according to colleagues.

The boat was well known and so was Phillips. "There isn't a place in the bay that he hasn't fished," said Rock Hall waterman Ronnie Fithian. "He was the type of fellow, he'd never get up in the morning with the idea he had to hide anything from anybody. Some people think they've got to keep it a secret when they find the fish, or they won't get their share. Garland wasn't like that. He would tell you what he was catching.

"He's helped me a half-dozen times. If you were in trouble, you called Garland. If he was on the way he'd give you help."

Said waterman Wayne Brady, "He was a gung ho fisherman. He'd spend $1,000 to make a dollar. Here he had a $90,000 boat running up and down the bay, but he was always willing to help anybody. Garland was the kind of guy who was willing to jeopardize his own life to help somebody else."

Phillips was within a few miles of home port in Knapps Narrows when the accident occurred Friday. Other fishermen say he was in an area that he had set net, and apparently he was taking those nets up. He reportedly called his wife by radio before sunset to tell her he'd be back within an hour.

There were unconfirmed reports that he stayed later to help another fisherman pull in some troublesome nets.

There were hard northwest winds that eveing and ice was forming near all the boats, according to Dize.

"There was a lot of activity on the radio. There was ice making all over. Everybody was having trouble. We had one boat taking water right here in the channel. Some of the boys remembered hearing someone saying over the radio they ware taking water and bailing with buckets.

"But they figured it was the boat that was in trouble in the channel. They asked those boys later and they said they never said anything like that on the radio."

"Now we think it could have been Garland."

The Coast Guard and Marine Police intended to resume diving operations today.●

RESOLUTION AUTHORIZING THE CONSTRUCTION OF THE FRANKLIN DELANO ROOSEVELT MEMORIAL

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. MURPHY of New York. Mr. Speaker, this resolution authorizes the construction of the Franklin Delano Roosevelt Memorial. The F.D.R. Memorial Commission, which I am honored to serve as Secretary, was established by the Congress on August 11, 1955, and charged with the responsibility of overseeing the creation of a memorial to one of this country's greatest Presidents, Franklin Delano Roosevelt.

In the 24 years since the Commission received this charge, a great many designs, over 700, have been considered by its members. Of this number only three have been adopted by the Commission for serious development and presentation.

The first design resulted from a competition sponsored by the Commission in 1960. The winning design was a rather large structure which was quickly dubbed "Stonehenge." The design was subsequently dropped after opposition from city groups and the Federal Commission on Fine Arts which felt that its size would distract from the landscape and compete with the existing Jefferson and Lincoln Memorials and the Washington Monument.

In 1955 the Commission contacted 55 noted architects to determine their interest in participating in the project. Mr. Marcel Breuer was selected and presented a design composed of seven granite "darts" soaring to a height of 60 feet from a granite base. The Commission on Fine Arts rejected this design the following year.

The design we have now, created by Mr. Lawrence Halprin, an internationally acclaimed landscape architect, has received the approval of the F.D.R. Commission as well as the support of the Federal Commission on Fine Arts and the National Capital Planning Commission. The proposed memorial is unlike any other in this city. It will be essentially an open, landscaped, walk-through garden which will feature bronze sculptures and carved quotations inspired by President Roosevelt's life. The sculptures and inscriptions will be placed in several locations along a granite wall which will run the length of the memorial. The sculptures will be the work of four prominent American artists: George Segal, Neil Estern, Leonard Baskin, and Robert Graham. These four gentlemen were selected from recommendations sought from respected authorities in the art world and after an extensive review process undertaken by Mr. Halprin and the F.D.R. Memorial Commission.

Throughout the public discussion of this project, both in and out of Congress, I have never heard one person express the belief that we should not have a memorial to President Roosevelt. The concerns most often voiced are over the cost of the memorial, approximately $46 million, and the fact that President Roosevelt himself preferred a simple remembrance.

Forty-six million dollars is a large sum of money. However, the National Park Service has estimated that if the three existing Presidential memorials were constructed today, costs would run to $59,860,000 for the Lincoln Memorial, $37,960,000 for the Jefferson Memorial, and $45,260,000 for the Washington Monument. It has been suggested that short cuts could be taken in the construction of the memorial to decrease its cost. Very careful calculations have been made as to the type of materials needed for the project and the cost of each. To require the use of inferior materials, to encourage short cuts in the construction of the memorial, or to delete parts would do serious damage to the integrity of its appearance and its carefully integrated components. After 23 years this design has not been hastily arrived at. Serious thought and consideration has been given to each and every element that contribute to the total memorial. To arbitrarily cut the project would undermine its very base.

The second concern I have heard is that President Roosevelt preferred a memorial of lesser proportions; a simple plaque that is already in place across from the National Archives. I know I do not have to remind any Member of this body that when you enter public life and become a public official, your personal wishes are many times subordinate to the wishes of those you serve.

President Roosevelt was not simply an outstanding leader in this country, but was internationally respected. He became a source of personal inspiration to those who witnessed the sheer force of will that helped him overcome the obstacles he faced when stricken with polio. While his achievements in and out of public office are documented in history books and remembered by those of us who had the opportunity to share his life, a memorial of this type will evoke a more complete understanding of the man and his times. This memorial will allow his contributions to this country and to the world to live on for all who visit the site.

I urge the swift approval of this resolution so that work can begin on the memorial in the near future. It would be most fitting to dedicate this memorial to our 32d President on the centennial of his birthday in 1982. This will be possible only if we act quickly.●

CONGRESSIONAL SALUTE TO THE HONORABLE LOUIS (BUD) HESSELBROCK OF NEW JERSEY—1979 "PAUL HARRIS FELLOW," ROTARY CLUB OF WAYNE

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. ROE. Mr. Speaker, may I request that you and our colleagues here in the Congress join with me in heartiest congratulations and best wishes to my good friend, outstanding community leader, and distinguished citizen, the Honorable Louis (Bud) Hesselbrock of New Jersey, whose standards of excellence throughout his lifetime have earned him the most highly coveted honor of being chosen the 1979 Paul Harris Fellow of the Rotary Club of Wayne—the highest award that Rotary can bestow upon any of its members.

The Rotary Club of Wayne is one of our Nation's most prestigious affiliates of Rotary International whose motto: "We make a living by what we get . . . we make a life by what we give"—"Service above Self"—and their good deeds in helping others, young and adults alike have served to inspire all of us. Bud Hesselbrock has by his example and lifetime of dedication to these same true American ideals personified exemplary leadership in his outstanding responsible service to our people. The Paul Harris Fellow Award will be presented to him at the Rotary meeting to be held in Wayne on Wednesday, February 21.

Mr. Speaker, Bud's personal commitment to the economic, social, and cultural enhancement of our communtiy has been a way of life for him. He was born in 1910 in Evanston, Ill., the home of Rotary International, and for the past 60 years has been a highly respected citizen of the State of New Jersey. He attended the University of Pennsylvania and graduated from the Wharton School of Business and Finance in 1934. Following graduation and during the depression years he immediately commenced his career pursuits in the business world. In 1939 he became associated with the Mack Molding Co., which at the time was among the largest and most prominent business firms in town and was encouraged by the company's management to become involved in community affairs. Between 1945 and 1950 Mack Molding Co. supported the organizing of the first little league and the establishment of the Wayne first aid squad.

Mr. Hesselbrock has been a leading and active participant in the business community throughout Wayne and the State of New Jersey. In 1951 he was among the founders of the chamber of commerce of Wayne, was named the first vice president and within the first few months of its organization was elected to the presidency of this most esteemed chamber of commerce.

He has been a member of the board of directors of the Rotary Club of Wayne since 1966 and during his tenure has served as director of club services (1966–1967), secretary (1968–1969) and president (1969–1970).

Mr. Speaker, Bud has attained the greatest respect and deepest appreciation from a grateful community for his compassion, dedication, and untiring efforts in service to his fellow man. Among his many achievements we particularly commend him for his outstanding public service as a longstanding member of the board of trustees of the Foundation for the Handicapped.

All of us who have the good fortune to know Bud are especially proud of his accomplishments. He was in the vanguard in helping to bring new industry into our region and we particularly applaud his teamwork efforts in the U.S. Rubber Co.'s decision to locate their research laboratory in Wayne in 1954 and the establishment of a modern and efficient postal system for Wayne. Bud Hesselbrock's expertise in his professional career and civic endeavors has truly enriched our community, State and Nation.

Mr. Speaker, as we reflect upon the history of our great country and the good deeds of our people who have made our representative democracy second to none among all nations throughout the world, I appreciate the opportunity to call your attention to this distinguished gentleman and seek this national recognition of all of his good deeds. I know you will want to join with the Rotary Club of Wayne, N.J., in honoring our good friend Bud as an outstanding citizen and great American. We do indeed salute the Wayne Rotary Club's "Paul Harris Fellow"—the Honorable Louis Hesselbrock.●

ROBERT STACK

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. WAXMAN. Mr. Speaker, actor Robert Stack will be the recipient of the "May Mann Award," to be presented at the Golden Anniversary Ball of the Ida Mayer Cummings Auxiliary of the Jewish Home for the Aged of Los Angeles on Sunday, February 25, 1979. Mr. Stack is known around the world for his acting talents, but the May Mann Award is given to honor those individuals in show business who serve humanitarian causes. Bob Stack deserves our honor and respect for his unfailing responses to the auxiliary's requests for help. With his wife Rosemarie, he has given unstintingly of his time and effort to many community causes.

Suspending his acting career to join the Navy in 1942, Bob was commissioned and assigned to the naval base at Pensacola for basic training, graduating top man in his class. He became an aerial gunnery instructor and served for 4 years, including a year of overseas duty. Returning to acting after the war, Bob Stack very quickly attained the eminent place in the movie and television industry which he continues to hold.

It is a pleasure to bring Robert Stack to your attention as a fine and generous citizen, and I know the Members will wish to join me in honoring him.●

WE DO NOT NEED A DEPARTMENT OF EDUCATION

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. MICHEL. Mr. Speaker, rarely does one come across an issue on which the Washington Post and the Wall Street Journal agree. But both of these prestigious newspapers recently published editorials condemning the proposed Department of Education.

The Post states that such a department would be a "gigantic single-minded lobbying outfit." The Wall Street Journal says that if the department remains small "it will be a colossal waste of money" and that if it grows it "will present serious dangers" to our educational system.

I want to take this opportunity once more to state my opposition to the creation of such a department. There is overwhelming documentation about the sorry role the Federal Government has played in education in recent years. There is also the obvious fact that powerful lobbying groups would actually control such a department. In the face of such facts what possible argument can be given to support the creation of a new Department of Education?

At this time I wish to insert in the RECORD, "Education Shell Game," from the Wall Street Journal, February 12, 1979. and "The Education Department—Again" from the Washington Post, February 11, 1979.

The articles follow:

[From the Wall Street Journal, Feb. 12, 1979]

EDUCATION SHELL GAME

Officials in the Carter administration say they're making a good faith effort to run the federal government more efficiently. We think this is so, and we're happy to praise them for it. But it's going to be hard to believe they really care much about making government work if they keep up their current campaign for a Department of Education.

As we and many of our fellow journalists have said by now, the proposal to create a Department of Education is one of the most inane policy ideas to come down the pike in a long time. It would take the education part out of the present HEW, add some of the educational enterprises now run by other government departments from Defense to Interior, and put them together in a new organization with a $14 billion budget and some 16,000 employees.

The National Education Association, the country's biggest teacher's union and the chief supporter of the new department, says the consolidation would give a "clear expression, from the national viewpoint, about what we should do for education in this country." Perhaps it would; if so, it's hard to imagine a less cheering prospect than a unified national education policy set by the NEA. The thought seems to be upsetting lots of other people as well. Most of the bureaucracies and constituencies that the NEA wants to fold into the new department have been energetically lobbying to keep themselves out. And, needless to say, it would cost a bundle to carry out the changes necessary to neaten up the organization charts.

The NEA has members everywhere in the country. During the 1976 election campaign Jimmy Carter promised he would support their new department. The NEA responded by endorsing Mr. Carter for the presidency. President Carter introduced a bill to create the department and now, with the re-election fight coming, has reintroduced it into this Congress. Moreover, his effort hasn't been pro forma: We hear that high administration officials have been, to put it indelicately, calling in the markers. They've been meeting with educational groups that have expressed reservations about the bill, reminding them of Mr. Carter's generosity to educators, and trying to persuade them to keep quiet.

The bill as it now stands would include in the new department mainly the organizations now in HEW and overseas schools run by the Department of Defense. But once a new department is created, a President could reorganize other agencies into it without congressional approval. If the new department stays small, it will be mostly a colossal waste of money. If it grows, it will not only waste even more money but begin to present the more serious dangers inherent in educational centralization. We hope more people will begin to speak out and say so.

[From the Washington Post, Feb. 11, 1979]

THE EDUCATION DEPARTMENT—AGAIN

Never underestimate the power of a bad idea to generate bad arguments. Vice President Mondale's remarks the other day in favor of the creation of a Cabinet-level Department of Education were an example. The vice president, in a briefing, made the point that the United States "is the only major industrial democracy in the world that does not have a department or a ministry of education," although, to our certain knowledge, this is neither a symptom nor a source of what is wrong with American education. Mr. Mondale, according to the news story, also suggested that education "suffers because its highest official 'is not at that Cabinet table speaking directly to the president.' "

You would hardly judge from any of this that the United States is also the only major industrial democracy (or any sort of country) in the world in which three-quarters of the children graduate from high school, and half of those graduates go on to college. And we also question whether, despite the proponents' assurances, a new federal department would not subtly and unwisely enlarge the federal jurisdiction in the schools. In theory anyway, education remains a primary function of the states and localities, which is surely one reason this country has not had a national ministry of education as part of its political tradition. We think it is a tradition worth holding on to.

It is, of course, true that much of the money for our public schools now comes from general revenues and that there has been a vast increase of federal involvement in public education over the past couple of decades. But both the money and the involvement can be managed by government instrumentalities now available to do so. It is argued by those who favor the new department that it would work pretty much as a harmless conduit of federal funds and coordinator of federal programs, all the while respecting the primacy of the states and localities in school affairs, and that it would do all this much more efficiently than is done under the present slovenly dispensation. Consulting ancient and modern bureaucratic precedent and looking around us at the evidence of our senses, we discover no reason at all to believe this is how things will turn out. They never do. Look at the Labor Department. Look at Commerce. A Department of Education, if such unfortunately is enacted into law, will become a gigantic single-minded lobbying outfit. It will be the NEA writ large.

Anyone who observed last year's congressional proceedings on this subject—the hearings, committee debates and so forth—should understand that what we really have here is a fight over turf: who gets which hunk of jurisdiction over whom and what and how much money. Evidently the administration, in coming back with its Education Department legislation in this Congress, has carved up the turf in a new and politically more persuasive way, so that the proposal is likely to have a smoother time this year. We hope it does not. The purpose of the federal government—as we keep harping when this proposal comes up—should be to fit federal education programs into a system of priorities and values *larger* than the education industry's perspective permits it to see, not to break off those programs into a client- and constituent-run principality of its own.

The best thing that could happen to President Carter's proposal for a department of education, from his point of view and everyone else's, would be for Congress to bury it.●

FRANK J. CIGNETTI—OVER 32 YEARS OF DEDICATED SERVICE

HON. DONALD A. BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. BAILEY. Mr. Speaker, today I wish to recognize an outstanding citizen who has devoted his life to the welfare of others. Mr. Frank J. Cignetti, of Jeannette, is a humanitarian, civic leader, and former police officer whose reputation for good works has long been appreciated by his community.

Frank J. Cignetti, the only child of Madaline Monstrola Cignetti and Domenico Cignetti, was born on May 15, 1920 in Hermanie, Pa.

As a lifelong resident of the citv of Jeannette since the age of 2, Frank has made a lasting impression on the city and its people that is well-known throughout the community.

Upon graduation from Jeannette High School in 1938, Frank entered the private sector for employment for a brief period which was followed by his stint in the U.S. Army Air Force in 1940.

Receiving his honorable discharge in 1946, Frank joined the Jeannette Police Force as a patrolman later in the same year. It was the beginning of over 32 years of dedicated service that saw Frank rise from the rank of patrolman to the Acting Chief of Police in 1972.

His accomplishments and projects were many and varied, from establishing the Jeannette Auxiliary Police Department, initiating the Jeannette police photographic section, becoming president of the Jeannette Police Benefit Association, to designing the sleeve emblem for uniforms of Jeannette's policemen.

The common element through all of these achievements was Frank's dedication and commitment to helping the residents of Jeannette live in a better and safer community.

Frank's wife, Anna, and his two children can be as proud of him as the city of Jeannette is thankful to him for the 32 years of dedicated service of Frank J. Cignetti.

I believe that we in this U.S. House of Representatives should recognize the accomplishments and unselfish devotion of this talented human being. Therefore it gives me a great deal of personal satisfaction to pay tribute to Mr. Cignetti for all that he has done for the betterment of his community.●

CROSS COUNTRY KINETIC SCULPTURE RACE

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

◉ Mr. CLAUSEN. Mr. Speaker, the attention of the Nation every Memorial Day is focused on the running of the Indianapolis 500. However, in these days of increased energy awareness and with a strong national movement toward energy conservation, it is fitting to become aware of other races which practice the conservation goals toward which we strive.

The westernmost incorporated city in the United States, Ferndale, Calif., is the scene of an annual kinetic sculpture race. Based on the in-depth and historical research effort of William A. Beers, official scribe of the Ferndale Kinetic Sculpture Race, I, in my position as official starter, delivered the principal address for the occasion.

So that my colleagues and people across the Nation may become aware of this event, I am placing into the RECORD the remarks I made at the fifth annual running of this exciting and fun-filled race.

The remarks follow:

Gentlemen, dignitaries, members of the working press, intrepid racers . . . ladies. It is an honor indeed for me to address such an august body of sportsmen and racing enthusiasts on this momentous occasion—the fifth annual running of the great Arcada to Ferndale cross country kinetic sculpture race!

We are all gathered here amid the pomp and circumstance of this great day to witness the second chapter of an incredible odyssey, a new chapter in man's eternal struggle against the elements played out as these brave contestants try their mettle against that cold and unforgiving enemy—the sea!

But this is not the first test for these great racers, this new challenge comes on the very heels of yesterday's harrowing competition that saw these courageous crews pitted against the trackless wastes that lie so omiously betwen Arcada and Eureka. Surely, these valiant competitors have given their all, braving the ferocious onslaught of wild beasts in the sand dunes, the spying eyes of legions of photographers, alas—even the prying eyes of a million tourists!

And now—after a long cold night of barbaric deprivation in Eureka, these fearless crews stand ready once again to make the supreme sacrifice as they brave a terrifying bay crossing.

It is a crossing fraught with blood curdling dangers! Now they face ferociously fanged sharks, man eating clams, indeed, all manner of monsters from the ocean's depths wait in hideous array below the sinister surface of this seemingly peaceful body of water.

And what faces the survivors of this perilous voyage? What new danger lies on the far shore, that far flung and mysterious strip of land, the south spit? It stretches like some threatening phantom's arm, northward, from the dark and frightening walls of Table Bluff to meet these brave men and women who would best the incredible forces of nature.

When these intrepid sportsmen land on the farshore they first do battle with a sea of mud before crossing to the ocean side of the spit where crashing waves and shifting sands threaten their very lives as they press southward past doomful crags to finish the day, exhausted, on yet another sandy waste opposite Crab Park.

Here, our brave competitors enjoy an all too brief overnight respite with food, drink, merriment, and the happy blaze of a communal campfire. But when morning comes, they again face the deadly serious business of the Great Arcata to Ferndale Cross Country Kinetic Sculpture Race!

This, the third morning of the Great Race brings our heroic crews and their ingenious machines yet another supreme test—the terrifying journey across the treacherous waters of crab slough!

Then, those who have not foundered at Neptune's hands make their way in comparative safety along colorful country lanes to Cock Robin Island where they face yet another trial—the storm swollen torrents of the raging Eel River!

Once our fearless competitors have negotiated this last and most frightening hazard they proceed through peaceful dairy country to the victorian village, Ferndale. There, dogged by the everpresent spectre of sheer physical exhaustion these marvellous men and women marshal their remaining strength for a grand dash down main street to the finish at Fireman's Park. Then, in a gala award ceremony the intrepid racers receive a kaleidoscope of prizes and pay tribute to those who have perished along the way.

So now, as thousand watch, these brave crews stand ready to fling themselves headlong across the inky depths of Humboldt Bay at the boom of the starting cannon! They stand ready to risk life and limb for the spirit of this—The Great Arcata to Ferndale Cross Country Kinetic Sculpture Race! These valiant racers indeed deserve the very best—let us cheer them on I say! Let us give them three rousing cheers!

Hip, hip, hooray!
Hip, hip, hooray!
Hip, hip, hooray!

Thank you ladies and gentlemen. Thank you.●

ALFRED S. GAINSLEY

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

◉ Mr. WAXMAN. Mr. Speaker, Alfred S. Gainsley will receive its Man of the Year Award from the Ida Mayer Cummings Auxiliary of the Jewish Home for the Aged of Los Angeles at a golden anniversary ball on Sunday, February 25, 1979. Departing from tradition to honor a president of the home while he is still in office, the auxiliary follows its theme "Golden Years/Golden Deeds" to commemorate Mr. Gainsley's long-time affiliation with the home. His father and mother set an example of devotion during their lifetimes. His father, Nat Gainsley, was a founder, 40 years ago, of the Guardians, the men's group of the home, which was started in 1938. His mother, Rahle Gainsley Hornwood, was president in 1939 of the junior auxiliary, now the Cummings auxiliary, and then served as the auxiliary's chaplain until her passing. Alfred's wife Jean is a member of the auxiliary's advisory board, and their daughters Carol Glover and Barbara Scheineman, are life members. Thus, from the time of his birth in 1912 in the shadow of the original home in the Boyle Heights section of Los Angeles, Alfred Gainsley inherited this tradition of care for the aged, and has not only contributed his time and concern for his own generation, but has preserved his parents' heritage and passed it on to his children.

My fellow Members will, I know, wish to join me in this well-deserved tribute to Alfred Gainsley, whose commitment to his community has been lifelong.●

USE OF THE CONGRESSIONAL FRANK

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. UDALL. Mr. Speaker, I would like to bring to the attention of my colleagues the fact that the House Commission on Congressional Mailing Standards has revised and updated its publication entitled "Use of the Congressional Frank by Members of the House of Representatives and Rules of Practice in Proceedings Before the House Commission on Congressional Mailing Standards." Two copies of the publication will be distributed to every office within the next 3 days. Additional copies will be available upon request through the Commission for your district offices.

The purpose of the publication is to set forth the laws, Rules of the House, and regulations established thereunder, governing the proper use of the congressional frank.

Additionally the Commission will conduct a seminar for staff members on use of the congressional frank on Wednesday, February 21, 1979, at 9:30 a.m. until noon in the Caucus Room, 345 Cannon.

My friend and colleague Ed Derwinski, ranking minority member of the Commission, as well as all other members of the Commission, join me in urging that each Member and committee be represented by staff at the seminar.

Often the actual determination of whether or not to send a particular piece of mail under the frank probably will be made by staff who prepare mail for delivery. An improper use of the frank by a staff member, whether an inadvertent mistake or a willful abuse on a single letter or a mass mailing, will be imputed to the Member, under most circumstances. To help avoid these violations of the franking law, with all of their resultant possible penalties, a Member should reasonably assure that his staff knows what kinds of mail are frankable by providing for their familiarization with these regulations.●

HARDBALL I

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. STARK. Mr. Speaker, yesterday I received a message from the administration. I was told that the administration was going to hold firm on its budget proposals. I want to thank them for giving me "the word." Now, just for a moment I want to make clear where I am coming from in this Congress and on this budget.

The President wants to balance the budget. The chairman of the full committee is looking for balance in 1981. Most of the colleagues I receive these days seem to deal with balancing the budget. A much quoted Gallup poll says that a majority of the American people want a constitutional amendment requiring a balanced budget. Let me say that I too want to balance the budget.

However, before somebody calls Sacramento, I should explain that I mean more than balancing dollars received and dollars expended. I mean that every American born in this third decade—our "receipts"—should have a job, an education, complete medical and dental protection, a chance to realize his and her potential as an individual, and a guarantee that they will not be abandoned in their later years. I mean that in a country as rich as ours in both natural and human resources our expenditures should indeed, equal our receipts.

Let me talk about dollars and sense. The administration has come up here ready to cut spending. I am ready to play ball. I do not believe that we should waste a single tax dollar. If there are programs that do not benefit anyone—"I will cut them." If there is waste and inefficiency in existing programs—"I will support, strongly, all efforts to shake things out right." However, if the administration comes up here and wants to cut programs that do, in fact, benefit the poor and the disadvantaged—then I want my innings. And I will fight you on that as hard as I can. Still I do not really believe that a Democratic administration and a Democratic Congress should really have much to fight about here.

This country can afford to maintain and where necessary increase its level of public assistance. It cannot afford not to. The cost, the real cost and even the dollar cost of not doing so would give us a deficit that might indeed destroy us.

The budget is an ordering of priorities. The administration is telling us that we cannot afford not to increase defense spending by three percent. Is it telling us with the budget that it has sent this subcommittee that we can afford not to increase our human resource programs? If we loose the battle in the streets, no new mobile missile system, no new warplane, no new tank is going to be any protection at all.

I do not believe that it is simply a question of guns or butter. I believe that there are lower priority programs, like a chunk of the approximately $150 billion in tax expenditures now set for fiscal year 1980. The administration has come forth with no proposals to cut there. Does that mean that they are all priority programs—all programs that we cannot afford not to continue?

Mr. Speaker, I am deeply disturbed by the sense of ennui that seems to pervade the halls of the 96th Congress before we have even fairly sat down to business. There is a feeling that we are not going to get much done in the next 2 years—that this is not the time for new ideas, new programs to deal with the problems that few will deny exist any more than they deny the Gallup poll results on the question of a balanced budget. There is a feeling that we should just try and hold the line.

Mr. Speaker, I believe that if we just try and hold the line we are going to lose the whole ball game.●

AMERICAN SOKOL ANNIVERSARY

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. ANNUNZIO. Mr. Speaker, the first American Sokol unit was founded on February 15, 1865, by a group of Czech immigrants in St. Louis, Mo. In my own city of Chicago on October 30, 1892, the first Slovak Sokol Society was formed, and its heritage is similar to that of the American Sokol organization. Sokol USA shares the goal of physical and moral strength, as do the Catholic Sokols.

Sokol, which is a Czechoslovak word meaning falcon, symbolizes well the ideals of the Sokol organizations, because the falcon is a bird that has a love of freedom as well as strength, courage, and agility. The Sokol organization was founded in Czechoslovakia in 1862 by Dr. Miroslav Tyrs (1832–84), a professor of history and esthetics at Charles University in Prague, and by Jindrich Fuegner (1822–65), who was a businessman and a lover of the arts and music. These two men perfected a system of physical fitness through a series of calisthenics and other activities, based on the idea that each individual is important and could and should progress to the ultimate peak of physical fitness. Their motto was "A sound mind in a healthy body."

The Sokol movement, which includes men, women, and children of all ages, increases physical fitness while teaching the virtues of individual responsibility, emphasizing high moral principles, and developing the ability to work successfully with others. The physical education program stresses individual initiative, creativity, as well as self-discipline, which is a basic requirement for personal achievement enabling the gymnast to become a cohesive and cooperative member of American society. In uniting Czechoslovak culture, the American heritage, and Sokol ideals, the organization contributes greatly to the welfare, safety, and freedom of the United States.

Mr. Speaker, I am proud to join with

Sokol members in the 11th Congressional District of Illinois I am honored to represent, in the city of Chicago, and all over our country as they celebrate this anniversary.●

A PROPHECY THAT (UNFORTUNATELY) CAME TRUE

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. BAUMAN. Mr. Speaker, the House Assassinations Committee has, I am sad to report, fulfilled my every expectation. After spending $5 million of the taxpayers' money, and perpetuating the sensationalism that has dogged the two tragic murders it investigated, it has failed to answer a single question about either assassination. It has, in fact, only raised more theories, doubts, and qualified each of its findings. The committee's sad record was succinctly appraised by columnist James J. Kilpatrick, and at this time I insert his column on the subject in the Congressional Record:

House Assassination Report Was a Dud

(By James J. Kilpatrick)

It might have seemed impossible for any body of men to convert one of the most dramatic events of the 20th Century into an exercise in boredom, but the House Select Committee on Assassinations brought it off. The committee's preliminary report is a dud.

The committee was created in September 1976 with a mission to make a definitive investigation and report on the assassinations of John F. Kennedy in 1963 and Martin Luther King in 1968. Some of us asked at the time: Why? What was to be gained by hashing and rehashing the findings of the original Warren Commission? Some of us prophesied, on the record, that no report ever would satisfy the assassination buffs who get their ghoulish jollies from the spattered brains of a slain President.

So it has turned out. A very considerable body of money has been spent; thousands of pages of notes and testimony have been filed; by the end of March, we are to have a multi-volume final report that no one but the buffs will ever read. The taxpayers who financed this investment in futility have wound up with a very poor return.

None of the questions that were left dangling 15 years ago has been settled. It was clear then, and it is just as clear now, that Lee Harvey Oswald killed the President. It was not clear then, and it is no clearer now, whether Oswald acted in conspiracy with others. The committee says it was "probably" a conspiracy. But the committee has not the foggiest idea who the conspirators, if any, might have been.

Two years of labor have produced but one positive conclusion on this point: "The Secret Service, Federal Bureau of Investigation and Central Intelligence Agency were not involved in the assassination of President Kennedy." And bully for them!

Everything else is qualified. The committee believes, "on the basis of the evidence available to it," that the Soviet government was not involved. Neither was the Cuban government involved. Neither were anti-Castro groups as such, though individual members may have been involved. Similarly, no evidence points to organized crime, as such, but it might possibly have been some maverick mobster, acting on his own, who fired a shot from the famous grassy knoll.

The tentative conclusion that a conspiracy "probably" was afoot derives from expert acoustical evidence. If this evidence ever were offered as testimony in a court of law and subjected to cross-examination by a skilled defense attorney, the evidence would be reduced to unconvincing conjecture.

The evidence in question is a taped recording drawn from an open microphone on the motorcycle of a Dallas police officer, but the officer, testifying the other morning on NBC's "Today" show, said it couldn't have been his microphone. Speaking merely as one of 50 million jurors in the court of public opinion, I found the cop more believable than the experts.

The committee's summary as to the assassination of Dr. King is almost as unsatisfactory. This, too, was "probably" a conspiracy, but the "probably" results largely from a stale charge made by a fellow from Missouri a long time ago. Ten years after the fact, perhaps a federal case might be made against two other fellows from Missouri who reportedly boasted they would pay $50,000 to anyone who would kill Dr. King. The prospect seems remote.

Otherwise, such are the benefits of hindsight, we are informed that the Secret Service and the FBI performed "with varying degrees of competency" in the Kennedy assassination. Secret Service agents "were inadequately prepared to protect the President from a sniper." In its final report, perhaps the committee will advise us how a President may be protected from a sniper when the President insists upon traveling in an open limousine through the streets of a major city.

The final report, due in March, will include a string of recommendations for laws, guidelines, regulations, procedures and, alas, "implementing mechanisms that would permit inter-agency tasking of particular functions." By this the committee apparently means that law enforcement agencies should get together on their intelligence-gathering efforts. It is sound advice, but we might have had it for less than five million bucks.●

JACK BORMAN

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. WAXMAN. Mr. Speaker, on Sunday, February 25, 1979, the Ida Mayer Cummings Auxiliary of the Jewish Home for the Aged of Los Angeles will hold a golden anniversary ball. In accordance with its theme "Golden Years/Golden Deeds," the auxiliary has created a special "Golden Years" Award for presentation to Mr. Jack Borman. The longtime support of the home by this insurance executive has been a special interest of his, but not his only community commitment. He is currently commissioner of the fire and police pension system in Los Angeles, and is involved with many civic, cultural, religious, and Jewish causes. Among them are Founders of the Music Center, Sinai Temple, B'nai B'rith, the county museum, UCLA Alumni Association, and the Jewish War Veterans. He is also a founder of Haifa University in Israel and a member of the Prime Ministers' Club, State of Israel Bonds.

It is because of the generosity of Jack Borman and those who, like him, care about the elderly in our community that the Cummings Auxiliary can approach its golden anniversary with the surety of being able to maintain this fine Jewish home for the aged. I ask the Members to join with me in honoring this man who has a keen awareness of the needs of others and who has contributed so generously toward them.●

WORK INCENTIVES FOR WELFARE RECIPIENTS

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. LEVITAS. Mr. Speaker, I have long supported the idea of work incentives for our welfare system. The fact that welfare recipients cannot easily get themselves off the public dole is contrary to the Americans ethic of paying one's own way when one is able to do so.

Recently, some newspapers have printed articles about people who tried to "save" their way off the welfare rolls and the subsequent court actions which they faced. I would like to share another recent article from UPI which tells the story of a woman who elected to work as a trash hauler rather than accept public assistance. Perhaps it can serve as an example for others and as motivation for Congress to improve work incentives provisions in existing welfare regulations.

The article follows:

She'd Rather Haul Garbage Cans Than Live on Welfare

Miami.—Alma Sumpter would rather lug garbage cans than live on welfare.

When Mrs. Sumpter, 40, had trouble finding work seven weeks ago, she persuaded the State Employment Service to contact the city of Miami on her behalf about collecting garbage.

"We told her about the rats and the roaches and the worms," said Bill Smith, a garbage department superintendent. "But she wanted to get off welfare. She wanted to earn her own living. She talked like she could do the work."

It wouldn't be half as hard as picking tomatoes or nursing mental patients, as she had done in the past, Mrs. Sumpter said. "Just put me on the truck and tell the men to keep up."

The worst part of the job is rising at 4:30 a.m. to be at work before 6 a.m., she says. Snarling dogs used to be a problem. Now she warns, "Get away or I'll put my boot in your mouth," and the animals retreat.

Mrs. Sumpter's supervisor says the 115-pound woman can handle most loads alone. "I get a lot of help from the guys on the crew," she said. She may be the only woman collecting garbage in Florida, according to Clarence Patterson, who heads Miami's sanitation department. Patterson said he would hire more women "if they're as good as this one."

And her son is supportive.

"At first my son was proud of me," Mrs. Sumpter said. "He hasn't said anything lately, except that he thinks I should make more money."

The best part of the job, she says, is the $5.49 an hour that she earns.

"I wouldn't be married to anything except those cans," she said. "And it beats being on welfare. I hope a lot of other women get the hint . . . and get off welfare."●

LACK OF U.S. INNOVATION CONTINUES TO BOOST COSTS TO CONSUMERS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. SYMMS. Mr. Speaker, I think it is fair to say that one of the primary causes of the rising cost of consumer goods is excessive Government regulation. Manufacturers from the west coast to the East roundly decry the heavy Federal burden of regulation and attendant paperwork, and have placed the burden of guilt of rising costs where it belongs, at the feet of the Federal Government.

Excessive regulation of the health care industry cannot only be costly, but downright dangerous to the health and welfare of American citizens. One of the worst Federal offenders, in my opinion, is the Food and Drug Administration. The drug lag and the lack of innovative new drug research in the United States reflect this bureaucratic regulatory disease, Mr. Speaker.

The New York Times published an opinion piece entitled "Whatever Happened to U.S. Innovation?" on February 4, 1979. Written by Leo-Arthur Kelmenson, chief executive officer of Kenyon & Eckhardt, Inc., this article accurately describes the unhealthy state of U.S. innovation. I find it to be an insightful point of view and recommend it to my colleagues.

The article follows:

WHATEVER HAPPENED TO U.S. INNOVATION?

(By Leo-Arthur Kelmenson)

The Carter Administration has launched a major study to find out why innovation by private industry is in the doldrums. Set at the Cabinet level, this Government project will feature a committee drawn from 15 Federal departments, agencies and offices, and headed by Secretary of Commerce Juanita M. Kreps. Input will also be sought from private industry, advisory panels in labor, "public interest groups" and academe.

Secretary Kreps has already formulated a "work plan" and Mr. Carter has set this June as the deadline for learning the results of his "search for clues on what changes should be recommended to the President in order to reverse the declining trend in new-product innovation."

Any number of corporate executives could quickly supply those "clues." Asking for them from a committee heavily loaded with people who represent Government regulatory bodies is like asking a mosquito to discover the cause of malaria.

The President's concern is, of course, justified. Innovations do more than keep us ahead of foreign competition in terms of prestige and our marketing position. Our inability to compete on an international scale in high-technology advances and product superiority contributes substantially to the country's unfavorable balance of payments, to the dollar's devaluation and to inflation and unemployment here at home.

There was a time in the 1940's and 1950's when it would have been laughable to suggest that this country would soon suffer a technology gap with Germany and Japan, our two vanquished enemies. No more. While Japan and West Germany enjoy huge, multimillion dollar surpluses in their trade balances, the United States deficit soars.

The pioneering characteristic that once made America the most highly advanced industrial nation in the world has shown alarming signs of evaporating. When appropriate rewards for innovation all but disappear, when regulatory burdens and the Federal paperwork accompanying them threaten to drown the corporation, when "total disclosure" edicts turn a successful research and development company into a patsy for competitors, it is small wonder that some businesses find the simplest solution to be the cop-out.

Perhaps the biggest deterrent to researching, developing and marketing new products—even beyond the high cost, high risk, and long-term payout involved in such innovative activities—is the accelerating effect of regulatory requirements. There are more than 80 Federal agencies that regulate private activity, and the bible of these agencies, the Code of Federal Regulation, now runs to some 70,000 pages. In the steel industry, companies must comply with more than 5,000 regulations issued by 27 different Federal agencies.

Not only is the price tag on such Government involvement in the market-place staggering (more than $100 billion this fiscal year), but the new bureaucracy made up of the regulatory agencies—which has become a powerful fourth branch of Government not provided for in the Constitution—generates a nightmare of Federal paperwork.

In some industries, heads of research and development report they spend more man hours filling out Government requests and reports than in doing the research itself, and that these requirements are smothering the very initiative and innovation whose decline the President laments.

While reasonable Government "watchdogs" have their place, too many of these agencies are taking on functions they were never meant to have. Bureaucracy lays its heavy hands on almost every aspect of research and development, as well as on the marketing process. In some industries even the nature of the proposed research must be Government-approved. From there the agencies go on to regulate, specify and assess manufacturing techniques and procedures, factory construction, environmental impact, employment practices, promotional tools, package size and material content, advertising copy, media use, the language of warranties and pricing—all that before the Government even gets around to tax policies.

But it is the hard-line attitude toward business that the regulatory agencies employ that has such a devastating effect on innovation. As any creative person knows, true innovation calls for unfettered freedom; its success depends upon the ability to move away from the norm, into uncharted waters; upon the ability to deviate from routine procedures and thinking, with a minimum of restraints. Since it is in the very nature of regulatory bodies to be non-creative themselves (one could even go so far as to say they are parasitic, thriving only as long as there is an industrial body on which to feed), the distance between the regulator and the regulated is enormous, and the two appear to each other as hostile forces on opposite sides of an unbridgeable chasm.

Not only the regulatory agencies, but the Government itself seems to take joy in putting down big companies. While Washington cries "divestiture" in the name of freer competition, Japan offers inducements to business to grow large, recognizing what we do not: The splintered corporation is in danger of being unable to compete on an international scale.

Not without reason, one of the few products this country seems to be exporting with great success is research itself. Growth of research and development abroad, by American companies, continues to outpace growth of domestic research and development. In addition to Japan, other countries, including Canada, offer extraordinary incentives, including outright subsidies, cash grants and long-term, low-interest loans to companies willing to do their innovating away from home. In England, the Queen has introduced corporate awards for innovation.

Given the hostile climate here and our overly restrictive regulatory philosophies, can United States companies find happiness by establishing research facilities abroad? Obviously so.

In the last few years, there has also been a dearth of risk capital. When the maximum tax on capital gains was raised from 25 percent to 49 percent, that ended the era of ready venture-money. The potential gain became too small for investors to chance their money on such an uncertain thing as new-gains tax has been cut back, there is bound product development. Although the capital to be a long gap before venture-capital flows freely once again. Meanwhile, many small companies with high-technology capabilities have dried up. With their demise went the jobs and corporate taxes they delivered—and, as Mr. Carter's committee will find out, their innovativeness as well.●

THOMAS ALVA EDISON

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. FARY. Mr. Speaker, distinguished colleagues, this year marks the 100th anniversary of the invention of the incandescent light. February 11 is the birthdate of Thomas Alva Edison, its inventor.

Born in Ohio in 1847, Thomas Edison spent only 3 months in school before his education was undertaken by his mother. As a youth, he sold fruit, candy and papers on the "Grand Trunk Railroad." Eventually, with the aid of a small handpress, he printed the Grand Trunk Herald and distributed it among the railroad's 400 employees. At age 15, he became a tramp telegrapher, and at 17, he developed an automatic telegraph repeater, his first invention.

Though he is most famous for inventing the incandescent lamp and a dynamo to light it, Edison also held hundreds of other patents. Many of his inventions are still being used today, only slightly improved from his original patents. Other of his inventions provided the groundwork on which several modern American industries are built. Western Union bought his telegraph transmitter. Remington bought his typing machine. A. B. Dick bought his "electric pen" for making stencils. The Victor Co. used his phonograph patents. Firestone used his latex patents. The list can be continued.

By organizing the research efforts of his 80 scientists and technicians, Edison fostered a technological revolution. His inventions changed the course of history. The legacy of ingenuity and perseverance he left has been imprinted on the minds of the thousands of young scientists who have labored in research labs throughout America.

Mr. Speaker, distinguished colleagues, this year, in these times of trouble to our economy and to the industry which keeps it moving, we need to rededicate ourselves to the American spirit Thomas Alva Edison embodies. It is time to rekindle the spirit of the American pioneers in those whose job it will be to lead the country along the road to technological achievement.●

ARSON AND THE UNIFORM CRIME REPORTS

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. SAWYER. Mr. Speaker, being deeply concerned about the need for public awareness of the tragic effects and widespread crime of arson, I am introducing legislation that will permanently make arson a part I offense for purposes of the uniform crime reporting system, as compiled by the Federal Bureau of Investigation. As you may remember, Congressman JOHN SEIBERLING and I introduced an amendment to the 1979 Justice Department authorization bill which required the FBI to begin collecting arson data as a part I offense in the 1979 fiscal year beginning October 1, 1978, for a period of 1 year. The FBI has, in accordance with this mandate, prepared a procedure to collect arson statistics nationwide for the first time. An information packet will be sent to the 45 State agencies that collect crime statistics and report them for contribution to the Uniform Crime Reports. The goal of this program is, obviously, the collection of accurate arson statistics. Such data has never been collected and it is high time this situation was corrected, as arson is believed to be the Nation's costliest property crime and one which accounts for 10,000 injuries and 1,000 deaths annually. Until last year, arson was classified as a part II offense for purposes of the Uniform Crime Reports sharing that category with public drunkenness, disorderly conduct, and forgery.

The public has not had the advantage of complete reporting and news and media coverage of this crime, public apathy and indifference has resulted. It is hoped that the collection of accurate arson data and the full reporting of them through the Uniform Crime Reports will bring about more involvement in arson detection and prevention and that the public will become more aware of the costly nature of arson. I believe that this legislation will go far in correcting this long neglected offense and I urge your support of this measure to achieve that result.●

CONGRESSMAN PAUL SIMON COMMENDED FOR LEADERSHIP

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. BEDELL. Mr. Speaker, it has been my profound pleasure to serve with the gentleman from Illinois (Mr. SIMON) since we first came to Congress in 1975. I have had the opportunity to develop a sincere respect for his leadership abilities which time after time have resulted in legislative victories for the public good.

PAUL'S contribution has not gone unnoticed. Recently, two respected national columnists, Robert Walters and Martha Angle of the Newspaper Enterprise Association, wrote a piece concerning the responsibilities each Member has to concern himself above all with the interests of the Nation as a whole as opposed to the more parochial concerns of our individual districts and States.

It is fitting that they focused on PAUL SIMON. No better example could be found of a Member dedicated to the common good of our country at a time when we as a people seem as fragmented as ever by geographic, partisan and economic divisions. I believe that the people of Illinois' 24th District also deserve a measure of appreciation for sending us a Representative with his clear vision and outstanding capabilities.

The column has an important message for all of us, and I commend it to every Member of the House:

[From the Alton Evening Telegraph, Feb. 2, 1979]

PAUL SIMON PICKED AS ONE OF BEST IN DISTRICT SERVICE

(By Robert Walters and Martha Angle)

WASHINGTON (NEA).—Members of Congress, like retail sales personnel, are expected to pretend the constituent-customer is always right. But it ain't necessarily so.

All too often, John Q. Public is likely to be passionate in his opinions but parochial in his outlook. His interests and his perspective are shaped by his own experience.

He may acknowledge the possibility people elsewhere in the country—not to mention the world—have problems different from his own, but he doesn't much care.

His one question for his congressman is "What have you done for me?" Most spend the bulk of their time trying to answer the question to the satisfaction of enough constituents to insure a return ticket to Washington at the next election.

They use most if not all their official allowance to hire "caseworkers" to track down constituent Social Security checks, or staff aides to birddog sewer grants, water projects and other "pork" for the folks back home.

Every time a controversial issue looms, they whip off a questionnaire soliciting constituent opinions on how they should vote. They scour the mail, race home every weekend and "vote the district."

They become, in other words, "Mr. Fixits" for the people in the districts, not national legislators balancing the interests of all Americans, as the Founding Fathers originally intended.

"I'm afraid we're getting too many people in Congress whose sole aim is to get reelected," conceded Rep. Paul Simon, D-Carbondale, one of the most effective and conscientious members of the House.

Simon, now serving his third term from the 24th District in Southern Illinois, has felt the pressures so many of his colleagues succumb to. But he has quietly resisted them.

Last fall, for instance, one newspaper in his district endorsed Simon for re-election but grumped about his "straying towards world politics," suggesting his average constituent "believes there are more than enough problems in Southern Illinois to keep a legislator busy."

Instead of apologizing for his service as a U.S. delegate to the United Nations, or for his work on problems of world hunger, Simon carefully and patiently wrote a column for all the newspapers in his district explaining why the rest of the world matters to Southern Illinois.

He reminded his constituents, many of whom live in rural areas, one out of two acres under cultivation in Illinois produces food for export to other countries; in the southern third of the state, some 15,600 jobs are directly related to manufacturing export goods; inflation is affected by the unfavorable U.S. balance of trade with other countries; world hunger contributes to international tensions.

It wasn't the first such column that Simon, a former newspaper publisher, has written for his constituents. And it won't be the last. He is one congressman who takes his leadership responsibilities seriously, including the responsibility to educate his constituents.

Nor is Simon alone. There are other members of the House and Senate equally disturbed by the tide of parochialism, single-interest politics and "me-first" rhetoric now washing over Capitol Hill.

They are by no means indifferent to the needs and wishes of their own constituents. On the contrary, most are assiduous in performing casework and pursuing federal largesse for their districts. But they do not stop there.

The best members of Congress acknowledge their responsibility to look beyond the borders of their own districts, their own states, to the problems and needs of the nation as a whole.●

SADIE AND LEW ZUCKERMAN

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. WAXMAN. Mr. Speaker, married on February 28, 1909, Sadie and Lew Zuckerman will be celebrating their 70th wedding anniversary coincidentally with the Golden Anniversary Ball which will be held on February 25, 1979 by the Ida

Mayer Cummings Auxiliary of the Jewish Home for the Aged in Los Angeles. Sadie is honorary life president of the auxiliary, and Lew is honorary life president of the home. The Zuckermans, a young and spry 93 each, were married at Congregation Beth Israel at Olive and Temple Streets in Los Angeles. Sadie's father, Louis Goldberg, was the president of this prominent Orthodox synagogue. Their wedding was an important social event of the Jewish community, and they entertained over 700 guests.

Soon after their marriage, Sadie and Lew helped found the home in 1912, and in the decades since then they both have served it unstintingly and with complete devotion.

It gives me special pleasure to ask the Members to join with me in extending warm congratulations and good wishes to Mr. and Mrs. Zuckerman, who have used their years so very well.●

AMTRAK

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. RAHALL. Mr. Speaker, I would like my fellow colleagues to have the opportunity to see a side of Amtrak which is very seldom heard nor put into print. I commend Mr. Whitaker for bringing forth facts which shed a different light on the Amtrack dilemma.

AMTRAK, THE CABOOSE

(By Rogers E. M. Whitaker)

Amtrak, which has—surprisingly—attained the age of eight, is an institution unique among the multitudinous enterprises established by our Federal Government: It was deliberately designed by its proponents to be non self-perpetuating but self-destructing.

The day the Amtrak bill became law, one of my eldest friends in the railway fraternity—a lawyer cerebrated for his skills at persuading the Interstate Commerce Commission to permit the discontinuance of one passenger train after another—burst into my office to announce, tritely (and, I fear, truthfully), that "President Nixon has signed the death warrant of the long-distance American passenger train." His point was well taken: Only a tiny fraction of that service had survived into 1971, and 70 percent of that remnant was now to be expunged.

Amtrak was to contract and pay for this service, all of which was unprofitable (in large part because of Government subsidies to competing modes of transport), and make it, by magic, profitable. Yet the traveler by train from New York to Detroit must now travel 600 additional miles, at twice the cost and twice the time; for a long time, cities as important as Cleveland, Toledo, Salt Lake City and Dallas (population over a million) were to have no service at all.

The railways had hastily sold several hundred of their best passenger cars to railways in Mexico and Canada; some railways would not permit Amtrak to run trains on the most useful routes; wage negotiations with unions were conducted without Amtrak participation, and the cost was levied upon Amtrak.

The perfect model for Amtrak would have been the original United States Post Office. It had the power to order railways to carry mail on whatever trains it wanted, to set the price it would pay, and to levy fines for dilatory performance. Amtrak was given no such regulatory powers. In return for relieving the railways of the cost of running passenger service, it was rewarded with slower trains, delays because of poor track and freight-train wrecks, arbitrary changes (on no notice at all) of route. The costs of all this were assessed against Amtrak. None of the Amtrak services were of Amtrak's choosing; for some years the law specified that the Department of Transportation would design the network of routes, and some of its choices served vastly underpopulated territory.

Among the early members of Amtrak's board of directors were Louis Menk, the head of the Burlington Northern Railroad, who in print and on the television program "60 Minutes" denounced Amtrak as a concept as archaic as the stagecoach; Thomas Gilhooley, the head of Transportation of New Jersey, a large bus company in direct competition with Amtrak; and William Moore, the head of Penn Central, whose downgrading of passenger service had been assailed by several public-service commissions.

The law stated that there were to be public-interest members of the board, but they were not appointed for more than two years after Amtrak was set up. The board voted, against the opposition of these members, to permit the railways serving Chicago to stop holding connecting trains for passengers going through, and thousands of customers had to be sent by bus and by plane on the rest of their journeys, or housed and fed overnight, all at Amtrak's expense.

James MacDonald, the leading public-interest member, said he would disclose this secret deal, and Congress mandated a new head for Amtrak. Paul Reistrup, a well-known and experienced passenger man was chosen, but the board refused to seat him until Congress ordered that he be seated. This man had to face up to an increasingly poor performance by the railways under contract, a vast overstaffing of a headquarters that was well-laced with officers transferred from the discredited Penn Central; the aforesaid hostile board; and a group of employees openly defiant of him and yet—because of long-term contracts and/or political influence—impossible to dislodge. The new man resigned last spring.

His successor, Alan Boyd, much more knowledgeable about Capitol Hill politics, has had some of the rebels removed, and is getting to work on reducing the over-populated staff.

All of this constitutes what Brock Adams, the Secretary of the Department of Transportation, terms giving Amtrak a "fair chance" to succeed, and he has now proposed an enormous reduction in the service it provides. Unless Congress objects to his proposal before the end of April, it becomes irrevocable.

Mr. Boyd counters with the proposal that Congress, mindful of the wishes of its constituents, tells Amtrak precisely what service should be provided.

The Secretary replies that he does not want Congress to meddle. That leaves the issue squarely up to us constituents who believe that Congress still possesses the constitutional right to legislate.●

BROTHER, CAN YOU SPARE A TREE?

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. BONKER. Mr. Speaker, while Japan is keeping busy its 26,000 mills cutting up our logs, our own mills are closing down everywhere in the Northwest. The latest victim is the Pope and Talbot Plywood Mill in Kalama. The 340 lost jobs represent a severe social and economic impact in that area.

While we continue to ship large volumes of our prime old growth timber to the Orient (3 billion board feet in 1978), the U.S. manufacturers are importing dimension lumber from Canada. Increasingly we are buying more finished products from our northern neighbor which now supplies 25 percent of our lumber and paper market.

Traditionally the Northwest has been heavily dependent on timber and commodity production as its economic base, but that is seriously threatened because of a projected timber-supply shortage in the early 1980's. In a number of recent studies, the U.S. Forest Service has consistently warned of the dwindling supplies in the Pacific Northwest industrial lands and the concomitant loss of employment in timber-related businesses.

This decline could be corrected by a combination of intensified forest management, particularly on public lands, and revised harvest levels set by the Federal Government.

There is also a considerable effort underway to open up more public land for harvesting as Congress debates RARE II legislation this year.

While I support such initiatives we can ill-afford to ignore the most formidable threat to the timber supply problem—the export of unprocessed logs. It is not a good resource policy to send our valuable logs to Japan at a time when our timber supply is dwindling; it is also poor economic policy to deny ourselves the mill capacity and tens of thousands of related jobs when most countries are taking steps to maximize the full economic benefit of their resources.

A respected columnist for the Seattle Post-Intelligencer, Mr. Shelby Scates, ably describes what is confronting the wood products industry in the Northwest. It is a regional problem but with national implications. Because Congress may be faced with acting on the log export issue this session, I am inserting in the CONGRESSIONAL RECORD the article which appeared in the Seattle Post-Intelligencer:

[From the Seattle Post-Intelligencer, Feb. 11, 1979]

BROTHER, CAN YOU SPARE A TREE?

(By Shelby Scates)

KALAMA, WASH.—A plywood mill closed here last week, another victim of log exports, leaving 340 persons without jobs in this small Columbia River community. Poignant, but only a hint of the trouble in the nation's timber supply.

The shame of the Northwest economy, this shipping of unprocessed logs from our forests to the insatiable Far East markets, is a factor in what is about to become a knotty problem in the national economy.

It's spelled out in startling detail inside a study of the nation's timber situation ordered last April by President Carter, prepared by the Department of Agriculture, but as yet unpublicized.

"These figures confirm what we have strongly suspected for five years—the country is running out of timber," said U.S. Rep. Don Bonker, D-Wash. He was shown a portion of the report.

"The U.S. Forest Service knows this. So does the industry. But we keep on exporting logs. Like junkies, we can't kick the export habit."

From sources with access to the study, these are the most telling forecasts:

U.S. consumption of softwood timber will increase from 210 billion board feet (bbf) in 1978 to 240 bbf in 1985. This includes our exports.

To meet this demand, timber sales from private and state lands must increase from 155 bbf to 165 bbf. Sales from federal lands must go up from 45 bbf to 55 bbf.

Net imports, mostly from Canada, must double from 10 bbf to 20 bbf if the 1985 demand is to be met.

Sources who've seen the study say these figures translate into fast rising lumber prices and the equivalent jump in pressure for an increased harvest off federal land.

Lumber prices, a major cost in construction from Port Angeles to Key West, have doubled in the last four years. Everett Towle, director of policy analysis for the Forest Service, admits that they will probably double again by 1985.

"This will be equaled by pressure for cutting timber on federal lands," said Towle, who favors a public release of the timber study by the administration.

Other sources question Canada's ability to double its exports by 1985. The study itself says it will be "very difficult" to achieve the increase in timber harvest from state and private lands needed to meet the demand.

"We've got another OPEC situation," said one source familiar with the study. "Instead of oil, it's timber. The result is the same. We're going to wind up depending on a foreign country for critical supply. And this will dictate the price."

The administration's Towle disagrees. He says other factors mitigate the supply crisis, especially technological developments in wood substitute materials.

This is little consolation in Kalama where the Pope and Talbot mill provided basic employment. Log exports weren't the only factor in the closure. It was an old mill, not highly efficient.

But exports take the blame. The feeling here is that an absence of competition from exporters for purchase of raw logs off federal, state and private lands would have saved the mill.

"It just doesn't make sense," said Bonker, whose district includes Kalama, the forests of the Cascade and Olympic mountains and the log ports of Olympia and Grays Harbor.

He continued:

"In the face of this timber shortfall, we're exporting 3 billion board feet of raw logs a year. You couldn't offset that timber loss if we opened up all of the wilderness areas in the State of Washington to loggers—and don't think some timber guys wouldn't like to do it.

"The economics are crazy. Take 1,000 board feet of timber. To ship that amount overseas requires four man hours of labor. But to process it into a two-by-four gives 12.5 man hours of labor. Turn it into plywood and you've created 18 man hours of labor."

Attempts to curb log exports, a la British Columbia, have met the irresistible opposition of the big timber companies who own private forests, particularly the Weyerhaeuser Co.

Weyerhaeuser's good friend in Olympia, Bert Cole, the state land commissioner, has consistently battled export bans.

Cole's reason is the same as big timber's to maximize the immediate return on investment. Hard to argue with a private company's profit mission. But as trustee of lands owned by the state, Cole's unabashed attitude favoring log exports seems narrow indeed.

The people of the state might be better served by getting less money for their logs, but saving their local mills and jobs.

Weyerhaeuser argues the question would be moot with an adequate reforestation program, such as their own model. Re-forestation would leave the nation with timber to spare.

Unfortunately, Weyerhaeuser's practices have never been implemented on federal or state lands. Never enough, money in public budgets.

Small mills dependent on public lands for their timber supply can't meet the anything goes export competition when they bid on the stump. So they fade away, like Pope and Talbot here.

The situation is so acute for small mills they have raised a war fund in Washington state, hired a top lobbyist, Thomas Owens, and are set to start a legislative fight to halt exports of logs from state lands.

Their strategy is step by step. In 1968 they tried and failed to get a total export restriction. This year in Olympia, they'll attempt to ban the export of red cedar, a species which is likely to disappear from the market within 20 years unless this effort succeeds.

Next step would be a ban on all exports from state lands. It will follow, next session, if the cedar ban succeeds.

Bonker has bills in Congress to ban cedar exports and to prevent a timber company from bidding on federal timber if it engages in any exporting of raw logs. None of this legislation is likely to restore those 340 jobs in Kalama. But it might save the next mill down the river. And it will help hold down the price of lumber in Peoria.●

THE PRESIDENTIAL MESSAGES: THE STATE OF THE UNION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for February 14, 1979, into the Congressional Record:

The Presidential Messages: The State of the Union

President Carter's 1979 State of the Union address will rank as one of the more important documents of his presidency.

As has been the practice of Presidents in recent years, Mr. Carter used the State of the Union message as more than a description and forecast of the nation's progress. He certainly gave us his analysis of where he thinks we are, what direction he thinks we ought to be going, and how he thinks we should get there, but he also set forth the underlying theme of his administration. His attempt to define his presidency in terms of a theme came in response to those who have criticized him for not having a clear vision of his role. This criticism is one that I have made, and my impression is that virtually all Mr. Carter's closest advisors agreed that a theme had been lacking. I do not know whether the President succeeded in giving the people a better idea of his vision for America, but I have the feeling that his address is as good a place as any to begin to understand his presidency.

The President talked about the nature of the problems we face today. They are "more subtle, more complex, and more interrelated" than the problems of earlier times. Solving them, he claimed, will require changes in attitudes on the part of the public. Mr. Carter said that the nation confronts not only military dangers abroad, but also domestic dangers such as cynicism, apathy, and selfishness. Warning against simplistic and extreme solutions to our difficulties, he appealed for a "New Foundation" on which to base a sound economy, a more effective government, and a stable peace. In speaking of this "New Foundation," the theme of his administration, Mr. Carter evoked the "New Freedoms" of Woodrow Wilson, the "New Deal" of Franklin Roosevelt, and the "New Frontier" of John Kennedy. By that phrase the President hopes to symbolize his efforts to realign the nation's economic priorities and foreign policy. He is trying to re-establish the feeling that the nation has the capacity to meet problems at home and abroad.

The scope of the speech was an indication that the President has deliberately thinned out his "wish list" of legislation and narrowed his goals of previous years. In the spare, sharply focussed message he placed greatest emphasis on two issues: inflation and national defense. Mr. Carter's concern for these issues is not really new, but the central place he has given them in his overall program is new. The plea for fiscal responsibility and less government interference in the private sector came through loud and clear.

The President urged everyone to recognize the limits of government action on the domestic front. He said, for example, that we cannot live beyond our means or create new programs that we can neither finance nor manage. The plea for approval of the strategic arms limitation treaty (SALT) was also very prominent. The President did not dwell on the negative consequences of rejecting SALT, but concentrated instead on the advantages that ratification would have for the United States and the Soviet Union, both of whom have an overriding interest in reducing the threat of nuclear war. To quiet the fears of those who are already uneasy about the terms of SALT, he said that any treaty would be verifiable and would not undercut America's nuclear deterrent.

In addition to expressing his views on these matters, the President went on record in favor of the first steps toward a national health insurance plan. He also called for a new Department of Education, a restructuring of economic development and natural resources programs, limited public financing of congressional campaigns, deregulation of bus, truck, and rail transportation, an initiative to contain hospital costs, approval of the multinational trade agreements, implementation of the Panama Canal treaties, and formation of a new framework for relations with Taiwan.

The speech had few surprises and little rhetorical flourish, and it was criticized by some for its many omissions. One Senator remarked that the President failed to mention many of the things, such as energy policy, which worry members of Congress. Mr. Carter's words were applauded frequently, but they were not received with enthusiasm. They neither inspired nor excited the Congress. The concern on Capitol Hill, at least as I read it, has not so much to do with the President's priorities. Rather, members of Congress want to know whether Mr. Carter will remain firm in his commitment to fight inflation, and whether he will continue to pursue other goals he has set.

Mr. Carter's address was interesting from a political point of view. In the speech he was preparing himself for the 1980 presidential race by seeking a position in the center of the political spectrum, with Governor Jerry Brown of California to his right and Senator Edward Kennedy of Massachusetts to his left in the Democratic Party. The President avoided provocative statements throughout as he steered a middle course between inflation and recession at home, and between confrontation and capitulation abroad. Sounding a theme he is sure to use in the presidential campaign, Mr. Carter noted that "no American has died in combat anywhere in the world" during his term in office. He added that America's ambition was not to become the world's policeman, but the world's peacemaker.●

NEW UNITED STATES-PEKING RELATIONS DIPLOMATIC COUP FOR CHINA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. McDONALD. Mr. Speaker, Gen. John K. Singlaub, USA, retired, in addition to being a very outspoken person on behalf of America and a much decorated combat veteran, is a very astute observer of world events. Last June, after he voluntarily retired, the Atlanta Journal ran a series of excellent articles by him about our withdrawal from Korea. These appeared in the CONGRESSIONAL RECORDS of June 8, (p. 16907), June 6, (p. 16436), June 5, (p. 16344 and 16331), and June 2 (p. 16107). On this topic, I believe he is proving to be correct, for the withdrawal has been slowed down and many persons are having second thoughts on the issue. The article I am placing in the CONGRESSIONAL RECORD today, which appeared in the Atlanta Sunday Journal and Constitution, is particularly good for its highlighting of the economic aspects of our recognition of Red China. General Singlaub points out the harsh realities of the situation which the Carter administration and the press have tended to gloss over. I commend it to the attention of my colleagues:

NEW UNITED STATES-PEKING RELATIONS DIPLOMATIC COUP FOR CHINA

(By John K. Singlaub)

The United States' recognition of the People's Republic of China, our de-recognition of Taiwan and the abrogation of our defense treaty with that island republic represent the crown of the Chinese diplomatic victories over the U.S.S.R. and the U.S. in 1978.

The issues involved have become very confused and I feel some clarification is necessary.

There are numerous assumptions that are being accepted at face value, and several complex issues that should be examined more closely concerning our relations with the People's Republic of China. Completely separate from this, one must investigate the manner in which this diplomatic "game" was conducted. Finally, the implications of the U.S. nullification of the treaty with Taiwan must be analyzed.

There would be little to say about the recognition of China as *an isolated event*, except that it seems to break with an American tradiiton of using recognition as an instrument to show approval of a government.

However, there are several questionable premises—as well as some complex problems—that seem to have been swept under the rug. These complicated issues are deemed either exclusively beneficial to our side or they have been written off as representing no real problem whatsoever.

The first of these assumptions is the idea of potential large-scale economic benefits arising from our recognition of China. The real question here is whose benefit and whose cost? This cost aspect seemingly has been ignored.

The Chinese have strongly emphasized their desire to modernize, to encourage foreign investments, and to enter into joint ventures with U.S. firms. This appears to promise a continuous flow of goods to China, which, of course, would greatly improve U.S. exports and thereby our balance of payments situation, as well as reduce the unemployment problem. Nothing less than a wonder cure! However, there is a lot more to this than meets the eye.

If the Chinese desire to modernize is as strong as they claim it to be, it is expected that they will import primarily machinery and modern technology on a large scale and only a few consumer items beyond Coca-Cola and agricultural products. This kind of shopping list raises several interrelated problems. How are they going to pay for such imports? Where are they going to sell their products?

The apparent answer is that China would export its oil to pay for its imports and use its increased manufacturing capacity only for domestic purposes. Again, nothing less than a miracle: We obtain the oil we need and do not have to take any cheap imports we do not want. This solution is based on an oversimplified assumption that China has enough oil.

First of all, we have no idea how much oil China really has. (I will comment on this later.) Secondly, the development of Chinese oil fields will take a long time and will require huge investments. The third point is that a country that wishes fast modernization will rapidly require more oil to cover its own needs, comparable to OPEC countries' exponential growth of domestic oil consumption.

The more oil China needs domestically, the less there will remain for export. So when we view the Chinese oil aspect, we will have to be happy and content if they do not appear as a competitor for oil internationally and thereby help force up oil prices. After all, to modernize a quarter of the world's population will necessitate no small amount of oil and investments.

Therefore, China will, no doubt, be forced to borrow extensively from the U.S. It has even been mentioned that if Congress permits, China could receive tariff cuts as well as U.S. government loans and economic aid. Before this is possible, however, it is assumed that China will be required to improve its position on human rights in the same way that other countries have been required to improve theirs in recent past.

It is well known that several friendly countries do not receive U.S. economic benefits because of their disregard for human rights. Congress has a record that clearly shows that they have a strong stand on human rights—above and beyond the rhetoric of President Carter. But before the human rights issue can be settled, China will have to borrow on the open market. (There are further complications, and I will touch upon them later.)

Money that is borrowed must be paid back, we assume. The only way China can do this is by export of goods. What kind of goods? Probably consumer items involving low and middle range technology that is labor intensive. It is here we have to face the other side of the problem of a quarter of the world's consumers, which is a quarter of the world's labor force—the lowest paid at that. How will American industry, especially in the areas of low and middle technology such as the textile industry, be able to meet this challenge?

What does the administration think about this problem which they have so carefully avoided? Will the government use the funds repaid by the Chinese to subsidize U.S. industry or to pay for unemployment created by cheap imports? After all, not everyone can produce computers. The alternative is to raise tariffs to keep out imports and thus make the Chinese unable to repay their loans.

When assessing the large-scale economic benefits we might receive from selling to one quarter of the world's potential consumers, we must remember they have the same share of the labor force. The big question I would pose to the advocates of large-scale economic benefits is: How do we plan to compete with this cheap labor? And how will the third world countries who have borrowed extensively on the international market for their modernization be able to compete?

By today's standards, Third World labor is cheap; it cannot, however, be compared to wages paid in China which are estimated to be between 7 cents and 14 cents per hour. How will this affect the Third World's struggle to develop or their ability to repay their debts to the international banking system—not to mention their prospects for future loans?

The second major assumption is implicit in the idea of the "China Card." That is, we can use China to bring a new leverage against the U.S.S.R. This could be true for a certain length of time, but for just how long? No one can possibly know. The only safe assumption we can make is that the Chinese will remain our "China Card" only as long as it suits their interests.

Teng Hsiao-ping appears to be the strongest of the leaders in China. He also is presumed to be the major force behind the idea of modernization. How strong is this commitment without his support? We really cannot know, since China is still very much a closed society. Only vague estimates based on uncertain indicators can be made. Teng has already been purged twice.

When one considers the apparent lack of stability in China's policies and the potential disruptive effects a modernization campaign may have on a society, as it has on Iran, we must not discard the possibility of Teng being purged a third time. Additionally, he is already 74 years old—so, even if he is not purged a third time, how long can he remain the dominant actor in China's foreign policy? If his ideas do not have strong support, a reversal in the drive for pragmatism and modernization could occur.

Further, we have to be aware that there are irreconcilable differences between the U.S. and China in terms of social systems, the structure of society and accepted values. How can we know whether, after the initial wave of U.S. investments and the guaranteeing of enormous credits to China, that the Chinese will not turn against us in alliance with their fellow socialists in the U.S.S.R.? After all, the split between the Soviets and China widened and grew to the surprise of most; so, too, it may close to everyone's surprise. This is a process that may be accelerated by dissolution of the traditional society that may be brought about by increased industrialization.

I am well aware that neither politicians nor anyone else, including generals, have perfect foresight, and therefore they must act with a certain amount of uncertainty at times. But this should serve to increase the need to examine alternative courses of action. To ignore totally the possible negative aspects of a problem seems to reveal either a dangerous naivete or an equally dangerous amount of deception on the part of our leadership.

One complex issue with some possible negative aspects is the settlement of the confiscated funds—that is, American-owned funds confiscated in and by China at the time of the communist takeover and Chinese funds confiscated in the U.S. at the same time. This has been mentioned by some newspapers, but only marginally alluded to by the administration. There are several interesting aspects concerning the settlement itself, but primarily it will serve as an indicator of how this administration will handle future settlements in the event the president decides to recognize another "simple reality," namely Cuba.

The funds confiscated in Cuba are significantly larger, Cuba's ability to pay presumably lower, and the economic benefits of a recognition there are surely estimated very low, even by our professionally optimistic experts in selling "new realities." I am confident that the settlement of the Chinese confiscated funds issue will be watched very closely as it will create a precedent for settlements that may follow.

It will be of particular interest to see who receives the funds the U.S. confiscated. It seems to me that it would be difficult to build a case that these funds belong to China. I suspect that they belonged to individuals already executed as capitalist enemies of the state or to firms that no longer exist. Who will receive these funds—China, as a premium for efficient execution of the bourgeoisie?

Monday in the Journal: Broken Promises and Broken Treaties.●

DENVER SCHOOL EXEMPLIFIES SPIRIT OF YEAR OF THE CHILD

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mrs. SCHROEDER. Mr. Speaker, a beautiful letter which eloquently conveys much of the hope of what the Year of the Child is all about recently appeared in the Denver Post. I would like to share the letter with my colleagues:

PARENTS "TEST" SCHOOL BUSING

To the Denver Post:

Last summer my company purchased opproximately 500 acres of land for a new home community in Southwest Denver at Wadsworth and Belleview. A major concern of ours was that the junior high school students would be bused downtown to Morey Junior High School. To learn for ourselves the quality of this school, three of us spent the day of Jan. 25 at Morey.

We were excited to find a superbly managed, highly disciplined school in a "landmark" building across the street from St. John's Cathedral.

Some highlights of our day: We picked up the bus at 7 a.m., joining 17 attractive, nicely dressed suburban Denver students. The drive only took us 30 minutes, and that in rush hour with a light snow coming down. It was fun to drive along Hamden, Sheridan, 6th Avenue, and among the older tree lined streets of downtown. The interior of the school is immaculate, the hallways scrubbed, the walls painted white with blue and gold graphics. Much of the beautiful original woodwork and high ceilings remain.

We found classrooms with usually fewer than 20 students, which meant that each teacher knew those kids. Lots of reading, writing and arithmetic. Yet we were impressed with electives such as a fine jazz band, graphic arts and woodworking. There is a beautiful tiled indoor swimming pool, two gymnasiums a running track and an auditorium which can seat the 900 students at one time.

The principal, Mr. Tilford Cole, is a man of principle and sound philosophy who points with understandable pride to a strict and fair discipline program. The students are orderly in the halls, they call their teachers "Mr., Miss, or Mrs.," there is no hanging around. The students don't leave school until the very end of the day, and most of them take a bus home; which I, as a parent, feel is much safer than my 14-year-old daughter walking a mile with her young friends in the suburbs.

These young people at Morey are getting a very superior education in an atmosphere of structure versus the more unstructured concept of the suburbs. Mr. Cole told me of 20 students who this year switched from private schools into Morey Junior High School.

Are there some success stories about busing? Can it be fun to attend an older, well maintained "landmark" school? Can our children make some new friends with students of other races and backgrounds without a single major racial incident in six years? Does the Denver Public School System have something to be proud of in Morey? I am pleased to tell you that the answer to all this is a definite YES!

NICHOLAS M. SCHMIDT,

Vice President—Marketing, Sanford Homes.●

TRIBUTE TO DELOS WRIGHT

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. SOLOMON. Mr. Speaker, on February 16, 1909, a richly deserved tribute will be paid to an outstanding citizen and public servant, Mr. Delos Wright, as he retires from his position as highway superintendent for the town of Schodack.

I wish to congratulate and commend Mr. Wright for his many contributions to the Schodack area and the Nation's business community.

Born on August 8, 1979, in Rutland, Pa., he grew up and worked on his family's dairy farm. After graduating from Elmira High School in 1927, he started to work for the Montgomery Ward Co. His enthusiasm, dedication, and plain hard work earned him a place in the management of that company, and at the conclusion of his service 25 years later, he was responsible for all of the Ward's farm and garden stores on the east coast. Mr. Wright then joined the W. R. Grace Co., where he served for 13 years as executive assistant to the vice president. Again his industry and ability were rewarded by being placed in charge of South American imports and distribution operations for W. R. Grace in Lima, Peru.

Del returned to the United States in 1963 and after concluding his outstanding service for W. R. Grace Co., in the true entrepreneurial spirit, opened his own highly successful business known as "Dell's" located in the Delmar shopping plaza which he ran for 10 years. In 1973 he became highway superintendent for Schodack and the people of the town have been fortunate indeed to have had the services of this enterprising and gifted man.

It is entirely fitting that Del Wright be recognized not only for his services to his community, but for his unrelenting efforts and accomplishments within our American economic system. I join with Del's many friends and neighbors in the wish that his retirement years will be graced with good health, the richness of many friendships, the warmth of memories, and the deep satisfaction that comes from many jobs well done.●

NATIONAL DIABETES WEEK

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. FORSYTHE. Mr. Speaker, today I am introducting a resolution providing for the establishment of a commemorative week in May as National Diabetes Week.

Diabetes is a chronic, metabolic disorder which adversely affects the body's ability to manufacture and/or utilize insulin, a chemical needed for the conversion of carbohydrates into energy.

The information that has been compiled in the past several years about diabetes presents a frightening picture. Ten million Americans suffer from this disease for which there is no known cure. Diabetes is the third leading cause of death by disease in the United States today, right after cancer and cardiovascular disease. We do not know what causes diabetes, but we do know that its prevalence is increasing by 6 percent a year and that diabetes reduces life expectancy by approximately 30 percent. Women are 50 percent more likely to have diabetes than men, nonwhites are 20 percent more likely to have it than white and low-income persons (with incomes under $5,000 a year) are three times more likely to have it than middle- and upper-income persons. Diabetics also often suffer such incapacitating side effects as blindness, kidney failure, heart attack, stroke, gangrene in the extremities, and nervous system problems.

There are two clinical types of diabetes: Juvenile-onset and maturity-onset diabetes. Juvenile diabetes is the most severe form of the disease and can occur at any age, though it commonly appears from infancy to the late thirties. Those who suffer from juvenile-onset diabetes must take daily injections of insulin to stay alive. Maturity-onset diabetes usually begins in the middle or later years and usually progresses more slowly. This form of diabetes is generally treated by controlling diet and body weight and sometimes with oral medication. Insulin is not usually required, at least during the early years. Children can be stricken quickly and suffer a rapid advance of the disease. Presently, 50 percent of the children who contract diabetes die from kidney disease within an average of 25 years after the disease is diagnosed. The only known treatment for juvenile-onset diabetes is insulin therapy in combination with a controlled diet and exercise.

The costs of this disease in terms of human suffering are obvious. However, the economic impact is equally great. We spend approximately $5.3 billion each year for health care, disability payments and lost wages.

Because insulin treats the overt symptoms of diabetes, its discovery in 1921 was heralded as a cure. Today we know better. We know that it is only a treatment. Unfortunately, for 50 years after the discovery of insulin, little progress was made in research efforts to find a cause or cure. We are now funding diabetes research and there are promising fields for research in immunology, virology and epidemiologic aspects of the disease.

Still, the public is often unaware of how pervasive a disease diabetes is, its impact on its victims and their families and how much work remains to be done. I believe that it is vitally important that we establish a commemorative week to help focus attention on this disease. It is my hope that by increasing public awareness an additional impetus will be provided to encourage further research so that eventually a cure will be found.●

DEMOCRATIC RESEARCH ORGANIZATION

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. FOUNTAIN. Mr. Speaker, I am pleased to join today with other members of the Democratic Research Organization in introducing legislation to amend the Constitution to provide for a balanced Federal budget.

In this Congress, I have already sponsored similar legislation of my own, House Joint Resolution 143, introduced on January 23. I think we desperately need to do something on this subject.

I want to pay particular tribute to my colleagues, DRO Chairman DICK WHITE, and DICK ICHORD, Chairman of the DRO Committee To Investigate A Balanced Federal Budget, as well as others on the DRO Committee, for the hard work and effort put into our balanced budget hearings and report.

Thus far this year, we have heard a great deal about this being the so-called "austerity Congress"—concerned more with expanded oversight of existing Federal programs and tightening outlays where possible, than with mandating new or enlarged programs. Along with those who are cosponsoring this bill, and I am sure many others, I welcome this development and this new mood.

The proposition 13 message is strong throughout the country. Taxpayers in every State—our constitutents—are frankly and rightfully saying enough deficit spending, enough waste and fraud, enough extravagance and mismanagement. Truth is, of course, that many of us have shared those same sentiments all along and have worked unceasingly toward those ends. I for one am pleased and encouraged that more of our colleagues in this House are apparently joining in the demand for reduced spending and for a balanced budget.

Hopefully, this Congress will be responsive to the calls of the American people for greater fiscal responsibility and sounder fiscal management.●

THE BEST WAY TO HELP THE POOR

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. MICHEL. Mr. Speaker, the New York Times recently told of the successful efforts of many businesses to help alleviate poverty and build jobs for those in need.

It seems to me that this is the best way to fight poverty. Too often government anti-poverty programs become tools for ideological zealots, intent upon spreading their own twisted notion of progress instead of really helping the poor.

I think the best way to help the poor is to have private enterprise—which, after all, is the only institution we have with experience in creating jobs—help the needy.

At this time I want to insert in the RECORD, "Businesses Are Stepping Up Their Roles in Social Problems of Cities", from the New York Times, February 4, 1979:

[From the New York Times, Feb. 4, 1979]

BUSINESSES ARE STEPPING UP THEIR ROLES IN SOCIAL PROBLEMS OF CITIES

(By Maryann Bird)

If the business of America is business, as Calvin Coolidge said, the business of business is, increasingly, America's social problems.

A spot check of cities around the country, including New York, Dallas, Baltimore, Detroit and Boston, shows that the private sector, spurred largely by the social upheaval of the 1960's, is taking greater interest in such public areas as job training, health, education and housing.

But many business spokesmen are quick to note that their commitments of money and manpower are motivated by what Dallas businessmen see as "enlightened self-interest."

"The days of the bleeding hearts have passed," said Hilda Heglund, vice presiident of special projects for the Milwaukee Association of Commerce. "Getting involved is not just social responsibility. It is economic and good business."

SPURRED BY RIOTING

Business involvement in social problems began in earnest after urban rioting in the summer of 1967. The National Urban Coalition was formed, stirring hope that for the first time the labor movement, the business community and civil rights groups could work together to reduce poverty, improve education and fight racial discrimination.

Corporate leaders, at the behest of President Johnson, created the National Alliance of Businessmen to administer a nationwide project in which Federal subsidies were provided to companies willing to hire and train the disadvantaged.

Many programs eventually faded away, often succumbing to inflation, but in other places, projects prospered and corporate involvement grew.

In Baltimore, the Chesapeake and Potomac Telephone Company has "adopted" an elementary school and initiated programs to improve student reading levels.

BETTER COMMUNITY RESPONSE

"When the company has a human face in the community, the community responds better to the company's presence;" said Champe McCulloh, the company's public information supervisor.

For the last three years, the Commercial Credit Company has had a full-time manager of public affairs working in such areas as public education, housing and illiteracy among adults.

In Boston, business involvement increased after riots in the 60's and school desegregation problems that began in September 1974.

William F. Chouinard, executive vice president of the Greater Boston Chamber of Commerce, said, "The civil rights movement required business to reach out and deal with community groups."

In the 60's, he said, "there were a lot of companies that had to be kind of coaxed along in terms of their civil rights involvements. Today," he continued, "they have community responsibility. Many firms have gone through what I'd call a social audit."

Emory N. Jackson, executive director of the Urban League of Eastern Massachusetts, cited the expanded role of business in such areas as fair housing. "The relationship of the social problems and the business community has been far better recently than ever before in history, but we have not reached the millennium vet," he said.

Throughout New York City, industry is involved in strengthening neighborhoods, providing job training, sponsoring health fairs and stepping up efforts against crime.

Citibank's programs include a pilot project for community improvement in the Flatbush section of Brooklyn. A civilian radio motor patrol program, begun by the bank to alert the police to crimes and other emergencies, includes taxi and bus drivers, home-heating oil deliveries and Macy's truck drivers.

CON ED HEALTH CARE

The Consolidated Edison Company has provided a van and driver to health-care agencies to test city residents for hearing deficiencies, sickle-cell anemia and hypertension.

The New York Telephone Company helps inmates at Rikers Island to prepare for the job market by providing counseling, grooming tips and practice in filling out job application forms.

In Atlanta, greater corporate involvement in the city has been laid to a new generation of business leadership and the election in December 1977 of Jesse Hill as president of the Atlanta Chamber of Commerce.

"I say to the leaders of the black community that they should not take the chamber's goal of economic development lightly, because that's where we're creating jobs," said Mr. Hill, president of Atlanta Life Insurance Company, one of the largest black-owned companies in the country.

LIMIT TO SOCIAL PROGRAMS

"You back us into a corner and we have to admit that only 10 percent of our budget goes for social programs," Mr. Hill continued, "but that figure cannot begin to reflect the number of man-hours we have contributed, the planning and contributions the chamber has made."

John W. Mack, president of the National Urban League's chapter in Los Angeles, noted that his group had contracts with General Dynamics, the International Telephone and Telegraph Corporation and other corporations that provide for recruitment, training and job referrals. In partnership with the Bank of America and I.T.T., the league has trained about 1,500 people for jobs in the computer industry.

The Dallas Chamber of Commerce has played a key role in the city's so-called magnet schools, seven centrally located, career-oriented facilities that draw students across neighborhood lines. Growing out of an experiment begun after 1971 and 1976 Federal desegregation orders, the program providés specialized education in a wide range of subjects.

Dallas' largest banks, Republic National and First National, were among the businesses that "loaned" executives to establish magnet programs in predominantly black and Mexican-American high schools.

New Detroit Inc., an affiliate of the National Urban Coalition, has given $4.5 million in grants to help stabilize Detroit neighborhoods. Last year, the organization, with a $2.2 million budget contributed by 90 corporations and foundations, including the big three auto makers, donated $30,000 toward a campaign for passage of a school-tax increase and another $30,000 for a school-tax renewal measure.

And an alliance of big business and city government has produced, with no small amount of arm-twisting by Henry Ford 2d, a $327 million Renaissance Center in an effort to revive the city.

SAVINGS PUT AT $5 MILLION

Project Business Aid in Philadelphia has surveyed costs in hospitals and recommended ways to reduce them. The program, headed by William L. Rafsky, director of the Center for Philadelphia Area Development, part of the Chamber of Commerce of Greater Philadelphia, is similar to a cost-cutting project three years ago in the city school system.

In the school program, businessmen came up with suggestions that saved the school system $5 million, Mr. Rafsky said, and identified a potential savings of $50 million.

The Milwaukee Association of Commerce's vice president for urban affairs, Paul Juhnke, said that business involvement stepped up in Milwaukee in 1967, after urban riots and 200 consecutive days of marching for open housing.

One of the association's projects is the Commandos, a group that began as part of the youth organization of the National Association for the Advancement of Colored People. The Commandos, now autonomous, receive accounting services, management advice and about $30,000 a year from the Association of Commerce.

The group operates an alternative high school with a work-study program; a work program for parolees; a job placement service for former offenders; two half-way houses; a youth employment program; a children's health clinic, and a summer camp.

According to Jules Modlinski, special assistant to the Commando's director, "If it weren't for the business community I'm not sure we would have survived 10 years."

TRIBUTE TO NELSON A. ROCKEFELLER

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. ROYBAL. Mr. Speaker, I wish to add my words of tribute to the memory of Nelson A. Rockefeller, one of our Nation's outstanding statesmen. In addition to serving as our 41st Vice President and as four-term Governor of New York State, Nelson Rockefeller distinguished himself in capacities of considerable importance under both Democratic and Republican Presidents.

Blessed with both wealth and intelligence, he gave generously of both to the American people. Throughout his almost 40 years of public service he contributed greatly as a dedicated and dynamic public servant. Much of his personal fortune was channeled into education, health, the arts and the humanities, thereby enriching the lives of all Americans.

He was clearly a major force in the political arena of this Nation, maintaining his indomitable spirit and zest for new experience throughout both victory and defeat. And his capacity to view as challenges what others saw as problems was one of his major strengths.

A legend in his own time, Nelson Rockefeller has earned a prominent place in American history. My deepest sympathy is now extended to his widow, Happy, and to his entire family.●

JOSE MARTI: MAN OF FREEDOM

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. PEPPER. Mr. Speaker, as we approach the birthday of George Washington, who won freedom and a future for this beloved Nation, our homeland, let the House and our distinguished colleagues consider, for a moment, one of the great men of freedom of a later era in history, the period of emancipation of the Spanish empire.

Jose Marti, kindled by the fire of liberal ideas, toughened in exile, educated by political oppression and refusals, made kind and considerate by his own sorrows, ennobled by their worthy and unselfish cause and finally, destined for martyrdom by the course of history, was instrumental in winning independence for his country, our near neighbor, Cuba.

Exiled in the United States from his youth until he returned to Cuba, soon to die in an early battle for the republic, Jose Marti became a thinker and writer, an example and a teacher of men who value moral rectitude and integrity of mind. He made himself into an outstanding historical figure in the struggle between colonialism and liberty, which marked our hemisphere's emergence from the shadow of the European mother countries.

Because of Jose Marti's contribution to American culture and his close affiliation as a sojourner in our land, a just fugitive and then an herioc martyr, I recommend to you the following speech by one of Miami's proud exiled Cuban community and urge your support for House Joint Resolution 121 to honor Jose Marti in a day of national respect:

THE LEGACY OF JOSE MARTI

(Speech delivered at the steps of the Court House, in Miami, Florida, on January 26, 1979, by Uva A. Clavijo)

It seems proper and poignant that we should gather here today in the anniversary of the birthdate of Jose Marti, at the steps of this court house, for Marti, who was a lawyer, even though he never had an opportunity to practice, was a man who loved and admired law, justice and the principles of democracy which this very building symbolizes. And it is also appropriate that we should honor Marti here, in the state of Florida, for he often travelled to this State; more specifically to Key West and Tampa, to talk to the Cuban exiles of that century, about the need of a Revolution to free the Fatherland, and also about tomorrow's Cuba, a nation he envisioned "por todos y para el bien de todos", "for all and for the good of all."

One cannot keep from wondering what is the source of Marti's love for freedom? Where did this frail man of humble origin learn that man's most precious prerogative is his power to choose his spiritual freedom? It is true that as a youngster Marti attended a school run by a man of great distinction, Rafal María Mendive, who had a decisive influence in the child's mind and character and instilled in him those courageous elements which marked in the boy the man he was to become.

When the Ten Year War of Emancipation broke out in 1868, Marti, only 15 years old, was too young to join the "mambises" in the battlefields. He and his classmates contributed as best they could to the cause of Cuban independence by publishing clandestine periodicals. He soon was arrested and jailed. After months of forced labor under inhuman conditions, Marti was deported to Spain. From then on until his death he was to visit his beloved Cuba on only two brief occasions. His long exile had begun. He was only seventeen.

During his long years in the United States Marti matured intellectually, spiritually and politically. Startled and stimulated by his contact with the great city of New York, he studied every aspect of the young democracy he saw blossoming forth all around him. but not without pitfalls and growing pains.

Marti arrived in the United States in 1880, at the end of Hayes' presidential term. He witnessed the inaugurals of Chester Arthur, Cleveland, Benjamin Harrison, and, again, Cleveland. The electoral process and the ritual of inauguration itself fascinated him and inspired many of his chronicles.

But he observed more than the political climate of the United States. Under his watchful eye, every day events became serious studies of the different aspects of American life. New York City under the merciless snow storm of March 1888; the boldness of Jesse James; the frontier spirit of the "Oklahoma Land Rush" or a Sunday walk through then-fashionable Coney Island, were some of the North American scenes he introduced to Latin American readers. Many American men awakened his admiration and moved his pen. Of General Grant, Emerson and Walt Whitman he wrote with reverence.

Much has been said about Marti's anti-imperialism. It is true he suffered a constant, throbbing preoccupation that the nations from Mexico to Brasil, underdeveloped, parochial and still asleep might, someday, be devoured by the colossal neighbor from the North. In one of his first articles written in the United States, Marti says: "I have arrived, at last, to a nation where every man is his own master. One can breathe freely here, for freedom is the basis, the safeguard, the essence of life." He wanted that same spirit for "los pueblos del sur" he so deeply loved, and he feared and attacked the United States only when its foreign policy did not allow smaller countries to achieve for themselves the same independence Americans had wrested from England.

I believe Marti would have been pleased with this commemorative ceremony, I think he would be pleased that a woman—a Cuban woman—is here at this microphone talking to you, for Marti loved women. It is true he expressed many tender, beautiful, romantic thoughts about woman, but it is also true he valued a woman's contribution to society. If his vision of women might at times appear idealistic, this is tempered by the many occasions in which it is a woman's character and not her physical attributes, which awakened his admiration.

Marti also loved children. He was a very busy man, who took upon himself many responsibilities. A man who had the mission of bringing freedom to his country; a man who was a teacher, a writer, a poet. He had a family. He had to work to earn money for his wife and child. And yet, this genial, occupied man found the time to write and edit a magazine for the children of America, which spawned that beautiful book, I hope you all know, "La Edad de Oro". It is through this book first and through other writings of Marti later on, that I hope you will learn to know and love him, for you will find in him a friend and a teacher. His stories, his poems are ever-flowing with tenderness, imagination and wisdom. One will learn from him in a very painless way. He had a great faith in the children of America. I hope you allow him to enter your world, for you will find he will enrich yours.

The story of Marti's groundwork activity in preparation for the Cuban revolution was characterized by the ups and downs of exile politics: free lance actions in Cuba, meetings among the leaders, exhaustive travelling and speech making. It is often said that Marti was a dreamer, a visionary, a poet; but if one studies his work carefully, he emerges as a level-headed realist who, not without pains, became the mouthpiece of the Cuban people. He defended the cause of Cuban independence in every forum, and often even encountered persecution from American authorities.

And yet, he was more than a great Cuban patriot; he was a man of the Americas, who wanted to see all the nations of the continent working together as friends and helping each other.

A man like Marti, who loved all men, even his adversaries, who made the humble, the poor, the ignorant, the Negro, the Indian, feel they were his equal, this angelic man who played tenderly with his "little king", who wrote stories for the children of America, had to spend half his life calling men to war.

Marti knew that war, no matter how hateful, is sometimes made unavoidable. He never held a weapon in the small, delicate hands which had held a smaller, but more powerful arm—a pen, (for many hours.) But he had one more call to answer.

Against the better judgment of those who knew the value of his work as coordinator in New York, in May, 1895, he landed in Cuba in a frail rowboat. Like a child he rejoiced when he saw again the countryside, the Royal Palm trees that to him symbolized the Fatherland. Of military tactics he knew nothing. But he had not come to command armies. Others much better fitted than him were to take on that responsibility. He had only come to die. A few days later he charged against a small detachment of Spanish troops at Dos Rios and died of a single bullet in his chest, "de cara al sol", "facing the sun", as he had hoped in his poetry. On the eve of his death he had written "Para mi ya es hora". "My hour has struck". He was 42.

More than a century has elasped since Jose Marti was born—in 1853—in the humble two-story house of Paula Street in Havana. With his birth began a life dedicated to the pursuit of freedom and the accomplishment of one dream: the independence of Cuba and the unity of Latin America.

One cannot help wondering, whether Marti's preachings, his writings, his example have been of any influence in the development of Cuba and of Americas? One cannot help but ask if Jose Marti lived—and died—in vain. Stark reality seems to indicate so. Today, more than a million of his countrymen live in exile. Today, the island he so defended is dominated by a foreign power. Autocratic regimes—whether they are rightist or leftist dictatorships—sprout from the Caribbean through the Andes. Freedom, in any real sense, often seems an illusion.

And yet, concurrent with this apparent victory of totalitarianism, there is a rebirth of man's conscience in his own destiny. Marti once wrote "tyranny is one and the same in its various forms, even when it adorns itself with great deeds and beautiful phrases."

The jails of Cuba are still full of political prisoners. The jails of the Americas still hold men who believe in dignity, in democracy, in human rights. As long as there is one man on our continent who understands, believes and defends those principles which make freedom "the essence of life", Jose Marti will not have lived—and died—in vain.

Thank you.●

THE LEGACY OF NELSON ROCKEFELLER

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. HAMMERSCHMIDT. Mr. Speaker, Nelson Rockefeller will be remembered as an outstanding public servant, patriot, diplomat, philanthropist, patron of the arts, Governor of New York, and Vice President of the United States.

As the grandson of the Nation's first billionaire, Nelson acquired all the advantages accompanying enormous wealth. But in the tradition of his family he rejected a life of leisure and luxury, and regarded his fortune as a public trust. He became a formidable contender for public office in an effort to solve people's problems. In more ways than one, Nelson Rockefeller started at the top and remained there all his life. He sought the highest office in our land, but enthusiastically performed whatever duties were demanded by his country.

Throughout the State of Arkansas, the Rockefeller name has long evoked great respect and is synonomous with philanthropy. Nelson's father, John D. Rockefeller, before he died in 1960, gave uncounted millions of dollars for medical research and other charitable humanitarian endeavors.

I became acquainted with Nelson during his brother, Winthrop's, tenure as two-term Governor of the State of Arkansas. Winthrop Rockefeller's contributions to our State stretch back for many years and he is remembered as a beloved figure who was instrumental in bringing about monumental improvements in the quality of life for citizens throughout the State. Thus, the people of Arkansas are still proud that Winthrop Paul Rockefeller still makes Arkansas his home and continues the philanthropies of his father.

Raised in a staunch Baptist atmosphere, Nelson was instilled with the notions of service to God, home and country very early in his life. His commitment to people no doubt stems from these early years and the traditions of his philanthropic father. The Rockefeller family nurtured the unique aspects of Nelson's character that prepared him for his major role in our Government.

Nelson made many trips to Arkansas during his brother's service as Governor, and it was during this time frame that I came to recognize his magnetic grin, and to appreciate the full force of his personality. At official and social gatherings at Win Rock Farms, I was able to witness the special flair and vitality that brought this man to the forefront of the American political scene. I became enchanted with Nelson Rockefeller's hearty, good-natured ease, his great ability, his unfailing good humor and selfless dedication to public service. It was then that I learned how high his expectations were for the American people and for our Nation as a world leader. I doubt that we will see his unique brand of leadership again in the near future.

Rockefeller began his Government career in 1940, when he became coordinator of inter-American Affairs under President Franklin D. Roosevelt. He helped develop the good neighbor policy and later served as Assistant Secretary of State for Latin America. Under Truman, Rockefeller helped formulate the point four program of aid to underdeveloped countries. Furthermore, he chaired a commission that recommended the formation of the Department of Health, Education, and Welfare in the Eisenhower administration and was Under Secretary of that Department.

His early years as Governor of New York were marked by massive programs for education. He expanded the State university system from 28 campuses with 38,000 students to 71 campuses with 346,000 students. He began innovative drug rehabilitation programs, reorganized the New York transportation system, and started many public works projects.

His immense fortune did not make him myopic to the disadvantaged segments of our society, for he was a man of great compassion. He understood the everyday problems and perspectives of the average citizen and in every office he held his actions reflected that posture, for he vigorously tried to improve the working man's lot.

By the time he departed from Albany, an entire generation of citizens had reached voting age and could not recall a time in their lives when Nelson Rockefeller was not the chief executive of the State. It was well known that Rockefeller had made substantive improvements in the economic, political and cultural life of New Yorkers.

His contributions to New York architecture alone were noted in a very special way by Alan Sagner, chairman of the Port Authority of New York and New Jersey, "his vision, enthusiasm, and his love for his city and State remain etched not only in our memories but also in the great constructive landmarks which stand in his tribute, including the New York World Trade Center."

Although he was once quoted as stating that he did not wish to be vice president of anything, he graciously accepted President Ford's nomination because he believed that the newly appointed President and his country needed unity, and that it was his duty to fill that need and serve as asked. Vice President Rockefeller helped ease our Nation's wounds from the tragedy of Watergate.

Among the long list of Nelson's impressive activities was his personal involvement in the National Commission on Critical Choices. This was his attempt to gather the best minds in the country to study our most baffling problems before our Nation would make decisions on how to solve these difficulties.

He lived his life to the fullest whether he was pushing a particular bill through the State legislature or launching his latest business of merchandising reproductions of his art treasures.

I was most fortunate to have been in attendance at the memorial tribute to Mr. Rockefeller with family members, associates, close personal friends, and national and international dignitaries which was held last Friday at 11 a.m. in the Riverside Church in Manhattan. It was most fitting that this service was held at the Riverside Church since it was founded and built with Rockefeller support. In its entirety, the service was an intensely moving experience. The eloquent eulogies of his two children, Ann and Rodman, his brother, David, and Dr. Kissinger, most appropriately expressed the feelings of a nation in mourning for one of its greatest statesmen.

The musical selections played a special part in setting the tone of the memorial and included the outstanding choir of the Riverside Church, a brilliant solo by Roberta Peters of the Metropolitan Opera, and Lionel Hampton, who expressed through their musical notes the very essence of Nelson Rockefeller. Personally, I departed the church with a renewed sense of spirit invigorated to move on with the tasks at hand.

Nelson Rockefeller will be memorialized through the annals of history for his firm commitment to a better life for all Americans and for buttressing our Nation's standing in the world.

My wife and I join in extending our heartfelt sympathy to Happy Rockefeller and the entire Rockefeller family. We realize just how deeply he will be missed.●

INDEPENDENCE DAY IN SRI LANKA

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. ZABLOCKI. Mr. Speaker, on Sunday, February 4, Sri Lanka observed its National Day and the 31st anniversary of its independence from Great Britain. Sri Lanka has made remarkable strides, in economic, and political development, in recent years that are worthy of attention by the Members of this body. Particularly for those here who despair over the worldwide prospects for governmental policies that protect civil liberties and promote human rights and public welfare, Sri Lanka stands as a model for emulation.

The human rights report just transmitted to Congress by the Department of State offers testimony on many of the achievements for which Sri Lankans can be proud. It highlights the government commitment and the national accomplishments in increasing literacy and educational levels, improving health and nutrition, and providing for income benefits to the poorest of the population. Constitutional guarantees protect freedom of thought, speech, publication, religion, and assembly.

As many here join in condemning questionable human rights practices in many countries in the world, it is my hope there will also be many who will join in praising practices and accomplishments in countries such as Sri Lanka that deserve proper acknowledgement.

As in our own society, all the problems of Sri Lanka have not been solved. As an ethnically mixed country and as a developing country Sri Lanka faces many challenges that will require patience and hard work. As the Sri Lankans work together to carry on the impressive record of the past we congratulate them.●

A FINE MODEL FOR AN INTELLIGENCE CHARTER

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. MURPHY of Illinois. Mr. Speaker, one of the most significant tasks facing the 96th Congress will be the drafting of a legislative charter for our Nation's intelligence agencies. Such a charter must protect U.S. citizens from unwarranted invasions of their privacy without hampering the ability of our intelligence agencies to safeguard the national security.

Mr. Speaker, I believe the wiretap control bill passed by Congress last year can serve as a fine model for future reforms of intelligence gathering practices. For that reason, I would like to draw my colleagues' attention to an article I have written on this subject, which was published by the Chicago Sun-Times on February 2.

The article follows:

WIRETAP BILL A FINE MODEL

(By Rep. MORGAN F. MURPHY)

As Congress convenes this month, it will be grappling with major proposals to reform U.S. intelligence agencies. The push for such legislation is an outgrowth of disclosures in recent years that the FBI and CIA have violated the privacy of American citizens with wiretaps, mail openings and surreptitious entries.

The bills deal with a number of issues that have surfaced since certain intelligence "horror stories" first came to light in 1974. Those issues include:

What activities, if any, should be prohibited in the conduct of covert operations abroad? An executive order issued in January 1978 by President Carter places no restrictions on those operations. (Carter's order currently governs the activities of our intelligence agencies.) A bill sponsored by Sen. Walter Huddleston (D–Ky.) would prohibit assassinations of foreign officials, the torturing of individuals and the use of chemical or biological weapons that violate U.S. treaties. A House proposal, first introduced by former Rep. Herman Badillo (D–N.Y.), would forbid all covert operations except in time of war.

Should intelligence agencies, as revealed in testimony before the Church and Pike Committees in 1975, be allowed to use clergy, journalists or academics in espionage and covert activities? Carter's executive order leaves this matter to the intelligence community. The Senate bill would permit such individuals to volunteer their cooperation; last year's House proposal, by forbidding covert operations in peacetime, would prohibit these arrangements altogether.

Should surreptitious entries (those for which no warrant is obtained) be authorized for intelligence purposes? President Carter's order allows such entries within and outside the U.S., and Huddleston's bill would also authorize them. The House bill would permit physical searches only under a criminal warrant procedure.

These are the kinds of questions, then, that the Senate and House intelligence committees will be looking into as they examine various proposals and draft legislation overseeing the activities of our intelligence agencies.

Shortly before adjourning last October, Congress took a major step forward in curbing intelligence abuses when it passed a bill requiring search warrants for most national security wiretaps. Until this legislation was signed into law, Presidents were able to order electronic surveillance without a warrant in "national security" cases. The new law requires the government to get a search warrant so that Americans are protected from unreasonable searches and seizures, as guaranteed under the Fourth Amendment.

The bill had the support of the Carter Administration, the American Bar Association, the American Civil Liberties Union and the intelligence agencies themselves, which argued that a new law would protect their agents from civil suits and other repercussions. (Recently, Director William H. Webster announced that he plans to fire two FBI supervisors, demote another and suspend a fourth for carrying out illegal surveillance during a search for radical fugitives in the early 1970s.)

As passed by Congress, the bill requires the government to obtain a search warrant before wiretapping American citizens suspected of spying in the U.S. for foreign governments. In those situations, the government must get a warrant based on standards similar to those in ordinary criminal cases. When wiretaps are aimed at employees or agents of foreign countries, the standards would be less strict. No warrant would be required for monitoring communications exclusively between foreign powers, such as an embassy and its home country. (The attorney general, however, would have to certify that there is little or no likelihood that the conversations of Americans would be picked up.)

To ensure that the intelligence agencies are not prevented from acting effectively when the need arises, the bill allows "emergency surveillances" for a 24-hour period, after which a warrant would have to be obtained.

In my view, the wiretap control bill will protect U.S. citizens from unwarranted invasions of their privacy without hampering the ability of our intelligence agencies to safeguard the national security. Moreover, it will protect FBI and CIA agents from being sued for conducting surveillance that might later be judged illegal. The upshot of this is that intelligence gathering will actually improve, as agents can now carry out monitoring activities without fear of legal or administrative consequences.

Passage of the wiretap bill suggests that

Congress can strike a prudent balance between gathering and protecting citizens' civil liberties. In that spirit, Congress should proceed to develop legislative charters for the CIA and FBI, to ensure that abuses of these agencies never occur again.●

LEGISLATION TO EQUALIZE THE ASSISTANCE OFFERED TO PUBLIC AND NONPROFIT HOSPITALS

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. MURPHY of New York. Mr. Speaker, the legislation I am introducing today will extend to nonprofit hospitals the same financial assistance available to public medical institutions for the necessary modernization of their facilities.

Currently, the U.S. Department of Health, Education, and Welfare administers a grant program for public hospitals authorized under section 1625 of the Public Health Service Act. This is an extremely important program providing funds for the modernization of existing hospitals when these facilities are faced with safety hazards or noncompliance with licensing or accreditation standards. My bill very simply enlarges the eligibility limits for this program to include nonprofit facilities.

A similar, companion program to section 1625, section 1610, providing assistance to nonprofits existed up until last year. At that time the authority for this program was deleted because regulations to implement its provisions were never promulgated by HEW. The 1610 program was established as a system of formula grants to the States, while the program for public facilities is run centrally out of the national office of the Health Facility Planning Bureau of the Health Resources Administration. The latter approach has proven successful and is why I propose to add nonprofits to this program rather than resurrect the old formula grant program. For the very reasons that we provide assistance to public facilities we must offer it to nonprofits; both types of hospitals have the same problems.

It is important to note that this grant program is not designed to construct new hospitals but rather to provide financial aid to existing hospitals to aid in the renovation and modernization required to make the facility safe. The Public Health Service Act states, and I quote:

> The Secretary may make grants for construction or modernization projects designed to (A) eliminate or prevent imminent safety hazards as defined by Federal, State, or local fire, building, or life safety codes or regulations, or (B) avoid noncompliance with State or voluntary licensure or accreditation standards.

This type of program is even more vital in light of the nationwide surplus of hospital beds and our efforts to limit new hospital construction. While we must cut back on new construction, we must also recognize that the hospitals already in existence will require renovation and modernization to continue as safe and efficient facilities. The Federal Government can and must help in this assuring the adequacy of our health care institutions, be they public or nonprofit.

This legislation creates neither a new bureaucracy nor a new program. It merely reconfirms the congressional intent behind a previously authorized program and puts it in a setting which will allow funds to be dispersed from a central coordinating office. This will facilitate the determination of where the requirements of an individual institution fit into the national priorities thereby extending aid to those facilities with the greatest need.

The enactment of this legislation will end the inequities of the current program by making these vital project grants available to both public and nonprofit entities. As there is no valid reason to discriminate against nonprofits, I urge my colleagues to support this proposal.●

TRIBUTE TO NATIONAL PUBLIC RADIO

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. CARTER. Mr. Speaker, it seems sometimes that praise is the rarest of commodities. Yet in a recent editorial in a newspaper in my district, the Madison County Newsweek, both Congress and National Public Radio drew plaudits for handling of the Select Committee on Assassinations' public hearings.

I believe that this editorial fairly sums up the contributions of that committee and of National Public Radio and its affiliates like WBKY, and I include it for the RECORD so that others might know of this useful comment:

UK EDUCATIONAL RADIO COMMENDED

WBKY, the educational radio station at the University of Kentucky, should be commended for airing the U.S. House of Representatives Assassinations Committee hearings.

These hearings, like the earlier Watergate hearings, permitted each listener to arrive at their own conclusions about the nature of the crimes, the individuals involved, the likelihood of a conspiracy, and the quality of the investigation and law enforcement.

One cannot listen to these deliberations without coming away strongly appreciating our Congress at work. The avid listener also recognized the value of strong legal representation, and the many protections afforded the witnesses.

Ultimately, the listener became cognizant of the fine balance between the rights of the state and the rights of the individual; a balance provided by our democratic system.

Phrases like "first amendment rights," "Fifth amendment rights," "Immunity," and "contempt of congress," were phrases repeatedly used during the hearings that gave breath to this delicate balance. They also provided the listener with a refresher course in Civics.

In short, one could not listen at length to these hearings without considering how many other political systems would provide its citizens with as much protection.

Thanks WBKY and National Public Radio for making it possible for us to develop a new respect for our political system.●

SENATOR HATFIELD ON SALT II

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. BONKER. Mr. Speaker, since the House of Representatives does not ratify treaties there has been a little debate in this body on SALT II. But as the Senate takes up this controversial subject it would be advisable for all Members of Congress to seriously contemplate the full implications of strategic arms limitations proposals.

Those who are anxious to end the arms race are generally supportive of SALT II because it allegedly places a ceiling on arms development and production, but Senator MARK HATFIELD warns us that this may not be the case. According to Senator HATFIELD, the administration has made enough concessions among hostile Senators that the agreement may result in an escalation, not a reduction, of weapons systems in both the U.S.S.R. and the United States.

The interview also reveals Senator HATFIELD's grave concern about the moral implications of the arms race. His experience in observing the devastation at Hiroshima and clear perspective as a Christian leader often have led him to question our national commitment to a program of self-destruction.

Mr. Speaker, it is a privilege for me to have placed in the CONGRESSIONAL RECORD, Senator HATFIELD's comments on SALT II which appeared in the February 1979 issue of Sojourners.

THE ILLUSION

SOJOURNERS. You were at Hiroshima after the atomic bomb was dropped. What did you see, and what was your reaction?

HATFIELD. I had seen a great deal of destruction in the war. But the magnitude of devastation at Hiroshima was the most shocking. One could see, even at a distance from the point of explosion, how the searing heat had imprinted itself on concrete and steel. We were far on the periphery. Yet there were unburied bodies in the rubble, blackened from the heat.

I had some ambivalent feelings, for I realized that I was probably alive because of the bomb. I was in the Navy, and we were preparing for what would have been the invasion of Japan.

But in retrospect, even if my life had been involved, I question now whether the atomic bomb had to be dropped on people. First, it could have been dropped at sea. Second, it unleashed nuclear power for military purposes. This triggered the spiraling nuclear arms race, leading us to where we are today.

SOJOURNERS. What are the chief concerns you have now about the nuclear arms race?

HATFIELD. We have today the equivalent of more than 638,000 bombs in our arsenal that are the size of the one dropped on Hiroshima. As this enormous storehouse of nuclear arms has increased, there has been a direct ratio of decrease in the sense of security, both in this nation and in the world.

Second, there is an enormous increase in the technological sophistication of weapons systems today.

Everything seems to be an escalation of madness, an insanity of self-destruction. The ability to create these things has become the master of our circumstances. We are now, it seems, victimized by our own knowledge and technology. Jacques Ellul has pointed out that simple technological ability does not necessarily justify creating whatever we can. But we seem to have a compulsion to produce the fruits of our experimentation with the technology of nuclear arms.

So we are caught in a sequence. It is not as though we can create a weapon which has no relation to any other weapon or to the next stage of destruction. There is an increasing, ever-accelerating ability to destroy more and more, and in ever more spohisticated ways.

Sojourners. In your thinking, does the proposed SALT II treaty offer the opportunity to reverse this trend?

Hatfield. I see SALT II as part of this long series of events that has neither stabilized nor leveled off our nuclear arsenals, but has acted to stimulate production in order to reach those new agreed-upon levels and ceilings.

When we hear all the talk about limitation of armaments, I don't think people are really being honest. I think it's deceptive.

I view SALT II with a great deal of suspicion. I suspect it is another one of those escalating steps in the nuclear arms race, rather than a truly constricting effort.

Sojourners. Would you specify how this is so?

Hatfield. There are two categories of things I would point to that prompt my concern about SALT II. First are those weapons systems now in place or being developed which, according to press reports, will be exempt from the proposed treaty. In large part this is because of trade-offs and compromises made by President Carter to various individuals in attempts to win support for SALT II.

For instance, certain members of Congress raised concerns about the size of Soviet missiles. So the administration is pushing for both land and sea deployment of the massive Trident II missile. Then there were those who have raised concerns about the Soviet civil defense program. So the president announced that we are going to increase the U.S. civil defense budget by 48 percent, to a total cost of between $1 and $2 billion, even though we know that ultimately civil defense against a nuclear holocaust is impossible.

Another area of escalation specifically allowed under SALT II is development of the M-X mobile missile, eventually costing between $20 and $40 billion. The M-X would be about four times as powerful as our existing missiles, possess three times as many warheads, and would be mobile, able to move continually from one point to another.

The M-X missile is particularly worrisome because its increased accuracy would give the U.S. the potential, by the 1980s, to destroy Soviet land-based missiles. You see, this increases Soviet anxiety about what is called a U.S. first strike capability—meaning that the U.S. could launch its missiles first, attempting to destroy the Soviets' missile force. Naturally this threat would prompt the Soviets to take countermeasures, escalating the arms race to still more dangerous levels.

A related recent proposal is the Multiple Aim Point System (MAPS) which would allow the M-X missile to be rotated randomly, and secretly, from one silo to another, or even to be placed on launching pads that could be carried by moving trucks or planes. This would pose serious future problems for verifying the true size of the U.S. missile force, making the mutual trust necessary for arms control more difficult.

One final example of a current weapons system under development, and effectively allowed by SALT II, is the cruise missile. Because it is small, easily hidden, and can be launched from airplanes, torpedo tubes, or even jeeps, it poses unique problems for arms control and limitation in the future.

Now the administration points out that deployment of mobile missiles and cruise missiles—based either on sea or land—is banned by mutual agreement until 1982. But what the administration does not say is that there has never been a plan to deploy those weapons prior to 1982.

These are all contemporary programs which, largely because of political pressures, will be exempt from the SALT II treaty. Their development, which will entail an enormous expansion of our nuclear arsenals is virtually assured by SALT II.

Sojourners. And you have another category of concerns as well?

Hatfield. Yes. The second category is those prospective, future weapons systems of even greater sophistication which are not at all addressed by SALT II. These include the terminal guidance warhead, which if developed would give U.S. missiles absolute accuracy—and this is needed only for a first strike capability.

Another example is the hunter-killer satellites being developed by both the U.S. and the Soviets. These are intended to destroy those satellites used by the opponent to verify the number of enemy missiles, and to guide its own missiles to their targets.

There has been speculation about both sides' development of what are called particle beam weapons. These would throw a "field" of particles into space which would disable or explode incoming missiles while they were still in the upper atmosphere.

Finally, there have been recent and dramatic advances reported in the U.S. anti-submarine warfare system. This may eventually make it possible for the U.S. to destroy the entire Soviet missile-firing submarine fleet. Again, this sort of development heightens Soviet anxiety over U.S. intentions, and makes the possibility of future arms control far more complex.

We have to understand the total effect of many of these programs, and how they are seen by the Soviets. These proposed nuclear weapons will trigger Soviet responses, which then alarm us into taking countermeasures, and the arms race escalates further.

The combination of these existing and projected new weapons systems will give the U.S. a first strike capability, according to most experts. Supposedly, until this point our strategic nuclear posture has been built on deterrence. But moving more and more toward weapons which give us a first strike capability destroys the very image we have tried to create of possessing nuclear weapons only as a means of deterring nuclear war.

Sojourners. What then do you feel that SALT II ultimately does?

Hatfield. First, I think it confuses matters. It confuses a public which believes we are getting some kind of real constriction or stabilization of our nuclear arsenals. And that's misleading. Because of this confusion, some real and valid arms control program—one that could be built on a clear determination that we're going to limit and reduce military expenditures and nuclear weapons systems—is made impossible.

What we have to do is to be honest. If we don't address the emerging developments in the nuclear arms race, and actually constrain the growth of nuclear weapons systems, then we aren't really getting much of anything except the political, ceremonial event of signing a document.

That's why I feel very strongly that at this point we ought to be about the business of SALT III—making a commitment to achieve a real limit and reduction of these ongoing programs, and addressing ourselves to the forthcoming weapons. Getting public understanding and support for such an approach to arms control now would be a far more significant development than misleading the public into thinking that we have achieved something which is actually illusory.

Sojourners. And you believe that SALT II would actually prevent such an agreement rather than be a step towards it?

Hatfield. Yes. Rather than blindly fall into a SALT II treaty—based upon what has been disclosed about it in the press at this time—it seems to me we had better let SALT II fade out. And then commit ourselves to an approach that truly would be a move in reversing the arms race.

Sojourners. Have you decided then to definitely oppose SALT II when it is voted on by the Senate?

Hatfield. Well, I don't want to be presumptuous about a treaty which has not yet been formally completed. I cannot be honest with myself and assure you that I know exactly how I will vote until we have actually seen all the documents of the treaty. But I am certainly leaning more negatively than positively on the whole issue.

I'm raising now, publicly, these questions and reservations to signal that here is one liberal who cannot be taken for granted in terms of my vote on SALT II. The administration is counting up the votes now and making compromises, thinking that it can pick up those vote or that vote by making concessions to conservative forces. I think that the administration ought to know about some of the reservations that I have.

Further, there is such a thing as going back to the drafting board. I don't accept the proposition that if SALT II cannot be passed, everyone is going to throw in the towel and say that it is impossible to achieve real arms reductions, even though a whole new approach leading to a SALT III treaty. I think that, frankly, rejecting SALT II might give us a better treaty in the end, one more in line with the objectives that I am seeking. Passing SALT II, and guaranteeing development of a whole new generation of nuclear weapons, would seriously jeopardize the possibility of any meaningful SALT III agreement in the future.

There is a kind of arrogance which assumes that SALT II must be passed now as the only hope for arms control. But there are others besides myself on the so-called liberal wing of the political spectrum who are increasingly concerned about some of these same questions. I don't think that they can be taken for granted either.

Sojourners. It is being argued by the liberal church lobby that even a poor SALT II treaty is better than none at all—that we have to settle for "half a loaf" to be politically realistic rather than holding out for unattainable goals. Much of the liberal arms control community, including many who have been allies with you in the past, agrees. How do you respond to the criticism which will come your way from these circles as you raise these strong reservations?

Hatfield. Well, number one, the unfortunate thing is that our society is living more and more by code words, labels, and symbols. If this sort of treaty had been proposed under a Nixon administration, there would have been immediate suspicion of it. It happens under a Democratic president, who has the support of some of the liberal Democratic establishment, and it immediately gains acceptance. It must be good.

But all of this comes without careful review and study of the proposal on its own. This is just part of our fast culture, of getting flashes and images of things to which we react positively or negatively.

The second factor is the idea that somehow, as long as we call something a "strategic arms limitation treaty" enough times, it must be that. You know, say it enough times and you convince yourself that it really is so. No matter what it is, as long as the label is there, being constantly conveyed and communicated to the public, it must be acceptable.

Also, as you say, there is the idea that something is better than nothing, that half a loaf is better than none. Well, I don't accept that as being the case in the situation.

I remember that during the Vietnam war some people thought that we shouldn't bring a particular proposal up for a vote because we might not win. In other words, don't fight for a position unless you know that you can succeed.

I am not one of those who believes that you have to have a guarantee of achieving a truly effective measure to reduce nuclear arms before launching an effort. In fact, I think that when you fail to try, you create an environment in which these phony programs can come along and gain acceptance. Until people have something to rally around, and have a clearly understood and meaningful focus in the cause of arms control and arms reduction, they are vulnerable to buying anything which comes under an attractive label. So I think that some of our liberal church friends are buying a false package, a false hope.

All we're talking about now are ceilings on the numbers of missiles and warheads to be produced. I would much rather have us say, "Look, our effort initially is to limit nuclear arms, but our objective is to actually reduce them." But there is nothing in the picture that I have seen which would even give the impression that reducing the number of our nuclear arms is in anyone's thoughts.

SOJOURNERS. Do you see a relationship between the arms race and the development of nuclear energy?

HATFIELD. We really can't separate the discussion of nuclear weapons from the use of nuclear power for other objectives. In the military budget presented to the Senate Appropriations Committee, of which I am a member, there is not a separate figure for funds going to the actual research and development of nuclear warheads. That figure is found, instead, in the appropriation for the Department of Energy. The federal budget for energy is going in large part for the development of nuclear energy by fission as the answer to our energy problems. But the development of nuclear weapons, also funded by the Department of Energy, becomes the propelling power behind our nuclear energy program. And it is becoming increasingly difficult to forestall the options of the fast breeder and reprocessing.

Ultimately, the Christian community, as well as the whole of society, has to face this question: How far are we going to commit this nation to a plutonium economy as a means of meeting energy needs while refusing to recognize the relationship of such an economy to nuclear weapons development and potential nuclear proliferation? These are interlocking forces, dovetailing with one another.

These questions are profoundly connected to assumptions of our culture and the depths of our corporate life in this country today.

SOJOURNERS. How does your own Christian commitment relate to your convictions about the nucelar arms race?

HATFIELD. As a Christian to begin with, I believe in the biblical view of creation. There is a Creator, and there is a creation. I do not believe that we have the right to destroy a part of the creation, because we have not created it. It is still in the hands and control of the Creator.

We must realize that we do not own anything We are only stewards. In that stewardship role we must recognize that all of the world was created for the inhabitants thereof. That's not for just any one segment of humanity, but for all inhabitants. Anything which threatens to destroy any part of that creation—its natural resources or its human resources—is wrong, just basically wrong. And I cannot be a part of that. I must stand and speak against the kind of program or power that leads to such destruction.

Second, the Christian gospel is very clear about calling us to the specific mission of reconciliation. Christ was reconciling the fallen world unto God. And if we are to follow as imitators of Christ, we ought to be reconciling rather than polarizing. The more armaments you build which separate people, threaten people, and cause fear both at home and throughout the world, the more you deny the Christian commission of reconciliation.

Third, there is a Christian doctrine of sharing, of giving. Christ gave his life, literally. I feel that we have a responsibility, as stewards of great resources and power in this nation, to use them not just for the selfish internal use of our own people, but to share them with all people.

There is a massive imbalance caused by those systems and programs designed to destroy life and consume the resources which otherwise could be used to sustain life. This is totally contrary to my understanding of Christian convictions.

SOJOURNERS.—How do you regard the churches' response to the nuclear question, and what would you hope for?

HATFIELD.—The discouraging thing is that much of the church and its leadership has reflected the cultural values and the political priorities of society rather than heeding the call to become a subculture. I think that the Christian community in this secular, materialistic age is increasingly going to have to be seen and understood as a subculture, or a counterculture.

As we look at the arms race, and all these things that are totally contrary to the Christian doctrine, the question is, where is the Christian resistance? Where is the Christian counteraction? It is very spotty. And that is because the Christian community has been caught up in the thought patterns, values, and ways or living dominant in the secular culture.

I don't really have much confidence in the church councils which pass resolutions supporting arms control, and then have nothing to say about the lifestyle of the church in this society. Christ and his way must be made real to the parishioners of those churches. We've had too many resolutions passed, by church boards and councils who don't speak, I'm afraid, for many more than themselves. They often don't even speak for their constituents. And they feel that passing a resolution has discharged their responsibility. I'm weary of resolutions.

I would much rather see the life of the church demonstrate the strong evidence of their values as Christians, and their confidence in God as the object of their trust and the source of their security. That would do far more to influence the political institutions than passing a resolution.

We must exemplify in our lives the Christian gospel, and see ourselves as the light, the salt, and the leaven of society. We must act as lambs being sent into a world of wolves. On the surface, that seems like idiocy. But there is in this approach the power of God, and that grants credibility.

So the question becomes, can the church simply be the church? Can we be those people who place their security in God? Can our lives be motivated by reconciliation rather than hatred and fear? Where will we place our trust? In our nation's armaments, or in our Lord?

Until the church is willing to assume a truly countercultural role in proclaiming an alternative basis of security and trust in its own life—a life marked by love and reconciliation—I don't think it will have much of an effective role in the question of disarmament.●

LIBRARIES SEEK TAX GUIDELINES

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. GEPHARDT. Mr. Speaker, today I am introducing a bill to provide that any tax-exempt organization that operates a bona fide library as a permanent and principal part of its tax-exempt activities, that was organized by a public act of the United States, of any State, of the District of Columbia, or of any possession of the United States, or was in existence prior to 1789, be treated for tax purposes as a public charity in the same manner as other educational organizations such as schools and universities. The bill is limited to only those libraries described above to insure that only such libraries that are clearly organized to serve the public will benefit from this legislation.

Because of the investment income from their endowments, some tax-exempt organizations that operate a library as described above, run the annual risk that they will fail to meet the Internal Revenue Service guidelines to qualify as a "publicly supported" organization and that, therefore, they will be classified as a private foundation. Under existing law, unless a library meets the "publicly supported" financial tests, it will not qualify as a public charity even though such library clearly serves a public purpose. Such libraries spend significant amounts in legal and accounting fees on an annual basis, funds that would otherwise go to the exempt purpose, for example, to purchase books, et cetera, to determine and insure that they meet the Internal Revenue Service guidelines. A library that does not meet these tests is usually classified as a private operating foundation and is required to pay a 2-percent excise tax on their net investment income. The purpose of the excise tax, as set out in the legislative history, is not to raise revenue for the Government, but to cover the Internal Revenue Service expense in monitoring private foundations, principally to insure that such organizations are promptly and properly using their funds for charitable purposes. The purpose behind the excise tax does not appear to be applicable to the class of libraries described in the bill.

A library that is classified as a private foundation also has a more difficult task than an organization classified as a public charity in soliciting funds from potential contributors. For example, a private foundation that is not an operating foundation may make contributions to public charities and private operating foundations, but generally may not make qualifying contributions to other private foundations that are not operating foundations. Because of the uncertainty as to whether a private operating foundation continues to qualify as an operating foundation (there are complex tests that must be satisfied annually) many individual contributors and other private foundations that are not operating foundations are hesitant to contribute funds to such an organization even though it clearly serves a public purpose. As a result, funds that would otherwise go to a library described in the bill are diverted to other charitable organizations.

Although most libraries within the class of libraries described in the bill are able to satisfy the "publicly supported" test and qualify as a public charity, there is one library within that class that I am aware of, the St. Louis Mercantile Library located in St. Louis, Mo., which, because of its endowment fund, is unable to satisfy these tests, and therefore is classified as a private operating foundation. Because this library is classified as a private operating foundation, it must pay an excise tax on its net investment income. For taxable years after 1977, this will amount to $2,000 to $4,000 per year. In addition, this library must incur annual legal and accounting expenses to make sure that it falls within the private operating foundation guidelines.

I am not aware of any other similar library in the particular situation being faced by the St. Louis Mercantile Library. It is anticipated that the annual loss in revenue if this bill is enacted would be less than $5,000 per year. The bill indirectly affects many other libraries because the passage of the bill will also relieve them of the necessity of continually insuring that they meet the "publicly supported" tests, and this is why the bill is supported by, among others, The Independent Research Libraries Association, whose members include the New York Public Library, the Henry E. Huntington Library, American Antiquarian Society, and the Library Company of Philadelphia.

The St. Louis Mercantile Library Association was established in 1846 to form a well-rounded collection of books for the information and convenience of St. Louis. The formation of the library was authorized and approved by a public act of the General Assembly of the State of Missouri. The library is maintained in its own building in downtown St. Louis.

Over the past 132 years, the library has assembled a notable collection of books, now over 213,000 volumes, comprising a general collection in the liberal arts area, with emphasis on history, biography, travel, philosophy, religion, and the arts. The library maintains one of the country's distinguished and most comprehensive collections of regional history pertaining to St. Louis and Western Americana.

The Western Americana Collection, with approximately 55,000 rare books, is probably the most comprehensive collection in that field in existence. The collection is frequently consulted and referred to by many students and historians in this field.

In addition, the Library has one of the most complete files available in the St. Louis area for six local papers, including some 500 bound volumes of St. Louis newspapers beginning with 1812 (a few of these cannot be obtained in any other library).

The Library has also been the recipient of many valuable gifts during its existence. These gifts include the fragmentary journal of Pierre Laclede's stepson, Auguste Chouteau, describing the founding of St. Louis, and the original manuscript "Journal of the Proceedings of the First Legislative Council of the Territory of Louisiana, from June 3, 1806 to October 9, 1811." For individuals researching the organization of the territorial government of the Louisiana Purchase or about Missouri's first steps toward statehood, these documents are of extreme importance. Another notable possession is the four-volume elephant folio of Audubon's "Birds of America."

The library is open to the public and currently maintains a broad based membership of over 2,000. While membership is necessary to check out materials (membership dues are currently a nominal $10 per year), anyone can use the books and collection on the premises of the library. The library is also made available to students from Washington University to observe the library's unique cataloging systems, reference department and rare book room.

The St. Louis Mercantile Library should not be penalized by the private foundation rules and applicable excise taxes. These provisions were not intended to penalize organizations that clearly provide a public benefit such as this library does. Further, other libraries of a similar nature likewise should not be burdened with the additional legal and accounting expenses to insure that they continue to satisfy the "publicly supported" financial tests.●

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. OTTINGER. Mr. Speaker, the Senate Special Committee on Aging has published a checklist of itemized deductions to protect older Americans against overpayment of Federal income tax. According to the committee, this summary is not intended to be an all-inclusive checklist for every conceivable circumstance. Instead it is designed for more typical situations to help assist the majority of taxpayers claim every legitimate deduction, exemption, and credit to which they are entitled.

If you have already filed your tax return but overlooked allowable deductions, you may still claim items initially omitted by filing an amended return—form 1040X. But, it must be filed within 3 years after the original return was due or filed, or within 2 years from the time the tax was paid, whichever is later.

Several important tax relief measures became law in 1978, including a 15 percent credit on up to $2,000 in qualified expenditures for energy conservation devices and a one-time, up to $100,000, exclusion from capital gains tax for persons 55 or older who sell their homes. This checklist is a valuable source of information for senior citizens and I would like to share this with my constituents:

CHECKLIST OF ITEMIZED DEDUCTOINS FOR SCHEDULE A (FORM 1040)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3% of your adjusted gross income (line 31, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 31, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expenses (subject to 3% limitation):

Abdominal supports (prescribed by a doctor).

Acupuncture services.

Ambulance hire.

Anesthetist.

Arch supports (prescribed by a doctor).

Artificial limbs and teeth.

Back supports (prescribed by a doctor).

Braces.

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs.

Chiropodist.

Chiropractor.

Christian Science pracitioner, authorized.

Convalescent home (for medical treatment only).

Crutches.

Dental services (e.g., cleaning, X-ray, filling teeth).

Dentures.

Dermatologist.

Eyeglasses.

Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).

Gynecologist.

Hearing aids and batteries.

Home health services.

Hospital expenses.

Insulin treatment.

Invalid chair.

Lab tests.

Lipreading lessons (designed to overcome a handicap).

Neurologist.

Nursing services (for medical care, including nurse's board paid by you).

Occupational therapist.

Ophthalmologist.

Optician.

Optometrist.

Oral survery.

Osteopath, licensed.

Pediatrician.

Physical examinations.

Physical therapist.

Physician.

Podiatrist.

Psychiatrist.

Psychoanalyst.

Psychologist.

Psychotherapy.

Radium therapy.

Sacroiliac belt (prescribed by a doctor).

Seeing-eye dog and maintenance.

Speech therapist.

Splints.

Supplementary medical insurance (Part B) under Medicare.

Surgeon.

Telephone/teletype special communications equipment for the deaf.

Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.).

Vaccines.

Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).

Wheelchairs.

Whirlpool baths for medical purposes.

X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

TAXES

Real estate.

State and local gasoline.

General sales.

State and local income.

Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental, units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7 cents per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

INTEREST

Home mortgage.

Auto loan.

Installment purchases (television, washer, dryer, etc.)

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

MISCELLANEOUS

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—You may claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

PRESIDENTIAL ELECTION CAMPAIGN FUND

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

ADDITIONAL INFORMATION

For any questions concerning any of these items contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

OTHER TAX RELIEF MEASURES

Filing status	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointtly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Exemption for Age.—Besides the regular $750 exemption, you are allowed an additional exemption of $750 if you are age 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1979, you will be entitled to the additional $750 exemption because of age for your 1978 Federal income tax return.

"Zero Bracket Amount."—The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10% of the mutual dependent's support, *but only one of them,* may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20% credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

ENERGY TAX ACT

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition sytem which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditure in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

DEALING WITH MEXICO

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. PEASE. Mr. Speaker, congressional support for forging a new partnership with Mexico is growing. Last month, I introduced House Concurrent Resolution 34 which calls upon President Carter during his state visit to Mexico to reach agreement with Mexican President Portillo on a framework for United States-Mexican cooperation on a variety of common concerns, including terms for mutually-beneficial development of Mexico's oil and gas reserves. Sixty-five of my colleagues have joined me in communicating this message to the White House.

It is becoming increasingly apparent that one of the keys to increased Mexican oil production is profitable gas use. If Mexico does not export gas, cannot use all of it domestically, and refuses to waste it, then projected oil production will have to be cut back—reduced by as much as 400,000 barrels of oil per day by 1988. The following editorials from the New York Times and the Washington Post underscore the growing public demand for new approaches in our bilateral relations with Mexico.

[From the New York Times, Feb. 5, 1979]

Making a Deal With Mexico

As everyone knows by now, Mexico sits on a pool of oil and gas second only to the reserves of Saudi Arabia. Its leaders intend to raise oil production at a measured pace, selling enough crude in world markets (at world prices) to finance a long period of industrialization. What will happen to the natural gas has yet to be determined. Its sole potential foreign buyer is the United States. Last year, after months of haggling over price, the two countries broke off negotiations and the Mexican Government vowed to develop the gas for domestic use. But we doubt that will be the Mexicans' last word.

Both Governments understand the powerful arguments for exports to the United States. And if an agreement could be worked out that did not appear to compromise the Mexican Government's strong public commitment to a price of $2.60 per thousand cubic feet, Mexico would be satisfied. That is why the issue ranks high on the agenda of President Carter's talks with President López Portillo later this month.

Mexico chose $2.60 because it was equivalent at the time to the price of home heating oil. Natural gas is a clean, versatile energy resource easily substitutable for the distilled oil used for home heat. Moreover, the Mexican Government proposed to cover most of the investment for a pipeline to bring the gas from wellhead to consumers. The deal was acceptable to private American pipeline companies.

But the Carter Administration objected to both the economics and the politics of the offer. The President's energy plan, then stalled in Congress, called for a maximum price on domestic gas well below $2.60. And no one wanted to explain to an already balky Congress why a premium should be paid to Mexico. Then, too, there was the problem of Canadian gas, which was selling in the United States for only $2.18. Had Mexico gotten $2.60, the Canadians would have demanded parity.

In the year since President Carter refused to initial the Mexican agreement, Congress has finally passed legislation that will eventually let domestic producers sell gas for more than $2.60. But the Canadian problem remains, and the Carter Administration is divided over how much to offer the Mexicans.

Energy Secretary James Schlesinger opposes paying much more than the value of the gas to Mexico's domestic industry—about four-fifth's the asking price. Mr. Schlesinger is plainly worried that the Mexican connection would further delay gas production in Alaska. Owing to the enormous costs of pipeline construction, Alaskan gas will never be a bargain. But it would reduce American dependence on foreign energy. A subtler view, focusing on other aspects of the Mexican energy connection, seems more farsighted. Even if Mexican gas is, strictly speaking, slightly overpriced, the gas issue should not be allowed to sour future United States negotiations with Mexico over energy.

If President Carter managed to persuade the Mexican Government to accept a lower price, the savings would not necessarily serve the national interest. The loss of face for President López Portillo would undoubtedly strengthen chauvinist political forces, making it more difficult for any Mexican leader to accomodate the United States on oil development or on increased flows of gas when circumstances demand.

The Carter Administration should aim for a compromise that Mexicans can reasonably view as a victory. We might, for example, yield to the $2.60 demand in return for an option to buy more gas in the future at the same price, or for a price formula that would become more favorable as energy prices rise in the mid-1980's. However the agreement is reached, the future of Mexican-American energy relations is too important to be left to the price hawks at the Department of Energy.

[From the Washington Post, Jan. 8, 1979]

BUYING GAS FROM MEXICO

The Mexican gas negotiations are, at the moment, hanging in midair. That's a bad place for them. President Carter is going to Mexico City next month, and agreement on the gas is now urgently in the interest of both countries. It's not only that the amounts of gas for sale are enormous. Mexico's future policy on oil production will be influenced by its ability to dispose of the gas. The turmoil in Iran, and the abrupt cessation of its oil exports, suggests once again the peril in the United States' present over-dependence on Middle Eastern supplies. Anything that encourages new oil and gas production anywhere else in the world is good for the United States. That's why the Carter administration needs to get the gas talks going again—rapidly.

These gas negotiations have an unfortunate history. The pipeline to carry the gas from the wells up to the U.S. border is already under construction. Last year Pemex, the Mexican oil and gas monopoly, had arrived at an agreement with a consortium of six American gas transmission companies. But then the U.S. government suddenly intervened and suspended the whole sale. The reasons are still not entirely clear, but the American buyers were offering a price significantly higher than the regulated ceiling price for domestic gas. Perhaps the administration feared that approval of that higher price might upset the fragile compromise in Congress on the gas-pricing bill that was then inching its way, excruciatingly slowly, toward enactment.

This abrupt and unexplained veto by the Carter administration has deeply irritated the Mexicans. It suggests a lack of concern for the Mexican position when it might conflict with the political exigencies of the moment here. To the Mexicans, the whole affair seemed to cast doubt on the reliability and constancy of American purposes.

The issue is essentially the price. The Mexicans wanted to sell the gas for the price that Americans would pay for the equivalent energy in imported heating oil. The Carter administration had two objections to that. First, it is understandably reluctant to let the price of other fuels get tied automatically to a standard—the price of imported oil—that OPEC can raise at will. Second, it argues that this gas will not compete with heating oil but rather with the grades of heavy industrial fuel oil that are considerably cheaper. Both of these objections are reasonable. But the first one, involving the link to world oil prices, has already been eroded a bit. Both belong to the category of issues that reasonable people ought to be able to work out amicably. It would probably serve this country best to give a little on the initial price, in order to get more assurance of predictability for the future.

But there are compelling reasons on both sides of the border to get an agreement. The Mexican gas is produced in association with the oil—which is to say that they come up the pipe mixed together. At present the gas is being flared off in the Mexican fields merely to get rid of it. Those flares are a dismaying symbol of waste. If the Mexican government cannot sell its gas in the American market, it may well feel a responsibility to hold down the development of both oil and gas production until its own economy can absorb the gas. Mexico can sell her oil anywhere. But for the gas there is, as a practical matter, only one possible market of any great significance.

The Mexican gas negotiations constitute a test of the Carter administration's attitudes toward Mexico's resources generally, and the relationship that this country would like to strike with the owners. Mexico is a peaceful and stable country. Peace, stability and proximity of the producing country ought to be worth quite a lot to the customer. That, unhappily, is the lesson of Iran.●

AARON HENRY AND NELSON CRUIKSHANK OPPOSE PROPOSED CUTS IN SOCIAL SECURITY PROGRAM

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. CONYERS. Mr. Speaker, President Carter urged Congress in his 1980 budget request to cut certain unnecessary social security benefits. If this is approved, roughly $600 million in such benefits would be eliminated during the budget year. These proposed social security cuts would be one of several casualties in the fight against inflation. Others are the steep cuts in public service employment, subsidized housing, summer jobs for youth, and child nutrition programs. Unfortunately, as has happened in a great many other previous Presidential battles against a variety of public enemies, this battle against inflation could well result in a great number of unnecessary casualties. The fact of the matter is, according to the Congressional Budget Office, the President's budget by the fourth quarter of 1980 will only lessen inflation by a mere one-tenth of 1 percent. Controlling inflation is an important goal; but surely there must be more effective methods, and methods that also spare the most vulnerable individuals, such as disabled and retired persons.

If the President's proposed cuts in social security disability benefits take place, nearly 5 million disabled persons and their dependents will be affected. Other cuts will affect equally large numbers of individuals who are recipients of social security, of whom there are nearly 34.5 million. Out of curiosity, I obtained statistics on the numbers of older Americans who are living in or at the edge of poverty. If the measure of poverty is the official poverty line of $2.895 for a single individual, there are at least 4.1 million, 60 years and older, who are poor by official standards (as of 1977). If the poverty line were raised to $5,000 for individuals, certainly a realistic level, there are at least 16.7 million Americans, 60 years and older, who are poor, having incomes of only $5,000 a year. The point is that older Americans are a highly vulnerable group, whose incomes generally just allow them to get by. If we have to cut Federal spending, why does it always have to be taken out on the weakest?

I know that both Houses of Congress will examine very closely the President's social security proposals before any action is taken. For this reason, I recommend to my colleagues two recent articles that offer a good background on the issues involved. The first is a statement by Dr. Aaron Henry, chairman of the National Caucus on Black Aged, which he delivered on January 25, 1979 to the Coalition to Save the Social Security Program. The second is an article that appeared in the Washington Post, February 8, 1979, which examines the position of Nelson H. Cruikshank, the President's own counselor on aging, who opposes the social security cuts.

STATEMENT OF AARON HENRY

We are witnessing a sad time in our society. A time when, for the purpose of balancing the federal budget, those members of the American population who can least afford it are having taken from them the few dollars in Social Security benefits that they, themselves, contributed toward, and, which mean so much to them. I speak of the elderly and the poor. The minority elderly—the Blacks, the Pacific Islanders, the Asian American, the Hispanics—who always suffer the most in the name of budget reductions.

Elimination of the $225 lump sum death benefit, as proposed by the Administration, though sorely inadequate to meet today's extraordinary expenses at the time of death, could leave a spouse without any money at a time of great grief and stress. That sum, though small, will permit a poor widow one last bit of dignity—to make funeral arrangements for her departed husband. Are we really so callous as to deny her this?

Elimination of the minimum of $122, though a pittance, would deal a crushing blow to the minority elderly and disabled. As a result of forced lay-offs, irregular work and non-covered jobs, they have been unable to earn substantial earnings benefits. By cutting these persons off from their Social Security benefits, the government would, supposedly save $65 million in 1980, $140 million in 1981 and $230 million in 1984. Unbelievably, the Administration says, "Let them go on welfare." That's incredible! We are trying to reduce the welfare rolls, not add to them. All of the cuts proposed by the administration come to about $600 million in fiscal 1979, and $1 billion in 1980. However, if the cuts are implemented, it will amount to a loss of $6.5 billion in benefit protection by 1984. That purported saving is infinitesimal compared to the $531 billion budget for fiscal year 1979, $123 billion of which has been allocated for the military.

If the Administration is serious about reducing the Federal deficit, there are far more lucrative areas. Minimizing the numerous income tax breaks allowed to corporations would be one such area. Cutting human programs should be a last resort! We are already seeing the effects of the reduction or "hold the line" syndrome where human service programs are concerned. Since no funding has been provided for many of the programs under the 1978 amendments to the older Americans act many services are being cut back. Rather than gearing up for urgently needed increases in services this year, state and city aging offices and area agencies on aging throughout the country are preparing for reductions in services—some as much as 25 percent.

Unless governmental neglect of the urgent needs in this area, as well as reductions in other social programs, is halted the crucial needs of the minority elderly, widowed and disabled, will never be met.

The irony is that if benefits under Social Security are reduced, the need for services which are provided under the older Americans act and other federally funded programs, such as Title XX of the Social Security Act, will dramatically increase.

As I mentioned, 25 percent of the budget goes for defense spending. The administration's bid for a conservative fiscal policy, in this manner, makes the poor, the minorities, the elderly, the widowed and the disabled, give up, once again, more than they can afford. They will bear the brunt of this oppressive action while the economic system designed to protect the existing contracts between the government and big business remains intact. The cut will come neither from that part of the budget nor from military spending.

The $600 million taken from social programs will affect the rate of inflation less than .3 percent of 1 percent. But, it will catastrophically affect the lives of the poor and minority recipients. I stand before you as a true long time friend of President Carter, Joe Califano of HEW and of Social Security Administrator, Stanford Ross, I remain so today. And we believe that President Carter will hear our voices and can be convinced by us that the Social Security cutbacks recommended in the budget to Congress will be cancelled by the Administration and that the national leaders of Social Security and HEW, and of the United States Congress including Congressman Al Ullman, who really are our friends, will come around to supporting our position in opposing these cuts. We are hoping that we can depend upon them and you. We will work with them, and you, if possible but we will work around them, and you if necessary.

The following organizations have joined us in this determination to prevent these Social Security cutbacks: The NAACP, National Urban League, National Urban Coalition, National Dental Association, National Association of Black Women Attorneys, National Task Force on Senior Citizens, Black Child Development Institute, Inc., Delta Sigma Theta Sorority, Delta Housing Corporation, National Pharmaceutical Association, D.C. Coalition for the Appointment of Women, National Black Veterans Organization, Rural America, D. C. Mental Health Association, National Association of Social Workers and the Congressional Black Caucus. (This is a partial list.)

CARTER AIDE HITS PROPOSED SLASH IN SOCIAL SECURITY

(By Spencer Rich)

Nelson H. Cruikshank, President Carter's counselor on aging, assailed the administration yesterday for its proposed cuts in Social Security benefits.

While Cruikshank was blasting the cuts, the House Ways and Means Social Security subcommittee, headed by Rep. J. J. Pickle (D-Tex.), concluded that even if it eventually approved some of the cuts, the action almost certainly will not come in time to take effect during fiscal 1980 as Carter has proposed.

In a virtually unprecedented performance for a sitting adviser to a president, Cruikshank told the House Committee on Aging that the proposed cuts are "ill-advised," "at the very least disingenuous," and "trumped up" to grab credit for a quick budget reduction.

He said they reflect "lack of understanding" of "the very nature" of Social Security and of benefit promises made to persons who have paid in all their lives. Cruikshank's views were in tune with those of a huge coalition of organizations, headed by former Health, Education and Welfare Secretary Wilbur J. Cohen, who also testified and said he will battle the cuts to the end.

Cruikshank said he was speaking for himself, not the administration, and he had been informed by the White House "that I am free to express (my) disagreement as long as I make clear the distinction between what are my own views and what are the administration's positions."

As proposed by the administration, the cuts—which include phasing out the student benefit for orphans aged 18 to 21, eliminating the $122-a-month floor on benefits, reducing disability benefit levels and eliminating the $255 burial benefit—would have saved $609 billion in fiscal 1980.

Stanford Ross, the current Social Security Commissioner, defended the proposed cuts in later testimony. "None of our proposals affects the central elements of the Social Security program" or hurts current beneficiaries, he said, adding that the proposals seek only to keep program costs within reasonable limits by cutting elements of "relatively low social priority" or "random largess."

Pickle, at an organizational meeting of the Ways and Means subcommittee, said some of the cuts are so controversial that it is "neither realistic or practical" to expect passage in time for any savings in the fiscal 1980 budget, if ever.

He and the subcommittee made an exception for disability insurance provisions, which the subcommittee acted on last year. Pickle said disability cuts—among a host of Social Security issues like coverage for federal employees and a hope-for postponement of the Social Security tax rate increase scheduled for 1981—are the only element likely to pass Congress in time to have any impact on the fiscal 1980 budget. Fiscal 1980 begins Oct. 1.

Therefore, the subcommittee agreed to inform the full Ways and Means and Budget committees that, of the $609 million proposed savings, the most that can actually be expected in 1980 would be $50 million to $75 million, by reduction of disability benefit levels.

Pickle said that in view of the coalition headed by Cohen and other factors, it simply is not practical to think of making any other major cuts soon.

But he said the subcommittee will study all major Social Security financing and benefit issues and perhaps might come up with a comprehensive bill of some type around the end of this year or early in 1980.

He said that as the scheduled tax increase—from the present 6.13 percent rate to 6.65 percent in 1981—approaches, members may be more willing to consider changes in the system to reduce the tax increase.

Cohen, former Social Security Commissioner Robert Ball, former Social Security Chief Actuary Robert J. Myers (1947–70) and other witnesses all joined Cruikshank in attacking the proposed cuts.●

SOVIET JEWS URGE CONGRESS NOT TO MODIFY JACKSON-VANIK AMENDMENT

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. DRINAN. Mr. Speaker, it was recently reported in the New York Times that a group of 68 Soviet Jews from eight cities had appealed to the U.S. Congress not to change legislation that bars favorable trade terms for Moscow, because of its restrictions on emigration. In clear reference to moves in the House and the Senate to modify and weaken the Jackson-Vanik amendment to the Trade Act of 1974, these prominent Soviet "refusniks" urge the U.S. Congress to remain firm in its commitment to Soviet Jewish emigration. This goal cannot be achieved, they believe, through a change in existing U.S. laws.

This appeal was received by telephone from Moscow and translated into English by the London correspondent to the Union of Councils for Soviet Jews, Mr. Michael Sherbourne. The text of the appeal follows:

To Members of the United States Congress:

We are addressing ourselves to you inasmuch as the situation in the field of emigration from the USSR remains far from satisfactory, although the Soviet Union is a signatory to and has ratified five international agreements that stipulate freedom of emigration; and although this freedom is granted to citizens of the USSR by its laws, nevertheless today, as previously in this sphere, tyranny continues to prevail.

The Soviet authorities decide as they see fit and without reference to any laws. They grant permission to emigrate to some and refuse it to others. Some of those deciding to emigrate are forcibly kept back in this country under various pretexts, and some without any sort of reason being put forward. While many are deprived of all means of existence and suffer repression and harassment, a number of activists of the Jewish emigration movement have been brought to trial by courts on fabricated charges, which have demonstrated to the whole world their contempt for the elementary norms of legal justice, a process which culminated in the notorious trial of Anatoly Sharansky.

Under these circumstances, the only legislative enactment which to some extent at least acts as an obstacle to the unbridled tyranny of the Soviet authorities in their emigration policies, is the Jackson-Vanik Amendment to the Foreign Trade Bill accepted by the Congress (1972–74). On the general human level, the Jackson-Vanik Amendment is an act of historic significance in the spirit of the finest democratic humanitarian traditions of the American people. This aspect of the Amendment is reviewed by Academician Andrei Sakharov in his work, "My Country and the World."

During the discussions of the Amendment and after its acceptance, there was both an increase and a reduction in the number of exit permits granted as well as a lessening and a reduction in the number of exit permits granted as well as a lessening and a hardening of the repressive acts. But we who have been living in this country all our lives, and who for many years have been feeling on our backs every change in the political wind of the leaders of this country, are deeply convinced that the Jackson-Vanik Amendment has played, is playing and we hope will continue to play, a great significant and positive role in restraining the Soviet authorities from committing the severest of repressive acts.

The Jackson-Vanik Amendment compelled the Soviet government to refrain from demanding the tax on education and is the only real stimulus to them to bring about a liberalization of their emigration policies. We believe that in the long run, this amendment will eventually lead to the liberalization of Soviet emigration policies when the leaders of the USSR come to the realization that the U.S. Congress will stand firm in its position of defending freedom of emigration as one of the fundamental rights of man.

During our recent meetings with delegates of the United States Congress. representatives of all trends in the Jewish emigration movement unanimously expressed their support for the retention of the basic concept of the Jackson-Vanik Amendment. We are convinced that the United States Congress has done much to preserve legality in its support for freedom of emigration by offering the USSR trade preferential treatment in return for that freedom. This now appears to be the only means of bringing about a real limitation of tyranny and abuse of authority in this sphere, which is of such importance for all humanity.

Moscow: Alexander Lerner, Judith Perlman, Boris Chernobilsky, Yelena Chernobilskaya, Yakov Rakhlenko, Vinya Belkina, Victor Yelistratov, Batsheva Yelistratova, Yevgenny Tsirlin, Galina Tsirlina, Arkady Mai, Helen Seidel, Ida Milgram, Mikhail Kremen, Galina Kremen, Leonid Shabashov, Olga Shabashova, Alla Drugova, Yakov Shmayevich, Igor Gudz, Lev Blitshtein, Vladimir Chepkassy, Ludmilla Cherkasskaya, Yakov Alber, Aba Stolyar, Gita Rosovskaya.

Leningrad: Y. Kogan, Alexander Genusov, Lev Furman, Vladimir Knokh, Yuri Speisman, Nelly Speisman, Lev Israelev.

Minsk: Lev Ovsischer.

Kharkov: Alexander Paritsky.

Tibilisi: Isai Goldstein, Elizabeta Bykova.

Vilnius: Eitan Finkelshtein.

Odessa: Lev Roitburd.

Lvov: David Shvartz.

Kiev: Sergei Rotshtein, Elna Oleni, Dimitri Raizman, Yefim Frimmerman.

The above list of 44 signatures is a partial list as of February 11. Since then, the list has totalled 68, according to the New York Times of February 13, 1979.●

CECIL MOORE, A GREAT LEADER

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. GRAY. Mr. Speaker, this week the city of Philadelphia mourns the death of a man who was a great leader in every sense of the word—City Councilman Cecil B. Moore.

It would be impossible to exaggerate the importance of Cecil Moore's role in the civil rights movement in Philadelphia, Mr. Speaker. Throughout the 1950's and 1960's, he was the driving force responsible for bringing equality and dignity to the people of our city.

At the time of his death, he represented the people of the Fifth Councilmatic District. He brought to the chamber of City Council the same outrage at inequality; anger at substandard living conditions; and intolerance for government inaction which marked his entire career.

He was a brilliant lawyer. Time after time, he represented the cases of those who were poor and disadvantaged. He developed what was reported to be one of the largest criminal practices in the Nation, and was generally acknowledged to have few peers in the legal profession in our city.

But, Mr. Speaker, it was in the field of civil rights that Mr. Moore scored his greatest accomplishments.

As President of the Philadelphia Chapter of the National Association for the Advancement of Colored People, he was responsible, more than any other person in the city, for the integration of blacks into Government and industry jobs.

He took over the presidency of the NAACP in 1962, and increased its membership from 7,000 persons to more than 30,000. During his terms in office, the Philadelphia NAACP was considered to be the strongest and largest branch in the United States. Mr. Moore led a volunteer army of thousands of people who would picket businesses which discriminated against blacks.

Perhaps his most noted accomplishment was the campaign against Girard College.

According to the will of Stephen Girard, Mr. Speaker, this school for fatherless boys was prohibited from accepting black students. But for 7 months in 1965, Mr. Moore led picket lines around the walls of the school in North Philadelphia, mounting a publicity and legal campaign which resulted in the 1968 decision of the U.S. Supreme Court to rule that the school could not exclude blacks.

Mr. Speaker, the people of Philadelphia will miss this giant of a man who made his contributions to our city and country in so many ways—as a 9-year veteran of the U.S. Marine Corps, as a lawyer, as a civil rights leader, as a City Councilman, and as a consistent and effective voice against inequality.

I know that my colleagues, Mr. Speaker, join me in expressing sincerest sympathies to his wife, Helen Golden Boyer, and his daughters, Mrs. Ceciley Banks, Mrs. Alexis Love, and Melba Moore.●

ASBESTOS HEALTH HAZARD IN SCHOOLS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. MILLER of California. Mr. Speaker, the Subcommittee on Elementary, Secondary and Vocational Education will hold hearings on February 21 on legislation which I have introduced, together with over 30 of my colleagues, which would reduce the asbestos health hazards in potentially thousands of schools across the United States. H.R. 1524 is an effort to involve the United States in a limited fashion in the identification and mitigation of severe asbestos hazards where they exist. That effort, according to my bill, would be shared with parties which are actually far more responsible for the current situation than the Federal Government, namely State and local government and manufacturers of asbestos materials.

Last month, this subcommittee held 2 days of hearings in which nationally recognized experts testified that there is no established threshold of asbestos exposure which is "safe." We also heard that we should restrict our removal or containment activities to those situations which pose an imminent danger to the health of schoolchildren or employees. Through this kind of reasoned and limited approach, which is reflected in H.R. 1524, we will avert any public panic while responsibly addressing a potentially serious problem.

A recent article in the Journal of the National School Boards Association (November 1978) discussed the extent of the present problem and the need for a coordinated effort to identify and remove the danger. I would like to submit this brief article to the RECORD.

The article follows:

ASBESTOS IN SCHOOLS: WALLS AND HALLS OF TROUBLE

(By Dan Levin)

D. That's right. The answer to the multiple-choice question on the front cover of this month's Journal is that asbestos in schools may cause a rare, incurable cancer, can be extremely dangerous and expensive to remove and is a problem that can be solved by astute school boards.

If exposure to asbestos can cause cancer and if the walls and ceilings of your schools are covered with asbestos, does this mean that your students and employes face a health danger just from being inside your school buildings? That question can't be answered with a simple Yes or No; it requires replies containing "maybe" and "possibly" and "it all depends." Your responsibility in this matter, however, is clear-cut: to begin asking some key questions. Do your schools contain asbestos? To what extent is that asbestos a health hazard to students and employes? How can the health danger be eliminated? What's it all going to cost? This article is a starting point from which you can collect answers to the foregoing questions. One more thing to keep in mind:. Some of the latest and best research information about asbestos in the schools (that information prompted this article and will be referred to later) may negate advice you've had in the past about asbestos in your schools. So now you have to look at the problem again; start looking here:

In schools built between 1946 and 1973, the use of asbestos, especially sprayed asbestos, was not uncommon. Builders considered it effective for fireproofing, insulation, acoustical and even decorative purposes. Because it is durable, strong, flexible and resistant to wear, asbestos has been used for an estimated 3,000 purposes in commercial, public and industrial applications. But in 1973, after research concluded that some shipyard workers who had handled asbestos during World War II were dying of cancer as a result of asbestos exposure, the U.S. Environmental Protection Agency (E.P.A.) banned its use in most sprayed applications.

Asbestos workers, according to a study published last March, were dying of cancer at rates higher than those in the general population. Lung, stomach, esophageal, intestinal and rectal cancers all occurred more often among asbestos workers than normally would be expected. These findings strongly influenced recent National Cancer Institute estimates that in the next 30 years, 17 percent of all cancers will be asbestos related. But one truly significant finding of the asbestos workers study showed that seven percent of the 17,800 workers studied had died from mesothelioma—an extremely rare form of cancer in the general population that, until 1976, had not even been listed in the cancer registry. Mesothelioma affects the pleura, a membrane lining in the chest cavity, or the peritoneum, a similar lining in the abdominal cavity.

What does all this mean for students in school buildings with walls and halls of asbestos? No one is able to answer that question—not yet. Virtually all of the 4.5 million World War II shipyard workers received much higher exposures to asbestos than do students whose schools contain asbestos on the ceilings, for example. But what complicates the picture is that no air samplings were taken in World War II shipyards, so we don't know the contamination level of the air those workers were breathing. Further clouding the issue are reports that people with no history of direct exposure to asbestos—those who lived near an asbestos-producing plant or families with an asbestos worker in the household—also have contracted asbestos-associated cancers. (Predictably, smokers run an exhorbitantly higher risk of contracting asbestos-associated lung cancer than do nonsmokers who have had the same exposure to asbestos; mesothelioma, however, is not associated with cigarette smoking.) Wide disagreement exists on the matter of what constitutes a "safe" level of exposure to asbestos. And, a lack of decisive research findings has led one prominent scientist to conclude that linking low-level, nonoccupational exposure to asbestos (such as that present in school buildings containing asbestos) to cancer is "uncertain and difficult."

However: After exposure to asbestos—for as short a period as one month or two—asbestos-related cancers can take from 15 to 35 years to appear. Current studies of asbestos-related cancer reflect exposures of decades gone by. Who can say what scientists will find 20 or 50 years from now as a result of research on people exposed even to "low" levels of asbestos from 1946 until today?

No wonder there's been so much misunderstanding about schools and asbestos—misunderstanding such as that in Howell Township, New Jersey, where six elementary schools were closed in the middle of the 1976–1977 school year to remove asbestos ceilings. A parent who worked as a supervisor in the state Department of Environmental Protection, and who obviously knew something about asbestos, had a sample tested, then came to a school board meeting and declared the stuff was dangerous.

Fueling the fear in cancer-conscious New Jersey, which has the highest cancer mortality rate in the nation, was a report that at least one Howell Township child had had severely swollen glands since the start of the 1976 school year. (The malady later turned out to be mononucleosis.) Other parents were complaining that their kids were suffering from a variety of respiratory ailments; everyone was blaming asbestos. Threatened with a boycott of classes, the board of education, after an emergency meeting, ordered the schools temporarily closed in January 1977.

The president of the board agreed with the alarmed parents and said that he, too, would keep his kids out of school until the staff was removed. He said the older kids in one school had loosened the asbestos material with yardsticks and were throwing it in other kids' faces. Superintendent Sidney Zaslavsky tried in vain to salve the situation, futilely urging the board to wait until the summer to remove the asbestos. But the state Department of Education applied pressure, according to Zaslavsky, and the job of removal began. In the end, it cost the Howell Township schools about $180,000 to remove the asbestos from the schools: elementary school students lost four weeks of classes.

Because some school officials panicked and because the testing for and removal of the asbestos may have been sloppy, several observers say the Howell Township case was mishandled from an educational as well as from a scientific standpoint. But it did spur action. In February 1977, the Massachusetts Public Interest Research Group, a Ralph Nader-inspired consumer organization, surveyed the 50 states to find out what was being done about asbestos in schools. Although the findings now may be a bit outdated, seven of the 24 states that replied were found to be only minimally aware of the potential hazards of asbestos in school buildings. Thirteen of the states reported taking some action to determine the extent of the problem, but in several cases the "action" was testing the air for asbestos—an extraordinarily unreliable method for determining danger from asbestos exposure. Unfortunately, too many administrators have been duped into believing that low readings in air samples let them off the hook.

Massachusetts, it turns out, now appears to be in the vanguard among the states that are attacking the problem. Late in 1975, two years after one city, Newton, spent a whopping $275,000 to solve the asbestos problem in a newly completed high school, the state established a legislative commission to determine the extent of the problem in the commonwealth. The state's Division of Occupational Hygiene, armed with a staff of three and funded with $50,000, sent letters to the 1,418 schools in the state that were built between 1946 and 1972 to find out if they had *any* sprayed material; 849 did. Then, borrowing 40 inspectors from the Division of Industrial Safety, occupational hygiene director Harold Bavely sent these people out to take samples from the schools. By last August, lab tests were completed in 60 percent of the 849 schools; 91 contained asbestos.

The Massachusetts State Asbestos Commission also has information that asbestos in one school may be implicated in the death of one man. William Wigmore, head maintenance man at the Hull schools from 1957 to 1966, died of mesothelioma on August 8, 1977. Wigmore had covered pipes with asbestos insulation and had used asbestos fibers to clean liquid spills.

So far, no public school in Massachusetts has removed asbestos ceilings. Newton North didn't remove its asbestos ceilings because of the extreme danger involved. Instead, according to the Newton system's Director of Support Services Roy Cornelius, some ceilings were coated (the trade term is "encapsulated"), while drop ceilings were placed beneath other areas. The school still conducts bimonthly air sampling tests with help from Harvard University scientists; the school's custodial crew has been apprised of the situation and regularly inspects ceilings for damage.

Does encapsulating asbestos or installing drop ceilings put a school in the clear? Several experts would say no.

First of all, the asbestos is still in the school. If the school has to be remodeled or demolished, or if there is an accident of some sort, authorities will have to deal with the problem of potential exposure. Furthermore, the sealant used to encapsulate the asbestos may be of questionable value, depending on several factors. Certain kinds of sealants applied to certain kinds of asbestos can crack when struck and this can release fibers into the air. Currently, no list of effective sealants exist. Battelle Laboratories of Columbus, Ohio, is working on an E.P.A. contract to determine the effectiveness of 70 sealants and the results should be published shortly.

Second, air sampling is an expensive complicated process that may yield deceiving results. One reason for this is changing standards. Occupational Safety and Health Administration standards for asbestos levels in the air have changed over the last few years—"safe" levels of asbestos exposure in 1972 may, in 1978, be considered "dangerous" occupational levels.

Thus, says Dr. Robert N. Sawyer of Yale University, "Application of the OSHA standard is inappropriate and irrelevant in school buildings." Sawyer is perhaps the country's leading expert on the asbestos problem. He is coauthor, along with Charles M. Spooner of the GCA Corp. of Bedford, Mass., of an E.P.A. guidance document, published just last March, entitled "Hazard Abatement from Sprayed Asbestos-Containing Materials in Buildings." E.P.A., as well as other scientists, consider it the definitive work in the field. (It is available for $4.50 from the National Technical Information Service, 5285 Port Royal Rd., Springfield, Va. 22151. Cite document No. EPA-450/2-78-014.)

You should not be led into thinking that you're getting a clean bill of health when air samples of your schools show low levels of asbestos fibers in the air. Monitoring air samples to determine risk of exposure is misleading and unreliable for reasons aside from the dubious OSHA standard.

The E.P.A. guidance document describes two air sampling techniques: phase contrast microscopy and electron microscopy. The first is an optical technique not used necessarily or exclusively for asbestos; it costs $30 to $50 to perform. It simply counts the *number of fibers of a certain size and shape.* Therefore, many hazardous asbestos fibers may not even be counted using this method because they may be too small.

"Electron microscopy," says the guidance document, "is presently the definitive method for fiber counting and exposure estimation." But electron microscopy has its drawbacks, too, according to Sawyer. "There is presently no standard electron microscopy technique," the guidance document observes. "A provisional optimum procedure is under development by E.P.A. and is intended to increase uniformity and enhance interlaboratory agreement."

For air sampling to be truly effective, Sawyer says, a competent lab must perform several tests with several samples while normal school activity takes place—that is, while the kids walk through the halls or while the janitor sweeps up.

Electron microscopy costs $300–$500 *per sample.*

Sawyer stresses that air sampling should be used as a monitoring device before, during and after an asbestos removal or encapsulation operation. But the only effective way to determine the risk of asbestos in a school, he argues, is to take and test bulk samples of the suspected material wherever it exists. (See accompanying story on page 30.)

This, unfortunately, is easier said than done. Competent commercial laboratories are difficult to find and Sawyer hastens to add that state laboratories often are deficient, too. A horror story from an E.P.A. source, and corroborated by Sawyer, recounts how a Connecticut state lab told one school system near Hartford that it had asbestos in one school and that the ceilings should be removed. To the dismay of the schools, the "asbestos" turned out to be cellulose. But the discovery wasn't made until *after* the ceilings were removed.

The situation in New Haven was worse. Officials there were told by a state lab that certain samples contained no asbestos. But city engineer Len Smith was doubtful about the results. The city sent samples to the Mount Sinai School of Medicine in New York, which reported some samples contained as much as 35 percent to 75 percent asbestos. Smith reports two New Haven schools spent about $10,000 for small removal operations, while a larger job in Lee High School, in which the auditorium and gym required attention, cost about $20,000.

Sawyer and associates currently are at work developing an accurate technique for labs to use in analyzing asbestos samples. He's also putting the finishing touches on a condensed version of the guidance document so school board members will be able to recognize the problem and know how to deal with it rationally. According to E.P.A. Deputy Assistant Administrator for Chemical Control John De Kany, Sawyer's condensed guidance document will receive wide distribution not only among school board members but in various state and municipal offices as well.

Only two months ago, De Kany's office was in the planning stages of a project that aims to take samples from schools across the country. Personnel in the ten E.P.A. regional offices will be trained in the technical aspects of asbestos detection and will educate certain key contact people in states, municipalities and schools. De Kany hopes the voluntary survey will be completed by early next year and says that the degree to which schools cooperate will determine whether E.P.A. recommends mandatory federal regulations, De Kany says he hopes he doesn't have to recommend the regulatory approach.

While Sawyer works on the condensed guidance document for school board members and on a reliable bulk testing system, De Kany's right-hand man, Larry Dorsey, is devising a system by which commercial laboratories can become informally "accredited" in asbestos detection. It'll work like this: A central reference lab, probably Mount Sinai, will be charged with testing the samples commercial labs receive. Any lab that wants to be listed as "competent" by E.P.A. will have to split every sample it receives and send half to the reference lab, according to Dorsey.

Dorsey also has been responding to phone calls spurred by a mid-August press release by H.E.W. Secretary Joseph Califano. The release actually was a letter (to the 50 state governors) expressing concern over the asbestos problem. It also contained a report conducted by Mount Sinai's William Nicholson—"Control of Sprayed Asbestos in School Buildings: A Feasibility Study." The report, commissioned by New Jersey Rep. Andrew Maguire as a result of the Howell Township fiasco, largely reflects information in the more complete E.P.A. guidance document.

School boards will be faced with some tough "asbestos decisions" in the near future. Budgets are tight enough without the added burden of allocating funds for asbestos removal. Federal dollars are not forthcoming and it's doubtful that Congress will authorize financial assistance. A bill to grant schools 90 percent of the money needed to remove asbestos was introduced by New Jersey Rep. John Howard, who represents Howell Township, but it languished last term in the overburdened House Commerce Committee and eventually died. So: The financial consequences of removing asbestos, if your schools contain it, will be considerable. The consequences of not removing it, however, may be devastating. No one knows for sure.

One can only sympathize with plaintiff Howell Township Superintendent Sidney Zaslavsky, who says, "I feel sorry for anybody who has to go through this."●

THE HICKOX SCHOOL CELEBRATES ITS CENTENNIAL

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. DRINAN. Mr. Speaker, I would like to bring to my colleagues' attention the fact that the Hickox School of Boston, Mass., is celebrating the 100th anniversary of its founding. Over the past century, the Hickox School has prepared students from all over the world to enter the business community. Indeed, as the oldest secretarial school in the Nation, it has always been a leader in this field of education. Its founder, William Hickox, was one of the first business educators to introduce touch typing in the United States.

Long before individualized instruction became fashionable, Hickox was teaching by the individual advancement method. For generations, Hickox students have known the powerful effects of encouragement, reinforcement, and achievement. At the Hickox School, individual capability is motivated by trained instructors, and students are challenged by their teachers to improve their performance every day. In addition, special programs for the handicapped have been developed that will open up unique opportunities for these students.

In a era largely influenced by automation and characterized by impersonalism, the Hickox School continues to pioneer methods developing individual worth and individual ability. The ultimate objective of this institution is to prepare students not only to meet the performance standards required by the business community, but also to become responsible and contributing members of our society.

Located in downtown Boston, the Hickox School occupies modern facilities at the corner of Boylston and Tremont Streets, on the site of the former home of John Quincy Adams. Easily accessible by public transportation, the Hickox School draws many students from the greater metropolitan area. Its student body, however, is as varied as the community it serves. Recent high school and college graduates, people returning to the work force, and those already employed seeking to improve their skills, study and work together in a congenial atmosphere.

Actual on-the-job experience is available to students in all Hickox diploma programs. Student secretaries learn to deal with everyday problems while working in the administrative offices of the school, thereby increasing their self-confidence.

Although the uniqueness of its students and instructors has been the key element which has made the Hickox School successful, the foresight and leadership of its administrators has also been essential. The president, Alan C. Fagan, and the dean-director, Mary L. Beaudry, have—along with their colleagues in administration—contributed immeasurably to the high standard of excellence for which the Hickox School is so well known.

On their 100th anniversary, I am pleased to congratulate the Hickox School, and its alumni, for their proud record of dedicated service to the business community.●

ISRAEL'S STRATEGIC IMPORTANCE MUST BE RECOGNIZED

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. LEHMAN. Mr. Speaker, while events in the Middle East have received considerable press coverage lately, one item not selected for public viewing was President Carter's statement concerning the strategic importance of Israel to the United States. The President made this statement when the new Israeli Ambassador Efriam Evron was greeted at the White House.

Israel's strategic importance to our country must be recognized not only in light of the revolution in Iran but as a strategic asset based on Israel's internal stability. As a democracy, Israel's policies are not totally dependent on one leader's rise or fall from power. The nation has a life of its own, outliving the transiency of one or another ruling party or leader.

At this very moment our experience with Iran is teaching us that we cannot afford to ignore the factor of internal instability of the Arab nations in the Middle East. To treat Israel as if it is a liability rather than a strategic asset will destine our efforts in the Middle East to mirror our failure in Iran. Secretary of Defense Harold Brown's visit to the Middle East must not result in an alliance between our country and Saudi Arabia, Jordan, and Egypt unless Israel is fully included in this equation. Any such agreement should require a quid pro quo from Saudi Arabia and Jordan to join in the peace efforts of Egypt and Israel.

For the benefit of my colleagues, I am inserting in the RECORD a January 28, 1979, Jerusalem Post article reporting on the President's statement of Israel's strategic importance to the United States.

AFTER THE IRAN UPHEAVAL: WHAT ROLE FOR ISRAEL NOW?

WASHINGTON.—With the collapse of the Shah of Iran, the U.S. has been taking another look at its fundamental strategic interests in the Middle East.

Accompanying this major reappraisal is a hotly contested debate among key officials at the White House, the State Department, the Pentagon and the Central Intelligence Agency.

Simply put, the question is this: Does Israel represent a strategic asset or liability to the U.S.? The foreign policy bureaucrats here are in a behind-the-scenes, barely visible debate, and President Jimmy Carter has been thrown right into the middle of it.

Those arguing that Israel is indeed a strategic ally appeared to have won the battle on January 11 when Carter, during a routine ceremonial presentation of Israeli Ambassador Ephraim Evron's diplomatic credentials, stated: "This is Ambassador Evron, the newly-arrived representative of the great nation of Israel. I think all of you know the importance of this country to us. Strategically, they mean a great deal to the security of our nation and to stability in the Middle East. They are friends and allies in the best sense of the word."

But Carter's first-ever public reference to Israel as a strategic asset raised some ripples at the State Department, the National Security Council and certain other circles in the U.S. government. It seems that some of the President's advisers disagreed with him, and were upset.

This may partly explain why Carter's description of Israel as strategically important "to the security of our nation and to stability in the Middle East" was almost totally ignored in the American news media. "The White House simply didn't push the story as newsworthy or important," one key insider said.

At a meeting with American Jewish leaders at the White House on January 19, however, several top U.S. officials denied that there was anything sinister about the lack of coverage of the President's remarks.

Assistant Secretary of State Harold Saunders acknowledged the scanty exposure given to the statement but maintained that this was inadvertent. He told the group, according to participants, that what the President had said was "self-evident."

But others, including some of the Jewish leaders who attended the session, remained skeptical. They wanted to hear Carter repeat the statement, and to see it win wide publicity.

Basically, there are two schools of thought. Some officials, especially at the National Security Council and the State Department, see U.S. support for Israel as resulting from purely political, historic or moral considerations. They dismiss the strategic argument. They see America's strategic interests in the Middle East lying with Saudi Arabia and even Egypt more than with Israel. In fact, some of these officials would argue privately that Israel is a "burden" to the U.S., a concept articulated two years ago by the late Gen. George Brown when he was Chief of Staff.

Other officials, including several influential generals at the Pentagon, value Israel as a reliable, democratic militarily-powerful friend in a basically unstable part of the world. This view was advanced last month when a group of retired generals and admirals wrote to Carter urging him to recognize that Israel plays a critical role in the Middle East. Among those signing the letter were Adm. Elmo Zumwalt, Jr., former Chief of Naval Operations; Gen. Paul Freeman, Jr., former U.S. Army Commander in Europe; Gen. T. W. Parker, former Chief of Staff in Europe; Maj. Gen. John Singlaub, former Chief of Staff of U.S. Forces in Korea, and Maj. Gen. George Keegan, Jr., former Chief of Air Force Intelligence.

With the collapse of the Shah and with the nearly-concluded Israel-Egyptian peace treaty, the Middle East is at a potential crossroads. Washington consequently is taking a closer look at both positions. New position papers are being drafted. These papers will colour U.S. policy toward the Middle East in the months and years ahead. Because the two camps are arguing the merits of the respective cases, Carter's January 11 remarks were significant.

The stakes involved are very real. Will Israel, for example, be called upon by the U.S. to fill some of the role played by Iran in protecting U.S. national interests if, as now seems likely, the new regime in Teheran moves away from the American camp? Or will Washington begin to rely more on Saudi Arabia and Egypt to meet these responsibilities out of fear that a much closer alliance with Israel would antagonize the Arab world?

Those policy-makers who regard Israel as a strategic asset begun using Carter's remarks as ammunition in fighting for a closer relationship—on the strategic level—with Israel. It's not easy for any U.S. official to take issue with what the President has stated publicly.

But their opponents nevertheless resisted the argument. What they were trying to do, in effect, was to erase Carter's remarks from the public record. They met with some success. The statement was not included in the official weekly report of the President's public utterances.

The explanation given by the White House was that Carter was speaking only "informally" at a "photo opportunity" and an official stenographer was not present.

Indeed, except for the fact that this reporter and a handful of other Israeli and American Jewish journalists who were in the Oval Office at the time wrote stories about the statement, there would have been practically no public awareness whatsoever about it.

Why the President had decided to make the statement in the first place remains unclear. Everyone recognizes that he was not speaking casually. Someone had briefed him before Evron arrived to refer to Israel's strategic importance. Maybe the President wanted to defuse his brother Billy's remarks about Libya. Perhaps he wanted to "soften" Israel to make some more concessions in the treaty negotiations with Egypt, knowing that his remarks would receive front-page coverage in the Israeli press (it did). Then again. Carter may really have believed what he said.

With this as background, the President's brief passage to the Middle East in his annual State of the Union address before Congress on Tuesday evening was revealing. There were only four sentences devoted to the Middle East—three of them general statements concerning the American hope for a peaceful settlement.

But the President also said: Our firm commitment to Israel's survival and security is rooted in our deepest convictions and in our knowledge of the strategic importance to our nation of a stable Middle East.

Clearly, it was not the unequivocal reference to Israel's strategic importance he had made earlier. Here, in this latest statement, he referred to the strategic importance of "a stable Middle East," not simply Israel. Yet at the same time, Carter's words could be interpreted by some as meaning that Israel was strategically important.

My own assessment is that those officials supporting the doctrine of Israel's strategic importance managed to insert another reference to it in an early draft of the speech, but others resisting this approach later diluted it. What emerged was a compromise.

Thus, the battle continues, with the final outcome still in doubt.●

"NO" TO CHINA-UNITED STATES AXIS?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. MICHEL. Mr. Speaker, Marvin Stone, editor of the U.S. News & World Report always provides readers with informative and balanced views of complicated situations. His editorial, " 'No' to a China-U.S. Axis," discusses the attempts of the mainland Chinese to have us, in Mr. Stone's words, "draw a common dagger with China against Russia."

At this time I wish to insert in the RECORD " 'No' to a China-U.S. Axis," U.S. News & World Report, February 12, 1979:

"NO" TO A CHINA-U.S. AXIS

(By Marvin Stone)

Once again this country is being asked to draw a common dagger with China against Russia. The Chinese make no secret of their fear of their predatory neighbor—the "polar bear." It is a fear that approaches paranoia.

The latest appeal for united action came from Vice Premier Teng Hsiao-ping during his Washington visit. It is nothing new. I heard the same appeal from the same man in December of 1975 when I accompanied President Ford on his fruitless trip to Peking.

At that time, I reported that "China would like nothing less than for the U.S. to . . . revive the cold war in its most virulent form." I left Peking with the impression that China would, in effect, like to be brought under the same nuclear umbrella that now provides Japan with assurance of support in the event of an attack by Russia.

Now, as in 1975, the United States must respond to Peking's appeal with extreme caution and with a firm grasp of its own interests in dealing with Russia. These interests sometimes parallel those of China, but by no means do the interests of the two countries coincide on all counts.

We agree with those in the administration, Security Adviser Brzezinski among them, who believe it is useful to add a little to Soviet anxieties. In this way, we give the Kremlin a greater incentive to avoid actions that might encourage us to move closer to China in its anti-Soviet vendetta.

But this is a potentially dangerous game—extremely dangerous—if it is not played with skill and, yes, even selfishness. It would be a disastrous blunder for the United States to allow itself to be drawn into confrontation—perhaps even conflict—with the Soviet Union to serve the interests of China. That is what Teng Hsiao-ping and his colleagues in Peking have in mind when they speak of "unity" against Russia.

Teng spelled out China's basic long-range strategy in 1977 in these words: "Nixon, Ford, Carter and future American imperialistic leaders all fall into this category [enemies]. They want to use the split between us and the U.S.S.R. to destroy the world socialist system in order to manipulate and lessen the Soviet threat toward themselves.

"Why can't we take advantage of the contradiction and grudge that exists between them and initiate actions that would be favorable to our national policy? We must control others and cannot allow others to control us."

While cooperation with Peking on specific issues may serve American interests, there is no reason for this country to attempt to "control" China. By the same token, the U.S. must beware that it does not allow itself to fall under Peking's influence.

Inevitably, the U.S. in the future, as in the past, will be called upon to take risks to counter the continuing challenge of Moscow's policy of opportunism around the world. But those risks must be weighed strictly in terms of our interests, not China's.

Teng, during his visit, implied that the U.S. is too timid to face up to the Soviet threat. On this score, the U.S. needs no lectures from the Chinese. After all, these are the same men who reviled the United States as a dangerous, imperialistic power during the years we were spending blood and treasure to curb the Kremlin's expansionism in Europe and Asia. They are the same men who sent their troops against ours in Korea, and sent their arms to be used against us in Vietnam.

Normalization of relations with China may change many things, but it has not changed the basic realities of world power. Those realities dictate a policy of balanced relations with the two Communist giants—recognizing the hazards of embracing Peking blindly in an anti-Soviet alliance as much as the dangers of ignoring Moscow's unremitting drive to expand. We would be wise to look out for ourselves.●

RESTORE EXCESSIVE SHELTER COST DEDUCTIONS FOR ELDERLY AND DISABLED FOOD STAMP RECIPIENTS

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. PEYSER. Mr. Speaker, I am today introducing legislation to restore the unlimited shelter cost deduction under food stamps for elderly and disabled individuals.

The 1977 farm bill in an effort to tighten income requirements for food stamp eligibility eliminated most of the previously allowed deductions and substituted a $65 standard deduction per household with allowances for dependent care and earned income costs. The bill placed an $80 cap on shelter deductions which becomes effective March 1, 1979. Previously, all shelter costs (rent and mortgage) were allowed as deductions.

Two years ago, 81 percent of the food stamp population's income was under poverty level guidelines. The Agriculture Committee concerned that some of those remaining 19 percent had incomes far above that intended by the food program eliminated a number of deductions for medical costs, child care fees, alimony payments, taxes, and mandatory payroll withholding, work related expenses to $30 a month and other similar costs.

The purpose of those deductions was to determine as accurately as possible the amount of income a food stamp recipient had available to spend on food.

One of the most far-reaching changes effected by the new revisions was to eliminate automatic food stamp eligibility for those receiving aid to families with dependent children allotments.

Last week, notices of reductions and terminations effective March 1 were mailed to food stamp recipients in my district. Roughly speaking, some 14,000 persons in my district alone are expected to be affected not counting the Bronx portion for which figures are not yet available.

Ninety-five percent of those who called my office concerning these cuts were disabled elderly people.

A preliminary analysis by the Congressional Research Service of my constituent case studies shows that the cap on shelter deductions is the single most contributing factor in the reduction of food stamp allotments.

For instance, one of my constituents, a 77 year old woman with a severe cardiac condition receives $280 in supplemental security income and social security and pays rent of $200 a month. Under the old law before the 1977 farm bill revisions, this woman received $37 a month in food stamp benefits. Under the new law effective March 1, her benefit will be cut to $18. Under my proposal, the cap on shelter deductions would be removed and her benefit would be brought back to the $37 level.

Thus elderly and disabled food stamp recipients under my proposal would receive 30 cents in food stamps for every $1 worth of shelter deductions over the $80.

It is important to note that my proposal does not restore all of the original cuts in food stamp deductions made by the 1977 farm bill.

My bill affects only the 10 percent of food stamp recipients who are elderly and disabled. It is limited in scope to those who need it the most and therefore fiscally responsive to the expected rise in Federal food stamp appropriations that will be necessary to compensate for food price increases.

Certainly, consideration of excessive shelter costs for the elderly and disabled is in keeping with the 1977 food stamp changes designed to see that the neediest in our society have enough money to eat.●

WHY DEFICIT FINANCING CAN BE A MAJOR CAUSE OF INFLATION

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. ROUSSELOT. Mr. Speaker, there is a never ending debate here in Congress over the causes on inflation, and what we in Congress can do to end the wage-price spiral that has engulfed the Nation. During the past several Congresses, I have introduced, and reintroduced, a balanced-budget resolution because I have maintained that the Federal Government's intentional policy of deficit spending can be a major cause of inflation.

Now, as the call-of-necessity for a balanced Federal budget is gaining momentum across the Nation, it is gratifying to see that even leaders of the Democratic Party are being awakened by the Nation's protest against rising taxes, rising deficits, and rising prices. Notably, Governor Brown, of my own State of California is calling for a Constitutional Convention to draft an amendment requiring a balanced budget in reponse to this protest. The fact is, however, that the U.S. Congress now has the power to restrain increases in Federal spending, to reduce deficits, and to balance the budget. But the majority in Congress apparently needs a mandate from the people in order to perform in a more fiscally repsonsible manner.

I am not opposed to the convening of a Constitutional Convention to draft a balanced-budget amendment, but I sincerely hope that if such a convention were convened, that the amendment adopted would include a provision to restrict the Federal Government's ability to balance the budget by raising taxes. It is not, and it has not been our intention to balance the budget by raising taxes, but it has been our intention to stem the growth in the size of the Federal Government, because, as we have seen, a burgeoning Federal Government inevitably leads to burgeoning Federal deficits.

There are two main reasons for opposing Federal deficits. First, deficit financing can be a major contributor to inflation if the deficit is financed by the Federal Reserve Bank's printing presses. When this occurs the money supply increases, but the supply of goods and services in the economy does not. As a consequence, the price level rises because there is too much money circulating in the system compared to the number of goods and services available for sale.

Said in another way, consumers, with more freshly printed paper money in their pockets, are willing to pay more for the products they desire in the marketplace, and producers, knowing of this willingness, charge more. Producers charge more, but do not produce more, because as each and every consumer tries to buy extra products with their extra cash, prices will rise as producers try to get as high a price as possible for each individual item that is already available for sale. This is the way supply and demand works in the marketplace. Therefore, it should be evident that deficit financing does not increase economic activity, although Keynesian economists believe this to be true. Rather, the creation of extra paper dollars, in excess of the amount needed to conduct the normal transactions required in the economic marketplace, merely drives up prices.

The second reason for opposing deficit financing is that if the Federal Reserve Bank did not finance the Government's borrowing, then the deficit would have to be financed with funds borrowed from the private sector. These are funds that would otherwise be used to promote economic expansion in the private economy. Such funds are vital to the creation of new capital and new jobs on our society, but unfortunately, very often these funds are used to finance Government programs of dubious repute. Our economy has been suffering from a capital shortage as a result. The decline in our Nation's productivity is testimony to this fact.

The effect deficit financing has specifically on inflation was discussed in an excellent article which appeared in the January 1979 edition of Reader's Digest entitled "What Really Causes Inflation." The article, authored by Ralph Kinney Bennett points out that controlling the money supply and the size of the Federal deficit is a necessity if we are to be successful in controlling inflation in our economy.

It is a myth, Mr. Bennett points out in his article, to believe that rising wages cause inflation, or that OPEC causes inflation, or that we can control wages and prices, while we continue to want only print money. We must recognize, as Mr. Bennett has recognized, that—

> Prices and wages are primarily signals of the changing balance of supply and demand that takes place daily in billions of transactions in the American marketplace.

In other words, when the price of one item rises faster than other items this is a natural reflection of changing supply and demand conditions in the marketplace.

For example, if the OPEC oil cartel were to increase the price of oil, then the price of oil would rise relative to the prices of all other goods and services in the economy. We would all be poorer to the extent that we could no longer purchase as much oil and all the other items we were accustomed to purchasing before the oil price increase. But the price increase, by itself, should not be considered inflationary. Inflation means that all prices are rising, not due to changing conditions in the marketplace, but rather because the exchange rate between the common denominator, paper money, and "all" the other goods and services available in the economy has changed for the worse. There is more money in circulation, but not more goods and services. All prices must rise when this happens, but oil prices will rise even faster because of OPEC's price raising actions.

Unfortunately we have been suffering from the worst of both worlds in recent years. The oil cartel has been increasing prices; this has meant a decrease in the purchasing power of American salaries and wages. Simultaneously the Federal Government has run huge deficits which has resulted in excess money creation. So we have become poorer in two ways. We are poorer because of the oil price increase, and we are poorer because of the depreciation of the dollar. The depreciation of the dollar has meant that all prices in the economy have risen, and as prices have risen, wages and salaries have risen, and as wages and salaries have risen, taxes have risen because of our steeply progressive tax code. Now we are on a treadmill of rising deficits, rising prices, and rising taxes, a treadmill that can only be halted by cutting the growth in Federal spending. If we fail to curtail Federal spending, then surely we will deficit-finance and tax ourselves into economic oblivion.

There is, however, an alternative course of action that we can follow. If we index the tax code and restrict the Congress' ability to spend more than the amount it collects after indexing, by requiring say a three-fifths majority vote of both House of Congress in favor of such an action, then we can balance the budget and actually reduce many of the spending programs which are now heavily influenced by competing special interest groups. I would add to this rule that proposed tax increases also be subject to the three-fifths majority requirement, but that tax cuts, only require, as they do at present, a simple majority of both Houses of Congress.

In this way we will be telling the people that it is the sense of Congress that tax cuts do far more to promote economic growth, than spending increases and tax increases. For this reason we have made it easier for ourselves to enact tax cuts than spending increases, and tax increases. Spurring economic growth, and in the process, expanding the tax base, is a far better way to increase tax revenues, than by raising taxes from a shrinking tax base.

This course of action which I am proposing is a novel one, but I am sure that many will agree that it is a wise one. It will enable us to increase spending, but it will make it more difficult to do so. It enables us to decrease taxes, but still requires that the economic justifications for such tax cuts be readily apparent to a majority of both Houses of Congress.

By limiting spending, this plan enables all Members of Congress to feel more comfortable in voting in favor of cutting the heavy burden of taxes that is destroying economic incentive and productivity in our society. It also gets to the heart of the fears many of my colleagues and my constituents are expressing over rising deficits. These fears are justified. Congress has been known in the past to legislate spending programs that are wasteful, tax increases which are economically counter-productive, and tax rebates that do not improve work incentives in the marketplace. It is for this reason that we need a plan to guard against any such proposals, which although well-intentioned, can lead to the kinds of deficits that are ultimately financed by the Federal Reserve Bank's freshly printed dollars, instead of from an expanding tax base.

Mr. Speaker, I would like to review with my colleagues in Congress Mr. Bennett's article in Reader's Digest, because it lucidly describes how Federal deficits can lead to inflation, by inserting it in the Record. I call it to the attention of my colleagues as being pertinent to their decisions as Members of that legislative body which is charged with the power to control our Nation's purse strings.

The article follows:

What Really Causes Inflation?

(By Ralph Kinney Bennett)

How did the three-bedroom house that sold for $33,000 back in 1969 become a $96,000 house today? How could a family sedan that cost $3110 a decade ago now come in a smaller size costing $6474? How is it that the man who retired in 1969 with a $9000 annual pension and maximum Social Security benefits (benefits up 118 percent over the past ten years) now has 36 percent *less* buying power than he had then?

Inflation is the answer, of course, but what exactly is inflation? What causes the phenomenon that silently robs us of our living, that in the past 40 years has shrunk the value of the dollar to 20 cents?

To understand inflation, one must first understand what is being "inflated." It isn't prices (although they certainly are rising) and it isn't wages (also rising). It is the *supply of money*—currency and bank credit. The real wealth of the nation is the goods and services produced by its people. Money—coined or printed by the government—is merely a convenient symbol of that wealth. We give part of our wealth to the government in taxes. But the government has been spending vastly more wealth than we give it—to date, over $766 billion more. In addition, it has run up future financial commitments (Social Security, pensions, loan guarantees) in excess of *$7 trillion*—more than $71,000 per taxpayer.

How can government spend more than we give it? Usually by "monetizing" its debts, by printing more symbols than there is real wealth. That basic law of economics—the more there is of something, the cheaper it becomes—applies to dollars, too. As former Secretary of the Treasury William E. Simon puts it, "The American dollar is being debased by its own government. The real problem with the dollar is that we're printing too many of them."

This is the root cause of inflation—more money poured into the economy than the economy is worth.

Only when we accept this basic truth can we deal intelligently as citizens with the myths about inflation put abroad daily in press, classroom and government. Here are three of the most pernicious:

MYTH 1. RISING WAGES AND PRICES "CAUSE" INFLATION

Secretary of the Treasury W. Michael Blumenthal perpetuated this myth when he listed among the factors causing inflation "wage settlements that substantially exceed the productivity and real growth of the economy, [and] price increases that bring unjustified excess profits."

In our competitive system, prices and wages are primarily signals of the ever-changing balance of supply and demand that takes place daily in billions of transactions in the American marketplace. If there is only so much money (and credit) in the system, a business cannot ignore supply and demand by arbitrarily raising its prices or by giving in to excessive wage demands. If its prices are too high, people will buy elsewhere. If wage demands are too high, business must refuse to pay them or hire fewer workers at the new rate. Competition itself, then, is supposed to keep a rein on prices.

But this real discipline of the marketplace has been circumvented by government. To pay its bills and finance a broad list of social goals, including "full employment," government generally inflates the money supply. It thereby abets higher wages and prices by fostering the notion that it will always create enough money to pay for them.

And once the money supply has been increasing rapidly for some time, prices seem to have an upward life of their own. Instead of saving, people "buy now," hoping to beat future price raises. Unions seek contracts with cost-of-living clauses. Banks lending money to be paid back in steadily cheapening dollars insist on higher interest rates.

If rising wages, in and of themselves, were inflationary, then West Germany should have one of the most inflationary economies. German workers' wages increased 236 percent in the decade 1967–77, but the inflation rate averaged about four percent annually because the government kept the money supply in balance with the real productive wealth of the economy. U.S. workers during the same period saw their wages increase 101 percent, a rise nearly outpaced by inflation averaging over six percent a year. The fact is, wages for the most part are *reacting* (in some cases over-reacting) to government-caused inflation.

What about rising prices? It is still popular to characterize the cataclysmic rise in oil prices since the oil embargo of 1973 as a major cause of inflation. But this is simply not true. The high oil prices added to our financial burdens. But they were clearly not the author of inflation.

Consider the experience of Japan and West Germany during the embargo. Unlike the United States, both countries were almost entirely dependent on foreign oil. But during the embargo, both pursued prudent fiscal policies, holding down budget deficits and keeping a tight rein on the money supply. Result: inflation in both nations *declined*, while soaring to 12.2 percent in the United States as politicians cranked out printing-press money to finance continued deficits ($130.9 billion from 1973 through 1976). This, not an Arab hand on the oil spigot, was the reason for the rising American inflation.

MYTH 2. WAGE AND PRICE CONTROLS WILL "CURE" INFLATION

This popular delusion feeds on the first myth. "Price controls have been imposed repeatedly for more than 2000 years," notes Nobel Prize-winning economist Milton Friedman. "They have always failed." Roman emperor Diocletian used capital punishment in a futile effort to enforce controls in A.D. 301. Thousands died, and the economy was nearly wrecked.

In 1775, the Continental Congress sought to finance our infant government's debt by authorizing the issue of an almost worthless paper money. A disastrous inflation followed. The Pennsylvania legislature sought to stem it with price controls. Many farmers and businessmen refused to sell at the controlled prices. Shortages developed. The army wintering at Valley Forge in 1777–78 could not get badly needed supplies. The army's misery, wrote John Adams, was due largely to "that improvident Act for limiting prices . . . [which] if not repealed will ruin the state and introduce a civil war."

Historical experiences like these underscore the well-known deficiencies of wage and price controls. Such controls . . .

Create shortages

Many businesses cannot or will not produce at the artificially set prices.

Result in a lowering of quality

Former "standard" features on a product becomes costly extras.

Are consistently circumvented. Black markets spring up.

Require a large and expensive bureaucracy to administer them

During World War II—our longest flirtation with controls—the Office of Price Administration (OPA) employed 65,000 bureaucrats who directed an additional 325,000 "price-control volunteers."

But, worst of all, while controls may create an illusion of being effective, they only temporarily hold down wages and prices, while the tremendous pressure of inflation continues to build up. Once the controls are lifted, the market spurts to find its natural level, and a more pronounced and damaging inflation is usually the result.

This country's most recent attempt at controls—the Nixon Administration's "Phase I, II, III and IV" program begun in August 1971—built up pressure for one of the worst inflationary explosions in U.S. history. The rate of growth of consumer prices had been in decline at the time the controls were instituted. This was the result of a cutback in money supply in the waning days of the Johnson Administration. But during the period of controls the Consumer Price Index began a steep climb, reaching almost 13 percent by mid-1974. The disaster was compounded by a harrowing confluence of events—a worldwide crop failure and the Arab oil embargo. Some people still entertain the idea that these factors caused the inflation of 1973–74. The fact is that the Nixon controls were a facade behind which government spending increased sharply.

Why then do governments return to wage and price controls, frequently with popular support? (A recent Gallup poll showed about half the respondents in favor of some form of controls.) The outcry for controls, contends Friedman, "is based on neither experience nor analysis but simply on the 'for God's sake let's do something' syndrome." However, controls are not the answer when they are imposed by a government that at the same time goes deeper into debt while printing more money to pay the bills.

MYTH 3. INFLATION IS "EVERYBODY'S BUSINESS"

According to President Carter, "It's a myth that government itself can stop inflation. Success or failure in this overall effort will largely be determined by the actions of the private sector."

While the President's assertion coincides with some theories of inflation, it contravenes the clear evidence of economic history and practical experience. As Friedman points out, "Government has an effective printing press on which it can turn out green pieces of paper, and as a result government and government alone is the source of inflation." The steady downward trend of the dollar since 1940, notes economic writer Henry Hazlitt, has been accompanied by an awesome growth of American money supply. At the beginning of 1940, U.S. currency and bank deposits totaled $52.7 billion. By January 1978, currency and bank deposits totaled $815.9 billion, an increase of 1448 percent.

Inflation in Western European countries has been routinely running high with two dramatic exceptions—West Germany and Switzerland. West Germany has kept its inflation rate around four percent; Switzerland below two percent in recent years. Both countries have displayed the political courage and citizen discipline to keep a tight rein on their budgets and on the growth of their money supply.

In the postwar era there have been three major instances of inflation being brought under control. West Germany did it in 1948—refusing to "spend" its way to prosperity by running up huge deficits. The United States did it in 1953, under President Dwight D. Eisenhower, whose prudent fiscal policies led to an inflation rate during his Administration of 1.4 percent a year. France accomplished the feat in 1958, when Charles de Gaulle halved the government's budget deficit. In each case, control was achieved by dramatic cuts in government spending and a concomitant dialing down of the money machine.

Unfortunately, neither France nor the United States stuck to its guns. That old predilection of politicians—to give (social benefits) without taking (taxing)—asserted itself. Americans now face a $500-billion-plus budget (more than $60 billion of which the government can pay for only by turning out more phony money) and surging inflation that reached an annual rate of almost ten percent last summer.

The anti-inflation plan unveiled by President Carter last October imposes wage and price guidelines on business and labor as if they were the cause of the problem. "The President did recognize the role of the budget deficit," comments Hazlitt. "But he did not promise to eliminate it—he promised only to reduce it over a period of years. This was practically an assurance that our inflation will be continued."

Clear away the myths and one discovers that the way to stop inflation is to literally *stop inflation*—stop inflation of the money supply beyond the real ability of this country to produce; stop pretending that we have more money than we really do; stop running huge deficits that can be financed only with fiat dollars.

The United States cannot expect a painless extrication from the inflation in which it has found itself for almost 40 years. A broad range of programs will have to be cut back; unemployment is likely to increase temporarily. But, as economic historian and monetary expert Donald Kemmerer warns, "a nation that does not stop an inflation simply because it is politically painful to do so is essentially declaring bankruptcy." ●

OKUN POINTS TO POLARIZATION DANGER

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. SIMON. Mr. Speaker, an unusually fine observation about where we are and the dangers of polarization appeared in the Washington Post recently. It is an article by Arthur M. Okun, senior fellow at the Brookings Institution and an economic adviser to several Presidents.

The article was taken from a lecture he gave at Columbia University on business and society.

I am inserting his article in the RECORD at this point because I know that many of my colleagues were not in Washington shortly after the election when the article appeared in the Washington Post.

The article follows:

"THE POLARIZERS ARE HARD AT WORK"

(By Arthur M. Okun)

In establishing a capitalistic democracy, the United States has built a society on two differing foundations. The capitalistic foundation attaches top priority to efficiency—operating through market incentives for getting the economic job done in the way that obtains the most useful output from our labor, capital and natural resources. The democratic foundation, in contrast, emphasizes egalitarian and humanitarian values of cooperation, compassion and fraternity.

Because our society rests on both of those foundations, we encounter creative tensions and uneasy compromises. As individuals, we attach different weights to the two sets of values, and we reach different conclusions on particular policy issues that define the scope of the marketplace and the scope of the political process. So inevitably we disagree and we debate. And the debates are often constructive. In the broad light of history, our nation has displayed remarkable ability to hammer out the needed compromises to balance the two value systems. We have generally avoided big polarizing ideological debates that might have rocked our institutional structure off its democratic and capitalistic foundations. Yet the threat of polarization has always lurked in the background, and at times has become a clear and present danger.

The polarizers seem particularly hard at work today. By grasping at either the market or democratic value system and ignoring the other, one can readily indict our society for grave defects and grievious crimes.

Those who march under the banner of democracy point to the ugly features of capitalism. Our economic contests are motivated by greed and allow the winners to ride roughshod over the losers. There is less nutrition on the tables of many of our poor than in the garbage pails of our rich. Our egalitarian political rights are sometimes contaminated by the power bought by money.

Those who wave the banner of market efficiency see a different set of specters: high tax rates that choke off initiatives, expensive government programs that fail to accomplish their goals, a maze of regulations that impose large economic costs and that constrain individual liberty.

There is some truth in both of these diagnoses, but both are distorted and partial views that lead to fundamentally wrong and dangerous perscriptions. One would set laudable humanitarian targets and cripple the productive capability essential to hit those targets. The other would probably strengthen our productive capability, but in a manner that could destroy our social cohesion. Despite the appeals of the polarizers, the vital center in American political and social attitudes typically prevails on Election Day. These centripetal forces stem from the appreciation of the favorable features of both our capitalistic and egalitarian foundations, and from the recognition of their mutual limitations.

At bottom, most Americans know that our government and our private economy depend on each other. Many of the government's functions in promoting and regulating activity in the marketplace are not controversial; indeed, some are conducted so routinely that they tend to be taken for granted. And the same general, implicit acceptance applies to many of the contributions that our private economy makes to the vitality of our democracy. The best antidote to polarization is the joint recognition that the pursuit of our human values depends on harnessing materialism and "greed," and that the conduct of our market activity relies on the restrictive legal powers of the state and its "bureaucracy."

In my judgment, polarization is a threat to our system. And the character of that threat has changed. A decade ago, it came mainly from the left—typified by the middle-class youths who emerged from their sports cars to condemn our society for its materialism and greed, for oppressing the masses and for plundering the planet. Today, in my view, the main threat comes from the extreme right—from those who issue a blanket indictment against all government regulation and intervention, who redefine poverty as the "freedom to fail," and who basically ignore the values of democracy. The worst enemies of U.S. capitalism are a handful of its ardent proponents, who precribe fiscal-monetary policies that would produce mass unemployment, regulatory policies that would flagrantly violate the legitimate interests of third parties, and "reforms" of government programs that would put vivid pictures of economic misery back on the front pages.

The consequences of their program would swing the pendulum of public opinion far to the left. Because I do not believe that we will adopt their program, I expect capitalism to survive and thrive in the United States. And I expect us to continue to pursue the goals of democratic capitalism, striving to make the verdict of the market more humane and the operation of our government more efficient.●

A HEALTHY DIET FOR THE NEEDY

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. AuCOIN. Mr. Speaker, today I am introducing a bill which will make a significant contribution to providing a healthy diet for low income, elderly, and disabled individuals in this country. Since I first introduced this bill last year, I have received support from a wide variety of hunger and nutrition groups throughout the country.

The United States boasts a high standard of living but ironically, most of us do not have to look much beyond our own back yards to see the signs of malnutrition and hunger.

This bill is not a spending bill. My proposal amends the Internal Revenue Code of 1954 to allow a charitable deduction for the farmer who donates gleaned crops to non-profit organizations.

Legislation similar to this has already been adopted by Oregon and several other States. Its aim, and its result, has been the creation of gleaning and food bank redistribution programs throughout the country. Gleaning programs exist or will soon exist in the following States: California, Colorado, Illinois, Connecticut, Louisiana, Massachusetts, Michigan, Missouri, North Dakota, Ohio, Oregon, Texas, Utah, and Washington.

Gleaning is the process of hand harvesting crops left behind after mechanized harvest or which remains unharvested because of adverse marketing conditions. A large quantity of this food now rots in fields and orchards when it could be taken and distributed to needy individuals. The granting of this tax exemption will give farmers an added incentive to cooperate with gleaning organizations and foster the development of greater numbers of cooperative food distribution organizations in this country.

Gleaning programs are run on a self-help basis. Needy individuals are organized to go into the fields and orchards of donating farmers and hand harvest what remains. In many cases, they are then asked to share a portion of the crop with those who are physically unable to glean. Crops which can be readily gleaned include all fruits, vegetables, berries, and nuts.

How successful are these redistribution programs? Has this excess crop reached the needy?

Oregon pioneered this approach to feeding the poor, elderly, and disabled 6 years ago. Last year, 338,727 pounds of produce were gleaned in Oregon alone. The wholesale or farm produce value would have been $38,350. In Oregon, 276 farmers participated in the donor program last year and food reached 1,834 households representing 5,439 individual clients.

Gleaning is going on all over the country. Although no national figures are available for last year's harvest, I believe the Oregon gleaning statistics accurately reflect the enormous food contributions which resulted from well-organized gleaning efforts last year—contributions which would not otherwise be made.

And finally, this bill provides some welcome news to our Nation's farmers who are caught in a debilitating cost-price squeeze and have come to Washington again this year to dramatize their problems—an opportunity to help themselves a bit while helping the hungry a lot.

The spirit of self-help, cooperation, and generosity evident in gleaning programs in Oregon attest to the eagerness of people to participate in this kind of effort if given the opportunity. My bill offers them this opportunity. I urge my colleagues in the House to support this legislation.●

A RENEWAL OF FAITH ON FLIGHT 37

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. IRELAND. Mr. Speaker, at a time, when we hear so many complaints about doctors, particularly that they do not get involved in emergency situations because of their fear of malpractice suits, I would like to bring the following newspaper article from the St. Petersburg Times to your attention.

This article is, in part, about my good friend and constituent Dr. Robert Windom, of Sarasota, Fla. Dr. Windom's efforts to help a fellow passenger, who had collapsed in an airplane, demonstrate quite clearly that the vast majority of physicians take the hippocratic oath seriously, and do come to the aid of those who need them, when they need them, whatever the circumstances.

The article follows:

A RENEWAL OF FAITH ON FLIGHT 37

(By Eugene Patterson)

Roughly nine-tenths of letters to the editor are devoted to bellyaching about something or other (one of the unhappiest denunciations is: You idiot, why don't you print some happy news?).

The fact is, most editors prefer a hero story to just another report of villainy. They feel as warm inside as any reader when they can present a tale of brave astronauts landing on the moon, or of Joe Montana coming off his sickbed to quarterback Notre Dame to victory in the Cotton Bowl, or of John and Greta Rideout reconciling.

Unfortunately the bad seems to predominate in the news of this imperfect world, as well as in the mail from readers commenting on it. Surely, then, we can pause this Sunday to consider the letter Clifford E. Burt of Belleair mailed off last week to newspapers in the Tampa Bay area.

Why the wholesale mailing? "I really enjoyed writing it," he said.

"Before retirement 18 years ago," his letter began, "I enjoyed ... a decades-old cartoon, with a little old guy crouched, glowering out at the world, from the confines of a small box, over the caption, 'people are no damn good.'

"It was ... good for lots of laughs. Little did I realize, then, that the transition from somebody to nobody, during the retirement process, would cause me to react somewhat like the little old guy in the cartoon.

"But ..." — and here Mr. Burt underlined his finding for emphasis — *"the caption is not true."*

He explained:

"Returning from a Christmas visit with daughters and grandchildren in Dallas, I collapsed on the Jan. 3 Braniff Flight 37 from Dallas to Tampa.

"In minutes, the flight's crew decided that oxygen alone would not be enough, so they asked (with my wife's permission) 'Is there a doctor on board?'

"There was—a darned good one, Dr. Robert Windom of Sarasota, who must have instantly decided 'Damn the malpractice-suit dangers! Full speed ahead!' He and the crew got me on the floor, and with lots of oxygen, some chest thumping (I assume) and lots of encouragement from nearby fellow passengers, I made it to a normal landing in Tampa.

"Now to the real point of this letter to the editor," Mr. Burt wrote: "Most people, I'm convinced, are truly interested and concerned about their fellow beings.

"Witness the reaction of my seat neighbors on that completely full Flight 37 loaded with weather-delayed, tired and frustrated holiday travelers.

"Friendly faces, asking how I felt, assuring me that my color was coming back, even treks down the aisle for reassuring pats on the shoulder.

"In such an atmosphere of kindness and concern, I didn't even think about how ridiculous I must have appeared stretched out on the floor in the aisle of the airplane.

"I wish I could reach all those good people with this letter, but of course I can't, even if you decide to print it. Maybe they have already felt some inner satisfaction from helping a fellow man with a rather severe problem.

"As for Dr. Windom, if there is a St. Peter (and I'm a firm believer in the judgment principle), he has a very bright star awaiting him.

"The Braniff flight crew were, I suppose, just doing their jobs, (but) bless their hearts. They were great.

"As for me," Mr. Burt concluded, "I'll be around."

And, he added, "If I can just avoid hearing or reading about that bunch of political yahoos in Washington, D.C., I may be able to stay out of that damn little box."

Now there, friends, is a letter that sorts out some priorities.

The asperity of that last paragraph makes it plain that Clifford E. Burt of Belleair is no Pollyanna, searching for ways to be nice and charitable to the burdened bureaucrats spending his tax money in our nation's capital.

On the contrary, one gathers he would readily take his cane, if he has a cane, to the skulls of those yahoos, the lot of them, whose misfeasances, idiocies and waste we report to him daily in the unsettling columns of this newspaper.

No, there's nothing tame about Mr. Burt, as that flare of impatience makes plain. He clearly has not been successful in making that retirement "transition from somebody to nobody," and his fellow passengers on Flight 37 didn't buy that, either.

Yet for all his efforts to crawl in the little box and regard people—not just politicians—as being "no damn good," our crusty correspondent has failed, utterly.

So he's made a public confession, out of first-hand experience, that "Most people, I'm convinced, are truly interested and concerned about their fellow beings."

And that, as far as this editor is concerned, is the news of the day.●

NEED FOR A NEW APPROACH TO THE PROBLEMS OF REGULATIONS

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. ERTEL. Mr. Speaker, the growth in the number of Federal regulations and their increasing impact on the private sector of our economy is increasingly becoming a source of major concern in this country.

We are all aware that many of these regulations have had major beneficial impacts on the quality of life in this country. Other regulations, however, pursue dubious goals, often at exorbitant costs. We have encountered more and more regulations which are excessive, duplicative, anticompetitive, and inflationary. A reappraisal of the entire Federal regulatory process is urgently needed to insure that regulations are appropriate and serve a real need.

Mr. Speaker, under the current committee structure of the House, every standing committee has some oversight responsibilities. While this is both appropriate and essential to the conduct of committee business, it also leads to a piecemeal approach to the problems of regulations. This growth phenomenon in the Federal regulatory process has been experienced across-the-board, and many of the issues and problems associated with this growth cut across committee jurisdictions.

Mr. Speaker, for this reason I have introduced legislation to create a Select Committee on Regulatory Affairs and Oversight. This select committee would address the broad range of questions pertaining to the regulatory process as a whole, its impact, possible means of reorganization, and congressional oversight procedures in general.

Mr. Speaker, this select committee will not have legislative authority. It is designed to study the regulatory process and its implications in order to make legislative recommendations to the appropriate standing committees. I do not believe that we can effectively deal with the problems created by Federal regulations in a piecemeal fashion. An assessment of the overall situation is a necessary precondition for effective solutions to the questions that cut across standing committee jurisdictions.

Mr. Speaker, I urge my colleagues to support this initiative in addressing these serious problems and hope that early consideration of this resolution will be forthcoming.●

MEXICAN ILLEGAL IMMIGRATION QUESTION: A BALANCED APPROACH

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. SIMON. Mr. Speaker, one of the most vexing problems this Nation has is the problem of illegal immigration.

Those who have simple solutions have not studied the problem in any depth.

Obviously the long range answer is to lift the standard of living of the people in Mexico. Then the incentive to come to the United States would diminish. To a great extent that is what has happened with residents of the Commonwealth of Puerto Rico. Their standard of living has improved and now there is a net outmigration back to Puerto Rico rather than to the mainland of the United States.

The New York Times recently reprinted a column by Jackie Dewey of the Star News of Chula Vista, Calif., a biweekly newspaper there.

Its sentiment and sensitivity I applaud.

The column follows:

Cold Eyes—Mexicans—Wet Eyes

(By Jackie Dewey)

Imperial Beach, Calif.—It's a persistent, ratcheting, clatter—a noise that bores in and bothers and won't stop. Like the fly you can't flap away at a picnic.

You pull the warm covers over your ears, but they won't muffle the mind-picture. Because you know: Outside, a helicopter hovers, its searchlight spearing through the 4 A.M. cold and damp. Because you live on the edge of the Pacific and close to the Mexican border you know that somewhere out there are hunted human beings.

You no longer get up, put on your bathrobe, go outside and watch. You know too well how they'll look. Like bundles of limp laundry. They'll huddle and crouch till they are flushed from hiding and herded into pale green vans. They won't cry or scream or struggle. Some may run, but not far. Their faces will be blank, with no trace of dangers past, of terror now, or despair for tomorrow.

And you wonder how you came to be part of a system where it seems proper to roll over and go back to sleep, safe, warm, well-fed, in a world where there's no room for people willing to face so much danger and hardship only for a chance to work for a living.

We can't let them in, you are told; they'll lower our standard of living. What a strange thing for a country whose last Christmas spending spree was the greatest in its history. Among the more popular items bought: expensive gadgets to turn television sets into games of skill, power-driven shoeshiners, electric can openers.

And you wonder, how standard should these things be when next door it's not necessarily standard to seat three meals a day?

You make no judgments about the men who fly helicopters and drive the pale green vans and cars. Their job is hard and sad and often dangerous.

They must feel that they are standing at the bottom of an avalanche. That now and then they throw a handful of pebbles back toward the top.

Is it all an exercise in cynicism? Does anybody really think there is money or manpower enough, or walls so high, or ditches so deep as to stop a human from somehow struggling his way to a place where he will find food and warmth and hope?

As these hunted people move along the beach in their never-ending parade, you can't help but hope they'll get a break somewhere along the line.

They try so hard to blend in, but they stand out so pathetically. Sometimes they come by, evenly spaced, about 50 feet apart. How can they rush, without warning, to be at a pickup spot on time? How can they look like casual, carefree gringo sunbathers, when their suntan stops at their shirt collar and at the cuffs of their sleeves? When their haircuts are all wrong?

How can they saunter casually, when they're really running for their lives? How to hide their desperation as they try not to glance back too often to see if someone they love is keeping pace?

And then the man with the green van gathers them up, one by one. And another man with cold eyes who watches from a street end by the beach shrugs his shoulders, starts up his engine, and drives away. His camper is empty—this time.

No. When you hear the helicopter, you don't go back to sleep. And as you lie there and hurt for them, you ask yourself, isn't there, somewhere, a more human answer?●

NO TAX DEDUCTIONS FOR ALCOHOLIC BEVERAGE ADVERTISING

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. BROWN of California. Mr. Speaker, I recently introduced a bill which will disallow tax deductions for alcoholic beverage advertising.

The fact that the alcohol industry spends $500 million a year to advertise its products, and the total cost to the United States of alcoholism in terms of job time lost, decreased productivity, health care costs, et cetera, is $44 billion, suggests to me a pressing need to reduce the ranks of the more than 10 million Americans who are problem drinkers.

But problem drinkers are made, not born. An individual's attitudes are generally shaped by an influential adult, peers, and increasingly the mass media. We must become much more concerned about how alcohol media advertising is perceived by young people.

Psychology Today magazine, in an effort to boost its alcohol industry advertising revenue, placed its own advertisement aimed at liquor marketers in the 1978 Wine Marketing Handbook. The ad stressed the magazine's youthful audience, and said:

> They're 18 to 34 years old. And they've got the new power. You can see it in the way they live. Young and successful, they're the kind of people who are first to make new drinks popular. And start new trends.

If we could be certain that alcohol manufacturers would exercise conscientious discretion, there would be little need for my bill. The liquor industry should be capable of making intelligent decisions about what aspects of their advertising campaigns affect the consumer in a negative fashion. However, the possibility of oversight is ever-present.

For example, several years ago, Hublein Inc. had to scrap its advertising campaign for "Kickers," a 30 proof pop-flavored product being marketed in 6.8 ounce milk bottle-shaped containers. The campaign depicted teenagers in the advertisements as well as used knee patches, pop art posters, and T-shirts as promotional gimmicks.

The product itself was advertised as:

> The new drink that's putting cocktails out to pasture.

Drink variations included the Strawberry Sparkler, the Banana Blitz, and the Mocha Kicker.

Members of a special committee of the board of the Alcohol and Drug Problems Association registered a formal complaint to the Distilled Spirits Council of the United States and Hublein voluntarily agreed to withdraw the entire "Kickers" campaign.

The ADPA committee report said:

> The campaign in our view appealed to an illegal underage market.

The committee's concern was justified by the fact that over the past 10 years the average age at which young people have their first drink has decreased from 13.6 years to 12.9 years of age.

It is a common belief that the moderate use of alcohol by very young people will help them to develop a responsible attitude toward liquor. However, there is an immediate danger if this belief is extended to include pre-teens.

"Alcohol is a special danger to children because it tends to cause hypoglycemia, which is a drop in blood sugar," said Dr. William Altemeier, director of pediatrics services at General Hospital in Nashville, Tenn. If the brain does not get enough blood sugar, brain damage or retardation could result, he said.

"We're seeing a growing number of kids who are alienated and using alcohol to escape from other problems," said Loran Archer, acting director of the National Institute on Alcohol Abuse and Alcoholism.

What is particularly frightening is the fact that even the unborn can be seriously affected by alcohol consumption. The Bureau of Alcohol, Tobacco and Firearms recently made public a report on "The Fetal Alcohol Syndrome."

This relates to alcohol's potential to cause birth defects when it is consumed by an expectant mother. A summary by Dr. Sergio Fabro, one of the project's researchers follows:

> Dr. Fabro concludes in this report that the fetal alcohol syndrome does exist. He states that some alternation in brain function, growth, and facial appearance are essential for the diagnosis of the full blown syndrome. He believes that evidence so far indicates that, to produce the full blown syndrome, the level of alcohol consumption must be sufficiently high to cause easily recognizable chronic alcoholism in the mother. He also states that, while evidence indicates that with lower levels of alcohol the full blown syndrome is unlikely, "some other poor pregnancy outcome (e.g. low birthweight, stillbirth) appears possible."

As the fatal accident rate for cars, boats, and drownings involving teenagers increases, we must become more alert to which situations are inappropriate for the presentation of alcohol use in the media. The link between youth alcoholism and advertising has not been firmly established, but the Federal Trade Commission is suspicious enough of the possible connection to cosponsor research being conducted at Michigan State University.

A survey conducted at the University of Wisconsin showed that students drink more each year they go to college in order to have fun, and avoid stress. In addition, many show the symptoms of alcoholism without admitting the disease.

As the Psychology Today advertisement said, the under-35's are the trend-setters. I think it would be a terrible mistake to permit this group to become the primary practitioners of a habit which leads inevitably to a decline in physical, mental, and emotional health.●

CRUELTY OF THE STEEL-JAW TRAP

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. LONG of Maryland. Mr. Speaker, I recently reintroduced legislation which would outlaw interstate commerce of pelts which originate in States that allow the steel-jaw trap. Today I am submitting 54 cosponsors to this bill.

Mr. John B. Oakes, former senior editor of the New York Times, in a recent article brought to public attention the "abominable cruelty of the leg-hold trap and the needless suffering it entails." I would like to share this article with my colleagues:

> The men and women who carelessly toss the furry skin of a wild animal across their shoulder—just as their ancestors did in the forests of Northern Europe and Asia several thousand years ago—may not know it, and if they do, surely prefer not to think about it, but with few exceptions what they're really doing is flaunting evidence of many hours or even days of torture suffered by each wild animal whose pelt they wear.
>
> There is no escape from this ugly fact, nor can it be hidden either by ridicule of the "do-gooders" who are trying to put a stop to this anachronistic form of cruelty or by the false claim that abolition of the steel leg-hold trap will destroy the fur industry.
>
> For those who prefer facts to emotion on this touchy subject, a look at the facts will show that:
>
> The steel leg-hold trap, as normally used on land throughout the United States and Canada, is a monstrously brutal method of capturing wild animals.
>
> The overwhelming preponderance of wild (as distinct from ranch-raised) animals whose pelts are used in the American fur industry are caught by the steel leg-hold trap although more humane, if more expensive, alternatives are available.
>
> Use of this trap has already been outlawed or restricted in a number of fur-producing countries and in a few American states.
>
> The recent shift in fashion toward "fun" furs has raised the demand (and prices) for pelts of relatively common wild animals, usually taken by this barbaric device.
>
> When the steel trap is sprung on an animal's leg, the traumatic effect has been compared to that of a car door smashing a human finger caught between the hinges. But (unless the trap has been set underwater in which case the animal fairly quickly drowns) the agony does not end there; it only begins.
>
> The trapped animal will almost certainly thrash wildly about in terror, rage, pain and panic, breaking its teeth on the steel trap or the chain that holds it in place. Occasionally the victim will succeed in gaining freedom, after hours of struggle, by wrenching or biting off its own foot at the point where the steel jaws have already dug into the bone. This is known in the trade as "wring-off" and the animals that thus leave one paw behind them are the lucky ones.
>
> The others—the vast majority of the millions trapped on land each year—are eventually worn out by the struggle and lie inert and exhausted, without food or water, until the trap line is visited, which may easily be two, three, or more days later. At that point, the victim at last is put out of its misery, usually by clubbing or strangulation—provided it has not already starved or frozen to death. It has been estimated by Government trappers (and the United States Government is the biggest single trapper of all with its indefensibly wasteful predator-control program) that about 75 percent of the unwanted animals caught in traps set for other species are so badly injured that they have to be destroyed.
>
> More than six and one-half million muskrats and three million raccoons were trapped and killed in the United States in 1976–77; nearly 175,000 coyotes; 21,000 badger, (sic.) etc. etc.—to a total of more than 16 million wild animals in that year alone, taken by an estimated two million trappers, licensed and unlicensed.
>
> Various substitutes for, or modification of, the leg-hold trap have been tried but are not in general use in this country, except perhaps for an "instant kill" trap that has its own dangers and defects.
>
> Nearly a dozen countries, including Denmark, Norway, Sweden, and the United Kingdom, forbid use of the steel leg-hold trap. So, to a limited degree, do a few American states, including New Jersey, where a battle is going on right now to extend the prohibition to all countries in the state. Senators Harrison A. Williams of New Jersey and Birch Bayh of Indiana have introduced comparable legislation at the Federal level.
>
> The fur industry itself has been enjoying an economic revival in the last few years, sparked in part by the new emphasis on "fun" furs trapped in the wild. The rise and use of wild-animal furs (80 percent of which

in the United States are caught in the steel leg-hold trap) accounts for a significant part of what today has become a $700 million business.

That's why it's becoming more urgent than ever that the abominable cruelty of the leg-hold trap and the needless suffering it entails be brought to the attention of otherwise sensitive men and women who through ignorance or indifference don't hesitate to wrap themselves in the skin of an animal that probably died under frightful torture.●

PAUL DOUGLAS INCIDENT CONTAINS LESSONS

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. SIMON. Mr. Speaker, recently the Chicago Tribune had an excellent editorial commenting on the fact that the Federal Bureau of Investigation kept a file on the most distinguished, late Senator from Illinois Paul H. Douglas. In fact at one period the FBI had selected Senator Douglas as one of the persons to be jailed in time of crisis.

That becomes even more unbelievable when you view the evidence that was compiled by the FBI.

For example, one piece of evidence was the fact that a man who subscribed to a Communist paper had, as the FBI report says, "white and colored guests to his home", and he listed Paul Douglas as a reference on an employment form.

In any event the Chicago Tribune has a reasoned, sound editorial response to what took place and I hope my colleagues will take the time to read this editorial.

THE DOUGLAS FILES

For several years there has been a continuous flow of information from Federal Bureau of Investigation files about that agency's investigations of political and other public figures. During the congressional investigations of the FBI, the revelations came in a torrent. The FBI and the public relived decades of history in a short period of time, and it was not a pleasant experience. Now the flood has diminished to a trickle.

The latest former FBI target revealed from the files is the late Sen. Paul Douglas, who came to the attention of the Bureau in 1941 and remained a subject of scrutiny until 1964. In fact, at one point the FBI included Sen. Douglas' name on a list of people targeted for jailing in time of crisis.

In hindsight, the information that piqued the Bureau's interest seems innocuous. His exploratory interest in Communist activities before World War II—and that is about as serious a charge as the information warrants, even assuming its accuracy—was hardly out of line in that day's academic world. Though we at The Tribune often differed with him on economic matters, his reuptation for integrity in public service remains unblemished.

The questions these revelations raise do not concern Sen. Douglas at all. And they are not new. They concern the proper standards for government investigation of political figures, for the retention of material which has outlived its usefulness, and for the public release of material that is retained. The FBI and Department of Justice have learned from the excesses of the past. Because of the important civil liberties issues raised whenever police investigate political groups or their members, Department of Justice guidelines now set strict standards for opening and continuing such cases. Because of the danger of error inherent in lists of persons targeted for detention in times of crisis, such lists have been abolished.

These and other reforms, coupled by the emergence of a new generation of leadership in the FBI, make the revelation about the Bureau's investigation of Sen. Douglas a matter more of historical interest than current significance. It may be that a lesson from history can never be relearned too often, but it is unfortunate that the process dredges up old and salacious gossip about decent citizens like Sen. Douglas. For a person whose reputation was less well established, the excavation and publication of such material might be far more damaging.●

THE RIGHT TO LIFE

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. ZABLOCKI. Mr. Speaker, I am introducing today a resolution which calls for a constitutional amendment to preserve and safeguard man's basic right to life, including the life of the unborn. It is with a sense of responsibility and concern that I offer this resolution.

Mr. Speaker, I am in no way pretending to be in a position to dictate to any family the number of children they should have. I do raise the question, however, of whether any human being has the right to decide upon the death of another. The right to life is the most basic of all human rights, and it must be preserved.

Unfortunately, since the January 22, 1973 Supreme Court decision which made restrictive State abortion laws unconstitutional, legal abortions have risen at a rate of 10 percent annually. The most recent figures indicate that over 1.4 million abortions were performed last year, and abortion is rapidly becoming one of the most frequently performed surgical procedures.

Mr. Speaker, a fundamental tenet of our society and form of Government is that the State protect each of our lives until natural death occurs. Our very own Declaration of Independence, written and approved nearly 200 years ago, affirmed every individual's basic right to life:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life . . .

Yet, Mr. Speaker, on January 22, 1973, the Supreme Court made a mockery of the right to life in the Declaration of Independence. It failed to offer the protection of the laws to this God-given and most basic human right. Subsequently, we find ourselves in a society where abortion is becoming a common, everyday experience and where physicians and intellectuals freely discuss taking the lives of those whom they judge to be of no use to society.

Mr. Speaker, I, along with millions of our fellow Americans, am greatly distressed with this downward thrust of this interpretation of American laws protecting the sanctity of life. It is already clear that the Supreme Court decision of January 22 has led to excesses and abuses never intended or envisioned by proponents and supporters of the decision.

Supreme Court Justice White astutely foresaw this development in his disagreement with the Supreme Court arbitrary decision on the value of life which makes the worth of a potential human being dependent upon being wanted by his or her mother. In his dissenting opinion, Justice White argued:

> At the heart of this controversy are those recurring pregnancies that pose no danger whatsoever to the life or health of the mother but are nevertheless unwanted for any one or more of a variety of reasons—convenience, family planning, economic, dislike of children, the embarrassment of illegitimacy, etc. . . .

The fact is, human life irrespective of age, health, function or condition of dependency, guaranteed under our Constitution, must be preserved and protected. The unborn have long been held to have legal rights under the law. They have property rights. They may inherit property, family names, and in some societies, family titles. The rights to property have long been affirmed by the courts of this country. As such, they deserve to be safeguarded just as an adult is protected under existing laws governing homicide.

There is, of course, the difficult moral question which arises when the mother's life is seriously endangered by the continuation of pregnancy. In this case, it is clear that abortion may be permissible. This adheres to self-defense principles long established within our body of laws. We must remember, however, that abortion statutes are written to protect the unborn child—not to serve the whims of one or both parents, social planners, or popular faddists. Furthermore, the responsibility of saving the child should be equal to the responsibility of saving the mother in those cases where abortion is necessary.

The right to life, especially for the unborn, must be reaffirmed and protected. In that spirit, Mr. Speaker, I offer the following resolution to restore this most basic human right and to insure that this right is recognized and safeguarded under the Constitution of the United States:

JOINT RESOLUTION

Proposing an amendment to the Constitution of the United States to insure that due process and equal protection are afforded to an individual with respect to the right to life.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States within seven years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. With respect to the right of life, the word 'person' as used in this article and in the fifth and fourteenth articles of amendment to the Constitution of the United

States, applies to all human beings, including their unborn offspring, at every stage of their biological development, irrespective of age, health, function, or condition of dependency.

"SEC. 2. No unborn person shall be deprived of life by any person: *Provided, however*, That nothing in this article shall prohibit a law permitting those medical procedures required to save the life of the mother when a reasonable medical certainty exists that continuation of pregnancy will cause the death of the mother, and requiring that person to make every reasonable effort, in keeping with good medical practice, to preserve the life of her unborn offspring.

"SEC. 3. Congress and the several States shall have power to enforce this article by appropriate legislation within their respective jurisdictions." ●

CHILD HEALTH ASSURANCE ACT

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. CARTER. Mr. Speaker, I am introducing today legislation to increase the availability of quality health care for children in low-income families and for low-income pregnant women.

This legislation, the Child Health Assurance Act of 1979, is essentially the bill which the Committee on Interstate and Foreign Commerce reported to the full House last fall. As you will recall, that bill failed to be brought up before adjournment.

This Child Health Assurance Act was the product of many hearings and much consideration by Members of the 95th Congress. I believe it remains a good and a sensible approach and that it deserves the consideration of the 96th Congress. I believe that it would be very helpful in remedying the difficulties persons in need have encountered in obtaining preventive medical care.

The need for this Child Health Assurance Act is clear.

According to Health, Education, and Welfare Department estimates, 35 percent or more of all children under 15 are not fully vaccinated. That includes 19 million children who are unprotected against polio, 15 million unprotected against diphtheria, and 12 million unprotected against measles and rubella.

In addition, 10 million children in the United States never see a doctor and 5 million receive no dental care. Among low-income children, what medical treatment is received often is sporadic and occurs only after complications have set in from an illness.

In contrast to this poor record of preventive care for youngsters is the knowledge that we have the means to prevent most, if not all, of the worst effects of infant and childhood diseases and disabilities. In addition to immunizations, we have the means to treat vision problems and hearing loss, dental problems and emotional disturbances so that these major handicaps to a productive life can be overcome.

The Child Health Assurance Act, as it is formulated in the bill I am introducing, has two purposes, basically.

The first is to expand medicaid eligibility to children under 18 years of age from families whose incomes fall below the $4,200 per year per family of four standard. These youngsters would be eligible for medicaid services included in the State plan, including assessment under the existing early and periodic screening, diagnosis and treatment program (EPSDT). The CHAP legislation also allows States the option of providing medicaid coverage to children who are hard to place for adoption because of a handicapping or medical condition.

As its second aim, this CHAP bill seeks to improve the services now being offered by EPSDT.

The legislation provides for increasing the Federal share of matching rates for health assessment by 25 percentage points, to a maximum of 90 percent for the Federal share. An increase in the Federal matching rate for costs of outreach and followup administrative efforts also is proposed as an incentive for reaching as many eligible children and mothers as possible. As a third part of improving EPSDT efforts, a variety of qualified health-care providers, including private physicians, public health departments, community health centers, Head Start agencies and school systems, would be encouraged to contract with the States to perform health assessments and such followup care as their facilities permit.

To those in this Congress who are concerned about expanding services at Federal expense, let me point out that the preventive care which is being furthered through this legislation ultimately is the most cost-effective health care we can provide. I urge the Members of this body to take a long-range view of the health of our Nation's children. Routine preventive care now helps reduce serious and costly medical problems later. But more important, dollars spent now contribute to the healthy development of our Nation's youngsters. Our children are truly our future, and I urge my colleagues to carefully weigh this investment in that future.●

CARTER FOREIGN POLICY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. DERWINSKI. Mr. Speaker, frustration, more than any other sentiment, expresses my opinion on the Carter administration's foreign policy, which at this point is in a state of near chaos. An example of this is the situation in Rhodesia which is the subject of an editorial in the February 1, Chicago Tribune. I insert it for the Member's attention:

RHODESIA'S VOTE, CARTER'S PROBLEM

As expected, the white voters of Rhodesia have overwhelmingly approved a constitutional change providing for the election of a black-led government in a one-man, one-vote election on April 20.

There could hardly have been any other outcome. To have rejected the biracial government's plan would have been to assure civil war and the destruction of the country. Besides, the approved plan includes some safeguards designed to protect whites at least until a new government has had a chance to prove that a biracial society can work in Rhodesia as well as it has worked in Kenya and the Ivory Coast.

This isn't to say that peace is now assured; far from it. What the vote does do, though, is to force the United States and Britain to reexamine the remains of their Rhodesia policy.

They can persist in their vindictive attitude that the Ian Smith government is "illegal" and continue to refuse to do anything to help it—a policy which has already brought the country to the brink of civil war.

Or they can acknowledge that the Smith government has gone a long way toward meeting the conditions once laid down for Anglo-American support. These include a willingness to meet with the guerrilla leaders (it is the guerrillas who refuse) and the scheduling of a free election in which all blacks can take part (the guerrillas refuse to take part in an election).

To acknowledge this would mean to give up the Carter administration's insistence that the guerrillas be included in an all-party conference and in any new government, and to reconsider the United Nations' economic sanctions against Rhodesia which the United States (and very few other western countries) observes.

Last summer the Senate agreed to continue the sanctions only after a compromise provision was added (the Case-Javits amendment) authorizing President Carter to end the sanctions unilaterally if the Smith government held free elections and committed itself to negotiate with the guerrilla leaders, Joshua Nkomo and Robert Mugabe.

These conditions are being met, however reluctantly, by Mr. Smith and his black partners. To persist in the Carter administration's policy is in effect to give the guerrillas veto power over any change in this policy, simply by refusing to talk to the Smith government. And, in the process, it will assure a civil war which the guerrillas, with arms from the Soviet Union and troops from Cuba, expect to win. Without a change in Anglo-American policy, time is clearly on their side.

Matters have deteriorated so far already that even an abrupt change in our policy may come too late. Former Sen. Dick Clark of Iowa, a formulator and champion of our present nonpolicy [along with U.N. Ambassador Andrew Young], undertakes to defend it on the Op-Ed page of Tuesday's New York Times by saying that even if the sanctions are lifted, "it will have little or no impact on the outcome. . . . It would come at the 11th hour, when the prospects of peace in Rhodesia and the influence of the U.S. government will be at their lowest point ever."

Better, in Mr. Clark's view, to stick aboard the ship as it plunges toward the rocks than to admit that maybe we've been on the wrong course and a change is in order. Even Britain's Prime Minister Callaghan has sadly accepted the report of his latest mission to Rhodesia that Anglo-American policy is at a dead end.

Having thus bungled the defense, Mr. Clark proceeds to bungle the offense. "Few members of Congress," he says, "are familiar with the complexities of the Rhodesian war." How true. And they include people like Mr. Clark who persist in viewing African politics purely as a black vs. white issue in terms of the U.S. experience. They are suspicious of any blacks who try to work with whites toward a biracial solution that might save their country from destruction.

The truth is that African blacks are themselves badly divided by tribal rivalries. This is clear even in countries such as Nigeria and Zaire, that have been independent for nearly 20 years. And if Rhodesia plunges into a full-scale civil war, the fighting will not be between blacks and whites so much as between members of the aggressive but minority Matabele tribe, which generally represents the guerrillas, and the more passive, majority Shona tribe, represented by the black partners in Ian Smith's government.

Is this the goal of American foreign policy?●

KEY ISSUE OF VERIFICATION STUDIED CAREFULLY

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. SIMON. Mr. Speaker, by far the finest article I have seen on the key question of verification on the SALT II agreement appeared in the Scientific American of February 19, 1979, offered by our colleague from Wisconsin, LES ASPIN.

It is a lengthy article and there may be those who are discouraged from reading it by its length. I hope that barrier will be overcome by many of my colleagues and their staffs. Obviously the SALT II agreement is a major decision for this Nation and while the Members of the House will not be voting on it, we will frequently be asked our opinion and we will help shape public opinion.

This thorough analysis by LES ASPIN is a great public service and I commend him and the magazine for its publication:

THE VERIFICATION OF THE SALT II AGREEMENT

(By LES ASPIN)

[Graphs and map not printed in RECORD.]

The keystone of any international arms-control agreement is the ability of each side to make sure the other side abides by it. Without adequate verification of compliance agreements such as the bilateral strategic-arms pacts between the U.S. and the U.S.S.R. are bound to collapse. As the Senate prepares to debate the ratification of the new treaty emerging from the second round of strategic-arms-limitation talks (SALT II) between the two superpowers, charges that the Russians will seek to evade its provisions are beginning to be heard. The charges raise several fundamental questions of verification: How could the U.S.S.R. go about cheating? How could the U.S. discover such violations? What would the U.S.S.R. stand to gain and what would the U.S. stand to lose if the Russians were to violate the SALT II treaty? Let us examine each of these questions in turn to ascertain just what the real problems of verification are.

The SALT II agreement will apparently consist of two basic parts: a treaty lasting through 1985 and a protocol lasting through 1982. A summary of the various provisions included under these two headings is given in the illustration on the opposite page.

The new SALT treaty will provide in the first instance for a gradual reduction in the total number of strategic offensive-weapons launchers allowed on each side, from 2,400 at the time of ratification to 2,250 by 1982. For the purpose of the treaty strategic launchers are defined in such a way as to include land-based intercontinental ballistic missiles (ICBM's), submarine-launched ballistic missiles (SLBM's) and long-range heavy bombers.

The U.S.S.R. could try to evade the ceiling on the total number of strategic launchers in three ways: by deploying new types of strategic weapons, by deploying more weapons of the existing types or by converting nonstrategic, tactical weapons into strategic ones (for example by increasing their range).

The first of these cheating methods—deploying new types of strategic weapons—is perhaps the least feasible and most easily detectable way in which the U.S.S.R. could violate the SALT II total-launcher ceiling. The introduction of a new strategic weapon involves at least five stages: research, development, testing, production and deployment. At any one of these stages the present ability of the U.S. to detect clandestine activity on the part of the U.S.S.R. ranges from fair to excellent. The key point, however, is that the Russians would have to disguise all five stages and the odds against their successfully doing so are extremely high.

Consider the ways in which the U.S. is currently able to monitor just one of these stages: the testing of strategic launchers. U.S. line-of-sight radars can identify the distinctive "signature of reflected microwaves associated with each major type of Russian missile. In addition over-the-horizon radars can penetrate deep into the interior of the U.S.S.R. and recognize the characteristic pattern each type of missile makes when it disturbs the earth's ionosphere. Early-warning satellites, originally designed to detect a Russian ICBM attack, can also serve to monitor missile tests; the infrared sensors on these satellites can identify the rocket-exhaust plume of a missile as it is being test-fired. Finally, the U.S. has a complex array of sensors, including assorted photographic gear, on ships and planes that routinely monitor missile-test impact areas on the periphery of the U.S.S.R. and in the Pacific. The information gathered from these sources can be used to distinguish new types of missiles from old ones.

In short, the "national technical means" of surveillance available to this country for observing Russian missile tests are multiple, redundant and complementary. They enable the U.S. to detect all long-range missiles fired from test sites in the U.S.S.R. They are, in fact, far more reliable than most human intelligence gathering (that is, spying), which may yield second-hand, dated information or even false, planted information.

To repeat, testing is only one of the five steps that must be taken before a new weapon is ready to be introduced to the strategic arena. Other means of detection could uncover a Russian attempt to evade this particular treaty provision either before testing (during the research and development stages) or after testing (during the production and deployment stages).

The second method potentially available to the U.S.S.R. for cheating on the overall strategic-launcher ceiling—deploying additional weapons of existing types—is more difficult to monitor than the first cheating method, but here the detection capabilities of the U.S. are still very good indeed. The national technical means of surveillance adopted by this country are particularly effective in detecting the production and deployment of additional missile-carrying submarines and heavy bombers.

Strategic submarines are large ships, displacing between 8,000 and 9,000 tons and measuring more than the length of a football field. They are hard to hide. Moreover, there are only two shipyards in the U.S.S.R. that currently build submarines of this type. Both these two sites and other potential sites for constructing submarines are constantly watched. Even if a new missile-carrying submarine were to be built under impenetrable cover (assuming the simultaneous successful disguising of all support activities), the new submarine must eventually leave its shipbuilding ways. From that point on there would be innumerable opportunities for observing it. The deployment of additional missiles on Russian submarines also cannot go undetected.

Similarly, the detection of any increase in the number of heavy bombers in the Russian air force is a fairly straightforward task. The production lines for the two existing types of heavy bomber, referred to by U.S. military analysts as the Bear and the Bison, have long been closed. Renewed production of these two aircraft could be detected by the U.S. with a high degree of confidence, as is evident from the demonstrated ability of this country to monitor the production of much smaller pieces of Russian military equipment, such as tanks. The additional deployment of heavy bombers would also be hard to hide. There are no more than 10 heavy-bomber airfields in the U.S.S.R., and all of them are closely watched by U.S. surveillance satellites. If the Russians were to decide to build new airfields equipped to handle such planes, their detection would be easy; runways cannot be hidden underground. If, as some strategic planners expect, the U.S.S.R. were to deploy a new type of heavy bomber by the early 1980's, it too would be readily detectable.

Detecting the deployment of additional land-based strategic missiles would be only a little more difficult. Given the current Russian practice in such matters, the U.S. can reliably identify by means of satellite photography such telltale activities in the U.S.S.R. as the construction of new ICBM silos and the transport of missiles to new deployment sites. The emplacement of command-and-control systems and associated support equipment can also be detected.

If the Russians were to attempt to hide these activities, they would probably have somewhat more luck than they would with strategic submarines. After all, land-based ICBM launchers are smaller than submarines, and there are vast interior areas of the U.S.S.R. in which they could be built or based. Even in the case of additional ICBM's, however, the likelihood of successful large-scale deception is very small. The Russians might try to build more ICBM launchers in the open, on the assumption that the vastness of their country would hide the violation, but that would be a mistake. U.S. surveillance satellites currently provide complete photographic coverage of the U.S.S.R. at frequent intervals. If suspicions are aroused by the regular large-area survey photographs, "close look" cameras can be ordered to rephotograph the area in question, providing more detailed information. The present generation of high-resolution cameras on U.S. surveillance satellites are theoretically capable of making a clear photograph of an object one foot across from an altitude of 100 miles. Photographs at this resolution would leave little doubt about the nature of the activities in question.

Alternatively the Russians could attempt to deploy additional ICBM's under camouflage or at night. U.S. satellites, however, are now equipped with multispectral sensors that can penetrate camouflage and can also observe nighttime activity. Infrared sensors are particularly good at detecting underground missile silos and silos that have been camouflaged. As long as the ground in the immediate vicinity of the suspicious object is at a different temperature from that of the surrounding terrain (or has different infrared-emission characteristics) an underground or camouflaged missile silo will stand out in the infrared image.

Primarily because of the time it takes for U.S. photoanalysts to process the data contained in such satellite pictures, small-scale violations might be hard to identify. Any sizable effort to cheat (say a clandestine addition of 100 ICBM's), however, would surely be detected.

The third method of cheating on the overall strategic-launcher ceiling—converting nonstrategic weapons into strategic ones—presents a more challenging problem of verification. Two notable examples of Russian intermediate-range weapons that could be made long-range (and therefore strategic) weapons are the Backfire bomber and the SS–20 intermediate-range ballistic missile (IRBM).

There is little disagreement within the U.S. intelligence community that the primary purpose of the Backfire is to carry out missions in areas peripheral to the U.S.S.R. (such as Europe and China). Roughly half of the Backfires deployed so far have been assigned to naval-aviation missions, and the rest are part of the U.S.S.R.'s medium-bomber force. There is also little question, however, that the Backfire has some intercontinental capability, specifically for one-way missions with recovery in a third country, for round-trip attacks against the western U.S. and, provided the bombers are refueled in flight, for even longer round-trip missions.

Although the SALT II treaty will exclude Backfires from the overall count of strategic launchers, the treaty will be accompanied by a variety of assurances (some in the form of unilateral statements) that will limit the strategic value of the aircraft. These assurances could include limits on the production and deployment of the Backfire, restrictions on the employment of the bomber in conjunction with tanker aircraft capable of in-flight refueling and limits on the bomber's range and payload. Of these assurances the easiest to verify would be the limits on production and deployment (even assuming deception), simply because of the size and complexity of these activities. These constraints are as applicable to the Backfire as they are to the strategic Bear and Bison bombers discussed above.

Verifying tanker restrictions would be a little harder, U.S. Air Force pilots testify to the difficulty of midair refueling. It is extremely doubtful that the Russians would actually try to refuel Backfires during a war without having attempted some practice runs, and practice runs can be monitored by a variety of means, including listening in on aircraft communications. If the Russians wanted to take their chances and attempt wartime refuelings without rehearsals, however, there is no guaranteed means of verifying any such restrictions on tanker employment.

The most difficult of the SALT II Backfire assurances to verify involve the plane's characteristics, specifically its range and payload. Even with unhindered surveillance there has already been some dispute among U.S. analysts over the range of the Backfire. Assuming skillful and determined cheating on the part of the U.S.S.R., both the range and the payload of the Backfire could probably be disguised.

The other intermediate-range weapon that could be converted into a strategic weapon is the SS–20 IRBM. The SS–20 is not covered by the SALT II treaty, since its present range (3,000 kilometers) is less than the 5,500-kilometer lower limit used to define ICBM's. The potential problem stems from the fact that the SS–20 comprises the first two stages of the advanced three-stage SS–16 ICBM; moreover, the mobile launcher for the SS–20 is identical with that for the SS–16. By surreptitiously stockpiling SS–16 third stages and payloads the Russians could at some point in the future be in a position to upgrade SS–20's into SS–16's on short notice. This course of action could provide them with a significant numerical increase in their ICBM force with very little warning.

The SALT II agreement, however, will specifically ban the further production, testing and deployment of the SS–16 ICBM and will further require that existing SS–16's be dismantled. Thus if the Russians were to try to augment their ICBM force by adding a third stage and a different payload to the SS–20's, in effect making them SS–16's, they would be doing so without any opportunity for testing the new system. The existing prototype models of the SS–16 have not been tested in almost two years, and the last test was apparently a failure.

In short, the issue of upgraded SS–20's turns out to be another testing issue. To have any confidence in upgraded SS–20's, particularly enough confidence to satisfy traditionally conservative Russian military planners, the U.S.S.R. would have to test some of them, and as was pointed out above surreptitious testing of new strategic missiles by the U.S.S.R. is a practical impossibility.

The problem of preventing the Russians from converting nonstrategic weapons into strategic ones is complicated by one other factor: the existence of between 90 and 100 "reconfigured" heavy bombers in their arsenal. These aircraft have been modified to serve in reconnaissance and antisubmarine-warfare roles, but they still retain their bomb bays. Any further permanent change in the configuration of most of these aircraft could be detected in time. Nevertheless, about a dozen of these planes were originally built in such a way that they could be rapidly converted into heavy bombers at their airfields, making prompt verification of their nonstrategic roles extremely difficult.

Besides limits on the number of launchers, the SALT II treaty will contain numerical limits on missiles equipped with multiple independently targetable reentry vehicles (MIRV's) and on bombers equipped with strategic air-launched cruise missiles (ALCM's). According to the treaty, the sum of these two types of systems will not be allowed to exceed 1,320. Furthermore, no more than 1,200 MIRVed missiles will be allowed on each side, and MIRVed ICBM's will be limited to 820.

Strategic weapons launchers	Launchers deployed	Warheads per launcher	Total warheads
MIRVed:			
Minuteman III ICBM	550	3	1,650
Poseidon C–3 SLBM	496	10	4,960
Subtotal	1,046		6,610
Not MIRVed:			
Titan II ICBM	54	1	54
Minuteman II ICBM	450	1	450
Polaris A–3 SLBM	160	[1]1	160
B–52D Bomber	79	4	316
B–52G, B–52H bombers	269	4	[2]1,076
Subtotal	1,012		3,556
Total	2,058		10,166

[1] 3 MRV's.

[2] Plus 1,500 SRAM's.

Note.—U.S. strategic arsenal is broken down in this table into 2 broad categories: weapons launchers that carry multiple independently targetable reentry vehicles and those that do not. The number of nuclear warheads indicated for the Poseidon C–3 SLBM is believed to be an average figure. The number of B–52's available for strategic missions is an estimate. The number of warheads per strategic B–52 listed represents the standard loading; the B–52H and B–52G aircraft carry an additional complement of nuclear-armed short-range attack missiles (SRAM's). The 3 reentry vehicles on the Polaris A–3 SLBM are not independently targetable and hence are not counted as MIRV's. Cruise missiles and FB–111 bombers are omitted.

Strategic-weapons launchers	Launchers deployed	Warheads per launcher	Total warheads
MIRVed:			
SS–17 ICBM	100	1 or 4	~2,500
SS–18 ICBM	170	1 or 8	
SS–19 ICBM	320	1 or 6	
Subtotal	590		~2,500
Not MIRVed:			
SS–9 ICBM	130	1	130
SS–11 ICBM	620	[1]1	620
SS–13 ICBM	40	1	40
SS–16 ICBM	20	1	20
SS–N–6 SLBM	528	[2]1	528
SS–N–8 SLBM	286	1	286
SS–N–17 SLBM	16	1	16
SS–N–18 SLBM	96	1	96
Bear bomber	100	2	200
Bison bomber	40	2	80
Subtotal	1,876		2,016
Total	2,466		~4,500

[1] 3 MRV's.

[2] 2 MRV's.

Note.—Russian strategic arsenal is estimated in this table on a similar basis. In accordance with the new SALT II "counting rules" the MIRV subtotals shown here include some 135 ICBM's that have not yet been MIRVed and hence still carry single warheads. In addition the intermediate-range bomber referred to by U.S. military analysts as the Backfire is omitted. In general numerical tallies of this kind fail to reflect substantial U.S. advantages over the U.S.S.R. in terms of missile accuracy and reliability. Moveover, such tables do not include the fact that the U.S. has thousands of tactical nuclear weapons capable of reaching targets in the U.S.S.R., where the U.S.S.R. has none in a comparable position to reach targets in the United States.

There are four ways the Russians might try to increase their combined MIRV/ALCM total beyond the treaty limits: by constructing new ICBM silos and SLBM submarines for the additional MIRVed missiles; by substituting MIRVed missiles for unMIRVed ones in existing missile silos or submarines; by deploying MIRVed payloads on unMIRVed missiles in existing silos or submarines, and by placing strategic ALCM's on additional bombers.

The first way the U.S.S.R. might try to evade the MIRV/ALCM ceiling—constructing new silos and submarines for MIRVed missiles—would clearly be unfeasible, since (as was pointed out above) any cheating on the total number of such strategic launchers can be detected by the U.S. with a very high degree of confidence.

The second way the Russians could exceed the MIRV/ALCM ceiling would be by substituting MIRVed missiles for unMIRVed ones in existing silos or submarines. The U.S.S.R. currently has a number of silos and submarines containing unMIRVed missiles. Detecting their surreptitious replacement with MIRVed missiles requires that the U.S. know which Russian missiles are MIRVed and which silos and submarines contain which missiles.

In the SALT II negotiations both sides have agreed that all missiles of a type that has been tested in a MIRVed mode or has been fired from a launcher with a MIRVed warhead would be counted against the MIRV ceiling. The U.S. proposed this counting rule precisely because it facilitates verification. U.S. analysts already know from extensive observation which of today's Russian missiles are "MIRV-capable," and future MIRV-capable ICBM's and SLBM's can be detected at the test stage.

Although the U.S. knows which Russian missiles are MIRVed, another question remains: Is it possible to tell which silos and which submarines contain which missiles? The answer is again provided by the known differences among missile systems. First, Russian silos that contain MIRV-capable missiles are significantly different in appearance from those that contain unMIRVed missiles. Second, MIRVed launchers require different command-and-control systems, support equipment and other facilities, all of which are observable with existing U.S. satellites.

The various types of missile-launching tubes on strategic submarines can also be identified by U.S. surveillance satellites. Any attempt by the Russians to install existing MIRVed SLBM's on submarines with unMIRVed missiles would require the alteration of the launching tubes, the replacement of fire-control systems and other extensive modifications. These would take time; even a routine overhaul of a nuclear submarine takes from 30 to 36 months. Under the circumstances the changes would certainly be detectable.

Another method of evading the MIRVed-missile limits would be to take an unMIRVed missile and replace just its warhead. If the Russians were to deploy MIRVed payloads onto unMIRVed missiles in existing silos or submarines, that would be very hard to detect. Fortunately no such transferable payloads exist now, and the current generation of Russian missiles have design characteristics that make it virtually impossible to transfer MIRV payloads from the new MIRVed missiles onto the old unMIRVed ones.

A final method of evading the MIRV ceiling would involve placing strategic cruise missiles on additional bombers. The treaty places a ceiling of 1,320 on the total number of MIRVed missiles plus bombers equipped with ALCM's. Could the Russians exceed that ceiling by producing more than the allowed number of ALCMed bombers?

For the foreseeable future the U.S. will be able to tell which Russian bombers are equipped with cruise missiles, since Russian cruise missiles are externally mounted and therefore visible. Internal mountings would present a problem, but so far the Russians have none. Internally mounted cruise missiles would be detected most readily at the time of their introduction, because the aircraft involved would presumably have to be sent to some central facility to be modified, and the U.S. follows the activities at such facilities quite closely.

The verification of the limit on internally mounted cruise missiles will be eased considerably by the adoption in the SALT II accord of a "type" rule, which states simply that if one bomber of a given type carries ALCM's, all bombers of that design would be counted as ALCMed bombers. Counting which bombers have cruise missiles, however, is not the same as verifying which bombers are strategic. Bombers might be fitted with cruise missiles that had short ranges, which would not qualify them as bombers armed with strategic cruise missiles. Bombers might also be fitted with long-range cruise missiles carrying non-nuclear payloads. Hence a separate and far more complicated problem is determining whether cruise missiles on bombers have strategic ranges (in this case more than 600 kilometers) and strategic payloads.

Under normal conditions the U.S. can obtain adequate if rough estimates of these characteristics, but there is no systematic way of verifying the range of deployed cruise missiles. Significant differences would be revealed neither by the missile's exterior nor by its flight test. Unlike ballistic missiles, cruise missiles do not have to be tested at full range or even near it for the military to have confidence in their performance. Like aircraft, they can be flown for a limited time under cruise conditions, and their range can be estimated on the basis of the amount of fuel consumed. As it happens, the U.S. Joint Chiefs of Staff do have good estimates of the range of existing Russian cruise missiles, and the U.S.S.R. does not yet have air-to-surface cruise missiles capable of strategic ranges. Moreover, the Russians are not expected to have many long-range ALCM's for a number of years, and so it is unlikely that they could exceed the numerical restrictions in the SALT II treaty before it expires in 1985.

As for the payloads of cruise missiles, there is no way at present to distinguish a nuclear-armed cruise missile from a non-nuclear one by external observation. Once again, however, the Russians are not expected to have long-range ALCM's with either nuclear or conventional warheads for a number of years, so that violations of this provision before the treaty expires are unlikely.

Assuming that the Russians do perfect strategic ALCM's, the U.S. would still not be at a loss. If the Russians were to begin refitting existing aircraft with new ALCM's, suspicions would be aroused and the U.S. would be aware of the potential for cheating. Even if a new Russian bomber were equipped with ALCM's but the U.S.S.R. falsely asserted it was not strategic and the U.S. was not able to contradict the assertion, it is doubtful that more than about 120 bombers would be available before the expiration date of the treaty.

The SALT II treaty will also contain a sublimit on the number of modern large ballistic missiles (MLBM's) allowed on each side. Any missile larger than the Russians' SS–19 (which has a "throw weight" of about 8,000 pounds) will count as an MLBM; any missile larger than the largest ICBM currently in the Russian inventory (the SS–18, with a throw weight of roughly 16,000 pounds) will be prohibited. The debate over the substitution of SS–19's for SS–11's after the signing of SALT I provides ample evidence of the sophistication of U.S. monitoring techniques. The dispute turned on the question of whether the installation of SS–19's in SS–11 silos violated the SALT I provisions covering the substitution of "heavy" missiles for "light" ones. The consensus following the debate was that the substitution by the Russians did not violate the letter of the SALT I treaty but that it was inconsistent with one of the unilateral statements made at the time by the U.S. The main point here, however, is what the discussion revealed, namely that the U.S. knew precisely how much larger the SS–19 was than the SS–11.

The SALT II treaty will also prohibit "rapid reload" systems. The purpose of this provision is to protect against the possibility that the U.S.S.R. would stockpile extra ICBM's and fit them into existing launchers once a first salvo had been fired. Loading a 50-ton missile into a silo is considerably more complicated than putting a cartridge into a rifle. The elaborate equipment around existing silos necessary for such a system to work, to say nothing of the storage sites for extra missiles, would certainly be detectable with existing satellites. The Russians could scatter the equipment and extra missiles far from the silos and probably avoid detection in that way as long as they did not test the resulting system; they would then, however, not have a rapid-reload capability, and so there would be no violation of this particular provision.

In addition to the treaty lasting until 1985 the SALT II agreement will contain a protocol lasting until 1982, and there will be verification issues in the protocol too. One part of the protocol will ban the deployment and testing of mobile ICBM launchers. The potential for violation of this section lies in the possible deployment of the existing SS–16 ICBM in a mobile mode; no other mobile ICBM is expected before the protocol expires. There is no question of the ability of the U.S. to ascertain that the Russians have deployed a mobile land-based system. Nevertheless, under certain deceptive basing schemes such as the multiple-aim point, or "shell game," options discussed recently (which involve the construction of hundreds or even thousands of shelters, only a fraction of which contain missiles), verifying the actual number of missiles deployed would be very difficult.

The SALT II protocol will also ban the flight testing and deployment of ground- and sea-launched cruise missiles capable of ranges in excess of 600 kilometers. Since the ranges of cruise missiles cannot be determined accurately in the event of conscious deception, such a ban will not be verifiable.

The flight testing of U.S. cruise missiles has only recently begun, however, and these weapons are not scheduled to be deployed in militarily significant numbers until after the SALT II protocol expires. Current Russian cruise missiles are primitive technologically. The U.S. is far more advanced in the development of compact warheads, computer-guidance systems and small turbofan engines, the technologies that are the key to small but long-range cruise missiles. The U.S. Department of Defense has stated that in cruise-missile technology the U.S. is "10 years ahead of the Russians" and that U.S. cruise missiles now under development are "two or three generations" ahead of current Russian weapons.

There are nevertheless some existing Russian sea-launched cruise missiles that exceed the 600-kilometer limit by as much as 250 kilometers. Because of their primitive design, however, they are very large. Since any attempt to begin new deployments is observable, and since the Russians have no capability for deploying new, long-range ground- and sea-launched cruise missiles until after 1982, there is virtually no potential here for violations by the U.S.S.R.

The SALT II protocol will include certain limitations on the flight testing and deployment of new types of ballistic missile. Although a full assessment of the associated verification problems depends on a detailed analysis of these limitations, there is reason for optimism. New ballistic missiles can be detected at the test stage, and added deployments of new missiles would be one of the easiest violations to detect.

The ability of the U.S. to detect potential violations of the SALT II agreement by the U.S.S.R. can be summarized in terms of three broad levels of confidence. First, there are the numerous cheating methods for which the verification capabilities of the U.S. are excellent, and the possibility of successful evasion on the part of the U.S.S.R. is remote. These contingencies include all the areas in which major violations by the U.S.S.R. could upset the present strategic "balance of terror": the deployment of new strategic weapons, the addition of even small numbers of bombers and SLBM's, the deployment of additional ICBM's on either a large scale or a moderate scale, the upgrading of the SS–20 missile to the status of a strategic weapon (unless it is upgraded without ever being tested), the deployment of additional MIRVed missiles or ALCMed bombers (in the absence of radically different systems), the upgrading of smaller missiles into modern large missiles and the introduction of rapid-reload systems.

Second, there are several areas in which the verification capabilities of the U.S. are at present quite weak. In all these cases, however, the possible cheating is not militarily significant. The problems of verification include detecting the small-scale deployment of additional ICBM's, monitoring the operational characteristics of the Backfire bomber, verifying that an untested SS-20 upgrade system does not exist and verifying the status of a limited number of heavy-bomber variants.

Third, there are a few areas, mainly those involving cruise missiles and transferable MIRV payloads, in which the U.S. may face serious verification problems at the next stage of the SALT negotiations. Although the Russian cruise missiles of today are primitive, at some point in the future it will be virtually impossible to determine whether the range of a given Russian cruise missile is long enough to be considered strategic. The U.S. will also not be able to determine whether the payload of a given Russian cruise missile consists of conventional explosives or nuclear explosives. Furthermore, counting cruise missiles accurately will never be easy.

At present the payloads of the MIRVed Russian missiles are so different from their single-warhead payloads that the MIRV's cannot be installed on the old missiles. If the Russians eventually develop a transferable warhead, the U.S. could then face a serious verification problem.

The issues of strategic cruise missiles and transferable payloads are not problems of any great magnitude for the duration of the SALT II agreement. Looking forward to a SALT III pact in the mid-1980's, however, the verification problems are certain to be much more difficult.

In general the surveillance capabilities of the U.S. cited in this article are almost certainly underestimated. The reason is that the assessment considers only those methods of intelligence gathering that can be firmly relied on, such as satellite photography. Actually there is a great deal of other information the U.S. intelligence community receives that cannot be guaranteed in advance. For example, U.S. monitoring of internal communications and signals within the U.S.S.R. might pick up evidence of some activity that is not detectable by satellite photography. An undetected violation might even be revealed by a defector, whose defection could never be assumed in advance. Data obtained under such fortuitous circumstances would undoubtedly reduce even further the chances for successful violations.

The potential for violations is also overstated here because inordinately skillful cheating by the U.S.S.R. has been assumed throughout, a routine assumption in assessing one's own verification capabilities. It may not necessarily be a realistic assumption, however, because even the best-laid plans of a nation attempting to cheat can go awry.

Take, for example, the one known case in which the U.S.S.R. attempted a significant covert strategic-arms buildup: in Cuba before the missile crisis of October, 1962. Although the Russians clearly wanted to hide the emplacement of offensive missiles in Cuba, they were quite inept at doing so. On several occasions standard operational procedures and routines, which are necessary for the functioning of any large organization and are notoriously inflexible, betrayed their plans. For cheating to be successful everything must work perfectly. In the real world, however, unforeseen events upset plans. To be sure, one cannot count on any particular scheme's going awry, but any nation would be foolish to count on its not happening.

There has already been a heated debate in the U.S. concerning possible Russian violations of the SALT I agreement. That experience has raised a number of questions about the intentions of the Russians regarding their compliance with existing treaties, but it has not raised any questions about the ability of the U.S. to monitor what the Russians are doing. Indeed, the very basis for the allegations that violations have taken place is the detailed information the U.S. intelligence services have gathered on Russian actions since the SALT I pact was signed. The debate has centered not on what the Russians' actions have been but rather on what their actions mean. If the U.S.S.R. had engaged in illegal behavior that had gone unnoticed, this would obviously raise doubts about the detection capabilities of the U.S., but no one has even hinted that this might be the case.

So far only the potential for undetected violations has been considered here. An equally important issue is whether the Russians would attempt to cheat if they felt they could get away with it. The potential for violations is small; the likelihood of violations seems even smaller.

First, the SALT II framework provides enormous leeway for both sides to pursue strategic programs without cheating. Although the Russians would be able to build substantially larger forces without SALT II, they can still do much under the terms of the treaty. They can scrap existing missiles and replace them with more reliable and more accurate models. They can greatly increase their inventories of multiple-warhead missiles. They can direct a greater effort into areas not prohibited by SALT II, such as antisubmarine warfare, that could be perceived in the U.S. as threatening.

Second, even if the Russians became dissatisfied with the SALT II agreement after signing and ratifying it, they still would not necessarily cheat. Several alternatives might seem at least as attractive, if not more so: seeking the renegotiation of certain provisions, seeking to modify the terms of the SALT II pact in the SALT III negotiations, reneging on a part of the treaty (or even withdrawing from the treaty altogether), partly modifying their programs to comply with the treaty and so on.

Third, there is the question of what benefits would accrue to the U.S.S.R. from cheating. There could be no political gain unless the Russians made their transgressions public. No one is intimidated by weapons that are not known to exist. Yet if the Russians did make public the fact of their creating, there would be enormous political repercussions. The U.S. Government, for example, might find itself pursuing an unprecedented arms buildup in response to the expressed demands of an aroused American public.

The real dangers stemming from Russian violations of SALT II would arise only if there were a significant military advantage to be gained by cheating, for example, if the Russians, after cheating for a few years, could then unveil a devastating superiority that would force the immediate surrender of the U.S. That, however, is impossible. Under the term of the SALT II agreement the U.S. will still have a formidable strategic arsenal: almost 2,000 launchers and roughly 10,000 independently targetable warheads. To upset the strategic "balance of terror" the Russians would require much larger numbers of weapons than they are now allowed, and it would be impossible for them to acquire enough additional weapons without cheating on such a massive and pervasive scale that it would be detectable with certainty.

It helps to consider a number of plausible "worst cases" in which the U.S.S.R. could actually cheat on certain SALT II provisions and evade detection. The Russians might, for example, add as many as 100 ICBM launchers to their strategic arsenal clandestinely, but that would amount to an increase of less than 5 percent in their launcher force and would yield no discernible advantage. The Russians now have almost 2,500 missiles and bombers. Under the terms of the SALT II pact this total would drop to at most 2,250, a cut of about 250. Hence cheating would be more than outweighed by the reduction in forces required by the treaty.

The Russians might also be able to divert some Backfires to strategic missions in case of war. This substitution would add marginally to their second-strike forces but would correspondingly diminish their antiship capability and undercut their capability against enemies on their borders, which would hardly be a fair trade from their point of view.

The Russians might already have an untested SS–20 upgrade potential. Even if this potential were realized, the resulting SS–16 missiles would be the least accurate and least powerful ICBM's of the current generation. The diversion of SS–20's to intercontinental attack missions would also substantially reduce the threat to Western Europe and to China.

The Russians might convert some of their naval aircraft into long-range bombers. Again, this would marginally increase their strategic retaliatory strength while substantially diminishing the threat to the U.S. Navy.

The Russians might also develop an untested, nonrapid-reload capability. The benefit from having a launcher reloaded (at the optimum) 12 hours after a first firing is questionable; the silo could be destroyed in the interim and by that time the reload missile is likely to be no more than a potential "rubble-bouncer" anyway.

In other words, even if the Russians were to cheat in every way that might evade detection, they would add little to their strategic power, and they might actually reduce their military strength in other areas.

To sum up, the ability of the U.S. to verify Russian compliance with the SALT II accord is clearly essential to a successful outcome of the agreement. On close consideration, however, it becomes evident that the much-touted problems of verification are more imagined than real. The multiple and duplicative methods of detection at the disposal of the U.S. are sufficient to reveal any cheating on a scale adequate to threaten this country militarily. Certain small violations of the treaty could be achieved by the Russians without detection, but a handful of additional missiles or bombers would add too little to their arsenal to be militarily significant. In the political realm the Russians would stand to lose more than they would gain by violating the single most important treaty they would have with a foreign power.

It is in the future that verification problems might become critical. Technological advances, particularly those involving cruise missiles and transferable MIRV payloads, will stretch the monitoring capabilities of both sides once the SALT II protocol and treaty expire. Dealing with these systems under a SALT II agreement may well require a substantial lowering of the present standards of confidence for detecting violations. At that point a renewed examination of the entire verification issue will be in order.●

TRIBUTE TO DR. NICHOLAS P. KRIKES

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. LEWIS. Mr. Speaker, on March 11, 1979, Doctor Nicholas P. Krikes will be stepping down as president of the California Medical Association.

Doctor Krikes' contributions to the medical profession and to the community have been many and far reaching.

Since graduating from the University of Southern California, Doctor Krikes has had a family practice in San Bernardino for over two decades. As a member of the San Bernardino County Medical Society and the American and California Medical Associations, he has given of himself in a way that few have.

Doctor Krikes' service to the California Medical Association has been most extraordinary. He has served on the Board of Directors of the California Medical Education and Research Foundation, as well as the Audio-Digest Foundation, on which he also served on the Executive Committee. He has chaired the committees on Medi-Cal and Finance. On March 11, his service will not end, but merely culminate as he steps down from the association's highest office.

Doctor Krikes has served with distinction on many community organizational boards. He has brought honor to the San Bernardino County Medical Society through his leadership as a dedicated physician who gives his time without question, and he is held in the highest esteem by his peers.

Therefore, on behalf of the entire California delegation I would like to commend and thank my good friend Doctor Nicholas P. Krikes for his many years of faithful service to the people of San Bernardino and the State of California.●

BORDER PATROL AGENTS

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. GONZALEZ. Mr. Speaker, illegal entry into the United States has received much attention in recent years and we all recognize that it is not a simple matter to deal with. However, little consideration has been given to the needs of the Federal personnel who patrol the Nation's borders and have the difficult and often controversial job of enforcing the immigration laws. I am speaking of the border patrol agents of the Immigration and Naturalization Service within the Department of Justice who, under hazardous and trying conditions, are charged with the responsibility for stemming the tide of undocumented workers.

Today I am introducing legislation which provides for the upgrading of the positions of certain Border Patrol agents. This legislation provides that such personnel who spend no less than 25 percent but not more than 50 percent of their time in investigative duties, as opposed to routine border patrol activities, shall be immediately upgraded to grade GS-11 within the general schedule. In addition, such personnel who meet this requirement, and in addition have program or supervisory responsibilities in a single geographic area, would be entitled the grade GS-12. Furthermore, Border Patrol agents that spend less than 25 percent of their time in investigative duties, but who have program responsibilities in more than one geographic area, would also be entitled to the grade of GS-12.

This legislation would correct the inequitable and outmoded single agency standard now utilized by the Department of Justice for these personnel, and, if enacted into law, would adequately reward them in amounts commensurate with the degree of danger and stress incident to their responsibilities.

I realize that Congress has been reluctant to consider the issue of upgrading civil service positions, but I hope that the Post Office and Civil Service Committee would look into the particular problem surrounding the Border Patrol agents.

I also plan to write to Mr. Alan Campbell, Chairman of the Office of Personnel Management, in hopes that enough attention will be focused on the Border Patrol situation to receive some action this year.●

HOLE IN AMERICA'S POLITICAL SPECTRUM

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. MARTIN. Mr. Speaker, Nelson Rockefeller was a controversial man. He was born to it and could not possibly have escaped it, not even if he had opted for the life of a hermit. His death leaves a gaping hole in America's political spectrum as well as a hurt in the hearts of a family which has lost two brothers in rather rapid succession and without warning.

In remembering Nelson Rockefeller, we must remember the controversy that accompanied his life in politics and government. "Born to great wealth" is a phrase much repeated today as if it were important in and of itself. Well, it is not irrelevant. But, in what way is it relevant? In the case of Nelson Rockefeller, it provided an opportunity for and a reason for public service. First, it enabled a man to be able to throw his entire life and every effort into endeavors which were not financially rewarding. There was no way he could expect to gain financially from political and philanthropic activities. Coming from a family tradition holding that great wealth meant great responsibility, he saw the effort to build a more humane society whose citizens could lead a more fulfilling life as a reason for being.

Nelson Rockefeller's vision—in reality, a family's vision—was a cause of trouble and controversy. His early championship of racial equality—the brotherhood of man under the fatherhood of God—did not sit well with some in an earlier day and was, I believe, the cause for the undying characterization of the man as a political liberal, even by those in a later day who shared his view on such matters; a label can outlive the reason for labeling.

It is difficult to separate the contribution of Nelson Rockefeller from the contribution of his family. While he concentrated in the hurly-burly of elective politics, he—like others of the clan—played a dynamic role in improving health care, advancing education, and fostering the development of the arts.

In fact, it is hard to imagine what the state of the arts and medicine would be today had it not been for the philanthropy of the Rockefeller family in general and Nelson Rockefeller in particular. A man with a great zest for life made a more zestful life for all.

Our late Vice President, four times the Governor of New York, active public servant under six presidencies has left the political and cultural arenas much richer for his having been in them. A class act has ended. But the Republic has been improved by a lifetime of service to an ideal in the fulfillment of one's responsibility.●

U.S. POLICY SEEN WOOING DISASTER

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. BOB WILSON. Mr. Speaker, I would like to call my colleagues' attention to an article in the San Diego Union of February 5, 1979 concerning the security of the United States. The article follows:

U.S. POLICY SEEN WOOING DISASTER

(By Paul Cour)

The security of the United States today is "seriously at hazard," says retired Navy Adm. U.S. Grant Sharp, a former commander in chief of American forces in the Pacific.

"The American people are not being informed, indeed they have been misled," said Sharp at Saturday's defense seminar of the San Diego Council of the Navy League at San Diego City College theater.

"When Americans do understand and when they become aroused, I believe they will force a change in the disastrous policy that we are pursuing."

Retired Adm. Horacio Rivero said that under the first Strategic Arms Limitation Treaty "the Soviets gained numerical superiority of 40 percent in land- and sea-based ballistic missiles" and that the signing of another arms treaty with the Russians would engender a "false sense of security" in America.

Rivero said that nuclear superiority which the United States used "to force the Soviets out of Iran in 1948 and out of Cuba in 1962" has vanished, "and the shoe is now, or about to be, on the other foot."

Retired Marine Lt. Gen. Victor H. Krulak questioned the new U.S. policy toward the People's Republic of China.

"Would we industrialize the PRC and make them a competitor in world markets of the United States?" he asked. "That doesn't seem to be the royal road to success with respect to the Soviet Union."

Krulak suggested that the United States should sell arms to China, a policy which, he said, "would give the Soviet Union pause in its activities in Western Europe and tie down the Soviets more effectively on its border with China. . . .

"Wouldn't it be better, for hard cash, to sell them those things—surface-to-air missiles and short-range surface-to-surface rockets—that will give the Soviet Union pause? It would seem to me that this is a strategic decision confronting the United States today."●

THE HOLY LAND CHRISTIAN MISSION AND MOUNT OF DAVID CRIPPLED CHILDREN'S AND ORTHOPEDIC HOSPITAL

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. KOSTMAYER. Mr. Speaker, when an organization has long been engaged in improving the quality of life for the poor, the homeless, and the afflicted, it is fitting that we pay tribute to this organization, its unselfish and humanitarian efforts, and its thousands of generous supporters. Such is the case for the Holy Land Christian Mission and Mount of David Crippled Children's and Orthopedic Hospital, which has American headquarters in Kansas City, Mo. The mission established in 1936, is located in Bethelehem on the west bank of the Jordan, now under military control of Israel, and is in the midst of camps containing over 300,000 Arab refugees.

Since so many Pennsylvania residents contribute to the mission, I am particularly honored to bring to the attention of my House colleagues the outstanding work and achievements of this nonprofit, nondenominational organization.

Like a miniature city, the mission maintains its hospitals, orphanage, school, and support facilities to meet the total needs of its large family of orphans and crippled children—and reaches out "beyond its walls" to provide care and monthly assistance to hundreds of widows and refugees and other people of the Holy Land. One outreach service provided to these destitute people is a program of child care centers which the mission operates in refugee camps for preschool-age children.

The 18-building complex includes trade workshops for teaching manual skills to the orphans. The mission is self-sufficient, making its own clothing, shoes, linens, and other materials. Its trade shops manufacture all of the special shoes and braces for the crippled children. The mission school, staffed with a highly qualified faculty, offers grades one through nine.

More than just a clinic or welfare station, the mission offers a good education and counseling—and lots of "tender loving care." The large staff employed by the mission includes a number of former orphans who are now dedicated to providing the children with the same important care they once received.

Following a serious outbreak of polio in 1952, the mission opened a new rehabilitation center to care for the crippled children in Bethlehem and surrounding areas. In 1971, the current hospital, the only free children's orthopedic facility in the Middle East, was opened in newly remodeled facilities under the direction of Dr. A. F. Zuaiter, who brought together an expanded staff of fine physicians, physiotherapists, nurses, and medical technicians.

Today, the hospital ranks as one of the largest and certainly the most progressive orthopedic hospital in the entire Middle East. Equipped with two modern operating theaters, a topnotch physiotherapy department, and an outpatient department, its expert staff ministers to thousands of patients a month—including those with cases of congenital hip dislocation and club foot problems, birth defects, polio, and other crippling diseases.

At the present time, over 2,300 severely crippled children are waiting to be admitted to the hospital. The demand for its services is so great that an expansion is now underway, with completion of the new facilities scheduled to the availability of funds.

Furthermore, the hospital continues to conduct specialized orthopedic research and plans are now underway, with the support of the Agency for International Development, to make its highly successful and advanced surgical techniques available to American medical personnel.

I am indeed proud to commend the Holy Land Christian Mission to the attention of my colleagues and I know that they join me in conveying our appreciation and commendation for the outstanding efforts of this unique organization.●

SAN LUIS DRAIN PROPOSAL IS UNACCEPTABLE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. MILLER of California. Mr. Speaker, for several years both State and Federal agencies have been studying the possibility of constructing a large canal to dispose of waste water accumulated from irrigated agriculture in the Central Valley of California. Residents of much of the northern portion of the State have long watched as billions of gallons of their fresh water have been drained to irrigated lands of questionable benefit, to the severe detriment of the areas in which the water had originated.

The plan for this drainage canal is to exacerbate these northern California problems by dumping heavily polluted waste water into that area of origin. A draft report outlining how this would be done has recently been released by the interagency drainage program, and has been the subject of intensive criticism at public hearings. I testified on this plan in Concord, Calif., last Thursday, and would like to share that testimony with my colleagues. I should point out that it would behoove Members to read this testimony, because the San Luis drain is one of those projects of questionable wisdom which I have no doubt we will be asked to appropriate several hundred million dollars to construct by special interests in the not-too-distant future.

The testimony follows:

STATEMENT ON THE SAN JOAQUIN VALLEY INTERAGENCY DRAINAGE PROGRAM INTERIM REPORT

The concept of a master drain discharging Valley waste water into the Sacramento-San Joaquin Delta is perhaps the most serious threat confronting the water quality of northern California in the near future. It is an apologia for past excesses, illegalities and indifference masquerading as a "future solution." At its very outset, the Report suggests that there are high environmental, economic and political costs associated with any of the potential solutions. As usual, northern California, and particularly the millions of residents of the Bay-Delta region, will be forced to bear the greatest burdens.

Many of my basic reservations about this report are due to some inherent assumptions upon which it is predicated. The Report assumes that we must construct a Drain to serve the entire Valley. The Report appears to assume the construction and operation of the Peripheral Canal. The Report minimizes the efficacy of water conservation, and appears to take a view of newly developed water in the Central Valley. Once again, we are confronted with high cost, high impact construction plans as the "solution" to severe environmental problems which have been created by past blunders. The policy recommended by this Report would, in my opinion, compound those past errors.

Let me also suggest that these recommendations do not reflect the mood of the federal government. After years of effort, we have secured a pledge from the Department of Interior to operate its Central Valley Project in conformity with state water quality standards for the Delta in about the same manner as the state has operated the State Water Project. In return, this Report and recent legislative proposals of the Brown Administration would, in my view, subject the Delta region to new dangers through the construction and operation of unwise projects such as the Master Drain and the Peripheral Canal.

I do not believe that there will be significant support for these proposals in Washington, and for good reasons. Less than one week ago, I had the opportunity to discuss the entire Delta and Valley issue with Secretary of the Interior Andrus, Reclamation Commissioner Higginson, Assistant Secretary Guy Martin and other departmental officials. We discussed not only this Report, but the recently negotiated repayment contract of the Westlands Water District (for which the present San Luis Drain is under partial construction) and last year's study by the San Luis Unit Task Force. On the basis of that conversation, I can state emphatically that there is at present no intention by the federal government to participate in the construction of the kind of Drain envisioned in this Report. Participation would be dependent upon the project's economic and environmental feasibility; your own report strongly suggests that it meets neither test. The Department's lack of enthusiasm, I must tell you frankly, is likely dwarfed by the degree of support in Congress for so costly a project.

I also should point out that the federal government's qualms about the drainage program are not only speculative. The recently negotiated repayment contract between the Westlands Water District and the United States provides for a termination of construction on the San Luis Drain at Kesterson Reservoir after the expenditure of $48,000,000. The amount of drainage which can be handled by this degree of construction is just 45,000 acres. Several additional conditions, including environmental safety, fiscal reasonableness, and repayment ability constrain further construction. The contract further states that compliance with these provisions—

> Shall not be construed as a commitment on the part of the United States to seek such authorization or appropriation of funds unless the secretary has made an affirmative finding that in consideration of all factors, including federal budget limitations and national priorities, provision by the United

States of drainage service to the additional lands is in the national interest.

This contract, recently agreed to by the Westlands Water District and the Department of Interior, is the most recent statement of federal policy on the question of drainage programs in the Central Valley. It should also be noted that President Carter has not included new funds for construction in his FY 1980 budget.

Let me discuss briefly some of the major flaws and questions left unanswered in this Report. Foremost is the assumption that this Drain should be designed and operated to drain the entire Valley. Failure to do so, we are told, will jeopardize productivity on thousands of acres of land. But it is critical to note that not all this land is currently under irrigation. Nor have there been built drainage facilities on all of this land, or even on much of it. Your own report notes that subsurface drains have been built on just 1,500 of 300,000 acres targeted as requiring drainage, or one-half of one per cent! Within the service area, the collector drains are less than five per cent complete.

At this point, I think it is very important to note the findings of the San Luis Task Force on the matter of lands scheduled for irrigation in the Valley. Within the San Luis Unit, the Task Force found that nearly 125,000 acres which, in the words of the Definite Plan Report for the project, "Are marginal in their suitability for irrigated agriculture . . . because of highly saline, permeable soils with anticipated or present drainage problems." (See page 32 of the DPR) The Task Force concluded—

> Not only does this expansion into the area requiring drainage create additional burdens on the system to remove the drainage water, but the poor quality of the soils have financial implications for farm operations in the area as well . . . although detailed data are not available, the task force suggests that these poor quality soils may also yield a poorer quality of drainage water. (Page 163).

These conclusions concerning San Luis are highly relevant, for that single project is estimated to ultimately provide one-quarter of the flow and one-half of the "pollutant loadings" of the Drain. Moreover, much of the land in the Valley which ultimately would be put into production may not be of any better quality than the marginal lands illegally added onto the San Luis Unit, which are now causing drainage problems. Lastly, these poorer quality lands which would use the Drain have limited productivity, and thus have a lower capacity to repay a portion of the Drain itself, a financial burden which will instead be passed along to utility rate customers and taxpayers.

This discussion touches on the central premise of your Report, that being the continued expansion of agricultural water service in the Central Valley, which is used as the basic justification for the construction of this Drain. You foresee doubling the amount of water currently used in the Valley, while increasing the amount of polluted water drained off that land by over 11 times between 1980 and 2080. Your figure of 667,813 acre feet of drainage annually compares with 150,000 acre feet estimated for the Drain if used by the San Luis Unit. The acreage to be drained would increase from 56,000 acres in 1980 to nearly one million acres, as compared to the 230,000 acres estimated by the Task Force for San Luis. The original feasibility study for the San Luis Unit, which was to be the primary user of the Drain, estimated 96,000 acres of drainage area.

Plans have continually changed in recent years. The State was first willing, then unwilling, and is now willing again to help construct a Drain. A facility which was to cost about $7 million now has a price tag of $185 million, and perhaps twice that amount. A small amount of drainage water has escalated into hundreds of thousands of acre feet, and a drain intended to serve one district has grown to a Valley wide channel.

Nor will the growth in problems end here. Your own report indicates that the availability of additional surface water will compound the groundwater use problem, and will encourage the irrigating of marginal, high salt, lower productivity lands "with drainage problems." (18.1) Your proposal flies in the face of fiscal and water planning reforms which stress more efficient use and conservation, since you admit that such techniques are not well suited to lands which need to be leached to purge out contaminants. Lastly, you acknowledge that by maintaining agricultural productivity on marginal lands and compounding the overdraft problem, "adverse impacts" could be suffered by the Delta and in Northern California." (16.1)

It is evident that your Report contains some provisions designed to appease Delta interests who rightly view this proposal with alarm. One of the proposed uses for the drainage water is to repel salt water intrusion from San Francisco Bay on the theory that this could be effectively achieved with drainage rather than with salt water. As an added attraction, you have noted that time releases from the yet-to-be-authorized Peripheral Canal could be used to flush out any reverse flows which brought the drainage effluent too close to the Federal pumps.

There are numerous fallacies in this concept, not the least of which is its reliance on the Peripheral Canal as a corrective device. The purpose of the Canal, in the first place, is to significantly increase diversions from the Delta, thereby contributing to the drainage and waste disposal problem. Operation of the Canal for water quality purposes, when irrigation is heavy and normal outflow is light, is a dubious promise, given the fact that Valley farmers would also seek any water in the canal for irrigation purposes.

Your recommendation further minimizes the complexities associated with this proposal. You do not seem to have followed the recommendation of the report from the Environmental Impact Planning Corporation which assessed for you various issues relating to Valley agriculture:

> The IDP should acknowledge that the discharge of drain water to the Delta does not provide a good rationale for subtracting an equivalent volume of fresh water from delta outflow requirements. (San Luis Report, 172).

It should be noted that even at the highest projected level of drainage discharges, current plans would remove from the Delta far more via the Peripheral Canal than would be substituted in the form of polluted drainage waters.

In your own Report, you note that salinity repulsion would be "significant" only under highly selected criteria such as those which occurred in 1976 and 1977. These "favorable conditions," as you refer to them, were the worst drought years since the projects have been in operation, and it is not difficult to imagine why dumping just about anything into the Delta during those years might have improved the situation. Such conditions occur perhaps once every 40 years, and it is therefore unrealistic to base planning on this standard. Moreover, you note that under "less favorable (i.e., less catastrophic) conditions," the salinity decreases due to the drain would "probably be more than outweighed by salinity increases." (8.5) The benefits to the Delta of this Drain proposal are therefore non-existent, and attempts to portray it otherwise are merely rationalizations for policies which have nothing whatever to do with Delta protection or the needs of northern California.

Given these serious concerns, I must conclude that you have not made a sufficient case for the Drain to justify the expenditure of funds and the endangering of future water quality for northern California. The net result would be to place the Delta and Bay areas again at the mercy of interests which have long shown little if any serious concern for the industrial, municipal, agricultural, recreational and environmental needs of millions of Californians. I believe that the solution must better reflect the interests and needs of all Californians than does the course of action which you have recommended.●

MEDICARE REIMBURSEMENT OF TEACHING PHYSICIANS

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. CARTER. Mr. Speaker, during the 95th Congress I introduced legislation to repeal section 22 of the Social Security Amendments of 1972 (Public Law 92–63), on behalf of myself and 40 cosponsors. We took this step at that time, because of our grave concern that the implementation of section 227 through regulations proposed by HEW's Health Care Financing Administration would have meant dedicated physicians who are responsible for training the next generation of doctors would receive less than fair compensation for their services. Although final action was not taken by the 95th Congress on this issue, the desire to seek an equitable solution to the problems surrounding reimbursement of teaching physicians remains.

Section 227 was included in Public Law 92–603 as a result of a GAO study conducted in the late 1960's which reviewed medicare payments to physicians in six major teaching hospitals. The study found that in certain cases medicare was being billed for physician services on behalf of doctors who had not themselves provided services to patients; instead the physicians had only supervised the work of interns and residents. It should be kept in mind that billing medicare on behalf of these "public patients" (patients whose care is provided by the house staff) constitutes double billing for the same service, since medicare already provides reimbursement for the costs of house staff salaries. While the hospitals GAO studied represented all geographic sections of the Nation, five of the six were large, urban municipal hospitals and as such were not a proper sample of the more than 1,200 non-Federal teaching hospitals in this country. Nevertheless, the findings from that limited study were used in drafting section 227 to apply to all 1,200 teaching hospitals.

Section 227, when added to the law in 1972 was intended to deal with the problem of double billing. The section was supposed to insure that all payment for physican services for public patients in a teaching hospital would be determined based upon the reasonable cost of providing those services by house staff under the supervision of the teaching physicians. In the legislative committee reports associated with section 227, Congress made clear, however, that fee-for-service payment was to remain available for private patients.

The problem which arose first in implementing these directives was how to determine which patients were public patients, being cared for by the house staff, and which were private patients, receiving the bulk of their care from their personal physicians (in this case, a teaching physician).

It should be kept in mind that house staff may assist in the care of private patients while under the direct personal supervision of a private physician. In other words, the distinction between private patients and public patients is a matter of degree, and distinguishing between the two categories is frequently difficult.

Medicare officials have expended a great deal of effort and time in attempting to prepare regulations for carrying out section 227. The delay has been caused largely by the inherent difficulty in distinguishing between public and private patients. In 1973 Congress deferred implementation for 6 years and a similar deferral bill was passed in 1977. Last year, 6 years after enactment, HEW proposed regulations that failed to accomplish what Congress mandated and instead presented difficulties which ultimately would have crippled these institutions.

Because of the outpouring of criticism of those proposed regulations, HEW Secretary Califano announced late in 1978 that HEW would accept an additional delay in the implementation of section 227 so that the Department and the medical education community could study the implementation of the law and, if necessary, recommend changes in the law to the Congress. Since that time representatives of teaching hospitals have met with officials of the Health Care Financing Administration, and have reported to me that it is their strong belief that the Department is sincere in its desire to seek an equitable solution to the problems surrounding reimbursement of teaching physicians.

Because of the willingness of HEW and the medical education community to seek a negotiated solution to the problems surrounding reimbursement of teaching physicians, I am today introducing legislation to provide for the necessary delay in the implementation of section 227. I am hopeful that this extra time will be used productively to insure that an equitable resolution of this problem is found, and that the critical interests of medical education are met fully by this process. I would ask that my colleagues join me in seeking speedy enactment of this legislation.

A draft of the bill I am introducing follows:

H.R. —

A bill to extend through October 1, 1979, provisions which expired on October 1, 1978, relating to payment under the Social Security Act for services of physicians rendered in a teaching hospital

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 15(d) of Public Law 93–233 (as amended by section 7(c) of Public Law 93–368, the first section of Public Law 94–368, and section 7 of Public Law 95–292) is amended by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1979".

SEC. 2. The amendment made by the first section of this Act shall be effective from October 1, 1978, except that nothing in this Act shall be deemed to render improper any determination of payment under title XVIII of the Social Security Act made prior to the date of the enactment of this Act for any service provided during a cost accounting period which began on or after October 1, 1978.

NATIONAL YOUTH SERVICE ACT

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. McCLOSKEY. Mr. Speaker, increasingly over the past several years we have seen evidence that the All-Volunteer Force concept is not working. Reserve force levels in particular are deteriorating rapidly, and it is clear that in the event of a major war, the Selective Service System could not be reactivated quickly enough to deliver the additional 650,000 personnel required.

In December, for the first time, the Air Force was unable to meet its enlistment quotas with reasonably qualified applicants, a problem which has plagued the Army and Marine Corps for some time. For the last quarter of 1978, the percentage of qualified recruits for all of the four armed services dropped below established goals. The Air Force met only 95 percent of their quota, the Army 93 percent, the Marines 86 percent, and the Navy 85 percent.

The Army has just asked for standby reinstitution of the Selective Service System, and a recent GAO report recommends this action as well.

These problems threaten our constitutional responsibility for the national defense. We are sorely in need of a system of military recruitment that can provide essential manpower. At the same time, we are failing to utilize a vast reservoir of the Nation's youth to meet social, economic, and environmental needs.

Today a number of us are introducing the National Youth Service Act, a bill designed to join the abilities and idealism of our young people with our need for combat-ready Armed Forces and the fulfillment of a number of other goals of the Federal, State, and local governments. This bill does not require universal conscription or military service, and hopefully it might serve to remove the need for any conscription.

The national service concept is not new. Mentioned by Prof. William James at Stanford University in 1906 as "the moral equivalent of war," the legislation was originally conceived by Don Eberly in 1966, shaped by the nonprofit national service secretariat and first introduced in the House by our colleague JONATHAN BINGHAM in 1970.

Both Senator SAM NUNN and Representative RICHARD WHITE, chairmen of the Senate and House Armed Services Manpower Subcommittee have agreed to hold hearings on the bill early this spring.

It is our feeling that today's youth are not opposed to national service; they may well oppose the use of conscription to support undeclared wars such as Vietnam, but the young idealists who opposed Vietnam in 1969 were the same type of individuals who volunteered to serve in the Canadian Armed Forces in 1939, before the United States entered the war against Germany.

Duty, honor, country, and a sense of obligation to serve the Nation and mankind are very much a part of the ethic of today's youth.

That sense of obligation can hopefully be implemented under the basic provisions of our proposed bills. The basic elements of the plan are as follows:

1. The Selective Service System will be replaced by the National Service System and all persons, men *and* women, will be required to register within 10 days after their 17th birthday.

2. Information on service opportunities will be made available to all persons between their 17th and 18th birthdays.

3. All registrants will have the option of serving in a civilian capacity for one year or in the military service for two years or more, and will be allowed to defer such service until the age of 23.

4. At the age of 18, persons will have the right to elect:

(a) Two years of military service, which will entitle them to four years of educational and training benefits paid at the base monthly rate provided to Viet Nam-era veterans (those enlisting prior to January 1, 1977: 38 U.S.C. 1651), but adjusted to account for cost-of-living increases since that time;

(b) Six months of active duty, followed by five and one-half years of Reserve obligation;

(c) One year of service in a civilian capacity; or

(d) None of the above, in which case they will be placed in a military lottery pool for six years of draft liability. If military manpower requirements are not filled during this period, these individuals might be required to serve two years of active duty and would also incur a four-year Reserve obligation. They would be entitled to two years of educational and training benefits.

5. If voluntary enlistments are not adequate, then and then only would one be subject to possible conscription.

6. The Civilian Services Corps will be operated by a National Youth Service Foundation as outlined below:

(a) A National Youth Service Foundation will be established by law. This will be a quasi-public organization and will receive appropriations from Congress.

(b) The Foundation will be operated by a 19-member Board of Trustees with 12 of its members to be appointed by the President, with the advice and consent of the Senate, and the following persons to serve as ex-officio members: the U.S. Commissioner of Education, the Administrator of the Office of Youth Development, the Assistant Secretary of Labor for Employment and Training, the Director of ACTION, the Chief of the U.S. Forest Service, the Director of the National Youth Service Foundation, who will also be appointed by the President.

(c) An Advisory Council will be created to advise the Board of Trustees on broad policy matters. It will have 24 members with at least eight under 27 years of age at the time of appointment.

(d) Present federal programs providing opportunities for youth service will remain in effect. These include the Peace Corps, VISTA, Teacher Corps, College Work Study Program, Job Corps, and the various youth programs funded by CETA.

(e) The Foundation will invite units of state, regional, and local governments to submit applications, outlining plans for the employment of individuals in National Youth Service activities within specified guidelines. The Foundation will support such applications on the basis of merit.

(f) The Civilian Service Corps will have two major options: community service and environmental service. Community service applicants will interview for a wide range of local community service projects sponsored by public agencies or private non-profit organizations. Those who wish to travel in search of community service projects will do so at their own expense and will register with the local National Service System agency, and no special provisions will be made for them.

(g) Most sponsors of the environmental service option will be federal, state or local agencies. Most environmental projects will require travel costs as well as expenditures for supplies and equipment. Such costs will be the responsibility of the sponsor, not of the Foundation. When lodging and food are provided by the sponsor, it will be entitled to reimbursement by the grantee from whose jurisdiction the participant was recruited.

(h) Military pay for junior enlisted personnel (those with less than two years of service) will be reduced to a subsistence level.

(i) The Civilian Service Program will ideally be phased in gradually over a three-year period.

Present cosponsors of the bill are DAVE BONIOR, Democrat of Michigan; PAUL SIMON, Democrat of Illinois; TRENT LOTT, Republican of Mississippi; JONATHAN BINGHAM, Democrat of New York; MILLICENT FENWICK, Republican of New Jersey; PAT SCHROEDER, Democrat of Colorado; CHARLES WILSON, Democrat of Texas; JOSEPH ADDABBO, Democrat of New York; TONY COELHO, Democrat of California; and ROBIN BEARD, Republican of Tennessee. We are hopeful that we will be joined by a majority of our colleagues when they have had the opportunity to study this concept.●

IF TENG LEVELS WITH SCHLESINGER

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. DERWINSKI. Mr. Speaker, now that Vice Premier Teng Hsiao-ping has returned home, the news headlines are devoted to the developments in Iran and the impending energy shortages. I wish to insert an editorial which appeared in the January 31 Chicago Tribune which I believe is still very pertinent. I hope that it will receive the attention of Secretary Schlesinger and company:

IF TENG LEVELS WITH SCHLESINGER

On learning that Energy Secretary James Schlesinger is helping to show Vice Premier Teng around, we imagined the following exchange:

Mr. Teng: Call me a capitalist roader, but I think your free-market economy does one bang-up job.

Mr. Schlesinger: Yes, we're quite proud of it—except for energy. Can't seem to produce enough. Everywhere it makes problems. Take the Mexicans. They got angry when I told Congress we shouldn't buy their natural gas. They want $3 for a thousand cubic feet, which is highway robbery. Canada charges us only $2. If we let the Mexicans in our market at $3, won't the Canadians want $3, too?

Mr. Teng: What do I know about markets? But if you ask me, letting Mexican as well as Canadian gas in will drive up the supply. So won't Canada and Mexico end up bidding their own prices down toward your domestic level?

Mr. Schlesinger: Can't happen. Already Canada charges more than we let our own domestic natural gas producers make. We won't let them get the world market price until 1985—and then only maybe.

Mr. Teng: You mean you don't permit free markets for your own natural gas producers? And you also tell your own private-sector suppliers how much they can pay for imported natural gas?

Mr. Schlesinger: Sure. Otherwise American consumers would have to pay more. And American gas producers would make bigger profits—obscene profits, as my President says.

Mr. Teng: Yes, I've heard the phrase before, from my late Chairman. But if your consumers pay more, they would use less—and you wouldn't have to import so much gas. And if your producers could get the world—you'll excuse the expression—market price, they'd have more profits to invest in finding and producing more gas. And if you didn't have periodic shortages, your prices wouldn't rise so fast.

Mr. Schlesinger: Really?

Mr. Teng: For sure. And meantime if you stop telling your—again, you'll pardon the expression—private sector how much it can pay foreigners for natural gas, you won't make your neighbors like Mexico and Canada angry. They'll compete to sell at what your market demand brings—and if Mexico prices itself out of your market, it won't be able to blame your government.

Mr. Schlesinger: Very interesting—but we can't do it. At least not right away.

Mr. Teng: Why not?

Mr. Schlesinger: Because for years we've been telling the American people that government control is good and necessary and that they should hate and fear free markets in energy. How would we look if suddenly we said we were all wrong? Besides, if you're so crazy over free markets, how come you don't have any?

Mr. Teng: Because for years we've been telling the Chinese people that government control of everything is good and necessary and that they should hate and fear free markets in anything.●

TRIBUTE TO DR. MARTIN LUTHER KING, JR.

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. CONYERS. Mr. Speaker, a month ago the 50th anniversary of the birthday of Martin Luther King, Jr., took place. The passing of time ordinarily has a way of tarnishing the memory of even the greatest of leaders. Such has not been the case with Dr. King. In the history of the American Nation he is one of the few leaders for whom affection, respect, and admiration have grown with the passage of time.

DR. KING'S LEGACY

Martin Luther King's stature rests upon many qualities: a steadiness of character and self-discipline; single-minded commitment to assisting the disadvantaged and the oppressed; his dream of a future when human beings would work together for the common justice of all; his unforgettable and inspiring speech; and his unshakable faith in the basic goodness of human beings. He was a deeply religious man, the son and grandson of two prominent ministers at whose church he too became a minister. A precocious student in Atlanta's public schools and lifelong student of theology at Morehouse College, the University of Pennsylvania, and Harvard University, he completed his formal education as a Doctor of Philosophy at Boston University. He was also, needless to say, an exceptional political leader, whose moral force was harnessed to a practical politics, in the Birmingham movement of 1963 to end legal segregation, which culminated in the 1964 Civil Rights Act; the Selma movement, which resulted in the 1965 Voting Rights Act; and in numerous crusades of conscience in Montgomery and elsewhere to end segregation in public places, overcome housing discrimination, and win a better life for the poor. In 1964 he was awarded the Nobel Peace Prize, only the third black person, 12th American, and the youngest person ever to achieve it.

The combination of a few of these qualities would entitle an individual to a large measure of respect. Yet his greatness exceeded their sum-total. The quality that above the rest touched the hearts of an entire world was his sense of hope, and his courage to act on that hope, whatever the obstacles. In this he reached out to hundreds of millions of people, whose lives were filled, instead, with apathy and despair. "This is our hope," he spoke on the steps of Lincoln Memorial in 1963,

> This is the faith that I go back to the South with. With this faith we will be able to hew out of the mountain of despair a stone of hope (and) transform the jangling discords of our nation into a beautiful symphony of brotherhood.

VIETNAM AND GOING BEYOND BEING A BLACK SPOKESMAN

In the last years of his life, Martin Luther King, Jr., spoke out increasingly against the Vietnam war. Many, including some close supporters, questioned his judgment in addressing the most controversial issue of the day, which seemed so far removed from the struggles for civil rights and justice at home. They thought he should leave international issues to the so-called "best and the brightest" in Washington. "Over the past 2 years, as I have moved to break the betrayal of my own silences, as I have called for radical departures from the destruction in Vietnam," Dr. King said:

> Many persons have questioned me about the wisdom of my path . . . Peace and Civil Rights don't mix, they say . . . I am greatly saddened, for such questions mean that the inquirers have not really known me, my commitment or my calling.

Martin Luther King was an opponent of the Vietnam war because of its terrible cost in human lives, because it threatened to destroy the world through great-power nuclear war, and because it also destroyed the promise of the great society and "war against poverty" which had been held out to the poor and the disadvantaged. Is it foolish to suggest that as Dr. King moved toward a fundamental analysis of the relationship between injustice at home and militarism overseas, he became an even more potent threat to the establishment than he was earlier? Through this analysis he not only challenged the basic assumptions of the highest leadership in the Nation, but he also succeeded in breaking through race divisions and reaching the hearts of all Americans.

A few months before his assassination, Dr. King stated:

> I am still convinced that the struggle for peace and the struggle for civil rights as we call it in America happened to be tied together . . . These two issues are tied inextricably together and I feel that the people who are working for civil rights are working for peace; I feel that the people working for peace are working for civil rights and justice.

CIVIL RIGHTS, JUSTICE, AND PEACE

Martin Luther King's view of the connection between justice and peace is as relevant today as it was in the 1960's. Civil rights and legal justice embraces full employment and economic justice; and peace means, of course, an end to the arms race, the frantic military buildup, and the spiraling military budget.

"National security" has been the most expensive and least examined concept in American history. More than $2 trillion has been spent on weaponry and defense since 1946. In the name of "national security" all manner of official illegality and deception has taken place. "I am very sad to say it: we live in a Nation that is the greatest purveyor of violence in the world today," Dr. King said in February 1968.

> Any nation that spends almost $80 billion of its annual budget for defense and hands out a pittance here and there for social uplift is moving toward its own spiritual doom. . . It is no longer a choice between violence and non-violence. It is either non-violence or non-existence, and the alternative to disarmament . . . will be a civilization plunged into the abyss of annihilation.

The military buildup continues unabated today; for fiscal year 1980 the administration has requested $125.8 billion for defense, up 10 percent over last year, the second consecutive year in a row of increases at that level. Why such increases when we are not at war abroad and already have enough killing power in our missiles to destroy the world many times over? Why such increases at a time when the Department of Defense will have by September 1980 a surplus of $99 billion, DOD funds that have either been contracted for, but not spent, or else not even yet contracted for? What is the weaponry for, anyway? It clearly is of no use to people since you cannot eat, or obtain health care, or find shelter through weapons. It is not even of use in fighting wars or controlling events in the Third World, as the examples of Vietnam and more recently Iran dramatically demonstrate. Certainly, the strategic nuclear weapons, especially, are not to be used for great-power confrontations, which would spell the end of the world. Then what are they to be used for, except to feed on some madcap notion of security, or illusory notion of national insurance against adversaries, or, of course, to protect the status and livelihood of defense contractors and generals.

Three statistics illustrate that the same misguided priorities exist today as existed in Martin Luther King's day. While the administration has called for a 10-percent increase in defense spending, its fiscal year 1980 budget also requests a 14-percent decrease in budget authority for CETA public service jobs (a cut of $1.5 billion for a request of $9.2 billion). Incidentally, this year roughly $4.5 billion will be spent on new prison construction, one half of what is spent on the only major Federal employment and training program in the country. Why are these public job reductions taking place at a time when joblessness in minority communities remains at an all-time high and when the overall official unemployment rate hovers at 6 percent, nearly twice the rate in Dr. King's day?

The third statistic casts an even more dramatic light on our lopsided national priorities. America's prison population is increasing each year by roughly 10 percent, and already we have the largest prison population per capita in the industrialized world, with the possible exception of South Africa. Is it merely a matter of chance that criminal behavior rises as economic opportunity measured by jobs and income drops? Is it a matter of coincidence that our prisons are filled with a vastly disproportionate number of black and brown Americans, whose opportunities for employment are the most restricted in society? Is the close parallel in the rise in defense spending and in the rise in the prison population (and expenditures for crime control activities in general) without any meaning? "We would think about the fact today," Dr. King said in February 1968—

> That our government spends about $500,000 to kill every Vietcong soldier while we spend at the same time about $53 a year per person for everybody that is characterized as poverty stricken in the so-called war against poverty . . . I would like to say that there is a restlessness in the land because the land doesn't seem to have a sense of purpose, a proper sense of policy, and a proper sense of priority.

Dr. King was well aware that, historically, spending on "national security" meant a turning away from addressing human and social concerns at home. In his recent budget message to Congress, the President stated that his first commitment was to the Nation's defense and that as a result of his meeting with NATO leaders in May 1977, he committed the Nation to a 10 percent increase in the defense budget in 1980. Why should a pledge to European leaders take precedence over the oath in taking office to "promote the general welfare" and "establish justice"?

DR. KING, CIVIL RIGHTS, AND ECONOMIC JUSTICE

Martin Luther King, Jr. refused to allow others to define the issues and the struggles that he engaged in. He refused to be typecast as a civil rights leader who had no business to question the government on foreign policy. Similarly, he refused to permit others to define the nature of the civil rights struggle as only involving legal issues, and the legal life of black Americans only. As he pointed out increasingly toward the end of his life, the struggle for civil rights was inevitably being transformed into a struggle for full employment and economic justice, and an end to militarism as well, without which justice could not arise. Just as the civil rights revolution that he led was not only a black struggle, but a struggle for human dignity and freedom for all people, today the struggle for economic justice (and to fully implement the goals of the Humphrey-Hawkins Full Employment Act as its major vehicle) is not for a single group, but for all Americans.

The social and economic reality today is not very different from what it was during Dr. King's time. The incomes and economic opportunities of the working and middle classes are no better, and in many cases are worse, than they were in the late 1960's. Real income has not changed in the past decade. On the other hand, the extent of middle-class debt poverty has increased considerably. For low-income Americans the economic picture today is absolutely bleak. If the official poverty line currently pegged at the grossly unrealistic level of under $6,500 for an urban family of 4 is brought up to the more realistic level of $12,000 annually, there exist in the country an estimated 70 million individuals (nearly one-third of the population) who are living in or on the edge of poverty.

Among black Americans, as one example, a comparison between 1968 and 1978 shows that:

> The average jobless rate for blacks has nearly doubled from 6.7% to 12.3%;
>
> The jobless rate for black teenagers is at least 12% higher than 10 years ago (37%), and as bad as it was 4 years ago at the height of the '75 recession;
>
> The average black income today is 57% of white income, roughly at the same level as a decade ago and 5% less than the average black income during the 1975 recession; and
>
> The proportion of black families living in poverty has grown to 28% (1.637 million families), whereas in 1968 it was 29.4%.

What has been the Government's response to the frozen economic situation of the American people during the past decade and, for some groups, a worsened condition? Its response, unfortunately, has been indifference or else one of calling on the most vulnerable groups to assume the largest share of the economic burden. At a time when real income is eroding, unemployment levels remain critically high, and a growing number of families have become impoverished, the administration has called for substantial cuts in Federal programs, which, historically, have been the major instrument since the New Deal of improving the lives of the disadvantaged. In the past 2 years alone, there has been a reduction of roughly $25 billion in Federal spending as a proportion of the gross national product. The 1980 budget calls for:

A cut of more than 300,000 jobs in public service employment from the 1978 level;

A cut of over 300,000 summer youth jobs next year from this year's level;

A 12.5% drop in housing assistance for low-income persons which it is estimated translates into a cut in about 60,000 subsidized housing units;

Cuts of $500 million from child nutrition programs;

Cuts in disability insurance and other benefits under Social Security, amounting to about $600 million; and

A rise in Social Security payroll taxes, which in the absence of genuine tax reform, leaves working and middle class families with less disposable income.

"We have developed an underclass in this nation," Dr. King said in 1968, "and unless this underclass is made a working class, we are going to continue to have problems. The bitterness is very deep as a result of these problems."

His warning of 10 years ago that we are on the path toward "spiritual doom" so long as we attach higher priority to military security than to human needs rings as true today as in his day. America's military build-up and growing preoccupation with military security once again is destroying the few hopeful efforts at social and economic improvement today, as the Vietnam war made a mockery of the "great society" in Dr. King's day. His fundamental insight of the link between peace, jobs, and justice challenges Government and citizens today as much, if not more, as it did a decade ago.

MARTIN LUTHER KING, JR.'S VISION OF ECONOMIC AND SOCIAL JUSTICE

The administration's economic policies, especially the effort against inflation, reflect the same flawed assumptions that operated during the Nixon and Ford era: Namely, economic growth, full employment, and an equitable distribution of income are seen as the major causes of inflation, and any movement toward these goals as aggravating economic distress. The President's remedy is cutbacks and contraction. If these policies continue to operate, surely we as a Nation will reap an increasing harvest of public bitterness, despair, and antagonism. The gains that have been made in affirmative action and equal opportunity will erode (Bakke and Weber are only the initial signs), as competition for the remaining pieces of a shrinking economic pie intensifies.

This Nation has the resources with which to create full employment; it is lacking the determination and the leadership to accomplish it. The Humphrey-Hawkins Full Employment and Balanced Growth Act is the law of the land, the vehicle for bringing us closer to a just society. Toward the end of his life, Martin Luther King, Jr. posed the central question, if peace and justice can only come with a willingness to change, will that change be nonviolent? He tried to answer that question:

> We must forever conduct our struggle on the high place of dignity and discipline. We must not allow our creative protests to degenerate into physical violence . . . many of our white brothers, as evidenced by their presence here today, have come to realize that their destiny is tied up with our destiny. They have come to realize that their freedom is inextricably bound to our freedom. We cannot walk alone. We cannot turn back . . . No, no, we are not satisfied, and we will not be satisfied until justice rolls down like waters and righteousness like a mighty stream. (*At the Lincoln Memorial in Washington, August 28, 1963.*) ●

A CLOSE WATCH ON FEDERAL ACTIVITY

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. HARRIS. Mr. Speaker, I have been elected chairman of the newly created Subcommittee on Human Resources of the House Post Office and Civil Service Committee. The subcommittee's jurisdiction will include the oversight of personnel staffing policies, ethics, and the practice of the Federal Government contracting out to private industry.

I believe that by closely monitoring the activities of Federal agencies, we can succeed not only in reducing the massive growth of Government, but in decreasing the deficit in the Federal budget as well.

I would like to share with my colleagues the Federal Diary column by Mike Causey, which was published in the Washington Post on February 5; and an article by Bun Bray, Executive Director of the National Association of Supervisors of the Federal Government, which was published in the Federal Times on January 9. These articles clearly illustrate the urgent attention that these issues deserve by the Subcommittee on Human Resources:

[From the Washington Post, Feb. 5, 1979]

THE OUTSIDE CONSULTANTS

(By Mike Causey)

Is a small, growing army of well-connected consultants taking control of some government goliath agencies? Is it possible that thousands of outside experts and think-tank inhabitants have more power and influence than 2.8 million professional bureaucrats?

Does an outfit like the federal government, which pays salaries of $4.3 billion a month and hires 153,000 people each year need any outside help? If it does, is government getting the right sort of help and advice, or is it hearing what the people and firms it tries to regulate want to hear? Some people wonder.

Suppose the Department of Energy hired an outside consulting firm for $500 thousand (peanuts at the DOE) to advise it on holding down rates charged the public by gas and electric utilities?

And suppose you heard that the head of the firm DOE hired was also the largest stockholder in a major utility, a utility that just asked for a 25 percent rate increase?

And suppose nearly 50 of the consulting firm's top brass were ex-officials (and current stockholders) in various utilities?

And suppose the firm DOE was paying half a million dollars too, for advice, gets 20 times that much money each year from various utilities, for similar consulting work?

At some point, you might wonder just what sort of "impartial" expert advice on utility rate regulation DOE would be purchasing with its—rather, with your—half a million bucks. If true, it does make for some head-scratching.

Rep. Herbert Harris (D-Va.) has heard that horror story. In the months ahead he will be hearing a lot more. Harris is the new chairman of the Human Resources Subcommittee. Despite that rather vague, unsexy title, the unit of the Post Office-Civil Service Committee has a mandate, money and time to look into contracting out by government agencies, and the use of outside consultants. Harris plans to make that sort of oversight one of the main thrusts of his new assignment.

Representing, as he does, about one-eighth of the total federal work force, Harris is concerned about outside contractors replacing legitimate government workers. As agencies cut personnel (but not dollar) ceilings, more and more are contracting out to get work done.

More federal agencies are hiring outsiders to do cleanup, security and "thinking" chores all the time. Despite denials from the White House, the Carter administration appears on the verge of expanding rules and allowing agencies to contract out more work while the federal work force is cut.

Harris doesn't know how many consultants and outside experts the government has. But that doesn't make him either a dummy, or unfit to chair the contracting-out oversight committee. Jimmy Carter doesn't know, either. Nor does Tip O'Neill, nor Barry Goldwater, nor Ralph Nader.

Nobody knows for sure how many people the government hires for daily, weekly or monthly chores because it cannot find somebody in its 2.8 million member work force that can do the job.

Harris may not know this time next year, either. But he hopes to get a handle on the numbers, and reasons for consultants. And their price tag.

He also is especially interested in the Department of Energy, a mammoth bureaucracy that is getting more mammoth all the time. Harris says he will look into DOE's consulting operations to find out if it is using the same people who consult for the oil companies who keep coming up with reams of material to show why the price of gas keeps going up.

Movie Review: Federal executives, supervisors and other ranks are being shown special movies—along with briefings—about the new civil service reform law. This is what the AFGE union reviewer wrote after viewing the presentation at the Labor Department:

"The session for nonsupervisory workers consisted of a 30-minute videotape featuring Carter's teeth and a dog and pony show with Civil Service Commission Chairman Alan Campbell and several complaint agency personnel heads . . ." Maybe the book was better.

[From the Federal Times, Jan. 8, 1979]

INCONSISTENCIES IN MANPOWER MANAGEMENT

(By Bun B. Bray, Jr.)

We all realize that tens of thousands of federal employees, certainly including supervisors and managers, are frustrated, disturbed, and dismayed by several current manpower policies and actions as well as proposed changes in the federal government's manpower programs. There are many reasons for this feeling and not the least are the many obvious inconsistencies currently noted in the administration of the manpower function, including civil service matters, in the federal government.

What are some of these inconsistencies?

Personnel hiring freezes.

Personnel ceilings.

Model employer versus cheapest contractor.

Inadequate control of supply and demand—civilan personnel.

Military personnel in civilian-type jobs.

Quota versus merit system.

Management decisions and high pay.

Numbers game.

Moves to improve employee productivity.

Let's review each of these and thereby note reasons for the frustration.

Personnel hiring freezes—With much fanfare, President Carter recently announced a personnel freeze in the federal government. This freeze had to be politically motivated since the same approach has been tried dozens of times in the past—by both Democratic and Republican presidents—and without any long range advantage to the efficiency or economy of the government.

One high-level manpower expert made the following comment when this latest personnel freeze was announced:

"A personnel freeze by management is an admission that they have failed to manage by a system which management itself had established."

Specific cases of increased managerial costs and of decreased services to the American people are legion from the recent Carter freeze. They have come from many different departments and agencies.

Thus we predict the politically motivated manpower freeze will melt by mid January 1979.

Personnel ceilings—At any given time any agency, the Civil Service Commission (or its replacement, the Office of Personnel Management) and the Office of Management and Budget can give the exact number of people directly employed, repeat directly employed, by the federal government.

But there is no one in the government, from the White House down, who has specific data on man days bought by the government from contractors. For years the Defense Department has attempted to get man days purchased from contractors.

We have within the government varying degrees of personnel ceilings. Congress sets ceilings for the Defense Department, based on elaborate committee hearings. But we have other large departments with little or no ceilings restraints.

On top of that, OMB takes the congressional ceiling and sets its own figures. We call this bureaucratic versus democratic government. Through the legislative process, Congress decides the manpower needs, and in turn a group in OMB, far removed from the electorate, makes its own pontifical decisions as to personnel requirements.

For many years now, many of us who follow the ceiling control process have felt the OMB restraints were cleverly devised to throw more work to government contractors. There is just no doubt that the biggest reason contractors are used is due to personnel ceilings.

The personnel ceilings used by the federal government merely fool the U.S. taxpayer. He thinks his government is using less manpower when actually his government is paying much more for the total labor requirements, direct hire and contractor personnel.

Model employer versus contractor—The personnel ceiling requires government management to go out on contract for labor. Thus we find the government in the paradoxical situation of giving up the role of model employer—with appropriate training, compensation, hours of work, upward mobility, retirement, insurance, etc.—for the lowest contractor bid to furnish labor. Of course, many contractors can and do equal the federal government's model employer role. But to get the job of furnishing labor the majority of the profit-motive companies bid as low as possible, they pay the minimum wages, hold fringe benefits to a minimum, and leave training up to the government.

There are many places in your government today where civil service people, well trained and qualified, are being rifed to be replaced at the same work benches with lower paid, less qualified people furnished by flesh merchants.

Then we wonder about Civil Service employee morale!

Inadequate control of supply and demand—It is almost impossible to believe that in this computer age the free world's largest and most sophisticated employer has no central control point on supply and demand of personnel.

We have seen over the years many instances where one agency will have recruiting teams spread across the country looking for people with certain specific skills and another agency in the same geographic area laying off civil service employees with many of those same skills.

For years the Defense Department has operated a central clearing point on supply and demand within its department. But do you think the civilian agencies joined and/or worked with the DOD program You are jolly well right: They did not.

Now with the Civil Service Reform Act and more power delegated to the agencies, you can assuredly expect even less coordination of supply and demand of our government employees.

Military in civilian-type jobs—We have often visited an Army or Navy military base and noted no more than three or four military personnel in a major functional organization such as transportation, supply, fire department, base maintenance. A visit to an Air Force base would be most revealing in contrast.

The Air Force will have from 40 percent to 60 percent military, including both officers and enlisted men, working side-by-side with civil service personnel. And very often, the first-level supervisor of a work group, which could be an all-civilian group, will be an enlisted man.

The question has been asked of top managers in the Pentagon many times for this difference in staffing between the military departments. And we have received many different answers. None are fully responsive.

The typical federal civilian employee has nothing against his military friend. It is just the fact that military manpower, all costs considered, is more expensive than civilian personnel. And many taxpayers wonder why we must recruit military personnel to lay brick or to package goods.

Quota vs. Merit System—Recently a civilian personnel officer in a federal agency said "the Federal government is actually not a fair employment agency. It is a discriminating agency hiring certain types of people to look good."

In fact this civil service employee of over 30 years in the government went on to add the federal government was more interested in meeting quotas than in hiring the best qualified people. From this, one begins to wonder how many high-level management officials in the U.S. government truly believe in many of the personnel actions that are being popularized and forced to carry out.

Frequently we hear of a "goal to have a designated percent of employees of a specific race or ethnic origin or sex in a specific category of jobs."

So, what is a goal and what is a quota?

A goal. says a CSC official, is when an agency indicates that by the end of a certain date a specific number of jobs hopefully will be filled by specified types of people.

A quota, says the same CSC official, is when an agency determines that at the end of a certain time period there will be a designated number of employees of a particular race, religion or sex in a specific category of jobs.

A long standing and irritating problem arises from the confusion of the two terms "quota" and "goal." Ambitious and eager personnel types often confuse the terms. They are thinking of their top managers and the publicity.

There are today many popular programs tailored to emphasize certain segments of our work force. They are called affirmative action, upward mobility, and NOW.

No one questions equal consideration for qualified applicants for civil service jobs regardless of race, religion, color, sex, age or national origin. But when selections are made of only those qualified applicants who are of a particular sex or skin pigment then one begins to wonder if there are any differences between such selective processes and the selection of only those qualified applicants of a particular political membership or religious faith.

In light of the Carter administration promises to various minority groups, civil service commissioners, led by vice chairman Jule Sugarman, in November, 1977 proposed a plan to expedite the placing of more specific groups of employees in the federal government. This plan became well known as the "Sugarman Plan."

Under the Sugarman Plan CSC would allow departments and agencies to use different and lower entry standards to hire minorities, women and handicapped people.

Public hearings on the proposal brought a flood of cabinet-level sponsors of the plan and a few brave souls who disapproved.

Maybe for several reasons, the Sugarman Plan, also known officially as the Special Emphasis Program, has been on the "back burner." The reason could be the zeal of getting the Civil Service Reform Act passed and/or the fear that the Sugarman Plan might alienate too many members of Congress.

Then, too, there was the impact of Rep. George Mahon, House Appropriations Committee chairman, who in early 1978, spoke out in reference to a quota system of hiring:

"I believe that civil service jobs should be awarded on the basis of merit. Without merit then no targets in any form have a proper place in hiring of governmental personnel."

The House Appropriations Committee in its report for the Department of Defense Appropriations Bill, 1979, i.e. Report No. 95–1398, made the categorical statement that "the Special Emphasis Program or any other new program of a similar nature without adequate non-discrimination and merit safeguards not be implemented or tested within the Department of Defense."

We continue to need qualified people in the government. We need improved employee morale. The hiring of more people, regardless of merit, to meet quotas tends not only to lower quality but also most certainly destroys the morale of employees who were hired and/or promoted through the merit system.

Responsible government managers know that you can not have both the merit system and the quota system. But too many of these same managers are quite willing to continue to play the cute cat and mouse game of politics in the use of our human resources.

Management decisions and high pay grades—Numerous studies have been and/or are being made to suggest that large numbers of federal employees are overgraded, overpaid. In fact, in 1958 the House Post Office and Civil Service Committee issued a report showing terrific inflation in the grade structure of white collar employees in the federal government. The House report recommended an aggressive control of pay grades by the Civil Service Commission.

Twenty years later things are worse than they were then in 1958. Why?

Many reasons have been advocated, some not nearly so controllable as one, namely "management decisions." By that term we mean the approval of top managers to raise the grades of air controllers, or firefighters, or hard-to-find scientists. And too many bosses placate and please for their own personal advancement.

Numbers game—Several years ago, Rep.

Jim Davis of Georgia, chairman of the House Manpower Subcommittee, made the succinct observation that thousands of wage board supervisors had no incentive to improve production. If they did, then they cut their own pay.

The reason for this situation arises from the fact that the pay of a wage board supervisor is based on the number of employees working for the supervisor. Thus a WS–11 supervisor with 80 employees institutes a new operating procedure and eliminates 10 employees and also increases the amount of work accomplished. But by cutting his work force from 80 to 70 employees, the supervisor also reduced his own pay grade to WS–10.

Hard to believe, but this CSC policy is still with us.

Increasing productivity—The big thrust of 1979, so we hear in Washington, will be to increase productivity. This will be a major gain for the American people and undoubtedly a way to put brakes on spiraling inflation.

We consider employee desire, willingness, to be a major factor in the improvement of productivity in the government. And due to this factor, the administration faces the uphill task of reselling our 2.8 million federal employees on the idea that they are appreciated, that they have ability, and that they are effective and efficient.

We say "re-sell" simply because a large segment of our federal work force has resented the negative picture painted during 1978 by many top managers in the Executive Branch and echoed by members of Congress.

You can hardly expect a "gung-ho approach" in 1979 by federal employees when they have been described as overpaid, underworked and too numerous in 1978.

The sad note in government is the lack of recognition by top management of the importance of these lower level managers. All too often these supervisors are made an integral part of the management team only when it is politic. The remainder of the time they are in never-never land—between union leaders and top management.

The recent Civil Service Reform Act is supposed to delegate more responsibility and more authority. If this happens, with adequate managerial training, we can expect major improvements, both as to improved personnel management and increased employee productivity.

Conclusion—Any program that relates to more than 2.8 million employees, watched over by our millions of citizens, with a 535-member board of directors, Congress, is bound to be complicated, ever-changing and with inconsistencies. But, the inconsistencies, as detailed above, can be corrected, improved or eliminated. It is the task of federal employees, individually and/or in united action, to show top management in the Executive Branch and congressmen the inconsistencies in our federal personnel system.

However, in conclusion, these inconsistencies will continue until we have in the federal government several hard-nosed, practical manpower managers with both a comprehensive knowledge of the problems and the authority to make corrections.●

GOLD SCORES A RECOVERY

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. PAUL. Mr. Speaker, gold is exciting more interest not only in the United States but all over the world, despite the best efforts of politicians.

That is why I would like to bring the following article, by the eloquent editor of Barron's, to my colleagues' attention:

Some Barbarous Relic—In the Global Monetary System, Gold Scores a Recovery

Over on page 11, Peter George, remarkably outspoken member of the South African brokerage firm of Saunder & Taylor, offers his unhedged predictions on the price of gold. From current levels, he looks for bullion to reach $300 per ounce by August, plunge to $190 sometime thereafter and then surge to $640 by 1981. (He may be right or wrong, but he's never in doubt; no wonder his partners in Johannesburg are willing to let George do it.) Forty-eight hours after we taped his observations in New York City, Walter Frey, a general manager of Swiss Bank Corp. and an "acknowledged expert" in the field, told AP-DJ that gold has risen to "unreasonably high levels" and faces a sharp decline. The right price, he added, should range somewhere between $200 and $220 an ounce.

By the same token, according to the January issue of Gold Newsletter, a number of other authorities on the precious metal lately have issued unusually precise forecasts, both bullish and bearish. The bulls include James Dines (*Barron's*, Sept. 18, 1978, and Jan. 1, 1979), Lawrence Heim, Eliot Janeway and Paul Sarnoff of ContiCommodity Services, all of whom look for $300 or so by the end of the year. Among the bears: R. E. McMaster, editor of *The Reaper*, who "believes gold has peaked and will break $200, perhaps going as low as $150 in 1979," and John McFalls, who, "if gold breaks $193, looks for $150–60 this year. . . ." One money manager, who shall be nameless, not long ago literally turned on a dime, covered his shorts and went along.

That's what makes markets, and we freely concede that bull and bear alike have a persuasive case. As to the latter, Mr. Frey, whose employer happens to be a major element in the global trade in gold, puts it well (if a bit shrilly). Gold traditionally mirrors weakness in the dollar; yet at present, as the Swiss Bank spokesman observed, the greenback has been firm and, at least so long as the recently negotiated international lines of credit and swap agreements hold out, promises to remain so. "Benign neglect," he added, is over. "Let us say I am an optimist at this time. . . . I have been convinced." Frey also had harsh words for the bullion trading centers of London, New York City and Zurich, where, in effect, he charged dealers with buying and selling merely "to make commissions on the business." And he warned that the Russians, who for months had been inactive, are coming. "Who," he cried, "is going to buy all this gold?"

On the constructive side, bulls point to persistent heavy demand from industry and the jewelry trade, which, they indicate, in the absence of official gold sales, far exceeds new production of the precious metal. They go on to suggest that the International Monetary Fund, which during the past few years has been a major source of supply, sooner or later may opt for merely distributing what's left of its holdings to its members. As to the U.S., which has also done its share of liquidating, they cite the legislation enacted last fall under which the Treasury, effective next fiscal year, will be striking half-ounce and one-ounce medallions for sale to the American people. Confronted by heavy demand from this quarter, claim the bulls, the powers-that-be may back away from taking double dips out of the dwindling (though admittedly still huge) official U.S. gold reserves. Their clincher, of course, is the perennial decline in the value of paper money, which this year, notably in Europe, they view as more widespread and virulent than ever.

You pays your money and you takes your choice. Ups and downs aside, however, the big development in this realm strikes us as not economic but political (or perhaps the right word is geopolitical). Despite the best (or worst) efforts of the chrysophobes in Washington and elsewhere to phase out the precious metal from the international monetary system—to transform bullion, by a perverse alchemy, into just another commodity like pork bellies—gold is in the process of making a comeback. In the past few years, a number of countries have revalued their holdings to a market-related price, thereby acquiring a valuable—in the case of Italy and Portugal—a literally priceless asset. Since early 1978, when IMF-inspired constraints expired, central banks have been free to buy and sell bullion, a mint-quality prerogative which one after another quietly and discreetly (by and large through private agents) has begun to exploit. Now comes the impending European Monetary System, which, as the centerpiece of its activities, aims to draw upon its members' holdings and to issue currency backed in part by gold. Extravagances and absurdities like floating exchange rates and Special Drawing Rights come and go. Gold endures.

And what a lot it has had to put up with. After insisting for decades—over-optimistically, in the event—that the dollar was as good as gold the U.S. monetary authorities, by fiat, so to speak, desperately sought to prove that in global financial affairs it was better. First they closed the gold window reneging on a generation of solemn pledges to the contrary. They threw their weight behind the Special Drawing Right, a bastard form of what John Exter has aptly termed the "I-Owe-You Nothing." Several years ago, as hundreds cheered, gold was officially drummed out of the international monetary system and the IMF launched on a series of sales aimed at disposing of the barbarous relic forever. In turn, the Treasury, beset by a plunging dollar, has stepped up its own liquidation from 300,000 ounces per month to the current rate of 1.5 million. The National Committee for Monetary Reform, in company with Jim Dines and his readers, have valiantly marched on Washington in vain.

Gold may have lost a battle or two, but while few apparently have noticed, it has been winning the war. Early signs of its inevitable triumph surfaced a few years ago even as the fiat money forces seemed to be moving from strength to strength. In mid-1974, Italy, hard pressed to meet the huge deficits in its balance of payments, revalued to the market price its holdings of the precious metal, which it proceeded to use as collateral against a loan from West Germany. France, which didn't really need the money, promptly followed suit. Since then, Australia, The Netherlands and, in recent weeks, Austria, have embraced some form of market-related price (the last-named, ironically, to compensate for the loss of reserves caused by the drop in the worth of its dollar holdings).

Preference for gold has shown up in other ways. In the past half decade or so, the number of countries minting legal tender gold coins has surged from a handful to nearly 50. Early last year, as noted, the temporary ban on central bank dealings in the precious metal expired. Since then, according to the Gold Newsletter, 11 countries, including Colombia, Cyprus, India, Kenya, Malaysia, Mauritania, Mexico, Nepal, the Philippines and South Korea, have opted to receive their share of the IMF auctions in gold rather than currency, while another 28 have reserved the right to bid noncompetitively at future sales. At the IMF auction on Jan. 3, the central bank of Paraguay acquired 16,400 ounces.

The newsletter suggests that Japan, the vast reserves of which consist very largely of dollars, in coming months may shift to gold. "The conventional wisdom has long been that the Japanese are not really interested in gold and prefer platinum. This may be true of jewelry, but as *Wolfe/Wire* pointed out in their Jan. 10 report, total Japanese gold demand in 1978 was close to 150 tons and is expected to be higher in 1979. Gold ownership had long been controlled by the government with strict importation restrictions. Now Japan has an almost completely free gold market and 10 major Japanese world-trading companies have set up a joint study committee to review prospects for a major gold market in Japan to rival Hong Kong, Europe and the United States. All this is at the encouragement of the Japanese government. . . . With the defeat of Prime Minister Takeo Fukuda and his replacement, Mr. Masayoshi Ohira, the tendency of Japan to follow U.S. Treasury's wishes on gold will probably come to an end."

Far and away the most dramatic change will occur when the leading Western powers launch the European Monetary System, under which the high contracting parties agree to pledge 20 percent of their dollar holdings, plus 20 percent of their gold, in return for a new currency known as the ecu. As *The London Economist* recently observed: "The ecu, which many hope would become new reserve asset for the world, will therefore be backed by gold. Only in part, to be sure, and the gold will not be valued at full market prices (75 percent of the past three months' average price is almost certain to be the formula adopted). But the key point is that the EMS will help convert hitherto 'unusable' gold reserves into very usable liquidity." And, as Thomas W. Wolfe, one of the leading U.S. authorities in the field, recently observed: "This new and flexible 'official price' for the EMS members will gradually be accepted by governments throughout the world in valuing gold in their reserves and as a standard for transactions between governments." Some barbarous relic.

ROBERT M. BLEIBERG.●

CONGRESSIONAL SALUTE TO THE HONORABLE CHESTER J. KRULAN OF NEW JERSEY, DISTINGUISHED AGRICULTURIST, COMMUNITY LEADER AND GREAT AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. ROE. Mr. Speaker, on Saturday, February 3, the people of my congressional district, State of New Jersey joined together at the 52d annual dinner of the Passaic County Board of Agriculture in testimony to the lifetime of good works of an esteemed agriculturist, community leader, and good friend, the Honorable Chester J. Krulan of Clifton, N.J., whose standards of excellence in conserving, preserving, and enhancing our natural resources have truly enriched our community, State and Nation. I know you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to Chester Krulan, his good wife Greta and their three daughters and two sons as they celebrate his outstanding achievements as an active participant in New Jersey's agricultural endeavors including 43 years of distinguished service with the Passaic County Board of Agriculture.

Mr. Speaker, since the beginning of time here in America our country's soil has been nurtured and nourished by people like Chet Krulan whose contribution to the wealth and richness of our Nation's land resources has achieved a quality of excellence second to none among all nations throughout the world. The Passaic County Board of Agriculture is a sponsoring agency for cooperative extension service in the State of New Jersey, formulating agricultural policy and programs for our young people and adults alike in many vitally important areas including 4–H Youth Club work and home economics.

During his term as president of the Passaic County Board of Agriculture, Chet's progressive attitude and far-reaching vision was in the vanguard of efforts which were instrumental in realizing the interdependence of farmers and industrialists and expanding membership on the board to include nonfarm branches of the total economy. He served as board secretary for 16 years and his tenure of 43 years of active service on the board is one of the longest and best in the entire State.

Mr. Speaker, Chet will long be remembered for his ability and success on the Passaic County Board of Agriculture in providing an industrial landscape beautification program, organizing a "Farm Labor Brigade" to harvest crops during the manpower shortage of World War II and the spearheading of the campaign in Passaic County to gain voter support for the Farmland Tax Assessment Act referendum.

Among his leadership endeavors Chet is well known as an articulate spokesman of agriculture in seeking the enactment of laws through legislative representatives for the benefit of our farmers and horticulturists and has served time and again as a delegate to the State agricultural convention on their behalf. He was appointed and served for 7 years as a member of the board of managers of Rutgers the State University's College of Agriculture and Environmental Sciences—now Cook College—and was at the helm of this distinguished board as president in 1969.

Mr. Speaker all of us in Passaic County and throughout our State are proud of Chester Krulan's achievements in guiding the Agricultural Cooperative Extension Service's programs in Passaic County and applaud the richness of his wisdom and expertise in New Jersey agriculture. His indepth knowledge and know-how in the agricultural field began at the early age of 12 years when he was first employed by a plant grower and retailer in Paterson, N.J., and has spent 53 years of continuing dedication and hard work ever seeking to make Passaic County and the State of New Jersey a better place to live through the production of plantlife. For the past three decades, he has been associated with Pilken's Inc. of Clifton, N.J., a large wholesale florist firm, where he served as a vice president and general manager. Today, in retirement, he continues to make a major contribution to the beauty and wonders of ornamental plants as a consultant to this corporation.

Mr. Speaker, it is a pleasure for me to seek this national recognition of Chet Krulan and his lifetime of dedication, devotion and personal commitment to our Nation's natural resources—all contributing substantively to the quality of our environment and way of life here in America. We do indeed salute a good friend, respected community leader, distinguished agriculturist and great American, the Honorable Chester J. Krulan.●

UNION STRIFE: LEARNING FROM EXPERIENCE

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. RUDD. Mr. Speaker, an outstanding American once gave advice which we in the Congress would do well to remember in 1979. Patrick Henry observed:

> I have but one lamp by which my feet are guided, and that is the lamp of experience.

Mr. Speaker, I believe that our Nation should learn a lesson in economics from our friends across the sea in Great Britain. That nation has suffered many difficulties in recent years, but none more serious than those caused directly or indirectly by powerful labor union officials.

One problem which our own Nation has thus far managed to avoid is the secondary boycott. Nevertheless, union officials have been lobbying the Congress diligently in recent years urging us to legalize the secondary boycott by permitting common situs picketing at construction sites. The Congress wisely rejected this concept last year, and I would sincerely hope that the issue will remain deservedly dead. Should it be resurrected, however, I would urge my colleagues to reject it once again. Common situs picketing is a concept which has been tried in Britain and proven to cause serious economic problems which we would be well advised not to transplant to the United States.

Mr. Speaker, I ask unanimous consent that the editorial "Lesson From Britain" from the Arizona Republic be printed at this point in the Record.

LESSON FROM BRITAIN

Britain is plunging down the road to chaos.

Strikes have completely disrupted the economy, paralyzing the nation's transportation system, shutting down factories, leaving stores without goods to sell, schools without teachers, hospitals without ambulance drivers, farmers without feed for livestock, drying up supplies of gasoline and heating oil in the midst of the bitterest British winter in many years.

And the end is not yet in sight.

The strikes are for higher wages.

Prime Minister James Callaghan's Labor government set a 5 percent guideline for wage increases, but the unions are not content with that. Railroadmen are demanding raises of 20 percent, ambulance drivers 69 percent. Some civil service workers are holding out for nearly 100 percent and a cut in their work-week from 40 hours to 35.

Britain is a frightening example of what can happen when labor unions become too powerful.

In Britain, about 50 percent of the workers are unionized, compared to roughly 20 percent in the United States. But equally important, Britain has no laws against strikes by government employees and no laws against secondary boycotts.

The railroads are owned by the government. Railroadmen are civil service workers, yet they can strike with impunity.

It's also perfectly legal for a union to declare a secondary boycott and to picket companies with which it has no grievance.

This, it will be remembered, is a right for which the building trades unions have been fighting in this country. Fortunately, the 95th Congress rejected a bill that would have permitted a construction workers' union with a grievance against one contractor on a project to picket every other contractor, and shut the entire project down.

Callaghan has the power to declare a national emergency, and call out the army to move raw materials.

Until now, the prime minister has desisted from doing so for political reasons.

Britain is holding a general election this year. One of the Labor Party's big campaign points has always been that it can get along with the unions. Callaghan doesn't want to admit the obvious—that it can't.

It's conceivable that Callaghan will finally call out the army because chaos will leave no alternative. It's equally conceivable that he will abandon the 5 percent guideline.

In the latter event, if Callaghan continues to keep a tight rein on the money supply, the result will be a recession. On the other hand, if Callaghan loosens the money supply, Britain will return to 30 percent inflation.

Either outcome would be a disaster, for which the unions would have to shoulder the blame.

The United States could well take a lesson from Britain.●

NUCLEAR AND ALTERNATIVE ENERGY SOURCES

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. WYDLER. Mr. Speaker, recently my colleague on the Committee on Science and Technology, BARRY GOLDWATER, JR., addressed the American Nuclear Society on nuclear and alternative energy sources. His speech gives an excellent perspective on our various energy options and what directions the 96th Congress must take on energy. I include the speech here for the benefit of my colleagues:

NUCLEAR POLICY AND ISSUES IN THE 96TH CONGRESS

Thank you, Mr. Chairman, for that very kind introduction and good evening, ladies and gentlemen. Its a pleasure for me to appear before this dinner meeting of the Washington section of the American Nuclear Society, and especially to follow in the footsteps of your most recent speaker, Miss Kitty Schirmer of the Domestic Policy Council. I hope you will give me as warm a reception as you gave her last month.

Although the topic of my talk is to be nuclear policy and issues in the 96th Congress, I think I can best set the stage for discussing nuclear matters by putting them in context with other energy sources. As some of you know, in the last Congress I was the Ranking Minority Member on the House Science Committee's Subcommittee that dealt with solar energy and geothermal energy. I would like to say a few words about those energy sources, as they are often presented as alternatives to the continued development of nuclear power. Let's take geothermal energy first.

Geothermal energy is very important in my home state of California, as we have some of the Nation's major geothermal resource areas in our backyard. The Geysers field in Northern California provides about one-half the electricity needs of the city of San Francisco, and does so at a cost cheaper than that from any other available energy resource. In the Southern part of our state, we have the Imperial Valley, with a resource potential of several thousand megawatts. We've made some important strides in geothermal energy development in the last few years, with the cost of well drilling having come down by a moderate amount thanks, in part, to the research and development program we have established within the Department of Energy. We've also seen increased private interest in the construction of geothermal plants, with a 10MW totally privately financed plant about to come on line in the next few months, and a 50MW demonstration plant project now in the formative stages as a cooperative venture between the Department of Energy and a New Mexico utility.

However, despite this promise, geothermal energy, like all other energy technologies, is not without its problems. We have been bringing geothermal energy plants on stream Nation-wide at the rate of only about 25–50 megawats per year. That's a fairly significant rate when you consider that geothermal is a relatively new technology, but it is small, of course, when compared to the size of a large nuclear or coal-fired power plant at 1,000 megawatts each. Also, several problems stand in the way of accelerating geothermal development, such as objections to the gases released, uncertainty over reservoir life-time, leasing delays, and possible need for additional government development incentives. All these factors combine to leave some question as to what the ultimate contribution of geothermal energy will be. The resource base does seem to be there, but it is now clear that we are not going to have the 3 or 4 thousand megawatts on line by 1985 that had been predicted only a year or two ago. The statement by Governor Brown that nuclear power is not needed in California as geothermal energy can meet most of the state's future energy requirements is, in my opinion, not supported by fact, and totally irresponsible. Nor is it agreed to by almost all knowledgeable observers. Nevertheless, geothermal energy is a real resource, is providing some electricity now, and also is being used for direct heat applications. We need to continue the resource development and demonstration programs currently underway, but must not forget that any new energy technology takes a long time to break into a market place. Hopefully, the tax incentives provided under the National Energy Act, such as investment tax credits, and deductions for intangible drilling expenses and depletion allowances, all of which I supported, will help accelerate geothermal energy's entry into the market.

Solar energy receives much more attention than geothermal energy and is currently the energy source in vogue. The solar R&D budget is up to about $600 million in fiscal 1980, and when you count tax incentives and activities in departments other than the Department of Energy, you find that the Federal solar effort is up around the $800 million level, and still growing. Earlier in this decade solar funding was almost non-existent.

Solar energy, as you all know, is actually a number of different technologies—photovoltaics, wind power, ocean thermal energy conversion, power towers, heating and cooling, and biomass, each with their own prospects and problems. The real questions are what contribution will solar energy as a whole make to our future energy requirements, when will this be obtained, and at what cost. Projections of solar's contribution by the year 2000 range from 5 percent to 25 percent. While I naturally hope that the result is towards the higher end of this range, we have to be realistic. Solar has a long way to go. One must not forget, for example, that if we were to convert 20 percent of all the residences in the United States to solar heating and cooling, this would be equivalent to saving about 1 million barrels of oil per day, or 6 percent of the daily oil requirements. This 20 percent conversion would involve about $15 million residences, which at about $10,000 per residence would cost $150 billion. Are we ready for that?

Also, it would take about 500 of the largest sized windmills being developed today to provide the same energy capacity as one large coal or nuclear fired power plant. These windmills would require a land area of over 100 square miles.

Another solar technology, photovoltaics, is very promising, but it would take 25,000 times our present photovoltaic production capacity of about 750 peak kilowatts per year to produce electricity equivalent to that from 200,000 barrels of oil per day. That would be only about 1 percent of our current oil requirements. The present cost of photovoltaic devices, also, is so high as to presently rule this technology out for all but the most limited applications.

I could say similar things about the other solar options such as power towers, OTEC, or biomass. I don't want to be overly negative, as I feel we should be developing these solar options, but the point is that we have a very long way to go, and experience tells us that developing a new technology is not an easy or rapid task. The public must not be misled into believing that the sun is an energy cure-all.

Nevertheless, we do see signs of that happening, in a manner reminiscent of the "too cheap to meter" earlier promises about nuclear energy. Just this past weekend, it was reported that 115 Members of the Solar Caucus in Congress wrote the President requesting additional funding for solar energy, and new initiatives in line with the "technically achievable" proposal of the Domestic Policy Review of the solar energy. I suspect that new funding will be held down due to the Congress' and the Administration's current mood of fiscal restraint, but some "grandstanding" or White House announcement of new solar goals cannot be ruled out.

Now that I've reviewed where we stand on solar energy and geothermal energy, and some of their problems, let me say a few words about what we have accomplished in the last Congress in the overall alternative energy field. I can point with some pride to the following:

a. passage of the Automotive Propulsion Research and Development Act of 1977, expanding and accelerating research and development on more efficient automotive propulsion engines;

b. modification of the Geothermal Energy Research, Development and Demonstration Act of 1974, facilitating use of the geothermal loan guarantee program;

c. establishment of a financial support program for converting municipal wastes into energy;

d. authorization of loan guarantees for biomass demonstration facilities;

e. establishment of a program for greater utilization of our low-head hydroelectric resources;

f. modification of the Electric and Hybrid Research, Development and Demonstration Act of 1976, so as to better phase the electric vehicle demonstration program in with technology development;

g. House passage of the Solar Power Satellite Research, Development and Demonstration Act, which would accelerate a determination of feasibility for this potential energy source; and

h. passage into law of the Solar Photovoltaic Energy Research, Development and Demonstration Act of 1978, which established a more centralized goal oriented program for this very promising technology.

This last bill was the only major piece of energy R&D legislation that was passed by the 95th Congress.

In addition to these activities, Congress in its last session successfully shaped the course of ongoing research, development and demonstration programs in other aspects of solar energy, geothermal energy, and energy conservation through selective changes to the funding levels proposed by the Administration, and has partly corrected the lack of emphasis we found on a broad front of energy production activities.

So much for the previous Congress. Let's take a look at what's ahead for the new one. First of all, on my own Committee, Science and Technology, we've had a major change, both in the jurisdiction of our energy subcommittees and in their Chairmen. As many of you probably know by now, Don Fuqua of Florida has assumed the Chairmanship of the Full Committee, taking over for Tiger Teague of Texas, who retired. Jack Wydler of New York remains as Ranking Minority Member. Mike McCormick of Washington has become the Chairman of our new Energy Research and Production Subcommittee, which has jurisdiction over all fission and fusion programs, that is, all nuclear activities under the auspices of the Science and Technology Committee. I don't think I need to tell you where Mike stands on nuclear issues. In addition to the Chairman, however, there is quite a variety of Democrats on this Subcommittee, ranging from those who look favorably upon the nuclear option and those who do not. Other Democrats in addition to Mike McCormack are Bob Roe of New Jersey, Marilyn Lloyd Bouquard of Tennessee, and Dick Ottinger of New York. We have a total of 12 Democrats on that Subcommittee. On the Minority side John W. Wydler has been selected as Ranking Minority Member. This, of course, is the Subcommittee that will consider the Clinch River Breeder Reactor issue in the 96th Congress, and I know its going to be a busy year.

As to our Senate counterpart, namely the Energy Research and Development Subcommittee of the Senate Energy Committee, Frank Church of Idaho remains the Chairman, and Senator James McClure, also of Idaho, now becomes Ranking Minority Member, replacing Senator Hatfield. While I think you are all familiar with the favorable position of both Senators Church and McClure on the breeder situation, you should recognize that the Committee as a whole is less conservative than last year. Among the new Democrats appointed to this Subcommittee are Senators Tsongas and Bradley.

As far as jurisdiction over the Nuclear Regulatory Commission is concerned, in the House that still resides with the Interior Committee, which is chaired by Congressman Udall. In the Senate, NRC jurisdiction remains with the Nuclear Regulatory Subcommittee of the Committee on Environment and Public Works. This Subcommittee is under Gary Hart of Colorado and has a new Ranking Minority Member, Senator Simpson of Wyoming. Along with Senator Simpson on the Minority side of that Subcommittee are Senators Domenici and Baker. Senator Simpson replaces Senator McClure, who, while remaining on the Energy Committee in the Senate, also moves to the Appropriations Committee.

By now you are all aware that nuclear jurisdiction has shifted substantially from what it was several years ago, when it resided with the Joint Committee on Atomic Energy. In the House, the Science and Technology Committee now has jurisdiction over civilian nuclear power research and development, but several other Committees have part or feel they have part of that turf. Both the Interior and Commerce Committees, for example, are quite interested in the subject of radioactive waste disposal, and Interior has already held hearings on that subject this year. The Armed Services Committee is concerned about the disposal of those radioactive wastes generated in military programs. The International Relations Committee monitors nuclear exports and nonproliferation matters, and the Appropriations Committee is concerned with funding for all of the Federal Government's nuclear activities. The Government Operations Committee is concerned about how the various Federal agencies organize their nuclear responsibilities. I hope I didn't leave anybody out.

In the Senate, again several Committees are involved in nuclear matters, primarily Environment and Public Works, the Energy Committee and Government Affairs. What we have in both Houses of Congress is a classic situation where an issue has generated broad public interest and controversy, but the Congress has not adequately defined the jurisdictional boundaries are to how this subject should be handled. I wish I could say that the matter will soon be resolved, but in the House, unless the Speaker, the Rules Committee, or a Committee on Committees steps in, I do not anticipate a quick or easy resolution of this matter.

One factor that has made the whole situation somewhat difficult and confused has been the late passage, indeed this year the lack of passage, of an authorization bill for the Department of Energy. The House passed one, but the Senate did not. As a result, it has been the Appropriations Committees that have provided the funds and the direction for the nuclear programs.

As many of you know, the usual role of the Appropriations Committees is to decide the actual funding levels for energy programs, after following the policy directions set by the authorizing committees. However, because the appropriations committees have moved ahead of authorizations in energy legislation in recent years, they sometimes take an independent course in areas where their members have strong views. The recent situation with fiscal year 1979 funding for the Clinch River Breeder, for example, while probably one that this audience would not oppose, is a case in point.

It is probably too soon to say whether this year will prove different. I know the authorizing committees are aware of the weakening of their roles, and will do what they can to arrest this shift in authority. However, at this time it is questionable that we will see a fiscal year 1979 authorization bill become law, as the Senate Energy Committee appears inclined to skip that over and wage the Clinch River battle on the 1980 bill. As a first step, however, a fiscal year 1979 bill has been introduced jointly in the House by the Science, Commerce and Interior Committees. Just what priority and action this bill will receive remains to be seen.

As to the nuclear issues that will come up this session, the list is a long one, and I suspect very familiar to most of you. Another one laying over from the previous year is the licensing bill. We don't know yet whether the Administration will resubmit this bill, the purpose of which is to cut the present 12 year lead time for building a new nuclear plant in half. At the moment, bills are being prepared by both the Administration and the Nuclear Regulatory Commission, the latter at the request of the House Interior Committee. The situation is uncertain as the Administration has not decided whether it wants to send its own bill up or not. Experience shows that when a situation gets this murkey, little gets done. I have serious doubts that we will see a licensing bill enacted into law.

One area where, unfortunately, I think we will see some interest if not legislative action is in the Price Anderson Act. As you know, the Nuclear Regulatory Commission's repudiation of some of the conclusions of the Rassmusen Report have opened the door, in the minds of some people, to reexamination of the link between the Rassmusen Report and the Price Anderson Act. If consideration of this insurance program is reopened, as it might be, the most likely result would be a retention of the Price Anderson system itself, but removal of the limits on liability. When one considers that some of the other provisions of the Act are meritorious only when connected to a limit on liability, the prospect of reopening the Price Anderson matter is not encouraging.

It is somewhat encouraging, however, to see that the Administration has finally recognized the seriousness of the spent fuel problem and that a bill will soon be sent up to provide away-from-reactor storage capacity. On the other hand, I am concerned by the reported statement of a DOE official that the fees for storing spent fuel will be structured so as to give utilities an "overwhelming" financial incentive to store their spent fuel at reactor sites. I hope this bill helps more than it hinders. I also hope that those opposed to the nuclear option will act responsibly towards this legislation, as the forced shutdown of any nuclear plants, should it come to that, due to lack of fuel storage space would not be in anybody's best interests.

This whole problem could be solved, of course, by recognition of the need for reprocessing. I believe we will see that recognition in the final results of the International Nuclear Fuel Cycle Evaluation, to be completed next year, but whether the current Administration will accept these results is anybody's guess.

The major nuclear issue this year, as last year and the year before, will be the Clinch River Breeder Reactor. I don't think any of us have been convinced by the Administration's arguments concerning the lack of need for this plant, despite the fact that they talk about obsolescence, high cost, reduced energy demand, possible availability of alternative fuel cycles, and other smoke screen issues. Their concern is and always has been that of proliferation. Those of you who were at the last meeting of this section and heard Kitty Schirner speak can draw your own conclusions about the validity of the Administration's concern over proliferation. I, for one, think it is a misplaced concern and that the Nation will suffer if we deny ourselves breeder technology. We already see other countries moving ahead of us in breeder development, and we will soon be relegated to second class status among the nuclear power nations.

The Clinch River debate has been at somewhat of a standstill over the last few months with Capitol Hill attention focused partly on the McClure compromise. The President's budget for fiscal year 1980 contains no funds for Clinch River, and it is still his intention that the project be terminated. There is some confusion over the meaning of the word discontinue as used in the compromise, but I understand that Secretary Schlesinger has recently said that the Administration will still go along with a discontinuation of the project, as opposed to its absolute termination. For the moment, we see a breeder base program at around the $500 million level, which is sufficient to maintain at least part of our technical capability, but far short of the effort needed if we're really serious about developing the breeder.

I believe we have to be serious about breeder development. Nothing has changed in the last year or two that provides any further support for the Administration's arguments. This Nation needs the breeder program and it needs a plant, a real plant, as the focal point of that program. As is the situation with nuclear waste management, we must not go back and restudy our options. The time to build a plant is now. We already have fabricated a number of Clinch River components, and it would be an irresponsible waste of taxpayer's money not to get the maximum benefit from the work that has been put into that plant. The ball is now in Congress's court, and despite the fact that we have an inflation-minded Congress that fully intends to maintain a tight budget, we need to do something to keep the Clinch River project going. Authorization hearings start this week with mark-up sessions likely to be held toward the end of this month or in early March. As an industry, you need to maintain the same presence and vigorous support of this project that you have displayed over the last two years.

Saving the best for last, I would now like to talk about the subject of nuclear waste management. We had hoped to see the final Interagency Review Group report completed by the President's deadline of February 1st, but it looks as if it will now be delayed for at least a month. In the absence of Administration action on this subject, I introduced yesterday the Nuclear Waste Management Research, Development and Demonstration Act of 1979. This bill provides for the construction of a permanent Federal repository for nuclear wastes and spent nuclear fuel assemblies generated in the operation of civilian nuclear power plants. It requires the Secretaries of Energy to construct a repository to be in operation no later than September 30, 1988.

The bill will help us avoid the frightening prospect of an energy shortage, which a nuclear slowdown would surely entail. While the problems surrounding the construction and operation of nuclear waste facilities are substantial, recent evidence leads me to conclude that the technology has reached the stage where we should proceed with a demonstration facility. This bill directs the Secretary of Energy to construct and operate a permanent repository for the disposal of nuclear wastes and the storage of spent fuel assemblies, and its key element is that it sets a strict timetable for the completion of this job, recognizing the urgency of the problem. Site selection is to be based on the many studies conducted *to date* on nuclear waste disposal, as well as on specific site evaluations yet to be completed. The demonstration facility must become operational, as I have indicated, by September 30, 1988.

The issue of nuclear wastes is of considerable importance to the Nation and is a problem which has been neglected for too long a period of time. We have already been forced to limit construction of the new nuclear plants in some areas of the country due to the public's perception of the nuclear waste problem. We must act now to insure that this situation gets better, not worse.

My motivation for introducing this bill was in part the realization that we have studied the subject of nuclear wastes and studied it again. As I have stated in a letter to the Secretary of Energy on this matter last year, I cannot help but note that we have seen a seemingly unending series of studies, reviews and evaluation of this subject within the last several years, each ending with several laudible recommendations or goals that somehow get sidetracked before they are achieved. Endless paper studies do not seem to me to be the solution to the nuclear waste disposal problem. What we need instead is to establish a research, development and demonstration program that will get this job done, and to my mind that includes construction and operation of a repository in a timely manner. The bill does exactly that, and for this reason, it is imperative that we act on this legislation during this session of Congress.

When I was out at Hanford this past summer, it was impressed upon me that during World War II, we built our first plutonium production reactors in a period of about 13 months, but now I find that we cannot dig a hole in the ground to handle the waste from those reactors for 13 years. That is an intolerable situation, and my bill proposes to correct it. In addition to mandating the construction of a repository, the bill requires this facility to go through a licensing process and designates both the Department of Energy and the Nuclear Regulatory Commission as joint lead agencies for preparing the necessary environmental impact statements. The bill also provides for a meaningful State role in commenting on the construction and operation of the repository and encourages public participation in the project. Finally, the bill establishes a nuclear waste advisory committee and extends the licensing authority of the Nuclear Regulatory Commission to cover spent fuel assemblies and transuranic elements.

One thing the bill does not do is establish a new Federal agency to regulate nuclear wastes. We don't need a new agency, as some of my colleagues in the Congress have suggested. We have the necessary mechanisms in place. What we really need is the initiative to get on with the job and get it done.

The bill also does not provide a legislative veto for the States. I don't believe this is necessary, as there are ample mechanisms under the bill for the many industrial, scientific and environmental organizations interested in this project and the public at large to provide their views for consideration during the siting, design, and construction of the repository. States and other parties must play a significant role in the formulation of any effective nuclear waste disposal program. My legislation formally recognizes the role of the states and gives them an opportunity to comment on and influence any action taken by the Secretary under this bill. It specifically provides for state input at early stages of the decision-making process for the facility, thereby protecting the rights of the states involved while providing for the construction and operation of a facility that is in the Nation's best interests.

Strong congressional action must be taken in the 96th Congress to focus on the need for a permanent, operational nuclear waste facility. The Congress must recognize that the principal national issue of concern with nuclear energy is waste disposal. I believe that this legislation provides the tools to allow us to adequately address this concern, and I therefore will be pressing for its enactment.

I could go on further but I think that by now you've got the message. Nuclear power faces problems, but other energy technologies do as well. In fact, if there is one thing we have learned from nuclear power it is the difficulty of bringing any new energy source from the laboratory, through several development and demonstration stages, and into the marketplace. There is no reason to believe that the road will be easier for solar or geothermal energy, or for any other energy source.

The government's role must be one of encouragement, moral support, and funding of needed research, development and demonstration activities that the private sector alone will not accomplish. We see this approach being employed for the politically popular energy sources, but only the third item applies to nuclear power these days. It would be extremely beneficial, and cost very little, if the Administration would come out with a statement of support for the nuclear option. If they were to do so, a number of the current uncertainties facing the industry would disappear, and it may not be beyond the bounds of reason, someday, to see the solar lobby and a "nuclear caucus" working in Congress for a common goal—a narrowing of the energy supply-demand gap, and a reduction in oil imports.

Thank you.●

"OTHER" KENTUCKY CONGRESSMEN

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. ROUSSELOT. Mr. Speaker, a column in the Cincinnati Enquirer recently described one of the "other" Kentucky Congressmen for readers in the greater Cincinnati area.

I believe this column by Jack Hicks rather aptly summed up some of the highlights in the career of my good friend from the Fifth District, Dr. Tim Lee Carter. I thought others might enjoy it also, so I am including this article for the Record:

"Other" Kentucky Congressmen

(By Jack Hicks)

Washington.—Tim Lee Carter isn't the only medical doctor in the U.S. Congress, but when someone recently shouted, "Is there a doctor in the house," the Fifth District representative was there to respond.

That incident occurred in a Washington restaurant rather than inside the Capitol Building, but Carter sometimes can't divorce himself from practicing medicine there either. Once an Ohio colleague complained of a stomach pain, and Carter's immediate diagnosis was a "hot" appendix about to rupture.

The Buckeye Congressman went to a hospital where Carter's finding was sloughed off, but before many more hours passed the hospital called back to correct itself and an appendectomy followed.

In the restaurant incident, a woman was choking on a piece of beef and was fortunate that Carter was at the scene. He utilized the "Heimlich hug," a maneuver developed by a Cincinnati doctor, and the woman gained immediate relief, Carter explained.

It was the second time within a few weeks that the congressman from Tompkinsville was called on for emergency medical treatment. At an airport ticket window a man suffered an attack, and "fell like a tree," Carter related. The doctor recognized symptoms of a stroke and performed cardiac massage until the victim began breathing. The man turned out to be an Army colonel who is now recovering.

When going about his business on the floor of the House, the subject of medicine often comes up. Carter said, both as chit-chat and in connection with the many medical-oriented bills in which he has an interest. Among those the Congressman intends to be involved in this session are medical-facilities construction, health planning, nurses' training, emergency medical services, safe drinking water and cost containment of medical services.

Carter has a particular interest in health planning. Proper co-ordination can allow the sharing of equipment and save money, he pointed out, and the lack of planning has resulted in 100,000 more hospital beds than we need, at a cost of $20,000 per bed per year.

He believes in containing the cost of medical care, he said, "but we just can't concentrate on this and let other segments of the economy fly high."

Carter isn't a man who weighs his words when expressing an opinion. Although he has only the testimony of others as proof, he calls the state administration of Gov. Julian Carroll one of the most corrupt in history. He'll be backing former Gov. Louie Nunn in this year's gubernatorial race because, he said, Nunn is the best qualified to put an end to corruption.

In national politics, Carter supported fellow Republican Gerald Ford for President in 1976, but is presently leaning toward Sen. Howard Baker of Tennessee as the GOP's presidential nominee in 1980.

Baker, whose home in Tennessee is only a few miles from Carter's in Kentucky, is a good middle-of-the-road choice who could rally elements on both the left and right, Carter said. "I want to see a winner," he declared.

Carter is also a close friend of former President Nixon, and was instrumental in arranging Nixon's appearance last summer in Hyden, Ky. Nixon and he talk regularly on the phone, the congressman said.

Carter has also been a faithful friend of America's military establishment. "I'm very much in favor of a strong defense, so strong no one dare attack us," said the World War II combat medic.

Until last year Carter had a penchant for handing out little red roses to be attached to suit lapels. Wearing a rose to express belief in defense of the country goes back to the Revolutionary War—"for those who love their country enough to stand up and defend it," Carter explained.

Beset with personal grief two years ago when his 22-year-old son died of leukemia, Carter has stopped giving out the roses. He still loves his country and is as solid for strong defense as before, he said, and chose not to elaborate further.

Dr. Tim Lee Carter doesn't get to Northern Kentucky often, and like other congressmen from far-away parts of the commonwealth, isn't so familiar to people here. But like Reps. M. Gene Snyder, Larry Hopkins and Carl Perkins, who do have parts of Northern Kentucky in their districts, Carter does represent some 450,000 Kentuckyians in Washington. He's part of that group of nine men (seven representatives and two senators) who are the state's congressional delegation, who to one degree or another are our voice in the nation's capital.

Others whose names aren't exactly household words hereabouts are Reps. Carroll Hubbard, William Natcher and Romano Mazzoli, of the First, Second and Third Districts respectively.

Hubbard is a Democratic candidate for governor and will become better known here, at least until the May primary. He hails from Mayfield and his district is in the westernmost part of the state.

Natcher of Bowling Green is a veteran congressman who boasts a nearly perfect record of answering House roll calls. Mazzoli is, like Natcher, a Democrat and represents Kentucky's only real urban area, Louisville.

The term "Kentucky congressman," then can mean a Tompkinsville physician or a Mayfield attorney, and not just Gene Snyder, Larry Hopkins and Sens. Walter (Dee) Huddleston and Wendell Ford.●

INVESTMENT PRIORITIES AND OBJECTIVES

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. DODD. Mr. Speaker, on November 29, 1978, I was invited to give testimony before the California Senate Select Committee on Investment Priorities and Objectives in Los Angeles.

My testimony concerned the need for the United States to pursue an active program of economic conversion and economic diversification of communities which are heavily dependent on military spending for their economic well-being. Both my own State of Connecticut and the State of California are heavily dependent on defense contracts for employing their citizens. While the United States obviously needs to maintain a strong defense, the "feast or famine" nature of defense spending can often have disastrous economic effects on communities which are especially vulnerable to shifts in military procurement. If nothing else, the example of the economic trauma many Californian communities went through after the cancellation of the B–1 bomber program illustrates the need for defense-dependent communities to broaden their economic bases.

In the near future I will be introducing legislation designed to assist defense-dependent communities diversify their economies away from their present dependence on military procurement.

Today, Mr. Speaker, I would like to enter my remarks before the California Senate Select Committee on Investment Priorities and Objectives into the RECORD in order to allow my colleagues the opportunity to discover the reasons I feel economic diversification legislation is so necessary.

The remarks follow:

TESTIMONY OF CONGRESSMAN CHRISTOPHER J. DODD

Mr. Chairman, members of the committee, I would first of all like to thank you for giving me this opportunity to testify before you today on a subject of particularly great importance to both the people of Connecticut and to you here in California. The dependence both of our states have on defense contracts for employing our citizens, while bringing many benefits, also brings substantial problems and economic risks.

While the defense industry in California employs more people and attracts larger contracts than in Connecticut, for its size, Connecticut is the most defense dependent state in the country. In a recent study by the Council of Economic Priorities, it was found that 27.7% of the workforce in Connecticut is employed in deefnse-oriented industries. Connecticut also has more defense contracts per capita than any other state. In my own congressional district, in the Groton-New London-Norwich area, a study conducted several years ago by the Arms Control and Disarmament Agency concluded that over 71% of the workforce was engaged in defense-related production.

Connecticut's great dependence on defense spending stems in large part from the influence of just two major corporations: United Technologies and General Dynamics. United Technologies employs over 48,000 people in Connecticut. Two of its subsidiaries, Sikorsky and Pratt & Whitney, perform defense work for the most part. However, both Sikorsky and Pratt & Whitney, and United Technologies overall, also have large civilian contracts. That is not the case of the second major defense firm in Connecticut: The Electric Boat Company, which is a division of General Dynamics. Its name notwithstanding, Electric Boat, builds nuclear-powered submarines.

Presently, both the new Trident nuclear missile-firing submarine and the new Los Angeles class fast attack sub are constructed in EB's yard in my district. While United Technologies's 48,000 workers are divided between eight different divisions in the state, almost all of EB's 24,000 employees work at the shipyard in Groton, and all of them do defense work, as EB has no other customer but the U.S. Navy. It is this concentration of defense workers in one small area of the state that leaves the community so vulnerable to defense-related economic disruption.

Of course, in the event of a contract termination or cutback at the shipyard, far more than the 24,000 EB workers would suffer. In my district alone, there are over 250 businesses with whom EB subcontracts. Most of these businesses and the people who work there would suffer if there was a major cutback at EB. The ripple effect from United Technologies would be even greater.

Obviously, then, the potential economic effects of major defense cutbacks in Connecticut concern me greatly. During the four years I have served in Congress, Electric Boat has experienced a five month strike, and the layoff of 3000 workers at one time. More recently, 8000 EB workers were handed pink slips which were later withdrawn.

Yet, despite these clear warnings, one of the greatest challenges I have faced is trying to convince the people in my district that our economic dependence on defense is potentially disasterous. My constituents see the 24,000 jobs at EB as an economic resource, and they wonder why I spend time attempting to point out the economic pitfalls of our defense dependence.

This past August, I sponsored a conference in Hartford titled "Defense Dependency and New England." I was pleased to have Connecticut's governor, Ella Grasso, and Senator Charles Mathias of Maryland participate in the conference and address themselves to this important issue. We were also fortunate to have representatives from the Pentagon's Office of Economic Adjustment, the Economic Development Administration, State and local government, and, most importantly, business and labor groups. We of course were not able to solve all of New England's defense-related economic problems at that conference, but I believe that it was a great success in bringing together many of the people in government, business and labor who have a direct stake in the problem. We were also successful in bringing the issue to the public's attention for what may have been the first time in Connecticut. If nothing else was accomplished, I believe that informing the public that there are serious economic problems associated with defense dependency, was well worth the effort.

I applaud this committee's work in providing the same service to the people of California who should be just as vitally concerned as the people of Connecticut.

However, I think we must recognize that many people looking at the number of workers the defense industry employs in California and Connecticut would ask us why we see our good fortune as a potential problem. There is a widespread belief that defense spending and the resulting employment is automatically a boon to any community.

One of the primary reasons the general public perceives defense spending as unambiguously beneficial to an area's economy is the vigor with which public officials fight to insure that military bases or defense plants are not shut down in their communities. A situation can thus develop where basic decisions affecting our national defense can be made for parochial economic reasons rather than for a true assessment of what is needed for our national defense. But defense spending is not necessarily beneficial to a local economy or even to our national economy.

In fact, a number of thoughtful economists have long been telling us that defense spending does more economic harm than good. Defense industries, after all, produce goods which consumers cannot buy. No new civilian jobs are created once a tank rolls off the production line. Its economic usefulness ends once it has been produced. Military spending also fuels the inflationary cycle because bringing down the cost of military hardware has never been one of the Pentagon's greatest concerns. Defense industries are able to bid up the price of materials and skills, thus making them more expensive to the civilian economy. The best technological talent in this country also seems to end up in the service of the military. Military technology has become the cutting edge of much of our most sophisticated technology. Some of our best scientists and technicians work for the defense industry, denying their skills to the civilian sector. Some economists contend that our present inability to successfully compete on the international market in stereos, televisions, automobiles, and other areas is a result of our best engineers and scientists leaving civilian work or never joining it in the first place.

So far from being a boon to the national economy, defense spending can actually seriously weaken our whole economic system. Communities which are heavily dependent on only one source of employment are naturally vulnerable to economic dislocations. This vulnerability is exacerbated if that one industry is defense oriented. The defense industry knows no market force but that exerted by the Federal Government. As we are all aware, decisions on defense spending can vary substantially from administration to administration, from Congress to Congress, and because of international conditions over which we may have no control.

When layoffs occur, defense workers are often laid off enmasse. California's experience with the B–1 is ample proof of that. The point is, however, that the layoffs which hit the workers at Rockwell International could just as easily have struck thousands of workers in Connecticut, New York, Washington, or any other defense dependent state. It unfortunately takes the cancellation of a contract as large as the B–1 before the dangers of overreliance on defense spending hits home. When I saw the TV reports of hundreds of B–1 workers walk out the factory gates for the last time, I could not help but think that the same thing could happen in my district.

At the present time, the Electric Boat Company in my district has plenty of contracts and will for years to come. When a community like mine is in the feast stage of the feast or famine cycle of defense spending, there are few complaints, and unfortunately few thoughts of what might happen if the nearby military base closes or the local defense plant has its contracts cut back. However, it is precisely during the times of plenty that the temptation of sitting back and congratulating ourselves for our good fortune must be avoided. It is then that a community should start seriously planning for the contingency of reduced defense spending in the future.

I realize that these hearings have been convened to address the issue of "Defense Dependency and Economic Conversion". However, I would like to bring to the committee's attention an alternative to economic conversion as a method for reducing a community's defense dependence. That alternative is the economic diversification of an area. This is not a substitute of Economic Conversion but rather a supplement to that approach, and practically a more achievable goal than some of the Economic Conversion proposals.

Let me briefly discuss economic conversion and the economic diversification proposals. First of all, as public officials we must take into account public perceptions of what reducing our economic dependence on the defense industry is supposed to accomplish. To me, reducing defense dependence simply makes good economic sense because it reduces a community's economic vulnerability to severe economic disruption. I do not approach the issue from a disarmament viewpoint although I do not disagree with this approach.

Unfortunately I do not believe the conversion of defense industries to civilian production will be necessitated by our current negotiations with the Soviet Union to limit Strategic Arms. For example, in 1972, SALT I placed upper limits on the number of strategic delivery vehicles each side maintains, but required no actual reduction. The Vladivostok agreement of 1974 limited both the U.S. and the U.S.S.R. to 2400 strategic delivery vehicles, again necessitating no actual cutbacks. As much as I would hope that the SALT II treaty currently being negotiated will result in substantial reductions in both sides strategic stockpiles, I think that there is now no question that it will not. In fact, it appears that President Carter may well give his approval to new strategic systems in order to appease potential SALT critics in the Senate.

The economic conversion of a military base or most of the larger defense plants can only occur if the facility is completely shut down. Alternative use planning may be the key to economic conversion. If every military base and defense plant were required to maintain a plan for the conversion to civilian use in the event of a shutdown, the pressure to keep the facility operating at any cost would not be so severe. And of course, the resulting economic dislocation would pass more quickly as workers would be retrained to operate the converted facility.

Planning for the possible shutdown of defense facilities through alternative use planning is obviously a prudent measure which must be encouraged. However, it has been my own experience that incremental cutbacks in defense production are more common than outright shutdowns. Your experience here in California, especially after the B–1 cancellation, may be substantially different.

It is a result of Connecticut's experience that I have stressed economic diversification, rather than conversion, as the primary vehicle to reduce overreliance on defense spending. Diversification is an old concept. The desirability of economic diversification has long been recognized by the business community. I would be hard pressed to name one major corporation which has not sought to reduce its vulnerability to market fluctuations by diversifying its operations. Simply stated, diversification makes good economic sense. While a corporation may be relatively well protected against the loss of a major defense contract, the same will probably not hold true of the local community. It is in the local community that diversification is most important.

Legislation I will be introducing in the next session of Congress will seek to aid defense dependent communities diversify their economies. I will propose the establishment of an office of economic diversification within the economic development administration. The office will assist local diversification committees draw up long-term diversification plans, and strategies for implementing them. Naturally, if a community is happy with its heavy dependence on defense contracts, then it would certainly not be required to participate in a diversification program. The basic decision-making should be left in the hands of the local government, and not mandated by the state or federal governments. The lack of local input over many government programs, by the way, is one of the causes, I believe, of Proposition 13 fever. For economic diversification strategies and economic conversion plans to work, we need to build a political base with grass roots support.

The diversification assistance I envision will be targeted on a priority basis to the communities with the highest levels of economic dependence on defense spending. The decision of what kind of diversification strategy a community should pursue will be left largely in the hands of the local committee. An office of economic diversification will be able to provide the technical assistance necessary to form an appropriate strategy and it will be able to provide a community with a broad range of options. Once a diversification committee has identified the resources available in the area and the types of industries best suited to take advantage of these resources, they can then seek assistance from existing federal agencies for those projects they feel are most necessary to expand their economic base and the commercial desirability of their area in order to attract new industry.

If a diversification committee is unable to obtain the federal funding it seeks, it could appeal to the office of economic diversification. If the office, on the basis of a community's level of defense dependency and the strength of its diversification plan, determines that the requested funds are necessary to implement the community's diversification plan, the office would then make the funds available to the appropriate federal agency. In this way, defense dependent communities would have a "second chance" at obtaining economic diversification asssistance. This concept of "second chance funding", I believe, will provide many defense dependent areas with the long-term economic aid they need to successfully diversify.

Long-range diversification strategies, drawn up at the local level with the aid of an office of economic diversification, are the surest way to avoid the potentially catastrophic consequences which can befall any community too dependent on defense spending.

We must face the fact that high level of reliance on defense spending is economically unhealthy in any state or local community. Drawing up alternative use plans to deal with the possibility of base and plant shutdowns, coupled with a program of economic diversification, is the way to move towards a more stable and less vulnerable economy.

Mr. Chairman, members of the committee, thank you for your indulgence. If you have any questions, I would be pleased to try to answer them.●

NELSON ROCKEFELLER EULOGIES

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 8, 1979

● Mr. WYDLER. Mr. Speaker, I would like to include in the RECORD additional newspaper articles eulogizing the late Nelson A. Rockefeller. As these articles show, tributes to this great American echoed throughout the world.

The articles follow:

[From the Tulsa World, Jan. 29, 1979]

NELSON ROCKEFELLER

Nelson Rockefeller, the scion of the Rockefeller dynasty who channeled his immense wealth and abilities into politics, is dead at 70.

While he was unsuccessful in three tries at the Presidency, he nevertheless was a power in Republican politics, serving three terms as Governor of New York, and a hitch as an appointed Vice President under Gerald Ford.

Rockefeller's death leaves only Laurance and David alive of the five grandsons of John D. Rockefeller, who founded the Rockefeller financial empire.

John D. Rockefeller III died in an automobile accident last July. Winthrop, who had served as Governor of Arkansas, died in 1973. A sister, Abby, died in 1967.

Nelson Rockefeller was the leader of the liberal faction of the GOP which lost out to the forces of Richard Nixon in 1960 and 1968 and Conservative Barry Goldwater in 1964.

All of the Rockefeller brothers, backed by the virtually unlimited resources of the family fortune, have proven to be good stewards of that legacy. The family's philantropic efforts have been considerable and each brother has contributed to society in his own way.

For Nelson, the attraction was service in public life. His record as Governor of New York was good and most observers think he would have made a strong and capable President.

He was a loser in Presidential politics but the judgment here is that the American public was perhaps the greater loser for his having failed to attain the job.

[From the St. Louis Post-Dispatch, Jan. 29, 1979]

NELSON ROCKEFELLER'S LEGACY

Years after the sudden death of Nelson A. Rockefeller, history may set him down alongside Henry Clay and William Jennings Bryan and other men who diligently sought the presidency, never won it, yet left an imprint on the American political system.

Nelson Rockefeller did not come very close to being chief executive, despite a background of family prestige a brilliant record as governor of New York and personal charm. Indeed it is ironical that despite making overtures for the Republican presidential nomination in 1960 and openly seeking it in 1964 and 1968 the closest he did come was as an appointed vice president for a non-elected president Gerald Ford.

Yet Mr. Rockefeller served his state and his nation well officially and otherwise. He was employed by two administrations to seek better relations with Latin America a particular field of his expertise and served as coordinator of Inter-American Affairs. His unofficial influence on public issues was extended through sponsorship of the Council on Foreign Relations and chairmanship of the Commission on Critical Choices for Americans.

From all this the public got the impression, not just of an Eastern Establishment spokesman, but of a liberal, at least in the British sense of the word. He believed in free enterprise and government that was freely representative of all elements in the nation, and as to foreign policy, the world was far too small, and his interests far too broad, for him to concede anything to isolationism. But a liberal Republican? That was the trouble.

He could easily have been a Democrat, it has been said, but he was a Republican, and the right wing of his party denied him the presidential nomination. The struggle of the Old Guard to maintain party control at all costs, even at the cost of losing elections, is an old one. It was seen when Taft supporters tried to deny the nomination to President Eisenhower, and again when the right championed Goldwater candidacy to disaster. But Nelson Rockefeller's challenge to the GOP was to keep closer to the middle ground of America, the only basis either for victory or effective government.

Mr. Rockefeller himself said it well at the 1976 Republican National Convention in Kansas City: "The nation needs a strong and vigorous two-party system. Frankly, this Republican party of ours has been shrinking . . . We know we can have a broad appeal. We've won four out of the last seven presidential elections. But we did it with candidates and campaigns that appealed to the broad spectrum of the American populace—not a narrow few."

The party to which Nelson Rockefeller devoted his political career and best instincts, and which rejected him, is still caught in a struggle between factions and still seeks its direction. But if he had not been on the political scene, constantly urging that broader appeal to America, the two-party system might now be weaker. That is part of his legacy to the nation.

[From the Kansas City Times, Jan. 29, 1979]

NELSON A. ROCKEFELLER

Playing the game of what-might-have-been can go on and on. In the case of Nelson A. Rockefeller, the possibilities are infinite. What if Rockefeller had succeeded in derailing Richard M. Nixon somewhere along the line? What if he had succeeded in securing one of the Republican nominations he sought? Win or lose, the effect on the United States and the GOP would have been immense.

Rockefeller rates much more than a footnote in the books, and we would guess that in the years ahead historians will uncover the Rockefeller factor in political and economic equations not now known. The uses of the Rockefeller fortune permeate American life. His role as governor of New York and his influence since the days of World War II in the federal government went far beyond that state or any particular job he held in Washington. Sometimes it seemed as if he were conducting his own state department or shadow government that often complemented, and sometimes conflicted with, official policy.

Great sections of the Republican Party never accepted Rockefeller, yet he had a profound impact on the Grand Old Party. The ravening delegates at the 1964 Goldwater convention focusing their hatred on Rockefeller showed an element of the party naked and at its worst. It seared a lot of people, including other Republicans.

Rockefeller's name and wealth were forces that worked against a clear run at the White House on his own. Gerald Ford made him Vice President at a time when the fragility of the executive branch had been painfully demonstrated. The country sighed with relief. Whatever happened Nelson Rockefeller was a man who knew what to do. People wondered how such a man ever could put himself in the place of a commoner with unpaid bills. But in New York, and in the party, he was a voice of compassion for the poor. Sometimes it seemed that Republican fat cats, men who had made it on their own and who couldn't understand why everyone else couldn't overcome poverty, were the ones who disliked him most.

Attica, intraparty throat-cutting, the frustrations of the vice presidency and a boredom that came with being a Rockefeller ("after that what else is left except the White House?" he once said) were other parts of the story. It was a drama that somehow had an unsatisfactory ending.

[From the St. Louis Post-Dispatch, Jan. 29, 1979]

ART PATRON ROCKEFELLER ACQUISITIVE, CONTROVERSIAL

(By Robert W. Duffy)

Nelson Rockefeller pursued art collecting with the same vigorous intensity with which he pursued the presidency of the United States.

By the time he died Friday night in his study at 13 West 54th Street—a stone's throw from the Museum of Modern Art in New York, an institution he and his family have served and supported since its birth—Rockefeller had gathered a Medicean collection of works of art—everything from the work of the greatest of the modern masters and classics of primitive art to exquisite china, rugs and furniture. In all, it has been reported that Nelson Rockefeller owned in his lifetime as many as 16,000 pieces of art.

He bought his first object when he was on a round-the-world honeymoon with his first wife, the former Mary Todhunter Clark of Philadelphia, in 1929. The object was a knife handle in the shape of a shrunken head, purchased in Sumatra. That purchase was to be prophetic: As the years went by, Rockefeller was to amass a splendid collection of Oceanic, African and pre-Columbian objects.

The first in a series of books on Rockefeller's collection was devoted to his collection of primitive art. Called "Masterpieces of Primitive Art," the book, with an introduction written by Rockefeller, was published by Alfred Knopf in October 1978.

In 1957, Rockefeller founded the Museum of Primitive Art in New York to house his collection. The work is now in the Metropolitan Museum in New York, housed in the Michael C. Rockefeller Memorial Wing. The wing was named for Rockefeller's son, an anthropologist, who was killed in New Guinea in 1961.

Nelson Rockefeller was at work on the second volume of books on his collection, which was concerned with modern art, at the time of his death.

In 1932, when he was only 24, he took a seat on the board of the Museum of Modern Art. In 1935 he became treasurer; by 1939 he was its president.

(His taste for the moderns would, at times, cause him problems. For example, when Rockefeller Center was being completed, he commissioned Mexican artist Diego Rivera to paint the central murals for the massive complex. What Rivera painted—a picture quite critical of capitalism, complete with a portrait of Lenin—was unacceptable. Rockefeller tried to bargain with the artist, who refused to compromise. The mural was effaced.)

Rockefeller filled his residences in New York City, in Pocantico Hills, N.Y., and in Maine, with works he bought and works he commissioned. In the 1930s, for his lavish New York apartment, Henri Matisse and Fernand Leger were commissioned to paint murals; Alberto and Diego Giacometti supplied lamps and fireplace andirons.

When Rockefeller was named vice president by former President Gerald R. Ford, the Rockefellers took to the vice presidential mansion in Washington a number of the modern works they owned and gave to the nation a bed made by the surrealist artist Max Ernst.

Rockefeller probably would have been revered forever as a patron, connoisseur and benefactor of the arts had he not embarked on a curious enterprise last year.

Rockefeller went into the art business. And the area of art commerce he went into is one that is increasingly the subject of much criticism, that is, art reproduction.

Doing business as the "Nelson Rockefeller Collection," Rockefeller arranged to have reproduced works of art and decorative objects that he owned.

Offered for sale in a glossy catalog mass-mailed from Labor Day on and in a showroom at 48 East 57th Street in Manhattan were reproductions of the Giacometti andirons and lamps; a repro-Rodin bronze for $7,500; works by Degas, Nadelman, Bonnard, Cezanne and Toulouse-Lautrec; as well as primitive pieces, furniture and china.

The list goes on and on—a list of copies of precious things collected by Rockefeller over the years, now offered to the public like highly-priced gimcracks.

Friends and acquaintances of the Rockefellers were heard to say, "Can you imagine Nelson opening a store!" A recent New Yorker magazine cartoon portrayed a couple showing off their living room to visitors. The gag line reads something like, "We've re-done the room completely in Nelson Rockefeller."

There is a more serious side, however. Some critics have called the Rockefeller venture artistic profanity. The works are not represented as mere copies, but as reproductions of enduring merit. Critics like Hilton Kramer of the New York Times have judged them, however, "glossy but shoddy."

The reproduction business, as practiced by Rockefeller as well as former Metropolitan Museum director Thomas P.F. Hoving (who set up shop last year), has been condemned by the American Art Dealers Association. The position of the association is that the high-priced reproductions business dilutes and diminishes the market for original works of art.

The association's condemnation, in the opinion of many critics, curators and practicing artists, is not self-serving. For the price one pays for a Rockefeller reproduction of a Picasso, say, one can buy an original produced by an artist of merit.

Viewing a reproduction, as Hilton Kramer correctly observed, "bears little relation to the experience of the original object . . . it demeans the artist's work—all in the name of bringing it closer to us."

Nelson Rockefeller, a grand acquisitor, a man of great taste, was, however, following in the footsteps of his progenitors, men who were never hesitant to make a buck. And apparently, the Nelson Rockefeller Collection is successful.

One can be sure, however—and this is to his credit—that Nelson Rockefeller never, ever would have considered buying one of the objects that, late in life, he offered for sale.

[From the Los Angeles Times, Jan. 30, 1979]

ROCKEFELLER EULOGIZED BY SON AT GRAVESIDE SERVICES

TARRYTOWN, N.Y.—The ashes of Nelson A. Rockefeller were buried Monday in a family cemetery here after a eulogy by his 15-year-old son.

None of the public clamor that punctuated Rockefeller's life was evident at the graveside rites.

"Dad, we know how much you love us and we want you to know how much we love you and how much we will miss you," Nelson Jr., one of two sons by Rockefeller's second marriage, said.

"Your spirit will live on with us forever. We'll try to live up to the example you've set as a father, as a husband, as a brother, as a statesman and as a friend.

"Dad, we're not saying goodby, but until we meet again."

After the eulogy, Laurance Rockefeller, one of two surviving brothers, told his nephew: "Nelson, you've spoken for all of us."

The former Vice President and four-time New York governor, who died of a heart attack Friday night, was cremated Sunday at the Ferncliff Crematory near the family's 250-acre Pocantico Hills estate.

President and Mrs. Carter will attend nondenominational memorial services for Rockefeller on Friday morning at New York's Riverside Church, the White House announced Monday.

Only family members were present Monday for the 70-year-old Rockefeller's 30-minute graveside rites.

Attending the ceremonies were his widow, Margaretta (Happy) Rockefeller, by whom he had two children, and Mary Todhunter Clark, who had borne him five children before their 1963 divorce.

The grave was just to the right of the plot where John D. Rockefeller Jr., Nelson's father, and his mother, Abby Aldrich Rockefeller, are buried. The patriarch and founder of the family fortune, John D. Rockefeller Sr., is buried in Cleveland.

Estimates of Nelson Rockefeller's personal fortune ran as high as $200 million to $250 million. Included, however, was a $37.4 million art collection, which he reportedly willed to Manhattan's Museum of Modern Art.

[From the Chicago Tribune, Jan. 30, 1979]

NELSON A. ROCKEFELLER

Strong political leaders—indeed, leaders in any field—have a quality in common: They tend to be so uniquely themselves, so all-of-a-piece, that even their deaths bear the same individual stamp and character as their lives. Perhaps that is what's meant by "integrity." It is certainly a quality that Nelson Aldrich Rockefeller had in full measure.

Mr. Rockefeller's death at 70 Friday was in itself almost a monument to his life. He was stricken at 10:15 p.m. while working in his midtown Manhattan office, after having spent a typically long working day; it had included a speech introducing former Secretary of State Henry Kissinger, a long-time friend and associate, in an appearance at a private school attended by two of Mr. Rockefeller's sons. When he collapsed of a heart attack, he was working on a forthcoming volume about modern art, one of many projects associated with his own vast art collection.

The great themes of Nelson Rockefeller's life—business, statecraft, art, zest for hard work, and a tireless drive to share his advantages with others—came together at his death.

Mr. Rockefeller was one of the richest men in the world, member of a financial dynasty and heir to the incalculable oil and real estate fortune founded by his grandfather, John D. Rockefeller Sr. He could have lived a life of uninterrupted luxury and ease. Instead, he plunged into the management of an industrial empire, broadened its philanthropic scope, and became a powerful force in the nation's political life—adviser and administrator to every President since Franklin Roosevelt, four times governor of New York state, founder and head of a panel designed to solve the nation's economic and social problems, Vice President under President Gerald Ford. The one goal he never reached was the Presidency itself; he repeatedly sought but never won the Republican nomination.

Nelson Rockefeller summed up his own life in the brief speech he gave on taking office as Vice President. "I feel a great sense of gratitude," he said, "for the privilege of serving the country I love." The services can never be returned; the gratitude can be, and is.

[From the Chicago Tribune, Jan. 29, 1979]

NATION'S LEADERS EXPRESS SORROW

Former President Gerald R. Ford, the man who appointed Nelson A. Rockefeller Vice President, said Saturday that Rockefeller's death was a tragic loss personally and politically.

"One cannot adequately express one's sadness when a tragic death occurs," Ford said in a statement from King Hussein's guest palace in Amman, Jordan. "I have lost one of my closest friends, both personally and politically."

Ford appointed Rockefeller his Vice President upon succeeding Richard Nixon in the White House. He learned of Rockefeller's death shortly after breakfast on the next-to-last day of his two-week Middle East tour.

"The nation loses a truly great leader who unselfishly devoted his lifetime to helping his country and its people.

"The world has lost a statesman with vision, understanding, and wisdom. Betty [Mrs. Ford] and I extend our deepest condolences to Mrs. Rockefeller, their children, and the Rockefeller family," Ford said.

Nixon, in a statement issued at his San Clemente, Cal., office, said:

"Nelson Rockefeller inherited great wealth. But to his eternal credit, instead of sitting on the sidelines, living it up, he plunged into the political arena, where he enjoyed great victories and suffered disappointing defeats.

"His great ability, enormous energy, unfailing good humor, and selfless dedication to public service left an indelible mark for good on the American political scene.

"Mrs. Nixon joins me in expressing our deepest sympathy to Mrs. Rockefeller and his family."

NEW YORK Gov. Hugh Carey ordered the flags at all state office buildings lowered to half-staff and praised the four-time Republican governor as "a man of wisdom and courage, energy, and vision."

"With the passing of Nelson Rockefeller, we have lost our great governor and our beloved Vice President," he said.

Ronald Reagan, former California governor and presidential candidate, awakened at his home in a Los Angeles suburb, said: "I've known him for years, and we had many dealings as governors. He was a longtime public servant. We had our political differences, but we had a cordial relationship. I'm deeply shocked, as I'm sure everyone is, and I have the deepest sympathy for his family."

Sen. Percy [R., Ill.], whose liberal political philosophy was considered akin to Rockefeller's, said: "Nelson Rockefeller's influence on American politics was considerable, just as his influence on many lives was great.

"Throughout his lifetime, he was in the forefront of human rights, but he always stood for a strong national defense and a dynamic foreign policy.

"It was characteristic of Nelson Rockefeller that, as he closed the political chapter of his life, he immersed himself in the next phase, his modern art collection, with the same enthusiasm and energy that he had shown in all other aspects of his life."

Gov. Thompson Saturday directed that all Illinois state officers fly the American flag at half-staff next week through sundown Friday.

Thompson said of Rockefeller: "He was a personal friend, but more than that, he was one of the best friends this nation ever had.

"He was always a part of our country's courage and integrity, and we will all miss him. I feel deep sympathy for his family."

Former Illinois Gov. Richard Ogilvie characterized Rockefeller as "a fine, decent guy."

"He was my choice for Vice President when Ford was running for President, and I believe if Ford had picked Rockefeller rather than Bob Dole, he would have continued to be President."

Ogilvie recalled that when he was elected governor in 1968, "I sent members of my transition team to visit then-Gov. Rockefeller in New York, and he gave them excellent advice on how to organize our administration. We got to be close friends as fellow governors."

When Rockefeller made his belated entry into the 1968 presidential campaign, his third unsuccessful attempt for his party's nomination for the office, Elroy Sandquist was his Illinois campaign chairman.

Sandquist, now a Republican state representative from Chicago, said:

"I am deeply shocked by his death. I got to know him very well, and I found him to be a warm and understanding human being. I was very disappointed that we didn't get him nominated in 1968."

In Charleston, West Virginia Gov. Jay Rockefeller, Nelson Rockefeller's nephew, said he was saddened to learn of his uncle's death.

"Sharon and I grieve over the loss of Uncle Nelson, not only from our family's standpoint but also that of the state and nation," the governor said. "His energy, zest, and determination for a stronger, wiser America came from a total devotion to this country and its way of life."

Mrs. Rockefeller is the former Sharon Percy, daughter of Sen. Percy.

Sen. Jacob Javits [R., N.Y.] said Rockefeller had "a big vision and a big concept of what the American people were capable of achieving in peace and prosperity for themselves and the world. His extraordinary public service to New York State, to our nation, and to his political party are the material of history and will mark him as one of America's most distinguished sons.

"We will do well to remember his ideas, his teachings, and his personal warmth and dynamism. It will help us as individuals and as a people. We have all lost a good friend."

Former Sen. Hiram Fong of Hawaii said Rockefeller "always appeared in good health. It was surprising. He was a fine man. I knew him quite well and liked him very much."

Fong said Rockefeller was twice "within reach of the presidency," when he was asked by Nixon to run against John Kennedy and when he was Ford's Vice President.

"Had he run with Nixon against Kennedy, both would have won, and the history of the world would have changed," Fong said.

James Farmer, founder of the Congress of Racial Equality [CORE], said: "It is with great sadness and grief that I learned of the passing of an old friend, Nelson Rockefeller. Nelson was a friend whose wealth did not blind him to human misery, suffering, and poverty. He was a man of passion for all people—rich and poor."

[From the Chicago Tribune, Jan. 28, 1979]

Stunned Family Prepares Rockefeller's Last Rites

NEW YORK.—The stunned family of Nelson A. Rockefeller gathered Saturday morning to make funeral arrangements for the former Vice President who died late Friday night of an apparent heart attack at the age of 70.

Laurance Rockefeller, Nelson's brother, emerged into Fifth Avenue with his wife, Mary French Rockefeller, both in tears after a morning telephone conference with family members far and wide.

Laurance Rockefeller spoke in a weak voice as he and his wife came out into the wind.

He said he wanted to try to "say a few words about my brother.

"I have always loved and admired Nelson as a brother and friend for as long as I can remember."

Rockefeller clutched a small plaque of the well-known prayer of St. Francis of Assisi. He said he is finding "great solace" in it and asked Hugh Morrow, a Rockefeller spokesman to read it. Morrow read the last paragraph:

"O Divine Master, grant that we may not so much seek to be consoled as to console, to be understood as to understand, to be loved as to love. For it is in giving that we receive, it is in pardoning that we are pardoned, and it in dying that we are born to eternal life."

Morrow, also weeping as he stood in an icy wind on the sidewalk, said the family would be reunited in a few hours and funeral services would be worked out.

Former Secretary of State Henry Kissinger was with Rockefeller's youngest son, Mark, at the Pocantico Hills estate in Westchester County. It was Mark's 12th birthday Friday and no one knew if Kissinger had informed him yet.

The late governor's wife, Margaretta—known as "Happy"—accompanied by a doctor, gave the news to their other son Nelson Jr., after returning from Lenox Hill Hospital in early morning. Morrow said she was grief-stricken, but composed.

"We will miss him very much," the boy is reported to have said.

Spokesman Morrow said Rockefeller died while working at his desk in Rockefeller Center, the midtown Manhattan business and entertainment complex that bears the family name.

Morrow said Rockefeller collapsed at about 9:15 p.m., Chicago time, as he worked on a book featuring his extensive modern art collection.

Security personnel tried in vain to revive him. He was taken to Lenox Hill Hospital, where he was pronounced dead.

Dr. Anthony Mustalish, chief of emergency services at the hospital, said Rockefeller arrived at about 10 p.m. Chicago time, and was not breathing. Mustalish said a team of doctors tried for an hour without success to revive him.

The body was taken to a funeral parlor in Tarrytown, N.Y., where the family's estate is located.

Rockefeller, a Republican who served as New York's governor for 15 years, spent a "normal day at his office" before the incident, Morrow said.

"Rockefeller was enjoying life since leaving politics and had not suffered any illnesses," Morrow said.

He said the former Vice President always had been considered in excellent health and apparently died of "instantaneous heart seizure."

Morrow said that at about 5 p.m., Rockefeller had accompanied his wife and their two sons to young Nelson's private school for a speech by Kissinger, Kissinger, a long-time friend, had been an adviser to Rockefeller during his years as New York's governor.

The family then returned to their Fifth Avenue apartment for dinner, after which Rockefeller went back to his office to work on his art book.

Since leaving the vice presidency and politics in 1976, Rockefeller had energetically devoted his time to retail sale of reproductions of works in his art collection. He printed a catalog before Christmas offering the high-priced and high-quality works.

He had been scheduled to speak Saturday to the Fifth World Antiques Market Conference here, where he was to announce plans to make his retail store on 57th Street a permanent operation.

Nelson was the oldest surviving brother of the sons of John D. Rockefeller Jr. His brother John D. III, eldest of the third generation of the financial dynasty started by John D. Rockefeller, died last July in an automobile accident on the family estate. He was 72.

Another brother, Winthrop, died in 1973 after serving as governor of Arkansas for two terms.

Two other brothers, Laurance and David, and a sister, Abby, survive. Laurance, 68, has made his career in philanthropies, especially conservation efforts. David is a giant in American financial circles; he is president and chairman of the Chase Manhattan Bank.

Rockefeller had been elected to four terms as governor of New York State, served in an array of appointive posts in government during World War II and after, and managed the family's many business enterprises.

Rockefeller was born July 8, 1908, in Bar Harbor, Me. His grandfather, John D. Rockefeller, was the country's first billionaire and the founder of the Standard Oil Co.

In 1930, Rockefeller graduated from Dartmouth College, received a $2,500 bonus from his father for not smoking or drinking, married Mary Todhunter Clark, the daughter of a socially prominent Philadelphia family, and immediately began supervising the family businesses.

Recalling his youth, Rockefeller said his Baptist religion played a major role in his family. "We had family prayers every morning before breakfast and on Sunday attended Sunday school and church," he said.

"We were raised strictly, as was my father and his father before him. The surroundings were obviously different but the principles and the discipline were the same."

During World War II, Rockefeller served under Franklin Delano Roosevelt as coordinator of inter-American affairs, and also as assistant Secretary of State. He was undersecretary of the Department of Health, Education, and Welfare in 1953–54; special assistant to the President in 1954–55; and chairman of the President's committee on government organization in 1953–58.

In 1958, in his first try for elective office, he scored a political upset by defeating Democrat Averell Harriman for New York governor by 573,000 votes.

His original and somewhat stiff "Call Me Nelson" approach soon gave way to the familiar "Hiya, fella!" wink-and-grin "Rocky" that proved a delight to political cartoonists and headline writers. He was elected governor four times.

Two years later, he made a belated try for the Republican presidential nomination but was defeated by Richard Nixon, who became a bitter personal political enemy and longtime foe of Rockefeller's liberal tradition.

In 1964, he let the GOP nomination slip away again, this time to Sen. Barry M. Goldwater of Arizona. In 1968 he lost to Nixon a second time.

Rockefeller's years as New York governor are best remembered for his stand during the Attica prison rebellion in 1971, during which 43 people died. His refusal to go to the prison in western New York and negotiate with the inmates stirred liberals to charge the governor with a lack of compassion.

In 1963 he shocked the political world by marrying Margaretta Fitler Murphy, a Bryn Mawr graduate and debutante whose family had made a fortune in the rope business.

Rockefeller and his first wife had separated Nov. 17, 1961, after a 31-year marriage. They were divorced in Reno, Nev., on March 17, 1962.

Some politicians believe his divorce, and remarriage to Happy, cost him the 1964 presidential nomination. As Rockefeller campaigned throughout the country, he often was greeted by criticism of his divorce and remarriage.

An authority on modern and primitive art, Rockefeller served as a trustee of the Museum of Modern Art in New York City. He also was a founder of the Museum of Primitive Art.

Rockefeller faced personal tragedy often during his life.

In 1961, one of his sons by his first marriage, Michael, was swept out to sea while on an exploration near New Guinea in 1961. His body was never found.

In 1974, while he was undergoing congressional confirmation hearings on his appointment as Vice President, Rockefeller called a surprise news conference in his Manhattan office. Many of the reporters present expected him to withdraw his name from contention.

Instead, he announced that his wife, Happy, had just undergone a radical mastectomy for breast cancer.

[From the Chicago Tribune, Jan. 29, 1979]

Carter's Tribute

WASHINGTON.—President Carter's statement on the death of Nelson Rockefeller:

"Today the nation mourns one of its most distinguished public men, Nelson Rockefeller. Rosalynn and I extend our deepest sympathy to Mrs. Rockefeller and his family.

Nelson Rockefeller was born to privilege and accepted his privilege as an obligation to serve his state and nation. He sought the highest service, but willingly and ably performed whatever tasks were asked of him by his country. He was a strong and popular governor. He served unstintingly under many Presidents of both parties whenever there was a special task to be done.

"At a time when our people's trust in their government had been deeply shaken he accepted appointment to the vice presidency, helping to reassure the nation with his own integrity and vigorous optimism.

"But Nelson Rockefeller did not limit himself to tasks others assigned him. He had special concern for the less fortunate, for the arts, for the processes of government itself, and, most of all, for the vision that guided this nation. When he saw a need, he marshalled the necessary resources and talent to set about meeting it.

"A warm and generous friend, he knew how to lose with grace and win with enthusiasm. He drank deeply of life from a full cup.

"We knew him by his good works."

[From the Los Angeles Times, Feb. 7, 1979]

ROCKEFELLER CREMATED; ASHES TO BE BURIED TODAY

TARRYTOWN, N.Y.—The body of former Vice President Nelson A. Rockefeller was cremated Sunday, a family spokesman said, a day before a private memorial service scheduled at the Rockefeller estate overlooking the Hudson River.

Rockefeller's ashes will be buried today at the family cemetery at Pocantico Hills. He and his brothers and sister spent much of their childhood at the family estate there.

Rockefeller, who died Friday night at the age of 70, was cremated in Westchester County, the spokesman, who asked not to be identified, said.

Hugh Morrow, another family spokesman, said most of the family, including Rockefeller's brother David, had joined his widow, Happy, and his children at Pocantico Hills by Sunday.

David Rockefeller, chairman of Chase Manhattan Bank, had been in Oman in the Middle East when he received word of Nelson's death, and immediately headed for home.

A separate memorial service for family, friends and national and international leaders was scheduled for 11 a.m. Friday at Riverside Church on Manhattan's Upper West Side. The church was financed with the help of donations by Rockefeller's father, John D. Rockefeller Jr.

New York Gov. Hugh L. Carey said he intended to hold a tribute to Rockefeller in Albany at a future date.

Rockefeller served 15 years as governor of New York and two years as Vice President under Gerald R. Ford.

[From the Los Angeles Times, Jan. 29, 1979]

NELSON A. ROCKEFELLER

He should have been President. To say that of Nelson A. Rockefeller is not to say definitively that he would have been a great President, certainly not that he would not have made mistakes of judgment. It is rather to say that more than most public men of his time he was equipped by experience, character and outlook to hold the office he so energetically went after, but which his own party firmly and at times vindictively denied him the chance for.

He was out of phase with the Republican Party of his day, as indeed by the time of his death his approach to public policy seemed out of tune with the currently fashionable political mood. "Era of limits," "lowered expectations" were phrases without meaning for Nelson Rockefeller; he seemed to have been born with a temperament of boundless optimism (and why shouldn't a Rockefeller be optismistic?); for him there were no problems without solutions, no obstacles that could not be overcome by hard work and good will. His evident belief in the inevitability and rightness of progress was in a way more of his grandfather's century than of his own.

After so many years of public life his record was, as they say, mixed; his death will not go unmarked by controversy about this judgment, that decision—but his views were consistent. From the beginning of his service in Franklin D. Roosevelt's administration, he was an internationalist; he knew that the United States was, like it or not, the main actor on the world stage, and he thought that the role should be played with both firmness and generosity. The beneficiary of democratic capitalism himself, he saw both its uses and its limitations, and he believed in employing government both to promote enterprise and assertively to provide for the common good.

From his public posts and his private philanthropies he encouraged improvements in education, medicine and science with the same gusto he applied to government, but it was art that enthralled him. "In a mechanistic world," he once said, "it is the great refresher, the source of inspiration, the renewer." It is hard to overestimate his influence on modern taste. He was one of those collectors who do not follow public taste but lead it; he did more than any person in America to bring primitive art into the public eye.

No stranger to private trouble and great grief, he was cheerful, even jaunty, in the face of public disappointment, and when you heard that gravelly New York voice you knew he thought that things—however they looked at the moment—were going to get better.

Vastly ambitious for himself, denied the prize he wanted most, Nelson Rockefeller nevertheless was what the phrase public servant is all about.

[From the New York Post, Feb. 1, 1979]

ROCKEFELLER REMEMBERED: THE ELUSIVE NOMINATION

(By William F. Buckley)

Some years ago—it was during the period of indecision in 1967–68 over whether to contest Richard Nixon for the Republican nomination for the presidency—Henry Kissinger called to advise me that Gov. Rockefeller would like to meet me. Meeting me is terribly easy to arrange, so not long after, HK and I rode up the elevator to the Fifth Avenue apartment, and Happy opened the door. What would I like to eat, drink, smoke, etc., and in a few minutes—powerful men, it is my experience, generally let a visitor cool for a moment or two to heighten the suspense: but it was easy to pause there, because within eyesight lay several million dollars of nicely distracting art treasures—he strode in. We exchanged pleasantries while I wondered what was the purpose of the meeting.

In due course I found myself listening to an hour-long recitation of his early career on the Latin American desk, at the Chapultepec Conference, and at San Francisco, where he had labored continually to counter Soviet machinations. All this was done quietly in the tones, I gradually perceived, of a postulant. Nelson Rockefeller wished to convince me that he was profoundly anti-Communist.

I always believed this true of him, but notwithstanding his consistency on the question—marred by an ambiguity on Vietnam when, briefly, Adviser Emmet Hughes prevailed over Adviser Henry Kissinger, respectively the dove and the hawk in the inner circle—Nelson Rockefeller permanently alienated the right wing in America. He did this in 1963 when he was induced to denounce in extravagant terms the whole of the conservative movement as though it were a branch of the John Birch Society. His reward was the distasteful episode in San Francisco when delegates who went there grimly determined to nominate Barry Goldwater gave Rockefeller the Bronx cheer—as if to say: "If that is what you think of US, this is what we think of YOU."

But Nelson Rockefeller never gave up. And so now, in 1968, he made a gesture to representatives of the right wing. During the convention itself, against the forlorn possibility that he might actually be nominated over Nixon and Reagan, a special representative of Rockefeller kept me regular company, his mission to guard against the preemptive denunciation of Rockefeller by certain quarters, which denunciation would have had on Rockefeller's candidacy the same effect that the virtual denunciation of him by the labor leaders had on George McGovern in '72.

Then, too, there was the image of Rockefeller the Big Spender. He was unquestionably the central figure in the progressive decline of the economy of New York and New York City. But he came gradually to recognize that there were limits to all of this. And so he quarreled with John Lindsay, who finally joined the Democratic Party, where he had always belonged. And on one occasion, with several dozen persons present, Nelson Rockefeller rose to toast Gov. Ronald Reagan at the other end of the room:

"I feel the urge to confess," said Gov. Rockefeller, "that I tried a different approach to state welfare than Gov. Reagan. And his has proved more successful than mine."

In 1970 we met to discuss the senatorial race in which my brother James competed, and won. The incumbent, Sen. Charles Goodell, having been appointed by Gov. Rockefeller upon the death of Robert Kennedy, had switched radically to the left, proving an embarrassment to Rockefeller. On that occasion he told me he would give only formalistic support to Goodell, to whom as a fellow Republican he was organizationally committed. "I really am a conservative, you know." And then, winking, "I've got a lot to conserve."

Classically, Nelson Rockefeller is another example of the man who, having nothing left to animate him, dies; like Napoleon at Elba, or Robert Taft after Eisenhower's nomination. He was a very strong man, persuasive in conversation, dogged in his pursuit of his goals, unsentimental, yet generous.

Henry Kissinger believes he would have been a great President. I think it altogether possible that this is true. He had the strength of character to profit from his own mistakes. If he had been kinder to Nixon during the years of exile, Nixon might have appointed him to replace Agnew. If that had happened, Rockefeller would almost surely have been President last week—in which event, almost surely, he would still be alive.●

BUDGET BALANCING

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. PAUL. Mr. Speaker, balancing the Federal budget has been a goal of some politicians—or at least a plank in their platforms—for decades. To listen to some, one might be persuaded to believe that balancing the Federal budget will end inflation, reduce taxes and the size of Government, and usher in an age of national prosperity. Unfortunately, a balanced budget, in itself, will do none of these things.

Inflation, for example, is caused by the Federal Reserve Svstem and the fractional reserve banking system it oversees. Inflation is not caused by unbalanced budgets, and balancing the Federal budget will have little or no effect on inflation as long as our present banking system remains unaltered. The year the stock market crashed, 1929, the Federal

Government had a stupendous surplus in its budget, $1.2 billion. A surplus of comparable size today would be $80 billion. Despite this large surplus (and surpluses in other years during the decade of the twenties), the Fed was still able to inflate the money supply sufficiently to cause the crash and subsequent depression.

Neither will a balanced budget reduce taxes or the size of Government. Budgets might be balanced by raising taxes as well as by reducing expenditures. Agencies, prohibited from spending more money, might promulgate regulations that shift costs from the Federal budget to the budgets of consumers and businesses. Balancing the budget, in short, will not result in any of the consequences desired by the proponents of a balanced budget. Inflation will end only when honest money—which is gold—becomes our national currency. Taxes will be reduced only when this body cuts taxes. The unconstitutional powers of the bureaucracy will be curbed only when this body summons the courage to curb them.

I ask that an article by Bruce Bartlett, an economist on the staff of Senator ROGER JEPSEN of Iowa, entitled "Budget Balancing" appear in the RECORD at this point. The article originally was published in the January 24, 1979 edition of the New York Times:

BUDGET BALANCING

(By Bruce Bartlett)

ARLINGTON, VA.—President Carter's proposed fiscal 1980 budget, which would contain a $29 billion deficit—down from the 1979 deficit of $37 billion—shows his concern for reducing the Federal deficit and moving toward a balanced budget for 1981. Gov. Edmund G. Brown Jr. of California also seeks a balanced Federal budget, but wants to mandate it by a constitutional amendment.

Although conservatives are widely applauding these actions, the economic rationale for a balanced budget is extremely weak and there may be unforseen consequences, both political and economic.

If one looks at the economic problem, there are really only two good arguments for a balanced budget: to hold down the growth of Government spending and to control inflation. Unfortunately, a balanced budget guarantees neither.

On the surface it would appear that an amendment requiring a balanced budget would reduce Government spending to the level of budget receipts.

But the Congress could just as easily decide to maintain the same high level of spending and raise taxes instead.

If you don't think the Congress will raise taxes if necessary to keep from cutting spending, remember that the last Congress raised Social Security taxes by $227 billion despite a so-called tax revolt.

Furthermore, every state in the Union has a provision in its constitution requiring a balanced state budget, yet this has had no effect on the states' ability to increase spending.

Indeed, for many years the fastest growth of government has been in the state and local sectors, not the Federal. Consequently, it is just wishful thinking to believe that Federal spending will be reduced by a balanced-budget requirement.

Nor can we expect a balanced-budget amendment to reduce inflation, because inflation is primarily caused by an expansionary monetary policy.

A budget deficit in and of itself has no inflationary impact. The only thing that matters is how that deficit is financed.

If it is monetized—that is, financed by creating more money—then there will be an inflationary impact, just as there would be from any increase in the quantity of money with or without a deficit.

But if the deficit is financed by borrowing from real savings, then there is no inflationary impact. Capital merely becomes diverted from market-directed purposes to Government-directed purposes. This may or may not be desirable on other grounds, but there won't be any inflation as a result.

Considering these facts, one wonders why conservatives are so adamant in their devotion to a balanced budget, especially when it has brought them so much political harm.

Because conservatives hate budget deficits so much, they became the liberals' tax collectors.

The liberals would win election by promising the people something for nothing via the miracle of deficit spending, and then they would let the conservatives oppose such spending or raise taxes to pay for it.

Consequently, conservatives have become associated negatively in the public's mind with those who take away their benefits without offering anything in return except the virtues of a balanced budget.

It is ironic that just when conservations have finally begun to shake off their hopeless quest for a balanced budget and adopt the more fruitful tax-reduction approach of Proposition 13, a liberal Democrat like Governor Brown should pick up the idea and breathe new life into it.

Eventually, conservatives must understand that "deficit" is only a code word without economic significance. They must be prepared to say that it is better to have a $400 billion Federal budget with a $100 billion deficit than a $500 billion budget that is balanced. Reducing taxes and reducing spending are the proper goals.

Pursuit of a balanced budget is not the way to achieve them.●

TRIBUTE TO TOM MACK, SKILLED ATHLETE AND GREAT COMPETITOR

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 15, 1979

● Mr. ROUSSELOT. Mr. Speaker, Americans have always paid great tribute to our Nation's outstanding athletes primarily, I believe, because these individuals express competitive strength and give their best for the performance of their skills to bring honor to their sport. It is, therefore, with justifiable pride that I tell my colleagues in the U.S. House of Representatives that one of our country's better-known professional football players is a constituent of the congressional district which I represent, California's 26th. Tom Mack, offensive guard for the Los Angeles Rams, is a resident of San Marino, my hometown. To be more accurate, Mr. Speaker, I must say that Tom Mack is a former offensive guard for the Los Angeles Rams, because Tom recently announced that he has retired from his career in professional football. While Tom's friends know that hanging up his jersey will mean the beginning of another outstanding career, they are, nonetheless, sad to lose him to the sport in which he has performed with excellence and through which he has afforded so much pleasure for those of us who have watched him play his sport to our ultimate expectations. Tom Mack has represented everything that is sportsmanlike—skill, agility, stamina, fairplay, and team spirit. On Monday night, January 29, in the Los Angeles Coliseum, Tom Mack played his last professional football game. Although his team lost out on the big one—Super Bowl—Tom Mack gave his all for an NFC win and went out in style with cheers and standing ovations from his fans and Ram's teammates.

None question that Tom Mack will have a highly successful career in his new profession as an engineering salesman for Bechtel Corp., but he will certainly be missed in the sport of football where he provided great entertainment, recreation, and diversion for those of us who are spectators. So, the San Marino Tribune called this "The End of an Era" in their Thursday, February 1 edition where Jeff Weir wrote an article about the night Tom Mack "hung up his cleats and shoulder pads for the last time." Without seeking public attention, Tom Mack played as he always had—giving his greatest effort to the team he had played with for 13 seasons, the Los Angeles Rams. I would now like to share Jeff Weir's article with my colleagues, because he was there on the night of Tom Mack's "retirement" and because Tom's friends expect to see even greater things emerge from Tom's new business career:

THE END OF AN ERA: TOM MACK

(By Jeff Weir)

Tom Mack hung up his cleats and shoulder pads for the last time Monday night after shivering through a lackluster Pro Bowl game in the cavernous Coliseum. The scene had all the touches of a storybook finish—and a little drama, and nostalgia, to boot, for it represented the end of an era.

Like his neighbor and friend, Merlin Olsen, Mack probably played more years for the Rams than he wanted to in hopes of getting to the Super Bowl. Sadly, neither Mack nor Merlin saw their Super Bowl wishes come true.

Still, Mack went out in style Monday, with standing ovations, hugs from his teammates and a Coliseum full of admirers, not to mention a national television audience.

The game had Mack written all over it.

Fittingly, he was the last man introduced to the sparse crowd. And, despite the fact that he was surrounded by the household names of pro football—the best in the world—Mack, just an offensive guard (not a glory position), drew the most attention.

It had to be a humbling experience, even for a man who'd become used to cheers.

The game itself was incidental. Even so, whenever Mack went into the game, things happened.

He made his first appearance midway through the first quarter to block for Frank Corral's field goal. Corral missed and Mack trotted back to the bench.

He started the second quarter, alongside several Ram teammates, and the NFC All Stars, behind Archie Manning, promptly moved downfield to the first touchdown of the game. After the kick, Mack trotted back to that familiar seat on the bench where he'd spent 13 seasons with the Rams. Now and then he'd reminisce with Coach Bob Holloway, the NFL defensive coordinator who just happened to be Mack's coach at Michigan 14 blurred years ago.

Mack returned to the field in the third quarter and, yup, the NFC again marched to a touchdown, the team's second and the game's final one.

The rest of the game was anticlimax. Nothing stirred the crowd until late in the game when, with the NFC running out the clock, coach Bud Grant sent Mack back into the huddle.

For the last time. The crowd knew it, the players knew it. Everything stopped while the players congratulated Mack with head slaps and bear hugs and the crowd rose to its feet. It was the stuff that shivers are made of, going right up the spine.

Then it was over.

Afterwards, standing naked before a battery of reporters, Mack tugged for the last time at the tape encasing his knuckles and ankles. He'd done countless interviews before, so this avalanche of newspapermen was nothing new. And he knew they were all looking for him to utter that one word or phrase that could turn a basic "retirement" story into a fasting piece of human drama.

As always, Mack accommodated every "How do you feel?" question with a sincere answer. He shook hands, joked, got serious, then joked again. And laughed—a great open faced laugh that is eminently believable.

His laughter, no doubt, was laced with sadness. "The hardest thing is walking away. It's overpowering. This whole week has been unreal for me, with people asking me not to retire. But there's no chance. I knew this was coming as far back as October.

"Football's been wonderful to me. But now I have to go out and start over. But it's hard to say goodbye."

Bending down, Mack tore the last bit of tape off his ankle and stuffed it into the bag holding his helmet, pads and shoes. Then, with a grunt, he lifted the bag and threw it toward the equipment man. With finality.

Asked again about retirement, for the umpteenth time, Mack replies with a grin, "People were so nice to me when I retired that I may retire again." Then, serious, he says, "I really don't know what to say, after all the years and interviews. . .

"The neatest part was Sunday afternoon, when you play. I know I'll miss it when everybody starts going to training camp next summer."

The reporters started drifting away, save for one who kiddingly asked Mack why the team scored every time he went into the game.

"Don't tell, but I was the secret weapon."

He was more than that. But he was gone, off to the shower where, very probably, he would have to endure a round of ribbing from his teammates. In the shower, football players act just like kids.

Later, dressed and ready for the next step in his life, Mack walked outside to another throng of young and old admirers, well wishers, autograph seekers, people who wanted to see what a football player looks like—up close.

And then he was really gone, off to the night, and later to San Marino, where he'll tackle his next career on the front lines of the Bechtel Corporation as an engineering salesman.

Mack, the personable, likable giant, will be missed. Football not only lost an aging offensive guard Monday but a veteran sportsman. Tom Mack was an ambassador of good will. Seeing him walk away from it all was, well, the kind of experience that shivers are made of, going right up the spine.●